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iShares' Australian business reaches AU\$1 billion assets

Sydney, February 23, 2011 – BlackRock announced its exchange traded fund (ETF) business, iShares, is celebrating a significant milestone today with its Australian business reaching AU\$1 billion assets under management (AUM)¹.

iShares, the world's leading provider of ETFs, launched its first suite of international ETFs in Australia in October 2007 and now has 23 ETFs listed on the ASX, across domestic and international indices.

According to **Deborah Fuhr, BlackRock's Global Head of ETF Research and Implementation Strategy**, the ETF category in Australia is predicted to grow by 20 - 30% per annum over the next couple of years. Several factors driving this growth include:

- Increasing awareness and familiarity of ETFs and the benefits they provide across key investor segments;
- Growth in the number of financial intermediaries and direct investors increasing their usage of ETFs to gain cost-effective, transparent exposure to international and Australian sharemarkets;
- Australian institutions increasingly using ETFs for specific investment strategies such as cash equitisation and portfolio rebalancing;
- A move to fee-based advisory models by financial advisers due to proposed regulatory fee reforms, which will make ETFs an increasingly attractive option;
- Fund platforms embracing ETFs driven by rising client demands to include them;
- Greater choice of ETF products with future expansion across asset classes such as fixed income;
- The expectation that new providers of ETFs will emerge;
- Research houses in Australia increasing their analysis and rating services to encompass ETFs;
- A strong Australian dollar will continue to prompt unhedged exposure to global markets.

Mark Oliver, Head of iShares, Australia comments:

"Surpassing \$1 billion is an important event for iShares in Australia. A number of factors have led to this milestone achievement including the launch of our Australian Equity ETF products last year, the growing appeal of our international ETFs and the commitment of the iShares team here in Australia.

"We believe a key issue for ETF investors in 2011 is to understand what they own in terms of product structure and index exposure. Knowing what you own is absolutely essential. Not all ETFs are created equal and as more products enter the Australian market, we believe investors should apply close scrutiny before buying an ETF to understand all costs, quality, reliability and ultimately the total performance of an ETF over time. Questioning whether the ETF has consistent levels of liquidity in all economic conditions will also be paramount.

"We will continue to focus on education to help investors navigate the ETF landscape and buy ETFs with confidence. We have seen rapidly growing awareness of the benefits of ETFs, with self-managed super fund (SMSF) investors being notable early-adopters, and believe that investors will gravitate towards trusted brands when selecting providers.

"iShares has been proven to be the primary choice by investors when it comes to ETFs. We have a large, dedicated team in Australia and globally to focus on producing the highest quality, most dependable ETF products and a commitment to expanding our product range in the future."

Further information is available at www.iShares.com.au

ENDS

¹ This figure does not include assets held by Australian investors in iShares ETFs listed on offshore exchanges, which exceeds A\$1 billion as at end 2010

BACKGROUND INFORMATION

About iShares iShares is the global product leader in exchange traded funds with over 470 funds globally across equities, fixed income and commodities, which trade on 19 exchanges worldwide. In Australia, iShares has 23 ETFs listed on the Australian Securities Exchange (ASX), across both domestic and international indices. The first iShares ETF was listed on the ASX in October 2007. The iShares funds are bought and sold like common securities on securities exchanges. The iShares funds are attractive to many individual and institutional investors and financial intermediaries because of their relative low cost, liquidity and trading flexibility. Investors can purchase and sell shares or units (as the case may be) through any brokerage firm, financial adviser, or online broker, and hold the funds in any type of brokerage account. The iShares customer base consists of the institutional segment of superannuation plans and fund managers, as well as the retail segment of financial advisers and individual investors. Visit iShares.com.au for further information.

About BlackRock BlackRock is a leader in investment management, risk management and advisory services for institutional and retail clients worldwide. At December 31, 2010, BlackRock's AUM was US\$3.561 trillion. BlackRock offers products that span the risk spectrum to meet clients' needs, including active, enhanced and index strategies across markets and asset classes. Products are offered in a variety of structures including separate accounts, mutual funds, *iShares*[®] (exchange traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through *BlackRock Solutions*[®]. Headquartered in New York City, as of December 31, 2010, the firm has approximately 9,100 employees in 25 countries and a major presence in key global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at www.blackrock.com.

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