

GENERAL AMERICAN INVESTORS CO INC  
Form N-30B-2  
October 23, 2003

GENERAL AMERICAN INVESTORS  
COMPANY, INC.

THIRD QUARTER REPORT  
SEPTEMBER 30, 2003

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

450 Lexington Avenue  
New York, N.Y. 10017  
212-916-8400 1-800-436-8401  
E-mail: InvestorRelations@gainv.com  
www.generalamericaninvestors.com

TO THE STOCKHOLDERS

For the nine months ended September 30, 2003, the investment return to our stockholders was 15.5% (assuming reinvestment of all dividends). The net asset value per Common Share increased 15.4%. By comparison, the rate of return (including income) for our benchmark, the Standard & Poor's 500 Stock Index, was 14.7%. For the twelve months ended September 30, 2003, the return to our stockholders was 18.6% and the return on the net asset value per Common Share was 20.1%; these compare with a return of 24.3% for the S&P 500. During each period, the discount at which our shares traded fluctuated moderately and at September 30, 2003, it was 9.9%.

As set forth in the accompanying financial statements (unaudited), as of September 30, 2003, the net assets applicable to the Company's Common Stock were \$909,167,385, equal to \$30.51 per Common Share.

The increase in net assets resulting from operations for the nine months ended September 30, 2003 was \$126,543,696. During this period, the net realized loss on securities sold was \$6,981,962 and the increase in unrealized appreciation was \$141,234,927. Net investment income for the nine months was \$382,120 and distributions to preferred stockholders amounted to \$8,091,389.

During the nine months, 764,000 shares of the Company's Common Stock were repurchased for \$18,548,308 at an average discount from net asset value of 9.6%.

The economy appears to be strengthening in response to continuing monetary accommodation and fiscal stimulus. The recovery may not achieve historical norms, however, since job creation and average hourly wage gains, essential elements for sustained consumer spending, remain weak.

The market has moved broadly higher, with the biggest gains, by far, having accrued to the lowest priced, lowest quality and riskiest stocks. While speculative leadership may propel the market for some time, our record suggests that superior long-term performance generally results from holding companies of high quality with strong financials and powerful positions in their respective industries.

On September 23, 2003, the Company redeemed all of its then outstanding 6,000,000 shares of 7.20% Tax-Advantaged Cumulative Preferred Stock, Series A at a redemption price of \$25.00 per share. The Series A Preferred Shares were

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issued originally on June 19, 1998.

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 are noncallable for 5 years, have a liquidation preference of \$25.00 per share plus accrued dividends and are listed on the New York Stock Exchange, symbol GAM Pr B. Trading of the shares on the NYSE is expected to begin later this month. The net proceeds from the offering were \$193.2 million. The underwriting discount and other expenses associated with the offering amounted to \$6.8 million and were charged to paid-in capital.

The information about the Company, including our investment objective, operating policies and procedures, investment results, record of dividend payments, financial reports and press releases, contained at our website has been updated through September 30, 2003. 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.

Spencer Davidson  
President and Chief Executive Officer

October 8, 2003

### 2 STATEMENT OF ASSETS AND LIABILITIES September 30, 2003 (Unaudited)

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#### General American Investors

#### ASSETS

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##### INVESTMENTS, AT VALUE (NOTE 1a)

Common stocks (cost \$416,586,158) \$  
Convertible corporate note (cost \$9,698,828)  
Corporate discount notes (cost \$183,111,243)  
U.S. Treasury bills (cost \$149,380,194)

Total investments (cost \$758,776,423) 1,

##### CASH, RECEIVABLES AND OTHER ASSETS

Cash	\$67,500
Receivable for securities sold	1,898,909
Deposit with broker for securities sold short	10,158,047
Dividends, interest and other receivables	400,352
Prepaid expenses	6,854,766
Other	353,715

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##### TOTAL ASSETS

#### LIABILITIES

Payable for securities purchased	5,092,726
Preferred dividend accrued but not yet declared	231,389
Securities sold short, at value (proceeds \$10,158,047) (note 1a)	10,605,409
Accrued expenses and other liabilities	8,273,698

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##### TOTAL LIABILITIES

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5.95% CUMULATIVE PREFERRED STOCK, SERIES B -  
8,000,000 shares at a liquidation value of \$25 per share (note 2)

NET ASSETS APPLICABLE TO COMMON STOCK - 29,797,356 shares (note 2)

NET ASSET VALUE PER COMMON SHARE

NET ASSETS APPLICABLE TO COMMON STOCK

Common Stock, 29,797,356 shares at par value (note 2)	\$29,797,356
Additional paid-in capital (note 2)	538,665,891
Accumulated realized loss on investments	(6,807,860)
Undistributed net income	1,429,854
Unallocated distributions on Preferred Stock	(8,331,389)
Unrealized appreciation on investments and securities sold short (including aggregate gross unrealized appreciation of \$402,965,679)	354,413,533

NET ASSETS APPLICABLE TO COMMON STOCK

(see notes to financial statements)

### 3 STATEMENT OF OPERATIONS Nine Months Ended September 30, 2003 (Unaudited)

General American Investors

#### INCOME

Dividends	\$4,573,293
Interest	3,264,251
Other income	212,767

#### EXPENSES

Investment research	4,624,412
Administration and operations	2,076,945
Office space and general	394,744
Transfer agent, custodian and registrar fees and expenses	144,378
Auditing and legal fees	143,250
Directors' fees and expenses	115,982
Stockholders' meeting and reports	103,275
Miscellaneous taxes	65,205

NET INVESTMENT INCOME

#### REALIZED LOSS AND CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS (NOTES 1d AND 4)

Net realized loss on investments:	
Long transactions	(6,540,256)
Short sale transactions (note 1b)	(441,706)
Net realized loss on investments	(6,981,962)
Net increase in unrealized appreciation	141,234,927

NET GAIN ON INVESTMENTS

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DISTRIBUTIONS TO PREFERRED STOCKHOLDERS

INCREASE IN NET ASSETS RESULTING FROM OPERATIONS

(see notes to financial statements)

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STATEMENT OF CHANGES IN NET ASSETS

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General American Investors

Nine Months  
Ended  
September 30, 2003  
(Unaudited)  
-----

OPERATIONS  
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Net investment income	\$382,120
Net realized gain (loss) on investments	(6,981,962)
Net increase (decrease) in unrealized appreciation	141,234,927

Distributions to Preferred Stockholders:

From net income	-
From long-term capital gains	-
Unallocated distributions on Preferred Stock	(8,091,389)

Decrease In Net Assets From Preferred Distributions	(8,091,389)
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INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	126,543,696
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DISTRIBUTIONS TO COMMON STOCKHOLDERS  
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From net income, including short-term capital gains in 2002	(305,033)
From long-term capital gains	(915,098)

DECREASE IN NET ASSETS FROM COMMON DISTRIBUTIONS	(1,220,131)
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CAPITAL SHARE TRANSACTIONS  
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Value of Common Shares issued in payment of dividends (note 2)	-
Cost of Common Shares purchased (note 2)	(18,548,307)
Underwriting discount and other expenses associated with the issuance of Preferred Stock (note 2)	(6,800,000)

DECREASE IN NET ASSETS - CAPITAL TRANSACTIONS	(25,348,307)
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NET INCREASE (DECREASE) IN NET ASSETS	99,975,258
Net Assets Applicable to Common Stock	

BEGINNING OF PERIOD	809,192,127
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END OF PERIOD (including undistributed net income of \$1,429,854 and \$1,352,767, respectively)	\$909,167,385
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(see notes to financial statements)

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## FINANCIAL HIGHLIGHTS

### General American Investors

The following table shows per share operating performance data, total investment return, ratios and supplemental data for the nine months ended September 30, 2003 and for each year in the five-year period ended December 31, 2002. This information has been derived from information contained in the financial statements and market price data for the Company's shares.

	Nine Months Ended September 30, 2003 (Unaudited)	Year Ended December		
		2002	2001	2000
<b>PER SHARE OPERATING PERFORMANCE</b>				
Net asset value, beginning of period	\$26.48	\$35.14	\$39.91	\$41.74
Net investment income	.01	.19	.41	.53
Net gain (loss) on securities - realized and unrealized	4.56	(7.88)	(.66)	6.12
Distributions on Preferred Stock:				
Dividends from investment income	-	(.12)	(.07) (a)	(.11)
Distributions from capital gains	-	(.23)	(.29)	(.29)
Unallocated	(.27)	-	-	-
	(.27)	(.35)	(.36)	(.40)
Total from investment operations	4.30	(8.04)	(.61)	6.25
Less distributions on Common Stock:				
Dividends from investment income	(.01)	(.21) (d)	(.88) (e)	(2.30)
Distributions from capital gains	(.03)	(.41)	(3.28)	(5.78)
	(.04)	(.62)	(4.16)	(8.08)
Capital Stock transaction - effect of Preferred Stock offering	(.23)	-	-	-
Net asset value, end of period	\$30.51	\$26.48	\$35.14	\$39.91
Per share market value, end of period	\$27.49	\$23.85	\$33.47	\$36.00
<b>TOTAL INVESTMENT RETURN - Stockholder</b>				
Return, based on market price per share	15.45%*	(27.21)%	4.33%	19.10%
<b>RATIOS AND SUPPLEMENTAL DATA</b>				
Net assets applicable to Common Stock, end of period (000's omitted)	\$909,167	\$809,192	\$1,097,530	\$1,155,039

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Ratio of expenses to average net assets applicable to Common Stock	0.90%*	0.97%	1.02%	1.09%
Ratio of net income to average net assets applicable to Common Stock	0.04%*	0.61%	1.15%	1.24%
Portfolio turnover rate	13.15%*	22.67%	23.81%	40.61%
<b>PREFERRED STOCK</b>				
Liquidation value, end of period (000's omitted)	\$200,000	\$150,000	\$150,000	\$150,000
Asset coverage	555%	639%	832%	870%
Liquidation preference per share	\$25.00	\$25.00	\$25.00	\$25.00
Market value per share	\$25.38	\$25.85	\$25.90	\$24.25

- (a) Includes short-term capital gain in the amount of \$.04 per share.
  - (b) Includes short-term capital gain in the amount of \$.09 per share.
  - (c) Includes short-term capital gain in the amount of \$.03 per share.
  - (d) Includes short-term capital gain in the amount of \$.19 per share.
  - (e) Includes short-term capital gain in the amount of \$.51 per share.
  - (f) Includes short-term capital gain in the amount of \$1.82 per share.
  - (g) Includes short-term capital gain in the amount of \$.29 per share.
- \*Not annualized

6 STATEMENT OF INVESTMENTS September 30, 2003 (Unaudited)

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General American Investors

Shares or  
Principal Amount COMMON STOCKS

-----  
AEROSPACE/DEFENSE (0.1%)

20,000 The Boeing Company (COST \$614,000)

-----  
COMMUNICATIONS AND INFORMATION SERVICES (5.2%)

550,000 CIENA Corporation (a)  
 900,000 Cisco Systems, Inc. (a)  
 620,000 Cox Communications, Inc. Class A (a)  
 450,000 Juniper Networks, Inc. (a)

(COST \$31,949,018)

-----  
COMPUTER SOFTWARE AND SYSTEMS (0.9%)

300,000 EMC Corporation (a)  
 350,000 VeriSign, Inc. (a)

(COST \$4,111,632)

-----  
CONSUMER PRODUCTS AND SERVICES (2.7%)

275,000 Coca-Cola Enterprises Inc.  
 275,000 Ethan Allen Interiors Inc.  
 125,000 Newell Rubbermaid Inc.  
 150,000 PepsiCo, Inc.

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(COST \$17,111,384)

ELECTRONICS (1.9%)

-----  
 692,500 Molex Incorporated Class A (COST \$14,877,393)

ENVIRONMENTAL CONTROL (INCLUDING SERVICES) (2.9%)

-----  
 1,175,000 Republic Services, Inc. (COST \$26,227,380)

FINANCE AND INSURANCE (29.6%)

BANKING (9.4%)

-----  
 575,000 Annaly Mortgage Management, Inc.  
 400,000 Golden West Financial Corporation  
 310,000 M&T Bank Corporation  
 225,000 SunTrust Banks, Inc.  
 (COST \$16,010,583)

INSURANCE (20.0%)

-----  
 335,000 American International Group, Inc.  
 1,000,000 Annuity and Life Re (Holdings), Ltd. (a)  
 300 Berkshire Hathaway Inc. Class A (a)  
 690,000 Everest Re Group, Ltd.  
 425,000 John Hancock Financial Services, Inc.  
 110,000 Max Re Capital Ltd.  
 435,000 MetLife, Inc.  
 500,000 PartnerRe Ltd.  
 425,000 Reinsurance Group of America, Incorporated  
 230,000 Transatlantic Holdings, Inc.  
 (COST \$98,680,833)

OTHER (0.2%)

-----  
 84,548 Central Securities Corporation (COST \$2,132,865)  
 (COST \$116,824,281)

7 STATEMENT OF INVESTMENTS September 30, 2003 (Unaudited) - continued

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 General American Investors

Shares or  
 Principal Amount COMMON STOCKS (continued)

HEALTH CARE (17.8%)

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### PHARMACEUTICALS (13.9%)

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340,000	Alkermes, Inc. (a)
900,000	Baxter International Inc.
300,000	Bristol-Myers Squibb Company
270,000	Genaera Corporation (a)
335,000	Genentech, Inc. (a)
375,000	Genta Incorporated (a)
275,000	IDEC Pharmaceuticals Corporation (a)
234,000	MedImmune, Inc. (a)
120,000	Millennium Pharmaceuticals, Inc. (a)
75,000	OSI Pharmaceuticals, Inc. (a)
1,100,000	Pfizer Inc

(COST \$84,542,077)

### MEDICAL INSTRUMENTS AND DEVICES (1.5%)

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290,000	Medtronic, Inc.
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(COST \$862,614)

### HEALTH CARE SERVICES (2.4%)

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695,000	Health Net, Inc. (a)
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(COST \$15,334,735)

(COST \$100,739,426)

### MISCELLANEOUS (1.5%)

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Other

(COST \$13,475,009)

### OIL & NATURAL GAS (INCLUDING SERVICES) (1.7%)

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650,000	Halliburton Company
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(COST \$8,512,693)

### RETAIL TRADE (18.1%)

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700,000	Costco Wholesale Corporation (a)
1,945,000	The Home Depot, Inc. (b)
2,500,000	The TJX Companies, Inc.
570,000	Wal-Mart Stores, Inc.

(COST \$49,944,422)

### SEMICONDUCTORS (2.2%)

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200,000	Applied Materials, Inc. (a)
250,000	ASM International N.V. (a)
491,500	Brooks Automation, Inc. (a)
197,000	EMCORE Corporation (a)
1,644,900	IQE plc (a)
250,000	Zarlink Semiconductor Inc. (a)

(COST \$24,189,800)

### SPECIAL HOLDINGS (a) (c) (NOTE 5) (0.2%)

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400,000	Cytokinetics, Incorporated Series E Preferred
432,000	Silicon Genesis Corporation Series C Preferred
546,000	Standard MEMS, Inc. Series A Convertible Preferred



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(COST \$8,009,720)

TOTAL COMMON STOCKS (84.8%)

(COST \$416,586,158)

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 CONVERTIBLE CORPORATE NOTE  
 -----

HEALTH CARE (1.1%)  
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\$10,000,000 MedImmune Vaccines, Inc. 5 1/4% due 2/1/08 (COST \$9,698,828)  
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8 STATEMENT OF INVESTMENTS September 30, 2003 (Unaudited) - continued  
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General American Investors

Principal Amount	SHORT-TERM SECURITIES AND OTHER ASSETS	
-----		
\$30,000,000	AIG Funding, Inc. notes due 10/6-11/4/03; 1.01%-1.03%	
38,900,000	American Express Credit Corporation notes due 10/7-11/17/03; 1.02%-1.04%	
14,600,000	Ford Motor Credit Company notes due 10/21-11/13/03; 1.24%-1.28%	
32,100,000	General Electric Capital Corporation notes due 10/6-10/27/03; 1.03%-1.04%	
26,100,000	General Motors Acceptance Corporation notes due 10/2-11/6/03; 1.24%-1.28%	
28,700,000	Prudential Funding, LLC notes due 10/1-10/16/03; 1.02%-1.03%	
12,900,000	Sears Roebuck Acceptance Corp. note due 10/28/03; 1.25%	
150,000,000	U.S. Treasury bills due 1/29-3/18/04; 0.95%-1.00%	
	TOTAL SHORT-TERM SECURITIES (36.6%)	(COST \$332,491,437)
	Liabilities in excess of cash, receivables and other assets	
	TOTAL SHORT-TERM SECURITIES AND OTHER ASSETS, NET (36.1%)	
	PREFERRED STOCK (-22.0%)	
	NET ASSETS APPLICABLE TO COMMON STOCK (100%)	

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 STATEMENT OF SECURITIES SOLD SHORT September 30, 2003 (Unaudited)  
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General American Investors

-----  
 Shares COMMON STOCKS  
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300,000 NASDAQ-100 Trust, Series 1  
24,100 Southwest Bancorporation of Texas Inc.

TOTAL SECURITIES SOLD SHORT (PROCEEDS \$10,158,047)

(see notes to financial statements)

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### NOTES TO FINANCIAL STATEMENTS (Unaudited)

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#### 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 Securities traded on securities exchanges or on the NASDAQ National Market System are valued at the last reported sales price on the last business day of the period. Listed and NASDAQ 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 open short positions) on the valuation date. Corporate discount notes and U.S. Treasury bills are valued at amortized cost, which approximates market value. Special holdings are valued at fair value in the opinion of the directors. In determining fair value, in the case of restricted shares, consideration is given to cost, operating and other financial data and, where applicable, subsequent private offerings or market price of the issuer's unrestricted shares (to which a 30 percent discount is applied).

b. SHORT SALES The Company may make short sales of securities for either speculative or hedging purposes. When the Company makes a short sale, it borrows the securities sold short from a broker; in addition, the Company places cash with that broker and securities in a segregated account with the custodian, both as collateral for the short position. The Company may be required to pay a fee to borrow the securities and may also be obligated to pay any dividends declared on the borrowed securities. The Company will realize a gain if the security price decreases and a loss if the security price increases between the date of the short sale and the date on which the Company replaces the borrowed securities.

c. 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.

d. OTHER As customary in the investment company industry, securities 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.

##### 2. CAPITAL STOCK AND DIVIDEND DISTRIBUTIONS

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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, of which 29,797,356 shares and 8,000,000 shares, respectively, were outstanding at September 30, 2003.

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 are noncallable for 5 years and have a liquidation preference of \$25.00 per share plus an amount equal to accumulated and unpaid dividends to the date of redemption. The underwriting discount and other expenses associated with the Preferred Stock offering amounted to \$6,800,000 and were charged to paid-in capital.

On September 23, 2003, the Company redeemed all of its then outstanding 6,000,000 shares of 7.20% Tax-Advantaged Cumulative Preferred Stock, Series A, at a redemption price of \$25.00 per share. The Series A Preferred Shares were issued originally on June 19, 1998.

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% for the Preferred Stock. In addition, pursuant to the Rating Agency Guidelines, the Company is required to maintain a certain discounted asset coverage for its portfolio that equals or exceeds the Basic Maintenance Amount under the guidelines established by Moody's Investors Service, Inc. 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 (whether or not earned or declared). In addition, the Company's failure to meet the foregoing asset coverage requirements could restrict its 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.

At all times, holders of Preferred Stock will elect two members of 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 classifies its Preferred Stock pursuant to the requirements of EITF D-98, Classification and Measurement of Redeemable Securities, which require that preferred stock for which its redemption is outside of the Company's control should be presented outside of net assets in the statement of assets and liabilities.

10 NOTES TO FINANCIAL STATEMENTS (Unaudited) - continued

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 General American Investors

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

Transactions in Common Stock during the nine months ended September 30, 2003 and the year ended December 31, 2002 were as follows:

	SHARES		
	2003	2002	
Shares issued in payment of dividends (includes 251,893 shares issued from treasury)	-	251,893	
Increase in paid-in capital			
Total increase			
Shares purchased (at an average discount from net asset value of 9.6% and 9.1%, respectively)	764,000	922,100	(\$
Decrease in paid-in capital			(17,
Total decrease			(18,
Net decrease			(\$18,====

Distributions for tax and book purposes are substantially the same.

At September 30, 2003, the Company held in its treasury 1,434,207 shares of Common Stock with an aggregate cost in the amount of \$34,825,681.

3. OFFICERS' COMPENSATION AND RETIREMENT AND THRIFT PLANS

The aggregate compensation paid by the Company during the nine months ended September 30, 2003 to its officers amounted to \$3,323,000.

The Company has non-contributory retirement plans and a contributory thrift plan which cover substantially all employees. The costs to the Company and the assets and liabilities of the plans are not material. Costs of the plans are funded currently.

4. PURCHASES AND SALES OF SECURITIES

Purchases and sales of securities and securities sold short (other than short-term securities) for the nine months ended September 30, 2003 amounted to on long transactions \$97,357,646 and \$93,611,537, respectively, and on short sale transactions \$5,283,160 and \$9,288,832, respectively.

At September 30, 2003, the cost of investments for Federal income tax purposes

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was the same as the cost for financial reporting purposes.

### 5. RESTRICTED SECURITIES

	DATE ACQUIRED	COST	VALUE (NOTE 1a)
Cytokinetics, Incorporated Series E Preferred	3/21/03	\$2,000,000	\$2,000,000
Silicon Genesis Corporation Series C Preferred	2/16/01	3,006,720	72,000
Standard MEMS, Inc. Series A Convertible Preferred	12/17/99	3,003,000	-
Total		\$8,009,720	\$2,072,000
		=====	=====

### 6. OPERATING LEASE COMMITMENT

In July 1992, the Company entered into an operating lease agreement for office space which expires in 2007 and provides for future rental payments in the aggregate amount of approximately \$5.6 million. The lease agreement contains a clause whereby the Company received twenty months of free rent beginning in December 1992 and escalation clauses relating to operating costs and real property taxes.

Rental expense approximated \$251,000 for the nine months ended September 30, 2003. Minimum rental commitments under the operating lease are approximately \$505,000 per annum in 2003 through 2007.

In January 2003, the Company extended a sublease agreement (originally entered into in March 1996) which expires in 2007 and provides for future rental receipts. Minimum rental receipts under the sublease are approximately \$254,000 per annum in 2003 through 2007. The Company will also receive its proportionate share of operating expenses and real property taxes under the sublease.

Unaudited

In addition to purchases of the Company's Common Stock as set forth in Note 2 above, purchases of Common 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.

#### 11 MAJOR STOCK CHANGES\* Three Months Ended September 30, 2003 (Unaudited)

##### General American Investors

	Shares	Shares Held September 30, 2003
<b>NEW POSITIONS</b>		
Applied Materials, Inc.	-	200,000 (a)
Coca-Cola Enterprises Inc.	275,000	275,000
EMC Corporation	-	300,000 (a)

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VeriSign, Inc.	-	350,000 (a)
<b>ADDITIONS</b>		
Annaly Mortgage Management, Inc.	75,000	575,000
Baxter International Inc.	250,000	900,000
Health Net, Inc.	95,000	695,000
PartnerRe Ltd.	10,000	500,000
Pfizer Inc	75,000	1,100,000
Republic Services, Inc.	300,000	1,175,000
The TJX Companies, Inc.	75,000	2,500,000
<b>DECREASES</b>		
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<b>ELIMINATIONS</b>		
Baxter International Inc.		
7% Convertible Preferred Equity Units	114,500	-
Waste Management, Inc.	409,000	-
Wind River Systems, Inc.	339,500	-
<b>REDUCTIONS</b>		
American International Group, Inc.	40,000	335,000
The Boeing Company	180,000	20,000
Genentech, Inc.	150,000	335,000
Genta Incorporated	25,000	375,000
Golden West Financial Corporation	10,000	400,000
Max Re Capital Ltd.	50,000	110,000
OSI Pharmaceuticals, Inc.	50,000	75,000
Reinsurance Group of America, Incorporated	25,000	425,000

### PROXY VOTING POLICIES AND PROCEDURES (Unaudited)

#### General American Investors

The policies and procedures used by the Company to determine how to vote proxies relating to portfolio securities 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 <http://www.generalamericaninvestors.com> and (3) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

#### DIRECTORS

Lawrence B. Buttenwieser, Chairman	
Arthur G. Altschul, Jr.	John D. Gordan, III
Lewis B. Cullman	Sidney R. Knafel
Spencer Davidson	Richard R. Pivirotto
Gerald M. Edelman	Joseph T. Stewart, Jr.
Raymond S. Troubh	

William O. Baker, Director Emeritus  
William T. Golden, Director Emeritus

#### OFFICERS

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Spencer Davidson, President & Chief Executive Officer  
Andrew V. Vindigni, Vice-President  
Eugene L. DeStaebler, Jr., Vice-President, Administration  
Peter P. Donnelly, Vice-President & Trader  
Diane G. Radosti, Treasurer  
Carole Anne Clementi, Secretary

SERVICE COMPANIES

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COUNSEL

Sullivan & Cromwell LLP

INDEPENDENT AUDITORS

Ernst & Young LLP

CUSTODIAN

Deutsche Bank Trust  
Company Americas

TRANSFER AGENT AND REGISTRAR

Mellon Investor Services LLC  
P.O. Box 3315  
South Hackensack, NJ 07606-1915  
1-800-413-5499  
[www.mellon-investor.com](http://www.mellon-investor.com)