TUXIS® CORPORATION

ANNUAL REPORT
December 31, 2003

Independent Public Accountant
Tait, Weller & Baker

American Stock Exchange Symbol:

TUX

www.tuxis.com

TUXIS CORPORATION

American Stock Exchange Symbol: **TUX**

11 Hanover Square, New York, NY 10005
www.tuxis.com

February 11, 2004

Fellow Shareholders:

It is a pleasure to welcome the new shareholders who have made their investment in Tuxis Corporation since our last report.

Tuxis Reports Real Estate Acquisition

Following through on shareholders' approval to change the nature of the Company's business so as to cease to be an investment company and to concentrate in the acquisition of real estate and related services, Company management is pleased to report, as was previously announced in its February 4, 2004 press release, that through a newly formed subsidiary it has acquired a 15,000 square foot commercial property on 1.7 acres in Mabbetsville, New York as part of its program to acquire and operate real estate properties. Tuxis intends to renovate the building and landscaping, obtain requisite zoning and other permits, engage in an active leasing program, and operate the site for multiple tenants in retail and other businesses. A Tuxis subsidiary also has agreed to purchase, subject to customary and other closing conditions, certain adjoining property as part of an overall re-development and enhancement of the site and may seek to further expand its property holdings in this area.

Management has conducted and continues to focus on an ongoing business review, development, and acquisition program. Company management is reviewing a number of real estate acquisition candidates and anticipates additional transactions in the near future. As previously announced, Tuxis intends to apply to the Securities and Exchange Commission to de-register as an investment company and continue as a publicly-held operating company listed on the American Stock Exchange subject to the reporting and other requirements of the Securities Exchange Act of 1934.

Returns and Dividends in 2003

For the year ending December 31, 2003, the Company's total market return was (15.87)% on a net asset value total return of (2.74)%. As the Company intends to devote its assets primarily in operating businesses in real estate and related services rather than investment securities, it should be noted that since the Company will likely no longer be a regulated investment company under the Internal Revenue Code, Tuxis itself probably will pay corporate income tax in future years. These and other factors may result in the reduction or elimination of the dividend.

Sharing your optimism about the Company's potential, management and its affiliates own approximately 20% of the Company’s outstanding shares.

Sincerely,

Bassett S. Winmill
Chairman

Mark C. Winmill
President

Schedule of Portfolio Investments - December 31, 2003

Shares		Market Value
	COMMON STOCKS (72.57%)	
	Beverages (2.51%)	
5,000	PepsiCo, Inc.	$ 233,100
	Computer & Office Equipment (3.19%)	
3,200	International Business Machines Corp.	296,576
	Electronic Computers (3.29%)	
9,000	Dell Inc.*	305,640
	Electronic & Other Electrical Equipment (1.83%)	
5,500	General Electric Company.	170,390
	Fire, Marine & Casualty Insurance (8.09%)	
100	Berkshire Hathaway Inc. Class B*	281,500
9,600	RenaissanceRe Holdings Ltd.	470,880
		752,380
	Food & Kindred Products (2.34%)	
4,000	Altria Group, Inc.	217,680
	Hotels & Motels (4.24%)	
23,000	Hilton Hotels Corp.	393,990
	Motor Vehicle & Passenger Car Bodies (3.09%)	
6,200	Bayerische Motoren Werke (BMW) AG	287,399
	National Commercial Banks (7.60%)	
16,100	J.P. Morgan Chase & Co.	591,353
3,600	Mellon Financial Corp.	115,596
		706,949
	Oil Royalty Traders (2.10%)	
9,000	San Juan Basin Royalty Trust	195,210
	Periodicals: Publishing or Publishing & Printing (4.02%)	
38,000	Martha Stewart Living Omnimedia, Inc.*	374,300
	Petroleum Refining (1.32%)	
3,000	Exxon Mobil Corp.	123,000
	Pharmaceutical Preparations (3.74%)	
4,000	Johnson & Johnson	206,640
4,000	Pfizer Inc.	141,320
		347,960

Schedule of Portfolio Investments - December 31, 2003

Shares		Market Value
	COMMON STOCKS (continued)	
	Precious Metals and Resources (2.43%)	
301,500	Kenor ASA*	$ 225,690
	Real Estate Investment Trusts (4.50%)	
9,500	The Mills Corp.	418,000
	Security Brokers, Dealers & Flotation Companies (3.69%)	
29,000	The Charles Schwab Corp.	343,360
	Telephone Communications (14.59%)	
66,400	AT&T Wireless Services Inc.*	530,536
15,400	IDT Corp.*	356,202
13,400	Verizon Communications Inc.	470,072
		1,356,810
	Total Common Stocks (cost: $5,919,695)	6,748,434
Par Value		
	SHORT TERM INVESTMENTS (27.43%)	
$2,550,180	Repurchase Agreement with State Street Bank & Trust, 0.10%, due 1/02/04 (collateralized by U.S. Treasury Notes)	2,550,180
	Total Short Term Investments (cost: $2,550,180)	2,550,180
	Total Investments (cost: $8,469,875) (100.00%)	**$9,298,614**

*Indicates non-income producing security.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2003

ASSETS:	
Investments at market value (cost: $8,469,875) (note 1)	$9,298,614
Interest and dividends receivable	5,972
Other assets	58,045
Total assets	9,362,631
LIABILITIES:	
Investment securities purchased	357,474
Accrued salaries	58,893
Accrued expenses	56,848
Total liabilities	473,215
NET ASSETS: (applicable to 975,556 shares outstanding: 1,000,000,000 shares of $.01 par value authorized)	$8,889,416
NET ASSET VALUE PER SHARE ($8,889,416 ÷ 975,556 shares outstanding)	$9.11

At December 31, 2003, net assets consisted of:

Paid-in capital	$9,575,442
Net unrealized appreciation on investments and futures	828,738
Accumulated net realized loss on investments	(1,514,764)
	$8,889,416

STATEMENT OF OPERATIONS

Year Ended December 31, 2003

INVESTMENT INCOME:	
Interest	$ 92,200
Dividends	97,093
Total investment income	189,293
EXPENSES:	
Salaries (note 3)	355,940
Professional (note 3)	66,753
Directors	22,855
Printing	10,935
Transfer agent	10,801
Registration (note 3)	10,285
Custodian	4,171
Other	37,168
Total expenses	518,908
Net investment loss	(329,615)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES:	
Net realized gain on investments	103,377
Net realized loss from futures transactions	(1,029,359)
Unrealized appreciation on investments and futures during the period	973,334
Net realized and unrealized gain on investments and futures	47,352
Net decrease in net assets resulting from operations	$ (282,263)

STATEMENTS OF CHANGES IN NET ASSETS

For the Years Ended December 31, 2003 and 2002

	2003	2002
OPERATIONS		
Net investment loss	$ (329,615)	$ (38,741)
Net realized gain on investments	103,377	103,155
Net realized gain (loss) from futures transactions	(1,029,359)	649,228
Unrealized appreciation (depreciation) on investments during the period	973,334	(784,793)
Net change in net assets resulting from operations	(282,263)	(71,151)
DISTRIBUTIONS TO SHAREHOLDERS:		
Distributions to shareholders ($.00 and $.83 per share, respectively)	—	(752,383)
Tax return of capital distributions ($.60 and $.59 per share, respectively)	(571,717)	(166,437)
CAPITAL SHARE TRANSACTIONS:		
Increase in net assets resulting from reinvestment of distributions (33,978 and 47,777 shares, respectively)	289,207	497,577
Total change in net assets	(564,773)	(492,394)
NET ASSETS:		
Beginning of period	9,454,189	9,946,583
End of period	$8,889,416	$9,454,189

Notes to Financial Statements

(1) Tuxis Corporation (the "Company"), a Maryland corporation, is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended, although it has received Board of Directors and shareholder approval to change the nature of its business so as to cease to be an investment company and it may file an application with the SEC to de-register in 2004. The Company's shares are listed on the American Stock Exchange, Inc. The following is a summary of significant accounting policies consistently followed by the Company in the preparation of its financial statements. With respect to security valuation, securities traded on a national securities exchange or the Nasdaq National Market System ("NMS") are valued at the last reported sales price on the day the valuations are made. Such securities that are not traded on a particular day and securities traded in the over-the-counter market that are not on NMS are valued at the mean between the current bid and asked prices. Certain of the securities in which the Fund invests are priced through pricing services which may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features and ratings on comparable securities. Bonds may be valued according to prices quoted by a dealer in bonds which offers pricing services. Debt obligations with remaining maturities of 60 days or less are valued at cost adjusted for amortization of premiums and accretion of discounts. Securities of foreign issuers denominated in foreign currencies are translated into U.S. dollars at prevailing exchange rates. Securities for which quotations are not readily available or reliable and other assets may be valued as determined in good faith by or under the direction of the Board of Directors. Investment transactions are accounted for on the trade date (date the order to buy or sell is executed). Interest income is recorded on the accrual basis. Dividends and distributions to shareholders are recorded on the ex-dividend date. In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) The Company complied with the requirements of the Internal Revenue Code applicable to regulated investment companies and distributed substantially all of its taxable investment income and net capital gains, if any, after utilization of any capital loss carryforward, to its shareholders and therefore no Federal income tax provision is required. The Company may not so comply or distribute in 2004 or later years. At December 31, 2003, the Company had an unused capital loss carryforward of approximately $1,514,800 of which $795,800 expires in 2009 and $719,000 expires in 2011. Based on Federal income tax cost of $8,469,875, gross unrealized appreciation and gross unrealized depreciation was $958,202 and $129,464, respectively at December 31, 2003.

(3) The Company retained CEF Advisers, Inc. ("CEF") as its Investment Manager. Under the terms of the investment management agreement, CEF received a management fee from its assets, such fee to be computed weekly and paid monthly in arrears at the annual rate of 0.60% of the first $500 million and 0.50% over $500 million of the Company's net assets. The fee was calculated by determining net assets on each Friday and applying the applicable rate to such amount for the number of days in the week. Pursuant to approval of stockholders at a special meeting adjourned to November 7, 2001, the investment management agreement with CEF was terminated effective at the end of business on November 30, 2001. Commencing December 1, 2001, the Company's officers (who are similar to those of CEF) assumed the management of the Company's affairs, including portfolio management, subject to the oversight and final direction of the Board of Directors. Compensation of Company personnel was set in the aggregate amount of $200,000 per year effective December 1, 2001, $300,000 per year effective October 2, 2002, $350,000 per year effective January 1, 2004, and may be further changed from time to time at the discretion of the Board of Directors. Bonuses aggregating $20,000 were earned in 2003.

(4) Purchases and proceeds of sales of securities other than short term notes aggregated $3,054,852 and $2,449,687, respectively, for the year ended December 31, 2003. The Company has entered into an arrangement with its custodian whereby interest earned on cash balances is used to offset a portion of the Company's expenses.

(5) The Company has a committed bank line of credit, but did not borrow during the year ended December 31, 2003.

(6) The tax character of distributions paid to shareholders for the years ended December 31, 2003 and 2002 was as follows:

	2003	2002
Distributions paid from:		
Ordinary income	$ —	$752,383
Return of capital	571,717	166,437
	$571,717	$918,820

As of December 31, 2003, the components of distributable earnings on a tax basis were as follows:

Capital loss carryforward	$(1,514,764)
Unrealized appreciation	828,738
	$ (686,026)

(7) There are 1,000,000,000 shares of $.01 par value common stock authorized. Of the 975,556 shares of common stock outstanding at December 31, 2003, Investor Service Center, Inc. owned 196,762 shares. Certain officers and directors of ISC are officers and directors of the Company.

(8) The Company may engage in transactions in futures contracts. Upon entering into a futures contract, the Company is required to segregate for the broker at the custodian bank an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as "initial margin." Subsequent payments ("variation margin") are made or received by the Company each day, depending on the daily fluctuation of the value of the contract. The daily change in the contract is included in unrealized appreciation/depreciation on investments and futures contracts. The Company recognizes a realized gain or loss when the contract is closed. Futures transactions sometimes may reduce returns or increase volatility. In addition, futures can be illiquid and highly sensitive to changes in their underlying security, interest rate or index, and as a result can be highly volatile. A small investment in certain futures could have a potentially large impact on the Company's performance. At December 31, 2003, the Company had no open future contracts.

(9) Regarding concentration of credit risk, Tuxis is following through on shareholder approval to change the nature of the Company's business so as to cease to be an investment company and to concentrate in real estate and related services. While such activities are consistent with the Company's expressed intention of deregistering under the Investment Company Act of 1940, they are likely to require a substantial amount of the Company's assets, and the concentration of the Company's assets in a particular holding or industry. Such concentration will increase the risk of loss to the Company as a result of the negative results or financial condition of any particular holding and/or industry.

FINANCIAL HIGHLIGHTS

	Years Ended December 31,				
	2003	2002	2001	2000	1999
PER SHARE DATA*					
Net asset value at beginning of period	$10.04	$11.14	$13.29	$15.19	$16.54
Income from operations:					
Net investment income (loss)	(.35)	(.04)	.67	.43	.40
Net realized and unrealized gain (loss) on investments	.02	(.05)	(1.56)	(.88)	(.15)
Total from operation	(.33)	(.09)	(.89)	(.45)	.25
Less distributions:					
Distributions to shareholders	–	(.83)	(.67)	(.72)	(.63)
Tax return of capital to shareholders	(.60)	(.18)	(.59)	(.73)	(.97)
Total distributions	(.60)	(1.01)	(1.26)	(1.45)	(1.60)
Net asset value at end of period	$9.11	$10.04	$11.14	$13.29	$15.19
Market value at end of period	$7.77	$9.90	$9.88	$11.50	$11.50
TOTAL RETURN ON NET ASSET VALUE BASIS (a)	(2.74)%	(.91)%	(6.40)%	(.86)%	4.01%
TOTAL RETURN ON MARKET VALUE BASIS (a)	(15.87)%	10.17%	(4.06)%	13.31%	(20.46)%
RATIOS/SUPPLEMENTALDATA					
Net assets at end of period (000's omitted)	$8,889	$9,454	$9,947	$11,239	$12,142
Ratio of expenses before loan interest and nonrecurring expenses	5.72%	3.85%	2.35%	1.97%	1.70%
Ratio of total expenses to average net assets (b)	5.72%	3.86%	2.54%	2.16%	1.82%
Ratio of net income (loss) to average net assets	(3.63)%	(.40)%	2.83%	3.07%	2.61%
Portfolio turnover rate	40%	22%	38%	116%	98%

* Per share net investment income and net realized and unrealized gain (loss) on investments have been computed using the average number of shares outstanding. These computations had no effect on net asset value per share.

** Annualized.

(a) Total return on market value basis is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Generally, total return on net asset value basis will be higher than total return on market value basis in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such periods. Conversely, total return on net asset value basis will be lower than total return on market value basis in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such periods. Total return calculated for a period of less than one year is not annualized. The calculation does not reflect brokerage commissions, if any.

(b) Ratio after the reduction of custodian fees under a custodian agreement was 2.19%, and 1.77%, for the years ended December 31, 2000, and 1999, respectively.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

To the Board of Directors and Shareholders of Tuxis Corporation:

We have audited the accompanying statement of assets and liabilities of Tuxis Corporation, including the schedule of portfolio investments as of December 31, 2003, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2003, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Tuxis Corporation as of December 31, 2003, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER

Philadelphia, Pennsylvania
January 22, 2004

RESULTS OF THE ANNUAL MEETING

The Company's Annual Meeting was held on September 4, 2003 at the offices of the Company at 11 Hanover Square, New York, New York for the purpose of electing the following director to serve as follows with the votes received as set forth below:

Director	Class	Term	Expiring	Votes For	Votes Withheld
Russell E. Burke III	1	5 years	2008	640,171	15,755

Directors whose term of office continued after the meeting are Frederick A. Parker, Jr., Bassett S. Winmill, Thomas B. Winmill, and Douglas Wu.

PROXY VOTING

The Company's Proxy Voting Guidelines (the "Guidelines") are available without charge, by calling the Company collect at 1-212-785-9300. The Guidelines are also posted on the Company's website at http://www.tuxis.com and are available on the SEC's website at http://sec.gov.

This report, including the financial statements herein, is transmitted to the shareholders of the Company for their information. The financial information included herein is taken from the records of the Company. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Company or any securities mentioned in this report. Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Company may purchase at market prices from time to time shares of its common stock in the open market.

DIVIDEND REINVESTMENT PLAN

The Company has adopted a Dividend Reinvestment Plan (the "Plan"). Under the Plan, each dividend and capital gain distribution, if any, declared by the Company on outstanding shares will, unless elected otherwise by each shareholder by notifying the Company in writing at any time prior to the record date for a particular dividend or distribution, be paid on the payment date fixed by the Board of Directors or a committee thereof in additional shares. If the Market Price (as defined below) per share is equal to or exceeds the net asset value per share at the time shares are valued for the purpose of determining the number of shares equivalent to the cash dividend or capital gain distribution (the "Valuation Date"), participants will be issued additional shares equal to the amount of such dividend divided by the greater of that NAV per share or 95% of that Market Price per share. If the Market Price per share is less than such net asset value on the Valuation Date, participants will be issued additional shares equal to the amount of such dividend divided by the Market Price. The Valuation Date is the day before the dividend or distribution payment day or, if that date is not an American Stock Exchange trading day, the next trading day. For all purposes of the Plan: (a) the Market Price of the shares on a particular date shall be the average closing market price on the five trading days the shares traded ex-dividend on the Exchange prior to such date or, if no sale occurred on any of these days, then the mean between the closing bid and asked quotations for the shares on the Exchange on such day, and (b) net asset value per share on a particular date shall be as determined by or on behalf of the Company.

PRIVACY POLICY

Tuxis Corporation recognizes the importance of protecting the personal and financial information of its shareholders. We consider each shareholder's personal information to be private and confidential. This describes the practices followed by us to protect our shareholders' privacy. We may obtain information about you from the following sources: (1) information we receive from you on forms and other information you provide to us whether in writing, by telephone, electronically or by any other means; (2) information regarding your transactions with us, our corporate affiliates, or others. We do not sell shareholder personal information to third parties. We will collect and use shareholder personal information only to service shareholder accounts. This information may be used by us in connection with providing services or financial products requested by shareholders. We will not disclose shareholder personal information to any nonaffiliated third party except as permitted by law. We take steps to safeguard shareholder information. We restrict access to nonpublic personal information about you to those employees and service providers who need to know that information to provide products or services to you. With our service providers we maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information. Even if you are no longer a shareholder, our Privacy Policy will continue to apply to you. We reserve the right to modify, remove or add portions of this Privacy Policy at any time.

DIRECTORS AND OFFICERS

DIRECTORS

BASSETT S. WINMILL
Executive Chairman

RUSSELL E. BURKE, III*

FREDERICK A. PARKER, JR.*

DOUGLAS WU*

THOMAS B. WINMILL, Esq.

* Member, Audit and
Compensation Committees

OFFICERS

MARK C. WINMILL
President

THOMAS B. WINMILL, Esq.
General Counsel

WILLIAM G. VOHRER
Treasurer

ROBERT J. MATHERS
Vice President, Operations

MONICA PELAEZ, Esq.
Vice President, Secretary

HEIDI KEATING
Vice President

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