GENERAL AMERICAN INVESTORS COMPANY, INC.
450 LEXINGTON AVENUE · NEW YORK · N.Y. 10017 · (212)916-8400

January 29, 2003

FEDERAL INCOME TAX INFORMATION
Regarding Dividends Paid in 2002

To the Common and Preferred Stockholders:

Dividends paid during 2002 by General American Investors Company, Inc. on shares of its Common and Preferred Stock should be reported for Federal income tax purposes as follows:

		Amount Per Share		
			Portion Taxable as	
Record Date	Payment Date	Total	Ordinary Dividends (Dividend Income)	Capital Gain Distributions (20% Rate Gain)
Common Stock:				
January 28, 2002	February 11, 2002	$.30	$.19	$.11 (a) (b)
November 14, 2002	December 23, 2002	$.32	$.022	$.298 (a) (b)
Preferred Stock:				
March 6, 2002	March 25, 2002	$.45	$.15525	$.29475 (a) (b)
June 6, 2002	June 24, 2002	$.45	$.15525	$.29475 (a) (b)
September 6, 2002	September 23, 2002	$.45	$.15525	$.29475 (a) (b)
December 6, 2002	December 23, 2002	$.45	$.15525	$.29475 (a) (b)

(a) Designated as a "Capital Gain Dividend."
(b) For individual taxpayers in the 10% bracket for long-term capital gain, 100% of this Capital Gain Distribution is subject to an 8% long-term capital gain rate, resulting from gains on securities held more than 5 years.

Under the Internal Revenue Code, the Ordinary Dividend paid to Common Stockholders on February 11, 2002 ($.19 per share) does not qualify for the dividend received deduction allowed *corporations*. All other Ordinary Dividends paid during 2002 qualify to the extent of 55.4% for the dividend received deduction allowed corporations.

During 2002, 1.6% of the Company's income was derived from interest received on U.S. Government obligations.

Dividends 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 dividends, the cost basis is $25.45 per share and the holding period for such stock began on December 23, 2002.

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

WE SUGGEST THAT YOU KEEP THIS NOTICE FOR USE IN PREPARING YOUR FEDERAL TAX RETURN FOR 2002.

EUGENE L. DESTAEBLER, JR.
Vice-President, Administration