

OMB APPROVAL	
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**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

1. Name and Address of Reporting Person* <u>KOBAYASHI YOTARO</u>  (Last) (First) (Middle)  (Street)  (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)  <input checked="" type="checkbox"/> Director 10% Owner  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>07/01/2003</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

**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	07/01/2003		A <sup>(3)</sup>		591	A	10.59	47,905	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	Title	Amount or Number of Shares				
Stock Option	10.5	08/08/1988 <sup>(1)</sup>		J <sup>(1)</sup>			0 <sup>(1)</sup>	01/01/2004 <sup>(2)</sup>	05/15/2013	Common Stock	\$0.00 <sup>(1)</sup>	\$0.00 <sup>(1)</sup>	5,000	D	
Stock Option	6.8	08/08/1988 <sup>(1)</sup>		J <sup>(1)</sup>			0 <sup>(1)</sup>	08/08/1988 <sup>(1)</sup>	09/09/2012	Common Stock	\$0.00 <sup>(1)</sup>	\$0.00 <sup>(1)</sup>	5,000	D	
Stock Option	9.25	08/08/1988 <sup>(1)</sup>		J <sup>(1)</sup>			0 <sup>(1)</sup>	08/08/1988 <sup>(1)</sup>	08/28/2011	Common Stock	\$0.00 <sup>(1)</sup>	\$0.00 <sup>(1)</sup>	5,000	D	
Stock Option	27	08/08/1988 <sup>(1)</sup>		J <sup>(1)</sup>			0 <sup>(1)</sup>	08/08/1988 <sup>(1)</sup>	05/18/2010	Common Shares	\$0.00 <sup>(1)</sup>	\$0.00 <sup>(1)</sup>	5,000	D	
Stock Option	32.1563	08/08/1988 <sup>(1)</sup>		J <sup>(1)</sup>			0 <sup>(1)</sup>	08/08/1988 <sup>(1)</sup>	05/14/2007	Common Stock	\$0.00 <sup>(1)</sup>	\$0.00 <sup>(1)</sup>	1,700	D	
Stock Option	54.2188	08/08/1988 <sup>(1)</sup>		J <sup>(1)</sup>			0 <sup>(1)</sup>	08/08/1988 <sup>(1)</sup>	05/22/2006	Common Stock	\$0.00 <sup>(1)</sup>	\$0.00 <sup>(1)</sup>	5,000	D	
Stock Option	60.4375	08/08/1988 <sup>(1)</sup>		J <sup>(1)</sup>			0 <sup>(1)</sup>	08/08/1988 <sup>(1)</sup>	05/20/2009	Common Stock	\$0.00 <sup>(1)</sup>	\$0.00 <sup>(1)</sup>	5,000	D	

**Explanation of Responses:**

- This is a total row. Information requested is not applicable.
- Options vest over three years, 33%, 33%, 34%, beginning in year shown.
- Restricted shares issued as payment of fees under the terms of the Restricted Stock Plan for Directors.

K. W. Fizer, Attorney-In-Fact 07/02/2003

\*\* 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.

POWER OF ATTORNEY

The undersigned hereby authorizes each of E. M. Filter, K. W. Fizer and M. S. Wagner, with full power to act alone, to file one or more beneficial ownership reports on behalf of the undersigned disclosing the undersigned's beneficial ownership of securities of Xerox Corporation, and amendments thereto, pursuant to the requirements of the Securities Exchange Act of 1934, as amended, which reports and amendments shall contain such information as either E. M. Filter, K. W. Fizer or M. S. Wagner deems appropriate. The undersigned hereby appoints each of E. M. Filter, K. W. Fizer and M. S. Wagner as attorneys-in-fact, with full powers to act alone, to execute such Forms and any and all amendments thereto in the name and on behalf of the undersigned and to file with the Securities and Exchange Commission a form of this Power of Attorney, hereby granting to said attorneys, and each of them, full power and authority to do and perform each and every act and thing whatsoever that said attorney or attorneys may deem necessary or advisable to carry out fully the intent of the foregoing as the undersigned might or could do personally.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 13th day of May, 1999.

/s/ Yotaro Kobayashi