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T. Rowe Price U.S. Treasury Funds, Inc.

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act File Number: 811-05860

T. Rowe Price U.S. Treasury Funds, Inc.

(Exact name of registrant as specified in charter)

100 East Pratt Street, Baltimore, MD 21202

(Address of principal executive offices)

David Oestreicher
100 East Pratt Street, Baltimore, MD 21202

(Name and address of agent for service)

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

Date of fiscal year end: May 31

Date of reporting period: November 30, 2012

Item 1. Report to Shareholders

Semiannual Report

T. ROWE PRICE®

U.S. Treasury Long-Term Fund **November 30, 2012**

T. Rowe Price U.S. Treasury Funds

HIGHLIGHTS

- Yields on money market securities remained very low over the past six months as the approaching U.S. fiscal cliff, Europe's debt crisis, and other risks sustained demand for relatively safe, liquid assets.
- Long-term Treasury yields sank to record lows in July as fears about a eurozone collapse reached a fever pitch, but demand for higher-yielding assets dimmed the "safe haven" appeal of Treasuries over the period overall.
- The U.S. Treasury Money Fund performed in line with other money funds over the past six months. The U.S. Treasury Intermediate Fund advanced, while the U.S. Treasury Long-Term Fund slightly declined.
- Treasury yields will likely hover near current lows as uncertainties like the eurozone crisis and negotiations over deficit reduction in the U.S. lift demand for lower-risk assets. We expect yields will slightly increase once these risks are resolved and the U.S. economy continues to gradually recover.

The views and opinions in this report were current as of November 30, 2012. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors, and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of the fund' s future investment intent. The report is certified under the Sarbanes-Oxley Act, which requires mutual funds and other public companies to affirm that, to the best of their knowledge, the information in their financial reports is fairly and accurately stated in all material respects.

REPORTS ON THE WEB

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

Manager' s Letter

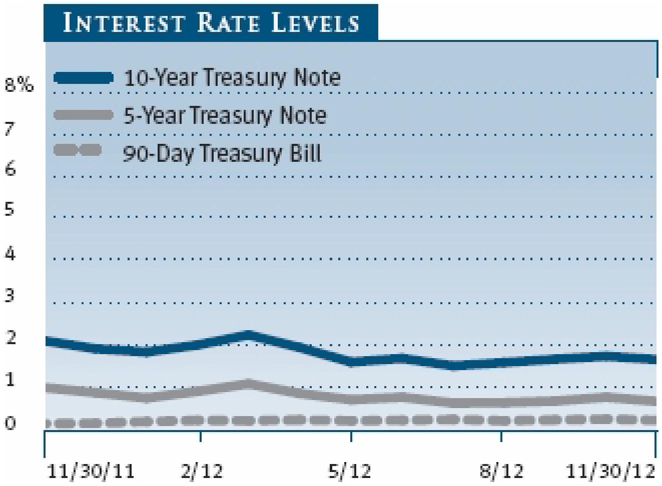
Fellow Shareholders

U.S. Treasuries edged slightly higher in the past six months as Europe' s sovereign debt crisis, a patchy U.S. recovery, and other worries sustained demand for relatively safe assets. Risk sentiment improved after the European Central Bank (ECB) and U.S. Federal Reserve separately announced highly accommodative monetary policies. Among other measures, the Fed pledged to keep short-term interest rates near zero through at least mid-2015 to support a sluggish recovery. These central bank measures, combined with investors' hunger for returns in an exceedingly low interest rate environment, spurred investors to buy stocks and higher-yielding bond sectors at the expense of Treasuries.

MARKET NEWS AND INTEREST RATES

A strong appetite for risk prevailed over the past six months. In contrast to our last report in June, when investors fretted about the survival of the euro and a slowdown in China, sentiment improved after central banks in Europe and the U.S. announced unprecedented accommodative monetary policies. Yields across most credit-sensitive bond sectors fell to or near all-time lows, pushing valuations to lofty levels, as investors sought higher-yielding assets in a low rate environment. At the same time, however, Europe' s debt crisis and a patchy U.S. recovery sustained demand for the relative safety of U.S. government debt. Long-term Treasury yields sank to record lows by late July, although they moved higher over the period as risk aversion abated. The yield on the 10-year Treasury–a benchmark for long-term borrowing costs–dipped to a record intraday low 1.46% at the start of the reporting period on June 1, sank to a fresh all-time low of 1.38% by late July, but rose to 1.62% at the end of November. Yields on shorter-dated Treasuries maturing in two and five years declined slightly over the period, however.

Two events helped convince investors to rotate into riskier assets: First, ECB President Mario Draghi pledged in July to do "whatever it takes" to save the euro, which was followed in September by a conditional plan allowing the ECB to make unlimited purchases of short-term bonds issued by troubled euro members. Second, the Federal Reserve announced a third round of quantitative easing, its latest monetary stimulus otherwise known as QE3. The announcements from both the ECB and the Fed, which occurred within a week of each other, reassured markets that global central banks would act forcefully to shore up fragile economies.



Source: Federal Reserve Board.

Like the Fed's previous bond-buying programs, QE3 aimed to drive down interest rates and induce investors into buying riskier assets. Under the open-ended plan, the Fed said it would buy $40 billion of agency mortgage-backed securities each month until the jobs market improved. It also pledged to keep short-term interest rates near zero through at least mid-2015–longer than its previous commitment to keep rates low through at least 2014. The Fed's announcement was successful in keeping MBS yields at low levels, just as its earlier intervention in Treasuries helped drive down yields in that market, compelling investors to seek higher-yielding alternatives. The ensuing demand for yield drove bond prices sharply higher in most sectors, particularly riskier ones. As a result, returns in the Treasury and agency mortgage-backed sectors lagged the returns of more credit-sensitive fixed income sectors.

The U.S. economy continued its modest recovery. At the end of November, the government reported that gross domestic product (GDP) expanded at an annual 2.7% pace in the third quarter, well above its earlier 2% estimate. Much of the quarter's growth was driven by inventory adjustment, however, while consumer and business spending were revised lower, underscoring the fragility of the recovery. The jobless rate stayed stuck above 8% in the first half of the reporting period before unexpectedly dropping to 7.8% in September–its lowest level since January 2009 but still far above pre-financial crisis levels. Encouragingly, evidence grew that the long-suffering housing market was strengthening. Based on recent months' housing starts data, economists at T. Rowe Price believe that new home construction will boost economic growth in the fourth quarter of 2012–the first time it has contributed to GDP since 2005. Still, growing unease about the fiscal cliff on January 1–when tax increases and deep cuts in government spending are scheduled to occur unless Congress and the White House can reach a deal–restrained economic growth in the final months of 2012. The Congressional Budget Office forecast in November that failure to avoid the fiscal cliff will tip the U.S. back into recession and would likely drive the jobless rate sharply higher in 2013, a point reinforced by Fed Chairman Ben Bernanke, who recently said that realization of the fiscal cliff would pose "a substantial threat" to the U.S. economy.

PORTFOLIO REVIEW

U.S. Treasury Money Fund

Your fund returned 0.01% for the six months ended November 30, 2012, roughly the same as its Lipper peer group average. T. Rowe Price has voluntarily waived all or a portion of the management fee it is entitled to receive from the fund in an effort to maintain a 0% or positive net yield for the fund.

Performance Comparison

Six-Month Period Ended 11/30/12	Total Return
U.S. Treasury Money Fund	0.01%
Lipper U.S. Treasury Money Market Funds Index	0.00

As we stated earlier, several positive developments have lifted some of the uncertainty weighing on financial markets. Importantly, the ECB has deployed a monetary policy designed to revive the eurozone economies and to ensure liquidity for some of its more troubled members. In addition, ratings agency Moody' s concluded its credit review of many large global banks. Markets have gained comfort as some of these uncertainties have receded. Still, as of this writing, significant issues such as resolving the nation' s fiscal cliff and extending the debt ceiling remain unresolved. As investors are increasingly focused on the magnitude of these looming risks, their preference for relatively risk-free assets–particularly short-dated Treasury bills–is easy to understand.

Treasury bill supply remained fairly steady over the period, while the easing of credit risks probably allowed some cash investors to allocate away from the Treasury market. Still, rates have held mostly steady. Three-month Treasury bills have traded in a range between 0.07% and 0.11% while one-year bills traded mostly between 0.16% and 0.18%. An excess of supply in high-quality repurchase agreement (repo) collateral–possibly a consequence of the Fed' s Operation Twist–has pushed repo rates higher. Recently, overnight and seven-day repo rates have averaged 0.18% to 0.20%.

Short-Term Quality Diversification

U.S. Treasury Money Fund	
First Tier	100.0%
Total	100.0%

Based on total net assets as of 11/30/12.

Sources: Moody's Investors Service, Standard & Poor's, and Fitch. Tier 1 securities either receive the highest short-term credit ratings (within which there may be subcategories or gradations) by at least 1 qualified rating agency or are deemed by T. Rowe Price to be the equivalent of Tier 1. A Tier 2 security is any other eligible money market fund investment that does not meet the Tier 1 criteria. Unrated securities, if any, have been determined by T. Rowe Price to be the equivalent of an eligible money market investment. Securities that have not received any rating from a rating agency totaled 50.52% of the portfolio at the end of the reporting period.

Our interest rate forecast is little changed. We expect the Fed to maintain its zero-rate policy into 2015. Even then, the extraordinary amounts of surplus liquidity Fed policy has created will take some time to unwind. Thus, we remain quite comfortable with a strategy that positions the fund near the long end of its permissible range, with a weighted average maturity of around 55 days. While the relative attractiveness of the Treasury repo market persists, we will continue to overweight that portion of the portfolio. The fund remains a highly liquid, minimal-risk alternative for cash investors.

U.S. Treasury Intermediate Fund

Your fund returned 0.87% for the six months ended November 30, 2012, slightly trailing its performance benchmark, the Barclays U.S. 4- 10 Year Treasury Bond Index, but outpacing its Lipper peer group average.

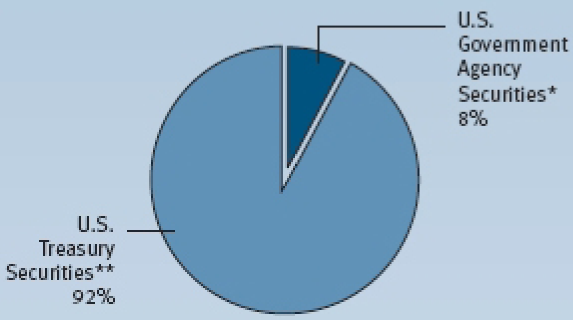
The fund' s exposure to Treasury inflation protected securities (TIPS) and mortgage-backed securities (MBS)–neither of which are held in the benchmark–benefited relative returns, as these sectors outpaced Treasuries. (Although the U.S. Treasury Intermediate Fund invests at least 80% of its assets in Treasury securities, we take positions in non-benchmark securities backed by the U.S. government to capture additional yield.) Both TIPS and MBS benefited from the Fed' s announcement of QE3, since it stoked inflation fears in the Treasury market and provided significant demand for MBS. However, the fund' s exposure to longer-dated Treasury issues weighed on relative performance as yields at the long end of the Treasury curve increased the most.

Performance Comparison

Six-Month Period Ended 11/30/12	Total Return
U.S. Treasury Intermediate Fund	0.87%
Barclays U.S. 4–10 Year Treasury Bond Index	1.10
Lipper General U.S. Treasury Funds Average	0.09

Quality Diversification

U.S. Treasury Intermediate Fund



Based on net assets as of 11/30/12.

*U.S. government agency securities are issued or guaranteed by a U.S. government agency and may include conventional pass-through securities and collateralized mortgage obligations; unlike Treasuries, government agency securities are not issued directly by the U.S. government and are generally unrated but may have credit support from the U.S. Treasury (e.g., FHLMC and FNMA issues) or a direct government guarantee (e.g., GNMA issues). Therefore, this category may include rated and unrated securities.

**U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S Treasury securities are derived from the ratings on the U.S. government.

Sources: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. Securities that have not been rated by any rating agency totaled 0.0% of the portfolio at the end of the reporting period.

MBS exposure decreased over the past six months as prices of these securities approached record-high levels–particularly following the Fed' s QE3 announcement, which drove valuations to richer levels. The combination of historically low mortgage rates and government efforts to streamline refinancing for troubled borrowers drove an increase in mortgage prepayment activity. However, we continue to maintain some exposure to agency MBS for the added yield they provide over Treasuries, decent liquidity, and diversification benefits.

The allocation to TIPS declined over the period. Earlier this year, the fund increased TIPS holdings as inflation expectations rose due to rising energy and asset prices but subsequently trimmed the position after strong performance in the first half of 2012. Real yields, which strip out the effects of inflation, are exceedingly low (in fact, they are negative for Treasuries with maturities of up to 20 years) due to accommodative Fed policy and investor demand for inflation protection. Nonetheless, exposure to this sector provided diversification and inflation protection for the fund. The fund' s duration posture–which measures the sensitivity of a bond' s price to a change in interest rates–was mostly neutral throughout the reporting period.

U.S. Treasury Long-Term Fund

Your fund returned -0.48% for the six months ended November 30, 2012, trailing its benchmark, the Barclays U.S. Long Treasury Bond Index, which was virtually flat, and its Lipper peer group average.

As with the U.S. Treasury Intermediate Fund, out-of-benchmark exposures to TIPS and MBS benefited relative returns, as these sectors outperformed Treasuries. The portfolio' s exposure to longer-term Treasuries, however, weighed on relative returns as yields for long-term maturities rose the most. Accommodative central bank policies and soaring demand for yield led investors to shift into higher-risk sectors at the expense of long-term Treasuries, while heightened inflation worries resulting from the Fed' s QE3 announcement also dimmed their appeal. The yield on the 30-year Treasury bond, whose value is highly sensitive to inflation concerns, rose 0.17% over the six-month period to 2.81% at the end of November, exceeding the 0.06% rise in the benchmark 10-year Treasury over the same period.

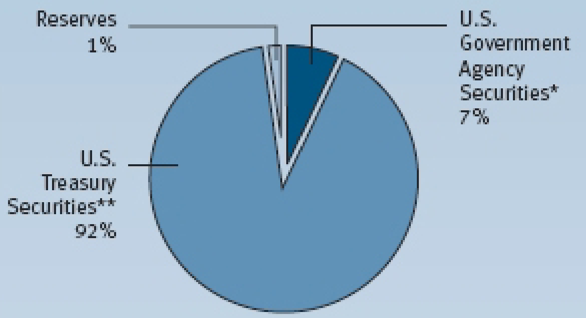
Performance Comparison

Six-Month Period Ended 11/30/12	Total Return
U.S. Treasury Long-Term Fund	-0.48%
Barclays U.S. Long Treasury Bond Index	0.04
Lipper General U.S. Treasury Funds Average	0.09

Positioning changes over the period largely mirrored those in the U.S. Treasury Intermediate Fund. Exposure to MBS and TIPS declined after strong performance in both sectors resulted in richer valuations. However, an allocation to MBS was maintained for their liquidity and added yield over Treasuries, and to TIPS for diversification and inflation protection. Similar to the U.S. Treasury Intermediate Fund, the fund targeted a neutral duration posture throughout the period.

Quality Diversification

U.S. Treasury Long-Term Fund



Based on net assets as of 11/30/12.

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Sources: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. Securities that have not been rated by any rating agency totaled 0.00% of the portfolio at the end of the reporting period.

OUTLOOK

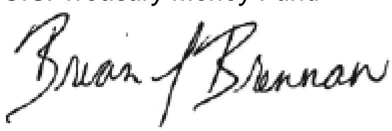
Investor sentiment has brightened somewhat since our last report in June. The U.S. economy is slowly recovering, as evidenced by recent improvements in the housing and labor markets. Financial stresses in the eurozone have eased for now, although the region' s underlying fundamentals remain concerning. China' s economy appears to be stabilizing, and we believe its government will avoid a so-called hard landing and manage a gradual deceleration in the coming months. However, numerous risks continue to weigh on the global growth outlook, particularly the uncertainty surrounding the debt ceiling and fiscal cliff negotiations. As of this writing, the White House and congressional Republicans were still negotiating a broad deficit-reduction deal with the fiscal crisis less than three weeks away. Europe remains particularly weak, and many analysts believe that Greece will exit the eurozone next year. These macroeconomic concerns–coupled with a strong possibility that U.S. lawmakers will delay substantive decisions regarding the fiscal cliff–should continue to keep yields low through year-end and perhaps longer. Conversely, continued improvement in the U.S. economy and progress in the eurozone could encourage investors to ease their demand for Treasuries, putting upward pressure on yields.

Given these opposing scenarios, we expect intermediate- and long-term Treasury yields to remain range-bound in the near term as sentiment vacillates on positive and negative news. Over the longer term, however, we believe there is a strong probability that yields will rise from recent lows as global growth picks up and the U.S. economy continues to slowly grind its way to recovery.

Thank you for investing with T. Rowe Price.

Respectfully submitted,

Joseph K. Lynagh
Chairman of the Investment Advisory Committee
U.S. Treasury Money Fund



Brian J. Brennan
Chairman of the Investment Advisory Committee
U.S. Treasury Intermediate Fund and U.S. Treasury Long-Term Fund
December 15, 2012

The committee chairmen have day-to-day responsibility for managing the portfolios and work with committee members in developing and executing each fund’s investment program.

RISKS OF INVESTING IN FIXED INCOME SECURITIES

Funds that invest in fixed income securities are subject to price declines due to rising interest rates, with long-term securities generally most sensitive to rate fluctuations. Other risks include credit rating downgrades and defaults on scheduled interest and principal payments, but these are highly unlikely for securities backed by the full faith and credit of the U.S. government. MBS are subject to prepayment risk, particularly if falling rates lead to heavy refinancing activity, and extension risk, which is an increase in interest rates that causes a fund’s average maturity to lengthen unexpectedly due to a drop in mortgage prepayments. This would increase the fund’s sensitivity to rising interest rates and its potential for price declines.

RISKS OF INVESTING IN MONEY MARKET SECURITIES

Since money market funds are managed to maintain a constant $1.00 share price, there should be little risk of principal loss. However, there is no assurance the fund will avoid principal losses if fund holdings default or are downgraded–which are highly unlikely for securities backed by the full faith and credit of the U.S. government–or if interest rates rise sharply in an unusually short period. In addition, the fund’s yield will vary; it is not fixed for a specific period like the yield on a bank certificate of deposit. *An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in it.*

GLOSSARY

Barclays U.S. Long Treasury Bond Index: An index that includes all Treasuries in the Barclays U.S. Aggregate Bond Index that mature in 10 years or more.

Barclays U.S. Treasury 4–10 Year Index: An index that includes all Treasuries in the Barclays U.S. Aggregate Bond Index that mature in four to 10 years.

Basis point: One one-hundredth of a percentage point, or 0.01%.

Consumer price index: A measure of the average price of consumer goods and services purchased by households.

Duration: A measure of a bond fund’s sensitivity to changes in interest rates. For example, a fund with a five-year duration would fall about 5% in response to a one-percentage-point rise in interest rates, and vice versa.

Fed funds target rate: An overnight lending rate set by the Federal Reserve and used by banks to meet reserve requirements. Banks also use the fed funds rate as a benchmark for their prime lending rates.

Gross domestic product: Total market value of all goods and services produced in a country in a given year.

Inflation: A sustained increase in prices throughout the economy.

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

Repurchase agreement (repo): A form of short-term borrowing using collateral in which a bank or broker-dealer sells government securities to another party, such as the Federal Reserve, and commits to buy them back at a fixed price on a future date, usually within a week.

SEC yield (7-day unsubsidized simple): A method of calculating a money fund’s yield by annualizing the fund’s net investment income for the last seven days of each period divided by the fund’s net asset value at the end of the period. Yield will vary and is not guaranteed.

SEC yield (30-day): A method of calculating a fund’s yield that assumes all portfolio securities are held until maturity. Yield will vary and is not guaranteed.

Treasury inflation protected securities (TIPS): Income-generating bonds that are issued by the federal government and whose interest and principal payments are adjusted for inflation. The inflation adjustment, which is typically applied monthly to the principal of the bond, follows a designated inflation index, such as the consumer price index.

Weighted average life: A measure of a fund' s credit quality risk. In general, the longer the average life, the greater the fund' s credit quality risk. The average life is the dollar-weighted average maturity of a portfolio' s individual securities without taking into account interest rate readjustment dates. Money funds must maintain a weighted average life of less than 120 days.

Weighted average maturity: A measure of a fund' s interest rate sensitivity. In general, the longer the average maturity, the greater the fund' s sensitivity to interest rate changes. The weighted average maturity may take into account the interest rate readjustment dates for certain securities. Money funds must maintain a weighted average maturity of less than 60 days.

Yield curve: A graph depicting the relationship between yields and maturity dates for a set of similar securities. These curves are in constant flux. One of the key activities in managing any fixed income portfolio is to study the trends reflected by yield curves.

Portfolio Characteristics

Periods Ended 11/30/12	U.S. Treasury Money Fund	U.S. Treasury Intermediate Fund	U.S. Treasury Long-Term Fund
Price Per Share	$1.00	$6.33	$14.10
Dividends Per Share			
For 6 months	0.00	0.07	0.18
For 12 months	0.00	0.14	0.38
SEC Yield (7-day simple)*	0.01%	–	–
SEC Yield (7-day simple)–Unsubsidized	-0.25	–	–
SEC Yield (30-day)	–	0.65%	2.07%
Weighted Average Maturity (years)**	55	6.1	22.6
Weighted Average Life (days)	55	–	–
Weighted Average Effective Duration (years)	–	5.8	16.8

Note: Yields will vary and are not guaranteed. A money fund's yield more closely reflects its current earnings than does the total return.

* In an effort to maintain a zero or positive net yield for the fund, T. Rowe Price has voluntarily waived all or a portion of the management fee it is entitled to receive from the fund. This voluntary waiver is in addition to any contractual expense ratio limitation in effect for the fund and may be amended or terminated at any time without prior notice. A fee waiver has the effect of increasing the fund's net yield; without it, the fund's 7-day yield would have been lower. Please see the prospectus for more details.

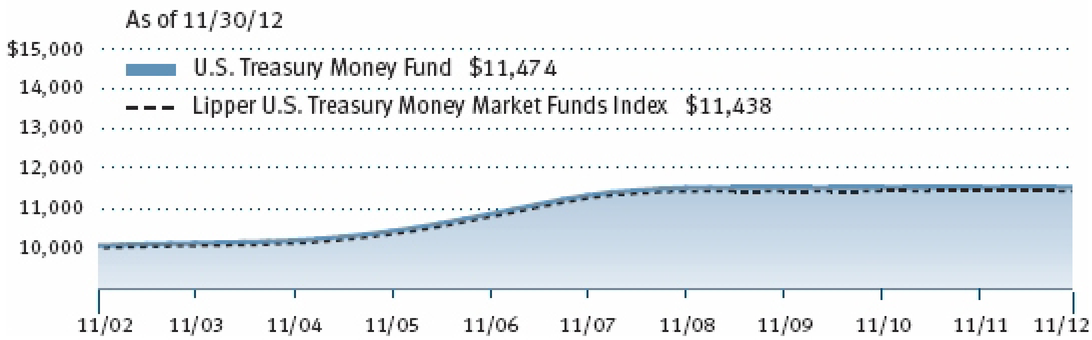
** Weighted average maturity for the U.S. Treasury Money Fund is in days.

Performance and Expenses

Growth of $10,000

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

U.S. TREASURY MONEY FUND



AVERAGE ANNUAL COMPOUND TOTAL RETURN

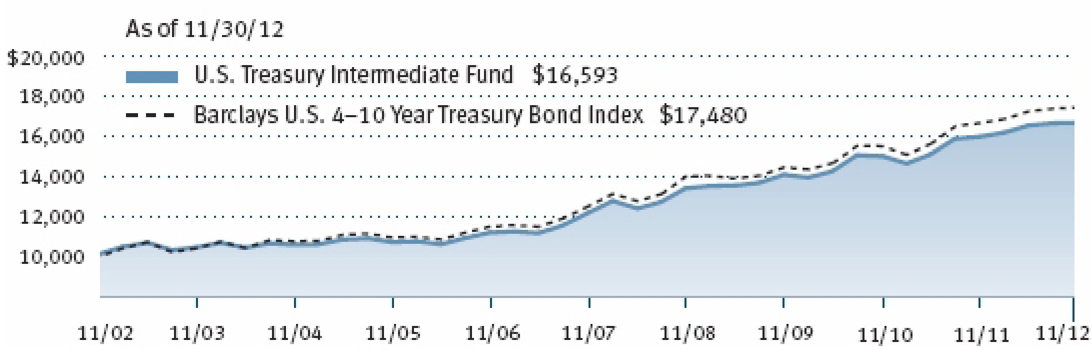
Periods Ended 11/30/12	1 Year	5 Years	10 Years
U.S. Treasury Money Fund	0.01%	0.37%	1.38%

This table shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Returns do not reflect taxes that the shareholder may pay on fund distributions. Past performance cannot guarantee future results.

GROWTH OF $10,000

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

U.S. TREASURY INTERMEDIATE FUND



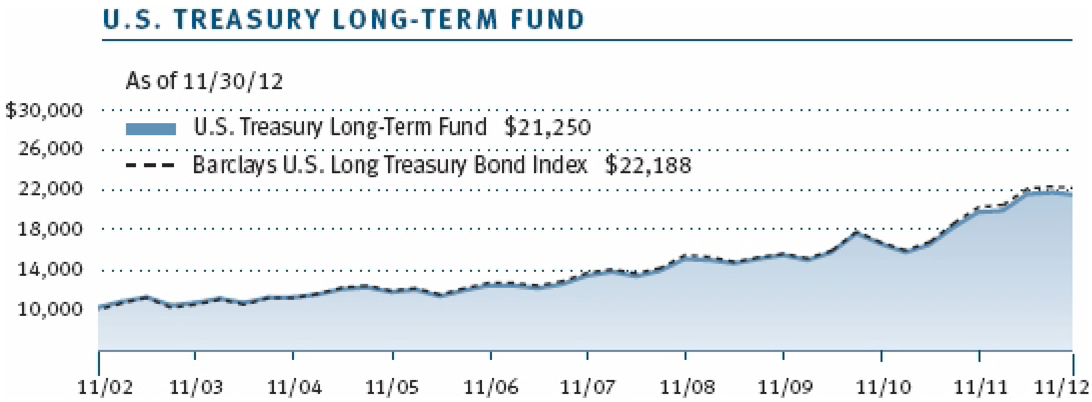
AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 11/30/12	1 Year	5 Years	10 Years
U.S. Treasury Intermediate Fund	4.47%	6.56%	5.19%

This table shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Returns do not reflect taxes that the shareholder may pay on fund distributions. Past performance cannot guarantee future results.

GROWTH OF $10,000

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



Average Annual Compound Total Return

Periods Ended 11/30/12	1 Year	5 Years	10 Years
U.S. Treasury Long-Term Fund	8.43%	9.98%	7.83%

This table shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Returns do not reflect taxes that the shareholder may pay on fund distributions. Past performance cannot guarantee future results.

Fund Expense Example

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

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

Note: T. Rowe Price charges an annual account service fee of $20, generally for accounts with less than $10,000. The fee is waived for any investor whose T. Rowe Price mutual fund accounts total $50,000 or more; accounts electing to receive electronic delivery of account statements, transaction confirmations, prospectuses, and shareholder reports; or accounts of an investor who is a T. Rowe Price Preferred Services, Personal Services, or Enhanced Personal Services client (enrollment in these programs generally requires T. Rowe Price assets of at least $100,000). This fee is not included in the accompanying table. If you are subject to the fee, keep it in mind when you are estimating the ongoing expenses of investing in the fund and when comparing the expenses of this fund with other funds.

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

U.S. Treasury Money Fund

	Beginning Account Value 6/1/12	Ending Account Value 11/30/12	Expenses Paid During Period* 6/1/12 to 11/30/12
Actual	$1,000.00	$1,000.10	$0.80
Hypothetical (assumes 5% return before expenses)	1,000.00	1,024.27	0.81

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.16%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (183), and divided by the days in the year (365) to reflect the half-year period.

U.S. Treasury Intermediate Fund

	Beginning Account Value 6/1/12	Ending Account Value 11/30/12	Expenses Paid During Period* 6/1/12 to 11/30/12
Actual	$1,000.00	$1,008.70	$2.47
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.61	2.48

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.49%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (183), and divided by the days in the year (365) to reflect the half-year period.

U.S. Treasury Long-Term Fund

	Beginning Account Value 6/1/12	Ending Account Value 11/30/12	Expenses Paid During Period* 6/1/12 to 11/30/12
Actual	$1,000.00	$995.20	$2.60
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.46	2.64

*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.52%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (183), and divided by the days in the year (365) to reflect the half-year period.

Quarter-End Returns

Periods Ended 9/30/12	SEC Yield (7-Day Simple)*	SEC Yield (7-Day Simple)– Unsubsidized	1 Year	5 Years	10 Years
U.S. Treasury Money Fund	0.01%	-0.27%	0.01%	0.49%	1.40%
U.S. Treasury Intermediate Fund	–	–	4.02	7.49	4.93
U.S. Treasury Long-Term Fund	–	–	5.85	11.18	7.36

Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, yield, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please visit our website (troweprice.com) or contact a T. Rowe Price representative at 1-800-225-5132.

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

*In an effort to maintain a zero or positive net yield for the fund, T. Rowe Price has voluntarily waived all or a portion of the management fee it is entitled to receive from the fund. This voluntary waiver is in addition to any contractual expense ratio limitation in effect for the fund and may be amended or terminated at any time without prior notice. A fee waiver has the effect of increasing the fund's net yield; without it, the fund's 7-day yield would have been lower. Please see the prospectus for more details.

Expense Ratio

U.S. Treasury Money Fund	*0.44%*
U.S. Treasury Intermediate Fund	*0.49*
U.S. Treasury Long-Term Fund	*0.55*

The expense ratio shown is as of the fund's fiscal year ended 5/31/12. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, does not include fee or expense waivers.

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 11/30/12	Year Ended 5/31/12	5/31/11	5/31/10	5/31/09	5/31/08
NET ASSET VALUE						
Beginning of period	$ 14.35	$ 11.66	$ 11.71	$ 12.10	$ 11.74	$ 11.14
Investment activities						
Net investment income[1]	0.17	0.39[2]	0.44[2]	0.46[2]	0.45	0.52
Net realized and unrealized gain (loss)	(0.24)	3.12	0.13	0.42	0.72	0.60
Total from investment activities	(0.07)	3.51	0.57	0.88	1.17	1.12
Distributions						
Net investment income	(0.18)	(0.41)	(0.44)	(0.47)	(0.44)	(0.52)
Net realized gain	–	(0.41)	(0.18)	(0.80)	(0.37)	–
Total distributions	(0.18)	(0.82)	(0.62)	(1.27)	(0.81)	(0.52)
NET ASSET VALUE						
End of period	**$ 14.10**	**$ 14.35**	**$ 11.66**	**$ 11.71**	**$ 12.10**	**$ 11.74**

Ratios/Supplemental Data

	6 Months Ended 11/30/12	Year Ended 5/31/12	5/31/11	5/31/10	5/31/09	5/31/08
Total return[3]	(0.48)%	30.81%[2]	4.93%[2]	7.74%[2]	9.86%	10.15%
Ratio of total expenses to average net assets	0.52%[4]	0.55%[2]	0.55%[2]	0.57%[2]	0.58%	0.53%
Ratio of net investment income to average net assets	2.37%[4]	2.96%[2]	3.69%[2]	3.96%[2]	3.56%	4.41%
Portfolio turnover rate	19.5%	57.1%	43.1%	33.3%	84.1%	64.9%
Net assets, end of period (in thousands)	$ 579,556	$ 511,225	$ 297,967	$ 276,370	$ 290,940	$ 383,865

(1) Per share amounts calculated using average shares outstanding method.

(2) Excludes expenses in excess of a 0.55% contractual expense limitation in effect through 9/30/14.

(3) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions. Total return is not annualized for periods less than one year.

(4) Annualized

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

Unaudited

(Amounts in 000s)

	$ Par/Shares	Value
U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES 7.0%		
U.S. Government Obligations 7.0%		
Government National Mortgage Assn.		
4.00%, 11/20/40	3,600	3,953
4.50%, 3/20 - 11/20/40	24,945	27,570
5.50%, 5/20/35	144	159
6.00%, 8/15/13 - 11/15/39	2,636	2,979
6.50%, 6/15/28 - 9/20/32	92	108
7.00%, 11/20/23 - 12/20/32	1,837	2,154
8.00%, 10/15/16	7	7
8.50%, 10/20/24 - 6/15/26	14	17
9.00%, 11/15/17 - 8/15/25	85	93
10.00%, 12/15/17 - 7/15/22	16	17
10.50%, 11/15/17 - 7/15/19	8	8
Government National Mortgage Assn. CMO, 4.50%, 7/20/30 - 12/16/35	2,072	2,125
Government National Mortgage Assn. CMO, VR, 4.994%, 3/16/30	1,145	1,225
Total U.S. Government & Agency Mortgage-Backed Securities (Cost $39,713)		40,415
U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 91.8%		
U.S. Treasury Obligations 91.8%		
U.S. Treasury Bonds, 2.75%, 8/15/42	8,505	8,412
U.S. Treasury Bonds, 2.75%, 11/15/42	5,840	5,770
U.S. Treasury Bonds, 3.00%, 5/15/42	36,875	38,459
U.S. Treasury Bonds, 3.50%, 2/15/39	46,220	53,355
U.S. Treasury Bonds, 3.875%, 8/15/40	26,170	32,140
U.S. Treasury Bonds, 4.375%, 2/15/38	22,110	29,247
U.S. Treasury Bonds, 4.375%, 11/15/39	19,650	26,098
U.S. Treasury Bonds, 4.375%, 5/15/40	26,100	34,688

U.S. Treasury Bonds, 4.375%, 5/15/41	56,440	75,092
U.S. Treasury Bonds, 4.50%, 5/15/38	2,485	3,349
U.S. Treasury Bonds, 4.50%, 8/15/39	19,115	25,850
U.S. Treasury Bonds, 4.625%, 2/15/40	28,050	38,691
U.S. Treasury Bonds, 4.75%, 2/15/37	16,985	23,617
U.S. Treasury Bonds, 5.375%, 2/15/31	22,250	32,395
U.S. Treasury Bonds, 6.00%, 2/15/26	23,415	34,402
U.S. Treasury Bonds, 6.125%, 11/15/27	9,470	14,316
U.S. Treasury Bonds, 6.25%, 5/15/30	6,950	10,955
U.S. Treasury Bonds, 7.125%, 2/15/23 (1)	5,260	8,025
U.S. Treasury Bonds, 7.625%, 2/15/25	9,115	14,906
U.S. Treasury Inflation-Indexed Bonds, 2.125%, 2/15/41	3,714	5,570
U.S. Treasury Inflation-Indexed Notes, 0.125%, 1/15/22	10,810	11,846
U.S. Treasury Notes, Stripped Interest Payment Zero Coupon, 5/15/21	5,600	4,966
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost $457,607)		532,149

SHORT-TERM INVESTMENTS 0.3%

Money Market Funds 0.3%

T. Rowe Price Government Reserve Investment Fund, 0.12% (2)(3)	1,917	1,917
Total Short-Term Investments (Cost $1,917)		1,917
Total Investments in Securities 99.1% of Net Assets (Cost $499,237)		**$ 574,481**

‡ Denominated in U.S. dollars unless otherwise noted.
(1) At November 30, 2012, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
(2) Seven-day yield
(3) Affiliated Companies
CMO Collateralized Mortgage Obligation
VR Variable Rate; rate shown is effective rate at period-end.

Futures Contracts

($000s)

	Expiration	Contract Value	Unrealized Gain (Loss)
Long, 35 U.S. Treasury Notes thirty year contracts, $80 par of 7.125% U.S. Treasury Bonds pledged as initial margin	3/13	$ 5,252	$ 18
Short, 31 U.S. Treasury Notes five year contracts, $71 par of 7.125% U.S. Treasury Bonds pledged as initial margin	3/13	(3,866)	(4)
Short, 27 U.S. Treasury Notes ten year contracts, $62 par of 7.125% U.S. Treasury Bonds pledged as initial margin	3/13	(3,608)	(7)
Long, 290 Ultra Long U.S. Treasury Bond contracts, $666 par of 7.125% U.S. Treasury Bonds pledged as initial margin	3/13	48,122	41
Net payments (receipts) of variation margin to date			8
Variation margin receivable (payable) on open futures contracts			$ 56

Affiliated Companies

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control. Based on the fund's relative ownership, the following securities were considered affiliated companies for all or some portion of the six months ended November 30, 2012. Purchase and sales cost and investment income reflect all activity for the period then ended.

Affiliate	Purchase Cost	Sales Cost	Investment Income	Value 11/30/12	Value 5/31/12
T. Rowe Price Government Reserve Investment Fund, 0.12%	¤	¤	$ 3	$ 1,917	$ 12,612
Totals			$ 3	$ 1,917	$ 12,612

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

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

Investment in securities, at cost	$ 1,917
Dividend income	3
Interest income	-
Investment income	$ 3
Realized gain (loss) on securities	$ -
Capital gain distributions from mutual funds	$ -

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

Unaudited

Statement of Assets and Liabilities

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

Assets		
Investments in securities, at value (cost $499,237)	$	574,481
Receivable for investment securities sold		5,320
Interest receivable		3,548
Receivable for shares sold		2,671
Variation margin receivable on futures contracts		56
Other assets		22
Total assets		586,098
Liabilities		
Payable for investment securities purchased		5,778
Payable for shares redeemed		417
Investment management fees payable		141
Due to affiliates		63
Other liabilities		143
Total liabilities		6,542
NET ASSETS	$	579,556
Net Assets Consist of:		
Overdistributed net investment income	$	(425)
Accumulated undistributed net realized gain		11,089
Net unrealized gain		75,292
Paid-in capital applicable to 41,111,384 shares of $0.01 par value capital stock outstanding; 4,000,000,000 shares of the Corporation authorized		493,600
NET ASSETS	$	579,556
NET ASSET VALUE PER SHARE	$	14.10

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

Unaudited

Statement of Operations

($000s)

	6 Months Ended 11/30/12
Investment Income (Loss)	
Income	
Interest	$ 8,063
Dividend	3
Total income	8,066
Expenses	
Investment management	833
Shareholder servicing	434
Prospectus and shareholder reports	21
Custody and accounting	68
Registration	27
Legal and audit	10
Directors	4
Miscellaneous	7
Repayments of fees and expenses	
Investment management fees repaid	35
Total expenses	1,439
Net investment income	6,627
Realized and Unrealized Gain (Loss)	
Net realized gain (loss)	
Securities	6,824
Futures	510
Net realized gain	7,334
Change in net unrealized gain (loss)	
Securities	(16,666)
Futures	(853)
Change in net unrealized gain (loss)	(17,519)
Net realized and unrealized gain (loss)	(10,185)
DECREASE IN NET ASSETS FROM OPERATIONS	$ (3,558)

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

Unaudited

Statement of Changes in Net Assets

($000s)

	6 Months Ended 11/30/12	Year Ended 5/31/12
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 6,627	$ 11,564
Net realized gain	7,334	15,240
Change in net unrealized gain (loss)	(17,519)	74,092
Increase (decrease) in net assets from operations	(3,558)	100,896
Distributions to shareholders		
Net investment income	(7,052)	(12,003)
Net realized gain	–	(11,962)
Decrease in net assets from distributions	(7,052)	(23,965)
Capital share transactions*		
Shares sold	171,734	316,622
Distributions reinvested	6,141	21,479
Shares redeemed	(98,934)	(201,774)
Increase in net assets from capital share transactions	78,941	136,327
Net Assets		
Increase during period	68,331	213,258
Beginning of period	511,225	297,967
End of period	**$ 579,556**	**$ 511,225**
Undistributed (overdistributed) net investment income	(425)	–
*Share information		
Shares sold	12,065	23,851
Distributions reinvested	433	1,616
Shares redeemed	(7,016)	(15,401)
Increase in shares outstanding	5,482	10,066

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

Unaudited

Notes to Financial Statements

T. Rowe Price U.S. Treasury Funds, Inc. (the corporation), is registered under the Investment Company Act of 1940 (the 1940 Act). The U.S. Treasury Long-Term Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund commenced operations on September 29, 1989. The fund seeks the highest level of income consistent with maximum credit protection.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

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

Credits The fund earns credits on temporarily uninvested cash balances held at the custodian, which reduce the fund's custody charges. Custody expense in the accompanying financial statements is presented before reduction for credits.

New Accounting Pronouncements In May 2011, the Financial Accounting Standards Board (FASB) issued amended guidance to align fair value measurement and disclosure requirements in U.S. GAAP with International Financial Reporting Standards. The guidance is effective for fiscal years and interim periods beginning on or after December 15, 2011. Adoption had no effect on net assets or results of operations.

In December 2011, the FASB issued amended guidance to enhance disclosure for offsetting assets and liabilities. The guidance is effective for fiscal years and interim periods beginning on or after January 1, 2013. Adoption will have no effect on the fund's net assets or results of operations.

NOTE 2 - VALUATION

The fund's financial instruments are reported at fair value as defined by GAAP. The fund determines the values of its assets and liabilities and computes its net asset value per share at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day that the NYSE is open for business.

Valuation Methods Debt securities are generally traded in the over-the-counter (OTC) market. Securities with remaining maturities of one year or more at the time of acquisition are valued at prices furnished by dealers who make markets in such securities or by an independent pricing service, which considers the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities. Securities with remaining maturities of less than one year at the time of acquisition generally use amortized cost in local currency to approximate fair value. However, if amortized cost is deemed not to reflect fair value or the fund holds a significant amount of such securities with remaining maturities of more than 60 days, the securities are valued at prices furnished by dealers who make markets in such securities or by an independent pricing service.

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

Other investments, including restricted securities and private placements, and those financial instruments for which the above valuation procedures are inappropriate or are deemed not to reflect fair value, are stated at fair value as determined in good faith by the T. Rowe Price Valuation Committee, established by the fund's Board of Directors (the Board). Subject to oversight by the Board, the Valuation Committee develops pricing-related policies and procedures and approves all fair-value determinations. The Valuation Committee regularly makes good faith judgments, using a wide variety of sources and information, to establish and adjust valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of private-equity instruments, the Valuation Committee considers a variety of factors, including the company's business prospects, its financial performance, strategic events impacting the company, relevant valuations of similar companies, new rounds of financing, and any negotiated transactions of significant size between other investors in the company. Because any fair-value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions.

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

Level 1 – quoted prices in active markets for identical financial instruments

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

Level 3 – unobservable inputs

Observable inputs are those based on market data obtained from sources independent of the fund, and unobservable inputs reflect the fund's own assumptions based on the best information available. The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level. The following table summarizes the fund's financial instruments, based on the inputs used to determine their values on November 30, 2012:

($000s)	Level 1	Level 2	Level 3	Total Value
	Quoted Prices	Significant Observable Inputs	Significant Unobservable Inputs	
Assets				
Investments in Securities, except:	$ —	$ 572,564	$ —	$ 572,564
Short-Term Investments	1,917	—	—	1,917
Total Securities	1,917	572,564	—	574,481
Futures Contracts	56	—	—	56
Total	$ 1,973	$ 572,564	$ —	$ 574,537

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended November 30, 2012, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes, such as seeking to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, or to adjust portfolio duration and credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based. Investments in derivatives can magnify returns positively or negatively; however, the fund at all times maintains sufficient cash reserves, liquid assets, or other SEC-permitted asset types to cover the settlement obligations under its open derivative contracts.

The fund values its derivatives at fair value, as described below and in Note 2, and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. The fund does not offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral. As of November 30, 2012, the fund held interest rate futures with cumulative unrealized gain of $59,000 and cumulative unrealized loss of $11,000; the value reflected on the accompanying Statement of Assets and Liabilities is the related unsettled variation margin.

Additionally, during the six months ended November 30, 2012, the fund recognized $510,000 of realized gain on Futures and a $853,000 change in unrealized gain on Futures related to its investments in interest rate derivatives; such amounts are included on the accompanying Statement of Operations.

Futures Contracts The fund is subject to interest rate risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risk. The fund may enter into futures contracts to manage exposure to interest rate and yield curve movements, security prices, foreign currencies, credit quality, and mortgage prepayments; as an efficient means of adjusting exposure to all or part of a target market; to enhance income; as a cash management tool; and/or to adjust portfolio duration and credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a particular underlying financial instrument at an agreed-upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Upon entering into a futures contract, the fund is required to deposit collateral with the broker in the form of cash or securities in an amount equal to a certain percentage of the contract value (margin requirement); the margin requirement must then be maintained at the established level over the life of the contract. Subsequent payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset, and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund's initial investment. During the six months ended November 30, 2012, the fund's exposure to futures, based on underlying notional amounts, was generally between 6% and 8% of net assets.

NOTE 4 - OTHER INVESTMENT TRANSACTIONS

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

TBA Purchase and Sale Commitments During the six months ended November 30, 2012, the fund entered into to be announced (TBA) purchase and/or sale commitments, pursuant to which it agrees to purchase or sell, respectively, mortgage-backed securities for a fixed unit price, with payment and delivery at a scheduled future date beyond the customary settlement period for such mortgage-backed securities. With TBA transactions, the particular securities to be delivered are not identified at the trade date; however, delivered securities must meet specified terms, including issuer, rate, and mortgage term, and be within industry-accepted "good delivery" standards. The fund generally enters into TBA purchase transactions with the intention of taking possession of the underlying mortgage securities; however, for either purchase or sale transactions, the fund also may extend the settlement by "rolling" the transaction. Until settlement, the fund maintains cash reserves and liquid assets sufficient to settle its TBA commitments.

Counterparty Risk and Collateral The fund has entered into collateral agreements with certain counterparties to mitigate counterparty risk associated with certain over-the-counter (OTC) financial instruments, including swaps, forward currency exchange contracts, TBA purchase commitments, and OTC options (collectively, covered OTC instruments). Subject to certain minimum exposure requirements (which typically range from $100,000 to $500,000), collateral requirements generally are determined and transfers made based on the net aggregate unrealized gain or loss on all OTC instruments covered by a particular collateral agreement with a specified counterparty. At any point in time, the fund's risk of loss from counterparty credit risk on covered OTC instruments is the aggregate unrealized gain on appreciated covered OTC instruments in excess of collateral, if any, pledged by the counterparty to the fund. Further, in accordance with the terms of the relevant agreements, counterparties to certain OTC instruments may be able to terminate the contracts prior to maturity upon the occurrence of certain stated events, such as a decline in net assets above a certain percentage or a failure by the fund to perform its obligations under the contract. Upon termination, all transactions would typically be liquidated and a net amount would be owed by or payable to the fund.

Counterparty risk related to exchange-traded futures and options contracts is minimal because the exchange's clearinghouse provides protection against counterparty defaults. Generally, for exchange-traded derivatives such as futures and options, each broker, in its sole discretion, may change margin requirements applicable to the fund.

Collateral can be in the form of cash or debt securities issued by the U.S. government or related agencies. For OTC instruments, collateral both pledged by the fund to a counterparty and pledged by a counterparty to the fund, is held in a segregated account by a third-party agent. For exchange-traded instruments, margin posted by the fund is held by the broker. Cash posted by the fund as collateral or to meet margin requirements is reflected as restricted cash in the accompanying financial statements and securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. As of November 30, 2012, no collateral was pledged by either the fund or counterparties for covered OTC instruments. As of November 30, 2012, securities valued at $1,341,000 had been posted by the fund to the broker for exchange-traded derivatives.

Other Purchases and sales of U.S. government securities aggregated $185,252,000 and $107,910,000, respectively, for the six months ended November 30, 2012.

NOTE 5 - FEDERAL INCOME TAXES

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

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains.

At November 30, 2012, the cost of investments for federal income tax purposes was $500,549,000. Net unrealized gain aggregated $73,980,000 at period-end, of which $76,778,000 related to appreciated investments and $2,798,000 related to depreciated investments.

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management agreement between the fund and Price Associates provides for an annual investment management fee, which is computed daily and paid monthly. The fee is determined by applying a group fee rate to the fund' s average daily net assets. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first $1 billion of assets to 0.28% for assets in excess of $300 billion. At November 30, 2012, the effective annual group fee rate was 0.30%.

The fund was also subject to a contractual expense limitation through September 30, 2014. During the limitation period, Price Associates was required to waive its management fee and reimburse the fund for any expenses, excluding interest, taxes, brokerage commissions, and extraordinary expenses, that would otherwise cause the fund' s ratio of annualized total expenses to average net assets (expense ratio) to exceed its expense limitation of 0.55%. The fund is required to repay Price Associates for expenses previously reimbursed and management fees waived to the extent the fund' s net assets have grown or expenses have declined sufficiently to allow repayment without causing the fund' s expense ratio to exceed its expense limitation. However, no repayment will be made more than three years after the date of any reimbursement or waiver or later than September 30, 2014. Pursuant to this agreement, management fees in the amount of $35,000 were repaid during the six months ended November 30, 2012. At November 30, 2012, there were no amounts subject to repayment by the fund.

In addition, the fund has entered into service agreements with Price Associates and two wholly owned subsidiaries of Price Associates (collectively, Price). Price Associates computes the daily share price and provides certain other administrative services to the fund. T. Rowe Price Services, Inc., provides shareholder and administrative services in its capacity as the fund' s transfer and dividend disbursing agent. T. Rowe Price Retirement Plan Services, Inc., provides subaccounting and recordkeeping services for certain retirement accounts invested in the fund. For the six months ended November 30, 2012, expenses incurred pursuant to these service agreements were $49,000 for Price Associates; $100,000 for T. Rowe Price Services, Inc.; and $54,000 for T. Rowe Price Retirement Plan Services, Inc. The total amount payable at period-end pursuant to these service agreements is reflected as Due to Affiliates in the accompanying financial statements.

The fund is also one of several mutual funds sponsored by Price Associates (underlying Price funds) in which the T. Rowe Price Spectrum Funds (Spectrum Funds) may invest. The Spectrum Funds do not invest in the underlying Price funds for the purpose of exercising management or control. Pursuant to a special servicing agreement, expenses associated with the operation of the Spectrum Funds are borne by each underlying Price fund to the extent of estimated savings to it and in proportion to the average daily value of its shares owned by the Spectrum Funds. Expenses allocated under this agreement are reflected as shareholder servicing expense in the accompanying financial statements. For the six months ended November 30, 2012, the fund was allocated $129,000 of Spectrum Funds' expenses, of which $91,000 related to services provided by Price. The amount payable at period-end pursuant to this agreement is reflected as Due to Affiliates in the accompanying financial statements. At November 30, 2012, approximately 34% of the outstanding shares of the fund were held by the Spectrum Funds.

The fund may invest in the T. Rowe Price Reserve Investment Fund and the T. Rowe Price Government Reserve Investment Fund (collectively, the T. Rowe Price Reserve Investment Funds), open-end management investment companies managed by Price Associates and considered affiliates of the fund. The T. Rowe Price Reserve Investment

Funds are offered as cash management options to mutual funds, trusts, and other accounts managed by Price Associates and/or its affiliates and are not available for direct purchase by members of the public. The T. Rowe Price Reserve Investment Funds pay no investment management fees.

Information on Proxy Voting Policies, Procedures, and Records

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

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

How to Obtain Quarterly Portfolio Holdings

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available electronically on the SEC's website (sec.gov); hard copies may be reviewed and copied at the SEC's Public Reference Room, 100 F St. N.E., Washington, DC 20549. For more information on the Public Reference Room, call 1-800-SEC-0330.

Item 2. Code of Ethics.

A code of ethics, as defined in Item 2 of Form N-CSR, applicable to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions is filed as an exhibit to the registrant's annual Form N-CSR. No substantive amendments were approved or waivers were granted to this code of ethics during the registrant's most recent fiscal half-year.

Item 3. Audit Committee Financial Expert.

Disclosure required in registrant's annual Form N-CSR.

Item 4. Principal Accountant Fees and Services.

Disclosure required in registrant's annual Form N-CSR.

Item 5. Audit Committee of Listed Registrants.

Not applicable.

Item 6. Investments.

(a) Not applicable. The complete schedule of investments is included in Item 1 of this Form N-CSR.

(b) Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

Not applicable.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

Not applicable.

Item 10. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 11. Controls and Procedures.

(a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures within 90 days of this filing and have concluded that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-CSR was recorded, processed, summarized, and reported timely.

(b) The registrant's principal executive officer and principal financial officer are aware of no change in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits.

(a)(1) The registrant' s code of ethics pursuant to Item 2 of Form N-CSR is filed with the registrant' s annual Form N-CSR.

(2) Separate certifications by the registrant's principal executive officer and principal financial officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached.

(3) Written solicitation to repurchase securities issued by closed-end companies: not applicable.

(b) A certification by the registrant's principal executive officer and principal financial officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and required by Rule 30a-2(b) under the Investment Company Act of 1940, is attached.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

T. Rowe Price U.S. Treasury Funds, Inc.

By /s/ Edward C. Bernard
Edward C. Bernard
Principal Executive Officer

Date January 23, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Edward C. Bernard
Edward C. Bernard
Principal Executive Officer

Date January 23, 2013

By /s/ Gregory K. Hinkle
Gregory K. Hinkle
Principal Financial Officer

Date January 23, 2013

Item 12(a)(2).

CERTIFICATIONS

I, Edward C. Bernard, certify that:

1. I have reviewed this report on Form N-CSR of T. Rowe Price U.S. Treasury Long-Term Fund;

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, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) 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 a date within 90 days prior to the filing date of 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 second fiscal quarter of the period covered by this report 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(s) and I have disclosed 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.

Date: January 23, 2013

/s/ Edward C. Bernard
Edward C. Bernard
Principal Executive Officer

CERTIFICATIONS

I, Gregory K. Hinkle, certify that:

1. I have reviewed this report on Form N-CSR of T. Rowe Price U.S. Treasury Long-Term Fund;

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, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) 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 a date within 90 days prior to the filing date of 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 second fiscal quarter of the period covered by this report 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(s) and I have disclosed 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.

Date: January 23, 2013

/s/ Gregory K. Hinkle
Gregory K. Hinkle
Principal Financial Officer

Item 12(b).

CERTIFICATION UNDER SECTION 906 OF SARBANES-OXLEY ACT OF 2002

Name of Issuer: T. Rowe Price U.S. Treasury Long-Term Fund

In connection with the Report on Form N-CSR for the above named Issuer, the undersigned hereby certifies, to the best of his knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: January 23, 2013	/s/ Edward C. Bernard Edward C. Bernard Principal Executive Officer
Date: January 23, 2013	/s/ Gregory K. Hinkle Gregory K. Hinkle Principal Financial Officer