

BLACKROCK FLOATING RATE INCOME STRATEGIES FUND INC
Form N-CSR
November 10, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-21413

Name of Fund: BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock
Floating Rate Income Strategies Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ, 08536.

Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 08/31/2008

Date of reporting period: 09/01/2007 - 08/31/2008

Item 1 Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

AUGUST 31, 2008

[BlackRock Defined Opportunity Credit Trust \(BHL\)](#)

[BlackRock Diversified Income Strategies Fund, Inc. \(DVF\)](#)

[BlackRock Floating Rate Income Strategies Fund, Inc. \(FRA\)](#)

[BlackRock Senior Floating Rate Fund, Inc.](#)

[BlackRock Senior Floating Rate Fund II, Inc.](#)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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AUGUST 31, 2008

A Letter to Shareholders

Dear Shareholder

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It has been a tumultuous year for investors, marked by almost daily headlines related to the beleaguered housing market, rising food and energy prices, and the escalating credit crisis. The news took an extraordinarily heavy tone shortly after the close of this reporting period as the credit crisis deepened and triggered unprecedented failures and consolidation in the financial sector, stoking fears of a market and economic collapse and prompting the largest government rescue plan since the Great Depression.

Through it all, the Federal Reserve Board (the Fed) has been aggressive in its attempts to restore order in financial markets. Key moves included slashing the target federal funds rate 325 basis points (3.25%) between September 2007 and April 2008 and providing numerous cash injection and lending programs. As the credit crisis took an extreme turn for the worse in September, the Fed, in concert with five other global central banks, lowered interest rates by 50 basis points in a rare move intended to stave off worldwide economic damage from the intensifying financial market turmoil. The U.S. economy managed to grow at a slow-but-positive pace through the second quarter of the year, though the recent events almost certainly herald a global economic recession.

Against this backdrop, U.S. stocks experienced intense volatility (steep declines and quick recoveries), generally posting losses for the current reporting period. Small-cap stocks fared significantly better than their larger counterparts. Non-U.S. markets followed the U.S. on the way down and, in some cases, decelerated at a faster pace than domestic equities—a stark reversal of recent years' trends, when international stocks generally outpaced U.S. equities. Treasury securities also traded in a volatile fashion, but rallied overall (yields fell and prices correspondingly rose), as the broader flight-to-quality strategy persisted. The yield on 10-year Treasury issues, which fell to 3.34% in March, climbed to the 4.20% range in mid-June as investors temporarily moved out of Treasury issues in favor of riskier assets (such as stocks and other high-quality fixed income sectors), then declined again to 3.83% by the end of the reporting period when credit fears resurfaced. Tax-exempt issues posted positive returns, but problems among municipal bond insurers and the collapse of the market for auction rate securities pressured the group throughout the course of the past year. Economic and financial market distress also dampened the performance of high yield issues, which were very volatile due to the macro factors noted above.

Overall, severe market instability resulted in mixed results for the major benchmark indexes:

Total Returns as of August 31, 2008	6-month	12-month
U.S. equities (S&P 500 Index)	(2.57)%	(11.14)%
Small cap U.S. equities (Russell 2000 Index)	8.53	(5.48)
International equities (MSCI Europe, Australasia, Far East Index)	(10.18)	(14.41)
Fixed income (Lehman Brothers U.S. Aggregate Index)	0.18	5.86
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	5.12	4.48

High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index)

0.74

(0.66)

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our views on the economy and financial markets, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito
 President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of August 31, 2008 **BlackRock Defined Opportunity Credit Trust**

Investment Objective

BlackRock Defined Opportunity Credit Trust (BHL) (the Fund) seeks high current income, with a secondary objective of long-term capital appreciation.

Performance

From inception (January 31, 2008) through August 31, 2008, the Fund returned (11.44)% based on market price and 4.79% based on net asset value (NAV). For the same period, the Lipper Loan Participation Funds category posted an average return of (1.70)% on a NAV basis. The Suisse Leveraged Loan Index returned 0.34% over the same time period. All returns reflect reinvestment of dividends. The Fund's primary advantage versus the Lipper peer group was its ability to invest its portfolio and take advantage of historically low valuations among bank loan securities as older competitors came into the period fully invested. The Fund's conservative positioning also was beneficial in a difficult market. The Fund moved from a premium to NAV at launch to an 11.5% discount by period-end, which accounts for the difference between performance based on price and performance based on NAV.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

Symbol on New York Stock Exchange	BHL
Initial Offering Date	January 31, 2008
Yield on Closing Market Price as of August 31, 2008 (\$12.66) ¹	10.66%
Current Monthly Distribution per share of Common Stock ²	\$0.1125
Current Annualized Distribution per share of Common Stock ²	\$1.3500
Leverage as of August 31, 2008 ³	23%

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¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Fund's market price and net asset value per share:

	8/31/08	High	Low
Market Price	\$12.66	\$15.33	\$12.19
Net Asset Value	\$14.31	\$14.82	\$14.05

The following unaudited chart shows the portfolio composition of the Fund's long-term investments:

Portfolio Composition

Asset Mix	8/31/08
Floating Rate Loan Interests	99%
Corporate Bonds	1

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Fund Summary as of August 31, 2008 BlackRock Diversified Income Strategies Fund, Inc.

Investment Objective

BlackRock Diversified Income Strategies Fund, Inc. (DVF) (the Fund) seeks to provide investors with a high current income by investing a diversified portfolio of floating rate debt securities and instruments, including floating or variable rate loans, bonds, preferred securities (including convertible preferred securities), notes or other debt securities or instruments that pay a floating rate of interest.

Performance

For the 12 months ended August 31, 2008, the Fund returned (16.08)% based on market price and (10.17)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (14.03)% on a NAV basis. All returns reflect the payment of dividends. During the period, high yield loans which comprised about 47% of the Fund's portfolio as of August 31, 2008 outperformed high yield bonds, which aided relative performance as most of the other funds in the Lipper category invest primarily in high yield bonds. As of August 31, 2008, the Fund was more modestly leveraged (28% of total net assets) versus many of its counterparts, which also helped relative performance in a very challenging market. Conversely, high yield floating-rate notes, which the Fund owns, detracted from performance. The Fund's discount rate, which widened from 1.9% to 8.4% over the period, accounts for the difference between performance based on price and performance based on NAV. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other factors. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

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Symbol on New York Stock Exchange	DVF
Initial Offering Date	January 31, 2005
Yield on Closing Market Price as of August 31, 2008 (\$12.77) ¹	12.69%
Current Monthly Distribution per share of Common Stock ²	\$0.135
Current Annualized Distribution per share of Common Stock ²	\$1.620
Leverage as of August 31, 2008 ³	28%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Fund's market price and net asset value per share:

	8/31/08	8/31/07	Change	High	Low
Market Price	\$12.77	\$17.16	(25.58)%	\$17.40	\$11.86
Net Asset Value	\$13.94	\$17.50	(20.34)%	\$18.03	\$13.84

The following unaudited charts show the portfolio composition of the Fund's long-term investments and credit quality allocations of the Fund's corporate bond investments:

Portfolio Composition

Asset Mix	8/31/08	8/31/07
Corporate Bonds	50%	60%
Floating Rate Loan Interests	47	38
Preferred Stock		1
Common Stock	3	1

Credit Quality Allocations⁴

Credit Rating	8/31/08	8/31/07
AA/Aa	3%	%
BBB/Baa	1	2
BB/Ba	7	7
B/B	61	62
CCC/Caa	20	19
CC/Ca	2	2
Not Rated	6	8

⁴ Using the higher of Standard & Poor's (S&P) or Moody's Investor Service (Moody's) ratings.

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Fund Summary as of August 31, 2008 BlackRock Floating Rate Income Strategies Fund, Inc.

Investment Objective

BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) (the Fund) seeks high current income and such preservation of capital as is consistent with investment in a diversified, leveraged portfolio consisting primarily of floating rate debt securities and instruments.

Performance

For the 12 months ended August 31, 2008, the Fund returned (4.28)% based on market price and (2.56)% based on NAV. For the same period the closed-end Lipper Loan Participation Funds category posted an average return of (5.50)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's conservative positioning with respect to credit and sector allocation aided relative performance during a year of considerable volatility in credit markets. The Fund's discount to NAV, which widened modestly during the annual period, accounts for the difference between performance based on price and performance based on NAV.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

Symbol on New York Stock Exchange	FRA
Initial Offering Date	October 31, 2003
Yield on Closing Market Price as of August 31, 2008 (\$14.49) ¹	10.34%
Current Monthly Distribution per share of Common Stock ²	\$0.124835
Current Annualized Distribution per share of Common Stock ²	\$1.498020
Leverage as of August 31, 2008 ³	26%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

² The distribution is not constant and is subject to change.

³ As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to any borrowing that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage).

The table below summarizes the changes in the Fund's market price and net asset value per share:

	8/31/08	8/31/07	Change	High	Low
Market Price	\$14.49	\$16.70	(13.23)%	\$17.53	\$13.05
Net Asset Value	\$16.12	\$18.25	(11.67)%	\$18.63	\$15.89

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The following unaudited charts show the portfolio composition of the Fund's long-term investments and credit quality allocations of the Fund's corporate bond investments:

Portfolio Composition

	8/31/08	8/31/07
Floating Rate Loan Interests	73%	75%
Corporate Bonds	26	24
Common Stocks	1	1

Credit Quality Allocations⁴

Credit Rating	8/31/08	8/31/07
AA/Aa	5%	%
BBB/Baa	11	5
BB/Ba	11	20
B/B	59	58
CCC/Caa	8	10
D		2
Not Rated	6	5

⁴ Using the highest of S&P's and Moody's ratings.

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Fund Summary as of August 31, 2008 **BlackRock Senior Floating Rate Fund, Inc.**

Investment Objective

BlackRock Senior Floating Rate Fund, Inc. (the Fund) is a continuously offered closed-end fund that seeks high current income and such preservation of capital as is consistent with investment in senior collateralized corporate loans made by banks and other financial institutions.

Performance

For the 12 months ended August 31, 2008, the Fund returned (1.32)% based on NAV. For the same period, the closed-end Lipper Loan Part Funds category posted an average return of (5.50)% on a NAV basis. All returns reflect reinvestment of dividends. The year featured considerable volatility in credit markets, with periods of downward pressure punctuated by sharp rebounds. In contrast to many of the other funds in the Lipper category, the Fund did not use leverage, which aided relative performance over the period. The Fund was defensively positioned in its sector and broadly diversified among individual credits, which also proved advantageous. In addition, above-average cash positions, held for opportunistic purchases during periods of forced selling, benefited performance.

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Fund Information¹

Initial Offering Date	November 3, 1989
Yield based on Net Asset Value as of August 31, 2008 (\$7.98) ²	5.86%
Current Monthly Distribution per share of Common Stock ³	\$0.038968
Current Annualized Distribution per share of Common Stock ³	\$0.467616

¹ The Fund is a continuously offered closed-end fund that does not trade on an exchange.

² Yield based on net asset value is calculated by dividing the current annualized distribution per share by the net asset value.

Past performance does not guarantee future results.

³ The distribution is not constant and is subject to change.

The table below summarizes the changes in the Fund's net asset value per share:

	8/31/08	8/31/07	Change	High	Low
Net Asset Value	\$7.98	\$8.60	(7.21)%	\$8.71	\$7.81

Expense Example for Continuously Offered Closed-End Funds

	Actual			Hypothetical ⁵		
	Beginning Account Value March 1, 2008	Ending Account Value August 31, 2008	Expenses Paid During the Period ⁴	Beginning Account Value March 1, 2008	Ending Account Value August 31, 2008	Expenses Paid During the Period
BlackRock Senior Floating Rate, Inc.	\$1,000	\$1,037.50	\$7.49	\$1,000	\$1,017.65	\$7.41

⁴ Expenses are equal to the annualized expense ratio of 1.47%, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the period shown). Because the Fund is a feeder fund, the expense table reflects the expenses of both the feeder fund and the Master Senior Floating Rate LLC () in which it invests.

⁵ Hypothetical 5% annual return before expenses is calculated by pro-rating the number of days in the most recent fiscal half year divided by 366.

See Disclosure of Expenses for Continuously Offered Closed-End Funds on page 9 for further information on how expenses were calculated.
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Fund Summary as of August 31, 2008 **BlackRock Senior Floating Rate Fund II, Inc.**

Investment Objective

BlackRock Senior Floating Rate Fund II, Inc. (the Fund) is a continuously offered closed-end fund that seeks high current income and preservation of capital as is consistent with investment in senior collateralized corporate loans made by banks and other financial institutions

Performance

For the 12 months ended August 31, 2008, the Fund returned (1.61)% based on NAV. For the same period, the closed-end Lipper Loan Part

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Funds category posted an average return of (5.50)% on a NAV basis. All returns reflect reinvestment of dividends. The year featured considerable volatility in credit markets, with periods of downward pressure punctuated by sharp rebounds. In contrast to many of the other funds in the LI category, the Fund did not use leverage, which aided relative performance over the period. The Fund was defensively positioned in its sector and broadly diversified among individual credits, which also proved advantageous. In addition, above-average cash positions, held for opportunistic purchases during periods of forced selling, benefited performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information¹

Initial Offering Date	March 26, 1999
Yield based on Net Asset Value as of August 31, 2008 (\$8.67) ²	5.32%
Current Monthly Distribution per share of Common Stock ³	\$0.038406
Current Annualized Distribution per share of Common Stock ³	\$0.460872

¹ The Fund is a continuously offered closed-end fund that does not trade on an exchange.

² Yield based on net asset value is calculated by dividing the current annualized distribution per share by the net asset value.

Past performance does not guarantee future results.

³ The distribution is not constant and is subject to change.

The table below summarizes the changes in the Fund's net asset value per share:

	8/31/08	8/31/07	Change	High	Low
Net Asset Value	\$8.67	\$9.35	(7.27)%	\$9.47	\$8.49

Expense Example for Continuously Offered Closed-End Funds

	Actual			Hypothetical ⁵		
	Beginning Account Value March 1, 2008	Ending Account Value August 31, 2008	Expenses Paid During the Period ⁴	Beginning Account Value March 1, 2008	Ending Account Value August 31, 2008	Expenses Paid During the Period
BlackRock Senior Floating Rate II, Inc.	\$1,000	\$1,036.50	\$8.50	\$1,000	\$1,016.65	\$8.42

⁴ Expenses are equal to the expense ratio of 1.67%, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period shown). Because the Fund is a feeder fund, the expense table reflects the expenses of both the feeder fund and the Master Senior Floating Rate LLC (the fund in which it invests).

⁵ Hypothetical 5% annual return before expenses is calculated by pro-rating the number of days in the most recent fiscal half year divided by 366.

See Disclosure of Expenses for Continuously Offered Closed-End Funds on page 9 for further information on how expenses were calculated.

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The Benefits and Risks of Leveraging

BlackRock Defined Opportunity Credit Trust, BlackRock Diversified Income Strategies Fund, Inc. and BlackRock Floating Rate Income Strategies Fund, Inc. (each a Fund and collectively, the Funds) may utilize leverage through borrowings or issuance of short-term debt securities. The concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will be the beneficiaries of the incremental yield.

Leverage creates risks for shareholders including the likelihood of greater NAV and market price volatility. In addition, there is the risk that fluctuations in interest rates on borrowings may reduce shareholders' yield and negatively impact its NAV and market price. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced.

Under the Investment Company Act of 1940, the Funds are permitted to borrow through a credit facility and the issuance of short-term debt securities up to 33 ¹/₃ % of total managed assets. As of August 31, 2008, the Funds had outstanding leverage from credit facility borrowings as a percentage of total managed assets as follows:

	Percent of Leverage
BlackRock Defined Opportunity Credit Trust	23%
BlackRock Diversified Income Strategies Fund, Inc	28%
BlackRock Floating Rate Income Strategies Fund, Inc	26%

Swap Agreements

The Funds may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market

without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom the Funds have entered into the swap will default on its obligation to pay the Funds and the risk that the Funds will not be able to meet their obligations to pay the other party to the agreement.

Disclosure of Expenses for Continuously Offered Closed-End Funds

Shareholders of BlackRock Senior Floating Rate Fund, Inc. and BlackRock Senior Floating Rate Fund II, Inc. may incur the following charges: (a) expenses related to transactions, including early withdrawal fees; and (b) operating expenses, including advisory fees, and other Fund expenses. The following example (which is based on a hypothetical investment of \$1,000 invested on March 1, 2008 and held through August 31, 2008) is intended to assist shareholders both in calculating expenses based on an investment in each Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The Expense Examples on pages 7 and 8 provide information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 and then multiply the result by the number under the heading entitled Expenses Paid During the Period.

The tables also provide information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in these Funds and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in other funds shareholder reports.

The expenses shown in the tables are intended to highlight shareholders ongoing costs only and do not reflect any transactional expenses, such as early withdrawal fees. Therefore, the hypothetical example is useful in comparing ongoing expenses only, and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

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Schedule of Investments August 31, 2008

BlackRock Defined Opportunity Credit Trust

(Percentages shown are based on Net Assets)

	Par (000)	Value
Floating Rate Loan Interests		

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Aerospace & Defense 2.8%

Avio Holding SpA:

Term Loan B, 4.594%, 9/25/14	USD	471	\$ 425,068
Term Loan C, 5.219%, 9/25/15		500	451,071

Hawker Beechcraft Acquisition Co. LLC:

Letter of Credit, 2.706%, 3/26/14		162	151,014
Term Loan B, 4.801%, 3/26/14		2,776	2,584,856

3,612,009

Auto Components 3.4%

Allison Transmission, Inc. Term Loan,

5.22% 5.56%, 8/07/14		2,204	1,976,878
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Dana Holding Corp. Term Advance, 6.75%, 1/31/15

2,487	2,286,428
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Delphi Corp. 2nd Lien:

Initial Tranche C Loan, 8.50%, 12/31/08		182	150,127
Subsequent Tranche C, 8.50%, 12/31/08		18	15,289

4,428,722

Automobiles 0.6%

Ford Motor Co. Term Loan, 5.47%, 12/15/13

998	772,682
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Biotechnology 0.7%

Talecris Biotherapeutics Holdings Corp. Term Loan

5.97% 6.31%, 12/06/13		995	962,614
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Building Products 2.3%

Building Materials Corp. of America Term Loan Advance,

5.438% 5.563%, 2/22/14		749	642,365
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Momentive Performance Materials, Inc. Term Loan B2,

6.73%, 12/04/13	EUR	1,000	1,285,503
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Stille Aquisition Corp. (Aka Masonite International):

Canadian Term Loan, 4.63% 5.046%, 4/06/13	USD	569	484,434
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U.S. Term Loan, 4.63% 5.046%, 4/06/13		574	489,137
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2,901,439

Capital Markets 0.9%

Nuveen Investments, Inc. Term Loan B,

5.462%, 11/13/14		1,317	1,215,972
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Chemicals 6.9%

Brenntag AG:

Second Lien Term Loan, 5.071%, 1/19/14		196	180,655
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Term Loan B2, 5.071%, 1/24/14		804	739,345
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Cognis Deutschland Term Loan C, 4.80%, 9/15/13		3,000	2,697,501
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Huish Detergents, Inc. Term Loan B, 4.81%, 4/26/14	998	903,551
Matrix Acquisition (MacDermid, Inc.) Tranche B Term Loan, 4.801%, 4/12/14	1,723	1,584,784
PQ Corp.:		
First Lien Term Loan, 5.92% 6.05%, 7/30/14	1,000	935,625
Second Lien Term Loan, 9.30%, 7/30/15	1,000	865,000
Solutia, Inc. Term Loan, 8.50%, 2/28/14	998	961,023
		8,867,484

Commercial Services & Supplies 5.9%

ARAMARK Corp.:		
Letter of Credit Facility, 2.44%, 1/26/14	60	56,576
U.S. Term Loan B, 4.676%, 1/26/14	940	890,549
Alliance Laundry Systems LLC Term Loan, 4.96% 5.30%, 1/27/12	947	918,947
Allied Waste North America, Inc.:		
New Term Loan, 3.97%, 3/28/14	547	533,955
New Tranche A Credit Linked Deposit, 2.39%, 3/28/14	376	366,459

Floating Rate Loan Interests	Par (000)	Value
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Commercial Services & Supplies (concluded)

Kion Group GmbH Facility:		
Term Loan B, 4.469%, 12/28/14	USD 500	\$ 427,500
Term Loan C, 4.969%, 12/23/15	500	427,500
Synagro Technologies, Inc. First Lien, 4.81%, 4/02/14	998	842,872
Waste Services, Inc. Term Loan E, 5.15%, 3/31/11	1,345	1,328,029
West Corp. Term Loan B2, 4.844% 5.171%, 10/24/13	1,995	1,750,257
		7,542,644

Communications Equipment 4.1%

Alltel Corp.:		
Initial Tranche B2, 5.064%, 5/16/15	1,493	1,474,945
Initial Tranche B3, 4.966%, 5/18/15	2,988	2,976,074
Sorenson Communications Inc. Tranche C Term Loan, 4.97% 5.30%, 8/16/13	850	824,500
		5,275,519

Computers & Peripherals 1.1%

Intergraph Corp. Initial Term Loan First Lien, 4.809%, 5/29/14	1,500	1,425,000
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Containers & Packaging 2.5%			
Crown Americas Additional Term B Dollar Loan, 4.423%, 11/15/12		500	482,500
Graphic Packaging International Corp. Incremental Term Loan, 5.535% 5.88%, 5/16/14		1,495	1,441,741
Smurfit Kappa Group:			
Term Loan B1, 6.36% 6.996%, 12/31/13	EUR	500	660,173
C1 Term Loan Facility, 6.61% 7.25%, 1/12/14		500	660,173
			<u>3,244,587</u>
Diversified Consumer Services 1.1%			
Coinmach Corp. Term Loan, 5.48% 5.81%, 11/20/14	USD	1,496	1,374,671
Diversified Telecommunication Services 5.8%			
BCM Ireland Holdings (Eircom):			
Term Loan B, 6.606%, 9/30/14	EUR	500	673,987
Term Loan C, 6.856%, 9/30/15		500	674,188
Hawaiian Telcom Communications, Inc.			
Term Loan C, 5.301%, 6/01/14	USD	500	396,667
Integra Telecom, Inc. First Lien Term Loan, 6.894% 7.05%, 8/31/13		1,993	1,813,152
PaeTec Holdings Corp. Replacement Term Loan, 4.969%, 2/28/13		975	887,411
Time Warner Telecom Holdings, Inc. Term Loan B, 4.47%, 1/07/13		1,538	1,471,321
Wind Finance Term Loan, 0.10%, 12/17/14	EUR	1,000	1,466,717
			<u>7,383,443</u>
Electric Utilities 0.4%			
Astoria Generating Co. Acquisitions, LLC			
Second Lien Term Loan C, 6.56%, 1/26/14	USD	500	472,083
Electronic Equipment & Instruments 2.8%			
Deutsch Connectors:			
Term Loan B, 7.646%, 7/27/14		55	48,521
Term Loan B2, 7.396%, 7/27/14		854	748,599
Term Loan C2, 7.646%, 7/27/15		751	658,627
Flextronics International Ltd.			
Delay Draw Term Loan A1, 5.041%, 10/01/14		445	403,471
A Closing Rate Loan, 5.038% 5.041%, 10/01/14		1,550	1,405,737
L-1 Identity Solutions Operating Co. Term Loan, 7.50%, 8/05/13		375	374,063
			<u>3,639,018</u>

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Defined Opportunity Credit Trust

(Percentages shown are based on Net Assets)

Floating Rate Loan Interests		Par (000)	Value
Energy Equipment & Services 1.7%			
Compagnie Generale de Geophysique Term Loan, 4.702%, 1/12/14	USD	750	\$ 729,375
Dresser, Inc. Term Loan B, 4.716% 5.057%, 5/04/14		1,488	1,419,420
			2,148,795
Food & Staples Retailing 1.3%			
Alliance Boots Plc Acquisition Term Loan Facility B-2 UK Borrower, 8.097%, 7/09/15	GBP	1,000	1,616,644
Food Products 1.7%			
Dole Food Co., Inc.:			
Letter of Credit, 4.788%, 4/12/13	USD	74	67,517
Term Loan B, 4.50% 6%, 4/12/13		134	123,322
Term Loan C, 4.50% 6%, 4/12/13		539	494,983
Wrigley Co. Term Loan B, 6.633%, 8/11/14		1,500	1,505,894
			2,191,716
Forms & Bulk Printing Services 0.3%			
Hanley-Wood LLC Term Loan, 4.71% 4.72%, 3/08/14		500	388,125
Health Care Equipment & Supplies 4.7%			
Bausch & Lomb, Inc.:			
Delay Draw Term Loan, 6.051%, 4/24/15		240	233,825
Parent Term Loan, 6.051%, 4/24/15		1,594	1,551,038
Biomet, Inc. Dollar Term Loan, 5.801%, 3/25/15		2,490	2,438,613
DJO Finance LLC Term Loan, 5.469% 5.801%, 5/20/14		995	970,125
Hologic, Inc. Term Loan B, 5.75%, 3/31/13		334	331,710
Inverness Medical Innovations, Inc. First Lien Term Loan, 4.808%, 6/26/14		500	471,250

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			5,996,561
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Health Care Providers & Services 6.7%			
Community Health Systems, Inc. Funded Term Loan, 4.719% 5.06%, 7/25/14		3,768	3,560,905
HCA, Inc. Term Loan B, 5.051%, 11/17/13		2,000	1,872,916
HealthSouth Corp. Term Loan, 5.29%, 3/10/13		1,905	1,802,367
Surgical Care Affiliates LLC Term Loan, 5.051%, 12/29/14		498	437,789
Symbion, Inc.:			
Tranche A Term Loan, 5.719% 6.049%, 8/23/13		479	421,769
Term Loan B, 5.719% 6.049%, 8/01/14		479	421,769
			<hr/>
			8,517,515
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Health Care Technology 0.4%			
Sunquest Holdings, Inc. (Misys Hospital Systems) Term Loan, 5.72% 6.05%, 10/11/14		496	467,716
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Hotels, Restaurants & Leisure 4.6%			
Harrah s Operating Co. Term Loan B2, 5.80% 5.81%, 1/28/15		3,242	2,839,477
Penn National Gaming, Inc. Term Loan B, 4.21% 4.55%, 10/03/12		1,742	1,667,338
QCE LLC First Lien Term Loan, 4.813%, 5/05/13		998	841,187
VMLUS Finance LLC (Venetian Macau):			
Delay Draw Term Loan B, 5.06%, 5/25/12		181	175,026
Term Loan B Funded Project, 5.06%, 5/25/13		319	309,140
			<hr/>
			5,832,168
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Floating Rate Loan Interests		(000)	Value
<hr/>			
Household Durables 2.4%			
Jarden Corp. Term Loan B3, 5.301%, 1/24/12	USD	1,742	\$ 1,602,487
The Yankee Candle Co., Inc. Term Loan, 4.48% 4.81%, 2/06/14		1,606	1,401,076
			<hr/>
			3,003,563
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Household Products 0.4%			
VI/Jon Inc. (VJCS Acquisition) Term Loan B, 4.716% 4.919%, 4/24/14		500	467,500
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IT Services 8.2%			
Amadeus Global Travel Distribution SA:			
Term Loan B3 Facility, 6.481%, 7/15/13	EUR	307	379,178

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Term Loan B-2, 7.57%, 5/04/15	USD	1,000	832,500
Term Loan B-4 Facility, 6.481%, 7/15/13	EUR	186	229,621
Term Loan C2, 7.82%, 6/30/13	USD	1,000	832,500
Term Loan C-3 Facility, 6.981%, 7/15/14	EUR	307	379,178
Term Loan C-4, 6.981%, 7/15/14		186	229,621
Ceridian Corp. U.S. Term Loan, 5.464%, 11/07/14	USD	2,000	1,880,000
First Data Corp.:			
Term Loan B1, 5.222% 5.552%, 9/24/14		748	777,716
Term Loan B2, 5.222% 5.552%, 9/24/14		1,989	2,068,017
Term Loan B3, 5.551% 5.552%, 9/24/14		997	1,036,608
SunGard Data Systems, (Solar Capital Corp.) Inc.			
New U.S. Term Loan B, 4.553%, 2/28/14		1,992	1,869,884

10,514,823

Independent Power Producers & Energy Traders 6.2%

Mirant North America, LLC, Term Loan 4.219%, 1/03/13		753	722,179
NRG Energy, Inc.:			
Letter of Credit, 2.70%, 2/01/13		328	310,817
Term Loan, 4.301%, 2/01/13		2,084	1,974,288
Texas Competitive Electric Holdings Co. LLC (TXU):			
Initial Term Loan B-1, 5.963% 6.303%, 10/13/14		499	464,188
Initial Term Loan B-3, 5.963% 6.303%, 10/13/14		4,726	4,395,357

7,866,829

Industrial Conglomerates 0.9%

Sequa Corp. Term Loan, 5.72% 7.25%, 12/03/14		1,236	1,176,578
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Insurance 0.7%

Alliant Holdings I, Inc. Term Loan, 5.801%, 11/01/14		995	915,388
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Internet & Catalog Retail 0.2%

FTD Group, Inc. Term Loan B, 7.50%, 8/04/14		250	242,500
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Machinery 2.9%

Lincoln Industrials:			
Delay Draw First Lien, 4.97%, 7/11/14		270	256,500
Initial U.S. First Lien Term Loan, 4.97%, 7/11/14		720	720,000
Navistar International Corp.:			
Revolving Credit, 5.903% 6.046%, 1/19/12		533	491,333
Term Advance, 6.046% 6.292%, 1/19/12		1,467	1,351,167
OshKosh Truck Corp. Term Loan B, 4.22% 4.43%, 12/06/13		944	858,923

3,677,923

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2008

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Schedule of Investments (continued)

BlackRock Defined Opportunity Credit Trust

(Percentages shown are based on Net Assets)

Floating Rate Loan Interests		Par (000)	Value
Media 34.5%			
Alix Partners, LLP Tranche C Term Loan, 4.79%, 10/12/13	USD	500	\$ 481,250
Alpha Topco Ltd.:			
Term Loan B1, 4.719%, 12/31/13		571	519,571
Term Loan B2, 4.719%, 12/31/13		392	357,205
Bresnan Communications, LLC:			
First Lien Add on Term Loan B, 5.02%, 9/29/13		1,000	953,333
Initial Term Loan B, 4.80% 5.05%, 9/29/13		500	476,667
Cablevision Systems Corp. Incremental Term Loan, 4.214%, 3/29/13		1,739	1,653,351
Casema NV (Essent Kablecom):			
B1 Term Loan Facility, 6.985%, 11/14/14	EUR	329	461,113
B2 Term Loan Facility, 6.985%, 9/11/14		171	239,525
Term Loan C, 7.485%, 11/14/15		500	700,639
Catalina Marketing Corp. Initial Term Loan, 5.801%, 10/01/14	USD	2,490	2,337,458
Cengage Learning Acquisitions, Inc. (Thomson Learning) Incremental Term Loan 1, 7.50%, 7/05/14		2,500	2,475,000
Cequel Communications LLC (Cebridge) Term Loan, 4.791% 6%, 11/05/13		2,489	2,323,012
Charter Communications, Operating LLC Replacement Term Loan, 4.67% 4.80%, 3/06/14		1,250	1,091,840
Clarke American Corp. Term Loan B, 5.291% 5.301%, 3/30/14		2,490	2,046,734
Dex Media West Term Loan, 7%, 10/24/14		750	685,781
DirectTV Holdings LLC Term Loan C, 5.25%, 4/13/13		675	672,469

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Discovery Communications Holding LLC Term Loan B, 4.801%, 5/14/14		993	967,403
FoxCo Acquisition Sub Term Loan, 7.25%, 7/14/15		500	484,584
Getty Images, Inc. Initial Term Loan, 7.25%, 7/02/15		1,000	998,438
Gray Television, Inc. Delayed Draw Term Loan B, 3.97% 5.25%, 12/31/14		1,802	1,495,940
HMH Publishing Co. Ltd. Tranche A Term Loan, 6.464%, 6/12/14		2,000	1,795,000
Hargray Acquisition Co., First Lien Term Loan, 5.051%, 6/29/14		500	457,500
Idearc, Inc. (Verizon) Term Loan B, 4.47% 4.80%, 11/17/14		370	259,191
Insight Midwest Holdings LLC, Term Loan B, 4.47%, 4/06/14		2,000	1,920,626
Intelsat Corp.:			
Term Loan B2A, 5.288%, 1/03/14		333	317,087
Term Loan B2B, 5.288%, 1/03/12		333	316,992
Term Loan B2C, 5.288%, 1/03/12		333	316,992
Lavena Holding 3 (Prosiebensat. 1 Media AG):			
Term Loan B1, 6.86% 7.526%, 3/06/15	EUR	1,500	1,512,345
Term Loan C1, 7.11% 7.776%, 6/30/16		1,500	1,512,345
Local TV Finance, LLC Term Loan, 4.80% 4.87%, 5/07/13	USD	1,993	1,733,437
MCC Iowa LLC (Mediacom Broadband Group) Term Loan D14.21% 4.23%, 1/31/15		249	230,041
MCC Iowa (Mediacom Communications) Term Loan D2, 4.21% 4.23%, 1/31/15		884	815,470
Mediacom Illinois LLC (Mediacom Communications, LLC) Term Loan C, 4.22% 4.23%, 1/31/15		1,492	1,377,881
NTL Cable Plc (Virgin):			
Second Lien Term Loan B2, 8.147%, 7/17/12	GBP	281	465,194
Term Loan 1, 8.147%, 7/30/12		913	1,513,544
NV Broadcasting First Lien Term Loan 5.69%, 11/01/13		1,648	1,449,481

Floating Rate Loan Interests

(000)

Value

Media (concluded)

Newsday LLC:			
Floating Rate Term Loan, 7.958%, 8/01/13	USD	500	\$ 500,000
Fixed Rate Term Loan, 9.75%, 8/01/13		250	249,531
Nielsen Finance LLC Dollar Term Loan, 4.803%, 8/09/13		1,985	1,833,161
Parkin Broadcasting Term Loan B, 5.69%, 11/09/13		337	297,327
Sunshine Acquisition Ltd. Term Facilities, 4.80%, 3/20/12		1,750	1,496,922
UPC Financing Partnership (United Pan Europe Communications), Inc.:			
Term Loan M, 6.513%, 12/31/14	EUR	750	978,568
Term Loan N1, 4.214%, 12/31/14	USD	1,000	936,500

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Weather Channel Term Loan B, 7.205%, 6/01/15		400	387,000
			<hr/>
			44,093,448
			<hr/>
Metals & Mining 0.7%			
Algoma Steel, Inc. Term Loan, 4.98%, 6/20/13		1,000	945,000
			<hr/>
Multiline Retail 1.5%			
Neiman Marcus Group, Inc. Term Loan, 4.422%, 4/06/13		2,000	1,855,454
			<hr/>
Oil, Gas & Consumable Fuels 1.5%			
Petroleum Geo-Services ASA/PGS Finance, Inc. Term Loan, 4.55%, 6/29/15		1,458	1,412,558
Vulcan Energy Corp. Term Loan B3, 6.05%, 8/12/11			