

BLACKROCK

Acquisition of
Quellos Fund of Funds Business

June 26, 2007

BLACKROCK

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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