

LETTER TO STOCKHOLDERS

We submit herewith the audited financial statements of the Company for the six months ended June 30, 2005. 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, 2005 were \$15.06 per share on 84,960,583 shares outstanding, compared with \$15.04 per share at December 31, 2004 on 86,135,292 shares outstanding. On March 1, 2005, a distribution of \$0.05 per share was paid, consisting of \$0.03 from 2004 investment income, \$0.01 from 2004 short-term capital gain, and \$0.01 from 2005 investment income, all taxable in 2005. A 2005 investment income dividend of \$0.05 per share was paid on June 1, 2005 and another \$0.05 investment income dividend has been declared to shareholders of record August 16, 2005, payable on September 1, 2005.

Net investment income for the six months ended June 30, 2005 amounted to \$8,701,535, compared with \$7,719,995 for the same period in 2004. These earnings are equal to \$0.10 and \$0.09 per share, respectively, on the average number of shares outstanding during each period.

Net capital gain realized on investments for the six months ended June 30, 2005 amounted to \$17,716,584, the equivalent of \$0.21 per share.

The Annual Meeting, held on April 27, 2005 in Baltimore, was well attended. The results of the voting at the Annual Meeting are shown on page 17.

Current and potential shareholders 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, at its website (www.adamsexpress.com). Also available at the website are a history of the Company, historical financial information, and other useful information. Further information regarding shareholder services is located on page 18 of this report.

Mr. W. Perry Neff retired from the Board of Directors in April 2005. Mr. Neff was elected to the Board in 1987 and generously shared his extensive financial knowledge acquired from his long and successful career in the banking industry. We wish him well in his retirement and thank him for his eighteen years of distinguished service as a director.

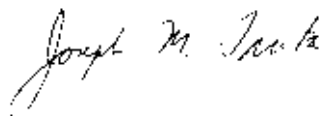
We are pleased to announce effective April 27, 2005, the Board of Directors elected Mr. David R. Schiminger to Vice President—Research. Mr. Schiminger has been with the Company since 2002 as a research analyst covering the healthcare and consumer staples sectors.

The Company is an internally-managed equity fund whose investment policy is based on the primary objectives of preservation of capital, the attainment of reasonable income from investments, and an opportunity for capital appreciation.

By order of the Board of Directors,



Douglas G. Ober,
*Chairman and
Chief Executive Officer*



Joseph M. Truta,
President

July 20, 2005

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2005

Assets

Investments* at value:

Common stocks and convertible securities

(cost \$890,690,578)

\$1,184,235,477

Non-controlled affiliate, Petroleum & Resources Corporation

(cost \$27,963,162)

59,579,880

Short-term investments (cost \$30,767,784)

30,767,784

\$1,274,583,141

Cash

297,344

Receivables:

Investment securities sold

28,049

Dividends and interest

1,482,516

Prepaid pension cost

5,547,843

Prepaid expenses and other assets

1,548,765

Total Assets

1,283,487,658

Liabilities

Investment securities purchased

225,066

Open written option contracts at value (proceeds \$765,056)

946,750

Accrued expenses

3,050,750

Total Liabilities

4,222,566

Net Assets

\$1,279,265,092

Net Assets

Common Stock at par value \$1.00 per share, authorized 150,000,000 shares;

issued and outstanding 84,960,583 shares (includes 13,941 restricted

shares and restricted stock units for 6,750 shares) (Note 6)

\$ 84,960,583

Additional capital surplus

845,310,951

Undistributed net investment income

5,814,847

Undistributed net realized gain on investments

18,198,788

Unrealized appreciation on investments

324,979,923

Net Assets Applicable to Common Stock

\$1,279,265,092

Net Asset Value Per Share of Common Stock

\$15.06

*See Schedule of Investments on pages 9 through 10.

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

STATEMENT OF OPERATIONS

Six Months Ended June 30, 2005

Investment Income

Income:	
Dividends:	
From unaffiliated issuers	\$ 10,757,754
From non-controlled affiliate	397,199
Interest and other income	312,439
<i>Total Income</i>	11,467,392
Expenses:	
Investment research	1,229,364
Administration and operations	571,087
Directors' fees	147,463
Reports and stockholder communications	142,085
Transfer agent, registrar and custodian expenses	191,183
Auditing and accounting services	56,924
Legal services	105,685
Occupancy and other office expenses	208,985
Travel, telephone and postage	50,934
Other	62,147
<i>Total Expenses</i>	2,765,857
Net Investment Income	8,701,535
Realized Gain and Change in Unrealized Appreciation on Investments	
Net realized gain on security transactions	17,597,424
Net realized gain distributed by regulated investment company (non-controlled affiliate)	119,160
Change in unrealized appreciation on investments	(18,690,489)
Net Gain(Loss) on Investments	(973,905)
Change in Net Assets Resulting from Operations	\$ 7,727,630

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

STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2005	Year Ended December 31, 2004
From Operations:		
Net investment income	\$ 8,701,535	\$ 19,008,405
Net realized gain on investments	17,716,584	54,713,903
Change in unrealized appreciation on investments	(18,690,489)	61,557,921
<i>Change in net assets resulting from operations</i>	7,727,630	135,280,229
Distributions to Stockholders from:		
Net investment income	(7,689,212)	(20,157,724)
Net realized gain from investment transactions	(856,720)	(55,099,990)
<i>Decrease in net assets from distributions</i>	(8,545,932)	(75,257,714)
From Capital Share Transactions:		
Value of shares issued in payment of distributions	—	35,690,590
Cost of shares purchased (Note 4)	(15,489,364)	(19,026,661)
Deferred compensation (Notes 4, 6)	23,858	—
<i>Change in net assets from capital share transactions</i>	(15,465,506)	16,663,929
Total Change in Net Assets	(16,283,808)	76,686,444
Net Assets:		
Beginning of period	1,295,548,900	1,218,862,456
End of period (including undistributed net investment income of \$5,814,847 and \$5,038,545, respectively)	\$1,279,265,092	\$1,295,548,900

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

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's investment objectives as well as the nature and risk of its investment transactions are set forth in the Company's registration statement.

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.

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 shareholders 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 shareholders 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, 2005 was \$948,934,273 and net unrealized appreciation aggregated \$325,648,868, of which the related gross unrealized appreciation and depreciation were \$432,136,900 and \$106,488,032, 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.

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, 2005 were \$91,383,757 and \$102,728,044, 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, 2005 can be found on page 12.

Transactions in written covered call and collateralized put options during the six months ended June 30, 2005 were as follows:

	Covered Calls		Collateralized Puts	
	Contracts	Premiums	Contracts	Premiums
Options outstanding, December 31, 2004	3,600	\$ 386,349	2,655	\$ 268,082
Options written	6,430	721,641	4,140	475,563
Options terminated in closing purchase transactions	(936)	(98,506)	—	—
Options expired	(3,034)	(339,834)	(3,485)	(361,698)
Options exercised	(1,780)	(207,743)	(650)	(78,798)
Options outstanding, June 30, 2005	4,280	\$ 461,907	2,660	\$ 303,149

4. Capital Stock

The Company has 10,000,000 authorized and unissued preferred shares without par value.

On December 27, 2004, the Company issued 2,745,430 shares of its Common Stock at a price of \$13.00 per share (the average market price on December 13, 2004) to stockholders of record on November 23, 2004 who elected to take stock in payment of the year-end distribution from 2004 capital gain and investment income.

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 2005 and 2004 were as follows:

	Shares		Amount	
	Six months ended June 30, 2005	Year ended December 31, 2004	Six months ended June 30, 2005	Year ended December 31, 2004
Shares issued in payment of dividends	—	2,745,430	\$ —	\$ 35,690,590
Shares purchased (at a weighted average discount from net asset value of 12.6% and 13.0%, respectively)	(1,195,400)	(1,496,550)	(15,489,364)	(19,026,661)
Nonvested shares/units granted under the Equity Incentive Compensation Plan	20,691	—	23,858	—
Net change	(1,174,709)	1,248,880	\$(15,465,506)	\$ 16,663,929

5. Retirement Plans

The Company's qualified defined benefit pension plan covers all employees with at least one year of service. In addition, the Company has a nonqualified defined benefit plan which provides eligible employees with retirement benefits to supplement the qualified plan. Benefits are based on length of service

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

and compensation during the last five years of employment. 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, 2005, the Company contributed \$9,422 to the plans. The Company anticipates contributing an additional \$9,422 to the plans in 2005.

The following table aggregates the components of the plans' net periodic pension cost for the six months ended June 30, 2005:

Service cost	\$ 179,999
Interest cost	252,165
Expected return on plan assets	(394,669)
Amortization of prior service cost	63,277
Amortization of net loss	94,231
Net periodic pension cost	\$ 195,003

The Company also sponsors a defined contribution plan that covers substantially all employees. For the six months ended June 30, 2005, the Company expensed contributions of \$88,304. The Company does not provide postretirement medical benefits.

6. Stock-Based Compensation

The Stock Option Plan adopted in 1985 ("1985 Plan") permits the issuance of stock options and stock appreciation rights for the purchase of up to 2,610,146 shares of the Company's Common Stock at the fair market value on the date of grant. The exercise price of the options and related stock appreciation rights is reduced by the per share amount of capital gains paid by the Company during subsequent years. Options are exercisable beginning not less than one year after the date of grant and stock appreciation rights are exercisable beginning not less than two years after the date of grant. The stock appreciation rights allow the holders to surrender their rights to exercise their options and receive cash in an amount equal to the difference between the option exercise price and the fair market value of the Common Stock at the date of surrender. All options terminate 10 years from the date of grant if not exercised. With the adoption of the 2005 Equity Incentive Compensation Plan ("2005 Plan") at the 2005 Annual Meeting, no further grants will be made under the 1985 Plan, although unexercised awards granted in 2004 and prior years remain outstanding.

A summary of option activity under the 1985 Plan as of June 30, 2005, and changes during the period then ended is presented below:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Life (Years)
Outstanding at January 1, 2005	283,297	\$11.76	
Exercised	—	—	
Forfeited	—	—	
Outstanding at June 30, 2005	283,297	\$11.75	5.97
Exercisable at June 30, 2005	180,888	\$11.44	5.86

The options outstanding as of June 30, 2005 are set forth below:

Exercise Price	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
\$3.00-\$6.74	23,418	\$ 4.18	1.15
\$6.75-\$10.49	72,764	9.67	6.44
\$10.50-\$14.24	135,967	10.85	6.88
\$14.25-\$18.00	51,148	17.59	5.09
Outstanding at June 30, 2005	283,297		

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, 2005 was (\$8,205).

The 2005 Plan 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. Restricted stock was granted to key employees on April 27, 2005 at fair market value on that date, vesting over a three year period. Restricted stock units were granted to non-employee directors on April 27, 2005 at fair market value on that date and vest over a one year period. The number of shares of Common Stock which remain available for future grants under the Plan at June 30, 2005 is 3,392,440 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 as of June 30, 2005, and changes during the period then ended is presented below:

Awards	Shares/Units	Grant-Date Fair Value
Balance at January 1, 2005	—	—
Granted:		
Restricted stock	13,941	\$12.56
Restricted stock units	6,750	12.56
Vested	—	—
Forfeited	—	—
Nonvested at June 30, 2005	20,691	\$12.56

Compensation costs resulting from restricted stock and restricted stock units granted under the 2005 Plan are recognized over the relevant service period based on the fair value of the awards granted. Any unearned compensation is included in "Undistributed net investment income" and is subsequently expensed as services are rendered. The fair value of restricted stock is based on the average of the high and low market price on the date an award is granted. The total compensation costs for restricted stock granted to employees for the six months ended June 30, 2005 was \$9,728. The total compensation costs for restricted stock units granted to non-employee directors

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

under the 2005 Plan for the six months ended June 30, 2005 was \$14,130. As of June 30, 2005, there was \$236,021 of total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the 2005 Plan. That cost is expected to be recognized over a weighted average period of 2.2 years.

7. Expenses

The aggregate remuneration paid or accrued during the six months ended June 30, 2005 to officers and directors amounted to \$1,518,593, of which \$147,463 was paid or accrued as fees to directors who were not officers.

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, 2005, the Company had no securities on loan.

FINANCIAL HIGHLIGHTS

Per Share Operating Performance	Six Months Ended		Year Ended December 31				
	June 30, 2005	June 30, 2004	2004	2003	2002	2001	2000
Net asset value, beginning of period	\$15.04	\$14.36	\$14.36	\$12.12	\$16.05	\$23.72	\$26.85
Net investment income	0.10	0.09	0.23 *	0.19	0.20	0.26	0.26
Net realized gains and increase(decrease) in unrealized appreciation	(0.01)	0.43	1.39	2.85	(3.38)	(6.21)	(1.51)
Total from investment operations	0.09	0.52	1.62	3.04	(3.18)	(5.95)	(1.25)
Less distributions							
Dividends from net investment income	(0.09)	(0.08)	(0.24)	(0.17)	(0.19)	(0.26)	(0.22)
Distributions from net realized gains	(0.01)	(0.02)	(0.66)	(0.61)	(0.57)	(1.39)	(1.63)
Total distributions	(0.10)	(0.10)	(0.90)	(0.78)	(0.76)	(1.65)	(1.85)
Capital share repurchases	0.03	0.01	0.02	0.04	0.05	0.04	0.10
Reinvestment of distributions	—	—	(0.06)	(0.06)	(0.04)	(0.11)	(0.13)
Total capital share transactions	0.03	0.01	(0.04)	(0.02)	0.01	(0.07)	(0.03)
Net asset value, end of period	\$15.06	\$14.79	\$15.04	\$14.36	\$12.12	\$16.05	\$23.72
Per share market price, end of period	\$12.87	\$12.72	\$13.12	\$12.41	\$10.57	\$14.22	\$21.00
Total Investment Return							
Based on market price	(1.2)%	3.3%	13.2%	25.2%	(20.6)%	(24.7)%	1.7%
Based on net asset value	0.9%	3.8%	12.1%	26.3%	(19.4)%	(24.7)%	(4.3)%
Ratios/Supplemental Data							
Net assets, end of period (in 000's)	\$1,279,265	\$1,248,430	\$1,295,549	\$1,218,862	\$1,024,810	\$1,368,366	\$1,951,563
Ratio of expenses to average net assets	0.44%†	0.43%†	0.43%	0.47%	0.34%	0.19%	0.24%
Ratio of net investment income to average net assets	1.37%†	1.25%†	1.54%	1.45%	1.42%	1.33%	0.97%
Portfolio turnover	14.82%†	13.10%†	13.43%	12.74%	17.93%	19.15%	12.74%
Number of shares outstanding at end of period (in 000's)	84,961	84,409	86,135	84,886	84,536	85,233	82,292

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

† Ratios presented on an annualized basis.

SCHEDULE OF INVESTMENTS

June 30, 2005

	Shares	Value (A)		Shares	Value (A)
Stocks and Convertible Securities — 97.2%					
Consumer — 17.0%					
Consumer Discretionary — 6.4%					
Brinker International Inc. (B)	190,000	\$ 7,609,500			
Clear Channel Communications Inc.	350,000	10,825,500			
Comcast Corp. (B)	325,000	9,977,500			
Gannett Co., Inc.	87,500	6,223,875			
Newell Rubbermaid Inc.	515,000	12,277,600			
Outback Steakhouse, Inc.	225,000	10,179,000			
Target Corp.	460,000	25,028,600			
		82,121,575			
Consumer Staples — 10.6%					
BJ's Wholesale Club, Inc. (B)	500,000	16,245,000			
Bunge Ltd.	205,000	12,997,000			
Coca-Cola Co.	200,000	8,350,000			
Dean Foods Co. (B)	500,000	17,620,000			
Del Monte Foods Co. (B)	1,115,000	12,008,550			
PepsiCo, Inc.	440,000	23,729,200			
Procter & Gamble Co.	340,000	17,935,000			
Safeway, Inc.	423,000	9,555,570			
Treehouse Foods Inc. (B)	100,000	2,851,000			
Unilever plc ADR	345,000	13,403,250			
		134,694,570			
Energy — 10.3%					
BP plc ADR	270,000	16,842,600			
ConocoPhillips	380,000	21,846,200			
Exxon Mobil Corp.	130,000	7,471,100			
Murphy Oil Corp.	229,600	11,992,008			
Petroleum & Resources Corporation (C)	1,985,996	59,579,880			
Schlumberger Ltd.	190,000	14,428,600			
		132,160,388			
Financials — 15.6%					
Banking — 11.5%					
Bank of America Corp.	550,000	25,085,500			
BankAtlantic Bancorp Inc.	300,000	5,685,000			
Compass Bancshares Inc.	300,000	13,500,000			
Fifth Third Bancorp	270,000	11,126,700			
Investors Financial Services Corp.	380,000	14,371,600			
North Fork Bancorporation, Inc.	450,000	12,640,500			
Provident Bankshares Corp.	200,000	6,382,000			
Wachovia Corp.	370,000	18,352,000			
Wells Fargo & Co.	400,000	24,632,000			
Wilmington Trust Corp.	420,000	15,124,200			
		146,899,500			
Insurance — 4.1%					
AMBAC Financial Group, Inc.	295,000	20,579,200			
American International Group, Inc.	550,000	31,955,000			
		52,534,200			
Health Care — 13.2%					
Abbott Laboratories	350,000	\$ 17,153,500			
Bristol-Myers Squibb Co.	345,000	8,618,100			
Genentech, Inc. (B)	250,000	20,070,000			
HCA Inc.	325,000	18,417,750			
Johnson & Johnson	255,000	16,575,000			
Laboratory Corp. of America Holdings (B)	235,000	11,726,500			
MedImmune, Inc. (B)	225,000	6,012,000			
Medtronic Inc.	310,000	16,054,900			
Pfizer Inc.	1,120,000	30,889,600			
Wyeth Co.	325,000	14,462,500			
Zimmer Holdings Inc. (B)	125,000	9,521,250			
		169,501,100			
Industrials — 10.7%					
Canadian National Railway Co.	67,000	3,862,550			
Cintas Corp.	300,000	11,580,000			
Donnelley (R.R.) & Sons Co.	300,000	10,353,000			
Emerson Electric Co.	200,000	12,526,000			
General Electric Co.	1,487,700	51,548,805			
Illinois Tool Works Inc.	125,000	9,960,000			
3M Co.	160,000	11,568,000			
United Parcel Service, Inc.	155,000	10,719,800			
United Technologies Corp.	300,000	15,405,000			
		137,523,155			
Information Technology — 13.9%					
Communication Equipment — 2.3%					
Avaya Inc. (B)	600,000	4,992,000			
Corning Inc. (B)	1,000,000	16,620,000			
Lucent Technologies Inc. (B)	2,900,000	8,439,000			
		30,051,000			
Computer Related — 9.4%					
Automatic Data Processing Inc.	300,000	12,591,000			
BEA Systems Inc. (B)	800,000	7,024,000			
Cisco Systems, Inc. (B)	1,200,000	22,932,000			
Dell Inc. (B)	400,000	15,804,000			
DiamondCluster International Inc. (B)	497,500	5,621,750			
Microsoft Corp.	800,000	19,872,000			
Oracle Corp. (B)	880,000	11,616,000			
Sapient Corp. (B)	1,150,000	9,119,500			
Siebel Systems Inc.	800,000	7,120,000			
Sun Microsystems Inc. (B)	95,000	354,350			
Symantec Corp. (B)	400,000	8,696,000			
		120,750,600			
Electronics — 2.2%					
Cree, Inc. (B)	500,000	12,735,000			
Intel Corp.	310,000	8,078,600			
Solectron Corp. (B)	1,850,000	7,011,500			
		27,825,100			

SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2005

	Shares	Value (A)		Prin. Amt.	Value (A)
Materials — 5.3%					
Air Products and Chemicals, Inc.	250,000	\$ 15,075,000	Short-Term Investments — 2.4%		
du Pont (E.I.) de Nemours and Co.	400,000	17,204,000	U.S. Government Obligations — 1.4%		
Martin Marietta Materials, Inc.	141,600	9,787,392	U.S. Treasury Bills,		
Rohm & Haas Co.	400,000	18,536,000	2.77%, due 8/18/05	\$17,500,000	\$ 17,434,666
Smurfit-Stone Container Corp. (B)	650,000	6,610,500	Time Deposit — 0.0%		
		67,212,892	Citibank N.A.,		
			2.70%, due 7/1/05		101,346
Telecom Services — 4.2%			Commercial Paper — 1.0%		
Alltel Corp.	350,000	21,798,000	AIG Funding Inc.,		
BellSouth Corp.	200,000	5,314,000	3.21%, due 7/12/05	1,275,000	1,273,749
SBC Communications Inc.	595,000	14,131,250	General Electric Capital Corp.,		
Vodafone Group plc			2.99-3.25%,		
ADS	492,613	11,980,348	due 7/7/05-7/19/05	5,500,000	5,493,316
		53,223,598	Toyota Motor Credit Corp.,		
			3.19-3.24%,		
			due 7/14/05-7/21/05	6,475,000	6,464,707
Utilities — 7.0%					13,231,772
Aqua America, Inc.	900,000	26,766,000	Total Short-Term Investments		
Black Hills Corp.	245,000	9,028,250	(Cost \$30,767,784)		30,767,784
CINergy Corp.	300,000	13,446,000	Total Investments — 99.6%		
Duke Energy Corp.	611,560	18,181,679	(Cost \$949,421,524)		1,274,583,141
Keyspan Corp.	140,000	5,698,000	Cash, receivables and other		
MDU Resources Group, Inc.	575,000	16,197,750	assets, less liabilities — 0.4%		4,681,951
		89,317,679	Net Assets — 100%		\$1,279,265,092
Total Stocks and Convertible Securities					
(Cost \$918,653,740) (D)		\$1,243,815,357			

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) Non-controlled affiliate, a closed-end sector fund, registered as an investment company under the Investment Company Act of 1940.
- (D) The aggregate market value of stocks held in escrow at June 30, 2005 covering open call option contracts written was \$23,284,850. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was \$12,912,500.

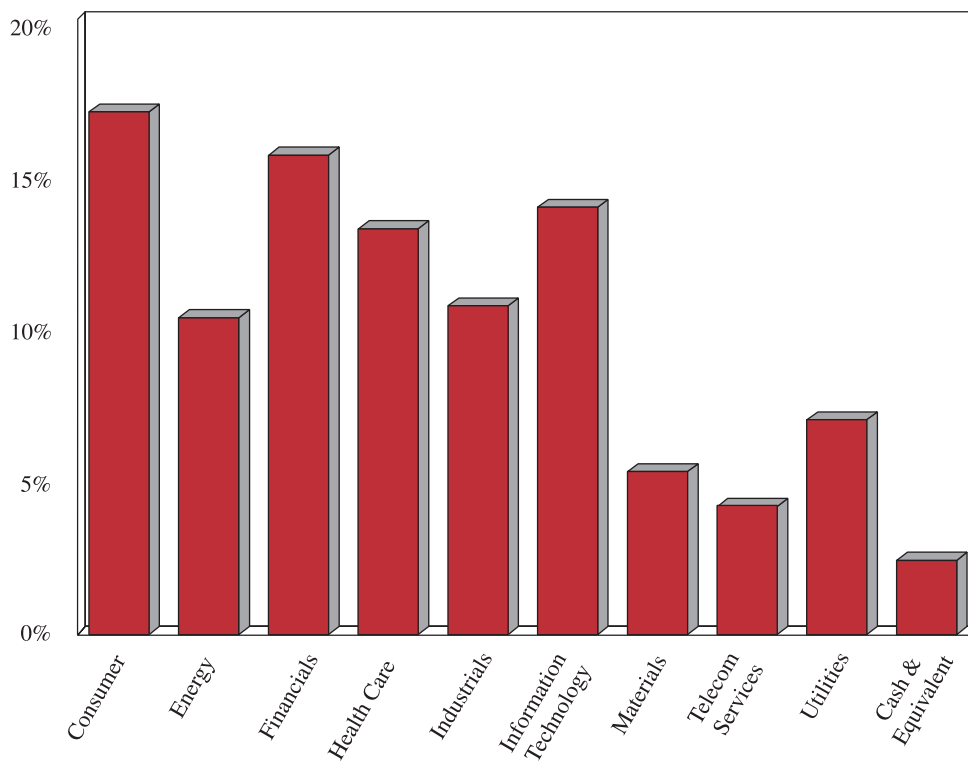
PORTFOLIO SUMMARY

Ten Largest Portfolio Holdings (6/30/05)

	<u>Market Value</u>	<u>% of Net Assets</u>
Petroleum & Resources Corporation*	\$ 59,579,880	4.7
General Electric Co.	51,548,805	4.0
American International Group, Inc.	31,955,000	2.5
Pfizer Inc.	30,889,600	2.4
Aqua America, Inc.	26,766,000	2.1
Bank of America Corp.	25,085,500	2.0
Target Corp.	25,028,600	2.0
Wells Fargo & Co.	24,632,000	1.9
PepsiCo, Inc.	23,729,200	1.8
Cisco Systems, Inc.	22,932,000	1.8
Total	\$322,146,585	25.2%

*Non-controlled affiliate

Sector Weightings (6/30/05)



SCHEDULE OF OUTSTANDING OPTION CONTRACTS

June 30, 2005

Contracts (100 shares each)	Security	Strike Price	Contract Expiration Date	Appreciation/ (Depreciation)
COVERED CALLS				
200	Air Products & Chemicals, Inc.	\$ 65	Sep 05	\$ 5,399
100	AMBAC Financial Group, Inc.	75	Jul 05	11,699
100	AMBAC Financial Group, Inc.	75	Aug 05	7,199
100	AMBAC Financial Group, Inc.	85	Aug 05	10,699
100	AMBAC Financial Group, Inc.	90	Aug 05	12,544
100	AMBAC Financial Group, Inc.	85	Nov 05	18,574
500	American International Group, Inc.	60	Aug 05	20,997
150	Brinker International, Inc.	40	Jul 05	7,049
100	Brinker International, Inc.	40	Oct 05	(6,801)
30	Canadian National Railway Co.	65	Jul 05	2,210
200	ConocoPhillips	65	Aug 05	1,750
150	HCA Inc.	47.50	Aug 05	(127,201)
250	HCA Inc.	50	Aug 05	(150,626)
100	HCA Inc.	60	Aug 05	4,200
100	Illinois Tool Works Inc.	105	Sep 05	(40,300)
100	Illinois Tool Works Inc.	90	Dec 05	(5,301)
100	Investors Financial Services Corp.	55	Jul 05	14,850
100	Investors Financial Services Corp.	60	Jul 05	10,700
150	Laboratory Corp. of America Holdings	55	Aug 05	11,549
200	Martin Marietta Materials, Inc.	70	Oct 05	(33,601)
200	Murphy Oil Corp.	50	Jul 05	(46,300)
200	Murphy Oil Corp.	60	Oct 05	(12,300)
150	Target Corp.	60	Oct 05	(4,800)
100	Target Corp.	60	Jan 06	5,399
100	3M Co.	90	Jul 05	9,200
200	United Technologies Corp.	55	Jul 05	10,699
200	United Technologies Corp.	55	Aug 05	7,950
200	United Technologies Corp.	57.50	Aug 05	7,470
4,280				(247,093)
COLLATERALIZED PUTS				
250	Automatic Data Processing Inc.	40	Aug 05	14,249
100	Bank of America Corp.	45	Aug 05	8,199
250	Bunge Ltd.	45	Jul 05	16,749
150	Bunge Ltd.	50	Jul 05	23,549
150	Cintas Corp.	35	Nov 05	6,299
100	Exxon Mobil Corp.	55	Jul 05	6,200
100	Exxon Mobil Corp.	50	Oct 05	6,699
250	Fifth Third Bancorp	40	Aug 05	14,249
100	Fifth Third Bancorp	40	Nov 05	(2,801)
100	Gannett Co., Inc.	75	Jul 05	(26,300)
150	Gannett Co., Inc.	70	Oct 05	(16,201)
150	Investors Financial Services Corp.	37.50	Oct 05	(13,951)
200	Martin Marietta Materials, Inc.	45	Jul 05	16,772
10	Martin Marietta Materials, Inc.	50	Jul 05	970
200	Murphy Oil Co.	35	Jul 05	10,417
100	3M Co.	65	Oct 05	2,200
100	United Parcel Service, Inc.	70	Jul 05	(2,300)
100	United Parcel Service, Inc.	60	Oct 05	2,700
100	United Parcel Service, Inc.	65	Oct 05	(2,300)
2,660				65,399
				\$(181,694)

CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended June 30, 2005
(unaudited)

	Shares		Held June 30, 2005
	Additions	Reductions	
Automatic Data Processing Inc.	75,000		300,000
Bank of America Corp.	50,000		550,000
Bank Atlantic Bancorp Inc.	80,000		300,000
Bunge Ltd.	35,000		205,000
Clear Channel Communications Inc.	25,000		350,000
ConocoPhillips	190,000 ⁽¹⁾		380,000
Del Monte Foods Co.	80,000		1,115,000
Fifth Third Bancorp	70,000		270,000
Murphy Oil Corp.	144,800 ⁽¹⁾	75,500	229,600
Outback Steakhouse, Inc.	225,000		225,000
Treehouse Foods Inc.	100,000 ⁽²⁾		100,000
United Parcel Service, Inc.	10,000		155,000
United Technologies Corp.	150,000 ⁽¹⁾	5,000	300,000
AMBAC Financial Group, Inc.		85,000	295,000
Brinker International Inc.		210,000	190,000
Canadian National Railway Co.		68,000	67,000
Corning Inc.		170,000	1,000,000
Dean Foods Co.		6,600	500,000
Enzon Pharmaceuticals, Inc.		67,088	—
HCA Inc.		20,000	325,000
Johnson & Johnson		10,000	255,000
Laboratory Corp. of America Holdings		5,000	235,000
Provident Bankshares Corp.		135,021	200,000
Ryland Group Inc.		20,000	—
Sun Microsystems Inc.		315,000	95,000

⁽¹⁾ By Stock Split.

⁽²⁾ Received 1 share of Treehouse Foods Inc. for 5 shares of Dean Foods Co. held.

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

HISTORICAL FINANCIAL STATISTICS

<u>December 31</u>	<u>Value of Net Assets</u>	<u>Shares Outstanding*</u>	<u>Net Asset Value per Share*</u>	<u>Dividends from Net Investment Income per Share*</u>	<u>Distributions from Net Realized Gains per Share*</u>
1995	\$ 986,230,914	69,248,276	\$14.24	\$.35	\$.76
1996	1,138,760,396	72,054,792	15.80	.35	.80
1997	1,424,170,425	74,923,859	19.01	.29	1.01
1998	1,688,080,336	77,814,977	21.69	.30	1.10
1999	2,170,801,875	80,842,241	26.85	.26	1.37
2000	1,951,562,978	82,292,262	23.72	.22	1.63
2001	1,368,366,316	85,233,262	16.05	.26	1.39
2002	1,024,810,092	84,536,250	12.12	.19	.57
2003	1,218,862,456	84,886,412	14.36	.17	.61
2004	1,295,548,900	86,135,292	15.04	.24	.66
June 30, 2005	1,279,265,092	84,960,583	15.06	.14†	.01†

* Prior years have been adjusted to reflect the 3-for-2 stock split effected in October 2000.

† Paid or declared.

**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 (hereafter referred to as the “Company”) at June 30, 2005, and 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 statement presentation. We believe that our audits, which included confirmation of securities at June 30, 2005, by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Baltimore, Maryland
July 13, 2005

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 shareholders, 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. 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 1-800-SEC-0330. The Company also posts its Forms N-Q on its website at 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, 2005 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 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.

Common Stock

Listed on the New York Stock Exchange
and the Pacific 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.

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders was held on April 27, 2005. For those nominated, the following votes were cast for directors:

	<u>votes for</u>	<u>votes withheld</u>
(A) Enrique R. Arzac:	71,167,716	1,391,281
(B) Phyllis O. Bonanno:	70,885,091	1,673,906
(C) Daniel E. Emerson:	70,654,340	1,904,657
(D) Thomas H. Lenagh:	70,394,630	2,164,367
(E) W.D. MacCallan:	70,805,684	1,753,313
(F) Kathleen T. McGahran:	71,041,299	1,517,698
(G) Douglas G. Ober:	71,093,555	1,465,442
(H) John J. Roberts:	70,676,777	1,882,220
(I) Susan C. Schwab:	71,042,734	1,516,263
(J) Robert J.M. Wilson:	70,650,502	1,908,495

A proposal to approve and ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company for 2005 was approved with 71,392,716 votes for, 617,879 votes against, and 548,402 shares abstaining.

A proposal to approve The Adams Express Company 2005 Equity Incentive Compensation Plan was approved with 36,347,317 votes for, 7,978,412 votes against, 2,199,191 shares abstaining, and 26,034,078 shares unvoted.

DIVIDEND PAYMENT SCHEDULE

The Corporation 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
<i>To transfer shares to another participant or to a new participant</i>	

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

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 Shareholders

For shareholders 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

E-mail: contact@adamsexpress.com

The Transfer Agent

American Stock Transfer & Trust Company

Address Shareholder Inquiries to:

Shareholder Relations Department
59 Maiden Lane
New York, NY 10038
(877) 260-8188

Website: www.amstock.com

E-mail: info@amstock.com

Investors Choice Mailing Address:

Attention: Dividend Reinvestment
P.O. Box 922
Wall Street Station
New York, NY 10269

Website: www.InvestPower.com

E-mail: info@InvestPower.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.

THE ADAMS EXPRESS COMPANY

Board of Directors

Enrique R. Arzac ^{1,3}	Kathleen T. McGahran ^{2,4}
Phyllis O. Bonanno ^{1,3}	Douglas G. Ober ¹
Daniel E. Emerson ^{3,4}	John J. Roberts ^{1,4}
Thomas H. Lenagh ^{1,4}	Susan C. Schwab ^{2,4}
W.D. MacCallan ^{2,3}	Robert J.M. Wilson ^{1,2}

1. Member of Executive Committee

2. Member of Audit Committee

3. Member of Compensation Committee

4. Member of Retirement Benefits Committee

Officers

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

Stock Data

Market Price (6/30/05)	\$12.87
Net Asset Value (6/30/05)	\$15.06
Discount:	14.5%

New York Stock Exchange and Pacific Exchange
ticker symbol: ADX

NASDAQ Mutual Fund Quotation Symbol: XADEX

Newspaper stock listings are generally under the
abbreviation: AdaEx

Distributions in 2005

From Investment Income (paid or declared)	\$0.14
From Net Realized Gains	0.01
Total	<u>\$0.15</u>

2005 Dividend Payment Dates

March 1, 2005

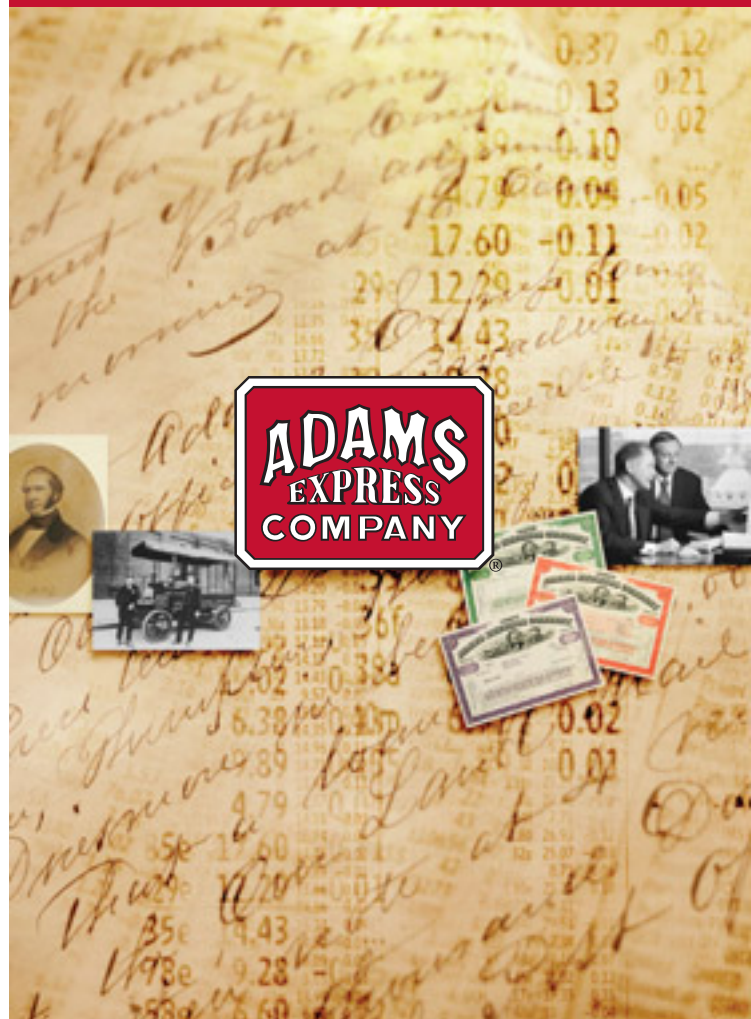
June 1, 2005

September 1, 2005

December 27, 2005*

*Anticipated

The Adams Express Company



Semi-Annual Report

June 30, 2005

building for the future with solid investments®