

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (date of earliest event reported):
February 23, 2000

XEROX CORPORATION
(Exact name of registrant as specified in its charter)

New York	1-4471	16-0468020
(State or other	(Commission File	(IRS Employer
jurisdiction of	Number)	Identification
incorporation)		No.)

800 Long Ridge Road
P. O. Box 1600
Stamford, Connecticut 06904-1600
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(203) 968-3000

Item 5. Other Events

The Registrant is releasing its unaudited 1999 financial statements and a related schedule to the investment community and posting them on its Internet website in advance of the publication of its 1999 Annual Report to Shareholders. Copies of these unaudited financial statements and the related schedule are included as exhibits to this Form 8-K.

Exhibit Index

Exhibit No.	Description
1.	Consolidated Statements of Income (Unaudited)
2.	Consolidated Balance Sheet (Unaudited)
3.	Consolidated Statements of Cash Flows (Unaudited)
4.	Non-Financing Operations Cash Flow Schedule

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934,
Registrant has duly authorized this report to be signed on its behalf by the
undersigned duly authorized.

XEROX CORPORATION

/s/ MARTIN S. WAGNER

By: MARTIN S. WAGNER
Assistant Secretary

Dated: February 23, 2000

Xerox Corporation
Consolidated Statements of Income (Unaudited)

(In millions, except per-share data)	Year Ended December 31,		
	1999	1998	1997
Revenues			
Sales	\$10,346	\$10,696	\$ 9,881
Service and rentals	7,856	7,678	7,257
Finance income	1,026	1,073	1,006
Total Revenues	19,228	19,447	18,144
Costs and Expenses			
Cost of sales	5,744	5,662	5,330
Cost of service and rentals	4,481	4,205	3,778
Inventory charges	-	113	-
Equipment financing interest	547	570	520
Research and development expenses	979	1,040	1,065
Selling, administrative and general expenses	5,144	5,321	5,212
Restructuring charge and asset impairments	-	1,531	-
Other, net	297	242	98
Total Costs and Expenses	17,192	18,684	16,003
Income before Income Taxes, Equity Income and Minorities' Interests			
	2,036	763	2,141
Income taxes	631	207	728
Equity in net income of unconsolidated affiliates	68	74	127
Minorities' interests in earnings of subsidiaries	49	45	88
Income from Continuing Operations	1,424	585	1,452
Discontinued Operations	-	(190)	-
Net Income	\$ 1,424	\$ 395	\$ 1,452
Basic Earnings (Loss) per Share			
Continuing Operations	\$ 2.09	\$ 0.82	\$ 2.16
Discontinued Operations	-	(0.29)	-
Basic Earnings per Share	\$ 2.09	\$ 0.53	\$ 2.16
Diluted Earnings (Loss) per Share			
Continuing Operations	\$ 1.96	\$ 0.80	\$ 2.02
Discontinued Operations	-	(0.28)	-
Diluted Earnings per Share	\$ 1.96	\$ 0.52	\$ 2.02

NOTE:

The unaudited consolidated financial statements presented herein have been prepared by Xerox Corporation in accordance with the accounting policies described in its 1998 Annual Report to Shareholders. Certain historical amounts have been restated to reflect reclassifications to conform to the current presentation. The impact of these changes is not material and did not affect net income.

Xerox Corporation
Consolidated Balance Sheets (Unaudited)

(In millions, except share data in thousands)	December 31, 1999	December 31, 1998
Assets		
Cash	\$ 126	\$ 79
Accounts receivable, net	2,622	2,671
Finance receivables, net	5,115	5,220
Inventories	2,961	3,269
Deferred taxes and other current assets	1,161	1,236
Total Current Assets	11,985	12,475
Finance receivables due after one year, net	8,203	9,093
Land, buildings and equipment, net	2,456	2,366
Investments in affiliates, at equity	1,615	1,456
Goodwill, net	1,724	1,731
Other assets	1,701	1,233
Investment in discontinued operations	1,130	1,670
Total Assets	\$ 28,814	\$ 30,024
Liabilities and Equity		
Short-term debt and current portion of long-term debt	\$ 3,957	\$ 4,104
Accounts payable	1,016	948
Accrued compensation and benefit costs	630	722
Unearned income	186	210
Other current liabilities	2,161	2,523
Total Current Liabilities	7,950	8,507
Long-term debt	10,994	10,867
Postretirement medical benefits	1,133	1,092
Deferred taxes and other liabilities	2,263	2,711
Discontinued operations liabilities - policyholders' deposits and other	428	911
Deferred ESOP benefits	(299)	(370)
Minorities' interests in equity of subsidiaries	127	124
Company-obligated, mandatorily redeemable preferred securities of subsidiary trust holding solely subordinated debentures of the Company	638	638
Preferred stock	669	687
Common shareholders' equity	4,911	4,857
Total Liabilities and Equity	\$ 28,814	\$ 30,024
Shares of common stock issued	665,156	657,196
Shares of common stock outstanding	665,156	656,787

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Xerox Corporation
Consolidated Statements of Cash Flows (Unaudited)

Year ended December 31 (In millions)	1999	1998	1997
Cash Flows from Operating Activities			
Income (Loss) from Continuing Operations	\$ 1,424	\$ 585	\$ 1,452
Adjustments required to reconcile income to cash flows from operating activities:			
Depreciation and amortization	935	821	739
Provisions for doubtful accounts	359	301	265
Restructuring and other charges	-	1,644	-
Provision for postretirement medical benefits, net of payments	41	33	29
Charges against 1998 restructuring reserve	(437)	(332)	-
Minorities' interests in earnings of subsidiaries	49	45	88
Undistributed equity in income of affiliated companies	(68)	(27)	(84)
Decrease (increase) in inventories	68	(558)	(170)
Increase in on-lease equipment	(401)	(473)	(347)
Increase in finance receivables	(1,788)	(2,169)	(1,629)
Proceeds from securitization of finance receivables	1,495	-	-
Increase in accounts receivable	(94)	(540)	(188)
(Decrease) increase in accounts payable and accrued compensation and benefit costs	(94)	127	250
Net change in current and deferred income taxes	277	(192)	361
Change in other current and non-current liabilities	(78)	67	83
Other, net	(464)	(497)	(377)
Total	1,224	(1,165)	472
Cash Flows from Investing Activities			
Cost of additions to land, buildings and equipment	(594)	(566)	(520)
Proceeds from sales of land, buildings and equipment	99	74	36
Acquisitions, net of cash acquired	(107)	(380)	(812)
Other, net	(25)	5	45
Total	(627)	(867)	(1,251)
Cash Flows from Financing Activities			
Net change in debt	(97)	2,468	5
Dividends on common and preferred stock	(586)	(531)	(475)
Proceeds from sale of common stock	144	126	140
Repurchase of common and preferred stock	-	(172)	(116)
Dividends to minority shareholders	(30)	(4)	(7)
Proceeds from issuance of mandatorily redeemable preferred securities	-	-	637
Total	(569)	1,887	184
Effect of Exchange Rate Changes on Cash	(9)	(29)	(18)
Cash provided (used) by Continuing Operations	19	(174)	(613)
Cash Provided by Discontinued Operations	28	178	584
Increase (decrease) in Cash	47	4	(29)
Cash at Beginning of Year	79	75	104
Cash at End of Year	\$ 126	\$ 79	\$ 75

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Xerox Corporation
Non-Financing Operations Cash Flow

The following schedule summarizes 1999, 1998 and 1997 document processing non-financing operations cash generation and usage:

(In millions)	1999	1998	1997
Document Processing Non-Financing:			
Income	\$1,114	\$1,381*	\$1,217
Depreciation and amortization**	935	821	739
Cash from Operations	\$2,049	\$2,202	\$1,956
Additions to land, building and equipment	(594)	(566)	(520)
Increase in on-lease Equipment	(401)	(473)	(347)
Decrease/(increase) in other inventory	68	(558)	(170)
Increase in accounts receivable	(94)	(540)	(188)
All other changes, net	(238)	366	295
Net Cash Generation, Before Restructuring Charges	\$ 790	\$ 431	\$1,026
Cash charges against 1998 restructuring reserve	(437)	(332)	-
Net Cash Generation	\$ 353	\$ 99	\$1,026

* Before 1998 restructuring charge.

** Includes rental equipment depreciation of \$463, \$411 and \$311 in 1999, 1998 and 1997, respectively.