

FINAL TERMS DATED 5 FEBRUARY 2007

MERRILL LYNCH S.A.

Issue of up to 200,000 Certificates relating to the Merrill Lynch Europe 1 Index and the Dow Jones STOXX 50 ReturnSM Index (the "Indices")

**under the Merrill Lynch S.A. Certificate Programme
unconditionally and irrevocably guaranteed as to payment and delivery obligations
of Merrill Lynch S.A. by
Merrill Lynch & Co., Inc.**

PART A – CONTRACTUAL TERMS

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 17th January, 2007 which constitute 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.

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. Consolidation: Not Applicable
4. Type of Certificates: The Certificates are Index Certificates.
5. Averaging: Averaging does not apply to the Certificates.
6. Issue Date: The issue date of the Certificates is 6 March 2007.
7. Exercise Date: The exercise date of the Certificates is 7 March 2011, provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately succeeding Exercise Business Day.
8. Settlement Date: The settlement date for the Certificates is 14 March 2011.
9. Number of Certificates being issued: The number of Certificates being issued is up to 200,000.
10. Issue Price: The issue price per Certificate is Euro ("EUR") 100.
11. Cash Settlement Amount: The Cash Settlement Amount in respect of each Certificate shall be payable in EUR and shall be calculated and determined by the Calculation Agent in accordance with the following formula:

Issue Price * [100% + MAX {0%; Spread_T - Strike}]

Where:

“**Index**” means, each of the following (together the “**Indices**”),

- (a) Merrill Lynch Europe 1 Index (“**MLEIERP1**”), a description of which is set forth in Appendix A to these Final Terms; and
- (b) Dow Jones STOXX 50 Return SM Index (“**STOXX 50 Return SM**”), which is a capitalization-weighted Index of 50 European blue-chip stocks. The equities use free float shares in the Index calculation. The Index was developed with a base value of 1000 as of December 31, 1991. This Index uses free float shares. A further description of the Index is set forth in Appendix A to these Final Terms.

“**MLEIERP1_T**” means the Official Closing Level of the MLEIERP1 on the Exercise Date;

“**MLEIERP1₀**” means the Official Closing Level of the MLEIERP1 on the Reference Pricing Date;

“**Official Closing Level**” means, the official closing level of an Index as quoted on the following Bloomberg page:

- (a) MLEIERP1<Index><Go> for MLEIERP1; and
- (b) SX5R<Index><Go> for STOXX 50 Return SM.

If an Official Closing Level is not published on the relevant 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 the 5 March, 2007;

“**Spread_T**” means the following:

$$Spread_T = \frac{MLEIERP1_T}{MLEIERP1_0} - \frac{SX5R_T}{SX5R_0}$$

“**Strike**” means 0%;

“**SX5R_T**” means the Official Closing Level of the STOXX 50 Return SM on the Exercise Date;

“**SX5R₀**” means the Official Closing Level of the STOXX 50 Return SM on the Reference Pricing Date;

- 12. Exchange Business Day: Not Applicable.
- 13. Business Day Centre(s): The applicable Business Day Centres for the purposes of the definition of "Business Day" in Condition 4 is London.
- 14. Settlement: Settlement will be by way of cash payment ("Cash Settled

Certificates").

15. Issuer's option to vary settlement: The Issuer does not have the option to vary settlement in respect of the Certificates.
16. Settlement Currency: The settlement currency for the payment of the Cash Settlement Amount is EUR.
17. Name and address of Calculation Agent: The Calculation Agent is Merrill Lynch International.
Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ
18. Exchange(s): For the purposes of Condition 4 and Condition 15(A), the relevant Exchange means, as applicable:
- (i) where the relevant Index is the MLEIERP1, in respect of each security comprising the MLEIERP1, the exchange or quotation system on which such security is listed (for the avoidance of doubt, where such security has more than one listing, Exchange shall mean the exchange or quotation system used by the MLEIERP1 Sponsor when calculating the MLEIERP1) any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising the MLEIERP1 has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising the MLEIERP1 on such temporary substitute exchange or quotation system as on the original Exchange); or
 - (ii) where the relevant Index is the STOXX 50 ReturnSM, each stock exchange or trading system on which any component security comprised in the STOXX 50 ReturnSM (each a "**Component Security**") is, in the determination of the Calculation Agent, principally traded.

Related Exchange(s):

For the purposes of Condition 4 and Condition 15(A), the Related Exchange means, in respect of an Index, each exchange or quotation system on which options contracts and futures contracts relating to an Index are traded, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

GENERAL

19. Form of Certificates: The Certificates are to be issued into and transferred through Euroclear France.
Euroclear/CBL Temporary Global Certificate exchangeable

for a Euroclear/CBL Permanent Global Certificate which is exchangeable for Definitive Certificates upon not less than 60 days' notice from Euroclear France, as applicable, (acting on the instructions of any holder of an interest in such Euroclear/CBL Permanent Global Certificate).

20. Other Final Terms:

Condition 4 and Condition 15 shall be amended and where applicable supplemented with the following:

“Additional Disruption Event” means, in respect of the MLEIERP1, any of Change of Law, Hedging Disruption and Increased Cost of Hedging.

“**Component Asset**” means any security comprised within the MLEIERP1 from time to time.

“**Component Asset Issuer**” means the issuer or obligor of any Component Asset.

“**Cut-Off Date**” means 12 March, 2011;

“**Disrupted Day**” means, (i) in relation to the MLEIERP1, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred, or (ii) in relation to the STOXX 50 ReturnSM, any Scheduled Trading Day on which (a) the STOXX 50 ReturnSM Sponsor fails to publish the level of the STOXX 50 ReturnSM, (b) any Related Exchange fails to open for trading during its regular trading session.

“**Exchange Business Day**” means, (i) in respect of the MLEIERP1, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (ii) in respect of the STOXX 50 ReturnSM, any Scheduled Trading Day on which (a) the STOXX 50 ReturnSM Sponsor publishes the level of the STOXX 50 ReturnSM and (b) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Fair Market Value**” means the fair market value of a Certificate of the specified denomination, taking into account any Additional Disruption Event less the cost to the Company and/or any of its affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion.

“**Hedging Disruption**” means that the Company and/or any of its affiliates or agents acting on its behalf is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company

issuing and performing its obligations with respect to the Certificates, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Company and/or any of its affiliates or agents acting on its behalf would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Certificates, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s); *provided that* any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Company and/or any of its Affiliates or agents acting on its behalf shall not be deemed an Increased Cost of Hedging.

“Market Disruption Event” means,

- (i) in respect of the MLEIERP1:
 - (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (x) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the MLEIERP1; or
 - (B) in options contracts or futures contracts on the MLEIERP1 on any Related Exchange,
 - (y) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities that comprise 20 per cent. or more of the level of the MLEIERP1, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the MLEIERP1 on any Related Exchange; or
 - (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the MLEIERP1 or any Related Exchange(s) prior to its

Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material; or

(ii) in respect of the STOXX 50 ReturnSM and a Component Security included in the STOXX 50 ReturnSM either (a) or (b) below, where:

(a) the occurrence or existence, in respect of any Component Security, of:

(x) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

(y) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

(z) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material;

AND

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the STOXX 50 ReturnSM; or

(b) the occurrence or existence, in respect of futures or options contracts relating to the STOXX 50 ReturnSM of: (x) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange, (y) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (z) an Early Closure, in each case in

respect of such futures or options contracts and which the Calculation Agent determines is material.

As used in this sub-paragraph (ii):

“Early Closure” means, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

“Exchange Disruption” means, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for any Component Security, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to STOXX 50 ReturnSM on any relevant Related Exchange.

“Trading Disruption” means, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the STOXX 50 ReturnSM on any Related Exchange.

For the purpose of determining whether a Market Disruption Event exists in relation to each Index or in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in an Index or such Component Security, as the case may be, at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of the relevant Index shall be based on a comparison of (i) the portion of the level of the relevant Index attributable to that security or Component Security, as the case may be, and (ii) the overall level of the relevant Index, in each case either (a) in respect of the MLEIERP1 immediately before the occurrence of such Market Disruption Event or (b) in respect of the STOXX 50 ReturnSM, using the official opening weightings as published by the STOXX 50

ReturnSM Sponsor as part of the market "opening data".

“Merger Date” means, in respect of the MLEIERP1, the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as may be determined by the Calculation Agent.

"Merger Event" means, in respect of any relevant Component Asset, any:

- (a) reclassification or change of such Component Asset that results in a transfer of or an irrevocable commitment to transfer all of such Component Assets outstanding to another entity or person or;
- (b) consolidation, amalgamation, merger or binding share exchange of the Component Asset Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Component Asset Issuer is the continuing entity and which does not result in any such reclassification or change of all such Component Assets ; or
- (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Component Assets of the relevant Component Asset Issuer that results in a transfer of or an irrevocable commitment to transfer all such Component Assets (other than such Component Assets owned or controlled by such other entity or person); or
- (d) consolidation, amalgamation, merger or binding share exchange of the Component Asset Issuer or its subsidiaries with or into another entity in which the Component Asset Issuer is the continuing entity and which does not result in a reclassification or change of all such Component Assets outstanding but results in the outstanding Component Assets (other than Component Assets owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Component Assets immediately following such event, in each case if the Merger Date is on or before the Final Observation Date.

“Potential Adjustment Event” means, with respect to any Component Asset, any of the following:

- (a) a subdivision, consolidation or reclassification of the relevant Component Asset (unless a Merger Event), or a free distribution or dividend of any such Component Asset to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution or dividend to existing holders of the Component Asset of (i) such Component Assets or (ii) other share capital or securities granting the right to

payment of dividends and/or the proceeds of liquidation of the Component Asset Issuer equally or proportionately with such payments to holders of such Component Assets or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Component Asset Issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;

- (c) an extraordinary dividend;
- (d) a call by the Component Asset Issuer in respect of any relevant Component Asset issued by it that is not fully paid;
- (e) a repurchase by the relevant Component Asset Issuer, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the relevant Component Asset Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Component Asset Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent; *provided that* any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other similar event that, in the sole opinion of the Calculation Agent, may have a diluting, concentrative or other effect on the theoretical value of the relevant Component Asset.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Observation Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

“Scheduled Trading Day” means, any day on which both (i) in relation to the MLEIERP1, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions, and (ii) in relation to the STOXX 50 ReturnSM, (a) any day on which the STOXX 50 ReturnSM Sponsor is

scheduled to publish the level of the STOXX 50 ReturnSM, and (b) each Related Exchange is scheduled to be open for trading for its regular trading session.

“**Sponsor**” means, the Sponsor for each Index as follows:

(a) in respect of MLEIERP1, Merrill Lynch International;
and

(b) in respect of STOXX 50 ReturnSM, STOXX LIMITED.

“**Valuation Time**” means, (i) in relation to the MLEIERP1, in respect of a security included in the MLEIERP1 the Scheduled Closing Time on the relevant Exchange on the Valuation Date, or (ii) in relation to the STOXX 50 ReturnSM (a) for the purposes of determining whether a Market Disruption Event has occurred: (1) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange, and (2) in respect of any options contracts or futures contracts on the STOXX 50 ReturnSM, the close of trading on the relevant Related Exchange, and (b) in all other circumstances, the time at which the Official Closing Level of the STOXX 50 ReturnSM is calculated and published by the STOXXSM Sponsor. If, for the purposes of (i) and (ii)(a) above, the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time.

21. Adjustment to an Index:

If an Index is (i) not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then in each case that index (the “Successor Index”) will be deemed to be the Index.

If (i) on or prior to the Valuation Date, the Sponsor announces that it will make a material change in the formula for or the method of calculating an Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalisation and other routine events) (an “Index Modification”), or permanently cancels the Index and no Successor Index exists (an “Index Cancellation”), or (ii) on the Valuation Date the Sponsor fails to calculate and announce an Index (an “Index Disruption” and, together with an Index Modification and an Index Cancellation, each an “Index Adjustment Event”), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the value of the Certificates and, if so, shall calculate the level for that Index, using in lieu of a published level for such Index, the level for such Index as at the Valuation Time on such Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating such Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised such Index immediately prior to that Index Adjustment Event.

If the level of an Index in relation to the Valuation Date used or to be used by the Calculation Agent to determine the Final Redemption Amount is subsequently corrected and such correction is published by the Sponsor no later than the second Business Day prior to the Maturity Date and in any such case the Calculation Agent has notified the Issuer within that time, then the level of such Index for that Valuation Date shall be the level of that Index as so corrected.

22. Potential Adjustment Events:
- (a) Following each Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the MLEIERP1 and, if so, will (i) make the corresponding adjustment, if any, to any terms of the Certificates as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and (ii) determine the effective date of that adjustment. The Calculation Agent may, but shall not be obliged to, determine the appropriate adjustment by reference to that adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Component Asset traded on that options exchange.
 - (b) The Calculation Agent shall as soon as is reasonably practicable under the circumstances notify the Company and the Principal Paying Agent of the existence of a Potential Adjustment Event.

23. Additional Disruption Events:
- (a) If an Additional Disruption Event occurs, the Company in its sole and absolute discretion may either:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Certificates to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) redeem the Certificates in full (but not in part only) at their Fair Market Value by giving notice to Certificate holders in accordance with Condition 10 (Notices).

Payments will be made in such manner as shall be notified to the Certificate holders in accordance with Condition 10 (Notices).

- (b) Upon the occurrence of an Additional Disruption Event, the Company shall give notice as soon as practicable to the Certificate holders in accordance with Condition 10 (Notices) stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

DISTRIBUTION

24. Syndication:
- | | |
|--|--|
| If syndicated, names and addresses of Managers and underwriting commitments: | The Certificates will be distributed on a non-syndicated basis. |
| If non-syndicated, name and address of Manager (if not MLI): | Not Applicable |
| Total commission and concession: | In connection with the distribution of the Certificates, each Distributor will receive a placing commission equal to a maximum of 2% of the Issue Price. |
25. 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 information relating to the Index contained herein has been accurately extracted from Bloomberg. 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.]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (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 AND AUTHORISATION

The Issuer and the Guarantor have authorised the use of these Final Terms and the Information Memorandum dated 17th January, 2007 by the Manager and Fortunéo (26 avenue des Champs Elysées – 75008 Paris, France) and Cortal Consors (24 rue des deux Gares – 92855 Rueil Malmaison Cedex, France) (the "Distributors" and, together with the Manager, the "Financial Intermediaries") in connection with offers of the Certificates to the public in France for the period set out in paragraph 8 below.

The CSSF has provided the AMF with a certificate of approval attesting that the Prospectus 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 net proceeds from each issue of Certificates for general corporate purposes. A substantial portion of the proceeds may be used to hedge market risks with respect to the Certificates.
- (ii) Estimated net proceeds: EUR 20,000,000

6. HISTORIC INTEREST RATES

Not Applicable

7. PERFORMANCE OF INDEX, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX

Please refer to Appendix A.

8. PUBLIC OFFERS

Offer Period:	5 February 2007 to 23 February 2007 inclusive.
Offer Price:	The Issuer has offered the Certificates to the Manager at the initial issue price of 100.
Conditions to which the offer is subject:	Offers of the Certificates are conditional on their issue. The Issuer reserves the right not to issue the Certificates.

<p>The time period, including any possible amendments, during which the offer will be open and description of the application process:</p>	<p>The Offer Period (as defined below) will begin at 8:00 am London time on the 5 February, 2007 and will expire at 14:00 pm London time on the 23 February, 2007.</p> <p>During the period (the "Offer Period") described above, investors can accept the offer during normal French banking hours.</p> <p>The Certificates will be placed into France by means of a placement network composed of one or more distributors (each a "Distributor") as managed and coordinated by Merrill Lynch International (the "Manager"). 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>
<p>Details of the minimum and/or maximum amount of application:</p>	<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 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</p>

	treatment of prospective investors.
Details of the method and time limits for paying up and delivering the Certificates:	Investors will be notified by the relevant Financial Intermediary of their allocations of Certificates and the settlement arrangements in respect thereof. The Certificates will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.
Manner and date in which results of the offer are to be made public:	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.
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	Not Applicable
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	As per Appendix C.

7. OPERATIONAL INFORMATION

- (i) ISIN Code: FR0010429613
- (ii) Common Code: 28449801
- (iii) Clearing System(s): Euroclear France.
The Global Certificate will be deposited with Euroclear France.
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme*, Clearstream Banking AG, Frankfurt am Main and the relevant identification number(s): Not Applicable

APPENDIX A

INFORMATION REGARDING THE MLEIERP1 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.

1. GENERAL DESCRIPTION

The Index is intended to reflect the price return performance of a changing selection of stocks, reflecting the current constituents of the Merrill Lynch Europe 1 Index selected and published by Merrill Lynch Research, a division of the Index Sponsor, in the Europe 1 Research Report. The value of the Index shall always be rounded to the two nearest decimals (0.005 being rounded up) and shall be expressed as an amount in euro.

The Index does not reflect a reinvestment of dividend payments made in respect of the Index Securities, unless the Index Sponsor decides otherwise in its sole and absolute discretion. If this occurs with respect to an Index Security, then the respective Weight (as defined below) will be adjusted, as determined by the Index Sponsor in its sole discretion, to reflect the net payment of the dividend.

There is no guarantee that Merrill Lynch Research will continue to publish the Europe 1 Research Report and Merrill Lynch Research gives no representation or assurance, and is under no obligation or commitment, to provide such Research at any point in the future. In the event of a discontinuation of the publication of the Europe 1 Research Report, the constituents of the Index may either remain static, i.e., no rebalancing (see "Rebalancing the Index") takes place, or a successor publication may be chosen by the Index Sponsor in its sole and absolute discretion

The level of the Index will be available on Bloomberg MLEIERP1 <Index> or any successor financial information service as determined by the Index Sponsor in its sole and absolute discretion.

2. SELECTION OF INDEX SECURITIES

2.1 Selection Pool

"**Selection Pool Securities**" are stocks of European companies that are covered by the Merrill Lynch Research Department, have a "buy" recommendation, and will be determined by the Index Sponsor in its sole and absolute discretion. They will have a minimum market capitalisation of 1 Billion, calculated by multiplying the number of outstanding shares by the latest Closing Price on the day prior to the day of announcement of the inclusion of such stock into the Index. For such purposes, "**European**" means, companies from developed European countries and EU accession states. As of August 25, 2005 such states are: Austria, Belgium, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey and the United Kingdom. This selection may expand or change over time.

The Index Sponsor shall determine the Selection Pool Securities that will comprise the Index at any time and from time to time. Such securities shall be the "**Index Securities**" and each an "**Index Security**".

The Index Securities comprising the Index and their respective Weights as of 8 November, 2006 are as follows:

Ticker	SEDOL Code	Company Name	Currency	Weight
XTA LN Equity	3141100	XSTRATA PLC	POUND STERLING	3.72%
CRDA LN Equity	0233527	CRODA INTERNATIONAL PLC	POUND STERLING	3.68%
REE SM Equity	5723777	RED ELECTRICA DE ESPANA	EURO	3.63%
ML FP Equity	4588364	MICHELIN (CGDE)-B	EURO	3.86%
POG LN Equity	3154454	PETER HAMBRO MINING PLC	POUND STERLING	3.69%
LXS GY Equity	B05M8B7	LANXESS	EURO	3.66%
NOVN VX Equity	7103065	NOVARTIS AG-REG	SWISS FRANC	3.79%
FRE3 GY Equity	4568946	FRESENIUS AG-PFD	EURO	3.79%
AKZA NA Equity	5458314	AKZO NOBEL	EURO	3.32%
AKVER NO Equity	B00K980	AKER KVAERNER	Norwegian Krone	4.07%
VED LN Equity	3327706	VEDANTA RESOURCES PLC	POUND STERLING	3.85%
ELI1V FH Equity	5701513	ELISA OYJ	EURO	4.05%
MOL HB Equity	4742494	MOL HUNGARIAN OIL AND GAS NY	Hungarian Forit	3.73%
STM FP Equity	5962332	STMICROELECTRONICS NV	EURO	3.53%
DNX LN Equity	3325205	DANA PETROLEUM PLC	POUND STERLING	3.52%
ABBN VX Equity	7108899	ABB LTD-REG	SWISS FRANC	3.82%
BLND LN Equity	0136701	BRITISH LAND CO PLC	POUND STERLING	3.87%
III LN Equity	B16PV02	3I GROUP PLC	POUND STERLING	3.59%
BN FP Equity	B018SX1	GROUPE DANONE	EURO	3.76%
PUB LN Equity	3155286	PUNCH TAVERNS PLC	POUND STERLING	3.68%
SPW LN Equity	B125RK8	SCOTTISH POWER PLC	POUND STERLING	3.50%
ZURN VX Equity	5983816	ZURICH FINANCIAL SERVICE-REG	SWISS FRANC	3.57%
BBVA SM Equity	5501906	BANCO BILBAO VIZCAYA ARGENTA	EURO	3.62%
BARC LN Equity	3134865	BARCLAYS PLC	POUND STERLING	3.60%
DBK GY Equity	5750355	DEUTSCHE BANK AG- REGISTERED	EURO	3.67%
CPW LN Equity	0878702	CARPHONE WAREHOUSE GROUP	POUND STERLING	3.50%
FER SM Equity	5678822	GRUPO FERROVIAL	EURO	3.91%
			Total:	100.00

2.2 Inclusion of Index Securities in the Index

On any Index Business Day, the Index Sponsor may elect to include Selection Pool Securities in the Index as of the corresponding Roll-Over Date(s), at its sole and absolute discretion. Selection Pool Securities that are selected for inclusion in the Index shall be the "**New Index Securities**". Once selected, such Selection Pool Securities may form part of the Index for a maximum period of twelve (12) months.

Upon the inclusion of any New Index Securities in the Index, the Index will be rebalanced as set out in section 3.2 (*Rebalancing the Index*) below.

2.3 Exclusion of Index Securities from the Index

On any Index Business Day, the Index Sponsor may select Index Securities to be excluded from the Index as of the corresponding Roll-Over Date, if

- (a) such Index Security is no longer "buy"-rated by Merrill Lynch Research; or
- (b) such Index Security is under review, meaning that Merrill Lynch Research no longer has a formal view on the stock; or
- (c) such Index Security has formed part of the Index for at least twelve (12) months; and
- (d) the Index Sponsor decides to remove it in its sole and absolute discretion,

each such excluded Index Security being an "**Excluded Index Security**".

Upon the exclusion of any Excluded Index Security from the Index, the Index may be rebalanced as set out under section 3.2 (*Rebalancing the Index*) below.

The Index shall at no point contain less than fifteen (15) Index Securities nor more than thirty (30) Index Securities, save as otherwise may be required as described in section 4 (*Index Calculation in case of Market Disruption Event*).

3. CALCULATION AND REBALANCING OF THE INDEX

3.1 Index Calculation

The Index Sponsor will calculate and report on Bloomberg page MLEIERP1 <Index> (or any successor page at its sole and absolute discretion) the Daily Index Closing Value of the Index on such Index Calculation Day.

3.2 Rebalancing the Index

On any Roll-over Date on which New Index Securities are added and/or Excluded Index Securities are removed, the Index Sponsor, in its sole and absolute discretion, may, but shall not be obliged to, adjust the composition of the Index to: (a) include the New Index Securities and/or exclude the Excluded Index Securities; and (b) adjust the Weight of some or all of the Index Components.

On any Roll-Over Date, to the extent that the Index Sponsor elects to make an adjustment to the composition of the Index, the Weight for each Index Component shall be calculated as the Allocated Amount divided by the Closing Price of such Index Component on that Roll-Over Date.

It is possible that such an adjustment of the Index may take place over more than one Index Business Day, if such a day is not also an Index Calculation Day. As a result of such adjustment, the Index may also contain cash balances instead of Index Securities until the next Index Calculation Day, if an Index Security has been excluded but the relevant adjustments can not be concluded on such Index Business Day.

4. INDEX CALCULATION IN CASE OF A MARKET DISRUPTION EVENT

If on any Index Calculation Day, there is a Market Disruption Event, the Index Sponsor shall calculate the Daily Index Closing Value for that Index Calculation Day, using the value of the Index Security or Index Securities so affected by such Market Disruption Event which the Index Sponsor shall in its sole and absolute discretion calculate, having regard to then prevailing market conditions, the last reported trading price of such Index Security or Index Securities and such other conditions that the Index Sponsor, in its sole and absolute discretion, determines relevant on the valuation of the Index Security or the Index Securities.

The adjustments referred to in this section 4 do not cover all events that may affect the theoretical value of the Index. Accordingly, the Index Sponsor may, at its sole and absolute discretion, and where it considers it appropriate to reflect such changes, make additional adjustments to the Weights, as applicable, the number and kind of Index Securities comprising the Index and/or the Closing Price of an Index Security to reflect changes occurring in relation to such Index Security or the Index.

5. INDEX SPONSOR

The Index Sponsor will employ the methodology described above and its determinations in the application of such methodology shall be final, except in the case of manifest error. While the Index Sponsor currently employs the above described methodology to calculate the Index, no assurance can be given that market, regulatory, juridical or fiscal circumstances will not arise that would, in the view of the Index Sponsor, necessitate a modification or change of such methodology.

In addition, the Index Sponsor may modify the Index without the consent of any person for the purposes of curing any ambiguity or correcting or supplementing any provision contained herein or replacing any information provider or information source named herein or any previous replacement information provider or source. The Index Sponsor has no responsibility or obligation to inform any person (including holders of the Certificates) about such modification, change or replacement. The Index Sponsor will make reasonable efforts to assure that such modifications, changes and replacements will result in a methodology that is consistent with the methodology described above.

6. CERTAIN DEFINITIONS RELATING TO THE INDEX

The following terms have the following meanings for the purposes of this Schedule 2 (*Information Regarding the Index*) only:

"Allocated Amount" means an amount equal to the Daily Index Closing Value on the relevant Roll-Over Date divided by the number of Index Components on such Roll-Over Date;

"Closing Price" means in respect of each Index Security, the official closing price of such Index Security on the applicable Exchange at the Valuation Time on the Index Calculation Day for such Index Security, as reported by such Exchange, converted (where applicable) into euro using the relevant Exchange Rate;

"Daily Index Closing Value" means, in respect of each Index Calculation Day, the value of the Index as calculated and reported by the Index Sponsor in respect of such Index Calculation Day, which shall be equal to the aggregate figure resulting from the sum of all products of (a) the Weight for each Index Security and (b) the Closing Price of each Index Security, adjusted by the Exchange Rate;

"Exchange" means, in respect of each Index Security (which includes New Index Securities if in relation to a Roll-Over Date) comprising the Index, any stock exchange on which that Index Security is traded and/or any successor stock exchange or trading system on which that Index Security is traded. In the event that an Index Security is listed on more than one exchange or quotation system, the Index Sponsor shall in its sole and absolute discretion select an exchange or quotation system;

"Exchange Business Day" means any day upon which all the relevant Exchanges and Related Exchanges are open for trading during their respective regular trading sessions notwithstanding such Exchanges or Related Exchanges closing prior to their scheduled weekday closing time;

"Exchange Disruption" means any event that disrupts or impairs (as determined by the Index Sponsor in its sole and absolute discretion) the ability of market participants in general (i) to effect transactions in, or obtain market values for any Index Securities, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange;

"Exchange Rate" for any Index Calculation Day means the most recently reported exchange rate for the relevant currency in which the price of the stock is quoted compared to the euro, as reported by Bloomberg or any substitute information provider selected by the Index Sponsor in its sole and absolute discretion. If such Exchange Rate is not so reported on an Exchange Business Day, the Index Sponsor shall, in its sole and absolute discretion, determine the Exchange Rate having regard to then prevailing market conditions, the last published exchange rate and such other conditions that the Index Sponsor determines relevant in determining such Exchange Rate. The Index Sponsor shall not be obliged to monitor or review such actual rates of exchange or to make any such determination in any circumstances;

"Index" means the Merrill Lynch Europe 1 Index (Bloomberg: MLEIERP1 <Index>);

"Index Business Day" means a day (other than a Saturday and Sunday) on which commercial banks and foreign exchange houses are open for business in London;

"Index Calculation Day" means a day which is (a) an Index Business Day and (b) an Exchange Business Day;

"**Index Components**" means the Index Securities as of the relevant Roll-over Date, excluding the Excluded Index Securities and including the New Index Securities as of such Roll-over Date;

"**Market Disruption Event**" means, in respect of the Index the occurrence or existence of (a) a trading disruption or (b) an Exchange Disruption, which in either case the Index Sponsor determines is material, at any time during the one hour period that ends at the relevant Valuation Time. Whether a Market Disruption Event exists at any time will be determined by the Index Sponsor in his sole and absolute discretion;

"**Related Exchange**" means, in respect of an Index Security, each exchange, quotation or market system on which options contracts and futures contracts relating to such Index Security are traded, any successor to such exchange, quotation or market system or any substitute exchange, quotation or market system to which trading in futures or options contracts relating to the Index has temporarily relocated; *provided that* the Index Sponsor has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index Security on such temporary substitute exchange, quotation or market system as on the original Related Exchange;

"**Roll-Over Date**" shall be any Index Business Day, as determined by the Index Sponsor in its sole and absolute discretion. Adjustments to the Index may take place over more than one Index Business Day if an inclusion or exclusion takes place on an Index Business Day which is not also an Index Calculation Day;

"**Valuation Time**" means, in respect of an Index Security, the close of trading on the relevant Exchange; and

"**Weight**" shall mean the number of Index Securities, and portions of each Index Security, contained in the Index, rounded to the nearest one hundred millionth;

7. HISTORIC INDEX LEVELS

Recent Share Closing Levels and Historical Levels:

Period	High	Low
2003	98.4	60.19
2004	118.92	98.4
2005	172.86	119.00
January, 2006	182.41	172.30
February, 2006	193.43	181.64
March, 2006	200.28	184.00
April, 2006	210.16	200.68
May, 2006	214.02	181.14
June, 2006	193.87	175.49
July, 2006	197.25	186.09
August, 2006	203.86	192.01
September, 2006	206.39	197.84
October, 2006	215.29	202.90
November, 2006	223.53	215.09
December, 2006	228.95	215.62

The Daily Index Closing Value of the MLEIERP1 Index on 30 January, 2007 was 227.94.

INFORMATION REGARDING THE DJ STOXX 50 RETURNSM 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.

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1. GENERAL DESCRIPTION

The Dow Jones STOXX 50 Return (Total Return) Index is a capitalization-weighted index of 50 European blue-chip stocks. The equities use free float shares in the index calculation. The index was developed with a base value of 1000 as of December 31st 1991. This index uses float shares.

Recent and Historical levels of the Index

	<i>High</i>	<i>Low</i>
2003	3640.09	2553.40
2004	3929.72	3556.04
2005	4874.52	3883.75
January, 2006	5001.70	4810.64
February, 2006	5104.20	4933.19
March, 2006	5169.24	5006.24
April, 2006	5222.02	5095.91
May, 2006	5268.07	4821.48
June, 2006	5003.69	4718.49
July, 2006	5117.15	4832.16
August, 2006	5239.32	5033.66
September, 2006	5283.84	5105.49
October, 2006	5521.05	5231.69
November, 2006	5549.88	5342.35
December, 2006	5554.88	5300.93

The level of the DJ STOXX 50 Return Index on 30 January, 2007 was 5632.54.

APPENDIX B

MLEIERP1 Index disclaimer

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APPENDIX C

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.