

**FEBRUARY 1, 2012**

Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus, statement of additional information and other information about the Fund online at [www.franklintempleton.com/prospectus](http://www.franklintempleton.com/prospectus). You can also get this information at no cost by calling (800) DIAL BEN/342-5236 or by sending an e-mail request to [prospectus@franklintempleton.com](mailto:prospectus@franklintempleton.com). The Fund's prospectus and statement of additional information, both dated February 1, 2012, as may be supplemented, are all incorporated by reference into this Summary Prospectus.

<b>Class A</b>	<b>Class B</b>	<b>Class B1</b>	<b>Class C</b>	<b>Class R</b>	<b>Advisor Class</b>
FKINX	FBICX	FICBX	FCISX	FISRX	FRIAX

**FRANKLIN CUSTODIAN FUNDS**

**SUMMARY PROSPECTUS**

# FRANKLIN INCOME FUND



**FRANKLIN TEMPLETON  
INVESTMENTS**

**Franklin • Templeton • Mutual Series**

## Investment Goal

To maximize income while maintaining prospects for capital appreciation.

## Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts in Class A if you and your family invest, or agree to invest in the future, at least \$100,000 in Franklin Templeton funds. More information about these and other discounts is available from your financial professional and under “Your Account” on page 109 in the Fund’s Prospectus and under “Buying and Selling Shares” on page 61 of the Fund’s Statement of Additional Information.

### SHAREHOLDER FEES *(fees paid directly from your investment)*

	Class A	Class B <sup>1</sup>	Class B1 <sup>1</sup>	Class C	Class R	Advisor Class
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	4.25%	None	None	None	None	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None	4.00%	4.00%	1.00%	None	None

1. New or additional investments into Class B/B1 are no longer permitted.

### ANNUAL FUND OPERATING EXPENSES

*(expenses that you pay each year as a percentage of the value of your investment)*

	Class A	Class B	Class B1	Class C	Class R	Advisor Class
Management fees	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%
Distribution and service (12b-1) fees	0.15%	1.00%	0.65%	0.65%	0.50%	None
Other expenses	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
<b>Total annual Fund operating expenses</b>	<b>0.63%</b>	<b>1.48%</b>	<b>1.13%</b>	<b>1.13%</b>	<b>0.98%</b>	<b>0.48%</b>

### Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated

and then redeem all of your shares at the end of the period. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
<b>Class A</b>	\$487	\$618	\$761	\$1,178
<b>Class B</b>	\$551	\$768	\$1,008	\$1,538
<b>Class B1</b>	\$515	\$659	\$822	\$1,235
<b>Class C</b>	\$215	\$359	\$622	\$1,375
<b>Class R</b>	\$100	\$312	\$542	\$1,201
<b>Advisor Class</b>	\$49	\$154	\$269	\$604
If you do not sell your shares:				
<b>Class B</b>	\$151	\$468	\$808	\$1,538
<b>Class B1</b>	\$115	\$359	\$622	\$1,235
<b>Class C</b>	\$115	\$359	\$622	\$1,375

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 35.83% of the average value of its portfolio.

## Principal Investment Strategies

Under normal market conditions, the Fund invests in a diversified portfolio of debt and equity securities. The Fund may shift its investments from one asset class to another based on the investment manager's analysis of the best opportunities for the Fund's portfolio in a given market. The equity securities in which the Fund invests consist primarily of common stocks. Debt securities include all varieties of fixed, floating and variable rate instruments, including secured and unsecured bonds, bonds convertible into common stock, senior floating rate and term loans, mortgage and asset-backed securities, debentures, and shorter term instruments. The Fund seeks income by selecting investments such as corporate, foreign and U.S. Treasury bonds, as well as stocks with dividend yields the investment

manager believes are attractive. The Fund may invest up to 100% of its total assets in debt securities that are rated below investment grade (also known as “junk bonds”), including a portion in defaulted securities. The Fund maintains the flexibility to invest in securities of companies from a variety of sectors, but from time to time, based on economic conditions, the Fund may have significant investments in particular sectors. The Fund may also invest up to 25% of its assets in foreign securities, either directly or through depositary receipts.

The Fund’s investment manager searches for undervalued or out-of-favor securities it believes offer opportunities for income today and significant growth tomorrow. It generally performs independent analysis of the debt securities being considered for the Fund’s portfolio, rather than relying principally on the ratings assigned by rating organizations. In analyzing both debt and equity securities, the investment manager considers a variety of factors, including:

- a security’s relative value based on such factors as anticipated cash flow, interest or dividend coverage, asset coverage, and earnings prospects;
- the experience and strength of the company’s management;
- the company’s changing financial condition and market recognition of the change;
- the company’s sensitivity to changes in interest rates and business conditions; and
- the company’s debt maturity schedules and borrowing requirements.

When choosing equity investments for the Fund, the investment manager applies a “bottom-up,” long-term approach, focusing on the market price of a company’s securities relative to the investment manager’s evaluation of the company’s long-term earnings, asset value and cash flow potential. The investment manager also considers a company’s price/earnings ratio, profit margins and liquidation value.

## Principal Risks

You could lose money by investing in the Fund. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

**Credit** An issuer of debt securities may fail to make interest payments and repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's credit rating may affect a security's value.

**High-Yield Debt Securities** Issuers of lower-rated or "high-yield" debt securities are not as strong financially as those issuing higher credit quality debt securities. These issuers are more likely to encounter financial difficulties and are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. The prices of high-yield debt securities generally fluctuate more than those of higher credit quality. High-yield debt securities are generally more illiquid (harder to sell) and harder to value.

**Market** The market values of securities owned by the Fund will go up and down, sometimes rapidly or unpredictably. A security's market value may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all securities. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

Individual stock prices tend to go up and down more dramatically than other types of investments. A slower-growth or recessionary economic environment could have an adverse effect on the price of the various stocks held by the Fund.

**Interest Rate** When interest rates rise, debt security prices generally fall. The opposite is also generally true: debt security prices rise when interest rates fall. In general, securities with longer maturities are more sensitive to these interest rate changes.

**Income** Because the Fund can only distribute what it earns, the Fund's distributions to shareholders may decline when prevailing interest rates fall or when the Fund experiences defaults on debt securities it holds.

**Foreign Securities** Investing in foreign securities typically involves more risks than investing in U.S. securities, including risks related to currency exchange rates and policies, country or government specific issues, less favorable trading practices or regulation and greater price volatility. Certain of these risks also may apply to securities of U.S. companies with significant foreign operations.

**Focus** To the extent that the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, the Fund may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments.

**Management** The Fund is subject to management risk because it is an actively managed investment portfolio. The Fund's investment manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these decisions will produce the desired results.

**Prepayment** Prepayment risk occurs when a debt security can be repaid in whole or in part prior to the security's maturity and the Fund must reinvest the proceeds it receives, during periods of declining interest rates, in securities that pay a lower rate of interest.

**Value Style Investing** A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value and bid up the price, the markets favor faster-growing companies, or the factors that the investment manager believes will increase the price of the security do not occur.

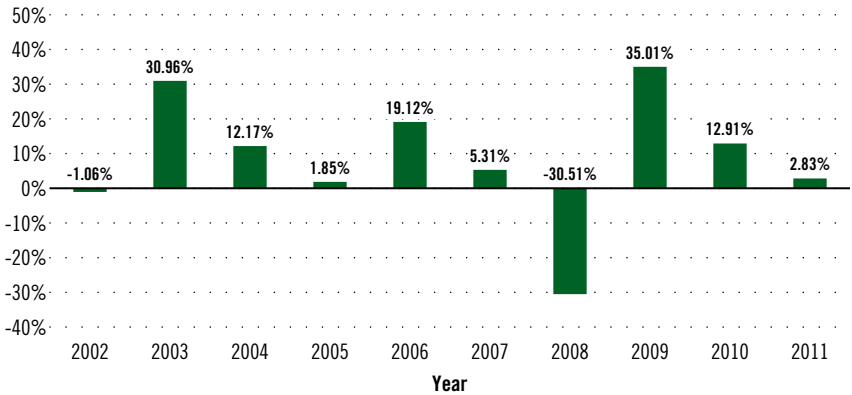
## Performance

The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for Class A shares. The table shows how the Fund's average annual returns for 1 year, 5 years, 10 years or since inception, as applicable, compared with those of a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. You can obtain updated performance information at [franklintempleton.com](http://franklintempleton.com) or by calling (800) DIAL BEN/342-5236.

The secondary indices in the table below show how the Fund's performance compares to a group of securities that aligns more closely with the Fund's investment strategies.

Sales charges are not reflected in the bar chart, and if those charges were included, returns would be less than those shown.

## CLASS A ANNUAL TOTAL RETURNS



Best Quarter:	Q2'09	18.79%
Worst Quarter:	Q3'08	-15.45%

## AVERAGE ANNUAL TOTAL RETURNS

(figures reflect sales charges)

*For the periods ended December 31, 2011*

	1 Year	5 Years	10 Years
<b>Franklin Income Fund - Class A</b>			
Return Before Taxes	-1.68%	1.88%	6.82%
Return After Taxes on Distributions	-3.59%	-0.37%	4.44%
Return After Taxes on Distributions and Sale of Fund Shares	-0.78%	0.39%	4.56%
<b>Franklin Income Fund - Class B</b>	-1.95%	1.61%	6.60%
<b>Franklin Income Fund - Class B1</b>	-2.05%	1.94%	6.92%
<b>Franklin Income Fund - Class C</b>	1.31%	2.25%	6.77%
<b>Franklin Income Fund - Class R</b>	2.01%	2.44%	6.85%
<b>Franklin Income Fund - Advisor Class</b>	2.51%	2.85%	7.44%
S&P 500® Index (index reflects no deduction for fees, expenses or taxes)	2.11%	-0.25%	2.92%
Barclays Capital U.S. Aggregate Index (index reflects no deduction for fees, expenses or taxes)	7.84%	6.50%	5.78%
Lipper Mixed-Asset Target Allocation Moderate Funds Classification Average (index reflects no deduction for fees, expenses or taxes)	0.20%	1.55%	4.12%

Historical performance for Class R shares prior to their inception is based on the performance of Class A shares. Class R performance has been

adjusted to reflect differences in sales charges and 12b-1 expenses between classes.

The new Class B performance shown reflects a restatement of the old Class B (now Class B1) performance to include the Rule 12b-1 fee applicable to the new Class B as though it was in effect from the inception of old Class B (now Class B1) shares.

The after-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. After-tax returns are shown only for Class A and after-tax returns for other classes will vary.

## Investment Manager

Franklin Advisers, Inc. (Advisers)

## Portfolio Managers

### **EDWARD D. PERKS, CFA**

*Senior Vice President of Advisers and portfolio manager of the Fund since 2002.*

### **CHARLES B. JOHNSON**

*Chairman of Franklin Resources, Inc. and portfolio manager of the Fund since 1957.*

## Purchase and Sale of Fund Shares

You may purchase or redeem shares of the Fund on any business day online through our website at [franklintempleton.com](http://franklintempleton.com), by mail (Franklin Templeton Investor Services, P.O. Box 997151, Sacramento, CA 95899-7151), or by telephone at (800) 632-2301. The minimum initial purchase for most accounts is \$1,000 (or \$50 under an automatic investment plan).

## Taxes

The Fund's distributions are generally taxable to you as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

## Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your financial advisor or visit your financial intermediary's website for more information.

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FRANKLIN TEMPLETON  
INVESTMENTS

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**Franklin Income Fund**

Investment Company Act file #811-00537

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