

GENERAL AMERICAN INVESTORS COMPANY, INC.

450 LEXINGTON AVENUE · NEW YORK · N.Y. 10017 · (212)916-8400

January 18, 2006

FEDERAL INCOME TAX INFORMATION
Regarding Dividends and Distributions Paid and Taxable in 2005*To the Common and Preferred Stockholders:*

Dividends and distributions paid and taxable during 2005 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</u>	<u>Qualified Dividends (a)</u>	<u>Capital Gain Distributions (b)</u>
<i>Common Stock:</i>					
January 31, 2005	March 10, 2005	\$0.274000	\$0.002000	\$0.002000	\$0.272000
November 11, 2005	December 22, 2005	\$1.847725	\$0.587543	\$0.477973	\$1.260182
<i>Preferred Stock:</i>					
March 7, 2005	March 24, 2005	\$0.371875	\$0.102969	\$0.083834	\$0.268906
June 7, 2005	June 24, 2005	\$0.371875	\$0.102969	\$0.083834	\$0.268906
September 7, 2005	September 26, 2005	\$0.371875	\$0.102969	\$0.083834	\$0.268906
December 7, 2005	December 27, 2005	\$0.371875	\$0.102969	\$0.083834	\$0.268906

- (a) A subset of Ordinary Dividends.
(b) Designated as a "Capital Gain Dividend."

Under the Internal Revenue Code, the Ordinary Dividend paid to Common Stockholders on March 10, 2005 qualifies to the extent of 80.5% for the dividend received deduction allowed *corporations*. All other Ordinary Dividends paid during 2005 qualify to the extent of 34.2% for the dividend 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 March distribution, the cost basis is \$30.94 per share and the holding period for such stock began on March 10, 2005. For stockholders who received additional shares in payment of the December distribution, the cost basis is \$34.81 per share and the holding period for such stock began on December 22, 2005.

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

(During 2005, 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 2005.

DIANE G. RADOSTI
Treasurer