

MACDONALD MICHAEL C  
 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 \*  
 MACDONALD MICHAEL C

(Last) (First) (Middle)

800 LONG RIDGE ROAD, P. O. BOX 1600

(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)  
 Senior 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) | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|
|                                 |                                      |  |                                | (A) or (D) Amount Price   |  |  |   |
| Common Stock                    | ^                                    | ^  | ^                              | ^ ^ ^   | 58,307   | D  | ^   |
| Common Stock                    | ^                                    | ^  | ^                              | ^ ^ ^   | 4,228.78   | I  | Employee Stock Ownership Plan                         |
| Common Stock                    | ^                                    | ^  | ^                              | ^ ^ ^   | 45   | I  | Children  |

Edgar Filing: MACDONALD MICHAEL C - Form 5

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

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 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 Number 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 <sup>(2)</sup> 12/31/2012                     | Common Stock 149,6  |
| Stock Option                               | \$ 10.365  | Â                                    | Â  | Â                              | Â Â   | 01/01/2003 <sup>(2)</sup> 12/31/2011                     | Common Stock 93,5   |
| Stock Option                               | \$ 21.7812   | Â                                    | Â  | Â                              | Â Â   | 01/01/2005 <sup>(2)</sup> 12/31/2009                     | Common Stock 30,0   |
| Stock Option                               | \$ 46.875  | Â                                    | Â  | Â                              | Â Â   | 01/01/1999 <sup>(2)</sup> 12/31/2008                     | Common Stock 17,1   |
| Stock Option                               | \$ 47.5  | Â                                    | Â  | Â                              | Â Â   | 03/01/2003 12/31/2009                                    | Common Stock 6,2  |
| Stock Option                               | \$ 59.4375   | Â                                    | Â  | Â                              | Â Â   | 01/01/2000 <sup>(2)</sup> 12/31/2006                     | Common Stock 1,1  |

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

## Reporting Owners

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

## Signatures

K.W. Fizer, 01/31/2006  
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) 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.