

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	
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1. Name and Address of Reporting Person* MACDONALD MICHAEL C			2. Issuer Name and Ticker or Trading Symbol XEROX CORP [XRX]			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) <div style="text-align:right">Senior Vice President</div>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 05/10/2004			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		
800 LONG RIDGE ROAD P. O. BOX 1600			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/10/2004		M		60,000	A	\$4.75	118,307	D	
Common Stock	05/10/2004		S		60,000	D	\$12.8107	58,307	D	
Common Stock								45	I	children
Incentive Stock Rights								55,000	D	
Xerox Stock Fund	02/29/2004		J	V	624.703	A	\$0 ⁽⁴⁾	10,220.552	I	Xerox Stock Fund
Xerox Stock Fund	04/30/2004		J	V	297.628	A	\$0 ⁽⁴⁾	10,518.18	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	Amount or Number of Shares				
Stock Option	\$4.75	05/10/2004		M			60,000	01/01/2002 ⁽³⁾	12/31/2010	Common Stock	60,000	\$0 ⁽¹⁾	33,500	D	
Stock Option	\$5.14							10/14/2007	12/31/2011	Common Stock	50,000		50,000	D	
Stock Option	\$7.885							01/01/2004 ⁽³⁾	12/31/2012	Common Stock	149,600		149,600	D	
Stock Option	\$10.365							01/01/2003 ⁽³⁾	12/31/2011	Common Stock	93,500		93,500	D	
Stock Option	\$21.7812							01/01/2005 ⁽³⁾	12/31/2009	Common Stock	30,000		30,000	D	
Stock Option	\$36.7032							01/01/1999 ⁽²⁾	12/31/2005	Common Stock	36,054		36,054	D	
Stock Option	\$46.875							01/01/1999 ⁽³⁾	12/31/2008	Common Stock	17,166		17,166	D	
Stock Option	\$47.5							03/01/2003	12/31/2009	Common Stock	6,282		6,282	D	
Stock Option	\$59.4375							01/01/2000 ⁽³⁾	12/31/2006	Common Stock	1,184		1,184	D	
Deferred Comp	\$0.00 ⁽¹⁾							08/08/1988 ⁽¹⁾	08/08/1988 ⁽¹⁾	Common Stock	\$58,628		\$58,628	D	
Stock Option	\$13.685							01/01/2005 ⁽³⁾	12/31/2011	Common Stock	77,000		77,000	D	
Stock Option	\$15.205							01/01/2005 ⁽³⁾	12/31/2011	Common Stock	15,000		15,000	D	

Explanation of Responses:

1. Not Applicable
2. Options vest over three years, 33%, 33%, 34%, beginning in year shown.
3. Options vest over three years, 33.3% per year beginning in year shown.
4. Units purchased in Xerox Stock Fund under Xerox Savings Plan. Amount does not represent shares of stock, but dollars invested divided by unit value.

K.W. Fizer, Attorney-In-Fact

05/11/2004

** 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.