

**FINAL TERMS dated 4 January, 2007**

**MERRILL LYNCH S.A.**

**Issue of up to 200,000 Certificates relating to the CAC 40 Index (the "Index")**

**issued pursuant to the  
Merrill Lynch S.A.  
Certificate Programme**

**Unconditionally and irrevocably guaranteed by  
Merrill Lynch & Co., Inc. ("ML&Co")**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Information Memorandum dated 24th March, 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Information Memorandum. The Information Memorandum is available for viewing during normal business hours at the registered office of the Issuer and the specified offices of the Certificate Agents and copies may be obtained from Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ and on the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

References herein to numbered Conditions are to the terms and conditions of the Certificates and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms, save as where otherwise expressly provided.

1. Issuer: Merrill Lynch S.A.
2. Guarantor: Merrill Lynch & Co., Inc.
3. Type of Certificates: The Certificates are Index Certificates.
4. Averaging: Averaging does not apply to the Certificates.
5. Issue Date: The Issue Date of the Certificates is 6 February, 2007.
6. Exercise Date: The Exercise Date of the Certificates is 6 February, 2009, provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately succeeding Exercise Business Day.
7. Settlement Date: The Settlement Date for the Certificates is the 13 February, 2009, or, if such date is not a Business Day, the immediately succeeding Business Day.
8. Number of Certificates being issued: Issue of up to 200,000 Certificates.
9. Issue Price: The Issue Price per Certificate is Euro ("EUR") 100.

10. Exchange Business Day: Not applicable.
11. Business Day Centre(s): The applicable Business Day Centres for the purposes of the definition of "Business Day" in Condition 4 are London, Luxembourg and France.
12. Settlement: Settlement will be by way of cash payment ("Cash Settled Certificates").
13. Issuer's option to vary settlement: The Issuer does not have the option to vary settlement in respect of the Certificates.
14. Cash Settlement Amount: Condition 5(B) shall be deleted and the following substituted therefore:

"If the Certificates are Cash Settled Certificates, the Cash Settlement Amount, calculated and determined by the Calculation Agent, payable in respect of the Certificates will be in accordance with the following:

(i) If  $\frac{S(T)}{S(O)}$  is **greater than or equal to** 100% then:

$$N * [100\% + 200\% * \text{MIN}(\text{CAP}, \frac{S(T)}{S(O)} - 100\%)]$$

(ii) If  $\frac{S(T)}{S(O)}$  is **less than** 100% then:

$$N * \frac{S(T)}{S(O)}$$

*Where:*

**"Adjustment For Implied Volatility"** means the following:

$$(\text{Implied Volatility} - 16.75\%) * 100 * \text{Sensitivity B}$$

**"Adjustment For Interest Rate Swap"** means the following:

$$(\text{EIRS} - 4.01\%) * 100 * \text{Sensitivity A}$$

**"Cap"** means a percentage between 17% and 19%. The finalised percentage amount will be determined on the Reference Pricing Date and will be based on the Cap Reference and the Cap Formula.

**"Cap Formula"** means the following:

Cap = 18% + Adjustment For Implied Volatility + Adjustment For Interest Rate Swap

“**EIRS**” means the European Interest Rate Swap 2 years as published on Bloomberg on the Reference Pricing Date. The European Interest Rate Swap 2 years as at 21 December, 2006 was 4.01%;

“**Implied Volatility**” means the Implied Volatility of the Index on the Reference Pricing Date as calculated by the Calculation Agent. The Implied Volatility of the Index as at 21 December, 2006 was 16.75%;

“**Index**” means the CAC40<sup>®</sup> Index, which is a narrow-based, modified capitalization-weighted index of 40 companies listed on the Paris Bourse. The index was developed with a base level of 1,000 as of December 31, 1987. As of December 1, 2003 the index has become a free float weighted index;

“**Initial Valuation Date**” means 5 February, 2007;

“**N**” means the Issue Price;

“**Official Closing Level**” means the official closing level of the Index as quoted on Bloomberg page CAC<Index><Go>.

If an Official Closing Level is not published on the Bloomberg page referred to above, the Calculation Agent, may in its sole discretion, use a successor page/publication or alternative source as it considers appropriate;

“**Reference Pricing Date**” means 5 February 2007

“**Sensitivity A**” means 0.28%;

“**Sensitivity B**” means 0.46%;

“**S(O)**” means the Official Closing Level of the Index on the Initial Valuation Date;

“**S(T)**” means the Official Closing Level of the Index on the Exercise Date;

15. Settlement Currency: The Settlement Currency for the payment of the Cash Settlement Amount is EUR.
16. Calculation Agent: The Calculation Agent is Merrill Lynch International (the “Calculation Agent”).
17. Exchange(s): For the purposes of Condition 4 and Condition 15(A):
  - (a) the relevant Exchange means, in respect of each security comprising the Index, the exchange or quotation system on which such security has its

primary listing (for the avoidance of doubt, where such security has more than one listing, Exchange shall mean the exchange or quotation system used by the Sponsor with regards such security in constituting the Index).

(b) the relevant Index Sponsor is Euronext Paris S.A.

18. Related Exchange(s): All Exchanges.

#### **GENERAL**

19. Form of Certificates: Temporary Global Certificate exchangeable for a Permanent Global Certificate which is exchangeable for Definitive Certificates upon not less than 60 days' notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Certificate).

20. Special conditions or other modifications to the Terms and Conditions: Not applicable.

#### **DISTRIBUTION**

21. Syndication: Non-syndicated.

22. Total commission and concession: In connection with the distribution of the Certificates, each Distributor will receive a placing commission equal to a maximum of 1% of the Issue Price.

23. Additional selling restrictions: Not applicable.

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Certificates described herein pursuant to the Certificate Programme of Merrill Lynch S.A.

#### **RESPONSIBILITY**

Subject as provided below, the Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. The Issuer and the Guarantor accept responsibility for the accuracy of such extraction but accept no further or other responsibility in respect of such information.

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Signed on behalf of the Issuer:

By: \_\_\_\_\_  
*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1. LISTING**

- (i) Listing: France.
- (ii) Admission to trading: Application has been made for the Certificates to be admitted to trading on Eurolist by Euronext, Paris with effect from or about the Issue Date.

### **2. NOTIFICATION**

The CSSF has been requested to provide the competent authorities in France with a certificate of approval attesting that the Information Memorandum has been drawn up in accordance with the Prospectus Directive.

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the Manager(s), so far as the Issuer is aware, no person involved in the issue of the Certificates has an interest material to the offer.

### **4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- (i) Reasons for the offer: The Issuer intends to use the proceeds from each issue of the Certificates for general corporate purposes. A substantial portion of the proceeds may be used to hedge market risks with respect to the Certificates. If in respect of any particular issue of Certificates, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.
- (ii) Estimated net proceeds: On the basis of an issue of 200,000 certificates, the net proceeds would amount to 20,000,000 euros

### **5. OPERATIONAL INFORMATION**

- (i) ISIN Code: FR0010415323
- (ii) Common Code: 28072058

## 6. INFORMATION IN RESPECT OF PUBLIC OFFERS OF CERTIFICATES

The Certificates will be offered to the public (the “Offer”) in France in accordance with the arrangements listed below.

(i) Offer Period:	4 January, 2007 to 26 January, 2007 inclusive.
(ii) Arrangements for publication of final size of issue/offer:	The final amount will be published following the Offer Period and prior to the Issue Date in the La Tribune and the BALO in France;
(iii) Time period, including any possible amendments, during which the offer will be open:	<p>The Offer Period (as defined below) will begin at 8:00 am London time on the 4 January, 2007 and will expire at 14:00 pm London time on the 26 January, 2007.</p> <p>During the period (the "Offer Period") described above, investors can accept the offer during normal French banking hours.</p>
(iv) Description of the application process:	<p>The Certificates will be placed into France by means of a placement network composed of one or more distributors (each a “<b>Distributor</b>”) as managed and coordinated by Merrill Lynch International (the “<b>Manager</b>”). The Certificates will be placed into France without any underwriting commitment by the Distributors or by Merrill Lynch International during the Offer Period.</p> <p>During the Offer Period no undertakings have been made by third parties to guarantee the subscription of the Certificates.</p> <p>A prospective Certificate holder should contact the relevant Distributor in France prior to the end of the Offer Period. A prospective Certificate holder will subscribe for Certificates in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer or the Manager related to the subscription for the Certificates.</p> <p>For the avoidance of doubt, no dealings in the Certificates may take place prior to the Issue Date.</p>
(v) Details of the minimum/ maximum amount of application (whether in numbers of securities or aggregate amount to invest):	<p>There are no pre-identified allotment criteria. All of the Certificates requested by the Distributors during the Offer Period will be assigned until reaching the maximum amount of the offer destined to prospective Certificate holders (up to the amount of EUR 20,000,000). In the event that during the Offer Period the requests exceed the amount of the offer destined to prospective Certificate holders, equal to EUR 20,000,000, the Manager will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.</p> <p>Upon the close of the Offer Period in the event that, notwithstanding the above, more than the maximum amount of the</p>

	<p>Certificates are subscribed, the Manager will notify the Distributors as to the amount of their allotments. In such event, the Distributors will notify potential investors of the amount of the Certificates to be assigned. The Manager will adopt allotment criteria that ensure equal treatment of prospective investors.</p>
<p>(vi) Method and time limits for paying up the securities and for delivery of the securities:</p>	<p>The total payment of the Issue Price of the Certificates must occur on, 6 February, 2007 to the Distributors office having received the subscription.</p> <p>The Certificates will be delivered on the Issue Date through Merrill Lynch International and the Distributors, subsequent to payment of the Issue Price, to prospective Certificates holders in deposit accounts held, directly or indirectly, by the relevant Distributors at Euroclear and Clearstream, Luxembourg and Euroclear, France.</p>
<p>(vii) Full description of the manner and date in which results of the offer are to be made to public:</p>	<p>The Result of the Offer will be published following the Offer Period and prior to the Issue Date in the La Tribune and the BALO in France.</p>
<p>(viii) Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure:</p>	<p>The Certificates will be issued at the Issue Price (as defined in Item 9).</p>
<p>(ix) Process for notification to applicants of the amount of Certificates allotted and indication whether dealing may begin before notification is made:</p>	<p>Not applicable (as per Item 5(v) above)</p>
<p>(x) Details of any tranche(s) reserved for specific country:</p>	<p>Not applicable</p>
<p>(xi) Additional</p>	<p>Prospective investors should contact a Distributor for any further</p>

information applicable to the terms and conditions of the offer, if any:	information in connection with their prospective investment. For the avoidance of doubt, the Manager is not a Distributor.
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## APPENDIX A

### INFORMATION REGARDING THE INDEX

*The information contained in this Supplement relating to the Index consists of extracts from, or summaries of, information released publicly by the publishers of the Index. The Calculation Agent accepts responsibility for accurately reproducing such extracts or summaries, however, the Calculation Agent does not accept any further responsibility in respect of such information.*

*The Calculation Agent has not separately verified the information contained in this section. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Calculation Agent as to the accuracy or completeness of the information contained in this section. The Calculation Agent does not accept any liability in relation to the information contained in this Supplement.*

#### **Overview**

CAC40<sup>®</sup> Index, is a narrow-based, modified capitalization-weighted index of 40 companies listed on the Paris Bourse. The index was developed with a base level of 1,000 as of December 31, 1987. As of December 1, 2003 the index has become a free float weighted index.

#### ***Recent Share Closing Levels and Historical Levels:***

2003	3557.9	2403.04
2004	3844.14	3484.84
2005	4772.93	3816.14
January, 2006	4956.6	4748.32
February, 2006	5080.52	4895.08
March, 2006	5240.10	4969.51
April, 2006	5255.26	5085.11
May, 2006	5312.18	4813.5
June, 2006	4965.96	4615.44
July, 2006	5028.51	4734.54
August, 2006	5182.79	4948.23
September, 2006	5250.01	5058.31
October, 2006	5433.79	5219.79
November, 2006	5511.53	5306.24

The closing price of the Index on 20 December, 2006 was 5514.42.

## APPENDIX B

### **TAX TREATMENT OF THE CERTIFICATES IN FRANCE**

The Issuer being resident outside of France for tax purposes, no withholding tax shall apply in France to payments made by the Issuer under the Certificates. Prospective investors in the Certificates should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Certificates and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile. Neither Merrill Lynch SA nor the Guarantor is or shall be liable for or otherwise obliged to pay any tax, duty, withholding tax or other payment which may arise as a result of the ownership or transfer of any Certificate or of any payment made by Merrill Lynch SA thereunder.