

McDermott John E
 Form 4
 February 03, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 McDermott John E

2. Issuer Name and Ticker or Trading Symbol
 XEROX CORP [XRX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 C/O XEROX CORPORATION, P.O.
 BOX 1600 / 800 LONG RIDGE
 ROAD

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/03/2005

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 Vice President

(Street)
 STAMFORD, CT 06904

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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		
Incentive Stock Rights	01/03/2005		J ⁽²⁾	V	6,333	D	\$ 0 ⁽³⁾ 12,667	D	
Common Stock							2.595	I	Employee Stock Ownership Plan
Common Stock	01/03/2005		J ⁽²⁾	V	6,333	A	\$ 0 ⁽³⁾ 15,639	D	
Common Stock	01/03/2005		F ⁽¹⁾	V	2,313	D	\$ 0 ⁽³⁾ 13,326	D	

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Stock							
Common Stock	02/01/2005		M	33,300	A	\$ 0 ⁽³⁾	46,626 D
Common Stock	01/02/2005		S	1,400	D	\$ 15.73	45,226 D
Common Stock	02/01/2005		S	4,600	D	\$ 15.72	40,626 D
Common Stock	02/01/2005		S	1,500	D	\$ 15.71	39,126 D
Common Stock	02/01/2005		S	19,400	D	\$ 15.7	19,726 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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 Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option	\$ 5.87	02/01/2005		M	5,200	01/01/2003 ⁽¹⁾ 12/31/2011	Common Stock 5,200
Stock Option	\$ 5.87	02/01/2005		M	28,100	01/01/2003 ⁽¹⁾ 12/31/2012	Common Stock 28,100
Stock Option	\$ 7.885					01/01/2004 ⁽¹⁾ 12/31/2012	Common Stock 28,100
Stock Option	\$ 13.685					01/01/2005 ⁽¹⁾ 12/31/2011	Common Stock 25,000
Stock Option	\$ 15.205					01/01/2005 ⁽¹⁾ 12/31/2011	Common Stock 6,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McDermott John E C/O XEROX CORPORATION P.O. BOX 1600 / 800 LONG RIDGE ROAD STAMFORD, CT 06904			Vice President	

Signatures

K.W. Fizer, 02/03/2005
Attorney-in Fact

**Signature of Reporting Person Date

Explanation of Responses:

- * 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).
- (1) Options vest over three years, 33.3% per year beginning in year shown.
 - (2) Vesting of Incentive Stock Rights.
 - (3) Not Applicable

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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