

International Stock Fund

Environment

- International stocks rang up modest gains in the first quarter despite weakness in March following renewed terrorist activity and concerns about the strength of the global recovery. Regionally, Japan led the way, powered by strong results in March. European stocks lagged, posting modestly positive returns that were driven by solid gains in Austria and the Nordic countries. Small-cap stocks maintained their dominance, and emerging markets outpaced stocks in developed countries. Dollar-based investors benefited from a stronger yen, which gained 3% versus the dollar, but the euro weakened 2.6%.

Performance

- The fund returned 3.74% in the first quarter versus 4.40% for the MSCI EAFE Index (a broad measure of stock performance in Europe, Australasia, and the Far East) and 4.45% for the Lipper International Funds Average. For the 12-month period ended March 31, the fund returned 51.55% versus 58.15% for the MSCI and 53.63% for the Lipper benchmark.

When assessing performance, investors should consider both short- and long-term returns. Please note the fund's short-term performance is unusual and cannot be sustained.

Portfolio Highlights

- The fund performed well in the first quarter, although it lagged the benchmark due primarily to stock selection within the consumer discretionary sector. Financial sector holdings were the best contributors powered by strength in Japanese real estate stocks. An overweight position in the consumer discretionary sector was also beneficial. Media stocks were the largest detractors to relative performance as were industrial and consumer staples holdings.

Outlook

- We are encouraged by the prospects for Japan and added to Japanese exporters and domestically oriented stocks. In Europe, we added to our bank holdings, which are attractively valued and should benefit from a recovery, low interest rates, and strong global activity. Our outlook for large-cap stocks has improved following a period of underperformance against small-caps. Overall, we believe the outlook for international equities remains positive.

T. ROWE PRICE INTERNATIONAL STOCK FUND

ASSETS: \$5,376.7 MILLION

As of March 31, 2004

SIGNIFICANT HOLDINGS

ISSUE	COUNTRY	% OF TOTAL NET ASSETS
Vodafone	United Kingdom/ Japan	3.1%
GlaxoSmithKline	United Kingdom	3.0
Royal Bank of Scotland Group	United Kingdom	2.6
Total	France	2.5
Nestle	Switzerland	2.0
Shell T&T/Royal Dutch	United Kingdom/ Netherlands	1.7
UBS	Switzerland	1.7
BNP Paribas	France	1.6
Compass	United Kingdom	1.5
Adecco	Switzerland	1.5

MAJOR INDUSTRY DIVERSIFICATION

	FUND	MSCI EAFE INDEX
Financials	23.4%	26.7%
Consumer Discretionary	17.3	13.0
Information Technology	9.5	7.4
Telecommunication Services	9.4	7.4
Health Care	8.9	8.5
Consumer Staples	8.6	8.5
Industrials and Business Services	8.3	9.3
Energy	7.2	7.8
Materials	3.8	6.6
Utilities	1.5	4.8

EXPENSE RATIO: 0.91%

PRINCIPAL MARKET WEIGHTINGS

(% OF TOTAL NET ASSETS)	FUND	MSCI EAFE INDEX
United Kingdom	23.0%	25.0%
Japan	20.6	23.6
France	13.6	9.5
Switzerland	6.7	7.1
Netherlands	4.9	4.8
Italy	4.5	3.8
Spain	4.0	3.6
Sweden	3.0	2.3
Germany	2.3	6.7
South Korea	2.3	0.0

TOTAL RETURN PERFORMANCE

FOR PERIODS ENDED MARCH 31, 2004	FUND	MSCI EAFE INDEX	LIPPER INTERNATIONAL FUNDS INDEX
3 Months	3.74%	4.40%	4.99%
Year-To-Date	3.74	4.40	4.99
1 Year	51.55	58.15	56.57
AVERAGE ANNUAL TOTAL RETURN			
3 Years	0.93	3.80	4.51
5 Years	-0.86	0.83	2.87
10 Years	4.27	4.86	5.94

Inception (5/9/1980)

Current performance may be lower or higher than quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary and you may have a gain or loss when you sell your shares. To obtain the most recent month-end performance, call 1-800-638-7890.

Call to request a prospectus, which contains complete information for you to consider, including: investment objectives, risks, fees, and expenses; read it carefully before investing.

Objective	Seeks long-term growth of capital principally through a diversified portfolio of stocks of established, non-U.S. issuers.
Approach	<ul style="list-style-type: none"> • Active top-down/bottom-up approach, based on fundamental research seeking to identify above average growth at reasonable value • Broad diversification by country and company
Suitability	Those who seek capital appreciation and who can accept the inherent risks of investing in common stock, such as market volatility and the risks associated with international investing, such as currency fluctuation.
Management	<p><i>James B. M. Seddon</i>, Vice President, T. Rowe Price International, Inc.; joined the firm in 1987; B.A., Oxford University</p> <p><i>Mark C. J. Bickford-Smith</i>, Vice President, T. Rowe Price International, Inc.; joined the firm in 1995; M.A., University of Cambridge</p> <p><i>David J. L. Warren</i>, President and Chief Executive Officer, T. Rowe Price International, Inc.; joined the firm in 1983; M.A., Oxford University</p> <p><i>Frances Dydasco</i>, Vice President, T. Rowe Price International, Inc.; joined the firm in 1996; B.A., Harvard University</p>

T. Rowe Price International Stock Fund disclosure:

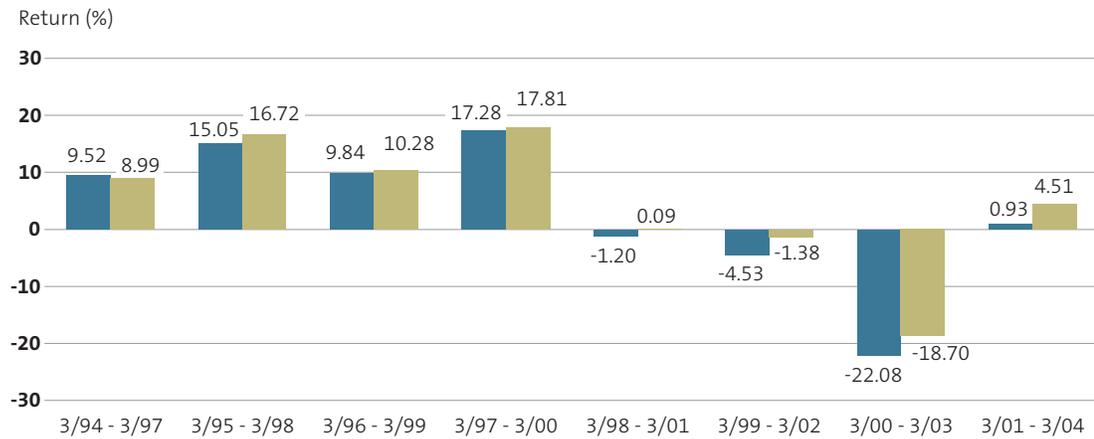
- When assessing performance, investors should consider both short-term and long-term returns.
- Holdings are presented to illustrate examples of industries and securities in which the fund invests and may not be representative of the fund's current or future investments, which may change at any time.
- The MSCI EAFE Index is an unmanaged index that provides a broad indicator of some 1,000 companies representing the stock markets of Europe, Australasia, and the Far East.
- The Lipper International Funds Index reflects the performance of international funds with similar objectives as tracked by Lipper Inc.

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

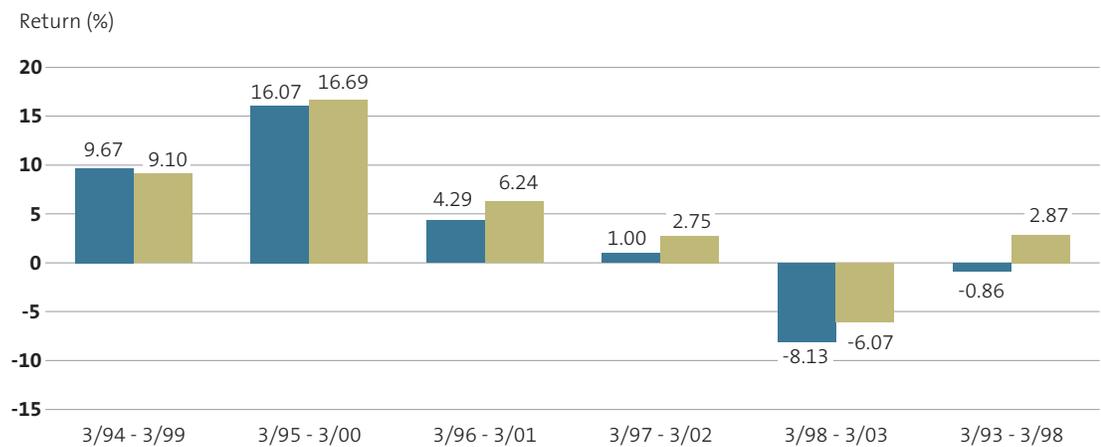
T. ROWE PRICE INTERNATIONAL STOCK FUND: PERFORMANCE ANALYSIS

THE T. ROWE PRICE INTERNATIONAL STOCK FUND HAS OUTPERFORMED THE LIPPER INTERNATIONAL FUNDS INDEX FOR:

> One of Eight Rolling Three-Year Periods



> One of Six Rolling Five-Year Periods

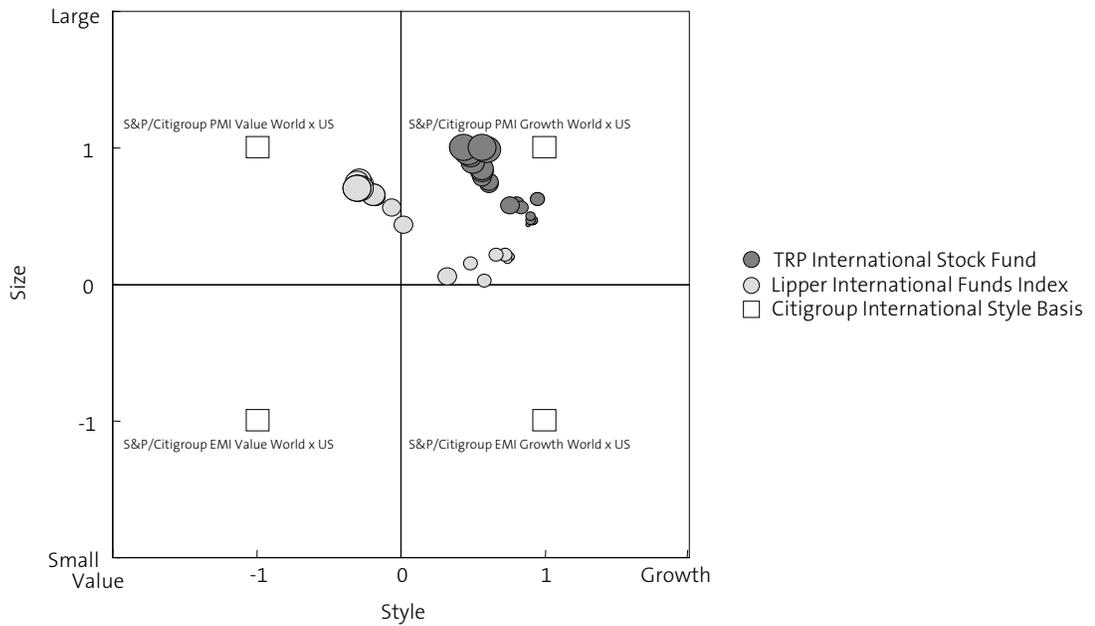


T. Rowe Price International Stock Fund
 Lipper International Funds Index

T. ROWE PRICE INTERNATIONAL STOCK FUND

MANAGER STYLE ANALYSIS

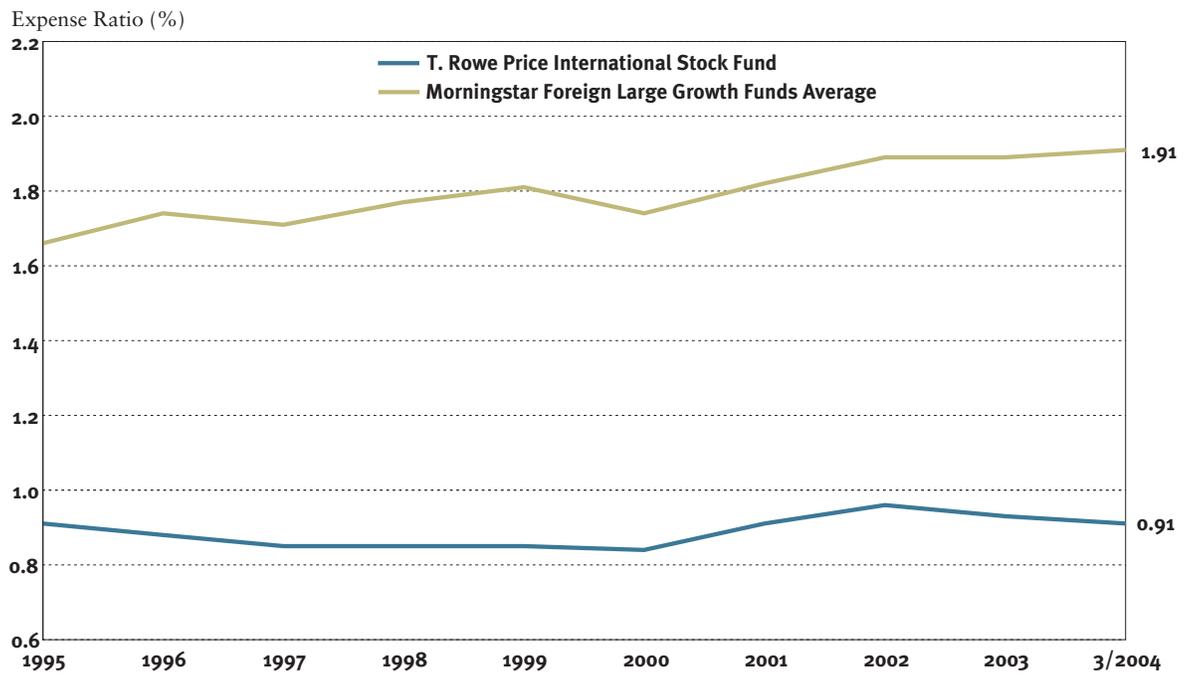
March 1999 - March 2004



Source: Zephyr Style Advisor: T. Rowe Price

EXPENSE RATIO COMPARISON

T. ROWE PRICE INTERNATIONAL STOCK FUND VS. MORNINGSTAR CATEGORY AVERAGE



T. Rowe Price Intl Stk

Management

Portfolio Manager(s)

A seasoned team of professionals from Rowe Price-Fleming International—one of the most respected international investment houses—runs this fund.

Strategy

John Ford and his comanagers focus on large caps with good earnings growth and moderate prices. It's no surprise, given the fund's enormous asset base, that they move slowly and pay attention to diversification. T. Rowe Price applies fair value pricing to the fund.

Performance 03-31-04

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2000	0.47	-4.45	-8.10	-6.03	-17.09
2001	-15.50	-0.98	-15.14	9.83	-22.02
2002	1.27	-4.94	-21.64	8.47	-18.18
2003	-10.14	19.92	6.17	14.74	31.28
2004	3.74	—	—	—	—

Trailing	Total Return%	+/- MSCI EAFE	+/- MSCI Wd xUS	%Rank Cat	Growth of \$10,000
3 Mo	3.74	-0.60	-0.50	63	10,374
6 Mo	19.03	-3.13	-2.94	63	11,903
1 Yr	51.55	-5.99	-5.61	46	15,155
3 Yr Avg	0.93	-2.50	-2.88	41	10,282
5 Yr Avg	-0.86	-1.38	-1.83	56	9,577
10 Yr Avg	4.27	-0.28	-0.57	39	15,191
15 Yr Avg	6.27	2.35	2.16	1	24,898

Tax Analysis	Tax-Adj Rtn%	%Rank Cat	Tax-Cost Rat	%Rank Cat
3 Yr Avg	0.22	42	0.70	93
5 Yr Avg	-1.89	50	1.04	57
10 Yr Avg	3.05	32	1.17	50

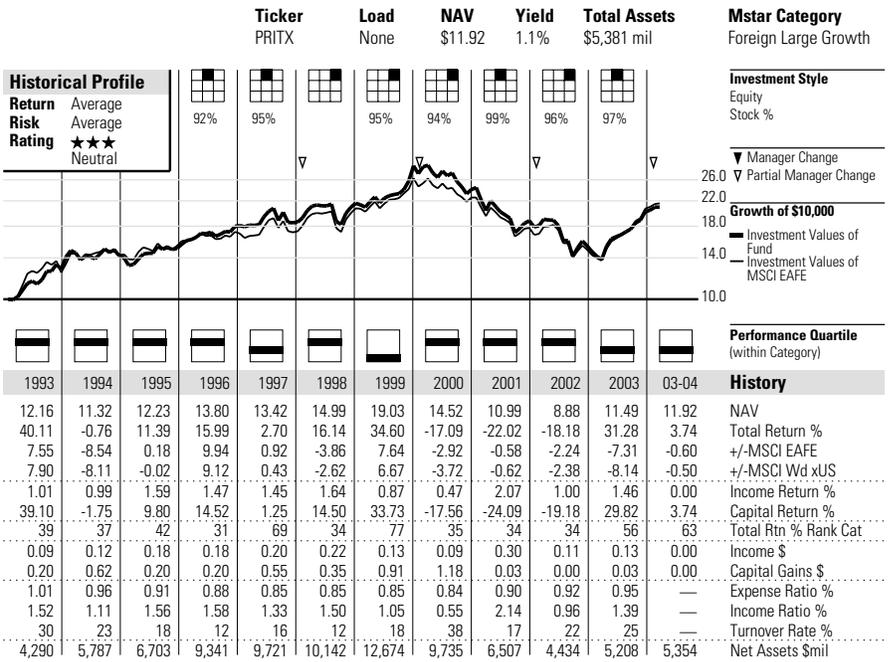
Potential Capital Gain Exposure: 2% of assets

Morningstar's Take by Langdon Healy 01-29-04

T. Rowe Price International Stock Fund turned in yet another ho-hum year in 2003, but not all funds have to be great to be useful.

Although the fund posted a handsome 31% gain in 2003, that was merely mediocre in relative terms. It lagged the foreign large-growth category average by 2 percentage points and the MSCI EAFE Index by 7 percentage points. That's in keeping with the long-term trend here: Though the fund has had its moments, its performance just hasn't stood out.

But we can live with that. Investors looking at the fund should direct their attention to its broad-based diversification and the useful role it might play in a portfolio. The managers seek attractively priced industry leaders. That tends to push the fund toward multinationals. A very large asset base reinforces this natural disposition: Establishing and exiting positions in giant caps is an easier proposition than with mid-caps. Not surprisingly, the managers devote the lion's share of assets to giant and large-cap stocks and steer



Rating and Risk

Time Period	Load-Adj Return %	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
1 Yr	51.55			
3 Yr	0.93	Avg	Avg	★★★
5 Yr	-0.86	Avg	Avg	★★★
10 Yr	4.27	Avg	-Avg	★★★
Incept	10.75			

Other Measures

	Standard Index	Best Fit Index
Alpha	S&P 500	MSCI EAFE
Beta	0.6	-2.4
R-Squared	0.97	1.06
Standard Deviation	18.72	
Mean	0.93	
Sharpe Ratio	-0.05	

Portfolio Analysis 12-31-03

Share change since 09-03	Total Stocks:193	Sector	Country	% Assets
⊖	Glaxosmithkline PLC	Health	U.K.	3.42
⊖	Total	Energy	France	3.05
⊖	Vodafone Grp	Telecom	U.K.	2.98
⊖	Royal Bank Of Scotland G	Financial	U.K.	2.39
⊖	Nestle	Goods	Switzerland	2.11
⊖	Bnp Paribas	Financial	France	1.81
⊕	Compass Grp	Consumer	U.K.	1.55
⊖	Adecco	Business	Switzerland	1.48
⊖	Rio Tinto	Ind Mtrls	U.K.	1.48
⊖	UBS AG	Financial	Switzerland	1.37
⊖	Sanofi-Synthelabo	Health	France	1.36
⊖	Nokia	Hardware	Finland	1.29
⊕	Reed Elsevier	Media	U.K.	1.28
⊕	Kingfisher	Consumer	U.K.	1.25
⊖	Eni - Ente Nazionale Idr	Energy	Italy	1.22
⊕	Tf1 - Tv Francaise	Media	France	1.17
⊖	Securitas	Business	Sweden	1.17
⊖	Shell Transp And Trading	Energy	U.K.	1.13
⊖	Nomura Hldgs	Financial	Japan	1.13
⊖	Astrazeneca	Health	U.K.	1.13

Current Investment Style

Value	Blnd	Growth	Market Cap %	Sector Weightings	% of Rel MSCI Stocks	3 Yr EAFE High Low
Large	55.5		Giant	Info	19.78	1.11
Mid	34.5		Large	Software	0.74	0.90
Small	9.3		Mid	Hardware	4.24	0.99
Micro	0.5		Small	Media	4.48	1.82
Avg \$mil:	0.3		Micro	Telecom	10.32	1.01
26,686				Service	48.41	1.09
Value Measures	%Rel Category			Health	9.92	1.20
Price/Earnings	7.10	0.49		Consumer	8.04	1.61
Price/Book	0.39	0.18		Business	6.23	1.15
Price/Sales	0.30	0.30		Financial	24.22	0.94
Price/Cash Flow	2.48	0.49		Mfg	31.82	0.84
Dividend Yield %	3.19	1.57		Goods	14.92	1.04
Growth Measures	%Rel Category			Ind Mtrls	7.72	0.66
Long-Term Emrgs	9.37	0.88		Energy	7.29	1.02
Book Value	0.82	0.53		Utilities	1.89	0.39
Sales	0.81	3.52				
Cash Flow	5.09	1.10				
Historical Emrgs	1.73	4.12				
Composition						
Cash	0.0	Bonds	0.0			
Stocks	97.4	Other	2.6			
Foreign (% of Stock)	98.8					
Regional Exposure	% Stock					
UK/W. Europe	69	N. America	1			
Japan	19	Latin America	2			
Asia X Japan	8	Other	1			
Country Exposure	% Stock					
U.K.	25	Switzerland	6			
Japan	19	Netherlands	5			
France	16					

Address: 100 E Pratt St
Baltimore MD 21202
800-638-5660

Web Address: www.troweprice.com
Inception: 05-09-80
Advisor: T. Rowe Price Associates, Inc.
Subadvisor: None
NTF Plans: N/A

Minimum Purchase: \$2500
Add: \$100 IRA: \$1000
Add: \$50

Sales Fees: No-load
Management Fee: 0.67%
Actual Fees: Mgt:0.67% Dist: —
Expense Projections: 3Yr:\$293 5Yr:\$509 10Yr:\$1131
Income Distrib: Annually

EXPLANATORY NOTES

T. Rowe Price International Stock Fund Morningstar Ratings Reprint Revised 3/31/04

The fund's inception date is 5/9/1980. The one-year, five year and ten-year average annual total returns for the periods ended 3/31/04 were 51.55%, -0.86% and 4.27%, respectively. Total return figures include changes in principal, reinvested dividends and capital gain distributions. The Fund's average annual total returns include changes in principal value, reinvested dividends and capital gain distributions. Share price, principal value and return will vary and you may have a gain or loss when you sell your shares. Past performance cannot guarantee future results. Current performance data may be lower or higher than the performance data quoted. For the most recent month-end performance information, please visit our web site at www.troweprice.com or call 1-800-638-5660.

Request a prospectus which contains complete information for you to consider, including investment objectives, risks, fees and expenses by calling 1-800-638-5660. Please read it carefully before investing.

The International Stock Fund was rated among 170, 170, 128 and 32 foreign large growth funds for the overall rating and the three-, five- and ten-year periods ended 3/31/04. For funds with at least a three-year history, a Morningstar Rating™ is based on a risk-adjusted return measure (including the effects of sales charges, loads, and redemption fees) with emphasis on downward variations and consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star. Each share class is counted as a fraction of one fund within this scale and rated separately. The Overall Morningstar Rating™ is derived from a weighted average of the performance figures associated with a fund's three-, five- and ten-year (if applicable) Morningstar Rating™ metrics. Morningstar Rating™ is for the retail share class only; other classes may have different performance characteristics. The fund received 3 stars for the three-, five- and ten-year periods. Past performance is no guarantee of future results. Results will vary for other time periods. All funds are subject to market risk.

Alpha – This is a measure of a fund's risk-adjusted performance. Alpha represents the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. The difference is expressed as an annualized percentage.

Beta – A measure of the market risk of a fund by showing how responsive the fund is to a given market index, such as the S&P 500 (an index for equity funds) or the Lehman Brothers U.S. Aggregate Index (an index for fixed-income bond funds). By definition, the beta of the benchmark index is 1.00. A fund with a 1.10 beta is expected to perform 10% better than the index in up markets and 10% worse in down markets. Usually, higher betas represent riskier investments.

R-Squared – This measures the percentage of a fund's movement that is explained by movements in the benchmark index. Equity funds are compared with the S&P 500 while fixed-income bond funds are compared to the Lehman Brothers U.S. Aggregate Index. Index funds based on either of these indices will have R-squared close to 100, while sector funds generally will have very low R-squared figures. R-squared helps indicate the accuracy of a fund's alpha and beta.

Mean – The annualized rate of the average one-month total return over the previous 36 months for the current period.

Standard Deviation (STD. DEV.) – This indicates the volatility of a fund's total returns as measured against its mean performance. Unlike alpha, beta and R-squared, which are compared with a benchmark index, standard deviation is fund specific. In general, the higher the standard deviation, the greater the volatility or risk.

Sharpe Ratio – This is a risk-adjusted measure which is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance.

The MSCI EAFE Index tracks the stocks of about 1,000 companies in Europe, Australasia, and the Far East (EAFE).

The MSCI World ex-U.S.A. Index measures the performance of the stock market in the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

The portfolio breakdown is subject to change; please request the Fund's most recent Shareholder's Report.

**T. Rowe Price International Stock
TOTAL RETURN PERFORMANCE and PEER GROUP PERCENTILE RANKINGS***

Periods Ended March 31, 2004	1 Year			3 Year			5 Year			10 Year		
	<i>Percentile Ranking within</i>			<i>Percentile Ranking within</i>			<i>Percentile Ranking within</i>			<i>Percentile Ranking within</i>		
	Total Return	Lipper Classification	Morningstar Category	Total Return	Lipper Classification	Morningstar Category	Total Return	Lipper Classification	Morningstar Category	Total Return	Lipper Classification	Morningstar Category
T. Rowe Price International Stock	51.55	56%	46%	0.93	63%	41%	-0.86	73%	56%	4.27	64%	39%
<i>Lipper International Funds Average</i>	53.63	470 of 847	---	2.49	416 of 669	---	1.76	362 of 495	---	5.10	79 of 124	---
<i>Morningstar Foreign Large Growth Funds Average</i>	51.28	---	95 of 214	0.30	---	69 of 170	-0.59	---	72 of 128	3.36	---	13 of 32

Total Expense Ratio

3 Year			5 Year		
<i>Percentile Ranking within</i>			<i>Percentile Ranking within</i>		
Standard Deviation	Lipper Classification	Morningstar Category	Standard Deviation	Lipper Classification	Morningstar Category
18.14	78%	73%	18.40	64%	41%
17.07	519 of 669	---	18.13	316 of 495	---
17.84	---	135 of 185	20.39	---	59 of 143

Sources: T. Rowe Price, Morningstar, Inc., Lipper, Inc.

A lower percentile equates to a higher ranking vs. other funds in the same category (i.e. A ranking of 25 means that the fund outperformed 75% of all funds within the respective category over a given time period.)

The performance information presented includes changes in principal value, reinvested dividends, and capital gain distributions. Investment return and principal value will vary and shares may be worth more or less at redemption than at original price. Past performance cannot guarantee future results.

Standard deviation is a statistical measure of the range of a fund's performance around its average. Funds with a higher standard deviation are more volatile.

For more details on these funds, please ask your T. Rowe Price representative for a prospectus with more complete information, including investment objective, risks, management fees, and other charges and expenses. Read the prospectus carefully before you invest, send money, or add the fund to your plan's lineup.

T. Rowe Price Investment Services, Inc. Distributor

International Stock's Lipper classification - International

Lipper rankings are based on the fund's total return, standard deviation, and expense ratio, with that of similar funds in the same Lipper classification. Morningstar rankings are based on the fund's total return, standard deviation, and expense ratio, with that of similar funds in the same Morningstar category.