

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

-----  
FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 13, 1999  
-----

Merrill Lynch & Co., Inc.  
-----

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-7182

13-2740599  
-----

(State or Other  
Jurisdiction of  
Incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

World Financial Center, North Tower, New York, New York  
-----

10281-1332  
-----

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (212) 449-1000  
-----

-----  
(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events  
-----

Filed herewith is the Preliminary Unaudited Earnings Summary, as contained in a press release dated July 13, 1999, for Merrill Lynch & Co., Inc. ("Merrill Lynch") for the three- and six-month periods ended June 25, 1999. The results of operations set forth therein for such periods are unaudited. All adjustments, consisting only of normal recurring accruals, that are, in the opinion of management, necessary for a fair presentation of the results of operations for the periods presented have been included. The nature of Merrill Lynch's business is such that the results for any interim period are not necessarily indicative of the results for a full year.

Preferred stockholders' equity, common stockholders' equity, long-term borrowings, preferred securities issued by subsidiaries, and book value per common share as of June 25, 1999 were approximately \$425 million, \$11.0 billion, \$56.0 billion, \$2.6 billion, and \$29.85, respectively.

On July 13, 1999, Merrill Lynch reported record quarterly net earnings of \$673 million, 22% above the 1998 second quarter and 11% above the previous record of \$609 million in the 1999 first quarter. Earnings per common share were \$1.80 basic and \$1.57 diluted, compared with \$1.52 basic and \$1.31 diluted in the 1998 second quarter and \$1.65 basic and \$1.44 diluted in the 1999 first quarter.

Annualized return on average common equity was approximately 25.4% for the 1999 second quarter, compared with 23.6% in the 1998 second quarter and 24.6% in the 1999 first quarter.

On a cash basis, which excludes goodwill amortization, diluted earnings per common share were \$1.71. Return on average common equity on this basis was 26.4%.

For the 1999 first half, net earnings reached a record \$1.3 billion, 21% above the corresponding 1998 period. Six-month 1999 earnings per common share were \$3.45 basic and \$3.02 diluted, versus \$2.96 basic and \$2.57 diluted in the

corresponding 1998 period. Annualized return on average common equity was approximately 25.0%.

Net revenues reached a new high of \$5.4 billion, with records in most categories, including commissions, investment banking, asset management and portfolio service fees, and net interest.

Commissions revenues were \$1.6 billion, up 9% from the 1998 second quarter, primarily due to increases in global listed securities volume especially on non-US exchanges.

Principal transactions revenues rose 8% from the 1998 second quarter to \$1.1 billion, but were down 26% from the record 1999 first quarter. Debt trading results benefited

2

from improved market conditions particularly in Asia compared with the year ago period, while equities and equity derivatives revenues were down, primarily related to lower revenues from non-US trading activities.

Investment banking revenues were \$908 million, up 1% from the 1998 second quarter and 44% from the 1999 first quarter on the strength of strategic services fees. Strategic services revenues increased significantly from both the 1998 second quarter and 1999 first quarter, benefiting from higher levels of merger and acquisition activity. Equity underwriting revenues were sharply higher versus the 1998 second quarter and nearly double 1999 first quarter levels. However, underwriting fees in most debt categories declined compared with the year ago period as the anticipated rise in US interest rates led to an industrywide slowdown in new issues.

Asset management and portfolio service fees rose 7% from the 1998 second quarter to a record \$1.2 billion, as a result of continued growth in fee-based products, including Merrill Lynch Consults (Registered Trademark) and Financial Advantage (Service Mark). Assets under management grew to \$516 billion at the end of the second quarter from \$491 billion a year ago.

Other revenues increased 28% to \$175 million, due in part to distributions from partnerships.

Net interest profit was \$542 million, up 91% from the 1998 second quarter, primarily due to higher dividend revenues as well as a reduction in funding costs.

Non-interest expenses were \$4.4 billion in the 1999 second quarter, up 12% from the comparable 1998 period and 3% from the first quarter of 1999. Higher communications and technology spending contributed to the increases in both periods.

Compensation and benefits, the largest expense category, increased 10% to \$2.7 billion in the 1999 second quarter, due to higher incentive and production-related compensation. Compensation and benefits expense as a percentage of net revenues was 50.2% in the 1999 second quarter, below second quarter 1998 and first quarter 1999 levels.

Communications and technology expense was \$536 million, up 24% from the 1998 second quarter, principally as a result of increased systems consulting costs, partly related to the Year 2000 initiative, and higher technology-related depreciation. Occupancy and related depreciation rose 7% to \$232 million due in part to global expansion.

Advertising and market development expense was \$201 million, up 1% from the 1998 second quarter as increased costs for advertising campaigns were partially offset by a reduction in global travel and entertainment expenses. Brokerage, clearing, and exchange fees rose 2% to \$170 million due to higher global trading volume.

3

Professional fees and goodwill amortization were \$143 million and \$56 million, respectively, both virtually unchanged from a year ago.

Other expenses were \$342 million, compared with \$254 million in the year ago quarter. This increase was due in part to higher provisions related to various business matters.

The effective tax rate was 30.0% in the 1999 second quarter, compared with 37.1% in the corresponding 1998 period, benefiting from tax-advantaged financing and higher tax-exempt and non-US income.

(c) Exhibits  
-----

(99) Additional Exhibits

- (i) Preliminary Unaudited Earnings Summary for the three- and six-month periods ended June 25, 1999.

4

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

MERRILL LYNCH & CO., INC.

-----  
(Registrant)

By: /s/ E. Stanley O'Neal

-----  
E. Stanley O'Neal  
Executive Vice President  
and Chief Financial Officer

Date: July 13, 1999

5

EXHIBIT INDEX

-----

Exhibit No. - - - - -	Description - - - - -	Page - - - -
(99)	Additional Exhibits	
	(i) Preliminary Unaudited Earnings Summary for the three- and six-month periods ended June 25, 1999.	7-8

6

<TABLE>  
<CAPTION>

Exhibit 99(i)

MERRILL LYNCH & CO., INC.  
PRELIMINARY UNAUDITED EARNINGS SUMMARY

	For the Three Months Ended			Percent Inc /
(Dec) (1)				
-----	-----	-----	-----	-----
2Q99 vs. (in millions, except per share amounts) 2Q98	June 25, 1999	March 26, 1999	June 26, 1998	2Q99 vs. 1Q99
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
NET REVENUES				
Commissions	\$ 1,592	\$ 1,567	\$ 1,463	1.6%
8.8%				
Principal transactions	1,064	1,444	989	(26.3)
7.6				
Investment banking	908	633	898	43.5
1.1				
Asset management and portfolio service fees	1,159	1,110	1,084	4.4
6.8				
Other	175	132	137	32.3
28.1				
Subtotal	4,898	4,886	4,571	0.3
7.2				
Interest and dividends	4,018	3,965	5,010	1.3
(19.8)				
Interest expense	3,476	3,585	4,726	(3.0)
(26.4)				
Net interest profit	542	380	284	42.6
90.9				
TOTAL NET REVENUES	5,440	5,266	4,855	3.3
12.0	-----	-----	-----	-----
NON-INTEREST EXPENSES				
Compensation and benefits	2,729	2,762	2,473	(1.2)
10.4				
Communications and technology	536	480	431	11.8
24.3				
Occupancy and related depreciation	232	227	217	2.4
7.0				
Advertising and market development	201	152	200	32.1
0.5				
Brokerage, clearing, and exchange fees	170	154	167	10.6
2.0				
Professional fees	143	117	143	22.2
0.5				
Goodwill amortization	56	57	55	(1.3)
1.0				
Other	342	321	254	6.5
34.5				
TOTAL NON-INTEREST EXPENSES	4,409	4,270	3,940	3.3
11.9	-----	-----	-----	-----
Earnings Before Income Taxes and Dividends on Preferred Securities Issued by Subsidiaries	1,031	996	915	3.4
12.6				
Income tax expense	310	338	339	(8.6)
(8.8)				
Dividends on preferred securities issued by subsidiaries	48	49	27	(1.7)
82.0				
NET EARNINGS	\$ 673	\$ 609	\$ 549	10.5
22.5				

Preferred stock dividends	\$ 9	\$ 10	\$ 9	-
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	\$ 664	\$ 599	\$ 540	10.7
EARNINGS PER COMMON SHARE				
Basic	\$1.80	\$1.65	\$1.52	9.1
Diluted	1.57	1.44	1.31	9.0
AVERAGE SHARES				
Basic	368.3	364.0	355.3	1.2
Diluted	421.3	415.7	411.4	1.3

(1) Percentages are based on actual numbers before rounding.

</TABLE>

7

<TABLE>  
<CAPTION>

Exhibit 99(i)

MERRILL LYNCH & CO., INC.  
PRELIMINARY UNAUDITED EARNINGS SUMMARY

Percent (in millions, except per share amounts) (Dec) (1)	For the Six Months Ended June 25, June 26,		Inc /
	1999	1998	
NET REVENUES			
Commissions	\$ 3,159	\$ 2,926	
Principal transactions	2,509	2,160	
Investment banking	1,540	1,729	
Asset management and portfolio service fees	2,268	2,114	
Other	308	217	
Subtotal	9,784	9,146	
Interest and dividends	7,983	9,824	
Interest expense	7,061	9,352	
Net interest profit	922	472	
TOTAL NET REVENUES	10,706	9,618	
NON-INTEREST EXPENSES			
Compensation and benefits	5,490	4,971	
Communications and technology	1,016	823	
Occupancy and related depreciation	459	418	
Advertising and market development	353	377	
Brokerage, clearing, and exchange fees	324	323	
Professional fees	261	295	

(11.5)			
Goodwill amortization	113	111	
1.9			
Other	663	517	
28.3			
	-----	-----	
TOTAL NON-INTEREST EXPENSES	8,679	7,835	
10.8			
	-----	-----	
EARNINGS BEFORE INCOME TAXES AND DIVIDENDS			
ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	2,027	1,783	
13.7			
Income tax expense	648	670	
(3.2)			
Dividends on preferred securities issued by subsidiaries	97	50	
95.2			
	-----	-----	
NET EARNINGS	\$ 1,282	\$ 1,063	
20.5			
	=====	=====	
Preferred stock dividends	\$ 19	\$ 19	
-			
	-----	-----	
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	\$ 1,263	\$ 1,044	
20.9			
	=====	=====	
EARNINGS PER COMMON SHARE			
Basic	\$3.45	\$2.96	
16.6			
Diluted	3.02	2.57	
17.5			
AVERAGE SHARES			
Basic	366.2	352.4	
3.9			
Diluted	418.5	405.8	
3.1			

(1) Percentages are based on actual numbers before rounding.  
</TABLE>