FARREN J MICHAEL

Form 4

October 30, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

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Form 4 or Form 5 obligations may continue. See Instruction

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Section 16.

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * FARREN J MICHAEL			2. Issuer Name and Ticker or Trading Symbol XEROX CORP [XRX]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle) 3. D	3. Date of Earliest Transaction			ск ан аррисамс)		
		(Mo	onth/Day/Y	ear)		Director		0% Owner
800 LONG RIDGE ROAD, P. O. BOX 1600			10/26/2006			_X_ Officer (gives below)	below)	` 1
DOX 1000						Vice Pre	es. & General (Counsel
(Street)			4. If Amendment, Date Original			6. Individual or Joint/Group Filing(Check		
STAMFOR	RD, CT 06904	File	ed(Month/Da	ay/Year)	Applicable Line) _X_ Form filed by Form filed by Person		
(City)	(State)	(Zip)	Table I - I	Non-D	Derivative Securities Acq	uired, Disposed	of, or Benefici	ially Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)		Code	isactioi e	4. Securities Acquired n(A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature o Indirect Beneficial Ownership (Instr. 4)

1.Title of	2. Transaction Date	2A. Deemed	3. 4. Securities Acquired			5. Amount of	6.	7. Nature of	
Security	(Month/Day/Year)	Execution Date, if	Transaction(A) or Disposed of (D)				Securities	Ownership	Indirect
(Instr. 3)		any	Code	(Instr. 3,	4 and	5)	Beneficially	Form:	Beneficial
		(Month/Day/Year)	(Instr. 8) Code V	Amount	(A) or (D)	Price	Owned Following Reported Transaction(s) (Instr. 3 and 4)	Direct (D) or Indirect (I) (Instr. 4)	Ownership (Instr. 4)
Common Stock							2,050.69	I	Employee Stock Ownership Plan
Incentive Stock Rights							33,000	D	
Common Stock	10/26/2006		M	62,000	A	\$ 0 (2)	117,822	D	
Common Stock	10/26/2006		S	2,700	D	\$ 16.79	115,122	D	

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Common Stock	10/26/2006	S	4,800	D	\$ 16.78	110,322	D
Common Stock	10/26/2006	S	6,600	D	\$ 16.77	103,722	D
Common Stock	10/26/2006	S	1,900	D	\$ 16.76	101,822	D
Common Stock	10/26/2006	S	2,500	D	\$ 16.75	99,322	D
Common Stock	10/26/2006	S	17,900	D	\$ 16.74	81,422	D
Common Stock	10/26/2006	S	1,900	D	\$ 16.73	79,522	D
Common Stock	10/26/2006	S	100	D	\$ 16.71	79,422	D
Common Stock	10/26/2006	S	1,600	D	\$ 16.7	77,822	D
Common Stock	10/26/2006	S	22,000	D	\$ 16.67	55,822	D

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transacti Code (Instr. 8)	5. Number of or 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 A Underlying So (Instr. 3 and 4
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title
Stock Option	\$ 46.875				01/01/1999(1)	12/31/2008	Common Stock
Stock Option	\$ 59.4375				01/01/2000(1)	12/31/2006	Common Stock
Stock Option	\$ 47.5				03/01/2003	12/31/2009	Common Stock

(e.g., puts, calls, warrants, options, convertible securities)

(9-02)

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Stock Option	\$ 21.7812				01/01/2005	12/31/2009	Common Stock
Stock Option	\$ 4.75	10/26/2006	M	62,000	01/01/2002(1)	12/31/2010	Common Stock
Stock Option	\$ 10.365				01/01/2003(1)	12/31/2011	Common Stock
Stock Option	\$ 7.885				01/01/2004	12/31/2012	Common Stock
Stock Option	\$ 13.685				01/01/2005(1)	12/31/2011	Common Stock
Performance Shares	\$ 0 (2)				08/08/1988(2)	08/08/1988(2)	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships						
•	Director	10% Owner	Officer	Other			
FARREN J MICHAEL			W. D				
800 LONG RIDGE ROAD			Vice Pres.				
P. O. BOX 1600			& General				
STAMFORD, CT 06904			Counsel				

Signatures

Karen Boyle,
Attorney-In-Fact

**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) 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.

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.

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