

McDermott John E  
Form 4  
February 03, 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)

3. Date of Earliest Transaction (Month/Day/Year)  
01/03/2005

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

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

(Street)

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

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   |   |                               |
| Incentive Stock Rights          | 01/03/2005                           |  | J <sup>(2)</sup>               | V   | 6,333   | D  | \$ 0 <sup>(3)</sup> 12,667                            | D |                               |
| Common Stock                    |                                      |  |                                |   |   |  | 2.595   | I | Employee Stock Ownership Plan |
| Common Stock                    | 01/03/2005                           |  | J <sup>(2)</sup>               | V   | 6,333   | A  | \$ 0 <sup>(3)</sup> 15,639                            | D |                               |
| Common Stock                    | 01/03/2005                           |  | F <sup>(1)</sup>               | V   | 2,313   | D  | \$ 0 <sup>(3)</sup> 13,326                            | D |                               |

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| Stock        |            |  |   |        |   |                     |          |
|--------------|------------|--|---|--------|---|---------------------|----------|
| Common Stock | 02/01/2005 |  | M | 33,300 | A | \$ 0 <sup>(3)</sup> | 46,626 D |
| Common Stock | 01/02/2005 |  | S | 1,400  | D | \$ 15.73            | 45,226 D |
| Common Stock | 02/01/2005 |  | S | 4,600  | D | \$ 15.72            | 40,626 D |
| Common Stock | 02/01/2005 |  | S | 1,500  | D | \$ 15.71            | 39,126 D |
| Common Stock | 02/01/2005 |  | S | 19,400 | D | \$ 15.7             | 19,726 D |

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) | Amount or Number of Shares |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                      | Amount or Number of Shares |
| Stock Option                               | \$ 5.87  | 02/01/2005                           |  | M                              | 5,200   | 01/01/2003 <sup>(1)</sup>                                | 12/31/2011  | Common Stock               | 5,200                      |
| Stock Option                               | \$ 5.87  | 02/01/2005                           |  | M                              | 28,100  | 01/01/2003 <sup>(1)</sup>                                | 12/31/2012  | Common Stock               | 28,100                     |
| Stock Option                               | \$ 7.885   |                                      |  |                                |   | 01/01/2004 <sup>(1)</sup>                                | 12/31/2012  | Common Stock               | 28,100                     |
| 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<br>C/O XEROX CORPORATION<br>P.O. BOX 1600 / 800 LONG RIDGE ROAD<br>STAMFORD, CT 06904 |               |           | Vice<br>President |       |

## Signatures

K.W. Fizer, 02/03/2005  
Attorney-in Fact

\*\*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) Vesting of Incentive Stock Rights.
  - (3) Not Applicable

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