

Units  
Accelerated Return Notes<sup>SM</sup>  
Linked to a Global Equity Index Basket  
Due March , 2009  
\$10 principal amount per unit  
Term Sheet No.

Expected Pricing Date\* December , 2007  
Settlement Date\* January , 2008  
Maturity Date\* March , 2009  
CUSIP No.

## Merrill Lynch & Co., Inc.

### Accelerated Return Notes<sup>SM</sup>

- 3-to-1 upside exposure, subject to a cap of between 16.00% to 20.00%
- A maturity of approximately 14 months
- 1-to-1 downside exposure, with no downside limit
- No periodic interest payments
- 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 ARN-4.

In connection with this offering, each of Merrill Lynch, Pierce, Fenner & Smith Incorporated and its broker-dealer affiliate First Republic Securities Company, LLC is acting in its capacity as a principal.

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	\$
Underwriting discount (1)	\$.20	\$
Proceeds, before expenses, to Merrill Lynch & Co., Inc.	\$9.80	\$

- (1) The public offering price and underwriting discount for any purchase of 500,000 or more units in a single transaction by an individual investor will be \$9.95 per unit and \$.15 per unit, respectively.

\*Depending on the date the Notes are priced for initial sale to the public (the "Pricing Date"), which may be in December or January, the settlement date may occur in December or January and the maturity date may occur in February or March. Any reference in this term sheet to the month in which the settlement date or maturity date will occur is subject to change as specified above.

"Accelerated Return Notes<sup>SM</sup>" is a service mark of Merrill Lynch & Co., Inc.

"Standard & Poor's<sup>®</sup>", "Standard & Poor's 500", "S&P 500<sup>®</sup>" and S&P<sup>®</sup> are trademarks of The McGraw Hill Companies, Inc. and have been licensed for use by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch & Co., Inc. is an authorized sublicensee.

"Nikkei 225 Index<sup>®</sup>" is a service mark of Nikkei, Inc., and has been authorized for use by Merrill Lynch & Co., Inc.

"Dow Jones" is a service mark of Dow Jones & Company, Inc. and has been licensed for use for certain purposes by Merrill Lynch, Pierce, Fenner & Smith Incorporated. Merrill Lynch & Co., Inc. is an authorized sublicensee. The Notes are not sponsored, sold or promoted by Dow Jones. The "Dow Jones EURO STOXX 50<sup>SM</sup>" is proprietary and copyrighted material. The Dow Jones

EURO STOXX 50<sup>SM</sup> and the related trademarks have been licensed for certain purposes by Merrill Lynch & Co., Inc and its subsidiaries. Neither STOXX Limited nor Dow Jones & Company, Inc. sponsors, endorses or promotes the Notes based on the Dow Jones EURO STOXX 50<sup>SM</sup>.

"STOXX<sup>SM</sup>" and "EURO STOXX<sup>SM</sup>" are trademarks of STOXX Limited and have been licensed for use by Merrill Lynch & Co., Inc.

**Merrill Lynch & Co.**

December , 2007

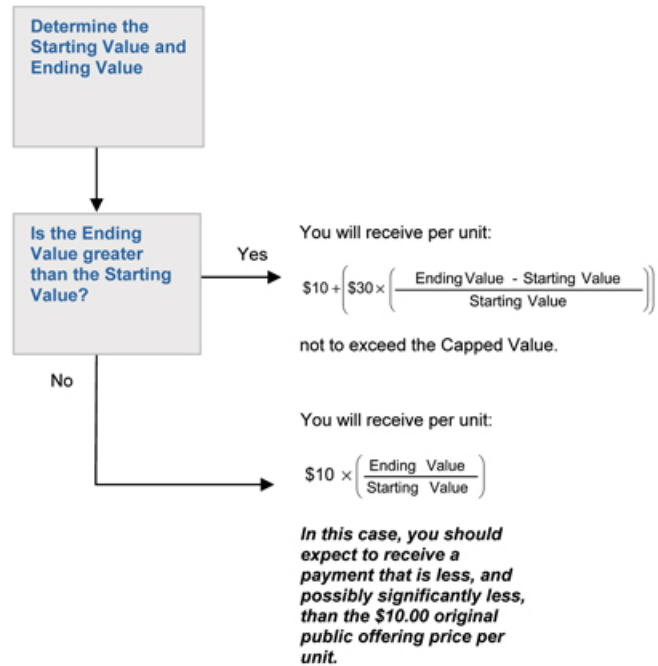
## Summary

The Accelerated Return Notes<sup>SM</sup> Linked to a Global Equity Index Basket due March , 2009 (the “Notes”) are senior, unsecured debt securities of Merrill Lynch & Co., Inc. that provide a leveraged return for investors, subject to a cap, if the value of the Global Equity Index Basket (the “Basket”) increases from the Starting Value, which will be 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 return that is capped or a repayment that may be less, and potentially significantly less, than the original public offering price of the Notes.

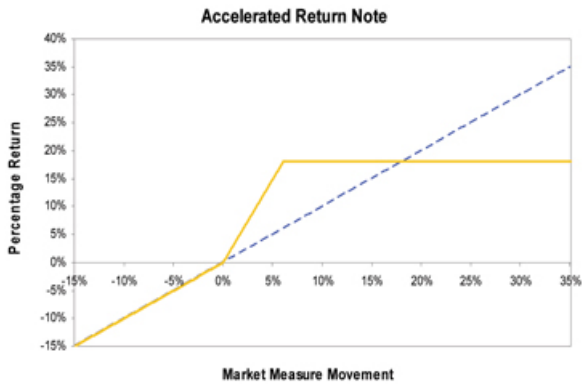
The Basket is comprised of the S&P 500<sup>®</sup> Index, the Dow Jones EURO STOXX 50<sup>SM</sup> Index and the Nikkei 225<sup>®</sup> Index (each a “Basket Component Index” and together the “Basket Component Indices”), of which the weightings will be 33.34%, 33.33% and 33.33%, respectively, on the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

## Terms of the Notes

### Determining Payment at Maturity for the Notes



## Hypothetical Payout Profile



This graph reflects the hypothetical returns on the Notes, assuming a Capped Value of 18.00%, the midpoint of the range of 16.00% and 20.00%. The yellow line reflects the hypothetical returns on the Notes, while the dotted blue line reflects the hypothetical return of an investment in the Index excluding dividends.

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

## Hypothetical Payments at Maturity

Set forth below are three examples of payment at maturity calculations, assuming a Capped Value of \$11.80, the midpoint of the range of \$11.60 and \$12.00.

**Example 1**—The hypothetical Ending Value is 80.00% of the Starting Value:

Starting Value: 100.00  
Hypothetical Ending Value: 80.00

$$\$10 \times \left( \frac{80}{100} \right) = \$8.00$$

Payment at maturity (per unit) = \$8.00

**Example 2**—The hypothetical Ending Value is 103.00% of the Starting Value:

Starting Value: 100.00  
Hypothetical Ending Value: 103.00

$$\$10 + \left( \$30 \times \left( \frac{103 - 100}{100} \right) \right) = \$10.90$$

Payment at maturity (per unit) = \$10.90

**Example 3**—The hypothetical Ending Value is 120.00% of the Starting Value:

Starting Value: 100.00  
Hypothetical Ending Value: 120.00

$$\$10 + \left( \$30 \times \left( \frac{120 - 100}{100} \right) \right) = \$16.00$$

Payment at maturity (per unit) = \$11.80 (Payment at maturity cannot be greater than the Capped Value)

The following table illustrates, for a 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;
- 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 2.26% per annum, as more fully described below.

The table below assumes a Capped Value of \$11.80, the midpoint of the range of \$11.60 and \$12.00.

Hypothetical Ending Value	Percentage change from the hypothetical 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)
50.00	-50.00%	\$5.00	-50.00%	-51.40%	-48.70%
60.00	-40.00%	\$6.00	-40.00%	-39.32%	-36.77%
70.00	-30.00%	\$7.00	-30.00%	-28.35%	-25.90%
80.00	-20.00%	\$8.00	-20.00%	-18.24%	-15.86%
90.00	-10.00%	\$9.00	-10.00%	-8.83%	-6.51%
92.00	-8.00%	\$9.20	-8.00%	-7.02%	-4.71%
94.00	-6.00%	\$9.40	-6.00%	-5.23%	-2.94%
96.00	-4.00%	\$9.60	-4.00%	-3.47%	-1.18%
98.00	-2.00%	\$9.80	-2.00%	-1.72%	0.56%
100.00 (3)	0.00%	\$10.00	0.00%	0.00%	2.27%
102.00	2.00%	\$10.60	6.00%	5.06%	3.97%
104.00	4.00%	\$11.20	12.00%	9.95%	5.65%
106.00	6.00%	\$11.80 (4)	18.00%	14.70%	7.31%
108.00	8.00%	\$11.80	18.00%	14.70%	8.95%
110.00	10.00%	\$11.80	18.00%	14.70%	10.58%
120.00	20.00%	\$11.80	18.00%	14.70%	18.47%
130.00	30.00%	\$11.80	18.00%	14.70%	25.99%

(1) The annualized rates of return specified in this column are calculated on a semiannual bond equivalent basis and assume an investment term from November 27, 2007 to January 27, 2009, a term expected to be similar to that 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 2.26% per annum (which equals the weighted average of a dividend yield of 2.003% for the S&P 500 Index, 3.404% for the Dow Jones EURO STOXX 50 Index and 1.375% 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 will be set at 100 on the Pricing Date.

(4) The total amount payable on the maturity date per unit of the Notes cannot exceed the Capped Value. This table assumes a Capped Value of \$11.80 (the midpoint of the range of \$11.60 and \$12.00).

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, Capped Value and 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 evaluations regarding the merits of an investment linked to the Basket.
- Your return is limited and may not reflect the return on a direct investment in the stocks included in the Basket Component Indices.
- Your return may be affected by factors affecting international securities markets.
- 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.
- In seeking to provide investors with what we believe to be commercially reasonable terms for the Notes while providing MLPF&S with compensation for its services, we have considered the costs of developing, hedging and distributing the Notes. If a trading market develops for the Notes (and such a market may not develop), these costs are expected to affect the market price you may receive or be quoted for your Notes on a date prior to the stated maturity date.
- Changes in the value of one or more Basket Component Indices may offset each other.
- The respective publishers of the Basket Component Indices may adjust the Basket Component Indices in a way that affects their levels, and these respective publishers have no obligation to consider your interests.
- 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.
- Potential conflicts of interest could arise.
- Tax consequences are uncertain.

## Investor Considerations

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

- You anticipate that the Basket will appreciate moderately from the Starting Value to the Ending Value.
- You accept that your investment may result in a loss, which could be significant, if the level of the Basket decreases from the Starting Value to the Ending Value.
- You accept that the return on the Notes will not exceed the Capped 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 underlying securities.
- You are willing to accept that a trading market is not expected to develop for the Notes.

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

- You anticipate that the Basket will depreciate from the Starting Value to the Ending Value or that the Index will not appreciate sufficiently over the term of the Notes to provide you with your desired return.
- You are seeking principal protection or preservation of capital.
- You seek a return on your investment that will not be capped at a percentage that will be between 16.00% and 20.00%.
- You seek interest payments or other current income on your investment.
- You want to receive dividends or other distributions 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 greater than 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.

If you place an order to purchase these offered securities, you are consenting to each of MLPF&S and its broker-dealer affiliate First Republic Securities Company, LLC acting as a principal in effecting the transaction for your account. MLPF&S is acting as an underwriter and/or selling agent for this offering and will receive underwriting compensation from the issuer of the securities.

## Supplement to the Plan of Distribution

MLPF&S and First Republic Securities Company, LLC, each a broker-dealer subsidiary of ML&Co., are members of the Financial Industry Regulatory Authority, Inc. (formerly the National Association of Securities Dealers, Inc. (the "NASD")) and will participate in the distribution of the Notes. Accordingly, offerings of the Notes will conform to the requirements of NASD Rule 2720.

MLPF&S and First Republic Securities Company, LLC may use this Note Prospectus for offers and sales in secondary market transactions and market-making transactions in the Notes. MLPF&S and First Republic Securities Company, LLC may act as principal or agent in these transactions, and the sales will be made at prices related to prevailing market prices at the time of the sale.

## 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 will be 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 will result 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 ML&Co. 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 ML&Co. 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 ARN-4.

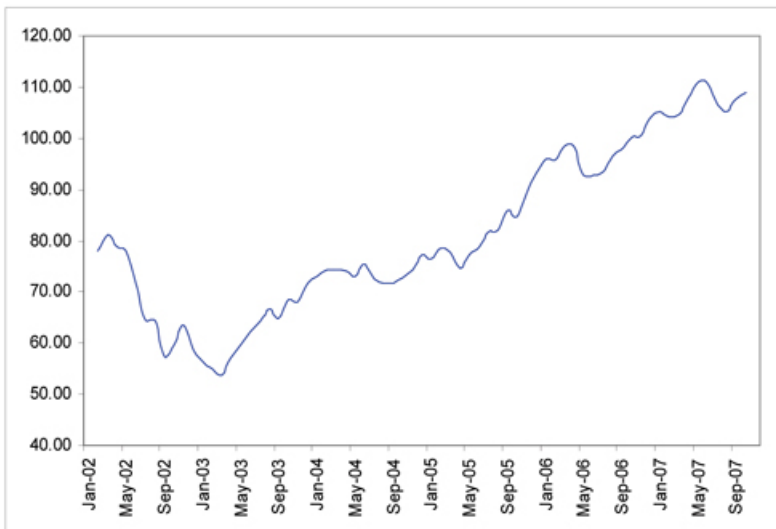
If November 26, 2007 was the Pricing Date, for each Basket Component Index, the initial weighting, the closing level, the hypothetical Multiplier and the initial contribution to the Basket level would be as follows:

Basket Component Index	Bloomberg Symbol	Region	Initial Weighting	Closing Level <sup>(1)</sup>	Hypothetical Multiplier <sup>(2)</sup>	Initial Basket Level Contribution
S&P 500® Index	SPX	United States	33.34%	1407.22	0.02369210	33.34
Dow Jones EURO STOXX 50 <sup>SM</sup> Index	SX5E	Europe	33.33%	4238.00	0.00786456	33.33
Nikkei 225® Index	NKY	Japan	33.33%	15135.2	0.00220215	33.33
<b>Starting Value</b>						<b>100.00</b>

(1) This is the closing level of each Basket Component Index on November 26, 2007.

(2) The hypothetical 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 November 26, 2007 and rounded to eight decimal places. The actual Multiplier will be determined on the Pricing Date and set forth in the final term sheet made available in connection with sales of the Notes.

*While historical information on the Basket will 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 October 2007, based upon historical levels of each Basket Component Index, the hypothetical Multipliers and a Basket value of 100 on November 26, 2007. 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 ARN-4.

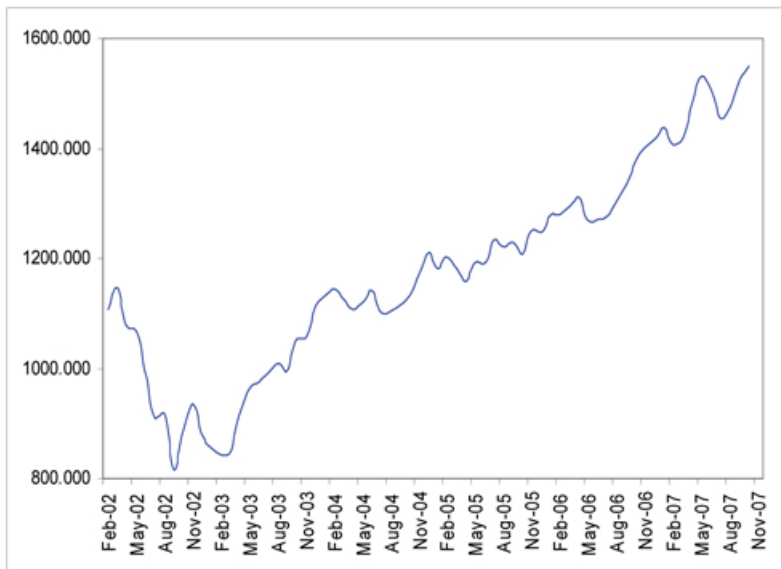
## The Basket Component Indices

### 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 October 31, 2007, 425 companies or 83.9% of the market capitalization of the S&P 500 Index traded on the New York Stock Exchange; 75 companies or 16.1% 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 October 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 October 31, 2007 indicated in parentheses: Consumer Discretionary (9.0%); Consumer Staples (9.5%); Energy (11.8%); Financials (19.2%); Health Care (11.7%); Industrials (11.4%); Information Technology (17.0%); Materials (3.3%); Telecommunication Services (3.6%); and Utilities (3.4%). 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 February 2002 through October 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 November 26, 2007, the closing level of the S&P 500 Index was 1,407.22.*



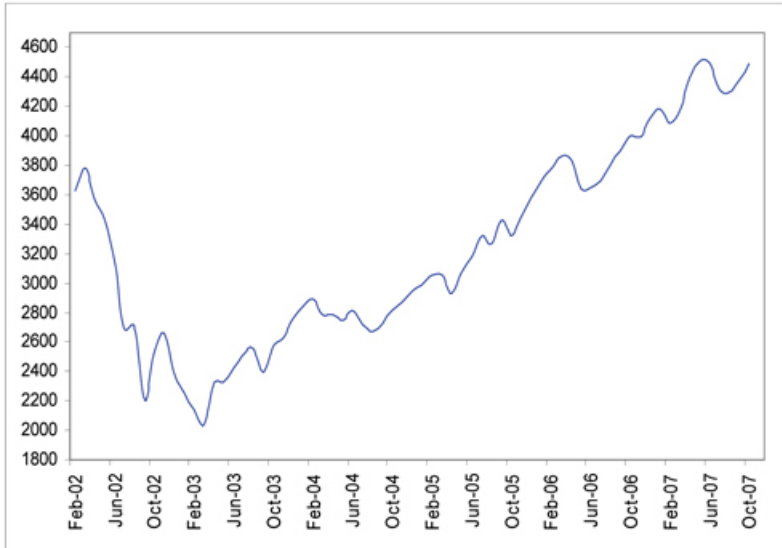
The information on the S&P 500 Index provided in this document should be read together with the discussion under the heading "The S&P 500 Index" beginning on page IS-6 of the index supplement I-1.



**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 February 2002 through October 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 November 26, 2007, the closing level of the Dow Jones EURO STOXX 50 Index was 4,238.00.*

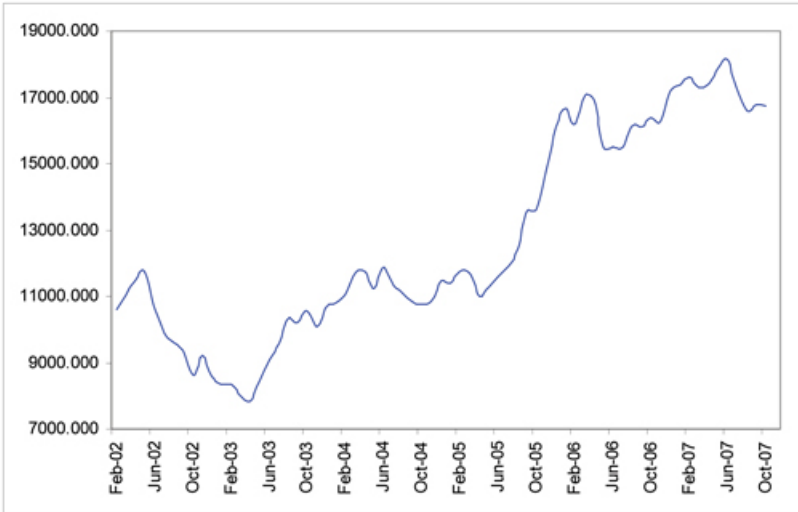


The information on the Dow Jones EURO STOXX 50 Index provided in this document should be read together with the discussion under the heading "The Dow Jones EURO STOXX 50 Index" beginning on page IS-36 of the index supplement I-1.

**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 (the "Underlying Stocks") 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. Nikkei calculates the Nikkei 225 Index by multiplying the per share price of each Underlying Stock by the corresponding weighting factor for that Nikkei 225 Underlying Stock, calculating the sum of all these products and dividing that sum by a divisor. As of October 1, 2007, the divisor was 24.341, and is subject to periodic adjustments. 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 February 2002 through October 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 November 26, 2007, the closing level of the Nikkei 225 Index was 15,135.20.*



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 ARN-4 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 level 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 level 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 ARN-4) 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 short-term or long-term capital gain or loss, depending upon the U.S. Holder's holding period for the Note 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 level 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 short-term or long-term capital gain or loss, depending upon the U.S. Holder's holding period for the Note 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 product supplement ARN-4.**

## Experts

The consolidated financial statements and management's report on the effectiveness of internal control over financial reporting, included as Exhibit 99.1 in the Current Report on Form 8-K dated November 13, 2007 ("November 13, 2007 Form 8-K") and the related financial statement schedule included in ML&Co.'s Form 10-K for the year ended December 29, 2006 are incorporated in this term sheet by reference, and 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, the three-month and six-month periods ended June 29, 2007 and June 30, 2006, and the three-month and nine-month periods ended September 28, 2007 and September 29, 2006 which is 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 for the quarters ended March 30, 2007, included as Exhibit 99.3 in the November 13, 2007 Form 8-K, June 29, 2007, included as Exhibit 99.2 in the November 13, 2007 Form 8-K, and September 28, 2007 included in ML&Co.'s Quarterly Reports on Form 10-Q (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 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 (the "Act") 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 ARN-4 dated November 27, 2007:  
<http://www.sec.gov/Archives/edgar/data/65100/000119312507253700/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.*

**We have 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 we have filed with the SEC for more complete information about us 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, we, 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.**