

TO THE STOCKHOLDERS

For the six months ended June 30, 2005, the investment return to our stockholders was 3.1% (assuming reinvestment of all dividends). The net asset value per Common Share increased 5.9%. By comparison, the rate of return (including income) for our benchmark, the Standard & Poor's 500 Stock Index, was -0.8%. For the twelve months ended June 30, 2005, the return to our stockholders was 10.2% and the return on the net asset value per Common Share was 14.6%; these compare with a return of 6.2% for the S&P 500. During each period, the discount at which our shares traded increased slightly and at June 30, 2005, it was 14.1%.

As set forth in the accompanying financial statements (unaudited), as of June 30, 2005, the net assets applicable to the Company's Common Stock were \$1,070,178,768, equal to \$37.27 per Common Share.

The increase in net assets resulting from operations for the six months ended June 30, 2005 was \$56,880,773. During this period, the net realized gain on securities sold was \$23,212,019 and the increase in net unrealized appreciation was \$36,256,982. Net investment income for the six months was \$3,361,772 and distributions to Preferred Stockholders amounted to \$5,950,000.

During the six months, 636,204 shares of the Company's Common Stock were repurchased for \$19,701,744 at an average discount from net asset value of 12.7%.

The relatively robust returns generated thus far this year come, in large measure, from our exposure to securities related to the oil and natural gas industries. The discount to net asset value at which our shares trade, meanwhile, has continued to widen, inexplicably. This gap has created the opportunity to repurchase shares on an especially attractive basis. Over the past 10 years the share price has ranged between a 2% premium and a 19% discount to its net asset value.

We remain constructive with respect to security valuations. Concerns abound, of course, including the costs of war finance, the impact of rising energy prices on consumer spending, the loss of manufacturing jobs to foreign producers, and an apparent housing bubble in some regions. There

exists, furthermore, the prospect of an inverted yield curve, marked by interest rates that are higher for short-dated securities than for long-term bonds, a phenomenon that characteristically presages recession. Importantly, however, the U.S. is at or near full employment, inflation remains constrained, interest rates are relatively low, liquidity is ample, and earnings and dividends continue to grow.

On June 30, 2005, Eugene L. DeStaebler, Jr., who had been an officer of the Company for thirty years, and for the last twenty-eight, Vice-President, Administration, retired. Mr. DeStaebler's broad knowledge and understanding of the closed-end investment company industry, his expertise in administration, oversight of the accounting function, as well as his guidance regarding compliance, have been highly regarded by the Board of Directors and greatly appreciated by the Company. The Board of Directors is pleased to announce that, at its meeting today, Mr. DeStaebler has agreed to continue as a consultant in his capacity as Chief Compliance Officer until December 31, 2005.

We are also pleased to report that Eugene S. Stark, Vice-President since May 16, 2005, was appointed Vice-President, Administration. Prior to joining the Company in May 2005, Mr. Stark, a CPA, served as the chief financial officer of a business development company. Mr. Stark had been a vice president of Prudential Financial, Inc. (1987-2004) and, prior thereto, gained diverse audit experience at Deloitte & Touche (1982-1987).

The information about the Company, including our investment objective, operating policies and procedures, investment results, record of dividend payments, financial reports and press releases, is contained on our website and has been updated through June 30, 2005. It can be accessed on the Internet at www.generalamericaninvestors.com.

By Order of the Board of Directors,

GENERAL AMERICAN INVESTORS COMPANY, INC.

Spencer Davidson
President and Chief Executive Officer

July 13, 2005

STATEMENT OF ASSETS AND LIABILITIES June 30, 2005 (Unaudited)

General American Investors

ASSETS

INVESTMENTS, AT VALUE (NOTE 1a)		
Common stocks (cost \$730,316,780)		\$1,242,580,577
Corporate note (cost \$709,754)		712,747
Corporate discount notes (cost \$17,948,900)		17,948,900
Money market fund (cost \$19,634,850)		19,634,850
Total investments (cost \$768,610,284)		1,280,877,074

RECEIVABLES AND OTHER ASSETS

Receivable for securities sold	\$4,900,927	
Dividends, interest and other receivables	834,883	
Prepaid pension cost	7,596,696	
Prepaid expenses and other assets	252,987	13,585,493

TOTAL ASSETS 1,294,462,567

LIABILITIES

Payable for securities purchased	15,584,363	
Preferred dividend accrued but not yet declared	231,389	
Accrued pension expense	5,621,609	
Accrued expenses and other liabilities	2,846,438	

TOTAL LIABILITIES 24,283,799

5.95% CUMULATIVE PREFERRED STOCK, SERIES B -
8,000,000 shares at a liquidation value of \$25 per share (note 2) 200,000,000

NET ASSETS APPLICABLE TO COMMON STOCK - 28,717,595 shares (note 2) \$1,070,178,768

NET ASSET VALUE PER COMMON SHARE \$37.27

NET ASSETS APPLICABLE TO COMMON STOCK

Common Stock, 28,717,595 shares at par value (note 2)	\$28,717,595	
Additional paid-in capital (note 2)	507,429,475	
Undistributed realized gain on investments	23,180,113	
Undistributed net investment income	4,766,184	
Unallocated distributions on Preferred Stock	(6,181,389)	
Unrealized appreciation on investments	512,266,790	

NET ASSETS APPLICABLE TO COMMON STOCK \$1,070,178,768

(see notes to financial statements)

STATEMENT OF OPERATIONS Six Months Ended June 30, 2005 (Unaudited)

General American Investors

INCOME		
Dividends (net of foreign withholding taxes of \$213,043)	\$8,853,709	
Interest	<u>727,873</u>	\$9,581,582
EXPENSES		
Investment research	3,706,917	
Administration and operations	1,848,094	
Office space and general	259,286	
Directors' fees and expenses	102,520	
Transfer agent, custodian and registrar fees and expenses	94,146	
Stockholders' meeting and reports	84,755	
Auditing and legal fees	73,800	
Miscellaneous taxes	<u>50,292</u>	<u>6,219,810</u>
NET INVESTMENT INCOME		3,361,772
REALIZED GAIN AND CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS (NOTES 1f AND 4)		
Net realized gain on investments:		
Long transactions	23,011,600	
Short sale transaction (note 1b)	(755,114)	
Option transactions (note 1c)	<u>955,533</u>	
Net realized gain on investments (long-term, except for \$7,875,871)	23,212,019	
Net increase in unrealized appreciation	<u>36,256,982</u>	
NET GAIN ON INVESTMENTS		59,469,001
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS		<u>(5,950,000)</u>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		<u>\$56,880,773</u>

(see notes to financial statements)

STATEMENT OF CHANGES IN NET ASSETS

General American Investors

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31, 2004
OPERATIONS		
Net investment income	\$3,361,772	\$9,253,481
Net realized gain on investments	23,212,019	36,774,029
Net increase in unrealized appreciation	<u>36,256,982</u>	<u>62,361,773</u>
Distributions to Preferred Stockholders:		
From net investment income	—	(2,686,304)
From long-term capital gains	—	(9,213,696)
Unallocated distributions on Preferred Stock	<u>(5,950,000)</u>	<u>—</u>
Decrease in net assets from Preferred distributions	<u>(5,950,000)</u>	<u>(11,900,000)</u>
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>56,880,773</u>	<u>96,489,283</u>
DISTRIBUTIONS TO COMMON STOCKHOLDERS		
From net investment income	(58,303)	(6,602,940)
From long-term capital gains	<u>(7,929,239)</u>	<u>(22,647,281)</u>
DECREASE IN NET ASSETS FROM COMMON DISTRIBUTIONS	<u>(7,987,542)</u>	<u>(29,250,221)</u>
CAPITAL SHARE TRANSACTIONS		
Value of Common Shares issued in payment of distributions (note 2)	4,594,188	15,781,952
Cost of Common Shares purchased (note 2)	<u>(19,701,744)</u>	<u>(32,963,032)</u>
DECREASE IN NET ASSETS - CAPITAL TRANSACTIONS	<u>(15,107,556)</u>	<u>(17,181,080)</u>
NET INCREASE IN NET ASSETS	33,785,675	50,057,982
NET ASSETS APPLICABLE TO COMMON STOCK		
BEGINNING OF PERIOD	<u>1,036,393,093</u>	<u>986,335,111</u>
END OF PERIOD (including undistributed net investment income of \$4,766,184 and \$1,462,715, respectively)	<u>\$1,070,178,768</u>	<u>\$1,036,393,093</u>
(see notes to financial statements)		

FINANCIAL HIGHLIGHTS

General American Investors

The following table shows per share operating performance data, total investment return, ratios and supplemental data for the six months ended June 30, 2005 and 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.

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31,				
		2004	2003	2002	2001	2000
PER SHARE OPERATING PERFORMANCE						
Net asset value, beginning of period	\$35.49	\$33.11	\$26.48	\$35.14	\$39.91	\$41.74
Net investment income	.12	.32	.03	.19	.41	.53
Net gain (loss) on securities - realized and unrealized	2.14	3.48	7.72	(7.88)	(.66)	6.12
Distributions on Preferred Stock:						
Dividends from net investment income	—	(.09)	(.01)	(.12)	(.07) (a)	(.11) (b)
Distributions from capital gains	—	(.32)	(.35)	(.23)	(.29)	(.29)
Unallocated	(.21)	—	—	—	—	—
	(.21)	(.41)	(.36)	(.35)	(.36)	(.40)
Total from investment operations	2.05	3.39	7.39	(8.04)	(.61)	6.25
Less distributions on Common Stock:						
Dividends from net investment income	—	(.23)	(.02)	(.21) (c)	(.88) (d)	(2.30) (e)
Distributions from capital gains	(.27)	(.78)	(.52)	(.41)	(3.28)	(5.78)
	(.27)	(1.01)	(.54)	(.62)	(4.16)	(8.08)
Capital Stock transaction - effect of Preferred Stock offering	—	—	(.22)	—	—	—
Net asset value, end of period	\$37.27	\$35.49	\$33.11	\$26.48	\$35.14	\$39.91
Per share market value, end of period	\$32.00	\$31.32	\$29.73	\$23.85	\$33.47	\$36.00
TOTAL INVESTMENT RETURN - Stockholder return, based on market price per share	3.08%*	8.79%	27.01%	(27.21)%	4.33%	19.10%
RATIOS AND SUPPLEMENTAL DATA						
Net assets applicable to Common Stock, end of period (000's omitted)	\$1,070,179	\$1,036,393	\$986,335	\$809,192	\$1,097,530	\$1,155,039
Ratio of expenses to average net assets applicable to Common Stock	1.22%**	1.15%	1.23%	0.92%	0.97%	1.05%
Ratio of net investment income to average net assets applicable to Common Stock	0.66%**	0.94%	0.13%	0.61%	1.15%	1.24%
Portfolio turnover rate	8.61%*	16.71%	18.62%	22.67%	23.81%	40.61%
PREFERRED STOCK						
Liquidation value, end of period (000's omitted)	\$200,000	\$200,000	\$200,000	\$150,000	\$150,000	\$150,000
Asset coverage	635%	618%	593%	639%	832%	870%
Liquidation preference per share	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Market value per share	\$25.09	\$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.

*Not annualized

**Annualized

STATEMENT OF INVESTMENTS June 30, 2005 (Unaudited)

General American Investors

Shares or Principal Amount	COMMON STOCKS	Value (note 1a)
BUILDING AND REAL ESTATE (4.5%)		
1,143,041	CEMEX, S.A. de C.V. ADR	(COST \$30,440,830) <u>\$48,487,799</u>
COMMUNICATIONS AND INFORMATION SERVICES (7.2%)		
675,000	American Tower Corporation (a)	14,188,500
550,000	CIENA Corporation (a)	1,149,500
900,000	Cisco Systems, Inc. (a)	17,172,000
150,000	Juniper Networks, Inc. (a)	3,777,000
500,000	Lamar Advertising Company Class A (a)	21,385,000
4,600,000	Telecom Corporation of New Zealand Limited	19,228,000
		(COST \$69,828,479) <u>76,900,000</u>
COMPUTER SOFTWARE AND SYSTEMS (4.6%)		
300,000	EMC Corporation (a)	4,113,000
1,525,000	Microsoft Corporation	37,881,000
323,000	NetIQ Corporation (a)	3,659,590
133,500	VeriSign, Inc. (a)	3,839,460
		(COST \$49,555,813) <u>49,493,050</u>
CONSUMER PRODUCTS AND SERVICES (3.6%)		
350,000	Diageo plc	20,755,000
275,000	Ethan Allen Interiors Inc.	9,215,250
150,000	PepsiCo, Inc.	8,089,500
		(COST \$28,303,579) <u>38,059,750</u>
ELECTRONICS (1.6%)		
715,000	Molex Incorporated Class A	(COST \$15,450,691) <u>16,788,200</u>
ENVIRONMENTAL CONTROL (INCLUDING SERVICES) (3.9%)		
1,175,000	Republic Services, Inc.	(COST \$26,227,380) <u>42,311,750</u>
FINANCE AND INSURANCE (28.5%)		
BANKING (9.3%)		
325,000	Bank of America Corporation	14,823,250
585,000	Golden West Financial Corporation	37,662,300
310,000	M&T Bank Corporation	32,599,600
200,000	SunTrust Banks, Inc.	14,448,000
		(COST \$19,811,943) <u>99,533,150</u>
INSURANCE (18.0%)		
350,000	American International Group, Inc.	20,335,000
500,000	Annuity and Life Re (Holdings), Ltd. (a)	375,000
340,000	Arch Capital Group Ltd. (a)	15,317,000
300	Berkshire Hathaway Inc. Class A (a)	25,050,000
585,000	Everest Re Group, Ltd.	54,405,000
365,000	MetLife, Inc.	16,403,100
110,000	Montpelier Re Holdings Ltd.	3,803,800
425,000	PartnerRe Ltd.	27,378,500
325,000	Reinsurance Group of America, Incorporated	15,115,750
257,500	Transatlantic Holdings, Inc.	14,373,650
		(COST \$84,798,680) <u>192,556,800</u>
OTHER (1.2%)		
250,000	Annaly Mortgage Management, Inc.	4,482,500
95,194	Central Securities Corporation	2,302,743
825,000	MFA Mortgage Investments, Inc.	6,146,250
		(COST \$12,310,420) <u>12,931,493</u>
		(COST \$116,921,043) <u>305,021,443</u>

STATEMENT OF INVESTMENTS June 30, 2005 (Unaudited) - continued

General American Investors

Shares or Principal Amount	COMMON STOCKS (continued)	Value (note 1a)
HEALTH CARE (11.5%)		
PHARMACEUTICALS (9.3%)		
340,000	Alkermes, Inc. (a)	\$4,494,800
200,000	Biogen Idec Inc. (a)	6,890,000
240,000	Bristol-Myers Squibb Company	5,995,200
550,000	Cytokinetics, Incorporated (a)	3,817,000
270,000	Genaera Corporation (a)	459,000
365,000	Genentech, Inc. (a)	29,302,200
455,000	MedImmune, Inc. (a)	12,157,600
120,000	Millennium Pharmaceuticals, Inc. (a)	1,112,400
1,275,000	Pfizer Inc	35,164,500
	(COST \$72,502,935)	<u>99,392,700</u>
MEDICAL INSTRUMENTS AND DEVICES (2.2%)		
450,000	Medtronic, Inc.	(COST \$10,483,716) 23,305,500
	(COST \$82,986,651)	<u>122,698,200</u>
MISCELLANEOUS (3.7%)		
	Other (b)	(COST \$38,078,961) 39,861,160
OIL & NATURAL GAS (INCLUDING SERVICES) (26.7%)		
665,000	Apache Corporation	42,959,000
1,600,000	Devon Energy Corporation	81,088,000
600,000	EOG Resources, Inc.	34,080,000
525,000	Halliburton Company	25,105,500
650,000	Patterson-UTI Energy, Inc.	18,089,500
645,000	Talisman Energy Inc.	24,232,650
330,000	Total S.A. ADR	38,560,500
325,000	Unocal Corporation	21,141,250
	(COST \$178,177,362)	<u>285,256,400</u>
RETAIL TRADE (19.6%)		
700,000	Costco Wholesale Corporation	31,311,000
500,000	Dollar General Corporation	10,180,000
1,920,000	The Home Depot, Inc. (c)	74,688,000
2,500,000	The TJX Companies, Inc.	60,875,000
675,000	Wal-Mart Stores, Inc.	32,535,000
	(COST \$78,446,127)	<u>209,589,000</u>
SEMICONDUCTORS (0.7%)		
491,500	Brooks Automation, Inc. (a)	7,298,775
197,000	EMCORE Corporation (a)	813,610
	(COST \$9,890,144)	<u>8,112,385</u>
SPECIAL HOLDINGS (a) (d) (NOTE 5) (0.0%)		
144,000	Silicon Genesis Corporation	1,440
546,000	Standard MEMS, Inc. Series A Convertible Preferred	—
	(COST \$6,009,720)	<u>1,440 (e)</u>
TOTAL COMMON STOCKS (116.1%)		(COST \$730,316,780) <u>1,242,580,577</u>
CORPORATE NOTE		
COMMUNICATIONS AND INFORMATION SERVICES (0.1%)		
\$678,000	American Tower Corporation 9 3/8% due 2/1/09	(COST \$709,754) 712,747

STATEMENT OF INVESTMENTS June 30, 2005 (Unaudited) - continued

General American Investors

Principal Amount	SHORT-TERM SECURITIES AND OTHER ASSETS	Value (note 1a)
\$6,000,000	American General Finance Corporation note due 7/11/05; 3.08%	\$5,982,033
6,000,000	General Electric Capital Corporation note due 7/18/05; 3.12%	5,981,800
6,000,000	Prudential Funding, LLC note due 7/25/05; 3.20%	5,985,067
19,634,850	SSgA Prime Money Market Fund	19,634,850
	TOTAL SHORT-TERM SECURITIES (3.5%) (COST \$37,583,750)	<u>37,583,750</u>
	TOTAL INVESTMENTS (f) (119.7%) (COST \$768,610,284)	<u>1,280,877,074</u>
	Liabilities in excess of receivables and other assets (-1.0%)	(10,698,306)
	PREFERRED STOCK (-18.7%)	<u>(200,000,000)</u>
	NET ASSETS APPLICABLE TO COMMON STOCK (100%)	<u><u>\$1,070,178,768</u></u>

(a) Non-income producing security.

(b) Securities which have been held for less than one year, not previously disclosed and not restricted.

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

(d) Restricted security.

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

(f) At June 30, 2005: (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 \$553,771,964, (3) aggregate gross unrealized depreciation was \$41,505,174, and

(4) net unrealized appreciation was \$512,266,790.

(see notes to financial statements)

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PORTFOLIO DIVERSIFICATION (Unaudited)

General American Investors

The diversification of the Company's net assets applicable to its Common Stock by industry group as of June 30, 2005 and 2004 is shown in the following table.

INDUSTRY CATEGORY	JUNE 30, 2005		PERCENT COMMON NET ASSETS*	
	COST(000)	VALUE(000)	2005	2004
Finance and Insurance				
Banking	\$19,812	\$99,533	9.3%	9.5%
Insurance	84,799	192,557	18.0	18.8
Other	12,310	12,931	1.2	2.3
	<u>116,921</u>	<u>305,021</u>	<u>28.5</u>	<u>30.6</u>
Oil and Natural Gas (Including Services)	178,177	285,256	26.7	10.8
Retail Trade	78,446	209,589	19.6	19.6
Health Care				
Pharmaceuticals	72,503	99,393	9.3	15.4
Medical Instruments and Devices	10,484	23,306	2.2	2.2
	<u>82,987</u>	<u>122,699</u>	<u>11.5</u>	<u>17.6</u>
Communications and Information Services	70,538	77,613	7.3	5.2
Computer Software and Systems	49,556	49,493	4.6	6.3
Building and Real Estate	30,441	48,488	4.5	1.6
Environmental Control (Including Services)	26,227	42,312	3.9	3.5
Miscellaneous**	38,079	39,861	3.7	4.5
Consumer Products and Services	28,303	38,060	3.6	3.8
Electronics	15,451	16,788	1.6	2.0
Semiconductors	9,890	8,112	0.7	1.4
Special Holdings	6,010	1	0.0	0.2
	<u>731,026</u>	<u>1,243,293</u>	<u>116.2</u>	<u>107.1</u>
Short-Term Securities	37,584	37,584	3.5	13.7
Total Investments	<u>\$768,610</u>	<u>1,280,877</u>	<u>119.7</u>	<u>120.8</u>
Liabilities in excess of Other Assets - Net		(10,698)	(1.0)	(0.5)
Preferred Stock		<u>(200,000)</u>	<u>(18.7)</u>	<u>(20.3)</u>
Net Assets Applicable to Common Stock		<u><u>\$1,070,179</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

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

** Securities which have been held for less than one year, not previously disclosed and not restricted.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

General American Investors

I. 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.

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 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 28,717,595 shares and 8,000,000 shares, respectively, were outstanding at June 30, 2005.

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.

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

NOTES TO FINANCIAL STATEMENTS (Unaudited) - continued

General American Investors

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

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 the six months ended June 30, 2005 and the year ended December 31, 2004 were as follows:

	SHARES		AMOUNT	
	2005	2004	2005	2004
Shares issued in payment of dividends (includes 148,487 and 508,849 shares issued from treasury, respectively)	148,487	508,849	\$148,487	\$508,849
Increase in paid-in capital			<u>4,445,701</u>	<u>15,273,103</u>
Total increase			<u>4,594,188</u>	<u>15,781,952</u>
Shares purchased (at an average discount from net asset value of 12.7% and 10.3%, respectively)	636,204	1,092,800	(636,204)	(1,092,800)
Decrease in paid-in capital			<u>(19,065,540)</u>	<u>(31,870,232)</u>
Total decrease			<u>(19,701,744)</u>	<u>(32,963,032)</u>
Net decrease			<u>(\$15,107,556)</u>	<u>(\$17,181,080)</u>

At June 30, 2005, the Company held in its treasury 2,513,968 shares of Common Stock with an aggregate cost in the amount of \$65,687,956.

Distributions for tax and book purposes are substantially the same.

3. OFFICERS' COMPENSATION

The aggregate compensation paid by the Company during the six months ended June 30, 2005 to its officers amounted to \$2,936,250.

4. PURCHASES AND SALES OF SECURITIES

Purchases and sales of securities and securities sold short (other than short-term securities and options) for the six months ended June 30, 2005 amounted to on long transactions \$106,261,670 and \$102,262,247, respectively, and, with respect to short sale transactions, purchases for the six months amounted to \$3,825,799.

5. RESTRICTED SECURITIES

	DATE ACQUIRED	COST	VALUE (NOTE 1a)
Silicon Genesis Corporation	2/16/01	\$3,006,720	\$1,440
Standard MEMS, Inc. Series A Convertible Preferred	12/17/99	3,003,000	—
Total		<u>\$6,009,720</u>	<u>\$1,440</u>

6. PENSION BENEFIT PLANS

The Company has funded (Qualified) and 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 components of the net periodic benefit cost of the plans for the six months ended June 30, 2005 were:

Service cost	\$153,864
Interest cost	324,005
Expected return on plan assets	(538,968)
Amortization of:	
Prior service cost	18,837
Recognized net actuarial loss (gain)	<u>76,498</u>
Net periodic benefit cost (income)	<u>\$34,236</u>

The Company also has funded and unfunded contributory defined contribution thrift plans that cover substantially all employees. The aggregate cost of such plans for the six months ended June 30, 2005 was \$235,465. The unfunded liability included in accrued expenses and other liabilities at June 30, 2005 was \$2,589,851.

NOTES TO FINANCIAL STATEMENTS (Unaudited) - continued

General American Investors

7. 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 \$148,000 for the six months ended June 30, 2005. 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.

MAJOR STOCK CHANGES* Three Months Ended June 30, 2005 (Unaudited)

General American Investors

INCREASES	SHARES	SHARES HELD JUNE 30, 2005
NEW POSITIONS		
Dollar General Corporation	—	500,000 (a)
Talisman Energy Inc.	645,000	645,000
ADDITIONS		
American Tower Corporation	125,000	675,000
MFA Mortgage Investments, Inc.	50,000	825,000
Transatlantic Holdings, Inc.	8,000	257,500
DECREASES		
REDUCTIONS		
American International Group, Inc.	30,000	350,000
Annaly Mortgage Management, Inc.	25,000	250,000
Bank of America Corporation	43,000	325,000
Bristol-Myers Squibb Company	60,000	240,000
Everest Re Group, Ltd.	40,000	585,000
Genentech, Inc.	35,000	365,000
Golden West Financial Corporation	15,000	585,000
MetLife, Inc.	35,000	365,000
NetIQ Corporation	300,000	323,000
PartnerRe Ltd.	50,000	425,000
Reinsurance Group of America, Incorporated	25,000	325,000
SunTrust Banks, Inc.	5,000	200,000
Unocal Corporation	425,000	325,000

* Excludes transactions in Stocks - Miscellaneous - Other.

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

OTHER MATTERS (Unaudited)

General American Investors

In addition to purchases of the Company's Common Stock as set forth in Note 2 on page 10, 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.

The policies and procedures used by the Company to determine how to vote proxies relating to portfolio securities and the Company's proxy voting record for the twelve-month period ended June 30, 2005 are available: (1) without charge, upon request, by calling us at our toll-free telephone number (1-800-436-8401), (2) on the Company's website at www.generalamericaninvestors.com and (3) on the Securities and Exchange Commission's website at www.sec.gov.

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 is available on the Company's website as shown above.

DIRECTORS

Lawrence B. Buttenwieser, *Chairman*
Arthur G. Altschul, Jr. Sidney R. Knafel
Lewis B. Cullman Richard R. Pivrotto
Spencer Davidson D. Ellen Shuman
Gerald M. Edelman Joseph T. Stewart, Jr.
John D. Gordan, III Raymond S. Troubh

William O. Baker, Director Emeritus
William T. Golden, Director Emeritus

OFFICERS

Spencer Davidson, President & Chief Executive Officer
Andrew V. Vindigni, Vice-President
Eugene S. Stark, Vice-President, Administration
Peter P. Donnelly, Vice-President & Trader
Diane G. Radosti, Treasurer
Carole Anne Clementi, Secretary
Craig A. Grassi, Assistant Vice-President
Maureen E. LoBello, Assistant Secretary
Eugene L. DeStaeblar, Jr., Chief Compliance Officer

SERVICE COMPANIES

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
GENERAL AMERICAN INVESTORS COMPANY, INC.

We have reviewed the accompanying statement of assets and liabilities of General American Investors Company, Inc., including the statement of investments, as of June 30, 2005, and the related statements of operations and changes in net assets and financial highlights for the six-month period ended June 30, 2005. These financial statements and financial highlights are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board, the statement of changes in net assets for the year ended December 31, 2004 and financial highlights for each of the five years in the period then ended and in our report, dated January 19, 2005, we expressed an unqualified opinion on such financial statements and financial highlights.

New York, New York
July 13, 2005

ERNST & YOUNG LLP

GENERAL AMERICAN INVESTORS COMPANY, INC.



SEMI-ANNUAL REPORT JUNE 30, 2005

*A Closed-End Investment Company
listed on the New York Stock Exchange*

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