

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

<b>OMB APPROVAL</b>	
OMB Number:	3235-0287
Estimated average burden	
hours per response:	0.5

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

<p>1. Name and Address of Reporting Person*</p> <p><u>Lesko James H</u></p> <hr/> <p>(Last) (First) (Middle)</p> <p><u>C/O XEROX CORPORATION</u></p> <p><u>P.O. BOX 1600 / 800 LONG RIDGE ROAD</u></p> <hr/> <p>(Street)</p> <p><u>STAMFORD CT 06904-1600</u></p> <hr/> <p>(City) (State) (Zip)</p>	<p>2. Issuer Name and Ticker or Trading Symbol</p> <p><u>XEROX CORP [ XRX ]</u></p> <hr/> <p>3. Date of Earliest Transaction (Month/Day/Year)</p> <p><u>07/28/2006</u></p> <hr/> <p>4. If Amendment, Date of Original Filed (Month/Day/Year)</p>	<p>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</p> <p>Director <span style="float: right;">10% Owner</span></p> <p><input checked="" type="checkbox"/> Officer (give title below) <span style="float: right;">Other (specify below)</span></p> <p style="text-align: right;"><b>Vice President</b></p> <hr/> <p>6. Individual or Joint/Group Filing (Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p>
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**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							9,334	D		
Common Stock							5,447.37	I	Employee Stock Ownership Plan	
Common Stock	07/28/2006		M/K <sup>(4)</sup>		25,245	A	\$0 <sup>(2)</sup>	39,264	D	
Common Stock	07/28/2006		F <sup>(4)</sup>		14,018	D	\$14.2	25,246	D	
Common Stock	07/28/2006		S <sup>(4)</sup>		11,227	D	\$14.22	14,019	D	
Common Stock	07/28/2006		M		24,755	A	\$0 <sup>(2)</sup>	38,774	D	
Common Stock	07/28/2006		S		24,755	D	\$14.22	14,019	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					
Stock Option	\$46.875							01/01/1999 <sup>(1)</sup>	12/31/2008	Common Stock	22,314	22,314	D	
Stock Option	\$59.4375							01/01/2000 <sup>(1)</sup>	12/31/2006	Common Stock	1,104	1,104	D	
Stock Option	\$47.5							03/01/2003	12/31/2009	Common Stock	7,032	7,032	D	
Stock Option	\$21.7812							01/01/2005	12/31/2009	Common Stock	30,000	30,000	D	
Stock Option	\$10.365							01/01/2003 <sup>(1)</sup>	12/31/2011	Common Stock	93,500	93,500	D	
Stock Option	\$7.885	07/28/2006		M/K <sup>(4)</sup>		25,245		01/01/2004 <sup>(1)</sup>	12/31/2012	Common Stock	25,425	\$0 <sup>(2)</sup>	68,255	D
Stock Option	\$7.885	07/28/2006		M		24,755		01/01/2004 <sup>(1)</sup>	12/31/2012	Common Stock	24,755	\$0 <sup>(2)</sup>	43,500	D
Stock Option	\$13.685							01/01/2005 <sup>(1)</sup>	12/31/2011	Common Stock	46,000	46,000	D	
Performance Shares	\$0.0 <sup>(2)</sup>							08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Common Stock	8,833	8,833 <sup>(3)</sup>	D	

**Explanation of Responses:**

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

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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