

BEAR STEARNS COMPANIES INC  
Form FWP  
March 21, 2007

*Filed Pursuant to Rule 433  
Registration No. 333-136666  
March 21, 2007*

**STRUCTURED EQUITY PRODUCTS**

**New Issue**

**Indicative Terms**

**THE BEAR STEARNS COMPANIES INC.  
INVESTMENT HIGHLIGHTS  
3-month term to maturity**

Reverse  
Convertible  
Note  
Securities

- Note offering linked to the common stock of The Ryland Group, Inc. (the “Reference Asset”).
- The Notes pay a fixed rate coupon of [19.25]% per annum, payable as a single cash payment at maturity equal to one-quarter of the Coupon Rate times the principal amount of the Notes.
- The Notes are a direct obligation of The Bear Stearns Companies Inc. (Rated A1 by Moody’s / A+ by S&P).
- Issue price for the Note offering: [100]% of principal amount (\$1,000). However, investors who purchase an aggregate principal amount of at least \$1,000,000 of this Note offering will be entitled to purchase each Note for [99.50]% of the principal amount.
- The Notes are not principal protected if: (i) the Closing Price of the Reference Asset ever equals or falls below the Contingent Protection Level on any day from the Pricing Date up to and including the Calculation Date; and (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset.
- The Notes do not participate in the upside of the Reference Asset. Even if the Final Level of the Reference Asset exceeds the Initial Level of the Reference Asset, your return will not exceed the principal amount invested plus the coupon payments.

Reference Asset	Symbol	Term to Maturity	Coupon Rate, per annum	Contingent Protection Percentage	Initial Public Offering Price <sup>1</sup>
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The Ryland Group, Inc., common stock, traded on the NYSE

RYL      3 months      [19.25]%      [80]%      [100]%

BEAR, STEARNS & CO.  
INC.

**STRUCTURED PRODUCTS  
GROUP**

(212) 272-6928

**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 offerings will arrange to send you the prospectus if you request it by calling**

**toll free 1-866-803-9204.**

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<sup>1</sup> Investors who purchase an aggregate principal amount of at least \$1,000,000 of this Note offering will be entitled to purchase each Note for [99.50]% of the principal amount.

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**STRUCTURED PRODUCTS GROUP****GENERAL TERMS FOR THE NOTE OFFERING**

This free writing prospectus relates to the offering of Notes linked to the common stock of The Ryland Group, Inc.. We reserve the right to withdraw, cancel or modify the offering and to reject orders in whole or in part. Although the Note offering relates to the Reference Asset, you should not construe that fact as a recommendation as to the merits of acquiring an investment linked to such Reference Asset or as to the suitability of an investment in the Note. **Defined terms not defined herein shall have the same meaning as in the Prospectus Supplement discussed below.**

<b>ISSUER:</b>	<b>The Bear Stearns Companies Inc.</b>
<b>ISSUER'S RATING:</b>	A1 / A+ (Moody's / S&P).
<b>PRINCIPAL AMOUNT OF [ ] OFFERING:</b>	
<b>DENOMINATIONS:</b>	\$1,000 per Note and \$1,000 multiples thereafter.
<b>REFERENCE ASSET:</b>	The common stock of The Ryland Group, Inc. ("Ryland"), traded on the New York Stock Exchange, Inc. ("NYSE") under the symbol "RYL."
<b>SELLING PERIOD ENDS:</b>	March [27], 2007.
<b>PRICING DATE:</b>	March [27], 2007.
<b>SETTLEMENT DATE:</b>	March [30], 2007.
<b>CALCULATION DATE:</b>	June [27], 2007.
<b>MATURITY DATE:</b>	[July 2], 2007.
<b>COUPON RATE (PER ANNUM):</b>	[19.25]% per annum, payable at maturity.
<b>CONTINGENT PROTECTION PERCENTAGE:</b>	[80.00%].
<b>CONTINGENT PROTECTION LEVEL:</b>	[ ] (Contingent Protection Percentage x Initial Level).
<b>AGENT'S DISCOUNT:</b>	[ ]% , to be disclosed in the final pricing supplement.
<b>CASH SETTLEMENT VALUE:</b>	We will pay you 100% of the principal amount of your Notes, in cash, at maturity if <u>either</u> of the following is true: (i) the Closing Price of the Reference Asset never equals or falls below the Contingent Protection Level on any day from the Pricing Date up to and including the Calculation Date; <u>or</u> (ii) the Final Level of the Reference Asset is equal to or greater than the Initial Level of the Reference Asset. However, if <u>both</u> of the following are true, the amount of principal you receive at maturity will be reduced by the percentage decrease in the Reference Asset: (i) the Closing Price of the Reference Asset ever equals or falls below the Contingent Protection Level on any day from the Pricing Date up to and including the Calculation Date; <u>and</u> (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset. In that event, we, at our option, will either: (i) physically deliver to you an amount of the Reference Asset equal to the Exchange Ratio plus the Fractional Share Cash Amount (which means that you will receive shares with a market value that is less than the full principal amount of your Notes); or (ii) pay you a cash amount equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset. It is our intent to physically deliver the Reference Asset when applicable, but we reserve the right to settle the Notes in cash.
<b>INTEREST PAYMENT DATE:</b>	The Maturity Date.
<b>INITIAL LEVEL:</b>	The Closing Price of the Reference Asset on the Pricing Date.
<b>FINAL LEVEL:</b>	The Closing Price of the Reference Asset on the Calculation Date.

<b>EXCHANGE RATIO:</b>	[ ], i.e., \$1,000 divided by the Initial Level (rounded down to the nearest whole number, with fractional shares to be paid in cash).
<b>FRACTIONAL SHARE CASH AMOUNT:</b>	An amount in cash per Note equal to the Final Level multiplied by the difference between (x) \$1,000 divided by the Initial Level (rounded to the nearest three decimal places), and (y) the Exchange Ratio.
<b>CUSIP:</b>	[073902LW6].
<b>LISTING:</b>	The Note will not be listed on any U.S. securities exchange or quotation system.

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**ADDITIONAL TERMS SPECIFIC TO THE NOTES**

You should read this document together with the prospectus, dated August 16, 2006 (the "Prospectus"), as supplemented by the prospectus supplement, dated August 16, 2006 (the "Prospectus Supplement"). You should carefully consider, among other things, the matters set forth in "Risk Factors" and "Risk Factors - Additional Risks Relating to Notes with an Equity Security or Equity Index as the Reference Asset" in the Prospectus Supplement, as the Note involves 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 Note. The Prospectus and Prospectus Supplement may be accessed on the SEC Web site at [www.sec.gov](http://www.sec.gov) as follows:

Prospectus Supplement, dated August 16, 2006:  
<http://www.sec.gov/Archives/edgar/data/777001/000104746906011011/a2172742z424b5.htm>

Prospectus, dated August 16, 2006:  
<http://www.sec.gov/Archives/edgar/data/777001/000104746906011007/a2172711zs-3asr.htm>

**SELECTED RISK CONSIDERATIONS**

The following highlights some, but not all, of the risk considerations relevant to investing in the Notes. **The following must be read in conjunction with the sections "Risk Factors" and "Risk Factors - Additional Risks Relating to Notes with an Equity Security or Equity Index as the Reference Asset," beginning on pages S-7 and S-14, respectively, in the Prospectus Supplement.**

- **Suitability of Note for Investment** — A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of his or her investment objectives and the information set out in the Prospectus Supplement. Neither the Issuer nor any dealer participating in the offering makes any recommendation as to the suitability of the Notes for investment.
- **Not Principal Protected** — The Notes are not principal protected. If both of the following are true, the amount of principal you receive at maturity will be reduced by the percentage decrease in the Reference Asset: (i) the Closing Price of the Reference Asset ever equals or falls below the Contingent Protection Level on any day from the Pricing Date up to and including the Calculation Date; and (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset. In that event, we, at our option, will either: (i) physically deliver to you an amount of the Reference Asset equal to the Exchange Ratio plus the Fractional Share Cash Amount (which means that you will receive shares with a market value that is less than the full principal amount of your Notes); or (ii) pay you a cash amount equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset.
- **Return Limited to Coupon** — Your return is limited to the principal amount you invested plus the coupon payments. You will not participate in any appreciation in the value of the Reference Asset.

- **No Secondary Market** — Because the Notes will not be listed on any securities exchange, a secondary trading market is not expected to develop, and, if such a market were to develop, it may not be liquid. Bear, Stearns & Co. Inc. intends under ordinary market conditions to indicate prices for the Notes on request. However, there can be no guarantee that bids for the outstanding Notes will be made in the future; nor can the prices of any such bids be predicted.

- **No Interest, Dividend or Other Payments** — You will not receive any interest or dividend payments or other distributions on the stock comprising the Reference Asset; nor will such payments be included in the calculation of the Cash Settlement Value you will receive at maturity.

- **Taxes** — We intend to treat the Note as a put option written by you in respect of the Reference Asset and a deposit with us of cash in an amount equal to the issue price of the Note to secure your potential obligation under the put option, and we intend to treat the deposit as a short-term obligation for U.S. federal income tax purposes. Pursuant to the terms of the Notes, you agree to treat the Notes in accordance with this characterization for all U.S. federal income tax purposes. Moreover, because there are no regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of the Notes, other characterizations and treatments are possible. See “Certain U.S. Federal Income Tax Considerations” below.

- **The Notes Are Subject to Equity Market Risks**— The Notes involve exposure to price movements in the equity securities to which they are respectively linked. Equity securities price movements are difficult to predict, and equity securities may be subject to volatile increases or decreases in value.

- **The Notes May be Affected by Certain Corporate Events and You Will Have Limited Antidilution Protection** — Following certain corporate events relating to the underlying Reference Asset (where the underlying company is not the surviving entity), you will receive at maturity, cash or a number of shares of the common stock of a successor corporation to the underlying company, based on the Closing Price of such successor’s common stock. The Calculation Agent for the Notes will adjust the amount payable at maturity by adjusting the Initial Level of the Reference Asset, Contingent Protection Level, Contingent Protection Percentage and Exchange Ratio for certain events affecting the Reference Asset, such as stock splits and stock dividends and certain other corporate events involving an underlying company. However, the Calculation Agent is not required to make an adjustment for every corporate event that can affect the Reference Asset. If an event occurs that is perceived by the market to dilute the Reference Asset but that does not require the Calculation Agent to adjust the amount of the Reference Asset payable at maturity, the market value of the Notes and the amount payable at maturity may be materially and adversely affected.



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**INTEREST AND PAYMENT AT MATURITY**

**Interest.** The interest rate for the Notes is designated on the cover of this free-writing prospectus. The interest paid will include interest accrued from the Original Issue Date to, but excluding, the Maturity Date. Interest will be payable to the person to whom principal is payable.

**Payment at Maturity.** We will pay you 100% of the principal amount of your Notes, in cash, at maturity if either of the following is true: (i) the Closing Price of the Reference Asset never equals or falls below the Contingent Protection Level on any day from the Pricing Date up to and including the Calculation Date; or (ii) the Final Level of the Reference Asset is equal to or greater than the Initial Level of the Reference Asset.

However, if both of the following are true, the amount of principal you receive at maturity will be reduced by the percentage decrease in the Reference Asset: (i) the Closing Price of the Reference Asset ever equals or falls below the Contingent Protection Level on any day from the Pricing Date up to and including the Calculation Date; and (ii) the Final Level of the Reference Asset is less than the Initial Level of the Reference Asset.

In that event, we, at our option, will either: (i) physically deliver to you an amount of the Reference Asset equal to the Exchange Ratio plus the Fractional Share Cash Amount (which means that you will receive shares with a market value that is less than the full principal amount of your Notes); or (ii) pay you a cash amount equal to the principal amount you invested reduced by the percentage decrease in the Reference Asset. It is our intent to physically deliver the Reference Asset when applicable, but we reserve the right to settle the Notes in cash.

We will (i) provide written notice to the Trustee and to the Depositary, on or prior to the Business Day immediately prior to the Maturity Date of the amount of cash or number of shares of the Reference Asset (and cash in respect of coupon and cash in respect of any fractional shares of the Reference Asset), as applicable, to be delivered, and (ii) deliver such cash or shares of the Reference Asset (and cash in respect of coupon and cash in respect of any fractional shares of the Reference Asset), if applicable, to the Trustee for delivery to you. The Calculation Agent shall determine the Exchange Ratio.

The following scenarios and graphs generally illustrate how the Cash Settlement Value of the Reverse Convertible Note Securities is determined:

**Scenario 1**

The price of the underlying shares generally increases over the term of the Note. The Contingent Protection Level is never breached.

**Outcome**

The Cash Settlement Value equals 100% of the principal amount of the Notes. The share price generally increased over the term of the Note and never breached the Contingent Protection Level.



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**Scenario 2**

The price of the underlying shares generally declines over the term of the Note. The Contingent Protection Level is never breached.

**Outcome**

The Cash Settlement Value equals 100% of the principal amount of the Notes. The share price decreased over the term of the Note and at maturity was below the Initial Level, but never breached the Contingent Protection Level.

**Scenario 3**

The price of the underlying shares declines over the term of the Note. The Contingent Protection Level is breached.

**Outcome**

The Cash Settlement Value is less than the principal amount of the Notes, reflecting the percentage decline in the underlying shares below the Initial Level. The Contingent Protection Level is breached so there is no principal protection.

**Scenario 4**

The price of the underlying shares declines below the Contingent Protection Level, but ultimately recovers to finish above its Initial Level.

**Outcome**

The Cash Settlement Value equals 100% of the principal amount of the Notes. Even though the share price decreased below the

Contingent  
Protection Level  
during the term of  
the Note, by the  
Calculation Date  
the underlying  
share price was  
above the Initial  
Level.

## REFERENCE ASSET INFORMATION

We urge you to read the section “Sponsors or Issuers and Reference Asset” on page S-25 in the Prospectus Supplement. Companies with securities registered under the Exchange Act are required to file periodically certain financial and other information specified by the SEC. Information provided to or filed with the SEC electronically can be accessed through a website maintained by the SEC. The address of the SEC’s website is <http://www.sec.gov>. Information provided to or filed with the SEC pursuant to the Exchange Act by the company issuing the Reference Asset can be located by reference to the SEC file number provided below.

The summary information below regarding the company issuing the stock comprising the Reference Asset comes from such issuer’s SEC filings and has not been independently verified by us. We do not make any representations as to the accuracy or completeness of such information or of any filings made by the issuer of the Reference Asset with the SEC. **Investors are urged to refer to the SEC filings made by the issuer and to other publicly available information (such as the issuer’s annual report) to obtain an understanding of the issuer’s business and financial prospects. The summary information contained below is not designed to be, and should not be interpreted as, an effort to present information regarding the financial prospects of the issuer or any trends, events or other factors that may have a positive or negative influence on those prospects or as an endorsement of the issuer.**

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

**STRUCTURED PRODUCTS GROUP**

***The Ryland Group, Inc. (“RYL”)***

The Ryland Group, Inc. (“Ryland”) common stock, par value \$1.00 per share, trades on the NYSE under the symbol “RYL.” Ryland is a homebuilder and mortgage-finance company consisting of six segments: four geographically-determined homebuilding regions, financial services, and corporate. Ryland’s operations span all significant aspects of the homebuying process—from design, construction and sale to mortgage origination, title insurance, escrow and insurance services. **Ryland’s SEC file number is 001-08029.**

**ILLUSTRATIVE EXAMPLES & HISTORICAL TABLES**

The following are illustrative examples demonstrating the hypothetical amounts payable at maturity based on the assumptions outlined below. These examples do not purport to be representative of every possible scenario concerning increases or decreases in the Reference Asset or of the movements that are likely to occur with respect to the Reference Asset. You should not construe these examples or the data included in the tables set forth below as an indication of the expected performance of any of the Notes. Some amounts are rounded and actual returns may be different.

***Assumptions:***

- Investor purchases \$1,000 principal amount of Notes on the Pricing Date at the initial offering price of 100% and holds the Notes to maturity. No Market Disruption Events or Events of Default occur during the term of the Notes.

Initial Level: \$45.00

Contingent Protection Percentage: 80%

Contingent Protection Level: \$36.00 (\$45.00 x 80%)

Exchange Ratio: 22 (\$1,000/\$45.00)