

# THE ADAMS EXPRESS COMPANY

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## Board of Directors

Enrique R. Arzac <sup>2,3</sup>	Roger W. Gale <sup>2,4</sup>
Phyllis O. Bonanno <sup>3,4</sup>	Thomas H. Lenagh <sup>2,4</sup>
Kenneth J. Dale <sup>2,4</sup>	Kathleen T. McGahran <sup>1,3,5</sup>
Daniel E. Emerson <sup>1,3,5</sup>	Douglas G. Ober <sup>1</sup>
Frederic A. Escherich <sup>1,4,5</sup>	Craig R. Smith <sup>1,3,5</sup>

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

Douglas G. Ober	<i>Chairman and Chief Executive Officer</i>
David D. Weaver	<i>President</i>
Nancy J. F. Prue	<i>Executive Vice President</i>
Lawrence L. Hooper, Jr.	<i>Vice President, General Counsel and Secretary</i>
Richard A. Church	<i>Vice President—Research</i>
David R. Schiminger	<i>Vice President—Research</i>
D. Cotton Swindell	<i>Vice President—Research</i>
Brian S. Hook	<i>Treasurer</i>
Christine M. Sloan	<i>Assistant Treasurer</i>
Geraldine H. Paré	<i>Assistant Secretary</i>

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## Stock Data

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Market Price (3/31/11)	\$11.36
Net Asset Value (3/31/11)	\$13.13
Discount:	13.5%

New York Stock Exchange ticker symbol: ADX  
NASDAQ Quotation Symbol for NAV: XADEX

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## Distributions in 2011

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From Investment Income (paid or declared)	\$0.08
From Net Realized Gains	<u>0.02</u>
Total	<u>\$0.10</u>

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## 2011 Dividend Payment Dates

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March 1, 2011  
June 1, 2011  
September 1, 2011\*  
December 27, 2011\*

\*Anticipated

GENERATION AFTER GENERATION –  
WE GROW WITH YOU.™



FIRST QUARTER REPORT  
MARCH 31, 2011



## LETTER TO STOCKHOLDERS

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We are pleased to present summary financial information of The Adams Express Company (the Company) for the three months ended March 31, 2011.

Net assets of the Company at March 31, 2011 were \$13.13 per share on 88,920,291 shares outstanding, compared with \$12.65 per share at December 31, 2010 on 88,885,186 shares outstanding. On March 1, 2011, a distribution of \$0.05 per share was paid, consisting of \$0.02 from 2010 investment income, \$0.01 from 2010 short-term capital gain, \$0.01 from 2010 long-term capital gain, and \$0.01 from 2011 investment income, all taxable in 2011. On April 14, 2011, an investment income dividend of \$0.05 per share was declared to stockholders of record May 13, 2011, payable June 1, 2011.

Net investment income for the three months ended March 31, 2011 amounted to \$2,789,890, compared with \$3,135,897 for the same three month period in 2010. These earnings are equal to \$0.03 and \$0.04 per share, respectively.

Net capital gain realized on investments for the three months ended March 31, 2011 amounted to \$6,741,325, or \$0.08 per share.

For the three months ended March 31, 2011, the total return on the net asset value (with dividends and capital gains reinvested) of the Company's shares was 4.2%. The total return on the market value of the Company's shares for the period was 6.4%. These compare to a 5.9% total return for the Standard & Poor's 500 Composite Stock Index ("S&P 500") and a 5.4% total return for the Lipper Large-Cap Core Mutual Funds Average over the same time period.

For the twelve months ended March 31, 2011, the Company's total return on net asset value was 9.8% and on market value was 13.0%. Comparable figures for the S&P 500 and the Lipper Large-Cap Core Mutual Fund Average were 15.6% and 13.5%, respectively.

For the twelve months ended March 31, 2011, the annual distribution rate (total dividends and distributions as a percentage of the average daily market price of the Company's Common Stock) was 4.9%. The table on page 3 shows the annual distribution rate over the past five years.

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The Annual Meeting was held on March 22, 2011 in Baltimore, Maryland. The results of the voting at the Annual Meeting are shown on page 7.

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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, links for electronic delivery of stockholder reports, and other useful content.

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By order of the Board of Directors,



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



David D. Weaver,  
*President*

April 14, 2011

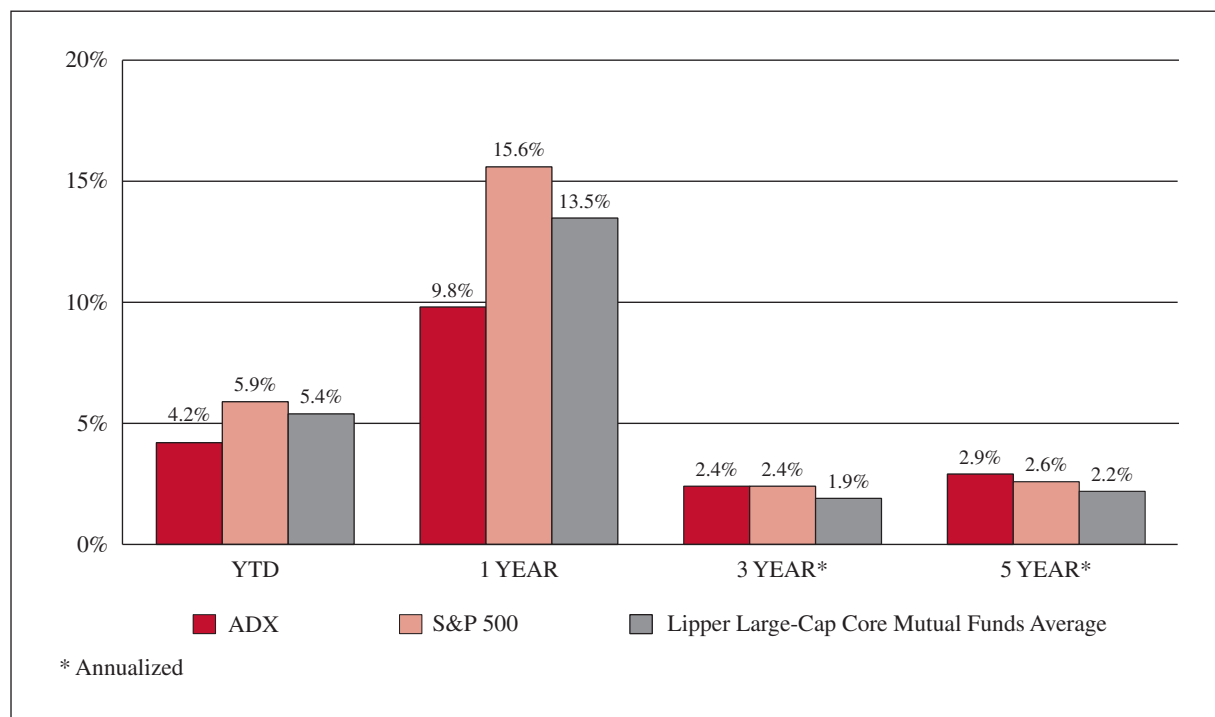
## SUMMARY FINANCIAL INFORMATION

*Three Months Ended March 31  
(unaudited)*

	2011	2010
Net asset value per share .....	\$ 13.13	\$ 12.56
Total net assets .....	1,167,420,989	1,097,711,849
Unrealized appreciation .....	196,818,362	140,472,812
Net investment income .....	2,789,890	3,135,897
Net realized gain .....	6,741,325	8,375,428
Market price .....	11.36	10.55
Shares outstanding .....	88,920,291	87,427,760
Total return (based on market price) .....	6.4%	5.0%
Total return (based on net asset value) .....	4.2%	5.6%
Key ratios:		
Net investment income to average net assets (annualized) .....	0.97%	1.20%
Expenses to average net assets (annualized) .....	0.57%	0.60%
Portfolio turnover .....	4.16%	3.20%
Net cash & short-term investments to net assets .....	1.9%	3.1%

## RETURNS ON NET ASSET VALUE

*As of March 31, 2011  
(unaudited)*



## FIVE YEAR DISTRIBUTION HISTORY

*(unaudited)*

	<u>Income Dividends Per Share</u>	<u>Short-Term Capital Gains Per Share</u>	<u>Long-Term Capital Gains Per Share</u>	<u>Total Distributions Per Share</u>	<u>Dividend Yield*</u>	<u>Annual Distribution Rate**</u>
2006 .....	\$0.23	\$0.04	\$0.63	\$0.90	1.7%	6.8%
2007 .....	0.32	0.08	0.63	1.03	2.2	7.2
2008 .....	0.26	0.01	0.37	0.64	2.3	5.6
2009 .....	0.15	0.05	0.25	0.45	1.7	5.2
2010 .....	0.14	0.09	0.28	0.51	1.4	5.1
				<b>Average:</b>	1.9%	6.0%

\* The dividend yield is the total income dividends during the year divided by the average daily market price of the Company's Common Stock.

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

## CHANGES IN PORTFOLIO SECURITIES

*During the Three Months Ended March 31, 2011*

*(unaudited)*

	<u>Shares</u>		
	<u>Additions</u>	<u>Reductions</u>	<u>Held March 31, 2011</u>
ADTRAN, Inc. ....	180,100		268,400
Apple Inc. ....	2,000		87,000
Celgene Corp. ....	161,700		161,700
CF Industries Holdings, Inc. ....	28,365		35,031
Freeport-McMoRan Copper & Gold Inc. ....	121,500 <sup>(1)</sup>		243,000
Goodrich Corp. ....	125,000		125,000
Masco Corp. ....	375,000		825,000
National Oilwell Varco, Inc. ....	50,000		50,000
NetApp, Inc. ....	265,000		300,000
Potash Corporation of Saskatchewan Inc. ....	113,100 <sup>(1)</sup>		169,650
Ryland Group, Inc. ....	270,000		613,500
Teck Resources Ltd. ....	100,000		100,000
Wells Fargo & Co. ....	110,000		635,000
Cintas Corp. ....		300,000	—
Del Monte Foods Co. ....		710,000 <sup>(2)</sup>	—
Emerson Electric Co. ....		100,000	200,000
Illinois Tool Works Inc. ....		170,000	—
MDU Resources Group, Inc. ....		50,400	512,100
Pfizer Inc. ....		215,125	800,000
Transocean Ltd. ....		30,000	105,000
Unilever plc ADR ....		10,000	573,400
UnitedHealth Group Inc. ....		47,400	250,000

<sup>(1)</sup> By stock split.

<sup>(2)</sup> Received \$19.00 cash for each share tendered.

## PORTFOLIO SUMMARY

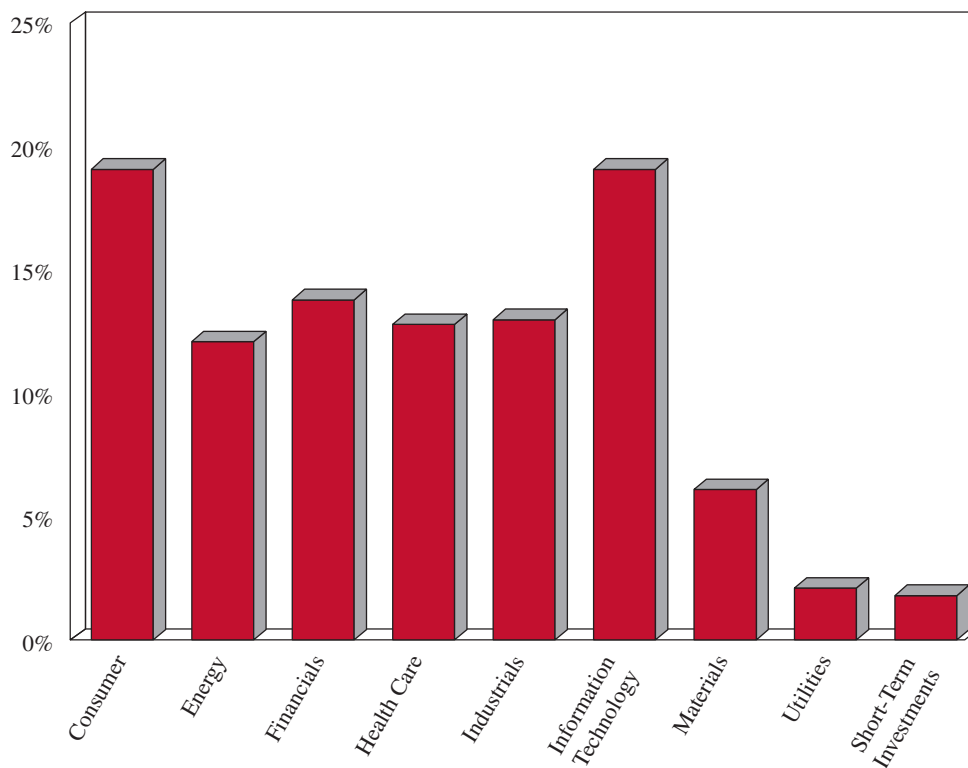
March 31, 2011  
(unaudited)

### Ten Largest Equity Portfolio Holdings

	<u>Market Value</u>	<u>% of Net Assets</u>
Petroleum & Resources Corporation*	\$ 66,937,152	5.7%
Oracle Corp.	36,707,000	3.2
Apple Inc.	30,315,150	2.6
Microsoft Corp.	29,924,800	2.6
JPMorgan Chase & Co.	25,816,000	2.2
PepsiCo, Inc.	23,187,600	2.0
Chevron Corp.	21,486,000	1.8
General Electric Co.	21,212,900	1.8
Walt Disney Co.	20,683,200	1.8
Wells Fargo & Co.	20,129,500	1.7
<b>Total</b>	<b>\$296,399,302</b>	<b>25.4%</b>

\*Non-controlled affiliate

### Sector Weightings



# SCHEDULE OF INVESTMENTS

March 31, 2011

(unaudited)

	Shares	Value (A)		Shares	Value (A)
<b>Stocks — 98.1%</b>					
<b>Consumer — 19.1%</b>					
<b>Consumer Discretionary — 8.6%</b>					
Columbia Sportswear Co.	200,000	\$ 11,884,000			
Lowe's Companies, Inc.	600,000	15,858,000			
McDonald's Corp.	250,000	19,022,500			
Newell Rubbermaid Inc.	400,000	7,652,000			
Ryland Group, Inc.	613,500	9,754,650			
Target Corp.	320,000	16,003,200			
Walt Disney Co.	480,000	20,683,200			
		100,857,550			
<b>Consumer Staples — 10.5%</b>					
Avon Products, Inc.	304,600	8,236,385			
Bunge Ltd.	180,000	13,019,400			
Coca-Cola Co.	225,000	14,928,750			
CVS/Caremark Corp.	295,000	10,124,400			
Mead Johnson Nutrition Co. (E)	117,383	6,799,997			
PepsiCo, Inc. (F)	360,000	23,187,600			
Procter & Gamble Co.	315,000	19,404,000			
Safeway Inc.	390,000	9,180,600			
Unilever plc ADR	573,400	17,557,508			
		122,438,640			
<b>Energy — 12.1%</b>					
Chevron Corp.	200,000	21,486,000			
CONSOL Energy Inc. (E)	73,700	3,952,531			
Exxon Mobil Corp. (F)	215,000	18,087,950			
Halliburton Co.	150,000	7,476,000			
National Oilwell Varco, Inc.	50,000	3,963,500			
Petroleum & Resources Corporation (C)	2,186,774	66,937,152			
Spectra Energy Corp.	405,780	11,029,100			
Transocean Ltd. (B) (E)	105,000	8,184,750			
		141,116,983			
<b>Financials — 13.8%</b>					
<b>Banks — 3.2%</b>					
PNC Financial Services Group, Inc.	270,000	17,007,300			
Wells Fargo & Co.	635,000	20,129,500			
		37,136,800			
<b>Diversified Financials — 9.0%</b>					
American Express Co.	350,000	15,820,000			
Bank of America Corp.	1,385,000	18,462,050			
Bank of New York Mellon Corp.	403,775	12,060,759			
JPMorgan Chase & Co.	560,000	25,816,000			
Morgan Stanley	400,000	10,928,000			
State Street Corp.	193,000	8,673,420			
T. Rowe Price Group, Inc.	200,000	13,284,000			
		105,044,229			
<b>Insurance — 1.6%</b>					
Prudential Financial, Inc.	310,000	19,089,800			
<b>Health Care — 12.8%</b>					
Abbott Laboratories	310,000	\$ 15,205,500			
Bristol-Myers Squibb Co.	159,061	4,203,982			
Celgene Corp. (B)	161,700	9,302,601			
Gilead Sciences, Inc. (B)	250,000	10,610,000			
Hospira, Inc. (B) (E)	175,000	9,660,000			
Johnson & Johnson	255,000	15,108,750			
Life Technologies Corp. (B) (E)	200,000	10,484,000			
Medtronic, Inc.	350,000	13,772,500			
Pfizer Inc.	800,000	16,248,000			
Senomyx, Inc. (B)	1,284,400	7,757,776			
Teva Pharmaceutical Industries Ltd. ADR (E)	330,000	16,556,100			
UnitedHealth Group Inc. (E)	250,000	11,300,000			
Zimmer Holdings, Inc. (B) (E)	150,000	9,079,500			
		149,288,709			
<b>Industrials — 13.0%</b>					
Caterpillar Inc.	140,000	15,589,000			
Curtiss-Wright Corp.	360,000	12,650,400			
Emerson Electric Co.	200,000	11,686,000			
FedEx Corp.	115,000	10,758,250			
General Electric Co.	1,058,000	21,212,900			
Goodrich Corp.	125,000	10,691,250			
Masco Corp.	825,000	11,484,000			
Norfolk Southern Corp.	200,000	13,854,000			
Oshkosh Corp. (B) (E)	380,000	13,444,400			
Spirit AeroSystems Holdings, Inc. (Class A) (B)	500,000	12,835,000			
United Technologies Corp.	200,000	16,930,000			
		151,135,200			
<b>Information Technology — 19.1%</b>					
<b>Semiconductors — 2.1%</b>					
Broadcom Corp. (B)	200,000	7,876,000			
Intel Corp.	840,000	16,942,800			
		24,818,800			
<b>Software &amp; Services — 8.5%</b>					
Automatic Data Processing, Inc.	300,000	15,393,000			
Google Inc. (B)	30,000	17,586,300			
Microsoft Corp.	1,180,000	29,924,800			
Oracle Corp.	1,100,000	36,707,000			
		99,611,100			
<b>Technology Hardware &amp; Equipment — 8.5%</b>					
ADTRAN, Inc.	268,400	11,396,264			
Apple Inc. (B)	87,000	30,315,150			
Cisco Systems, Inc.	850,000	14,577,500			
Hewlett-Packard Co.	300,000	12,291,000			
NetApp, Inc. (B)	300,000	14,454,000			
QUALCOMM Inc.	300,000	16,449,000			
		99,482,914			



## ANNUAL MEETING OF STOCKHOLDERS

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The Annual Meeting of Stockholders was held on March 22, 2011. The following votes were cast for directors:

	<u>Votes For</u>	<u>Votes Withheld</u>
Enrique R. Arzac	66,434,606	8,182,613
Phyllis O. Bonanno	68,862,177	5,755,042
Kenneth J. Dale	68,927,527	5,689,691
Daniel E. Emerson	66,271,977	8,345,241
Frederic A. Escherich	68,969,627	5,647,591
Roger W. Gale	69,006,895	5,610,323
Thomas H. Lenagh	66,094,296	8,522,922
Kathleen T. McGahran	68,887,548	5,729,670
Douglas G. Ober	66,963,535	7,653,683
Craig R. Smith	69,007,714	5,609,504

A proposal to approve and ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company for 2011 was approved with 70,037,969 votes for, 1,298,209 votes against, and 3,281,041 shares abstaining.

A stockholder proposal recommending that the Board of Directors consider causing the Company to conduct a self-tender offer was defeated with 12,642,354 votes for, 35,791,224 votes against, and 1,586,268 shares abstaining.

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### The Company

#### **The Adams Express Company**

Seven St. Paul Street, Suite 1140, Baltimore, MD 21202

(410) 752-5900 (800) 638-2479

**Website:** [www.adamsexpress.com](http://www.adamsexpress.com)

**E-mail:** [contact@adamsexpress.com](mailto:contact@adamsexpress.com)

**Counsel:** Chadbourne & Parke LLP

**Independent Registered Public Accounting Firm:** PricewaterhouseCoopers LLP

**Custodian of Securities:** Brown Brothers Harriman & Co.

**Transfer Agent & Registrar:** American Stock Transfer & Trust Company

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)