

Final Terms dated 29 November, 2007



**MERRILL LYNCH & CO., INC.**  
(Incorporated under the laws of the State of Delaware, U.S.A.)

**MXN 50,000,000 Fixed Rate/UDI Index-Linked Coupon and Redemption Notes  
due November 29, 2012  
under the U.S.\$80,000,000,000 Euro-Medium Term Note Program**

***PART A – CONTRACTUAL TERMS***

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 2 April, 2007 as supplemented from time to time which together 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 Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as supplemented. Full information on the Company and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus, the supplemental prospectus and these Final Terms are available for viewing during normal office hours at the office of the Paying Agent in London and copies may be obtained from the principal office of the Company.

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| 1.  | Issuer:  | Merrill Lynch & Co., Inc. (the “ <b>Company</b> ”)   |
| 2.  | Series Number:   | 5972   |
| 3.  | Specified Currency or Currencies (in the case of Dual Currency Notes): | Mexican Pesos, the lawful currency (including any successor currency) of the United Mexican States (“ <b>MXN</b> ”)  |
| 4.  | Aggregate Principal Amount:  | MXN 50,000,000 (Equivalent to UDI 12,795,433.77 (the “ <b>UDI Notional Amount</b> ”) based upon the Initial UDI Index Level of MXN 3.907644 = UDI 1.00)        |
| 5.  | Issue Price:   | 100 per cent. of the Aggregate Principal Amount  |
| 6.  | Specified Denominations:   | MXN 1,000,000  |
| 7.  | (i) Issue Date:  | November 29, 2007  |
|     | (ii) Interest Commencement Date:                                       | November 29, 2007  |
| 8.  | Maturity Date:   | November 29, 2012  |
| 9.  | Interest Basis:  | Fixed Rate and Index-Linked (further particulars as specified in Items 15 and 18 herein and paragraph 2.2 of Appendix 1 ( <i>Special Conditions</i> ) hereto). |
| 10. | Redemption/Payment Basis:  | Index Linked Redemption (as further described in Item 24 and paragraph 2.1 of Appendix 1 ( <i>Special Conditions</i> ) hereto)                                 |

11. Change of Interest or Redemption/Payment Basis: Not applicable
12. Put/Call Options: Not applicable
13. Status of the Notes: The Notes will constitute direct, unsecured, unsubordinated and general obligations of the Company and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Company
14. Method of distribution: Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions: Applicable, as set forth herein and as further specified below and in Item 18 (*Indexed Note Provisions*).

- (i) Fixed Rate(s) of Interest: 4.00 per cent. per annum of the UDI Notional Amount, converted into MXN at the UDI Index Level applicable to each Fixed Interest Date. The UDI Index Level applicable to each Fixed Interest Date will be determined by the Calculation Agent on the Index Determination Date (as defined in Appendix 1 (*Special Conditions*)) immediately preceding such Fixed Interest Date. The nominal UDI coupon amount will be a fixed amount (the “**UDI Coupon Amount**”) for each Fixed Interest Date as set forth under item 15(ii) hereof. See paragraph 2.2 of Appendix A (*Special Conditions*) hereto for further information.

- (ii) Fixed Interest Dates and UDI Coupon Amounts:
- | <u>Date</u> | <u>UDI Coupon Amount</u> |
|-------------|--------------------------|
|-------------|--------------------------|

29 May, 2008	258,752.11
28 November, 2008	260,173.82
29 May, 2009	258,752.11
30 November, 2009	263,017.25
28 May, 2010	254,486.96
29 November, 2010	263,017.25
31 May, 2011	260,173.82
29 November, 2011	258,752.11
29 May, 2012	258,752.11
29 November, 2012	261,595.53

- (iii) Fixed Coupon Amount(s): As set forth above in Items 15(i) and 15(ii) above.
- (iv) Initial/Final Broken Amount(s): Not Applicable
- (v) Fixed Day Count Fraction: Actual/360
- (vi) Determination Date(s): The Index Determination Date applicable to each Fixed Interest Date will be the date falling two Business Days prior to each Fixed Interest Date, subject to adjustment as specified in Appendix 1 (*Special Conditions*) hereto.
- (vii) Other items relating to the method of calculating interest for Fixed Rate Notes: For purposes of payments of interest and principal, the Modified Following Business Day Convention shall apply.
- (viii) Additional Business Centre(s)/Interest Payment Dates: As specified in the definition of “Business Days” included in Appendix 1 (*Special Conditions*) hereto.

16. Floating Rate Note Provisions: Not applicable
17. Zero Coupon Note Provisions: Not applicable
18. Indexed Note Provisions: The coupon amount will be determined based upon adjusting the UDI Coupon Amount by the UDI Index Level applicable

to each Fixed Interest Date as determined on the Index Determination Date immediately preceding each Fixed Interest Date as set forth under Item 15(i) and (ii) above and as further specified in Appendix 1 (*Special Conditions*) hereto.

19. Dual Currency Note provisions: Not applicable  
20. Credit-linked Note provisions: Not applicable  
21. Equity-linked Note provisions: Not applicable

#### PROVISIONS RELATING TO REDEMPTION

22. Company's Optional Redemption: Not applicable  
23. Redemption at the option of the Noteholders: Not applicable  
24. Final Redemption Amount: The Final Redemption Amount for each Note of a Specified Denomination will be determined by the Calculation Agent in accordance with the provisions of paragraph 2.1 of Appendix 1 (*Special Conditions*) hereto.  
25. Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or upon the other circumstances described in Condition 8 or upon acceleration of the Notes pursuant to Condition 12 and/or the method of calculating the same (if required or if different from that set out in Condition 4(f)): Condition 4(f) shall not apply. If the Notes are redeemed:
- (a) for taxation reasons (pursuant to Condition 4(b) or Condition 8); or
  - (b) as a result of the occurrence of a Regulatory Redemption Event (as defined in paragraph 2.4 of Appendix 1 (*Special Conditions*) hereto);
  - (c) as a result of the occurrence of an illegality event (as set out in paragraph 2.5 of Appendix 1 (*Special Conditions*) hereto); or
  - (d) following an acceleration of the Notes (pursuant to Condition 12),

the Early Redemption Amount payable in respect of each Note of a Specified Denomination will, in each case, equal the Calculation Agent's determination of the market value of each Note 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 Note of a Specified Denomination equal to the *pro rata* share (on the basis of the principal amount of the Note and the aggregate principal amount of all Notes which have not been redeemed or cancelled as at the Early Redemption Date) of the total amount of any and all costs associated or incurred by the Company or any company affiliated with it in connection with such early redemption, including, without limitation, any costs associated with unwinding any costs associated with unwinding any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole discretion.

26. Cash Settlement Amount: Not applicable

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:
- (i) New Global Note: No
  - (ii) Bearer Notes: The Notes will be Bearer Notes and will initially be represented by a temporary global Note in bearer form,

without interest coupons attached, which will be deposited with a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") on or about the Issue Date. Interests in the temporary global Note will be exchangeable for interests in a permanent global Note, without interest coupons attached, on a date (the "Exchange Date") not earlier than 40 days after the closing date upon appropriate certification as to non-U.S. beneficial ownership. The permanent global Note will be exchangeable in whole, but not in part, for definitive Notes in bearer form in denominations of MXN1,000,000 each without interest coupons attached upon 60 days' written notice expiring at least 30 days after the Exchange Date. Interests in the permanent global Note will not be exchangeable for Notes in registered form.

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| (iii) | Registered Notes:   | Not applicable   |
| (iv)  | Registered Short-term Notes:  | Not applicable   |
| 28.   | Additional Financial Centre(s) or other special provisions relating to Payment Business Day:  | Condition 5(c)(i) applies - Mexico City, New York and London   |
| 29.   | Talons for future Coupons or Receipts to be attached to definitive Notes in bearer form (and dates on which such Talons mature):  | Yes. As per the Conditions.  |
| 30.   | Details relating to Partly Paid Notes amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Company to forfeit the Notes and interest due on late payment: | Not applicable   |
| 31.   | Details relating to Installment Notes:  |  |
| (i)   | Installment Amount(s):  | Not applicable   |
| (ii)  | Installment Date(s):  | Not applicable   |
| 32.   | Redenomination, renominatisation and reconventioning provisions:  | Not applicable   |
| 33.   | Other terms or specified conditions:  | <p>(a) Applicable. See Appendix 1 (<i>Special Conditions</i>), Appendix 2 (<i>Information Regarding the UDI</i>), and Appendix 3 (<i>Additional Risk Factors Relating to the Notes</i>) hereto, each of which Appendices shall be deemed to constitute a part of these Final Terms.</p> <p>(b) "<b>Calculation Agent</b>" means Merrill Lynch Capital Services, Inc.</p> |

The Calculation Agent shall act as an independent expert and not as an agent for the Company or the Noteholders.

All certificates, communications, opinions, determinations,

calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent shall, in the absence of manifest error, willful default or bad faith, be final and conclusive and binding on the Company, the Calculation Agent, the Paying Agents and all Noteholders.

In the absence of the aforesaid manifest error, willful default or bad faith, no liability to the Noteholders, the Company, or the Paying Agents shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and or discretions pursuant to the Conditions in relation to such determinations.

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| 34. | Further Issues provision:  | Condition 16 applies. If the Company issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the commencement of the offering and the Issue Date of such further issue of Notes. In addition, if the Company issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes. |
| 35. | Details relating to Notes that are payable and/or for which the obligations of the Company may be discharged by the delivery of securities and/or other property or any combination of cash, securities and/or other property: | Not applicable  |

**DISTRIBUTION**

- |     |                                       |  |
|-----|---------------------------------------|--|
| 36. | (i) If syndicated, names of Managers: | Not applicable   |
|     | (ii) Stabilizing Manager (if any):    | Not applicable   |
| 37. | Name and address of Relevant Dealer:  | Merrill Lynch International<br>Merrill Lynch Financial Centre<br>2 King Edward Street<br>London EC1A 1HQ<br>United Kingdom |
| 38. | Additional selling restrictions:      | <u><b>Mexico:</b></u>  |

**THE INFORMATION CONTAINED IN THESE FINAL TERMS IS THE EXCLUSIVE RESPONSIBILITY OF THE COMPANY (OTHER THAN THE INFORMATION RELATING TO THE COMPANY'S RATINGS AS PUBLISHED BY FITCH, MOODY'S, R&I AND S&P) AND HAS NOT BEEN REVIEWED BY THE NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO (COMISIÓN NACIONAL BANCARIA Y DE VALORES).**

**THE NOTES HAVE NOT BEEN REGISTERED IN THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) AND THEREFORE THEY ARE NOT THE SUBJECT OF A PUBLIC OFFER IN MEXICO. ANY INVESTOR OF**

MEXICAN NATIONALITY THAT PURCHASES THESE NOTES, WILL DO SO UNDER ITS OWN RESPONSIBILITY. INTER-MEDIATION OF THE NOTES IN MEXICO IS SUBJECT TO THE RESTRICTIONS OF THE MEXICAN SECURITIES MARKET LAW.

#### LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Company's U.S.\$80,000,000,000 Euro-Medium Term Note Program.

#### RESPONSIBILITY


The Company accepts responsibility for the information contained in these Final Terms. The Company confirms that any information that has been reproduced from external sources has been accurately reproduced and that, so far as it is aware, and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Company:

By: 

Name:

Title:

 **Thomas Mendoza**  
**Authorized Signatory**

## PART B – OTHER INFORMATION

### 1. LISTINGS:

- (i) Listing: The Notes will be listed on the Official List of the UK Listing Authority and admitted to trading by the London Stock Exchange's Gilt Edged and Fixed Interest Market.
- The Notes will also be listed at the Bolsa Mexicana de Valores, S.A. de C.V., under the *Sistema Internacional de Cotizaciones* (SIC), Mexico.
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market on or around the Issue Date.
- Application has also been made to list the Notes to trade at the *Sistema Internacional de Cotizaciones* (SIC) of the Bolsa Mexicana de Valores, S.A. de C.V.
- (iii) Estimated of total expenses related to admission to trading: For listing at London Stock Exchange's Gilt Edged and Fixed Interest Market - Pound Sterling 155
- For listing at SIC - Pound Sterling 5,299.

### 2. RATINGS

- Ratings: The Notes to be issued have been rated:
- S&P: A+/A-1. An obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories such as "AAA" and "AA". However, the obligor's capacity to meet its financial commitment on the obligation is still strong.
- A short-term obligation rated "A-1" is rated in the highest category by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong.
- R&I: AA (Placed on the Rating Monitor with a view to downgrading). An obligation rated "AA" is judged to be of very high credit quality and accompanied by excellent factors. A plus (+) or minus (-) sign may be added to ratings symbols within a range from AA to CCC to indicate their relative standing within each category.
- Moody's: A1. Obligations rated "A" are considered upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from "Aa" through "Caa".

The modifier "1" indicates that the obligation ranks in the higher end of its generic rating category; the modifier "2" indicates a mid-range ranking; and the modifier "3" indicates a ranking in the lower end of that generic rating category.

Fitch: A+. "A" ratings denote expectations of low credit risk. They indicate strong capacity for payment of financial commitments. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings such as "AAA" or "AA". The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

The information regarding ratings above has been extracted from the websites of Fitch, Moody's, R&I and S&P, as applicable. The Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Fitch, Moody's, R&I and S&P, no facts have been omitted which would render the reproduced inaccurate or misleading.

3. **NOTIFICATION**

Not applicable

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER**

Save as discussed in the section entitled "*Subscription and Sale*" in the Base Prospectus and as discussed in Appendix 3 (*Additional Risk Factors Relating to the Notes*), so far as the Company is aware, no person involved in the offer of the Notes has an interest material to the offer.

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

Reasons for the offer:	Please refer to the section headed "Use of Proceeds" in the Base Prospectus.
Estimated net proceeds:	MXN 50,000,000
Estimated total expenses:	Not applicable

6. **YIELD**

Not applicable

7. **HISTORIC INTEREST RATES**

Not applicable

8. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Certain information in respect of the UDI (to which the Coupon Amounts and the Final Redemption Amount are linked) are set out in Appendix 2 (*Information Regarding the UDI*).

9. **PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Certain historical information in respect of the FX Rate (as defined in item 18(i)) to which the Interest Amount payable in respect of the Notes will be linked is set out in Appendix 4 (*Historical Data*) hereto. Information in respect of the FX Rate can also be found on the FX Price Source (or its successor page for the purpose of displaying such rate). Certain information in respect of the UDI (to which the Coupon Amounts and the Final Redemption Amount are linked) are set out in

Appendix 2 (*Information Regarding the UDI*).

10.

**OPERATIONAL INFORMATION**

ISIN Code:	XS0331897453
Common Code:	033189745
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s):	Indeval ( <i>S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V., Mexico</i> )
Delivery:	Delivery against payment
Intended to be held in a manner which would allow Eurosystem eligibility:	No
Names and addresses of additional Paying Agent(s) if any:	Not applicable
Governing Law:	New York
Additional investment considerations:	Applicable. See Appendix 3 ( <i>Additional Risk Factors Relating to the Notes</i> ) hereto.

**APPENDIX 1**  
**SPECIAL CONDITIONS**

**1. DEFINITIONS**

For the purposes of the Final Terms (including this Appendix 1 (*Special Conditions*), Appendix 2 (*Information Regarding the UDI*) and Appendix 3 (*Additional Risk Factors Relating to the Notes*), the following terms will have the following meanings:

**“Alternative Payment Amount”** has the meaning provided in paragraph 2.6 of this Appendix 1 (*Special Conditions*);

**“Business Day”** means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets settle payments and are open for business (including dealing in foreign exchange and foreign currency deposits) in London, New York and Mexico City;

**“Central Bank of Mexico”** means the *Banco de Mexico*;

**“Disrupted Day”** means a day on which an Index Disruption Event occurs or exists;

**“Domestic Event”** means if Mexico, or any of its agencies, instrumentalities or entities (including, without limitation, the Central Bank of Mexico) by means of any law, regulation, ruling, directive or interpretation, whether or not having the force of law, takes any action which legally or de facto prevents or has the effects of restricting or limiting the calculation or announcement of the UDI Index or any of the values used to determine the UDI Index;

**“Final Redemption Amount”** means the amount per specified denomination of the Notes payable on the Maturity Date determined as provided in paragraph 2.1 of this Appendix 1 (*Special Conditions*);

**“Final UDI Index Level”** means, for purposes of determining the Final Redemption Amount, the UDI Index Level for settlement on the Maturity Date as determined on the Final Valuation Date;

**“Final Valuation Date”** means the date on which the Calculation Agent will determine the Final UDI Index Level in order to determine the Final Redemption Amount pursuant to paragraph 2.1 of this Appendix 1 (*Special Conditions*) for settlement on the Maturity Date. The Final Valuation Date is scheduled to occur on November 27, 2012 (the **“Scheduled Final Valuation Date”**) based upon the existing procedures used by the Central Bank of Mexico to announce the UDI Index. In the event that the Scheduled Final Valuation Date is not a Business Day or is a Disrupted Day, then the Final Valuation Date shall be the next succeeding Business Day that is not a Disrupted Day; provided that (i) there are at least two Business Days between the Final Valuation Date and the Maturity Date and (ii) if there are not at least two Business Days between the Final Valuation Date and the Maturity Date, the Maturity Date shall be postponed until the second Business Day after the Final Valuation Date, subject to a maximum postponement of thirty (30) calendar days from the scheduled Final Valuation Date (the **“Deferral Period”**). In the event the Deferral Period has been reached, the next London and New York business day following the Deferral Period shall be the Final Valuation Date and the date two London and New York business days after such Final Valuation Date shall be the Maturity Date of the Notes and the Final UDI Index Level, for the purpose of determining the Final Redemption Amount, shall be determined by the Calculation Agent taking into consideration all available information that in good faith it deems relevant. For the avoidance of doubt, the Final Redemption Amount payable on the Maturity Date shall not be affected and no additional amounts shall be payable if the Maturity Date is adjusted in accordance herewith;

**“Fixed Interest Dates”** means each date specified in Item 15(ii) of these Final Terms.

**“Index Determination Dates”** means, for purposes of determining the UDI Index Level applicable to each Fixed Payment Date, the date falling two Business Days immediately prior to each Fixed Payment Date;

**“Index Disruption Event”** means the occurrence on any Business Day of an Index Publication Failure or a Domestic Event, in each case as determined in the sole and absolute discretion of the Calculation Agent acting in good faith and in a commercially reasonable manner, resulting in the Calculation Agent being unable to

determine the UDI Index Level necessary to determine (i) the coupon amount payable as of any Fixed Interest Date or (ii) the Final Redemption Amount due under the Notes;

"**Index Publication Failure**" means the UDI Index is not calculated and/or timely announced by the Central Bank of Mexico;

"**Initial UDI Index Level**" means MXN 3.907644;

"**MXN Convertibility Event**" has the meaning provided in paragraph 2.7 of this Appendix 1 (*Special Conditions*);

"**MXN Currency Event**" has the meaning provided in paragraph 2.6 of this Appendix 1 (*Special Conditions*);

"**Regulatory Redemption Event**" has the meaning set forth in paragraph 2.4 of this Appendix 1 (*Special Conditions*);

"**Required Payment**" has the meaning provided in paragraph 2.6 of this Appendix 1 (*Special Conditions*);

"**UDI Coupon Amount**" has the meaning provided in item 15(i) of these Final Terms;

"**UDI Index Level**" means the level of "*Unidad de Inversión*" ("**UDI**"), expressed as the number of MXN per one UDI, determined by the Central Bank of Mexico for the applicable Fixed Interest Date or the Maturity Date, as the case may be, as published in the "*Diario Oficial de la Federación*" and as further described in Appendix 2 (*Information Regarding the UDI*); provided that (i) if an Index Disruption Event has occurred and is continuing on any Index Determination Date, then the UDI Index Level for the applicable Fixed Interest Date shall be determined by the Calculation Agent based on such market and other information as the Calculation Agent deems necessary and relevant in its sole discretion and (ii) if the Scheduled Final Valuation Date is not a Business Day or is a Disrupted Day, then the provisions set forth under the definition of "Final Valuation Date" herein shall apply to the determination of the UDI Index Level.

## **2. SPECIAL CONDITIONS**

### **2.1 Final Redemption Amount**

Unless previously redeemed or purchased and cancelled as specified in these Final Terms and subject as provided herein, the Final Redemption Amount payable on the Maturity Date will be an amount in MXN per Specified Denomination calculated and determined by the Calculation Agent, in accordance with the following formula:

$$\text{Specified Denomination} * \text{UDI Notional Amount} * \text{UDI Index Level}$$

### **2.2 Coupon Amounts**

On each Fixed Interest Date, the Calculation Agent will pay an amount in MXN per Specified Denomination equal to the UDI Coupon Amount specified for such Fixed Interest Date in Item 15(ii) of these Final Terms multiplied by the UDI Index Level as of the applicable Index Determination Date.

### **2.3 Rate Corrections; Successor Rates; Rate Adjustments**

- (a) *Rate Corrections.* In the event that the UDI Index as published by the Central Bank of Mexico which is used for any calculation or determination in respect of the Notes is subsequently corrected and the correction published by the Central Bank of Mexico no later than the Maturity Date, the Calculation Agent may, but is not obliged to, make adjustments to the Final Redemption Amount that it determines necessary to account for such correction. No interest or other amount shall be payable in respect of any delay in the payment date caused by such adjustments;
- (b) *Successor Rates.* If the UDI Index is (i) not calculated and announced by the Central Bank of Mexico but is calculated and announced by a successor source acceptable to the Calculation Agent, or (ii) replaced by a successor rate 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 UDI Index, then the relevant rate will be deemed to be the rate so calculated and announced by that successor or that successor rate, as the case may be;

- (c) *No Successor Rates.* In the event that the Calculation Agent, in its absolute discretion, determines that the UDI Index is no longer published and has not been replaced by a successor unit of value, then the Calculation Agent shall determine the new rate, or a rate calculated using the same or substantially similar formula or method for calculation as used in the calculation of the previously applicable rate, in its sole and absolute discretion, taking into consideration all available information that in good faith it deems relevant;
- (d) *Rate Adjustments.* In the event that the Central Bank of Mexico in any way materially modifies or restates the UDI Index, the Calculation Agent shall make any corresponding adjustments to the computation of the UDI Index as it shall determine to be necessary in its sole and absolute discretion, taking into account all available information that in good faith it deems relevant.

#### **2.4 Redemption for Regulatory Reasons**

The Company may, at any time, on not less than ten (10) clear Business Days irrevocable notice to the Noteholders in accordance with Condition 15 (*Notices*), redeem all but not some only, of the Notes in the event that a change in applicable law or regulation occurs that results, or will result, solely by reason of the Notes being outstanding, in the Company 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 Company to be materially onerous to it (each such change, a "**Regulatory Redemption Event**"). In the event of the Company delivering any such notice, the Company will redeem the Notes at the Early Redemption Amount as specified in Item 25 of these Final Terms on the date specified in such notice, being a date falling not more than sixty (60) days after the date that such notice is given.

#### **2.5 Illegality**

In the event that the Calculation Agent determines that the performance of the Company's obligations under the Notes or that any arrangements made to hedge the Company's position under the Notes has or will become unlawful, illegal, or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Company may, having given not more than 30 nor less than 5 days' notice to Noteholders in accordance with Condition 15 (which notice shall be irrevocable), redeem all, but not some only, of the Notes, each MXN 1,000,000 in nominal amount of the Notes being redeemed at the Early Redemption Amount.

#### **2.6 Alternative Payment Amount upon MXN Currency Event**

If, at the time any payment of interest, principal, premium and/or additional or other amounts, if any, in respect of the Notes is due (each a "**Required Payment**"), the Specified Currency is no longer (i) used by the government of Mexico for the payment of public and private debts or (ii) used for settlement of transactions by public institutions in Mexico or within the international banking community, or (iii) expected to be available, when any Required Payment is due as a result of circumstances beyond the control of the Company (each of the foregoing, an "**MXN Currency Event**"), the Company shall be entitled to satisfy its obligations in respect of such Required Payment by making such Required Payment in U.S. Dollars (the "**Alternative Payment Amount**"), on the basis of the USD/MXN bid-spot foreign exchange rate (expressed as the number of U.S. Dollars (or part thereof) as at 12.30 p.m. (New York time) on the second Business Day prior to the relevant date of payment, for which one Mexican Peso could be purchased as quoted on Reuters screen <MXN=D2> (or its successor page for the purpose of displaying such rates) or, if such rate is not available on such second Business Day, on the basis of the rate most recently available prior to such second Business Day. Any payment made under such circumstances in U.S. Dollars, will constitute valid payment, and will not constitute a default in respect of this Note. The Company's communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Company hereunder shall be at its sole discretion and shall (in the absence of manifest error, wilful default or bad faith) be conclusive for all purposes and binding on the Company, the Paying Agents, and the holders of the Notes. By

acceptance thereof, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Amount by the Company.

## **2.7 Alternative Payment upon Occurrence of MXN Convertibility Event**

In the event that, at any time, the government of Mexico by means of any law, regulation or decree, takes any action (together, a “**Governmental Action**”) which is in effect or has effect on any relevant payment date, as the case may be, which legally or *de facto* prevents or has the effect of restricting or limiting: (i) the general availability of MXN in Mexico, (ii) the general availability of MXN in any foreign exchange market or the availability of MXN on commercially reasonable terms, (iii) the exchange of U.S. dollars for MXN, or (iv) the transfer or receipt of MXN inside or outside of Mexico (any such occurrence in clauses (i), (ii), (iii) and (iv) constituting an “**MXN Convertibility Event**”), then the Company, at its option, may deliver to or to the order of the Noteholders (to the extent and in the manner permitted by applicable law) (a) in Mexico the amount due in MXN, or (b) outside Mexico a U.S. dollar amount to accounts designated by the Noteholders, or established by the Company for the benefit of Noteholders, calculated based on the MXN amount that was due, converted to U.S. dollars based on the exchange rate on the date of determination, as determined in the sole discretion of the Calculation Agent acting in good faith and in a commercially reasonable manner and, in either case, the Company’s obligations shall be deemed fully satisfied and discharged upon transfer of the necessary amounts in the relevant currency. By acceptance of the Notes, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the determinations and payment arrangements made by the Company or the Calculation Agent in connection with an MXN Convertibility Event.

## APPENDIX 2 INFORMATION REGARDING THE UDI

*The following information is a description of the UDI (as defined below) and certain historical information. The information contained in this appendix relating to the UDI consists of extracts from, or summaries of, information published in the Diario Oficial de la Federación and other public sources. The Company confirms that such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Company nor the Dealer accepts any further responsibility in respect of such information.*

### 1. General Description

The Unidad de Inversión (“UDI”) is a unit of account with constant real value and its daily value reflects movements in the National Consumer Prices Index (“NCPI”), with a short lag and without the speculation of interest rates. Subsequently, the UDI remains practically constant in real terms and is protected from erosion caused by inflation. The UDI Index is quoted as an index, expressed as the number of MXN per one UDI (the “UDI Index”), as determined by the Central Bank of Mexico (*Banco de México*). The UDI Index is published for each day in the Daily Official Gazette of the Federation (“*Diario Oficial de la Federación*”) (<http://www.gobnacion.gob.mx/dof/pop.php>) by the Central Bank of Mexico.

The NCPI measures monthly changes in the general level of prices of goods and services that households acquire for consumption. Prices recorded are cash transaction prices on the day of the survey. They include indirect taxes and special sales prices are also recorded. Price changes for owner-occupied housing units are imputed using the equivalent rent method.

The rate for a given day may be obtained from the Central Bank of Mexico’s website: <http://www.banxico.org.mx/siteBanxicoINGLES/eInfoFinanciera/FSinfoFinanciera.html>

The rate for the UDI Index for the 11<sup>th</sup> through the 25<sup>th</sup> day of a specified month is published by the Central Bank of Mexico not later than the 10<sup>th</sup> day of such month. No later than the 25<sup>th</sup> day of each month, the Central Bank of Mexico published the rate for the UDI for the days commencing on the 26<sup>th</sup> day of such month to the 10<sup>th</sup> day of the immediately succeeding month.

The percentage variation of the UDI Index from the 10<sup>th</sup> to the 25<sup>th</sup> day of each month will be equal to the variation of the NCPI of the second bi-weekly of the prior month. The UDI variation from the 25<sup>th</sup> through to the 10<sup>th</sup> day of the next month will be equal to the NCPI variation during the first biweekly of the referred month.

To determine the UDI variation for the other days for the published periods, the biweekly variation of the NCPI prior to each period will be distributed amongst the total days in each period, therefore the UDI variation in each of these days will be uniform.

### HISTORICAL INFORMATION

The UDI Index rate (expressed as the number of MXN (or part thereof) for which one UDI as determined by the Central Bank of Mexico.

	<i>High</i>	<i>Low</i>
2004	3.5347	3.3524
2005	3.6365	3.5329
2006	3.7871	3.6394
May 2007	3.8404	3.8325
June 2007	3.8312	3.8178
July 2007	3.8193	3.8274
August 2007	3.8303	3.8465
September 2007	3.8485	3.8639
October 2007	3.8719	3.8885

#### *UDI Index Level*

20 November, 2007 3.9007

Source: Bloomberg

The delivery of these Final Terms does not imply any representation on the part of the Company, the Calculation Agent or Merrill Lynch International or any other person that any such information is correct.

**MERRILL LYNCH INTERNATIONAL DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER AS TO THE RESULTS TO BE OBTAINED FROM AN INVESTMENT IN THE NOTES THAT ARE LINKED TO THE UDI INDEX. THE FOREGOING INFORMATION IS BASED UPON PUBLICLY AVAILABLE INFORMATION AS PUBLISHED ON THE APPLICABLE SOURCE. HOWEVER, NEITHER MERRILL LYNCH INTERNATIONAL NOR ANY OF ITS AFFILIATES SHALL BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THE INFORMATION SET FORTH ABOVE NOR SHALL IT OR ANY SUCH AFFILIATE BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN.**

## APPENDIX 3

### ADDITIONAL RISK FACTORS RELATING TO THE NOTES

THESE INVESTMENT CONSIDERATIONS SHOULD BE READ TOGETHER WITH, AND FORMS PART OF, THE FINAL TERMS FOR THE MERRILL LYNCH & CO., INC. MXN 50,000,000 FIXED RATE/UDI INDEX-LINKED COUPON AND REDEMPTION NOTES DUE 29 NOVEMBER, 2012 (THE "NOTES").

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSIDER CAREFULLY ALL THE INFORMATION SET OUT IN THE BASE PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS DESCRIBED BELOW, BEFORE MAKING ANY DECISION TO INVEST IN THE NOTES.

BY BUYING THE NOTES, AN INVESTOR WILL BE DEEMED TO REPRESENT THAT IT UNDERSTANDS THE RISKS ASSOCIATED WITH PURCHASING THE NOTES AND AGREES TO ACCEPT AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS.

*The following section does not describe all of the risks and other ramifications of an investment in the Notes. The Company disclaims any responsibility to advise prospective investors of such risks as they exist at the date of these Final Terms or as they change from time to time. Prospective investors should consult their own financial and legal advisors about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances. In particular, the Notes may not be an appropriate investment for investors who are unsophisticated with respect to such transactions.*

*The description of investment considerations that follow is not, and does not purport to be, exhaustive. Capitalised terms used in this Annex 2 (Investment Considerations) are defined elsewhere in these Final Terms.*

#### **1. Understanding and appropriateness of the investment**

- 1.1** Each investor (a) should be an investor with substantial knowledge of and/or experience in structured products and other derivatives having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks (including tax, legal, regulatory, accounting) of an investment in the Notes because the Notes are not an appropriate investment for investors who are unsophisticated with respect to such transactions; (b) should be financially able to bear such risks; (c) in making such investment shall not rely on any advice or recommendations of or any information, representation or warranty provided by the Dealer, the Calculation Agent and/or any of their respective affiliates ("Merrill Lynch"), the Company or any of their respective representatives; (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time; and (e) should seek advice from such advisors as such investor considers necessary and appropriate, to enable such investor to make its own independent decision with regard to the suitability and appropriateness of the Notes as an investment for its own account. Each investor should be capable of assessing and independently deciding, and should have assessed and independently decided, to assume the risks of an investment in the Notes.
- 1.2** Each investor in the Notes should consider the tax consequences of investing in the Notes. None of the Company, the Dealer or any of their respective representatives makes any representation and have given you, and will give you, any advice concerning the appropriate accounting treatment or possible tax consequences of purchasing the Notes. Each investor should consult its own financial, tax, accounting and legal advisors about risks associated with an investment in the Notes and the suitability of investing in such Notes in light of the investor's particular circumstances.

- 1.3 Any information communicated (in any manner) to investors by the Company or Merrill Lynch should not be relied upon as investment advice or as a recommendation to invest in the Notes, which shall include, amongst other things, any such information, explanations or discussions concerning the terms and conditions of the Notes, or related features.
- 1.4 Investment in the Notes should comply, and be fully consistent, with all investment policies, guidelines and restrictions applicable to an investor. It is the responsibility of each investor to ensure that it is compliant with all regulations relevant to its acquisition of the Notes and that it is lawful for it to enter into such investment.
- 1.5 Any information communicated (in any manner) to investors by the Company or Merrill Lynch should not be relied upon, nor shall such be deemed to be an assurance or guarantee, as to the expected results of an investment in the Notes. Each investor should be aware that any return on the Notes may not exceed or even equal the return that might have been achieved had the amount of its initial investment been placed on deposit for the same period.
- 1.6 Each investor should be aware that neither the Company nor Merrill Lynch is acting as a fiduciary or trustee for, or as an advisor to the investor with regard to the investment in the Notes.
- 1.7 The Notes are denominated in MXN. Investors that purchase the Notes with a currency other than MXN should note that changes in rates of exchange may have an adverse effect on the value, price or income of their investment.
- 1.8 The Notes will constitute direct, unsubordinated, unsecured and general obligations of the Company and will rank equally with all other unsubordinated and unsecured indebtedness of the Company. Investors in the Notes should have such knowledge and experience in financial business matters and expertise in assessing credit risk and be capable of evaluating the merits, risks and suitability of investing in the Notes including any credit risk associated with the Company. Investors in the Notes do so in reliance on their own assessment of the Company, these Final Terms and Base Prospectus.
- 1.9 Past performance of the FX Rate is not indicative of the future performance of such rate.

## **2. Conflicts of Interest**

Merrill Lynch Capital Services, Inc. may face possible conflicts of interest in relation to its role as Calculation Agent for the Notes including, without limitations, in relation to the role of the Calculation Agent in determining the Interest Amount for the Interest Period. Merrill Lynch Capital Services, Inc. is required to carry out its duties as Calculation Agent in good faith and using its reasonable judgement, however you should be aware that any such determination may potentially adversely affect the amount payable to Noteholders under the Notes and that potential conflicts of interest could arise.

The Company has entered into an arrangement with one of its subsidiaries to hedge the market risks associated with our obligation to pay amounts due on the Notes. This subsidiary expects to make a profit in connection with this arrangement. The Company did not seek competitive bids for this arrangement from unaffiliated parties. All of these activities may result in conflicts of interest with respect to the financial interests of Merrill Lynch Capital Services, Inc. and its affiliates.

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD THE NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTION HEADED "RISK FACTORS" IN THE BASE PROSPECTUS.**

**APPENDIX 4  
HISTORICAL DATA**

*The information in this Appendix 4 is taken from Bloomberg*

*The delivery of these Final Terms does not imply any representation on the part of the Company, the Calculation Agent or the Relevant Dealer or any other person that any such information is correct.*

The USD/MXN mid spot foreign exchange rate (expressed as the number of MXN (or part thereof) for which one USD could be purchased.

***Recent and Historical exchange rates***

	<b><i>High</i></b>	<b><i>Low</i></b>
2004	11.6698	10.8073
2005	11.3818	10.4217
2006	11.4806	10.4352
May, 2007	10.9145	10.7155
June, 2007	10.7155	11.0162
July, 2007	10.7378	11.0125
August, 2007	10.9253	11.1954
September, 2007	10.9253	11.1954
October, 2007	10.6540	10.9100
	<b><i>USD/MXN mid spot foreign exchange rate</i></b>	
20 November, 2007	10.9660	

Source: Bloomberg

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**MERRILL LYNCH INTERNATIONAL DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER AS TO THE RESULTS TO BE OBTAINED FROM AN INVESTMENT IN THE NOTES THAT ARE LINKED TO THE FX RATE. THE FOREGOING INFORMATION IS BASED UPON PUBLICLY AVAILABLE INFORMATION AS PUBLISHED ON THE APPLICABLE SOURCE. HOWEVER, NEITHER MERRILL LYNCH INTERNATIONAL NOR ANY OF ITS AFFILIATES SHALL BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THE INFORMATION SET FORTH ABOVE NOR SHALL IT OR ANY SUCH AFFILIATE BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN.**