

MACDONALD MICHAEL C
Form 5
January 31, 2006

FORM 5

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

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

OMB APPROVAL

OMB
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1. Name and Address of Reporting Person *
MACDONALD MICHAEL C

(Last) (First) (Middle)

800 LONG RIDGE ROAD, P. O.
BOX 1600

(Street)

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
____X____ Officer (give title below) ____ Other (specify below)

Senior Vice President

6. Individual or Joint/Group Reporting

(check applicable line)

STAMFORD, CT 06904

(City) (State) (Zip)

____X____ 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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	Â	Â	Â	Â	Â	Â	58,307	D	Â
Common Stock	Â	Â	Â	Â	Â	Â	4,228.78	I	Employee Stock Ownership Plan
Common Stock	Â	Â	Â	Â	Â	Â	45	I	Children

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Incentive Stock Rights	Â	Â	Â	Â	Â	Â	55,000	D	Â
Xerox Stock Fund	02/28/2005	Â	J ⁽³⁾	141.21	A	\$ 0 ⁽¹⁾	10,659.39	I	Xerox Stock Fund
Xerox Stock Fund	04/30/2005	Â	J ⁽³⁾	656.2	A	\$ 0 ⁽¹⁾	11,315.59	I	Xerox Stock Fund
Xerox Stock Fund	05/31/2005	Â	C ⁽³⁾	311.18	A	\$ 0 ⁽¹⁾	11,626.77	I	Xerox Stock Fund ⁽³⁾

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

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(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 Number of Shares
Stock Option	\$ 5.14	Â	Â	Â	Â Â	10/14/2007 12/31/2011	Common Stock 50,0
Stock Option	\$ 7.885	Â	Â	Â	Â Â	01/01/2004 ⁽²⁾ 12/31/2012	Common Stock 149,6
Stock Option	\$ 10.365	Â	Â	Â	Â Â	01/01/2003 ⁽²⁾ 12/31/2011	Common Stock 93,5
Stock Option	\$ 21.7812	Â	Â	Â	Â Â	01/01/2005 ⁽²⁾ 12/31/2009	Common Stock 30,0
Stock Option	\$ 46.875	Â	Â	Â	Â Â	01/01/1999 ⁽²⁾ 12/31/2008	Common Stock 17,1
Stock Option	\$ 47.5	Â	Â	Â	Â Â	03/01/2003 12/31/2009	Common Stock 6,23
Stock Option	\$ 59.4375	Â	Â	Â	Â Â	01/01/2000 ⁽²⁾ 12/31/2006	Common Stock 1,18

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Deferred Comp	\$ 0 ⁽¹⁾	Â	Â	Â	Â	Â	08/08/1988 ⁽¹⁾	08/08/1988 ⁽¹⁾	Common Stock	\$ 58,
Stock Option	\$ 13.685	Â	Â	Â	Â	Â	01/01/2005 ⁽²⁾	12/31/2011	Common Stock	77,0
Stock Option	\$ 15.205	Â	Â	Â	Â	Â	01/01/2005 ⁽²⁾	12/31/2011	Common Stock	15,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MACDONALD MICHAEL C 800 LONG RIDGE ROAD P. O. BOX 1600 STAMFORD, CT 06904	Â	Â	Â Senior Vice President	Â

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) 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.

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.