

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, 1995

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 28, 1996

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XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Financial Statements and Schedule

November 30, 1995 and 1994

(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, 1995

Fund Information

	International Stock Fund	U.S. Stock Fund	Company Stock Fund	Small Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund	Employee Loan Fund (see note 4)	Total
Assets:									
Investment in employees' loans	\$ -	-	-	-	-	-	-	55,089,047	55,089,047
Investment in Master Trust	73,612,588	75,230,057	71,105,345	584,912,455	767,283,041	130,445,603	864,596	-	1,703,453,685
Total assets	73,612,588	75,230,057	71,105,345	584,912,455	767,283,041	130,445,603	864,596	55,089,047	1,758,542,732
Liabilities:									
Accrued expenses and other liabilities	(9,514)	55,601	29,473	474,491	112,074	38,576	-	-	700,701
Due from (to) other funds	91,727	2,807,519	2,213,068	3,637,060	(11,184,917)	1,352,939	-	1,082,604	-
Net assets available for plan benefits	\$73,713,829	77,981,975	73,288,940	588,075,024	755,986,050	131,759,966	864,596	56,171,651	1,757,842,031

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, 1994

Fund Information

	International Stock Fund	U.S Stock Fund	Company Stock Fund	Small Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund	Employee Loan Fund (see note 4)	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 Changes in Net Assets Available for Plan Benefits
with Fund Information

Year ended November 30, 1995

Fund Information

	International		Small		Income Fund	Xerox Stock Fund	Segregated Assets Fund	Employee Loan Fund	Total (see note 4)
	Stock Fund	U.S Stock Fund	Company Stock Fund	Balanced Fund					
Contributions:									
Employer	\$1,509,983	1,387,801	1,569,077	19,239,174	19,063,717	4,681,935	-	-	47,451,687
Employees'									
- - voluntary	7,537,090	7,455,412	6,676,232	36,759,920	39,766,636	9,394,117	-	-	107,589,407
Total contributions	9,047,073	8,843,213	8,245,309	55,999,094	58,830,353	14,076,052	-	-	155,041,094
Net income from Master Trust investments, net of administrative expenses	6,053,116	14,407,844	11,494,148	102,880,430	56,404,076	38,105,232	-	-	229,344,846
Interest income on employees' loans	-	-	-	-	-	-	-	3,935,432	3,935,432
	15,100,189	23,251,057	19,739,457	158,879,524	115,234,429	52,181,284	-	3,935,432	388,321,372
Benefit payments	(3,424,903)	(2,689,180)	(2,472,416)	(38,658,781)	(72,667,579)	(6,540,282)	-	-	(126,453,141)
Transfers among funds	(3,405,533)	20,348,762	17,133,524	(8,963,445)	(5,709,720)	2,394,412	(18,030,356)	(3,767,644)	-
Transfer from AMTX, Inc.	-	-	-	-	337,197	-	-	-	337,197
Transfer to Xerox Corporation Retirement Income Guarantee Plan	-	-	-	-	-	-	(77,038)	-	(77,038)
Net increase (decrease) in net assets available for plan benefits	8,269,753	40,910,639	34,400,565	111,257,298	37,194,327	48,035,414	(18,107,394)	167,788	262,128,390
Net assets available for plan benefits:									
Beginning 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
End of year	\$73,713,829	77,981,975	73,288,940	588,075,024	755,986,050	131,759,966	864,596	56,171,651	1,757,842,031

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	Company Stock Fund	Small Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund	Employee Loan Fund	Total (see note 4)
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

Notes to Financial Statements

November 30, 1995 and 1994

(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.

Payments 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 purchase an annuity payable from a legal reserve life insurance company. Amounts allocated to participants who have elected to withdraw from the Plan but have not been paid are \$3,525,402 in 1995 and \$4,975,553 in 1994.

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 1995 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, 1995, the Sponsor's ROA was 18.5% 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, 1995 equal to 10% of pay or \$230,473,696. Participants elected to invest \$57,961,217 into the Plan which will be recorded as an employer contribution in the Plan's financial statements for the plan year ended November 30, 1996.

For the calendar year ended December 31, 1994, the Sponsor's ROA was 16.1%, which resulted in an optional profit sharing contribution for the plan year ending November 30, 1994 for all eligible active employees at December 31, 1994 equal to 9.1% of pay or \$217,371,719. Participants elected to invest \$47,451,687 into the Plan which is recorded as an employer contribution in the Plan's financial statements for the plan year ended November 30, 1995.

For the calendar 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 U.S.

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 that fund managers believe have greater value than indicated by the current market price, or above average prospects for long-term growth.

Balanced Fund -- Under normal market conditions, invests approximately 70% in stocks; most of the remainder in bonds; some real estate, private placements, and cash. The mix may shift with market outlook.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(1) Description of Plan (continued)

Income Fund -- Invests in contracts with insurance companies and banks; short to intermediate duration, high-quality bonds.

Xerox Stock Fund -- Invests in Xerox Corporation common stock and some cash for administrative purposes.

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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, 1995, market value on loans approximates fair value.

(2) Federal Income Taxes

The Plan obtained its latest determination letter from the Internal Revenue Service (IRS) on September 18, 1995, covering Plan amendments through January 31, 1995, indicating that the Plan, as designed, was in compliance with the applicable requirements of the Internal Revenue Code. 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.

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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, 1995:

The Profit Sharing Plan of Xerox Corporation and The Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C.

Xerox Corporation Retirement Income Guarantee Plan;

Retirement Income Guarantee Plan of Xerox Corporation and The Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C.; and

XDS Investment Plan.

The Master Trust has six investment pools -- 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 participate in the aforementioned investment pools. Each of the plans has an ownership interest in one or more of these investment pool 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 pools:

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, 1995:

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 \$	698,388	951,310	153,069	554,383	-	754,349	-	3,111,499
Accrued interest	338,037	381,209	192,981	10,093,759	7,869,209	1,929	-	18,877,124
Due from brokers	4,232,947	11,272,276	1,602,820	70,751,303	21,414,712	-	-	109,274,058
Total receivables	5,269,372	12,604,795	1,948,870	81,399,445	29,283,921	756,278	-	131,262,681
Investments at fair value:								
At market value:								
Short-term investments	14,959,661	50,261,165	35,589,654	188,143,760	45,129,459	506,921	-	334,590,620
Fixed income investments	8,948,937	10,355,388	-	809,199,571	281,135,924	-	-	1,109,639,820
Equity securities:								
Xerox common stock	-	-	-	-	-	139,634,250	-	139,634,250
Other	728,766,550	1,271,544,615	547,487,444	686,264,675	-	-	-	3,234,063,284
Investments at contract value:								
Investment contracts with insurance companies and banks	-	-	-	-	755,908,409	-	1,269,049	757,177,458
At estimated fair value:								
Interest in real estate trusts	-	-	-	147,958,900	-	-	-	147,958,900
Other investments	-	-	-	112,288,466	-	-	-	112,288,466
Total investments	752,675,148	1,332,161,168	583,077,098	1,943,855,372	1,082,173,792	140,141,171	1,269,049	5,835,352,798
Total assets	757,944,520	1,344,765,963	585,025,968	2,025,254,817	1,111,457,713	140,897,449	1,269,049	5,966,615,479
Liabilities								
Cash overdraft	-	66	13	109,973	-	-	-	110,052
Due to brokers	10,932,258	19,692,289	4,030,794	98,607,735	3,436,720	1,717,850	-	138,417,646
Net assets	\$747,012,262	1,325,073,608	580,995,161	1,926,537,109	1,108,020,993	139,179,599	1,269,049	5,828,087,781

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, 1995 is as follows:

	International Stock Fund	U.S. Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund	Total (see note 4)
International Stock Pool	\$ 77,482,237	-	-	669,530,025	-	-	-	747,012,262
U.S. Stock Pool	-	78,184,642	-	1,246,888,966	-	-	-	1,325,073,608
Small Company Stock Pool	-	-	74,130,432	506,864,729	-	-	-	580,995,161
All Other Pool	-	-	-	1,926,537,109	-	-	-	1,926,537,109
Income Fund	-	-	-	-	1,108,020,993	-	-	1,108,020,993
Xerox Stock Fund	-	-	-	-	-	139,179,599	-	139,179,599
Segregated Assets Fund	-	-	-	-	-	-	1,269,049	1,269,049
Total	\$ 77,482,237	78,184,642	74,130,432	4,349,820,829	1,108,020,993	139,179,599	1,269,049	5,828,087,781

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, 1995 are as follows:

	International Stock Fund	U.S Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Segregated Assets Fund	Total (see note 4)
Xerox Corporation Profit Sharing and Savings Plan	\$ 73,612,588	75,230,057	71,105,345	584,912,455	767,283,041	130,445,603	864,596	1,703,453,683
The Profit Sharing Plan of Xerox Corporation and The Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L.-C.I.O. C.L.C.	3,869,649	2,954,585	3,025,087	37,830,372	95,765,469	8,733,996	85,695	152,264,853
Xerox Corporation Retirement Income Guarantee Plan	-	-	-	3,324,141,518	213,746,813	-	279,767	3,538,168,098
Retirement Income Guarantee Plan of Xerox Corporation and The Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L.-C.I.O.- C.L.C.	-	-	-	402,496,038	31,225,670	-	38,991	433,760,699
XDS Investment Plan	-	-	-	440,446	-	-	-	440,446
Total	\$ 77,482,237	78,184,642	74,130,432	4,349,820,829	1,108,020,993	139,179,599	1,269,049	5,828,087,781

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:

	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
Assets								
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	Total (see note 4)
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	Total (see note 4)
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, Union of Needletrades, Industrial and Textile Employees, A.F.L.-C.I.O.- C.L.C.	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, Union of Needletrades, Industrial and Textile Employees, A.F.L.-C.I.O.- C.L.C.	-	-	-	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 Changes in Net Assets of the Master Trust for the year ended November 30, 1995:

	International Stock Pool	U.S Stock Pool	Small Company Stock Pool	All Other Pool	Income Fund	Xerox Stock Fund	Segregated Assets Fund	Total (see note 4)
Additions:								
Transfers in	\$11,203,070	10,647,422	9,889,067	85,878,768	84,155,229	17,685,297	-	219,458,853
Investment earnings:								
Interest	770,531	3,528,423	2,776,738	76,856,014	74,729,139	76,567	-	157,737,412
Dividends	10,025,054	38,515,695	11,517,423	24,966,258	-	2,953,609	-	87,978,039
Net App(Dep)	58,941,923	271,364,157	102,753,507	224,463,457	8,921,130	37,632,740	-	704,076,914
Margin Variation on future investments	1,028,520	-	-	24,311,485	(161,741)	-	-	25,178,264
Other	177,235	31,509	167,756	860,675	34,868	2,867	-	1,274,910
Total investment earnings	70,943,263	313,439,784	117,215,424	351,457,889	83,523,396	40,665,783	-	977,245,539
Total Additions	82,146,333	324,087,206	127,104,491	437,336,657	167,678,625	58,351,080	-	1,196,704,392
Deductions:								
Administrative Expense	5,498,273	4,104,929	3,358,532	14,784,130	2,519,253	123,498	-	30,388,615
Transfer out	4,762,702	3,679,415	3,354,142	352,038,038	168,483,364	10,173,220	-	542,490,881
Total deductions	10,260,975	7,784,344	6,712,674	366,822,168	171,002,617	10,296,718	-	572,879,496
Transfers between funds/pools								
Transfer from AMTX, Inc.	(41,175,868)	98,390,567	(199,879,397)	105,200,242	59,242,812	4,638,985	(26,417,341)	-
Net assets: Beginning 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
End of year	\$747,012,262	1,325,073,608	580,995,161	1,926,537,109	1,108,020,993	139,179,599	1,269,049	5,828,087,781

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(3) Master Trust (continued)

The allocation of net income from Master Trust investments, net of administrative expenses, by investment pool and fund for the year ended November 30, 1995:

	International Stock Fund	U.S. Stock Fund	Small Company Stock Fund	Balanced Fund	Income Fund	Xerox Stock Fund	Total
International Stock Pool	\$6,256,251	-	-	59,188,739	-	-	65,444,990
U.S. Stock Pool	-	14,942,724	-	294,392,131	-	-	309,334,855
Small Company Stock Pool	-	-	11,888,984	101,967,908	-	-	113,856,892
All Other Pool	-	-	-	336,673,759	-	-	336,673,759
Income Fund	-	-	-	-	81,004,143	-	81,004,143
Xerox Stock Fund	-	-	-	-	-	40,542,284	40,542,284
Total	\$6,256,251	14,942,724	11,888,984	792,222,537	81,004,143	40,542,284	946,856,923

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN
Notes to Financial Statements

(3) Master Trust (continued)

Net income from Master Trust investments, net of administrative expenses for all participating plans for the year ended November 30, 1995:

	International Stock Fund	U.S. Stock Fund	Company Stock Fund	Small Balanced Fund	Income Fund	Xerox Stock Fund	Total
Xerox Corporation Profit Sharing and Savings Plan	\$5,971,976	14,428,298	11,478,711	102,705,332	56,018,591	38,089,557	228,692,465
The Profit Sharing Plan of Xerox Corporation and The Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L.-C.I.O.- C.L.C.	284,275	514,426	410,273	6,531,337	6,937,779	2,452,727	17,130,817
Xerox Corporation Retirement Income Guarantee Plan	-	-	-	608,237,890	15,767,773	-	624,005,663
Retirement Income Guarantee Plan of Xerox Corporation and The Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L.-C.I.O. C.L.C.	-	-	-	74,686,415	2,280,000	-	76,966,415
XDS Investment Plan	-	-	-	61,563	-	-	61,563
Master Trust investment income, net of administrative expenses	\$6,256,251	14,942,724	11,888,984	792,222,537	81,004,143	40,542,284	946,856,923

* 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	Income Fund	Xerox Stock Fund	Segregated Assets Fund	Total	(see note 4)
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	Company Stock Fund	Small 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	Company Stock Fund	Small 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, Union of Needletrades, Industrial and Textile Employees, A.F.L.-C.I.O.-C.L.C.	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, Union of Needletrades and Textile Employees, A.F.L.-C.I.O.-C.L.C.	-	-	-	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)

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, which approximates fair value. In connection with the investment contracts, all of which are fully benefit-responsive, the following information is presented:

- (i) The average investment yields for the years ended November 30, 1995 and 1994 were 6.9% and 6.7% respectively.
- (ii) The crediting interest rates at November 30, 1995 and 1994 ranged from 5.0% to 9.3% and from 4.2% to 10.2%, respectively.
- (iii) The fair value, as determined by discounting future cash flows and the market value of underlying investments, at November 30, 1995 and 1994 was approximately \$767,473,688 and \$811,978,057, respectively. Contract values were \$757,177,458 and \$853,481,836 at November 30, 1995 and 1994, 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, consideration of 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.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(3) Master Trust (continued)

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. Margin variation represents market fluctuations on future contracts.

Derivative financial instruments are used by the Master Trust's equity and balanced portfolio 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. Certain of the Master Trust's fixed income investment managers are permitted to use certain specified types of derivative instruments as part of their respective strategies. These strategies include the use of futures and options as substitutes for certain types of fixed income securities. 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. The use of derivative instruments is not believed to materially increase the credit or market risk of the Master Trust's investments.

(3) Master Trust (continued)

The net appreciation (depreciation) of investments for the year ended November 30, 1995 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	\$ (65,138)	2,014,943	-	51,373,186	8,921,130	-	62,244,121
Xerox common stock	-	-	-	-	-	37,632,740	37,632,740
Other equity investments	59,007,061	269,349,214	102,753,507	144,946,924	-	-	576,056,706
Investments at estimated fair value:							
Real estate	-	-	-	3,810,760	-	-	3,810,760
Other investments	-	-	-	24,332,587	-	-	24,332,587
Total	\$ 58,941,923	271,364,157	102,753,507	224,463,457	8,921,130	37,632,740	704,076,914

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

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)

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

Other investment consist primarily of private placement limited partnerships.

(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.

The Xerox retirement and savings plans have received \$64.3 million in payments related to the ELIC investments through November 30, 1995. Subsequent to November 30, 1995, all investments in the fund have been recovered.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(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 and other reconciling items) by units outstanding at the valuation date.

The total number of units and net asset value per unit outstanding at month-end during the year ended November 30, 1995 was as follows:

	International Fund Units Outstanding	Unit Value	U.S Stock Units Outstanding	Fund Unit Value	Small Co. Units Outstanding	Fund Unit Value	Balanced Units Outstanding	Fund Unit Value	Income Fund Units Outstanding	Fund Unit Value	Xerox Stock Units Outstanding	Fund Unit Value
December 31:	60,179,365	\$1.071812	37,773,639	\$1.004469	36,690,812	\$1.087985	50,770,096	\$9.492493	127,633,672	\$5.675950	19,452,258	\$4.367397
January 31:	60,918,573	1.014148	38,136,110	1.028614	37,916,082	1.075133	50,336,147	9.469626	126,443,369	5.714529	19,906,359	4.823003
February 28:	60,355,342	1.014879	38,523,405	1.066364	38,579,023	1.110750	49,787,004	9.722490	126,340,743	5.752417	20,183,338	4.925137
March 31:	59,265,445	1.037801	39,886,643	1.091979	39,875,075	1.146890	49,492,114	9.932212	128,700,201	5.787098	20,253,326	5.223549
April 30:	59,757,540	1.073252	42,605,238	1.117010	41,842,797	1.168077	50,849,044	10.153442	133,055,469	5.823086	21,157,657	5.479653
May 31:	59,157,334	1.097675	44,708,195	1.156870	42,787,760	1.184615	50,599,607	10.431708	133,079,193	5.872766	21,500,659	5.071456
June 30:	59,061,311	1.103583	47,239,526	1.183081	44,598,384	1.242418	50,489,636	10.640895	132,166,538	5.907832	21,626,823	5.239795
July 31:	59,589,319	1.177333	48,392,446	1.220332	45,029,655	1.315199	50,406,023	11.010881	131,346,391	5.938496	21,508,568	5.334043
August 31:	59,851,776	1.166430	51,229,145	1.226032	46,283,955	1.338410	50,659,319	11.078072	130,009,224	5.975351	21,393,739	5.434081
September 30:	60,390,250	1.194367	53,097,498	1.268196	48,525,206	1.369462	50,657,887	11.333167	128,432,861	6.006915	21,073,681	6.033618
October 31:	61,270,010	1.181537	55,792,291	1.256582	51,361,648	1.302074	50,832,431	11.205960	127,391,276	6.047463	20,901,315	5.824325
November 30:	61,395,203	1.200176	57,454,326	1.310284	53,063,815	1.341111	50,871,423	11.509480	125,383,818	6.088388	21,155,151	6.193365

The Segregated Assets Fund had 2,584,689 units outstanding and a net asset value of \$864,596 at November 30, 1995.

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	Unit Value	U.S Stock Units Outstanding	Fund Unit Value	Small Co. Units Outstanding	Fund Unit Value	Balanced Units Outstanding	Fund Unit Value	Income Fund Units Outstanding	Fund Unit Value	Xerox Stock 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	

The Segregated Assets Fund had 56,486,402 units outstanding and a net asset value of \$18,971,990 at November 30, 1994.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(6) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500:

	November 30	
	1995	1994
Net assets available for plan benefits as reported in the Plan financial statements	\$1,757,842,031	1,495,713,641
Benefit claims payable reported on line 31g of Form 5500	(3,525,402)	(4,975,553)
Net assets available for plan benefits as reported in the Plan Form 5500	\$1,754,316,629	1,490,738,088

The reconciliation of benefits paid per the financial statements to the Form 5500:

	November 30	
	1995	1994
Benefits paid to participants as reported in the Plan financial statements	\$126,453,141	114,695,572
Add: Amounts allocated to withdrawing participants at November 30	3,525,402	4,975,553
Less: Amounts allocated to withdrawing participants at November 30, 1994 and 1993, respectively	(4,975,553)	(2,883,120)
Benefits paid to participants as reported in the Form 5500	\$125,002,990	116,788,005

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to November 30 but not yet paid as of that date.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Notes to Financial Statements

(7) AMTX, Inc.

AMTX, Inc. is a wholly-owned subsidiary of Xerox Corporation. Effective January 1, 1995, the AMTX, Inc. Employees' Retirement Plan was terminated, and employees' balances were transferred into the Xerox Corporation Profit Sharing and Savings Plan. These employees are now participants in the Plan.

(8) Subsequent Event

In January, 1996, the Board of Directors approved a three-for-one stock split of the Company's common stock, subject to shareholder approval of an increase in the number of authorized shares from 350 million to 1,050 million shares. Pending shareholder approval, this action will become effective shortly after the 1996 annual shareholders' meeting. The stock split will not impact participants' interest in the Xerox Stock Fund.

XEROX CORPORATION
PROFIT SHARING AND SAVINGS PLAN

Item 27a - Schedule of Assets Held for Investment Purposes

November 30, 1995

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)	\$1,444,313,226	\$1,703,453,685
Investment in Employees' Loans	Loans to Plan participants, maturity dates through 5/31/09, interest rates from 7.5% to 11.5% per annum.	-	55,089,047

(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, 1995 and 1994, 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, 1995 and 1994, 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 10, 1996
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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 10, 1996, relating to the statements of net assets available for plan benefits of the Xerox Corporation Profit Sharing and Savings Plan as of November 30, 1995 and 1994, 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, 1995 Annual Report on Form 11-K of the Xerox Corporation Profit Sharing and Savings Plan.

KPMG PEAT MARWICK LLP

Rochester, New York
May 10, 1996