



FRANKLIN TEMPLETON
INVESTMENTS

Franklin Resources, Inc.

Third Quarter Results

Greg Johnson

Chairman and Chief Executive Officer

Ken Lewis

Chief Financial Officer

July 30, 2014



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, 2013 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, complex, overlapping and frequently changing rules, regulations and legal interpretations; (4) U.S. 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 financial condition and results of operations; (5) failure to comply with the laws, rules or regulations in any of the non-U.S. jurisdictions in which we operate could result in substantial harm to our reputation and results of operations; (6) 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; (7) any significant limitation, failure or security breach of our information and cyber security infrastructure, software applications, technology or other systems that are critical to our operations could harm our operations and reputation; (8) our business operations are complex and a failure to properly perform operational tasks or the misrepresentation of our products and services, or the termination of investment management agreements representing a significant portion of our AUM, could have an adverse effect on our revenues and income; (9) we face risks, and corresponding potential costs and expenses, associated with conducting operations and growing our business in numerous countries; (10) we depend on key personnel and our financial performance could be negatively affected by the loss of their services; (11) 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; (12) changes in the third-party distribution and sales channels on which we depend could reduce our income and hinder our growth; (13) 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; (14) harm to our reputation or poor investment performance of our products could reduce the level of our AUM or affect our sales, potentially negatively impacting our revenues and income; (15) our future results are dependent upon maintaining an appropriate level of expenses, which is subject to fluctuation; (16) our ability to successfully manage and grow our business 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) 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; (20) our ability to meet cash needs depends upon certain factors, including the market value of our assets, operating cash flows and our perceived creditworthiness; (21) 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.

Audio Commentary and Conference Call Details



Pre-recorded audio commentary on the results from Franklin Resources, Inc.'s Chairman, CEO and President Greg Johnson and CFO and Executive Vice President Ken Lewis will be available today at approximately 8:30 a.m. Eastern Time. They will also lead a live teleconference today at 11:00 a.m. Eastern Time to answer questions of a material nature. Analysts and investors are encouraged to review the Company's recent filings with the U.S. Securities and Exchange Commission and to contact Investor Relations before the live teleconference for any clarifications or questions related to the earnings release, this presentation or the pre-recorded audio commentary.

Access to the pre-recorded audio commentary and accompanying slides are available at franklinresources.com. The pre-recorded audio commentary can also be accessed by dialing (888) 843-7419 in the U.S. and Canada or (630) 652-3042 internationally using access code 37674512, any time through August 29, 2014.

Access to the live teleconference will be available at franklinresources.com or by dialing (888) 895-5271 in the U.S. and Canada or (847) 619-6547 internationally. A replay of the call can also be accessed by calling (888) 843-7419 in the U.S. and Canada or (630) 652-3042 internationally using access code 37674516, after 1:30 p.m. Eastern Time on July 30, 2014 through August 29, 2014.

Questions regarding the pre-recorded audio commentary or live teleconference should be directed to Franklin Resources, Inc., Investor Relations at (650) 312-4091 or Media Relations at (650) 312-2245.

Highlights



Investment Performance

- Long-term relative performance of U.S. and cross-border funds remains strong across equity, hybrid and fixed-income strategies
- Franklin Income Fund upgraded to 5 stars by Morningstar

Assets Under Management

- Ended the quarter at \$920.5 billion, an all-time high, and 13% increase from the prior year
- Remains well diversified by investment objective, sales region and client type

Flows

- Long-term net new flows for the quarter rebounded to \$2.5 billion
- Hybrid products attracted \$3.1 billion of net new flows
- Fixed-income flows were \$1.2 billion, a significant improvement from the prior quarter as redemptions decreased by over 30%

Financial Results

- Operating income of \$787 million for the quarter
- Fiscal year-to-date operating margin of 37.7%
- Return on average assets under management¹: 25.6 basis points

Capital Management

- Repurchased 2.4 million shares
- Share repurchases and dividends for the trailing twelve months of \$1 billion

1. Return on average assets under management is net income attributable to Franklin Resources, Inc. divided by average assets under management, annualized.

Investment Performance

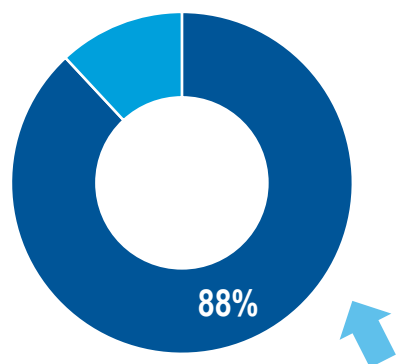
Investment Performance

U.S.-Registered and Cross-Border Mutual Funds

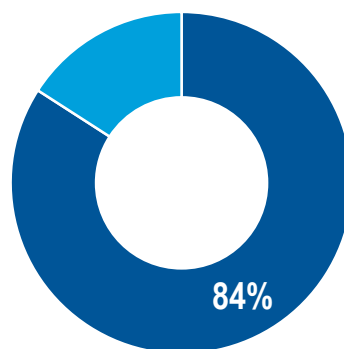


Percentage of Long-Term Assets in the Top Two Peer Group Quartiles (10-Year Period ended June 30, 2014)

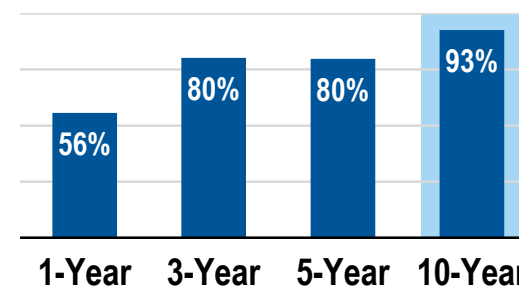
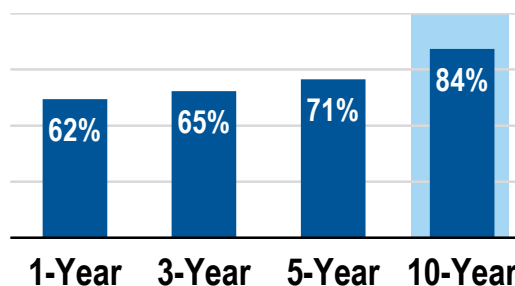
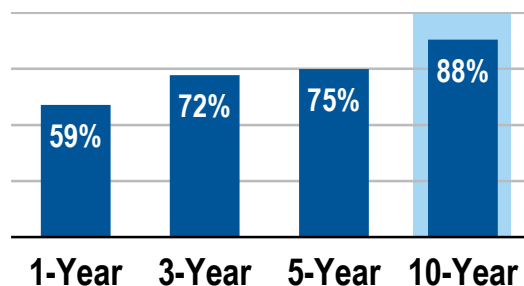
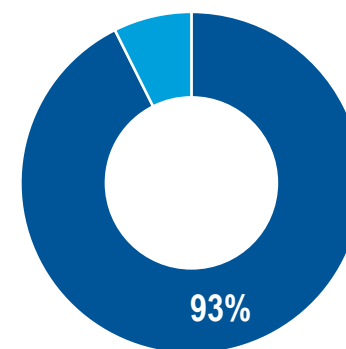
Total
(\$619 billion)



Equity & Hybrid
(\$333 billion)



Fixed-Income
(\$286 billion)



The peer group rankings are sourced from either Lipper® or Morningstar®, as the case may be, and are based on an absolute ranking of returns as of June 30, 2014. 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 U.S.-registered long-term 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 long-term mutual funds are based on primary share classes and do not include sales charges. Performance rankings for other share classes may differ. Results may have been different if these or other factors had been considered. The figures in the table are based on data available from Lipper and Morningstar as of July 7, 2014 and are subject to revision.

Performance quoted above represents past performance, which cannot predict or guarantee future results. All investments involve risks, including loss of principal.

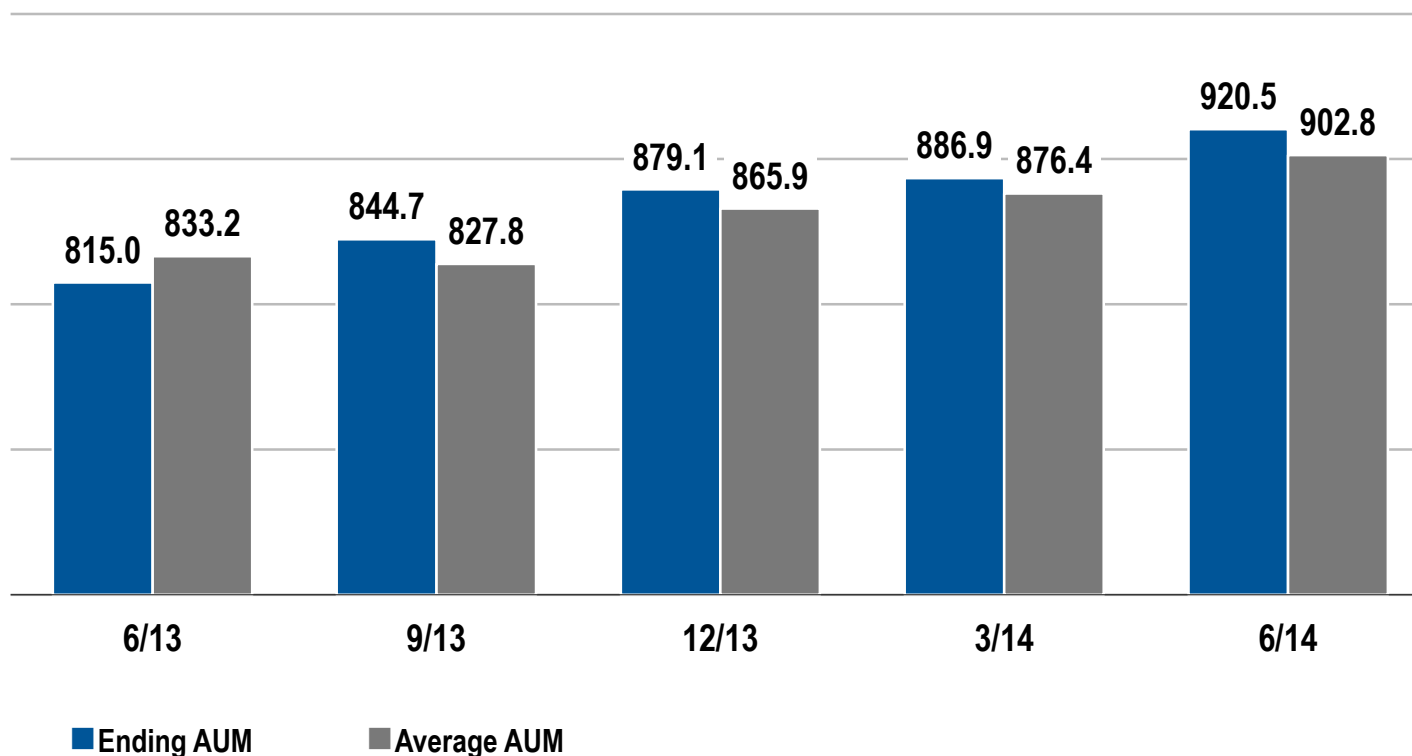
Assets Under Management and Flows

Assets Under Management Growth



(in US\$ billions, for the three months ended)

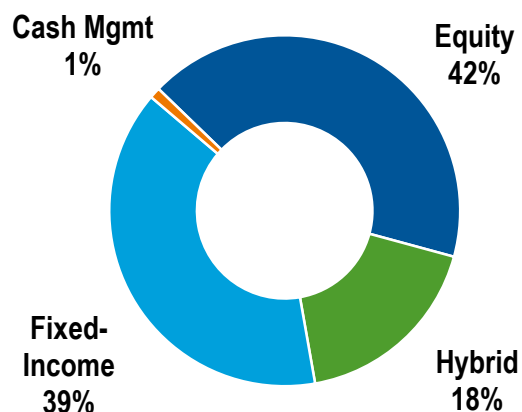
End of Period vs. Simple Monthly Average



Assets Under Management Diversification

Investment Objective

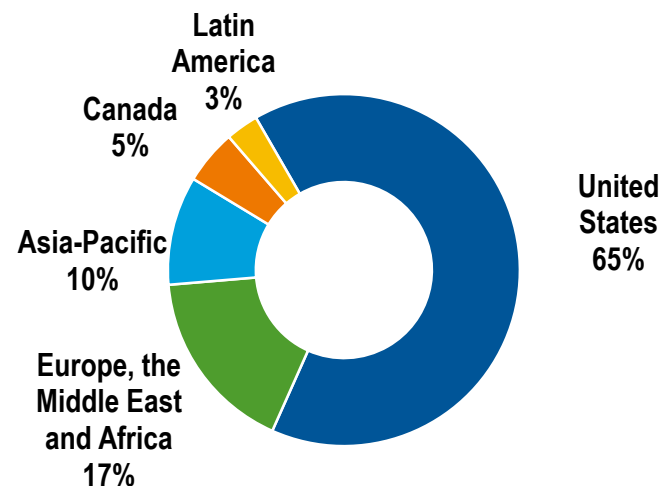
As of June 30, 2014



(in billions)	Jun-14	Mar-14	% Change
Equity	\$ 388.3	\$ 372.9	4%
Hybrid	162.5	154.0	6%
Fixed-Income	363.3	353.7	3%
Cash Management	6.4	6.3	2%
Total	\$ 920.5	\$ 886.9	4%

Sales Region

As of June 30, 2014



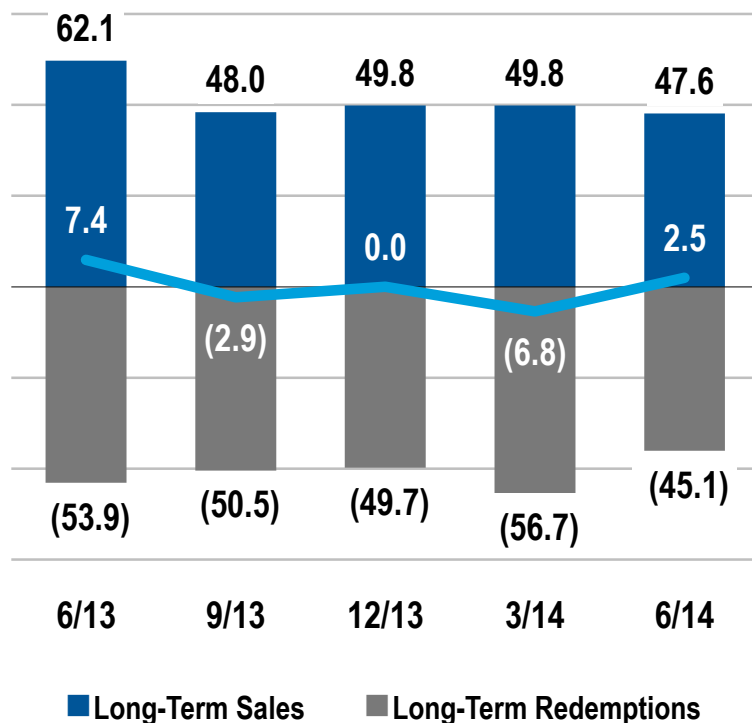
(in billions)	Jun-14	Mar-14	% Change
United States	\$ 602.3	\$ 580.5	4%
Europe, the Middle East and Africa	151.9	147.5	3%
Asia-Pacific	95.7	91.9	4%
Canada	41.1	38.7	6%
Latin America	29.5	28.3	4%
Total	\$ 920.5	\$ 886.9	4%

Long-Term Flows and Market Return Summary

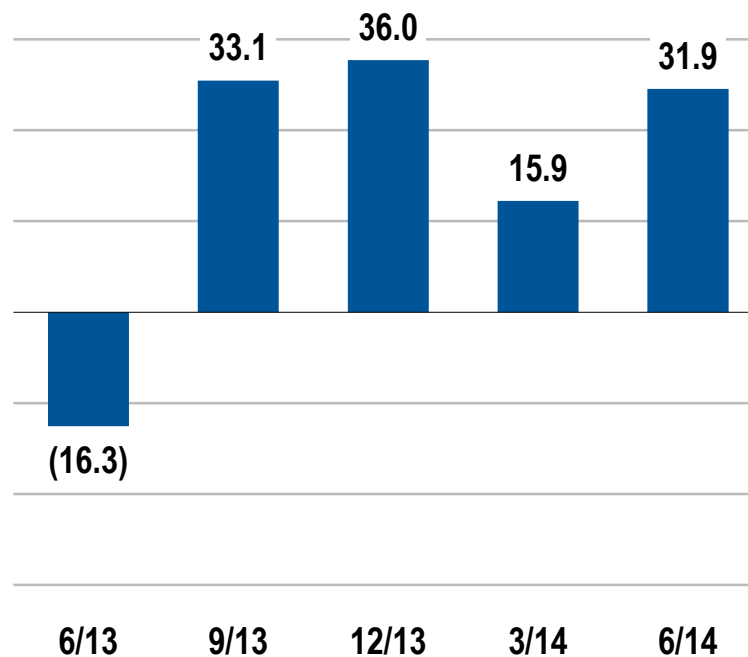


(in US\$ billions, for the three months ended)

Long-Term Flows



Appreciation (Depreciation) & Other

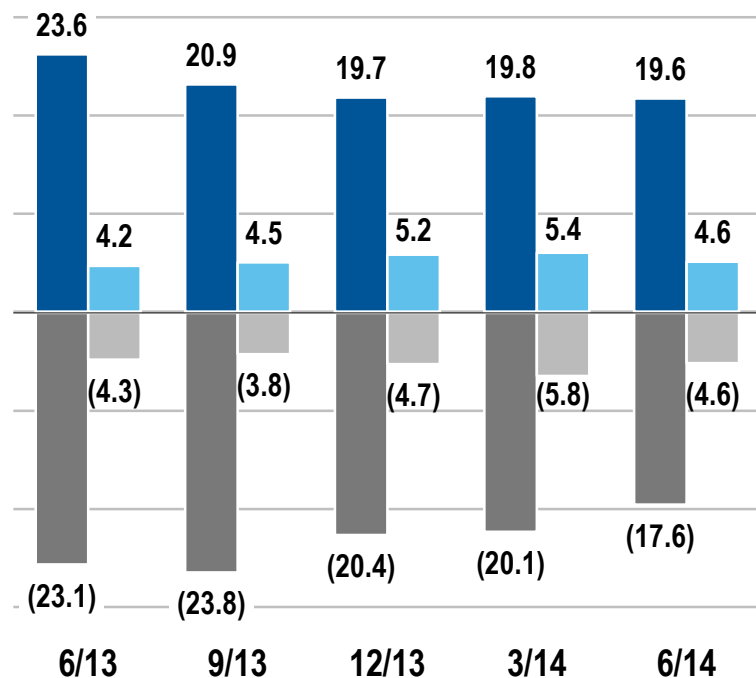


1. Long-term net new flows are defined as long-term sales less long-term redemptions plus long-term net exchanges.

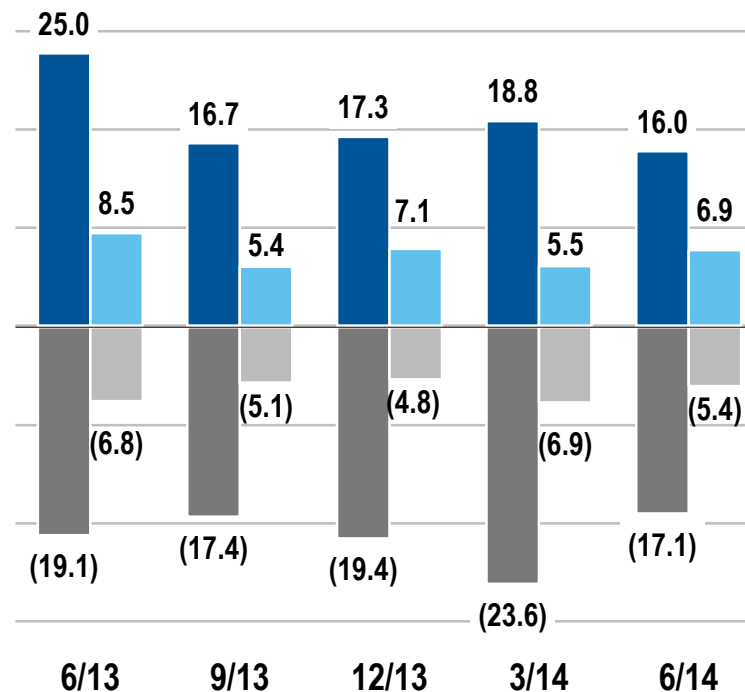
United States and International, Retail and Institutional Flows

(in US\$ billions, for the three months ended)

United States



International



■ Retail Long-Term Sales ■ Retail Long-Term Redemptions
■ Institutional Long-Term Sales ■ Institutional Long-Term Redemptions

Graphs do not include high net worth client flows.

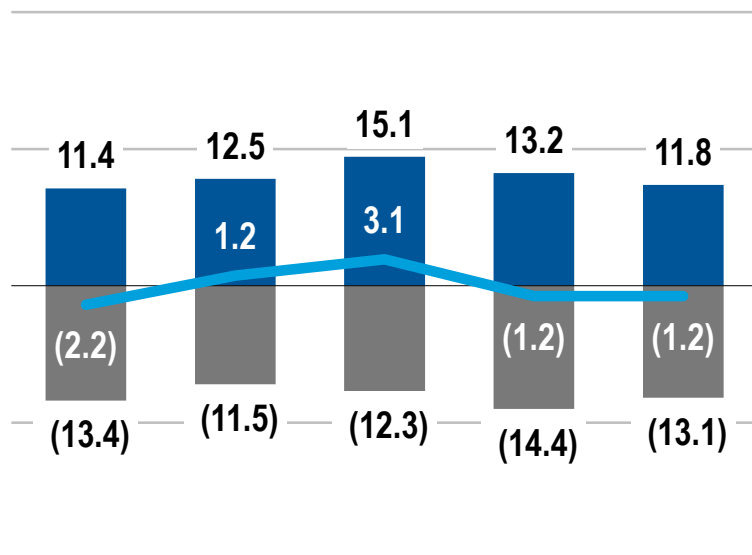
Flows by Investment Objective:

Global / International Equity and Fixed-Income



(in US\$ billions, for the three months ended)

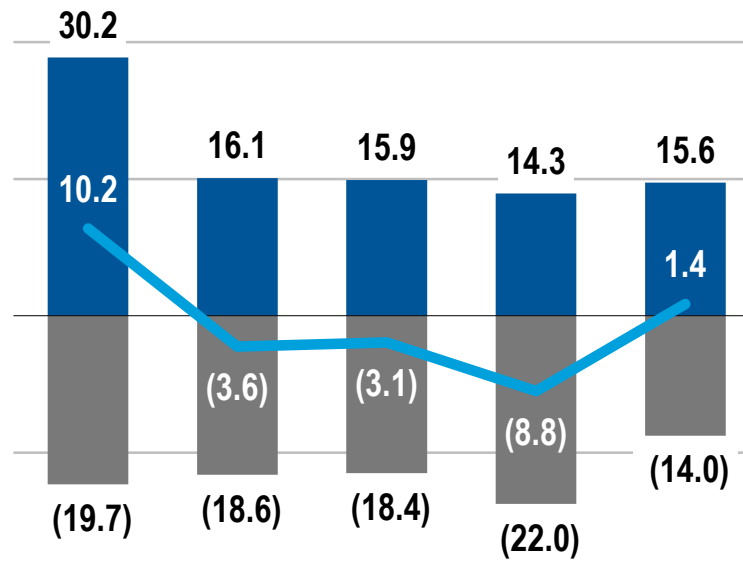
Global / International Equity



6/13 9/13 12/13 3/14 6/14

	% of Beg. AUM ¹	Prior 4 Quarters Avg.	Current Quarter
Sales		22%	18%
Redemptions		22%	20%

Global / International Fixed-Income



6/13 9/13 12/13 3/14 6/14

	% of Beg. AUM ¹	Prior 4 Quarters Avg.	Current Quarter
Sales		33%	28%
Redemptions		34%	25%

■ Long-Term Sales ■ Long-Term Redemptions ■ Long-Term Net New Flows

1. Sales and redemptions as a percentage of beginning assets under management are annualized.

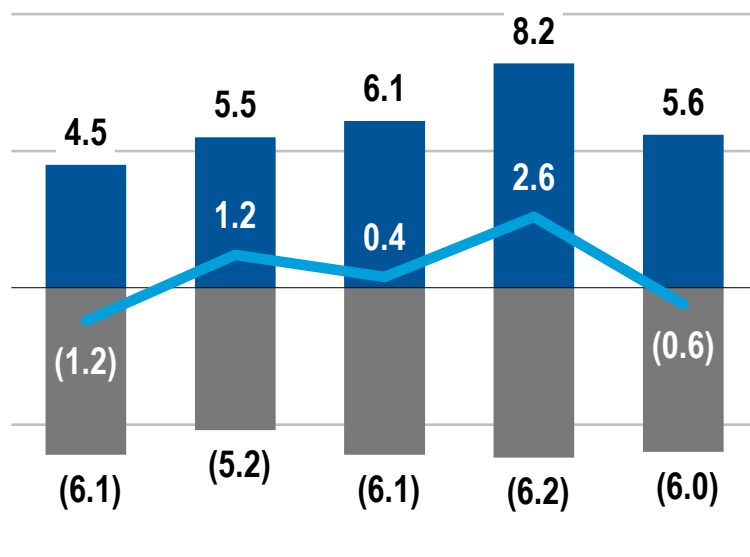
Flows by Investment Objective:

U.S. Equity and Hybrid



(in US\$ billions, for the three months ended)

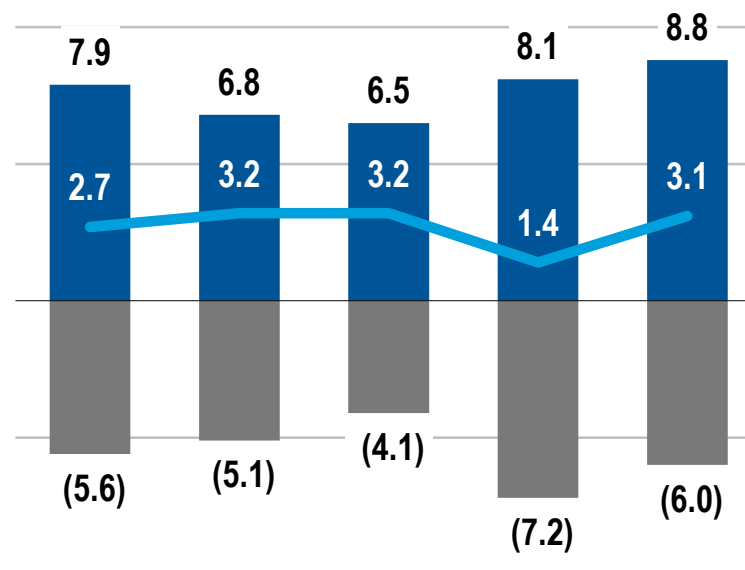
U.S. Equity



6/13 9/13 12/13 3/14 6/14

	% of Beg. AUM ¹	Prior 4 Quarters Avg.	Current Quarter
Sales		25%	20%
Redemptions		25%	22%

Hybrid



6/13 9/13 12/13 3/14 6/14

	% of Beg. AUM ¹	Prior 4 Quarters Avg.	Current Quarter
Sales		22%	23%
Redemptions		16%	16%

■ Long-Term Sales ■ Long-Term Redemptions ■ Long-Term Net New Flows

1. Sales and redemptions as a percentage of beginning assets under management are annualized.

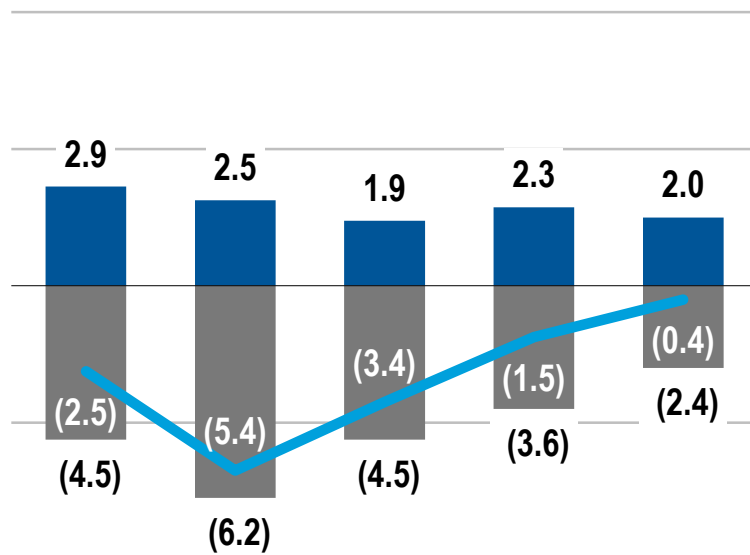
Flows by Investment Objective:

Tax-Free and Taxable U.S. Fixed-Income



(in US\$ billions, for the three months ended)

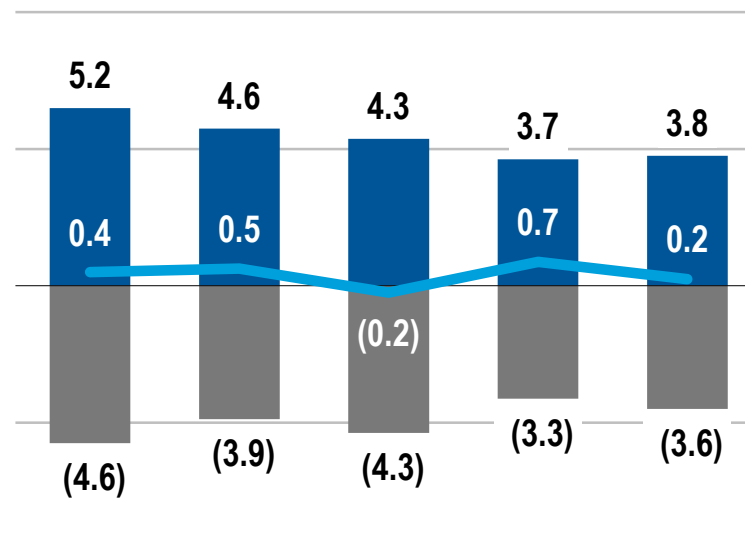
Tax-Free Fixed-Income



6/13 9/13 12/13 3/14 6/14

	% of Beg. AUM ¹	Prior 4 Quarters Avg.	Current Quarter
Sales		13%	11%
Redemptions		25%	14%

Taxable U.S. Fixed-Income



6/13 9/13 12/13 3/14 6/14

	% of Beg. AUM ¹	Prior 4 Quarters Avg.	Current Quarter
Sales		31%	25%
Redemptions		28%	24%

■ Long-Term Sales ■ Long-Term Redemptions ■ Long-Term Net New Flows

1. Sales and redemptions as a percentage of beginning assets under management are annualized.

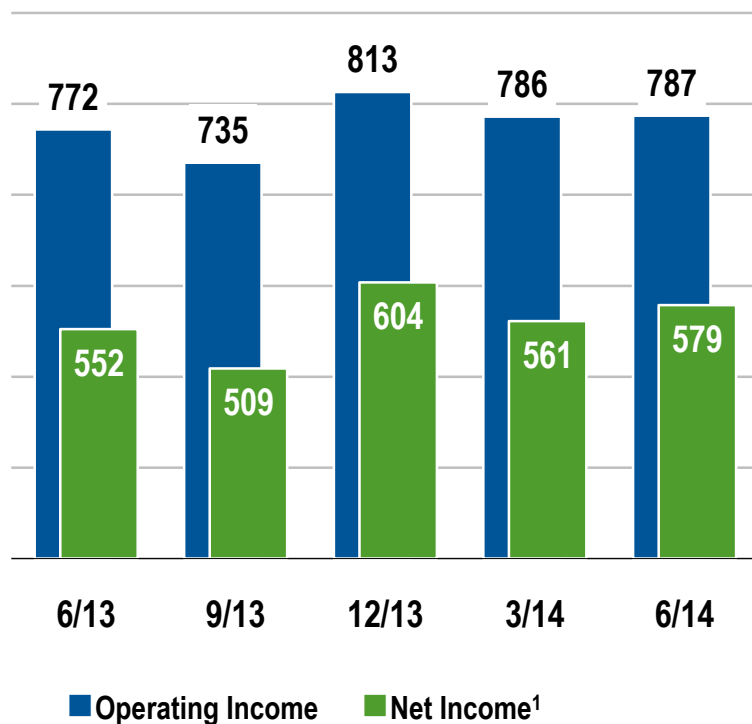
Financial Results



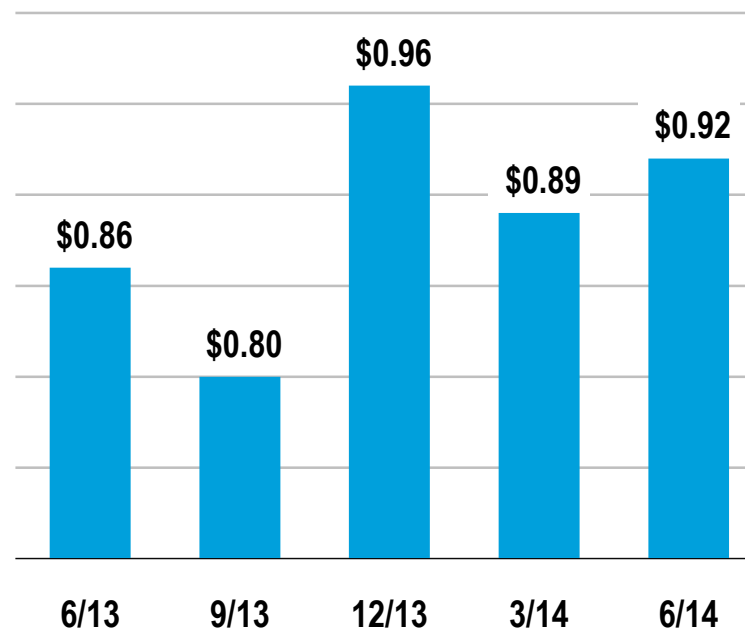
Quarterly Financial Highlights

(in US\$ millions, except per share data, for the three months ended)

Operating and Net Income¹



Diluted Earnings Per Share



1. Net income attributable to Franklin Resources, Inc.

Operating Revenues



(in US\$ millions, for the three months ended)

	Jun-14	Mar-14	Jun-14 vs. Mar-14	Dec-13	Sep-13	Jun-13	Jun-14 vs. Jun-13
Investment management fees	\$ 1,393.2	\$ 1,368.0	2%	\$ 1,373.8	\$ 1,285.7	\$ 1,318.3	6%
Sales and distribution fees	643.7	638.6	1%	636.7	604.7	664.5	(3%)
Shareholder servicing fees	69.0	67.7	2%	76.1	75.2	77.5	(11%)
Other, net	24.6	21.6	14%	22.9	19.2	24.5	0%
Total Operating Revenues	\$ 2,130.5	\$ 2,095.9	2%	\$ 2,109.5	\$ 1,984.8	\$ 2,084.8	2%

Operating Expenses



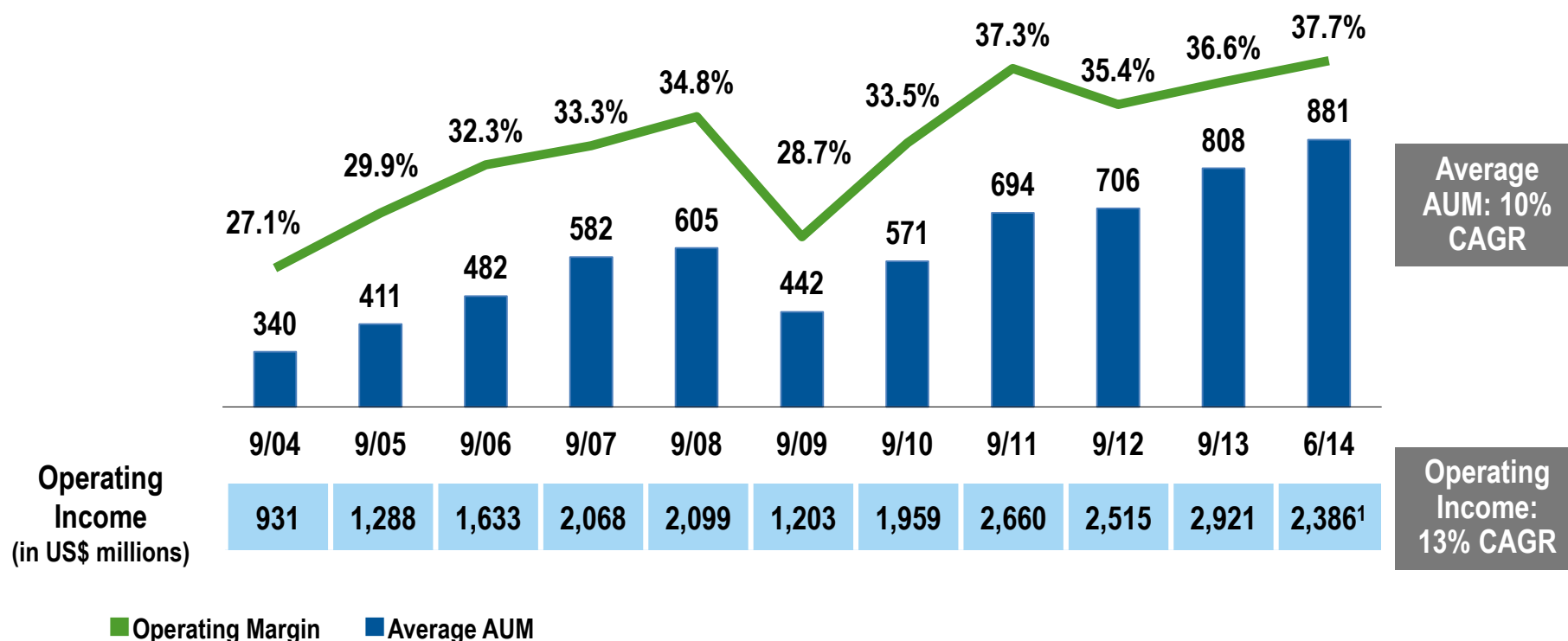
(in US\$ millions, for the three months ended)

	Jun-14	Mar-14	Jun-14 vs. Mar-14	Dec-13	Sep-13	Jun-13	Jun-14 vs. Jun-13
Sales, distribution and marketing	\$ 789.3	\$ 766.3	3%	\$ 776.7	\$ 717.6	\$ 812.8	(3%)
Compensation and benefits	380.7	372.3	2%	349.0	348.8	345.5	10%
Information systems and technology	54.3	51.0	6%	50.2	58.3	44.4	22%
Occupancy	34.1	33.8	1%	33.1	35.0	33.9	1%
General, administrative and other	85.3	86.5	(1%)	87.4	90.0	76.5	12%
Total Operating Expenses	\$ 1,343.7	\$ 1,309.9	3%	\$ 1,296.4	\$ 1,249.7	\$ 1,313.1	2%

Operating Leverage

Growing Operating Income Faster than AUM

Operating Margin (%) vs. Average AUM (in US\$ billions)

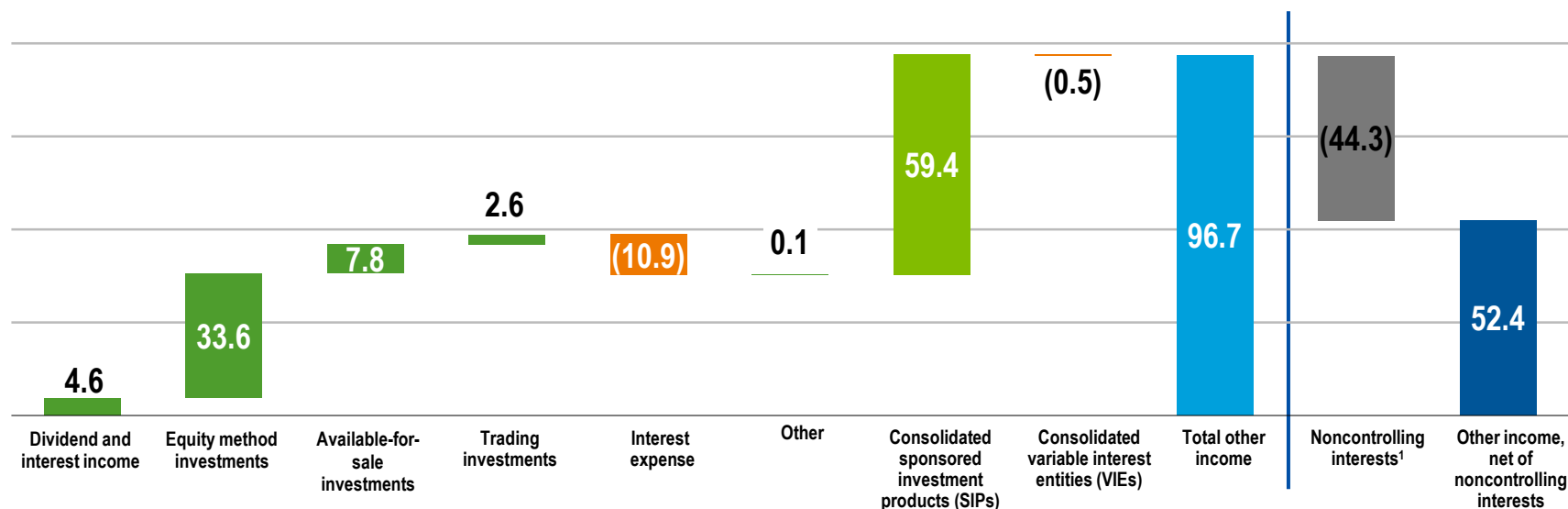


1. Fiscal 2014 year-to-date operating income was annualized for CAGR calculation. CAGR is the compound average annual growth rate over the trailing 10-year period.

Other Income – U.S. GAAP



(in US\$ millions, for the three months ended June 30, 2014)



Associated Financial Statement Components

\$37.8 Million²						\$58.9 Million	
Cash and cash equivalents, investment securities, available-for-sale and investment securities, trading	Investments in equity method investees	Investment securities, available-for-sale	Investment securities, trading	Debt and deferred taxes	Miscellaneous non-operating income, including foreign exchange revaluations of cash and cash equivalents held by subsidiaries with a non-USD functional currency	Investments of consolidated SIPs	Investments of consolidated VIEs

Related noncontrolling interests attributable to third-party investors

1. Reflects the portion of noncontrolling interests related to consolidated SIPs and VIEs included in Other income.
2. Net of the impact of consolidating SIPs and VIEs as summarized in the appendix.

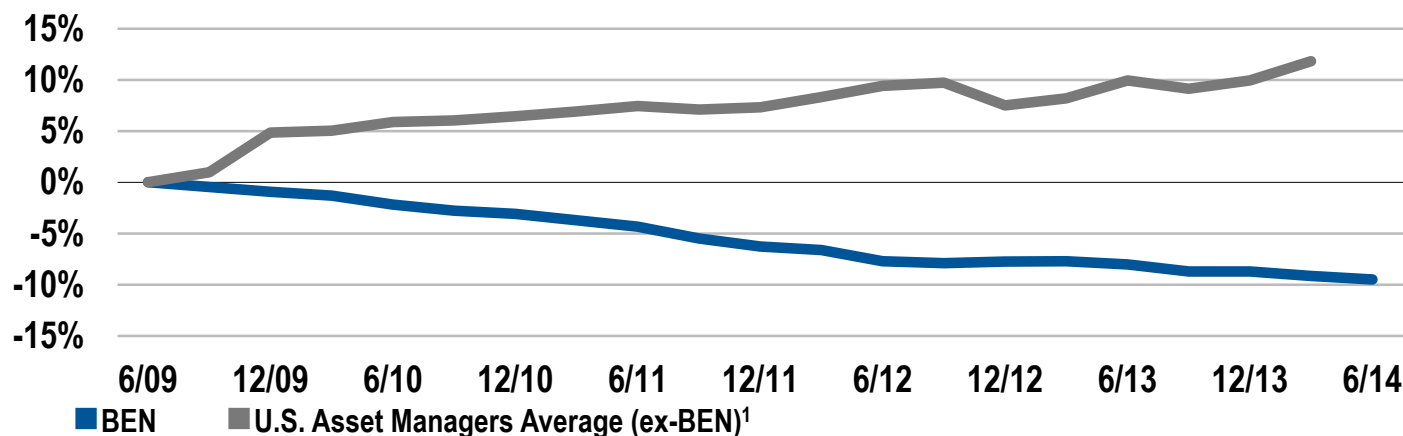
Capital Management



Share Repurchases

Accretive to Earnings per Share

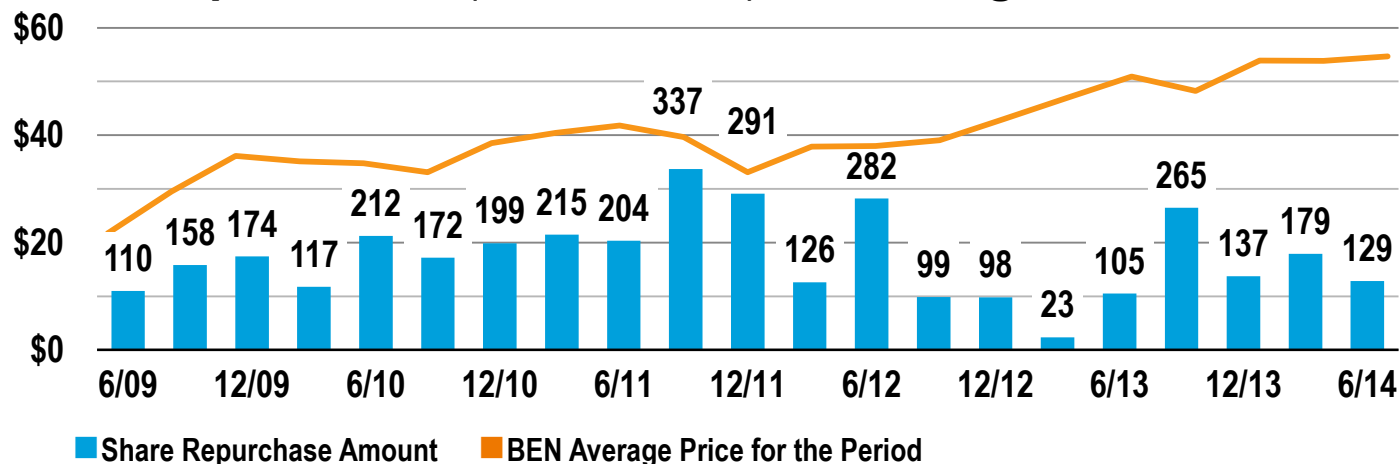
Change in Ending Shares Outstanding



**U.S. Asset Managers
(ex-BEN)¹: 2.3%
Compound Annual
Dilution**

**BEN: 2.0%
Compound Annual
Accretion**

Share Repurchases (US\$ millions) vs. Average BEN Price



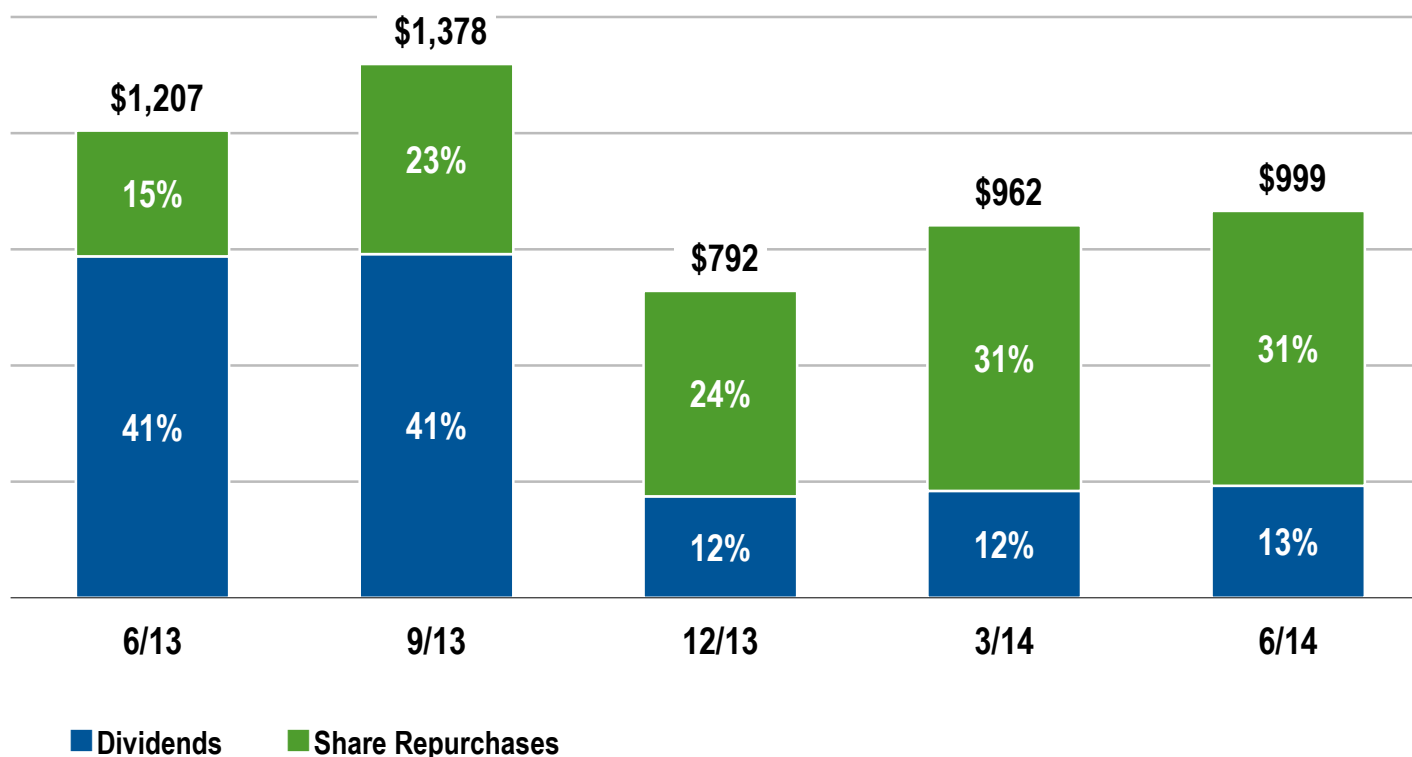
1. U.S. asset managers include AB, AMG, APAM, APO, BLK, BX, CG, CLMS, CNS, EV, FIG, FII, GBL, IVZ, JNS, KKR, LM, MN, OAK, OZM, PZN, TROW, WDR and WETF.
Source: Thomson Reuters and company reports.

Return of Capital

Distributing U.S. Free Cash Flow



Trailing 12 Months Share Repurchases and Dividends¹ (US\$ millions)

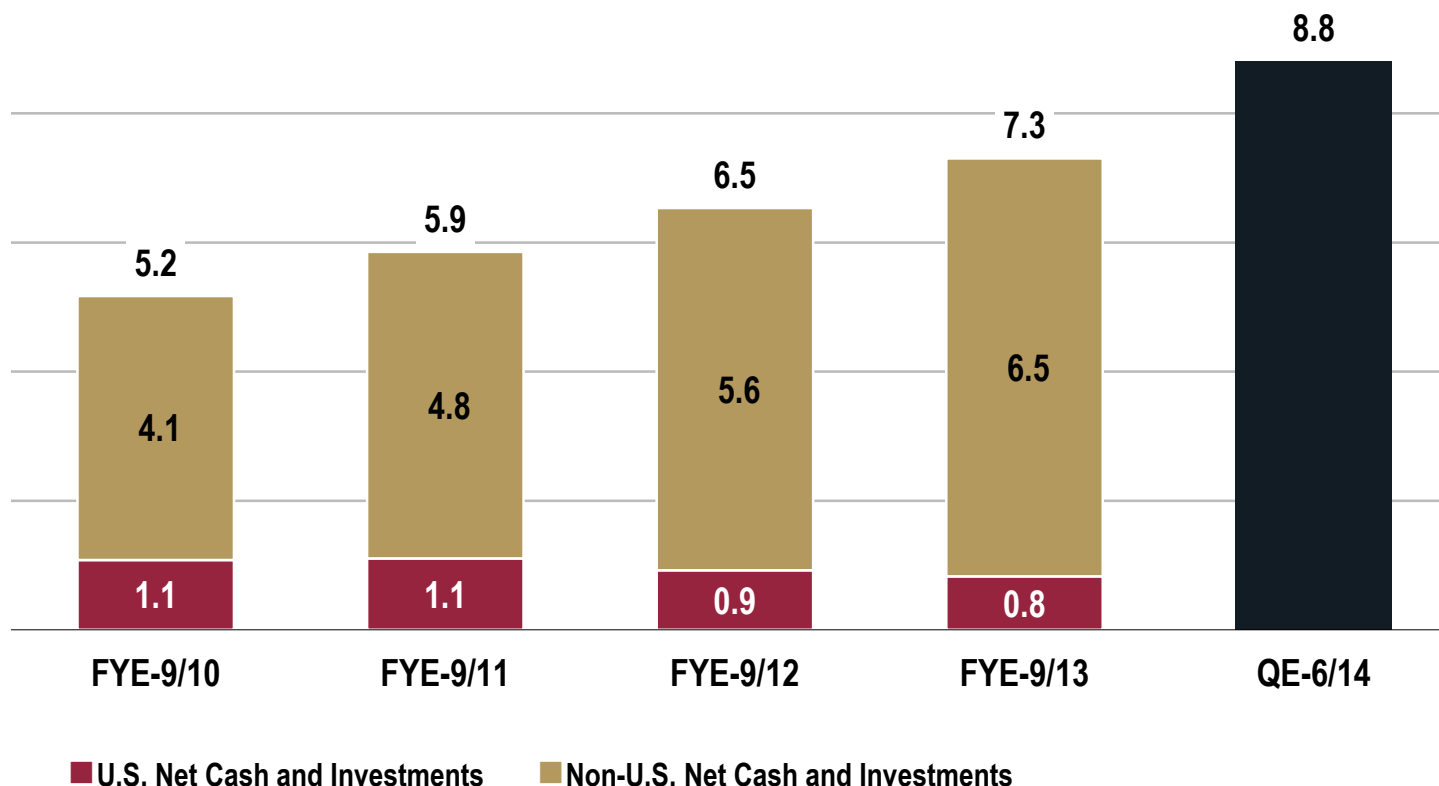


1. The chart above illustrates the amount of share repurchases and dividends over the trailing 12 months, for the period ended. Dividend payout is calculated as dividend amount declared divided by net income attributable to Franklin Resources, Inc. for the trailing 12-month period. Repurchase payout is calculated as stock repurchase amount divided by net income attributable to Franklin Resources, Inc. for the trailing 12-month period.

Strong Balance Sheet



Net Cash and Investments¹ (US\$ billions)



1. Net cash and investments consists of Franklin Resources, Inc. cash and investments (including only direct investments in consolidated SIPs and VIEs), net of debt and deposits.

Appendix



Sales and Distribution Summary

(in US\$ millions, for the three months ended)

	Jun-14	Mar-14	Change	% Change
Asset-based fees, net	\$ (130.2)	\$ (115.8)	\$ (14.4)	12%
Sales-based fees, net	15.5	20.2	(4.7)	(23%)
Amortization of deferred sales commissions	(30.9)	(32.1)	1.2	(4%)
Sales and Distribution Fees, Net	\$ (145.6)	\$ (127.7)	\$ (17.9)	14%

- The change in net asset-based fees of \$14.4 million primarily consists of non-recurring items of \$12.2 million.
- Annualized distribution fees as a percentage of average AUM were 0.20% and 0.21% for the three and nine months ended June 30, 2014, and 0.21% for the same periods in the prior fiscal year.
- Commissionable sales represented 12% of total sales for the three and nine months ended June 30, 2014, and 11% and 12% for the same periods in the prior fiscal year. Sales fees as a percentage of commissionable sales were 3.1% for the three and nine months ended June 30, 2014, and 3.1% and 3.2% for the same periods in the prior fiscal year.

This table summarizes the asset- and sales-based distribution fees, net of expense.

- Asset-based expenses are generally not directly correlated with asset-based revenue due to international fee structures which provide for recovery of certain distribution costs through investment management fees.
- Sales-based expenses are determined as a percentage of sales and are incurred from the same commissionable sales transactions that generate sales fee revenues.
- Deferred sales commissions, which are related to up-front commissions on shares sold without a front-end sales charge, are amortized over the periods in which commissions are generally recovered from distribution fee revenues (and to a lesser extent, from contingent deferred sales charges received from shareholders of the funds upon redemption of their shares).

See the MD&A section of the Company's recent Form 10-Q for additional information.

Consolidated SIPs and VIEs Related Adjustments



(in US\$ millions, for the three and nine months ended)

	Jun-14		FYTD Jun-14	
Operating Revenues	\$	14.0	\$	34.4
Operating Expenses		2.1		11.5
Operating Income		11.9		22.9
Investment Income		(15.1)		(24.6)
Interest Expense		(1.3)		(3.7)
Consolidated SIPs		59.4		38.7
Consolidated VIEs		(0.5)		7.4
Other Income		42.5		17.8
Net Income		54.4		40.7
Less: net income attributable to noncontrolling interests		51.7		35.2
Net Income Attributable to Franklin Resources, Inc.	\$	2.7	\$	5.5

This table summarizes the impact of consolidating SIPs and VIEs on the Company's reported U.S. GAAP operating results.