Franklin Resources, Inc.

Citi 2012 Financial Services Conference – March 7, 2012



FRANKLIN TEMPLETON
INVESTMENTS

Forward Looking Statements

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, 2011, and Franklin’s subsequent Quarterly Reports on Form 10-Q: (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 (“AUM”) 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 AUM, 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, failure or security breach 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 income; (11) changes in the third-party distribution and sales channels on which we depend could reduce our income 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 our revenues and income generated overseas; (13) poor investment performance of our products could affect our sales or reduce the level of AUM, potentially negatively impacting our revenues and income; (14) we could suffer losses in our revenues and income 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 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, litigation, and the legal risks associated with our business, could adversely impact our AUM, 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.

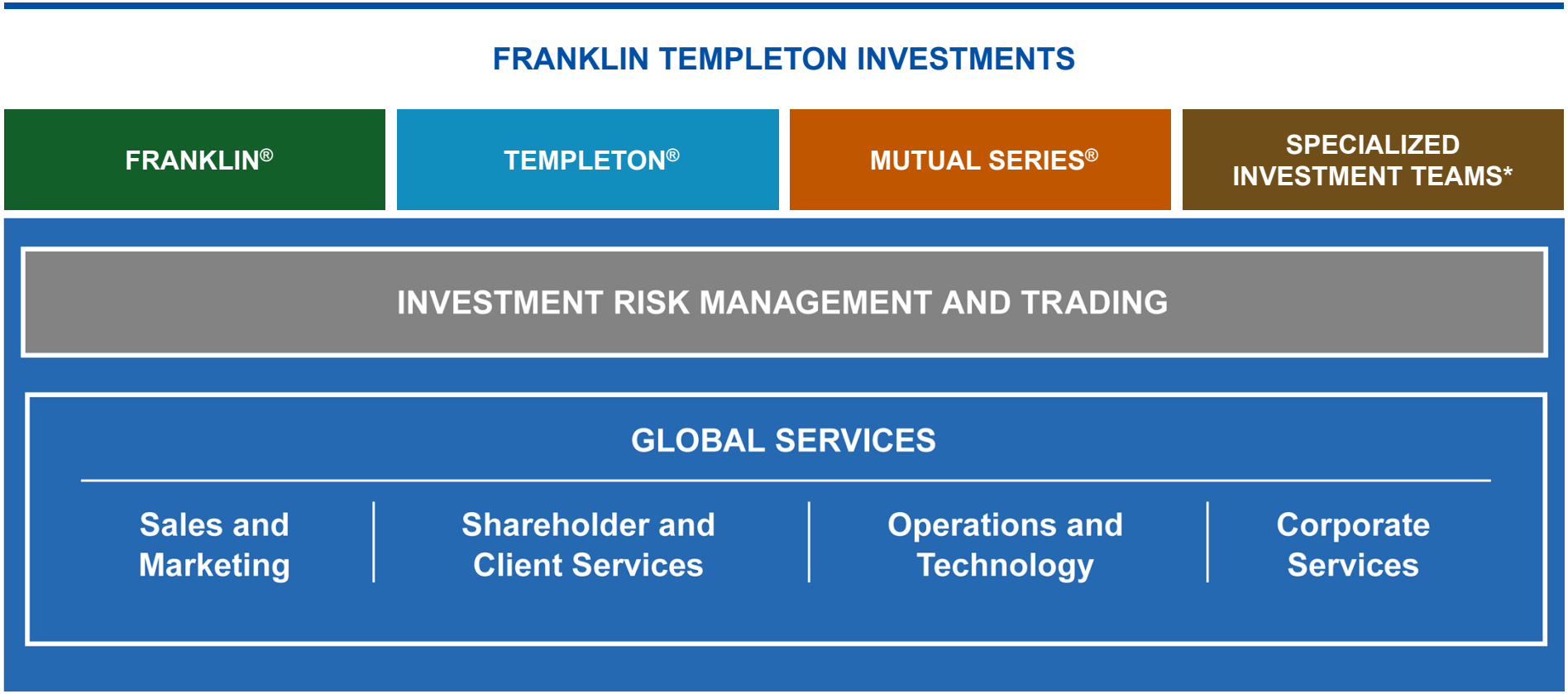
The information in this presentation is provided solely in connection with this presentation, and is not directed toward existing or potential investment advisory clients or fund shareholders.

Unwavering Focus on Investment Excellence



The Expertise of Many. The Strength of One.

Investment Teams Are Supported by a Global Platform



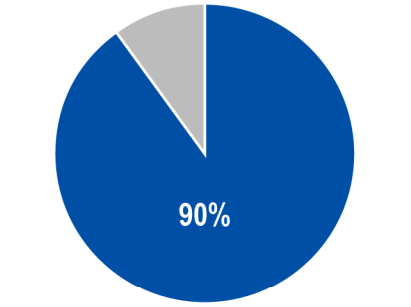
*Specialized Investment Teams include: Franklin Templeton Real Asset Advisors, Bissett, Darby, Local Asset Management teams, Franklin Templeton Multi-Asset Strategies and Fiduciary Trust International.

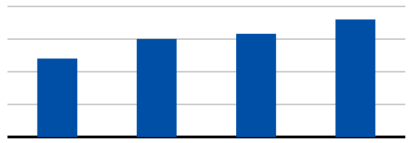
Strong Long-Term Investment Performance

Percentage of Long-Term Assets in Top Two Quartiles[1]

10-Year Periods Ended 12/31/11

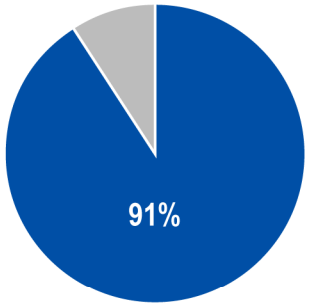
Franklin Templeton U.S. Mutual Funds[2]

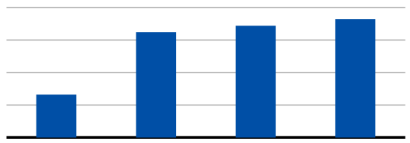




1 yr	3 yrs	5 yrs	10 yrs
60%	75%	79%	90%

Franklin Templeton Cross-Border Funds[3]





1 yr	3 yrs	5 yrs	10 yrs
33%	81%	86%	91%

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

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.

2. Source: Lipper, Inc., 12/31/11. Of the eligible Franklin Templeton long-term mutual funds tracked by Lipper, 38, 31, 41, and 46 funds ranked in the top quartile and 28, 26, 26, and 17 funds ranked in the second quartile of their respective Lipper peer groups for the 1-, 3-, 5-, and 10-year periods, respectively, for cumulative total return.

3. Source: ©Morningstar, 12/31/11. Of the eligible Franklin Templeton long-term cross-border mutual funds tracked by Morningstar, 12, 25, 20, and 10 funds ranked in the top quartile and 19, 16, 11, and 9 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. A cross-border fund is one that sources less than 80% of its assets from investors in any single country.

Global Perspective with Local Expertise



Broad Range of Investment Solutions

FRANKLIN TEMPLETON INVESTMENTS										
U.S. Fixed Income	**Global Fixed Income**	**Core/ Hybrid**	**Value Equity**	**Growth Equity**	**Global Equity**	**Int'l Equity**	**Emerging Markets**	**Local Asset Mgmt**	**Real Assets**	**Global Flexible Allocation**
U.S. RETAIL										
35 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)	FT Multi-Asset Real Return Fund (2011)	FT Global Allocation Fund (2011)
INTERNATIONAL 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)	FTIF Franklin Global Real Estate Fund (2005)	FTIF Global Allocation Fund (2011)
GLOBAL INSTITUTIONAL										
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)	Franklin Templeton Global Private Real Estate (1984)	FT Global Tactical Allocation (2011)

*Dates are inception dates for funds and institutional composites or strategies.

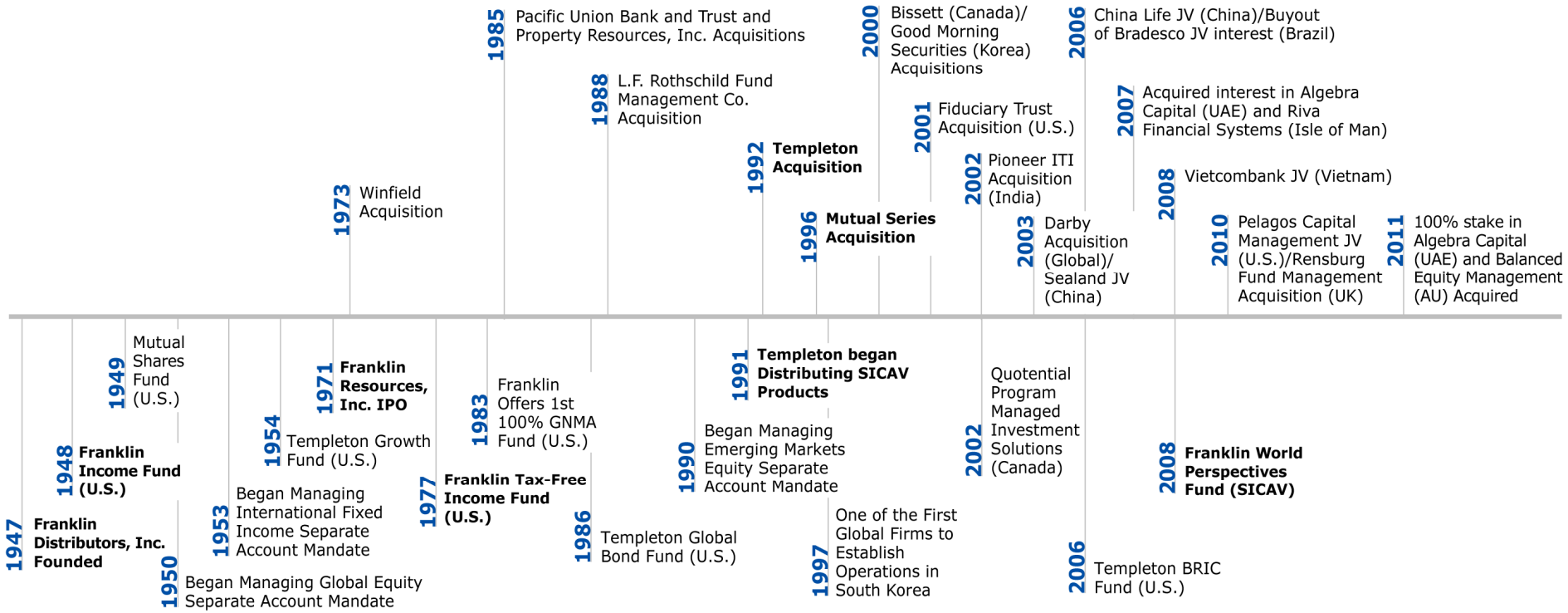
*Each FTIF (Franklin Templeton Investment Fund) fund is a sub-fund of the Luxembourg-registered SICAV. "SICAV" refers to Franklin Templeton Investment Funds SICAV *(societe d'investissement a capital variable)*, our Luxembourg-domiciled investment fund that is sold cross-border outside the U.S.

A Long-Term Perspective

Pioneer in Global Investing

BUILDING OUR FIRM	FRANKLIN GOES PUBLIC	BECOMING FTI	INTERNATIONAL EXPANSION	GLOBAL GROWTH

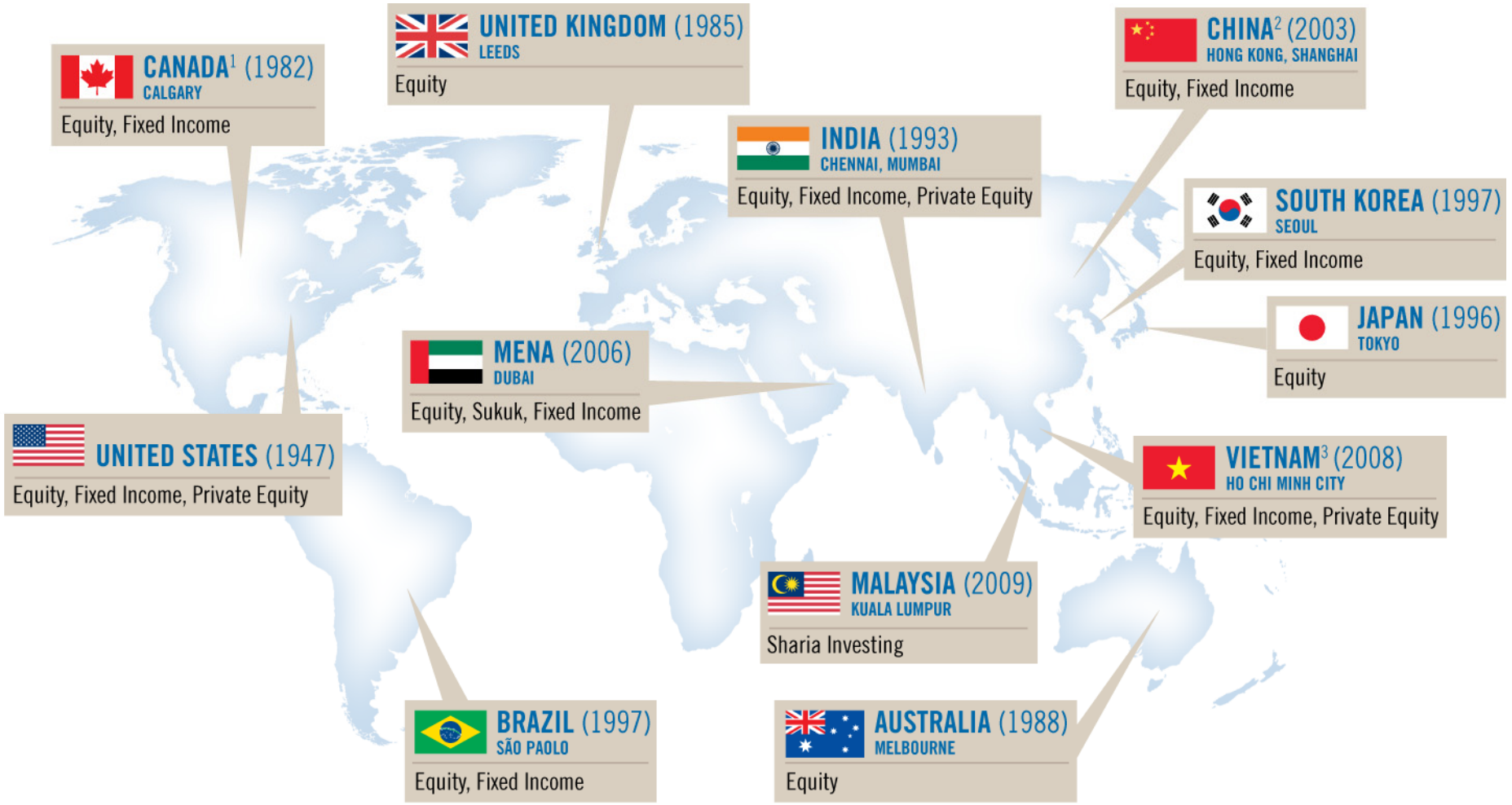
ACQUISITIONS AND JOINT VENTURES



INNOVATION

A Long-Term Perspective

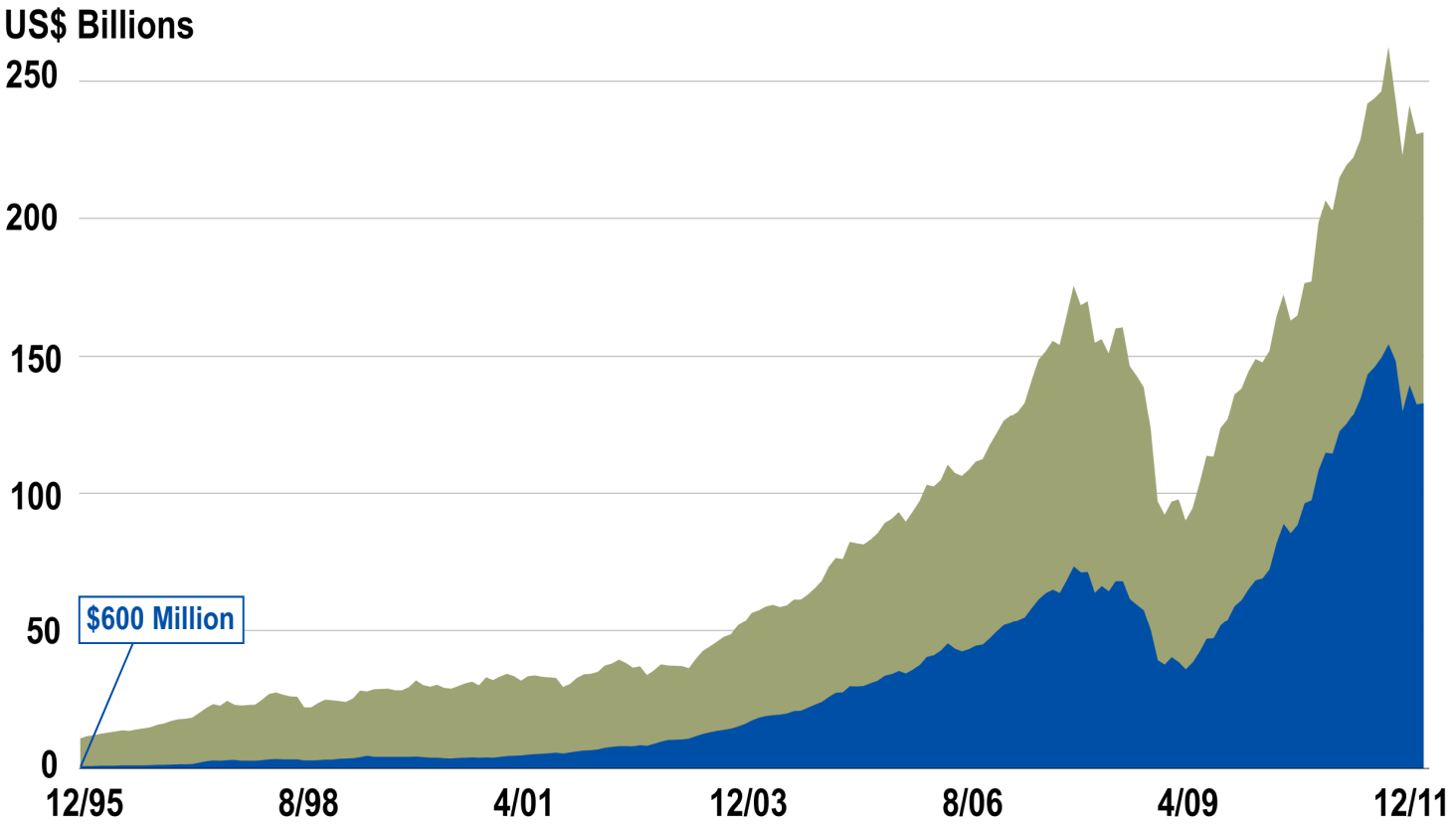
Local Asset Management Expertise



1. Managed under the Bissett brand.
2. Minority interest in joint venture.
3. Minority interest.

A Long-Term Perspective

International Asset Growth: Offshore and FTIF Funds 12/31/95–12/31/11[1]



Total AUM
$231.3 Billion

Other Offshore Products
$98.5 Billion

FTIF/SICAV
$132.8 Billion

Franklin Templeton is the LARGEST cross-border fund manager[2]

1. As of 12/31/11. Offshore includes all non-U.S. registered funds and products. FTIF funds include 111 historical TIS numbers.
2. As of 12/31/11. Lipper FMI–Thomson Reuters. Based on cross border long-term retail funds (excluding ETF and Tracker Funds) managed by subsidiaries of Franklin Resources, Inc. A cross-border fund is one that sources less than 80% of its assets from investors in any single country.

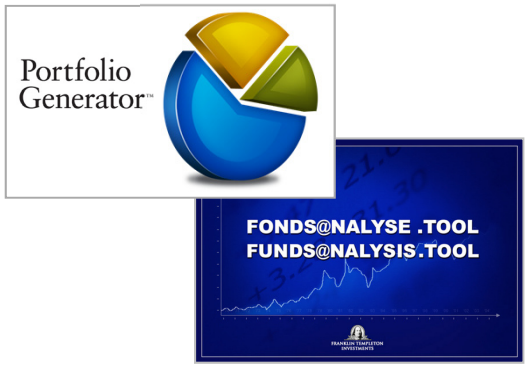
Valued Partner



FRANKLIN TEMPLETON
INVESTMENTS

A Valued Partner Committed to Serving Our Clients

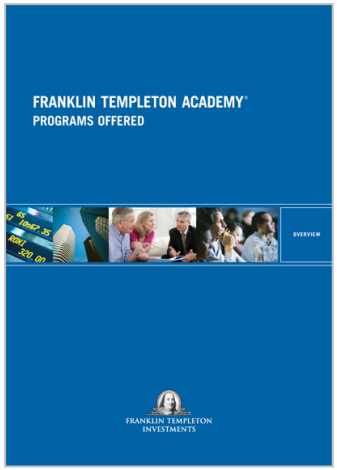
Proprietary Business Tools
Portfolio Generator & Fund@nalysis.Tool



Broad Range Of Investment Strategies
Products & Strategies



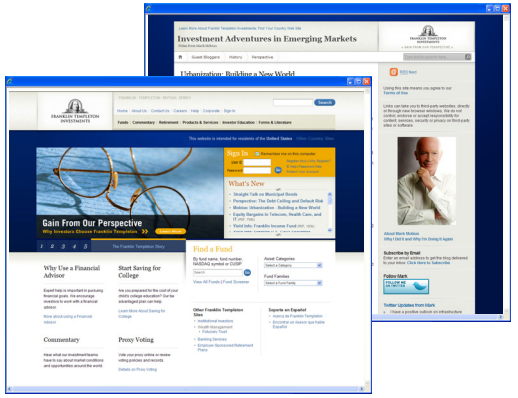
Comprehensive Advisor Education
Franklin Templeton Academy



Extensive Client Communications
Commentary & Presentations



Integrated Digital Presence
Websites, Facebook, Blogs & YouTube



Dedicated Support Services
Client Services, Sales Services & Wholesaler Teams

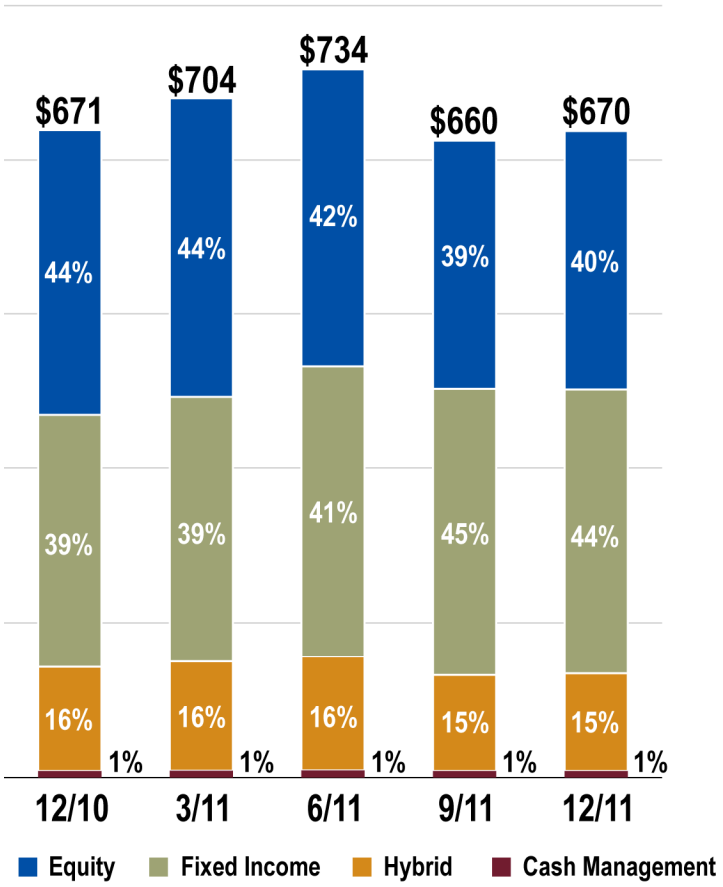


Strength and Stability

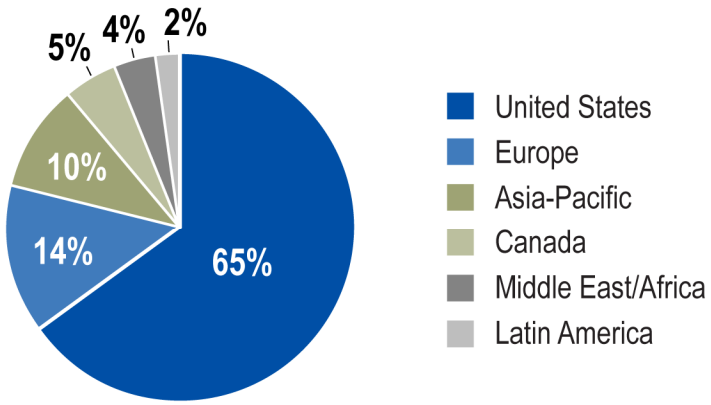


Broad and Diversified Client and Asset Base

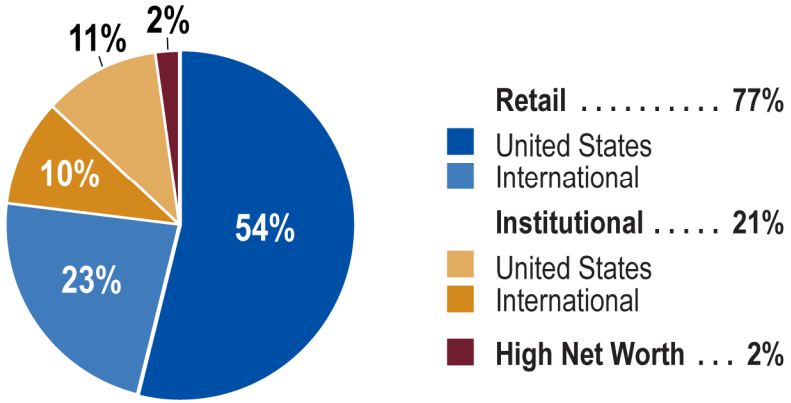
Assets Under Management in US$ Billions



AUM by Region

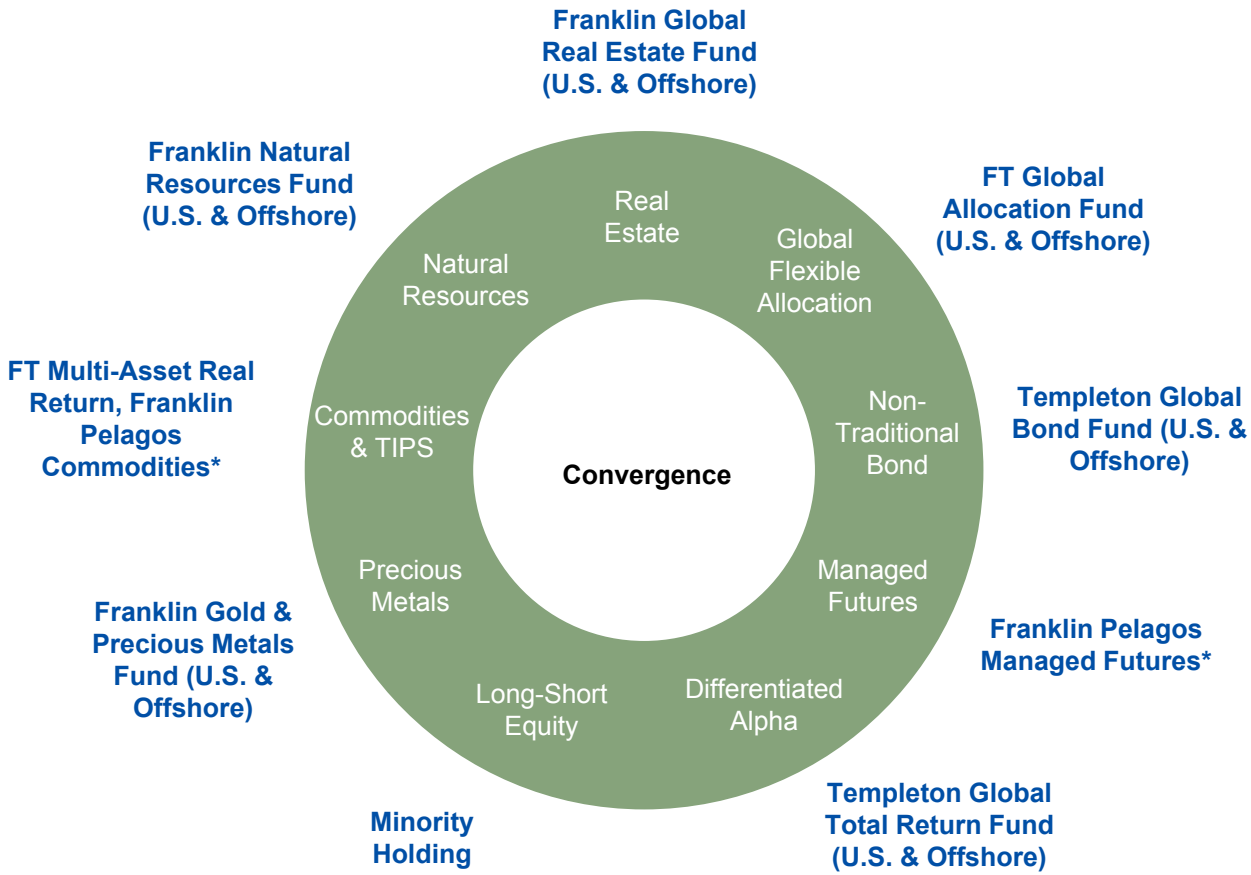


AUM by Client Type



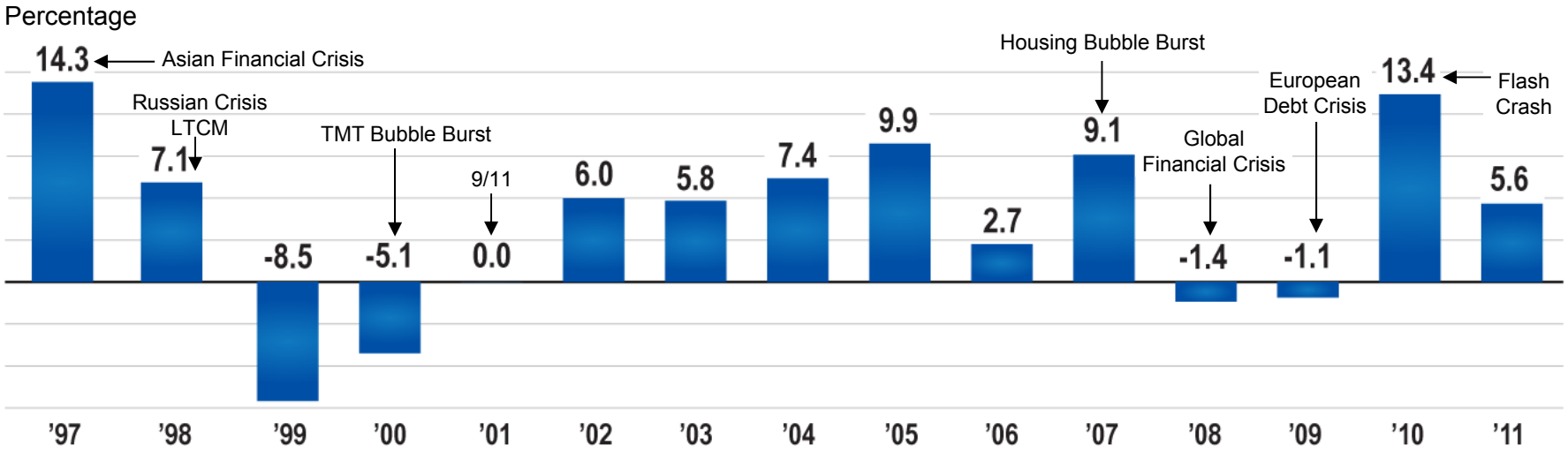
As of 12/31/11.

Alternative Product Capabilities for Retail



*Not yet available for third-party distribution due to registration.

Historical Pre-Market Organic Growth and Top Selling Funds

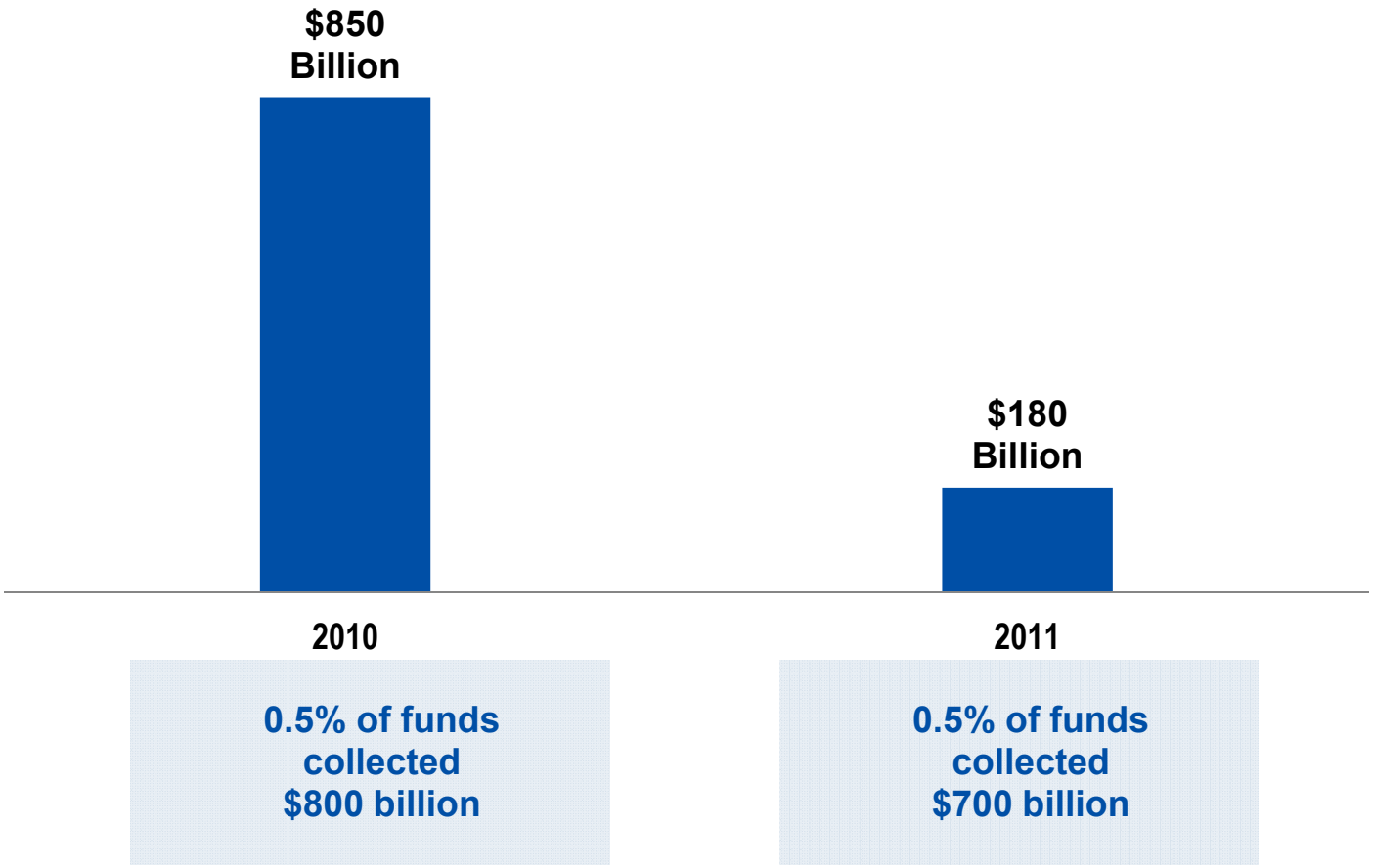


'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11
Templeton Foreign Fund	Franklin Small Cap Growth Fund	Franklin Floating Rate Trust	Franklin Small Cap Growth Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Franklin Income Fund	Templeton Global Bond Fund (U.S. & SICAV)	Templeton Global Bond Fund	Templeton Global Bond Fund (U.S. & SICAV)	Templeton Global Bond Fund (U.S. & SICAV)
Templeton Growth Fund	Templeton Growth Fund (Canada)	Franklin Growth Fund	Franklin Floating Rate Trust	Franklin U.S. Government Fund (SICAV)	Franklin U.S. Government Fund (SICAV)	Franklin U.S. Government Securities Fund (Japan)	Templeton Growth (Euro) Fund (SICAV)	Templeton Growth Fund	Mutual Shares Fund	Mutual Shares Fund	Templeton Global Total Return Fund (SICAV)	Franklin Federal Tax-Free Income Fund	Templeton Global Total Return Fund (SICAV)	Templeton Global Total Return Fund (SICAV)
Franklin Small Cap Growth Fund	Franklin High Yield Tax-Free Income Fund	Franklin Small Cap Growth Fund	Franklin Biotechnology Discovery Fund	Franklin Balance Sheet Investment Fund	Franklin Balance Sheet Investment Fund	Templeton Growth (Euro) Fund (SICAV)	Templeton Foreign Fund	Mutual Shares Fund	Mutual Global Discovery Fund	Mutual Global Discovery Fund	Franklin Federal Tax-Free Income Fund	Franklin U.S. Government Securities Fund	Templeton Asian Growth Fund (SICAV)	Templeton Asian Growth Fund (SICAV)
Templeton International Stock Fund (Canada)	Templeton Growth Fund	Franklin DynaTech Fund	Franklin Flex Cap Growth Fund	Franklin U.S. Equity Fund (SICAV)	Franklin U.S. Government Securities Fund	Franklin High Yield Fund (SICAV)	Templeton Growth Fund	Templeton Global Bond Fund (SICAV)	Templeton Growth Fund	Templeton Growth Fund	Franklin Mutual European Fund (SICAV)	Franklin Adjustable U.S. Government Securities Fund	Templeton Emerging Markets Bond Fund (SICAV)	Franklin Rising Dividends Fund

Organic growth calculated as total net new flows divided by beginning AUM for each fiscal year.

U.S. Industry Flow Concentration

Flagship Funds Attract Lion's Share of Long-Term Flows

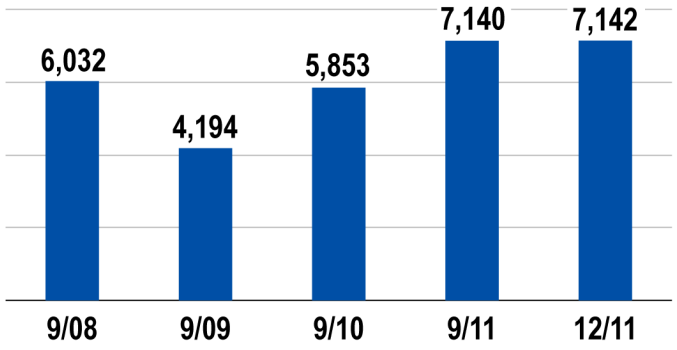


Source: Strategic Insight. 350 flagship funds represent 0.5% of the more than 60,000 total industry funds.

Franklin Resources, Inc. Operating Results (for the 12 Months Ended)

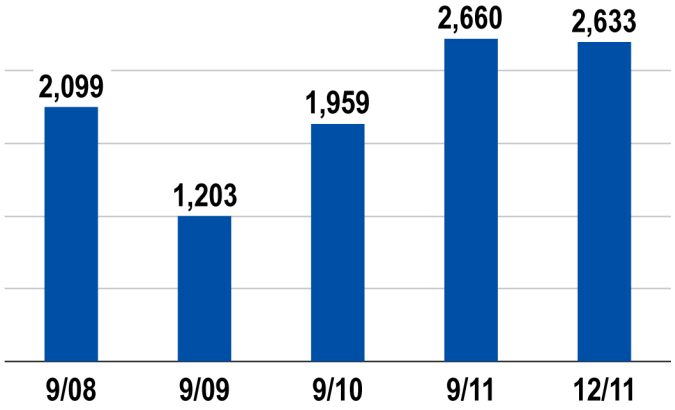
Operating Revenues

US$ Millions



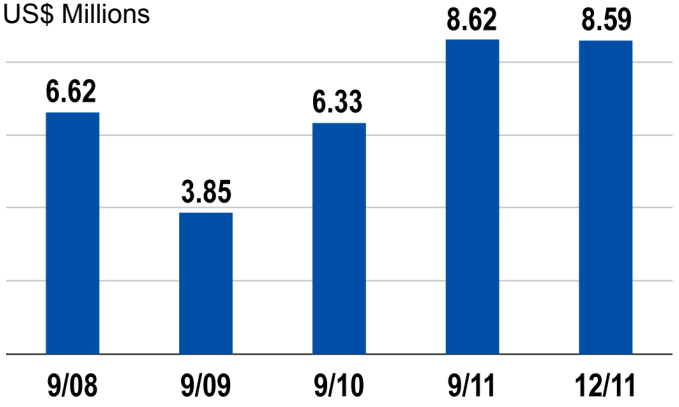
Operating Income

US$ Millions



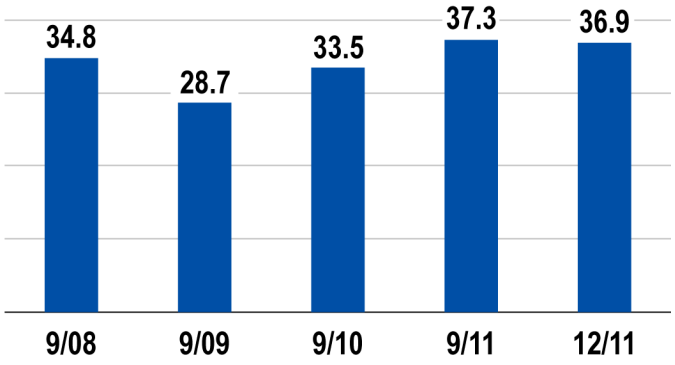
Earnings Per Share (Diluted)[1]

US$ Millions



Operating Margin[1]

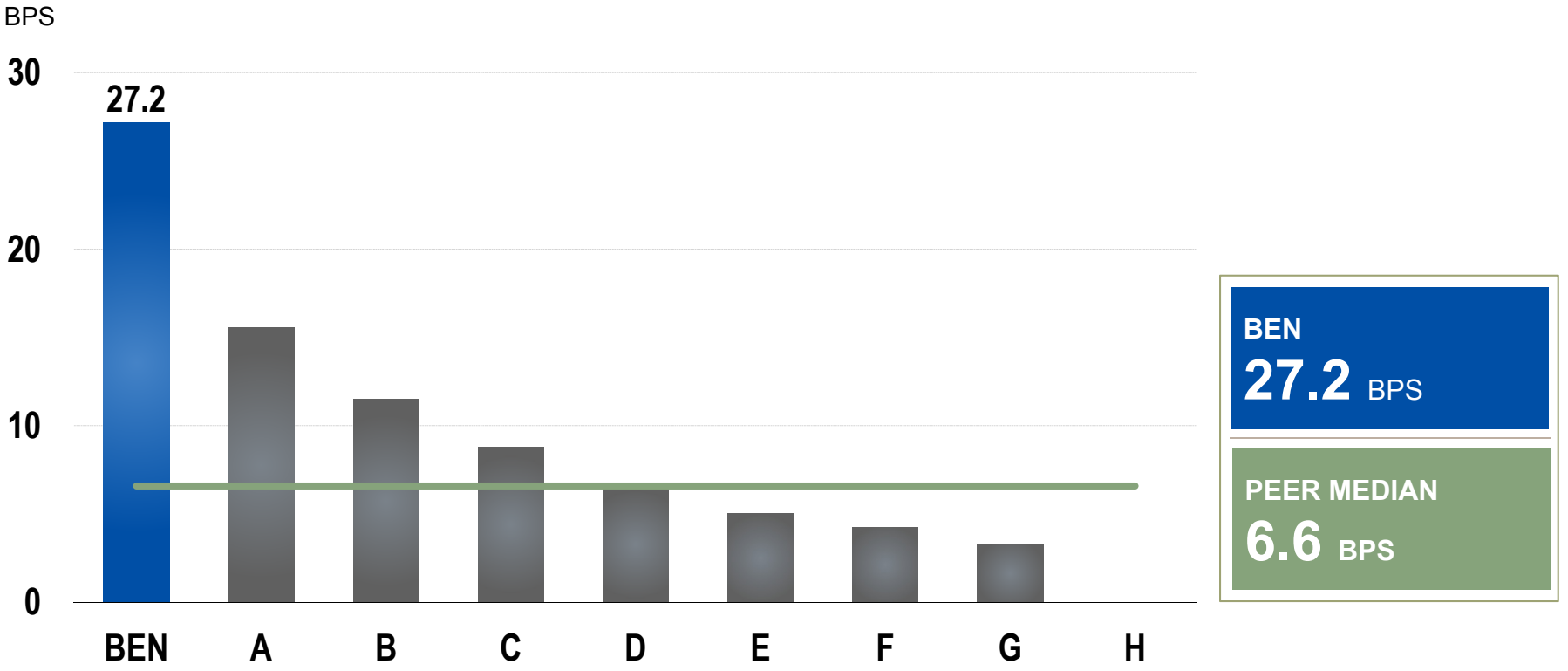
Percent



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

Profitability vs. Nominal Assets Under Management

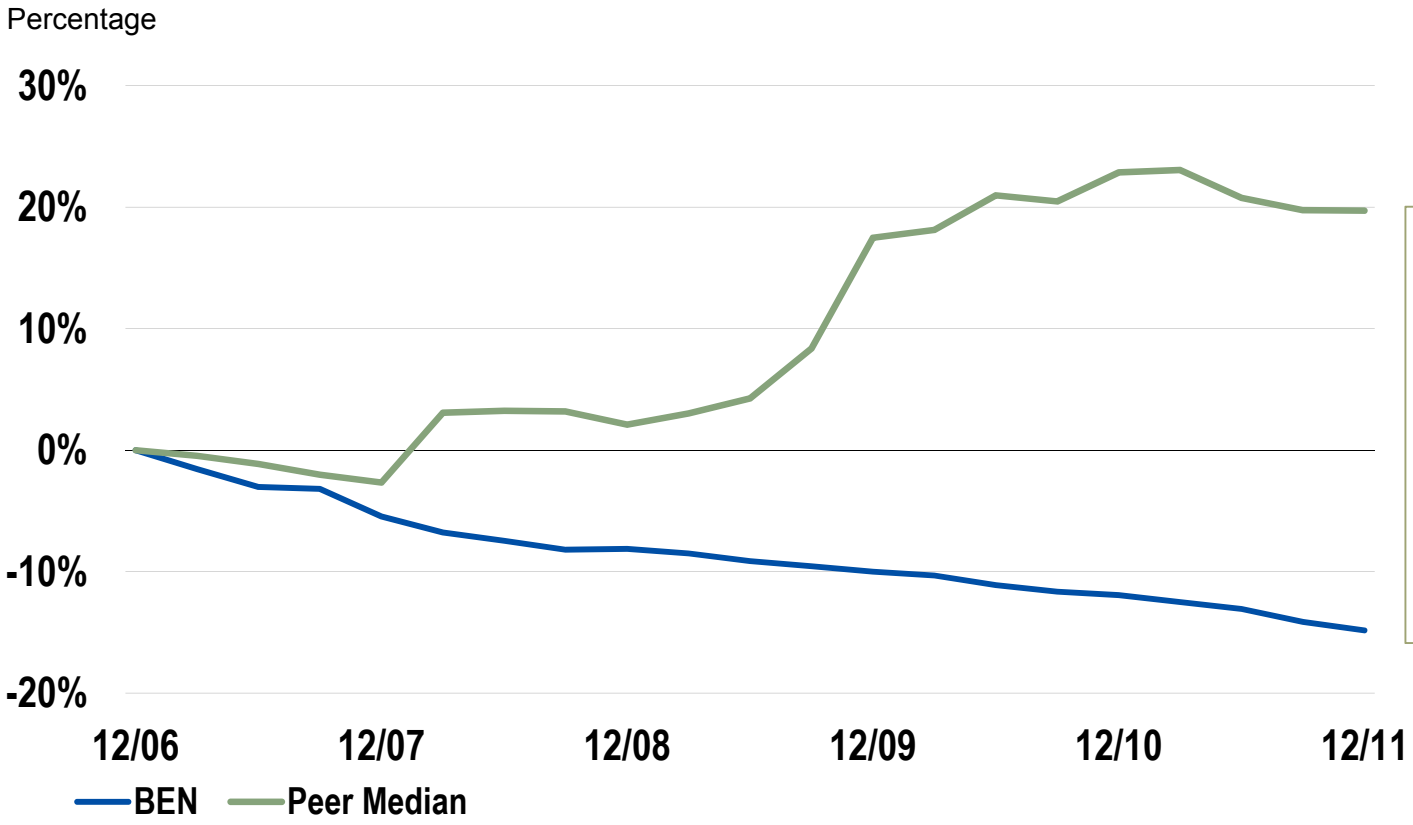
Trailing 12 Months Return on Average AUM



Return on average AUM is the US GAAP net income for the trailing 12 months divided by average assets under management for the same period.
The peer group of companies includes AB, AMG, BLK, FII, IVZ, JNS, LM and TROW.

Capital Management—Repurchases and Cumulative Payout

Change in Ending Shares Outstanding



CUMULATIVE PAYOUT

BEN
$7.2 BILLION

PEER MEDIAN
$2.0 BILLION

BEN: 3% Compound Annual Accretion

Peer Median: 4% Compound Annual Dilution

The peer group of companies includes AB, AMG, BLK, FII, IVZ, JNS, LM and TROW.

Recognized Across the Globe

#1 Fund Family Based on 10-year Performance
(period ended 12/31/11)
Barron's, 2011[1,2]

"Fund Company of the Year" in Germany *three years in a row*
€uro and €uro am *Sonntag*, 2009, 2010 and 2011

Mutual Shares Fund and Templeton Growth Fund named Top Funds of the Past 50 Years[4]
(Class Z and A, period ended 12/31/09)
USA Today, 2010[1,3]

Recognized for selling funds in more markets than any other asset manager
PricewaterhouseCoopers' Global Fund Distribution Report 2010

Named best in onshore funds management in India
AsianInvestor Investment Performance Award for institutional funds management, 2011

"Franklin Templeton's Steadiness Stands Out Amid Drama"
Morningstar, October 2010

Past performance does not guarantee future results.

1. Based on U.S.-registered Franklin Templeton funds.

2. Source: *Barron's*. For the 1-, 5- and 10-year periods ended 12/31/11, Franklin Templeton ranked 30 out of 58, 9 out of 53 and 1 out of 45; respectively. Note: *Barron's* did not include sales charges in calculating returns. Each fund's return was measured against those of all funds in its Lipper classification, resulting in a percentile ranking which was then weighted by asset size, relative to the fund family's other assets in its general classification. To qualify for the Lipper Barron's Fund Survey, a group must have at least three funds in Lipper's general U.S. stock classification, as well as one in the world equity, which combines global and international funds. They also must have at least one mixed-equity fund, which holds stocks and bonds, at least two taxable-bond funds and one tax-exempt offering.

3. As of 12/31/09. Source: Lipper, Inc. There were 87 total funds with a track record of at least 50 years. Rankings do not include sales charges. Class Z shares are only offered to certain eligible investors as stated in the prospectus. They are offered without sales charges or Rule 12b-1 fees. For the 1-, 5- and 10-year periods, Mutual Shares Fund–Class Z ranked 150 out of 347, 42 out of 218 and 20 out of 103 in the Lipper Multi-Cap Value Fund classification and Templeton Growth Fund–Class A ranked 16 out of 30, 2 out of 18 and 1 out of 8 in the Global Large-Cap Value Lipper classification.