XEROX CORP
Form SC 13G/A
January 30, 2013

CUSIP NO. 984121103 13G
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 2)*

XEROX CORPORATION

(Name of Issuer)

Common Stock, $1 par value

(Title of Class of Securities)

984121103

(CUSIP Number)

December 31, 2012

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is

filed:

[X] Rule 13d 1(b)

[ ] Rule 13d 1(c)

[ ] Rule 13d 1(d)

*The remainder of this cover page shall be filled out for a reporting person's

initial filing on this form with respect to the subject class of securities, and

for any subsequent amendment containing information which would alter the

disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to

be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934

("Act") or otherwise subject to the liabilities of that section of the Act but

shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAMES OF REPORTING PERSONS.

Franklin Mutual Advisers, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

(See Item 4)

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

(See Item 4)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

71,195,146

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.6%

12. TYPE OF REPORTING PERSON

IA, OO (See Item 4)

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Item 1.

(a) Name of Issuer

XEROX CORPORATION

(b) Address of Issuer's Principal Executive Offices

P.O. Box 4505, 45 Glover Avenue

Norwalk, CT 06856-4505

Item 2.

(a) Name of Person Filing

Franklin Mutual Advisers, LLC

(b) Address of Principal Business Office or, if none, Residence

101 John F. Kennedy Parkway

Short Hills, NJ 07078 2789

(c) Citizenship

Delaware

(d) Title of Class of Securities

Common Stock, $1 par value

(e) CUSIP Number

984121103

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Item 3. If this statement is filed pursuant to §§240.13d 1(b) or 240.13d 2(b) or (c),

check whether the person filing is a:

(a) [ ] Broker or dealer registered under section 15 of the Act (15 U.S.C. 8o).

(b) [ ] Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) [ ] Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C.

78c).

(d) [ ] Investment company registered under section 8 of the Investment Company

Act of 1940 (15 U.S.C 80a 8).

(e) [X] An investment adviser in accordance with §240.13d 1(b)(1)(ii)(E);

(f) [ ] An employee benefit plan or endowment fund in accordance with

§240.13d 1(b)(1)(ii)(F);

(g) [ ] A parent holding company or control person in accordance with

§240.13d 1(b)(1)(ii)(G);

(h) [ ] A savings associations as defined in Section 3(b) of the Federal

Deposit Insurance Act (12 U.S.C. 1813);

(i) [ ] A church plan that is excluded from the definition of an investment

company under section 3(c)(14) of the Investment Company Act of 1940

(15 U.S.C. 80a 3);

(j) [ ] A non U.S. institution in accordance with §240.13d 1(b)(ii)(J);

(k) [ ] Group, in accordance with §240.13d 1(b)(1)(ii)(K).

If filing as a non U.S. institution in accordance with §240.13d 1(b)(1)(ii)(J),

please specify the type of institution

Item 4. Ownership

The securities reported herein are beneficially owned by one or more open end investment

companies or other managed accounts that are investment management clients of Franklin

Mutual Advisers, LLC ("FMA"), an indirect wholly owned subsidiary of Franklin Resources,

Inc. ("FRI"). When an investment management contract (including a sub advisory

agreement) delegates to FMA investment discretion or voting power over the securities

held in the investment advisory accounts that are subject to that agreement, FRI treats

FMA as having sole investment discretion or voting authority, as the case may be, unless

the agreement specifies otherwise. Accordingly, FMA reports on Schedule 13G that it has

sole investment discretion and voting authority over the securities covered by any such

investment management agreement, unless otherwise noted in this Item 4. As a result for

purposes of Rule 13d 3 under the Act, FMA may be deemed to be the beneficial owner of

the securities reported in this Schedule 13G.

Beneficial ownership by investment management subsidiaries and other affiliates of FRI

is being reported in conformity with the guidelines articulated by the SEC staff in

Release No. 34 39538 (January 12, 1998) relating to organizations, such as FRI, where

related entities exercise voting and investment powers over the securities being

reported independently from each other. The voting and investment powers held by FMA are

exercised independently from FRI (FMA's parent holding company) and from all other

investment management subsidiaries of FRI (FRI, its affiliates and investment management

subsidiaries other than FMA are, collectively, "FRI affiliates"). Furthermore, internal

policies and procedures of FMA and FRI establish informational barriers that prevent the

flow between FMA and the FRI affiliates of information that relates to the voting and

investment powers over the securities owned by their respective investment management

clients. Consequently, FMA and the FRI affiliates report the securities over which they

hold investment and voting power separately from each other for purposes of Section 13

of the Act.

Charles B. Johnson and Rupert H. Johnson, Jr. (the "Principal Shareholders") each own in

excess of 10% of the outstanding common stock of FRI and are the principal stockholders

of FRI. However, because FMA exercises voting and investment powers on behalf of its

investment management clients independently of FRI, beneficial ownership of the

securities reported by FMA is not attributed to the Principal Shareholders. FMA

disclaims any pecuniary interest in any of the securities reported in this Schedule 13G.

In addition, the filing of this Schedule 13G on behalf of FMA should not be construed as

an admission that it is, and it disclaims that it is, the beneficial owner, as defined

in Rule 13d 3, of any of such securities.

Furthermore, FMA believes that it is not a "group" with FRI, the Principal

Shareholders, or their respective affiliates within the meaning of Rule 13d 5 under the

Act and that none of them is otherwise required to attribute to any other the

beneficial ownership of the securities held by such person or by any persons or

entities for whom or for which FMA or the FRI affiliates provide investment management

services.

(a) Amount beneficially owned:

71,195,146

(b) Percent of class:

5.6%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

Franklin Mutual Advisers, LLC: 71,195,146

(ii) Shared power to vote or to direct the vote

0

(iii) Sole power to dispose or to direct the disposition of

Franklin Mutual Advisers, LLC: 71,195,146

(iv) Shared power to dispose or to direct the disposition of

0

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ].

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The clients of Franklin Mutual Advisers, LLC, including investment companies registered under the Investment Company Act of 1940 and other managed accounts, have the right to receive or power to direct the receipt of dividends from, and the proceeds from the sale of, the securities reported herein.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Not Applicable

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities

referred to above were acquired and are held in the ordinary course of business and were

not acquired and are not held for the purpose of or with the effect of changing or

influencing the control of the issuer of the securities and were not acquired and are

not held in connection with or as a participant in any transaction having that purpose

or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the

information set forth in this statement is true, complete and correct.

Dated: January 18, 2013

Franklin Mutual Advisers, LLC

By: /s/STEVEN J. GRAY

Steven J. Gray

Assistant Secretary of Franklin Mutual Advisers, LLC

r investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal tax purposes; U.S. Holders whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; persons that purchase or sell the Notes as part of a wash sale for tax purposes; or “controlled foreign corporations” or “passive foreign investment companies” for U.S. federal income tax purposes). This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes. Persons considering the purchase of Notes should consult their tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of Notes arising under the laws of any other taxing jurisdiction.

General

The Notes should be treated as indebtedness for U.S. federal income tax purposes, and the balance of this summary assumes that the Notes are treated as indebtedness for U.S. federal income tax purposes.

We intend to take the position that solely for purposes of determining whether the Notes are issued with original issue discount, we are deemed to exercise the Call Provision prior to each Interest Rate step-up and, as a result, Interest Payments on the Notes will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder's normal method of accounting for tax purposes. Pursuant to the terms of the Notes, you agree to treat the Notes consistent with our treatment for all U.S. federal income tax purposes.

Pursuant to this treatment, upon the taxable disposition of a Note, you should generally recognize taxable gain or loss equal to the difference between (1) the amount realized on such taxable disposition (other than amounts attributable to accrued but untaxed interest) and (2) your adjusted tax basis in the Note. Your adjusted tax basis in a Note generally will equal your cost of the Note. Because the Note is held as a capital asset, such gain or loss will generally constitute capital gain or loss. Capital gain of a noncorporate U.S. Holder is generally taxed at preferential rates where such holder has a holding period of greater than one year. The deductibility of a capital loss realized on the taxable disposition of a Note is subject to limitations.

In the opinion of our counsel, Cadwalader, Wickersham & Taft LLP, your Notes should be treated as described above. However, the U.S. federal income tax treatment of the Notes is uncertain. We do not plan to request a ruling from the Internal Revenue Service (the "IRS") regarding the tax treatment of the Notes, and the IRS or a court may not agree with the tax treatment described in this pricing supplement. We urge you to consult your tax advisor as to the tax consequences of your investment in the Notes.

Medicare Tax on Net Investment Income

U.S. holders that are individuals or estates and certain trusts are subject to an additional 3.8% tax on all or a portion of their "net investment income," or "undistributed net investment income" in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust in excess of an applicable threshold. The 3.8% Medicare tax is determined in a different manner than the regular income tax. U.S. holders should consult their advisors with respect to the 3.8% Medicare tax.

Specified Foreign Financial Assets

Certain U.S. holders that own "specified foreign financial assets" may be subject to reporting obligations with respect to such assets with their tax returns, especially if such assets are held outside the custody of a U.S. financial institution. You are urged to consult your tax advisor as to the application of this legislation to your ownership of the Notes.

Backup Withholding and Information Reporting

Interest paid on the Notes, and proceeds received from a taxable disposition of the Notes, will be subject to information reporting unless you are an "exempt recipient" and may also be subject to backup withholding if you fail to provide certain identifying information (such as an accurate taxpayer number) or meet certain other conditions. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is furnished to the IRS.

You should consult your tax advisors as to the federal, state, local and other tax consequences of acquiring, holding and disposing of the Notes and receiving payments under the Notes.

CERTAIN ERISA CONSIDERATIONS

Each fiduciary of a pension, profit-sharing, or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (a "Plan"), should consider the fiduciary standards of ERISA in the context of the Plan's particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary

should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan.

In addition, we, SCUSA, and certain of our other subsidiaries and affiliates may be each considered a party in interest within the meaning of ERISA, or a disqualified person (within the meaning of Section 4975 of the Code), with respect to many Plans, as well as many individual retirement accounts and Keogh plans (also "Plans"). Prohibited transactions within the meaning of ERISA or the Code would likely arise, for example, if the Notes are acquired by or with the assets of a Plan with respect to which we or any of our affiliates is a party in interest or a disqualified person, unless the Notes are acquired under an exemption from the prohibited transaction rules. A violation of these prohibited transaction rules could result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption.

Under ERISA and various prohibited transaction class exemptions (“PTCEs”) issued by the U.S. Department of Labor, exemptive relief may be available for direct or indirect prohibited transactions resulting from the purchase, holding, or disposition of the Notes. Those exemptions include PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts), PTCE 84-14 (for certain transactions determined by independent qualified asset managers), and the exemption under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain arm’s-length transactions with a person that is a party in interest solely by reason of providing services to Plans or being an affiliate of such a service provider (the “Service Provider Exemption”).

Because SCUSA and the Bank each may be considered a party in interest or disqualified person with respect to many Plans, the Notes may not be purchased, held, or disposed of by any Plan, any entity whose underlying assets include plan assets by reason of any Plan's investment in the entity (a "Plan Asset Entity") or any person investing plan assets of any Plan, unless such purchase, holding, or disposition is eligible for exemptive relief, including relief available under PTCE 96-23, 95-60, 91-38, 90-1, or 84-14 or the Service Provider Exemption, or such purchase, holding, or disposition is otherwise not prohibited. Any purchaser, including any fiduciary purchasing on behalf of a Plan, transferee or holder of the Notes will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the Notes that either (a) it is not and will not be a Plan or a Plan Asset Entity and is not purchasing such Notes on behalf of or with plan assets of any Plan or any plan subject to similar laws or (b) its purchase, holding, and disposition will not constitute or result in a non-exempt prohibited transaction due to the application of a statutory or administrative exemption or such purchase, holding, and disposition will not otherwise be prohibited under ERISA or Section 4975 of the Code or a violation of any similar laws.

Further, any person acquiring or holding the Notes on behalf of any plan or with any plan assets shall be deemed to represent on behalf of itself and such plan that (x) the plan is paying no more than, and is receiving no less than, adequate consideration within the meaning of Section 408(b)(17) of ERISA and/or Section 4975(f)(10) of the Code in connection with the transaction or any redemption of the Notes, (y) none of us or any SCUSA directly or indirectly exercises any discretionary authority or control or renders investment advice or otherwise acts in a fiduciary capacity with respect to the assets of the plan within the meaning of ERISA and/or Section 4975 of the Code and (z) in making the foregoing representations and warranties, such person has applied sound business principles in determining whether fair market value will be paid, and has made such determination acting in good faith.

The fiduciary investment considerations summarized above generally apply to employee benefit plans maintained by private-sector employers and to individual retirement accounts and other arrangements subject to Section 4975 of the Code, but generally do not apply to governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), and foreign plans (as described in Section 4(b)(4) of ERISA). However, these other plans may be subject to similar provisions under applicable federal, state, local, foreign, or other regulations, rules, or laws (“similar laws”). The fiduciaries of plans subject to similar laws should also consider the foregoing issues in general terms as well as any further issues arising under the applicable similar laws.

In addition, any purchaser that is a Plan or a Plan Asset Entity or that is acquiring the Notes on behalf of a Plan or a Plan Asset Entity, including any fiduciary purchasing on behalf of a Plan or Plan Asset entity, will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the Notes that (a) none of us, SCUSA or any of our

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other affiliates is a "fiduciary" (under Section 3(21) of ERISA, or under any final or proposed regulations thereunder, or with respect to a governmental, church, or foreign plan under any similar laws) with respect to the acquisition, holding or disposition of the Notes, or as a result of any exercise by us or our affiliates of any rights in connection with the Notes, (b) no advice provided by us or any of our affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser in connection with the Notes and the transactions contemplated with respect to the Notes, and (c) such purchaser recognizes and agrees that any communication from us or any of our affiliates to the purchaser with respect to the Notes is not intended by us or any of our affiliates to be impartial investment advice and is rendered in its capacity as a seller of such Notes and not a fiduciary to such purchaser. Purchasers of the Notes have exclusive responsibility for ensuring that their purchase, holding, and disposition of the Notes do not violate the prohibited transaction rules of ERISA or the Code or any similar regulations applicable to governmental or church plans, as described above.

This discussion is a general summary of some of the rules which apply to benefit plans and their related investment vehicles. This summary does not include all of the investment considerations relevant to Plans and other benefit plan investors such as governmental, church, and foreign plans and should not be construed as legal advice or a legal opinion. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes on behalf of or with "plan assets" of any Plan or other benefit plan investor consult with their legal counsel prior to directing any such purchase.

USE OF PROCEEDS AND HEDGING

We will use the net proceeds we receive from the sale of the Notes for the purposes we describe in the accompanying prospectus supplement under "Use of Proceeds". We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the Notes as described below.

In anticipation of the sale of the Notes, we or our affiliates expect, but are not required, to enter into hedging transactions involving purchases of securities or over-the-counter derivative instruments linked to the applicable reference rate(s) prior to or on the Pricing Date. From time to time, we or our affiliates may enter into additional hedging transactions or unwind those we have entered into.

We or our affiliates may acquire a long or short position in securities similar to the Notes from time to time and may, in our or their sole discretion, hold or resell those similar securities. We or our affiliates may close out our or their hedge on or before the Maturity Date.

The hedging activity discussed above may adversely affect the market value of the Notes from time to time. See "Additional Risk Factors" and "Supplemental Plan of Distribution (Conflicts of Interest)" herein for a discussion of these adverse effects.