

CENTRAL SECURITIES CORP

Form N-30B-2

April 26, 2011

CENTRAL SECURITIES CORPORATION

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INTERIM REPORT TO STOCKHOLDERS

AS OF MARCH 31, 2011

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*To the Stockholders of*

## CENTRAL SECURITIES CORPORATION:

Financial data for the quarter ended March 31, 2011 and other pertinent information prepared by management without audit by independent auditors are submitted herewith.

Comparative net assets are as follows:

|                                      | <u>Mar. 31, 2011</u> | <u>Dec. 31, 2010</u> | <u>Mar. 31, 2010</u> |
|--------------------------------------|----------------------|----------------------|----------------------|
| Net assets                           | \$ 641,510,070       | \$ 593,524,167       | \$ 536,911,996       |
| Net assets per share of Common Stock | \$ 28.16             | \$ 26.06             | \$ 23.83             |
| Shares of Common Stock outstanding   | 22,779,391           | 22,779,391           | 22,528,016           |

Comparative operating results are as follows:

|  | <u>Three months ended March 31,</u> |              |
|--|-------------------------------------|--------------|
|  | <u>2011</u>                         | <u>2010</u>  |
| Net investment income                                  | \$ 4,218,417                        | \$ 4,932,174 |
| Per share of Common Stock                              | .19*                                | .22*         |
| Net realized gain on sale of investments               | 7,187,103                           | 576,187      |
| Increase in net unrealized appreciation of investments | 36,580,383                          | 28,388,445   |
| Increase in net assets resulting from operations       | 47,985,903                          | 33,896,806   |

\* Per-share data are based on the average number of Common shares outstanding during the three-month period.

We are pleased to report that at the Corporation's annual meeting on March 9, 2011, the stockholders elected six directors and ratified the selection of KPMG LLP as auditors of the Corporation for the year 2011. At the Board of Directors meeting on the same day, C. Carter Walker, Jr. was elected Lead Independent Director of the Board.

In the quarter ended March 31, 2011, the Corporation did not repurchase any shares of its Common Stock. However, it may from time to time purchase Common Stock in such amounts and at such prices as the Board of Directors may deem advisable in the best interests of stockholders. Purchases may be made on the NYSE Amex or in private transactions directly with stockholders.

Stockholders' inquiries are welcome.

CENTRAL SECURITIES CORPORATION

WILMOT H. KIDD, *President*

630 Fifth Avenue  
New York, NY 10111  
April 13, 2011

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## PRINCIPAL PORTFOLIO CHANGES

January 1 to March 31, 2011

(Common Stock unless specified otherwise)

(unaudited)

|  | Number of Shares |         |                           |
|--|------------------|---------|---------------------------|
|  | Purchased        | Sold    | Held<br>March 31,<br>2011 |
| Agilent Technologies, Inc.                                   |                  | 140,000 | 780,000                   |
| China Mobile Ltd. ADR  |                  | 30,000  |                           |
| EnCana Corporation   |                  | 100,000 |                           |
| GeoMet, Inc. Series A Convertible Redeemable Preferred Stock | 6,570(a)         |         | 216,823                   |
| Heritage-Crystal Clean, Inc.                                 | 13,712           |         | 413,712                   |
| Intel Corporation  | 485,000          |         | 1,450,000                 |
| Maxim Integrated Products, Inc.                              |                  | 126,989 |                           |
| Mindspeed Technologies, Inc.                                 | 475,000          |         | 475,000                   |
| Motorola Mobility Holdings, Inc.                             | 62,500(b)        |         | 62,500                    |
| Motorola Solutions, Inc.                                     | 200,000(b)(c)    |         | 200,000                   |
| NewStar Financial, Inc.                                      |                  | 16,100  | 278,900                   |
| Nexen Inc.   |                  | 200,000 |                           |
| Primus Telecommunications Group, Inc.                        | 145,425(d)       |         | 145,425                   |
| Roper Industries, Inc.                                       |                  | 20,000  | 180,000                   |
| Sonus Networks, Inc.   |                  | 230,000 | 3,000,000                 |
| Xerox Corporation  | 200,000          |         | 1,190,000                 |

(a) Received as a dividend.

(b) Received 62,500 shares of Motorola Mobility Holdings, Inc. and 71,428 shares of Motorola Solutions, Inc. in exchange for 500,000 shares of Motorola, Inc.

(c) Purchased 128,572 shares after the spin off as described in (b) above.

(d) Received in exchange for 250,000 shares of Arbinet Corporation.

## TEN LARGEST INVESTMENTS

March 31, 2011

(unaudited)

|                                 | Cost       | Value    | Percent of<br>Net Assets | Year First<br>Acquired |
|---------------------------------|------------|----------|--------------------------|------------------------|
|                                 | (millions) |          |                          |                        |
| The Plymouth Rock Company, Inc. | \$ 2.2     | \$ 168.0 | 26.2%                    | 1982                   |
| Coherent, Inc.                  | 22.0       | 46.5     | 7.3                      | 2007                   |
| Agilent Technologies, Inc.      | 17.7       | 34.9     | 5.4                      | 2005                   |
| Intel Corporation               | 15.3       | 29.3     | 4.6                      | 1986                   |
| Analog Devices, Inc.            | 9.6        | 27.0     | 4.2                      | 1987                   |
| Brady Corporation               | 2.3        | 26.8     | 4.2                      | 1984                   |

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|   |      |      |     |      |
|---|------|------|-----|------|
| Convergys Corporation                   | 24.8 | 24.4 | 3.8 | 1998 |
| CEVA, Inc.                              | 9.8  | 24.0 | 3.7 | 2009 |
| Murphy Oil Corporation                  | 1.0  | 20.6 | 3.2 | 1974 |
| The Bank of New York Mellon Corporation | 12.2 | 20.2 | 3.1 | 1993 |

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BOARD OF DIRECTORS

Wilmot H. Kidd, Chairman  
C. Carter Walker, Jr., Lead Independent Director  
Simms C. Browning  
Donald G. Calder  
David C. Colander  
Jay R. Inglis

OFFICERS

Wilmot H. Kidd, President  
Marlene A. Krumholz, Vice President and Secretary  
Lawrence P. Vogel, Vice President and Treasurer

OFFICE

630 Fifth Avenue  
New York, NY 10111  
212-698-2020  
866-593-2507 (toll-free)  
[www.centralsecurities.com](http://www.centralsecurities.com)

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.  
P. O. Box 43069, Providence, RI 02940-3069  
800-756-8200  
[www.computershare.com](http://www.computershare.com)

CUSTODIAN

UMB Bank, n.a.  
Kansas City, MO

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP  
New York, NY

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