Merrill INVEST

1Year EUR 8% Coupon Worst of Reverse Convertible Note on SMI Index and Eurostoxx 50 Index

ISIN: XS0341667730

Final Terms and Conditions

Description of the Product

The Worst of Barrier Reverse Convertible is a product that offers the investor a coupon which is higher than the coupon of a comparable standard bond. In return for this, the investor takes the risk that he will receive the worst performing of the underlying Indices (respectively an equivalent cash amount) at the Final Settlement Date. This will be the case if at least one of the Underlying Indices closes at or below the Strike Price on the Valuation Date and at least one Barrier Level has been touched during the Observation Period (closing prices). In this scenario, the Settlement Amount will be less than 100% of the Nominal. As long as none of the underlyings has touched its Barrier Level, the Final Settlement Amount will always be 100% of Nominal.

General Terms:

Issuer	Merrill Lynch S.A. with registered offices at 4, Rue Albert Borschette, L- 1246, Luxembourg
Guarantor	Merrill Lynch & Co. Inc., Wilmington, Delaware 19801, USA (Long term senior unsecured debt rating: S&P A+, Moody's A1, Fitch A+)
Manager	Merrill Lynch International
Calculation Agent	Merrill Lynch International, 2 King Edward Street, London
Principal Security Agent	BNP Paribas Securities Services S.A., Zweigniederlassung Frankfurt am Main, Grüneburgweg 14, 60322 Frankfurt am Main
Security Codes	ISIN: XS0341667730 Valor: 3699150 Symbol: MLZRH WKN: WKN -ML0D88

Timetable:

Subscription Period	Until Trade Date, 3 p.m. CET (The subscription period might close earlier if max. size is reached or market conditions force it)
Trade Date	22 January 2008 (or when subscription ends)
Issue Date	29 January 2008
Valuation Date	22 January 2009 (the "Exercise Date")
Final Settlement Date	29 January 2009

Specific Terms:

Underlying Indices	**Name**	**Bloomberg**		
	Swiss Market Index	SMI		
	Eurostoxx 50	SXSE		
	Reference Index Level	**Strike Price**	**Barrier Level**	**Barrier Level (%)**
SMI	7,487.92	100%	4,492.75	60%
SXSE	3,753.68	100%	2,252.21	60%
Currency	EUR (Quanto)			
Issue Price	100%			
Aggregate Principal Amount	EUR 4,000,000			
Nominal Amount	EUR 1,000 per Security (=Denomination)			
Ratio	1 Security entitles to one times the Settlement Amount on the Final Settlement			

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	Date
Coupon	8% p.a., paid annually
	Payment per EUR1,000 will be EUR 80 on the Coupon Payment Date
	For Swiss tax purposes, the payment is split into two components:
	4.3% p.a. interest payment
	3.7% p.a. option premium
Coupon Payment Date	29 January 2009
Barrier Event	Means an event as determined by the Calculation Agent where any of the Underlying Indices has traded at or below the Barrier Level during the Observation Period (daily closing observations)
Settlement Amount on the Final Settlement Date	1. If a **Barrier Event has NOT occurred:** Then the investor will receive 100% of the Nominal Amount in cash
	2. If a **Barrier Event has occurred:**
	Then if
	• On the Valuation Date the worst performing Underlying Index closes **above** its respective Strike Price, the investor will receive 100% of the Nominal Amount in cash
	• On the Valuation Date the worst performing Underlying Index closes **at or below** its respective Strike Price, the investor will receive a cash amount calculated according to the following formula: $Denomination \times \frac{WorstIndex_{Final}}{WorstIndex_{Initial}}$ where; $WorstIndex_{Final}$ = Official closing level of the Index with the lowest performance at the Valuation Date; $WorstIndex_{Initial}$ = Official closing level of the same Index at the Trade Date
	For the avoidance of doubt, the Coupon will be paid in either case
Observation Period	Any Exchange Business Day during the period from the Trade Date to and including the Valuation Date

Additional Provisions:	
Secondary Market	Merrill Lynch International will make a secondary market on a best efforts basis with a bid-ask spread no larger than 1% under normal market conditions (clean prices)
Governing Law	New York Law
Place of Jurisdiction	New York Courts
Listing	SWX Swiss Exchange
SWX Stop Trading	Valuation Date, 2pm Zurich time
Clearing	Euroclear and Clearstream

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Settlement Method	Cash
Automatic Exercise	Applicable
Minimum Exercise Amount	1 Security
Business Days	London and Zurich
Form of Securities	Bearer
TEFRA D	Not applicable
Minimum Investment Amount	1 Security
Day Count	30 / 360

Quotes / Information:	
Internet	www.mlinvest.ml.com
Source of Information	This simplified prospectus can be obtained free of charge at Merrill Lynch Capital Markets AG, Zurich, Switzerland
Reuters	XS034166773=MERL
Bloomberg	XS0341667730 Corp <ALLQ>

Risk for investors:	
Product-specific risks	The securities described herein are derivative financial instruments. The potential loss of an investment in those securities is similar to a direct investment in the Underlying, i.e. could result in a total loss of the invested capital. The upside potential is limited and will not exceed the Nominal Amount and Coupon payment. During the term of the investment, the bid offer spread might be wider than 1%, depending on market conditions
Issuer risk	The investment instrument's value is dependent not only on the development of the underlying, but also on the creditworthiness of the issuer, which may vary over the term of the structured product

Tax Provisions:	
Swiss Federal Stamp Duty	Secondary market transactions are not subject to Swiss stamp duty.
Swiss Federal Income Tax	This product is classified as transparent, where the majority of the return of the bond part is in the form of a discount (IUP). Therefore, for private investors resident in Switzerland, the increase of the value of the bond part (calculated according to the "Modifizierte Differenzbesteuerung") at sale or maturity is subject to the Swiss Federal income tax.
Bondfloor	The present value of the bond part at issue is EUR 1,000 per unit. The value of the bond part at maturity will be EUR 1,043 (indicative) per unit.
Swiss Withholding Tax	This Security is not subject to the Swiss withholding tax
EU Savings Tax Directive	For Swiss paying agents, the interest part of the payment is subject to the EU savings tax (TK6)

Supervision:	
Merrill Lynch Capital Markets AG	Is a Swiss licensed bank, a securities dealer and a member of the Swiss Exchange and Virt-X. As a Swiss Bank it is regulated by the Swiss Federal

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	Banking Commission
Merrill Lynch International	Is Authorised and Regulated by the Financial Services Authority. Member of the London Stock Exchange
Merrill Lynch S.A. ("MLSA")	The Issuer is a Luxembourg limited company. The Issuer was incorporated on 18th December, 1991 as a société anonyme for an unlimited period. The Issuer complies with the Luxembourg corporate governance regime. MLSA is not a regulated or supervised entity.

Important Information for Swiss Investors:

The Securities are qualified as structured products, not as collective investment schemes in terms of the Swiss Federal Act on Collective Investment Schemes (CISA), and the Securities are neither subject to the approval nor to the supervision of the Swiss Federal Banking Commission.

The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of MLICO C.V and will rank equally with MLICO C.V.'s other direct, unsubordinated, unconditional and unsecured contractual obligations. However the Securities are subject to an unconditional and irrevocable guarantee from Merrill Lynch & Co. Inc. (ML&CO)

The insolvency of MLSA may lead to a partly or total loss of the invested capital.

The Securities are not issued or guaranteed by a bank.

The proceeds of these Securities will be used for general corporate purposes

Sales Restrictions:

United States. The Securities will not be registered for public sale in any jurisdiction and so will be available only in accordance with applicable, available, private offering rules. The security described herein is not for sale in the U.S. or to U.S. persons and this communication may not be distributed in the U.S.

Although a Prospectus (as defined in the EU Prospectus Directive 2003/71/EC ("Prospectus Directive")) has been prepared in connection with the Securities and approved by the competent authority in Switzerland, the Prospectus has not been notified to the competent authority of any European Economic Area ("EEA") member state and any purchaser of the Securities who subsequently sells any of their Securities in any such EEA member state must do so only in accordance with the requirements of the Prospectus Directive as implemented in such member state.

Re-Distribution:

In connection with the offer and sale of the Securities, the distributor will acquire the Securities from the Lead Manager at a discount to the issue price or at the issue price. If the distributor acquires the Securities at the issue price, the Lead Manager will pay to the distributor a distribution fee. Such amounts received by the distributor may be in addition to the brokerage cost/fee normally applied by the distributor. The purchaser acknowledges that such distribution fee may be retained by the distributor. Further information is available from the distributor on request.

Disclaimers:

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Index Disclaimers:

SMI

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The accuracy or completeness of the Dow Jones Euro Stoxx 50 SM Index and its data; and
The merchantability and the fitness for a particular purpose or use of the Dow Jones Euro Stoxx 50 SM Index and its data;
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