

Draft Media Release

1 August 2017

Legg Mason Inc. announces positive results for the quarter

- Australian business grows from strength to strength -

Legg Mason, Inc. (NYSE: LM), one of world's largest funds management groups, has reported its operating results for the first fiscal quarter 2018. The Company reported net income of US\$50.9 million, or US\$0.52 per diluted share.

Joseph A. Sullivan, Chairman and CEO of Legg Mason said, "Legg Mason delivered strong earnings for the first fiscal quarter of 2018, with long-term inflows driven by continued momentum at Legg Mason Global Distribution.

"Our flows continue to benefit from our next generation investment capabilities with a number of our investment Affiliates, combined with our ongoing strength in traditional investment strategies. More generally, our progress in the quarter ties back to our focus on diversity by asset class, product and geography, which has materially expanded client choice.

"As a platform that has been built around the strategy of expanding client choice, we believe Legg Mason is uniquely positioned to find opportunity and gain market share in the face of changing industry dynamics. Our global reach allows us to better leverage our product innovations across client channels and our strong cash generation positions us to be a leader in returning capital to shareholders without sacrificing the ability to invest for the future," Said Sullivan.

Legg Mason Managing Director, Australia, Andy Sowerby, said: "Legg Mason Australia finished the financial year in a strong position with Funds Under Management growing by nearly 30% (A\$650 million) across our broad product offering.

"We were also delighted to win the Money Management Fund Manager of the Year Award for the second time in the past three years. This industry recognition is reflective of our strong returns and our continuous focus on expanding clients' choice. It is essential for us to be relevant to our clients and to work as effective, trusted, partners.

"We attribute this overall success to the accessibility, flexibility and choice of investment vehicle. We now offer our best strategies through SMA's, managed investment schemes, mandates and offshore fund structures."

Sowerby adds: "Our success in Australian market has been underpinned by identifying client needs in a geography, segment or channel, reaching into our broad set of capabilities to design products, and delivering them locally in the right product range."

-Ends -

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 Global, 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\$975 billion as at 30 June 2017*

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