

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>GALLAIRE HERVE J</u>  (Last) (First) (Middle) 800 LONG RIDGE ROAD PO BOX 1600  (Street) STAMFORD CT 06904  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>XEROX CORP [ XRX ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) Other (specify below) X Senior Vice President
	3. Date of Earliest Transaction (Month/Day/Year) 01/02/2004	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/02/2004		J <sup>(2)</sup>		30,000	A	\$0.0 <sup>(3)</sup>	95,201	D	
Common Stock	01/02/2004		F <sup>(2)</sup>		9,834	D	\$0.0 <sup>(3)</sup>	85,367	D	
Incentive Stock Rights	01/02/2004		J <sup>(2)</sup>		30,000	D	\$0.0 <sup>(3)</sup>	15,050	D	
Incentive Stock Rights	01/02/2004		A <sup>(4)(5)</sup>		37,000	A	\$0.00 <sup>(3)</sup>	52,050	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Options	\$4.75							01/01/2001 <sup>(1)</sup>	12/31/2010	Common Stock	112,200		112,200	D	
Stock Options	\$7.885							01/01/2004 <sup>(1)</sup>	12/31/2012	Common Stock	112,200		112,200	D	
Stock Options	\$10.365							01/01/2003 <sup>(1)</sup>	12/31/2011	Common Stock	112,200		112,200	D	
Stock Options	\$21.7812							01/01/2000	12/31/2009	Common Stock	40,000		40,000	D	
Stock Options	\$22.875							01/01/2001 <sup>(1)</sup>	12/31/2008	Common Stock	29,063		29,063	D	
Stock Options	\$36.7032							01/01/1999	12/31/2005	Common Stock	44,548		44,548	D	
Stock Options	\$46.875							01/01/1999	12/31/2008	Common Stock	19,092		19,092	D	
Stock Options	\$47.5							03/01/2003	12/31/2009	Common Stock	9,000		9,000	D	
Stock Options	\$13.685	01/02/2004		A		61,000		01/01/2005 <sup>(1)</sup>	12/31/2011	Common Stock	61,000	\$0.00 <sup>(3)</sup>	61,000	D	

**Explanation of Responses:**

- Options vest over three years, 33.3% per year beginning in year shown.
- Vesting of Incentive Stock Rights.
- Not Applicable
- Incentive stock rights under 16b-3 plan payable in shares treated as restricted stock. These rights are subject to vesting requirements.
- Restricted awards vest over three years, 33.3% per year beginning with 01/01/2005.

K.W. Fizer, Attorney-In-Fact 01/06/2004

\*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.

