

ADAMS EXPRESS CO  
Form N-30B-2  
April 28, 2011

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LETTER TO STOCKHOLDERS

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

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

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

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

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

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

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

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

Current and potential stockholders can find information about the Company, including the daily net asset value (NAV) per share, the market price, and the discount/premium to the NAV, on our website at [www.adamsexpress.com](http://www.adamsexpress.com). Also available on the website are a history of the Company, historical financial information, links for electronic delivery of stockholder reports, and other useful content.

By order of the Board of Directors,

Douglas G. Ober,

*Chairman and*

*Chief Executive Officer*

David D. Weaver,

*President*

April 14, 2011

**SUMMARY FINANCIAL INFORMATION**

*Three Months Ended March 31*

*(unaudited)*

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

**RETURNS ON NET ASSET VALUE**

*As of March 31, 2011*

*(unaudited)*

## FIVE YEAR DISTRIBUTION HISTORY

*(unaudited)*

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

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

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

## CHANGES IN PORTFOLIO SECURITIES

*During the Three Months Ended March 31, 2011**(unaudited)*

|   | Shares                 |            | Held<br>March 31,<br>2011 |
|---|------------------------|------------|---------------------------|
|   | Additions              | Reductions |                           |
| ADTRAN, Inc.                            | 180,100                |            | 268,400                   |
| Apple Inc.                              | 2,000                  |            | 87,000                    |
| Celgene Corp.                           | 161,700                |            | 161,700                   |
| CF Industries Holdings, Inc.            | 28,365                 |            | 35,031                    |
| Freeport-McMoRan Copper & Gold Inc.     | 121,500 <sup>(1)</sup> |            | 243,000                   |
| Goodrich Corp.                          | 125,000                |            | 125,000                   |
| Masco Corp.                             | 375,000                |            | 825,000                   |
| National Oilwell Varco, Inc.            | 50,000                 |            | 50,000                    |
| NetApp, Inc.                            | 265,000                |            | 300,000                   |
| Potash Corporation of Saskatchewan Inc. | 113,100 <sup>(1)</sup> |            | 169,650                   |
| Ryland Group, Inc.                      | 270,000                |            | 613,500                   |
| Teck Resources Ltd.                     | 100,000                |            | 100,000                   |

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|                           |         |                        |
|---------------------------|---------|------------------------|
| Wells Fargo & Co.         | 110,000 | 635,000                |
| Cintas Corp.              |         | 300,000                |
| Del Monte Foods Co.       |         | 710,000 <sup>(2)</sup> |
| Emerson Electric Co.      | 100,000 | 200,000                |
| Illinois Tool Works Inc.  |         | 170,000                |
| MDU Resources Group, Inc. | 50,400  | 512,100                |
| Pfizer Inc.               | 215,125 | 800,000                |
| Transocean Ltd.           | 30,000  | 105,000                |
| Unilever plc ADR          | 10,000  | 573,400                |
| UnitedHealth Group Inc.   | 47,400  | 250,000                |

(1) By stock split.

(2) Received \$19.00 cash for each share tendered.

## PORTFOLIO SUMMARY

March 31, 2011

(unaudited)

## Ten Largest Equity Portfolio Holdings

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

\*Non-controlled affiliate

## Sector Weightings

## SCHEDULE OF INVESTMENTS

March 31, 2011

(unaudited)

|                                       | Shares    | Value (A)     |
|---------------------------------------|-----------|---------------|
| <b>Stocks 98.1%</b>                   |           |               |
| <b>Consumer 19.1%</b>                 |           |               |
| <b>Consumer Discretionary 8.6%</b>    |           |               |
| Columbia Sportswear Co.               | 200,000   | \$ 11,884,000 |
| Lowe's Companies, Inc.                | 600,000   | 15,858,000    |
| McDonald's Corp.                      | 250,000   | 19,022,500    |
| Newell Rubbermaid Inc.                | 400,000   | 7,652,000     |
| Ryland Group, Inc.                    | 613,500   | 9,754,650     |
| Target Corp.                          | 320,000   | 16,003,200    |
| Walt Disney Co.                       | 480,000   | 20,683,200    |
|                                       |           | 100,857,550   |
| <b>Consumer Staples 10.5%</b>         |           |               |
| Avon Products, Inc.                   | 304,600   | 8,236,385     |
| Bunge Ltd.                            | 180,000   | 13,019,400    |
| Coca-Cola Co.                         | 225,000   | 14,928,750    |
| CVS/Caremark Corp.                    | 295,000   | 10,124,400    |
| Mead Johnson Nutrition Co. (E)        | 117,383   | 6,799,997     |
| PepsiCo, Inc. (F)                     | 360,000   | 23,187,600    |
| Procter & Gamble Co.                  | 315,000   | 19,404,000    |
| Safeway Inc.                          | 390,000   | 9,180,600     |
| Unilever plc ADR                      | 573,400   | 17,557,508    |
|                                       |           | 122,438,640   |
| <b>Energy 12.1%</b>                   |           |               |
| Chevron Corp.                         | 200,000   | 21,486,000    |
| CONSOL Energy Inc. (E)                | 73,700    | 3,952,531     |
| Exxon Mobil Corp. (F)                 | 215,000   | 18,087,950    |
| Halliburton Co.                       | 150,000   | 7,476,000     |
| National Oilwell Varco, Inc.          | 50,000    | 3,963,500     |
| Petroleum & Resources Corporation (C) | 2,186,774 | 66,937,152    |
| Spectra Energy Corp.                  | 405,780   | 11,029,100    |
| Transocean Ltd. (B) (E)               | 105,000   | 8,184,750     |
|                                       |           | 141,116,983   |
| <b>Financials 13.8%</b>               |           |               |
| <b>Banks 3.2%</b>                     |           |               |
| PNC Financial Services Group, Inc.    | 270,000   | 17,007,300    |
| Wells Fargo & Co.                     | 635,000   | 20,129,500    |
|                                       |           | 37,136,800    |
| <b>Diversified Financials 9.0%</b>    |           |               |
| American Express Co.                  | 350,000   | 15,820,000    |
| Bank of America Corp.                 | 1,385,000 | 18,462,050    |
| Bank of New York Mellon Corp.         | 403,775   | 12,060,759    |

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|                           |         |            |
|---------------------------|---------|------------|
| JPMorgan Chase & Co.      | 560,000 | 25,816,000 |
| Morgan Stanley            | 400,000 | 10,928,000 |
| State Street Corp.        | 193,000 | 8,673,420  |
| T. Rowe Price Group, Inc. | 200,000 | 13,284,000 |

105,044,229

**Insurance 1.6%**

|                            |         |            |
|----------------------------|---------|------------|
| Prudential Financial, Inc. | 310,000 | 19,089,800 |
|----------------------------|---------|------------|

**Health Care 12.8%**

|   |           |            |
|---|-----------|------------|
| Abbott Laboratories                         | 310,000   | 15,205,500 |
| Bristol-Myers Squibb Co.                    | 159,061   | 4,203,982  |
| Celgene Corp. (B)                           | 161,700   | 9,302,601  |
| Gilead Sciences, Inc. (B)                   | 250,000   | 10,610,000 |
| Hospira, Inc. (B) (E)                       | 175,000   | 9,660,000  |
| Johnson & Johnson                           | 255,000   | 15,108,750 |
| Life Technologies Corp. (B) (E)             | 200,000   | 10,484,000 |
| Medtronic, Inc.                             | 350,000   | 13,772,500 |
| Pfizer Inc.                                 | 800,000   | 16,248,000 |
| Senomyx, Inc. (B)                           | 1,284,400 | 7,757,776  |
| Teva Pharmaceutical Industries Ltd. ADR (E) | 330,000   | 16,556,100 |
| UnitedHealth Group Inc. (E)                 | 250,000   | 11,300,000 |
| Zimmer Holdings, Inc. (B) (E)               | 150,000   | 9,079,500  |

149,288,709

**Industrials 13.0%**

|   |           |            |
|---|-----------|------------|
| Caterpillar Inc.                                | 140,000   | 15,589,000 |
| Curtiss-Wright Corp.                            | 360,000   | 12,650,400 |
| Emerson Electric Co.                            | 200,000   | 11,686,000 |
| FedEx Corp.                                     | 115,000   | 10,758,250 |
| General Electric Co.                            | 1,058,000 | 21,212,900 |
| Goodrich Corp.                                  | 125,000   | 10,691,250 |
| Masco Corp.                                     | 825,000   | 11,484,000 |
| Norfolk Southern Corp.                          | 200,000   | 13,854,000 |
| Oshkosh Corp. (B) (E)                           | 380,000   | 13,444,400 |
| Spirit AeroSystems Holdings, Inc. (Class A) (B) | 500,000   | 12,835,000 |
| United Technologies Corp.                       | 200,000   | 16,930,000 |

151,135,200

**Information Technology 19.1%**

**Semiconductors 2.1%**

|                    |         |            |
|--------------------|---------|------------|
| Broadcom Corp. (B) | 200,000 | 7,876,000  |
| Intel Corp.        | 840,000 | 16,942,800 |

24,818,800

**Software & Services 8.5%**

|                                 |           |            |
|---------------------------------|-----------|------------|
| Automatic Data Processing, Inc. | 300,000   | 15,393,000 |
| Google Inc. (B)                 | 30,000    | 17,586,300 |
| Microsoft Corp.                 | 1,180,000 | 29,924,800 |
| Oracle Corp.                    | 1,100,000 | 36,707,000 |

99,611,100

**Technology Hardware & Equipment 8.5%**

|                     |         |            |
|---------------------|---------|------------|
| ADTRAN, Inc.        | 268,400 | 11,396,264 |
| Apple Inc. (B)      | 87,000  | 30,315,150 |
| Cisco Systems, Inc. | 850,000 | 14,577,500 |
| Hewlett-Packard Co. | 300,000 | 12,291,000 |
| NetApp, Inc. (B)    | 300,000 | 14,454,000 |
| QUALCOMM Inc.       | 300,000 | 16,449,000 |





## SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2011

(unaudited)

|  | Principal/<br>Shares | Value (A)        |
|--|----------------------|------------------|
| <b>Materials 6.1%</b>  |                      |                  |
| CF Industries Holdings, Inc. (E)   | 35,031               | \$ 4,791,890     |
| Cliffs Natural Resources Inc.  | 120,000              | 11,793,600       |
| Dow Chemical Co.   | 400,000              | 15,100,000       |
| Freeport-McMoRan Copper & Gold Inc.  | 243,000              | 13,498,650       |
| Potash Corporation of Saskatchewan Inc. (E)                                      | 169,650              | 9,997,475        |
| Praxair, Inc.  | 109,292              | 11,104,067       |
| Teck Resources Ltd.  | 100,000              | 5,302,000        |
|  |                      | 71,587,682       |
| <b>Utilities 2.1%</b>  |                      |                  |
| MDU Resources Group, Inc.  | 512,100              | 11,762,937       |
| Northeast Utilities  | 350,000              | 12,110,000       |
|  |                      | 23,872,937       |
| <b>Total Stocks</b><br>(Cost \$948,980,943)                                      |                      | 1,145,481,344    |
| <b>Short-Term Investments 1.8%</b>   |                      |                  |
| <b>Time Deposits 1.6%</b>  |                      |                  |
| Wilmington Trust FSB, 0.90%  | \$ 17,583,331        | 17,583,331       |
| <b>Money Market Funds 0.2%</b>   |                      |                  |
| Fidelity Institutional Money Market Government Portfolio, 0.01% (D)              | 10,000               | 10,000           |
| RBC U.S. Government Money Market (Institutional Class I), 0.06% (D)              | 2,779,732            | 2,779,732        |
| Vanguard Federal Money Market, 0.03% (D)   | 10,000               | 10,000           |
| Western Asset Institutional Government Reserves (Institutional Class), 0.05% (D) | 10,000               | 10,000           |
|  |                      | 2,809,732        |
| <b>Total Short-Term Investments</b><br>(Cost \$20,393,063)                       |                      | 20,393,063       |
| <b>Total Investments 99.9%</b><br>(Cost \$969,374,006)                           |                      | 1,165,874,407    |
| Cash, receivables, prepaid expenses and other assets, less liabilities 0.1%      |                      | 1,546,582        |
| <b>Net Assets 100.0%</b>   |                      | \$ 1,167,420,989 |

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Notes:

- (A) Securities are listed on the New York Stock Exchange or the NASDAQ and are valued at the last reported sale price on the day of valuation.
- (B) Presently non-dividend paying.
- (C) Non-controlled affiliate, a closed-end sector fund, registered as an investment company under the Investment Company Act of 1940.
- (D) Rate presented is as of period-end and represents the annualized yield earned over the previous seven days.
- (E) All or a portion of this security is pledged to cover open written call option contracts. Aggregate market value of such pledged securities is \$14,104,530.
- (F) All or a portion of this security is pledged to collateralize open written put option contracts with an aggregate market value to deliver upon exercise of \$6,626,000.

This report 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 no guarantee of future investment results.

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### ANNUAL MEETING OF STOCKHOLDERS

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

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

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

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

**The Company**

**The Adams Express Company**

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

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

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

**Counsel:** Chadbourne & Parke LLP

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

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

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

Stockholder Relations Department

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**THE ADAMS EXPRESS COMPANY**

**Board of Directors**

Enrique R. Arzac<sup>2,3</sup>

Phyllis O. Bonanno<sup>3,4</sup>

Roger W. Gale<sup>2,4</sup>

Thomas H. Lenagh<sup>2,4</sup>

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Kenneth J. Dale<sup>2,4</sup>  
 Daniel E. Emerson<sup>1,3,5</sup>  
 Frederic A. Escherich<sup>1,4,5</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*

Kathleen T. McGahran<sup>1,3,5</sup>  
 Douglas G. Ober<sup>1</sup>  
 Craig R. Smith<sup>1,3,5</sup>

### Officers

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

### Stock Data

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

New York Stock Exchange ticker symbol: ADX

NASDAQ Quotation Symbol for NAV: XADEX

### Distributions in 2011

|   |         |
|---|---------|
| From Investment Income (paid or declared) | \$ 0.08 |
| From Net Realized Gains                   | 0.02    |

|       |         |
|-------|---------|
| Total | \$ 0.10 |
|-------|---------|

**2011 Dividend Payment Dates**

March 1, 2011

June 1, 2011

September 1, 2011\*

December 27, 2011\*

\*Anticipated