

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>CLAYTON CHRISTINA E</u> (Last) (First) (Middle) 800 LONG RIDGE ROAD P. O. BOX 1600 (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) Vice President
	3. Date of Earliest Transaction (Month/Day/Year) 08/05/2004	
	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							5,010.22	I	Xerox Employee Stock Ownership Plan	
Common Stock	08/05/2004		M		28,800	A	\$4.75 ⁽²⁾	28,800	D	
Common Stock	08/05/2004		S		1,000	D	\$14.18	27,800	D	
Common Stock	08/05/2004		S		800	D	\$14.17	27,000	D	
Common Stock	08/05/2004		S		5,600	D	\$14.16	21,400	D	
Common Stock	08/05/2004		S		5,600	D	\$14.15	15,800	D	
Common Stock	08/05/2004		S		300	D	\$14.14	15,500	D	
Common Stock	08/05/2004		S		300	D	\$14.13	15,200	D	
Common Stock	08/05/2004		S		200	D	\$14.11	15,000	D	
Common Stock	08/05/2004		S		2,900	D	\$14.09	12,100	D	
Common Stock	08/05/2004		S		11,700	D	\$14.08	400	D	
Common Stock	08/05/2004		S		100	D	\$14.07	300	D	
Common Stock	08/05/2004		S		300	D	\$14.06	0	D	
Incentive Stock Rights								75,490	D	
Xerox Stock Fund								6,447.253	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				
Stock Option	\$4.75	08/05/2004		M		28,800	01/01/2002 ⁽¹⁾	12/31/2010	Common Stock	28,800	\$4.75	0	D	
Stock Option	\$7.885						01/01/2004 ⁽¹⁾	12/31/2012	Common Stock	74,800		74,800	D	
Stock Option	\$10.365						01/01/2003 ⁽¹⁾	12/31/2011	Common Stock	74,800		74,800	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	\$21.7812							01/01/2001 ⁽¹⁾	12/31/2009	Common Stock	23,350		23,350	D	
Stock Option	\$25.8125							03/01/2003	12/31/2009	Common Stock	4,052		4,052	D	
Stock Option	\$30.9688							01/01/1998	12/31/2004	Common Stock	11,400		11,400	D	
Stock Option	\$44.1563							01/01/1999	12/31/2005	Common Stock	9,200		9,200	D	
Stock Option	\$59.4375							01/01/2000 ⁽¹⁾	12/31/2006	Common Fund	1,200		1,200	D	
Stock Option	\$59.4375							01/01/2000 ⁽¹⁾	12/31/2008	Common Stock	6,700		6,700	D	
Stock Option	\$13.685							01/01/2005 ⁽¹⁾	12/31/2011	Common Stock	46,000		46,000	D	

Explanation of Responses:

1. Options vest over three years, 33.3% per year beginning in year shown.
2. Not Applicable

K. W. Fizer, Attorney-In-Fact 08/06/2004

** 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.

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