

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
OMB Number:	3235-0362
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.

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>MULCAHY ANNE M</u> (Last) (First) (Middle) <u>800 LONG RIDGE ROAD</u> <u>P. O. BOX 1600</u> (Street) <u>STAMFORD CT 06904</u> (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 <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman and CEO</u>
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <u>12/31/2003</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	07/07/2003		G	6,000	D	\$0.0 ⁽⁴⁾	491,470	D	
Incentive Stock Rights							259,440	D	
Xerox Stock Fund							13,300.425 ⁽¹⁾	I	Xerox Stock Fund

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)
					(A)	(D)	Date Exercisable	Expiration Date					
Stock Option	\$4.75						01/01/2002 ⁽²⁾	12/31/2010	Common Stock	934,600	934,600	D	
Stock Option	\$7.885						01/01/2004 ⁽²⁾	12/31/2012	Common Stock	934,600	934,600	D	
Stock Option	\$9.25						01/01/2004	08/28/2011	Common Stock	1,000,000	1,000,000	D	
Stock Option	\$10.365						01/01/2003 ⁽²⁾	12/31/2011	Common Stock	934,600	934,600	D	
Stock Option	\$21.7812						01/01/2005	12/31/2009	Common Stock	60,000	60,000	D	
Stock Option	\$27						01/01/2001	12/31/2009	Common Stock	250,000	250,000	D	
Stock Option	\$30.9688						01/01/1998 ⁽³⁾	12/31/2004	Common Stock	4,800	4,800	D	
Stock Option	\$36.7032						01/01/1999 ⁽³⁾	12/31/2005	Common Stock	114,436	114,436	D	
Stock Option	\$44.1563						01/01/1999 ⁽³⁾	12/31/2005	Common Stock	3,500	3,500	D	
Stock Option	\$46.875						01/01/1999 ⁽²⁾	12/31/2008	Common Stock	49,044	49,044	D	
Stock Option	\$47.5						03/01/2003	12/31/2009	Common Stock	13,946	13,946	D	
Stock Option	\$59.4375						01/01/2000	12/31/2006	Common Stock	1,382	1,382	D	
Deferred Comp.	\$0.00 ⁽⁴⁾						08/08/1988 ⁽⁴⁾	08/08/1988 ⁽⁴⁾	Common Stock	\$500,000	\$500,000 ⁽⁵⁾	D	

Explanation of Responses:

- Units purchased in Xerox Stock Fund under Xerox Savings Plan. Amount does not represent shares of stock, but dollars invested divided by unit value.
- Options vest over three years, 33.3% per year beginning in year shown.
- Options vest over three years, 33%, 33%, 34%, beginning in year shown.
- Not Applicable
- Hypothetical investment of deferred compensation in Xerox Stock Fund under the Xerox Saving Plan.

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.

POWER OF ATTORNEY

The undersigned hereby authorizes each of L. F. Varon, K. W. Fizer and S. K. Lee, with full power to act alone, to file one or more beneficial ownership reports on behalf of the undersigned disclosing the undersigned's beneficial ownership of securities of Xerox Corporation, and amendments thereto, pursuant to the requirements of the Securities Exchange Act of 1934, as amended, which reports and amendments shall contain such information as either L. F. Varon, K. W. Fizer or S. K. Lee deems appropriate. The undersigned hereby appoints each of L. F. Varon, K. W. Fizer and S. K. Lee as attorneys-in-fact, with full powers to act alone, to execute such Forms and any and all amendments thereto in the name and on behalf of the undersigned and to file with the Securities and Exchange Commission a form of this Power of Attorney, hereby granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever that said attorney or attorneys may deem necessary or advisable to carry out fully the intent of the foregoing as the undersigned might or could do personally.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 26th day of January 2004.

/s/ Anne M. Mulcahy