

**PRICING SUPPLEMENT**

(To prospectus supplement and prospectus dated November 26, 2003)

Pricing Supplement Number: 2418



**2,000,000 Units**  
**Merrill Lynch & Co., Inc.**  
**Medium-Term Notes, Series C**  
**United States Dollar/Custom Currencies Basket Notes**  
**due July 13, 2006**  
**(the “Notes”)**  
**\$10 original public offering price per unit**

**The Notes:**

- The Notes are designed for investors who believe that the value of the United States dollar relative to the New Zealand dollar, the Australian dollar and the British pound will appreciate over the term of the Notes, who are willing to accept a return that will not exceed the limit described in this pricing supplement and who are willing to risk losing up to \$.30 per unit of their investment over the term of the Notes.
- Minimum repayment will not be less than 97% of the \$10 original public offering price per unit.
- There will be no payments prior to the maturity date and we cannot redeem the Notes prior to the maturity date.
- \$25,000 minimum initial investment.
- The Notes will not be listed on any securities exchange.
- Senior unsecured debt securities of Merrill Lynch & Co., Inc., denominated and payable in United States dollars, part of a series entitled “Medium-Term Notes, Series C”.
- Expected closing date: January 6, 2005.
- CUSIP No.: 59021S786

**Payment on the maturity date:**

- The amount you receive on the maturity date will be based upon the percentage change in the value of the United States Dollar/Custom Currencies Basket over the term of the Notes multiplied by a participation rate equal to 100%, up to a maximum payment equal to \$11.20 per unit, as described in this pricing supplement. If the value of the United States Dollar/Custom Currencies Basket decreases or does not increase by at least 3%, on the maturity date you will receive less than the \$10 original public offering price per unit, which may result in a loss of some of your investment. In no event, however, will you receive less than \$9.70 per unit.

Information included in this pricing supplement supercedes information in the accompanying prospectus supplement and prospectus to the extent that it is different from that information.

**Investing in the Notes involves risks that are described in the “[Risk Factors](#)” section of this pricing supplement and the accompanying prospectus supplement.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this pricing supplement or the accompanying prospectus supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Unit</u>	<u>Total</u>
Public offering price	\$10.00	\$20,000,000
Underwriting discount	\$.125	\$250,000
Proceeds, before expenses, to Merrill Lynch & Co., Inc.	\$9.875	\$19,750,000

**Merrill Lynch & Co.**

The date of this pricing supplement is January 4, 2005.

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## SUMMARY INFORMATION—Q&A

This summary includes questions and answers that highlight selected information from this pricing supplement and the accompanying prospectus supplement and prospectus to help you understand the United States Dollar/Custom Currencies Basket Notes due July 13, 2006 (the “Notes”). You should carefully read this pricing supplement and the accompanying prospectus supplement and prospectus to fully understand the terms of the Notes, the United States Dollar/Custom Currencies Basket (the “Basket”) and the tax and other considerations that are important to you in making a decision about whether to invest in the Notes. You should carefully review the “Risk Factors” section in this pricing supplement and the accompanying prospectus supplement, which highlights certain risks associated with an investment in the Notes, to determine whether an investment in the Notes is appropriate for you.

References in this pricing supplement to “ML&Co.,” “we,” “us” and “our” are to Merrill Lynch & Co., Inc. and references to “MLPF&S” are to Merrill Lynch, Pierce, Fenner & Smith Incorporated.

### What are the Notes?

The Notes will be part of a series of senior debt securities issued by ML&Co. entitled “Medium-Term Notes, Series C” and will not be secured by collateral. The Notes will rank equally with all of our other unsecured and unsubordinated debt. The Notes will mature on July 13, 2006. We cannot redeem the Notes at an earlier date. We will not make any payments on the Notes until the maturity date.

Each unit will represent a single Note with a \$10 original public offering price. You may transfer the Notes only in whole units. The minimum initial investment amount is \$25,000. You will not have the right to receive physical certificates evidencing your ownership except under limited circumstances. Instead, we will issue the Notes in the form of a global certificate, which will be held by The Depository Trust Company, also known as DTC, or its nominee. Direct and indirect participants in DTC will record your ownership of the Notes. You should refer to the section entitled “Description of the Debt Securities—Depository” in the accompanying prospectus.

### Are there any risks associated with my investment?

Yes, an investment in the Notes is subject to risks, including the risk of loss. Please refer to the section entitled “Risk Factors” in this pricing supplement and the accompanying prospectus supplement.

### Who determines the value of the Basket and what does the Basket reflect?

Merrill Lynch Capital Services, Inc., as calculation agent, (the “**Calculation Agent**”) will determine the value of the Basket as described in the section entitled “The Basket” in this pricing supplement. The Basket is designed to allow investors to participate in exchange rate movements of the currencies included in the Basket, as reflected by changes in the United States dollar value of the Basket, over the term of the Notes. The currencies that will compose the Basket are the New Zealand dollar, the Australian dollar, the British pound and the United States dollar. Each of these currencies is referred to in this pricing supplement as a “**Basket Component**”. Each Basket Component has been assigned a weighting. Changes in the United States dollar value of the New Zealand dollar, which has a greater weighting, will have a greater effect on the United States dollar value of the Basket than changes in the United States dollar value of the Australian dollar or the British pound, which have a lesser weighting. The weightings are disclosed in the section entitled “The Basket” in this pricing supplement. The positive weighting in the Basket can be viewed as a long position in the United States dollar. The negative weightings in the Basket can be viewed as short positions in the New Zealand dollar, the Australian dollar and the British pound, which would require the future purchase of those currencies to repay that short position. The value of the Basket was set to 100 on January 4, 2005, the date the Notes were priced for initial sale to the public (the “**Pricing Date**”).

In addition, a fixed factor (the “**Multiplier**”) was determined for each Basket Component by dividing each weighting of the Basket Component by the United States dollar value of that Basket Component on the Pricing Date. The Multiplier can be used to calculate the value of the Basket on any

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given day by multiplying the Multiplier for each Basket Component by the then current exchange rate for that Basket Component, summing the resulting products and adding 100 to the total. For a list of hypothetical Multipliers for each Basket Component and examples of Basket value computations, please see the section entitled “The Basket” in this pricing supplement.

### **How has the Basket performed historically?**

The Basket did not exist until the Pricing Date. We have, however, included a table and a graph showing hypothetical historical month-end values of the Basket from January 1999 through December 2004 based upon a hypothetical Multiplier of each Basket Component calculated as of the Pricing Date, and historical exchange rates. This table and graph are included in the section entitled “The Basket” in this pricing supplement. We have provided this hypothetical historical information to help you evaluate the behavior of the Basket relative to the United States dollar in various economic environments; however, past performance of the Basket is not necessarily indicative of how the Basket will perform in the future.

### **What will I receive on the maturity date of the Notes?**

On the maturity date, for each unit of the Notes you own, you will receive a cash payment equal to the Redemption Amount.

The “**Redemption Amount**” to which you will be entitled will depend on the percentage change in the value of the Basket over the term of the Notes. The Redemption Amount will be denominated in United States dollars and will equal:

(i) If the Ending Value is greater than the Starting Value, the \$10 original public offering price per unit multiplied by a percentage equal to:

$$97 + \left( \text{Participation Rate} \times \left( \frac{\text{Ending Value} - \text{Starting Value}}{\text{Starting Value}} \right) \right)$$

provided, however, the Redemption Amount will not exceed \$11.20 per unit (the “**Capped Value**”); or

(ii) If the Ending Value is equal to or less than the Starting Value, \$9.70 per unit.

As a result of the foregoing, the value of the Basket must increase by 3.0% in order for you to receive a Redemption Amount equal to the \$10 original public offering price per unit. If the value of the Basket declines or does not increase by at least 3.0%, you will receive less than the \$10 original public offering price per unit. In no event, however, will you receive less than \$9.70 per unit. The opportunity to participate in the possible increases in the value of the Basket through an investment in the Notes is limited because the amount that you receive on the maturity date will never exceed the Capped Value, which represents an appreciation of 12% over the \$10 original public offering price of the Notes.

The “**Starting Value**” was set to 100 on the Pricing Date.

The “**Ending Value**” will equal the value of the Basket as determined by the Calculation Agent on the seventh scheduled business day before the maturity date of the Notes, as described in this pricing supplement.

The “**Participation Rate**” equals 100%.

For more specific information about the Redemption Amount, please see the section entitled “Description of the Notes” in this pricing supplement.

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### *Examples*

Set forth below are four examples of Redemption Amount calculations reflecting a Capped Value of \$11.20 and a Participation Rate of 100%:

**Example 1**—The hypothetical Ending Value is equal to 50% of the Starting Value:

Starting Value: 100

Hypothetical Ending Value: 50

Redemption Amount (per unit) = US\$9.70 (Redemption Amount cannot be less than \$9.70)

**Example 2**—The hypothetical Ending Value is 101% of the Starting Value:

Starting Value: 100

Hypothetical Ending Value: 101

Redemption Amount (per unit) =  $\$10 \times (97 + (100\% \times (101 - 100)))\% = \text{US\$}9.80$

(The value of the Basket has not sufficiently increased to prevent a loss to you)

**Example 3**—The hypothetical Ending Value is equal to 105% of the Starting Value:

Starting Value: 100

Hypothetical Ending Value: 105

Redemption Amount (per unit) =  $\$10 \times (97 + (100\% \times (105 - 100)))\% = \text{US\$}10.20$

**Example 4**—The hypothetical Ending Value is equal to 150% of the Starting Value:

Starting Value: 100

Hypothetical Ending Value: 150

Redemption Amount (per unit) =  $\$10 \times (97 + (100\% \times (150 - 100)))\% = \text{US\$}11.20$

(Redemption Amount cannot be greater than the Capped Value)

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### **Will I receive interest payments on the Notes?**

You will not receive any interest payments on the Notes, but will instead receive the Redemption Amount on the maturity date. We have designed the Notes for investors who are willing to risk losing up to \$.30 per unit if the value of the Basket declines or does not increase by at least 3.0%, willing to forego interest payments on the Notes, such as fixed or floating interest rates paid on traditional interest bearing debt securities, and willing to accept a return that will not exceed the Capped Value in exchange for the ability to participate in possible increases in the United States dollar value of the Basket over the term of the Notes.

### **What about taxes?**

Each year, you will be required to pay taxes on ordinary income from the Notes over their term based upon an estimated yield for the Notes, even though you will not receive any payments from us until the maturity date. We have determined this estimated yield, in accordance with regulations issued by the U.S. Treasury Department, solely in order for you to calculate the amount of taxes that you will owe each year as a result of owning a Note. This estimated yield is neither a prediction nor a guarantee of what the actual cash payment on the maturity date will be, or that the actual cash payment on the maturity date will even exceed \$9.70 per unit of the Notes. We have determined that this estimated yield will equal 2.89% per annum, compounded semiannually.

Based upon this estimated yield, if you pay your taxes on a calendar year basis and if you buy a unit of the Notes for \$10 and hold the Note until the maturity date, you will be required to pay taxes on the following amounts of ordinary income from the Note each year: \$.2851 in 2005, and \$.1592 in 2006. However, in 2006, the amount of ordinary income that you will be required to pay taxes on from owning each unit of the Notes may be greater or less than \$.1592, depending upon the cash payment you receive on the maturity date. Also, if the cash payment on the maturity date is less than \$10.4443, you may have a loss which you could deduct against other income you may have in 2006, but under current tax regulations, you would neither be required nor allowed to amend your tax returns for prior years. For further information, see "United States Federal Income Taxation" in this pricing supplement.

### **Will the Notes be listed on a stock exchange?**

The Notes will not be listed on any securities exchange and we do not expect a trading market for the Notes to develop, which may affect the price that you receive for your Notes upon any sale prior to the maturity date. You should review the section entitled "Risk Factors—A trading market for the Notes is not expected to develop" in this pricing supplement.

### **What is the role of MLPF&S?**

Our subsidiary MLPF&S is the underwriter for the offering and sale of the Notes. After the initial offering, MLPF&S intends to buy and sell Notes to create a secondary market for holders of the Notes, and may stabilize or maintain the market price of the Notes during their initial distribution. However, MLPF&S will not be obligated to engage in any of these market activities or continue them once it has started.

### **What is the role of the Merrill Lynch Capital Services, Inc.?**

Merrill Lynch Capital Services, Inc. will serve as Calculation Agent for purposes of calculating, among other things, the Ending Value and the Redemption Amount. Under certain circumstances, these duties could result in a conflict of interest between Merrill Lynch Capital Services, Inc. as our subsidiary and its responsibilities as Calculation Agent.

### **What is ML&Co.?**

Merrill Lynch & Co., Inc. is a holding company with various subsidiaries and affiliated companies that provide investment, financing, insurance and related services on a global basis.

For information about ML&Co., see the section entitled "Merrill Lynch & Co., Inc." in the accompanying prospectus. You should also read other documents ML&Co. has filed with the Securities and Exchange Commission, which you can find by referring to the section entitled "Where You Can Find More Information" in the accompanying prospectus.

## RISK FACTORS

Your investment in the Notes will involve risks. You should carefully consider the following discussion of risks before deciding whether an investment in the Notes is suitable for you.

### **Your investment may result in a loss**

We will not repay you a fixed amount of principal on the Notes on the maturity date. The Redemption Amount will depend on the change in value of the Basket. Because the value of the Basket is subject to market fluctuations, the Redemption Amount you receive on the maturity date may be more or less than the \$10 original public offering price per unit of the Notes. If the Ending Value is less than or not at least 3.0% above the Starting Value, the Redemption Amount will be less than the \$10 original public offering price per unit. As a result, you may lose some of your investment in the Notes. Even if the Ending Value is greater than the Starting Value, the increase in the value of the Basket may not be sufficient for the Redemption Amount to exceed the \$10 original public offering price per unit. The Redemption Amount you receive on the maturity date will, however, never be less than \$9.70 per unit. Additionally, although any positive return on the Notes is based on the percentage increase in the Basket, in no event will the Redemption Amount be greater than the Capped Value.

### **Your yield may be lower than the yield on other debt securities of comparable maturity**

The yield that you will receive on your Notes, which could be negative, may be less than the return you could earn on other investments. Your yield may be less than the yield you would earn if you bought a traditional interest bearing United States dollar-denominated debt security of ML&Co. with the same stated maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

### **You must rely on your own evaluation of the merits of an investment linked to the Basket**

In the ordinary course of their businesses, affiliates of ML&Co. from time to time express views on expected movements in foreign currency exchange rates. These views are sometimes communicated to clients who participate in foreign exchange markets. However, these views, depending upon world-wide economic, political and other developments, may vary over differing time-horizons and are subject to change. Moreover, other professionals who deal in foreign currencies may at any time have significantly different views from those of our affiliates. For reasons such as these, we believe that most investors in foreign exchange markets derive information concerning those markets from multiple sources. In connection with your purchase of the Notes, you should investigate the foreign exchange markets and not rely on views which may be expressed by our affiliates in the ordinary course of their businesses with respect to future exchange rate movements.

You should make such investigation as you deem appropriate as to the merits of an investment linked to the Basket. Neither the offering of the Notes nor any views which may from time to time be expressed by our affiliates in the ordinary course of their businesses with respect to future exchange rate movements constitutes a recommendation as to the merits of an investment in the Notes.

### **The value of the Basket Components are affected by many complex factors**

The value of any currency, including the Basket Components, may be affected by complex political and economic factors. The exchange rate of each Basket Component is at any moment a result of the supply and demand for that currency relative to other currencies, and changes in the exchange rate result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the originating country of each Basket Component, including economic and political developments in other countries. Of particular importance are the relative rates of inflation, interest rate levels, balance of payments and extent of governmental surpluses or deficits in those countries, all of which are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of those countries, and other countries important to international trade and finance.

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Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of most economically developed nations, including those issuing the New Zealand dollar, the Australian dollar and the British pound, are permitted to fluctuate in value relative to the United States dollar. However, governments sometimes do not allow their currencies to float freely in response to economic forces. Governments, including those issuing the Basket Components, may use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the Notes is that their liquidity, trading value and amounts payable could be affected by the actions of sovereign governments which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders. There will be no adjustment or change in the terms of the Notes in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of the issuance of a replacement currency or in the event of other developments affecting any of the Basket Components specifically, or any other currency.

### **Even though currency trades around-the-clock, your Notes will not**

The interbank market in foreign currencies is a global, around-the-clock market. Therefore, the hours of trading for the Notes will not conform to the hours during which the Basket Components are traded. Significant price and rate movements may take place in the underlying foreign exchange markets that will not be reflected immediately in the price of the Notes. The possibility of these movements should be taken into account in relating the value of the Notes to those in the underlying foreign exchange markets.

There is no systematic reporting of last-sale information for foreign currencies. Reasonably current bid and offer information is available in certain brokers' offices, in bank foreign currency trading offices and to others who wish to subscribe for this information, but this information will not necessarily be reflected in the value of the Basket used to calculate the Redemption Amount. There is no regulatory requirement that those quotations be firm or revised on a timely basis. The absence of last-sale information and the limited availability of quotations to individual investors may make it difficult for many investors to obtain timely, accurate data about the state of the underlying foreign exchange markets.

### **A trading market for the Notes is not expected to develop**

The Notes will not be listed on any securities exchange and we do not expect a trading market for the Notes to develop. Although our affiliate MLPF&S has indicated that it expects to bid for Notes offered for sale to it by holders of the Notes, it is not required to do so and may cease making those bids at any time. In addition, while we describe in this pricing supplement how you can calculate the value of the Basket from publicly available information, we will not publish the value of the Basket over the term of the Notes and this may limit the trading market for the Notes. The limited trading market for your Notes may affect the price that you receive for your Notes if you do not wish to hold your investment until the maturity date.

### **Many factors affect the trading value of the Notes; these factors interrelate in complex ways and the effect of any one factor may offset or magnify the effect of another factor**

The trading value of the Notes will be affected by factors that interrelate in complex ways. The effect of one factor may offset the increase in the trading value of the Notes caused by another factor and the effect of one factor may exacerbate the decrease in the trading value of the Notes caused by another factor. For example, a change in the volatility of the Basket may offset some or all of any increase in the trading value of the Notes attributable to another factor, such as an increase in value of the United States dollar relative to the New Zealand dollar, the Australian dollar or the British pound. The following paragraphs describe the expected impact on the trading value of the Notes given a change in a specific factor, assuming all other conditions remain constant.



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*The value of the Basket is expected to affect the trading value of the Notes.* We expect that the trading value of the Notes will depend substantially on the amount, if any, by which the value of the Basket exceeds or does not exceed the Starting Value. If you choose to sell your Notes when the value of the Basket exceeds the Starting Value, you may receive substantially less than the amount that would be payable on the maturity date based on this value because of the expectation that the value of the Basket will continue to fluctuate until the Ending Value is determined. In addition, because the payment on the maturity date on the Notes will not exceed the Capped Value, we do not expect that the Notes will trade in the secondary market above the Capped Value.

*Changes in the levels of interest rates are expected to affect the trading value of the Notes.* We expect that changes in interest rates will affect the trading value of the Notes. In general, if United States interest rates increase, we expect that the trading value of the Notes will decrease and, conversely, if United States interest rates decrease, we expect that the trading value of the Notes will increase. In addition, increases in United States interest rates relative to interest rates in the countries issuing the other Basket Components may decrease the future value of the United States dollar relative to those other Basket Components, as implied by currency futures contracts, which would generally tend to decrease the value of the Notes, and decreases in United States interest rates relative to interest rates in the countries issuing the other Basket Components may increase the future value of the United States dollar relative to those other Basket Components, as implied by currency futures contracts, which would generally tend to increase the value of the Notes. Increases in interest rates in the countries issuing the other Basket Components relative to United States interest rates may decrease the future value of those other Basket Components relative to the United States dollar, as implied by currency futures contracts, which would tend to increase the value of the Notes, and decreases in interest rates in the countries issuing the other Basket Components relative to United States interest rates may increase the future value of those other Basket Components relative to the United States dollar, as implied by currency futures contracts, which would generally tend to decrease the value of the Notes. Interest rates may also affect the economies of the countries issuing the foreign Basket Components or the United States, and, in turn, the exchange rates and therefore the value of the Basket.

*Changes in the volatility of the Basket are expected to affect the trading value of the Notes.* Volatility is the term used to describe the size and frequency of price and/or market fluctuations. If the volatility of the Basket increases or decreases, the trading value of the Notes may be adversely affected.

*As the time remaining to the stated maturity date of the Notes decreases, the "time premium" associated with the Notes is expected to decrease.* We anticipate that before their stated maturity date, the Notes may trade at a value above that which would be expected based on the value of the Basket. This difference will reflect a "time premium" due to expectations concerning the value of the United States dollar relative to the other Basket Components prior to the stated maturity date of the Notes. However, as the time remaining to the stated maturity date of the Notes decreases, we expect that this time premium will decrease, lowering the trading value of the Notes.

*Changes in our credit ratings may affect the trading value of the Notes.* Our credit ratings are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the Notes. However, because the return on your Notes is dependent upon factors in addition to our ability to pay our obligations under the Notes, such as the percentage increase, if any, in the value of the Basket over the term of the Notes, an improvement in our credit ratings will not reduce the other investment risks related to the Notes.

In general, assuming all relevant factors are held constant, we expect that the effect on the trading value of the Notes of a given change in some of the factors listed above will be less if it occurs later in the term of the Notes than if it occurs earlier in the term of the Notes. We expect, however, that the effect on the trading value of the Notes of a given change in the value of the Basket will be greater if it occurs later in the term of the Notes than if it occurs earlier in the term of the Notes.

### **Potential conflicts of interest could arise**

Our subsidiary Merrill Lynch Capital Services, Inc. is our agent for the purposes of calculating, among other things, the Ending Value and Redemption Amount. Under certain circumstances, Merrill Lynch

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Capital Services, Inc. as our subsidiary and its responsibilities as Calculation Agent for the Notes could give rise to conflicts of interest. These conflicts could occur, for instance, in connection with its determination as to whether the value of the Basket can be obtained on a particular trading day, or in connection with judgments that it would be required to make in the event the value of the Basket is unavailable. See the section entitled “The Basket” in this pricing supplement. Merrill Lynch Capital Services, Inc. is required to carry out its duties as Calculation Agent in good faith and using its reasonable judgment. However, because we control Merrill Lynch Capital Services, Inc., potential conflicts of interest could arise.

We have entered into an arrangement with one of our subsidiaries to hedge the market risks associated with our obligation to pay the Redemption Amount. This subsidiary expects to make a profit in connection with this arrangement. We did not seek competitive bids for this arrangement from unaffiliated parties.

**Tax consequences**

You should consider the tax consequences of investing in the Notes. See the section entitled “United States Federal Income Taxation” in this pricing supplement.

## DESCRIPTION OF THE NOTES

ML&Co. will issue the Notes as part of a series of senior debt securities entitled “Medium-Term Notes, Series C” under the 1983 Indenture, which is more fully described in the accompanying prospectus. The Notes will mature on July 13, 2006. Information included in this pricing supplement supercedes information in the accompanying prospectus supplement and prospectus to the extent that it is different from that information. The CUSIP number for the Notes is 59021S786.

While on the maturity date a holder of a Note will receive an amount equal to the Redemption Amount, there will be no other payment of interest, periodic or otherwise. See the section entitled “—Payment on the Maturity Date”.

The Notes will not be subject to redemption by ML&Co. or at the option of any holder of the Notes before the maturity date. If an Event of Default occurs with respect to the Notes, holders of the Notes may accelerate the maturity of the Notes, as described below under “—Events of Default and Acceleration” in this pricing supplement and “Description of Debt Securities—Events of Default” in the accompanying prospectus.

ML&Co. will issue the Notes in denominations of whole units each with a \$10 original public offering price per unit. You may transfer the Notes only in whole units. The minimum initial investment amount is \$25,000. You will not have the right to receive physical certificates evidencing your ownership except under limited circumstances. Instead, we will issue the Notes in the form of a global certificate, which will be held by The Depository Trust Company, also known as DTC, or its nominee. Direct and indirect participants in DTC will record your ownership of the Notes. You should refer to the section entitled “Description of Debt Securities—Depository” in the accompanying prospectus.

The Notes will not have the benefit of any sinking fund.

### Payment on the Maturity Date

On the maturity date, a holder of a Note will be entitled to receive the Redemption Amount of that Note, as provided below.

#### *Determination of the Redemption Amount*

The “Redemption Amount” per unit will be denominated in United States dollars, will be determined by the Calculation Agent and will equal:

- (i) If the Ending Value is greater than the Starting Value, the \$10 original public offering price per unit multiplied by a percentage equal to:

$$97 + (\text{Participation Rate} \times (\text{Ending Value} - \text{Starting Value}));$$

provided, however, the Redemption Amount will not exceed \$11.20 per unit (the “Capped Value”); or

- (ii) If the Ending Value is equal to or less than the Starting Value, \$9.70 per unit.

The “Starting Value” was set to 100 on January 4, 2005, the date the Notes were priced for initial sale to the public (the “Pricing Date”).

The “Ending Value” will equal the value of the Basket as determined by the Calculation Agent on the seventh scheduled Business Day before the maturity date of the Notes, using the Exchange Rates on that date, as described below under “The Basket”.

The “Participation Rate” equals 100%.

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A “**Business Day**” means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close and those banks are open for dealing in a foreign exchange and foreign currency deposits.

All determinations made by the Calculation Agent will be made at the sole discretion of the Calculation Agent and, absent a determination of a manifest error, will be conclusive for all purposes and binding on ML&Co. and the holders and beneficial owners of the Notes.

### Hypothetical Returns

The following table illustrates, for the Starting Value of 100 and a range of hypothetical Ending Values of the Basket:

- the percentage change from the Starting Value to the hypothetical Ending Value;
- the total amount payable on the maturity date for each Note;
- the total rate of return to holders of the Notes;
- the pretax annualized rate of return to holders of the Notes; and
- the pretax annualized rate of return in United States dollars on an investment in the Basket Components.

The table below reflects a Capped Value of \$11.20 and a Participation Rate of 100%.

Hypothetical Ending Value	Percentage change from the Starting Value to the hypothetical Ending Value	Total amount payable on the maturity date per Note	Total rate of return on the Notes	Pretax Annualized rate of return on the Notes(1)	Pretax Annualized rate of return on the Basket Components(1)(2)
50.00	-50%	9.70	-3.00%	-2.00%	-40.89%
60.00	-40%	9.70	-3.00%	-2.00%	-31.03%
70.00	-30%	9.70	-3.00%	-2.00%	-22.21%
80.00	-20%	9.70	-3.00%	-2.00%	-14.20%
90.00	-10%	9.70	-3.00%	-2.00%	-6.83%
92.00	-8%	9.70	-3.00%	-2.00%	-5.43%
94.00	-6%	9.70	-3.00%	-2.00%	-4.04%
96.00	-4%	9.70	-3.00%	-2.00%	-2.68%
98.00	-2%	9.70	-3.00%	-2.00%	-1.33%
100.00(3)	0%	9.70	-3.00%	-2.00%	0.00%
102.00	2%	9.90	-1.00%	-0.66%	1.31%
104.00	4%	10.10	1.00%	0.66%	2.61%
106.00	6%	10.30	3.00%	1.96%	3.88%
108.00	8%	10.50	5.00%	3.25%	5.14%
110.00	10%	10.70	7.00%	4.52%	6.39%
112.00	12%	10.90	9.00%	5.77%	7.62%
114.00	14%	11.10	11.00%	7.01%	8.84%
116.00	16%	11.20(4)	12.00%	7.62%	10.04%
118.00	18%	11.20	12.00%	7.62%	11.23%
120.00	20%	11.20	12.00%	7.62%	12.40%

- (1) The annualized rates of return specified in this column are calculated on a semiannual bond equivalent basis and assume an investment term from January 6, 2005 to July 13, 2006, a term equal to that of the Notes.
- (2) The pretax annualized rates of return specified in this column assume that the underlying currency positions will be converted into United States dollars at the same time and at the same Exchange Rates as those in the Basket.
- (3) This was the Starting Value of the Basket on the Pricing Date.
- (4) The total amount payable on the maturity date per unit of the Notes cannot exceed the Capped Value.

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The above figures are for purposes of illustration only. The actual amount received by you and the resulting total and pretax annualized rates of return will depend on the actual Ending Value, as calculated based upon the Exchange Rates on the day the Ending Value is calculated, and term of your investment.

### **Events of Default and Acceleration**

In case an Event of Default with respect to any Notes has occurred and is continuing, the amount payable to a holder of a Note upon any acceleration permitted by the Notes, with respect to each \$10 original public offering price per unit, will be equal to the Redemption Amount, calculated as though the date of acceleration were the stated maturity date of the Notes. If a bankruptcy proceeding is commenced in respect of ML&Co., the claim of the holder of a Note may be limited, under Section 502(b)(2) of Title 11 of the United States Code, to the \$10 original public offering price per unit plus an additional amount of contingent interest calculated as though the date of the commencement of the proceeding was the stated maturity date of the Notes.

In case of default in payment of the Notes, whether on the stated maturity date or upon acceleration, from and after that date the Notes will bear interest, payable upon demand of their holders, at the rate of 2.25% per annum, to the extent that payment of any interest is legally enforceable on the unpaid amount due and payable on that date in accordance with the terms of the Notes to the date payment of that amount has been made or duly provided for.

### **THE BASKET**

The Basket is designed to allow investors to participate in exchange rate movements of the currencies included in the Basket, as reflected by changes in the United States dollar value of the Basket, over the term of the Notes. The currencies that will compose the Basket are the New Zealand dollar, the Australian dollar, the British pound and the United States dollar. Each Basket Component has been weighted as set forth in the table below. Changes in the United States dollar value of the New Zealand dollar, which has a greater weighting, will have a greater effect on the United States dollar value of the Basket than changes in the United States dollar value of the Australian dollar or the British pound, which have a lesser weighting. The positive weighting in the Basket can be viewed as a long position in the United States dollar. The negative weightings in the Basket can be viewed as short positions in the New Zealand dollar, the Australian dollar and the British pound, which would require the future purchase of those currencies to repay that short position.

On the Pricing Date, a fixed factor (the "Multiplier") was determined for each Basket Component by dividing the weighting of the Basket Component by the initial Exchange Rate for that Basket Component on that date. The Multiplier for each Basket Component will remain fixed over the term of the Notes and can be used to calculate the value of the Basket on any given day as described below.

As Exchange Rates move, the United States dollar value of each Basket Component in the Basket will vary based on the appreciation or depreciation of that Basket Component. Any appreciation in the Basket Components relative to the United States dollar, assuming the Exchange Rates of all other Basket Components remain the same, will result in a decrease in the value of the Basket. Conversely, any depreciation in the Basket Components relative to the United States dollar, assuming the Exchange Rates of all other Basket Components remain the same, will result in an increase in the value of the Basket.

To compute the Basket value on any day, 1) the Multiplier of each Basket Component can be multiplied by the then current Exchange Rate for that Basket Component, 2) the resulting products summed and 3) the total added to 100. For example, if the value of the New Zealand dollar depreciates from 0.709250 NZD/USD, its value on the Pricing Date to 0.673788 NZD/USD, then the NZD contribution to the value of the Basket would equal -38.00 (the Multiplier for NZD, -56.397603, multiplied by 0.673788). The depreciation in the New Zealand dollar would increase the value of the Basket because of the short position. If the value for the Australian dollar appreciates from 0.773150 AUD/USD, its value on the Pricing Date, to 0.811808 AUD/USD, the AUD

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contribution to the value of the Basket would equal -31.50 (the Multiplier for AUD, -38.802302, multiplied by 0.811808). The appreciation in the Australian dollar would decrease the value of the Basket because of the short position. Based on the above, assuming the Exchange Rates of all other Basket Components remain the same, the new value of the Basket would be 100.50 (the sum of the products of the Multiplier and the Exchange Rate for each Basket Component plus 100, rounded to two decimal places). The USD contribution to the value of the Basket would remain constant at 100.00.

For each Basket Component, the weighting, initial Exchange Rate, hypothetical Multiplier and initial Basket value for each Basket Component are as follows:

Currency	Iso Code	Weighting	Initial Exchange Rate	Hypothetical Multiplier	Initial Basket Value
United States dollar	USD	100.00	1.000000	100.000000	100.00
New Zealand dollar	NZD	-40.00	0.709250	-56.397603	-40.00
Australian dollar	AUD	-30.00	0.773150	-38.802302	-30.00
British pound	GBP	-30.00	1.892200	-15.854561	-30.00

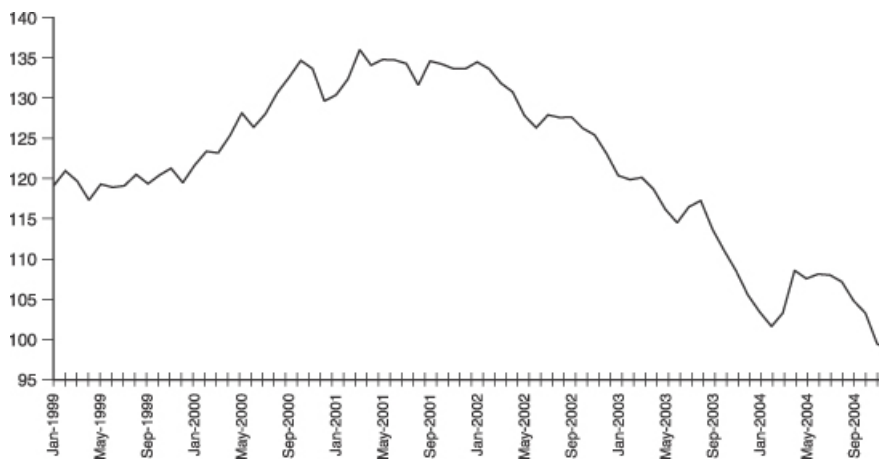
The “**Exchange Rates**”, for purposes of determining a Basket value for the New Zealand dollar, the Australian dollar and the British pound, will be those currency exchange rates in the interbank market quoted as one unit of the relevant currency in United States dollars as reported by Bloomberg L.P. (“Bloomberg”) on page FXC, or any substitute page thereto. The initial Exchange Rates are equal to the currency exchange rates reported by Bloomberg on page FXC at approximately 10:00 a.m., New York City time on the Pricing Date. For purposes of determining the Ending Value, the Exchange Rates will be those rates reported by Bloomberg on page FXC, or any substitute page thereto, at approximately 10:00 a.m., New York City time on the relevant date. If the currency exchange rates are not so quoted on Bloomberg page FXC, or any substitute page thereto, then the Exchange Rates used to determine the Ending Value will equal the noon buying rate in New York for cable transfers in foreign currencies as announced by the Federal Reserve Bank of New York for customs purposes (the “Noon Buying Rate”). If the Noon Buying Rate is not announced on that date, then the Exchange Rates will be calculated on the basis of the arithmetic mean of the applicable spot quotations received by the Calculation Agent at approximately 10:00 a.m., New York City time, on the relevant date for the purchase or sale for deposits in the relevant currencies by the London offices of three leading banks engaged in the interbank market (selected in the sole discretion of the Calculation Agent) (the “Reference Banks”). If fewer than three Reference Banks provide spot quotations, then the Exchange Rates will be calculated on the basis of the arithmetic mean of the applicable spot quotations received by the Calculation Agent at approximately 10:00 a.m., New York City time, on the relevant date from two leading commercial banks in New York (selected in the sole discretion of the Calculation Agent), for the purchase or sale for deposits in the relevant currencies. If these spot quotations are available from only one bank, then the Calculation Agent, in its sole discretion, will determine which quotation is available and reasonable to be used. If no spot quotation is available, then the Exchange Rates will be the rate the Calculation Agent, in its sole discretion, determines to be fair and reasonable under the circumstances at approximately 10:00 a.m., New York City time, on the relevant date.

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While historical information on the Basket will not exist before the Pricing Date, the following table sets forth the hypothetical historical month-end values of the Basket from January 1999 through December 2004 based upon historical Exchange Rates, the hypothetical Multipliers indicated above and a Basket value of 100 on the Pricing Date. This hypothetical historical data on the Basket is not necessarily indicative of the future performance of the Basket or what the value of the Notes may be. Any historical upward or downward trend in the value of the Basket during any period set forth below is not an indication that the Basket is more or less likely to increase or decrease in value at any time over the term of the Notes.

	Monthly Closing Values						
	1999	2000	2001	2002	2003	2004	
January	119.13	121.63	130.38	134.47	120.38	103.42	
February	120.97	123.41	132.38	133.64	119.90	101.59	
March	119.67	123.22	135.99	131.88	120.15	103.27	
April	117.34	125.38	134.08	130.77	118.65	108.58	
May	119.30	128.17	134.79	127.82	116.20	107.55	
June	118.89	126.38	134.72	126.35	114.50	108.11	
July	119.08	128.05	134.29	127.93	116.51	107.97	
August	120.49	130.63	131.61	127.61	117.25	107.14	
September	119.34	132.56	134.64	127.64	113.70	104.81	
October	120.44	134.71	134.25	126.26	111.01	103.26	
November	121.30	133.68	133.66	125.45	108.49	99.46	
December	119.46	129.63	133.68	123.10	105.53	98.81	

The following graph sets forth the hypothetical historical performance of the Basket presented in the preceding table. This hypothetical historical information is not necessarily indicative of the future performance of the Basket.



## UNITED STATES FEDERAL INCOME TAXATION

Set forth in full below is the opinion of Sidley Austin Brown & WoodLLP, tax counsel to ML&Co., as to certain United States federal income tax consequences of the purchase, ownership and disposition of the Notes. This opinion is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (including retroactive changes in effective dates) or possible differing interpretations. The discussion below deals only with Notes held as capital assets and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, tax-exempt entities, real estate investment trusts, dealers in securities or currencies, traders in securities that elect to mark to market, tax-exempt entities, persons holding Notes in a tax-deferred or tax-advantaged account, U.S. Holders (as defined below) whose functional currency is not the United States dollar, persons subject to the alternative minimum tax, or persons holding Notes as a hedge against currency risks, as a position in a “straddle” or as part of a “hedging”, “conversion” or “integrated” transaction for tax purposes. It also does not deal with holders other than original purchasers (except where otherwise specifically noted in this pricing supplement). If a partnership holds the Notes, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Thus, persons who are partners in a partnership holding the Notes should consult their tax advisors. Moreover, all persons considering the purchase of the Notes should consult their own tax advisors concerning the application of the United States federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

As used in this pricing supplement, the term “U.S. Holder” means a beneficial owner of a Note that is for United States federal income tax purposes (a) a citizen or resident of the United States, (b) a corporation, partnership or other entity treated as a corporation or a partnership that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person under any applicable Treasury regulations), (c) an estate the income of which is subject to United States federal income taxation regardless of its source, (d) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (e) any other person whose income or gain in respect of a Note is effectively connected with the conduct of a United States trade or business. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. As used herein, the term “non-U.S. Holder” means a beneficial owner of a Note that is not a U.S. Holder.

### General

There are no statutory provisions, regulations, published rulings or judicial decisions addressing or involving the characterization, for United States federal income tax purposes, of the Notes or securities with terms substantially the same as the Notes. However, although the matter is not free from doubt, under current law, each Note should be treated as a debt instrument of ML&Co. for United States federal income tax purposes. ML&Co. currently intends to treat each Note as a debt instrument of ML&Co. for United States federal income tax purposes and, where required, intends to file information returns with the Internal Revenue Service (the “IRS”) in accordance with this treatment, in the absence of any change or clarification in the law, by regulation or otherwise, requiring a different characterization of the Notes. Prospective investors in the Notes should be aware, however, that the IRS is not bound by ML&Co.’s characterization of the Notes as indebtedness, and the IRS could possibly take a different position as to the proper characterization of the Notes for United States federal income tax purposes. The following discussion of the principal United States federal income tax consequences of the purchase, ownership and disposition of the Notes is based upon the assumption that each Note will be treated as a debt instrument of ML&Co. for United States federal income tax purposes. If the Notes are not in fact treated as debt instruments of ML&Co. for United States federal income tax purposes, then the United States federal income tax treatment of the purchase, ownership and disposition of the Notes could differ



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from the treatment discussed below with the result that the timing and character of income, gain or loss recognized in respect of a Note could differ from the timing and character of income, gain or loss recognized in respect of a Note had the Notes in fact been treated as debt instruments of ML&Co. for United States federal income tax purposes.

### **U.S. Holders**

On August 30, 2004, the Treasury Department issued final regulations (the "Foreign Currency Regulations") under section 988 of the Internal Revenue Code of 1986, as amended (the "Code"), addressing the United States federal income tax treatment of debt instruments having terms similar to the Notes. The Foreign Currency Regulations apply to debt instruments issued on or after October 29, 2004, and accordingly, will apply to the Notes. In general, under the Foreign Currency Regulations, since the amount payable on the maturity date with respect to a Note in excess of the principal amount of the Note, if any, will be determined by reference to the value of the Basket while repayment of 97% of the original public offering price of each Note will not be affected by changes in the value of the Basket, the Notes will be taxed pursuant to the rules contained in certain final Treasury regulations (the "CPDI Regulations") addressing the proper United States federal income tax treatment of contingent payment debt instruments. The CPDI Regulations generally require a U.S. Holder of this type of an instrument to include future contingent and noncontingent interest payments in income as that interest accrues based upon a projected payment schedule. Moreover, in general, under the CPDI Regulations, any gain recognized by a U.S. Holder on the sale, exchange, or retirement of a contingent payment debt instrument is treated as ordinary income, and all or a portion of any loss realized could be treated as ordinary loss as opposed to capital loss (depending upon the circumstances).

In particular, solely for purposes of applying the CPDI Regulations to the Notes, ML&Co. has determined that the projected payment schedule for the Notes will consist of a projected cash payment on the maturity date of an amount equal to \$10.4443 per unit of the Notes (the "Projected Redemption Amount"). This represents an estimated yield on the Notes equal to 2.89% per annum, compounded semiannually. Accordingly, during the term of the Notes, a U.S. Holder of a Note will be required to include in income as ordinary interest an amount equal to the sum of the daily portions of interest on the Note that are deemed to accrue at this estimated yield for each day during the taxable year (or portion of the taxable year) on which the U.S. Holder holds the Note. The amount of interest that will be deemed to accrue in any accrual period (i.e., generally each six-month period during which the Notes are outstanding) will equal the product of this estimated yield (properly adjusted for the length of the accrual period) and the Note's adjusted issue price (as defined below) at the beginning of the accrual period. The daily portions of interest will be determined by allocating to each day in the accrual period the ratable portion of the interest that is deemed to accrue during the accrual period. In general, for these purposes a Note's adjusted issue price will equal the Note's issue price (i.e., \$10), increased by the interest previously accrued on the Note. On the maturity date of a Note, in the event that the actual cash payment on the maturity date (the "Actual Redemption Amount") exceeds \$10.4443 per unit of the Notes (i.e., the Projected Redemption Amount), a U.S. Holder will be required to include the excess of the Actual Redemption Amount over \$10.4443 per unit of the Notes (i.e., the Projected Redemption Amount) in income as ordinary interest on the maturity date. Alternatively, in the event that the Actual Redemption Amount, if any, is less than \$10.4443 per unit of the Notes (i.e., the Projected Redemption Amount), the amount by which the Projected Redemption Amount (i.e., \$10.4443 per unit of the Notes) exceeds the Actual Redemption Amount will be treated first as an offset to any interest otherwise includible in income by the U.S. Holder with respect to the Note for the taxable year in which the maturity date occurs to the extent of the amount of that includible interest. Any remaining portion of the Projected Redemption Amount (i.e., \$10.4443 per unit of the Notes) in excess of the Actual Redemption Amount that is not treated as an interest offset pursuant to the foregoing rules generally will be treated as an ordinary loss that is not subject to the limitations applicable to miscellaneous itemized deductions, to the extent of interest previously included in income, and, thereafter, capital loss. Any such capital loss generally will be treated as long-term or short-term capital loss (depending upon the U.S. Holder's holding period for the Note). In addition, U.S. Holders purchasing a Note at a price that differs from the adjusted issue price of the Note as of the purchase date (e.g., subsequent purchasers) will be subject to rules providing for certain adjustments to the foregoing rules and these U.S. Holders should consult their own tax advisors concerning these rules.

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Upon the sale or exchange of a Note prior to the maturity date, a U.S. Holder would be required to recognize taxable gain or loss in an amount equal to the difference, if any, between the amount realized by the U.S. Holder upon that sale or exchange and the U.S. Holder's adjusted tax basis in the Note as of the date of disposition. A U.S. Holder's adjusted tax basis in a Note generally would equal the U.S. Holder's initial investment in the Note increased by any interest previously included in income with respect to the Note by the U.S. Holder. Any taxable gain would be treated as ordinary income. Any taxable loss would be treated as ordinary loss to the extent of the U.S. Holder's total interest inclusions on the Note. Any remaining loss generally would be treated as long-term or short-term capital loss (depending upon the U.S. Holder's holding period for the Note). All amounts includible in income by a U.S. Holder as ordinary interest pursuant to the CPDI Regulations would be treated as original issue discount.

All prospective investors in the Notes should consult their own tax advisors concerning the potential application of the CPDI Regulations to their investment in the Notes. Investors in the Notes are able to obtain the projected payment schedule, as determined by ML&Co. for purposes of applying the CPDI Regulations to the Notes, by submitting a written request for that information to Merrill Lynch & Co., Inc., Corporate Secretary's Office, 222 Broadway, 17th Floor, New York, New York 10038, (212) 670-0432, corporatesecretary@exchange.ml.com.

The projected payment schedule (including both the Projected Redemption Amount and the estimated yield on the Notes) will have been determined solely for United States federal income tax purposes (i.e., for purposes of applying the CPDI Regulations to the Notes), and will be neither a prediction nor a guarantee of what the actual Redemption Amount will be, or that the actual Redemption Amount will even exceed \$9.70 per unit of the Notes.

The following table sets forth the amount of interest that will be deemed to accrue with respect to each \$10 original public offering price per unit of the Notes during each accrual period over the term of the Notes based upon the projected payment schedule for the Notes (including both the Projected Redemption Amount and an estimated yield equal to 2.89% per annum (compounded semiannually)) as determined by ML&Co. for purposes of applying the CPDI Regulations to the Notes:

<u>Accrual Period</u>	<u>Interest deemed to accrue during accrual period (per Note)</u>	<u>Total interest deemed to have accrued on Notes as of end of accrual period (per Note)</u>
January 6, 2005 through July 13, 2005	\$0.1489	\$0.1489
July 14, 2005 through January 13, 2006	\$0.1466	\$0.2955
January 14, 2006 through July 13, 2006	\$0.1488	\$0.4443

Projected Redemption Amount = \$10.4443 per unit of the Notes.

### Non-U.S. Holders

A non-U.S. Holder will not be subject to United States federal income taxes on payments of principal, premium (if any) or interest (including original issue discount) on a Note, unless the non-U.S. Holder is a direct or indirect 10% or greater shareholder of ML&Co., a controlled foreign corporation related to ML&Co. or a bank receiving interest described in section 881(c)(3)(A) of the Code. However, income allocable to non-U.S. Holders will generally be subject to annual tax reporting on IRS Form 1042-S. For a non-U.S. Holder to qualify for the exemption from taxation, any person, U.S. or foreign, that has control, receipt or custody of an amount subject to withholding, or who can disburse or make payments of an amount subject to withholding (the "Withholding Agent") must have received a statement that (a) is signed by the beneficial owner of the Note under penalties of perjury, (b) certifies that the owner is a non-U.S. Holder and (c) provides the name and address of the beneficial

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owner. The statement may generally be made on IRS Form W-8BEN (or other applicable form) or a substantially similar form, and the beneficial owner must inform the Withholding Agent of any change in the information on the statement within 30 days of that change by filing a new IRS Form W-8BEN (or other applicable form). Generally, an IRS Form W-8BEN provided without a U.S. taxpayer identification number will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. If a Note is held through a securities clearing organization or certain other financial institutions, the organization or institution may provide a signed statement to the Withholding Agent. Under certain circumstances, the signed statement must be accompanied by a copy of the applicable IRS Form W-8BEN (or other applicable form) or the substitute form provided by the beneficial owner to the organization or institution.

Under current law, a Note will not be includible in the estate of a non-U.S. Holder unless the individual is a direct or indirect 10% or greater shareholder of ML&Co. or, at the time of the individual's death, payments in respect of that Note would have been effectively connected with the conduct by the individual of a trade or business in the United States.

### **Backup Withholding**

Backup withholding at the applicable statutory rate of United States federal income tax may apply to payments made in respect of the Notes to registered owners who are not "exempt recipients" and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Notes to a U.S. Holder must be reported to the IRS, unless the U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Note to (or through) a broker, the broker must withhold on the entire purchase price, unless either (a) the broker determines that the seller is a corporation or other exempt recipient or (b) the seller provides, in the required manner, certain identifying information (e.g., an IRS Form W-9) and, in the case of a non-U.S. Holder, certifies that the seller is a non-U.S. Holder (and certain other conditions are met). This type of a sale must also be reported by the broker to the IRS, unless either (a) the broker determines that the seller is an exempt recipient or (b) the seller certifies its non-U.S. status (and certain other conditions are met). Certification of the registered owner's non-U.S. status would be made normally on an IRS Form W-8BEN (or other applicable form) under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against the beneficial owner's United States federal income tax provided the required information is furnished to the IRS.

## ERISA CONSIDERATIONS

Each fiduciary of a pension, profit-sharing or other employee benefit plan (a “plan”) subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), should consider the fiduciary standards of ERISA in the context of the plan’s particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also “plans”) from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code (“parties in interest”) with respect to the plan or account. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (“non-ERISA arrangements”) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws (“similar laws”).

The acquisition of the Notes by a plan with respect to which we, MLPF&S or certain of our affiliates is or becomes a party in interest may constitute or result in prohibited transaction under ERISA or Section 4975 of the Code, unless those Notes are acquired pursuant to and in accordance with an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions, or “PTCEs”, that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. These exemptions are:

- (1) PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- (2) PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- (3) PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- (4) PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- (5) PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

The Notes may not be purchased or held by (1) any plan, (2) any entity whose underlying assets include “plan assets” by reason of any plan’s investment in the entity (a “plan asset entity”) or (3) any person investing “plan assets” of any plan, unless in each case the purchaser or holder is eligible for the exemptive relief available under one or more of the PTCEs listed above or another applicable similar exemption. Any purchaser or holder of the Notes or any interest in the Notes will be deemed to have represented by its purchase and holding of the Notes that it either (1) is not a plan or a plan asset entity and is not purchasing those Notes on behalf of or with “plan assets” of any plan or plan asset entity or (2) with respect to the purchase or holding, is eligible for the exemptive relief available under any of the PTCEs listed above or another applicable exemption. In addition, any purchaser or holder of the Notes or any interest in the Notes which is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the Notes that its purchase and holding will not violate the provisions of any similar law.

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Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the Notes on behalf of or with “plan assets” of any plan, plan asset entity or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

### **USE OF PROCEEDS AND HEDGING**

The net proceeds from the sale of the Notes will be used as described under “Use of Proceeds” in the accompanying prospectus and to hedge market risks of ML&Co. associated with its obligation to pay the Redemption Amount.

### **SUPPLEMENTAL PLAN OF DISTRIBUTION**

MLPF&S has advised ML&Co. that it proposes initially to offer all or part of the Notes directly to the public on a fixed price basis at the offering price set forth on the cover of this pricing supplement. After the initial public offering, the public offering price may be changed. The obligations of MLPF&S are subject to certain conditions and it is committed to take and pay for all of the Notes if any are taken.

### **EXPERTS**

The restated consolidated financial statements and the related restated financial statement schedule incorporated in this pricing supplement by reference from the Current Report on Form 8-K of Merrill Lynch & Co., Inc. and subsidiaries dated May 4, 2004 for the year ended December 26, 2003 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports dated March 1, 2004 (May 4, 2004 as to Note 2) (which express unqualified opinions, and which report on the consolidated financial statements includes an explanatory paragraph for the change in accounting method in 2002 for goodwill amortization to conform to Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, and for the change in accounting method in 2004 for stock-based compensation to conform to Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation*, as amended by Statement of Financial Accounting Standards No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure*, by retroactively restating its 2003, 2002 and 2001 consolidated financial statements), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

With respect to the unaudited condensed consolidated financial statements for the periods ended March 26, 2004 and March 28, 2003, June 25, 2004 and June 27, 2003 and September 24, 2004 and September 26, 2003 which are incorporated herein by reference, Deloitte & Touche LLP, an independent registered public accounting firm, have applied limited procedures in accordance with standards of the Public Company Accounting Oversight Board (United States) for a review of such information. However, as stated in their reports included in Merrill Lynch & Co., Inc. and subsidiaries’ Quarterly Reports on Form 10-Q for the quarters ended March 26, 2004, June 25, 2004 and September 24, 2004 and incorporated by reference herein, they did not audit and they do not express opinions on those unaudited condensed consolidated financial statements. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche LLP are not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their reports on the unaudited condensed consolidated financial statements because those reports are not “reports” or a “part” of the registration statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

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**2,000,000 Units**

**Merrill Lynch & Co., Inc.**

**Medium-Term Notes, Series C**

**United States Dollar/Custom Currencies Basket Notes  
due July 13, 2006  
(the "Notes")**

**\$10 original public offering price per unit**

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**PRICING SUPPLEMENT**

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**Merrill Lynch & Co.**

January 4, 2005

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