

BEAR STEARNS COMPANIES INC
Form FWP
February 04, 2008

*Free Writing Prospectus
Filed Pursuant to Rule 433
Registration No. 333-136666
February 4, 2008*

STRUCTURED EQUITY PRODUCTS

New Issue

Indicative Terms

THE BEAR STEARNS COMPANIES INC.

Medium-Term Notes

Linked to a Portfolio of Indices

Due: February [29], 2012

INVESTMENT HIGHLIGHTS

- 4 year term to maturity.
- The Notes are 100% principal protected if held to maturity.
- Issue is a direct obligation of The Bear Stearns Companies Inc. (Rated A2 by Moody's / A by S&P).
- Issue Price: 100.00% of the principal amount (\$1,000 per Note) ([99.00]% for investors who purchase a principal amount of at least \$1,000,000).
- The Notes are linked to the potential positive performance of an equally-weighted portfolio comprised of the following four equity indices: (1) the S&P 500[®] Index (the "SPX"); (2) the Dow Jones EURO STOXX [®]50 Index (the "SX5E"); (3) the Nikkei 225[™] Stock Index (the "NKY"); and (4) the FTSE/Xinhua China 25 Index[™] (the "XIN01") (each such index a "Component" and together the "Portfolio"). The weighting of each Component within the Portfolio is fixed at 1/4, or 25.00%, and will not change during the term of the Notes unless one or more Components is modified during the term of the Notes.
- The Cash Settlement Value will be based on the appreciation, if any, in the Portfolio over the term of the Notes as measured by the Portfolio Return. The "Portfolio Return" is calculated as the equally-weighted average of the four Index Performances, where "Index Performance" means, as of the Final Observation Date and with respect to a Component, the quotient, expressed as a percentage, of (i) the arithmetic average of the Observation Levels for that Component minus its Initial Component Level divided by (ii) its Initial Component Level.
- If the Portfolio Return is greater than zero, then the Cash Settlement Value for each Note will be equal to the principal amount of the Note, plus the product of (a) \$1,000 multiplied by (b) the Portfolio Return multiplied by (c) the Participation Rate.
- If the Portfolio Return is equal to or less than zero, the Cash Settlement Value for each Note will be \$1,000. Because the Notes are principal

protected if held to maturity, in no event will the Cash Settlement Value for each Note be less than \$1,000.

- The Participation Rate is [100.00]%

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. 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.
**STRUCTURED PRODUCTS
GROUP**

(212) 272-6928

The Notes will not be listed on any U.S. securities exchange or quotation system. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this free writing prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

STRUCTURED PRODUCTS GROUP**GENERAL TERMS**

This free writing prospectus relates to a Note offering linked to the performance of an equally-weighted portfolio comprised of the following four equity indices: (1) the S&P 500[®] Index (the “SPX”); (2) the Dow Jones EURO STOXX 50[®] Index (the “SX5E”); (3) the Nikkei 225[™] Stock Index (the “NKY”); and (4) the FTSE/Xinhua China 25 Index[™] (the “XIN0I”) (each such index a “Component” and together the “Portfolio”). The weighting of each Component within the Portfolio is fixed at 1/4, or 25.00%, and will not change during the term of the Notes unless one or more Components is modified during the term of the Notes. We reserve the right to withdraw, cancel or modify the offering and to reject orders in whole or in part.

Defined terms not defined herein shall have the same meaning as in the Pricing Supplement discussed below.

| | |
|-----------------------------|---|
| ISSUER: | The Bear Stearns Companies Inc. |
| ISSUER’S RATING: | A2 / A (Moody’s / S&P) |
| CUSIP NUMBER: | 0739282C6 |
| ISSUE PRICE: | 100.00% of the Principal Amount (99.00% for investors who purchase a Principal Amount of at least \$1,000,000). |
| PRINCIPAL AMOUNT: | [\$1] |
| DENOMINATIONS: | \$1,000 per Note and \$1,000 multiples thereafter |
| SELLING PERIOD ENDS: | February [26], 2008 |
| SETTLEMENT DATE: | February [29], 2008 |
| MATURITY DATE: | February [29], 2012 (for a term of approximately 48 months). The Maturity Date is subject to adjustment as described in the Pricing Supplement. |
| COMPONENTS: | The Notes are linked to the performance of an equally-weighted portfolio comprised of the following four equity indices: (1) the S&P 500 [®] Index (the “SPX”); (2) the Dow Jones EURO STOXX 50 [®] Index (the “SX5E”); (3) the Nikkei 225 [™] Stock Index (the “NKY”); and (4) the FTSE/Xinhua China 25 Index [™] (the “XIN0I”) (each such index a “Component” and together the “Portfolio”). |
| COMPONENT SPONSORS: | Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. as the sponsor of the SPX; STOXX Limited, a partnership of Deutsche Börse AG, Dow Jones & Company and the SWX Group as the sponsor of the SX5E; Nihon Keizai Shimbun, Inc. as the sponsor of the NKY; and FTSE/Xinhua Index Limited, a joint venture of FTSE International Limited and Xinhua Financial Network Limited as the sponsor of the XIN0I are hereinafter referred to as |

“Component Sponsors.”

CASH SETTLEMENT VALUE: An amount in cash that depends upon the Portfolio Return.

If the Portfolio Return is greater than zero, the Cash Settlement Value for each Note will be equal to the principal amount of the Notes, plus: the product of (a) \$1,000 multiplied by (b) the Portfolio Return multiplied by (c) the Participation Rate

If the Portfolio Return is equal to or less than zero, the Cash Settlement Value for each Note will be equal to the principal amount of the Note. Because the Notes are principal protected if held to maturity, in no event will the Cash Settlement Value for each Note held to maturity be less than \$1,000.

PORTFOLIO RETURN: An amount determined by the Calculation Agent and equal to the arithmetic average of the Index Performance for each Component.

INDEX PERFORMANCE: Equals, as of the Final Observation Date and with respect to a Component, the quotient, expressed as a percentage, of (i) the arithmetic average of the Observation Levels for that Component as of each Observation Date minus the Initial Component Level of that Component divided by (ii) the Initial Component Level of that Component.

INITIAL COMPONENT LEVEL: Equals (i) [1] with respect to the SPX; (ii) [1] with respect to the SX5E; (iii) [1] with respect to the NKY; and (iv) [1] with respect to the XIN0I, each as determined by the Calculation Agent as of the Pricing Date.

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OBSERVATION LEVEL: Means, as of any Observation Date and for each Component, the closing index level as reported by the relevant Component Sponsor and displayed on Bloomberg Page SPX <Index> <Go> with respect to the SPX, Bloomberg Page SX5E <Index> <Go> with respect to the SX5E; Bloomberg Page NKY <Index> <Go> with respect to the NKY; and Bloomberg Page XIN0I <Index> <Go> with respect to the XIN0I.

OBSERVATION DATES: February [26], 2009, February [26], 2010, February [28], 2011, and February [27], 2012 (the “Final Observation Date”); the Observation Dates are subject to adjustment as described in the Pricing Supplement.

ISSUE DATE: February [29], 2008.

INTEREST: The Notes will not bear interest.

PARTICIPATION RATE: [100.00]%

PRICING DATE: February [27], 2008

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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 February 4, 2008 (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 February 4, 2008 (subject to completion):

http://www.sec.gov/Archives/edgar/data/777001/000114420408005956/v101794_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>

ILLUSTRATIVE EXAMPLES OF CASH SETTLEMENT VALUE

The following hypothetical examples are for illustrative purposes and are not indicative of the future performance of the Components, the Portfolio or the future value of the Notes. The following hypothetical examples demonstrate the hypothetical Cash Settlement Value of a Note based on the assumptions outlined below. The hypothetical examples do not purport to be representative of every possible scenario concerning increases or decreases in the Components or the Portfolio Value. You should not construe these examples as an indication or assurance of the expected performance of the Notes. Actual returns may be different. Numbers may be rounded for ease of use. The examples demonstrating the hypothetical Cash Settlement Value of a Note are based on the following assumptions:

Assumptions:

Investor purchases \$1,000 aggregate principal amount of Notes at the initial public offering price of \$1,000.

Investor holds the Notes to maturity.

The Initial Component Level for the SPX is equal to 1,425.

The Initial Component Level for the SX5E is equal to 4,300.

The Initial Component Level for the NKY is equal to 14,750.

The Initial Component Level for the XIN0I is equal to 24,750.

The Participation Rate is 100.00%.

All returns are based on a 48-month term, pre-tax basis.

No Market Disruption Events or Events of Default occur during the term of the Notes.

STRUCTURED PRODUCTS GROUP**Example 1: The Portfolio Return is greater than zero.**

In this example, the average Observation Levels of all four Components increase relative to their Initial Component Levels on the related Observation Dates. This example illustrates how holders of the Notes would benefit from the increase in the Observation Level of each Component relative to its respective Initial Component Level on each related Observation Date.

| | SPX | SX5E | NKY | XIN01 |
|--|-------|-------|--------|--------|
| Initial Component Level | 1,425 | 4,300 | 14,750 | 24,750 |
| February 2009 Observation Value | 1,806 | 4,396 | 13,925 | 37,088 |
| February 2010 Observation Value | 1,915 | 4,807 | 15,472 | 50,899 |
| February 2011 Observation Value | 2,177 | 5,384 | 19,458 | 60,416 |
| February 2012 Observation Value | 2,273 | 5,606 | 23,492 | 77,155 |
| Average Observation Level | 2,043 | 5,048 | 18,087 | 56,390 |