

FRANKLIN RESOURCES INC

Form 424B2

September 20, 2012

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Filed Pursuant to Rule 424(b)(2)

Registration No. 333-183969

Title of each class of securities offered	Amount to be Registered	Offering Price Per Note	Aggregate Offering Price	Amount of Registration Fee(1)
1.375% Notes due 2017	\$300,000,000	99.455%	\$298,365,000	\$34,192.63
2.800% Notes due 2022	\$300,000,000	99.750%	\$299,250,000	\$34,294.05
Total	\$600,000,000		\$597,615,000	\$68,486.68

- (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. 333-183969) filed by Franklin Resources, Inc. There are unused registration fees of \$4,390.26 that have been paid in respect of securities that were previously registered pursuant to Franklin Resources Registration Statement No. 333-149573 and not sold thereunder. After giving effect to the unused registration fees an additional registration fee of \$64,096.42 has been paid with respect to this offering.

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated September 19, 2012)

\$600,000,000

Franklin Resources, Inc.

\$300,000,000 1.375% Notes due 2017

\$300,000,000 2.800% Notes due 2022

The 1.375% Notes due 2017 (the 2017 notes) will bear interest at the rate of 1.375% per year and will mature on September 15, 2017. The 2.800% Notes due 2022 (the 2022 notes and together with the 2017 notes, the notes) will bear interest at the rate of 2.800% per year and will mature on September 15, 2022. Interest on the notes is payable on March 15 and September 15 of each year, beginning on March 15, 2013.

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 2017 Note	Per 2022 Note	Total
Public Offering Price	99.455%	99.750%	\$ 597,615,000
Underwriting Discount	0.600%	0.650%	\$ 3,750,000
Proceeds to Franklin Resources, Inc. (before expenses)	98.855%	99.100%	\$ 593,865,000

Interest on the notes will accrue from September 24, 2012.

The underwriters expect to deliver the notes of each series to purchasers on or about September 24, 2012, only in book-entry form through the facilities of The Depository Trust Company.

Joint Book-Running Managers

BofA Merrill Lynch

Morgan Stanley

Co-Managers

Citigroup

HSBC

J.P. Morgan

UBS Investment Bank
September 19, 2012

Wells Fargo Securities

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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, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer of these securities in any state where the offer is not permitted. You should assume that the information contained in this prospectus supplement or the accompanying prospectus and the documents incorporated by reference herein and therein is accurate only as of the respective date of the applicable document.

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.

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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 company we are referring only to Franklin Resources, Inc. and not to any of its direct or indirect subsidiaries. When used herein, unless the context otherwise makes clear, our funds means all of the Franklin Templeton®, Mutual Series® and Bissett® mutual funds.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In any Member State of the European Economic Area (EEA) that has implemented the Prospectus Directive, this prospectus supplement and the accompanying prospectus are only addressed to and are only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make any offer in that Relevant Member State of notes which are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for the Company or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor any underwriter has authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or any underwriter to publish a prospectus for such offer.

For the purposes of this provision, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU. Each person in a Relevant Member State who receives any communication in respect of, or who acquires any notes under, the offering contemplated in this prospectus supplement and the accompanying prospectus will be deemed to have represented, warranted and agreed to and with the Company and each underwriter that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive (a qualified investor); and

(b) in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, or in circumstances in which the prior consent of the underwriters has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such persons.

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For the purposes of this representation, the expression an offer to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This prospectus supplement and the accompanying prospectus are only being distributed to and are 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 the notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement and the accompanying prospectus or any of their contents.

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, the information on our website is not incorporated by reference in, and is not a part of, this prospectus supplement, the accompanying 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, 2011;

our Quarterly Reports on Form 10-Q for the fiscal quarters ended December 31, 2011, March 31, 2012 and June 30, 2012;

our Definitive Proxy Statement on Schedule 14A filed on January 24, 2012, as amended, but only to the extent that such information was incorporated by reference into our Annual Report on Form 10-K for the year ended September 30, 2011; and

our Current Reports on Form 8-K filed on December 19, 2011, March 14, 2012 and March 16, 2012.

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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. 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. Such statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. 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, including the section entitled "Risk Factors" in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, and the financial statements and related notes thereto, before making an investment decision.

Franklin Resources, Inc.

General

We are a holding company that, together with our various subsidiaries, operates as Franklin Templeton Investments®. We are a global investment management organization committed to delivering strong investment performance for our clients by drawing on the experience and perspective gained throughout our 60-plus years in the investment management business. We believe in the value of active investment management, and plan to continue to build on our strengths while pursuing new growth opportunities. We offer investment choices under our Franklin®, Templeton®, Mutual Series®, Bissett®, Fiduciary and Darby® brand names. Franklin is regulated as a bank holding company under the Bank Holding Company Act of 1956, as amended, and has elected to be a financial holding company under the Gramm-Leach-Bliley Act.

We provide investment management and related services to investors in jurisdictions worldwide through products that include U.S.- and non-U.S.-registered open-end and closed-end funds, unregistered funds, and institutional, high net-worth and separately-managed accounts (collectively, our sponsored investment products). As of August 31, 2012, we had \$731.0 billion in assets under management. Our investment management and related services include fund administration, shareholder services, transfer agency, sales, distribution, custodial, trustee and other fiduciary services. We also provide select banking and consumer lending services. Our sponsored investment products include a broad range of equity, hybrid, fixed-income and cash management funds and accounts, including alternative investment products. We also manage certain sub-advised investment products which may be sold to the public under one of our brand names or those of other companies.

The business and regulatory environments in which we operate remain uncertain and subject to change. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Reform Act) imposes additional restrictions and limitations on our business, and we expect that the law commonly known as the Foreign Account Tax Compliance Act (FATCA) will cause us to incur significant administrative and compliance costs. We will continue to review and evaluate the Reform Act and FATCA and the extent of their impact on our business as the various rules and regulations required for implementation continue to be adopted. We are also subject to various regulations by non-U.S. regulators that add further complexity to our ongoing global compliance operations.

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 agreed to acquire a majority stake in K2 Advisors Holdings LLC (K2), a leading, independent fund of hedge funds manager. The proceeds of this acquisition will be used by K2 to purchase all of the equity currently held by TA Associates and to retire all of K2's debt obligations. The current management of K2 will not sell any of its interests at this time and will receive no up-front consideration in this transaction. Beginning in 2016, we will acquire the remainder of K2 over a multi-year period. The transaction is subject to certain conditions including regulatory approval and is expected to close in the calendar fourth quarter of 2012.

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The Offering

Issuer	Franklin Resources, Inc.
Securities Offered	<p>\$300,000,000 aggregate principal amount of 1.375% Notes due 2017.</p> <p>\$300,000,000 aggregate principal amount of 2.800% Notes due 2022.</p>
Interest Rate	<p>1.375% per year for the 2017 notes.</p> <p>2.800% per year for the 2022 notes.</p>
Interest Payment Dates	March 15 and September 15 of each year, beginning March 15, 2013 for each series of the notes.
Maturity	<p>September 15, 2017, in the case of the 2017 notes.</p> <p>September 15, 2022, in the case of the 2022 notes.</p>
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 of 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 June 30, 2012, we had approximately \$899.4 million of indebtedness outstanding that ranks equally with the notes, and our subsidiaries had approximately \$69.0 million of indebtedness that will be structurally senior to the notes. See Capitalization . We intend to use a portion of the net proceeds of this offering to redeem all of our outstanding 2.000% notes due May 20, 2013. See Use of Proceeds . The foregoing does not constitute a notice

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of redemption for or an obligation to issue a notice of redemption for our outstanding notes.

Covenants

The indenture pursuant to which the notes will be issued, as supplemented, or the indenture, will contain limitations on our ability

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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 2017 notes or 2022 notes, as the case may be, will constitute a single series of debt securities under the indenture.

Use of Proceeds

We intend to use approximately \$305 million of the net proceeds of this offering to redeem all of our outstanding 2.000% notes due May 20, 2013, approximately \$183 million to finance our acquisition of a majority stake in K2 and the remainder for general corporate purposes. The foregoing does not constitute a notice of redemption for or an obligation to issue a notice of redemption for our outstanding 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 2017 notes will initially be limited to \$300,000,000 in aggregate principal amount. The 2022 notes will initially be limited to \$300,000,000 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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The following table presents our summary historical financial and other data as of and for the fiscal years ended September 30, 2011, 2010 and 2009 and as of and for the nine months ended June 30, 2012 and 2011. We derived the summary financial data as of and for the fiscal years ended September 30, 2011, 2010 and 2009 from our audited consolidated financial statements. The summary financial data as of and for the nine months ended June 30, 2012 and 2011 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.

	As of and for the Nine Months Ended June 30,		As of and for the Year Ended September 30,		
	2012	2011	2011	2010	2009
Summary of Operations (in millions)					
Operating revenues	\$ 5,284.8	\$ 5,302.9	\$ 7,140.0	\$ 5,853.0	\$ 4,194.1
Net income attributable to Franklin Resources, Inc.	1,439.3	1,507.6	1,923.6	1,445.7	896.8
Financial Data (at period end) (in millions)					
Total assets	\$ 13,634.3	\$ 13,151.0	\$ 13,775.8	\$ 10,708.1	\$ 9,468.5
Cash and cash equivalents(1)	5,319.6	4,642.1	5,033.1	4,123.7	3,104.5
Long-term debt(1)	968.4	948.1	968.2	947.9	42.0
Franklin Resources, Inc. stockholders' equity	8,749.3	8,686.5	8,524.7	7,727.0	7,632.2
Operating cash flows	885.8	1,008.6	1,621.8	1,651.0	641.4
Assets Under Management (in billions)					
Ending	\$ 707.1	\$ 734.2	\$ 659.9	\$ 644.9	\$ 523.4
Average	697.5	690.4	694.4	571.1	442.2
Net new flows	(5.2)	33.3	36.4	69.9	(5.5)
Net flows	9.5	45.6	52.7	81.4	8.6
Per Common Share					
Earnings					
Basic	\$ 6.66	\$ 6.76	\$ 8.66	\$ 6.36	\$ 3.87
Diluted	6.65	6.73	8.62	6.33	3.85
Cash dividends	2.81	0.75	1.00	3.88	0.84
Employee Headcount	8,563	8,458	8,453	7,927	7,745

(1) Excludes balances of consolidated variable interest entities and consolidated limited partnerships and similar structures.

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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, 2011, our subsequent Quarterly Reports on Form 10-Q 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, which are incorporated herein by reference, 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.

The notes are unsecured.

The notes are unsecured. The indenture for the notes does not restrict our ability to incur additional indebtedness, including secured indebtedness generally. Holders of any secured indebtedness will have claims that are prior to your claims as holders of the notes, to the extent of the value of the assets securing such indebtedness, in the event of any bankruptcy, liquidation or similar proceeding involving 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,

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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.

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 continue to experience volatility and disruption worldwide.

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 \$592,340,000, after deducting the underwriting discount and the other expenses of the offering payable by us. We intend to use approximately \$305 million of the net proceeds of this offering to redeem all of our outstanding 2.000% notes due May 20, 2013, approximately \$183 million to finance our acquisition of a majority stake in K2 and the remainder for general corporate purposes. The foregoing does not constitute a notice of redemption for or an obligation to issue a notice of redemption for our outstanding notes.

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

	Nine Months Ended		Year Ended September 30,			
	June 30, 2012	2011	2010	2009	2008	2007
Ratio of adjusted earnings to fixed charges(a)	39.3x	36.1x	52.5x	45.8x	42.5x	44.9x

- (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, noncontrolling interests 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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The following table sets forth our consolidated cash and cash equivalents and capitalization as of June 30, 2012:

on an actual basis; and

as adjusted to reflect the sale of the notes in this offering and the application of the proceeds 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 June 30, 2012 filed with the SEC and incorporated by reference in this prospectus supplement.

	As of June 30, 2012	
	Actual	As Adjusted
	(in thousands, except share and per share data)	
	(unaudited)	
Cash and cash equivalents(1)	\$ 5,319,629	\$ 5,423,969
Banking/Finance liabilities(2)	995,331	995,331
Long-term debt		
2013 notes	\$ 299,842	\$
2015 notes	249,841	249,841
2020 notes	349,694	349,694
2017 notes offered hereby(3)		298,365
2022 notes offered hereby(3)		299,250
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; 212,592,351 shares issued and outstanding	21,259	21,259
Capital in excess of par value		
Retained earnings	8,704,623	8,704,623
Appropriated retained earnings of consolidated variable interest entities	31,993	31,993
Accumulated other comprehensive income (loss)	(8,546)	(8,546)
Total Franklin Resources, Inc. stockholders' equity	8,749,329	8,749,329
Total capitalization	\$ 9,648,706	\$ 9,946,479

(1) Excludes balances of consolidated variable interest entities and consolidated limited partnerships and similar structures.

(2) Consists of deposits, Federal Home Loan Bank advances and other liabilities. Excludes debt of consolidated variable interest entities.

(3) 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. The terms of the notes include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended. Copies of the indenture may be obtained from us. 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 2017 notes will initially be limited to \$300,000,000 in aggregate principal amount. The 2022 notes will initially be limited to \$300,000,000 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 2017 notes will mature on September 15, 2017. The 2022 notes will mature on September 15, 2022.

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 2017 notes and the \$300,000,000 aggregate principal amount of the 2022 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 2017 notes or 2022 notes, as the case may be, will constitute a single series of debt securities under the indenture.

The 2017 notes will bear interest at the annual rate of 1.375%. The 2022 notes will bear interest at the annual rate of 2.800%. Interest on the notes will be payable semi-annually on March 15 and September 15 of each year, commencing March 15, 2013, to the persons in whose names the notes are registered at the close of business on the immediately preceding March 1 and September 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 2017 notes and the 2022 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.

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 on the notes to be

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redeemed (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 12.5 basis points in the case of the 2017 notes and 20 basis points in the case of the 2022 notes, plus in each case, accrued and unpaid interest thereon to, but not including, the date of redemption.

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 of the applicable series 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.

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

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

Reference Treasury Dealer means each of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC or their respective affiliates which are primary U.S. government securities dealers, and two other primary U.S. government securities dealers selected by us, and each of their respective successors that are primary U.S. government securities dealers; 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.

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.

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.

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. On or before a redemption date, we will deposit with a paying agent (or the Trustee) money sufficient to pay the redemption price of and accrued and unpaid interest on the notes to be redeemed on that date. If less than all of the notes of a series are to be redeemed, the notes of such series to be redeemed shall be selected *pro rata* or by lot and in accordance with the applicable depository procedures.

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 and becomes an Included Subsidiary, 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 10% 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.

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.

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.

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.

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

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

Voting Stock means, with respect to any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

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 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.

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Discharge, Legal Defeasance or Covenant Defeasance

We may discharge certain obligations to holders of each series of notes that have not already been delivered to the Trustee for cancellation and that have either become due and payable or are by their terms due and payable within one year (or scheduled for redemption within one year) by irrevocably depositing with the Trustee funds or government obligations denominated in U.S. dollars in an amount sufficient to pay the entire indebtedness on such series of notes with respect to principal (and premium, if any) and interest to the date of such deposit (if such notes have become due and payable) or to the maturity thereof or the date of redemption, as the case may be.

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 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.

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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,

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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, 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. depository 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,

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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 are fiduciaries with respect to the plans described in (a), (b) and (c) (each, a Party-in-Interest under ERISA and Disqualified Person under the Code). A Party-in-Interest or Disqualified Person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. Thus, 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, and 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. This summary does not address the U.S. federal income tax consequences of the purchase, ownership, and disposition of the notes to any holders who are controlled foreign corporations or passive foreign investment companies or to any notes held by (or holders holding their notes through) an entity treated as a partnership for U.S. federal income tax purposes. 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 and information reporting, 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;

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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 a properly completed and executed 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.

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 completed and 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. These forms must be periodically updated.

Special procedures relating to U.S. withholding taxes are provided under applicable Treasury regulations for payments through qualified intermediaries.

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 an additional 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.

A Non-U.S. Holder described in the first bullet point above will generally be subject to U.S. federal income tax on that gain on a net-income basis in the manner described above with respect to effectively connected interest income. In addition, if a Non-U.S. Holder is a foreign corporation, such effectively connected income may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate, or such

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lower rate as may be specified under an applicable income tax treaty. If a Non-U.S. Holder is described in the second bullet point above, any gain realized from the taxable disposition (including a redemption or retirement) of the notes will generally be subject to U.S. federal income tax at a 30% rate (or lower applicable treaty rate), which may be offset by certain U.S. source capital losses.

Backup Withholding and Information Reporting

We must report annually to the IRS and to a Non-U.S. Holder the amount of interest paid to the Non-U.S. Holder and the amount of tax, if any, withheld with respect to such interest. Unless the Non-U.S. Holder complies with certification procedures to establish that the Non-U.S. Holder is not a U.S. person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of a note. The IRS may make this information available to the tax authorities in the country in which the Non-U.S. Holder is a resident.

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. You should discuss your specific information reporting obligations with your tax advisor.

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, if any, provided you timely furnish the required information to the IRS.

FATCA, which was enacted in 2010, generally imposes a withholding tax of 30% on interest income paid on a debt obligation and on the gross proceeds from the sale, repayment, retirement, or other disposition (including retirement by the issuer) of a debt obligation paid after December 31, 2012 to (i) a foreign financial institution (as the beneficial owner or as an intermediary for the beneficial owner), unless such institution enters into an agreement with the United States government to collect and provide to the United States tax authorities substantial information regarding United States account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with United States owners) or (ii) a foreign entity that is not a financial institution (as the beneficial owner or as an intermediary for the beneficial owner), unless such entity provides the withholding agent with a certification identifying the substantial United States owners of the entity, which generally includes any United States person who directly or indirectly owns more than 10% of the entity. Under an IRS notice and proposed Treasury regulations, this new withholding tax will be deferred and will not apply (i) to interest income on a debt obligation that is paid on or before December 31, 2013 or (ii) to gross proceeds from the sale or other disposition of a debt obligation paid on or before December 31, 2014. Furthermore, under the proposed Treasury regulations, this legislation will not apply to a debt obligation outstanding on January 1, 2013, unless such debt obligation undergoes a significant modification (within the meaning of Section 1.1001-3 of the Treasury regulations promulgated under the Code) after such date pursuant to which such debt obligation is subject to a deemed exchange for a new debt obligation. Non-U.S. Holders are encouraged to consult with their own tax advisors regarding the implications of FATCA on their investment in a note.

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 U.S. federal, state, local or non-U.S. tax laws, and of any changes or proposed changes in applicable law.

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Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC 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 2017 notes and the 2022 notes set forth opposite the underwriter's name.

Underwriter	Principal Amount of 2017 Notes	Principal Amount of 2022 Notes
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$ 112,500,000	\$ 112,500,000
Morgan Stanley & Co. LLC	112,500,000	112,500,000
Citigroup Global Markets Inc.	15,000,000	15,000,000
HSBC Securities (USA) Inc.	15,000,000	15,000,000
J.P. Morgan Securities LLC	15,000,000	15,000,000
UBS Securities LLC	15,000,000	15,000,000
Wells Fargo Securities, LLC	15,000,000	15,000,000
Total	\$ 300,000,000	\$ 300,000,000

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) 0.35% of the principal amount of the 2017 notes with respect to the 2017 notes and (ii) 0.40% of the principal amount of the 2022 notes with respect to the 2022 notes. The underwriters may allow, and dealers may reallow a concession not to exceed: (i) 0.20% of the principal amount of the 2017 notes with respect to the 2017 notes and (ii) 0.25% of the principal amount of the 2022 notes with respect to the 2022 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 2017 note	0.60%
Per 2022 note	0.65%

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.

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.

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We estimate that our total expenses for this offering will be approximately \$1,525,000.

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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 (EEA) which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), it has not made and will not make an offer to the public of the notes which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus in that Relevant Member State, except that an offer of the notes to the public in that Relevant Member State may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the Prospectus Directive:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of the notes shall require the Issuer or any underwriter to publish 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 notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the

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notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State; and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this prospectus supplement and the accompanying prospectus.

United Kingdom

Each underwriter has represented, warranted and agreed that:

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA) received by it in connection with the issue or sale of the notes which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

France

This prospectus supplement and the accompanying prospectus have not been prepared and are not being distributed in the context of a public offering of securities in France within the meaning of Article L. 411-1 of the French *Code monétaire et financier* and, therefore, this prospectus supplement and the accompanying prospectus have not been and will not be submitted to the French *Autorité des marchés financiers* (AMF) for prior approval or otherwise.

The notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France and neither this prospectus supplement and the accompanying prospectus nor any other offering material relating to the notes has been distributed or caused to be distributed nor may be distributed or caused to be distributed to the public in France, except only (i) to persons licensed to provide the investment service of portfolio management for the account of third parties (personnes fournissant le service d investissement de gestion de portefeuille pour compte de tiers) and/or (ii) to qualified investors (investisseurs qualifiés) acting for their own account and/or (iii) to a limited circle of investors (cercle restreint d investisseurs) acting for their own account, all as defined, and in accordance with, Articles L. 411-2, D. 411-1 to D. 411-4, D. 744-1, D. 754-1, and D. 764-1 of the French Code Monétaire et Financier and applicable regulations thereunder.

Such qualified investors are notified that they must act for their own account in accordance with the terms set out by Article L.411-2 of the French Code monétaire et financier and by Article 211-3 of the AMF Regulations. The notes may not be re-transferred, directly or indirectly, in France, other than in compliance with applicable laws and regulations and in particular those relating to a public offering (i.e., Articles L.411-1, L.411-2, L.412-1 and L.621-8 et seq. of the French Code monétaire et financier and applicable regulations thereunder).

Italy

The offering of the notes has not been registered with the Italian Securities Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, or CONSOB) pursuant to Italian securities regulation and, accordingly, the notes 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 offering of the

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notes, be distributed in Italy, other than to qualified investors (*investitori qualificati*), as defined in Article 2, paragraph (e) of the Prospectus Directive (directive 2003/71/EC), as amended, as implemented by Article 100 of Legislative Decree No. 58 of February 24, 1998 (the Italian Finance Law) and by Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of May 14, 1999 (Regulation No. 11971), each as amended; or (ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, including, without limitation, as provided under Article 100 of the Italian Finance Law and Article 34-*ter* of Regulation No. 11971.

In addition, and subject to the foregoing, any offer, sale or delivery of the notes or distribution of copies of the prospectus supplement, the accompanying prospectus, or any other document relating to the offering of the notes in Italy under (i) and (ii)