



Q2 2012 Earnings

Press Release Supplement

July 18, 2012

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" or 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 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 July 18, 2012, and BlackRock's other periodic reports, which are available on BlackRock's web site at www.blackrock.com.

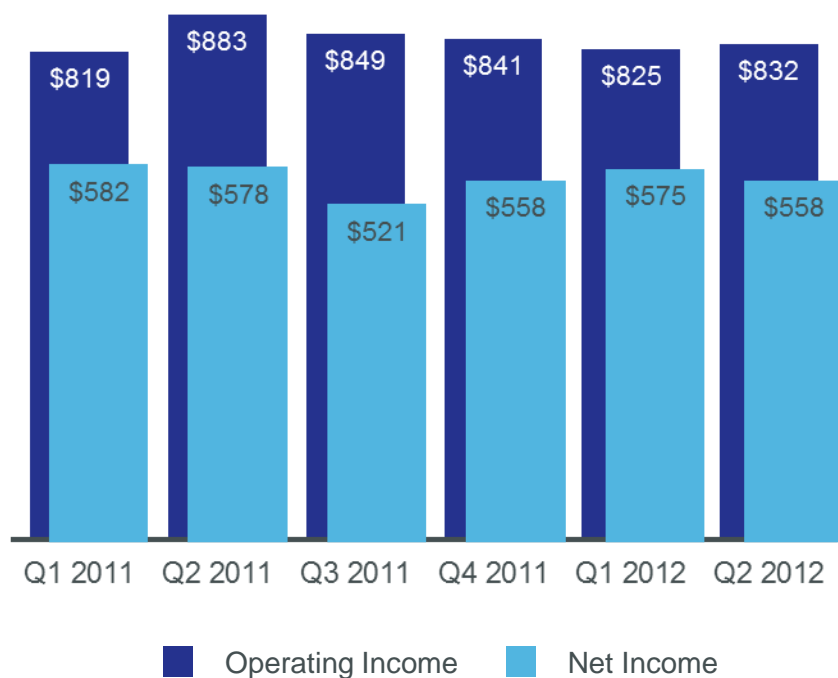
Table of Contents

Operating and Net Income/Diluted EPS, as adjusted	Pg. 3
Operating Margin, as adjusted	Pg. 4
Q2 2012 mix by product, client type, style and region	Pg. 5
Market Indices	Pg. 6
Year-over-Year: Q2 2012 vs. Q2 2011	Pg. 7-12
Sequential Quarters: Q2 2012 vs. Q1 2012	Pg. 13-18
Non-operating and Cash Flow	Pg. 19-21
Appendix	Pg. 22-28

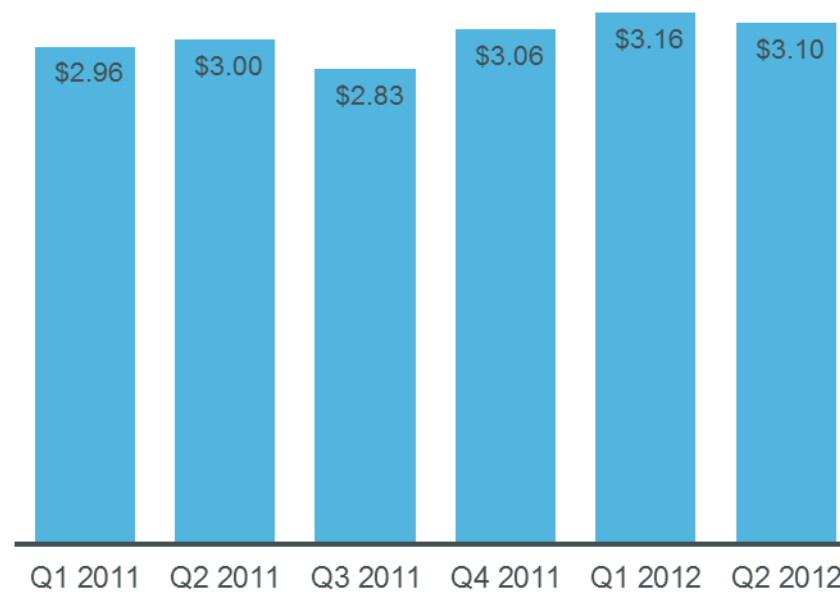
Operating income remained strong despite market environment

Second quarter EPS reflected market conditions

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



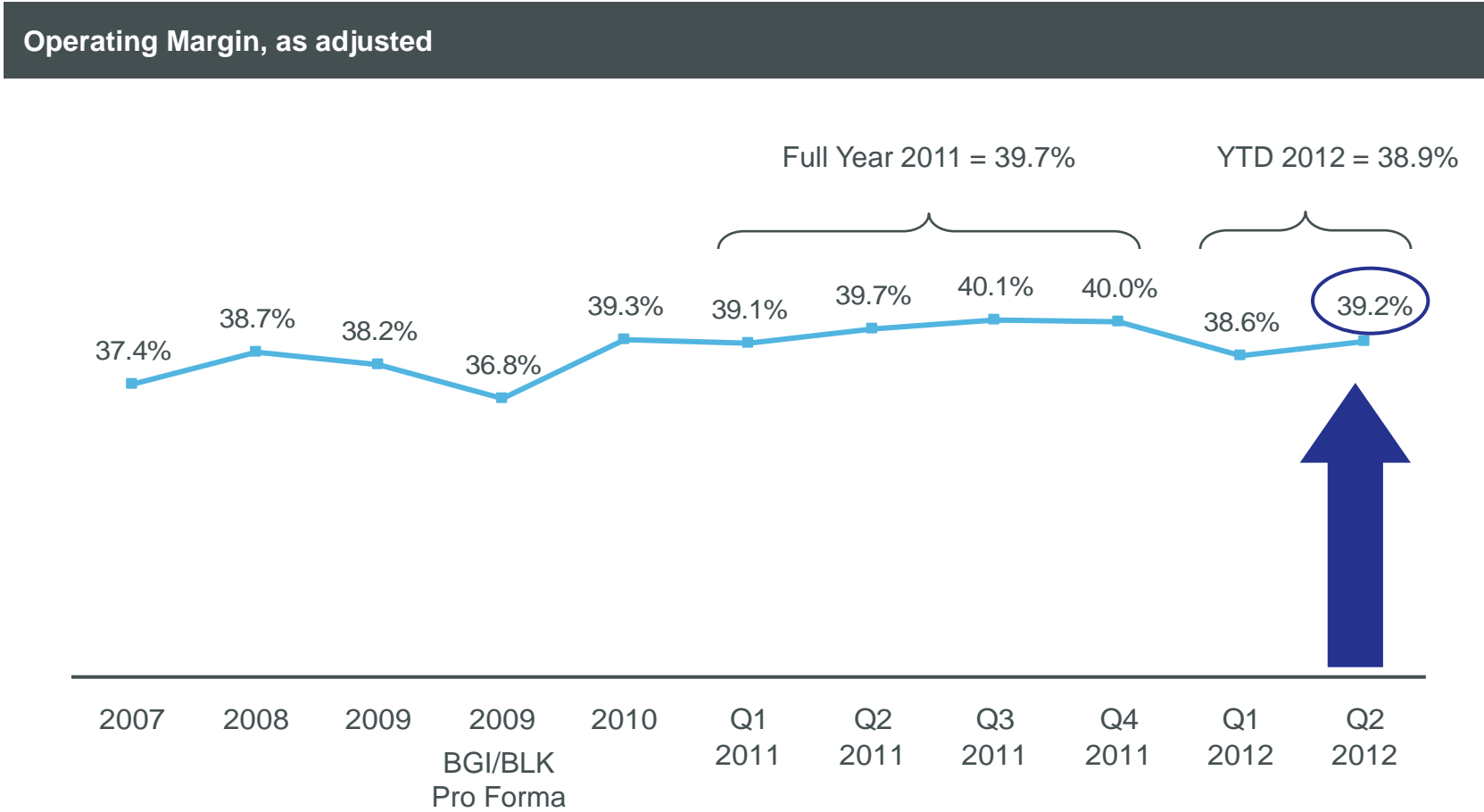
Diluted Earnings Per Share, as adjusted



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 operating margin improvement

Year-over-year operating margin largely reflected market effects



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.

Q2 2012 mix by product, client type, style and region

Q2 2012 Long-term Base Fees of \$1.902 billion generated from Long-term Assets Under Management of \$3.255 trillion at June 30, 2012



Major non-US equity markets trended lower in Q2 2012

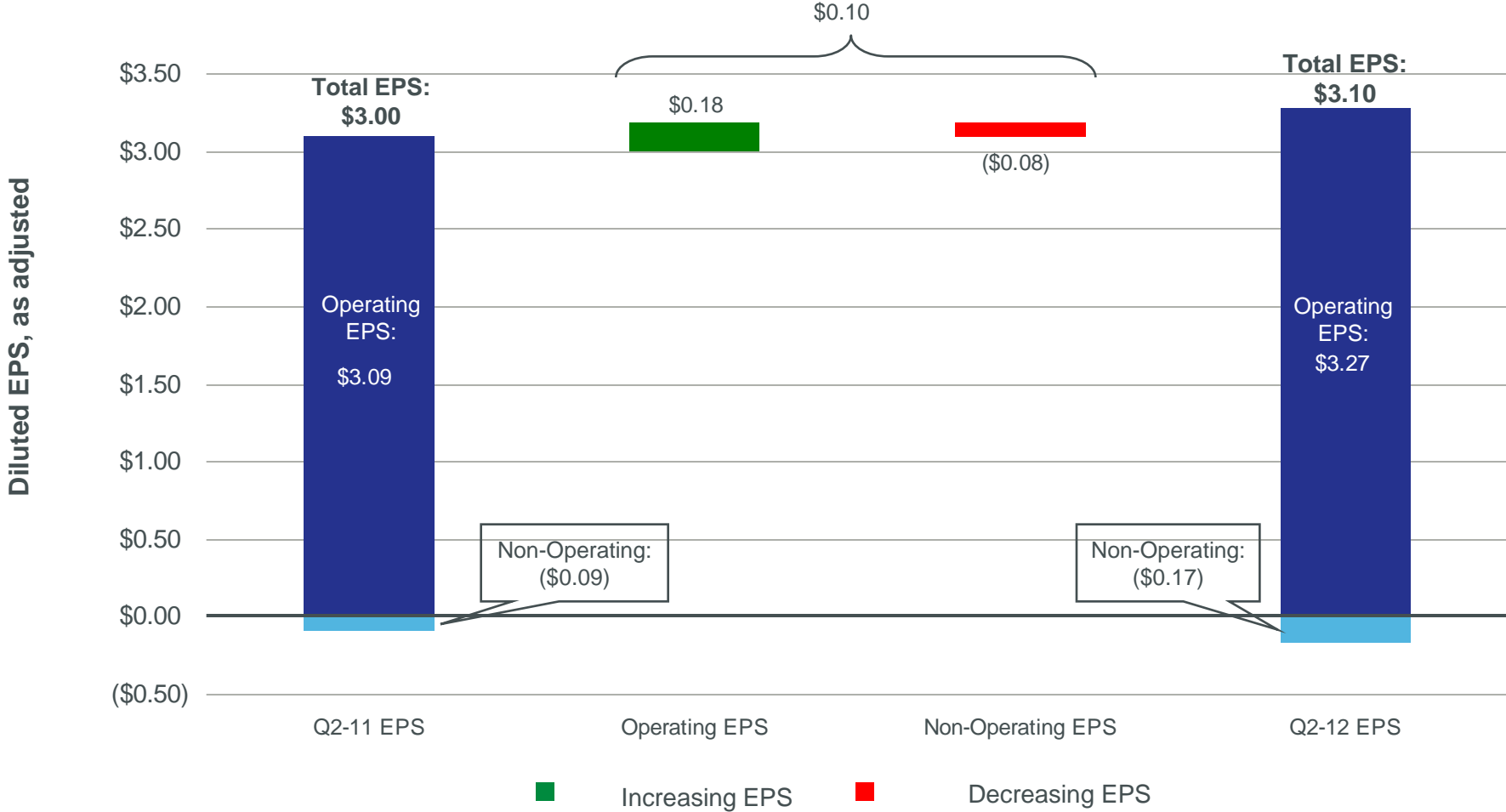
Index	Average Index Level			Q2 12 vs.	
	Q2 11	Q1 12	Q2 12	Q2 11	Q1 12
S&P 500	1,319	1,347	1,350	2.3%	0.2%
MSCI Barra World Index	1,332	1,268	1,233	(7.4%)	(2.7%)
MSCI Europe Index	95	90	86	(9.4%)	(4.4%)
MSCI AC Asia Pacific Index	135	124	118	(12.4%)	(4.6%)
MSCI Emerging Markets Index	1,158	1,026	963	(16.9%)	(6.2%)
S&P Global Natural Resources	3,941	3,533	3,209	(18.6%)	(9.2%)

Year-over-year

Q2 2012 vs. Q2 2011

Year-over-year EPS growth

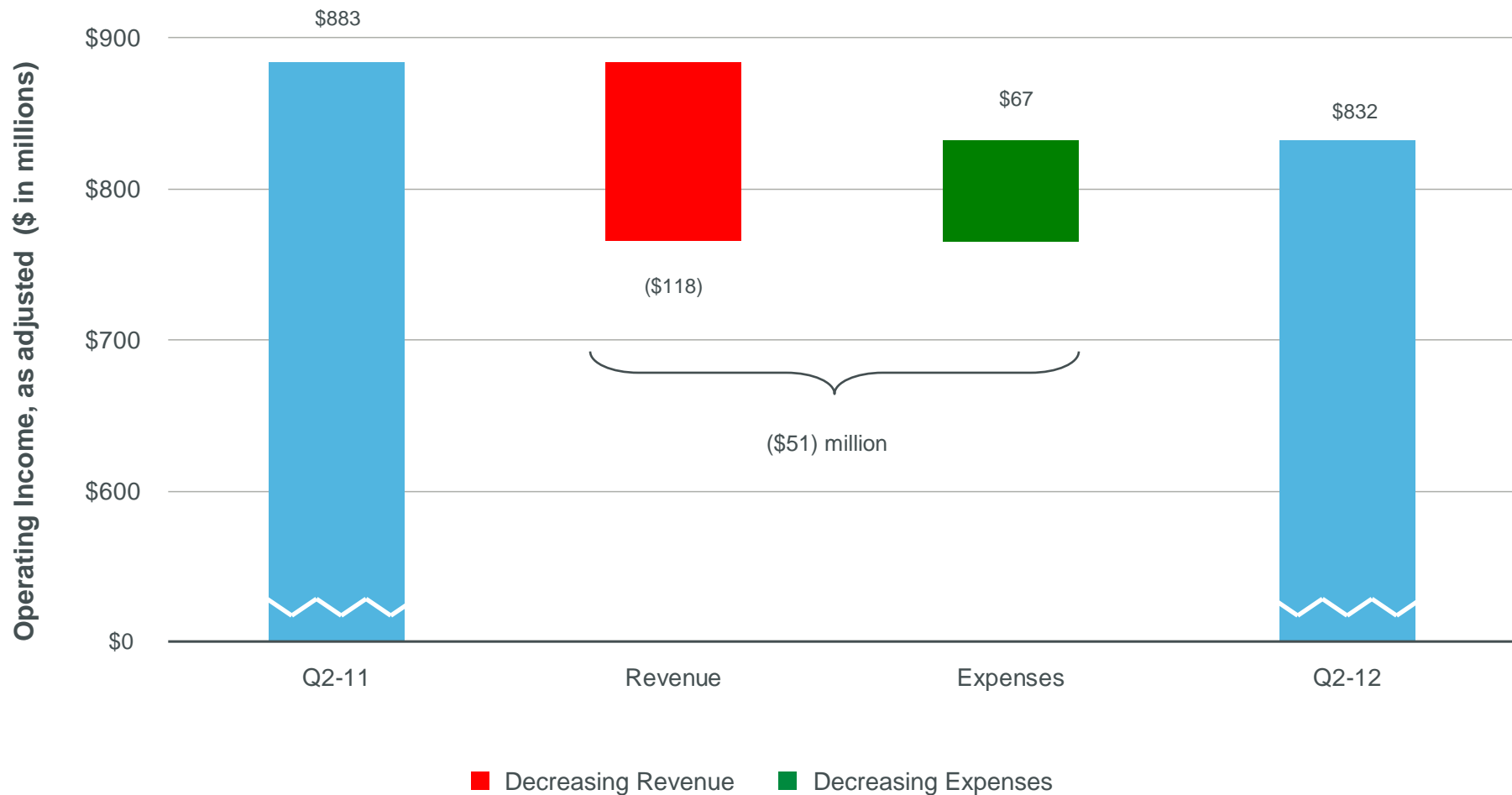
Q2-12 Compared to Q2-11, as adjusted



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 market effects and expense discipline

Q2-12 Compared to Q2-11, as adjusted



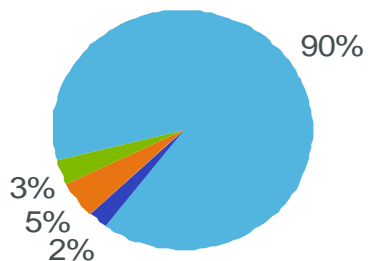
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Year-over-year revenue reflected market effects and strong demand for BRS services

Total Revenue

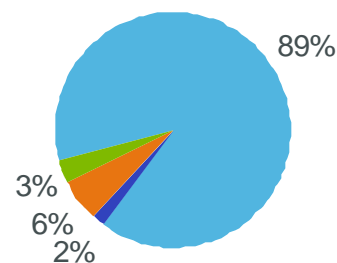
Q2-11

\$2.35 billion

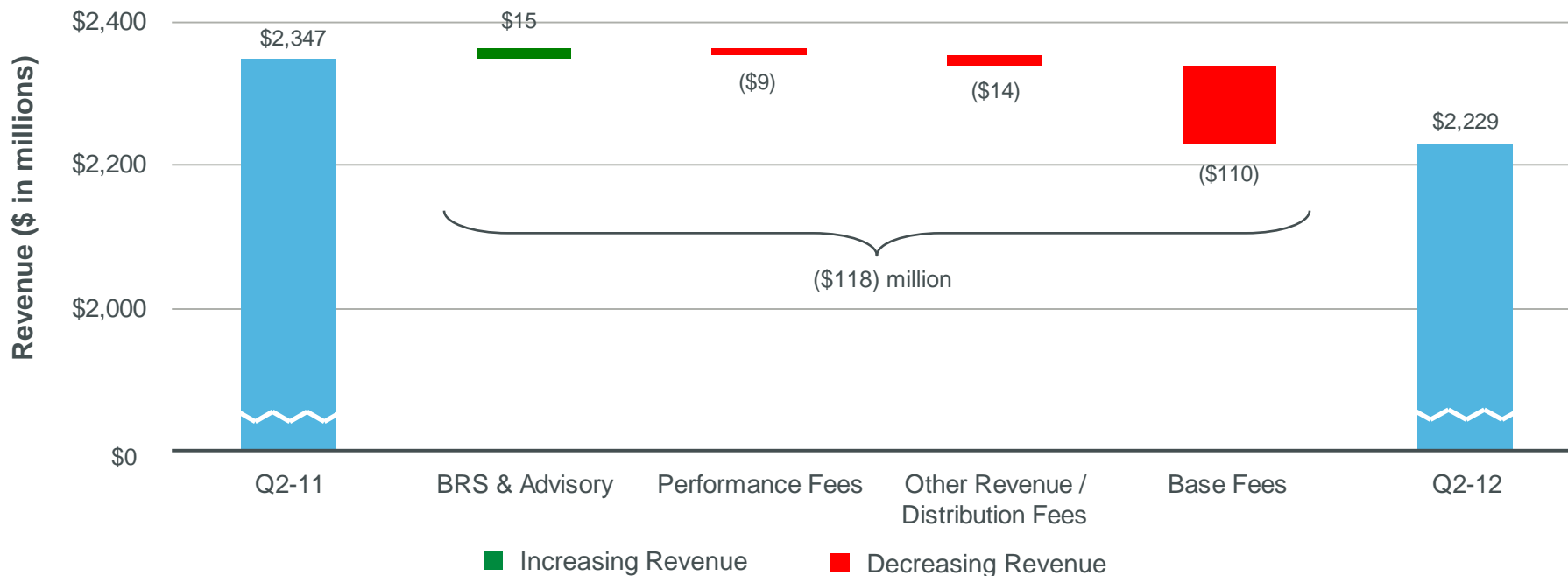


Q2-12

\$2.23 billion



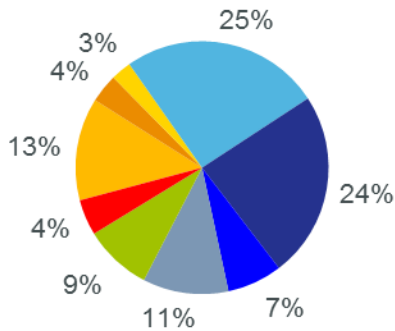
Q2-12 Compared to Q2-11



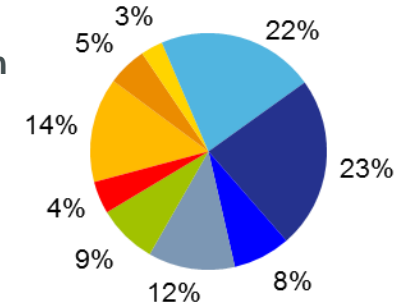
Year-over-year base fees reflected a shift towards fixed income *iShares*

Base fees

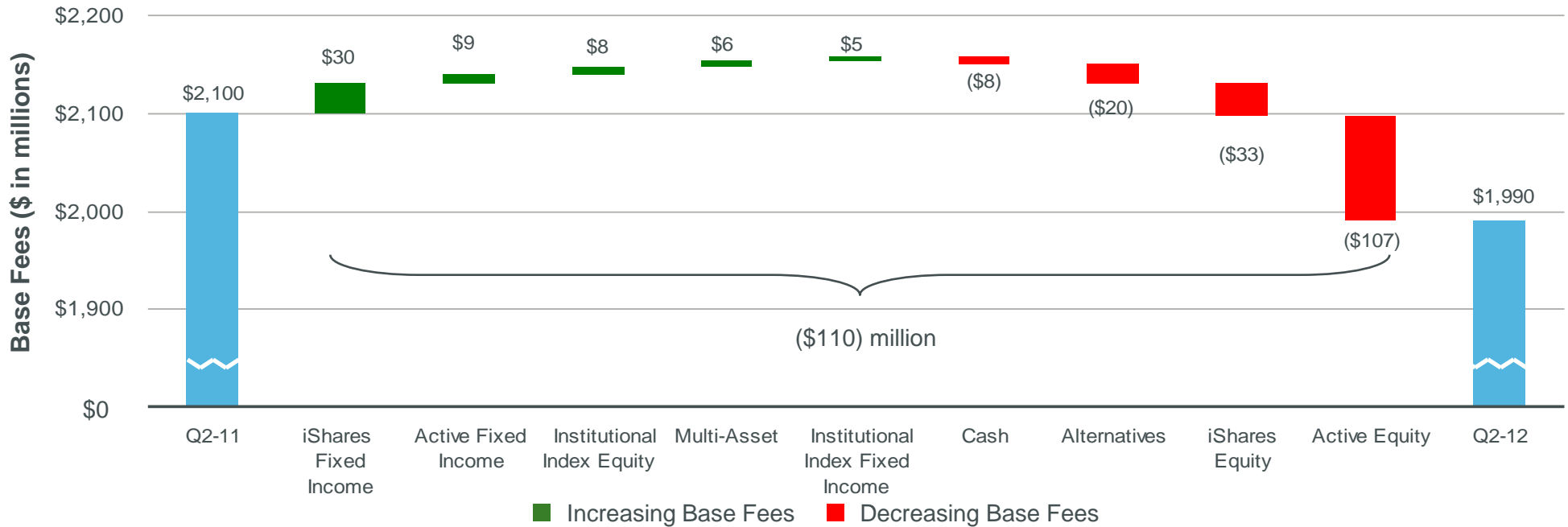
Q2-11
\$2.10 billion



Q2-12
\$1.99 billion



Q2-12 Compared to Q2-11

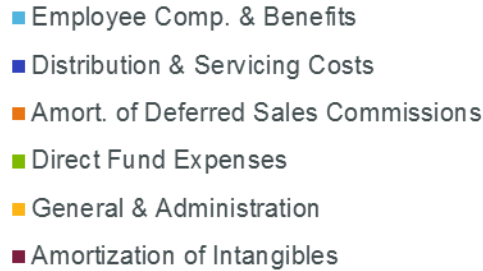
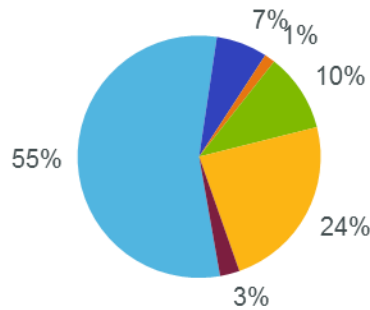


Year-over-year expenses declined across all major expense categories

Expenses, as adjusted, by Category

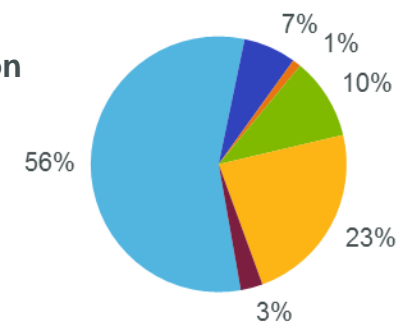
Q2-11

\$1.46 billion

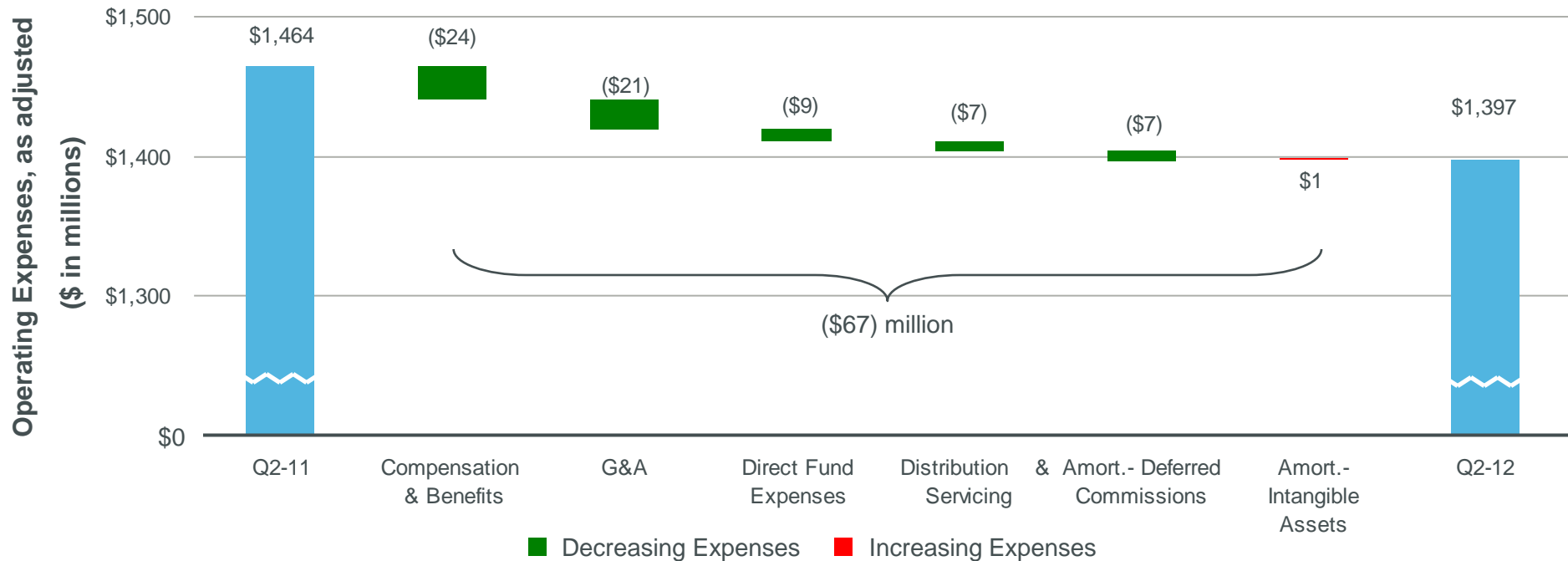


Q2-12

\$1.40 billion



Q2-12 Compared to Q2-11, as adjusted



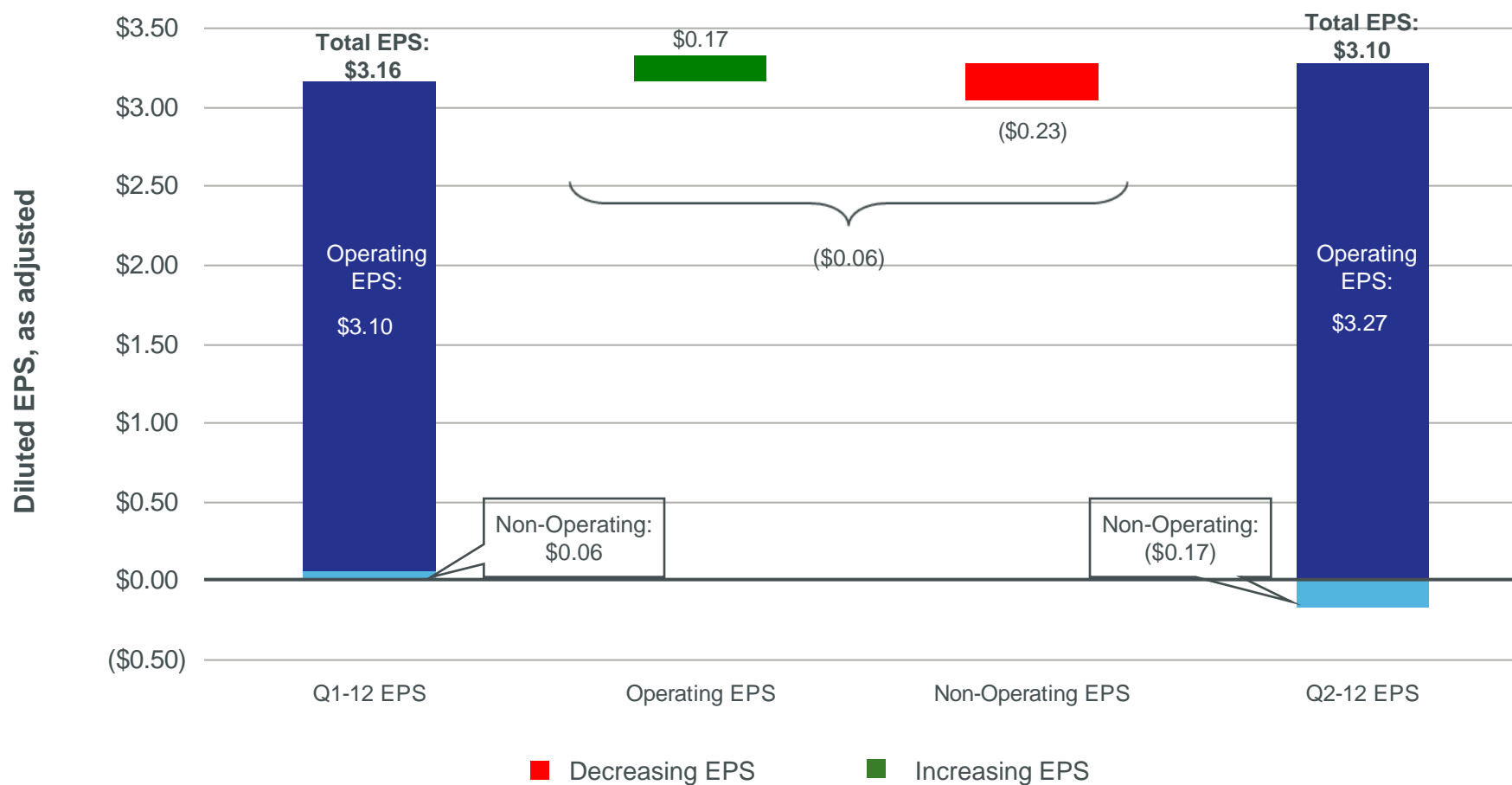
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Sequential Quarters

Q2 2012 vs. Q1 2012

Sequential EPS reflected market conditions

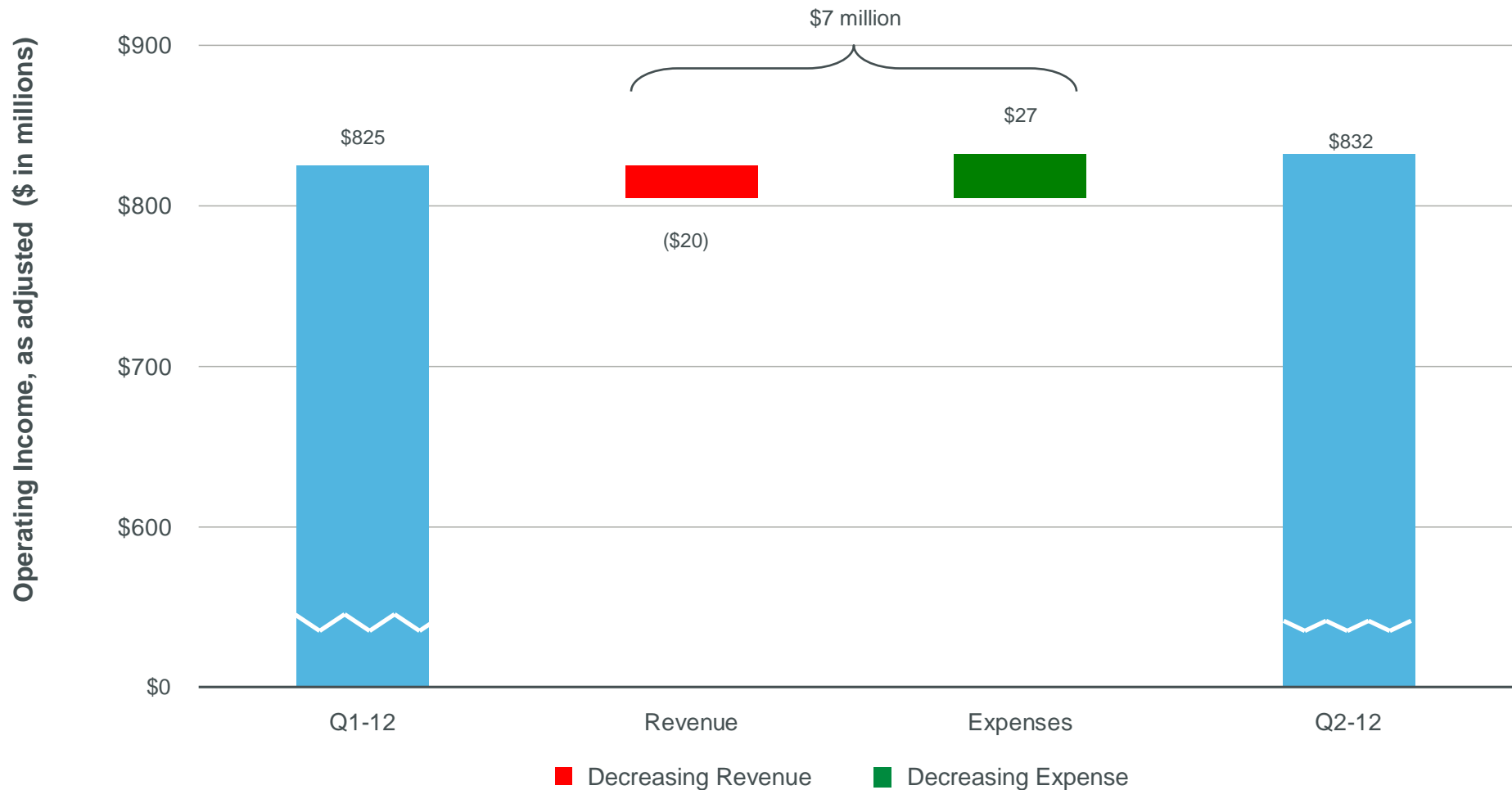
Q2-12 Compared to Q1-12, as adjusted



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

Q2 2012 operating income improvement reflected seasonal factors and market effects

Q2-12 Compared to Q1-12, as adjusted

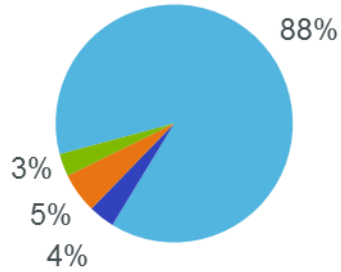


For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Sequential revenue stable

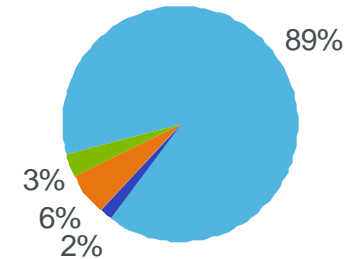
Total Revenue

Q1-12
\$2.25 billion

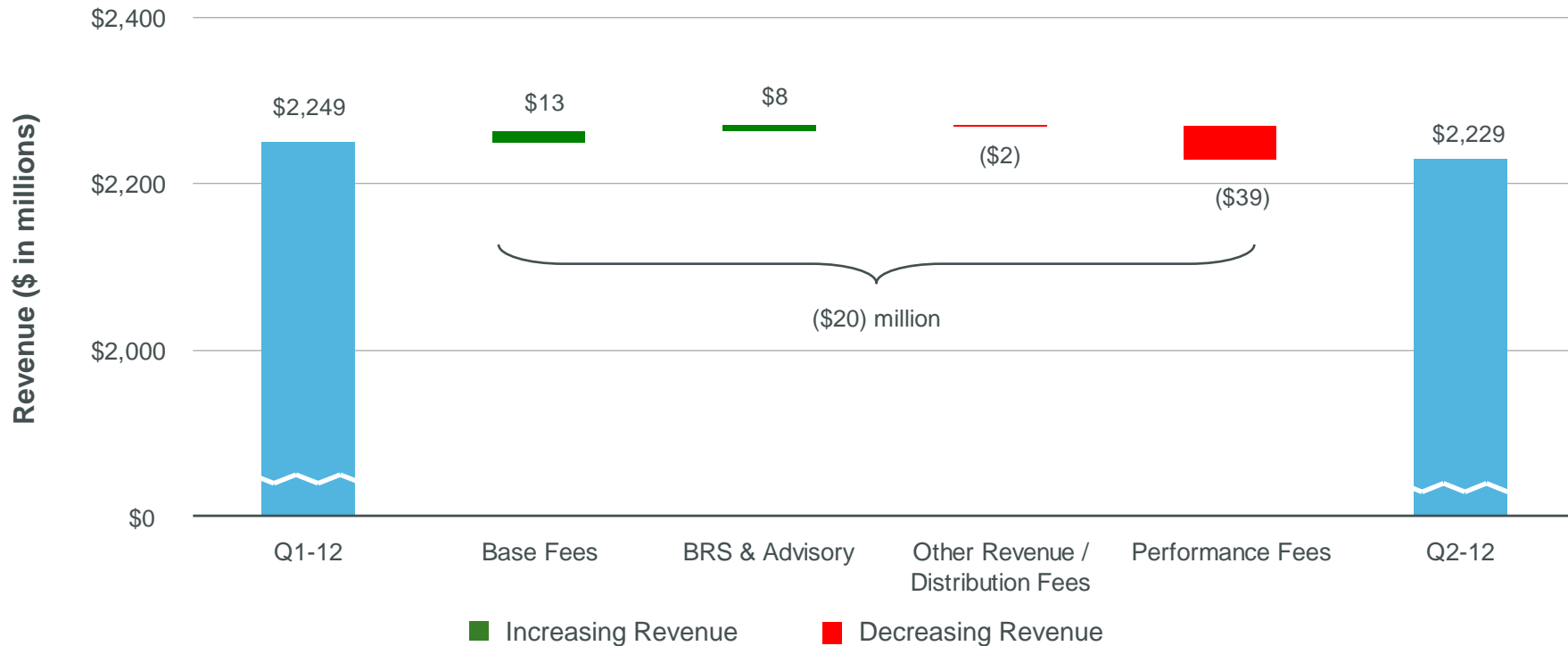


- Base Fees
- Performance Fees
- BRS and Advisory
- Other Revenue / Distribution Fees

Q2-12
\$2.23 billion



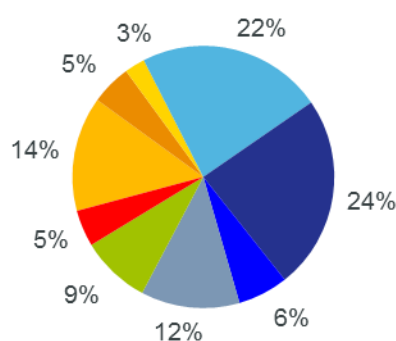
Q2-12 Compared to Q1-12



Sequential base fees reflected seasonal factors, fixed income demand and market effects

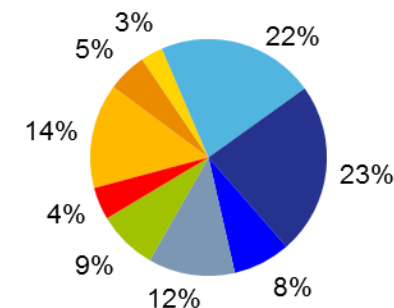
Base Fees

Q1-12
\$1.98 billion

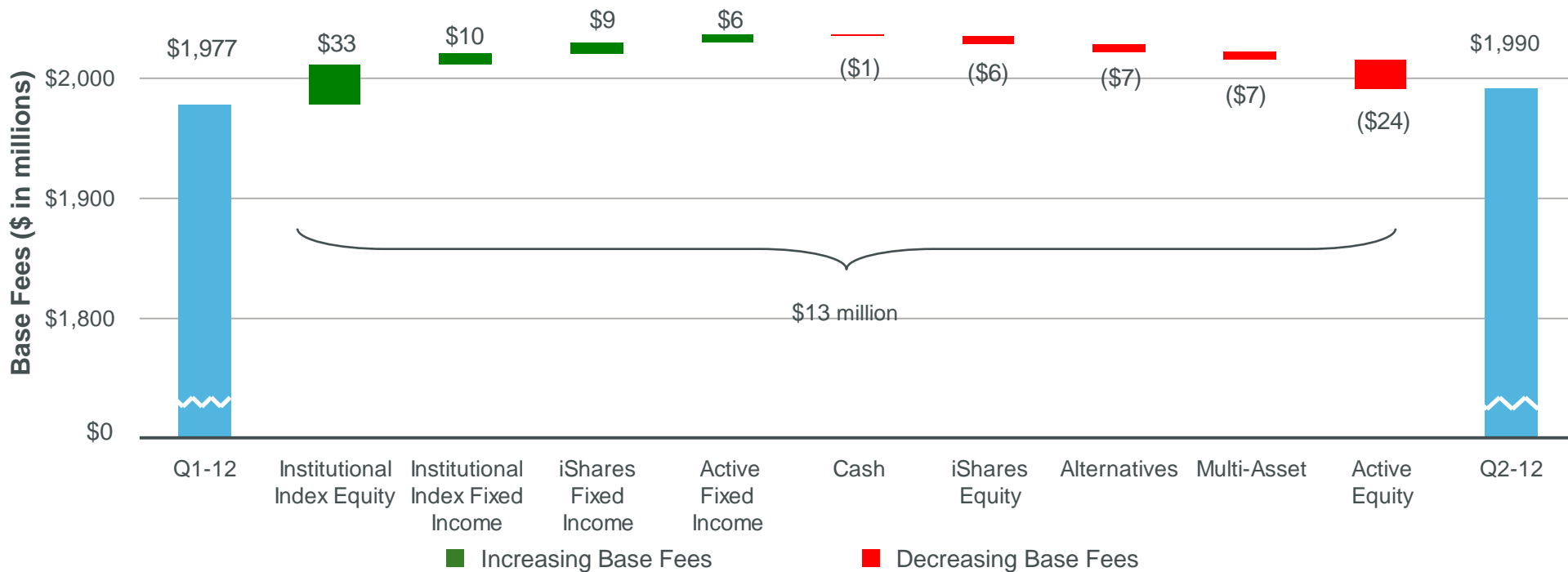


- Active Fixed Income
- iShares Fixed Income
- Institutional Index Fixed Income
- Active Equity
- iShares Equity
- Institutional Index Equity
- Multi-Asset
- Alternatives
- Cash

Q2-12
\$1.99 billion



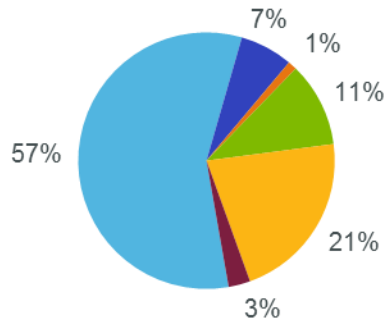
Q2-12 Compared to Q1-12



Sequential expenses declined overall despite higher brand campaign costs

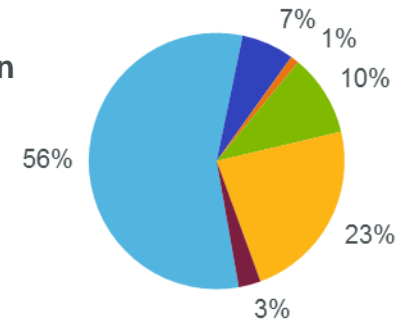
Expense, as adjusted, by Category

Q1-12
\$1.42 billion

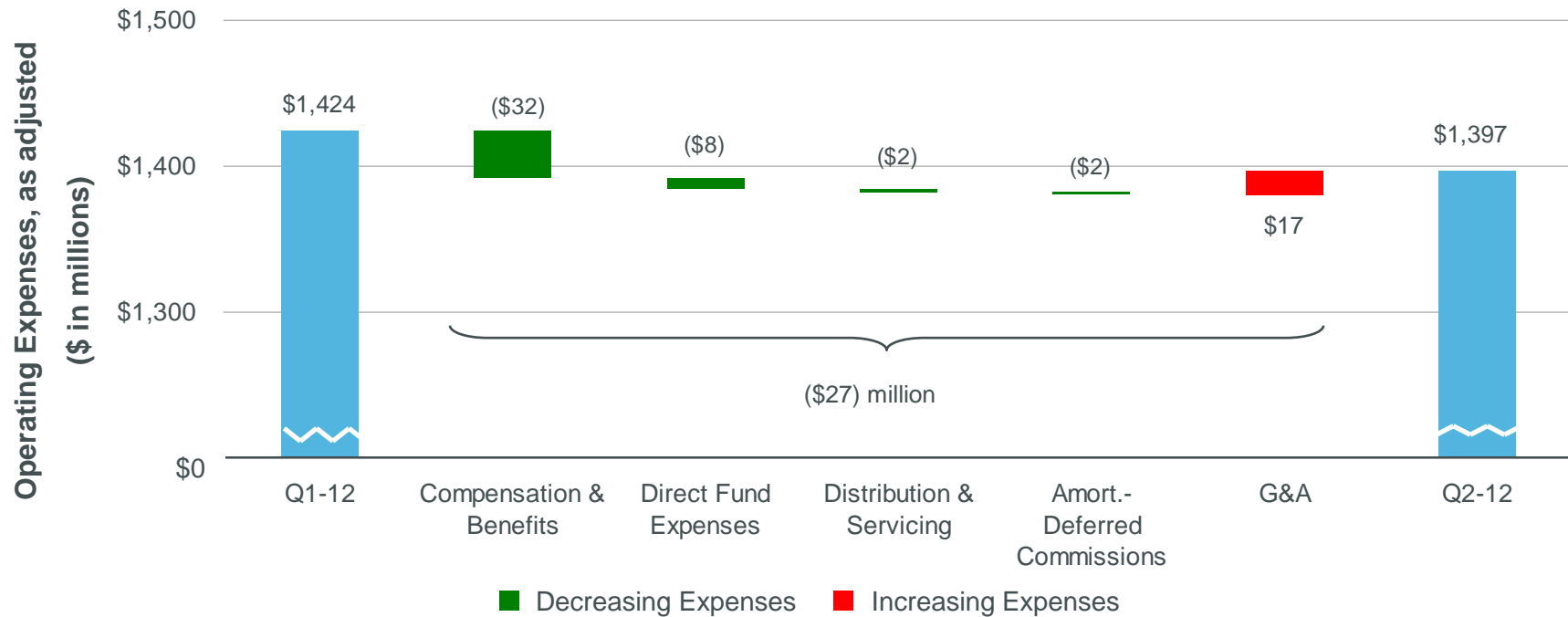


- Employee Comp. & Benefits
- Distribution & Servicing Costs
- Amort. of Deferred Sales Commissions
- Direct Fund Expenses
- General & Administration
- Amort. of Intangible Assets

Q2-12
\$1.40 billion



Q2-12 Compared to Q1-12, as adjusted

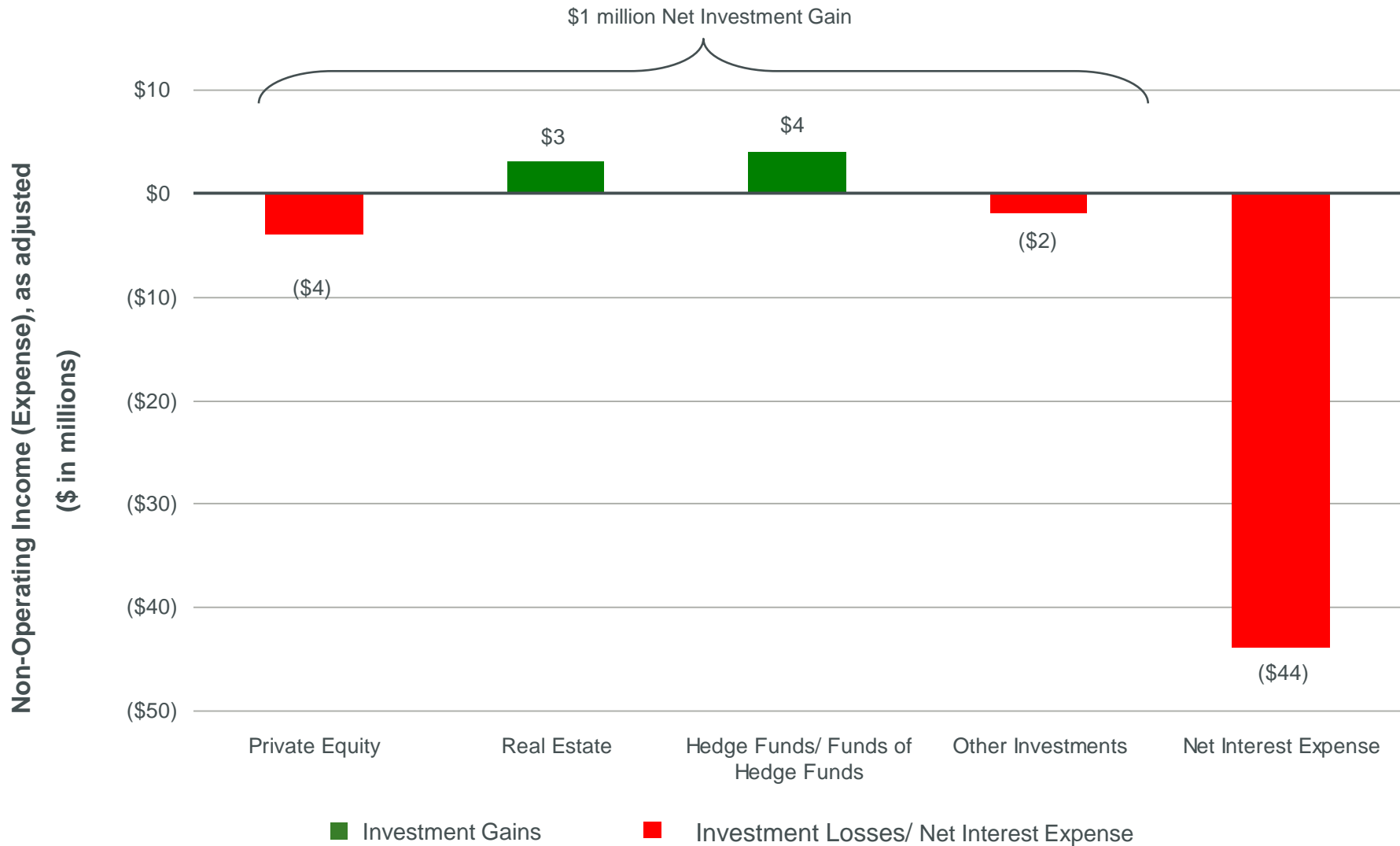


For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Non-operating and cash flow

Q2 2012 non-operating expense

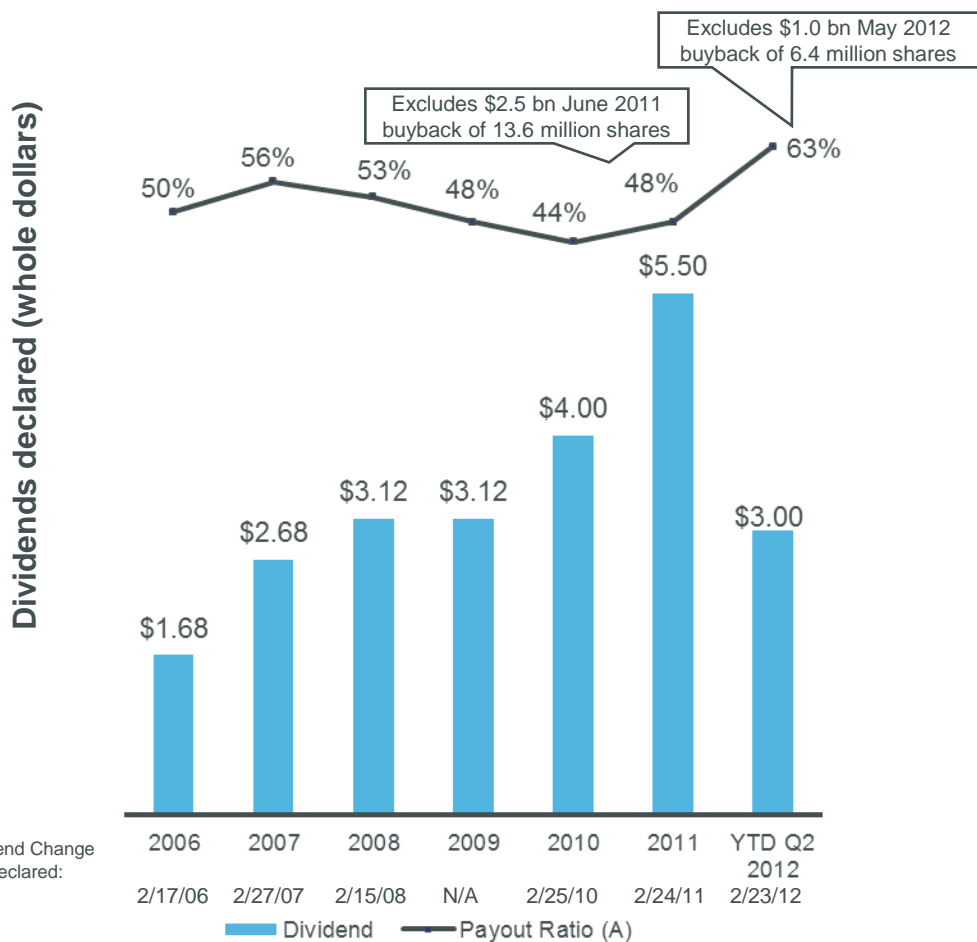
Q2-12 \$43 million Non-Operating Expense by Category, as adjusted



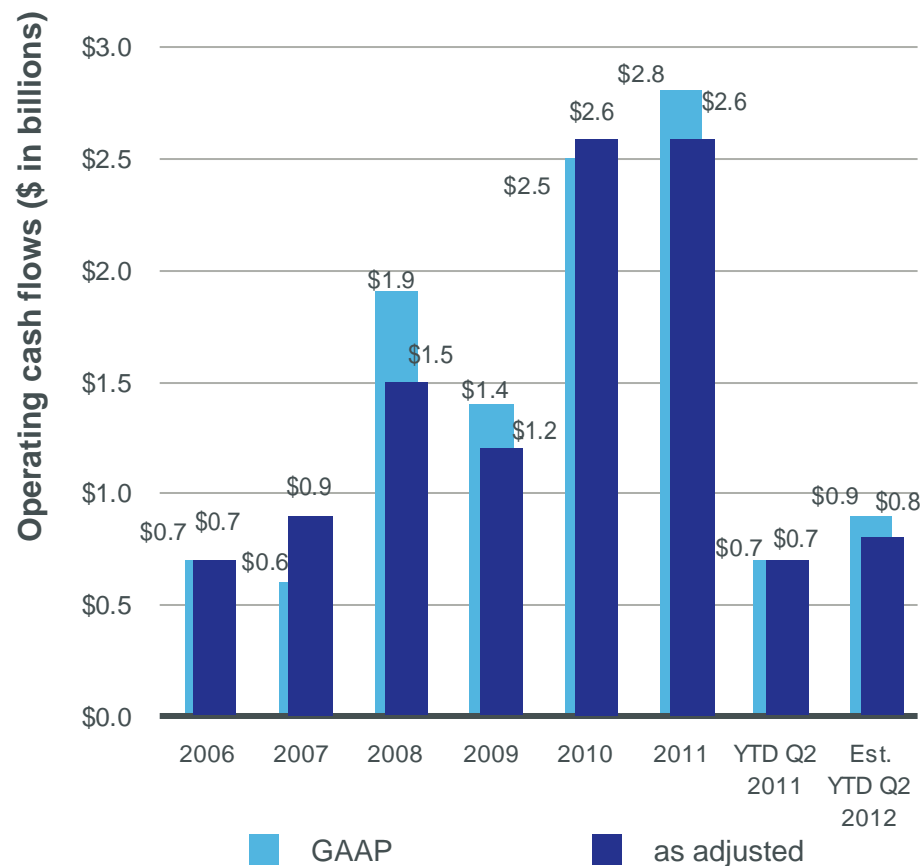
For further information and reconciliation between GAAP and as adjusted, see the appendix and notes (a) through (f) in the current earnings release.

Operating cash flow and payout ratio

Payout Ratio



Operating cash flow



Notes:

(A) Payout ratio = (dividends + 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.

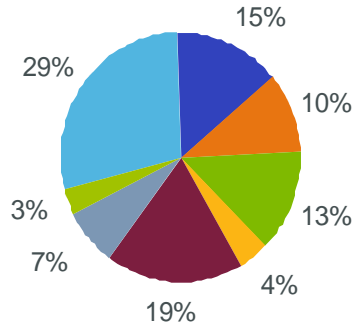
Appendix

Q2 2012 long-term AUM reflected modest long-term inflows and market declines

Long-term AUM

Q2-11

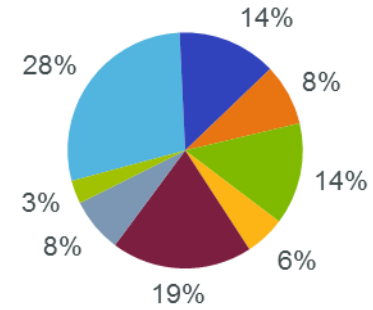
\$3.279 trillion



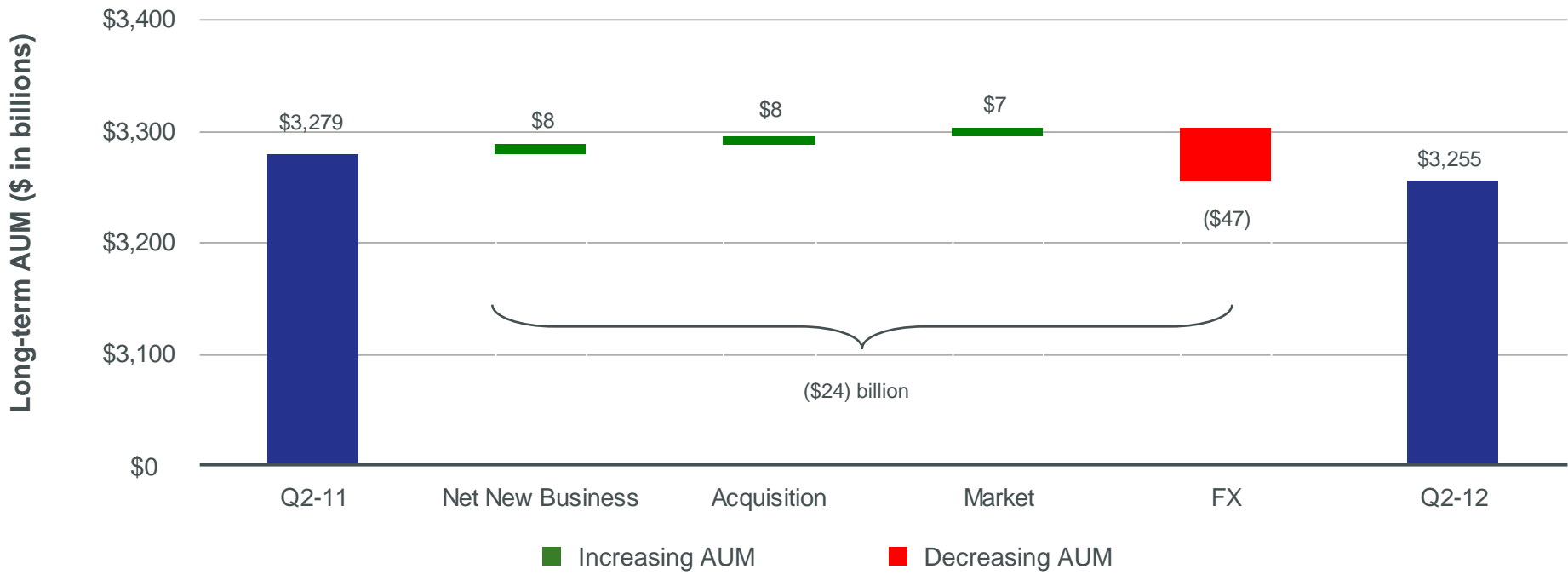
- Index EQ
- iShares EQ
- Active EQ
- Index FI
- iShares FI
- Active FI
- Multi Asset
- Alternatives

Q2-12

\$3.255 trillion



Q2-11 Compared to Q2-12

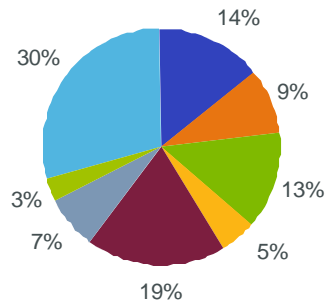


Q2 2012 long-term AUM reflected decline in global markets

Long-term AUM

Q1-12

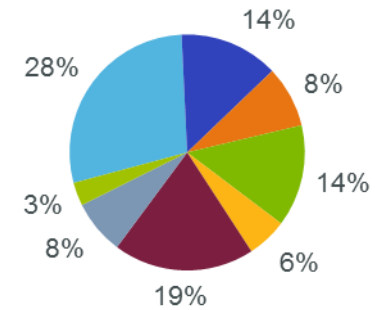
\$3.345 trillion



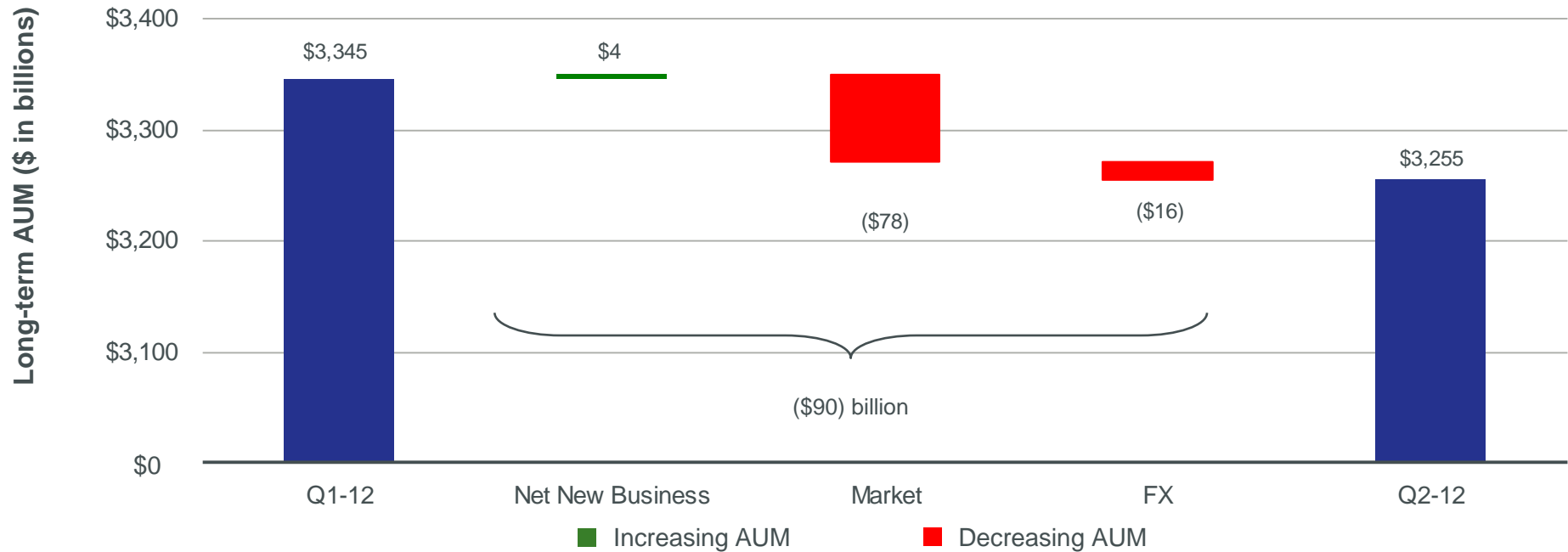
- Index EQ
- iShares EQ
- Active EQ
- Index FI
- iShares FI
- Active FI
- Multi Asset
- Alternatives

Q2-12

\$3.255 trillion



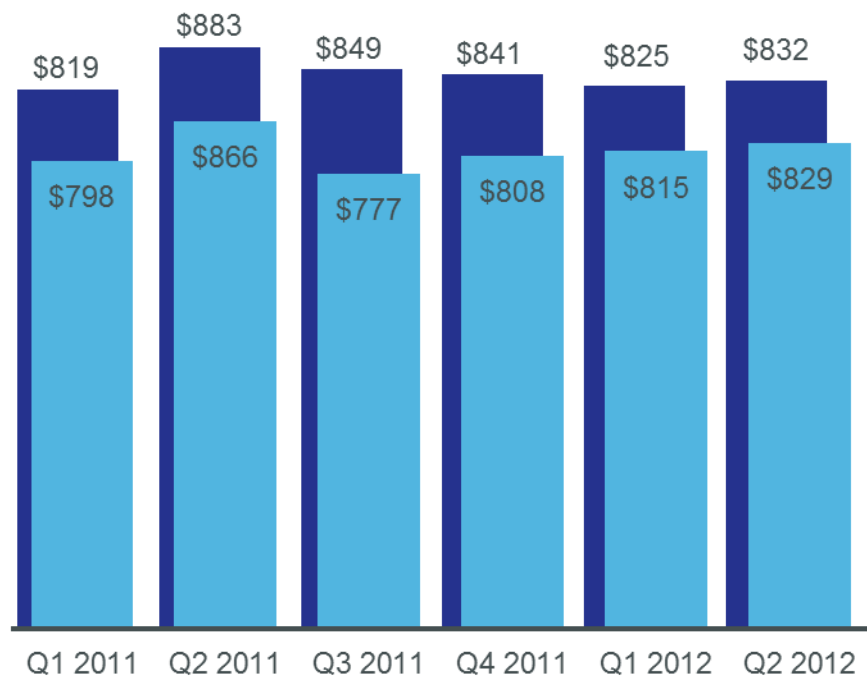
Q1-12 Compared to Q2-12



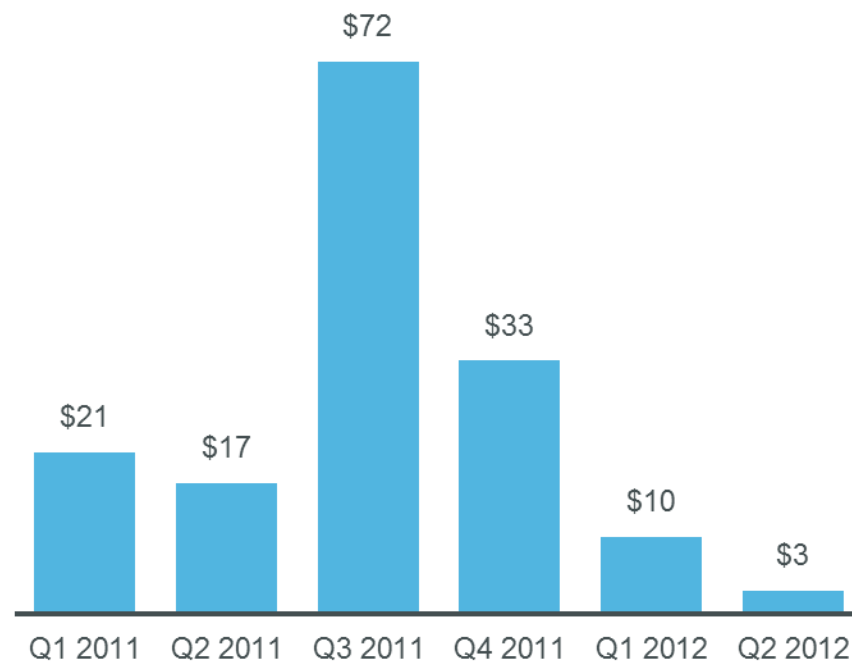
Quarterly operating income – GAAP and as adjusted

Non-GAAP adjustments include PNC LTIP funding obligation, Merrill Lynch compensation contribution, UK 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)



■ GAAP ■ as adjusted

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.

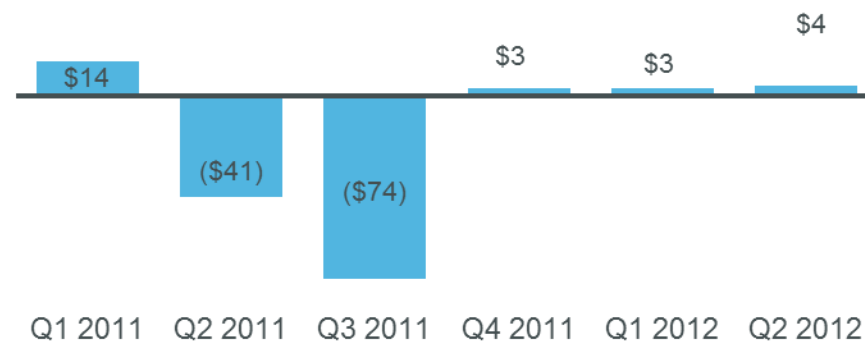
Quarterly net income – GAAP and as adjusted

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

Net Income (\$ in millions)



Non-GAAP Adjustments (\$ in millions)



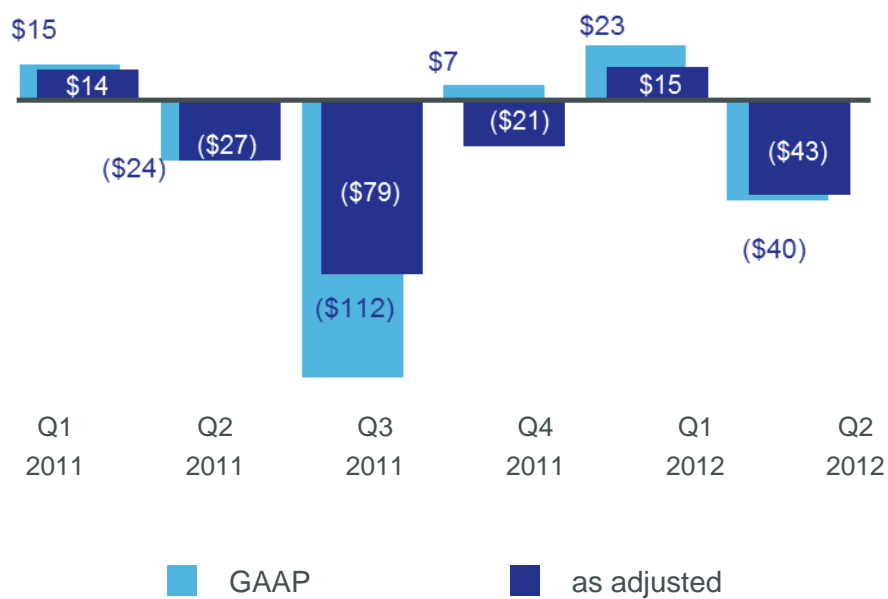
■ GAAP ■ as adjusted

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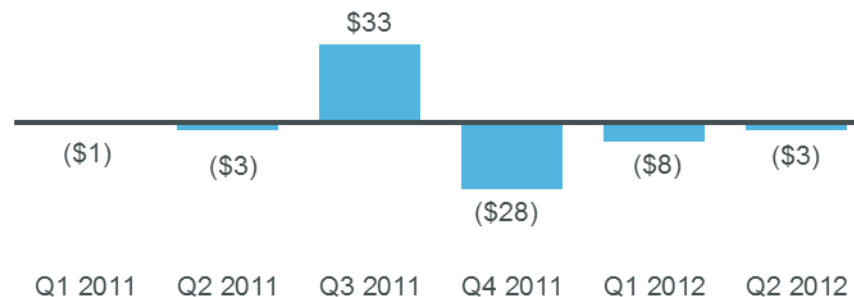
Quarterly non-operating income – GAAP and as adjusted

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 Q2 2011</u>	<u>EST YTD Q2 2012</u>
Operating Cash Flows								
Operating Cash flows, GAAP basis	\$721	\$587	\$1,916	\$1,399	\$2,488	\$2,826	\$717	\$900
Less: Non-GAAP adjustments (1)	<u>21</u>	<u>(337)</u>	<u>413</u>	<u>168</u>	<u>(77)</u>	<u>178</u>	<u>16</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>\$701</u>	<u>\$800</u>
Investing Cash Flows								
Investing Cash flows, GAAP basis	\$3	(\$1,068)	(\$394)	(\$5,519)	(\$627)	(\$204)	(\$104)	(\$600)
Less: Non-GAAP adjustments (1)	<u>2</u>	<u>(201)</u>	<u>(9)</u>	<u>31</u>	<u>(52)</u>	<u>24</u>	<u>(2)</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>(\$102)</u>	<u>(\$400)</u>
Financing Cash Flows								
Financing Cash flows, GAAP basis	(\$85)	\$959	(\$887)	\$6,749	(\$3,170)	(\$2,485)	(\$1,236)	(\$200)
Less: Non-GAAP adjustments (1)	<u>68</u>	<u>514</u>	<u>(410)</u>	<u>(185)</u>	<u>110</u>	<u>(71)</u>	<u>(29)</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>(\$1,207)</u>	<u>(\$200)</u>

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

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