

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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* <b>MACHON JEAN NOEL</b>  (Last) (First) (Middle) <b>P. O. BOX 1600</b> <b>800 LONG RIDGE ROAD</b>  (Street) <b>STAMFORD CT 06904</b>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>XEROX CORP [ XRX ]</b>	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) <b>Vice President</b>
	3. Date of Earliest Transaction (Month/Day/Year) <b>01/29/2007</b>	
	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	01/29/2007		M		14,000	A	\$0 <sup>(2)</sup>	86,722	D	
Common Stock	01/29/2007		S		14,000	D	\$17.01	72,722	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	\$5.14							10/14/2007	12/31/2011	Common Stock	50,000		50,000	D	
Stock Option	\$7.885	01/29/2007		M		14,000		01/01/2004 <sup>(1)</sup>	12/31/2012	Common Stock	14,000	\$0 <sup>(2)</sup>	105,600	D	
Stock Option	\$10.365							01/01/2003 <sup>(1)</sup>	12/31/2011	Common Stock	93,500		93,500	D	
Stock Option	\$21.7812							01/01/2005	12/31/2009	Common Stock	20,000		20,000	D	
Stock Option	\$26.625							03/01/2003	12/31/2009	Common Stock	1,212		1,212	D	
Stock Option	\$47.5							03/01/2003	12/31/2009	Common Stock	2,424		2,424	D	
Stock Option	\$13.685							01/01/2005 <sup>(1)</sup>	12/31/2011	Common Stock	61,000		61,000	D	
Stock Option	\$15.205							01/01/2005 <sup>(1)</sup>	12/31/2011	Common Stock	16,000		16,000	D	
Performance Shares	\$0.0 <sup>(2)</sup>							08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Common Stock	19,633		19,633 <sup>(3)</sup>	D	

**Explanation of Responses:**

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

Karen Boyle, Attorney-In-Fact 01/30/2007

\*\* 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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