

DE LIMA ARMANDO ZAGALO
 Form 4
 February 08, 2006

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 *
 DE LIMA ARMANDO ZAGALO

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

STAMFORD, CT, CT 06904

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/03/2006

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)
 Vice President

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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	01/03/2006		J ⁽²⁾	V 12,333 A \$ 0 ₍₃₎	79,587	D	
Common Stock	01/03/2006		F ⁽²⁾	V 4,934 D \$ 0 ₍₃₎	74,653	D	
Common Stock	02/06/2006		S	36,700 D \$ 14.5	37,953	D	
Common Stock	02/07/2006		M	60,800 A \$ 0 ₍₃₎	98,753	D	
Common Stock	02/07/2006		S	60,800 D \$ 14.5	37,953	D	

Incentive
 Stock Rights 01/03/2006 J⁽²⁾ V 12,333 D \$ 0₍₃₎ 12,334 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 and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Stock Option	\$ 21.7812					01/01/2005 ⁽¹⁾ 12/31/2009	Common Stock 20,00
Stock Option	\$ 4.75	02/07/2006		M	60,800	01/01/2002 ⁽¹⁾ 12/31/2010	Common Stock 60,80
Stock Option	\$ 10.365					01/01/2003 ⁽¹⁾ 12/31/2011	Common Stock 74,80
Stock Option	\$ 7.885					01/01/2004 ⁽¹⁾ 12/31/2012	Common Stock 121,50
Stock Option	\$ 5.14					10/14/2007 12/31/2011	Common Stock 50,00
Stock Option	\$ 13.685					01/01/2005 ⁽¹⁾ 12/31/2011	Common Stock 61,00

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DE LIMA ARMANDO ZAGALO 800 LONG RIDGE ROAD P. O. BOX 1600 STAMFORD, CT, CT 06904			Vice President	

Signatures

K.W. Fizer,
Attorney-In-Fact

02/08/2006

__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) Vesting of incentive stock rights.
- (3) Not Applicable

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.