BEAR STEARNS COMPANIES INC
Form 424B3
January 22, 2007

QuickLinks -- Click here to rapidly navigate through this document

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
5.35% Global Notes due February 1, 2012	$ 1,250,000,000	$ 133,750
Floating Rate Global Notes due February 1, 2012	$ 1,000,000,000	$ 107,000

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended. The filing fee of $240,750 is being paid in connection with the registration of these Medium-Term Notes, Series B.

PROSPECTUS SUPPLEMENT
(To Prospectus Dated August 16, 2006)

US $2,250,000,000
The Bear Stearns Companies Inc.
U.S. $1,250,000,000 5.35% Global Notes Due 2012
U.S.$1,000,000,000 Floating Rate Global Notes Due 2012

Set forth below is a summary of the terms of the Notes offered by this prospectus supplement and the accompanying prospectus. For more detail, see "Description of the Notes."

- **Global Offering**

We are offering the Notes in the United States and in parts of Europe and Asia where it is legal to offer the Notes.

- **Interest**

The Fixed Rate Notes have a fixed annual rate of 5.35%, which will be paid every six months on February 1st and August 1st. The Floating Rate Notes have a floating annual rate of three-month LIBOR plus 0.19%, which will be paid every three months on February 1st, May 1st, August 1st and November 1st.

- **Maturity**

The Fixed Rate Notes will mature on February 1, 2012. The Floating Rate Notes will mature on February 1, 2012.

- **Ranking**

The Notes will be our unsecured senior debt and will rank equally with all of our other unsecured and unsubordinated debt.

- **Redemption**

The Notes are only redeemable prior to maturity if certain events involving US taxation occur.

- **No Sinking Fund**

The Notes will not be subject to any sinking fund.

- **Book-Entry Notes**

The Notes will be represented by one or more global securities registered in the name of Cede & Co., as nominee of The Depository Trust Company.

- **Listing**

We will make application to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 for the Notes to be admitted to the official list of the UK Listing Authority and to the London Stock Exchange plc for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities, although we are not required to maintain the listing.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Fixed Rate Note	Total	Per Floating Rate Note	Per Note Total
Initial public offering price	99.868%	$ 1,248,350,000	100.000%	$ 1,000,000,000
Underwriting discount	0.350%	$ 4,375,000	0.300%	$ 3,000,000
Proceeds, before expenses, to us	99.518%	$ 1,243,975,000	99.700%	$ 997,000,000

Bear, Stearns & Co. Inc. is the Global Coordinator for the offering of the Notes. Bear, Stearns International Limited is the International Coordinator for all Notes to be sold to purchasers in Europe. The underwriters named in Underwriting of this prospectus supplement (Underwriters) expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company, Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V., as operator of the Euroclear System against payment on or about January 25, 2007.

After this offering is complete, the Underwriters may use this prospectus supplement and the accompanying prospectus in connection with market-making transactions at negotiated prices related to the prevailing market prices at the time of sale. The Underwriters may act as principal or agent in these transactions.

The Underwriters for the Fixed and Floating Rate Notes

Bear, Stearns & Co. Inc.
Bear, Stearns International Limited

Citigroup

BB&T Capital Markets **Banc of America Securities, LLC**
Cantor Fitzgerald & Co. **Wells Fargo Securities**

ABN Amro Incorporated **BNY Capital Markets, Inc.**
Calyon Securities (USA), Inc. **Fortis Securities LLC**
HVB Capital Markets, Inc. **Sovereign Securities Capital Markets LLC**
Suntrust Robinson Humphrey

The date of this prospectus supplement is January 18, 2007

Offers and sales of the Notes are subject to restrictions in certain jurisdictions. In particular, there are restrictions on the distribution of this prospectus supplement and the accompanying prospectus and the offer or sale of the Notes in the United Kingdom, and details of these restrictions are set out in Underwriting in this prospectus supplement. The distribution of this prospectus supplement and the accompanying prospectus and the offer or sale of the Notes in certain other jurisdictions may be restricted by law. Persons who come into possession of this prospectus supplement and the accompanying prospectus or any Notes must inform themselves about and observe any applicable restrictions on the distribution of this prospectus supplement and the accompanying prospectus and the offer and sale of the Notes.

We accept responsibility for the information contained in this prospectus supplement and the accompanying prospectus. To the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this prospectus supplement and the accompanying prospectus is in accordance with the facts and does not omit anything likely to affect the import of the information.

You must read this prospectus supplement and the accompanying prospectus as one along with all the documents which are deemed to be incorporated in this prospectus supplement and the accompanying prospectus by reference (see "Where You Can Find More Information"). This prospectus supplement and the accompanying prospectus must be read and construed on the basis that the incorporated documents are so incorporated and form part of this document, except as specified in this document.

We have not authorized any person to give any information or represent anything not contained in this prospectus supplement and the accompanying prospectus. You must not rely on any unauthorized information.

In order to facilitate the offering of the Notes, Bear Stearns, in its capacity as Global Coordinator of the offering of the Notes, may over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level higher than that which might otherwise prevail in the open market. Specifically, Bear Stearns, on behalf of the Underwriters, may over-allot or otherwise create a short position in the Notes for the account of the Underwriters by selling more Notes than have been sold to them by us. Bear Stearns, on behalf of the Underwriters, may elect to cover any such short position by purchasing Notes in the open market. In addition, Bear Stearns, on behalf of the Underwriters, may stabilize or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales of Notes. No representation is made as to the magnitude or effect of any such stabilization or other transactions. Such stabilizing, if commenced, may be discontinued at any time and in any event shall be discontinued within a limited period. No other party may engage in stabilization.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus include and incorporate by reference "forward-looking statements" within the meaning of the securities laws. All statements regarding our expected financial position, business and financing plans are forward-looking statements. Forward-looking statements also include representations of our expectations or beliefs concerning future events that involve risks and uncertainties, including those associated with the effect of international, national and regional economic conditions and the performance of our products within the prevailing economic environment. Although we believe that the expectations reflected in those forward-looking statements are reasonable, those expectations may prove to be incorrect. Cautionary statements describing important factors that could cause actual results to differ materially from our expectations are disclosed in this prospectus supplement along with the forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by such cautionary statements. These forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances on which the forward-looking statement is based.

WHERE YOU CAN FIND MORE INFORMATION

We file current, annual and quarterly reports, proxy statements and other information required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with the Securities and Exchange Commission ("SEC"). You may read and copy any document we file at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549, USA. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC's internet site at http://www.sec.gov. Copies of these reports, proxy statements and other information can also be inspected at the offices of the New York Stock Exchange, Inc. ("NYSE"), 20 Broad Street, New York, New York 10005, USA.

Our website is http://www.bearstearns.com. We make available free of charge on our website, via a link to the SEC's internet site at http://www.sec.gov, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and Forms 3, 4 and 5 filed on behalf of directors and executive officers and any amendments to such reports filed or furnished pursuant to the Exchange Act as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC.

In addition, we currently make available on http://www.bearstearns.com our most recent annual report on Form 10-K, our quarterly reports on Form 10-Q for the current fiscal year and our most recent proxy statement, although in some cases these documents are not available on our website as soon as they are available on the SEC's internet site. You will need to have on your computer the Adobe Acrobat Reader software to view these documents, which are in the.PDF format.

The SEC allows us to "incorporate by reference" the information that we file with them, which means that we can disclose important information to you by referring you to the other information we have filed with the SEC. The information that we incorporate by reference is considered to be part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information.

The following documents filed by us with the SEC pursuant to Section 13 of the Exchange Act (File No. 1-8989) and any future filings under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act made before the termination of the offering of the Notes are incorporated by reference:

(i) the Annual Report on Form 10-K, as amended by Form 10-K/A (including the portions of the Company's Annual Report to Stockholders and Proxy Statement incorporated by reference therein) for the fiscal year ended November 30, 2005 filed with the SEC on February 13, 2006, and as amended filed with the SEC on February 22, 2006;

(ii) the Quarterly Reports on Form 10-Q for the fiscal quarters ended February 28, 2006, May 31, 2006; and August 31, 2006 and

(iii) the Current Reports on Form 8-K dated December 9, 2005, December 15, 2005, December 27, 2005, January 20, 2006, January 25, 2006, March 16, 2006 (2 separate reports), June 15, 2006, June 21, 2006, August 10, 2006, August 15, 2006, September 14, 2006, September, 20, 2006, November 15, 2006, December 14, 2006 and January 10, 2007.

We will provide to you without charge, a copy of any or all documents incorporated by reference into this prospectus supplement except the exhibits to such documents (unless such exhibits are specifically incorporated by reference in such documents). You may request copies by writing or telephoning us at our Investor Relations Department, The Bear Stearns Companies Inc., 383 Madison Avenue, New York, New York 10179, USA; telephone number (212) 272-2000. In addition, once the Notes are admitted to the Official List of the UK Listing Authority (as defined below), these documents will be available from Bear, Stearns International Limited in its capacity as listing agent for the Notes at its principal office at One Canada Square, London E14 5AD, England.

TERMS OF THE FIXED RATE AND FLOATING RATE GLOBAL NOTES

Please note that in this section entitled "Terms of the Fixed Rate and Floating Rate Global Notes", references to "The Bear Stearns Companies Inc.", "Company", "we", "us" and "our" mean only The Bear Stearns Companies Inc. and do not include its consolidated subsidiaries.

The fixed rate and floating rate global notes will be a separate series of debt securities issued under our indenture, dated as of May 31, 1991, as supplemented by the First Supplemental Indenture, dated January 29, 1998 (as supplemented, the "Indenture"), with The Bank of New York (formerly, JPMorgan Chase Bank, N.A.), as trustee. This prospectus supplement summarizes specific financial and other terms that will apply to the global notes. The terms described here supplement those described in the accompanying prospectus and, if the terms described here are inconsistent with those described there, the terms described here are controlling.

The specific terms of this series of 5.35% Global Notes we are offering will be as follows:

Title: 5.35% Global Notes due 2012

Issuer of the notes: The Bear Stearns Companies Inc.

Total principal amount being issued: $1,250,000,000

Initial public offering price: 99.868% of the principal amount ($1,248,350,000)

Underwriting fee: 0.35% ($4,375,000 in the aggregate)

Issue Date: January 25, 2007

Due date for principal: February 1, 2012

Interest rate: 5.35% annually

Date interest starts accruing: January 25, 2007

Payment dates for interest: every August 1 and February 1

First payment date for interest: August 1, 2007

Day Count: 30/360; we will calculate accrued interest on the basis of a 360-day year of twelve 30-day months

The specific terms of this series of Floating Rate Global Notes we are offering will be as follows:

Title: Floating Rate Global Notes due 2012

Issuer of the notes: The Bear Stearns Companies Inc.

Total principal amount being issued: $1,000,000,000

Initial public offering price: 100% of the principal amount ($1,000,000,000)

Underwriting discount: 0.30% ($3,750,000 in the aggregate)

Issue Date: January 25, 2007

Due date for principal: February 1, 2012

Interest rate: three-month LIBOR plus 0.19%

Date interest starts accruing: January 25, 2007

Payment dates for interest: every February 1, May 1, August 1 and November 1

First payment date for interest: May 1, 2007

Interest Reset Dates: every February 1, May 1, August 1 and November 1

Interest Determination Dates: the second business day prior to each Interest Rate Reset Date

Day Count: we will calculate interest on the basis of a 360-day year and the actual number of days elapsed

The specific terms applicable to both the 5.35% Global Notes and the Floating Rate Global Notes we are offering will be as follows:

Denominations: integral multiples of $1,000, subject to a minimum denomination of $1,000.

Additional Amounts: We intend to pay principal and If we interest without deducting U.S. withholding taxes. are required to deduct U.S. withholding taxes from payments to non-U.S. investors, however, we will pay additional amounts on those payments, but only to the extent described under "Description of Debt Securities Payment of Additional Amounts" in the accompanying prospectus.

Tax Redemption: The global notes will not be redeemable, in whole or in part, by us or by the holders thereof at any time prior to their maturity, except that the global notes may be redeemable by us, in whole but not in part, and only upon the occurrence of certain tax events as described under "Description of Debt Securities Redemption Upon Certain Tax Events" in the accompanying prospectus.

Further Issuances: We may from time to time, without the consent of the existing holders of the global notes, "reopen" this issue, which means that we may create and issue further global notes having the same terms and conditions as the global notes being offered hereby in all respects, except for the first payment of interest thereon. Additional global notes issued in this manner will be consolidated with, and will form a single series with, the previously outstanding global notes unless such additional global notes will not be treated as fungible with the previously issued and outstanding global notes for U.S. federal income tax purposes.

Listing: The global notes will not be listed on any U.S. securities exchange or included for trading in any quotation system. We will make application to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 for the Notes to be admitted to the official list of the UK Listing Authority and to the London Stock Exchange plc for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities, although we are not required to maintain the listing.

Rating of the Global Notes: A1 (Moody's) / A+ (Standard & Poor's) / A+ (Fitch). An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. The rating of the securities should be evaluated independently from similar ratings of other securities. A credit rating of a security is not a recommendation to buy, sell or hold securities and maybe subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.

We will issue the global notes only in book-entry form i.e., as global notes registered in the name of The Depositary Trust Company, New York, New York, or its nominee. The sale of the global notes will settle in immediately available funds through DTC. Please review the special considerations that apply to indirect owners in the accompanying prospectus, under "Book-Entry Procedures and Settlement". You will not be permitted to withdraw the global notes from DTC except in the limited situations described in the accompanying prospectus under "Book-Entry Procedures and Settlement Certificates in Registered Form; The Depository Trust Company."

Investors may hold interests in a global note through organizations that participate, directly or indirectly, in the DTC system. Those organizations include Euroclear and Clearstream, Luxembourg. See "Book-Entry Procedures and Settlement" in the accompanying prospectus for additional information about indirect ownership of interests in the global notes.

RISK FACTORS

Your investment in the global notes involves risk. In consultation with your financial, tax and legal advisers, you should carefully consider the following risks and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information under "Where You Can Find More Information" in the accompanying prospectus, before deciding that an investment in the global notes is suitable for you. You should not purchase the global notes unless you understand and can bear the investment risks of the global notes.

There may not be any Trading Market for Your Global Notes; Many Factors Affect the Trading Market and Value of Your Global Notes.

The global notes will be a new issuance and will not have an established U.S. trading market or be listed on a U.S. securities exchange. We cannot assure you a trading market for the global notes will ever develop or, if one develops, that it will be maintained in the U.S. If you wish to liquidate your investment in the global notes prior to maturity, selling your global notes may be your only option. At that time, there may be an illiquid market for the global notes or no market at all. In addition to our own creditworthiness, many other factors may affect the trading market value of, and trading market for, your global notes. These factors include:

- the rate of interest on your global notes;
- the time remaining to the maturity of your global notes;
- the total outstanding amount of any particular issuance of our debt securities in total; and
- the level, direction and volatility of market interest rates generally.

We expect that changes in interest rates will affect the trading value of the 5.35% Global Notes. In general, if U.S. interest rates increase, we expect that the trading value of the 5.35% Global Notes will decrease and, conversely, if U.S. interest rates decrease, we expect that the trading value of the 5.35% Global Notes will increase.

In addition, there may be a limited number of buyers when you decide to sell your global notes. This may affect the price you receive for your global notes or your ability to sell your global notes at all. You should not purchase global notes unless you understand and know you can bear all of the investment risks related to your global notes.

The Global Notes are not Insured Against Loss by any Third Party; You can only Depend on our Earnings and Assets for Payment of Principal and Interest on the Global Notes.

The global notes will be solely our obligations, and no other entity will have any obligation, contingent or otherwise, to make any payments in respect of the global notes.

In addition, because we are a holding company whose primary assets consist of shares of stock or other equity interests in our subsidiaries, almost all of our income is derived from those subsidiaries. Our subsidiaries will have no obligation to pay any amount in respect of the global notes or to make any funds available for payment of the global notes. Accordingly, we will be dependent on dividends and other distributions or loans from our subsidiaries to generate the funds necessary to meet our obligations with respect to the global notes, including the payment of principal and interest. The global notes will also be effectively subordinated to the claims of creditors of our subsidiaries with respect to their assets.

If funds from dividends, other distributions or loans from our subsidiaries are not adequate, we may be unable to make payments of principal or interest in respect of the global notes and you could lose all or a part of your investment.

Changes in Our Credit Ratings are Expected to Affect the Value of the Global Notes.

Our credit ratings are an assessment of our ability to pay our obligations. Consequently, actual or anticipated changes in our credit ratings, as well as our financial condition or results of operations may significantly affect the trading value of the global notes. However, because the return on the global notes depends upon factors in addition to our ability to pay our obligations, an improvement in our credit ratings, financial condition or results of operations will not reduce the other investment risks related to the global notes.

The Global Notes are Redeemable upon Certain Tax Events, and we may repurchase such Notes when Prevailing Interest Rates are Relatively Low.

The global notes are subject to redemption, at our option, upon the occurrence of certain tax events, as described under "Description of Debt Securities Redemption Upon Certain Tax Events" in the accompanying prospectus. In the event that prevailing interest rates are relatively low when we choose to repurchase the global notes, you may not be able to reinvest the repurchased proceeds in a comparable security with a yield as high as that on the global notes being repurchased.

RATIO OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges was 1.4 for the nine months ended August 31, 2006 and 1.6 for the nine months ended August 31, 2005. The ratio was calculated by dividing the sum of the fixed charges into the sum of the earnings before fixed charges and taxes on income. Fixed charges for purposes of the ratio consist of interest expense and interest factor in rents.

THE BEAR STEARNS COMPANIES INC.

We are a holding company that, through our broker-dealer and international bank subsidiaries, principally Bear, Stearns & Co. Inc. ("Bear Stearns"), Bear, Stearns Securities Corp. ("BSSC"), Bear, Stearns International Limited ("BSIL") and Bear Stearns Bank plc ("BSB"), is a leading investment banking, securities and derivatives trading, clearance and brokerage firm serving corporations, governments, institutional and individual investors worldwide. BSSC, a subsidiary of Bear Stearns, provides professional and correspondent clearing services, in addition to clearing and settling customer transactions and certain of our proprietary transactions. In addition to conducting a substantial portion of our operating activities through certain of our regulated subsidiaries (Bear Stearns, BSSC, BSIL and BSB), we also conduct activities through the following wholly-owned subsidiaries: Bear Stearns Global Lending Limited, Custodial Trust Company, Bear Stearns Financial Products Inc., Bear Stearns Capital Markets Inc., Bear Stearns Credit Products Inc., Bear Stearns Forex Inc., EMC Mortgage Corporation and Bear Stearns Commercial Mortgage Inc. and through its majority-owned subsidiary Bear Hunter Holdings LLC.

Our business includes:

- market-making and trading in US government, government agency, corporate debt and equity, mortgage-related, asset-backed, municipal securities and high yield products;
- trading in options, futures, foreign currencies, interest rate swaps and other derivative products;
- securities, options and futures brokerage;
- providing securities clearance services;
- managing equity and fixed income assets for institutional and individual clients;
- financing customer activities;

securities lending;

- securities and futures arbitrage;
- involvement in specialist activities on the NYSE, American Stock Exchange ("AMEX") and International Securities Exchange ("ISE");
- underwriting and distributing securities;
- arranging for the private placement of securities;
- assisting in mergers, acquisitions, restructurings and leveraged transactions;
- making principal investments in leveraged acquisitions;
- engaging in commercial real estate activities;
- investment management and advisory services; and
- fiduciary, custody, agency and securities research services.

Our business is conducted:

- from our principal offices in New York City;
- from domestic regional offices in Atlanta, Boston, Chicago, Dallas, Denver, Los Angeles, San Francisco, San Juan and Scottsdale;
- from representative offices in Beijing, Hong Kong, Sao Paulo and Shanghai; and
- through international offices in Dublin, Hong Kong, London, Lugano, Milan, Singapore and Tokyo.

We are incorporated in the State of Delaware. Our principal executive office is located at 383 Madison, New York, New York 10179, USA, and our telephone number is (212) 272-2000. Our internet address is http://www.bearstearns.com. Unless otherwise stated in this prospectus supplement, the terms "Company," "we," "us" and "our" refer to The Bear Stearns Companies Inc. and its subsidiaries.

Directors of the Company

The following table sets forth certain information concerning the directors of the Company.

Name	Age as of January 31, 2006	Principal Occupation and Directorships Held	Year First Elected to Serve as Director of the Company
James E. Cayne	71	Chairman of the Board and Chief Executive Officer, the Company and Bear Stearns; member of the Executive Committee of the Company (the "Executive Committee")	1985
Henry S. Bienen	66	President, Northwestern University	2004
Carl D. Glickman	79	Private Investor; Presiding Trustee and Chairman of the Executive Committee, Lexington Corporate Properties Trust	1985
Michael Goldstein	65	Former Chairman and Chief Executive Officer of Toys "R" Us, Inc.	2007
Alan C. Greenberg	78	Chairman of the Executive Committee; Director, Viacom Inc.	1985
Donald J. Harrington	60	President, St. John's University	1993
Frank T. Nickell	58	President and Chief Executive Officer, Kelso & Company; Director, BlackRock Inc., Custom Building Products Inc. and Earle M. Jorgensen Company	1993
Paul A. Novelly	62	Chairman of the Board and Chief Executive Officer, Apex Oil Company, Inc.; Director, Intrawest Corporation, and Boss Holdings, Inc.	2002
Frederic V. Salerno	62	Former Vice Chairman and Chief Financial Officer, Verizon Communications Inc.; Director, Popular, Inc., Viacom Inc., Consolidated Edison, Inc., Akamai Technologies, Inc. and Intercontinental Exchange, Inc.	1992
Alan D. Schwartz	55	President and Co-Chief Operating Officer, the Company and Bear Stearns; member of the Executive Committee	1987(1)
Warren J. Spector	48	President and Co-Chief Operating Officer, the Company and Bear Stearns; member of the Executive Committee	1990(1)

Vincent Tese	62	Chairman of Wireless Cable International Inc.; Director, Bowne & Co., Inc., Cablevision Systems Corporation, Mack-Cali Realty Corporation, Intercontinental Exchange, Inc. and Gabelli Asset Management Inc.	1994
Wesley S. Williams, Jr.	63	President and Chief Operating Officer, Co-Chairman and Co-Chief Executive Officer, Lockhart Cos. Inc.; Presiding Independent Director, CarrAmerica Realty Corporation and National Capital Bank of Washington, D.C.; Chairman, Board of Directors, National Prostate Cancer Coalition	2004

(1) Did not serve as director during 1997 and 1998.

Mr. Cayne became Chairman of the Board on June 25, 2001. Mr. Cayne has been Chief Executive Officer of the Company and Bear Stearns for more than the past five years. Prior to June 25, 2001, Mr. Cayne was President of the Company and Bear Stearns for more than the preceding five years.

Mr. Bienen has been President of Northwestern University for more than the past five years.

Mr. Glickman has been a private investor for more than the past five years. Mr. Glickman is also currently Chairman of the Compensation Committee of the Board of Directors of the Company.

Mr. Goldstein became an independent director and a member of the Company's Audit Committee on January 10, 2007. Mr. Goldstein is the retired Chairman and Chief Executive Officer of Toys "R" Us, Inc.

Mr. Greenberg has been Chairman of the Executive Committee for more than the past five years. Prior to June 25, 2001, Mr. Greenberg was Chairman of the Board of the Company for more than the preceding five years.

Father Harrington has been the President of St. John's University for more than the past five years.

Mr. Nickell has been President and Chief Executive Officer of Kelso & Company, a privately held merchant banking firm, for more than the past five years.

Mr. Novelly has been Chairman of the Board and Chief Executive Officer of Apex Oil Company, Inc., a privately held company engaged in wholesale marketing, storage and distribution of petroleum products, for more than the past five years.

Mr. Salerno was the Vice Chairman and Chief Financial Officer of Verizon Communications Inc. (formerly Bell Atlantic Corporation) until his retirement on September 30, 2002. Prior to June 2000, Mr. Salerno was the Senior Executive Vice President and Chief Financial Officer/Strategy and Business Development of Bell Atlantic Corporation. Prior to the merger of NYNEX Corp. ("NYNEX") and Bell Atlantic Corporation, Mr. Salerno was the Vice Chairman of the Board of NYNEX for more than five years. Mr. Salerno is also currently Chairman of the Nominating Committee of the Board of Directors of the Company.

Mr. Schwartz became President and Co-Chief Operating Officer of the Company and Bear Stearns on June 25, 2001. From June 30, 1999 to June 24, 2001, Mr. Schwartz was Executive Vice President of Bear Stearns.

Mr. Spector became President and Co-Chief Operating Officer of the Company and Bear Stearns on June 25, 2001. From June 30, 1999 to June 24, 2001, Mr. Spector was an Executive Vice President of Bear Stearns.

Mr. Tese has been Chairman of Wireless Cable International Inc. for more than five years. Mr. Tese is currently Chairman of the Audit Committee, the Corporate Governance Committee and the Qualified Legal Compliance Committee of the Board of Directors of the Company.

Mr. Williams had been a partner of the law firm of Covington & Burling for more than five years prior to his retirement on January 1, 2005. He has been President and Chief Operating Officer since 2004, Co-President and Co-Chief Operating Officer from 2003 to 2004, and Co-Chairman and Co-Chief Executive Officer for more than five years, of Lockhart Cos. Inc., a 24-company conglomerate of real estate, insurance and consumer finance companies operating in the Eastern Caribbean. Prior to his retirement on January 1, 2005, Mr. Williams had been Chairman from 2003 through 2004, Deputy Chairman from 2001 through 2002, and a member of the Board of Directors for more than five years, of the Federal Reserve Bank of Richmond. Mr. Williams has also been Chairman since 2004, and a member of the Board of Directors for more than five years, of the National Prostate Cancer Coalition.

There is no family relationship among any of the directors or executive officers.

All directors hold office until our next Annual Meeting of Stockholders or until their successors have been duly elected and qualified. Officers serve at the discretion of the Board of Directors.

The business address for each director is 383 Madison Avenue, New York, New York 10179, USA.

USE OF PROCEEDS

We will use the net proceeds before expenses from the sale of the Notes of approximately $2.241 billion for general corporate purposes. These purposes may include additions to working capital, the repayment of short-term and long-term debt and making investments in or extending credit to our subsidiaries.

CAPITALIZATION

The following table sets forth our unaudited consolidated capitalization as of August 31, 2006, and as adjusted to give effect to the offering of the Notes. It is important that you read the following information along with the unaudited condensed consolidated financial statements and notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" and "General Information."

	August 31, 2006	
	Actual	**As Adjusted**
	(In thousands)	
Short-Term Borrowings:		
Bank Loans and Other Borrowings	$ 6,645,552	$ 6,645,552
Commercial Paper	19,136,197	19,136,197
Total Short-Term Borrowing	25,781,755	25,781,755
Long-Term Borrowings:		
Fixed Rate Senior Notes due 2006 to 2036; interest rates ranging from 1.00% to 7.74%	21,108,324	22,356,674
Floating Rate Notes due 2006 to 2036	20,570,080	21,570,080
Index/Equity/Credit-Linked Notes	8,522,994	8,552,994
Total Long-Term Borrowings	50,201,398	52,449,748
Stockholders' Equity:		
Preferred Stock, $1.00 par value; Series E, F and G, 10,000,000 shares authorized; 7,183,125 shares issued and outstanding	359,156	359,156
Common Stock, $1.00 par value; 500,000,000 shares authorized; 184,805,847 shares issued	184,806	184,806
Paid-in Capital	4,511,041	4,511,041
Retained Earnings	8,861,718	8,861,718
Employee Stock Compensation Plans	2,095,820	2,095,820
Unearned Compensation	(146,463)	(146,463)
Treasury Stock: Common Stock, 66,254,688 shares	(4,144,131)	(4,144,131)
Total Stockholders' Equity	11,721,947	11,721,947
Total Short-Term Borrowings, Long-Term Borrowings and Stockholders' Equity	$ 87,705,100	$ 89,953,451

SELECTED CONSOLIDATED FINANCIAL DATA

The financial data in the following table for the twelve months ended November 30, 2006 has been derived from our fourth quarter earnings release filed on the Current Report on Form 8-K, dated December 14, 2006. The financial data in the following table for the fiscal years ended November 30, 2005, November 30, 2004, November 30, 2003 and November 30, 2002 has been derived from information contained in or incorporated by reference into our Annual Reports on Form 10-K. See "Where You Can Find More Information" and "General Information."

	Twelve Months Ended	
	November 30, 2006	**November 30, 2005**
	(In thousands, except common share data and other data)	
Results:		
Revenues	$ 16,551,419	$ 11,552,447
Interest Expense	7,324,254	4,141,653
Revenues, net of interest expense	9,227,165	7,410,794
Non-interest expenses:		
Employee compensation and benefits	4,343,499	3,553,216
Non-compensation expenses	1,737,036	1,650,519
Total non-interest expenses	6,080,535	5,203,735
Income before provision for income taxes	3,146,630	2,207,059
Provision for income taxes	1,092,759	744,882
Net income	$ 2,053,871	$ 1,462,177
Net income applicable to common shares	$ 2,032,508	$ 1,437,856
Financial Position:		
Total assets(1)	$ 334,760,320	$ 292,635,233
Long-term borrowings(1)	$ 50,201,398	$ 43,489,616
Stockholders' equity	$ 12,129,384	$ 10,791,432
Common Share Data:		
Basic earnings per share	$ 15.79	$ 11.42
Diluted earnings per share	$ 14.27	$ 10.31
Cash dividends declared per common share	$ 1.12	$ 1.00
Book value per common share	$ 86.39	$ 71.08
Common shares outstanding(2)	145,693,021	146,431,767
Other Data:		
Return on average common equity (annualized)	19.1%	16.5%
Profit margin(3)	34.1%	29.8%
Employees	13,566	11,843

(1) As of August 31, 2006. This information is not yet available as of November 30, 2006.

(2) Common shares outstanding include units issued under certain stock compensation plans which will be distributed as shares of common stock.

(3) Represents the ratio of income before provision for income taxes to revenues, net of interest expense.

	Fiscal Year Ended November 30,			
	2005	2004	2003	2002
	(In thousands, except common share data and other data)			
Results:				
Revenues	$ 11,552,447	$ 8,421,902	$ 7,395,444	$ 6,890,816
Interest expense	4,141,653	1,609,019	1,400,953	1,762,580
Revenues, net of interest expense	7,410,794	6,812,883	5,994,491	5,128,236
Non-interest expenses:				
Employee compensation and benefits	3,553,216	3,253,862	2,880,695	2,508,197
Non-compensation expenses	1,650,519	1,536,867	1,341,527	1,309,076
Total non-interest expenses	5,203,735	4,790,729	4,222,222	3,817,273
Income before provision for income taxes and cumulative effect of change in accounting principle	2,207,059	2,022,154	1,772,269	1,310,963
Provision for income taxes	744,882	677,421	615,863	432,618
Income before cumulative effect of change in accounting principle	1,462,177	1,344,733	1,156,406	878,345
Net income	$ 1,462,177	$ 1,344,733	$ 1,156,406	$ 878,345
Net income applicable to common shares	$ 1,437,856	$ 1,316,661	$ 1,125,031	$ 842,739
Financial Position:				
Total assets	$ 292,635,233	$ 255,949,894	$ 212,168,110	$ 184,854,423
Long-term borrowings	$ 43,489,616	$ 36,843,277	$ 29,430,465	$ 23,681,399
Guaranteed Preferred Beneficial Interests in Company Subordinated Debt Securities(1)			$ 562,500	$ 562,500
Stockholders' equity	$ 10,791,432	$ 8,990,872	$ 7,470,088	$ 6,382,083
Common Share Data:				
Basic earnings per share	$ 11.42	$ 10.88	$ 9.44	$ 7.00
Diluted earnings per share	$ 10.31	$ 9.76	$ 8.52	$ 6.47
Cash dividends declared per common share	$ 1.00	$ 0.85	$ 0.74	$ 0.62
Book value per common share	$ 71.08	$ 59.13	$ 48.69	$ 39.94
Common shares outstanding(2)	146,431,767	144,484,099	142,369,836	145,591,496
Other Data:				
Return on average common equity	16.5%	19.1%	20.2%	18.1%
Profit margin(3)	29.8%	29.7%	29.6%	25.6%
Employees	11,843	10,961	10,532	10,574

(1) In accordance with FIN No. 46 (R), the Company has deconsolidated Bear Stearns Capital Trust III effective beginning with the quarter ended February 29, 2004. As a result, the Debentures issued by the Company to Bear Stearns Capital Trust III are included within long-term borrowings. The $262.5 million of Preferred Securities issued by Capital Trust III is still outstanding, providing the funding for such Debentures. The Preferred Securities issued by Capital Trust III are no longer included in the Company's Consolidated Statements of Financial Condition. As of November 30, 2003 and 2002, Guaranteed Preferred Beneficial Interests in Company Subordinated Debt Securities consists of $300 million of Preferred Securities issued by Bear Stearns Capital Trust II and

$262.5 million of Preferred Securities issued by Bear Stearns Capital Trust III.

(2) Common shares outstanding include units issued under certain stock compensation plans which will be distributed as shares of common stock.

(3) Represents the ratio of income before provision for income taxes to revenues, net of interest expense.

DESCRIPTION OF THE NOTES

The following discussion of the terms of the Notes and the Indenture supplements the general terms and provisions of the debt securities contained in the accompanying prospectus under the heading "Description of Debt Securities" and identifies any general terms and provisions described in the accompanying prospectus that will not apply to the Notes.

You can find the definitions of certain capitalized terms used in this section under "Description of Debt Securities" in the accompanying prospectus. For purposes of this section only, references to "we," "us" and "our" include only The Bear Stearns Companies Inc. and not its subsidiaries. We will issue the Notes under the Indenture, dated as of May 31, 1991, as supplemented by the First Supplemental Indenture, dated January 29, 1998 (as supplemented, the "Indenture"), between us and The Bank of New York (formerly, JPMorgan Chase Bank, N.A., as trustee) (the "Trustee").

The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. A copy of the Indenture has been filed as an exhibit to the Registration Statement and is available as set forth under "Where You Can Find More Information" and "General Information."

The following description along with the description in the accompanying prospectus is a summary of the material provisions of the Indenture. It does not restate the Indenture in its entirety. We urge you to read the Indenture because it, and not these descriptions, defines your rights as a holder of the Notes (a "Holder").

Brief Description of the Notes

The Fixed Rate Notes and the Floating Rate Notes will:

- each be a single series of our debt securities under the Indenture;
- be our unsecured senior debt;
- rank equally with all of our other unsecured and unsubordinated debt;
- only be redeemable before their maturity if certain events involving US taxation occur as discussed under " Redemption Upon Certain Tax Events";
- be subject to defeasance in compliance with the Indenture, see "Description of Debt Securities Defeasance" in the accompanying prospectus; and
- be issued in denominations of $1,000 increased in multiples of $1,000.

Because we are a holding company, the Notes will be effectively subordinated to the claims of creditors of our subsidiaries. At August 31, 2006:

- we had outstanding (on an unconsolidated basis) approximately $72.4 billion of debt and other obligations, including approximately $66.3