

McDermott John E
Form 3
October 12, 2004

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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
(Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)
10/01/2004

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

4. Relationship of Reporting Person(s) to Issuer

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

C/O XEROX CORPORATION, P.O. BOX 1600 / 800 LONG RIDGE ROAD

(Street)

STAMFORD, CT 06904

(City) (State) (Zip)

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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)
Common Stock	9,306	D	
Common Stock	2,595	I	Employee Stock Ownership
Incentive Stock Rights	19,000 ⁽¹⁾	D	

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

SEC 1473 (7-02)

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 control number.

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

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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 of Derivative Security: 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			
Stock Option	01/01/2003 ⁽²⁾	12/31/2011	Common Stock	7,000	\$ 5.87	D	Â
Stock Option	01/01/2003 ⁽²⁾	12/31/2012	Common Stock	28,100	\$ 5.87	D	Â
Stock Option	01/01/2004 ⁽²⁾	12/31/2012	Common Stock	28,100	\$ 7.885	D	Â
Stock Option	01/01/2005 ⁽²⁾	12/31/2011	Common Stock	25,000	\$ 13.685	D	Â
Stock Option	01/01/2005 ⁽²⁾	12/31/2011	Common Stock	6,000	\$ 15.205	D	Â

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	Â	Â	Â Vice President	Â

Signatures

K.W. Fizer,
Attorney-in Fact

10/12/2004

**Signature of Reporting Person

Date

Explanation of Responses:

* 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).

(1) Restricted awards vest over three years, 33.3% per year beginning with 01/01/2005.

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

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.