

Q4 2012 Earnings

Press Release Supplement

January 17, 2013

Important Notes

This presentation, and other statements that BlackRock may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BlackRock's future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" and similar expressions.

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In addition to risk factors previously disclosed in BlackRock's Securities and Exchange Commission ("SEC") reports and those identified elsewhere in this presentation the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management; (3) the relative and absolute investment performance of BlackRock's investment products; (4) the impact of increased competition; (5) the impact of future acquisitions or divestitures; (6) the unfavorable resolution of legal proceedings; (7) the extent and timing of any share repurchases; (8) the impact, extent and timing of technological changes and the adequacy of intellectual property and information security protection; (9) the impact of legislative and regulatory actions and reforms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock or The PNC Financial Services Group, Inc. ("PNC"); (10) terrorist activities, international hostilities and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (11) the ability to attract and retain highly talented professionals; (12) fluctuations in the carrying value of BlackRock's economic investments; (13) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products or transactions, which could affect the value proposition to clients and, generally, the tax position of BlackRock; (14) BlackRock's success in maintaining the distribution of its products; (15) the impact of BlackRock electing to provide support to its products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (16) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations in the appendix to this earnings release supplement, our current earnings release dated January 17, 2013, and BlackRock's other periodic reports, which are available on BlackRock's web site at www.blackrock.com.

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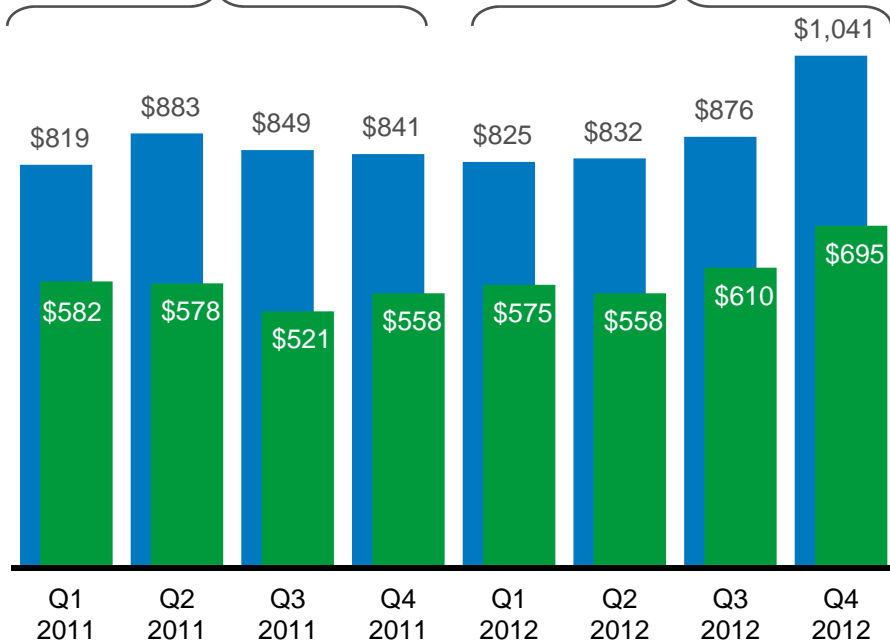
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Record diluted EPS of \$3.96, up 29% year over year and 14% sequentially

Operating and Net Income, as adjusted (\$ in millions)

Full Year 2011
Operating Income = \$3,392
Net Income = \$2,239

Full Year 2012
Operating Income = \$3,574
Net Income = \$2,438

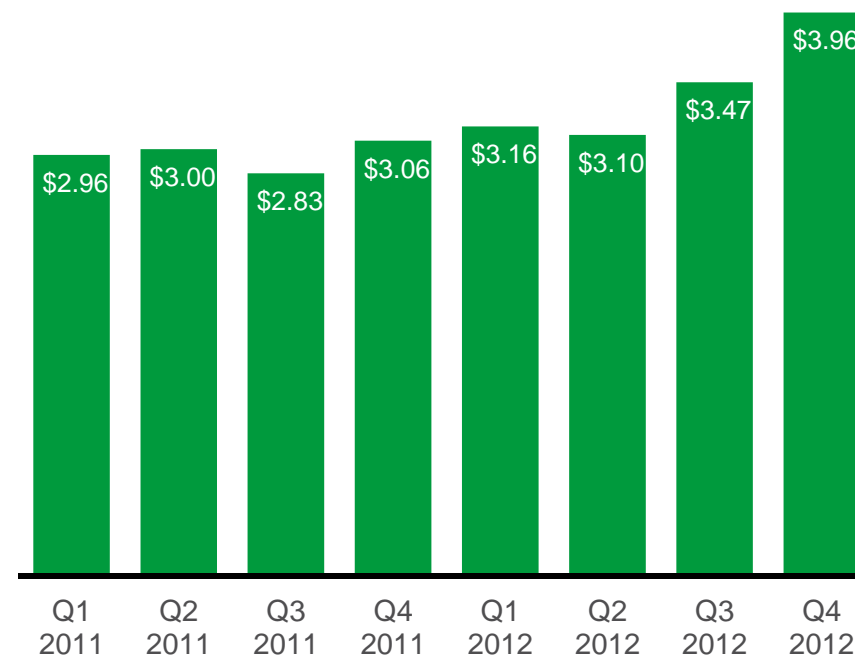


■ Operating Income ■ Net Income

Diluted Earnings Per Share, as adjusted

Full Year 2011 = \$11.85

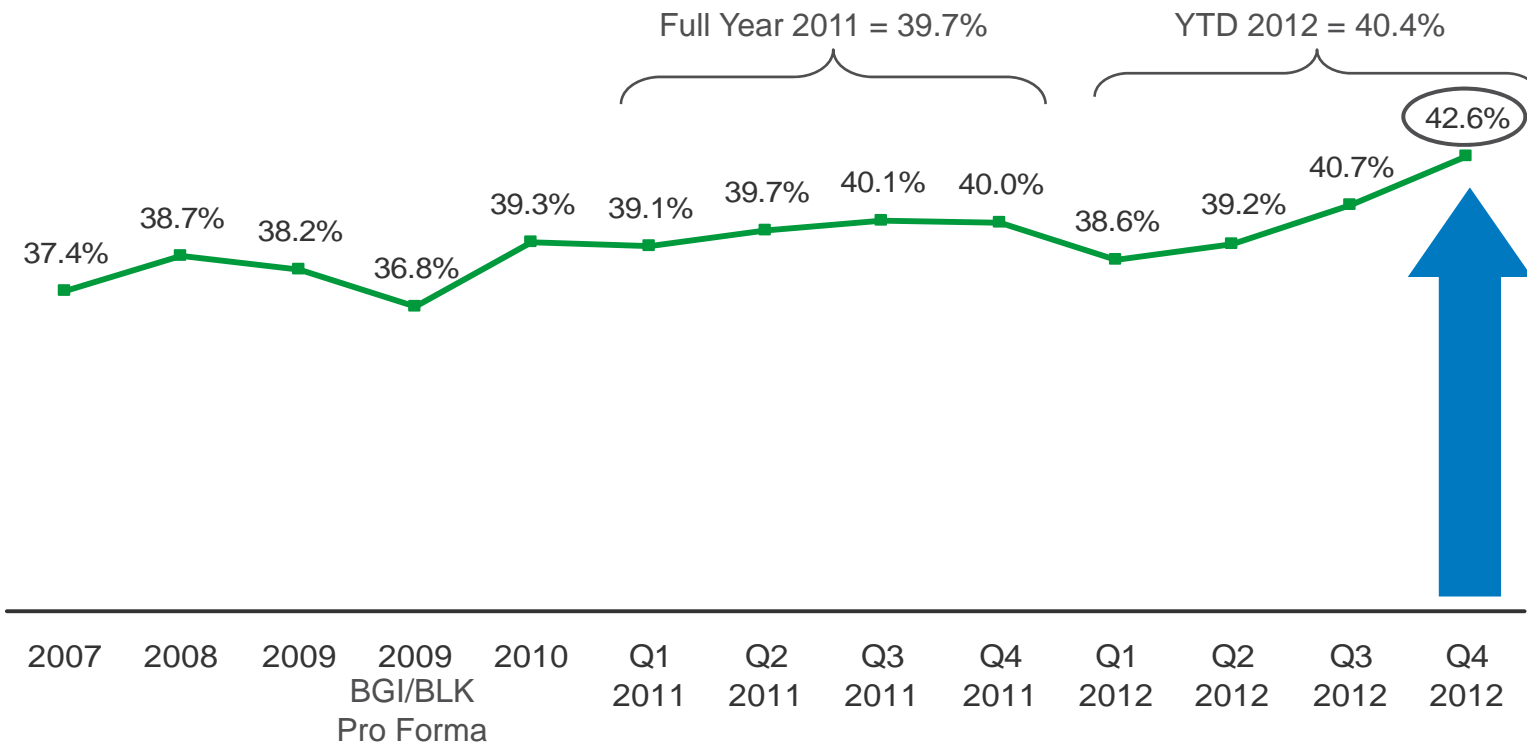
Full Year 2012 = \$13.68



For further information and reconciliation between GAAP and as adjusted, see the appendix, notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Q4 2012 operating margin improved to 42.6% and to 40.4% for full year 2012

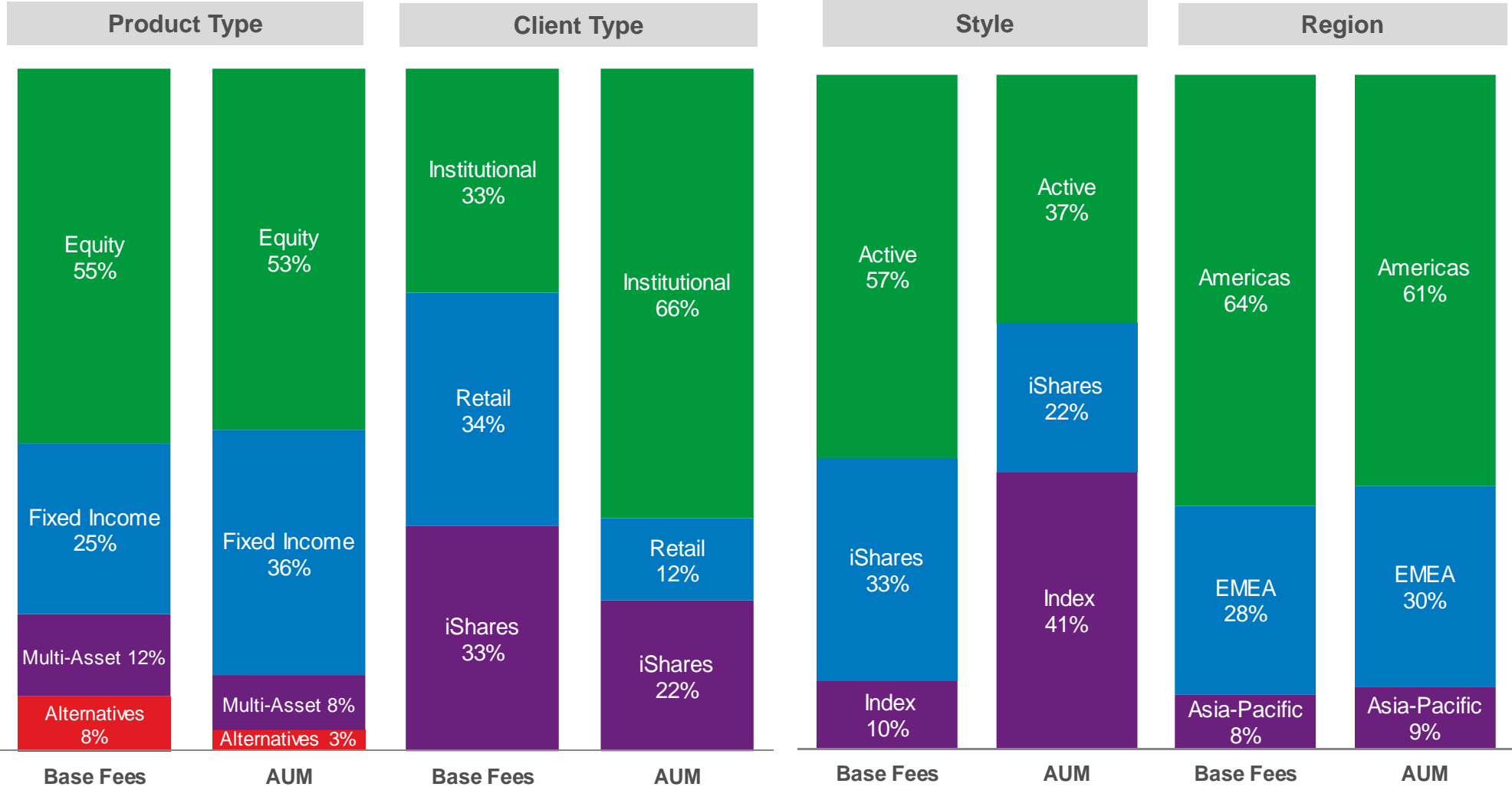
Operating Margin, as adjusted



For further information and reconciliation between GAAP and as adjusted, see the appendix, notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Q4 2012 mix by product, client type, style and region

Q4 2012 Long-term Base Fees of \$1.987 billion
 Long-term Assets Under Management of \$3.482 trillion at December 31, 2012



Major global equity markets indices

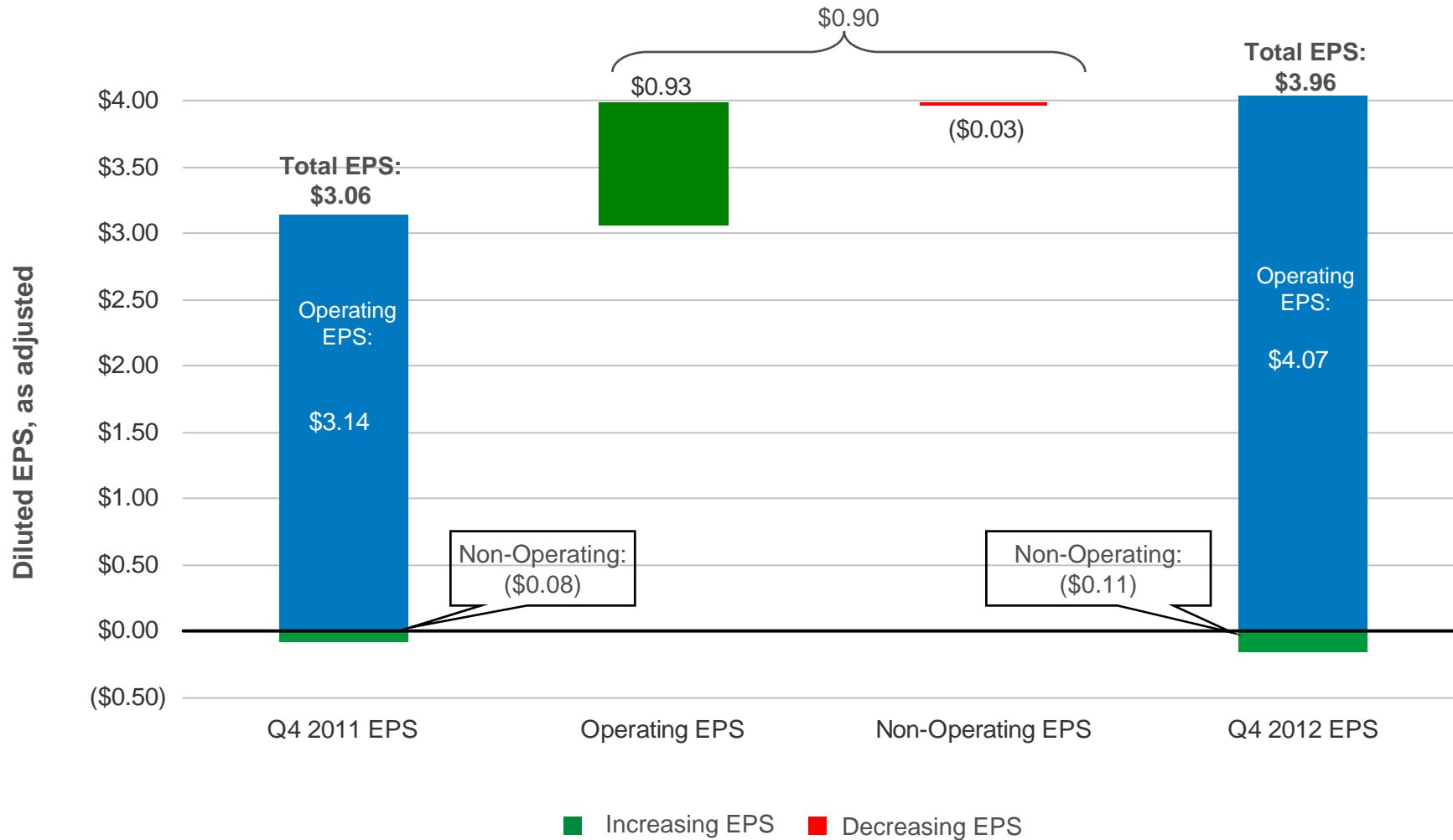
Index	Average Index Level			Q4 2012 vs.	
	Q4 2011	Q3 2012	Q4 2012	Q4 2011	Q3 2012
<i>Domestic</i>					
S&P 500	1,225	1,401	1,418	15.8%	1.2%
<i>Global</i>					
MSCI Barra World Index	1,169	1,274	1,312	12.2%	3.0%
MSCI Europe Index	82	92	94	14.6%	2.2%
MSCI AC Asia Pacific Index	115	119	124	7.8%	4.2%
MSCI Emerging Markets Index	931	961	1,009	8.4%	5.0%
S&P Global Natural Resources	3,291	3,291	3,391	3.0%	3.0%

Year-over-year

Q4 2012 vs. Q4 2011

Record EPS up 29% year-over-year driven by strong operating results

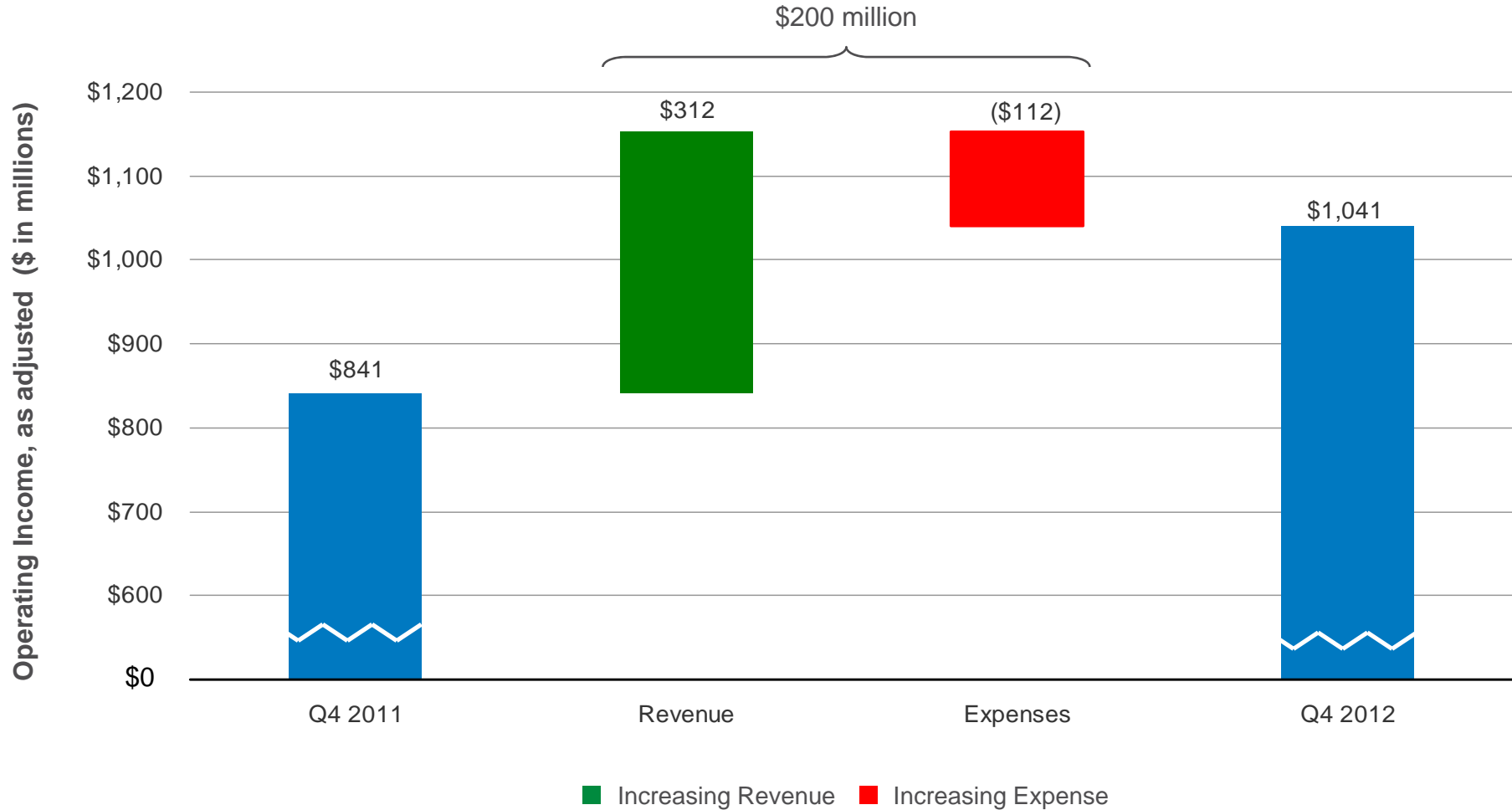
Q4 2012 Compared to Q4 2011, as adjusted



For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Year-over-year operating income reflected growth in markets and flows

Q4 2012 Compared to Q4 2011, as adjusted



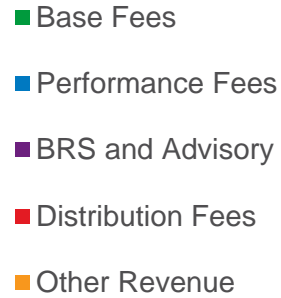
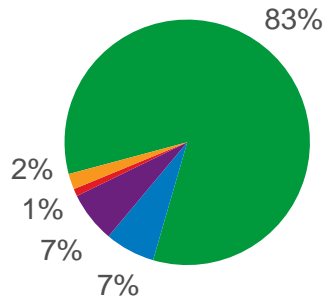
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Year-over-year revenue reflected market growth, net inflows and improved performance

Total Revenue

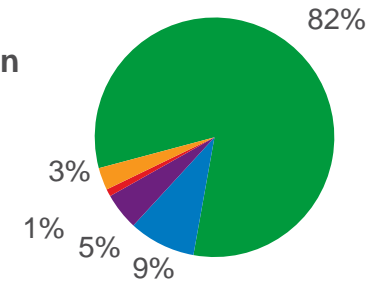
Q4 2011

\$2.23 billion

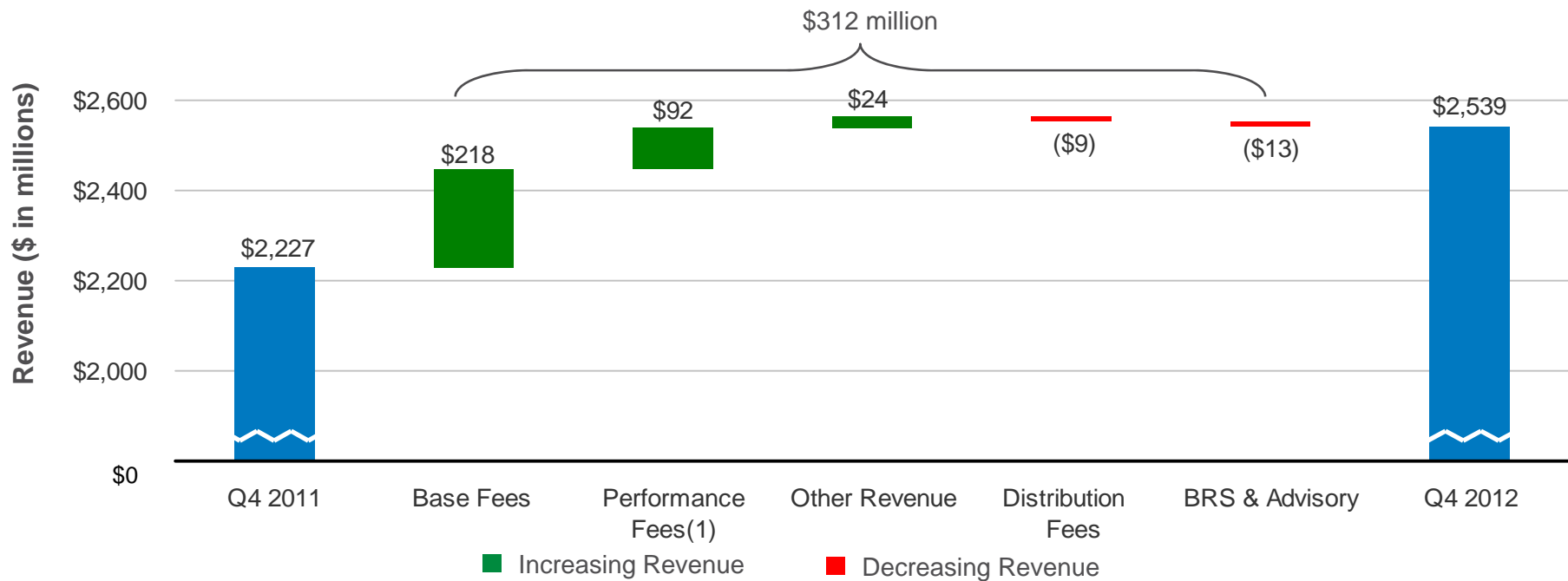


Q4 2012

\$2.54 billion



Q4 2012 Compared to Q4 2011

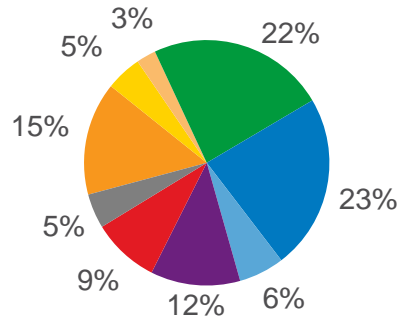


(1) Q4 2012 includes performance fees from a disposition-related opportunistic fund.

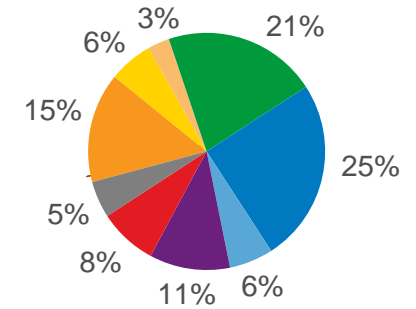
Year-over-year base fees reflected growth across most asset classes

Base fees

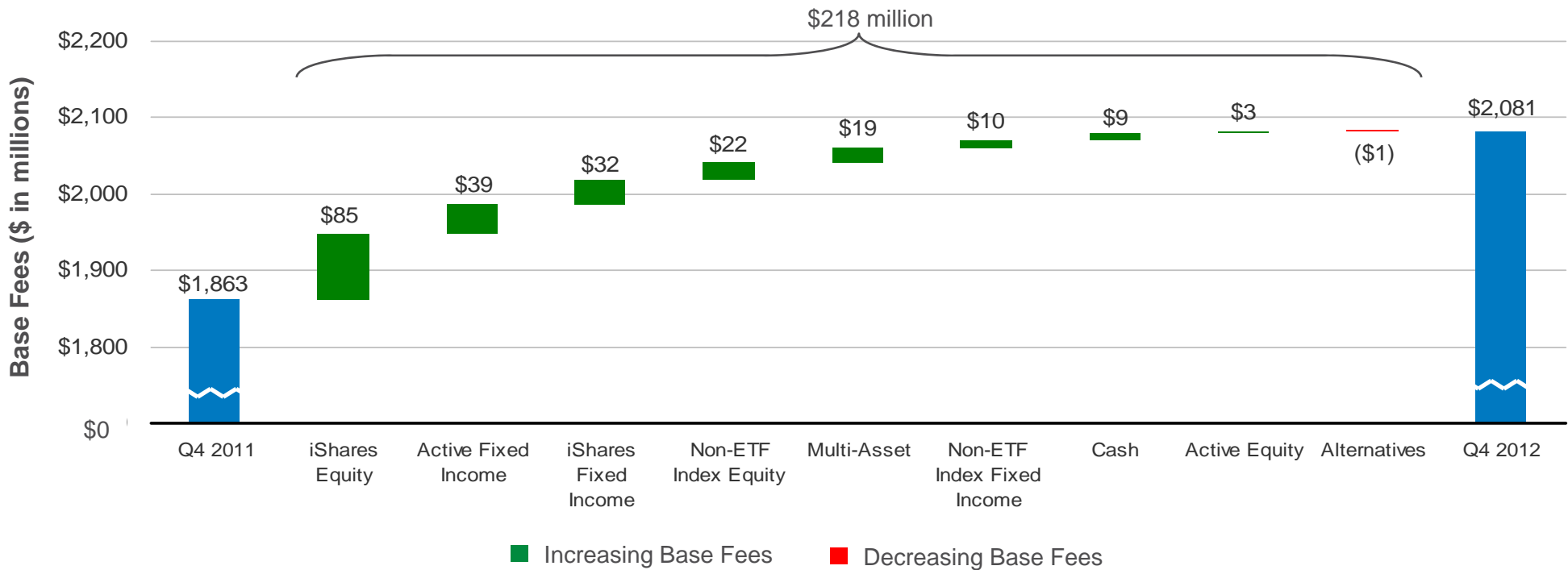
Q4 2011
\$1.86 billion



Q4 2012
\$2.08 billion



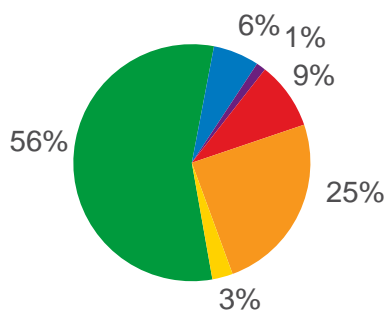
Q4 2012 Compared to Q4 2011



Year-over-year expenses reflected higher revenue-related expenses and brand costs

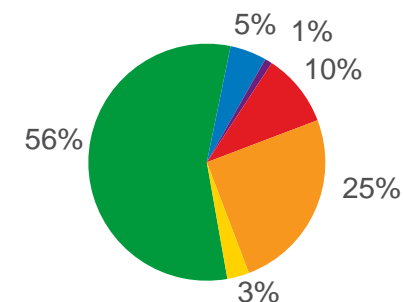
Expenses, as adjusted, by Category

Q4 2011
\$1.39 billion

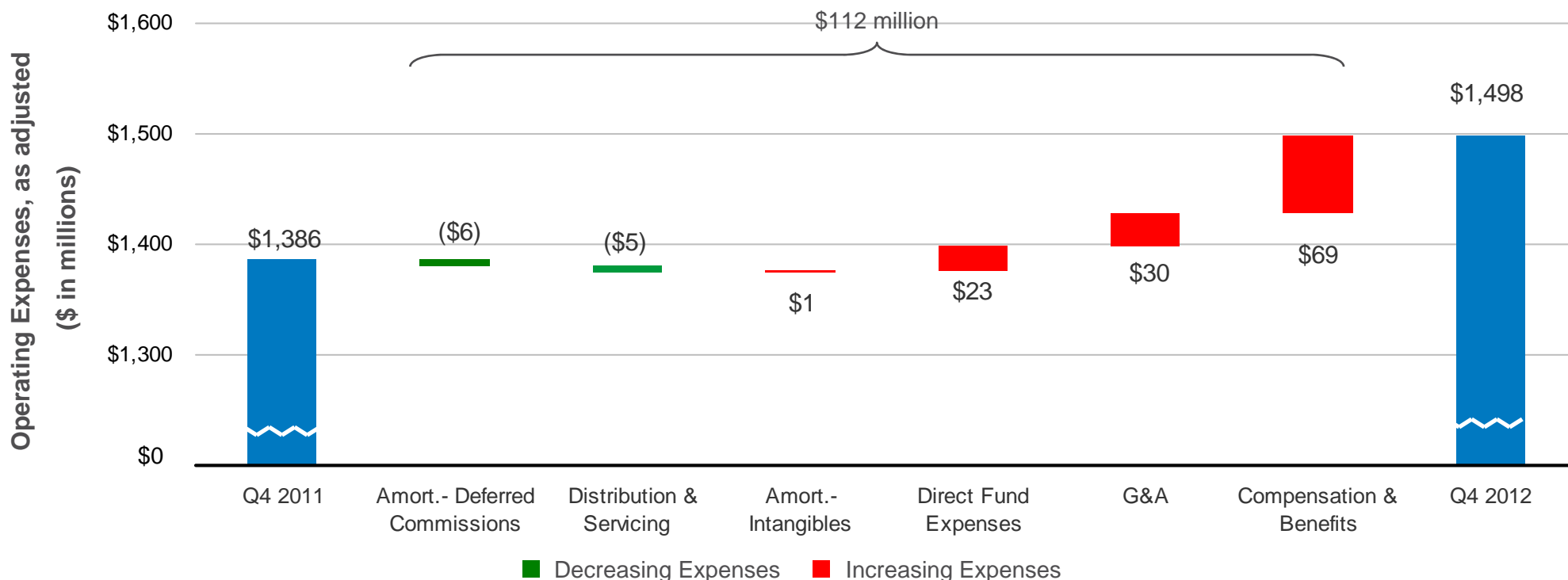


- Employee Comp. & Benefits
- Distribution & Servicing Costs
- Amort. of Deferred Sales Commissions
- Direct Fund Expenses
- General & Administration
- Amortization of Intangibles

Q4 2012
\$1.50 billion



Q4 2012 Compared to Q4 2011, as adjusted



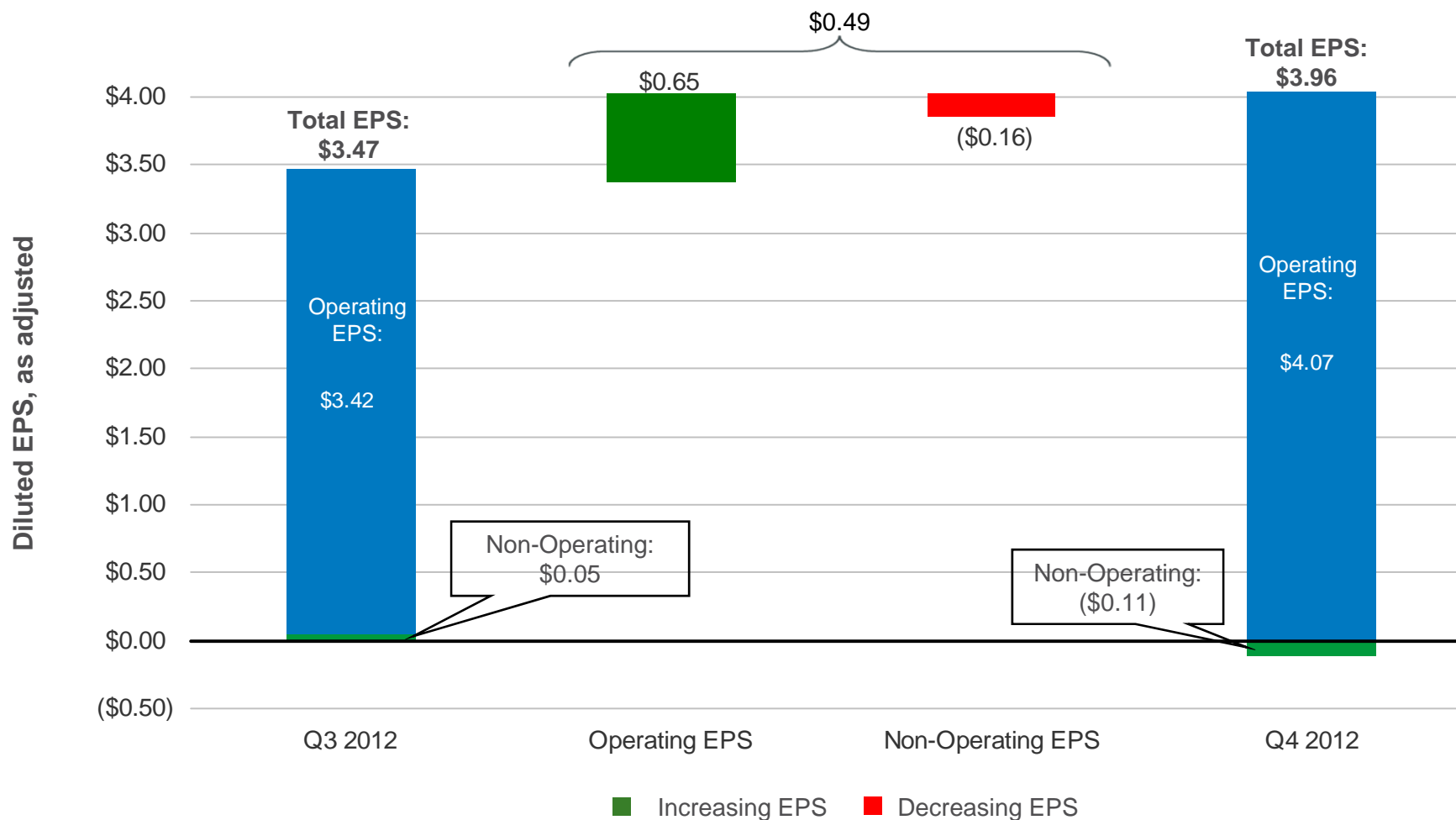
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Sequential Quarters

Q4 2012 vs. Q3 2012

Sequential EPS up 14%

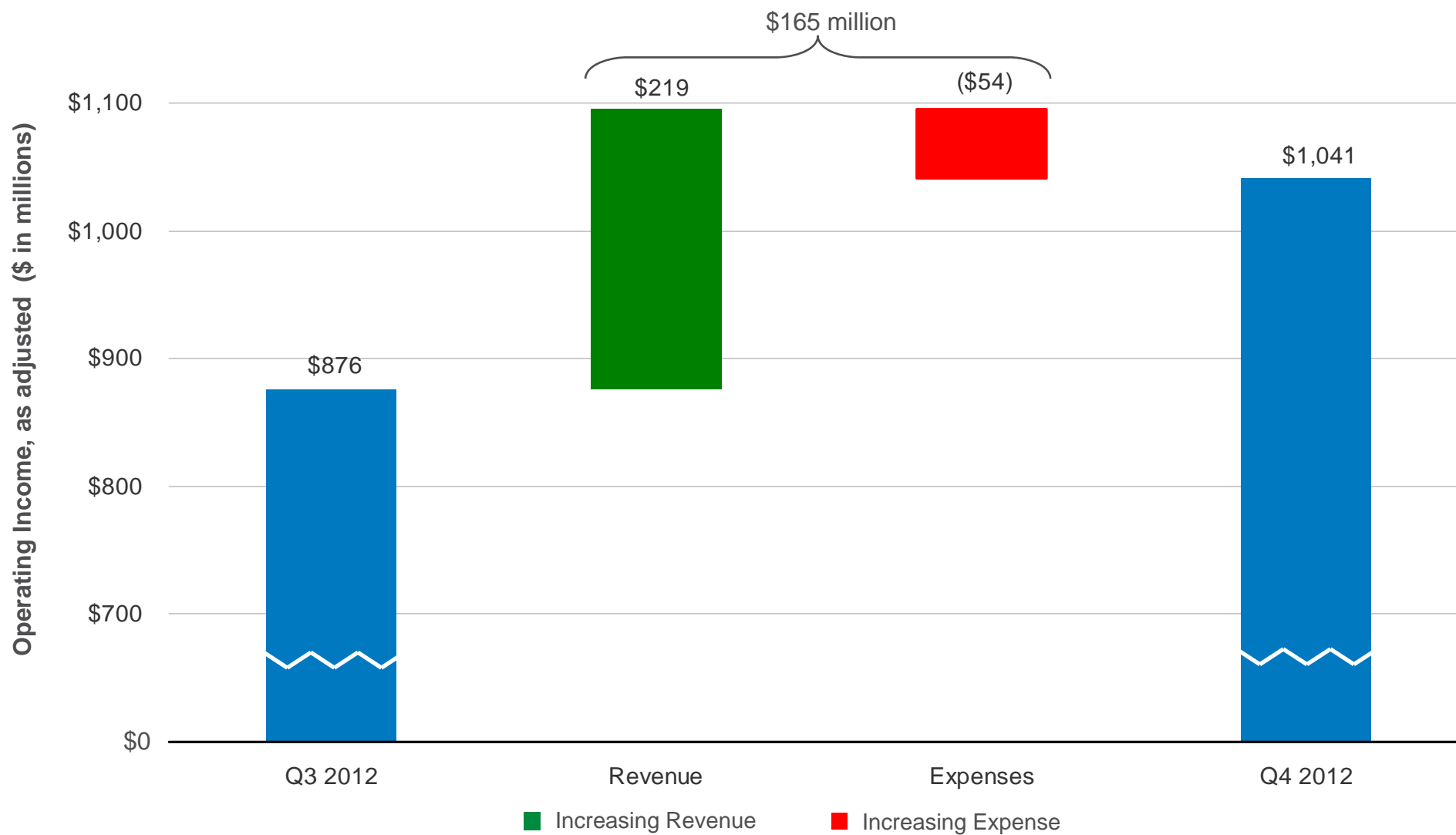
Q4 2012 Compared to Q3 2012, as adjusted



For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Q4 2012 operating income reflected seasonal performance fees and positive flows

Q4 2012 Compared to Q3 2012, as adjusted

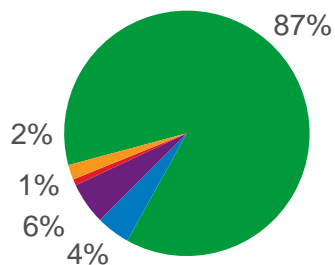


For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Sequential revenue driven by higher seasonal performance fees and growth in base fees

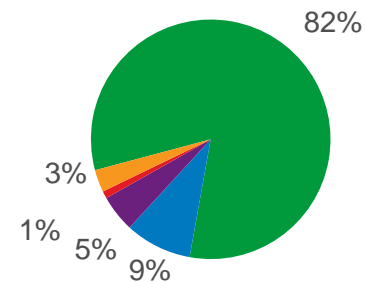
Total Revenue

Q3 2012
\$2.32 billion

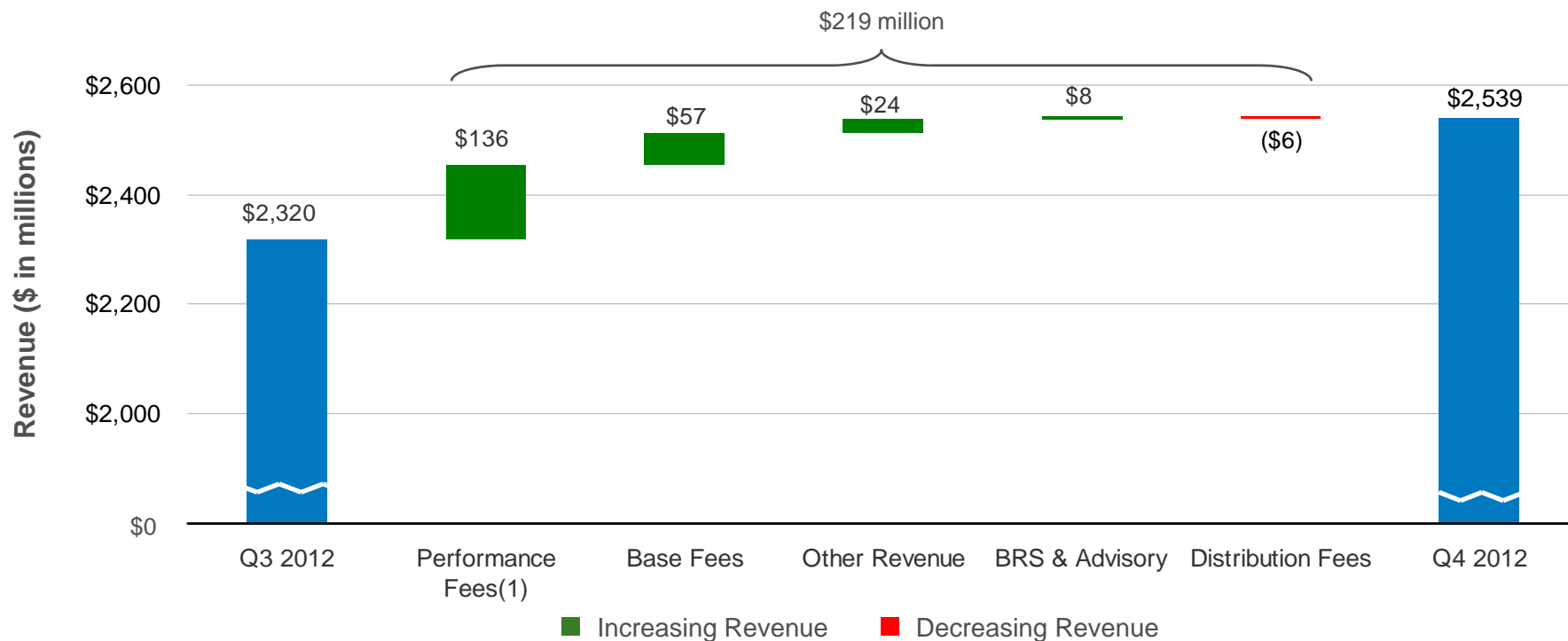


- Base Fees
- Performance Fees
- BRS and Advisory
- Distribution Fees
- Other Revenue

Q4 2012
\$2.54 billion



Q4 2012 Compared to Q3 2012



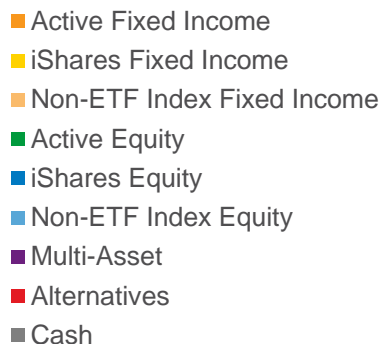
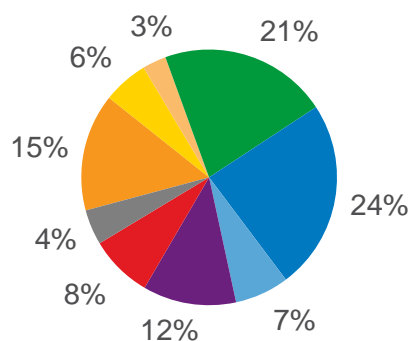
(1) Q4 2012 includes performance fees from a disposition-related opportunistic fund.

Sequential base fees reflected growth across most asset classes

Base Fees

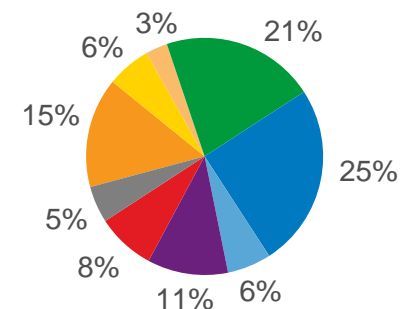
Q3 2012

\$2.02 billion

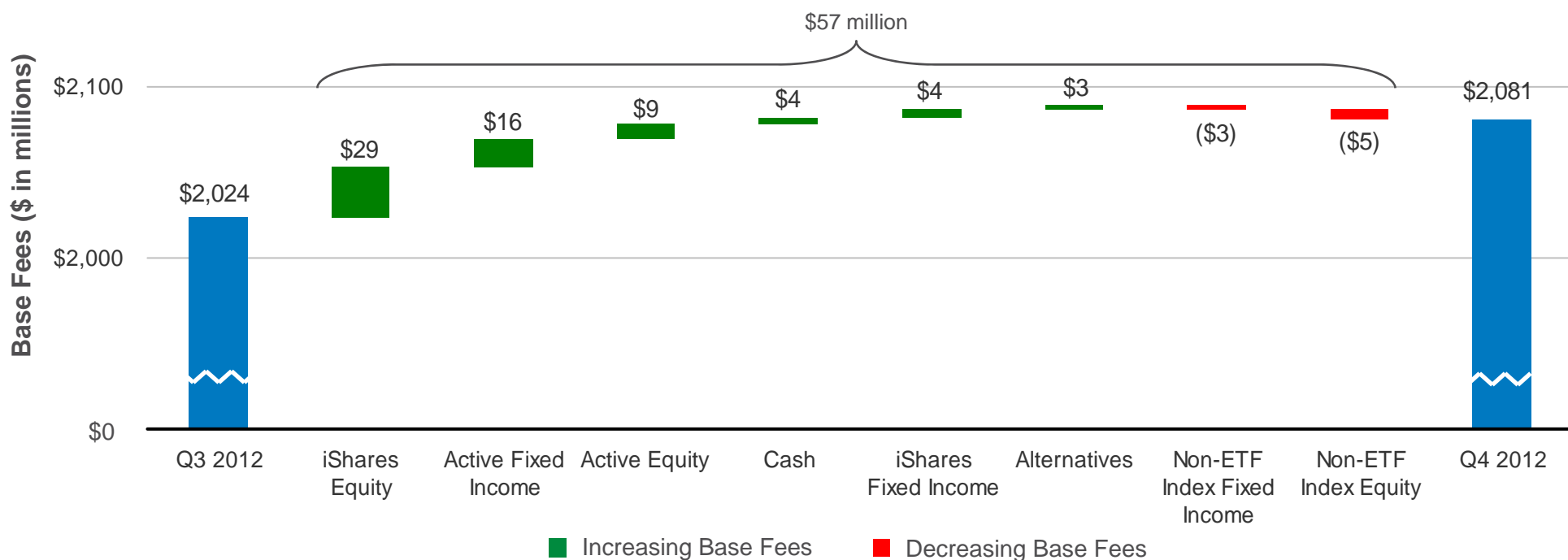


Q4 2012

\$2.08 billion



Q4 2012 Compared to Q3 2012

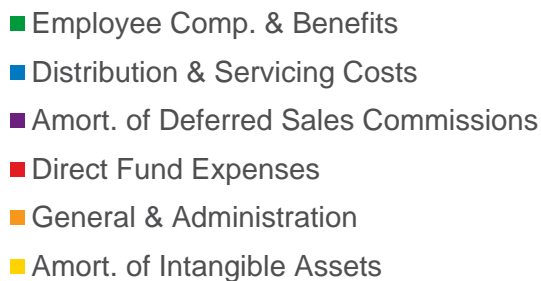
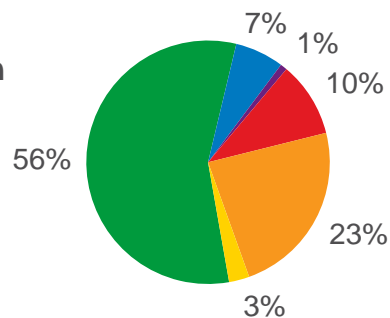


Sequential expenses reflected growth in revenue-related expenses and brand costs

Expenses, as adjusted, by Category

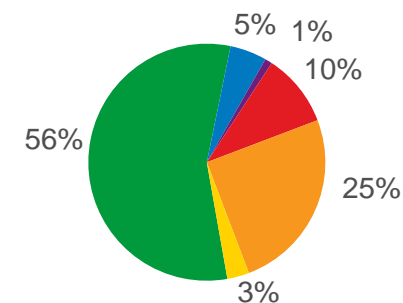
Q3 2012

\$1.44 billion

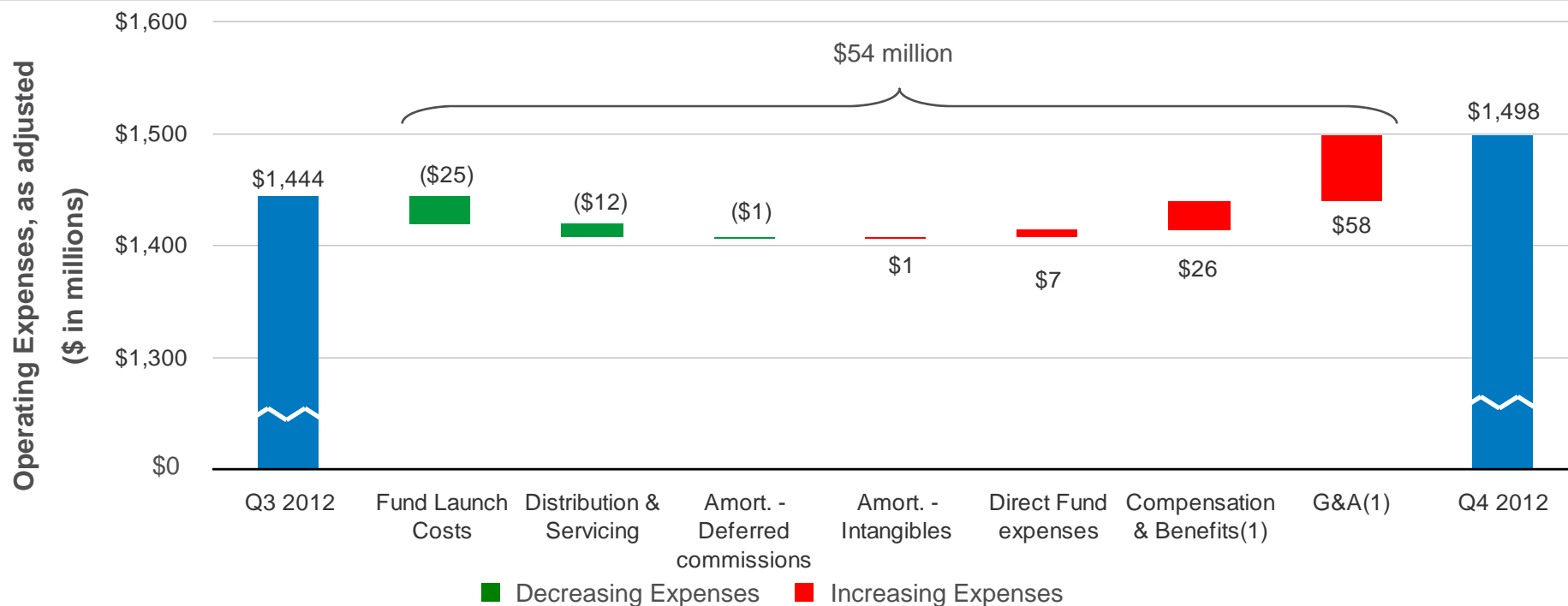


Q4 2012

\$1.50 billion



Q4 2012 Compared to Q3 2012, as adjusted



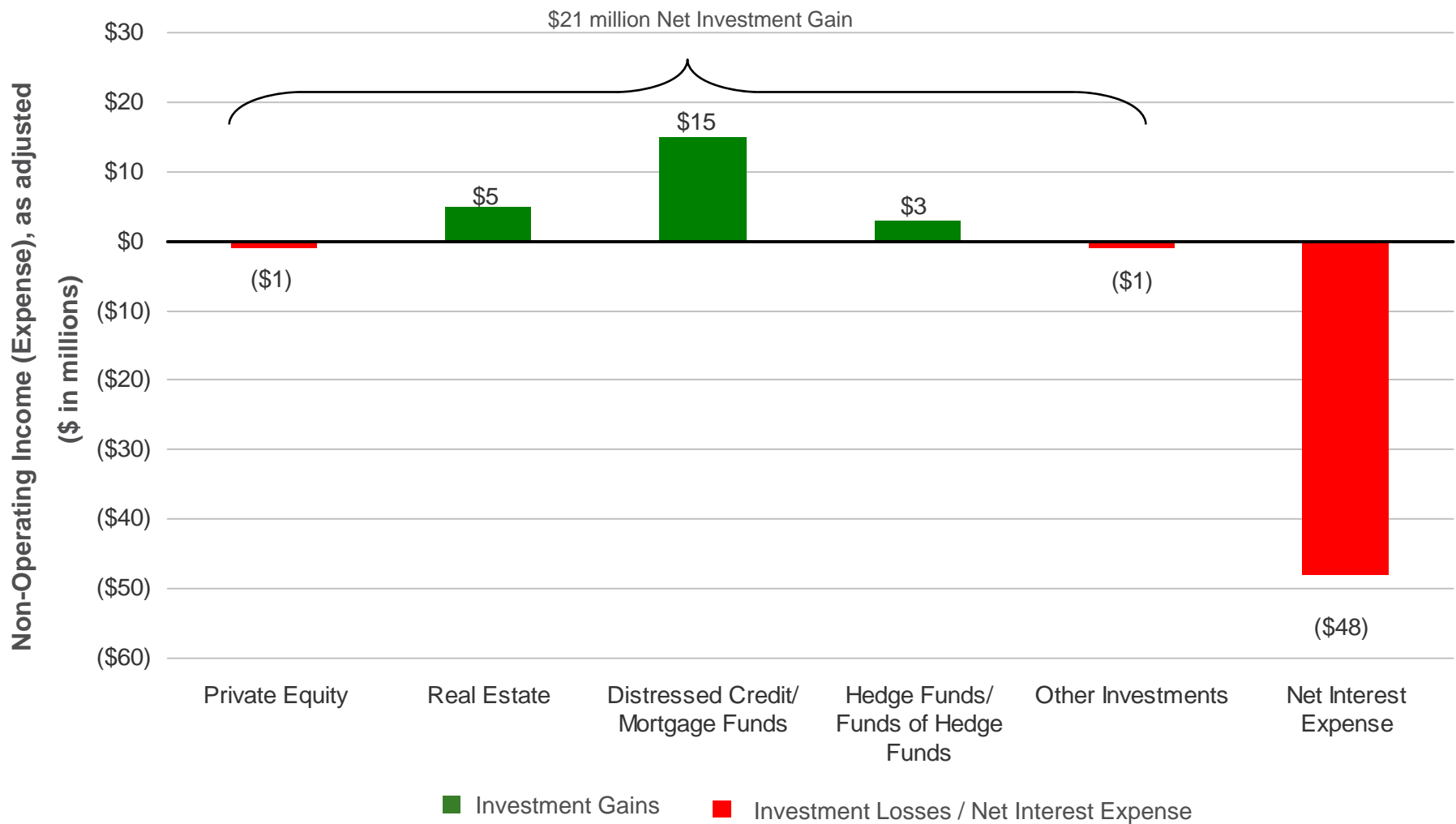
(1) Amounts exclude fund launch costs incurred in third quarter 2012, which are presented separately above.

For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Non-operating and cash flow

Q4 2012 non-operating expense

Q4 2012 (\$27) million Non-Operating Expense by Category, as adjusted

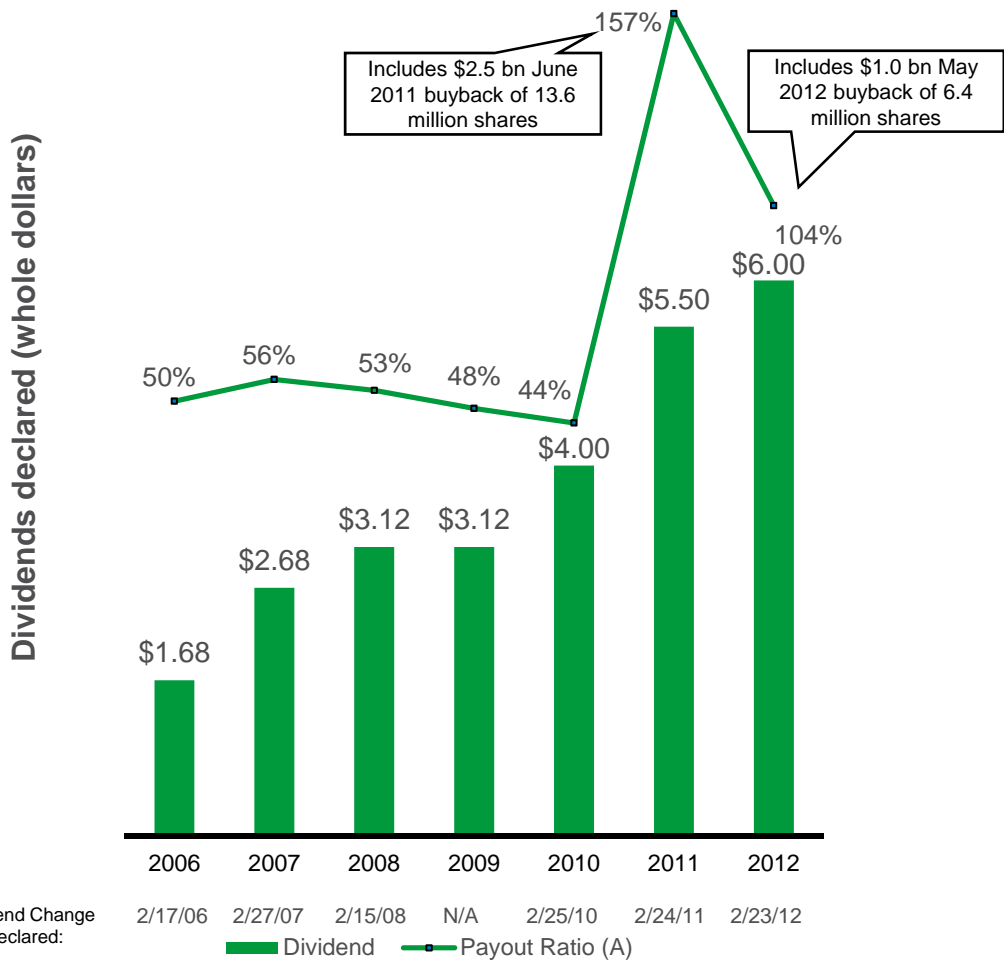


For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

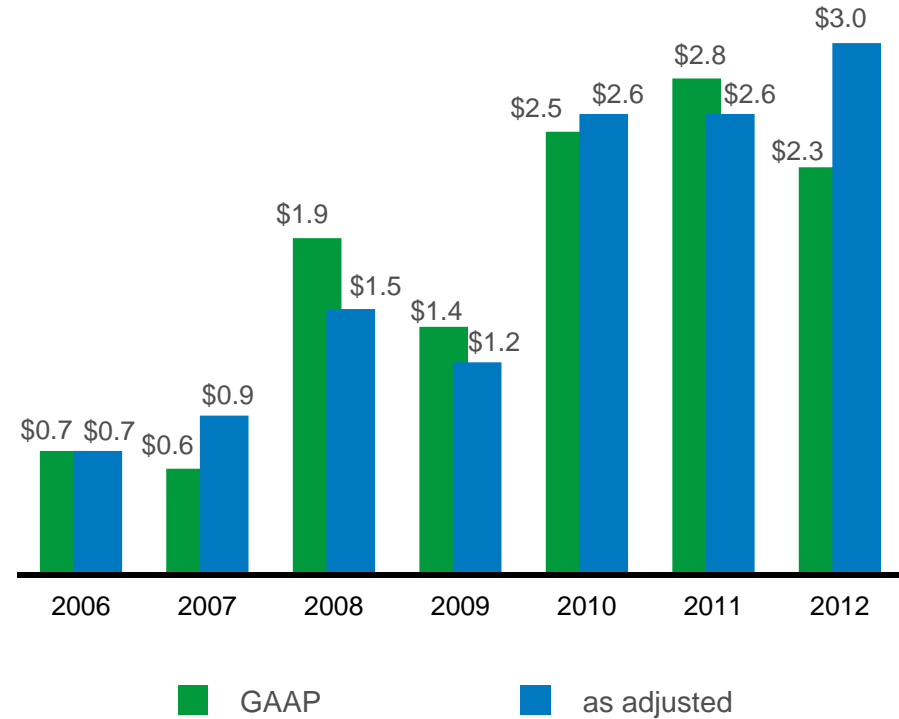
Operating cash flow and payout ratio

Payout Ratio

Operating cash flow



Operating cash flows (\$ in billions)



Notes:

(A) Payout ratio = (dividends declared + share repurchases) / GAAP net income.

For further information and reconciliation between GAAP and as adjusted, see the previously filed Form 10-Ks, Form 10-Qs and 8-Ks and the appendix to this earnings release supplement.

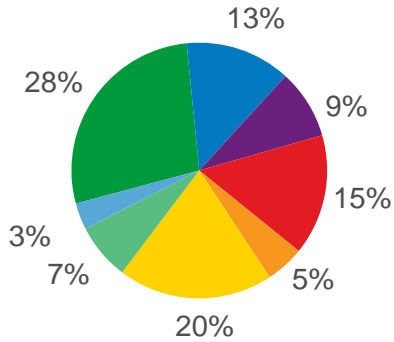
Appendix

Q4 2012 long-term AUM up 11% from Q4 2011

Long-term AUM

Q4 2011

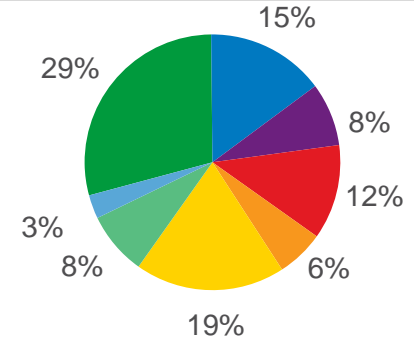
\$3.138 trillion



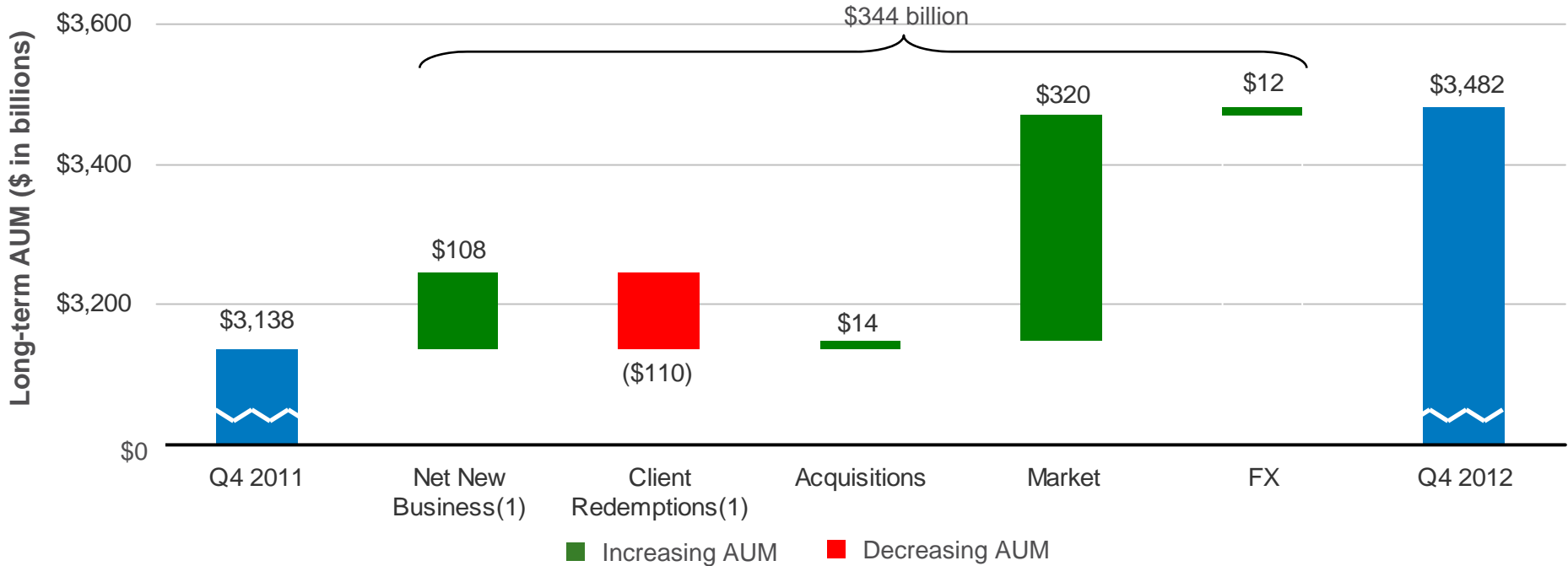
- Index EQ
- iShares EQ
- Active EQ
- Index FI
- iShares FI
- Active FI
- Multi Asset
- Alternatives

Q4 2012

\$3.482 trillion



Q4 2012 Compared to Q4 2011

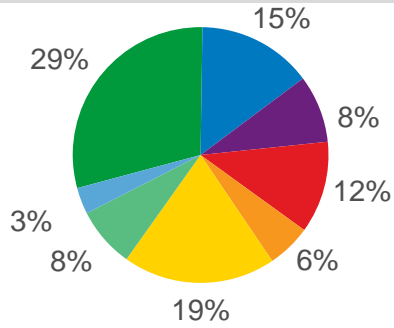


(1) 2012 net new business excludes the effect of two single low-fee institutional index fixed income outflows of \$36.0 billion and \$74.2 billion, which are shown separately above.

Q4 2012 long-term AUM up 3% from Q3 2012

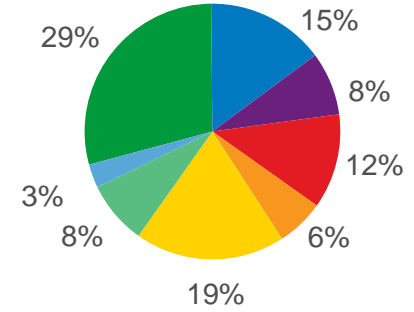
Long-term AUM

Q3 2012
\$3.378 trillion

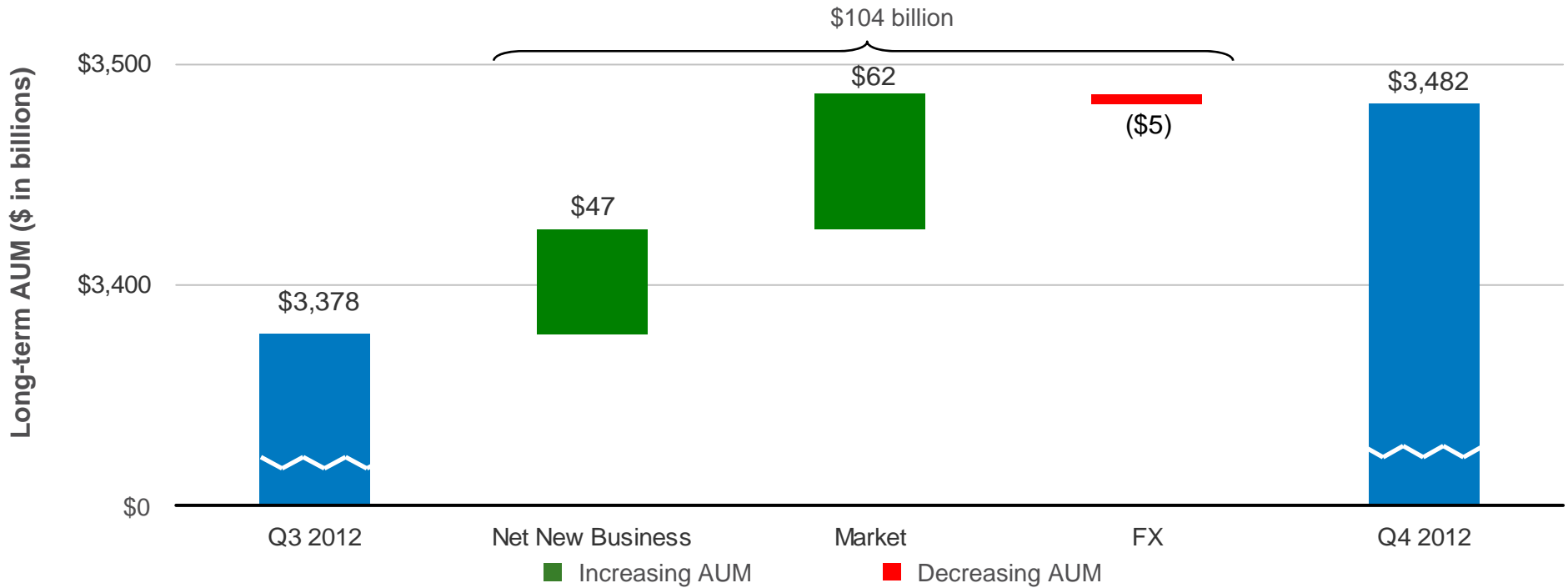


- Index EQ
- iShares EQ
- Active EQ
- Index FI
- iShares FI
- Active FI
- Multi Asset
- Alternatives

Q4 2012
\$3.482 trillion



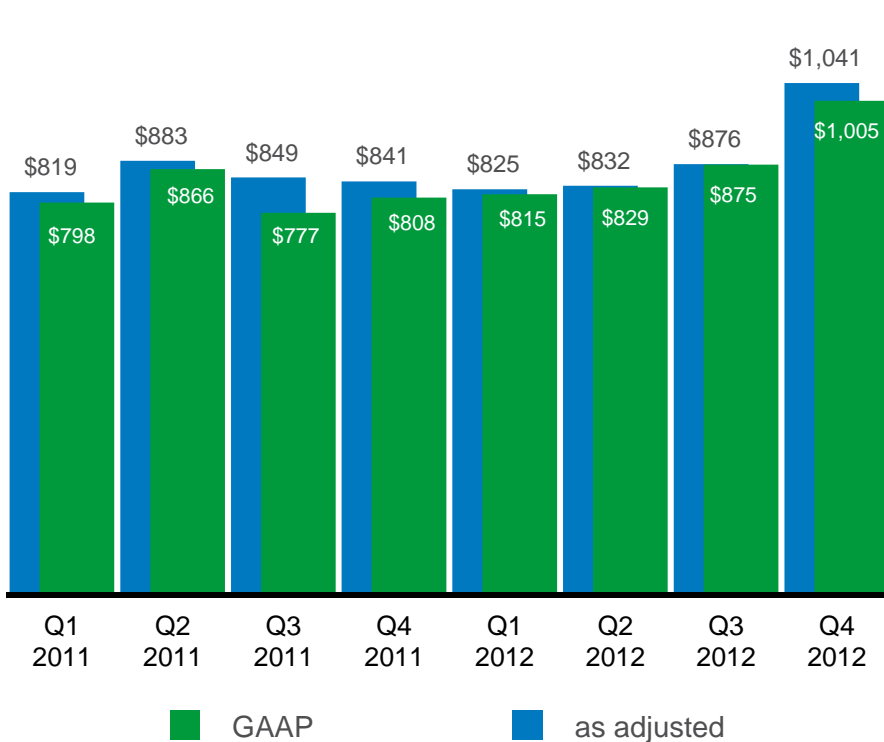
Q4 2012 Compared to Q3 2012



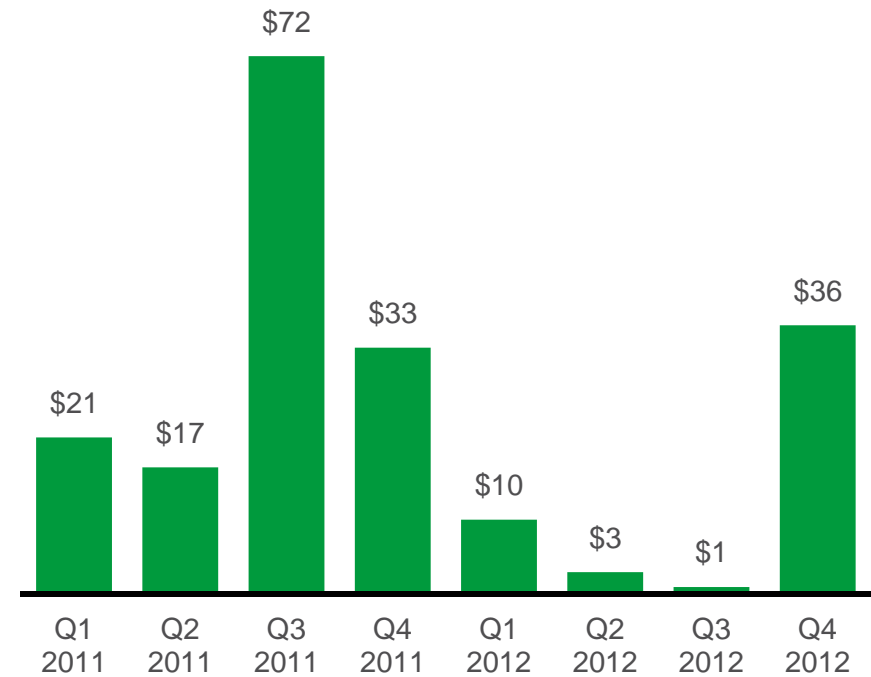
Quarterly operating income – GAAP and as adjusted

Non-GAAP adjustments include contribution to short-term investment funds (“STIFs”), PNC LTIP funding obligation, Merrill Lynch compensation contribution, U.K. lease exit costs, restructuring charges, and compensation related to appreciation (depreciation) on certain deferred compensation plans

Operating Income (\$ in millions)



Non-GAAP Adjustments (\$ in millions)

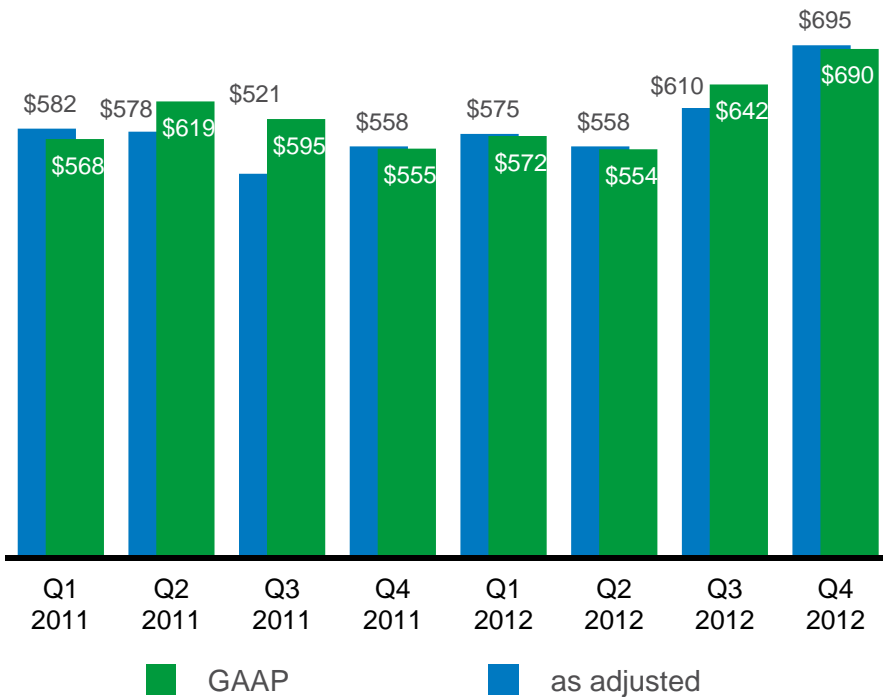


For further information and reconciliation between GAAP and as adjusted, see notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

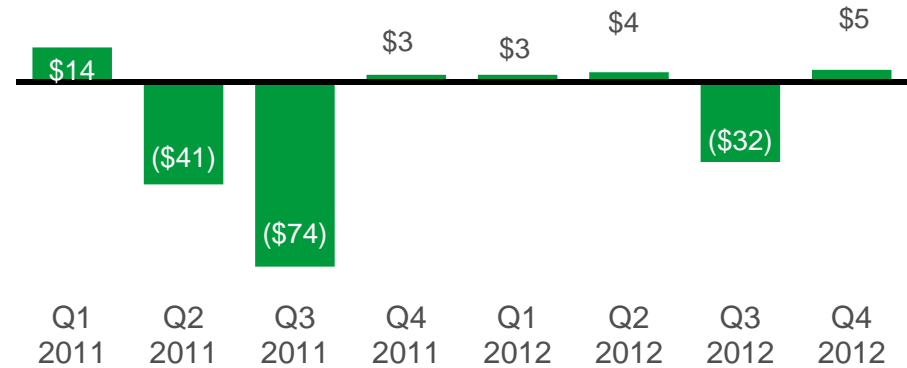
Quarterly net income – GAAP and as adjusted

Non-GAAP adjustments include contribution to STIFs, PNC LTIP funding obligation, Merrill Lynch compensation contribution, U.K. lease exit costs, restructuring charges, income tax law changes and a state tax election

Net Income (\$ in millions)



Non-GAAP Adjustments (\$ in millions)

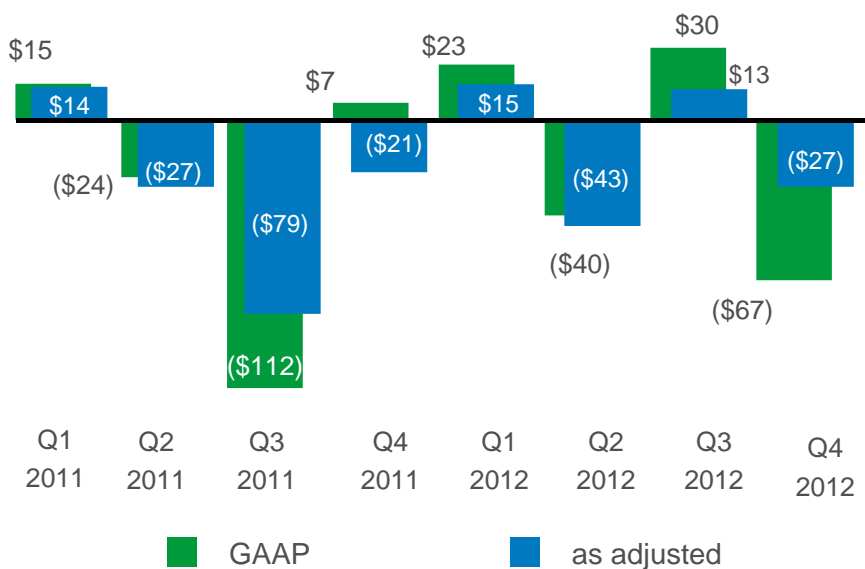


For further information and reconciliation between GAAP and as adjusted, see notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

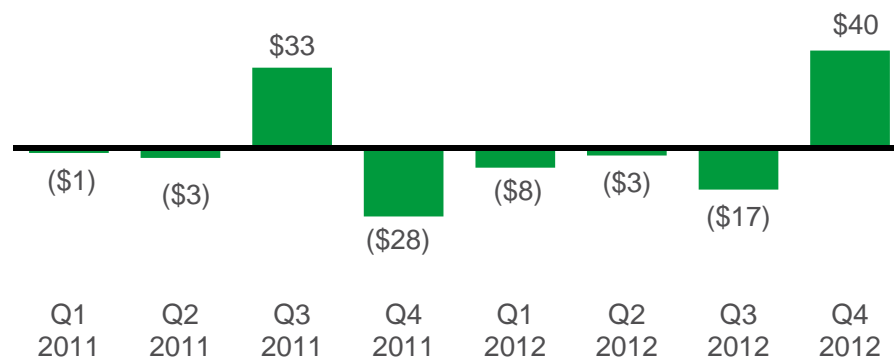
Quarterly non-operating income – GAAP and as adjusted

Non-GAAP adjustments include net income (loss) attributable to non-controlling interests and compensation expense related to (appreciation) depreciation on certain deferred compensation plans

Non-Operating Income (Expense) (\$ in millions)



Non-GAAP Adjustments (\$ in millions)



For further information and reconciliation between GAAP and as adjusted, see notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Cash Flow GAAP and As Adjusted

Cash Flow GAAP and As Adjusted

(in millions)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating Cash Flows							
Operating Cash flows, GAAP basis	\$721	\$587	\$1,916	\$1,399	\$2,488	\$2,826	\$2,300
Less: Non-GAAP adjustments (1)	<u>21</u>	<u>(337)</u>	<u>413</u>	<u>168</u>	<u>(77)</u>	<u>178</u>	<u>(700)</u>
Operating Cash flows, as Adjusted	<u><u>\$700</u></u>	<u><u>\$924</u></u>	<u><u>\$1,503</u></u>	<u><u>\$1,231</u></u>	<u><u>\$2,565</u></u>	<u><u>\$2,648</u></u>	<u><u>\$3,000</u></u>
Investing Cash Flows							
Investing Cash flows, GAAP basis	\$3	(\$1,068)	(\$394)	(\$5,519)	(\$627)	(\$204)	(\$300)
Less: Non-GAAP adjustments (1)	<u>2</u>	<u>(201)</u>	<u>(9)</u>	<u>31</u>	<u>(52)</u>	<u>24</u>	<u>100</u>
Investing Cash flows, as Adjusted	<u><u>\$1</u></u>	<u><u>(\$867)</u></u>	<u><u>(\$385)</u></u>	<u><u>(\$5,550)</u></u>	<u><u>(\$575)</u></u>	<u><u>(\$228)</u></u>	<u><u>(\$400)</u></u>
Financing Cash Flows							
Financing Cash flows, GAAP basis	(\$85)	\$959	(\$887)	\$6,749	(\$3,170)	(\$2,485)	(\$1,000)
Less: Non-GAAP adjustments (1)	<u>68</u>	<u>514</u>	<u>(410)</u>	<u>(185)</u>	<u>110</u>	<u>(71)</u>	<u>600</u>
Financing Cash flows, as Adjusted	<u><u>(\$153)</u></u>	<u><u>\$445</u></u>	<u><u>(\$477)</u></u>	<u><u>\$6,934</u></u>	<u><u>(\$3,280)</u></u>	<u><u>(\$2,414)</u></u>	<u><u>(\$1,600)</u></u>

(1) Non-GAAP adjustments include the impact on cash flows of consolidated sponsored investment funds and consolidated VIEs.

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