

Merrill Lynch & Co., Inc.

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Chairman and CEO

Merrill Lynch & Co., Inc.

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| Global Markets & Investment Banking | Global Research | Global Wealth Management



Safe Harbor

Statements made herein may contain forward-looking information about management's expectations, strategic objectives, growth opportunities, business prospects, investment banking pipelines, acquisition synergies, anticipated expense levels and financial results, anticipated results of litigation and regulatory proceedings, and other similar matters.

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Accordingly, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.

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Investors should also read the information on the calculations of non-GAAP financial measures that are available on www.ir.ml.com.

Presentation herein will exclude the operations of Merrill Lynch Insurance Group (MLIG) and Merrill Lynch Capital, which have been reported under discontinued operations.



Overview of Segment Results

Net Revenues ⁽¹⁾

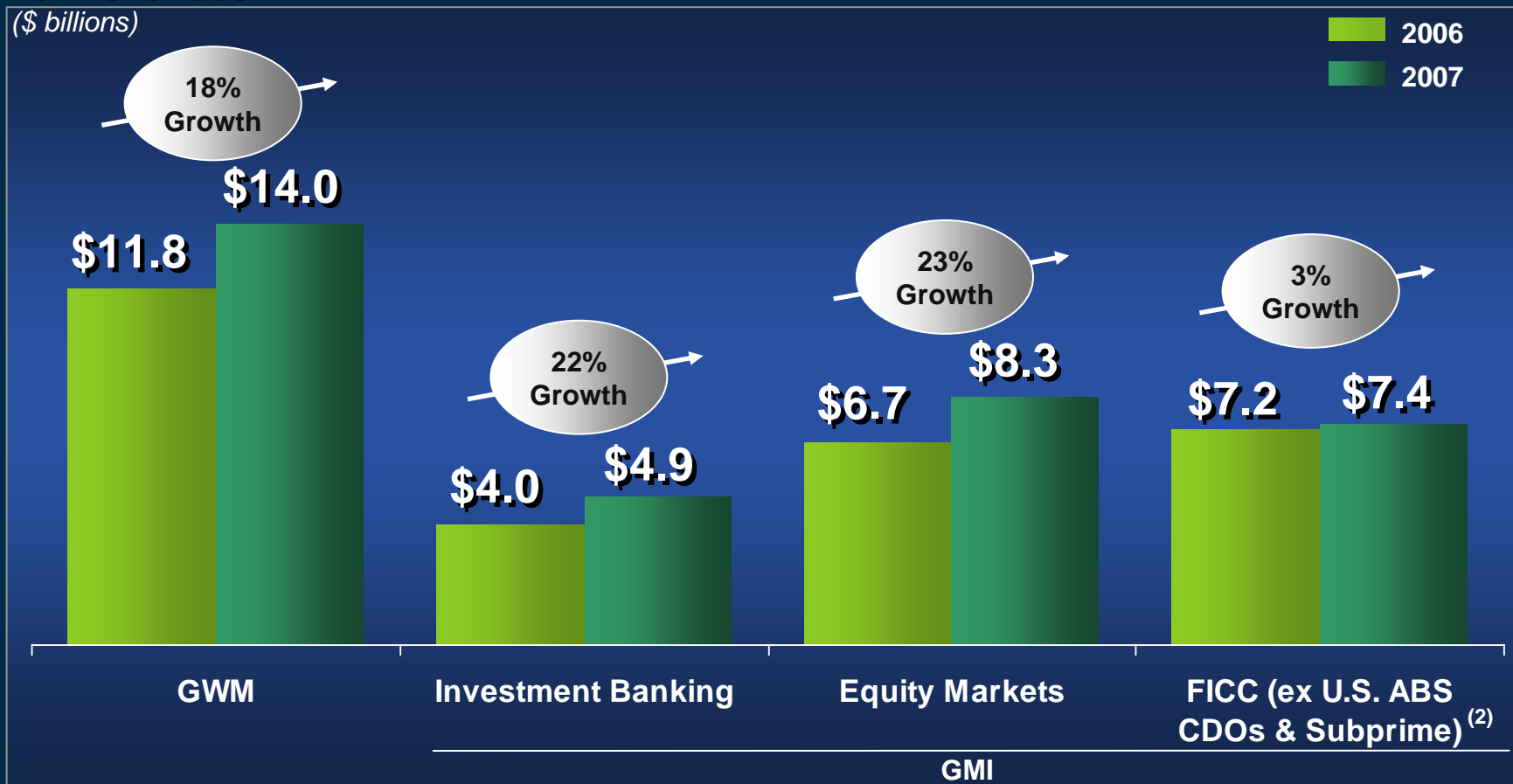


- (1) 2007 net revenues include the net benefit of \$1.9 billion across FICC and Equity Markets related to changes in the carrying value of certain long-term liabilities.
 (2) 2006 net revenues adjusted to exclude net revenues of approximately \$380 million related to U.S. ABS CDOs and residential sub-prime mortgages in FICC; net revenues related to sub-prime assets in the Bank investment portfolio were not excluded. 2007 net revenues adjusted to exclude net revenues of approximately negative \$23.2 billion related to U.S. ABS CDOs and residential sub-prime mortgages (including sub-prime assets in the Bank) in FICC.



Strong Results in Many Businesses

Net Revenues ⁽¹⁾



(1) Includes the net benefit in 2007 of \$1.9 billion (\$1.2 billion in FICC and \$700 million in Equity Markets) related to changes in the carrying value of certain long-term liabilities.

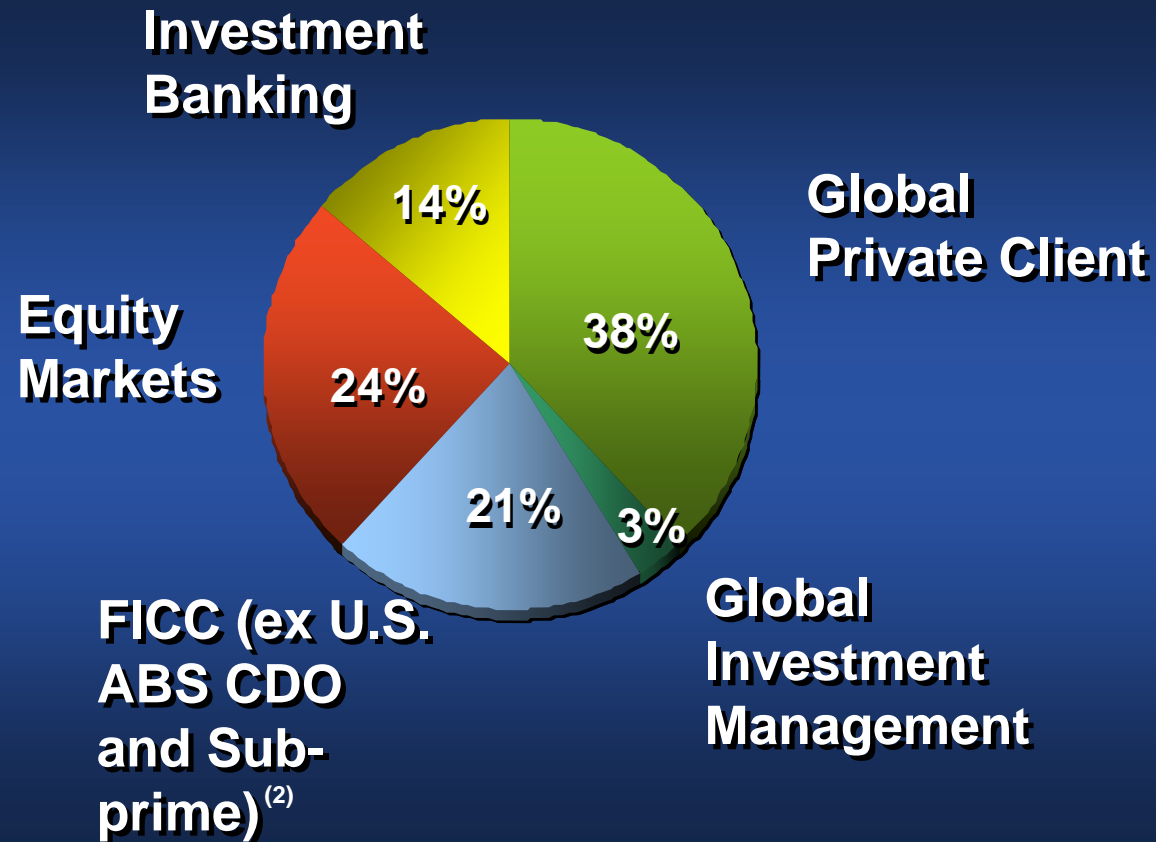
(2) 2006 net revenues adjusted to exclude net revenues of approximately \$380 million related to U.S. ABS CDOs and residential sub-prime mortgages; net revenues related to sub-prime assets in the Bank investment portfolio were not excluded. 2007 net revenues adjusted to exclude net revenues of approximately negative \$23.2 billion, which is comprised of net write-downs of \$20.0 billion related to U.S. ABS CDOs and residential sub-prime mortgages (including sub-prime assets in the Bank) in the second half of 2007, net revenues of approximately negative \$600 million related to U.S. ABS CDOs and residential sub-prime mortgages in the first half of 2007 and credit valuation adjustments of negative \$2.6 billion related to hedges with financial guarantors on U.S. super senior ABS CDOs.



Business Diversification

2007 Net Revenues ⁽¹⁾

(percentage of total)



(1) Includes the net benefit of \$1.9 billion (\$1.2 billion in FICC and \$700 million in Equity Markets) related to changes in the carrying value of certain long-term liabilities.

(2) 2007 FICC net revenues adjusted to exclude net revenues of approximately negative \$23.2 billion, which is comprised of net write-downs of \$20.0 billion related to U.S. ABS CDOs and residential sub-prime mortgages (including sub-prime assets in the Bank) in the second half of 2007, net revenues of approximately negative \$600 million related to U.S. ABS CDOs and residential sub-prime mortgages in the first half of 2007 and credit valuation adjustments of negative \$2.6 billion related to hedges with financial guarantors on U.S. super senior ABS CDOs.

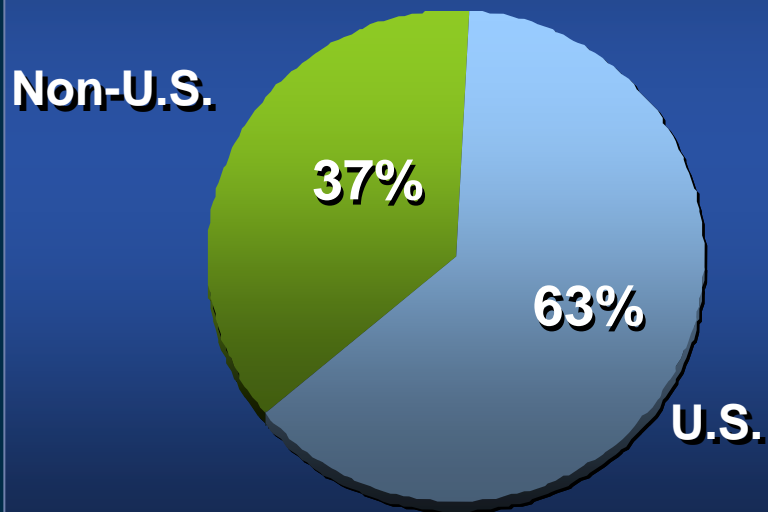


Global Diversification

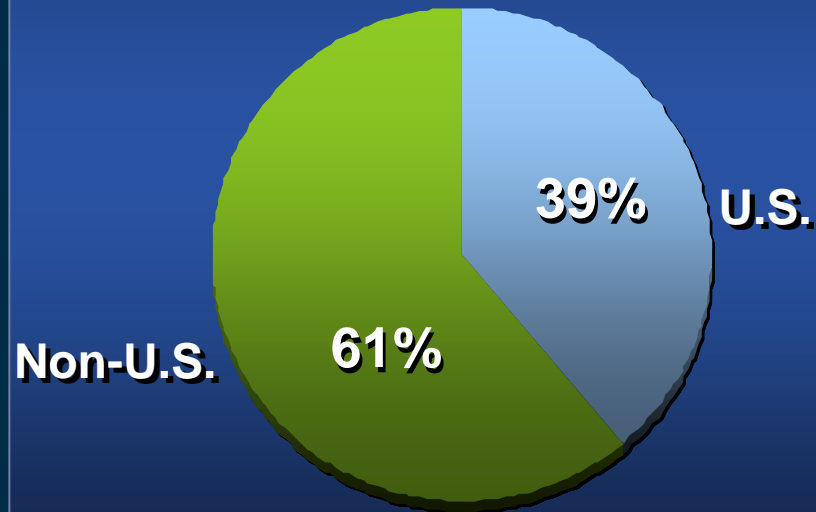
2007 Net Revenues ⁽¹⁾

(percentage of total)

Total Firm



GMI



Note: Regional allocation based on internal management reporting.

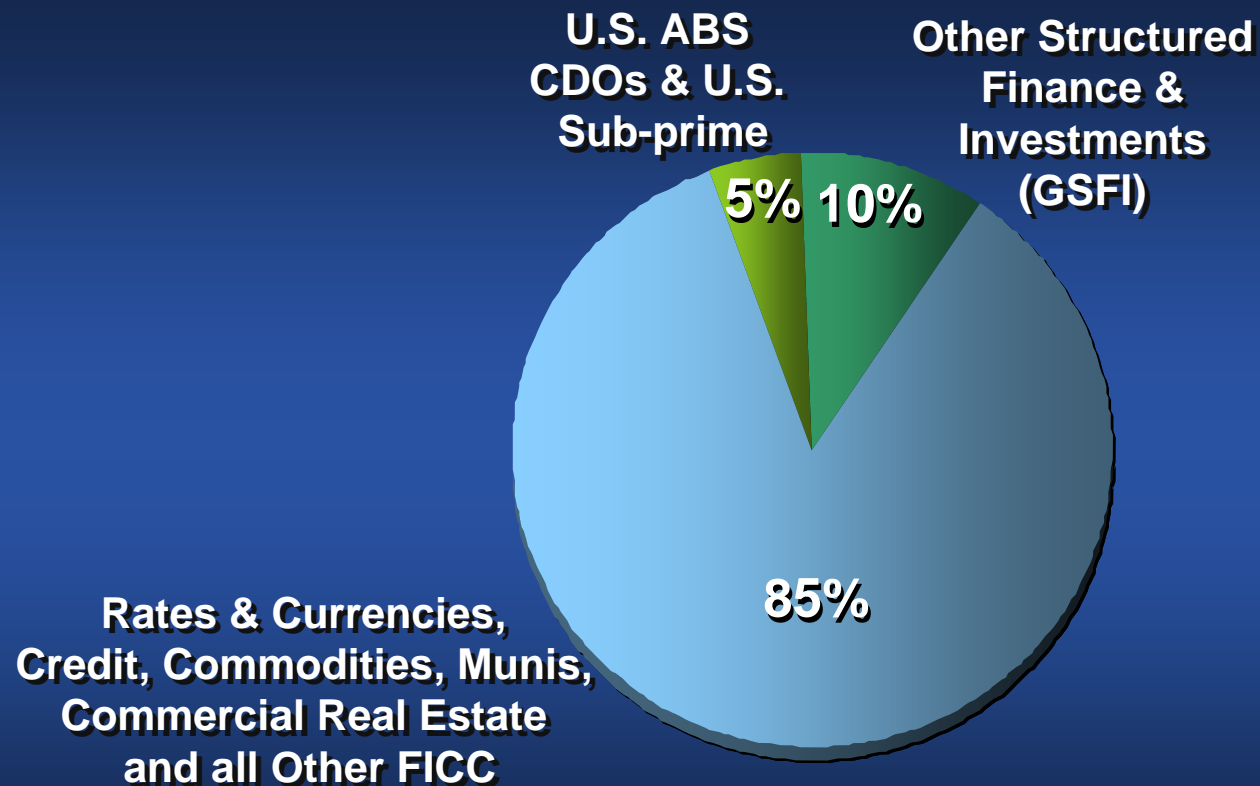
(1) Includes the net benefit of \$1.9 billion related to changes in the carrying value of certain long-term liabilities. Amounts adjusted to exclude net revenues of approximately negative \$23.2 billion, which is comprised of net write-downs of \$20.0 billion related to U.S. ABS CDOs and residential sub-prime mortgages (including sub-prime assets in the Bank) in the second half of 2007, net revenues of approximately negative \$600 million related to U.S. ABS CDOs and residential sub-prime mortgages in the first half of 2007 and credit valuation adjustments of negative \$2.6 billion related to hedges with financial guarantors on U.S. super senior ABS CDOs.



FICC: More Than 85% of FICC Driven by Core Businesses

2006 FICC Net Revenue Composition

(percentage of total)



FIS
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Recognition of Momentum

BARRON'S

- Top Wealth Manager in the U.S.
- Ranked 1st on Top 100 Advisors List

THE WALL STREET JOURNAL

- #1 in 2007 Best on the Street Stock Picking Survey

PAM
Private Asset Managers
AWARDS

- Overall service quality HNW – U.K. and Off-shore

EUROMONEY

- Best Investment Bank – Western Europe
- Best Equities House – North America
- Best M&A House – Japan
- Best Private Banking Services Overall – India

FINANCIAL NEWS

- Investment Bank of the Year – Europe

THE ASSET 財資
雜誌

- Best Investment Bank

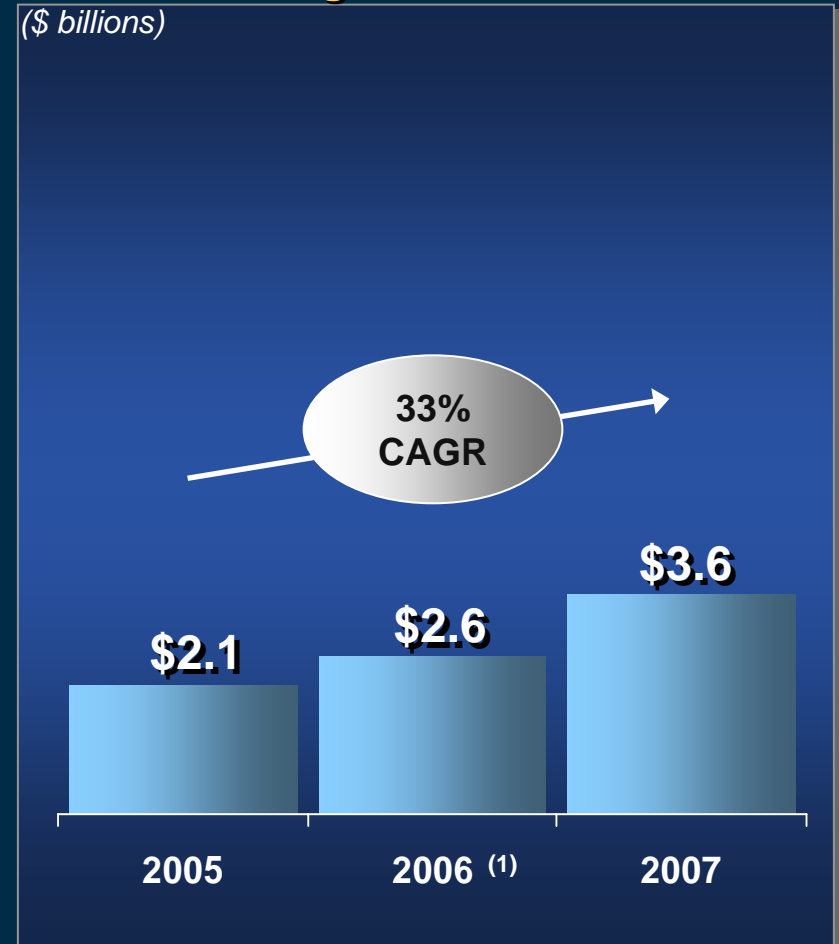
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Global Wealth Management: Core Franchise Growth

Net Revenues



Pre-Tax Earnings



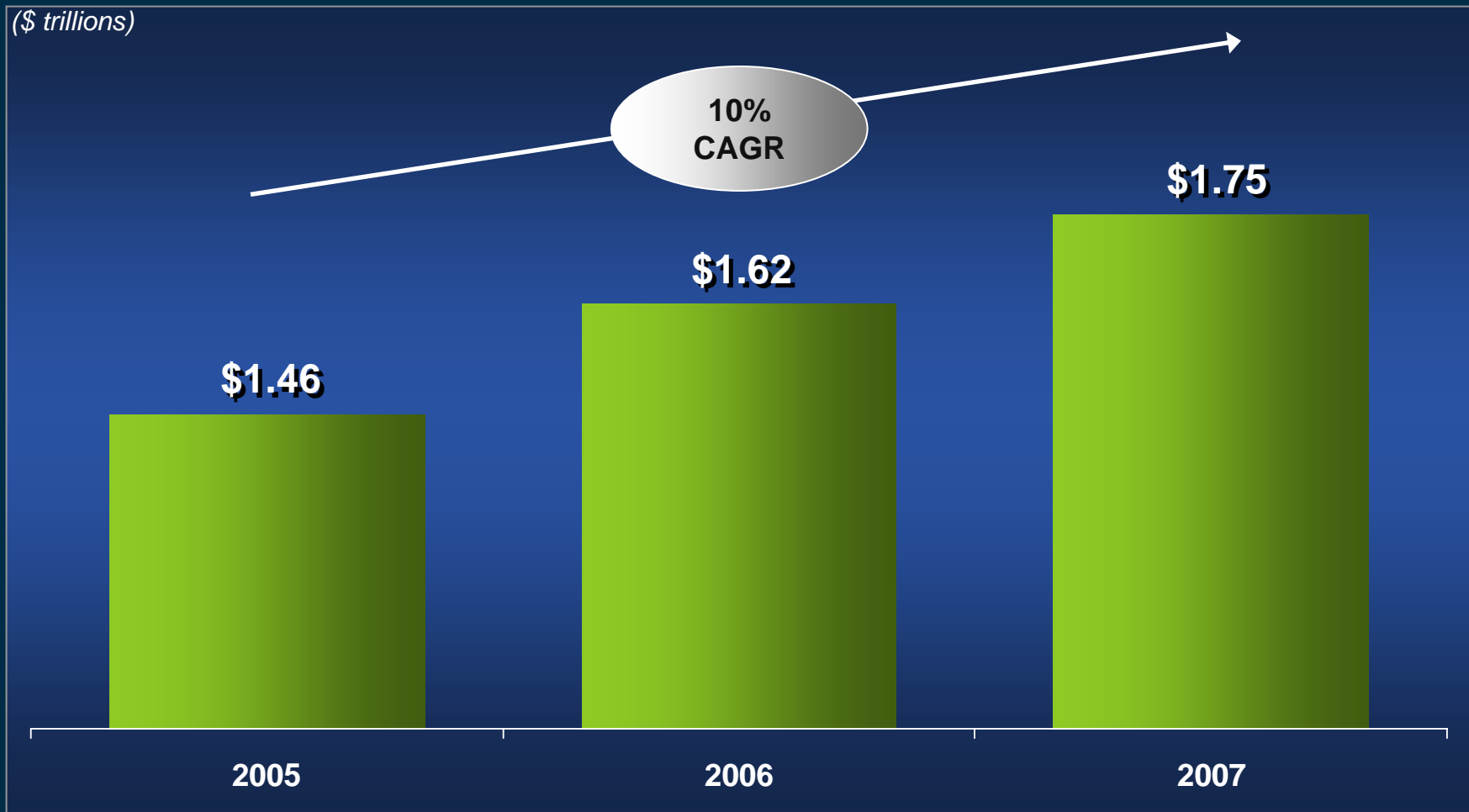
(1) Excludes one-time compensation expenses associated with the adoption of SFAS No. 123R in the first quarter of 2006. For reconciliations between these non-GAAP measures and GAAP results, please go to www.ir.ml.com.



Global Wealth Management: Industry Leading Client Assets

Client Assets

(\$ trillions)

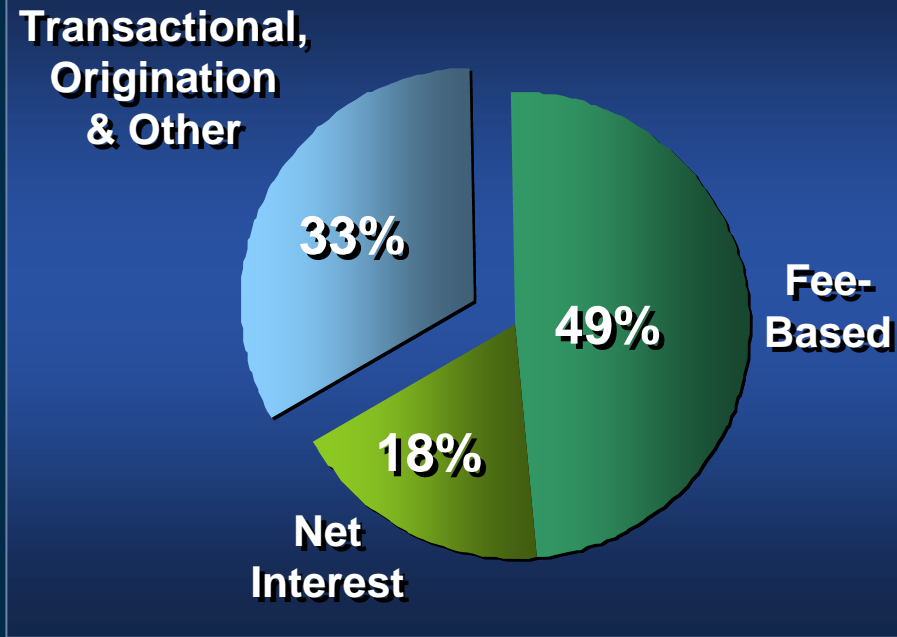


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Global Wealth Management: Unique Characteristics

2007 Revenue Composition for GPC

(percentage of total)



- 67% of GPC revenues were recurring
- Fourth consecutive year growing FA population at least 5%
- Over 75% of client assets from relationships of \$1 million or more with the firm
- FA productivity ~\$860K revenues per FA
- Average length of service of 10+ years

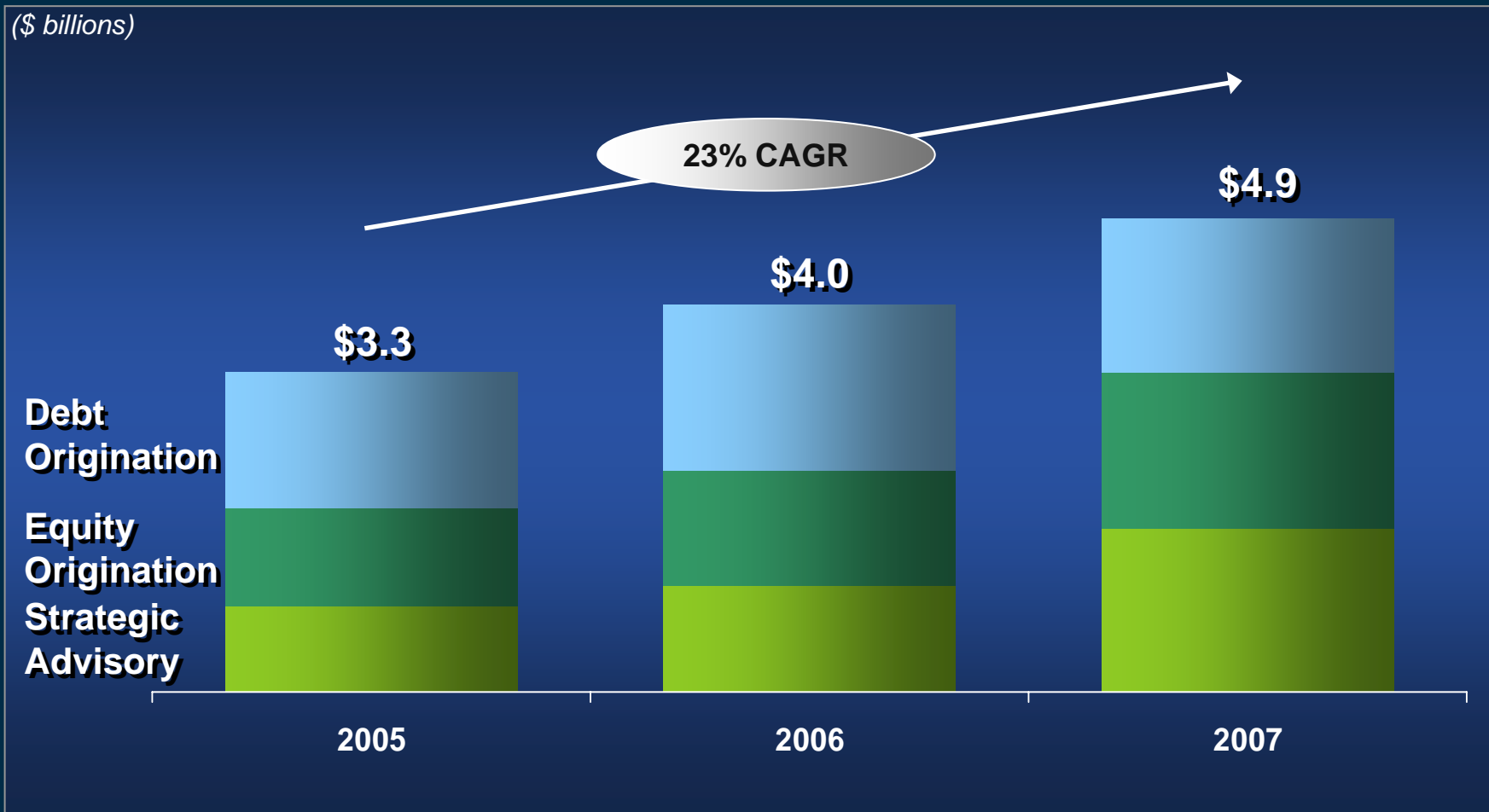
Industry leading position



Investment Banking: Record Results

Net Revenues

(\$ billions)

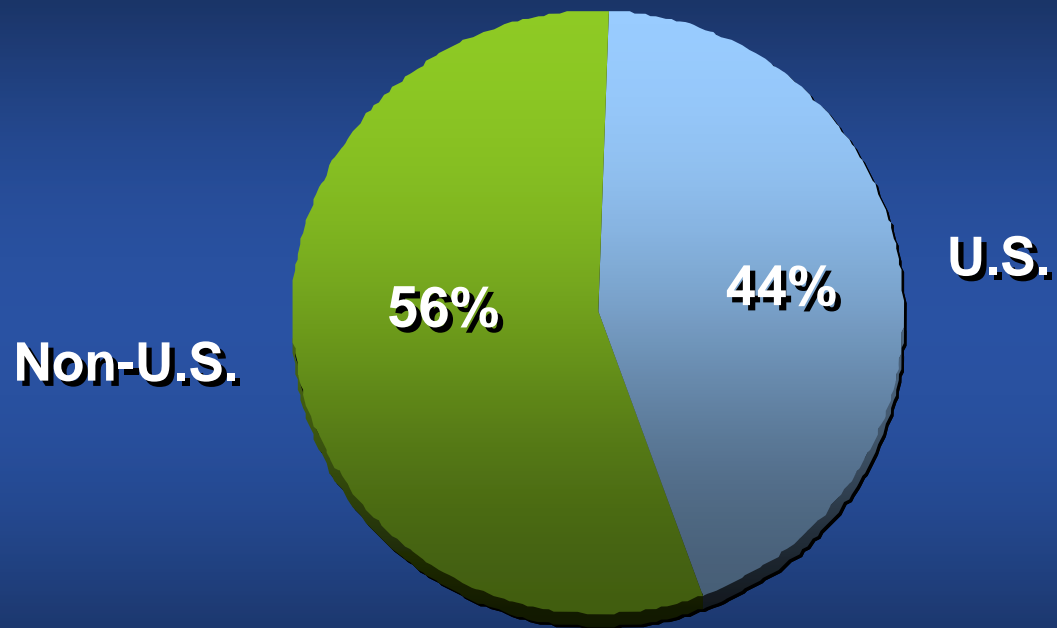


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Investment Banking: Global Diversification

2007 Net Revenues

(percentage of total)



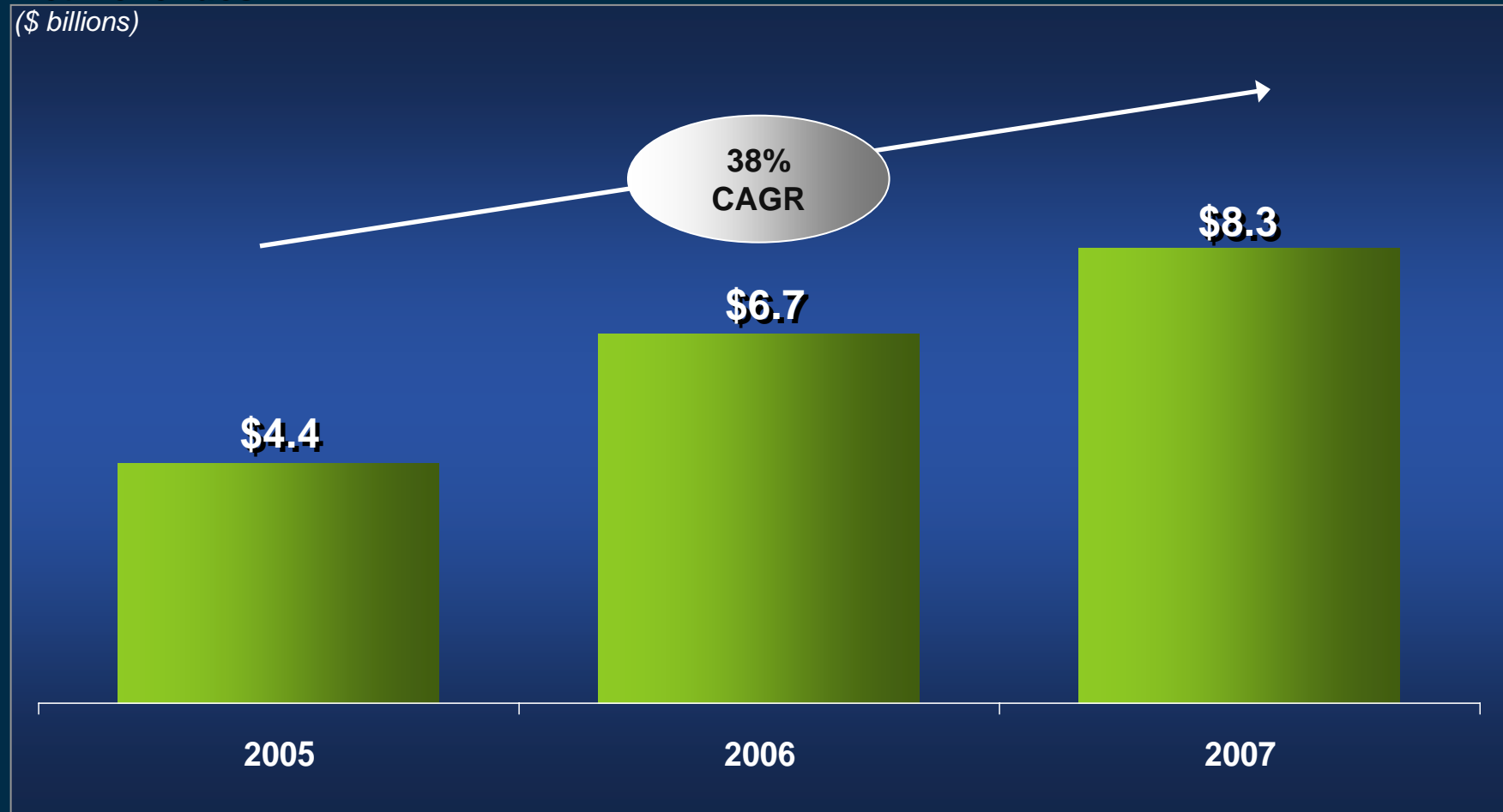
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Note: Regional allocation based on internal management reporting.

Equity Markets: Record Results

Net Revenues

(\$ billions)

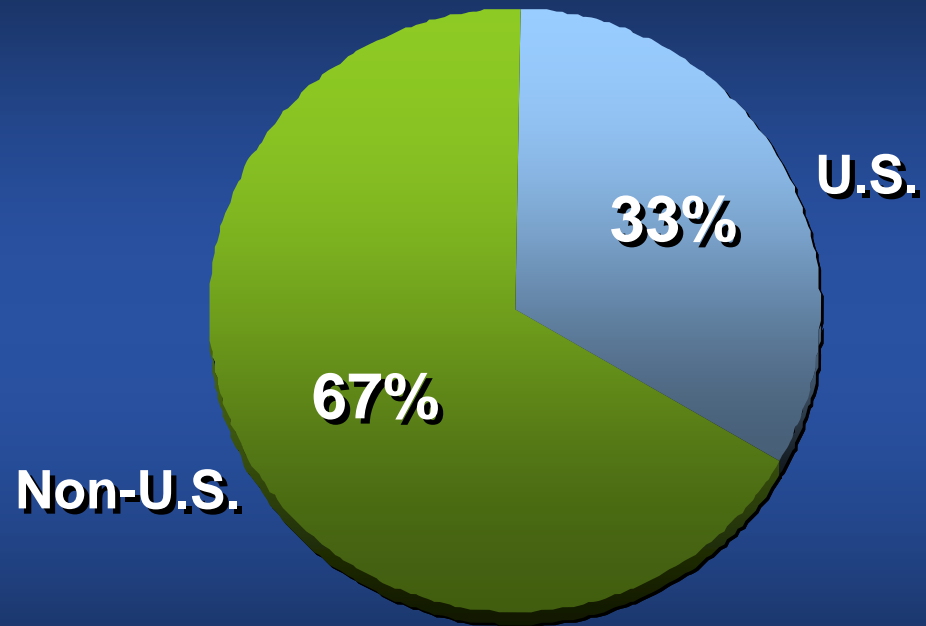


Note: Includes net benefit of \$700 million related to changes in the carrying value of certain long-term liabilities disclosed in third and fourth quarters of 2007.

Equity Markets: Global Diversification

2007 Net Revenues

(percentage of total)

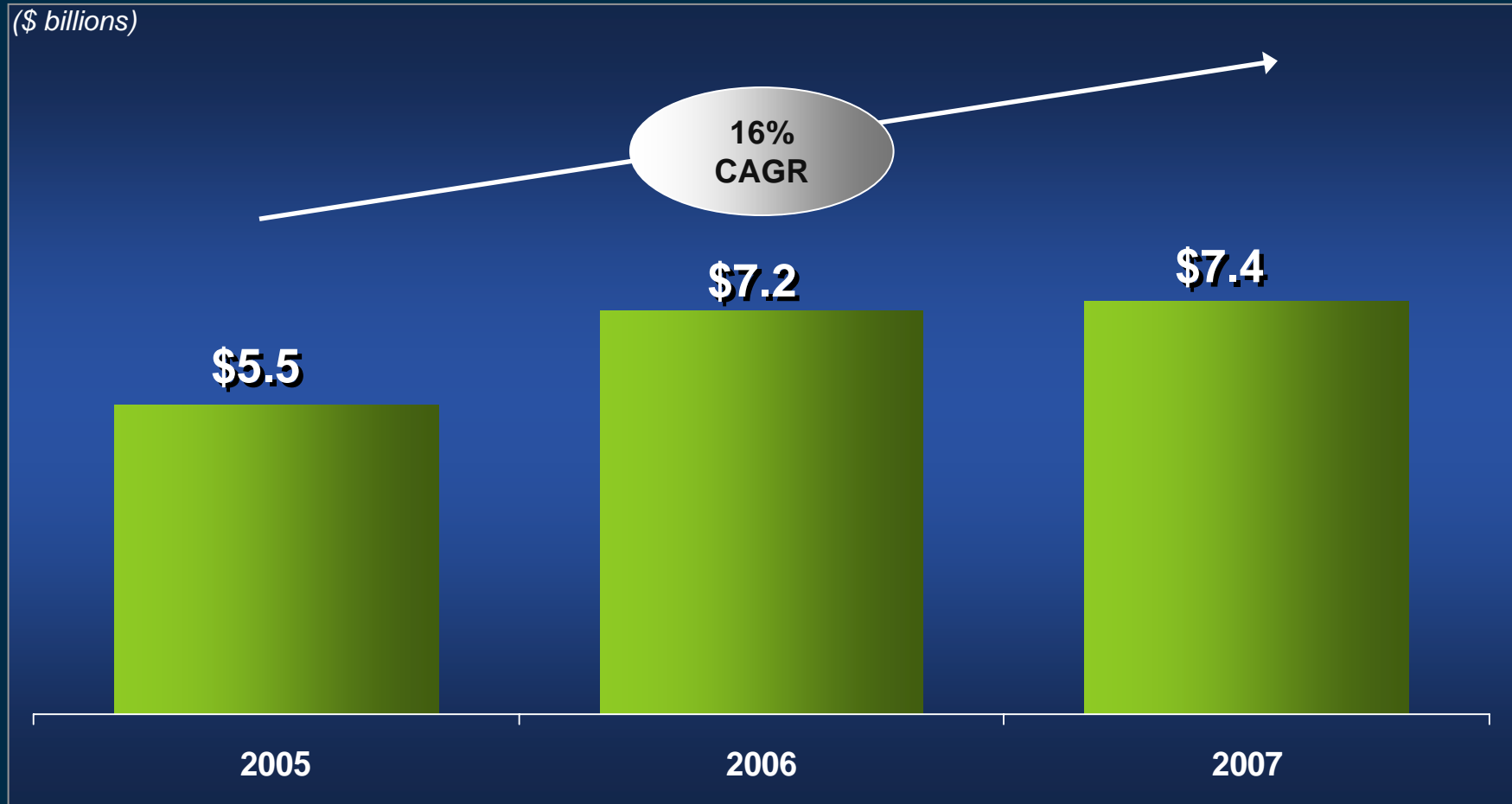


Note: Regional allocation based on internal management reporting.

FICC: Revenue Growth excluding U.S. ABS CDO and Sub-prime

Net Revenues ⁽¹⁾

(\$ billions)



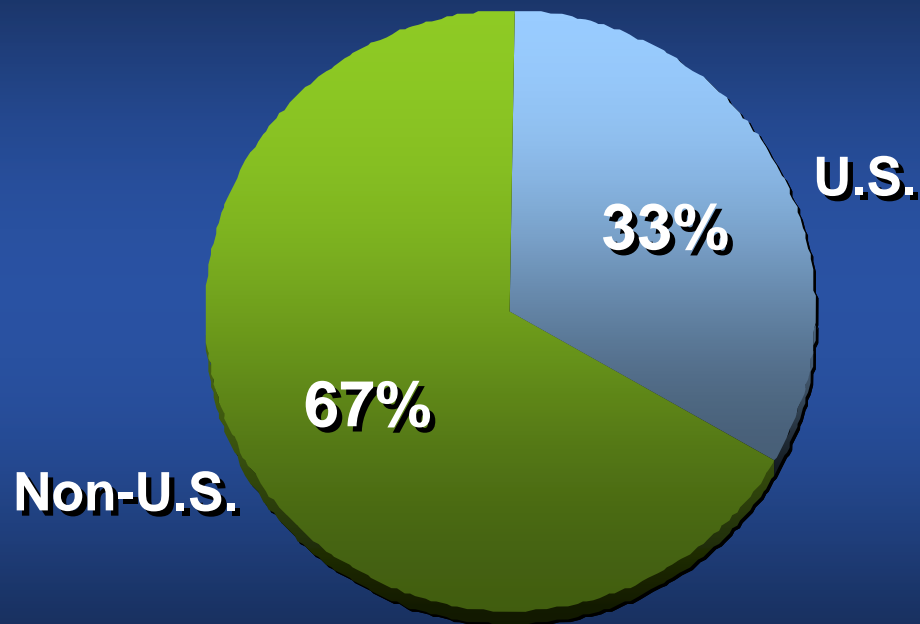
(1) 2007 FICC net revenues adjusted to exclude net revenues of approximately negative \$23.2 billion, which is comprised of net write-downs of \$20.0 billion related to U.S. ABS CDOs and residential sub-prime mortgages (including sub-prime assets in the Bank) in the second half of 2007, net revenues of approximately negative \$600 million related to U.S. ABS CDOs and residential sub-prime mortgages in the first half of 2007 and credit valuation adjustments of negative \$2.6 billion related to hedges with financial guarantors on U.S. super senior ABS CDOs. 2007 net revenues include the net benefit in 2007 of \$1.2 billion related to changes in the carrying value of certain long-term liabilities.



FICC: Global Diversification

2007 Net Revenues ⁽¹⁾

(percentage of total)



Note: Regional allocation based on internal management reporting.

(1) 2007 FICC net revenues adjusted to exclude net revenues of approximately negative \$23.2 billion, which is comprised of net write-downs of \$20.0 billion related to U.S. ABS CDOs and residential sub-prime mortgages (including sub-prime assets in the Bank) in the second half of 2007, net revenues of approximately negative \$600 million related to U.S. ABS CDOs and residential sub-prime mortgages in the first half of 2007 and credit valuation adjustments of negative \$2.6 billion related to hedges with financial guarantors on U.S. super senior ABS CDOs. 2007 net revenues include the net benefit in 2007 of \$1.2 billion related to changes in the carrying value of certain long-term liabilities.



Reduction of U.S. ABS CDO Net Exposure

U.S. ABS CDO Net Exposure

(\$ billions)



(1) Primarily represents unrealized losses on net exposures. Amounts exclude credit valuation adjustments of negative \$2.6 billion related to financial guarantor exposures on U.S. super senior ABS CDOs. See table regarding financial guarantor exposures.

(2) Primarily consists of principal amortization for U.S. super senior ABS CDO net exposures, as well as changes in hedges and increases due to ineffective hedges.



U.S. ABS CDO and Financial Guarantor Exposures

U.S. ABS CDO Net Exposure at 12/28/07



- CDO exposures hedged with monolines
 - Hedges (net of marks) of \$13.8 billion vs. financial guarantors
 - Hedges have \$3.5 billion of mark-to-market value
 - Significant portion of hedge gains protected by CDS on counterparties

Liquidity Strength

Global Liquidity Sources

(\$ billions)



Capital Strength

Period-End Equity Capital ⁽¹⁾

(\$ billions)



(1) Merrill Lynch defines equity capital more broadly than shareholders equity under GAAP, which does not include trust preferred securities (see Capital and Funding section in 2006 Annual Report).

(2) Pro forma adjustments include equity issuances completed subsequent to 12/28/07, the conversion of the Temasek option and treatment of the mandatory convertible preferred on an "if-converted" basis at \$52.40 per share. Please see the reconciliation of non-GAAP items at www.ir.ml.com for additional details.



Balance Sheet Optimization Initiatives

- **Optimize and shrink balance sheet, particularly in FICC**
 - **Eliminate uneconomic carry trades**
 - **Reduce illiquid assets**
 - **Continue to re-size mortgage and structured finance**
- **Grow principal investing through third party fund-based model**
- **Optimize excess liquidity in bank subsidiaries**
- **Greater discipline around funding, capital usage and risk/reward**

Focus on More Efficient Use of Capital to Achieve 20% “Through-the-Cycle” ROE



Third Party Fund Opportunities: 2008 and Beyond

- **Increased demand from investors for access to certain asset classes**
 - **Real Estate, Private Equity, Infrastructure and Special Situations**
- **Fund model enhances ROE and scalability**
- **Merrill Lynch initial focus on commercial real estate and regionally specific opportunities**
- **Synergies and cross-selling opportunities between GMI and GWM**

Shift from “on-balance sheet” model to “third-party fund” model



Risk Management Remains Critically Important

- **New co-heads with substantial experience**
- **Direct reporting lines to CEO**
- **One combined market and credit risk group**
- **Weekly risk meetings**
- **Re-aligning organization to better fit business and market environment**
- **Re-oriented compensation philosophy to “firm results first”**



Global Footprint: Emerging Markets Focus in 2008



Emerging Markets Presence at Varying Degrees of Development

- Established Local Platform
- Franchise Build Underway
- Primarily Off-shore

Brazil: Established Local Platform for Leading Franchise



Brazil

Established Local Platform

- Bank and broker-dealer license in place since 1997
- Integrated, fully local organization
- Diverse product capabilities

2007 Accomplishments

- Revenue growth >130% CAGR 2005-2007
- Consistent out-performance of market
- Top tier foreign bank (#1) franchise

Strategic Imperatives for 2008

- Origination: coverage and non-traditional
- Build-out of Commodities, Infrastructure
- Targeted principal investments
- GWM: On-shore for full service offering



Note: Excluding foreign banks with local acquisitions.

India: Established Local Platform for Leading Franchise



India

Established Local Platform

- 2006 acquisition of most of DSP Merrill Lynch
- Market leader
- Significant expansion since acquisition
- Diverse product capabilities

2007 Accomplishments

- Revenue growth >100% CAGR 2005-2007
- Voted “Best Private Bank” since 2004
- “Best Equities House 2007” by Euromoney

Strategic Imperatives for 2008

- GWM: On-shore and “non-resident Indian” focus
- Product diversification
- Targeted principal investments



Russia: GMI Franchise Build Underway



Russia

2004 - 2007 Milestones

- Local presence set up in 2004
- Broker-dealer license obtained in 1Q07
- Full GMI presence
- Local equity trading in 3Q07

Strategic Imperatives for 2008

- Selective expansion into CIS
- Diversify capabilities
- Targeted origination coverage
- Targeted principal investment



Middle East & North Africa: GMI Franchise Build Underway



Middle East / North Africa

2006 - 2007 Milestones

- GWM local franchise since 1960s
- Dubai license granted 1Q07
- Conditional Saudi license granted 2Q07
- Local team established
- Leading local Equity and Commodities franchise

Strategic Imperatives for 2008

- Selective further on-shore market entry
- Drive deeper synergies with GWM



Turkey: GMI Franchise Build Underway



Turkey

2006 - 2007 Milestones

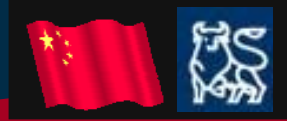
- Bank and Broker-dealer set up in 4Q06
- Full local GMI presence
- Leading Principal Real Estate franchise
- Local equity and debt trading live


Strategic Imperatives for 2008

- Origination: broadening franchise including M&A & ECM
- Markets: Continue build-out for international investors
- Principal: Selective product and sector extensions



China: Leveraging Off-Shore Success



<p>July 1993 US\$343mm</p>  <p>Shanghai Petrochemical NYSE and HKSE IPO</p>	<p>October 2006 US\$21.9bn</p>  <p>ICBC HKSE and SSE IPO</p>	<p>October 2000 US\$6.9bn</p>  <p>China Mobile Ltd Simultaneous Equity and CB Offering</p>	<p>2007 US\$108mm</p>  <p>China Sunergy IPO</p>	<p>2007 US\$137mm</p>  <p>Acorn IPO</p>	<p>2007 US\$609mm</p>  <p>Focus Media Add-On Offering</p>
<p>June 2005 US\$3.3bn</p>  <p>China Shenhua Energy Company Limited IPO</p>	<p>December 2006 US\$2.4bn</p>  <p>China Communications Construction Co. Limited IPO</p>	<p>2006 US\$1.5 bn</p>  <p>China Telecom IPO</p>	<p>2007 US\$303 mm</p>  <p>New Oriental Education & Tech. Group Inc. Add-On Offering</p>	<p>2006 US\$125 mm</p>  <p>Home Inns & Hotels Mgmt, Inc. IPO</p>	<p>2006 US\$504 mm</p>  <p>Nine Dragons IPO</p>
<p>Feb 2001 US\$1.4bn</p>  <p>CNOOC IPO</p>	<p>2004 US\$1,237mm</p>  <p>FIR CHINA IPO</p>	<p>2004 US\$1.0bn</p>  <p>CNOOC Convertible Bonds</p>	<p>2006 US\$107mm</p>  <p>Trina IPO</p>	<p>2003 US\$85mm</p>  <p>Ctrip IPO</p>	<p>2000 US\$112mm</p>  <p>Phoenix Satellite Television IPO</p>

HSBC
Merrill Lynch

Conclusions

- **Healthy core franchise**
- **Industry leading wealth management platform**
- **Global footprint with continued plans for expansion**
- **Diversified and recurring sources of revenue**
- **Well-positioned for 2008 with strong liquidity and enhanced capital position**
- **Firm-first approach led by strengthened management team**
- **Unique brand**



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