

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934  
or Section 30(h) of the Investment Company Act of 1940
 Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

1. Name and Address of Reporting Person* <u>MULCAHY ANNE M</u>  (Last) (First) (Middle) <u>800 LONG RIDGE ROAD</u> <u>P. O. BOX 1600</u>  (Street) <u>STAMFORD CT 06904</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>XEROX CORP [ XRX ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman and CEO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>03/07/2006</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Incentive Stock Rights								366,000	D	
Xerox Stock Fund								13,300,425 <sup>(3)</sup>	I	Xerox Stock Fund
Common Stock								4,503.34	I	Employee Stock Ownership Plan
Common Stock	03/07/2006		G <sup>(8)</sup>	V	40,501 <sup>(8)</sup>	D	\$0 <sup>(2)</sup>	73,770	I	By Anne M. Mulcahy GRAT
Common Stock	03/07/2006		G <sup>(8)</sup>	V	3,770 <sup>(8)</sup>	D	\$0 <sup>(2)</sup>	70,000	I	By Anne M. Mulcahy GRAT
Common Stock	03/07/2006		G <sup>(8)</sup>	V	40,501 <sup>(12)</sup>	A	\$0 <sup>(2)</sup>	593,448	D	
Common Stock	03/27/2006		G <sup>(9)</sup>	V	100,000 <sup>(9)</sup>	D	\$0 <sup>(2)</sup>	493,448	D	
Common Stock	03/27/2006		G <sup>(9)</sup>	V	100,000 <sup>(9)</sup>	A	\$0 <sup>(2)</sup>	170,000	I	By Anne M. Mulcahy GRAT
Common Stock	07/05/2006		G	V	34,100 <sup>(10)</sup>	D	\$0 <sup>(2)</sup>	135,900	I	By Anne M. Mulcahy GRAT
Common Stock	07/05/2006		G	V	34,100 <sup>(10)</sup>	A	\$0 <sup>(2)</sup>	527,548	D	
Common Stock	08/18/2006		G	V	1,630 <sup>(11)</sup>	D	\$0 <sup>(2)</sup>	525,918	D	
Common Stock	01/03/2007		M/K <sup>(5)(6)</sup>		257,577	A	\$0 <sup>(2)</sup>	783,495	D	
Common Stock	01/03/2007		S/K <sup>(5)</sup>		72,090	D	\$16.9715	711,405	D	
Common Stock	01/03/2007		F/K <sup>(5)</sup>		70,992	D	\$16.9715	640,413	D	
Common Stock	01/03/2007		S		2,900	D	\$16.93	637,513	D	
Common Stock	01/03/2007		S		14,100	D	\$16.94	623,413	D	
Common Stock	01/03/2007		S		20,100	D	\$16.95	603,313	D	
Common Stock	01/03/2007		S		20,600	D	\$16.96	582,713	D	
Common Stock	01/03/2007		S		20,800	D	\$16.97	561,913	D	
Common Stock	01/03/2007		S		11,300	D	\$16.98	550,613	D	
Common Stock	01/03/2007		S		800	D	\$16.99	549,813	D	
Common Stock	01/03/2007		S		2,700	D	\$17	547,113	D	

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/03/2007		S		9,300	D	\$17.01	537,813	D	
Common Stock	01/03/2007		S		6,900	D	\$17.02	530,913	D	
Common Stock	01/03/2007		S		600	D	\$17.03	530,313	D	
Common Stock	01/03/2007		S		1,800	D	\$17.06	528,513	D	
Common Stock	01/03/2007		S		1,900	D	\$17.07	526,613	D	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option	\$4.75	01/03/2007		M/K <sup>(5)(6)</sup>			257,577	01/01/2002 <sup>(1)</sup>	12/31/2010	Common Stock	257,577	\$0 <sup>(2)</sup>	0	D	
Stock Option	\$7.885							01/01/2004 <sup>(1)</sup>	12/31/2012	Common Stock	934,600		934,600	D	
Stock Option	\$9.25							01/01/2004	08/28/2011	Common Stock	1,000,000		1,000,000	D	
Stock Option	\$10.365							01/01/2003 <sup>(1)</sup>	12/31/2011	Common Stock	934,600		934,600	D	
Stock Option	\$21.7812							01/01/2005	12/31/2009	Common Stock	60,000		60,000	D	
Stock Option	\$27							01/01/2001	12/31/2009	Common Stock	250,000		250,000	D	
Stock Option	\$46.875							01/01/1999 <sup>(1)</sup>	12/31/2008	Common Stock	49,044		49,044	D	
Stock Option	\$47.5							03/01/2003	12/31/2009	Common Stock	13,946		13,946	D	
Stock Option	\$59.4375	12/31/2006		H <sup>(7)</sup>	V		1,382	01/01/2000	12/31/2006	Common Stock	1,382	\$0 <sup>(2)</sup>	0	D	
Deferred Comp.	\$0.00 <sup>(2)</sup>							08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Common Stock	\$500,000		\$500,000 <sup>(3)</sup>	D	
Stock Option	\$13.685							01/01/2005 <sup>(1)</sup>	12/31/2011	Common Stock	609,000		609,000	D	
Performance Shares	\$0.0 <sup>(2)</sup>							08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Common Stock	98,033		98,033 <sup>(4)</sup>	D	

**Explanation of Responses:**

- Options vest over three years, 33.3% per year beginning in year shown.
- Not Applicable
- Hypothetical investment of deferred compensation in Xerox Stock Fund under the Xerox Saving Plan.
- These performance shares were earned based on achievement of specific annual performance criteria that are not tied solely to the market price of Issuer securities. Performance shares, to the extent earned, are scheduled to vest three years from their respective grant date.
- Stock options were exercised by stock swap using the attestation method.
- This sale of shares was effected pursuant to a Rule 10B5-1 trading plan adopted by the reporting person on February 8, 2005 and disclosed under item 8.01 of the Form 8-K filed with the Securities and Exchange Commission on November 5, 2004.
- Expiration of unexercised stock options.
- Distribution balance of the 2004 GRAT previously held directly by reporting person.
- 2006 GRAT shares previously held directly by reporting person
- Partial distribution of the 2005 GRAT previously held directly by reporting person
- Shares gifted to Eileen Moore ACF Olivia Kathryn Moore
- Shares gifted to M Mulcahy (1885 shares) and K Mulcahy (1885 shares)

Karen Boyle, Attorney-In-Fact     01/05/2007

\*\* Signature of Reporting Person     Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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