

FINAL TERMS DATED 28 APRIL 2008

MERRILL LYNCH INTERNATIONAL & CO. C.V.

Multiple Issuance of Securities linked to Shares

**under the Merrill Lynch International & Co. C.V. Warrant and Certificate Programme
unconditionally and irrevocably guaranteed by Merrill Lynch & Co. Inc. ("ML&Co.")**

PART A – CONTRACTUAL TERMS

The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 26 of Part A below, provided such person is one of the persons mentioned in Paragraph 26 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated 28th September, 2007 and the supplements to the Offering Circular dated 19 October 2007, 29 October 2007 13 November 2007, 29 November 2007, 6 December 2007, 21 December 2007, 30 January 2008, 7 February 2008, 5 March 2008, 21 April 2008 and 23 April 2008, which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular as supplemented. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Offering Circular as supplemented. The Offering Circular and the supplements to the Offering Circular are available for viewing during normal business hours at the registered office of the Issuer, the specified offices of the Security Agents for the time being in London, Luxembourg and New York City.

References herein to numbered Conditions are to the terms and conditions of the Securities and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms, save as where otherwise expressly provided.

1. Issuer: Merrill Lynch International & Co. C.V.
2. Guarantor: ML&Co.

SPECIFIC PROVISIONS FOR EACH SERIES


Series No.	No. of Securities issued	ISIN	Wertpapierkennnummer	Shares
1	Up to 50,000	DE000ML0DJ11	ML0DJ1	Daimler AG
2	Up to 50,000	DE000ML0DJ29	ML0DJ2	Allianz SE
3	Up to 50,000	DE000ML0DJ37	ML0DJ3	Deutsche Telekom AG
4	Up to 50,000	DE000ML0DJ45	ML0DJ4	Siemens AG
5	Up to 50,000	DE000ML0DJ52	ML0DJ5	Deutsche Bank AG

Shares

Share Company	Bloomberg Ticker	Exchange	Local Jurisdiction	Exercise Price	Barrier Level	Bonus Level
Daimler AG	DAI GY	Xetra	Germany	Share Closing Price on the Reference Pricing Date	[50 - 75%] of the Initial Share Price*	110.00% of the Initial Share Price
Allianz SE	ALV GY	Xetra	Germany	Share Closing Price on the Reference Pricing Date	[50 - 75%] of the Initial Share Price*	112.00% of the Initial Share Price
Deutsche Telekom AG	DTE GY	Xetra	Germany	Share Closing Price on the Reference Pricing Date	[50 - 75%] of the Initial Share Price*	110.00% of the Initial Share Price
Siemens AG	SIE GY	Xetra	Germany	Share Closing Price on the Reference Pricing Date	[50 - 75%] of the Initial Share Price*	111.60% of the Initial Share Price
Deutsche Bank AG	DBK GY	Xetra	Germany	Share Closing Price on the Reference Pricing Date	[50 - 75%] of the Initial Share Price*	110.80% of the Initial Share Price

3. Type of Securities:
- (i) The Securities are Certificates.
 - (ii) The Securities are Share Securities.
 - (iii) The Securities are European Style Securities.
 - (iv) For the purposes of Condition 16(B)(2)(a), Local Tax Adjustment shall be applicable, and "Local Jurisdiction" is set out in "Specific Provisions for each Series" above.
4. Averaging: Averaging does not apply to the Securities.
5. Trade Date: The Trade Date is 30 May 2008 or 1 Business Day after the amended subscription period closing date.

* To be determined on the Reference Pricing Date

6. Issue Date: The issue date of the Securities is 9 June 2008.
7. Exercise Date: The exercise date of the Securities is 19 June 2009, provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately succeeding Exercise Business Day.
8. Settlement Date: The Settlement Date means (1) 26 June 2009, or, if such date is not a Business Day, the immediately succeeding Business Day or, if later (2) the fifth Business Day following the Valuation Date.
9. Number of Securities being issued: The number of Securities being issued is set out in "Specific Provisions for each Series" above.
10. Issue Price: The issue price per Security is Euro ("EUR") 100.
11. Exercise Price:  The exercise price per Security (which may be subject to adjustment in accordance with Condition 16) is equal to the Share Closing Price on the Reference Pricing Date, as set out in "Specific Provisions for each Series" above.
12. Automatic Exercise: Automatic exercise applies to the Securities.
13. Business Day Centre(s): The applicable Business Day Centres for the purposes of the definition of "Business Day" in Condition 4 are London and TARGET.
14. Settlement: Settlement will be by way of cash payment ("Cash Settled Securities").

Upon the valid exercise of Securities in accordance with the Terms and Conditions, each Securityholder shall receive the Cash Settlement Amount on the Settlement Date in the Settlement Currency, which shall be determined by the Calculation Agent in accordance with the following:

- a) If a Barrier Event has not occurred during the Observation Period, the Cash Settlement Amount will be calculated in accordance with the following formula:

EUR 100 * Bonus Level

- b) If a Barrier Event has occurred during the Observation Period, the Cash Settlement Amount will be calculated in accordance with the following formula:

EUR 100 * Share Performance

For the purposes of these Final Terms, the following definitions will apply in addition to the general definitions contained in Condition 4:

A **“Barrier Event”** shall occur if the Calculation Agent determines that the Share Price is less than its corresponding Barrier Level during the Observation Period;

“Observation Period” means any Scheduled Trading Day from but excluding the Reference Pricing Date to and including the Valuation Date (adjusted, if applicable as provided in Condition 4);

“Performance Value” means, in respect of a Share, its Settlement Price divided by its Initial Share Price;

“Settlement Price” means Settlement Price as defined in Condition 4 of the Offering Circular;

“Share” means subject to adjustment in accordance with Condition 16(B) the ordinary shares of the Share Companies as set out in “Specific Provisions for each Series” above and related expressions shall be construed accordingly;

“Share Company” means, where the Securities relate to a single share, the company that has issued such Share;

“Share Closing Price” means, in respect of a Share and subject to Condition 16(B), an amount equal to the official closing price of such Share quoted on the relevant Exchange as determined by the Calculation Agent.

“Share Price” means, in respect of a Share and a time on a Scheduled Trading Day and subject to Condition 16(B), the price of such Share at such time on such day as determined by the Calculation Agent.

“Valuation Date” means the Valuation Date as defined in Condition 4 of the Offering Circular;

“Share Performance” means the Performance Value of the Share.

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| 15. Issuer's option to vary settlement: | The Issuer does not have the option to vary settlement in respect of the Securities. |
| 16. Settlement Currency: | The settlement currency for the payment of the Cash Settlement Amount is Euro (“EUR”). |
| 17. Calculation Agent: | The Calculation Agent is Merrill Lynch International. |
| 18. Exchange(s): | For the purposes of Condition 4 and Condition 16(B), the relevant Exchange is “Specific Provisions for each Series” above. |
| 19. Related Exchange(s): | All Exchanges. |
| 20. Minimum Exercise Number: | The minimum number of Securities that may be exercised on any day by any Securityholder is one and Securities may only be exercised in integral multiples of one Security in excess thereof. |
| 21. Additional Disruption Events: | The following Additional Disruption Events apply to the Securities: |

Change in Law
Hedging Disruption
Increased Cost of Hedging

22. Form of Securities: The Securities are to be issued into and transferred through Clearstream, Frankfurt.
23. Eligibility for sale in the United States to QIBs who are also QPs or to, or for the account or benefit of, U.S. persons who are QIBs and also QPs: In relation to Cash Settled Securities which are either Index Securities or Share Securities, the Securities are not eligible for sale in the United States to QIBs who are also QPs, or to, or for the account or benefit of, U.S. persons who are QIBs and also QPs.

DISTRIBUTION

24. Syndication: The Securities will be distributed on a non-Syndicated basis.
25. Total commission and concession: The Offer Price is EUR 100. A commission of up to 1% may be paid to each Distributor in connection with the offer (calculated on the basis that the offer price is EUR 100 and the re-offer price to the Distributors is EUR 99), payable on the Issue Date. In addition, Distributors in Germany only may charge subscribers or purchasers a fee up to 1% on top of the Offer Price, payable on the Issue Date.
26. Non exempt Offer: An offer of the Securities may be made by the Manager and any distributor appointed by the Issuer and Guarantor (the "Distributor" and, together with the Manager, the "Financial Intermediaries") other than pursuant to Article 3(2) of the Prospectus Directive in Germany and Austria ("Public Offer Jurisdiction") during the period from and including 2 May 2008 to and including 30 May 2008 ("Offer Period"). See further Paragraph 5 of Part B below.
27. Additional selling restrictions: **European Union**
- Although a Prospectus (as defined in the EU Prospectus Directive 2003/71/EC ("Prospectus Directive")) has been prepared in connection with the Securities and approved by the competent authority in Germany, the Prospectus has not been notified to the competent authority of any other European Economic Area ("EEA") member state other than Germany and any purchaser of the Securities who subsequently sells any of their Securities 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.

PURPOSE OF FINAL TERMS

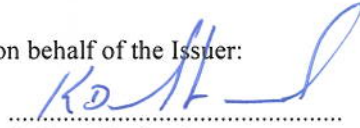
These Final Terms comprise the final terms required for issue and public offer in Germany and Austria and admission to trading on EUWAX and the Open Market ("Freiverkehr") of the Frankfurt Stock Exchange ("Frankfurter Wertpapierbörse") of the Securities described herein pursuant to the Warrant and Certificate Programme of Merrill Lynch International & Co. C.V.

RESPONSIBILITY

Subject as provided below, the Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. The information relating to the Shares contained herein has been accurately extracted from Bloomberg Financial Markets. The Issuer and ML&Co. accept responsibility for the accuracy of such extraction but accept no further or other responsibility in respect of such information.

Signed on behalf of the Issuer:

By:


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Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing: The Securities will be listed on EUWAX and the Open Market (“Freiverkehr”) of the Frankfurt Stock Exchange (“Frankfurter Wertpapierbörse”).

Admission to trading: Application will be made for the Securities to be admitted to trading on EUWAX and the Open Market (“Freiverkehr”) of the Frankfurt Stock Exchange (“Frankfurter Wertpapierbörse”).

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.

3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: The Issuer intends to use the net proceeds from each issue of Securities for its general corporate purposes. A substantial portion of the proceeds from the issue of Securities may be used to hedge market risks with respect to such Securities.

(ii) Estimated net proceeds: EUR 5,000,000 per Series.

4. PERFORMANCE OF THE SHARES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE SHARES

Information on the price of the Shares and the past and future performance of the Shares may be found on Bloomberg financial markets.

5. TERMS AND CONDITIONS OF THE OFFER

Offer Price: EUR 100. Please see paragraph 25 above “Total Commission and Concession”.

Conditions to which the offer is subject: Offers of the Securities are conditional on their issue. The issuer reserves the right not to issue the Securities. The Issuer may elect in its sole discretion to close the subscription period early. If the Issuer elects to close the subscription period early, the subscribers will be notified of the amended subscription period closing date 2 Business Days in advance in accordance with the terms and conditions.

Description of the application process: The Offer Period (as defined below) will begin at 8:00 am Central European Time on the 2 May 2008 and will expire at 17:00 pm Central European Time on the 30 May 2008.

During the period (the "Offer Period") described above, investors can accept the offer during normal banking hours in

the Public Offer Jurisdiction.

The Securities will be placed into the Public Offer Jurisdiction by means of a placement network composed of one or more distributors (each a “**Distributor**”) as managed and coordinated by Merrill Lynch International (the “**Manager**”). The Securities will be placed into the Public Offer Jurisdiction without any underwriting commitment by the Distributors or by Merrill Lynch International during the Offer Period.

During the Offer Period no undertakings have been made by third parties to guarantee the subscription of the Securities.

A prospective Securityholder should contact the relevant Distributor in the Public Offer Jurisdiction prior to the end of the Offer Period. A prospective Securityholder will subscribe for Securities in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer or the Manager related to the subscription for the Securities.

For the avoidance of doubt, no dealings in the Securities may take place prior to the Issue Date.

Details of the minimum and/or maximum amount of application:

There are no pre-identified allotment criteria. All of the Securities requested by the Distributors during the Offer Period will be assigned until reaching the maximum amount of the offer destined to prospective Securityholders (up to the amount of 50,000 Securities per Series). In the event that during the Offer Period the requests exceed the amount of the offer destined to prospective Securityholders, equal up to 50,000 Securities per Series, the Manager will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.

Upon the close of the Offer Period in the event that, notwithstanding the above, more than the maximum amount of the Securities are subscribed, the Manager will notify the Distributors as to the amount of their allotments. In such event, the Distributors will notify potential investors of the amount of the Securities to be assigned. The Manager will adopt allotment criteria that ensure equal treatment of prospective investors.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not Applicable

Details of the method and time limits for paying up and delivering the Securities:

Investors will be notified by the relevant Financial Intermediary of their allocations of Securities and the settlement arrangements in respect thereof. The Securities will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.

Manner in and date on which results of the offer are to be made public:

Not Applicable

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries: The Offer is addressed in the Public Offer Jurisdiction to any person. In other EEA countries, offers will only be made pursuant to an exemption under the Prospectus Directive as implemented in such countries.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: For the tax regime applicable in the Public Offer Jurisdiction, please see Schedules 1-2 below.

6. OPERATIONAL INFORMATION

- (i) ISIN Code: The ISIN Code is set out in “Specific Provisions for each Series” above.
- (ii) Common Code: Not Applicable
- (iii) Wertpapierkennnummer (WKN) (German Security Code): The WKN is set out in “Specific Provisions for each Series” above.
- (iv) Clearing System(s): Clearstream Banking AG, Frankfurt am Main
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme* Clearstream Banking AG, Frankfurt am Main, DTC and VPC AB, Regeringsgatan 65, Box 7822, SE-103 97 Stockholm, Sweden or a duly authorised Swedish central securities depository under the Swedish CSD Rules and the relevant identification number(s): Not Applicable

SCHEDULE 1

TAX TREATMENT OF THE SECURITIES IN GERMANY

The following comments are of a general nature and included herein solely for information purposes. These comments are not intended to be, nor should they be construed to be, legal or tax advice. No representation with respect to the consequences to any particular prospective holder of a Security is made hereby. Any prospective holder of a Security should consult their own tax advisers in all relevant jurisdictions.

The information contained in this section is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Securities. It is based upon German tax laws (including tax treaties) and administrative decrees as in effect as of the date hereof, which are subject to change, potentially with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SECURITIES.

1 Tax Residents

Securities held by Private Investors as Non-Business Assets

Private individuals having their residence or habitual abode in the Federal Republic of Germany are subject to unlimited German income taxation.

The Issuer is of the opinion that the Securities should qualify as speculative securities (Sec. 23 German Income Tax Act, *Einkommensteuergesetz*), because they neither guarantee or grant (i) a repayment of principal in total or in part (ii) nor any remuneration (especially no interest). If Securities, qualifying as such securities, are sold within one year after the purchase of the Securities the capital gains are taxed as speculative income, if the capital gains from all such private disposals during a calendar year equal or exceed 512 Euro (per individual and year). The amount of the capital gain or loss will be equal to the difference between the sales proceeds or the redemption value paid by the Issuer and the acquisition costs for the Security. The capital gains are taxable at the personal progressive income tax rate of the Investor plus a 5.5 per cent solidarity surcharge thereon.

Consequently, if the Securities are (i) sold within one year after the purchase of the Securities and the capital gains from all such private disposals during a calendar year fall short of 512 Euro (per individual and year) or (ii) sold after one year of the purchase of the Securities, capital gains and losses should be tax exempt.

The offset of potential losses is restricted.

Securities held by Private Investors or Business Investors as Business Assets

Income from the Securities held as business assets is taxable at regular rates subject to the German Income Tax Act or the German Corporate Income Tax Act plus a 5.5 per cent solidarity surcharge thereon. The offset of losses might be restricted.

2 Non-Tax Residents

Persons who are not tax resident in Germany, are generally not subject to German taxation. However, if the Securities are held as part of a domestic business or with a permanent representative in Germany, the Investor will be taxed the same as German residents subject to a minimum tax rate for individual investors

3 Investment Tax Act

The Securities should not qualify as units in a foreign investment fund in terms of the German Investment Tax Act (*Investmentsteuergesetz*).

4 Changes by reform of business taxation

Please find below some selected changes in the taxation of holders of a Security by the Business Tax Reform Act 2008 (*Unternehmensteuerreformgesetz 2008*) which has been adopted by the Federal Diet (Bundestag) and Federal Council (*Bundesrat*), but not yet announced in the Federal Law Gazette (*Bundesgesetzblatt*). This statement is not comprehensive.

In the course of the reform of business taxation, a final flat-rate tax (*Abgeltungssteuer*) on investment income will be established.

From 1 January 2009, the taxation of the Securities will change as follows:

Tax residents

Income from the Securities will qualify as income from capital investment and, thus, be subject to German personal or corporate income tax (in both cases plus solidarity surcharge) and additionally subject to trade tax if the Securities are held as business assets. This treatment will be independent from a one-year holding period.

Withholding tax arises as follows

If the Securities are kept or administered in a domestic securities deposit account by a German credit institution or financial services institution (or by a German branch of a foreign institution) or by a German securities trading firm (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*), a 25 per cent. capital yield tax ("**Kapitalertragsteuerabzug**"), plus. solidarity surcharge, will be levied on the positive difference between the purchase price paid by the holder of a Security and the selling price or redemption amount, as the case may be, resulting in a total withholding tax charge of 26.375 per cent. If such criteria are not fulfilled, if e.g. the Securities are sold or redeemed after a transfer from another securities deposit account, the holder of a Security may, under certain circumstances, provide evidence for the purchase price. If such evidence is not provided, the price difference as the taxable base for the Kapitalertragsteuerabzug and the solidarity surcharge will be substituted by a flat amount of 30 per cent. of the selling price or the redemption price.

For individuals holding the Securities as private assets, this withholding tax shall generally be final and only be included in the relevant tax assessment upon application, especially if the personal income tax rate lies below 25 per cent. A unitary flat sum (Sparer-Pauschbetrag) in the amount of 801 Euro (1,602 Euro for married couples filing their tax return jointly) will be introduced to be deducted in computing the overall investment income. The deduction of actually accrued expenses will not be possible any more.

Transition rules

Capital gains from disposals or redemptions until and including 30 June 2009 will be taxed according to the current rules set out above.

Non-Tax residents

Persons who are not tax resident in Germany, are in general exempt from the German Kapitalertragsteuerabzug plus solidarity surcharge. In the case of over-the-counter-transactions (payment or credit upon presentation of Securities or Coupons at the office of a German credit or financial services institution or at a German branch of a foreign institution or at a German securities trading firm or a German securities trading bank), with the exception of transactions entered into by foreign credit or financial services institutions, the 25 per cent. Kapitalertragsteuerabzug plus solidarity surcharge, in total 26.375 per cent. applies. Under certain circumstances a refund might be available.

If according to German tax law the interest income received from the Securities kept or administered by a German credit or financial services institution (or by a German branch of a foreign institution) or by a German securities trading firm or a German securities trading bank is effectively connected with a German trade or business of a non-resident, the taxation corresponds to the taxation set out in the paragraph "*Tax residents*" above.

SCHEDULE 2

TAX TREATMENT OF THE CERTIFICATES IN AUSTRIA

1. Income Tax

In the opinion of the Issuer, the Certificates are to be qualified as bonds in the sense of sec. 93(3) of the Austrian Income Tax Act.

Individuals subject to unlimited income tax liability in Austria holding bonds as a non-business asset are subject to income tax on all resulting interest payments (which term also encompasses a balance, if any, between the redemption price and the issue price) pursuant to sec. 27(1)(4) and sec. 27(2)(2) of the Austrian Income Tax Act. If interest is paid out by an Austrian paying agent, then such payments are subject to a withholding tax of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act) if the bonds are in addition legally and factually offered to an indefinite number of persons. If interest is not paid out by an Austrian paying agent, then such payments must be included in the income tax return; in this case they are subject to a flat income tax rate of 25%, provided that the bonds are in addition legally and factually offered to an indefinite number of persons. If the bonds are not legally and factually offered to an indefinite number of persons, then the interest payments must be included in the income tax return; in this case they are subject to income tax at marginal rates, any withholding tax being creditable against the income tax liability.

Individuals subject to unlimited income tax liability in Austria holding bonds as a business asset are subject to income tax on all resulting interest payments (which term also encompasses a balance, if any, between the redemption price and the issue price). If interest is paid out by an Austrian paying agent, then such payments are subject to a withholding tax of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act) if the bonds are in addition legally and factually offered to an indefinite number of persons. If interest is not paid out by an Austrian paying agent, then such payments must be included in the income tax return; in this case they are subject to a flat income tax rate of 25%, provided that the bonds are in addition legally and factually offered to an indefinite number of persons. If the bonds are not legally and factually offered to an indefinite number of persons, then the interest payments must be included in the income tax return; in this case they are subject to income tax at marginal rates, any withholding tax being creditable against the income tax liability.

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on all interest payments resulting from bonds (which term also encompasses a balance, if any, between the redemption price and the issue price) at a rate of 25%. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act no withholding tax is levied.

Private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in sec. 13(1) of the Austrian Corporate Income Tax Act and holding bonds as a non-business asset are subject to corporate income tax (interim taxation) on all resulting interest payments (which term also encompasses a balance, if any, between the redemption price and the issue price) pursuant to sec. 13(3)(1) of the Austrian Corporate Income Tax Act at a rate of 12.5%, provided that the bonds are in addition legally and factually offered to an indefinite number of persons. If the bonds are not legally and factually offered to an indefinite number of persons, then the interest payments are subject to corporate income tax at a rate of 25%. Under the conditions set forth in sec. 94(11) of the Austrian Income Tax Act no withholding tax is levied.

Pursuant to sec. 42(1) of the Austrian Investment Funds Act, a foreign investment fund is defined as any assets subject to a foreign jurisdiction which, irrespective of the legal form they are organized in, are invested according to the principle of risk-spreading on the basis either of a statute, of the entity's articles or of customary exercise. This term, however, does not encompass collective real estate investment vehicles pursuant to sec. 14 of the Austrian Capital Markets Act. It should be noted that the Austrian tax authorities have commented upon the distinction between index certificates of foreign issuers on the one hand and foreign investment funds on the other hand in the Investment Fund Regulations. Pursuant to these, no foreign investment fund may be assumed if for the purposes of the issuance no predominant actual purchase of the underlying assets by the issuer or a trustee of the issuer, if any, is made and no actively managed assets exist.

2. EU Withholding Tax

Sec. 1 of the Austrian EU Withholding Tax Act – which transforms into national law the provisions of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent to a beneficial owner who is an individual resident in another Member State is subject to a withholding tax if no exception from such withholding applies. Currently, the withholding tax amounts to 15%. Regarding the issue of whether index certificates are subject to the withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest; in addition, reference is made to the underlying assets: In the case of certificates without a capital guarantee and relating to equity indices or to baskets of equities, payments are not considered as interest within the meaning of the Austrian EU Withholding Tax Act.

3. Inheritance and Gift Tax

Pursuant to the Austrian Inheritance and Gift Tax Act, transfers of assets *inter vivos* and *inter mortuos* are taxable. Sec. 15(1)(17) of the Austrian Inheritance and Gift Tax Act provides for a tax exemption in the case of a transfer of bonds *inter mortuos* insofar as the bonds were legally and factually offered to an indefinite number of persons and insofar as the interest resulting from the bonds is subject to final taxation or to the special tax rate of 25%. The Austrian Constitutional Court has recently declared the inheritance tax and the gift tax as unconstitutional. The two decisions will become effective on 1 August 2008. It remains to be seen whether the Austrian Parliament will reenact an inheritance tax and/or a gift tax in Austria and under what terms.

THIS SECTION ON TAXATION CONTAINS A BRIEF SUMMARY OF THE ISSUER'S UNDERSTANDING WITH REGARD TO CERTAIN IMPORTANT PRINCIPLES WHICH ARE OF SIGNIFICANCE IN AUSTRIA IN CONNECTION WITH THE CERTIFICATES. THIS SUMMARY DOES NOT PURPORT TO EXHAUSTIVELY DESCRIBE ALL POSSIBLE TAX ASPECTS AND DOES NOT DEAL WITH SPECIFIC SITUATIONS WHICH MAY BE OF RELEVANCE FOR INDIVIDUAL POTENTIAL INVESTORS. IT IS BASED ON THE CURRENTLY VALID AUSTRIAN TAX LEGISLATION, CASE LAW AND REGULATIONS OF THE TAX AUTHORITIES, AS WELL AS THEIR RESPECTIVE INTERPRETATION, ALL OF WHICH MAY BE AMENDED FROM TIME TO TIME. SUCH AMENDMENTS MAY ALSO BE EFFECTED WITH RETROACTIVE EFFECT AND MAY NEGATIVELY IMPACT ON THE TAX CONSEQUENCES DESCRIBED ABOVE. IT IS RECOMMENDED THAT POTENTIAL PURCHASERS OF THE CERTIFICATES CONSULT WITH THEIR LEGAL AND TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, HOLDING OR SALE OF THE CERTIFICATES. TAX RISKS RESULTING FROM THE CERTIFICATES (IN PARTICULAR FROM A POSSIBLE QUALIFICATION AS A FOREIGN INVESTMENT FUND PURSUANT TO SEC. 42(1) OF THE AUSTRIAN INVESTMENT FUNDS ACT) SHALL BE BORNE BY THE PURCHASER. IN GENERAL, IT HAS TO BE NOTED THAT THE AUSTRIAN TAX AUTHORITIES HAVE A CRITICAL ATTITUDE TOWARDS STRUCTURED PRODUCTS WHICH MAY ALSO GIVE RISE TO TAX BENEFITS.