

CENTRAL SECURITIES CORP

Form N-30B-2

May 07, 2014

CENTRAL SECURITIES CORPORATION

INTERIM REPORT TO STOCKHOLDERS

AS OF MARCH 31, 2014

To the Stockholders of

CENTRAL SECURITIES CORPORATION:

Financial data for the quarter ended March 31, 2014 and other pertinent information prepared by management without audit by independent auditors are submitted herewith.

Comparative net assets are as follows:

| | Mar. 31, 2014 | Dec. 31, 2013 | Mar. 31, 2013 |
|--------------------------------------|---------------|---------------|---------------|
| Net assets | \$649,683,694 | \$648,261,868 | \$599,586,781 |
| Net assets per share of Common Stock | \$26.94 | \$26.78 | \$25.82 |
| Shares of Common Stock outstanding | 24,117,323 | 24,207,823 | 23,221,307 |

Comparative operating results are as follows:

| | Three months ended March 31, | |
|---|------------------------------|-------------|
| | <u>2014</u> | <u>2013</u> |
| Net investment income | \$ 511,468 | \$ 306,034 |
| Per share of Common Stock | .02 | * .01 * |
| Net realized gain on sale of investments | 4,268,848 | 13,215,219 |
| Increase (decrease) in net unrealized appreciation of investments | (1,379,245) | 16,538,042 |
| Increase in net assets resulting from operations | 3,401,071 | 30,059,295 |

* 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 19, 2014, the stockholders elected seven directors and ratified the selection of KPMG LLP as auditors of the Corporation for the year 2014. At the Board of Directors meeting on the same day, David C. Colander was elected Lead Independent Director of the Board.

In the quarter ended March 31, 2014, the Corporation repurchased 93,500 shares of its Common Stock at an average price of \$21.88 per share. The Corporation may from time to time purchase Common Stock in such amounts and at such prices as the Board of Directors may deem 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 23, 2014

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PRINCIPAL PORTFOLIO CHANGES

January 1 to March 31, 2014

(Common Stock unless specified otherwise)

(unaudited)

| | Number of Shares | | Held March 31, 2014 |
|---|------------------|---------|---------------------------|
| | Purchased | Sold | |
| CEVA, Inc. | | 376,800 | 292,100 |
| Citigroup Inc. | 260,000 | | 400,000 |
| Coherent, Inc. | | 3,000 | 657,000 |
| eBay Inc. | 78,500 | | 200,000 |
| General Electric Company | 40,250 | | 250,000 |
| GeoMet, Inc. Series A Convertible Redeemable Preferred Stock | 9,504 (a) | | 313,661 |
| Leggett & Platt, Inc. | 102,000 | | 102,000 |
| Oracle Corporation | 50,000 | | 200,000 |
| QEP Resources, Inc. | | 20,000 | 300,000 |
| RadiSys Corporation | | 50,000 | 484,900 |
| Vodafone Group Plc ADR | | 200,000 | — |

(a) Received as a dividend.

TEN LARGEST INVESTMENTS

March 31, 2014

(unaudited)

| | Cost | Value | Percent of Net Assets | Year First Acquired |
|---|------------|---------|--------------------------|---------------------------|
| | (millions) | | | |
| The Plymouth Rock Company, Inc. | \$0.9 | \$121.3 | 18.7 % | 1982 |
| Coherent, Inc. | 17.5 | 42.9 | 6.6 | 2007 |
| Intel Corporation | 16.3 | 38.5 | 5.9 | 1986 |
| Agilent Technologies, Inc. | 12.6 | 33.0 | 5.1 | 2005 |
| The Bank of New York Mellon Corporation | 18.3 | 32.6 | 5.0 | 1993 |
| Analog Devices, Inc. | 8.8 | 31.9 | 4.9 | 1987 |
| Citigroup Inc. | 19.7 | 19.0 | 2.9 | 2013 |
| Capital One Financial Corporation | 13.0 | 18.5 | 2.9 | 2013 |
| Murphy Oil Corporation | 0.9 | 17.6 | 2.7 | 1974 |
| Walgreen Co. | 10.0 | 17.2 | 2.6 | 2007 |

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BOARD OF DIRECTORS

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

OFFICERS

Wilmot H. Kidd, President
Marlene A. Krumholz, Vice President and Secretary
Andrew J. O'Neill, Vice President
Lawrence P. Vogel, Vice President and Treasurer

OFFICE

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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

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