

ADAMS EXPRESS CO
Form N-30B-2
October 19, 2007

THE ADAMS EXPRESS COMPANY

Board of Directors

| | |
|--------------------------------------|-------------------------------------|
| Enrique R. Arzac ^{1,4,5} | Thomas H. Lenagh ^{2,3} |
| Phyllis O. Bonanno ^{1,4,5} | Kathleen T. McGahran ^{2,4} |
| Daniel E. Emerson ^{1,3,5} | Douglas G. Ober ¹ |
| Frederic A. Escherich ^{2,3} | Craig R. Smith ^{2,4} |
| Roger W. Gale ^{1,3,5} | |

1. Member of Executive Committee
2. Member of Audit Committee
3. Member of Compensation Committee
4. Member of Retirement Benefits Committee
5. Member of Nominating and Governance Committee

Officers

| | |
|-------------------------|--|
| Douglas G. Ober | <i>Chairman and Chief Executive Officer</i> |
| Joseph M. Truta | <i>President</i> |
| Lawrence L. Hooper, Jr. | <i>Vice President, General Counsel and Secretary</i> |
| Maureen A. Jones | <i>Vice President, Chief Financial Officer and Treasurer</i> |
| Stephen E. Kohler | <i>Vice President Research</i> |
| David R. Schiminger | <i>Vice President Research</i> |
| D. Cotton Swindell | <i>Vice President Research</i> |
| David D. Weaver | <i>Vice President Research</i> |
| Christine M. Sloan | <i>Assistant Treasurer</i> |
| Geraldine H. Paré | <i>Assistant Secretary</i> |

Stock Data

| | |
|---------------------------|---------|
| Market Price (9/30/07) | \$14.95 |
| Net Asset Value (9/30/07) | \$17.33 |
| Discount: | 13.7% |

New York Stock Exchange ticker symbol: ADX

NASDAQ Mutual Fund Quotation Symbol: XADEX

Newspaper stock listings are generally under the abbreviation: AdaEx

Distributions in 2007

| | |
|-------------------------|----------------|
| From Investment Income | \$ 0.14 |
| From Net Realized Gains | 0.01 |
| Total | \$ 0.15 |

2007 Dividend Payment Dates

March 1, 2007

June 1, 2007

September 1, 2007

December 27, 2007*

*Anticipated

LETTER TO STOCKHOLDERS

We submit herewith the financial statements of The Adams Express Company (the Company) for the nine months ended September 30, 2007. Also provided are a schedule of investments and other summary financial information.

Net assets of the Company at September 30, 2007 were \$17.33 per share on 85,490,774 shares outstanding, compared with \$15.86 per share at December 31, 2006 on 86,838,223 shares outstanding. On March 1, 2007, a distribution of \$0.05 per share was paid, consisting of \$0.03 from 2006 investment income, \$0.01 from 2006 short-term capital gain, and \$0.01 from 2007 investment income, all taxable in 2007. A 2007 investment income dividend of \$0.05 per share was paid on June 1, 2007 and September 1, 2007.

Net investment income for the nine months ended September 30, 2007 amounted to \$22,066,131, compared with \$13,673,160 for the same nine month period in 2006. These earnings are equal to \$0.26 and \$0.16 per share.

Net capital gain realized on investments for the nine months ended September 30, 2007 amounted to \$55,484,647, or \$0.65 per share.

For the nine months ended September 30, 2007, the total return on the net asset value (with dividends and capital gains reinvested) of the Company's shares was 10.4%. The total return on the market value of the Company's shares for the period was 8.9%. These compare to a 9.1% total return for the Standard & Poor's 500 Composite Stock Index and a 9.0% total return for the Lipper Large Cap Core Mutual Fund Average over the same time period.

For the twelve months ended September 30, 2007, the Company's total return on net asset value was 17.4% and on market value was 17.8%. Comparable figures for the S&P 500 and the Lipper Large Cap Core Mutual Fund Average were 16.4% and 16.0%, respectively.

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. Also available on the website are a history of the Company, historical financial information, and other useful content. Further information regarding stockholder services is located on page 15 of this report.

By order of the Board of Directors,

Douglas G. Ober,

Chairman and

Chief Executive Officer

Joseph M. Truta,

President

October 12, 2007

STATEMENT OF ASSETS AND LIABILITIES

September 30, 2007

(unaudited)

Assets

Investments* at value:

| | | |
|--|------------------|----------------------|
| Common stocks and convertible securities (cost \$881,747,727) | \$ 1,305,465,645 | |
| Non-controlled affiliate, Petroleum & Resources Corporation (cost \$34,735,404) | 88,214,463 | |
| Short-term investments (cost \$81,850,014) | 81,850,014 | |
| Securities lending collateral (cost \$70,070,900) | 70,070,900 | \$ 1,545,601,022 |
| Cash | | 373,741 |
| Receivables: | | |
| Investment securities sold | | 3,347,053 |
| Dividends and interest | | 1,293,330 |
| Prepaid pension cost | | 3,340,022 |
| Prepaid expenses and other assets | | 2,305,431 |
| Total Assets | | 1,556,260,599 |

Liabilities

| | | |
|---|-------------------|--|
| Investment securities purchased | 615,203 | |
| Open written option contracts at value (proceeds \$468,488) | 627,900 | |
| Obligations to return securities lending collateral | 70,070,900 | |
| Accrued expenses | 3,801,516 | |
| Total Liabilities | 75,115,519 | |

Net Assets \$ 1,481,145,080**Net Assets**

| | |
|---|-------------------------|
| Common Stock at par value \$0.001 per share, authorized 150,000,000 shares; issued and outstanding 85,490,774 shares (includes 86,867 restricted shares, 6,000 restricted stock units, and 4,561 deferred stock units) (Note 6) | \$ 85,491 |
| Additional capital surplus | 935,228,812 |
| Accumulated other comprehensive income (Note 5) | (1,740,749) |
| Undistributed net investment income | 14,651,049 |
| Undistributed net realized gain on investments | 55,882,912 |
| Unrealized appreciation on investments | 477,037,565 |
| Net Assets Applicable to Common Stock | \$ 1,481,145,080 |
| Net Asset Value Per Share of Common Stock | \$17.33 |

* See Schedule of Investments on pages 9 and 10.

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

STATEMENT OF OPERATIONS

Nine Months Ended September 30, 2007

(unaudited)

| | |
|--|-----------------------|
| Investment Income | |
| Income: | |
| Dividends: | |
| From unaffiliated issuers | \$ 23,454,022 |
| From non-controlled affiliate | 699,767 |
| Interest and other income | 2,678,664 |
| <i>Total income</i> | 26,832,453 |
| Expenses: | |
| Investment research | 2,172,635 |
| Administration and operations | 1,061,614 |
| Directors' fees | 243,097 |
| Reports and stockholder communications | 297,629 |
| Transfer agent, registrar and custodian expenses | 265,661 |
| Auditing and accounting services | 92,145 |
| Legal services | 102,021 |
| Occupancy and other office expenses | 294,553 |
| Travel, telephone and postage | 66,748 |
| Other | 170,219 |
| <i>Total expenses</i> | 4,766,322 |
| Net Investment Income | 22,066,131 |
| Realized Gain and Change in Unrealized Appreciation on Investments | |
| Net realized gain on security transactions | 55,331,573 |
| Net realized gain distributed by regulated investment company (non-controlled affiliate) | 153,074 |
| Change in unrealized appreciation on investments | 58,281,309 |
| Net Gain on Investments | 113,765,956 |
| Change in Net Assets Resulting from Operations | \$ 135,832,087 |

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

STATEMENTS OF CHANGES IN NET ASSETS

| | Nine Months Ended September 30, 2007 (unaudited) | Year Ended December 31, 2006 |
|---|--|---------------------------------|
| From Operations: | | |
| Net investment income | \$ 22,066,131 | \$ 19,691,488 |
| Net realized gain on investments | 55,484,647 | 56,553,881 |
| Change in unrealized appreciation on investments | 58,281,309 | 102,278,889 |
| Change in accumulated other comprehensive income (note 5) | 83,356 | (1,824,105) |
| <i>Increase in net assets resulting from operations</i> | 135,915,443 | 176,700,153 |
| Distributions to Stockholders from: | | |
| Net investment income | (12,047,670) | (19,554,259) |
| Net realized gain from investment transactions | (868,719) | (56,771,240) |
| <i>Decrease in net assets from distributions</i> | (12,916,389) | (76,325,499) |
| From Capital Share Transactions: | | |
| Value of shares issued in payment of distributions | 3,988 | 31,661,698 |
| Cost of shares purchased (Note 4) | (19,734,714) | (21,770,315) |
| Deferred compensation (Notes 4,6) | 458,442 | 423,621 |
| <i>Change in net assets from capital share transactions</i> | (19,272,284) | 10,315,004 |
| Total Increase in Net Assets | 103,726,770 | 110,689,658 |
| Net Assets: | | |
| Beginning of period | 1,377,418,310 | 1,266,728,652 |
| End of period (including undistributed net investment income of \$14,651,049 and \$4,632,588, respectively) | \$ 1,481,145,080 | \$ 1,377,418,310 |

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

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. Significant Accounting Policies

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

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

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

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

2. Federal Income Taxes

The Company's policy is to distribute all of its taxable income to its stockholders in compliance with the requirements of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. For federal income tax purposes, the identified cost of securities at September 30, 2007 was \$1,067,916,794 and net unrealized appreciation aggregated \$477,684,228, of which the related gross unrealized appreciation and depreciation were \$552,972,186 and \$75,287,958, respectively.

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

3. Investment Transactions

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

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Purchases and sales of portfolio securities, other than options and short-term investments, during the nine months ended September 30, 2007 were \$125,278,533 and \$152,441,252, respectively. Options may be written (sold) or purchased by the Company. The Company, as writer of an option, bears the risks of possible illiquidity of the option markets and from movements in security values. The risk associated with purchasing an option is limited to the premium originally paid. A schedule of outstanding option contracts as of September 30, 2007 can be found on page 12.

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

| | Covered Calls | | Collateralized Puts | |
|---|---------------|------------|---------------------|------------|
| | Contracts | Premiums | Contracts | Premiums |
| Options outstanding, December 31, 2006 | 3,745 | \$ 497,618 | 2,103 | \$ 220,313 |
| Options written | 4,640 | 580,125 | 4,785 | 540,246 |
| Options terminated in closing purchase transactions | (780) | (114,107) | (200) | (29,400) |
| Options expired | (3,395) | (419,496) | (4,153) | (451,931) |
| Options exercised | (2,170) | (317,728) | (385) | (37,152) |
| Options outstanding, September 30, 2007 | 2,040 | \$ 226,412 | 2,150 | \$ 242,076 |

4. Capital Stock

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

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

During 2007, the Company has issued 282 shares of its Common Stock at a weighted average price of \$14.07 per share as dividend equivalents to holders of deferred stock units and restricted stock units under the 2005 Equity Incentive Compensation Plan.

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

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

| | Shares | | Amount | |
|---|---|------------------------------------|---|------------------------------------|
| | Nine months ended September 30, 2007 | Year ended December 31, 2006 | Nine months ended September 30, 2007 | Year ended December 31, 2006 |
| Shares issued in payment of distributions | 282 | 2,302,681 | \$ 3,988 | \$ 31,661,698 |
| Shares purchased (at a weighted average discount from net asset value of 13.1% and 13.9%, respectively) | (1,391,931) | (1,623,542) | (19,734,714) | (21,770,315) |
| Net activity under the Equity-Based Compensation Plans | 44,200 | 59,477 | 458,442 | 423,621 |
| Net change | (1,347,449) | 738,616 | \$ (19,272,284) | \$ 10,315,004 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Retirement Plans

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

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

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

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

| | Nine months ended September 30, 2007 | Year ended December 31, 2006 |
|------------------------------------|---|------------------------------------|
| Service cost | \$ 365,486 | \$ 460,969 |
| Interest cost | 426,371 | 518,015 |
| Expected return on plan assets | (641,665) | (922,155) |
| Amortization of prior service cost | 70,881 | 119,776 |
| Amortization of net loss | 121,969 | 180,764 |
| Deferred asset gain | | 128,119 |
| Net periodic pension cost | \$ 343,042 | \$ 485,488 |

The Company also sponsors a defined contribution plan that covers substantially all employees. For the nine months ended September 30, 2007, the Company expensed contributions of \$142,963. The Company does not provide postretirement medical benefits.

6. Equity-Based Compensation

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

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

| | Options | Weighted-Average Exercise Price | Weighted-Average Remaining Life (Years) |
|-----------------------------------|----------|---------------------------------|---|
| Outstanding at December 31, 2006 | 201,990 | \$ 11.81 | 4.79 |
| Exercised | (55,186) | 10.38 | |
| Outstanding at September 30, 2007 | 146,804 | \$ 12.33 | 3.72 |
| Exercisable at September 30, 2007 | 80,282 | \$ 12.86 | 3.00 |

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

| Exercise Price | Options Outstanding | Weighted Average Exercise Price | Weighted Average Remaining Life (Years) |
|--------------------|---------------------|---------------------------------|---|
| \$8.25-\$10.49 | 42,817 | \$ 9.25 | 3.39 |
| \$10.50-\$12.74 | 52,839 | 11.02 | 4.85 |
| \$12.75-\$14.99 | | | |
| \$15.00-\$17.25 | 51,148 | 16.28 | 2.84 |
| Outstanding at | | | |
| September 30, 2007 | 146,804 | \$ 12.33 | 3.72 |

Compensation cost resulting from stock options and stock appreciation rights granted under the 1985 Plan is based on the intrinsic value of the award, recognized over the award's vesting period, and remeasured at each reporting date through the date of settlement. The total compensation cost recognized for the nine months ended September 30, 2007 was \$130,556.

The 2005 Equity Incentive Compensation Plan (2005 Plan), adopted at the 2005 Annual Meeting, permits the grant of stock options, restricted stock awards and other stock incentives to key employees and all non-employee directors. The 2005 Plan provides for the issuance of up to 3,413,131 shares of the Company's Common Stock, including both performance and nonperformance-based restricted stock. Performance-based restricted stock awards vest at the end of a specified three year period, with the ultimate number of awards earned contingent on achievement of certain performance targets. If performance targets are not achieved, all or a portion of the performance-based awards are forfeited and become available for future grants. Nonperformance-based restricted stock awards vest ratably over a three year period and nonperformance-based restricted stock units (granted to non-employee directors) vest over a one year period. It is the current intention that employee grants will be performance-based. The 2005 Plan provides for accelerated vesting in the event of death or retirement. Non-employee directors also may elect to defer a portion of their cash compensation, with such deferred amount to be paid by delivery of deferred stock units. Outstanding awards are granted at fair market value on grant date. The number of shares of Common Stock which remains available for future grants under the 2005 Plan at September 30, 2007 is 3,288,888 shares.

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

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

| Awards | Shares/ Units | Weighted Average |
|--------|------------------|---------------------|
|--------|------------------|---------------------|

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| | | Grant-Date Fair Value |
|---|----------|--------------------------|
| Balance at December 31, 2006 | 70,493 | \$ 12.92 |
| Granted: | | |
| Restricted stock | 32,720 | 13.73 |
| Restricted stock units | 6,000 | 14.07 |
| Deferred stock units | 1,412 | 14.24 |
| Vested | (13,197) | 12.99 |
| Forfeited | | |
| Balance at September 30, 2007 (includes 82,220 performance-based awards and 15,208 nonperformance-based awards) | 97,428 | \$ 13.28 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Compensation costs resulting from awards granted under the 2005 Plan are based on the fair value of the award on grant date (determined by the average of the high and low price on grant date) and recognized on a straight-line basis over the requisite service period. For those awards with performance conditions, compensation costs are based on the most probable outcome and, if such goals are not met, compensation cost is not recognized and any previously recognized compensation cost is reversed. The total compensation costs for restricted stock granted to employees for the period ending September 30, 2007 were \$315,662. The total compensation costs for restricted stock units granted to non-employee directors for the period ended September 30, 2007 were \$66,097. As of September 30, 2007, there were total unrecognized compensation costs of \$679,713, a component of additional capital surplus, related to nonvested equity-based compensation arrangements granted under the 2005 Plan. Those costs are expected to be recognized over a weighted average period of 1.67 years.

7. Officer and Director Compensation

The aggregate remuneration paid during the nine months ended September 30, 2007 to officers and directors amounted to \$2,506,833, of which \$227,791 was paid as fees and compensation to directors who were not officers. These amounts represent the taxable income to the Company's officers and directors and therefore differ from the amounts reported in the accompanying Statement of Operations that are recorded and expensed in accordance with generally accepted accounting principles.

8. Portfolio Securities Loaned

The Company makes loans of securities to brokers, secured by cash deposits, U.S. Government securities, or bank letters of credit. The Company accounts for securities lending transactions as secured financing and receives compensation in the form of fees or retains a portion of interest on the investment of any cash received as collateral. The Company also continues to receive interest or dividends on the securities loaned. The loans are secured at all times by collateral of at least 102% of the fair value of the securities loaned plus accrued interest. Gain or loss in the fair value of the securities loaned that may occur during the term of the loan will be for the account of the Company. At September 30, 2007, the Company had securities on loan of \$68,210,267 and held collateral of \$70,070,900, consisting of an investment trust fund which may invest in money market instruments, commercial paper, repurchase agreements, U.S. Treasury Bills, and U.S. agency obligations.

FINANCIAL HIGHLIGHTS

| | Nine Months Ended (unaudited) | | Year Ended December 31 | | | | |
|--|----------------------------------|-----------------------|------------------------|-------------|-------------|-------------|-------------|
| | September 30, 2007 | September 30, 2006 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Per Share Operating Performance | | | | | | | |
| Net asset value, beginning of period | \$15.86 | \$14.71 | \$14.71 | \$15.04 | \$14.36 | \$12.12 | \$16.05 |
| Net investment income | 0.26* | 0.16 | 0.23 | 0.22 | 0.23** | 0.19 | 0.20 |
| Net realized gains and increase (decrease) in unrealized appreciation | 1.33 | 0.98 | 1.86 | 0.32 | 1.39 | 2.85 | (3.38) |
| Change in accumulated other comprehensive income (note 5) | | | (0.02) | | | | |
| Total from investment operations | 1.59 | 1.14 | 2.07 | 0.54 | 1.62 | 3.04 | (3.18) |
| Less distributions | | | | | | | |
| Dividends from net investment income | (0.14) | (0.13) | (0.23) | (0.22) | (0.24) | (0.17) | (0.19) |
| Distributions from net realized gains | (0.01) | (0.02) | (0.67) | (0.64) | (0.66) | (0.61) | (0.57) |
| Total distributions | (0.15) | (0.15) | (0.90) | (0.86) | (0.90) | (0.78) | (0.76) |
| Capital share repurchases | 0.03 | 0.03 | 0.04 | 0.05 | 0.02 | 0.04 | 0.05 |
| Reinvestment of distributions | | | (0.06) | (0.06) | (0.06) | (0.06) | (0.04) |
| Total capital share transactions | 0.03 | 0.03 | (0.02) | (0.01) | (0.04) | (0.02) | 0.01 |
| Net asset value, end of period | \$17.33 | \$15.73 | \$15.86 | \$14.71 | \$15.04 | \$14.36 | \$12.12 |
| Per share market price, end of period | \$14.95 | \$13.52 | \$13.87 | \$12.55 | \$13.12 | \$12.41 | \$10.57 |
| Total Investment Return | | | | | | | |
| Based on market price | 8.9% | 9.0% | 17.9% | 2.2% | 13.2% | 25.2% | (20.6)% |
| Based on net asset value | 10.4% | 8.2% | 15.0% | 4.5% | 12.1% | 26.3% | (19.4)% |
| Ratios/Supplemental Data | | | | | | | |
| Net assets, end of period (in 000 s) | \$1,481,145 | \$1,338,665 | \$1,377,418 | \$1,266,729 | \$1,295,549 | \$1,218,862 | \$1,024,810 |
| Ratio of expenses to average net assets | 0.45% | 0.47% | 0.50% | 0.45% | 0.43% | 0.47% | 0.34% |
| Ratio of net investment income to average net assets | 2.06% | 1.40% | 1.50% | 1.44% | 1.54% | 1.45% | 1.42% |

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| | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|
| Portfolio turnover | 12.27% | 11.51% | 10.87% | 12.96% | 13.43% | 12.74% | 17.93% |
| Number of shares outstanding at end of period (in 000 s) | 85,491 | 85,118 | 86,838 | 86,100 | 86,135 | 84,886 | 84,536 |

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

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

Ratios presented on an annualized basis.

SCHEDULE OF INVESTMENTS

September 30, 2007

(unaudited)

| | Shares | Value (A) |
|--|-----------|---------------|
| Stocks and Convertible Securities 94.1% | | |
| Consumer 16.1% | | |
| Consumer Discretionary 6.1% | | |
| BJ's Wholesale Club, Inc. (B)(C) | 415,000 | \$ 13,761,400 |
| Comcast Corp. (B) | 525,000 | 12,694,500 |
| Gannett Co., Inc. | 112,500 | 4,916,250 |
| Harley-Davidson, Inc. | 120,000 | 5,545,200 |
| Lowe's Companies, Inc. | 575,000 | 16,111,500 |
| Newell Rubbermaid Inc. | 400,000 | 11,528,000 |
| Ryland Group Inc. | 343,500 | 7,361,205 |
| Target Corp. | 290,000 | 18,435,300 |
| | | 90,353,355 |
| Consumer Staples 10.0% | | |
| Avon Products, Inc. (C) | 418,400 | 15,702,552 |
| Bunge Ltd. | 133,000 | 14,290,850 |
| Coca-Cola Co. | 200,000 | 11,494,000 |
| Dean Foods Co. | 340,000 | 8,697,200 |
| Del Monte Foods Co. | 1,300,000 | 13,650,000 |
| PepsiCo, Inc. | 400,000 | 29,304,000 |
| Procter & Gamble Co. | 340,000 | 23,915,600 |
| Safeway Inc. | 390,000 | 12,912,900 |
| Unilever plc ADR | 550,000 | 17,418,500 |
| | | 147,385,602 |
| Energy 13.9% | | |
| ConocoPhillips | 345,000 | 30,280,650 |
| ENSCO International, Inc. | 209,150 | 11,733,315 |
| Exxon Mobil Corp. | 215,000 | 19,900,400 |
| Marathon Oil Co. | 240,000 | 13,684,800 |
| Murphy Oil Corp. | 38,500 | 2,690,765 |
| Petroleum & Resources Corporation (D) | 2,186,774 | 88,214,463 |
| Schlumberger Ltd. | 380,000 | 39,900,000 |
| | | 206,404,393 |
| Financials 15.8% | | |
| Banking 12.7% | | |
| BankAtlantic Bancorp, Inc. | 880,000 | 7,629,600 |
| Bank of America Corp. | 710,000 | 35,691,700 |
| Bank of New York Mellon Corp. | 403,775 | 17,822,629 |
| Fifth Third Bancorp | 280,000 | 9,486,400 |
| Morgan Stanley | 180,000 | 11,340,000 |
| PNC Financial Services Group Inc. | 200,000 | 13,620,000 |

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| | | |
|-----------------------------|---------|------------|
| Prosperity Bancshares, Inc. | 200,000 | 6,632,000 |
| State Street Corp. | 323,895 | 22,076,683 |
| Wachovia Corp. | 520,000 | 26,078,000 |
| Wells Fargo & Co. | 650,000 | 23,153,000 |
| Wilmington Trust Corp. | 363,000 | 14,120,700 |

187,650,712

| | Shares | Value (A) |
|------------------------------------|---------|---------------|
| Insurance 3.1% | | |
| AMBAC Financial Group, Inc. (C) | 200,000 | \$ 12,582,000 |
| American International Group, Inc. | 500,000 | 33,825,000 |
| | | 46,407,000 |

| | | |
|---|-----------|-------------|
| Health Care 11.7% | | |
| Abbott Laboratories | 320,000 | 17,158,400 |
| Advanced Medical Optics, Inc. (B)(C) | 325,000 | 9,941,750 |
| Bristol-Myers Squibb Co. | 345,000 | 9,942,900 |
| CVS/Caremark Corp. | 208,750 | 8,272,763 |
| Genentech, Inc. (B) | 220,000 | 17,164,400 |
| Johnson & Johnson | 255,000 | 16,753,500 |
| Medtronic, Inc. | 310,000 | 17,487,100 |
| Pfizer Inc. | 1,120,000 | 27,361,600 |
| Senomyx, Inc. (B)(C) | 560,000 | 6,860,000 |
| Teva Pharmaceutical Industries Ltd. ADR | 385,000 | 17,120,950 |
| Wyeth Co. | 325,000 | 14,478,750 |
| Zimmer Holdings, Inc. (B) | 125,000 | 10,123,750 |
| | | 172,665,863 |

| | | |
|---------------------------------------|-----------|-------------|
| Industrials 14.6% | | |
| Cintas Corp. | 300,000 | 11,130,000 |
| Curtiss-Wright Corp. | 360,000 | 17,100,000 |
| Emerson Electric Co. | 400,000 | 21,288,000 |
| General Electric Co. | 1,421,000 | 58,829,400 |
| Illinois Tool Works Inc. | 250,000 | 14,910,000 |
| Masco Corp. (C) | 450,000 | 10,426,500 |
| Oshkosh Truck Corp. | 270,000 | 16,731,900 |
| 3M Co. | 160,000 | 14,972,800 |
| Spirit AeroSystems Holdings, Inc. (B) | 400,000 | 15,576,000 |
| United Parcel Service, Inc. | 155,000 | 11,640,500 |
| United Technologies Corp. | 300,000 | 24,144,000 |
| | | 216,749,100 |

| | | |
|-------------------------------------|---------|------------|
| Information Technology 11.8% | | |
| Communication Equipment 0.8% | | |
| Corning Inc. | 500,000 | 12,325,000 |

| | | |
|--------------------------------|-----------|-------------|
| Computer Related 8.6% | | |
| Automatic Data Processing Inc. | 300,000 | 13,779,000 |
| BEA Systems, Inc. (B) | 800,000 | 11,096,000 |
| Cisco Systems, Inc. (B) | 850,000 | 28,143,500 |
| Dell Inc. (B) | 585,000 | 16,146,000 |
| Microsoft Corp. | 1,180,000 | 34,762,800 |
| Oracle Corp. (B) | 1,100,000 | 23,815,000 |
| | | 127,742,300 |

| | | |
|-------------------------|---------|------------|
| Electronics 2.4% | | |
| Broadcom Corp. (B) | 400,000 | 14,576,000 |
| Intel Corp. | 800,000 | 20,688,000 |
| | | 35,264,000 |

SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2007

(unaudited)

| | Shares/ Prin. Amt | Value (A) |
|---|----------------------|------------------|
| Materials 5.1% | | |
| Air Products and Chemicals, Inc. | 230,000 | \$ 22,484,800 |
| du Pont (E.I.) de Nemours and Co. | 360,000 | 17,841,600 |
| Lubrizol Corp | 200,000 | 13,012,000 |
| Rohm & Haas Co. | 400,000 | 22,268,000 |
| | | 75,606,400 |
| Telecom Services 1.6% | | |
| Alltel Corp. | 40,000 | 2,787,200 |
| AT&T Corp. | 400,000 | 16,924,000 |
| Windstream Corp. | 310,178 | 4,379,713 |
| | | 24,090,913 |
| Utilities 3.5% | | |
| Aqua America, Inc. (C) | 499,000 | 11,317,320 |
| Duke Energy Corp. | 611,560 | 11,430,056 |
| MDU Resources Group, Inc. | 562,500 | 15,660,000 |
| Northeast Utilities | 180,000 | 5,142,600 |
| Spectra Energy Corp. | 305,780 | 7,485,494 |
| | | 51,035,470 |
| Total Stocks and Convertible Securities | | |
| (Cost \$916,483,131) (E) | | 1,393,680,108 |
| Short-Term Investments 5.5% | | |
| U.S. Government Obligations 1.1% | | |
| U.S. Treasury Bills, 4.65%, due 11/15/07 | \$ 16,500,000 | 16,404,094 |
| Time Deposit 0.0% | | |
| Citibank, N.A., 4.37%, due 10/1/07 | | 297,327 |
| Commercial Paper 4.4% | | |
| American Express Credit Corp., 4.78%, due 11/1/07 | \$ 10,300,000 | 10,257,604 |
| | Prin. Amt. | Value (A) |
| American General Finance, Inc., 5.03 - 5.25%, due 10/18/07-10/23/07 | \$ 12,400,000 | \$ 12,364,976 |
| Chevron Funding Corp., 5.22%, due 10/2/07 | 5,800,000 | 5,799,159 |
| General Electric Capital Corp., 4.68 - 5.23%, due 10/4/07-10/9/07 | 10,400,000 | 10,392,120 |
| General Electric Capital Services Corp., 4.77%, due 10/30/07 | 2,100,000 | 2,091,931 |

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| | | |
|---|------------|------------------|
| Prudential Funding, LLC, 4.69 - 5.23%, due 10/11/07-10/25/07 | 10,000,000 | 9,974,090 |
| Toyota Motor Credit Corp., 5.21 - 5.25%, due 10/2/07-10/16/07 | 11,100,000 | 11,080,055 |
| United Parcel Service of America, Inc., 4.40%, due 10/30/07 | 3,200,000 | 3,188,658 |
| | | 65,148,593 |
| Total Short-Term Investments (Cost \$81,850,014) | | 81,850,014 |
| Total Securities Lending Collateral 4.7% | | |
| (Cost \$70,070,900) | | |
| Brown Brothers Investment Trust, 5.24%, due 10/1/07 | | 70,070,900 |
| Total Investments 104.3% (Cost \$1,068,404,045) | | 1,545,601,022 |
| Cash, receivables, prepaid pension cost, prepaid expenses and other assets, less liabilities (4.3)% | | (64,455,942) |
| Net Assets 100% | | \$ 1,481,145,080 |

Notes:

- (A) See note 1 to financial statements. Securities are listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ.
- (B) Presently non-dividend paying.
- (C) Some of the shares of this company are on loan. See note 8 to financial statements.
- (D) Non-controlled affiliate, a closed-end sector fund, registered as an investment company under the Investment Company Act of 1940.
- (E) The aggregate market value of stocks held in escrow at September 30, 2007 covering open call option contracts written was \$11,479,730. In addition, the aggregate market value of securities segregated by the Company's custodian required to collateralize open put option contracts written was \$10,575,000.

PORTFOLIO SUMMARY

September 30, 2007

(unaudited)

Ten Largest Portfolio Holdings

| | <i>Market Value</i> | <i>% of Net Assets</i> |
|------------------------------------|-----------------------|------------------------|
| Petroleum & Resources Corporation* | \$ 88,214,463 | 6.0 |
| General Electric Co. | 58,829,400 | 4.0 |
| Schlumberger Ltd. | 39,900,000 | 2.7 |
| Bank of America Corp. | 35,691,700 | 2.4 |
| Microsoft Corp. | 34,762,800 | 2.3 |
| American International Group, Inc. | 33,825,000 | 2.3 |
| ConocoPhillips | 30,280,650 | 2.0 |
| PepsiCo, Inc. | 29,304,000 | 2.0 |
| Cisco Systems, Inc. | 28,143,500 | 1.9 |
| Pfizer Inc. | 27,361,600 | 1.8 |
| Total | \$ 406,313,113 | 27.4% |

*Non-controlled affiliate

Sector Weightings

SCHEDULE OF OUTSTANDING OPTION CONTRACTS

September 30, 2007

(unaudited)

| Contracts (100 shares each) | Security | Strike Price | Contract Expiration Date | Appreciation/ (Depreciation) |
|-----------------------------------|-----------------------------------|-----------------|--------------------------------|---------------------------------|
| COVERED CALLS | | | | |
| 250 | AMBAC Financial Group, Inc. | \$ 90 | Feb 08 | \$ 17,299 |
| 200 | Avon Products, Inc. | 45 | Oct 07 | 22,399 |
| 250 | BJ's Wholesale Club, Inc. | 45 | Dec 07 | 16,750 |
| 100 | Bunge Ltd. | 95 | Oct 07 | (117,200) |
| 100 | Bunge Ltd. | 100 | Oct 07 | (77,300) |
| 240 | Marathon Oil Co. | 62.50 | Oct 07 | 5,640 |
| 200 | Rohm & Hass Co. | 55 | Oct 07 | (8,075) |
| 250 | Ryland Group Inc. | 47.50 | Oct 07 | 23,000 |
| 200 | Target Corp. | 70 | Oct 07 | 23,800 |
| 150 | Target Corp. | 80 | Jan 08 | 7,999 |
| 100 | 3M Corp. | 100 | Jan 08 | (1,300) |
| 2,040 | | | | (86,988) |
| COLLATERALIZED PUTS | | | | |
| 200 | AMBAC Financial Group, Inc. | 50 | Jan 08 | (14,601) |
| 200 | Exxon Mobil Corp. | 65 | Jan 08 | 16,399 |
| 100 | Harley-Davidson, Inc. | 52.50 | Nov 07 | (55,300) |
| 250 | Lowe's Companies, Inc. | 30 | Oct 07 | (28,875) |
| 200 | Lubrizol Corp. | 55 | Dec 07 | 9,399 |
| 200 | Lubrizol Corp. | 60 | Dec 07 | (11,600) |
| 200 | Morgan Stanley | 60 | Oct 07 | 6,399 |
| 100 | Procter & Gamble Co. | 60 | Oct 07 | 10,200 |
| 150 | Ryland Group Inc. | 25 | Oct 07 | (42,450) |
| 250 | Spirit Aerosystems Holdings, Inc. | 35 | Oct 07 | 13,355 |
| 100 | State Street Corp. | 60 | Oct 07 | 12,200 |
| 100 | State Street Corp. | 55 | Nov 07 | 7,700 |
| 100 | State Street Corp. | 50 | Jan 08 | 4,750 |
| 2,150 | | | | (72,424) |
| | | | | \$ (159,412) |

Common Stock

Listed on the New York Stock Exchange

The Adams Express Company

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

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

Website: www.adamsexpress.com

E-mail: contact@adamsexpress.com

Counsel: Chadbourne & Parke L.L.P.

Independent Registered Public Accounting Firm: PricewaterhouseCoopers LLP

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

Custodian of Securities: Brown Brothers Harriman & Co.

CHANGES IN PORTFOLIO SECURITIES

During the Three Months Ended September 30, 2007

(unaudited)

| | Shares | | Held September 30, 2007 |
|------------------------------------|------------------------|------------------------|----------------------------|
| | Additions | Reductions | |
| Bank of America Corp. | 100,000 | | 710,000 |
| Bank of New York Mellon Corp. | 403,775 ⁽¹⁾ | | 403,775 |
| Del Monte Foods Co. | 185,000 | | 1,300,000 |
| Lubrizol Corp. | 200,000 | | 200,000 |
| Morgan Stanley | 30,000 | | 180,000 |
| Northeast Utilities | 180,000 | | 180,000 |
| Ryland Group Inc. | 38,500 | | 343,500 |
| Senomyx, Inc. | 10,000 | | 560,000 |
| Spirit AeroSystems Holdings, Inc. | 5,000 | | 400,000 |
| State Street Corp. | 323,895 ⁽²⁾ | | 323,895 |
| Wachovia Corp. | 50,000 | | 520,000 |
| Discover Financial Services Inc. | 75,000 ⁽³⁾ | 75,000 | |
| Alltel Corp. | | 260,000 | 40,000 |
| Avaya, Inc. | | 600,000 | |
| Bank of New York Co., Inc. (The) | | 375,000 ⁽¹⁾ | |
| BJ's Wholesale Club, Inc. | | 35,000 | 415,000 |
| Bunge Ltd. | | 7,000 | 133,000 |
| Compass Bancshares, Inc. | | 85,000 | |
| Cree, Inc. | | 375,000 | |
| Florida Rock Industries Inc. | | 200,000 | |
| General Electric Co. | | 66,700 | 1,421,000 |
| Investors Financial Services Corp. | | 357,500 ⁽²⁾ | |

⁽¹⁾Received .9434 share of Bank of New York Mellon Corp. for each share of The Bank of New York Co., Inc. surrendered.⁽²⁾Received .906 share for each share of Investors Financial Services, Inc. surrendered.⁽³⁾Received 1 share for every 2 shares of Morgan Stanley held.

HISTORICAL FINANCIAL STATISTICS

(unaudited)

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

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| | | | | | | | |
|----------------|---------------|------------|-------|-------|-----|-----|-----|
| Sept. 30, 2007 | 1,481,145,080 | 85,490,774 | 17.33 | 14.95 | .14 | .01 | .15 |
|----------------|---------------|------------|-------|-------|-----|-----|-----|

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

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

OTHER INFORMATION

Statement on Quarterly Filing of Complete Portfolio Schedule

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

Proxy Voting Policies and Record

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

Privacy Policy

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

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

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

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This report, including the financial statements herein, is transmitted to the stockholders of The Adams Express Company for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Company or of any securities mentioned in the report. The rates of return will vary and the principal value of an investment will fluctuate. Shares, if sold, may be worth more or less than their original cost. Past performance is not indicative of future investment results.

STOCKHOLDER INFORMATION AND SERVICES

DIVIDEND PAYMENT SCHEDULE

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

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

INVESTORS CHOICE

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

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

| | |
|--|---|
| Initial Enrollment and Optional Cash Investments | |
| Service Fee | \$2.50 per investment |
| Brokerage Commission | \$0.05 per share |
| Reinvestment of Dividends* | |
| Service Fee | 2% of amount invested (maximum of \$2.50 per investment) |
| Brokerage Commission | \$0.05 per share |
| Sale of Shares | |
| Service Fee | \$10.00 |
| Brokerage Commission | \$0.05 per share |
| Deposit of Certificates for safekeeping | \$7.50 |
| Book to Book Transfers | Included |
| <i>To transfer shares to another participant or to a new participant</i> | |

Fees are subject to change at any time.

Minimum and Maximum Cash Investments

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

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

For Non-Registered Stockholders

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

The Company

The Adams Express Company

Lawrence L. Hooper, Jr.

Vice President, General Counsel and Secretary

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

(800) 638-2479

Website: www.adamsexpress.com

E-mail: contact@adamsexpress.com

The Transfer Agent

American Stock Transfer & Trust Company

Address Stockholder Inquiries to:

Stockholder Relations Department

59 Maiden Lane

New York, NY 10038

(877) 260-8188

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Website: www.amstock.com

E-mail: info@amstock.com

Investors Choice Mailing Address:

Attention: Dividend Reinvestment

P.O. Box 922

Wall Street Station

New York, NY 10269-0560

Website: www.amstock.com

E-mail: info@amstock.com

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