

TEMPLETON EMERGING MARKETS FUND INC  
Form N-30D  
November 05, 2002

Annual  
Report

[PHOTO OMITTED]

AUGUST 31, 2002

TEMPLETON EMERGING  
MARKETS FUND, INC.

[LOGO OMITTED]  
FRANKLIN[R] TEMPLETON[R]  
INVESTMENTS

[PHOTO OMITTED]

MARK MOBIUS  
PRESIDENT  
TEMPLETON EMERGING  
MARKETS FUND, INC.

Mark Mobius has been living in emerging market countries since earning his Ph.D. in economics and political science at Massachusetts Institute of Technology in 1964. During his extensive travels, he has acquired a thorough knowledge of business practices and customs unique to developing nations.

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[GRAPHIC OMITTED]

FUND CATEGORY

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Global  
Growth  
Growth & Income  
Income  
Tax-Free Income

SHAREHOLDER LETTER

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YOUR FUND'S GOAL: TEMPLETON EMERGING MARKETS FUND SEEKS LONG-TERM CAPITAL APPRECIATION BY INVESTING, UNDER NORMAL MARKET CONDITIONS, AT LEAST 80% OF ITS NET ASSETS IN EMERGING COUNTRY EQUITY SECURITIES.  
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Dear Shareholder:

This annual report for Templeton Emerging Markets Fund covers the fiscal year ended August 31, 2002. During the year under review, Asian economies such as South Korea and China continued to record higher growth rates than most other countries, which appeared to attract investors. China's commitment toward liberalizing its economy contributed to a 22% jump in foreign direct investment versus a year earlier, to US\$29.5 billion in the first seven months of 2002.(1) We believe China's accession into the World Trade Organization (WTO) and its robust economy should continue to attract investment. As more and more developed market companies strived to cut costs, Taiwanese companies benefited from the outsourcing trend as well as from developments in China where an increasing number of Taiwanese companies moved their production bases. Faster-than-expected economic growth and other favorable macroeconomic indicators helped make South Korea an attractive investment location. South Korea's central bank also increased its gross

1. Source: South China Morning Post.

The dollar value, number of shares or principal amount, and complete legal titles of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 11.

domestic product growth forecast to an annualized 6.5%, mainly due to an expected increase in exports and investment.(1) Expressing confidence in South Korea's recovery and economic policies, Moody's Investors Service raised the country's sovereign rating two notches to A3.(2)

Latin American countries struggled during the past 12 months. In Argentina, debt defaults, record-high unemployment and a devalued currency contributed to the country's fourth consecutive year of recession. A change of government and support from the International Monetary Fund (IMF) in the form of payment delays began to bear some fruit. A study undertaken by the Bank of the Province of Buenos Aires reported that banks actually experienced net deposits of US\$58.3 million in the three-week period between July 14 and August 6, after months of withdrawals. Elsewhere in the region, contagion from Argentina, political uncertainty as a result of upcoming presidential elections in October 2002 and a currency devaluation led to significant volatility in Brazil's financial markets. While investor sentiment toward Latin America as a region was negative during the period, economic growth improved to some extent and inflation was relatively low.

Aimed at improving minority shareholder rights protection, Mexico revealed a new

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takeover code. The new rules are expected to give all shareholders equal rights compared with the past when rules worked in favor of majority shareholders. Further boosting investor confidence, international ratings agency Standard & Poor's upgraded the country's sovereign debt to investment grade. We believe that over the long term, Mexico's proximity to the U.S. and the North American Free Trade Agreement could enable it to benefit from any U.S.

2. Source: AFX News Limited.

GEOGRAPHIC DISTRIBUTION  
BASED ON TOTAL NET ASSETS  
8/31/02

[PIE CHART OMITTED]

ASIA	56.1%
MID-EAST/AFRICA	16.9%
EUROPE	11.5%
LATIN AMERICA	11.3%
SHORT-TERM INVESTMENTS & OTHER NET ASSETS	4.2%

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economic recovery, and in our opinion Mexico's strengthening economy could continue to attract investors wishing to maintain exposure to the emerging markets asset class.

Elsewhere, we believe continued support in the form of additional loans from the IMF and the World Bank could allow Turkey to work toward the implementation of key reforms. In our opinion, Turkey's increasing global importance could provide it with the much-needed support to pull itself out of an economic crisis. As a result of resignations from Turkey's ruling government, coalition leaders agreed to hold early elections in November 2002. We believe the election of a new government could help reduce some of the political uncertainty that plagued the country in the recent past.

In South Africa, the government's inquiry into the rapid devaluation of the rand in the last quarter of 2001 concluded with no significant explanations. Higher commodity prices and some weakness in the U.S. dollar allowed the currency to rebound from its low earlier this year. According to recent purchasing parity studies, the rand was still significantly undervalued. After a 12-month delay, South Africa invited foreign investors to bid for 51% of a second fixed-line telephone license. Moreover, the government sold its 20% stake in MCell for US\$475 million. These acts continued to signal the nation's commitment to privatization.

Within this environment, the Morgan Stanley Capital International (MSCI) Emerging Markets Free Index returned 2.47% in U.S. dollar terms for the year ended August 31, 2002.(3) During the same time, Templeton Emerging Markets Fund posted a -2.82% cumulative total return in market-price

3. Source: Standard & Poor's Micropal. The unmanaged MSCI Emerging Markets Free

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Index is market capitalization-weighted and measures the total returns of equity securities available to foreign (non-local) investors in emerging markets globally. One cannot invest directly in an index, nor is an index representative of the Fund's portfolio.

### TOP 10 COUNTRIES

Based on Equity Investments  
8/31/02

	% OF TOTAL NET ASSETS
South Africa	15.8%
South Korea	15.3%
Hong Kong	7.7%
Mexico	5.9%
Taiwan	5.0%
China	4.9%
Brazil	4.7%
Turkey	4.7%
Indonesia	4.5%
Thailand	4.3%

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terms and +0.29% return in net asset value terms, as shown in the Performance Summary on page 8. We attribute the Fund's performance largely to our fundamental investment approach, focusing on companies and not on top-down analyses of economies or sectors.

During the 12-month reporting period, we increased our exposure to Asia, particularly South Korea and Taiwan. In South Korea, we increased the Fund's exposure to the telecommunications and utilities sectors by purchasing shares in SK Telecom because we considered the company's valuations attractive, and added KT Corp. due, in part, to its near monopoly position and strong cash flows. We also increased our holdings in Korea Electric Power Corp. as we believe privatization plans could unlock value and create investor interest. We also made two new purchases in the South Korean banking and finance sectors, including Kookmin Credit Card and Cho Hung Bank, due largely to their appealing valuations and strong market positions. In Taiwan, we increased our positions in existing holdings such as Yageo Corp. and Ritek Corp. due largely to their strong market positions and future growth potential. We also saw value in Taiwan's banking and finance sectors and added International Commercial Bank of China and Sinopac Holdings to the portfolio.

The Fund's exposure to India also increased during the period. Key purchases included ITC Ltd. and Satyam Computers Ltd. We favor ITC largely due to its near-monopoly position and strong brand names. In our view, Satyam's attractiveness stems from its healthy relationships with large multinational organizations, as well as its competitive advantage and favorable software industry regulations. We increased our holdings in China Red Chip (Hong Kong-registered firms with significant exposure to China) companies, as we believe that many of these companies are well-positioned to benefit from China's accession

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into the WTO, strong domestic growth, low-cost manufacturing ability and cheap resources.

Our exit from markets such as Estonia, Finland, Slovak Republic, Colombia and Chile allowed us to increase our exposure to Asia. As of period-end, 56.1% of the Fund's total net assets were in Asia compared with 35.2% a year earlier. The Fund's exposure to Mexico fell as we locked in profits from the strong market performance of Cemex, the world's third-largest cement company. We also took profits on selective shares in Thailand. In addition, we reduced our exposure to the Czech Republic through the sale of CEZ due to an anticipated deterioration of margins that might result from the country's liberalization of the electricity market. Exposure to Poland also fell with the sale of Telekomunikacja Polska due, in part, to our concerns over debt financing.

During the year under review, we increased our investment in selective holdings in South Africa. These investments included Anglo American, due to its dominant market position, sound balance sheet and positive cash flows, and Old Mutual because of its international exposure and our assessment of its excellent management team and solid track record. Following market corrections resulting from political instability and currency devaluation, we were able to invest in Brazil at what we considered attractive valuations.

As of August 31, 2002, our top three sectors were banks, diversified financials and integrated oil and gas. With regard to the top 10 holdings, South Korea's Korea Electric Power Corp., Turkey's Akbank, Thailand's Siam Cement, Hong Kong's Citic Pacific and Russia's Lukoil replaced Mexico's Cemex and Telmex, South Africa's Remgro and Barloworld, Hong Kong's Cheung Kong Holdings and Brazil's Banco Bradesco.

### TOP 10 EQUITY HOLDINGS 8/31/02

COMPANY SECTOR/INDUSTRY, COUNTRY	% OF TOTAL NET ASSETS
SABMiller PLC BEVERAGES, SOUTH AFRICA	2.9%
PT Telekomunikasi Indonesia TBK, B DIVERSIFIED TELECOMMUNICATION SERVICES, INDONESIA	2.5%
Kimberly Clark de Mexico SA de CV, A HOUSEHOLD PRODUCTS, MEXICO	2.0%
Anglo American PLC METALS & MINING, SOUTH AFRICA	2.0%
Korea Electric Power Corp. ELECTRIC UTILITIES, SOUTH KOREA	1.9%
Samsung Electronics Co. Ltd. SEMICONDUCTOR EQUIPMENT & PRODUCTS, SOUTH KOREA	1.9%

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Akbank BANKS, TURKEY	1.8%
Siam Cement Public Co. Ltd., ord. & fgn. CONSTRUCTION MATERIALS, THAILAND	1.8%
Citic Pacific Ltd. INDUSTRIAL CONGLOMERATES, HONG KONG	1.7%
Lukoil Holdings, ADR OIL & GAS, RUSSIA	1.6%

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Despite the recent volatility, we are still optimistic about the potential of emerging markets over the long term because they have been driven down to very low price-to-earnings and price-to-book ratios relative to the U.S. markets. It appears that value investors may have begun to realize this. Recent allegations of accounting irregularities demonstrated that developed markets are not necessarily safer than emerging markets. As a result, investors seem to have begun reevaluating their portfolios and developing more open minds toward investing in emerging markets. Over the long term, we expect emerging markets to improve economic performances if they continue to reform and liberalize their economies.

It is important to note that investing in foreign securities involves special risks, such as adverse economic, social and political developments in the countries where the Fund invests, as well as market and currency volatility. Emerging markets securities involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. Investing in any emerging market means accepting a certain amount of volatility and, in some cases, the consequences of severe market corrections. For example, the MSCI Hong Kong Index has increased 337% in the past 15 years, but has suffered seven quarterly declines of more than 15% each during that time.(4) While short-term volatility can be disconcerting, declines in excess of 50% are not unusual in emerging markets.

4. Source: Standard & Poor's Micropal. Based on quarterly percentage total return change over 15 years ended 6/30/02. Market return is measured in U.S. dollars and includes reinvested dividends. The MSCI Hong Kong Index is market capitalization-weighted and measures the total returns of equity securities in Hong Kong.

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Thank you for your continued participation in Templeton Emerging Markets Fund. We welcome your comments and suggestions.

Sincerely,

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/s/MARK MOBIUS

Mark Mobius  
 President  
 Templeton Emerging Markets Fund, Inc.

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 This discussion reflects our views, opinions and portfolio holdings as of August 31, 2002, the end of the reporting period. The information provided is not a complete analysis of every aspect of any country, industry, security or the Fund. Our strategies and the Fund's portfolio composition will change depending on market and economic conditions. Although historical performance is no guarantee of future results, these insights may help you understand our investment and management philosophy.  
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## PERFORMANCE SUMMARY AS OF 8/31/02

DISTRIBUTIONS AND RETURNS WILL VARY BASED ON EARNINGS OF THE FUND'S PORTFOLIO AND ANY PROFITS REALIZED FROM THE SALE OF THE PORTFOLIO'S SECURITIES, AS WELL AS THE LEVEL OF THE FUND'S OPERATING EXPENSES. ALL TOTAL RETURNS INCLUDE REINVESTED DISTRIBUTIONS ACCORDING TO THE TERMS SPECIFIED IN THE FUND'S DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN AND DO NOT REFLECT ANY SALES CHARGES PAID AT INCEPTION OR BROKERAGE COMMISSIONS PAID ON SECONDARY MARKET PURCHASES. THE PERFORMANCE TABLE DOES NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE SALE OF FUND SHARES.

## PRICE AND DISTRIBUTION INFORMATION

	CHANGE	8/31/02	8/31/01
Net Asset Value (NAV)	-\$0.10	\$8.76	\$8.86
Market Price (NYSE)	-\$0.35	\$8.00	\$8.35
DISTRIBUTIONS (9/1/01-8/31/02)			
Dividend Income	\$0.1073		

## PERFORMANCE

	1-YEAR	5-YEAR	10-YEAR
Cumulative Total Return(1)			
Based on change in net asset value	+0.29%	-22.81%	+78.84%
Based on change in market price	-2.82%	-36.99%	+39.50%
Average Annual Total Return(1)			
Based on change in net asset value	+0.29%	-5.05%	+5.99%
Based on change in market price	-2.82%	-8.83%	+3.39%

1. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated.

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Ongoing stock market volatility can dramatically change the Fund's short-term performance; current results may differ. Since markets can go down as well as up, investment return and principal value will fluctuate with market conditions, currency volatility, and the economic, social and political climates of countries where the Fund invests. Emerging markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. You may have a gain or loss when you sell your shares.  
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For updated performance figures, please call Franklin Templeton Investments at 1-800/342-5236.

Past performance does not guarantee future results.

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### IMPORTANT NOTICE TO SHAREHOLDERS

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CHANGE TO NON-FUNDAMENTAL INVESTMENT POLICY. In May 2002, the Fund's Board of Directors approved the elimination of the Fund's non-fundamental operating policy limiting the Fund's investment in Russian securities to no more than 5% of the Fund's total assets. The Board's recent action provides the Fund's investment manager with the ability to take advantage of additional attractive investment opportunities in Russia. The Fund's goal of seeking long-term capital appreciation by investing primarily in emerging country equity securities, as well as its other investment policies, restrictions and diversification requirements, remains the same.

NAMES RULE. The U.S. Securities and Exchange Commission adopted new Rule 35d-1 under the Investment Company Act of 1940, as amended (the "Names Rule"), requiring a fund with a name suggesting a focus in a particular type of investment, in a particular industry, or in a particular geographic region, to invest, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the type of investment, industry or geographic region suggested by its name.

Consistent with the Names Rule, the Fund's Board of Directors adopted a non-fundamental investment policy to invest, under normal circumstances, at least 80% of the Fund's net assets in "emerging country equity securities." In accordance with the Names Rule, the Fund has also adopted a non-fundamental policy to provide shareholders with 60 days' advance notice of any change to the foregoing 80% investment policy. The Fund's current non-fundamental investment policy is to invest at least 75% of its total assets in "emerging country equity securities."

SHARE REPURCHASE PROGRAM. On November 28, 2000, the Board of Directors of the Fund authorized management to implement an open-market share repurchase program pursuant to which the Fund may purchase, from time to time, shares of the Fund's common stock in open-market transactions, at the discretion of management. This authorization remains in effect.  
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TEMPLETON EMERGING MARKETS FUND, INC.



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## Financial Highlights

	YEAR ENDED AUGUST 31,			
	2002	2001	2000	1999
<b>PER SHARE OPERATING PERFORMANCE+</b> (for a share outstanding throughout the year)				
Net asset value, beginning of year .....	\$8.86	\$11.44	\$11.60	\$10.8
Income from investment operations:				
Net investment income .....	.15	.12	.13	.1
Net realized and unrealized gains (losses) .....	(.14)	(2.60)	(.16)	5.1
Total from investment operations .....	.01	(2.48)	(.03)	5.3
Less distributions from:				
Net investment income .....	(.11)	(.10)	(.10)	(.2
Net realized gains .....	--	--	(.03)	(4.2
Total distributions .....	(.11)	(.10)	(.13)	(4.5
Net asset value, end of year .....	\$8.76	\$8.86	\$11.44	\$11.6
Market value, end of year(a) .....	\$8.0000	\$8.3500	\$9.3125	\$12.250
Total return (based on market value per share) .....	(2.82)%	(9.17)%	(23.10)%	99.91
<b>RATIOS/SUPPLEMENTAL DATA</b>				
Net assets, end of year (000's) .....	\$154,640	\$156,378	\$201,965	\$204,80
Ratios to average net assets:				
Expenses .....	1.64%	1.67%	1.68%	1.63
Net investment income .....	1.67%	1.28%	1.09%	1.18
Portfolio turnover rate .....	65.13%	63.64%	81.66%	45.00

See notes to financial statements.

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TEMPLETON EMERGING MARKETS FUND, INC.  
STATEMENT OF INVESTMENTS, AUGUST 31, 2002

### INDUSTRY

COMMON STOCKS 92.2%  
\*ARGENTINA .6%

Molinos Rio de la Plata SA, B .....

Quilmes Industrial SA, B, ADR .....

Food Products  
Beverages

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AUSTRIA 2.7%		
BBAG Oesterreichische Brau-Beteiligungs AG ....	Beverages	
Erste Bank der Oester Sparkassen AG .....	Banks	
Mayr-Melnhof Karton AG .....	Containers & Packaging	
OMV AG .....	Oil & Gas	
Wienerberger AG .....	Building Products	
BRAZIL 1.7%		
Centrais Eletricas Brasileiras SA (Electrobras)	Electric Utilities	85,
Cia Vale do Rio Doce, ADR .....	Metals & Mining	
Embraer-Empresa Brasileira de Aeronautica SA ..	Aerospace & Defense	
Embraer-Empresa Brasileira de Aeronautica SA, ADR .....	Aerospace & Defense	
Souza Cruz SA .....	Tobacco	
Unibanco Uniao de Bancos Brasileiros SA, GDR ..	Banks	
CHINA 4.9%		
China Everbright Ltd. ....	Diversified Financials	
*China Mobile (Hong Kong) Ltd. ....	Wireless Telecommunication Services	
China Petroleum & Chemical Corp., H .....	Oil & Gas	11,
China Resources Enterprise Ltd. ....	Distributors	1,
China Shipping Development Co. Ltd., H .....	Marine	
*China Unicom Ltd. ....	Wireless Telecommunication Services	1,
Guangshen Railway Co. Ltd., H .....	Road & Rail	2,
PetroChina Co. Ltd., H .....	Oil & Gas	3,
Qingling Motors Co. Ltd., H .....	Automobiles	1,
TCL International Holdings Inc. ....	Household Durables	
Travelsky Technology Ltd., H .....	IT Consulting & Services	
CROATIA .6%		
Pliva D D, GDR, Reg S .....	Pharmaceuticals	
CZECH REPUBLIC .2%		
Philip Morris CR AS .....	Tobacco	
*Unipetrol .....	Chemicals	
EGYPT .6%		
*Al Ahram Beverages Co., GDR .....	Beverages	
Commercial International Bank Ltd. ....	Banks	

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TEMPLETON EMERGING MARKETS FUND, INC.  
STATEMENT OF INVESTMENTS, AUGUST 31, 2002 (CONT.)

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INDUSTRY

COMMON STOCKS (CONT.)

GREECE 1.0%

Coca-Cola Hellenic Bottling Company SA .....	Beverages
Hellenic Telecommunications Organization SA ...	Diversified Telecommunication Services

HONG KONG 7.7%

Beijing Enterprises Holdings Ltd. ....	Industrial Conglomerates	
Cheung Kong Holdings Ltd. ....	Real Estate	
Cheung Kong Infrastructure Holdings Ltd. ....	Construction Materials	
China Merchants Holdings International Co. Ltd.	Industrial Conglomerates	1,
China Travel International Investment Hong Kong Ltd. ....	Hotels Restaurants & Leisure	2,
Citic Pacific Ltd. ....	Industrial Conglomerates	1,
Cosco Pacific Ltd. ....	Transportation Infrastructure	2,
Dairy Farm International Holdings Ltd. ....	Food & Drug Retailing	
Giordano International Ltd. ....	Specialty Retail	
Hang Lung Group Ltd. ....	Real Estate	
Henderson Investment Ltd. ....	Real Estate	
Hutchison Whampoa Ltd. ....	Industrial Conglomerates	
MTR Corp. Ltd. ....	Road & Rail	
Shanghai Industrial Holdings Ltd. ....	Industrial Conglomerates	
*Smartone Telecommunications Holdings Ltd. ....	Wireless Telecommunication Services	

HUNGARY 2.4%

Egis RT .....	Pharmaceuticals
Gedeon Richter Ltd. ....	Pharmaceuticals
Matav RT .....	Diversified Telecommunication Services
MOL Magyar Olaj-Es Gazipari RT .....	Oil & Gas

INDIA 3.7%

Bharat Heavy Electricals Ltd. ....	Electrical Equipment
Grasim Industries Ltd. ....	Industrial Conglomerates
Hindalco Industries Inc. ....	Metals & Mining
Hughes Software Systems Ltd. ....	IT Consulting & Services
ITC Ltd. ....	Tobacco
Mahanagar Telephone Nigam Ltd. ....	Diversified Telecommunication Services
*Reliance Industries Ltd. ....	Chemicals
Satyam Computers Services Ltd. ....	IT Consulting & Services

INDONESIA 4.5%

PT Gudang Garam TBK .....	Tobacco	
PT Indofoods Sukses Makmur TBK .....	Food Products	9,
PT Indosat (Persero) TBK .....	Diversified Telecommunication Services	1,
PT Telekomunikasi Indonesia TBK, B .....	Diversified Telecommunication Services	9,

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TEMPLETON EMERGING MARKETS FUND, INC.  
STATEMENT OF INVESTMENTS, AUGUST 31, 2002 (CONT.)

	INDUSTRY	
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COMMON STOCKS (CONT.)		
*ISRAEL .5%		
Check Point Software Technologies Ltd. ....	Internet Software & Services	
MALAYSIA 1.1%		
Genting Bhd. ....	Hotels Restaurants & Leisure	
Petronas Dagangan Bhd. ....	Oil & Gas	
SIME Darby Bhd. ....	Industrial Conglomerates	
MEXICO 5.9%		
Cemex SA .....	Construction Materials	
Fomento Economico Mexicano SA de CV Femsa .....	Beverages	
*Grupo Carso SA de CV .....	Industrial Conglomerates	
Kimberly Clark de Mexico SA de CV, A .....	Household Products	1,
Telefonos de Mexico SA de CV (Telmex), L, ADR .	Diversified Telecommunication Services	
Tubos de Acero de Mexico SA, ADR .....	Energy Equipment & Services	
PERU .2%		
Credicorp Ltd. ....	Banks	
PHILIPPINES 1.1%		
San Miguel Corp., B .....	Beverages	1,
POLAND 1.5%		
Polski Koncern Naftowy Orlen SA .....	Oil & Gas	
RUSSIA 3.0%		
GUM Trade House .....	Multiline Retail	
Lukoil Holdings, ADR .....	Oil & Gas	
Mosenergo, ADR .....	Electric Utilities	
Rostelecom, ADR .....	Diversified Telecommunication Services	
Sberbank RF .....	Banks	
*Tatneft .....	Oil & Gas	
Unified Energy Systems .....	Electric Utilities	13,
SINGAPORE 3.7%		
Cycle & Carriage Ltd. ....	Distributors	
Fraser & Neave Ltd. ....	Beverages	
Keppel Corp. Ltd. ....	Diversified Financials	
Singapore Airlines Ltd. ....	Airlines	
Singapore Telecommunications Ltd. ....	Diversified Telecommunication Services	

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SOUTH AFRICA 15.8%

ABSA Group Ltd. ....	Banks
Anglo American PLC ....	Metals & Mining
Barloworld Ltd. ....	Industrial Conglomerates
Bidvest Group Ltd. ....	Industrial Conglomerates

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TEMPLETON EMERGING MARKETS FUND, INC.  
STATEMENT OF INVESTMENTS, AUGUST 31, 2002 (CONT.)

INDUSTRY

COMMON STOCKS (CONT.)  
SOUTH AFRICA (CONT.)

*Datatec Ltd. ....	IT Consulting & Services
Firststrand Ltd. ....	Banks
Imperial Holdings Ltd. ....	Specialty Retail
Investec Ltd. ....	Diversified Financials
*Investec PLC ....	Diversified Financials
*Johnnic Holdings Ltd. ....	Wireless Telecommunication Services
Liberty Group Ltd. ....	Insurance
Nampak Ltd. ....	Containers & Packaging
Nedcor Ltd. ....	Banks
Old Mutual PLC ....	Insurance
Remgro Ltd. ....	Industrial Conglomerates
Reunert Ltd. ....	Electronic Equipment & Instruments
SABMiller PLC ....	Beverages
Sanlam Ltd. ....	Insurance
Sasol Ltd. ....	Oil & Gas
Shoprite Holdings Ltd. ....	Food & Drug Retailing
Standard Bank Group Ltd. ....	Banks
Tiger Brands Ltd. ....	Food Products
Tongaat-Hulett Group Ltd. ....	Food Products
*Venfin Ltd. ....	Wireless Telecommunication Services
Woolworths Holdings Ltd. ....	Multiline Retail

SOUTH KOREA 15.3%

Cheil Jedang Corp. ....	Food Products
*Cho Hung Bank Co. Ltd. ....	Banks
Daelim Industrial Co. ....	Construction & Engineering
Dongkuk Steel Mill Co. Ltd. ....	Metals & Mining
Hanjin Heavy Industries Co. Ltd. ....	Machinery
Hankook Tire Co. Ltd. ....	Auto Components
Hankuk Electric Glass Co. Ltd. ....	Electronic Equipment & Instruments
*Hyundai Development Co. ....	Construction & Engineering
Hyundai Motor Co. Ltd. ....	Automobiles
Jungsoft Co. Ltd. ....	Computers & Peripherals
Kangwon Land Inc. ....	Hotels Restaurants & Leisure
Kookmin Credit Card Co. Ltd. ....	Diversified Financials
Korea Electric Power Corp. ....	Electric Utilities
Korea Gas Corp. ....	Gas Utilities
KT Corp. ....	Diversified Telecommunication Services
*KT Freetel ....	Wireless Telecommunication Services

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*LG Card Co. Ltd. ....	Diversified Financials
*LG Chem Investment Ltd. ....	Industrial Conglomerates
LG Household & Health Care Ltd. ....	Household Products
*LG Life Sciences Ltd. ....	Pharmaceuticals
Nong Shim Co. Ltd. ....	Food Products
POSCO .....	Metals & Mining
Samsung Electronics Co. Ltd. ....	Semiconductor Equipment & Products

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TEMPLETON EMERGING MARKETS FUND, INC.  
STATEMENT OF INVESTMENTS, AUGUST 31, 2002 (CONT.)

INDUSTRY

COMMON STOCKS (CONT.)  
SOUTH KOREA (CONT.)

Samsung Fine Chemicals .....	Chemicals
*Samsung Heavy Industries Co. Ltd. ....	Machinery
*Samsung Securities Co. Ltd. ....	Diversified Financials
SK Corp. ....	Oil & Gas
SK Telecom Co. Ltd. ....	Wireless Telecommunication Services

TAIWAN 5.0%

Asustek Computer Inc. ....	Computers & Peripherals
Avision Inc. ....	Computers & Peripherals
China Airlines .....	Airlines
China Motor Co. Ltd. ....	Automobiles
China Steel Corp. ....	Metals & Mining
*Chinatrust Financial Holding Co. ....	Banks
Chunghwa Telcom Co. Ltd. ....	Diversified Telecommunication Services
CMC Magnetics Corp. ....	Computers & Peripherals
*Compeq Manufacturing Co. Ltd. ....	Computers & Peripherals
Delta Electronics Inc. ....	Electronic Equipment & Instruments
Elan Microelectronics Corp. ....	Software
Giant Manufacturing Co. ....	Leisure Equipment & Products
International Commercial Bank of China .....	Banks
Phoenixtec Power Co. Ltd. ....	Electrical Equipment
*Procomp Informatics Co. Ltd. ....	Machinery
Ritek Corp. ....	Computers & Peripherals
*Sinopac Holdings Co. ....	Banks
Taiwan Cellular Corp. ....	Communications Equipment
UNI-President Enterprises Corp. ....	Food Products
*Yageo Corp. ....	Electronic Equipment & Instruments
Yuanta Core Pacific Securities Co. ....	Diversified Financials

THAILAND 3.8%

*Bangkok Bank Public Co. Ltd., fgn. ....	Banks
Electricity Generating Public Co. Ltd., fgn. ..	Electric Utilities
Hana Microelectronics Co. Ltd., fgn. ....	Electronic Equipment & Instruments
PTT Exploration & Production Public Co. Ltd., fgn. ....	Oil & Gas

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*Shin Corporation Public Co. Ltd., fgn. ....	Wireless Telecommunication Services	3,
Siam Cement Public Co. Ltd. ....	Construction Materials	
Siam Cement Public Co. Ltd., fgn. ....	Construction Materials	
*Thai Farmers Bank Public Co. Ltd., fgn. ....	Banks	
TURKEY 4.7%		
*Akbank .....	Banks	987,
*Arcelik AS, Br. ....	Household Durables	173,
*Enka Insaat ve Sanayi AS .....	Industrial Conglomerates	3,

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TEMPLETON EMERGING MARKETS FUND, INC.  
STATEMENT OF INVESTMENTS, AUGUST 31, 2002 (CONT.)

	INDUSTRY	SH
-----		
COMMON STOCKS (CONT.)		
TURKEY (CONT.)		
*KOC Holding AS .....	Diversified Financials	118,
Tupras-Turkiye Petrol Rafineleri AS .....	Oil & Gas	332,
*Vestel Elektronik Sanayi ve Ticaret AS .....	Household Durables	104,
*Yapi ve Kredi Bankasi AS .....	Banks	402,
TOTAL COMMON STOCKS (COST \$150,095,515) .....		
PREFERRED STOCKS 3.6%		
Banco Bradesco SA, pfd. ....	Banks	503,
Cia de Bebidas Das Americas (Ambev), pfd. ....	Beverages	
Cia Vale do Rio Doce, A, pfd. ....	Metals & Mining	
Companhia Paranaense de Energia-Copel, B, pfd. ....	Electric Utilities	100,
Duratex SA, pfd. ....	Building Products	6,
Petroleo Brasileiro SA, pfd. ....	Oil & Gas	
*Siam Commercial Bank, 5.25%, fgn., cvt. pfd. ....	Banks	1,
TOTAL PREFERRED STOCKS (COST \$7,902,580) .....		
aSHORT TERM INVESTMENTS (COST \$6,493,993) 4.2%		
Franklin Institutional Fiduciary Trust Money		
Market Portfolio .....		6,
TOTAL INVESTMENTS (COST \$164,492,088) 100.0% .....		
OTHER ASSETS, LESS LIABILITIES .....		
TOTAL NET ASSETS 100.0% .....		

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See notes to financial statements.

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TEMPLETON EMERGING MARKETS FUND, INC.  
Financial Statements

STATEMENT OF ASSETS AND LIABILITIES  
AUGUST 31, 2002

Assets:

Investments in securities, at value (cost \$164,492,088) .....	\$154
Foreign currency, at value (cost \$ 487,443) .....	
Receivables:	
Investment securities sold .....	
Dividends and interest .....	
Total assets .....	156

Liabilities:

Payables:	
Investment securities purchased .....	1
To affiliates .....	
Funds advanced by custodian .....	
Accrued expenses .....	
Total liabilities .....	1

Net assets, at value .....	\$154
----------------------------	-------

Net assets consist of:

Undistributed net investment income .....	\$ 2
Net unrealized depreciation .....	(9)
Accumulated net realized loss .....	(42)
Capital shares .....	204

Net assets, at value .....	\$154
----------------------------	-------

Net asset value per share (\$154,640,382 / 17,656,437 shares outstanding) .....	
---	--

See notes to financial statements.

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TEMPLETON EMERGING MARKETS FUND, INC.  
Financial Statements (CONTINUED)

STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED AUGUST 31, 2002



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Investment Income:

(net of foreign taxes of \$486,720)

Dividends .....	\$ 5,261,150	
Interest .....	16,749	
	-----	
Total investment income .....		\$ 5
Expenses:		
Management fees (Note 3) .....	1,950,962	
Administrative fees (Note 3) .....	238,698	
Transfer agent fees .....	93,000	
Custodian fees .....	195,900	
Reports to shareholders .....	13,500	
Registration and filing fees .....	34,050	
Professional fees .....	36,300	
Directors' fees and expenses .....	43,000	
Other .....	7,200	
	-----	
Total expenses .....		2
		---
Net investment income .....		2
		---
Realized and unrealized gains (losses):		
Net realized loss from:		
Investments .....	(9,421,469)	
Foreign currency transactions .....	(368,848)	
	-----	
Net realized loss .....		(9
Net unrealized appreciation (depreciation) on:		
Investments .....	7,291,192	
Translation of assets and liabilities denominated in foreign currencies ....	(9,105)	
	-----	
Net unrealized appreciation .....		7
		---
Net realized and unrealized loss .....		(2
		---
Net increase in net assets resulting from operations .....		\$
		===

See notes to financial statements.

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TEMPLETON EMERGING MARKETS FUND, INC.  
Financial Statements (CONTINUED)

STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDED AUGUST 31, 2002 AND 2001

2002

Increase (decrease) in net assets:

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Operations:		
Net investment income .....	\$ 2,665,289	\$ 2
Net realized loss from investments and foreign currency transactions .....	(9,790,317)	(28)
Net unrealized appreciation (depreciation) on investments and translation of assets and liabilities denominated in foreign currencies .....	7,282,087	(17)
	-----	-----
Net increase (decrease) in net assets resulting from operations .....	157,059	(43)
Distributions to shareholders from net investment income .....	(1,894,536)	(1)
	-----	-----
Net decrease in net assets .....	(1,737,477)	(45)
Net assets:		
Beginning of year .....	156,377,859	201
	-----	-----
End of year .....	\$154,640,382	\$156
	=====	=====
Undistributed net investment income included in net assets:		
End of year .....	\$ 2,105,527	\$ 1
	=====	=====

See notes to financial statements.

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### TEMPLETON EMERGING MARKETS FUND, INC. Notes to Financial Statements

#### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Templeton Emerging Markets Fund, Inc. (the Fund) is registered under the Investment Company Act of 1940 as a closed-end, diversified investment company. The Fund seeks long-term capital appreciation by investing mainly in emerging country equity securities. The following summarizes the Fund's significant accounting policies.

##### A. SECURITY VALUATION

Securities listed or traded on a recognized national exchange or NASDAQ are valued at the latest reported sales price. Over-the-counter securities and listed securities for which no sale is reported are valued within the range of the latest quoted bid and asked prices. Securities for which market quotations are not readily available are valued at fair value as determined by management in accordance with procedures established by the Board of Directors.

##### 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 and income items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

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.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement

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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. FOREIGN CURRENCY CONTRACTS

When the Fund purchases or sells foreign securities it may enter into foreign exchange contracts to minimize foreign exchange risk from the trade date to the settlement date of the transactions. A foreign exchange contract is an agreement between two parties to exchange different currencies at an agreed upon exchange rate on a specified date. Realized and unrealized gains and losses are included in the Statement of Operations.

The risks of these contracts include movement in the values of the foreign currencies relative to the U.S. dollar and the possible inability of the counterparties to fulfill their obligations under the contracts.

### D. INCOME TAXES

No provision has been made for income taxes because the Fund's policy is to qualify as a regulated investment company under the Internal Revenue Code and to distribute all of its taxable income.

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TEMPLETON EMERGING MARKETS FUND, INC.  
Notes to Financial Statements (CONTINUED)

## 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### 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. Certain income from foreign securities is recorded as soon as information is available to the Fund. Interest income and estimated expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date.

### 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 expense during the reporting period. Actual results could differ from those estimates.

## 2. CAPITAL SHARES

On November 29, 2000, the Board of Directors of the Fund authorized management to implement an open-market share repurchase program pursuant to which the Fund may purchase, from time to time, shares of the Fund's common stock in open-market transactions, at the discretion of management.

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At August 31, 2002, there were 30 million shares authorized (\$0.01 par value). During the year ended August 31, 2002 and the year ended August 31, 2001, there were no share transactions.

### 3. TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Certain officers of the Fund are also officers or directors of Templeton Asset Management Ltd. (TAML) and Franklin Templeton Services, LLC (FT Services), the Fund's investment manager and administrative manager, respectively.

The Fund pays an investment management fee to TAML of 1.25% per year of the Fund's average daily net assets. Management fees were reduced on assets invested in the Franklin Institutional Fiduciary Trust Money Market Portfolio (the Sweep Money Fund) in an amount not to exceed the management fees paid by the Sweep Money Fund. The Fund pays an administrative fee monthly to FT Services at an annual rate of 0.15% per year of the Fund's average daily net assets.

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TEMPLETON EMERGING MARKETS FUND, INC.  
Notes to Financial Statements (CONTINUED)

### 4. INCOME TAXES

At August 31, 2002, the cost of investments, net unrealized depreciation, and undistributed ordinary income for income tax purposes were as follows:

Cost of investments .....	\$166,240,842
	-----
Unrealized appreciation .....	12,932,872
Unrealized depreciation .....	(24,585,071)
	-----
Net unrealized depreciation .....	\$(11,652,199)
	=====
Distributable earnings - ordinary income ..	\$ 2,645,717
	=====

The tax character of distributions paid during the year ended August 31, 2002, was the same for financial statements and tax purposes.

Net investment income and net realized capital gains differ for financial statement and tax purposes primarily due to differing treatments of passive foreign investment companies, wash sales and losses realized subsequent to October 31 on the sale of securities and foreign currencies.

At August 31, 2002, the Fund had deferred capital and currency losses occurring subsequent to October 31, 2001 of \$6,700,971 and \$325,833 respectively. For tax purposes, such losses will be reflected in the year ending August 31, 2003.

At August 31, 2002, the Fund had tax basis capital losses which may be carried over to offset future capital gains. Such losses expire as follows:

Capital loss carryovers expiring in:	
2008 .....	\$ 1,056,614
2009 .....	2,373,131
2010 .....	30,608,800

-----  
\$34,038,545  
=====

5. INVESTMENT TRANSACTIONS

Purchases and sales of securities (excluding short-term securities) for the year ended August 31, 2002 aggregated \$121,314,541 and \$94,805,744, respectively.

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TEMPLETON EMERGING MARKETS FUND, INC.  
INDEPENDENT AUDITORS' REPORT  
To the Board of Directors and Shareholders of  
Templeton Emerging Markets Fund, Inc.

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 the Templeton Emerging Markets Fund, Inc. (the "Fund") at August 31, 2002, 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 four 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 auditing standards generally accepted in the United States of America, which 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, 2002 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The financial highlights for the year ended August 31, 1998 were audited by other independent accountants whose report dated September 29, 1998 expressed an unqualified opinion on those financial statements.

PricewaterhouseCoopers LLP

San Francisco, California  
September 25, 2002

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TEMPLETON EMERGING MARKETS FUND, INC.  
Tax Designation (unaudited)

At August 31, 2002, more than 50% of the Fund's total assets were invested in securities of foreign issuers. In most instances, foreign taxes were withheld from dividends paid to the fund on these investments. The Fund intends to make

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an election under Section 853 of the Internal Revenue Code. This election will allow shareholders to treat their proportionate share of foreign taxes paid by the Fund as having been paid directly by them.

The following table provides a breakdown by country of foreign source income and foreign taxes paid, as designated by the Fund to shareholders in November 2002.

COUNTRY	FOREIGN TAX PAID PER SHARE	FOREIGN SOURCE INCOME PER SHARE
Austria .....	\$0.0014	\$0.0051
Brazil .....	0.0049	0.0195
Chile .....	0.0001	0.0001
China .....	0.0000	0.0090
Colombia .....	0.0000	0.0005
Croatia .....	0.0000	0.0015
Czech Republic .....	0.0007	0.0025
Egypt .....	0.0000	0.0029
Estonia .....	0.0001	0.0004
Greece .....	0.0000	0.0009
Hong Kong .....	0.0000	0.0118
Hungary .....	0.0008	0.0016
India .....	0.0008	0.0064
Indonesia .....	0.0038	0.0136
Malaysia .....	0.0003	0.0006
Mexico .....	0.0007	0.0164
Peru .....	0.0000	0.0003
Philippines .....	0.0006	0.0013
Poland .....	0.0001	0.0005
Russia .....	0.0008	0.0029
Singapore .....	0.0038	0.0233
South Africa .....	0.0005	0.0260
South Korea .....	0.0013	0.0042
Slovak Republic .....	0.0001	0.0002
Taiwan .....	0.0048	0.0084
Thailand .....	0.0003	0.0033
Turkey .....	0.0000	0.0043
TOTAL .....	\$0.0259	\$0.1675

In January 2003, shareholders will receive Form 1099-DIV which will include their share of taxes withheld and foreign source income distributed during the calendar year 2002. Shareholders are advised to check with their tax advisors for information on the treatment of these amounts on their individual income tax returns.

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TEMPLETON EMERGING MARKETS FUND, INC.  
Annual Meeting of Shareholders, August 26, 2002

The Annual Meeting of Shareholders of the Fund was held at the Fund's offices, 500 E. Broward Blvd., Ft. Lauderdale, Florida, on August 26, 2002. The purpose of the meeting was to elect five Directors of the Fund, to approve an Agreement and Plan of Reorganization that provides for the reorganization of the Fund from

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a Maryland corporation to a Delaware business trust, to approve amendments to certain of the Fund's fundamental investment restrictions (including five Sub-Proposals), and to approve the elimination of certain of the Fund's fundamental investment restrictions. At the meeting, the following persons were elected by the shareholders to serve as Directors of the Fund: Harris J. Ashton, Nicholas F. Brady, Frank J. Crothers, S. Joseph Fortunato and Edith E. Holiday.\* In addition, Shareholders approved an Agreement and Plan of Reorganization that provides for the reorganization of the Fund from a Maryland corporation to a Delaware business trust, amendments to certain of the Fund's fundamental investment restrictions (including five Sub-Proposals), and the elimination of certain of the Fund's fundamental investment restrictions. No other business was transacted at the meeting.

The results of the voting at the Annual Meeting are as follows:

Proposal 1. The election of five (5) Directors:

TERM EXPIRING 2005:	FOR	% OF OUTSTANDING SHARES	% OF VOTED SHARES	WITHHELD	% OF OUTSTANDING SHARES
Harris J. Ashton .....	11,282,342	63.90%	95.49%	533,170	3.02%
Nicholas F. Brady .....	11,293,274	63.96%	95.58%	522,238	2.96%
Frank J. Crothers .....	11,275,422	63.86%	95.43%	540,090	3.06%
S. Joseph Fortunato ....	11,269,220	63.83%	95.38%	546,292	3.09%
Edith E. Holiday .....	11,289,426	63.94%	95.55%	526,086	2.98%

\* ANDREW H. HINES, JR., BETTY P. KRAHMER, GORDON S. MACKLIN, FRED R. MILLSAPS AND CONSTANTINE D. TSERETOPOULOS CURRENTLY SERVE AS INDEPENDENT DIRECTORS. HARMON E. BURNS AND CHARLES B. JOHNSON CURRENTLY SERVE AS INTERESTED DIRECTORS. THEIR TERMS OF OFFICE CONTINUED AFTER THE ANNUAL MEETING OF SHAREHOLDERS.

Proposal 2. The approval of an Agreement and Plan of Reorganization that provides for the reorganization of the Fund from a Maryland corporation to a Delaware business trust:

	SHARES VOTED	% OF OUTSTANDING SHARES	% OF VOTED SHARES
For .....	9,128,876	51.70%	93.94%
Against .....	285,408	1.62%	2.94%
Abstain .....	303,519	1.72%	3.12%
Broker Non-Votes .....	2,097,709	11.88%	--
TOTAL .....	11,815,512	66.92%	100.00%

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TEMPLETON EMERGING MARKETS FUND, INC.  
Annual Meeting of Shareholders, August 26, 2002 (CONTINUED)

Proposal 3. The approval of amendments to certain of the Fund's fundamental investment restrictions (includes five (5) Sub-Proposals):

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Proposal 3a: To amend the Fund's fundamental investment restriction regarding borrowing and issuing senior securities:

	SHARES VOTED	% OF OUTSTANDING SHARES	% OF VOTED SHARES
For .....	8,447,118	47.84%	86.92%
Against .....	997,215	5.65%	10.26%
Abstain .....	273,469	1.55%	2.82%
Broker Non-Votes .....	2,097,710	11.88%	--
<b>TOTAL .....</b>	<b>11,815,512</b>	<b>66.92%</b>	<b>100.00%</b>

Proposal 3b: To amend the Fund's fundamental investment restriction regarding industry concentration:

	SHARES VOTED	% OF OUTSTANDING SHARES	% OF VOTED SHARES
For .....	8,683,774	49.18%	89.36%
Against .....	748,773	4.24%	7.70%
Abstain .....	285,253	1.62%	2.94%
Broker Non-Votes .....	2,097,712	11.88%	--
<b>TOTAL .....</b>	<b>11,815,512</b>	<b>66.92%</b>	<b>100.00%</b>

Proposal 3c: To amend the Fund's fundamental investment restriction regarding investments in commodities:

	SHARES VOTED	% OF OUTSTANDING SHARES	% OF VOTED SHARES
For .....	8,412,685	47.65%	86.57%
Against .....	1,016,546	5.76%	10.46%
Abstain .....	288,571	1.63%	2.97%
Broker Non-Votes .....	2,097,710	11.88%	--
<b>TOTAL .....</b>	<b>11,815,512</b>	<b>66.92%</b>	<b>100.00%</b>

Proposal 3d: To amend the Fund's fundamental investment restriction regarding investments in real estate:

	SHARES VOTED	% OF OUTSTANDING SHARES	% OF VOTED SHARES
For .....	8,741,547	49.51%	89.95%
Against .....	697,424	3.95%	7.18%
Abstain .....	278,833	1.58%	2.87%
Broker Non-Votes .....	2,097,708	11.88%	--
<b>TOTAL .....</b>	<b>11,815,512</b>	<b>66.92%</b>	<b>100.00%</b>



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TEMPLETON EMERGING MARKETS FUND, INC.  
Annual Meeting of Shareholders, August 26, 2002 (CONTINUED)

Proposal 3e: To amend the Fund's fundamental investment restriction regarding lending:

	SHARES VOTED	% OF OUTSTANDING SHARES	% OF VOTED SHARES
For .....	8,469,967	47.97%	87.16%
Against .....	915,510	5.19%	9.42%
Abstain .....	332,327	1.88%	3.42%
Broker Non-Votes .....	2,097,708	11.88%	--
TOTAL .....	11,815,512	66.92%	100.00%

Proposal 4: The approval of the elimination of certain of the Fund's fundamental investment restrictions:

	SHARES VOTED	% OF OUTSTANDING SHARES	% OF VOTED SHARES
For .....	8,545,821	48.40%	87.94%
Against .....	855,909	4.85%	8.81%
Abstain .....	316,073	1.79%	3.25%
Broker Non-Votes .....	2,097,709	11.88%	--
TOTAL .....	11,815,512	66.92%	100.00%

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### TEMPLETON EMERGING MARKETS FUND, INC. 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; Stock dividends and capital gains distributions will be reinvested automatically; Mellon Investor Services, P.O. Box 3338, South Hackensack, NJ 07606-1938, will provide additional Plan information upon request.

Whenever the Fund declares dividends in either cash or common stock 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 stock 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 payments to Mellon Securities Trust Company (the "Plan Agent"), 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 shall be made by check or money order payable to "Mellon Securities Trust Co." and sent to Mellon Investor Services, P.O. Box 382009, Pittsburgh, PA 15250-8009, Attn: Templeton Emerging Markets Fund, Inc. The Plan Agent shall apply such payments (less a \$5.00 service charge and less a pro rata

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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.

The participant may withdraw from the Plan without penalty at any time by written notice to the Plan Agent sent to Mellon Investor Services, P.O. Box 3338, South Hackensack, NJ 07606-1938. Upon withdrawal, the participant will receive, without charge, stock certificates issued in the participant's name for all full shares held by the Plan Agent; or, if the participant wishes, the Plan Agent will sell the participant's shares and send the proceeds, less a service charge of \$5.00 and less trading fees.

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.

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TEMPLETON EMERGING MARKETS FUND, INC.

### TRANSFER AGENT

Mellon Investor Services LLC  
85 Challenger Road  
Overpeck Centre  
Ridgefield Park, NJ 07660  
1-800-416-5585  
[www.melloninvestor.com](http://www.melloninvestor.com)

### SHAREHOLDER INFORMATION

Shares of Templeton Emerging Markets Fund, Inc. are traded on the New York Stock Exchange under the symbol "EMF." The Fund's shares are also listed and traded on the Pacific Exchange. 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

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1-800-416-5585. Registered shareholders can now access their Fund account on-line with INVESTOR SERVICEDIRECTSM. For information go to Mellon Investor Services' web site at <https://www.melloninvestor.com> 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 the 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 Emerging Markets Fund, Inc., 100 Fountain Parkway, P.O. Box 33030, St. Petersburg, FL 33733-8030.

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### BOARD MEMBERS AND OFFICERS

The name, age and address of the officers and board members, as well as their affiliation, 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. Each board member will serve until that person's successor is elected and qualified.

#### INDEPENDENT BOARD MEMBERS

NAME, AGE AND ADDRESS	POSITION	LENGTH OF TIME SERVED	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER*	O
HARRIS J. ASHTON (70) 500 East Broward Blvd. Suite 2100 Ft. Lauderdale, FL 33394-3091	Director	Since 1992	132	D c

#### PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Director of various companies; and FORMERLY, Director, RBC Holdings, Inc. (bank holding company) Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft ce

FRANK J. CROTHERS (58) 500 East Broward Blvd. Suite 2100 Ft. Lauderdale, FL 33394-3091	Director	Since 1999	16	N
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#### PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Chairman, Caribbean Electric Utility Services Corporation and Atlantic Equipment & Power Ltd.; Vi Utilities Co. Ltd.; Director and President, Provo Power Company Ltd.; and director of various oth nonprofit organizations.

S. JOSEPH FORTUNATO (70) 500 East Broward Blvd. Suite 2100 Ft. Lauderdale, FL 33394-3091	Director	Since 1992	133	N
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#### PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

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Member of the law firm of Pitney, Hardin, Kipp & Szuch.

-----  
 ANDREW H. HINES, JR. (79) Director Since 1990 27 N  
 500 East Broward Blvd.  
 Suite 2100  
 Ft. Lauderdale, FL 33394-3091

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Consultant, Triangle Consulting Group; and Executive-in-Residence, Eckerd College (1991-present); and Director, Precise Power Corporation (1990-1997); Director, Checkers Drive-In Restaurant, Inc. Chairman of the Board and Chief Executive Officer, Florida Progress Corporation (holding company (1982-1990) and director of various of its subsidiaries.

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NAME, AGE AND ADDRESS	POSITION	LENGTH OF TIME SERVED	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER*	O
----- EDITH E. HOLIDAY (50) 500 East Broward Blvd. Suite 2100 Ft. Lauderdale, FL 33394-3091	Director	Since 1996	81	D ( a B c ( p M d C (

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Director of various companies; and FORMERLY, Assistant to the President of the United States and Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Co Secretary and Assistant Secretary for Public Affairs and Public Liaison - United States Treasury

-----  
 BETTY P. KRAHMER (73) Director Since 1990 21 N  
 500 East Broward Blvd.  
 Suite 2100  
 Ft. Lauderdale, FL 33394-3091

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Director or trustee of various civic associations; and FORMERLY, Economic Analyst, U.S. government

-----  
 GORDON S. MACKLIN (74) Director Since 1993 132 D  
 500 East Broward Blvd.  
 Suite 2100  
 Ft. Lauderdale, FL 33394-3091  
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PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Deputy Chairman, White Mountains Insurance Group, Ltd. (holding company); and FORMERLY, Chairman, (financial services) (until 1998) and Hambrecht & Quist Group (investment banking) (until 1992); Association of Securities Dealers, Inc. (until 1987).

-----  
 FRED R. MILLSAPS (73) Director Since 1990 27 N  
 500 East Broward Blvd.  
 Suite 2100  
 Ft. Lauderdale, FL 33394-3091

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Director of various business and nonprofit organizations; and manager of personal investments (1994-present); FORMERLY, Chairman and Chief Executive Officer, Landmark Banking Corporation (1969-1978); Financial Services, Florida Power and Light (1965-1969); and Vice President, Federal Reserve Bank of Atlanta (1958-1969).

-----  
 CONSTANTINE D. Director Since 1999 17 N  
 TSERETOPOULOS (48)  
 500 East Broward Blvd.  
 Suite 2100  
 Ft. Lauderdale, FL 33394-3091

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Physician, Lyford Cay Hospital (1987-present); and director of various nonprofit organizations; a Fellow, University of Maryland (1985-1987) and Internal Medicine Resident, Greater Baltimore Medical Center (1982-1987).

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INTERESTED BOARD MEMBERS AND OFFICERS

NAME, AGE AND ADDRESS	POSITION	LENGTH OF TIME SERVED	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER*	
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**NICHOLAS F. BRADY (72) 500 East Broward Blvd. Suite 2100 Ft. Lauderdale, FL 33394-3091	Director	Since 1993	62	D ( a i H a

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Chairman, Templeton Emerging Markets Investment Trust PLC, Darby Overseas Investments, Ltd. and Dreyfus LDC (investment firms) (1994-present); Director, Templeton Capital Advisors Ltd. and Franklin Templeton formerly, Secretary of the United States Department of the Treasury (1988-1993); Chairman of the Board, Hambrecht & Quist (investment banking) (until 1988); and U.S. Senator, New Jersey (April 1982-December 1982).

-----  
 \*\*HARMON E. BURNS (57) Director and Director since 33 N  
 One Franklin Parkway Vice President 1992 and  
 San Mateo, CA 94403-1906 Vice President since 1996

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Vice Chairman, Member - Office of the Chairman and Director, Franklin Resources, Inc.; Vice President, Franklin Templeton Distributors, Inc.; Executive Vice President, Franklin Advisers, Inc.; Director, Franklin Advisory Services, Inc.; officer and/or director or trustee, as the case may be, of some of the companies of Franklin Resources, Inc.; and officer of 50 of the investment companies in Franklin Templeton Investments.

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**CHARLES B. JOHNSON (69)	Director,	Director and	132	N
One Franklin Parkway	Chairman of	Chairman of		
San Mateo, CA 94403-1906	the Board and	the Board since		
	Vice President	1995 and Vice		
		President since		
		1992		

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Chairman of the Board, Chief Executive Officer, Member - Office of the Chairman and Director, Franklin Templeton Distributors, Inc.; Director, Fiduciary Trust Company International director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, 47 of the investment companies in Franklin Templeton Investments.

---

JEFFERY A. EVERETT (38)	Vice President Since 2001	Not Applicable	N
PO Box N-7759			
Lyford Cay, Nassau, Bahamas			

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

President and Director, Templeton Global Advisors Limited; officer of 17 of the investment companies in Franklin Templeton Investments; and FORMERLY, Investment Officer, First Pennsylvania Investment Research (FPIR).

---

MARTIN L. FLANAGAN (42)	Vice President Since 1989	Not Applicable	N
One Franklin Parkway			
San Mateo, CA 94403-1906			

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

President, Member - Office of the President, Chief Financial Officer and Chief Operating Officer, Franklin Templeton Investments, Inc.; Senior Vice President and Chief Financial Officer, Franklin Mutual Advisers, LLC; Executive Vice President and Director, Templeton Worldwide, Inc.; Executive Vice President and Chief Operating Officer, Templeton Investment Counsel, LLC; Executive Vice President and Director, Franklin Advisers, Inc.; President, Franklin Investment Advisory Services, Inc. and Franklin Templeton Investor Services, Inc.; Officer, Franklin Advisory Services, LLC; Chairman, Franklin Templeton Services, LLC; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 51 of the investment companies in Franklin Templeton Investments.

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NAME, AGE AND ADDRESS	POSITION	LENGTH OF TIME SERVED	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER*	
DAVID P. GOSS (55)	Vice President Since 2000 and Assistant Secretary		Not Applicable	N
One Franklin Parkway				
San Mateo, CA 94403-1906				

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Associate General Counsel, Franklin Resources, Inc.; President, Chief Executive Officer and Director, Franklin Resources, Inc. and Franklin Properties, Inc.; officer and/or director of some of the other subsidiaries of Franklin Resources, Inc.; officer of 52 of the investment companies in Franklin Templeton Investments; and Chief Executive Officer and Director, Property Resources Equity Trust (until 1999) and Franklin Templeton Services, Inc. (until 2000).

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BARBARA J. GREEN (54)	Vice President and Secretary	Vice President since 2000	Not Applicable	N
One Franklin Parkway				

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San Mateo, CA 94403-1906

and Secretary  
since 1996

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Vice President and Deputy General Counsel, Franklin Resources, Inc.; and Senior Vice President, T Inc. and officer of one of the other subsidiaries of Franklin Resources, Inc., and of 52 of the i Franklin Templeton Investments; and FORMERLY, Deputy Director, Division of Investment Management, and Senior Advisor to the Chairman, Counselor to the Chairman, Special Counsel and Attorney Fello Exchange Commission (1986-1995); Attorney, Rogers & Wells (until 1986); and Judicial Clerk, U.S. (District of Massachusetts) (until 1979).

-----  
CHARLES E. JOHNSON (46) Vice President Since 1996 Not Applicable N  
One Franklin Parkway  
San Mateo, CA 94403-1906

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

President, Member - Office of the President and Director, Franklin Resources, Inc.; Senior Vice P Templeton Distributors, Inc.; President and Director, Templeton Worldwide, Inc. and Franklin Advi the Board, President and Director, Franklin Investment Advisory Services, Inc.; and officer and/o the other subsidiaries of Franklin Resources, Inc. and of 33 of the investment companies in Frank Investments.

-----  
RUPERT H. JOHNSON, JR. (62) Vice President Since 1996 Not Applicable N  
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.; Vice Presi Franklin Templeton Distributors, Inc.; Director, Franklin Advisers, Inc. and Franklin Investment Inc.; Senior Vice President, Franklin Advisory Services, LLC; and officer and/or director or trus be, of some of the other subsidiaries of Franklin Resources, Inc. and of 50 of the investment com Templeton Investments.

-----  
JOHN R. KAY (62) Vice President Since 1994 Not Applicable N  
500 East Broward Blvd.  
Suite 2100  
Ft. Lauderdale, FL 33394-3091

PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Vice President, Templeton Worldwide, Inc.; Assistant Vice President, Franklin Templeton Distribut President, Franklin Templeton Services, LLC; and officer of one of the other subsidiaries of Fran and of 22 of the investment companies in Franklin Templeton Investments; and FORMERLY, Vice Presi Keystone Group, Inc.

NAME, AGE AND ADDRESS	POSITION	LENGTH OF TIME SERVED	NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER*	O
----- MICHAEL O. MAGDOL (65) 600 5th Avenue Rockefeller Center New York, NY 10048-0772	Vice President Since - AML Compliance	May 2002	Not Applicable	D C F

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PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Vice Chairman, Chief Banking Officer and Director, Fiduciary Trust Company International; officer of the case may be of some of the other subsidiaries of Franklin Resources, Inc.; and officer of 40 companies in Franklin Templeton Investments.

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MARK MOBIUS (66) Two Exchange Square, 39th Floor, Suite 3905-08 Hong Kong	President	Since 1987	Not Applicable	N
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PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Portfolio Manager of various Templeton advisory affiliates; Managing Director, Templeton Asset Management; Executive Vice President and Director, Templeton Global Advisors Limited; officer of eight of the companies in Franklin Templeton Investments; officer and/or director as the case may be of some of the subsidiaries of Franklin Resources, Inc.; and FORMERLY, President, International Investment Trust Company Limited (investment R.O.C. Fund) (1986-1987); and Director, Vickers da Costa, Hong Kong (1983-1986).

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BRUCE S. ROSENBERG (40) 500 East Broward Blvd. Suite 2100 Ft. Lauderdale, FL 33394-3091	Treasurer	Since 2000	Not Applicable	N
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PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Vice President, Franklin Templeton Services, LLC; and officer of some of the subsidiaries of Franklin Resources, Inc. and of 18 of the investment companies in Franklin Templeton Investments.

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MURRAY L. SIMPSON (65) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Assistant Secretary	Since 2000	Not Applicable	N
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PRINCIPAL OCCUPATION DURING PAST 5 YEARS:

Executive Vice President and General Counsel, Franklin Resources, Inc.; officer and/or director of some of the subsidiaries of Franklin Resources, Inc.; officer of 52 of the investment companies in Franklin Templeton Investments; and FORMERLY, Chief Executive Officer and Managing Director, Templeton Franklin Investment Services (until 2000); and Director, Templeton Asset Management Ltd. (until 1999).

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LITERATURE REQUEST

For a brochure and prospectus, which contain more complete information, including charges and expenses, call Franklin Templeton Investments at 1-800/DIAL BEN(R) (1-800/342-5236). Please read the prospectus carefully before investing or sending money. 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 determined by the presence of a regular beeping tone.

FRANKLIN TEMPLETON INVESTMENTS



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### GLOBAL GROWTH

Franklin Global Aggressive  
Growth Fund  
Franklin Global Growth Fund  
Franklin Global Health Care Fund  
Mutual Discovery Fund  
Templeton Developing Markets Trust  
Templeton Foreign Fund  
Templeton Foreign Smaller  
Companies Fund  
Templeton Global Opportunities Trust  
Templeton Global Smaller  
Companies Fund  
Templeton Growth Fund  
Templeton International  
(Ex EM) Fund  
Templeton Latin America Fund  
Templeton Pacific Growth Fund  
Templeton World Fund

### GLOBAL GROWTH & INCOME

Franklin Global  
Communications Fund  
Mutual European Fund  
Templeton Global Bond Fund

### GLOBAL INCOME

Franklin Templeton Hard  
Currency Fund

### GROWTH

Franklin Aggressive Growth Fund  
Franklin Biotechnology  
Discovery Fund  
Franklin Blue Chip Fund  
Franklin Capital Growth Fund(1)  
Franklin DynaTech Fund  
Franklin Flex Cap Growth Fund(2)  
Franklin Gold and Precious  
Metals Fund  
Franklin Growth Fund  
Franklin Large Cap Growth Fund  
Franklin Small-Mid Cap  
Growth Fund  
Franklin Technology Fund

### GROWTH & INCOME

Franklin Convertible  
Securities Fund  
Franklin Equity Income Fund  
Franklin Income Fund  
Franklin Large Cap Value Fund  
Franklin Natural Resources Fund  
Franklin Real Estate  
Securities Fund  
Franklin Rising Dividends Fund  
Franklin Small Cap Value Fund  
Franklin Utilities Fund  
Mutual Beacon Fund  
Mutual Financial Services Fund

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Mutual Qualified Fund  
Mutual Shares Fund

### FUND ALLOCATOR SERIES

Franklin Templeton Conservative Target Fund  
Franklin Templeton Growth  
Target Fund  
Franklin Templeton Moderate  
Target Fund

### INCOME

Franklin Adjustable U.S. Government Securities Fund(3)  
Franklin's AGE High Income Fund  
Franklin Floating Rate Daily  
Access Fund  
Franklin Floating Rate Trust(4)  
Franklin Short-Intermediate  
U.S. Government Securities Fund(3)  
Franklin Strategic Income Fund  
Franklin Total Return Fund  
Franklin U.S. Government  
Securities Fund(3)  
Franklin Federal Money Fund(3,5)  
Franklin Money Fund(3,5)

### TAX-FREE INCOME(6)

Double Tax-Free Income Fund  
Federal Intermediate-Term Tax-Free Income Fund  
Federal Tax-Free Income Fund  
High Yield Tax-Free  
Income Fund  
Insured Tax-Free Income Fund(7)  
Tax-Exempt Money Fund(3,5)

### STATE-SPECIFIC

#### TAX-FREE INCOME(6)

Alabama  
Arizona  
California(8)  
Colorado  
Connecticut  
Florida(8)  
Georgia  
Kentucky  
Louisiana  
Maryland  
Massachusetts(7)  
Michigan(7)  
Minnesota(7)  
Missouri  
New Jersey  
New York(8)  
North Carolina  
Ohio(7)  
Oregon  
Pennsylvania  
Tennessee  
Virginia

### INSURANCE FUNDS

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Franklin Templeton Variable Insurance Products Trust (9)

1. Formerly Franklin Growth and Income Fund. Effective 5/1/02, the fund's name changed; investment goal and strategy remained the same.
2. Formerly Franklin California Growth Fund. Effective 9/1/02, the fund's name changed and its investment criteria was modified to invest a majority of its net assets in California companies, as opposed to at least 80% of net assets.
3. An investment in the fund is neither insured nor guaranteed by the U.S. government or by any other entity or institution.
4. 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.
5. No assurance exists that the fund's \$1.00 per share price will be maintained. It is possible to lose money by investing in the fund.
6. For investors subject to the alternative minimum tax, a small portion of these dividends may be taxable. Distributions of capital gains are generally taxable.
7. Portfolio of insured municipal securities.
8. These funds are available in two or more variations, including long-term portfolios, portfolios of insured securities, a high-yield portfolio (CA) and intermediate-term and money market portfolios (CA and NY).
9. The funds of the Franklin Templeton Variable Insurance Products Trust are generally only available as investment options in variable annuity or variable life insurance contracts.

09/02

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FRANKLIN[R] TEMPLETON[R]  
INVESTMENTS

100 Fountain Parkway  
P.O. Box 33030  
St. Petersburg, FL 33733-8030

ANNUAL REPORT  
TEMPLETON EMERGING MARKETS FUND, INC.

AUDITORS  
PricewaterhouseCoopers LLP  
333 Market Street  
San Francisco, CA 94105

TRANSFER AGENT  
Mellon Investor Services LLC  
85 Challenger Road  
Overpeck Centre  
Ridgefield Park, NJ 07660

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1-800/416-5585  
www.melloninvestor.com

FUND INFORMATION  
1-800/342-5236

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.

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