

Media Release

28 April 2017

Legg Mason announces positive results for the quarter

Legg Mason, Inc. (NYSE: LM), one of world's largest funds management groups, has reported its operating results for the fourth fiscal quarter ended March 31, 2017. The Company reported net income of \$75.9 million, or \$0.76 per diluted share, as compared to net income of \$51.4 million, or \$0.50 per diluted share, in the previous quarter, and a net loss of \$45.3 million, or \$0.43 per diluted share, in the fourth quarter of fiscal 2016.

Joseph A. Sullivan, Chairman and CEO of Legg Mason said, "Legg Mason delivered solid results for the quarter, despite volatile markets around the world. For the period, we were pleased to have delivered long-term net inflows led by fixed income at Western and Brandywine and equity inflows at ClearBridge and Martin Currie, which more than offset outflows in alternatives. Gross and net sales in our global retail distribution platform were near all-time highs and underscored continued demand for differentiated active strategies, across multiple vehicles."

"As we look back on our fiscal year, we are pleased with the strategic progress we have made in expanding client choice through diversification. Specifically, we successfully completed four transactions that will materially expand the ways in which we can address evolving investor needs. We also made progress with our investment affiliates in better serving clients through greater product and vehicle innovation, while expanding use of technology in alternative distribution channels. In an effort to complement these investments in growth, we continued to return capital to shareholders, most notably with our announcement that we increased our dividend by 27 percent. We believe this increase better positions Legg Mason among industry peers in terms of investors' ongoing appetite for current yield."

Legg Mason Managing Director, Australia and New Zealand, Andy Sowerby said, "Legg Mason Australia has continued to expand its operations to reflect growing demand for our products. Over the quarter we opened our new office in Sydney and recruited two experienced leaders to help with the next phase of our development. Matt Stovold joined as national key account manager and Felicity Nicholson now leads our marketing team.

"On the product side we continued to broaden our fixed income range with the launch of the Legg Mason Western Asset Global Bond Fund which has already been awarded a 'Recommended' rating by Zenith. Fund inflows for period were strong and we have growing demand across both our Equity Income solutions and Fixed Income suite of products."

Assets Under Management of US\$728.4 Billion

Assets Under Management ("AUM") were US\$728.4 billion at March 31, 2017 compared with US\$710.4 billion at December 31, 2016. AUM was up 9% from US\$669.6 billion at March 31, 2016. At March 31, 2017, fixed income represented 54% of AUM, while equity represented 25%, liquidity represented 12% and alternatives represented 9%.

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About Legg Mason

Legg Mason is one of the world's largest funds management groups, with a history that dates back to 1899. The firm is listed on the New York Stock Exchange and employs approximately 3,400 employees in 40 offices worldwide. One of Legg Mason's most distinguishing characteristics is its global multi-affiliate model. Legg Mason provides a global platform and centralised business and distribution support for its nine affiliated fund managers that include: Brandywine, Clarion Partners, ClearBridge, EnTrustPermal, Martin Currie, RARE Infrastructure (in addition to its own domestic distribution), Royce & Associates, QS Investors and Western Asset. Each affiliate operates independently under its own brand and investment process, and is considered an industry expert in its asset class. Legg Mason offers a diverse set of investment solutions across institutional, wealth management and direct investor channels, covering a range of asset classes including Australian equities, global equities, fixed income, real assets, income, alternatives, emerging markets, direct lending and multi-asset products.

- *Established 1899*
- *Head office Baltimore, USA*
- *Australia operations started in 1954*
- *Local offices in Melbourne and Sydney*
- *Funds managed A\$952.4 billion (US\$728.4 billion) as at 31 March 2017*

Media contacts:

Simrita Virk at Shed Media

M: 0434531172

E: svirk@shedmedia.com.au

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