

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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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>MACDONALD MICHAEL C</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) <p style="text-align: center;">Senior Vice President</p>		
			3. Date of Earliest Transaction (Month/Day/Year) <u>01/02/2004</u>					
			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 ⁽⁴⁾		40,000	A	\$0.00 ⁽¹⁾	72,566	D	
Common Stock	01/02/2004		F ⁽⁴⁾		14,259	D	\$0.00 ⁽¹⁾	58,307	D	
Incentive Stock Rights	01/02/2004		J ⁽⁴⁾		40,000	D	\$0.00 ⁽¹⁾	0	D	
Incentive Stock Rights	01/02/2004		A ⁽⁵⁾⁽⁶⁾		46,000	A	\$0.00 ⁽¹⁾	46,000	D	
Common Stock								45	I	children
Xerox Stock Fund								9,461.6495	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)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option	\$4.75							01/01/2002 ⁽³⁾	12/31/2010	Common Stock	93,500		93,500	D	
Stock Option	\$5.14							10/14/2007	12/31/2011	Common Stock	50,000		50,000	D	
Stock Option	\$7.885							01/01/2004 ⁽³⁾	12/31/2012	Common Stock	149,600		149,600	D	
Stock Option	\$10.365							01/01/2003 ⁽³⁾	12/31/2011	Common Stock	93,500		93,500	D	
Stock Option	\$21.7812							01/01/2005 ⁽³⁾	12/31/2009	Common Stock	30,000		30,000	D	
Stock Option	\$36.7032							01/01/1999 ⁽²⁾	12/31/2005	Common Stock	36,054		36,054	D	
Stock Option	\$46.875							01/01/1999 ⁽³⁾	12/31/2008	Common Stock	17,166		17,166	D	
Stock Option	\$47.5							03/01/2003	12/31/2009	Common Stock	6,282		6,282	D	
Stock Option	\$59.4375							01/01/2000 ⁽³⁾	12/31/2006	Common Stock	1,184		1,184	D	
Deferred Comp	\$0.00 ⁽¹⁾							08/08/1988 ⁽¹⁾	08/08/1988 ⁽¹⁾	Common Stock	\$58,628		\$58,628	D	
Stock Option	\$13.685	01/02/2004		A		77,000		01/01/2005 ⁽³⁾	12/31/2011	Common Stock	77,000	\$0.00 ⁽¹⁾	77,000	D	

Explanation of Responses:

- Not Applicable
- Options vest over three years, 33%, 33%, 34%, beginning in year shown.
- Options vest over three years, 33.3% per year beginning in year shown.
- Vesting of Incentive Stock Rights.

- 5. Incentive stock rights under 16b-3 plan payable in shares treated as restricted stock. These rights are subject to vesting requirements.
- 6. 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.

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