Franklin Resources, Inc.

Second Quarter Results

Greg Johnson
Chairman and Chief Executive Officer

Ken Lewis
Chief Financial Officer

April 29, 2015

Forward-Looking Statements

FRANKLIN TEMPLETON INVESTMENTS

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. While forward-looking statements are our best prediction at the time that they are made, you should not rely on them, and you are hereby cautioned against doing so. 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. 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, 2014 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. and international 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 market-specific political, economic or other risks that may adversely impact 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) 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; (19) our ability to meet cash needs depends upon certain factors, including the market value of our assets, operating cash flows and our perceived creditworthiness; (20) 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

FRANKLIN TEMPLETON INVESTMENTS

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 investors.franklinresources.com. The pre-recorded audio commentary can also be accessed by dialing (877) 523-5612 in the U.S. and Canada or (201) 689-8483 internationally using access code 7055790, any time through June 1, 2015.

Access to the live teleconference will be available at investors.franklinresources.com or by dialing (877) 407-8293 in the U.S. and Canada or (201) 689-8349 internationally. A replay of the teleconference can also be accessed by calling (877) 660-6853 in the U.S. and Canada or (201) 612-7415 internationally using access code 13607096, after 2:00 p.m. Eastern Time on April 29, 2015 through June 1, 2015.

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

FRANKLIN TEMPLETON INVESTMENTS

Investment Performance	• The majority of U.S.-registered and cross-border assets continue to outperform their respective peer group medians with 72%, 72% and 78% of assets in the top two quartiles on a 3-, 5-, and 10-year basis
Flows	• Net new flows to U.S. and global equity as well as U.S. taxable and tax-free fixed-income improved • The institutional business exhibited continued strength with its fourth consecutive quarterly increase in long-term sales, setting a new all-time high • The High Net Worth business achieved a 2nd consecutive quarter of record net new flows
Financial Results	• Operating income of $758 million generated on $2 billion of revenue • Continued to demonstrate expense discipline as the change in expenses kept pace with the change in revenues
Capital Management	• Repurchased 3.6 million shares and adopted a stock trading plan under Rule 10b5-1, to facilitate ongoing repurchases under the existing stock repurchase program • Issued $400 million of 10-year notes, with net proceeds to be used to repay $250 million of outstanding 3.125% notes due May 2015 and for general corporate purposes
Business Update	• Established the Templeton Global Macro investment group, to better leverage the global macro expertise embedded in the Templeton Global Bond team and to enhance investment team collaboration across Franklin Templeton

Investment Performance

Investment Performance

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

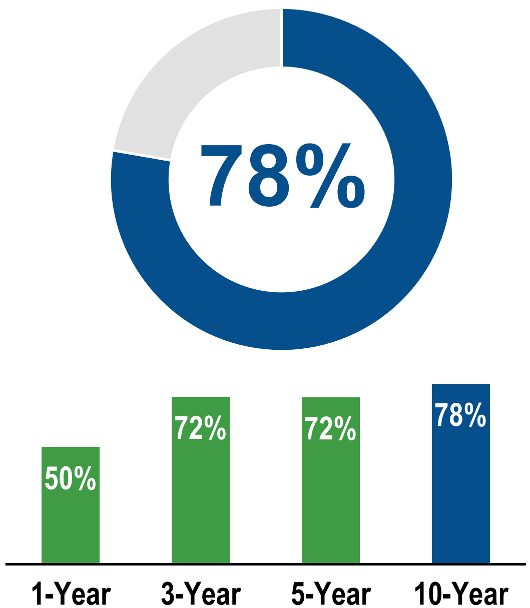
FRANKLIN TEMPLETON INVESTMENTS

Percentage of Long-Term Assets in the Top Two Peer Group Quartiles

(10-Year Period ended March. 31, 2015)

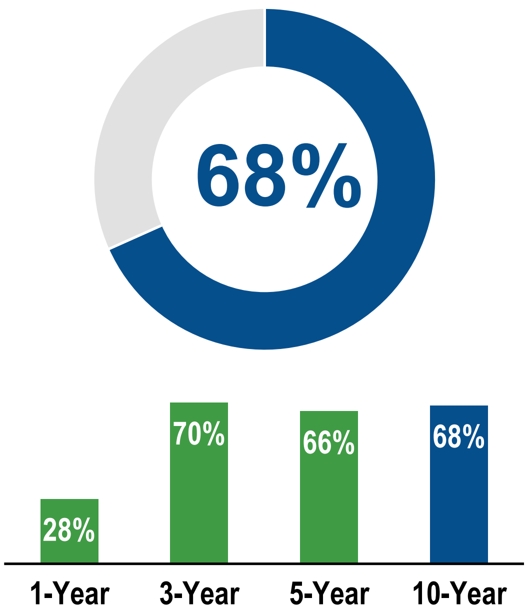
Total

($592 billion)



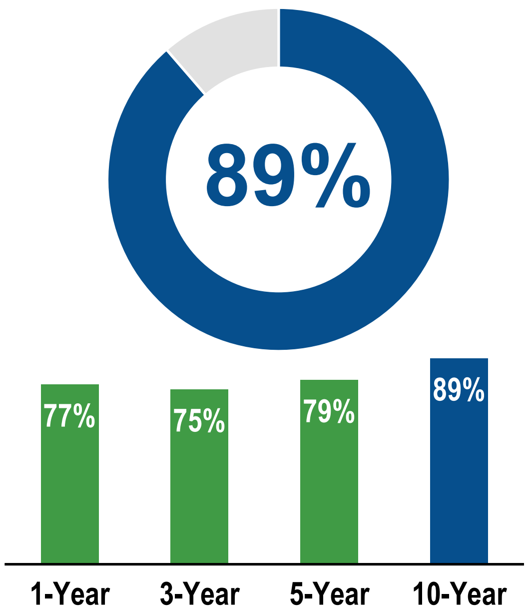
Equity & Hybrid

($323 billion)



Fixed-Income

($269 billion)



The peer group rankings are sourced from either Lipper, a Thomson Reuters Company or Morningstar, as the case may be, and are based on an absolute ranking of returns as of March 31, 2015. 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 as of April 6, 2015 and Morningstar as of April 13, 2015 and are subject to revision.

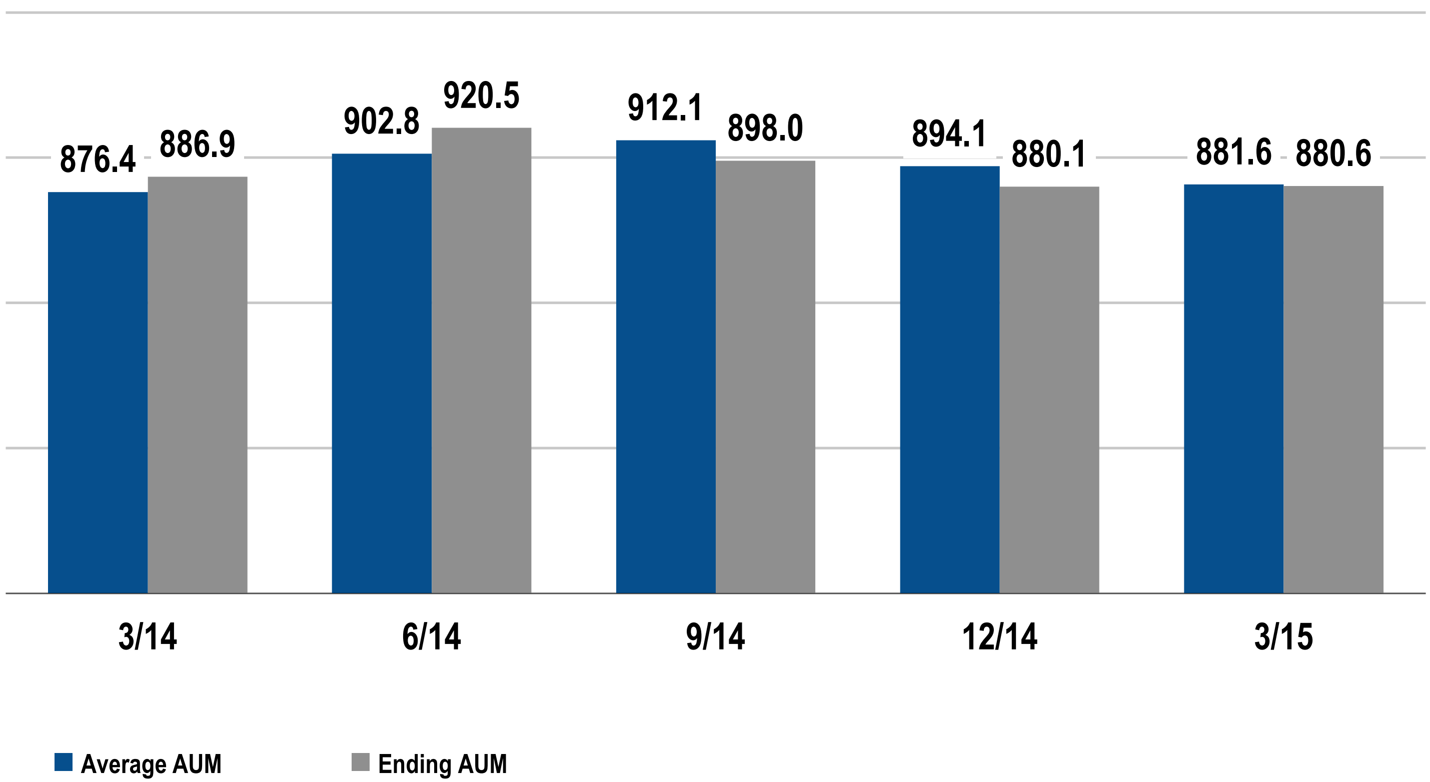
Performance quoted above represents past performance, which cannot predict or guarantee future results. All investments involve risks, including loss of principal.

Assets Under Management and Flows

Assets Under Management Growth

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

Simple Monthly Average vs. End of Period

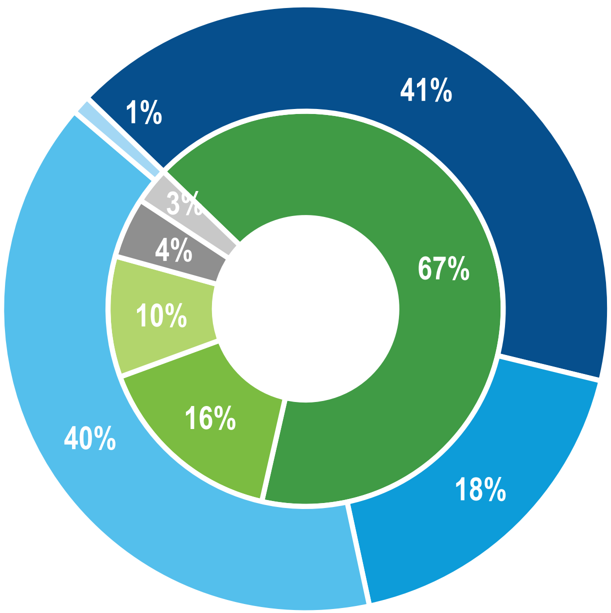


Assets Under Management Diversification

FRANKLIN TEMPLETON INVESTMENTS

As of March 31, 2015

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



Investment Objective

		Mar-15		Dec-14	% Change
Equity	$	367.4	$	361.6	2%
Hybrid		158.2		157.1	1%
Fixed-Income		348.4		354.5	(2%)
Cash Management		6.6		6.9	(4%)
Total	**$**	**880.6**	**$**	**880.1**	**0%**

Sales Region

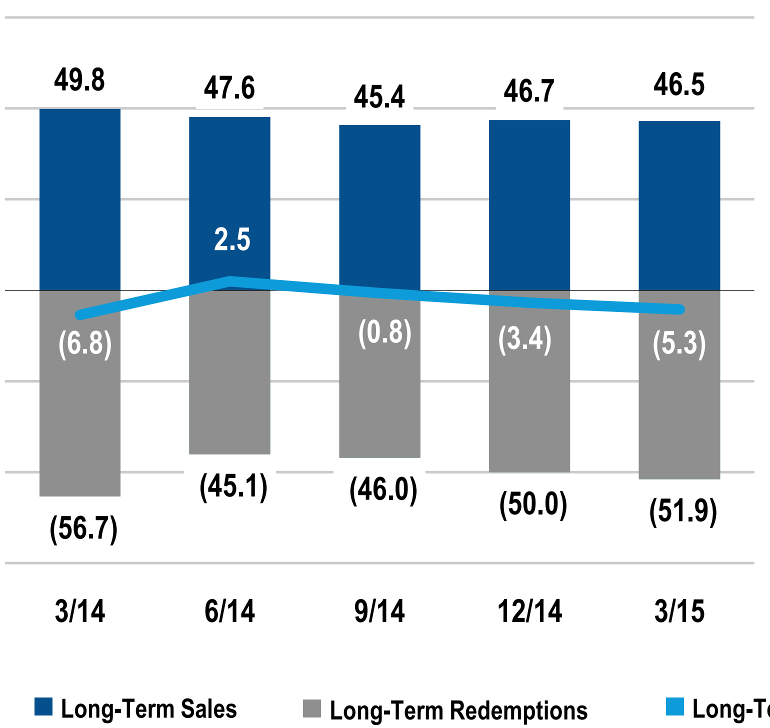
		Mar-15		Dec-14	% Change
United States	$	587.4	$	580.6	1%
Europe, the Middle East and Africa		137.8		142.8	(4%)
Asia-Pacific		90.9		90.9	0%
Canada		36.1		36.8	(2%)
Latin America		28.4		29.0	(2%)
Total	**$**	**880.6**	**$**	**880.1**	**0%**

Long-Term Flows and Market Return Summary

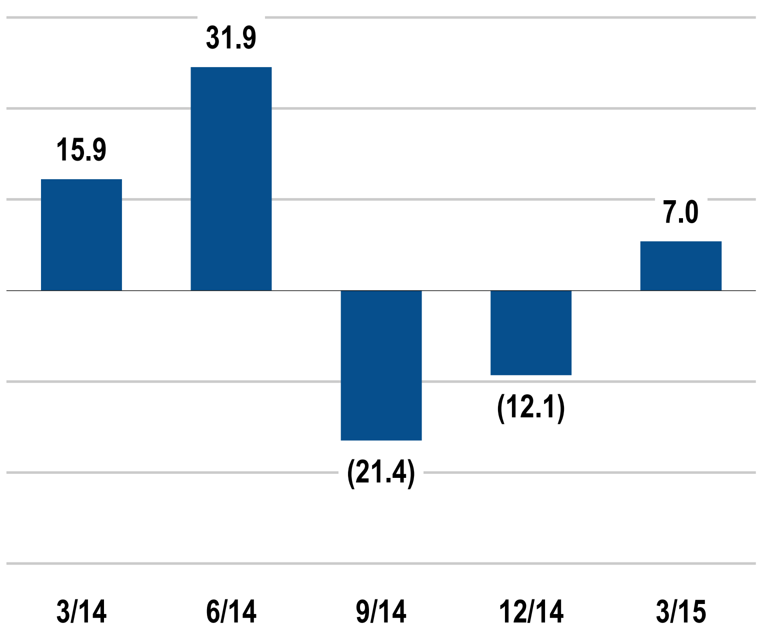
FRANKLIN TEMPLETON INVESTMENTS

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

Long-Term Flows



Appreciation (Depreciation) & Other



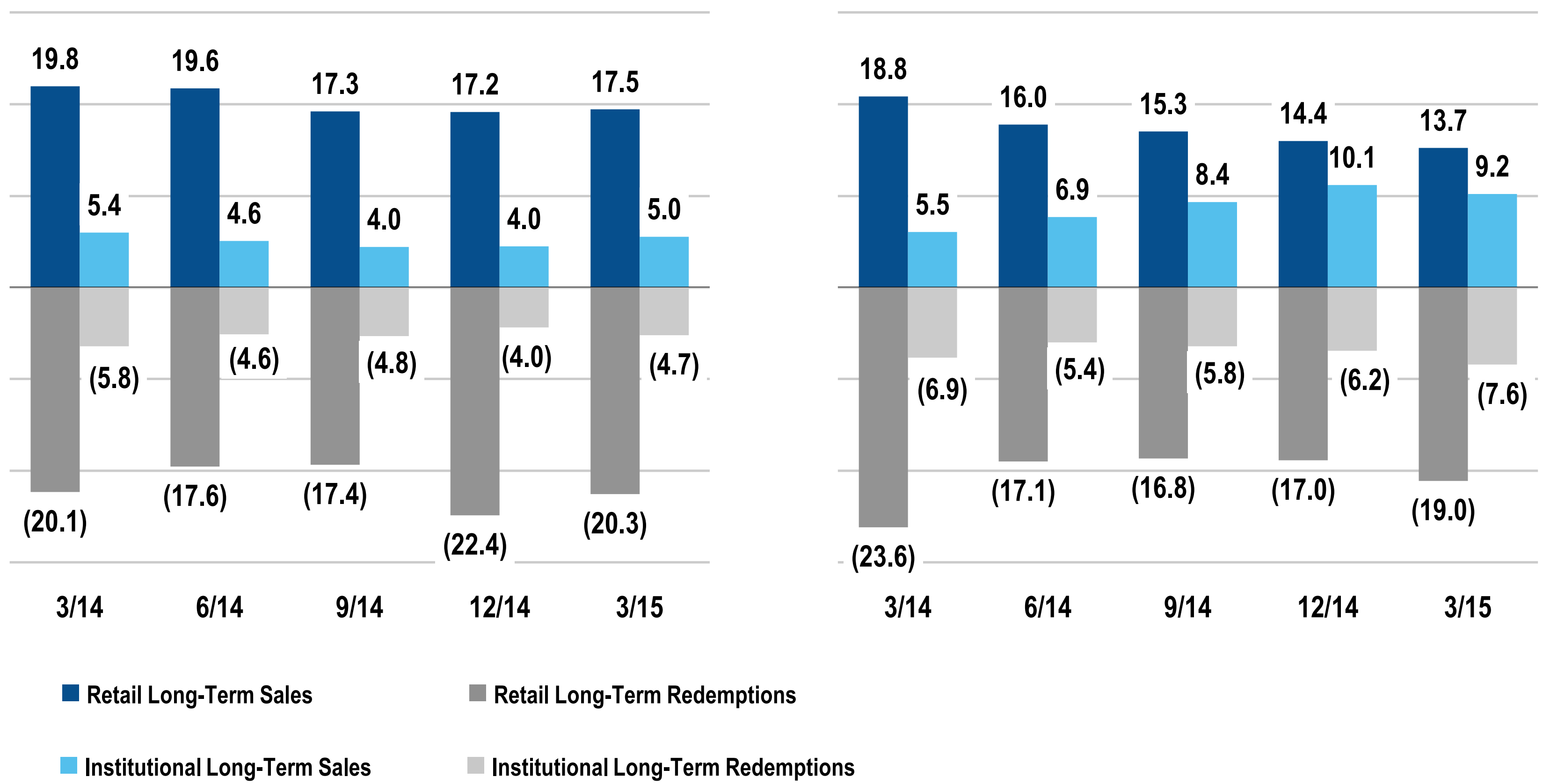
1. Long-term net new flows are defined as long-term sales less long-term redemptions plus long-term net exchanges.

United States and International, Retail and Institutional Flows

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

United States

International



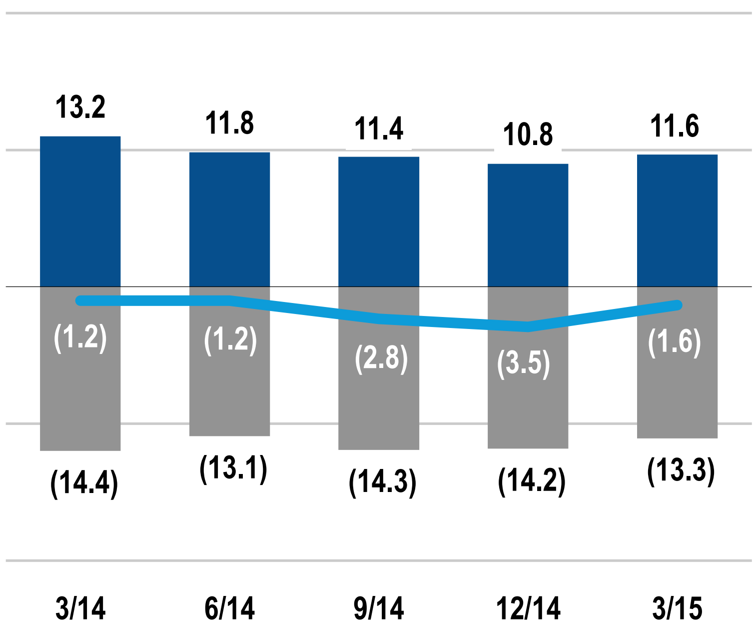
Graphs do not include high net worth client flows.

Flows by Investment Objective:
Global / International Equity and Fixed-Income

FRANKLIN TEMPLETON INVESTMENTS

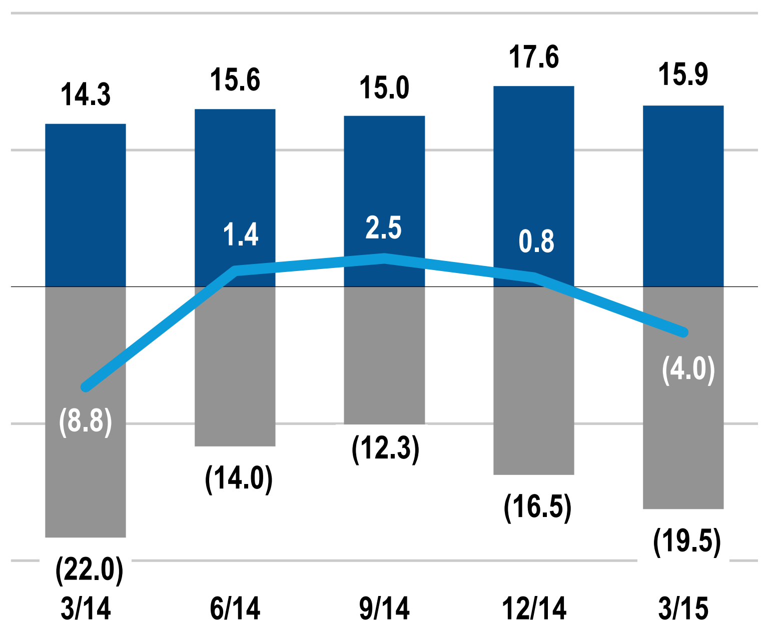
(in US$ billions, for the three months ended)

Global / International Equity



% of Beg. AUM[1]	Prior 4 Quarters Avg.	Current Quarter
Sales	18%	19%
Redemptions	21%	21%

Global / International Fixed-Income



% of Beg. AUM[1]	Prior 4 Quarters Avg.	Current Quarter
Sales	27%	29%
Redemptions	28%	36%

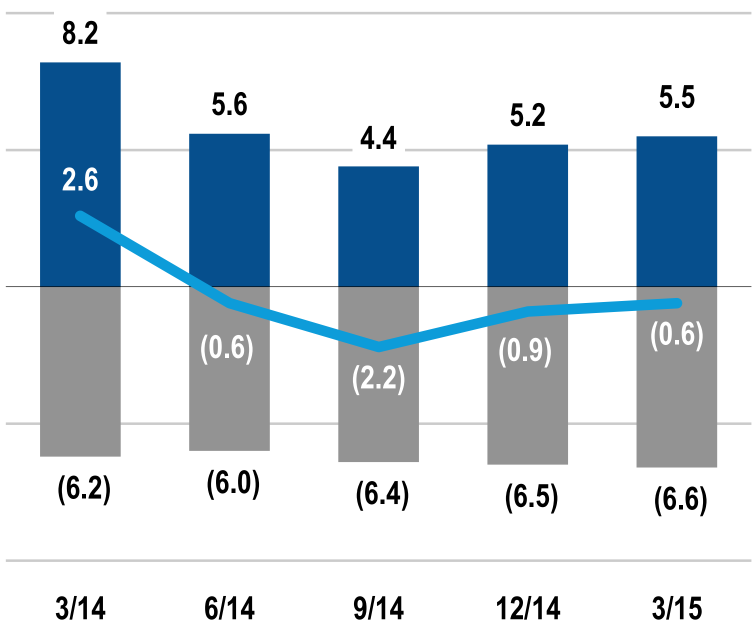
Long-Term Sales   Long-Term Redemptions   Long-Term Net New Flows

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

Flows by Investment Objective:
U.S. Equity and Hybrid

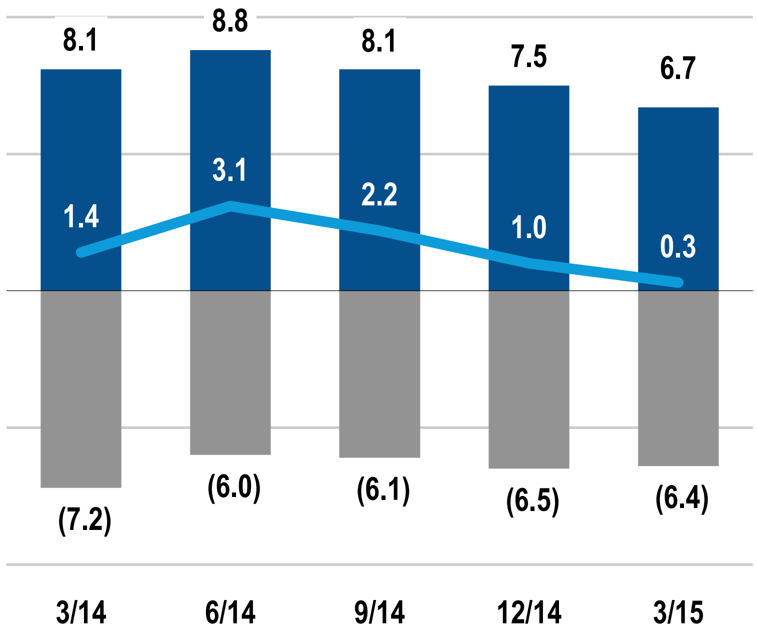
(in US$ billions, for the three months ended)

U.S. Equity



% of Beg. AUM[1]	Prior 4 Quarters Avg.	Current Quarter
Sales	21%	19%
Redemptions	23%	23%

Hybrid



% of Beg. AUM[1]	Prior 4 Quarters Avg.	Current Quarter
Sales	21%	17%
Redemptions	17%	16%

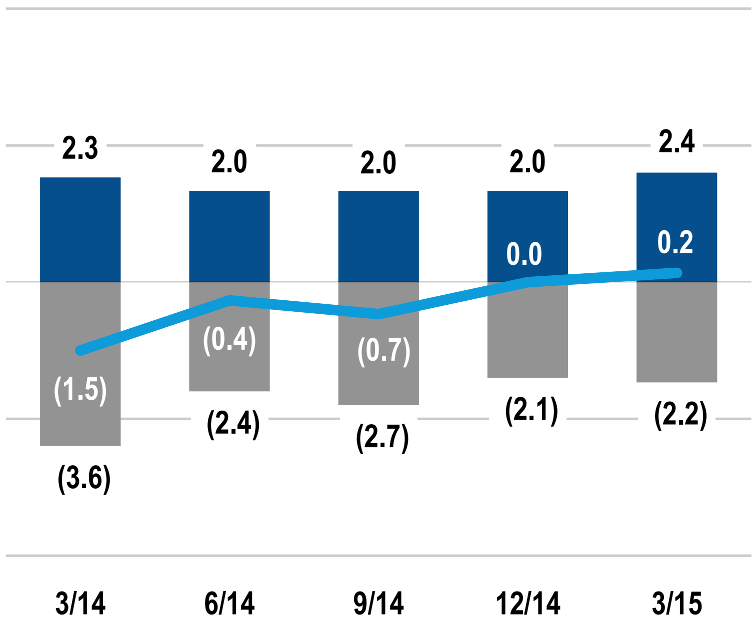
Long-Term Sales | Long-Term Redemptions | Long-Term Net New Flows

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

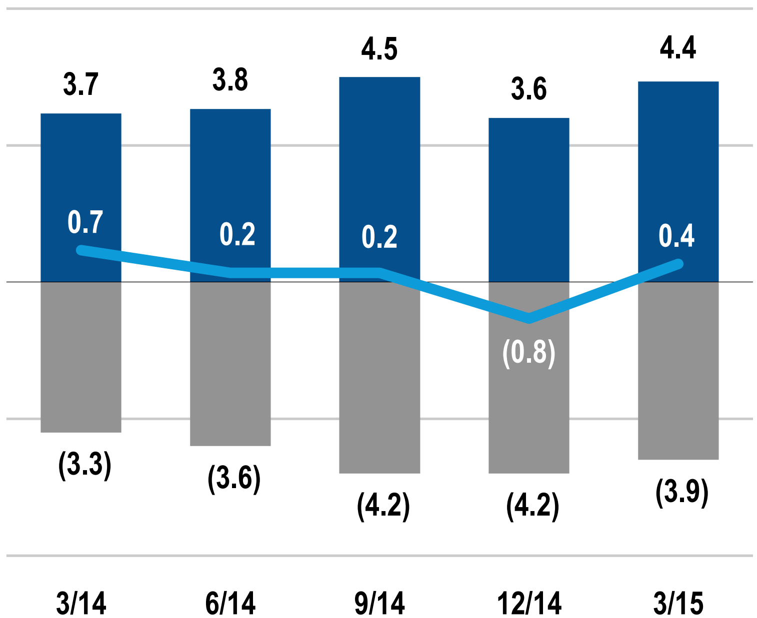
(in US$ billions, for the three months ended)

Tax-Free Fixed-Income



% of Beg. AUM[1]	Prior 4 Quarters Avg.	Current Quarter
Sales	12%	13%
Redemptions	15%	12%

Taxable U.S. Fixed-Income



% of Beg. AUM[1]	Prior 4 Quarters Avg.	Current Quarter
Sales	26%	28%
Redemptions	25%	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.

High Level View of Selected 2015 Strategic Initiatives

FRANKLIN TEMPLETON INVESTMENTS

Focus on Investment Excellence

- Maintain or enhance investment performance such that the majority of assets are in the top half of their respective peer group.
- Further enhanced strong collaborative relationships across investment teams via the Global Sector Collaboration Initiative and the establishment of six sector teams: Energy, Financials, Healthcare, Industrials, Materials and Technology.
- Established the Global Macro team which is publishing regular topic papers externally – Global Macro Shifts – and sharing views internally across investment teams.
- Reinforcing the case for active management, positioning Franklin Templeton as a thought leader among retail and institutional clients. Published a number of thought pieces, brochures and blogs focusing on outcomes and more complex topics such as the importance of "active share."

Optimize Global Growth Prospects

- Enhanced focus on global institutional business has resulted in positive net sales of $9.6 billion over the past four quarter from international clients.
- Continued to build investment solutions strategies and process, including portfolio review and global investment committee teams, and are working on solutions to address opportunities in benchmark-agnostic equity, dynamic multi-asset class and next generation fixed income.
- Franklin K2 Alternative Strategy Fund now has more than $650 million in assets in a little more than a year since inception, and its cross-border equivalent has $175 million in assets in six months. Planned launch of a long/short credit fund in FY15. Launching multi asset and diversified growth funds in both Europe and Asia.
- Segmented our DCIO marketing teams to focus on Advisory and Institutional DCIO.

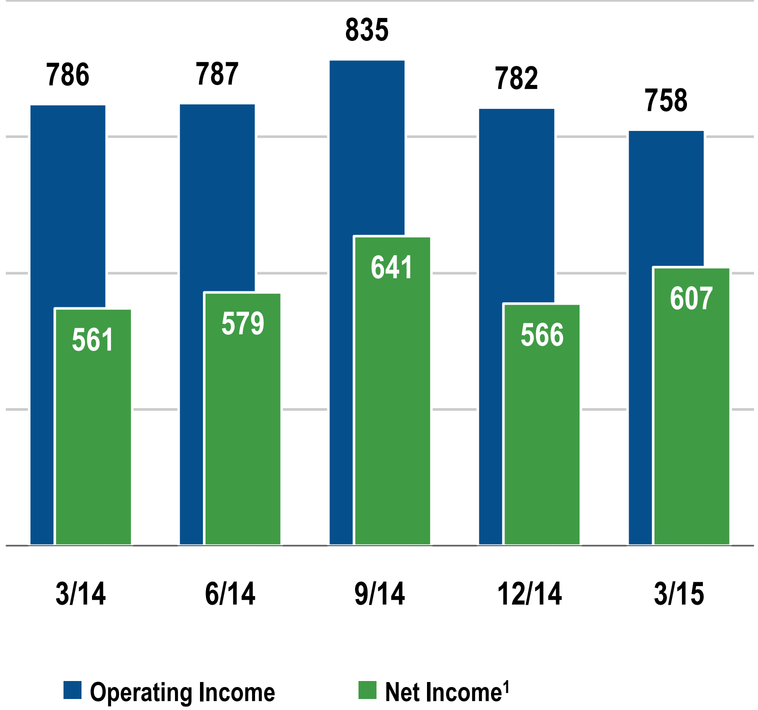
Financial Results

Quarterly Financial Highlights

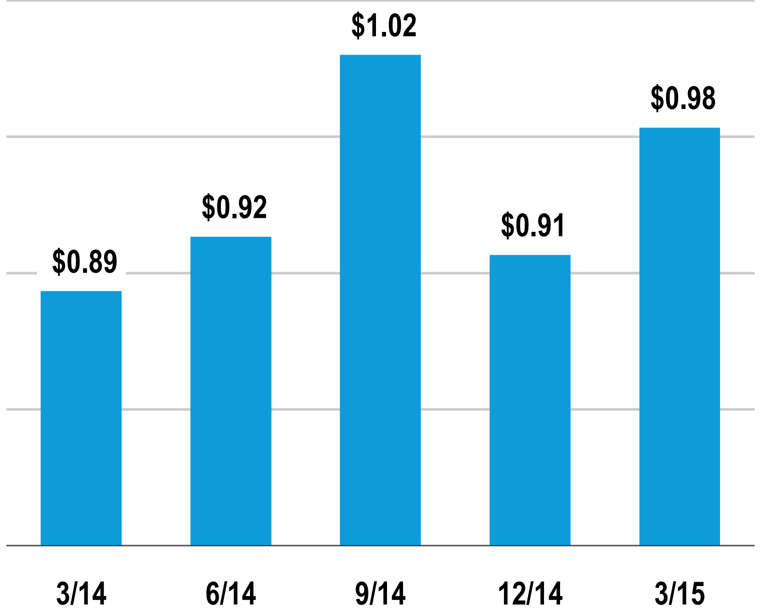
FRANKLIN TEMPLETON INVESTMENTS

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

Operating and Net Income[1]



Diluted Earnings Per Share



1. Net income attributable to Franklin Resources, Inc.

Operating Revenues

FRANKLIN TEMPLETON INVESTMENTS

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

	Mar-15	Dec-14	Mar-15 vs. Dec-14	Sep-14	Jun-14	Mar-14	Mar-15 vs. Mar-14
Investment management fees	$ 1,347.6	$ 1,382.4	(3%)	$ 1,430.7	$ 1,393.2	$ 1,368.0	(1%)
Sales and distribution fees	580.0	595.0	(3%)	627.4	643.7	638.6	(9%)
Shareholder servicing fees	66.1	65.8	0%	68.3	69.0	67.7	(2%)
Other	16.1	21.1	(24%)	29.1	24.6	21.6	(25%)
Total Operating Revenues	**$ 2,009.8**	**$ 2,064.3**	**(3%)**	**$ 2,155.5**	**$ 2,130.5**	**$ 2,095.9**	**(4%)**

Operating Expenses

FRANKLIN TEMPLETON INVESTMENTS

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

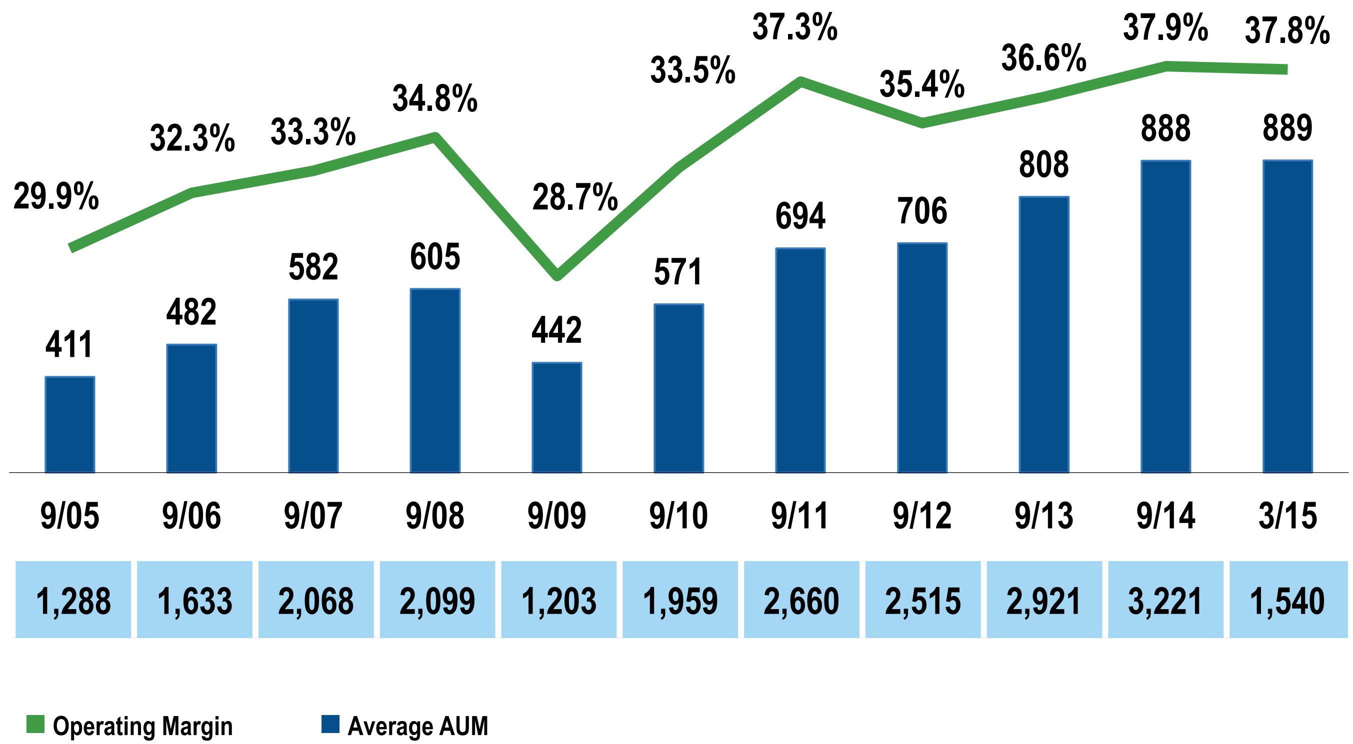
	Mar-15	Dec-14	Mar-15 vs. Dec-14	Sep-14	Jun-14	Mar-14	Mar-15 vs. Mar-14
Sales, distribution and marketing	$ 710.5	$ 731.5	(3%)	$ 755.9	$ 789.3	$ 766.3	(7%)
Compensation and benefits	377.5	375.5	1%	365.9	380.7	372.3	1%
Information systems and technology	49.9	51.2	(3%)	60.8	54.3	51.0	(2%)
Occupancy	32.1	34.3	(6%)	36.7	34.1	33.8	(5%)
General, administrative and other	82.1	89.8	(9%)	100.9	85.3	86.5	(5%)
Total Operating Expenses	**$ 1,252.1**	**$ 1,282.3**	**(2%)**	**$ 1,320.2**	**$ 1,343.7**	**$ 1,309.9**	**(4%)**

FRANKLIN TEMPLETON INVESTMENTS

Operating Leverage

Growing Operating Income Faster than AUM

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



Average AUM: 8.0% CAGR

Operating Income (in US$ millions)	9/05	9/06	9/07	9/08	9/09	9/10	9/11	9/12	9/13	9/14	3/15
	1,288	1,633	2,068	2,099	1,203	1,959	2,660	2,515	2,921	3,221	1,540

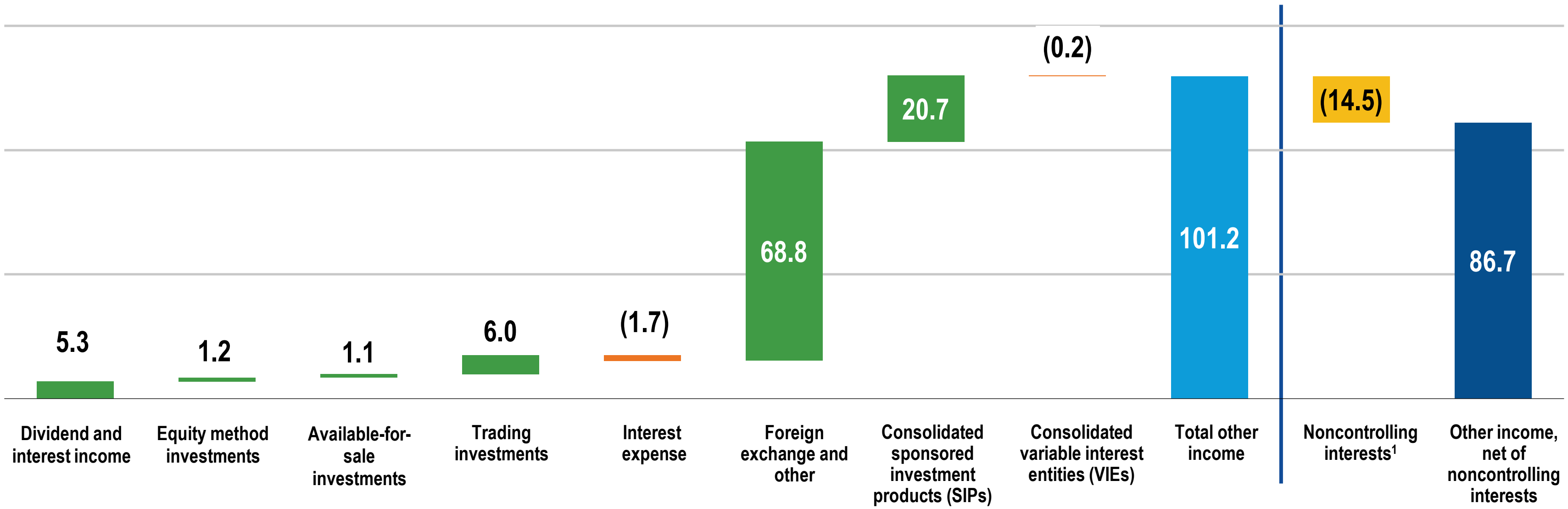
Operating Income[1]: 9.1% CAGR

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

Other Income – U.S. GAAP

FRANKLIN TEMPLETON INVESTMENTS

(in US$ millions, for the three months ended March 31, 2015)



Associated Financial Statement Components

$80.7 Million[2]						$20.5 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	Foreign exchange revaluations of cash and cash equivalents held by subsidiaries with a non-USD functional currency and other miscellaneous non-operating income	Investments of consolidated SIPs	Investments of consolidated VIEs	Related noncontrolling interests attributable to third-party investors

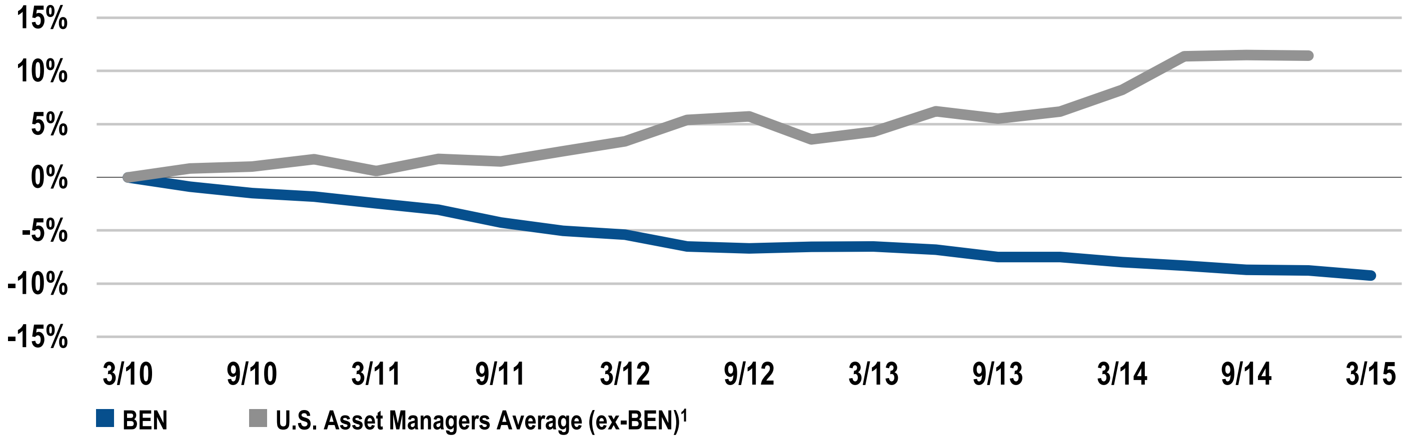
1. Reflects the portion of noncontrolling interests related to consolidated SIPs and VIEs included in Other income.
2. Net of the impact of consolidating SIPs and VIEs as summarized in the appendix.

Capital Management

Share Repurchases
Accretive to Earnings per Share

FRANKLIN TEMPLETON INVESTMENTS

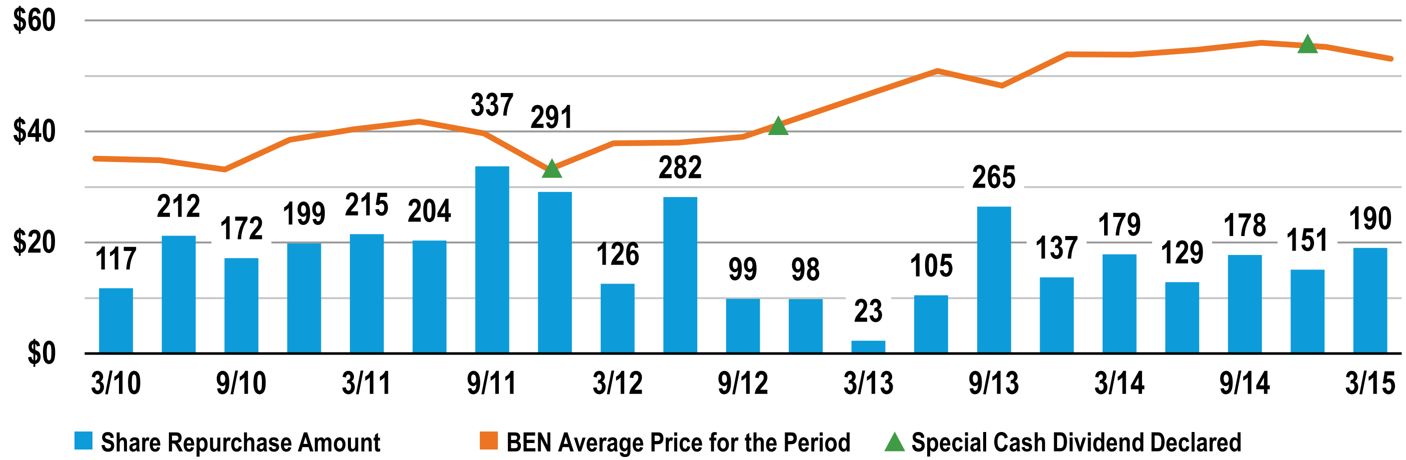
Change in Ending Shares Outstanding



U.S. Asset Managers (ex-BEN)[1]: 2.2% Compound Annual Dilution

BEN: 1.9% Compound Annual Accretion

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



Recent Special Cash Dividends per Share Declared:

Dec-14: $0.50
Nov-12: $1.00
Dec-11: $0.67
Dec-09: $1.00

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, OMAM, OZM, PZN, TROW, WDR and WETF.

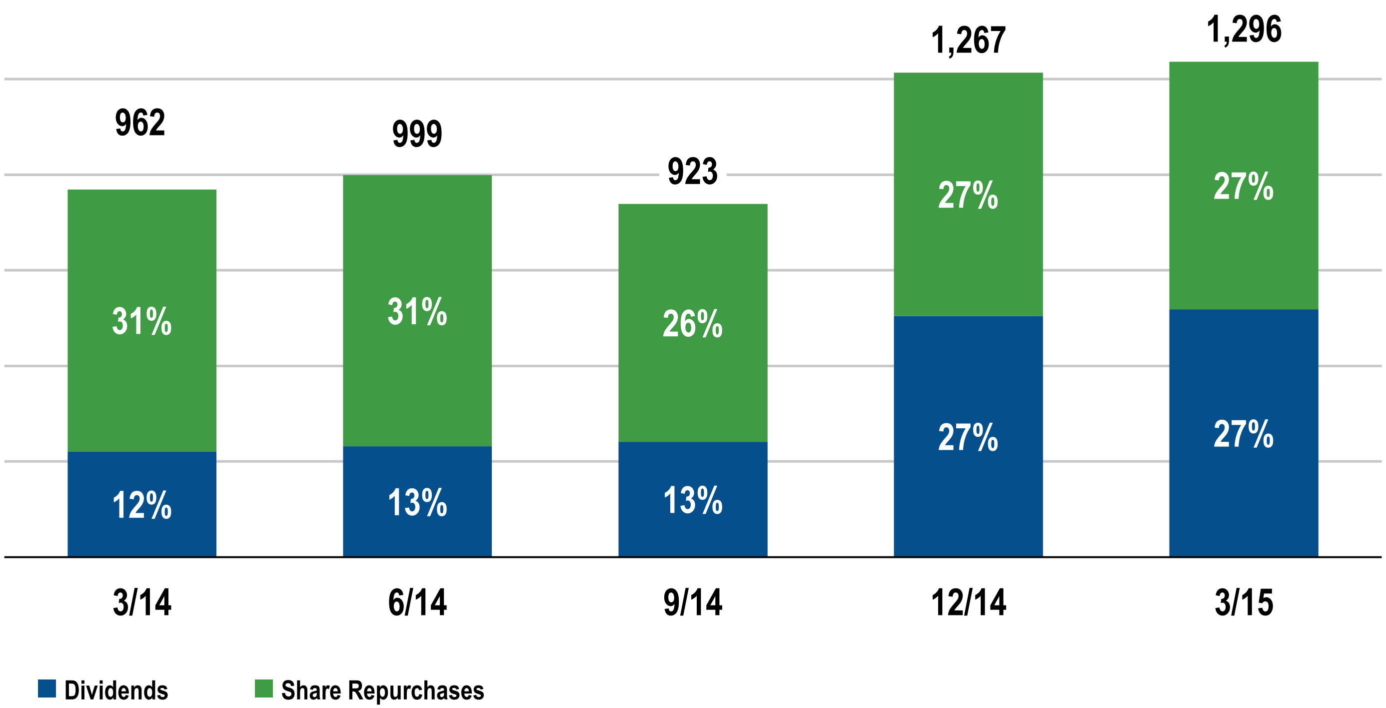
Source: Thomson Reuters and company reports.

Unaudited

Return of Capital

Distributing U.S. Free Cash Flow

Trailing 12 Months Share Repurchases and Dividends[1] (US$ millions and percentage of net income)



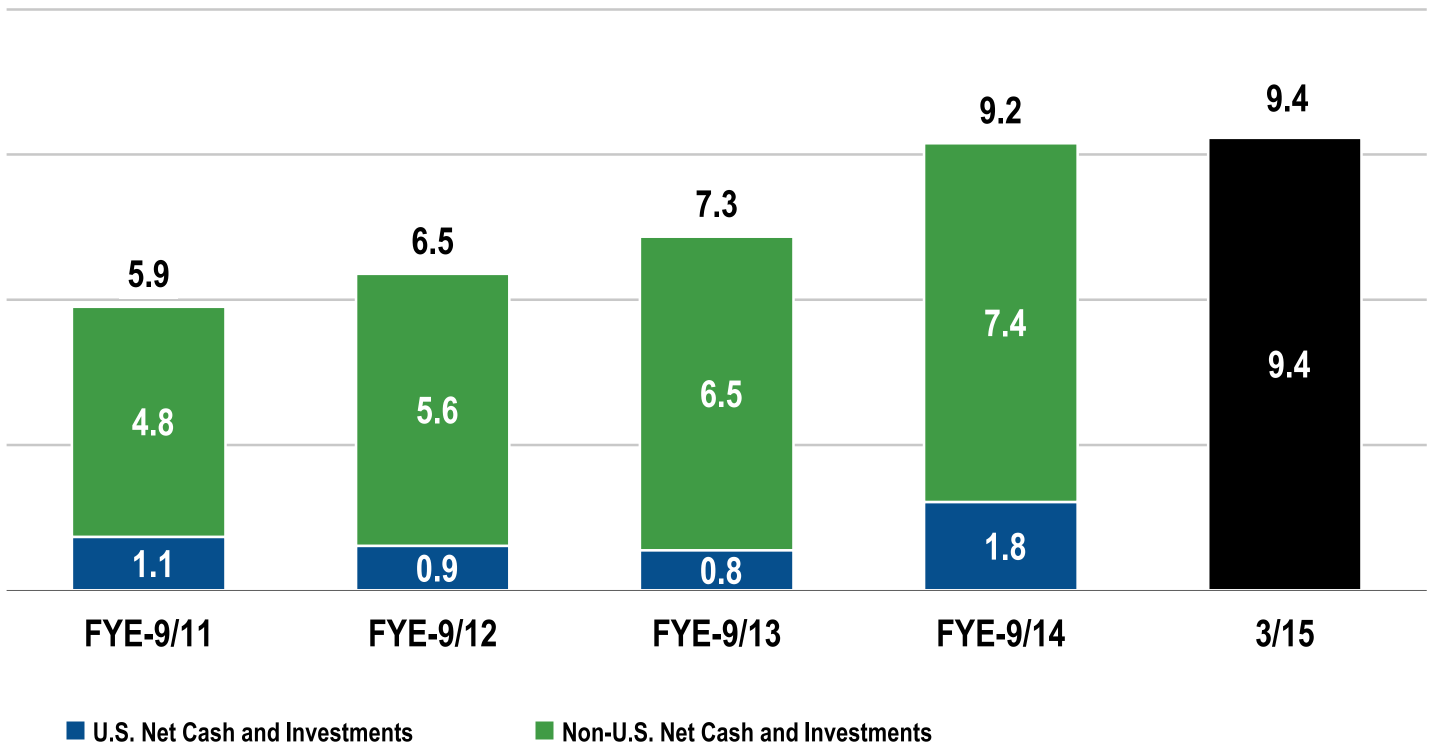
1. The chart above illustrates the amount of share repurchases and dividends over the trailing 12 months, for the period ended. Dividend payout is calculated as dividend amount declared divided by net income attributable to Franklin Resources, Inc. for the trailing 12-month period. Repurchase payout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

Appendix

Strong Balance Sheet

FRANKLIN TEMPLETON INVESTMENTS

Net Cash and Investments[1] (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.

Unaudited

Sales and Distribution Summary

FRANKLIN TEMPLETON INVESTMENTS

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

	Mar-15	Dec-14	Change	% Change
Asset-based fees	$ 428.3	$ 447.8		
Asset-based expenses	(541.6)	(567.6)		
Asset-based fees, net	**$ (113.3)**	**$ (119.8)**	**$ 6.5**	**(5%)**
Sales-based fees	148.9	144.7		
Contingent sales charges	2.8	2.5		
Sales-based expenses	(139.7)	(133.7)		
Sales-based fees, net	**$ 12.0**	**$ 13.5**	**$ (1.5)**	**(11%)**
Amortization of deferred sales commissions	(29.2)	(30.2)	1.0	(3%)
Sales and Distribution Fees, Net	**$ (130.5)**	**$ (136.5)**	**$ 6.0**	**(4%)**

- The change in sales and distribution fees, net was primarily attributable to lower cross-border assets under management.

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).

Consolidated SIPs and VIEs Related Adjustments

FRANKLIN TEMPLETON INVESTMENTS

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

	Mar-15	FYTD Mar-15
Operating Revenues	$ 3.4	$ 0.9
Operating Expenses	4.1	7.1
Operating Income	**(0.7)**	**(6.2)**
Investment Income	(1.7)	(6.6)
Interest Expense	(1.2)	(2.4)
Consolidated SIPs	20.7	23.6
Consolidated VIEs	(0.2)	5.1
Other Income	**17.6**	**19.7**
Net Income	**16.9**	**13.5**
Less: net income attributable to noncontrolling interests	15.3	10.9
Net Income Attributable to Franklin Resources, Inc.	**$ 1.6**	**$ 2.6**

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