

Q3 2012 Earnings

Press Release Supplement

October 17, 2012

Important Notes

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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 the Company; (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 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.

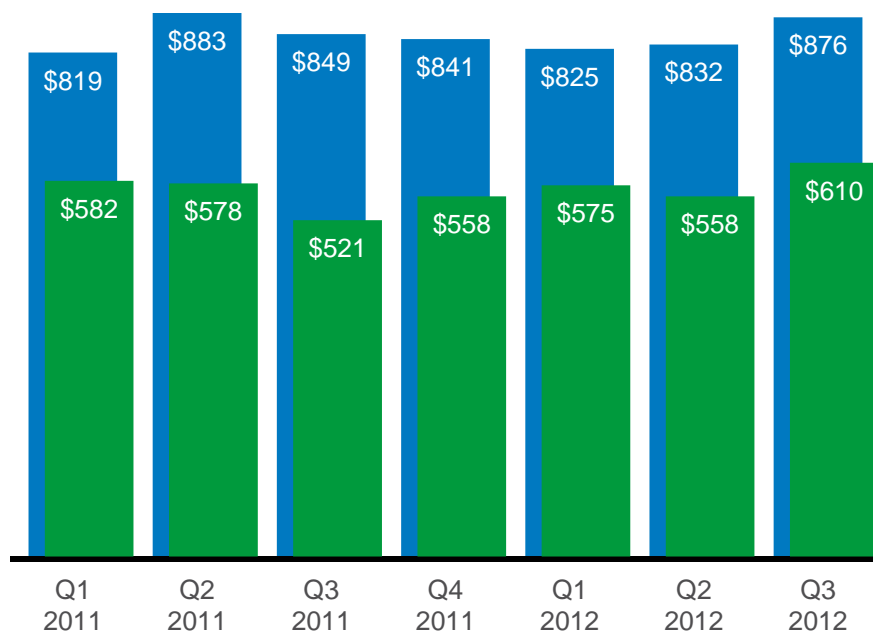
This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations in the appendix to this earnings release supplement, our current earnings release dated October 17, 2012, and BlackRock's other periodic reports, which are available on BlackRock's web site at www.blackrock.com.

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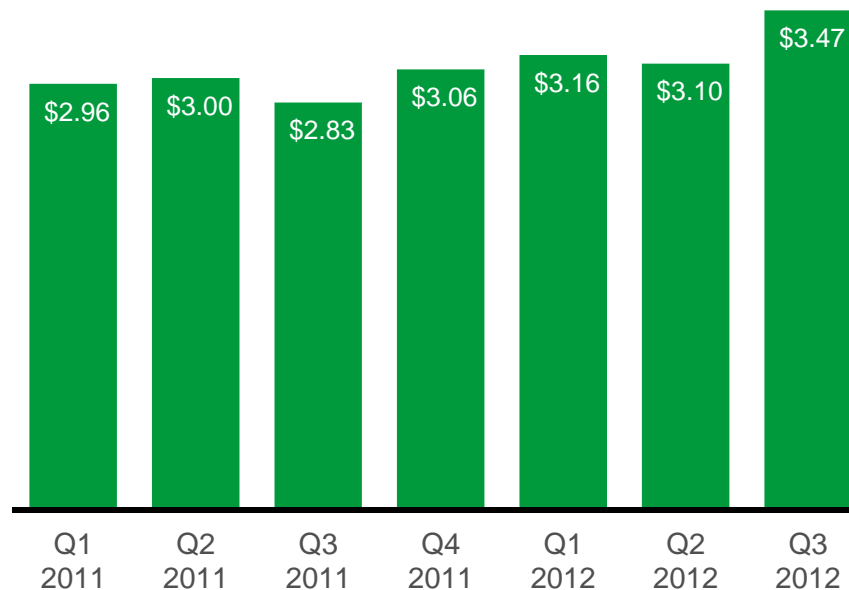
Record diluted EPS of \$3.47, up 23% year-over-year and 12% sequentially

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



■ Operating Income ■ Net Income

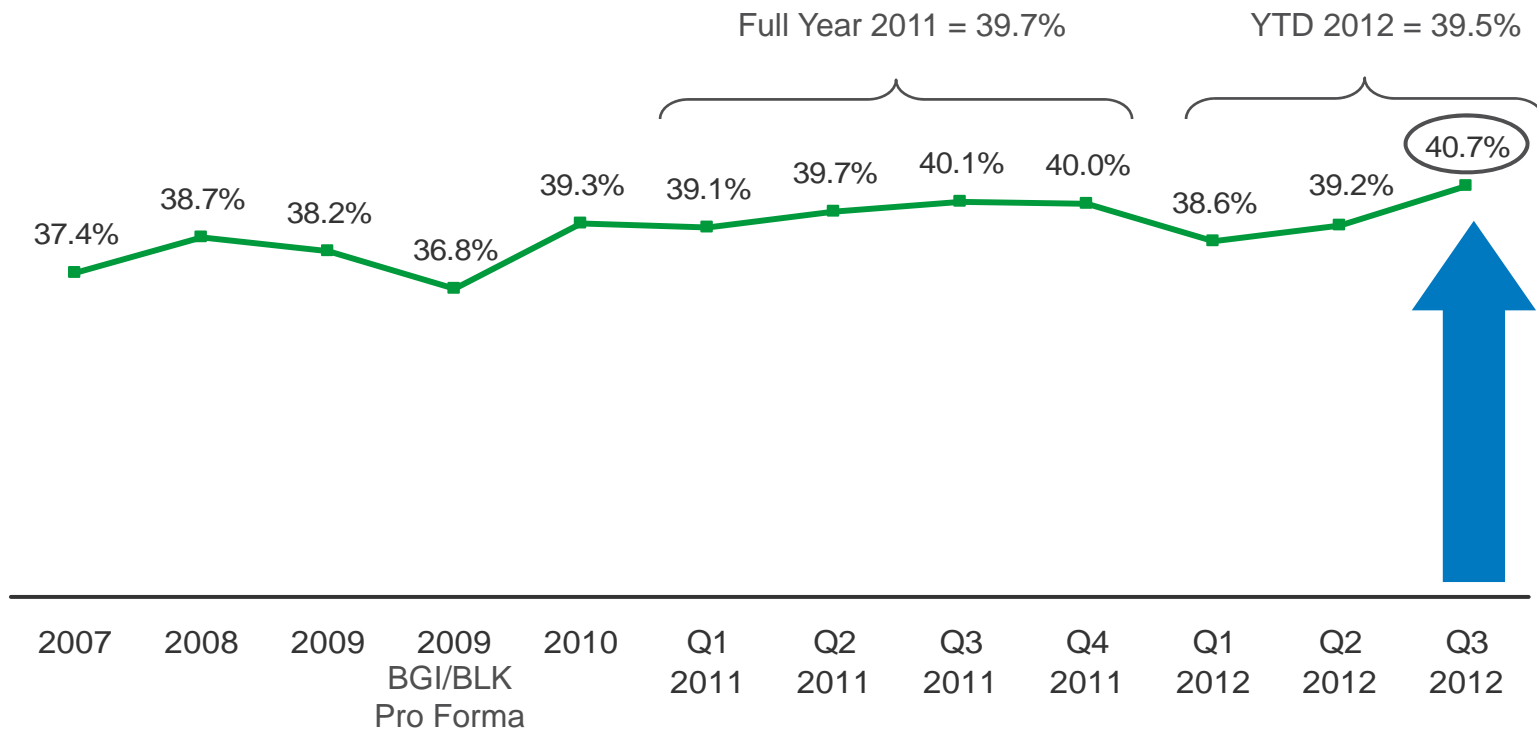
Diluted Earnings Per Share, as adjusted



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.

Sequential and year-over-year operating margin improvement

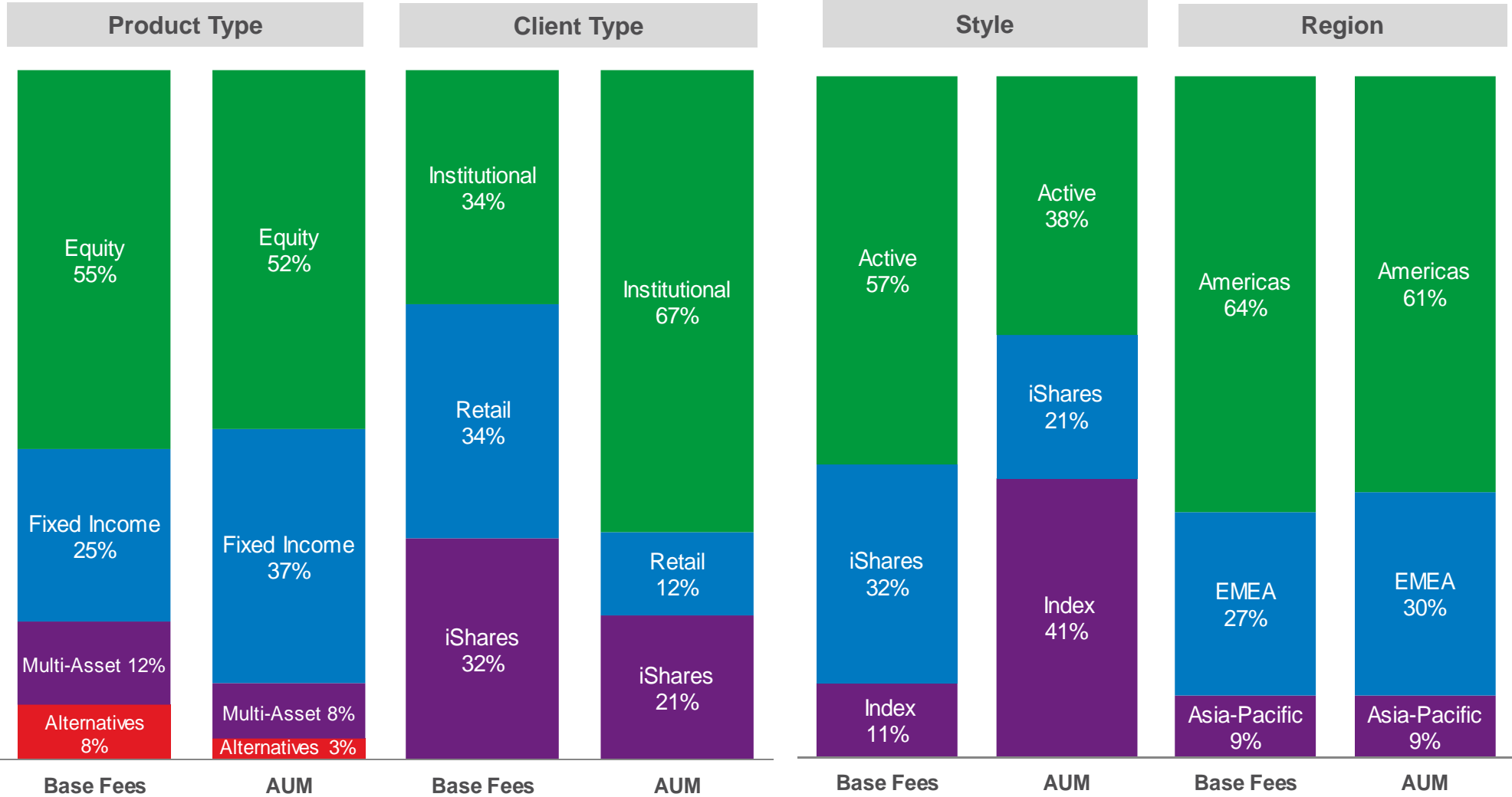
Operating Margin, as adjusted



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.

Q3 2012 mix by product, client type, style and region

Q3 2012 Long-term Base Fees of \$1.934 billion
 Long-term Assets Under Management of \$3.378 trillion at September 30, 2012



Major global equity markets indices

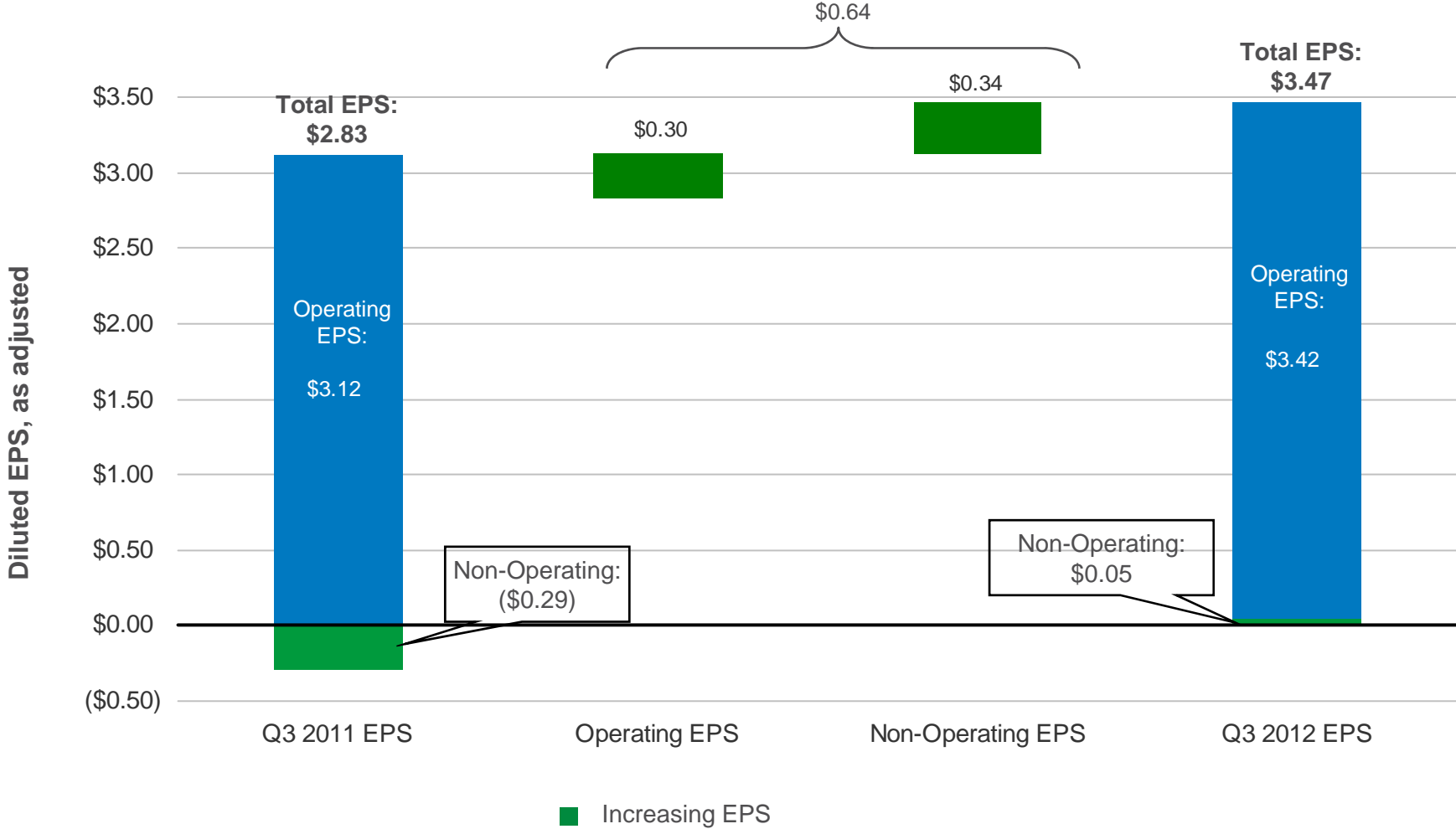
Index	Average Index Level			Q3 2012 vs.	
	Q3 2011	Q2 2012	Q3 2012	Q3 2011	Q2 2012
S&P 500	1,225	1,350	1,401	14.4%	3.8%
MSCI Barra World Index	1,216	1,233	1,274	4.8%	3.3%
MSCI Europe Index	84	86	92	9.5%	7.0%
MSCI AC Asia Pacific Index	126	118	119	(5.6%)	0.8%
MSCI Emerging Markets Index	1,035	963	961	(7.1%)	(0.2%)
S&P Global Natural Resources	3,585	3,209	3,291	(8.2%)	2.6%

Year-over-year

Q3 2012 vs. Q3 2011

Record EPS up 23% year-over-year

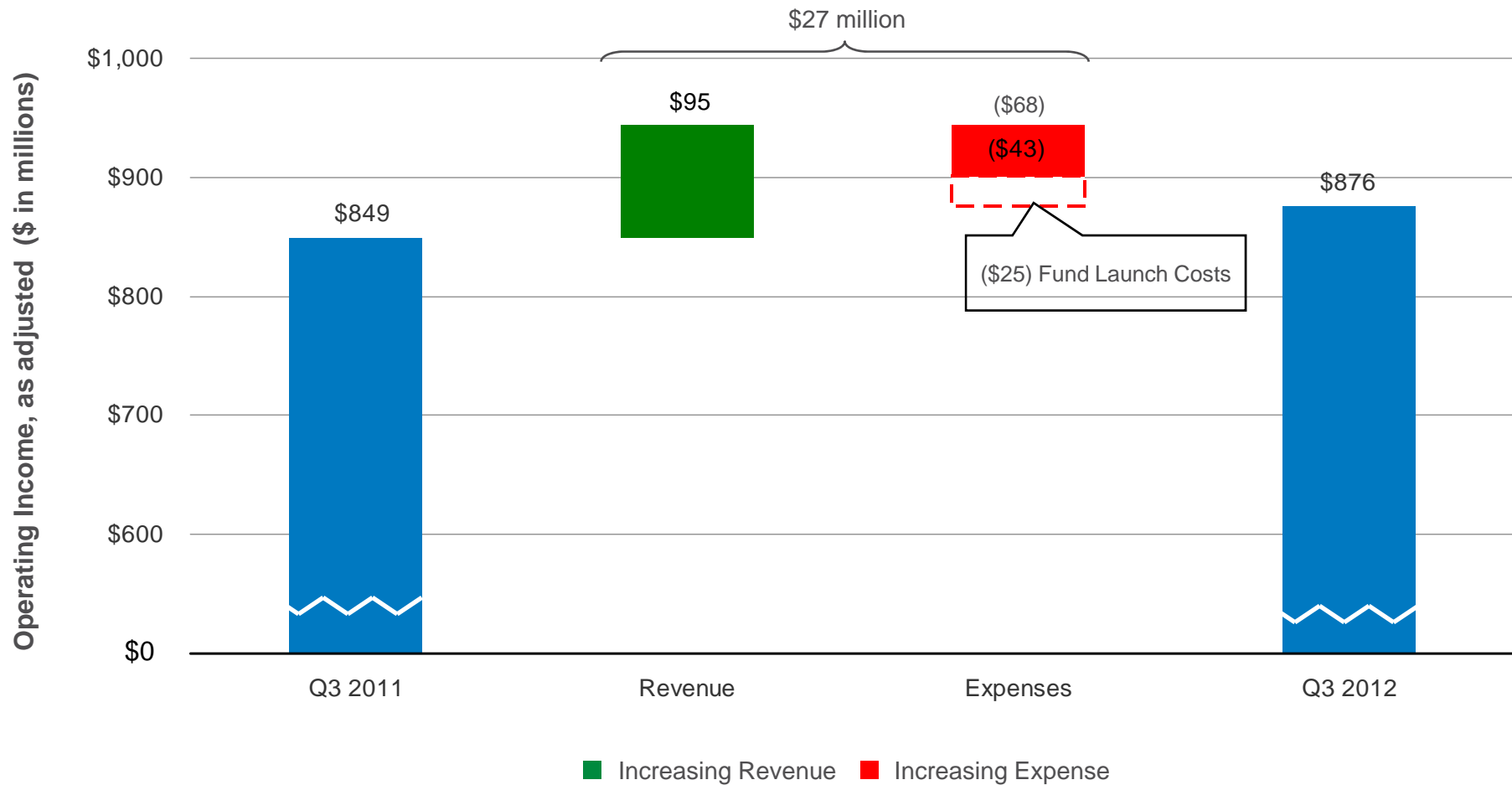
Q3 2012 Compared to Q3 2011, as adjusted



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

Q3 2012 Compared to Q3 2011, as adjusted



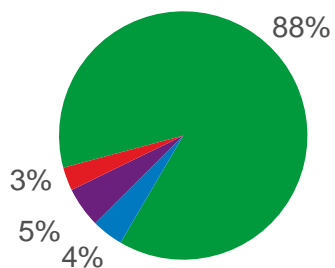
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

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

Total Revenue

Q3 2011

\$2.23 billion



■ Base Fees

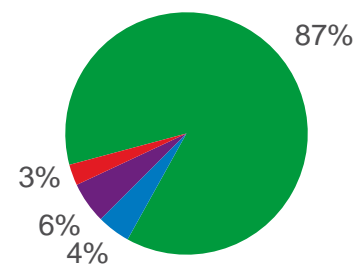
■ Performance Fees

■ BRS and Advisory

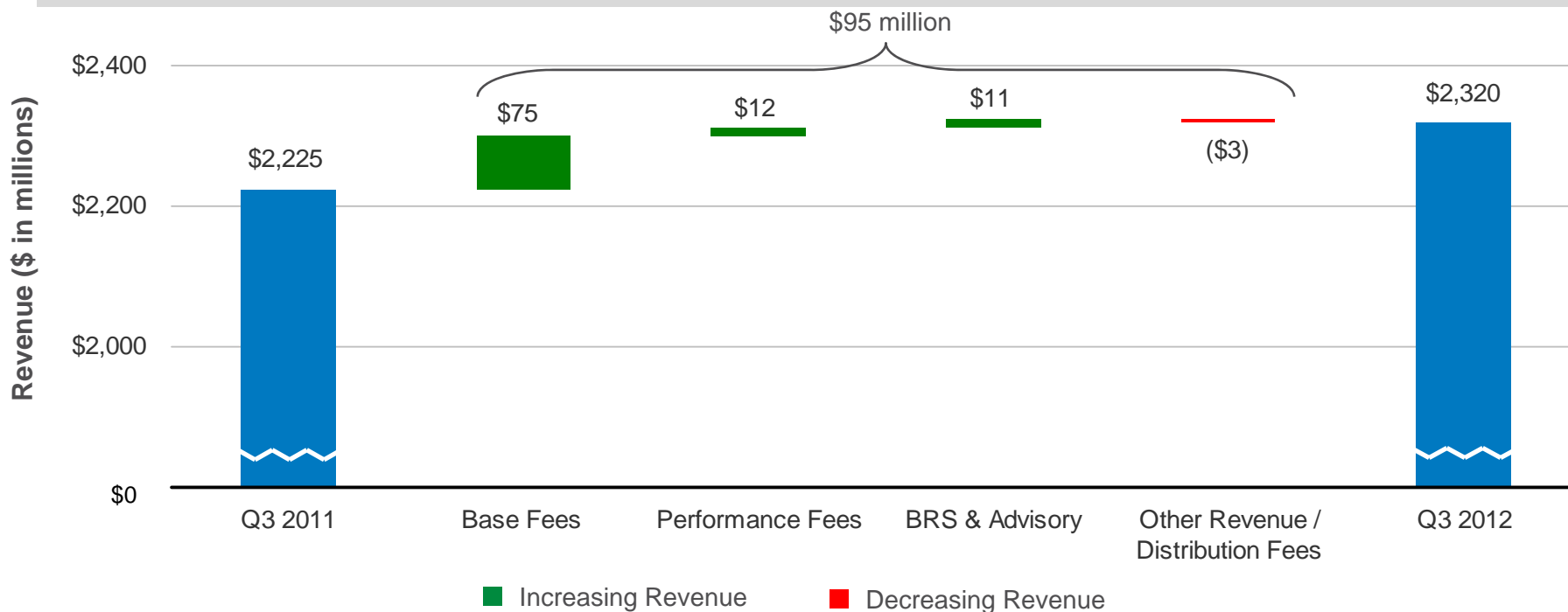
■ Other Revenue/Distribution Fees

Q3 2012

\$2.32 billion



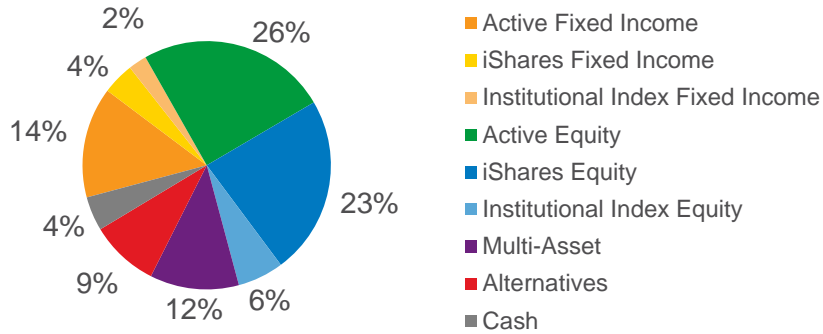
Q3 2012 Compared to Q3 2011



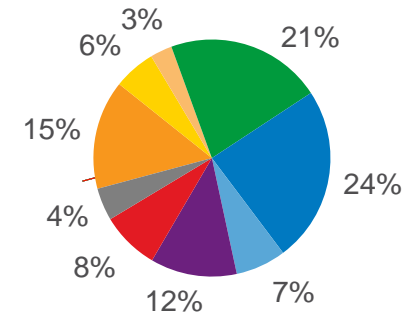
Year-over-year base fees reflected growth in index and income products

Base fees

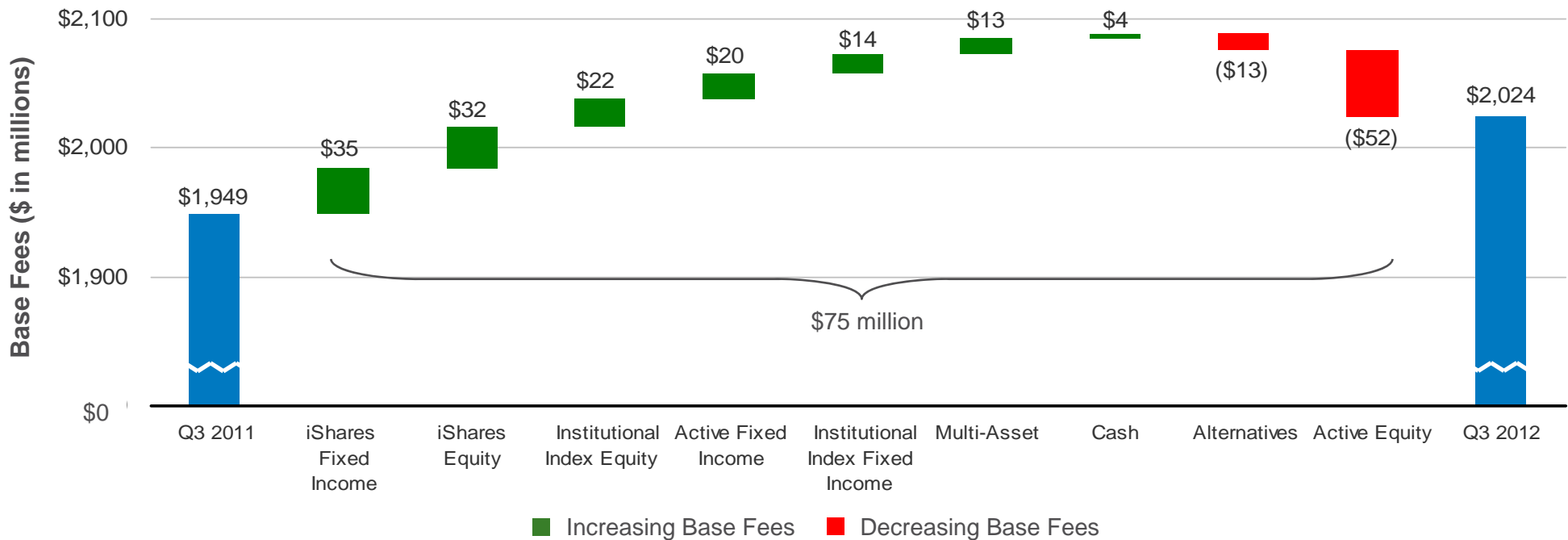
Q3 2011
\$1.95 billion



Q3 2012
\$2.02 billion



Q3 2012 Compared to Q3 2011

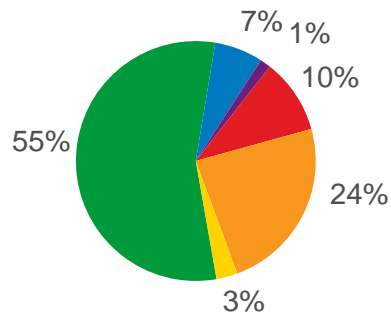


Year-over-year expenses reflected revenue growth and fund launch costs

Expenses, as adjusted, by Category

Q3 2011

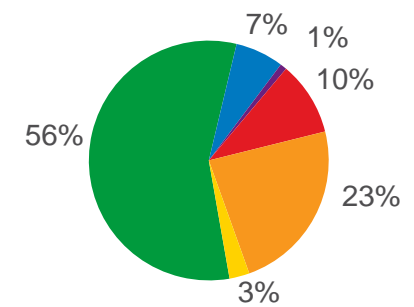
\$1.38 billion



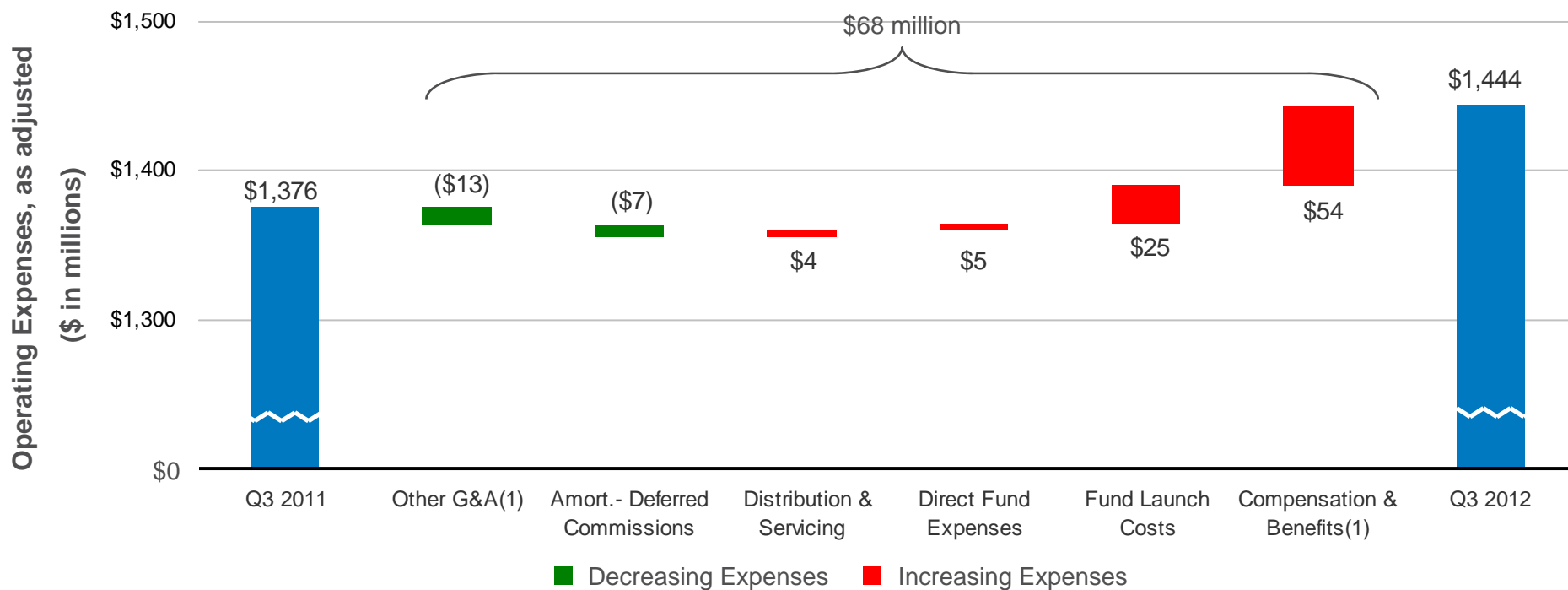
- Employee Comp. & Benefits
- Distribution & Servicing Costs
- Amort. of Deferred Sales Commissions
- Direct Fund Expenses
- General & Administration
- Amortization of Intangibles

Q3 2012

\$1.44 billion



Q3 2012 Compared to Q3 2011, as adjusted



(1) Amounts exclude fund launch costs which are presented separately above.

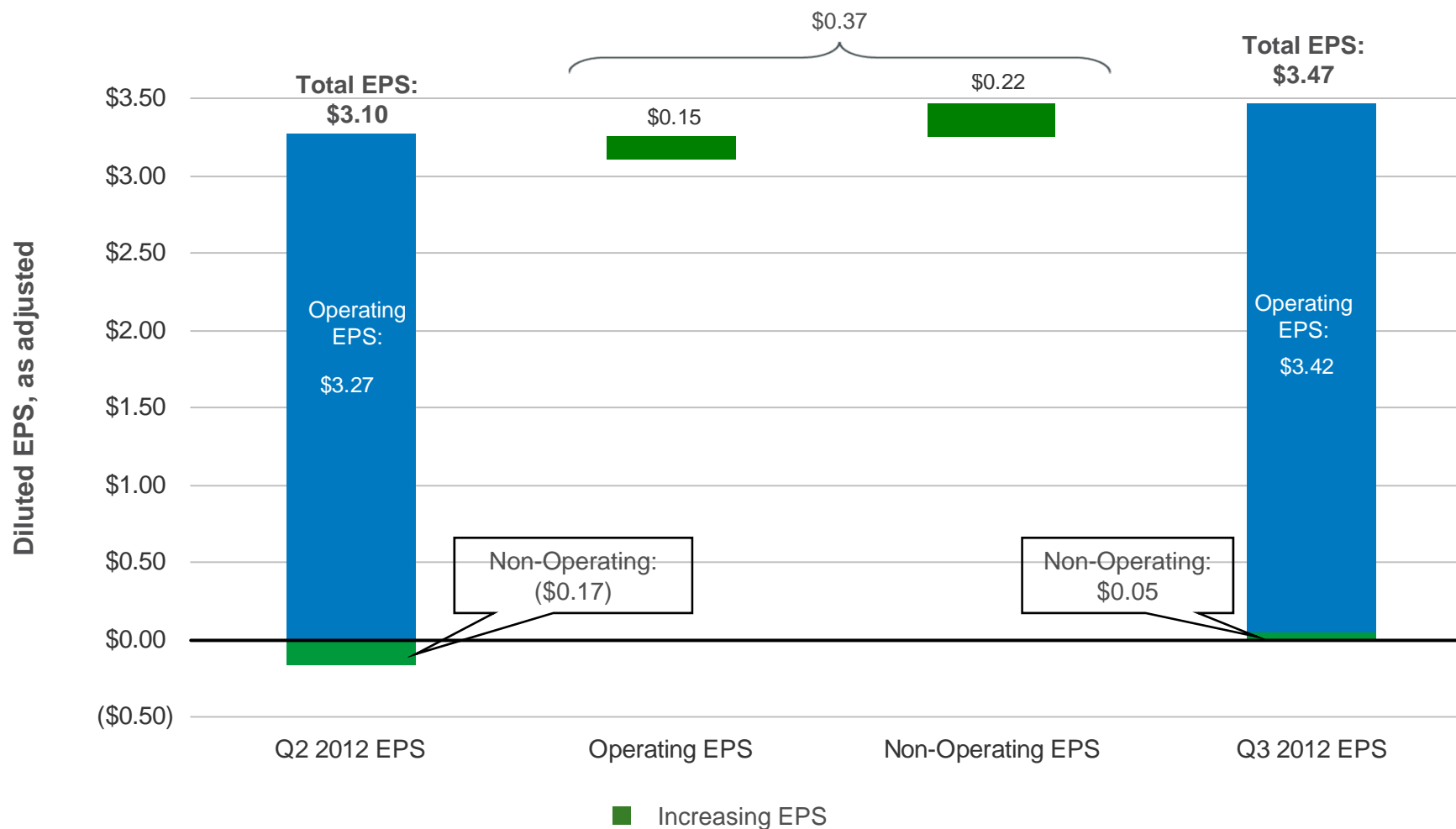
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Sequential Quarters

Q3 2012 vs. Q2 2012

Sequential EPS up 12%

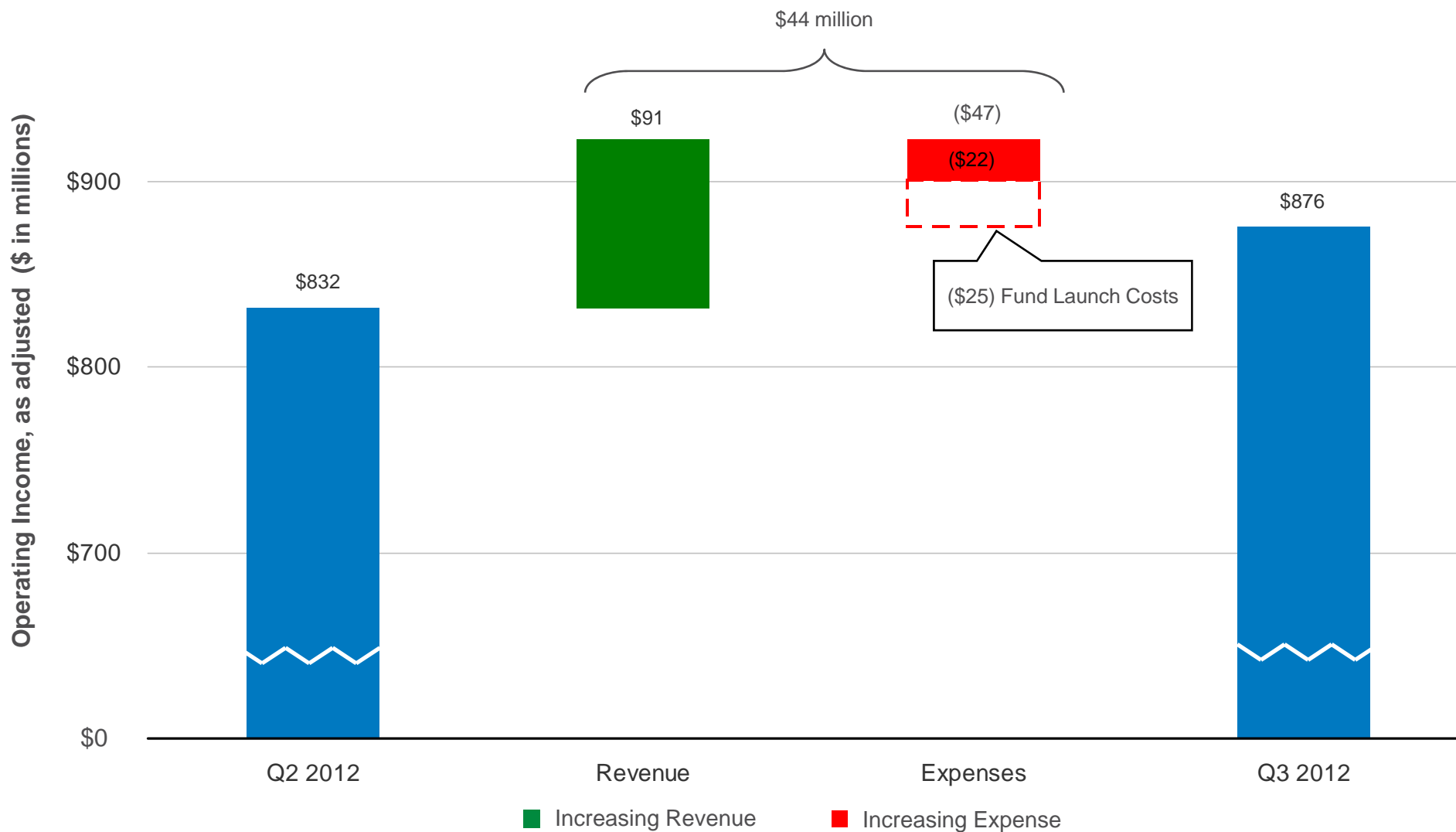
Q3 2012 Compared to Q2 2012, as adjusted



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

Q3 2012 operating income reflected market effects and positive flows

Q3 2012 Compared to Q2 2012, as adjusted

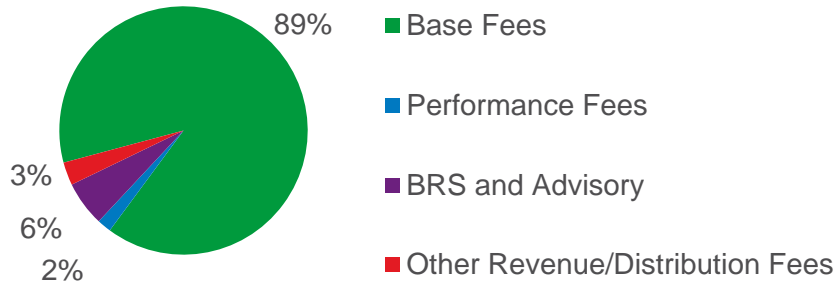


For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

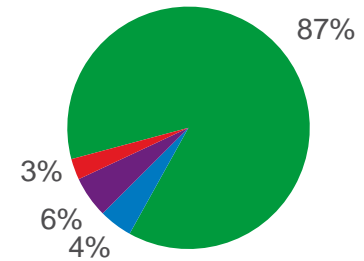
Sequential revenue reflected higher performance and base fees

Total Revenue

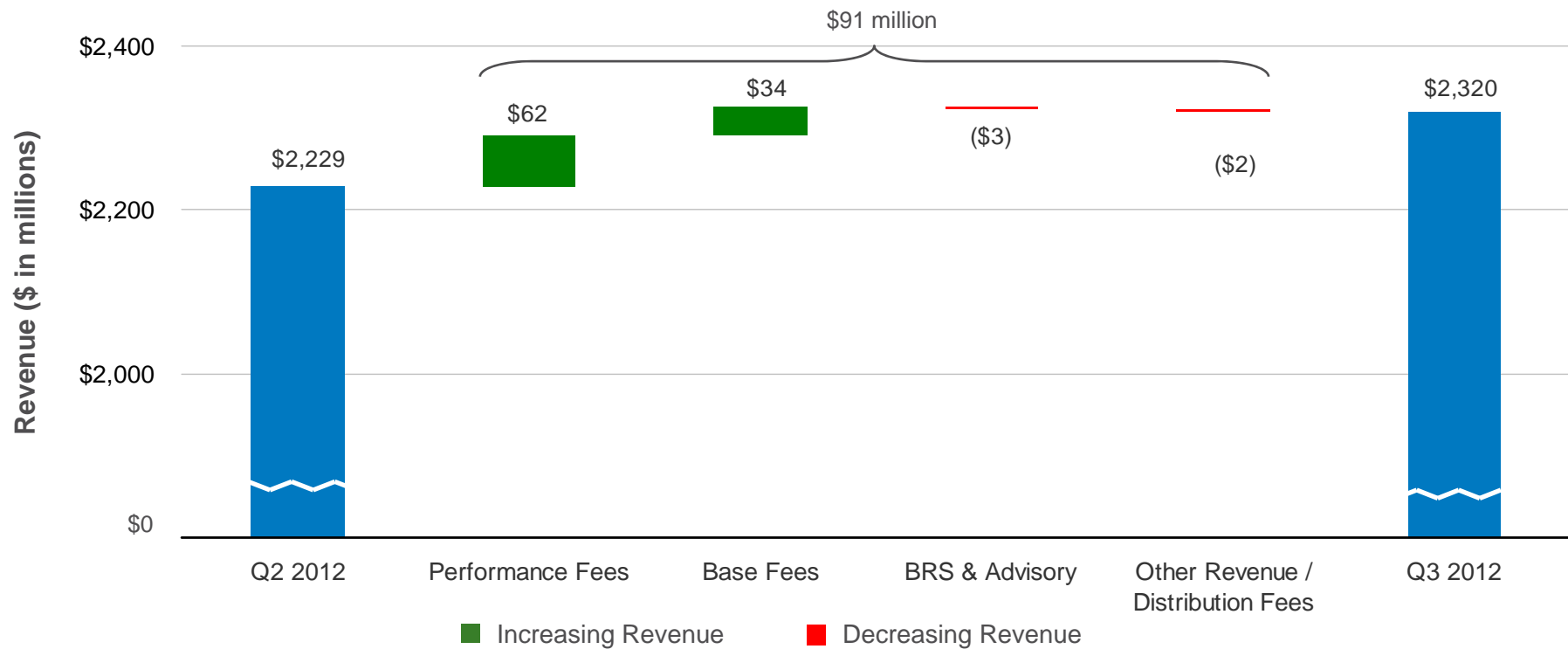
Q2 2012
\$2.23 billion



Q3 2012
\$2.32 billion



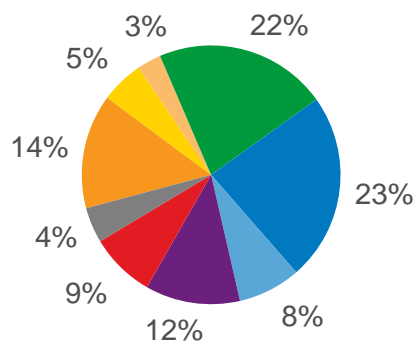
Q3 2012 Compared to Q2 2012



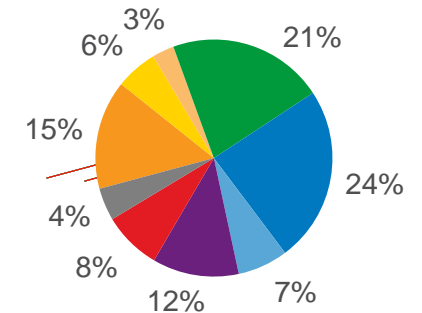
Sequential base fees reflected growth in AUM and lower seasonal securities lending

Base Fees

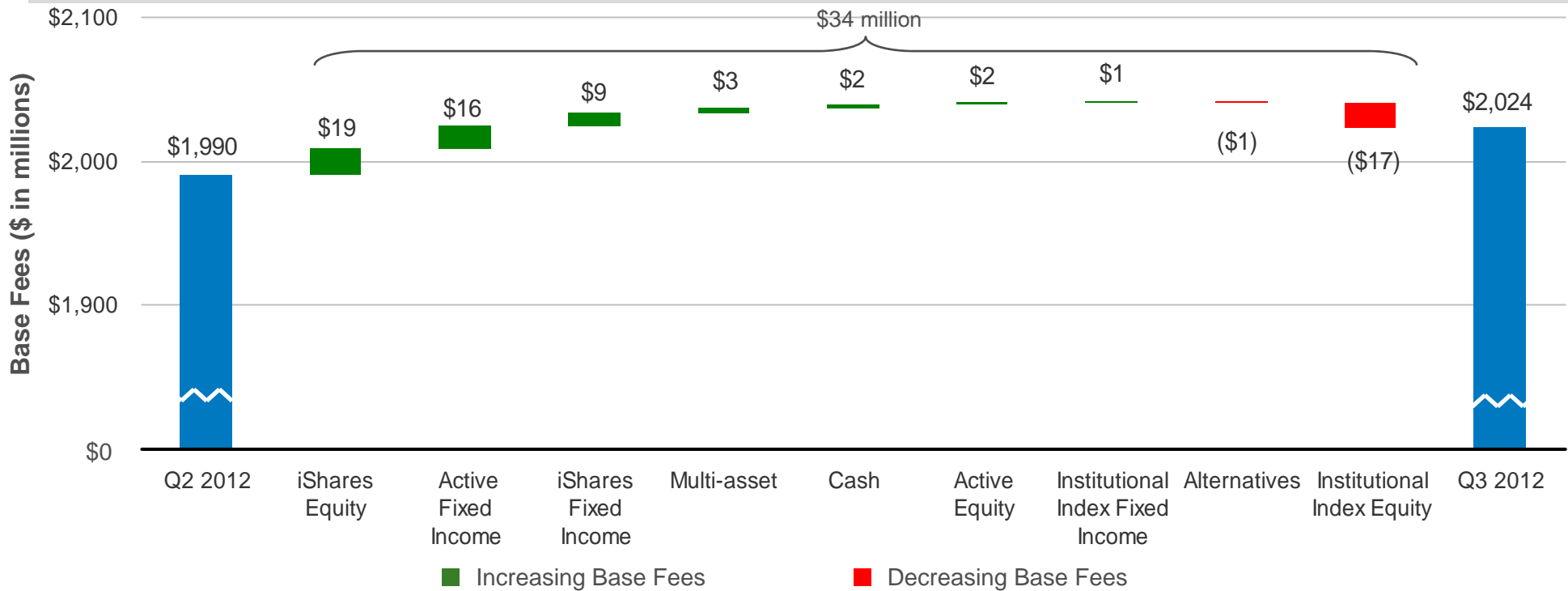
Q2 2012
\$1.99 billion



Q3 2012
\$2.02 billion



Q3 2012 Compared to Q2 2012

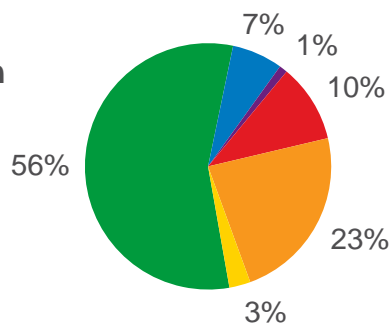


Sequential expenses reflected growth in revenue related expenses and fund launch costs

Expense, as adjusted, by Category

Q2 2012

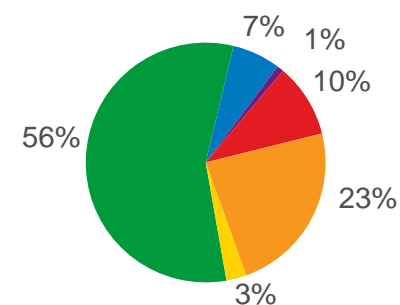
\$1.40 billion



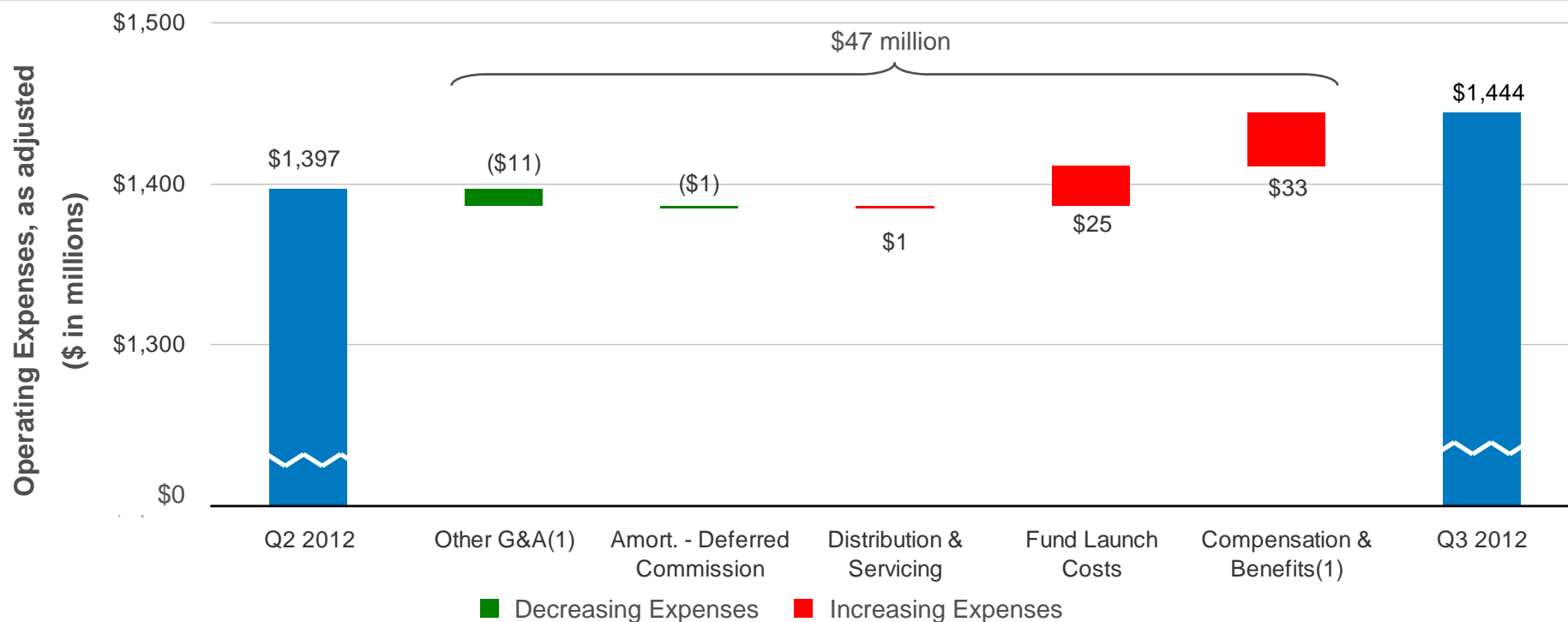
- Employee Comp. & Benefits
- Distribution & Servicing Costs
- Amort. of Deferred Sales Commissions
- Direct Fund Expenses
- General & Administration
- Amort. of Intangible Assets

Q3 2012

\$1.44 billion



Q3 2012 Compared to Q2 2012, as adjusted



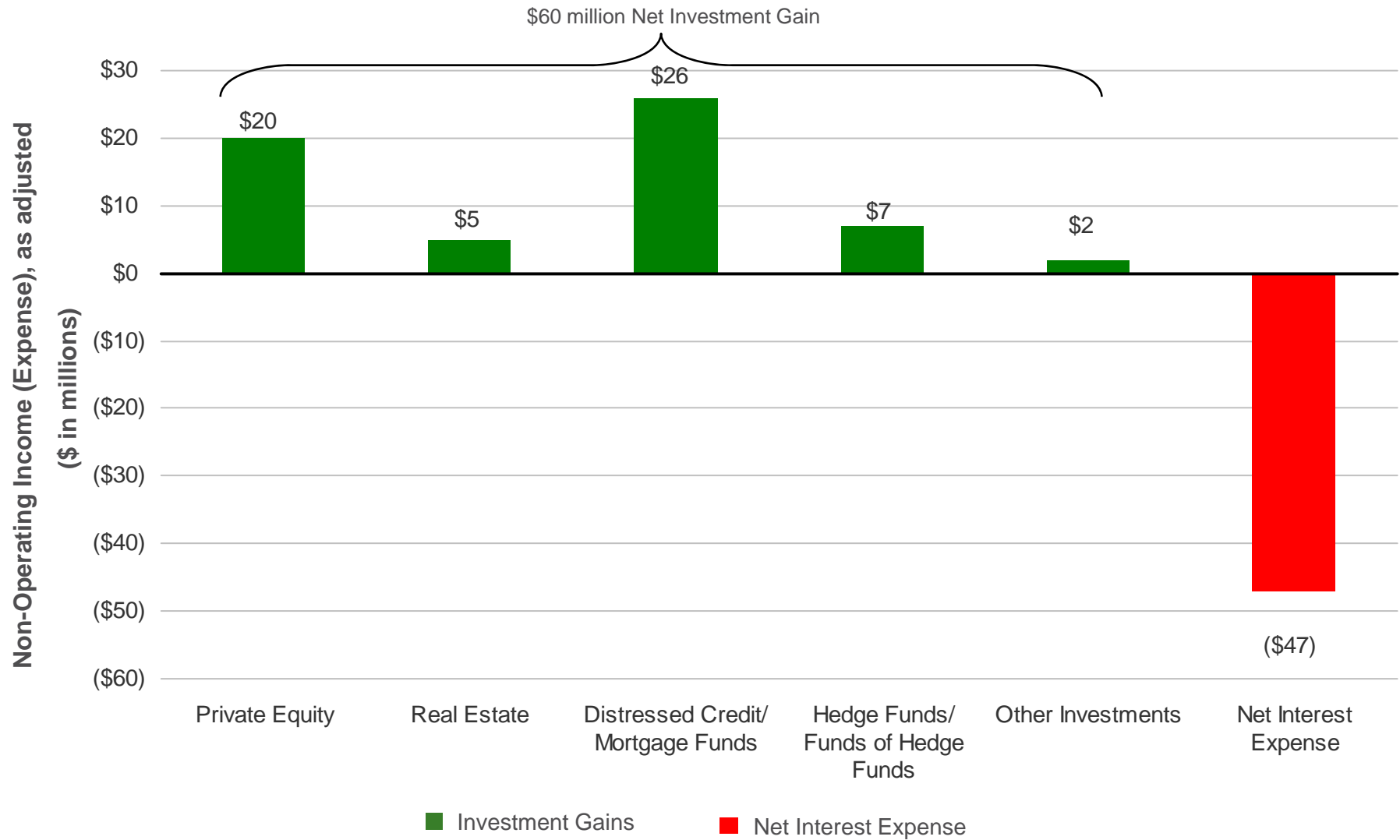
(1) Amounts exclude fund launch costs which are presented separately above.

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Non-operating and cash flow

Q3 2012 non-operating income

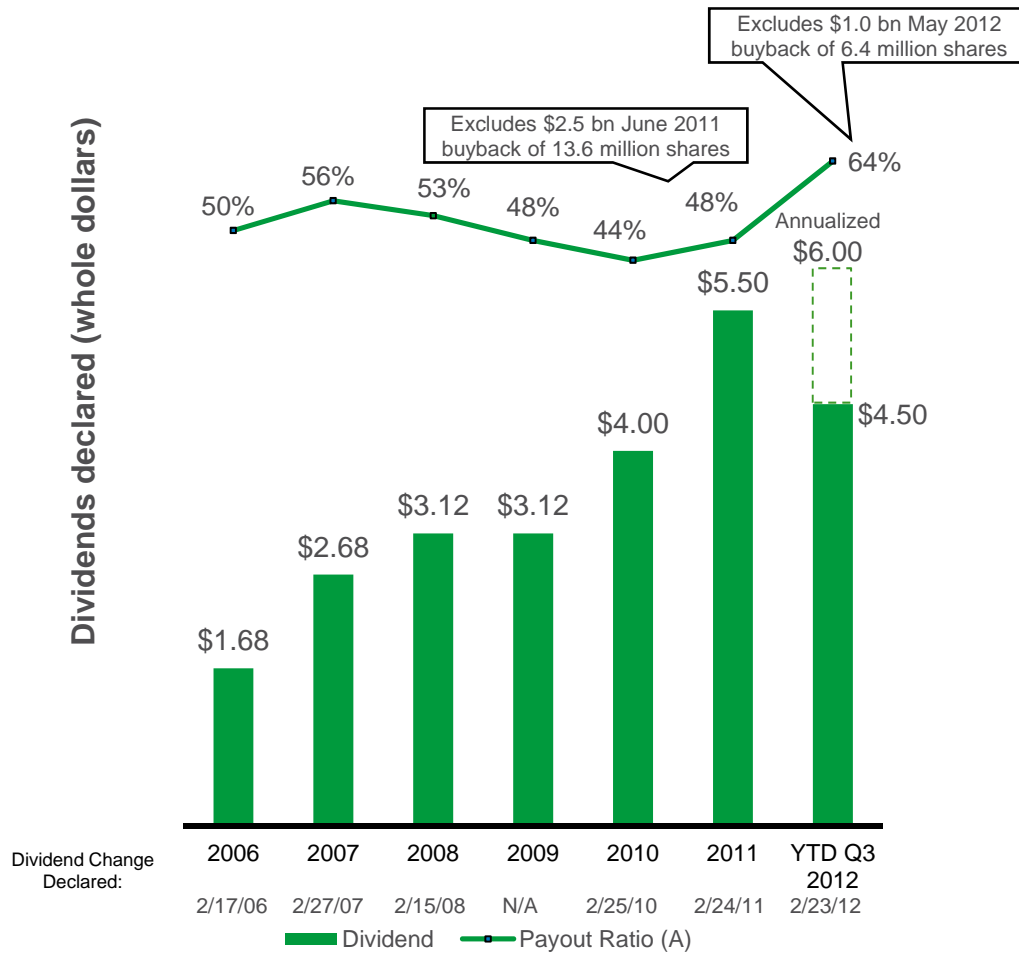
Q3 2012 \$13 million Non-Operating Income by Category, as adjusted



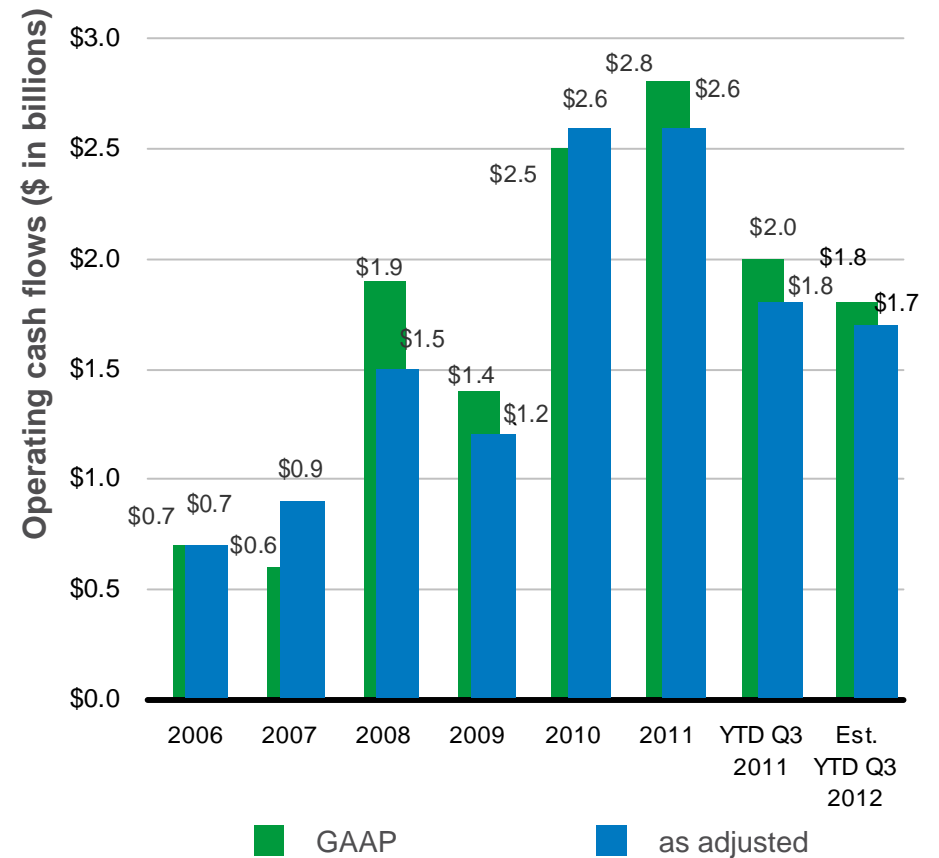
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Operating cash flow and payout ratio

Payout Ratio



Operating cash flow



Notes:

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

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

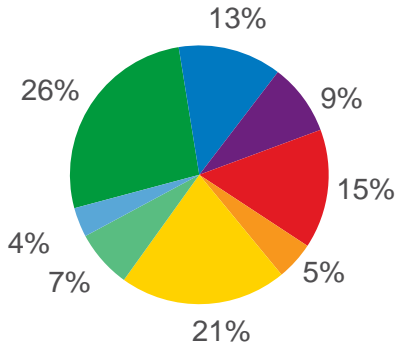
Appendix

Q3 2012 long-term AUM up 14% from Q3 2011

Long-term AUM

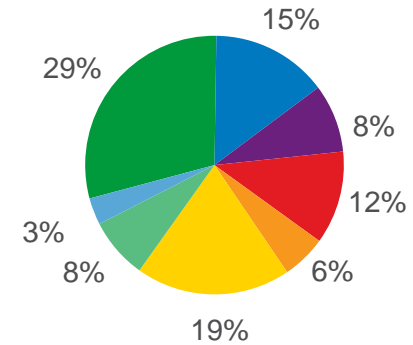
Q3 2011

\$2.971 trillion

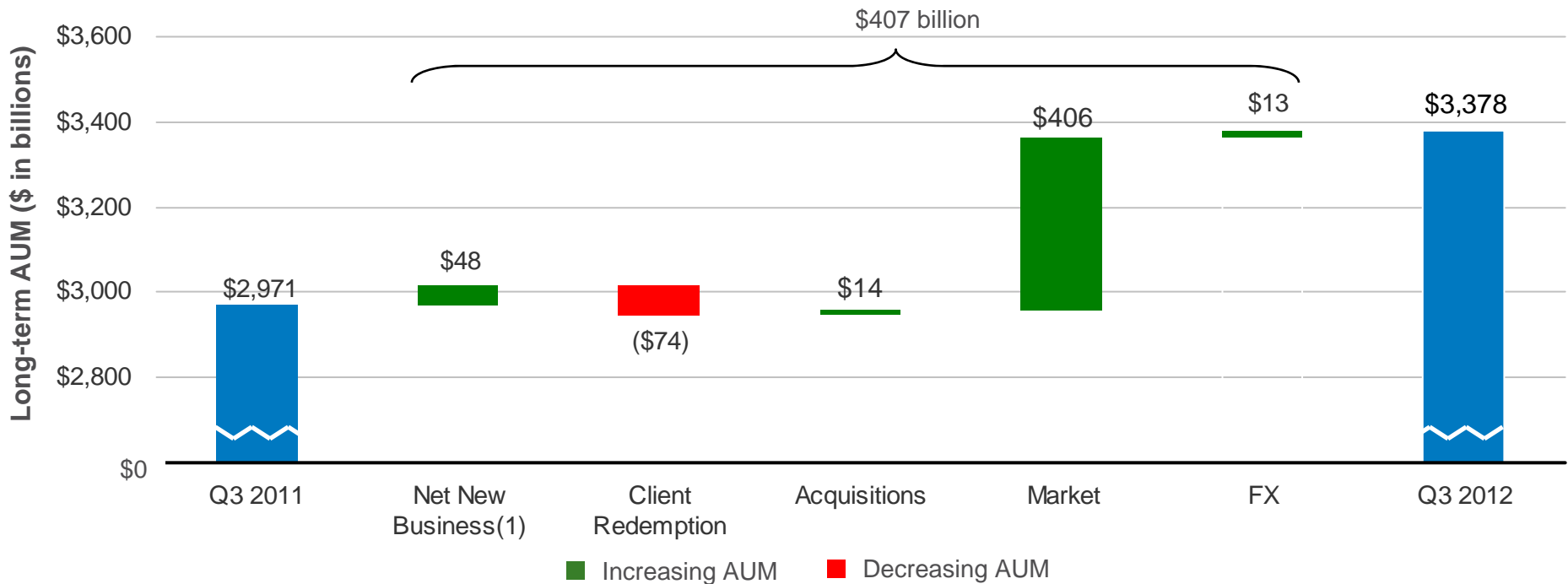


Q3 2012

\$3.378 trillion



Q3 2012 Compared to Q3 2011



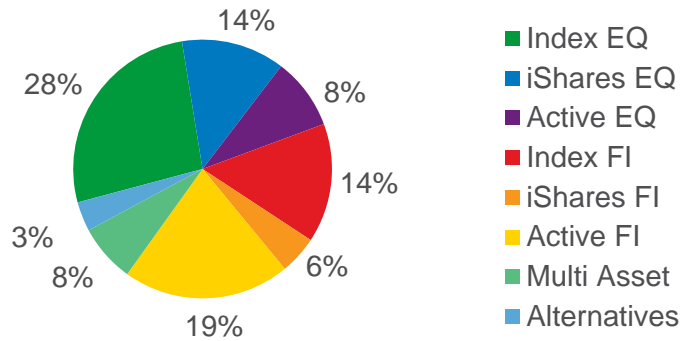
(1) Q3 2012 net new business excludes the effect of an institutional fixed income index redemption that totaled \$74.2 billion from a single client, which is shown separately above.

Q3 2012 long-term AUM up 4% from Q2 2012

Long-term AUM

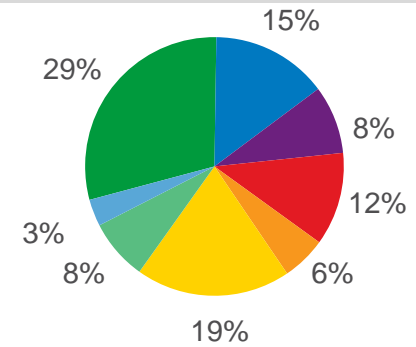
Q2 2012

\$3.255 trillion

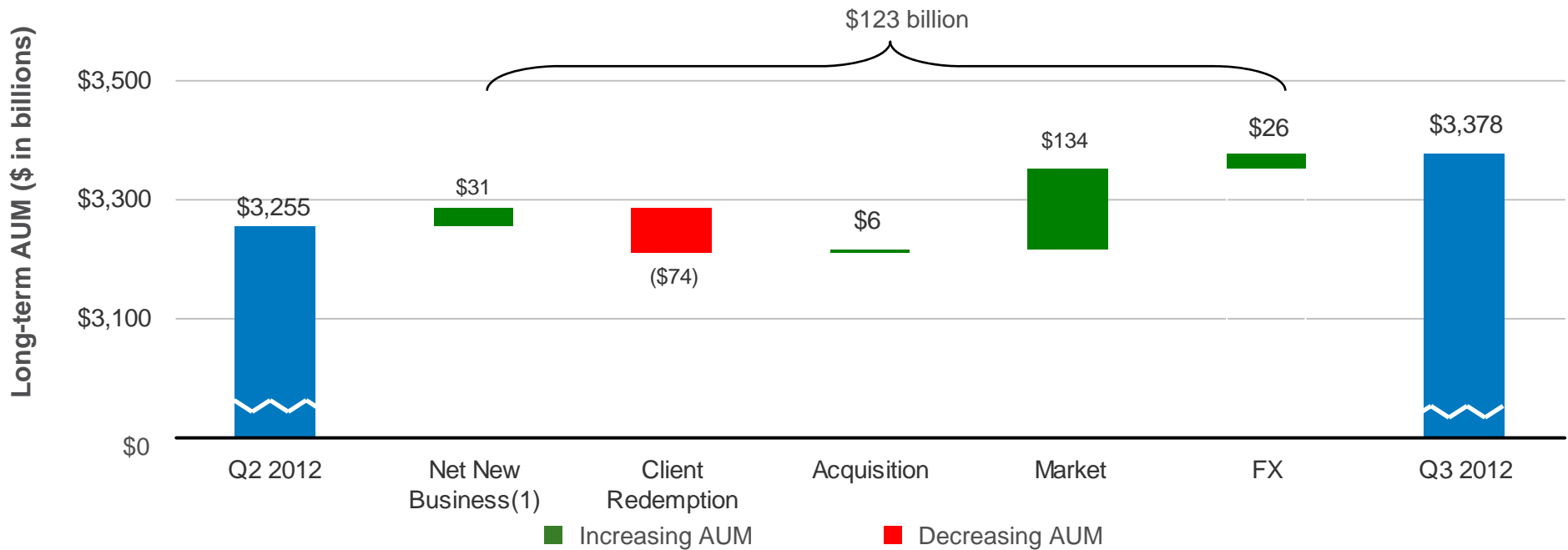


Q3 2012

\$3.378 trillion



Q3 2012 Compared to Q2 2012

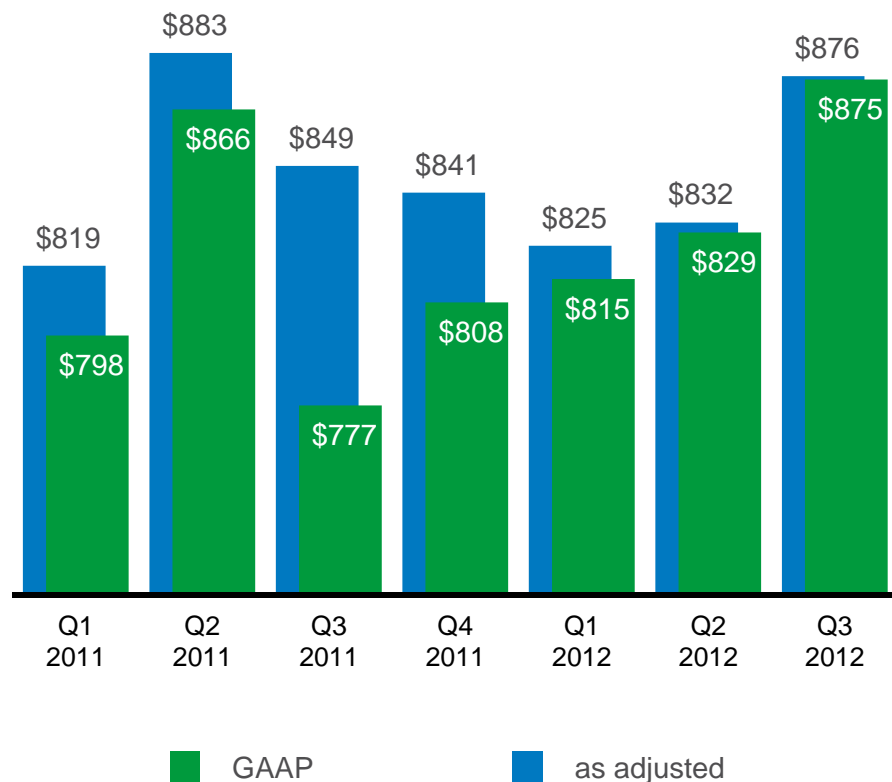


(1) Q3 2012 net new business excludes the effect of an institutional fixed income index redemption that totaled \$74.2 billion from a single client, which is shown separately above.

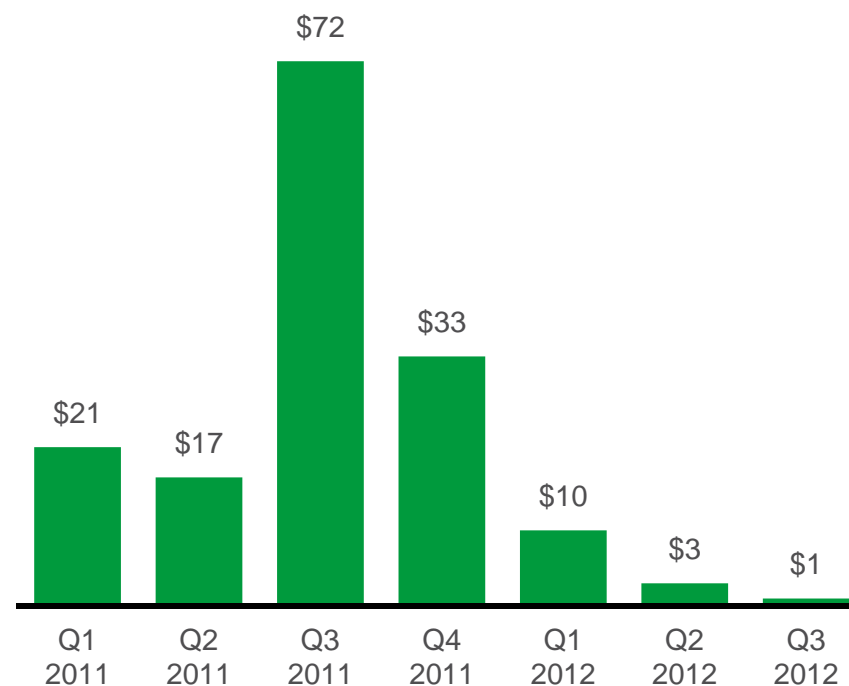
Quarterly operating income – GAAP and as adjusted

Non-GAAP adjustments include 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)

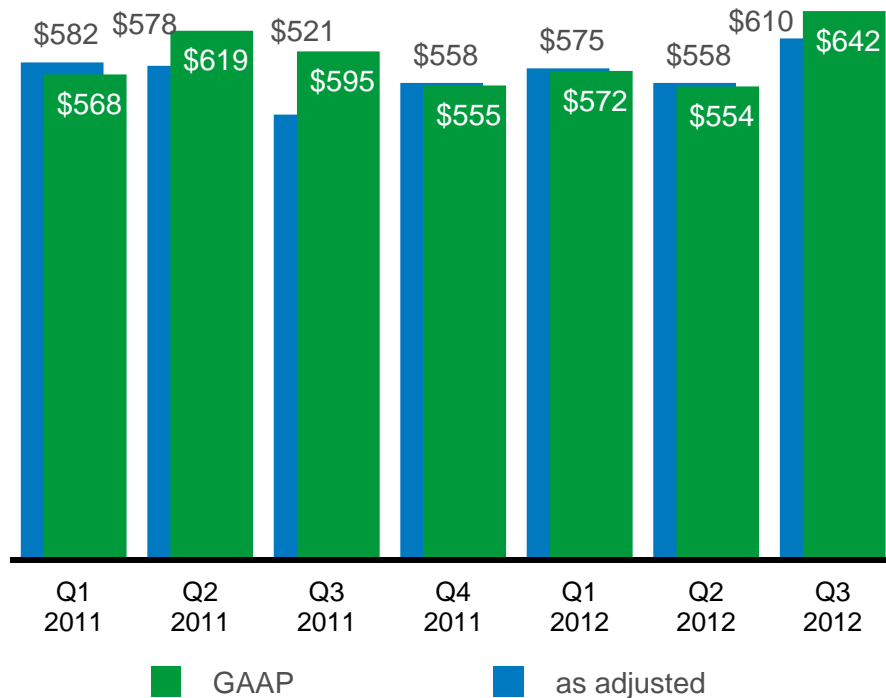


For further information and reconciliation between GAAP and as adjusted, see notes (a) through (f) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

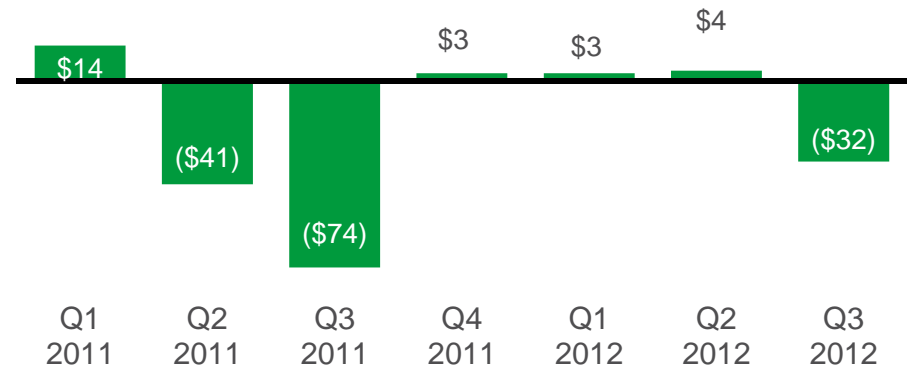
Quarterly net income – GAAP and as adjusted

Non-GAAP adjustments include 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)

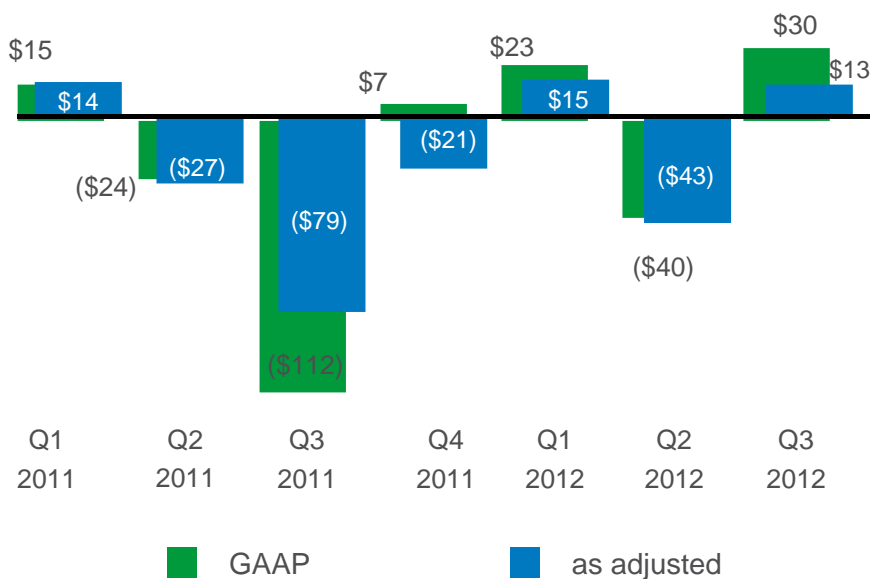


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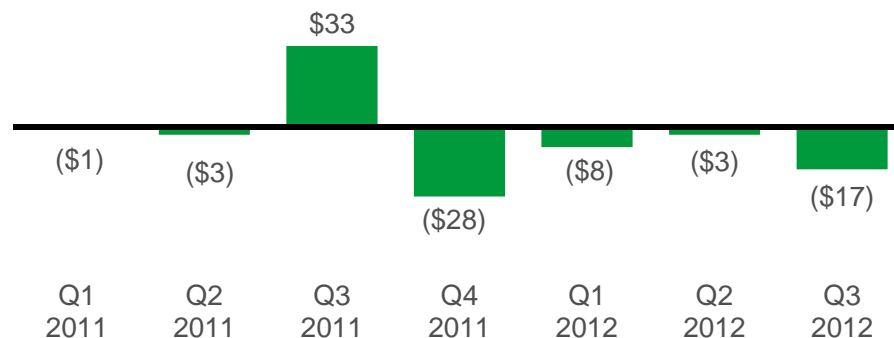
Quarterly non-operating income – GAAP and as adjusted

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>YTD Q3 2011</u>	<u>EST YTD Q3 2012</u>
Operating Cash Flows								
Operating Cash flows, GAAP basis	\$721	\$587	\$1,916	\$1,399	\$2,488	\$2,826	\$1,953	\$1,800
Less: Non-GAAP adjustments (1)	<u>21</u>	<u>(337)</u>	<u>413</u>	<u>168</u>	<u>(77)</u>	<u>178</u>	<u>114</u>	<u>100</u>
Operating Cash flows, as Adjusted	<u>\$700</u>	<u>\$924</u>	<u>\$1,503</u>	<u>\$1,231</u>	<u>\$2,565</u>	<u>\$2,648</u>	<u>\$1,839</u>	<u>\$1,700</u>
Investing Cash Flows								
Investing Cash flows, GAAP basis	\$3	(\$1,068)	(\$394)	(\$5,519)	(\$627)	(\$204)	(\$186)	(\$500)
Less: Non-GAAP adjustments (1)	<u>2</u>	<u>(201)</u>	<u>(9)</u>	<u>31</u>	<u>(52)</u>	<u>24</u>	<u>(13)</u>	<u>(200)</u>
Investing Cash flows, as Adjusted	<u>\$1</u>	<u>(\$867)</u>	<u>(\$385)</u>	<u>(\$5,550)</u>	<u>(\$575)</u>	<u>(\$228)</u>	<u>(\$173)</u>	<u>(\$300)</u>
Financing Cash Flows								
Financing Cash flows, GAAP basis	(\$85)	\$959	(\$887)	\$6,749	(\$3,170)	(\$2,485)	(\$2,175)	(\$700)
Less: Non-GAAP adjustments (1)	<u>68</u>	<u>514</u>	<u>(410)</u>	<u>(185)</u>	<u>110</u>	<u>(71)</u>	<u>(99)</u>	<u>-</u>
Financing Cash flows, as Adjusted	<u>(\$153)</u>	<u>\$445</u>	<u>(\$477)</u>	<u>\$6,934</u>	<u>(\$3,280)</u>	<u>(\$2,414)</u>	<u>(\$2,076)</u>	<u>(\$700)</u>

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

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