

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996)

For the fiscal year ended: December 31, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from _____ to _____

Commission File Number 1-4471

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC
DIVISION, UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES

A.F.L. - C.I.O. - C.L.C.

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

XEROX CORPORATION
P.O. BOX 1600
STAMFORD, CONNECTICUT 06904-1600

REQUIRED INFORMATION

The Savings Plan of Xerox Corporation and the Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C. (the "Plan") is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Therefore, in lieu of the requirements of Items 1-3 of Form 11-K, the financial statements and schedule of the Plan at December 31, 2003 and 2002 and for the year ended December 31, 2003, which have been prepared in accordance with the financial reporting requirements of ERISA, are filed herewith as Exhibit 99-1 and incorporated herein by reference.

EXHIBITS

Exhibit Number	Description
99-1	Financial Statements and Schedule of the Plan at December 31, 2003 and 2002 and for the year ended December 31, 2003
99-2	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the persons who administer the plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L - C.I.O. - C.L.C.

/s/ Lawrence M. Becker

Lawrence M. Becker
On behalf of the Joint Administrative Board,
Plan Administrator

Stamford, Connecticut
June 21, 2004

THE SAVINGS PLAN OF
 XEROX CORPORATION AND
 THE XEROGRAPHIC DIVISION,
 UNION OF NEEDLETRADES, INDUSTRIAL
 AND TEXTILE EMPLOYEES
 A.F.L. - C.I.O. - C.L.C.

Financial Statements and Schedule

December 31, 2003 and 2002

(With Independent Auditors' Report Thereon)

THE SAVINGS PLAN OF
 XEROX CORPORATION AND
 THE XEROGRAPHIC DIVISION,
 UNION OF NEEDLETRADES, INDUSTRIAL
 AND TEXTILE EMPLOYEES
 A.F.L. - C.I.O. - C.L.C.

Statements of Net Assets Available for Plan Benefits

December 31, 2003 and 2002

(In thousands)

2003 2002 Assets: Investment interest in Master Trust at fair value (Note 4)
 \$231,659 \$199,842 Participant loans receivable 12,738 13,538 Employer
 contribution receivable 1,837 1,361 Net assets available for benefits \$246,234
 \$214,741 The accompanying notes are an integral part of these financial
 statements.

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF
 NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L. - C.I.O. - C.L.C.

Statement of Changes in Net Assets Available for Plan Benefits Year ended
 December 31, 2003 (In thousands)

2003
 Additions:
 Additions to
 net assets
 attributed
 to:
 Contributions:
 Participant \$
 15,000
 Rollovers
 (from RIGP-
 Union) 3,618
 Employer
 1,741 Total
 contributions
 20,359 Net
 appreciation
 from Plan
 interest in
 Master Trust,
 net of
 administrative
 expenses
 42,947
 Interest
 income on
 participant
 loans 696
 Total
 additions
 64,002
 Deductions:
 Deductions
 from net
 assets

attributed
to: Benefits
paid to
participants
32,509 Total
deductions
32,509 Net
increase in
assets
available for
benefits
31,493 Net
assets
available for
benefits:
Beginning of
year 214,741
End of year
\$246,234

The accompanying notes are an integral part of these financial statements.

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L. - C.I.O. - C.L.C. Notes to Financial Statements December 31, 2003 (1) Description of the Plan The following description of The Savings Plan of Xerox Corporation and the Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C. (the "Plan") provides only general information. Participants should refer to the summary plan description or plan document for a more complete description of the Plan's provisions. (a) General The Plan is a defined contribution plan covering substantially all domestic full and part-time Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C. employees of Xerox Corporation (the "Company"). Employees are eligible to participate in the Plan immediately upon hire. (b) Contributions Subject to limits imposed by the Internal Revenue Code (the "Code"), eligible employees may contribute up to 80% of pay (as defined in the Plan) through a combination of before-tax and after-tax payroll deductions. Participants direct the investment of their contributions into various investment options offered by the Plan. Through Plan year 2002, Xerox Corporation matched 35% of the employee before-tax savings contributions, up to a maximum of 4% of the employee before-tax savings contributions (equaling a maximum match of 1.4% of annual pay), up to the IRS 401(k) elective deferral limit. For the 2003 Plan Year, the match increased to 35% of the employee before-tax savings contributions, up to a maximum of 6% of the employee before-tax savings contributions (equaling a maximum match of 2.1% of annual pay), up to the IRS 401(k) elective deferral limit. (c) Vesting of Benefits Participants are vested immediately in employee and employer contributions and actual earnings thereon. To be eligible to receive the matching Company contribution, the employee must complete six months of service, and be actively employed on the last day in February of the year in which the contribution is made or have retired or died between January 1 of the prior year and the last day in February of the year in which the contribution is made. (d) Payment of Benefits Upon termination of service, a participant may elect to defer receipt of benefits or receive a lump-sum amount equal to the value of his or her account.

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L. - C.I.O. - C.L.C. Notes to Financial Statements December 31, 2003

(e) Investment Options Plan participants are able to direct the investment of their Plan holdings (employer and employee contributions) into various investment options as offered under the Plan on a daily basis. The investment options consist of three tiers of funds (Tier I, II, and III), each tier consists of several underlying funds with various levels of market risk and returns. The options consist of several balanced funds, a company stock fund, several other stock funds, a bond fund and a Marketplace Window (mutual funds).

(f) Participant Loans Participants are permitted to borrow from their accounts subject to limitations set forth in the plan document. The loans are payable over terms up to 14.5 years and bear interest at the quarterly Citibank commercial prime rate in effect at the time of loan issuance plus 1%. Principal and interest payments on the loans are redeposited into the participants' accounts based on their current investment allocation elections. Interest rates ranged from 5.00% to 11.5% at December 31, 2003.

(g) Administration The Company is responsible for the general administration of the Plan and for carrying out the plan provisions. The trustee of the Plan is State Street Bank and Trust Company (the "Trustee"). Hewitt Associates (the "Recordkeeper") is the recordkeeper of the Plan.

(h) Plan Termination The Plan was established with the expectation that it will continue indefinitely, however, the Company and Union reserve the right to amend or terminate the Plan.

(i) Reclassifications Certain reclassifications have been made to the fiscal year 2002 balances to conform with current year presentation.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting The Plan's financial statements are prepared under the accrual basis of accounting.

(b) Benefit Payments Benefit payments are recorded when paid.

(c) Contributions Contributions are recorded when withheld from participants' pay.

(d) Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(e) Basis of Presentation The assets of the Plan are held in the Xerox Corporation Trust Agreement to Fund Retirement Plans (the "Master Trust"). The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust, plus actual contributions and investment income (loss) based on participant account balances, less actual distribution and allocated administrative expenses. For financial reporting purposes, income on plan assets and any realized or unrealized gains or losses on such assets and expenses in the Master Trust are allocated to the Plan based on participant account balances. The Master Trust holds assets for other Company-sponsored plans, some of which may be defined contribution plans and some defined benefit plans. Because the Plan's interest in the Master Trust is based on participant investment options there are certain Master Trust investments in which the Plan does not invest.

(f) Valuation of Investments and Investment Income The Plan's investment in the Master Trust is recorded at an amount equal to the Plan's interest in the underlying investments of the Master Trust. Investments of the Master Trust are stated at fair value. Common shares are valued based on quoted market prices. Registered investment companies and bank collective investment funds are valued based on net asset value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Participant notes receivable are valued at cost which approximates fair value.

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L. - C.I.O. - C.L.C. Notes to Financial Statements December 31, 2003 (g) Administrative Expenses Certain administrative expenses such as, Trustee, Custodian and Investment Manager Fees are paid by the Master Trust and are net against Master Trust investment income (loss). Certain other administrative expenses are paid by the Company. (h) Risks and Uncertainties Investments are exposed to various risks, such as interest rate and market. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that the changes in risks in the near term would materially affect the amount reported in the statements of net assets available for plan benefits and the statement of changes in net assets available for plan benefits. (3) Federal Income Tax Status The Internal Revenue Service has determined and informed the Company by a letter dated August 28, 2002, covering plan amendments through October 30, 2001, that the Plan and related Master Trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. (4) Master Trust As discussed in Note 2, the Plan participates in the Master Trust. The Trustee, holds the Master Trust's investment assets, provides certain administrative functions for each of the Plans participating in the Master Trust, and executes investment transactions as directed by participants. The following Xerox employee benefit plans represent the following percentages in the net assets of the Master Trust as of December 31:

	2003	2002
Xerox Corporation Savings Plan	46.5%	44.8%
The Savings Plan of Xerox Corporation and the Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C.	3.1%	3.2%
Xerox Corporation Retirement Income Guarantee Plan	46.8%	48.0%
Retirement Income Guarantee Plan of Xerox Corporation and the Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C.	3.6%	4.0%

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L. - C.I.O. - C.L.C. Notes to Financial Statements December 31, 2003 The following financial information is presented for the Master Trust. Statement of Net Assets of the Master Trust is as follows (in thousands):

December
31, 2003
2002
Assets:
Investments
at fair
value: At
quoted
market
value -
Short-term
investments
\$ 15,997 \$
8,579 Fixed
income
investments
37,425
832,708
Xerox stock
fund
364,220
236,090
Registered
investment
companies
307,729
290,177
Common and
preferred
stock
158,716
1,454,995
Common
collective
trusts
6,588,848
3,492,211
At
estimated
fair value
- Interest
in real
estate
trusts
9,092 1,382
Other
investments
172,053
172,724
Receivables:
Accrued
interest
and
dividends
951 13,385
Receivable
for
securities
sold 1,406
276,289
Other
receivables
184 840
Total
assets
7,656,621
6,779,380
Liabilities:
Payable for
securities
purchased
12,425
428,849
Other 1,265
15,295

Total
liabilities
13,690
444,144 Net
assets
available
for
benefits \$
7,642,931
6,335,236

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF
NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L. - C.I.O. - C.L.C. Notes
to Financial Statements December 31, 2003 Statement of Changes in Net Assets of
the Master Trust for the year ended December 31, 2003 is as follows (in
thousands): Additions (deductions) to net assets attributable to: Investments
Interest and dividends \$ 63,558 Net appreciation of investments 1,474,002
Variation margin on futures contracts 8,410 Foreign currency loss (11,836)
Other 10,400 Total investment gains 1,544,534 Total additions from investments
1,544,534 Deductions from net assets attributable to: Transfers out of Master
Trust 200,514 Administrative expenses 36,325 Total deductions 236,839 Net
increase in net assets available for benefits 1,307,695 Net assets available
for benefits: Beginning of year 6,335,236 End of year \$7,642,931

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L. - C.I.O. - C.L.C. Notes to Financial Statements December 31, 2003 The Joint Administrative Board approves the overall investment strategy for the Master Trust investments, including the broad guidelines under which they are managed. As of December 31, 2003, the Joint Administrative Board consisted of nine members, including four representatives of Xerox Corporation and five representatives of UNITE. The Xerox Corporate Treasurer chairs the Fiduciary Investment Review Committee, which is composed of corporate officers who oversee the management of the funds on a regular basis. As of October 26, 2001, Xerox retained General Motors Asset Management and its affiliates to provide investment services to this plan, including investment management, asset allocation, research, and the selection, evaluation, and monitoring of investment managers. During 2003, the Master Trust's investments (including investments bought, sold, as well as held during the year) appreciated/(depreciated) in value as follows (in thousands):

December
31, 2003
Investments
at quoted
market
value:
Short-term
and fixed
income
investments
\$ 68,218
Xerox stock
158,336
Registered
investment
companies
54,867
Common and
preferred
stock
273,924
Common
collective
trusts
920,177
Investments
at
estimated
fair value:
Interest in
real estate
trusts
(672) Other
investments
(848) Net
Appreciation
\$1,474,002

(5) Related Party Transactions The Plan invests in a unitized stock fund, The Xerox Stock Fund (the "Fund"), which is primarily comprised of Xerox Corporation common shares. The unit values of the Fund are recorded and maintained by the Trustee. During the year ended December 31, 2003, the Plan purchased common shares in the Fund in the approximate amount of \$3,867,356 sold common shares in the Fund in the approximate amount of \$6,151,142, and had net appreciation in the Fund of approximately \$11,954,356. The total value of the Plan's investment in the Fund was approximately \$27,498,583 and \$16,526,300 at December 31, 2003 and 2002, respectively. These transactions, as well as participant loans, qualify as party in interest transactions. In addition, certain funds are managed by an affiliate of the Trustee and therefore qualify as party-in-interest transactions. (6) Contingencies In the normal course of business, the Plan enters into agreements that contain a variety of representations and warranties which provide general indemnifications. The Plan's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Plan that have not yet occurred. However, based on experience, the Plan expects the risk of loss to be remote.

THE SAVINGS PLAN OF XEROX CORPORATION AND THE XEROGRAPHIC DIVISION, UNION OF
NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES A.F.L. - C.I.O. - C.L.C.
Schedule of Assets (Held at End of Year)-Schedule H, Part IV, Item 4i, Schedule
I December 31, 2003 Schedule I

Description
of
investment
including
maturity
Identity of
issuer,
date, rate
of borrower,
interest,
collateral,
Current
lessor, or
similar
party par or
maturity
value Cost
value
*Participant
loans
receivable
Loans to
Plan
participants,
maturity
dates
through June
27, 2017,
interest
rates from
5.00% to
11.5% per
annum \$
12,738,098
*Party-in-interest.

Report of Independent Registered Public Accounting Firm To the Participants and Administrator of The Savings Plan of Xerox Corporation and the Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C.: In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Savings Plan of Xerox Corporation and the Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C. (the "Plan") at December 31, 2003 and 2002, and the changes in net assets available for benefits for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards of the Public Company Accounting Oversight Board and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. /s/ PricewaterhouseCoopers LLP -----
----- PricewaterhouseCoopers LLP Stamford, Connecticut June 18, 2004

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-22037) of Xerox Corporation of our Report of Independent Registered Public Accounting Firm dated June 18, 2004, relating to the financial statements of The Savings Plan of Xerox Corporation and the Xerographic Division, Union of Needletrades, Industrial and Textile Employees, A.F.L. - C.I.O. - C.L.C., which appears in this Form 11-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Stamford, Connecticut
June 18, 2004