

APRIL 30, 2009

LATIN
AMERICA
FUND

Semiannual Report



T. ROWE PRICE[®]

HIGHLIGHTS

- Although fears of a global economic meltdown punished Latin American stocks early in the reporting period, the region's markets rallied in March and April as the outlook for global economic growth began to stabilize and investors reacquired an appetite for risk.
- Your fund returned 17.71% during the first half of its fiscal year, significantly outperforming the Lipper average of similar funds but trailing the MSCI EM Latin America Index.
- Driven by economic growth, higher wages, and increased personal wealth, local demand should increasingly replace developed market demand and foreign investment as key economic drivers.
- We believe financial services, consumer discretionary, and other sectors that are sensitive to increasing domestic consumption represent good investment opportunities.

The views and opinions in this report were current as of April 30, 2009. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors, and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of the fund's future investment intent. The report is certified under the Sarbanes-Oxley Act, which requires mutual funds and other public companies to affirm that, to the best of their knowledge, the information in their financial reports is fairly and accurately stated in all material respects.

REPORTS ON THE WEB

Sign up for our E-mail Program, and you can begin to receive updated fund reports and prospectuses online rather than through the mail. Log in to your account at troweprice.com for more information.

Fellow Shareholders

Despite a roller coaster ride, Latin American stocks rose sharply over the past six months. Although fears of a global economic meltdown severely punished Latin American markets early in the period, markets rallied strongly in March and April as the outlook for global economic growth showed early signs of stabilization and investors reacquired an appetite for risk. The MSCI EM Latin America Index returned nearly 19% for the period, modestly better than the broader MSCI Emerging Markets Index. The region's largest market, Brazil, was among the strongest performers, while Mexico posted flat returns as it continued to suffer from its close links to the sputtering U.S. economy. Returns among the region's smaller markets were notably positive for the period, with the exception of Argentina where equities fell sharply as a weak economy, persistent

inflation, and political uncertainty weighed on investor sentiment.

Your fund returned 17.71% during the first half of its fiscal year, significantly outperforming the Lipper average of similar funds but trailing the MSCI EM

PERFORMANCE COMPARISON

Six-Month Period Ended 4/30/09

Latin America Fund	17.71%
MSCI EM Latin America Index	18.98
Lipper Latin American Funds Average	14.02

Latin America Index. Overall stock selection weighed on fund performance as positive contributions from our holdings in Argentina and Chile—among the fund's smaller country allocations—could not overcome weaker selection in Brazil and Mexico. At a sector level, the fund's consumer discretionary and information technology holdings benefited performance versus the MSCI regional index, while our financials and energy stocks hurt results.

The extraordinary volatility of global equity markets over the last six months—and the substantial investor losses that resulted—have unsettled many investors and underscored the special risks of a regional emerging market equity portfolio. For long-term investors who understand these risks and are willing to accept them, we believe that the Latin America Fund offers compelling opportunities for capital appreciation.

A WORD ABOUT YOUR SHAREHOLDER REPORT

At T. Rowe Price, we believe that information is essential to understanding your investments in this fast-moving and volatile market environment. In this shareholder report's "Manager's Letter," your fund's portfolio manager writes a candid assessment of recent market events and fund performance, offers important insights into how the fund is managed, and provides a perspective for the next few months. We encourage you to read this report carefully.

Did you know you could receive your shareholder report sooner? The online version is usually available at least two weeks before you receive it by mail. If you're looking for easy access to the latest shareholder reports, account statements, transaction confirmations, tax forms, mutual fund prospectuses, and more, consider paperless e-delivery options from T. Rowe Price.

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MARKET AND PORTFOLIO REVIEW

With no substantive change in our long-term investment thesis, Brazil and Mexico continued to represent the majority of our holdings over the past six months. We believe that strong economic growth, higher wages,

and increasing personal wealth mean that Latin American economies will be driven increasingly by domestic consumer demand. At the same time, their reliance on developed market demand and foreign investment to spur growth should diminish over time.

At 64% of the portfolio, our Brazilian holdings were critical to the fund's performance over the reporting period. Several of our larger positions rebounded nicely from last year's

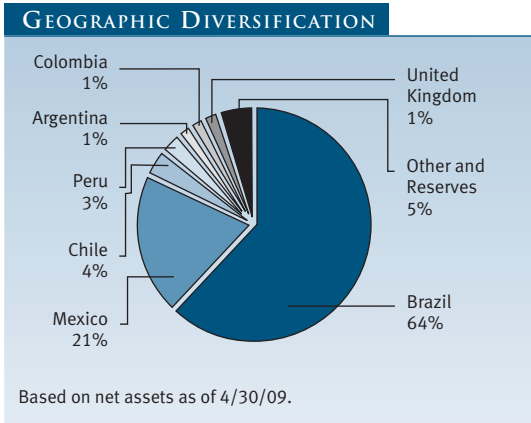
lows, including metals and mining firm **Companhia Vale do Rio Doce (Vale)** and **Petroleo Brasileiro (Petrobras)**, a leading player in oil and gas exploration and production. Vale remains a well-managed firm with

MARKET PERFORMANCE

(In U.S. Dollar Terms) Periods Ended 4/30/09	6 Months	12 Months
Brazil	25.12%	-45.77%
Mexico	-0.50	-45.51
Chile	22.11	-27.22
Peru	42.88	-41.51
Argentina	-11.97	-61.93
Colombia	22.28	-29.55
United Kingdom	-8.59	-45.45

Source: RIMES Online, using MSCI indices.

a healthy balance sheet, while Petrobras has strong production growth. In January, we trimmed some holdings in Petrobras on price strength and increased our position in **Banco Itau**, which performed well as the oversold financials sector recovered some of its value. Our largest



purchase for the period, Itau is Brazil's largest bank by assets and loans. It is a well-run, efficient bank that competes in a consolidated and under-served market with a loan book that is evenly split between personal and corporate clients. We believe that management will continue to work through the current economic environment and reach normalized profitability in 2010, at

which point synergies from recently merged Unibanco should begin to contribute positively to the firm's results. (Please refer to the portfolio of investments for a complete listing of holdings and the amount each represents in the portfolio.)

Our stock selection in Brazil detracted from overall performance versus the MSCI regional index. Airline holding **Tam** was among our weaker positions, hurt by a softening economic backdrop that dampened traveler demand. **Perdigao** is Brazil's largest and most diversified food producer and is engaged in the production and sale of poultry, pork, beef, processed foods, and dairy products. The firm posted relatively weak returns for the period, largely due to the destocking process in some of its key export markets and high foreign exchange volatility. However, we believe that falling grain prices and a more favorable competitive environment both domestically and abroad leave room for further upside, benefiting the share price over the medium and longer term.

It is in the small-cap range that we rely most on our in-house research team to uncover opportunity. For example, a position in apparel retailer **Lojas Renner** hampered performance in our last reporting period as investors focused on the slowdown in the Brazilian economy and the resulting weakness in consumer demand. However, Lojas bounced back nicely as investors chose to look beyond these short-term challenges

toward the long-term systemic growth in domestic consumer consumption. Brazilian real estate developer **PDG Realty** was also one of our stronger performers. Focused on low-income housing, the company benefited from a significant improvement in financing conditions and demand following the implementation of a major government housing package.

The region's second-largest market, Mexico, is also our second-largest country allocation at 21% of the fund's portfolio. Overall, Mexican shares were little changed over the period, falling 0.5% due in large part to the country's close connection to the faltering U.S. economy. Stock selection detracted from returns as several of our holdings underperformed the local market. Shares in homebuilder **Urbi Desarrollos Urbanos (Urbi)** continued to suffer as the economy slowed and mortgage financing grew more expensive. We think Urbi remains one of the best companies in this industry and believe it will benefit from long-term growth in Mexican home ownership. Investor concerns over the economy, slower loan growth, and the potential increase of non-performing loans hurt shares of **Grupo Financiero Banorte (Banorte)**. However, we believe that Banorte has made essential adjustments to its loan portfolio to improve its long-term competitive standing and return to normalized profitability when the Mexican economy begins to recover. A position in discount retailer **Wal-Mart de Mexico (Walmex)** declined as consumer spending slowed in the face of the global economic slowdown. However, Walmex is improving its competitive position during this downturn and should emerge with increased market share once the economy begins to improve. **America Movil**, Latin America's largest wireless telecommunications services provider, was among the fund's strongest performers. With 165 million subscribers, steady cash flows, and solid management, we believe America Movil remains an attractive long-term investment with more room to grow.

Among the region's smaller markets, Chile outperformed the regional index with a 22% gain. The fund's positive stock selection helped returns relative to the benchmark. Shares in department store retailer **Empresas La Polar** rebounded from earlier lows as a strong management team capitalized on surprisingly resilient consumer spending to increase market share.

Argentina bucked the regional trend and declined approximately 12% for the period. However, our Argentine holdings were the fund's strongest contributors to performance relative to the MSCI EM Latin America Index. **Mercadolibre**, which operates e-commerce trading platforms

for Latin American markets, performed well and should benefit from attractive long-term revenue growth and stabilizing currencies. **Tenaris**, a producer of seamless pipes used in oil exploration and production, benefited from the stabilization and subsequent improvement in oil

SECTOR DIVERSIFICATION

	Percent of Net Assets	
	10/31/08	4/30/09
Financials	23.5%	23.1%
Energy	18.0	18.2
Materials	17.0	17.1
Telecommunication Services	11.4	11.0
Consumer Discretionary	7.8	8.3
Consumer Staples	9.5	7.8
Industrials and Business Services	5.5	4.6
Information Technology	3.1	3.8
Utilities	0.0	0.4
Health Care	0.5	0.4
Other and Reserves	3.7	5.3
Total	100.0%	100.0%

Historical weightings reflect current industry/sector classifications.

prices, as well as a general upturn in prospects for cyclical companies. Although we remain cautious about Argentina due to ongoing economic weakness, persistent inflation, and political turmoil, we will continue to monitor this market selectively for attractive opportunities.

Every sector produced gains for the period. Energy, financials, and materials were the strongest performers throughout the region, while industrials and business services and telecommunication services posted lower returns. Overall stock selection hampered performance relative to the MSCI

regional index with the fund's energy, financials, and consumer staples holdings among the weakest relative performers. Our consumer discretionary and information technology holdings performed very well and boosted performance relative to the index.

OUTLOOK

Although economic growth rates around the world have declined, and in many cases turned negative, Latin American economies remain relatively robust. Government policymakers and central bankers have adopted a proactive approach to address the economic downturn, reducing interest rates and increasing liquidity. Several countries, including Brazil, have accumulated large reserves and implemented stimulus measures to support domestic consumption. Additionally, commodity prices have

stabilized due to improving global demand, particularly from China, further benefiting the resource-rich region.

Mexico and Brazil remain the fund's largest country allocations. Although the Mexican economy has faltered, we do not believe the current recession will worsen into a full-fledged economic and financial crisis. Sound fiscal and external account management and a well-capitalized and underpenetrated financial sector are sources of strength and should help prevent a deeper crisis. We expect fiscal and regulatory reforms to have a positive impact on Mexico's competitive position and economic growth rates over the medium and longer terms. However, the short-term outlook depends on several key variables, including the prospects for rising oil prices and economic recovery in the U.S. While the swine flu scare did have a short-term impact on the market, a rapid and effective public-health response appears to have prevented a major outbreak. While not immune to the global economic downturn, the Brazilian economy continues to be quite robust in relative terms, supported by vast foreign exchange reserves accumulated during the recent boom years. The reformist government has responded swiftly to the slowdown, cutting interest rates and announcing several stimulus packages. The domestic economy is becoming the new growth engine in Brazil: Rising employment and wages, increased access to credit, and higher rates of domestic investment mean the economy is gradually becoming less dependent on exports and foreign investment to generate growth.

More broadly, one of our key investment themes holds that rising disposable incomes and consumer spending will underpin long-term economic growth in emerging markets. This is particularly true in Latin America, where historically high commodity prices combined with rising wages have sustained growing domestic demand. As a result, we believe financial services, consumer discretionary, and other sectors that are sensitive to increasing domestic consumption represent good investment opportunities. We also think infrastructure stocks will be particularly attractive as countries will have to invest heavily in ports, roads, and railways to keep pace with strong economic growth.

Although I have transitioned from my longstanding role as a dedicated Latin America equity analyst into a new role as lead portfolio manager of the fund, I want to assure our shareholders that we remain committed to the same disciplined approach that we have used in the past. As always, we will continue to rely on our rigorous and comprehensive in-house research to identify solid long-term investment opportunities

for our shareholders. We believe this continuity helps to perpetuate a long-term perspective that is especially important in today's volatile market environment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jose Costa Buck', written over a horizontal line.

Jose Costa Buck
Lead portfolio manager

May 13, 2009

The lead portfolio manager has day-to-day responsibility for managing the portfolio and works with committee members in developing and executing the fund's investment program.

RISKS OF INTERNATIONAL INVESTING

Funds that invest overseas generally carry more risk than funds that invest strictly in U.S. assets. Funds investing in a single country or limited geographic region tend to be riskier than more diversified funds. Risks can result from varying stages of economic and political development; differing regulatory environments, trading days, and accounting standards; and higher transaction costs of non-U.S. markets. Non-U.S. investments are also subject to currency risk, or a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency.

GLOSSARY

Lipper averages: The averages of available mutual fund performance returns for specified time periods in defined categories as tracked by Lipper Inc.

MSCI EM Latin America Index: A market capitalization-weighted index of stocks traded in seven Latin American markets.

PORTFOLIO HIGHLIGHTS

TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 4/30/09
Petroleo Brasileiro, Brazil	17.4%
Companhia Vale do Rio Doce, Brazil	13.3
America Movil, Mexico	9.2
Itau Unibanco Banco Multiplo, Brazil	6.1
Wal-Mart de Mexico, Mexico	4.2
Banco Bradesco, Brazil	3.8
Perdigao, Brazil	2.9
Lojas Renner, Brazil	2.8
Grupo Financiero Banorte, Mexico	2.5
Urbi Desarrollos Urbanos, Mexico	2.3
PDG Realty, Brazil	2.3
Empresas La Polar, Chile	2.3
Totvs, Brazil	2.1
GVT Holding, Brazil	1.8
BM&F Bovespa, Brazil	1.8
Banco Santander Chile, Chile	1.7
Weg, Brazil	1.5
Southern Copper, Peru	1.4
Redecard, Brazil	1.2
Usinas Siderurgicas de Minas Gerais, Brazil	1.2
Credicorp, Peru	1.2
Banco do Brasil, Brazil	1.0
Grupo Aeroportuario Del Pacifico, Mexico	1.0
Tam, Brazil	0.9
BanColombia, Colombia	0.9
Total	86.8%

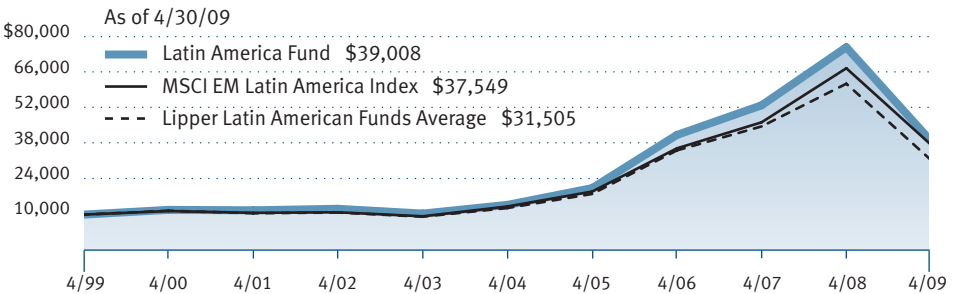
Note: Table excludes investments in the T. Rowe Price Reserve Investment Fund and collateral for securities lending.

Performance and Expenses

GROWTH OF \$10,000

This chart shows the value of a hypothetical \$10,000 investment in the fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with benchmarks, which may include a broad-based market index and a peer group average or index. Market indexes do not include expenses, which are deducted from fund returns as well as mutual fund averages and indexes.

LATIN AMERICA FUND



AVERAGE ANNUAL COMPOUND TOTAL RETURN

This table shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate.

Periods Ended 4/30/09	1 Year	5 Years	10 Years
Latin America Fund	-48.70%	23.05%	14.58%

Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. Past performance cannot guarantee future results.

FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Actual Expenses

The first line of the following table (“Actual”) provides information about actual account values and expenses based on the fund’s actual returns. You may use the information in this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information on the second line of the table (“Hypothetical”) is based on hypothetical account values and expenses derived from the fund’s actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund’s actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Note: T. Rowe Price charges an annual small-account maintenance fee of \$10, generally for accounts with less than \$2,000 (\$500 for UGMA/UTMA). The fee is waived for any investor whose T. Rowe Price mutual fund accounts total \$25,000 or more, accounts employing automatic investing, and IRAs and other retirement plan accounts that utilize a prototype plan sponsored by T. Rowe Price (although a separate custodial or administrative fee may apply to such accounts). This fee is not included in the accompanying table. If you are subject to the fee, keep it in mind when you are estimating the ongoing expenses of investing in the fund and when comparing the expenses of this fund with other funds.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

FUND EXPENSE EXAMPLE (CONTINUED)

T. ROWE PRICE LATIN AMERICA FUND			
	Beginning Account Value 11/1/08	Ending Account Value 4/30/09	Expenses Paid During Period* 11/1/08 to 4/30/09
Actual	\$1,000.00	\$1,177.10	\$7.45
Hypothetical (assumes 5% return before expenses)	1,000.00	1,017.95	6.90

*Expenses are equal to the fund's annualized expense ratio for the six-month period (1.38%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181) divided by the days in the year (365) to reflect the half-year period.

QUARTER-END RETURNS

Periods Ended 3/31/09	1 Year	5 Years	10 Years
Latin America Fund	-52.91%	15.69%	14.06%

Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please visit our Web site (troweprice.com) or contact a T. Rowe Price representative at 1-800-225-5132. The performance information shown does not reflect the deduction of a 2% redemption fee on shares held for 90 days or less. If it did, the performance would be lower.

This table provides returns through the most recent calendar quarter-end rather than through the end of the fund's fiscal period. It shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. When assessing performance, investors should consider both short- and long-term returns.

EXPENSE RATIO

Latin America Fund	1.22%
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The expense ratio shown is as of the fund's fiscal year ended 10/31/08. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, does not include fee or expense waivers.

T. ROWE PRICE LATIN AMERICA FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 4/30/09 [†]	Year Ended 10/31/08 [†]	10/31/07 [†]	10/31/06 [†]	10/31/05 [†]	10/31/04
NET ASSET VALUE						
Beginning of period	\$ 24.76	\$ 59.74	\$ 33.98	\$ 23.21	\$ 13.74	\$ 10.32
Investment activities						
Net investment income	0.28	0.41	0.40	0.37	0.29	0.26
Net realized and unrealized gain (loss)	3.90	(33.18)	25.87	10.55	9.36	3.31
Total from investment activities	4.18	(32.77)	26.27	10.92	9.65	3.57
Distributions						
Net investment income	(0.32)	(0.40)	(0.31)	(0.20)	(0.21)	(0.16)
Net realized gain	(0.87)	(1.85)	(0.23)	(0.01)	–	–
Total distributions	(1.19)	(2.25)	(0.54)	(0.21)	(0.21)	(0.16)
Redemption fees added to paid-in capital	–	0.04	0.03	0.06	0.03	0.01
NET ASSET VALUE						
End of period	\$ 27.75	\$ 24.76	\$ 59.74	\$ 33.98	\$ 23.21	\$ 13.74

Ratios/Supplemental Data

Total return⁽¹⁾	17.71%	(56.77)%	78.39%	47.61%	71.28%	35.07%
Ratio of total expenses to average net assets	1.38% ⁽²⁾	1.22%	1.20%	1.24%	1.29%	1.41%
Ratio of net investment income to average net assets	2.39% ⁽²⁾	0.81%	0.91%	1.25%	1.55%	2.22%
Portfolio turnover rate	7.0%	19.7%	23.3%	34.5%	17.8%	34.8%
Net assets, end of period (in millions)	\$ 1,545	\$ 1,379	\$ 3,991	\$ 1,885	\$ 853	\$ 242

[†] Per share amounts calculated using average shares outstanding method.

(1) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions and payment of no redemption or account fees.

(2) Annualized

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

PORTFOLIO OF INVESTMENTS ‡	Shares/\$ Par	Value
(Cost and value in \$000s)		
ARGENTINA 1.3%		
Common Stocks 1.3%		
Mercadolibre (USD) (1)(2)	282,500	7,721
Tenaris, ADR (USD) (1)	475,000	11,884
Total Argentina (Cost \$13,710)		19,605
BRAZIL 64.1%		
Common Stocks 53.0%		
Anhanguera Educacional Participacoes, Equity Units (2)	587,200	4,104
Banco do Brasil	1,850,668	15,607
BM&F Bovespa	6,877,000	27,867
Brasil Brokers Participacoes	2,290,000	2,825
Companhia Vale do Rio Doce, ADR (USD) (1 ADR represents 1 preference 'A' share) (1)	6,774,328	93,012
Companhia Vale do Rio Doce, ADR (1 ADR represents 1 common share) (USD) (1)	6,768,333	111,745
Energias do Brasil	559,200	6,724
GVT Holding (2)	2,118,000	28,060
Log in Logistica Intermodal	3,811,131	12,954
Lojas Renner	4,741,300	43,320
MRV Engenharia	1,022,800	9,929
Multiplan Empreendimentos (2)	1,172,313	9,131
Obrascon Huarte Lain Brasil	778,400	5,050
PDG Realty	3,753,400	35,323
Perdiago (2)	3,049,632	44,930
Petroleo Brasileiro, ADR (USD) (1)	5,857,892	158,046
Petroleo Brasileiro, ADR (1 ADR represents 1 common share) (USD)	3,319,776	111,445
Profarma Distribuidora	1,739,600	5,841
Redecard	1,501,300	18,895
Totvs	1,210,000	32,365
Usinas Siderurgicas de Minas	1,316,625	18,225
Weg	3,698,900	23,708
		819,106

T. ROWE PRICE LATIN AMERICA FUND

	Shares/\$ Par	Value
(Cost and value in \$000s)		
Preferred Stocks 11.1%		
Banco Bradesco	4,749,692	58,781
Banco Itau	6,837,915	94,965
Suzano Papel e Celulose (2)	704,400	4,473
Tam (2)	2,024,200	13,816
		172,035
Total Brazil (Cost \$707,238)		991,141
CHILE 4.0%		
Common Stocks 4.0%		
Banco Santander Chile, ADR (USD) (1)	741,594	26,260
La Polar (4)	13,061,258	35,249
Total Chile (Cost \$94,401)		61,509
COLOMBIA 0.9%		
Common Stocks 0.9%		
Bancolombia, ADR (USD) (1)	591,400	13,809
Total Colombia (Cost \$14,279)		13,809
MEXICO 21.1%		
Common Stocks 21.1%		
America Movil, Series L, ADR (USD) (1)	4,341,731	142,626
Banco Compartamos	2,022,500	5,039
Fomento Economico Mexicano, ADR (USD) (1)	389,300	11,021
Fresnillo (GBP)	425,218	3,333
Grupo Aeroportuario del Pacifico, ADR (USD) (1)	729,000	14,988
Grupo Financiero Banorte (1)	25,193,600	38,869
Grupo Televisa, ADR (USD) (1)	665,700	10,305

T. ROWE PRICE LATIN AMERICA FUND

	Shares/\$ Par	Value
(Cost and value in \$000s)		
Urbi Desarrollos Urbanos (1)(2)	32,256,000	35,513
Walmart de Mexico (1)	23,632,994	64,192
Total Mexico (Cost \$315,222)		325,886
PERU 2.5%		
Common Stocks 2.5%		
Credicorp (USD) (1)	360,300	18,022
Southern Copper (USD) (1)	1,127,000	20,929
Total Peru (Cost \$45,879)		38,951
UNITED KINGDOM 0.8%		
Common Stocks 0.8%		
Antofagasta	1,390,300	11,949
Total United Kingdom (Cost \$10,406)		11,949
SHORT-TERM INVESTMENTS 4.3%		
Money Market Funds 4.3%		
T. Rowe Price Reserve Investment Fund, 0.34% (3)(4)	65,899,184	65,899
Total Short-Term Investments (Cost \$65,899)		65,899
SECURITIES LENDING COLLATERAL 7.4%		
INVESTMENTS IN POOLED ACCOUNT MANAGED BY JPMORGAN CHASE BANK, LONDON 7.4%		
Medium-Term Notes 0.8%		
Commonwealth Bank Australia, VR, 0.516%, 6/8/09	4,238,719	4,232
JPMorgan Chase, VR, 1.381%, 6/2/09	2,628,006	2,629
K2 (USA), VR, 0.34%, 6/19/09	3,138,535	3,122
Merrill Lynch, VR, 1.291%, 5/8/09	847,744	847

T. ROWE PRICE LATIN AMERICA FUND

	Shares/\$ Par	Value
(Cost and value in \$000s)		
Wells Fargo, VR, 0.443%, 5/1/09	1,271,616	1,272
		12,102
Money Market Funds 6.1%		
T. Rowe Price Reserve Investment Fund, 0.34% (3)(4)	93,675,698	93,676
		93,676
Repurchase Agreements 0.5%		
Merrill Lynch, Tri-Party, Dated 4/30/09, 0.17%		
Delivery Value of \$8,642 on 5/1/09, Collateralized by U.S.		
Government securities, 0.00% – 6.00%, 2/25/10 – 6/20/36		
valued at \$8,815	8,642,163	8,642
		8,642
Total Investments in Pooled Account Managed by JPMorgan Chase Bank, London		114,420
Total Securities Lending Collateral (Cost \$114,654)		114,420
Total Investments in Securities		
106.4% of Net Assets (Cost \$1,381,688)		\$ 1,643,169

‡ Denominated in the currency of the country of incorporation unless otherwise noted.

(1) All or a portion of this security is on loan at April 30, 2009 -- total value of such securities at period-end amounts to \$111,394. See Note 3.

(2) Non-income producing

(3) Seven-day yield

(4) Affiliated Companies

ADR American Depository Receipts

GBP British Pound

USD U.S. Dollar

VR Variable Rate; rate shown is effective rate at period-end.

Affiliated Companies

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control.

Affiliate	Purchase		Sales		Investment Income	Value		
	Cost		Cost			4/30/09	10/31/08	
La Polar	\$	-	\$	7,458	\$	-	\$ 35,249	\$ 24,011
Totvs		-		-		-	**	23,847
T. Rowe Price Reserve Investment Fund, 0.34%		¤		¤		138 ^	159,575	30,617
Totals					\$	138	\$ 194,824	\$ 78,475

** The issuer was not considered an affiliated company at April 30, 2009.

¤ Purchase and sale information not shown for cash management funds.

^ Excludes earnings on securities lending collateral investments, which are subject to rebates and fees as described in Note 3.

Amounts reflected on the accompanying financial statements include the following amounts related to affiliated companies:

Investment in securities, at cost	\$	223,654
Dividend income		138
Interest income		-
Investment income	\$	138
Realized gain (loss) on securities	\$	(5,314)
Capital gain distributions from mutual funds	\$	-

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

STATEMENT OF ASSETS AND LIABILITIES

(\$000s, except shares and per share amounts)

Assets

Investments in securities, at value (cost \$1,381,688)	\$ 1,643,169
Dividends and interest receivable	14,834
Foreign currency (cost \$4,553)	4,580
Receivable for shares sold	2,299
Receivable for investment securities sold	1,449
Cash	1,157
Other assets	5,210
Total assets	<u>1,672,698</u>

Liabilities

Obligation to return securities lending collateral	114,654
Payable for investment securities purchased	5,113
Investment management fees payable	1,269
Payable for shares redeemed	1,254
Due to affiliates	205
Other liabilities	5,457
Total liabilities	<u>127,952</u>

NET ASSETS**\$ 1,544,746****Net Assets Consist of:**

Undistributed net investment income	\$ 10,618
Accumulated undistributed net realized loss	(143,051)
Net unrealized gain	261,537
Paid-in capital applicable to 55,674,876 shares of \$0.01 par value capital stock outstanding; 4,500,000,000 shares of the Corporation authorized	<u>1,415,642</u>

NET ASSETS**\$ 1,544,746****NET ASSET VALUE PER SHARE****\$ 27.75**

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

T. ROWE PRICE LATIN AMERICA FUND

Unaudited

STATEMENT OF OPERATIONS

(\$000s)

	6 Months Ended 4/30/09
Investment Income (Loss)	
Income	
Dividend (net of foreign taxes of \$2,424)	\$ 23,478
Securities lending	543
Interest	24
Total income	<u>24,045</u>
Expenses	
Investment management	6,769
Shareholder servicing	1,265
Prospectus and shareholder reports	175
Custody and accounting	296
Registration	21
Legal and audit	25
Directors	6
Miscellaneous	224
Total expenses	<u>8,781</u>
Net investment income	<u>15,264</u>
Realized and Unrealized Gain (Loss)	
Net realized gain (loss)	
Securities	(141,875)
Foreign currency transactions	(329)
Net realized loss	<u>(142,204)</u>
Change in net unrealized gain (loss)	
Securities	341,568
Other assets and liabilities denominated in foreign currencies	611
Change in net unrealized gain	<u>342,179</u>
Net realized and unrealized gain	<u>199,975</u>
INCREASE IN NET ASSETS FROM OPERATIONS	<u>\$ 215,239</u>

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

T. ROWE PRICE LATIN AMERICA FUND

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	6 Months Ended 4/30/09	Year Ended 10/31/08
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 15,264	\$ 27,258
Net realized gain (loss)	(142,204)	79,121
Change in net unrealized gain (loss)	342,179	(2,245,167)
Increase (decrease) in net assets from operations	215,239	(2,138,788)
Distributions to shareholders		
Net investment income	(17,406)	(26,602)
Net realized gain	(46,979)	(123,038)
Decrease in net assets from distributions	(64,385)	(149,640)
Capital share transactions*		
Shares sold	140,457	995,854
Distributions reinvested	59,967	139,658
Shares redeemed	(185,482)	(1,462,339)
Redemption fees received	286	2,441
Increase (decrease) in net assets from capital share transactions	15,228	(324,386)
Net Assets		
Increase (decrease) during period	166,082	(2,612,814)
Beginning of period	1,378,664	3,991,478
End of period	\$ 1,544,746	\$ 1,378,664
Undistributed net investment income	10,618	12,760
*Share information		
Shares sold	5,787	19,119
Distributions reinvested	2,528	2,668
Shares redeemed	(8,329)	(32,913)
Decrease in shares outstanding	(14)	(11,126)

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

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price International Funds, Inc. (the corporation), is registered under the Investment Company Act of 1940 (the 1940 Act). The Latin America Fund (the fund), a nondiversified, open-end management investment company, is one portfolio established by the corporation. The fund commenced operations on December 29, 1993. The fund seeks long-term growth of capital through investments primarily in the common stocks of companies located (or with primary operations) in Latin America.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates made by fund management. Fund management believes that estimates and security valuations are appropriate; however, actual results may differ from those estimates, and the security valuations reflected in the financial statements may differ from the value the fund ultimately realizes upon sale of the securities.

Investment Transactions, Investment Income, and Distributions Income and expenses are recorded on the accrual basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Dividends received from mutual fund investments are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Income tax-related interest and penalties, if incurred, would be recorded as income tax expense. Investment transactions are accounted for on the trade date. Realized gains and losses are reported on the identified cost basis. Distributions to shareholders are recorded on the ex-dividend date. Income distributions are declared and paid on an annual basis. Capital gain distributions, if any, are declared and paid by the fund, typically on an annual basis.

Currency Translation Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as quoted by a major bank. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the date of the transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is reflected as a component of security gains and losses.

Redemption Fees A 2% fee is assessed on redemptions of fund shares held for 90 days or less to deter short-term trading and to protect the interests of long-term shareholders. Redemption fees are withheld from proceeds that shareholders receive from the sale or exchange of fund shares. The fees are paid to the fund, and are recorded as an increase to paid-in capital. The fees may cause the redemption price per share to differ from the net asset value per share.

New Accounting Pronouncements On November 1, 2008, the fund adopted Statement of Financial Accounting Standards No. 157 (FAS 157), *Fair Value Measurements*. FAS 157 defines fair value, establishes the framework for measuring fair value, and expands the disclosures of fair value measurements in the financial statements. Adoption of FAS 157 did not have a material impact on the fund's net assets or results of operations.

In March 2008, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 161 (FAS 161), *Disclosures about Derivative Instruments and Hedging Activities*, which is effective for fiscal years and interim periods beginning after November 15, 2008. FAS 161 requires enhanced disclosures about derivative and hedging activities, including how such activities are accounted for and their effect on financial position, performance and cash flows. Management is currently evaluating the impact the adoption of FAS 161 will have on the fund's financial statements and related disclosures; however, it is expected to have no material impact on the fund's net assets or results of operations.

NOTE 2 - VALUATION

The fund's investments are reported at fair value as defined under FAS 157. The fund values its investments and computes its net asset value per share at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day that the NYSE is open for business.

Valuation Methods Equity securities listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made, except for OTC Bulletin Board securities, which are valued at the mean of the latest bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the latest bid and asked prices for domestic securities and the last quoted sale price for international securities.

Debt securities with remaining maturities of less than one year at the time of acquisition generally use amortized cost in local currency to approximate fair value. However, if amortized cost is deemed not to reflect fair value or the fund holds a significant amount of such securities with remaining maturities of more than 60 days, the securities are valued at prices furnished by dealers who make markets in such securities or by an independent pricing service.

Investments in mutual funds are valued at the mutual fund's closing net asset value per share on the day of valuation.

Other investments, including restricted securities, and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the T. Rowe Price Valuation Committee, established by the fund's Board of Directors.

For valuation purposes, the last quoted prices of non-U.S. equity securities may be adjusted under the circumstances described below. If the fund determines that developments between the close of a foreign market and the close of the NYSE will, in its judgment, materially affect the value of some or all of its portfolio securities, the fund will adjust the previous closing prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust closing prices to reflect fair value, the fund reviews a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. A fund may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. The fund uses outside pricing services to provide it with closing prices and information to evaluate and/or adjust those prices. The fund cannot predict how often it will use closing prices and how often it will determine it necessary to adjust those prices to reflect fair value. As a means of evaluating its security valuation process, the fund routinely compares closing prices, the next day's opening prices in the same markets, and adjusted prices.

Valuation Inputs Various inputs are used to determine the value of the fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 – quoted prices in active markets for identical securities

Level 2 – observable inputs other than Level 1 quoted prices (including, but not limited to, quoted prices for similar securities, interest rates, prepayment speeds, credit risk)

Level 3 – unobservable inputs

Observable inputs are those based on market data obtained from sources independent of the fund, and unobservable inputs reflect the fund's own assumptions based on the best information available. The input levels are not necessarily an indication of the risk or liquidity associated with investments at that level. For example, non-U.S. equity securities actively traded in foreign markets generally are reflected in Level 2 despite the availability of closing prices, because the fund evaluates and determines whether those closing prices reflect fair value at the close of the NYSE or require adjustment, as described above. The following table summarizes the fund's investments, based on the inputs used to determine their values on April 30, 2009:

Valuation Inputs	Investments in Securities	Foreign Currencies
Level 1 – quoted prices	\$ 817,712,000	\$ 0
Level 2 – significant other observable inputs	825,457,000	8,000
Level 3 – significant unobservable inputs	0	0
Total	\$1,643,169,000	\$ 8,000

NOTE 3 - INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

Emerging Markets At April 30, 2009, approximately 94% of the fund's net assets were invested, directly or indirectly, in securities of companies located in emerging markets or denominated in or linked to the currencies of emerging market countries. Future economic or political developments could adversely affect the liquidity or value, or both, of such securities.

Repurchase Agreements All repurchase agreements are fully collateralized by U.S. government securities. Collateral is in the possession of the fund's custodian or, for tri-party agreements, the custodian designated by the agreement. Collateral is evaluated daily to ensure that its market value exceeds the delivery value of the repurchase agreements at maturity. Although risk is mitigated by the collateral, the fund could experience a delay in recovering its value and a possible loss of income or value if the counter-party fails to perform in accordance with the terms of the agreement.

Securities Lending The fund lends its securities to approved brokers to earn additional income. It receives as collateral cash and U.S. government securities valued at 102% to 105% of the value of the securities on loan. Cash collateral is invested by the fund's lending agent(s) in accordance with investment guidelines approved by fund management. Although risk is mitigated by the collateral, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities or if collateral investments decline in value. Securities lending revenue recognized by the fund consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower and compensation to the lending agent. On April 30, 2009, the value of loaned securities was \$111,394,000.

Other Purchases and sales of portfolio securities, other than short-term securities, aggregated \$88,553,000 and \$152,840,000, respectively, for the six months ended April 30, 2009.

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions are determined in accordance with Federal income tax regulations, which differ from generally accepted accounting principles, and, therefore, may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of April 30, 2009.

At April 30, 2009, the cost of investments for federal income tax purposes was \$1,381,688,000. Net unrealized gain aggregated \$261,537,000 at period-end, of which \$501,453,000 related to appreciated investments and \$239,916,000 related to depreciated investments.

NOTE 5 - FOREIGN TAXES

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized by the fund upon disposition

of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Tax expense attributable to income is accrued by the fund as a reduction of income. Current and deferred tax expense attributable to net capital gains is reflected as a component of realized and/or change in unrealized gain/loss on securities in the accompanying financial statements. At April 30, 2009, the fund had no deferred tax liability attributable to foreign securities and no foreign capital loss carryforwards.

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price International, Inc. (the manager), a wholly owned subsidiary of T. Rowe Price Associates, Inc. (Price Associates), which is wholly owned by T. Rowe Price Group, Inc. The investment management agreement between the fund and the manager provides for an annual investment management fee, which is computed daily and paid monthly. The fee consists of an individual fund fee, equal to 0.75% of the fund's average daily net assets, and a group fee. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first \$1 billion of assets to 0.285% for assets in excess of \$220 billion. The fund's group fee is determined by applying the group fee rate to the fund's average daily net assets. At April 30, 2009, the effective annual group fee rate was 0.31%.

In addition, the fund has entered into service agreements with Price Associates and two wholly owned subsidiaries of Price Associates (collectively, Price). Price Associates computes the daily share price and provides certain other administrative services to the fund. T. Rowe Price Services, Inc., provides shareholder and administrative services in its capacity as the fund's transfer and dividend disbursing agent. T. Rowe Price Retirement Plan Services, Inc., provides subaccounting and recordkeeping services for certain retirement accounts invested in the fund. For the six months ended April 30, 2009, expenses incurred pursuant to these service agreements were \$64,000 for Price Associates, \$802,000 for T. Rowe Price Services, Inc., and \$36,000 for T. Rowe Price Retirement Plan Services, Inc. The total amount payable at period-end pursuant to these service agreements is reflected as Due to Affiliates in the accompanying financial statements.

The fund is also one of several mutual funds sponsored by Price Associates (underlying Price funds) in which the T. Rowe Price Spectrum Funds (Spectrum

Funds) may invest. The Spectrum Funds do not invest in the underlying Price funds for the purpose of exercising management or control. Pursuant to a special servicing agreement, expenses associated with the operation of the Spectrum Funds are borne by each underlying Price fund to the extent of estimated savings to it and in proportion to the average daily value of its shares owned by the Spectrum Funds. At April 30, 2009, no shares of the fund were held by the Spectrum Funds.

The fund may invest in the T. Rowe Price Reserve Investment Fund and the T. Rowe Price Government Reserve Investment Fund (collectively, the T. Rowe Price Reserve Investment Funds), open-end management investment companies managed by Price Associates and considered affiliates of the fund. The T. Rowe Price Reserve Investment Funds are offered as cash management options to mutual funds, trusts, and other accounts managed by Price Associates and/or its affiliates and are not available for direct purchase by members of the public. The T. Rowe Price Reserve Investment Funds pay no investment management fees.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds and portfolios to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information, which you may request by calling 1-800-225-5132 or by accessing the SEC's Web site, www.sec.gov. The description of our proxy voting policies and procedures is also available on our Web site, www.troweprice.com. To access it, click on the words "Our Company" at the top of our corporate homepage. Then, when the next page appears, click on the words "Proxy Voting Policies" on the left side of the page.

Each fund's most recent annual proxy voting record is available on our Web site and through the SEC's Web site. To access it through our Web site, follow the directions above, then click on the words "Proxy Voting Records" on the right side of the Proxy Voting Policies page.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a 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 fund's Form N-Q is available electronically on the SEC's Web site (www.sec.gov); hard copies may be reviewed and copied at the SEC's Public Reference Room, 450 Fifth St. N.W., Washington, DC 20549. For more information on the Public Reference Room, call 1-800-SEC-0330.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

On March 10, 2009, the fund's Board of Directors (Board) unanimously approved the investment advisory contract (Contract) between the fund and its investment manager, T. Rowe Price International, Inc. (Manager). The Board considered a variety of factors in connection with its review of the Contract, also taking into account information provided by the Manager during the course of the year, as discussed below:

Services Provided by the Manager

The Board considered the nature, quality, and extent of the services provided to the fund by the Manager. These services included, but were not limited to, management of the fund's portfolio and a variety of related activities as well as financial and administrative services, reporting, and communications. The Board also reviewed the background and experience of the Manager's senior management team and investment personnel involved in the management of the fund. The Board concluded that it was satisfied with the nature, quality, and extent of the services provided by the Manager.

Investment Performance of the Fund

The Board reviewed the fund's average annual total returns over the 1-, 3-, 5-, and 10-year periods as well as the fund's year-by-year returns and compared these returns with a wide variety of previously agreed upon comparable performance measures and market data, including those supplied by Lipper and Morningstar, which are independent providers of mutual fund data. On the basis of this evaluation and the Board's ongoing review of investment results, and factoring in the severity of market turmoil in 2008, the Board concluded that the fund's performance was satisfactory.

Costs, Benefits, Profits, and Economies of Scale

The Board reviewed detailed information regarding the revenues received by the Manager under the Contract and other benefits that the Manager (and its affiliates) may have realized from its relationship with the fund, including research received under "soft dollar" agreements. The Board noted that soft dollars were not used to pay for third-party, non-broker research during 2008. The Board also received information on the estimated costs incurred and profits realized by the Manager and its affiliates from advising T. Rowe Price mutual funds, as well as estimates of the gross profits realized from managing the fund in particular. The Board concluded that the Manager's profits were reasonable in light of the services provided to the fund. The Board also considered whether the fund or other funds benefit under the fee levels set forth in the Contract from any economies of scale realized by the Manager. Under the Contract, the fund pays a fee to the Manager composed of two components—a group fee rate based on the aggregate assets of certain T. Rowe Price mutual funds (including the fund) that declines at certain asset levels and an individual fund fee rate that is assessed on the assets of the fund. The Board concluded that the advisory fee structure for the fund continued to provide for a reasonable sharing of benefits from economies of scale with the fund's investors.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

Fees

The Board reviewed the fund's management fee rate, operating expenses, and total expense ratio and compared them with fees and expenses of other comparable funds based on information and data supplied by Lipper. The information provided to the Board indicated that the fund's management fee and expense ratio were above the median for certain groups of comparable funds but at or below the median for other groups of comparable funds. The Board also reviewed the fee schedules for comparable privately managed accounts of the Manager and its affiliates. Management informed the Board that the Manager's responsibilities for privately managed accounts are more limited than its responsibilities for the fund and other T. Rowe Price mutual funds that it or its affiliates advise. On the basis of the information provided, the Board concluded that the fees paid by the fund under the Contract were reasonable.

Approval of the Contract

As noted, the Board approved the continuation of the Contract. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund to approve the continuation of the Contract, including the fees to be charged for services thereunder.

INVESTMENT SERVICES AND INFORMATION

KNOWLEDGEABLE SERVICE REPRESENTATIVES

By Phone: 1-800-225-5132. Available Monday through Friday from 7 a.m. until midnight ET and weekends from 8:30 a.m. until 5 p.m. ET.

In Person at a T. Rowe Price Investor Center. Please visit the Web at troweprice.com/investorcenter or call 1-800-225-5132 to locate a center near you.

ACCOUNT SERVICES

Automated 24-Hour Services Including Tele* AccessSM and account access through the T. Rowe Price Web site at troweprice.com.

Automatic Investing. From your bank account or paycheck.

Automatic Withdrawal. Scheduled, periodic redemptions.

IRA Rebalancing. Automatically rebalance to ensure that your accounts reflect your desired asset allocations.

BROKERAGE SERVICES[‡]

Trade stocks, mutual funds, ETFs, bonds, options, CDs, precious metals, and more at competitive commissions.

INVESTMENT INFORMATION

Consolidated Statement. Overview of all of your accounts.

Shareholder Reports. Manager reviews of their strategies and results.

T. Rowe Price Report. Quarterly investment newsletter.

T. Rowe Price Investor. Quarterly publication of insightful financial articles.

Insights. Educational reports on investment strategies and markets.

Investment Guides. Investors Portfolio Review; International Investing Guide; Guide to Bond Funds; On Track Retirement Savings Guide; and Retirement Readiness Guide.

FINANCIAL INTERMEDIARIES AND ADVISORS

By Phone: 1-877-804-2315. Contact us Monday through Friday from 8:30 a.m. until 6 p.m. ET.

By Mail: T. Rowe Price, Financial Institution Services, P.O. Box 89000, Baltimore, MD 21289-4232.

CUSTOMERS WHO TRADE THROUGH A FINANCIAL INTERMEDIARY

Please contact your intermediary or financial professional for assistance.

[‡] Option trading involves additional risk and is not suitable for all investors. Brokerage services offered by T. Rowe Price Investment Services, Inc., member FINRA/SIPC.

troweprice.com

LOG IN AND MANAGE YOUR INVESTMENTS ONLINE

troweprice.com/access

We offer a consolidated view of your T. Rowe Price mutual fund and brokerage accounts. You can sort accounts, customize their groupings, and/or grant View Access to others as you see fit. Analyze your portfolio with **Portfolio Growth Tracker**. Track the historical growth of your mutual fund investments over time. The analysis consists of three components: Activity Summary, Asset Allocation, and Net Investment versus Market Value.

ONLINE SERVICING

troweprice.com/paperless

Enroll to receive your transaction confirmations, investor statements, prospectuses, and shareholder reports online instead of by U.S. mail. You will receive an e-mail with a link to our Web site informing you that your document is available to view online, print, or download. For your convenience and recordkeeping purposes, you will continue to receive your end-of-year summary statement by mail.

Join our E-mail Program to receive market and fund information by e-mail.

Receive timely market reports, performance on T. Rowe Price mutual funds, investment and market insights from T. Rowe Price managers, and more.

INVESTMENT GUIDANCE AND TOOLS

troweprice.com/planningtools

Personal Guides provide you with information that can help you, in a few easy steps, match investments with your financial objectives.

Morningstar® Portfolio Manager (formerly Portfolio Tracker) enables you to track, rebalance, and analyze your portfolio.

Morningstar Portfolio X-Ray® is a comprehensive tool that provides an in-depth examination of your exposure to different sectors, stock types, sub-asset classes, and global diversification.

FINANCIAL INTERMEDIARIES AND ADVISORS

troweprice.com/financialintermediaries

This secure site is designed for professional financial intermediaries and advisors. Financial professionals may access daily prices and historical performance on mutual funds; view market research, manager commentary, and sales ideas; and access literature and forms. For U.S. technical assistance, call 1-888-358-8490 or e-mail us at onlinehelp@troweprice.com. For non-U.S. technical assistance, call +1 (410) 345 4400 or contact us via e-mail.

T. ROWE PRICE RETIREMENT SERVICES

T. Rowe Price offers unique retirement services that can help you meet a broad variety of planning challenges. Our retirement tools are suitable for individuals, the self-employed, small businesses, corporations, and nonprofit organizations. For more information, call **1-800-IRA-5000** or visit our Web site at **troweprice.com/retirement**.

INVESTMENT ACCOUNTS

Rollover IRAs. When you are changing jobs, retiring, or deciding what to do with the money left in a former employer's retirement plan, a Rollover IRA can be the smart move. Call toll-free 1-800-IRA-5000. Our rollover specialists can open your account over the phone and handle most of the paperwork for you. They'll even contact your former employer to help move your money.

Roth IRAs. Your contributions can grow tax-deferred for retirement and distributions are potentially tax-free. Open your account over the phone by calling 1-800-IRA-5000 or online at troweprice.com/ira.

Traditional IRAs. Call 1-800-IRA-5000 or visit troweprice.com/ira to open one of these tax-deferred retirement accounts. In some cases, contributions may be tax-deductible.

Small Business Retirement Plans. If you're self-employed or run a small business or professional practice, T. Rowe Price can help you establish a cost-effective retirement plan that's easy to set up and maintain.

403(b) Custodial Accounts. For those employed by a school, university, church, or other nonprofit organization.

No-Load Variable Annuities.

INVESTMENT GUIDANCE

T. Rowe Price Advisory Planning Services offers a wide range of services that provide expert advice based on your individual needs and financial goals, including consultations with an advisory counselor. Please contact one of our specialists at **1-800-844-9424** to determine the most appropriate service to fit your needs.*

* Services offered by T. Rowe Price Advisory Services, Inc., a federally registered investment adviser. There may be costs associated with these services.

COLLEGE PLANNING

With the costs of college steadily increasing, it's critical to plan early. Our college planning information and college savings products can help you meet your educational investment goals. For more information, visit our Web site at troweprice.com/college, where you will find the **Saving for College Personal Guide**, an interactive tool that can help you determine how much you should save, estimate future tuition costs, and review college savings options. In a few easy steps, the guide provides you with information and a Personalized Action Plan. To speak with a college planning specialist, please call **1-800-638-5660**.

Education Savings Accounts (formerly Education IRAs). This education investment account permits contributions up to a total of \$2,000 per year per beneficiary to help pay for educational costs at eligible schools, including elementary, secondary, and post-secondary institutions. Withdrawals from Education Savings Accounts are tax-free if the proceeds are used for qualified educational expenses.

College Savings Plans (529 Plans). To help families prepare for college education costs, T. Rowe Price manages three 529 plans that are open to all U.S. residents. Any earnings on contributions are tax-deferred and distributions are exempt from federal income taxes when used for qualified educational expenses. Also, these plans offer high contribution limits and affordable systematic investing.

T. Rowe Price manages the T. Rowe Price College Savings Plan, a national 529 plan offered by the Education Trust of Alaska; the Maryland College Investment Plan; and the University of Alaska College Savings Plan. The Maryland College Investment Plan offers certain potential benefits for Maryland residents, and the University of Alaska College Savings Plan offers potential benefits for Alaska residents.

Earnings on a distribution not used for qualified expenses may be subject to income taxes and a 10% federal penalty. Please note that the availability of tax or other benefits may be conditioned on meeting certain requirements such as residency, purpose for or timing of distributions, or other factors, as applicable.

Please visit our Web site or call 1-800-638-5660 to obtain the applicable plan disclosure document, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing. Please consider, before investing, whether your or your beneficiary's home state offers any state tax or other benefits that are only available for investments in that state's plan. T. Rowe Price Investment Services, Inc., Distributor/Underwriter.

ADVISORY PLANNING SERVICES

If you are looking for professional investment advisory services with a personal touch, T. Rowe Price can help you make informed investing decisions and take control of your financial future.

You will work one-on-one with an experienced advisory counselor who, after discussing your situation with you and analyzing the financial information you provide, will recommend a strategy that meets your own individual goals and preferences.*

* Services offered by T. Rowe Price Advisory Services, Inc., a federally registered investment adviser. There may be costs associated with these services.

T. ROWE PRICE MUTUAL FUNDS

This page contains supplementary information that is not part of the shareholder report.

STOCK FUNDS

Domestic

Blue Chip Growth*
Capital Appreciation*
Capital Opportunity*
Diversified Mid-Cap Growth
Diversified Small-Cap Growth
Dividend Growth*
Equity Income*
Equity Index 500
Extended Equity Market Index
Financial Services
Growth & Income
Growth Stock*
Health Sciences
Media & Telecommunications
Mid-Cap Growth*
Mid-Cap Value*
New America Growth*
New Era
New Horizons
Real Estate*
Science & Technology*
Small-Cap Stock*
Small-Cap Value*
Spectrum Growth
Tax-Efficient Multi-Cap Growth
Total Equity Market Index
Value*

ASSET ALLOCATION FUNDS

Balanced
Personal Strategy Balanced
Personal Strategy Growth
Personal Strategy Income
Retirement 2005*
Retirement 2010*
Retirement 2015*
Retirement 2020*

ASSET ALLOCATION FUNDS (CONT.)

Retirement 2025*
Retirement 2030*
Retirement 2035*
Retirement 2040*
Retirement 2045*
Retirement 2050*
Retirement 2055*
Retirement Income*

BOND FUNDS

Domestic Taxable

Corporate Income
GNMA
High Yield*
Inflation Protected Bond
New Income*
Short-Term Bond*
Spectrum Income
Strategic Income*
Summit GNMA
U.S. Bond Index
U.S. Treasury Intermediate
U.S. Treasury Long-Term

Domestic Tax-Free

California Tax-Free Bond
Georgia Tax-Free Bond
Maryland Short-Term
Tax-Free Bond
Maryland Tax-Free Bond
New Jersey Tax-Free Bond
New York Tax-Free Bond
Summit Municipal Income
Summit Municipal Intermediate
Tax-Free High Yield
Tax-Free Income*
Tax-Free Short-Intermediate
Virginia Tax-Free Bond

MONEY MARKET FUNDS

Taxable

Prime Reserve
Summit Cash Reserves
U.S. Treasury Money

Tax-Free

California Tax-Free Money
Maryland Tax-Free Money
New York Tax-Free Money
Summit Municipal Money Market
Tax-Exempt Money

INTERNATIONAL/GLOBAL FUNDS

Stock

Africa & Middle East
Emerging Europe & Mediterranean
Emerging Markets Stock
European Stock
Global Large-Cap Stock*
Global Real Estate*
Global Stock*
Global Technology
International Discovery
International Equity Index
International Growth & Income*
International Stock*
Japan
Latin America
New Asia
Overseas Stock
Spectrum International

Bond

Emerging Markets Bond
International Bond*

For more information about T. Rowe Price funds or services, please contact us directly at 1-800-225-5132. Request a prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

Investments in the money market funds are not insured or guaranteed by the FDIC or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds.

* T. Rowe Price Advisor and R Classes may be available for these funds. T. Rowe Price Advisor and R Classes are offered only through financial intermediaries. For more information about T. Rowe Price Advisor and R Classes, contact your financial professional or call T. Rowe Price at 1-877-804-2315.



T. Rowe Price Investment Services, Inc.
100 East Pratt Street
Baltimore, MD 21202