

For: General American Investors Company, Inc.  
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July 12, 2006

For Immediate Release

**GENERAL AMERICAN INVESTORS ANNOUNCES ACTIONS TAKEN BY THE BOARD OF DIRECTORS AT ITS MEETING HELD ON JULY 12, 2006:**

**ELECTION OF DIRECTOR TO AUDIT COMMITTEE;  
QUARTERLY DIVIDEND ON 5.95% PREFERRED STOCK; AND  
EXTENSION OF REPURCHASE PROGRAM FOR ADDITIONAL 400,000 OUTSTANDING  
SHARES OF COMMON STOCK**

NEW YORK, -- General American Investors Company, Inc., a closed-end investment company listed on the New York Stock Exchange (GAM) today reported that the Board of Directors announced that D. Ellen Shuman, a member of the Board of Directors of the Company and Vice President and Chief Investment Officer of Carnegie Corporation of New York, has been elected to serve as a member of the Company's Audit Committee. Messrs. Bittenwieser, Chairman of the Board of Directors, and Sidney Knafel, Chairman of the Audit Committee, commented that, "Ms. Shuman's familiarity with the operations of the Company along with her knowledge of investment management, financial matters, and the regulatory environment will compliment the capabilities of the existing membership of the Audit Committee."

The Board of Directors also declared a distribution of \$0.371875 per share on the Company's 5.95% cumulative preferred stock, series B, payable in cash on September 25, 2006, to holders of record on September 7, 2006. This quarterly distribution represents a payment for the accrual period from June 26, 2006 through September 22, 2006. Preferred shareholders will be informed in early 2007 of the portions of the distribution which represent long-term capital gains and ordinary income, respectively.

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Finally, the Board of Directors authorized the repurchase of up to an additional 400,000 outstanding shares of common stock when the shares are trading at a discount to the underlying net asset value of at least 8%. This continues a repurchase program which began in March 1995. During the past 11<sup>1/4</sup> years (except for certain periods when its shares were trading above the threshold mentioned above), the Company has repurchased over 12.6 million shares of Common Stock for \$347.6 million at an average discount of 11.9%. Included in these totals is year-to-date activity through June 2006, during which the Company repurchased 439,000 shares for approximately \$16.2 million at an average discount of 9.5%.

General American Investors (NYSE symbol GAM), a closed-end investment company founded in 1927, has been publicly traded since its inception and has been listed on the NYSE since 1930. The objective of the Company is long-term capital appreciation through investment in companies with above average growth potential. General American has net assets of approximately \$1.1 billion applicable to its 28.6 million shares of common stock outstanding. The aggregate liquidation value of the Company's preferred stock is \$200 million. Its preferred shares (symbol GAM Pr B) are also listed on the NYSE.

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