

CENTRAL SECURITIES CORP
Form N-30B-2
April 28, 2010
CENTRAL SECURITIES CORPORATION

INTERIM REPORT TO STOCKHOLDERS

AS OF MARCH 31, 2010

To the Stockholders of

CENTRAL SECURITIES CORPORATION:

Financial data for the quarter ended March 31, 2010 and other pertinent information prepared by management without audit by independent auditors are submitted herewith.

Comparative net assets are as follows:

| | Mar. 31, 2010 | Dec. 31, 2009 | Mar. 31, 2009 |
|--------------------------------------|----------------|----------------|----------------|
| | <hr/> | <hr/> | <hr/> |
| Net assets | \$ 536,911,996 | \$ 504,029,743 | \$ 358,075,258 |
| Net assets per share of Common Stock | \$ 23.83 | \$ 22.32 | \$ 16.05 |
| Shares of Common Stock outstanding | 22,528,016 | 22,585,259 | 22,303,213 |

Comparative operating results are as follows:

| | Three months ended March 31, | |
|---|------------------------------|--------------|
| | 2010 | 2009 |
| | <hr/> | <hr/> |
| Net investment income | \$ 4,932,174 | \$ 3,320,455 |
| Per share of Common Stock | .22* | .15* |
| Net realized gain (loss) on sale of investments | 576,187 | (1,815,436) |
| Increase (decrease) in net unrealized appreciation of investments | 28,388,445 | (40,470,721) |
| Increase (decrease) in net assets resulting from operations | 33,896,806 | (38,965,702) |

* 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 10, 2010, the stockholders elected six directors and ratified the selection of KPMG LLP as auditors of the Corporation for the year 2010. At the Board of Directors meeting on the same day, Wilmot H. Kidd, President of the Corporation, was elected Chairman of the Board of Directors and Jay R. Inglis was elected Lead Independent Director.

In the quarter ended March 31, 2010, the Corporation repurchased 57,243 shares of its Common Stock at an average price per share of \$17.72. The Corporation 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.

Charles N. Edgerton, Vice President and Treasurer of the Corporation, is retiring at the end of April 2010 after 35 years with Central. During this period of major financial and technological change, he has worn many hats; he oversaw the development of Central's financial and computer systems and, in addition, was instrumental in the investment process of the Corporation. We will miss his wise judgment and counsel.

Lawrence P. Vogel, who joined Central in November 2009, will assume Charles' responsibilities as Vice President and Treasurer upon Charles' retirement. Lawrence has extensive experience in the investment company industry.

Stockholders' inquiries are welcome.

CENTRAL SECURITIES CORPORATION
WILMOT H. KIDD, *President*

April 21, 2010
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PRINCIPAL PORTFOLIO CHANGES

January 1 to March 31, 2010

(Common Stock unless specified otherwise)

(unaudited)

| | Number of Shares | | |
|---------------------------------|------------------|--------|---------------------------|
| | Purchased | Sold | Held March 31, 2010 |
| Analog Devices, Inc. | 130,000 | | 500,000 |
| CEVA, Inc. | 76,900 | | 500,000 |
| Dover Corporation | | 10,000 | 390,000 |
| Home Federal Bancorp, Inc. | 12,000 | | 237,700 |
| JPMorgan Chase & Co. | 100,000 | | 100,000 |
| McMoRan Exploration Corporation | | 10,000 | 660,000 |
| Murphy Oil Corporation | | 10,000 | 290,000 |
| NewStar Financial, Inc. | 160,100 | | 310,100 |
| RadiSys Corporation | 184,800 | | 1,184,800 |

TEN LARGEST INVESTMENTS

March 31, 2010

(unaudited)

| | Cost (mil.) | Value (mil.) | Percent of Net Assets | Year First Acquired |
|---|----------------|-----------------|--------------------------|------------------------|
| The Plymouth Rock Company, Inc. | \$ 2.2 | \$ 161.0 | 30.0% | 1982 |
| Agilent Technologies, Inc. | 21.9 | 31.6 | 5.9 | 2005 |
| Coherent, Inc. | 22.9 | 26.6 | 4.9 | 2007 |
| Brady Corporation | 2.3 | 23.3 | 4.3 | 1984 |
| The Bank of New York Mellon Corporation | 12.2 | 20.8 | 3.9 | 1993 |
| Convergys Corporation | 24.8 | 20.8 | 3.9 | 1998 |
| Dover Corporation | 12.6 | 18.2 | 3.4 | 2003 |
| Intel Corporation | 2.3 | 18.1 | 3.4 | 1986 |
| Murphy Oil Corporation | 1.1 | 16.3 | 3.0 | 1974 |
| Analog Devices, Inc. | 4.2 | 14.4 | 2.7 | 1987 |

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BOARD OF DIRECTORS

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

OFFICERS

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

OFFICE

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TRANSFER AGENT AND REGISTRAR

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P. O. Box 43069, Providence, RI 02940-3069
800-756-8200
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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