

Prospectus dated 06 March 2008

THIS PROSPECTUS CONSTITUTES FINAL TERMS FOR THE PURPOSES OF THE OFFERING CIRCULAR AND MUST BE READ IN CONJUNCTION WITH THE OFFERING CIRCULAR AND ALL THE DOCUMENTS WHICH ARE DEEMED TO BE INCORPORATED BY REFERENCE AS DESCRIBED BELOW.

THESE NOTES ARE NOT PRINCIPAL PROTECTED. NOTEHOLDERS SHOULD UNDERSTAND THAT THE FINAL REDEMPTION AMOUNT UNDER THE NOTES WILL BE LINKED TO THE PERFORMANCE OF THE REFERENCE INDEX (AS DEFINED HEREIN). A NOTEHOLDER MAY NOT RECEIVE FULL PAYMENT OF ITS INITIAL INVESTMENT AND MAY SUFFER A TOTAL LOSS OF ITS INVESTMENT WITHOUT RECEIVING ANY INTEREST THEREON AND SHOULD BE ABLE TO BEAR SUCH LOSS. IN ADDITION, A NOTEHOLDER MAY RECEIVE LESS THAN THE PRINCIPAL AMOUNT IN RESPECT OF ANY NOTE IN THE EVENT THAT (1) SUCH NOTEHOLDER SELLS SUCH NOTE PRIOR TO MATURITY OR (2) THE NOTES ARE REDEEMED EARLY PURSUANT TO CONDITION 8(b) OR CONDITION 11.

THE ISSUER MAKES NO REPRESENTATION AS TO THE EXISTENCE OF A MARKET FOR THE NOTES. AS SUCH THE NOTES SHOULD BE VIEWED AS ILLIQUID.

NOTEHOLDERS AND PROSPECTIVE PURCHASERS SHOULD CAREFULLY READ PARAGRAPH 11 OF PART B OF THE TERMS OF THE NOTES.

THE MARKET VALUE OF THE NOTES MAY BE SIGNIFICANTLY LESS THAN THEIR NOMINAL AMOUNT DURING THEIR LIFETIME DUE TO FACTORS INCLUDING, BUT NOT LIMITED TO: THE PERFORMANCE OF THE REFERENCE INDEX, THE REMAINING TERM OF THE NOTES, THE GENERAL LEVEL OF INTEREST RATES, IMPLIED VOLATILITIES AND THE CREDIT SPREAD OF THE ISSUER. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT NOTEHOLDERS WILL REALISE THE NOMINAL AMOUNT OF THE NOTES IF THE NOTES ARE SOLD PRIOR TO THE MATURITY DATE.

THE OFFER PRICE IS 100% OF THE AGGREGATE NOMINAL AMOUNT OF THE NOTES.

THE BEAR STEARNS COMPANIES INC.

Issue of up to EUR 100,000,000 Notes linked to the Dow Jones Euro STOXX 50[®] Index due 2013 under
the U.S.\$30,000,000,000
Euro Medium Term Note Programme

Public Offering in Belgium, the Grand Duchy of Luxembourg, France and The Netherlands

The Bear Stearns Companies Inc. (the “**Company**” or the “**Issuer**”) has offered up to EUR 100,000,000 Notes linked to the Dow Jones Euro STOXX 50[®] Index (the “**Notes**”) pursuant to its U.S.\$30,000,000,000 Euro Medium Term Note Programme (the “**Programme**”). Application has been made to the Financial Services Authority (the “**FSA**”) (in its capacity as competent authority under the Financial Services and Markets Act 2000 (the “**FSMA**”) (the “**UK Listing Authority**”)) to admit the Notes issued under the Programme described in this document to the Official List of the UK Listing Authority (the “**Official List**”) and to trading on the Regulated Market (the “**Market**”) of the London Stock Exchange plc (the “**London Stock Exchange**”). Application will also be made to Euronext Amsterdam N.V. (“**Euronext Amsterdam**”) for the Notes to be admitted to trading on Eurolist by Euronext Amsterdam. There can be no assurance, however, that such listings and admissions to trading will be granted. The Market and Euronext Amsterdam are regulated markets for the purposes of the Markets in Financial Instruments (Directive 2004/39/EC). References in this document to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to trading on the Market and on Euronext Amsterdam and have been admitted to the Official List and on the Eurolist.

This document, together with the documents incorporated by reference on page 11, comprises a prospectus (the “**Prospectus**”) for the purposes of Article 5 of Directive 2003/71/EC (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This document must be read in conjunction with all documents which are deemed to be incorporated herein by reference (see below) and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole.

Any person (an “Investor”) intending to acquire or acquiring any Notes from any person (an “Offeror”) should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the Issuer may be responsible to the Investor for the Prospectus under section 90 of FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.

Subject to the above, certain information relating to the terms of the offer by the Offeror may not be available at the time of the publication of this Prospectus. Such information will be provided to investors by the Offeror at the time of any such offer. Subject to the preceding paragraph, neither the Issuer nor any of its affiliates shall have any responsibility in respect of such information.

The Notes will be offered for sale in Belgium, the Grand Duchy of Luxembourg (“**Luxembourg**”) and in The Netherlands only during a subscription period from and including 10 March 2008 9:00 a.m. (Central European time) to and including 18 April 2008 5:00 p.m. (Central European Time) and in France during a subscription period from and including 24 March 2008 9:00 a.m. (Central European Time) to and including 18 April 2008 5:00 p.m. (Central European Time)(the “**Subscription Period**”, as applicable).

Early closing of the Subscription Period shall be possible at the discretion of the Issuer or Bear, Stearns International Limited as dealer of the issue of Notes (the “**Dealer**”). The Subscription Period may also be extended at the discretion of the Issuer or the Dealer. Any adjustments to the Subscription Period will be set out in one or more notices to be made available on the websites of the London Stock Exchange and of the Eurolist by Euronext Amsterdam (www.londonstockexchange.com). For the avoidance of doubt, adjustment of the Subscription Period shall not trigger the requirement to publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive.

The Issuer intends to request the FSA to provide each of the *Commission Bancaire, Financière et des Assurances* (“**CBFA**”), which is the competent authority in Belgium for the purposes of permitting an offer of Notes to the public in Belgium, the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the competent authority in Luxembourg for the purposes of permitting an offer of Notes to the public in Luxembourg, the *Autorité des marchés financiers* (the “**AMF**”), which is the competent authority in France for the purposes of permitting an offer of Notes to the public in France, and The Netherlands Authority for the Financial Markets (the “**AFM**”) (*Autoriteit Financiële Markten*), which is the competent authority in The Netherlands for the purposes of permitting an offer of Notes to the public in The Netherlands, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive and with a copy of the Prospectus.

The Prospectus will be used for the purposes of a public offering of the Notes in Belgium, Luxembourg, France and The Netherlands only. The Issuer and the Dealer have not taken any action which would permit the public offering of the Notes or distribution of this Prospectus or any other offering material in respect of the Notes in any other jurisdiction where action for that purpose is required. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any applicable restrictions on the distribution of this Prospectus and the offering and sale of the Notes. In particular investors should

comply with the restrictions set out in the “Subscription and Sale” and “Transfer Restrictions” section of the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Prospectus (including the information incorporated by reference herein as set out below). To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The information relating to the Reference Index (as defined below) contained in this Prospectus has been extracted from information publicly available and published by the Index Sponsor (as defined below). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and able to ascertain from information published by the Index Sponsor, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility for the correct reproduction of such information, but no further or other responsibility is accepted by the Issuer in respect of such information and, in particular the Issuer has not verified any such information. The Issuer shall not have any responsibility for any errors or omissions in the calculation or publication of the information relating to the Reference Index by the Index Sponsor or any other person.

No person is authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Notes or the distribution of this document in any jurisdiction where any such action is required.

The Dealer has not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealer as to the accuracy or completeness of the information contained in this document (or the Base Prospectus) or any other information provided by the Issuer. The Dealer accepts no liability in relation to the information contained in this document or the Base Prospectus or any other information provided by the Issuer in connection with the Notes.

The Offering Circular dated 31 August 2007, which constitutes a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive, shall be deemed to be incorporated into and form part of this Prospectus in its entirety (with the exception of any document incorporated by reference thereto) and such non-incorporated parts are not relevant for the investor save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus and such non-incorporated parts are not relevant for investors. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Base Prospectus except references to final terms shall be deemed to be references to this document. This document must be read in conjunction with the Base Prospectus and all documents which are deemed incorporated herein by reference. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of provisions set out within this document and the Base Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole.

Dealer
Bear, Stearns International Limited

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SUMMARY

This summary must be read as an introduction to the Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference herein. Following the implementation of the relevant provisions of Directive 2003/71/EC (the “Prospectus Directive”) in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

The following summary is taken from the remainder of this document. Words and expressions defined in “Terms of the Notes” below shall have the same meanings in this summary.

The Financial Services Authority (the “FSA”) has vetted the Prospectus and the Issuer intends to request that the Financial Services Authority issue certificates of approval attesting that the Prospectus, to which this summary relates, has been drawn up in accordance with the Prospectus Directive and authorising its use for the purposes of a public offering of the Notes in Belgium, Luxembourg, France and The Netherlands.

This summary has been translated into French and Dutch for the purposes of Article 17 of the Prospectus Directive and for passporting the Prospectus into Belgium, Luxembourg, France and The Netherlands. The French and Dutch versions of the summary are translations of this English summary.

SUMMARY OF THE ISSUER

The Bear Stearns Companies Inc. is a holding company that, through its broker dealers and international bank subsidiaries, principally Bear, Stearns & Co. Inc., Bear, Stearns Securities Corp., Bear, Stearns International Limited and Bear Stearns Bank Plc, is an investment banking, securities and derivatives trading, clearance and brokerage firm serving corporations, governments, institutional and individual investors world-wide.

SUMMARY OF TERMS AND CONDITIONS OF THE NOTES

Issuer:	The Bear Stearns Companies Inc.
Programme:	The Notes are issued pursuant to the Issuer’s U.S. \$30,000,000,000 Euro Medium Term Note Programme.
Dealer:	Bear, Stearns International Limited.
Trustee:	Citicorp Trustee Company Limited.
Issuing Agent and Principal Paying Agent:	The Bank of New York.
Calculation Agent:	Bear, Stearns International Limited.
Aggregate Nominal Amount of Notes:	Up to EUR 100,000,000. The final Aggregate Nominal Amount of the Notes will be determined by the Issuer and will be published on the website of the London Stock Exchange (www.londonstockexchange.com) not later than two (2) Business Days before the Issue Date, and will also be published

in the Euronext publication, the “Daily Official List”.

Currency: Euro.

Issue Date: 25 April 2008.

Subscription Period: (i) From and including 10 March 2008 9:00 a.m. (Central European time) to and including 18 April 2008 5:00 p.m. (Central European Time) in Belgium, Luxembourg and The Netherlands only; and

(ii) from and including 24 March 2008 9:00 a.m. (Central European time) to and including 18 April 2008 5:00 p.m. (Central European Time) in France

(the “**Subscription Period**” as applicable). Early closing of the Subscription Period shall be possible at the discretion of the Issuer or the Dealer.

The Subscription Period may also be extended at the discretion of the Issuer or the Dealer. Any adjustments to the Subscription Period will be set out in one or more notices to be made available on the websites of the London Stock Exchange and of the Eurolist by Euronext Amsterdam (www.londonstockexchange.com). For the avoidance of doubt, any adjustment to the Subscription Period shall not trigger the requirement to publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive.

There are no allotment criteria. All of the requests for allocation during the Subscription Period will be assigned until the maximum amount of the offer is reached (such amount being EUR 100,000,000). Therefore, there will be no notification of allocated amounts, and the Notes will be delivered to the Noteholders on the Issue Date.

No dealings in the Notes may begin until after the Issue Date.

In connection with the offer of the Notes in Belgium, the Dealer has appointed BKCP N.V. in connection with the distribution of the Notes in Belgium. In connection with the offer of the Notes in Luxembourg, France and The Netherlands, Bear, Stearns International Limited shall distribute the Notes in each of Luxembourg, France and The Netherlands.

The Dealer may pay to the Belgian Distributor a distribution fee. Any such amount received by the Belgian Distributor may be in addition to the brokerage fee/cost normally applied by the Belgian Distributor. Further information is available on request from the Belgian Distributor.

If any commissions or fees relating to the issue and sale of these Notes have been paid or are payable by the Issuer or Distributor to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations

applicable to such intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC), or as otherwise may apply in any non-EEA jurisdictions. Potential investors in these Notes who have purchased Notes through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.

Denomination of Notes:	EUR 1,000.
Minimum Subscription Amount:	EUR 1,000. There is no maximum subscription amount.
Maturity Date:	25 April 2013.
Issue Price:	100% of the Aggregate Nominal Amount of the Notes.
Net Proceeds:	Up to EUR 100,000,000
Type of Notes:	The Notes are linked to the Reference Index (as defined in the Schedule hereto)
Interest:	8.00 per cent. fixed rate payable annually in arrear on the Interest Payment Dates.
Reference Index:	The Dow Jones Euro STOXX 50 [®] Index (<i>Bloomberg[®] code: SX5E <Index></i>)
Final Redemption Amount:	Unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Issuer shall redeem each Note on the Maturity Date by payment of an amount in the Specified Currency (the “ Final Redemption Amount ” or “ FRA ”) determined by the Calculation Agent in accordance with paragraphs (a) or (b) below (as applicable):

- (a) if the Calculation Agent determines that the Index Level on any Observation Date is greater than the Barrier Level, then the Final Redemption Amount will be determined by the Calculation Agent in accordance with the following formula:

$$\text{FRA} = \text{SD} \times 100\%$$

- (b) if the Calculation Agent determines that the Index Level on any Observation Date is less than or equal to the Barrier Level, then the Final Redemption Amount will be determined by the Calculation Agent in accordance with the following formula:

$$\text{FRA} = \text{SD} \times \text{Min} \left[100\%; \left(\frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} \right) \right]$$

Where:

“**Index_{Final}**” means the official closing level of the Reference Index on the Final Valuation Date, as determined by the Calculation Agent.

“**Index_{Initial}**” means the official closing level of the Reference Index on the Initial Valuation Date, as determined by the Calculation Agent.

“**SD**” means, in respect of each Note, the Specified Denomination, being EUR 1,000.

“**Barrier Level**” means an amount equal to 50 per cent. of the Index_{Initial}.

“**Final Valuation Date**” means 18 April 2013, subject to adjustment in accordance with the provisions of the Schedule.

“**Index Level**” means the level of the Reference Index (on an intraday basis) on any Observation Date.

“**Index Sponsor**” means STOXX Limited or any agent or other person acting on behalf of such persons or any successor thereto.

“**Initial Valuation Date**” means 18 April 2008, subject to adjustment in accordance with the provisions of the Schedule.

“**Interest Payment Date**” means each of 25 April 2009, 26 April 2010, 25 April 2011, 25 April 2012 and 25 April 2013.

“**Observation Date**” means any Scheduled Trading Day in the Observation Period provided that if such Observation Date is a Disrupted Day, then such Disrupted Day shall not be an Observation Date.

“**Observation Period**” means the period from, but excluding, the Initial Valuation Date to, and including, the Final Valuation Date.

“**Reference Index**” means the Dow Jones Euro STOXX 50[®] Index (*Bloomberg[®] Code: SXSE <Index>*).

Issuer Early Redemption Call: None.

Noteholder Early Redemption Put: None.

Early Redemption for Tax Reasons: The Notes may be redeemed at the option of the Issuer for taxation reasons or following an Event of Default, as described below, at the Early Redemption Amount.

Taxation: All payments of interest or principal in respect of the Notes will be made without deduction for or on account of withholding taxes payable in the country in which the Issuer is organised, subject as provided in the Conditions. See the section headed “Belgian Taxation”, “Luxembourg Taxation”, “French Taxation” and “Netherlands Taxation” herein and in the Base Prospectus.

Early Redemption Amount:	An amount equal to the market value of the Notes on the date of redemption, adjusted to account fully for any losses, expenses or costs to the Issuer (or any of its affiliates) of unwinding any underlying hedging or funding arrangements, all as determined by the Issuer in its sole and absolute discretion.
Status of Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of the Conditions) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (subject as aforesaid and to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.
Form of Notes:	Bearer Form.
Clearing:	Euroclear Bank S.A./N.V. and Clearstream, Luxembourg.
Listing:	Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange for such Notes to be admitted to trading on the Regulated Market of the London Stock Exchange, which is a regulated market for the purposes of the Markets in Financial Instruments (Directive 2004/39/EC). Application will also be made to Euronext Amsterdam for the Notes to be admitted to trading on Eurolist by Euronext Amsterdam. There can be no assurance, however, that such listings and admissions to trading will be granted.
Public Offer:	The Notes will be offered to the public in Belgium, Luxembourg, France and The Netherlands.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes. See “Additional selling restrictions” in “Terms of the Notes” in the Prospectus and the section headed “Subscription and Sale and Transfer Restrictions” in the Base Prospectus.
Notices:	Any notice to Noteholders will be validly given if given in accordance with Condition 16.
Rating:	The Notes will not be rated.
Governing Law:	The Notes will be governed by and construed in accordance with English law.
Risk Factors:	<p>The market value of the Notes may be significantly less than their nominal amount during their lifetime and can be expected to fluctuate significantly. The market value of the Notes may be affected by many factors including, but not limited to: the performance of the Reference Index, the remaining term of the Notes, the general level of interest rates and the cost to the Issuer or the Dealer of unwinding any related hedging activity or any funding arrangement.</p> <p>These Notes are not principal protected. Noteholders should understand that payments of the Final Redemption Amount under the Notes will be linked to the performance of the</p>

Reference Index (as described herein), which itself contains substantial credit and market value risks.

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. See the sections “Questions and Answers” and “Risk Factors” below.

INCORPORATION BY REFERENCE

The following documents (with the exception of any document incorporated by reference thereto) which have previously been published and have been filed with the UK's Financial Services Authority are also deemed to be incorporated into and form part of this Prospectus:

- (a) the reports of the Independent Registered Public Accounting Firm and the Issuer's audited consolidated financial statements and related financial statement schedule for the year ended November 30, 2007, 2006, 2005 and 2004 (included in the Issuer's Annual Reports to Stockholders included in the Issuer's Forms 10-K);
- (b) the interim financial statements of the Issuer on Form 10-Q for (i) the quarter ended February 28, 2006; (ii) the quarter and six months ended May 31, 2006, (iii) the quarter ended August 31, 2006, (iv) the quarter ended February 28, 2007 (and the amended Form 10-Q/A in respect of the quarter ended February 28, 2007); (v) the quarter ended May 31, 2007; and (iv) the quarter ended August 31, 2007;
- (c) the Issuer's Form 10-K for the fiscal year ended November 30, 2007, 2006, 2005 and 2004 (and the amended Form 10-K/A in respect of the fiscal year ended November 30, 2005);
- (d) the current reports of the Issuer on Form 8-K which contain consolidated financial information of the Issuer and its subsidiaries dated December 9, 2005, December 15, 2005, December 27, 2005, January 20, 2005, January 25, 2006, March 16, 2006, June 15, 2006, June 21, 2006, August 10, 2006, August 15, 2006, September 14, 2006, September 20, 2006, October 10, 2006, November 15, 2006, December 14, 2006, January 10, 2007, January 25, 2007, February 14, 2007, March 15, 2007, March 22, 2007, April 18, 2007, May 14, 2007, May 21, 2007, June 14, 2007, June 22, 2007, June 25, 2007, June 26, 2007, August 5, 2007, September 20, 2007, October 2, 2007, October 22, 2007, November 14, 2007 (with the exception of the penultimate sentence in the third paragraph on Page 2), November 15, 2007, December 20, 2007, January 8, 2008, February 1, 2008 and February 14, 2008;
- (e) the Issuer's Proxy Statement in respect of (i) the annual meeting of stockholders April 11, 2006 and (ii) the annual meeting of stockholders April 18, 2007; and
- (f) the Base Prospectus dated 31 August 2007.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequent document which also is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any document incorporated by reference into the above documents that is not expressly incorporated by reference into this Prospectus does not form part of this Prospectus.

Copies of this Prospectus (including the documents incorporated by reference herein) are available for viewing at the registered office of the Issuer and from the specified offices of the Dealer and the Principal Paying Agent. The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon written request of such person, a copy of any or all of the documents which are incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the principal executive office or the registered office of the Issuer set out at the end of this Prospectus. In addition, such documents will be available from the specified office of the Principal Paying Agent, free of charge.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus except references to Final Terms and Prospectus shall be deemed to be references to this document. This document must be read in conjunction

with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of provisions set out within this document and the Base Prospectus.

RISK FACTORS

Noteholders should also read the risk factors set out in the Base Prospectus (including for the avoidance of doubt, the introductory paragraphs thereto) which are incorporated by reference into this Prospectus.

Liquidity Risk

Neither the Dealer nor the Issuer makes any representation as to the existence of a secondary market for the Notes. The market value can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Notes. The market value of the Notes, if any, may be affected by many factors including, but not limited to: the performance of the Reference Index (as defined herein), the remaining term of the Notes, the general level of interest rates and the cost to the Issuer or the Dealer of unwinding any related hedging activity or any funding arrangement.

Index Linked Redemption Notes

These Notes are not principal protected. Noteholders should understand that payments of the Final Redemption Amount under the Notes will be linked to the performance of the Reference Index, which itself contains substantial credit and market risks.

A Noteholder may not receive full payment of its initial investment and may suffer a total loss of its investment without receiving any interest thereon and should be able to bear such loss.

In addition, a Noteholder may receive less than the principal amount in respect of any Note in the event that (1) such Noteholder sells such Note prior to the Maturity Date or (2) the Notes are redeemed early pursuant to Condition 8(b) or Condition 11.

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Reference Index based upon such investigations and not in reliance upon any information given in this document.

Potential investors in the Notes should only take a decision to invest in the Notes after carefully consulting their advisers, taking into account their financial situation and the information contained in the Base Prospectus, this Prospectus and the information regarding the Reference Index.

The Issuer cannot be held liable for fluctuations in the value of the Notes or in the return on the Notes during the life thereof.

Risk of Insolvency of the Issuer

The Notes are an unsecured obligation of the Issuer. The value of the Notes does not merely depend on the performance of the Reference Index, but also on the solvency of the Issuer.

Subscription Period

The Subscription Period for France commences at 9.00 a.m. (C.E.T.) on 24 March 2008. No offer of Notes may be made in France prior to such time. The Subscription Period for the Notes may be shortened at the discretion of the Issuer or the Dealer. The Subscription Period may also be extended at the discretion of the Issuer or the Dealer. Any adjustment to the Subscription Period shall not trigger the requirement to publish a supplement to the Prospectus pursuant to Article 16 of the Prospectus Directive.

QUESTIONS AND ANSWERS

These questions and answers highlight certain information from the Prospectus in respect of the Notes and the Base Prospectus to help you understand the terms of the Notes. You should read carefully the Prospectus and the Base Prospectus to understand fully the terms of the Notes and certain information about the Reference Index and the Issuer. All of the information set out below is qualified in its entirety by the detailed provisions set out in the Prospectus.

What are the Notes?

The Notes are scheduled to issue on 25 April 2008 and scheduled to mature on 25 April 2013 (the “**Maturity Date**”).

The Notes provide for a fixed coupon of 8.00 per cent. payable annually on each Interest Payment Date.

Please note that the Notes are not deposits and therefore do not benefit from any insurance or government support that may be available for deposits. The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer. The Notes will rank in equal terms (“*pari passu*”) with all other unsecured and unsubordinated obligations of the Issuer. If the Issuer were to become insolvent, the claims of holders of certain deposit liabilities, the claims of a receiver for administrative expenses, and potentially the claims of certain others will have priority over the claims of general unsecured creditors, including holders of the Notes.

Is there any limit on how much I can lose on the Notes?

No, depending on the performance of the Reference Index, you may lose the entire Issue Price paid in respect of the Notes. There is no guarantee that you will receive any return on your investment on the Maturity Date and you should be prepared to bear such loss.

Is there any limit on how much the Notes will pay me?

Yes.

What is the Reference Index?

The Reference Index is the Dow Jones Euro STOXX 50[®] Index. For further information in respect of the Reference Index, please see the more detailed information contained in Part B of this Prospectus.

What do the Notes pay on the Maturity Date?

The level of the Reference Index is observed from (but excluding) 18 April 2008 to and including 18 April 2013 (the “**Barrier Observation Period**”). If during the Barrier Observation Period, the Reference Index has never traded at or below 50% of the $Index_{initial}$, the Notes will pay, at maturity, the principal amount of the Note multiplied by 100%, as determined by the Calculation Agent in accordance with the provisions set out below.

If during the Barrier Observation Period, the Reference Index has at least once traded at or below 50% of the $Index_{initial}$, the Notes will pay, at maturity, the minimum between 100% or the performance of the Reference Index multiplied by the specified denomination, as determined by the Calculation Agent in accordance with the formula set out in the Terms of the Notes.

The following examples are set out to illustrate how the amount payable at the Maturity Date is determined (the figures set out in the examples are based on assumptions of hypothetical scenarios).

Example 1

Date	Reference Index level
Initial Valuation Date	3750
Final Valuation Date	4100

During the Barrier Observation Period, the Reference Index has never traded at or below 50% of the level of the Reference Index (on an intraday basis) on 18 April 2008.

Principal per Note	EUR 1000
Performance of the Reference Index	+9.33%
Redemption per Note	EUR 1000

The investor will receive EUR 1,000 per Note.

Example 2:

Date	Reference Index Level
Initial Valuation Date	3750
Final Valuation Date	2400

During the Barrier Observation Period, the Reference Index has at least once traded at or below 50% of the level of the Reference Index (on an intraday basis) on 18 April 2008.

Principal per Note	EUR 1000
Performance of the Reference Index	- 36.00%
Redemption per Note	EUR 640

The investor will receive the minimum between 100% or the performance of the Reference Index multiplied by the specified denomination, which will be EUR 640.

Example 3:

Date	Reference Index Level
Initial Valuation Date	3750
Final Valuation Date	0

Example 4:

Date	Reference Index Level
Initial Valuation Date	3750
Final Valuation Date	4150

During the Barrier Observation Period, the Reference Index has at least once traded at or below 50% of the level of the Reference Index (on an intraday basis) on 18 April 2008.

Principal per Note	EUR 1000
Performance of the Reference Index	+10.67%
Redemption per Note	EUR 1000

As the Performance of the Reference Index is positive, the investor will receive EUR 1,000 per Note.

During the Barrier Observation Period, the Reference Index has at least once traded at or below 50% of the level of the Reference Index (on an intraday basis) on 18 April 2008.

Principal per Note	EUR 1000
Performance of the Reference Index	- 100%
Redemption per Note	EUR 0

The investor will lose the entire principal amount of the Note.

What will happen if certain events occur in relation to the Reference Index?

Upon the occurrence of certain events (such as disruptions in connection with some of the component shares comprised in the Reference Index, the non-publication of the level of the Reference Index, the modification or cancellation of the Reference Index or the correction of the level of the Reference Index), certain adjustments and actions may be made by the Calculation Agent to the terms of the Notes. These adjustments or actions are set out in more detail in the “*Terms of the Notes*” below.

What is the minimum required purchase?

You can purchase Notes in a minimum amount of EUR 1,000.

Who is issuing the Notes?

The Notes are issued by The Bear Stearns Companies Inc. under its U.S.\$30,000,000,000 Euro Medium Term Note Programme. The Bear Stearns Companies Inc. is a holding company incorporated in the State of Delaware, U.S.A.

Will the Notes be rated?

The Notes will not be rated by any rating agency.

Will the Notes be listed on any securities exchange?

It is intended that the Notes be listed and admitted to trading on the Regulated Market of the London Stock Exchange and on the Eurolist by Euronext Amsterdam. There can be no assurance, however, that such listing and admission will be granted.

Can I sell my Notes?

Yes, but the price at which you may sell them will be the then current market value (which may be lower than the Issue Price) and you must comply with any legal and/or regulatory requirements applicable to your transaction.

What are the tax implications of owning the Notes?

Please refer to the section entitled “Belgian Taxation”, “Luxembourg Taxation”, “French Taxation” and “Netherlands Taxation” set out herein. Buying, owning and selling the Notes may present different tax issues depending on your particular tax position. You should consult with your tax adviser concerning these issues.

What risks are associated with owning the Notes?

The Notes do not guarantee the principal at maturity and may fluctuate below par in the meantime. You should consider carefully whether you are able to withstand a potential loss of your initial investment if the Notes are sold during the life of the product. Please refer to both the section entitled “Risk Factors” in the Prospectus and also to the section entitled “Risk Factors” in the Base Prospectus.

BELGIUM TAXATION

The summary below is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Belgium tax law which could be of relevance to the holder of a Note. It is limited to Belgium tax law as applied by the Belgian courts and published and in effect on the date of this supplement and it is subject to any change in law, possibly with retroactive effect.

PROSPECTIVE HOLDERS OF A NOTE AND INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE ACQUISITION, HOLDING OR DISPOSAL OF A NOTE.

Income taxation

For Belgian income tax purposes, the Notes are considered as fixed income securities.

The positive difference between the issue price of the Notes and the redemption amount will be treated as interest for Belgian tax purposes.

Resident holders of the Notes - Individuals

Belgian residents subject to Belgian personal income tax are normally subject to the following tax treatment with regard to the Notes.

The interest on Notes is subject to a Belgian withholding tax of 15 per cent. if such interest is collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further, and need not be reported in the tax return. Noteholders who collect the payment abroad without Belgian withholding tax are required to mention this income in their tax return and will be taxed thereon at 15 per cent. plus local surcharges.

Capital gains realised on the sale of Notes on the secondary market before maturity are generally not taxable for individuals (except for the accrued interest component), save where the purchaser is the issuer. In the latter case, capital gains are taxable as interest. Capital losses realised on the sale of Notes are not tax deductible.

Other rules may be applicable in certain specific cases, especially when the Noteholders are Belgian residents holding investments within the framework of their professional activity, or when transactions regarding the Notes fall outside the scope of common private asset management transactions.

Resident holders of the Notes - Corporations

Companies that are subject to Belgian corporate tax are normally subject to the tax treatment described below with regard to the Notes.

The total amount of income from the Notes will be part of the taxable profit of the company.

The amount of interest on Notes that is collected through an intermediary established in Belgium is subject to Belgian withholding tax of 15 per cent.

Any Belgian withholding tax can be offset against the investor's corporate tax, but only in proportion to the period during which the company held the notes (in full ownership).

Capital gains realised on the sale of the Notes are taxable while capital losses realised are in principle tax deductible.

Resident holders of the Notes - Non-profit entities (such as pension funds)

The interest on Notes is subject to a Belgian withholding tax of 15 per cent. if such interest is collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further.

Noteholders who collect the payment abroad without Belgian withholding tax are required to declare this income and to pay the withholding tax on their own initiative.

Capital gains realised on the sale of Notes on the secondary market before maturity are generally not taxable for non-profit entities (except the accrued interest component), save where the purchaser is the issuer. In the latter case, the difference between the issue price and the redemption amount are taxable as interest. Capital losses realised on the sale of Notes are not tax deductible.

Taxation applicable to Non-resident holders of the Notes

Interest on Notes paid to non-resident investors, is not subject to Belgian withholding tax if it is not collected through a Belgian financial intermediary.

Income of Notes that is collected through a financial intermediary established in Belgium may be subject to 15 per cent. withholding tax, unless the Noteholder is resident in a country with which Belgium has concluded a tax treaty providing for a lower rate of withholding tax.

An exemption from withholding tax is available in respect of Notes if the non-resident does not use the Notes for a business activity in Belgium and provides the withholding agent with the prescribed tax certificate confirming that the conditions stated for the exemption, are met.

Non-resident companies who allocate the Notes to a business activity in Belgium (for example, through a permanent establishment) are subject to the same rules as companies resident in Belgium.

Non-resident Noteholders who do not allocate the Notes to a business activity in Belgium are not subject to Belgian income tax save, as the case may be, in the form of withholding tax.

In accordance with European Council Directive 2003/48/EC on the taxation of savings, Belgium enacted on 17 May 2004 a law that incorporates this directive into Belgian law. The law provides that interest paid to individuals resident in a European Union member state other than Belgium are subject to a “levy for the State of residence”, the rate of which has been set at 15% for the three first years after the entry into force of the law, 20% for the three following years and 35% thereafter. A levy for the state of residence will also be applied in respect of interest paid to residents in the following third countries: Switzerland, Andorra, Monaco, Liechtenstein, San Marino, Dutch Antilles, Aruba, Guernsey, the Isle of Man, Jersey, Anguilla, the British Virgin Islands, Montserrat and the Turks and Caicos Islands. The tax will not be levied if the beneficial owner provides to the paying agent a prescribed certificate issued in his name by the competent authority of his state of residence. The European Union decided on 19 July 2004 that the directive should in principle be applied as from 1 July 2005. The law of 17 May 2004 has taken effect on 1 July 2005.

Stamp duty

Secondary market trades in respect of the Notes may give rise to a stamp duty 0.07% (*taks op beursverrichtingen/taxe sur les opérations de bourse*) if they are carried out through an intermediary established in Belgium.

The amount of the stamp duty, however, is capped at EUR 500 per transaction, and various types of investors (including credit institutions, insurance companies, pension funds and all non-residents of Belgium) are exempted from this stamp duty.

Tax on the delivery of bearer instruments

The delivery to Noteholders of Notes in bearer form will give rise to a 0.6% tax on the delivery of bearer instruments, if such delivery occurs in Belgium and unless it is made in connection with a primary market subscription to these Notes.

Inheritance duties

No Belgian inheritance duties will be levied in respect of the Notes if the deceased Noteholder was not a Belgian resident at the time of his or her death.

LUXEMBOURG TAXATION

The summary below is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Luxembourg tax law which could be of relevance to the holder of a Note. It is limited to Luxembourg tax law as applied by the Luxembourg courts and published and in effect on the date of this supplement and it is subject to any change in law, possibly with retroactive effect.

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidarité*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

TAXATION OF THE HOLDERS OF NOTES

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-residents holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15% during the first three-year period starting 1 July 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 15%.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10%.

Income Taxation

(i) Non-resident holders of Notes

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

(ii) Resident holders of Notes

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of Notes, acting in the course of the management of a professional or business undertaking.

A holder of Notes that is governed by the law of 31 July 1929, on pure holding companies, as amended, or by the law of 11 May 2007 on family estate management companies or by the law of 20 December 2002 on undertakings for collective investment, as amended, and the law of 13 February 2007 on specialised investment funds, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Notes, except if withholding tax has been levied on such payments in accordance with the Law. A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if withholding tax has been levied on such interest in accordance with the Law.

Net Wealth Taxation

A corporate holder of Notes, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of 31 July 1929 on pure holding companies, as amended, or by the law of 11 May 2007 on family estate management companies or by the law of 20 December 2002 on undertakings for collective investment, as amended, and the law of 13 February 2007 on specialised investment funds or is a securitisation company governed by the law of 22 March 2004 on securitisation, or a capital company governed by the law of 15 June 2004 on venture capital vehicles.

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

Neither the issuance nor the transfer of Notes will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed or recorded in Luxembourg.

FRANCE TAXATION

The summary below is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of French tax law which could be of relevance to the holder of a Note. It is limited to French tax law as applied by the French courts and published and in effect on the date of this supplement and it is subject to any change in law, possibly with retroactive effect.

PROSPECTIVE HOLDERS OF A NOTE AND INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE ACQUISITION, HOLDING OR DISPOSAL OF A NOTE.

Investors residing in France - Individuals

Taxation of capital gains

Capital gains derived from the disposal of the Notes are subject to capital gains tax at the rate of 18% plus 11% social contributions (i.e. a global rate of taxation of 29%). However, gains realised in a given calendar year are only taxable if the total proceeds of sales of securities realised by the taxpayer and his/her household exceeds a certain threshold in such year. For 2008, the threshold is EUR 25,000.

If the French investor sells securities at a loss, such loss may be offset against capital gains of the same nature during the year of the loss or the ten following years, subject to filing obligations and provided that the above sales threshold (i.e. currently EUR 25,000) was exceeded in the year in which the loss was realised.

Taxation of interest payments and bond redemption premium (Prime de remboursement)

Interests and bond redemption payments made to an individual are taxed according to the standard progressive income tax schedule, whose top rate is currently 40%. The above-mentioned social contributions of 11% are also due.

However, the individual has the possibility to elect to be subject to a final withholding tax levied at the rate of 18%, plus the above social contributions of 11%, which gives a global rate of taxation of 29%.

Investors residing in France - Corporations subject to French corporate income tax

Taxation of capital gains

Capital gains from the disposal of the Notes are subject to corporate income tax at the standard rate of 33 1/3%, to which a 3.3% surtax is added upon certain circumstances. Capital losses are in principle treated as ordinary losses which may be set off against operational profits and any remaining balance carried forward in accordance with standard rules (i.e., unlimited carry forward save specific circumstances).

Taxation of interest payments and bond redemption premium (Prime de remboursement)

Interest payments are taxed at the above-mentioned standard corporate income tax rate (or the reduced rate applicable to small companies where the relevant conditions are met) on the basis of accrued interest.

Bond redemption premiums are taxed at the above-mentioned standard corporate income tax rate (or the reduced rate applicable to small companies where the relevant conditions are met). Furthermore, Article 238 *septies* E of the French general tax code (FGTC) may possibly apply. According to the provisions of this Article 238 *septies* E, if the estimated value of the redemption premium exceeds purchase value by 10% and the issue price is less than 90% of the estimated redemption value, such premium due to indexation of the principal is partially taxed before maturity on an annual basis, even though this premium is only collected on disposal or redemption on maturity.

Investors residing abroad

Taxation of capital gains

In principle, capital gains realised by the investors upon the sale or disposal of the Notes is not subject to capital gains tax in France. The same applies to companies, provided that the Notes are not booked in a permanent establishment or fixed base in France.

Taxation of interest payments and bond redemption premium (Prime de remboursement)

Investors residing abroad are in principle subject to a 18% withholding tax in application of Article 125 A III of the FGTC. However, they benefit here from the exemption mechanism provided by Article 131 *quater* of the FGTC, which concerns borrowings contracted outside France. Indeed, as they are denominated in euro, the Notes are deemed to be contracted outside of France in the meaning of Article 131 *quater* of the FGTC.

Based on the above, all payments of interest as well as bond redemption payment made under the Notes should therefore be free of withholding tax or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed in France.

NETHERLANDS TAXATION

The summary below is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Dutch tax law which could be of relevance to the holder of a Note. It is limited to Dutch tax law as applied by the Dutch courts and published and in effect on the date of this supplement and it is subject to any change in law, possibly with retroactive effect.

PROSPECTIVE HOLDERS OF A NOTE AND INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE ACQUISITION, HOLDING OR DISPOSAL OF A NOTE.

Withholding Tax

All payments of interest and principal under a Note made by the Issuer may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Residents of The Netherlands

The description of certain Dutch taxes set out below is only intended for the following Noteholders:

- (i) individuals who are resident or deemed to be resident of The Netherlands or individuals who have opted to be taxed as a resident of The Netherlands for the purpose of the relevant Dutch tax law provisions; and
- (ii) corporate entities, which term includes associations which are taxable as corporate entities under Dutch tax law, which are resident or deemed to be resident of The Netherlands for the purpose of the relevant Dutch tax law provisions, excluding corporate entities which are: (i) not subject to Dutch corporate income tax (*vennootschapsbelasting*), (ii) exempt from Dutch corporate income tax, including but not limited to pension funds (*pensioenfondsen*) as defined under Dutch law, (iii) investment institutions (*beleggingsinstellingen*) as defined under Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*); or (iv) subject to a special regime such as, amongst others, banks, insurance companies and brokers.

Individuals

Generally, an individual, to whom none of the exemptions of the following paragraph applies, will be subject to Dutch income tax on the basis of a deemed yield from the Notes, regardless of the actual income (including any capital gains) derived from the Notes. The deemed yield amounts to 4 per cent of the average value of the Noteholder's net assets in the relevant fiscal year, including the Notes. The deemed yield, as reduced by certain base allowances, will be taxed at a flat rate of 30 per cent.

Any benefits derived or deemed to be derived from the Notes (including any capital gains realised on the disposal thereof) which are: (i) attributable to an enterprise from which the resident derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or as shareholder, (ii) taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*) (as defined in Dutch tax law), which include but are not limited to activities which are beyond the scope of regular active asset management (*normaal actief vermogensbeheer*) (as defined in Dutch tax law), and (iii) connected with employment income or (iv) derived from a substantial interest or a deemed substantial interest in the Issuer, are generally subject to Dutch income tax at progressive rates with a maximum of 52 per cent.

Generally, a person will have a substantial interest (*aanmerkelijk belang*) (as defined in Dutch tax law) if he, or his partner (partner) (as defined in Dutch law) holds, alone or together, whether directly or indirectly, the ownership of, or certain other rights over, shares representing five per cent or more of the total issued and

outstanding capital (or the issued and outstanding capital of any class of shares) of the issuer, or rights to acquire, whether directly or indirectly shares, whether or not already issued, that represent at any time (and from time to time) five per cent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer or the ownership of certain profit participating certificates that relate to five per cent or more of the annual profit of the Issuer and/or to five per cent or more of the liquidation proceeds of the Issuer. A substantial interest is also present if a holder of shares does not, but his or his partner's children (including foster children), certain of his or his partner's other relatives or certain persons sharing his household do have a substantial interest in the Issuer. A deemed substantial interest is also present, if (part of) a substantial interest has been disposed of, or is deemed to have been disposed of, on a non-recognition basis as a result whereof the above-mentioned interest in the Issuer has been reduced to less than 5 per cent.

Corporate entities

A resident of The Netherlands which is a corporate entity will generally be subject to Dutch corporate income tax with respect to income (including any capital gains) derived from the Notes. The Dutch corporate income tax rate (2008) is 20 per cent over the first EUR 40,000 of taxable income, 23.5 per cent over any taxable income between EUR 40,000 and EUR 200,000 and 25.5 per cent over any taxable income exceeding EUR 200,000.

Non-residents of The Netherlands

A Noteholder who derives income or who realises a gain from the disposal or redemption of a Note will not be subject to Dutch taxation on such income or gain, provided that:

- (i) the Noteholder is neither resident nor deemed to be resident of The Netherlands for Dutch tax purposes and, if the Noteholder is an individual, he has not elected to be treated as a resident of The Netherlands for the purpose of the relevant Dutch tax law provisions;
- (ii) the Noteholder does not have an enterprise or deemed enterprise (as defined in Dutch tax law) or an interest in an enterprise or deemed enterprise (as defined in Dutch tax law) that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands and to which enterprise or part of that enterprise, as the case may be, the Notes are attributable;
- (iii) the Noteholder is not entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Notes are attributable;
- (iv) the Noteholder does not have a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer as defined in the Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*);
- (v) the Noteholder does not carry out and has not carried out employment activities in The Netherlands nor carries or carried out employment activities outside The Netherlands for which the remuneration is subject to Dutch wage withholding tax and with which employment activities the holding of the Notes is connected; and
- (vi) the Noteholder does not derive benefits from the Notes that are taxable as benefits from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*) as defined in the Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*), which include, but are not limited to, activities in respect of the Notes which are beyond the scope of "regular active asset management" (*normaal actief vermogensbeheer*).

Under Dutch law a Noteholder will not be deemed resident, domiciled or carrying on a business in The Netherlands by reason only of its holding of the Notes or the performance by the Issuer of its obligations under the Notes.

Gift and Inheritance Taxes

No gift, estate or inheritance taxes will arise in The Netherlands with respect to the acquisition of a Note by way of gift by, or on the death of, a Noteholder who is neither resident nor deemed to be resident of The Netherlands, unless:

- (i) the Noteholder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable;
- (ii) the Notes are or were attributable to an enterprise that is effectively managed in The Netherlands and at the time of the gift the donor is, or at the time of his death the deceased was, entitled to a share in the profits of that enterprise or part thereof other than by way of securities or through an employment contract; or
- (iii) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident of The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

For the purpose of Dutch gift, estate and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of The Netherlands at the date of the gift or the date of his death, if he has been a resident of The Netherlands at any time during the ten years preceding the date of his gift or the date of his death.

For the purposes of Dutch gift tax, an individual who does not have the Dutch nationality will be deemed to be a resident of The Netherlands at the date of the gift, if he has been a resident of The Netherlands at any time during the twelve months preceding the date of the gift.

Value Added Tax

No value added tax (*Omzetbelasting*) will arise in The Netherlands in respect of any payment of interest and principal by the Issuer under, or with respect to any payment by a Noteholder in consideration for its acquisition of, a Note.

Stamp duty

No stamp duty, registration tax or any other similar documentary tax or duty, other than court fees, will be payable in The Netherlands in respect of or in connection with the Issuer's Issue or performance, or a Noteholder's transfer or enforcement, of a Note.

EU SAVING DIRECTIVE

European Union Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) became operative on 1 July 2005. Under the Savings Directive, each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in another Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain agreements relating to information exchange with certain other countries and territories).

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

TERMS OF THE NOTES

1. Issuer: The Bear Stearns Companies Inc.
2. (a) Series Number: 1756.
(b) Tranche Number: 1.
3. Specified Currency or Currencies: Euro (“EUR”).
4. Aggregate Nominal Amount:
(a) Series: Up to EUR 100,000,000
(b) Tranche: Up to EUR 100,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount.
6. (a) Specified Denomination: The Specified Denomination of the Notes shall be EUR 1,000.
(b) Calculation Amount: The Specified Denomination
7. (a) Issue Date: 25 April 2008
(b) Interest Commencement Date: Issue Date
8. Maturity Date: 25 April 2013
9. Interest Basis: 8.00 per cent. flat rate payable annually in arrear on each Interest Payment Date.
10. Redemption/Payment Basis: Index Linked Redemption, as set out in the Schedule hereto.
11. Change of Interest Basis or Redemption/Payment Basis: Not Applicable.
12. Put/Call Options: Not Applicable.
13. Status of the Notes: Senior.
14. Method of distribution: Non-syndicated.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Applicable.
(a) Rate(s) of Interest: 8.00 per cent. flat.
(b) Interest Payment Date(s): Each of: (i) 25 April 2009, (ii) 26 April 2010, (iii) 25 April 2011, (iv) 25 April 2012 and (v) 25 April 2013.
(c) Business Day Convention (for the purpose of determining Accrual Period pursuant to Condition Following Business Day Convention.

5(a)(i):

- (d) Additional Business Centre(s): TARGET.
- (e) Fixed Coupon Amount(s): Not Applicable
- (f) Broken Amount(s): Not Applicable.
- (g) Day Count Fraction: Not Applicable.
- (h) Determination Date(s): Not Applicable.
- (i) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable.

- 16. Floating Rate Note Provisions: Not Applicable.
- 17. Zero Coupon Note Provisions: Not Applicable.
- 18. Indexed Interest Note Provisions: Not Applicable.
- 19. Linked Note Provisions: Not Applicable.
- 20. Dual Currency Interest Note Provisions: Not Applicable.

PROVISIONS RELATING TO REDEMPTION

- 21. Issuer Call: Not Applicable.
- 22. Investor Put: Not Applicable.
- 23. Final Redemption Amount of each Note: As set out in the Schedule hereto.
- 24. Early Redemption Amount of each Note payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)): The Early Redemption Amount of the Notes payable on redemption for tax reasons or following an Event of Default shall be an amount equal to the market value of the Notes on the date of redemption, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Issuer in its sole and absolute discretion.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25. (a) Form of Notes: Bearer Notes.
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event.
- (b) New Global Note: No.
- 26. Other special provisions relating to Payment Business Days (Condition 7(c)): Not Applicable.

- | | | |
|-----|--|------------------------------------|
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No. |
| 28. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable. |
| 29. | Details relating to Instalment Notes: | Not Applicable. |
| 30. | Redenomination applicable: | Redenomination not applicable. |
| 31. | Other Terms: | As set out in the Schedule hereto. |

DISTRIBUTION

- | | | |
|-----|---|---|
| 32. | (a) If syndicated, names of Managers: | Not Applicable. |
| | (b) Date of Subscription Agreement: | Not Applicable. |
| | (c) Stabilising Manager (if any): | Not Applicable. |
| 33. | If non-syndicated, name and address of relevant Dealer: | Bear, Stearns International Limited
One Canada Square
London
E14 5AD |
| 34. | Total commission and concession: | Not Applicable. |
| 35. | U.S. Selling Restrictions: | TEFRA D. |
| 36. | Non-Exempt Offer: | Not Applicable. |
| 37. | Additional selling restrictions: | Not Applicable. |

LISTING AND ADMISSION TO TRADING APPLICATION

This document comprises the Prospectus required to list and have admitted to trading the issue and public offer in Belgium, Luxembourg, France and in The Netherlands and admission to trading on the Regulated Market of the London Stock Exchange and admission to the Official List of the UK Listing Authority and on the Eurolist by Euronext Amsterdam of the Notes described herein pursuant to the U.S.\$30,000,000,000 Euro Medium Term Note Programme of The Bear Stearns Companies Inc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Prospectus. The information on the Reference Index has been extracted from Bloomberg[®]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Bloomberg[®], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:.....

Duly authorised

PART B – OTHER INFORMATION

- 1. LISTING AND ADMISSION TO TRADING** Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange for such Notes to be admitted to trading on the Regulated Market of the London Stock Exchange, which is a regulated market for the purposes of the Markets in Financial Instruments (Directive 2004/39/EC). Application will also be made to Euronext Amsterdam for the Notes to be admitted to trading on Eurolist by Euronext Amsterdam. There can be no assurance, however, that such listings and admissions to trading will be granted.

2. RATINGS

Ratings: The Notes to be issued have not been rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer and the fee payable to a third party, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: The net proceeds from the issue of Notes will be applied by the Issuer for the general corporate purposes of the Group which may include making a profit, additions to working capital, the repayment of short term indebtedness, the replacement or repayment of long term debt, investments in, or extensions of credit to, subsidiaries of the Parent, the purchase and maintenance of positions in certain stocks, bonds, other securities or assets or certain options contracts or forward contracts or other derivative or synthetic instruments relating thereto in connection with hedging obligations relating to the Notes and other investment activities.

(ii) Estimated net proceeds: Up to EUR 100,000,000

(iii) Estimated total expenses: Not Applicable.

5. YIELD

Not Applicable.

6. HISTORIC INTEREST RATES

Not Applicable.

7. PERFORMANCE OF REFERENCE INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Information on the Reference Index and past and future performance and volatility of the Reference Index can be obtained from Bloomberg® on page SX5E<Index>.

The Dow Jones Euro STOXX 50® Index is a free float market capitalisation-weighted index sponsored and published by STOXX Limited, a joint venture between two major European exchanges, Deutsche Börse AG and SWX Group, and the Dow Jones & Company. The objective of the Reference Index is to represent the leading economic sectors in the Eurozone. The Reference Index consists of 50 stocks covering the largest sector leaders and comprises blue-chip stocks from countries in the European Monetary Union, including Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal and Spain.

The Issuer does not intend to provide post-issuance information.

8. PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Not Applicable.

9. OPERATIONAL INFORMATION

- | | | |
|-------|--|---------------------------|
| (i) | ISIN Code: | XS0349410760 |
| (ii) | Common Code: | 034941076 |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable. |
| (iv) | Delivery: | Delivery against payment. |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable. |
| (vi) | Intended to be held in a manner which would allow Eurosystem eligibility: | No. |

10. TERMS AND CONDITIONS OF THE OFFER

- | | |
|---|--|
| Offer Price: | Issue Price |
| Conditions to which the offer is subject: | As set out in “ <i>Terms of the Notes</i> ” of this Prospectus |
| Description of the application process: | The Notes will be offered to the public in:
(i) Belgium, Luxembourg and The Netherlands during the Subscription Period from and including 10 March 2008 9:00 a.m. (Central European Time) to and including 18 April 2008 5:00 p.m. (Central European Time); and
(ii) in France during the Subscription Period from |

and including 24 March 2008 9:00 a.m. (Central European Time) to and including 18 April 2008 5:00 p.m. (Central European Time)(the “**Subscription Period**” as applicable).

Early closing of the Subscription Period shall be possible at the discretion of the Issuer or the Dealer. The Subscription Period may also be extended at the discretion of the Issuer or the Dealer.

Any adjustments to the Subscription Period will be set out in one or more notices to be made available on the website of the London Stock Exchange (www.londonstockexchange.com).

For the avoidance of doubt, any adjustment to the Subscription Period shall not trigger the requirement to publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive.

Additional information about the application process can be obtained from the relevant Distributors at the addresses provided below.

In connection with the offer of the Notes in Belgium, the Dealer has appointed BKCP N.V. in connection with the distribution of the Notes in Belgium. In connection with the offer of the Notes in Luxembourg, France and The Netherlands, Bear, Stearns International Limited shall distribute the Notes in each of Luxembourg, France and The Netherlands.

The Dealer may pay to the Belgian Distributor a distribution fee. The distribution fee will equal to an amount between 1.5% and 4%, depending on the result of the offer and on the prevailing market conditions. Any such amount received by the Belgian Distributor may be in addition to the brokerage fee/cost normally applied by the Belgian Distributor. Further information is available on request from the Belgian Distributor.

If any commissions or fees relating to the issue and sale of these Notes have been paid or are payable by the Issuer or Bear, Stearns International Limited to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC), or as otherwise may apply in any

	non-EEA jurisdictions. Potential investors in these Notes who have purchased Notes through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.
Details of the minimum and/or maximum amount of application:	The minimum amount of application is EUR 1,000 and there is no maximum amount of application.
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable
Details of the method and time limits for paying up and delivering the Notes:	Payment in full on the Issue Date through Euroclear / Clearstream against delivery of the Notes to a common depository for Euroclear / Clearstream on the Issue Date in accordance with payment instructions to be notified by the Issuer.
Manner in and date on which results of the offer are to be made public:	The final Aggregate Nominal Amount of the Notes will be determined by the Issuer and will be published on the website of the London Stock Exchange (www.londonstockexchange.com) not later than two (2) Business Days before the Issue Date, and will also be published in the Euronext publication, the “Daily Official List”.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	The Notes will be offered to the public in Belgium, Luxembourg, France and in The Netherlands.
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	There are no allotment criteria. All of the requests for allocation during the Subscription Period will be assigned until the maximum amount of the offer is reached (such amount being EUR 100,000,000). Therefore, there will be no notification of allocated amounts. No dealings in the Notes may begin until after the Issue Date.
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	See Sections “Belgium Taxation”, “Luxembourg Taxation”, “France Taxation” and “Netherlands Taxation” above.
Name(s) and address(es), to the extent known to the Issuer, of the placers in Belgium:	BKCP N.V. Avenue des Arts 6-9 B-1210 Brussels (the “ Belgian Distributor ”)

Name(s) and address(es), to the extent known to the Issuer, of the placers in Luxembourg: Bear, Stearns International Limited
One Canada Square
London
E14 5AD

(the “**Luxembourg Distributor**”)

Name(s) and address(es), to the extent known to the Issuer, of the placers in France: Bear, Stearns International Limited
One Canada Square
London
E14 5AD

(the “**French Distributor**”)

Name(s) and address(es), to the extent known to the Issuer, of the placers in The Netherlands: Bear, Stearns International Limited
One Canada Square
London
E14 5AD

(the “**Netherlands Distributor**”)

11. NOTEHOLDERS’ REPRESENTATIONS

By purchasing the Notes, each Noteholder represents and agrees that:

- (a) in deciding whether or not to purchase the Notes it has carefully read and has fully understood the Base Prospectus and this Prospectus;
- (b) it has sufficient knowledge and experience and has taken such professional advice and has independently obtained such information as it thinks necessary to make its own evaluation of the merits and risks involved in purchasing the Notes and in making an investment of this type;
- (c) it has itself been, and will at all times continue to be, solely responsible for making its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Issuer;
- (d) in deciding whether or not to purchase the Notes, it is not relying on any communication (written or oral) of the Issuer or the Dealer as investment advice or as a recommendation to purchase the Notes, it being understood that information and explanations related to the terms and conditions of the Notes and the agreements that are described in the Base Prospectus and in this Prospectus shall not be considered investment advice or a recommendation to purchase the Notes;
- (e) it understands that the Issuer is not making, and has not made, any representations whatsoever as to the Reference Index or any information in respect of the Reference Index;
- (f) it acknowledges that the Notes are not, and do not represent or convey any interest in, a direct or indirect obligation of the Reference Index, nor do they confer on the holder any right in respect of the Reference Index or the Component Securities (as defined in the Schedule) comprising the Reference Index;
- (g) it understands that it is purchasing these Notes as principal for its own account, or for one or more investor accounts for which it is acting as fiduciary or agent, in each case for investment purposes and not with a view to, or for offer or sale in connection with, any distribution or any disposition thereof, and no other person has or will have a direct or

indirect beneficial interest in any Note (other than by virtue of such person's direct or indirect beneficial interest in any Noteholder);

- (h) it represents that it is a non-U.S. person purchasing this Note in an offshore transaction in accordance with Regulation S under the Securities Act;
- (i) it understands that the Notes have not been registered under the Securities Act, or any state securities laws, and that neither these Notes nor any interest or participation herein may be reoffered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of in the absence of such registration or unless such transaction is exempt from, or not subject to, registration;
- (j) it has all necessary power and authority to acquire the Notes and such acquisition will not contravene any law, rule or regulation binding on it or such account or any investment guideline or restriction applicable to it or such account;
- (k) it acknowledges and agrees that neither the Dealer nor the Issuer have made any representation to it regarding the legality of its investment in the Notes under applicable legal investment or similar laws or regulations and that the appropriate characterisation of the Notes under various legal investment restrictions may be subject to significant interpretative uncertainties;
- (l) it understands that the Notes are not principal protected;
- (m) it understands that it may suffer a loss of its investment in the Notes in the event of an early redemption pursuant to Condition 8(b) or Condition 11;
- (n) it understands that the Final Redemption Amount will be dependent upon the performance of the Reference Index (as defined in the Schedule attached hereto), which itself contains substantial credit and interest rate risks;
- (o) it understands and agrees that the Issue Price may include an amount related to hedging arrangements entered into by the Issuer and one of its Affiliates and the Notes may be re-sold in the future at prices which may be greater or less than such price;
- (p) it understands and agrees that the Dealer may offer to sell the Notes to the initial purchaser at varying prices above or below the Issue Price and that the Notes may then be re-sold by the initial purchaser (and where relevant, subsequent purchasers) at prices above or below the Issue Price;
- (q) it understands that since the entity acting as Calculation Agent is an Affiliate of the Issuer, potential conflicts of interest may exist between such Affiliate in its capacity as the Calculation Agent, on the one hand, and the Noteholders on the other;
- (r) it acknowledges that, in acting hereunder, the Calculation Agent is acting as agent of the Issuer and such entity shall not thereby assume any obligations towards or relationship of agency or trust for or with the Noteholders; and
- (s) it understands that although long term debt of the Issuer has been rated "A2" by Moody's Investors Service, Inc., "A" by Standard and Poor's Ratings Services and "A+" by Fitch Ratings Limited, such ratings would not necessarily apply to the Notes if they were rated since the Final Redemption Amount is linked to the performance of the Reference Index.

For the purposes hereof, "**Affiliate**" means, with respect to a person, any other person (including, for the avoidance of doubt, any partnership) who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person. For the purposes of this definition, "**control**" of a person shall mean the power, direct or indirect (A) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such person, or (B) to direct or cause the direction of the

management and policies of such person whether by contract or otherwise.

SCHEDULE

1. Final Redemption Amount

Unless previously redeemed or purchased and cancelled in accordance with the Conditions (as amended and supplemented herein), the Issuer shall redeem each Note on the Maturity Date by payment of an amount in the Specified Currency (the “**Final Redemption Amount**” or “**FRA**”) determined by the Calculation Agent in accordance with paragraphs (a) or (b) below (as applicable):

- (a) if the Calculation Agent determines that the Index Level of the Reference Index on any Observation Date is greater than the Barrier Level, then the Final Redemption Amount will be determined by the Calculation Agent in accordance with the following formula:

$$\text{FRA} = \text{SD} \times 100\%$$

- (b) if the Calculation Agent determines that the Index Level of the Reference Index on any Observation Date is less than or equal to the Barrier Level, then the Final Redemption Amount will be determined by the Calculation Agent in accordance with the following formula:

$$\text{FRA} = \text{SD} \times \text{Min} \left[100\%; \left(\frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} \right) \right]$$

Where:

“**Index_{Final}**” means the official closing level of the Reference Index on the Final Valuation Date, as determined by the Calculation Agent.

“**Index_{Initial}**” means the official closing level of the Reference Index on the Initial Valuation Date, as determined by the Calculation Agent.

“**SD**” means, in respect of each Note, the Specified Denomination, being EUR 1,000.

2. Definitions

For the purposes of this Prospectus, the following definitions apply:

“**Barrier Level**” means an amount equal to 50 per cent. of the $\text{Index}_{\text{Initial}}$.

“**Calculation Agent**” means Bear, Stearns International Limited, One Canada Square London E14 5AD.

“**Disrupted Day**” means any Scheduled Trading Day on which: (a) the Index Sponsor fails to publish the level of the Reference Index; (b) the Related Exchange fails to open for trading during its regular trading session; or (c) a Market Disruption Event has occurred.

“**Early Closure**” means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

“**Exchange**” means in respect of each component security (each a “**Component Security**”) of the Dow Jones Euro STOXX 50[®] Index, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent and any successor thereto.

“**Exchange Business Day**” means any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of the Reference Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the relevant Exchange; or (ii) futures or options contracts relating to the Reference Index on the Related Exchange.

“**Final Valuation Date**” means 18 April 2013, provided that if such date is not a Scheduled Trading Day or if such date is a Disrupted Day, then the Final Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the eight Scheduled Trading Days immediately following the original Final Valuation Date (the “**Scheduled Final Valuation Date**”) that, but for the occurrence of a Disrupted Day, would have been the Final Valuation Date, is a Disrupted Day. In that case: (a) that eighth Scheduled Trading Day shall be deemed to be the relevant Final Valuation Date notwithstanding that it is a Disrupted Day, and (b) the Calculation Agent shall determine in respect of the Reference Index, the closing level of the Reference Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Reference Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Reference Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day). Provided that, if pursuant to the above provision the Final Valuation Date would otherwise fall beyond the Correction Cut Off Date (as defined in the Conditions), then the Correction Cut Off Date shall be determined to be the Final Valuation Date and the provision shall apply as if the Correction Cut Off Date were the eighth Scheduled Trading Day following the Scheduled Final Valuation Date.

“**Index Level**” means the level of the Reference Index (on an intraday basis) on any Observation Date.

“**Index Sponsor**” means STOXX Limited or any agent or other person acting on behalf of such persons or any successor thereto.

“**Initial Valuation Date**” means 18 April 2008, provided that if such date is not a Scheduled Trading Day or if such date is a Disrupted Day, then the Initial Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the eight Scheduled Trading Days immediately following the original Initial Valuation Date (the “**Scheduled Initial Valuation Date**”) that, but for the occurrence of a Disrupted Day, would have been the Initial Valuation Date, is a Disrupted Day. In that case: (a) that eighth Scheduled Trading Day shall be deemed to be the relevant Initial Valuation Date notwithstanding that it is a Disrupted Day, and (b) the Calculation Agent shall determine in respect of the Reference Index, the closing level of the Reference Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Reference Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Reference Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

“**Market Disruption Event**” means either:

- (a) the occurrence or existence, in respect of any Component Security, of:
 - (i) (I) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, (II) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded, or (III) an Early Closure in respect of such Component Security; and
 - (ii) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Reference Index; or
- (b) the occurrence or existence, in respect of futures or options contracts relating to the Reference Index, of: (i) a Trading Disruption; (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (iii) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Reference Index shall be based on a comparison of (x) the portion of the level of the Reference Index attributable to that Component Security to (y) the overall level of the Reference Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market “opening data”.

“**Min**” means the lesser of the bracketed number or formula separated by a semi-colon.

“**Observation Date**” means any Scheduled Trading Day in the Observation Period provided that if such Observation Date is a Disrupted Day, then such Disrupted Day shall not be an Observation Date.

“**Observation Period**” means the period from, but excluding, the Initial Valuation Date to, and including, the Final Valuation Date.

“**Reference Index**” means the Dow Jones Euro STOXX 50[®] Index (*Bloomberg[®] Code: SXSE <Index>*).

“**Related Exchange**” means Eurex.

“**Scheduled Closing Time**” means, in respect of the Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means any day on which: (a) the Index Sponsor is scheduled to publish the level of the Reference Index and (b) the Related Exchange is scheduled to be open for trading for its respective regular trading session.

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to any

Component Security on the relevant Exchange; or (b) in futures or options contracts relating to the Reference Index on the Related Exchange.

“**Valuation Time**” means, for the purposes of determining whether a Market Disruption Event has occurred (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, (b) in respect of any options contracts or future contracts on the Reference Index, the close of trading on the Related Exchange and (c) in all other circumstances, the time at which the official level of the Reference Index is calculated and published by the Index Sponsor.

3. Duties of the Calculation Agent

Any calculations, determination or decisions which the Calculation Agent is required to perform and/or make pursuant to the Conditions of the Notes (as supplemented and amended herein) shall be performed and/or made by the Calculation Agent acting in its sole and absolute discretion.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Prospectus and the Conditions by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Trustee and the Noteholders and (in the absence as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4. Disclaimer

Dow Jones EURO STOXX 50[®] Index

The Notes are not sponsored, endorsed, sold or promoted by STOXX Limited (“**STOXX**”) or Dow Jones & Company, Inc. (“**Dow Jones**”). Neither STOXX nor Dow Jones makes any representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly. The only relationship of STOXX to the Issuer is as the licensor of the Dow Jones Euro STOXX 50[®] Index and of certain trademarks, tradenames and service marks of STOXX and as the sublicensee of certain trademarks, trade names and service marks of Dow Jones. The Dow Jones Euro STOXX 50[®] Index is determined, composed and calculated by STOXX without regard to the Issuer or the Notes. Neither STOXX nor Dow Jones is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the redemption provisions in respect of the Notes. Neither STOXX nor Dow Jones has any obligation or liability in connection with the administration marketing or trading of the Notes.

Neither STOXX nor Dow Jones shall have any liability in connection with the Notes. Specifically, STOXX and Dow Jones do not make any warranty (express or implied) and disclaim any and all warranty about: (i) the results to be obtained by the Notes, the owners of the Notes or any other person in connection with the use of the Dow Jones Euro STOXX 50[®] Index and the data included in the Dow Jones Euro STOXX 50[®] Index; (ii) the accuracy or completeness of the Dow Jones Euro STOXX 50[®] Index and its data; or (iii) the merchantability and the fitness for a particular purpose or use of the Dow Jones Euro STOXX 50[®] Index and its data. STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones Euro STOXX 50[®] Index or its data. Under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur. The licensing agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Notes or any other third parties.

General

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. A relatively small movement in the closing level of the Reference Index can result in a disproportionately large movement in the value of the Notes. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Reference Index based upon such investigations and not in reliance upon any information given in this document.

Neither the Issuer nor the Calculation Agent shall have any responsibility for any errors or omissions in the calculation and publication of the level of, or information relating to, the Reference Index or for any errors or omissions in the information contained in the source set out in Part B relating to the Reference Index. Investors may acquire such further publicly available information as they deem necessary and appropriate.

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