

McDermott John E  
 Form 4  
 February 07, 2005

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 McDermott John E

2. Issuer Name and Ticker or Trading Symbol  
 XEROX CORP [XRX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 C/O XEROX CORPORATION, P.O.  
 BOX 1600 / 800 LONG RIDGE  
 ROAD

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/03/2005

\_\_\_\_ Director  
 Officer (give title below)  
 \_\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)  
 Vice President

(Street)  
 STAMFORD, CT 06904

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_\_ Form filed by More than One Reporting Person

(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)
Incentive Stock Rights				(A) or (D)	12,667	D	
Common Stock				(A) or (D)	2.595	I	Employee Stock Ownership Plan
Common Stock	02/03/2005		M	20,533 A	\$ 0 <sup>(2)</sup> 33,859	D	
Common Stock	02/03/2005		S	17,000 D	\$ 16,859	D	

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Stock						15.53	
Common Stock	02/03/2005	S	3,533	D	\$	13,326	D
					15.45		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**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 Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 5.87	02/03/2005		M	1,800	01/01/2003 <sup>(1)</sup>	12/31/2011	Common Stock	1,800
Stock Option	\$ 5.87					01/01/2003 <sup>(1)</sup>	12/31/2012	Common Stock	28,100
Stock Option	\$ 7.885	02/03/2005		M	18,733	01/01/2004 <sup>(1)</sup>	12/31/2012	Common Stock	18,733
Stock Option	\$ 13.685					01/01/2005 <sup>(1)</sup>	12/31/2011	Common Stock	25,000
Stock Option	\$ 15.205					01/01/2005 <sup>(1)</sup>	12/31/2011	Common Stock	6,000

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director    10% Owner    Officer    Other

McDermott John E  
C/O XEROX CORPORATION  
P.O. BOX 1600 / 800 LONG RIDGE ROAD  
STAMFORD, CT 06904

Vice  
President

## Signatures

K.W. Fizer,  
Attorney-in Fact

02/07/2005

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* 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).

(1) Options vest over three years, 33.3% per year beginning in year shown.

(2) Not Applicable

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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