

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB APPROVAL | |
|--------------------------|-----------|
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | | | | | | | |
|--|--|--|---|--|--|--|--|--|
| 1. Name and Address of Reporting Person* MACDONALD MICHAEL C <hr/> (Last) (First) (Middle) 800 LONG RIDGE ROAD P. O. BOX 1600 <hr/> (Street) STAMFORD CT 06904 <hr/> (City) (State) (Zip) | | | 2. Issuer Name and Ticker or Trading Symbol XEROX CORP [XRX] <hr/> 3. Date of Earliest Transaction (Month/Day/Year) 01/02/2007 | | | 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) Senior Vice President | | |
| | | | 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 <input type="checkbox"/> 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 | | | |
| Common Stock | 02/05/2007 | | S | | 20,000 | D | \$17.28 | 22,307 | D | |
| Common Stock | | | | | | | | 4,228.78 | I | Employee Stock Ownership Plan |
| Common Stock | | | | | | | | 45 | I | Children |
| Incentive Stock Rights | | | | | | | | 55,000 | D | |
| Xerox Stock Fund | | | | | | | | 11,626.77 | I ⁽³⁾ | Xerox Stock Fund |

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 | | | | |
| Stock Option | \$5.14 | | | | | | 10/14/2007 | 12/31/2011 | Common Stock | 50,000 | | 50,000 | D | |
| Stock Option | \$7.885 | | | | | | 01/01/2004 ⁽²⁾ | 12/31/2012 | Common Stock | 105,600 | | 105,600 | D | |
| Stock Option | \$10.365 | | | | | | 01/01/2003 ⁽²⁾ | 12/31/2011 | Common Stock | 93,500 | | 93,500 | D | |
| Stock Option | \$21.7812 | | | | | | 01/01/2005 ⁽²⁾ | 12/31/2009 | Common Stock | 30,000 | | 30,000 | D | |
| Stock Option | \$46.875 | | | | | | 01/01/1999 ⁽²⁾ | 12/31/2008 | Common Stock | 17,166 | | 17,166 | D | |
| Stock Option | \$47.5 | | | | | | 03/01/2003 | 12/31/2009 | Common Stock | 6,282 | | 6,282 | D | |
| Stock Option | \$59.4375 | 01/02/2007 | | H ⁽⁵⁾ | | 1,184 | 01/01/2000 ⁽²⁾ | 12/31/2006 | Common Stock | 1,184 | \$0 ⁽¹⁾ | 0 ⁽⁵⁾ | D | |
| Deferred Comp | \$0.00 ⁽¹⁾ | | | | | | 08/08/1988 ⁽¹⁾ | 08/08/1988 ⁽¹⁾ | Common Stock | \$58,628 | | \$58,628 | D | |
| Stock Option | \$13.685 | | | | | | 01/01/2005 ⁽²⁾ | 12/31/2011 | Common Stock | 77,000 | | 77,000 | D | |
| Stock Option | \$15.205 | | | | | | 01/01/2005 ⁽²⁾ | 12/31/2011 | Common Stock | 15,000 | | 15,000 | D | |
| Performance Shares | \$0.0 ⁽¹⁾ | | | | | | 08/08/1988 ⁽¹⁾ | 08/08/1988 ⁽¹⁾ | Common Stock | 21,567 | | 21,567 ⁽⁴⁾ | D | |

Explanation of Responses:

- 1. Not Applicable
- 2. Options vest over three years, 33.3% per year beginning in year shown.

3. Units purchased in Xerox Stock Fund under Xerox Savings Plan. Amount does not represent shares of stock, but dollars invested divided by unit value.
4. 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.
5. Expiration of unexercised stock options.

Karen Boyle, Attorney-In-Fact 02/06/2007

** 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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