

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

PRICE T ROWE EQUITY INCOME FUND

CIK: **775688** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-04400** | Film No.: **95557014**

Business Address
*100 E PRATT ST
BALTIMORE MD 21202
3016256685*

Fellow Shareholders

The equity market advanced strongly in the second quarter, continuing the trend established at the beginning of the year. The 20.2% advance over the first half is the strongest since the first half of 1987 and ranks eighth since 1926. It has been a perfect environment for stocks, with expectations of a soft landing for the economy, falling interest rates, good corporate earnings, and strong demand for equities. It is difficult to see how the situation can improve.

As has often been the case in powerful markets, your fund's conservative yield-oriented approach lagged the broad market measured by the unmanaged Standard & Poor's 500 Stock Index. However, we are pleased by the fund's strong absolute performance so far this year, which exceeded the average for similar funds during the three- and six-month periods ended June 30.

Performance Comparison

<TABLE>

<CAPTION>

<S>	Periods Ended 6/30/95	
	3 Months	6 Months
Equity Income Fund	6.7%	15.4%
S&P 500	9.6	20.2
Lipper Equity Income Fund Average	6.6	14.6

</TABLE>

DIVIDEND DISTRIBUTION

On June 27, your Board of Trustees declared a second quarter dividend of \$0.16 per share, which brings your 1995 dividend total to \$0.46, including the \$0.14 per share first quarter capital gain distribution. The second quarter distribution was paid on June 29 to shareholders of record on June 27. You should have received your check or statement reflecting this dividend.

PORTFOLIO REVIEW

During the second quarter we focused on stocks in several areas. We are always attracted to out-of-favor stocks with high dividend yields -- particularly those that are high compared with their histories. We made new or additional investments in ALLTEL, DAYTON HUDSON, MAY DEPARTMENT STORES, and WARNER-LAMBERT.

All these stocks carry high relative dividend yields and have been, in varying degrees, recent laggards. By investing in sound companies with above-average dividend yields following periods of underperformance, we believe your fund will benefit from the market's tendency to revalue them upward in the months ahead. In addition to the above stocks, we increased positions in a number of real estate investment trusts that have favorable risk and return characteristics.

Regarding portfolio sales, we continued to reduce exposure to high-yield bonds, whose yield advantage relative to Treasury bonds no longer justifies their higher credit risk. We also reduced or eliminated other positions, including

Security Diversification

[PIE CHART APPEARS HERE]

Equity Income Fund Chart Description--for edgarizing only

Chart Number 1: Security Diversification

A pie chart showing the percent of the Funds assets investment among common stock 75.49%, convertibles 3.90%, bonds 5.53% and reserves 15.08%.

SCHLUMBERGER and UNITED TECHNOLOGIES, fine companies whose stock prices have risen to a level where their dividend yields no longer meet our criteria.

In terms of asset allocation, your portfolio mix is little changed from the end of the first quarter. We reduced exposure to bonds and increased the reserves position slightly, each by one percentage point.

SUMMARY AND OUTLOOK

In our last report, we anticipated "a more subdued stock market" in the second quarter. While we are always happy with unexpectedly robust performance, we are still concerned about signs of overvaluation and troubling investor behavior.

Caution and risk-aversion are now viewed with disdain by many investors, who are buoyed by recent results. A debate has broken out about whether dividend yield is still a valid measure of stock market valuation. Our view is that dividends do matter and the historically low 2.5% average current yield of S&P 500 stocks suggests that returns may be somewhat uninspiring over the intermediate term. Therefore, we have grown increasingly cautious in our outlook for the rest of the year and we believe investors should be prepared for increased volatility, such as occurred after the close of our reporting period.

As always, we appreciate your confidence and support.

Respectfully submitted,

/s/ Brian C. Rogers

Brian C. Rogers
 President and Chairman of the
 Investment Advisory Committee

July 19, 1995

2

 Twenty-Five Largest Holdings

June 30, 1995

<TABLE>
 <CAPTION>

Company	Percent of Net Assets
<S>	<C>
SmithKline Beecham	1.9%
Philip Morris	1.8
Exxon	1.8
Upjohn	1.5
Honeywell	1.5
Warner-Lambert	1.4
Eli Lilly	1.4
Atlantic Richfield	1.4
Mellon Bank	1.3
J. P. Morgan	1.3
Texaco	1.3
American Brands	1.3
American Home Products	1.2
American Express	1.2
Royal Dutch Petroleum	1.2
GE	1.2
GTE	1.2
British Petroleum	1.1
Eastman Kodak	1.0
Dun & Bradstreet	1.0
Entergy	1.0
Mobil	1.0

Sallie Mae	0.9
U.S. West	0.9
Baxter International	0.9
Total	31.7%

Average Annual Compound Total Return

Periods Ended June 30, 1995

	1 Year	5 Years	Since Inception 10/31/85
<S>	<C>	<C>	<C>
	21.70%	13.25%	15.03%

Investment return and principal value represent past performance and will vary. Shares may be worth more or less at redemption than at original purchase.

Portfolio Changes

Three Months Ended June 30, 1995

<TABLE>
<CAPTION>

PURCHASES

	Cost (000)
<S>	<C>
ALLTEL*	\$22,618
May Department Stores*	20,939
Warner-Lambert	20,089
Dayton Hudson*	18,082
Conrail*	17,320
Simon Property Group*	16,572
Roche Holding LYONS*	16,353
Cooper Industries	10,932
J.C. Penney	10,892
UNUM*	10,181

SALES

<CAPTION>

	Proceeds (000)
<S>	<C>
Continental**	\$19,484
Schlumberger**	12,626
Cooper Industries Cv. Bond**	10,909
United Technologies**	10,558
Southern Pacific Rail Cv. Deb.**	10,220
Rockefeller Center Cv. Deb.	9,941
Stone Container Sr. Notes**	6,592

Ferrellgas Bond**	6,263
-----	-----
Albany International**	5,660
-----	-----
Melville	5,436
-----	-----

</TABLE>

* Position added
 ** Position eliminated

 Statement of Net Assets
 T. Rowe Price Equity Income Fund / June 30, 1995 (Unaudited)

 (values in thousands)

<TABLE>
 <CAPTION>

 Common Stocks -- 75.5%

 FINANCIAL -- 13.4%

<C>	<S>	Value

		<C>
BANK & TRUST -- 7.0%		
700,000 shs.	BANC ONE.....	\$ 22,575
300,000	*Brooklyn Bancorp.....	10,050
600,000	Chase Manhattan.....	28,200
600,000	Chemical Banking.....	28,350
450,000	First Interstate.....	36,112
750,000	J. P. Morgan.....	52,594
1,300,000	Mellon Bank.....	54,112
700,000	National City.....	20,563
250,000	NationsBank.....	13,406
250,000	PNC Bank.....	6,594
2,000,000	S-E-Banken (SEK).....	10,397
		282,953
INSURANCE -- 2.0%		
631,600	Hilb, Rogal and Hamilton.....	7,895
300,000	Loews.....	36,300
700,000	Provident Life & Accident Insurance (Class B).....	16,275
250,000	UNUM.....	11,719
800,000	Willis-Corroon ADR.....	9,600
		81,789
FINANCIAL SERVICES -- 4.4%		
1,400,000	American Express.....	49,175
350,000	Fannie Mae.....	33,031
500,000	H&R Block.....	20,563
800,000	Sallie Mae.....	37,500
800,000	Travelers.....	35,000
		175,269
TOTAL FINANCIAL		540,011

UTILITIES -- 11.4%		

TELEPHONE -- 4.9%		
900,000	ALLTEL.....	22,838
350,000	BCE.....	11,244
325,000	Bell Atlantic.....	18,200
300,000	BellSouth.....	19,050
400,000	COMSAT.....	7,850
1,400,000	GTE.....	47,775
400,000	Pacific Telesis.....	10,700
600,000	Southern New England Telecommunications.....	21,150
900,000	U. S. WEST.....	37,462
		196,269
ELECTRIC UTILITIES -- 6.5%		
677,500 shs.	BGE.....	\$ 16,937
2,200,000	Centerior Energy.....	21,175
400,000	Dominion Resources.....	14,600
525,000	DQE.....	12,338
1,600,000	Entergy.....	38,600
500,000	Florida Progress.....	15,625
500,000	General Public Utilities.....	14,875

900,000	Pacific Gas and Electric.....	26,100
1,750,000	PacifiCorp.....	32,812
500,000	*Public Service of New Mexico.....	7,125
1,200,000	SCEcorp.....	20,550
1,000,000	Southern Company.....	22,375
750,000	Unicom.....	19,969
		263,081
TOTAL UTILITIES		459,350

CONSUMER NONDURABLES -- 19.7%

COSMETICS -- 0.2%		
250,000	Helene Curtis Industries.....	7,125
BEVERAGES -- 1.3%		
550,000	Anheuser-Busch.....	31,281
600,000	Brown-Forman (Class B).....	20,025
		51,306
FOOD PROCESSING -- 2.8%		
500,000	CPC International.....	30,875
700,000	General Mills.....	35,962
700,000	Quaker Oats.....	23,013
900,000	Sara Lee.....	25,650
		115,500
HOSPITAL SUPPLIES/HOSPITAL MANAGEMENT -- 1.3%		
400,000	Bausch & Lomb.....	16,600
1,000,000	Baxter International.....	36,375
		52,975
PHARMACEUTICALS -- 8.1%		
650,000	American Home Products.....	50,294
700,000	Eli Lilly.....	54,950
600,000	Schering-Plough.....	26,475
1,700,000	SmithKline Beecham, equity units ADR.....	76,925
1,600,000	Upjohn.....	60,600
650,000	Warner-Lambert.....	56,144
		325,388

</TABLE>

4

<TABLE>		
<C>	<S>	<C>
MISCELLANEOUS CONSUMER PRODUCTS -- 6.0%		
1,305,000 shs.	American Brands.....	\$ 51,874
225,000	Clorox.....	14,681
300,000	*Dixie Yarns.....	2,025
800,000	Hanson ADR.....	14,100
346,700	Jostens.....	7,368
950,000	Philip Morris.....	70,656
595,779	RJR Nabisco.....	16,607
800,000	Tambrands.....	34,200
1,000,000	UST.....	29,750
		241,261
TOTAL CONSUMER NONDURABLES		793,555

CONSUMER SERVICES -- 6.2%

RESTAURANTS -- 0.1%		
356,500	*Darden Restaurants.....	3,877
GENERAL MERCHANDISERS -- 3.2%		
292,429	*Carson Pirie Scott.....	4,789
260,000	Dayton Hudson.....	18,655
750,000	J.C. Penney.....	36,000
585,900	May Department Stores.....	24,388
600,000	Sears.....	35,925
700,000	TJX.....	9,275
		129,032
SPECIALTY MERCHANDISERS -- 0.7%		
550,000	Fleming Companies.....	14,575
250,000	Hancock Fabrics.....	2,281
300,000	Melville.....	10,275
		27,131
ENTERTAINMENT & LEISURE -- 0.3%		
189,300	Reader's Digest (Class A), non-voting.....	8,353

107,100	Reader's Digest (Class B).....	4,378
		12,731
MEDIA & COMMUNICATIONS -- 1.9%		
750,000	Dun & Bradstreet.....	39,375
400,000	McGraw-Hill.....	30,350
332,828	Times Mirror (Class A).....	7,946
		77,671
TOTAL CONSUMER SERVICES		250,442

CONSUMER CYCLICALS -- 3.2%		

BUILDING & REAL ESTATE -- 1.9%		
623,000	DeBartolo Realty, REIT.....	9,111
700,000	General Growth Properties, REIT.....	14,262
300,000	McArthur/Glen Realty, REIT.....	4,388
300,000	Rouse.....	5,906
680,000 shs.	Simon Property Group.....	17,085
590,000	Taubman Centers, REIT.....	5,605
500,000	Weingarten Realty Investors, REIT.....	18,875
		75,232
MISCELLANEOUS CONSUMER		
DURABLES -- 1.3%		
675,000	Eastman Kodak.....	40,922
800,000	Maytag.....	12,800
		53,722
TOTAL CONSUMER CYCLICALS		128,954

TECHNOLOGY -- 2.1%		

ELECTRONIC SYSTEMS -- 1.8%		
750,000	EG&G.....	12,562
1,400,000	Honeywell.....	60,375
		72,937
OFFICE AUTOMATION -- 0.3%		
300,000	Pitney Bowes.....	11,513
TOTAL TECHNOLOGY		84,450

CAPITAL EQUIPMENT -- 2.4%		

ELECTRICAL EQUIPMENT -- 1.8%		
850,000	GE.....	47,919
400,000	Hubbell (Class B).....	22,600
		70,519
MACHINERY -- 0.6%		
408,996	Cooper Cameron.....	7,720
467,424	Cooper Industries.....	18,463
		26,183
TOTAL CAPITAL EQUIPMENT		96,702

BUSINESS SERVICES & TRANSPORTATION -- 2.5%		

TRANSPORTATION SERVICES -- 0.8%		
709,900	Alexander & Baldwin.....	15,973
375,000	PHH.....	16,687
		32,660
MISCELLANEOUS BUSINESS		
SERVICES -- 0.7%		
425,000	Deluxe Corp.....	14,078
300,000	GATX.....	14,138
		28,216
RAILROADS -- 1.0%		
320,000	Conrail.....	17,800
400,000	Union Pacific.....	22,150
		39,950
TOTAL BUSINESS SERVICES & TRANSPORTATION		100,826

</TABLE>

5

T. Rowe Price Equity Income Fund / Statement of Net Assets (Unaudited)

<TABLE>

<C>

<S>

<C>

ENERGY -- 10.6%

ENERGY SERVICES -- 0.6%		
500,000 shs.	Halliburton.....	\$ 17,875
250,000	Witco.....	8,062
		25,937
EXPLORATION & PRODUCTION -- 0.2%		
230,000	Eastern Enterprises.....	6,871
GAS TRANSMISSION -- 0.2%		
700,000	TransCanada PipeLines.....	9,363
INTEGRATED PETROLEUM-		
DOMESTIC -- 4.0%		
500,000	Atlantic Richfield.....	54,875
500,000	British Petroleum ADR.....	42,812
381,000	Pennzoil.....	17,955
650,000	Sun Company.....	17,794
1,300,000	USX-Marathon.....	25,675
		159,111
INTEGRATED PETROLEUM-		
INTERNATIONAL -- 5.6%		
300,000	Chevron.....	13,987
1,000,000	Exxon.....	70,625
400,000	Mobil.....	38,400
400,000	Royal Dutch Petroleum ADR.....	48,750
800,000	Texaco.....	52,500
		224,262
TOTAL ENERGY		425,544

PROCESS INDUSTRIES -- 3.1%		

DIVERSIFIED CHEMICALS -- 1.6%		
500,000	DuPont.....	34,375
325,000	Monsanto.....	29,290
		63,665
SPECIALTY CHEMICALS -- 0.6%		
400,000	3M.....	22,900
PAPER & PAPER PRODUCTS -- 0.9%		
600,000	Kimberly-Clark.....	35,925
TOTAL PROCESS INDUSTRIES		122,490

CONGLOMERATES -- 0.5%		

8,000,000	LONRHO (GBP).....	18,769
TOTAL CONGLOMERATES		18,769
MISCELLANEOUS COMMON STOCKS -- 0.4%		
TOTAL COMMON STOCKS (COST \$2,528,699)		3,039,347

Preferred Stocks -- 0.3%		

100,000 shs.	California Federal Bank, 10.625%, Series B.....	\$ 10,775
TOTAL PREFERRED STOCKS (COST \$10,000)		10,775

Convertible Preferred Stocks -- 1.8%		

195,500	Ford Motor, Dep. Shs., \$4.20, Cum., Series A.....	18,988
562,000	James River, Dep. Shs., Series P.....	13,910
60,000	Mobile Telecommunication Technologies (144a), \$2.25.....	2,235
600,000	Newmont Mining (144a), \$2.75.....	35,025
142,172	Times Mirror, \$1.374, Series B.....	3,394
TOTAL CONVERTIBLE PREFERRED STOCKS (COST \$54,060)		73,552

Convertible Bonds -- 1.8%		

\$18,000,000	Banco Nacional de Mexico, Sub. Deb., 7.00%, 12/15/99.....	12,983
18,000,000	Delta, Sub. Deb., 3.23%, 6/15/03.....	17,167
45,900,000	Roche Holding, LYONS, Zero Coupon, 4/20/10.....	18,217
1,000,000	*Rockefeller Center, Euro. Deb., 13.00%, 12/31/00.....	1,023
22,000,000	Time Warner, Sub. Deb., 8.75%, 1/10/15.....	23,017
TOTAL CONVERTIBLE BONDS (COST \$69,262)		72,407

 Corporate Bonds -- 2.7%

5,750,000	American Standard, Sr. Sub. Deb., 9.875%, 6/1/01.....	5,923
5,000,000	Ametek, Sr. Notes, 9.75%, 3/15/04.....	5,250
10,000,000	Coltec Industries, Sr. Sub. Notes, 10.25%, 4/1/02.....	10,350
10,000,000	Container Corporation of America, Sr. Notes, 9.75%, 4/1/03.....	9,900
8,625,000	Continental Cablevision, Sr. Deb., 9.00%, 9/1/08.....	8,668
6,800,000	Crown Central Petroleum, 10.875%, 2/1/05.....	7,106
6,100,000	Exide, 10.75%, 12/15/02.....	6,451

</TABLE>

6

 <TABLE>

<C>	<S>	<C>
\$ 7,000,000	IMC Fertilizer Group, Sr. Notes, 9.25%, 10/1/00.....	\$ 7,192
10,000,000	Imo Industries, Sr. Sub. Deb., 12.00%, 11/1/01.....	10,350
10,000,000	Paging Network, Sr. Sub. Notes, 8.875%, 2/1/06.....	9,100
10,000,000	Riverwood International, Sr. Sub. Notes, 10.375%, 6/30/04.....	11,000
8,000,000	Texas Bottling Group, Sr. Sub. Notes, 9.00%, 11/15/03.....	7,880
5,000,000	Westpoint Stevens, Sr. Notes, 8.75%, 12/15/01.....	4,925
		104,095
MISCELLANEOUS CORPORATE BONDS		3,473
TOTAL CORPORATE BONDS (COST \$105,601)		107,568

 U.S. Government Obligations/Agencies --- 3.3%

	U.S. Treasury Notes,	
20,000,000	5.125%, 11/15/95.....	19,956
30,000,000	6.125%, 7/31/96.....	30,103
35,000,000	6.625%, 3/31/97.....	35,454
30,000,000	7.375%, 11/15/97.....	30,975
17,000,000	8.875%, 11/15/97-5/15/00.....	18,639
TOTAL U.S. GOVERNMENT OBLIGATIONS/AGENCIES (COST \$131,713)		135,127

 Short-Term Investments -- 15.5%

BANK NOTES -- 0.5%

10,000,000	First Union National Bank, 6.12%, 7/31/95.....	10,002
10,000,000	NBD Bank, NA, 6.17%, 10/31/95.....	10,005
		20,007

 CERTIFICATES OF DEPOSIT -- 6.3%

40,000,000	Bank of Montreal, 5.97 - 6.03%, 7/12 - 8/17/95.....	40,000
35,000,000	Bayerische Hypotheken, 6.11 - 6.45%, 7/14/95 - 5/24/96.....	35,023
35,000,000	Bayerische Vereinsbank, 6.00%, 7/17/95.....	35,000
20,000,000	Caisse Nationale de Credit Agricole, 6.19%, 7/27/95.....	20,002
35,000,000	National Westminster Bank, 6.01 - 6.125%, 8/11 - 11/8/95.....	35,006
25,000,000	Nordeutsche Landesbank (London), 6.03%, 7/31/95.....	25,002
\$15,000,000	Societe Generale, 6.05%, 7/7/95.....	\$ 15,001
50,000,000	Swiss Bank, 6.01%, 7/21/95.....	50,001
		255,035

COMMERCIAL PAPER -- 8.0%

20,000,000	American Express, 6.05%, 7/10/95.....	19,697
10,000,000	Asset Securitization Cooperative, 4(2), 5.83%, 9/20/95.....	9,854
10,000,000	Barnett Banks, 6.02%, 7/6/95.....	9,973
20,000,000	Bell Atlantic Network Funding, 5.97%, 7/11/95.....	19,954
10,000,000	Caisse des Depots et Consignations, 4(2), 5.95%, 7/21/95.....	9,936
10,000,000	Canadian Wheat Board, 6.01%, 10/24/95.....	9,700
91,000	Cargill Financial Services, 6.10%, 7/3/95.....	91
20,000,000	Electronic Data Systems, 5.95%, 7/17/95.....	19,848
30,000,000	Falcon Asset Securitization, 4(2), 5.97%, 7/13/95.....	29,786
30,000,000	KFW International Finance, 5.95%, 7/28/95.....	29,838
10,000,000	Kingdom of Sweden, 6.025%, 9/25/95.....	9,744
20,000,000	Leeds Permanent Building Society, 6.04%, 10/10/95.....	19,433
10,000,000	MCA Funding, 4(2), 6.17%, 9/11/95.....	9,693
25,000,000	New Center Asset Trust, 5.95 - 6.05%, 7/6 - 8/3/95.....	24,716
10,000,000	Preferred Receivables Funding, 5.90%, 8/15/95.....	9,920
25,000,000	Rabobank Nederland, 6.00%, 7/3/95.....	24,946
15,000,000	Rockwell International, 4(2), 6.15%, 9/6/95.....	14,518
20,000,000	Statoil (Den Norske Stats Oljeselskap), 5.96%, 7/11/95.....	19,904
14,500,000	UBS Finance (Delaware), 6.25%, 7/3/95.....	14,492
15,000,000	United Parcel Service, 5.88%, 9/20/95.....	14,777
		320,820

MEDIUM-TERM NOTES -- 0.7%

10,000,000	Avco Financial Services, VR, 6.103%, 12/21/95.....	10,000
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</TABLE>

7

T. Rowe Price Equity Income Fund / Statement of Net Assets (Unaudited)

<TABLE>

<C> <S> <C>

MEDIUM-TERM NOTES (cont'd)

\$18,600,000	Wells Fargo, VR, 6.063%, 9/16/96.....	\$ 18,595
		28,595
TOTAL SHORT-TERM INVESTMENTS (COST \$624,457)		624,457
TOTAL INVESTMENTS IN SECURITIES -- 100.9% OF NET ASSETS (COST \$3,523,792)		\$ 4,063,233
OTHER ASSETS LESS LIABILITIES.....		\$ (37,208)

NET ASSETS CONSIST OF:	Value

Accumulated net investment income-net of distributions.....	2,358
Accumulated net realized gain/loss-net of distributions.....	66,092
Net unrealized gain (loss).....	539,536
Paid-in-capital applicable to 224,173,214 no par value shares of beneficial	

interest outstanding; unlimited
number of shares authorized..... 3,418,039

NET ASSETS..... \$ 4,026,025
=====

NET ASSET VALUE PER SHARE..... \$17.96
=====

</TABLE>

* Non-income producing

REIT Real Estate Investment Trust

VR Variable rate

4(2) Commercial Paper sold within terms of a private placement memorandum,
exempt from registration under section 4.2 of the Securities Act of
1933, as amended, and may be sold only to dealers in that program or
other "accredited investors."

144a Security was purchased pursuant to Rule 144a under the Securities Act
of 1933 and may not be resold subject to that rule except to qualified
institutional buyers--total of such securities at period-end amounts to
0.93% of net assets.

GBP British sterling

SEK Swedish krona

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

8

Statement of Operations

T. Rowe Price Equity Income Fund / Six Months Ended June 30, 1995 (Unaudited)
(in thousands)

<TABLE>

<S>	<C>
INVESTMENT INCOME	
Income	
Dividend.....	\$ 57,852
Interest.....	28,319

Total income.....	86,171

Expenses	
Investment management.....	10,764
Shareholder servicing.....	4,176
Prospectus and shareholder reports.....	166
Custodian and accounting.....	146
Registration.....	82
Trustees.....	24
Legal and audit.....	14
Miscellaneous.....	37

Total expenses.....	15,409

Net investment income.....	70,762

REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on:	
Securities.....	67,854
Foreign currency transactions.....	(56)

Net realized gain (loss).....	67,798

Change in net unrealized gain or loss on:	
Securities.....	378,362
Other assets and liabilities denominated in foreign currencies.....	97

Change in net unrealized gain or loss.....	378,459

Net realized and unrealized gain (loss).....	446,257

INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS.....	\$517,019
	=====

</TABLE>

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

Statement of Changes in Net Assets

T. Rowe Price Equity Income Fund (Unaudited)
(in thousands)

<TABLE>
<CAPTION>

	Six Months Ended June 30, 1995	Year Ended Dec. 31, 1994
	-----	-----
	<C>	<C>
<S>		
INCREASE (DECREASE) IN NET ASSETS FROM		
Operations		
Net investment income.....	\$ 70,762	\$ 109,184
Net realized gain (loss).....	67,798	158,971
Change in net unrealized gain or loss.....	378,459	(134,234)
	-----	-----
Increase (decrease) in net assets from operations.....	517,019	133,921
	-----	-----
Distributions to shareholders		
Net investment income.....	(69,829)	(107,759)
Net realized gain.....	(29,640)	(152,377)
	-----	-----
Decrease in net assets from distributions.....	(99,469)	(260,136)
	-----	-----
Capital share transactions*		
Shares sold.....	630,260	760,081
Distributions reinvested.....	95,865	251,069
Shares redeemed.....	(321,501)	(532,431)
	-----	-----
Increase (decrease) in net assets from capital share transactions.....	404,624	478,719
	-----	-----
Increase (decrease) in net assets.....	822,174	352,504
NET ASSETS		
Beginning of period.....	3,203,851	2,851,347
	-----	-----
End of period.....	\$4,026,025	\$3,203,851
	=====	=====

*Share information

Shares sold.....	36,798	45,628
Distributions reinvested.....	5,523	15,592
Shares redeemed.....	(18,596)	(32,027)
	-----	-----
Increase (decrease) in shares outstanding.....	23,725	29,193
	=====	=====

</TABLE>

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

10

Notes to Financial Statements

T. Rowe Price Equity Income Fund / June 30, 1995 (Unaudited)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

T. Rowe Price Equity Income Fund (the fund) is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company.

A) Valuation - Equity securities listed or regularly traded on a securities exchange are valued at the last quoted sales price at the time the valuations are made. A security which is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities that are not traded on a particular day and securities that are regularly traded in the over-the-counter market are valued at the mean of the latest bid and asked prices. Other equity securities are valued at a price within the limits of the latest bid and asked prices deemed by the Board of Trustees, or by persons delegated by the Trustees, best to reflect fair value.

Debt securities are generally traded in the over-the-counter market and are valued at a price deemed best to reflect fair value as quoted by dealers who make markets in these securities or by an independent pricing service. Short-

term debt securities are valued at their cost which, when combined with accrued interest, approximates fair value.

For purposes of determining the fund's net asset value per share, the U.S. dollar value of all assets and liabilities initially expressed in foreign currencies is determined by using the mean of the bid and offer prices of such currencies against U.S. dollars quoted by a major bank.

Assets and liabilities 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 or under the supervision of the officers of the fund, as authorized by the Board of Trustees.

B) Currency Translation - Assets and liabilities are translated into U.S. dollars at the prevailing exchange rate at the end of the reporting period. Purchases and sales of securities and income and expenses are translated into U.S. dollars at the prevailing exchange rate on the dates of such transactions. The effect of changes in foreign exchange rates on realized and unrealized security gains and losses is reflected as a component of such gains and losses.

C) Other - Income and expenses are recorded on the accrual basis. Investment transactions are accounted for on the trade date. Realized gains and losses are reported on an identified cost basis. Dividend income and distributions to shareholders are recorded by the fund on the ex-dividend date. Income and capital gain distributions are determined in accordance with federal income tax regulations and may differ from those determined in accordance with generally accepted accounting principles.

NOTE 2 - INVESTMENT TRANSACTIONS

Purchases and sales of portfolio securities, other than short-term and U.S. government securities, aggregated \$494,037,000 and \$449,376,000, respectively, for the six months ended June 30, 1995.

NOTE 3 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income.

At June 30, 1995, the aggregate cost of investments for federal income tax and financial reporting purposes was \$3,523,792,000 and net unrealized gain aggregated \$539,441,000, of which \$574,756,000 related to appreciated investments and \$35,315,000 to depreciated investments.

11

Notes to Financial Statements

T. Rowe Price Equity Income Fund / June 30, 1995 (Unaudited)

NOTE 4 - RELATED PARTY TRANSACTIONS

The investment management agreement between the fund and T. Rowe Price Associates, Inc. (the Manager) provides for an annual investment management fee, of which \$1,957,000 was payable at June 30, 1995. The fee is computed daily and paid monthly, and consists of an Individual Fund Fee equal to 0.25% of average daily net assets and a Group Fee. The Group Fee is based on the combined assets of certain mutual funds sponsored by the Manager or Rowe-Price Fleming International, Inc. (the Group). The Group Fee rate ranges from 0.48% for the first \$1 billion of assets to 0.31% for assets in excess of \$34 billion. At June 30, 1995, and for the six months then ended, the effective annual Group Fee rate was 0.34%. The fund pays a pro rata share of the Group Fee based on the ratio of its net assets to those of the Group.

In addition, the fund has entered into agreements with the Manager and two wholly owned subsidiaries of the Manager, pursuant to which the fund receives certain other services. The Manager computes the daily share price and maintains the financial records of the fund. T. Rowe Price Services, Inc. (TRPS) is the fund's transfer and dividend disbursing agent and provides shareholder and administrative services to the fund. T. Rowe Price Retirement Plan Services, Inc. provides subaccounting and recordkeeping services for certain retirement accounts invested in the fund. Additionally, the fund is one of several T. Rowe Price mutual funds (the Underlying Funds) in which the T. Rowe Price Spectrum Growth and Income Funds (Spectrum) invests. In accordance with an Agreement among Spectrum, the Underlying Funds, the Manager and TRPS, expenses from the operation of Spectrum are borne by the Underlying Funds based on each Underlying Fund's proportionate share of assets owned by Spectrum. The fund incurred expenses pursuant to these related party agreements totaling approximately \$3,631,000 for the six months ended June 30, 1995, of which \$627,000 was payable at period-end.

12

 Financial Highlights

T. Rowe Price Equity Income Fund (Unaudited)

For a share outstanding throughout each period

<TABLE>
 <CAPTION>

	Six Months	Year Ended December 31,				
	Ended June 30, 1995	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NET ASSET VALUE, BEGINNING OF PERIOD.....	\$15.98	\$16.65	\$15.63	\$14.62	\$12.27	\$14.06
Investment Activities						
Net investment income.....	0.32	0.60	0.54	0.62	0.62	0.67
Net realized and unrealized gain (loss).....	2.12	0.13	1.74	1.41	2.44	(1.62)
Total from Investment Activities.....	2.44	0.73	2.28	2.03	3.06	(0.95)
Distributions						
Net investment income.....	(0.32)	(0.59)	(0.54)	(0.63)	(0.61)	(0.65)
Net realized gain.....	(0.14)	(0.81)	(0.72)	(0.39)	(0.10)	(0.19)
Total Distributions.....	(0.46)	(1.40)	(1.26)	(1.02)	(0.71)	(0.84)
NET ASSET VALUE, END OF PERIOD.....	\$17.96	\$15.98	\$16.65	\$15.63	\$14.62	\$12.27

RATIOS/SUPPLEMENTAL DATA						
Total Return.....	15.4%	4.5%	14.8%	14.1%	25.3%	(6.8)%
Ratio of Expenses to Average Net Assets.....	0.85%+	0.88%	0.91%	0.97%	1.05%	1.13%
Ratio of Net Investment Income to Average Net Assets.....	3.88%+	3.63%	3.23%	3.95%	4.44%	5.09%
Portfolio Turnover Rate.....	28.1%+	36.3%	31.2%	30.0%	33.5%	24.4%
Net Assets, End of Period (in thousands).....	\$4,026,025	\$3,203,851	\$2,851,347	\$2,091,535	\$1,335,400	\$862,059

</TABLE>

+ Annualized.

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To help shareholders monitor their current investments and make decisions that accurately reflect their financial goals, T. Rowe Price offers a wide variety of information and services--at no extra cost.

KNOWLEDGEABLE SERVICE REPRESENTATIVES

BY PHONE--Shareholder service representatives are available from 8:00 a.m. to 10:00 p.m., Monday - Friday, and weekends from 9:00 a.m. to 5:00 p.m ET. Call 1-800-225-5132 to speak directly with a representative who will be able to assist you with your accounts.

IN PERSON--Visit one of our investor center locations to meet with a representative who will be able to assist you with your accounts. While there, you can drop off applications or obtain prospectuses and other literature.

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Tele*Access(R) (1-800-638-2587) provides information such as account balance, date and amount of your last transaction, latest dividend payment, and fund prices and yields. Additionally, you have the ability to request prospectuses, statements, account and tax forms; reorder checks; and initiate purchase, redemption, and exchange orders for identically registered accounts.

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Automatic Investing--Build your account over time by investing directly from your bank account or paycheck with Automatic Asset Builder. Additionally, Automatic Exchange enables you to set up systematic investments from one fund account into another, such as from a money fund into a stock fund. A low, \$50 minimum makes it easy to get started.

Automatic Withdrawal--If you need money from your fund account on a regular basis, you can establish scheduled, automatic redemptions.

Dividend and Capital Gains Payment Options--Reinvest all or some of your distributions, or take them in cash. We give you maximum flexibility and convenience.

INVESTMENT INFORMATION

Combined Statement--A comprehensive overview of your T. Rowe Price accounts. The summary page gives your earnings by tax category, provides total portfolio value, and lists your investments by type--stock, bond, and money market. Detail pages itemize account transactions by fund.

Quarterly Shareholder Reports--Portfolio managers review the performance of the funds in plain language and discuss T. Rowe Price's economic outlook.

The T. Rowe Price Report--A quarterly newsletter with relevant articles on market trends, personal financial planning, and T. Rowe Price's economic perspective.

Insights--A library of information that includes reports on mutual fund tax issues, investment strategies, and financial markets.

Detailed Investment Guides--Our widely acclaimed Asset Mix Worksheet, College Planning Kit, Retirees Financial Guide, Retirement Planning Kit (also available on disk for PC use), and Guide to Risk-Adjusted Performance can help you determine and reach your investment goals.

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14

T. Rowe Price No-Load Mutual Funds

STABILITY

Prime Reserve
Summit Cash Reserves
U.S. Treasury Money
California Tax-Free Money
New York Tax-Free Money
Summit Municipal Money Market
Tax-Exempt Money

CONSERVATIVE INCOME

Short-Term Bond
Short-Term Global Income
Short-Term U.S. Government
Summit Limited-Term Bond
U.S. Treasury Intermediate
Florida Insured Intermediate Tax-Free
Maryland Short-Term Tax-Free Bond
Summit Municipal Intermediate
Tax-Free Insured Intermediate Bond
Tax-Free Short-Intermediate
Virginia Short-Term Tax-Free Bond

INCOME

Global Government Bond
GNMA
New Income
Spectrum Income
Summit GNMA
U.S. Treasury Long-Term
California Tax-Free Bond
Georgia Tax-Free Bond
Maryland Tax-Free Bond
New Jersey Tax-Free Bond
New York Tax-Free Bond
Summit Municipal Income

Tax-Free Income
Virginia Tax-Free Bond

AGGRESSIVE INCOME
Emerging Markets Bond
High Yield
International Bond
Tax-Free High Yield

CONSERVATIVE GROWTH
Balanced
Capital Appreciation
Dividend Growth
Equity Income
Equity Index
Growth & Income
Spectrum Growth
Value

GROWTH
Blue Chip Growth
European Stock
Growth Stock
International Stock
Japan
Mid-Cap Growth
New Era
Small-Cap Value

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15

SEMIANNUAL REPORT

T. Rowe Price

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JUNE 30, 1995

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EIF