

Reverse Convertible

3 YEAR NOTES LINKED TO PETROLEO BRASILEIRO

ISIN: XS0348578062

VALOREN: CH3805177

WKN : A0TRRP

Further to our recent conversations and to your request, Bear, Stearns International Limited ("**Bear Stearns**") is pleased to provide you with indicative Notes terms reflecting our discussions and upon which we would welcome your comments and thoughts. These indicative terms are subject to the granting of any applicable approvals or licences, prevailing market conditions and Bear Stearns procedures for this type of transaction, which will include credit and legal approval. Subject to these points and to the disclosures made at the foot of this page at present the indicative terms are as follows.

Final Terms and Conditions as of 15th February 2008

Instrument:	Euro Medium Term Notes issued pursuant to the U.S.\$ 30,000,000,000 Euro Medium Term Note Programme (the " Programme ").
Issuer:	Bear Stearns Global Asset Holdings, Ltd.
Guarantor:	The Bear Stearns Companies Inc.
Dealer and Calculation Agent:	Bear, Stearns International Limited
Purchaser:	Commerzbank AG
Aggregate Principal Amount:	1,000,000 USD
Specified Denominations:	1,000 USD
Trade Date:	15 February 2008
Issue/Settlement Date:	14 March 2008
Maturity Date:	14 March 2011
Issue Price:	100%
Reference Share:	Petroleo Brasileiro S.A. ADR (Bloomberg: PBR UN, ISIN: US71654V4086)
Exchange:	New York Stock Exchange
Related Exchange:	TBD
Initial Valuation Date:	8 February 2008
Final Valuation Date:	7 March 2011
Initial Spot Price	111.57 USD
Barrier Level:	80% of Initial Fixing
Coupon:	10% p.a.

This indicative term sheet is neither an offer to buy or sell securities or an OTC derivative product, which includes options, swaps, forwards and structured notes having similar features to OTC derivative transactions, nor a solicitation to buy or sell securities or an OTC derivative product. The proposal contained in the foregoing is not a complete description of the terms of a particular transaction and is subject to change without limitation. All information contained in the foregoing is qualified in its entirety by the information to be provided in the prospectus or private placement terms and the offering circular dated 31 August 2007 (as may be supplemented from time to time by any supplemental offering circular) describing The Bear Stearns Companies Inc., Bear Stearns Bank plc, Bear Stearns Global Asset Holdings, Ltd and Bear Stearns Caribbean Asset Holdings Ltd. US\$ 30,000,000,000 Euro Medium Term Note Programme. Any investment decision should be based only upon such final documentation. This term sheet does not purport to identify or suggest all of the risks (direct and indirect) which may be associated with the proposed transaction. Bear Stearns and/or individuals associated therewith or affiliates thereof may have positions in trades or securities similar to those described above. Bear Stearns acts as principal in transacting with you and accordingly you must determine the appropriateness for you of such transaction, or if you are a private customer you must speak with your usual Bear Stearns contact. Bear Stearns is not providing you with investment advice or a personal recommendation. In the event Bear Stearns is deemed to have provided you with investment advice, you acknowledge and agree that Bear Stearns has only done so to the extent that you have provided Bear Stearns with your investment objectives with respect to the Notes and only such investment objectives have been taken into account when assessing the suitability of the Notes for your purposes. Proprietary and confidential information of Bear Stearns. Not to be disclosed to a third party without Bear Stearns' written consent. © Bear, Stearns International Limited 2008 (all rights reserved).

Coupon Payment Dates:	Annually, on 14 March 2009, 14 March 2010 and 14 March 2011
Day Count Fraction	Actual / Actual (ISDA)
Barrier Event	A Barrier Event is deemed to have occurred if the official closing price of the Reference Share was at or below the Barrier Level on the Final Valuation Date.
Final Redemption Amount:	<ul style="list-style-type: none"> ▪ If a Barrier Event has not occurred: Specified Denomination × 100% ▪ If a Barrier Event has occurred: $\text{Specified Denomination} \times \text{Min} \left(100\% ; \frac{\text{Final Fixing}}{\text{Initial Fixing}} \right)$ <p>With Final Fixing as the closing price of the Reference Share on the Final Valuation Date And Initial Fixing as 100% of Initial Spot Price</p>
Business Day for payment:	New York
Clearing:	Euroclear/Clearstream, Luxembourg
Form:	Bearer
Distribution:	Non-syndicated
Listing:	None
Payment and Delivery:	Payment in full on the Settlement Date to Bear Stearns, through Euroclear/Clearstream, against delivery of the Notes to a common depository for Euroclear/Clearstream, in accordance with payment instructions to be notified by Bear Stearns.
Risk Factors:	<p><u>Credit and Principal:</u> The Notes are an unsecured obligation of the Issuer. The Notes do not protect 100% of the Aggregate Principal Amount on the Maturity Date.</p> <p><u>Liquidity Risk:</u> Neither Bear Stearns 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. However, under normal market conditions and upon request, Bear Stearns shall provide the Purchaser with an indicative bid and offer price, although there can be no assurance at which level such price would be made. The price given, if any, may also be affected by many factors including, but not limited to: the remaining term of the Notes, the general level of interest rates, the level of the Reference Share and the cost to the Issuer or Bear Stearns of unwinding any related hedging activity or any funding arrangement.</p>
Sales/Transfer Restrictions:	As specified in the Programme Offering Circular (including, without limitation, US and UK) and Switzerland

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Tax and Regulatory Considerations:	Potential Noteholders should consult their own tax and accounting advisers before agreeing to purchase the Notes. Neither Bear Stearns nor the Issuer makes any representation as to the appropriate characterization of the Notes and the accounting for balance sheet treatment thereof by any relevant tax authority, regulatory or accounting body.
Confidentiality clause:	Upon receipt of this termsheet, the Purchaser agrees to maintain the confidentiality of its contents; however, you may disclose, without limitation of any kind, to any and all persons the tax treatment and/or tax structure of the Notes and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment and tax structure.
Governing Law:	English
Documentation:	Offering Circular in respect of the Programme and drawdown Prospectus or Private Placement Terms. Provisions in respect of market disruption, market holidays, or non-availability of relevant information will be covered in more detail in the Prospectus or Private Placement Terms.
Purchaser Letter:	A Purchaser Letter shall be executed as soon as possible and in any event no later than the Issue/Settlement Date. Issuance and settlement of the Notes on the Issue/Settlement Date is contingent upon receipt by Bear Stearns of a duly executed Purchaser Letter from the Purchaser.

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