

Gray 28/06/2005  
SOLICITOR OF THE  
SUPREME COURT OF ENGLAND  
AND  
WALES

**NOTEHOLDERS SHOULD UNDERSTAND THAT PAYMENTS OF INTEREST UNDER THE NOTES DURING THE CMS PERIOD WILL BE LINKED TO THE PERFORMANCE OF 10YR CMS AND CMS CAP (AS DEFINED HEREIN), WHICH ITSELF CONTAINS SUBSTANTIAL MARKET RISKS. NEVERTHELESS, IN NO CIRCUMSTANCES (OTHER THAN THE INSOLVENCY OF THE ISSUER OR IN THE EVENT OF AN EARLY REDEMPTION PURSUANT TO CONDITION 7(b) OR CONDITION 10) MAY THE NOTES BE REDEEMED FOR LESS THAN PAR.**

**PRICING SUPPLEMENT**

30th June, 2005

**THE BEAR STEARNS COMPANIES INC.  
€60,710,000 Principal Protected Fixed Rate and CMS Linked Callable Notes  
due June, 2035  
issued pursuant to the U.S.\$15,000,000,000 Euro-Dragon Medium Term Note Programme  
of The Bear Stearns Companies Inc. and Bear Stearns Bank plc**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Offering Circular dated 17th December, 2003 as so supplemented from time to time. This Pricing Supplement must be read in conjunction with such Offering Circular as so supplemented. This Pricing Supplement together with the Addendum for the Netherlands (attached hereto as Schedule 2) and the Offering Circular constitutes a prospectus for the purposes of the Listing and Issuing Rules (*Fondsenreglement*) of Euronext Amsterdam N.V.

1. Name of relevant Issuer and (where the relevant Issuer is BS Bank) the name of the Parent: The Bear Stearns Companies Inc. The Delaware ID No for the Issuer is 2069460.
2. Series Number (of each Tranche, if applicable) and, if not a new Series, the date from which the Tranche being issued will form a single Series with the other Notes comprised in that Series: 1307
3. Whether Notes are in bearer and/or registered form: Bearer.
4. Whether Notes will initially be represented by a Temporary Global Note and/or Restricted Global Note and/or Reg. S Global Note and/or definitive Registered Notes and, in each case, the initial aggregate nominal amount which each such global Note will represent and/or of definitive Registered Notes to be issued: Temporary Global Note.

5. Specified Currency (or currencies in the case of Dual Currency Notes): Euro (€)
6. Aggregate Nominal Amount: €60,710,000
7. Interest/Payment Basis and, if more than one, the dates during which each Interest/Payment Basis will apply and/or details as to if convertible automatically or at option of Issuer and/or Noteholders into Notes of another Interest/Payment Basis: The Notes shall be Fixed Rate Notes in respect of the period from and including the Issue Date to but excluding 30th June, 2009 (the **Fixed Rate Period**) in accordance with paragraph 14 below and Floating Rate Notes in respect of the period from and including 30th June, 2009 to and including the Maturity Date (the **CMS Period**) in accordance with paragraph 15 below.
8. Issue Date: 30th June, 2005
9. Specified Denominations: €1,000
10. (i) Issue Price: 100 per cent. of the Aggregate Nominal Amount of the Notes.
- (ii) Net Proceeds: €60,710,000
11. Interest Commencement Date: 30th June, 2005.
12. Maturity Date: 30th June, 2035.
13. Final Redemption Amount: 100 per cent. of the Aggregate Nominal Amount of the Notes.
14. Fixed Rate Note Provisions: Applicable in respect of the Fixed Rate Period only.
- (i) Fixed Interest Date(s) (Fixed Rate Notes): The Fixed Interest Dates shall be 30th June 2006, 30th June 2007, 30th June, 2008 and 30th June, 2009, subject to adjustment in accordance with the Business Day Convention.
- (ii) Fixed Rate of Interest (Fixed Rate Notes): The Fixed Rate of Interest shall be 7.40 per cent. per annum.
- (iii) Day Count Fraction: 30/360 (unadjusted)
- (iv) Determination Date(s) (Fixed Rate Notes): Not Applicable.
- (v) Any other formula/basis of determining amount payable: Not Applicable.
15. Floating Rate Note Provisions: Applicable in respect of the CMS Period

only, provided that the Interest Amount shall be an amount calculated in accordance with the formula set out in the Schedule attached hereto.

- (i) Interest Payment Dates: The Interest Payment Dates shall be 30th June in each year from and including 30th June, 2010 to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention. For the avoidance of doubt, the amount of interest payable on any Interest Payment Date shall be determined by reference to the Interest Payment Dates without regard to any adjustment for non-Business Days.
- (ii) Applicable Business Day Convention: Following Business Day Convention
- (iii) Applicable Business Day definition (for the purposes of Condition 5(b)(i)): TARGET
- (iv) Agent responsible for calculating the principal and/or interest due: Bear, Stearns International Limited (the **Calculation Agent**).
- (v) ISDA Determination: Not Applicable.
- (vi) Minimum Rate of Interest: In respect of the period from and including the Interest Period commencing on 30th June, 2009 to and including the Maturity Date only, 0.00 per cent. per annum.
- (vii) Maximum Rate of Interest: In respect of the CMS Period, the CMS Cap (as defined in the Scheduled attached hereto).
- (viii) Day Count Fraction: 30/360 (unadjusted)
- (ix) Fall back provisions, rounding provision, denominator and any other terms relating to the method for calculating interest on Floating Rate Notes, if different from those set out in the Conditions: Conditions apply.

#### PROVISIONS RELATING TO REDEMPTION

16. Issuer's Optional Redemption: Yes.
- If yes,
- (a) Optional Redemption Date(s): Each Interest Payment Date from and

including the Interest Payment falling in June, 2015 to and including the Interest Payment falling in June, 2034.

- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): 100 per cent. of the Aggregate Nominal Amount of the Notes.
- (c) Notice Period: Five Business Days prior to the relevant Optional Redemption Date.
- (d) If redeemable in part:
- (i) Minimum Redemption Amount: Not Applicable.
- (ii) Higher Redemption Amount: Not Applicable.
17. Redemption at the Option of the Noteholders: No.
18. Early Redemption Amounts payable on redemption for taxation reasons or following an Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): The Early Redemption Amount of the Notes payable on redemption for tax reasons or following an Event of Default shall be an amount, as determined by the Calculation Agent in its sole and absolute discretion, 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, including (without limitation) any options, in each case as notified to the Calculation Agent by the Issuer.

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Definition of Payment Business Day if different from Condition 6(c): Condition 6(c) applies
20. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): Yes, if the Permanent Global Note is exchanged into definitive Bearer Notes at any time before the time when there are more than 27 remaining Interest Payment Dates up to and including the Maturity Date.

21. Where applicable, whether interests in the Temporary Bearer Global Note are exchangeable for interests in the Permanent Bearer Global Note and/or Definitive Bearer Notes and in the case of Definitive Bearer Notes, the notice period required and whether interests in Registered Global Notes are exchangeable for Definitive Registered Notes: Permanent Bearer Global Note.
22. Other terms or special Conditions, including whether Redenomination applies: See the Schedule attached hereto

## DISTRIBUTION

23. Additional transfer restrictions: Not Applicable.
24. Additional selling restrictions: Not Applicable
25. Method of distribution: Non-Syndicated.
26. (a) If syndicated, names of Managers and, if non-syndicated, name of Dealer: Bear, Stearns International Limited (the **Lead Manager**)
- (b) Assumption that Dealer is selling as principal for its own account, and not as agent, is correct: Not Applicable.
27. Details of the relevant Stabilising Manager: Bear, Stearns International Limited.
28. Notes to be listed on a Stock Exchange: Application has been made to list the Notes on Eurolist by Euronext Amsterdam.
29. Delivery: Delivery against payment.
30. Noteholders' Representations: By purchasing the Notes, the Noteholder represents and agrees that:
- (a) 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;

- (b) it understands that the interest amount in respect of the CMS Period will be dependent upon the performance of 10yr CMS and CMS Cap (as defined in the Schedule), which itself contains substantial credit and interest rate risks, although it may only suffer a loss of its investment in the Notes in the event of an early redemption pursuant to Condition 7(b) or Condition 10;
- (c) 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;
- (d) it understands that although long term debt of the Issuer has been rated "A1" 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 payments of interest on the Notes in respect of the CMS period are linked to the 10yr CMS and CMS Cap; and
- (e) 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. However, the Noteholder acknowledges that, in acting hereunder, the Calculation Agent is acting as agent of the Issuer and such entity shall not thereby assume obligations towards or relationship of agency or trust for or with the Noteholders.

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Euroclear and Clearstream, Luxembourg Common Code: 022189611 ISIN: XS0221896110

Fonds Code: 15435

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**Listing Application**

This Pricing Supplement comprises the final terms required for the Notes described herein to be listed on Eurolist by Euronext Amsterdam.

For and on behalf of The Bear Stearns Companies Inc.

By: .....

AUTHORISED SIGNATORY

## SCHEDULE 1

### 1. Interest Amount

For the purposes of paragraph 15 of the Pricing Supplement, in respect of each Interest Period during the CMS Period, the Interest Amount payable on each Note on each Interest Payment Date shall be an amount determined by the Calculation Agent acting in good faith and in its sole and absolute discretion in accordance with the following formula:

Interest Amount = Specified Denomination x Min [10yrCMS + 1.65%, CMS Cap] x Day Count Fraction

, subject to a minimum amount of zero.

### 2. Definitions

For the purposes of this Pricing Supplement, the following definitions shall apply:

**2yrCMS** means the annual swap rate for euro swap transactions with a maturity of two years, expressed as a percentage, appearing on Reuters Screen ISDAFIX2 Page under the heading "EURIBOR BASIS – Ref Banks" and above the caption "11:00 AM FRANKFURT" as of 11.00 a.m. Frankfurt time on the day that is two Business Days preceding the first day of the relevant Interest Period. If such rate does not appear on Reuters Screen ISDAFIX2 Page, the applicable rate will be determined by the Calculation Agent in its sole and absolute discretion by reference to "EUR-Annual Swap Rate-Reference Banks" (as defined in the ISDA Definitions) (as defined in Condition 5(b)(iii)).

**10yrCMS** means the annual swap rate for euro swap transactions with a maturity of ten years, expressed as a percentage, appearing on Reuters Screen ISDAFIX2 Page under the heading "EURIBOR BASIS – Ref Banks" and above the caption "11:00 AM FRANKFURT" as of 11.00 a.m. Frankfurt time on the day that is two Business Days preceding the first day of the relevant Interest Period. If such rate does not appear on Reuters Screen ISDAFIX2 Page, the applicable rate will be determined by the Calculation Agent in its absolute discretion by reference to "EUR-Annual Swap Rate-Reference Banks" (as defined in the ISDA Definitions) (as defined in Condition 5(b)(iii)).

**CMS Cap** means the result of  $[8 \times (10\text{yrCMS} - 2\text{yrCMS})]$  per annum determined in the sole and absolute discretion of the Calculation Agent.

### 3. Calculation Agent

- (a) The Calculation Agent will cause the Interest Amount in respect of each Interest Period to be notified to the Issuer and the Agent and notice thereof to be published in accordance with Condition 15 as soon as possible after its determination but in no event later than the Business Day thereafter.
- (b) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Pricing Supplement 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 Calculation Agent and the Noteholder and (in the absence as aforesaid) no liability to the Issuer or the Noteholder 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.

## SCHEDULE 2

### ADDENDUM FOR THE NETHERLANDS

#### THE BEAR STEARNS COMPANIES INC.

€60,710,000 Principal Protected Fixed Rate and CMS Linked Callable Notes

due June, 2035 (the Notes)

issued pursuant to the U.S.\$15,000,000,000 Euro-Dragon Medium Term Note Programme of The Bear Stearns Companies Inc. and Bear Stearns Bank plc (the Programme)

This Addendum contains additional information in connection with the Notes listed on Eurolist by Euronext Amsterdam as required by Euronext Amsterdam N.V. (**Euronext Amsterdam**).

#### 1. Netherlands Taxation

##### General

*The following summary describes the principal Netherlands tax consequences for residents of the Netherlands of the acquisition, holding, redemption and disposal of the Notes, which term for the purpose of this summary, includes Coupons, Talons and Receipts. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.*

*This summary is based on the Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of the Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.*

*This summary does not address the Netherlands tax consequences of a Noteholder who holds a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.*

*For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.*

##### Withholding Tax

No Netherlands withholding tax is due upon payments on the Notes or upon payment of the final redemption amount.

##### Corporate Income Tax and Individual Income Tax for Netherlands resident Noteholders

If the Noteholder is subject to Netherlands corporate income tax and the Notes are attributable to its (deemed) business assets, income received and gains realised upon the redemption and disposal of the Notes are generally taxable in the Netherlands.

If the Noteholder is an individual, resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including the individual Noteholder who has opted to be taxed as a resident of the Netherlands), income received and gains realised upon the redemption and disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

- (i) the Noteholder has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- (ii) such income and gains qualify as "income from miscellaneous activities" (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed "regular, active portfolio management" (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual Noteholder, the actual income received and gains realised with respect to the Notes will not be taxable. Instead, such Noteholder will be taxed at a flat rate of 30% on deemed income from "savings and investments" (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4% of the average of the individual's "yield basis" (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Notes will be included in the individual's yield basis.

### **Gift and Inheritance Taxes for Netherlands resident Noteholders**

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a Noteholder who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

### **Other Taxes and Duties**

No Netherlands VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

### **EU Savings Directive**

On 3 June 2003, the European Council of Economics and Finance Ministers (**ECOFIN**) adopted a Directive on the taxation of savings income. Under the Directive Member States will (if equivalent measures have been introduced by certain non-EU countries) be required, from 1 July 2005, 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 that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be 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 other agreements relating to information exchange with certain other countries).

## **2. Paying Agent**

The Issuer has appointed ABN AMRO Bank N.V. as its Netherlands paying agent with respect to the offering of the Notes in the Netherlands.

ABN AMRO Bank N.V.  
Kemelstede 2  
4817 ST Breda  
The Netherlands

## **3. Listing**

Application has been made to list the Notes on Eurolist by Euronext Amsterdam. Trading is expected to commence on 30 June 2005. ABN AMRO Bank N.V. is acting as listing agent.

## **4. Listing and Issuing Rules of Euronext Amsterdam**

For so long as the Notes are listed on Euronext Amsterdam, the Issuer will comply with requirements as set forth in article 2.1.20 of Schedule B of the Listing and Issuing Rules of Euronext Amsterdam (*Fondsenreglement*).

## **5. Stabilisation**

In connection with the issue and distribution of any Tranche of the Notes, Bear, Stearns International Limited or any person acting for him may over-allot or effect transactions which support the market price of the Instruments at a level higher than that which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilisation, if performed, shall be in compliance with all relevant laws and regulations including, those of Euronext Amsterdam and Article 32 of the Further Regulations on Market Conduct Supervision on the Notes Trade 2002 (*Nadere regeling gedragstoezicht effectenverkeer 2002*) as amended. In relation to Notes to be listed on Euronext Amsterdam, stabilising will in any event be discontinued 30 days after the Closing Date applicable to such Notes.

## **6. Notices**

Any notice regarding the Notes shall be validly given if published in the Official Daily List of Euronext Amsterdam (*Officiële Prijscourant*) and in at least one daily newspaper of wide circulation in the Netherlands, which is expected to be *Het Financieele Dagblad*. Any such notice shall be deemed to have been given on the date of publication or, if published more than once, on the date of the first publication.

## **7. Clearing and Settlement**

The Notes have been accepted for settlement through Euroclear Bank S.A./N.V., as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme, Luxembourg (**Clearstream, Luxembourg**).

ISIN code: XS0221896110  
Common code: 022189611  
Fondscodé: 15435

## **8. Responsibility of the Issuer**

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **9. Other information**

The Articles of Association of the Issuer are incorporated by reference.

Copies of the documents incorporated by reference in the offering circular for the Programme are available free of charge at the offices of the Netherlands paying agent.