

CENTRAL SECURITIES CORP  
 Form N-30B-2  
 October 25, 2006

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CENTRAL SECURITIES CORPORATION

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INTERIM REPORT TO STOCKHOLDERS

AS OF SEPTEMBER 30, 2006

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To the Stockholders of

CENTRAL SECURITIES CORPORATION:

Financial data for the quarter ended September 30, 2006 prepared by management without audit by our independent registered public accounting firm and other pertinent information are submitted herewith.

Comparative market values of net assets are as follows:

|  | Sept. 30, 2006 | June 30, 2006 | Dec. 31, 2005 |
|--|----------------|---------------|---------------|
|  | -----          | -----         | -----         |
| Net assets .....                           | \$588,315,485  | \$600,191,449 | \$573,979,900 |
| Net assets per share of Common Stock ..... | 29.91          | 29.69         | 27.69         |
| Shares of Common Stock outstanding .....   | 19,670,606     | 20,215,359    | 20,762,100    |

Comparative operating results are as follows:

|  | Nine months ended September 30 |              |
|--|--------------------------------|--------------|
|  | 2006                           | 2005         |
|  | ----                           | ----         |
| Net investment income .....                                  | \$ 7,018,095                   | \$ 5,218,175 |
| Per share of Common Stock .....                              | .35*                           | .26          |
| Net realized gain on sale of investments .....               | 34,340,340                     | 33,854,099   |
| Increase in net unrealized appreciation of investments ..... | 4,366,522                      | 13,866,084   |
| Increase in net assets resulting from operations .....       | 45,724,957                     | 52,938,358   |

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

In the quarter ended September 30, 2006 the Corporation repurchased 544,753 shares of its Common Stock at an average price of \$25.41. The

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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 American Stock Exchange or in transactions directly with stockholders.

Stockholders' inquiries are welcome.

CENTRAL SECURITIES CORPORATION

WILMOT H. KIDD, President

630 Fifth Avenue  
New York, NY 10111  
October 17, 2006

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PRINCIPAL PORTFOLIO CHANGES  
July 1 to September 30, 2006  
(Common Stock unless specified otherwise)

|                                  | Number of Shares |           |                               |
|----------------------------------|------------------|-----------|-------------------------------|
|                                  | Purchased        | Sold      | Held<br>September 30,<br>2006 |
| Agilent Technologies, Inc. ....  | 142,400          |           | 942,400                       |
| Arbinet-thexchange, Inc. ....    | 105,000          |           | 1,005,000                     |
| Arch Coal, Inc. ....             | 100,000          |           | 100,000                       |
| Cincinnati Bell Inc. ....        |                  | 100,000   | 400,000                       |
| Cirrus Logic, Inc. ....          | 20,000           |           | 120,000                       |
| Hewitt Associates, Inc. ....     | 300,000          |           | 400,000                       |
| Kerr-McGee Corporation ....      |                  | 400,000   | --                            |
| Neoware, Inc. ....               | 650,000          |           | 1,000,000                     |
| PolyOne Corporation ....         |                  | 11,000    | 609,000                       |
| Schering-Plough Corporation .... |                  | 450,000   | --                            |
| Solectron Corporation ....       |                  | 200,000   | 1,800,000                     |
| Sonus Networks, Inc. ....        | 500,000          |           | 2,500,000                     |
| TransMontaigne Inc. ....         |                  | 1,100,000 | --                            |
| The TriZetto Group, Inc. ....    | 124,600          |           | 1,150,000                     |
| Tronox Inc. ....                 |                  | 40,328    | --                            |
| Tyco International Ltd. ....     | 200,000          |           | 400,000                       |
| Unisys Corporation ....          |                  | 900,000   | --                            |
| Vical Inc. ....                  |                  | 5,100     | 134,900                       |

TEN LARGEST INVESTMENTS

|                                      | September 30, 2006 |         | % of<br>Net Assets | Year First<br>Acquired |
|--------------------------------------|--------------------|---------|--------------------|------------------------|
|                                      | Cost               | Value   |                    |                        |
|                                      | (millions)         |         |                    |                        |
| The Plymouth Rock Company, Inc. .... | \$ 2.2             | \$119.0 | 20.2%              | 1982                   |

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|   |      |      |     |      |
|---|------|------|-----|------|
| Convergys Corporation .....             | 24.1 | 32.0 | 5.4 | 1998 |
| Brady Corporation .....                 | 3.5  | 32.0 | 5.4 | 1984 |
| The Bank of New York Company, Inc. .... | 15.5 | 30.9 | 5.2 | 1993 |
| Agilent Technologies, Inc. ....         | 23.9 | 30.8 | 5.2 | 2005 |
| Murphy Oil Corporation .....            | 3.7  | 28.5 | 4.8 | 1974 |
| Capital One Financial Corporation ..... | 1.4  | 23.6 | 4.0 | 1994 |
| Intel Corporation .....                 | 0.4  | 20.2 | 3.4 | 1986 |
| Dover Corporation .....                 | 13.0 | 19.0 | 3.2 | 2003 |
| Roper Industries, Inc. ....             | 9.0  | 18.3 | 3.1 | 2003 |

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BOARD OF DIRECTORS

C. Carter Walker, Jr., Chairman  
Simms C. Browning  
Donald G. Calder  
Jay R. Inglis  
Dudley D. Johnson  
Wilmot H. Kidd

OFFICERS

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

OFFICE

630 Fifth Avenue  
Suite 820  
New York, NY 10111  
212-698-2020  
866-593-2507 (toll free)  
[www.centralsecurities.com](http://www.centralsecurities.com)

CUSTODIAN

UMB Bank, N.A.  
Kansas City, MO

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)

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP, New York

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