

TEMPLETON GLOBAL GROWTH FUND LTD

Dividend Guidance

The directors of Templeton Global Growth Fund Ltd (“Company”) have determined that the Company will pay a dividend which will be declared and paid shortly after the 2010 Annual General Meeting to be held on 19 November 2010 (“AGM”)

The proposed dividend payment is contingent on certain amendments to the Company’s Constitution which will be submitted to shareholders for adoption at the AGM.

The ability of the Company to resume payment of dividends at this time arises from a recent change to the Corporations Act which substituted a solvency test for the declaration of dividends, in place of the previous stipulation that dividends must only be paid out of profits.

The Company’s solicitors have advised that the amendments to be proposed at the AGM are required to enable the Company to declare and pay dividends in accordance with the new solvency test.

Assuming that those amendments are adopted at the AGM, the Company will then have the ability to pay dividends otherwise than out of profits, at the discretion of the directors, provided that the solvency test is met.

The directors are satisfied that the Company presently meets that solvency test and they expect that it will continue to do so in the future.

On the other hand, as at 30 June 2010, the Company had a substantial accumulated net earnings deficiency.

Consequently, it is expected that the dividend proposed to be declared following the adoption of the requisite amendments to the Constitution, and any subsequent dividend payments declared in the near term, will be at least partially funded otherwise than out of available profits.

The directors consider that this will be reasonable and appropriate, pending further recovery of World equity markets and a return of the Company’s investments to more satisfactory and profitable performance, whilst recognising nonetheless that a policy of permanently paying substantial dividends otherwise than out of profits would be unsustainable in the long term.

The proposed dividend to be paid after the Constitution is amended will comprise a final dividend of 2 cents per share in respect of the year ended 30 June 2010 plus a further special dividend of 1 cent per share.

The directors envisage that an interim dividend of 2 cents per share will be declared in February 2011 in conjunction with release of the financial results for the half year to 31 December 2010.

Each of these dividends will be fully franked.

The Company presently has an unused franking credit balance of \$7,455,623.

A handwritten signature in black ink, appearing to read 'M. Warwick', written over a faint, light-colored background.

Martin Warwick
Company Secretary

25 August 2010