

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

ADAMS EXPRESS CO  
Form N-CSRS  
July 23, 2007

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-00248  
-----

THE ADAMS EXPRESS COMPANY

-----  
(Exact name of registrant as specified in charter)

7 Saint Paul Street, Suite 1140, Baltimore, Maryland 21202  
-----

(Address of principal executive offices) (Zip code)

Lawrence L. Hooper, Jr.  
The Adams Express Company  
7 Saint Paul Street  
Suite 1140  
Baltimore, Maryland 21202

Registrant's telephone number, including area code: 410-752-5900

Date of fiscal year end: December 31, 2007

Date of reporting period: June 30, 2007

Item 1: Reports to Stockholders.

THE ADAMS EXPRESS COMPANY

-----  
Board of Directors

Enrique R. Arzac /1,4,5/      Thomas H. Lenagh /2,3/  
Phyllis O. Bonanno /1,4,5/      Kathleen T. McGahran /2,4/  
Daniel E. Emerson/ 1,3,5/      Douglas G. Ober/ 1/  
Frederic A. Escherich /2,3/      Craig R. Smith /2,4/  
Roger W. Gale /1,3,5/  
1.Member of Executive Committee  
2.Member of Audit Committee  
3.Member of Compensation Committee  
4.Member of Retirement Benefits Committee  
5.Member of Nominating and Governance Committee

Officers

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

Douglas G. Ober	Chairman and Chief Executive Officer
Joseph M. Truta	President
Lawrence L. Hooper, Jr.	Vice President, General Counsel and Secretary
Maureen A. Jones	Vice President, Chief Financial Officer and Treasurer
Stephen E. Kohler	Vice President--Research
David R. Schiminger	Vice President--Research
D. Cotton Swindell	Vice President--Research
David D. Weaver	Vice President--Research
Christine M. Sloan	Assistant Treasurer
Geraldine H. Pare	Assistant Secretary

-----  
Stock Data  
-----

Market Price (6/30/07)	\$14.89
Net Asset Value (6/30/07)	\$17.06
Discount:	12.7%

New York Stock Exchange ticker symbol: ADX  
NASDAQ Mutual Fund Quotation Symbol: XADEX  
Newspaper stock listings are generally under the abbreviation: AdaEx

-----  
Distributions in 2007  
-----

From Investment Income (paid or declared)	\$0.14
From Net Realized Gains	0.01
	-----
Total	\$0.15
	=====

-----  
2007 Dividend Payment Dates  
-----

March 1, 2007  
June 1, 2007  
September 1, 2007  
December 27, 2007\*

\*Anticipated

The Adams Express Company  
Semi-Annual Report  
June 30, 2007

Generation after generation

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

we grow with you/tm

INVEST/PROTECT/GROW

[GRAPHIC]

### LETTER TO STOCKHOLDERS

---

We submit herewith the financial statements of The Adams Express Company (the Company) for the six months ended June 30, 2007. Also provided are the report of the independent registered public accounting firm, a schedule of investments, and other summary financial information.

Net assets of the Company at June 30, 2007 were \$17.06 per share on 85,893,132 shares outstanding, compared with \$15.86 per share at December 31, 2006 on 86,838,223 shares outstanding. On March 1, 2007, a distribution of \$0.05 per share was paid, consisting of \$0.03 from 2006 investment income, \$0.01 from 2006 short-term capital gain, and \$0.01 from 2007 investment income, all taxable in 2007. A 2007 investment income dividend of \$0.05 per share was paid on June 1, 2007, and another \$0.05 per share investment income dividend has been declared to shareholders of record August 14, 2007, payable September 1, 2007.

Net investment income for the six months ended June 30, 2007 amounted to \$16,387,719, compared with \$8,966,520 for the same period in 2006. These earnings are equal to \$0.19 and \$0.11 per share.

Net capital gain realized on investments for the six months ended June 30, 2007 amounted to \$35,958,118, or \$0.42 per share.

The total return on the net asset value (with dividends and capital gains reinvested) of the Company's shares was 8.3% for the six months ended June 30, 2007. The total return on the market value of the Company's shares in the period was 8.1%. These compare to a 7.0% total return for the Standard & Poor's 500 Composite Stock Index and a 6.9% total return for the Lipper Large Cap Core Mutual Fund Average over the same time period.

For the twelve months ended June 30, 2007, the Company's total return on net asset value was 20.3% and on market value was 23.3%, as the discount narrowed during the period. Comparable figures for the S&P 500 and the Lipper Large Cap Core Mutual Fund Average were 20.6% and 19.6%, respectively.

In June 2007, the Board of Directors of the Company adopted Amended and Restated Bylaws for the Company. Further information may be found on page 16 of this report.

Current and potential stockholders can find information about the Company, including the daily net asset value (NAV) per share, the market price, and the discount/premium to the NAV, on our website at [www.adamsexpress.com](http://www.adamsexpress.com). Also available on the website are a history of the Company, historical financial information, and other useful content. Further information regarding stockholder services is located on page 18 of this report.

---

By order of the Board of Directors,  
/s/

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

Douglas G. Ober,  
 Chairman and  
 Chief Executive Officer  
 /s/ Joseph M. Truta  
 Joseph M. Truta,  
 President

July 13, 2007

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2007

Assets

Investments\* at value:

Common stocks and convertible securities (cost \$893,749,645)	\$1,320,403,289
Non-controlled affiliate, Petroleum & Resources Corporation (cost \$34,735,404)	84,453,212
Short-term investments (cost \$56,042,573)	56,042,573
Securities lending collateral (cost \$51,790,258)	51,790,258

Cash

Investment securities sold  
 Dividends and interest receivable  
 Prepaid pension cost  
 Prepaid expenses and other assets

Total Assets

Liabilities

Investment securities purchased  
 Open written option contracts at value (proceeds \$522,629)  
 Obligations to return securities lending collateral  
 Accrued expenses

Total Liabilities

Net Assets

Net Assets

Common Stock at par value \$0.001 per share, authorized 150,000,000 shares; issued and outstanding 85,893,132 shares (includes 86,867 restricted shares, 6,000 restricted stock units, and 4,112 deferred stock units) (Note 6)	\$
Additional capital surplus	
Accumulated other comprehensive income (Note 5)	
Undistributed net investment income	
Undistributed net realized gain on investments	
Unrealized appreciation on investments	

Net Assets Applicable to Common Stock

Net Asset Value Per Share of Common Stock

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

\* See Schedule of Investments on pages 9 and 10.

The accompanying notes are an integral part of the financial statements.

2

### STATEMENT OF OPERATIONS

-----  
Six Months Ended June 30, 2007

Investment Income

Income:

Dividends:

From unaffiliated issuers	\$ 17,5
From non-controlled affiliate	4
Interest and other income	1,6

Total income	19,6
--------------	------

Expenses:

Investment research	1,4
Administration and operations	7
Directors' fees	1
Reports and stockholder communications	1
Transfer agent, registrar and custodian expenses	1
Auditing and accounting services	
Legal services	
Occupancy and other office expenses	2
Travel, telephone and postage	
Other	1

Total expenses	3,2
----------------	-----

Net Investment Income	16,3
-----------------------	------

Realized Gain and Change in Unrealized Appreciation on Investments

Net realized gain on security transactions	35,8
Net realized gain distributed by regulated investment company (non-controlled affiliate)	1
Change in unrealized appreciation on investments	57,5

Net Gain on Investments	93,4
-------------------------	------

Change in Net Assets Resulting from Operations	\$109,8
--	---------

The accompanying notes are an integral part of the financial statements.

3

### STATEMENTS OF CHANGES IN NET ASSETS

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

	Six Months Ended June 30, 2007	Year Ended December 31, 2006
From Operations:		
Net investment income	\$ 16,387,719	\$ 19,691,488
Net realized gain on investments	35,958,118	56,553,881
Change in unrealized appreciation on investments	57,524,500	102,278,889
Change in accumulated other comprehensive income (note 5)	108,033	(1,824,105)
Change in net assets resulting from operations	109,978,370	176,700,153
Distributions to Stockholders from:		
Net investment income	(7,762,435)	(19,554,259)
Net realized gain from investment transactions	(868,719)	(56,771,240)
Decrease in net assets from distributions	(8,631,154)	(76,325,499)
From Capital Share Transactions:		
Value of shares issued in payment of distributions	3,761	31,661,698
Cost of shares purchased (Note 4)	(13,843,891)	(21,770,315)
Deferred compensation (Notes 4,6)	324,511	423,621
Change in net assets from capital share transactions	(13,515,619)	10,315,004
Total Increase in Net Assets	87,831,597	110,689,658
Net Assets:		
Beginning of period	1,377,418,310	1,266,728,652
End of period (including undistributed net investment income of \$13,257,872 and \$4,632,588, respectively)	\$1,465,249,907	\$1,377,418,310

The accompanying notes are an integral part of the financial statements.

4

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

The Adams Express Company (the Company) is registered under the Investment Company Act of 1940 as a diversified investment company. The Company is an internally-managed fund whose investment objectives are preservation of capital, the attainment of reasonable income from investments, and an opportunity for capital appreciation.

Security Valuation -- Investments in securities traded on a national security exchange are valued at the last reported sale price on the day of valuation. Over-the-counter and listed securities for which a sale price is not available are valued at the last quoted bid price. Short-term investments (excluding purchased options) are valued at amortized cost. Purchased and written options are valued at the last quoted asked price.

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

Affiliated Companies -- Investments in companies 5% or more of whose outstanding voting securities are held by the Company are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940.

Security Transactions and Investment Income -- Investment transactions are accounted for on the trade date. Gain or loss on sales of securities and options is determined on the basis of identified cost. Dividend income and distributions to stockholders are recognized on the ex-dividend date, and interest income is recognized on the accrual basis.

### 2. Federal Income Taxes

The Company's policy is to distribute all of its taxable income to its stockholders in compliance with the requirements of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. For federal income tax purposes, the identified cost of securities at June 30, 2007 was \$1,035,830,629 and net unrealized appreciation aggregated \$476,858,703, of which the related gross unrealized appreciation and depreciation were \$530,588,714 and \$53,730,011, respectively.

Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. Accordingly, annual reclassifications are made within the Company's capital accounts to reflect income and gains available for distribution under income tax regulations. Any income tax-related interest or penalties would be classified as income tax expense.

Effective June 29, 2007, the Company adopted Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, a clarification of FASB Statement No. 109, Accounting for Income Taxes. FIN 48 establishes financial reporting rules regarding recognition and measurement of tax positions taken or expected to be taken on a tax return. The adoption of FIN 48 had no impact on the Company's net assets or results of operations.

### 3. Investment Transactions

The Company's investment decisions are made by a committee of management, and recommendations to that committee are made by the research staff.

Purchases and sales of portfolio securities, other than options and short-term investments, during the six months ended June 30, 2007 were \$93,154,357 and \$89,051,906, respectively. Options may be written (sold) or purchased by the Company. The Company, as writer of an option, bears the risks of possible illiquidity of the option markets and from movements in security values. The risk associated with purchasing an option is limited to the premium originally paid. A schedule of outstanding option contracts as of June 30, 2007 can be found on page 12.

Transactions in written covered call and collateralized put options during the six months ended June 30, 2007 were as follows:

	Covered Calls		Collateralized Puts	
	Contracts	Premiums	Contracts	Premiums
Options outstanding, December 31, 2006	3,745	\$ 497,618	2,103	\$ 220,313

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

Options written	3,690	465,727	3,035	327,642
Options terminated in closing purchase transactions	(550)	(83,598)	--	--
Options expired	(2,395)	(293,125)	(2,853)	(310,810)
Options exercised	(2,100)	(301,138)	--	--
-----				
Options outstanding, June 30, 2007	2,390	\$ 285,484	2,285	\$ 237,145
-----				

4. Capital Stock

The Company has 10,000,000 authorized and unissued preferred shares, \$0.001 par value.

On December 27, 2006, the Company issued 2,301,959 shares of its Common Stock at a price of \$13.75 per share (the average market price on December 11, 2006) to stockholders of record on November 21, 2006 who elected to take stock in payment of the year-end distribution from 2006 capital gain and investment income. In addition, 722 shares were issued at a weighted average price of \$13.43 per share as dividend equivalents to holders of deferred stock units and restricted stock units under the 2005 Equity Incentive Compensation Plan.

During 2007, the Company has issued 267 shares of its Common Stock at a weighted average price of \$14.02 per share as dividend equivalents to holders of deferred stock units and restricted stock units under the 2005 Equity Incentive Compensation Plan.

The Company may purchase shares of its Common Stock from time to time at such prices and amounts as the Board of Directors may deem advisable.

Transactions in Common Stock for 2007 and 2006 were as follows:

	Shares		Amount	
	Six months ended June 30, 2007	Year ended December 31, 2006	Six months ended June 30, 2007	Year ended December 31, 2006
-----				
Shares issued in payment of distributions	267	2,302,681	\$ 3,761	\$ 31,661,698
Shares purchased (at a weighted average discount from net asset value of 13.2% and 13.9%, respectively)	(989,124)	(1,623,542)	(13,843,891)	(21,770,315)
Net activity under the Equity-Based Compensation Plans	43,766	59,477	324,511	423,621
-----				
Net change	(945,091)	738,616	\$ (13,515,619)	\$ 10,315,004
-----				

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

-----  
5. Retirement Plans

The Company's non-contributory qualified defined benefit pension plan covers all employees with at least one year of service. In addition, the Company has a non-contributory nonqualified defined benefit plan which provides eligible employees with retirement benefits to supplement the qualified plan. Benefits are based on length of service and compensation during the last five years of employment.

The funded status of the plans is recognized as an asset (overfunded plan) or a liability (underfunded plan) in the Statement of Assets and Liabilities. Changes in the prior service costs and accumulated actuarial gains and losses are recognized as accumulated other comprehensive income, a component of net assets, in the year in which the changes occur.

The Company's policy is to contribute annually to the plans those amounts that can be deducted for federal income tax purposes, plus additional amounts as the Company deems appropriate in order to provide assets sufficient to meet benefits to be paid to plan participants. During the six months ended June 30, 2007, the Company did not contribute to the plans. The Company does not anticipate making any contribution to the overfunded plan in 2007.

The following table aggregates the components of the plans' net periodic pension cost:

	Six months ended June 30, 2007	Year ended December 31, 2006
	-----	-----
Service cost	\$ 243,658	\$ 460,969
Interest cost	284,247	518,015
Expected return on plan assets	(427,777)	(922,155)
Amortization of prior service cost	47,254	119,776
Amortization of net loss	81,313	180,764
Deferred asset gain	--	128,119
	-----	-----
Net periodic pension cost	\$ 228,695	\$ 485,488
	-----	-----

The Company also sponsors a defined contribution plan that covers substantially all employees. For the six months ended June 30, 2007, the Company expensed contributions of \$95,309. The Company does not provide postretirement medical benefits.

## 6. Equity-Based Compensation

Although the Stock Option Plan of 1985 ("1985 Plan") has been discontinued and no further grants will be made under this plan, unexercised grants of stock

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

options and stock appreciation rights granted in 2004 and prior years remain outstanding. The exercise price of the unexercised options and related stock appreciation rights is the fair market value on date of grant, reduced by the per share amount of capital gains paid by the Company during subsequent years. All options and related stock appreciation rights terminate 10 years from date of grant, if not exercised.

A summary of option activity under the 1985 Plan as of June 30, 2007, and changes during the six month period then ended, is presented below:

	Options	Weighted- Average Exercise Price	Weighted- Average Remaining Life (Years)
	-----	-----	-----
Outstanding at December 31, 2006	201,990	\$11.81	4.79
Exercised	(55,186)	10.38	--
Outstanding at June 30, 2007	146,804	\$12.33	3.97
Exercisable at June 30, 2007	80,282	\$12.86	3.25

The options outstanding as of June 30, 2007 are set forth below:

Exercise Price	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
-----	-----	-----	-----
\$8.25-\$10.49	42,817	\$ 9.25	3.64
\$10.50-\$12.74	52,839	11.02	5.10
\$12.75-\$14.99	--	--	--
\$15.00-\$17.25	51,148	16.28	3.09
Outstanding at June 30, 2007	146,804	\$12.33	3.97

Compensation cost resulting from stock options and stock appreciation rights granted under the 1985 Plan is based on the intrinsic value of the award, recognized over the award's vesting period, and remeasured at each reporting date through the date of settlement. The total compensation cost recognized for the six months ended June 30, 2007 was \$115,897.

The 2005 Equity Incentive Compensation Plan ("2005 Plan"), adopted at the 2005 Annual Meeting, permits the grant of stock options, restricted stock awards and other stock incentives to key employees and all non-employee directors. The 2005 Plan provides for the issuance of up to 3,413,131 shares of the Company's Common Stock, including both performance and nonperformance-based restricted stock. Performance-based restricted stock awards vest at the end of a specified three year period, with the ultimate number of awards earned contingent on achievement of certain performance targets. If performance targets are not achieved, all or a portion of the performance-based awards are forfeited and become available for future grants. Nonperformance-based restricted stock

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

awards vest ratably over a three year period and nonperformance-based restricted stock units (granted to non-employee directors) vest over a one year period. It is the current intention that employee grants will be performance-based. The 2005 Plan provides for accelerated vesting in the event of death or retirement. Non-employee directors also may elect to defer a portion of their cash compensation, with such deferred amount to be paid by delivery of deferred stock units. Outstanding awards are granted at fair market value on grant date. The number of shares of Common Stock which remains available for future grants under the 2005 Plan at June 30, 2007 is 3,289,337 shares.

The Company pays dividends and dividend equivalents on outstanding awards, which are charged to net assets when paid. Dividends and dividend equivalents paid on restricted awards that are later forfeited are reclassified to compensation expense.

A summary of the status of the Company's awards granted under the 2005 Plan as of June 30, 2007, and changes during the six month period then ended, is presented below:

Awards -----	Shares/ Units -----	Weighted Average Grant-Date Fair Value -----
Balance at December 31, 2006	70,493	\$12.92
Granted:		
Restricted stock	32,720	13.73
Restricted stock units	6,000	14.07
Deferred stock units	963	13.90
Vested	(13,197)	12.99
Forfeited	--	--
-----		
Balance at June 30, 2007 (includes 82,220 performance-based awards and 14,759 nonperformance-based awards)	96,979	\$13.13
-----		

6

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

-----

Compensation costs resulting from awards granted under the 2005 Plan are based on the fair value of the award on grant date (determined by the average of the high and low price on grant date) and recognized on a straight-line basis over the requisite service period. For those awards with performance conditions, compensation costs are based on the most probable outcome and, if such goals are not met, compensation cost is not recognized and any previously recognized compensation cost is reversed. The total compensation costs for restricted stock granted to employees for the period ending June 30, 2007 were \$209,452. The total compensation costs for restricted stock units granted to non-employee directors for the period ended June 30, 2007 were \$44,876. As of June 30, 2007, there were total unrecognized compensation costs of \$807,143, a component of

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

additional capital surplus, related to nonvested equity-based compensation arrangements granted under the 2005 Plan. Those costs are expected to be recognized over a weighted average period of 1.87 years.

### 7. Officer and Director Compensation

The aggregate remuneration paid during the six months ended June 30, 2007 to officers and directors amounted to \$2,080,502, of which \$185,041 was paid as fees and compensation to directors who were not officers. These amounts represent the taxable income to the Company's officers and directors and therefore differ from the amounts reported in the accompanying Statement of Operations that are recorded and expensed in accordance with generally accepted accounting principles.

### 8. Portfolio Securities Loaned

The Company makes loans of securities to brokers, secured by cash deposits, U.S. Government securities, or bank letters of credit. The Company accounts for securities lending transactions as secured financing and receives compensation in the form of fees or retains a portion of interest on the investment of any cash received as collateral. The Company also continues to receive interest or dividends on the securities loaned. The loans are secured at all times by collateral of at least 102% of the fair value of the securities loaned plus accrued interest. Gain or loss in the fair value of the securities loaned that may occur during the term of the loan will be for the account of the Company. At June 30, 2007, the Company had securities on loan of \$50,590,515 and held collateral of \$51,790,258, consisting of an investment trust fund which may invest in money market instruments, commercial paper, repurchase agreements, U.S. Treasury Bills, and U.S. agency obligations.

7

## FINANCIAL HIGHLIGHTS

	Six Months Ended		Year Ended December		
	June 30, 2007	June 30, 2006	2006	2005	2004
 Per Share Operating Performance					
Net asset value, beginning of period	\$15.86	\$14.71	\$14.71	\$15.04	\$14.36
Net investment income	0.19*	0.11	0.23	0.22	0.23**
Net realized gains and increase (decrease) in unrealized appreciation	1.09	0.37	1.86	0.32	1.39
Change in accumulated other					

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

comprehensive income (note 5)	--	--	(0.02)	--	--
-----					
Total from investment operations	1.28	0.48	2.07	0.54	1.62
-----					
Less distributions					
Dividends from net investment income	(0.09)	(0.08)	(0.23)	(0.22)	(0.24)
Distributions from net realized gains	(0.01)	(0.02)	(0.67)	(0.64)	(0.66)
-----					
Total distributions	(0.10)	(0.10)	(0.90)	(0.86)	(0.90)
-----					
Capital share repurchases	0.02	0.03	0.04	0.05	0.02
Reinvestment of distributions	--	--	(0.06)	(0.06)	(0.06)
-----					
Total capital share transactions	0.02	0.03	(0.02)	(0.01)	(0.04)
-----					
Net asset value, end of period	\$17.06	\$15.12	\$15.86	\$14.71	\$15.04
-----					
Per share market price, end of period	\$14.89	\$12.87	\$13.87	\$12.55	\$13.12
-----					
Total Investment Return					
Based on market price	8.1%	3.3%	17.9%	2.2%	13.2%
Based on net asset value	8.3%	3.6%	15.0%	4.5%	12.1%
-----					
Ratios/Supplemental Data					
Net assets, end of period (in 000's)	\$1,465,250	\$1,286,894	\$1,377,418	\$1,266,729	\$1,295,549
Ratio of expenses to average net assets	0.46%+	0.47%+	0.50%	0.45%	0.43%
Ratio of net investment income to average net assets	2.31%+	1.38%+	1.50%	1.44%	1.54%
Portfolio turnover	13.11%+	13.55%+	10.87%	12.96%	13.43%
Number of shares outstanding at end of period (in 000's)	85,893	85,117	86,838	86,100	86,135
-----					

-----  
\*In April 2007 the Company received \$5,100,000, or \$0.06 per share, in a special cash dividend from Dean Foods Co.

\*\*In 2004 the Company received \$2,400,000, or \$0.03 per share, in an extraordinary dividend from Microsoft Corp.

+Ratios presented on an annualized basis.

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

8

SCHEDULE OF INVESTMENTS

June 30, 2007

	Shares	Value (A)
-----		
June 30, 2007		
-----		
Stocks and Convertible Securities -- 95.9%		
Consumer -- 16.6%		
Consumer Discretionary -- 7.1%		
BJ's Wholesale Club, Inc. (B)	450,000	\$ 16,213,500
Comcast Corp. (B)	525,000	14,763,000
Gannett Co., Inc.	112,500	6,181,875
Harley-Davidson, Inc. (C)	120,000	7,153,200
Lowe's Companies, Inc.	575,000	17,646,750
Newell Rubbermaid Inc.	400,000	11,772,000
Ryland Group Inc. (C)	305,000	11,397,850
Target Corp.	290,000	18,444,000
		-----
		103,572,175
		-----
Consumer Staples -- 9.5%		
Avon Products, Inc.	418,400	15,376,200
Bunge Ltd.	140,000	11,830,000
Coca-Cola Co.	200,000	10,462,000
Dean Foods Co.	340,000	10,835,800
Del Monte Foods Co.	1,115,000	13,558,400
PepsiCo, Inc.	400,000	25,940,000
Procter & Gamble Co.	340,000	20,804,600
Safeway Inc.	390,000	13,271,700
Unilever plc ADR	550,000	17,743,000
		-----
		139,821,700
		-----
Energy -- 13.1%		
ConocoPhillips	345,000	27,082,500
ENSCO International, Inc.	209,150	12,760,242
Exxon Mobil Corp.	215,000	18,034,200
Marathon Oil Co.	240,000	14,390,400
Murphy Oil Corp.	38,500	2,288,440
Petroleum & Resources Corporation (D)	2,186,774	84,453,212
Schlumberger Ltd.	380,000	32,277,200
		-----
		191,286,194
		-----
Financials -- 16.4%		
Banking -- 12.8%		
BankAtlantic Bancorp, Inc.	880,000	7,576,800
Bank of America Corp.	610,000	29,822,900
Bank of New York Co., Inc.		

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

(The)	375,000	15,540,000
Compass Bancshares Inc.	85,000	5,863,300
Fifth Third Bancorp	280,000	11,135,600
Investors Financial Services Corp.	357,500	22,047,024
Morgan Stanley	150,000	12,582,000
PNC Financial Services Group Inc.	200,000	14,316,000
Prosperity Bancshares, Inc.	200,000	6,552,000
Wachovia Corp.	470,000	24,087,500
Wells Fargo & Co.	650,000	22,860,500
Wilmington Trust Corp.	363,000	15,068,130
		-----
		187,451,754
		-----

	Shares	Value (A)
	-----	-----
Insurance -- 3.6%		
AMBAC Financial Group, Inc.	200,000	\$ 17,438,000
American International Group, Inc.	500,000	35,015,000
		-----
		52,453,000
		-----
Health Care -- 12.1%		
Abbott Laboratories	320,000	17,136,000
Advanced Medical Optics, Inc. (B) (C)	325,000	11,336,000
Bristol-Myers Squibb Co.	345,000	10,888,200
CVS/Caremark Corp.	208,750	7,608,938
Genentech, Inc. (B)	220,000	16,645,200
Johnson & Johnson	255,000	15,713,100
Medtronic, Inc.	310,000	16,076,600
Pfizer Inc.	1,120,000	28,638,400
Senomyx, Inc. (B) (C)	550,000	7,425,000
Teva Pharmaceutical Industries Ltd. ADR	385,000	15,881,250
Wyeth Co.	325,000	18,635,500
Zimmer Holdings, Inc. (B)	125,000	10,611,250
		-----
		176,595,438
		-----
Industrials -- 14.2%		
Cintas Corp.	300,000	11,829,000
Curtiss-Wright Corp.	360,000	16,779,600
Emerson Electric Co.	400,000	18,720,000
General Electric Co.	1,487,700	56,949,156
Illinois Tool Works Inc.	250,000	13,547,500
Masco Corp.	450,000	12,811,500
Oshkosh Truck Corp.	270,000	16,988,400
3M Co.	160,000	13,886,400
Spirit AeroSystems Holdings, Inc. (B)	395,000	14,239,750
United Parcel Service, Inc.	155,000	11,315,000
United Technologies Corp.	300,000	21,279,000
		-----
		208,345,306
		-----

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

Information Technology -- 12.7%		
Communication Equipment -- 1.6%		
Avaya Inc. (B)	600,000	10,104,000
Corning Inc. (B)	500,000	12,775,000
		-----
		22,879,000
		-----
Computer Related -- 8.3%		
Automatic Data Processing Inc.	300,000	14,541,000
BEA Systems, Inc. (B)	800,000	10,952,000
Cisco Systems, Inc. (B)	850,000	23,672,500
Dell Inc. (B)	585,000	16,701,750
Microsoft Corp.	1,180,000	34,774,600
Oracle Corp. (B)	1,100,000	21,681,000
		-----
		122,322,850
		-----
Electronics -- 2.8%		
Broadcom Corp. (B)	400,000	11,700,000
Cree, Inc. (B) (C)	375,000	9,693,750
Intel Corp.	800,000	19,008,000
		-----
		40,401,750
		-----

9

SCHEDULE OF INVESTMENTS (CONTINUED)

-----  
June 30, 2007

	Shares	Value (A)
	-----	-----
Materials -- 4.9%		
Air Products and Chemicals, Inc.	230,000	\$ 18,485,100
du Pont (E.I.) de Nemours and Co.	360,000	18,302,400
Florida Rock Industries Inc.	200,000	13,500,000
Rohm & Haas Co.	400,000	21,872,000
		-----
		72,159,500
		-----
Telecom Services -- 2.8%		
Alltel Corp.	300,000	20,265,000
AT&T Corp.	400,000	16,600,000
Windstream Corp.	310,178	4,578,227
		-----
		41,443,227
		-----
Utilities -- 3.1%		
Aqua America, Inc. (C)	499,000	11,222,510
Duke Energy Corp.	611,560	11,191,548
MDU Resources Group, Inc.	562,500	15,772,500
Spectra Energy Corp.	305,780	7,938,049

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

	-----
	46,124,607
	-----
Total Stocks and Convertible Securities	
(Cost \$928,485,049) (E)	\$1,404,856,501
	-----

	Prin. Amt.	Value (A)
	-----	-----
-		
Short-Term Investments -- 3.8%		
U.S. Government Obligations -- 1.1%		
U.S. Treasury Bills,		
4.70%, due 8/16/07	\$16,500,000	\$ 16,400,908
		-----
Time Deposit -- 0.0%		
Bank of America Corp.,		
4.64%, due 7/2/07		206,900
		-----
Commercial Paper -- 2.7%		
AIG Funding Inc.,		
5.25%, due 7/5/07	5,400,000	5,396,850
American General Finance,		
Inc., 5.26%, due 7/10/07	5,000,000	4,993,431
Chevron Funding Corp.,		
5.21%, due 7/17/07	6,000,000	5,986,107
General Electric Capital		
Corp., 5.23-5.24%, due		
7/5/07-7/19/07	11,500,000	11,476,108
Toyota Motor Credit Corp.,		
5.21-5.23%, due 7/3/07-		
7/24/07	11,600,000	11,582,269
		-----
		39,434,765
		-----
Total Short-Term Investments		
(Cost \$56,042,573)		56,042,573
		-----
Total Securities Lending Collateral -- 3.5%		
(Cost \$51,790,258)		
Brown Brothers Investment		
Trust, 5.28%, due 7/2/07		51,790,258
		-----
Total Investments -- 103.2%		
(Cost \$1,036,317,880)		1,512,689,332
Cash, receivables, prepaid pension cost,		
prepaid expenses and other assets, less		
liabilities -- (3.2)%		(47,439,426)
		-----
Net Assets -- 100%		\$1,465,249,907
		=====

Notes:

- (A) See note 1 to financial statements. Securities are listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ.
- (B) Presently non-dividend paying.
- (C) Some of the shares of this company are on loan. See note 8 to financial statements.

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

- (D) Non-controlled affiliate, a closed-end sector fund, registered as an investment company under the Investment Company Act of 1940.
- (E) The aggregate market value of stocks held in escrow at June 30, 2007 covering open call option contracts written was \$12,388,240. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was \$10,952,500.

10

### PORTFOLIO SUMMARY

June 30, 2007  
(unaudited)

#### Ten Largest Portfolio Holdings

	Market Value	% of Net Assets
	-----	-----
Petroleum & Resources Corporation*	\$ 84,453,212	5.8
General Electric Co.	56,949,156	3.9
American International Group, Inc.	35,015,000	2.4
Microsoft Corp.	34,774,600	2.4
Schlumberger Ltd.	32,277,200	2.2
Bank of America Corp.	29,822,900	2.0
Pfizer Inc.	28,638,400	2.0
ConocoPhillips	27,082,500	1.8
PepsiCo, Inc.	25,940,000	1.8
Wachovia Corp.	24,087,500	1.6
	-----	-----
Total	\$379,040,468	25.9%
	-----	-----

\*Non-controlled affiliate

#### Sector Weightings

[CHART]

Consumer	16.6%
Energy	13.1%
Financials	16.4%
Health Care	12.1%
Industrials	14.2%
Information Technology	12.7%
Materials	4.9%
Telecom Services	2.8%
Utilities	3.1%
Short-Term Investments	3.8%

11

# Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

## SCHEDULE OF OUTSTANDING OPTION CONTRACTS

June 30, 2007

Contracts (100 shares each)	Security	Strike Price	Contract Expiration Date	Appreciation/ (Depreciation)
-----------------------------------	----------	-----------------	--------------------------------	---------------------------------

### COVERED CALLS

100	AMBAC Financial Group, Inc.	\$100	Aug	07	\$ 8,700
200	Avon Products, Inc.	45	Oct	07	19,399
250	BJ's Wholesale Club, Inc.	45	Dec	07	9,249
100	Bunge Ltd.	90	Jul	07	4,700
100	Bunge Ltd.	95	Oct	07	(5,200)
250*	Comcast Corp.	33.38	Jul	07	24,874
100	Cree, Inc.	30	Sep	07	(300)
240	Marathon Oil Co.	62.50	Oct	07	(67,560)
100	Morgan Stanley	85	Jul	07	(2,301)
200	Rohm & Haas Co.	55	Oct	07	(22,075)
200	Ryland Group Inc.	65	Jul	07	40,399
250	Safeway Inc.	40	Sep	07	16,624
100	Target Corp.	70	Jul	07	10,949
200	Target Corp.	70	Oct	07	(6,201)
-----					-----
2,390					31,257
-----					-----

### COLLATERALIZED PUTS

250	Broadcom Corp.	30	Aug	07	(23,875)
100	Exxon Mobil Corp.	65	Jul	07	11,100
250	Lowe's Companies, Inc.	30	Oct	07	(10,125)
200	Lubrizol Corp.	55	Dec	07	(78,600)
200	Lubrizol Corp.	60	Dec	07	(48,600)
250	Oshkosh Truck Corp.	45	Jul	07	17,999
150	Oshkosh Truck Corp.	50	Jul	07	14,549
100	PNC Financial Services Group Inc.	70	Aug	07	(3,300)
100	Procter & Gamble Co.	60	Oct	07	(6,300)
150	Ryland Group Inc.	37.50	Jul	07	(4,950)
35	Ryland Group Inc.	40	Jul	07	(7,455)
250	Spirit AeroSystems Holdings, Inc.	35	Oct	07	(14,145)
250	3M Corp.	70	Jul	07	31,749
-----					-----
2,285					(121,953)
-----					-----
					\$ (90,696)
					=====

-----  
\*150 shares per contract.

# Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

## CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended June 30, 2007  
(unaudited)

	Shares		
	Additions	Reductions	Held June 30, 2007
Broadridge Financial Solutions, Inc.	75,000/(1)/	75,000	--
Broadcom Corp.....	400,000		400,000
Lowe's Companies, Inc.....	575,000		575,000
Marathon Oil Co.....	120,000/(2)/		240,000
Ryland Group Inc.....	170,000		305,000
Senomyx, Inc.....	550,000		550,000
Spirit Aerosystems Holdings, Inc....	395,000		395,000
Air Products and Chemicals, Inc.....		20,000	230,000
Aqua America, Inc.....		109,000	499,000
Avon Products, Inc.....		11,600	418,400
BJ's Wholesale Club, Inc.....		50,000	450,000
Bunge Ltd.....		40,000	140,000
Clear Channel Communications, Inc...		175,000	--
Compass Bancshares Inc.....		215,000	85,000
Curtiss-Wright Corp.....		100,000	360,000
Investors Financial Services Corp...		25,000	357,500
Martin Marietta Materials, Inc.....		14,600	--
MedImmune, Inc.....		225,000/(3)/	--
Morgan Stanley.....		20,000	150,000
OSI Restaurant Partners, Inc.....		315,000	--

/(1)/Received .25 share for each share of Automatic Data Processing Inc. held.

/(2)/By stock split.

/(3)/Received \$58.00 per share through tender offer.

13

## HISTORICAL FINANCIAL STATISTICS

(unaudited)

Dec. 31	Value Of Net Assets	Shares Outstanding*	Net Asset Value Per Share*	Market Value Per Share*	Dividends From Investment Income Per Share*	Distributions From Net Realized Gains Per Share*	Total Dividen and Distribut Per Share
1997	\$1,424,170,425	74,923,859	\$19.01	\$16.13	\$.29	\$1.01	\$1.30
1998	1,688,080,336	77,814,977	21.69	17.75	.30	1.10	1.40

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

1999	2,170,801,875	80,842,241	26.85	22.38	.26	1.37	1.63
2000	1,951,562,978	82,292,262	23.72	21.00	.22	1.63	1.85
2001	1,368,366,316	85,233,262	16.05	14.22	.26	1.39	1.65
2002	1,024,810,092	84,536,250	12.12	10.57	.19	.57	.76
2003	1,218,862,456	84,886,412	14.36	12.41	.17	.61	.78
2004	1,295,548,900	86,135,292	15.04	13.12	.24	.66	.90
2005	1,266,728,652	86,099,607	14.71	12.55	.22	.64	.86
2006	1,377,418,310	86,838,223	15.86	13.87	.23	.67	.90
June 30, 2007	1,465,249,907	85,893,132	17.06	14.89	.14+	.01+	.15

-----  
 \*Adjusted to reflect the 3-for-2 stock split effected in October 2000.

\*\*The annual rate of distribution is the total dividends and capital gain distributions during the year divided by the average daily market price of the Company's Common Stock.

+Paid or declared.

-----  
 Common Stock  
 Listed on the New York Stock Exchange

The Adams Express Company  
 Seven St. Paul Street, Suite 1140, Baltimore, MD 21202  
 (410) 752-5900 or (800) 638-2479  
 Website: www.adamsexpress.com  
 E-mail: contact@adamsexpress.com  
 Counsel: Chadbourne & Parke L.L.P.

Independent Registered Public Accounting Firm: PricewaterhouseCoopers LLP  
 Transfer Agent & Registrar: American Stock Transfer & Trust Co.  
 Custodian of Securities: Brown Brothers Harriman & Co.

14

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

-----  
 To the Board of Directors and Stockholders of  
 The Adams Express Company:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Adams Express Company (the Company) at June 30, 2007, the results of its operations, the changes in its net assets and the financial highlights for each of the fiscal periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

statement presentation. We believe that our audits, which included confirmation of securities at June 30, 2007, by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Baltimore, Maryland  
July 13, 2007

15

### AMENDED AND RESTATED BYLAWS

---

In June 2007, the Board of Directors of the Company adopted Amended and Restated Bylaws for the Company. Among other changes, the Amended and Restated Bylaws:

- . add procedures and informational requirements governing the calling of a stockholder-requested special meeting of stockholders;
- . add informational requirements and modify the timing for the advance notice of stockholder nominees for the Board of Directors and of other stockholder proposals --stockholders are now generally required to notify the Company in writing of any proposal which they intend to present at an annual meeting of stockholders, including any nominations for director, between 120 and 150 days prior to the first anniversary of the mailing date of the notice for the prior year's annual meeting of stockholders;
- . implement changes to conform to the charter of the Company as recently amended and restated by the stockholders; and
- . include updates to conform to changes in Maryland law and current corporate governance practice.

As a result of the changes to the advance notice bylaws summarized above, the advance notice of Director nominees and any other proposals that a stockholder seeks to bring before the 2008 Annual Meeting but does not seek to have included in the Company's proxy statement and form of proxy for that meeting must be received at the office of the Company no earlier than September 19, 2007, and no later than October 19, 2007. Please note that these dates are different from those that were provided in the Company's proxy statement for the 2007 Annual Meeting, which dates are no longer correct.

The foregoing is only a summary and is qualified in its entirety by reference to the Amended and Restated Bylaws, a copy of which will be filed with the Securities and Exchange Commission as an exhibit to the Company's next report on Form NSAR. The Amended and Restated Bylaws are also available upon written request to the Secretary of the Company.

---

This report, including the financial statements herein, is transmitted to the stockholders of The Adams Express Company for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Company or of any securities mentioned in the report. The rates of return will vary and the principal value of an investment will

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

fluctuate. Shares, if sold, may be worth more or less than their original cost. Past performance is not indicative of future investment results.

16

### OTHER INFORMATION

---

#### Statement on Quarterly Filing of Complete Portfolio Schedule

In addition to publishing its complete schedule of portfolio holdings in the First and Third Quarter Reports to stockholders, the Company files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Company's Forms N-Q are available on the Commission's website at [www.sec.gov](http://www.sec.gov). The Company's Forms N-Q may be reviewed and copied at the Commission's Public Reference Room, and information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The Company also posts its Forms N-Q on its website at [www.adamsexpress.com](http://www.adamsexpress.com) under the heading "Financial Reports".

#### Proxy Voting Policies and Record

A description of the policies and procedures that the Company uses to determine how to vote proxies relating to portfolio securities owned by the Company and information as to how the Company voted proxies relating to portfolio securities during the 12 month period ended June 30, 2007 are available (i) without charge, upon request, by calling the Company's toll free number at (800) 638-2479; (ii) on the Company's website by clicking on "Corporate Information" heading on the website; and (iii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

#### Privacy Policy

In order to conduct its business, The Adams Express Company, through its transfer agent, currently American Stock Transfer & Trust Company, collects and maintains certain nonpublic personal information about our stockholders of record with respect to their transactions in shares of our securities. This information includes the stockholder's address, tax identification or Social Security number, share balances, and dividend elections. We do not collect or maintain personal information about stockholders whose shares of our securities are held in "street name" by a financial institution such as a bank or broker.

We do not disclose any nonpublic personal information about you, our other stockholders or our former stockholders to third parties unless necessary to process a transaction, service an account or as otherwise permitted by law.

To protect your personal information internally, we restrict access to nonpublic personal information about our stockholders to those employees who need to know that information to provide services to our stockholders. We also maintain certain other safeguards to protect your nonpublic personal information.

17

### STOCKHOLDER INFORMATION AND SERVICES

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

---

### DIVIDEND PAYMENT SCHEDULE

The Company presently pays dividends four times a year, as follows: (a) three interim distributions on or about March 1, June 1, and September 1, and (b) a "year-end" distribution, payable in late December, consisting of the estimated balance of the net investment income for the year and the net realized capital gain earned through October 31. Stockholders may elect to receive the year-end distribution in stock or cash. In connection with this distribution, all stockholders of record are sent a dividend announcement notice and an election card in mid-November.

Stockholders holding shares in "street" or brokerage accounts may make their election by notifying their brokerage house representative.

### INVESTORS CHOICE

INVESTORS CHOICE is a direct stock purchase and sale plan, as well as a dividend reinvestment plan, sponsored and administered by our transfer agent, American Stock Transfer & Trust Company (AST). The Plan provides registered stockholders and interested first time investors an affordable alternative for buying, selling, and reinvesting in Adams Express shares.

The costs to participants in administrative service fees and brokerage commissions for each type of transaction are listed below.

Initial Enrollment and Optional Cash Investments	
Service Fee	\$2.50 per investment
Brokerage Commission	\$0.05 per share
Reinvestment of Dividends*	
Service Fee	2% of amount invested (maximum of \$2.50 per investment)
Brokerage Commission	\$0.05 per share
Sale of Shares	
Service Fee	\$10.00
Brokerage Commission	\$0.05 per share
Deposit of Certificates for safekeeping	\$7.50
Book to Book Transfers	Included

To transfer shares to another participant or to a new participant

Fees are subject to change at any time.

Minimum and Maximum Cash Investments

Initial minimum investment (non-holders)	\$500.00
Minimum optional investment (existing holders)	\$50.00
Electronic Funds Transfer (monthly minimum)	\$50.00
Maximum per transaction	\$25,000.00
Maximum per year	NONE

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

A brochure which further details the benefits and features of INVESTORS CHOICE as well as an enrollment form may be obtained by contacting AST.

For Non-Registered Stockholders

For stockholders whose stock is held by a broker in "street" name, the AST INVESTORS CHOICE Direct Stock Purchase and Sale Plan remains available through many registered investment security dealers. If your shares are currently held in a "street" name or brokerage account, please contact your broker for details about how you can participate in AST's Plan or contact AST.

-----

The Company  
The Adams Express Company  
Lawrence L. Hooper, Jr.  
Vice President, General Counsel and Secretary  
Seven St. Paul Street, Suite 1140, Baltimore, MD 21202  
(800) 638-2479  
Website: [www.adamsexpress.com](http://www.adamsexpress.com)  
E-mail: [contact@adamsexpress.com](mailto:contact@adamsexpress.com)

The Transfer Agent  
American Stock Transfer & Trust Company  
Address Stockholder Inquiries to:  
Stockholder Relations Department  
59 Maiden Lane  
New York, NY 10038  
(877) 260-8188  
Website: [www.amstock.com](http://www.amstock.com)  
E-mail: [info@amstock.com](mailto:info@amstock.com)

Investors Choice Mailing Address:  
Attention: Dividend Reinvestment  
P.O. Box 922  
Wall Street Station  
New York, NY 10269-0560  
Website: [www.amstock.com](http://www.amstock.com)  
E-mail: [info@amstock.com](mailto:info@amstock.com)

\*The year-end dividend and capital gain distribution will usually be made in newly issued shares of common stock. There are no fees or commissions in connection with this dividend and capital gain distribution when made in newly issued shares.

18

Item 2: Code(s) of Ethics for senior financial officers -  
Item not applicable to semi-annual report.

Item 3: Audit Committee Financial Expert - Item not  
applicable to semi-annual report.

Item 4: Principal Accountant Fees and Services - Item not  
applicable to semi-annual report.

Item 5: Audit Committee of Listed Registrants - Item not  
applicable to semi-annual report.

Item 6: Schedule of Investments - This schedule is included  
as part of the report to shareholders filed under Item 1 of

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

this form.

Item 7: Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies - Item not applicable to semi-annual report.

Item 8: Portfolio Managers of Closed-End Management Investment Companies - Item not applicable to semi-annual report.

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

Period(2)	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
Jan. 2007	158,900	\$ 13.83	158,900	3,927,692
Feb. 2007	236,055	\$ 14.03	236,055	3,691,637
Mar. 2007	409,219	\$ 13.82	409,219	3,282,418
Apr. 2007	117,050	\$ 14.17	117,050	3,165,368
May 2007	0	\$ 0	0	3,165,368
June 2007	67,900	\$ 15.01	67,900	3,097,468
Total	989,124 (1)	\$ 14.00	989,124 (2)	3,097,468 (2)

(1) There were no shares purchased other than through a publicly announced plan or program.

(2.a) The Plan was reapproved on December 14, 2006.

(2.b) The share amount approved in 2006 was 5% of outstanding shares, or approximately 4,235,634 shares.

(2.c) Unless reapproved, the Plan will expire on or about December 13, 2007.

(2.d) None.

(2.e) None.

Item 10. Submission of Matters to a Vote of Security Holders. In June 2007, Registrant's Board of Directors adopted Amended and Restated Bylaws for the Company that, among other changes, make material changes to the procedures by which stockholders may recommend nominees to Registrant's Board of Directors. In general, the changes add informational requirements and modify the timing for the advance notice of stockholder nominees for the Board of Directors and of other stockholder proposals -- stockholders are now generally required to notify the Company in writing of any proposal which they intend to present at an annual meeting of stockholders, including any nominations for director, between 120 and 150 days prior to the first anniversary of the mailing date of the notice for the prior year's annual meeting of stockholders.

The Amended and Restated Bylaws governing the advance notice

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

requirements for stockholders who wish to recommend Director nominees provide as follows:

Section 2.9. Advance Notice of Stockholder Nominees for Director and Other Stockholder Proposals.

(a) Annual Meetings of Stockholders.

(1) Nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record both at the time of giving of notice by the stockholder as provided for in this Section 2.9(a) and at the time of the annual meeting, who is entitled to vote at the meeting and who has complied with this Section 2.9(a).

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a)(1) of this Section 2.9, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for action by the stockholders. To be timely, a stockholder's notice shall set forth all information required under this Section 2.9 and shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the 150th day prior to the first anniversary of the Date of Mailing of the Notice (as defined herein) for the preceding year's annual meeting nor later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the Date of Mailing of the Notice for the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (i) as to each individual whom the stockholder proposes to nominate for election or reelection as a director, (A) the name, age, business address and residence address of such individual, (B) the class, series and number of any shares of stock of the Corporation that are beneficially owned by such individual, (C) the date such shares were acquired and the investment intent of such acquisition, (D) whether such stockholder believes any such individual is, or is not, an "interested person" of the Corporation, as defined in the Investment Company Act of 1940, as amended, and the rules promulgated thereunder (the "Investment Company Act") and information regarding such individual that is sufficient, in the discretion of the Board of Directors or any committee thereof or any authorized officer of the Corporation, to

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

make such determination and (E) all other information relating to such individual that is required to be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act and the rules thereunder (including such individual's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a description of such business, the reasons for proposing such business at the meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder and the Stockholder Associated Person therefrom; (iii) as to the stockholder giving the notice and any Stockholder Associated Person, (A) the class, series and number of all shares of stock of the Corporation which are owned by such stockholder and by such Stockholder Associated Person, if any, (B) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, (C) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk of share price changes for, or to increase the voting power of, such stockholder or any such Stockholder Associated Person with respect to any share of stock of the Corporation (collectively, "Hedging Activities") and (D) a general description of whether and the extent to which such stockholder or such Stockholder Associated Person has engaged in Hedging Activities with respect to shares of stock of any other closed-end investment company; (iv) as to the stockholder giving the notice and any Stockholder Associated Person covered by clauses (ii) or (iii) of this paragraph (2) of this Section 2.9(a), the name and address of such stockholder, as they appear on the Corporation's stock ledger and current name and address, if different, and of such Stockholder Associated Person; and (v) to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business on the date of such stockholder's notice.

(3) Notwithstanding anything in this subsection (a) of this Section 2.9 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement of such action at least 130 days prior to the first anniversary of the date of mailing of the notice of the preceding year's annual meeting, a stockholder's notice required by this Section 2.9(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than 5:00 p.m., Eastern Time, on the tenth day following the day on which such public

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

announcement is first made by the Corporation.

(4) For purposes of this Section 2.9, "Stockholder Associated Person" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder (including, without limitation, any person who is a member of a "group" for purposes of Section 13(d) of the Exchange Act, or any successor provision, that includes such stockholder), (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder and (iii) any person controlling, controlled by or under common control with such Stockholder Associated Person.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any stockholder of the Corporation who is a stockholder of record both at the time of giving of notice provided for in this Section 2.9 and at the time of the special meeting, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 2.9. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more individuals to the Board of Directors, any such stockholder may nominate an individual or individuals (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (2) of this Section 2.9(a) shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the 150th day prior to such special meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The public announcement of a postponement or adjournment of a special meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(c) General.

(1) Upon written request by the Secretary or the Board of Directors or any committee thereof, any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), written verification, satisfactory, in the discretion of the Board of Directors or any committee thereof or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 2.9. If a stockholder

## Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

fails to provide such written verification within such period, the information as to which written verification was requested may be deemed not to have been provided in accordance with this Section 2.9.

(2) Only such individuals who are nominated in accordance with this Section 2.9 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with this Section 2.9. The chairman of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with this Section 2.9.

(3) For purposes of this Section 2.9, (a) the "Date of Mailing of the Notice" shall mean the date of the proxy statement for the solicitation of proxies for election of directors and (b) "public announcement" shall mean disclosure (i) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or comparable news service or (ii) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act or the Investment Company Act.

(4) Notwithstanding the foregoing provisions of this Section 2.9, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.9. Nothing in this Section 2.9 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, nor the right of the Corporation to omit a proposal from, the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act.

The Amended and Restated Advance Notice Bylaws apply to Registrant's 2008 Annual Meeting, and the advance notice of Director nominees and any other proposals that a stockholder seeks to bring before the 2008 Annual Meeting but does not seek to have included in the Company's proxy statement and form of proxy for that meeting must be received at the office of the Company no earlier than September 19, 2007, and no later than October 19, 2007.

### Item 11. Controls and Procedures.

Conclusions of principal officers concerning controls and procedures.

(a) As of July 23, 2007, an evaluation was performed under the supervision and with the participation of the officers of registrant, including the principal executive officer (PEO) and principal financial officer (PFO), of the effectiveness of registrant's disclosure controls and procedures. Based on that evaluation, the registrant's officers, including the PEO and PFO, concluded that, as of July 23, 2007, the registrant's disclosure controls and procedures were reasonably designed so as to ensure that material information relating to the registrant is made

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

known to the PEO and PFO.

(b) There have been no significant changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940 (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal half-year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits attached hereto. (Attach certifications as exhibits)

(1) Not applicable. See registrant's response to Item 2, above.

(2) Separate certifications by the registrant's principal executive officer and principal financial officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and required by Rule 30a-2 under the Investment Company Act of 1940, are attached.

A certification by the registrant's principal executive officer and principal financial officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, is attached.

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.

THE ADAMS EXPRESS COMPANY

BY: /s/ Douglas G. Ober  
-----  
Douglas G. Ober  
Chief Executive Officer  
(Principal Executive Officer)

Date: July 23, 2007

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 capacities and on the dates indicated.

BY: /s/ Douglas G. Ober  
-----  
Douglas G. Ober  
Chief Executive Officer  
(Principal Executive Officer)

Date: July 23, 2007

BY: /s/ Maureen A. Jones  
-----  
Maureen A. Jones  
Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)

Edgar Filing: ADAMS EXPRESS CO - Form N-CSRS

Date: July 23, 2007