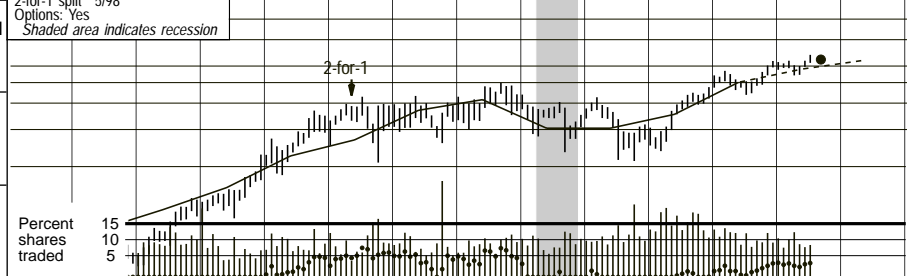


# T. ROWE PRICE NQ-TROW

RECENT PRICE **64.25** P/E RATIO **21.4** (Trailing: 23.1, Median: 20.0) RELATIVE P/E RATIO **1.14** DIV'D YLD **1.5%** **VALUE LINE**

**TIMELINESS 3** Raised 5/16/03  
**SAFETY 3** New 3/12/93  
**TECHNICAL 3** Raised 7/22/05  
 BETA 1.50 (1.00 = Market)

High: 9.6	14.2	22.8	36.9	42.9	43.3	49.9	43.9	42.7	47.6	63.4	68.0
Low: 6.2	6.8	10.7	18.3	20.9	25.9	30.1	23.4	21.3	23.7	43.8	54.2



**2008-10 PROJECTIONS**  
 Ann'l Total Return  
 High Price 110 Gain (+70%) 16%  
 Low Price 75 Gain (+15%) 6%

**Insider Decisions**  
 O N D J F M A M J  
 to Buy 0 0 0 0 1 0 0 0 0  
 Options 2 3 5 1 1 3 1 0 1  
 to Sell 1 2 1 1 1 1 1 0 1

**Institutional Decisions**  
 3Q2004 4Q2004 1Q2005  
 to Buy 162 196 149  
 to Sell 142 119 171  
 Hlds(000) 75234 80117 78575

Percent shares traded: 15, 10, 5

% TOT. RETURN 7/05  
 THIS STOCK VL ARITH. INDEX  
 1 yr. 45.7 23.2  
 3 yr. 158.9 86.2  
 5 yr. 77.0 75.6

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	© VALUE LINE PUB., INC.	08-10
1.39	1.48	1.78	2.12	2.66	3.35	3.83	5.09	6.39	7.37	8.63	9.90	8.35	7.53	7.97	9.85	<b>11.40</b>	<b>12.70</b>	Revenues per sh	<b>17.85</b>
.31	.27	.33	.37	.49	.62	.79	1.01	1.47	1.72	2.26	2.64	2.25	2.00	2.18	2.91	<b>3.45</b>	<b>3.75</b>	"Cash Flow" per sh	<b>5.25</b>
.25	.21	.26	.30	.40	.50	.63	.80	1.13	1.34	1.85	2.08	1.52	1.52	1.77	2.51	<b>3.00</b>	<b>3.30</b>	Earnings per sh <sup>AB</sup>	<b>4.65</b>
.06	.08	.08	.09	.11	.14	.17	.22	.28	.36	.43	.54	.61	.65	.70	.80	<b>.95</b>	<b>1.07</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>1.54</b>
.02	.09	.04	.09	.11	.15	.21	.51	.59	.47	.64	.70	.34	.21	.25	.33	<b>.35</b>	<b>.35</b>	Cap'l Spending per sh	<b>.35</b>
.88	.98	1.15	1.34	1.68	1.89	2.39	3.00	4.12	5.11	6.41	8.09	8.76	9.24	10.64	13.10	<b>15.25</b>	<b>17.65</b>	Book Value per sh	<b>26.50</b>
115.07	114.79	115.31	115.43	116.38	114.28	114.66	115.15	118.20	120.18	120.11	122.44	123.09	122.65	124.93	129.61	<b>130.00</b>	<b>129.00</b>	Common Shs Outst'g <sup>D</sup>	<b>126.00</b>
11.6	14.4	14.6	16.9	16.1	15.2	16.4	18.8	23.9	25.3	18.6	19.3	22.9	21.2	20.4	20.8	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	<b>20.0</b>
.88	1.07	.93	1.02	.95	1.00	1.10	1.18	1.38	1.32	1.06	1.25	1.17	1.16	1.16	1.11			Relative P/E Ratio	<b>1.35</b>
2.0%	2.5%	2.2%	1.9%	1.7%	1.8%	1.7%	1.5%	1.0%	1.0%	1.2%	1.3%	1.8%	2.0%	1.9%	1.5%			Avg Ann'l Div'd Yield	<b>1.7%</b>

**CAPITAL STRUCTURE as of 6/30/05**

	2003	2004	6/30/05		2003	2004	6/30/05							
<b>Total Debt None</b>	439.3	586.1	755.0	866.1	1036.4	1212.3	1027.5	923.5	995.6	1277.0	<b>1480</b>	<b>1640</b>	Revenues (\$mill)	<b>2250</b>
	36.0%	35.1%	38.9%	39.0%	43.2%	43.0%	41.2%	40.2%	41.2%	44.3%	<b>45.0%</b>	<b>45.0%</b>	Operating Margin	<b>45.0%</b>
	14.6	18.1	29.0	32.6	53.7	80.5	50.6	45.3	40.0	<b>42.0</b>	<b>43.0</b>	Depreciation (\$mill)	<b>52.0</b>	
	76.5	98.5	144.4	174.1	239.4	269.0	195.9	194.3	227.5	337.3	<b>410</b>	<b>445</b>	Net Profit (\$mill)	<b>615</b>
<b>Leases, Uncapitalized</b> Annual rentals \$20.9 mill.	37.8%	38.7%	38.2%	37.9%	37.4%	38.2%	40.9%	37.3%	37.8%	36.8%	<b>36.7%</b>	<b>37.0%</b>	Income Tax Rate	<b>37.0%</b>
	17.4%	16.8%	19.1%	19.7%	23.1%	22.2%	19.1%	21.0%	22.9%	26.4%	<b>27.5%</b>	<b>27.0%</b>	Net Profit Margin	<b>27.5%</b>
<b>No Defined Benefit Pension Plan</b>	189.4	236.2	351.3	447.7	564.1	236.2	201.0	232.0	398.9	742.2	<b>1020</b>	<b>1300</b>	Working Cap'l (\$mill)	<b>2300</b>
	--	--	--	--	17.7	312.3	103.9	55.9	55.9	--	<b>Nil</b>	<b>Nil</b>	Long-Term Debt (\$mill)	<b>Nil</b>
<b>Pfd Stock None</b>	274.2	345.7	486.7	614.3	770.2	991.1	1077.8	1133.8	1329.1	1697.3	<b>1980</b>	<b>2280</b>	Shr. Equity (\$mill)	<b>3340</b>
	27.9%	28.5%	29.7%	28.3%	30.4%	21.0%	16.8%	16.4%	17.1%	19.9%	<b>20.5%</b>	<b>19.5%</b>	Return on Total Cap'l	<b>18.5%</b>
	27.9%	28.5%	29.7%	28.3%	31.1%	27.1%	18.2%	17.1%	17.1%	19.9%	<b>20.5%</b>	<b>19.5%</b>	Return on Shr. Equity	<b>18.5%</b>
	21.2%	21.5%	23.5%	21.8%	24.8%	20.8%	11.3%	10.2%	10.8%	14.2%	<b>14.5%</b>	<b>13.5%</b>	Retained to Com Eq	<b>12.5%</b>
	24%	24%	21%	23%	20%	23%	38%	41%	37%	29%	<b>30%</b>	<b>31%</b>	All Div'ds to Net Prof	<b>32%</b>

**MARKET CAP: \$8.3 billion (Large Cap)**

CURRENT POSITION (\$MILL.)	2003	2004	6/30/05
Cash Assets	398.8	714.9	868.6
Receivables	121.3	158.3	164.6
Current Assets	520.1	873.2	1033.2
Accts Payable	47.7	54.2	41.2
Other	73.5	76.9	126.8
Current Liab.	121.2	131.1	168.0

**BUSINESS:** T. Rowe Price Group, Inc. provides investment advisory and administrative services to the Price family of no-load mutual funds, sponsored investment products, and private accounts. Assets under management totaled \$235.2 billion at 12/31/04, incl. \$145.5 billion in more than 70 mutual funds. Of the total funds under investment, stocks accounted for 75% and bonds

and money market instruments for 25%. Investment advisory fees provided more than 81% of revenue. Has 4,100 employees, 4,100 stockholders. Officers and Directors own 10% of common (3/05 Proxy). Chairman and President: George A. Roche, Inc.: Maryland. Address: 100 East Pratt St., Baltimore, MD 21202. Tel.: 410-345-2000. Internet: www.troweprice.com.

**ANNUAL RATES of change (per sh)**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '02-'04
Revenues	12.0%	2.5%	13.5%
"Cash Flow"	17.0%	5.5%	14.5%
Earnings	17.0%	6.0%	16.0%
Dividends	20.0%	15.0%	13.5%
Book Value	21.0%	16.0%	16.0%

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2002	242.0	240.3	221.6	219.6	923.5
2003	218.7	237.5	258.3	281.1	995.6
2004	305.7	309.7	316.2	345.4	1277.0
2005	357.1	363.5	373	386.4	1480
2006	395	405	415	425	1640

**EARNINGS PER SHARE <sup>AB</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2002	.41	.40	.34	.37	1.52
2003	.31	.42	.51	.53	1.77
2004	.58	.60	.62	.71	2.51
2005	.69	.76	.77	.78	3.00
2006	.75	.80	.85	.90	3.30

**QUARTERLY DIVIDENDS PAID <sup>C</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2001	.15	.15	.15	.15	.60
2002	.16	.16	.16	.16	.64
2003	.17	.17	.17	.17	.68
2004	.19	.19	.19	.19	.76
2005	.23	.23	.23		

**T. Rowe Price's revenues and earnings hit another record in the June quarter.** While most stock prices were flat or slightly down in the first half of 2005, they were still generally above those of a year earlier, and that, combined with a net inflow of new money, helped boost both the top and bottom lines. Assets under management reached an all-time high of \$244.8 billion at the end of the quarter, up 4% from the end of 2004 and up 17% from a year earlier.

**Results should continue to be favorable through 2005 and in 2006.** While some stock indexes are still well below the levels reached in 2000, most are trading near the highest points of the past four years, and if they just remain flat through next year, Price should do well. Year-to-year comparisons in the current (September) quarter should be particularly strong, since the stock market was weak in the third quarter of 2004. For 2006, we are estimating that assets under management will be up about 10%, with the majority of the gain coming from stock price appreciation. Because of the good recent results, we have raised our earnings estimates for

both 2005 and 2006. We caution, however, that our numbers for next year do not reflect options expenses; inclusion of those costs, as will be required by new accounting standards, will probably reduce our estimate by close to 10%.

**More gains are likely out to 2008-2010.** Stock prices should move higher over the coming 3 to 5 years, and, if they do, Price will do well. The company has a good operating record, is very strong financially, and has a diversified line of funds to offer investors. It also has a good record in developing new products, one of the latest being target-date Retirement Funds, which invest in underlying Price funds and automatically shift asset allocations as an investor ages. Retirement Fund assets reached \$5.4 billion at June 30, 2005.

**These neutrally ranked shares are likely to perform in line with the market out to 2008-2010.** Price is a well managed company with a promising future, but we do caution that earnings will continue to be importantly affected by the level of the stock market, and as a result, are likely to be occasionally volatile.  
*Stephen Sanborn, CFA August 26, 2005*

(A) Based on fully diluted shares through 1996, diluted thereafter. Next earnings report due late Oct. Excludes nonrecurring loss: '90, (.7c). (B) Pro forma stock option expense under SFAS No. 123 (fair value) reduced net income by \$28.5 million (\$.20 a share) in 2004. (C) Dividends historically paid about Jan. 10, Apr. 10, July 10, Oct. 10. (D) In millions, adjusted for stock splits.