

ADAMS EXPRESS CO  
Form N-30D  
April 15, 2002

THE ADAMS EXPRESS COMPANY

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Board of Directors

Enrique R. Arzac/2,4/      Douglas G. Ober/1/  
Daniel E. Emerson/1,3/      Landon Peters/1,3/  
Edward J. Kelly, III/1,4/      John J. Roberts/2,4/  
Thomas H. Lenagh/3,4/      Susan C. Schwab/1,3/  
W.D. MacCallan/2,4/      Robert J.M. Wilson/1,3/  
W. Perry Neff/1,2/

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         | Chairman and<br>Chief Executive Officer          |
| Joseph M. Truta         | President  |
| Richard F. Koloski      | Executive Vice President                         |
| Lawrence L. Hooper, Jr. | Vice President, Secretary<br>and General Counsel |
| Maureen A. Jones        | Vice President and<br>Chief Financial Officer    |
| Christine M. Sloan      | Assistant Treasurer                              |
| Geraldine H. Stegner    | Assistant Secretary                              |

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Stock Data  
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Price (3/31/02)                      \$14.12  
Net Asset Value (3/31/02)      \$15.81  
Discount:                              10.7%

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

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Distributions in 2002  
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From Investment Income  
(paid or declared)                  \$0.10

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|                         |        |
|-------------------------|--------|
| From Net Realized Gains | 0.06   |
|                         | -----  |
| Total                   | \$0.16 |
|                         | =====  |

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2002 Dividend Payment Dates  
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March 1, 2002  
June 1, 2002  
September 1, 2002\*  
December 27, 2002\*

\*Anticipated

[GRAPHIC]

BUILDING FOR THE FUTURE  
WITH SOLID INVESTMENTS (R)

[LOGO] ADAMS  
EXPRESS  
COMPANY (R)

FIRST QUARTER REPORT  
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March 31, 2002

LETTER TO STOCKHOLDERS  
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We submit herewith the financial statements for the three months ended March 31, 2002 a schedule of investments, and summary financial information.

Net assets of the Company at March 31, 2002 were \$15.81 per share on 84,916,462 shares outstanding, compared with \$16.05 per share at December 31, 2001 on 85,233,262 shares outstanding. On March 1, 2002, a distribution of \$0.08 per share was paid consisting of \$0.03 from 2001 long-term capital gain, \$0.03 from 2001 short-term capital gain, \$0.01 from 2001 investment income, and \$0.01 from 2002 investment income, all taxable in 2002. A regular 2002 investment income dividend of \$0.08 per share has been declared to shareholders of record May 17, 2002, payable June 1, 2002.

Net investment income for the three months ended March 31, 2002 amounted to \$4,377,616, compared with \$5,180,500 for the same period in 2001. These earnings are equal to \$0.05 and \$0.06 per share, respectively, on the average number of shares outstanding during each period.

Net capital gain realized on investments for the three months ended March 31, 2002 amounted to \$4,325,777, the equivalent of \$0.05 per share.

The Annual Meeting, held on March 26, 2002 in Phoenix, Arizona, was very well attended by shareholders. The results of the voting at the Annual Meeting are shown on page 13.

We encourage you to visit our newly-revamped website at [www.adamsexpress.com](http://www.adamsexpress.com),

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where 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. We have given the website a new look and have made it even easier to navigate and find up-to-date information about the Company. Also available at the website are a brief history of the Company, historical financial information, and more general industry material. Further information regarding shareholder services is located on page 14 of this report.

We are pleased to announce effective March 26, 2002, the Board of Directors elected Ms. Maureen A. Jones to Vice President and Chief Financial Officer. Ms. Jones has been the Company's Treasurer since 1993 and was elected Vice President and Treasurer in 1998.

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The Company is an internally-managed equity fund whose investment policy is essentially based on the primary objectives of preservation of capital, the attainment of reasonable income from investments and, in addition, an opportunity for capital appreciation.

By order of the Board of Directors,

/s/ DOUGLAS G. OBER  
Douglas G. Ober,  
Chairman and  
Chief Executive Officer

/s/ JOSEPH M. TRUTA  
Joseph M. Truta,  
President

April 19, 2002

### STATEMENT OF ASSETS AND LIABILITIES

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March 31, 2002  
(unaudited)

#### Assets

##### Investments\* at value:

|  |                 |
|--|-----------------|
| Common stocks and convertible securities<br>(cost \$807,493,644)                   | \$1,187,636,687 |
| Non-controlled affiliate, Petroleum & Resources Corporation<br>(cost \$26,585,260) | 48,322,453      |
| Short-term investments (cost \$101,199,425)  | 101,199,425     |
|  | \$1,337,168,565 |

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#### Cash

|                               |         |
|-------------------------------|---------|
| Securities lending collateral | 114,900 |
|-------------------------------|---------|

#### Receivables:

|                                   |       |
|-----------------------------------|-------|
| Investment securities sold        | 1,300 |
| Dividends and interest            | 1,300 |
| Prepaid expenses and other assets | 7,200 |

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|              |               |
|--------------|---------------|
| Total Assets | 1,462,068,565 |
|--------------|---------------|

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|  |                  |
|--|------------------|
| Liabilities  |                  |
| Open written option contracts at value (proceeds \$793,177)  | 5                |
| Obligations to return securities lending collateral  | 114,9            |
| Accrued expenses   | 3,6              |
| <b>Total Liabilities</b>   | <b>119,1</b>     |
| Net Assets   |                  |
| <b>Net Assets</b>  | <b>\$1,342,8</b> |
| Net Assets   |                  |
| Common Stock at par value \$1.00 per share, authorized 150,000,000 shares;<br>issued and outstanding 84,916,462 shares | \$ 84,9          |
| Additional capital surplus   | 844,6            |
| Undistributed net investment income  | 6,4              |
| Undistributed net realized gain on investments   | 4,7              |
| Unrealized appreciation on investments   | 402,1            |
| <b>Net Assets Applicable to Common Stock</b>   | <b>\$1,342,8</b> |
| <b>Net Asset Value Per Share of Common Stock</b>   |                  |

\*See Schedule of Investments on pages 8 through 10.

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

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STATEMENT OF OPERATIONS

Three Months Ended March 31, 2002  
(unaudited)

|  |            |
|--|------------|
| Investment Income                                |            |
| Income:  |            |
| Dividends:                                       |            |
| From unaffiliated issuers                        | \$ 4,8     |
| From non-controlled affiliate                    |            |
| Interest and other income                        | 5          |
| <b>Total income</b>                              | <b>5,5</b> |
| Expenses:  |            |
| Investment research                              | 3          |
| Administration and operations                    | 2          |
| Directors' fees                                  |            |
| Reports and stockholder communications           | 1          |
| Transfer agent, registrar and custodian expenses |            |
| Auditing and accounting services                 |            |
| Legal services                                   |            |
| Occupancy and other office expenses              |            |
| Travel, telephone and postage                    |            |
| Other  | 1          |

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|  |          |
|--|----------|
| Total expenses   | 1,1      |
| Net Investment Income  | 4,3      |
| Realized Gain and Change in Unrealized Appreciation on Investments                       |          |
| Net realized gain on security transactions   | 4,1      |
| Net realized gain distributed by regulated investment company (non-controlled affiliate) | 1        |
| Change in unrealized appreciation on investments   | (22,8    |
| Net Loss on Investments  | (18,5    |
| Change in Net Assets Resulting from Operations   | \$ (14,1 |

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

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STATEMENT OF CHANGES IN NET ASSETS

|  | Three Months Ended<br>March 31, 2002 | Year Ended<br>December 31, 2001 |
|--|--------------------------------------|---------------------------------|
|  | (unaudited)                          |                                 |
| From Operations:   |                                      |                                 |
| Net investment income  | \$ 4,377,616                         | \$ 21,091,920                   |
| Net realized gain on investments   | 4,325,777                            | 113,686,714                     |
| Change in unrealized appreciation on investments   | (22,889,756)                         | (622,475,783)                   |
| Change in net assets resulting from operations   | (14,186,363)                         | (487,697,149)                   |
| Dividends to Stockholders from:  |                                      |                                 |
| Net investment income  | (1,702,660)                          | (21,153,837)                    |
| Net realized gain from investment transactions   | (5,107,982)                          | (111,923,436)                   |
| Decrease in net assets from distributions  | (6,810,642)                          | (133,077,273)                   |
| From Capital Share Transactions:   |                                      |                                 |
| Value of shares issued in payment of exercised options and distributions                                   | ---                                  | 68,287,544                      |
| Cost of shares purchased (Note 4)  | (4,480,870)                          | (30,709,784)                    |
| Change in net assets from capital share transactions   | (4,480,870)                          | 37,577,760                      |
| Total Increase (Decrease) in Net Assets  | (25,477,875)                         | (583,196,662)                   |
| Net Assets:  |                                      |                                 |
| Beginning of period  | 1,368,366,316                        | 1,951,562,978                   |
| End of period (including undistributed net investment income of \$6,463,076 and \$3,788,120, respectively) | \$1,342,888,441                      | \$1,368,366,316                 |

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

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

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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, including options, at March 31, 2002 was \$935,360,688, and net unrealized appreciation aggregated \$402,591,054, of which the related gross unrealized appreciation and depreciation were \$526,496,674 and \$123,905,620, respectively.

Distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. Accordingly, periodic reclassifications are made within the Company's capital accounts to reflect income and gains available for distribution under income tax regulations.

3. Investment Transactions

Purchases and sales of portfolio securities, other than options and short-term investments, during the three months ended March 31, 2002 were \$84,197,276 and \$103,904,124, respectively. Options may be written or purchased by the Company. The Company, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option. The risk

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associated with purchasing options is limited to the premium originally paid. Option transactions comprised an insignificant portion of operations during the period ended March 31, 2002. All investment decisions are made by a committee, and no one person is primarily responsible for making recommendations to that committee.

### 4. Capital Stock

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

On December 27, 2001, the Company issued 4,755,400 shares of its Common Stock at a price of \$14.36 per share (the average market price on December 10, 2001) to stockholders of record November 19, 2001 who elected to take stock in payment of the distribution from 2001 capital gain and investment income.

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 2002 and 2001 were as follows:

|   | Shares                                     |                                    | Amount                                     |                                    |
|---|--|------------------------------------|--|------------------------------------|
|   | Three months<br>ended<br>March 31,<br>2002 | Year ended<br>December 31,<br>2001 | Three months<br>ended<br>March 31,<br>2002 | Year ended<br>December 31,<br>2001 |
| Shares issued in<br>payment of<br>dividends   | --   | 4,755,400                          | \$ --                                      | \$ 68,287,544                      |
| Total increase  | --   | 4,755,400                          | --   | \$ 68,287,544                      |
| Shares purchased<br>(at a weighted<br>average discount<br>from net asset<br>value of 11.4%<br>and 10.0%,<br>respectively) | (316,800)                                  | (1,814,400)                        | (4,480,870)                                | (30,709,784)                       |
| Total decrease  | (316,800)                                  | (1,814,400)                        | \$(4,480,870)                              | \$(30,709,784)                     |
| Net change  | (316,800)                                  | 2,941,000                          | \$(4,480,870)                              | \$ 37,577,760                      |

On March 31, 2002 the Company held a total of 316,800 shares of its Common Stock at a cost of \$4,480,870. There were no shares of its Common Stock held at December 31, 2001.

The Company has an employee incentive stock option and stock appreciation rights plan which provides for the issuance of options and stock appreciation rights for the purchase of up to 2,610,146 shares of the Company's Common Stock at 100% of the fair market value at date of grant. Options are exercisable beginning not less than one year after the date of grant and extend and vest over ten years from the date of grant. Stock appreciation rights are exercisable beginning not less than two years after the date of grant and

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extend over the period during which the option is exercisable. 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 price and the fair market value of the Common Stock at the date of surrender.

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### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Under the plan, the exercise price of the options and related stock appreciation rights is reduced by the per share amount of capital gain paid by the Company during subsequent years. At the beginning of 2002, 345,567 options were outstanding, with a weighted average exercise price of \$8.7445 per share. During the three months ended March 31, 2002, the Company granted options including stock appreciation rights for 60,704 shares of common stock with a weighted average exercise price of \$14.3305. Stock appreciation rights relating to 20,003 stock option shares were exercised at a weighted average market price of \$14.26 per share and the stock options relating to those rights, which had a weighted average exercise price of \$3.4284 per share, were cancelled. Stock options and stock appreciation rights relating to 47,006 shares, and having a weighted average exercise price of \$9.7376, were cancelled. At March 31, 2002, there were outstanding exercisable options to purchase 138,287 common shares at \$2.6042-19.5500 per share (weighted average price of \$7.6773), and unexercisable options to purchase 200,975 common shares at \$2.6042-19.5500 per share (weighted average price of \$11.3244). The weighted average remaining contractual life of outstanding exercisable and unexercisable options is 4.1705 years and 6.9333 years, respectively. Total compensation expense recognized for the three months ended March 31, 2002 related to the stock options and stock appreciation rights plan was \$(133,089). At March 31, 2002, there were 1,252,673 shares available for future option grants.

#### 5. Retirement Plans

The Company provides retirement benefits for its employees under a non-contributory qualified defined benefit pension plan. The benefits are based on years of service and compensation during the last 5 years of employment. The Company's current funding policy is to contribute annually to the plan only those amounts that can be deducted for federal income tax purposes. The plan assets, consisting of investments in individual stocks, bonds and mutual funds were \$11,181,316. In determining the actuarial present value of the projected benefit obligation, the interest rate used for the weighted average discount rate was 7.25%, the expected rate of annual salary increases was 7.0%, and the long-term expected rate of return on plan assets was 8.0%. The projected benefit obligation as of March 31, 2002 was \$6,099,942. Prepaid pension cost included in other assets at March 31, 2002 was \$6,235,429.

In addition, the Company has a nonqualified benefit plan which provides employees with defined retirement benefits to supplement the qualified plan. The Company does not provide postretirement medical benefits.

#### 6. Expenses

The cumulative amount of accrued expenses at March 31, 2002 for employees and former employees of the Company was \$3,197,628. Aggregate remuneration paid or accrued during the three months ended March 31, 2002 to officers and directors amounted to \$230,422, which includes a credit of \$133,089 for stock options and



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stock appreciation rights.

### 7. 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 by collateral of at least 102%, at all times, 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 March 31, 2002, the Company had securities on loan of \$110,684,865 and held collateral of \$114,908,616.

### Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities and Exchange Act of 1934. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect the Company's actual results are the performance of the portfolio of stocks held by the Company, the conditions in the U.S. and international financial markets, the price at which shares of the Company will trade in the public markets, and other factors discussed in the Company's periodic filings with the Securities and Exchange Commission.

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## FINANCIAL HIGHLIGHTS

|  | Three Months Ended |                   | Year Ended December 31 |         |         |         |         |
|--|--------------------|-------------------|------------------------|---------|---------|---------|---------|
|  | (unaudited)        |                   |                        |         |         |         |         |
|  | March 31,<br>2002  | March 31,<br>2001 | 2001                   | 2000    | 1999    | 1998    | 1997    |
| Per Share Operating Performance*   |                    |                   |                        |         |         |         |         |
| Net asset value, beginning of period   | \$16.05            | \$23.72           | \$23.72                | \$26.85 | \$21.69 | \$19.01 | \$15.80 |
| Net investment income  | 0.05               | 0.06              | 0.26                   | 0.26    | 0.25    | 0.30    | 0.29    |
| Net realized gains and change in<br>unrealized appreciation and other<br>changes | (0.22)             | (4.22)            | (6.32)                 | (1.63)  | 6.54    | 3.78    | 4.22    |
| Total from investment operations   | (0.17)             | (4.16)            | (6.06)                 | (1.37)  | 6.79    | 4.08    | 4.51    |

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|   |             |             |             |             |             |         |         |
|---|-------------|-------------|-------------|-------------|-------------|---------|---------|
| Capital share repurchases                                 | 0.01        | 0.01        | 0.04        | 0.09        | --          | --      | --      |
| Less distributions  |             |             |             |             |             |         |         |
| Dividends from net investment income                      | (0.02)      | (0.04)      | (0.26)      | (0.22)      | (0.26)      | (0.30)  | (0.29)  |
| Distributions from net realized gains                     | (0.06)      | (0.04)      | (1.39)      | (1.63)      | (1.37)      | (1.10)  | (1.01)  |
| Total distributions                                       | (0.08)      | (0.08)      | (1.65)      | (1.85)      | (1.63)      | (1.40)  | (1.30)  |
| Net asset value, end of period                            | \$15.81     | \$19.49     | \$16.05     | \$23.72     | \$26.85     | \$21.69 | \$19.01 |
| Per share market price, end of period                     | \$14.12     | \$17.52     | \$14.22     | \$21.00     | \$22.38     | \$17.75 | \$16.13 |
| Total Investment Return                                   |             |             |             |             |             |         |         |
| Based on market price                                     | (0.1)%      | (16.3)%     | (24.7)%     | 1.7%        | 36.1%       | 19.3%   | 33.1%   |
| Based on net asset value                                  | (0.9)%      | (17.5)%     | (24.7)%     | (4.3)%      | 33.6%       | 23.7%   | 30.7%   |
| Ratios/Supplemental Data                                  |             |             |             |             |             |         |         |
| Net assets, end of period (in 000's)                      | \$1,342,888 | \$1,596,852 | \$1,368,366 | \$1,951,563 | \$2,170,800 |         |         |
| Ratio of expenses to average net assets                   | 0.34%+      | 0.21%+      | 0.19%       | 0.24%       | 0.32%       |         |         |
| Ratio of net investment income to average net assets      | 1.31%+      | 1.14%+      | 1.33%       | 0.97%       | 1.06%       |         |         |
| Portfolio turnover  | 26.96%+     | 33.65%+     | 19.15%      | 12.74%      | 15.94%      |         |         |
| Number of shares outstanding at end of period (in 000's)* | 84,916      | 81,927      | 85,233      | 82,292      | 80,840      |         |         |

\* Prior years have been adjusted to reflect the 3-for-2 stock split effected in October, 2000.

+ Ratios presented on an annualized basis.

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SCHEDULE OF INVESTMENTS

March 31, 2002  
(unaudited)

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|  | Prin. Amt.<br>or Shares | Value (A)     |
|--|-------------------------|---------------|
|  | -----                   | -----         |
| -  |                         |               |
| Stocks and Convertible Securities -- 92.0% |                         |               |
| Consumer -- 12.2%                          |                         |               |
| BJ's Wholesale Club, Inc.                  | 425,000                 | \$ 18,997,500 |
| Brinker International Inc.                 | 500,000                 | 16,205,000    |
| Coca-Cola Co.                              | 170,000                 | 8,884,200     |
| Dean Foods Co.                             | 238,700                 | 18,074,364    |
| Hershey Foods Corp.                        | 255,000                 | 17,477,700    |
| PepsiCo, Inc.                              | 400,000                 | 20,600,000    |
| Procter & Gamble Co.                       | 170,000                 | 15,315,300    |
| Safeway, Inc.                              | 400,000                 | 18,008,000    |
| Target Corp.                               | 435,000                 | 18,757,200    |
| Tiffany & Co.                              | 330,000                 | 11,731,500    |
|  |                         | -----         |
|  |                         | 164,050,764   |
|  |                         | -----         |
| Energy -- 5.7%                             |                         |               |
| BP plc ADR (B)                             | 270,000                 | 14,337,001    |
| Exxon Mobil Corp.                          | 316,836                 | 13,886,922    |
| Petroleum & Resources<br>Corporation (C)   | 1,913,761               | 48,322,453    |
|  |                         | -----         |
|  |                         | 76,546,376    |
|  |                         | -----         |
| Financial -- 19.2%                         |                         |               |
| Banking -- 12.6%                           |                         |               |
| BankNorth Group, Inc.                      | 474,000                 | 12,489,900    |
| Citigroup Inc.                             | 285,000                 | 14,113,206    |
| Federal Home Loan Mortgage<br>Corp.        | 345,000                 | 21,862,650    |
| Greenpoint Financial Corp.                 | 435,000                 | 19,009,500    |
| Investors Financial Services<br>Corp.      | 300,000                 | 22,815,000    |
| Mellon Financial Corp.                     | 420,000                 | 16,207,800    |
| Provident Bankshares Corp.                 | 335,021                 | 8,040,515     |
| Wachovia Corp.                             | 380,000                 | 14,090,400    |
| Wells Fargo & Co.                          | 550,000                 | 27,170,000    |
| Wilmington Trust Corp.                     | 210,000                 | 14,135,100    |
|  |                         | -----         |
|  |                         | 169,934,071   |
|  |                         | -----         |
| Insurance -- 6.6%                          |                         |               |
| AMBAC Financial Group, Inc.                | 569,400                 | 33,634,458    |
| American International Group,<br>Inc.      | 759,375                 | 54,781,314    |
|  |                         | -----         |
|  |                         | 88,415,772    |
|  |                         | -----         |

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|   | Prin. Amt.<br>or Shares | Value (A)     |
|---|-------------------------|---------------|
|   | -----                   | -----         |
| Health Care -- 15.8-%   |                         |               |
| Abbott Laboratories   | 350,000                 | \$ 18,410,000 |
| Affymetrix Inc. (B) (D)   | 210,000                 | 6,085,800     |
| Applera Corp. - Applied<br>Biosystems Group                         | 210,000                 | 4,693,500     |
| Bristol-Myers Squibb Co.  | 300,000                 | 12,147,000    |
| Caliper Technologies (B) (D)  | 225,000                 | 2,918,250     |
| Elan Corp., plc ADR (D)   | 200,000                 | 2,782,000     |
| Enzon, Inc. (B)   | 100,000                 | 4,429,000     |
| Genentech, Inc. (D)   | 300,000                 | 15,135,000    |
| GlaxoSmithKline plc ADR (B)   | 250,360                 | 11,766,920    |
| HCA Inc. (B)  | 390,000                 | 17,191,200    |
| Human Genome Sciences<br>Inc. (D)                                   | 200,000                 | 4,358,000     |
| Johnson & Johnson (B)   | 360,000                 | 23,382,000    |
| Lilly (Eli) & Co.   | 190,000                 | 14,478,000    |
| Merck & Co., Inc.   | 250,000                 | 14,395,000    |
| Pfizer Inc.   | 415,000                 | 16,492,100    |
| Pharmacia Corp.   | 368,900                 | 16,630,012    |
| Vertex Pharmaceuticals Inc. (D)                                     | 248,016                 | 6,909,726     |
| Wyeth Co.   | 300,000                 | 19,695,000    |
|   |                         | -----         |
|   |                         | 211,898,508   |
|   |                         | -----         |
| Industrials -- 12.9%  |                         |               |
| Black & Decker Corp.  | 300,000                 | 13,962,000    |
| Canadian National Railway Co.<br>5.25% Conv. Pfd. QUIDS<br>due 2029 | 170,000                 | 11,264,200    |
| Canadian National Railway<br>Co. (B)                                | 85,000                  | 4,246,600     |
| Corning Inc. (B)  | 1,170,000               | 8,915,400     |
| General Electric Co. (B)  | 1,300,000               | 48,685,000    |
| ITT Industries  | 200,000                 | 12,608,000    |
| Minnesota Mining &<br>Manufacturing Co.                             | 215,000                 | 24,727,150    |
| United Parcel Service, Inc. (B)                                     | 315,000                 | 19,152,000    |
| United Technologies Corp.   | 400,000                 | 29,680,000    |
|   |                         | -----         |
|   |                         | 173,240,350   |
|   |                         | -----         |

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SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2002  
(unaudited)

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|   | Prin. Amt<br>or Shares  | Value (A)    |
|---|-------------------------|--------------|
|   | -----                   | -----        |
| Information Technology -- 12.7%                   |                         |              |
| Communication Equipment -- 3.4%                   |                         |              |
| Ericsson (L.M.) Telephone Co.                     |                         |              |
| ADR   | 2,000,000               | \$ 8,360,000 |
| Lucent Technologies Inc. (B)                      | 400,000                 | 1,892,000    |
| Motorola, Inc. (B)                                | 495,622                 | 7,037,832    |
| Nokia Corp. ADR (B)                               | 1,380,000               | 28,621,200   |
|   |                         | -----        |
|   |                         | 45,911,032   |
|   |                         | -----        |
| Computer Related -- 6.6%                          |                         |              |
| BEA Systems Inc. (B) (D)                          | 400,000                 | 5,484,000    |
| BMC Software Inc. (D)                             | 310,000                 | 6,029,500    |
| Cisco Systems, Inc. (D)                           | 1,755,000               | 29,712,150   |
| DiamondCluster International<br>Inc. (B) (D)      | 497,500                 | 6,427,700    |
| Oracle Corp. (D)                                  | 880,000                 | 11,264,000   |
| Sapient Corp. (D)                                 | 1,150,000               | 5,462,500    |
| Siebel Systems Inc. (D)                           | 255,000                 | 8,315,550    |
| Sun Microsystems Inc. (D)                         | 515,000                 | 4,542,300    |
| Symantec Corp. 3.00% Conv.<br>Sub. Notes due 2006 | 500,000                 | 701,250      |
| Symantec Corp. (B) (D)                            | 250,000                 | 10,302,500   |
|   |                         | -----        |
|   |                         | 88,241,450   |
|   |                         | -----        |
| Electronics -- 2.7%                               |                         |              |
| Intel Corp.                                       | 690,000                 | 20,982,900   |
| Solelectron Corp. (B) (D)                         | 2,000,000               | 15,600,000   |
|   |                         | -----        |
|   |                         | 36,582,900   |
|   |                         | -----        |
| Materials -- 1.2%                                 |                         |              |
| Engelhard Corp.                                   | 175,000                 | 5,430,250    |
| Rohm & Haas Co.                                   | 260,000                 | 10,990,200   |
|   |                         | -----        |
|   |                         | 16,420,450   |
|   |                         | -----        |
|   | Prin. Amt.<br>or Shares | Value (A)    |
|   | -----                   | -----        |

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|   |                          |               |
|---|--------------------------|---------------|
| Telecom Services -- 4.7%                |                          |               |
| Cellular and Wireless -- 1.5%           |                          |               |
| Nextel Communications Inc.              |                          |               |
| 5.25% Conv. Notes                       |                          |               |
| due 2010 (E)                            | \$10,000,000             | \$ 5,075,000  |
| Nextel Communications                   |                          |               |
| Inc. (B) (D)                            | 1,040,000                | 5,595,200     |
| Vodafone Group plc                      |                          |               |
| ADS (B)                                 | 492,614                  | 9,078,867     |
|   |                          | -----         |
|   |                          | 19,749,067    |
|   |                          | -----         |
| Telephone -- 3.2%                       |                          |               |
| BellSouth Corp.                         |                          |               |
|   | 440,000                  | 16,218,400    |
| SBC Communications Inc. (B)             |                          |               |
|   | 700,000                  | 26,208,000    |
|   |                          | -----         |
|   |                          | 42,426,400    |
|   |                          | -----         |
| Utilities -- 7.6%                       |                          |               |
| Black Hills Corp.                       |                          |               |
|   | 450,000                  | 15,066,000    |
| CINergy Corp.                           |                          |               |
|   | 440,000                  | 15,730,000    |
| Duke Energy Corp. 8.25%                 |                          |               |
| Conv. Pfd. due 2004                     | 400,000                  | 10,284,000    |
| Duke Energy Corp. (B)                   |                          |               |
|   | 355,000                  | 13,419,000    |
| Keyspan Corp.                           |                          |               |
|   | 400,000                  | 14,556,000    |
| Northwestern Corp.                      |                          |               |
|   | 500,000                  | 11,000,000    |
| Philadelphia Suburban                   |                          |               |
| Corp.                                   | 165,000                  | 3,877,500     |
| TECO Energy, Inc.                       |                          |               |
|   | 650,000                  | 18,609,500    |
|   |                          | -----         |
|   |                          | 102,542,000   |
|   |                          | -----         |
| Total Stocks and Convertible Securities |                          |               |
|   | (Cost \$834,078,904) (F) | 1,235,959,140 |
|   |                          | -----         |

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SCHEDULE OF INVESTMENTS (CONTINUED)

-----  
 March 31, 2002  
 (unaudited)

Prin. Amt.    Value (A)  
 -----

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|  |              |                 |
|--|--------------|-----------------|
| Short-Term Investments -- 7.5%                                       |              |                 |
| U.S. Government Obligations -- 1.9%                                  |              |                 |
| U.S. Treasury Bills,<br>1.65%, due 5/23/02                           | \$25,000,000 | \$24,939,694    |
|  |              | -----           |
| Certificates of Deposit -- 0.7%                                      |              |                 |
| Mercantile-Safe Deposit &<br>Trust Co., 1.80%, due<br>4/9/02         | 10,000,000   | 10,000,000      |
|  |              | -----           |
| Commercial Paper -- 4.9%   |              |                 |
| AIG Funding Inc., 1.80%,<br>due 4/9/02-4/11/02                       | 6,450,000    | 6,447,180       |
| ChevronTexaco Inc., 1.78-<br>1.79%, due 4/16/02-<br>4/18/02          | 15,000,000   | 14,987,839      |
| GMAC MINT, 1.88-1.90%,<br>due 4/4/02-5/7/02                          | 12,975,000   | 12,963,299      |
| General Electric Capital<br>Corp., 1.79-1.80%,<br>due 4/2/02-4/23/02 | 13,280,000   | 13,272,030      |
|  |              |                 |
|  | Prin. Amt.   | Value (A)       |
|  | -----        | -----           |
| IBM Corp., 1.73%, due<br>4/11/02                                     | \$ 3,610,000 | \$ 3,608,265    |
| Wells Fargo Financial, Inc.,<br>1.82%, due 4/25/02-<br>4/30/02       | 15,000,000   | 14,981,118      |
|  |              | -----           |
|  |              | 66,259,731      |
|  |              | -----           |
| Total Short-Term Investments<br>(Cost \$101,199,425)                 |              | 101,199,425     |
|  |              | -----           |
| Total Investments<br>(Cost \$935,278,329)                            |              | 1,337,158,565   |
| Cash, receivables and other<br>assets, less liabilities              |              | 5,729,876       |
|  |              | -----           |
| Net Assets -- 100.0%   |              | \$1,342,888,441 |
|  |              | =====           |

Notes:

- (A) See note 1 to financial statements. Securities are listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ, except restricted securities.
- (B) All or a portion of these securities is on loan. See Note 7 to Financial Statements.
- (C) Non-controlled affiliate, a closed-end sector fund.
- (D) Presently non-dividend paying.
- (E) Restricted security (Nextel Communications Inc. 5.25% Conv. Notes due 2010, acquired 1/21/00, cost \$10,000,000).

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(F) The aggregate market value of stocks held in escrow at March 31, 2002 covering open call option contracts written was \$4,610,450. In addition, the aggregate market value of securities segregated by the custodian required to collateralize open put option contracts written was \$3,025,000.

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PRINCIPAL CHANGES IN PORTFOLIO SECURITIES

-----  
 During the Three Months Ended March 31, 2002  
 (unaudited)

|   | Shares        |            |
|---|---------------|------------|
|   | Additions     | Reductions |
|   | -----         | -----      |
| BEA Systems, Inc.....   | 30,000        |            |
| BJ's Wholesale Club, Inc.....                                       | 87,500        |            |
| Brinker International, Inc.....                                     | 475,000       |            |
| Bristol-Myers Squibb Co.....  | 20,000        |            |
| CINergy Corp.....   | 140,000       |            |
| Dean Foods Co.....  | 110,000       |            |
| PepsiCo, Inc.....   | 65,000        |            |
| Pfizer Inc.....   | 115,000       |            |
| Rohm & Haas Co.....   | 260,000       |            |
| Safeway, Inc.....   | 330,000       |            |
| Siebel Systems Inc.....   | 60,000        |            |
| Symantec Corp.....  | 125,000/(1) / | 30,000     |
| Target Corp.....  | 435,000       |            |
| Black Hills Corp.....   |               | 105,000    |
| Cisco Systems, Inc.....   |               | 80,000     |
| Citigroup Inc.....  |               | 116,023    |
| Engelhard Corp.....   |               | 355,000    |
| Genentech, Inc.....   |               | 50,000     |
| General Electric Co.....  |               | 300,000    |
| Investors Financial Services Corp.....                              |               | 187,500    |
| ITT Industries.....   |               | 155,000    |
| Ivex Packaging Corp.....  |               | 520,000    |
| Minnesota Mining & Manufacturing Co.....                            |               | 70,000     |
| Mirant Corp.....  |               | 400,000    |
| Oracle Corp.....  |               | 300,000    |
| Qwest Communications International, Inc. 5.75% TRENDS Pfd. due 2003 |               | 538,000    |
| RCN Corp.....   |               | 94,000     |
| Time Warner Telecom Inc.....  |               | 404,500    |
| Tiffany & Co.....   |               | 20,000     |

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 (1) By stock split.

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## HISTORICAL FINANCIAL STATISTICS

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| December 31<br>-----       | Value of<br>Net Assets<br>----- | Shares<br>Outstanding*<br>----- | Net<br>Asset<br>Value per<br>Share*<br>----- | Dividends<br>from<br>Net Investment<br>Income<br>per Share*<br>----- | Distributions<br>from<br>Net Realized<br>Gains<br>per Share*<br>----- |
|----------------------------|---------------------------------|---------------------------------|--|--|---|
| 1992.....                  | \$ 696,924,779                  | 51,039,938                      | \$13.65                                      | \$ .31   | \$ .77  |
| 1993.....                  | 840,610,252                     | 63,746,498                      | 13.19  | .30  | .79   |
| 1994.....                  | 798,297,600                     | 66,584,985                      | 11.99  | .33  | .73   |
| 1995.....                  | 986,230,914                     | 69,248,276                      | 14.24  | .35  | .76   |
| 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  |
| March 31, 2002 (unaudited) | 1,342,888,441                   | 84,916,462                      | 15.81  | .10+   | .06   |

-----  
 \* Prior years have been adjusted to reflect the 3-for-2 stock split effected in October, 2000.

+ Paid or declared.

-----  
 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  
 Website: www.adamsexpress.com  
 E-mail: contact@adamsexpress.com  
 Telephone: (410) 752-5900 or (800) 638-2479  
 Counsel: Chadbourne & Parke L.L.P.  
 Independent Accountants: PricewaterhouseCoopers LLP  
 Transfer Agent, Registrar & Custodian of Securities  
 The Bank of New York  
 101 Barclay Street  
 New York, NY 10286  
 The Bank's Shareholder Relations Department: (877) 260-8188  
 E-mail: Shareowner-svcs@bankofny.com

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## ANNUAL MEETING OF STOCKHOLDERS

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The Annual Meeting of Stockholders was held on March 26, 2002. For those nominated, the following votes were cast for directors:

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|                           | votes<br>votes for | withheld  |
|---------------------------|--------------------|-----------|
|                           | -----              | -----     |
| (A) Enrique R. Arzac:     | 71,572,617         | 1,332,360 |
| (B) Daniel E. Emerson:    | 71,306,905         | 1,598,072 |
| (C) Edward J. Kelly, III: | 71,627,785         | 1,277,192 |
| (D) Thomas H. Lenagh:     | 71,009,025         | 1,895,952 |
| (E) W.D. MacCallan:       | 71,381,711         | 1,523,286 |
| (F) W. Perry Neff:        | 71,413,563         | 1,491,563 |
| (G) Douglas G. Ober:      | 71,519,852         | 1,385,125 |
| (H) Landon Peters:        | 71,452,424         | 1,452,553 |
| (I) John J. Roberts:      | 71,304,701         | 1,600,276 |
| (J) Susan C. Schwab:      | 71,618,103         | 1,286,874 |
| (K) Robert J.M. Wilson:   | 71,241,929         | 1,663,048 |

A proposal to approve and ratify the selection of PricewaterhouseCoopers LLP as the firm of independent accountants of the Company for 2002 was approved with 71,735,554 votes for, 596,061 votes against, and 573,362 votes abstaining.

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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 market 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.

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SHAREHOLDER 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

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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.

BuyDIRECT/SM/\*

BuyDIRECT is a direct purchase and sale plan, as well as a dividend reinvestment plan, sponsored and administered by our transfer agent, The Bank of New York. 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  | \$7.50   |          |
| A one-time fee for new accounts who are not currently registered holders. |  |          |
| Optional Cash Investments   |  |          |
| Service Fee   | \$2.50 per investment  |          |
| Brokerage Commission  | \$0.05 per share   |          |
| Reinvestment of Dividends**   |  |          |
| Service Fee   | 10% of amount invested<br>(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                                   |  | Included |
| 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<br>(existing holders) | \$50.00     |
| Electronic Funds Transfer (monthly<br>minimum)    | \$50.00     |
| Maximum per transaction                           | \$25,000.00 |
| Maximum per year                                  | NONE        |

A brochure which further details the benefits and features of BuyDIRECT as well as an enrollment form may be obtained by contacting The Bank of New York.

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### For Non-Registered Shareholders

For shareholders whose stock is held by a broker in "street" name, The Bank of New York's Dividend Reinvestment 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 the Plan or contact The Bank of New York about the BuyDIRECT Plan.

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|  |   |
|--|---|
| The Company  | The Transfer Agent  |
| The Adams Express Company  | The Bank of New York  |
| Lawrence L. Hooper, Jr.,   | Shareholder Relations   |
| Vice President, Secretary  | Dept.-8W  |
| and General Counsel  | P.O. Box 11258  |
| Seven St. Paul   | Church Street Station   |
| Street, Suite 1140   | New York, NY 10286  |
| Baltimore, MD 21202  | (877) 260-8188  |
| (800) 638-2479   | Website:  |
| Website:   | <a href="http://stock.bankofny.com">http://stock.bankofny.com</a> |
| <a href="http://www.adamsexpress.com">www.adamsexpress.com</a>         | E-mail:   |
| E-mail:  | Shareowner-svcs@  |
| <a href="mailto:contact@adamsexpress.com">contact@adamsexpress.com</a> | <a href="mailto:bankofny.com">bankofny.com</a>                    |

\*BuyDIRECT is a service mark of The Bank of New York.

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