

**GENERAL AMERICAN INVESTORS COMPANY, INC.**

100 PARK AVENUE · NEW YORK · N.Y. 10017 · (212)916-8400

January 14, 2009

**FEDERAL INCOME TAX INFORMATION  
Regarding Dividends and Distributions Paid and Taxable in 2008***To the Common and Preferred Stockholders:*

Dividends and distributions paid and taxable during 2008 by General American Investors Company, Inc. on shares of its Common and Preferred Stock should be reported for Federal income tax purposes as follows:

<u>Record Date</u>	<u>Payment Date</u>	<u>Total</u>	<u>Amount Per Share</u>		
			<u>Ordinary Dividends (a)</u>	<u>Qualified Dividends (a)/(b)</u>	<u>Capital Gain Distributions (c)</u>
<i>Common Stock:</i>					
January 28, 2008	February 11, 2008	\$0.215294	\$0.005815	\$0.005738	\$0.209479
November 14, 2008	December 26, 2008	\$0.440000	\$0.185594	\$0.185594	\$0.254406
<i>Preferred Stock:</i>					
March 7, 2008	March 24, 2008	\$0.371875	\$0.108585	\$0.108585	\$0.263290
June 6, 2008	June 24, 2008	\$0.371875	\$0.108585	\$0.108585	\$0.263290
September 8, 2008	September 24, 2008	\$0.371875	\$0.108585	\$0.108585	\$0.263290
December 8, 2008	December 24, 2008	\$0.371875	\$0.108585	\$0.108585	\$0.263290

- (a) The total of Ordinary Dividends, including Qualified Dividends, are included in Box 1a of Form 1099-DIV.  
 (b) A subset of Ordinary Dividends included in Box 1b of form 1099-DIV.  
 (c) Designated as a "Capital Gain Dividend" and included in Box 2a of Form 1099-DIV.

The Ordinary Dividends paid to Preferred Stockholders during 2008 and to Common Stockholders on February 11, 2008 and December 26, 2008 qualify to the extent of 54.0% for the dividends received deduction allowed corporations.

Dividends and distributions paid on shares of Common Stock are taxable as indicated above whether the stockholder chose to receive them in additional shares of stock or in cash. For stockholders who received additional shares in payment of the December distribution, the cost basis is \$15.55 per share and the holding period for such stock began on December 26, 2008.

We are not permitted to provide tax advice. For further assistance, we suggest that you contact your tax adviser.

During 2008, the Company made no investment in direct obligations of the U.S. Government.

WE SUGGEST THAT YOU KEEP THIS NOTICE AND THE ACCOMPANYING FORM 1099-DIV FOR USE IN PREPARING YOUR FEDERAL TAX RETURN FOR 2008.

DIANE G. RADOSTI  
Treasurer