CAMPBELL SOUP CO
Form 11-K
June 28, 2010

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

FORM 11-K

þ **Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**
For the Fiscal Year Ended December 31, 2009

OR

o **Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**
For the transition period from __________ to __________

Commission File Number 1-3822

A. Full title of the Plan:

Campbell Soup Company Savings Plus Plan
For Salaried Employees

B. Name of issuer of the securities held pursuant to the Plan
and the address of its principal executive office:

Campbell Soup Company, Campbell Place, Camden, New Jersey 08103-1799

This Form 11-K contains 19 pages including exhibits. An index of exhibits is on page 18.

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee of the
Campbell Soup Company Savings Plus Plan for Salaried Employees:

We have audited the accompanying statements of net assets available for benefits of the Campbell Soup Company Savings Plus Plan for Salaried Employees (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ ParenteBeard, LLC
Philadelphia, Pennsylvania
June 25, 2010

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(dollars in thousands)

	December 31, 2009	December 31, 2008
Assets,		
Investments, at fair value,		
Plan s interest in Master Trust Under Campbell Soup Company Savings and 401(k) Plans	$ 483,753	$ 390,386
Liabilities		
Net assets available for benefits	$ 483,753	$ 390,386

See accompanying notes.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(dollars in thousands)

	Years Ended December 31, 2009	2008
ADDITIONS / REDUCTIONS TO NET ASSETS ATTRIBUTED TO:		
Investments income (loss),		
Plan s interest in the investment income (loss) of the Master Trust Under Campbell Soup Company Savings and 401(k) Plans	$ 87,638	$ (155,444)
Contributions:		
Employer	10,289	9,865
Participants	26,489	26,607
	36,778	36,472
Total additions / reductions	124,416	(118,972)
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	30,961	53,333
Administrative fees	34	34
Net transfers to the Savings Plus Plan for Hourly-Paid Employees and other deductions	54	6
Total deductions	31,049	53,373
NET INCREASE (DECREASE)	93,367	(172,345)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	390,386	562,731
End of year	$ 483,753	$ 390,386

See accompanying notes.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF THE PLAN

The following brief description of the Campbell Soup Company Savings Plus Plan for Salaried Employees (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General The Plan is a defined contribution plan covering salaried employees at substantially all domestic locations of Campbell Soup Company (Campbell or the Company) and its subsidiaries and certain other former employees on the first day of employment. The Plan participates in the Master Trust Under Campbell Soup Company Savings and 401(k) Plans (the Master Trust). Assets are maintained in the Master Trust in the custody of Fidelity Management Trust Company (the Trustee). The Master Trust consists of the assets of the Plan and of another defined contribution plan of the Company within the United States, the Campbell Soup Company Savings Plus Plan for Hourly-Paid Employees.

The Plan is administered by the Administrative Committee appointed by the Board of Directors of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Employee Contributions Eligible employees authorize payroll deductions that are contributed to the Plan and credited to their individual accounts. If they do not enroll within 45 days of their eligibility date they are enrolled automatically at a pre-tax rate of 5% of earnings. If they do not want to participate, they must notify the Trustee and elect not to enroll in the Plan. Highly-compensated employees (HCEs) at a job level of 30 or higher may contribute up to 5% of earnings and HCEs at job levels below 30 may contribute up to 7% of earnings, in pre-tax contributions per pay period. Non-highly compensated employees (NHCEs) may contribute up to 50% of earnings, in pre-tax contributions per pay period. Earnings are defined by the Plan and the Internal Revenue Code, as amended (IRC). In addition, the total post-tax contribution, when combined with the pre-tax contribution, cannot exceed a plan maximum of 5% or 7% of a participant s earnings, as defined, with respect to an HCE (based on his or her job level), or 50% of a participant s earnings, as defined, with respect to an NHCE. However, in accordance with the IRC, the amount of a participant s pre-tax contribution for each of calendar years 2009 and 2008 was limited to $16,500 and $15,500, respectively ($22,000 and $20,500, respectively, if the participant is at least 50 years of age by the end of the year). Participants also may roll over distributions from other qualified defined benefit or defined contribution plans into the Plan.

Employer Contributions The Company matches 60% of all participants contributions up to 5% of the participant s earnings, as defined, beginning after one full year of service. All Company contributions to the Plan are initially invested in the Fidelity Freedom Fund based on date of birth unless this election is changed by the participant.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF THE PLAN (continued)

Participant Accounts Each participant s account is credited with the participant s contributions, the Company s contributions and investment earnings. Certain administrative expenses triggered by a participant s actions, such as loan expenses, are charged to the participant s account. The benefit for which a participant is eligible is the benefit that can be provided from the participant s vested account.

Participants can receive dividends paid on the Company s stock held in the Campbell Stock Fund as cash or reinvest the dividends back into the Campbell Stock Fund. In 2009 and 2008, dividends paid in cash were $391,167 and $319,526, respectively and were included in investment income in the Master Trust.

Vesting Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company s matching contributions plus actual earnings thereon is based on the following:

Completed Years of Service	**Vesting**
One year	20%
Two years	40%
Three years	60%
Four years	80%
Five years or more	100%

Participant Loans Participants may borrow a minimum of $1,000 from their accounts up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loan terms range from 1 year to 4.5 years. The loans are secured by the balance in the participant s account and bear interest that is two points above the prime rate in effect on the first day of the calendar quarter in which the loan is granted. Principal and interest are repaid ratably through payroll deductions. Interest rates ranged from 6.0% to 10.25% at December 31, 2009.

Payment of Benefits Participants may take a withdrawal from their account after they terminate employment. Participants who are still actively working may take a withdrawal from their after-tax and Company match accounts if the monies were vested and held in the Plan for two years or if they have participated in the Plan for five years. Active participants who are age 59 $^{1}/2$ or older may also take a withdrawal from their pre-tax account without incurring early withdrawal penalties. Participants who meet the requirements for a hardship withdrawal may withdraw their pre-tax contributions. A six-month suspension of participant contributions is required for all hardship transactions.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF THE PLAN (continued)

Participants who leave employment and are under age 55 can take a lump sum or defer payment until April 1 following the year in which they turn age 70$^{1}/2$. Participants who leave employment with the Company at or after age 55 can take a lump sum, installments, or defer payments until the April 1 following the year in which they turn age 70$^{1}/2$.

Forfeited Accounts At December 31, 2009 and 2008, forfeited nonvested accounts totaled $63,046 and $71,455, respectively. These accounts will be used to reduce future Company matching contributions. Also, in 2009 and 2008, $168,795 and $364,437, respectively of forfeited nonvested accounts were used to reduce the Company s matching contributions.

Investment Options Upon enrollment in the Plan, a participant may direct employee contributions in 1% increments in any of the various investment options, which include mutual funds, the Fidelity Freedom Funds, the Fidelity Managed Income Portfolio and the Campbell Stock Fund.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements of the Plan are prepared under the accrual method of accounting.

In 2009 and 2008, the Master Trust invested in Fidelity Managed Income Portfolio which holds guaranteed investment contracts. Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statements of net assets available for benefits presents contract value of the investment contracts which approximates fair value. The statements of changes in net assets available for benefits are prepared on a contract value basis.

Use of Estimates The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

New Accounting Pronouncements In June 2009, the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) was issued to become the source of authoritative U.S. generally accepted accounting principles (GAAP) to be applied by nongovernmental entities and supersede all then-existing non-SEC accounting and reporting standards. This authoritative guidance is effective for financial statements issued for interim and

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 2   SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

annual periods ending after September 15, 2009. The adoption did not have a material impact on the Plan s financial statements.

In September 2009, the FASB issued new guidance on the fair value measurements and disclosures of investments in certain entities that calculate net asset value per share (or its equivalent). The new guidance, permits, as a practical expedient, a reporting entity to estimate the fair value of an investment within its scope using net asset value per share of the investment (or its equivalent) without adjustment, as long as the net asset value is calculated as of the reporting entity s measurement date in a manner consistent with the measurement principles of FASB ASC Topic Financial Services   Investment Companies. The new guidance also requires certain disclosures about the attributes of investments measured at net asset value, such as the nature of any restrictions on the investor s ability to redeem its investment at the measurement date or any unfunded capital commitments. The new guidance was effective on a prospective basis for the first reporting period, including interim periods, ending after December 15, 2009. The adoption did not have a material impact on the Plan.

Valuation of Investments and Income Recognition   The Plan s interest in the Master Trust is stated at fair value. The fair value of the Plan s interest in the Master Trust is based on the beginning of the year s value of the Plan s interest in the Master Trust plus actual contributions and allocated investment income (loss) less actual distributions and allocated administrative expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest on participant loans is recorded in the investment option from which the loan originated. Net appreciation/depreciation includes gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits   Benefits are recorded when paid.

NOTE 3   RELATED-PARTY TRANSACTIONS

Certain Plan investments held in the Master Trust are shares of mutual funds and a commingled fund managed by Fidelity. Fidelity also serves as the Trustee and recordkeeper of the Plan, and therefore, Plan transactions involving these mutual funds and commingled fund qualify as party-in-interest transactions under ERISA and the IRC. Additionally, shares of Company common stock are offered as a Plan investment to participants and held in the Master Trust. The Company also issues loans to participants. All of these transactions qualify as party-in-interest transactions but are exempt from the prohibited transaction rules of ERISA and the IRC under statutory or governmental agency exemptions.

As provided in the Plan document, the Plan also pays certain administrative expenses.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 4 INTEREST IN MASTER TRUST

At December 31, 2009 and 2008, the assets of the Plan were maintained in the Master Trust that was established for the investment of the assets of the Plan and one other defined contribution plan of the Company within the United States of America. Each participating plan has an undivided interest in the Master Trust.

Investment income (loss) and administrative expenses relating to the Master Trust are allocated to the individual plans based on their proportionate share of Master Trust net assets as of the year-end for each plan. At December 31, 2009 and 2008, the Plan s interest in the net assets of the Master Trust was approximately 70% in each year.

The following presents the investments at fair value for the Master Trust (dollars in thousands) at December 31, 2009 and 2008:

	2009	2008
Investments, at fair value:		
Mutual Funds	$ 426,826	$ 318,213
Campbell Stock Fund	228,722	208,365
Commingled Fund	38,686	34,787
Participant Loans	11,834	11,038
Total	$ 706,068	$ 572,403

Investment income (loss) for the Master Trust for the years ended December 31, 2009 and 2008 was comprised of the following:

	2009	2008
Investment Income (Loss):		
Interest and dividend income	$ 13,716	$ 19,626
Net appreciation (depreciation) in fair value of investments:		
Campbell Stock Fund	25,081	(37,677)
Mutual Funds	84,656	(191,646)
Total	$ 123,453	$ (209,697)

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS IN MASTER TRUST

FASB issued guidance for Fair Value Measurements , which provides guidance for using fair value to measure assets and liabilities. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measure. The levels of the fair value hierarchy are as follows:

Level 1 Fair value is based on unadjusted quoted prices in active markets that are accessible to the Plan for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

The asset or liability s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS IN MASTER TRUST (continued)

The following tables summarize instruments measured at fair value on a recurring basis for the Plan (dollars in thousands) as of December 31, 2009 and 2008:

		Fair Value Measurement at December 31, 2009 Using Fair Value Hierarchy		
	Fair Value as of December 31, 2009	Quoted Market Prices in Active Markets for Identical Assets Level 1	Other Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual Funds:				
Balanced	$ 19,560	$ 19,560		
Target Date	68,206	68,206		
Growth	125,774	125,774		
Income	16,242	16,242		
Growth & Income	48,490	48,490		
Index	30,333	30,333		
International	49,587	49,587		
Value	14,368	14,368		
Money Market	54,266	54,266		
Campbell Stock Fund	228,722		$ 228,722	
Commingled Fund	38,686		38,686	
Participant Loans	11,834			$ 11,834
Total	$ 706,068	$ 426,826	$ 267,408	$ 11,834

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS IN MASTER TRUST (continued)

		Fair Value Measurement at December 31, 2008 Using Fair Value Hierarchy		
	Fair Value as of December 31, 2008	Quoted Market Prices in Active Markets for Identical Assets Level 1	Other Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual Funds	$ 318,213	$ 318,213		
Campbell Stock Fund	208,365		$ 208,365	
Commingled Fund	34,787		34,787	
Participant Loans	11,038			$ 11,038
Total	$ 572,403	$ 318,213	$ 243,152	$ 11,038

Fair value measurements using significant unobservable inputs (Level 3) at December 31, 2009 and 2008:

	Participant Loans
Balance, January 1, 2008	$ 11,747
Purchases, sales, issuances, and settlements (net)	(709)
Balance, December 31, 2008	11,038
Purchases, sales, issuances, and settlements (net)	796
Balance, December 31, 2009	$ 11,834

The Level 3 investments include participant loans.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS IN MASTER TRUST (continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual funds are valued at net asset value of shares held by the Master Trust at year end. These investments are classified within Level 1 of the fair value hierarchy.

The Campbell Stock Fund is valued based upon the fair value of their underlying assets derived principally from or corroborated by observable market data by correlation or other means. These investments are classified within Level 2 of the fair value hierarchy.

Commingled trusts are comprised of units in such commingled funds that are not publicly traded. The underlying assets in these funds (fixed income obligations, debt securities, asset backed securities, future contracts, open-end investment companies and short term securities) are valued where applicable on exchanges and price quotes for the assets held by these funds are readily available. When current market prices or quotations are not available, valuations are determined using valuation models adopted by the Trustee or other inputs principally from or corroborated by observable market data and by other means. Commingled funds are valued at their net asset value (NAV) on the last day of the calendar year of the period. The commingled fund s policy is to maintain a stable NAV of $1.00 per unit, although there is no guarantee to maintain this value. All investment contracts and fixed income securities purchased for the fund must satisfy the credit quality of the fund s issuer. These investments are classified within level 2 of the fair value hierarchy.

Participant loans are valued at amortized cost, which approximates fair value based on unobservable inputs, as observable inputs are not available, using valuation methodologies to determine fair value to include discounted cash flows and other similar techniques. These investments are classified within Level 3 of the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 6 PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the applicable provisions of the Plan and ERISA. In the event of Plan termination, participants will become 100% vested in their Company contributions.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 7 TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated November 29, 2002 that the Plan is designed and operated in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan s Administrative Committee believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for income taxes is required in the accompanying financial statements.

NOTE 8 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 9 PLAN AMENDMENTS AND FUND CHANGES

On March 18, 2008, the Company closed the sale of Godiva Chocolatier, Inc. and related affiliates as defined in the share purchase agreement (Godiva). On the closing date, all U.S. Godiva employees who participated in the Plan and were transferred as part of the sale became 100% vested in their Company matching contributions under the Plan regardless of their actual years of service. No additional pay or service under the Plan will accrue after the closing date to any Godiva employees who were transferred because Godiva is no longer part of the Company s controlled group. On December 18, 2008, the Plan was amended to reflect this vesting treatment.

At the time of close, approximately 12% of participants in the Plan and the Campbell Soup Company Savings Plus Plan for Hourly Paid Employees were Godiva employees transferred as part of the sale. The approximate cost of the vesting treatment described above was $100,000.

Also on December 18, 2008, the Plan was amended to implement the following changes: (1) the default investment for employee contributions under the Plan was changed from the Fidelity Retirement Money Market Portfolio to the Fidelity Freedom Fund corresponding to the participant s 65th birthday; (2) the default investment option for Company matching contributions was changed from the Campbell Company Stock Fund to the Fidelity Freedom Fund corresponding to the participant s 65th birthday; and (3) automatic enrollment was implemented with a default contribution rate of 5% of compensation. The automatic enrollment contribution start date is approximately 45 days following an employee s initial eligibility date. These amendments were effective on January 1, 2008.

On April 8, 2009, the Plan was amended to permit special vesting and distribution rules to apply to participants on military leave, permit non-spouse beneficiaries to roll over eligible accounts to Roth IRAs and revise the definition of IRC section 415 compensation for nondiscrimination testing and other purposes. These amendments had effective dates from January 1, 2007 through January 1, 2009.

CAMPBELL SOUP COMPANY
SAVINGS PLUS PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

NOTE 9 PLAN AMENDMENTS AND FUND CHANGES (continued)

On May 4, 2009, the Company closed the sale of its acquisition of Ecce Panis, Inc. Under the terms of the purchase agreement, the Company committed to providing prior service credit for vesting and eligibility purposes under the Plan to Ecce Panis, Inc. employees who were acquired as part of the sale. The Plan was amended to permit Ecce Panis, Inc. employees who were acquired as part of the sale to participate as soon as administratively possible in the Plan and receive prior service credit for vesting purposes. In addition, the Plan was amended to exempt such employees from the automatic enrollment procedures.

Effective as of July 1, 2009, the Plan was amended to add the partial lump sum as a form of payment.

On December 15, 2009, the Plan was amended, effective January 1, 2009, to allow participants the option to suspend minimum required distributions as permitted under the Worker, Retiree, and Employer Recovery Act of 2008. In addition, the Plan was amended, effective January 1, 2008, to eliminate the gap period income inclusion rule for calculating excess deferrals for correction purposes.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

CAMPBELL SOUP COMPANY SAVINGS PLUS
PLAN FOR SALARIED EMPLOYEES

By: /s/ Ashok Madhavan
Ashok Madhavan
Member of the Administrative Committee

Date: June 28, 2010

INDEX OF EXHIBITS

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6/21/10 -- (10,050) Swedish Krona .... UBSW Buy 50,589,000 4,548,225 EUR 6/28/10 589,787 -- Swedish Krona .... UBSW Buy 36,736,000 3,315,224 EUR 6/29/10 410,420 -- Swedish Krona .... UBSW Buy 45,098,000 4,100,526 EUR 7/15/10 459,751 -- Malaysian Ringgit ... DBAB Buy 9,759,000 1,943,056 EUR 7/16/10 -- (40,272) Malaysian Ringgit ... DBAB Buy 61,396,000 17,063,924 7/16/10 202,891 -- Indian Rupee .... CITI Buy 16,598,000 331,960 7/19/10 1,746 -- Indian Rupee .... JPHQ Buy 16,598,000 331,960 7/20/10 1,727 -- Malaysian Ringgit ... DBAB Buy 11,019,000 2,189,655 EUR 7/20/10 -- (39,524) Malaysian Ringgit ... DBAB Buy 96,842,000 27,120,533 7/20/10 113,301 -- Malaysian Ringgit ... DBAB Buy 117,760,000 33,256,142 7/23/10 -- (141,317) Malaysian Ringgit ... DBAB Buy 14,167,000 2,815,158 EUR 7/23/10 -- (50,905) Malaysian Ringgit ... JPHQ Buy 123,816,000 34,877,746 7/27/10 -- (62,112) Malaysian Ringgit ... JPHQ Buy 14,167,000 2,806,402 EUR 7/27/10 -- (38,583) Swedish Krona .... DBAB Buy 45,098,000 4,230,780 EUR 7/27/10 272,979 -- Malaysian Ringgit ... HSBC Buy 1,687,000 478,405 7/30/10 -- (4,062) New Zealand Dollar .. DBAB Sell 17,733,735 11,411,658 7/30/10 -- (460,399) New Zealand Dollar .. DBAB Sell 17,666,270 11,347,929 8/03/10 -- (474,956) New Zealand Dollar .. BZWS Sell 6,915,607 4,439,820 8/03/10 -- (188,346) New Zealand Dollar .. DBAB Sell 6,999,201 4,471,789 8/04/10 -- (211,923) New Zealand Dollar .. BZWS Sell 3,484,510 2,237,056 8/04/10 -- (94,703) New Zealand Dollar .. CITI Sell 17,544,053 11,456,705 8/05/10 -- (282,399) New Zealand Dollar .. DBAB Sell 5,204,459 3,392,267 8/05/10 -- (90,149) Malaysian Ringgit ... HSBC Buy 3,400,000 971,984 8/06/10 -- (16,092) New Zealand Dollar .. CITI Sell 6,870,623 4,490,055 8/06/10 -- (106,837) New Zealand Dollar .. FBCO Sell 3,428,957 2,233,108 8/06/10 -- (61,086) New Zealand Dollar .. FBCO Sell 15,302,017 10,059,786 8/09/10 -- (175,655) New Zealand Dollar .. CITI Sell 6,779,343 4,457,147 8/09/10 -- (77,521) New Zealand Dollar .. DBAB Sell 6,809,934 4,479,575 8/09/10 -- (75,556) New Zealand Dollar .. FBCO Sell 6,713,771 4,458,817 8/11/10 -- (31,230) New Zealand Dollar .. DBAB Sell 15,333,885 9,990,809 8/12/10 -- (263,345) New Zealand Dollar .. DBAB Sell 4,178,000 2,711,940 8/13/10 -- (81,757) New Zealand Dollar .. DBAB Sell 4,407,000 2,909,061 8/16/10 -- (37,013) Brazilian Real ...... DBAB Buy 4,460,000 216,608,820 JPY 8/17/10 -- (118,201) Israeli Shekel ...... CITI Buy 12,073,000 3,185,993 8/17/10 -- (3,821) Japanese Yen .... UBSW Sell 619,237,000 6,528,180 8/17/10 -- (156,037) Annual Report | 23 Templeton Global Income Fund STATEMENT OF INVESTMENTS, AUGUST 31, 2009 (CONTINUED) SETTLEMENT UNREALIZED UNREALIZED CURRENCY COUNTERPARTY TYPE QUANTITY CONTRACT AMOUNT(a) DATE APPRECIATION DEPRECIATION -------- ------------ ---- -------------- ------------------ ---------- ------------ ------------ Brazilian Real ...... DBAB Buy 3,295,000 158,654,250 JPY 8/18/10 $ -- $ (72,859) Japanese Yen .... JPHQ Sell 307,706,000 3,264,093 8/18/10 -- (57,458) Brazilian Real ...... DBAB Buy 4,942,000 232,303,652 JPY 8/19/10 -- (48,795) Israeli Shekel ...... CITI Buy 12,079,000 3,182,248 8/19/10 1,486 -- Israeli Shekel ...... DBAB Buy 1,209,000 318,493 8/19/10 170 -- Japanese Yen .... HSBC Sell 306,279,000 3,255,517 8/19/10 -- (50,716) Indian Rupee .... DBAB Buy 115,936,000 2,321,506 8/20/10 5,210 -- Israeli Shekel ...... CITI Buy 4,634,100 1,212,449 8/20/10 8,985 -- Japanese Yen .... DBAB Sell 307,444,000 3,255,512 8/20/10 -- (63,383) Japanese Yen .... BZWS Sell 307,053,000 3,260,347 8/20/10 -- (54,327) Norwegian Krone ..... UBSW Buy 44,332,000 5,049,318 EUR 8/20/10 18,124 -- Indian Rupee .... DBAB Buy 100,473,000 2,011,967 8/23/10 4,082 -- Israeli Shekel ...... CITI Buy 7,908,300 2,073,927 8/23/10 10,486 -- Japanese Yen .... CITI Sell 613,483,000 6,520,692 8/23/10 -- (102,447) Japanese Yen .... FBCO Sell 608,984,000 6,520,695 8/23/10 -- (53,873) Norwegian Krone ..... UBSW Buy 44,332,000 5,054,557 EUR 8/23/10 9,545 -- Japanese Yen .... JPHQ Sell 612,179,000 6,520,693 8/24/10 -- (88,540) Japanese Yen .... BZWS Sell 610,141,000 6,520,690 8/24/10 -- (66,540) New Zealand Dollar .. FBCO Sell 6,159,450 4,061,418 8/24/10 -- (53,381) Japanese Yen .... DBAB Sell 303,441,000 3,260,352 8/25/10 -- (15,755) New Zealand Dollar .. DBAB Sell 6,130,000 4,097,905 8/27/10 3,819 -- Brazilian Real ...... DBAB Buy 3,300,000 154,185,900 JPY 8/31/10 -- (26,859) Indian Rupee .... DBAB Buy 71,050,000 1,423,848 9/01/10 1,090 -- Japanese Yen .... JPHQ Sell 304,127,000 3,260,349 9/01/10 -- (23,763) Brazilian Real ...... DBAB Buy 4,949,000

228,826,913 JPY 9/02/10 -- (52,864) Japanese Yen .... HSBC Sell 300,940,000 3,260,349 EUR 9/02/10 5,037 -- ----------- ------------ Unrealized appreciation (depreciation) .... 30,067,030 (43,504,304) ----------- ------------ Net unrealized appreciation (depreciation) .... $(13,437,274) ============ (a) In U.S. dollars unless otherwise indicated. At August 31, 2009, the Fund had the following interest rate swap contracts outstanding. See Note 1(c). PAY/RECEIVE FIXED EXPIRATION UNREALIZED UNREALIZED COUNTERPARTY FLOATING RATE RATE FLOATING RATE NOTIONAL AMOUNT(a) DATE APPRECIATION DEPRECIATION ------------ ------------ ----- ------------------------ ------------------ ---------- ------------ ------------ JPHQ .... Pay 7.16% NZD Bank Bill Rate 5,740,000 NZD 7/31/13 $ 290,202 $ -- JPHQ .... Pay 7.12% NZD Bank Bill Rate 5,750,000 NZD 8/1/13 283,913 -- JPHQ .... Pay 7.06% NZD Bank Bill Rate 5,750,000 NZD 8/4/13 274,295 -- JPHQ .... Pay 7.04% NZD Bank Bill Rate 11,500,000 NZD 8/5/13 541,988 -- JPHQ .... Pay 7.05% NZD Bank Bill Rate 2,875,000 NZD 8/6/13 136,374 -- JPHQ .... Pay 7.05% NZD Bank Bill Rate 2,875,000 NZD 8/7/13 136,248 -- JPHQ .... Pay 7.00% NZD Bank Bill Rate 3,045,600 NZD 8/14/13 138,869 -- JPHQ .... Pay 5.23% NZD Bank Bill Rate 7,000,000 NZD 12/5/13 19,616 -- MLCO .... Pay 7.05% Tasa Nominal Annual Rate 7,900,000,000 CLP 6/13/18 2,175,810 -- JPHQ .... Pay 7.06% Tasa Nominal Annual Rate 2,646,000,000 CLP 6/13/18 729,770 -- MLCO .... Pay 7.09% Tasa Nominal Annual Rate 8,650,000,000 CLP 6/16/18 2,408,424 -- JPHQ .... Pay 7.15% Tasa Nominal Annual Rate 2,700,000,000 CLP 6/18/18 773,493 -- JPHQ .... Pay 7.85% Tasa Nominal Annual Rate 702,800,000 CLP 7/11/18 263,331 -- 24 | Annual Report Templeton Global Income Fund STATEMENT OF INVESTMENTS, AUGUST 31, 2009 (CONTINUED) PAY/RECEIVE FIXED EXPIRATION UNREALIZED UNREALIZED COUNTERPARTY FLOATING RATE RATE FLOATING RATE NOTIONAL AMOUNT(a) DATE APPRECIATION DEPRECIATION ------------ ------------ ----- ------------------------ ------------------ ---------- ------------ ------------ JPHQ .... Pay 7.86% Tasa Nominal Annual Rate 705,600,000 CLP 7/17/18 $ 263,305 $ -- MLCO .... Pay 7.40% Tasa Nominal Annual Rate 580,000,000 CLP 7/30/18 178,712 -- MLCO .... Pay 7.40% Tasa Nominal Annual Rate 580,000,000 CLP 8/06/18 167,030 -- MLCO .... Pay 7.51% Tasa Nominal Annual Rate 580,000,000 CLP 8/07/18 176,208 -- MLCO .... Pay 9.03% MXN Interbank Equilibrium Interest Rate 723,000,000 MXN 8/17/18 2,869,070 -- JPHQ .... Pay 8.67% MXN Interbank Equilibrium Interest Rate 37,800,000 MXN 11/29/18 81,077 -- JPHQ .... Pay 5.59% NZD Bank Bill Rate 8,500,000 NZD 12/05/18 -- (101,163) CITI .... Pay 7.70% MXN Interbank Equilibrium Interest Rate 51,400,000 MXN 1/11/19 -- (143,948) CITI .... Pay 7.67% MXN Interbank Equilibrium .... Interest Rate 67,000,000 MXN 1/12/19 -- (198,506) CITI .... Pay 7.84% MXN Interbank Equilibrium Interest Rate 44,700,000 MXN 1/15/19 -- (94,437) CITI .... Pay 7.87% MXN Interbank Equilibrium .... Interest Rate 58,100,000 MXN 1/16/19 -- (113,205) CITI .... Pay 8.00% MXN Interbank Equilibrium Interest Rate 35,060,000 MXN 1/18/19 -- (45,564) JPHQ .... Pay 8.06% MXN Interbank Equilibrium Interest Rate 55,780,000 MXN 1/22/19 -- (57,564) CITI .... Pay 8.07% MXN Interbank Equilibrium Interest Rate 175,300,000 MXN 1/22/19 -- (172,021) MLCO .... Pay 9.10% MXN Interbank Equilibrium Interest Rate 240,000,000 MXN 8/04/28 221,921 -- JPHQ .... Pay 8.32% MXN Interbank Equilibrium Interest Rate 83,670,000 MXN 1/09/29 -- (388,370) ------------ ------------ Unrealized appreciation (depreciation) .... 12,129,656 (1,314,778) ------------ ------------ Net unrealized appreciation (depreciation) .... $ 10,814,878 ============ (a) In U.S. dollars unless otherwise indicated. See Abbreviations on page 37. The accompanying notes are an integral part of these financial statements. Annual Report | 25 Templeton Global Income Fund FINANCIAL STATEMENTS STATEMENT OF ASSETS AND LIABILITIES August 31, 2009 Assets: Investments in securities: Cost - Unaffiliated issuers .... $1,019,225,479 Cost - Sweep Money Fund (Note 7) .... 23,762,396 -------------- Total cost of investments .... $1,042,987,875 ============== Value - Unaffiliated issuers .... $1,119,690,473 Value - Sweep Money Fund (Note 7) .... 23,762,396 -------------- Total value of investments .... 1,143,452,869 Cash .... 3,250,000 Cash on deposit with brokers .... 2,255,000 Foreign currency, at value (cost $3,667,926) .... 3,675,248 Receivables: Investment securities sold .... 2,452,472 Capital shares issued for reinvestment of distributions .. 343,735 Interest .... 21,439,894 Unrealized appreciation on forward exchange contracts .... 30,067,030 Unrealized appreciation on swap contracts .... 12,129,656 -------------- Total assets .... 1,219,065,904 -------------- Liabilities: Payables: Investment securities purchased .... 1,517,713 Affiliates

.... 617,690 Due to brokers .... 11,229,362 Unrealized depreciation on forward exchange contracts .... 43,504,304 Unrealized depreciation on swap contracts .... 1,314,778 Accrued expenses and other liabilities .... 599,990 -------------- Total liabilities .... 58,783,837 -------------- Net assets, at value .... $1,160,282,067 -------------- Net assets consist of: Paid-in capital .... $1,086,892,798 Undistributed net investment income .... 15,371,506 Net unrealized appreciation (depreciation) .... 98,528,764 Accumulated net realized gain (loss) .... (40,511,001) -------------- Net assets, at value .... $1,160,282,067 ============== Shares outstanding .... 131,222,879 ============== Net asset value per share .... $ 8.84 ============== The accompanying notes are an integral part of these financial statements. 26 | Annual Report Templeton Global Income Fund FINANCIAL STATEMENTS (CONTINUED) STATEMENT OF OPERATIONS for the year ended August 31, 2009 Investment income: Dividends: Sweep Money Fund (Note 7) .... $ 388,088 Interest (net of foreign taxes withheld of $2,103,820) .... 68,606,520 ------------ Total investment income .... 68,994,608 ------------ Expenses: Management fees (Note 3a) .... 5,424,295 Administrative fees (Note 3b) .... 1,376,993 Transfer agent fees .... 254,381 Custodian fees (Note 4) .... 591,961 Reports to shareholders .... 124,866 Registration and filing fees .... 117,374 Professional fees .... 96,200 Trustees' fees and expenses .... 114,208 Other .... 43,887 ------------ Total expenses .... 8,144,165 Expense reductions (Note 4) .... (8,716) ------------ Net expenses .... 8,135,449 ------------ Net investment income .... 60,859,159 ------------ Realized and unrealized gains (losses): Net realized gain (loss) from: Investments .... (87,408,760) Foreign currency transactions .... 143,133,248 Swap contracts .... 2,660,145 ------------ Net realized gain (loss) .... 58,384,633 ------------ Net change in unrealized appreciation (depreciation) on: Investments .... 95,739,532 Translation of other assets and liabilities denominated in foreign currencies .... (35,275,881) ------------ Net change in unrealized appreciation (depreciation) .... 60,463,651 ------------ Net realized and unrealized gain (loss) .... 118,848,284 ------------ Net increase (decrease) in net assets resulting from operations .... $179,707,443 ============ The accompanying notes are an integral part of these financial statements. Annual Report | 27 Templeton Global Income Fund FINANCIAL STATEMENTS (CONTINUED) STATEMENTS OF CHANGES IN NET ASSETS YEAR ENDED AUGUST 31, ------------------------------ 2009 2008 -------------- -------------- Increase (decrease) in net assets: Operations: Net investment income .... $ 60,859,159 $ 57,531,836 Net realized gain (loss) from investments, foreign currency transactions, and swap contracts .... 58,384,633 87,360,024 Net change in unrealized appreciation (depreciation) on investments and translation of other assets and liabilities denominated in foreign currencies .... 60,463,651 (22,245,123) -------------- -------------- Net increase (decrease) in net assets resulting from operations .... 179,707,443 122,646,737 -------------- -------------- Distributions to shareholders from net investment income and net foreign currency gains .... (176,089,256) (140,177,810) Capital share transactions: (Note 2) .... 683,052 3,098,161 -------------- -------------- Net increase (decrease) in net assets .... 4,301,239 (14,432,912) Net assets: Beginning of year .... 1,155,980,828 1,170,413,740 -------------- -------------- End of year .... $1,160,282,067 $1,155,980,828 -------------- -------------- Undistributed net investment income included in net assets: End of year .... $ 15,371,506 $ 52,183,826 ============== ============== The accompanying notes are an integral part of these financial statements. 28 | Annual Report Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES Templeton Global Income Fund (Fund) is registered under the Investment Company Act of 1940, as amended, (1940 Act) as a closed-end investment company. The following summarizes the Fund's significant accounting policies. A. SECURITY VALUATION Corporate debt securities, government securities and municipal securities generally trade in the over-the-counter market rather than on a securities exchange. The Fund may utilize independent pricing services, quotations from bond dealers, and information with respect to bond and note transactions, to assist in determining a current market value for each security. The Fund's pricing services may use valuation models or matrix pricing which considers information with respect to comparable bond and note transactions, quotations from bond dealers, or by reference to other securities that are considered comparable in such characteristics as rating, interest rate and maturity date, option adjusted spread models, prepayment projections, interest rate spreads and yield curves, to determine current value. Debt securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE on the date that the values of the foreign debt securities are determined. Investments in open-end mutual funds are valued at the closing net asset value. The Fund has procedures to determine the fair value of individual securities and other assets for which market prices are not readily available or which may not be reliably priced. Methods for valuing these securities may include: fundamental analysis based upon the underlying investment book value, anticipated future cash flows, market changes in comparable or similar securities, matrix pricing, discounts from market prices of similar securities, or discounts applied due to the nature and duration of restrictions on the disposition of the securities. Due to the inherent uncertainty of valuations of such securities, the fair values may differ significantly from the values that would have been used had a ready market for such investments existed. Occasionally, events occur between the time at which trading in a security is completed and the close of the NYSE that might call into question the availability (including the reliability) of the value of a portfolio security held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services. All security valuation procedures are approved by the Fund's Board of Trustees. B. FOREIGN CURRENCY TRANSLATION Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Fund's Board of Trustees. Annual Report | 29 Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS (CONTINUED) 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) B. FOREIGN CURRENCY TRANSLATION (CONTINUED) The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments on the Statement of Operations. Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period. C. DERIVATIVE FINANCIAL INSTRUMENTS The Fund may invest in derivative financial instruments (derivatives) in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives may contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and the potential for market movements which may expose the Fund to gains or losses in excess of the amounts shown on the Statement of Assets and Liabilities. Derivatives are marked to market daily based upon quotations from market makers or the Fund's independent pricing services and the Fund's net benefit or obligation under the contract, as measured by the fair market value of the contract, is included in net assets. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations. The Fund enters into forward exchange contracts in order to hedge against fluctuations in foreign exchange rates or to gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency for a specific exchange rate on a future date. Pursuant to the terms of the forward exchange contacts, cash or securities may be required to be deposited as collateral. The Fund enters into interest rate swap contracts generally in order to manage interest rate risk. An interest rate swap is an agreement between the Fund and a counterparty to exchange cash flows based on the difference between two interest rates, applied to a notional principal amount. Over the term of the contract, contractually required payments to be paid and to be received are accrued daily and recorded as unrealized depreciation and appreciation until the payments are made, at which time they are realized. Pursuant to the terms of the interest rate swap contract, 30 | Annual Report Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS (CONTINUED) 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) C. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED) cash or securities may be required to be deposited as collateral. Any cash received may be invested according to the Fund's investment objectives. See Note 10 regarding other derivative information. D. INCOME TAXES No provision has been made for U.S. income taxes because it is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code and to distribute to shareholders substantially all of its taxable income and net realized gains. The Fund has reviewed the tax positions, taken on federal income tax returns, for each of the three open tax years and as of August 31, 2009, and has determined that no provision for income tax is required in the Fund's financial statements. Foreign securities held by the Fund may be subject to foreign taxation on interest income received. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. E. SECURITY TRANSACTIONS, INVESTMENT INCOME, EXPENSES AND DISTRIBUTIONS Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date. Distributions to shareholders are recorded on the ex-dividend date and are determined according to income tax regulations (tax basis). Distributable earnings determined on a tax basis may differ from earnings recorded in accordance with accounting principles generally accepted in the United States of America. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods. Inflation-indexed bonds provide an inflation hedge through periodic increases or decreases in the security's interest accruals and principal redemption value, by amounts corresponding to the current rate of inflation. Any such adjustments, including adjustments to principal redemption value, are recorded as interest income. Annual Report | 31 Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS (CONTINUED) 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) F. ACCOUNTING ESTIMATES The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates. G. GUARANTEES AND INDEMNIFICATIONS Under the Fund's organizational documents, its officers and trustees are indemnified by the Fund against certain liabilities arising out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. Currently, the Fund expects the risk of loss to be remote. 2. SHARES OF BENEFICIAL INTEREST At August 31, 2009, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows: YEAR ENDED AUGUST 31, -- 2009 2008 ---------------- -------------------- SHARES AMOUNT SHARES AMOUNT ------ -------- -------- ---------- Shares issued in reinvestment of distributions .... 78,530 $683,052 339,409 $3,098,161 The Fund's Board of Trustees previously authorized an open-market share repurchase program pursuant to which the Fund may purchase, from time to time, Fund shares in open-market transactions, at the discretion of management. This authorization remains in effect. Through August 31, 2009, the Fund had repurchased a total of 11,210,400 shares. During the years ended August 31, 2009 and August 31, 2008, there were no shares repurchased. 3. TRANSACTIONS WITH AFFILIATES Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton Investments. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries: SUBSIDIARY AFFILIATION ---------- ----------- Franklin Advisers, Inc. (Advisers) Investment manager Franklin Templeton Services, LLC (FT Services) Administrative manager 32 | Annual Report Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS (CONTINUED) 3. TRANSACTIONS WITH AFFILIATES (CONTINUED) A. MANAGEMENT FEES The Fund pays an investment management fee to Advisers based on the average daily net assets of the Fund as follows: ANNUALIZED FEE RATE NET ASSETS ------------------ ---------- 0.550% Up to and including $200 million 0.500% Over $200 million, up to and including $1 billion 0.480% Over $1 billion, up to and including $5 billion 0.460% Over $5 billion, up to and including $10 billion 0.440% Over $10 billion, up to and including $15 billion 0.420% Over $15 billion, up to and including $20 billion 0.400% In excess of $20 billion B. ADMINISTRATIVE FEES The Fund pays an administrative fee to FT Services based on the average daily net assets of the Fund as follows: ANNUALIZED FEE RATE NET ASSETS ------------------- ---------- 0.150% Up to and including $200 million 0.135% Over $200 million, up to and including $700 million 0.100% In excess of $700 million 4. EXPENSE OFFSET ARRANGEMENT The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended August 31, 2009, the custodian fees were reduced as noted in the Statement of Operations. 5. INCOME TAXES For tax purposes, capital losses may be carried over to offset future capital gains, if any. At August 31, 2009, capital loss carryforwards expire as follows: Capital loss carryforwards expiring in: 2010 .... $17,156,631 2011 .... 4,209,282 2017 .... 1,836,347 ----------- $23,202,260 =========== For tax purposes, realized capital losses and realized currency losses occurring subsequent to October 31, may be deferred and treated as occurring on the first day of the following fiscal year. At August 31, 2009, the Fund deferred realized capital losses and realized currency losses of $220,393 and $13,565,968, respectively. Annual Report | 33 Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS (CONTINUED) 5. INCOME TAXES (CONTINUED) The tax character of distributions paid during the years ended August 31, 2009 and August 31, 2008, was as follows: 2009 2008 ------------ ------------ Distributions paid from: Ordinary income ..... $176,089,256 $140,177,810 At August 31, 2009, the cost of investments, net unrealized appreciation (depreciation), and undistributed ordinary income for income tax purposes were as follows: Cost of investments .... $1,047,839,150 ============== Unrealized appreciation .... $ 115,434,171 Unrealized depreciation .... (19,820,452) -------------- Net unrealized appreciation (depreciation) .... $ 95,613,719 ============== Distributable earnings - undistributed ordinary income .. $ 12,141,058 ============== Net investment income differs for financial statement and tax purposes primarily due to differing treatments of foreign currency transactions, swaps, bond discounts and premiums, tax straddles, and inflation related adjustments on foreign securities. Net realized gains (losses) differ for financial statement and tax purposes primarily due to differing treatments of wash sales, foreign currency transactions, swaps, bond discounts and premiums, and tax straddles. 6. INVESTMENT TRANSACTIONS Purchases and sales of investments (excluding short term securities) for the year ended August 31, 2009, aggregated $772,939,444 and $575,245,343, respectively. 7. INVESTMENTS IN INSTITUTIONAL FIDUCIARY TRUST MONEY MARKET PORTFOLIO The Fund may invest in the Institutional Fiduciary Trust Money Market Portfolio (Sweep Money Fund), an open-end investment company managed by Advisers. Management fees paid by the Fund are reduced on assets invested in the Sweep Money Fund, in an amount not to exceed the management and administrative fees paid by the Sweep Money Fund. 8. CREDIT RISK At August 31, 2009, the Fund had 17.55% of its portfolio invested in high yield or other securities rated below investment grade. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities. 34 | Annual Report Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS (CONTINUED) 9. CONCENTRATION OF RISK Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local and regional economic, political and social conditions, which may result in greater market volatility. In addition, certain foreign securities may not be as liquid as U.S. securities. 10. OTHER DERIVATIVE INFORMATION At August 31, 2009, the Fund has invested in derivative contracts which are reflected on the Statement of Assets and Liabilities as follows: DERIVATIVE CONTRACTS NOT ACCOUNTED FOR AS ASSET DERIVATIVES LIABILITY DERIVATIVES HEDGING INSTRUMENTS -------------------------------------- -------------------------------------- UNDER FASB STATEMENT STATEMENT OF ASSETS AND FAIR VALUE STATEMENT OF ASSETS AND FAIR VALUE NO. 133 LIABILITIES LOCATION AMOUNT LIABILITIES LOCATION AMOUNT ------------------- ------------------------- ----------- ------------------------- ----------- Interest rate contracts .... Unrealized appreciation on Unrealized depreciation on swap contracts $12,129,656 swap contracts $ 1,314,778 Foreign exchange contracts .... Unrealized appreciation on Unrealized depreciation on forward exchange contracts 30,067,030 forward exchange contracts 43,504,304 The effect of derivative contracts on the Fund's Statement of Operations was as follows: AVERAGE DERIVATIVE CONTRACTS NOTIONAL NOT ACCOUNTED FOR AS AMOUNT HEDGING INSTRUMENTS UNREALIZED

OUTSTANDING UNDER FASB STATEMENT STATEMENT OF REALIZED GAIN APPRECIATION DURING THE NO. 133 OPERATIONS LOCATIONS (LOSS)(a) (DEPRECIATION)(a) PERIOD(a, b) -------------------- -- ------------ ---------------- ------------ Interest rate contracts .... Net realized gain (loss) from swap contracts / Net change in unrealized appreciation (depreciation) on investments $ 5,535,873 $ (1,976,412) 213,170,415 Foreign exchange contracts .... Net realized gain (loss) from foreign currency transactions / Net change in unrealized appreciation (depreciation) on investments 30,804,925 (72,386,932) 1,375,258,381 (a) For the six months ended August 31, 2009. (b) Represents the average notional amount outstanding during the period. For derivative contracts denominated in foreign currencies, notional amounts are converted to U.S. dollars. See Note 1(c) regarding derivative financial instruments. Annual Report | 35 Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS (CONTINUED) 11. FAIR VALUE MEASUREMENTS The Fund adopted Financial Accounting Standards Board (FASB) issued FASB Statement No. 157, "Fair Value Measurement" (SFAS 157), on September 1, 2008. SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Fund has determined that the implementation of SFAS 157 did not have a material impact on the Fund's financial statements. SFAS 157 establishes a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's investments and are summarized in the following fair value hierarchy: - Level 1 - quoted prices in active markets for identical securities - Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speed, credit risk, etc.) - Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments) The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used as of August 31, 2009, in valuing the Fund's assets and liabilities carried at fair value: LEVEL 1 LEVEL 2 LEVEL 3 TOTAL ----------- ------------- ------- ------------- ASSETS: Investments in Securities: Bonds .... $ -- $1,055,539,089 $-- $1,055,539,089 Municipal Bonds .... -- 62,732,767 -- 62,732,767 Short Term Investments .... 23,762,396 1,418,617 -- 25,181,013 ----------- ------------- --- ------------- Total Investments in Securities .... $23,762,396 $1,119,690,473 $-- $1,143,452,869 =========== ============= === ============= Swaps .... -- 12,129,656 -- 12,129,656 Forward Exchange Contracts .... -- 30,067,030 -- 30,067,030 LIABILITIES: Swaps .... -- 1,314,778 -- 1,314,778 Forward Exchange Contracts .... -- 43,504,304 -- 43,504,304 12. SUBSEQUENT EVENTS The Fund has evaluated subsequent events through October 20, 2009, the issuance date of the financial statements and determined that no events have occurred that require disclosure. 36 | Annual Report Templeton Global Income Fund NOTES TO FINANCIAL STATEMENTS (CONTINUED) ABBREVIATIONS CURRENCY AUD - Australian Dollar BRL - Brazilian Real CLP - Chilean Peso EGP - Egyptian Pound EUR - Euro JPY - Japanese Yen IDR - Indonesian Rupiah KRW - South Korean Won LKR - Sri Lankan Rupee MXN - Mexican Peso MYR - Malaysian Ringgit NOK - Norwegian Krone NZD - New Zealand Dollar PEN - Peruvian Nuevo Sol PLN - Polish Zloty SEK - Swedish Krona SELECTED PORTFOLIO AMBAC - American Municipal Bond Assurance Corp. BHAC - Berkshire Hathaway Assurance Corp. FGIC - Financial Guaranty Insurance Co. FRN - Floating Rate Note FSA - Financial Security Assurance Inc. GO - General Obligation ID - Improvement District ISD - Independent School District MBIA - Municipal Bond Investors Assurance Corp. (effective February 18, 2009, MBIA spun-off and established National Public Financial Guarantee Corp. as a subsidiary under MBIA) MTA - Metropolitan Transit Authority USD - Unified/Union School District COUNTERPARTY BOFA - Bank of America Corp. BZWS - Barclays Bank PLC CITI - Citigroup Inc. DBAB - Deutsche Bank AG FBCO - Credit Suisse Group AG HSBC - HSBC Bank USA, N.A. JPHQ - JPMorgan Chase Bank & Co. MLCO - Merrill Lynch & Co., Inc. UBSW - UBS AG Annual Report | 37 Templeton Global Income Fund REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM TO THE BOARD OF TRUSTEES AND SHAREHOLDERS OF TEMPLETON GLOBAL INCOME FUND In our opinion, the accompanying statement of assets and liabilities, including the statement of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Templeton Global Income Fund (the "Fund") at August 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at August 31, 2009 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. PricewaterhouseCoopers LLP San Francisco, California October 20, 2009 38 | Annual Report Templeton Global Income Fund TAX DESIGNATION (UNAUDITED) Under Section 871(k)(1)(C) of the Internal Revenue Code (Code), the Fund designates the maximum amount allowable but no less than $370,161 as interest related dividends for purposes of the tax imposed under Section 871(a)(1)(A) of the Code for the fiscal year ended August 31, 2009. At August 31, 2009, more than 50% of the Templeton Global Income Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from income paid to the Fund on these investments. As shown in the table below, the Fund designates to shareholders the foreign source income and foreign taxes paid, pursuant to Section 853 of the Code. This designation will allow shareholders of record on August 18, 2009, to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them. The shareholder shall consider these amounts as foreign taxes paid in the tax year in which they receive the Fund distribution. The following table provides a detailed analysis of foreign tax paid, foreign source income, and foreign qualified dividends as designated by the Fund, to shareholders of record. RECORD DATE: 8/18/2009 FOREIGN TAX FOREIGN FOREIGN PAID SOURCE INCOME QUALIFIED DIVIDENDS PER SHARE PER SHARE PER SHARE ----------- ------------ ------------------ Total .. $0.0160 $0.4779 $-- Foreign Tax Paid Per Share (Column 1) is the amount per share available to you, as a tax credit (assuming you held your shares in the Fund for a minimum of 16 days during the 31-day period beginning 15 days before the ex-dividend date of the Fund's distribution to which the foreign taxes relate), or, as a tax deduction. Foreign Source Income Per Share (Column 2) is the amount per share of income dividends paid to you that is attributable to foreign securities held by the Fund, plus any foreign taxes withheld on these dividends. The amounts reported include foreign source qualified dividends that have not been adjusted for the rate differential applicable to such dividend income.(1) Foreign Qualified Dividends Per Share (Column 3) is the amount per share of foreign source qualified dividends the Fund paid to you, plus any foreign taxes withheld on these dividends. These amounts represent the portion of the Foreign Source Income reported to you in column 2 that were derived from qualified foreign securities held by the Fund.(1) (1) Qualified dividends are taxed at a maximum rate of 15% (5% for those in the 10% and 15% income tax bracket). In determining the amount of foreign tax credit that may be applied against the U.S. tax liability of individuals receiving foreign source qualified dividends, adjustments may be required to the foreign tax credit limitation calculation to reflect the rate differential applicable to such dividend income. The rules however permit certain individuals to elect not to apply the rate differential adjustments for capital gains and/or dividends for any taxable year. Please consult your tax advisor and the instructions to Form 1116 for more information. Annual Report | 39 Templeton Global Income Fund TAX DESIGNATION (UNAUDITED) (CONTINUED) In January 2010, shareholders will receive Form 1099-DIV which will include their share of taxes paid and foreign source income distributed during the calendar year 2009. The Foreign Source Income reported on Form 1099-DIV has not been adjusted for the rate differential on foreign source qualified dividend income. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their 2009 individual income tax returns. 40 | Annual Report Templeton Global Income Fund ANNUAL MEETING OF SHAREHOLDERS, FEBRUARY 20, 2009 (UNAUDITED) The Annual Meeting of Shareholders of the Fund was held at the Fund's offices, 500 E. Broward Boulevard, Fort Lauderdale, Florida, on February 20, 2009. The purpose of the meeting was to elect four Trustees of the Fund. At the meeting, the following persons were elected by the shareholders to serve as Trustees of the Fund: Harris J. Ashton, Ann Torre Bates, David W. Niemiec and Robert E. Wade.* No other business was transacted at the meeting. The results of the voting at the Annual Meeting are as follows: The election of four Trustees: % OF % OF SHARES SHARES % OF PRESENT % OF PRESENT OUTSTANDING AND OUTSTANDING AND TERM EXPIRING 2012 FOR SHARES VOTING WITHHELD SHARES VOTING ---------------- ----------- ----------- ------- --------- ----------- ------- Harris J. Ashton .... 112,481,335 85.77% 96.60% 3,962,882 3.02% 3.40% Ann Torre Bates 112,598,313 85.86% 96.70%

3,845,904 2.93% 3.30% David W. Niemiec .... 112,742,511 85.97% 96.82% 3,701,706 2.82% 3.18% Robert E. Wade .... 112,656,702 85.90% 96.75% 3,787,515 2.89% 3.25% * Frank J. Crothers, Edith E. Holiday, Charles B. Johnson, Gregory E. Johnson, Frank A. Olson, Larry D. Thompson and Constantine D. Tseretopoulos are Trustees of the Fund who are currently serving and whose terms of office continued after the Annual Meeting of Shareholders. Annual Report | 41 Templeton Global Income Fund DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN The Fund offers a Dividend Reinvestment and Cash Purchase Plan (the "Plan") with the following features: Shareholders must affirmatively elect to participate in the Plan. If you decide to use this service, share dividends and capital gains distributions will be reinvested automatically in shares of the Fund for your account. BNY Mellon Shareowner Services, P.O. Box 358035, Pittsburgh, PA, 15252-8035, will provide additional Plan information upon request. Whenever the Fund declares dividends in either cash or shares of the Fund, if the market price is equal to or exceeds net asset value at the valuation date, the participant will receive the dividends entirely in new shares at a price equal to the net asset value, but not less than 95% of the then current market price of the Fund's shares. If the market price is lower than net asset value or if dividends and/or capital gains distributions are payable only in cash, the participant will receive shares purchased on the New York Stock Exchange or otherwise on the open market. A participant has the option of submitting additional cash payments to the Plan Administrator, in any amounts of at least $100, up to a maximum of $5,000 per month, for the purchase of Fund shares for his or her account. These payments can be made by check or money order payable to The Bank of New York Mellon (the "Plan Administrator") and sent to BNY Mellon Shareowner Services, P.O. Box 382009, Pittsburgh, PA, 15252-8009, Attention: Templeton Global Income Fund. The Plan Administrator will apply such payments (less a $5.00 service charge and less a pro rata share of trading fees) to purchases of Fund shares on the open market. The automatic reinvestment of dividends and/or capital gains does not relieve the participant of any income tax that may be payable on dividends or distributions. Whenever shares are purchased on the New York Stock Exchange or otherwise on the open market, each participant will pay a pro rata portion of trading fees. Trading fees will be deducted from amounts to be invested. The Plan Administrator's fee for a sale of shares through the Plan is $15.00 per transaction plus a $0.12 per share trading fee. A participant may withdraw from the Plan without penalty at any time by written notice to the Plan Administrator sent to BNY Mellon Shareowner Services, P. O. Box 358035, Pittsburgh, PA, 15252-8035. Upon withdrawal, the participant will receive, without charge, share certificates issued in the participant's name for all full shares held by the Plan Administrator; or, if the participant wishes, the Plan Administrator will sell the shares and send the proceeds to the participant, less a service charge of $15.00 and less trading fees of $0.12 per share. The Plan Administrator will convert any fractional shares you hold at the time of your withdrawal to cash at current market value and send you a check for the net proceeds. 42 | Annual Report Templeton Global Income Fund DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (CONTINUED) DIRECT DEPOSIT SERVICE FOR REGISTERED SHAREHOLDERS Cash distributions can now be electronically credited to a checking or savings account at any financial institution that participates in the Automated Clearing House ("ACH") system. The Direct Deposit service is provided for registered shareholders at no charge. To enroll in the service, access your account online by going to http://vault.bnymellon.com/isd or dial 1-800-416-5585 (toll free) and follow the instructions. Direct Deposit will begin with the next scheduled distribution payment date following enrollment in the service. Annual Report | 43 Templeton Global Income Fund TRANSFER AGENT BNY Mellon Shareowner Services P.O. Box 358035 Pittsburgh, PA 15252-8035 1-800-416-5585 www.bnymellon.com DIRECT REGISTRATION If you are a registered shareholder of the Fund, purchases of shares of the Fund can be electronically credited to your Fund account at BNY Mellon Shareowner Services through Direct Registration. This service provides shareholders with a convenient way to keep track of shares through book-entry transactions, electronically move book-entry shares between broker-dealers, transfer agents and DRS eligible issuers, and eliminate the possibility of lost certificates. For additional information, please contact BNY Mellon Shareowner Services at 1-800-416-5585. SHAREHOLDER INFORMATION Shares of Templeton Global Income Fund are traded on the New York Stock Exchange under the symbol "GIM." Information about the net asset value and the market price is published each Monday in the WALL STREET JOURNAL, weekly in BARRON'S and each Saturday in THE NEW YORK TIMES and other newspapers. Daily market prices for the Fund's shares are published in the "New York Stock Exchange Composite Transactions" section of newspapers. For current information about distributions and shareholder accounts, call 1-800-416-5585. Registered shareholders can access their Fund account on-line with INVESTOR SERVICEDIRECT(R). For information go to BNY Mellon Shareowner Services' web site at https://vault.bnymellon.com/isd and follow the instructions. The daily closing net asset value as of the previous business day may be obtained when available by calling Franklin Templeton Fund Information after 7 a.m. Pacific time any business day at 1-800/DIAL BEN(R) (1-800/342-5236). The Fund's net asset value and dividends are also listed on the NASDAQ Stock Market, Inc.'s Mutual Fund Quotation Service ("NASDAQ MFQS"). Shareholders not receiving copies of reports to shareholders because their shares are registered in the name of a broker or a custodian can request that they be added to the Fund's mailing list by writing Templeton Global Income Fund, 100 Fountain Parkway, P.O. Box 33030, St. Petersburg, FL 33733-8030. 44 | Annual Report Templeton Global Income Fund BOARD MEMBERS AND OFFICERS The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Fund, principal occupations during the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton Investments fund complex are shown below. Generally, each board member serves a three-year term that continues until that person's successor is elected and qualified. INDEPENDENT BOARD MEMBERS NUMBER OF PORTFOLIOS IN NAME, YEAR OF BIRTH LENGTH OF FUND COMPLEX OVERSEEN AND ADDRESS POSITION TIME SERVED BY BOARD MEMBER* OTHER DIRECTORSHIPS HELD ---------------------------- -------------- ----------------- ---------------------- ------------------------------ HARRIS J. ASHTON (1932) Trustee Since 1993 134 Bar-S Foods (meat packing 500 East Broward Blvd. company). Suite 2100 Fort Lauderdale, FL 33394-3091 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Director of various companies; and FORMERLY, Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998). ANN TORRE BATES (1958) Trustee Since 2008 31 SLM Corporation (Sallie Mae) and 500 East Broward Blvd. Allied Capital Corporation Suite 2100 (financial services). Fort Lauderdale, FL 33394-3091 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Independent strategic and financial consultant; and FORMERLY, Executive Vice President and Chief Financial Officer, NHP Incorporated (manager of multifamily housing) (1995-1997); and Vice President and Treasurer, US Airways, Inc. (until 1995). FRANK J. CROTHERS (1944) Trustee Since 1999 23 Fortis, Inc. (utility holding 500 East Broward Blvd. company), Victory Nickel Inc. Suite 2100 (mineral exploration) and ABACO Fort Lauderdale, FL 33394-3091 Markets Limited (retail distributors). PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Director and Vice Chairman, Caribbean Utilities Company, Ltd.; and director of various other private business and nonprofit organizations. EDITH E. HOLIDAY (1952) Lead Trustee since 134 Hess Corporation (exploration 500 East Broward Blvd. Independent 1996 and Lead and refining of oil and gas), Suite 2100 Trustee Independent H.J. Heinz Company (processed Fort Lauderdale, FL 33394-3091 Trustee since foods and allied products), RTI 2007 International Metals, Inc. (manufacture and distribution of titanium), Canadian National Railway (rail-road) and White Mountains Insurance Group, Ltd. (holding company). PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Director or Trustee of various companies and trusts; and FORMERLY, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989). Annual Report | 45 NUMBER OF PORTFOLIOS IN NAME, YEAR OF BIRTH LENGTH OF FUND COMPLEX OVERSEEN AND ADDRESS POSITION TIME SERVED BY BOARD MEMBER* OTHER DIRECTORSHIPS HELD ---------------------------- -------------- ----------------- ---------------------- ------------------------------ DAVID W. NIEMIEC (1949) Trustee Since 2005 23 Emeritus Corporation (assisted 500 East Broward Blvd. living) and OSI Pharmaceuticals, Suite 2100 Inc. (pharmaceutical products). Fort Lauderdale, FL 33394-3091 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Advisor, Saratoga Partners (private equity fund); and FORMERLY, Managing Director, Saratoga Partners (1998-2001) and SBC Warburg Dillon Read (investment banking) (1997-1998); Vice Chairman, Dillon, Read & Co. Inc. (investment banking) (1991-1997); and Chief Financial Officer, Dillon, Read & Co. Inc. (1982-1997). FRANK A. OLSON (1932) Trustee Since 2003 134 Hess Corporation (exploration 500 East Broward Blvd. and refining of oil and gas). Suite 2100 Fort Lauderdale, FL 33394-3091 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Chairman Emeritus, The Hertz Corporation (car rental) (since 2000) (Chairman of the Board (1980-2000) and Chief Executive Officer (1977-1999)); and FORMERLY, Chairman of the Board, President and Chief Executive Officer, UAL Corporation (airlines). LARRY D. THOMPSON (1945) Trustee Since 2005 142 None 500 East Broward Blvd. Suite 2100 Fort Lauderdale, FL 33394-3091 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (consumer products); and FORMERLY, Director, Delta Airlines (aviation) (2003-2005) and Providian Financial Corp. (credit card provider) (1997-2001); Senior Fellow of The

Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003). CONSTANTINE D. TSERETOPOULOS Trustee Since 1999 23 None (1954) 500 East Broward Blvd. Suite 2100 Fort Lauderdale, FL 33394-3091 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Physician, Lyford Cay Hospital (1987-present); director of various nonprofit organizations; and FORMERLY, Cardiology Fellow, University of Maryland (1985-1987) and Internal Medicine Resident, Greater Baltimore Medical Center (1982-1985). ROBERT E. WADE (1946) Trustee Since 2006 38 El Oro Ltd (investments). 500 East Broward Blvd. Suite 2100 Fort Lauderdale, FL 33394-3091 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Attorney at law. 46 | Annual Report INTERESTED BOARD MEMBERS AND OFFICERS NUMBER OF PORTFOLIOS IN NAME, YEAR OF BIRTH LENGTH OF FUND COMPLEX OVERSEEN AND ADDRESS POSITION TIME SERVED BY BOARD MEMBER* OTHER DIRECTORSHIPS HELD ----------------------------- -------------- ----------------- ---------------------- ------------------------------- **CHARLES B. JOHNSON (1933) Trustee, Trustee, Chairman 134 None One Franklin Parkway Chairman of of the Board San Mateo, CA 94403-1906 the Board and since 1995 and Vice President Vice President since 1993 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Chairman of the Board, Member - Office of the Chairman and Director, Franklin Resources, Inc.; Director, Templeton Worldwide, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 41 of the investment companies in Franklin Templeton Investments. **GREGORY E. JOHNSON (1961) Trustee Since 2007 90 None One Franklin Parkway San Mateo, CA 94403-1906 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Director, President and Chief Executive Officer, Franklin Resources, Inc.; President, Templeton Worldwide, Inc.; Director, Templeton Asset Management Ltd.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 32 of the investment companies in Franklin Templeton Investments. JAMES M. DAVIS (1952) Chief Chief Compliance Not Applicable Not Applicable One Franklin Parkway Compliance Officer since 2004 San Mateo, CA 94403-1906 Officer and and Vice President Vice President - AML Compliance - AML since 2006 Compliance PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Director, Global Compliance, Franklin Resources, Inc.; officer of some of the other subsidiaries of Franklin Resources, Inc. and of 45 of the investment companies in Franklin Templeton Investments; and FORMERLY, Director of Compliance, Franklin Resources, Inc. (1994-2001). LAURA F. FERGERSON (1962) Chief Executive Since Not Applicable Not Applicable One Franklin Parkway Officer - March 2009 San Mateo, CA 94403-1906 Finance and Administration PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Vice President, Franklin Templeton Services, LLC; officer of 45 of the investment companies in Franklin Templeton Investments; and FORMERLY, Director and member of Audit and Valuation Committees, Runkel Funds, Inc. (2003-2004); Assistant Treasurer of most of the investment companies in Franklin Templeton Investments (1997-2003); and Vice President, Franklin Templeton Services, LLC (1997-2003). ALIYA S. GORDON (1973) Vice President Since March 2009 Not Applicable Not Applicable One Franklin Parkway San Mateo, CA 94403-1906 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Associate General Counsel, Franklin Templeton Investments; officer of 45 of the investment companies in Franklin Templeton Investments; and FORMERLY, Litigation Associate, Steefel, Levitt & Weiss, LLP (2000-2004). Annual Report | 47 NUMBER OF PORTFOLIOS IN NAME, YEAR OF BIRTH LENGTH OF FUND COMPLEX OVERSEEN AND ADDRESS POSITION TIME SERVED BY BOARD MEMBER* OTHER DIRECTORSHIPS HELD ----------------------------- -------------- ----------------- ---------------------- ------------------------------- DAVID P. GOSS (1947) Vice President Since 2000 Not Applicable Not Applicable One Franklin Parkway San Mateo, CA 94403-1906 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Senior Associate General Counsel, Franklin Templeton Investments; officer and/or director, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 45 of the investment companies in Franklin Templeton Investments. STEVEN J. GRAY (1955) Vice President Since Not Applicable Not Applicable One Franklin Parkway August 2009 San Mateo, CA 94403-1906 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Senior Associate General Counsel, Franklin Templeton Investments; Vice President, Franklin Templeton Distributors, Inc.; and officer of 45 of the investment companies in Franklin Templeton Investments. RUPERT H. JOHNSON, JR. (1940) Vice President Since 1996 Not Applicable Not Applicable One Franklin Parkway San Mateo, CA 94403-1906 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Vice Chairman, Member - Office of the Chairman and Director, Franklin Resources, Inc.; Director, Franklin Advisers, Inc. and Templeton Worldwide, Inc.; Senior Vice President, Franklin Advisory Services, LLC; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 43 of the investment companies in Franklin Templeton Investments. CHRISTOPHER J. MOLUMPHY (1962) President and Since 2002 Not Applicable Not Applicable One Franklin Parkway Chief Executive San Mateo, CA 94403-1906 Officer - Investment Management PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Director and Executive Vice President, Franklin Advisers, Inc.; Executive Vice President, Franklin Templeton Institutional, LLC; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of six of the investment companies in Franklin Templeton Investments. MARK H. OTANI (1968) Treasurer, Since March 2009 Not Applicable Not Applicable One Franklin Parkway Chief Financial San Mateo, CA 94403-1906 Officer and Chief Accounting Officer PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Director, Global Fund Accounting Operations, Franklin Templeton Investments; and officer of 14 of the investment companies in Franklin Templeton Investments. ROBERT C. ROSSELOT (1960) Secretary and Secretary since Not Applicable Not Applicable 500 East Broward Blvd. Vice President 2004 and Vice Suite 2100 President since Fort Lauderdale, FL 33394-3091 August 2009 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Senior Associate General Counsel, Franklin Templeton Investments; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; Vice President, Secretary and Trust Officer, Fiduciary Trust International of the South; and officer of 45 of the investment companies in Franklin Templeton Investments. 48 | Annual Report NUMBER OF PORTFOLIOS IN NAME, YEAR OF BIRTH LENGTH OF FUND COMPLEX OVERSEEN AND ADDRESS POSITION TIME SERVED BY BOARD MEMBER* OTHER DIRECTORSHIPS HELD ----------------------------- --------------- ------------------ ---------------------- ------------------------------- KAREN L. SKIDMORE (1952) Vice President Since Not Applicable Not Applicable One Franklin Parkway August 2009 San Mateo, CA 94403-1906 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: Senior Associate General Counsel, Franklin Templeton Investments; and officer of 45 of the investment companies in Franklin Templeton Investments. CRAIG S. TYLE (1960) Vice President Since 2005 Not Applicable Not Applicable One Franklin Parkway San Mateo, CA 94403-1906 PRINCIPAL OCCUPATION DURING PAST 5 YEARS: General Counsel and Executive Vice President, Franklin Resources, Inc.; officer of some of the other subsidiaries of Franklin Resources, Inc. and of 45 of the investment companies in Franklin Templeton Investments; and FORMERLY, Partner, Shearman & Sterling, LLP (2004-2005); and General Counsel, Investment Company Institute (ICI) (1997-2004). * We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton Investments fund complex. These portfolios have a common investment manager or affiliated investment managers. ** Charles B. Johnson is considered to be interested person of the Fund under the federal securities laws due to his position as officer and director and major shareholder of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager. Gregory E. Johnson is considered to be interested person of the Fund under the federal securities laws due to his position as officer and director Resources. Note 1: Charles B. Johnson and Rupert H. Johnson, Jr. are brothers and the father and uncle, respectively, of Gregory E. Johnson. Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change. THE SARBANES-OXLEY ACT OF 2002 AND RULES ADOPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION REQUIRE THE FUND TO DISCLOSE WHETHER THE FUND'S AUDIT COMMITTEE INCLUDES AT LEAST ONE MEMBER WHO IS AN AUDIT COMMITTEE FINANCIAL EXPERT WITHIN THE MEANING OF SUCH ACT AND RULES. THE FUND'S BOARD HAS DETERMINED THAT THERE IS AT LEAST ONE SUCH FINANCIAL EXPERT ON THE AUDIT COMMITTEE AND HAS DESIGNATED EACH OF ANN TORRE BATES AND DAVID W. NIEMIEC AS AN AUDIT COMMITTEE FINANCIAL EXPERT. THE BOARD BELIEVES THAT MS. BATES AND MR. NIEMIEC QUALIFY AS SUCH AN EXPERT IN VIEW OF THEIR EXTENSIVE BUSINESS BACKGROUND AND EXPERIENCE. MS. BATES HAS SERVED AS A MEMBER OF THE FUND AUDIT COMMITTEE SINCE 2008. SHE CURRENTLY SERVES AS A DIRECTOR OF SLM CORPORATION AND ALLIED CAPITAL CORPORATION AND WAS FORMERLY THE EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER OF NHP INCORPORATED AND VICE PRESIDENT AND TREASURER OF US AIRWAYS, INC. MR. NIEMIEC HAS SERVED AS A MEMBER OF THE FUND AUDIT COMMITTEE SINCE 2005, CURRENTLY SERVES AS AN ADVISOR TO SARATOGA PARTNERS AND WAS FORMERLY ITS MANAGING DIRECTOR FROM 1998 TO 2001. MR. NIEMIEC IS A DIRECTOR OF EMERITUS CORPORATION AND OSI PHARMACEUTICALS, INC. AND VARIOUS PRIVATE COMPANIES, AND WAS FORMERLY MANAGING DIRECTOR OF SBC WARBURG DILLON READ FROM 1997 TO 1998, AND WAS VICE CHAIRMAN FROM 1991 TO 1997 AND CHIEF FINANCIAL OFFICER FROM 1982 TO 1997 OF

DILLON, READ & CO. INC. AS A RESULT OF SUCH BACKGROUND AND EXPERIENCE, THE BOARD BELIEVES THAT MS. BATES AND MR. NIEMIEC HAVE EACH ACQUIRED AN UNDERSTANDING OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND FINANCIAL STATEMENTS, THE GENERAL APPLICATION OF SUCH PRINCIPLES IN CONNECTION WITH THE ACCOUNTING ESTIMATES, ACCRUALS AND RESERVES, AND ANALYZING AND EVALUATING FINANCIAL STATEMENTS THAT PRESENT A BREADTH AND LEVEL OF COMPLEXITY OF ACCOUNTING ISSUES GENERALLY COMPARABLE TO THOSE OF THE FUND, AS WELL AS AN UNDERSTANDING OF INTERNAL CONTROLS AND PROCEDURES FOR FINANCIAL REPORTING AND AN UNDERSTANDING OF AUDIT COMMITTEE FUNCTIONS. MS. BATES AND MR. NIEMIEC ARE INDEPENDENT BOARD MEMBERS AS THAT TERM IS DEFINED UNDER THE APPLICABLE U.S. SECURITIES AND EXCHANGE COMMISSION RULES AND RELEASES OR THE LISTING STANDARDS APPLICABLE TO THE FUND. Annual Report | 49 TEMPLETON GLOBAL INCOME FUND SHAREHOLDER INFORMATION BOARD REVIEW OF INVESTMENT MANAGEMENT AGREEMENT At a meeting held May 19, 2009, the Board of Trustees (Board), including a majority of non-interested or independent Trustees, approved renewal of the investment management agreement for the Fund. In reaching this decision, the Board took into account information furnished throughout the year at regular Board meetings, as well as information prepared specifically in connection with the annual renewal review process. Information furnished and discussed throughout the year included investment performance reports and related financial information for the Fund, as well as periodic reports on shareholder services, legal, compliance, pricing, brokerage commissions and execution and other services provided by the Investment Manager (Manager) and its affiliates. Information furnished specifically in connection with the renewal process included a report for the Fund prepared by Lipper, Inc. (Lipper), an independent organization, as well as additional material, including a Fund profitability analysis report prepared by management. The Lipper report compared the Fund's investment performance and expenses with those of other funds deemed comparable to the Fund as selected by Lipper. The Fund profitability analysis report discussed the profitability to Franklin Templeton Investments from its overall U.S. fund operations, as well as on an individual fund-by-fund basis. Included with such profitability analysis report was information on a fund-by-fund basis listing portfolio managers and other accounts they manage, as well as information on management fees charged by the Manager and its affiliates including management's explanation of differences where relevant and a three-year expense analysis with an explanation for any increase in expense ratios. Additional material accompanying such report was a memorandum prepared by management describing project initiatives and capital investments relating to the services provided to the Fund by the Franklin Templeton Investments organization, as well as a memorandum relating to economies of scale. Such material also discussed some of the actions taken by management in coping with problems arising out of the past year's financial upheaval. In considering such materials, the independent Trustees received assistance and advice from and met separately with independent counsel. In approving continuance of the investment management agreement for the Fund, the Board, including a majority of independent Trustees, determined that the existing management fee structure was fair and reasonable and that continuance of the investment management agreement was in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's decision. NATURE, EXTENT AND QUALITY OF SERVICES. The Board was satisfied with the nature and quality of the overall services provided by the Manager and its affiliates to the Fund and its shareholders. In addition to investment performance and expenses discussed later, the Board's opinion was based, in part, upon periodic reports furnished it showing that the investment policies and restrictions for the Fund were consistently complied with as well as other reports periodically furnished the Board covering matters such as the compliance of portfolio managers and other management personnel with the code of ethics adopted throughout the Franklin Templeton fund complex, the adherence to fair value pricing procedures established by the Board, and the accuracy of net asset value calculations. Favorable consideration was given to management's continuous efforts and expenditures in establishing back-up systems and recovery procedures to function in the 50 | Annual Report Templeton Global Income Fund SHAREHOLDER INFORMATION (CONTINUED) BOARD REVIEW OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED) event of a natural disaster, it being noted that such systems and procedures had functioned smoothly during the Florida hurricanes and blackouts experienced in recent years. Consideration was also given to the experience of the Fund's portfolio management team, the number of accounts managed and general method of compensation. In this latter respect, the Board noted that a primary factor in management's determination of a portfolio manager's bonus compensation was the relative investment performance of the funds he or she managed and that a portion of such bonus was required to be invested in a predesignated list of funds within such person's fund management area so as to be aligned with the interests of Fund shareholders. Particular attention was given to the overall performance and actions taken by the Manager and its affiliates in response to problems arising out of the market turmoil and financial crisis experienced during the past year. In this respect, the Board noted that management's independent credit analysis and diligent risk management procedures had prevented any structured investment products or other volatile instruments from being held in the portfolios of any of the money market funds within the Franklin Templeton complex, including the sweep money fund utilized by the Fund as part of its cash management. The Board also took into account, among other things, the strong financial position of the Manager's parent company and its commitment to the fund business. The Board also noted that during the past year Franklin Templeton Investments, like many other fund managers, had announced a hiring freeze and implemented employee reductions, and the Board discussed with management the nature of such reductions and steps being taken to minimize any negative impact on the nature and quality of services being provided the Fund. INVESTMENT PERFORMANCE. The Board placed significant emphasis on the investment performance of the Fund in view of its importance to shareholders. While consideration was given to performance reports and discussions with portfolio managers at Board meetings during the year, particular attention in assessing performance was given to the Lipper reports furnished for the agreement renewal. The Lipper report for the Fund showed its investment performance for the one-year period ended February 28, 2009, as well as the previous 10 years ended that date in respect to a performance universe consisting of the Fund and all closed-end non-leveraged global income funds as selected by Lipper. Such report considered both the Fund's income return and total return on a net asset value basis without regard to market discounts or premiums to accurately reflect investment performance. The Lipper report showed that the Fund's income return for the one-year period was in the highest or best performing quintile of the Lipper performance universe, and on an annualized basis was also in the highest quintile of such universe for the previous three- and five-year periods, and in the middle quintile of such universe for the previous 10-year period. Consistent with the market sell-off that occurred in 2008, the Fund, along with most funds within its performance universe, experienced losses for the one-year period. On a comparative basis, however, the Lipper report showed the Fund's total return to be in the highest quintile of such performance universe for the one-year period, and, on an annualized basis, to also be in the highest quintile of such universe for each of the previous three-, five- and 10-year periods. The Board noted such favorable comparative performance. Annual Report | 51 Templeton Global Income Fund SHAREHOLDER INFORMATION (CONTINUED) BOARD REVIEW OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED) COMPARATIVE EXPENSES. Consideration was given to a comparative analysis of the management fees and total expense ratios of the Fund compared with an expense group consisting of the Fund and three other closed-end funds as selected by Lipper. Lipper expense data is based upon historical information taken from each fund's most recent annual report and, as a result of the severe decline in fund industry assets during the last quarter of 2008, is based on asset levels that are higher than the level currently existing for most funds. While recognizing the limitations inherent in Lipper's methodology and recognizing that current expense ratios may increase as assets decline, the Board believed that the independent analysis conducted by Lipper remained an appropriate measure of comparative expenses. In reviewing comparative costs, Lipper provides information on the Fund's contractual investment management fee rate in comparison with the contractual investment management fee rate that would have been charged by the other funds within the Lipper expense group assuming they were similar in size to the Fund, as well as the actual total expense rate of the Fund in comparison with those of the other funds. The Lipper contractual investment management fee analysis considers administrative fees to be part of management fees and the results of such expense comparison showed both the Fund's contractual investment management fee rate and total actual expense rate to be the lowest in its Lipper expense group. The Board was satisfied with the Fund's comparative management fee and expenses. MANAGEMENT PROFITABILITY. The Board also considered the level of profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board reviewed the Fund profitability analysis that addresses the overall profitability of Franklin Templeton's U.S. fund business, as well as its profits in providing management and other services to the Fund during the 12-month period ended September 30, 2008, being the most recent fiscal year end for Franklin Resources, Inc., the Manager's parent. During such period, the assets of the Franklin Templeton U.S. fund business were significantly higher than currently existing, and to such extent the profitability analysis does not reflect current fund operations. While taking this into account in assessing the significance of the Fund profitability analysis, the Board recognized such analysis was made at a given point in time and that the decline in assets and effect on profitability would be reflected in the profitability analysis covering Franklin Resources' 2009 fiscal year period. In reviewing the analysis, attention was given to the methodology followed in allocating costs to the Fund, it being recognized that allocation methodologies are inherently subjective and various allocation methodologies may each be reasonable while producing different results. In this respect, the Board noted that, while being continuously refined and reflecting changes in the Manager's own cost accounting, the allocation methodology was consistent with that followed in profitability report presentations for the Fund made in prior years and that the Fund's independent registered public accounting firm had been engaged by the Manager to perform certain procedures on a biennial basis, specified and approved by the Manager and the Fund's Board solely for their purposes and use in reference to the profitability analysis. In reviewing and discussing such analysis, management discussed with the Board its belief that costs incurred in establishing the infrastructure necessary for the type of fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the 52 | Annual Report Templeton Global Income Fund SHAREHOLDER INFORMATION (CONTINUED) BOARD REVIEW OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED) fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. The Board also took into account management's expenditures in improving shareholder services provided the Fund, as well as the need to meet additional regulatory and compliance requirements resulting from the Sarbanes-Oxley Act and recent SEC and other regulatory requirements. In addition, the Board considered a third-party study comparing the profitability of the Manager's parent on an overall basis as compared to other publicly held managers broken down to show profitability from management operations exclusive of distribution expenses, as well as profitability including distribution expenses. The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations. Based upon its consideration of all these factors, the Board determined that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, quality and extent of services provided. ECONOMIES OF SCALE. The Board also considered whether the Manager realizes economies of scale as the Fund grows larger and the extent to which any such benefit is shared with the Fund and its shareholders. The Board believed that a manager's ability to realize economies of scale and the sharing of such benefit is a more relevant consideration in the case of an open-end fund whose size increases as a result of the continuous sale of its shares. A closed-end investment company such as the Fund does not continuously offer shares, and growth following its initial public offering will primarily result from market appreciation, which benefits its shareholders. While believing economies of scale to be less of a factor in the context of a closed-end fund, the Board believes at some point an increase in size may lead to economies of scale that should be shared with the Fund and its shareholders. In this respect, the Board noted the Fund is charged a management advisory fee and administrative fee at the combined rate of 0.70% on its first $200 million of net assets; 0.635% on the next $500 million of net assets; 0.60% on the next $300 million of net assets; and 0.58% on the next $4 billion of net assets with decreasing breakpoints continuing through the $20 billion net asset level. The Fund's asset size was approximately $1 billion on December 31, 2008, and the Board believed such fee schedule provides a sharing of benefits with the Fund and its shareholders. PROXY VOTING POLICIES AND PROCEDURES The Fund's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Fund uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Fund's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 500 East Broward Boulevard, Suite 1500, Fort Lauderdale, FL 33394, Attention: Proxy Group. Copies of the Fund's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30. Annual Report | 53 Templeton Global Income Fund SHAREHOLDER INFORMATION (CONTINUED) QUARTERLY STATEMENT OF INVESTMENTS The Fund files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each period on Form N-Q. Shareholders may view the filed Form N-Q by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330. CERTIFICATIONS The Fund's Chief Executive Officer - Finance and

Administration is required by the New York Stock Exchange's Listing Standards to file semiannually with the Exchange a certification that she is not aware of any violation by the Fund of the Exchange's Corporate Governance Standards applicable to the Fund. The Fund has filed such certification. In addition, the Fund's Chief Executive Officer - Finance and Administration and Chief Financial Officer and Chief Accounting Officer are required by the rules of the U.S. Securities and Exchange Commission to provide certain certifications with respect to the Fund's Form N-CSR and Form N-CSRS (which include the Fund's annual and annual reports to shareholders) that are filed annually with the Commission. The Fund has filed such certifications with its Form N-CSRS for the six months ended February 28, 2009. Additionally, the Fund expects to file, on or about October 30, 2009, such certifications with its Form N-CSR for the year ended August 31, 2009. 54 | Annual Report This page intentionally left blank. This page intentionally left blank. Franklin Templeton Funds LITERATURE REQUEST. TO RECEIVE A PROSPECTUS, PLEASE CALL US AT (800) DIAL BEN/(800) 342-5236 OR VISIT franklintempleton.com. INVESTORS SHOULD CAREFULLY CONSIDER A FUND'S INVESTMENT GOALS, RISKS, CHARGES AND EXPENSES BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS AND OTHER INFORMATION. PLEASE CAREFULLY READ THE PROSPECTUS BEFORE INVESTING. TO ENSURE THE HIGHEST QUALITY OF SERVICE, WE MAY MONITOR, RECORD AND ACCESS TELEPHONE CALLS TO OR FROM OUR SERVICE DEPARTMENTS. THESE CALLS CAN BE IDENTIFIED BY THE PRESENCE OF A REGULAR BEEPING TONE. VALUE Franklin All Cap Value Fund Franklin Balance Sheet Investment Fund Franklin Large Cap Value Fund Franklin MicroCap Value Fund(1) Franklin MidCap Value Fund Franklin Small Cap Value Fund Mutual Beacon Fund Mutual Quest Fund Mutual Recovery Fund(2) Mutual Shares Fund BLEND Franklin Focused Core Equity Fund Franklin Large Cap Equity Fund Franklin Rising Dividends Fund GROWTH Franklin Flex Cap Growth Fund Franklin Growth Fund Franklin Growth Opportunities Fund Franklin Small Cap Growth Fund Franklin Small-Mid Cap Growth Fund SECTOR Franklin Biotechnology Discovery Fund Franklin DynaTech Fund Franklin Global Real Estate Fund Franklin Gold & Precious Metals Fund Franklin Natural Resources Fund Franklin Real Estate Securities Fund Franklin Utilities Fund Mutual Financial Services Fund GLOBAL Mutual Global Discovery Fund Templeton Global Long-Short Fund Templeton Global Opportunities Trust Templeton Global Smaller Companies Fund Templeton Growth Fund Templeton World Fund INTERNATIONAL Franklin India Growth Fund Franklin International Growth Fund Franklin International Small Cap Growth Fund Mutual European Fund Mutual International Fund Templeton BRIC Fund Templeton China World Fund Templeton Developing Markets Trust Templeton Emerging Markets Small Cap Fund Templeton Foreign Fund Templeton Foreign Smaller Companies Fund Templeton Frontier Markets Fund HYBRID Franklin Balanced Fund Franklin Convertible Securities Fund Franklin Equity Income Fund Franklin Income Fund Templeton Income Fund ASSET ALLOCATION Franklin Templeton Corefolio(R) Allocation Fund Franklin Templeton Founding Funds Allocation Fund Franklin Templeton Perspectives Allocation Fund Franklin Templeton Conservative Target Fund Franklin Templeton Growth Target Fund Franklin Templeton Moderate Target Fund Franklin Templeton 2015 Retirement Target Fund Franklin Templeton 2025 Retirement Target Fund Franklin Templeton 2035 Retirement Target Fund Franklin Templeton 2045 Retirement Target Fund FIXED INCOME Franklin Adjustable U.S. Government Securities Fund(3) Franklin Floating Rate Daily Access Fund Franklin High Income Fund Franklin Limited Maturity U.S. Government Securities Fund(3) Franklin Low Duration Total Return Fund Franklin Real Return Fund Franklin Strategic Income Fund Franklin Strategic Mortgage Portfolio Franklin Templeton Hard Currency Fund Franklin Total Return Fund Franklin U.S. Government Securities Fund(3) Templeton Global Bond Fund Templeton Global Total Return Fund Templeton International Bond Fund TAX-FREE INCOME(4) NATIONAL Double Tax-Free Income Fund Federal Tax-Free Income Fund High Yield Tax-Free Income Fund Insured Tax-Free Income Fund(5) LIMITED-/INTERMEDIATE-TERM California Intermediate-Term Tax-Free Income Fund Federal Intermediate-Term Tax-Free Income Fund Federal Limited-Term Tax-Free Income Fund New York Intermediate-Term Tax-Free Income Fund STATE-SPECIFIC Alabama Arizona California(6) Colorado Connecticut Florida Georgia Kentucky Louisiana Maryland Massachusetts(7) Michigan(7) Minnesota(7) Missouri New Jersey New York(6) North Carolina Ohio(7) Oregon Pennsylvania Tennessee Virginia INSURANCE FUNDS Franklin Templeton Variable Insurance Products Trust(8) (1.) The fund is closed to new investors. Existing shareholders and select retirement plans can continue adding to their accounts. (2.) The fund is a continuously offered, closed-end fund. Shares may be purchased daily; there is no daily redemption. However, each quarter, pending board approval, the fund will authorize the repurchase of 5%-25% of the outstanding number of shares. Investors may tender all or a portion of their shares during the tender period. (3.) An investment in the fund is neither insured nor guaranteed by the U.S. government or by any other entity or institution. (4.) For investors subject to the alternative minimum tax, a small portion of fund dividends may be taxable. Distributions of capital gains are generally taxable. (5.) The fund invests primarily in insured municipal securities. (6.) These funds are available in four or more variations, including long-term portfolios, intermediate-term portfolios, portfolios of insured securities, a high-yield portfolio (CA only) and money market portfolios. (7.) The Board of Trustees approved the elimination of the non-fundamental policy requiring the fund to invest at least 80% of net assets in insured municipal securities and the removal of the word "Insured" from the fund name. The changes became effective 2/17/09. (8.) The funds of the Franklin Templeton Variable Insurance Products Trust are generally available only through insurance company variable contracts. 04/09 Not part of the annual report (FRANKLIN TEMPLETON INVESTMENTS(R) LOGO) 100 Fountain Parkway P.O. Box 33030 St. Petersburg, FL 33733-8030 ANNUAL REPORT TEMPLETON GLOBAL INCOME FUND INVESTMENT MANAGER Franklin Advisers, Inc. TRANSFER AGENT BNY Mellon Shareowner Services P.O. Box 358035 Pittsburgh, PA 15252-8035 Toll free number: (800)416-5585 Hearing Impaired phone number: (800) 231-5469 Foreign Shareholders phone number: (201) 680-6578 www.melloninvestor.com/isd FUND INFORMATION (800) 342-5236 Investors should be aware that the value of investments made for the Fund may go down as well as up. Like any investment in securities, the value of the Fund's portfolio will be subject to the risk of loss from market, currency, economic, political and other factors. The Fund and its investors are not protected from such losses by the investment manager. Therefore, investors who cannot accept this risk should not invest in shares of the Fund. To ensure the highest quality of service, telephone calls to or from our service departments may be monitored, recorded and accessed. These calls can be identified by the presence of a regular beeping tone. TLGIM A2009 10/09 ITEM 2. CODE OF ETHICS. (a) The Registrant has adopted a code of ethics that applies to its principal executive officers and principal financial and accounting officer. (c) N/A (d) N/A (f) Pursuant to Item 12(a)(1), the Registrant is attaching as an exhibit a copy of its code of ethics that applies to its principal executive officers and principal financial and accounting officer. ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT. (a)(1) The Registrant has an audit committee financial expert serving on its audit committee. (2) The audit committee financial expert is David W. Niemiec and he is "independent" as defined under the relevant Securities and Exchange Commission Rules and Releases. ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES. (a) Audit Fees The aggregate fees paid to the principal accountant for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or for services that are normally provided by the principal accountant in connection with statutory and regulatory filings or engagements were $63,469 for the fiscal year ended August 31, 2009 and $80,313 for the fiscal year ended August 31, 2008. (b) Audit-Related Fees There were no fees paid to the principal accountant for assurance and related services rendered by the principal accountant to the registrant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of Item 4. There were no fees paid to the principal accountant for assurance and related services rendered by the principal accountant to the registrant's investment adviser and any entity controlling, controlled by or under common control with the investment adviser that provides ongoing services to the registrant that are reasonably related to the performance of the audit of their financial statements. (c) Tax Fees There were no fees paid to the principal accountant for professional services rendered by the principal accountant to the registrant for tax compliance, tax advice and tax planning. The aggregate fees paid to the principal accountant for professional services rendered by the principal accountant to the registrant's investment adviser and any entity controlling, controlled by or under common control with the investment adviser that provides ongoing services to the registrant for tax compliance, tax advice and tax planning were $6,000 for the fiscal year ended August 31, 2009 and $0 for the fiscal year ended August 31, 2008. The services for which these fees were paid included tax compliance and advice. (d) All Other Fees The aggregate fees paid to the principal accountant for products and services rendered by the principal accountant to the registrant not reported in paragraphs (a)-(c) of Item 4 were $0 for the fiscal year ended August 31, 2009 and $898 for the fiscal year ended August 31, 2008. The services for which these fees were paid include review of materials provided to the fund Board in connection with the investment management contract renewal process. The aggregate fees paid to the principal accountant for products and services rendered by the principal accountant to the registrant's investment adviser and any entity controlling, controlled by or under common control with the investment adviser that provides ongoing services to the registrant not reported in paragraphs (a)-(c) of Item 4 were $0 for the fiscal year ended August 31, 2009 and $283,179 for the fiscal year ended August 31, 2008. The services for which these fees were paid include review of materials provided to the fund Board in connection with the investment management contract renewal process. (e) (1) The registrant's audit committee is directly responsible for approving the services to be provided by the auditors, including: (i) pre-approval of all audit and audit related services; (ii) pre-approval of all non-audit related services to be provided to the Fund by the auditors; (iii) pre-approval of all non-audit related services to be provided to the registrant by the auditors to the registrant's investment adviser or to any entity that controls, is controlled by or is under common control with the registrant's investment adviser and that provides ongoing services to the registrant where the non-audit services relate directly to the operations or financial reporting of the registrant; and (iv) establishment by the audit committee, if deemed necessary or appropriate, as an alternative to committee pre-approval of services to be provided by the auditors, as required by paragraphs (ii) and (iii) above, of policies and procedures to permit such services to be pre-approved by other means, such as through establishment of guidelines or by action of a designated member or members of the committee; provided the policies and procedures are detailed as to the particular service and the committee is informed of each service and such policies and procedures do not include delegation of audit committee responsibilities, as contemplated under the Securities Exchange Act of 1934, to management; subject, in the case of (ii) through (iv), to any waivers, exceptions or exemptions that may be available under applicable law or rules. (e) (2) None of the services provided to the registrant described in paragraphs (b)-(d) of Item 4 were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of regulation S-X. (f) No disclosures are required by this Item 4(f). (g) The aggregate non-audit fees paid to the principal accountant for services rendered by the principal accountant to the registrant and the registrant's investment adviser and any entity controlling, controlled by or under common control with the investment adviser that provides ongoing services to the registrant were $6,000 for the fiscal year ended August 31, 2009 and $284,077 for the fiscal year ended August 31, 2008. (h) The registrant's audit committee of the board has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence. ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS Members of the Audit Committee are: Frank J. Crothers, David W. Niemiec, Ann Torre Bates and Constantine D. Tseretopoulos. ITEM 6. SCHEDULE OF INVESTMENTS. N/A ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES. The board of trustees of the Fund has delegated the authority to vote proxies related to the portfolio securities held by the Fund to the Fund's manager Franklin Advisers, Inc. in accordance with the Proxy Voting Policies and Procedures (Policies) adopted by the manager. The manager has delegated its administrative duties with respect to the voting of proxies to the Proxy Group within Franklin Templeton Companies, LLC (Proxy Group), an affiliate and wholly owned subsidiary of Franklin Resources, Inc. All proxies received by the Proxy Group will be voted based upon the manager's instructions and/or policies. To assist it in analyzing proxies, the manager subscribes to RiskMetrics Group (RiskMetrics), an unaffiliated third-party corporate governance research service that provides in-depth analyses of shareholder meeting agendas, vote recommendations, recordkeeping and vote disclosure services. In addition, the manager subscribes to Glass, Lewis & Co., LLC (Glass Lewis), an unaffiliated third-party analytical research firm, to receive analyses and vote recommendations on the shareholder meetings of publicly held U.S. companies. Although RiskMetrics' and/or Glass Lewis' analyses are thoroughly reviewed and considered in making a final voting decision, the manager does not consider recommendations from RiskMetrics, Glass Lewis or any other third party to be determinative of the manager's ultimate decision. As a matter of policy, the officers, directors/trustees and employees of the manager and the Proxy Group will not be influenced by outside sources whose interests conflict with the interests of the Fund and its shareholders. Efforts are made to resolve all conflicts in the interests of the manager's clients. Material conflicts of interest are identified by the Proxy Group based upon analyses of client, distributor, broker dealer and vendor lists, information periodically gathered from directors and officers, and information derived from other sources, including public filings. In situations where a material conflict of interest is identified, the Proxy Group may defer to the voting recommendation of RiskMetrics, Glass Lewis or those of another independent third-party provider of proxy services; or send the proxy directly to the Fund with the manager's recommendation regarding the vote for approval. If the conflict is not resolved by the Fund, the Proxy Group may refer the matter, along with the recommended course of action by the manager, if any, to an interdepartmental Proxy Review Committee (which may include portfolio managers and/or research analysts employed by the manager), for evaluation and voting instructions. The Proxy Review Committee may defer to the voting recommendation of RiskMetrics, Glass Lewis or those of another independent third-party provider of proxy services; or send the proxy directly to the Fund. Where the Proxy Group or the Proxy Review Committee refers a matter to the Fund, it may rely upon the instructions of a representative of the Fund, such as the board or a committee of the board. Where a material conflict of interest has been identified, but the items on which the manager's vote recommendations differ from Glass Lewis, RiskMetrics, or another independent third-party provider of proxy services relate specifically to (1) shareholder proposals regarding social or environmental issues or political contributions, (2) "Other Business" without describing the matters that might be considered, or (3) items the manager wishes to vote in opposition to the recommendations of an issuer's management, the Proxy Group may defer to the vote recommendations of the manager rather than sending the proxy directly to the Fund for approval. To avoid certain potential conflicts of interest, the manager will employ echo voting, if possible, in the following instances: (1) when the Fund invests in an underlying fund in reliance on any one of Sections 12(d)(1)(E), (F), or (G) of the 1940 Act, or pursuant to an SEC exemptive order; (2) when the Fund invests uninvested cash in affiliated money market funds pursuant to an SEC exemptive order ("cash sweep arrangement"); or (3) when required pursuant to the Fund's governing documents or applicable law. Echo voting means that the investment manager will vote the shares in the same proportion as the vote of all of the other holders of the Fund's shares. The recommendation of management on any issue is a factor that the manager considers in determining how proxies should be voted. However, the manager does not consider recommendations from management to be determinative of the manager's ultimate decision. As a matter of practice, the votes with respect to most issues are cast in accordance with the position of the company's management. Each issue, however, is considered on its own merits, and the manager will not support the position of the company's management in any situation where it deems that the ratification of management's position would adversely affect the investment merits of owning that company's shares. MANAGER'S PROXY VOTING POLICIES AND PRINCIPLES The manager has adopted general proxy voting guidelines, which are summarized below. These guidelines are not an exhaustive list of all the issues that may arise and the manager cannot anticipate all future situations. In all cases, each proxy will be considered based on the relevant facts and circumstances. BOARD OF DIRECTORS. The manager supports an independent board of directors, and prefers that key committees such as audit, nominating, and compensation committees be comprised of independent directors. The manager will generally vote against management efforts to classify a board and will generally support proposals to declassify the board of directors. The manager may withhold votes from directors who have attended less than 75% of meetings without a valid reason. While generally in favor of separating Chairman and CEO positions, the manager will review this issue as well as proposals to restore or provide for cumulative voting on a case-by-case basis, taking into consideration factors such as the company's corporate governance guidelines or provisions and performance. RATIFICATION OF AUDITORS OF PORTFOLIO COMPANIES. The manager will closely scrutinize the role and performance of auditors. On a case-by-case basis, the manager will examine proposals relating to non-audit relationships and non-audit fees. The manager will also consider, on a case-by-case basis, proposals to rotate auditors, and will vote against the ratification of auditors when there is clear and compelling evidence of accounting irregularities or negligence. MANAGEMENT AND DIRECTOR COMPENSATION. A company's equity-based compensation plan should be in alignment with the shareholders' long-term interests. The manager believes that executive compensation should be directly linked to the performance of the company. The manager evaluates plans on a case-by-case basis by considering several factors to determine whether the plan is fair and reasonable, including the RiskMetrics quantitative model utilized to assess such plans and/or the Glass Lewis evaluation of the plans. The manager will generally oppose plans that have the potential to be excessively dilutive, and will almost always oppose plans that are structured to allow the repricing of underwater options, or plans that have an automatic share replenishment "evergreen" feature. The manager will generally support employee stock option plans in which the purchase price is at least 85% of fair market value, and when potential dilution is 10% or less. Severance compensation arrangements will be reviewed on a case-by-case basis, although the manager will generally oppose "golden parachutes" that are considered to be excessive. The manager will normally support proposals that require a percentage of directors' compensation to be in the form of common stock, as it aligns their interests with those of shareholders. ANTI-TAKEOVER MECHANISMS AND RELATED ISSUES. The manager generally opposes anti-takeover measures since they tend to reduce shareholder rights. However, as with all proxy issues, the manager conducts an independent review of each anti-takeover proposal. On occasion, the manager may vote with management

when the research analyst has concluded that the proposal is not onerous and would not harm the Fund or its shareholders' interests. The manager generally supports proposals that require shareholder rights' plans ("poison pills") to be subject to a shareholder vote and will closely evaluate such plans on a case-by-case basis to determine whether or not they warrant support. In addition, the manager will generally vote against any proposal to issue stock that has unequal or subordinate voting rights. The manager generally opposes any supermajority voting requirements as well as the payment of "greenmail." The manager generally supports "fair price" provisions and confidential voting. CHANGES TO CAPITAL STRUCTURE. The manager realizes that a company's financing decisions have a significant impact on its shareholders, particularly when they involve the issuance of additional shares of common or preferred stock or the assumption of additional debt. The manager will review, on a case-by-case basis, proposals by companies to increase authorized shares and the purpose for the increase. The manager will generally not vote in favor of dual-class capital structures to increase the number of authorized shares where that class of stock would have superior voting rights. The manager will generally vote in favor of the issuance of preferred stock in cases where the company specifies the voting, dividend, conversion and other rights of such stock and the terms of the preferred stock issuance are deemed reasonable. MERGERS AND CORPORATE RESTRUCTURING. Mergers and acquisitions will be subject to careful review by the research analyst to determine whether they would be beneficial to shareholders. The manager will analyze various economic and strategic factors in making the final decision on a merger or acquisition. Corporate restructuring proposals are also subject to a thorough examination on a case-by-case basis. SOCIAL AND CORPORATE POLICY ISSUES. The manager will generally give management discretion with regard to social, environmental and ethical issues, although the manager may vote in favor of those that are believed to have significant economic benefits or implications for the Fund and its shareholders. GLOBAL CORPORATE GOVERNANCE. Many of the tenets discussed above are applied to the manager's proxy voting decisions for international investments. However, the manager must be flexible in these instances and must be mindful of the varied market practices of each region. The manager will attempt to process every proxy it receives for all domestic and foreign issuers. However, there may be situations in which the manager cannot process proxies, for example, where a meeting notice was received too late, or sell orders preclude the ability to vote. If a security is on loan, the manager may determine that it is not in the best interests of the Fund to recall the security for voting purposes. Also, the manager may abstain from voting under certain circumstances or vote against items such as "Other Business" when the manager is not given adequate information from the company. Shareholders may view the complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954)527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 500 East Broward Boulevard, Suite 1500, Fort Lauderdale, FL 33394, Attention: Proxy Group. Copies of the Fund's proxy voting records are available online at franklintempleton.com and posted on the SEC website at www.sec.gov. The proxy voting records are updated each year by August 31 to reflect the most recent 12-month period ended June 30. ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS. (a)(1) As of October 30, 2009, the portfolio manager of the Fund is as follows: MICHAEL HASENSTAB PH.D, SENIOR VICE PRESIDENT OF FRANKLIN ADVISERS, INC. Dr. Hasenstab has been a portfolio manager of the Fund since 2002. He has final authority over all aspects of the Fund's investment portfolio, including but not limited to, purchases and sales of individual securities, portfolio risk assessment, and the management of daily cash balances in accordance with anticipated management requirements. The degree to which he may perform these functions, and the nature of these functions, may change from time to time. He first joined Franklin Templeton Investments in 1995, rejoining again in 2001 after a three-year leave to obtain his PH.D. (a)(2) This section reflects information about the portfolio managers as of the fiscal year ended August 31, 2009. The following table shows the number of other accounts managed by each portfolio manager and the total assets in the accounts managed within each category: -- NAME NUMBER ASSETS NUMBER ASSETS NUMBER ASSETS OF OTHER OF OTHER OF OTHER OF OTHER OF OF REGISTERED REGISTERED POOLED POOLED OTHER OTHER INVESTMENT INVESTMENT INVESTMENT INVESTMENT ACCOUNTS ACCOUNTS COMPANIES COMPANIES VEHICLES VEHICLES MANAGED/1 MANAGED MANAGED MANAGED MANAGED/1 MANAGED (X $1 (X $1 (X $1 MILLION)/1 MILLION) MILLION)/1 --
Michael Hasenstab 13 21,934.5 24 18,227.4 12 987.9
-- 1. The various pooled investment vehicles and

accounts listed are managed by a team of investment professionals. Accordingly, the individual managers listed would not be solely responsible for managing such listed amounts. Portfolio managers that provide investment services to the Fund may also provide services to a variety of other investment products, including other funds, institutional accounts and private accounts. The advisory fees for some of such other products and accounts may be different than that charged to the Fund and may include performance based compensation. This may result in fees that are higher (or lower) than the advisory fees paid by the Fund. As a matter of policy, each fund or account is managed solely for the benefit of the beneficial owners thereof. As discussed below, the separation of the trading execution function from the portfolio management function and the application of objectively based trade allocation procedures helps to mitigate potential conflicts of interest that may arise as a result of the portfolio managers managing accounts with different advisory fees. CONFLICTS. The management of multiple funds, including the Fund, and accounts may also give rise to potential conflicts of interest if the funds and other accounts have different objectives, benchmarks, time horizons, and fees as the portfolio manager must allocate his or her time and investment ideas across multiple funds and accounts. The manager seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most other accounts managed by a portfolio manager are managed using the same investment strategies that are used in connection with the management of the Fund. Accordingly, portfolio holdings, position sizes, and industry and sector exposures tend to be similar across similar portfolios, which may minimize the potential for conflicts of interest. As noted above, the separate management of the trade execution and valuation functions from the portfolio management process also helps to reduce potential conflicts of interest. However, securities selected for funds or accounts other than the Fund may outperform the securities selected for the Fund. Moreover, if a portfolio manager identifies a limited investment opportunity that may be suitable for more than one fund or other account, the Fund may not be able to take full advantage of that opportunity due to an allocation of that opportunity across all eligible funds and other accounts. The manager seeks to manage such potential conflicts by using procedures intended to provide a fair allocation of buy and sell opportunities among funds and other accounts. The structure of a portfolio manager's compensation may give rise to potential conflicts of interest. A portfolio manager's base pay and bonus tend to increase with additional and more complex responsibilities that include increased assets under management. As such, there may be an indirect relationship between a portfolio manager's marketing or sales efforts and his or her bonus. Finally, the management of personal accounts by a portfolio manager may give rise to potential conflicts of interest. While the funds and the manager have adopted a code of ethics which they believe contains provisions reasonably necessary to prevent a wide range of prohibited activities by portfolio managers and others with respect to their personal trading activities, there can be no assurance that the code of ethics addresses all individual conduct that could result in conflicts of interest. The manager and the Fund have adopted certain compliance procedures that are designed to address these, and other, types of conflicts. However, there is no guarantee that such procedures will detect each and every situation where a conflict arises. COMPENSATION. The manager seeks to maintain a compensation program that is competitively positioned to attract, retain and motivate top-quality investment professionals. Portfolio managers receive a base salary, a cash incentive bonus opportunity, an equity compensation opportunity, and a benefits package. Portfolio manager compensation is reviewed annually and the level of compensation is based on individual performance, the salary range for a portfolio manager's level of responsibility and Franklin Templeton guidelines. Portfolio managers are provided no financial incentive to favor one fund or account over another. Each portfolio manager's compensation consists of the following three elements: BASE SALARY Each portfolio manager is paid a base salary. ANNUAL BONUS Annual bonuses are structured to align the interests of the portfolio manager with those of the Fund's shareholders. Each portfolio manager is eligible to receive an annual bonus. Bonuses generally are split between cash (50% to 65%) and restricted shares of Franklin Resources stock (17.5% to 25%) and mutual fund shares (17.5% to 25%). The deferred equity-based compensation is intended to build a vested interest of the portfolio manager in the financial performance of both Franklin Resources and mutual funds advised by the manager. The bonus plan is intended to provide a competitive level of annual bonus compensation that is tied to the portfolio manager achieving consistently strong investment performance, which aligns the financial incentives of the portfolio manager and Fund shareholders. The Chief Investment Officer of the manager and/or other officers of the manager, with responsibility for the Fund, have discretion in the granting of annual bonuses to portfolio managers in accordance with Franklin Templeton guidelines. The following factors are generally used in determining bonuses under the plan: |X| INVESTMENT PERFORMANCE. Primary consideration is given to the historic investment performance over the 1, 3 and 5 preceding years of all accounts managed by the portfolio manager. The pre-tax performance of each fund managed is measured relative to a relevant peer group and/or applicable benchmark as appropriate. |X| NON-INVESTMENT PERFORMANCE. The more qualitative contributions of a portfolio manager to the manager's business and the investment management team, including professional knowledge, productivity, responsiveness to client needs and communication, are evaluated in determining the amount of any bonus award. |X| RESPONSIBILITIES. The characteristics and complexity of funds managed by the portfolio manager are factored in the manager's appraisal. ADDITIONAL LONG-TERM EQUITY-BASED COMPENSATION Portfolio managers may also be awarded restricted shares or units of Franklin Resources stock or restricted shares or units of one or more mutual funds, and options to purchase common shares of Franklin Resources stock. Awards of such deferred equity-based compensation typically vest over time, so as to create incentives to retain key talent. Portfolio managers also participate in benefit plans and programs available generally to all employees of the manager. OWNERSHIP OF FUND SHARES. The manager has a policy of encouraging portfolio managers to invest in the funds they manage. Exceptions arise when, for example, a fund is closed to new investors or when tax considerations or jurisdictional constraints cause such an investment to be inappropriate for the portfolio manager. The following is the dollar range of Fund shares beneficially owned by each portfolio manager (such amounts may change from time to time): Dollar Range of Fund Shares Beneficially Portfolio Manager Owned --- Michael Hasenstab None --- ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS. N/A ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. There have been no changes to the procedures by which shareholders may recommend nominees to the Registrant's Board of Trustees that would require disclosure herein. ITEM 11. CONTROLS AND PROCEDURES. (A) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Within 90 days prior to the filing date of this Shareholder Report on Form N-CSR, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective. (B) CHANGES IN INTERNAL CONTROLS. There have been no significant changes in the Registrant's internal controls or in other factors that could significantly affect the internal controls subsequent to the date of their evaluation in connection with the preparation of this Shareholder Report on Form N-CSR. ITEM 12. EXHIBITS. (A)(1) Code of Ethics (A)(2) Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Laura F. Fergerson, Chief Executive Officer - Finance and Administration, and Mark H. Otani, Chief Financial Officer and Chief Accounting Officer (B) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Laura F. Fergerson, Chief Executive Officer - Finance and Administration, and Mark H. Otani, Chief Financial Officer and Chief Accounting Officer SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. TEMPLETON GLOBAL INCOME FUND By /s/LAURA F. FERGERSON ----------------------------------- Laura F. Fergerson Chief Executive Officer - Finance and Administration Date: October 28, 2009 Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. By /s/LAURA F. FERGERSON ----------------------------------- Laura F. Fergerson Chief Executive Officer - Finance and Administration Date: October 28, 2009 By /s/MARK H. OTANI ------------------------- Mark H. Otani Chief Financial Officer and Chief

Accounting Officer Date: October 28, 2009