

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  
                                        Chief Executive Officer  
Joseph M. Truta                President  
Richard F. Koloski              Executive Vice President  
Lawrence L. Hooper, Jr.        Vice President, Secretary  
                                        and General Counsel  
Maureen A. Jones                Vice President and  
                                        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
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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 (cost \$807,493,644)	\$1,187,636,687
Non-controlled affiliate, Petroleum & Resources Corporation (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
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#### 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; 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 March 31, 2002	Year Ended 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 ended March 31, 2002	Year ended December 31, 2001	Three months ended March 31, 2002	Year ended December 31, 2001
Shares issued in payment of dividends	--	4,755,400	\$ --	\$ 68,287,544
Total increase	--	4,755,400	--	\$ 68,287,544
Shares purchased (at a weighted average discount from net asset value of 11.4% and 10.0%, 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, 2002	March 31, 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 unrealized appreciation and other 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. 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 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 Corp.	345,000	21,862,650
Greenpoint Financial Corp.	435,000	19,009,500
Investors Financial Services 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, Inc.	759,375	54,781,314
		-----
		88,415,772
		-----

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	Prin. Amt. 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 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 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. 5.25% Conv. Pfd. QUIDS due 2029	170,000	11,264,200
Canadian National Railway 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 & 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 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 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. 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
Solectron 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. 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, 1.65%, due 5/23/02	\$25,000,000	\$24,939,694
		-----
Certificates of Deposit -- 0.7%		
Mercantile-Safe Deposit & Trust Co., 1.80%, due 4/9/02	10,000,000	10,000,000
		-----
Commercial Paper -- 4.9%		
AIG Funding Inc., 1.80%, due 4/9/02-4/11/02	6,450,000	6,447,180
ChevronTexaco Inc., 1.78- 1.79%, due 4/16/02- 4/18/02	15,000,000	14,987,839
GMAC MINT, 1.88-1.90%, due 4/4/02-5/7/02	12,975,000	12,963,299
General Electric Capital Corp., 1.79-1.80%, due 4/2/02-4/23/02	13,280,000	13,272,030
	Prin. Amt.	Value (A)
	-----	-----
IBM Corp., 1.73%, due 4/11/02	\$ 3,610,000	\$ 3,608,265
Wells Fargo Financial, Inc., 1.82%, due 4/25/02- 4/30/02	15,000,000	14,981,118
		-----
		66,259,731
		-----
Total Short-Term Investments (Cost \$101,199,425)		101,199,425
		-----
Total Investments (Cost \$935,278,329)		1,337,158,565
Cash, receivables and other 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

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 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 -----	Value of Net Assets -----	Shares Outstanding* -----	Net Asset Value per Share* -----	Dividends from Net Investment Income per Share* -----	Distributions from Net Realized Gains per Share* -----
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

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

+ Paid or declared.

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 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](http://www.adamsexpress.com)  
 E-mail: [contact@adamsexpress.com](mailto: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](mailto: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 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 (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 (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 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.