FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL								
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0.5

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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

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* MACDONALD MICHAEL C (Light) (Highlight)					2. Issuer Name and Ticker or Trading Symbol XEROX CORP [XRX]								5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner X Officer (give title Other (specify below)					
(Last) (First) (Middle) 800 LONG RIDGE ROAD P. O. BOX 1600					3. Date of Earliest Transaction (Month/Day/Year) 08/04/2006								below) below) Senior Vice President					
(Street) STAMFORD CT 06904					4. If Amendment, Date of Original Filed (Month/Day/Year)								6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person					
(City)	(St	ate)	(Zip)														3	
		Т	able I - No	n-Deriva	ative \$	Securitie	s Ao	quired,	Dis	sposed of,	or Bene	ficially	Dwned					
1. Title of Security (Instr. 3)				2. Transac Date (Month/Da		2A. Deemed Execution Date, if any (Month/Day/Year)		3. Transaction Code (Instr. 8)					5. Amount of Securities Beneficially Owned Following		6. Owne Form: E (D) or Ir (I) (Insti	Direct ndirect r. 4)	7. Nature of Indirect Beneficial Ownership	
								Code V A		Amount	(A) or (D)	Price	Reported Transaction (Instr. 3 and	(s) 4)			(Instr. 4)	
Common S	Stock			08/04/2	2006			S		16,000	D	\$14.2	42,30	17	I)		
Common S	Common Stock												4,228.78			I	Employee Stock Ownership Plan	
Common S	Stock												45			I	Children	
Incentive S	Stock Rights	5											55,00	0	1	2		
Xerox Stock Fund													11,626.77		I ⁽³⁾ 5		Xerox Stock Fund	
			Table II -							osed of, or			wned					
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	Table II - 3A. Deemed Execution Da if any (Month/Day/Y	te, 4. Code			r of s (A) sed		ns, o	convertible		d Amount ies g Security	8. Price of Derivative Security (Instr. 5)	9. Num derivat Securit Benefit Owned Follow Report	tive ties cially I ing ted	10. Ownersh Form: Direct (D) or Indirec (I) (Instr	Beneficial Ownership t (Instr. 4)	
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Explanation of Responses:

1. Not Applicable

2. Options vest over three years, 33.3% per year beginning in year shown.

3. Units purchased in Xerox Stock Fund under Xerox Savings Plan. Amount does not represent shares of stock, but dollars invested divided by unit value.

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.

K. Boyle, Attorney-In-Fact

** Signature of Reporting Person

08/07/2006 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.