FRANKLIN RESOURCES INC
Form 424B2
May 18, 2010
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Filed Pursuant to Rule 424 (b) (2)

Registration No. 333-149573

Title of each class of securities offered	Amount to be Registered	Offering Price Per Note	Aggregate Offering Price	Amount of Registration Fee(1)
2.000% Notes due 2013	$300,000,000	99.823%	$299,469,000	$21,352.14
3.125% Notes due 2015	$250,000,000	99.890%	$249,725,000	$17,805.39
4.625% Notes due 2020	$350,000,000	99.889%	$349,611,500	$24,927.30
Total	$900,000,000		$898,805,500	$64,084.83

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and relates to the registration statement on Form S-3 (File No. 333-149573) filed by Franklin Resources, Inc..

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated March 6, 2008)

$900,000,000

Franklin Resources, Inc.

$300,000,000 2.000% Notes due 2013

$250,000,000 3.125% Notes due 2015

$350,000,000 4.625% Notes due 2020

The 2.000% Notes due 2013 (the 2013 notes) will bear interest at the rate of 2.000% per year and will mature on May 20, 2013. The 3.125% Notes due 2015 (the 2015 notes) will bear interest at the rate of 3.125% per year and will mature on May 20, 2015. The 4.625% Notes due 2020 (the 2020 notes and together with the 2013 notes and the 2015 notes, the notes) will bear interest at the rate of 4.625% per year and will mature on May 20, 2020. Interest on the notes is payable on May 20 and November 20 of each year, beginning on November 20, 2010.

The notes of each series will be unsecured and unsubordinated obligations of our company and will rank equal in right of payment with all our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will be issued only in registered form in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

We may redeem the notes in whole or in part at any time at the applicable redemption price set forth under Description of the Notes Optional Redemption of Notes.

Investing in the notes involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per 2013 Note	Per 2015 Note	Per 2020 Note	Total
Public Offering Price	99.823%	99.890%	99.889%	$898,805,500
Underwriting Discount	0.450%	0.600%	0.650%	$ 5,125,000
Proceeds to Franklin Resources, Inc. (before expenses)	99.373%	99.290%	99.239%	$893,680,500

Interest on the notes will accrue from May 20, 2010.

The underwriters expect to deliver the notes of each series to purchasers on or about May 20, 2010, only in book-entry form through the facilities of The Depository Trust Company.

Joint Book-Running Managers

BofA Merrill Lynch **Morgan Stanley**

Co-Managers

Citi **HSBC** **J.P. Morgan** **UBS Investment Bank** **Wells Fargo Securities**

May 17, 2010

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

Any investor purchasing the notes in this offering is solely responsible for ensuring that any offer or resale of the notes it purchased in this offering occurs in compliance with applicable laws and regulations.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part, the prospectus supplement, describes the specific terms of the notes we are offering and certain other matters relating to Franklin Resources, Inc. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which do not apply to the notes we are offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If the description of the notes in the prospectus supplement differs from the description in the base prospectus, the description in the prospectus supplement supersedes the description in the base prospectus.

Unless otherwise expressly stated herein or the context otherwise requires, all references in this prospectus to Franklin Resources, we, us, our, our company or the company refer to Franklin Resources, Inc., a Delaware corporation and its direct and indirect subsidiaries. However, for purposes of the section entitled Description of the Notes, whenever we refer to Franklin Resources we, us, our, our company or the com are referring only to Franklin Resources, Inc. and not to any of its direct and indirect subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy materials on file with the SEC at the SEC s public reference room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. Our SEC filings are also available to the public on the SEC s Internet site at http://www.sec.gov. Our SEC filings can also be found on our website (www.franklinresources.com). However, except for our filings with the SEC that are incorporated by reference into this prospectus, the information on our website is not a part of this prospectus or our SEC filings.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement. The information that we file later with the SEC may update and supersede the information in this prospectus and in the information we incorporate by reference. We incorporate by reference the documents listed below and any filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, or the Exchange Act, after the date of this prospectus supplement and before all of the securities offered by this prospectus supplement are sold (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act):

- our Annual Report on Form 10-K for the fiscal year ended September 30, 2009, filed on November 24, 2009;
- our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2009, filed on February 8, 2010;
- our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010, filed on May 6, 2010; and
- our Current Reports on Form 8-K filed on January 28, 2010, February 5, 2010, March 17, 2010, March 22, 2010 and April 28, 2010.

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We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, a copy of any or all of the foregoing documents, and any other documents that are incorporated herein by reference (other than exhibits unless we specifically have incorporated those exhibits by reference in this prospectus supplement or the accompanying prospectus). Requests for such documents should be directed to our principal executive office, located at:

Franklin Resources, Inc.

One Franklin Parkway

San Mateo, California 94403

Attention: Corporate Secretary

Telephone: (650) 312-2000

FORWARD-LOOKING INFORMATION

This prospectus and the documents that we incorporate by reference contain certain statements that are, or may be considered to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. In addition, we may make other written and oral communications from time to time that contain such statements. Forward-looking statements include statements as to industry trends and our future expectations and other matters that do not relate strictly to historical facts and are based on certain assumptions by our management. We generally indicate these statements by words or phrases such as may, will, anticipate, estimate, plan, expect, believe, intend, could, should, foresee, continue and similar words or phrases. These statements discuss, among other things, e growth, domestic and international development and expansion strategy, and future performance. All of these forward-looking statements are subject to risks, uncertainties and assumptions, which we describe under the caption Risk Factors or in the documents we incorporate by reference. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. While forward-looking statements are our best prediction at the time that they are made, you should not rely on them. The forward-looking statements included in this prospectus supplement, the accompanying prospectus or the relevant incorporated document are made only as of the date of this prospectus, the accompanying prospectus or the relevant incorporated document, as the case may be, and, except as required by law, we undertake no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement or the accompanying prospectus. Because this is a summary, it may not contain all the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the information incorporated by reference, before making an investment decision.

Franklin Resources, Inc.

General

We are a holding company that, together with our various subsidiaries, is referred to as Franklin Templeton Investments, a global investment management organization. We are regulated as a bank holding company under the Bank Holding Company Act of 1956, as amended, and we have elected to be a financial holding company under the Gramm-Leach-Bliley Act.

In our primary business and operating segment, investment management and related services, we provide services to investment funds and institutional, high net-worth and separately-managed accounts (collectively, our sponsored investment products) in the United States (U.S.) and internationally. As of April 30, 2010, we had $602.5 billion in assets under our management, with approximately 23.2 million billable shareholder accounts worldwide. Our investment management and related services include fund administration, shareholder services, transfer agency, underwriting, distribution, custodial, trustee and other fiduciary services. Our sponsored investment products include a broad range of equity, hybrid, fixed-income and cash management funds and accounts. Cash management funds consist of U.S.-registered money market funds and non-U.S.-registered funds with similar investment objectives. We also manage certain sub-advised investment products, some of which may be sold to the public under our brand names.

The investment funds that we manage have various investment objectives designed to meet the needs and goals of different investors. Most of the investment funds we manage are mutual funds, also known as open-end funds, that continuously offer their shares to investors. We also offer closed-end funds that issue a set number of shares to investors in a public offering and the shares are then traded on a public stock exchange. An open-end fund will typically pay fees to distributors that market and distribute the fund s shares to broker/dealers who sell the shares directly to investors. Broker/dealers and other intermediaries may earn commissions and receive other compensation with respect to the shares sold to investors.

In our secondary business and operating segment, banking/finance, we provide clients with select retail banking, private banking and consumer lending services through our bank subsidiaries.

Franklin Templeton Investments and its predecessors have been engaged in the investment management and related services business since 1947. Franklin Resources, Inc. was incorporated in Delaware in November 1969. We originated our mutual fund business with the Franklin family of funds, which is now known as the Franklin Funds. We expanded our business, in part, by acquiring companies engaged in the investment management and/or related services business.

The financial services industry is highly competitive and has increasingly become a global industry. We believe that we are one of the more widely diversified asset managers based in the United States. We believe that our equity and fixed-income asset mix coupled with our global presence will serve our competitive needs well over the long term. We continue to focus on the performance of our investment products, service to customers and extensive marketing activities through our strong broker/dealer and other financial institution distribution

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network as well as with high net-worth and institutional customers. We believe that performance, diversity of products and customer service, along with fees and costs, are the primary drivers of competition in the asset management industry.

Our common stock is traded on the New York Stock Exchange under the trading symbol BEN , and is included in the Standard & Poor s 500 Index. The Franklin® Templeton® Investments brand name refers to Franklin Resources, Inc. and its subsidiaries.

Our principal executive offices are located at One Franklin Parkway, San Mateo, California 94403. Our telephone number is (650) 312-2000.

Recent Developments

We have a $420.0 million five-year revolving credit facility with certain banks and financial institutions that expires on June 9, 2010. There are currently no amounts outstanding, and we have never borrowed under this facility. We have decided, at present, not to renew this facility, after considering the costs relative to the potential benefits of maintaining such a facility. We believe that we have sufficient sources of liquidity, including our existing cash and investments, the proceeds of the offering of the notes, our operating cash flow, commercial paper program, existing lines of credit, and possible future capital markets transactions, to fund our liquidity needs.

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The Offering

Issuer	Franklin Resources, Inc.
Securities Offered	$300,000,000 aggregate principal amount of 2.000% Notes due 2013. $250,000,000 aggregate principal amount of 3.125% Notes due 2015. $350,000,000 aggregate principal amount of 4.625% Notes due 2020.
Interest Rate	2.000% per year for the 2013 notes. 3.125% per year for the 2015 notes. 4.625% per year for the 2020 notes.
Interest Payment Dates	May 20 and November 20 of each year, beginning November 20, 2010 for each series of the notes.
Maturity	May 20, 2013, in the case of the 2013 notes. May 20, 2015, in the case of the 2015 notes. May 20, 2020, in the case of the 2020 notes.
Redemption of Notes	The notes of each series may be redeemed prior to maturity in whole or in part at any time, at our option, at a make-whole redemption price. In the case of any such redemption, we will also pay accrued and unpaid interest, if any, to the redemption date. For more detailed information on the calculation of the redemption price, see Description of the Notes Optional Redemption of Notes.
Ranking	The notes of each series will be unsecured and unsubordinated obligations of Franklin Resources, Inc. and will rank equal in right of payment with all its existing and future unsecured and unsubordinated indebtedness. We are a holding company and, accordingly, substantially all of our operations are conducted through our subsidiaries. As a result, our debt is structurally subordinated to all existing and future debt, trade creditors and other liabilities of our subsidiaries. Our rights, and hence the rights of our creditors, including holders of the notes, to participate in any distribution of assets of any subsidiary upon its liquidation or reorganization or otherwise would be subject to the prior claims of that subsidiary s creditors, except to the extent that our claims as a creditor of such subsidiary may be recognized. As of March 31, 2010, after giving effect to the issuance of the notes offered hereby but not the application of the proceeds as described under Use of Proceeds, we would have had

approximately $286.0 million of indebtedness outstanding that ranks equally with the notes, and our subsidiaries would have had approximately $66 million of indebtedness that will be structurally senior to the notes. See Capitalization.

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Covenants	The indenture pursuant to which the notes will be issued, as supplemented, or the indenture, will contain limitations on our ability and the ability of our subsidiaries to pledge voting stock or profit participating equity interests in our subsidiaries to secure other debt without also similarly securing the notes equally and ratably. The indenture also includes requirements that must be met if we consolidate or merge with, or sell all or substantially all of our assets to, another entity.
Trustee	The Bank of New York Mellon Trust Company, N.A.
Additional Notes	From time to time, without the consent of the holders of the notes of any series, we may issue additional debt securities having the same ranking and the same interest rate, maturity and other terms as any series of the notes. Any additional debt securities having those similar terms, together with the previously issued 2013 notes, 2015 notes, 2020 notes, as the case may be, will constitute a single series of debt securities under the indenture.
Use of Proceeds	We intend to use the proceeds of this offering for general corporate purposes, which may include repayment of previously issued commercial paper.
Events of Default	The notes contain customary events of default. See Description of Debt Securities Events of Default in the accompanying base prospectus and Description of the Debt Securities Events of Default for additional events of default pertaining to the notes.
Form and Denomination	The notes of each series will be in book-entry form only and registered in the name of a nominee of The Depository Trust Company (DTC). The 2013 notes will initially be limited to $300,000,000 in aggregate principal amount. The 2015 notes will initially be limited to $250,000,000 in aggregate principal amount. The 2020 notes will initially be limited to $350,000,000 in aggregate principal amount. The notes of each series will be issued in fully registered form only, in denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Risk Factors	Investing in the notes of any series involves substantial risks. See Risk Factors beginning on page S-8 for a description of certain risks that you should consider before investing in the notes of any series.

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SUMMARY HISTORICAL FINANCIAL AND OTHER DATA

The following table presents our summary historical financial and other data as of and for the fiscal years ended September 30, 2007, 2008 and 2009 and as of and for the six months ended March 31, 2009 and 2010. We derived the summary financial data as of and for the fiscal years ended September 30, 2007, 2008 and 2009 from our audited consolidated financial statements. The summary financial data as of and for the six months ended March 31, 2009 and 2010 have been derived from our unaudited consolidated financial statements which, in the opinion of management, have been prepared on the same basis as the annual audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods presented. You should read this data along with our consolidated financial statements and the related notes incorporated in this prospectus supplement by reference and Management s Discussion and Analysis of Financial Condition and Results of Operations incorporated in this prospectus supplement by reference. See Incorporation by Reference. The results of interim periods are not necessarily indicative of results that may be expected for the full year.

	Six Months Ended March 31,		Year Ended September 30,		
	2010	2009	2009	2008	2007
Summary of Operations *(in millions)*					
Operating revenues	$ 2,790.5	$ 1,881.6	$ 4,194.1	$ 6,032.4	$ 6,205.8
Net income attributable to Franklin Resources, Inc.	712.3	231.7	896.8	1,588.2	1,772.9
Financial Data (at period end) *(in millions)*					
Total assets	$ 9,520.6	$ 8,830.4	$ 9,468.5	$ 9,716.5	$ 9,932.3
Cash and cash equivalents	3,023.6	2,444.3	3,104.5	2,527.6	3,584.2
Long-term debt	51.0	57.0	42.0	156.4	162.1
Total Franklin Resources, Inc. stockholders equity	7,384.3	7,048.8	7,632.2	7,074.4	7,332.3
Operating cash flows	696.4	246.6	641.4	1,409.2	1,673.6
Assets Under Management *(in billions)*					
Ending	$ 586.8	$ 391.1	$ 523.4	$ 507.3	$ 645.9
Simple monthly average	547.3	417.9	442.2	604.9	582.0
Net new flows	31.7	(23.7)	(5.5)	(8.9)	46.5
Net flows	37.5	(14.7)	8.6	20.0	67.2
Per Common Share					
Earnings					
Basic	$ 3.11	$ 0.99	$ 3.89	$ 6.72	$ 7.11
Diluted	3.10	0.99	3.87	6.67	7.03
Cash dividends	3.44	0.42	0.84	0.80	0.60
Book value	32.49	30.38	33.28	30.39	29.87
Employee Headcount	7,758	8,233	7,745	8,809	8,699

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RISK FACTORS

You should carefully consider the following risks and the specific risks described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2009 and any risk factors set forth in our other filings with the SEC pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act before making an investment decision.

Risks Related to the Notes

Our holding company structure results in structural subordination of our debt and may affect our ability to make payments on notes.

The notes are obligations exclusively of Franklin Resources, Inc. We are a holding company and, accordingly, substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and our ability to service our debt, including the notes, depend upon the earnings of our subsidiaries. In addition, we depend on the distribution of earnings, loans or other payments by our subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds for our payment obligations. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions, including regulatory capital requirements. Payments to us by our subsidiaries will also be contingent upon our subsidiaries earnings and business considerations. Our right to receive any assets of any of our subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors, and to that subsidiary s preferred stockholders, if any. The notes do not restrict the ability of our subsidiaries to incur additional indebtedness or issue preferred stock. In addition, the notes are unsecured. Thus, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

We may issue additional notes.

Under the terms of the indenture, we may from time to time without notice to, or the consent of, the holders of the notes, create and issue additional notes of a new or existing series, which notes, if of an existing series, will be equal in rank to the notes of that series in all material respects, and the new notes may be consolidated and form a single series with such notes and have the same terms as to status, redemption or otherwise as such notes.

The notes do not restrict our ability to incur additional debt or to take other actions that could negatively affect holders of the notes.

We are not restricted under the terms of the notes from incurring additional unsecured indebtedness, including other senior indebtedness and while the covenants applicable to the notes restrict our ability to incur certain types of secured indebtedness, those restrictions are subject to various important limitations and exceptions. In addition, the limited covenants applicable to the notes do not restrict our ability to pay dividends, issue or repurchase stock or other securities or require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. In addition, the notes will not be subject to redemption or repurchase upon a change of control. Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the notes could have the effect of diminishing our ability to make payments on the notes when due. Although the notes do not contain such financial and other restrictive covenants, future indebtedness could include such covenants. If we incur additional indebtedness or other liabilities, our ability to pay our obligations on our outstanding indebtedness could be adversely affected.

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Our management has broad discretion over the use of proceeds from the offering.

We intend to use the net proceeds of this offering for general corporate purposes. Therefore, we will retain broad discretion over the use of the proceeds from this offering and may use them for purposes other than those contemplated at the time of this offering. You may not agree with the ways we decide to use these proceeds, and our use of the proceeds may not yield any profits. See Use of Proceeds.

There are no public markets for the notes.

We have not applied and do not intend to apply for listing of the notes of any series on any securities exchange or automated quotation system. As a result, we can give no assurances concerning the liquidity of any markets that may develop for the notes offered hereby, your ability to sell the notes, or the price at which you would be able to sell them. If markets for the notes do not develop, you may be unable to resell the notes for an extended period of time, if at all. If markets for the notes do develop, they may not continue or they may not be sufficiently liquid to allow holders to resell any of the notes. Consequently, you may not be able to liquidate your investment readily, and lenders may not readily accept the notes as collateral for loans.

The market prices of the notes may be volatile.

The market price of the notes of each series will depend on many factors that may vary over time and some of which are beyond our control, including our financial performance, the amount of indebtedness we and our subsidiaries have outstanding, market interest rates, the market for similar securities, competition and general economic conditions. The capital and credit markets have experienced substantial volatility and disruption during the past fiscal year.

As a result of these factors, you may only be able to sell your notes at prices below those you believe to be appropriate, including prices below the prices you paid for them.

An increase in interest rates could result in a decrease in the relative value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase the notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

Ratings of the notes may not reflect all risks of an investment in the notes.

We expect that the notes of each series will be rated by at least one nationally recognized statistical rating organization. The ratings of the notes will primarily reflect our financial strength and will change in accordance with the rating of our financial strength. Any rating is not a recommendation to purchase, sell, or hold the notes. The ratings do not correspond to market price or suitability for a particular investor. In addition, ratings at any time may be lowered or withdrawn in their entirety.

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USE OF PROCEEDS

We estimate the net proceeds to us from the sale of the notes will be approximately $892,100,500, after deducting the underwriting discount and the other expenses of the offering payable by us. We intend to use the net proceeds of this offering for general corporate purposes, which may include repayment of previously issued commercial paper.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of adjusted earnings to fixed charges for each of the periods indicated:

	Six Months Ended March 31,		Year Ended September 30,				
	2010	2009	2009	2008	2007	2006	2005
Ratio of adjusted earnings to fixed charges (a)	63.5x	25.2x	45.8x	42.5x	44.9x	31.1x	25.1x

(a) For purposes of calculating the ratio of adjusted earnings to fixed charges, adjusted earnings consist of income before taxes and fixed charges, excluding equity in income of investees, minority interest in earnings of consolidated subsidiaries and capitalized interest and including dividends received from equity-method investees. Fixed charges consist of interest expense which includes an interest factor on rent calculated as one-third of rental expense (the approximate portion of rental expense representing interest).

On a pro forma basis giving effect to the issuance of (i) $300,000,000 principal amount of notes offered hereby at an interest rate of 2.000% per annum, (ii) $250,000,000 principal amount of notes offered hereby at an interest rate of 3.125% per annum and (iii) $350,000,000 principal amount of notes offered hereby at an interest rate of 4.625% per annum, our ratio of adjusted earnings to fixed charges for the year ended September 30, 2009 and the six months ended March 31, 2010 would have been 22.3x and 32.7x, respectively.

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CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of March 31, 2010. Our cash and cash equivalents and capitalization is presented:

On an actual basis; and

As adjusted to reflect the sale of the notes in this offering before the application of the net proceeds therefrom as described under Use of Proceeds.

The information set forth below should be read in conjunction with, and is qualified in its entirety by reference to, our unaudited consolidated financial statements and the related notes thereto contained in our quarterly report on Form 10-Q for the fiscal quarter ended on March 31, 2010 filed with the SEC and incorporated by reference in this prospectus supplement.

	As of March 31, 2010	
	Actual	As Adjusted
	(in thousands, except share and per share data)	
	(unaudited)	
Cash and cash equivalents	$ 3,023,620	$ 3,915,721
Banking/Finance liabilities(1)	799,052	799,052
Commercial paper	$ 285,970	$ 285,970
Long-term debt	51,000	51,000
2013 notes(2)		299,469
2015 notes(2)		249,725
2020 notes(2)		349,612
Stockholders equity:		
Preferred stock, $1.00 par value, 1,000,000 shares authorized; none issued and outstanding		
Common stock, $0.10 par value, 1,000,000,000 shares authorized; 227,338,845 shares issued and outstanding	22,739	22,739
Capital in excess of par value		
Retained earnings	7,217,850	7,217,850
Accumulated other comprehensive income	143,687	143,687
Total Franklin Resources, Inc. stockholders equity	7,384,276	7,384,276
Total capitalization	$ 7,721,246	$ 8,620,052

(1) Consists of deposits, liabilities payable to the parent entity, Federal Home Loan Bank advances and other liabilities.
(2) Net of original issue discount.

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DESCRIPTION OF THE NOTES

Set forth below is a description of the specific terms of the notes. This description supplements, and should be read together with, the description of the general terms and provisions of the debt securities set forth in the accompanying base prospectus under the caption Description of Debt Securities . In addition to reading the description of debt securities in the base prospectus and the description of the notes in this prospectus supplement, you should also read the indenture, as supplemented, under which the notes are to be issued. If the description of the notes in this prospectus supplement differs from the description of debt securities in the base prospectus, the description of the notes in this prospectus supplement supersedes the description of debt securities in the base prospectus. When we refer in this section, to Franklin Resources , we , us , our our company or the company , we are referring only to Franklin Resources, Inc. and not to its direct or indirect subsidiaries.

General

The 2013 notes will initially be limited to $300,000,000 in aggregate principal amount. The 2015 notes will initially be limited to $250,000,000 in aggregate principal amount. The 2020 notes will initially be limited to $350,000,000 in aggregate principal amount. The notes of each series will be issued in fully registered form only, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The 2013 notes will mature on May 20, 2013. The 2015 notes will mature on May 20, 2015. The 2020 notes will mature on May 20, 2020.

Each of the notes will be issued as a series of debt securities under the indenture referred to in the accompanying base prospectus. The indenture does not limit the amount of other debt that we may incur. We may, from time to time, without the consent of the holders of the notes of any series, issue other debt securities under the indenture in addition to the $300,000,000 aggregate principal amount of the 2013 notes, the $250,000,000 aggregate principal amount of the 2015 notes, and the $350,000,000 aggregate principal amount of the 2020 notes. We may also, from time to time, without the consent of the holders of the notes of any series issue additional debt securities having the same ranking and the same interest rate, maturity and other terms as the notes of any series. Any additional debt securities having those similar terms, together with the previously issued 2013 notes, 2015 notes or 2020 notes, as the case may be, will constitute a single series of debt securities under the indenture.

The 2013 notes will bear interest from May 20, 2010, at the annual rate of 2.000%. The 2015 notes will bear interest from May 20, 2010, at the annual rate of 3.125%. The 2020 notes will bear interest from May 20, 2010, at the annual rate of 4.625%. Interest on the notes will be payable semi-annually on May 20 and November 20 of each year, commencing November 20, 2010, to the persons in whose names the notes are registered at the close of business on the immediately preceding May 1 and November 1, respectively, subject to certain exceptions. The amount of interest payable on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

If any interest payment date or the maturity date of the notes is not a business day, then the related payment of interest and/or principal on such date will be paid on the next succeeding business day with the same force and effect as if made on such interest payment date or maturity date and no further interest will accrue in respect of the delay.

The 2013 notes, the 2015 notes and the 2020 notes will be unsecured and unsubordinated obligations of Franklin Resources and will rank equal in right of payment to all our other unsubordinated indebtedness.

The notes do not provide for any sinking fund.

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Optional Redemption of Notes

The notes of each series will be redeemable as a whole or in part, at our option at any time, at a redemption price, equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points in the case of the 2013 notes, 20 basis points in the case of the 2015 notes and 25 basis points in the case of the 2020 notes, plus in each case, accrued interest thereon to the date of redemption.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by us.

Comparable Treasury Price means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

Reference Treasury Dealer means each of Banc of America Securities LLC and Morgan Stanley & Co. Incorporated or their respective affiliates which are primary U.S. government securities dealers, and their respective successors; provided, however, that if any of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in The City of New York (a Primary Treasury Dealer), we shall substitute therefor another Primary Treasury Dealer.

Notice of any redemption will be given by us or, at our request, by the trustee in our name and at our expense at least 30 days but not more than 60 days before the redemption date to each holder of the notes.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

Ranking

The notes of each series are our obligations exclusively, and are not obligations of our subsidiaries. We are a holding company and, accordingly, substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and our ability to service our debt, including the notes, depend upon the earnings of our subsidiaries. In addition, we depend on the distribution of earnings, loans or other payments by our subsidiaries to us.

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Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes of any series or to provide us with funds for our payment obligations. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Payments due to us by our subsidiaries will also be contingent upon our subsidiaries earnings and business considerations.

Our right to receive any assets of any of our subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore the right of the holders of the notes of any series to participate in those assets, would be structurally subordinated to the claims of that subsidiary s creditors, including trade creditors. None of the series of notes restrict the ability of our subsidiaries to incur additional indebtedness. In addition, the notes are unsecured. Thus, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

Limitations on Liens

The indenture will provide that Franklin Resources will not, and will not cause or permit any Included Subsidiary to, create, assume, incur or guarantee any indebtedness for money borrowed that is secured by a pledge, mortgage or other lien on any voting stock or profit participating equity interests of our Included Subsidiaries or any entity that succeeds (whether by merger, consolidation, sale of assets or otherwise) to all or any substantial part of the business of our Included Subsidiaries, without providing that the notes (together with, if we shall so determine, any other indebtedness of, or guarantee by, us ranking equally with the notes and existing as of the closing of the offering of the notes or thereafter created) will be secured equally and ratably with or prior to all other indebtedness secured by such pledge, mortgage or other lien on the voting stock or profit participating equity interests of our Included Subsidiaries. This covenant will not apply to (a) liens existing at the time an entity becomes a Subsidiary of Franklin Resources or is merged into Franklin Resources or a subsidiary of Franklin Resources, (b) statutory liens, liens granted to comply with regulatory requirements, liens for taxes or assessments or governmental charges or levies not yet due or delinquent or which can be paid without penalty or are being contested in good faith, (c) liens on any voting stock or profit participating equity interests of any Subsidiary of Franklin Resources that is acquired after the date of issuance of the notes to secure or provide for the payment of the purchase price or acquisition cost thereof, (d) liens in favor of Franklin Resources or any subsidiary, (e) liens in existence on the date of issuance of the notes, (f) liens (not otherwise permitted under this covenant) which secure obligations in an aggregate amount at any one time outstanding not exceeding 7% of the Consolidated Net Worth, measured at the time of the creation, incurrence or assumption of any such lien and based upon the Consolidated Net Worth as at the end of the most recently completed fiscal quarter of Franklin Resources for which financial statements are publicly available, and (g) any extension, renewal, substitution, refinancing or replacement (or successive extensions, renewals, substitutions or replacements), in whole or in part, of any lien referred to in the foregoing clauses (a), (c) and (e) that is secured by the same collateral that originally secured the lien.

Consolidated Net Worth means, at a particular date, all amounts which would be included, under stockholders equity, on a consolidated balance sheet of Franklin Resources and its Included Subsidiaries determined on a consolidated basis in accordance with GAAP as at such date.

GAAP means generally accepted accounting principles in the United States of America in effect from time to time.

Included Subsidiary means any Subsidiary of Franklin Resources other than any Banking Subsidiary, Finance Subsidiary, Insurance Subsidiary or Real Estate Subsidiary.

Banking Subsidiary means, at any time, Fiduciary Trust Company International, Franklin Templeton Bank and Trust Company, F.S.B. or any other Subsidiary of Franklin Resources licensed to engage, and principally engaged, at such time in the banking or trust business or any Subsidiary of any such Subsidiary.

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Finance Subsidiary means Franklin Capital Corporation or any other Subsidiary of Franklin Resources created for the sole purpose of acting as a finance or securitization subsidiary.

Insurance Subsidiary means, at any time any Subsidiary of Franklin Resources licensed to engage, and principally engaged, at such time in the insurance business or any Subsidiary of such Subsidiary.

Real Estate Subsidiary means, at any time any Subsidiary of Franklin Resources principally engaged at such time in the real estate investment and property management business or any Subsidiary of any such Subsidiary.

Subsidiary means, as to any person at any time of determination, a corporation, partnership or other entity (other than any Fund or any other investment company or similar investment entity existing under foreign law substantially equivalent to an investment company) of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries or Subsidiaries, or both, by such person. Funds means the collective reference to all investment companies advised by Franklin Resources or any of its Subsidiaries.

This covenant will not limit our ability or the ability of our subsidiaries to incur indebtedness or other obligations secured by liens on assets other than the voting stock or profit participating equity interests of our Included Subsidiaries.

Events of Default

The notes of each series contain customary events of default, including in the non-payment of interest or principal. See Description of Debt Securities Events of Default in the accompanying base prospectus. In addition, in lieu of the events of default set forth in the fifth and sixth bullets of the first paragraph of the section of the accompanying base prospectus entitled Description of Debt Securities Events of Default , the following shall constitute events of default with respect to the notes of each series:

- certain events of bankruptcy, insolvency or reorganization involving us or any Significant Subsidiary (as defined below), including the entry of any court order or decree related to these events; and

- acceleration of indebtedness of Franklin Resources or any Significant Subsidiary, or failure to pay any such debt at maturity, in a principal amount in excess of $75 million under the terms of the instrument under which such indebtedness was issued or secured, if such acceleration is not annulled within 30 days after a written notice of default is given by the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series as provided in the indenture.

Significant Subsidiary means any subsidiary that would be a significant subsidiary of Franklin Resources within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

Legal Defeasance or Covenant Defeasance

The indenture provides that, subject to certain conditions, we may elect, at any time, to terminate all of our obligations under the notes and the indenture, except for certain obligations, including those relating to the defeasance trust and obligations to register the transfer or exchange of the notes, to replace mutilated, destroyed, lost or stolen notes and to maintain a registrar and paying agent in respect of the notes. We refer to this as legal

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defeasance. We may also elect, at any time, to terminate our obligations under the covenants described under, Limitations on Liens and the bankruptcy provisions with respect to Significant Subsidiaries described under Events of Default above. We refer to this as covenant defeasance.

In order to exercise our defeasance options with respect to the notes of any series, we must irrevocably deposit in trust for the benefit of the holders of the relevant notes money or certain U.S. government obligations, or both, for the payment of principal of, premium, if any, and interest on the relevant notes to maturity or redemption. We must comply with certain other conditions, including delivery to the Trustee of an opinion of counsel to the effect that the holders and beneficial owners of the notes of that series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of that defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the defeasance had not occurred. In the case of a legal defeasance, the opinion must refer to and be based on (a) our receipt from, or the publication by, the U.S. Internal Revenue Service of a ruling, or (b) a change in the applicable U.S. federal income tax law since the date of the indenture.

Modification

The provisions of the indenture relating to amendment and modification described in the section of the accompanying prospectus entitled Description of Debt Securities Modification and Waiver shall apply to the notes, except that references to any requirement for the consent of holders of not less than 66-2/3% in principal amount of the outstanding debt securities shall, insofar as they apply to the notes, require the consent of holders of not less than a majority in aggregate principal amount of the outstanding notes.

Book-Entry System; Delivery and Form

The notes will be issued in the form of one or more fully registered global securities which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York, which we refer to as DTC, and registered in the name of Cede & Co., DTC s nominee. We will not issue notes in certificated form. Beneficial interests in the global securities will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global securities through either DTC in the United States, or Clearstream Banking, S.A. or Euroclear Bank S.A./N.V., as operator of the Euroclear System in Europe, referred to as Clearstream and Euroclear, if they are participants of those systems, or, indirectly, through organizations that are participants in those systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers securities accounts in Clearstream s and Euroclear s names on the books of their respective depositories, which in turn will hold such interests in customers securities accounts in the depositories names on the books of DTC. Beneficial interests in the global securities will be held in denominations of $2,000 and integral multiples of $1,000 in excess thereof. Except as set forth below, the global securities may be transferred, in whole but not in part, only to another nominee of DTC or to a successor to DTC or its nominee.

DTC, the world s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC s participants, which we refer to as direct participants, deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between direct participants accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. Access to the DTC system also is available to others, such as U.S.

and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations, that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. We refer to those entities as indirect participants.

Purchases of notes under the DTC system must be made by or through direct participants, who receive a credit for the notes on DTC s records. The ownership interest of each actual purchaser of each note, who we refer to as a beneficial owner, is in turn recorded on the direct and indirect participants records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes will be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the notes, except in the event that use of the book entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by direct participants with DTC are registered in the name of DTC s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. or another DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the notes. DTC s records reflect only the identity of the direct participants to whose accounts the notes are credited, which may or may not be the beneficial owners. The direct and indirect participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the notes are being redeemed, DTC s practice is to determine by lot the amount of the interest of each direct participant in the notes to be redeemed.

Neither DTC, Cede & Co. nor any other DTC nominee will consent or vote with respect to the notes unless authorized by a direct participant in accordance with DTC s procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co. s consenting or voting rights to those direct participants to whose accounts notes are credited on the record date.

Redemption proceeds, distributions and interest payments on the notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC s practice is to credit direct participants accounts upon DTC s receipt of funds and corresponding detail information from us or the exchange agent on the payable date in accordance with their respective holdings shown on DTC s records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participant and not of DTC or its nominee, us, the trustee or the exchange agent, subject to any statutory or regulatory requirements in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of us or the exchange agent. Disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

DTC may discontinue providing its services as depository with respect to the notes at any time by giving reasonable notice to us or the exchange agent. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the affected notes are required to be printed and delivered. In addition,

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we may decide to discontinue use of the system of book-entry transfers through DTC or a successor securities depository with respect to the notes. In that event, certificates representing the notes will be printed and delivered.

Similar to DTC, Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Distributions with respect to notes held beneficially through Euroclear or Clearstream will be credited to the cash accounts of participants in Euroclear or Clearstream, as the case may be, in accordance with their respective procedures, to the extent received by the U.S. depositary for Euroclear or Clearstream.

The information in this section concerning DTC, Euroclear and Clearstream have been obtained from sources that we believe to be reliable, but neither we nor the trustee take any responsibility for the accuracy of the information.

Global Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between participants will occur in the ordinary way in accordance with DTC s rules and will be settled in immediately available funds using DTC s Same-Day Funds Settlement System. Secondary market trading between Clearstream participants and Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream or Euroclear participants, on the other, will be effected within DTC in accordance with DTC s rules on behalf of the relevant European international clearing system by its U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering or receiving notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to their respective U.S. depositories. Because of time-zone differences, credits of notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits, or any transactions in the notes settled during such processing, will be reported to the relevant Euroclear participants or Clearstream participants on that business day. Cash received in Clearstream or Euroclear as a result of sales of notes by or through a Clearstream participant or a Euroclear participant to a DTC participant will be received with value on the business day of settlement in DTC but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following DTC settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of securities among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and they may discontinue the procedures at any time.

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CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (ERISA), and the Internal Revenue Code of 1986, as amended (the Code), impose certain restrictions on (a) employee benefit plans (as defined in Section 3(3) of ERISA) subject to ERISA, (b) plans described in Section 4975(e)(1) of the Code, including individual retirement accounts or Keogh plans, (c) any entities whose underlying assets include plan assets under the Plan Asset Regulation (29 C.F.R. Section 2510.3-101), as modified by Section 3(42) of ERISA, (each, a Plan) and (d) persons and entities who have certain specified relationships to such Plans (each, a Party-in-Interest under ERISA and Disqualified Person under the Code). A Plan fiduciary considering a purchase of the notes should consider whether such purchase might constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, for which no exemption is available.

Section 406 of ERISA and Section 4975 of the Code prohibit certain direct or indirect transactions between Plans and Parties-in-Interest and Disqualified Persons. We and certain of our subsidiaries may be considered Parties-in-Interest or Disqualified Persons with respect to many Plans. Prohibited transactions within the meaning of ERISA or the Code may arise if notes are acquired by or with the assets of a Plan with respect to which we are a Party-in-Interest or Disqualified Person, including, for example, a prohibited loan to us. Certain exemptions from the prohibited transaction rules could be applicable, depending in part upon the type of Plan fiduciary making the decision to acquire the notes and the circumstances under which such decision is made.

The acquisition of the notes may be eligible for one of the exemptions noted below if the acquisition:

- is made solely with the assets of a bank collective investment fund and satisfies the requirements and conditions of Prohibited Transaction Class Exemption (PTCE) 91-38 issued by the Department of Labor (DOL);
- is made solely with assets of an insurance company pooled separate account and satisfies the requirements and conditions of PTCE 90-1 issued by the DOL;
- is made solely with assets managed by a qualified professional asset manager and satisfies the requirements and conditions of PTCE 84-14 issued by the DOL;
- is made solely with assets of an insurance company general account and satisfies the requirements and conditions of PTCE 95-60 issued by the DOL;
- is made solely with assets managed by an in-house asset manager and satisfies the requirements and conditions of PTCE 96-23 issued by the DOL; or
- is made solely with assets of a Plan and satisfies the requirements and conditions of Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (together, the Service Provider Exemption).

Governmental plans, foreign and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to local, state, other federal or non-US laws that are substantially similar to the foregoing provisions of ERISA and the Code, which we refer to as similar law.

By purchasing and holding the notes, the purchaser and any fiduciary of the purchaser advising its purchase and holding of the notes will be deemed to represent and warrant that either (i) it is not, and is not acquiring the notes on behalf of, or with the assets of, a Plan or governmental, foreign or church plan subject to similar law or (ii) on each day the purchaser holds the notes that its acquisition, holding and disposition of the notes will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or in a violation of any similar laws), unless an exemption is available and all its conditions have been satisfied.

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CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

This section summarizes certain material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of notes, but does not purport to be a complete analysis of all potential tax consequences and considerations. This section is based on the Code, judicial decisions and Treasury regulations, published rulings and other administrative pronouncements, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein, possibly with retroactive effect.

This summary deals only with notes that are held as capital assets (within the meaning of Section 1221 of the Code) by Non-U.S. Holders that purchase the notes in this offering at the notes issue price (within the meaning of Section 1273 of the Code). A Non-U.S. Holder is a beneficial owner of notes and is generally an individual, corporation, estate or trust other than:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any subdivision thereof;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; and
- a trust if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) such trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership holds notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Special rules may apply if a Non-U.S. Holder is a controlled foreign corporation or passive foreign investment company , as defined under the Code, and to certain expatriates or former long-term residents of the United States. If you fall within any of the foregoing categories, you should consult your own tax advisor to determine the U.S. federal, state, local and foreign tax consequences that may be relevant to you.

This summary does not describe all of the U.S. federal income tax consequences that may be relevant to the purchase, ownership and disposition of notes by a prospective Non-U.S. Holder in light of that investor s particular circumstances. In addition, this summary does not address other U.S. federal taxes (such as gift or estate taxes or alternative minimum taxes) or state, local or foreign taxes.

Please consult your own tax advisor as to the particular tax consequences to you of purchasing, holding and disposing of notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

U.S. Federal Withholding Tax

Subject to the discussion below concerning backup withholding, U.S. federal withholding tax will not apply to any payment of principal or interest on the notes, provided that in the case of interest:

- you do not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and the Treasury regulations;
- you are not a controlled foreign corporation that is related, directly or indirectly, to us through stock ownership; and

you provide your name, address and certain other information on an Internal Revenue Service (IRS) Form W-8BEN (or a suitable substitute form), and certify, under penalties of perjury, that you are not a U.S. person or (b) you hold your notes through certain foreign intermediaries or certain foreign partnerships and certain certification requirements are satisfied.

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In addition, interest payments that are effectively connected with the conduct of a trade or business by you within the United States are also not subject to the U.S. federal withholding tax, but instead may be subject to U.S. federal income tax, as described below under U.S. Federal Income Tax .

If you cannot satisfy the requirements described above, payments of interest generally will be subject to a 30% U.S. federal withholding tax unless a tax treaty applies. If a tax treaty applies to you, you may be eligible for a reduction of or exemption from U.S. federal withholding tax.

To claim any exemption from or reduction in the 30% withholding tax, you should provide a properly executed IRS Form W-8BEN (or suitable substitute form) claiming a reduction of or an exemption from withholding tax under an applicable tax treaty or a properly executed IRS Form W-8ECI (or a suitable substitute form) stating that such payments are not subject to withholding tax because they are effectively connected with your conduct of a trade or business in the United States.

U.S. Federal Income Tax

If you are engaged in a trade or business in the United States (and, if a tax treaty applies, if you maintain a permanent establishment within the United States) and interest on the notes, including interest received on redemption or retirement, is effectively connected with the conduct of such trade or business (and, if a tax treaty applies, attributable to such permanent establishment), you will be subject to U.S. federal income tax (but not U.S. withholding tax assuming a properly executed Form W-8ECI (or suitable substitute form) is provided) on such interest on a net income basis in generally the same manner as if you were a U.S. person. In addition, in certain circumstances, if you are a foreign corporation you may be subject to a 30% (or, if a tax treaty applies, such lower rate as provided) branch profits tax.

Any gain or income, other than interest which is taxable as set forth above, realized on the disposition of a note (including a redemption or retirement) will generally not be subject to U.S. federal income tax unless:

- such gain or income is effectively connected with your conduct of a trade or business in the United States (and, where an applicable tax treaty so provides, is also attributable to a U.S. permanent establishment maintained by you); or
- you are an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

Backup Withholding and Information Reporting

Unless you are an exempt recipient, such as a corporation, interest payments on the notes and the proceeds received from a disposition (including a redemption or retirement) of notes may be subject to U.S. federal backup withholding at the applicable rate and related information reporting if you fail to comply with applicable certification requirements. The certification procedures required to claim the exemption from withholding tax on interest (described above) will satisfy the certification requirements necessary to avoid the backup withholding tax as well.

Backup withholding is not an additional tax. Any amounts so withheld under the backup withholding rules may be refunded or credited against your U.S. federal income tax liability, provided you timely furnish the required information to the IRS.

The preceding discussion of certain material U.S. federal income tax consequences is general information only and is not tax advice. Accordingly, you should consult your own tax advisor as to the particular tax consequences to you of purchasing, holding or disposing of notes, including the applicability and effect of any state, local or non-U.S. tax laws, and of any changes or proposed changes in applicable law.

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UNDERWRITING

Banc of America Securities LLC and Morgan Stanley & Co. Incorporated are acting as joint book-running managers of the offering and as representatives of the underwriters named below.

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of the 2013 notes, the 2015 notes and the 2020 notes set forth opposite the underwriter s name.

Underwriter	Principal Amount of 2013 Notes	Principal Amount of 2015 Notes	Principal Amount of 2020 Notes
Banc of America Securities LLC	$ 120,000,000	$ 100,000,000	$ 140,000,000
Morgan Stanley & Co. Incorporated	105,000,000	87,500,000	122,500,000
Citigroup Global Markets Inc.	15,000,000	12,500,000	17,500,000
HSBC Securities (USA) Inc.	15,000,000	12,500,000	17,500,000
J.P. Morgan Securities Inc.	15,000,000	12,500,000	17,500,000
UBS Securities LLC	15,000,000	12,500,000	17,500,000
Wells Fargo Securities, LLC	15,000,000	12,500,000	17,500,000
Total	$ 300,000,000	$ 250,000,000	$ 350,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the notes if they purchase any of the notes.

The underwriters propose to offer some of the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the notes to dealers at the public offering price less a concession not to exceed: (i) 0.300% of the principal amount of the 2013 notes with respect to the 2013 notes, (ii) 0.350% of the principal amount of the 2015 notes with respect to the 2015 notes and (iii) 0.400% of the principal amount of the 2020 notes with respect to the 2020 notes. The underwriters may allow, and dealers may reallow a concession not to exceed: (i) 0.175% of the principal amount of the 2013 notes with respect to the 2013 notes, (ii) 0.200% of the principal amount of the 2015 notes with respect to the 2015 notes, and (iii) 0.250% of the principal amount of the 2020 notes with respect to the 2020 notes, on sales to other dealers. After the initial offering of the notes to the public, the representatives may change the public offering price and concessions.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

	Paid by Franklin Resources
Per 2013 note	0.450%
Per 2015 note	0.600%
Per 2020 note	0.650%

In connection with the offering of the notes of each series, the joint book-running managers on behalf of the underwriters may purchase and sell notes of that series in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of notes in excess of the principal amount of notes to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the notes of a given series in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of notes of a given series made for the purpose of preventing or retarding a decline in the market price of the notes of that series while the offering is in progress.

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Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes of the relevant series. They may also cause the price of the notes of the relevant series to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that our total expenses for this offering will be $1,580,000.

The underwriters have performed investment banking and advisory services for us and for certain of the Franklin Resources funds from time to time in the ordinary course, for which they have received customary fees and expenses. These services have included acting as underwriters and distributors for certain of the Franklin Resources funds and providing financing to us and to those funds. The underwriters may, from time to time, engage in other transactions with and perform services for us in the ordinary course of their business.

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The representatives may agree to allocate a number of notes to underwriters for sale to their online brokerage account holders. The representatives will allocate notes to underwriters that may make Internet distributions on the same basis as other allocations. In addition, notes may be sold by the underwriters to securities dealers who resell notes to online brokerage account holders.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), an offer to the public of any notes which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus (the Securities) may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriters to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the joint book-running underwriters for any such offer; or

(d) in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3(2) of the Prospectus Directive:

provided that no such offer of Securities shall result in a requirement for the publication by the issuer or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information

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on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase or subscribe any Securities, as the same may be varied in that Member State, by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/7 1/EC and includes any relevant implementing measure in each Relevant Member State.

The EEA selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

No invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received in connection with the issue or sale of the Securities may be communicated to any person, except in circumstances in which Section 21(1) of the FSMA does not apply to the issuer. Any action in relation to the securities in, from, or otherwise involving the United Kingdom will be taken in compliance with all applicable provisions of the FSMA.

France

No prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Securities that has been approved by the *Autorité des marchés financiers* or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the *Autorité des marchés financiers*; no Securities have been offered or sold nor will be offered or sold, directly or indirectly, to the public in France; the prospectus or any other offering material relating to the Securities have not been distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France; such offers, sales and distributions have been and shall only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties, qualified investors (*investisseurs qualifiés*) and/or a restricted circle of investors (*cercle restreint d investisseurs*), in each case investing for their own account, all as defined in Articles L. 411-2, D. 411-1, D. 411-2, D. 411-4, D. 734-1, D.744-1, D. 754-1 and D. 764-1 of the *Code monétaire et financier*. The direct or indirect distribution to the public in France of any so acquired Securities may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier* and applicable regulations thereunder.

Italy

The offering of Securities has not been cleared by the Italian Securities Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, or the CONSOB) and, accordingly, the Securities may not and will not be offered, sold or delivered, nor may or will copies of this prospectus supplement and the accompanying prospectus, or any other documents relating to the Securities, be distributed in Italy, other than to qualified investors (*investitori qualificati*), as defined (i) in Article 2, paragraph (e)(i) to (iii) of the Prospectus Directive (with the exception of (a) management companies (*società di gestione del risparmio*) authorized to manage individual portfolios on behalf of third parties and (b) fiduciary companies (*società fiduciarie*) authorized to manage individual portfolios pursuant to Article 60(4) of the Legislative Decree No. 415 of July 23, 1996, as amended) or (ii) pursuant to another exemption from the requirements of Articles 94 et seq. of Legislative Decree No. 58 of February 24, 1998, as amended (the Italian Finance Law) and CONSOB Regulation No. 11971 of May 14, 1999 (Regulation No. 11971).

Any offer, sale or delivery of the Securities or distribution of copies of the prospectus supplement, the accompanying prospectus, or any other document relating to the Securities in Italy may and will be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, will be: (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 385 of September 1, 1993, as amended (the Italian Banking Law), the Italian Finance Law, Regulation No. 16190, and any other applicable laws and regulations; (ii) in compliance with Article 129 of the Italian Banking Law and the implementing guidelines of

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the Bank of Italy; and (iii) in compliance with any other applicable notification requirement or limitation which may be imposed upon the offer of the Securities by the CONSOB or the Bank of Italy.

This prospectus supplement and the accompanying prospectus and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on them or their contents.

Article 100-*bis* of the Italian Finance Act affects the transferability of the Securities in the Republic of Italy to the extent that any placing of the Securities is made solely with qualified investors and such Securities are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if has not been published a prospectus compliant with the Prospectus Directive, purchasers of Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorized person at whose premises the Securities were purchased, unless an exemption provided for under the Italian Finance Act applies.

In addition to the above (which shall continue to apply to the extent not inconsistent with the implementing measures of the Prospectus Directive in Italy), after the implementation of the Prospectus Directive in Italy, the restrictions, warranties and representations set out under the heading European Economic Area above shall apply to Italy.

Hong Kong

The Securities may not be offered or sold in Hong Kong, by means of any document, other than (i) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. This prospectus supplement, the accompanying prospectus, any other offering material or any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are or are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance may not be issued and may not be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere.

Japan

The Securities have not been and will not be registered under the Securities and Exchange Law of Japan. The Securities will not be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan or to, or for the account or benefit of, any resident for reoffering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, which includes any corporation or other entity organized under the laws of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the Securities and Exchange Law of Japan and (ii) in compliance with the other relevant laws and regulations of Japan.

Singapore

This prospectus supplement and the accompanying prospectus have not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) (the SFA). Accordingly, the Securities may not be offered, sold or be made the subject of an invitation

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for subscription or purchase. This prospectus supplement or the accompanying prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities under Section 275 of the SFA except:

(1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

Korea

This prospectus should not be construed in any way as our (or any of our affiliates or agents) soliciting investment or offering to sell our Securities in the Republic of Korea (Korea). We are not making any representation with respect to the eligibility of any recipients of this prospectus to acquire the Securities under the laws of Korea, including, without limitation, the Financial Investment Services and Capital Markets Act (the FSCMA), the Foreign Exchange Transaction Act (the FETA), and any regulations thereunder. The Securities have not been registered with the Financial Services Commission of Korea (the FSC) in any way pursuant to the FSCMA, and the Securities may not be offered, sold or delivered, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, the Securities may not be resold to any Korean resident unless such Korean resident as the purchaser of the resold Securities complies with all applicable regulatory requirements (including, without limitation, reporting or approval requirements under the FETA and regulations thereunder) relating to the purchase of the resold Securities.

Switzerland

This prospectus does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the Securities will not be listed on the SIX Swiss Exchange. Therefore, this prospectus may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the Securities may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the Securities with a view to distribution. Any such investors will be individually approached by the underwriters from time to time.

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LEGAL MATTERS

Weil, Gotshal & Manges LLP, New York, New York has passed upon the validity of the notes on our behalf. Cleary Gottlieb Steen & Hamilton LLP advised the underwriters in connection with the offering of the notes.

EXPERTS

The financial statements and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K for the year ended September 30, 2009 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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PROSPECTUS

Debt Securities

Convertible Securities

Common Stock

Preferred Stock

Warrants

Units

We may offer and sell shares of our common stock, par value $0.10 per share, shares of our preferred stock, par value $1.00 per share, debt securities, convertible securities, warrants or units, together or separately, from time to time in amounts, at prices and on terms that will be determined at the time of any such offering.

This prospectus provides you with a general description of the securities we may offer. Each time we offer securities for sale, we will provide a supplement to this prospectus that contains specific information about the offering and the terms of the securities being offered. A prospectus supplement may also add to or update information contained in this prospectus.

This prospectus may not be used to offer or sell securities without a prospectus supplement which includes a description of the method and terms of the offering.

You should carefully read this prospectus and any accompanying prospectus supplement, together with the documents we incorporate by reference, before you make your investment decision.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. The prospectus supplement will provide the specific terms of the plan of distribution.

Our common stock is listed on the New York Stock Exchange under the symbol BEN and on the London Stock Exchange under the ticker symbol FRK . Each prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange.

Investing in our securities involves risks, including the risks described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2007, filed with the Securities and Exchange Commission, or the SEC, on November 29, 2007, the risk factors described under the caption Risk Factors section contained in any applicable prospectus supplement and/or risk factors, if any, set forth in our other filings with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as referenced in page 1 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 6, 2008

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ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement on Form S-3 that we filed with the SEC as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act. By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, our shares of common stock, shares of preferred stock, debt securities, convertible securities, warrants or units as described in this prospectus or any accompanying prospectus supplement. As allowed by SEC rules, this prospectus does not contain all of the information included in the registration statement. For further information, we refer you to the registration statement, including its exhibits, the documents incorporated by reference therein and herein, as well as any accompanying prospectus supplements. Statements contained in this prospectus and any accompanying prospectus supplement about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC s rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please refer to that agreement or document for a complete description of these matters.

You should read this prospectus and any accompanying prospectus supplement together with any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to under the caption Where You Can Find More Information . Information incorporated by reference after the date of this prospectus is considered a part of this prospectus and may add, update or change information contained in this prospectus. The information in this prospectus, any accompanying prospectus supplement or any document incorporated herein or therein by reference is accurate as of the date contained on the cover of the applicable document. Neither the delivery of this prospectus nor any accompanying prospectus supplement, nor any sale made under this prospectus nor any accompanying prospectus supplement will, under any circumstances, imply that the information in this prospectus or any accompanying prospectus supplement is correct as of any date after the date of this prospectus or any such accompanying prospectus supplement. Any information in such subsequent filings that is inconsistent with this prospectus will supersede the information in this prospectus or any accompanying prospectus supplement. You should rely only on the information incorporated by reference or provided in this prospectus and any prospectus supplement. We have not authorized anyone else to provide you with any other information.

Unless otherwise expressly stated herein or the context otherwise requires, all references in this prospectus to Franklin Resources , we , us , our , our company or the company refer to Franklin Resources, Inc., a Delaware corporation and its direct and indirect subsidiaries.

RISK FACTORS

Please carefully consider the risk factors described in our periodic reports filed with the SEC, which are incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus or include in any applicable prospectus supplement. Additional risks and uncertainties not presently known to us or that we deem currently immaterial may also impair our business operations or adversely affect our results of operations or financial condition.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy materials on file with the SEC at the SEC s public reference room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. Our SEC filings are also available to the public on the SEC s Internet site at http://www.sec.gov. Our SEC filings can also be found on our website (www.franklinresources.com). However, except for our filings with the SEC that are incorporated by reference into this prospectus, the information on our website is not a part of this prospectus or our SEC filings.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. The information that we file later with the SEC may update and supersede the information in this prospectus and in the information we incorporate by reference. We incorporate by reference the documents listed below and any filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before all of the securities offered by this prospectus are sold (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act):

- our Annual Report on Form 10-K for the fiscal year ended September 30, 2007, filed on November 29, 2007;
- our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2007, filed on February 8, 2008;
- our Current Reports on Form 8-K filed on January 24, 2008 (solely the information disclosed under Item 8.01 of the report), March 4, 2008 and March 5, 2008; and
- the description of our common stock contained in our registration statement on Form 8-A (File No. 1-9318), filed on November 6, 1986, including any amendment or report filed for the purpose of updating that description.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, a copy of any or all of the foregoing documents, and any other documents that are, incorporated herein by reference (other than exhibits unless we specifically have incorporated those exhibits by reference in this prospectus or an accompanying prospectus supplement). Requests for such documents should be directed to our principal executive office, located at:

Franklin Resources, Inc.

One Franklin Parkway

San Mateo, California 94403

Attention: Corporate Secretary

Telephone: (650) 312-2000

FORWARD-LOOKING INFORMATION

This prospectus and the documents that we incorporate by reference contain certain statements that are, or may be considered to be, forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. In addition, we may make other written and oral communications from time to time that contain such statements. Forward-looking statements include statements as to industry trends and our future expectations and other matters that do not relate strictly to historical facts and are based on certain assumptions by our management. We generally indicate these statements by words or phrases such as may , will , anticipate , estimate , plan , expect , be

intend , could , should , foresee , continue and similar words or phrases. These statements discuss, among other things, expected growth, dome and international development and expansion strategy, and future performance. All of these forward-looking statements are subject to risks, uncertainties and assumptions, which we describe under the caption Risk Factors or in the documents we incorporate by reference. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. While forward-looking statements are our best prediction at the time that they are made, you should not rely on them. The forward-looking statements included in this prospectus, the applicable prospectus supplement or the relevant incorporated document are made only as of the date of this prospectus, the applicable prospectus supplement or the relevant incorporated document, as the case may be, and, except as required by law, we undertake no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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OUR COMPANY

We are an investment management company that is regulated as a bank holding company under the Bank Holding Company Act of 1956, as amended, and have elected to be a financial holding company under the Gramm-Leach-Bliley Act. Through our wholly-owned direct and indirect subsidiaries, we provide investment management and fund administration services to open-end and closed-end investment companies (including our own family of retail mutual funds), institutional accounts, high net-worth families, individuals and separate accounts in the United States (U.S.) and internationally. Our sponsored investment products include a broad range of domestic (U.S.) and global/international equity, hybrid, fixed-income and money market mutual funds, as well as other investment products that are sold to the public under the Franklin, Templeton, Mutual Series, Bissett, Fiduciary Trust and Darby brand names. As of January 31, 2008, we had $605.2 billion in assets under our management. In support of our primary business and operating segment, we provide investment management services and other related services, including shareholder services, transfer agency, underwriting, distribution, custodial, trustee and other fiduciary services. In our secondary business and operating segment, banking/finance, we provide clients with select retail banking, private banking and consumer lending services through our bank subsidiaries. Our common stock is traded on the New York Stock Exchange under the trading symbol BEN and on the London Stock Exchange under the ticker symbol FRK , and is included in the Standard & Poor s 500 Index. The Franklin Templeton® Investments brand name refers to Franklin Resources, Inc. and its subsidiaries.

Franklin Templeton Investments and its predecessors have been engaged in the investment management and related services business since 1947. Franklin Resources, Inc. was incorporated in Delaware in November 1969. We originated our mutual fund business with the Franklin family of funds, which is now known as the Franklin Funds. We expanded our business, in part, by acquiring companies engaged in the investment management and/or related services business.

Our principal executive offices are located at One Franklin Parkway, San Mateo, California 94403. Our telephone number is (650) 312-2000.

USE OF PROCEEDS

The use of proceeds will be specified in the applicable prospectus supplement.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of adjusted earnings to fixed charges for each of the periods indicated:

	Three months ended December 31,		Year ended September 30,				
	2007	2006	2007	2006	2005	2004	2003
Ratio of adjusted earnings to fixed charges(a)	39.4 x	42.9x	44.9x	31.1x	25.1x	20.7x	17.4x

(a) For purposes of calculating the ratio of adjusted earnings to fixed charges, adjusted earnings consist of income before taxes and fixed charges, excluding equity in income of investees, minority interest in earnings of consolidated subsidiaries and capitalized interest and including dividends received from equity-method investees. Fixed charges consist of interest expense which includes an interest factor on rent calculated as one-third of rental expense (the approximate portion of rental expense representing interest).

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DESCRIPTION OF DEBT SECURITIES

We may issue debt securities from time to time in one or more series. Any debt securities offered hereby will be issued under an indenture, dated as of May 19, 1994, as amended and supplemented from time to time, between us and The Bank of New York Mellon Trust Company, N.A., as successor trustee, referred to as the Trustee. A copy of the indenture is filed as an exhibit to the registration statement, which this prospectus constitutes a part of. The following summaries of certain provisions of the indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the indenture, including the definitions therein of certain terms. The particular terms of the debt securities offered by any prospectus supplement will be described in the prospectus supplement.

We are a holding company whose assets consist principally of the stock in our subsidiaries. Therefore, our rights and the rights of our creditors, including the holders of debt securities, to participate in the assets of any subsidiary upon the subsidiary s liquidation or recapitalization or otherwise will be subject to the prior claims of the subsidiary s creditors, except to the extent that claims as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain of our subsidiaries may be restricted by net capital requirements under the Exchange Act and under rules of certain regulatory bodies.

General

The indenture does not limit the aggregate principal amount of debt securities which may be issued thereunder and provides that debt securities may be issued from time to time in one or more series. The debt securities will be our unsecured obligations. Neither the indenture nor the debt securities will limit or otherwise restrict the amount of other indebtedness we may incur or the amount of other securities we or any of our subsidiaries may issue. The debt securities will rank on a parity with all other unsecured unsubordinated indebtedness.

The terms of any particular series of debt securities will be included in a prospectus supplement and will provide for the following:

- the title and series of the debt securities;
- any limit on the aggregate principal amount of the debt securities;
- the price or prices (expressed as a percentage of their aggregate principal amount) at which the debt securities will be issued;
- the maturity date or dates, or the method of determining the maturity date or dates of the debt securities;
- the interest rate or rates (which may be fixed or variable) per annum of the debt securities or the method of determining the interest rate or rates of the debt securities;
- the date or dates from which interest, if any, on the debt securities will accrue or the method or methods, if any, by which the date or dates are to be determined, the interest payment dates, if any, the date or dates on which payment of interest, if any, will commence and the regular record dates for such interest payment dates, if any;

the dates, if any, on which and the price or prices at which the debt securities will, pursuant to any mandatory sinking fund provisions, or may, pursuant to any optional sinking fund or at the option of the holder, be redeemed by us, and the other detailed terms and provisions of the redemption or purchase;

the date, if any, after which and the price or prices at which the debt securities may, pursuant to any optional redemption provisions, be redeemed at our option or of the holders of the debt securities and the other detailed terms and provisions of such optional redemption;

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the extent to which any of the debt securities will be issuable in temporary or permanent global form and, if so, the identity of the depositary for the global debt security, or the manner in which any interest payable on a temporary or permanent global debt security will be paid;

the denomination or denominations of debt securities;

whether the debt securities will be issued in registered or bearer form or both and, if in bearer form, the related terms and conditions and any limitations on issuance of these bearer debt securities (including exchange for registered debt securities of the same series);

information with respect to book-entry procedures;

whether any of the debt securities will be issued as original issue discount securities;

each office or agency where, subject to the terms of the indenture, the debt securities may be presented for registration of transfer or exchange;

if other than the U.S. dollar, the currencies or currency units in which the debt securities are issued and in which the principal of, premium and interest, if any, on, and additional amounts, if any, in respect of the debt securities will be payable;

whether the amount of payments of principal of, premium and interest, if any, on, and additional amounts, if any, in respect of the debt securities may be determined with reference to an index, formula or other method or methods (which index, formula or method or methods may be based on one or more currencies, currency units or composite currencies, commodities, equity indices or other indices) and the manner in which the amounts will be determined;

whether we or a holder may elect payment of the principal of, premium or interest, if any, on, and additional amounts, if any, in respect of such debt securities in a currency, currencies, currency unit or units or composite currency or currencies other than that in which the debt securities are denominated or stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the currency, currencies, currency unit or units or composite currency or currencies in which such debt securities are denominated or stated to be payable and the currency, currencies, currency unit or units or composite currency or currencies in which these debt securities are to be so payable;

if other than the Trustee, the identity of each security registrar, paying agent and authenticating agent;

if applicable, the defeasance of certain obligations by us pertaining to debt securities of the series;

the person to whom any interest on any registered debt security of the series will be payable, if other than the person in whose name that debt security (or one or more predecessor debt securities) is registered at the close of business on the regular record date for such interest, the manner in which, or the person to whom, any interest on any bearer debt security of the series will be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto as they severally mature, and the extent to which, or the manner in which, any interest payable on a temporary global debt security on an interest payment date will be paid if other than in the manner provided in the indenture;

whether and under what circumstances we will pay additional amounts as contemplated by the indenture (the term interest , as used in this prospectus, shall include such additional amounts) on such debt securities to any holder who is not a United States person

(including any modification to the definition of such term as contained in the indenture as originally executed) in respect of any tax, assessment or governmental charge and, if so, whether we will have the option to redeem such debt securities rather than pay such additional amounts (and the terms of any such option);

any deletions from, modifications of or additions to the events of default or covenants with respect to any of such debt securities; and

any other terms of the series.

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Debt securities may be issued as original issue discount securities to be sold at a substantial discount below their principal amount. In the event of an acceleration of the maturity of any original issue discount security, the amount payable to the holder of the original issue discount security upon such acceleration will be determined in accordance with the applicable prospectus supplement, the terms of such debt security and the indenture, but will be an amount less than the amount payable at the maturity of the principal of such original issue discount security. Special federal income tax and other considerations applicable to the debt security will be described in the related prospectus supplement.

The indenture does not contain any provisions that would limit our ability to incur indebtedness or that would afford holders of debt securities protection in the event of a highly leveraged or similar transaction involving us. Information with respect to any deletions from, modifications of or additions to the events of default described below or our covenants contained in the indenture, including any addition of a covenant or other provision providing event risk or similar protection will be set forth in the prospectus supplement.

Registration, Transfer, Payment and Paying Agent

Unless otherwise indicated in the prospectus supplement, each series of debt securities will be issued in registered form only, without coupons. The indenture, however, provides that we may also issue debt securities in bearer form only, or in both registered and bearer form. Debt securities in bearer form will not be offered, sold, resold or delivered in connection with their original issuance in the United States or to any United States person other than offices located outside the United States of certain United States financial institutions. The term United States person means any citizen or resident of the United States, any corporation, partnership or other entity created or organized in or under the laws of the United States, or any estate or trust, the income of which is subject to United States federal income taxation regardless of its source, and United States means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction. Purchasers of debt securities in bearer form will be subject to certification procedures and may be affected by certain limitations under United States tax laws. These procedures and limitations will be described in the prospectus supplement relating to the offering of the debt securities in bearer form.

Unless otherwise indicated in a prospectus supplement, registered debt securities will be issued in denominations of $1,000 or any integral multiple thereof and bearer debt securities will be issued in denominations of $5,000. No service charge will be made for any transfer or exchange of the debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or the exchange.

Unless otherwise described in the applicable prospectus supplement, the principal, premium, if any, and interest, if any, of or on the debt securities will be payable, and transfer of the debt securities will be registrable, at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as paying agent and security registrar under the indenture, in The City of New York, New York, provided that payments of interest may be made at our option by check mailed to the address appearing in the security register of the person in whose name such registered debt security is registered at the close of business on the regular record date.

Unless otherwise indicated in a prospectus supplement, payment of principal of, premium, if any, and interest, if any, on debt securities in bearer form will be made payable, subject to any applicable laws and regulations, at such office outside the United States as specified in the prospectus supplement and as we may designate from time to time, at the option of the holder, by check or by transfer to an account maintained by the payee with a bank located outside the United States. Unless otherwise indicated in the prospectus supplement, payment of interest and certain additional amounts on debt securities in bearer form will be made only against surrender of the coupon relating to that interest payment date. Except in limited circumstances, no payment with respect to any debt security in bearer form will be made at any office or agency of ours in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States.

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Global Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global securities, referred to as global debt securities. Global debt securities will be deposited with, or on behalf of, a depositary identified in the prospectus supplement relating to the series. Global debt securities may be issued in either registered or bearer form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for individual certificates evidencing debt securities in definitive form represented thereby, a global debt security may not be transferred except as a whole by the depositary for such global debt security to a nominee of such depositary or by a nominee of such depositary to such depositary or another nominee of such depositary or by such depositary or any such nominee to a successor of such depositary or a nominee of such successor.

The specific terms of the depositary arrangement with respect to a series of global debt securities and certain limitations and restrictions relating to a series of bearer global debt securities, will be described in the prospectus supplement relating to that series.

Events of Default

Unless otherwise provided in a prospectus supplement, the following are events of default under the indenture with respect to debt securities of any series:

- failure to pay principal of or any premium on any debt security of that series when due;
- failure to pay any interest on any debt security of that series when due, continued for 30 days;
- failure to deposit any sinking fund payment, when due, in respect of any debt security of that series;
- breach of any other covenant or warranty of ours in the indenture (other than a covenant or warranty included in the indenture solely for the benefit of series of debt securities other than that series), continued for 60 days after a written notice of default is given by the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series as provided in the indenture;
- certain events in bankruptcy, insolvency or reorganization involving us or any Material Subsidiary (as defined below);
- acceleration of indebtedness of ours or any Material Subsidiary in a principal amount in excess of $10,000,000 under the terms of the instrument under which such Indebtedness was issued or secured, if such acceleration is not annulled within 30 days after a written notice of default is given by the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series as provided in the indenture; and
- any other event of default provided with respect to debt securities of that series.

If an event of default with respect to debt securities of any series at the time outstanding occurs and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree based on acceleration has been obtained, the holders of a majority in aggregate principal amount of outstanding debt securities of that series may rescind and annul the acceleration, provided that, among other things, all events of default with respect to that series, other than payment defaults caused by such acceleration, have been cured or waived as provided in the indenture.

Material Subsidiary means (a) Franklin Advisers, Inc., a California corporation, (b) Franklin/Templeton Distributors, Inc., a New York corporation, (c) Franklin Templeton Investor Services, LLC, a Delaware limited liability company, (d) Templeton Global Advisers Limited (formerly Templeton, Galbraith & Hansberger, Ltd.), a Bahamas corporation, (e) Templeton Investment Counsel, LLC, a Delaware limited liability company, (f) Franklin Mutual Advisers LLC, a Delaware limited liability company, (g) any other Subsidiary which owns,

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directly or indirectly, any of the capital stock of any corporation listed in (a) through (f) above or any successor entity and (h) any other Subsidiary with which any corporation listed in (a) through (f) above or any successor entity is merged or consolidated or which acquires or succeeds to a significant portion of the business, properties or assets of any corporation listed in (a) through (f) above or any successor entity.

Additional Provisions

The indenture provides that, subject to the duty of the Trustee during default to act with the required standard of care, the Trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless such holders shall have offered to the Trustee satisfactory security or indemnity. Subject to such provisions for the indemnification of the Trustee and certain other conditions, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the debt securities of that series.

No holder of any debt security of any series will have any right to institute any proceeding with respect to the indenture or for any remedy, unless each of the following has occurred:

- the holder has previously given to the Trustee written notice of a continuing event of default with respect to debt securities of that series;
- the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series have made written request, and offered satisfactory indemnity, to the Trustee to institute such proceeding as trustee;
- the Trustee has failed to institute such proceeding within 60 days after receipt of such written request; and
- the Trustee has not received from the holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with the request.

However, the holder of any debt security will have an absolute right to receive payment of the principal of (and premium, if any) and interest on such debt security on or after the due dates expressed in such debt security and to institute suit for the enforcement of any the payment.

We are required to furnish to the Trustee annually a statement as to our performance of certain of our obligations under the indenture and as to any default in such performance. We are also required to deliver to the Trustee, within five days after the occurrence thereof, written notice of any event which after notice or lapse of time or both would constitute an event or default.

Outstanding Debt Securities

In determining whether the holders of the requisite principal amount of outstanding debt securities have given any request, demand, authorization, direction, notice, consent or waiver under the indenture, (i) the portion of the principal amount of an original issue discount security that will be deemed to be outstanding for such purposes will be that portion of the principal amount thereof that could be declared to be due and payable upon acceleration pursuant to the terms of such original issue discount security as of the date of such determination, (ii) the principal amount of any indexed security will be the principal face amount of the indexed security determined on the date of its original issuance and (iii) any debt security owned by us or any other obligor on such debt security or any affiliate of ours or such other obligor shall be deemed not to be outstanding.

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Modification and Waiver

We and the Trustee may make modifications and amendments of the indenture with the consent of the holders of not less than 66 2/3% in aggregate principal amount of the outstanding debt securities of each series affected by the modification or amendment. However, no modification or amendment may, without the consent of the holder of each affected outstanding debt security:

- change the stated maturity date of the principal of, or any premium or installment of interest on, or any additional amounts with respect to, any debt security;
- reduce the principal amount of, or any premium or rate of interest on, any debt security;
- reduce the amount of principal of an original issue discount security payable upon acceleration of its maturity or the its amount provable in bankruptcy;
- adversely affect the right of repayment at the option of any holder;
- change the place of payment of, currency of payment of principal of, or any premium or interest on, any debt security or impair the right to institute suit for the enforcement of any payment on or after the maturity of any debt security; or
- reduce the percentage in principal amount of outstanding debt securities of any series, the consent of whose holders is required for modification or amendment of the indenture or for waiver of compliance with certain provisions of the indenture or for waiver of certain defaults.

The holders of a majority in aggregate principal amount of the outstanding debt securities of each series may, on behalf of all holders of debt securities of that series, waive, insofar as that series is concerned, compliance by us with certain restrictive provisions of the indenture. The holders of a majority in aggregate principal amount of the outstanding debt securities of each series may, on behalf of all holders of debt securities of that series, waive any past default under the indenture with respect to debt securities of that series, except a default in the payment of principal or any premium or interest, or a default in respect of a provision which under the indenture cannot be modified or amended without the consent of the holder of each affected outstanding debt security of that series.

We and the Trustee may make modification and amendment of the indenture without the consent of any holder for any of the following purposes:

- to evidence the succession of another corporation to us and the assumption by the successor corporation of all duties, obligations and covenants under the indenture and the debt securities;
- to add to our covenants for the benefit of the holders of all or any series of debt securities or to surrender any of our rights or powers under the indenture;
- to add events of default;

to add or change any provisions of the indenture to facilitate the issuance of bearer debt securities;

to add to, delete from or revise the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of debt securities;

to establish the form or terms of debt securities of any series and any related coupons;

to provide for the acceptance of appointment by a successor trustee;

to cure any ambiguity, defect or inconsistency in the indenture, if the action does not adversely affect the interests of holders of debt securities of any series or any related coupons in any material respect;

to supplement any of the provisions of the indenture as may be necessary to permit or facilitate the defeasance and discharge of any series of debt securities, if the action does not adversely affect the interests of holders of debt securities of that series or any related coupons in any material respect;

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to secure the debt securities; and

to amend or supplement any provision contained in the indenture or in any supplemental indenture, if the amendment or supplement does not materially adversely affect the interests of the holders of any debt securities then outstanding.

Consolidation, Merger and Sale of Assets

We may consolidate or merge with or into, or transfer our assets substantially as an entirety to, any corporation organized under the laws of any domestic jurisdiction, if the successor corporation assumes all of our duties, covenants and obligations on the debt securities and under the indenture, immediately after giving effect to the transaction no event of default, and no event which, after notice or lapse of time, would become an event of default, shall have occurred and be continuing, and that certain other conditions are met.

Concerning the Trustee

We and certain of our subsidiaries maintain banking relationships with the Trustee in the ordinary course of business.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 1,000,000,000 shares of common stock, par value $0.10 per share, and 1,000,000 shares of preferred stock, par value $1.00 per share, issuable in one or more series from time to time by resolution of our board of directors.

As of January 31, 2008, we had 238,277,402 shares of common stock and no shares of preferred stock issued and outstanding. Our common stock is listed on the New York Stock Exchange and the London Stock Exchange.

Holders of our common stock are entitled to receive dividends when, as and if declared by our board of directors out of any funds legally available for dividends. Holders of our common stock are also entitled, upon our liquidation, and after claims of creditors and preferences of any other class or series of our preferred stock outstanding at the time of liquidation, to receive pro rata our net assets.

Holders of our common stock are entitled to one vote for each share that they hold and are vested with all of the voting power, except as our board of directors may provide in the future with respect to any class or series of our preferred stock that it may authorize in the future. Shares of our common stock are not redeemable and have no subscription, conversion or preemptive rights.

Our board of directors has the authority to issue shares of preferred stock by resolution in one or more series of equal rank with such different series, designations, preferences and other relative participating, optional or other special rights, and qualifications, limitations and restrictions thereof, including the number of shares in each series, preferences upon liquidation or dissolution, dividend and conversion rights and rates, and

redemption provisions of the shares constituting any class or series, without any further vote or action by the stockholders. Any shares of preferred stock so issued would have priority over the common stock with respect to dividend or liquidation rights or both.

The transfer agent, registrar and dividend disbursing agent for our common stock is The Bank of New York Mellon.

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DESCRIPTION OF OTHER SECURITIES

We will set forth in the applicable prospectus supplement a description of any warrants or other types of securities that may be offered.

PLAN OF DISTRIBUTION

We may sell the securities covered by this prospectus in one or more of the following ways from time to time:

- through agents;
- to or through underwriters;
- through broker-dealers (acting as agent or principal);
- directly by us to purchasers, through a specific bidding or auction process or otherwise;
- through a combination of any such methods of sale; or
- through any other methods described in a prospectus supplement.

The distribution of securities may be effected from time to time in one or more transactions, including block transactions and transactions on the New York Stock Exchange, the London Stock Exchange, or any other organized market where the securities may be traded. The securities may be sold at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices relating to the prevailing market prices or at negotiated prices. The consideration may be cash or another form negotiated by the parties. Agents, underwriters or broker-dealers may be paid compensation for offering and selling the securities. That compensation may be in the form of discounts, concessions or commissions to be received from us or from the purchasers of the securities. Dealers and agents participating in the distribution of the securities may be deemed to be underwriters, and compensation received by them on resale of the securities may be deemed to be underwriting discounts. If such dealers or agents were deemed to be underwriters, they may be subject to statutory liabilities under the Securities Act.

Agents may from time to time solicit offers to purchase the securities. If required, we will name in the applicable prospectus supplement any agent involved in the offer or sale of the securities. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment. Any agent selling the securities covered by this prospectus may be deemed to be an underwriter, as that term is defined in the Securities Act, of the securities.

If underwriters are used in a sale, securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, or

under delayed delivery contracts or other contractual commitments. Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. If an underwriter or underwriters are used in the sale of securities, an underwriting agreement will be executed with the underwriter or underwriters at the time an agreement for the sale is reached. The applicable prospectus supplement will set forth the managing underwriter or underwriters, as well as any other underwriter or underwriters, with respect to a particular underwritten offering of securities, and will set forth the terms of the transactions, including compensation of the underwriters and dealers and the public offering price, if applicable. The prospectus and the applicable prospectus supplement will be used by the underwriters to resell the securities.

If a dealer is used in the sale of the securities, we or an underwriter will sell the securities to the dealer, as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale. To the extent required, we will set forth in the prospectus supplement the name of the dealer and the terms of the transactions.

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We may directly solicit offers to purchase the securities and we may make sales of securities directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. To the extent required, the prospectus supplement will describe the terms of any such sales, including the terms of any bidding or auction process, if used.

Agents, underwriters and dealers may be entitled under agreements which may be entered into with us to indemnification by us against specified liabilities, including liabilities incurred under the Securities Act, or to contribution by us to payments they may be required to make in respect of such liabilities. If required, the prospectus supplement will describe the terms and conditions of such indemnification or contribution. Some of the agents, underwriters or dealers, or their affiliates may be customers of, engage in transactions with or perform services for us or our subsidiaries in the ordinary course of business.

Under the securities laws of some states, the securities offered by this prospectus may be sold in those states only through registered or licensed brokers or dealers.

Any person participating in the distribution of common stock registered under the registration statement that includes this prospectus will be subject to applicable provisions of the Exchange Act, and the applicable SEC rules and regulations, including, among others, Regulation M, which may limit the timing of purchases and sales of any of our common stock by any such person. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of our common stock to engage in market-making activities with respect to our common stock. These restrictions may affect the marketability of our common stock and the ability of any person or entity to engage in market-making activities with respect to our common stock.

Certain persons participating in an offering may engage in over-allotment, stabilizing transactions, short-covering transactions and penalty bids in accordance with Regulation M under the Exchange Act that stabilize, maintain or otherwise affect the price of the offered securities. If any such activities will occur, they will be described in the applicable prospectus supplement.

LEGAL MATTERS

Unless otherwise specified in the applicable prospectus supplement, the validity of the securities covered by this prospectus will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. If legal matters in connection with offerings made by this prospectus are passed on by counsel for the underwriters, dealers or agents, if any, that counsel will be named in the applicable prospectus supplement.

EXPERTS

The financial statements and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended September 30, 2007 have been so incorporated in reliance on the report(s) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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$300,000,000 2.000% Notes due 2013

$250,000,000 3.125% Notes due 2015

$350,000,000 4.625% Notes due 2020

Franklin Resources, Inc.

PROSPECTUS SUPPLEMENT

BofA Merrill Lynch

Morgan Stanley

Co-Managers

Citi **HSBC** **J.P. Morgan** **UBS Investment Bank** **Wells Fargo Securities**

May 17, 2010