

FINAL TERMS DATED 5 MARCH 2007 AS AMENDED ON 23 MARCH 2007

MERRILL LYNCH S.A.

Issue of up to 200,000 Certificates linked to the Merrill Lynch Luxury and Lifestyle 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 to 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. 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 3 May 2007.
7. Exercise Date: The exercise date of the Certificates is 4 May 2010, provided that, if such date is not a Scheduled Trading Day, the Exercise Date shall be the immediately following Scheduled Trading Day.
8. Settlement Date: The settlement date for the Certificates is 11 May 2010.
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:

$$\text{EUR } 100 * \left[\text{Participation} * \left(\frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} \right) \right]$$

Where:

“**Index**” means the Merrill Lynch Luxury and Lifestyle Index (Bloomberg Code: MLEILIFE), which is intended to reflect the price return performance of a changing selection of stocks, reflecting the price return performance of a changing selection of stocks, reflecting the current constituents of the ML Lifestyle Index selected by Merrill Lynch Research and described further in Appendix A.

“**Index_{Final}**” means the Official Closing Level of the Index on the Valuation Date.

“**Index_{Initial}**” means the Official Closing Level of the Index on 2 May 2007.

“**Official Closing Level**” means the official closing level of the Index as quoted on Bloomberg page MLEILIFE <Index>. If an Official Closing Level is not published on the Bloomberg page referred to above, the Calculation Agent, may in its sole discretion, use a successor page/publication or alternative source as it considers appropriate.

“**Participation**” means 100 per cent.

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| 12. | Exchange Business Day: | As defined in Condition 4. |
| 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 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.

18. Exchange(s) and Index Sponsor: For the purposes of Condition 4 and Condition 15(A):
- (a) the Exchange is, in respect of each Component Asset, the exchange or quotation system on which such Component Asset is listed and which is used by the Index Sponsor for the purposes of calculating the Index, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Component Asset has temporarily relocated (*provided that* the Calculation Agent has determined that there is comparable liquidity relative to such Component Asset on such temporary substitute exchange or quotation system as on the original Exchange);
 - (b) the relevant Index Sponsor is Merrill Lynch International; and
 - (c) the relevant Index Currency is EUR.
19. Related Exchange(s): For the purposes of Condition 4 and Condition 15(A), the Related Exchange means each exchange or quotation system on which options contracts and futures contracts relating to the 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 the 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 the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).
20. Adjustments to Valuation Date and/or Averaging Date: The definition of “Valuation Date” set out in Condition 4 shall be deleted and replaced as follows:
- “**Valuation Date**” means, subject as provided below, the Exercise Date unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each Scheduled Trading Day from and including the scheduled Valuation Date to and including the Cut-Off Date is a Disrupted Day. In that case (i) the Cut-Off Date shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of the Index on the Cut-Off Date in accordance with the formula for and method of calculating the Index last in

effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the Cut-Off Date, its good faith estimate of the closing level for the relevant security on the Cut-Off Date).

“**Cut-Off Date**” means 7 May 2010

21. Additional Disruption Events:
- (a) The following Additional Disruption Events apply to the Certificates:
Change in Law
Hedging Disruption
Increased Cost of Hedging
 - (b) The Trade Date is 2 May 2007.

GENERAL

22. Form of Certificates: The Certificates are to be issued into and transferred through Euroclear and Clearstream, Luxembourg.

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)

23. Other Final Terms:

1. Potential Adjustment Events

Condition 15(B)(2)(a) Potential Adjustment Events and the definitions of “Merger Date” and “Merger Event” in Condition 15(B)(2)(b) shall apply to this Certificate provided that the term “Share” shall be deemed to be deleted and replaced with the term “Component Asset” and the term “Share Company” shall be deemed to be deleted and replaced with the term “Component Asset Issuer”.

“**Component Asset**” means any security comprised within the Index from time to time, referred to as the “Index Securities” in Appendix A (Information Regarding the Index); and

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

2. 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

24. Syndication:
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| 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 1.3% of the amount distributed. |
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 Issuer and the Guarantor accept responsibility for the accuracy of the extraction of the information relating to the Index 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 Cortal Consorts (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.

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.

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

Please refer to Appendix A.

6. PUBLIC OFFERS

Offer Period: The Certificates will be publicly offered by the Distributor to individual and institutional investors in France at EUR 100 per Certificate between 5 March 2007 to 25 April 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 25 April, 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 20,000,000). In the event that during the Offer Period the requests exceed the amount of the offer destined to prospective Certificateholders, equal to EUR 20,000,000, 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.

7. OPERATIONAL INFORMATION

- (i) ISIN Code: FR0010429738
- (ii) Common Code: 28454970
- (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 INDEX

The following information is a description of the Index, the methodology for calculating the Index, and certain historical information. The information contained herein relating to the Index consists of extracts from, or summaries of, information provided by Merrill Lynch International as sponsor of the 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.

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 ML Lifestyle Index selected by Merrill Lynch Research. The Index is intended to provide exposure to stocks likely to benefit from the lifestyle and luxury sector globally.

The Index will be published in both a United States dollar and a euro version. 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 either United States dollars or 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.

There is no guarantee that Merrill Lynch Research will continue to select stocks for potential inclusion in the Index 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 selection of stocks, 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 MLEILIFD <Index> for the USD Index and MLEILIFE for the EUR Index, or any successor financial information service as determined by the Index Sponsor in its sole and absolute discretion. The inception of the Index was 23 January 2007.

2. SELECTION OF INDEX SECURITIES

2.1 Selection Pool

"**Selection Pool Securities**" are stocks that have the following characteristics, as determined by the Index Sponsor in its sole and absolute discretion:

- (a) a meaningful exposure to the luxury and lifestyle theme, as determined by Merrill Lynch Research in its sole and absolute discretion;
- (b) a minimum liquidity of USD 5,000,000 per trading day (on the relevant exchange) averaged over a six month period;
- (c) a minimum market capitalisation of USD 1,000,000,000, 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; and
- (d) a full listing on a major stock exchange in a developed market, as determined by the Calculation Agent in its sole and absolute discretion.

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**".

2.2 Inclusion of Index Securities in the Index

- (a) On any Index Review Date, 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**".

- (b) Notwithstanding paragraph 2.2(a) above, the Index Sponsor may, but is not obliged to, elect to add stocks resulting from an Initial Public Offering (such stocks, "**IPO Stocks**") on days other than Index Review Dates. Such stocks would need to comply with paragraphs 2.1(a), (b) and (d). The day on which the Index Sponsor announces the inclusion to take place shall be a "**Special Review Date**". Unless otherwise determined by the Index Sponsor, such IPO Stock will be added to the Index on the Roll-Over Date (as defined in paragraph (ii) of the definition Roll-Over Date).

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 Review Date, the Index Sponsor may select Index Securities to be excluded from the Index as of the corresponding Roll-Over Date, if any such Index Security no longer meets the requirements to be eligible as a Selection Pool Security, 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.

2.4 Number of Index Securities

The Index shall at no point contain less than fifteen (15) Index Securities nor more than fifty (50) Index Securities, save as otherwise may be required as described in section 4 (*Index Calculation in case of Market Disruption Event*).

In the event that there are more than fifty (50) Selection Pool Securities that could be included in the Index as Index Securities, the Index Sponsor shall select the fifty most liquid.

3. CALCULATION AND REBALANCING OF THE INDEX

3.1 Index Calculation

The Index Sponsor will calculate and report on Bloomberg page MLEILIFE <Index> for the EUR Index, and Bloomberg page MLEILIFD for the USD Index (or any successor pages 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) if necessary, 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 adjusted, if necessary, such that each Index Component has the same Weight.

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 Notes) 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 document (*Information Regarding the ML Lifestyle Index*) only:

"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;

"EUR Index" means the ML Lifestyle Index published in euro (Bloomberg: MLEILIFE <Index>). The EUR Index is calculated, on each Index Business Day by converting the Daily Index Closing Value from USD to EUR using the Exchange Rate, and dividing the resulting figure by the divisor determined by the Calculation Agent;

"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 United States dollar (or in the case of conversions of United States dollar into euro for the purposes of calculating the EUR Index, the most recently reported exchange rate for United States dollar 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 ML Lifestyle Index, published in euro (the EUR Index) and United States dollars (the USD 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;

"**Index Review Date**" means the first Exchange Business Day of March and September in each year;

"**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**" means:

- (i) in respect of an Index Review Date, the fifth Index Business Day following such Index Review Date; and
- (ii) in respect of a Special Review Date, the eleventh Trading Day for the relevant stock, provided that such day is also an Index Business Day. If not the Roll-Over Date shall be the first day succeeding such eleventh Trading Day that is also an Index Business Day,

all 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;

"**USD Index**" means the ML Lifestyle Index published in United States dollars (Bloomberg: MLEILIFD <Index>).

"**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.

APPENDIX B

Index Disclaimer

MERRILL LYNCH INTERNATIONAL, IN ITS CAPACITY AS INDEX SPONSOR, DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE INDEX AND/OR THE LEVEL AT WHICH THE INDEX STANDS OR WILL STAND, 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 (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.

BLOOMBERG L.P. AND ITS AFFILIATES CANNOT AND DO NOT WARRANT AS TO THE ACCURACY, COMPLETENESS, CURRENTNESS, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS OF THE INFORMATION FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO, THE ASSIGNMENT OF COMPANIES TO A REGIONAL INDUSTRY SECTOR AND THE CALCULATION OF THE INDEX. NEITHER BLOOMBERG L.P. NOR ANY OF ITS AFFILIATES SHALL BE LIABLE TO ANY INVESTOR OR ANYONE ELSE FOR ANY LOSS OR INJURY CAUSED IN WHOLE OR PART BY ITS NEGLIGENCE OR CONTINGENCIES BEYOND ITS CONTROL IN PROCURING, COMPILING, INTERPRETING, REPORTING OR DELIVERING SUCH INFORMATION. IN NO EVENT WILL BLOOMBERG L.P. OR ITS AFFILIATES BE LIABLE TO ANY INVESTOR OR ANYONE ELSE FOR ANY DECISION MADE OR ACTION TAKEN BY ANY INVESTOR IN RELIANCE ON SUCH INFORMATION OR FOR ANY CONSEQUENTIAL, SPECIAL OR SIMILAR DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BY ACCESSING THE INFORMATION, ANY INVESTOR ACKNOWLEDGES AND AGREES TO THE FOREGOING.

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.