

BEAR STEARNS COMPANIES INC  
Form FWP  
May 03, 2007

*Filed Pursuant to Rule 433  
Registration No. 333-136666  
May 3, 2007*

**STRUCTURED EQUITY PRODUCTS  
Indicative Terms**

**New Issue**

Accelerated  
Market  
Participation  
Securities

**THE BEAR STEARNS COMPANIES INC.  
Note Linked to the Nikkei 225<sup>SM</sup> Index  
Due: November [1], 2008**

**INVESTMENT HIGHLIGHTS**

- 18-month term to maturity.
- **The Notes are not principal protected.**
- Issue is a direct obligation of The Bear Stearns Companies Inc. (Rated A1 by Moody's / A+ by S&P).
- Issue Price: 100.00% of the Principal Amount (99.00% for investors who purchase a Principal Amount of \$1,000,000 or greater).
- Linked to the Nikkei 225<sup>SM</sup> Index.
- Depending upon the value of the Index at Maturity, the Note will pay 3 times the percentage increase in the Index, up to a maximum return of [30.00]%.
- If the Index declines in value by the Maturity Date, the Note will lose value at a rate of 1.00% for every 1.00% decline in the Index from the Initial Index Level.

**The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this free writing prospectus relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll free 1-866-803-9204.**

BEAR, STEARNS & CO. INC.  
**GROUP**  
(212) 272-6928

**STRUCTURED PRODUCTS GROUP****TERMS OF OFFERING**

|                               |   |
|-------------------------------|---|
| <b>ISSUER:</b>                | <b>The Bear Stearns Companies Inc.</b>  |
| <b>ISSUER'S RATING:</b>       | A1 / A+ (Moody's / S&P)   |
| <b>CUSIP NUMBER:</b>          | 073928V67   |
| <b>ISSUE PRICE:</b>           | 100.00% of the Principal Amount (99.00% for investors who purchase a Principal Amount of \$1,000,000 or greater)  |
| <b>PRINCIPAL AMOUNT:</b>      | [\$I]   |
| <b>DENOMINATIONS:</b>         | \$1,000.00 per Note and \$1,000.00 multiples thereafter   |
| <b>SELLING PERIOD ENDS:</b>   | May [I], 2007   |
| <b>SETTLEMENT DATE:</b>       | May [I], 2007   |
| <b>CALCULATION DATE:</b>      | November [I], 2008 unless such date is not an Index Business Day, in which case the Calculation Date shall be the next Index Business Day. The Calculation Date is subject to adjustment as described in the Pricing Supplement under "Description of the Notes—Market Disruption Events."  |
| <b>MATURITY DATE:</b>         | The Notes are expected to mature on November [I], 2008 unless such date is not an Index Business Day, in which case the Maturity Date shall be the next Index Business Day. If the Calculation date is adjusted due to the occurrence of a Market Disruption Event, the Maturity Date will be three Index Business Days following the adjusted Calculation Date.  |
| <b>CASH SETTLEMENT VALUE:</b> | <p>On the Maturity Date, you will receive the Cash Settlement Value, an amount in cash that depends upon the relation of the Final Index Level to the Initial Index Level.</p> <p>If, at maturity, the Final Index Level is greater than or equal to the Initial Index Level, the Cash Settlement Value is equal to, per Note, the principal amount of the Note, plus the lesser of:</p> <p>If, at maturity, the Final Index Level is less than the Initial Index Level, you will receive less and possibly significantly less, than your initial investment in the Notes. In this case, the Cash Settlement Value is equal to, per Note:</p> |
|                               | [300.00]%   |

**UPSIDE PARTICIPATION  
RATE:**

**INITIAL INDEX LEVEL:** The closing level of the Index on May [1], 2007.

**FINAL INDEX LEVEL:** The Final Index Level will be determined by the Calculation Agent and will equal the closing level of the Index on the Calculation Date.

**INDEX:** Nikkei 225<sup>SM</sup> Index (ticker “NKY”), as published by Nihon Keizai Shimbun, Inc. (the “Sponsor”)

**BEAR, STEARNS & CO. INC.**

*STRUCTURED PRODUCTS GROUP*

**ADDITIONAL TERMS SPECIFIC TO THE NOTES**

You should read this document together with the prospectus and prospectus supplement, each dated August 16, 2006 (the “Prospectus” and “Prospectus Supplement,” respectively), and the more detailed information contained in the Pricing Supplement, dated May 3, 2007 (subject to completion) (the “Pricing Supplement”). You should carefully consider, among other things, the matters set forth in “Risk Factors” in the Prospectus Supplement and the Pricing Supplement, as 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 Pricing Supplement, the Prospectus Supplement and the Prospectus on the SEC web site as follows:

Pricing Supplement dated May 3, 2007 (subject to completion):

[http://www.sec.gov/Archives/edgar/data/777001/000114420407022581/v073643\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/777001/000114420407022581/v073643_424b2.htm)

Prospectus Supplement dated August 16, 2006:

<http://www.sec.gov/Archives/edgar/data/777001/000104746906011015/a2172743z424b5.htm>

Prospectus dated August 16, 2006:

<http://sec.gov/Archives/edgar/data/777001/000104746906011007/a2172711zs-3asr.htm>

**BEAR, STEARNS & CO. INC.**

-3-

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**STRUCTURED PRODUCTS GROUP****ILLUSTRATIVE HYPOTHETICAL CASH SETTLEMENT VALUE TABLE**

The following is an illustrative table demonstrating the hypothetical Cash Settlement Value based on the assumptions listed below. Actual returns may be different.

**ASSUMPTIONS:**

- Investor purchases \$1,000.00 principal amount of Notes at the initial offering price of \$1,000.00.
- Investor does not sell the Notes and holds the Notes to maturity.
- The Initial Index Level is equal to 17,500.00.
- The Upside Participation Rate is [300.00] %.
- The maximum return on the Notes is [30.00] %.
- All returns are based on a 18-month term; pre-tax basis.
- No Market Disruption Events or Events of Default occur during the term of the Notes.

| Cash                |                   |                            |                           |                            | Cash                |                   |                            |                           |                            |
|---------------------|-------------------|----------------------------|---------------------------|----------------------------|---------------------|-------------------|----------------------------|---------------------------|----------------------------|
| Initial Index Level | Final Index Level | Percentage Change in Index | Settlement Value Per Note | Return if Held to Maturity | Initial Index Level | Final Index Level | Percentage Change in Index | Settlement Value Per Note | Return if Held to Maturity |
| 17,500.00           | 30,675.75         | 75.29%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 17,381.00         | -0.68%                     | \$993.22                  | -0.68%                     |
| 17,500.00           | 29,489.25         | 68.51%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 17,262.00         | -1.36%                     | \$986.43                  | -1.36%                     |
| 17,500.00           | 28,302.75         | 61.73%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 17,144.75         | -2.03%                     | \$979.65                  | -2.03%                     |
| 17,500.00           | 27,114.50         | 54.94%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 17,025.75         | -2.71%                     | \$972.87                  | -2.71%                     |
| 17,500.00           | 25,928.00         | 48.16%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 16,906.75         | -3.39%                     | \$966.08                  | -3.39%                     |
| 17,500.00           | 24,741.50         | 41.38%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 16,787.75         | -4.07%                     | \$959.30                  | -4.07%                     |
| 17,500.00           | 23,553.25         | 34.59%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 16,668.75         | -4.75%                     | \$952.52                  | -4.75%                     |
| 17,500.00           | 22,366.75         | 27.81%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 16,549.75         | -5.43%                     | \$945.74                  | -5.43%                     |
| 17,500.00           | 21,173.50         | 24.42%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 16,432.50         | -6.10%                     | \$938.95                  | -6.10%                     |
| 17,500.00           | 21,180.25         | 21.03%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 16,313.50         | -6.78%                     | \$932.17                  | -6.78%                     |
| 17,500.00           | 20,587.00         | 17.64%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 16,194.50         | -7.46%                     | \$925.39                  | -7.46%                     |
| 17,500.00           | 19,992.00         | 14.24%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 16,075.50         | -8.14%                     | \$918.60                  | -8.14%                     |
| 17,500.00           | 19,398.75         | 10.85%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 15,956.50         | -8.82%                     | \$911.82                  | -8.82%                     |
| 17,500.00           | 19,279.75         | 10.17%                     | \$1,300.00                | 30.00%                     | 17,500.00           | 15,837.50         | -9.50%                     | \$905.04                  | -9.50%                     |
| 17,500.00           | 19,162.50         | 9.50%                      | \$1,284.89                |                            |                     |                   |                            |                           |                            |