

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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:	3235-0104
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1. Name and Address of Reporting Person* <u>DE LIMA ARMANDO ZAGALO</u> (Last) (First) (Middle) <u>800 LONG RIDGE ROAD</u> <u>P. O. BOX 1600</u> (Street) <u>STAMFORD, CT CT 06904</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>01/01/2004</u>	3. Issuer Name and Ticker or Trading Symbol (Check all applicable) <u>XEROX CORP [XRX]</u>	5. If Amendment, Date of Original Filed (Month/Day/Year)
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p align="center"><u>Vice President</u></p>	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 Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>Common Stock</u>	<u>34,481</u>	<u>D</u>	
<u>Incentive Stock Rights</u>	<u>39,500</u>	<u>D</u>	

Table II - Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<u>Stock Option</u>	<u>01/01/1999⁽¹⁾</u>	<u>12/31/2005</u>	<u>Common Stock</u>	<u>46,018</u>	<u>36.7032</u>	<u>D</u>	
<u>Stock Option</u>	<u>01/01/1998⁽¹⁾</u>	<u>12/31/2004</u>	<u>Common Stock</u>	<u>4,020</u>	<u>30.9688</u>	<u>D</u>	
<u>Stock Option</u>	<u>01/01/2005⁽²⁾</u>	<u>12/31/2009</u>	<u>Common Stock</u>	<u>20,000</u>	<u>21.7812</u>	<u>D</u>	
<u>Stock Option</u>	<u>01/01/2002⁽²⁾</u>	<u>12/31/2010</u>	<u>Common Stock</u>	<u>60,800</u>	<u>4.75</u>	<u>D</u>	
<u>Stock Option</u>	<u>01/01/2003⁽²⁾</u>	<u>12/31/2011</u>	<u>Common Stock</u>	<u>74,800</u>	<u>10.365</u>	<u>D</u>	
<u>Stock Option</u>	<u>01/01/2004⁽²⁾</u>	<u>12/31/2012</u>	<u>Common Stock</u>	<u>121,500</u>	<u>7.885</u>	<u>D</u>	
<u>Stock Option</u>	<u>10/14/2007</u>	<u>12/31/2011</u>	<u>Common Stock</u>	<u>50,000</u>	<u>5.14</u>	<u>D</u>	

Explanation of Responses:

- Options vest over three years, 33%, 33%, 34%, beginning in year shown.
- Options vest over three years, 33.3% per year beginning in year shown.

K.W. 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 5 (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 L. F. Varon, K. W. Fizer and S.K. Lee, with full power to act alone, to file one or more beneficial ownership reports on behalf of 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. IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the 17th day of December, 2003.

/s/ Armando Zagalo de Lima