

# CENTRAL SECURITIES CORPORATION



INTERIM REPORT TO STOCKHOLDERS

AS OF SEPTEMBER 30, 2016

*To the Stockholders of*

CENTRAL SECURITIES CORPORATION:

Financial data for the quarter ended September 30, 2016 prepared by management without audit by our independent registered public accounting firm and other pertinent information are submitted herewith.

Comparative net assets are as follows:

	<u>Sept. 30, 2016</u>	<u>June 30, 2016</u>	<u>Dec. 31, 2015</u>
Net assets . . . . .	\$640,022,719	\$596,106,152	\$582,870,527
Net assets per share of Common Stock . . . . .	\$ 26.13	\$ 24.32	\$ 23.53
Shares of Common Stock outstanding . . . . .	24,498,151	24,506,651	24,770,073

Comparative operating results are as follows:

	<u>Nine months ended September 30,</u>	
	<u>2016</u>	<u>2015</u>
Net investment income . . . . .	\$ 4,642,431	\$ 3,746,422
Per share of Common Stock . . . . .	.19*	.15*
Net realized gain on sale of investments . . . . .	14,785,997	43,034,547
Increase (decrease) in net unrealized appreciation of investments . .	47,655,206	(92,715,258)
Increase (decrease) in net assets resulting from operations . . . . .	67,083,634	(45,934,289)

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

During the nine months ended September 30, 2016, the Corporation purchased 274,922 shares of its Common Stock at an average price of \$18.49 per share. The Corporation may from time to time purchase its 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 in the open market 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  
October 19, 2016

## PRINCIPAL PORTFOLIO CHANGES

July 1 to September 30, 2016  
(Common Stock unless specified otherwise)  
(unaudited)

	Number of Shares		
	Purchased	Sold	Held September 30, 2016
Analog Devices, Inc. . . . .	50,000		450,000
The Bank of New York Mellon Corporation . . . . .		200,000	400,000
Brady Corporation . . . . .		100,000	500,000
California Resources Corporation . . . . .		1,170	—
Coherent, Inc. . . . .		25,000	425,000
Intel Corporation . . . . .		110,000	880,000
JPMorgan Chase & Co. . . . .		30,000	200,000
Liberty Global plc Class C . . . . .	20,000		200,000
Liberty Global plc LiLAC Class C . . . . .	70,000		170,000
Texas Instruments Inc. . . . .		20,000	—
Wells Fargo & Company . . . . .	200,000		200,000

## TEN LARGEST INVESTMENTS

September 30, 2016  
(unaudited)

	Cost	Value	Percent of Net Assets	Year First Acquired
	(millions)			
The Plymouth Rock Company, Inc. . . . .	\$ 0.7	\$119.4	18.7%	1982
Coherent, Inc. . . . .	10.7	47.0	7.3	2007
Intel Corporation . . . . .	8.4	33.2	5.2	1986
Analog Devices, Inc. . . . .	6.2	29.0	4.5	1987
Motorola Solutions, Inc. . . . .	14.1	22.9	3.6	2000
Capital One Financial Corporation . . . . .	16.9	20.8	3.3	2013
Medtronic plc . . . . .	16.2	19.0	3.0	2009
Citigroup Inc. . . . .	19.7	18.9	3.0	2013
Rayonier Inc. . . . .	21.1	18.6	2.9	2014
Brady Corporation . . . . .	1.0	17.3	2.7	1984

## 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

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866-593-2507 (toll free)  
[www.centalsecurities.com](http://www.centalsecurities.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](http://www.computershare.com)

## CUSTODIAN

UMB Bank, n.a.  
Kansas City, MO

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP  
New York, NY