

BEAR STEARNS COMPANIES INC  
Form FWP  
November 20, 2006

*Filed Pursuant to Rule 433  
Registration No. 333-136666  
November 20, 2006*

## STRUCTURED EQUITY PRODUCTS

### Indicative Terms

#### New Issue

**THE BEAR STEARNS COMPANIES INC.**  
**Notes Linked to the Performance of the Russell 2000® Index**

**Due December [1], 2010**

#### INVESTMENT HIGHLIGHTS

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- 4 year term to maturity.
- The Notes are not fully principal protected.
- Issue is a direct obligation of The Bear Stearns Companies Inc. (Rated A1 by Moody's / A+ by S&P).
- Issue Price: 100.00% of the Principal Amount (\$1,000).
- Linked to the performance of the Russell 2000® Index.
- If the Final Index Level is greater than the Initial Index Level, at maturity you will receive the principal amount of your Notes plus the product of the principal amount multiplied by a return equal to [100-115]% of the percentage increase in the Index.
- If the Final Index Level is between 100% and 85% of the Initial Index Level, inclusive, at maturity you will receive the principal amount of your Notes.
- If the Final Index Level is less than 85% of the Initial Index Level, at maturity you will receive an amount equal to the principal amount of your Notes minus 1% of the original principal amount for each percentage point that the Index has declined beyond -15%, up to a maximum loss of 85%.

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

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

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

This free writing prospectus relates to the offering of Notes linked to the Russell 2000® Index (the “Index”) We reserve the right to withdraw, cancel or modify the offering and to reject orders in whole or in part. **Defined terms not defined herein shall have the same meaning as in the Prospectus Supplement discussed below.**

**ISSUER:** The Bear Stearns Companies Inc.

**ISSUER’S RATING:** A1 / A+ (Moody’s / S&P)

**CUSIP NUMBER:** [1]

**ISSUE PRICE:** 100.00% of the Principal Amount.

**PRINCIPAL AMOUNT:** \$[1]

**DENOMINATIONS:** \$1,000 per Note and \$1,000 multiples thereafter.

**SELLING PERIOD ENDS:** December [1], 2006

**SETTLEMENT DATE:** December [1], 2006

**CALCULATION DATE:** December [1], 2010

**MATURITY DATE:** December [1], 2010 (for a term of approximately 4 years)

**CASH SETTLEMENT VALUE:** If, at maturity, the Index Return (as defined below) is greater than zero, then, on the Maturity Date, you will receive an amount per Note equal to 100% of the original principal amount of the Note plus the product of: (i) the original principal amount multiplied by (ii) the Index Return multiplied by (iii) the Upside Participation Rate.

If, at maturity, the Index Return is between zero and -15%, inclusive, then, on the Maturity Date, you will receive 100% of the original principal amount of the Note.

If, at maturity, the Index Return is less than -15%, then, on the Maturity Date, you will receive an amount equal to the original principal amount minus 1% of the original principal amount for each percentage point that the Index Return is less than -15%.

**The Index Return is the amount expressed as a percentage, resulting from the quotient of: (i) the Final Index Level minus the Initial Index Level divided by (ii) the Initial Index Level.**

**The Upside Participation Rate will be between 100% and 115% and will be determined by us based on market conditions on December [1], 2006.**

**INITIAL INDEX LEVEL:** The closing value of the Index as determined by the Sponsor on December [1], 2006.

**FINAL INDEX LEVEL:** The closing value of the Index as determined by the Sponsor on the Calculation Date.

**INDEX:** The Russell 2000<sup>®</sup> Index is an index published, calculated and disseminated by the Russell Investment Group (the “Sponsor”). The Index measures the composite price performance of the stocks of 2,000 companies within the U.S. and/or its territories. The 2,000 stocks in the Index are the 2,000 smallest securities included in the Russell 3000<sup>®</sup> Index. All of the stocks in the Index are traded on the New York Stock Exchange, the American Stock Exchange LLC, or NASDAQ.

BEAR, STEARNS & CO. INC.

**STRUCTURED PRODUCTS GROUP****ADDITIONAL TERMS SPECIFIC TO THE NOTES**

You should read this document together with the prospectus and prospectus supplement, each dated August 16, 2006 (the "Prospectus" and "Prospectus Supplement," respectively), and the more detailed information contained in the Pricing Supplement, dated November 17, 2006 (the "Pricing Supplement"). You should carefully consider, among other things, the matters set forth in "Risk Factors" in the Prospectus Supplement and the Pricing Supplement, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the Notes. You may access the Pricing Supplement, the Prospectus Supplement and the Prospectus on the SEC web site as follows:

· Pricing Supplement dated November 17, 2006:

[http://www.sec.gov/Archives/edgar/data/777001/000114420406048734/v058315\\_424b5.htm](http://www.sec.gov/Archives/edgar/data/777001/000114420406048734/v058315_424b5.htm)

· Prospectus Supplement dated August 16, 2006:

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

· Prospectus dated August 16, 2006:

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

**ILLUSTRATIVE CASH SETTLEMENT VALUE TABLE**

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

**ASSUMPTIONS:**

- Investor purchases \$1,000 aggregate principal amount of Notes at the initial public offering price of \$1,000.
- Investor holds the Notes to maturity.
- The Initial Index Level is equal to 769.15.
- The Upside Participation Rate is 100%.
- All returns are based on a 4-year term; pre-tax basis.
- No Market Disruption Events or Events of Default occur during the term of the Notes.

Initial Index Level	Final Index Level	Cash Settlement Index Return	Cash Settlement Value Per Note	Return if Held to Maturity	Initial Index Level	Final Index Level	Cash Settlement Index Return	Cash Settlement Value Per Note	Return if Held to Maturity
769.15	1,538.30	100%	\$2,000	100.00%	769.15	730.69	-5%	\$1,000	0.00%
769.15	1,499.84	95%	\$1,950	95.00%	769.15	692.24	-10%	\$1,000	0.00%
769.15	1,461.39	90%	\$1,900	90.00%	769.15	653.78	-15%	\$1,000	0.00%
769.15	1,422.93	85%	\$1,850	85.00%	769.15	615.32	-20%	\$950	-5.00%
769.15	1,384.47	80%	\$1,800	80.00%	769.15	576.86	-25%	\$900	-10.00%
769.15	1,346.01	75%	\$1,750	75.00%	769.15	538.41	-30%	\$850	-15.00%
769.15	1,307.56	70%	\$1,700	70.00%	769.15	499.95	-35%	\$800	-20.00%
769.15	1,269.10	65%	\$1,650	65.00%	769.15	461.49	-40%	\$750	-25.00%
769.15	1,230.64	60%	\$1,600	60.00%	769.15	423.03	-45%	\$700	-30.00%
769.15	1,192.18	55%	\$1,550	55.00%	769.15	384.58	-50%	\$650	-35.00%

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769.15	1,153.73	50%	\$1,500	50.00%	769.15	346.12	-55%	\$600	-40.00%
769.15	1,115.27	45%	\$1,450	45.00%	769.15	307.66	-60%	\$550	-45.00%
769.15	1,076.81	40%	\$1,400	40.00%	769.15	269.20	-65%	\$500	-50.00%
769.15	1,038.35	35%	\$1,350	35.00%	769.15	230.75	-70%	\$450	-55.00%
769.15	999.90	30%	\$1,300	30.00%	769.15	192.29	-75%	\$400	-60.00%
769.15	961.44	25%	\$1,250	25.00%	769.15	153.83	-80%	\$350	-65.00%
769.15	922.98	20%	\$1,200	20.00%	769.15	115.37	-85%	\$300	-70.00%
769.15	884.52	15%	\$1,150	15.00%	769.15	76.92	-90%	\$250	-75.00%
769.15	846.07	10%	\$1,100	10.00%	769.15	38.46	-95%	\$200	-80.00%
769.15	807.61	5%	\$1,050	5.00%	769.15	0.00	-100%	\$150	