

BlackRock, Inc. Reports 26% Growth in Second Quarter Earnings To Record Level of \$26.2 Million

Assets Under Management Increase to \$212.7 Billion at June 30, 2001

PRNewswire
NEW YORK

BlackRock, Inc. (NYSE: BLK) today reported record net income of \$26.2 million for the second quarter ended June 30, 2001, a 26% increase compared with \$20.9 million earned in the second quarter of 2000 and a 3% increase compared with \$25.5 million earned in the first quarter of 2001. Diluted earnings per share for the second quarter of 2001 were \$0.40 compared with \$0.32 and \$0.39 for the second quarter of 2000 and the first quarter of 2001, respectively. Operating income of \$42.7 million increased 24% compared with \$34.3 million earned in the second quarter of 2000. (See Table 1.)

Net income for the six months ended June 30, 2001 was \$51.7 million, a 29% increase compared with \$40.1 million earned in the six months ended June 30, 2000. Diluted earnings per share for the six months ended June 30, 2001 were \$0.80, a 29% increase compared with \$0.62 reported for the six months ended June 30, 2000. Operating income for the six months ended June 30, 2001 was \$84.6 million, an \$18.2 million or 27% increase compared with \$66.4 million earned in the six months ended June 30, 2000.

Assets under management at June 30, 2001 were \$212.7 billion, up 5% from March 31, 2001 balances of \$201.6 billion and 20% from June 30, 2000 balances of \$177.3 billion. Net new business for the second quarter exceeded \$10 billion and represented 92% of the increase in assets under management. Significantly, second quarter new business results are net of \$1.4 billion of closed-end fund assets that matured on June 29, 2001 and the termination of a \$3.6 billion account for an insurance client that was recently acquired by another firm.

"I am pleased with our second quarter financial results and our continued ability to realize asset growth in adverse markets," said Laurence D. Fink, Chairman and Chief Executive Officer of BlackRock. "In particular, momentum has increased in a number of areas, including liquidity management, international equities, BlackRock Solutions, Nomura BlackRock Asset Management and real estate products. Based on our performance to date, I remain comfortable with consensus estimates for the third quarter and full year 2001."

Second Quarter Highlights

- * Institutional new business efforts drove second quarter asset growth, including \$6.9 billion in net new separate account assets from 22 new and 90 existing clients and \$4.9 billion in net subscriptions in BlackRock Provident Institutional Funds (BPIF).
- * Net new business in Nomura BlackRock Asset Management exceeded \$400 million (JPY 55 billion) of assets from ten clients in a variety of separate accounts and funds.
- * Our international equity business continued to grow, with net new business of more than \$470 million of assets funded during the quarter.
- * Real estate assets under management increased by over \$100 million following a secondary stock offering by Anthracite Capital (NYSE: AHR), a real estate investment trust managed by BlackRock, and additional fundings in real estate mezzanine accounts.
- * BlackRock Solutions completed a nine-month implementation of its enterprise investment system for its second major client and added four new risk management clients during the quarter.
- * The BlackRock 2001 Term Trust (formerly NYSE: BTM) matured on schedule at its targeted level of \$10 per share, extending our record for successful management of these unique closed-end bond funds.
- * During the quarter, we completed consolidation of our Wilmington and

Philadelphia operations into the new BlackRock building in Wilmington, Delaware.

* We closed the quarter with a strong pipeline of potential new business totaling \$30 billion in fixed income and \$7 billion in equities.

Total revenue for the quarter ended June 30, 2001 increased \$22.7 million or 20% to \$135.3 million compared with the second quarter of 2000 largely due to a 40% increase in separate account revenue, which more than offset a 2.6% decline in mutual fund revenue. The substantial growth in separate account revenue resulted from strong growth in institutional fixed income and equity assets and included a \$7.7 million increase in alternative product performance fees. Other income increased \$3.7 million or 72% largely due to increased sales of BlackRock Solutions products. Total revenue for the first half of 2001 increased to \$269.0 million, a \$48.3 million or 22% increase from the prior year. The year-to-year increase was largely driven by a \$48.0 million or 51% increase in separate account revenue due to higher institutional fixed income and equity assets and continued superior investment performance in the firm's alternative investment products, which generated \$33.9 million in performance fees.

BlackRock's operating margin for the second quarter of 2001 was 35.7% compared with 35.8% and 35.7% for the first quarter of 2001 and full year 2000, respectively. General and Administration expense growth was attributable to higher occupancy costs associated with the new Delaware facility and leasehold expansion in New York, increased technology costs related to the completion of a second computer facility in Delaware and additional depreciation from hardware purchases for new BlackRock Solutions clients, and higher marketing and professional service costs for new products.

About BlackRock. BlackRock is one of the largest publicly traded investment management firms in the United States with \$213 billion of assets under management as of June 30, 2001. BlackRock manages assets on behalf of more than 3,300 institutions and 200,000 individuals 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, Edinburgh, Scotland, Tokyo, Japan 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. The fourth paragraph of this press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements with respect to the Company's future financial or business performance, conditions, strategies, expectations and goals 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 "remain," "potential," "believe," "expect" "anticipate," "intend," "assume," "target," "estimate," "continue," "position," "prospects," "strategy," "outlook," "trend," "goal," "achievable," "objective," "plan" 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, which change over time. These forward-looking statements speak only as of the date of this press release, 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.

Please refer to BlackRock's Annual Report on Form 10-K for the year ended December 31, 2000 and subsequent reports filed with the Securities and Exchange Commission for a more detailed discussion of these and other factors.

Three months ended
June 30, March 31,
2001 2000 2001

Total revenue	\$135,262	\$112,571	\$133,709
Total expense	\$92,554	\$78,249	\$91,789
Operating income	\$42,708	\$34,322	\$41,920
Net income	\$26,230	\$20,857	\$25,496
Diluted earnings per share	\$0.40	\$0.32	\$0.39
Diluted cash earnings per share (a)	\$0.44	\$0.37	\$0.43
Average diluted shares outstanding	64,877,389	64,492,447	64,897,486
EBITDA (b)	\$51,722	\$40,641	\$49,531
Operating margin (c)	35.7%	36.5%	35.8%

Assets under management (\$ in millions) \$212,694 \$177,337 \$201,636

BlackRock, Inc.
Financial Highlights
(\$ in thousands, except share data)
(unaudited)

Variance vs.
June 30, 2000 March 31, 2001
Amount % Amount %

Total revenue	\$22,691	20%	\$1,553	1%
Total expense	\$14,305	18%	\$765	1%
Operating income	\$8,386	24%	\$788	2%
Net income	\$5,373	26%	\$734	3%
Diluted earnings per share	\$0.08	25%	\$0.01	3%
Diluted cash earnings per share (a)	\$0.07	19%	\$0.01	2%
Average diluted shares outstanding	384,942	1%	(20,097)	0%
EBITDA (b)	\$11,081	27%	\$2,191	4%
Operating margin (c)				

Assets under management (\$ in millions) \$35,357 20% \$11,058 5%

Six months ended
June 30, Variance
2001 2000 Amount %

Total revenue	\$268,971	\$220,631	\$48,340	22%
Total expense	\$184,343	\$154,191	\$30,152	20%
Operating income	\$84,628	\$66,440	\$18,188	27%
Net income	\$51,726	\$40,054	\$11,672	29%
Diluted earnings per share	\$0.80	\$0.62	\$0.18	29%
Diluted cash earnings per share (a)	\$0.88	\$0.70	\$0.18	26%
Average diluted shares outstanding	64,867,348	64,423,376	443,972	1%
EBITDA (b)	\$101,253	\$78,442	\$22,811	29%
Operating margin (c)	35.8%	36.4%		

Assets under management
(\$ in millions) \$212,694 \$177,337 \$35,357 20%

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

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

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

BlackRock, Inc.
Condensed Consolidated Statements of Income
(Dollar amounts in thousands, except share data)
(unaudited)

Three months ended
June 30, June 30, % Change
2001 2000

Revenue			
Investment advisory and administration fees			
Mutual funds	\$54,791	\$56,228	(2.6%)

Separate accounts	71,624	51,204	39.9
Total investment advisory and administration fees	126,415	107,432	17.7
Other income	8,847	5,139	72.2
Total revenue	135,262	112,571	20.2
Expense			
Employee compensation and benefits	55,534	42,680	30.1
Fund administration and servicing costs - affiliates	15,722	18,450	(14.8)
General and administration	18,684	14,605	27.9
Amortization of intangible assets	2,614	2,514	4.0
Total expense	92,554	78,249	18.3
Operating income	42,708	34,322	24.4
Non-operating income (expense)			
Investment income	2,632	1,417	85.7
Interest expense	(201)	(86)	(133.7)
	2,431	1,331	82.6
Income before income taxes	45,139	35,653	26.6
Income taxes	18,909	14,796	27.8
Net income	\$26,230	\$20,857	25.8
Weighted-average shares outstanding			
Basic	64,248,630	63,865,770	0.6%
Diluted	64,877,389	64,492,447	0.6%
Earnings per share			
Basic	\$0.41	\$0.33	24.2%
Diluted	\$0.40	\$0.32	25.0%

BlackRock, Inc.
Condensed Consolidated Statements of Income
(Dollar amounts in thousands, except share data)
(unaudited)

	Six months ended		
	June 30, 2001	June 30, 2000	% Change
Revenue			
Investment advisory and administration fees			
Mutual funds	\$109,707	\$115,328	(4.9%)
Separate accounts	142,009	93,974	51.1
Total investment advisory and administration fees	251,716	209,302	20.3
Other income	17,255	11,329	52.3
Total revenue	268,971	220,631	21.9
Expense			
Employee compensation and benefits	110,964	83,350	33.1
Fund administration and servicing costs - affiliates	32,412	38,209	(15.2)
General and administration	35,739	27,705	29.0
Amortization of intangible assets	5,228	4,927	6.1
Total expense	184,343	154,191	19.6
Operating income	84,628	66,440	27.4
Non-operating income (expense)			
Investment income	4,494	2,467	82.2
Interest expense	(402)	(439)	8.4
	4,092	2,028	101.8
Income before income taxes	88,720	68,468	29.6
Income taxes	36,994	28,414	30.2
Net income	\$51,726	\$40,054	29.1
Weighted-average shares outstanding			
Basic	64,204,186	63,865,076	0.5%
Diluted	64,867,348	64,423,376	0.7%
Earnings per share			

Basic	\$0.81	\$0.63	28.6%
Diluted	\$0.80	\$0.62	29.0%

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

	June 30, 2001	December 31, 2000
Assets		
Cash and cash equivalents	\$99,231	\$192,590
Accounts receivable	78,216	83,284
Investments	142,444	13,316
Property and equipment, net	56,728	45,598
Intangible assets, net	186,914	192,142
Other assets	7,701	10,073
Total assets	\$571,234	\$537,003
Liabilities and stockholders' equity		
Accrued compensation	\$87,090	\$130,101
Accounts payable and accrued liabilities	43,426	27,014
Acquired management contract obligation	6,540	8,040
Other liabilities	5,306	3,607
Total liabilities	142,362	168,762
Stockholders' equity	428,872	368,241
Total liabilities and stockholders' equity	\$571,234	\$537,003

BlackRock, Inc.
Condensed Consolidated Statements of Cash Flows
(Dollar amounts in thousands)
(unaudited)

	Six months ended June 30, 2001	2000
Cash flows from operating activities		
Net income	\$51,726	\$40,054
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,131	9,535
Stock-based compensation	2,911	328
Tax benefit from stock-based compensation	5,140	--
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	5,014	(7,298)
Decrease in receivable from affiliate	54	886
Decrease (increase) in other assets	2,372	(3,385)
Decrease in accrued compensation	(36,987)	(26,400)
Increase (decrease) in accounts payable and accrued liabilities	16,412	(4,189)
Decrease in accrued interest payable to affiliates	--	(705)
Increase (decrease) in other liabilities	1,699	(3,060)
Cash provided by operating activities	60,472	5,766
Cash flows from investing activities		
Purchase of property and equipment	(18,033)	(10,592)
Purchase of investments	(127,731)	(7,575)
Cash used in investing activities	(145,764)	(18,167)
Cash flows from financing activities		
Repayment of note and loan payable to affiliates	--	(28,200)
Issuance of class A common stock	203	131
Purchase of treasury stock	(6,472)	--
Reissuance of treasury stock	212	--
Acquired management contract obligation payment	(1,500)	--
Cash used in financing activities	(7,557)	(28,069)
Effect of exchange rate changes on cash and cash equivalents	(510)	(26)

Net decrease in cash and cash equivalents	(93,359)	(40,496)
Cash and cash equivalents, beginning of period	192,590	157,129
Cash and cash equivalents, end of period	\$99,231	\$116,633

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

	June 30, 2001	December 31, 2000	2000
Separate Accounts			
Fixed income	\$110,483	\$83,950	\$103,561
Liquidity	6,782	7,052	6,495
Liquidity-Securities lending	10,004	10,655	11,501
Equity	8,257	7,621	8,716
Alternative investment products	4,479	2,394	3,470
Subtotal	140,005	111,672	133,743
Mutual Funds			
Fixed income	12,326	13,919	13,317
Liquidity	48,829	35,944	43,190
Equity	11,534	15,802	13,519
Subtotal	72,689	65,665	70,026
Total	\$212,694	\$177,337	\$203,769

Component Changes in Assets Under Management

	Three months ended June 30,		Six months ended June 30,	
(Dollar amounts in millions)	2001	2000	2001	2000
Separate Accounts				
Beginning assets under management	\$132,711	\$105,349	\$133,743	\$99,220
Net subscriptions	6,871	5,815	3,897	9,622
Market appreciation	423	508	2,365	2,830
Ending assets under management	140,005	111,672	140,005	111,672
Mutual Funds				
Beginning assets under management	68,925	67,224	70,026	65,297
Net subscriptions (redemptions)	3,301	(762)	4,177	(2)
Market appreciation (depreciation)	463	(797)	(1,514)	370
Ending assets under management	72,689	65,665	72,689	65,665
Total	\$212,694	\$177,337	\$212,694	\$177,337
Net subscriptions	10,172	\$5,053	\$8,074	\$9,620
% of Change in AUM from net subscriptions	92.0%	106.1%	90.5%	75.0%

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

	Quarter Ended		
	June 30 2000	September 30 2000	December 31 2000
Separate Accounts			
Fixed Income			
Beginning assets under management	\$77,595	\$83,950	\$96,791
Net subscriptions	5,756	10,606	2,776
Market appreciation	599	2,235	3,994
Ending assets under management	83,950	96,791	103,561
Liquidity			
Beginning assets under management	7,811	7,052	5,147
Net subscriptions (redemptions)	(779)	(1,925)	1,321
Market appreciation	20	20	27
Ending assets under management	7,052	5,147	6,495
Liquidity-Securities lending			
Beginning assets under management	11,299	10,655	10,843
Net subscriptions (redemptions)	(644)	188	658

Market appreciation	--	--	--	
Ending assets under management		10,655	10,843	11,501
Equity				
Beginning assets under management		6,414	7,621	7,500
Net subscriptions	1,387	442	1,282	
Market depreciation	(180)	(563)	(66)	
Ending assets under management		7,621	7,500	8,716
Alternative investment products				
Beginning assets under management		2,230	2,394	2,818
Net subscriptions	95	336	584	
Market appreciation (depreciation)		69	88	68
Ending assets under management		2,394	2,818	3,470
Total Separate Accounts				
Beginning assets under management		105,349	111,672	123,099
Net subscriptions (redemptions)	5,815	9,647	6,621	
Market appreciation	508	1,780	4,023	
Ending assets under management		\$111,672	\$123,099	\$133,743

Mutual Funds

BlackRock Funds				
Beginning assets under management		\$29,280	\$28,262	\$27,819
Net subscriptions (redemptions)	(168)	(455)	1,463	
Market appreciation (depreciation)	(850)	12	(2,923)	
Ending assets under management		28,262	27,819	26,359
BlackRock Global Series				
Beginning assets under management		--	--	54
Net subscriptions	--	54	18	
Market appreciation (depreciation)	--	--	3	
Ending assets under management		--	54	75
BPIF*				
Beginning assets under management		25,755	25,615	27,580
Net subscriptions (redemptions)	(140)	1,965	4,662	
Exchanges	--	--	4,096	
Ending assets under management		25,615	27,580	36,338
Closed End				
Beginning assets under management		7,560	7,583	7,634
Net redemptions	(30)	--	(954)	
Market appreciation	53	51	84	
Ending assets under management		7,583	7,634	6,764
Short Term Investment Funds (STIF)*				
Beginning assets under management		4,629	4,205	4,622
Net subscriptions (redemptions)	(424)	417	(36)	
Exchanges	--	--	(4,096)	
Ending assets under management		4,205	4,622	490
Total Mutual Funds				
Beginning assets under management		67,224	65,665	67,709
Net subscriptions (redemptions)	(762)	1,981	5,153	
Market appreciation (depreciation)	(797)	63	(2,836)	
Ending assets under management		\$65,665	\$67,709	\$70,026

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

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

	Quarter ended	Six Months ended	
	March 31	June 30	June 30,
	2001	2001	2001

Separate Accounts

Fixed Income				
Beginning assets under management		\$103,561	\$107,371	\$103,561
Net subscriptions	699	2,682	3,381	
Market appreciation	3,111	430	3,541	
Ending assets under management		107,371	110,483	110,483
Liquidity				
Beginning assets under management		6,495	5,713	6,495
Net subscriptions (redemptions)	(813)	1,042	229	

Market appreciation	31	27	58
Ending assets under management	5,713	6,782	6,782
Liquidity-Securities lending			
Beginning assets under management	11,501	7,514	11,501
Net subscriptions (redemptions)	(3,987)	2,490	(1,497)
Market appreciation	--	--	--
Ending assets under management	7,514	10,004	10,004
Equity			
Beginning assets under management	8,716	7,796	8,716
Net subscriptions	445	488	933
Market depreciation	(1,365)	(27)	(1,392)
Ending assets under management	7,796	8,257	8,257
Alternative investment products			
Beginning assets under management	3,470	4,317	3,470
Net subscriptions	682	169	851
Market appreciation (depreciation)	165	(7)	158
Ending assets under management	4,317	4,479	4,479
Total Separate Accounts			
Beginning assets under management	133,743	132,711	133,743
Net subscriptions (redemptions)	(2,974)	6,871	3,897
Market appreciation	1,942	423	2,365
Ending assets under management	\$132,711	\$140,005	\$140,005

Mutual Funds

BlackRock Funds

Beginning assets under management	\$26,359	\$24,383	\$26,359
Net subscriptions (redemptions)	65	(253)	(188)
Market appreciation (depreciation)	(2,041)	459	(1,582)
Ending assets under management	24,383	24,589	24,589

BlackRock Global Series

Beginning assets under management	75	105	75
Net subscriptions	43	33	76
Market appreciation (depreciation)	(13)	(4)	(17)
Ending assets under management	105	134	134

BPIF*

Beginning assets under management	36,338	37,047	36,338
Net subscriptions (redemptions)	709	4,907	5,616
Exchanges	--	--	--
Ending assets under management	37,047	41,954	41,954

Closed End

Beginning assets under management	6,764	6,841	6,764
Net redemptions	--	(1,409)	(1,409)
Market appreciation	77	8	85
Ending assets under management	6,841	5,440	5,440

Short Term Investment Funds (STIF)*

Beginning assets under management	490	549	490
Net subscriptions (redemptions)	59	23	82
Exchanges	--	--	--
Ending assets under management	549	572	572

Total Mutual Funds

Beginning assets under management	70,026	68,925	70,026
Net subscriptions (redemptions)	876	3,301	4,177
Market appreciation (depreciation)	(1,977)	463	(1,514)
Ending assets under management	\$68,925	\$72,689	\$72,689

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

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