

McDermott John E
 Form 4
 February 07, 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)

3. Date of Earliest Transaction (Month/Day/Year)
 02/03/2005

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

C/O XEROX CORPORATION, P.O.
 BOX 1600 / 800 LONG RIDGE
 ROAD

(Street)

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

STAMFORD, CT 06904

(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)
				(A) or (D)	Amount		
			Code	V	Amount		Price
Incentive Stock Rights					12,667	D	
Common Stock					2.595	I	Employee Stock Ownership Plan
Common Stock	02/03/2005		M		20,533	A	\$ 0 ⁽²⁾ 33,859
Common Stock	02/03/2005		S		17,000	D	\$ 16,859

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Stock					15.53		
Common Stock	02/03/2005	S	3,533	D	\$ 15.45	13,326	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	02/03/2005		M	1,800	01/01/2003 ⁽¹⁾ 12/31/2011	Common Stock 1,800
Stock Option	\$ 5.87					01/01/2003 ⁽¹⁾ 12/31/2012	Common Stock 28,100
Stock Option	\$ 7.885	02/03/2005		M	18,733	01/01/2004 ⁽¹⁾ 12/31/2012	Common Stock 18,733
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,
Attorney-in Fact

02/07/2005

__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) 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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