

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|-----------------------------------|---|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| Templeton Emerging Markets Income Fund | | 59-3192205 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| Shareholder Services | (800) 632-2301 | N/A | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and Zip code of contact | |
| One Franklin Parkway; Attn: Fund Tax Department | | San Mateo, CA 94403 | |
| 8 Date of action | | 9 Classification and description | |
| Various | | Single class of shares issued by a single mutual fund/regulated investment company. | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| See Statement 1 | N/A | See Statement 1 | N/A |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The Fund paid quarterly cash distributions to common shareholders from September 2016 through December 2016.
A portion of this distribution constitutes a non-taxable return of capital.

See Statement 1 for additional information.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The portion of the distribution that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of The Fund.

See Statement 1 for per share non-taxable return of capital information.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The calculation of the return of capital is based upon The Fund's current and accumulated earnings and profits as of its fiscal year ended December 31, 2016. Non-taxable return of capital represents the portion of distribution paid from September 2016 through December 2016 in excess of the Fund's current and accumulated earnings and profits.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC Sections 301(c) and 316(a)

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ None

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ Signed copy is maintained by the issuer Date ▶ 1/12/2017

| | | | | | |
|-------------------------------|--|----------------------|------------------------------------|---|------|
| Paid Preparer Use Only | Print your name ▶ <u>Matthew T. Hinkle</u> | Preparer's signature | Title ▶ <u>Assistant Treasurer</u> | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's name ▶ | | | Firm's EIN ▶ | |
| | Firm's address ▶ | | | Phone no. | |

Templeton Emerging Markets Income Fund

EIN: 59-3192205

FYE: 12/31/2016

Attachment to Form 997 - Statement 1

| Part I - Line 10 | | Part I - Line 12 | | | Part II - Line 14 | Part II - Line 15 | | | |
|------------------|---------------|------------------|------------|------------|---|-------------------|-----------------------|----------------------|----------------------|
| CUSIP | Ticker Symbol | Record Date | Ex- Date | Pay Date | Original Distribution Dividend/Share | Dividend | Revised Distribution | | |
| | | | | | | | Short Term Capital | Long Term Capital | Return of Capital |
| 880 192 109 | TEI | 9/29/2016 | 9/27/2016 | 10/13/2016 | 0.2000 | 0.0666 | 0.0020 | 0.0103 | 0.1211 |
| 880 192 109 | TEI | 12/15/2016 | 12/13/2016 | 12/30/2016 | 0.2000 | 0.0666 | 0.0020 | 0.0103 | 0.1211 |