

**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

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>VARON LESLIE F</u>  (Last) (First) (Middle) P. O. BOX 1600 800 LONG RIDGE ROAD  (Street) STAMFORD CT 06904  (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) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Vice President &amp; Secretary</u>
	3. Date of Earliest Transaction (Month/Day/Year) 01/02/2004	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <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>		12,500	A	\$0 <sup>(3)</sup>	30,688.0725	D	
Common Stock	01/02/2004		F <sup>(1)</sup>		4,330	D	\$0 <sup>(3)</sup>	26,358.0725	D	
Common Stock								5	I	Spouse
Incentive Stock Rights	01/02/2004		J <sup>(1)</sup>		12,500	D	\$0.00 <sup>(3)</sup>	0	D	
Incentive Stock Rights	01/02/2004		A <sup>(4)(5)</sup>		19,000	A	\$0.00 <sup>(3)</sup>	19,000	D	
Xerox Stock Fund								804.931	I	Xerox Stock Fund

**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
Stock Option	\$4.75							01/01/2002 <sup>(2)</sup>	12/31/2010	Common Stock	10,200	10,200	D		
Stock Option	\$7.885							01/01/2004 <sup>(2)</sup>	12/31/2012	Common Stock	46,800	46,800	D		
Stock Option	\$9.25							01/01/2004	12/31/2010	Common Stock	10,000	10,000	D		
Stock Option	\$10.365							01/01/2003 <sup>(2)</sup>	12/31/2011	Common Stock	46,800	46,800	D		
Stock Option	\$21.7812							01/01/2001 <sup>(2)</sup>	12/31/2009	Common Stock	19,000	19,000	D		
Stock Option	\$25.8125							03/01/2003	12/31/2009	Common Stock	2,580	2,580	D		
Stock Option	\$30.9688							01/01/1998	12/31/2004	Common Stock	4,992	4,992	D		
Stock Option	\$44.1563							01/01/1999	12/31/2005	Common Stock	3,400	3,400	D		
Stock Option	\$59.4375							01/01/2000 <sup>(2)</sup>	12/31/2006	Common Stock	628	628	D		
Stock Option	\$59.4375							01/01/2000 <sup>(2)</sup>	12/31/2008	Common Stock	3,050	3,050	D		
Stock Options	\$13.685	01/02/2004		A		31,000		01/01/2005 <sup>(2)</sup>	12/31/2011	Common Stock	31,000	\$0.00 <sup>(3)</sup>	31,000	D	

**Explanation of Responses:**

1. Vesting of incentive stock rights

2. Options vest over three years, 33.3% per year beginning in year shown.
3. Not Applicable
4. Incentive stock rights under 16b-3 plan payable in shares treated as restricted stock. These rights are subject to vesting requirements.
5. Restricted awards vest over three years, 33.3% per year beginning with 01/01/2005.

Kate 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.**