

CENTRAL SECURITIES CORP

Form N-30B-2

April 29, 2016

CENTRAL SECURITIES CORPORATION

INTERIM REPORT TO STOCKHOLDERS

AS OF MARCH 31, 2016

To the Stockholders of

Central Securities Corporation:

Financial data for the quarter ended March 31, 2016 and other pertinent information prepared by management without audit by independent auditors are submitted herewith.

Comparative net assets are as follows:

| | Mar. 31, 2016 | Dec. 31, 2015 | Mar. 31, 2015 |
|--------------------------------------|---------------|---------------|---------------|
| Net assets | \$592,014,437 | \$582,870,527 | \$641,613,033 |
| Net assets per share of Common Stock | \$24.07 | \$23.53 | \$26.06 |
| Shares of Common Stock outstanding | 24,595,472 | 24,770,073 | 24,619,118 |

Comparative operating results are as follows:

| | Three months ended March | |
|---|--------------------------|--------------|
| | 31, 2016 | 2015 |
| Net investment income | \$1,875,928 | \$732,053 |
| Per share of Common Stock | .08 | * .03 * |
| Net realized gain on sale of investments | 6,670,195 | 35,750,693 |
| Increase (decrease) in net unrealized appreciation of investments | 3,715,549 | (40,290,084) |
| Increase (decrease) in net assets resulting from operations | 12,261,672 | (3,807,338) |

* 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 23, 2016, the stockholders elected seven directors and ratified the selection of KPMG LLP as auditors of the Corporation for the year 2016. A proposal to increase the authorized number of shares of Common Stock from 30,000,000 to 40,000,000 was approved.

In the quarter ended March 31, 2016, the Corporation repurchased 177,601 shares of its Common Stock at an average price of \$17.88 per share. The Corporation may from time to time purchase Common Stock in such amounts and at such prices as the Board of Directors deems advisable in the best interests of stockholders. Purchases may be made on the NYSE MKT 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 20, 2016

[2]

PRINCIPAL PORTFOLIO CHANGES

January 1 to March 31, 2016

(Common Stock unless specified otherwise)

(unaudited)

| | Number of Shares | | Held March 31, 2016 |
|----------------------------------|------------------|------------|---------------------------|
| | Purchased | Sold | |
| Brady Corporation | | 125,000 | 625,000 |
| Cable One, Inc. | 6,000 | | 18,000 |
| California Resources Corporation | 11,702 (a) | | 11,702 |
| The Charles Schwab Corporation | 200,000 | | 200,000 |
| Coherent, Inc. | | 62,000 | 456,000 |
| Liberty Global plc Class C | 177,100 | | 177,100 |
| Precision Castparts Corporation | | 100,000(b) | — |
| Texas Instruments Inc. | 20,000 | | 20,000 |
| Tiffany & Co. | 37,500 | | 37,500 |

(a) Received in a spin off from Occidental Petroleum Corporation.

(b) Company was acquired.

TEN LARGEST INVESTMENTS

March 31, 2016

(unaudited)

| | Cost | Value | Percent of Net Assets | Year First Acquired |
|---|------------|---------|--------------------------------|---------------------------|
| | (millions) | | | |
| The Plymouth Rock Company, Inc. | \$0.7 | \$113.7 | 19.2% | 1982 |
| Coherent, Inc. | 11.6 | 41.9 | 7.1 | 2007 |
| Intel Corporation | 11.0 | 32.4 | 5.5 | 1986 |
| Analog Devices, Inc. | 3.0 | 23.7 | 4.0 | 1987 |
| Motorola Solutions, Inc. | 14.1 | 22.7 | 3.8 | 2000 |
| The Bank of New York Mellon Corporation | 15.3 | 22.1 | 3.7 | 1993 |
| Capital One Financial Corporation | 16.9 | 20.1 | 3.4 | 2013 |
| Rayonier Inc. | 21.1 | 17.3 | 2.9 | 2014 |
| Brady Corporation | 2.0 | 16.8 | 2.8 | 1984 |
| Citigroup Inc. | 19.7 | 16.7 | 2.8 | 2013 |

[3]

BOARD OF DIRECTORS

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

OFFICERS

Wilmot H. Kidd, President
John C. Hill, Vice President
Marlene A. Krumholz, Vice President and Secretary
Andrew J. O'Neill, Vice President
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

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.
P. O. Box 30170, College Station, TX 77842-3170
800-756-8200
www.computershare.com/investor

CUSTODIAN

UMB Bank, n.a.
Kansas City, MO

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
New York, NY

[4]