

\$41,700,000 Leveraged Index Return Notes  
Linked to a Global Equity Index Basket Due September 8, 2009  
Term Sheet No. 2840

Pricing Date August 30, 2007  
Settlement Date September 7, 2007  
Maturity Date September 8, 2009  
CUSIP No. 59022W422

## Merrill Lynch & Co., Inc.

### Leveraged Index Return Notes

- 105.25% leveraged upside exposure to increases in the value of the Global Equity Index Basket (the "Basket")
- A maturity of approximately 2 years
- 1-to-1 downside exposure to decreases in value of the Basket in excess of a Threshold Amount with up to 90% of the principal amount at risk
- No listing on any securities exchange

The Notes will have the terms specified in this term sheet as supplemented by the documents indicated herein under "Additional Note Terms" (together the "Note Prospectus"). Investing in the Notes involves a number of risks. See "[Risk Factors](#)" on page TS-5 of this term sheet and beginning on page PS-4 of product supplement LIRN-1.

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

|   | Per Unit | Total        |
|---|----------|--------------|
| Public offering price (1)                               | \$ 10.00 | \$41,700,000 |
| Underwriting discount (1)                               | \$ .20   | \$ 834,000   |
| Proceeds, before expenses, to Merrill Lynch & Co., Inc. | \$ 9.80  | \$40,866,000 |

- (1) The public offering price and underwriting discount for any purchase of between 100,000 to 299,999 units will be \$9.95 per unit and \$.15 per unit, respectively, for any purchase of between 300,000 to 499,999 units will be \$9.90 per unit and \$.10 per unit, respectively, and for any purchase of 500,000 units or more will be \$9.85 per unit and \$.05 per unit, respectively. The foregoing pricing description will apply to any single transaction by an individual investor.

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**Merrill Lynch & Co.**

August 30, 2007

## Summary

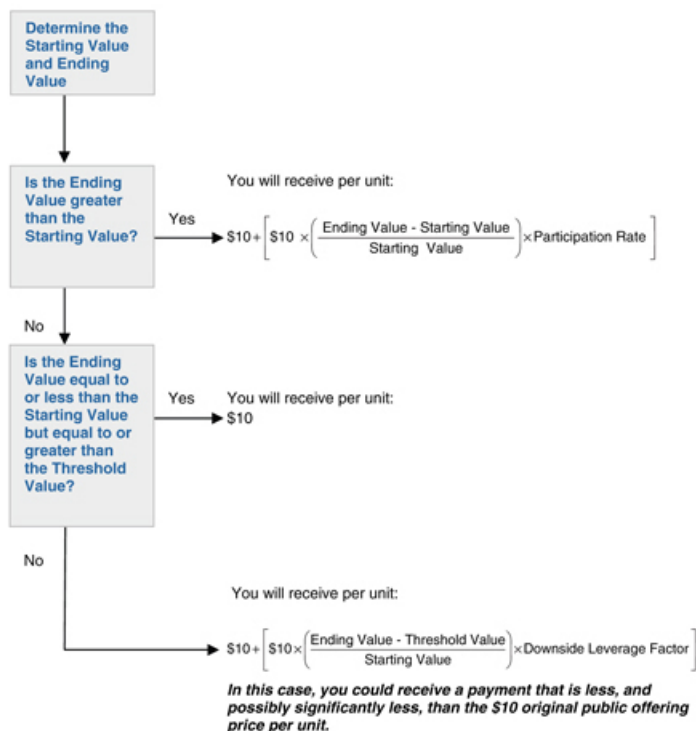
The Leveraged Index Return Notes<sup>®</sup> Linked to a Global Equity Index Basket due September 8, 2009 (the “Notes”) are senior, unsecured debt securities of Merrill Lynch & Co., Inc. (“ML&Co.”) that provide a leveraged return for investors, if the value of the Global Equity Index Basket (the “Basket”) increases from the Starting Value of the Basket, which was set to 100 on the Pricing Date, to the Ending Value of the Basket, determined on valuation dates shortly prior to the maturity date of the Notes. Investors must be willing to forego interest payments on the Notes and be willing to accept a repayment that may be less, and potentially significantly less, than the original public offering price of the Notes.

The Basket is comprised of the S&P 500 Index, the Dow Jones EURO STOXX 50 Index and the Nikkei 225 Index (each a “Basket Component Index” and together the “Basket Component Indices”), of which the weightings were 33.33%, 33.33% and 33.34%, respectively, on the Pricing Date. With the Starting Value of the Basket being set to 100, the weighting assigned to each Basket Component Index resulted in an almost equal contribution to the value of the Basket on the Pricing Date.

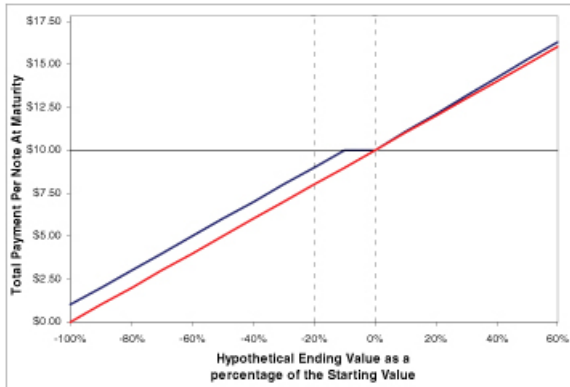
## Terms of the Notes

|  |   |
|--|---|
| <b>Issuer:</b>                         | Merrill Lynch & Co., Inc.   |
| <b>Original Public Offering Price:</b> | \$10 per unit   |
| <b>Term:</b>                           | Approximately 2 years   |
| <b>Market Measure:</b>                 | Global Equity Index Basket  |
| <b>Starting Value:</b>                 | 100   |
| <b>Ending Value:</b>                   | The average of the closing values of the Basket for the first five Calculation Days (as defined in product supplement LIRN-1) during the Calculation Period shortly before the maturity date of the Notes as more fully described in product supplement LIRN-1. |
| <b>Threshold Value:</b>                | 90% of the Starting Value of the Basket   |
| <b>Calculation Period:</b>             | The period from and including the seventh scheduled Market Measure Business Day (as defined in product supplement LIRN-1) before the maturity date to and including the second scheduled Market Measure Business Day before the maturity date.                  |
| <b>Participation Rate:</b>             | 105.25%   |
| <b>Downside Leverage Factor:</b>       | 100%  |
| <b>Calculation Agent:</b>              | Merrill Lynch, Pierce, Fenner & Smith Incorporated  |

## Determining Payment at Maturity for the Notes



## Hypothetical Payout Profile



This graph reflects the hypothetical returns on the Notes, including the Participation Rate of 105.25%. The blue line reflects the hypothetical returns on the Notes, while the red line reflects the return of a hypothetical direct investment in the Basket excluding dividends.

This graph has been prepared for purposes of illustration only. Your actual return will depend on the actual Ending Value and the term of your investment.

## Hypothetical Payments at Maturity

### Examples

Set forth below are three examples of payment at maturity calculations, including the Participation Rate of 105.25%.

**Example 1**—The hypothetical Ending Value is 60% of the Starting Value, less than the Threshold Value:

Starting Value: 100  
 Hypothetical Ending Value: 60  
 Threshold Value: 90

$$\$10 + \left[ \$10 \times \left( \frac{60 - 90}{100} \right) \times 100\% \right] = \$7.0000$$

Payment at maturity (per unit) = \$7.0000

**Example 2**—The hypothetical Ending Value is 95% of the Starting Value, greater than the Threshold Value:

Starting Value: 100  
 Hypothetical Ending Value: 95  
 Threshold Value: 90

Payment at maturity (per unit) = \$10.0000

If the Ending Value is less than the Starting Value but is greater than or equal to the Threshold Value, the Redemption Amount per unit will equal the \$10 original public offering price.

**Example 3**—The hypothetical Ending Value is 110% of the Starting Value:

Starting Value: 100  
 Hypothetical Ending Value: 110

$$\$10 + \left[ \$10 \times \left( \frac{110 - 100}{100} \right) \times 105.25\% \right] = \$11.0525$$

Payment at maturity (per unit) = \$11.0525

The following table illustrates, for the Starting Value 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 per unit of the Notes;
- 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 of a hypothetical investment in the stocks included in the Basket Component Indices, which includes an assumed aggregate dividend yield of 2.20% per annum, as more fully described below.

The table below includes the Participation Rate of 105.25%.

| Hypothetical Ending Value | Percentage change from the Starting Value to the hypothetical Ending Value | Total amount payable on the maturity date per unit | Total rate of return on the Notes | Pretax annualized rate of return on the Notes (1) | Pretax annualized rate of return of the stocks included in the Basket Component Indices (1)(2) |
|---------------------------|--|--|-----------------------------------|---|--|
| 0.00                      | -100.00%   | \$1.0000   | -90.00%                           | -87.44%   | -  |
| 10.00                     | -90.00%  | \$2.0000   | -80.00%                           | -66.18%   | -78.31%  |
| 20.00                     | -80.00%  | \$3.0000   | -70.00%                           | -51.92%   | -60.31%  |
| 30.00                     | -70.00%  | \$4.0000   | -60.00%                           | -40.90%   | -47.40%  |
| 40.00                     | -60.00%  | \$5.0000   | -50.00%                           | -31.78%   | -37.13%  |
| 50.00                     | -50.00%  | \$6.0000   | -40.00%                           | -23.95%   | -28.51%  |
| 60.00                     | -40.00%  | \$7.0000   | -30.00%                           | -17.04%   | -21.02%  |
| 70.00                     | -30.00%  | \$8.0000   | -20.00%                           | -10.84%   | -14.37%  |
| 80.00                     | -20.00%  | \$9.0000   | -10.00%                           | -5.19%  | -8.36%   |
| 90.00                     | -10.00%  | \$10.0000  | 0.00%                             | 0.00%   | -2.88%   |
| 100.00 (3)                | 0.00%  | \$10.0000  | 0.00%                             | 0.00%   | 2.18%  |
| 110.00                    | 10.00%   | \$11.0525  | 10.53%                            | 5.06%   | 6.89%  |
| 120.00                    | 20.00%   | \$12.1050  | 21.05%                            | 9.77%   | 11.30%   |
| 130.00                    | 30.00%   | \$13.1575  | 31.58%                            | 14.18%  | 15.44%   |
| 140.00                    | 40.00%   | \$14.2100  | 42.10%                            | 18.34%  | 19.36%   |
| 150.00                    | 50.00%   | \$15.2625  | 52.63%                            | 22.27%  | 23.08%   |
| 160.00                    | 60.00%   | \$16.3150  | 63.15%                            | 26.00%  | 26.62%   |

(1) The annualized rates of return specified in this column are calculated on a semiannual bond equivalent basis and assume an investment term from September 7, 2007 to September 8, 2009, the term of the Notes.

(2) This rate of return assumes:

- (a) a percentage change in the aggregate price of the stocks included in the Basket Component Indices that equals the percentage change in the Basket from the Starting Value to the relevant hypothetical Ending Value;
- (b) a constant dividend yield of 2.20% per annum (which equals the weighted average of a dividend yield of 1.89% for the S&P 500 Index, 3.51% for the Dow Jones EURO STOXX 50 Index and 1.20% for the Nikkei 225 Index), paid quarterly from the date of initial delivery of the Notes, applied to the value of the Basket at the end of each quarter assuming this value increases or decreases linearly from the Starting Value to the applicable hypothetical Ending Value; and
- (c) no transaction fees or expenses.

(3) The Starting Value was set at 100 on the Pricing Date.

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 and the term of your investment.

## Risk Factors

An investment in the Notes involves significant risks. The following is a list of certain of the risks involved in investing in the Notes. You should carefully review the more detailed explanation of risks relating to the Notes in the "Risk Factors" sections included in the product supplement and MTN prospectus supplement identified below under "Additional Note Terms". We also urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the Notes.

- Your investment may result in a loss.
- Your yield may be lower than the yield on other debt securities of comparable maturity.
- You must rely on your own evaluation of the merits of an investment linked to the Basket.
- You will not have the right to receive cash dividends or exercise ownership rights with respect to the stocks included in the Basket Component Indices.
- Your return may be affected by factors affecting international securities markets.
- The value of Basket Component Indices that is traded in currencies other than U.S. dollars will not be adjusted for changes in exchange rates that might affect such Basket Component Indices.
- A trading market for the Notes is not expected to develop and, if trading does develop, the market price you may receive for your Notes on a date prior to the stated maturity date will be affected by this and other important factors including our costs of developing, hedging and distributing the Notes.
- Changes in the value of one or more Basket Component Indices may offset each other.
- 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.
- Purchases and sales by us and our affiliates may affect your return on the Notes.
- Potential conflicts of interest could arise.
- Tax consequences are uncertain.

## Additional Risk Factors

### Amounts payable on the Notes may be limited by state law

New York State law governs the 1983 Indenture under which the Notes will be issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities like the Notes. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. This limit may not apply to debt securities in which \$2,500,000 or more has been invested.

While we believe that New York law would be given effect by a state or federal court sitting outside of New York, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We will promise, for the benefit of the holders of the Notes, to the extent permitted by law, not to voluntarily claim the benefits of any laws concerning usurious rates of interest.

### The Basket Component Indices will not be exactly equally-weighted on the Pricing Date

In order to set the Starting Value to 100 with three Basket Component Indices, one Basket Component Index ( *i.e.*, the Nikkei 225 Index) will be assigned an initial weighting of 33.34% while the other two will each be assigned an initial weighting of 33.33% on the Pricing Date. Accordingly, the Nikkei 225 Index will contribute marginally more to the value of the Basket and, as a result, the Basket will have a slightly greater exposure to the fluctuations in the level of the Nikkei 225 Index than to the levels of other two Basket Component Indices.

## Investor Considerations

### You may wish to consider an investment in the Notes if:

- You anticipate that the value of the Basket will appreciate from the Starting Value to the Ending Value.
- You accept that your investment may result in a loss, which could be significant, if the value of the Basket decreases from the Starting Value to an Ending Value that is less than the Threshold Value.
- You are willing to forego interest payments on the Notes, such as fixed or floating rate interest paid on traditional interest bearing debt securities.
- You want exposure to the Basket Component Indices with no expectation of dividends or other benefits of owning the stocks included in the Basket Component Indices.
- You are willing to accept that a trading market for the Notes is not expected to develop for the Notes.

### The Notes may not be appropriate investments for you if:

- You anticipate that the value of the Basket will depreciate from the Starting Value to the Ending Value or that the value of the Basket will not appreciate sufficiently over the term of the Notes to provide you with your desired return.
- You are seeking 100% principal protection or preservation of capital.
- You seek interest payments or other current income on your investment.
- You want to receive dividends paid on the stocks included in the Basket Component Indices.
- You want assurances that there will be a liquid market if and when you want to sell the Notes prior to maturity.

## Other Provisions

We may deliver the Notes against payment therefor in New York, New York on a date that is in excess of three business days following the Pricing Date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement on the Notes occurs more than three business days from the Pricing Date, purchasers who wish to trade Notes more than three business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

## The Basket

The Basket is designed to allow investors to participate in the percentage changes in the levels of the Basket Component Indices from the Starting Value to the Ending Value of the Notes. The Basket Component Indices are described in the section below. Each Basket Component Index was assigned a weighting on the Pricing Date, as set forth in the table below. With the Starting Value of the Basket being set to 100, the weighting assigned to each Basket Component Index resulted in an almost equal contribution to the value of the Basket on the Pricing Date.

The respective publishers of the Basket Component Indices have no obligations relating to the Notes or amounts to be paid to you, including any obligation to take the needs of Merrill Lynch & Co., Inc. or of holders of the Notes into consideration for any reason. These respective publishers will not receive any of the proceeds of the offering of the Notes and are not responsible for, and have not participated in, the offering of the Notes and are not responsible for, and will not participate in, the determination or calculation of the amount receivable by holders of the Notes. All disclosure contained in this term sheet regarding any Basket Component Index, including with limitation, its make-up, method of calculation and changes in components has been derived from publicly available information prepared by the distributor of the Basket Component Index. Neither Merrill Lynch & Co., Inc. nor MLPF&S have independently verified the accuracy or completeness of that information.

For more information on the Basket, please see the section entitled "The Market Measure—Baskets" in the product supplement LIRN-1.

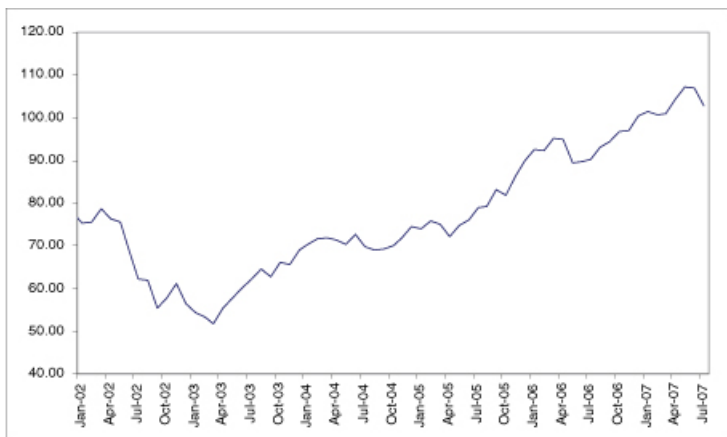
On the Pricing Date, for each Basket Component Index, the initial weighting, the closing level, the Multiplier and the initial contribution to the Basket level were as follows:

| <u>Basket Component Index</u> | <u>Bloomberg Symbol</u> | <u>Region</u> | <u>Initial Weighting</u> | <u>Closing Level<sup>(1)</sup></u> | <u>Multiplier<sup>(2)</sup></u> | <u>Initial Basket Level Contribution</u> |
|-------------------------------|-------------------------|---------------|--------------------------|------------------------------------|---------------------------------|--|
| S&P 500 Index                 | SPX                     | United States | 33.33%                   | 1,457.64                           | 0.02286573                      | 33.33                                    |
| Dow Jones EURO STOXX 50 Index | SX5E                    | Europe        | 33.33%                   | 4,246.12                           | 0.00784952                      | 33.33                                    |
| Nikkei 225 Index              | NKY                     | Japan         | 33.34%                   | 16,153.82                          | 0.00206391                      | 33.34                                    |
| <b>Starting Value</b>         |                         |               |                          |                                    |                                 | 100.00                                   |

(1) This is the closing level of each Basket Component Index on the Pricing Date.

(2) The Multiplier equals the weighting of the Basket Component Index (as a percentage) multiplied by 100, and then divided by the closing level of that Basket Component Index on the Pricing Date and rounded to eight decimal places.

*While historical information on the Basket did not exist before the Pricing Date, the following graph sets forth the hypothetical historical performance of the Basket in the period from January 2002 through July 2007, based upon historical levels of each Basket Component Index, the Multipliers 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 at any time over the term of the Notes.*



The information on the Basket provided in this document should be read together with the discussion under the heading "The Market Measure—Baskets" beginning on page PS-15 of the product supplement LIRN-1.

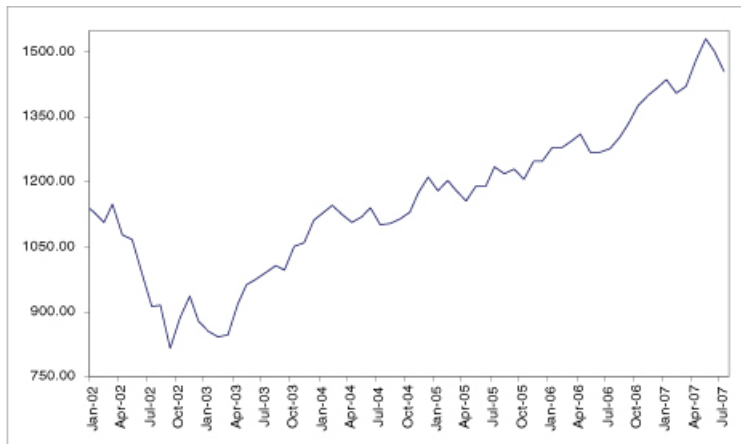
## The Basket Component Indices

### S&P 500 Index

The S&P 500 Index is published by Standard & Poor's, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's" or "S&P"). The S&P 500 Index is intended to provide an indication of the pattern of common stock price movement in the United States. The calculation of the level of the S&P 500 Index, discussed below in further detail, is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of July 31, 2007, 426 companies or 85.2% of the market capitalization of the S&P 500 Index traded on the New York Stock Exchange; 74 companies or 14.8% of the market capitalization of the S&P 500 Index traded on The Nasdaq Stock Market; and no companies traded on the American Stock Exchange. As of July 31, 2007, the aggregate market value of the 500 companies included in the S&P 500 Index represented approximately 74% of the aggregate market value of stocks included in the Standard & Poor's Stock Guide Database of domestic common stocks traded in the U.S., excluding American depository receipts, limited partnerships and mutual funds. Standard & Poor's chooses companies for inclusion in the S&P 500 Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the Standard & Poor's Stock Guide Database, which Standard & Poor's uses as an assumed model for the composition of the total market. Relevant criteria employed by Standard & Poor's include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. Ten main groups of companies comprise the S&P 500 Index, with the approximate percentage of the market capitalization of the S&P 500 Index included in each group as of July 31, 2007 indicated in parentheses: Consumer Discretionary (9.9%); Consumer Staples (9.4%); Energy (11.2%); Financials (20.0%); Health Care (11.6%); Industrials (11.6%); Information Technology (16.0%); Materials (3.1%); Telecommunication Services (3.8%); and Utilities (3.5%). Standard & Poor's may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 500 Index to achieve the objectives stated above.

The S&P 500 Index does not reflect the payment of dividends on the stocks included in the S&P 500 Index. Because of this, the calculation of the Ending Value will not reflect the payment of dividends on these stocks that investors would receive if they were to purchase these stocks and hold them for a period equal to the term of the Notes. For more information on the S&P 500 Index, please see the section entitled "S&P 500 Index" in the index supplement I-1.

*The following graph sets forth the historical performance of the S&P 500 Index in the period from January 2002 through July 2007. This historical data on the S&P 500 Index is not necessarily indicative of the future performance of the S&P 500 Index or what the value of the Notes may be. Any historical upward or downward trend in the level of the S&P 500 Index during any period set forth below is not an indication that the S&P 500 Index is more or less likely to increase or decrease at any time over the term of the Notes. On the Pricing Date, the closing level of the S&P 500 Index was 1,457.64.*

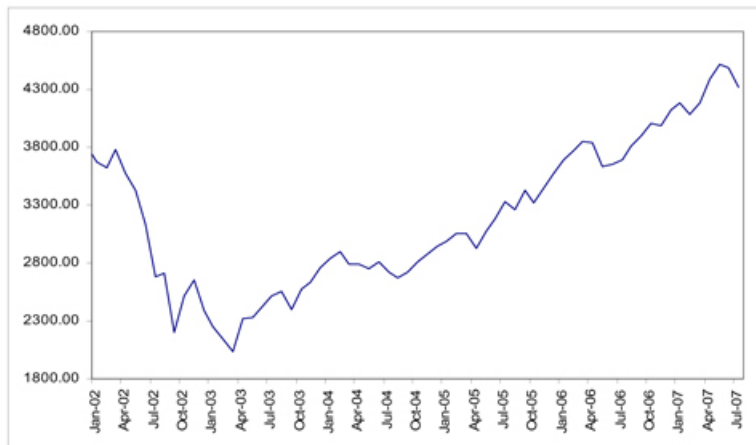


The information on the S&P 500 Index provided in this document should be read together with the discussion under the heading "The S&P 500 Index" beginning on page IS-6 of the index supplement I-1.

## The Dow Jones EURO STOXX 50 Index

The Dow Jones Euro STOXX 50 Index was created by STOXX Limited., a joint venture founded by SWX Group, Deutsche Börse AG and Dow Jones & Company, Inc. Publication of the Dow Jones EURO STOXX 50 Index began on February 28, 1998, based on an initial level of the index of 1,000 at December 31, 1991. The Dow Jones EURO STOXX 50 Index was created to reflect the market-capitalization weighted performance of large companies from the major industry groupings in Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain. The companies included in the Dow Jones EURO STOXX 50 Index account for approximately 60% of the free-float market capitalization of the Dow Jones EURO STOXX Total Market Index, which in turn accounts for approximately 95% of the free-float market capitalization of the countries with companies eligible for inclusion in the Dow Jones EURO STOXX 50 Index. For more information on the Dow Jones EURO STOXX 50 Index, please see the section entitled "Dow Jones EURO STOXX 50 Index" in the index supplement I-1.

*The following graph sets forth the historical performance of the Dow Jones EURO STOXX 50 Index in the period from January 2002 through July 2007. This historical data on the Dow Jones EURO STOXX 50 Index is not necessarily indicative of the future performance of the Dow Jones EURO STOXX 50 Index or what the value of the Notes may be. Any historical upward or downward trend in the level of the Dow Jones EURO STOXX 50 Index during any period set forth below is not an indication that the Dow Jones EURO STOXX 50 Index is more or less likely to increase or decrease at any time over the term of the Notes. On the Pricing Date, the closing level of the Dow Jones EURO STOXX 50 Index was 4,246.12.*



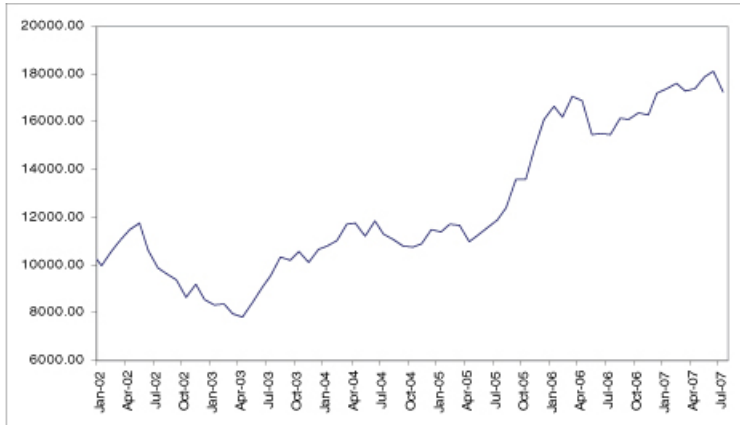
The information on the Dow Jones EURO STOXX 50 Index provided in this document should be read together with the discussion under the heading "The Dow Jones EURO STOXX 50 Index" beginning on page IS-36 of the index supplement I-1.



## The Nikkei 225 Index

The Nikkei 225 Index is a stock index calculated, published and disseminated by Nikkei that measures the composite price performance of selected Japanese stocks. The Nikkei 225 Index is currently comprised of 225 stocks that trade on the Tokyo Stock Exchange (the "TSE") and represents a broad cross-section of Japanese industry. All 225 of the stocks underlying the Nikkei 225 Index are stocks listed in the First Section of the TSE. Stocks listed in the First Section are among the most actively traded stocks on the TSE. Futures and options contracts on the Nikkei 225 Index are traded on the Singapore International Monetary Exchange, the Osaka Securities Exchange and the Chicago Mercantile Exchange. For more information on the Nikkei 225 Index, please see the section entitled "The Nikkei 225 Index" in the index supplement I-1.

*The following graph sets forth the historical performance of the Nikkei 225 Index in the period from January 2002 through July 2007. This historical data on the Nikkei 225 Index is not necessarily indicative of the future performance of the Nikkei 225 Index or what the value of the Notes may be. Any historical upward or downward trend in the level of the Nikkei 225 Index during any period set forth below is not an indication that the Nikkei 225 Index is more or less likely to increase or decrease at any time over the term of the Notes. On the Pricing Date, the closing level of the Nikkei 225 Index was 16,153.82.*



The information on the Nikkei 225 Index provided in this document should be read together with the discussion under the heading "The Nikkei 225 Index" beginning on page IS-38 of the index supplement I-1.

## Certain U.S. Federal Income Taxation Considerations

Set forth below is a summary of certain U.S. federal income tax considerations relating to an investment in the Notes. The following summary is not complete and is qualified in its entirety by the discussion under the section entitled "United States Federal Income Taxation" in the accompanying product supplement LIRN-1 and MTN prospectus supplement, which you should carefully review prior to investing in the Notes.

*General.* There are no statutory provisions, regulations, published rulings or judicial decisions addressing or involving the characterization and treatment, for United States federal income tax purposes, of the Notes or securities with terms substantially the same as the Notes. Accordingly, the proper United States federal income tax characterization and treatment of the Notes is uncertain. Pursuant to the terms of the Notes, ML&Co. and every holder of a Note agree (in the absence of an administrative determination, judicial ruling or other authoritative guidance to the contrary) to characterize and treat a Note for all tax purposes as a pre-paid cash-settled forward contract linked to the value of the Basket. Due to the absence of authorities that directly address instruments that are similar to the Notes, significant aspects of the United States federal income tax consequences of an investment in the Notes are not certain, and no assurance can be given that the Internal Revenue Service (the "IRS") or the courts will agree with the characterization and tax treatment described above. Accordingly, prospective purchasers are urged to consult their own tax advisors regarding the United States federal income tax consequences of an investment in the Notes (including alternative characterizations and tax treatments of the Notes) and with respect to any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

*Payment on the Maturity Date.* Assuming that the Notes are properly characterized and treated as pre-paid cash-settled forward contracts linked to the value of the Basket, upon the receipt of cash on the maturity date of the Notes, a U.S. Holder (as defined in the accompanying product supplement LIRN-1) will recognize gain or loss. The amount of such gain or loss will be the extent to which the amount of the cash received differs from the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Note generally will equal the amount paid by the U.S. Holder to purchase the Note. It is uncertain whether any such gain or loss would be treated as ordinary income or loss or capital gain or loss. Absent a future clarification in current law (by an administrative determination, judicial ruling or otherwise), where required, ML&Co. intends to report any such gain or loss to the IRS in a manner consistent with the treatment of such gain or loss as capital gain or loss. If such gain or loss is treated as capital gain or loss, then any such gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year as of the maturity date.

*Sale or Exchange of the Notes.* Assuming that the Notes are properly characterized and treated as pre-paid cash-settled forward contracts linked to the value of the Basket, upon a sale or exchange of a Note prior to the maturity date of the Notes, a U.S. Holder will generally recognize capital gain or loss in an amount equal to the difference between the amount realized on such sale or exchange and such U.S. Holder's tax basis in the Note so sold or exchanged. Any such capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year as of the date of such sale or exchange.

**Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences, in light of their particular circumstances, under the laws of the United States and any other taxing jurisdiction, of the purchase, ownership and disposition of the Notes. See the discussion under the section entitled "United States Federal Income Taxation" in the accompanying supplement LIRN-1.**

## Experts

The consolidated financial statements, the related financial statement schedule, and management's report on the effectiveness of internal control over financial reporting incorporated in this term sheet by reference from Merrill Lynch & Co., Inc.'s Annual Report on Form 10-K for the year ended December 29, 2006 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference (which reports (1) express an unqualified opinion on the consolidated financial statements and the related financial statement schedule and include an explanatory paragraph regarding the change in accounting method in 2006 for share-based payments to conform to Statement of Financial Accounting Standard No. 123 (revised 2004), *Share-Based Payment*, (2) express an unqualified opinion on management's assessment regarding the effectiveness of internal control over financial reporting, and (3) express an unqualified opinion on the effectiveness of internal control over financial reporting), 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 interim financial information for the three-month periods ended March 30, 2007 and March 31, 2006, and the three-month and six-month periods ended June 29, 2007 and June 30, 2006 which are incorporated herein by reference, Deloitte & Touche LLP, an independent registered public accounting firm, have applied limited procedures in accordance with the standards of the Public Company Accounting Oversight Board (United States) for a review of such information. However, as stated in their reports included in ML&Co.'s Quarterly Reports on Form 10-Q for the quarters ended March 30, 2007 and June 29, 2007 (which reports include an explanatory paragraph regarding the adoption of Statement of Financial Accounting Standards No. 157, "*Fair Value Measurement*", Statement of Financial Accounting Standards No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115*," and FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109*." ) and incorporated by reference herein, they did not audit and they do not express an opinion on that interim financial information. 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 interim financial information 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.

## Additional Note Terms

You should read this term sheet, together with the documents listed below (collectively, the "Note Prospectus"), which together contain the terms of the Notes and supersede all prior or contemporaneous oral statements as well as any other written materials. You should carefully consider, among other things, the matters set forth under "Risk Factors" in the sections indicated on the cover of this term sheet. The Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the Notes.

You may access the following documents on the SEC Website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC Website):

- Product supplement LIRN-1 dated July 2, 2007:  
<http://www.sec.gov/Archives/edgar/data/65100/000119312507148367/d424b2.htm>
- Index supplement I-1 dated June 6, 2007:  
<http://www.sec.gov/Archives/edgar/data/65100/000119312507130785/d424b2.htm>
- MTN prospectus supplement, dated March 31, 2006:  
<http://www.sec.gov/Archives/edgar/data/65100/000119312506070946/d424b5.htm>
- General prospectus supplement dated March 31, 2006:  
<http://www.sec.gov/Archives/edgar/data/65100/000119312506070973/d424b5.htm>
- Prospectus dated March 31, 2006:  
<http://www.sec.gov/Archives/edgar/data/65100/000119312506070817/ds3asr.htm>

*Our Central Index Key, or CIK, on the SEC Website is 65100. References in this term sheet 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.*

**ML&Co. has filed a registration statement (including a prospectus) with the Securities and Exchange Commission (the "SEC") for the offering to which this term sheet relates. Before you invest, you should read the prospectus in that registration statement, and the other documents relating to this offering that ML&Co. has filed with the SEC for more complete information about ML&Co. and this offering. You may get these documents without cost by visiting EDGAR on the SEC Website at [www.sec.gov](http://www.sec.gov). Alternatively, ML&Co., any agent or any dealer participating in this offering, will arrange to send you the Note Prospectus if you so request by calling toll-free 1-866-500-5408.**