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BEAR STEARNS COMPANIES INC

Form FWP

January 17, 2006

Filed Pursuant to Rule 433  
Registration No. 333-121744

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BEAR  
STEARNS

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STRUCTURED EQUITY PRODUCTS  
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Indicative Terms

New Issue  
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January 13, 2006  
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The Bear Stearns Companies Inc.  
Note linked to a Basket of Commodities

Due July [29], 2011

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Investment Highlights  
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- o 5.5 year term to maturity
- o Principal protected if held to maturity
- o Issue is a direct obligation of The Bear Stearns Companies Inc. (Rated A1 by Moody's / A by S&P)
- o Issue Price: 100.00% of the Principal Amount (\$1,000)
- o Linked to Crude Oil, Natural Gas, Aluminum, Copper and Gold
- o Depending upon the value of the Basket, potential [2.50% - 3.50%] semi-annual Coupons, [5.00% - 7.00%] annualized
- o 100% participation in the percentage gain, if any, in the value of the Basket

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

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[GRAPHIC OMITTED]

BEAR, STEARNS & CO. INC.

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STRUCTURED EQUITY PRODUCTS  
(212) 272-6928

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TERMS OF OFFERING  
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Issuer: The Bear Stearns Companies Inc. ("BSC")

Issuer's Rating: A1 / A (Moody's / S&P)

CUSIP Number: 073928 N 41

Issue Price: 100.00% of principal (the "Principal Amount").

Agent's Discount [ ]%

Denominations: \$1,000 per Note.

Selling Period Ends: January [25], 2006

Settlement Date: January [31], 2006

Calculation Date: July [25], 2011

Maturity Date: July [29], 2011 (for a term of approximately 5.5-years).

Interest Amount: If, on any Semi-Annual Interest Observation Date, the Basket Level is greater than the Initial Basket Level, the interest payment for that period will be [2.50% - 3.50%]. If the Basket Level is below the Initial Basket Level, no interest will be paid for that period.

Cash Settlement Value: Principal Amount + (100% x Basket Performance)

Basket Performance: The greater of zero and the formula below:

$$100\% \times \frac{(\text{Basket Level on Calculation Date} - \text{Initial Basket Level})}{\text{Initial Basket Level}}$$

Initial Basket Level: 100

Basket Level: 100 x the sum of [Component Weight x Commodity Level]

Component Weight: 20% for each Component

Commodity Level:

$$\frac{\text{Individual Component Level}}{\text{Initial Individual Component Level}}$$

Individual Components: Crude Oil, WTI: CL1 (Comdty) on Bloomberg  
 Natural Gas: NG1 (Comdty) on Bloomberg  
 Aluminum: LOAHDY (Comdty) on Bloomberg

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Copper: LOCADY (Comdty) on Bloomberg  
Gold: GOLDLNPM (Comdty) on Bloomberg

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### ADDITIONAL TERMS SPECIFIC TO THE NOTES

You should read this document together with the Prospectus, as supplemented by the Prospectus Supplement, each dated February 2, 2005, and the more detailed information contained in the Pricing Supplement, dated January 11, 2006. You should carefully consider, among other things, the matters set forth in "Risk Factors" in the Pricing Supplement, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the Notes. The Pricing Supplement, dated January 11, 2006, and the accompanying Prospectus and Prospectus Supplement, each dated February 2, 2005 may be accessed on the SEC Web site at [www.sec.gov](http://www.sec.gov) as follows:

- o <http://www.sec.gov/Archives/edgar/data/777001/000104746906000332/a2166514z424b5.htm>

### ILLUSTRATIVE EXAMPLES

#### Illustrative Examples:

The following are illustrative examples demonstrating the hypothetical Cash Settlement Value of a Note based on the five assumptions listed below. Actual returns may be different.

#### Assumptions:

- o Investor purchases \$1,000 principal amount of Notes at the initial offering price of \$1,000.
- o Investor does not sell the Notes and holds the Notes to maturity.
- o All returns are based on a 5.5-year term; pre-tax basis.
- o No Market Disruption Events or Events of Default occur during the term of the Notes.
- o Contingent interest rate is [3.00]% per semi-annual period.

Example 1: The five Components underlying the Basket each increase significantly during the term of the Notes.

Semi-Annual Interest Observation Date for	Basket Performance at the end of each Period	Coupon, if any, per Note
July 2006	15.00%	\$30
January 2007	17.50%	\$30

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June 2007	18.50%	\$30
January 2008	24.70%	\$30
July 2008	36.50%	\$30
January 2009	47.00%	\$30
July 2009	49.00%	\$30
January 2010	55.00%	\$30
July 2010	62.00%	\$30
January 2011	67.00%	\$30
July 2011	69.00%	\$30
-----		
Basket Performance	69.00%	\$330

For each of the 11 periods, the Basket Level was greater than or equal to Initial Basket Level. In this example, you would have received \$330 in interest payments over the term of the Notes. Additionally, because the Basket Performance is greater than or equal to zero, the Cash Settlement Value will equal:

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$$\begin{aligned}
 &= \text{Principal Amount of Notes} + (\text{Principal Amount of Notes} \times \text{Basket Performance}) \\
 &= \$1,000 + (\$1,000 \times 69\%) \\
 &= \$1,000 + \$690 \\
 &= \$1,690
 \end{aligned}$$

The total return on the Notes equals the Cash Settlement Value of \$1,690 plus interest payments of \$330 or \$2,020.

Example 2: The five Components underlying the Basket each remain relatively the same during the term of the Notes.

Semi-Annual Interest Observation Date	Basket Performance at the end of each Period	Coupon, if any, per Note
-----		
July 2006	0.01%	\$30
January 2007	0.01%	\$30
June 2007	0.01%	\$30
January 2008	0.01%	\$30
July 2008	0.01%	\$30
January 2009	0.01%	\$30

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July 2009	0.01%	\$30
January 2010	0.01%	\$30
July 2010	0.01%	\$30
January 2011	0.01%	\$30
July 2011	0.01%	\$30
-----		
Basket Performance	0.01%	\$330

For each of the 11 periods, the Basket Level was greater than or equal to Initial Basket Level. In this example, you would have received \$330 in interest payments over the term of the Notes. Additionally, because the Basket Performance is greater than or equal to zero, the Cash Settlement Value will equal:

$$\begin{aligned}
 &= \text{Principal Amount of Notes} + (\text{Principal Amount of Notes} \times \text{Basket Performance}) \\
 &= \$1,000 + (\$1,000 \times .01\%) \\
 &= \$1,000 + \$0.10 \\
 &= \$1,000.10
 \end{aligned}$$

The total return on the Notes equals the Cash Settlement Value of \$1,000.10 plus interest payments of \$330 or \$1,330.10.

Example 3: The five Components underlying the Basket each trade in a volatile and choppy manner and then decrease substantially during the last two years of the term of the Notes.

Semi-Annual Interest Observation Date for	Basket Performance at the end of each Period	Coupon, if any, per Note
-----		
July 2006	36.00%	\$30
January 2007	45.00%	\$30
June 2007	16.00%	\$30
January 2008	25.00%	\$30
July 2008	5.00%	\$30
January 2009	3.00%	\$30
July 2009	-10.00%	\$0
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January 2010	-12.00%	\$0
July 2010	-22.00%	\$0

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January 2011	-40.00%	\$0
July 2011	-25.00%	\$0
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Basket Performance	-25.00%	\$180

For the first six periods, the Basket Level was greater than or equal to Initial Basket Level. In this example, you would have received \$180 in interest payments over the term of the Notes. However, because the Basket Performance is less than zero, the Cash Settlement Value will equal \$1,000. The total return on the Notes equals the Cash Settlement Value of \$1,000 plus interest payments of \$180 or \$1,180.

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HISTORICAL ANALYSIS  
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Below is a table illustrating, hypothetically, how the Note would have performed over the most recent 5.5-year period ending December 30, 2005. The table assumes a periodic contingent Coupon rate of 3.00% for each semi-annual period. The Note would have matured at 204.25%, or \$2,042.50 per Note in addition to a total of 21% in aggregate coupon payments during the term of the Note. The total return was 125.25% or a CAGR of 15.91%. Please be aware that past performance is no indication of future performance.

Observation Date	Crude Oil	Gold	Natural Gas	Aluminum	Copper	Basket Level
6/30/2000	32.50	288.15	4.476	1,564.0	1,773.5	100.00
12/29/2000	26.80	274.45	9.775	1,560.0	1,808.5	119.56
6/29/2001	26.25	270.60	3.096	1,437.0	1,550.5	84.63
12/31/2001	19.84	276.50	2.570	1,335.0	1,462.0	76.44
6/28/2002	26.86	318.50	3.245	1,364.5	1,654.0	89.24
12/31/2002	31.20	347.20	4.789	1,344.5	1,536.0	99.21
6/30/2003	30.19	346.00	5.411	1,389.0	1,644.0	103.07
12/31/2003	32.52	416.25	6.189	1,592.5	2,321.0	123.10
6/30/2004	37.05	395.80	6.155	1,698.5	2,664.5	129.54
12/31/2004	43.45	435.60	6.149	1,964.0	3,279.5	146.55
6/30/2005	56.50	437.10	6.981	1,716.0	3,597.0	158.81
12/30/2005	61.04	513.00	11.225	2,285.0	4,584.5	204.25

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Value of Note at Maturity

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Total of Coupons Paid

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Total Return of Note

The table below depicts historical returns on the Basket that were less robust. For the 5.5 year period ending May 31, 2002, the Note would have matured at

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100.00%, or \$1,000 per Note in addition to one coupon payment of 3% during the term of the Note. The total return was 103.00% or a CAGR of 0.54%. Please be aware that past performance is no indication of future performance.

Observation Date	Crude Oil	Gold	Natural Gas	Aluminum	Copper	Basket Level
11/29/1996	23.75	371.30	3.497	1,514.5	2,497.0	100.00
5/30/1997	20.88	345.60	2.239	1,603.0	2,605.0	91.04
11/28/1997	19.15	296.80	2.578	1,583.5	1,861.0	82.67
5/29/1998	15.20	293.60	2.170	1,342.0	1,685.0	72.24
11/30/1998	11.22	294.70	1.976	1,298.5	1,557.5	66.25
5/31/1999	16.84	268.60	2.358	1,239.0	1,357.0	69.37
11/30/1999	24.59	291.35	2.304	1,515.5	1,744.5	83.56
5/31/2000	29.01	272.25	4.356	1,440.0	1,735.5	96.92
11/30/2000	33.82	269.10	6.589	1,498.0	1,814.5	114.97
5/31/2001	28.37	267.50	3.914	1,499.5	1,666.0	93.83
11/30/2001	19.44	275.50	2.701	1,430.0	1,532.0	77.81
5/31/2002	25.31	326.60	3.217	1,371.5	1,629.0	88.46
Value of Note at Matur						
Total of Coupons P						
Total Return of N						

The Chart below tracks the performance of each Component in the Basket and the Basket itself since January 31, 1995 through December 30, 2005.

[The following data is represented by a single graph containing 6 line charts in the printed material.]

Date	Crude Oil	Gold	Natural Gas	Aluminum	Copper	Basket
1/31/1995	100.000	100.000	100.000	100.000	100.000	100.000
2/28/1995	100.544	100.400	109.527	84.579	95.447	98.099
3/31/1995	104.241	104.561	124.446	88.553	99.600	104.280
4/28/1995	110.821	103.961	122.747	87.890	94.430	103.970
5/31/1995	102.719	102.507	126.883	85.525	95.097	102.546
6/30/1995	94.617	103.241	112.999	85.241	103.169	99.853
7/31/1995	95.487	102.254	119.202	88.505	100.233	101.136
8/31/1995	97.009	101.987	129.099	85.123	98.399	102.323
9/29/1995	95.378	102.427	129.247	83.113	98.199	101.673
10/31/1995	95.922	102.067	137.814	77.767	94.463	101.607
11/30/1995	98.858	103.441	149.040	77.980	97.398	105.343
12/29/1995	106.308	103.228	193.427	79.234	93.296	115.098
1/31/1996	96.465	108.176	196.307	73.936	85.757	112.128
2/29/1996	106.253	106.868	165.140	74.314	84.456	107.407
3/29/1996	116.748	105.722	172.526	77.342	84.973	111.462
4/30/1996	115.280	104.374	164.254	75.922	90.260	110.018
5/31/1996	107.450	104.174	177.696	73.723	84.857	109.580
6/28/1996	113.757	101.894	214.993	69.584	65.377	113.121
7/31/1996	111.039	102.774	159.749	70.766	68.012	102.468
8/30/1996	120.990	103.081	137.297	69.253	67.712	99.666
9/30/1996	132.572	101.094	163.516	64.096	64.643	105.184

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10/31/1996	126.971	101.227	201.477	66.982	66.995	112.730
11/29/1996	129.146	99.040	258.272	71.641	83.289	128.278
12/31/1996	140.946	98.493	203.619	71.689	73.966	117.743
1/31/1997	131.321	92.158	176.145	75.284	79.520	110.886
2/28/1997	110.386	95.652	134.490	76.845	80.854	99.645
3/31/1997	110.984	92.865	142.245	75.993	80.454	100.508
4/30/1997	109.897	90.731	161.300	76.183	80.520	103.726
5/30/1997	113.540	92.185	165.362	75.828	86.891	106.761
6/30/1997	107.667	89.237	157.976	73.841	86.241	102.993
7/31/1997	109.516	87.050	160.783	79.494	77.718	102.912
8/29/1997	106.634	86.783	200.443	76.112	71.714	108.337
9/30/1997	115.171	88.584	227.622	77.247	71.648	116.054
10/31/1997	114.628	83.062	262.334	75.875	66.644	120.509
11/28/1997	104.133	79.168	190.399	74.905	62.075	102.136
12/31/1997	95.922	77.407	167.208	72.635	57.505	94.135
1/30/1998	93.583	81.315	166.691	71.665	58.039	94.259
2/27/1998	83.959	79.328	171.418	68.212	56.037	91.791
3/31/1998	84.883	80.288	186.263	67.313	58.205	95.391
4/30/1998	83.687	82.875	164.032	67.502	61.791	91.978
5/29/1998	82.654	78.314	160.266	63.482	56.204	88.184
6/30/1998	77.107	79.034	182.349	60.785	54.003	90.656
7/31/1998	77.270	77.047	136.189	63.221	56.604	82.066
8/31/1998	72.539	72.926	129.394	63.198	55.270	78.666
9/30/1998	87.765	78.381	179.690	62.252	54.520	92.521
10/30/1998	78.412	77.967	168.021	61.235	52.168	87.561
11/30/1998	61.011	78.608	145.938	61.424	51.951	79.786
12/31/1998	65.525	76.767	143.648	58.562	48.566	78.614
1/29/1999	69.331	76.127	131.241	56.481	46.664	75.969
2/26/1999	66.721	76.567	120.236	55.724	46.047	73.059
3/31/1999	91.136	74.540	148.671	57.261	45.747	83.471
4/30/1999	101.468	76.447	166.396	63.813	52.302	92.085
5/31/1999	91.572	71.646	174.151	58.609	45.264	88.248
6/30/1999	104.894	69.619	176.809	64.688	51.234	93.449
7/30/1999	111.637	68.178	187.814	65.397	53.336	97.272
8/31/1999	120.228	67.965	208.641	68.709	55.103	104.129
9/30/1999	133.279	79.755	202.659	70.009	58.639	108.868
10/29/1999	118.271	79.781	218.685	69.749	58.439	108.985
11/30/1999	133.714	77.714	170.162	71.689	58.189	102.294
12/31/1999	139.206	77.421	172.009	77.129	61.574	105.468
1/31/2000	150.299	75.567	196.603	81.126	60.440	112.807
2/29/2000	165.470	78.328	203.914	75.520	57.572	116.161
3/31/2000	146.275	73.820	217.504	72.044	57.655	113.459
4/28/2000	139.967	73.366	231.979	68.827	57.205	114.269
5/31/2000	157.749	72.619	321.713	68.117	57.889	135.617
6/30/2000	176.726	76.860	330.576	73.983	59.156	143.460
7/31/2000	149.157	73.820	278.730	72.990	61.691	127.277
8/31/2000	180.098	73.886	353.176	74.645	63.376	149.036
9/29/2000	167.700	72.993	383.013	74.693	65.977	152.875
10/31/2000	177.814	70.552	331.610	69.489	61.341	142.161
11/30/2000	183.904	71.779	486.632	70.861	60.524	174.740
12/29/2000	145.731	73.206	721.935	73.794	60.324	214.998
1/31/2001	155.846	70.552	421.492	82.167	60.223	158.056
2/28/2001	148.940	71.139	386.706	73.463	57.972	147.644
3/30/2001	142.958	68.738	371.123	69.489	55.570	141.576
4/30/2001	154.758	70.192	346.750	72.777	55.370	139.969
5/31/2001	154.269	71.352	289.069	70.932	55.570	128.239
6/29/2001	142.741	72.179	228.656	67.975	51.718	112.654
7/31/2001	143.284	70.926	243.427	65.184	48.999	114.364
8/31/2001	147.906	72.819	175.775	65.137	49.199	102.168
9/28/2001	127.406	78.181	165.731	62.417	47.498	96.247
10/31/2001	115.171	74.353	243.058	59.934	45.380	107.579
11/30/2001	105.710	73.486	199.483	67.644	51.101	99.485



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12/31/2001	107.885	73.753	189.808	63.150	48.766	96.672
1/31/2002	105.927	75.300	157.903	64.096	50.534	90.752
2/28/2002	118.216	79.181	174.077	65.894	51.334	97.741
3/29/2002	143.067	80.395	242.467	65.563	54.136	117.125
4/30/2002	148.396	82.209	280.281	65.066	53.319	125.854
5/31/2002	137.629	87.117	237.592	64.877	54.336	116.310
6/28/2002	146.058	84.956	239.660	64.546	55.170	118.078
7/31/2002	146.928	81.262	218.168	61.968	50.384	111.742
8/30/2002	157.586	83.436	243.427	61.187	50.033	119.134
9/30/2002	165.579	86.343	305.613	60.572	47.849	133.191
10/31/2002	148.015	84.529	306.942	63.269	51.234	130.798
11/29/2002	146.221	85.103	310.192	65.184	54.236	132.187
12/31/2002	169.657	92.611	353.693	63.600	51.234	146.159
1/31/2003	182.219	98.026	413.959	67.502	57.155	163.772
2/28/2003	199.021	92.678	598.301	69.016	57.238	203.251
3/31/2003	168.787	89.317	373.708	63.860	52.952	149.725
4/30/2003	140.294	89.824	397.710	64.167	53.502	149.100
5/30/2003	160.740	96.399	461.669	67.408	56.137	168.471
6/30/2003	164.165	92.291	399.631	65.705	54.837	155.326
7/31/2003	166.069	94.625	348.449	69.536	59.006	147.537
8/29/2003	171.669	100.187	349.409	67.739	58.239	149.449
9/30/2003	158.782	103.494	356.721	66.580	59.840	149.083
10/31/2003	158.293	103.027	361.374	71.902	68.612	152.642
11/28/2003	165.362	106.255	363.737	72.517	69.163	155.407
12/31/2003	176.835	111.030	457.090	75.331	77.418	179.541
1/30/2004	179.717	106.628	398.597	77.271	83.022	169.047
2/27/2004	196.629	105.588	400.000	80.511	99.633	176.472
3/31/2004	194.454	113.017	438.183	79.872	102.318	185.569
4/30/2004	203.263	103.628	432.939	78.217	91.795	181.968
5/31/2004	216.857	104.895	475.775	78.548	94.413	194.098
6/30/2004	201.468	105.575	454.579	80.345	88.876	186.169
7/30/2004	238.173	104.401	451.403	79.801	96.731	194.102
8/31/2004	229.038	108.629	374.742	79.872	94.963	177.449
9/30/2004	269.929	110.870	501.846	86.235	104.736	214.723
10/29/2004	281.457	113.510	644.387	87.039	98.432	244.965
11/30/2004	267.156	120.939	562.777	87.677	108.806	229.471
12/31/2004	236.270	116.191	454.136	92.904	109.390	201.778
1/31/2005	262.099	112.603	466.839	88.269	109.256	207.813
2/28/2005	281.403	116.151	497.046	91.509	113.576	219.937
3/31/2005	301.251	114.030	565.214	93.330	113.676	237.500
4/29/2005	270.364	116.218	486.337	85.454	111.691	214.013
5/31/2005	282.599	110.549	471.123	81.197	107.205	210.535
6/30/2005	307.232	116.591	515.583	81.173	119.980	228.112
7/29/2005	329.364	114.431	582.349	87.110	125.917	247.834
8/31/2005	374.878	115.564	847.267	87.938	130.587	311.247
9/30/2005	360.196	126.234	1,028.139	87.843	131.721	346.826
10/31/2005	324.959	125.567	901.403	94.229	136.458	316.523
11/30/2005	311.691	132.209	929.616	102.152	146.915	324.517
12/30/2005	331.920	136.836	829.025	108.089	152.919	311.758

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### SELECTED RISK CONSIDERATIONS

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- o Suitability of Note for Investment - A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of investment objectives and the

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information set out in the Pricing Supplement. Neither the Issuer nor any dealer participating in the offering makes any recommendation as to the suitability of the Notes for investment.

- o Principal Protected only if held to Maturity - If you sell the Note in the secondary market (see Secondary Market below) prior to Maturity, you may receive less, and possibly significantly less, than the amount you originally invested.
- o You May Not Receive Any Interest Payments - During the term of the Notes, if, on any Semi-Annual Interest Observation Date, the Basket Level is less than or equal to the Initial Basket Level, you will not receive any interest for the immediately preceding six-month period.
- o Secondary Market - Because the Notes will not be listed on any Securities exchange, a secondary trading market is not expected to develop, and, if such a market were to develop, it may not be liquid. Bear, Stearns & Co. Inc. intends under ordinary market conditions to indicate prices for the Notes on request. However, there can be no guarantee that bids for outstanding Notes will be made in the future; nor can the prices of those bids be predicted.
- o Value at Maturity May Be Limited to the Principal Amount of the Note - The Basket Performance at maturity may be negative, in which case the amount you will receive at maturity will be limited to the amount you invested in the Notes, even if the value of the Basket has increased at certain times during the term of the Note before falling on the Calculation Date.
- o Discontinuation of Component - If the relevant exchange for a Component or successor Component ceases or otherwise fails to publish the prices for such Component or discontinues trading in such Component, or some other extraordinary circumstance occurs, Bear, Stearns & Co. Inc., as Calculation Agent, will determine the Individual Component Level for such Component and may in its sole discretion accelerate the Maturity Date of the Notes, which may adversely affect the trading value of the Notes. The Calculation Agent will have no responsibility for good faith errors or omissions in its calculations.
- o Taxes - For U.S. federal income tax purposes, the Issuer intends to treat the Notes as contingent payment debt instruments. As a result, U.S. Holders of the Notes will be required to include original issue discount in income during their ownership of the Notes even though no cash payments may be made with respect to the Notes until maturity. Additionally, U.S. Holders of Notes will generally be required to recognize ordinary interest income on the gain, if any, realized on a sale, upon maturity, or other disposition of the Notes.