UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2009

Commission File Number: 000-32191

T. ROWE PRICE GROUP, INC.

(Exact name of registrant as specified in its charter)

Maryland	**52-2264646**
(State of incorporation)	(I.R.S. Employer Identification No.)

100 East Pratt Street, Baltimore, Maryland 21202
(Address, including Zip Code, of principal executive offices)

(410) 345-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. ☑ **Yes** o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. ☑ **Yes** o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes ☑ **No**

The number of shares outstanding of the issuer's common stock ($.20 par value), as of the latest practicable date, October 21, 2009, is 257,501,999**.**

The exhibit index is at Item 6 on page 17.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	12/31/2008	9/30/09
ASSETS		
Cash and cash equivalents	$ 619.1	$ 739.3
Accounts receivable and accrued revenue	177.3	223.1
Investments in sponsored mutual funds	513.5	666.1
Debt securities held by savings bank subsidiary	166.0	185.7
Other investments	41.9	44.2
Property and equipment	440.1	501.9
Goodwill	665.7	665.7
Other assets	195.8	135.0
Total assets	$2,819.4	$3,161.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	$ 86.8	$ 78.5
Accrued compensation and related costs	60.7	158.9
Income taxes payable	25.3	19.8
Customer deposits at savings bank subsidiary	157.8	164.1
Total liabilities	330.6	421.3
Commitments and contingent liabilities		
Stockholders' equity		
Preferred stock, undesignated, $.20 par value — authorized and unissued 20,000,000 shares	—	—
Common stock, $.20 par value — authorized 750,000,000; issued 256,856,000 shares in 2008 and 257,290,000 in 2009	51.4	51.5
Additional capital in excess of par value	363.7	440.4
Retained earnings	2,086.8	2,152.0
Accumulated other comprehensive income (loss)	(13.1)	95.8
Total stockholders' equity	2,488.8	2,739.7
Total liabilities and stockholders' equity	$2,819.4	$3,161.0

The accompanying notes are an integral part of these statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per-share amounts)

	Three months ended 9/30/2008	Three months ended 9/30/2009	Nine months ended 9/30/2008	Nine months ended 9/30/2009
Revenues				
Investment advisory fees	$ 465.7	$ 417.3	$1,431.1	$1,084.4
Administrative fees	88.7	80.0	268.4	238.7
Investment income of savings bank subsidiary	1.5	1.8	4.5	5.2
Total revenues	555.9	499.1	1,704.0	1,328.3
Interest expense on savings bank deposits	1.1	1.0	3.6	3.5
Net revenues	554.8	498.1	1,700.4	1,324.8
Operating expenses				
Compensation and related costs	210.9	196.3	636.3	571.4
Advertising and promotion	16.7	13.0	73.4	49.4
Depreciation and amortization of property and equipment	15.3	16.4	45.9	49.7
Occupancy and facility costs	25.7	26.0	75.7	75.8
Other operating expenses	47.4	39.1	141.6	106.7
Total operating expenses	316.0	290.8	972.9	853.0
Net operating income	238.8	207.3	727.5	471.8
Non-operating investment income (loss)	5.7	5.2	27.8	(22.9)
Income before income taxes	244.5	212.5	755.3	448.9
Provision for income taxes	91.7	79.6	288.8	167.8
Net income	$ 152.8	$ 132.9	$ 466.5	$ 281.1
Earnings per share on common stock				
Basic	$ .59	$ .52	$ 1.79	$ 1.10
Diluted	$ .56	$ .50	$ 1.71	$ 1.07
Dividends declared per share	$ .24	$ .25	$ .72	$ .75

The accompanying notes are an integral part of these statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Nine months ended	
	9/30/2008	9/30/2009
Cash flows from operating activities		
Net income	$ 466.5	$ 281.1
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property and equipment	45.9	49.7
Stock-based compensation expense	62.6	68.0
Intangible asset amortization	.5	.3
Other than temporary impairments of investments in sponsored mutual funds	2.9	36.1
Other changes in assets and liabilities	158.0	31.4
Net cash provided by operating activities	736.4	466.6
Cash flows from investing activities		
Investments in sponsored mutual funds	(9.8)	(74.2)
Dispositions of sponsored mutual funds	37.6	52.6
Investments in debt securities held by savings bank subsidiary	(30.9)	(54.4)
Proceeds from debt securities held by savings bank subsidiary	24.1	41.8
Additions to property and equipment	(96.5)	(103.0)
Other investing activity	19.1	(4.9)
Net cash used in investing activities	(56.4)	(142.1)
Cash flows from financing activities		
Repurchases of common stock	(459.5)	(58.9)
Common share issuances under stock-based compensation plans	20.7	20.4
Excess tax benefits from share-based compensation plans	63.7	20.2
Dividends	(250.6)	(192.3)
Change in savings bank subsidiary deposits	13.3	6.3
Net cash used in financing activities	(612.4)	(204.3)
Cash and cash equivalents		
Net change during period	67.6	120.2
At beginning of year	785.1	619.1
At end of period	$ 852.7	$ 739.3

The accompanying notes are an integral part of these statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(shares in thousands; dollars in millions)

	Common shares outstanding	Common stock	Additional capital in excess of par value	Retained earnings	Accumulated other comprehensive income (loss)	Total stockholders' equity
Balances at December 31, 2008	256,856	$ 51.4	$ 363.7	$2,086.8	$ (13.1)	$ 2,488.8
Common stock-based compensation plans activity						
Shares issued upon option exercises	2,205	0.4	20.0			20.4
Restricted shares issued	265	.1	(.1)			.0
Shares issued on vesting of restricted stock units	5	.0	.0			.0
Forfeiture of restricted awards	(21)	.0	.0			.0
Net tax benefits			19.8			19.8
Stock-based compensation expense			68.0			68.0
Common shares repurchased	(2,020)	(0.4)	(31.0)	(23.5)		(54.9)
Comprehensive income						
Net income				281.1		
Net unrealized holding gains (including $45.5 million in the third quarter)					108.9	
Total comprehensive income						390.0
Dividends				(192.4)		(192.4)
Balances at September 30, 2009	257,290	$ 51.5	$ 440.4	$2,152.0	$ 95.8	$ 2,739.7

The accompanying notes are an integral part of these statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — THE COMPANY AND BASIS OF PREPARATION.

T. Rowe Price Group derives its consolidated revenues and net income primarily from investment advisory services that its subsidiaries provide to individual and institutional investors in the sponsored T. Rowe Price mutual funds and other investment portfolios. We also provide our investment advisory clients with related administrative services, including mutual fund transfer agent, accounting and shareholder services; participant recordkeeping and transfer agent services for defined contribution retirement plans; discount brokerage; and trust services.

Investment advisory revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets under management impact our revenues and results of operations.

These unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States and reflect all adjustments that are, in the opinion of management, necessary to a fair statement of our results for the interim periods presented. All such adjustments are of a normal recurring nature. We evaluated all subsequent events through the time that we filed these financial statements in our Form 10-Q Report with the Securities and Exchange Commission on October 23, 2009.

The unaudited interim financial information contained in these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements contained in our 2008 Annual Report.

In the second quarter of 2009, we implemented new financial reporting guidance that changed the recognition guidance for other-than-temporary-impairments of debt securities and expanded our interim disclosures for all financial instruments. The adoption of the new recognition guidance did not have a material impact on our condensed consolidated financial statements.

NOTE 2 — INFORMATION ABOUT RECEIVABLES, REVENUES, AND SERVICES.

Accounts receivable from our sponsored mutual funds for advisory fees and advisory-related administrative services aggregate $95.0 million at December 31, 2008, and **$**119.0 million at September 30, 2009.

Revenues (in millions) from advisory services provided under agreements with our sponsored mutual funds and other investment clients include:

	Three months ended		Nine months ended	
	9/30/2008	9/30/2009	9/30/2008	9/30/2009
Sponsored mutual funds in the U.S.				
Stock and blended asset	$ 272.9	$ 230.6	$ 852.1	$ 587.9
Bond and money market	54.0	58.8	157.9	162.0
	326.9	289.4	1,010.0	749.9
Other portfolios	138.8	127.9	421.1	334.5
Total investment advisory fees	$ 465.7	$ 417.3	$1,431.1	$1,084.4

The following table summarizes the various investment portfolios and assets under management (in billions) on which we earn advisory fees.

	Average during the third quarter		Average during the first nine months	
	2008	2009	2008	2009
Sponsored mutual funds in the U.S.				
Stock and blended asset	$ 177.4	$ 150.8	$ 185.4	$ 130.3
Bond and money market	48.9	53.5	47.9	50.2
	226.3	204.3	233.3	180.5
Other portfolios	149.8	136.9	151.7	122.1
	$ 376.1	$ 341.2	$ 385.0	$ 302.6

	12/31/2008	9/30/2009
Sponsored mutual funds in the U.S.		
Stock and blended asset	$ 117.9	$ 162.0
Bond and money market	46.5	56.4
	164.4	218.4
Other portfolios	111.9	147.8
	$ 276.3	$ 366.2

While investors that we serve are primarily domiciled in the United States of America, investment advisory clients outside the United States account for 11% of our assets under management at September 30, 2009.

Fees for advisory-related administrative services provided to our sponsored mutual funds during the first nine months of the year were $215.1 million in 2008 and $187.5 million in 2009. Fees for these services during the third quarter were $70.6 million in 2008 and $61.7 million in 2009.

NOTE 3 — INVESTMENTS IN SPONSORED MUTUAL FUNDS.

These investments (in millions) include:

	Aggregate cost	Unrealized holding		Aggregate fair value
		Gains	Losses	
December 31, 2008				
Stock and blended asset funds	$ 345.7	$ 6.5	$ (37.4)	$ 314.8
Bond funds	185.3	16.3	(2.9)	198.7
	$ 531.0	$ 22.8	$ (40.3)	$ 513.5
September 30, 2009				
Stock and blended asset funds	$ 281.7	$ 111.6	$ —	$ 393.3
Bond funds	239.0	33.8	—	272.8
	$ 520.7	$ 145.4	$ —	$ 666.1

Unrealized holding losses that are temporary at December 31, 2008 were attributable to fund holdings with an aggregate fair value of $195.2 million.

NOTE 4 — DEBT SECURITIES HELD BY AND CUSTOMER DEPOSITS AT SAVINGS BANK SUBSIDIARY.

Our savings bank subsidiary holds investments in marketable debt securities, including mortgage- and other asset-backed securities, which are accounted for as available-for-sale. The following table (in millions) details the components of these investments at September 30, 2009.

	Fair Value	Unrealized holding gains (losses)
Investments with temporary impairment (40 securities) of		
Less than 12 months	$ 9.5	$ (.1)
12 months or more	12.5	(1.2)
Total	22.0	(1.3)
Investments with unrealized holding gains	163.7	4.5
	$ 185.7	$ 3.2
Aggregate cost	$ 182.5	

The unrealized losses in these investments were generally caused by changes in interest rates and market liquidity, and not by changes in credit quality. We intend to hold these securities to their maturities, which generally correlate to the maturities of our customer deposits, and believe it is more-likely-than not that we will not be required to sell any of these securities before recovery of their amortized cost. Accordingly, impairment of these investments is considered temporary.

The estimated fair value of our customer deposit liability, based on discounting expected cash outflows at maturity dates that range up to five years, using current interest rates offered for deposits with the same dates of maturity, was $167.9 million at September 30, 2009.

NOTE 5 — OTHER INVESTMENTS.

These investments (in millions) at September 30, 2009 include:

Cost method investments	$ 41.1
Sponsored mutual fund investments held as trading	1.8
Equity method investments	1.3
	$ 44.2

NOTE 6 — FAIR VALUE MEASUREMENTS.

We determine the fair value of our investments using broad levels of inputs as defined by related accounting standards:

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, and credit risk. These inputs are based on market data obtained from independent sources.

Level 3 — unobservable inputs reflecting our own assumptions based on the best information available. We do not value any investments using level 3 inputs.

These levels are not necessarily an indication of the risk or liquidity associated with the investments. The following table summarizes our investments (in millions) at September 30, 2009, that are recognized in our balance sheet using fair value measurements determined based on the differing levels of inputs.

	Level 1	Level 2
Cash equivalents	$ 652.2	
Investments in sponsored mutual funds		
Held as available-for-sale	666.1	
Held as trading	1.8	
Debt securities held by savings bank subsidiary	—	$ 185.7
Total	$1,320.1	$ 185.7

NOTE 7 — STOCK-BASED COMPENSATION.

Stock-based grants.

The following table summarizes the status of and changes in our stock option grants during the first nine months of 2009.

	Options	Weighted-average exercise price
Outstanding at beginning of 2009	39,037,741	$36.52
Semiannual grants	6,197,940	$36.22
Reload grants	437,132	$40.98
New hire grants	7,000	$36.40
Non-employee director grants	4,000	$38.72
Exercised	(3,296,661)	$20.20
Forfeited or expired	(1,044,663)	$44.88
Outstanding at September 30, 2009	41,342,489	$37.61
Exercisable at September 30, 2009	22,095,249	$32.46

The following table summarizes the status of and changes in our nonvested restricted shares and restricted stock units during the first nine months of 2009.

	Restricted Shares	Restricted stock units	Weighted-average grant-date fair value
Nonvested at beginning of 2009	475,194	233,539	$54.28
Granted to employees and directors	266,600	161,850	$36.56
Vested	(6,275)	(8,975)	$55.11
Forfeited	(20,988)	(19,750)	$49.65
Nonvested at September 30, 2009	714,531	366,664	$47.42

Future stock-based compensation expense.

The following table presents the compensation expense (in millions) to be recognized over the remaining vesting periods of the stock-based awards outstanding at September 30, 2009. Estimated future compensation expense will change to reflect future option grants, including reloads; future awards of unrestricted shares, restricted shares, and restricted stock units; changes in estimated forfeitures; and adjustments for actual forfeitures.

Fourth quarter 2009	20.5
2010	66.1
2011 through 2014	64.1
Total	$ 150.7

NOTE 8 — INVESTMENT GAINS AND ACCUMULATED OTHER COMPREHENSIVE INCOME.

The following table reconciles our net unrealized holding gains (in millions) for the first nine months of 2009 to that recognized in other comprehensive income.

	Investments in sponsored mutual funds	Debt securities held by savings bank subsidiary	Total
Net unrealized holding gains	$ 131.0	$ 5.9	$ 136.9
Reconciling amounts recognized in non-operating investment income (loss)			
Other than temporary impairments	36.1	—	36.1
Net losses (gains) realized on dispositions	(4.2)	.3	(3.9)
Net unrealized holding gains recognized in other comprehensive income	162.9	6.2	169.1
Deferred income taxes	(58.0)	(2.2)	(60.2)
Net unrealized holding gains recognized in other comprehensive income	$ 104.9	$ 4.0	$ 108.9

The components of accumulated other comprehensive income (in millions) at September 30, 2009, are presented below.

Net unrealized holding gains on	
Investments in sponsored mutual funds	$ 145.4
Debt securities held by savings bank subsidiary	3.2
	148.6
Deferred income tax liabilities	(52.8)
	$ 95.8

NOTE 9 — EARNINGS PER SHARE.

Effective January 1, 2009, new financial reporting guidance modified our earnings per share calculations to recognize our outstanding restricted stock and stock units, on which we pay non-forfeitable dividends, as if they were a separate class of stock. The following sets forth the calculation of net income available to common stockholders and the weighted average shares (in millions) that are used in calculating both basic and diluted earnings per share on our common stock using the two-class method.

	Three months ended		Nine months ended	
	9/30/2008	9/30/2009	9/30/2008	9/30/2009
Net income	$ 152.8	$ 132.9	$ 466.5	$ 281.1
Less: net income attributable to outstanding restricted stock and stock units	(.4)	(.5)	(1.0)	(1.0)
Net income available to common stockholders	$ 152.4	$ 132.4	$ 465.5	$ 280.1
Weighted average common shares				
Outstanding	258.7	256.1	260.0	255.5
Outstanding assuming dilution	270.6	263.6	272.1	261.3

The application of the new guidance did not change our basic and diluted earnings per share for the interim periods presented in this report; however, diluted earnings per share for the year 2008 is reduced by $0.01 from the $1.82 that we previously reported to $1.81.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
T. Rowe Price Group, Inc.:

We have reviewed the condensed consolidated balance sheet of T. Rowe Price Group, Inc. and subsidiaries as of September 30, 2009, the related condensed consolidated statements of income for the three- and nine-month periods ended September 30, 2008 and 2009, the related condensed consolidated statements of cash flows for the nine-month periods ended September 30, 2008 and 2009, and the related condensed consolidated statement of stockholders' equity for the nine-month period ended September 30, 2009. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of T. Rowe Price Group, Inc. and subsidiaries as of December 31, 2008, and the related consolidated statements of income, cash flows, and stockholders' equity for the year then ended (not presented herein); and in our report dated February 5, 2009, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2008, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG LLP

Baltimore, Maryland
October 23, 2009

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

GENERAL.

Our revenues and net income are derived primarily from investment advisory services provided to individual and institutional investors in our sponsored mutual funds and other managed investment portfolios. Investment advisory clients outside the United States account for 11% of our assets under management at September 30, 2009.

We manage a broad range of U.S., international and global stock, bond, and money market mutual funds and other investment portfolios, which meet the varied needs and objectives of individual and institutional investors. Investment advisory revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets under management affect our revenues and results of operations.

We remain debt-free with substantial liquidity and resources that are available to help us ride through the recent market crises while prudently managing the firm for the long-term. Our financial stability allows us to take advantage of attractive growth opportunities, invest in key capabilities including investment professionals and technologies and, most importantly, provide our clients with strong investment management expertise and service both now and in the future.

BACKGROUND.

Although we have not experienced a fundamental change in our business model like many other financial services companies, the severe downturn in global financial markets during 2008 and through much of the first half of 2009 has had a dramatic effect on investor returns and our financial results, including declines in our assets under management and related advisory revenues, the value of our corporate mutual fund investments, and our net income. While we are always vigilant in controlling our expenses, a series of expense reduction measures begun in late 2007 and first realized in our first quarter 2008 results were accelerated with the equity market's steep decline in the fourth quarter of 2008 and first quarter of 2009. These measures included the April 2009 decision to reduce our workforce by 288 associates, or 5.5%. The short-term cost of our workforce reduction was $3.1 million of lower operating earnings in the second quarter of 2009. In the third quarter, we realized expense savings of $5.8 million as a result of the workforce reduction. After a related decrease in our administrative fee revenues of $1.5 million, which saved the T. Rowe Price family of mutual funds a similar amount of expense, we realized a net savings of $4.3 million in the third quarter. Through year-to-date attrition, retirements and the workforce reduction, our number of associates at September 30, 2009, is 4,762, down 11.6% from the 5,385 employed at the beginning of the year.

Investor sentiment has improved amid signs that the Federal Reserve's expansive monetary policy, coupled with a variety of fiscal stimulus programs, has succeeded in pulling the economy back onto more stable ground. Equities have staged an impressive rally from their March lows; however, questions remain as to just how strong and stable an economic rebound will likely be. While corporate earnings are improving in many sectors, the Federal Reserve has signaled "...that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period." Since mid-December 2008, the target funds rate has remained in the range of 0% to .25%, the lowest in history. Credit markets have loosened somewhat as businesses are again raising cash to fund operations, refinance debt and strengthen their balance sheets.

For the third quarter of 2009, the S&P 500 Index of large-cap companies in leading industries of the U.S. economy returned 15.6% while the NASDAQ Composite Index, which is heavily weighted with technology companies, was up 15.7% (excluding dividends). For the first nine months of this year, these indexes were up 19.3% and 34.6%, respectively. By early October, both indexes had posted twelve-month highs representing gains of more than 50% from March 2009 lows.

The improving economy and market environment in the United States in the third quarter was mirrored by most equity markets around the world. Emerging markets, led by countries in emerging Europe and Latin America, outperformed all others. The MSCI EAFE Index, which measures the performance of mostly large-cap stocks in Europe, Australasia and the Far East, returned 19.5%, while the MSCI Emerging Markets Index returned 21.0% for the quarter. For the first nine months of 2009, these indexes returned 29.6% and 64.9%, respectively.

Abundant liquidity and healthy demand at government auctions put downward pressure on the U.S. Treasury yield curve, which flattened modestly over the course of the third quarter. The yield on the benchmark 10-year U.S. Treasuries ended the quarter at 3.31%, down 22 basis points from June 30, 2009, but up 106 basis points from the end of 2008. On the shortest end of the yield curve, the annual yield for one-month treasury bills was .06%, down 11 basis points from the end of the second quarter 2009 and 5 basis points from the end of 2008.

Credit spreads have narrowed considerably, moving back to levels that are more normal. The Credit Suisse High Yield Index gained 14.1% in the third quarter, and a record 45.2% over the first nine months of 2009 as investor demand for higher income, even with added credit risk, drove down yields. Emerging markets bonds (in U.S. dollar terms), municipal bonds, and investment-grade corporate bonds all saw gains during the third quarter. The J.P. Morgan Emerging Markets Index Plus gained 10.2%, while the Barclays Capital Municipal Bond Index gained 7.1%, and the Barclays Capital U.S. Aggregate Index gained 3.7%, adding to strong year-to-date returns.

In this financial markets environment, investors entrusted net inflows of $15.4 billion to our management during the first nine months of 2009, including $7.4 billion in the third quarter. Assets under our management totaled $366.2 billion at September 30, 2009, up 16% from June 30, 2009 and 32.5% from the beginning of the year. The changes (in billions) in 2009 have occurred as follows.

	Quarter ended 3/31/2009	Quarter ended 6/30/2009	Quarter ended 9/30/2009	First nine months ended 9/30/2009
Assets under management at beginning of period	$ 276.3	$ 268.8	$ 315.6	$ 276.3
Net cash inflows				
Sponsored mutual funds in the U.S.	1.8	4.1	2.6	8.5
Other portfolios	2.7	(.6)	4.8	6.9
	4.5	3.5	7.4	15.4
Market valuation changes and income	(12.0)	43.3	43.2	74.5
Change during the period	(7.5)	46.8	50.6	89.9
Assets under management at end of period	$ 268.8	$ 315.6	$ 366.2	$ 366.2

Assets under management at September 30, 2009, include $270.8 billion in stock and blended asset investment portfolios and $95.4 billion in fixed income investment portfolios. The investment portfolios that we manage consist of $218.4 billion in the T. Rowe Price mutual funds distributed in the United States and $147.8 billion in other investment portfolios, including separately managed accounts, sub-advised funds, and other sponsored investment portfolios including common trust funds and mutual funds offered to investors outside the U.S. and through variable annuity life insurance plans.

We incur significant expenditures to attract new investment advisory clients and additional investments from our existing clients. These efforts involve costs that generally precede any future revenues that we might recognize from additions to our assets under management.

RESULTS OF OPERATIONS.

Third quarter 2009 versus third quarter 2008.

Investment advisory revenues decreased 10.4%, or $48.4 million, to $417.3 million in the third quarter of 2009 as average assets under our management decreased $34.9 billion to $341.2 billion. The average annualized fee rate earned on our assets under management was 48.5 basis points during the third quarter of 2009, down from the 49.3 basis points earned in the third quarter of 2008. Lower equity market valuations resulted in an increase in the percentage of our assets under management being attributable to lower fee fixed income portfolios, including money funds for which we reduced advisory fees in order to maintain a yield to investors of not less than 0%.

Net revenues decreased $56.7 million, or 10.2%, to $498.1 million. Operating expenses fell $25.2 million to $290.8 million in the third quarter of 2009, down 8.0% from the comparable 2008 quarter. Overall, net operating income for the third quarter of 2009 fell by $31.5 million, or 13.2%, to $207.3 million. Our third quarter 2009 operating margin of 41.6% is slightly lower than the 43.0% margin in the comparable 2008 quarter. Net income decreased $19.9 million, or 13.0%, to $132.9 million and diluted earnings per share on our common stock is $.50, down 10.7% from $.56 in the comparable 2008 quarter.

Investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the United States decreased 11.5%, or $37.5, to $289.4 million. Average mutual fund assets under management in the third quarter of 2009 were $204.3 billion, a decrease of 9.7% from the average for the 2008 quarter. Mutual fund assets at September 30, 2009 were $218.4 billion, an increase of 15.6% or $29.4 billion from the end of June 2009, and 6.9% or $14.1 billion higher than the third quarter 2009 average.

Net inflows to the mutual funds were $2.6 billion during the third quarter of 2009, including $1.1 billion that originated in our target-date Retirement Funds. Net inflows included $3.5 billion to our bond funds that were offset by $.9 billion of net outflows from our money market funds. Cash flows into our stock funds were neutral after a $.5 billion transfer to our other managed investment portfolios at the end of the quarter. The Short Term Bond, New Income and International Bond funds together added $2.0 billion of net inflows. Higher market valuations and income increased our mutual fund assets under management by $26.8 billion during the third quarter of 2009.

Investment advisory revenues earned on the other investment portfolios that we manage decreased $10.9 million, or 7.9%, to $127.9 million. Average assets in these portfolios were $136.9 billion during the third quarter of 2009, down $12.9 billion or 8.6% from the 2008 quarter. Net inflows of $4.8 billion, including $.5 billion transferred from the mutual funds, into these portfolios during the 2009 quarter were primarily from institutional investors. Higher market valuations and income during the third quarter of 2009 added $16.4 billion.

Administrative fees decreased $8.7 million from the third quarter of 2008 to $80.0 million. This change includes a $7.6 million reduction in our mutual fund servicing revenue and a $1.3 million decrease in 12b-1 distribution and service fees recognized on lower assets under management in the Advisor and R classes of our sponsored mutual funds. Changes in administrative fees are generally offset by a similar change in the related operating expenses that are incurred to distribute Advisor and R class fund shares through third party intermediaries and to provide services to the funds and their investors.

Our largest expense, compensation and related costs, decreased $14.6 million, or 6.9% compared to the third quarter of 2008. This decrease includes a reduction in salaries of $6.2 million as our average headcount is down 9.7% from the 2008 quarter due to attrition, retirements and our workforce reduction in April 2009. At September 30, 2009, we employed 4,762 associates, down 11.6% from the end of 2008. Reductions in employee benefits and other employment expenses account for the balance of the change from the 2008 period.

Advertising and promotion expenditures were down 22.2%, or $3.7 million, compared to the third quarter of 2008. We currently estimate that our advertising and promotion expenditures for the fourth quarter will increase about $12 million from the 2009 third quarter. We vary our level of spending based on market conditions and investor demand as well as our efforts to expand our investor base in the United States and abroad.

Depreciation and amortization of property and equipment increased $1.1 million, or 7.2%, from the comparable 2008 period. This increase is primarily attributable to 2008 capital expenditures for technology equipment and software that were placed in service in late 2008 and early 2009.

Other operating expenses decreased $8.3 million, or 17.5% from the comparable 2008 quarter, including a decline of $1.3 million in distribution and service expenses recognized on lower assets under management in our Advisor and R classes of mutual fund shares that are sourced from financial intermediaries. These costs are offset by an equal decrease in our administrative revenues recognized from the 12b-1 fees discussed above. Our cost control efforts resulted in the remaining expense reductions, including lower professional fees and travel and related costs.

Our non-operating investment income, which includes interest income as well as the recognition of investment gains and losses, decreased $.5 million, or 8.8% from the third quarter of 2008. Lower money market fund yields resulting from significantly lower short-term interest rates caused a $4.5 million decrease in interest income. In addition, the 2008 period included other-than-temporary impairments of $2.1 million on our sponsored mutual fund holdings and $2.0 million of foreign currency exchange rate losses.

The third quarter 2009 provision for income taxes as a percentage of pretax income is 37.5% in order to recognize the year-to-date provision at 37.4%. We presently estimate that our effective tax rate for the full year 2009 will be similar.

Nine months 2009 versus nine months 2008.

Investment advisory revenues were down 24.2%, or $346.7 million, to nearly $1.1 billion in the first nine months of 2009 as average assets under our management of $302.6 billion were $82.4 billion lower than the 2008 period. The average annualized fee rate earned on our assets under management was 47.9 basis points during the first nine months of 2009, down from the 49.7 basis points earned during the comparable 2008 period, as lower equity market valuations resulted in an increase in the percentage of our assets under management being attributable to lower fee fixed income portfolios.

Net revenues decreased 22.1%, or $375.6 million, to more than $1.3 billion. Operating expenses fell $119.9 million to $853.0 million in the first nine months of 2009, down 12.3% from the comparable 2008 period. Overall, net operating income for the first nine months of 2009 decreased $255.7 million, or 35.1%, to $471.8 million. Our operating margin for the first nine months of 2009 declined to 35.6% from 42.8% in the comparable 2008 period as the impact of lower market valuations, which decreased our assets under management and corresponding advisory revenues, was offset only partially by the savings from our cost reduction efforts. Net income fell 39.7% or $185.4 million to $281.1 million. Diluted earnings per share on our common stock also decreased to $1.07, down 37.4% or $.64 from the first nine months of 2008.

Investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the United States decreased $260.1 million, or 25.8%, to $749.9 million from the 2008 period. Year-to-date 2009 average mutual fund assets were $180.5 billion, down 22.6% from the average for the comparable 2008 period. Net inflows to the mutual funds were $8.5 billion during the first nine months of 2009, including $4.5 billion originating in our target-date Retirement Funds. Our bond funds added $6.2 billion of net inflows, including $1.3 billion to the Short Term Bond Fund, $.8 billion to the New Income Fund, and $.7 billion to each of the Emerging Market and International Bond funds. The stock and blended asset funds had net inflows of $4.0 billion after the transfer of $.7 billion to other managed portfolios. The Equity Index 500 Fund, Mid-Cap Growth and Value funds had net inflows totaling $2.3 billion. Our money market funds had net outflows of $1.7 billion. Higher market valuations and income increased fund assets under management by $45.5 billion.

Investment advisory revenues earned on the other investment portfolios that we manage decreased $86.6 million, or 20.6%, to $334.5 million. Average assets in these portfolios were $122.1 billion during the first nine months of 2009, down $29.6 billion or 19.5% from the 2008 period. Other investment portfolio assets increased $35.9 billion during the first nine months of 2009, including $29.0 billion in market gains and income and $6.9 billion of net inflows, primarily from institutional investors. Net inflows include $.7 billion transferred from the mutual funds.

Administrative fees decreased $29.7 million to $238.7 million in the 2009 nine-month period. The change in these revenues includes a $6.1 million reduction in 12b-1 distribution and service fees recognized on lower assets under management in the Advisor and R classes of our sponsored mutual funds. The balance of the decrease is primarily attributable to our cost reductions efforts in the mutual fund servicing activities that we perform for the mutual funds and their investors.

Our largest expense, compensation and related costs, decreased $64.9 million, or 10.2% compared to the first nine months of 2008. The largest part of this decrease is attributable to a $44.5 million reduction in our year-to-date accrual for annual bonuses. Higher non-cash stock based compensation expense of $5.4 million due primarily to the earlier timing of our first of the 2009 semiannual grants in February, was more than offset by lower employee benefits and other employment expenses, including savings from our workforce reduction in April 2009.

Advertising and promotion expenditures were down $24.0 million, or 32.7%, versus the 2008 period due to reduced investor activity in the current market environment.

Other operating expenses decreased $34.9 million, or 24.6% from the comparable 2008 period, including a decline of $6.1 million in distribution and service expenses recognized on lower assets under management in our Advisor and R classes of mutual fund shares. Our cost control efforts resulted in the remaining expense reductions, including lower professional fees and travel and related costs.

Our non-operating investment activity resulted in a net loss of $22.9 million in the first nine months of 2009 versus a net gain of $27.8 million in the comparable 2008 period. This change of $50.7 million is primarily attributable to $36.1 million of other than temporary impairments recognized on our investments in sponsored mutual funds in the first half of 2009 versus $2.9 million in the nine-month 2008 period. We recognized no other than temporary impairments in the third quarter of 2009 and there were no temporary impairments in our mutual fund holdings at September 30, 2009. The following table details our related mutual fund investment gains and losses (in millions) during the first nine months of the year.

	2008	2009	Change
Other than temporary impairments recognized	$ (2.9)	$ (36.1)	$ (33.2)
Capital gain distributions received	.9	—	(.9)
Net gain realized on fund dispositions	5.3	4.2	(1.1)
Net gain (loss) recognized on fund holdings	$ 3.3	$ (31.9)	$ (35.2)

Lower income from our money market holdings due to the significantly lower interest rate environment accounts for another $11.6 million of the change.

CAPITAL RESOURCES AND LIQUIDITY.

Operating activities during the first nine months of 2009 provided cash flows of $466.6 million, down $269.8 million from 2008, including a $185.4 million decrease in net income and a $126.6 million decrease in the addback representing timing differences in the cash settlement primarily of our accounts receivable and accrued revenues and accrued compensation and related costs. Our interim operating cash outflows do not include bonus compensation that is accrued throughout the year before being substantially paid out in December. These decreases are offset by a $33.2 million increase in the addback from larger other than temporary impairments of our investments in sponsored mutual funds that were experienced in the first nine months of 2009 versus the same period in 2008.

Net cash used in investing activities totaled $142.1 million, up $85.7 million from the 2008 period. We made net investments of $21.6 million into our mutual fund portfolio in the first nine months of 2009, an increase of $49.4 million from the 2008 period when we had net dispositions of $27.8 million. The first nine months of 2008 also included $25 million of proceeds from the maturity of U.S. Treasury Note holdings, the balance of which matured or were sold prior to the end of 2008.

Net cash used in financing activities was $204.3 million in the first nine months of 2009, down $408.1 million from the 2008 period. Compared to the 2008 nine-month period, we expended $400.6 million less to repurchase our common shares in the first nine months of 2009. The uncertain market environment led us to reduce our share repurchases and preserve our liquid capital during this period. In 2008, we changed our policy regarding the timing of dividend payments such that our quarterly dividends are declared and paid in the same quarter. Accordingly, our cash outflows during the 2008 period included the payout of dividends for the fourth quarter 2007 and for the three quarters of 2008, while dividends for the 2009 period are only for three quarters. This resulted in our dividends paid in 2009 decreasing $58.3 million from the 2008 period. Excess tax benefits from share-based compensation plans decreased $43.5 million as lower valuations and uncertainties reduced the common stock issuances from stock option exercises about 45% from the 2008 period.

Our cash and mutual fund investments at September 30, 2009, were $1.4 billion, and we have no debt. Given the availability of these financial resources, we do not maintain an available external source of liquidity. We have lowered our anticipated property and equipment expenditures for the full year 2009 to about $168 million, of which $103 million has been expended through September 30, 2009. Additional expenditures will be funded from our cash balances.

NEW ACCOUNTING STANDARDS.

We are currently evaluating the impact of Statement of Financial Accounting Standards 167, *Amendments to FASB Interpretation No. 46(R)* and will implement the provisions of SFAS 167 on January 1, 2010. We have considered all other newly issued accounting guidance that is applicable to our operations and the preparation of our consolidated statements, including that which we have not yet adopted. We do not believe that any other guidance will have a material effect on our financial position or results of operation.

FORWARD-LOOKING INFORMATION.

From time to time, information or statements provided by or on behalf of T. Rowe Price, including those within this report, may contain certain forward-looking information, including information or anticipated information relating to: our revenues, net income and earnings per share on common stock; changes in the amount and composition of our assets under management; our expense levels and possible expense savings; our estimated effective income tax rate; and our expectations regarding financial markets, future transactions and investments, and other conditions. Readers are cautioned that any forward-looking information provided by or on behalf of T. Rowe Price is not a guarantee of future performance. Actual results may differ materially from those in forward-looking information because of various factors including, but not limited to, those discussed below and in Item 1A, Risk Factors, of our Form 10-K Annual Report for 2008. Further, forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events.

Our future revenues and results of operations will fluctuate primarily due to changes in the total value and composition of assets under our management. Such changes result from many factors including, among other things: cash inflows and outflows in the T. Rowe Price mutual funds and other managed investment portfolios; fluctuations in global financial markets that result in appreciation or depreciation of the assets under our management; our introduction of new mutual funds and investment portfolios; and changes in retirement savings trends relative to participant-directed investments and defined contribution plans. The ability to attract and retain investors' assets under our management is dependent on investor sentiment and confidence; the relative investment performance of the Price mutual funds and other managed investment portfolios as compared to competing offerings and market indexes; the ability to maintain our investment management and administrative fees at appropriate levels; competitive conditions in the mutual fund, asset management, and broader financial services sectors; and our level of success in implementing our strategy to expand our business. Our revenues are substantially dependent on fees earned under contracts with the Price funds and could be adversely affected if the independent directors of one or more of the Price funds terminated or significantly altered the terms of the investment management or related administrative services agreements. Non-operating investment income (loss) will also fluctuate primarily due to the size of our investments and changes in their market valuations.

Our future results are also dependent upon the level of our expenses, which are subject to fluctuation for the following or other reasons: changes in the level of our advertising expenses in response to market conditions, including our efforts to expand our investment advisory business to investors outside the United States and to further penetrate our distribution channels within the United States; variations in the level of total compensation expense due to, among other things, bonuses, stock option grants, other incentive awards, changes in our employee count and mix, and competitive factors; our success in implementing and realizing upon existing and planned cost reduction efforts; any goodwill impairment that may arise; fluctuation in foreign currency exchange rates applicable to the costs of our international operations; expenses and capital costs, such as technology assets, depreciation, amortization, and research and development, incurred to maintain and enhance our administrative and operating services infrastructure; unanticipated costs that may be incurred to protect investor accounts and the goodwill of our clients; and disruptions of services, including those provided by third parties, such as facilities, communications, power, and the mutual fund transfer agent and accounting systems.

Our business is also subject to substantial governmental regulation, and changes in legal, regulatory, accounting, tax, and compliance requirements may have a substantial effect on our operations and results, including but not limited to effects on costs that we incur and effects on investor interest in mutual funds and investing in general, or in particular classes of mutual funds or other investments.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Our revenues and net income are based primarily on the value of assets under our management. Accordingly, declines in financial market values like those recently experienced directly and negatively impact our investment advisory revenues, as well as our investment income and net income.

Because our sponsored mutual fund holdings are considered available-for-sale securities, we recognize unrealized losses that are considered temporary in other comprehensive income. We review the carrying amount of each investment on a quarterly basis and recognize an impairment charge in non-operating investment income whenever an unrealized loss is considered other than temporary. A mutual fund holding with an impairment that has persisted daily throughout the six months between quarter ends is generally presumed to have an other than temporary impairment unless there is persuasive evidence, such as an increase in value subsequent to quarter-end, to overcome that presumption. The amount and timing of any future charge will be dependent on our holdings and future market performance.

Reference should be made to the additional information provided in Item 7A of our Form 10-K Annual Report for 2008.

Item 4. Controls and Procedures.

Our management, including our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2009. Based on that evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures as of September 30, 2009, are effective at the reasonable assurance level to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, including this Form 10-Q quarterly report, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our principal executive and principal financial officers, has evaluated any change in our internal control over financial reporting that occurred during the third quarter of 2009, and has concluded that there was no change during the third quarter of 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, various claims against us arise in the ordinary course of business, including employment-related claims. In the opinion of management, after consultation with counsel, the likelihood that an adverse determination in one or more pending claims would have a material adverse effect on our financial position or result of operations is remote.

Item 1A. Risk Factors.

There has been no material change in the information provided in Item 1A of our Form 10-K Annual Report for 2008.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) No repurchase activity occurred during the third quarter of 2009. The remaining number of shares that may be purchased pursuant to the Board of Directors' June 5, 2008, authorization is 12,659,110.

Item 5. Other Information.

On October 23, 2009, we issued a press release reporting our results of operations for the third quarter and first nine months of 2009. A copy of that press release is furnished herewith as Exhibit 99. This information shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Joseph P. Croteau, our principal accounting officer, plans to retire on February 28, 2010. Jessica M. Hiebler, age 34, will succeed him in this role. Ms. Hiebler has been a Vice President of T. Rowe Price Group since 2009 and a Vice President of T. Rowe Price Associates since she joined the firm in 2005. She was formerly a Vice President at Constellation Energy Commodities Group from 2004 — 2005, and, before employment at Constellation in 2002, an audit manager at PricewaterhouseCoopers. Ms. Hiebler is a Certified Public Accountant in the State of Maryland.

We have been engaged in negotiations to acquire a 26% equity interest in UTI Asset Management Company Limited and an affiliate from existing stockholders; however, there can be no assurance that a definitive agreement will be reached. UTI Asset Management is an unlisted company in India with average assets under management of INR 776.3 billion ($15.9 billion) for September 2009.

Item 6. Exhibits.

The following exhibits required by Item 601 of Regulation S-K are furnished herewith.

3(i).1	Charter of T. Rowe Price Group, Inc., as Amended by Articles of Amendment dated April 10, 2008. (Incorporated by reference from Form 10-Q Report for the quarterly period ended March 31, 2008; Accession No. 0000950133-08-001597.)
3(ii)	Amended and Restated By-Laws of T. Rowe Price Group, Inc. as of February 12, 2009. (Incorporated by reference from Form 8-K Current Report as of February 17, 2009; Accession No. 0000950133-09-000369.)
10.03	Transfer Agency and Service Agreement as of January 1, 2009, between T. Rowe Price Services, Inc. and the T. Rowe Price Funds. (Incorporated by reference from Form 485BPOS; Accession No. 0000887147-09-000006.)
10.04	Agreement as of January 1, 2009, between T. Rowe Price Retirement Plan Services, Inc. and certain of the T. Rowe Price Funds. (Incorporated by reference from Form 485BPOS; Accession No. 0000887147-09-000006.)
10.17.1	HM Revenue and Customs Approved Sub-Plan for UK Employees under the 2004 Stock Incentive Plan and form of agreement for stock options issued under this sub-plan.
15	Letter from KPMG LLP, independent registered public accounting firm, re unaudited interim financial information.
31(i).1	Rule 13a-14(a) Certification of Principal Executive Officer.
31(i).2	Rule 13a-14(a) Certification of Principal Financial Officer.
32	Section 1350 Certifications.
99	Press release issued October 23, 2009, reporting our results of operations for the third quarter and first nine months of 2009.
101	The following series of unaudited XBRL-formatted documents are collectively included herewith as Exhibit 101. The financial information is extracted from T. Rowe Price Group's unaudited condensed consolidated interim financial statements and notes that are included in this Form 10-Q Report.

101.INS	XBRL Instance Document (File name: trow-20090930.xml)
101.SCH	XBRL Taxonomy Extension Schema Document (File name: trow-20090930.xsd)
101.CAL	XBRL Taxonomy Calculation Linkbase Document (File name: trow-20090930_cal.xml)
101.LAB	XBRL Taxonomy Label Linkbase Document (File name: trow-20090930_lab.xml)
101.PRE	XBRL Taxonomy Presentation Linkbase Document (File name: trow-20090930_pre.xml)
101.DEF	XBRL Taxonomy Definition Linkbase Document (File name: trow-20090930_def.xml)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on October 23, 2009.

T. Rowe Price Group, Inc.

by: /s/ Kenneth V. Moreland
Vice President and Chief Financial Officer

Exhibit 10.17.1

T. ROWE PRICE GROUP, INC.

2004 STOCK INCENTIVE PLAN

HM REVENUE AND CUSTOMS APPROVED RULES FOR UK EMPLOYEES
("THE SUB-PLAN")

Adopted by the Company on:

Approved by the HM Revenue and Customs on:
HM Revenue and Customs reference no:

PricewaterhouseCoopers
Plumtree Court
London
EC4A 4HT

SCHEDULE

T. ROWE PRICE GROUP, INC. 2004 STOCK INCENTIVE PLAN
HM REVENUE AND CUSTOMS APPROVED RULES FOR UK EMPLOYEES
(“THE SUB-PLAN”)

1. **General**

This schedule to T. Rowe Price Group, Inc. 2004 Stock Incentive Plan (“the Plan”) and appended Statement of Additional Terms and Conditions regarding the Annual Option Grants (“the Terms”) sets out the HM Revenue and Customs Approved Rules for UK Employees (together referred to as “the Sub-Plan”).

2. **Establishment of Sub-Plan**

T. Rowe Price Group, Inc. (“the Company”) has established the Sub-Plan under Section 3 of the Plan[1] which authorises the Administrator to adopt and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan.

3. **Purpose of Sub-Plan**

The purpose of the Sub-Plan is to enable the grant to, and subsequent exercise by, employees and directors in the United Kingdom, on a tax favoured basis, of options to acquire shares in the Company under the Plan.

4. **HM Revenue and Customs approval of Sub-Plan**

The Sub-Plan is intended to be approved by HM Revenue and Customs under Schedule 4 to ITPEA 2003.

5. **Rules of Sub-Plan**

The rules of the Plan, in their present form and as amended from time to time, shall, with the modifications set out in this schedule, form the rules of the Sub-Plan. In the event of any conflict between the rules of the Plan and this schedule, the schedule shall prevail.

6. **Relationship of Sub-Plan to Plan**

The Sub-Plan shall form part of the Plan and not a separate and independent plan.

7. **Interpretation**

In the Sub-Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

Acquiring Company	a company which obtains Control of the Company in the circumstances referred to in rule 26;
Approval Date	the date on which the Sub-Plan is approved by HM Revenue and Customs under Schedule 4 to ITEPA 2003;
Associated Company	the meaning given to that expression by paragraph 35 of Schedule 4 to ITEPA 2003;[2]
Close Company	the meaning given to that expression by 414(1) of ICTA as referred by paragraph 37 of Schedule 4 to, ITEPA 2003;[3]
Consortium	the meaning given to that word by paragraph 36(2) of Schedule 4 to ITEPA 2003;[4]
Control	the meaning given to that word by section 719 of ITEPA 2003 and "Controlled" shall be construed accordingly;[5]
Date of Grant	the date on which an Option is granted to an Eligible Employee determined in accordance with Section 6(b) of the Plan;
Eligible Employee	an individual who falls within Section 5 of the Plan and who is: (a) an employee (other than a director) of the Company or a company participating in the Sub-Plan; or (b) a director of the Company or a company participating in the Sub-Plan who is contracted to work at least 25 hours per week for the Company and its subsidiaries or any of them (exclusive of meal breaks) and who, in either case, does not have at the Date of Grant of an Option, and has not had during the preceding twelve months, a Material Interest in a Close Company which is the Company or a company which has Control of the Company or a member of a Consortium which owns the Company;

Grantee	An individual who holds an Option, or where the context permits, his legal personal representatives;
ITA 2007	The Income Tax Act 2007;
ITEPA 2003	the Income Tax (Earnings and Pensions Act 2003);
Market Value	notwithstanding Section 2(k) of the Plan

(a) in the case of an Option granted under the Sub Plan:

(i) if at the relevant time the Shares are listed on The NASDAQ Stock Market, the NASDAQ Official Closing Price (NOCP) for the Date of Grant of the Option, or if no reported price for that day, the preceding day for which there was a reported price (or in the event Shares are no longer listed on The NASDAQ Stock Market but instead are listed on another stock exchange registered with the Securities and Exchange Commission of the United States as a national securities exchange, the comparable last or closing selling price on that exchange);[6]

(ii) if paragraph (i) does not apply, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with HM Revenue and Customs Shares Valuation on the Date of Grant of the Option or such earlier date or dates as may be agreed with HM Revenue and Customs;

(b) in the case of an option granted under any other share option scheme, the market value of an ordinary share in the capital of the Company determined under the rules of such scheme for the purpose of the grant of the option;

Material Interest	The meaning given to that expression by paragraphs 9 to 14 of Schedule 4 to ITEPA 2003;[7]
New Option	an option granted by way of exchange under rule 26.1;
New Shares	the shares subject to a New Option referred to in rule 26.1;
Option	a subsisting right to acquire Shares granted under the Sub-Plan;
Ordinary Share Capital	the meaning given to that expression by section 989 of ITA 2007;
Shares	ordinary shares of Common Stock of the Company, par value twenty cents ($0.20) per share.

In this schedule, unless the context otherwise requires:

- words and expressions not defined above have the same meanings as are given to them in the Plan;
- the rule headings are inserted for ease of reference only and do not affect their interpretation;
- a reference to a rule is a reference to a rule in this schedule;
- the singular includes the plural and vice-versa and the masculine includes the feminine; and
- a reference to a statutory provision is a reference to a United Kingdom statutory provision and includes any statutory modification, amendment or re-enactment thereof.

8. **Companies participating in Sub-Plan**

The companies participating in the Sub-Plan shall be the Company and any company Controlled by the Company which has been nominated by the Company to participate in the Sub-Plan.

9. **Shares used in Sub-Plan**

The Shares shall form part of the Ordinary Share Capital of the Company and shall at all times comply with the requirements of paragraphs 16 to 20 of Schedule 4 to ITEPA 2003.[8]

10. **Grant of Options**

An option granted under the Sub-Plan shall be granted under and subject to the rules of the Plan as modified by this schedule.

11. **Identification of Options**

A Grant Agreement issued in respect of an Option shall expressly state that it is issued in respect of an Option. An option which is not so identified shall not constitute an Option.

12. **Contents of Grant Agreement**

A Grant Agreement, being the Sub-Plan, Terms and Notice taken together, also referred to in the Sub-Plan as the “Agreement”, will be issued in respect of an Option and shall state:

- that it is issued in respect of an Option;
- the date of grant of the Option;
- the number of Shares subject to the Option;
- the exercise price under the Option;
- any performance target or other condition imposed on the exercise of the Option;
- the date(s) on which the Option will ordinarily become exercisable; and
- the period during which an Option shall remain exercisable following termination of employment.

13. **Earliest date for grant of Options**

An Option may not be granted earlier than the Approval Date.

14. **Persons to whom Options may be granted**

Notwithstanding the provisions of Section 5 of the Plan, an Option may not be granted to an individual who is not an Eligible Employee at the Date of Grant.

15. **Options non transferable**

An Option shall be personal to the Eligible Employee to whom it is granted and, subject to rule 25, shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Grantee purports to transfer, charge or otherwise alienate the Option.

Reference in Section 7(b) of the Plan to transfers by a Grantee otherwise than by will or the laws of descent and distribution shall be disapplied for the purposes of the Sub-Plan.

16. **Limit on number of Shares placed under Option under Sub-Plan**

For the avoidance of doubt, Shares placed under Option under the Sub-Plan shall be taken into account for the purpose of Section 4 of the Plan.

17. **HM Revenue and Customs limit (£30,000)**

An Option may not be granted under this Sub-Plan to an Eligible Employee if the result of granting the Option would be that the aggregate Market Value of the shares subject to all outstanding options granted to him under the Sub-Plan or any other share option scheme established by the Company or an Associated Company and approved by HM Revenue and Customs under Schedule 4 to ITEPA 2003 (other than a savings related share option scheme) would exceed sterling £30,000 or such other limit as may from time to time be specified in paragraph 6 of Schedule 4 to ITEPA 2003[9]. For this purpose, the United Kingdom sterling equivalent of the market value of a share on any day shall be determined by taking the spot sterling/US dollar exchange rate for that day as shown in the Wall Street Journal. If the grant of an Option would otherwise cause the limit in this rule 17 to be exceeded, it shall take effect as the grant of an option under the Plan.

18. **Exercise price under Options**

The amount payable per Share on the exercise of an Option shall not be less than the Market Value of a Share on the Date of Grant and shall be stated on the Date of Grant.

19. **Performance target or other condition imposed on exercise of Option**

Any performance target or other condition imposed on the exercise of an Option under Sections 3(b)(ii) (D) and 6(a) of the Plan, shall be:

19.1 objective;

19.2 such that, once satisfied, the exercise of the Option is not subject to the discretion of any person; and

19.3 stated on the Date of Grant.

If an event occurs as a result of which the Administrator considers that a performance target or other condition imposed on the exercise of an Option is no longer appropriate and substitutes, varies or waives under Section 3(c) of the Plan the performance target or condition, such substitution, variation or waiver shall:

19.4 be reasonable in the circumstances; and

19.5 produce a fairer measure of performance and be neither more nor less difficult to satisfy.

20. **Exercise of Options by leavers**

The period during which an Option shall remain exercisable following termination of employment, shall be stated in the Grant Agreement.

21. **Latest date for exercise of Options**

Notwithstanding rule 25 the period during which an Option shall remain exercisable shall be stated in the Grant Agreement and any Option not exercised by that time shall lapse immediately.

22. **Material Interest**

An Option may not be exercised if the Grantee then has, or has had within the preceding twelve months, a Material Interest in a Close Company which is the Company or which is a company which has Control of the Company or which is a member of a Consortium which owns the Company.

23. **Manner of payment for Shares on exercise of Options**

Paragraph 3 of the Terms provides for the method of exercising the Option and payment of the exercise price, together with any amounts due under rule 30. Notwithstanding any provisions of the Plan, the amount may not be paid by the transfer to the Company of Shares or any other shares or securities.

24. **Issue or transfer of Shares on exercise of Options**

Subject to compliance by the Grantee with the rules of the Sub-Plan and to any delay necessary to complete or obtain:

24.1 the listing of the Shares on any stock exchange on which Shares are then listed; or

24.2 such registration or other qualification of the Shares under any applicable law, rule or regulation as the Company determines is necessary or desirable.

The Company shall, as soon as reasonably practicable and in any event not later than thirty days after the date of exercise of an Option, issue or transfer to the Grantee, or procure the issue or transfer to the Grantee of, the number of Shares specified in the notice of exercise and shall deliver to the Grantee, in the case of the partial exercise of an Option, a Grant Agreement in respect of, or the original Grant Agreement endorsed to show, the unexercised part of the Option, subject only to:

24.3 the making of provision for the payment or withholding of any taxes required to be withheld in accordance with any applicable law in respect of the exercise of the Option or the receipt of the Shares.

24.4 Notwithstanding Section 6(a) of the Plan, deferral of the individual's delivery of Shares that would otherwise be due to such individual by virtue of the exercise of the Option is disapplied for the purposes of the Sub-Plan.

Unless and until the Grantee requests the Company to deliver a share certificate to the Grantee, or deliver Shares electronically or in certificate form to the Grantee's designated broker, bank or nominee on the Grantee's behalf, the Company will retain the Shares that the Grantee purchased through exercise of the Option in uncertificated book entry form.

25. **Death of Grantee**

If a Grantee dies, his personal representatives shall be entitled to exercise his Options for the period stated in the Grant Agreement, but in no event later than the twelve month period following his death. If not so exercised, the Options shall lapse immediately.

26. **Change in Control of Company**

26.1 **Exchange of Options**

If a company ("Acquiring Company") obtains Control of the Company as a result of making:

26.1.1 a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or

26.1.2 a general offer to acquire all the shares in the Company of the same class as the Shares

a Grantee may, at any time during the period set out in rule 26.2, by agreement with the Acquiring Company, release his Option in whole or in part in consideration of the grant to him of a new option ("New Option") which is equivalent to the Option but which relates to shares ("New Shares") in:

26.1.3 the Acquiring Company;

26.1.4 a company which has Control of the Acquiring Company; or

26.1.5 a company which either is, or has Control of, a company which is a member of a Consortium which owns either the Acquiring Company or a company having Control of the Acquiring Company.

26.2 **Period allowed for exchange of Options**

The period referred to in rule 26.1 is the period of six months beginning with the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

26.3 **Meaning of "equivalent"**

The New Option shall not be regarded for the purpose of this rule 26 as equivalent to the Option unless:

26.3.1 the New Shares satisfy the conditions in paragraphs 16 to 20 of Schedule 4 to ITEPA 2003; and

26.3.2 save for any performance target or other condition imposed on the exercise of the Option, the New Option will be exercisable in the same manner as the Option and subject to the provisions of the Sub-Plan as it had effect immediately before the release of the Option; and

26.3.3 the total market value, immediately before the release of the Option, of the Shares which were subject to the Option is equal to the total market value, immediately after the grant of the New Option, of the New Shares (market value being determined for this purpose in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992); and

26.3.4 the total amount payable by the Grantee for the acquisition of the New Shares under the New Option is equal to the total amount that would have been payable by the Grantee for the acquisition of the Shares under the Option.

26.4 **Date of grant of New Option**

The date of grant of the New Option shall be deemed to be the same as the Date of Grant of the Option.

26.5 **Application of Sub-Plan to New Option**

In the application of the Sub-Plan to the New Option, where appropriate, references to "Company" and "Shares" shall be read as if they were references to the company to whose shares the New Option relates and the New Shares, respectively, save that in the definition of "Administrator" the reference to "Company" shall be read as if it were a reference to T. Rowe Price Group, Inc.

27. **Rights attaching to Shares issued on exercise of Options**

All Shares issued on the exercise of an Option shall, as to any voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the Shares in issue at the date of such exercise save as regards any rights attaching to such Shares by reference to a record date prior to the date of such exercise.

28. **Adjustment of Options**

Notwithstanding Sections 3(b)(ii)(E) and 7(c) of the Plan, no adjustment of an Option made pursuant to rule 8 of the Terms shall take effect until it has been approved by HM Revenue and Customs.

29 **Tax and social security withholding**

29.1 Where, in relation to the exercise of an Option granted under the Sub-Plan the Company or, if different, the Grantee's employing company, is liable, or is in accordance with current practice believed to be liable, to account to any revenue or other authority for any sum in respect of any tax or social security liability of the Grantee, the Option may not be exercised unless the Grantee has beforehand paid to the Company or such employing company an amount sufficient to discharge the liability. Alternatively, the Grantee may, by agreement with the Company, enter into some other arrangement to ensure that such amount is available to it (for example, by authorising the sale of some or all of the Shares subject to his Option and the payment to the Company or such employing company of the requisite amount out of the proceeds of sale). .Where this is the case the Option shall not be treated as exercised until the Company determines that such arrangements are satisfactory to it.

29.2 The Company may, at its discretion, impose requirements for the payment by the Grantee of all or any part of the employer's National Insurance Contributions liability that may arise as a result of the exercise of his Option ("Employer's NIC"). Such requirements may include in particular, but not by way of limitation, a determination that the Option may not be exercised unless the Grantee has beforehand paid to the Company (or, if different, the Grantee's employing company) an amount sufficient to discharge all or any part of the Employer's NIC, as appropriate. Alternatively, the Grantee may, by agreement with the Company enter into some other arrangement to ensure that such amount is available to them or it (for example, by authorising the sale of some or all of the Shares subject to his Option and the payment to the Company of the requisite amount out of the proceeds of sale). Where this is the case the Option shall not be treated as exercised until the Company determines that such arrangements are satisfactory to it.

29.3 The Company may require a Grantee to execute a copy of the Grant Agreement or some other document in order to bind himself contractually to any such arrangement as is referred to in rule 29.1 and/or 29.2 and return the executed document to the Company by a specified date. Failure to return the executed document by the specified date being no more than 30 days after the Date of Grant shall cause the Option to lapse.

30. **Exercise of discretion by Administrator**

In exercising any discretion which it may have under the Sub-Plan, the Administrator shall act fairly and reasonably.

31. **Disapplication of certain provisions of Plan**

31.1 The provisions of the Plan dealing with:

- stock appreciation rights;

- stock awards;
- incentive stock options (unless an Option is also designated to be an incentive stock option at the Date of Grant under Clause 15 of the Statement of Additional Terms and Conditions relating to Option grants under the Sub-Plan);
- the authority of the Administrator to accelerate or otherwise change the time in which an Option may be exercised or becomes payable and waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Option, as outlined in section 3(b)(ii)(D) of the Plan;
- awards in substitution for stock options granted by other entities, as outlined in Section 7(d) of the Plan; and
- reference in Section 7(c)(i) of the Plan to "... or the payment of a stock dividend";
- the provisions of 7(c)(ii) of the Plan;
- the provisions of 3(b)(ii)(E) of the Plan; and
- the provisions of 3(b)(ii)(F) of the Plan

shall not form part of, and no such rights may be granted under, the Sub-Plan

31.2 In rule 6 (a) of the Plan ("Awards in General") the words "The Administrator may permit or require a recipient of an Award to defer such individual's receipt of the payment of cash or the delivery of Common Stock that would otherwise be due to such individual by virtue of the exercise of, payment of, or lapse or waiver of restrictions respecting, any Award. If any such payment deferral is required or permitted, the Administrator shall, in its sole discretion, establish rules and procedures for such payment deferrals." shall be disapplied and of no effect.

Notes

1 The Company is the "scheme organiser" as defined in paragraph 2 of Schedule 4 to ITEPA 2003 because it has established the Sub-Plan. In most cases, it will also be the Company which grants options under the Sub-Plan, although this is not a requirement of UK tax legislation.

2 A company is treated as another's "associated company" at a given time if, at that time or at any other time within one year previously, one of the two has control of the other, or both are under the control of the same person or persons. A person is taken to have control of a company if he exercises, or is able to exercise or is entitled to acquire, direct or indirect control over the company's affairs and, in particular, if

he possesses or is entitled to acquire the greater part of the company's issued share capital or the voting power in the company. UK tax legislation contains two definitions of control: the definition of control here is different from that in paragraph 4 below.

3 A close company is a company which is under the control (as defined in paragraph 1 above) of five or fewer participators (eg shareholders) or of any number of participators who are directors. There are attributed to a participator all the rights and powers (eg shares, voting power) of, inter alia, a company which he controls or of an "associate" (eg relative) of his. Ordinarily, a company is excluded from being a close company if it is non UK resident or 35% of the voting power in the company is held by the public and its shares have been listed, and the subject of dealings, on a recognised stock exchange within the preceding 12 months. However, for the purpose of the material interest test (see paragraph 5 below), this exclusion does not apply with the result that the normal definition of a "close company" is extended.

4 A company is a member of a consortium owning another company if it is one of a number of companies which between them beneficially own not less than three-quarters of the other company's ordinary share capital and each of which beneficially owns not less than one-twentieth of that capital.

5 In relation to a body corporate (company A), "Control" means the power of a person (P) to secure:

(a) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate; or

(b) as a result of any powers conferred by the articles of association or other document regulating that or any other body corporate

that the affairs of company A are conducted in accordance with P's wishes.

6 In accordance with paragraph 29026 of the HM Revenue and Customs Employee Share Schemes Manual, unless the relevant overseas recognised stock exchange is the NYSE, NASDAQ or the American Stock Exchange then clearance is required from HM Revenue and Customs Shares Valuation before the quoted price on the relevant stock exchange may be used to determine the market value of the listed share.

7 A person has a material interest in a company if he, either on his own or with one or more associates, or if any associate of his with or without such other associates:

(a) is the beneficial owner of, or able, directly or through the medium of other companies, or by any other indirect means to control, more than 10 per cent of the ordinary share capital of the company; or

(b) where the company is a close company, possesses, or is entitled to acquire, such rights as would, in the event of the winding-up of the company or in any other circumstances, give an entitlement to receive more than 10 per cent of the assets which would then be available for distribution among the participators.

8 The shares used in the scheme must be:

(a) ordinary shares;

(b) fully paid up;

(c) not redeemable; and

(d) save for certain limited exceptions, not subject to any restrictions which do not apply to all shares of the same class.

The shares used in the scheme must be:

(a) of a class listed on a recognised stock exchange; or

(b) shares in a company which is not under the control of another company; or

(c) shares in a company which is under the control of another company (other than a company which is, or would if resident in the UK be, a close company) whose shares are listed on a recognised stock exchange.

The shares used in the scheme form part of the ordinary share capital of:

(a) the grantor (ie the company which has established the scheme); or

(b) a company which has control of the grantor; or

(c) a company which either is, or has control of, a company which is a member of a consortium owning either the grantor or a company having control of the grantor.

Where the company whose shares are to be used in a scheme has more than one class of ordinary share, the majority of the issued shares of the same class as those which are to be used must be either employee control shares (see below) or:

(a) must not be held by persons (including trustees holding shares on behalf of such persons) who acquired their shares in pursuance of a right conferred on them or opportunity offered to them as directors or employees of any company, and not in pursuance of an offer to the public; and

(b) if the shares are not listed on a recognised stock exchange and the company is under the control of another company whose shares are so listed, must not be held by companies which have control of the company whose shares are in question or of which that company is an associated company.

Shares are employee control shares if:

(a) the persons holding them are, by virtue of their holding of shares of that class, together able to control the company; and

(b) those persons are, or have been, employees or directors of the company or of another company which is under the control of the company.

9 UK tax legislation imposes a limit (currently £30,000) on the “value” of the outstanding options which may be held by an individual participant in an HM Revenue and Customs approved executive share option scheme.

{ end of document}

T. ROWE PRICE GROUP, INC. 2004 STOCK INCENTIVE PLAN

HM REVENUE AND CUSTOMS APPROVED SUB-PLAN FOR THE UK

STATEMENT OF ADDITIONAL TERMS AND CONDITIONS
REGARDING OPTION GRANTS

Effective on and after February 24, 2009

This Statement of Additional Terms and Conditions Regarding the Option Grants (the "***Terms***") and all of the provisions of the HM Revenue and Customs Approved Sub-Plan for the UK (the "***Sub-Plan***") under the T. Rowe Price Group, Inc. 2004 Stock Incentive Plan (the "***Plan***") are incorporated into the grant of your Option, the specifics of which are described on the "Notice of Grant of Stock Options and Option Agreement" (the "***Notice***") that you received. Once the Notice has been executed by you and by an authorized officer or agent of T. Rowe Price Group, Inc., the Sub-Plan and the **Notice**, together, constitute a binding and enforceable contract respecting the grant of an Option. That contract is referred to in this document as the "***Agreement***."

1. Terminology. Capitalized words used in these Terms are defined in the relevant text or in the Glossary at the end of these Terms.

2. Option Exercise Rights.

   (a) So long as your Service is continuous from the date of grant through the applicable date upon which vesting is scheduled to occur, the Option will become exercisable in installments, for the number of shares so specified, on the vesting dates set forth in the correlating Notice.

   (b) To the extent not exercised, installments will accumulate and be exercisable by you, in whole or in part, at any time before the Option expires or is otherwise terminated.

   (c) No less than 100 shares of T. Rowe Price Group common stock may be purchased upon any one exercise of the Option unless the number of shares purchased at such time is the total number of shares in respect of which the Option is then exercisable.

   (d) In no event will the Option be exercisable for a fractional share.

3. Method of Exercising Option and Payment of Exercise Price.

   (a) Method of Exercise. To exercise the Option, you must deliver to the Company, from time to time, on any business day after the Option has become exercisable and before it expires or otherwise terminates, an Exercise Notice specifying the number of shares you then desire to purchase and pay the aggregate exercise price for the shares specified in the Exercise Notice. The exercise price may be paid:

(i) by cash, check, wire transfer, bank draft or postal or express money order to the order of the Company for an amount in United States dollars equal to the aggregate exercise price for the number of shares specified in the Exercise Notice, such payment to be delivered with the Exercise Notice;

(ii) by broker-assisted cashless exercise, under which the broker delivers loan proceeds to pay the exercise price, in accordance with procedures satisfactory to the Committee; or

(iii) by a combination of these methods.

(b) Issuance of Shares. Within three business days after the Exercise Date and subject to the receipt of the aggregate exercise price and withholding taxes, to the extent required by the Company, the Company will issue to you the number of shares of T. Rowe Price Group common stock with respect to which the Option shall be so exercised. Unless and until you request the Company to deliver a share certificate, or deliver shares electronically or in certificate form to a designated broker, bank or nominee on your behalf, the Company will retain the shares purchased through exercise of the Option in uncertificated book entry form.

4. Termination.

(a) If your Service with the Company ceases for any reason other than death, the portion of the Option, if any, that is then unexercisable will terminate immediately upon such cessation.

(b) The Option, to the extent not earlier exercised or terminated, will terminate and be of no force or effect upon the first occurrence of any one of the following events:

(i) The expiration date set forth in the Notice;

(ii) The expiration of 30 days after termination of your Service with the Company, except in the case of your death or retirement. During such 30-day period, you will have the right to exercise the Option only to the extent exercisable on the date of termination of your Service;

(iii) The expiration of 13 months after the date of your retirement. During such 13-month period, you will have the right to exercise the Option to the extent the right to exercise it has accrued prior to your retirement but has not been exercised prior to such retirement; or

(iv) The expiration of 12 months after the date of your death if said death occurs (i) while you are in the Service of the Company or (ii) within the period of time after termination of Service due to retirement or otherwise during which you were entitled to exercise the Option. During such 12-month period your personal representative will have the right to exercise the Option in full if you died while in the Service of the Company; otherwise your personal representative will have the right to exercise the Option during such 12-month period to the extent that the right to exercise had accrued prior to your termination of Service but had not been exercised prior to his death.

(c) Retirement at your normal retirement date or at an optional retirement date in accordance with the provisions of a retirement plan of the Company under which you are then covered shall constitute a retirement for the purposes of this Agreement. Employment by the Company shall be deemed to include employment of you by, and to continue during any period in which you are in the employ of any Participating Company. If the entity with which you are employed ceases to be an entity in which the Company maintains a proprietary interest by reason of stock ownership or otherwise, you will be considered to have had a termination of employment for purposes of this Agreement upon such cessation. Any determination made by the Committee with respect to any matter referred to in this rule 5 shall be final and conclusive on all persons affected thereby.

5. <u>Non-Guarantee of Employment</u>. Nothing in this Agreement shall alter your at-will or other employment status with the Company, nor be construed as a contract of employment between the Company and you, or as a contractual right of you to continue in the employ of the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any portion of the Option or any other adverse effect on your interests under the Plan or the Sub-Plan.

6. <u>Assignability</u>. The Option is not transferable by you and is exercisable during your lifetime only by you. No assignment or transfer of the Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise except on death shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon any attempt to assign or transfer this Option the same shall terminate and be of no force or effect.

7. <u>The Company's Rights</u>. The existence of an Option shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the T. Rowe Price Group common stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

8. <u>Recapitalization</u>. Subject to rule 28 of the Sub-Plan, providing approval has been obtained from HM Revenue and Customs in advance, the shares with respect to which an Option is granted are shares of the T. Rowe Price Group common stock as constituted on the date of this Agreement, but if, and whenever, prior to the delivery by

the Company of all of the shares of T. Rowe Price Group common stock with respect to which the Option is granted, the Company shall effect a subdivision or consolidation of shares, or other capital readjustment, or other increase or decrease in the number of shares of T. Rowe Price Group common stock outstanding, without receiving compensation therefore in money, services or property, then (a) in the event of any increase in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to the Option will be proportionately increased (except that any fraction of a share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately reduced, and (b) in the event of a reduction in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to the Option will be proportionately reduced (except that any fractional share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately increased.

9. Preemption of Applicable Laws or Regulations. Anything in this Agreement to the contrary notwithstanding, if, at any time specified herein for the issue of shares to you any law, regulation or requirements of any governmental authority having jurisdiction in the premises shall require either the Company or you to take any action in connection with the shares then to be issued, the issue of such shares will be deferred until such action shall have been taken.

10. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the shares of T. Rowe Price Group common stock subject to the Option until such shares have been issued to you upon the due exercise of the Option. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such shares are issued to you.

11. Amendments. Notwithstanding Section 7(c) of the Plan, no amendments to a Key Feature of the Sub-Plan, whether taking the form of an amendment of the Plan or this schedule, shall take effect until they have been approved by HM Revenue and Customs. Subject to this, the Committee shall have the right, in its absolute and uncontrolled discretion, to alter or amend this Agreement, from time to time in any manner for the purpose of promoting the objectives of the Sub-Plan but only if all agreements granting options to purchase shares of T. Rowe Price Group common stock pursuant to the Sub-Plan which is in effect and not wholly exercised at the time of such alteration or amendment shall also be similarly altered or amended with substantially the same effect, and any alteration or amendment of this Agreement by the Committee shall, upon adoption thereof by the Committee, become and be binding and conclusive on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Company shall give written notice to you of any such alteration or amendment of this Agreement by the Committee as promptly as practical after the adoption thereof. The foregoing shall not restrict the ability of you and the Company by mutual consent to alter or amend this Agreement in any manner which is consistent with the Sub-Plan and approved by the Committee and the Board of HM Revenue and Customs.

12. Notice. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Payroll and Stock Transaction Group in the CFO-Finance Department at the Company's principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

13. Electronic Delivery of Documents. The Company may electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan, the Sub-Plan, or the Option, any amendments to the Agreement, and any reports of the Company provided generally to the Company's stockholders. You may receive from the Company, at no cost to you, a paper copy of any electronically delivered documents by contacting the Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

14. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the Option granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of the Notice correlating to these Terms with respect to the Option granted hereunder shall be void and ineffective for all purposes.

15. Non-Qualified Nature of the Option. The Option granted under this Agreement shall not be treated as an "incentive stock option" within the meaning of United States Internal Revenue Code section 422 unless so designated at the Date of Grant.

16. Veto on Transfers of Shares. Any power to refuse to register transfers of shares of T. Rowe Price Group common stock vested in the Board of Directors under the Company's By-Laws will not be exercised in such a way as to discriminate against persons participating in the Sub-Plan.

17. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect hereto will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you hereby agrees and submits to the personal jurisdiction and venue thereof.

18. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, this Agreement shall be determined by the Committee in its absolute and uncontrolled discretion, and any such determination or any other determination by the Committee under or pursuant to this Agreement and any interpretation by the Committee of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby.

19. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the grant of an Option is a one-time benefit which does not create any contractual or other right to receive future grants of Options, or compensation in lieu of Options, even if Options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when Options shall be granted or shall become exercisable, the maximum number of shares subject to each Option, and the exercise price, will be at the sole discretion of the Committee; (iii) the value of the Option is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the Option is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the Option ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided this Agreement; (vi) if the underlying stock does not increase in value, the Option will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if the Option does not increase in value and you irrevocably release the Company from any such claim that does arise.

20. Personal Data. For the exclusive purpose of implementing, administering and managing the Option, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the Option and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the Option. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an Option.

21. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

{*Glossary begins on next page*}

GLOSSARY

(a) "***Agreement***" means the contract consisting of the Notice, the Terms, the Sub-Plan and the Plan;

(b) "***Committee***" means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc. or such committee or committees appointed by the Board to administer the Plan;

(c) "***Exercise Date***" means the business day upon which you deliver to the Company the Exercise Notice and payment of the aggregate exercise price for the shares specified therein in accordance with the requirements of paragraph 3(a); provided that all of the conditions of the Agreement are satisfied;

(d) ***Exercise Notice***" means the written notice, in such form as may be required from time to time by the Committee, specifying the number of shares you desire to purchase under the Option;

(e) "***Key Feature***" means a provision of the Plan which is necessary in order to meet the requirements of Schedule 4;

(f) "***Notice***" means the Notice of Grant of Stock Options and Option Agreement which correlates with these Terms and sets forth the specifics of the applicable Option grant;

(g) "***Participating Company***" means a company participating in the Sub-Plan as defined in rule 8 of the Sub-Plan;

(h) "***Plan***" means the T. Rowe Price Group, Inc. 2004 Stock Incentive Plan;

(i) "***Schedule 4***" means Schedule 4 to ITEPA 2003;

(j) "***Service***" means your employment with the Company or a Participating Company. Your Service will be considered to have ceased with the Company and any Participating Company if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed is not T. Rowe Price Group, Inc. or a company under the control of T. Rowe Price Group, Inc. For this purpose, control is defined in rule 7 of the Sub-Plan; and

(k) "***Sub-Plan***" means the HM Revenue and Customs Approved Sub-Plan for the UK created under the Plan.

{*end of document*}

Exhibit 15 Letter from KPMG LLP, independent registered public accounting firm, **re unaudited interim financial information**

T. Rowe Price Group, Inc.
100 East Pratt Street
Baltimore, Maryland 21202

Re: Registration Statements on Form S-8: No. 33-7012, No. 33-72568, No. 333-20333, No. 333-90967, No. 333-59714, No. 333-120882, No. 333-120883 and No. 333-142092

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated October 23, 2009 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of sections 7 and 11 of the Act.

/s/ KPMG LLP

Baltimore, Maryland
October 23, 2009

Exhibit 31(i).1 Rule 13a-14(a) Certification of Principal Executive Officer

I, James A. C. Kennedy, certify that:

1. I have reviewed this Form 10-Q Quarterly Report for the quarterly period ended September 30, 2009, of T. Rowe Price Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 23, 2009

/s/ James A.C. Kennedy
Chief Executive Officer and President

Exhibit 31(i).2 Rule 13a-14(a) Certification of Principal Financial Officer

I, Kenneth V. Moreland, certify that:

1. I have reviewed this Form 10-Q Quarterly Report for the quarterly period ended September 30, 2009, of T. Rowe Price Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 23, 2009

/s/ Kenneth V. Moreland
Vice President and Chief Financial Officer

Exhibit 32 Section 1350 Certifications

We certify, to the best of our knowledge, based upon a review of the Form 10-Q Quarterly Report for the quarterly period ended September 30, 2009, of T. Rowe Price Group, Inc., that:

(1) The Form 10-Q Quarterly Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Form 10-Q Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of T. Rowe Price Group, Inc.

October 23, 2009

/s/ James A.C. Kennedy
Chief Executive Officer and President

/s/ Kenneth V. Moreland
Vice President and Chief Financial Officer

A signed original of this written statement has been provided to T. Rowe Price Group, Inc. and will be retained by T. Rowe Price Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

T.Rowe Price
INVEST WITH CONFIDENCE
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T. ROWE PRICE GROUP REPORTS THIRD QUARTER 2009 RESULTS

Assets Under Management up 16% During Quarter to $366.2 Billion

BALTIMORE (October 23, 2009) — T. Rowe Price Group, Inc. (NASDAQ-GS: TROW) today reported third quarter 2009 results, including net revenues of $498.1 million, net income of $132.9 million, and diluted earnings per common share of $.50. Net revenues in the 2008 third quarter were $554.8 million when net income was $152.8 million and diluted earnings per common share was $.56.

Investment advisory revenues decreased 10.4%, or $48.4 million from the comparable 2008 quarter. Assets under management increased from $315.6 billion at June 30, 2009, to $366.2 billion at September 30, including $218.4 billion in the T. Rowe Price mutual funds distributed in the United States and $147.8 billion in other managed investment portfolios. Net cash inflows in the third quarter 2009 totaled $7.4 billion. Higher market valuations and income added $43.2 billion to assets under management in the 2009 quarter.

Results for the first nine months of 2009 include net revenues of more than $1.3 billion, net income of $281.1 million, and diluted earnings per share of $1.07, down 37.4% from $1.71 per share in the comparable 2008 period. Assets under management have increased 32.5% from the beginning of 2009. Net cash inflows from investors totaled $15.4 billion, and market appreciation and net income added $74.5 billion during the year-to-date period.

Financial Highlights

Investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the United States decreased 11.5%, or $37.5 million, to $289.4 million in the third quarter of 2009. Average mutual fund assets under management were $204.3 billion in the 2009 quarter, a decrease of 9.7% from the average for the 2008 quarter. Mutual fund assets at September 30, 2009 were $218.4 billion, an increase of 15.6% or $29.4 billion from the end of June 2009, and 6.9% or $14.1 billion higher than the third quarter 2009 average.

Net inflows to the mutual funds were $2.6 billion during the third quarter of 2009. Net inflows included $3.5 billion to our bond funds that were offset by $.9 billion of net outflows from our money market funds. The Short Term Bond, New Income and International Bond funds together added $2.0 billion of net inflows. Cash flows into our stock funds were neutral after a $.5 billion transfer to our other managed investment portfolios at the end of the quarter. Higher market valuations and income increased our mutual fund assets under management by $26.8 billion during the third quarter of 2009.

Investment advisory revenues earned on the other investment portfolios that the firm manages decreased $10.9 million from the third quarter of 2008, or 7.9%, to $127.9 million. Average assets in these portfolios were $136.9 billion during the third quarter of 2009, down $12.9 billion, or 8.6%, from the 2008 quarter. Net inflows of $4.8 billion include the $.5 billion transferred from the mutual funds at the end of the 2009 quarter. Higher market valuations and income during the third quarter of 2009 added $16.4 billion. Investors outside the United States now account for 11% of the firm's assets under management.

The target-date retirement investment portfolios continue to be a significant source of assets under management. During the 2009 quarter, net inflows of $1.3 billion originated in these portfolios. Assets in the target-date retirement portfolios were $39.7 billion at September 30, 2009, accounting for nearly 11% of the firm's assets under management and 17.5% of its mutual fund assets.

Operating expenses were $290.8 million in the third quarter of 2009, down $25.2 million from the 2008 quarter. Compensation and related costs decreased $14.6 million, or 6.9%, from the comparable 2008 quarter, primarily due to reductions in our average headcount, employee benefits costs and other employment expenses. At September 30, 2009, the firm employed 4,762 associates, down 11.6% from the end of 2008.

Advertising and promotion expenditures were down 22.2%, or $3.7 million, compared to the third quarter of 2008. The firm currently estimates that advertising and promotion expenditures for the fourth quarter will increase about $12 million from the 2009 third quarter. The firm varies its level of spending based on market conditions and investor demand as well as its efforts to expand the investor base.

Other operating expenses decreased $8.3 million, or 17.5% from the comparable 2008 quarter, as cost control efforts have reduced most types of expenses, including professional fees and travel and related costs.

The third quarter 2009 provision for income taxes as a percentage of pretax income is 37.5% in order for the firm's provision for the first nine months to be 37.4%.

Management Commentary

James A.C. Kennedy, the company's chief executive officer and president, commented: "The firm's investment advisory results relative to our peers remain strong, with 87% of the T. Rowe Price funds across their share classes surpassing their comparable Lipper averages on a total return basis for the 5-year period ended September 30, 2009, 83% outperforming for the three-year period, and at least 79% outperforming for the one- and 10-year periods. In addition, T. Rowe Price stock, bond and blended asset funds that ended the quarter with an overall rating of four or five stars from Morningstar account for nearly 71% of our rated funds' assets under management.

"Our third quarter results were achieved during a period of very strong market performance that extended the impressive rally that started in early March. While we are pleased that the market reversal and the strong absolute and relative performance of our investment strategies have given a significant boost to the value of our clients' portfolios, we nevertheless remain mindful that most equity investors have yet to recover all of their losses. Likewise, although our average assets under management, net revenues, and net income have rebounded nicely, they remain below their levels for the third quarter of 2008 as well as their year-end 2007 peak.

“We remain debt-free with substantial liquidity, including cash and mutual fund investment holdings of $1.4 billion that supports our ability to continue investing for the future. We have expended $54.9 million to repurchase just over two million of our common shares so far this year. Based on current strategic projects and plans, the firm’s property and equipment additions for all of 2009 are estimated to be about $168 million, including $103 million already expended this year from our available liquid resources.”

Market Commentary

“The actions taken by governments and central banks around the world to get global economies moving again have succeeded in pulling markets back onto more stable ground. Investor sentiment is improving, there is considerable liquidity that can move into the stock market, and we are encouraged that investors have shown a willingness to accept more risk. The strength of the global market rebound still leaves us cautious as headwinds persist and equity valuations may have gotten ahead of the recovery. Investors should not be surprised at a pullback as the markets begin to look for broader improvements in economic conditions. Nevertheless, we are generally optimistic that the worst of the global economic and market downturn is behind us.”

Closing Comment

In closing, Mr. Kennedy said: “We are fortunate that our financial stability, talented associates, and diversified investment and distribution capabilities have enabled us to weather the recent storm and stay focused on delivering value to our clients and stockholders. We are encouraged by growing investor interest and strong cash inflows, and although we are staying vigilant about our expense management, we will also continue to build on our success by strategically investing in key capabilities and attractive growth opportunities. As global economies continue on the road to recovery, the long-term outlook for T. Rowe Price remains strong.”

Other Matters

The financial results presented in this release are unaudited. The company expects that it will file its Form 10-Q Quarterly Report for the third quarter of 2009 with the U.S. Securities and Exchange Commission later today. The Form 10-Q will include more information on the company’s unaudited financial results. It will also include our financial information in the XBRL data format.

Certain statements in this press release may represent "forward-looking information," including information relating to anticipated changes in revenues, net income and earnings per share on common stock, anticipated changes in the amount and composition of assets under management, anticipated expense levels and expense savings, estimated tax rates, and expectations regarding financial, future transactions and investments, and other market conditions. For a discussion concerning risks and other factors that could affect future results, see the company's 2008 Form 10-K and 2009 Form 10-Q reports.

Founded in 1937, Baltimore-based T. Rowe Price is a global investment management organization that provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The organization also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. More information is available at www.troweprice.com.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per-share amounts)

	Three months ended		Nine months ended	
	9/30/2008	9/30/2009	9/30/2008	9/30/2009
Revenues				
Investment advisory fees	$ 465.7	$ 417.3	$ 1,431.1	$ 1,084.4
Administrative fees	88.7	80.0	268.4	238.7
Investment income of savings bank subsidiary	1.5	1.8	4.5	5.2
Total revenues	555.9	499.1	1,704.0	1,328.3
Interest expense on savings bank deposits	1.1	1.0	3.6	3.5
Net revenues	554.8	498.1	1,700.4	1,324.8
Operating expenses				
Compensation and related costs	210.9	196.3	636.3	571.4
Advertising and promotion	16.7	13.0	73.4	49.4
Depreciation and amortization of property and equipment	15.3	16.4	45.9	49.7
Occupancy and facility costs	25.7	26.0	75.7	75.8
Other operating expenses	47.4	39.1	141.6	106.7
	316.0	290.8	972.9	853.0
Net operating income	238.8	207.3	727.5	471.8
Net non-operating investment income (loss)	5.7	5.2	27.8	(22.9)
Income before income taxes	244.5	212.5	755.3	448.9
Provision for income taxes	91.7	79.6	288.8	167.8
Net income	$ 152.8	$ 132.9	$ 466.5	$ 281.1
Dividends declared per share	$ .24	$ .25	$ .72	$ .75
Earnings per share on common stock				
Net income	$ 152.8	$ 132.9	$ 466.5	$ 281.1
Less: net income attributable to outstanding restricted stock and units	(0.4)	(0.5)	(1.0)	(1.0)
Net income available to common stockholders	$ 152.4	$ 132.4	$ 465.5	$ 280.1
Weighted average common shares				
Outstanding	258.7	256.1	260.0	255.5
Outstanding assuming dilution	270.6	263.6	272.1	261.3
Basic	$ .59	$ .52	$ 1.79	$ 1.10
Diluted	$ .56	$ .50	$ 1.71	$ 1.07

	Three months ended 9/30/2008	Three months ended 9/30/2009	Nine months ended 9/30/2008	Nine months ended 9/30/2009
Investment Advisory Revenues (in millions)				
Sponsored mutual funds in the U.S.				
Stock and blended asset	$ 272.9	$ 230.6	$ 852.1	$ 587.9
Bond and money market	54.0	58.8	157.9	162.0
	326.9	289.4	1,010.0	749.9
Other portfolios	138.8	127.9	421.1	334.5
Total investment advisory fees	$ 465.7	$ 417.3	$ 1,431.1	$ 1,084.4
Average Assets Under Management (in billions)				
Sponsored mutual funds in the U.S.				
Stock and blended asset	$ 177.4	$ 150.8	$ 185.4	$ 130.3
Bond and money market	48.9	53.5	47.9	50.2
	226.3	204.3	233.3	180.5
Other portfolios	149.8	136.9	151.7	122.1
	$ 376.1	$ 341.2	$ 385.0	$ 302.6

	12/31/2008	9/30/2009
Assets Under Management (in billions)		
Sponsored mutual funds in the U.S.		
Stock and blended asset	$ 117.9	$ 162.0
Bond and money market	46.5	56.4
	164.4	218.4
Other portfolios	111.9	147.8
	$ 276.3	$ 366.2
Equity securities	$ 196.9	$ 270.8
Debt securities	79.4	95.4
	$ 276.3	$ 366.2

	Nine months ended 9/30/2008	Nine months ended 9/30/2009
Condensed Consolidated Cash Flows Information (in millions)		
Cash provided by operating activities, including $68.0 of stock-based compensation and $36.1 of impairments on mutual fund investments	$ 736.4	$ 466.6
Cash used in investing activities, including ($103.0) for additions to property and equipment in 2009	(56.4)	(142.1)
Cash used in financing activities, including common stock repurchases of ($58.9) and dividends paid of ($192.3) in 2009	(612.4)	(204.3)
Net change in cash during the period	$ 67.6	$ 120.2

	12/31/2008	9/30/2009
Condensed Consolidated Balance Sheet Information (in millions)		
Cash and cash equivalents	$ 619.1	$ 739.3
Investments in sponsored mutual funds	513.5	666.1
Property and equipment	440.1	501.9
Goodwill	665.7	665.7
Accounts receivable and other assets	581.0	588.0
Total assets	2,819.4	3,161.0
Total liabilities	330.6	421.3
Stockholders' equity, 257.3 common shares outstanding in 2009, including net unrealized holding gains of $95.8 in 2009	$ 2,488.8	$ 2,739.7