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CENTRAL SECURITIES CORP
Form N-CSRS
August 08, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act File Number 811-179

Name of registrant as specified in charter: Central Securities Corporation

Address of principal executive offices:

630 Fifth Avenue
Suite 820
New York, New York 10111

Name and address of agent for service:

Central Securities Corporation, Wilmot H. Kidd, President
630 Fifth Avenue
Suite 820
New York, New York 10111

Registrant's telephone number, including area code: 212-698-2020

Date of fiscal year end: December 31, 2007

Date of reporting period: June 30, 2007

Item 1. Reports to Stockholders.

=====

CENTRAL SECURITIES CORPORATION

SEMI-ANNUAL REPORT

JUNE 30, 2007

=====
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CENTRAL SECURITIES CORPORATION

(Organized on October 1, 1929 as an investment company, registered as such with the Securities and Exchange Commission under the provisions of the Investment Company Act of 1940.)

TEN YEAR HISTORICAL DATA

| Year | Total net assets | Convertible Preference Stock (A) | Per Share of Common Stock | | | | Net real investment gain |
|-----------------------------|------------------|----------------------------------|---------------------------|---------------------------|---------------|-------------------|--------------------------|
| | | | Net asset value | Net investment income (B) | Dividends (C) | Distributions (C) | |
| 1996 | \$356,685,785 | \$9,102,050 | \$25.64 | | | | |
| 1997 | 434,423,053 | 9,040,850 | 29.97 | \$.24 | \$.34 | \$2.08 | \$30,13 |
| 1998 | 476,463,575 | 8,986,125 | 31.43 | .29 | .29 | 1.65 | 22,90 |
| 1999 | 590,655,679 | -- | 35.05 | .26 | .26 | 2.34 | 43,20 |
| 2000 | 596,289,086 | -- | 32.94 | .32 | .32 | 4.03 | 65,92 |
| 2001 | 539,839,060 | -- | 28.54 | .18 | .22 | 1.58* | 13,66 |
| 2002 | 361,942,568 | -- | 18.72 | .14 | .14 | 1.11 | 22,86 |
| 2003 | 478,959,218 | -- | 24.32 | .09 | .11 | 1.29 | 24,76 |
| 2004 | 529,468,675 | -- | 26.44 | .11 | .11 | 1.21 | 25,10 |
| 2005 | 573,979,905 | -- | 27.65 | .28 | .28 | 1.72 | 31,66 |
| 2006 | 617,167,026 | -- | 30.05 | .36 | .58 | 1.64 | 36,46 |
| Six mos. to June 30, 2007** | 678,277,359 | -- | 33.03 | .33 | .17 | .03 | 18,04 |

-
- A - At liquidation preference.
 - B - Excluding gains or losses realized on sale of investments and the dividend requirement on the Convertible Preference Stock which was redeemed on August 1, 1999.
 - C - Computed on the basis of the Corporation's status as a "regulated investment company" for Federal income tax purposes. Dividends are from undistributed net investment income. Distributions are from long-term investment gains.
- * Includes a non-taxable return of capital of \$.55.
 ** Unaudited.

The Common Stock is listed on the American Stock Exchange under the symbol CET. On June 29, 2007 (the last trading day of the six-month period) the market quotations were: \$29.00 low, \$29.24 high and \$29.05 last sale.

[2]

To the Stockholders of
 CENTRAL SECURITIES CORPORATION:

Financial statements for the six months ended June 30, 2007 reviewed by our independent registered public accounting firm and other pertinent information are submitted herewith.

Comparative net assets are as follows:

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| | June 30, 2007 (Unaudited) | December 2006 |
|---|---------------------------------|------------------|
| | ----- | ----- |
| Net assets..... | \$678,277,359 | \$617,167, |
| Net assets per share of Common Stock..... | 33.03 | 30 |
| Shares of Common Stock outstanding..... | 20,538,195 | 20,538, |

Comparative operating results are as follows:

| | Six months ended June 3 | |
|---|-------------------------|------------------|
| | 2007 (Unaudited) | 2006 (Unaudit |
| | ----- | ----- |
| Net investment income..... | \$ 6,714,501 | \$ 5,975, |
| Per share of Common Stock..... | .33* | |
| Net realized gain on sale of investments..... | 18,046,062 | 17,949, |
| Increase in net unrealized appreciation of investments..... | 40,457,409 | 19,834, |
| Increase in net assets resulting from operations..... | 65,217,972 | 43,760, |

* Per-share data are based on the average number of Common shares outstanding.

A dividend of \$.20 per share of Common Stock was paid on June 22, 2007. Stockholders will be sent a notice concerning the taxability of all 2007 distributions in January 2008.

During the first six months of 2007 the Corporation did not repurchase any of its Common Stock. However, it 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
July 25, 2007

[3]

TEN LARGEST INVESTMENTS
June 30, 2007
(Unaudited)

Percent of Year

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| | Cost | Value | Net Assets | Acqu |
|--|------------|---------|------------|-------|
| | ---- | ----- | ----- | ----- |
| | (millions) | | | |
| The Plymouth Rock Company, Inc..... | \$ 2.2 | \$148.4 | 21.9% | 19 |
| The Bank of New York Company, Inc..... | 15.5 | 36.3 | 5.3 | 19 |
| Agilent Technologies, Inc..... | 22.5 | 36.2 | 5.3 | 20 |
| Murphy Oil Corporation..... | 3.7 | 35.7 | 5.3 | 19 |
| Brady Corporation..... | 3.5 | 33.8 | 5.0 | 19 |
| Capital One Financial Corporation..... | 5.1 | 26.7 | 3.9 | 19 |
| Convergys Corporation..... | 13.9 | 24.2 | 3.6 | 19 |
| Roper Industries, Inc..... | 9.0 | 23.4 | 3.5 | 20 |
| Intel Corporation..... | 0.4 | 23.3 | 3.4 | 19 |
| Sonus Networks, Inc..... | 9.7 | 21.3 | 3.1 | 20 |

PRINCIPAL PORTFOLIO CHANGES

April 1 to June 30, 2007

(Unaudited)

(Common Stock unless specified otherwise)

| | Number of Shares | | |
|--|------------------|---------|--------------------------|
| | Purchased | Sold | Held |
| | ----- | ---- | June 30, 2007 ---- |
| Arch Coal, Inc..... | | 100,000 | -- |
| A.S.V., Inc..... | 94,000 | | 294,000 |
| Capital One Financial Corporation..... | 30,000 | | 340,000 |
| Cincinnati Bell Inc..... | | 400,000 | -- |
| Convergys Corporation..... | | 400,000 | 1,000,000 |
| Cypress Semiconductor Corporation..... | | 255,000 | -- |
| GeoMet, Inc..... | 79,000 | | 780,000 |
| Meritage Homes Corporation..... | 80,000 | | 80,000 |
| Neoware, Inc..... | | 100,000 | 1,400,000 |
| Nexen Inc..... | 160,000 (a) | | 320,000 |
| PolyOne Corporation..... | | 75,000 | -- |
| Radisys Corporation..... | 610,000 | | 610,000 |
| SLM Corporation..... | 100,000 | 200,000 | -- |
| The TriZetto Group, Inc..... | | 15,000 | 990,000 |
| Verigy Ltd..... | | 35,381 | 80,001 |

(a) Stock split.

[4]

DIVERSIFICATION OF INVESTMENTS

June 30, 2007

(Unaudited)

Percent of N

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| | Issues | Cost | Value | June 30, Dec 2007 |
|-----------------------------|--------|--------------|---------------|----------------------|
| | ----- | ---- | ----- | ---- |
| Common Stocks: | | | | |
| Insurance..... | 3 | \$ 3,633,747 | \$150,152,440 | 22.1% |
| Electronics..... | 8 | 54,636,326 | 119,647,986 | 17.6 |
| Manufacturing..... | 5 | 40,745,493 | 96,264,720 | 14.2 |
| Energy..... | 6 | 48,554,175 | 93,182,591 | 13.7 |
| Banking and Finance..... | 2 | 20,552,122 | 62,929,600 | 9.3 |
| Information Technology..... | 2 | 22,968,258 | 38,122,400 | 5.6 |
| Business Services..... | 3 | 23,719,309 | 37,066,000 | 5.5 |
| Other..... | 6 | 14,708,837 | 24,534,566 | 3.7 |
| Short-Term Investments..... | 3 | 56,497,967 | 56,497,967 | 8.3 |

FINANCIAL HIGHLIGHTS

| | Six Mos. Ended June 30, 2007 (Unaudited) | 2006 | 2005 |
|--|---|-----------|-----------|
| | ----- | ---- | ---- |
| Per Share Operating Performance | | | |
| Net asset value, beginning of period | \$30.05 | \$27.65 | \$26.44 |
| Net investment income* | .33 | .36 | .28 |
| Net realized and unrealized gain (loss) on securities* | 2.85 | 4.26 | 2.93 |
| | ----- | ----- | ----- |
| Total from investment operations | 3.18 | 4.62 | 3.21 |
| Less: | | | |
| Dividends from net investment income | .17 | .36 | .28 |
| Distributions from capital gains | .03 | 1.86 | 1.72 |
| | ----- | ----- | ----- |
| Total distributions | .20 | 2.22 | 2.00 |
| | ----- | ----- | ----- |
| Net asset value, end of period | \$33.03 | \$30.05 | \$27.65 |
| | ===== | ===== | ===== |
| Per share market value, end of period | \$29.05 | \$26.65 | \$23.80 |
| Total investment return, market(%) | 9.76 | 21.31 | 14.04 |
| Total investment return, NAV(%) | 10.58 | 18.55 | 13.75 |
| Ratios/Supplemental Data: | | | |
| Net assets, end of period(000) | \$678,277 | \$617,167 | \$573,980 |
| Ratio of expenses to average net assets(%) | .48+ | .53 | .54 |
| Ratio of net investment income to average net assets(%) | 1.32+ | 1.23 | 1.02 |
| Portfolio turnover rate(%) | 6.33 | 17.55 | 15.83 |

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

+ Annualized, not necessarily indicative of full year ratio.

See accompanying notes to financial statements.

[5]

STATEMENT OF INVESTMENTS
June 30, 2007
(Unaudited)

PORTFOLIO SECURITIES 91.7%
STOCKS (COMMON UNLESS SPECIFIED OTHERWISE)

| Prin. Amt. or Shares ----- | | Value ----- |
|----------------------------------|--|----------------|
| | Banking and Finance 9.3% | |
| 875,000 | The Bank of New York Company, Inc..... | \$ 36,260,000 |
| 340,000 | Capital One Financial Corporation..... | 26,669,600 |
| | | ----- |
| | | 62,929,600 |
| | | ----- |
| | Business Services 5.5% | |
| 1,000,000 | Convergys Corporation (a)..... | 24,240,000 |
| 200,000 | Hewitt Associates, Inc. (a)..... | 6,400,000 |
| 200,000 | IMS Health Inc..... | 6,426,000 |
| | | ----- |
| | | 37,066,000 |
| | | ----- |
| | Chemicals 1.2% | |
| 150,000 | Rohm and Haas Company..... | 8,202,000 |
| | | ----- |
| | Communications 0.9% | |
| 1,005,000 | Arbinet-thexchange, Inc. (a)..... | 6,060,150 |
| | | ----- |
| | Electronics 17.6% | |
| 942,400 | Agilent Technologies, Inc. (a)..... | 36,225,856 |
| 430,000 | Analog Devices, Inc..... | 16,185,200 |
| 980,000 | Intel Corporation..... | 23,265,102 |
| 350,000 | Motorola, Inc..... | 6,195,000 |
| 610,000 | Radisys Corporation (a)..... | 7,564,000 |
| 1,800,000 | Solectron Corporation (a)..... | 6,624,000 |
| 2,500,000 | Sonus Networks, Inc. (a)..... | 21,300,000 |
| 80,001 | Verigy Ltd. (a)..... | 2,288,828 |
| | | ----- |
| | | 119,647,986 |
| | | ----- |
| | Energy 13.7% | |
| 375,000 | Berry Petroleum Company Class A..... | 14,130,000 |
| 234,328 | Chevron Corporation..... | 19,739,791 |
| 780,000 | GeoMet, Inc. (a)..... | 5,974,800 |
| 555,000 | McMoRan Exploration Co. (a)..... | 7,770,000 |
| 600,000 | Murphy Oil Corporation..... | 35,664,000 |
| 320,000 | Nexen Inc..... | 9,904,000 |
| | | ----- |
| | | 93,182,591 |
| | | ----- |
| | Health Care 1.1% | |
| 120,000 | Abbott Laboratories..... | 6,426,000 |
| 134,900 | Vical Inc. (a)..... | 700,131 |

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| | | |
|----------------------------------|--|----------------|
| | | ----- |
| | | 7,126,131 |
| | | ----- |
| | Homebuilding 0.3% | |
| 80,000 | Meritage Homes Corporation (a)..... | 2,140,000 |
| | | ----- |
| [6] | | |
| Prin. Amt. or Shares ----- | | Value ----- |
| | Information Technology Services 5.6% | |
| 1,400,000 | Neoware, Inc. (a)(b)..... | \$ 18,956,000 |
| | | ----- |
| 990,000 | The TriZetto Group, Inc. (a)..... | 19,166,400 |
| | | ----- |
| | | 38,122,400 |
| | | ----- |
| | Insurance 22.1% | |
| 10,000 | Erie Indemnity Co. Class A..... | 540,400 |
| 70,000 | The Plymouth Rock Company, Inc. Class A (b)(c)..... | 148,400,000 |
| 2,000 | White Mountains Insurance Group, Ltd..... | 1,212,040 |
| | | ----- |
| | | 150,152,440 |
| | | ----- |
| | Manufacturing 14.2% | |
| 294,000 | A.S.V., Inc. (a)..... | 5,080,320 |
| 910,000 | Brady Corporation Class A..... | 33,797,400 |
| 400,000 | Dover Corporation..... | 20,460,000 |
| 410,000 | Roper Industries, Inc..... | 23,411,000 |
| 400,000 | Tyco International Ltd..... | 13,516,000 |
| | | ----- |
| | | 96,264,720 |
| | | ----- |
| | Retail Trade 0.2% | |
| 28,751 | Aerogroup International, Inc. (a)(c)..... | 1,006,285 |
| | | ----- |
| | Total Portfolio Securities | |
| | (cost \$229,518,267) (d)..... | 621,900,303 |
| | | ----- |
| | SHORT-TERM INVESTMENTS 8.3% | |
| | Commercial Paper 4.2% | |
| 16,589,000 | American Express 5.0986% - 5.1189% due 7/3/07 - 8/8/07..... | 16,561,732 |
| 12,016,000 | Citigroup Funding 5.0950% - 5.1421% due 7/25/07 - 8/8/07..... | 11,966,955 |
| | | ----- |
| | | 28,528,687 |
| | | ----- |
| | U.S. Treasury Bills 4.1% | |
| 28,427,000 | U.S. Treasury Bills 4.7013% - 4.8190% due 9/27/07 - 12/20/07..... | 27,969,280 |
| | | ----- |

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| | | |
|--|---------------|-------|
| Total Short-Term Investments (cost \$56,497,967) (d)..... | 56,497,967 | ----- |
| Total Investments (100.0%) (cost \$286,016,234)..... | 678,398,270 | |
| Cash, receivables and other assets less liabilities (0.0%)..... | (120,911) | ----- |
| Net Assets (100%)..... | \$678,277,359 | ===== |

-
- (a) Non-dividend paying.
 - (b) Affiliate as defined in the Investment Company Act of 1940.
 - (c) Valued at estimated fair value. (d) Aggregate cost for Federal tax purposes is substantially the same.

See accompanying notes to financial statements.

[7]

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2007
(Unaudited)

ASSETS:

Investments:

| | | |
|--|---------------|-----------------|
| General portfolio securities at market value (cost \$210,557,118) (Note 1)..... | \$454,544,303 | |
| Securities of affiliated companies (cost \$18,961,149) (Notes 1, 5 and 6)..... | 167,356,000 | |
| Short-term investments (cost \$56,497,967)..... | 56,497,967 | \$678,398,----- |

Cash, receivables and other assets:

| | | |
|---|---------|---------------|
| Cash..... | 61,591 | |
| Dividends and interest receivable..... | 25,219 | |
| Receivable for securities sold..... | 227,536 | |
| Office equipment and leasehold improvements, net..... | 348,753 | |
| Other assets..... | 89,612 | 752,----- |
| Total Assets..... | | 679,150,----- |

LIABILITIES:

| | | |
|---------------------------------------|---------|-----------|
| Payable for securities purchased..... | 687,580 | |
| Accrued expenses and reserves..... | 186,042 | ----- |
| Total Liabilities..... | | 873,----- |

NET ASSETS..... \$678,277,-----
=====

NET ASSETS are represented by:

| | | |
|--|--|----------------|
| Common Stock \$1 par value: authorized | | |
| 30,000,000 shares; issued 20,820,859 (Note 2)..... | | \$20,820,----- |
| Surplus: | | |

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| | | |
|---|---------------|------------|
| Paid-in..... | \$250,426,845 | |
| Undistributed net gain on sales of investments..... | 15,601,669 | |
| Undistributed net investment income..... | 5,974,976 | 272,003, |
| | ----- | |
| Net unrealized appreciation of investments..... | | 392,382, |
| Treasury stock, at cost (282,664 shares of Common Stock) (Note 2)..... | | (6,929, |
| | | ----- |
| NET ASSETS..... | | \$678,277, |
| | | ===== |
| NET ASSET VALUE PER COMMON SHARE | | |
| (20,538,195 shares outstanding)..... | | \$33.03 |
| | | ===== |

See accompanying notes to financial statements.

[8]

STATEMENT OF OPERATIONS

For the six months ended June 30, 2007
(Unaudited)

| | | |
|--|--------------|-----------|
| INVESTMENT INCOME | | |
| Income: | | |
| Dividends (net of foreign withholding taxes of \$2,157)..... | \$ 7,132,399 | |
| | ----- | |
| Interest..... | 1,113,842 | \$8,246, |
| | ----- | |
| Expenses: | | |
| Investment research..... | 433,125 | |
| Administration and operations..... | 368,375 | |
| Occupancy costs..... | 232,330 | |
| Franchise and miscellaneous taxes..... | 102,686 | |
| Insurance..... | 73,981 | |
| Directors' fees..... | 71,000 | |
| Stationery, supplies, printing and postage..... | 60,109 | |
| Listing, software and sundry fees..... | 52,166 | |
| Travel and telephone..... | 29,702 | |
| Legal, auditing and tax fees..... | 28,656 | |
| Transfer agent and registrar fees and expenses..... | 19,344 | |
| Custodian fees..... | 16,291 | |
| Miscellaneous..... | 43,975 | 1,531, |
| | ----- | ----- |
| Net investment income..... | | 6,714, |
| NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS | | |
| Net realized gain from investment transactions..... | 18,046,062 | |
| Net increase in unrealized appreciation of investments..... | 40,457,409 | |
| | ----- | |
| Net gain on investments..... | | 58,503, |
| | | ----- |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS..... | | \$65,217, |

See accompanying notes to financial statements.

[9]

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended June 30, 2007
and the year ended December 31, 2006

| | Six months ended June 30, 2007 (Unaudited) | Year en December 2006 |
|--|--|-----------------------------|
| | ----- | ----- |
| FROM OPERATIONS: | | |
| Net investment income..... | \$ 6,714,501 | \$ 7,269, |
| Net realized gain on investments..... | 18,046,062 | 36,468, |
| Net increase in unrealized appreciation of investments..... | 40,457,409 | 49,542, |
| | ----- | ----- |
| Increase in net assets resulting from operations..... | 65,217,972 | 93,280, |
| | ----- | ----- |
| DISTRIBUTIONS TO STOCKHOLDERS FROM: | | |
| Net investment income..... | (3,409,015) | (7,185, |
| Net realized gain from investment transactions..... | (698,624) | (36,564, |
| | ----- | ----- |
| Decrease in net assets from distributions..... | (4,107,639) | (43,749, |
| | ----- | ----- |
| FROM CAPITAL SHARE TRANSACTIONS: (Note 2) | | |
| Distribution to stockholders reinvested in Common Stock..... | -- | 21,444, |
| Cost of shares of Common Stock repurchased..... | -- | (27,788, |
| | ----- | ----- |
| Decrease in net assets from capital share transactions..... | -- | (6,343, |
| | ----- | ----- |
| Total increase in net assets..... | 61,110,333 | 43,187, |
| NET ASSETS: | | |
| Beginning of period..... | 617,167,026 | 573,979, |
| | ----- | ----- |
| End of period (including undistributed net investment income of \$5,974,976 and \$226,873, respectively)..... | \$678,277,359 | \$617,167, |
| | ===== | ===== |

See accompanying notes to financial statements.

[10]

STATEMENT OF CASH FLOWS

For the six months ended June 30, 2007

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(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:

| | | |
|---|----------------|------------|
| Net increase in net assets from operations..... | | \$ 65,217, |
| Adjustments to net increase in net assets from operations: | | |
| Purchase of securities..... | (\$37,217,631) | |
| Proceeds from securities sold..... | 68,596,390 | |
| Net purchase of short-term investments..... | (35,024,911) | |
| Net realized gain from investments..... | (18,046,062) | |
| Proceeds from class action settlement..... | 241,669 | |
| Increase in unrealized appreciation..... | (40,457,409) | |
| Depreciation and amortization..... | 41,036 | |
| Changes in operating assets and liabilities: | | |
| Decrease in dividends and interest receivable..... | 76,729 | |
| Decrease in receivable for securities sold..... | 137,313 | |
| Increase in office equipment and leasehold improvements..... | (4,127) | |
| Increase in other assets..... | (9,546) | |
| Increase in payable for securities purchased..... | 687,580 | |
| Decrease in accrued expenses and reserves..... | (150,116) | |
| | ----- | |
| Total adjustments..... | | (61,129, |
| | | ----- |
| Net cash provided by operating activities..... | | 4,088, |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Dividends paid..... | (4,107,639) | |
| | ----- | |
| Cash flows used in financing activities..... | | (4,107, |
| | | ----- |
| Net decrease in cash..... | | (18, |
| Cash at beginning of period..... | | 80, |
| | | ----- |
| Cash at end of period..... | | \$ 61, |
| | | ===== |

See accompanying notes to financial statements.

[11]

NOTES TO FINANCIAL STATEMENTS -- (unaudited)

1. Significant Accounting Policies -- Central Securities Corporation (the "Corporation") is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company. The following is a summary of the significant accounting policies consistently followed by the Corporation in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

Security Valuation -- Securities are valued at the last sale or official closing price or, if unavailable, at the closing bid price. Corporate discount notes and U.S. Treasury Bills are valued at amortized cost, which approximates market value. Securities for which no ready market exists, including The Plymouth Rock Company, Inc. Class A Common Stock, are valued at estimated fair value by the Board of Directors.

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Federal Income Taxes -- It is the Corporation's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its stockholders. Therefore, no Federal income taxes have been accrued.

Use of Estimates -- The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

Other -- Security transactions are accounted for as of the trade date, and cost of securities sold is determined by specific identification. Dividend income and distributions to stockholders are recorded on the ex-dividend date. Interest income is accrued daily.

New Accounting Pronouncements -- In September 2006, the Financial Accounting Standards Board issued Statement 157 ("SFAS 157"), "Fair Value Measurements". This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 will be effective at the beginning of the Corporation's 2008 fiscal year. The Corporation is currently assessing the effect of this pronouncement on our financial statements.

As of June 30, 2007, the Corporation adopted Financial Accounting Standards Board Interpretation 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). Management has determined that the implementation of FIN 48 had no impact in the financial statements.

2. Common Stock -- The Corporation did not repurchase any shares of its Common Stock in the first six months of 2007. It 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 the stockholders. Purchases will only be made at less than net asset value per share, thereby increasing the net asset value of shares held by the remaining stockholders. Shares so acquired may be held as treasury stock and available for optional stock distributions, or may be retired.

3. Investment Transactions -- The aggregate cost of securities purchased and the aggregate proceeds of securities sold during the six months ended June 30, 2007, excluding short-term investments, were \$37,217,631 and \$68,596,390, respectively.

As of June 30, 2007, based on cost for Federal income tax purposes, the aggregate gross unrealized appreciation and depreciation for all securities were \$396,764,568 and \$4,382,532, respectively.

[12]

NOTES TO FINANCIAL STATEMENTS -- continued (unaudited)

4. Operating Expenses -- The aggregate remuneration paid during the six months ended June 30, 2007 to officers and directors amounted to \$808,500, of which \$71,000 was paid as fees to directors who were not officers. Benefits to employees are provided through a profit sharing retirement plan. Contributions to the plan are made at the discretion of the Board of Directors, and each participant's benefits vest after three years of employment. No contributions were made to the plan for the six months ended June 30, 2007.

5. Affiliates -- The Plymouth Rock Company, Inc. and Neoware Inc. are

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affiliates as defined in the Investment Company Act of 1940. During the six months ended June 30, 2007, the Corporation received dividends of \$5,039,300 from affiliates and incurred a realized loss of \$786,644 from the sale of shares of an affiliate. Unrealized appreciation related to affiliates increased by \$16,469,306 for the six months ended June 30, 2007 to \$148,394,851.

6. Restricted Securities -- The Corporation from time to time invests in securities the resale of which is restricted. On June 30, 2007 such investments had an aggregate value of \$149,406,285, which was equal to 22.0% of the Corporation's net assets. Investments in restricted securities at June 30, 2007, including acquisition dates and cost, were:

| Company | Shares | Security | Date Acquired | Cost |
|---------------------------------|--------|---------------|---------------|-----------|
| Aerogroup International, Inc. | 28,751 | Common Stock | 6/21/05 | \$ 17,200 |
| The Plymouth Rock Company, Inc. | 60,000 | Class A Stock | 12/15/82 | 1,500,000 |
| The Plymouth Rock Company, Inc. | 10,000 | Class A Stock | 6/9/84 | 699,986 |

The Corporation does not have the right to demand registration of the restricted securities. Unrealized appreciation related to restricted securities increased by \$15,112,490 for the six months ended June 30, 2007 to \$147,189,453.

7. Operating Lease Commitment -- The Corporation has entered into an operating lease for office space which expires in 2014 and provides for future minimum rental payments in the aggregate amount of approximately \$2.5 million. The lease agreement contains escalation clauses relating to operating costs and real property taxes. Future minimum rental commitments under the lease are \$314,241 per year through 2008, \$329,172 for 2009 and \$341,806 annually thereafter.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF
CENTRAL SECURITIES CORPORATION

We have reviewed the accompanying statement of assets and liabilities, including the statement of investments, of Central Securities Corporation as of June 30, 2007, and the related statements of operations, changes in net assets, cash flows and financial highlights for the six-month period ended June 30, 2007. These financial statements are the responsibility of the management of Central Securities Corporation.

We have conducted our review in accordance with standards established by the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications

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that should be made to the financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards established by the Public Company Accounting Oversight Board (United States), the statement of changes in net assets for the year ended December 31, 2006 and financial highlights for each of the five years in the period ended December 31, 2006, and in our report dated January 24, 2007 we expressed an unqualified opinion on those financial statements.

KPMG LLP

New York, NY
July 25, 2007

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Direct Registration

The Corporation utilizes direct registration, a system that allows for book-entry ownership and the electronic transfer of the Corporation's shares. Stockholders may find direct registration a convenient way of managing their investment. Stockholders wishing certificates may request them.

A pamphlet which describes the features and benefits of direct registration, including the ability of shareholders to deposit certificates with our transfer agent, can be obtained by calling Computershare Trust Company at 1-800-756-8200, calling the Corporation at 1-866-593-2507 or visiting our website: www.centalsecurities.com under Contact Us.

Annual Meeting of Stockholders

The annual meeting of stockholders of the Corporation was held on March 14, 2007. At the meeting all of the directors of the Corporation were reelected by the following vote of the holders of the Common Stock: Simms C. Browning, 19,430,480 shares in favor, 67,869 withheld; Donald G. Calder, 19,401,717 shares in favor, 96,632 shares withheld; Jay R. Inglis, 19,394,489 shares in favor, 103,860 shares withheld; Dudley D. Johnson, 19,409,204 shares in favor, 89,145 shares withheld; Wilmot H. Kidd, 19,077,411 shares in favor, 420,938 shares withheld; and C. Carter Walker, Jr., 19,406,264 shares in favor, 92,085 shares withheld.

In addition, the selection of KPMG LLP as independent auditors of the Corporation for the year 2007 was ratified by the following vote of the holders of the Common Stock: 19,373,522 shares in favor, 61,726 shares against, 63,101 shares abstaining.

Proxy Voting Policies and Procedures

The policies and procedures used by the Corporation to determine how to vote proxies relating to portfolio securities and the Corporation's proxy voting record for the twelve-month period ended June 30, 2007 are available: (1) without charge, upon request, by calling us at our toll-free telephone number (1-866-593-2507), (2) on the Corporation's website at www.centalsecurities.com and (3) on the Securities and Exchange Commission's website at www.sec.gov.

Quarterly Portfolio Information

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The Corporation files its complete schedule of portfolio holdings with the SEC for the first and the third quarter of each fiscal year on Form N-Q. The Corporation's Form N-Q filings are available on the SEC's website at www.sec.gov. Those forms may be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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BOARD OF DIRECTORS

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

OFFICERS

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

OFFICE

630 Fifth Avenue
New York, NY 10111
212-698-2020
866-593-2507 (toll-free)
www.centalsecurities.com

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.
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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Item 2. Code of Ethics. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 3. Audit Committee Financial Experts. The information required by this Item

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is only required in an annual report on this Form N-CSR.

Item 4. Principal Accountant Fees and Services. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 5. Audit Committee of Listed Registrants. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 6. Schedule of Investments. Schedule is included as a part of the report to shareholders filed under Item 1 of this Form.

Item 7. Disclose Proxy Voting Policies and Procedures for Closed-End Management Companies. The information required by this Item is only required in an annual report on this Form N-CSR.

Item 8. Portfolio Managers of Closed-End Management Investment Companies. Mr. Wilmot H. Kidd is the President and portfolio manager of the Corporation and has served in that capacity since 1973. He manages no other accounts and accordingly, the Registrant is not aware of any material conflicts with his management of the Corporation's investments. Mr. Kidd's compensation consists primarily of a fixed base salary and a bonus. His compensation is reviewed and approved by the Board of Directors annually. His compensation may be adjusted from year to year based on the Board of Directors perception of overall performance and his management responsibilities. As of June 30, 2007, Mr. Kidd's investment in Central Securities common stock exceeded \$1 million.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

| Period | (a) Total Number of Shares (or Units) Purchased | (b) Average Price Paid per Share (or Unit) | (c) Total Num Shares (or U Purchased as of Publicly An Plans or Pro |
|--|---|--|---|
| Month #1 (January 1 through January 31) | 0 | NA | NA |
| Month #2 (February 1 through February 28) | 0 | NA | NA |
| Month #3 (March 1 through March 31) | 0 | NA | NA |
| Month #4 (April 1 through April 30) | 0 | NA | NA |
| Month #5 (May 1 through May 31) | 0 | NA | NA |
| Month #6 (June 1 through June 30) | 0 | NA | NA |
| Total | 0 | NA | NA |

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Item 10. Submission of Matters to a Vote of Security Holders. There have been no changes to the procedures by which shareholders may recommend nominees to the registrant's board of directors since such procedures were last described in the Corporation's proxy statement dated February 6, 2007.

Item 11. Controls and Procedures.

(a) The Principal Executive Officer and Principal Financial Officer of Central Securities Corporation (the "Corporation") have concluded that the Corporation's Disclosure Controls and Procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940) are effective based on their evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) There have been no changes in the Corporation's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Item 12. Exhibits. (a) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit. The information required by this Item is only required in an annual report on this Form N-CSR.

(b) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act. Attached hereto.

(c) Any written solicitation to purchase securities under Rule 23c-1 under the Act sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not Applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Central Securities Corporation

By: /s/ Wilmot H. Kidd

Wilmot H. Kidd
President

August 8, 2007

Date

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capabilities and on the dates indicated.

By: /s/ Wilmot H. Kidd

Wilmot H. Kidd

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President

August 8, 2007

Date

By: /s/ Charles N. Edgerton

Charles N. Edgerton
Treasurer

August 8, 2007

Date