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BLACKROCK PREFERRED INCOME STRATEGIES FUND, INC.

Form N-CSRS

July 05, 2007

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

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-21286

Name of Fund: BlackRock Preferred Income Strategies Fund, Inc.

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive
Officer, BlackRock Preferred 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

Date of fiscal year end: 10/31/07

Date of reporting period: 11/01/06 - 04/30/07

Item 1 - Report to Stockholders

ALTERNATIVES	BLACKROCK SOLUTIONS	EQUITIES
FIXED INCOME	LIQUIDITY	REAL ESTATE

Semi-Annual Reports
(Unaudited)

BLACKROCK

APRIL 30, 2007

BlackRock Preferred and Corporate Income Strategies Fund, Inc.
BlackRock Preferred Income Strategies Fund, Inc.

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

BlackRock Preferred and Corporate Income Strategies Fund, Inc.
BlackRock Preferred Income Strategies Fund, Inc.

The Benefits and Risks of Leveraging

The Funds utilize leveraging through the issuance of Preferred Stock. The concept of leverage is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest or dividend rates on the Preferred Stock, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total

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assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Stock shareholders will be the beneficiaries of the incremental yield.

Leverage creates risks for holders of Common Stock including the likelihood of greater net asset value and market price volatility. In addition, there is the risk that fluctuations in the dividend rates on any Preferred Stock may reduce the Common Stock's yield and negatively impact its net asset value 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 Common Stock shareholders will be reduced.

Portfolio Information as of April 30, 2007

BlackRock Preferred and Corporate Income Strategies Fund, Inc.'s Asset Mix	Percent of Total Investments
-----	-----
Preferred Stocks	27.2%
Capital Trusts	25.2
Corporate Bonds	21.4
Real Estate Investment Trusts	7.9
Trust Preferreds	7.2
Other*	11.1
-----	-----

BlackRock Preferred Income Strategies Fund, Inc.'s Asset Mix	Percent of Total Investments
-----	-----
Preferred Stocks	30.4%
Capital Trusts	24.8
Corporate Bonds	20.3
Trust Preferreds	7.8
Real Estate Investment Trusts	6.2
Other*	10.5
-----	-----

* Includes portfolio holdings in short-term investments.

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A Letter to Shareholders

Dear Shareholder

In its first four months, 2007 could already be termed an eventful year for investors. For most financial markets, 2007 opened just as 2006 ended -- on a positive trajectory. Then, at the end of February and into March, global equity markets registered their first significant decline since last summer. The market jitters were triggered by a significant setback in the Chinese market and were exacerbated by worries of a weakening economy, escalating geopolitical concerns and rising delinquencies in the subprime mortgage market. Still, underlying stock market fundamentals appeared quite sound, supported by a generally favorable global economic backdrop, tame inflation, slowing but still positive earnings growth, relatively low interest rates and attractive valuations. These conditions prevailed later, and the Dow Jones Industrial Average crossed the

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13,000 mark for the first time in its history in late April.

Not unlike the equity market, the bond market also experienced volatility as observers attempted to interpret mixed economic signals. A bond market rally (falling yields and rising prices) late last year reversed itself early in 2007 amid some transitory signs of economic strength. Overall, yields have fluctuated month to month but ended April little changed from the beginning of the year. However, compared to one year ago, yields on 30-year Treasury bonds fell 36 basis points (.36%) and 10-year yields fell 44 basis points, while prices correspondingly rose.

For its part, the Federal Reserve Board (the Fed) has left the target short-term interest rate on hold at 5.25% since first pausing in its interest rate-hiking campaign on August 8, 2006. The central bankers continue to express concern about potential inflationary pressures, but also acknowledge signs of economic weakness. Given this relatively "balanced" assessment, most observers believe the Fed will keep interest rates on hold for now.

Against this backdrop, most major market indexes posted positive returns for the annual and semi-annual reporting periods ended April 30, 2007:

Total Returns as of April 30, 2007	6-month
U.S. equities (Standard & Poor's 500 Index)	+ 8.60
Small cap U.S. equities (Russell 2000 Index)	+ 6.86
International equities (MSCI Europe, Australasia, Far East Index)	+15.46
Fixed income (Lehman Brothers Aggregate Bond Index)	+ 2.64
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+ 1.59
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index)	+ 6.96

If the first four months are any guide, 2007 could be a year of enhanced market volatility. As you navigate the uncertainties, we encourage you to review your investment goals with your financial professional and to make portfolio changes, as needed. For more insight, we invite you to view "What's Ahead in 2007: An Investment Perspective" and "Are You Prepared for Volatility?" at www.blackrock.com/funds. We thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

/s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Fund President and Director

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We continue to seek to diversify the Funds' holdings and maintain a positive outlook for preferred securities given the attractive valuations and good liquidity in the market.

How did the Funds perform during the period in light of the existing market conditions?

For the six-month period, the Common Stock of BlackRock Preferred and Corporate Income Strategies Fund, Inc. had net annualized yields of 7.29% and 7.31%, based on a period-end per share net asset value of \$22.12 and a per share market price of \$22.08, respectively, and \$.800 per share income dividends. The total investment return on the Fund's Common Stock was +3.07%, based on a change in per share net asset value from \$22.25 to \$22.12, and assuming reinvestment of all distributions.

For the same six-month period ended April 30, 2007, the Common Stock of BlackRock Preferred Income Strategies Fund, Inc. had net annualized yields of 6.19% and 6.67%, based on a period-end per share net asset value of \$22.39 and a per share market price of \$20.80, respectively, and \$.687 per share income dividends. For the same period, the total investment return on the Fund's Common Stock was +3.47%, based on a change in per share net asset value from \$22.36 to \$22.39, and assuming reinvestment of all distributions.

For the six months ended April 30, 2007, the Funds' benchmark, the Merrill Lynch Preferred Stock Fixed Rate Index, returned +3.52%, while the broader-market Merrill Lynch U.S. Corporate Master Index and the Merrill Lynch U.S. Treasury/Agency Master Index returned +2.83% and +2.26%, respectively.

For a description of the Funds' total investment returns based on a change in the per share market value of the Funds' Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of distributions, please refer to the Financial Highlights section of this report. As closed-end funds, the Funds' shares may trade in the secondary market at a premium or discount to their net asset values. As a result, total investment returns based on changes in the market value of the Funds' Common Stock can vary significantly from total investment returns based on changes in the Funds' net asset values.

Long-term bond yields traded in a relatively narrow range over the past six months and, despite ample volatility, ended the period with little change. Overall, financial conditions remained fairly balanced, with moderate economic activity and relatively tame inflationary pressures. Recent commentary from the Federal Reserve Board (the Fed) has supported the narrow trading range. The federal funds rate remained at 5.25% at the end of the semi-annual period, where it has been since June 2006.

The 30-year U.S. Treasury bond yield stood at 4.81% on April 30, 2007, an increase of nine basis points (.09%) over the past six months. The 10-year U.S. Treasury note yield increased just two basis points during the period to 4.63%. Meanwhile, yields on one-month Treasury bills declined 38 basis points from 5.18% to 4.80%, while two-year yields fell 11 basis points to 4.60% during the period.

Late in the six-month period, fears of a slowdown in economic growth were exacerbated by turmoil in the subprime mortgage market. In addition, inflation -- although moderate by historic standards -- remained above the Fed's implicit comfort zone. In response, bond prices on the front end of the yield curve rallied on increased expectations of a Fed interest rate cut. Meanwhile, the long end of the curve sold off on inflation fears. The net result was a slight steepening of the yield curve, which has been flat to inverted for some time. Concerns about the strength of the U.S. economy were not solely driven by fears

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of spillover from the subprime mortgage market. Recent non-housing-related economic data -- including payrolls, durable goods orders and retail sales -- showed signs of weakening.

The most recent Consumer Price Index (CPI) data from the U.S. Department of Labor reflected a notable surge in the overall rate of inflation, but just a marginal increase in core inflation. The CPI advanced at a seasonally adjusted rate of .6% in March 2007, following a rise of .4% in February. The significant increase resulted primarily from a 5.9% jump in energy costs for the month, spurred by a 12% rise in gasoline prices. However, the CPI for all items excluding food and energy was up just .1% for the month. The overall CPI rose at an unadjusted rate of 2.8% over the previous 12 months.

The preliminary estimate of first-quarter 2007 gross domestic product (GDP) growth came in at 1.3%, which was weaker than expected and would be the slowest pace in four years. U.S. consumer confidence declined to its lowest level in eight months in April on concerns about rising gasoline prices and a wave of mortgage defaults. Personal consumption fell .2%, partly due to the significant increase in gasoline prices during

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the month of March. Although manufacturing and industrial production data were weaker, durable goods orders bounced back dramatically in March. While housing starts unexpectedly rose for a second consecutive month in March, home sales data were disappointing. Existing home sales fell more than 8% and sales of new homes failed to bounce back as briskly as expected from their depressed levels of February.

What factors most influenced the Funds' performance?

Overweight positions in \$25 par preferred securities had a negative effect on each Fund's results, as these issues underperformed during the six-month period. The portfolios' substantial cash position also detracted from performance relative to the Funds' peers. We raised each Fund's cash allocation to approximately 5% in March 2007, in anticipation that there will be a notable increase in the supply of new preferred issues in the near future. We intend to use the cash to purchase new securities.

The Funds' results benefited from overweight positions in hybrid securities, which generally pay a fixed rate of interest similar to a bond but are influenced significantly by the price movements of the common stock of the issuing company. Another positive contributor was our use of net asset value hedges in the first half of the semi-annual period to shorten the portfolios' durations. The goal was to reduce the risk of loss in value associated with rising interest rates. Finally, we had minimal exposure to securities of companies that we believe could be affected by the troubled subprime mortgage market, and this proved advantageous.

What changes were made to the portfolios during the period?

Early in the six-month period, we added to the portfolios' positions in preferred securities, particularly issues eligible for QDI (qualified dividend income) and DRD (dividends received deduction). We also added selectively to our holdings in new issues in the high yield market. The Funds moved out of real estate investment trust preferreds as event risk remained high and valuations became less attractive. Toward the end of the six-month period, we reduced holdings that we felt could be affected by the weak subprime mortgage market.

In early 2007, we reduced our net asset value hedges and increased the Funds'

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durations by approximately two years. At the end of the period, each portfolio's duration was 6.5 years, which was slightly long relative to the benchmark Merrill Lynch Preferred Stock Fixed Rate Index.

We continued to employ leveraging strategies through the period and, at April 30, 2007, both Funds had leverage positions of approximately 36% of total net assets. (For a more complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

How would you characterize the Funds' positions at the close of the period?

We continue to seek to diversify the holdings in the preferred shares with secondary issues and through the new-issue calendar, which remains strong. We also will continue to look at hybrid and DRD preferreds for market opportunity.

We maintain our positive outlook because of attractive valuations and good liquidity in the market. We anticipate some choppiness in the financials sector due to the impact of the subprime mortgage market. We intend to continue to add new names to the portfolio, particularly if attractive offerings arise in the primary market.

John Burger
Vice President and Portfolio Manager

Scott Amero
Portfolio Manager

Daniel Chen
Portfolio Manager

May 11, 2007

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Schedule of Investments As of April 30, 2007 (Unaudited)
BlackRock Preferred and Corporate Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities

Face Amount	Capital Trusts	Value
=====		
Capital Markets -- 1.5%		
\$ 3,390,000	State Street Capital Trust IV, 6.355% due 6/01/2067 (b)	\$ 3,402,546
=====		
Commercial Banks -- 6.0%		
2,000,000	Cullen/Frost Capital Trust I, 6.91% due 3/01/2034 (b)	2,057,774
5,000,000	First Chicago NBD Institutional Capital I, 5.906% due 2/01/2027 (b)	4,885,715
910,000	First Empire Capital Trust II, 8.277% due 6/01/2027	949,094
3,000,000	Hubco Capital Trust I Series B, 8.98% due 2/01/2027	3,140,772
1,500,000	Hubco Capital Trust II Series B, 7.65% due 6/15/2028	1,575,000
1,050,000	SunTrust Preferred Capital I, 5.853% (b) (d)	1,067,174

		13,675,529

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=====		
Consumer Finance -- 2.1%		
3,470,000	Capital One Capital III, 7.686% due 8/15/2036	3,748,617
910,000	MBNA Capital A, 8.278% due 12/01/2026	951,614

		4,700,231
=====		
Diversified Financial Services -- 1.5%		
3,000,000	Farm Credit Bank of Texas Series 1, 7.561% (b) (d)	3,312,570
=====		
Gas Utilities -- 4.1%		
9,000,000	AGL Capital Trust I Series B, 8.17% due 6/01/2037	9,377,046
=====		
Insurance -- 15.2%		
3,990,000	AON Corp., 8.205% due 1/01/2027	4,483,004
9,000,000	AXA, 8.60% due 12/15/2030	11,573,181
1,510,000	Ace Capital Trust II, 9.70% due 4/01/2030	2,022,489
9,110,000	Farmers Exchange Capital, 7.05% due 7/15/2028 (f)	9,403,406
750,000	Genworth Financial, Inc., 6.15% due 11/15/2066 (b)	742,006
3,000,000	Mangrove Bay Pass-Through Trust, 6.102% due 7/15/2033 (b) (f)	2,946,990
915,000	Oil Casualty Insurance Ltd., 8% due 9/15/2034 (f)	917,492
1,000,000	Zenith National Insurance Capital Trust I, 8.55% due 8/01/2028 (f)	1,030,000
1,400,000	Zurich Capital Trust I, 8.376% due 6/01/2037 (f)	1,461,823

		34,580,391
=====		
Multi-Utilities -- 0.5%		
1,200,000	Dominion Resources Capital Trust I, 7.83% due 12/01/2027	1,224,100
=====		
Oil, Gas & Consumable Fuels -- 2.9%		
6,000,000	Pemex Project Funding Master Trust, 7.375% due 12/15/2014	6,708,000
=====		
Thrifts & Mortgage Finance -- 6.8%		
1,465,000	Dime Capital Trust I Series A, 9.33% due 5/06/2027	1,538,014
6,735,000	Greenpoint Capital Trust I, 9.10% due 6/01/2027	7,056,044
760,000	ML Capital Trust I, 9.875% due 3/01/2027	797,521
5,900,000	Sovereign Capital Trust, 9% due 4/01/2027	6,128,761

		15,520,340
=====		
	Total Capital Trusts (Cost -- \$90,262,017) -- 40.6%	92,500,753
=====		
Shares Held	Preferred Stocks	
=====		
Capital Markets -- 2.4%		
1,900,000	Ameriprise Financial, Inc., 7.518% (b)	2,062,110
130,000	Deutsche Bank Capital Funding Trust VIII, 6.375%	3,347,500

		5,409,610
=====		
Commercial Banks -- 8.4%		
1,000,000	Barclays Bank Plc, 6.278% (b)	980,894

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1,176	First Tennessee Bank NA, 3.90% (b) (f)	1,207,973
1,900,000	ICICI Bank Ltd., 7.25% (b) (f)	1,973,975
15,000	KeyCorp Capital IX, 6.75%	382,800
42,000	Provident Financial Group, Inc., 7.75%	1,085,440
5,400,000	Resona Preferred Global Securities Ltd., 7.191% (b) (f)	5,708,237
1,200,000	Royal Bank of Scotland Group Plc, 9.118%	1,324,747
149,000	Santander Finance Preferred SA Unipersonal, 6.50% (f)	3,715,688
100,000	Santander Finance Preferred SA Unipersonal, 6.80% (f)	2,540,630
12,000	Sovereign Bancorp, Inc. Series C, 7.30% (a)	324,960

		19,245,344
=====		
Diversified Financial Services -- 3.4%		
38,000	Cobank ACB, 7% (f)	1,958,748
5,700,000	JPMorgan Chase Capital XXI Series U, 6.305% (b)	5,765,157

		7,723,905
=====		
Electric Utilities -- 1.7%		
28,800	Entergy Arkansas, Inc., 6.45%	733,501
22,650	Entergy Louisiana LLC, 6.95%	2,255,530
36,000	PPL Electric Utilities Corp., 6.25%	946,127

		3,935,158
=====		
Gas Utilities -- 2.6%		
234,300	Southern Union Co., 7.55%	6,033,225
=====		
Insurance -- 10.3%		
120,000	ACE Ltd. Series C, 7.80%	3,092,400
1,500,000	AXA SA, 6.379% (b) (f)	1,459,996
45,000	Aspen Insurance Holdings Ltd., 7.401% (b)	1,157,346
	Axis Capital Holdings Ltd.:	
35,000	Series A, 7.25%	908,250
9,000	Series B, 7.50% (b)	973,688
35,200	Endurance Specialty Holdings Ltd. Series A, 7.75%	935,968
1,740,000	Financial Security Assurance Holdings Ltd., 6.40% (b) (f)	1,720,705
2,000,000	Great West Life & Annuity Insurance Co., 7.153% (b) (f)	2,111,888
	MetLife, Inc.:	
2,625,000	6.40%	2,619,915
70,000	Series B, 6.50%	1,842,400
1,000,000	Oil Insurance Ltd., 7.558% (b) (f)	1,049,730
1,450,000	PartnerRe Finance II, 6.44% (b)	1,455,037
165,000	RenaissanceRe Holding Ltd. Series D, 6.60%	4,037,550

		23,364,873
=====		
Multi-Utilities -- 1.0%		
2,100,000	Dominion Resources, Inc., 7.50% (b)	2,283,754
=====		
Oil, Gas & Consumable Fuels -- 0.4%		
825,000	Enterprise Products Operating LP, 8.375% (b)	913,556
=====		

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Schedule of Investments (continued)

BlackRock Preferred and Corporate Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities (continued)

Shares Held	Preferred Stocks	Value
=====		
Thrifts & Mortgage Finance -- 12.3%		
Fannie Mae:		
6,000	Series L, 5.125%	\$ 287,340
305,000	Series O, 7% (b)	16,031,563
Freddie Mac:		
80,000	5.66%	2,001,600
220,000	Series V, 5.57%	5,504,400
160,000	Washington Mutual Capital Trust 2001 Series K, 6.09% (b)	4,120,000

		27,944,903
=====		
Wireless Telecommunication Services -- 1.4%		
2,720	Centaur Funding Corp., 9.08% (f)	3,206,200

Total Preferred Stocks		
(Cost -- \$98,018,251) -- 43.9%		100,060,528
=====		

Real Estate Investment Trusts

=====		
Real Estate -- 12.7%		
63,800	Alexandria Real Estate Equities, Inc. Series C, 8.375%	1,665,818
80,000	CBL & Associates Properties, Inc. Series C, 7.75%	2,044,000
610	First Industrial Realty Trust, Inc., 6.236% (b)	613,813
HRPT Properties Trust:		
425,000	Series B, 8.75%	10,727,000
125,000	Series C, 7.125%	3,193,750
112,000	Health Care Property Investors, Inc. Series F, 7.10%	2,826,880
44,000	Health Care REIT, Inc. Series F, 7.625%	1,135,750
60,000	iStar Financial, Inc. Series I, 7.50%	1,516,200
PS Business Parks, Inc.:		
18,400	Series K, 7.95%	487,600
16,000	Series M, 7.20%	406,880
Public Storage, Inc.:		
110,000	6.75%	2,791,800
40,000	Series I, 7.25%	1,036,252
14,800	Regency Centers Corp. Series D, 7.25%	381,100
Total Real Estate Investment Trusts		
(Cost -- \$29,094,750) -- 12.7%		28,826,843
=====		

Face Amount	Trust Preferreds	
=====		
Commercial Banks -- 0.3%		
\$ 700,000	National City Capital Trust II, 6.625% due 11/15/2066	695,550
=====		

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Consumer Finance -- 1.1%		
2,325,500	Capital One Capital II, 7.50% due 6/15/2066	2,430,662
=====		
Diversified Financial Services -- 0.9%		
2,000,000	Citigroup Capital XVII, 6.35% due 3/15/2067	1,976,636
=====		
Electric Utilities -- 0.5%		
1,235,000	PPL Energy Supply LLC, 7% due 7/15/2046	1,274,415
=====		
Gas Utilities -- 4.5%		
10,000,000	Southwest Gas Capital II, 7.70% due 9/15/2043	10,220,563
=====		
Insurance -- 1.9%		
2,000,000	ABN AMRO North America Capital Funding Trust II, 5.41% (b) (d) (f)	1,991,499
2,250,000	Lincoln National Capital VI Series F, 6.75% due 9/11/2052	2,261,366

		4,252,865
=====		
Thrifts & Mortgage Finance -- 2.5%		
5,845,000	Countrywide Financial Corp., 1.50% due 4/01/2033	5,754,033

Total Trust Preferreds		
(Cost -- \$26,217,464) -- 11.7%		26,604,724

Total Preferred Securities		
(Cost -- \$243,592,482) -- 108.9%		247,992,848
=====		
=====		
Corporate Bonds		
=====		
Commercial Banks -- 3.3%		
5,325,000	Societe Generale, 5.922% (b) (d) (f)	5,333,531
2,125,000	Woori Bank, 6.208% due 5/02/2067 (b) (f)	2,119,959

		7,453,490
=====		
Containers & Packaging -- 2.2%		
5,000,000	Sealed Air Corp., 6.875% due 7/15/2033 (f)	5,008,370
=====		
Diversified Financial Services -- 0.4%		
975,000	C10 Capital SPV Ltd., 6.722% (b) (d) (f)	973,654
=====		
Diversified Telecommunication Services -- 2.3%		
4,000,000	France Telecom SA, 8.50% due 3/01/2031	5,268,564
=====		
Electric Utilities -- 3.3%		
5,000,000	Energy East Corp., 6.75% due 9/15/2033	5,284,375
2,300,000	PPL Capital Funding, 6.70% due 3/30/2067 (b)	2,301,458

		7,585,833
=====		
Foreign Government Obligations -- 2.3%		
5,032,000	Mexico Government International Bond, 5.875% due 1/15/2014	5,190,508
=====		
Gas Utilities -- 0.4%		
1,000,000	Southern Union Co., 7.20% due 11/01/2066 (b)	1,016,574
=====		
Insurance -- 7.8%		

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3,100,000	American International Group, Inc., 6.25% due 3/15/2037	3,085,579
2,250,000	Chubb Corp., 6.375% due 3/29/2067 (b)	2,277,130
2,610,000	Everest Reinsurance Holdings, Inc., 6.60% due 5/01/2067 (b)	2,619,401
2,550,000	Liberty Mutual Group, Inc., 7% due 3/15/2037 (b) (f)	2,562,260
700,000	Reinsurance Group of America, 6.75% due 12/15/2065 (b)	703,102
3,400,000	The Travelers Cos., Inc., 6.25% due 3/15/2067 (b)	3,404,638
1,425,000	XL Capital Ltd. Series E, 6.50% (b) (d)	1,406,503
1,800,000	ZFS Finance (USA) Trust II, 6.45% due 12/15/2065 (b) (f)	1,820,835

		17,879,448
		=====

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Schedule of Investments (concluded)

BlackRock Preferred and Corporate Income Strategies Fund, Inc. (in U.S. dollars)

Face Amount	Corporate Bonds	Value
=====		
Media -- 5.0%		
\$ 3,000,000	Comcast Corp., 7.05% due 3/15/2033	\$ 3,255,069
2,000,000	TCI Communications, Inc., 8.75% due 8/01/2015	2,400,186
5,000,000	Time Warner, Inc., 7.625% due 4/15/2031 (g)	5,655,590

		11,310,845
=====		
Oil, Gas & Consumable Fuels -- 2.0%		
2,400,000	Pioneer Natural Resources Co., 6.65% due 3/15/2017	2,352,278
2,150,000	TransCanada PipeLines Ltd., 6.35% due 5/15/2067	2,146,152

		4,498,430
=====		
Wireless Telecommunication Services -- 5.5%		
5,000,000	AT&T Wireless Services, Inc., 8.75% due 3/01/2031	6,542,285
5,000,000	Sprint Capital Corp., 8.75% due 3/15/2032	5,900,730

		12,443,015

	Total Corporate Bonds (Cost -- \$76,309,229) -- 34.5%	78,628,731
=====		
Beneficial Interest	Short-Term Securities	
=====		
40,922,158	BlackRock Liquidity Series, LLC Cash Sweep Series, 5.26% (c) (e)	40,922,158

	Total Short-Term Securities (Cost -- \$40,922,158) -- 18.0%	40,922,158
=====		
Total Investments (Cost -- \$360,823,869*) -- 161.4%		367,543,737
Liabilities in Excess of Other Assets -- (1.4%)		(3,247,205)

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Preferred Stock, at Redemption Value -- (60.0%)	(136,627,851)

Net Assets Applicable to Common Stock -- 100.0%	\$227,668,681
	=====

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 360,336,152
	=====
Gross unrealized appreciation	\$ 10,464,310
Gross unrealized depreciation	(3,256,725)

Net unrealized appreciation	\$ 7,207,585
	=====

- (a) Depository receipts.
- (b) Floating rate security.
- (c) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Interest Income
BlackRock Liquidity Series, LLC		
Cash Sweep Series	\$19,735,699	\$956,677

- (d) The security is a perpetual bond and has no stated maturity date.
- (e) Represents the current yield as of April 30, 2007.
- (f) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (g) All or a portion of security held as collateral with open financial futures contracts.

o Financial futures contracts purchased as of April 30, 2007 were as follows:

Number of Contracts	Issue	Expiration Date	Face Value	Unrealized Depreciation
	5-Year			
793	U.S. Treasury Notes	June 2007	\$84,128,682	\$ (206,979)
Total Unrealized Depreciation				\$ (206,979)

o Financial futures contracts sold as of April 30, 2007 were as follows:

Number of Contracts	Issue	Expiration Date	Face Value	Unrealized Appreciation (Depreciation)
94	10-Year			
	U.S. Treasury Bonds	June 2007	\$10,172,676	\$ (10,168)
134	30-Year			
	U.S. Treasury Bonds	June 2007	\$15,103,797	129,297

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 Total Unrealized Appreciation -- Net \$ 119,129
 =====

o Swaps outstanding as of April 30, 2007 were as follows:

	Notional Amount	Unrealized Appreciation (Depreciation)

Sold credit default protection on a basket of preferred securities and receive 2.03%		
Broker, Lehman Brothers Special Finance Expires September 2007	\$ 9,000,000	\$ 82,035
Pay a fixed rate of 5.132% and receive a floating rate based on 3-month LIBOR		
Broker, JPMorgan Chase Expires September 2016	\$25,000,000	24,901
Pay a fixed rate of 5.2735% and receive a floating rate based on 3-month LIBOR		
Broker, Lehman Brothers Special Finance Expires February 2017	\$36,000,000	(306,705)
=====		
Total		\$ (199,769) =====

o For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.

See Notes to Financial Statements.

8 SEMI-ANNUAL REPORTS APRIL 30, 2007

Schedule of Investments As of April 30, 2007 (Unaudited)
 BlackRock Preferred Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities

	Face Amount	Capital Trusts	Value

Capital Markets -- 1.5%			
\$13,535,000		State Street Capital Trust IV, 6.355% due 6/01/2067 (b)	\$ 13,585,093
=====			
Commercial Banks -- 12.3%			
12,035,000		ABN AMRO North America Holding Preferred Capital Repackaging Trust I, 6.523% (a) (b) (c)	12,625,112
2,000,000		Bank One Capital III, 8.75% due 9/01/2030	2,632,156
16,455,000		Chase Capital II Series B, 5.856%	

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	due 2/01/2027 (b)	16,077,391
3,630,000	First Empire Capital Trust II, 8.277%	
	due 6/01/2027	3,785,945
2,000,000	HSBC America Capital Trust I, 7.808%	
	due 12/15/2026 (a)	2,082,486
15,835,000	HSBC Capital Funding LP/Jersey Channel Islands, 10.176% (a) (b) (c)	23,119,813
7,300,000	HSBC Finance Capital Trust IX, 5.911%	
	due 11/30/2035 (b)	7,324,418
12,275,000	Hubco Capital Trust II Series B, 7.65%	
	due 6/15/2028	12,888,750
2,000,000	Lloyds TSB Bank Plc, 6.90% (c)	2,007,320
18,470,000	NationsBank Capital Trust III, 5.906%	
	due 1/15/2027 (b)	18,110,426
2,000,000	Republic New York Corp., 7.53% due 12/04/2026	2,077,710
4,500,000	ST George Funding Co. LLC, 8.485% (a) (c)	4,702,549
4,175,000	SunTrust Preferred Capital I, 5.853% (b) (c)	4,243,286

		111,677,362
=====		
Consumer Finance -- 2.2%		
13,670,000	Capital One Capital III, 7.686% due 8/15/2036	14,767,605
4,630,000	MBNA Capital A, 8.278% due 12/01/2026	4,841,730

		19,609,3353
=====		
Diversified Financial Services -- 2.9%		
15,000,000	AgFirst Farm Credit Bank, 8.393%	
	due 12/15/2016 (b)	16,586,055
9,000,000	Farm Credit Bank of Texas Series 1, 7.561% (b) (c)	9,937,710

		26,523,765
=====		
Electric Utilities -- 0.5%		
5,000,000	SWEPCO Capital I, 5.25% due 10/01/2043 (b)	4,972,700
=====		
Gas Utilities -- 0.6%		
5,000,000	AGL Capital Trust I Series B, 8.17% due 6/01/2037	5,209,470
=====		
Insurance -- 14.1%		
12,175,000	AON Corp., 8.205% due 1/01/2027	13,679,343
23,725,000	AXA, 8.60% due 12/15/2030 (Surplus Notes)	30,508,191
11,300,000	Ace Capital Trust II, 9.70% due 4/01/2030	15,135,186
15,000,000	Farmers Exchange Capital, 7.05%	
	due 7/15/2028 (a)	15,483,105
10,000,000	GE Global Insurance Holding Corp., 7.75%	
	due 6/15/2030	12,224,160
1,000,000	GenAmerica Capital I, 8.525% due 6/30/2027 (a)	1,046,124
3,000,000	Genworth Financial, Inc., 6.15% due 11/15/2066 (b)	2,968,023
6,066,000	ING Capital Funding Trust III, 8.439% (b) (c)	6,689,742
3,605,000	Oil Casualty Insurance Ltd., 8% due 9/15/2034 (a)	3,614,820
6,325,000	Principal Life Insurance Co., 8% due 3/01/2044 (Surplus Notes) (a)	6,832,151
3,750,000	Zenith National Insurance Capital Trust I, 8.55%	
	due 8/01/2028 (a)	3,862,500
15,600,000	Zurich Capital Trust I, 8.376% due 6/01/2037 (a)	16,288,880

		128,332,225
=====		
Multi-Utilities -- 3.1%		
10,000,000	Dominion Resources Capital Trust I, 7.83%	
	due 12/01/2027	10,200,830

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15,000,000	Dominion Resources Capital Trust III, 8.40% due 1/15/2031	18,078,720

		28,279,550
=====		
Road & Rail -- 0.4%		
3,750,000	BNSF Funding Trust I, 6.613% due 12/15/2055 (b)	3,583,001
=====		
Thrifts & Mortgage Finance -- 2.6%		
1,000,000	Astoria Capital Trust I, 9.75% due 11/01/2029 (a)	1,121,500
5,760,000	Dime Capital Trust I Series A, 9.33% due 5/06/2027	6,047,073
12,765,000	Greenpoint Capital Trust I, 9.10% due 6/01/2027	13,373,482
3,005,000	ML Capital Trust I, 9.875% due 3/01/2027	3,153,357

		23,695,412

	Total Capital Trusts (Cost -- \$357,720,879) -- 40.2%	365,467,913
=====		
=====		
Shares		
	Held Preferred Stocks	
=====		
Capital Markets -- 2.3%		
7,600,000	Ameriprise Financial, Inc., 7.518% due 6/01/2066 (b)	8,248,440
510,000	Deutsche Bank Capital Funding Trust VIII, 6.375%	13,132,500

		21,380,940
=====		
Commercial Banks -- 11.4%		
4,000,000	Barclays Bank Plc, 6.278% (b)	3,923,576
4,650	First Tennessee Bank NA, 3.90% (a) (b)	4,776,422
5,000,000	HBOS Plc, 5.92% (a) (b)	4,922,500
8,000,000	ICICI Bank Ltd., 7.25% (a) (b)	8,311,472
159,000	KeyCorp Capital IX, 6.75%	4,057,680
166,800	Provident Financial Group, Inc., 7.75%	4,310,746
20,000,000	Resona Preferred Global Securities Ltd., 7.191% (a) (b)	21,141,620
4,800,000	Royal Bank of Scotland Group Plc, 9.118%	5,298,989
23,000	SG Preferred Capital II, 6.302% (b)	24,293,750
	Santander Finance Preferred SA Unipersonal (a):	
599,000	6.50%	14,937,563
250,000	6.80%	6,351,575
48,000	Sovereign Bancorp, Inc. Series C, 7.30% (d)	1,299,840

		103,625,733
=====		
Diversified Financial Services -- 3.5%		
152,000	Cobank ACB, 7%	7,834,992
23,900,000	JPMorgan Chase Capital XXI Series U, 6.305% (b)	24,173,201

		32,008,193
=====		
Electric Utilities -- 1.8%		
14,000	Alabama Power Co., 5.83%	346,920
114,400	Entergy Arkansas, Inc., 6.45%	2,913,631
49,850	Entergy Louisiana LLC, 6.95%	4,964,158
80,000	Interstate Power & Light Co. Series B, 8.375%	2,624,000
204,000	PPL Electric Utilities Corp., 6.25%	5,361,385

16,210,094

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Schedule of Investments (continued)

BlackRock Preferred Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities (continued)

Shares Held	Preferred Stocks	Value
=====		
Gas Utilities -- 1.2%		
423,200	Southern Union Co., 7.55%	\$ 10,897,400
=====		
Insurance -- 13.8%		
880,000	ACE Ltd. Series C, 7.80%	22,677,600
5,950,000	AXA SA, 6.379% (a) (b)	5,791,320
100,000	Aegon NV Series 1, 6.235% (b)	2,562,000
165,000	Aspen Insurance Holdings Ltd., 7.401% (b)	4,243,602
	Axis Capital Holdings Ltd.:	
140,000	Series A, 7.25%	3,633,000
36,000	Series B, 7.50% (b)	3,894,750
139,200	Endurance Specialty Holdings Ltd. Series A, 7.75%	3,701,328
6,930,000	Financial Security Assurance Holdings Ltd., 6.40% (a) (b)	6,853,153
7,500,000	Great West Life & Annuity Insurance Co., 7.153% (a) (b)	7,919,580
	MetLife, Inc.:	
10,425,000	6.40%	10,404,807
493,000	Series B, 6.50%	12,975,760
5,000,000	Oil Insurance Ltd., 7.558% (a) (b)	5,248,650
5,700,000	PartnerRe Finance II, 6.44% (b)	5,719,802
140,000	Prudential Plc, 6.50%	3,599,400
660,000	RenaissanceRe Holding Ltd. Series D, 6.60%	16,150,200
9,800	Zurich RegCaPS Funding Trust, 6.58% (a) (b)	10,121,563

		125,496,515
=====		
Multi-Utilities -- 1.4%		
8,400,000	Dominion Resources, Inc., 7.50% (b)	9,135,017
140,000	Pacific Gas & Electric Co. Series A, 6%	3,544,800

		12,679,817
=====		
Oil, Gas & Consumable Fuels -- 0.5%		
4,225,000	Enterprise Products Operating LP, 8.375% due 8/01/2066 (b)	4,678,516
=====		
Thrifts & Mortgage Finance -- 13.0%		
	Fannie Mae:	
264,650	Series L, 5.125%	12,674,089
1,210,000	Series O, 7% (b)	63,600,625
	Freddie Mac:	
305,000	5.66%	7,631,100
190,000	Series Q, 3.85% (b)	8,550,000
855,000	Series V, 5.57%	21,392,100
4,000,000	Roslyn Real Estate Asset Corp. Series D, 9% due 1/01/2049 (b)	3,979,466

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		117,827,380
=====		
Wireless Telecommunication Services -- 0.3%		
2,423	Centaur Funding Corp., 9.08%	2,856,111

Total Preferred Stocks		
(Cost -- \$438,419,927) -- 49.2%		447,660,699
=====		

Shares	Real Estate Investment Trusts	Value
Held		
=====		
Real Estate -- 10.1%		
251,400	Alexandria Real Estate Equities, Inc. Series C, 8.375%	6,564,054
200,000	CBL & Associates Properties, Inc. Series C, 7.75%	5,110,000
400,000	Developers Diversified Realty Corp., 8%	10,280,000
80,000	Duke Realty Corp. Series K, 6.50%	2,020,000
2,390	First Industrial Realty Trust, Inc., 6.236% (b)	2,404,937
4,000	Firststar Realty LLC, 8.875% (a)	5,207,500
448,000	Health Care Property Investors, Inc. Series F, 7.10%	11,307,520
172,800	Health Care REIT, Inc. Series F, 7.625%	4,460,400
100,000	Kimco Realty Corp. Series F, 6.65%	2,525,000
	PS Business Parks, Inc.:	
72,000	Series K, 7.95%	1,908,000
64,000	Series M, 7.20%	1,627,520
	Public Storage, Inc.:	
160,000	Series I, 7.25%	4,145,008
445,000	Series L, 6.75%	11,294,100
	Regency Centers Corp.:	
607,550	Series C, 7.45%	15,462,147
58,000	Series D, 7.25%	1,493,500
3,857	Sovereign Real Estate Investment Corp., 12% (a)	5,727,645

Total Real Estate Investment Trusts		
(Cost -- \$89,523,035) -- 10.1%		91,537,331
=====		

Face	Trust Preferreds	
Amount		
=====		
Commercial Banks -- 0.3%		
2,790,000	National City Capital Trust II, 6.625% due 11/15/2066	32,788,686
=====		
Communications Equipment -- 0.2%		
2,000,000	Corporate-Backed Trust Certificates, 8.375% due 11/15/2028	2,012,107
=====		
Consumer Finance -- 1.9%		
16,702,000	Capital One Capital II, 7.50% due 6/15/2066	17,457,619
=====		
Diversified Financial Services -- 0.8%		
7,625,000	Citigroup Capital XVII, 6.35% due 3/15/2067	7,535,923
=====		
Electric Utilities -- 2.2%		
4,750,000	Georgia Power Co. Series O, 1.475% due 4/15/2033	4,601,234
3,000,000	HECO Capital Trust III, 6.50% due 3/18/2034	3,055,184

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5,000,000	National Rural Utilities Cooperative Finance Corp., 6.75% due 2/15/2043	5,015,234
5,835,000	PPL Energy Supply LLC, 7% due 7/15/2046	6,021,272
950,000	Virginia Power Capital Trust II, 1.844% due 7/30/2042	955,109

		19,648,033
=====		
Gas Utilities -- 0.7%		
500,000	Dominion CNG Capital Trust I, 1.95% due 10/31/2041	501,456
5,750,000	Southwest Gas Capital II, 7.70% due 9/15/2043	5,874,418

		6,375,874
=====		

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Schedule of Investments (continued)

BlackRock Preferred Income Strategies Fund, Inc. (in U.S. dollars)

Preferred Securities (concluded)

Face Amount	Trust Preferreds	Value
=====		
Insurance -- 2.7%		
\$11,000,000	ABN AMRO North America Capital Funding Trust II, 5.41% (a) (b) (c)	\$ 10,948,954
7,375,000	Berkley W R Capital Trust, 6.75% due 7/26/2045	7,415,254
1,000,000	Everest Re Capital Trust, 1.963% due 11/15/2032	1,005,918
5,000,000	Lincoln National Capital VI Series F, 6.75% due 9/11/2052	5,023,423

		24,393,549
=====		
Multi-Utilities -- 0.1%		
397,425	PSEG Funding Trust II, 8.75% due 12/31/2032	405,402
=====		
Thrifts & Mortgage Finance -- 3.7%		
28,362,500	Countrywide Financial Corp., 1.50% due 4/01/2033	27,922,828
6,000,000	Dime Community Capital I, 7% due 4/14/2034	5,820,000

		33,742,828

	Total Trust Preferreds	
	(Cost -- \$113,531,849) -- 12.6%	114,360,021

	Total Preferred Securities	
	(Cost -- \$999,195,690) -- 112.1%	1,019,025,964
=====		

Corporate Bonds		
=====		
Automobiles -- 2.2%		
16,000,000	DaimlerChrysler NA Holding Corp., 8.50% due 1/18/2031	20,160,880
=====		
Commercial Banks -- 3.3%		

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21,250,000	Societe Generale, 5.922% (a) (b) (c)	21,284,042
8,500,000	Woori Bank, 6.208% due 5/02/2067 (a) (b)	8,479,834

		29,763,876
=====		
Diversified Financial Services -- 0.4%		
3,850,000	C10 Capital SPV Ltd., 6.722% (a) (b) (c)	3,844,687
=====		
Diversified Telecommunication Services -- 3.7%		
25,500,000	France Telecom SA, 8.50% due 3/01/2031	33,587,095
=====		
Electric Utilities -- 4.4%		
16,575,000	Duke Energy Field Services LLC, 8.125% due 8/16/2030	20,278,767
10,000,000	FirstEnergy Corp. Series B, 6.45% due 11/15/2011	10,488,160
9,125,000	PPL Capital Funding, 6.70% due 3/30/2067 (b)	9,130,785

		39,897,712
=====		
Energy Equipment & Services -- 0.9%		
8,300,000	Trans-Canada Pipeline, 6.60% due 5/15/2067	8,285,143
=====		
Gas Utilities -- 0.4%		
4,000,000	Southern Union Co., 7.20% due 11/01/2066 (b)	4,066,296
=====		
Insurance -- 7.2%		
12,395,000	American International Group, Inc., 6.25% due 3/15/2087	12,337,338
9,100,000	Chubb Corp., 6.375% due 3/29/2067 (b)	9,209,728
10,430,000	Everest Reinsurance Holdings, Inc., 6.60% due 5/01/2067 (b)	10,467,569
10,150,000	Liberty Mutual Group, Inc., 7% due 3/15/2037 (a) (b)	10,198,801
3,000,000	Reinsurance Group of America, 6.75% due 12/15/2065 (b)	3,013,293
660,120	START 2004-1, 5.417% due 4/21/2011	659,707
13,550,000	Travelers Cos., Inc./The, 6.25% due 3/15/2067 (b)	13,568,482
5,725,000	XL Capital Ltd. Series E, 6.50% (b) (c)	5,650,690

		65,105,608
=====		
Media -- 3.5%		
5,000,000	Comcast Corp., 7.05% due 3/15/2033	5,425,115
	Time Warner, Inc.:	
5,000,000	7.625% due 4/15/2031 (g)	5,655,590
18,000,000	7.70% due 5/01/2032	20,568,024

		31,648,729
=====		
Oil, Gas & Consumable Fuels -- 1.0%		
9,500,000	Pioneer Natural Resources Co., 6.65% due 3/15/2017	9,311,102
=====		
Wireless Telecommunication Services -- 5.9%		
18,000,000	AT&T Wireless Services, Inc., 8.75% due 3/01/2031	23,552,226
	Sprint Capital Corp.:	
2,000,000	6.90% due 5/01/2019	2,060,878
24,000,000	8.75% due 3/15/2032	28,323,504

		53,936,608

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	Total Corporate Bonds (Cost -- \$287,641,826) -- 32.9%	299,607,736
=====		
	Beneficial Interest	Short-Term Securities
	\$155,280,103	BlackRock Liquidity Series, LLC Cash Sweep Series, 5.26% (e) (f)
		155,280,103

	Total Short-Term Securities (Cost -- \$155,280,103) -- 17.1%	155,280,103
=====		
Total Investments	(Cost -- \$1,442,117,619*) -- 162.1%	1,473,913,803
Liabilities in Excess of Other Assets	-- (1.6%)	(14,139,590)
Preferred Stock, at Redemption Value	-- (60.5%)	(550,548,663)
Net Assets Applicable to Common Stock	-- 100.0%	\$ 909,225,550
		=====

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APRIL 30, 2007

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Schedule of Investments (concluded)

BlackRock Preferred Income Strategies Fund, Inc. (in U.S. dollars)

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 1,440,371,930
	=====
Gross unrealized appreciation	\$ 44,088,413
Gross unrealized depreciation	(10,546,540)

Net unrealized appreciation	\$ 33,541,873
	=====

- (a) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
- (b) Floating rate security.
- (c) The security is a perpetual bond and has no stated maturity date.
- (d) Depositary receipts.
- (e) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Interest Income

BlackRock Liquidity Series, LLC Cash Sweep Series	\$134,738,602	\$2,478,788

- (f) Represents the current yield as of April 30, 2007.
- (g) All or a portion of security held as collateral in connection with open financial futures contracts.

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- o Financial futures contracts purchased as of April 30, 2007 were as follows:

Number of Contracts	Issue	Expiration Date	Face Value	Unrealized Depreciation
3,170	5-Year U.S. Treasury Notes	June 2007	\$336,303,786	\$ (828,630)
Total Unrealized Depreciation				\$ (828,630) =====

- o Financial futures contracts sold as of April 30, 2007 were as follows:

Number of Contracts	Issue	Expiration Date	Face Value	Unrealized Appreciation
1,363	10-Year U.S. Treasury Notes	June 2007	\$147,868,256	\$ 217,022
651	30-Year U.S. Treasury Bonds	June 2007	\$ 73,356,114	\$ 606,864
Total Unrealized Appreciation				\$ 823,886 =====

- o Swaps outstanding as of April 30, 2007 were as follows:

	Notional Amount	Unrealized Appreciation (Depreciation)
Sold credit default protection on a basket of preferred securities and receive 2.03%		
Broker, Lehman Brothers Special Finance Expires September 2007	\$ 36,000,000	\$ 328,140
Pay a fixed rate of 5.132% and receive a floating rate based on 3-month LIBOR		
Broker, JPMorgan Chase Expires September 2016	\$125,000,000	133,153
Pay a fixed rate of 5.2735% and receive a floating rate based on 3-month LIBOR		
Broker, Lehman Brothers Special Finance Expires February 2017	\$143,000,000	(1,239,325)
Total		\$ (778,032) =====

- o For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Industries are shown as a percent of net assets.

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See Notes to Financial Statements.

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Statements of Net Assets

As of April 30, 2007 (Unaudited)

Assets

Investments in unaffiliated securities, at value*
 Investments in affiliated securities, at value**
 Unrealized appreciation on swaps
 Interest receivable
 Receivable for securities sold
 Dividends receivable
 Receivable for swaps
 Variation margin
 Prepaid expenses
 Total assets

Liabilities

Unrealized depreciation on swaps
 Bank overdraft
 Payable for securities purchased
 Payable to investment adviser
 Dividends payable to Common Stock shareholders
 Payable for variation margin
 Payable for other affiliates
 Accrued expenses
 Total liabilities

Preferred Stock

Preferred Stock, at redemption value, par value \$.10 per share+ of AMPS@
 at \$25,000 per share liquidation preference

Net Assets Applicable to Common Stock

Net assets applicable to Common Stock

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Statements of Net Assets (concluded)

As of April 30, 2007 (Unaudited)

=====
Analysis of Net Assets Applicable to Common Stock
=====

Accumulated distributions in excess of investment income -- net
Accumulated realized capital losses -- net
Unrealized appreciation -- net
Total accumulated losses -- net
Common Stock, par value \$.10 per share++
Paid-in capital in excess of par
Net Assets
Net asset value per share of Common Stock
Market price
* Identified cost on unaffiliated securities
** Identified cost on affiliated securities
+ Preferred Stock authorized, issued and outstanding:
Series M7 Shares
Series T7 Shares
Series W7 Shares
Series TH7 Shares
Series F7 Shares
Series W28 Shares
Series TH28 Shares
++ Common Stock issued and outstanding

@ Auction Market Preferred Stock.

See Notes to Financial Statements.

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For the Six Months Ended April 30, 2007 (Unaudited)

Investment Income

Interest*
 Dividends
 Total income

Expenses

Investment advisory fees
 Commission fees
 Accounting services
 Transfer agent fees
 Professional fees
 Trustees' fees and expenses
 Printing and shareholder reports
 Custodian fees
 Listing fees
 Pricing fees
 Other
 Total expenses
 Investment income -- net

Realized & Unrealized Gain (Loss) -- Net

Realized gain on:
 Investments -- net
 Financial futures contracts and swaps -- net
 Total realized gain -- net
 Change in unrealized appreciation/depreciation on:
 Investments -- net
 Financial futures contracts and swaps -- net
 Total change in unrealized appreciation/depreciation -- net
 Total realized and unrealized gain -- net

Dividends to Preferred Stock Shareholders

Investment income -- net
 Net Increase in Net Assets Resulting from Operations
 * Interest from affiliates

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See Notes to Financial Statements.

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Statements of Changes in Net Assets
BlackRock Preferred and Corporate Income Strategies Fund, Inc.

Increase (Decrease) in Net Assets:

=====

Operations

Investment income -- net
Realized gain (loss) -- net
Change in unrealized appreciation/depreciation -- net
Dividends to Preferred Stock shareholders

Net increase in net assets resulting from operations

=====

Dividends to Common Stock Shareholders

Investment income -- net

Net decrease in net assets resulting from dividends to Common Stock shareholders

=====

Common Stock Transactions

Value of shares issued to Common Stock shareholders in reinvestment of dividends

Net increase in net assets derived from Common Stock transactions

=====

Net Assets Applicable to Common Stock

Total decrease in net assets applicable to Common Stock
Beginning of period

End of period*

* Accumulated distributions in excess of investment income -- net

See Notes to Financial Statements.

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Statements of Changes in Net Assets
BlackRock Preferred Income Strategies Fund, Inc.

Increase (Decrease) in Net Assets:

Operations

Investment income -- net
 Realized gain (loss) -- net
 Change in unrealized appreciation/depreciation -- net
 Dividends to Preferred Stock shareholders

Net increase in net assets resulting from operations

Dividends to Common Stock Shareholders

Investment income -- net
 Tax return of capital

Net decrease in net assets resulting from dividends to Common Stock shareholders

Common Stock Transactions

Value of shares issued to Common Stock shareholders in reinvestment of dividends

Net increase in net assets derived from Common Stock transactions

Net Assets Applicable to Common Stock

Total increase in net assets applicable to Common Stock
 Beginning of period
 End of period*

* Accumulated distributions in excess of investment income -- net

See Notes to Financial Statements.

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Financial Highlights

BlackRock Preferred and Corporate Income Strategies Fund, Inc.

The following per share data and ratios have been derived from information provided in the financial statements.	For the Six Months Ended		For the Year Ended
	April 30, 2007	-----	October 31, 2006
	(Unaudited)	2006	2006

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Per Share Operating Performance

Net asset value, beginning of period	\$ 22.25	\$ 22.36	\$ 23
Investment income -- net .....	.97@@	2.14@@	2
Realized and unrealized gain (loss) -- net .....	.04	.07	(1)
Dividends to Preferred Stock shareholders from investment income -- net	(.34)	(.63)	(
Total from investment operations .....	.67	1.58	
Less dividends to Common Stock shareholders from investment income -- net	(.80)	(1.69)	(2)
Offering costs resulting from the issuance of Common Stock	--	--	
Offering and underwriting costs resulting from the issuance of Preferred Stock	--	--	
Net asset value, end of period	\$ 22.12	\$ 22.25	\$ 22
Market price per share, end of period	\$ 22.08	\$ 21.26	\$ 21

Total Investment Return**

Based on net asset value per share	3.07%@	7.97%	3
Based on market price per share	7.67%@	9.69%	

Ratios Based on Average Net Assets of Common Stock

Total expenses, net of waiver***	1.28%*	1.29%	1
Total expenses***	1.28%*	1.29%	1
Total investment income -- net***	8.82%*	9.70%	9
Amount of dividends to Preferred Stock shareholders .	3.09%*	2.84%	1
Investment income to Common Stock shareholders -- net	5.73%*	6.86%	7

Ratios Based on Average Net Assets of Preferred Stock

Dividends to Preferred Stock shareholders	5.18%*	4.71%	3
---	--------	-------	---

Supplemental Data

Net assets applicable to Common Stock, end of period (in thousands)	\$227,669	\$228,734	\$229,
Preferred Stock outstanding, end of period (in thousands)	\$136,500	\$136,500	\$136,
Portfolio turnover	30.75%	19.23%	25

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Leverage

Asset coverage per \$1,000	\$ 2,668	\$ 2,676	\$ 2,684
=====			
Dividends Per Share on Preferred Stock Outstanding++			
Series M7 -- Investment income -- net	\$ 642	\$ 1,180	\$ 1,180
Series T7 -- Investment income -- net	\$ 643	\$ 1,178	\$ 1,178
=====			

- * Annualized.
- ** Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.
- *** Do not reflect the effect of dividends to Preferred Stock shareholders.
- + Commencement of operations.
- ++ The Fund's Preferred Stock was issued on August 26, 2003.
- @ Aggregate total investment return.
- @@ Based on average shares outstanding.

See Notes to Financial Statements.

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Financial Highlights (concluded)

BlackRock Preferred Income Strategies Fund, Inc.

	For the Six Months Ended April 30, 2007 (Unaudited)	For the Year Ended October 31, 2006	For the Year Ended October 31, 2005
The following per share data and ratios have been derived from information provided in the financial statements.			
=====			
Per Share Operating Performance			
Net asset value, beginning of period	\$ 22.36	\$ 22.26	\$ 22.16
Investment income -- net .....	.98@@	2.03@@	2.03
Realized and unrealized gain (loss) -- net .....	.09	.32	(.01)
Dividends and distributions to Preferred Stock shareholders:			
Investment income -- net	(.35)	(.65)	(.65)
Realized gain -- net	--	--	--
Total from investment operations .....	.72	1.70	1.37
Less dividends and distributions to Common Stock shareholders:			
Investment income -- net	(.69)	(1.51)	(1.51)
Realized gain -- net	--	--	--
Tax return of capital	--	(.09)	(.09)
=====			

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Total dividends and distributions to Common Stock shareholders	(.69)	(1.60)	(2)
Offering costs resulting from the issuance of Common Stock	--	--	
Offering and underwriting costs resulting from the issuance of Preferred Stock	--	--	
Net asset value, end of period	\$ 22.39	\$ 22.36	\$ 22
Market price per share, end of period	\$ 20.80	\$ 20.12	\$ 21
=====			
Total Investment Return**			
Based on net asset value per share	3.47% [@]	8.77%	3
Based on market price per share	6.83% [@]	2.77%	1
=====			
Ratios Based on Average Net Assets of Common Stock			
Total expenses, net of waiver***	1.21%*	1.23%	1
Total expenses***	1.21%*	1.23%	1
Total investment income -- net***	8.76%*	9.26%	8
Amount of dividends to Preferred Stock shareholders .	3.15%*	2.96%	1
Investment income to Common Stock shareholders -- net	5.61%*	6.30%	7
=====			
Ratios Based on Average Net Assets of Preferred Stock			
Dividends to Preferred Stock shareholders	5.22%*	4.80%	2
=====			
Supplemental Data			
Net assets applicable to Common Stock, end of period (in thousands)	\$909,226	\$907,897	\$903,
Preferred Stock outstanding, end of period (in thousands)	\$550,000	\$550,000	\$550,
Portfolio turnover	29.12%	17.73%	27
=====			
Leverage			
Asset coverage per \$1,000	\$ 2,653	\$ 2,651	\$ 2,
=====			
Dividends Per Share on Preferred Stock Outstanding++			
Series M7 -- Investment income -- net	\$ 644	\$ 1,180	\$
Series T7 -- Investment income -- net	\$ 642	\$ 1,175	\$
Series W7 -- Investment income -- net	\$ 640	\$ 1,183	\$

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Series TH7 -- Investment income -- net	\$ 642	\$ 1,179	\$
Series F7 -- Investment income -- net	\$ 636	\$ 1,178	\$
Series W28 -- Investment income -- net	\$ 658	\$ 1,221	\$
Series TH28 -- Investment income -- net	\$ 661	\$ 1,258	\$

* Annualized.

** Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

*** Do not reflect the effect of dividends to Preferred Stock shareholders.

+ Commencement of operations.

++ The Fund's Preferred Stock was issued on May 16, 2003.

@ Aggregate total investment return.

@@ Based on average shares outstanding.

See Notes to Financial Statements.

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Notes to Financial Statements (Unaudited)

1. Significant Accounting Policies:

BlackRock Preferred and Corporate Income Strategies Fund, Inc. and BlackRock Preferred Income Strategies Fund, Inc. (the "Funds" or individually as the "Fund"), are registered under the Investment Company Act of 1940, as amended, as diversified, closed-end management investment companies. The Funds' financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. These unaudited financial statements reflect all adjustments, which are, in the opinion of management, necessary to present a fair statement of the results for the interim period. All such adjustments are of a normal, recurring nature. The Funds' Common Stock shares are listed on the New York Stock Exchange ("NYSE") under the symbol PSW for BlackRoc