

XEROX CORP  
Form 4  
January 05, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MULCAHY ANNE M

(Last) (First) (Middle)  
800 LONG RIDGE ROAD, P. O.  
BOX 1600  
(Street)

STAMFORD, CT 06904

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
XEROX CORP [XRX]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/07/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Incentive Stock Rights					366,000	D	
Xerox Stock Fund					13,300.425 <sup>(3)</sup>	I	Xerox Stock Fund
Common Stock					4,503.34	I	Employee Stock Ownership Plan
	03/07/2006		G <sup>(8)</sup>	V		D	\$ 0 <sup>(2)</sup> 73,770 I

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Common Stock						40,501 <u>(8)</u>				By Anne M. Mulcahy GRAT
Common Stock	03/07/2006	<u>G(8)</u>	V	3,770 <u>(8)</u>	D	\$ 0 <u>(2)</u>	70,000	I		By Anne M. Mulcahy GRAT
Common Stock	03/07/2006	<u>G(8)</u>	V	40,501 <u>(12)</u>	A	\$ 0 <u>(2)</u>	593,448	D		
Common Stock	03/27/2006	<u>G(9)</u>	V	100,000 <u>(9)</u>	D	\$ 0 <u>(2)</u>	493,448	D		
Common Stock	03/27/2006	<u>G(9)</u>	V	100,000 <u>(9)</u>	A	\$ 0 <u>(2)</u>	170,000	I		By Anne M. Mulcahy GRAT
Common Stock	07/05/2006	<u>G</u>	V	34,100 <u>(10)</u>	D	\$ 0 <u>(2)</u>	135,900	I		By Anne M. Mulcahy GRAT
Common Stock	07/05/2006	<u>G</u>	V	34,100 <u>(10)</u>	A	\$ 0 <u>(2)</u>	527,548	D		
Common Stock	08/18/2006	<u>G</u>	V	1,630 <u>(11)</u>	D	\$ 0 <u>(2)</u>	525,918	D		
Common Stock	01/03/2007	<u>M/K(5)(6)</u>		257,577	A	\$ 0 <u>(2)</u>	783,495	D		
Common Stock	01/03/2007	<u>S/K(5)</u>		72,090	D	\$ 16,9715	711,405	D		
Common Stock	01/03/2007	<u>F/K(5)</u>		70,992	D	\$ 16,9715	640,413	D		
Common Stock	01/03/2007	<u>S</u>		2,900	D	\$ 16.93	637,513	D		
Common Stock	01/03/2007	<u>S</u>		14,100	D	\$ 16.94	623,413	D		
Common Stock	01/03/2007	<u>S</u>		20,100	D	\$ 16.95	603,313	D		
Common Stock	01/03/2007	<u>S</u>		20,600	D	\$ 16.96	582,713	D		
Common Stock	01/03/2007	<u>S</u>		20,800	D	\$ 16.97	561,913	D		
Common Stock	01/03/2007	<u>S</u>		11,300	D	\$ 16.98	550,613	D		

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Common Stock	01/03/2007	S	800	D	\$ 16.99	549,813	D
Common Stock	01/03/2007	S	2,700	D	\$ 17	547,113	D
Common Stock	01/03/2007	S	9,300	D	\$ 17.01	537,813	D
Common Stock	01/03/2007	S	6,900	D	\$ 17.02	530,913	D
Common Stock	01/03/2007	S	600	D	\$ 17.03	530,313	D
Common Stock	01/03/2007	S	1,800	D	\$ 17.06	528,513	D
Common Stock	01/03/2007	S	1,900	D	\$ 17.07	526,613	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**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 Underlying (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Stock Option	\$ 4.75	01/03/2007		M/K <sup>(5)(6)</sup>	257,577	01/01/2002 <sup>(1)</sup>	12/31/2010	Com Sto
Stock Option	\$ 7.885					01/01/2004 <sup>(1)</sup>	12/31/2012	Com Sto
Stock Option	\$ 9.25					01/01/2004	08/28/2011	Com Sto
Stock Option	\$ 10.365					01/01/2003 <sup>(1)</sup>	12/31/2011	Com Sto
Stock Option	\$ 21.7812					01/01/2005	12/31/2009	Com Sto
Stock Option	\$ 27					01/01/2001	12/31/2009	Com Sto

Stock Option	\$ 46.875					01/01/1999 <sup>(1)</sup>	12/31/2008	Com Sto	
Stock Option	\$ 47.5					03/01/2003	12/31/2009	Com Sto	
Stock Option	\$ 59.4375	12/31/2006		H <sup>(7)</sup>	V	1,382	01/01/2000	12/31/2006	Com Sto
Deferred Comp.	\$ 0 <sup>(2)</sup>						08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Com Sto
Stock Option	\$ 13.685						01/01/2005 <sup>(1)</sup>	12/31/2011	Com Sto
Performance Shares	\$ 0 <sup>(2)</sup>						08/08/1988 <sup>(2)</sup>	08/08/1988 <sup>(2)</sup>	Com Sto

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MULCAHY ANNE M 800 LONG RIDGE ROAD P. O. BOX 1600 STAMFORD, CT 06904			Chairman and CEO	

## Signatures

Karen Boyle ,  
Attorney-In-Fact

01/05/2007

    Signature of Reporting Person

Date

## Explanation of Responses:

\* 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).

(1) Options vest over three years, 33.3% per year beginning in year shown.

(2) Not Applicable

(3) Hypothetical investment of deferred compensation in Xerox Stock Fund under the Xerox Saving Plan.

(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) Stock options were exercised by stock swap using the attestation method.

(6) This sale of shares was effected pursuant to a Rule 10B5-1 trading plan adopted by the reporting person on February 8, 2005 and disclosed under item 8.01 of the Form 8-K filed with the Securities and Exchange Commission on November 5, 2004.

(7) Expiration of unexercised stock options.

(8) Distribution balance of the 2004 GRAT previously held directly by reporting person.

(9) 2006 GRAT shares previously held directly by reporting person

(10) Partial distribution of the 2005 GRAT previously held directly by reporting person

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(11) Shares gifted to Eileen Moore ACF Olivia Kathryn Moore

(12) Shares gifted to M Mulcahy (1885 shares) and K Mulcahy (1885 shares)

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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