

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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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* VARON LESLIE F (Last) (First) (Middle) XEROX CORPORATION 800 LONG RIDGE ROAD (Street) STAMFORD CT 06904 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol XEROX CORP [XRX]	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) Vice President and Controller
	3. Date of Earliest Transaction (Month/Day/Year) 10/31/2006	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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							3,510.47	I	Employee Stock Ownership Plan	
Common Stock							5	I	Spouse	
Incentive Stock Rights							6,334	D		
Xerox Stock Fund							804.931	I	Xerox Stock Fund	
Common Stock	10/31/2006		M		3,400	A	\$0 ⁽¹⁾	29,758.0725	D	
Common Stock	10/31/2006		S		3,400	D	\$16.9	26,358.0725	D	
Common Stock	10/31/2006		M		5,000	A	\$0 ⁽¹⁾	31,358.0725	D	
Common Stock	10/31/2006		S		5,000	D	\$16.9	26,358.0725	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
Stock Option	\$4.75	10/31/2006		M			3,400	01/01/2002 ⁽³⁾	12/31/2010	Common Stock	3,400	\$0 ⁽¹⁾	0	D	
Stock Option	\$7.885							01/01/2004 ⁽³⁾	12/31/2012	Common Stock	46,800		46,800	D	
Stock Option	\$9.25	10/31/2006		M			5,000	01/01/2004 ⁽³⁾	12/31/2010	Common Stock	5,000	\$0 ⁽¹⁾	5,000	D	
Stock Option	\$10.365							01/01/2003 ⁽³⁾	12/31/2011	Common Stock	46,800		46,800	D	
Stock Option	\$21.7812							01/01/2001 ⁽³⁾	12/31/2009	Common Stock	19,000		19,000	D	
Stock Option	\$25.8125							03/01/2003 ⁽³⁾	12/31/2009	Common Stock	2,580		2,580	D	
Stock Option	\$59.4375							01/01/2000 ⁽³⁾	12/31/2006	Common Stock	628		628	D	
Stock Option	\$59.4375							01/01/2000 ⁽³⁾	12/31/2008	Common Stock	3,050		3,050	D	
Stock Option	\$13.685							01/01/2005 ⁽³⁾	12/31/2011	Common Stock	31,000		31,000	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					
Performance Shares	\$0 ⁽¹⁾							08/08/1988 ⁽¹⁾	08/08/1988 ⁽¹⁾	Common Stock		8,333 ⁽³⁾	D	

Explanation of Responses:

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

Karen Boyle, Attorney-in-Fact 11/01/2006

** 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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