BEAR STEARNS COMPANIES INC
Form 424B5
August 15, 2006

QuickLinks -- Click here to rapidly navigate through this document

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-121744
Registration No. 333-136599

PROSPECTUS SUPPLEMENT
(To Prospectus Dated February 2, 2005)

U.S. $1,250,000,000

The Bear Stearns Companies Inc.

U.S. $750,000,000 5.50% Global Notes Due 2011
U.S. $500,000,000 Floating Rate Global Notes Due 2011

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

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

Interest
The Fixed Rate Notes have a fixed annual rate of 5.50%, which will be paid every six months on February 15th and August 15th. The Floating Rate Notes have a floating annual rate of three-month LIBOR plus 0.21%, which will be paid every three months on February 15, May 15, August 15 and November 15.

Maturity
The Fixed Rate Notes will mature on August 15, 2011. The Floating Rate Notes will mature on August 15, 2011.

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

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

No Sinking Fund
The Notes will not be subject to any sinking fund.

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

Listing
We will make application to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 for the Notes to be admitted to the official list of the UK Listing Authority and to the London Stock Exchange plc

for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities, although we are not required to maintain the listing.

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

	Rate Note Per Fixed	Total	Per Floating Rate Note	Per Note Total
Initial public offering price	99.609%	$ 747,067,500	100.000%	$ 500,000,000
Underwriting discount	0.350%	$ 2,625,000	0.300%	$ 1,500,000
Proceeds, before expenses, to us	99.259%	$ 744,442,500	99.70%	$ 498,500,000

Bear, Stearns & Co. Inc. is the Global Coordinator for the offering of the Notes. Bear, Stearns International Limited is the International Coordinator for all Notes to be sold to purchasers in Europe. The underwriters named in "Underwriting" of this prospectus supplement ("Underwriters") expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company, Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V., as operator of the Euroclear System against payment on or about August 17, 2006.

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

The Underwriters for the Fixed and Floating Rate Notes

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

BB&T Capital Markets **Banc of America Securities LLC**
Citigroup
HSBC **Mellon Financial Markets, LLC**
Wachovia Securities **Wells Fargo Securities**

The date of this prospectus supplement is August 10, 2006

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

WHERE YOU CAN FIND MORE INFORMATION

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

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

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

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

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

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

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

(iii) the Current Reports on Form 8-K dated December 9, 2005, December 15, 2005, December 27, 2005, January 20, 2006, January 25, 2006, March 16, 2006, March 22, 2006, June 15, 2006 and June 21, 2006.

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

SUMMARY OF THE OFFERING

Issuer	The Bear Stearns Companies Inc.
Securities Offered	U.S. $750,000,000 aggregate principal amount of 5.50% Global Notes due August 15, 2011; U.S. $500,000,000 aggregate principal amount of Floating Rate Global Notes due August 15, 2011.
Specified Currency	The Notes will be denominated in US dollars and all payments on the Notes will be made in US dollars.
Offering Price	The Fixed Rate Notes are being offered at a price of 99.609% of par; the Floating Rate Notes are being offered at a price of 100.000% of par.
Date of Original Issuance (Settlement Date)	August 17, 2006.
Maturity Date	August 15, 2011.
Interest Payment Dates	For the Fixed Rate Notes, February 15 and August 15 in each year, beginning February 15, 2007 (which first payment includes interest from August 17, 2006, the date of issuance) and, for the Floating Rate Note, February 15, May 15, August 15 and November 15 in each year, beginning November 15, 2006 (which first payment includes interest from August 17, 2006, the date of issuance).
Ranking	The Notes will be unsecured and will rank equally with all of our other unsecured and unsubordinated debt. Because we are a holding company, the Notes will be effectively subordinated to the claims of creditors of our subsidiaries. At May 31, 2006:
	we had outstanding (on an unconsolidated basis) approximately $71.4 billion of debt and other obligations, including approximately $65.9 billion of unsecured senior debt and senior obligations and $5.5 billion of unsecured inter-company debt; and
	our subsidiaries had outstanding (after elimination of inter- company items) approximately $248.6 billion of senior debt and other senior obligations (including $67.8 billion related to securities sold under repurchase agreements, $76.6 billion related to payables to customers, $41.4 billion related to financial instruments sold, but not yet purchased, and $62.7 billion of other liabilities, including $23.6 billion of debt).
Mandatory Redemption or Sinking Fund	None.

Optional Redemption	The Notes may only be redeemed prior to maturity if certain events involving US taxation occur. See "Redemption Upon Certain Tax Events" below.
Payment of Additional Amounts	Subject to the various exceptions and limitations set forth in this prospectus supplement, we will pay as additional interest or, as the case may be, principal on the Notes all such additional amounts that are necessary in order that the net payment by us or a paying agent of the principal of and interest on the Notes to a person that is not a "United States person" for US federal income tax purposes, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority of the United States or in the United States, imposed by withholding with respect to the payment, will not be less than the amount provided in the Notes to be then due and payable. See "Description of the Notes Payment of Additional Amounts" below.
Redemption Upon Certain Tax Events	If (a) as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under those laws) of the United States (or any political subdivision or taxing authority of the United States or in the United States), or any change in, or amendments to, the official position regarding the application or interpretation of these laws, regulations or rulings, which is announced or becomes effective on or after the date of this prospectus supplement, we determine that we will be or will become obligated to pay additional amounts as described in this prospectus supplement under the heading "Description of the Notes Payment of Additional Amounts" below or (b) any act is taken by a taxing authority of the United States on or after the date of this prospectus supplement, whether that act is taken with respect to us or any affiliate, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, in whole but not in part, the Notes on any Interest Payment Date on not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued on the Notes to the date fixed for redemption; provided that we determine, in our business judgment, that the obligation to pay such additional amounts cannot be avoided by the use of reasonable measures available to us, not including substitution of the obligor under the Notes. See "Description of the Notes Redemption Upon Certain Tax Events" below.

Use of Proceeds	We will use the net proceeds before expenses from the sale of the Notes of approximately $1.243 billion for general corporate purposes. These purposes may include additions to working capital, the repayment of short-term and long-term debt and making investments in or extending credit to our subsidiaries.
Book-Entry Form	The Notes will be issued only in book-entry form. This means that we will not issue certificates to you. Instead, the Notes will be issued in the form of one or more fully registered global securities, which will be deposited with a custodian. The Notes will be registered in the name of Cede & Co., as the nominee for The Depository Trust Company ("DTC"). You will not receive a definitive note representing your interest. This form will be referred to as "book-entry only." You may elect to hold your interests in the global securities through either DTC (in the United States) or Clearstream Banking, société anonyme "Clearstream") or Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") (in Europe). Interests will be held on behalf of the participants of Clearstream and Euroclear on the books of their respective depositaries. See "Book Entry Procedures and Settlement Depositories for Global Securities" and " Special Considerations for Global Securities" in the accompanying prospectus and "Description of the Notes Book Entry, Delivery and Form Global Clearance and Settlement Procedures" below.
Events of Default	See "Description of Debt Securities Events of Default" in the accompanying prospectus.
Limitation on Liens	See "Description of Debt Securities Limitation on Liens" in the accompanying prospectus.
Listing	We will make application to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority") for the Notes to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities. We cannot guarantee that our application will be approved, settlement of the Notes is not conditional on obtaining the listing and we are not required to maintain the listing. See "Underwriting" below.
Governing Law	New York.
Selling Restrictions	There are selling restrictions for certain jurisdictions, including the United Kingdom. See "Underwriting" below.

RATIO OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges was 1.5 for the six months ended May 31, 2006 and 1.6 for the six months ended May 31, 2005. The ratio was calculated by dividing the sum of the fixed charges into the sum of the earnings before fixed charges and taxes on income. Fixed charges for purposes of the ratio consist of interest expense and interest factor in rents.

THE BEAR STEARNS COMPANIES INC.

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

Our business includes:

- market-making and trading in US government, government agency, corporate debt and equity, mortgage-related, asset-backed, municipal securities and high yield products;
- trading in options, futures, foreign currencies, interest rate swaps and other derivative products;
- securities, options and futures brokerage;
- providing securities clearance services;
- managing equity and fixed income assets for institutional and individual clients;
- financing customer activities;
- securities lending;
- securities and futures arbitrage;
- involvement in specialist activities on the NYSE, American Stock Exchange ("AMEX") and International Securities Exchange ("ISE");
- underwriting and distributing securities;
- arranging for the private placement of securities;
- assisting in mergers, acquisitions, restructurings and leveraged transactions;

making principal investments in leveraged acquisitions;

engaging in commercial real estate activities;

investment management and advisory services; and

fiduciary, custody, agency and securities research services.

Our business is conducted:

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

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

Directors of the Company

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

Name	Age as of January 31, 2006	Principal Occupation and Directorships Held	Year First Elected to Serve as Director of the Company
James E. Cayne	71	Chairman of the Board and Chief Executive Officer, the Company and Bear Stearns; member of the Executive Committee of the Company (the "Executive Committee")	1985
Henry S. Bienen	66	President, Northwestern University	2004
Carl D. Glickman	79	Private Investor; Presiding Trustee and Chairman of the Executive Committee, Lexington Corporate Properties Trust	1985
Alan C. Greenberg	78	Chairman of the Executive Committee; Director, Viacom Inc.	1985
Donald J. Harrington	60	President, St. John's University	1993
Frank T. Nickell	58	President and Chief Executive Officer, Kelso & Company; Director, BlackRock Inc., Custom Building Products Inc., and Earle M. Jorgensen Company	1993
Paul A. Novelly	62	Chairman of the Board and Chief Executive Officer, Apex Oil Company, Inc.; Director, Intrawest Corporation, and Boss Holdings, Inc.	2002
Frederic V. Salerno	62	Former Vice Chairman and Chief Financial Officer, Verizon Communications Inc.; Director, Popular, Inc., Viacom Inc., Consolidated Edison, Inc., Akamai Technologies, Inc. and Intercontinental Exchange Inc.	1992
Alan D. Schwartz	55	President and Co-Chief Operating Officer, the Company and Bear Stearns; member of the Executive Committee	1987(1)
Warren J. Spector	48	President and Co-Chief Operating Officer, the Company and Bear Stearns; member of the Executive Committee	1990(1)
Vincent Tese	62	Chairman of Wireless Cable International Inc.; Director, Bowne & Co., Inc., Cablevision Systems Corporation, Mack-Cali Realty Corporation, Intercontinental Exchange Inc. and Gabelli Asset Management Inc.	1994
Wesley S. Williams, Jr.	63	President and Chief Operating Officer, Co-Chairman and Co-Chief Executive Officer, Lockhart Cos. Inc.; Presiding Independent Director, CarrAmerica Realty Corporation and National Capital Bank of Washington, D.C.; Chairman, Board of Directors, National Prostate Cancer Coalition	2004

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

USE OF PROCEEDS

We will use the net proceeds before expenses from the sale of the Notes of approximately $1.243 billion for general corporate purposes. These purposes may include additions to working capital, the repayment of short-term and long-term debt and making investments in or extending credit to our subsidiaries.

CAPITALIZATION

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

	May 31, 2006	
	Actual	As Adjusted
	(In thousands)	
Short-Term Borrowings:		
Bank Loans and Other Borrowings	$ 10,260,678	$ 10,260,678
Commercial Paper	22,335,511	22,335,511
Medium-Term Notes	310,272	310,272
Total Short-Term Borrowings	32,906,461	32,906,461
Long-Term Borrowings:		
Floating Rate Notes due 2006 to 2036	18,142,325	18,642,325
Fixed Rate Senior Notes due 2006 to 2036; interest rates ranging from 2.88% to 7.8%	20,359,117	21,106,185
Index/Equity/Credit-Linked Notes	8,145,702	8,145,702
Total Long-Term Borrowings	46,647,144	47,894,212
Stockholders' Equity:		
Preferred Stock, $1.00 par value; Series E, F and G, 10,000,000 shares authorized; 7,338,125 shares issued	366,906	366,906
Common Stock, $1.00 par value; 500,000,000 shares authorized; 184,805,847 shares issued	184,806	184,806
Paid-in Capital	4,463,934	4,463,934
Retained Earnings	8,465,035	8,465,035
Employee Stock Compensation Plans	2,100,157	2,100,157
Unearned Compensation	(129,867)	(129,867)
Treasury Stock: Common Stock, 63,869,496 shares	(3,743,377)	(3,743,377)
Total Stockholders' Equity	11,707,594	11,707,594
Total Short-Term Borrowings, Long-Term Borrowings and Stockholders' Equity	$ 91,261,199	$ 92,508,267

SELECTED CONSOLIDATED FINANCIAL DATA

The financial data in the following table for the six months ended May 31, 2006 and May 31, 2005 has been derived from our unaudited condensed consolidated financial statements for those periods. The financial data in the following table for the fiscal years ended November 30, 2005, November 30, 2004, November 30, 2003, November 30, 2002 and November 30, 2001 has been derived from information contained in or incorporated by reference into our Annual Reports on Form 10-K. See "Where You Can Find More Information" and "General Information."

	Six Months Ended	
	May 31, 2006	**May 31, 2005**
	(In thousands, except common share data and other data)	
Results:		
Revenues	$ 7,942,167	$ 5,445,949
Interest Expense	3,257,522	1,734,737
Revenues, net of interest expense	4,684,645	3,711,212
Non-interest expenses:		
Employee compensation and benefits	2,267,066	1,829,683
Non-compensation expenses	831,027	840,762
Total non-interest expenses	3,098,093	2,670,445
Income before provision for income taxes	1,586,552	1,040,767
Provision for income taxes	533,063	363,852
Net income	$ 1,053,489	$ 676,915
Net income applicable to common shares	$ 1,042,699	$ 663,994
Financial Position:		
Total assets	$ 326,180,329	$ 276,781,609
Long-term borrowings	$ 46,647,144	$ 39,688,629
Stockholders' equity	$ 11,707,594	$ 9,641,514
Common Share Data:		
Basic earnings per share	$ 8.04	$ 5.26
Diluted earnings per share	$ 7.26	$ 4.74
Cash dividends declared per common share	$ 0.56	$ 0.50
Book value per common share	$ 79.30	$ 64.67
Common shares outstanding[(1)]	147,021,508	145,928,440
Other Data:		
Return on average common equity (annualized)	20.1%	15.6%
Profit margin[(2)]	33.9%	28.0%
Employees	12,519	11,141

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

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

S-12

	Fiscal Year Ended November 30,				
	2005	2004	2003	2002	2001
	(In thousands, except common share data and other data)				
Results:					
Revenues	$ 11,552,447	$ 8,421,902	$ 7,395,444	$ 6,890,816	$ 8,701,033
Interest expense	4,141,653	1,609,019	1,400,953	1,762,580	3,793,998
Revenues, net of interest expense	7,410,794	6,812,883	5,994,491	5,128,236	4,907,035
Non-interest expenses:					
Employee compensation and benefits	3,553,216	3,253,862	2,880,695	2,508,197	2,528,852
Non-compensation expenses	1,650,519	1,536,867	1,341,527	1,309,076	1,443,739
Total non-interest expenses	5,203,735	4,790,729	4,222,222	3,817,273	3,972,591
Income before provision for income taxes and cumulative effect of change in accounting principle	2,207,059	2,022,154	1,772,269	1,310,963	934,444
Provision for income taxes	744,882	677,421	615,863	432,618	309,479
Income before cumulative effect of change in accounting principle	1,462,177	1,344,733	1,156,406	878,345	624,965
Cumulative effect of change in accounting principle, net of tax[1]					(6,273)
Net income	$ 1,462,177	$ 1,344,733	$ 1,156,406	$ 878,345	$ 618,692
Net income applicable to common shares	$ 1,437,856	$ 1,316,661	$ 1,125,031	$ 842,739	$ 579,579
Financial Position:					
Total assets	$ 292,635,233	$ 255,949,894	$ 212,168,110	$ 184,854,423	$ 185,530,228
Long-term borrowings	$ 43,489,616	$ 36,843,277	$ 29,430,465	$ 23,681,399	$ 23,429,054
Guaranteed Preferred Beneficial Interests in Company Subordinated Debt Securities[2]			$ 562,500	$ 562,500	$ 762,500
Stockholders' equity	$ 10,791,432	$ 8,990,872	$ 7,470,088	$ 6,382,083	$ 5,628,527
Common Share Data:					
Basic earnings per share	$ 11.42	$ 10.88	$ 9.44	$ 7.00	$ 4.49
Diluted earnings per share	$ 10.31	$ 9.76	$ 8.52	$ 6.47	$ 4.27
Cash dividends declared per common share	$ 1.00	$ 0.85	$ 0.74	$ 0.62	$ 0.60
Book value per common share	$ 71.08	$ 59.13	$ 48.69	$ 39.94	$ 33.84
Common shares outstanding[3]	146,431,767	144,484,099	142,369,836	145,591,496	146,465,210
Other Data:					
Return on average common equity	16.5%	19.1%	20.2%	18.1%	13.7%
Profit margin[4]	29.8%	29.7%	29.6%	25.6%	19.0%

	Fiscal Year Ended November 30,				
Employees	11,843	10,961	10,532	10,574	10,452

(1)
At December 1, 2000, the Company recognized a cumulative after-tax loss of $6.3 million as a result of adopting Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities."

(2)
In accordance with FIN No. 46 (R), the Company has deconsolidated Bear Stearns Capital Trust III effective beginning with the quarter ended February 29, 2004. As a result, the Debentures issued by the Company to Bear Stearns Capital Trust III are included within long-term borrowings. The $262.5 million of Preferred Securities issued by Capital Trust III is still outstanding, providing the funding for such Debentures. The Preferred Securities issued by Capital Trust III are no longer included in the Company's Consolidated Statements of Financial Condition. As of November 30, 2003 and 2002, Guaranteed Preferred

Beneficial Interests in Company Subordinated Debt Securities consists of $300 million of Preferred Securities issued by Bear Stearns Capital Trust II and $262.5 million of Preferred Securities issued by Bear Stearns Capital Trust III. As of November 30, 2001, Guaranteed Preferred Beneficial Interests in Company Subordinated Debt Securities consists of $200 million of Capital Securities issued by Bear Stearns Capital Trust I, $300 million of Preferred Securities issued by Bear Stearns Capital Trust II and $262.5 million of Preferred Securities issued by Bear Stearns Capital Trust III.

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

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

DESCRIPTION OF THE NOTES

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

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

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

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

Brief Description of the Notes

The Fixed Rate Notes and the Floating Rate Notes will:

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

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

we had outstanding (on an unconsolidated basis) approximately $71.4 billion of debt and other obligations, including approximately $65.9 billion of unsecured senior debt and senior obligations and $5.5 billion of unsecured inter-company debt; and our subsidiaries had outstanding (after elimination of inter-company items) approximately $248.6 billion of senior debt and other senior obligations (including $67.8 billion related to securities sold under repurchase agreements, $76.6 billion related to payables to customers, $41.4 billion related to financial instruments sold, but not yet purchased, and $62.7 billion of other liabilities, including $23.6 billion of debt).

You should refer to "Certain US Federal Income Tax Considerations" for a discussion of certain federal income tax considerations to you as a Holder.

Principal,