

BLACKROCK

Acquisition of
Quellos Fund of Funds Business

June 26, 2007

BLACKROCK

Forward-Looking Statement

This press 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" or 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 factors previously disclosed in BlackRock's SEC reports and those identified elsewhere in this communication, 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 in political, economic or industry conditions, the interest rate environment 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, including its separately managed accounts and the former MLIM business; (4) the impact of increased competition; (5) the impact of capital improvement projects; (6) the impact of future acquisitions or divestitures; (7) the unfavorable resolution of legal proceedings; (8) the extent and timing of any share repurchases; (9) the impact, extent and timing of technological changes and the adequacy of intellectual property protection; (10) the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock, Merrill Lynch or PNC; (11) terrorist activities and international hostilities, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries, and BlackRock; (12) the ability to attract and retain highly talented professionals; (13) fluctuations in foreign currency exchange rates, which may adversely affect the value of advisory fees earned by BlackRock; (14) the impact of changes to tax legislation and, generally, the tax position of the Company; (15) BlackRock's ability to successfully integrate the MLIM business with its existing business; (16) the ability of BlackRock to effectively manage the former MLIM assets along with its historical assets under management; (17) BlackRock's success in maintaining the distribution of its products and (18) the ability of BlackRock to consummate the transaction with Quellos and realize the benefits of such transaction.

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

Transaction Summary

Structure	Asset purchase
Consideration	Up to \$1.7 billion in a combination of cash and restricted shares of BLK common stock
Upfront Payment	\$750 million (75% Cash; 25% Stock)
Contingent Payments: First	Up to \$375 million (75% cash; 25% stock) based on retention of Quellos's annualized run rate (4/1/07) management fees through 18 month anniversary of closing
Second	Up to \$595 million (100% cash) to be interpolated based on achievement of a 15% - 25% CAGR in management fee revenue
Closing Conditions	Customary closing conditions
Anticipated Closing	October 1, 2007

Overview of Quellos Fund of Funds Business

Established in 1994

12th largest fund of hedge funds manager in the world as of 12/31/06

Approx. 290 employees in Seattle, New York, Durham (NC), London and Hong Kong

2006 management fees of \$131 million

2006 performance fees of \$170 million

Pro-forma EBITDA margin of approx. 50%

World's Largest Hedge FoF Managers

Firm	2006 AUM	% of Total
1 UBS	43.4	6.6%
2 Union Bancaire Privée	34.6	5.3%
3 Permal Asset Mgmt	28.6	4.4%
4 GAM Multi-Manager	27.7	4.2%
5 HSBC Alternative Invstmt	27.6	4.2%
6 RMF	22.1	3.4%
7 Lyxor Asset Mgmt	20.3	3.1%
8 Credit Suisse	20.0	3.0%
Pro-Forma (BLK & Quellos)	19.9	3.0%
9 Credit Agricole Asset Mgmt	19.9	3.0%
10 Grosvenor Capital Mgmt	18.9	2.9%
11 Goldman Sachs Asset Mgmt	18.1	2.8%
12 Quellos Capital Mgmt	17.4	2.7%
13 Man Global Strategies	17.0	2.6%
14 Ivy Asset Mgmt	16.9	2.6%
15 Notz, Stucki & Cie	15.6	2.4%
16 Blackstone Alt Asset Mgmt	15.3	2.3%
17 Pacific Alt Asset Mgmt Co.	13.9	2.1%
18 Mesirov Advanced Strategies	12.2	1.9%
19 Arden Asset Mgmt	12.2	1.9%
20 Financial Risk Mgmt	12.1	1.8%

Source: InvestHedge Hedge Fund of Funds rankings; Total fund of funds market AUM from HFR industry report 2007

Strategic Rationale

Adds attractive absolute return products and enhances ability to deliver innovative solutions to clients

- Achieves scale in a business with a 37% CAGR since 2000
- Institutional demand for alternative investments strategies accelerating
- Opportunity to leverage BLK's global capabilities and Quellos's fund of funds research, risk management, technology and operating platform
- Combined technology expertise

Strong business and cultural fit

- The strength and fit of the people and the platform
- The institutional quality of the product and process
- Superior investment performance

Relatively minimal integration burden

- An important consideration given existing demands on the organization

The Combined Fund of Funds Platform

BlackRock Alternative Advisors

- First quarter 2007 pro forma combined AUM of \$25.4 billion
- Brings together complementary products managed by proven investment management professionals
 - Bryan White, Quellos CIO, to serve as global head of the business
 - Broader platform preserves benefit of specialist teams, while providing leverage through deeper resources and Quellos's customized operating capabilities
- Shared commitment to:
 - Risk management and disciplined investment processes
 - Solutions-oriented approach to working with clients
 - Culture of innovation and excellence
- Broader ability to use fund of funds as an integral component of newer strategies, including LDI and portable alpha

Acquisition Economics

No assumed synergies

Optimization of BLK capital structure with initial cash payment financed with term debt and cash based contingent payments financed from operating cash flow

Minimal finite lived (subject to amortization) intangibles

4% - 6% GAAP and cash accretion in 2008 based on current IBES mean of \$8.50*

Estimated IRR of 25% - 30%

Estimated one-time charges of \$15 - \$25 million for technology, marketing and branding and infrastructure integration

*IBES mean of \$8.50 used for illustrative purposes as BlackRock does not provide earnings guidance