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XEROX CORP
Form 8-K
October 21, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (date of earliest event reported):
October 21, 2002

XEROX CORPORATION
(Exact name of registrant as specified in its charter)

| | | |
|--|---------------------------------------|---|
| New York (State or other jurisdiction of incorporation) | 1-4471 (Commission File Number) | 16-0468020 (IRS Employer Identification No.) |
|--|---------------------------------------|---|

800 Long Ridge Road
P. O. Box 1600
Stamford, Connecticut 06904-1600
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(203) 968-3000

Not Applicable
(Former name or former address, if changed since last report)

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Item 5. Other Events.

Registrant and General Electric (GE) today announced an eight-year agreement for GE Vendor Financial Services to become the primary equipment financing provider for Registrant's customers in the United States through monthly advances against Registrant's new U.S. lease originations.

In addition to the \$2.5 billion already funded by GE, which is secured by portions of Registrant's current U.S. lease receivables, the new agreement calls for GE to provide Registrant with funding in the U.S. of up to \$5 billion outstanding during the eight-year term, subject to certain funding conditions.

"We are pleased that our relationship with Xerox continues to grow and strengthen," said Dan Henson, president and chief executive officer, GE Vendor Financial Services. "Our two organizations working together provide an effective combination with a great value proposition."

"This significant agreement represents a major step forward in Xerox's well defined strategy to further fortify its financial position," said Lawrence A. Zimmerman, Registrant's senior vice president and chief financial officer. "We have put the right processes in place, supported by this long-term contractual arrangement with GE, to ensure financial flexibility as we effectively manage and strengthen our balance sheet."

The agreement takes effect immediately and calls for GE to lend against Registrant's U.S. lease receivables at over-collateralization rates that are currently about 10 percent. Registrant noted that the financing debt and the receivables will be consolidated on its balance sheet with the debt funded by the GE advances.

Earlier this year, the companies together launched Xerox Capital Services, LLC. XCS, jointly managed by GE and Registrant, is responsible for Registrant's customer administration operations in the U.S.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly authorized this report to be signed on its behalf by the undersigned duly authorized.

XEROX CORPORATION

/s/ Martin S. Wagner

By: Martin S. Wagner
Assistant Secretary

Dated: October 21, 2002

