

The Adams Express Company

Seven St. Paul Street
Baltimore, MD 21202

January 24, 2005

2004 TAX INFORMATION

Please Read Carefully

To our Stockholders:

This letter, showing the investment income dividends and the capital gain distributions paid by the Company during the calendar year 2004, is sent to assist you in preparing your federal income tax return. The dates and amounts of the payments are as follows:

<u>Date Paid</u> <u>2004</u>	<u>(I)</u> <u>Investment</u> <u>Income</u> <u>Dividends(a)</u> <u>(Per share)</u>	<u>(A)</u> <u>Percentage Entitled</u> <u>To Corporate</u> <u>Dividend Deduction</u>	<u>(II)</u> <u>Short-Term</u> <u>Capital Gain</u> <u>Distribution</u> <u>(Per share)</u>	<u>(III)</u> <u>Long-Term</u> <u>Capital Gain</u> <u>Distribution</u> <u>(Per share)</u>
March 1	\$0.03	100%	\$0.01	\$0.01
June 1	0.05	100%	—	—
September 1	0.05	100%	—	—
December 27	<u>0.11*</u>	100%	<u>\$0.01*</u>	<u>0.63*</u>
Totals	<u>\$0.24</u>		<u>\$0.02</u>	<u>\$0.64</u>

*These payments are taxable whether taken in shares of the Company's stock or in cash. The cost, for income tax purposes, of full shares received is \$13.00 per share.

The Company has qualified as a "regulated investment company" as defined in the applicable provisions of the Internal Revenue Code of 1986, as amended. Stockholders who were entitled to receive the investment income dividends and capital gain distributions, described above, should report them for federal income tax purposes as follows:

I. *The investment income dividends* should be reported by you as ordinary dividend income. Pursuant to the new tax treatment for dividend income under the Jobs and Growth Tax Relief Reconciliation Act of 2003, **98.2%** of the investment income dividends paid by the Company in 2004 qualify as "qualified dividend income" (QDI) taxable at 15% for taxpayers in higher income brackets, and at 5% for those in the 10% and 15% brackets. **1.8%** of the investment income dividends do not qualify as QDI and are taxed at your applicable ordinary income tax rate. The enclosed Form 1099-DIV has the applied percentages in the amounts in boxes 1a and 1b, if applicable. In addition, Column (A) in the table above indicates the percentage of each investment income dividend that qualifies for the 70% dividends received deduction allowed certain corporations with respect to dividends received from domestic corporations.

II. *The short-term capital gain distribution*, whether received in stock or cash, should be reported by you as ordinary dividend income and is subject to the same tax treatment and tax rates for ordinary dividend income as discussed in paragraph I, above, i.e., **98.2%** qualify as QDI and **1.8%** do not qualify for the preferential tax rates given to QDI. These amounts are included in your enclosed Form 1099-DIV under dividend income and are included in the totals in boxes 1a and 1b, if applicable. In addition, Column (A) in the table above indicates the percentage of each short-term capital gain distribution that qualifies for the 70% dividends received deduction allowed certain corporations with respect to short-term capital gain distributions received from domestic corporations.

III. *The long-term capital gain distributions*, whether received in stock or in cash, should be reported as a “capital gain dividend” and treated by you as long-term capital gains regardless of the length of time you have held the shares. The total capital gain you received will be included in your enclosed Form 1099-DIV in box 2a. Capital gain distributions do not qualify for the dividends received deduction described in paragraphs I and II, above.

The Company had 1.1% of dividends from ordinary income derived from U.S. Government Obligations in 2004.

The information above is provided to assist you in preparing your federal and state tax returns. **Please consult your tax adviser regarding your individual tax situation. Retain this letter for tax purposes.**

THE ADAMS EXPRESS COMPANY

LAWRENCE L. HOOPER, JR.
Vice President, General Counsel & Secretary