Franklin Resources, Inc.

2011 Citi Financial Services Conference – March 9, 2011



Forward-Looking Statements

The financial results in this presentation are preliminary. Statements in this presentation regarding Franklin Resources, Inc. (“Franklin”) and its subsidiaries, which are not historical facts, are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. When used in this presentation, words or phrases generally written in the future tense and/or preceded by words such as “will”, “may”, “could”, “expect”, “believe”, “anticipate”, “intend”, “plan”, “seek”, “estimate” or other similar words are forward-looking statements. Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. We caution you therefore against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance.

These and other risks, uncertainties and other important factors are described in more detail in Franklin’s recent filings with the U.S. Securities and Exchange Commission, including, without limitation, in Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations in Franklin’s Annual Report on Form 10-K for the fiscal year ended September 30, 2010 and subsequently filed Form 10-Q’s: (1) volatility and disruption of the capital and credit markets, and adverse changes in the global economy, may significantly affect our results of operations and may put pressure on our financial results; (2) the amount and mix of our assets under management are subject to significant fluctuations; (3) we are subject to extensive and complex, overlapping and frequently changing rules, regulations and legal interpretations; (4) regulatory and legislative actions and reforms have made the regulatory environment in which we operate more costly and future actions and reforms could adversely impact our assets under management, increase costs and negatively impact our profitability and future financial results; (5) changes in tax laws or exposure to additional income tax liabilities could have a material impact on our financial condition, results of operations and liquidity; (6) any significant limitation or failure of our software applications, technology or other systems that are critical to our operations could constrain our operations; (7) our investment management business operations are complex and a failure to properly perform operational tasks or the misrepresentation of our products and services could have an adverse effect on our revenues and income; (8) we face risks, and corresponding potential costs and expenses, associated with conducting operations and growing our business in numerous countries; (9) we depend on key personnel and our financial performance could be negatively affected by the loss of their services; (10) strong competition from numerous and sometimes larger companies with competing offerings and products could limit or reduce sales of our products, potentially resulting in a decline in our market share, revenues and net income; (11) changes in the third-party distribution and sales channels on which we depend could reduce our revenues and hinder our growth; (12) our increasing focus on international markets as a source of investments and sales of investment products subjects us to increased exchange rate and other risks in connection with earnings and income generated overseas; (13) poor investment performance of our products could affect our sales or reduce the level of assets under management, potentially negatively impacting our revenues and income; (14) we could suffer losses in earnings or revenue if our reputation is harmed; (15) our future results are dependent upon maintaining an appropriate level of expenses, which is subject to fluctuation; (16) our ability to successfully integrate widely varied business lines can be impeded by systems and other technological limitations; (17) our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability; (18) certain of the portfolios we manage, including our emerging market portfolios, are vulnerable to significant market-specific political, economic or other risks, any of which may negatively impact our revenues and income; (19) our revenues, earnings and income could be adversely affected if the terms of our management agreements are significantly altered or these agreements are terminated by the funds and other sponsored investment products we advise; (20) regulatory and governmental examinations and/or investigations, civil litigation relating to previously-settled regulatory and governmental investigations, and the legal risks associated with our business, could adversely impact our assets under management, increase costs and negatively impact our profitability and/or our future financial results; (21) our ability to meet cash needs depends upon certain factors, including the market value of our assets, operating cash flows and our perceived creditworthiness; (22) diverse and strong competition limits the interest rates that we can charge on consumer loans; (23) our business could be negatively affected if we or our banking subsidiaries fail to remain well capitalized, and liquidity needs could affect our banking business; and (24) we are dependent on the earnings of our subsidiaries.

Any forward-looking statement made by us in this presentation speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

The information in this presentation is provided solely in connection with this presentation, and is not directed toward existing or potential investment advisory clients or fund shareholders.

Franklin Templeton Investments

Our Core Strengths

Unwavering Focus on Investment Excellence

- Premier investment management organization dedicated to active management
- Specialized, independent managers offer diverse investment solutions across multiple asset classes
- Time-tested investment disciplines–backed by exceptional research—enabling strong long-term performance
- Integrated and comprehensive approach to investment risk management with a proven record of success

Strength and Stability

- 60+ years of experience with a proven ability to navigate through all market cycles
- Globally diversified business (by investment objective, geography and client type)
- Fiscal responsibility embedded in all aspects of our business
- Strong financial track record

Global Perspective with Local Expertise

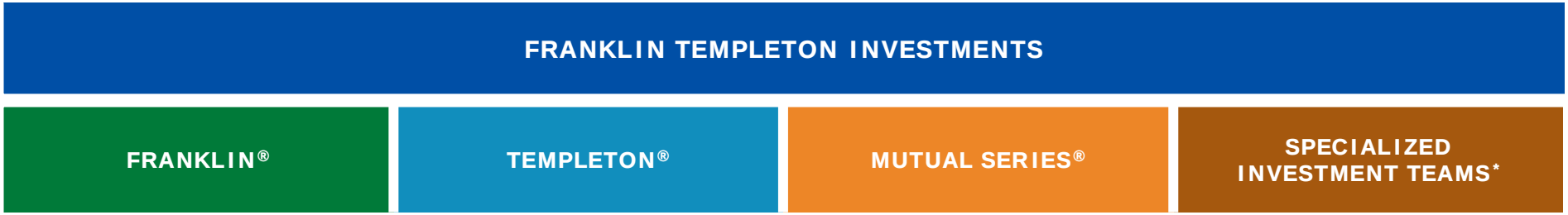
- Pioneer in global investing with a track record of innovation
- Unmatched breadth and depth of global presence
- Global perspective informed by local insights
- Deep experience and long-term commitment to the markets we enter

Valued Partner

- Long-standing commitment to financial professionals founded on the value of advice
- Strong tradition of corporate values that form the foundation of our culture and guide how we work
- Continual focus on enhancing the value we bring to our customers (delivering relevant investment strategies, services, tools & support)
- Dedicated to corporate citizenship

The Expertise of Many

Our World-Class Investment Management Groups



Time-Tested Expertise

- The separate investment management groups at Franklin, Templeton and Mutual Series were established over 60 years ago
- Each seeks to offer specialized expertise with distinct investment focuses ranging from tax-free income to core equity to global investing
- Our portfolio managers stay true to their disciplines, regardless of short-term market cycles

True Diversification, Not Duplication

- Since our management groups may pursue different investment approaches, Franklin, Templeton and Mutual Series strategies typically have distinct portfolios
- The breadth of our product line aims to provide our clients with an array of solutions designed to meet their strategic goals

* Specialized Investment Teams include: Franklin Templeton Real Estate Advisors, Darby, Local Asset Management teams, Franklin Templeton Multi-Asset Strategies and Fiduciary Wealth Management.

Wide Range of Investment Solutions

FRANKLIN TEMPLETON INVESTMENTS

Key Strategies

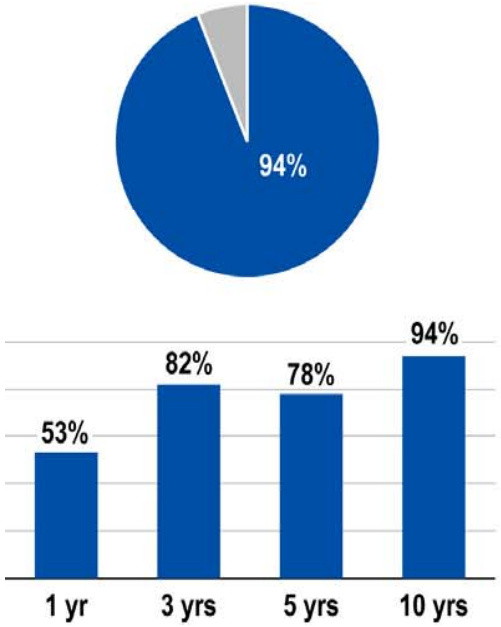
	U.S. Fixed Income	Global Fixed Income	Core / Hybrid	Value Equity	Growth Equity	Global Equity	Int'l Equity	Emerging Markets	Local Asset Mgmt	Private Equity	Real Estate
U.S. Retail	34 Municipal Bond Funds (1977)	Templeton Global Bond Fund (1986)	Franklin Income Fund (1948)	Mutual Shares Fund (1949)	Franklin Growth Fund (1948)	Templeton Growth Fund (1954)	Templeton Foreign Fund (1982)	Templeton Developing Markets Trust (1991)	Franklin India Growth Fund (2008)	N/A	Franklin Real Estate Securities Fund (1994)
Int'l Retail	FTIF Franklin U.S. Government Fund (1991)	FTIF Templeton Global Bond Fund (1991)	FTIF Templeton Global Balanced Fund (1994)	FTIF Franklin Mutual Beacon Fund (1997)	FTIF Franklin U.S. Opportunities Fund (2000)	Templeton Growth Fund (1982) *Germany*	FTIF Templeton European Fund (1991)	Templeton Emerging Markets Investment Trust (1989) *UK*	FTIF Franklin World Perspectives Fund (2008)	Darby FT Private Equity Strategy (2008) *India*	FTIF Franklin Global Real Estate Fund (2005)
Global Inst.	Franklin Templeton U.S. High Yield (2002)	Franklin Templeton Global Bond Plus (1986)	Franklin Templeton Global & Non-U.S. Blend (2002)	Templeton Global Equity (1980)	FGA Global Equity (1991)	Templeton Global Equity (1980)	Templeton Non-U.S. Equity (1989)	Templeton Emerging Markets Equity (1992)	Franklin India Equity (2005)	Templeton Strategic Emerging Markets Fund III (2008)	Franklin Templeton Global Private Real Estate (1984)

1. Dates are inception dates for funds and institutional composites or strategies.
2. Each FTIF (Franklin Templeton Investment Fund) fund is a sub-fund of the Luxembourg-registered SICAV. "SICAV" refers to Franklin Templeton Investment Funds SICAV (societe d'investissement a capital variable), our Luxembourg-domiciled investment fund that is sold cross-border outside the U.S.

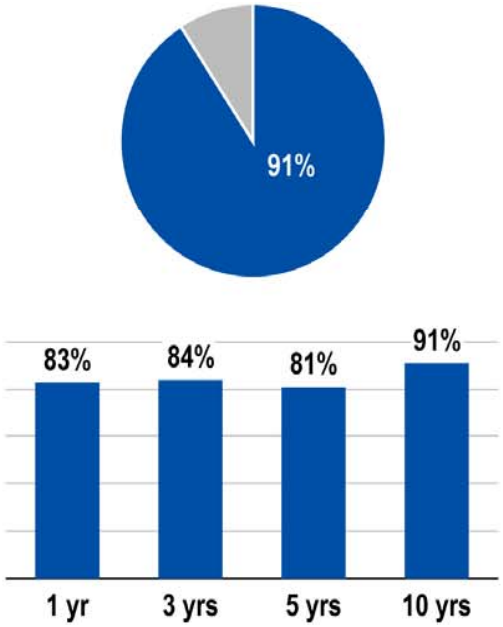
Strong Long-Term Performance

Percentage of Long-Term Assets in Top Two Quartiles[1] for the 1-Year Period Ended Dec. 31, 2010

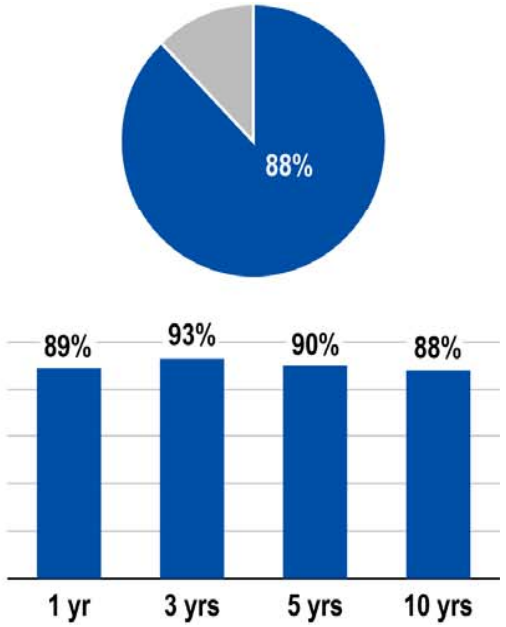
Franklin Templeton U.S. Mutual Funds[2]



Franklin Templeton Cross-Border Funds[3]



Franklin Templeton Institutional Composites[4]



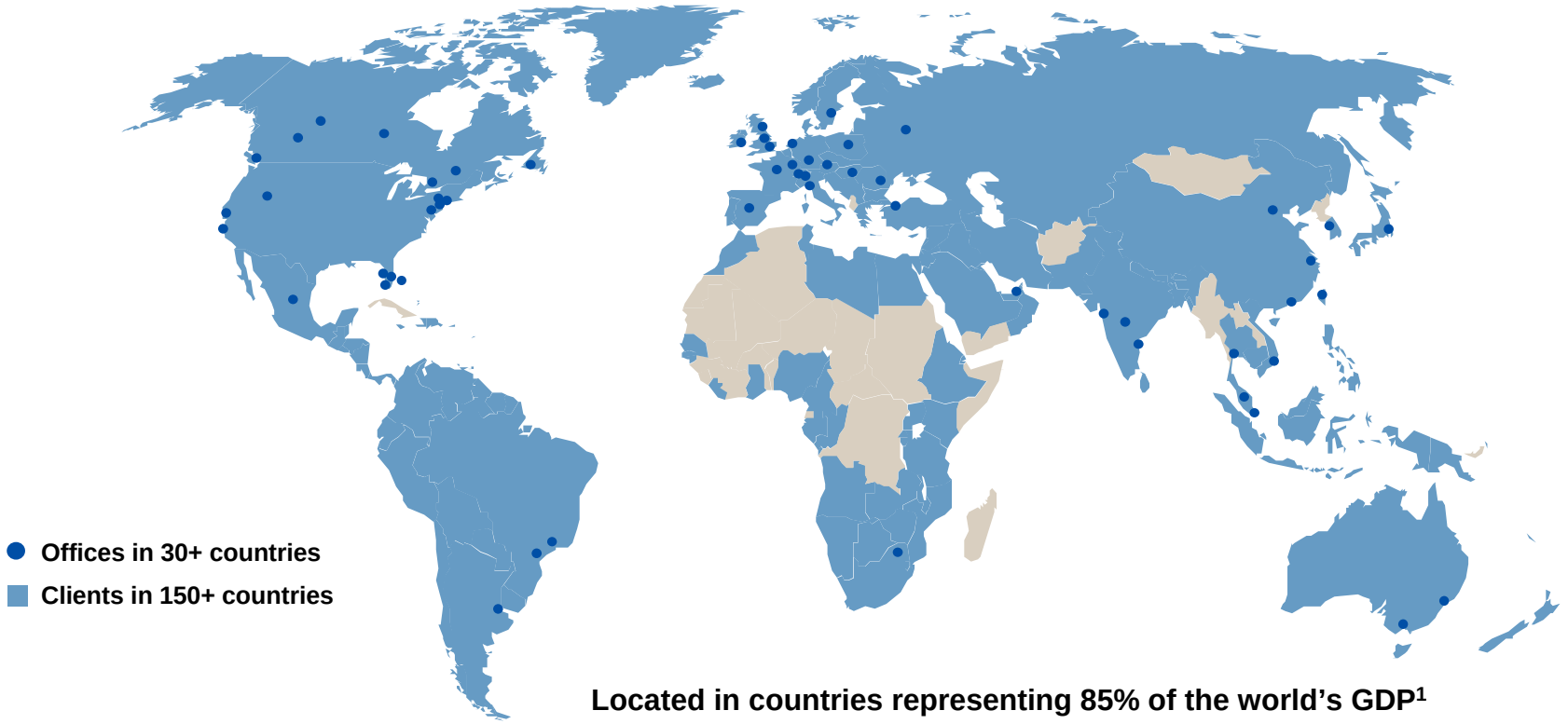
Performance quoted represents past performance, which cannot predict or guarantee future results.

1. Lipper rankings for Franklin Templeton U.S.-registered long-term mutual funds are based on Class A shares and do not include sales charges. Franklin Templeton funds are compared against a universe of all share classes. Performance rankings for other share classes may differ. Morningstar rankings for Franklin Templeton cross-border mutual funds are based on primary share classes and do not include sales charges. Performance rankings for other share classes may differ. Each percentage of assets figure represents composites reported to eVestment, is not inclusive of all composite assets within Franklin Templeton Institutional, LLC and its affiliates, and only includes composites for which a continuous performance history has been reported to eVestment for the respective period. Franklin and Templeton are considered separate firms as defined by the Global Investment Performance Standards (GIPS®). Additional information regarding Franklin and Templeton's firm policies and procedures for calculating and reporting performance results are available upon request. To 2. Source: Lipper, Inc., 12/31/10. Of the eligible Franklin Templeton long-term mutual funds tracked by Lipper, 29, 34, 30, and 42 funds ranked in the top quartile and 30, 37, 32, and 24 funds ranked in the second quartile of their respective Lipper peer groups for the 1-, 3-, 5-, 10-year periods, respectively, for cumulative total return.

3. Source: Morningstar, 12/31/10. Of the eligible Franklin Templeton long-term mutual funds tracked by Morningstar, 25, 30, 20, and 12 funds ranked in the top quartile; and 24, 12, 5, and 7 funds ranked in the second quartile of their respective Morningstar categories for the 1-, 3-, 5- and 10-year periods, respectively, for average annual total return.

4. Source: eVestment Alliance, LLC, 12/31/10. eVestment rankings are based on Franklin Templeton institutional composites performance before deduction of management fees. Management fees will reduce an investors' return. Franklin Templeton Institutional composites are compared against institutional composites that invest in a comparable asset class. Competitor performance may or may not include management fees. Of the eligible Franklin Templeton long-term institutional composites tracked by eVestment Alliance, 10, 10, 9 and 6 composites ranked in the top quartile; 10, 11, 11 and 5 composites ranked in the second quartile of their respective eVestment categories for the 1-, 3-, 5- and 10-year periods, respectively, for cumulative total return.

Breadth and Depth of Our Global Presence



Located in countries representing 85% of the world's GDP[1]

The Americas

United States (1947)
Bahamas (1968)
Canada (1982)
Argentina (1994)
Brazil (1994)
Mexico (2005)

Europe/Middle East/Africa

United Kingdom (1986)
Luxembourg (1988)
Switzerland (1988)
Germany (1992)
France (1994)
Italy (1995)
Netherlands (1997)
Poland (1997)
South Africa (1997)
UAE (1997)
Spain (1998)
Sweden (1998)
Russia (1999)
Austria (2005)
Turkey (2005)
Hungary (2008)
Romania (2010)

Asia-Pacific

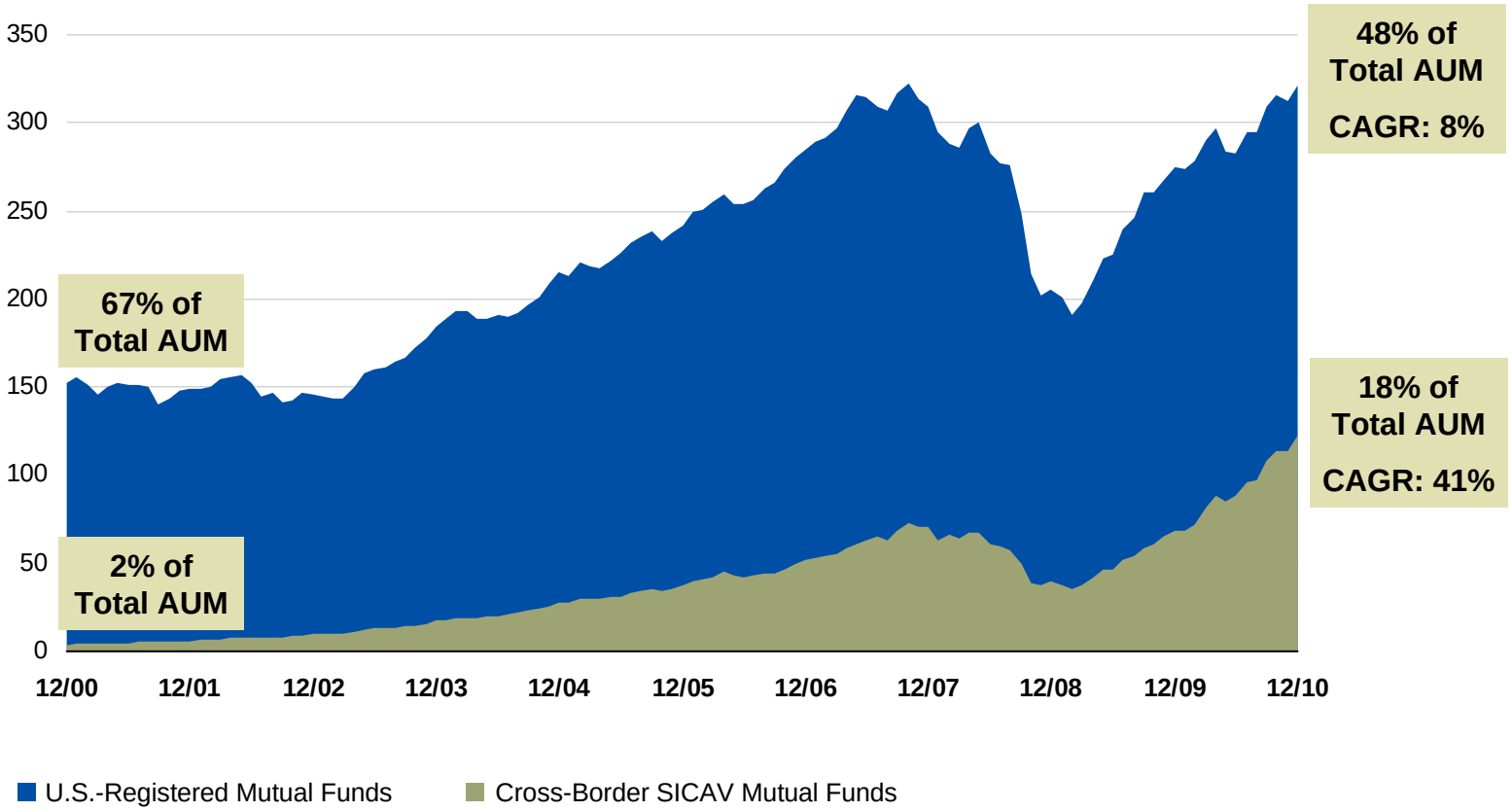
Australia (1986)
Taiwan[2] (1986)
Singapore (1990)
Hong Kong (1994)
India (1995)
Japan (1996)
South Korea (1997)
China (2004)
Vietnam (2008)
Malaysia (2009)
Thailand (2010)

1. Based on information from IMF, World Economic Outlook Database, October 2010.
2. With exclusive distribution agreement appointed.
Dates indicates date of establishing presence via an office opening or acquiring stake in a joint venture.

Our Global Business is Growing

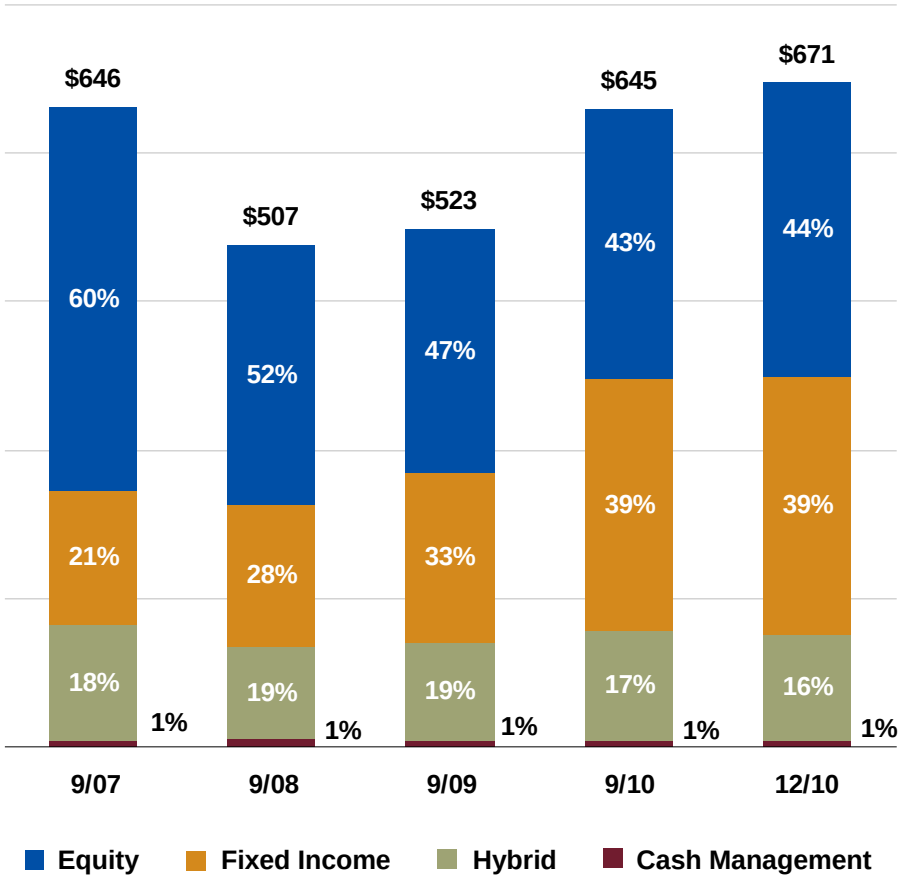
10-Year Growth of U.S. and SICAV Long-Term Mutual Funds

Assets Under Management in $US Billions

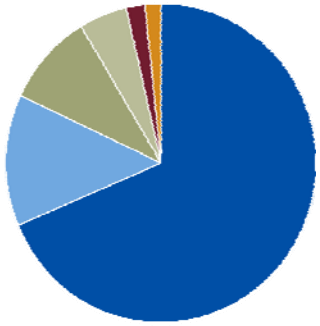


Broad and Diversified Client and Asset Base

Assets Under Management in USD Billions

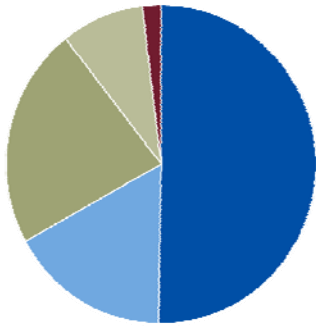


AUM by Region



United States	69%
Europe	13%
Asia-Pacific	9%
Canada	5%
Middle East/Africa	2%
Americas	2%

AUM by Client Type



Retail	72%
United States	50%
International	22%
Institutional	26%
United States	17%
International	9%
High Net Worth	2%

The Value of Diversification

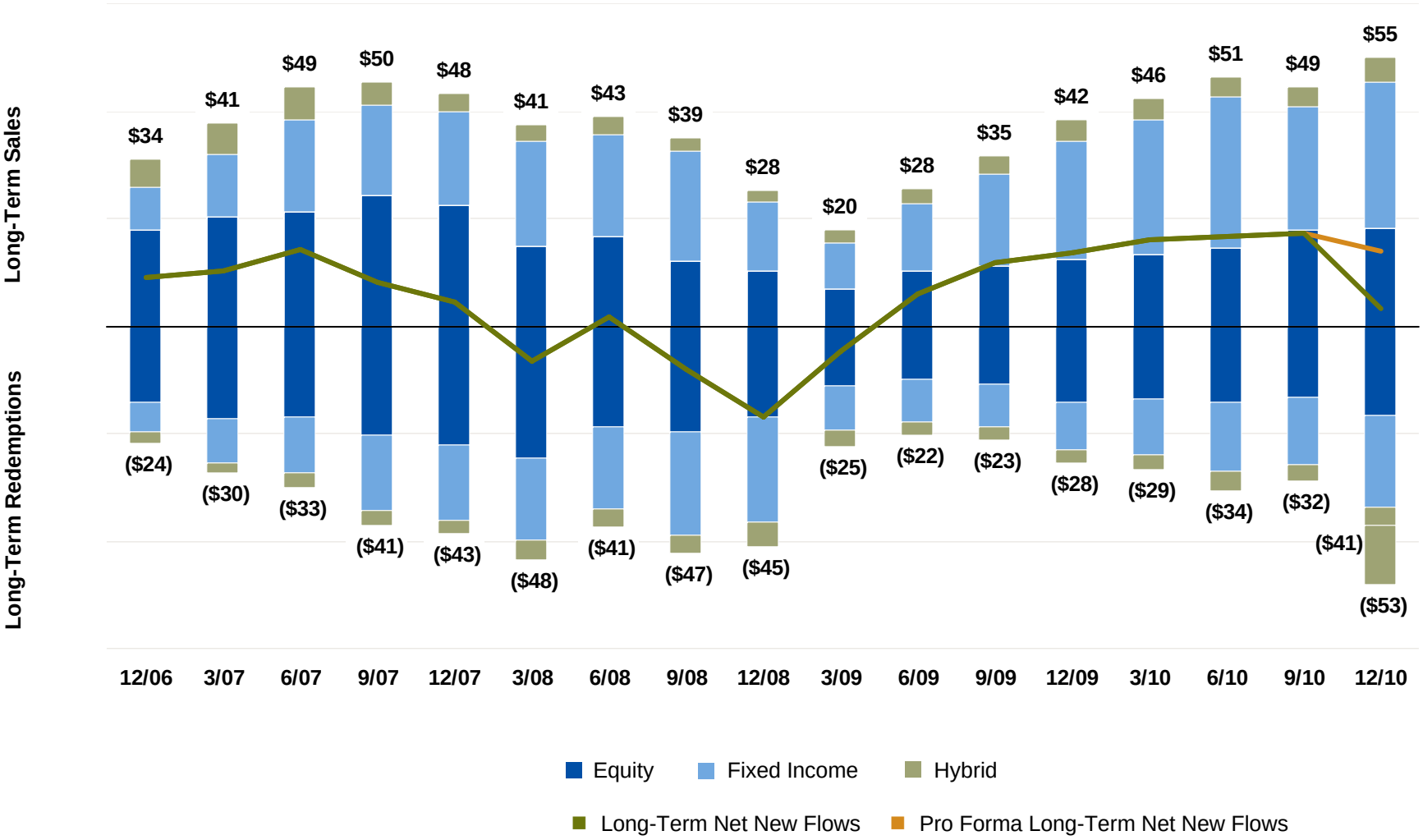
Rotation of Net New Flows by Top 15 Regional Offices

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	Taiwan	United States	United States	United States	United States	United States	United States	Gulf & E. Med.	South America	United States
2	India	Korea	Japan	Germany	Germany	Taiwan	Taiwan	Hong Kong	Taiwan	Italy
3	Germany	Germany	Germany	Japan	Switzerland	Germany	Italy	Australia	Benelux	Switzerland
4	Korea	Taiwan	Taiwan	Switzerland	Canada	Italy	Canada	Singapore	China	Central & E. Europe
5	South America	Hong Kong	India	Italy	Italy	India	India	Japan	Korea	Taiwan
6	Singapore	Italy	Hong Kong	India	Taiwan	Spain	Hong Kong	Central & E. Europe	Malaysia	Germany
7	France	Canada	South America	Spain	South America	South America	Korea	Africa	Singapore	South America
8	Japan	France	Switzerland	Canada	France	Hong Kong	South America	Central America	Hong Kong	Hong Kong
9	Hong Kong	Japan	Italy	United Kingdom	Japan	Gulf & E. Med.	United Kingdom	South America	Gulf & E. Med.	United Kingdom
10	Africa	Switzerland	Singapore	France	Spain	United Kingdom	France	France	Austria	India
11	United Kingdom	South America	Spain	South America	Benelux	Singapore	Australia	India	Switzerland	Spain
12	Nordic	United Kingdom	Gulf & E. Med.	Taiwan	Hong Kong	France	Switzerland	Austria	Central America	Singapore
13	Spain	Singapore	Benelux	Singapore	Nordic	Central & E. Europe	Central & E. Europe	Nordic	Central & E. Europe	Benelux
14	Switzerland	India	Central & E. Europe	Benelux	United Kingdom	Central America	Central America	Taiwan	Africa	France
15	Italy	Spain	Austria	Austria	Gulf & E. Med.	Nordic	Spain	Benelux	United Kingdom	Korea

South America region includes: Brazil, Colombia, Ecuador, French Guiana, Guyana, Peru, Suriname, Venezuela, Argentina, Bolivia, Chile, Paraguay, Uruguay. Central America region includes; Mexico, Panama, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Belize. Nordic region includes: Sweden, Norway, Finland, Denmark, Iceland. Central and Eastern Europe region includes: Poland, Israel, Latvia, Lithuania, Hungary, Czech Republic, Slovak Republic, Croatia, Romania, Bulgaria, Slovenia, Estonia, Russia, Ukraine, Kazakhstan. Gulf and Eastern Mediterranean region includes: Turkey, Cyprus, Greece, Egypt, Lebanon, Jordan, Bahrain, Qatar, Oman, UAE, Kuwait.

Diversification Benefits Flows

Quarterly Long-Term Flows by Investment Objective in USD Billions

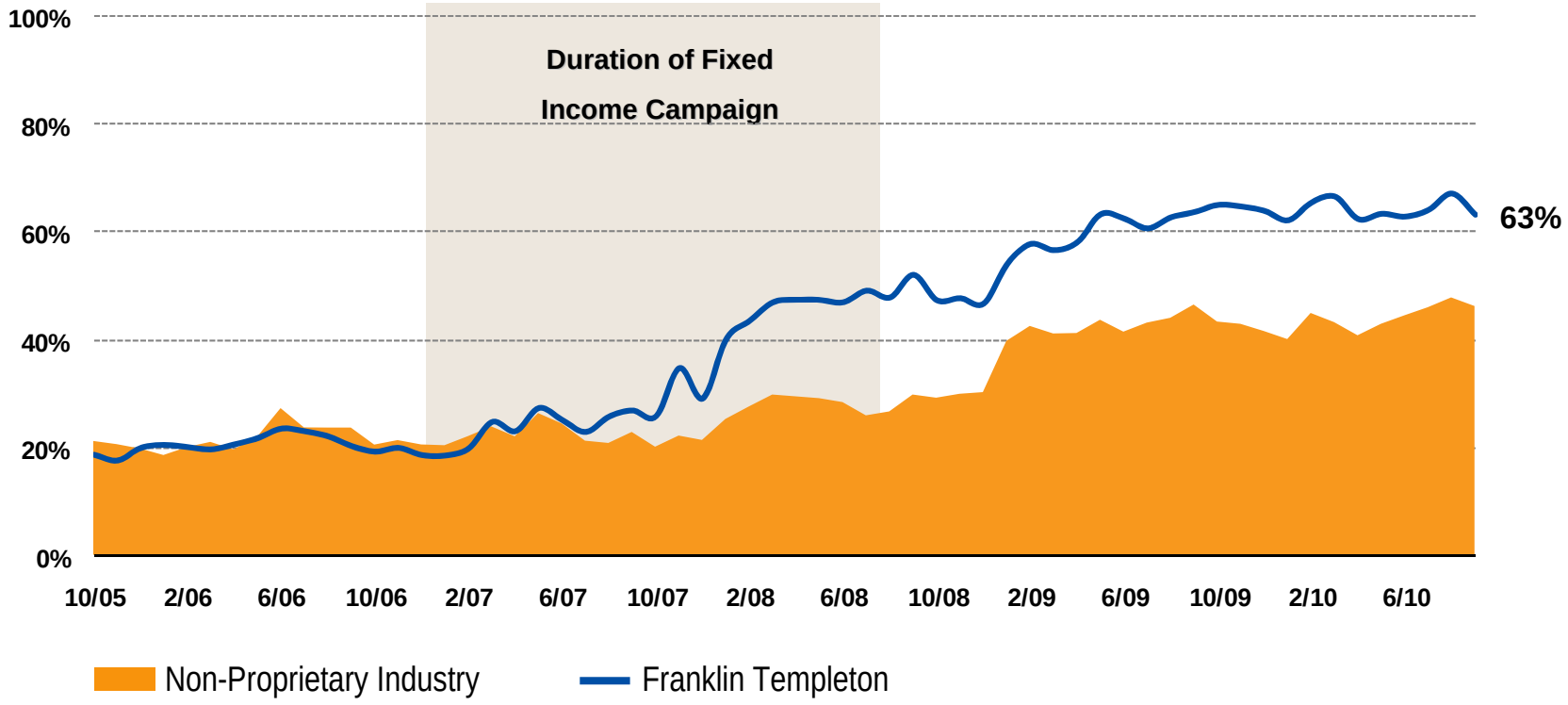


[1]Long-term net new flows are defined as long-term sales less long-term redemptions plus long-term net exchanges. The quarter ended December 31, 2010 include pro forma long-term redemptions, indicated by white line, and net new flows in orange, adjusted for the $12 billion, low fee, advisory account redemption.

A Patient Approach to Campaigns

Planting the Seeds for Fixed Income Growth

Fixed Income as a Percentage of U.S. Long-Term Sales



Franklin Templeton's Fixed Income Market Share:
January 2007: 9.6%
September 2010: 16.1%

Based on U.S. Based, Long-term, Open-End Mutual Funds Sold through the Non-Proprietary Distribution Channel. Calendar Year to date as of 9/30/10.

2020 vision

The Case for Equities in the Decade Ahead

Strategic Priorities

Moving our International Business Forward

Our Focus on Equities

Reinventing Distribution

Catching the U.S. Retirement Wave

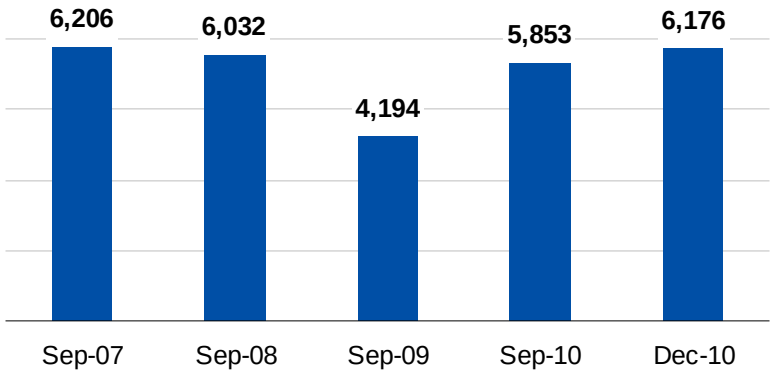
Leveraging Our Global Expertise in the Institutional Space

Developing Solutions and Alternative Capabilities

Operating Results (for the 12 Months Ended)

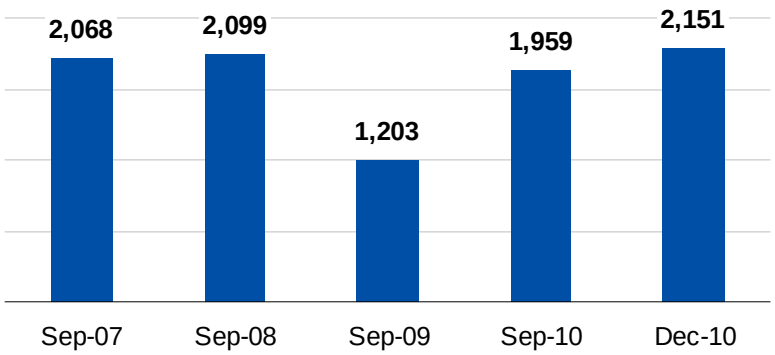
Operating Revenues

$U.S. Millions



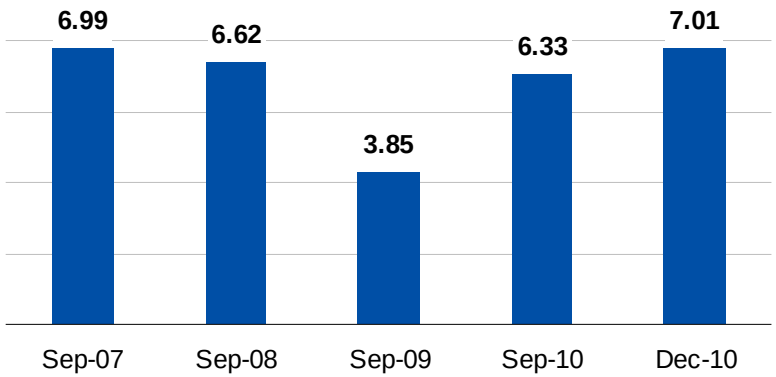
Operating Income

$U.S. Millions



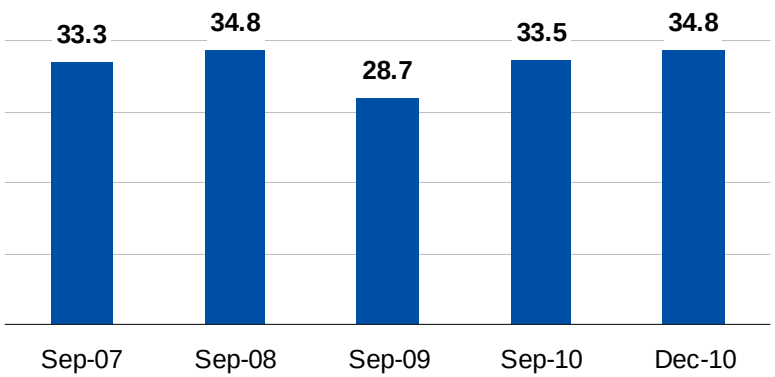
Earnings Per Share (Diluted)[1]

$U.S.



Operating Margin[1]

Percent

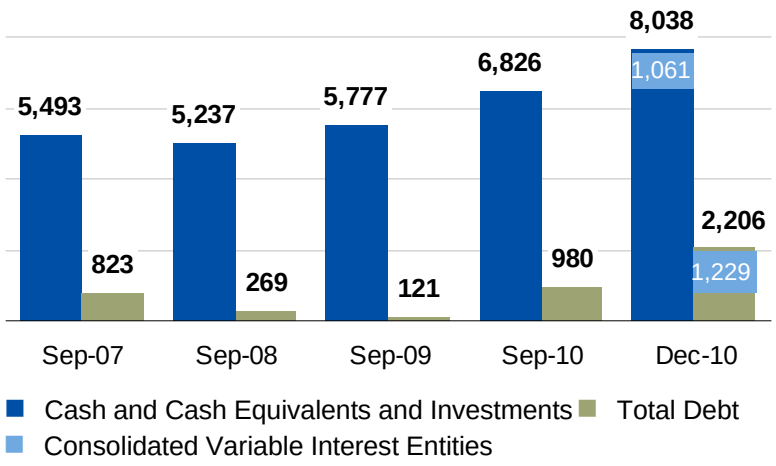


1. Operating margin is operating income divided by operating revenues.

Capital Management

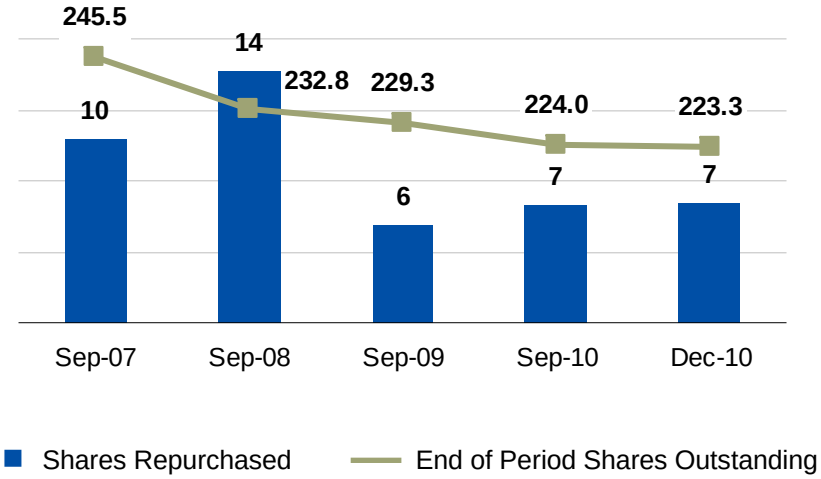
Cash and Cash Equivalents and Investments vs. Total Debt

$U.S. Millions



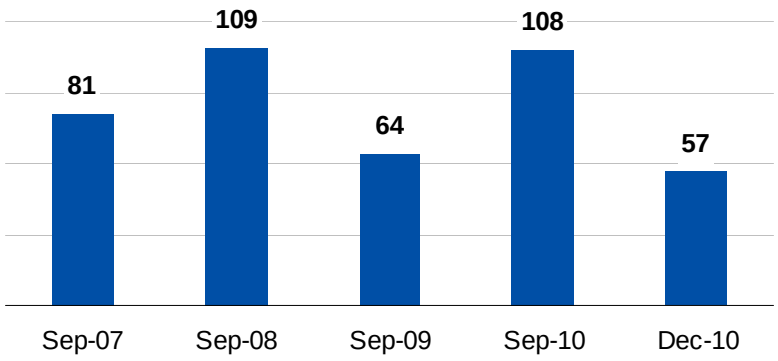
Stock Repurchase Activity

(as of and for the 12 Months Ended) Shares Millions



Total Payout Ratio[1]

(for the 12 Months Ended) Percent

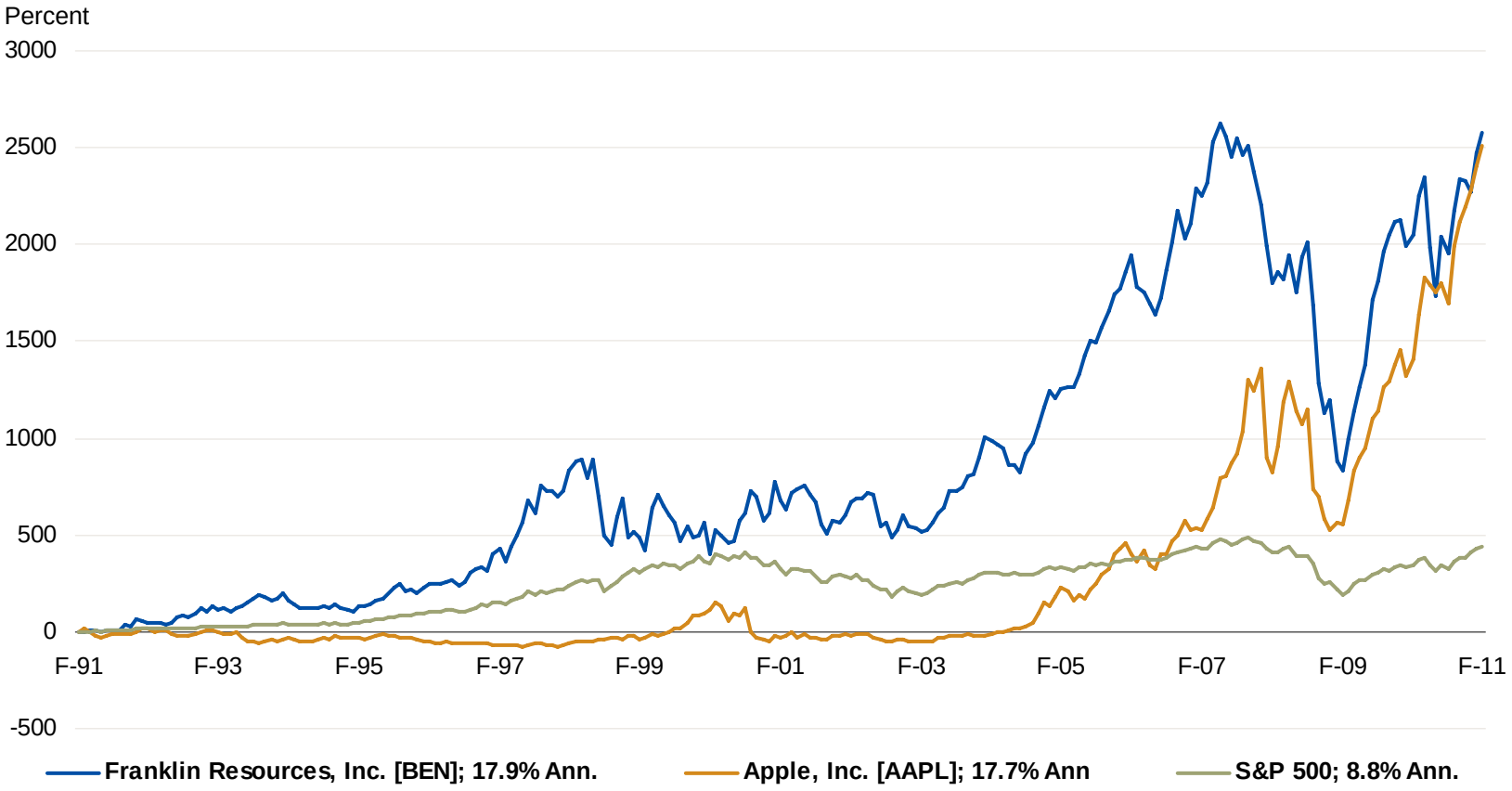


- Regular dividend has increased every year since 1981
- Strong credit ratings with a stable outlook
  - – Standard & Poor's AA- / A-1+
  - – Moody's A1 / P-1

1. Total Payout Ratio = (Dividends on common stock + Purchase of common stock) / net income.

BEN 20-Year Total Return

February 1991 – February 2011



Source: Bloomberg