

## LETTER TO STOCKHOLDERS

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

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

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

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

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

For the twelve months ended June 30, 2007, the Company's total return on net asset value was 20.3% and

on market value was 23.3%, as the discount narrowed during the period. Comparable figures for the S&P 500 and the Lipper Large Cap Core Mutual Fund Average were 20.6% and 19.6%, respectively.

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

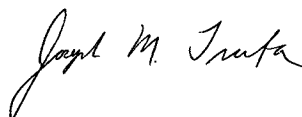
Current and potential stockholders can find information about the Company, including the daily net asset value (NAV) per share, the market price, and the discount/premium to the NAV, on our website at [www.adamsexpress.com](http://www.adamsexpress.com). Also available on the website are a history of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

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By order of the Board of Directors,



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



Joseph M. Truta,  
*President*

July 13, 2007

## STATEMENT OF ASSETS AND LIABILITIES

June 30, 2007

### Assets

Investments\* at value:

Common stocks and convertible securities (cost \$893,749,645)	\$1,320,403,289	
Non-controlled affiliate, Petroleum & Resources Corporation (cost \$34,735,404)	84,453,212	
Short-term investments (cost \$56,042,573)	56,042,573	
Securities lending collateral (cost \$51,790,258)	51,790,258	\$1,512,689,332

Cash		394,141
Investment securities sold		1,279,753
Dividends and interest receivable		1,254,791
Prepaid pension cost		3,384,802
Prepaid expenses and other assets		2,305,143
<i>Total Assets</i>		1,521,307,962

### Liabilities

Investment securities purchased		349,156
Open written option contracts at value (proceeds \$522,629)		613,325
Obligations to return securities lending collateral		51,790,258
Accrued expenses		3,305,316
<i>Total Liabilities</i>		56,058,055

<b>Net Assets</b>		\$1,465,249,907
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### Net Assets

Common Stock at par value \$0.001 per share, authorized 150,000,000 shares; issued and outstanding 85,893,132 shares (includes 86,867 restricted shares, 6,000 restricted stock units, and 4,112 deferred stock units) (Note 6)		\$ 85,893
Additional capital surplus		940,985,075
Accumulated other comprehensive income (Note 5)		(1,716,072)
Undistributed net investment income		13,257,872
Undistributed net realized gain on investments		36,356,383
Unrealized appreciation on investments		476,280,756
<b>Net Assets Applicable to Common Stock</b>		\$1,465,249,907
<b>Net Asset Value Per Share of Common Stock</b>		\$17.06

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

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

## STATEMENT OF OPERATIONS

Six Months Ended June 30, 2007

### Investment Income

Income:

Dividends:

From unaffiliated issuers \$ 17,571,283

From non-controlled affiliate 415,487

Interest and other income 1,669,448

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*Total income* 19,656,218

Expenses:

Investment research 1,478,739

Administration and operations 726,243

Directors' fees 172,626

Reports and stockholder communications 195,593

Transfer agent, registrar and custodian expenses 171,863

Auditing and accounting services 61,351

Legal services 67,968

Occupancy and other office expenses 231,935

Travel, telephone and postage 48,160

Other 114,021

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*Total expenses* 3,268,499

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**Net Investment Income** 16,387,719

### Realized Gain and Change in Unrealized Appreciation on Investments

Net realized gain on security transactions 35,805,044

Net realized gain distributed by regulated investment company (non-controlled affiliate) 153,074

Change in unrealized appreciation on investments 57,524,500

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**Net Gain on Investments** 93,482,618

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**Change in Net Assets Resulting from Operations** \$109,870,337

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

## STATEMENTS OF CHANGES IN NET ASSETS

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

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

# NOTES TO FINANCIAL STATEMENTS

## 1. Significant Accounting Policies

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

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

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

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

## 2. Federal Income Taxes

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

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

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

## 3. Investment Transactions

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

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

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

	Covered Calls		Collateralized Puts	
	Contracts	Premiums	Contracts	Premiums
Options outstanding, December 31, 2006	3,745	\$ 497,618	2,103	\$ 220,313
Options written	3,690	465,727	3,035	327,642
Options terminated in closing purchase transactions	(550)	(83,598)	—	—
Options expired	(2,395)	(293,125)	(2,853)	(310,810)
Options exercised	(2,100)	(301,138)	—	—
Options outstanding, June 30, 2007	2,390	\$ 285,484	2,285	\$ 237,145

## 4. Capital Stock

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 5. Retirement Plans

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

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

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

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

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

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

### 6. Equity-Based Compensation

Although the Stock Option Plan of 1985 ("1985 Plan") has been discontinued and no further grants will be made under this plan, unexercised grants of stock options and stock appreciation rights granted in 2004 and prior years remain outstanding. The exercise price of the unexercised options and related stock appreciation rights is the fair market value on date of grant, reduced by the per share amount of capital gains paid by the Company during subsequent years. All options and related stock appreciation rights terminate 10 years from date of grant, if not exercised.

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

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

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

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

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

The 2005 Equity Incentive Compensation Plan ("2005 Plan"), adopted at the 2005 Annual Meeting, permits the grant of stock options, restricted stock awards and other stock incentives to key employees and all non-employee directors. The 2005 Plan provides for the issuance of up to 3,413,131 shares of the Company's Common Stock, including both performance and nonperformance-based restricted stock. Performance-based restricted stock awards vest at the end of a specified three year period, with the ultimate number of awards earned contingent on achievement of certain performance targets. If performance targets are not achieved, all or a portion of the performance-based awards are forfeited and become available for future grants. Nonperformance-based restricted stock awards vest ratably over a three year period and nonperformance-based restricted stock units (granted to non-employee directors) vest over a one year period. It is the current intention that employee grants will be performance-based. The 2005 Plan provides for accelerated vesting in the event of death or retirement. Non-employee directors also may elect to defer a portion of their cash compensation, with such deferred amount to be paid by delivery of deferred stock units. Outstanding awards are granted at fair market value on grant date. The number of shares of Common Stock which remains available for future grants under the 2005 Plan at June 30, 2007 is 3,289,337 shares.

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

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Compensation costs resulting from awards granted under the 2005 Plan are based on the fair value of the award on grant date (determined by the average of the high and low price on grant date) and recognized on a straight-line basis over the requisite service period. For those awards with performance conditions, compensation costs are based on the most probable outcome and, if such goals are not met, compensation cost is not recognized and any previously recognized compensation cost is reversed. The total compensation costs for restricted stock granted to employees for the period ending June 30, 2007 were \$209,452. The total compensation costs for restricted stock units granted to non-employee directors for the period ended June 30, 2007 were \$44,876. As of June 30, 2007, there were total unrecognized compensation costs of \$807,143, a component of additional capital surplus, related to non-vested equity-based compensation arrangements granted under the 2005 Plan. Those costs are expected to be recognized over a weighted average period of 1.87 years.

### **7. Officer and Director Compensation**

The aggregate remuneration paid during the six months ended June 30, 2007 to officers and directors amounted to \$2,080,502, of which \$185,041 was paid as fees and compensation to directors who were

not officers. These amounts represent the taxable income to the Company's officers and directors and therefore differ from the amounts reported in the accompanying Statement of Operations that are recorded and expensed in accordance with generally accepted accounting principles.

### **8. Portfolio Securities Loaned**

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

## FINANCIAL HIGHLIGHTS

	Six Months Ended		Year Ended December 31				
	June 30, 2007	June 30, 2006	2006	2005	2004	2003	2002
	<b>Per Share Operating Performance</b>						
Net asset value, beginning of period	\$15.86	\$14.71	\$14.71	\$15.04	\$14.36	\$12.12	\$16.05
Net investment income	0.19*	0.11	0.23	0.22	0.23**	0.19	0.20
Net realized gains and increase (decrease) in unrealized appreciation	1.09	0.37	1.86	0.32	1.39	2.85	(3.38)
Change in accumulated other comprehensive income (note 5)	—	—	(0.02)	—	—	—	—
<b>Total from investment operations</b>	<b>1.28</b>	<b>0.48</b>	<b>2.07</b>	<b>0.54</b>	<b>1.62</b>	<b>3.04</b>	<b>(3.18)</b>
<b>Less distributions</b>							
Dividends from net investment income	(0.09)	(0.08)	(0.23)	(0.22)	(0.24)	(0.17)	(0.19)
Distributions from net realized gains	(0.01)	(0.02)	(0.67)	(0.64)	(0.66)	(0.61)	(0.57)
<b>Total distributions</b>	<b>(0.10)</b>	<b>(0.10)</b>	<b>(0.90)</b>	<b>(0.86)</b>	<b>(0.90)</b>	<b>(0.78)</b>	<b>(0.76)</b>
Capital share repurchases	0.02	0.03	0.04	0.05	0.02	0.04	0.05
Reinvestment of distributions	—	—	(0.06)	(0.06)	(0.06)	(0.06)	(0.04)
<b>Total capital share transactions</b>	<b>0.02</b>	<b>0.03</b>	<b>(0.02)</b>	<b>(0.01)</b>	<b>(0.04)</b>	<b>(0.02)</b>	<b>0.01</b>
<b>Net asset value, end of period</b>	<b>\$17.06</b>	<b>\$15.12</b>	<b>\$15.86</b>	<b>\$14.71</b>	<b>\$15.04</b>	<b>\$14.36</b>	<b>\$12.12</b>
<b>Per share market price, end of period</b>	<b>\$14.89</b>	<b>\$12.87</b>	<b>\$13.87</b>	<b>\$12.55</b>	<b>\$13.12</b>	<b>\$12.41</b>	<b>\$10.57</b>
<b>Total Investment Return</b>							
Based on market price	8.1%	3.3%	17.9%	2.2%	13.2%	25.2%	(20.6)%
Based on net asset value	8.3%	3.6%	15.0%	4.5%	12.1%	26.3%	(19.4)%
<b>Ratios/Supplemental Data</b>							
Net assets, end of period (in 000's)	\$1,465,250	\$1,286,894	\$1,377,418	\$1,266,729	\$1,295,549	\$1,218,862	\$1,024,810
Ratio of expenses to average net assets	0.46%†	0.47%†	0.50%	0.45%	0.43%	0.47%	0.34%
Ratio of net investment income to average net assets	2.31%†	1.38%†	1.50%	1.44%	1.54%	1.45%	1.42%
Portfolio turnover	13.11%†	13.55%†	10.87%	12.96%	13.43%	12.74%	17.93%
Number of shares outstanding at end of period (in 000's)	85,893	85,117	86,838	86,100	86,135	84,886	84,536

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

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

† Ratios presented on an annualized basis.



# SCHEDULE OF INVESTMENTS

June 30, 2007

	Shares	Value (A)		Shares	Value (A)
<b>Stocks and Convertible Securities — 95.9%</b>					
<b>Consumer — 16.6%</b>					
<i>Consumer Discretionary — 7.1%</i>					
BJ's Wholesale Club, Inc. (B)	450,000	\$ 16,213,500			
Comcast Corp. (B)	525,000	14,763,000			
Gannett Co., Inc.	112,500	6,181,875			
Harley-Davidson, Inc. (C)	120,000	7,153,200			
Lowe's Companies, Inc.	575,000	17,646,750			
Newell Rubbermaid Inc.	400,000	11,772,000			
Ryland Group Inc. (C)	305,000	11,397,850			
Target Corp.	290,000	18,444,000			
		103,572,175			
<i>Consumer Staples — 9.5%</i>					
Avon Products, Inc.	418,400	15,376,200			
Bunge Ltd.	140,000	11,830,000			
Coca-Cola Co.	200,000	10,462,000			
Dean Foods Co.	340,000	10,835,800			
Del Monte Foods Co.	1,115,000	13,558,400			
PepsiCo, Inc.	400,000	25,940,000			
Procter & Gamble Co.	340,000	20,804,600			
Safeway Inc.	390,000	13,271,700			
Unilever plc ADR	550,000	17,743,000			
		139,821,700			
<b>Energy — 13.1%</b>					
ConocoPhillips	345,000	27,082,500			
ENSCO International, Inc.	209,150	12,760,242			
Exxon Mobil Corp.	215,000	18,034,200			
Marathon Oil Co.	240,000	14,390,400			
Murphy Oil Corp.	38,500	2,288,440			
Petroleum & Resources Corporation (D)	2,186,774	84,453,212			
Schlumberger Ltd.	380,000	32,277,200			
		191,286,194			
<b>Financials — 16.4%</b>					
<i>Banking — 12.8%</i>					
BankAtlantic Bancorp, Inc.	880,000	7,576,800			
Bank of America Corp.	610,000	29,822,900			
Bank of New York Co., Inc. (The)	375,000	15,540,000			
Compass Bancshares Inc.	85,000	5,863,300			
Fifth Third Bancorp	280,000	11,135,600			
Investors Financial Services Corp.	357,500	22,047,024			
Morgan Stanley	150,000	12,582,000			
PNC Financial Services Group Inc.	200,000	14,316,000			
Prosperity Bancshares, Inc.	200,000	6,552,000			
Wachovia Corp.	470,000	24,087,500			
Wells Fargo & Co.	650,000	22,860,500			
Wilmington Trust Corp.	363,000	15,068,130			
		187,451,754			
<i>Insurance — 3.6%</i>					
AMBAC Financial Group, Inc.	200,000	\$ 17,438,000			
American International Group, Inc.	500,000	35,015,000			
		52,453,000			
<b>Health Care — 12.1%</b>					
Abbott Laboratories	320,000	17,136,000			
Advanced Medical Optics, Inc. (B)(C)	325,000	11,336,000			
Bristol-Myers Squibb Co.	345,000	10,888,200			
CVS/Caremark Corp.	208,750	7,608,938			
Genentech, Inc. (B)	220,000	16,645,200			
Johnson & Johnson	255,000	15,713,100			
Medtronic, Inc.	310,000	16,076,600			
Pfizer Inc.	1,120,000	28,638,400			
Senomyx, Inc. (B)(C)	550,000	7,425,000			
Teva Pharmaceutical Industries Ltd. ADR	385,000	15,881,250			
Wyeth Co.	325,000	18,635,500			
Zimmer Holdings, Inc. (B)	125,000	10,611,250			
		176,595,438			
<b>Industrials — 14.2%</b>					
Cintas Corp.	300,000	11,829,000			
Curtiss-Wright Corp.	360,000	16,779,600			
Emerson Electric Co.	400,000	18,720,000			
General Electric Co.	1,487,700	56,949,156			
Illinois Tool Works Inc.	250,000	13,547,500			
Masco Corp.	450,000	12,811,500			
Oshkosh Truck Corp.	270,000	16,988,400			
3M Co.	160,000	13,886,400			
Spirit AeroSystems Holdings, Inc. (B)	395,000	14,239,750			
United Parcel Service, Inc.	155,000	11,315,000			
United Technologies Corp.	300,000	21,279,000			
		208,345,306			
<b>Information Technology — 12.7%</b>					
<i>Communication Equipment — 1.6%</i>					
Avaya Inc. (B)	600,000	10,104,000			
Corning Inc. (B)	500,000	12,775,000			
		22,879,000			
<i>Computer Related — 8.3%</i>					
Automatic Data Processing Inc.	300,000	14,541,000			
BEA Systems, Inc. (B)	800,000	10,952,000			
Cisco Systems, Inc. (B)	850,000	23,672,500			
Dell Inc. (B)	585,000	16,701,750			
Microsoft Corp.	1,180,000	34,774,600			
Oracle Corp. (B)	1,100,000	21,681,000			
		122,322,850			
<i>Electronics — 2.8%</i>					
Broadcom Corp. (B)	400,000	11,700,000			
Cree, Inc. (B)(C)	375,000	9,693,750			
Intel Corp.	800,000	19,008,000			
		40,401,750			

## SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2007

	Shares	Value (A)		Prin. Amt.	Value (A)
<b>Materials — 4.9%</b>			<b>Short-Term Investments — 3.8%</b>		
Air Products and Chemicals, Inc.	230,000	\$ 18,485,100	<b>U.S. Government Obligations — 1.1%</b>		
du Pont (E.I.) de Nemours and Co.	360,000	18,302,400	U.S. Treasury Bills,		
Florida Rock Industries Inc.	200,000	13,500,000	4.70%, due 8/16/07	\$16,500,000	\$ 16,400,908
Rohm & Haas Co.	400,000	21,872,000	<b>Time Deposit — 0.0%</b>		
		<u>72,159,500</u>	Bank of America Corp.,		
			4.64%, due 7/2/07		<u>206,900</u>
<b>Telecom Services — 2.8%</b>			<b>Commercial Paper — 2.7%</b>		
Alltel Corp.	300,000	20,265,000	AIG Funding Inc.,		
AT&T Corp.	400,000	16,600,000	5.25%, due 7/5/07	5,400,000	5,396,850
Windstream Corp.	310,178	4,578,227	American General Finance,		
		<u>41,443,227</u>	Inc., 5.26%, due 7/10/07	5,000,000	4,993,431
<b>Utilities — 3.1%</b>			Chevron Funding Corp.,		
Aqua America, Inc. (C)	499,000	11,222,510	5.21%, due 7/17/07	6,000,000	5,986,107
Duke Energy Corp.	611,560	11,191,548	General Electric Capital		
MDU Resources Group, Inc.	562,500	15,772,500	Corp., 5.23-5.24%, due		
Spectra Energy Corp.	305,780	7,938,049	7/5/07-7/19/07	11,500,000	11,476,108
		<u>46,124,607</u>	Toyota Motor Credit Corp.,		
			5.21-5.23%, due 7/3/07-		
			7/24/07	11,600,000	<u>11,582,269</u>
<b>Total Stocks and Convertible Securities</b>					<u>39,434,765</u>
(Cost \$928,485,049) (E)		<u>\$1,404,856,501</u>	<b>Total Short-Term Investments</b>		
			(Cost \$56,042,573)		<u>56,042,573</u>
			<b>Total Securities Lending Collateral — 3.5%</b>		
			(Cost \$51,790,258)		
			Brown Brothers Investment		
			Trust, 5.28%, due 7/2/07		<u>51,790,258</u>
			<b>Total Investments — 103.2%</b>		
			(Cost \$1,036,317,880)		1,512,689,332
			Cash, receivables, prepaid pension cost,		
			prepaid expenses and other assets, less		
			liabilities — (3.2)%		<u>(47,439,426)</u>
			<b>Net Assets — 100%</b>		<u><u>\$1,465,249,907</u></u>

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, 2007 covering open call option contracts written was \$12,388,240. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was \$10,952,500.

## PORTFOLIO SUMMARY

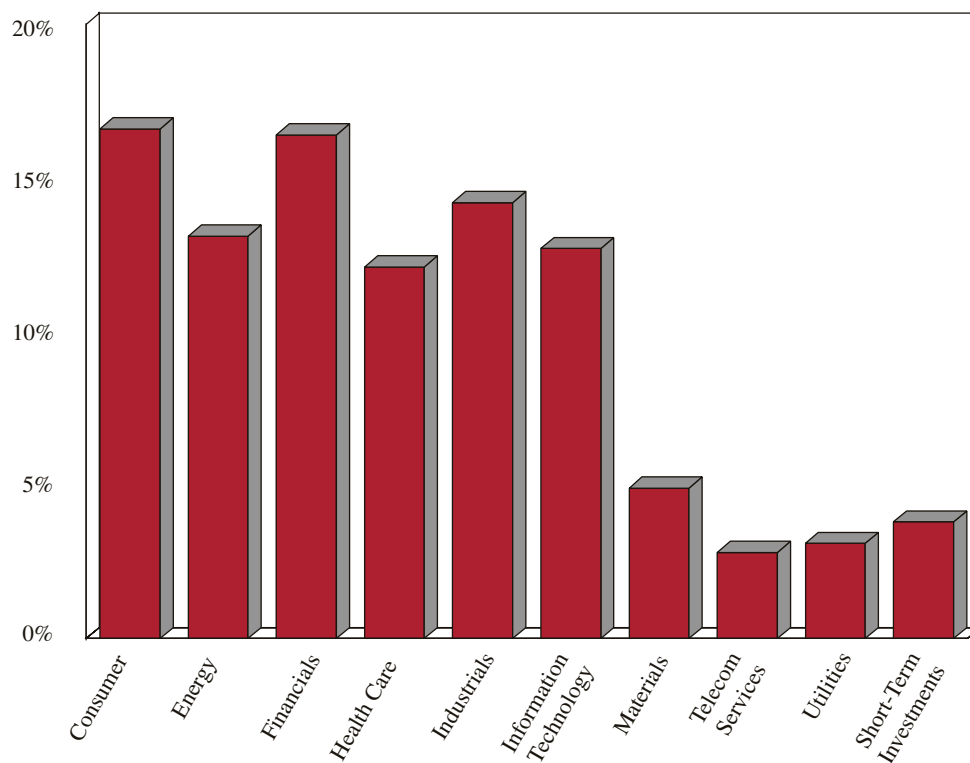
June 30, 2007  
(unaudited)

### Ten Largest Portfolio Holdings

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

\*Non-controlled affiliate

### Sector Weightings



## SCHEDULE OF OUTSTANDING OPTION CONTRACTS

June 30, 2007

Contracts (100 shares each)	Security	Strike Price	Contract Expiration Date	Appreciation/ (Depreciation)
<b>COVERED CALLS</b>				
100	AMBAC Financial Group, Inc.	\$100	Aug 07	\$ 8,700
200	Avon Products, Inc.	45	Oct 07	19,399
250	BJ's Wholesale Club, Inc.	45	Dec 07	9,249
100	Bunge Ltd.	90	Jul 07	4,700
100	Bunge Ltd.	95	Oct 07	(5,200)
250*	Comcast Corp.	33.38	Jul 07	24,874
100	Cree, Inc.	30	Sep 07	(300)
240	Marathon Oil Co.	62.50	Oct 07	(67,560)
100	Morgan Stanley	85	Jul 07	(2,301)
200	Rohm & Haas Co.	55	Oct 07	(22,075)
200	Ryland Group Inc.	65	Jul 07	40,399
250	Safeway Inc.	40	Sep 07	16,624
100	Target Corp.	70	Jul 07	10,949
200	Target Corp.	70	Oct 07	(6,201)
<u>2,390</u>				<u>31,257</u>
<b>COLLATERALIZED PUTS</b>				
250	Broadcom Corp.	30	Aug 07	(23,875)
100	Exxon Mobil Corp.	65	Jul 07	11,100
250	Lowe's Companies, Inc.	30	Oct 07	(10,125)
200	Lubrizol Corp.	55	Dec 07	(78,600)
200	Lubrizol Corp.	60	Dec 07	(48,600)
250	Oshkosh Truck Corp.	45	Jul 07	17,999
150	Oshkosh Truck Corp.	50	Jul 07	14,549
100	PNC Financial Services Group Inc.	70	Aug 07	(3,300)
100	Procter & Gamble Co.	60	Oct 07	(6,300)
150	Ryland Group Inc.	37.50	Jul 07	(4,950)
35	Ryland Group Inc.	40	Jul 07	(7,455)
250	Spirit AeroSystems Holdings, Inc.	35	Oct 07	(14,145)
250	3M Corp.	70	Jul 07	31,749
<u>2,285</u>				<u>(121,953)</u>
				<u>\$ (90,696)</u>

\* 150 shares per contract.

## CHANGES IN PORTFOLIO SECURITIES

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

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

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

<sup>(2)</sup> By stock split.

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

# HISTORICAL FINANCIAL STATISTICS

(unaudited)

Dec. 31	Value Of Net Assets	Shares Outstanding*	Net Asset Value Per Share*	Market Value Per Share*	Dividends From Investment Income Per Share*	Distributions From Net Realized Gains Per Share*	Total Dividends and Distributions Per Share*	Annual Rate of Distribution**
1997	\$1,424,170,425	74,923,859	\$19.01	\$16.13	\$.29	\$1.01	\$1.30	8.65%
1998	1,688,080,336	77,814,977	21.69	17.75	.30	1.10	1.40	8.17
1999	2,170,801,875	80,842,241	26.85	22.38	.26	1.37	1.63	8.53
2000	1,951,562,978	82,292,262	23.72	21.00	.22	1.63	1.85	7.76
2001	1,368,366,316	85,233,262	16.05	14.22	.26	1.39	1.65	9.44
2002	1,024,810,092	84,536,250	12.12	10.57	.19	.57	.76	6.14
2003	1,218,862,456	84,886,412	14.36	12.41	.17	.61	.78	6.80
2004	1,295,548,900	86,135,292	15.04	13.12	.24	.66	.90	7.05
2005	1,266,728,652	86,099,607	14.71	12.55	.22	.64	.86	6.65
2006	1,377,418,310	86,838,223	15.86	13.87	.23	.67	.90	6.80
June 30, 2007	1,465,249,907	85,893,132	17.06	14.89	.14†	.01†	.15†	—

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

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

† Paid or declared.

## Common Stock

Listed on the New York Stock Exchange

### The Adams Express Company

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

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

**Website:** www.adamsexpress.com

**E-mail:** contact@adamsexpress.com

**Counsel:** Chadbourne & Parke L.L.P.

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

**Transfer Agent & Registrar:** American Stock Transfer & Trust Co.

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

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

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Adams Express Company (the Company) at June 30, 2007, the results of its operations, the changes in its net assets and the financial highlights for each of the fiscal periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Company’s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting

Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at June 30, 2007, by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Baltimore, Maryland  
July 13, 2007

## AMENDED AND RESTATED BYLAWS

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

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

- include updates to conform to changes in Maryland law and current corporate governance practice.

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

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

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

### **Proxy Voting Policies and Record**

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

### **Privacy Policy**

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

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

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

## STOCKHOLDER INFORMATION AND SERVICES

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### DIVIDEND PAYMENT SCHEDULE

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

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

### INVESTORS CHOICE

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

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

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

*To transfer shares to another participant or to a new participant*

***Fees are subject to change at any time.***

### Minimum and Maximum Cash Investments

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

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

### For Non-Registered Stockholders

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

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### The Company

#### The Adams Express Company

Lawrence L. Hooper, Jr.

Vice President, General Counsel and Secretary  
Seven St. Paul Street, Suite 1140, Baltimore, MD 21202  
(800) 638-2479

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

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

### The Transfer Agent

#### American Stock Transfer & Trust Company

**Address Stockholder Inquiries to:**

Stockholder Relations Department

59 Maiden Lane

New York, NY 10038

(877) 260-8188

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

**E-mail:** [info@amstock.com](mailto:info@amstock.com)

#### Investors Choice Mailing Address:

Attention: Dividend Reinvestment

P.O. Box 922

Wall Street Station

New York, NY 10269-0560

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

**E-mail:** [info@amstock.com](mailto:info@amstock.com)

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



# THE ADAMS EXPRESS COMPANY

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## Board of Directors

Enrique R. Arzac <sup>1,4,5</sup>	Thomas H. Lenagh <sup>2,3</sup>
Phyllis O. Bonanno <sup>1,4,5</sup>	Kathleen T. McGahran <sup>2,4</sup>
Daniel E. Emerson <sup>1,3,5</sup>	Douglas G. Ober <sup>1</sup>
Frederic A. Escherich <sup>2,3</sup>	Craig R. Smith <sup>2,4</sup>
Roger W. Gale <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>
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>
David D. Weaver	<i>Vice President—Research</i>
Christine M. Sloan	<i>Assistant Treasurer</i>
Geraldine H. Paré	<i>Assistant Secretary</i>

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## Stock Data

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

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

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## Distributions in 2007

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

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## 2007 Dividend Payment Dates

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

\*Anticipated

*The Adams Express Company*

Semi-Annual Report

June 30, 2007

Generation after generation



we grow with you™

INVEST | PROTECT | GROW

