

Blackrock, Inc. Reports Record Net Income for the Fourth Quarter and Full Year 2000 of \$24.5 Million and \$87.4 Million With Record Assets Under Management At December 31, 2000 Of \$203.8 Billion

Diluted Earnings Per Share for the Fourth Quarter and Full Year Was \$.38 And \$1.35, Respectively

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BlackRock, Inc. (NYSE: BLK) today reported record net income for the fourth quarter ended December 31, 2000 of \$24.5 million, a 43% increase compared with \$17.2 million earned in the fourth quarter of 1999 and an 8% increase compared with \$22.8 million earned in the third quarter of 2000. Diluted earnings per share for the fourth quarter was \$0.38, a 41% increase compared with \$0.27 for the fourth quarter of 1999. Operating income of \$39.7 million increased \$10.0 million or 34% and \$2.7 million or 7% compared with \$29.7 million and \$36.9 million earned in the fourth quarter of 1999 and the third quarter of 2000, respectively (See Table 1).

Net income for the year ended December 31, 2000 was \$87.4 million, a 47% increase compared with \$59.4 million earned in 1999. Diluted earnings per share for the year ended December 31, 2000 was \$1.35, a 36% increase compared with \$0.99 (pro-forma) for the year ended December 31, 1999. Operating income for the year ended December 31, 2000 was \$143.0 million, a \$32.1 million or 29% increase compared with \$110.9 million earned in 1999.

"This was a year of great achievement for BlackRock as we finished 2000 with strong performances in both earnings and assets under management despite one of the more challenging market environments to face our industry in over a decade," commented Laurence D. Fink, Chairman and CEO. "I am particularly proud of our investment returns for fixed income and in the overall performance of the European Equity team. While the financial markets continue to experience significant volatility, BlackRock's institutional business growth and asset mix represent a solid foundation upon which to expand earnings in 2001."

Fourth Quarter and Full Year Highlights

- Assets under management rose to \$203.8 billion, an increase of 24% from the \$164.5 billion reported at December 31, 1999 and 7% above the September 30, 2000 total of \$190.8 billion.
- Net asset growth excluding market changes for the fourth quarter and full year of 2000 was \$11.8 billion and \$33.0 billion, respectively versus \$14.8 billion and \$32.7 billion for the comparable periods in 1999. Net asset growth for 2000 represented 84% of the increase in assets under management since December 31, 1999.
- Diluted cash earnings per share for the fourth quarter and full year 2000 were \$.42 and \$1.51, respectively, versus \$.31 and \$1.14 (pro-forma) for the comparable periods in 1999.
- BlackRock's operating margin for the fourth quarter was 35.9% compared with 36.1% for the fourth quarter of 1999.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) for the fourth quarter and full year 2000 was \$47.7 million and \$170.8 million, respectively, versus \$35.3 million and \$132.5 million for the comparable periods in 1999.

Total revenue for the quarter ended December 31, 2000 increased \$27.8 million or 28% to \$128.5 million compared with the fourth quarter of 1999 primarily due to a 52% increase in separate account revenue. The substantial increase in separate account revenue resulted from increases in fixed income and equity

assets of \$31.8 billion and \$5.6 billion, respectively, as well as higher performance fees on the Company's alternative products. Alternative product performance fee revenue for the second half of 2000 was approximately \$20 million above expected levels assuming targeted investment performance, with compensation and benefit accruals higher by approximately \$17 million. Total revenue for the year ended December 31, 2000 was \$476.9 million, a \$95.9 million or 25% increase compared to the year ended December 31, 1999. The year-to-year increase was attributable to a \$69.5 million or 45% increase in separate account revenue, a \$14.5 million or 7% increase in mutual fund revenue and a \$4.8 million or 25% increase in other income largely due to increased sales of risk management and technology products.

Compared with the third quarter of 2000, revenue increased \$.8 million or 1% in the fourth quarter of 2000. Mutual fund revenue declined \$1.6 million or 3% largely as a result of lower assets under management in the BlackRock Funds due to market depreciation of equities which was partially offset by strong asset growth in the Provident Institutional Funds. Separate account fees increased \$2.5 million or 4% primarily due to higher levels of fixed income assets.

2001 Outlook

At the present time, BlackRock expects that first quarter and full year 2001 earnings will be consistent with a range of \$.37-\$.39 per diluted share and \$1.55-\$1.65 per diluted share, respectively.

About BlackRock

BlackRock is one of the largest publicly traded investment management firms in the United States with \$204 billion of assets under management as of December 31, 2000. BlackRock manages assets on behalf of more than 3,000 institutions and 160,000 individuals worldwide through a variety of equity, fixed income, liquidity and alternative investment separate accounts and mutual funds, including the Company's flagship fund families, BlackRock Funds and Provident Institutional Funds. In addition, the company provides risk management and technology services to a growing number of institutional investors under the BlackRock Solutions name. Clients are served from the Company's headquarters in New York City, as well as offices in Philadelphia, PA, Wilmington, DE, Edinburgh, Scotland and Tokyo, Japan. BlackRock is a member of The PNC Financial Services Group, Inc. (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

The 2001 Outlook section of this press release is a forward-looking statement within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements with respect to the Company's future financial or business performance or conditions or strategies and other financial and business matters may also be included in other portions of this press release and in other statements the Company makes. Forward-looking statements are typically identified by words or phrases such as "likely," "believe," "expect" "anticipate," "intend," "assume," "target," "estimate," "continue," "position," "prospects," "strategy," "outlook," "trend," and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" or similar expressions. BlackRock cautions that these forward-looking statements are subject to numerous assumptions, risks and uncertainties, all of 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 these forward-looking statements and future results could differ materially from historical performance.

The following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: the introduction, withdrawal, success and timing of business initiatives and strategies; economic conditions; changes in interest rates and financial and capital markets; the investment performance of BlackRock's advised or sponsored investment products and separately managed accounts; competitive conditions; capital improvement projects; future acquisitions; and the impact, extent and timing of technological changes and legislative and regulatory actions and reforms.

Reference is made to BlackRock's Annual Report on Form 10-K for the year ended December 31, 1999 and subsequent reports filed with the Securities and Exchange Commission which identify additional factors that can affect forward-looking statements.

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