
GENERAL
AMERICAN
INVESTORS

2004
ANNUAL
REPORT





GENERAL AMERICAN INVESTORS COMPANY, INC.

Established in 1927, the Company is a closed-end investment company listed on the New York Stock Exchange. Its objective is long-term capital appreciation through investment in companies with above average growth potential.

FINANCIAL SUMMARY (unaudited)

	2004	2003
Net assets applicable to Common Stock - December 31	\$1,036,393,093	\$986,335,111
Net investment income	9,253,481	1,139,240
Net realized gain	36,774,029	28,144,510
Net increase in unrealized appreciation	62,361,773	200,469,430
Distributions to Preferred Stockholders	(11,900,000)	(11,075,000)
Per Common Share-December 31		
Net asset value	\$35.49	\$33.11
Market price	\$31.32	\$29.73
Discount from net asset value	-11.7%	-10.2%
Common Shares outstanding-Dec. 31	29,205,312	29,789,263
Common Stockholders of record-Dec. 31	4,300	4,500
Market price range* (high-low)	\$31.74-\$27.88	\$29.78-\$21.95
Market volume-shares	6,206,400	6,280,700

*Unadjusted for dividend payments.

DIVIDEND SUMMARY (per share) (unaudited)

Record Date	Payment Date	Ordinary Income	Long-Term Capital Gain	Total
Common Stock				
Nov. 12, 2004	Dec. 23, 2004	\$.215327	\$.684673	\$.90
Jan. 31, 2005	Mar. 10, 2005	.002	.272	.274
<i>Total from 2004 earnings</i>		<u>\$.217327</u>	<u>\$.956673</u>	<u>\$1.174</u>
Nov. 14, 2003	Dec. 23, 2003	\$.00761	\$.49239	\$.50
Jan. 26, 2004	Feb. 9, 2004	.013	.097	.11
<i>Total from 2003 earnings</i>		<u>\$.02061</u>	<u>\$.58939</u>	<u>\$.61</u>
Preferred Stock				
Mar. 8, 2004	Mar. 24, 2004	\$.083947	\$.287928	\$.371875
Jun. 7, 2004	Jun. 24, 2004	.083947	.287928	.371875
Sep. 7, 2004	Sep. 24, 2004	.083947	.287928	.371875
Dec. 7, 2004	Dec. 27, 2004	.083947	.287928	.371875
<i>Total for 2004</i>		<u>\$.335788</u>	<u>\$1.151712</u>	<u>\$1.4875</u>
Mar. 6, 2003	Mar. 24, 2003	\$.01485	\$.43515	\$.45
Jun. 6, 2003	Jun. 23, 2003	.01485	.43515	.45
Sep. 8, 2003	Sep. 23, 2003	.01485	.43515	.45
Dec. 8, 2003	Dec. 24, 2003	.012272	.359603	.371875
<i>Total for 2003</i>		<u>\$.056822</u>	<u>\$1.665053</u>	<u>\$1.721875</u>

The U.S. stock market rose for the second consecutive year, gaining 10.8% in the 12 months ended December 31, 2004, as measured by our benchmark, the Standard & Poor's 500 Stock Index (including income). General American Investors' net asset value (NAV) per Common Share (assuming reinvestment of all dividends) increased 10.4%. The return to our Common Stockholders was 8.8%, reflecting a widening in the discount at which our shares trade which, at year end, was 11.7%.

The table that follows, which compares our returns on an annualized basis with the S&P 500, illustrates that over many years General American has produced superior investment results.

Years	Stockholder Return	S&P 500
3	0.2%	3.5%
5	4.6	- 2.3
10	16.8	12.0
20	15.2	13.2
30	17.3	13.7
40	12.9	10.5

During 2004, the Company purchased 1,092,800 of its Common Shares in the open market at an average discount to NAV of 10.3%. The Board of Directors has authorized repurchases of Common Shares when they are trading at a discount in excess of 8% of NAV.

While the market rallied last year, reflecting stronger profits than expected and lower interest rates than feared, most of the gain came in the final two months as the economy - along with labor markets - appeared to firm, signs of pricing power at the corporate level emerged, and merger and acquisition activity accelerated. Prior thereto, concerns regarding the twin deficits (budget and trade), the weakened dollar, rising energy costs, and the struggle in Iraq, among others, appeared to weigh on investor confidence. Unquestionably, the deficits impart instability to the financial system. Should foreign entities lose enthusiasm for holding the dollar-denominated assets that have come into their possession as a result of deficit finance, the stock and bond markets could be adversely affected. While we doubt that global imbalances can be resolved in the near term, the ongoing orderly decline in the dollar may help in that regard. It should increase exports and encourage American households to buy U.S. sourced goods at the same time.

With respect to energy, prices of oil and natural gas, having risen dramatically, may have peaked. Normalized future prices, however, could be meaningfully higher than in the past decade notwithstanding the volatility that attends, notably, unseasonable weather conditions. The world's consumption of hydrocarbons is expected to continue to grow, having shown little sensitivity to higher prices. Supply is constrained, meanwhile, by the need for greater capital investment to sustain output from mature fields and to explore in areas characterized by significant geopolitical uncertainty. Therefore, energy securities have become an increasingly significant part of our portfolio with an accompanying decline in cash

reserves. Corporate cash flows, furthermore, and their translation into dividends and share buybacks, have risen in importance as a portfolio metric. Dividends have been advantaged by the law change reducing the tax on them to 15% - the same rate as is applicable to long-term capital gains.

We enter 2005 with economic expansion more securely in place and anticipate modest, but healthy, growth in corporate results. Inflation remains subdued, though dollar weakness, historically, has led to its acceleration. Since roughly 40% of corporate earnings come from abroad, however, measured advances in prices can be beneficial thereto. Interest rates on long-dated bonds are not likely to decline again as they did last year, in the face of the Fed's seemingly inexorable march toward a 3% or higher Funds level. As rates increase, the consumer's ability to sustain spending, based on rising household wealth in the form of securities and real estate, may prove suspect in the context of low savings and the threat of unemployment. However, the combination of constrained capacity and pricing power should enable the corporate sector to importantly augment if not replace the consumer as the chief engine of economic growth.

Congressional support for the Bush agenda is likely to be tempered by the record budget deficit and Americans may become less tolerant of economic disparities, moreover, in the face of growing income inequality. But the U.S. should remain the destination of choice for capital and barring a dollar crisis the economy is likely to keep growing. In this environment, companies with relatively high, stable returns and low debt should continue to prosper, which augurs well for General American's future returns.

We are pleased to announce that, on December 8, 2004, Craig A. Grassi, who has been an employee since 1991, was elected Assistant Vice-President of the Company and Maureen E. LoBello, an employee since 1992, was elected Assistant Secretary of the Company, both effective January 1, 2005.

We are also pleased to report that, on January 19, 2005, Peter E. de Svastich was elected Vice-President of the Company. Prior to joining the Company in November 2004, Mr. de Svastich had been a senior executive and/or chief financial officer of several investment management and financial services organizations over the past 35 years.

Information about the Company, including our investment objective, operating policies and procedures, investment results, record of dividend payments, financial reports and press releases, etc., is available on our website which can be accessed at www.generalamericaninvestors.com.

By Order of the Board of Directors,
 Spencer Davidson
President and Chief Executive Officer
 January 19, 2005

Corporate Overview

General American Investors, established in 1927, is one of the nation's oldest closed-end investment companies. It is an independent organization, internally managed. For regulatory purposes, the Company is classified as a diversified, closed-end management investment company; it is registered under and subject to the regulatory provisions of the Investment Company Act of 1940.

Investment Policy

The primary objective of the Company is long-term capital appreciation. Lesser emphasis is placed on current income. In seeking to achieve its primary objective, the Company invests principally in common stocks believed by its management to have better than average growth potential.

The Company's investment approach focuses on the selection of individual stocks, each of which is expected to meet a clearly defined portfolio objective. A continuous investment research program, which stresses fundamental security analysis, is carried on by the officers and staff of the Company under the oversight of the Board of Directors. A listing of the directors with their principal affiliations, showing a broad range of experience in business and financial affairs, is on the inside back cover of this report.

Portfolio Manager

Mr. Spencer Davidson has been responsible for the management of General American's portfolio since he was elected President and Chief Executive Officer of the Company in August 1995. Mr. Davidson, who joined the Company in 1994 as senior investment counselor, has spent his entire business career on Wall Street since first joining an investment and banking firm in 1966.

"GAM" Common Stock

As a closed-end investment company, General American Investors does not offer its shares continuously. The Common Stock is listed on The New York Stock Exchange (symbol, GAM) and can be bought or sold with commissions determined in the same manner as all listed stocks. Net asset value is computed daily (on an unaudited basis) and is furnished upon request. It is also available on most electronic quotation services using the symbol "XGAMX." The figure for net asset value per share, together with the market price and the percentage discount or premium from net asset value as of the close of each week, is published in *The New York Times*, *The Wall Street Journal* and *Barron's*.

The ratio of market price to net asset value has shown considerable variation over a long period of time. While shares of GAM usually sell at a discount from their underlying net asset value, as do the shares of most other domestic equity closed-end investment companies, they, occasionally, sell at a premium over net asset value. The last time the Company's shares sold at a premium for a prolonged period was the year-long period from March 1992 through April 1993. During 2004, the stock sold at discounts from net asset value which ranged from 8.2% (March 11) to 12.6% (September 21). At December 31, the price of the stock was at a discount of 11.7% as compared with a discount of 10.2% a year earlier.

"GAM Pr B" Preferred Stock

On September 24, 2003, the Company issued and sold in an underwritten offering 8,000,000 shares of its 5.95% Cumulative Preferred Stock, Series B with a liquidation preference of \$25 per share (\$200,000,000 in the aggregate).

The Preferred Shares are noncallable for 5 years, are rated "aaa" by Moody's Investors Service, Inc. and are listed and traded on The New York Stock Exchange (symbol, GAM Pr B).

The preferred capital is available to leverage the investment performance of the Common Stockholders. As is the case for leverage in general, it may also result in higher market volatility for the Common Stockholders.

Dividend Policy

The Company's dividend policy is to distribute to stockholders before year-end substantially all ordinary income estimated for the full year and capital gains realized during the ten-month period ending October 31 of that year. If any additional capital gains are realized or ordinary income is earned during the last two months of the year, a "spill-over" distribution of these amounts will be paid early in the following year to Common Stockholders. Dividends on shares of Preferred Stock are paid quarterly. Distributions from capital gains and ordinary income are allocated proportionately among holders of shares of Common Stock and Preferred Stock.

Dividends from income have been paid continuously on the Common Stock since 1939 and capital gain dividends in varying amounts have been paid for each of the years 1943-2004 (except for the year 1974). (A table listing dividends paid during the 20-year period 1985-2004 is shown at the bottom of page 6.) To the extent that shares can be issued, dividends are paid to Common Stockholders in additional shares of Common Stock unless the stockholder specifically requests payment in cash. Spill-over dividends of very nominal amounts may be paid in cash only.

Proxy Voting Policies, Procedures and Record

The policies and procedures used by General American Investors to determine how to vote proxies relating to portfolio securities and the Company's proxy voting record for the 12-month period ended June 30, 2004 are available: (1) without charge, upon request, by calling the Company at its toll-free number (1-800-436-8401), (2) on the Company's website at <http://www.generalamericaninvestors.com> and (3) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Direct Registration

In 2002, the Company implemented direct registration for its Common Shareholders. Direct registration, which is an element of the Investors

Choice Plan administered by our transfer agent, is a system that allows for book-entry ownership and the electronic transfer of our Common Shares. Accordingly, when Common Shareholders, who hold their shares directly, receive new shares resulting from a purchase, transfer or dividend payment, they will receive a statement showing the credit of the new shares as well as their Plan account and certificated share balances. A brochure which describes the features and benefits of the Investors Choice Plan, including the ability of shareholders to deposit certificates with our transfer agent, can be obtained by calling American Stock Transfer & Trust Company at 1-800-413-5499, calling the Company at 1-800-436-8401 or visiting our website: www.generalamericaninvestors.com - click on Dividends & Reports, then Report Downloads.

Privacy Policy and Practices

General American Investors collects nonpublic personal information about its customers (stockholders) with respect to their transactions in shares of the Company's securities but only for those stockholders whose shares are registered in their names. This information includes the stockholder's address, tax identification or Social Security number and dividend elections. We do not have knowledge of, nor do we collect personal information about, stockholders who hold the Company's securities at financial institutions such as brokers or banks in "street name" registration.

We do not disclose any nonpublic personal information about our stockholders or former stockholders to anyone, except as permitted by law.

We restrict access to nonpublic personal information about our stockholders to those employees who need to know that information to provide services to our stockholders. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard our stockholders' nonpublic personal information.

**Total return on
\$10,000 investment
20 years ended
December 31, 2004**

The investment return for a Common Stockholder of General American Investors (GAM) over the 20 years ended December 31, 2004 is shown in the table below and in the accompanying chart. The return based on GAM's net asset value (NAV) per Common Share in comparison to the change in the Standard & Poor's 500 Stock Index (S&P 500) is also displayed. Each illustration assumes an investment of \$10,000 at the beginning of 1985.

The Stockholder Return is the return a Common Stockholder of GAM would have achieved assuming reinvestment of all optional dividends at the actual reinvestment price and reinvestment of all cash dividends

at the average (mean between high and low) market price on the ex-dividend date.

The GAM Net Asset Value (NAV) Return is the return on shares of the Company's Common Stock based on the NAV per share, including the reinvestment of all dividends.

The S&P 500 Return is the time-weighted total rate of return on this widely-recognized, unmanaged index which is a measure of general stock market performance, including dividend income.

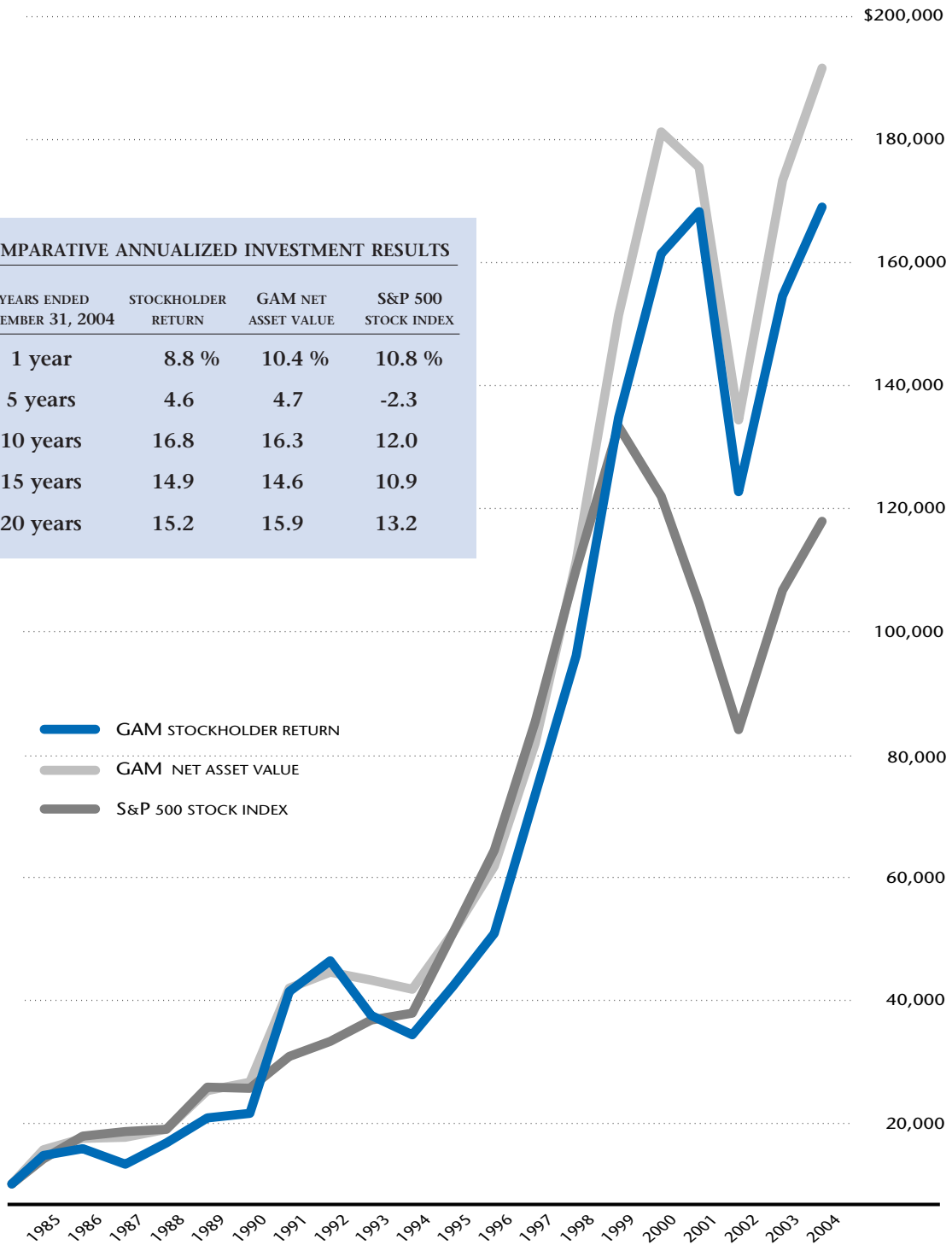
The results illustrated are a record of past performance and may not be indicative of future results.

	GENERAL AMERICAN INVESTORS				STANDARD & POOR'S 500	
	STOCKHOLDER RETURN		NET ASSET VALUE RETURN		RETURN	
	CUMULATIVE INVESTMENT	ANNUAL RETURN	CUMULATIVE INVESTMENT	ANNUAL RETURN	CUMULATIVE INVESTMENT	ANNUAL RETURN
1985	\$12,481	24.81%	\$13,500	35.00%	\$13,177	31.77%
1986	13,875	11.17	15,008	11.17	15,640	18.69
1987	11,640	-16.11	15,388	2.53	16,459	5.24
1988	14,114	21.26	18,091	17.57	19,180	16.53
1989	20,974	48.60	24,941	37.86	25,245	31.62
1990	21,813	4.00	26,609	6.69	24,465	-3.09
1991	40,354	85.00	42,865	61.09	31,902	30.40
1992	46,319	14.78	44,386	3.55	34,323	7.59
1993	38,945	-15.92	43,610	-1.75	37,797	10.12
1994	35,884	-7.86	42,415	-2.74	38,277	1.27
1995	43,498	21.22	52,416	23.58	52,631	37.50
1996	51,971	19.48	62,884	19.97	64,688	22.91
1997	74,101	42.58	83,038	32.05	86,249	33.33
1998	97,302	31.31	112,217	35.14	110,873	28.55
1999	135,464	39.22	153,064	36.40	134,112	20.96
2000	161,337	19.10	180,065	17.64	121,921	-9.09
2001	168,323	4.33	177,904	-1.20	107,425	-11.89
2002	122,523	-27.21	136,951	-23.02	83,641	-22.14
2003	155,616	27.01	174,475	27.40	107,529	28.56
2004	169,295	8.79	192,568	10.37	119,131	10.79

20-YEAR INVESTMENT RESULTS
ASSUMING AN INITIAL
INVESTMENT OF \$10,000

CUMULATIVE VALUE
OF INVESTMENT

YEARS ENDED DECEMBER 31, 2004	STOCKHOLDER RETURN	GAM NET ASSET VALUE	S&P 500 STOCK INDEX
1 year	8.8 %	10.4 %	10.8 %
5 years	4.6	4.7	-2.3
10 years	16.8	16.3	12.0
15 years	14.9	14.6	10.9
20 years	15.2	15.9	13.2



		SHARES OR PRINCIPAL AMOUNT	SHARES OR PRINCIPAL AMOUNT HELD DECEMBER 31, 2004
INCREASES			
NEW POSITIONS	Telecom Corporation of New Zealand Limited	4,600,000	4,600,000
	Unocal Corporation	500,000	700,000 (a)
ADDITIONS	American International Group, Inc.	70,000	335,000
	Apache Corporation	275,000	665,000
	CEMEX, S.A. de C.V. ADR	150,000	1,100,000
	Total S.A. ADR	28,000	275,000
DECREASES			
ELIMINATIONS	Baxter International Inc.	825,000	—
	Cox Communications, Inc. Class A	620,000 (b)	—
REDUCTIONS	American Tower Corporation 9 3/8% due 2/1/09	\$1,007,000	\$1,314,000
	Annaly Mortgage Management, Inc.	175,000	600,000
	Annuity and Life Re (Holdings), Ltd.	125,000	500,000
	Everest Re Group, Ltd.	25,000	625,000
	Golden West Financial Corporation	15,000	620,000 (c)
	Halliburton Company	75,000	525,000
	M&T Bank Corporation	20,000	310,000
	MetLife, Inc.	35,000	400,000
	Montpelier Re Holdings Ltd.	15,000	160,000
	PartnerRe Ltd.	25,000	475,000
	Pfizer Inc	50,000	1,275,000
	Reinsurance Group of America, Incorporated	60,000	385,000
	Transatlantic Holdings, Inc.	6,250	275,000
	Verisign, Inc.	100,000	133,500

* Excludes transactions in Stocks-Miscellaneous-Other.

(a) Includes shares purchased in prior period and previously carried under Stocks-Miscellaneous-Other.

(b) Includes shares disposed of in conjunction with a tender offer.

(c) Includes shares received in conjunction with a stock split.

DIVIDENDS PER COMMON SHARE (1985-2004) (UNAUDITED)

The following table shows aggregate dividends paid per share on the Company's Common Stock for each year during the 20-year period 1985-2004. Amounts shown include payments made after year-end attributable to income and gain in each respective year.

YEAR	DIVIDEND FROM		YEAR	DIVIDEND FROM	
	INCOME [#]	LONG-TERM CAPITAL GAINS		INCOME [#]	LONG-TERM CAPITAL GAINS
1985	\$.47	\$1.07	1995	\$.13	\$2.77
1986	.36	2.15	1996	.25	2.71
1987	.35	1.54	1997	.21	2.95
1988	.29	1.69	1998	.47	4.40
1989	.23	1.56	1999	1.04	4.05
1990	.21	1.65	2000	2.03	6.16
1991	.09	3.07	2001	1.01	1.37
1992	.03	2.93	2002	.03	.33
1993	.06	2.34	2003	.02	.59
1994	.06	1.59	2004	.217	.957

[#]Includes short-term capital gains per share which amounted to \$.12 in 1985, \$.02 in 1989, \$.03 in 1995, \$.05 in 1996, \$.62 in 1999, \$1.55 in 2000 and \$.64 in 2001.

TEN LARGEST INVESTMENT HOLDINGS (UNAUDITED)

General American Investors

The statement of investments as of December 31, 2004, shown on pages 12, 13 and 14 includes 59 security issues. Listed here are the ten largest holdings on that date.

	SHARES	VALUE	% COMMON NET ASSETS*
THE HOME DEPOT, INC. The largest company in home center retailing, Home Depot's proven merchandising capabilities and strong financial structure should provide the basis for continuing growth.	1,920,000	\$82,060,800	7.9%
THE TJX COMPANIES, INC. Through its T.J. Maxx and Marshalls divisions, TJX is a leading off-price retailer. The continued growth of these divisions, along with expansion into related U.S. and foreign off-price formats, provide ongoing opportunities.	2,500,000	62,825,000	6.1
DEVON ENERGY CORPORATION One of the largest independent oil and gas exploration and production companies, Devon operates both domestically and internationally. Recent opportunistic acquisitions enhanced production volumes and improved the company's exploration profile.	1,600,000	62,272,000	6.0
EVEREST RE GROUP, LTD. The largest independent U.S. property/casualty reinsurer which generates annual premiums of approximately \$4.7 billion and has a high quality, well-reserved AA balance sheet. This Bermuda domiciled company has a strong management team that exercises prudent underwriting discipline and efficient expense control, resulting in above-average earnings progress.	625,000	55,975,000	5.4
MICROSOFT CORPORATION The largest software company in the world, Microsoft has pricing power, substantial financial resources and a commitment to research and development, all of which provide significant competitive advantages and support long-term growth.	1,525,000	40,748,000	3.9
CEMEX, S.A. de C.V. ADR Domiciled in Mexico, CEMEX is the third largest cement producer in the world. With the expansion of its operations into related construction materials and additional geographic areas, as well as its focus on production cost containment, the company's free cash flow should continue to increase supporting a positive long-term outlook.	1,100,000	40,062,000	3.9
REPUBLIC SERVICES, INC. A leading provider of non-hazardous solid waste collection and disposal services in the U.S. The efficient operation of its routes and facilities combined with appropriate pricing enable Republic Services to generate significant free cash flow. The high probability of additional contracts and the expectation that economic activity will continue to improve should result in higher waste volumes for the company.	1,175,000	39,409,500	3.8
GOLDEN WEST FINANCIAL CORPORATION A savings and loan holding company with approximately \$106 billion in assets headquartered in Oakland, CA. It has a strong, conservative management with a high level of insider ownership. Excellent asset quality, tight expense control and efficient capital management help produce above-average earnings increases.	620,000	38,080,400	3.7
WAL-MART STORES, INC. A policy of serving the mass market with everyday low prices, supported by the lowest cost structure has made Wal-Mart the world's largest retailer with ongoing growth opportunities in the U.S. and overseas.	675,000	35,653,500	3.4
PFIZER INC Well established as a leader in the pharmaceutical industry, Pfizer continues its commitment to research and development and its ability to effectively market products. Pfizer remains dedicated to optimizing its corporate structure and is streamlining the company.	1,275,000	34,284,750	3.3
		<u>\$491,370,950</u>	<u>47.4%</u>

*Net assets applicable to the Company's Common Stock.

PORTFOLIO DIVERSIFICATION (UNAUDITED)

General American Investors

INDUSTRY CATEGORY	DECEMBER 31, 2004		PERCENT COMMON NET ASSETS*	
	COST(000)	VALUE(000)	2004	2003
<i>The diversification of the Company's net assets applicable to its Common Stock by industry group as of December 31, 2004 and 2003 is shown in the following table.</i>				
Finance and Insurance				
Banking	\$21,698	\$103,949	10.1%	9.5%
Insurance	80,245	192,006	18.5	19.7
Other	16,846	21,444	2.1	2.3
	<u>118,789</u>	<u>317,399</u>	<u>30.7</u>	<u>31.5</u>
Retail Trade	68,036	214,426	20.7	18.8
Oil and Natural Gas (Including Services)	143,024	188,817	18.3	5.5
Health Care				
Pharmaceuticals	79,965	110,044	10.6	15.8
Medical Instruments and Devices	10,484	22,352	2.1	2.2
Health Care Services	—	—	—	2.3
	<u>90,449</u>	<u>132,396</u>	<u>12.7</u>	<u>20.3</u>
Communications and Information Services	69,016	76,576	7.3	5.6
Computer Software and Systems	53,801	57,301	5.5	1.0
Miscellaneous**	43,897	45,363	4.4	0.7
Building and Real Estate	29,122	40,062	3.9	1.2
Environmental Control (Including Services)	26,227	39,409	3.8	3.0
Consumer Products and Services	28,303	39,094	3.8	2.8
Electronics	15,451	19,055	1.8	2.1
Semiconductors	9,890	9,151	0.9	2.3
Special Holdings	8,010	1,449	0.1	0.2
	<u>704,015</u>	<u>1,180,498</u>	<u>113.9</u>	<u>95.0</u>
Short-Term Securities	58,488	58,488	5.6	25.3
Total Investments	<u>\$762,503</u>	<u>1,238,986</u>	<u>119.5</u>	<u>120.3</u>
Liabilities in excess of Other Assets - Net		(2,593)	(0.2)	(0.1)
Preferred Stock		(200,000)	(19.3)	(20.2)
Net Assets Applicable to Common Stock		<u>\$1,036,393</u>	<u>100.0%</u>	<u>100.0%</u>

* Net assets applicable to the Company's Common Stock.

** Securities which have been held for less than one year.

STATEMENT OF ASSETS AND LIABILITIES

General American Investors

ASSETS	DECEMBER 31,	
	2004	2003
INVESTMENTS, AT VALUE (NOTE 1a)		
Common stocks (cost \$691,689,451 and \$512,775,431, respectively)	\$1,167,272,723	\$927,510,131
Convertible corporate notes (cost \$12,326,060 and \$9,714,002, respectively)	13,225,252	10,250,000
Corporate discount notes (cost \$58,487,897 and \$149,931,413, respectively)	58,487,897	149,931,413
U.S. Treasury bills (cost \$99,546,882 for 2003)	—	99,546,882
Total investments (cost \$762,503,408 and \$771,967,728, respectively)	1,238,985,872	1,187,238,426
CASH, RECEIVABLES AND OTHER ASSETS		
Cash (including margin account balance of \$681 for 2004)	176,980	54,695
Receivable for securities sold	—	2,731,429
Deposit with broker for securities sold short	3,070,685	13,684,582
Deposit with broker for options written	188,519	—
Dividends, interest and other receivables	1,081,136	2,093,543
Prepaid expenses	7,511,301	6,979,584
Other	261,801	321,045
TOTAL ASSETS	1,251,276,294	1,213,103,304
LIABILITIES		
Payable for securities purchased	411,300	1,480,264
Preferred dividend accrued but not yet declared	231,389	231,389
Securities sold short, at value (proceeds \$3,070,685 and \$13,684,582, respectively) (note 1a)	3,608,280	15,307,245
Outstanding options written, at value (premiums received \$188,519 for 2004) (note 1a)	123,580	—
Accrued expenses and other liabilities	10,508,652	9,749,295
TOTAL LIABILITIES	14,883,201	26,768,193
5.95% CUMULATIVE PREFERRED STOCK, SERIES B - 8,000,000 shares at a liquidation value of \$25 per share (note 2)	200,000,000	200,000,000
NET ASSETS APPLICABLE TO COMMON STOCK - 29,205,312 and 29,789,263 shares, respectively (note 2)	\$1,036,393,093	\$986,335,111
NET ASSET VALUE PER COMMON SHARE	\$35.49	\$33.11
NET ASSETS APPLICABLE TO COMMON STOCK		
Common Stock, 29,205,312 and 29,789,263 shares at par value, respectively (note 2)	\$29,205,312	\$29,789,263
Additional paid-in capital (note 2)	521,985,714	538,582,843
Undistributed realized gain on investments (note 2)	7,864,450	2,951,398
Undistributed net investment income (note 2)	1,559,198	1,594,961
Unallocated distributions on Preferred Stock	(231,389)	(231,389)
Unrealized appreciation on investments, securities sold short and options	476,009,808	413,648,035
NET ASSETS APPLICABLE TO COMMON STOCK	\$1,036,393,093	\$986,335,111

(see notes to financial statements)

STATEMENT OF OPERATIONS

General American Investors

INCOME	YEAR ENDED DECEMBER 31,	
	2004	2003
Dividends (net of foreign withholding taxes of \$222,175 in 2004)	\$18,010,297	\$7,810,852
Interest	2,538,401	4,168,048
TOTAL INCOME	20,548,698	11,978,900
EXPENSES		
Investment research	7,257,447	6,804,863
Administration and operations	2,685,811	2,750,817
Office space and general	535,685	554,237
Directors' fees and expenses	187,539	160,213
Transfer agent, custodian and registrar fees and expenses	179,102	176,626
Auditing and legal fees	172,200	188,250
Stockholders' meeting and reports	169,197	118,874
Miscellaneous taxes	108,236	85,780
TOTAL EXPENSES	11,295,217	10,839,660
NET INVESTMENT INCOME	9,253,481	1,139,240
REALIZED GAIN AND CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS (NOTES 1f AND 4)		
Net realized gain on investments:		
Long transactions	39,187,387	28,586,216
Short sale transactions (note 1b)	(2,512,348)	(441,706)
Option transactions (note 1c)	98,990	—
Net realized gain on investments (long-term)	36,774,029	28,144,510
Net increase in unrealized appreciation	62,361,773	200,469,430
NET GAIN ON INVESTMENTS	99,135,802	228,613,940
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS	(11,900,000)	(11,075,000)
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$96,489,283	\$218,678,180

(see notes to financial statements)

STATEMENT OF CHANGES IN NET ASSETS

General American Investors

	YEAR ENDED DECEMBER 31,	
	2004	2003
OPERATIONS		
Net investment income	\$9,253,481	\$1,139,240
Net realized gain on investments	36,774,029	28,144,510
Net increase in unrealized appreciation	62,361,773	200,469,430
Distributions to Preferred Stockholders:		
From net income	(2,686,304)	(365,476)
From long-term capital gains	(9,213,696)	(10,709,524)
Decrease in net assets from Preferred distributions	(11,900,000)	(11,075,000)
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	96,489,283	218,678,180
DISTRIBUTIONS TO COMMON STOCKHOLDERS		
From net income	(6,602,940)	(531,570)
From long-term capital gains	(22,647,281)	(15,572,788)
DECREASE IN NET ASSETS FROM COMMON DISTRIBUTIONS	(29,250,221)	(16,104,358)
CAPITAL SHARE TRANSACTIONS		
Value of Common Shares issued in payment of dividends (note 2)	15,781,952	9,724,118
Cost of Common Shares purchased (note 2)	(32,963,032)	(28,454,956)
Underwriting discount and other expenses associated with the issuance of Preferred Stock (note 2)	—	(6,700,000)
DECREASE IN NET ASSETS - CAPITAL TRANSACTIONS	(17,181,080)	(25,430,838)
NET INCREASE IN NET ASSETS	50,057,982	177,142,984
NET ASSETS APPLICABLE TO COMMON STOCK		
BEGINNING OF YEAR	986,335,111	809,192,127
END OF YEAR (including undistributed net investment income of \$1,559,199 and \$1,594,961, respectively)	\$1,036,393,093	\$986,335,111

(see notes to financial statements)

COMMON STOCKS

	SHARES OR PRINCIPAL AMOUNT		VALUE (NOTE 1a)
BUILDING AND REAL ESTATE (3.9%)	1,100,000	CEMEX, S.A. de C.V. ADR	(COST \$29,121,764) <u>\$40,062,000</u>
COMMUNICATIONS AND INFORMATION SERVICES (7.2%)	550,000	American Tower Corporation (a)	10,120,000
	550,000	CIENA Corporation (a)	1,837,000
	900,000	Cisco Systems, Inc. (a)	17,388,000
	150,000	Juniper Networks, Inc. (a)	4,078,500
	500,000	Lamar Advertising Company Class A (a)	21,390,000
	4,600,000	Telecom Corporation of New Zealand Limited	20,378,000
		(COST \$67,633,399)	<u>75,191,500</u>
COMPUTER SOFTWARE AND SYSTEMS (5.5%)	300,000	EMC Corporation (a)	4,461,000
	1,525,000	Microsoft Corporation	40,748,000
	623,000	NetIQ Corporation (a)	7,606,830
	133,500	VeriSign, Inc. (a)	4,485,600
		(COST \$53,801,539)	<u>57,301,430</u>
CONSUMER PRODUCTS AND SERVICES (3.8%)	350,000	Diageo plc ADR	20,258,000
	275,000	Ethan Allen Interiors Inc.	11,005,500
	150,000	PepsiCo, Inc.	7,830,000
		(COST \$28,303,579)	<u>39,093,500</u>
ELECTRONICS (1.8%)	715,000	Molex Incorporated Class A	(COST \$15,450,691) <u>19,054,750</u>
ENVIRONMENTAL CONTROL (INCLUDING SERVICES) (3.8%)	1,175,000	Republic Services, Inc.	(COST \$26,227,380) <u>39,409,500</u>
FINANCE AND INSURANCE (30.7%)	BANKING (10.1%)		
	368,000	Bank of America Corporation	17,292,320
	620,000	Golden West Financial Corporation	38,080,400
	310,000	M&T Bank Corporation	33,430,400
	205,000	SunTrust Banks, Inc.	15,145,400
		(COST \$21,697,463)	<u>103,948,520</u>
	INSURANCE (18.5%)		
	335,000	American International Group, Inc.	21,999,450
	500,000	Annuity and Life Re (Holdings), Ltd. (a)	227,500
	300	Berkshire Hathaway Inc. Class A (a)	26,370,000
	625,000	Everest Re Group, Ltd.	55,975,000
	400,000	MetLife, Inc.	16,204,000
	160,000	Montpelier Re Holdings Ltd.	6,152,000
	475,000	PartnerRe Ltd.	29,421,500
	385,000	Reinsurance Group of America, Incorporated	18,653,250
	275,000	Transatlantic Holdings, Inc.	17,003,250
		(COST \$80,245,273)	<u>192,005,950</u>
	OTHER (2.1%)		
	600,000	Annaly Mortgage Management, Inc.	11,772,000
	95,194	Central Securities Corporation	2,175,183
	850,000	MFA Mortgage Investments, Inc.	7,497,000
		(COST \$16,846,447)	<u>21,444,183</u>
		(COST \$118,789,183)	<u>317,398,653</u>

COMMON STOCKS (Continued)

SHARES OR PRINCIPAL AMOUNT		VALUE (NOTE 1a)	
HEALTH CARE (12.7%)	PHARMACEUTICALS (10.6%)		
	340,000	Alkermes, Inc. (a)	\$4,790,600
	250,000	Biogen Idec Inc. (a)	16,652,500
	300,000	Bristol-Myers Squibb Company	7,686,000
	75,000	Cytokinetics, Incorporated (a)	768,750
	270,000	Genaera Corporation (a)	923,400
	560,000	Genentech, Inc. (a)	30,486,400
	375,000	Genta Incorporated (a)	660,000
	455,000	MedImmune, Inc. (a)	12,335,050
	120,000	Millennium Pharmaceuticals, Inc. (a)	1,456,800
	1,275,000	Pfizer Inc	34,284,750
		(COST \$79,964,902)	110,044,250
	MEDICAL INSTRUMENTS AND DEVICES (2.1%)		
	450,000	Medtronic, Inc.	(COST \$10,483,716) 22,351,500
		(COST \$90,448,618) 132,395,750	
MISCELLANEOUS (4.4%)	Other (b)	(COST \$43,896,672) 45,362,730	
OIL AND NATURAL GAS (INCLUDING SERVICES) (17.1%)	665,000	Apache Corporation	33,629,050
	1,600,000	Devon Energy Corporation	62,272,000
	525,000	Halliburton Company	20,601,000
	275,000	Total S.A. ADR	30,206,000
	700,000	Unocal Corporation	30,268,000
	(COST \$132,080,537)	176,976,050	
RETAIL TRADE (20.7%)	700,000	Costco Wholesale Corporation	33,887,000
	1,920,000	The Home Depot, Inc. (c)	82,060,800
	2,500,000	The TJX Companies, Inc.	62,825,000
	675,000	Wal-Mart Stores, Inc.	35,653,500
		(COST \$68,036,225)	214,426,300
SEMICONDUCTORS (0.9%)	491,500	Brooks Automation, Inc. (a)	8,463,630
	197,000	EMCORE Corporation (a)	687,530
		(COST \$9,890,144)	9,151,160
SPECIAL HOLDINGS (a)(d) (NOTE 5) (0.1%)	200,000	Cytokinetics, Incorporated	1,435,000
	144,000	Silicon Genesis Corporation	14,400
	546,000	Standard MEMS, Inc. Series A Convertible Preferred	—
	(COST \$8,009,720)	1,449,400(e)	
TOTAL COMMON STOCKS (112.6%)		(COST \$691,689,451) 1,167,272,723	

CONVERTIBLE CORPORATE NOTES

COMMUNICATIONS AND INFORMATION SERVICES (0.1%)	\$1,314,000	American Tower Corporation 9 3/8% due 2/1/09 (COST \$1,382,859)	1,384,627
OIL & NATURAL GAS (INCLUDING SERVICES) (1.2%)	\$22,500,000	El Paso Corporation 0% due 2/28/21 (COST \$10,943,201)	11,840,625
TOTAL CONVERTIBLE CORPORATE NOTES (1.3%)		(COST \$12,326,060)	13,225,252

General American Investors

SHORT-TERM SECURITIES AND OTHER ASSETS

PRINCIPAL AMOUNT		VALUE (NOTE 1a)
\$19,900,000	American Express Credit Corporation notes due 1/3-1/13/05; 2.09%-2.24%	\$19,861,908
18,200,000	American General Finance Corporation notes due 1/10-1/20/05; 2.28%-2.31%	18,163,437
12,500,000	General Electric Capital Corporation notes due 1/6-1/25/05; 2.13%-2.28%	12,478,979
8,000,000	Prudential Funding, LLC note due 1/18/05; 2.24%	7,983,573
	TOTAL SHORT-TERM SECURITIES (5.6%)	58,487,897
	(COST \$58,487,897)	
TOTAL INVESTMENTS (f) (119.5%)	(COST \$762,503,408)	1,238,985,872
Liabilities in excess of cash, receivables and other assets (-0.2%)		(2,592,779)
		1,236,393,093
PREFERRED STOCK (-19.3%)		(200,000,000)
NET ASSETS APPLICABLE TO COMMON STOCK (100%)		\$1,036,393,093

(a) Non-income producing security.

(b) Securities which have been held for less than one year.

(c) 1,000,000 shares held by custodian in a segregated custodian account as collateral for open short positions.

(d) Restricted security.

(e) Fair value of each holding in the opinion of the directors.

(f) At December 31, 2004: (1) the cost of investments for Federal income tax purposes was the same as the cost for financial reporting purposes, (2) aggregate gross unrealized appreciation was \$515,997,743, (3) aggregate gross unrealized depreciation was \$39,515,279, and (4) net unrealized appreciation was \$476,482,464.

STATEMENT OF SECURITIES SOLD SHORT DECEMBER 31, 2004

General American Investors

COMMON STOCKS

SHARES		VALUE (NOTE 1a)
58,500	Electronic Arts Inc. (PROCEEDS \$3,070,685)	\$3,608,280

STATEMENT OF OPTIONS WRITTEN DECEMBER 31, 2004

General American Investors

CONTRACTS (100 SHARES EACH)	COMMON STOCKS/EXPIRATION DATE/EXERCISE PRICE	VALUE (NOTE 1a)
CALL OPTIONS		
COMMUNICATIONS AND INFORMATION SERVICES		
539	Cox Communications, Inc. Class A/January 05/\$32.50 (PREMIUMS RECEIVED \$90,021)	\$118,580
PUT OPTIONS		
OIL & NATURAL GAS (INCLUDING SERVICES)		
500	Apache Corporation/January 05/\$45 (PREMIUMS RECEIVED \$98,498)	5,000
	TOTAL OPTIONS (PREMIUMS RECEIVED \$188,519)	\$123,580

(see notes to financial statements)

1. SIGNIFICANT ACCOUNTING POLICIES

General American Investors Company, Inc. (the "Company"), established in 1927, is registered under the Investment Company Act of 1940 as a closed-end, diversified management investment company. It is internally managed by its officers under the direction of the Board of Directors.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Certain prior year financial statement items have been reclassified, from Other Comprehensive Income to a reduction of Expenses and an increase in Net Investment Income, to conform to the current year presentation.

a. **SECURITY VALUATION** Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the period. Securities reported on the NASDAQ national market are valued at the official closing price on that day. Listed and NASDAQ securities for which no sales are reported on that day and other securities traded in the over-the-counter market are valued at the last bid price (asked price for open short positions and options written) on the valuation date. Securities traded primarily in foreign markets are generally valued at the preceding closing price of such securities on their respective exchanges or markets. If, after the close of the foreign market, conditions change significantly, the price of certain foreign securities may be adjusted to reflect fair value as of the time of the valuation of the portfolio. Corporate discount notes are valued at amortized cost, which approximates market value. Special holdings (restricted securities) and other securities for which quotations are not readily available are valued at fair value determined in good faith pursuant to procedures established by and under the general supervision of the Board of Directors.

b. **SHORT SALES** The Company may make short sales of securities for either speculative or hedging purposes. When the Company makes a short sale, it borrows the securities sold short from a broker; in addition, the Company places cash with that broker and securities in a segregated account with the custodian, both as collateral for the short position. The Company may be required to pay a fee to borrow the securities and may also be obligated to pay any dividends declared on the borrowed securities. The Company will realize a gain if the security price decreases and a loss if the security price increases between the date of the short sale and the date on which the Company replaces the borrowed securities.

c. **OPTIONS** The Company may purchase and write (sell) put and call options. The risk associated with purchasing an option is that the Company pays a premium whether or not the option is exercised. Additionally, the Company bears the risk of loss of the premium and a change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. Premiums received from writing options that expire unexercised are treated by the Company on the expiration date as realized gains from investments. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Company has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis for the securities purchased by the Company. The Company as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option.

d. **FEDERAL INCOME TAXES** The Company's policy is to fulfill the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all taxable income to its stockholders. Accordingly, no provision for Federal income taxes is required.

e. **INDEMNIFICATIONS** In the ordinary course of business, the Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown. However, the Company has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote.

f. **OTHER** As customary in the investment company industry, securities transactions are recorded as of the trade date. Dividend income and distributions to stockholders are recorded as of the ex-dividend dates. Interest income, adjusted for amortization of discount and premium on investments, is earned from settlement date and is recognized on the accrual basis. Cost of short-term investments represents amortized cost.

2. CAPITAL STOCK AND DIVIDEND DISTRIBUTIONS

The authorized capital stock of the Company consists of 50,000,000 shares of Common Stock, \$1.00 par value, and 10,000,000 shares of Preferred Stock, \$1.00 par value, of which 29,205,312 shares and 8,000,000 shares, respectively, were outstanding at December 31, 2004.

On September 23, 2003, the Company redeemed all of its then outstanding 6,000,000 shares of 7.20% Tax-Advantaged Cumulative Preferred Stock, Series A, at a redemption price of \$25.00 per share. The Series A Preferred Shares were issued originally on June 19, 1998.

On September 24, 2003, the Company issued and sold 8,000,000 shares of its 5.95% Cumulative Preferred Stock, Series B in an underwritten offering. The Preferred Shares are noncallable for 5 years and have a liquidation preference of \$25.00 per share plus an amount equal to accumulated and unpaid dividends to the date of redemption. The underwriting discount and other expenses associated with the Preferred Stock offering amounted to \$6,700,000 and were charged to paid-in capital.

The Company is required to allocate distributions from long-term capital gains and other types of income proportionately among holders of shares of Common Stock and Preferred Stock. To the extent that dividends on the shares of Preferred Stock are not paid from long-term capital gains, they will be paid from ordinary income or net short-term capital gains or will represent a return of capital.

2. CAPITAL STOCK AND DIVIDEND DISTRIBUTIONS - (Continued from bottom of previous page.)

Under the Investment Company Act of 1940, the Company is required to maintain an asset coverage of at least 200% for the Preferred Stock. In addition, pursuant to the Rating Agency Guidelines, the Company is required to maintain a certain discounted asset coverage for its portfolio that equals or exceeds the Basic Maintenance Amount under the guidelines established by Moody's Investors Service, Inc. The Company has met these requirements since the issuance of the Preferred Stock. If the Company fails to meet these requirements in the future and does not cure such failure, the Company may be required to redeem, in whole or in part, shares of Preferred Stock at a redemption price of \$25.00 per share plus accumulated and unpaid dividends (whether or not earned or declared). In addition, the Company's failure to meet the foregoing asset coverage requirements could restrict its ability to pay dividends on shares of Common Stock and could lead to sales of portfolio securities at inopportune times.

The holders of Preferred Stock have voting rights equivalent to those of the holders of Common Stock (one vote per share) and, generally, vote together with the holders of Common Stock as a single class.

At all times, holders of Preferred Stock will elect two members of the Company's Board of Directors and the holders of Preferred and Common Stock, voting as a single class, will elect the remaining directors. If the Company fails to pay dividends on the Preferred Stock in an amount equal to two full years' dividends, the holders of Preferred Stock will have the right to elect a majority of the directors. In addition, the Investment Company Act of 1940 requires that approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class, would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Stock and (b) take any action requiring a vote of security holders, including, among other things, changes in the Company's subclassification as a closed-end investment company or changes in its fundamental investment policies.

The Company classifies its Preferred Stock pursuant to the requirements of EITF D-98, *Classification and Measurement of Redeemable Securities*, which require that preferred stock for which its redemption is outside of the company's control should be presented outside of net assets in the statement of assets and liabilities.

Transactions in Common Stock during 2004 and 2003 were as follows:

	SHARES		AMOUNT	
	2004	2003	2004	2003
Shares issued in payment of dividends (includes 508,849 and 334,507 shares issued from treasury, respectively)	508,849	334,507	\$508,849	\$334,507
Increase in paid-in capital			15,273,103	9,389,611
Total increase			15,781,952	9,724,118
Shares purchased (at an average discount from net asset value of 10.3% and 9.7%, respectively)	1,092,800	1,106,600	(1,092,800)	(1,106,600)
Decrease in paid-in capital			(31,870,232)	(27,348,356)
Total decrease			(32,963,032)	(28,454,956)
Net decrease			(\$17,181,080)	(\$18,730,838)

At December 31, 2004, the Company held in its treasury 2,026,251 shares of Common Stock with an aggregate cost in the amount of \$49,417,395.

Distributions for tax and book purposes are substantially the same.

As of December 31, 2004, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$43,964
Undistributed long-term gains	7,897,333
Unrealized appreciation	476,009,808
	<u>\$483,951,105</u>

3. OFFICERS' COMPENSATION

The aggregate compensation paid by the Company during 2004 and 2003 to its officers amounted to \$4,872,000 and \$4,994,000, respectively.

4. PURCHASES AND SALES OF SECURITIES

Purchases and sales of securities and securities sold short (other than short-term securities and options) during 2004 amounted to on long transactions \$317,603,409 and \$175,264,718, respectively, and on short sale transactions \$16,196,930 and \$3,070,685, respectively.

5. RESTRICTED SECURITIES

	DATE	COST	VALUE
	ACQUIRED		(NOTE 1a)
Cytokinetics, Incorporated	3/21/03	\$2,000,000	\$1,435,000
Silicon Genesis Corporation	2/16/01	3,006,720	14,400
Standard MEMS, Inc. Series A Convertible Preferred	12/17/99	3,003,000	—
Total		<u>\$8,009,720</u>	<u>\$1,449,400</u>

6. PENSION BENEFIT PLANS

The Company has both a funded (Qualified) and an unfunded (Supplemental) noncontributory defined benefit pension plans that cover substantially all of its employees. The plans provide defined benefits based on years of service and final average salary with an offset for a portion of social security covered compensation.

The Company also has funded and unfunded contributory defined contribution thrift plans that cover substantially all employees. The aggregate cost of such plans for 2004 and 2003 was \$626,307 and \$768,050, respectively. The unfunded liability included in other liabilities at December 31, 2004 and 2003 was \$2,541,127 and \$2,131,642, respectively.

6. PENSION BENEFIT PLANS - (Continued from bottom of previous page.)

OBLIGATIONS AND FUNDED STATUS OF DEFINED BENEFIT PLANS:

	2004			2003		
	QUALIFIED PLAN	SUPPLEMENTAL PLAN	TOTAL	QUALIFIED PLAN	SUPPLEMENTAL PLAN	TOTAL
CHANGE IN BENEFIT OBLIGATION						
Benefit obligation at beginning of year	\$6,793,866	\$2,429,480	\$9,223,346	\$6,271,793	\$2,194,060	\$8,465,853
Service cost	151,059	91,900	242,959	126,315	80,159	206,474
Interest cost	420,507	153,455	573,962	416,776	149,129	565,905
Benefits Paid	(427,238)	(127,773)	(555,011)	(435,820)	(127,773)	(563,593)
Actuarial (gains)/losses	395,684	144,698	540,382	414,802	133,905	548,707
Plan amendments	153,737	(1,124)	152,613	—	—	—
Benefit obligation at end of year	7,487,615	2,690,636	10,178,251	6,793,866	2,429,480	9,223,346
CHANGE IN PLAN ASSETS						
Fair value of plan assets at beginning of year	13,029,458	—	13,029,458	10,005,449	—	10,005,449
Actual return on plan assets	2,023,352	—	2,023,352	3,459,829	—	3,459,829
Employer contributions	—	127,773	127,773	—	127,773	127,773
Benefits paid	(427,238)	(127,773)	(555,011)	(435,820)	(127,773)	(563,593)
Fair value of plan assets at end of year	14,625,572	—	14,625,572	13,029,458	—	13,029,458
FUNDED STATUS						
Unrecognized actuarial (gains)/losses	7,137,957	(2,690,636)	4,447,321	6,235,592	(2,429,480)	3,806,112
Unrecognized prior service cost	206,316	(352,908)	(146,592)	753,634	(522,477)	231,157
Net amount recognized	134,662	99,896	234,558	(35,320)	129,585	94,265
Net amount recognized	\$7,478,935	\$(2,943,648)	\$4,535,287	\$6,953,906	\$(2,822,372)	\$4,131,534
AMOUNTS RECOGNIZED IN THE STATEMENT OF ASSETS AND LIABILITIES CONSIST OF:						
Prepaid benefit cost	\$7,478,935	—	\$7,478,935	\$6,953,906	—	\$6,953,906
Accrued benefit liability	—	\$(2,943,648)	\$(2,943,648)	—	\$(2,822,372)	\$(2,822,372)
Net amount recognized	\$7,478,935	\$(2,943,648)	\$4,535,287	\$6,953,906	\$(2,822,372)	\$4,131,534
Accumulated Benefit Obligation	\$6,882,288	\$2,295,334	\$9,177,622	\$6,264,441	\$2,046,700	\$8,311,141
Projected Benefit Obligation	7,487,615	2,690,636	10,178,251	6,793,866	2,429,480	9,223,346
Fair value of plan assets	14,625,572	—	14,625,572	13,029,458	—	13,029,458
WEIGHTED-AVERAGE ASSUMPTIONS AS OF END OF FISCAL YEAR						
Discount rate	5.75%	5.75%		6.25%	6.25%	
Expected return on plan assets	8.75%	N/A		8.75%	N/A	
Salary scale assumption	4.25%	4.25%		4.25%	4.25%	
COMPONENTS OF NET PERIODIC BENEFIT COST						
Service cost	\$151,059	\$91,900	\$242,959	\$126,315	\$80,159	\$206,474
Interest cost	420,507	153,455	573,962	416,776	149,129	565,905
Expected return on plan assets	(1,080,350)	—	(1,080,350)	(1,031,094)	—	(1,031,094)
Amortization of:						
Prior service cost	(16,245)	28,565	12,320	(16,244)	28,564	12,320
Recognized net actuarial loss (gain)	—	(24,871)	(24,871)	—	(37,294)	(37,294)
Net periodic benefit cost	\$(525,029)	\$249,049	\$(275,980)	\$(504,247)	\$220,558	\$(283,689)
WEIGHTED-AVERAGE ASSUMPTIONS FOR DETERMINING NET PERIODIC BENEFIT COST FOR YEARS ENDED DECEMBER 31						
Discount rate	6.25%	6.25%		6.75%	6.75%	
Expected long-term rate of return on plan assets	8.75%	N/A		8.75%	N/A	
Rate of salary increase	4.25%	4.25%		4.25%	4.25%	

The Company's Pension Committee, based on input from management and an outside consultant, reviews and determines the reasonableness of plan assumptions and the allocation of plan assets.

PLAN ASSETS The Company's qualified pension plan asset allocations at December 31, 2004 and 2003, by asset category, are as follows:	CASH FLOWS					
	December 31		Qualified Plan	Supplemental Plan	Total	
ASSET CATEGORY	2004	2003				
Equity securities	96.6%	96.5%				
Debt securities	3.4	3.5				
Total	100.0%	100.0%				
			Expected Company Contributions for 2005 to Plan Participants/Total Contributions	—	\$192,644	\$192,644
			Estimated Future Benefit Payments:			
			2005	\$454,107	\$192,644	\$646,751
			2006	456,027	214,642	670,669
			2007	459,003	249,293	708,296
			2008	462,980	290,589	753,569
			2009	462,946	317,475	780,421
			2010-2014	2,297,373	1,910,776	4,208,149

7. CALL AND PUT OPTIONS

Transactions in written covered call and collateralized put options during the year ended December 31, 2004 were as follows:

	Covered Calls		Collateralized Puts	
	Contracts	Premiums	Contracts	Premiums
Options outstanding, December 31, 2003	—	—	—	—
Options written	2,245	\$444,998	750	\$172,746
Options terminated in closing purchase transactions	(971)	(220,471)	(250)	(74,248)
Options exercised	(735)	(134,506)	—	—
Options outstanding, December 31, 2004	539	\$90,021	500	\$98,498

8. OPERATING LEASE COMMITMENT

In July 1992, the Company entered into an operating lease agreement for office space which expires in 2007 and provides for future rental payments in the aggregate amount of approximately \$5.6 million. The lease agreement contains a clause whereby the Company received twenty months of free rent beginning in December 1992 and escalation clauses relating to operating costs and real property taxes.

Rental expense approximated \$296,000 for 2004. Minimum rental commitments under the operating lease are approximately \$505,000 per annum in 2005 through 2007.

In January 2003, the Company extended a sublease agreement (originally entered into in March 1996) which expires in 2007 and provides for future rental receipts. Minimum rental receipts under the sublease are approximately \$254,000 per annum in 2005 through 2007. The Company will also receive its proportionate share of operating expenses and real property taxes under the sublease.

9 SUBSEQUENT EVENT

On January 19, 2005, the Board of Directors declared on the Common Stock a dividend of \$7,929,239 from net long-term capital gains and a dividend of \$58,303 from ordinary income. These dividends are payable in shares of Common Stock, or in cash upon request, on March 10, 2005.

FINANCIAL HIGHLIGHTS

General American Investors

The following table shows per share operating performance data, total investment return, ratios and supplemental data for each year in the five-year period ended December 31, 2004. This information has been derived from information contained in the financial statements and market price data for the Company's shares.

	2004	2003	2002	2001	2000
PER SHARE OPERATING PERFORMANCE					
Net asset value, beginning of year	\$33.11	\$26.48	\$35.14	\$39.91	\$41.74
Net investment income	.32	.03	.19	.41	.53
Net gain (loss) on securities - realized and unrealized	3.48	7.72	(7.88)	(.66)	6.12
Distributions on Preferred Stock:					
Dividends from investment income	(.09)	(.01)	(.12)	(.07)(a)	(.11)(b)
Distributions from capital gains	(.32)	(.35)	(.23)	(.29)	(.29)
	(.41)	(.36)	(.35)	(.36)	(.40)
Total from investment operations	3.39	7.39	(8.04)	(.61)	6.25
Less distributions on Common Stock:					
Dividends from investment income	(.23)	(.02)	(.21)(c)	(.88)(d)	(2.30)(e)
Distributions from capital gains	(.78)	(.52)	(.41)	(3.28)	(5.78)
	(1.01)	(.54)	(.62)	(4.16)	(8.08)
Capital Stock transaction -					
effect of Preferred Stock offering	—	(.22)	—	—	—
Net asset value, end of year	\$35.49	\$33.11	\$26.48	\$35.14	\$39.91
Per share market value, end of year	\$31.32	\$29.73	\$23.85	\$33.47	\$36.00
TOTAL INVESTMENT RETURN - Stockholder					
Return, based on market price per share	8.79%	27.01%	(27.21)%	4.33%	19.10%
RATIOS AND SUPPLEMENTAL DATA					
Net assets applicable to Common Stock, end of year (000's omitted)	\$1,036,393	\$986,335	\$809,192	\$1,097,530	\$1,155,039
Ratio of expenses to average net assets applicable to Common Stock	1.15%	1.23%	0.92%	0.97%	1.05%
Ratio of net income to average net assets applicable to Common Stock	0.94%	0.13%	0.61%	1.15%	1.24%
Portfolio turnover rate	16.71%	18.62%	22.67%	23.81%	40.61%
PREFERRED STOCK					
Liquidation value, end of year (000's omitted)	\$200,000	\$200,000	\$150,000	\$150,000	\$150,000
Asset coverage	618%	593%	639%	832%	870%
Liquidation preference per share	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Market value per share	\$24.97	\$25.04	\$25.85	\$25.90	\$24.25
(a) Includes short-term capital gain in the amount of \$.04 per share.					
(b) Includes short-term capital gain in the amount of \$.09 per share.					
(c) Includes short-term capital gain in the amount of \$.19 per share.					
(d) Includes short-term capital gain in the amount of \$.51 per share.					
(e) Includes short-term capital gain in the amount of \$1.82 per share.					

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF
GENERAL AMERICAN INVESTORS COMPANY, INC.

We have audited the accompanying statement of assets and liabilities, including the statements of investments, securities sold short and options written, of General American Investors Company, Inc. as of December 31, 2004, and the related statements of operations and changes in net assets for each of the two years in the period then ended, and 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 the standards of the Public Company Accounting Oversight Board (United States). 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, 2004, 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 that 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 General American Investors Company, Inc. at December 31, 2004, the results of its operations and the changes in its 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 U.S. generally accepted accounting principles.

Ernst & Young LLP

New York, New York
January 19, 2005

OFFICERS*General American Investors*

NAME (AGE) EMPLOYEE SINCE	PRINCIPAL OCCUPATION DURING PAST 5 YEARS	NAME (AGE) EMPLOYEE SINCE	PRINCIPAL OCCUPATION DURING PAST 5 YEARS
Spencer Davidson (62) 1994	<i>President and Chief Executive Officer of the Company since 1995</i>	Peter P. Donnelly (56) 1974	<i>Vice-President of the Company since 1991 securities trader</i>
Andrew V. Vindigni (45) 1988	<i>Vice-President of the Company since 1995 security analyst (financial services industry)</i>	Diane G. Radosti (52) 1980	<i>Treasurer of the Company since 1990 Principal Accounting Officer since 2003</i>
Eugene L. DeStaeblor, Jr. (66) 1975	<i>Vice-President, Administration of the Company since 1978 Principal Financial Officer since 2002; Chief Compliance Officer since 2004</i>	Carole Anne Clementi (58) 1982	<i>Secretary of the Company since 1994 shareholder relations and office management</i>
Peter E. de Svastich (61) 2004	<i>Vice-President of the Company since 2005 administration, finance and operations Partner & CFO of Decision Capital LLC (2002-2004); Partner & CFO of Hawkins McEntee LLC (2000-2001)</i>	Craig A. Grassi (36) 1991	<i>Assistant Vice-President of the Company since 2005; employee since 1991 information technology</i>
		Maureen E. LoBello (54) 1992	<i>Assistant Secretary of the Company since 2005; employee since 1992 benefits administration</i>

All officers serve for a term of one year and are elected by the Board of Directors at the time of its annual organization meeting on the second Wednesday in April. The address for each officer is the Company's office. Other directorships and affiliations for Mr. Davidson are shown in the listing of Directors on the inside back cover.

SERVICE ORGANIZATIONS

COUNSEL Sullivan & Cromwell LLP	TRANSFER AGENT AND REGISTRAR American Stock Transfer & Trust Company 59 Maiden Lane New York, NY 10038 1-800-413-5499 www.amstock.com
INDEPENDENT AUDITORS Ernst & Young LLP	
CUSTODIAN State Street Bank and Trust Company	

In addition to purchases of the Company's Common Stock as set forth in Note 2, on page 16, purchases of Common Stock may be made at such times, at such prices, in such amounts and in such manner as the Board of Directors may deem advisable.

In addition to distributing financial statements as of the end of each quarter, General American Investors files a Quarterly Schedule of Portfolio Holdings (Form N-Q) with the Securities and Exchange Commission (SEC) as of the end of the first and third calendar quarters. The Company's Forms N-Q are available on the SEC's website: www.sec.gov. Also, Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. A copy of the Company's Form N-Q may be obtained by calling us at 1-800-436-8401.

The Company's Chief Executive Officer has submitted to the New York Stock Exchange the required annual certification.

DIRECTORS

General American Investors

NAME (AGE) DIRECTOR SINCE	PRINCIPAL OCCUPATION DURING PAST 5 YEARS	OTHER DIRECTORSHIPS AND AFFILIATIONS
INDEPENDENT (“DISINTERESTED”) DIRECTORS		
Lawrence B. Buttenwieser (73) CHAIRMAN OF THE BOARD OF DIRECTORS 1967	<i>Counsel</i> 2002-present <i>Partner</i> 1966-2002 Katten Muchin Zavis Rosenman and predecessor firms (lawyers)	
Arthur G. Altschul, Jr. (40) 1995	<i>Managing Member</i> Diaz & Altschul Capital Management, LLC (investments and securities)	Delta Opportunity Fund, Ltd., <i>Director</i> Medicis Pharmaceutical Corporation, <i>Director</i> Neurosciences Research Foundation, <i>Trustee</i>
Lewis B. Cullman (86) 1961	<i>Managing Member</i> Cullman Ventures LLC (formerly Cullman Ventures, Inc.)	Chess-in-the-Schools, <i>Chairman, Board of Trustees</i> Metropolitan Museum of Art, <i>Honorary Trustee</i> Museum of Modern Art, <i>Vice Chairman,</i> <i>International Council and Honorary Trustee</i> Neurosciences Research Foundation, <i>Vice Chairman,</i> <i>Board of Trustees</i> The New York Botanical Garden, <i>Senior Vice</i> <i>Chairman, Board of Managers</i>
Gerald M. Edelman (75) 1976	<i>Member and Chairman of the</i> <i>Department of Neurobiology</i> The Scripps Research Institute	Neurosciences Institute of the Neurosciences Research Foundation, <i>Director and President</i>
John D. Gordan, III (59) 1986	<i>Partner</i> Morgan, Lewis & Bockius LLP (lawyers)	
Sidney R. Knafel (74) 1994	<i>Managing Partner</i> SRK Management Company (private investment company)	IGENE Biotechnology, Inc., <i>Director</i> Insight Communications Company, Inc., <i>Chairman, Board of Directors</i>
Richard R. Pivrotto (74) 1971	<i>President</i> Richard R. Pivrotto Co., Inc. (self-employed consultant)	Associated Community Bancorp, Inc., <i>Director</i> General Theological Seminary, <i>Trustee</i> Greenwich Hospital Corporation, <i>Trustee</i> Immunomedics, Inc., <i>Director</i> New York Life Insurance Company, <i>Director</i> Princeton University, <i>Charter Trustee Emeritus</i>
D. Ellen Shuman (49) 2004	<i>Vice President and</i> <i>Chief Investment Officer</i> Carnegie Corporation of New York	Bowdoin College, <i>Trustee</i> The Investment Fund for Foundations, <i>Director</i> Meristar Hospitality Corporation, <i>Director</i> Edna McConnell Clark Foundation, <i>Investment Advisor</i>
Joseph T. Stewart, Jr. (75) 1987	<i>Corporate director and trustee</i> <i>Executive Consultant</i> Johnson & Johnson (1990-1999)	Foundation of the University of Medicine and Dentistry of New Jersey, <i>Trustee</i> Marine Biological Laboratory, <i>Member,</i> <i>Advisory Council</i> United States Merchant Marine Academy, <i>Trustee,</i> <i>Board of Advisors</i> United States Merchant Marine Academy Foundation, <i>Trustee</i>
Raymond S. Troubh (78) 1989	<i>Financial Consultant</i>	Diamond Offshore Drilling, Inc., <i>Director</i> Gentiva Health Services, Inc., <i>Director</i> Petrie Stores Liquidating Trust, <i>Trustee</i> Portland General Electric Company, <i>Director</i> Triarc Companies, Inc., <i>Director</i> WHX Corporation, <i>Director</i>
INSIDE (“INTERESTED”) DIRECTOR		
Spencer Davidson (62) 1995	<i>President and Chief Executive Officer</i> General American Investors Company, Inc. since 1995	Medicis Pharmaceutical Corporation, <i>Director</i> Neurosciences Research Foundation, <i>Trustee</i>
All Directors serve for a term of one year and are elected by Stockholders at the time of the annual meeting on the second Wednesday in April. The address for each Director is the Company’s office.		
<hr/> William O. Baker , DIRECTOR EMERITUS William T. Golden , DIRECTOR EMERITUS		



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