

For the six months ended June 30, 2015, the net asset value per Common Share increased 2.39% while the investment return to our stockholders decreased by 0.54%. By comparison, our benchmark, the Standard & Poor's 500 Stock Index (including income), increased 1.24%. For the twelve months ended June 30, 2015, the return on the net asset value per Common Share increased by 3.03%, and the return to our stockholders increased by 3.94%; these compare with an increase of 7.43% for the S&P 500. During both periods, the discount at which our shares traded continued to fluctuate and on June 30, 2015, it was 14.5%.

As detailed in the accompanying financial statements (unaudited), as of June 30, 2015, the net assets applicable to the Company's Common Stock were \$1,205,272,616 equal to \$40.72 per Common Share.

The increase in net assets resulting from operations for the six months ended June 30, 2015 was \$22,045,027. During this period, the net realized gain on investments sold was \$22,679,881 and the decrease in net unrealized appreciation was \$2,242,729. Net investment income for the six months was \$7,263,861 and distributions to Preferred Stockholders amounted to \$5,655,986.

During the six months, 1,269,431 shares of the Company's Common Stock were repurchased for \$44,672,116 at an average discount from net asset value of 14.1%.

U.S. equity markets have had to contend with slower economic growth, modestly higher than average valuations, and geopolitical and financial turmoil in Greece and, more recently, in China. Uncertainty over the timing of the Federal Reserve's first interest rate increase since emergency lending rates were established during the financial crisis have also weighed on the equity market. Though many economists anticipate a rate increase in September, it would not be surprising to see that delayed further, if geopolitical developments do not resolve themselves favorably or domestic growth slows.

The U.S. economy continues to experience relatively strong employment growth with modest wage gains, improving real estate markets, and increasing retail sales. Though still constrained for middle and lower income households, credit availability is also improving. Household formations are increasing and have reached a recovery high. West coast port closures due to striking workers, which impeded first quarter GDP growth have ended, providing a modest tailwind.

Over the medium term, reduced energy costs, the continuing conversion of part-time workers to full-time, and by the re-entry of the long-term unemployed into the labor market will likely provide households with disposable income. Consumer sentiment remains strong as evidenced by robust auto and light trucks sales. And though the oil and gas industry has faced pricing deterioration due to excess supply, sales of gasoline and transportation fuels in volume terms have increased by more than 5%, further evidence of consumers' brighter outlook for growth and income.

Despite these positive trends, there are a number of concerns that may continue to stymie growth and possibly valuations. Fiscal policy in the U.S. and some developed countries continues to focus on social issues and incremental regulation with little emphasis on historically successful growth policies. Corporations have rationally responded by focusing on cost reduction, either directly or through merger and acquisition activity, reduced investment and a focus on labor saving automation. While labor costs remain contained, there are a number of economic sectors that face accelerating costs due to government mandates and increased healthcare expenses with the Affordable Care Act fully sanctioned following the recent Supreme Court ruling. Valuation in the United States equity markets is modestly higher when compared with history and appears to presume operating margins will be maintained, interest rates will stay historically low and growth will continue to track 2%. Disappointment may result in lower valuations. Increased volatility in the foreign exchange market and a stronger U.S. dollar appear to have also dampened corporate profit expectations for the current year. The energy sector which has contributed substantively to economic growth, faces significantly reduced investment and rationalization. In general, lower commodity prices suggest expectations for near-term world economic growth have deteriorated somewhat from the prior year.

In sum, given current economic and geopolitical headwinds, the low interest rate environment may persist, leading to higher valuations relative to history as equities continue to be more attractive relative to fixed income. The forces that have coalesced to dampen growth in the near term appear to be transitory. Longer term, the health of the general economy suggests the expansion may continue apace and appropriate fiscal policy levers could accelerate growth. Given investors' current cautious outlook, it would seem corporations will likely continue to pursue capital management strategies that improve total shareholder return in the form of dividends and share repurchases. Likewise, opportunities to acquire or merge with companies to achieve cost synergies or modest product line extensions would appear to continue to be favored over new significant investment in plant and equipment. In light of these and other considerations, we remain sanguine on the performance of equities over the long term.

Information about the Company, including our investment objectives, operating policies and procedures, investment results, record of dividend and distribution payments, financial reports and press releases, is on our website and has been updated through June 30, 2015. It can be accessed on the internet at [www.generalamericaninvestors.com](http://www.generalamericaninvestors.com).

By Order of the Board of Directors,  
GENERAL AMERICAN INVESTORS COMPANY, INC.

Jeffrey W. Priest  
*President and Chief Executive Officer*

July 15, 2015

## STATEMENT OF INVESTMENTS June 30, 2015 (Unaudited)

## General American Investors

	Shares	COMMON STOCKS	Value (note 1a)
<b>CONSUMER DISCRETIONARY (9.9%)</b>	<b>AUTOMOBILES AND COMPONENTS (1.6%)</b>		
	1,264,063	Ford Motor Company	(Cost \$16,174,723) <u>\$18,973,586</u>
	<b>RETAILING (8.3%)</b>		
	216,300	Target Corporation	17,656,569
	1,244,668	The TJX Companies, Inc.	82,359,681
			(Cost \$16,315,129) <u>100,016,250</u>
		(Cost \$32,489,852) <u>118,989,836</u>	
<b>CONSUMER STAPLES (13.6%)</b>	<b>FOOD, BEVERAGE AND TOBACCO (10.1%)</b>		
	201,174	Danone	12,993,680
	237,400	Diageo plc ADR	27,547,896
	450,000	Nestle S.A.	32,472,738
	195,000	PepsiCo, Inc.	18,201,300
	734,620	Unilever N.V.	30,564,600
			(Cost \$70,804,996) <u>121,780,214</u>
	<b>FOOD AND STAPLES RETAILING (3.5%)</b>		
	307,800	Costco Wholesale Corporation	(Cost \$9,322,526) 41,571,468
			(Cost \$80,127,522) <u>163,351,682</u>
<b>ENERGY (9.6%)</b>	210,000	Anadarko Petroleum Corporation	16,392,600
	301,478	Apache Corporation	17,374,177
	1,522,819	Cameco Corporation	21,745,855
	420,000	EnSCO plc - Class A	9,353,400
	585,000	Halliburton Company	25,195,950
	200,000	Occidental Petroleum Corporation	15,554,000
	803,803	Ultra Petroleum Corp. (a)	10,063,614
		(Cost \$115,075,005) <u>115,679,596</u>	
<b>FINANCIALS (22.5%)</b>	<b>BANKS (2.6%)</b>		
	505,000	FCB Financial Holdings, Inc., Class A (a)	16,059,000
	125,000	M&T Bank Corporation	15,616,250
			(Cost \$10,362,262) <u>31,675,250</u>
	<b>DIVERSIFIED FINANCIALS (5.1%)</b>		
	245,000	American Express Company	19,041,400
	315,000	JPMorgan Chase & Co.	21,344,400
	488,500	Nelnet, Inc.	21,156,935
			(Cost \$24,413,192) <u>61,542,735</u>
	<b>INSURANCE (14.8%)</b>		
	293,492	Aon plc	29,255,283
	730,000	Arch Capital Group Ltd. (a)	48,880,800
	110	Berkshire Hathaway Inc. Class A (a)	22,533,500
135,000	Everest Re Group, Ltd.	24,571,350	
365,000	MetLife, Inc.	20,436,350	
255,000	PartnerRe Ltd.	32,767,500	
		(Cost \$44,600,086) <u>178,444,783</u>	
		(Cost \$79,375,540) <u>271,662,768</u>	

## STATEMENT OF INVESTMENTS June 30, 2015 (Unaudited) - continued

## General American Investors

	Shares	COMMON STOCKS (continued)	Value (note 1a)	
<b>HEALTH CARE (12.2%)</b>	<b>PHARMACEUTICALS, BIOTECHNOLOGY AND LIFE SCIENCES</b>			
	1,200,000	Ariad Pharmaceuticals, Inc. (a)	\$9,924,000	
	200,000	Celgene Corporation (a)	23,147,000	
	423,600	Gilead Sciences, Inc. (a)	49,595,088	
	265,142	Intra-Cellular Therapies Inc. (a)	8,471,287	
	427,191	Merck & Co., Inc.	24,319,984	
	277,076	Paratek Pharmaceuticals Inc. (a)	7,140,248	
	605,808	Pfizer Inc.	20,312,742	
	601,553	Repros Therapeutics Inc. (a)	4,301,104	
		(Cost \$73,478,703)	147,211,453	
<b>INDUSTRIALS (13.0%)</b>	<b>CAPITAL GOODS (6.8%)</b>			
	219,131	Eaton Corporation PLC	14,789,151	
	1,015,000	General Electric Company	26,968,550	
	161,400	Owens Corning	6,657,750	
	300,000	United Technologies Corporation	33,279,000	
			(Cost \$66,157,708)	81,694,451
	<b>COMMERCIAL AND PROFESSIONAL SERVICES (6.1%)</b>			
	1,037,100	Republic Services, Inc.	40,623,207	
	263,798	Towers Watson & Co. Class A	33,185,789	
			(Cost \$31,556,063)	73,808,996
<b>TRANSPORTATION (0.1%)</b>				
72,500	Hertz Global Holdings, Inc. (a)	(Cost \$1,569,031)	1,313,700	
		(Cost \$99,282,802)	156,817,147	
<b>INFORMATION TECHNOLOGY (20.3%)</b>	<b>SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT (4.1%)</b>			
	231,850	ASML Holding N.V.	24,142,540	
	833,700	Intel Corporation	25,356,986	
			(Cost \$23,941,384)	49,499,526
	<b>SOFTWARE AND SERVICES (4.7%)</b>			
	680,686	Microsoft Corporation	30,052,287	
	377,534	Synchronoss Technologies, Inc. (a)	17,264,630	
	159,653	Verint Systems Inc.	9,698,121	
			(Cost \$39,067,442)	57,015,038
	<b>TECHNOLOGY HARDWARE AND EQUIPMENT (11.5%)</b>			
	394,000	Apple Inc.	49,417,450	
	496,000	Ciena Corporation (a)	11,745,280	
	1,000,000	Cisco Systems, Inc.	27,460,000	
615,000	EMC Corporation	16,229,850		
536,200	QUALCOMM Incorporated	33,582,206		
		(Cost \$75,664,332)	138,434,786	
		(Cost \$138,673,158)	244,949,350	
<b>MATERIALS (1.2%)</b>	651,217	Huntsman Corporation	(Cost \$15,267,400)	14,372,359
<b>MISCELLANEOUS (2.6%)</b>		Other (b)	(Cost \$29,690,770)	31,952,373
<b>TELECOMMUNICATION SERVICES (1.9%)</b>	623,852	Vodafone Group plc ADR	(Cost \$21,262,882)	22,739,405
		<b>TOTAL COMMON STOCKS (106.8%)</b>	(Cost \$684,723,634)	1,287,725,969

**STATEMENT OF INVESTMENTS June 30, 2015 (Unaudited) - continued**

*General American Investors*

Shares	SHORT-TERM SECURITY AND OTHER ASSETS	Value (note 1a)
114,269,285	SSgA U.S. Treasury Money Market Fund (9.5%) (Cost \$114,269,285)	\$114,269,285
	TOTAL INVESTMENTS (c) (116.3%) (Cost \$798,992,919)	1,401,995,254
	Liabilities in excess of receivables and other assets (-0.5%)	(6,605,463)
	PREFERRED STOCK (-15.8%)	(190,117,175)
	NET ASSETS APPLICABLE TO COMMON STOCK (100%)	<u>\$1,205,272,616</u>

ADR - American Depository Receipt

(a) Non-income producing security.

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

(c) At June 30, 2015 the cost of investments for Federal income tax purposes was \$798,992,919, aggregate gross unrealized appreciation was \$635,622,722, aggregate gross unrealized depreciation was \$32,620,387, and net unrealized appreciation was \$603,002,335.

**MAJOR STOCK CHANGES(a): Three Months Ended June 30, 2015 (Unaudited)**

INCREASES	NET SHARES TRANSACTIONED	SHARES HELD
<b>NEW POSITIONS</b>		
Paratek Pharmaceuticals Inc.	210,441	277,076 (b)
Verint Systems Inc.	72,053	159,653 (b)
<b>ADDITIONS</b>		
Anadarko Petroleum Corporation	25,000	210,000
Cameco Corporation	150,000	1,522,819
Danone	5,135	201,174
Huntsman Corporation	86,664	651,217
Repros Therapeutics Inc.	93,178	601,553
Synchronoss Technologies, Inc.	12,000	377,534
<b>DECREASES</b>		
<b>ELIMINATION</b>		
The Dow Chemical Company	76,300	—
<b>REDUCTIONS</b>		
ASML Holding N.V.	25,000	231,850
Ciena Corporation	70,000	496,000 (b)
FCB Financial Holdings, Inc., Class A	163,800	505,000
Gilead Sciences, Inc.	20,000	423,600
JPMorgan Chase & Co.	45,000	315,000
Nelnet, Inc.	30,000	488,500
Owens Corning	228,600	161,400
Pfizer Inc.	100,000	605,808
Towers Watson & Co. Class A	10,000	263,798

(a) Common shares unless otherwise noted; excludes transactions in Common Stocks - Miscellaneous - Other.

(b) Shares purchased in prior period and previously carried under Common Stocks - Miscellaneous - Other.

(see notes to unaudited financial statements)

**PORTFOLIO DIVERSIFICATION June 30, 2015 (Unaudited)**

*General American Investors*

The diversification of the Company's net assets applicable to its Common Stock by industry group as of June 30, 2015 is shown in the table.

<u>INDUSTRY CATEGORY</u>	<u>COST(000)</u>	<u>VALUE(000)</u>	<u>PERCENT COMMON NET ASSETS*</u>
Financials			
Banks	\$10,362	\$31,675	2.6%
Diversified Financials	24,413	61,543	5.1
Insurance	44,600	178,445	14.8
	<u>79,375</u>	<u>271,663</u>	<u>22.5</u>
Information Technology			
Semiconductors & Semiconductor Equipment	23,941	49,499	4.1
Software & Services	39,068	57,015	4.7
Technology Hardware & Equipment	75,664	138,435	11.5
	<u>138,673</u>	<u>244,949</u>	<u>20.3</u>
Consumer Staples			
Food, Beverage & Tobacco	70,805	121,780	10.1
Food & Staples Retailing	9,323	41,572	3.5
	<u>80,128</u>	<u>163,352</u>	<u>13.6</u>
Industrials			
Capital Goods	66,158	81,694	6.8
Commercial & Professional Services	31,556	73,809	6.1
Transportation	1,569	1,314	0.1
	<u>99,283</u>	<u>156,817</u>	<u>13.0</u>
Health Care			
Pharmaceuticals, Biotechnology & Life Sciences	73,479	147,212	12.2
Consumer Discretionary			
Automobiles & Components	16,175	18,974	1.6
Retailing	16,315	100,016	8.3
	<u>32,490</u>	<u>118,990</u>	<u>9.9</u>
Energy	115,075	115,680	9.6
Miscellaneous**	29,691	31,952	2.6
Telecommunication Services	21,263	22,739	1.9
Materials	15,267	14,372	1.2
	<u>684,724</u>	<u>1,287,726</u>	<u>106.8</u>
Short-Term Securities	114,269	114,269	9.5
Total Investments	<u>\$798,993</u>	<u>1,401,995</u>	<u>116.3</u>
Other Assets and Liabilities - Net		(6,605)	(0.5)
Preferred Stock		<u>(190,117)</u>	<u>(15.8)</u>
Net Assets Applicable to Common Stock		<u>\$1,205,273</u>	<u>100.0%</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.

(see notes to unaudited financial statements)

## STATEMENT OF ASSETS AND LIABILITIES June 30, 2015 (Unaudited)

## General American Investors

## ASSETS

INVESTMENTS, AT VALUE (NOTE 1a)		
Common stocks (cost \$684,723,634)		\$1,287,725,969
Money market fund (cost \$114,269,285)		114,269,285
Total investments (cost \$798,992,919)		<u>1,401,995,254</u>

## RECEIVABLES AND OTHER ASSETS

Receivable for securities sold	\$1,391,232	
Dividends, interest and other receivables	2,570,751	
Qualified pension plan asset, net excess funded (note 7)	2,432,698	
Prepaid expenses, fixed assets and other assets	1,049,300	7,443,981

## TOTAL ASSETS

1,409,439,235

## LIABILITIES

Payable for securities purchased	2,597,939	
Accrued compensation payable to officers and employees	2,000,000	
Accrued preferred stock dividend not yet declared	219,955	
Accrued supplemental pension plan liability (note 7)	6,040,523	
Accrued supplemental thrift plan liability (note 7)	2,820,757	
Accrued expenses and other liabilities	370,270	

## TOTAL LIABILITIES

14,049,444

## 5.95% CUMULATIVE PREFERRED STOCK, SERIES B -

7,604,687 shares at a liquidation value of \$25 per share (note 5) 190,117,175

## NET ASSETS APPLICABLE TO COMMON STOCK - 29,602,413 shares (note 5)

\$1,205,272,616

## NET ASSET VALUE PER COMMON SHARE

\$40.72

## NET ASSETS APPLICABLE TO COMMON STOCK

Common Stock, 29,602,413 shares at par value (note 5)	\$29,602,413	
Additional paid-in capital (note 5)	553,204,292	
Undistributed net investment income (note 5)	6,406,250	
Undistributed realized gain on securities sold	24,455,422	
Accumulated other comprehensive loss (note 7)	(5,786,254)	
Unallocated distributions on Preferred Stock	(5,875,941)	
Unrealized appreciation on investments	603,266,434	

## NET ASSETS APPLICABLE TO COMMON STOCK

\$1,205,272,616

(see notes to unaudited financial statements)

**STATEMENT OF OPERATIONS Six Months Ended June 30, 2015 (Unaudited)**

*General American Investors*

INCOME		
Dividends (net of foreign withholding taxes of \$537,077)		\$14,151,194
EXPENSES		
Investment research	\$3,284,072	
Administration and operations	1,895,032	
Office space and general	818,799	
Auditing and legal fees	341,338	
Stockholders' meeting and reports	174,743	
Transfer agent, custodian and registrar fees and expenses	171,671	
Directors' fees and expenses	113,978	
State and local taxes	87,700	6,887,333
NET INVESTMENT INCOME		7,263,861
REALIZED GAIN AND CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS (NOTES 1, 3 AND 4)		
Net realized gain on investments:		
Securities transactions	22,385,571	
Written option transactions (notes 1b and 4)	294,310	
	22,679,881	
Net decrease in unrealized appreciation	(2,242,729)	
NET INVESTMENT INCOME, GAINS, AND APPRECIATION ON INVESTMENTS		20,437,152
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS		(5,655,986)
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		<u>\$22,045,027</u>

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**STATEMENT OF CHANGES IN NET ASSETS**

	Six Months Ended	
	June 30, 2015 (Unaudited)	Year Ended December 31, 2014
OPERATIONS		
Net investment income	\$7,263,861	\$9,735,291
Net realized gain on investments	22,679,881	102,101,749
Net decrease in unrealized appreciation	(2,242,729)	(27,988,358)
	<u>27,701,013</u>	<u>83,848,682</u>
Distributions to Preferred Stockholders:		
From net investment income	—	(1,037,961)
From net capital gains	—	(10,274,011)
Unallocated distributions	(5,655,986)	—
Decrease in net assets from Preferred distributions	(5,655,986)	(11,311,972)
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>22,045,027</u>	<u>72,536,710</u>
OTHER COMPREHENSIVE LOSS		
Funded status of defined benefit plans (note 7)	—	(3,962,010)
DISTRIBUTIONS TO COMMON STOCKHOLDERS		
From net investment income	—	(9,462,665)
From net capital gains	—	(93,663,921)
DECREASE IN NET ASSETS FROM COMMON DISTRIBUTIONS	<u>—</u>	<u>(103,126,586)</u>
CAPITAL SHARE TRANSACTIONS (NOTE 5)		
Value of Common Shares issued in payment of dividends and distributions	—	51,886,970
Cost of Common Shares purchased	(44,672,116)	(18,905,125)
INCREASE (DECREASE) IN NET ASSETS - CAPITAL TRANSACTIONS	<u>(44,672,116)</u>	<u>32,981,845</u>
NET DECREASE IN NET ASSETS	<u>(22,627,089)</u>	<u>(1,570,041)</u>
NET ASSETS APPLICABLE TO COMMON STOCK		
BEGINNING OF PERIOD	<u>1,227,899,705</u>	<u>1,229,469,746</u>
END OF PERIOD (including under/over distributed net investment income of \$6,406,250 and (\$857,611), respectively)	<u>\$1,205,272,616</u>	<u>\$1,227,899,705</u>

(see notes to unaudited 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, 2015 and for each year in the five-year period ended December 31, 2014. 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, 2015 (Unaudited)	Year Ended December 31,				
		2014	2013	2012	2011	2010
<b>PER SHARE OPERATING PERFORMANCE</b>						
Net asset value, beginning of period	\$39.77	\$41.07	\$32.68	\$29.78	\$31.26	\$27.50
Net investment income	.24	.32	.17	.24	.18	.19
Net gain (loss) on securities - realized and unrealized	.90	2.39	10.51	5.05	(.68)	4.37
Other comprehensive income (loss)	—	(.13)	.20	—	(.10)	—
	<u>1.14</u>	<u>2.58</u>	<u>10.88</u>	<u>5.29</u>	<u>(.60)</u>	<u>4.56</u>
Distributions on Preferred Stock:						
Dividends from net investment income	—	(.04)	(.04)	(.04)	(.11)	(.07)
Distributions from net capital gains	—	(.34)	(.35)	(.35)	(.27)	(.30)
Unallocated	(.19)	—	—	—	—	—
	<u>(.19)</u>	<u>(.38)</u>	<u>(.39)</u>	<u>(.39)</u>	<u>(.38)</u>	<u>(.37)</u>
Total from investment operations	<u>.95</u>	<u>2.20</u>	<u>10.49</u>	<u>4.90</u>	<u>(.98)</u>	<u>4.19</u>
Distributions on Common Stock:						
Dividends from net investment income	—	(.32)	(.18)	(.21)	(.15)	(.08)
Distributions from net capital gains	—	(3.18)	(1.92)	(1.79)	(.35)	(.35)
	<u>—</u>	<u>(3.50)</u>	<u>(2.10)</u>	<u>(2.00)</u>	<u>(.50)</u>	<u>(.43)</u>
Net asset value, end of period	<u>\$40.72</u>	<u>\$39.77</u>	<u>\$41.07</u>	<u>\$32.68</u>	<u>\$29.78</u>	<u>\$31.26</u>
Per share market value, end of period	<u>\$34.81</u>	<u>\$35.00</u>	<u>\$35.20</u>	<u>\$27.82</u>	<u>\$24.91</u>	<u>\$26.82</u>
<b>TOTAL INVESTMENT RETURN - Stockholder return, based on market price per share</b>	(0.54%)*	9.32%	34.24%	19.77%	(5.29%)	16.24%
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets applicable to Common Stock, end of period (000's omitted)	\$1,205,273	\$1,227,900	\$1,229,470	\$955,418	\$886,537	\$950,941
Ratio of expenses to average net assets applicable to Common Stock	1.13%**	1.10%	1.27%	1.67%	1.39%	1.54%
Ratio of net income to average net assets applicable to Common Stock	1.19%**	0.78%	0.47%	0.74%	0.56%	0.66%
Portfolio turnover rate	8.50%*	14.98%	17.12%	9.56%	11.17%	18.09%
<b>PREFERRED STOCK</b>						
Liquidation value, end of period (000's omitted)	\$190,117	\$190,117	\$190,117	\$190,117	\$190,117	\$190,117
Asset coverage	734%	746%	747%	603%	566%	600%
Liquidation preference per share	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Market value per share	\$25.99	\$26.01	\$25.30	\$25.54	\$25.47	\$24.95

\*Not annualized

\*\*Annualized

(see notes to unaudited financial statements)

## General American Investors

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 accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") pursuant to the requirements for reporting: Accounting Standards Codification 946, *Financial Services - Investment Companies* ("ASC946"), and Articles 6 and 10 of Regulation S-X.

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income, expenses and gains and losses during the reported period. Changes in the economic environment, financial markets, and any other parameters used in determining these estimates could cause actual results to differ, and these differences could be material.

a. **SECURITY VALUATION** Equity securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the period. Equity securities reported on the NASDAQ national market are valued at the official closing price on that day. Listed and NASDAQ equity 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 options written) on the valuation date. Equity securities traded primarily in foreign markets are valued at the closing price of such securities on their respective exchanges or markets. Corporate debt securities, domestic and foreign, are generally traded in the over-the-counter market rather than on a securities exchange. The Company utilizes the latest bid prices provided by independent dealers and information with respect to transactions in such securities to determine current market value. If, after the close of foreign markets, 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. Investments in money market funds are valued at their net asset 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 specific procedures appropriate to each security as established by and under the general supervision of the Board of Directors. The determination of fair value involves subjective judgments. As a result, using fair value to price a security may result in a price materially different from the price used by other investors or the price that may be realized upon the actual sale of the security.

b. **OPTIONS** The Company may purchase and write (sell) put and call options. The Company typically purchases put options or writes call options to hedge the value of portfolio investments while it typically purchases call options and writes put options to obtain equity market exposure under specified circumstances. 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 are reported as a liability on the Statement of Assets and Liabilities. Those that expire unexercised are treated by the Company on the expiration date as realized gains on written option transactions in the Statement of Operations. 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 on written option transactions in the Statement of Operations. 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 on investments in the Statement of Operations. If a put option is exercised, the premium reduces the cost basis for the securities purchased by the Company and is parenthetically disclosed under cost of investments on the Statement of Assets and Liabilities. 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. See Note 4 for written option activity.

c. **SECURITY TRANSACTIONS AND INVESTMENT INCOME** Security 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 represent amortized cost.

d. **FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS** Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies versus U.S. dollars on the date of valuation. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Company's Board of Directors. The Company does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments on the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. companies as a result of, among other factors, the possibility of political or economic instability or the level of governmental supervision and regulation of foreign securities markets.

e. **DIVIDENDS AND DISTRIBUTIONS** The Company expects to pay dividends of net investment income and distributions of net realized capital and currency gains, if any, annually to common shareholders and quarterly to preferred shareholders. Dividends and distributions to common and preferred shareholders, which are determined in accordance with Federal income tax regulations are recorded on the ex-dividend date. Permanent book/tax differences relating to income and gains are reclassified to paid-in capital as they arise.

f. **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. In accordance with U.S. GAAP requirements regarding accounting for uncertainties in income taxes, management has analyzed the Company's tax positions taken or expected to be taken on Federal and state income tax returns for all open tax years (the current and the prior three tax years) and has concluded that no provision for income tax is required in the Company's financial statements.

g. **CONTINGENT LIABILITIES** Amounts related to contingent liabilities are accrued if it is probable that a liability has been incurred and an amount is reasonably estimable. Management evaluates whether there are incremental legal or other costs directly associated with the ultimate resolution of a matter that are reasonably estimable and, if so, they are included in the accrual.

h. **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.

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2. **FAIR VALUE MEASUREMENTS** - Various data inputs are used in determining the value of the Company's investments. These inputs are summarized in a hierarchy consisting of the three broad levels listed below:

Level 1 - quoted prices in active markets for identical securities (including money market funds which are valued using amortized cost and which transact at net asset value, typically \$1 per share),

Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.), and

Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Company's net assets as of June 30, 2015:

Assets	Level 1	Level 2	Level 3	Total
Common stocks	\$1,287,725,969	—	—	\$1,287,725,969
Money market fund	114,269,285	—	—	114,269,285
Total	\$1,401,995,254	—	—	\$1,401,995,254

Transfers of Level 3 securities, if any, are reported as of the actual date of reclassification. No such transfers occurred during the six months ended June 30, 2015.

3. **PURCHASES AND SALES OF SECURITIES** - Purchases and sales of securities (other than short-term securities and options) for the six months ended June 30, 2015 amounted to \$110,333,331 and \$163,968,134, on long transactions, respectively.

4. **WRITTEN OPTIONS** - The level of activity in written options varies from year to year based upon market conditions. Transactions in written covered call options and collateralized put option during the six months ended June 30, 2015 were as follows:

	Covered Calls		Collateralized Put	
	Contracts	Premiums	Contracts	Premium
Options outstanding, December 31, 2014	2,100	\$245,504	0	\$0
Option Written	0	0	300	106,526
Options terminated in closing purchase transaction	(1,900)	(200,966)	(300)	(106,526)
Options expired	(200)	(44,538)	0	0
Options outstanding, June 30, 2015	0	\$0	0	\$0

5. **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. With respect to the Common Stock, 29,602,413 shares were issued and outstanding; 8,000,000 Preferred Shares were originally issued and 7,604,687 were outstanding on June 30, 2015.

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 were noncallable for the 5 year period ended September 24, 2008 and have a liquidation preference of \$25.00 per share plus accumulated and unpaid dividends to the date of redemption. On December 10, 2008, the Board of Directors authorized the repurchase of up to 1 million Preferred Shares in the open market at prices below \$25.00 per share. To date, 395,313 shares have been repurchased.

The Company allocates distributions from net 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 net capital gains, they will be paid from investment company taxable income, 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% of the Preferred Stock. In addition, pursuant to Moody's Investor Service, Inc. Rating Agency Guidelines, the Company is required to maintain a certain discounted asset coverage for its portfolio that equals or exceeds a Basic Maintenance Amount. 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. In addition, failure to meet the foregoing asset coverage requirements could restrict the Company's 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.

Holders of Preferred Stock will elect two members to 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 presents its Preferred Stock, for which its redemption is outside of the Company's control, outside of the net assets applicable to Common Stock in the Statement of Assets and Liabilities.

Transactions in Common Stock during the six months ended June 30, 2015 and the year ended December 31, 2014 were as follows:

	Shares		Amount	
	2015	2014	2015	2014
Par value of shares issued in payment of dividends and distributions (includes 1,473,643 shares issued from treasury)	—	1,473,643	—	\$1,473,643
Increase in paid-in capital	—	—	—	50,413,327
Total increase	—	—	—	51,886,970
Par value of shares purchased (at an average discount from net asset value of 14.1% and 14.4%, respectively)	(1,269,431)	(541,367)	(\$1,269,431)	(541,367)
Decrease in paid-in capital	—	—	(43,402,685)	(18,363,758)
Total decrease	—	—	(44,672,116)	(18,905,125)
Net increase (decrease)	(1,269,431)	932,276	(\$44,672,116)	\$32,981,845

At June 30, 2015, the Company held in its treasury 2,378,459 shares of Common Stock with an aggregate cost in the amount of \$81,979,643.

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

The tax basis distribution during the year ended December 31, 2014 is as follows: ordinary distributions of \$18,792,969 and net capital gains distributions of \$95,645,589. As of December 31, 2014, distributable earnings on a tax basis included \$2,028,405 from undistributed net capital gains and \$605,509,163 from net unrealized appreciation on investments if realized in future years. Reclassifications arising from permanent "book/tax" differences reflect non-tax deductible expenses and redesignation of dividends during the year ended December 31, 2014. As a result, additional paid-in capital was decreased by \$724, accumulated net realized gain on investment transactions was decreased by \$98,539 and net investment increased by \$99,263. As of December 31, 2014 the Company had straddle loss deferrals of \$252,864. Net assets were not affected by this reclassification.

6. OFFICERS' COMPENSATION - The aggregate compensation accrued and paid by the Company during the six months ended June 30, 2015 to its officers (identified on back cover) amounted to \$3,388,000.

7. BENEFIT PLANS - The Company has funded (qualified) and unfunded (supplemental) noncontributory defined benefit pension plans that are available to its employees. The pension 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 (income) of the plans for the six months ended June 30, 2015 were:

Service cost	\$301,467
Interest cost	449,820
Expected return on plan assets	(621,923)
Amortization of prior service cost	20,483
Amortization of recognized net actuarial loss	377,034
Net periodic benefit cost	<u>\$526,881</u>

The Company recognizes the overfunded status of its defined benefit postretirement plan as an asset in the Statement of Assets and Liabilities and recognizes changes in funded status in the year in which the changes occur through other comprehensive income.

The Company also has funded (qualified) and unfunded (supplemental) defined contribution thrift plans that are available to its employees. The aggregate cost of such plans for the six months ended June 30, 2015 was \$225,540. The qualified thrift plan acquired 10,600 shares of the Company's Common Stock during the six months ended June 30, 2015 and held 549,188 shares of the Company's Common Stock at June 30, 2015.

8. OPERATING LEASE COMMITMENT - In September 2007, the Company entered into an operating lease agreement for office space which expires in February 2018 and provided for aggregate rental payments of approximately \$10,755,000, net of construction credits. The lease agreement contains clauses whereby the Company receives free rent for a specified number of months and credit towards construction of office improvements, and incurs escalations annually relating to operating costs and real property taxes and to annual rent charges beginning in February 2013. The Company has the option to renew the lease after February 2018 for five years at market rates. Rental expense approximated \$560,100 for the six months ended June 30, 2015. Minimum rental commitments under the operating lease are approximately \$1,183,000 in 2015 through 2017, and \$99,000 in 2018.

**OTHER MATTERS (Unaudited)**

Previous purchases of the Company's Common and Preferred Stock are set forth in Note 5 on pages 10 and 11. Prospective purchases of Common and Preferred 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, 2015 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](http://www.generalamericaninvestors.com) and (3) on the Securities and Exchange Commission's website at [www.sec.gov](http://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 at [www.generalamericaninvestors.com](http://www.generalamericaninvestors.com) and on the SEC's website: [www.sec.gov](http://www.sec.gov). Copies of Forms N-Q may also be obtained and reviewed at the SEC's Public Reference Room in Washington, DC or through the Company by calling us at 1-800-436-8401. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330.

On April 22, 2015, the Company submitted a CEO annual certification to the New York Stock Exchange ("NYSE") on which the Company's principal executive officer certified that he was not aware, as of that date, of any violation by the Company of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Company's principal executive and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q relating to, among other things, the Company's disclosure controls and procedures and internal control over financial reporting, as applicable.

DIRECTORS\*

Spencer Davidson, Chairman  
Sidney R. Knafel, Lead Independent Director  
Arthur G. Altschul, Jr.      Betsy F. Gotbaum  
Rodney B. Berens          Daniel M. Neidich  
Lewis B. Cullman          Jeffrey W. Priest  
John D. Gordan, III        Raymond S. Troubh

(\*The Company is a stand-alone fund.)

OFFICERS

Jeffrey W. Priest, President and Chief Executive Officer  
Andrew V. Vindigni, Senior Vice-President  
Craig A. Grassi, Vice-President  
Sally A. Lynch, Vice-President  
Anang K. Majmudar, Vice-President  
Michael W. Robinson, Vice-President  
Eugene S. Stark, Vice-President, Administration, Principal  
Financial Officer & Chief Compliance Officer  
Diane G. Radosti, Treasurer  
Maureen E. LoBello, Corporate Secretary  
Linda J. Genid, Assistant Corporate Secretary

SERVICE COMPANIES

COUNSEL Sullivan & Cromwell LLP	TRANSFER AGENT AND REGISTRAR American Stock Transfer & Trust Company, LLC 6201 15th Avenue Brooklyn, NY 11219
INDEPENDENT AUDITORS Ernst & Young LLP	1-800-413-5499 www.amstock.com
CUSTODIAN State Street Bank and Trust Company	

GENERAL AMERICAN INVESTORS  
COMPANY, INC.



SEMI-ANNUAL REPORT  
June 30, 2015

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