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BlackRock, Inc. Reports Record Net Income for the Fourth Quarter and Full Year 2001 of \$28.3 million and \$107.4 million, respectively. Assets Under Management Rise 17% in 2001 to \$238.6 billion from \$203.8 billion at December 31, 2000. Diluted EPS for the Fourth Quarter and Full Year 2001 Increase to \$0.44 and \$1.65, respectively.

New York, New York – January 15, 2002 – BlackRock, Inc. (NYSE:BLK) today reported record net income for the fourth quarter ended December 31, 2001 of \$28.3 million, a 15% increase compared with \$24.5 million earned in the fourth quarter of 2000. Diluted earnings per share for the fourth quarter was \$0.44, a 16% increase compared with \$0.38 for the fourth quarter of 2000 and a 5% increase compared with \$0.42 for the third quarter of 2001.

Net income for the year ended December 31, 2001 was \$107.4 million, a 23% increase compared with \$87.4 million earned in 2000. Diluted earnings per share for the year ended December 31, 2001 was \$1.65, a 22% increase compared with \$1.35 for the year ended December 31, 2000. Operating income for the year ended December 31, 2001 was \$170.2 million, a \$27.1 million or 19% increase compared with \$143.0 million earned in 2000.

Assets under management (“AUM”) at December 31, 2001 were \$238.6 billion, up \$13.0 billion or 6% from \$225.6 billion at September 30, 2001 and \$34.8 billion or 17% from \$203.8 billion at December 31, 2000. The increase in the fourth quarter AUM was driven by strong sales of institutional liquidity and fixed income products, which accounted for \$8.6 billion in net subscriptions and \$1.9 billion in new offerings of closed-end mutual funds assets. Net asset growth for 2001, exclusive of market changes, totaled \$31.3 billion with institutional fixed income, equity and liquidity products accounting for \$27.3 billion of net sales and retail mutual funds generating \$2.4 billion.

“Going into 2001, we expected a difficult market environment and sought to leverage strength throughout the organization to achieve our growth objectives,” commented Laurence D. Fink, Chairman and CEO of BlackRock. “I believe that our financial performance for the year reflects both the strength of our core activities and our success in diversifying our business. I remain optimistic about our ability to continue to expand BlackRock’s franchise and deliver strong results for our shareholders.”

Fourth Quarter and Full Year Highlights

- ❖ Net asset growth excluding market changes for the fourth quarter and full year of 2001 was \$12.2 billion and \$31.3 billion, respectively, versus \$11.8 billion and \$33.0 billion for the comparable periods in 2000. Net asset growth excluding market changes for 2001 represented 90% of the increase in assets under management since December 31, 2000.
- ❖ \$12 billion of net new business was recorded in separate accounts, with \$23 billion of fundings offsetting approximately \$11 billion of outflows due to client mergers and market rebalancing. Significantly, new business flows spanned fixed income, international equity and alternative investment products, and the RFP pipeline remains strong.
- ❖ The company raised approximately \$3.3 billion in closed-end funds during 2001, including the BlackRock Municipal Income Trust (NYSE:BFK), the largest closed-end fund offering in the market during the year.
- ❖ The *BlackRock Provident Institutional Funds* (“BPIF”) experienced a 46% increase in assets to \$53.2 billion at December 31, 2001, driven in part by the 11 interest rate cuts that were implemented by the Federal Reserve throughout the year.
- ❖ BlackRock Solutions achieved an increase in revenues in excess of 50% during the year, as 15 new risk management assignments were added, a second system installing was completed and implementations commenced for three new system outsourcing clients. The pipeline of potential new assignments remains strong heading into 2002.
- ❖ On January 7, 2002, the company announced the opening of its Boston office and the formation of a seven person small and mid cap value equity team led by Wayne Archambo through which the firm expects to realize enhanced investment performance and expanded business development opportunities.
- ❖ The company opened new facilities in Wilmington, Edinburgh, Hong Kong and Boston during the year, and is on schedule to complete construction and fully occupy a new headquarters in New York City by March 31, 2002.

Total revenue for the quarter ended December 31, 2001 increased \$0.9 million or 1% to \$129.4 million compared with the fourth quarter of 2000. Increases in separate account revenues, exclusive of performance fees, of \$12.1 million, as well as other income of \$3.5 million, more than offset decreases in separate account performance fees and mutual fund revenue of \$13.5 million and \$1.3 million, respectively. The increase in separate account revenue, excluding performance fees, was the result of a \$15.9 billion or 15% increase in fixed income assets. Other income growth of 54% primarily reflects increased sales of *BlackRock Solutions* products and services. The decrease in performance fees from \$19.0 million in the fourth quarter of 2000 to \$5.5 million in the fourth quarter of 2001 was due to lower investment returns earned on alternative products. The decrease in mutual fund revenue was primarily the result of lower equity assets in the *BlackRock Funds* partially offset by strong sales and resulting revenue growth in BPIF.

Total revenue for the year ended December 31, 2001 increased \$56.3 million or 12% to \$533.1 million compared with \$476.9 million for the year ended December 31, 2000. The year-to-year

growth was the result of a \$54.6 million or 24% increase in separate account revenue and a \$13.6 million or 56% increase in other income which were partially offset by a decrease of \$11.9 million or 5% in mutual fund revenue. Separate account performance fees earned in 2001 were \$56.1 million as compared to \$52.9 million for 2000. Higher institutional fixed income assets and increased sales of *BlackRock Solutions* products primarily drove the increase in separate account revenues and other income, respectively. The decrease in mutual fund revenue was the result of market depreciation of equity assets in the *BlackRock Funds* partially offset by increased assets in BPIF.

BlackRock's operating margin for the fourth quarter of 2001 was 37.1% compared with 35.5% for the third quarter of 2001 and 36% for the full year 2001. The increase in operating margin for the fourth quarter reflects lower variable incentive compensation expense associated with the decline in performance fee revenue. General and Administration expense growth for the third quarter and full year 2001 compared to the prior year was largely attributable to increased occupancy and technology costs associated with space expansion and increases in marketing and professional services associated with new products.

Net income increased \$1.0 million or 3% for the fourth quarter of 2001 compared with the third quarter of 2001. Revenue decreased \$5.4 million or 4% primarily due to a decrease in performance fees of \$7.8 million on alternative products, which was partially offset by increased mutual fund revenue of \$2.2 million. Expenses decreased \$5.9 million or 6% largely due to reductions in incentive compensation of \$3.8 million and fund administration and servicing costs of \$1.6 million. Non-operating income in the fourth quarter increased \$1.3 million compared with the third quarter of 2001 due to increased earnings on the Company's cash.

BlackRock and PNC are currently evaluating a new long-term incentive and retention program for key employees in anticipation of the lapse of all employment agreements and final vesting of restricted stock on December 31, 2002. Management's intention is to finalize and announce a new program during the first half of 2002.

Outlook. Based on current conditions, management expects that first quarter and full year 2002 earnings will be consistent with a range of \$0.45-\$0.47 per diluted share and \$1.95-\$2.05 per diluted share, respectively. These estimates include the elimination of goodwill amortization estimated to increase earnings per share by \$0.08 annually, resulting from the adoption of SFAS No. 142 effective January 1, 2002. Additionally, management's estimate assumes a gradual rise in the operating margin for 2002.

About BlackRock. BlackRock is one of the largest publicly traded investment management firms in the United States with approximately \$239 billion of assets under management as of December 31, 2001. BlackRock manages assets on behalf of institutional and individuals investors worldwide through a variety of equity, fixed income, liquidity and alternative investment separate accounts and mutual funds, including *BlackRock Funds* and *BlackRock Provident Institutional Funds*. In addition, BlackRock provides risk management and investment system services to institutional investors under the *BlackRock Solutions* name.

Clients are served from the Company's headquarters in New York City, as well as offices in Wilmington, DE, San Francisco, Boston, Edinburgh, Tokyo, and Hong Kong. BlackRock is a member of The PNC Financial Services Group (NYSE: PNC), one of the largest diversified financial services organizations in the United States, and is majority-owned by PNC and by BlackRock employees.

Forward Looking Statements. This press release and other statements by BlackRock may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to BlackRock's outlook for first quarter and full year 2002 earnings, BPIF asset levels and other future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "currently," "intention," "estimate," "position," "assume," "potential," "outlook," "continue," "remain," "maintain," "sustain," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," 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 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 Securities and Exchange Commission (the "SEC") reports and those identified elsewhere in this report, 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 investment performance of BlackRock's advised or sponsored investment products and separately managed accounts; (4) the impact of increased competition; (5) the impact of capital improvement projects; (6) the impact of future acquisitions; (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 (11) terrorist activities, including the September 11 attacks, which may adversely affect the general economy, financial and capital markets, specific industries, and BlackRock.

Exhibit 99.1 to BlackRock's Annual Report on Form 10-K for the year ended December 31, 2000 and BlackRock's subsequent reports filed with the Securities and Exchange Commission, accessible on the SEC's website at <http://www.sec.gov>, discuss these factors in more detail and identify additional factors that can affect forward-looking statements.

TABLE 1

BlackRock, Inc.
Financial Highlights

(\$ in thousands, except share data)
(unaudited)

	Three months ended			Variance vs.			
	December 31,		September 30,	December 31, 2000		September 30, 2001	
	2001	2000	2001	Amount	%	Amount	%
Total revenue	\$129,391	\$128,540	\$134,782	\$851	1%	(\$5,391)	-4%
Total expense	\$86,375	\$88,868	\$92,250	(\$2,493)	-3%	(\$5,875)	-6%
Operating income	\$43,016	\$39,672	\$42,532	\$3,344	8%	\$484	1%
Net income	\$28,332	\$24,546	\$27,376	\$3,786	15%	\$956	3%
Diluted earnings per share	\$0.44	\$0.38	\$0.42	\$0.06	16%	\$0.02	5%
Diluted cash earnings per share ^(a)	\$0.48	\$0.42	\$0.46	\$0.06	14%	\$0.02	4%
Average diluted shares outstanding	65,050,738	64,727,763	64,947,840	322,975	0%	102,898	0%
EBITDA ^(b)	\$54,330	\$47,745	\$52,190	\$6,585	14%	\$2,140	4%
Operating margin ^(c)	37.1%	35.9%	35.5%				
Assets under management (\$ in millions)	\$238,584	\$203,769	\$225,596	\$34,815	17%	\$12,988	6%
	Year ended		Variance				
	December 31,		Amount	%			
	2001	2000					
Total revenue	\$533,144	\$476,872	\$56,272	12%			
Total expense	\$362,968	\$333,834	\$29,134	9%			
Operating income	\$170,176	\$143,038	\$27,138	19%			
Net income	\$107,434	\$87,361	\$20,073	23%			
Diluted earnings per share	\$1.65	\$1.35	\$0.30	22%			
Diluted cash earnings per share ^(a)	\$1.82	\$1.51	\$0.31	21%			
Average diluted shares outstanding	64,926,199	64,590,707	335,492	1%			
EBITDA ^(b)	\$207,773	\$170,767	\$37,006	22%			
Operating margin ^(c)	36.0%	35.7%					
Assets under management (\$ in millions)	\$238,584	\$203,769	\$34,815	17%			

(a) Net income plus amortization expense for the period divided by average diluted shares outstanding.

(b) Earnings before interest expense, taxes, depreciation and amortization.

(c) Operating income divided by total revenue less fund administration and servicing costs - affiliates.

TABLE 2

BlackRock, Inc.
Condensed Consolidated Statements of Income

(Dollar amounts in thousands, except share data)

(unaudited)

	<u>Three months ended</u>			<u>Year ended</u>		
	<u>December 31,</u>		<u>% Change</u>	<u>December 31,</u>		<u>% Change</u>
	<u>2001</u>	<u>2000</u>		<u>2001</u>	<u>2000</u>	
Revenue						
Investment advisory and administration fees						
Mutual funds	\$54,903	\$56,186	(2.3%)	\$217,361	\$229,259	(5.2%)
Separate accounts	64,687	66,008	(2.0)	278,126	223,521	24.4
Total investment advisory and administration fees	119,590	122,194	(2.1)	495,487	452,780	9.4
Other income	9,801	6,346	54.4	37,657	24,092	56.3
Total revenue	129,391	128,540	0.7	533,144	476,872	11.8
Expense						
Employee compensation and benefits	50,222	53,062	(5.4)	215,118	189,684	13.4
Fund administration and servicing costs - affiliates	13,401	18,164	(26.2)	60,829	75,686	(19.6)
General and administration	20,139	15,029	34.0	76,567	58,311	31.3
Amortization of intangible assets	2,613	2,613	0.0	10,454	10,153	3.0
Total expense	86,375	88,868	(2.8)	362,968	333,834	8.7
Operating income	43,016	39,672	8.4	170,176	143,038	19.0
Non-operating income (expense)						
Investment income	4,192	3,070	36.5	11,576	7,734	49.7
Interest expense	(187)	(201)	(7.0)	(761)	(855)	(11.0)
	4,005	2,869	39.6	10,815	6,879	57.2
Income before income taxes	47,021	42,541	10.5	180,991	149,917	20.7
Income taxes	18,689	17,995	3.9	73,557	62,556	17.6
Net income	\$28,332	\$24,546	15.4	\$107,434	\$87,361	23.0
Weighted-average shares outstanding						
Basic	64,390,814	63,930,387	0.7%	64,271,538	63,886,353	0.6%
Diluted	65,050,738	64,727,763	0.5%	64,926,199	64,590,707	0.5%
Earnings per share						
Basic	\$0.44	\$0.38	15.8%	\$1.67	\$1.37	21.9%
Diluted	\$0.44	\$0.38	15.8%	\$1.65	\$1.35	22.2%

TABLE 3**BlackRock, Inc.**
Condensed Consolidated Statements of Financial Condition(Dollar amounts in thousands)
(unaudited)

	December 31, <u>2001</u>	December 31, <u>2000</u>
Assets		
Cash and cash equivalents	\$186,451	\$192,590
Accounts receivable	96,659	83,284
Investments	139,126	13,316
Property and equipment, net	70,510	45,598
Intangible assets, net	181,688	192,142
Other assets	10,044	10,073
Total assets	<u>\$684,478</u>	<u>\$537,003</u>
Liabilities and stockholders' equity		
Accrued compensation	\$146,019	\$130,101
Accounts payable and accrued liabilities	35,047	27,014
Acquired management contract obligation	7,344	8,040
Other liabilities	9,951	3,607
Total liabilities	<u>198,361</u>	<u>168,762</u>
Stockholders' equity	<u>486,117</u>	<u>368,241</u>
Total liabilities and stockholders' equity	<u>\$684,478</u>	<u>\$537,003</u>

TABLE 4

BlackRock, Inc.
Condensed Consolidated Statements of Cash Flows

(Dollar amounts in thousands)
(unaudited)

	Year ended		
	<u>December 31,</u>		
	<u>2001</u>	<u>2000</u>	<u>1999</u>
Cash flows from operating activities			
Net income	\$107,434	\$87,361	\$59,417
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	26,021	19,995	18,153
Stock-based compensation	4,483	868	100
Deferred income taxes	(8,460)	(2,318)	(6,827)
Tax benefit from stock-based compensation	5,629	610	-
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(10,722)	(18,074)	42,484
(Increase) decrease in receivable from affiliate	(2,653)	627	(1,665)
(Increase) decrease in other assets	29	(4,646)	(3,426)
Increase (decrease) in accrued compensation	22,775	39,751	(19,979)
Increase (decrease) in accounts payable and accrued liabilities	16,493	(14,618)	26,672
Decrease in accrued interest payable to affiliates	-	(705)	(470)
Increase (decrease) in other liabilities	6,344	(244)	1,867
Cash provided by operating activities	<u>167,373</u>	<u>108,607</u>	<u>116,326</u>
Cash flows from investing activities			
Purchase of property and equipment	(40,479)	(32,761)	(18,925)
Purchase of investments	(126,576)	(12,898)	29
Cash used in investing activities	<u>(167,055)</u>	<u>(45,659)</u>	<u>(18,896)</u>
Cash flows from financing activities			
Repayment of note and loan payable to affiliates	-	(28,200)	(168,800)
Issuance of class A common stock	1,198	873	114,849
Issuance of class B common stock	297	264	-
Purchase of treasury stock	(7,407)	(16)	(550)
Reissuance of treasury stock	445	-	750
Acquired management contract obligation payment	(696)	-	-
Cash used in financing activities	<u>(6,163)</u>	<u>(27,079)</u>	<u>(53,751)</u>
Effect of exchange rate changes on cash and cash equivalents	(294)	(408)	-
Net (decrease) increase in cash and cash equivalents	(6,139)	35,461	43,679
Cash and cash equivalents, beginning of period	192,590	157,129	113,450
Cash and cash equivalents, end of period	<u>\$186,451</u>	<u>\$192,590</u>	<u>\$157,129</u>

TABLE 5

BlackRock, Inc.
Assets Under Management

(Dollar amounts in millions)

(unaudited)

	2001	December 31, 2000	1999
All Accounts			
Fixed income	\$135,242	\$116,878	\$86,438
Liquidity	79,753	61,186	57,521
Equity	18,280	22,235	18,472
Alternative investment products	5,309	3,470	2,086
Total	\$238,584	\$203,769	\$164,517
Separate Accounts			
Fixed income	\$119,488	\$103,561	\$73,120
Liquidity	6,831	6,495	7,902
Liquidity-Securities lending	10,781	11,501	13,032
Equity	9,577	8,716	3,080
Alternative investment products	5,309	3,470	2,086
Subtotal	151,986	133,743	99,220
Mutual Funds			
Fixed income	15,754	13,317	13,318
Liquidity	62,141	43,190	36,587
Equity	8,703	13,519	15,392
Subtotal	86,598	70,026	65,297
Total	\$238,584	\$203,769	\$164,517

Component Changes in Assets Under Management

(Dollar amounts in millions)

(unaudited)

	2001	Year ended December 31, 2000	1999
All Accounts			
Beginning assets under management	\$203,769	\$164,517	\$130,642
Net subscriptions	31,321	33,022	32,707
Market appreciation	3,494	6,230	1,168
Ending assets under management	\$238,584	\$203,769	\$164,517
% of Change in AUM from net subscriptions	90.0%	84.1%	96.6%
Separate Accounts			
Beginning assets under management	\$133,743	\$99,220	\$69,112
Net subscriptions	12,030	25,890	30,183
Market appreciation (depreciation)	6,213	8,633	(75)
Ending assets under management	151,986	133,743	99,220
Mutual Funds			
Beginning assets under management	70,026	65,297	61,530
Net subscriptions	19,291	7,132	2,524
Market appreciation (depreciation)	(2,719)	(2,403)	1,243
Ending assets under management	86,598	70,026	65,297
Total	\$238,584	\$203,769	\$164,517

BlackRock, Inc.
Assets Under Management
Quarterly Trend
(Dollar amounts in millions)
(unaudited)

	Quarter Ended					Year ended December 31, 2001
	2000 December 31	March 31	June 30	2001 September 30 December 31		
Separate Accounts						
Fixed Income						
Beginning assets under management	\$96,791	\$103,561	\$107,371	\$110,483	\$118,336	\$103,561
Net subscriptions	2,776	699	2,682	2,959	1,731	8,071
Market appreciation (depreciation)	3,994	3,111	430	4,894	(579)	7,856
Ending assets under management	103,561	107,371	110,483	118,336	119,488	119,488
Liquidity						
Beginning assets under management	5,147	6,495	5,713	6,782	6,987	6,495
Net subscriptions (redemptions)	1,321	(813)	1,042	181	(171)	239
Market appreciation	27	31	27	24	15	97
Ending assets under management	6,495	5,713	6,782	6,987	6,831	6,831
Liquidity-Securities lending						
Beginning assets under management	10,843	11,501	7,514	10,004	8,069	11,501
Net subscriptions (redemptions)	658	(3,987)	2,490	(1,935)	2,712	(720)
Market appreciation	-	-	-	-	-	-
Ending assets under management	11,501	7,514	10,004	8,069	10,781	10,781
Equity						
Beginning assets under management	7,500	8,716	7,796	8,257	8,185	8,716
Net subscriptions	1,282	445	488	1,144	675	2,752
Market appreciation (depreciation)	(66)	(1,365)	(27)	(1,216)	717	(1,891)
Ending assets under management	8,716	7,796	8,257	8,185	9,577	9,577
Alternative investment products						
Beginning assets under management	2,818	3,470	4,317	4,479	4,879	3,470
Net subscriptions	584	682	169	426	411	1,688
Market appreciation (depreciation)	68	165	(7)	(26)	19	151
Ending assets under management	3,470	4,317	4,479	4,879	5,309	5,309
Total Separate Accounts						
Beginning assets under management	123,099	133,743	132,711	140,005	146,456	133,743
Net subscriptions (redemptions)	6,621	(2,974)	6,871	2,775	5,358	12,030
Market appreciation	4,023	1,942	423	3,676	172	6,213
Ending assets under management	\$133,743	\$132,711	\$140,005	\$146,456	\$151,986	\$151,986
Mutual Funds						
BlackRock Funds						
Beginning assets under management	\$27,819	\$26,359	\$24,383	\$24,589	\$22,790	\$26,359
Net subscriptions (redemptions)	1,463	65	(253)	49	758	619
Market appreciation (depreciation)	(2,923)	(2,041)	459	(1,848)	647	(2,783)
Ending assets under management	26,359	24,383	24,589	22,790	24,195	24,195
BlackRock Global Series						
Beginning assets under management	54	75	105	134	127	75
Net subscriptions	18	43	33	1	13	90
Market appreciation (depreciation)	3	(13)	(4)	(8)	9	(16)
Ending assets under management	75	105	134	127	149	149
BPIF*						
Beginning assets under management	27,580	36,338	37,047	41,954	48,889	36,338
Net subscriptions	4,662	709	4,907	6,935	4,278	16,829
Exchanges	4,096	-	-	-	-	-
Ending assets under management	36,338	37,047	41,954	48,889	53,167	53,167
Closed End						
Beginning assets under management	7,634	6,764	6,841	5,440	6,728	6,764
Net subscriptions (redemptions)	(954)	-	(1,409)	1,212	1,865	1,668
Market appreciation (depreciation)	84	77	8	76	(81)	80
Ending assets under management	6,764	6,841	5,440	6,728	8,512	8,512
Short Term Investment Funds (STIF)*						
Beginning assets under management	4,622	490	549	572	606	490
Net subscriptions (redemptions)	(36)	59	23	34	(31)	85
Exchanges	(4,096)	-	-	-	-	-
Ending assets under management	490	549	572	606	575	575
Total Mutual Funds						
Beginning assets under management	67,709	70,026	68,925	72,689	79,140	70,026
Net subscriptions	5,153	876	3,301	8,231	6,883	19,291
Market appreciation (depreciation)	(2,836)	(1,977)	463	(1,780)	575	(2,719)
Ending assets under management	\$70,026	\$68,925	\$72,689	\$79,140	\$86,598	\$86,598

* During the fourth quarter of 2000, \$4.1 billion of STIF assets under management were exchanged into the BPIF product.