

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

**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

<b>1. Name and Address of Reporting Person*</b> <u>MACHON JEAN NOEL</u>  (Last) (First) (Middle) <u>P. O. BOX 1600</u> <u>800 LONG RIDGE ROAD</u>  (Street) <u>STAMFORD CT 06904</u>  (City) (State) (Zip)	<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>XEROX CORP [ XRX ]</u>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: right;"><b>Vice President</b></p>
	<b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>01/02/2004</u>	
	<b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>	
		<b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> <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 <sup>(1)</sup>		40,000	A	\$0.0 <sup>(2)</sup>	93,453	D	
Common Stock	01/02/2004		F <sup>(1)</sup>		16,400	D	\$0.0 <sup>(2)</sup>	77,053	D	
Incentive Stock Rights	01/02/2004		J <sup>(1)</sup>		40,000	D	\$0.0 <sup>(2)</sup>	7,000	D	
Incentive Stock Rights	01/02/2004		A <sup>(3)(4)</sup>		37,000	A	\$0.00 <sup>(2)</sup>	44,000	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				
Stock Option	\$4.75						01/01/2002 <sup>(5)</sup>	12/31/2010	Common Stock	74,800		74,800	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 <sup>(5)</sup>	12/31/2012	Common Stock	149,600		149,600	D	
Stock Option	\$10.365						01/01/2003 <sup>(5)</sup>	12/31/2011	Common Stock	93,500		93,500	D	
Stock Option	\$21.7812						01/01/2005	12/31/2009	Common Stock	20,000		20,000	D	
Stock Option	\$26.625						03/01/2003	12/31/2009	Common Stock	1,212		1,212	D	
Stock Option	\$30.9688						01/01/2000	12/31/2004	Common Stock	9,000		9,000	D	
Stock Option	\$36.7032						01/01/1999 <sup>(6)</sup>	12/31/2005	Common Stock	48,818		48,818	D	
Stock Option	\$47.5						03/01/2003	12/31/2009	Common Stock	2,424		2,424	D	
Stock Option	\$13.685	01/02/2004		A		61,000	01/01/2005 <sup>(5)</sup>	12/31/2011	Common Stock	61,000	\$0.00 <sup>(2)</sup>	61,000	D	

**Explanation of Responses:**

- 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.
- 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.

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.**