

MACHON JEAN NOEL
 Form 5
 January 31, 2006

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 MACHON JEAN NOEL

(Last) (First) (Middle)

P. O. BOX 1600, 800 LONG RIDGE ROAD

(Street)

STAMFORD, CT 06904

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 XEROX CORP [XRX]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2005

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 Reporting

(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) | (A) or (D) | Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------------|--|--|-----------------------------------|
| Common Stock | 01/03/2005 | ^ | J ⁽³⁾ | 15,333 | A | \$ 0 (2) | 60,916 | D | ^ |
| Common Stock | 01/03/2005 | ^ | F ⁽³⁾ | 6,287 | D | \$ 0 (2) | 54,629 | D | ^ |
| Incentive Stock Rights | 01/03/2005 | ^ | J ⁽³⁾ | 15,333 | D | \$ 0 (2) | 30,667 | D | ^ |

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

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SEC 2270
(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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title Amount of Number of Shares |
| Stock Option | \$ 5.14 | ^ | ^ | ^ | ^ ^ | 10/14/2007 12/31/2011 | Common Stock 50,000 |
| Stock Option | \$ 7.885 | ^ | ^ | ^ | ^ ^ | 01/01/2004 ⁽¹⁾ 12/31/2012 | Common Stock 149,600 |
| Stock Option | \$ 10.365 | ^ | ^ | ^ | ^ ^ | 01/01/2003 ⁽¹⁾ 12/31/2011 | Common Stock \$ 93,500 |
| Stock Option | \$ 21.7812 | ^ | ^ | ^ | ^ ^ | 01/01/2005 12/31/2009 | Common Stock 20,000 |
| Stock Option | \$ 26.625 | ^ | ^ | ^ | ^ ^ | 03/01/2003 12/31/2009 | Common Stock 1,212 |
| Stock Option | \$ 47.5 | ^ | ^ | ^ | ^ ^ | 03/01/2003 12/31/2009 | Common Stock 2,424 |
| Stock Option | \$ 13.685 | ^ | ^ | ^ | ^ ^ | 01/01/2005 ⁽¹⁾ 12/31/2011 | Common Stock 61,000 |
| Stock Option | \$ 15.205 | ^ | ^ | ^ | ^ ^ | 01/01/2005 ⁽¹⁾ 12/31/2011 | Common Stock 16,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MACHON JEAN NOEL P. O. BOX 1600 800 LONG RIDGE ROAD STAMFORD, CT 06904 | ^ | ^ | ^ Vice President | ^ |

Signatures

K.W. Fizer,
Attorney-In-Fact

01/31/2006

__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) Not Applicable
- (3) Vesting of Incentive Stock Rights.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.