

FRANKLIN RESOURCES INC

Form 4

August 16, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
IKEDA DONNA S

2. Issuer Name **and** Ticker or Trading
Symbol
FRANKLIN RESOURCES INC
[BEN]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O FRANKLIN RESOURCES,
INC., ONE FRANKLIN
PARKWAY

3. Date of Earliest Transaction
(Month/Day/Year)
08/14/2006

____ Director ____ 10% Owner
X Officer (give title ____ Other (specify
below) below)
VP - HR International

(Street)
SAN MATEO, CA 944031906

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock, par value \$.10	08/14/2006		M	10,378 A \$ 37.27	30,639.8485 (1) (2)	D	
Common Stock, par value \$.10	08/14/2006		S	10,378 D \$ 94.0093	20,261.8485 (1) (2)	D	
Common Stock, par value \$.10					734.449 (3)	I	By 401(k)

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Common
Stock, par
value \$.10

240

I

By IRA

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Options (Right to Buy)	\$ 37.27 (4)	08/14/2006		M		10,378 (4) (5)		09/28/2001	11/16/2010	Common Stock, par value \$.10	10,378 (4)

Reporting Owners

Reporting Owner Name / Address	Relationships
IKEDA DONNA S C/O FRANKLIN RESOURCES, INC. ONE FRANKLIN PARKWAY SAN MATEO, CA 944031906	Director 10% Owner Officer Other VP - HR International

Signatures

By: BARBARA J. GREEN,
ATTORNEY-IN-FACT

08/16/2006

Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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- (1) Of the amount of securities beneficially owned, 1,808 shares represent unvested awards of restricted stock and 2,000 shares represent unvested restricted stock units. Unvested restricted stock units do not have voting rights but are entitled to receive dividends in cash.
- (2) Also includes shares acquired pursuant to Franklin Resources, Inc.'s Employee Stock Investment Plan ("ESIP").
- (3) Reporting person holds shares in Franklin Templeton Profit Sharing 401(k) Plan. Information is based on a plan statement as of June 15, 2006.
- (4) Reflects adjustment in connection with the special cash dividend paid by Franklin Resources, Inc. on April 15, 2005.
- (5) This report reflects the exercise of options originally granted on November 16, 2000.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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