

## BlackRock Reports First Quarter 2015 Diluted EPS of \$4.84, or \$4.89 as adjusted

- 8% AUM growth from the first quarter of 2014
- \$70.4 billion of long-term net inflows for the first quarter of 2015, representing 6.5% annualized organic growth
- 10% diluted EPS growth from the first quarter of 2014
- 13% increase in quarterly cash dividend to \$2.18 per share and consistent capital management with \$275 million of quarterly share repurchases

### FINANCIAL RESULTS

<i>(in millions, except per share data)</i>	Q1 2015	Q1 2014	Change	Q4 2014	Change
<b>AUM</b>	\$ 4,774,192	\$ 4,400,925	8%	\$ 4,651,895	3%
<b>GAAP basis:</b>					
Revenue	\$ 2,723	\$ 2,670	2%	\$ 2,784	(2%)
Operating income	\$ 1,067	\$ 1,051	2%	\$ 1,144	(7%)
Operating margin	39.2%	39.4%	(20 bps)	41.1%	(190 bps)
Net income <sup>(1)</sup>	\$ 822	\$ 756	9%	\$ 813	1%
Diluted EPS	\$ 4.84	\$ 4.40	10%	\$ 4.77	1%
Weighted average diluted shares	169.7	171.9	(1%)	170.4	-%
<b>As Adjusted:</b>					
Operating income <sup>(2)</sup>	\$ 1,077	\$ 1,062	1%	\$ 1,154	(7%)
Operating margin <sup>(2)</sup>	41.2%	41.4%	(20 bps)	43.6%	(240 bps)
Net income <sup>(1) (2)</sup>	\$ 830	\$ 762	9%	\$ 821	1%
Diluted EPS <sup>(2)</sup>	\$ 4.89	\$ 4.43	10%	\$ 4.82	1%

<sup>(1)</sup> Net income represents net income attributable to BlackRock, Inc.

<sup>(2)</sup> See notes (1) through (4) to the Condensed Consolidated Statements of Income and Supplemental Information on pages 11 through 12 for more information on as adjusted items and the reconciliation to GAAP.

**New York, April 16, 2015** — BlackRock, Inc. (NYSE:BLK) today reported financial results for the three months ended March 31, 2015.

“In the first quarter, BlackRock’s diverse investment platform and relentless focus on clients and performance drove long-term net inflows of \$70 billion,” commented Laurence D. Fink, Chairman and CEO of BlackRock. “This was one of the most broadly diverse flow quarters in BlackRock’s history. Flows were positive across all long-term asset classes, client types, regions and investment styles, with active net inflows of \$32 billion and index net inflows of \$38 billion. Our \$252 billion of net new inflows over the last twelve months and continued strong growth in *Aladdin* allowed us to achieve year-over-year revenue growth despite the level of transaction-related revenue in last year’s first quarter and significant foreign exchange headwinds, which reduced the value of our non-dollar denominated base fees.

“In the face of divergent financial markets, investors continue to search for yield, and BlackRock’s highly diversified global fixed income platform again delivered strong returns for our clients. With 91% of our taxable fixed income assets above benchmark or peer median for the 3-year period, we remain well positioned to benefit from ongoing changes in the fixed income landscape.

“Institutional long-term net inflows of \$21 billion were our highest since the BGI acquisition, reflecting strong demand for customized investment solutions. We partnered with leading global institutions to address their specific objectives through a combination of investment management expertise, robust portfolio construction and superior risk management. Alternatives remain an important component of BlackRock’s solutions capabilities and we raised another \$2 billion of alternatives commitments during the quarter, giving us more than \$10 billion in committed capital to deploy for clients. We also announced a landmark public-private infrastructure investment partnership in Mexico, which will finance two natural gas pipelines critical to the region’s continued economic growth.

“In *iShares*, we saw net inflows of \$35 billion, driven by broad-based European flows and strength in our global fixed income franchise. Our *iShares* platform continues to grow on multiple fronts: our Core series for buy-and-hold investors, our offering of precision exposures for asset allocators, and our financial instruments for capital markets investors.

BlackRock's global Retail business continued to benefit from stronger distribution, a broader product suite and enhanced brand investment, and generated more than \$14 billion of long-term net inflows.

"We are confident that our platform, our distribution, our client relationships and our long-term focus position BlackRock to continue to execute on behalf of clients in an ever-changing investment landscape. I would like to once again express my gratitude to BlackRock employees for their commitment to excellence. Together, we look forward to continuing to drive results for our clients and shareholders."

## RESULTS BY CLIENT TYPE

<i>(in millions), (unaudited)</i>	Q1 2015 Net flows	March 31, 2015 AUM	Q1 2015 Base Fees <sup>(1)</sup>	March 31, 2015 AUM % of Total	Q1 2015 Base Fees <sup>(1)</sup> % of Total
Retail	\$14,172	\$550,980	\$807	12%	34%
iShares	35,478	1,074,130	829	24%	36%
Institutional:					
Active	17,984	984,282	456	22%	20%
Index	2,806	1,854,205	225	42%	10%
Total institutional	20,790	2,838,487	681	64%	30%
Total long-term	\$70,440	\$4,463,597	\$2,317	100%	100%

## RESULTS BY PRODUCT

<i>(in millions), (unaudited)</i>	Q1 2015 Net flows	March 31, 2015 AUM	Q1 2015 Base Fees <sup>(1)</sup>	March 31, 2015 AUM % of Total	Q1 2015 Base Fees <sup>(1)</sup> % of Total
Equity	\$20,941	\$2,527,130	\$1,269	56%	55%
Fixed income	36,289	1,428,480	571	32%	25%
Multi-asset	12,792	395,312	304	9%	13%
Alternatives	418	112,675	173	3%	7%
Total long-term	\$70,440	\$4,463,597	\$2,317	100%	100%

<sup>(1)</sup> Base fees include investment advisory, administration fees and securities lending revenue.

## Business Highlights

Long-term net inflows were positive across all regions, with net inflows of \$47.5 billion, \$17.7 billion and \$5.2 billion from clients in the Americas, EMEA and Asia-Pacific, respectively. At March 31, 2015, BlackRock managed 62% of its long-term AUM for investors in the Americas and 38% for clients in EMEA and Asia-Pacific.

A discussion of the Company's net flows by client type for the first quarter of 2015 is presented below.

- **Retail** long-term net inflows of \$14.2 billion included net inflows of \$6.7 billion in the United States and \$7.5 billion internationally. Fixed income net inflows of \$12.8 billion were diversified across exposures, with \$3.5 billion of net inflows into the unconstrained Strategic Income Opportunities fund, \$2.2 billion into high yield and \$1.1 billion into the Total Return fund. Global multi-asset income funds raised an additional \$2.0 billion of net new assets.
- **iShares**<sup>®</sup> long-term net inflows of \$35.5 billion were led by fixed income net inflows of \$18.6 billion which were diversified across exposures and geographies. Equity net inflows of \$16.7 billion were driven by the Core Series as well as demand for European equities.
- **Institutional active** long-term net inflows of \$18.0 billion were led by multi-asset net inflows of \$11.7 billion, reflecting strong solutions-based insurance wins in the quarter and ongoing demand for the *LifePath*<sup>®</sup> target-date product suite. Fixed income net inflows of \$5.7 billion were driven by unconstrained and total return mandates. Alternatives net inflows of \$0.4 billion were led by flows into infrastructure and hedge fund solutions, and were net of \$0.7 billion of capital returned to investors. Additionally, we raised more than \$2 billion in alternatives commitments in the quarter, which will translate into new flows as they are invested.
- **Institutional index** long-term net inflows of \$2.8 billion were driven by equity net inflows of \$3.7 billion, partially offset by outflows from fixed income and multi-asset.

**Cash management AUM** decreased 1% from December 31, 2014 to \$292.5 billion.

**Advisory AUM** decreased 17% from December 31, 2014 to \$18.1 billion.

## INVESTMENT PERFORMANCE AT MARCH 31, 2015<sup>(1)</sup>

	One-year period	Three-year period	Five-year period
<b>Fixed Income:</b>			
<i>Actively managed products above benchmark or peer median</i>			
Taxable	81%	91%	91%
Tax-exempt	62%	74%	74%
<i>Index products within or above applicable tolerance</i>	97%	97%	98%
<b>Equity:</b>			
<i>Actively managed products above benchmark or peer median</i>			
Fundamental	41%	52%	48%
Scientific	88%	95%	96%
<i>Index products within or above applicable tolerance</i>	97%	98%	97%

<sup>(1)</sup> Past performance is not indicative of future results. The performance information shown is based on preliminary available data. Please refer to page 13 for performance disclosure detail.

### Teleconference, Webcast and Presentation Information

Chairman and Chief Executive Officer, Laurence D. Fink, and Chief Financial Officer, Gary S. Shedlin, will host a teleconference call for investors and analysts on Thursday, April 16, 2015 at 8:30 a.m. (Eastern Time). Members of the public who are interested in participating in the teleconference should dial, from the United States, (800) 374-0176, or from outside the United States, (706) 679-8281, shortly before 8:30 a.m. and reference the BlackRock Conference Call (ID Number 20720497). A live, listen-only webcast will also be available via the investor relations section of [www.blackrock.com](http://www.blackrock.com).

Both the teleconference and webcast will be available for replay by 12:30 p.m. (Eastern Time) on Thursday, April 16, 2015 and ending at midnight on Thursday, April 30, 2015. To access the replay of the teleconference, callers from the United States should dial (855) 859-2056 and callers from outside the United States should dial (404) 537-3406 and enter the Conference ID Number 20720497. To access the webcast, please visit the investor relations section of [www.blackrock.com](http://www.blackrock.com).

### About BlackRock

BlackRock is a leader in investment management, risk management and advisory services for institutional and retail clients worldwide. At March 31, 2015, BlackRock's AUM was \$4.774 trillion. BlackRock helps clients meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, *iShares*<sup>®</sup> (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through *BlackRock Solutions*<sup>®</sup>. Headquartered in New York City, as of March 31, 2015, the firm had approximately 12,300 employees in more than 30 countries and a major presence in key global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at [www.blackrock.com](http://www.blackrock.com) | Twitter: [@blackrock\\_news](https://twitter.com/blackrock_news) | Blog: [www.blackrockblog.com](http://www.blackrockblog.com) | LinkedIn: [www.linkedin.com/company/blackrock](http://www.linkedin.com/company/blackrock)

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION**  
*(in millions, except shares and per share data), (unaudited)*

	Three Months Ended March 31,		Change	Three Months Ended December 31,		Change
	2015	2014		2014		
<b>Revenue</b>						
Investment advisory, administration fees and securities lending revenue	\$2,390	\$2,291	\$99	\$2,396	(\$6)	
Investment advisory performance fees	108	158	(50)	144	(36)	
BlackRock Solutions and advisory	147	154	(7)	170	(23)	
Distribution fees	17	19	(2)	16	1	
Other revenue	61	48	13	58	3	
<b>Total revenue</b>	<b>2,723</b>	<b>2,670</b>	<b>53</b>	<b>2,784</b>	<b>(61)</b>	
<b>Expense</b>						
Employee compensation and benefits	981	982	(1)	926	55	
Distribution and servicing costs	99	89	10	96	3	
Amortization of deferred sales commissions	13	15	(2)	13	-	
Direct fund expense	189	179	10	183	6	
General and administration	339	313	26	387	(48)	
Amortization of intangible assets	35	41	(6)	35	-	
<b>Total expense</b>	<b>1,656</b>	<b>1,619</b>	<b>37</b>	<b>1,640</b>	<b>16</b>	
Operating income	1,067	1,051	16	1,144	(77)	
<b>Nonoperating income (expense)</b>						
Net gain (loss) on investments	63	76	(13)	(2)	65	
Net gain (loss) on consolidated variable interest entities	35	(16)	51	(6)	41	
Interest and dividend income	4	10	(6)	6	(2)	
Interest expense	(51)	(53)	2	(58)	7	
<b>Total nonoperating income (expense)</b>	<b>51</b>	<b>17</b>	<b>34</b>	<b>(60)</b>	<b>111</b>	
Income before income taxes	1,118	1,068	50	1,084	34	
Income tax expense	258	324	(66)	278	(20)	
<b>Net income</b>	<b>860</b>	<b>744</b>	<b>116</b>	<b>806</b>	<b>54</b>	
Less:						
Net income (loss) attributable to noncontrolling interests	38	(12)	50	(7)	45	
<b>Net income attributable to BlackRock, Inc.</b>	<b>\$822</b>	<b>\$756</b>	<b>\$66</b>	<b>\$813</b>	<b>\$9</b>	
<b>Weighted-average common shares outstanding</b>						
Basic	167,089,037	169,081,421	(1,992,384)	167,197,844	(108,807)	
Diluted	169,723,167	171,933,803	(2,210,636)	170,367,445	(644,278)	
<b>Earnings per share attributable to BlackRock, Inc. common stockholders (4)</b>						
Basic	\$4.92	\$4.47	\$0.45	\$4.86	\$0.06	
Diluted	\$4.84	\$4.40	\$0.44	\$4.77	\$0.07	
<b>Cash dividends declared and paid per share</b>	<b>\$2.18</b>	<b>\$1.93</b>	<b>\$0.25</b>	<b>\$1.93</b>	<b>\$0.25</b>	
<b>Supplemental information:</b>						
AUM (end of period)	\$4,774,192	\$4,400,925	\$373,267	\$4,651,895	\$122,297	
Shares outstanding (end of period)	167,084,582	169,138,109	(2,053,527)	166,921,863	162,719	
<b>GAAP:</b>						
Operating margin	39.2%	39.4%	(20 bps)	41.1%	(190 bps)	
Effective tax rate	23.9%	30.0%	(610 bps)	25.5%	(160 bps)	
<b>As adjusted:</b>						
Operating income (1)	\$1,077	\$1,062	\$15	\$1,154	(\$77)	
Operating margin (1)	41.2%	41.4%	(20 bps)	43.6%	(240 bps)	
Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests (2)	\$11	\$26	(\$15)	(\$54)	\$65	
Net income attributable to BlackRock, Inc. (3)	\$830	\$762	\$68	\$821	\$9	
Diluted earnings attributable to BlackRock, Inc. common stockholders per share (3) (4)	\$4.89	\$4.43	\$0.46	\$4.82	\$0.07	
Effective tax rate	23.7%	30.0%	(630 bps)	25.4%	(170 bps)	

See pages 11-12 for the reconciliation to GAAP and notes (1) through (4) for more information on as adjusted items.

## ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

### Current Quarter Component Changes by Client Type and Product

	December 31, 2014	Net inflows (outflows)	Acquisition <sup>(1)</sup>	Market change	FX impact <sup>(2)</sup>	March 31, 2015	Average AUM <sup>(3)</sup>
<b>Retail:</b>							
Equity	\$ 200,445	\$332	\$ -	\$5,102	\$(4,173)	\$ 201,706	\$201,052
Fixed income	189,820	12,787	-	962	(2,164)	201,405	195,821
Multi-asset	125,341	1,402	-	2,426	(767)	128,402	127,031
Alternatives	18,723	(349)	1,293	296	(496)	19,467	18,671
<b>Retail subtotal</b>	<b>534,329</b>	<b>14,172</b>	<b>1,293</b>	<b>8,786</b>	<b>(7,600)</b>	<b>550,980</b>	<b>542,575</b>
<b>iShares:</b>							
Equity	790,067	16,725	-	28,200	(10,656)	824,336	804,294
Fixed income	217,671	18,595	-	2,591	(5,674)	233,183	228,005
Multi-asset	1,773	(18)	-	30	(13)	1,772	1,827
Alternatives	14,717	176	-	49	(103)	14,839	14,954
<b>iShares subtotal</b>	<b>1,024,228</b>	<b>35,478</b>	<b>-</b>	<b>30,870</b>	<b>(16,446)</b>	<b>1,074,130</b>	<b>1,049,080</b>
<b>Institutional:</b>							
<b>Active:</b>							
Equity	125,143	168	-	6,206	(3,481)	128,036	126,662
Fixed income	518,590	5,723	-	9,546	(7,742)	526,117	525,711
Multi-asset	242,913	11,717	-	12,549	(10,095)	257,084	250,197
Alternatives	72,514	376	-	1,094	(939)	73,045	72,734
<b>Active subtotal</b>	<b>959,160</b>	<b>17,984</b>	<b>-</b>	<b>29,395</b>	<b>(22,257)</b>	<b>984,282</b>	<b>975,304</b>
<b>Index:</b>							
Equity	1,335,456	3,716	-	53,361	(19,481)	1,373,052	1,354,904
Fixed income	467,572	(816)	-	16,183	(15,164)	467,775	469,931
Multi-asset	7,810	(309)	-	818	(265)	8,054	7,928
Alternatives	5,286	215	-	(27)	(150)	5,324	5,359
<b>Index subtotal</b>	<b>1,816,124</b>	<b>2,806</b>	<b>-</b>	<b>70,335</b>	<b>(35,060)</b>	<b>1,854,205</b>	<b>1,838,122</b>
<b>Institutional subtotal</b>	<b>2,775,284</b>	<b>20,790</b>	<b>-</b>	<b>99,730</b>	<b>(57,317)</b>	<b>2,838,487</b>	<b>2,813,426</b>
<b>Long-term</b>	<b>4,333,841</b>	<b>70,440</b>	<b>1,293</b>	<b>139,386</b>	<b>(81,363)</b>	<b>4,463,597</b>	<b>\$4,405,081</b>
Cash management	296,353	561	-	(42)	(4,377)	292,495	
Advisory <sup>(4)</sup>	21,701	(2,297)	-	526	(1,830)	18,100	
<b>Total</b>	<b>\$4,651,895</b>	<b>\$68,704</b>	<b>\$1,293</b>	<b>\$139,870</b>	<b>\$(87,570)</b>	<b>\$4,774,192</b>	

### Current Quarter Component Changes by Product (Long-term)

	December 31, 2014	Net inflows (outflows)	Acquisition <sup>(1)</sup>	Market change	FX impact <sup>(2)</sup>	March 31, 2015	Average AUM <sup>(3)</sup>
<b>Equity:</b>							
Active	\$292,802	\$546	\$ -	\$11,445	\$(6,675)	\$298,118	\$295,297
iShares	790,067	16,725	-	28,200	(10,656)	824,336	804,294
Non-ETF index	1,368,242	3,670	-	53,224	(20,460)	1,404,676	1,387,321
<b>Equity subtotal</b>	<b>2,451,111</b>	<b>20,941</b>	<b>-</b>	<b>92,869</b>	<b>(37,791)</b>	<b>2,527,130</b>	<b>2,486,912</b>
<b>Fixed income:</b>							
Active	701,324	17,855	-	10,447	(9,532)	720,094	714,317
iShares	217,671	18,595	-	2,591	(5,674)	233,183	228,005
Non-ETF index	474,658	(161)	-	16,244	(15,538)	475,203	477,146
<b>Fixed income subtotal</b>	<b>1,393,653</b>	<b>36,289</b>	<b>-</b>	<b>29,282</b>	<b>(30,744)</b>	<b>1,428,480</b>	<b>1,419,468</b>
Multi-asset	377,837	12,792	-	15,823	(11,140)	395,312	386,983
<b>Alternatives:</b>							
Core	88,006	(201)	1,293	1,425	(1,437)	89,086	88,062
Currency and commodities <sup>(5)</sup>	23,234	619	-	(13)	(251)	23,589	23,656
<b>Alternatives subtotal</b>	<b>111,240</b>	<b>418</b>	<b>1,293</b>	<b>1,412</b>	<b>(1,688)</b>	<b>112,675</b>	<b>111,718</b>
<b>Long-term</b>	<b>\$4,333,841</b>	<b>\$70,440</b>	<b>\$1,293</b>	<b>\$139,386</b>	<b>\$(81,363)</b>	<b>\$4,463,597</b>	<b>\$4,405,081</b>

### Current Quarter Component Changes by Investment Style (Long-term)

	December 31, 2014	Net inflows (outflows)	Acquisition <sup>(1)</sup>	Market change	FX impact <sup>(2)</sup>	March 31, 2015	Average AUM <sup>(3)</sup>
Active	\$1,453,613	\$31,547	\$1,293	\$38,260	\$(28,503)	\$1,496,210	\$1,478,247
Index and iShares	2,880,228	38,893	-	101,126	(52,860)	2,967,387	2,926,834
<b>Long-term</b>	<b>\$4,333,841</b>	<b>\$70,440</b>	<b>\$1,293</b>	<b>\$139,386</b>	<b>\$(81,363)</b>	<b>\$4,463,597</b>	<b>\$4,405,081</b>

<sup>(1)</sup> Amounts represent \$1.3 billion of AUM acquired in the acquisition of certain assets of BlackRock Kelso Capital Advisors LLC in March 2015.

<sup>(2)</sup> Foreign exchange reflects the impact of converting non-U.S. dollar denominated AUM into U.S. dollars for reporting purposes.

<sup>(3)</sup> Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing four months.

<sup>(4)</sup> Advisory AUM represents long-term portfolio liquidation assignments.

<sup>(5)</sup> Amounts include commodity iShares.

## ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

### Year-over-Year Component Changes by Client Type and Product

	March 31, 2014	Net inflows (outflows)	Acquisition <sup>(1)</sup>	Market change	FX impact <sup>(2)</sup>	March 31, 2015	Average AUM <sup>(3)</sup>
Retail:							
Equity	\$208,238	\$(269)	\$ -	\$4,219	\$(10,482)	\$ 201,706	\$206,939
Fixed income	160,448	43,724	-	1,806	(4,573)	201,405	180,458
Multi-asset	121,548	11,131	-	(2,418)	(1,859)	128,402	125,831
Alternatives	18,483	528	1,293	316	(1,153)	19,467	18,897
Retail subtotal	508,717	55,114	1,293	3,923	(18,067)	550,980	532,125
iShares:							
Equity	723,973	75,417	-	48,942	(23,996)	824,336	775,337
Fixed income	188,022	51,979	-	4,635	(11,453)	233,183	210,296
Multi-asset	1,437	311	-	45	(21)	1,772	1,649
Alternatives	16,948	614	-	(2,450)	(273)	14,839	16,090
iShares subtotal	930,380	128,321	-	51,172	(35,743)	1,074,130	1,003,372
Institutional:							
Active:							
Equity	132,374	(10,447)	-	14,632	(8,523)	128,036	129,656
Fixed income	509,692	5,802	-	32,841	(22,218)	526,117	520,137
Multi-asset	223,865	24,701	-	30,326	(21,808)	257,084	241,399
Alternatives	73,723	118	-	1,911	(2,707)	73,045	72,917
Active subtotal	939,654	20,174	-	79,710	(55,256)	984,282	964,109
Index:							
Equity	1,283,349	4,819	-	141,113	(56,229)	1,373,052	1,331,971
Fixed income	430,852	15,567	-	59,601	(38,245)	467,775	453,205
Multi-asset	6,381	563	-	2,124	(1,014)	8,054	7,284
Alternatives	6,273	409	-	(997)	(361)	5,324	5,948
Index subtotal	1,726,855	21,358	-	201,841	(95,849)	1,854,205	1,798,408
Institutional subtotal	2,666,509	41,532	-	281,551	(151,105)	2,838,487	2,762,517
<b>Long-term</b>	<b>4,105,606</b>	<b>224,967</b>	<b>1,293</b>	<b>336,646</b>	<b>(204,915)</b>	<b>4,463,597</b>	<b>\$4,298,014</b>
Cash management	263,533	38,690	-	546	(10,274)	292,495	
Advisory <sup>(4)</sup>	31,786	(11,697)	-	1,400	(3,389)	18,100	
<b>Total</b>	<b>\$4,400,925</b>	<b>\$251,960</b>	<b>\$1,293</b>	<b>\$338,592</b>	<b>\$(218,578)</b>	<b>\$4,774,192</b>	

### Year-over-Year Component Changes by Product (Long-term)

	March 31, 2014	Net inflows (outflows)	Acquisition <sup>(1)</sup>	Market change	FX impact <sup>(2)</sup>	March 31, 2015	Average AUM <sup>(3)</sup>
Equity:							
Active	\$314,850	\$(17,420)	\$ -	\$17,196	\$(16,508)	\$298,118	\$306,332
iShares	723,973	75,417	-	48,942	(23,996)	824,336	775,337
Non-ETF index	1,309,111	11,523	-	142,768	(58,726)	1,404,676	1,362,234
<b>Equity subtotal</b>	<b>2,347,934</b>	<b>69,520</b>	<b>-</b>	<b>208,906</b>	<b>(99,230)</b>	<b>2,527,130</b>	<b>2,443,903</b>
Fixed income:							
Active	665,151	47,006	-	33,861	(25,924)	720,094	694,165
iShares	188,022	51,979	-	4,635	(11,453)	233,183	210,296
Non-ETF index	435,841	18,087	-	60,387	(39,112)	475,203	459,635
<b>Fixed income subtotal</b>	<b>1,289,014</b>	<b>117,072</b>	<b>-</b>	<b>98,883</b>	<b>(76,489)</b>	<b>1,428,480</b>	<b>1,364,096</b>
Multi-asset	353,231	36,706	-	30,077	(24,702)	395,312	376,163
Alternatives:							
Core	87,865	926	1,293	2,426	(3,424)	89,086	88,189
Currency and commodities <sup>(5)</sup>	27,562	743	-	(3,646)	(1,070)	23,589	25,663
<b>Alternatives subtotal</b>	<b>115,427</b>	<b>1,669</b>	<b>1,293</b>	<b>(1,220)</b>	<b>(4,494)</b>	<b>112,675</b>	<b>113,852</b>
<b>Long-term</b>	<b>\$4,105,606</b>	<b>\$224,967</b>	<b>\$1,293</b>	<b>\$336,646</b>	<b>\$(204,915)</b>	<b>\$4,463,597</b>	<b>\$4,298,014</b>

### Year-over-Year Component Changes by Investment Style (Long-term)

	March 31, 2014	Net inflows (outflows)	Acquisition <sup>(1)</sup>	Market change	FX impact <sup>(2)</sup>	March 31, 2015	Average AUM <sup>(3)</sup>
Active	\$1,417,546	\$66,131	\$1,293	\$81,198	\$(69,958)	\$1,496,210	\$1,459,492
Index and iShares	2,688,060	158,836	-	255,448	(134,957)	2,967,387	2,838,522
<b>Long-term</b>	<b>\$4,105,606</b>	<b>\$224,967</b>	<b>\$1,293</b>	<b>\$336,646</b>	<b>\$(204,915)</b>	<b>\$4,463,597</b>	<b>\$4,298,014</b>

<sup>(1)</sup> Amounts represent \$1.3 billion of AUM acquired in the acquisition of certain assets of BlackRock Kelso Capital Advisors LLC in March 2015.

<sup>(2)</sup> Foreign exchange reflects the impact of converting non-U.S. dollar denominated AUM into U.S. dollars for reporting purposes.

<sup>(3)</sup> Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.

<sup>(4)</sup> Advisory AUM represents long-term portfolio liquidation assignments.

<sup>(5)</sup> Amounts include commodity iShares.

## SUMMARY OF REVENUE

(in millions), (unaudited)	Three Months Ended March 31,			Three Months Ended December 31,	
	2015	2014	Change	2014	Change
Investment advisory, administration fees and securities lending revenue:					
Equity:					
Active	\$422	\$463	(\$41)	\$428	(\$6)
iShares	684	634	50	686	(2)
Non-ETF Index	163	158	5	168	(5)
<b>Equity subtotal</b>	<b>1,269</b>	<b>1,255</b>	<b>14</b>	<b>1,282</b>	<b>(13)</b>
Fixed income:					
Active	373	324	49	367	6
iShares	130	113	17	126	4
Non-ETF Index	68	58	10	65	3
<b>Fixed income subtotal</b>	<b>571</b>	<b>495</b>	<b>76</b>	<b>558</b>	<b>13</b>
Multi-asset	304	286	18	303	1
Alternatives:					
Core	154	159	(5)	159	(5)
Currency and commodities	19	22	(3)	21	(2)
<b>Alternatives subtotal</b>	<b>173</b>	<b>181</b>	<b>(8)</b>	<b>180</b>	<b>(7)</b>
Long-term	2,317	2,217	100	2,323	(6)
Cash management	73	74	(1)	73	-
Total base fees	2,390	2,291	99	2,396	(6)
Investment advisory performance fees:					
Equity	37	22	15	50	(13)
Fixed income	4	8	(4)	12	(8)
Multi-asset	8	3	5	11	(3)
Alternatives	59	125	(66)	71	(12)
Total	108	158	(50)	144	(36)
BlackRock Solutions and advisory	147	154	(7)	170	(23)
Distribution fees	17	19	(2)	16	1
Other revenue	61	48	13	58	3
<b>Total revenue</b>	<b>\$2,723</b>	<b>\$2,670</b>	<b>\$53</b>	<b>\$2,784</b>	<b>(\$61)</b>

### Highlights

- Investment advisory, administration fees and securities lending revenue increased \$99 million from the first quarter of 2014 driven by strong organic growth and market appreciation, which outpaced the impact of divergent beta and foreign exchange movements. Securities lending fees of \$114 million in the current quarter increased \$9 million from the first quarter of 2014, primarily reflecting an increase in average balances of securities on loan.

Investment advisory, administration fees and securities lending revenue decreased \$6 million from the fourth quarter of 2014 due to the effect of two fewer days in the quarter, and the impact of divergent beta and foreign exchange movements.

- Performance fees decreased \$50 million from the first quarter of 2014, primarily due to the impact of a large fee associated with the liquidation of a closed-end mortgage fund in last year's first quarter.

Performance fees decreased \$36 million from the fourth quarter of 2014 due to seasonally higher performance measurement locks in the fourth quarter.

- BlackRock Solutions<sup>®</sup> and advisory revenue decreased \$7 million from the first quarter of 2014 due to reduced Financial Markets Advisory Services ("FMA") revenue from disposition-related advisory assignments, partially offset by higher revenue from the Aladdin<sup>®</sup> business. BlackRock Solutions and advisory revenue included \$126 million in Aladdin business revenue in the current quarter compared with \$112 million in the first quarter of 2014.

BlackRock Solutions and advisory revenue decreased \$23 million from the prior quarter due to reduced FMA revenue from completed advisory assignments. BlackRock Solutions and advisory revenue included \$126 million in Aladdin business revenue in the current quarter compared with \$127 million in the fourth quarter of 2014.

## SUMMARY OF OPERATING EXPENSE

<i>(in millions), (unaudited)</i>	Three Months Ended March 31,			Three Months Ended December 31,	
	2015	2014	Change	2014	Change
<b>Operating Expense</b>					
Employee compensation and benefits	\$981	\$982	(\$1)	\$926	\$55
Distribution and servicing costs	99	89	10	96	3
Amortization of deferred sales commissions	13	15	(2)	13	-
Direct fund expense	189	179	10	183	6
General and administration	339	313	26	387	(48)
Amortization of intangible assets	35	41	(6)	35	-
<b>Total Operating Expense</b>	<b>\$1,656</b>	<b>\$1,619</b>	<b>\$37</b>	<b>\$1,640</b>	<b>\$16</b>

### Highlights

- Employee compensation and benefits decreased \$1 million from the first quarter of 2014, reflecting the impact of foreign exchange movements, partially offset by higher headcount.

Employee compensation and benefits increased \$55 million from the fourth quarter of 2014, primarily reflecting higher seasonal employer payroll taxes.

- General and administration expense increased \$26 million from the first quarter of 2014, primarily reflecting higher marketing and promotional expense, higher portfolio and professional services expense, and the impact of a one-time benefit from the reversal of a real estate-related retirement obligation which was no longer required to be funded in last year's first quarter.

General and administration expense decreased \$48 million from the fourth quarter of 2014, primarily reflecting seasonally lower marketing and promotional expense, lower foreign exchange remeasurement expense, and the impact of closed-end fund launch costs in the fourth quarter of 2014.

## INCOME TAX EXPENSE

<i>(in millions), (unaudited)</i>	Three Months Ended March 31,			Three Months Ended December 31,	
	2015	2014	Change	2014	Change
Income tax expense	\$258	\$324	(\$66)	\$278	(\$20)

### Highlights

- Income tax expense in the first quarter of 2015 benefited from \$69 million of nonrecurring items.

Income tax expense in the fourth quarter of 2014 benefited from \$39 million of nonrecurring items.



## SUMMARY OF NONOPERATING INCOME (EXPENSE)

<i>(in millions), (unaudited)</i>	Three Months Ended March 31,			Three Months Ended December 31, 2014	
	2015	2014	Change		Change
Nonoperating income (expense), GAAP basis	\$51	\$17	\$34	(\$60)	\$111
Less: Net income (loss) attributable to NCI	38	(12)	50	(7)	45
Nonoperating income (expense) <sup>(1)</sup>	\$13	\$29	(\$16)	(\$53)	\$66

  

<i>(in millions), (unaudited)</i>	Estimated economic investments at March 31, 2015 <sup>(2)</sup>	Three Months Ended March 31,			Three Months Ended December 31, 2014	
		2015	2014	Change		Change
Net gain (loss) on investments <sup>(1)</sup>						
Private equity	25-30%	\$1	\$44	(\$43)	\$3	(\$2)
Real estate	5-10%	2	2	-	3	(1)
Other alternatives <sup>(3)</sup>	15-20%	4	21	(17)	(5)	9
Other investments <sup>(4)</sup>	45-50%	6	2	4	(3)	9
Subtotal		13	69	(56)	(2)	15
Other gains <sup>(5)</sup>		45	-	45	-	45
Investments related to deferred compensation plans		2	3	(1)	1	1
Total net gain (loss) on investments <sup>(1)</sup>		60	72	(12)	(1)	61
Interest and dividend income		4	10	(6)	6	(2)
Interest expense		(51)	(53)	2	(58)	7
Net interest expense		(47)	(43)	(4)	(52)	5
Total nonoperating income (expense) <sup>(1)</sup>		13	29	(16)	(53)	66
Compensation expense related to (appreciation) depreciation on deferred compensation plans		(2)	(3)	1	(1)	(1)
Nonoperating income (expense), as adjusted <sup>(1)</sup>		\$11	\$26	(\$15)	(\$54)	\$65

<sup>(1)</sup> Net of net income (loss) attributable to noncontrolling interests ("NCI").

<sup>(2)</sup> Percentages represent estimated percentages of BlackRock's corporate economic investment portfolio at March 31, 2015. Economic investment amounts at December 31, 2014 for private equity, real estate, other alternatives and other investments were \$314 million, \$117 million, \$289 million and \$599 million, respectively. See the 2014 Form 10-K for more information.

<sup>(3)</sup> Amounts primarily include net gains (losses) related to direct hedge fund strategies and hedge fund solutions. The prior year quarter also included net gains related to opportunistic credit strategies.

<sup>(4)</sup> Amounts include net gains (losses) related to equity and fixed income investments, and BlackRock's seed capital hedging program.

<sup>(5)</sup> Amount primarily includes a gain related to the acquisition of certain assets of BlackRock Kelso Capital Advisors LLC.

## Highlights

- On March 6, 2015, BlackRock acquired certain assets related to managing BlackRock Capital Investment Corporation from BlackRock Kelso Capital Advisors LLC ("BKCA"). In connection with the acquisition, BlackRock recorded a noncash, nonoperating, pre-tax gain of \$40 million related to the fair value of its pre-existing interest in BKCA.
- Net gain (loss) on investments decreased from the first quarter of 2014 due to the positive impact of the monetization of a nonstrategic, opportunistic private equity investment included in the first quarter of 2014 and lower positive marks in the first quarter of 2015. The decrease was partially offset by the \$40 million gain related to BKCA in the first quarter of 2015.

Net gain (loss) on investments increased from the fourth quarter of 2014, primarily due to the \$40 million gain related to BKCA.

## ECONOMIC TANGIBLE ASSETS

The Company presents economic tangible assets as additional information to enable investors to eliminate gross presentation of certain assets that have equal and offsetting liabilities or noncontrolling interests that ultimately do not have an impact on stockholders' equity (excluding appropriated retained earnings related to consolidated collateralized loan obligations) or cash flows. In addition, goodwill and intangible assets are excluded from economic tangible assets.

Economic tangible assets include cash, receivables, seed and co-investments, regulatory investments and other assets.

<i>(in billions), (unaudited)</i>	<b>March 31, 2015 (Est.)</b>	<b>December 31, 2014</b>
<b>Total balance sheet assets</b>	<b>\$243</b>	<b>\$240</b>
Separate account assets and separate account collateral held under securities lending agreements	(198)	(195)
Consolidated VIEs/sponsored investment funds	(5)	(4)
Goodwill and intangible assets, net	(30)	(30)
<b>Economic tangible assets</b>	<b>\$10</b>	<b>\$11</b>

## RECONCILIATION OF U.S. GAAP OPERATING INCOME AND OPERATING MARGIN TO OPERATING INCOME AND OPERATING MARGIN, AS ADJUSTED

	Three Months Ended		
	March 31,		December 31,
	2015	2014	2014
<i>(in millions), (unaudited)</i>			
<b>Operating income, GAAP basis</b>	<b>\$1,067</b>	<b>\$1,051</b>	<b>\$1,144</b>
Non-GAAP expense adjustments:			
PNC LTIP funding obligation	8	8	9
Compensation expense related to appreciation (depreciation) on deferred compensation plans	2	3	1
<b>Operating income, as adjusted</b>	<b>1,077</b>	<b>1,062</b>	<b>1,154</b>
Closed-end fund launch costs	-	-	10
Closed-end fund launch commissions	-	-	1
Operating income used for operating margin measurement	<u>\$1,077</u>	<u>\$1,062</u>	<u>\$1,165</u>
Revenue, GAAP basis	\$2,723	\$2,670	\$2,784
Non-GAAP adjustments:			
Distribution and servicing costs	(99)	(89)	(96)
Amortization of deferred sales commissions	(13)	(15)	(13)
Revenue used for operating margin measurement	<u>\$2,611</u>	<u>\$2,566</u>	<u>\$2,675</u>
<b>Operating margin, GAAP basis</b>	<b>39.2%</b>	<b>39.4%</b>	<b>41.1%</b>
<b>Operating margin, as adjusted</b>	<b>41.2%</b>	<b>41.4%</b>	<b>43.6%</b>

See note (1) to the Condensed Consolidated Statements of Income and Supplemental Information on page 12 for more information on as adjusted items and the reconciliation to GAAP.

## RECONCILIATION OF U.S. GAAP NONOPERATING INCOME NET OF NCI TO NONOPERATING INCOME NET OF NCI, AS ADJUSTED

	Three Months Ended		
	March 31,		December 31,
	2015	2014	2014
<i>(in millions), (unaudited)</i>			
<b>Nonoperating income (expense), GAAP basis</b>	<b>\$51</b>	<b>\$17</b>	<b>(\$60)</b>
Less: Net income (loss) attributable to NCI	38	(12)	(7)
Nonoperating income (expense), net of NCI	13	29	(53)
Compensation expense related to (appreciation) depreciation on deferred compensation plans	(2)	(3)	(1)
<b>Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted</b>	<b>\$11</b>	<b>\$26</b>	<b>(\$54)</b>

See note (2) to the Condensed Consolidated Statements of Income and Supplemental Information on page 12 for more information on as adjusted items and the reconciliation to GAAP.

## RECONCILIATION OF U.S. GAAP NET INCOME ATTRIBUTABLE TO BLACKROCK TO NET INCOME ATTRIBUTABLE TO BLACKROCK, AS ADJUSTED

	Three Months Ended		
	March 31,		December 31,
	2015	2014	2014
<i>(in millions, except per share data), (unaudited)</i>			
<b>Net income attributable to BlackRock, Inc., GAAP basis</b>	<b>\$822</b>	<b>\$756</b>	<b>\$813</b>
Non-GAAP adjustments, net of tax:			
PNC LTIP funding obligation	5	6	8
Income tax matters	3	-	-
<b>Net income attributable to BlackRock, Inc., as adjusted</b>	<b>\$830</b>	<b>\$762</b>	<b>\$821</b>
Diluted weighted-average common shares outstanding <sup>(4)</sup>	169.7	171.9	170.4
<b>Diluted earnings per common share, GAAP basis<sup>(4)</sup></b>	<b>\$4.84</b>	<b>\$4.40</b>	<b>\$4.77</b>
<b>Diluted earnings per common share, as adjusted<sup>(4)</sup></b>	<b>\$4.89</b>	<b>\$4.43</b>	<b>\$4.82</b>

See notes (3) and (4) to the Condensed Consolidated Statements of Income and Supplemental Information on page 12 for more information on as adjusted items and the reconciliation to GAAP.

## NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION *(unaudited)*

BlackRock reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"); however, management believes evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Management reviews non-GAAP financial measures to assess ongoing operations and, for the reasons described below, considers them to be effective indicators, for both management and investors, of BlackRock's financial performance over time. Management also uses non-GAAP financial measures as a benchmark to compare its performance with other companies and to enhance the comparability of this information for the reporting periods presented. Non-GAAP measures may pose limitations because they do not include all of BlackRock's revenue and expense. BlackRock's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Management uses both GAAP and non-GAAP financial measures in evaluating BlackRock's financial performance. Adjustments to GAAP financial measures ("non-GAAP adjustments") include certain items management deems nonrecurring or occur infrequently, transactions that ultimately will not impact BlackRock's book value or certain tax items that do not impact cash flow.

Computations for all periods are derived from the condensed consolidated statements of income as follows:

### **(1) Operating income, as adjusted, and operating margin, as adjusted:**

Management believes operating income, as adjusted, and operating margin, as adjusted, are effective indicators of BlackRock's financial performance over time and, therefore, provide useful disclosure to investors.

- Operating income, as adjusted, includes non-GAAP expense adjustments. The portion of compensation expense associated with certain long-term incentive plans ("LTIP") funded, or to be funded, through share distributions to participants of BlackRock stock held by The PNC Financial Services Group, Inc. ("PNC") has been excluded because it ultimately does not impact BlackRock's book value. Compensation expense associated with appreciation (depreciation) on investments related to certain BlackRock deferred compensation plans has been excluded as returns on investments set aside for these plans, which substantially offset this expense, are reported in nonoperating income (expense).
- Operating income used for measuring operating margin, as adjusted, is equal to operating income, as adjusted, excluding the impact of closed-end fund launch costs and related commissions. Management believes the exclusion of such costs and related commissions is useful because these costs can fluctuate considerably and revenue associated with the expenditure of these costs will not fully impact BlackRock's results until future periods.

Revenue used for operating margin, as adjusted, excludes distribution and servicing costs paid to related parties and other third parties. Management believes the exclusion of such costs is useful because it creates consistency in the treatment for certain contracts for similar services, which due to the terms of the contracts, are accounted for under GAAP on a net basis within investment advisory, administration fees and securities lending revenue. Amortization of deferred sales commissions is excluded from revenue used for operating margin measurement, as adjusted, because such costs, over time, substantially offset distribution fee revenue the Company earns. For each of these items, BlackRock excludes from revenue used for operating margin, as adjusted, the costs related to each of these items as a proxy for such offsetting revenue.

### **(2) Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted:**

Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, equals nonoperating income (expense), GAAP basis, less net income (loss) attributable to NCI, adjusted for compensation expense associated with (appreciation) depreciation on investments related to certain BlackRock deferred compensation plans. The compensation expense offset is recorded in operating income. This compensation expense has been included in nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, to offset returns on investments set aside for these plans, which are reported in nonoperating income (expense), GAAP basis.

### **(3) Net income attributable to BlackRock, Inc., as adjusted:**

See aforementioned discussion regarding operating income, as adjusted, and operating margin, as adjusted, for information on the PNC LTIP funding obligation.

For each period presented, the non-GAAP adjustment related to the PNC LTIP funding obligation was tax effected at the respective blended rates applicable to the adjustments.

**(4)** Nonvoting participating preferred stock is considered to be a common stock equivalent for purposes of determining basic and diluted earnings per share calculations.

## Forward-looking Statements

This earnings release, 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.

BlackRock cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and BlackRock assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to risk factors previously disclosed in BlackRock's Securities and Exchange Commission ("SEC") reports and those identified elsewhere in this earnings release, 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, information and cyber 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 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 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.

BlackRock's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and BlackRock's subsequent filings with the SEC, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on BlackRock's website at [www.blackrock.com](http://www.blackrock.com), discuss these factors in more detail and identify additional factors that can affect forward-looking statements. The information contained on the Company's website is not a part of this earnings release.

## Performance Notes

Past performance is not indicative of future results. Except as specified, the performance information shown is as of March 31, 2015 and is based on preliminary data available at that time. The performance data shown reflects information for all actively and passively managed equity and fixed income accounts, including U.S. registered investment companies, European-domiciled retail funds and separate accounts for which performance data is available, including performance data for high net worth accounts available as of February 28, 2015. The performance data does not include accounts terminated prior to March 31, 2015 and accounts for which data has not yet been verified. If such accounts had been included, the performance data provided may have substantially differed from that shown.

Performance comparisons shown are gross-of-fees for U.S. retail, institutional and high net worth separate accounts as well as EMEA institutional separate accounts, and net-of-fee for European domiciled retail funds. The performance tracking shown for institutional index accounts is based on gross-of-fee performance and includes all institutional accounts and all *iShares* funds globally using an index strategy. AUM information is based on AUM available as of March 31, 2015 for each account or fund in the asset class shown without adjustment for overlapping management of the same account or fund. Fund performance reflects the reinvestment of dividends and distributions.

Source of performance information and peer medians is BlackRock, Inc. and is based in part on data from Lipper Inc. for U.S. funds and Morningstar, Inc. for non-U.S. funds.