FINAL TERMS dated 5 March, 2007

MERRILL LYNCH S.A.

Up to EUR100,000 Certificates linked to a Commodity Index (the "Certificates")

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, as amended and supplemented from time, 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.

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 Commodity Index Certificates.
4.	Averaging:	Averaging does not apply to the Certificates.
5.	Issue Date:	The issue date of the Certificates is 3 April, 2007.
6.	Exercise Date:	The exercise date of the Certificates is 6 April, 2010, 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 13 April, 2010.
8.	Number of Certificates being issued:	The number of Certificates being issued is up to 100,000.
9.	Issue Price:	The issue price per Certificate is EUR100.
10.	Cash Settlement Amount:	Provided there has been no Early Exercise Event on or prior to the Exercise Date as set out below in Item 22, 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:

(a) if a Barrier Event has occurred:

Issue Price * $\frac{S_{final}}{S_0}$,

(b) otherwise,

Issue Price * 100%

where:

"**Barrier Event**" means at any time on any Commodity Business Day during the Observation Period the Calculation Agent determines that Performance is less than the Barrier.

"**Barrier**" means 75%.

"$\mathbf{S_{final}}$" means the closing level of the Commodity Index as published on the Price Source and determined by the Calculation Agent on the Final Valuation Date, provided that if a Market Disruption Event has occurred and is continuing with respect to the Commodity Index up to and including the Cut off Date, the Calculation Agent shall, in its sole and absolute discretion and on an arms length basis, determine S_{final} (or a method for determining S_{final}) of the Commodity Index taking into consideration such factors as the Calculation Agent, acting in good faith, deems relevant.

"$\mathbf{S_0}$" means the closing level of the Commodity Index as published on the Price Source and determined by the Calculation Agent on the Initial Valuation Date provided that if a Market Disruption Event has occurred and is continuing with respect to the Commodity Index up to and including the Initial Cut off Date, the Calculation Agent shall, in its sole and absolute discretion and on an arms length basis, determine S_0 (or a method for determining S_0) of the Commodity Index taking into consideration such factors as the Calculation Agent, acting in good faith, deems relevant.

"**Commodity Business Day**" means a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding the relevant Exchange closing prior to its scheduled closing time.

"**Observation Period**" means each Commodity Business Day from and including 3 April 2007 to and including 6 April 2010.

"**Performance**" means $\frac{S_{anyday}}{S_0}$

"**Final Valuation Date**" means 6 April 2010, or if such day is not a Commodity Business Day the next following Commodity Business Day.

"**Initial Valuation Date**" means 2 April 2007, or if such day is not a Commodity Business Day the next following Commodity Business Day.

"**Market Disruption Event**" means, subject to the "Adjustments and Corrections to the Commodity Index" provision in Item 22 below, any of Price Source Disruption, Trading Disruption, Disappearance of the Commodity Index components or Commodity Index, Material Change in Formula or Material Change in Content, each as determined by the Calculation Agent, and for this purpose:

(i) "***Price Source Disruption***" means (A) the failure of the Price Source to publish or announce S_{final} or S_{anyday} (or the information necessary for determining the S_{final} or S_{anyday}) or (B) the temporary or permanent discontinuance or unavailability of a Price Source;

(ii) "***Trading Disruption***" means the material suspension of, or the material limitation imposed on, trading in each of the Commodity Index components or in any additional futures contract, options contract or commodity in connection with the Commodity Index components. For these purposes, (a) a suspension of the trading in each of the Commodity Index components on any Commodity Business Day shall be deemed to be material only if (i) all trading in the each of the Commodity Index components is suspended for the entire relevant day on which the Calculation Agent need to make a determination; or (ii) all trading in each of the Commodity Index components is suspended subsequent to the opening of trading on the relevant day on which the Calculation Agent need to make a determination, trading does not recommence prior to the regularly scheduled close of trading in each of the Commodity Index components on such day and such suspension is announced less than one hour preceding its commencement; and (b) a limitation of trading in each of the Commodity Index components on any Commodity Business Day shall be deemed to be material only if the Sponsor of the Commodity Index establishes limits on the range within which the return of the Commodity Index may fluctuate and the closing level of the Commodity Index on such day is at the upper or lower limit of that range;

(iii) "***Disappearance of the Commodity Index components or Commodity Index***" means (a) the permanent discontinuation of trading in each of the Commodity Index components; (b) the disappearance of, or of trading in, each of the Commodity Index components; or (c) the disappearance or permanent discontinuance or unavailability of the Commodity Index, notwithstanding the availability of the related Price Source or the status of trading in each of the

Commodity Index components;

(iv) “***Material Change in Formula***” means the occurrence of a material change in the formula for or method of calculating the Commodity Index; and

(v) “***Material Change in Content***” means the occurrence since the Issue Date of the Certificates of a material change in the content, composition or constitution of the Commodity Index.

“**Cut off Date**” means 10 April 2010.

“**Initial Cut off Date**” means 11 April 2007.

“**Exchange**” means in respect of each Commodity Index component, the exchange or quotation system on which such Commodity Index component is listed and which is used by the Sponsor for the purposes of calculating the Commodity Index, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Commodity Index component has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Commodity Index component on such temporary substitute exchange or quotation system as on the original Exchange).

“**Commodity Index**” means Merrill Lynch Commodity Index Extra (WTI Crude Oil) Excess Return (“**MLCXCLER Index**”), as described in Appendix A – (*Information regarding the Commodity Index*)

“$\mathbf{S_{anyday}}$” means the closing level of the Commodity Index as published on the Price Source and determined by the Calculation Agent on any day on which the Calculation Agent is making the determination of Performance.

“**Price Source**” means Bloomberg Page MLCXCLER <Index><Go> (or any successor page or service).

In the event that the Price Source (or such successor page or service) is not available at such time, or no such rate appears at such time on any of such pages, on the relevant date, then S_{final} or S_{anyday} shall be determined by the Calculation Agent in its sole and absolute discretion and on an arms length basis, taking into consideration such factors as the Calculation Agent, acting in good faith, deems relevant and in accordance with standard market practice.

“**Sponsor**” means Merrill Lynch Pierce Fenner & Smith Limited.

11.	Exchange Business Day:	Exchange Business Day has the meaning given in Condition 4.
12.	Business Day Centre(s):	Business Day Centre has the meaning given in Condition 4.
13.	Settlement:	Settlement will be by way of cash payment ("Cash Settled

		Certificates").
14.	Issuer's option to vary settlement:	The Issuer does not have the option to vary settlement in respect of the Certificates.
15.	Settlement Currency:	The settlement currency for the payment of the Cash Settlement Amount is EUR.
16.	Name and address of Calculation Agent:	The Calculation Agent is Merrill Lynch International or such successor calculation agent as may from time to time be appointed by the Issuer of: Merrill Lynch Financial Centre 2 King Edward Street London EC1A 1HQ The Calculation Agent shall act as an independent expert and not as an agent for the Issuer or the Certificateholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms-length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer and the Certificateholders. The Calculation Agent shall promptly notify the Certificate Agents and the Issuer upon any such determination or calculation, which shall be final and conclusive, and the Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.
17.	Commodity Certificates:	See provisions in Items 10 and 22.

GENERAL

18.	Form of Certificates:	The Certificates are to be issued into and transferred through Euroclear and Clearstream, Luxemboug. 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 and/or Clearstream, Luxembourg, as applicable, (acting on the instructions of any holder of an interest in such Euroclear/CBL Permanent Global Certificate)
19.	Other Final Terms:	**1. EARLY EXERCISE EVENT** If the Calculation Agent determines that an Early Exercise Event has occurred on the relevant Early Exercise Date then the Certificates will exercise early at the Early Settlement Amount on the immediately following Early Settlement Date. "**Early Exercise Event**" means on an Early Exercise Date Performance is greater than or equal to 100%. "**Early Exercise Date**" means each of 2 April 2008 ("**Early Exercise Date 1**"), 2 April 2009 ("**Early Exercise**

Date 2") and 6 April 2010 ("**Early Exercise Date 3**") provided that if a Market Disruption Event has occurred and is continuing with respect to the Commodity Index up to and including the Early Exercise Cut off Date, the Calculation Agent, in its sole and absolute discretion and on an arms length basis, will determine $\mathbf{S_{anyday}}$ (or a method for determining $\mathbf{S_{anyday}}$) of the Commodity Index taking into consideration such factors as the Calculation Agent, acting in good faith, deems relevant.

"**Early Settlement Amount**" means:

(a) if the Calculation Agent determines that an Early Exercise Event has occurred on Exercise Date 1:

Issue Price * (100% + 1 x 12%),

(b) if the Calculation Agent determines that an Early Exercise Event has occurred on Exercise Date 2:

Issue Price * (100% + 2 x 12%),

(c) if the Calculation Agent determines that an Early Exercise Event has occurred on Exercise Date 3:

Issue Price * (100% + 3 x 12%).

"**Early Settlement Date**" means each of 9 April 2008, 9 April 2009 and the Settlement Date.

"**Early Exercise Cut off Date**" means 2 Commodity Business Days prior to each Early Settlement Date.

2. ADJUSTMENTS AND CORRECTIONS TO THE COMMODITY INDEX

(a) ***Price Source Correction***. In the event that the level of the Commodity Index as published by the Price Source which is used for any calculation or determination in respect of the Certificates is subsequently corrected and the correction published by the relevant Price Source no later than the relevant cut off date, the Calculation Agent may, but is not obliged to, make adjustments to the Cash Settlement Amount or Early Settlement Amount or the application of Early Exercise Event, as the case may be, that it determines to account for such determination.

(b) ***Successor Price Source***. If any level of the Commodity Index is (i) not published by the Price Source but is published by a successor source acceptable to the Calculation Agent, or (ii) replaced by a successor publication representing, in the determination of the Calculation Agent, the same formula for the method of calculation as used in the calculation of the Commodity Index, then the relevant level or price, will be deemed to be the level or price so published by that successor source or that successor publication, as the case may be.

(c) ***Successor Sponsor***. If any level of the Commodity Index is not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, then the relevant level or price, will be deemed to be the level or price so calculated and announced by that successor sponsor.

(d) ***Successor Commodity Index***. If the Commodity Index has been permanently discontinued and the Commodity Index is replaced by a successor index using, in the determination of the Calculation Agent, the same or substantially similar formula for the method of calculation as used in the calculation of the Commodity Index, then the relevant level or price, will be deemed to be the level or price so calculated and announced in respect of that successor index.

3. REDEMPTION FOR REGULATORY REASONS

The Issuer may, at any time, on not less than ten (10) clear Business Days irrevocable notice to the Certificateholders in accordance with Condition 10 (*Notices*), redeem all but not some only, of the Certificates in the event that a change in applicable law or regulation occurs that results, or will result, solely by reason of the Certificates being outstanding, in the Issuer being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the Issuer to be materially onerous to it (each such change, a "**Regulatory Redemption Event**"). In the event of the Issuer delivering any such notice, the Issuer will redeem the Certificates at the Early Redemption Amount on the date specified in such notice, being a date falling not more than ten (10) clear Business Days after the date that such notice is given.

"**Early Redemption Amount**" means an amount payable to a Certificateholder in respect of each Certificate which is an amount in EUR equal the Calculation Agent's determination of the market value of each Certificate taking into account factors including but not limited to: interest rates, index levels, implied volatilities in the option markets and exchange rates, *less* the Associated Costs (as defined below).

"**Associated Costs**" means an amount per Certificate equal to the *pro rata* share of the total amount of any and all costs associated or incurred by the Issuer or any company

	affiliated with it in connection with such early redemption, including, without limitation, any costs associated with unwinding the funding relating to the Certificates and any costs associated with unwinding any hedge positions relating to the Certificates, all as determined by the Calculation Agent in its sole discretion.

DISTRIBUTION

	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 1.5% of the amount distributed.
21.	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 Commodity 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**
2.

(i)	Listing:	Applicable
(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.

3. **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 Cortal Consors (24 rue des Deux Gares, 92855 Rueil Malmaison Cedex, France) and Fortuneo (26, avenue des Champs Elysées, 75008 Paris, 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 6 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.

4. **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.

5. **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 10,000,000.

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

Please refer to Appendix A.

6. **PUBLIC OFFERS**
7.

Offer Period:	The Certificates will be publicly offered by the Distributors to individual and institutional investors in France at EUR 100 per Certificate between 5 March 2007 to 23 March 2007 inclusive.
Offer Price:	The Issuer offers the Certificates 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.
The time period, including any possible amendments, during which the offer will be open and description of the application process:	The Offer Period (as defined below) will begin at 8:00 am London time on the 5 March, 2007 and will expire at 14:00 pm London time on the 23 March, 2007. During the period (the "**Offer Period**") described above, investors can accept the offer during normal French banking hours. 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. During the Offer Period no undertakings have been made by third parties to guarantee the subscription of the Certificates. A prospective Certificateholder should contact the relevant Distributor in France prior to the end of the Offer Period. A prospective Certificateholder 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. For the avoidance of doubt, no dealings in the Certificates may take place prior to the Issue Date.
Details of the minimum and/or maximum amount of application:	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 Certificateholders (up to the amount of EUR 10,000,000). In the event that during the Offer Period the requests exceed the amount of the offer destined to prospective Certificateholders, equal to EUR 10,000,000, the Manager will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests. 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 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.

8. OPERATIONAL INFORMATION

(i)	ISIN Code:	FR0010441071
(ii)	Common Code:	28885156
(iii)	Clearing System(s):	Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*
(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):	Euroclear, France

APPENDIX A

INFORMATION REGARDING THE COMMODITY INDEX

The following information is a description of the Commodity Index, the methodology for calculating the Commodity Index, and certain historical information. The information contained herein relating to the Commodity Index consists of extracts from, or summaries of, information provided by Merrill Lynch International as sponsor of the Commodity Index (the "Index Sponsor"). The Issuer confirms that such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the Index Sponsor, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Issuer nor the Dealer accepts any further responsibility in respect of such information. See the legend appearing in Appendix B for important information regarding the information set forth herein.

Information about the Merrill Lynch Commodity index eXtra (WTI Crude Oil) Excess Return ("MLCXCLER") sub-index of the Merrill Lynch Commodity index eXtra ("MLCX")

The following information in this section is a description of the methodology for calculating the MLCXCLER index (the **"Index"**) and has been provided by Merrill Lynch International (the **"Index Calculation Agent"**). The Issuer accepts responsibility only for the correct reproduction of the methodology as set out in full below and does not accept any responsibility or make any express or implied warranty, or any representation, as to the accuracy or the completeness of the methodology and has not separately verified such information. While the Index Calculation Agent currently employs the methodology described in this Index Description to calculate the Index, the Index Calculation Agent may modify or change such methodology if market, regulatory, juridical or fiscal circumstances or requirements arise that would, in the sole and absolute discretion of the Index Calculation Agent, necessitate such modification or change. In addition, the Index Calculation Agent may, in its sole and absolute discretion, without the consent of any person, modify such methodology for the purposes of curing any ambiguity or correcting or supplementing any provision of this Index Description or replacing any information provider or information source named in this Index Description or any previous replacement information provider or source.

1 General Description

The MLCXCLER is an index that represents the return achieved by gaining exposure to futures on West Texas Intermediate grade crude oil. The MLCXCLER is a sub-index of the MLCX.

This Index is an Excess Return index.

The MLCXCLER will be calculated on each Index Business Day and published on the following Index Business Day on one or more financial information service(s) (initially Bloomberg).

Preliminary Definitions

The **Contract Production Weights ("CPWs")** are the weights of the MLCXCLER Contract in the relevant Index, for purposes of Index calculation. They are given in Table 1 below.

The **Handbook** is the MLCX Handbook 2007.

The **MLCXCLER Contract is** the futures contract included in the relevant Index (the "**Index Components**").

The **MLCXCLER Exchange** is the trading facility where the relevant MLCXCLER Contract is traded. Currently, this is: the New York Mercantile Exchange (**"NYMEX"**).

The **Roll Period** is the first 15 Index Business Days of the month.

2 Calculation

Contracts and weights

The MLCXCLER is calculated on the basis of the respective weights of the MLCXCLER Contracts and the applicable Reference Prices, and in accordance with the formulas set forth in Chapter 3 of the Handbook. Each MLCXCLER Contract will be assigned a CPW, as set forth in Table 1 below, which will constitute the weight of the relevant MLCXCLER Contract in the Index, for purposes of Index calculation.

An **Index Period** is a period of time during which there are no changes in the list of MLCXCLER Contracts, or in the CPWs assigned to the MLCX Contracts. The purpose of the Index Period is to identify each time period within which a particular Index composition and set of CPWs remains in effect. Typically, an Index Period is a calendar year. However, if the composition of the Index, or the CPWs, changes during a given year, such as due to extraordinary market events or other special circumstances, the calendar year in which such changes occur will include two or more Index Periods.

The MLCXCLER Contract and its CPW for the 2007 Index period is given in Table 1 below:

Table 1:

MLCXCLER Exchanges	MLCXCLER Contracts	CPW
NYMEX	Crude Oil	12875.01730307

3 Rolling mechanism

As the contracts that are used to calculate the value of the index at a particular time approach expiration, it is necessary to transfer, or "roll" the exposure to those contracts reflected in the Index into the next (or another) available contract expiration. Accordingly, Chapter 3 of the Handbook addresses not only the methodology for calculating the MLCXCLER but also the process of "rolling" contracts included in the MLCXCLER. The expiration months of the MLCXCLER Contract included in the Index, and the months in which each such contract is rolled into the next available expiration, are set forth in the **Underlying Contract Table,** Table 2 below. The **Underlying Contract Table** lists which MLCXCLER Contract expirations are to be included in the Index. For each MLCXCLER Contract and a given Index Business Day, the Underlying Contract Table gives the month code of the MLCXCLER Contract expiration that will be included in the Index at the beginning of the calendar month, and that will need to be rolled out of, during that calendar month, if the particular MLCXCLER Contract rolls in such month.

On each Index Business Day during a Roll Period, the CPW of each future contract is divided between the contract expiration it is being rolled out of (the **Roll Out Contract**) and the contract expiration it is being rolled into (the **Roll In Contract**). The weight allocated to the Roll Out Contract on each day of the Roll Period is referred to as the **Roll Weight (W_t)** (and the weight allocated to the Roll-In Contract will therefore be equal to 1 minus the Roll Weight). On the first day of the Roll Period, 14/15 of the Contract Production Weight of each future contract is allocated to the Roll Out Contract and 1/15 of the Contract Production Weight is allocated to the Roll In Contract. These proportions are changed by 1/15 on each day of the Roll Period until, at the end of the Period, 100% of the exposure of the Index is in the Roll In Contract. If a roll occurs at the start of an Index Period, and the Index is therefore rolling into new Contract Production Weights, then on the first day of the Roll Period, 14/15 of the old Index basket of each MLCXCLER Contract, as applicable is allocated to the Roll Out Contract and 1/15 of the new Index basket is allocated to the Roll In Contract. These proportions are changed by 1/15 on each day of the Roll Period. See Chapter 3 of the Handbook for a complete mathematical formulation.

4 The Excess Return Index

The **Daily Commodity Return (DCR)** is the return between two Index Business Days of the portfolio of commodity futures underlying the MLCXCLER index as described in Chapter 3 of the Handbook. The **Adjustment Factor Rate** (**AFR**) is the rate used to calculate the adjustment factor to reflect fees and slippage costs. The rate is to be determined by the Index Calculation Agent and is initially set to 1% per year.

The MLCXCLER, as applicable, Excess Return Index on Index Business Day *t*, ER_t, will be obtained by the formula:

$$ER_t = ER_{t-1} \times \left(1 + DCR_t - AFR_t \times \frac{ndays}{360}\right),$$

where ER_{t-1} is the value of the index in the previous Index Business Day and *ndays* is the number of calendar days between the Index Business Day *t* and the previous Index Business Day *t-1*.

Table 2: Underlying Contract Table (contracts held in the beginning of each month for the Index)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Crude Oil	H	J	K	M	N	Q	U	V	X	Z	F	G

Month Letter Code: January F, February G, March H, April J, May K, June M, July N, August Q, September U, October V, November X and December Z.

5 Index Calculation Agent

The Index Calculation Agent will employ the above described methodology to calculate the Index and its determinations and calculations in the application of such methodology shall be final and binding, except in the case of manifest error. While the Index Calculation Agent currently employs the methodology described in this Index Description to calculate the Index, the Index Calculation Agent may modify or change such methodology if market, regulatory, juridical or fiscal circumstances or requirements arise that would, in the sole and absolute discretion of the Index Calculation Agent, necessitate such modification or change. In addition, the Index Calculation Agent may, in its sole and absolute discretion, without the consent of any person, modify such methodology for the purposes of curing any ambiguity or correcting or supplementing any provision of this Index Description or replacing any information provider or information source named in this Index Description or any previous replacement information provider or source.

Where the Index Calculation Agent is described herein as making or being able to make any decision or determination or form any opinion, it may do so acting in its sole and absolute discretion.

MERRILL LYNCH INTERNATIONAL DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE RETURN & INCOME STRATEGY INDEX AND/OR THE LEVEL AT WHICH THE INDEX STANDS, THE INDEX SECURITIES OR THE WEIGHT OF ANY INDEX SECURITY AT ANY PARTICULAR TIME ON ANY PARTICULAR DAY OR OTHERWISE. THE INDEX IS COMPILED AND CALCULATED BY MERRILL LYNCH INTERNATIONAL. HOWEVER, MERRILL LYNCH INTERNATIONAL SHALL NOT BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THE INDEX NOR SHALL IT BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN.

<u>Information about the Merrill Lynch Commodity Index eXtra Excess Return</u>

All the disclosure in this section regarding the Merrill Lynch Commodity index eXtra^{SM} (the **"MLCX"**), including without limitation, its make-up, method of calculation and changes in its components, is derived from information made available by Merrill Lynch Commodities, Inc. (the **"Index Manager"**) and Merrill Lynch Pierce Fenner & Smith Limited (the **"Index Publisher"**), each an affiliate of Merrill Lynch & Co., Inc. (together, along with each other affiliate of Merrill Lynch & Co., Inc. referred to as **"Merrill Lynch"**). This information reflects the policies of the Index Manager and Index Publisher and is subject to change by the Index Manager and Index Publisher at their discretion. The Index Manager and Index Publisher have no obligation to continue to publish, and may discontinue publication of, the MLCX. Further information regarding the Index can be found at the website http://gmi.ml.com/mlcx.

Overview

The MLCX was launched in June 2006 and is designed to provide a benchmark for commodity market performance and for investment in commodities as an asset class. The MLCX is comprised of futures contracts on physical commodities. A commodity futures contract is an agreement that provides for the purchase and sale of a specified type and quantity of a commodity during a stated delivery month for a fixed price. In the case of the MLCX, as the exchange traded futures contracts that comprise the Index (the **"Index Components"**) approach the month before expiration, they are replaced by contracts that have later expiration. For example, as of September 1, 2006 the Crude Oil (WTI) contract included in the Index is the November 2006 contract, which is a contract for delivery of light, sweet crude oil in November 2006. This process is referred to as "rolling". The MLCX rolls over a 15 day period each month. The Certificates are linked to the excess return format of the MLCX (Bloomberg Symbol: MLCXER), the Index, that factors in both, price movements as well as roll yields.

The Index Manager constructed the MLCX based primarily on the liquidity of the Index Components and the value of the global production of each Index Commodity. The Index Manager believes that these criteria allow the MLCX to reflect the general significance of the Index Commodities in the global economy, differentiating between "upstream" and "downstream" commodities, with a particular emphasis on downstream commodities (i.e., those that are derived from other Index Commodities). The MLCX composition and weights are typically determined once a year and applied once at the start of each year in January. See the section entitled "Construction—Contract Selection—Weighting". The methodology for determining the composition, weighting or value of the MLCX and for calculating its level is subject to modification by the Index Manager and Index Publisher, respectively, at any time. The Index Manager has indicated that it expects to modify the MLCX only in rare occasions in order to maintain stability and comparability.

Construction

The MLCX contains six market sectors identified by the Index Manager: (1) Energy; (2) Base Metals; (3) Precious Metals; (4) Grains & Oil Seeds; (5) Livestock; and (6) Soft Commodities & Others (each a "Market Sector"). Each Market Sector contains a minimum of two and a maximum of four Index Components, selected by liquidity.

The MLCX was created using the following four main principles:

1. *Liquidity* – The Index Components should be sufficiently liquid to accommodate the level of trading needed to support the Index. The selection mechanism is therefore based primarily on liquidity.
2. *Weighting* – The weight of each Index Component should reflect the value of the global production of the related Index Commodity, as a measure of the significance of the commodity in the global economy, with appropriate adjustments to avoid "double counting".
3. *Market Sectors* – Each Market Sector should be adequately represented in the MLCX and the weights should be adjusted to maintain the integrity of the Market Sectors.
4. *Rolling* – Index Components are rolled during a fifteen day period in an attempt to limit the market impact that such contract rolls could have.

Exchange Selection

The Index Manager initially selected six exchanges, on the basis of liquidity, geographical location and commodity type (the **"Selected Exchanges"**). To be considered for selection, an exchange must be located in a country that is a member of the Organization for Economic Co-Operation and Development. The exchange must also be a principal trading forum, based on relative liquidity, for U.S. dollar-denominated futures contracts on major physical commodities. The six initial exchanges were: (1) the (a) Nymex and (b) Comex divisions of the NYMEX; (2) CME; (3) CBOT; (4) the LME; (5) ICE Futures (formerly known as the International Petroleum Exchange); and (6) the NYBOT.

Contract Selection

Eligibility

To be an "Eligible Contract", a commodity futures contract must not only be traded on a Selected Exchange, it must also satisfy the requirements for inclusion. In order to be an Eligible Contract, a contract must generally satisfy all of the following requirements:

- it must be denominated in U.S. Dollars;
- it must be based on a physical commodity (or the price of a physical commodity) and provide for cash settlement or physical delivery at a specified time, or during a specified period, in the future;
- detailed trading volume data regarding the contract must be available for at least two years prior to the initial inclusion of the contract in the MLCX;
- the contract must have a Total Trading Volume, or TTV (as defined below), of at least 500,000 contracts for each twelve-month period beginning on July 1 and ending on June 30 being evaluated; and
- Reference Prices must be publicly available on a daily basis either directly from the Selected Exchange or, if available through an external data vendor, on any day on which the relevant exchange is open for business. "Reference Prices" are the official settlement or similar prices posted by the relevant Selected Exchange (or its clearing house) with respect to a contract and against which positions in such contract are margined or settled.

An Eligible Contract is selected for inclusion in the MLCX only after application of the requirements for a minimum and maximum number of contracts from each Market Sector. A contract that does not otherwise satisfy all of the foregoing requirements may nevertheless be determined by the Index Manager to be an Eligible Contract and included in the MLCX if the inclusion of the contract is, in the judgment of the Index Manager, necessary or appropriate to maintain the integrity of the MLCX and/or to realize the objectives of the MLCX. Every year the Index Manager will compile a list of all commodity futures contracts traded on the Selected Exchanges and a list of the Eligible Contracts that satisfy the foregoing criteria. This list will be used to determine the commodities futures contracts which will be included in the MLCX.

Liquidity

The Index Manager distinguishes the Eligible Contracts by their liquidity. Liquidity is measured by a contract's Total Trading Volume and the value of that trading volume. The "Total Trading Volume" (**"TTV"**) with respect to each contract traded on a Selected Exchange is equal to the sum of the daily trading volumes in all expiration months of the contract on each day during the most recent twelve-month period beginning on July 1 and ending on June 30. The "Contract Size" (**"CS"**) is the number of standard physical units of the underlying commodity represented by one contract. For example, the Contract Size of a crude oil futures contract is 1,000 barrels. The "Average Reference Price" (**"ARP"**)[1], which is used to determine the value of the Total Trading Volume, is the average of the Reference Prices of the Front-Month Contract for a Index Component on each Trading Day during the twelve month period beginning on July 1 and ending on June 30 of each year. A "Front-Month Contract" on any given day is the futures contract expiring on the first available contract expiration month after the date on which the determination is made. A "Trading Day" means any day on which the relevant Selected Exchange is open for trading. "Liquidity" (**"LIQ"**) is therefore equal to the Total Trading Volume, multiplied by the Contract Size with respect to each contract, multiplied by the Average Reference Price for each contract:

$$LIQ = TTV \times CS \times ARP$$

Once the Liquidity is determined, the Eligible Contracts are listed in order of their Liquidity, from highest to lowest. All six MLCX Market Sectors must be represented by a minimum of two and a maximum of four Eligible Contracts. "Redundant Contracts" are less liquid Eligible Contracts

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1 Note that the determination of the current composition of the MLCX was made on the basis of the ARP of each MLCX Contract on each Trading Day during calendar year 2005, rather than the ARP during each of the twelve months beginning on July 1 and ending on June 30 of the relevant year.

representing a similar commodity and are excluded. For instance, the list of Index Components includes an Eligible Contract on WTI crude oil but excludes Brent crude oil as a Redundant Contract.

Index Oversight

The Merrill Lynch Commodity Index Advisory Committee (the **"Advisory Committee"**), comprised of individuals internal and external to Merrill Lynch, is expected to assist the Index Manager and Index Publisher in connection with the application of the Index principles, advise the Index Manager and Index Publisher on the administration and operation of the MLCX, and make recommendations to the Index Manager and Index Publisher as to any modifications to the MLCX methodology that may be necessary or appropriate.

The Advisory Committee is scheduled to meet once a year and may meet more often at the request of the Index Manager and Index Publisher. The Advisory Committee will advise the Index Manager and Index Publisher with respect to the inclusion/exclusion of any of the exchanges and contracts in the MLCX, any changes to the composition of the MLCX or in the weights of the Index Components, and any changes to the calculation procedures applicable to the MLCX. The Advisory Committee will act solely in an advisory and consulting capacity. All decisions relating to the composition, weighting or value of the MLCX are made by the Index Manager and Index Publisher.

Historic Index Levels

The following table shows a range of closing levels for the Index for the periods indicated:

August 2006	1237.22	1105.73
September 2006	1098.08	946.25
October 2006	958.24	907.2625
November 2006	951.9077	884.9915
December 2006	957.6527	893.5181
January 2007	862.3117	752.3234
Inception 30 June 2006		

Source: Bloomberg Financial Systems

PAST PERFORMANCE OF THE INDEX IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE

APPENDIX B

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.