

TO THE STOCKHOLDERS

For the six months ended June 30, 2010, the net asset value per Common Share decreased 8.7%, while the investment return to our stockholders decreased by 8.8%. By comparison, our benchmark, the Standard & Poor's 500 Stock Index (including income) decreased 6.7%. For the twelve months ended June 30, 2010, the return on the net asset value per Common Share increased by 11.2%, and the return to our stockholders increased by 15.9%; these compare with an increase of 14.4% for the S&P 500. During both periods, the discount at which our shares traded continued to fluctuate and on June 30, 2010, it was 14.8%.

As detailed in the accompanying financial statements (unaudited), as of June 30, 2010, the net assets applicable to the Company's Common Stock were \$759,358,271 equal to \$25.12 per Common Share.

The decrease in net assets resulting from operations for the six months ended June 30, 2010 was \$75,792,897. During this period, the net realized gain on investments sold was \$5,268,358, and the decrease in net unrealized appreciation was \$77,694,451. Net investment income for the three months was \$2,289,185, and distributions to Preferred Stockholders amounted to \$5,655,989.

During the six months, 1,192,429 shares of the Company's Common Stock were repurchased for \$28,643,454 at an average discount from net asset value of 14.5%.

The market rally of almost 80% from last year's low, without a meaningful correction, ended in the second quarter. The recent weakness has facilitated the continuing repurchase of our common shares. Year-to-date, that total, almost 1.2 million, represents nearly 4% of our shares outstanding at year-end.

The optimism that was apparent at the beginning of the year has faded as investors around the world now question the strength of economic recovery and weigh the risk that sovereign defaults could pose to financial markets. The resulting flight to safety has strengthened the dollar, elevated the price of precious metals, and led to bond returns exceeding stock gains by the widest margin in a decade.

While the U.S. and Chinese economies may well be slowing, a moderate recovery, lasting at least several more years, appears to be intact. Accommodative monetary and fiscal policies, unburdened at present by the fear of inflation, together with adequate manufacturing capacity, abundant labor, and cash rich corporate balance sheets, support this conclusion.

Over time, with the restoration of confidence, our portfolio companies, with their sound finances, selling at modest valuations, with dividend yields that in some cases approach bond returns, are likely to be rewarding.

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, 2010. 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
Chairman of the Board
President and Chief Executive Officer

July 21, 2010

STATEMENT OF INVESTMENTS June 30, 2010 (Unaudited)

General American Investors

Shares	COMMON STOCKS	Value (note 1a)
AEROSPACE/DEFENSE (3.3%)		
215,000	Textron Inc.	\$3,648,550
325,000	United Technologies Corporation	21,095,750
		(Cost \$33,409,026)
		<u>24,744,300</u>
BUILDING AND REAL ESTATE (2.5%)		
1,946,880	CEMEX, S.A. de C.V. ADR* (a)	(Cost \$23,385,068)
		<u>18,826,330</u>
COMMUNICATIONS AND INFORMATION SERVICES (5.9%)		
960,000	Cisco Systems, Inc. (a)(b)	20,457,600
78,000	Leap Wireless International, Inc. (a)	1,012,440
700,000	QUALCOMM Incorporated	22,988,000
		(Cost \$41,318,834)
		<u>44,458,040</u>
COMPUTER SOFTWARE AND SYSTEMS (8.4%)		
1,290,000	Dell Inc. (a)	15,557,400
570,000	Microsoft Corporation	13,115,700
168,100	NetEase.com, Inc. (a)	5,330,451
55,000	Nintendo Co., Ltd.	16,373,856
450,000	Teradata Corporation (a)	13,716,000
		(Cost \$72,782,465)
		<u>64,093,407</u>
CONSUMER PRODUCTS AND SERVICES (12.0%)		
350,000	Diageo plc ADR*	21,959,000
300,000	Heineken N. V.	12,816,570
466,100	Hewitt Associates, Inc. Class A (a)	16,061,806
450,000	Nestle S.A.	21,877,321
300,000	PepsiCo, Inc.	18,285,000
		(Cost \$77,737,735)
		<u>90,999,697</u>
ENVIRONMENTAL CONTROL (INCLUDING SERVICES) (6.3%)		
949,000	Republic Services, Inc.	28,213,770
630,000	Waste Management, Inc.	19,712,700
		(Cost \$38,960,134)
		<u>47,926,470</u>
FINANCE AND INSURANCE (25.6%)		
BANKING (4.4%)		
500,000	Bond Street Holdings LLC (a) (c)	10,000,000
375,000	JPMorgan Chase & Co. (a)	13,728,750
115,000	M&T Bank Corporation	9,769,250
		(Cost \$25,840,044)
		<u>33,498,000</u>
INSURANCE (13.5%)		
315,000	Arch Capital Group Ltd. (a)	23,467,500
260,000	Everest Re Group, Ltd.	18,387,200
750,000	Fidelity National Financial, Inc.	9,742,500
37,500	Forethought Financial Group, Inc. Class A with Warrants (a)(d)	7,500,000
280,000	MetLife, Inc.	10,572,800
275,000	PartnerRe Ltd.	19,288,500
83,000	Transatlantic Holdings, Inc.	3,980,680
200,000	The Travelers Companies, Inc.	9,850,000
		(Cost \$58,857,036)
		<u>102,789,180</u>
OTHER (7.7%)		
325,000	American Express Company	12,902,500
110	Berkshire Hathaway Inc. Class A (a)	13,200,000
1,666,667	Epoch Holding Corporation	20,450,004
617,500	Nelnet, Inc.	11,905,400
		(Cost \$29,837,426)
		<u>58,457,904</u>
		(Cost \$114,534,506)
		<u>194,745,084</u>

STATEMENT OF INVESTMENTS June 30, 2010 (Unaudited)-continued

General American Investors

Shares	COMMON STOCKS (continued)	Value (note 1a)
HEALTH CARE / PHARMACEUTICALS (6.9%)		
382,100	Cephalon, Inc. (a)	\$21,684,175
529,900	Cytokinetics, Incorporated (a)	1,255,863
544,500	Gilead Sciences, Inc. (a)	18,665,460
755,808	Pfizer Inc.	10,777,822
195,344	Poniard Pharmaceuticals, Inc. (a)	117,206
	(Cost \$60,480,764)	<u>52,500,526</u>
MACHINERY AND EQUIPMENT (2.7%)		
1,200,000	ABB Ltd. ADR*	(Cost \$13,364,456)
		<u>20,736,000</u>
METALS (1.9%)		
264,200	Alpha Natural Resources, Inc. (a)	8,948,454
150,000	Nucor Corporation	5,742,000
	(Cost \$20,312,019)	<u>14,690,454</u>
MISCELLANEOUS (6.3%)		
	Other (e)	(Cost \$50,932,073)
		<u>47,608,430</u>
OIL AND NATURAL GAS (INCLUDING SERVICES) (10.6%)		
295,478	Apache Corporation	24,876,293
130,062	Devon Energy Corporation	7,923,377
800,000	Halliburton Company	19,640,000
2,150,000	Weatherford International Ltd. (a)	28,251,000
	(Cost \$66,725,403)	<u>80,690,670</u>
RETAIL TRADE (17.8%)		
575,000	Costco Wholesale Corporation	31,527,250
400,000	J.C. Penney Company, Inc.	8,592,000
1,632,400	The TJX Companies, Inc.	68,479,180
550,000	Wal-Mart Stores, Inc.	26,438,500
	(Cost \$56,251,235)	<u>135,036,930</u>
SEMICONDUCTORS (2.5%)		
700,000	ASML Holding N.V.	(Cost \$17,340,380)
		<u>19,229,000</u>
TECHNOLOGY (3.6%)		
750,000	International Game Technology	11,775,000
1,900,000	Xerox Corporation	15,276,000
	(Cost \$34,368,474)	<u>27,051,000</u>
TRANSPORTATION (0.9%)		
236,100	Alexander & Baldwin, Inc.	(Cost \$11,005,032)
		<u>7,031,058</u>
	TOTAL COMMON STOCKS (117.2%)	(Cost \$732,907,604)
		<u>890,367,396</u>
WARRANT		
BANKING (0.3%)		
155,000	JPMorgan Chase & Co. Expires 10/28/2018 (a)	(Cost \$1,982,378)
		<u>1,959,200</u>
Principal Amount	CORPORATE DEBT (f)	
CONSUMER PRODUCTS AND SERVICES (1.3%)		
\$9,600,000	Smithfield Foods, Inc. 7.75% due 5/15/2013	(Cost \$7,940,479)
		<u>9,696,000</u>
TECHNOLOGY (1.2%)		
\$10,000,000	VeriFone Holdings, Inc. 1.375% due 6/15/2012	(Cost \$6,494,669)
		<u>9,250,000</u>
	TOTAL CORPORATE DEBT (2.5%)	(Cost \$14,435,148)
		<u>18,946,000</u>

STATEMENT OF INVESTMENTS June 30, 2010 (Unaudited)-continued

General American Investors

Shares	SHORT-TERM SECURITY AND OTHER ASSETS	Value (note 1a)
41,257,568	SSgA Prime Money Market Fund (5.4%) (Cost \$41,257,568)	\$41,257,568
	TOTAL INVESTMENTS (g) (125.4%) (Cost \$790,582,698)	952,530,164
	Liabilities in excess of cash, receivables and other assets (-0.4%)	(3,054,718)
	PREFERRED STOCK (-25.0%)	(190,117,175)
	NET ASSETS APPLICABLE TO COMMON STOCK (100%)	<u>\$759,358,271</u>

* ADR - American Depository Receipt

(a) Non-income producing security.

(b) 165,500 shares held by custodian in a segregated custodial account as collateral for written options.

(c) Level 3 fair value measurement, restricted security acquired 11/4/09, aggregate cost \$10,000,000, unit cost and fair value is \$20 per share, note 2. Fair value is based upon dated bid and transaction prices provided via the NASDAQ OMX PORTAL Alliance trading and transfer system for privately placed equity securities traded in the over-the-counter market among qualified investors and an evaluation of book value per share.

(d) Level 3 fair value measurement, restricted security acquired 11/3/09, aggregate cost \$7,500,000, unit cost and fair value is \$200 per share, note 2. Fair valuation is based upon a market approach using valuation metrics (market price-earnings and market price-book value multiples), and changes therein, relative to a peer group of companies established by the underwriters.

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

(f) Level 2 fair value measurement, note 2. Fair value is based upon the most current bid price provided by independent dealers.

(g) At June 30, 2010: the cost of investments for Federal income tax purposes was the same as the cost for financial reporting purposes, aggregate gross unrealized appreciation was \$245,580,447, aggregate gross unrealized depreciation was \$83,632,981, and net unrealized appreciation was \$161,947,466.

4

STATEMENT OF CALL OPTIONS WRITTEN June 30, 2010 (Unaudited)

Contracts (100 shares each)	COMMON STOCK/EXPIRATION DATE/EXERCISE PRICE	Value (note 1a)
COMMUNICATIONS AND INFORMATION SERVICES		
350	Cisco Systems, Inc./July 10/\$28.00	\$2,610
1,305	Cisco Systems, Inc./July 10/\$27.00	350
	TOTAL CALL OPTIONS (PREMIUMS DEPOSITED WITH BROKERS \$168,500)	<u>\$2,960</u>

(see notes to financial statements)

MAJOR SECURITY CHANGES (a) Three Months Ended June 30, 2010 (Unaudited)

General American Investors

INCREASES	SHARES AMOUNT TRANSACTED	SHARES AMOUNT HELD
NEW POSITIONS		
JPMorgan Chase & Co.	375,000	375,000 (b)
JPMorgan Chase & Co., Warrants expiring 10/28/2018	155,000	155,000
ADDITIONS		
Alpha Natural Resources, Inc.	10,000	264,200
Cephalon, Inc.	35,000	382,100
Devon Energy Corporation	30,062	130,062
Everest Re Group, Ltd.	10,000	260,000
Gilead Sciences, Inc.	425,000	544,500
PepsiCo, Inc.	15,000	300,000
Pfizer Inc.	100,000	755,808
DECREASES		
ELIMINATIONS		
McDermott International, Inc.	325,000	—
XTO Energy Inc.	200,000	—
REDUCTIONS		
Heineken N.V.	25,000	300,000
M&T Bank Corporation	25,000	115,000
Nelnet, Inc.	17,500	617,500
Nintendo Co., Ltd.	12,100	55,000
The TJX Companies, Inc.	142,600	1,632,400

- (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.

PORTFOLIO DIVERSIFICATION June 30, 2010 (Unaudited)

The diversification of the Company's net assets applicable to its Common Stock by industry group as of June 30, 2010 is shown in the following table.

INDUSTRY CATEGORY	COST(000)	VALUE(000)	PERCENT COMMON NET ASSETS*
Finance and Insurance			
Banking	\$27,822	\$35,457	4.7%
Insurance	58,857	102,789	13.5
Other	29,838	58,458	7.7
	<u>116,517</u>	<u>196,704</u>	<u>25.9</u>
Retail Trade			
Consumer Products and Services	56,251	135,037	17.8
Oil and Natural Gas (Including Services)	85,678	100,696	13.3
Computer Software and Systems	66,725	80,691	10.6
Health Care/Pharmaceuticals	72,783	64,093	8.4
Environmental Control (Including Services)	60,481	52,501	6.9
Miscellaneous**	38,960	47,927	6.3
Communications and Information Services	50,932	47,608	6.3
Technology	41,319	44,458	5.9
Aerospace/Defense	40,863	36,301	4.8
Machinery and Equipment	33,409	24,744	3.3
Semiconductors	13,365	20,736	2.7
Building and Real Estate	17,340	19,229	2.5
Metals	23,385	18,826	2.5
Transportation	20,312	14,690	1.9
	11,005	7,031	0.9
	<u>749,325</u>	<u>911,272</u>	<u>120.0</u>
Short-Term Securities			
Total Investments	41,258	41,258	5.4
	<u>\$790,583</u>	<u>952,530</u>	<u>125.4</u>
Other Assets and Liabilities - Net			
Preferred Stock		(3,055)	(0.4)
		(190,117)	(25.0)
Net Assets Applicable to Common Stock			
		<u>\$759,358</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 financial statements)

STATEMENT OF ASSETS AND LIABILITIES June 30, 2010 (Unaudited)

General American Investors

ASSETS

INVESTMENTS, AT VALUE (NOTE 1a)		
Common stocks (cost \$732,907,604)		\$890,367,396
Warrant (cost \$1,982,378)		1,959,200
Corporate debt (cost \$14,435,148)		18,946,000
Money market fund (cost \$41,257,568)		41,257,568
Total investments (cost \$790,582,698)		952,530,164

RECEIVABLES AND OTHER ASSETS

Receivable for securities sold	\$1,067,214	
Dividends, interest and other receivables	1,281,105	
Qualified pension plan asset, net excess funded (note 7)	3,145,316	
Prepaid expenses and other assets	2,697,399	8,191,034

TOTAL ASSETS 960,721,198

LIABILITIES

Payable for securities purchased	1,931,153	
Accrued preferred stock dividend not yet declared	219,958	
Outstanding options written, at value (premiums deposited with brokers \$168,500)(note 1a)	2,960	
Accrued supplemental pension plan liability (note 7)	3,397,911	
Accrued supplemental thrift plan liability (note 7)	2,544,433	
Accrued expenses and other liabilities	3,149,337	

TOTAL LIABILITIES 11,245,752

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 - 30,232,786 shares (note 5) \$759,358,271

NET ASSET VALUE PER COMMON SHARE \$25.12

NET ASSETS APPLICABLE TO COMMON STOCK

Common Stock, 30,232,786 shares at par value (note 5)	\$30,232,786	
Additional paid-in capital (note 5)	568,202,126	
Undistributed net investment income	4,811,847	
Undistributed realized gain on investments	5,268,358	
Accumulated other comprehensive income (note 7)	(5,393,908)	
Unallocated distributions on Preferred Stock	(5,875,944)	
Unrealized appreciation on investments and options	162,113,006	

NET ASSETS APPLICABLE TO COMMON STOCK \$759,358,271

(see notes to financial statements)

STATEMENT OF OPERATIONS Six Months Ended June 30, 2010 (Unaudited)

General American Investors

INCOME		
Dividends (net of foreign withholding taxes of \$464,985)	\$7,307,716	
Interest	<u>1,602,490</u>	\$8,910,206
EXPENSES		
Investment research	3,741,538	
Administration and operations	1,451,553	
Office space and general	839,171	
Auditing and legal fees	176,000	
Directors' fees and expenses	135,375	
Miscellaneous taxes	107,034	
Stockholders' meeting and reports	85,350	
Transfer agent, custodian and registrar fees and expenses	<u>85,000</u>	<u>6,621,021</u>
NET INVESTMENT INCOME		2,289,185
REALIZED GAIN AND CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS (NOTES 1, 3 AND 4)		
Net realized gain on investments:		
Securities transactions (long-term, except for \$1,457,216)	5,222,135	
Written option transactions	<u>46,223</u>	
	5,268,358	
Net decrease in unrealized appreciation on investments:		
Securities	(77,821,267)	
Written options	<u>126,816</u>	
	<u>(77,694,451)</u>	
NET LOSS ON INVESTMENTS		(72,426,093)
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS		<u>(5,655,989)</u>
DECREASE IN NET ASSETS RESULTING FROM OPERATIONS		<u>(75,792,897)</u>

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Six Months Ended June 30, 2010	Year Ended December 31, 2009
OPERATIONS		
Net investment income	\$2,289,185	\$3,400,143
Net realized gain on investments	5,268,358	15,219,812
Net increase (decrease) in unrealized appreciation	<u>(77,694,451)</u>	<u>204,253,481</u>
	<u>(70,136,908)</u>	<u>222,873,436</u>
Distributions to Preferred Stockholders:		
From net investment income	—	(3,389,107)
From short-term capital gains	—	(1,654,369)
From long-term capital gains	—	(6,107,907)
Return of capital	—	(333,668)
Unallocated distributions	<u>(5,655,989)</u>	<u>11,047</u>
Decrease in net assets from Preferred distributions	<u>(5,655,989)</u>	<u>(11,474,004)</u>
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>(75,792,897)</u>	<u>211,399,432</u>
OTHER COMPREHENSIVE INCOME (Note 7)	<u>(528,750)</u>	<u>1,911,451</u>
DISTRIBUTIONS TO COMMON STOCKHOLDERS		
From net investment income	—	(3,248,669)
From short-term capital gains	—	(1,585,814)
From long-term capital gains	—	(5,854,806)
Return of capital	—	(319,841)
DECREASE IN NET ASSETS FROM COMMON DISTRIBUTIONS	<u>—</u>	<u>(11,009,130)</u>
CAPITAL SHARE TRANSACTIONS (NOTE 5)		
Value of Common Shares issued in payment of dividends and distributions	—	6,430,088
Cost of Common Shares purchased	<u>(28,643,454)</u>	<u>(19,553,159)</u>
Benefit to Common Shareholders resulting from Preferred Shares purchased	—	546,889
DECREASE IN NET ASSETS - CAPITAL TRANSACTIONS	<u>(28,643,454)</u>	<u>(12,576,182)</u>
NET INCREASE (DECREASE) IN NET ASSETS	<u>(104,965,101)</u>	<u>189,725,571</u>
NET ASSETS APPLICABLE TO COMMON STOCK		
BEGINNING OF PERIOD	<u>864,323,372</u>	<u>674,597,801</u>
END OF PERIOD (including undistributed net investment income of \$4,811,847 and \$2,522,662, respectively)	<u>\$759,358,271</u>	<u>\$864,323,372</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, 2010 and for each year in the five-year period ended December 31, 2009. 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, 2010 (Unaudited)	Year Ended December 31,				
		2009	2008	2007	2006	2005
PER SHARE OPERATING PERFORMANCE						
Net asset value, beginning of period	\$27.50	\$21.09	\$38.10	\$40.54	\$39.00	\$35.49
Net investment income	.08	.11	.42	.31	.34	.19
Net gain (loss) on investments - realized and unrealized	(2.25)	6.94	(16.15)	3.39	4.72	5.85
Other comprehensive income	(.02)	.07	(.25)	.02	.03	—
Distributions on Preferred Stock:						
Dividends from net investment income	—	(.11)	(.11)	(.02)	(.04)	(.03)
Distributions from net short-term capital gains	—	(.05)	—	(.03)	(.01)	(.08)
Distributions from net long-term capital gains	—	(.19)	(.27)	(.36)	(.36)	(.30)
Distributions from return of capital	—	(.01)	—	—	—	—
Unallocated	(.19)	—	—	—	—	—
	(1.19)	(1.36)	(1.38)	(1.41)	(1.41)	(1.41)
Total from investment operations	(2.38)	6.76	(16.36)	3.31	4.68	5.63
Distributions on Common Stock:						
Dividends from net investment income	—	(.10)	(.19)	(.33)	(.29)	(.15)
Distributions from net short-term capital gains	—	(.05)	—	(.38)	(.04)	(.44)
Distributions from net long-term capital gains	—	(.19)	(.46)	(5.04)	(2.81)	(1.53)
Distributions from return of capital	—	(.01)	—	—	—	—
	—	(1.35)	(1.65)	(5.75)	(3.14)	(2.12)
Net asset value, end of period	\$25.12	\$27.50	\$21.09	\$38.10	\$40.54	\$39.00
Per share market value, end of period	\$21.40	\$23.46	\$17.40	\$34.70	\$37.12	\$34.54
TOTAL INVESTMENT RETURN - Stockholder return, based on market price per share	(8.78)%*	36.86%	(48.20)%	8.72%	16.78%	17.40%
RATIOS AND SUPPLEMENTAL DATA						
Net assets applicable to Common Stock, end of period (000's omitted)	\$759,358	\$864,232	\$674,598	\$1,202,923	\$1,199,453	\$1,132,942
Ratio of expenses to average net assets applicable to Common Stock	1.57%**	1.93%	0.87%	1.11%	1.06%	1.25%
Ratio of net income to average net assets applicable to Common Stock	0.54%**	0.46%	1.31%	0.78%	0.86%	0.51%
Portfolio turnover rate	8.98%*	24.95%	25.52%	31.91%	19.10%	20.41%
PREFERRED STOCK						
Liquidation value, end of period (000's omitted)	\$190,117	\$190,117	\$199,617	\$200,000	\$200,000	\$200,000
Asset coverage	499%	555%	438%	701%	700%	666%
Liquidation preference per share	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Market value per share	\$25.07	\$24.53	\$21.90	\$21.99	\$24.44	\$24.07

*Not annualized

**Annualized

NOTES TO FINANCIAL STATEMENTS (Unaudited)

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 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** 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 procedures established by and under the general supervision of the Board of Directors.

b. **OPTIONS** The Company may purchase and write (sell) put and call options. The Company purchases put options or writes call options to hedge the value of portfolio investments while it purchases call options and writes put options to obtain equity market exposure. 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 represents 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 security 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. Distributions for tax and book purposes are substantially the same. 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. As of and during the period ended June 30, 2010, the Company did not have any liabilities for any unrecognized tax positions. The Company recognizes interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Statement of Operations. During the period, the Company did not incur any interest or penalties.

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.

NOTES TO FINANCIAL STATEMENTS (Unaudited) - continued

General American Investors

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, 2010:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$872,867,396	—	\$17,500,000	\$890,367,396
Warrant	1,959,200	—	—	1,959,200
Corporate debt	—	18,946,000	—	18,946,000
Money market fund	41,257,568	—	—	41,257,568
Total	<u>\$916,084,164</u>	<u>\$18,946,000</u>	<u>\$17,500,000</u>	<u>\$952,530,164</u>
<u>Liabilities</u>				
Options written	<u>(\$2,960)</u>	<u>—</u>	<u>—</u>	<u>(\$2,960)</u>

The aggregate value of Level 2 and 3 portfolio investments changed during the six months ended June 30, 2010 as follows:

	<u>Level 2</u>	<u>Level 3</u>
Fair value at December 31, 2009	\$29,357,226	\$16,850,000
Cost basis of investments sold	(7,127,127)	—
Net realized gain on investments sold	(4,084,769)	—
Net change in unrealized appreciation on investments	800,670	650,000
Fair value at June 30, 2010	<u>\$18,946,000</u>	<u>\$17,500,000</u>

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, 2010 amounted to \$87,855,462 and \$108,757,880, on long transactions, respectively.

4. WRITTEN OPTIONS - Transactions in written covered call and collateralized put options during the six months ended June 30, 2010 were as follows:

	<u>Covered Call</u>		<u>Collateralized Put</u>	
	<u>Contracts</u>	<u>Premiums</u>	<u>Contracts</u>	<u>Premiums</u>
Options outstanding, December 31, 2009	—	—	250	\$46,223
Options written	1,655	\$168,500	—	—
Options expired	—	—	250	(46,223)
Options outstanding, June 30, 2010	<u>1,655</u>	<u>\$168,500</u>	<u>0</u>	<u>\$0</u>

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, 30,232,786 shares were issued and outstanding; 8,000,000 Preferred Shares were originally issued and 7,604,687 were outstanding on June 30, 2010.

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 1 million Preferred Shares in the open market at prices below \$25.00 per share. A total of 395,313 Preferred Shares have been repurchased at an aggregate cost of \$9,276,538, an average cost per share of \$23.47, through December 31, 2009; no Preferred Shares were repurchased during the six months ended June 30, 2010. The average discount of \$1.53 per Preferred Share, \$606,287 in the aggregate, was credited to additional paid-in capital of Common Stock.

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% 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. 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. 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 elect two members of the Company's Board of Directors and the holders of Preferred and Common Stock, voting as a single class, 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.

NOTES TO FINANCIAL STATEMENTS (Unaudited) - continued

General American Investors

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

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, 2010 and the year ended December 31, 2009 were as follows:

	Shares		Amount	
	2010	2009	2010	2009
Increase in par value of shares issued in payment of dividends and distributions (includes 281,281 shares issued from treasury)	—	281,281	—	\$281,281
Increase in paid-in capital			—	6,148,807
Total increase			—	6,430,088
Decrease in par value of shares purchased (average discount from NAV of 14.5% and 13.6%, respectively)	1,192,429	836,938	(\$1,192,429)	(836,938)
Decrease in paid-in capital			(27,451,025)	(18,716,221)
Total decrease			(28,643,454)	(19,553,159)
Net decrease			(\$28,643,454)	(\$13,123,071)

At June 30, 2010, the Company held in its treasury 1,748,086 shares of Common Stock with an aggregate cost in the amount of \$41,997,676.

6. OFFICERS' COMPENSATION - The aggregate compensation paid and accrued by the Company pertaining to the six months ended June 30, 2010 to its officers (identified on back cover) amounted to \$3,512,000.

7. BENEFIT PLANS - The Company has funded (qualified) and unfunded (supplemental) noncontributory defined benefit pension plans that cover 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 (income) of the plans for the six months ended June 30, 2010 were:

Service cost	\$166,351
Interest cost	329,965
Expected return on plan assets	(473,025)
Amortization of prior service cost	19,170
Recognized net actuarial loss	84,662
Net periodic benefit cost	<u>\$127,123</u>

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, 2010 was \$214,426. The qualified thrift plan acquired 15,800 shares of the Company's Common Stock during the six months ended June 30, 2010 and held 532,486 shares of the Company's Common Stock at June 30, 2010.

The Company recognizes the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability 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.

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 future rental payments in the aggregate amount 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 \$553,500 for the six months ended June 30, 2010. Minimum rental commitments under the operating lease are approximately \$1,075,000 per annum in 2011 through 2012, \$1,183,000 in 2013 through 2017, and \$99,000 in 2018.

9. LITIGATION - The Company is subject to a legal action arising from a construction worker's personal injury that is covered under the terms of its insurance policies. Defense and legal costs are being funded by the insurer; damages are unspecified at this time. No liabilities or expenses have been incurred by the Company to date.

OTHER MATTERS (Unaudited)

General American Investors

Purchases of the Company's Common Stock as set forth in Note 5 on page 10, 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, 2010 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 at www.generalamericaninvestors.com and 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 may also be obtained by calling us at 1-800-436-8401.

On May 12, 2010, 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	D. Ellen Shuman
Gerald M. Edelman	Raymond S. Troubh
John D. Gordan, III	

OFFICERS

Spencer Davidson, President & Chief Executive Officer
Andrew V. Vindigni, Senior Vice-President
Sally A. Lynch, Vice-President
Michael W. Robinson, Vice-President
Eugene S. Stark, Vice-President, Administration &
Chief Compliance Officer
Jesse R. Stuart, Vice-President
Diane G. Radosti, Treasurer
Carole Anne Clementi, Secretary
Craig A. Grassi, Assistant Vice-President
Maureen E. LoBello, Assistant Secretary

SERVICE COMPANIES

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

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, 2010, and the related statements of operations and changes in net assets and financial highlights for the six-month period ended June 30, 2010. 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.

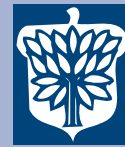
Based on our review, we are not aware of any material modifications that should be made to the interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

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, 2009 and financial highlights for each of the five years in the period then ended and in our report, dated February 3, 2010 we expressed an unqualified opinion on such financial statements and financial highlights.

New York, New York
August 2, 2010

ERNST & YOUNG LLP

GENERAL AMERICAN INVESTORS COMPANY, INC.



SEMI-ANNUAL REPORT June 30, 2010

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

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