BEAR STEARNS COMPANIES INC
Form 424B2
July 11, 2007
This preliminary pricing supplement relates to an effective registration statement under the Securities Act of 1933, but is not complete and may be changed. We may not sell these securities until we deliver a final pricing supplement. This preliminary pricing supplement, the accompanying prospectus supplement and prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where such an offer or sale would not be permitted.

Filed pursuant to Rule 424(b)(2)
Registration No. 333-136666
Subject to Completion, dated July [l], 2007
PRICING SUPPLEMENT
(To Prospectus Dated August 16, 2006 and
Prospectus Supplement Dated August 16, 2006)

The Bear Stearns Companies Inc.

$[l] 17-month 100% Principal Protected "Bronze Medal" Notes, Linked to the S&P 500® Index, the Dow Jones EURO STOXX 50® Index, or the Nikkei 225Ô Index
Due December [l], 2008

- The Notes are fully principal protected if held to maturity and have a return that is linked to double the Smallest Percentage Increase of the following three indices: (1) the S&P 500® Index (the "SPX"); (2) the Dow Jones EURO STOXX 50® Index (the "SX5E") and (3) the Nikkei 225™ Stock Index (the "NKY", and along with the SPX and the SX5E, each a "Reference Index"), subject to the Maximum Return.
- When we refer to Notes in this pricing supplement, we mean Notes with a principal amount of $1,000.
- For each Reference Index, the Index Percentage Increase is calculated as the greater of (a) 0.00% and (b) the quotient of (i) the Final Level (as defined herein) minus its Initial Level (as defined herein) *divided by* (ii) its Initial Level.
- At maturity, the Cash Settlement Value for each $1,000 principal amount of the Notes will be equal to:

$1,000 principal amount + [$1,000 x Variable Return]

- The Variable Return is equal to the lesser of (a) [16.00-18.00]% (the "Maximum Return") and (b) the product of (i) 200% (the "Participation Rate") *multiplied by* (ii) the smallest of the three Index Percentage Increases (the "Smallest Percentage Increase"). The Variable Return will not be less than 0.00%.
- The CUSIP number for the Notes is [l].
- The Notes will not pay interest during the term of the Notes.
- The Notes will not be listed on any securities exchange or quotation system.
- The Maturity Date for the Notes is expected to be December [l], 2008; however, if the Valuation Date is postponed with respect to any Reference Index, the Maturity Date will be three Business Days following the postponed final Valuation Date, as described herein.
- The scheduled Valuation Date for the Notes is December [l], 2008. The Valuation Date is subject to adjustment as described herein.

INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. THERE MAY NOT BE AN ACTIVE SECONDARY MARKET IN THE NOTES, AND IF THERE WERE TO BE AN ACTIVE SECONDARY MARKET, IT MAY NOT BE LIQUID. YOU SHOULD REFER TO "RISK FACTORS" BEGINNING ON PAGE PS-11.

Each Reference Index is a service mark or trademark of the sponsor of that Reference Index and has been, or will be, licensed for use by The Bear Stearns Companies Inc. The Notes, which are linked to the Reference Index with the Smallest Percentage Increase, are not sponsored, endorsed, sold or promoted by the sponsor of any Reference Index and the sponsors of such Reference Indices make no representations regarding the advisability of investing in the Notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or determined that this pricing supplement, or the accompanying prospectus supplement and prospectus, is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price	[l]%* ‡	$[l]
Agent's discount	[l]%	$[l]
Proceeds, before expenses, to us	[l]%	$[l]

*[Investors who purchase an aggregate principal amount of at least $1,000,000 of this Note offering will be entitled to purchase Notes for [99.50]% of the principal amount.]

‡[Any additional reissuance will be offered at a price to be determined at the time of pricing of each offering of Notes, which price will be a function of the prevailing market conditions and the levels of the Reference Indices at the time of the relevant sale.]

We expect that the Notes will be ready for delivery in book-entry form only through the book-entry facilities of The Depository Trust Company in New York, New York, on or about [l], against payment in immediately available funds. The distribution of the Notes will conform to the requirements set forth in Rule 2720 of the National Association of Securities Dealers, Inc. Conduct Rules.

We may grant our affiliate Bear, Stearns & Co. Inc. a 13-day option from the date of the final pricing supplement to purchase from us up to an additional $[l] of Notes at the public offering price to cover any over-allotments.

Bear, Stearns & Co. Inc.

July [l], 2007

SUMMARY

This summary highlights selected information from the accompanying prospectus, prospectus supplement and this pricing supplement to help you understand the Notes. You should carefully read this entire pricing supplement and the accompanying prospectus supplement and prospectus to fully understand the terms of the Notes, as well as certain tax and other considerations that are important to you in making a decision about whether to invest in the Notes. You should carefully review the section "Risk Factors" in this pricing supplement and "Risk Factors" in the accompanying prospectus supplement which highlight a number of significant risks, to determine whether an investment in the Notes is appropriate for you. All of the information set forth below is qualified in its entirety by the more detailed explanation set forth elsewhere in this pricing supplement and the accompanying prospectus supplement and prospectus. If information in this pricing supplement is inconsistent with the prospectus or prospectus supplement, this pricing supplement will supersede those documents. In this pricing supplement, the terms "Company," "we," "us" and "our" refer only to The Bear Stearns Companies Inc. excluding its consolidated subsidiaries.

The Bear Stearns Companies Inc. 17-Month 100% Principal Protected "Bronze Medal" Notes Linked to the S&P 500® Index, the Dow Jones EURO STOXX 50® Index, or the Nikkei 225Ô Index, Due December [l], 2008 (the "Notes") are Notes whose return is tied or "linked" to double the Smallest Percentage Increase of the following three indices: (1) the S&P 500® Index ("SPX"); (2) the Dow Jones EURO STOXX 50® Index ("SX5E") and (3) the Nikkei 225™ Stock Index (the "NKY", and along with the SPX and the SX5E, each a "Reference Index"), subject to a maximum return. When we refer to Note or Notes in this pricing supplement, we mean $1,000 principal amount of Notes. The Notes are principal protected. On the Maturity Date, you will receive the Cash Settlement Value, an amount in cash per $1,000 principal amount of Notes equal to the sum of (a) the $1,000 principal amount plus (b) the product of $1,000 multiplied by the Variable Return. The Variable Return, in turn, equals the lesser of (a) the Maximum Return (as defined below) and (b) the product of the Participation Rate (as defined below) multiplied by the smallest of the three Index Percentage Returns (the "Smallest Percentage Increase"). The Index Percentage Increase for a Reference Index is calculated as the greater of (a) 0.00% and (b) the quotient of (i) the closing level of the Reference Index on the Valuation Date (the "Final Level") minus the closing level of the Reference Index on July [l], 2007 (the "Initial Level") *divided by* (ii) its Initial Level.

Selected Investment Considerations

- Principal protection—Because the Notes are principal protected if held to maturity, in no event will you receive a Cash Settlement Value less than $1,000 per Note. If the Smallest Percentage Increase is less than or equal to zero, you will receive the principal amount of the Notes.

- Diversification—The Notes are linked to the Smallest Percentage Increase of the following three international equity indices: (1) the SPX; (2) the SX5E; and (3) the NKY. Therefore, the Notes may allow you to diversify an existing portfolio or investment.

- Potential leverage in the increase, if any, in the Smallest Percentage Increase—The Notes may be an attractive investment for investors who have a somewhat bullish view of all three Reference Indices in the short-term. If held to maturity, the Notes allow you to participate in 200.00% of the Smallest Percentage Increase, not to exceed the maximum return of [16.00-18.00]%, representing a [8.00-9.00]% increase in the Initial Level of the Reference Index with the Smallest Percentage Increase.

- Taxes—For U.S. federal income tax purposes, we intend to treat the Notes as contingent payment debt instruments. As a result, you will be required to include original issue discount ("OID") in income during your ownership of the Notes even though no cash payments will be made with respect to the Notes until maturity. Additionally, you will generally be required to recognize ordinary income on the gain, if any, realized on a sale, upon maturity, or other disposition of the Notes. You should review the discussion under the section entitled “Certain U.S. Federal Income Tax Considerations” in this pricing supplement.

Selected Risk Considerations

- No current income—We will not pay any interest on the Notes. The yield on the Notes therefore may be less than the overall return you would earn if you purchased a conventional debt security at the same time and with the same maturity.

- No interest, dividend or other payments—You will not receive any interest, dividend payments or other distributions on the stocks underlying any of the Reference Indices; nor will such payments be included in the calculation of the Cash Settlement Value you will receive at maturity.

- Not exchange-listed—The Notes will not be listed on any securities exchange or quotation system and we do not expect a trading market to develop, which may affect the price that you receive for your Notes upon any sale prior to maturity. If you sell the Notes prior to maturity, you may receive less, and possibly significantly less, than your initial investment in the Notes.

- Liquidity—Because the Notes will not be listed on any securities exchange or quotation system, we do not expect a trading market to develop, and, if such a market were to develop, it may not be liquid. Our subsidiary, Bear, Stearns & Co. Inc. has advised us that they intend under ordinary market conditions to indicate prices for the Notes on request. However, we cannot guarantee that bids for outstanding Notes will be made in the future; nor can we predict the price at which those bids will be made. In any event, Notes will cease trading as of the close of business on the Maturity Date.

- The return on the Notes is linked to the single Reference Index with the Smallest Percentage Increase over the term of the Notes—You will only benefit from the performance of the Reference Index with the Smallest Percentage Increase. Therefore, even if one or more Reference Indices increase in value, you will not benefit from any such increase if at least one Reference Index increases by a smaller value or decreases in value since the return on the Notes is linked to the Smallest Percentage Increase.

- Maximum Return of [16.00-18.00]%—You will not receive more than the maximum return of [16.00-18.00]% at maturity. Because the maximum return on the Notes is [16.00-18.00]%, the maximum Cash Settlement Value is $[1,160.00-1,180.00]. Therefore, the Cash Settlement Value will not reflect the full increase in the value of the Reference Index with the Smallest Percentage Increase if the Smallest Percentage Increase is greater than [8.00-9.00]%.

KEY TERMS

Issuer: The Bear Stearns Companies Inc.

Reference Indices: The Notes are linked to the Smallest Percentage Increase of the following three indices: (1) the S&P 500® Index ("SPX"); (2) the Dow Jones EURO STOXX 50® Index ("SX5E") and (3) the Nikkei 225™ Stock Index (the "NKY", and along with the SPX and the SX5E, each a "Reference Index").

Reference Index 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; and Nihon Keizai Shimbun, Inc. as the sponsor of the NKY are hereinafter referred to as "Reference Index Sponsors." See "Description of the Reference Indices" herein.

Principal Amount: The Notes will be denominated in U.S. dollars. Each Note will be issued in minimum denominations of $1,000 and $1,000 multiples thereafter; *provided*, *however*, that the minimum purchase for any purchaser domiciled in a Member state of the European Economic Area shall be $100,000. The aggregate principal amount of the Notes being offered is $[l]. When we refer to "Note" or "Notes" in this pricing supplement, we mean Notes each with a principal amount of $1,000.

Further Issuances: Under certain limited circumstances, and at our sole discretion, we may offer further issuances of the Notes. These further issuances, if any, will be consolidated to form a single series with the Notes and will have the same CUSIP number and will trade interchangeably with the Notes immediately upon settlement.

Interest: The Notes will not bear interest.

Maximum Return: [16.00-18.00]%

Participation Rate: 200.00%

Cash Settlement Value: On the Maturity Date, you will receive the Cash Settlement Value, which for each $1,000 principal amount of Notes is equal to: the sum of (a) the $1,000 principal amount plus (b) the product of $1,000 *multiplied by* the Variable Return.

Variable Return: An amount determined by the Calculation Agent and equal to the lesser of: (a) the Maximum Return; and (b) the product of (i) the Participation Rate *multiplied by* (ii) the smallest of the three Index Percentage Increases (the "Smallest Percentage Increase").

For purposes of determining the Variable Return:

"*Index Percentage Increase*" means, as of the Valuation Date and with respect to a Reference Index, the greater of (a) 0.00% and (b) the quotient, expressed as a percentage, of (i) the Final Level for that Reference Index minus its Initial Level *divided by* (ii) its Initial Level.

"Valuation Date" means December [l], 2008; *provided that*, with respect to a Reference Index, (i) if such date is not a Reference Index Business Day (as defined herein) for that Reference Index, then the Valuation Date for that Reference Index will be the next succeeding day that is a Reference Index Business Day for that Reference Index and (ii) if a Market Disruption Event (as defined herein) exists for that Reference Index on the Valuation Date, the

Valuation Date for that Reference Index will be the next Reference Index Business Day for that Reference Index on which a Market Disruption Event does not exist for that Reference Index. If the Valuation Date for any Reference Index is postponed for [three] consecutive Reference Index Business Days due to the existence of a Market Disruption Event, then, notwithstanding the existence of a Market Disruption Event on that [third] Reference Index Business Day, that [third] Reference Index Business Day will be the Valuation Date for that Reference Index. If no Market Disruption Event exists with respect to a Reference Index on the Valuation Date, the determination of that Reference Index's Final Level will be made on the Valuation Date, irrespective of the existence of a Market Disruption Event with respect to one or more of the other Reference Indices.

"*Initial Level*" means (i) [l] with respect to the SPX; (ii) [l] with respect to the SX5E; and (iii) [l] with respect to the NKY, each representing the closing level of the respective Reference Index on July [l], 2007.

"*Final Level*" means, as of the Valuation Date and with respect to each Reference Index, the closing index level as reported by the relevant Reference Index Sponsor and displayed on Bloomberg Page SPX <Index> <Go> with respect to the SPX, Bloomberg Page SX5E <Index> <Go> with respect to the SX5E and Bloomberg Page NKY <Index> <Go> with respect to the NKY.

Pricing Date: July [l], 2007.

Issue Date: July [l], 2007.

Maturity Date: The Notes are expected to mature on December [l], 2008; however, if any Valuation Date is postponed, the Maturity Date will be three Business Days following the final Valuation Date.

Exchange Listing: The Notes will not be listed on any securities exchange.

Reference Index Business Day: Means any day on which the Relevant Exchange and each Related Exchange are scheduled to be open for trading.

Business Day: Means any day other than a Saturday or Sunday, on which banking institutions in the cities of New York, New York and London, England are not authorized or obligated by law or executive order to be closed.

Calculation Agent: Bear, Stearns & Co. Inc.

Relevant Exchanges: (i) The New York Stock Exchange and NASDAQ for the SPX; (ii) the major stock exchanges, respectively located in one of 12 European countries, including the London Stock Exchange, Frankfurt Stock Exchange and others for the SX5E; and (iii) the Tokyo Stock Exchange or its successor (the "TSE") for the NKY.

Related Exchange: Means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to a Reference Index.

Offers and sales of the Notes are subject to restrictions in certain jurisdictions. The distribution of this pricing supplement, the accompanying prospectus supplement and 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 pricing supplement, and the accompanying prospectus supplement and prospectus or any Notes must inform themselves about and observe any applicable restrictions on the distribution of this pricing supplement, the accompanying prospectus supplement and prospectus and the offer and sale of the Notes. Notwithstanding the minimum denomination of $1,000, the minimum purchase for any purchaser domiciled in a member state of the European Economic Area shall be $100,000.

QUESTIONS AND ANSWERS

What are the Notes?

The Notes are a series of our senior, unsecured, unsubordinated debt securities, the value of which is linked to double the Smallest Percentage Increase of the SPX, the SX5E and the NKY, subject to the Maximum Return. The Notes will not bear interest, and no other payments will be made prior to maturity. The Notes are principal protected if held to maturity. However, the Notes differ from conventional debt securities in that the Notes offer the opportunity to participate in 200% of the potential positive performance of the Reference Index with the Smallest Percentage Increase of the Reference Indices, if any, subject to a maximum return. See the section "Risk Factors" for selected risk considerations prior to making an investment in the Notes.

The Notes are expected to mature on December [l], 2008. The Notes do not provide for earlier redemption. When we refer to Notes in this pricing supplement, we mean Notes with a principal amount of $1,000. You should refer to the section "Description of the Notes," for a detailed description of the Notes prior to making an investment in the Notes.

Are there any risks associated with my investment?

Yes. The Notes are subject to a number of risks. You should refer to the section "Risk Factors" in this pricing supplement and the section "Risk Factors" in the accompanying prospectus supplement.

What will I receive at maturity of the Notes?

We have designed the Notes for investors who want to receive at least 100% of the principal amount of their Notes at maturity. On the Maturity Date, you will receive the Cash Settlement Value, which is based on the appreciation, if any, in the Reference Index with the Smallest Percentage Increase over the term of the Notes as measured by such Reference Index's Index Percentage Increase, subject to the Maximum Return.

For each Reference Index, the Index Percentage Increase is calculated as the greater of (a) 0.00% and (b) the quotient of (i) the Final Level of such Reference Index minus its Initial Level divided by (ii) its Initial Level; where:

"Initial Level" means (i) [l] with respect to the SPX; (ii) [l] with respect to the SX5E; and (iii) [l] with respect to the NKY, each representing the closing level of the respective Reference Index on July [l], 2007.

"Final Level" means, as of the Valuation Date and with respect to each Reference Index, the closing index level as reported by the relevant Reference Index Sponsor and displayed on Bloomberg Page SPX <Index> <Go> with respect to the SPX, Bloomberg Page SX5E <Index> <Go> with respect to the SX5E and Bloomberg Page NKY <Index> <Go> with respect to the NKY.

At maturity, the Cash Settlement Value for each $1,000 principal amount of the Notes will be equal to the sum of (a) the $1,000 principal amount plus (b) the product of $1,000 multiplied by the Variable Return.

The "Variable Return" is equal to the lesser of (a) [16.00-18.00]% (the "Maximum Return") and (b) the product of (i) 200% (the "Participation Rate") *multiplied by* (ii) the smallest of the three Index Percentage Increases (the "Smallest Percentage Increase").

For more specific information about the Cash Settlement Value and for illustrative examples, you should refer to the section "Description of the Notes."

What does "principal protected" mean?

"Principal protected" means that at maturity your principal investment in the Notes will not be at risk. If the Variable Return is equal to or less than zero on the Valuation Date, the Cash Settlement Value at maturity will be $1,000. You may, however, receive less than the principal amount of the Notes if you sell your Notes prior to maturity.

Will I receive interest on the Notes?

You will not receive any periodic interest payments on the Notes. The only interest you will receive, if any, will be reflected in the Cash Settlement Value upon the maturity of the Notes.

Will there be an additional offering of the Notes?

Under certain limited circumstances, and at our sole discretion, we may offer further issuances of the Notes. These further issuances, if any, will be consolidated to form a single series with the Notes and will have the same CUSIP number and will trade interchangeably with the Notes immediately upon settlement. Any additional issuance will increase the aggregate principal amount of the outstanding Notes of this series to include the aggregate principal amount of any Notes bearing the same CUSIP number that are issued pursuant to (i) any 13-day option we grant to Bear, Stearns & Co. Inc. The price of any additional offerings will be determined at the time of pricing of each offering, which will be a function of the prevailing market conditions and levels of the Reference Indices at the time of the relevant sale.

Who publishes information regarding the Reference Indices and where can I obtain further information?

S&P 500® Index. The SPX is a capitalization weighted stock index published by Standard and Poor's ("S&P") and is intended to provide an indication of the pattern of common stock price movement. The calculation of the level of the Index, discussed below in further detail, is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of July 2, 2007, the common stocks of 427 companies or 85.4% of the market capitalization of the SPX, were traded on the New York Stock Exchange ("NYSE") and the common stocks of 73 companies, or 14.6% of the market capitalization of the Index, were traded on The NASDAQ Global Select Market or the NASDAQ Global Market (collectively, the "NASDAQ"). As of that date, none of the common stocks included in the Index were traded on the American Stock Exchange. The SPX is quoted in U.S. dollars. You can obtain the level of the SPX from the Bloomberg service under the symbol SPX <Index> or from the S&P website at http://www.spglobal.com. Other information on the S&P website is not incorporated into this document.

Dow Jones EURO STOXX 50® Index. The SX5E is a free-float weighted index of 50 European blue-chip companies and is calculated, published and disseminated by STOXX Limited, a partnership of Deutsche Börse AG, Dow Jones & Company, Euronext Paris SA and SWX Swiss Exchange. The SX5E is currently comprised of 50 stocks that respectively trade on major stock exchanges located in one of 12 European countries, including the London Stock Exchange, Frankfurt Stock Exchange and others. The SX5E is quoted in Euros. You can obtain the level of the SX5E from the Bloomberg service under the symbol SX5E <Index> or from the Dow Jones website at http://www.djindexes.com. Other information on the Dow Jones website is not incorporated into this document.

Nikkei 225™ Stock Index. The NKY is a modified, price-weighted stock index calculated, published and disseminated by Nihon Keizai Shimbun, Inc. that measures the composite price performance of selected Japanese stocks. The NKY is currently comprised of 225 stocks that trade on the Tokyo Stock Exchange and represents a broad cross-section of Japanese industry. All 225 of the stocks underlying the NKY are stocks listed in the First Section of the Tokyo Stock Exchange. The NKY is quoted in Japanese yen. You can obtain the level of the NKY from the Bloomberg service under the symbol NKY <Index> or from the Tokyo Stock Exchange website at http://www.tse.or.jp/english/index.shtml. Other information on the Tokyo Stock Exchange website is not incorporated into this document.

How have the Reference Indices performed historically?

We have provided tables depicting the highest and lowest daily levels for each of the Reference Indices, as well as the end-of-quarter closing levels for each of the Reference Indices, for each quarter beginning with January 2002. You can find these tables in the section "Description of the Reference Indices—Historical Data on the Reference Indices." We have provided this historical information to help you evaluate the behavior of the Reference Indices in various economic environments; however, the time period depicted is relatively limited and past performance is not indicative of the manner in which the Reference Indices will perform in the future. You should refer to the section "Risk Factors—The historical performance of the Reference Indices is not an indication of the future performance of the Reference Indices."

What is the role of Bear, Stearns & Co. Inc.?

Bear, Stearns & Co. Inc. ("Bear Stearns") will be our agent for the offering and sale of the Notes. After the initial offering, Bear Stearns intends to buy and sell the Notes to create a secondary market for holders of the Notes, and may stabilize or maintain the market price of the Notes during the initial distribution of the Notes. However, Bear Stearns will not be obligated to engage in any of these market activities or to continue them once they are begun.

Bear Stearns also will be our Calculation Agent for purposes of calculating the Cash Settlement Value. Under certain circumstances, these duties could result in a conflict of interest between Bear Stearns' status as our subsidiary and its responsibilities as Calculation Agent. Bear Stearns is obligated to carry out its duties and functions as Calculation Agent in good faith, and using its reasonable judgment. Manifest error by the Calculation Agent, or any failure by it to act in good faith, in making a determination adversely affecting the payment of the Cash Settlement Value or interest on principal to the holders of the Notes would entitle the holders, or the Trustee (as defined herein) acting on behalf of the holders, to exercise rights and remedies available under the Indenture (as defined herein). If the Calculation Agent uses its discretion to make a determination, the Calculation Agent will notify us and the Trustee, who will provide notice to the holders. You should refer to "Risk Factors - The Calculation Agent is one of our affiliates, which could result in a conflict of interest."

Can you tell me more about The Bear Stearns Companies Inc.?

We are a holding company that, through our broker-dealer and international bank subsidiaries, principally Bear Stearns, Bear, Stearns Securities Corp., Bear, Stearns International Limited ("BSIL") and Bear Stearns Bank plc, is a leading investment banking, securities and derivatives trading, clearance and brokerage firm serving corporations, governments, institutional and individual investors worldwide. For more information about us, please refer to the section "The Bear Stearns Companies Inc." in the accompanying prospectus. You should also read the other documents we have filed with the Securities and Exchange Commission, which you can find by referring to the section "Where You Can Find More Information" in the accompanying prospectus.

Who should consider purchasing the Notes?

Because the Notes are tied to the Smallest Percentage Increase, they may be appropriate for investors with specific investment horizons who seek to participate in the potential price appreciation of the Reference Indices. In particular, the Notes may be an attractive investment for you if you:

- want 200% leveraged upside exposure (subject to the Maximum Return) to global equity markets as represented by the Reference Index with the Smallest Percentage Increase;

- seek a 100% principal protected, relatively short-term (17-month) investment and are willing to hold the Notes until maturity;
- have a somewhat bullish view of all three Reference Indices over the term of the Notes;
- understand that the Reference Indices may not move in tandem and that you will not benefit from increases in one or more Reference Indices if at least one other Reference Index increases by a smaller value or decreases in value; and

- are willing to forgo interest payments or dividend payments on the stocks underlying the Reference Indices.

The Notes may not be a suitable investment for you if:

- you seek current income or dividend payments from your investment;
- you are unable or unwilling to hold the Notes until maturity;
- you seek an investment with an active secondary market;