

GAIN FROM OUR PERSPECTIVE®

FRANKLIN RESOURCES, INC.®

ANNUAL REPORT 2011



FRANKLIN TEMPLETON
INVESTMENTS

Financial Highlights

<i>As of and for the fiscal years ended September 30,</i>	2011	2010	2009	2008	2007
Summary of Operations					
<i>(in millions)</i>					
Operating Revenues	\$ 7,140.0	\$ 5,853.0	\$ 4,194.1	\$ 6,032.4	\$ 6,205.8
Net Income Attributable to Franklin Resources, Inc.	1,923.6	1,445.7	896.8	1,588.2	1,772.9
Financial Data					
<i>(in millions)</i>					
Total Assets	\$13,775.8	\$10,708.1	\$ 9,468.5	\$ 9,176.5	\$ 9,932.3
Long-Term Debt	2,138.4	947.9	42.0	156.4	162.1
Franklin Resources, Inc. Stockholders' Equity	8,524.7	7,727.0	7,632.2	7,074.4	7,332.3
Operating Cash Flows	1,621.8	1,651.0	641.4	1,409.2	1,673.6
Assets Under Management					
<i>(in billions)</i>					
Ending	\$ 659.9	\$ 644.9	\$ 523.4	\$ 507.3	\$ 645.9
Average	694.4	571.1	442.2	604.9	582.0
Per Common Share					
Earnings					
Basic	\$ 8.66	\$ 6.36	\$ 3.87	\$ 6.68	\$ 7.07
Diluted	8.62	6.33	3.85	6.62	6.99
Cash Dividends	1.00	3.88	0.84	0.80	0.60
Book Value	41.82	34.49	33.28	30.39	29.87
Employee Headcount	8,453	7,927	7,745	8,809	8,699

Corporate Profile, as of September 30, 2011

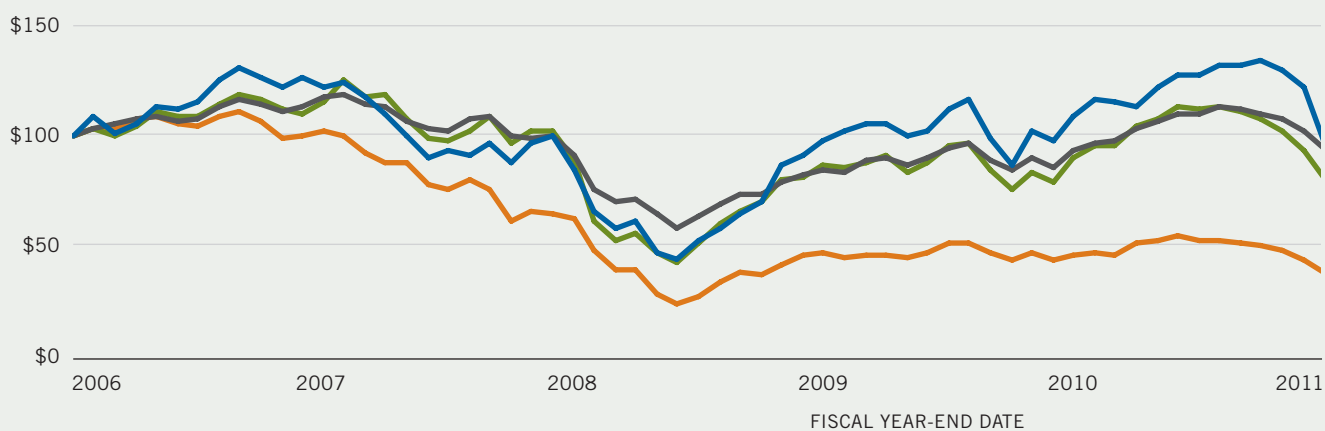
Franklin Resources, Inc. is a holding company that, together with its various subsidiaries, operates as Franklin Templeton Investments®, a global investment management organization offering investment choices under the Franklin®, Templeton®, Mutual Series®, Bissett®, Fiduciary™ and Darby® brand names. Headquartered in San Mateo, California, we employ approximately 8,500 people and have offices in over 30 countries. We manage \$659.9 billion in assets, comprising mutual funds and other investment alternatives for individuals, institutions, pension plans, trusts, partnerships and others. Our common stock is listed on the New York Stock Exchange (BEN) and is included in the Standard & Poor's 500 Index.

Performance Graph

The following performance graph compares the cumulative total stockholder return of an investment in the common stock of Franklin Resources, Inc. for the last five years to that of the Standard & Poor's 500 Composite Stock Price Index (S&P 500 Index)¹ and the SNL U.S. Asset Manager Index (SNL Asset Manager Index)², an index selected to replace the Standard & Poor's 500 Financials Index (S&P Financials Index) that was included in the performance graph for our prior fiscal year. The SNL Asset Manager Index was selected for inclusion in the performance graph for this fiscal year because it is a market-value weighted index of 32 asset management companies, a more appropriate comparison of company performance. The S&P 500 Index, an index to which the company was added in 1998, consists of 500 stocks chosen for market size, liquidity and industry group representation, and is one of the most widely used benchmarks of U.S. equity performance. The graph assumes that the value of the investment in the company's common stock and each index was \$100 at the market close on September 29, 2006 (the last trading day for the fiscal year ended September 30, 2006) and that all dividends were reinvested. The following information has been obtained from sources believed to be reliable, but neither its accuracy nor its completeness is guaranteed. The performance graph is not necessarily indicative of future investment performance.

Comparison of Five-Year Cumulative Total Return³

Cumulative Value of \$100



	2006	2007	2008	2009	2010	2011
FRANKLIN RESOURCES, INC.	\$ 100.00	\$ 121.16	\$ 84.33	\$ 97.48	\$ 107.69	\$ 97.21
S&P 500 INDEX	100.00	116.44	90.85	84.58	93.17	94.24
SNL ASSET MANAGER INDEX	100.00	114.53	88.82	86.70	89.77	81.01
S&P FINANCIALS INDEX	100.00	101.79	61.82	47.31	45.97	38.41

1. Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC.

2. As of 9/30/11, the SNL Asset Manager Index comprised the following companies: Affiliated Managers Group Inc.; AllianceBernstein Holding L.P.; Apollo Global Management LLC; Artio Global Investors Inc.; BlackRock Inc.; Blackstone Group L.P.; Brookfield Asset Management Inc.; Calamos Asset Management Inc.; Cohen & Steers Inc.; Diamond Hill Investment Group; Eaton Vance Corp.; Epoch Holding Corp.; Federated Investors Inc.; Financial Engines Inc.; Fortress Investment Group LLC; Franklin Resources Inc.; GAMCO Investors Inc.; Hennessy Advisors Inc.; Invesco Ltd.; Janus Capital Group Inc.; KKR & Co. L.P.; Legg Mason Inc.; Och-Ziff Capital Management Group; Pzena Investment Management Inc.; SEI Investments Co.; T. Rowe Price Group Inc.; U.S. Global Investors Inc.; Value Line Inc.; Virtus Investment Partners; Waddell & Reed Financial Inc.; Westwood Holdings Group Inc.; Wisdom Tree Investments Inc.

3. Data Sources: © SNL Financial LC 2011 and Bloomberg LP.

Notwithstanding anything to the contrary set forth in any of the company's previous or future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate filings made by us under those statutes, the preceding performance graph shall not be deemed to be "soliciting material," or to be incorporated by reference into any prior filings or future filings made by the company under those statutes.



President and
Chief Executive Officer

Gregory E. Johnson

Dear Fellow Stockholders,

We are pleased to present the firm's annual results for fiscal year 2011, which marks our 40th year as a publicly traded company. Franklin Templeton Investments continues to be a trusted partner in the asset management industry by delivering strong, long-term investment results. We are committed to fostering enduring relationships and providing superior service.

Operating results for the fiscal year ended September 30, 2011, saw record revenue and net income. Diluted earnings per share rose from \$6.33 last year to \$8.62 for the year ended September 30, 2011, an increase of 36%. Long-term sales exceeded \$220 billion, which represents an increase of more than 17% over the previous record-breaking year in fiscal year 2010.

Our success this year reflects the value of our broad and diversified asset and client base. We are not overly reliant on any single market or investment

strategy, which we believe positions us well to cope with changing economic conditions and market fluctuations.

During our 60-plus-year history as a firm, we have faced many challenges and obstacles, and this year was no exception. Toward the end of our fiscal year, global markets experienced another bout of increased volatility. The resulting market declines have created headwinds for us, and we begin fiscal year 2012 with our assets trending downward. The company's assets under management (AUM) of approximately \$660 billion as of September 30, 2011, increased year-over-year, but are below the average AUM of approximately \$714 billion for the fourth quarter.

The significant factors contributing to market uncertainty and investor anxiety—including sovereign credit fears originating in Europe, continued deleveraging and high unemployment in developed economies, and the pace and extent of regulatory change

globally—will likely take time to resolve. However, although the global economy has important and significant challenges to work through, we remain unwavering in our approach and continually strive to enhance the value we bring to our customers.

INDUSTRY TRENDS SHAPING OUR FUTURE

During the past several years, important global trends and key industry developments have emerged that are now actively shaping our future. We believe Franklin Templeton is effectively positioned to fully capitalize on these opportunities.

Addressing the needs of the growing middle class

The emergence of the middle class in many countries around the world will likely be the single biggest driver of growth for the investment management industry—with most of this growth generated from the expansion of emerging economies.

“Our success this year reflects the value of our broad and diversified asset and client base.”

As markets open up, non-U.S. investors are expected to transition from a traditional savings model to investing, similar to what happened in the United States many years ago when people moved their assets from traditional banking products to mutual funds. The forecasted growth of new mutual fund assets under management from outside the U.S. is expected to be robust in the years ahead.

In developed regions, the middle class will need to continue saving for big-ticket items such as homes and the cost of higher education. In developing economies, the standard of living is improving and the prosperity of the middle class translates into stronger consumers and investors.

Today, our firm reaches all corners of the world with investors in over 150 countries. With a long-term commitment to international markets, a recognized global presence and a broad range of investment solutions,

Franklin Templeton is well positioned to capture asset growth in economies whose middle class is expanding.

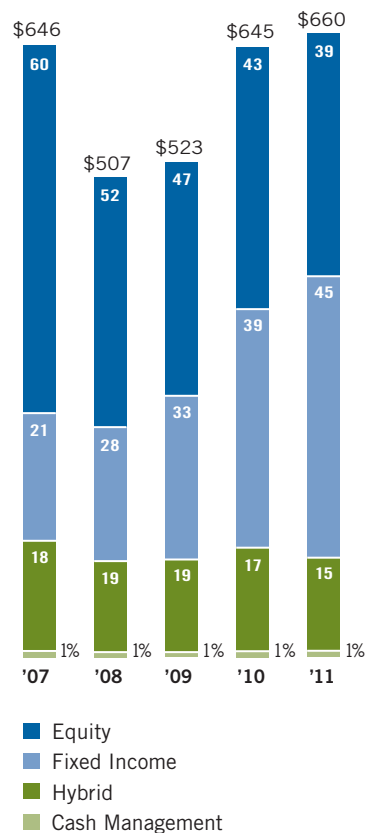
Meeting the retirement aspirations of aging populations

Achieving retirement aspirations is an important topic on the minds of many people around the world. Aging populations, shrinking guaranteed income sources and increasing life expectancies will continue to fuel the need for retirement savings.

For over half a century, Franklin Templeton has been helping clients meet their retirement needs. Over the years, we have formed strategic alliances with leading retirement product providers in the defined contribution and variable annuity marketplace, bringing Franklin Templeton’s investment solutions to individuals and plan sponsors across the U.S. In fiscal year 2011, the company expanded and realigned its retirement sales team to better address the growing and distinct opportunities in this area.

Assets Under Management (AUM) in USD Billions

As of September 30



“Franklin Templeton has always believed in the value of active investment management and the importance of personal financial advice. Our ultimate goal is to deliver strong, long-term results for investors and institutions worldwide.”

Whether investors are accumulating retirement savings during their careers or starting to take distributions during retirement, they are seeking “solutions” that can be customized to meet their individual goals. Even beyond retirement planning, solution-oriented investing is gaining traction because of its ability to address a variety of investment challenges facing both individuals and institutions. Thus, the appetite for multi-asset solutions—used to plan for retirement, stay ahead of inflation or meet an investor’s defined risk profile—continues to grow.

To address this need, Franklin Templeton Multi-Asset Strategies added five new investment professionals (for a total of 22) to the platform’s global tactical asset allocation group during the fiscal year. In addition, the group launched Franklin Templeton Global Allocation funds for U.S. and international investors, combining our tactical asset allocation approach with our traditionally strong underlying investment strategies.

Regaining investors’ trust in the equity markets

Recently, many observers have questioned when investors will embrace equities again. We expect that a renewed focus on equities will be gradual, and we strongly believe investors should take a long-term view and maintain a well-diversified portfolio. For most investors, that means exposure to both U.S. and international equities.

Over the past several years, we gained traction and increased market share with our campaign “2020 Vision: The Case for Equities in the Decade Ahead.” This year, we rolled out the next phase with the theme “Global—The New Core,” which emphasizes the importance of looking for investment opportunities outside of one’s home country.

The Franklin Templeton Global Investor Sentiment Survey, conducted in January 2011, polled investors in 12 countries. It revealed that half of the

respondents were planning to invest outside their home country in 2011, and 62% were planning to invest in global markets over the next 10 years. Yet, interestingly, only 34% of respondents presently held investments outside of their own country’s market.¹ These findings point to a keen interest and willingness among investors to consider opportunities in the global marketplace, which we think represents a significant opportunity for Franklin Templeton.

UNWAVERING FOCUS ON INVESTMENT EXCELLENCE

Franklin Templeton has always believed in the value of active investment management and the importance of personal financial advice. Our ultimate goal is to deliver strong, long-term results for investors and institutions worldwide.

Investment excellence is evident in our investment performance. In eight of the last 10 years, Franklin Templeton



has been ranked by *Barron's* as one of the top three U.S.-registered mutual fund families, based on its funds' 10-year total return performance.² Most notably, Franklin Templeton was ranked number one for the 10-year periods ending in 2008 and 2009—reflecting the firm's strength during a very challenging time in financial markets around the globe.

Investor preference has favored fixed income for several years now. Our fixed income strategies have benefited as investors continue to globally diversify the fixed income portion of their portfolios. Templeton Global Bond Fund remained our top-selling fund this year. The fund's portfolio manager, Dr. Michael Hasenstab, was named 2010 Fixed Income Manager of the Year by Morningstar³ in the U.S. and Global Bond Fixed Income Manager of the Year for the second straight year by *Investment Week* in the UK.

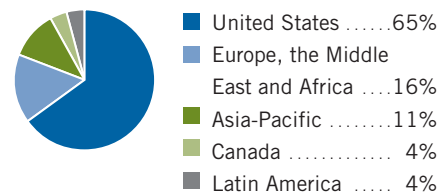
We also continued to gain traction with our equity lineup. Our equity fund AUM market share increased year-over-year in both the U.S. and internationally. In the U.S., total equity AUM market share rose from 7.5% to 8.1%.⁴ Franklin Rising Dividends Fund contributed to this increase with a very strong year attracting new money. Internationally, total equity AUM market share increased from 6.8% to 7.5%.⁵ Templeton Asian Growth Fund was our top-selling, cross-border equity fund.

This year, as part of our ongoing and long-term commitment to local asset management, we further expanded our investment capabilities in three important markets: the Middle East, the United Kingdom and Australia.

Franklin Templeton has been a strategic investor in Dubai-based asset manager Algebra Capital since 2007. We completed our acquisition of Algebra in January 2011, reinforcing our commitment to the Middle East and

AUM by Region

As of September 30, 2011



AUM by Client Type

As of September 30, 2011



North Africa region. Also in January, we acquired Rensburg Fund Management, an established UK equity manager, and in July, we acquired Balanced Equity Management, a well-respected institutional manager in Australia. We are extremely pleased with these acquisitions as we continue to deepen our presence in key markets around the world.

Investment risk management continues to be an integral part of our investment success and is on the minds of investors. It is fundamental to Franklin Templeton's investment process, spanning investment selection, portfolio construction and portfolio evaluation. This year, we developed a proactive set of tools, materials and communications for financial advisors, institutional investors and shareholders that highlights our investment risk-management capabilities and their value.

GLOBAL PERSPECTIVE WITH LOCAL EXPERTISE

With a global presence in over 50 offices around the world—including on-the-ground investment research in over 30 locations, supported by 13 trading desks—we believe our global perspective with local expertise is unmatched.

While the U.S. remains a significant and growing part of our business, assets under management by sales region continued to grow faster outside of the United States. As a result of the strong and sustained growth, Franklin Templeton has the largest cross-border umbrella fund, according to Lipper.⁵

Our flagship cross-border group of funds, Franklin Templeton Investment Funds (domiciled in Luxembourg),

celebrated its 20th anniversary and ended the fiscal year at approximately \$130 billion. At September 30, 2011, Franklin Templeton had total long-term, cross-border AUM market share of 11.7%, compared to 9.1% at the end of the previous fiscal year.⁵

Growth in Europe has been particularly strong, accounting for \$22 billion in net sales during the fiscal year. According to Lipper, Franklin Templeton had both the best-selling bond and equity funds in Europe in calendar year 2010.⁵

Asia has also seen impressive growth. Malaysia, for example, has been a success story for the firm. Despite the challenging global economic environment in 2009, we forged ahead and opened our office in Kuala Lumpur that year. Since then,



Direct Reports to the Chief Executive Officer (left to right):

Kenneth A. Lewis: Executive Vice President, Chief Financial Officer; Donald F. Reed: President, Chief Executive Officer, Franklin Templeton Investments Corp. (Canada); Craig S. Tyle: Executive Vice President, General Counsel; Gregory E. Johnson: President, Chief Executive Officer; Jennifer M. Johnson: Executive Vice President, Chief Operating Officer; John M. Lusk: Executive Vice President, Investment Management; William Y. Yun: Executive Vice President, Alternative Strategies; Vijay C. Advani: Executive Vice President, Global Advisory Services

“With a global presence in over 50 offices around the world...we believe our global perspective with local expertise is unmatched.”

Malaysia has been one of our fastest-growing countries, reaching almost \$2 billion in assets in less than three years.

FINANCIAL STRENGTH & STABILITY

Our annual financial results reflect the continued growth of the business and our proven expense management discipline. During times like these, it is important to remember the financial strength and stability that have been pillars of our company during our entire history. As a truly global firm, we benefit from a business that is diversified by investment objective, client type and region—much like a diversified investment portfolio helps reduce risk.

The firm’s financial performance and credentials illustrate the benefits of our fiscal responsibility, which is further highlighted by our commitment to returning capital to stockholders in the form of cash dividends and share repurchases.

This year, the Board of Directors increased the regular quarterly cash dividend from \$0.22 per share to \$0.25 per share, a 14% increase. Fiscal year 2011 represents the 30th consecutive year of dividend increases.

Furthermore, shareholders have continued to benefit from our share repurchase program. The reduction in the number of common shares outstanding causes each shareowner’s proportionate ownership interest in the firm to increase. In fiscal year 2011, earnings per share growth exceeded the growth of net income attributable to Franklin Resources, Inc. by an incremental 3%.

VALUED PARTNER

During periods of market volatility, we know that our investors need to hear from us more than ever. Franklin Templeton frequently

communicates its long-term investment perspective to financial advisors and shareholders. By extending our reach through the use of technology and engaging clients in new and compelling ways, we are better able to serve them as a valued partner.

Our distribution, marketing and public relations teams collaborate closely with our investment managers to develop timely commentary and investment insight. Our extensive global web presence allows us to deliver this information faster than ever, through our 36 country-specific websites and our expanded social media tools. Social media, including corporate blogs featuring the insights of our investment professionals, has been an area of focus during the past several years to ensure we remain current with the ways that our investors receive news and information.

Serving our clients and building their trust are responsibilities we take very seriously. We continually strive to deliver on these commitments and have received recognition from several customer service rating organizations globally. In the U.S., the service quality provided by our call centers remained at the high end of the industry range, according to National Quality Review's performance rating. In Germany, home to our largest European call center, we were recognized in the top quartile of the 64 firms participating in the Steria Mummert yearly service review. And in Canada, DALBAR ranked Franklin Templeton number one for customer service among advisor-distributed firms for the sixth consecutive year.

This year in the United States, we implemented organizational changes designed to efficiently reach the increasing number of financial advisors we serve. Our U.S. sales staff named a new head of the Registered Investment Advisor sales division and created a new role—head of Internal and Digital Sales. The U.S. internal wholesaler team was recognized as one of the industry's best at providing service and support, according to the results of a 2011 advisor survey by Cogent Research.

WELL POSITIONED FOR ONGOING SUCCESS

Although the economic recovery remains tenuous in many parts of the world, and we face formidable competitors in the markets in which we operate, we believe that Franklin Templeton is well positioned to take advantage of key industry trends.

We all know that success in our industry can come easily when the markets are rising, but the real winners are made when a firm can provide value to its clients during periods of market volatility and economic uncertainty. Through the years, we have earned our reputation and generated client goodwill by employing a patient, steady approach to uncover investment opportunities wherever they may be around the world.

Maintaining our momentum will take the continued hard work of our nearly 8,500 employees worldwide. I thank them for their tireless efforts and their commitment to our mission and corporate values.

On a somber note, the company marked the 10th anniversary of September 11, 2001. It is a day that will be forever etched in our memories as we continue to honor the lives of our 97 colleagues and friends who

were lost. Our thoughts and prayers remain with the families who experienced such tragedy, as well as with all those who suffered loss that day.

Looking forward, we must remain mindful that, first and foremost, ours is a people business. The investment strategies that we offer help individuals retire with security, fund higher education, and also facilitate savings for important goals like purchasing a home. In that same spirit, we support institutional investors such as pension funds and university endowments to meet future liabilities and spending needs, as well as assist sovereign funds to successfully invest on behalf of their citizens. The asset management industry thrives when it keeps its focus on investors.

As such, in the year ahead, we will remain focused on achieving quality results, building relationships, working with integrity, and above all, putting clients first.

Sincerely,



Gregory E. Johnson

President and Chief Executive Officer
Franklin Resources, Inc.

1. Survey was commissioned by Franklin Templeton Investments and conducted by ORC International. It included responses from 13,076 individuals in 12 locations: Brazil, Chile, Mexico, Hong Kong, India, South Korea, Singapore, Germany, Italy, the UK, the U.S. and Canada. A minimum of 1,000 adults per country were surveyed.

2. Source: *Barron's*, 2/5/11. For the 1-, 5- and 10-year periods ended 12/31/10, Franklin Templeton ranked 37 out of 57, 8 out of 53 and 2 out of 46. **Past performance does not guarantee future results.**

3. Morningstar's mutual fund analysts select the winner based on their assessments of fund portfolios, returns, stewardship, and their own knowledge of funds and the managers who run them.

4. Source: Investment Company Institute; includes open-end, retail, long-term funds sold through the non-proprietary distribution channel.

5. Source: Lipper FMI; includes third-party, retail, long-term products sold internationally (cross-border) only.

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, for any U.S.-registered Franklin Templeton fund, investors should talk to their financial advisors or call Franklin/Templeton Distributors, Inc. at (800) DIAL BEN®/342-5236. Please read the prospectus carefully before investing.

Mission Statement



Franklin Templeton's corporate values are posted in our offices around the globe. These are the principles that guide how we do business, how we treat our clients and how we work with each other.

Our mission is to be the premier global investment management organization. Guided by our corporate values and unique perspective, we achieve this mission by offering high-quality investment solutions, providing outstanding service and attracting, motivating and retaining talented people.

Our corporate values reflect what is most important to us as a company.

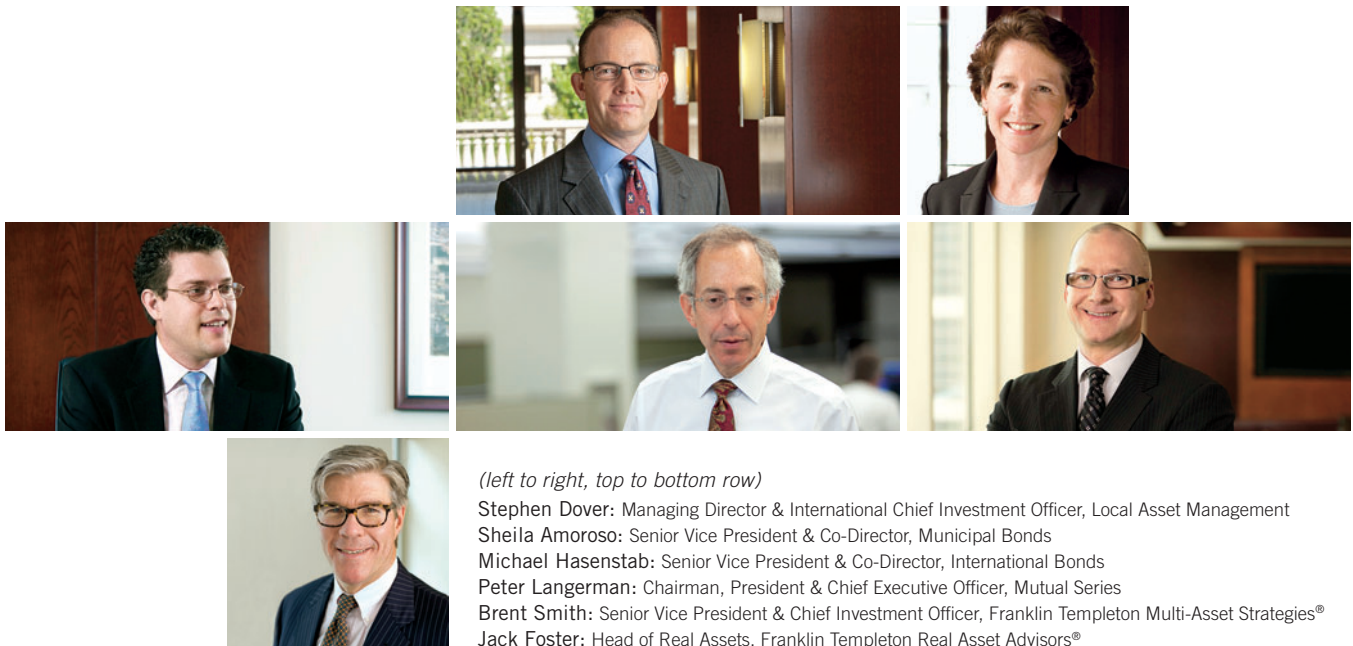
Put Clients First. We strive to know and meet our clients' needs, and we fully accept our fiduciary responsibility to protect shareholders' interests.

Build Relationships. We work to establish enduring relationships with our clients and business partners. We value collaboration and cooperation in our workplaces.

Achieve Quality Results. We value professional excellence and expertise, and we work together to produce consistent, competitive results for our clients.

Work with Integrity. We speak and act in an honest manner. We believe in being accountable for the impact we have on others.

Unwavering Focus on Investment Excellence



(left to right, top to bottom row)

Stephen Dover: Managing Director & International Chief Investment Officer, Local Asset Management
 Sheila Amoroso: Senior Vice President & Co-Director, Municipal Bonds
 Michael Hasenstab: Senior Vice President & Co-Director, International Bonds
 Peter Langerman: Chairman, President & Chief Executive Officer, Mutual Series
 Brent Smith: Senior Vice President & Chief Investment Officer, Franklin Templeton Multi-Asset Strategies®
 Jack Foster: Head of Real Assets, Franklin Templeton Real Asset Advisors®

For more than six decades, Franklin Templeton Investments has remained focused on one goal: delivering exceptional investment management for individuals and institutions around the world. Our portfolio managers take a long-term view that offers a unique combination of experience, global perspective and a consistent, disciplined approach to investing that has proven itself across market cycles.

EXCEPTIONAL RESEARCH CAPABILITIES

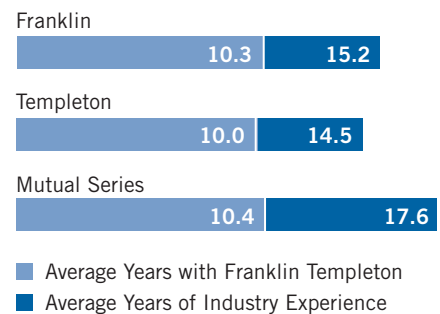
Our commitment to rigorous, bottom-up research is supported by more than 550 investment professionals across the globe and research offices in more than 30 locations. Our analysts and portfolio managers conduct extensive,

fundamental analysis, striving to get to know each organization from the ground up. We believe that the breadth and depth of our global presence makes us uniquely positioned to spot smart global investments that others might miss.

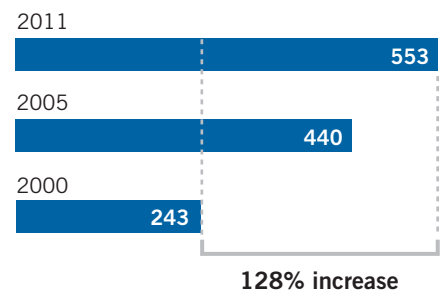
EXPERIENCED PORTFOLIO MANAGERS

Our portfolio managers average over 20 years' experience in the industry, and nearly 12 years with our firm. In addition, their tenure with their current portfolios averages 16% longer than their peers in the industry.⁶ Over the past decade, we have doubled the firm's total number of investment professionals, demonstrating our commitment to portfolio management.

Investment Professional Tenure⁷



Number of Investment Professionals⁸



SPECIALIZED EXPERTISE FROM INDEPENDENT TEAMS

We are dedicated to offering a wide range of high-quality investment solutions—including mutual funds, separate accounts, commingled trusts, private equity and other vehicles—designed to serve a variety of client needs and risk appetites worldwide. Each of our investment groups—Franklin, Templeton, Mutual Series and our specialized investment teams⁹—follows an independent and distinct investment philosophy.

MANAGING RISK IN A COMPLEX WORLD

At Franklin Templeton, uncovering opportunity is just part of the story—and that is why our portfolio teams assess risk as rigorously as they seek reward. Investing in global markets for over 60 years has taught us to expect the unexpected and to have the people and processes in place to navigate both the risks and the opportunities of the global marketplace.

Since risk is inherent to market participation, risk management is fundamental to our investment process. Our portfolio managers and research analysts actively assess risk throughout the investment process—including during investment selection, portfolio construction and ongoing portfolio evaluation. We support their efforts with dedicated, independent risk management specialists who are integrated into our global portfolio and trading groups to provide robust analytics and unbiased insight into each portfolio's risk profile.



(left to right, top to bottom row)

Coleen Barbeau: Senior Vice President & Director of Global Growth Portfolio Management, Franklin Equity Group®

Mark Mobius: Executive Chairman, Templeton Emerging Markets Group

Gary Motyl: Chief Investment Officer, Templeton Global Equity Group

Christopher Molumphy: Executive Vice President & Chief Investment Officer, Franklin Templeton Fixed Income Group®

Sukumar Rajah: Managing Director & Chief Investment Officer—Asian Equity, Local Asset Management

Edward Jamieson: Chief Investment Officer, Franklin Equity Group

Cindy Sweeting: Executive Vice President & Director of Portfolio Management, Templeton Global Equity Group



6. Source: © 2011 Morningstar, as of 9/30/11. Includes U.S. and offshore mutual funds. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance does not guarantee future results.**

7. As of 9/30/11. Tenure data includes portfolio managers, portfolio managers/analysts, research analysts and traders of Franklin, Templeton and Mutual Series investment management groups.

8. Data as of September 30, except for 2000, which is as of December 31. Investment professionals include portfolio managers, portfolio managers/analysts, research analysts and traders of Franklin, Templeton, Mutual Series and subsidiary investment management groups.

9. Specialized investment teams include: Franklin Templeton Real Asset Advisors, Darby Private Equity, Local Asset Management teams, Franklin Templeton Multi-Asset Strategies and Fiduciary Trust Company International.

Global Perspective with Local Expertise

As the global economy has become increasingly more complex and interconnected, the nature of global investing continues to change. True global diversification requires more than analyzing international markets

from afar; it requires firsthand knowledge and an understanding of local market nuances.

Our global perspective is built on decades of firsthand experience navigating the world's local markets.

A pioneer in global investing, we have developed an extensive network of research offices, trading platforms and investment professionals working in offices around the world.

Resources on the Ground, Across the Globe



10. Includes joint venture partners with Franklin Templeton Investments.

11. As of 9/30/11. Based upon assets raised in the country or region.

12. As of 9/30/11. Lipper FMI. Based on cross-border retail funds (excluding ETF and tracker funds). A cross-border fund is one that sources less than 80% of its assets from investors in any single country.



Directors and Executive Officers

DIRECTORS

Charles B. Johnson

Rupert H. Johnson Jr.

Gregory E. Johnson

Samuel H. Armacost
Chairman Emeritus and Director
SRI International

Director
Callaway Golf Company
Exponent, Inc.

Charles Crocker

Chairman and CEO
Crocker Capital

Director
Conmed Healthcare Management, Inc.
Teledyne Technologies Incorporated

Joseph R. Hardiman

Former President and CEO
National Association of Securities
Dealers, Inc.
The NASDAQ Stock Market, Inc.

Mark C. Pigott

Chairman and CEO
PACCAR Inc.

Director
PACCAR Inc.

Chutta Ratnathicam

Former Senior Vice President and CFO
CNF, Inc.

Former CEO
Emery Worldwide

Laura Stein

Senior Vice President–
General Counsel
The Clorox Company

Anne M. Tatlock

Former Vice Chairman
Franklin Resources, Inc.

Director
Beam Inc.
Merck & Co., Inc.

Geoffrey Y. Yang

Managing Director and
Founding Partner
Redpoint Ventures

Director
BigBand Networks, Inc.

EXECUTIVE OFFICERS

Charles B. Johnson
Chairman of the Board

Rupert H. Johnson Jr.
Vice Chairman

Gregory E. Johnson
Chief Executive Officer
President

Vijay C. Advani
Executive Vice President
Global Advisory Services

Jennifer M. Johnson
Executive Vice President
Chief Operating Officer

Kenneth A. Lewis
Executive Vice President
Chief Financial Officer

John M. Lusk
Executive Vice President
Investment Management

Craig S. Tyle
Executive Vice President
General Counsel

William Y. Yun
Executive Vice President
Alternative Strategies



*Board of Directors
(left to right):
Gregory E. Johnson
Laura Stein
Chutta Ratnathicam
Samuel H. Armacost
Joseph R. Hardiman
Charles B. Johnson
Geoffrey Y. Yang
Anne M. Tatlock
Mark C. Pigott
Charles Crocker
Rupert H. Johnson Jr.*



Our friend and colleague Peter Sacerdote passed away on July 31, 2011. Peter was a member of our Board of Directors since 1993. All of us at Franklin Templeton benefited greatly from Peter's deep understanding of investing and wide-ranging management expertise, which he brought to our Board room. Peter's 17-year tenure on our Board gave him great perspective as he helped guide our business, strategy and culture. In addition to his strong business guidance and oversight, Peter will be remembered for his wisdom, intellect and enduring friendship.

Corporate Citizenship



KEY HIGHLIGHTS

- During global volunteer month, 21 offices organized 79 projects that engaged over 2,500 volunteers in community service projects.
- We implemented a global policy allowing employees one paid day off per year to volunteer.
- The company purchased a new office building in Ft. Lauderdale, Florida, that is LEED gold certified.
- Energy management efforts across the firm's main offices resulted in a 6% reduction in absolute carbon emissions since 2007.



At Franklin Templeton Investments, we believe that Corporate Citizenship is a critical link between integrity and performance—how we do the right things the right way to deliver value to our stockholders, clients, employees, and our communities. Citizenship is embedded in our corporate values and is an important element of how we achieve success in working with all of our key stakeholders.

Being Accountable

Our success is built upon our reputation for excellence and integrity in all aspects of our business. It is essential that our stockholders, clients, mutual fund shareholders and business partners have confidence in our governance, ethics and compliance practices.

Serving Our Clients

We believe that the investments we make on behalf of our clients are helping to create opportunities for economic growth around the world, and our ability to succeed is dependent upon serving our clients and delivering strong results. To do this, we combine our disciplined investment approach with global reach and our fundamental belief of providing outstanding service.

Being an Employer of Choice

As a premier global investment management organization, we know that our business is dependent upon having a high-performing, committed workforce. We focus on engaging our employees, cultivating their skills and talents, and retaining them as engaged members of our global team.

Managing Our Environmental Impact

We seek to limit the effects of our operations on the environment through tracking and managing energy use, water consumption and carbon emissions. In addition, we are increasingly seeing the influence of these issues within the investment world.

Supporting Our Communities

We strive to make our communities stronger and more vibrant places to live, work and do business. Through direct contributions and the efforts of our dedicated employee volunteers, we work with over 500 nonprofit organizations and schools around the world each year.

We invite you to learn the details of our commitment to Corporate Citizenship at franklinresources.com/citizenship.

IO-K
FRANKLIN RESOURCES, INC.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FRANKLIN RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
One Franklin Parkway, San Mateo, California
(Address of principal executive offices)

13-2670991
(I.R.S. Employer Identification No.)
94403
(Zip Code)

Registrant's telephone number, including area code: (650) 312-2000
Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Securities registered pursuant to Section 12(g) of the Act:

None

DOCUMENTS INCORPORATED BY REFERENCE:

INDEX TO ANNUAL REPORT ON FORM 10-K

**FORM 10-K
ITEM**

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PART I

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EXHIBIT INDEX

PART I

Forward-looking Statements

Item 1. Business.

GENERAL

COMPANY HISTORY AND ACQUISITIONS

LINES OF BUSINESS

I. INVESTMENT MANAGEMENT AND RELATED SERVICES BUSINESS

<u>Type of Asset</u>	<u>Value in Billions</u>	<u>Percentage of Total AUM</u>
Total	\$ 659.9	100%

<i>(in billions)</i>						
CATEGORY	INVESTMENT CLASSIFICATION	U.S. Funds	Cross- Border Funds	Local/ Regional Funds	Other Managed Accounts, Alternative Investment Products and Trusts	Total
Equity						

Hybrid/Balanced

<i>(in billions)</i>						
CATEGORY	INVESTMENT CLASSIFICATION	U.S. Funds	Cross- Border Funds	Local/ Regional Funds	Other Managed Accounts, Alternative Investment Products and Trusts	Total
Fixed-Income						
Cash Management						
Total		\$361.0	\$ 130.8	\$ 39.0	\$ 129.1	\$ 659.9

II. BANKING/FINANCE BUSINESS

FINANCIAL INFORMATION ABOUT SEGMENTS AND GEOGRAPHIC AREAS

REGULATORY CONSIDERATIONS

COMPETITION

INTELLECTUAL PROPERTY



Item 1B. Unresolved Staff Comments.

Item 2. Properties.

Item 3. Legal Proceedings.

EXECUTIVE OFFICERS OF THE REGISTRANT

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Quarter	2011 Fiscal Year		2010 Fiscal Year	
	High	Low	High	Low

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Total	<u><u>3,108,831</u></u>		<u><u>3,108,831</u></u>	

Item 6. Selected Financial Data.

FINANCIAL HIGHLIGHTS

as of and for the fiscal years ended September 30,	2011	2010	2009	2008	2007
Summary of Operations					

Financial Data

Assets Under Management (“AUM”)

Per Common Share

Employee Headcount

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

Overview

for the fiscal year ended September 30, 2011	Equity			Fixed-Income			Cash Management	Total
	Global/ International	United States	Hybrid	Tax-Free	Taxable Global/ International	Taxable United States		
Net new flows								
Net flows								
AUM at September 30, 2011	\$ 185.8	\$ 68.4	\$ 101.3	\$ 72.0	\$ 178.8	\$ 46.9	\$ 6.7	\$ 659.9
for the fiscal year ended September 30, 2010	Equity			Fixed-Income			Cash Management	Total
	Global/ International	United States	Hybrid	Tax-Free	Taxable Global/ International	Taxable United States		
Net new flows								
Net flows								
AUM at September 30, 2010	\$ 204.2	\$ 69.5	\$ 110.8	\$ 77.7	\$ 130.7	\$ 45.4	\$ 6.6	\$ 644.9
for the fiscal year ended September 30, 2009	Equity			Fixed-Income			Cash Management	Total
	Global/ International	United States	Hybrid	Tax-Free	Taxable Global/ International	Taxable United States		
Net new flows								
Net flows								
AUM at September 30, 2009	\$ 183.1	\$ 63.9	\$ 98.2	\$ 69.6	\$ 63.3	\$ 38.4	\$ 6.9	\$ 523.4

<u>for the fiscal years ended September 30,</u>	<u>2011</u>	<u>% of Total</u>	<u>2010</u>	<u>% of Total</u>	<u>2009</u>	<u>% of Total</u>
Total	<u>\$ 694.4</u>	<u>100%</u>	<u>\$ 571.1</u>	<u>100%</u>	<u>\$ 442.2</u>	<u>100%</u>

As of September 30, 2011	Benchmark Comparison				Peer Group Comparison			
	% of AUM Exceeding Benchmark				% of AUM in Top Two Quartiles			
	1-Year	3-Year	5-Year	10-Year	1-Year	3-Year	5-Year	10-Year
Equity								

Hybrid

Fixed-Income

Operating Revenues

for the fiscal years ended September 30,	Percentage Change		Percentage of Total Operating Revenues		
	2011 vs. 2010	2010 vs. 2009	2011	2010	2009
Total Operating Revenues	22 %	40%	100%	100%	100%

Investment Management Fees

for the fiscal years ended September 30,	Industry Average		
	2011	2010	2009
Equity			

Hybrid
Fixed-Income

Cash Management

Sales and Distribution Fees

Shareholder Servicing Fees

Other, Net

Operating Expenses

for the fiscal years ended September 30,	Percentage Change		Percentage of Total Operating Expenses		
	2011 vs. 2010	2010 vs. 2009	2011	2010	2009
Total Operating Expenses	15%	30%	100%	100%	100%

Sales, Distribution and Marketing

for the fiscal years ended September 30,	2011	2010	2009	Percentage Change	
				2011 vs. 2010	2010 vs. 2009
Sales, Distribution and Marketing	<u>\$ 2,712.8</u>	<u>\$ 2,282.9</u>	<u>\$ 1,552.9</u>	<u>19 %</u>	<u>47%</u>

Taxes on Income

Liquidity and Capital Resources

for the fiscal years ended September 30,

2011

2010

2009

Cash Flow Data

as of September 30,

2011

2010

2009

Assets

Total liquid assets

\$ 7,986.5

\$ 6,684.1

\$ 5,832.6

Liabilities

Debt

Total debt

\$ 998.2

\$ 979.9

\$ 121.2

Contractual Obligations and Commercial Commitments

as of September 30, 2011	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Total Contractual Obligations and Commitments	<u>\$ 3,068.9</u>	<u>\$ 409.8</u>	<u>\$ 626.1</u>	<u>\$ 623.0</u>	<u>\$ 1,410.0</u>

Off-Balance Sheet Arrangements

Critical Accounting Policies

New Accounting Guidance

Banking/Finance Interest Income and Margin Analysis

for the fiscal years ended September 30,	2011			2010			2009		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Net interest income and margin		<u>\$ 26.2</u>	<u>2.61%</u>		<u>\$ 22.8</u>	<u>2.62%</u>		<u>\$ 30.4</u>	<u>3.45%</u>

Selected Quarterly Financial Data (Unaudited)

Quarter ended	December 31	March 31	June 30	September 30
Fiscal year 2011				

Fiscal year 2010

Fiscal year 2009

Risk Factors

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

	Carrying Value	Carrying Value 3 3767Tm □ 10 Tfa9	
Assets			
Current Assets			
Banking/Finance Assets			
Non-Current Assets			
Total Assets	\$ 3,633,368		
Liabilities			
Current Liabilities			
Non-Current Liabilities			
Total Liabilities	\$ 871,227		

MANAGEMENT S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CONSOLIDATED STATEMENTS OF INCOME

for the fiscal years ended September 30,	2011	2010	2009
Operating Revenues			
Operating Expenses			
Operating Income			
Other Income (Expenses)			
Net Income Attributable to Franklin Resources, Inc.	<u><u>\$ 1,923,580</u></u>	<u><u>\$ 1,445,689</u></u>	<u><u>\$ 896,778</u></u>
Earnings per Share			
Dividends per Share			

CONSOLIDATED BALANCE SHEETS

as of September 30,	2011	2010
Assets		
Current Assets		
Banking/Finance Assets		
Non-Current Assets		
Total Assets	\$ 13,775,843	\$ 10,708,088

CONSOLIDATED BALANCE SHEETS

as of September 30,	2011	2010
Liabilities and Stockholders' Equity		
Current Liabilities		
Banking/Finance Liabilities		
Non-Current Liabilities		
Commitments and Contingencies (Note 15)		
Redeemable Noncontrolling Interests		
Stockholders' Equity		
Total Liabilities and Stockholders' Equity	\$ 13,775,843	\$ 10,708,088

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY, REDEEMABLE NONCONTROLLING INTERESTS
AND COMPREHENSIVE INCOME**

		Franklin Resources, Inc.													
		Common Stock		Appropriated Retained Earnings of Consolidated Variable Interest Entities		Accumulated Other Compre- hensive Income (Loss)		Nonredeemable Non- controlling Interests		Total Stockholders' Equity		Redeemable Non- controlling Interests		Total Compre- hensive Income (Loss)	
		Shares	Amount	Capital in Excess of Par Value	Retained Earnings	—	—	—	—	—	—	—	—	—	—
As of and for the fiscal years ended September 30, 2011, 2010 and 2009		232,778	\$ 23,278	\$ —	\$ 7,044,732	\$ —	\$ —	\$ 6,354	\$ 7,074,364	\$ 29,608	\$ 7,103,972	\$ 47,554			
Balance at October 1, 2008															
Balance at September 30, 2009		229,324	\$ 22,932	\$ —	\$ 7,505,890	\$ —	\$ 103,351	\$ 7,632,173	\$ 2,262	\$ 7,634,435	\$ 65,126				

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the fiscal years ended September 30,	2011	2010	2009
<u>Net Income</u>	<u>\$ 1,820,776</u>	<u>\$ 1,451,496</u>	<u>\$ 904,291</u>
Adjustments to reconcile net income to net cash provided by operating activities:			
Changes in operating assets and liabilities:			
Net cash provided by operating activities	<u>1,621,778</u>	<u>1,651,039</u>	<u>641,402</u>
Net cash provided by (used in) investing activities	<u>435,913</u>	<u>(32,668)</u>	<u>289,939</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the fiscal years ended September 30,	2011	2010	2009
Net cash used in financing activities	<u>(968,185)</u>	<u>(594,919)</u>	<u>(340,608)</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,198,613</u>	<u>\$ 4,123,716</u>	<u>\$ 3,104,451</u>
Components of Cash and Cash Equivalents			
Total	<u>\$ 4,123,716</u>	<u>\$ 3,104,451</u>	<u>\$ 2,527,552</u>
Total	<u>\$ 5,198,613</u>	<u>\$ 4,123,716</u>	<u>\$ 3,104,451</u>
Supplemental Disclosure of Non-Cash Information			
Supplemental Disclosure of Cash Flow Information			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Significant Accounting Policies

for the fiscal years ended September 30,	2010			2009		
	As Reported	Adjustments	As Amended	As Reported	Adjustments	As Amended
Operating Revenues						
Total operating revenues	<u>\$5,852,999</u>	<u>\$ —</u>	<u>\$ 5,852,999</u>	<u>\$4,194,087</u>	<u>\$ —</u>	<u>\$ 4,194,087</u>
Operating Expenses						
Total operating expenses	<u>\$3,894,319</u>	<u>\$ —</u>	<u>\$ 3,894,319</u>	<u>\$2,991,493</u>	<u>\$ —</u>	<u>\$ 2,991,493</u>

Note 3 Acquisitions

Note 4 Earnings per Share

for the fiscal years ended September 30,	2011	2010	2009
Net Income attributable to Franklin Resources, Inc.	\$ 1,923,580	\$ 1,445,689	\$ 896,778
Net Income Available to Common Stockholders	\$ 1,915,038	\$ 1,438,099	\$ 890,426
Weighted-Average Shares Outstanding – Diluted	222,084	227,353	231,451

Earnings per Share

Note 5 – Cash and Cash Equivalents

as of September 30,	2011	2010
Total	<u>\$ 5,198,613</u>	<u>\$ 4,123,716</u>

Note 6 Variable Interest Entities

as of September 30, 2011	Total Investments	Investments 90 Days or More Past Due	Long-term Debt
Fair value	\$ 822,612	\$ 11,399	\$ 871,227

as of September 30,	2011	2010
Total	\$ 238,862	\$ 393,578
Total	\$ 5,372	\$ 14,905

as of September 30,	2011	2010
Current Assets		
Total Current	182,353	234,208
Non-Current Assets		
Total Non-Current	36,584	637,393
Total	\$ 218,937	\$ 871,601

Note 7 – Investments

as of September 30,	2011	2010
Current		
Total Current Banking/Finance	<u>\$ 1,913,517</u>	<u>\$ 1,567,899</u>
Total Banking/Finance Non-Current	<u>\$ 345,486</u>	<u>\$ 431,601</u>
Total Non-Current	<u>\$ 1,931,735</u>	<u>\$ 702,634</u>

as of September 30, 2011	Cost Basis	Gross Unrealized		Fair Value
		Gains	Losses	
Total	<u>\$ 1,279,843</u>	<u>\$ 86,790</u>	<u>\$ (30,171)</u>	<u>\$ 1,336,462</u>

as of September 30, 2010	Cost Basis	Gross Unrealized		Fair Value
		Gains	Losses	
Total	<u>\$ 1,379,501</u>	<u>\$ 150,912</u>	<u>\$ (7,537)</u>	<u>\$ 1,522,876</u>

as of September 30, 2011	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Total	<u>\$ 247,239</u>	<u>\$ (29,762)</u>	<u>\$ 8,774</u>	<u>\$ (409)</u>	<u>\$ 256,013</u>	<u>\$ (30,171)</u>

as of September 30, 2010	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Total	<u>\$ 70,990</u>	<u>\$ (5,614)</u>	<u>\$ 23,420</u>	<u>\$ (1,923)</u>	<u>\$ 94,410</u>	<u>\$ (7,537)</u>

	<u>Cost Basis</u>	<u>Fair Value</u>
Securities of U.S. states and political subdivisions		
Total	<u>\$ 39,950</u>	<u>\$ 41,510</u>
Securities of the U.S. Treasury and federal agencies		
Total	<u>\$ 2,423</u>	<u>\$ 2,439</u>
Corporate debt securities		
Total	<u>\$ 120,041</u>	<u>\$ 121,634</u>
Mortgage-backed securities – agency residential		
Total	<u>\$ 216,736</u>	<u>\$ 221,611</u>

Note 8 – Fair Value Measurements

<u>as of September 30, 2011</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Current Assets				
Banking/Finance Assets				
Non-Current Assets				
Total Assets Measured at Fair Value	<u>\$ 1,546,085</u>	<u>\$ 1,576,940</u>	<u>\$ 621,347</u>	<u>\$ 3,744,372</u>
Current Liabilities				
Non-Current Liabilities				
Total Liabilities Measured at Fair Value	<u>\$ —</u>	<u>\$ 819,616</u>	<u>\$ 83,926</u>	<u>\$ 903,542</u>

<u>as of September 30, 2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Current Assets				
Banking/Finance Assets				
Non-Current Assets				
Total Assets Measured at Fair Value	<u><u>\$ 1,308,656</u></u>	<u><u>\$ 572,135</u></u>	<u><u>\$ 36,057</u></u>	<u><u>\$ 1,916,848</u></u>

for the fiscal year ended September 30, 2011	Securities Held by Consolidated Sponsored Investment Products	Residual Interests from Securitization Transactions	Investments of Consolidated VIEs	Other ¹	Total Level 3 Assets	Long-term Debt of Consolidated VIEs
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Balance at September 30, 2011	\$ 608,585	\$ —	\$ 1,856	\$ 10,906	\$621,347	\$ (83,926)
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for the fiscal year ended September 30, 2010	Securities Held by Consolidated Sponsored Investment Products	Residual Interests from Securitization Transactions	Other ¹	Total Level 3 Assets
--	--	---	--------------------	-------------------------

Balance at September 30, 2010	\$ 3,330	\$ 23,362	\$ 9,365	\$ 36,057
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as of September 30,	2011		2010	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial Assets				

Financial Liabilities

Note 9 – Loans and Allowance for Loan Losses

as of September 30,	2011	2010
Loans Receivable, Net	<u>\$ 551,246</u>	<u>\$ 374,886</u>

	One Year or Less	After One Through Five Years	After Five Years	Total
Total	<u>\$ 264,573</u>	<u>\$ 143,789</u>	<u>\$ 153,778</u>	<u>\$ 562,140</u>

	Carrying Value
Total	\$ 297,567

for the fiscal years ended September 30,	2011	2010
--	------	------

Balance at End of Year	\$ 10,894	\$ 5,449
-------------------------------	------------------	-----------------

as of September 30,	2011		2010		2009	
	Collectively Evaluated	Individually Evaluated	Collectively Evaluated	Individually Evaluated	Collectively Evaluated	Individually Evaluated
Total	\$ 535,606	\$ 15,640	\$ 358,766	\$ 16,120	\$ 302,749	\$ 7,755

as of September 30,	2011	2010	2009
---------------------	------	------	------

Note 10 – Property and Equipment, Net

as of September 30,	2011	2010	Useful Lives In Years
Property and Equipment, Net	\$ 589,748	\$ 548,956	

Note 11 – Goodwill and Other Intangible Assets

	Goodwill
Balance at September 30, 2011	\$ 1,536,212

as of September 30, 2011	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Total	\$ 772,914	\$ (160,935)	\$ 611,979

as of September 30, 2010	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Total	\$ 713,711	\$ (151,351)	\$ 562,360

<u>for the fiscal years ending September 30,</u>	<u>Amount</u>
Total	<u><u>\$ 52,870</u></u>

Note 12 – Deposits

<u>as of September 30,</u>	<u>2011</u>	<u>2010</u>
Total	<u><u>\$ 890,189</u></u>	<u><u>\$ 655,748</u></u>

<u>as of September 30, 2011</u>	<u>Amount</u>
Total	<u><u>\$ 20,364</u></u>

Note 13 – Debt

as of September 30,	2011	Effective Interest Rate	2010	Effective Interest Rate
Current				
Total Current Banking/Finance				
Total Banking/Finance Non-Current				
Total Non-Current Total Debt				
	\$ 2,168,437		\$ 979,900	

<u>for the fiscal years ending September 30,</u>	<u>FHLB Advances and Senior Notes</u>	<u>Long-term Debt of Consolidated Sponsored Investment Products and Consolidated VIEs</u>	<u>Total</u>
Total	<u>\$ 968,174</u>	<u>\$ 1,170,266</u>	<u>\$ 2,138,440</u>

Note 14 – Taxes on Income

<u>for the fiscal years ended September 30,</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Provision for Income Taxes	<u>\$ 803,424</u>	<u>\$ 618,312</u>	<u>\$ 384,314</u>

as of September 30,	2011	2010
Deferred Tax Assets		
Deferred Tax Liabilities		
Net Deferred Tax Liability	\$ 166,537	\$ 143,659

as of September 30,	2011	2010
Deferred Tax Assets		
Deferred Tax Liabilities		
Net Deferred Tax Liability	\$ 166,537	\$ 143,659

<u>for the fiscal years ended September 30,</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
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Tax Provision	<u>\$803,424</u>	<u>30.62 %</u>	<u>\$618,312</u>	<u>29.87 %</u>	<u>\$384,314</u>	<u>29.82 %</u>
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<u>for the fiscal year ended September 30,</u>	<u>2011</u>
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Balance at End of Year	<u>\$ 99,723</u>
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Note 15 – Commitments and Contingencies

for the fiscal years ending September 30,

Amount

Total Minimum Lease Payments

\$ 208,594

Note 16 – Stock-Based Compensation

	Shares	Weighted- Average Grant-Date Fair Value
Nonvested Balance at September 30, 2011	<u><u>1,085</u></u>	\$ 114.57

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Outstanding and Exercisable at September 30, 2011	<u><u>1,369</u></u>	\$ 38.69	1.2	\$ 77,991

<u>as of and for the fiscal year ended September 30, 2011</u>	Investment Management and Related Services	Banking/ Finance	Total
<u>as of and for the fiscal year ended September 30, 2010</u>			
<u>as of and for the fiscal year ended September 30, 2009</u>			
<u>for the fiscal years ended September 30,</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total	<u>\$ 26,813</u>	<u>\$ 38,376</u>	<u>\$ (1,505)</u>

for the fiscal years ended September 30,

2011

2010

2009

Operating Revenues

Total
Property and Equipment, Net

\$ 7,140,039 **\$ 5,852,999** **\$ 4,194,087**

Total

\$ 589,748 **\$ 548,956** **\$ 535,459**

Note 19 – Other Income (Expenses)

for the fiscal years ended September 30,	2011	2010	2009
Investment and Other Income (Losses), Net			
Consolidated Sponsored Investment Products Gains (Losses), Net			
Interest Expense			
Other Income, Net	\$ (35,627)	\$ 111,128	\$ 86,011

Note 20 – Banking Regulatory Ratios

as of September 30,

2011

2010

Capital Adequacy
Minimum

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Item 9A. Controls and Procedures.

Item 9B. Other Information.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Code of Ethics.

Item 11. Executive Compensation.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Equity Compensation Plan Information.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Total	1,937,046	\$ 38.69	15,176,293

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Item 14. Principal Accounting Fees and Services.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

<u>Exhibit No.</u>	<u>Description</u>
--------------------	--------------------

Exhibit No.	Description
--------------------	--------------------

Exhibit No.	Description
--------------------	--------------------

EXHIBIT INDEX

Exhibit No.

Exhibit No.	Description
--------------------	--------------------

COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES

<u>for the fiscal years ended September 30,</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total fixed charges	_____	_____	_____	_____	_____
Adjusted earnings	=====	=====	=====	=====	=====

**FRANKLIN RESOURCES, INC.
LIST OF SUBSIDIARIES**

Name	State or Nation of Incorporation or Organization
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Name

**State or Nation of
Incorporation or Organization**

Name

**State or Nation of
Incorporation or Organization**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CERTIFICATION

CERTIFICATION

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (FURNISHED HEREWITH)**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (FURNISHED HEREWITH)**

Maria Gray
Secretary

Franklin Resources, Inc.
One Franklin Parkway
San Mateo, CA 94403-1906





FRANKLIN TEMPLETON
INVESTMENTS