

DE LIMA ARMANDO ZAGALO
 Form 4
 February 08, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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) |
| Common Stock | 01/03/2006 | | F ⁽²⁾ | V | 4,934 | D | \$ 0 (3) |
| Common Stock | 02/06/2006 | | S | | 36,700 | D | \$ 14.5 |
| Common Stock | 02/07/2006 | | M | | 60,800 | A | \$ 0 (3) |
| Common Stock | 02/07/2006 | | S | | 60,800 | D | \$ 14.5 |

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.

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 control number.

SEC 1474
(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 20,000 |
| Stock Option | \$ 4.75 | 02/07/2006 | | M | 60,800 | 01/01/2002 ⁽¹⁾ 12/31/2010 | Common Stock 60,800 |
| Stock Option | \$ 10.365 | | | | | 01/01/2003 ⁽¹⁾ 12/31/2011 | Common Stock 74,800 |
| Stock Option | \$ 7.885 | | | | | 01/01/2004 ⁽¹⁾ 12/31/2012 | Common Stock 121,500 |
| Stock Option | \$ 5.14 | | | | | 10/14/2007 12/31/2011 | Common Stock 50,000 |
| Stock Option | \$ 13.685 | | | | | 01/01/2005 ⁽¹⁾ 12/31/2011 | Common Stock 61,000 |

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.