

TRI-CONTINENTAL CORP  
Form N-CSRS  
September 08, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-0266

Tri-Continental Corporation  
(Exact name of Registrant as specified in charter)

100 Park Avenue  
New York, New York 10017  
(Address of principal executive offices) (Zip code)

Lawrence P. Vogel  
100 Park Avenue  
New York, New York 10017  
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 850-1864

Date of fiscal year end: 12/31

Date of reporting period: 06/30/04

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FORM N-CSR

ITEM 1. REPORTS TO STOCKHOLDERS.

TRI-CONTINENTAL CORPORATION  
Semi-Annual Report June 30, 2004

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*Tri-Continental Corporation invests to  
produce future growth of both capital  
and income, while providing reasonable  
current income.*

TY is Tri-Continental Corporation's symbol for its Common Stock on the New York Stock Exchange.

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## *Tri-Continental Corporation*

### **MID-YEAR REPORT 2004**

August 13, 2004

#### **To the Stockholders:**

Your mid-year Stockholder report for Tri-Continental Corporation follows this letter. This report contains Tri-Continental's investment results and financial statements, including a portfolio of investments.

For the six months ended June 30, 2004, Tri-Continental posted a total return of 4.48% based on net asset value and 3.11% based on market price. During the same time period, the S&P 500 returned 3.44%, and the Lipper Closed-End Growth & Income Funds Average returned 3.82%.

Tri-Continental Corporation's Annual Stockholders' Meeting was held on May 20, 2004, in Philadelphia, Pennsylvania. At the meeting, four directors were elected, the selection of

Tri-Continental's independent auditors was ratified, and a Stockholder proposal was considered. For complete details of the vote, please refer to page 18 of this report. Please also take the time to fill out the survey card included in this report. This survey is completely anonymous and gives Stockholders who were unable to attend the Annual Meeting the opportunity to voice their opinions. We appreciate your assistance.

Thank you for your continued support of Tri-Continental Corporation. We look forward to serving your investment needs for many years to come.

By Order of the Board of Directors,

/s/WILLIAM C. MORRIS

William C. Morris  
Chairman

/s/BRIAN T. ZINO

Brian T. Zino  
President

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## *Tri-Continental Corporation*

### **Investment Results Per Common Share** (unaudited)

#### **TOTAL RETURNS**

*For Periods Ended June 30, 2004*

Average Annual

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	Three Months*	Six Months*	One Year	Five Years	Ten Years
<b>Market Price**</b>	(1.92)%	3.11%	14.99%	(4.33)%	8.31%
<b>Net Asset Value**</b>	1.39	4.48	20.35	(4.30)	8.65
<b>Lipper Closed-End Growth &amp; Income Funds Average***</b>	(0.07)	3.82	19.70	2.26	9.61
<b>S&amp;P 500***</b>	1.72	3.44	19.11	(2.20)	11.82

**PRICE PER SHARE**

	June 30, 2004	March 31, 2004	December 31, 2003
<b>Market Price</b>	\$ 16.83	\$ 17.20	\$ 16.40
<b>Net Asset Value</b>	20.33	20.10	19.55

**DIVIDEND, CAPITAL GAIN AND YIELD INFORMATION**

For the Periods Ended June 30, 2004

Dividends Paid <sup>□</sup>	Capital Gain		SEC Yield <sup>ø</sup>
	Realized <sup>□</sup>	Unrealized <sup>□□</sup>	
\$0.08	\$0.716	\$1.926	1.18%

The rates of return will vary and the principal value of an investment will fluctuate. Shares, if sold, may be worth more or less than their original cost. Performance data quoted represents past performance. *Past performance is not indicative of future investment results.* Current performance may be higher or lower than the performance quoted above. The Manager made certain payments to the Corporation in 2004. Absent such payments, the net asset value returns that include this period would have been lower.

\* Returns for periods of less than one year are not annualized.

\*\* These rates of return reflect changes in market price or net asset value, as applicable, and assume that all distributions within the period are taken in additional shares.

\*\*\* The Lipper Closed-End Growth & Income Funds Average (the "Lipper Average") and the Standard & Poor's 500 Composite Stock Index (the "S&P 500") are unmanaged benchmarks that assume reinvestment of all distributions. The Lipper Average excludes the effect of any costs associated with the purchase of shares, and the S&P 500 excludes the effect of fees and sales charges. The Lipper Average measures the performance of closed-end mutual funds with objectives similar to the Corporation. The S&P 500 measures the performance of 500 of the largest US companies based on market capitalizations. Investors cannot invest directly in an index or an average.

□ Information does not reflect the effect of capital loss carryforwards that are available to offset these and future capital gains. See Note 6 to financial statements.

□ Preferred Stockholders were paid dividends totaling \$1.25 per share.

□ Represents the per share amount of net unrealized appreciation of portfolio securities as of June 30, 2004.

ø Current yield, representing the annualized yield for the 30-day period ended June 30, 2004, has been computed in accordance with SEC regulations and will vary.

# Tri-Continental Corporation

## Highlights of the First Half (unaudited)

<b>Assets:</b>	<b>June 30, 2004</b>		<b>December 31, 2003</b>
Total assets	\$ 2,394,733,895	\$	2,352,147,028
Amounts owed	3,909,476		3,510,600
<b>Net Investment Assets</b>	<b>\$ 2,390,824,419</b>	<b>\$</b>	<b>2,348,636,428</b>
Preferred Stock, at par value	37,637,000		37,637,000
Net Assets for Common Stock	2,353,187,419	\$	2,310,999,428
Common shares outstanding	115,746,010		118,188,251
<b>Net Assets Per Common Share</b>	<b>\$ 20.33</b>	<b>\$</b>	<b>19.55</b>

### Six Months Ended June 30,

	<b>2004</b>		<b>2003</b>
<b>Taxable Gain:</b>			
Net capital gain (loss) realized	\$82,856,375		\$(92,651,406)
Per Common share	\$0.72		\$(0.77)
Accumulated capital losses, end of period	\$(642,083,464)		\$(725,576,957)
Per Common share, end of period	\$(5.55)		\$(6.14)
Unrealized capital gain, end of period	\$222,882,475		\$32,472,985
	\$1.93		\$0.27

Per Common  
share, end of  
period

**Income:**

Total investment income earned	\$17,821,024	\$17,509,621
Expenses Preferred Stock dividends	7,734,265	6,877,120
	940,925	940,925
<hr/>		
Income for Common Stock	\$ 9,145,834	\$ 9,691,576
<hr/>		
Expenses to average net investment assets	0.65%*	0.70%*
Expenses to average net assets for Common Stock	0.66%*	0.71%*
<b>Dividends per Common Share</b>	\$0.08	\$0.09

\* Annualized.

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## *Tri-Continental Corporation*

### **Diversification of Net Investment Assets** (unaudited)

The diversification of portfolio holdings by industry on June 30, 2004, was as follows. Individual securities owned are listed on pages 6 to 9.

	Issues	Cost	Value	Percent of Net Investment Assets	
				June 30, 2004	December 31, 2003
<b>Net Cash and Short-Term</b>					

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<b>Holding</b>	1	\$21,025,062	\$21,025,062	0.9	2.6
<b>Tri-Continental</b>					
<b>Financial Division</b>	2	7,192,351	3,747,808	0.1	0.2
	3	28,217,413	24,772,870	1.0	2.8
<b>Common Stocks:</b>					
Automobiles and Components	1	15,868,537	22,380,806	0.9	1.0
Banks	7	110,156,150	122,779,612	5.1	5.9
Capital Goods	7	225,722,217	263,166,161	11.1	9.9
Chemicals	2	40,115,857	45,119,466	1.9	1.1
Commercial Services and Supplies	1	23,388,025	27,741,024	1.0	1.0
Communications Equipment	2	37,738,612	50,696,894	2.1	1.3
Computers and Peripherals	4	111,837,672	122,127,204	5.1	4.2
Consumer Durables and Apparel	1	9,147,296	13,761,935	0.6	0.8
Consumer Staples	7	200,570,005	214,732,359	9.0	8.6
Diversified Financials	9	205,338,809	215,879,160	9.0	9.9
Electronic Equipment and Instruments	1	13,866,338	13,346,407	0.6	1.0
Energy	8	149,483,163	180,177,146	7.6	7.2
Health Care Equipment and Services	4	37,377,125	47,704,894	2.0	2.5
Hotels, Restaurants and Leisure	3	55,557,299	62,394,472	2.6	3.3
Insurance	5	106,286,091	124,949,463	5.2	5.2
Media	4	83,155,140	84,421,089	3.5	3.8
Metals and Mining	1	15,177,625	12,650,040	0.5	2.2
Paper and Forest Products	1	10,052,084	11,930,942	0.5	1.5
Pharmaceuticals and Biotechnology	12	252,005,381	255,804,171	10.7	9.0
Real Estate	1	17,405,517	15,614,808	0.7	0.7
Retailing	5	60,909,417	75,717,692	3.2	3.3
Semiconductors and Semiconductor Equipment	2	55,000,993	50,261,685	2.1	3.5
Software and Services	7	194,664,114	218,360,751	9.1	6.6
Telecommunication Services	3	72,703,637	79,456,433	3.3	□
Utilities	2	18,317,558	19,689,571	0.8	0.7
Miscellaneous	1	17,879,869	18,187,364	0.8	3.0
	101	2,139,724,531	2,366,051,549	99.0	97.2
<b>Net Investment Assets</b>	<b>104</b>	<b>\$2,167,941,944</b>	<b>\$2,390,824,419</b>	<b>100.0</b>	<b>100.0</b>

# Tri-Continental Corporation

## Largest Portfolio Changes (unaudited)

April 1 to June 30, 2004

### Largest Purchases

Computer Associates International, Inc.\*  
 EMC Corporation\*  
 Dow Chemical Company\*  
 Marriott International, Inc. Class [A]\*  
 Crown Castle International Corp.  
 ConocoPhillips  
 SYSCO Corporation  
 Coca-Cola Company (The)  
 Forest Laboratories, Inc.  
 PepsiCo, Inc.

### Largest Sales

National Semiconductor Corporation\*\*  
 Goldman Sachs Group, Inc. (The)  
 Royal Caribbean Cruises Ltd.\*\*  
 Wendy's International, Inc.\*\*  
 Wal-Mart Stores, Inc.  
 Parker Hannifin Corporation\*\*  
 Merrill Lynch  
 Wachovia Corporation  
 U.S. Bancorp  
 BP p.l.c. (ADR) (*United Kingdom*)

Largest portfolio changes from the previous period to the current period are based on cost of purchases and proceeds from sales of securities, listed in descending order.

\* Position added during the period.

\*\* Position eliminated during the period.

## 10 Largest Equity Holdings (unaudited)

June 30, 2004

	June 30, 2004		Increase/(Decrease) in Value	
	Cost (000s)	Value (000s)	For 2004	Since Purchase
General Electric Company	\$ 98,722	\$ 86,824	4.6%	(12.1)%
Citigroup Inc.	69,727	79,247	(4.2)	13.7
Microsoft Corporation	73,228	76,667	3.8	4.7

Exxon Mobil Corporation	57,254	68,028	8.3	18.8
Pfizer Inc.	66,326	61,424	(3.0)	(7.4)
American International Group, Inc.	42,347	50,231	7.5	18.6
Altria Group, Inc.	43,463	49,473	(8.0)	13.8
International Business Machines Corporation	42,192	44,077	(4.9)	4.5
Tyco International Ltd.	24,340	42,454	25.1	74.4
Wal-Mart Stores, Inc.	44,710	40,721	(0.5)	(8.9)
	<b>\$ 562,310</b>	<b>\$ 599,146</b>		

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## *Tri-Continental Corporation*

### **Portfolio of Investments** (unaudited)

	<b>June 30, 2004</b>	
	<b>Shares</b>	<b>Value</b>
<b>COMMON STOCKS 99.0%</b>		
<b>AUTOMOBILES AND COMPONENTS 0.9%</b>		
Lear Corporation	379,400	\$ 22,380,806
<b>BANKS 5.1%</b>		
Bank of America Corporation	208,520	17,644,962
Fannie Mae	257,500	18,375,200
Freddie Mac	223,700	14,160,210
Radian Group Inc.	285,800	13,689,820
U.S. Bancorp	835,630	23,029,963
Wachovia Corporation	536,463	23,872,603
Wells Fargo & Company	209,800	12,006,854
		122,779,612
<b>CAPITAL GOODS 11.1%</b>		
Deere & Company	259,000	18,166,260
General Dynamics Corporation	261,000	25,917,300
General Electric Company	2,679,750	86,823,900
Illinois Tool Works Inc.	375,680	36,023,955
L-3 Communications Holdings, Inc.*	465,300	31,082,040
Masco Corporation	728,000	22,699,040
Tyco International Ltd.	1,281,040	42,453,666
		263,166,161
<b>CHEMICALS 1.9%</b>		
Dow Chemical Company (The)	446,100	18,156,270



Praxair, Inc.	675,600	26,963,196
		<hr/>
		45,119,466
		<hr/>
<b>COMMERCIAL SERVICES AND SUPPLIES 1.0%</b>		
ServiceMaster Company (The)	2,008,200	24,741,024
		<hr/>
<b>COMMUNICATIONS EQUIPMENT 2.1%</b>		
Andrew Corporation*	1,022,100	20,385,785
Cisco Systems, Inc.*	1,278,680	30,311,109
		<hr/>
		50,696,894
		<hr/>
<b>COMPUTERS AND PERIPHERALS 5.1%</b>		
Dell Inc.*	1,093,260	39,286,298
EMC Corporation*	2,086,000	23,780,400
Hewlett-Packard Company	710,130	14,983,743
International Business Machines Corporation	500,020	44,076,763
		<hr/>
		122,127,204
		<hr/>
<b>CONSUMER DURABLES AND APPAREL 0.6%</b>		
Pulte Homes, Inc.	264,500	13,761,935
		<hr/>
<b>CONSUMER STAPLES 9.0%</b>		
Altria Group, Inc.	988,480	49,473,424
Coca-Cola Company (The)	553,600	27,945,728

See footnotes on page 9.

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## *Tri-Continental Corporation*

### **Portfolio of Investments** (unaudited)

	<b>Shares</b>	<b>June 30, 2004 Value</b>
	<hr/>	<hr/>
<b>CONSUMER STAPLES</b> (continued)		
Dean Foods Company*	565,100	\$ 21,083,881
PepsiCo, Inc.	610,200	32,877,576
Procter & Gamble Company (The)	582,112	31,690,177
SYSCO Corporation	305,000	10,940,350
Wal-Mart Stores, Inc.	771,820	40,721,223
		<hr/>
		214,732,359
		<hr/>
<b>DIVERSIFIED FINANCIALS 9.0%</b>		

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American Express Company	296,330	15,225,435
Bank of New York Company, Inc. (The)	566,100	16,688,628
Capital One Financial Corporation	128,900	8,814,182
Citigroup Inc.	1,704,230	79,246,695
Goldman Sachs Group, Inc. (The)	157,500	14,830,200
MBNA Corporation	651,500	16,802,185
Merrill Lynch	451,400	24,366,572
J.P. Morgan Chase & Co.	616,500	23,901,705
Morgan Stanley	303,270	16,003,558

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215,879,160

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**ELECTRONIC EQUIPMENT AND INSTRUMENTS 0.6%**

Jabil Circuit, Inc.*	530,040	13,346,407
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**ENERGY 7.6%**

BP p.l.c. (ADR) ( <i>United Kingdom</i> )	219,800	11,774,686
ChevronTexaco Corporation	252,100	23,725,131
ConocoPhillips	399,403	30,470,455
Exxon Mobil Corporation	1,531,825	68,028,348
Noble Corporation*	186,300	7,058,907
Noble Energy, Inc.	294,680	15,028,680
Occidental Petroleum Corporation	304,200	14,726,322
Rowan Companies, Inc.*	384,900	9,364,617

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180,177,146

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**HEALTH CARE EQUIPMENT AND SERVICES 2.0%**

Aetna Inc.	236,200	20,077,000
Anthem, Inc.*	84,400	7,558,864
Laboratory Corporation of America Holdings*	161,900	6,427,430
Medtronic, Inc.	280,000	13,641,600

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47,704,894

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**HOTELS, RESTAURANTS AND SERVICES 2.6%**

Carnival Corporation	629,500	29,586,500
International Game Technology	472,100	18,223,060
Marriott International, Inc. Class [A]	292,400	14,584,912

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62,394,472

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**INSURANCE 5.2%**

American International Group, Inc.	704,700	50,231,016
Hartford Financial Services Group, Inc.	212,400	14,600,376

See footnotes on page 9.

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## Tri-Continental Corporation

### Portfolio of Investments (unaudited)

	Shares	June 30, 2004 Value
<b>INSURANCE (continued)</b>		
PartnerRe Ltd.	219,700	\$ 12,463,581
Prudential Financial, Inc.	782,400	36,358,128
XL Capital Ltd. Class [A]	149,700	11,296,362
		<u>124,949,463</u>
<b>MEDIA 3.5%</b>		
Clear Channel Communications, Inc.	545,200	20,145,140
Time Warner Inc.*	1,727,000	30,360,660
Tribune Company	483,000	21,995,820
Univision Communications Inc. Class [A]*	373,300	11,919,469
		<u>84,421,089</u>
<b>METALS AND MINING 0.5%</b>		
Freeport-McMoRan Copper & Gold, Inc. Class [B]	381,600	12,650,040
<b>PAPER AND FOREST PRODUCTS 0.5%</b>		
Weyerhaeuser Company	189,020	11,930,942
<b>PHARMACEUTICALS AND BIOTECHNOLOGY 10.7%</b>		
Amgen Inc.*	289,100	15,777,633
Biogen Idec Inc.*	152,295	9,637,989
Forest Laboratories, Inc.*	209,500	11,863,985
Gilead Sciences, Inc.*	144,600	9,678,801
Johnson & Johnson	663,263	36,943,749
MedImmune, Inc.*	405,700	9,499,466
Merck & Co. Inc.	505,900	24,030,250
Novartis (ADR) (Switzerland)	851,500	37,891,750
Pfizer Inc.	1,791,838	61,424,207
Teva Pharmaceutical Industries Ltd. (ADR) (Israel)	225,080	15,131,003
Watson Pharmaceuticals, Inc.*	332,500	8,944,250
Wyeth	414,300	14,981,088

		255,804,171
<hr/>		
<b>REAL ESTATE 0.7%</b>		
Apartment Investment & Management Company Class [A]	501,600	15,614,808
<hr/>		
<b>RETAILING 3.2%</b>		
Advance Auto Parts, Inc.*	340,200	15,030,036
eBay Inc.*	147,560	13,575,520
Michaels Stores, Inc.	461,700	25,393,500
Target	372,300	15,811,581
Tiffany & Co.	160,300	5,907,055
<hr/>		
		75,717,692
<hr/>		
<b>SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 2.1%</b>		
Intel Corporation	1,177,590	32,507,372
Taiwan Semiconductor Manufacturing Company Ltd. (ADR) (Taiwan)	2,136,500	17,754,313
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		50,261,685
<hr/>		

See footnotes on page 9.

## Tri-Continental Corporation

### Portfolio of Investments (unaudited)

	June 30, 2004	
	Shares, Partnership Interest or Principal Amount	Value
<b>SOFTWARE AND SERVICES 9.1%</b>		
Autodesk, Inc.	697,000 shs.	\$ 29,831,600
Computer Associates International, Inc.	880,500	24,706,830
Electronic Arts Inc.*	439,600	23,951,606
Microsoft Corporation	2,683,956	76,667,203
Oracle Corporation*	1,880,000	22,531,800
Symantec Corporation*	690,800	30,253,586
Synopsys, Inc.*	366,900	10,418,126
<hr/>		
		218,360,751
<hr/>		
<b>TELECOMMUNICATION SERVICES 3.3%</b>		
American Tower Corporation Class [A]*	1,624,000	24,684,800
Crown Castle International Corp.*	1,754,900	25,884,775
Verizon Communications Inc.	798,200	28,886,858

		79,456,433
<hr/>		
<b>UTILITIES 0.8%</b>		
Dominion Resources, Inc.	72,600	4,579,608
Duke Energy Corporation	744,700	15,109,963
		<hr/>
		19,689,571
<hr/>		
<b>MISCELLANEOUS 0.8%</b>		
SPDR Trust, Series 1	158,800	18,187,364
		<hr/>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$2,139,724,531)		2,366,051,549
<hr/>		
<b>TRI-CONTINENTAL FINANCIAL DIVISION 0.1%</b>		
WCAS Capital Partners II, L.P.□	\$ 4,727,686	2,568,316
Whitney Subordinated Debt Fund, L.P.□	2,464,665	1,179,492
		<hr/>
<b>TOTAL TRI-CONTINENTAL FINANCIAL DIVISION</b>		
(Cost \$7,192,351)		3,747,808
<hr/>		
<b>FIXED TIME DEPOSIT 0.9%</b>		
Rabobank Nederland 1.43%, 7/1/04		
(Cost \$21,150,000)	21,150,000	21,150,000
		<hr/>
<b>TOTAL INVESTMENTS 100.0%</b>		
(Cost \$2,168,066,882)		<b>2,390,949,357</b>
<b>OTHER ASSETS LESS LIABILITIES</b>		<b>(124,938)</b>
		<hr/>
<b>NET ASSETS 100.0%</b>		<b>\$ 2,390,824,419</b>
		<hr/>

\* Non-income producing security.

□ Restricted security.

ADR □ American Depositary Receipt.

See Notes to Financial Statements.

## *Tri-Continental Corporation*

**Statement of Assets and Liabilities** (unaudited) June 30, 2004

**Assets:**

Investments, at value

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Common Stocks (cost \$2,139,724,531)	\$ 2,366,051,549	
Tri-Continental Financial Division (cost \$7,192,351)	3,747,808	
Fixed time deposit (cost \$21,150,000)	21,150,000	
	<hr/>	
Total investments (cost \$2,168,066,882)		\$ 2,390,949,357
Cash		203,142
Receivable for dividends and interest		2,962,424
Investment in, and expenses prepaid to, stockholder service agent		498,158
Receivable for Common Stock sold		37,953
Other		82,861
		<hr/>
<b>Total Assets</b>		<b>2,394,733,895</b>
		<hr/>
<b>Liabilities:</b>		
Payable for Common Stock repurchased		1,864,878
Management fee payable		799,132
Preferred dividends payable		499,590
Accrued expenses and other		745,876
		<hr/>
<b>Total Liabilities</b>		<b>3,909,476</b>
		<hr/>
<b>Net Investment Assets</b>		2,390,824,419
Preferred Stock		37,637,000
		<hr/>
<b>Net Assets for Common Stock</b>		<b>\$ 2,353,187,419</b>
		<hr/>
<b>Net Assets per share of Common Stock</b> <b>(Market value □ \$16.83)</b>		<b>\$ 20.33</b>
		<hr/>
<b>Statement of Capital Stock and Surplus</b> (unaudited) June 30, 2004		
<b>Capital Stock:</b>		
\$2.50 Cumulative Preferred Stock, \$50 par value, assets coverage per share □ \$3,176.16		
Shares authorized □ 1,000,000; issued and outstanding □ 752,740		\$ 37,637,000
Common Stock, \$0.50 par value: Shares authorized □ 159,000,000; issued and outstanding □ 115,746,010		57,873,005
<b>Surplus:</b>		
Capital surplus		2,714,744,948
Dividends in excess of net investment income		(229,545)
Accumulated net realized loss		(642,083,464)
Net unrealized appreciation of investments		222,882,475
		<hr/>
<b>Net Investment Assets</b>		<b>\$ 2,390,824,419</b>
		<hr/>

See Notes to Financial Statements.

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## *Tri-Continental Corporation*

### **Statement of Operations** (unaudited) For the Six Months Ended June 30, 2004

#### **Investment Income:**

Dividends (net of foreign taxes withheld of \$134,957)	\$ 17,586,682
Interest	234,342

#### **Total Investment Income**

**\$ 17,821,024**

#### **Expenses:**

Management fee	4,839,964
Stockholder account and registrar services	1,896,221
Stockholders' meeting	237,397
Custody and related services	227,975
Stockholder reports and communications	170,897
Directors' fees and expenses	154,982
Auditing and legal fees	88,280
Registration	19,340
Miscellaneous	99,209

#### **Total Expenses**

**7,734,265**

#### **Net Investment Income**

**10,086,759\***

#### **Net Realized and Unrealized Gain**

##### **on Investments:**

Net realized gain on investments	82,856,375
Payments received from the Manager (Note 8)	637,118
Net change in unrealized appreciation of investments	375,271

#### **Net Gain on Investments**

**83,868,764**

#### **Increase in Net Assets from Operations**

**\$ 93,955,523**

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\* Net investment income for Common Stock is \$9,145,834, which is net of Preferred Stock dividends of \$940,925.

See Notes to Financial Statements.

# Tri-Continental Corporation

## Statements of Changes in Net Investment Assets (unaudited)

	<b>Six Months Ended June 30, 2004</b>	<b>Year Ended December 31, 2003</b>
<b>Operations:</b>		
Net investment income	\$ 10,086,759	\$ 21,574,403
Net realized gain on investments	82,856,375	7,912,646
Payments received from the Manager (Note 8)	637,118	□
Net change in unrealized appreciation/depreciation of investments	375,271	437,905,421
<b>Increase in Net Assets from Operations</b>	<b>93,955,523</b>	<b>467,392,470</b>
<b>Distributions to Stockholders:</b>		
Net investment income:		
Preferred Stock (per share: \$1.25 and \$2.50)	(940,925)	(1,881,850)
Common Stock (per share: \$0.08 and \$0.17)	(9,344,328)	(20,521,587)
<b>Decrease in Net Investment Assets from Distributions</b>	<b>(10,285,253)</b>	<b>(22,403,437)</b>
<b>Capital Share Transactions:</b>		
Value of shares of Common Stock issued for investment plans (386,173 and 991,007 shares)	6,551,624	14,170,343
Cost of shares of Common Stock purchased from investment plan participants (1,399,989 and 2,610,104 shares)	(23,840,172)	(37,992,282)
Cost of shares of Common Stock purchased in the open market (1,429,100 and 4,758,500 shares)	(24,194,406)	(68,463,994)
Net proceeds from issuance of shares of Common Stock upon exercise of Warrants (675 and 1,484 shares)	675	1,484
<b>Decrease in Net Investment Assets from Capital Share Transactions</b>	<b>(41,482,279)</b>	<b>(92,284,449)</b>
<b>Increase in Net Investment Assets</b>	<b>42,187,991</b>	<b>352,704,584</b>
<b>Net Investment Assets:</b>		
Beginning of period	2,348,636,428	1,995,931,844
<b>End of Period</b> (net of dividends in excess of net investment income of \$229,545 and \$31,051, respectively)	<b>\$ 2,390,824,419</b>	<b>\$ 2,348,636,428</b>



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See Notes to Financial Statements.

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## *Tri-Continental Corporation*

### **Notes to Financial Statements** (unaudited)

**1. Significant Accounting Policies** The financial statements of Tri-Continental Corporation (the "Corporation") have been prepared in conformity with accounting principles generally accepted in the United States of America, which require management to make certain estimates and assumptions at the date of the financial statements. Actual results may differ from these estimates. These unaudited interim financial statements reflect all adjustments, which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented. All such adjustments are of a normal recurring nature. The following summarizes the significant accounting policies of the Corporation:

- a. Security Valuation** Securities traded on an exchange are valued at the last sales price on the primary exchange or market on which they are traded. Securities not listed on an exchange or security market, or securities for which there is no last sales price, are valued at the mean of the most recent bid and asked prices or are valued by J. & W. Seligman & Co. Incorporated (the "Manager") based on quotations provided by primary market makers in such securities. Securities for which market quotations are not readily available are valued at fair value determined in accordance with procedures approved by the Board of Directors. This can occur in the event of, among other things, natural disasters, acts of terrorism, market disruptions, intra-day trading halts, and extreme market volatility in the US markets. Short-term holdings that mature in more than 60 days are valued at current market quotations. Short-term holdings maturing in 60 days or less are valued at amortized cost.
- b. Federal Taxes** There is no provision for federal income tax. The Corporation has elected to be taxed as a regulated investment company and intends to distribute substantially all taxable net income and net realized gain.
- c. Security Transactions and Related Investment Income** Investment transactions are recorded on trade dates. Identified cost of investments sold is used for both financial statements and federal income tax purposes. Dividends receivable and payable are recorded on ex-dividend dates. Interest income is recorded on the accrual basis.
- d. Distributions to Stockholders** The treatment for financial statement purposes of distributions made during the year from net investment income or net realized gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or capital gain, and the recharacterization of foreign exchange gains or losses to either ordinary income or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of net investment assets based on their ultimate characterization for federal income tax purposes. Any such reclassification will have no effect on net assets, results of operations, or net asset value per share of the Corporation.

**2. Capital Stock Transactions** Under the Corporation's Charter, dividends on the Common Stock cannot be declared unless net assets, after such dividends and dividends on Preferred Stock, equal at least \$100 per share of Preferred Stock outstanding. The Preferred Stock is subject to redemption at the Corporation's option at any time on 30 days' notice at \$55 per share (or a total of \$41,400,700 for the shares outstanding) plus accrued

dividends, and entitled in liquidation at \$50 per share plus accrued dividends.

The Corporation, in connection with its Automatic Dividend Investment and Cash Purchase Plan and other Stockholder plans, acquires and issues shares of its own Common Stock, as needed, to satisfy Plan requirements. For the six months ended June 30, 2004, 1,399,989 shares were purchased from Plan participants at a cost of \$23,840,172, which represented a weighted average discount of 15.10% from the net asset value of those acquired shares. A total of 386,173 shares were issued to Plan participants during the six months ended June 30, 2004, for proceeds of \$6,551,624, at a discount of 15.08% from the net asset value of those shares.

For the six months ended June 30, 2004, the Corporation purchased 1,429,100 shares of its Common Stock in the open market at an aggregate cost of \$24,194,406, which represented a weighted average discount of 15.12% from the net asset value of those acquired shares.

At June 30, 2004, 289,665 shares of Common Stock were reserved for issuance upon exercise of 12,874

## *Tri-Continental Corporation*

### **Notes to Financial Statements** (unaudited)

Warrants, each of which entitled the holder to purchase 22.50 shares of Common Stock at \$1.00 per share. Assuming the exercise of all Warrants outstanding at June 30, 2004, net investment assets would have increased by \$289,665 and the net asset value of the Common Stock would have been \$20.28 per share. The number of Warrants exercised during the six months ended June 30, 2004, and the year ended December 31, 2003, was 30 and 66, respectively.

**3. Purchases and Sales of Securities** [Purchases and sales of portfolio securities, excluding options and short-term investments, amounted to \$514,285,839 and \$515,547,755, respectively. At June 30, 2004, the cost of investments for federal income tax purposes was \$2,169,493,136. The tax basis cost was greater than the cost for financial reporting purposes due to the tax deferral of losses on wash sales in the amount of \$1,426,254. The tax basis gross unrealized appreciation and depreciation of portfolio securities amounted to \$282,400,658 and \$60,944,437, respectively.

**4. Repurchase Agreements** [The Corporation may enter into repurchase agreements with commercial banks and with broker/dealers deemed to be creditworthy by the Manager. Securities received as collateral subject to repurchase agreements are deposited with the Corporation's custodian and, pursuant to the terms of the repurchase agreements, must have an aggregate market value greater than or equal to the repurchase price plus accrued interest at all times. Procedures have been established to monitor, on a daily basis, the market value of repurchase agreements' underlying securities to ensure the existence of the proper level of collateral.

**5. Management Fee, Administrative Services, and Other Transactions** [The Manager manages the affairs of the Corporation and provides for the necessary personnel and facilities. Compensation of all officers of the Corporation, all directors of the Corporation who are employees of the Manager, and all personnel of the Corporation and the Manager is paid by the Manager. The Manager receives a fee, calculated daily and payable monthly, equal to a percentage of the Corporation's daily net assets at the close of business on the previous business day. The management fee rate is calculated on a sliding scale of 0.45% to 0.375%, based on average daily net assets of all the investment companies managed by the Manager. The management fee for the six months ended June 30, 2004, was equivalent to an annual rate of 0.41% of the average daily net assets of the Corporation.

Seligman Data Corp., which is owned by the Corporation and certain associated investment companies, charged the Corporation at cost \$1,843,033 for stockholder account services in accordance with a methodology approved by the Corporation's directors. Costs of Seligman Data Corp. directly attributable to the Corporation were charged to the Corporation. The remaining charges were allocated to the Corporation by Seligman Data

Corp. pursuant to a formula based on the Corporation's net assets, stockholder transaction volume and number of stockholder accounts.

The Corporation and certain other associated investment companies (together, the "Guarantors") have severally but not jointly guaranteed the performance and observance of all the terms and conditions of two leases entered into by Seligman Data Corp., including the payment of rent by Seligman Data Corp. (the "Guaranties"). The leases and the Guaranties expire in September 2008 and January 2009. The obligation of the Corporation to pay any amount due under either Guaranty is limited to a specified percentage of the full amount, which generally is based on the Corporation's percentage of the expenses billed by Seligman Data Corp. to all Guarantors in the preceding calendar quarter. As of June 30, 2004, the Corporation's potential obligation under the Guaranties is \$791,400. As of June 30, 2004, no event has occurred which would result in the Corporation becoming liable to make any payment under a Guaranty. A portion of rent paid by Seligman Data Corp. is charged to the Corporation as part of Seligman Data Corp.'s stockholder account services cost.

The Corporation's investment in Seligman Data Corp. is recorded at a cost of \$43,681.

Certain officers and directors of the Corporation are officers or directors of the Manager and/or Seligman Data Corp.

The Corporation has a compensation arrangement under which directors who receive fees may elect to defer receiving such fees. Directors may elect to have their deferred fees accrue interest or earn a return based on the performance of the Corporation or other funds in the Seligman Group of

## *Tri-Continental Corporation*

### **Notes to Financial Statements** (unaudited)

Investment Companies. The cost of such fees and earnings/loss accrued thereon is included in directors' fees and expenses, and the accumulated balance thereof at June 30, 2004, of \$244,044 is included in accrued expenses and other liabilities. Deferred fees and related accrued earnings are not deductible for federal income tax purposes until such amounts are paid.

**6. Capital Loss Carryforward** [At December 31, 2003, the Corporation had a net capital loss carryfor-ward for federal income tax purposes of \$730,079,728, which is available for offset against future taxable net capital gains, with \$693,816,914 expiring in 2010 and \$36,262,814 expiring in 2011. The amount was determined after adjustments for certain differences between financial reporting and tax purposes, such as wash sale losses. Accordingly, no capital gain distributions are expected to be paid to stockholders until net capital gains have been realized in excess of available capital loss carryforwards.

**7. Restricted Securities** [At June 30, 2004, the Tri-Continental Financial Division of the Corporation comprised two investments that were purchased through private offerings and cannot be sold without prior registration under the Securities Act of 1933 or pursuant to an exemption therefrom. These investments are valued at fair value as determined in accordance with procedures approved by the Board of Directors of the Corporation. The acquisition dates of investments in the limited partnerships along with their cost and values at June 30, 2004, were as follows:

Investments	Acquisition Date(s)	Cost	Value
WCAS Capital Partners II, L.P.	12/11/90 to 3/24/98	\$ 4,727,686	\$ 2,568,316
Whitney Subordinated Debt Fund, L.P	7/12/89 to 11/10/98	2,464,665	1,179,492
		\$7,192,351	\$ 3,747,808
Total			

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**8. Other Matters** ¶The Manager has conducted an extensive internal review in response to developments regarding disruptive or illegal trading practices within the mutual fund industry. As of September 2003, the Manager had one arrangement that permitted frequent trading in the Seligman registered investment companies (¶Seligman Funds¶). This arrangement was in the process of being closed down by the Manager before the first proceedings relating to trading practices within the mutual fund industry were publicly announced. Based on a review of the Manager¶s records for 2001 through 2003, the Manager identified three other arrangements that had permitted frequent trading in the Seligman Funds. All three had already been terminated prior to the end of September 2002. The Securities and Exchange Commission (the ¶SEC¶), the NASD and the Attorney General of the State of New York also are reviewing these matters.

The Manager also has reviewed its practice of placing some of the Seligman Funds¶ orders to buy and sell portfolio securities with brokerage firms in recognition of their sales of Seligman Funds. This practice is permissible when done properly; however, the Manager believes that it may have violated applicable requirements for certain of such orders as a result of compensation arrangements the Manager had with certain brokerage firms. The Manager discontinued this practice entirely in October 2003. The Manager is confident that the execution of all such orders was consistent with its best execution obligations and that the Seligman Funds did not pay higher brokerage commissions than they would otherwise have paid for comparable transactions. The Manager has also responded fully to information requests from the SEC and the NASD relating to the Manager¶s use of revenue sharing and fund portfolio brokerage commissions and will continue to provide additional information if, and as, requested.

The results of the Manager¶s internal reviews were presented to the Independent Directors of the Seligman Funds. In order to resolve matters with the Independent Directors relating to the four arrangements that permitted frequent trading, which did not affect Tri-Continental Corporation, the Manager has made payments to three funds and has agreed to waive a portion of its management fee with respect to another fund. In order to resolve matters with the Independent Directors with regard to portfolio brokerage commissions, in May 2004, the Manager made payments to each of twenty-four funds in an amount equal to the commissions paid by each such fund during the period from 1998 through 2003 to certain brokerage firms in recognition of sales of fund shares, including \$637,118 paid to Tri-Continental Corporation, which has been reported as Payments received from the Manager in the Statement of Operations.

## *Tri-Continental Corporation*

### **Financial Highlights** (unaudited)

The Corporation¶s financial highlights are presented below. ¶Per share operating performance¶ data is designed to allow investors to trace the operating performance, on a per Common share basis, from the beginning net asset value to the ending net asset value, so that investors can understand what effect the individual items have on their investment, assuming it was held throughout the period. Generally, the per share amounts are derived by converting the actual dollar amounts incurred for each item, as disclosed in the financial statements, to their equivalent per Common share amounts, using average shares outstanding.

¶Total investment return¶ measures the Corporation¶s performance assuming that investors purchased shares of the Corporation at the market value or net asset value as of the beginning of the period, invested dividends and capital gains paid, as provided for in the Corporation¶s Prospectus and Automatic Dividend Investment and Cash Purchase Plan, and then sold their shares at the closing market value or net asset value per share on the last day of the period. The computations do not reflect taxes or any sales commissions investors may incur in purchasing or selling shares of the Corporation. Total investment returns are not annualized for periods of less than one year.

The ratios of expenses and net investment income to average net investment assets and to average net assets for Common Stock for the periods presented do not reflect the effect of dividends paid to Preferred Stockholders.

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	Six Months	Year Ended December 31,				
	Ended 30, 2004	2003	2002	2001	2000	1999
<b>Per Share Operating Performance:</b>						
<b>Net Asset Value,</b>						
<b>Beginning of Period</b>	<b>\$ 19.55</b>	<b>\$ 15.72</b>	<b>\$ 21.69</b>	<b>\$ 25.87</b>	<b>\$ 32.82</b>	<b>\$ 34.13</b>
Net investment income	0.09	0.18	0.25	0.32	0.35	0.48
Net realized and unrealized investment gain (loss)	0.78	3.84	(5.95)	(3.02)	(3.25)	2.90
<b>Increase (Decrease) from</b>						
<b>Investment Operations</b>	<b>0.87</b>	<b>4.02</b>	<b>(5.70)</b>	<b>(2.70)</b>	<b>(2.90)</b>	<b>3.38</b>
Dividends paid on Preferred Stock	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)
Dividends paid on Common Stock	(0.08)	(0.17)	(0.26)	(0.28)	(0.33)	(0.48)
Distributions from net gain realized	□	□	□	(1.11)	(3.30)	(3.79)
Issuance of Common Stock in gain distributions	□	□	□	(0.08)	(0.40)	(0.40)
<b>Net Increase (Decrease)</b>						
<b>in Net Asset Value</b>	<b>0.78</b>	<b>3.83</b>	<b>(5.97)</b>	<b>(4.18)</b>	<b>(6.95)</b>	<b>(1.31)</b>
<b>Net Asset Value,</b>						
<b>End of Period</b>	<b>\$ 20.33</b>	<b>\$ 19.55</b>	<b>\$ 15.72</b>	<b>\$ 21.69</b>	<b>\$ 25.87</b>	<b>\$ 32.82</b>
<b>Adjusted Net Asset Value,</b>						
<b>End of Period*</b>	<b>\$ 20.28</b>	<b>\$ 19.51</b>	<b>\$ 15.69</b>	<b>\$ 21.65</b>	<b>\$ 25.82</b>	<b>\$ 32.75</b>
<b>Market Value, End of Period</b>	<b>\$ 16.83</b>	<b>\$ 16.40</b>	<b>\$ 13.25</b>	<b>\$ 18.75</b>	<b>\$ 21.1875</b>	<b>\$ 27.875</b>

See footnotes on page 17.

## Tri-Continental Corporation

### Financial Highlights (unaudited)

	Six Months	Year Ended December 31,				
	Ended June 30, 2004	2003	2002	2001	2000	1999
<b>Total Investment Return:</b>						
Based upon market value	3.11%	25.24%	(28.18)%	(5.22)%	(11.56)%	12.57%
Based upon net asset value	4.48%#	25.84%	(26.35)%	(10.20)%	(8.29)%	10.67%
<b>Ratios/Supplemental Data:</b>						

Expenses to average net investment assets	0.65%□	0.68%	0.67%	0.59%	0.54%	0.56%
Expenses to average net assets for						
Common Stock	0.66%□	0.70%	0.68%	0.60%	0.54%	0.56%
Net investment income to average net investment assets	0.85%□	1.03%	1.29%	1.36%	1.10%	1.36%
Net investment income to average net assets for Common Stock	0.86%□	1.05%	1.31%	1.37%	1.11%	1.38%
Portfolio turnover rate	22.14%	138.65%	152.79%	124.34%	54.13%	42.83%
<b>Net Investment Assets, End of Period (000s omitted):</b>						
For Common Stock	\$ 2,353,187	\$ 2,310,999	\$ 1,958,295	\$ 2,873,655	\$ 3,458,009	\$ 4,109,863
For Preferred Stock	37,637	37,637	37,637	37,637	37,637	37,637
<b>Total Net Investment Assets</b>	<b>\$ 2,390,824</b>	<b>\$ 2,348,636</b>	<b>\$ 1,995,932</b>	<b>\$ 2,911,292</b>	<b>\$ 3,495,646</b>	<b>\$ 4,147,500</b>

\* Assumes the exercise of outstanding warrants.

□ Annualized.

# Excluding the effect of the payments received from the Manager (Note 8), total return would have been 4.45%.  
See Notes to Financial Statements.

## Tri-Continental Corporation

### Proxy Results

Tri-Continental Corporation Stockholders voted on the following proposals at the Annual Meeting of Stockholders on May 20, 2004, in Philadelphia, PA. The description of each proposal and the voting results are stated below. Each nominee for Director was elected, the selection of Deloitte & Touche LLP as auditors for 2004 was ratified, and the Stockholder proposal was not adopted.

	For	Withheld
Election of Directors:		
Alice S. Ilchman	81,550,082.155	5,857,211.843
Frank A. McPherson	81,661,892.656	5,745,401.342
Leroy C. Richie	81,589,833.098	5,817,460.900
Brian T. Zino	81,662,782.734	5,744,511.264

For	Against	Abstain
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Ratification of Deloitte & Touche LLP as auditors	84,428,810.233	1,894,022.592	1,084,419.173
	For	Against	Abstain
Stockholder Proposal <input type="checkbox"/>			
Cumulative Voting for Directors	14,062,070.249	37,704,579.353	4,020,241.396
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## *Tri-Continental Corporation*

### **Board of Directors**

**Robert B. Catell** (2,3)

*Chairman, Chief Executive Officer and Director*

*KeySpan Corporation*

**John R. Galvin** (1,3)

*Dean Emeritus, Fletcher School of Law and Diplomacy at Tufts University*

**Alice S. Ilchman** (2,3)

*President Emerita, Sarah Lawrence College*

*Director, Jeannette K. Watson Summer Fellowship*

*Trustee, Committee for Economic Development*

**Frank A. McPherson** (2,3)

*Retired Chairman of the Board and Chief Executive Officer, Kerr-McGee Corporation*

*Director, ConocoPhillips*

*Director, Integris Health*

**John E. Merow** (1,3)

*Retired Chairman and Senior Partner, Sullivan & Cromwell LLP*

*Director, Commonwealth Industries, Inc.*

*Trustee, New York-Presbyterian Hospital*

**Betsy S. Michel** (1,3)

*Trustee, The Geraldine R. Dodge Foundation*

**William C. Morris**

*Chairman, J. & W. Seligman & Co. Incorporated*

*Chairman, Carbo Ceramics Inc.*

**Leroy C. Richie** (1,3)

*Chairman and Chief Executive Officer, Q Standards Worldwide, Inc.*

*Director, Kerr-McGee Corporation*

**Robert L. Shafer** (2,3)

*Retired Vice President, Pfizer Inc.*

**James N. Whitson** (1,3)

*Retired Executive Vice President and Chief Operating Officer, Sammons Enterprises, Inc.  
Director, CommScope, Inc.*

**Brian T. Zino**

*Director and President, J. & W. Seligman & Co. Incorporated  
Chairman, Seligman Data Corp.  
Director, ICI Mutual Insurance Company  
Member of the Board of Governors, Investment Company Institute*

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Member:

- (1) Audit Committee
- (2) Director Nominating Committee
- (3) Board Operations Committee

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## *Tri-Continental Corporation*

### **Executive Officers**

**William C. Morris**

*Chairman*

**Brian T. Zino**

*President and Chief Executive Officer*

**Charles W. Kadlec**

*Vice President*

**Thomas G. Rose**

*Vice President*

**Richard R. Schmaltz**

*Vice President*

**Lawrence P. Vogel**

*Vice President and Treasurer*

**Frank J. Nasta**

*Secretary*

### **For More Information**

**Manager**

J. & W. Seligman & Co. Incorporated



100 Park Avenue  
New York, NY 10017

**Stockholder Service Agent**

Seligman Data Corp.  
100 Park Avenue  
New York, NY 10017

**Important Telephone Numbers**

**(800) TRI-1092** Stockholder Services

**(800) 445-1777** Retirement Plan Services

**(212) 682-7600** Outside the United States

**(800) 622-4597** 24-Hour Automated Telephone Access Service

**Proxy Voting**

A description of the policies and procedures used by the Corporation to determine how to vote proxies relating to portfolio securities, as well as information regarding how the Corporation voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, is available to Stockholders (i) without charge, upon request, by calling toll-free 800-221-2450 in the US or collect 212-682-7600 outside the US and (ii) on the SEC's website at [www.sec.gov](http://www.sec.gov).

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*Tri-Continental Corporation*

*Managed by*

**J. & W. SELIGMAN & Co.**

INCORPORATED

Investment Managers and Advisors

ESTABLISHED 1864

*100 Park Avenue, New York, NY 10017*

This report is intended only for the information of Stockholders shares of Common Stock of Tri-Continental Corporation, or those who have received the current prospectus covering which contains information about management fees and other costs.

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- ITEM 2. CODE OF ETHICS.  
Not applicable.
- ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.  
Not applicable.
- ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.  
Not applicable.
- ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.  
Not applicable
- ITEM 6. SCHEDULE OF INVESTMENTS.  
Not applicable.
- ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR  
CLOSED-END MANAGEMENT INVESTMENT COMPANIES.  
Not applicable.
- ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATES

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Num Dollar Va Units) Purchased Pr
1-01-04 to 1-31-04	694,654	17.02	694,654	
2-01-04 to 2-29-04	491,970	17.35	491,970	
3-01-04 to 3-31-04	417,070	17.20	417,070	
4-01-04 to 4-30-04	310,518	17.18	310,518	
5-01-04 to 5-31-04	449,176	16.40	449,176	
6-01-04 to 6-30-04	465,701	16.75	465,701	

- (1) The stock repurchase program, announced on November 20, 2003, authorizes the Registrant to repurchase up to 5% of its common stock in the open market during the next 12 months as long as the discount of the net asset value of the common stock to its market price exceeds 10%.

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ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.  
Not applicable.

ITEM 10. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded, based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this report, that these disclosure controls and procedures provide reasonable assurance that material information required to be disclosed by the registrant in the report it files or submits on Form N-CSR is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms and that such material information is accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, as appropriate, in order to allow timely decisions regarding required disclosure.

(b) The registrant's principal executive officer and principal financial officer are aware of no changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal half-year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 11. EXHIBITS.

(a) (1) Not applicable.

(a) (2) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

(a) (3) Not applicable.

(b) Certifications of chief executive officer and chief financial officer as required by Rule 30a-2(b) under the Investment Company Act of 1940.