



ASSET MANAGEMENT · WEALTH MANAGEMENT
INVESTMENT BANKING



3 Year EUR Inflation Booster Note

ISIN: XS0375029955

Indicative Terms and Conditions as of 01 July 2008

This Term Sheet contains indicative terms only. All materials contained herein are for discussion purposes only. Finalised terms and conditions are subject to further discussion and negotiation. We make no representation and have given you no advice concerning the appropriate accounting treatment or possible tax consequences of this indicative transaction.

This communication is furnished at the request of the recipient for the exclusive purpose of identifying the security or other instrument referred to herein. It is furnished for your private information with the express understanding, which recipient acknowledges, that it does not constitute an offer of such security or a means by which such security may be offered or sold. Any written offer of such security may be made only by means of an offering document and any related supplements thereto.

The security described herein is not for sale in the U.S. or to U.S. persons and this communication may not be distributed in the U.S.

Although a Prospectus (as defined in the EU Prospectus Directive 2003/71/EC ("Prospectus Directive")) has been prepared in connection with the Certificates and approved by the competent authority in Luxembourg, the Prospectus has not been notified to the competent authority of any other European Economic Area ("EEA") member state other than Austria, Belgium, Germany, the Netherlands and Spain and any purchaser of the Certificates who subsequently sells any of their Certificates in any such EEA member state must do so only in accordance with the requirements of the Prospectus Directive as implemented in such member state.

Merrill Lynch & Co., Inc. ("ML & Co.") is expected to publicly announce around the middle of [the earnings release month] information relating to its earnings for the most recent interim accounting period. Such information may impact an investor's view as to the creditworthiness of ML & Co. and, consequently, as to the value of the Notes. Investors who may be concerned about any possible negative impact which such information may have on their view as to the credit risk of ML & Co. and/or to the value of the notes, should postpone their decision to purchase the notes after they have reviewed such information following public release. Upon being made or released, such public announcement and the related financial information may be viewed on the investor relations website of ML & Co.: www.ir.ml.com

Description of the Product

The Notes pay a minimum fixed rate of 5.55% plus the excess of year on year Inflation linked to the CPI Index greater than 2.50%. Such Notes are to be issued pursuant to the terms and conditions of the Merrill Lynch S.A. Note Programme offering documents and related supplements thereto (the "Offering Documents").

General Terms:

Security Codes:	ISIN: XS0375029955 Valoren: 4375807
Issuer:	Merrill Lynch S.A.
Guarantor:	Merrill Lynch & Co., Inc. (Long term senior unsecured debt rating: S&P A, Moody's A1, Fitch A+)
Dealer:	Merrill Lynch International
Calculation Agent:	Merrill Lynch International
Prospectus:	English Language
Trade Date:	01 July 2008
Issue Date:	25 July 2008
Maturity (Final Settlement/payout) Date:	25 July 2011
Settlement Currency:	EUR
Issue Price:	100%
Principal Amount:	EUR 1,500,000
Denomination:	EUR 1,000
Minimum Investment Amount:	EUR 1,000
Public Offer Jurisdictions:	Switzerland





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Cash Settlement Amount at Maturity:

Cash Settlement Amount:	100% of par
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Interest:

Interest Commencement Date:	Issue Date
Interest Rate:	Years 1 to 3: 5.55% + Max(Annual Inflation – 2.50%; 0) The minimum coupon is 5.55%
Interest Payment Dates:	Commencing on and including 25 July 2009 and then annually on the 25th July in each year thereafter up to and including the Final Settlement Date, subject to the Modified Following Business Day Convention
Annual Inflation:	For each Interest Period: $(CPI2 - CPI1)/CPI1$; Where “CPI2” is the CPI Index published for the month that is 3 months prior to the end of the Interest Period and “CPI1” is the CPI Index published for the month that is 15 months prior to the end of the Interest Period.
CPI Index:	For each month, the EUROSTAT harmonised Eurozone consumer price index excluding Tobacco, unrevised, Bloomberg Ticker CPTFEMU<Index>.

Additional Provisions:

Secondary Market:	Merrill Lynch International will provide daily indicative valuations for the Notes on Bloomberg and Telekurs. Secondary Market Executions will be provided on specific request with a maximal bid/offer spread of 1% under normal market conditions.
Governing Law:	New York
Place of Jurisdiction:	New York
Listing:	EURO MTF
Clearing:	Euroclear/Clearstream
Delivery:	Against payment
Business Days:	London and TARGET
Form of Certificates:	Bearer
TEFRA D:	Applicable
Minimum Exercise Amount:	1 Security
Purchaser:	Institutional & Distributor
Day Count Fraction:	30/360, unadjusted

Quotes / Information:

Internet:	www.merrillinvest.ch
Source of Information:	This simplified prospectus can be obtained free of charge at Merrill Lynch Capital Markets AG under the telephone no. +44 20 7996 1111
Telekurs/Bloomberg:	ISIN: XS0375029955 Valoren: 4375807





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Risk for investors:

Product-specific Risks:	The securities described herein are derivative financial instruments. The securities offer 100% principal protection at maturity. Investors should bear in mind that the 100% principal protection feature of this security is subject to the credit risk of the Issuer.
Issuer Risk:	The investment instrument's value is dependent not only on the development of the underlying, but also on the creditworthiness of the issuer, which may vary over the term of the structured product

Tax Provisions:

Swiss Federal Stamp Duty:	Secondary market transactions are subject to Swiss stamp duty.
Swiss Federal Income Tax:	Private investors resident in Switzerland and holding the security as private asset will be subject to the Swiss Federal Income Tax for all Coupon payments at their respective due dates.
Bondfloor:	-
Swiss Withholding Tax:	Payments under the security are not subject to Swiss withholding tax.
EU Savings Tax Directive:	For Swiss paying agents, Coupon payments under the security are subject to the EU savings tax (TK1).

Supervision:

Merrill Lynch Capital Markets AG:	Is a Swiss licensed bank, a securities dealer and a member of the Swiss Exchange and Virt-X. As a Swiss Bank it is regulated by the Swiss Federal Banking Commission
Merrill Lynch International :	Is Authorised and Regulated by the Financial Services Authority. Member of the London Stock Exchange
Merrill Lynch S.A. ("MLSA"):	The Issuer is a Luxembourg limited company. The Issuer was incorporated on 18th December, 1991 as a société anonyme for an unlimited period. The Issuer complies with the Luxembourg corporate governance regime. MLSA is not a regulated or supervised entity.

Important Information for Swiss Investors:

The Securities are qualified as structured products, not as collective investment schemes in terms of the Swiss Federal Act on Collective Investment Schemes (CISA), and the Securities are neither subject to the approval nor to the supervision of the Swiss Federal Banking Commission.

The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of MLSA and will rank equally with MLSA's other direct, unsubordinated, unconditional and unsecured contractual obligations. However the Securities are subject to an unconditional and irrevocable guarantee from Merrill Lynch & Co. Inc. (ML&CO)

The insolvency of MLSA may lead to a partly or total loss of the invested capital.

The Securities are not issued or guaranteed by a bank, but the guarantor is under the consolidated supervision of the U.S. Securities and Exchange Commission (SEC).

The proceeds of these Securities will be used for general corporate purposes

Sales Restrictions:

United States. The Notes will not be registered for public sale in any jurisdiction and so will be available only in accordance with applicable, available, private offering rules.





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European Union: Although a Prospectus (as defined in the EU Prospectus Directive 2003/71/EC ("Prospectus Directive")) has been prepared in connection with the Notes and approved by the competent authority in Luxembourg, the Prospectus has not been notified to the competent authority of any other European Economic Area ("EEA") member state other than Austria, Belgium, Germany, the Netherlands and Spain and any purchaser of the Notes who subsequently sells any of their Notes in any such EEA member state must do so only in accordance with the requirements of the Prospectus Directive as implemented in such member state.

Re-Distribution:

In connection with the offer and sale of the Securities, the distributor will acquire the Securities from the Lead Manager at a discount to the issue price or at the issue price. If the distributor acquires the Securities at the issue price, the Lead Manager will pay to the distributor a distribution fee. Such amounts received by the distributor may be in addition to the brokerage cost/fee normally applied by the distributor. The purchaser acknowledges that such distribution fee may be retained by the distributor. Further information is available from the distributor on request.

Disclaimers:

Fees and commissions may be payable in relation to this product. Details of those fees and commissions are available upon request.

This communication does not contain a complete description of the Securities and the risks associated with an investment therein, and are subject to and qualified in their entirety by reference to the Offering Documents.

This Term Sheet contains indicative terms only. All materials contained herein are for discussion purposes only. Finalised terms and conditions are subject to further discussion and negotiation. We make no representation and have given you no advice concerning the appropriate accounting treatment or possible tax consequences of this indicative transaction.

This communication is furnished at the request of the recipient for the exclusive purpose of identifying the nature of the security or other instrument referred to herein. It is furnished for your private information with the express understanding, which the recipient acknowledges, that it does not constitute an offer of such security or a means by which such security may be offered or sold. The terms outlined herein are indicative only and are subject to change. While we consider the information herein reliable, we do not represent that it is accurate or complete and it should not be relied upon as such. Any written offer of such security may be made only by means of the Offering Documents or similar document and any related supplements thereto. The security referred to herein may involve a high degree of risk, which may include principal, interest rate, index, currency, credit, political, liquidity, time value, commodity and market risk and is not suitable for all investors. We or our affiliates may buy or sell securities or have long or short positions in securities economically related to any security mentioned herein. We or our affiliates may have an investment banking or other commercial relationship with the issuer of any security mentioned herein.

Merrill Lynch International will not be responsible for the consequences of reliance upon any statement or information contained herein or any omission herefrom. We make no representation and have given you no advice concerning the appropriate accounting treatment or possible tax consequences of this indicative transaction. Investors should consult their own investment, tax and other professional advisors before investing in the Securities.

The Securities have not been registered for public sale in any jurisdiction and are therefore available only in accordance with applicable private offering rules. This means that the Securities may not be available in all jurisdictions or may be available to a limited number of qualifying investors only. This indicative term sheet is intended for your personal use and you must not give it or show it to any other person.

Notice for UK Investors: The Issuer does not have a place of business in the United Kingdom and is not regulated by the UK Financial Services Authority. As a consequence, the regulatory regime governing your rights as an investor in respect of the Issuer (and its similarly unauthorised, overseas agents and affiliates) will be different to that of the United Kingdom. The UK rules for the protection of private investors and the UK Financial Compensation Scheme will not apply in respect of such entities, although if your securities account is serviced from the UK by Merrill Lynch International Bank Limited, the normal UK protections will apply in relation to the services that it provides. Approved for issue in the UK by Merrill Lynch, Pierce, Fenner & Smith Limited, Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ.

