

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)
For the fiscal year ended: November 30, 1994

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission File Number 1-4471

A. Full title of the plan and address of the plan, if different from that of
the issuer named below:

XEROX CORPORATION PROFIT SHARING AND SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address
of its principal executive office:

Xerox Corporation
P.O. Box 1600
Stamford, Connecticut 06904-1600

SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the persons who administer the plan have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

XEROX CORPORATION PROFIT SHARING AND SAVINGS PLAN

Patricia M. Nazemetz
Plan Administrator

Stamford, Connecticut

Dated May 26, 1995

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XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Financial Statements and Schedule

November 30, 1994 and 1993

(With Independent Auditors' Report Thereon)

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Statement of Net Assets Available for Plan Benefits
with Fund Information
November 30, 1994

Fund Information

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund (see note 4)	Segregated Assets Fund	Employee Loan Fund	Total
Assets:									
Investment in employees' loans	\$ -	-	-	-	-	-	-	54,862,287	54,862,287
Investment in Master Trust	66,071,371	37,033,463	38,123,594	482,117,043	718,541,144	81,345,830	18,971,990	-	1,442,204,435
Total assets	66,071,371	37,033,463	38,123,594	482,117,043	718,541,144	81,345,830	18,971,990	54,862,287	1,497,066,722
Liabilities:									
Accrued expenses and other liabilities	71,626	35,147	44,911	649,589	497,558	54,250	-	-	1,353,081
Due from (to) other funds	(555,669)	73,020	809,692	(4,649,728)	748,137	2,432,972	-	1,141,576	-
Net assets available for plan benefits	\$65,444,076	37,071,336	38,888,375	476,817,726	718,791,723	83,724,552	18,971,990	56,003,863	1,495,713,641

The accompanying notes are an integral part of the financial statements.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Statement of Net Assets Available for Plan Benefits
with Fund Information

November 30, 1993

Fund Information

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Employee Loan Fund	Total
Assets:									
Investment in employees' loans	\$ -	-	-	-	-	-	-	51,993,706	51,993,706
Investment in Master Trust	20,798,765	17,984,805	14,224,843	480,999,823	727,165,214	58,172,843	44,944,784	-	1,364,291,077
Other	-	-	-	-	45,622	-	-	-	45,622
Total assets	20,798,765	17,984,805	14,224,843	480,999,823	727,210,836	58,172,843	44,944,784	51,993,706	1,416,330,405
Liabilities:									
Accrued expenses and other liabilities	9,594	6,572	7,315	950,324	-	1,714	-	-	975,519
Due from (to) other funds	9,293,674	7,234,043	6,585,777	(3,529,681)	(19,050,712)	(1,978,863)	-	1,445,762	-
Net assets available for plan benefits	\$30,082,845	25,212,276	20,803,305	476,519,818	708,160,124	56,192,266	44,944,784	53,439,468	1,415,354,886

The accompanying notes are an integral part of the financial statements.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Statement of Changes in Net Assets Available for Plan Benefits
with Fund Information

Year ended November 30, 1994

Fund Information

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Employee Loan Fund	Total
Contributions:									
Employees'									
- - voluntary	\$ 8,973,711	6,559,876	5,581,555	46,447,521	46,155,430	6,703,338	-	-	120,421,431
Net income (loss) from									
Master Trust									
investments, net									
of administrative									
expenses	928,278	(305,396)	1,559,894	9,710,699	46,884,189	11,869,615	-	-	70,647,279
Interest income on									
employees' loans	-	-	-	-	-	-	-	3,985,617	3,985,617
	9,901,989	6,254,480	7,141,449	56,158,220	93,039,619	18,572,953	-	3,985,617	195,054,327
Benefit payments	(3,202,169)	(1,386,953)	(1,414,772)	(34,596,847)	(69,558,291)	(4,536,540)	-	-	(114,695,572)
Transfers among									
funds	28,661,411	6,991,533	12,358,393	(21,263,465)	(12,849,729)	13,495,873	(25,972,794)	(1,421,222)	-
Net increase (decrease)									
in net assets									
available for									
plan benefits	35,361,231	11,859,060	18,085,070	297,908	10,631,599	27,532,286	(25,972,794)	2,564,395	80,358,755
Net assets available									
for plan benefits:									
Beginning of year	30,082,845	25,212,276	20,803,305	476,519,818	708,160,124	56,192,266	44,944,784	53,439,468	1,415,354,886
End of year	\$65,444,076	37,071,336	38,888,375	476,817,726	718,791,723	83,724,552	18,971,990	56,003,863	1,495,713,641

The accompanying notes are an integral part of the financial statements.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Statement of Changes in Net Assets Available for Plan Benefits
with Fund Information
Year ended November 30, 1993

Fund Information

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Employee Loan Fund	Total
Contributions:									
Employees'									
- - voluntary	\$ 817,052	840,616	615,082	43,969,274	53,731,579	6,703,572	-	-	106,677,175
Net income (loss) from									
Master Trust									
investments, net									
of administrative									
expenses	(871,282)	(295,959)	(189,517)	56,681,511	53,283,721	4,330,034	-	-	112,938,508
Interest income on									
employees' loans	-	-	-	-	-	-	-	3,935,568	3,935,568
	(54,230)	544,657	425,565	100,650,785	107,015,300	11,033,606	-	3,935,568	223,551,251
Benefit payments	(1,625)	(5,430)	(2,014)	(12,753,487)	(32,557,064)	(2,805,803)	-	-	(48,125,423)
Transfers among									
funds	30,138,700	24,673,049	20,379,754	(7,995,564)	(63,090,814)	(8,182,101)	-	4,076,976	-
Transfer to The									
Profit Sharing Plan									
of Xerox Corporation									
and The Xerographic									
Division, A.C.T.W.U,									
A.F.L.-C.I.O.	-	-	-	2,026	-	(2,766)	-	-	(740)
Transfer to Xerox Retirement									
Income Guarantee Plan									
and Retirement Income									
Guarantee Plan of									
Xerox Corporation									
and The Xerographic									
Division, A.C.T.W.U,									
A.F.L.-C.I.O.									
segregated assets									
funds	-	-	-	-	-	-	(2,791,354)	-	(2,791,354)
Net increase (decrease)									
in net assets									
available for									
plan benefits	30,082,845	25,212,276	20,803,305	79,903,760	11,367,422	42,936	(2,791,354)	8,012,544	172,633,734
Net assets available									
for plan benefits:									
Beginning of year	-	-	-	396,616,058	696,792,702	56,149,330	47,736,138	45,426,924	1,242,721,152
End of year	\$30,082,845	25,212,276	20,803,305	476,519,818	708,160,124	56,192,266	44,944,784	53,439,468	1,415,354,886

The accompanying notes are an integral part of the financial statements.

XEROX CORPORATION

PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

November 30, 1994 and 1993

(1) Description of Plan

The following description of the Xerox Corporation Profit Sharing and Savings Plan (Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all full and part-time U.S. employees of Xerox Corporation (sponsor) and participating subsidiaries, except those covered by a collective bargaining agreement unless that agreement calls for participation in the Plan. Employees are automatically eligible to participate in the Plan after completing one year of service.

Payment of Benefits

Upon termination of service, a participant may elect to receive either a lump sum amount equal to the value of his or her account, or by an annuity payable from a legal reserve life insurance company. Benefits payable to participants, from net assets available for plan benefits, at November 30, 1994 and 1993 were \$4,975,553 and \$2,883,120, respectively.

Employee Savings Contributions

Subject to limits imposed by the Internal Revenue Code, eligible employees may contribute up to 18% of pay (as defined in the Plan) through any combination of before-tax and after-tax payroll deductions. (The maximum before-tax contribution for the 1994 calendar year is \$9,240.) Employees are immediately vested in their savings contributions.

Xerox Optional Profit Sharing Contributions

Eligible employees may receive an optional profit sharing contribution from the Sponsor. The contribution ranges from zero to 10% of pay and is based upon the return on assets (ROA) of the Xerox Document Processing industry segment as defined in the Plan document. ROA is determined as of the Sponsor's calendar year-end, which differs from the November 30 Plan year-end.

An employee may receive the contribution in cash or Xerox Corporation common stock, or may elect to invest all or part of the contribution on a tax deferred basis, subject to limits imposed by the Internal Revenue Code, through the Plan's investment funds. Employees are immediately vested in optional profit sharing contributions.

XEROX CORPORATION

PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(1) Description of Plan (continued)

For the calendar year ended December 31, 1994, the Sponsor's ROA was 16% which will result in an optional profit sharing contribution for the plan year ending November 30, 1995 for all eligible active employees at December 31, 1994 equal to 9.1% of pay or \$50,842,848.

For the Sponsor's year ended December 31, 1993, ROA targets (as defined in the Plan document) requiring the sponsor to make optional profit sharing contributions were not achieved. Accordingly, no optional profit sharing contributions were made in the Plan year ended November 30, 1994.

Investment Funds

As further described in note 3, the investment funds are part of the Xerox Trust Agreement to Fund Retirement Plans (Master Trust). Employees can direct their plan accounts to one or more of the following six investment funds:

International Stock Fund -- Invests primarily in stocks of companies based outside of the United States. As further described in note 3, the Plan, through its Master Trust, also enters into forward-foreign exchange contracts as a hedge against the adverse impacts of foreign currency fluctuations of foreign investments.

U.S. Stock Fund -- Invests primarily in stocks of medium to large U.S. companies.

Small Company Stock Fund -- Invests primarily in stocks of smaller U.S. companies normally those representing the smallest 20% of the broad stock market.

Balanced Fund -- Invests in a variety of stocks, bonds, convertible securities and money market instruments, emphasizing the common stock of many different companies. Other investments also include real estate and private placements.

Income Fund -- Invests in investment contracts with insurance companies and banks, government and corporate bonds, mortgage-backed securities and money market instruments.

Xerox Stock Fund -- Invests exclusively in Xerox Corporation common stock and some short-term cash equivalents.

XEROX CORPORATION

PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(1) Description of Plan (continued)

Segregated Assets Fund

This fund was established on April 1, 1991 and represents participant investments in certain guaranteed investment contracts which are segregated and frozen. See note 4 to the financial statements for further discussion.

Employee Loan Fund

Participants are permitted to borrow from their profit sharing savings accounts subject to certain limitations. The loans are payable over terms up to 14.5 years and bear interest at the quarterly Citibank commercial prime rate in effect at the time of loan issuance plus 1%. Principal and interest payments on the loans are redeposited into the participants' accounts based on their current investment allocation elections. Loans are issued at market value. At November 30, 1994, market value on loans approximates fair value.

(2) Federal Income Taxes

The Plan obtained its latest determination letter from the Internal Revenue Service on January 22, 1990, covering Plan amendments through August 12, 1988, indicating that the Plan, as designed, was in compliance with the applicable requirements of the Internal Revenue Code. Since receiving the determination letter, the Plan has been fully amended to conform with qualification requirements enacted by the Tax Reform Act of 1986 and Omnibus Budget Reconciliation Act of 1993. The Plan, as amended, has been recently submitted to the IRS for a new determination letter. The Plan administrator and the Plan's internal tax counsel believe that the Plan, as currently designed and operated, is in compliance with the applicable requirements of the Internal Revenue Code. Accordingly, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

As long as the Plan continues to be qualified under present federal income tax laws and regulations, participants will not be taxed on company contributions or on investment earnings on such contributions at the time such contributions and investment earnings are received by the trustee under the Plan, but may be subject to tax thereon at such time as they receive distributions under the Plan.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(3) Master Trust

As discussed in note 1, the Plan participates in the Master Trust. The following other Xerox employee benefit plans also participate in the Master Trust as of November 30, 1994:

The Profit Sharing Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.;

Xerox Corporation Retirement Income Guarantee Plan;

Retirement Income Guarantee Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.; and

XDS Investment Plan.

Effective September 30, 1993, the Master Trust (and the Plan) was amended to permit the General Fund to be split into four investment pools: International Stock Pool, U.S. Stock Pool, Small Company Stock Pool and All Other Pool. The Balanced Fund (formerly the General Fund) participates in each of the four investment pools.

The Master Trust currently has six investment accounts -- the International Stock Pool, U.S. Stock Pool, Small Company Stock Pool, All Other Pool, Income Fund, and the Xerox Stock Fund. Participants direct their accounts into investment funds, as described in note 1, which are formed from the aforementioned investment accounts. Each of the plans has an ownership interest in one or more of these investment accounts and shares in the investment results of the account(s) in accordance with that interest as determined by participant fund elections. In addition, there is a Segregated Assets Fund which is discussed in note 4.

The following financial information is presented for the Master Trust and each of the Master Trust investment accounts:

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

Statement of Net Assets of the Master Trust as of November 30, 1994:

Assets	International Stock Pool	U.S Stock Pool	Small Company Stock Pool	All Other Pool	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Total
Receivables:								
Accrued dividends \$	739,927	902,683	384,005	962,589	-	647,774	-	3,636,978
Accrued interest	31,634	467,698	246,978	11,408,094	6,385,420	6,679	-	18,546,503
Due from brokers	50,810,131	15,106,943	32,916,635	62,027,865	-	-	-	160,861,574
Total receivables	51,581,692	16,477,324	33,547,618	74,398,548	6,385,420	654,453	-	183,045,055
Investments								
at fair value:								
At market value:								
Short-term investments	5,796,344	42,326,949	56,522,639	235,949,816	50,879,699	973,372	-	392,448,819
Fixed income investments	753,429	20,082,445	-	718,869,624	168,599,692	-	-	908,305,190
Equity securities:								
Xerox common stock	-	-	-	-	-	84,858,427	-	84,858,427
Other	672,108,462	847,486,121	581,854,946	513,658,546	-	-	-	2,615,108,075
Investment contracts								
with insurance companies and banks	-	-	-	-	825,795,446	-	27,686,390	853,481,836
At estimated fair value:								
Real estate trust interests	-	-	-	165,630,637	-	-	-	165,630,637
Other investments	-	-	-	91,304,131	-	-	-	91,304,131
Total investments								
	678,658,235	909,895,515	638,377,585	1,725,412,754	1,045,274,837	85,831,799	27,686,390	5,111,137,115
Total assets	730,239,927	926,372,839	671,925,203	1,799,811,302	1,051,660,257	86,486,252	27,686,390	5,294,182,170
Due to brokers	13,937,155	15,992,660	11,442,462	48,988,924	-	-	-	90,361,201
Net assets	\$716,302,772	910,380,179	660,482,741	1,750,822,378	1,051,660,257	86,486,252	27,686,390	5,203,820,969

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

The allocation of Master Trust investments by investment pool and fund as of November 30, 1994 is as follows:

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Total
International Stock Pool	\$ 69,638,452	-	-	646,664,320	-	-	-	716,302,772
U.S. Stock Pool	-	38,368,076	-	872,012,103	-	-	-	910,380,179
Small Company Stock Pool	-	-	39,472,492	621,010,249	-	-	-	660,482,741
All Other Pool	-	-	-	1,750,822,378	-	-	-	1,750,822,378
Income Fund	-	-	-	-	1,051,660,257	-	-	1,051,660,257
Xerox Stock Fund	-	-	-	-	-	86,486,252	-	86,486,252
Segregated Assets Fund	-	-	-	-	-	-	27,686,390	27,686,390
Total	\$ 69,638,452	38,368,076	39,472,492	3,890,509,050	1,051,660,257	86,486,252	27,686,390	5,203,820,969

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

Investments in the Master Trust for all participating plans as of November 30, 1994 are as follows:

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Total
Xerox Corporation Profit Sharing and Savings Plan	\$ 66,071,371	37,033,463	38,123,594	482,117,043	718,541,144	81,345,830	18,971,990	1,442,204,435
The Profit Sharing Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.	3,567,081	1,334,613	1,348,898	30,593,699	90,862,095	5,140,422	1,874,205	134,721,013
Xerox Corporation Retirement Income Guarantee Plan	-	-	-	3,000,228,425	209,683,564	-	5,989,417	3,215,901,406
Retirement Income Guarantee Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.	-	-	-	377,207,391	32,573,454	-	850,778	410,631,623
XDS Investment Plan	-	-	-	362,492	-	-	-	362,492
Total	\$ 69,638,452	38,368,076	39,472,492	3,890,509,050	1,051,660,257	86,486,252	27,686,390	5,203,820,969

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

Statement of Net Assets of the Master Trust as of November 30, 1993:

Assets	International Stock Pool	U.S Stock Pool	Small Company Stock Pool	All Other Pool	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Total
Cash	\$ 2,593,192	-	95,584	815,448	128,934	-	-	3,633,158
Receivables:								
Accrued dividends	714,324	939,466	268,499	787,008	-	554,763	-	3,264,060
Accrued interest	26,842	243,097	14,548	9,726,271	6,198,319	3,527	-	16,212,604
Due from brokers	2,211,143	7,408,678	14,432,665	31,329,385	-	-	-	55,381,871
Total receivables	2,952,309	8,591,241	14,715,712	41,842,664	6,198,319	558,290	-	74,858,535
Investments at fair value:								
At market value:								
Short-term investments	6,488,514	1,235,327	3,216,896	140,137,734	14,223,772	5,265	9,849,886	175,157,394
Fixed income investments	442,629	13,522,108	-	686,691,430	-	-	-	700,656,167
Equity securities:								
Xerox common stock	-	-	-	-	-	60,931,469	-	60,931,469
Other	598,832,889	922,726,187	533,641,645	793,381,072	-	-	-	2,848,581,793
Investment contracts with insurance companies and banks	-	-	-	-	1,018,550,495	-	55,739,277	1,074,289,772
At estimated fair value:								
Real estate trust interests	-	-	-	180,197,637	-	-	-	180,197,637
Other investments	-	-	-	82,772,373	-	-	-	82,772,373
Total investments	605,764,032	937,483,622	536,858,541	1,883,180,246	1,032,774,267	60,936,734	65,589,163	5,122,586,605
Total assets	611,309,533	946,074,863	551,669,837	1,925,838,358	1,039,101,520	61,495,024	65,589,163	5,201,078,298
Due to brokers	3,641,328	5,113,927	5,110,783	18,224,486	-	44,810	-	32,135,334
Net assets	\$607,668,205	940,960,936	546,559,054	1,907,613,872	1,039,101,520	61,450,214	65,589,163	5,168,942,964

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

The allocation of Master Trust investments by investment pool and fund as of November 30, 1993 is as follows:

	International Stock Fund	U.S. Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Total
International Stock Pool	\$ 21,280,470	-	-	586,387,735	-	-	-	607,668,205
U.S. Stock Pool	-	18,523,209	-	922,437,727	-	-	-	940,960,936
Small Company Stock Pool	-	-	14,478,144	532,080,910	-	-	-	546,559,054
All Other Pool	-	-	-	1,907,613,872	-	-	-	1,907,613,872
Income Fund	-	-	-	-	1,039,101,520	-	-	1,039,101,520
Xerox Stock Fund	-	-	-	-	-	61,450,214	-	61,450,214
Segregated Assets Fund	-	-	-	-	-	-	65,589,163	65,589,163
Total	\$ 21,280,470	18,523,209	14,478,144	3,948,520,244	1,039,101,520	61,450,214	65,589,163	5,168,942,964

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

Investments in the Master Trust for all participating plans as of November 30, 1993 are as follows:

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Total
Xerox Corporation Profit Sharing and Savings Plan	\$20,798,765	17,984,805	14,224,843	480,999,823	727,165,214	58,172,843	44,944,784	1,364,291,077
The Profit Sharing Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.	481,705	538,404	253,301	27,969,266	86,314,196	3,277,371	4,439,982	123,274,225
Xerox Corporation Retirement Income Guarantee Plan	-	-	-	3,047,753,638	193,419,666	-	14,188,905	3,255,362,209
Retirement Income Guarantee Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.	-	-	-	391,394,955	32,202,444	-	2,015,492	425,612,891
XDS Investment Plan	-	-	-	402,562	-	-	-	402,562
Total	\$21,280,470	18,523,209	14,478,144	3,948,520,244	1,039,101,520	61,450,214	65,589,163	5,168,942,964

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(3) Master Trust (continued)

Statement of Changes in Net Assets of the Master Trust for the year ended November 30, 1994:

	International Stock Pool	U.S Stock Pool	Small Company Stock Pool	All Other Pool	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Total
Additions:								
Transfers in	\$11,103,229	7,858,350	6,695,143	126,932,929	71,994,664	8,904,234	-	233,488,549
Investment earnings:								
Interest	9,403	1,787,764	867,612	66,936,509	72,848,224	46,636	-	142,496,148
Dividends	9,041,094	36,298,979	11,232,148	27,199,478	-	2,269,628	-	86,041,327
Net App(Dep)	39,332,070	(33,194,137)	29,005,444	(80,651,679)	(2,811,275)	10,312,638	-	(38,006,939)
Other	(490,147)	31,654	47,866	82,536	256,087	-	-	(72,004)
Total	47,892,420	4,924,260	41,153,070	13,566,844	70,293,036	12,628,902	-	190,458,532
Total Additions	58,995,649	12,782,610	47,848,213	140,499,773	142,287,700	21,533,136	-	423,947,081
Deductions:								
Administrative Exp	3,757,485	3,619,773	3,684,933	15,744,129	1,613,751	40,968	-	28,461,039
Transfer out	4,648,473	2,178,149	2,153,359	215,151,406	129,516,572	6,960,078	-	360,608,037
Total deductions	8,405,958	5,797,922	5,838,292	230,895,535	131,130,323	7,001,046	-	389,069,076
Transfers between funds/pools								
	58,044,876	(37,565,445)	71,913,766	(66,395,732)	1,401,360	10,503,948	(37,902,773)	-
Net assets:								
Beginning of year	607,668,205	940,960,936	546,559,054	1,907,613,872	1,039,101,520	61,450,214	65,589,163	5,168,942,964
End of year	\$716,302,772	910,380,179	660,482,741	1,750,822,378	1,051,660,257	86,486,252	27,686,390	5,203,820,969

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(3) Master Trust (continued)

The allocation of net income (loss) from Master Trust investments, net of administrative expenses, by investment pool and fund for the year ended November 30, 1994:

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Total
International Stock Pool	\$1,008,818	-	-	43,126,117	-	-	44,134,935
U.S. Stock Pool	-	(292,005)	-	1,596,492	-	-	1,304,487
Small Company Stock Pool	-	-	1,630,870	35,837,267	-	-	37,468,137
All Other Pool	-	-	-	(2,177,285)	-	-	(2,177,285)
Income Fund	-	-	-	-	68,679,285	-	68,679,285
Xerox Stock Fund	-	-	-	-	-	12,587,934	12,587,934
Total	\$1,008,818	(292,005)	1,630,870	78,382,591	68,679,285	12,587,934	161,997,493

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(3) Master Trust (continued)

Net income (loss) from Master Trust investments, net of administrative expenses for all participating plans for the year ended November 30, 1994:

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Total
Xerox Corporation Profit Sharing and Savings Plan	\$990,310	(276,821)	1,597,490	9,409,964	47,427,369	11,922,151	71,070,463
The Profit Sharing Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.	18,508	(15,184)	33,380	522,951	5,764,599	665,783	6,990,037
Xerox Corporation Retirement Income Guarantee Plan	-	-	-	60,518,330	13,354,463	-	73,872,793
Retirement Income Guarantee Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.	-	-	-	7,930,526	2,132,854	-	10,063,380
XDS Investment Plan	-	-	-	820	-	-	820
Master Trust investment income, net of administrative expenses	\$1,008,818	(292,005)	1,630,870	78,382,591	68,679,285	12,587,934	161,997,493

* The above allocation of investment results, net of administrative expenses, is at the Master Trust level. This allocation differs from the amounts reported in the statement of changes in net assets available for plan benefits due to the impact of investment manager expenses accrued at the Plan level.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(3) Master Trust (continued)

Statement of Changes in Net Assets of the Master Trust for the year ended November 30, 1994:

	International Stock Pool	U.S Stock Pool	Small Company Stock Pool	All Other Pool	General Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund (see note 4)	Total
Additions:									
Transfers in	\$996,544	1,014,485	738,673	13,949,222	116,904,684	92,605,953	10,940,210	-	237,149,771
Investment earnings:									
Interest	43,316	188,274	24,999	9,750,852	39,557,055	76,048,560	26,136	-	125,639,192
Dividends	1,079,947	7,203,304	1,160,345	3,017,227	66,822,399	-	2,274,604	-	81,557,826
Net Appreciation									
(Depreciation)	15,307,074	(13,414,175)	(1,994,961)	930,172	353,884,402	-	2,314,022	-	357,026,534
Other	(132,280)	50,162	1,326	(1,087,454)	16,335,538	94	691	-	15,168,077
Total	16,298,057	(5,972,435)	(808,291)	12,610,797	476,599,394	76,048,654	4,615,453	-	579,391,629
Total Additions	17,294,601	(4,957,950)	(69,618)	26,560,019	593,504,078	168,654,607	15,555,663	-	816,541,400
Deductions:									
Administrative									
Exp	10,247	-	-	4,141,993	9,752,862	986,831	72,658	-	14,964,591
Transfer out	6,724	17,815	13,877	18,705,579	97,254,002	83,310,985	5,380,649	-	204,689,631
Total deductions	16,971	17,815	13,877	22,847,572	107,006,864	84,297,816	5,453,307	-	219,654,222
Transfers between funds/pools									
	590,390,575	945,936,701	546,642,549	1,903,901,425	(3,960,270,052)	(20,846,390)	(5,754,808)	-	-
Transfers from the XES, Inc. Employee Retirement Plan									
	-	-	-	-	20,527,433	-	-	-	20,527,433
Net assets:									
Beginning of year	-	-	-	-	3,453,245,405	975,591,119	57,102,666	65,589,163	4,551,528,353
End of year	607,668,205	940,960,936	546,559,054	1,907,613,872	-	1,039,101,520	61,450,214	65,589,163	5,168,942,964

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

The allocation of net income (loss) from Master Trust investments, net of administrative expenses, by investment pool and fund for the year ended November 30, 1993:

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Total
International Stock Pool	\$(881,145)	-	-	17,168,955	-	-	16,287,810
U.S. Stock Pool	-	(297,983)	-	(5,674,452)	-	-	(5,972,435)
Small Company Stock Pool	-	-	(185,362)	(622,929)	-	-	(808,291)
All Other Pool	-	-	-	8,468,804	-	-	8,468,804
General Fund	-	-	-	466,846,532	-	-	466,846,532
Income Fund	-	-	-	-	75,061,823	-	75,061,823
Xerox Stock Fund	-	-	-	-	-	4,542,795	4,542,795
Total	\$(881,145)	(297,983)	(185,362)	486,186,910	75,061,823	4,542,795	564,427,038

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(3) Master Trust (continued)

Net income (loss) from Master Trust investments, net of administrative expenses for all participating plans for the year ended November 30, 1993:

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Total
Xerox Corporation Profit Sharing and Savings Plan	\$(871,282)	(295,959)	(189,517)	56,681,511	53,283,721	4,330,034	112,938,508
The Profit Sharing Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.	(9,863)	(2,024)	4,155	3,442,203	5,942,630	212,761	9,589,862
Xerox Corporation Retirement Income Guarantee Plan	-	-	-	377,822,758	13,617,520	-	391,440,278
Retirement Income Guarantee Plan of Xerox Corporation and The Xerographic Division, A.C.T.W.U., A.F.L.-C.I.O.	-	-	-	48,190,847	2,217,952	-	50,408,799
XDS Investment Plan	-	-	-	49,591	-	-	49,591
Master Trust investment income, net of administrative expenses	\$(881,145)	(297,983)	(185,362)	486,186,910	75,061,823	4,542,795	564,427,038

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

Master Trust investments are managed by selected investment managers under the direction of the Treasurer of Xerox Corporation. The Finance Committee of the Xerox Corporation Board of Directors is responsible for establishing investment guidelines, reviewing the investment decisions of the Treasurer and reviewing the investment results of the Master Trust. The Finance Committee of the Xerox Corporation Board of Directors consists, at present, of five members of the Xerox Corporation Board of Directors, none of whom are officers of Xerox Corporation.

Marketable securities are valued at the last reported sales price on the last business day of the year. Quotations are obtained from national securities exchanges or, in instances where securities are not listed on any of the exchanges, quotations are obtained from brokerage firms. Securities and trust funds that are not readily marketable are valued based on comparisons to yields of issues of similar quality and maturities.

The value of the investment contracts with insurance companies and banks is at contract value. In connection with the fully benefit-responsive investment contracts, the following information is presented:

- (i) The average investment yields for the years ended November 30, 1994 and 1993 were 6.7% and 7.5% respectively.
- (ii) The crediting interest rates at November 30, 1994 and 1993 ranged from 4.2% to 10.2% and from 5.2% to 9.7%, respectively.
- (iii) The fair value, as determined by discounting future cash flows and the market value of underlying investments, at November 30, 1994 and 1993 was approximately \$811,978,057 and \$1,049,000,000 respectively.

The Master Trust invests in real estate group trusts. These trusts provide pension and profit sharing plans with a medium for pooling their funds for investment in income producing real estate. The group trusts value real estate holdings at estimated market value based upon independent appraisals, and considering significant changes in economic circumstances, and capital additions made to properties after the appraisal date. Such market value estimates necessarily involve subjective judgments. Accordingly, the actual market price of the real estate can only be determined by negotiation between independent third parties in a sales transaction.

Purchases and sales of securities are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned.

Derivative financial instruments are used by the Master Trust's investment managers primarily to rebalance the fixed income/equity allocation of the Master Trust's portfolio and to hedge the currency risk component of the Master Trust's foreign investments. Leveraging of the Master Trust's assets and speculation are prohibited. Currency hedge positions are not permitted to exceed the level of exposure in the related Master Trust's assets.

The derivative most commonly used by the investment managers are highly liquid exchange traded equity and fixed income futures and over-the-counter foreign exchange forward contracts. Including the foreign exchange forward contracts, less than 5% of the Master Trust's assets are invested in non-exchange traded derivatives at November 30, 1994. The use of derivative instruments is not believed to materially increase the credit or market risk of the Master Trust's investments.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

The net appreciation (depreciation) of investments for the year ended November 30, 1994 is as follows:

	International Stock Pool	U.S. Stock Pool	Small Company Stock Pool	All Other Pool	Income Fund	Xerox Stock Fund	Total
Investments at fair value:							
Short-term and fixed income investments	\$ (126,020)	(776,284)	-	(72,906,554)	(2,811,275)	-	(76,620,133)
Xerox common stock	-	-	-	-	-	10,312,638	10,312,638
Other equity investments	39,458,090	(32,417,853)	29,005,444	(11,170,424)	-	-	24,875,257
Investments at estimated fair value:							
Real estate trust interests	-	-	-	(3,774,706)	-	-	(3,774,706)
Other investments	-	-	-	7,200,005	-	-	7,200,005
Total	\$ 39,332,070	(33,194,137)	29,005,444	(80,651,679)	(2,811,275)	10,312,638	(38,006,939)

The net appreciation (depreciation) of investments for the year ended November 30, 1993 is as follows:

	International Stock Pool	U.S. Stock Pool	Small Company Stock Pool	All Other Pool	General Fund	Xerox Stock Fund	Total
Investments at fair value:							
Short-term and fixed income investments	\$ 194,404	(4,352,570)	-	269,111	41,255,331	-	37,366,276
Xerox common stock	-	-	-	-	-	2,314,022	2,314,022
Other equity investments	15,112,670	(9,061,605)	(1,994,961)	701,790	320,197,504	-	324,955,398
Investments at estimated fair value:							
Real estate trust interests	-	-	-	(46,941)	(8,722,829)	-	(8,769,770)
Other investments	-	-	-	6,212	1,154,396	-	1,160,608
Total	\$ 15,307,074	(13,414,175)	(1,994,961)	930,172	353,884,402	2,314,022	357,026,534

There are no investments in the Plan that represent 5% or more of Master Trust net assets.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(4) Segregated Assets Fund - Investment Contracts with Executive Life Insurance Company

On April 11, 1991, the California Department of Insurance (CDI) took over Executive Life Insurance Company (ELIC) citing a "serious danger of insolvency" and temporarily suspended all payments on Guaranteed Investment Contracts (GICs) issued by ELIC. Effective April 1, 1991, in order to treat all participants fairly, the affected assets were transferred into a Segregated Assets Fund which will not be available for loans, transfers, withdrawals or distributions until the situation has been resolved.

Based on documents filed in the court by the California Commissioner of Insurance, Xerox estimates that a substantial amount of the ELIC investment in the Segregated Assets Fund balance should be recovered. The Xerox retirement and savings plans have received \$37.9 million in payments related to the ELIC investments through November 30, 1994. Additional payments are payable through 1998.

(5) Unit Values

The interests of Plan participants in each of the funds is expressed in terms of units, representing undivided interests in the net assets of the fund. Unit value is calculated monthly by dividing the total value of net assets of each fund (reduced by employer contributions receivable not yet received by the Master Trust and by unaccrued benefit payments) by units outstanding at the valuation date.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(5) Unit Values (continued)

The total number of units and net asset value per unit outstanding at month-end during the year ended November 30, 1994 was as follows:

	International Fund Units Outstanding	Fund Unit Value	U.S Stock Fund Units Outstanding	Fund Unit Value	Small Co. Fund Units Outstanding	Fund Unit Value	Balanced Fund Units Outstanding	Fund Unit Value	Income Fund Units Outstanding	Fund Unit Value	Xerox Stock Fund Units Outstanding	Fund Unit Value
December 31:	29,650,170	\$1.128051	25,640,192	\$1.020155	20,997,238	\$1.047018	51,675,323	\$9.567722	133,143,140	\$5.312541	15,999,351	\$3.836510
January 31:	36,851,934	1.200937	28,424,934	1.056300	24,434,016	1.092702	52,170,707	9.919163	131,364,750	5.345800	15,844,882	4.206652
February 28:	42,667,207	1.151156	30,254,067	1.027632	26,883,671	1.089830	52,606,036	9.723347	130,204,457	5.377490	15,666,419	4.193499
March 31:	51,172,198	1.091995	31,253,596	0.981430	29,297,625	1.035358	52,818,282	9.349340	127,209,798	5.410319	15,380,055	4.131032
April 30:	57,343,692	1.119416	32,515,538	0.991031	32,198,094	1.044826	53,658,192	9.388670	127,867,116	5.443035	15,510,833	4.274473
May 31:	58,676,106	1.122803	33,336,553	1.006992	33,694,298	1.037543	53,616,863	9.438358	131,169,340	5.478523	15,507,304	4.377705
June 30:	59,287,381	1.083635	34,180,296	0.973525	34,564,353	1.006952	53,386,210	9.228455	130,688,663	5.506822	15,911,241	4.261137
July 31:	60,932,030	1.126868	35,829,007	1.001848	35,461,113	1.030408	53,467,999	9.449647	130,813,058	5.540161	16,577,238	4.454264
August 31:	60,431,068	1.161954	36,012,798	1.041306	35,182,859	1.089944	53,072,719	9.740418	130,607,925	5.572710	17,059,290	4.696045
September 30:	60,483,570	1.124887	36,357,693	1.019799	35,160,139	1.089271	52,616,452	9.608760	130,933,162	5.598163	17,819,718	4.681576
October 31:	60,411,609	1.141573	36,863,237	1.037421	35,238,115	1.101845	51,768,310	9.696911	129,298,227	5.629306	18,147,966	4.492321
November 30:	60,379,615	1.098006	37,212,480	0.994977	35,647,051	1.070708	51,220,254	9.450125	128,609,197	5.646585	18,825,472	4.336586

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(5) Unit Values (continued)

The Segregated Assets Fund had 56,486,401.727 units outstanding and a net asset value of \$18,971,990 at November 30, 1994.

The total number of units and net asset value per unit outstanding at month-end during the year ended November 30, 1993 was as follows:

	International Fund Units outstanding	Unit Value	U.S Stock Fund Units Outstanding	Unit Value	Small Co. Fund Units Outstanding	Unit Value	Balanced Fund Units Outstanding	Unit Value	Income Fund Units Outstanding	Unit Value	Xerox Stock Fund Units Outstanding	Unit Value
December 31:	N/A	N/A	N/A	N/A	N/A	N/A	47,251,405	\$8.263373	139,590,837	\$4.939860	16,576,889	\$3.288506
January 31:	N/A	N/A	N/A	N/A	N/A	N/A	47,487,203	8.400025	140,293,607	4.970864	16,822,231	3.552823
February 28:	N/A	N/A	N/A	N/A	N/A	N/A	47,819,751	8.396903	140,454,157	5.000866	17,088,631	3.432812
March 31:	N/A	N/A	N/A	N/A	N/A	N/A	50,152,465	8.633104	143,071,498	5.033350	17,777,525	3.485547
April 30:	N/A	N/A	N/A	N/A	N/A	N/A	50,445,205	8.557225	143,863,885	5.062922	17,740,528	3.226614
May 31:	N/A	N/A	N/A	N/A	N/A	N/A	50,818,376	8.770408	144,132,072	5.095388	17,577,681	3.198325
June 30:	N/A	N/A	N/A	N/A	N/A	N/A	51,116,214	8.850279	144,426,920	5.124256	17,368,618	3.369427
July 31:	N/A	N/A	N/A	N/A	N/A	N/A	51,572,155	8.894992	144,677,454	5.159230	17,371,939	3.077099
August 31:	N/A	N/A	N/A	N/A	N/A	N/A	51,892,658	9.198010	144,188,690	5.191105	17,211,143	3.127929
September 30:	235,156	\$1.000000	245,314	\$1.000000	177,846	\$1.000000	52,113,863	9.208018	144,381,979	5.220284	17,098,791	3.111230
October 31:	19,975,038	1.068233	17,687,342	1.014335	13,940,266	1.016238	51,552,754	9.403094	137,172,172	5.251874	16,284,875	3.371969
November 30:	29,344,927	1.023990	25,311,385	0.997592	20,763,969	1.002640	51,415,177	9.257618	133,666,560	5.281596	15,883,410	3.539666

The Segregated Assets Fund had 134,362,127 units outstanding and a net asset value of \$44,944,784 at November 30, 1993.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Item 27a - Schedule of Assets Held for Investment Purposes

November 30, 1994

Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Historical Cost	Current Value
Investment in Master Trust	(1)	\$1,330,674,637	\$1,442,204,435
Investment in Employees' Loans	Loans to Plan participants, maturity dates through 5/31/08, interest rates from 7.5% to 11.5% per annum.	-	54,862,287

(1) See note 3.

INDEPENDENT AUDITORS' REPORT

The Plan Administrator and Participants of Xerox Corporation Profit Sharing and Savings Plan:

We have audited the accompanying statements of net assets available for plan benefits of the Xerox Corporation Profit Sharing and Savings Plan (Plan) as of November 30, 1994 and 1993, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of November 30, 1994 and 1993, and the changes in those net assets available for Plan benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes is presented for purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statements of net assets available for plan benefits and the statements of changes in net assets available for plan benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in the assets available for plan benefits of each fund. The supplemental schedule and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG PEAT MARWICK LLP

Rochester, New York

May 15, 1995

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EXHIBIT INDEX

Exhibit
(b)(1) Accountants' Consent

Electronic
Submission
Document
2

ACCOUNTANTS' CONSENT

The Board of Directors
Xerox Corporation:

We consent to incorporation by reference in the Registration Statement (No. 2-86274) on Form S-8 of Xerox Corporation of our report dated May 15, 1995, relating to the statements of net assets available for plan benefits of the Xerox Corporation Profit Sharing and Savings Plan as of November 30, 1994 and 1993, and the related statements of changes in net assets available for plan benefits for the years then ended, which report appears in the November 30, 1994 Annual Report on Form 11-K of the Xerox Corporation Profit Sharing and Savings Plan.

KPMG PEAT MARWICK LLP

Rochester, New York
May 15, 1995