

LETTER TO STOCKHOLDERS

We submit herewith the financial statements of the Company for the six months ended June 30, 2006. 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, 2006 were \$15.12 per share on 85,116,812 shares outstanding, compared with \$14.71 per share at December 31, 2005 on 86,099,607 shares outstanding. On March 1, 2006, a distribution of \$0.05 per share was paid, consisting of \$0.02 from 2005 investment income, \$0.02 from 2005 short-term capital gain, and \$0.01 from 2006 investment income, all taxable in 2006. A 2006 investment income dividend of \$0.05 per share was paid on June 1, 2006, and another \$0.05 per share investment income dividend has been declared to shareholders of record August 15, 2006, payable on September 1, 2006.

Net investment income for the six months ended June 30, 2006 amounted to \$8,966,520, compared with \$8,701,535 for the same period in 2005. These earnings are equal to \$0.11 and \$0.10 per share.

Net capital gain realized on investments for the six months ended June 30, 2006 amounted to \$7,348,305, the equivalent of \$0.09 per share.

Current and potential shareholders can find information about the Company, including the daily net

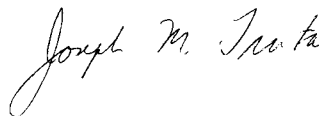
asset value (NAV) per share, the market price, and the discount/premium to the NAV, at its website (www.adamsexpress.com). Also available at the website are a history of the Company, historical financial information, and other useful content. Further information regarding shareholder services is located on page 15 of this report.

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 14, 2006

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2006

Assets

Investments* at value:

Common stocks and convertible securities (cost \$895,034,434)	\$1,197,495,589	
Non-controlled affiliate, Petroleum & Resources Corporation (cost \$27,963,162)	67,504,004	
Short-term investments (cost \$17,352,468)	17,352,468	
Securities lending collateral (cost \$66,398,828)	66,398,828	\$1,348,750,889

Cash		279,882
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Receivables:

Investment securities sold		40,949
Dividends and interest		1,282,938

Prepaid pension cost		5,356,114
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Prepaid expenses and other assets		1,766,549
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<i>Total Assets</i>		1,357,477,321
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Liabilities

Investment securities purchased		489,662
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Open written option contracts at value (proceeds \$840,914)		498,500
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Obligations to return securities lending collateral		66,398,828
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Accrued expenses		3,195,995
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<i>Total Liabilities</i>		70,582,985
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Net Assets		\$1,286,894,336
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Net Assets

Common Stock at par value \$1.00 per share, authorized 150,000,000 shares; issued and outstanding 85,116,812 shares (includes 58,794 restricted shares, restricted stock units for 9,000 shares, and deferred stock units for 2,004 shares) (Note 6)		\$ 85,116,812
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Additional capital surplus		846,250,117
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Unearned compensation — restricted stock awards (Note 6)		(740,041)
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Undistributed net investment income		6,809,676
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Undistributed net realized gain on investments		7,113,361
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Unrealized appreciation on investments		342,344,411
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Net Assets Applicable to Common Stock		\$1,286,894,336
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Net Asset Value Per Share of Common Stock		\$15.12
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*See Schedule of Investments on pages 8 and 9.

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

STATEMENT OF OPERATIONS

Six Months Ended June 30, 2006

Investment Income

Income:

Dividends:

From unaffiliated issuers \$11,218,641

From non-controlled affiliate 374,999

Interest and other income 444,677

Total income 12,038,317

Expenses:

Investment research 1,351,231

Administration and operations 701,319

Directors' fees 181,331

Reports and stockholder communications 200,188

Transfer agent, registrar and custodian expenses 183,040

Auditing and accounting services 58,997

Legal services 55,005

Occupancy and other office expenses 226,234

Travel, telephone and postage 49,374

Other 65,078

Total expenses 3,071,797

Net Investment Income 8,966,520

Realized Gain and Change in Unrealized Appreciation on Investments

Net realized gain on security transactions 7,209,285

Net realized gain distributed by regulated investment company (non-controlled affiliate) 139,020

Change in unrealized appreciation on investments 25,867,044

Net Gain on Investments 33,215,349

Change in Net Assets Resulting from Operations \$42,181,869

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

STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2006	Year Ended December 31, 2005
From Operations:		
Net investment income	\$ 8,966,520	\$ 18,288,551
Net realized gain on investments	7,348,305	53,817,950
Change in unrealized appreciation on investments	25,867,044	(27,193,045)
<i>Change in net assets resulting from operations</i>	42,181,869	44,913,456
Distributions to Stockholders from:		
Net investment income	(6,829,548)	(18,634,893)
Net realized gain from investment transactions	(1,719,287)	(53,672,531)
<i>Decrease in net assets from distributions</i>	(8,548,835)	(72,307,424)
From Capital Share Transactions:		
Value of shares issued in payment of distributions	5,264	30,523,934
Cost of shares purchased (Note 4)	(13,657,423)	(32,052,187)
Deferred compensation (Notes 4, 6)	184,809	101,973
<i>Change in net assets from capital share transactions</i>	(13,467,350)	(1,426,280)
Total Change in Net Assets	20,165,684	(28,820,248)
Net Assets:		
Beginning of period	1,266,728,652	1,295,548,900
End of period (including undistributed net investment income of \$6,809,676 and \$4,672,704, respectively)	\$1,286,894,336	\$1,266,728,652

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, 2006 was \$1,006,261,641 and net unrealized appreciation aggregated \$342,489,248, of which the related gross unrealized appreciation and depreciation were \$428,504,151 and \$86,014,903, 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, 2006 were \$86,465,886 and \$98,499,222, 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, 2006 can be found on page 11.

Transactions in written covered call and collateralized put options during the six months ended June 30, 2006 were as follows:

	Covered Calls		Collateralized Puts	
	Contracts	Premiums	Contracts	Premiums
Options outstanding, December 31, 2005	2,320	\$ 244,294	2,465	\$ 317,641
Options written	4,530	568,993	5,960	676,298
Options terminated in closing purchase transactions	(400)	(44,798)	(2,250)	(261,535)
Options expired	(2,500)	(252,381)	(3,035)	(364,786)
Options exercised	(270)	(30,688)	(125)	(12,124)
Options outstanding, June 30, 2006	3,680	\$ 485,420	3,015	\$ 355,494

4. Capital Stock

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

On December 27, 2005, the Company issued 2,400,624 shares of its Common Stock at a price of \$12.715 per share (the average market price on December 12, 2005) to stockholders of record on November 22, 2005 who elected to take stock in payment of the year-end distribution from 2005 capital gain and investment income.

During 2006, the Company issued 395 shares of its Common Stock at a weighted average price of \$13.26 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 2006 and 2005 were as follows:

	Shares		Amount	
	Six months ended June 30, 2006	Year ended December 31, 2005	Six months ended June 30, 2006	Year ended December 31, 2005
Shares issued in payment of dividends	395	2,400,624	\$ 5,264	\$ 30,523,934
Shares purchased (at a weighted average discount from net asset value of 14.1% and 12.6%, respectively)	(1,040,700)	(2,458,500)	(13,657,423)	(32,052,187)
Net share activity under the 2005 Equity Incentive Compensation Plan	57,510	22,191	184,809	101,973
Net change	(982,795)	(35,685)	\$(13,467,350)	\$(1,426,280)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

a 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 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, 2006, the Company did not contribute to the plans. The Company does not anticipate making any contributions to the plans in 2006.

The following table aggregates the components of the plans' net periodic pension cost for the six months ended June 30, 2006:

Service cost	\$ 230,485
Interest cost	259,008
Expected return on plan assets	(397,018)
Amortization of prior service cost	59,888
Amortization of net loss	90,382
Net periodic pension cost	\$ 242,745

The Company also sponsors a defined contribution plan that covers substantially all employees. For the six months ended June 30, 2006, the Company expensed contributions of \$91,492. 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 or shares 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 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, 2006, and changes during the period then ended, is presented below:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Life (Years)
Outstanding at December 31, 2005	254,766	\$11.71	5.71
Exercised	(34,063)	7.94	
Cancelled	(8,233)	10.87	
Outstanding at June 30, 2006	212,470	\$12.32	5.12
Exercisable at June 30, 2006	134,538	\$12.44	5.00

The options outstanding as of June 30, 2006 are set forth below:

Exercise Price	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
\$8.50-\$10.74	57,538	\$ 9.68	3.50
\$10.75-\$12.99	103,784	11.51	6.54
\$13.00-\$15.24	—	—	—
\$15.25-\$17.50	51,148	16.94	4.09
Outstanding at June 30, 2006	212,470	\$12.32	5.12

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, 2006 was \$60,678.

The 2005 Equity Incentive Compensation Plan ("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, 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 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. 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 were 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, 2006 is 3,332,648 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, 2006, and changes during the period then ended is presented below:

Awards	Shares/Units	Weighted Average Grant-Date Fair Value
Balance at December 31, 2005	21,441	\$12.57
Granted:		
Restricted stock	49,500	12.93
Restricted stock units	7,500	13.24
Deferred stock units	2,004	13.05
Vested & issued	(9,165)	12.56
Forfeited	(1,482)	12.56
Balance at June 30, 2006 (includes 49,500 performance-based awards and 20,298 nonperformance-based awards)	69,798	\$12.91

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, no compensation cost is recognized and any recognized compensation cost is reversed. The total compensation costs for restricted stock granted to employees for the period ending June 30, 2006 were \$116,803. The total compensation costs for restricted stock units granted to non-employee directors for the period ended June 30, 2006 were \$61,748. As of June 30, 2006, there were total unrecognized compensation costs of \$740,041 related to nonvested share-based compensation arrangements granted under the 2005 Plan. Those costs are expected to be recognized over a weighted average period of 2.17 years.

7. Expenses

The aggregate remuneration paid during the six months ended June 30, 2006 to officers and directors amounted to \$1,742,394, of which \$204,230 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, 2006, the Company had securities on loan of \$64,774,133 and held collateral of \$66,398,828, 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.

FINANCIAL HIGHLIGHTS

	Six Months Ended		Year Ended December 31				
	June 30, 2006	June 30, 2005	2005	2004	2003	2002	2001
	Per Share Operating Performance						
Net asset value, beginning of period	\$14.71	\$15.04	\$15.04	\$14.36	\$12.12	\$16.05	\$23.72
Net investment income	0.11	0.10	0.22	0.23*	0.19	0.20	0.26
Net realized gains and increase (decrease) in unrealized appreciation	0.37	(0.01)	0.32	1.39	2.85	(3.38)	(6.21)
Total from investment operations	0.48	0.09	0.54	1.62	3.04	(3.18)	(5.95)
Less distributions							
Dividends from net investment income	(0.08)	(0.09)	(0.22)	(0.24)	(0.17)	(0.19)	(0.26)
Distributions from net realized gains	(0.02)	(0.01)	(0.64)	(0.66)	(0.61)	(0.57)	(1.39)
Total distributions	(0.10)	(0.10)	(0.86)	(0.90)	(0.78)	(0.76)	(1.65)
Capital share repurchases	0.03	0.03	0.05	0.02	0.04	0.05	0.04
Reinvestment of distributions	—	—	(0.06)	(0.06)	(0.06)	(0.04)	(0.11)
Total capital share transactions	0.03	0.03	(0.01)	(0.04)	(0.02)	0.01	(0.07)
Net asset value, end of period	\$15.12	\$15.06	\$14.71	\$15.04	\$14.36	\$12.12	\$16.05
Per share market price, end of period	\$12.87	\$12.87	\$12.55	\$13.12	\$12.41	\$10.57	\$14.22
Total Investment Return							
Based on market price	3.3%	(1.2)%	2.2%	13.2%	25.2%	(20.6)%	(24.7)%
Based on net asset value	3.6%	0.9%	4.5%	12.1%	26.3%	(19.4)%	(24.7)%
Ratios/Supplemental Data							
Net assets, end of period (in 000's)	\$1,286,894	\$1,279,265	\$1,266,729	\$1,295,549	\$1,218,862	\$1,024,810	\$1,368,366
Ratio of expenses to average net assets	0.47%†	0.44%†	0.45%	0.43%	0.47%	0.34%	0.19%
Ratio of net investment income to average net assets	1.38%†	1.37%†	1.44%	1.54%	1.45%	1.42%	1.33%
Portfolio turnover	13.55%†	14.82%†	12.96%	13.43%	12.74%	17.93%	19.15%
Number of shares outstanding at end of period (in 000's)	85,117	84,961	86,100	86,135	84,886	84,536	85,233

* 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.

SCHEDULE OF INVESTMENTS

June 30, 2006

	Shares	Value (A)		Shares	Value (A)
Stocks and Convertible Securities — 98.3%					
Consumer — 18.0%					
Consumer Discretionary — 7.8%					
BJ's Wholesale Club, Inc. (B)	500,000	\$ 14,175,000			
Clear Channel Communications, Inc.	350,000	10,832,500			
Comcast Corp. (B)	365,000	11,950,100			
Gannett Co., Inc.	112,500	6,292,125			
Harley-Davidson, Inc.	235,000	12,899,150			
Newell Rubbermaid Inc.	515,000	13,302,450			
OSI Restaurant Partners, Inc. (C)	315,000	10,899,000			
Target Corp.	410,000	20,036,700			
		100,387,025			
Consumer Staples — 10.2%					
Avon Products, Inc.	420,000	13,020,000			
Bunge Ltd. (C)	235,000	11,808,750			
Coca-Cola Co.	200,000	8,604,000			
Dean Foods Co. (B)	450,000	16,735,500			
Del Monte Foods Co.	1,115,000	12,521,450			
PepsiCo, Inc.	400,000	24,016,000			
Procter & Gamble Co.	340,000	18,904,000			
Safeway Inc.	423,000	10,998,000			
Unilever plc ADR	621,000	13,997,340			
		130,605,040			
Energy — 11.9%					
BP plc ADR	270,000	18,794,700			
ConocoPhillips	345,000	22,607,850			
Exxon Mobil Corp.	130,000	7,975,500			
Marathon Oil Co.	120,000	9,996,000			
Murphy Oil Corp.	38,500	2,150,610			
Petroleum & Resources Corporation (D)	1,985,996	67,504,004			
Schlumberger Ltd.	380,000	24,741,800			
		153,770,464			
Financials — 17.9%					
Banking — 13.7%					
BankAtlantic Bancorp, Inc.	880,000	13,059,200			
Bank of America Corp.	610,000	29,341,000			
Bank of New York Co., Inc. (The)	375,000	12,075,000			
Compass Bancshares Inc.	300,000	16,680,000			
Fifth Third Bancorp	280,000	10,346,000			
Investors Financial Services Corp. (C)	382,500	17,174,250			
Morgan Stanley	200,000	12,642,000			
Wachovia Corp.	470,000	25,417,600			
Wells Fargo & Co.	325,000	21,801,000			
Wilmington Trust Corp.	420,000	17,715,600			
		176,251,650			
Insurance — 4.2%					
AMBAC Financial Group, Inc.	295,000	23,924,500			
American International Group, Inc.	500,000	29,525,000			
		53,449,500			
Health Care — 13.8%					
Abbott Laboratories	350,000	\$ 15,263,500			
Advanced Medical Optics, Inc. (B)(C)	300,000	15,210,000			
Bristol-Myers Squibb Co.	345,000	8,921,700			
Caremark Rx Inc.	255,000	12,716,850			
Genentech, Inc. (B)	220,000	17,996,000			
HCA Inc.	250,000	10,787,500			
Johnson & Johnson	255,000	15,279,600			
Laboratory Corp. of America Holdings (B)	200,000	12,446,000			
MedImmune, Inc. (B)	225,000	6,097,500			
Medtronic, Inc.	310,000	14,545,200			
Pfizer Inc.	1,120,000	26,286,400			
Wyeth Co.	325,000	14,433,250			
Zimmer Holdings, Inc. (B)	125,000	7,090,000			
		177,073,500			
Industrials — 13.2%					
Cintas Corp. (C)	300,000	11,928,000			
Curtiss-Wright Corp.	460,000	14,204,800			
Donnelley (R.R.) & Sons Co.	260,000	8,307,000			
Emerson Electric Co.	200,000	16,762,000			
General Electric Co.	1,487,700	49,034,592			
Illinois Tool Works Inc.	250,000	11,875,000			
Masco Corp.	450,000	13,338,000			
3M Co.	160,000	12,923,200			
United Parcel Service, Inc.	155,000	12,761,150			
United Technologies Corp.	300,000	19,026,000			
		170,159,742			
Information Technology — 12.0%					
Communication Equipment — 2.0%					
Avaya Inc. (B)	600,000	6,852,000			
Corning Inc. (B)	500,000	12,095,000			
Lucent Technologies Inc. (B)	2,900,000	7,018,000			
		25,965,000			
Computer Related — 8.4%					
Automatic Data Processing Inc.	300,000	13,605,000			
BEA Systems, Inc. (B)(C)	800,000	10,472,000			
Cisco Systems, Inc. (B)	1,200,000	23,436,000			
Dell Inc. (B)	545,000	13,303,450			
Microsoft Corp.	1,180,000	27,494,000			
Oracle Corp. (B)	1,356,001	19,648,455			
		107,958,905			
Electronics — 1.6%					
Cree, Inc. (B)(C)	375,000	8,910,000			
Intel Corp.	310,000	5,874,500			
Solectron Corp. (B)	1,850,000	6,327,000			
		21,111,500			

SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2006

	Shares	Value (A)		Prin. Amt.	Value (A)
Materials — 5.1%			Short-Term Investments — 1.4%		
Air Products and Chemicals, Inc.	250,000	\$ 15,980,000	U.S. Government Obligations — 1.3%		
du Pont (E.I.) de Nemours and Co.	360,000	14,976,000	U.S. Treasury Bills,		
Florida Rock Industries Inc.	150,000	7,450,500	4.74%, due 8/17/06	\$16,500,000	\$ 16,397,893
Martin Marietta Materials, Inc.	83,000	7,565,450	Time Deposit — 0.0%		
Rohm & Haas Co.	400,000	20,048,000	Bank of America Corp.,		
		66,019,950	4.50%, due 7/3/06		180,006
Telecom Services — 2.8%			Commercial Paper — 0.1%		
Alltel Corp.	300,000	19,149,000	General Electric Capital Corp.,		
AT&T Corp.	595,000	16,594,550	5.00%, due 7/5/06	775,000	774,569
		35,743,550	Total Short-Term Investments		17,352,468
			(Cost \$17,352,468)		17,352,468
Utilities — 3.6%			Securities Lending Collateral — 5.2%		
Aqua America, Inc. (C)	650,000	14,813,500	Brown Brothers Investment		
Duke Energy Corp.	611,560	17,961,517	Trust, 5.16%, due 7/3/06		66,398,828
MDU Resources Group, Inc.	375,000	13,728,750	Total Securities Lending Collateral		66,398,828
		46,503,767	(Cost \$66,398,828)		66,398,828
Total Stocks and Convertible Securities			Total Investments — 104.8%		
(Cost \$922,997,596) (E)		\$1,264,999,593	(Cost \$1,006,748,892)		1,348,750,889
			Cash, receivables, prepaid		
			expenses and other assets, less		
			liabilities — (4.8)%		(61,856,553)
			Net Assets — 100%		\$1,286,894,336

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.
- (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, 2006 covering open call option contracts written was \$18,579,600. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was \$14,917,500.

PORTFOLIO SUMMARY

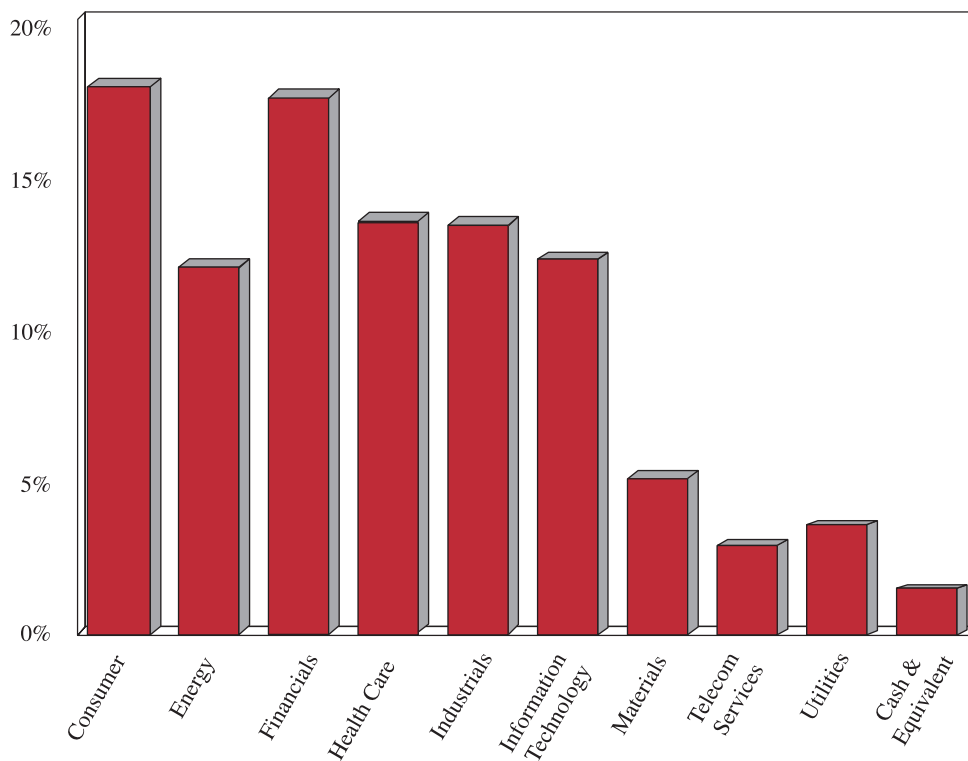
June 30, 2006

Ten Largest Portfolio Holdings

	<u>Market Value</u>	<u>% of Net Assets</u>
Petroleum & Resources Corporation*	\$ 67,504,004	5.2
General Electric Co.	49,034,592	3.8
American International Group, Inc.	29,525,000	2.3
Bank of America Corp.	29,341,000	2.3
Microsoft Corp.	27,494,000	2.1
Pfizer Inc.	26,286,400	2.0
Wachovia Corp.	25,417,600	2.0
Schlumberger Ltd.	24,741,800	1.9
PepsiCo, Inc.	24,016,000	1.9
AMBAC Financial Group, Inc.	23,924,500	1.9
Total	\$327,284,896	25.4%

*Non-controlled affiliate

Sector Weightings



SCHEDULE OF OUTSTANDING OPTION CONTRACTS

June 30, 2006

Contracts (100 shares each)	Security	Strike Price	Contract Expiration Date	Appreciation/ (Depreciation)
COVERED CALLS				
100	Advanced Medical Optics, Inc.	\$ 50	Jul 06	\$ (2,301)
100	Advanced Medical Optics, Inc.	50	Aug 06	(12,801)
100	Air Products and Chemicals, Inc.	70	Sep 06	6,700
100	Air Products and Chemicals, Inc.	75	Dec 06	4,200
200	AMBAC Financial Group, Inc.	85	Aug 06	21,399
100	AMBAC Financial Group, Inc.	85	Nov 06	(5,061)
100	Avon Products, Inc.	35	Oct 06	5,200
150	Bunge Ltd.	65	Jul 06	26,549
100	Bunge Ltd.	70	Jul 06	14,224
100	Caremark Rx Inc.	55	Sep 06	(50)
200	Corning Inc.	30	Aug 06	17,399
150	Cree, Inc.	35	Sep 06	13,050
150	Cree, Inc.	40	Sep 06	18,299
100	Emerson Electric Co.	95	Sep 06	6,700
150	HCA Inc.	55	Aug 06	14,549
200	Illinois Tool Works Inc.	50	Sep 06	(13,050)
200	Illinois Tool Works Inc.	52.50	Sep 06	200
150	Investors Financial Services Corp.	45	Jul 06	(5,990)
100	Investors Financial Services Corp.	50	Jul 06	21,699
100	Investors Financial Services Corp.	55	Oct 06	7,824
100	Laboratory Corp. of America Holdings	65	Aug 06	2,200
80	Martin Marietta Materials, Inc.	140	Oct 06	10,159
100	Murphy Oil Corp.	55	Jul 06	(8,800)
150	OSI Restaurant Partners, Inc.	50	Aug 06	19,799
250	Rohm & Haas Co.	55	Jul 06	28,274
200	Rohm & Haas Co.	55	Oct 06	3,399
150	United Technologies Corp.	65	Aug 06	(2,851)
<u>3,680</u>				<u>190,919</u>
COLLATERALIZED PUTS				
170	Advanced Medical Optics, Inc.	35	Jul 06	17,999
250	Bunge Ltd.	45	Jul 06	15,139
150	Caremark Rx Inc.	40	Sep 06	6,300
150	Exxon Mobil Corp.	52.50	Oct 06	7,799
100	Florida Rock Industries Inc.	45	Sep 06	(7,800)
150	Harley-Davidson, Inc.	45	Aug 06	11,174
100	Harley-Davidson, Inc.	47.50	Aug 06	12,699
100	Harley-Davidson, Inc.	50	Aug 06	3,200
100	Marathon Oil Co.	60	Jul 06	11,700
100	Marathon Oil Co.	65	Jul 06	24,199
100	Marathon Oil Co.	75	Jul 06	8,700
100	Marathon Oil Co.	55	Oct 06	9,200
170	Martin Marietta Materials, Inc.	80	Jul 06	19,889
250	MedImmune, Inc.	25	Dec 06	(3,251)
75	Morgan Stanley	55	Oct 06	6,900
100	Procter & Gamble Co.	55	Oct 06	(3,300)
100	Target Corp.	45	Oct 06	700
250	Wachovia Corp.	47.50	Jul 06	22,999
100	Wachovia Corp.	50	Oct 06	3,700
150	Zimmer Holdings, Inc.	55	Sep 06	(13,200)
250	Zimmer Holdings, Inc.	50	Dec 06	(3,251)
<u>3,015</u>				<u>151,495</u>
				<u>\$342,414</u>

CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended June 30, 2006
(unaudited)

	Shares		Held June 30, 2006
	Additions	Reductions	
BankAtlantic Bancorp, Inc.	130,000		880,000
Bank of America Corp.	60,000		610,000
Bank of New York Co., Inc. (The)	375,000		375,000
Caremark Rx Inc.	255,000		255,000
Curtiss-Wright Corp.	230,000 ⁽¹⁾		460,000
Dell Inc.	145,000		545,000
Harley-Davidson, Inc.	235,000		235,000
Illinois Tool Works Inc.	125,000 ⁽¹⁾		250,000
Marathon Oil Co.	10,000		120,000
Morgan Stanley	25,000		200,000
Schlumberger Ltd.	190,000 ⁽¹⁾		380,000
Unilever plc ADR	276,000 ⁽¹⁾		621,000
Wachovia Corp.	75,000		470,000
Aqua America, Inc.		150,000	650,000
Black Hills Corp.		245,000	—
Laboratory Corp. of America Holdings		25,000	200,000
Murphy Oil Corp.		51,500	38,500
North Fork Bancorp, Inc.		525,000	—
PepsiCo, Inc.		40,000	400,000
Sapient Corp.		1,150,000	—
Smurfit-Stone Container Corp.		650,000	—

⁽¹⁾ By stock split.

HISTORICAL FINANCIAL STATISTICS

December 31	Value of Net Assets	Shares Outstanding*	Net Asset Value per Share*	Dividends from Net Investment Income per Share*	Distributions from Net Realized Gains per Share*
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
2005	1,266,728,652	86,099,607	14.71	.22	.64
June 30, 2006	1,286,894,336	85,116,812	15.12	.13†	.02†

* 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, 2006, 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, 2006, by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Baltimore, Maryland
July 13, 2006

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.

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, 2006 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.

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

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

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 10269-0560

Website: www.amstock.com

E-mail: 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.

THE ADAMS EXPRESS COMPANY

Board of Directors

Enrique R. Arzac ^{1,3}	Thomas H. Lenagh ^{1,4}
Phyllis O. Bonanno ^{1,4}	Kathleen T. McGahran ^{2,4}
Daniel E. Emerson ^{2,3}	Douglas G. Ober ¹
Frederic A. Escherich ^{2,3}	John J. Roberts ^{1,3}
Roger W. Gale ^{1,3}	Craig R. Smith ^{2,4}

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 (6/30/06)	\$12.87
Net Asset Value (6/30/06)	\$15.12
Discount:	14.9%

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 2006

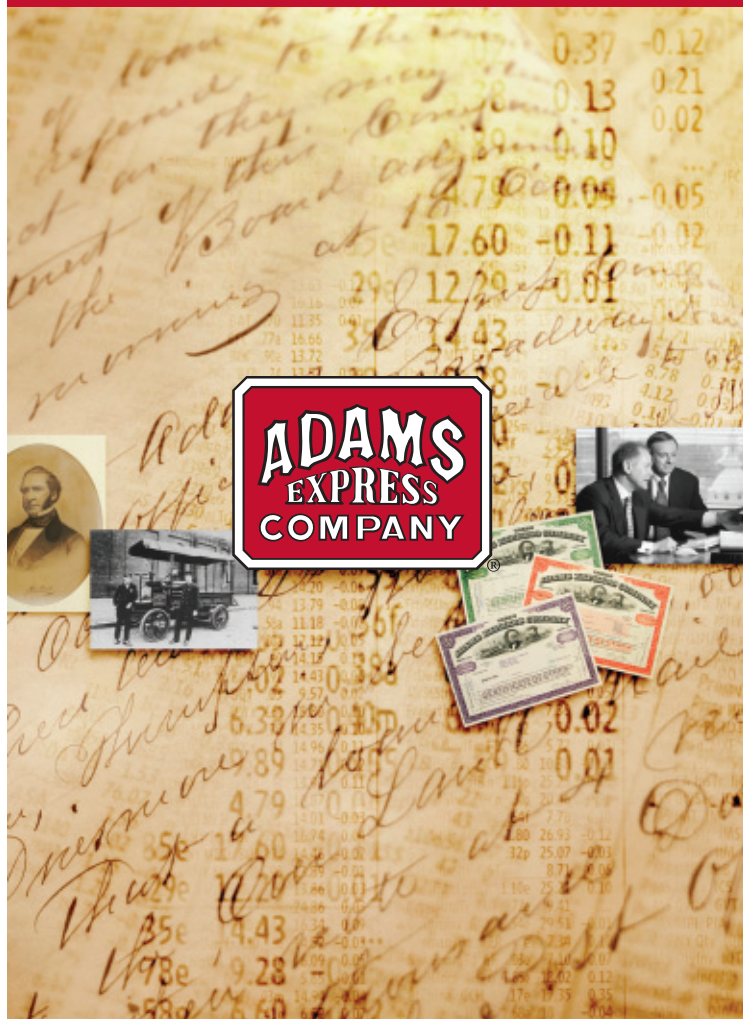
From Investment Income (paid or declared)	\$0.13
From Net Realized Gains	0.02
Total	\$0.15

2006 Dividend Payment Dates

March 1, 2006
June 1, 2006
September 1, 2006
December 27, 2006*

*Anticipated

The Adams Express Company



Semi-Annual Report

June 30, 2006

building for the future with solid investments®