

AUDITORS' REPORT
PURSUANT TO ARTT. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27,
2010

To the Single Shareholder of
FRANKLIN TEMPLETON ITALIA SIM S.p.A.

1. We have audited the financial statements of Franklin Templeton Italia SIM S.p.A, which comprise the balance sheet as of September 30, 2015, and the income statement, the statement of the total comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on December 22, 2014.

3. In our opinion, the financial statements give a true and fair view of the financial position of Franklin Templeton Italia SIM S.p.A. as of September 30, 2015, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.
4. The Company, as required by law, included in the explanatory notes certain financial data from the latest financial statements of the parent company. Our opinion on the financial statements of Franklin Templeton Italia SIM S.p.A. does not refer to such financial data.

5. The Directors of Franklin Templeton Italia SIM S.p.A. are responsible for the preparation of the Directors' Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Directors' Report with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession and recommended by CONSOB. In our opinion the Directors' Report is consistent with the financial statements of Franklin Templeton Italia SIM S.p.A as of September 30, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Benini
Partner

Milan, Italy
December 21, 2015

This report has been translated into the English language solely for the convenience of international readers.