

Prospectus dated 26 February 2007

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

**NOTEHOLDERS SHOULD UNDERSTAND THAT THE FINAL REDEMPTION AMOUNT UNDER THE NOTES WILL BE LINKED TO THE PERFORMANCE OF A BASKET OF INDICES AND COMMODITIES (AS DEFINED HEREIN) BUT THE FINAL REDEMPTION AMOUNT PAYABLE MAY BE LESS THAN THE PERFORMANCE OF THE BASKET. THE NOTES ARE PRINCIPAL PROTECTED, THEREFORE A NOTEHOLDER MAY ONLY RECEIVE LESS THAN THE PRINCIPAL AMOUNT IN RESPECT OF ANY NOTE IN THE EVENT THAT (1) SUCH NOTEHOLDER SELLS SUCH NOTE PRIOR TO MATURITY OR (2) THE NOTES ARE REDEEMED EARLY PURSUANT TO CONDITION 8(b) OR CONDITION 11.**

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

**NOTEHOLDERS AND PROSPECTIVE PURCHASERS SHOULD CAREFULLY READ PARAGRAPH 10 OF PART B OF THE TERMS OF THE NOTES.**

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

**THE OFFER PRICE IS 112% OF THE AGGREGATE NOMINAL AMOUNT OF THE NOTES.**

**BEAR STEARNS GLOBAL ASSET HOLDINGS, LTD.**

Issue of up to SEK 1,000,000,000 Notes Linked to a Multi Asset Multi Strategy Portfolio of Indices and Commodities due 2012 (the “**Notes**”) under the U.S.\$30,000,000,000 Euro Medium Term Note Programme (the “**Programme**”)

**Unconditionally and irrevocably guaranteed by The Bear Stearns Companies Inc.**

*Public Offering in Sweden*

This Prospectus (including the Schedule hereto), together with the documents incorporated by reference herein comprises a prospectus for the purposes of Article 5 of Directive 2003/71/EC (the “**Prospectus Directive**”) and for the purpose of giving information with regard to Bear Stearns Global Asset Holdings, Ltd., (the “**Issuer**”) which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer, who is the “**Offeror**” for the purposes of Article 2.1(i) of the Prospectus Directive, and the Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and of the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Notes will be offered for sale in Sweden during a subscription period from and including 28 February 2007, 9.00 a.m. (Central European Time) to and including 27 March 2007, 5.00 p.m. (Central European Time) (the “**Subscription Period**”). Early closing of the Subscription Period shall be possible at the discretion of the Issuer or the Dealer.

The Subscription Period may also be extended at the discretion of the Issuer or the Dealer. Any adjustment to the Subscription Period will be set out in one or more notices to be made available on the website of the London Stock Exchange ([www.londonstockexchange.com](http://www.londonstockexchange.com)). For the avoidance of doubt, such adjustment shall not trigger the requirement to publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive.

The Issuer intends to request the Financial Services Authority (the “**FSA**”) to provide the *Finansinspektionen* in Sweden with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive.

The Prospectus will be used for the purposes of a public offering of the Notes in Sweden. However, the Issuer and the Dealer have not taken any action which would permit the public offering of the Notes or distribution of this Prospectus or any other offering material in respect of the Notes in any other jurisdiction where action for that purpose is required. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any applicable restrictions on the distribution of this Prospectus and the offering and sale of the Notes. In particular investors should comply with the restrictions set out in the “*Subscription and Sale and Transfer Restrictions*” section of the Base Prospectus.

It is intended that the Notes be listed and admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market and on the Nordic Derivatives Exchange of the Nordic Growth Market. There can be no assurance, however, that such admissions to trading will be granted. The London Stock Exchange’s Gilt Edged and Fixed Interest Market and the Nordic Growth Market are regulated markets for the purposes of the Investment Services Directive (Directive 93/22/EEC).

## **PART A – CONTRACTUAL TERMS**

The Offering Circular dated 15 August 2006 which constitutes a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive shall be deemed to be incorporated into and form part of this Prospectus in its entirety (with the exception of any document incorporated by reference thereto) and such non-incorporated parts are not relevant for the investor save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus and such non-incorporated parts are not relevant for investors. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus (with the exception of any documents incorporated by reference thereto), save that references to “Final Terms” and “Prospectus” in the Base Prospectus shall, where applicable, be deemed to refer to this Prospectus. This Prospectus must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of provisions set out within this document and the Base Prospectus. Copies of such Base Prospectus and the Prospectus are available for reviewing at the registered office of the Issuer.

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## SUMMARY

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

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

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

**This summary has been translated into Swedish for the purposes of Article 17 of the Prospectus Directive and for passporting the Prospectus into Sweden. The Swedish version of the summary is a translation of this English summary.**

### SUMMARY OF THE ISSUER

Bear Stearns Global Asset Holdings, Ltd.’s principal business is the issuance to various dealers, as may be determined by the Issuer and the Guarantor, of medium term notes and other securities denominated in any currency, and having any maturity as agreed between the Issuer and certain other of the Guarantor’s subsidiaries.

### SUMMARY OF TERMS AND CONDITIONS OF THE NOTES

<b>Issuer:</b>	Bear Stearns Global Asset Holdings, Ltd.
<b>Programme:</b>	The Notes are issued pursuant to the Issuer’s U.S. \$30,000,000,000 Euro Medium Term Note Programme.
<b>Guarantor:</b>	The Bear Stearns Companies Inc.
<b>Dealer:</b>	Bear, Stearns International Limited.
<b>Distribution:</b>	Non-Syndicated.
<b>Issuing Agent and Principal Paying Agent:</b>	JPMorgan Chase Bank, N.A.
<b>Calculation Agent:</b>	Bear, Stearns International Limited.
<b>Aggregate Nominal Amount of Notes:</b>	Up to SEK 1,000,000,000. The final aggregate Nominal Amount of the Notes will be determined by the Issuer and will be published on the website of the London Stock Exchange ( <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a> ) and the Nordic Derivatives

Exchange will be notified of such amount.

**Currency:** Swedish Krona. (“**SEK**”)

**Issue Date:** 18 April 2007.

**Subscription Period:** From and including 28 February 2007, 9.00 a.m. (Central European time) to and including 27 March 2007, 5.00 p.m. (Central European time) (the “**Subscription Period**”). Early closing of the Subscription Period shall be possible at the discretion of the Issuer or the Dealer.

The Subscription Period may also be extended at the discretion of the Issuer or the Dealer. Any adjustment to the Subscription Period will be set out in one or more notices to be made available on the website of the London Stock Exchange ([www.londonstockexchange.com](http://www.londonstockexchange.com)). For the avoidance of doubt, such adjustment shall not trigger the requirement to publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive.

There are no allotment criteria. All of the requests for allocation during the Subscription Period will be assigned until the maximum amount of the offer is reached (such amount being SEK 1,000,000,000).

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

**Denomination of Notes:** SEK 50,000.

**Maturity Date:** 18 April 2012.

**Issue Price:** 112% of the Aggregate Nominal Amount of the Notes.

**Net Proceeds:** Up to SEK 1,120,000,000.

**Type of Notes:** Linked Redemption Notes which are linked to a basket of indices and commodities.

**Interest:** The Notes do not bear interest.

**Underlying Securities:** A basket of indices and commodities comprised of the following:

Standard and Poor’s 500 Index;  
Dow Jones Euro STOXX 50<sup>®</sup> Index;  
OMX Index;  
Tokyo Stock Price Index;  
Tokyo Stock Exchange REIT Index;  
HFRX Global Hedge Fund EUR Index;  
Aluminium;  
Copper;  
Zinc.

**Final Redemption Amount:**

Unless previously redeemed or cancelled as provided in the Conditions, each Note shall be redeemed on the Maturity Date at an amount (the “**Final Redemption Amount**”) determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} + \text{Equity Amount}$$

Where:

“**Equity Amount**” is an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times \text{PP} \times \text{Return Percentage}$$

Where:

“**PP**” means a participation rate determined by the Calculation Agent on the Trade Date, taking into account the market conditions which the Calculation Agent deems appropriate, in its sole and absolute discretion. It is expected that PP shall not be less than 190%. In the event that the PP is less than 170%, the Issuer shall publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive;

“**Return Percentage**” means a rate determined by the Calculation Agent in accordance with the following formula:

$$\text{MAX} [0\%; \text{Basket}_1 - 100\%; \text{Basket}_2 - 100\%; \text{Basket}_3 - 100\%]$$

where:

“**Basket<sub>1</sub>**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$60\% \text{ Equity Index Basket} + 20\% \left( \frac{\text{TSEREITAVE}}{\text{TSEREITinitial}} \right) + 20\% \text{ Commodity Basket} + 0\% \left( \frac{\text{HFRXGLEAVE}}{\text{HFRXGLEinitial}} \right)$$

“**Basket<sub>2</sub>**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$20\% \text{ Equity Index Basket} + 40\% \left( \frac{\text{TSEREITAVE}}{\text{TSEREITinitial}} \right) + 20\% \text{ Commodity Basket} + 20\% \left( \frac{\text{HFRXGLEAVE}}{\text{HFRXGLEinitial}} \right)$$

“**Basket<sub>3</sub>**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$20\% \text{ Equity Index Basket} + 20\% \left( \frac{\text{TSEREITAVE}}{\text{TSEREITinitial}} \right) + 20\% \text{ Commodity Basket} + 40\% \left( \frac{\text{HFRXGLEAVE}}{\text{HFRXGLEinitial}} \right)$$

where:

“**Averaging Date**” means:

(i) in relation to SPX, SX5E, OMX, TPX, TSEREIT, LOAHDY Comdty, LOCADY Comdty and LOZSDY Comdty the 30<sup>th</sup> calendar day of each month (except for February for which it should be the 28<sup>th</sup> calendar day) from and including 30 March 2011 to and including 30 March 2012 (the “**Indices and Commodities Final Valuation Date**”); and

(ii) in relation to HFRXGLE, the last Business Day of every month from and including 30 April 2011 to and including 31 March 2012 (the “**HFRXGLE Final Valuation Date**”);

(or, if any such date is not a Scheduled Trading Day in respect of such Index or Commodity (as applicable), the relevant Averaging Date in respect of such Index or Commodity (as applicable) shall be the next following Scheduled Trading Day in respect of such Index or Commodity, subject to adjustment in accordance with the provision of the Schedule);

“**Commodity**” means each of Aluminium, Copper and Zinc (collectively, the “**Commodities**”);

“**Commodity Basket**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$\left[ \frac{\text{LOAHDY Comdty AVE}}{\text{LOAHDY Comdty}_{\text{initial}}} + \frac{\text{LOCADY Comdty AVE}}{\text{LOCADY Comdty}_{\text{initial}}} + \frac{\text{LOZSDY Comdty AVE}}{\text{LOZSDY Comdty}_{\text{initial}}} \right] \times \frac{1}{3}$$

where:

“**LOAHDY Comdty<sub>AVE</sub>**” means the arithmetic average of the official settlement price per tonne of high grade primary aluminium (“**Aluminium**”) on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (ALUMINUM–LME CASH) on the Averaging Dates;

“**LOAHDY Comdty<sub>initial</sub>**” means the official settlement price per tonne of Aluminium on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (ALUMINUM–LME CASH) on the Initial Valuation Date;

“**LOCADY Comdty<sub>AVE</sub>**” means the arithmetic average of the official settlement price per tonne of copper-Grade A (“**Copper**”) on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (COPPER – LME – CASH) on the Averaging Dates;

“**LOCADY Comdty<sub>initial</sub>**” means the official settlement price per tonne of Copper on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (COPPER – LME – CASH) on the Initial Valuation Date;



“**LOZSDY Comdty<sub>AVE</sub>**” means the arithmetic average of the official settlement price per tonne of special high grade zinc (“**Zinc**”) on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page "MTLE" (ZINC–LME CASH) on the Averaging Dates;

“**LOZSDY Comdty<sub>initial</sub>**” means the official settlement price per tonne of Zinc on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page "MTLE" (ZINC–LME CASH) on the Initial Valuation Date;

“**Equity Index Basket**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$\left[ 25\% \frac{SPX_{AVE}}{SPX_{initial}} + 25\% \frac{SX5E_{AVE}}{SX5E_{initial}} + 25\% \frac{OMX_{AVE}}{OMX_{initial}} + 25\% \frac{TPX_{AVE}}{TPX_{initial}} \right]$$

where:

“**SPX<sub>AVE</sub>**”, “**SX5E<sub>AVE</sub>**”, “**OMX<sub>AVE</sub>**” and “**TPX<sub>AVE</sub>**”, means the arithmetic average of the official closing levels for the relevant Index on the Averaging Dates;

“**SPX<sub>initial</sub>**”, “**SX5E<sub>initial</sub>**”, “**OMX<sub>initial</sub>**” and “**TPX<sub>initial</sub>**”, means the official closing levels for the relevant Index on the Initial Valuation Date;

“**Final Valuation Date**” means each of the Indices and Commodities Final Valuation Date and the HFRXGLE Final Valuation Date (as applicable, each subject to postponement in accordance with the Conditions);

“**HFRXGLE**” means the HFRX Global Hedge Fund EUR Index;

“**HFRXGLE<sub>AVE</sub>**” means the arithmetic average of the official levels of such Index on the Averaging Dates;

“**HFRXGLE<sub>initial</sub>**” means the official level of such Index on the Initial Valuation Date;

“**Index**” means each of the SPX, SX5E, OMX, TPX, TSEREIT and HFRXGLE (collectively, the “**Indices**”);

“**Initial Valuation Date**” means (i) in relation to SPX, SX5E, OMX, TPX, TSEREIT, LOAHDY Comdty, LOCADY Comdty, and LOZSDY Comdty, 30 March 2007 and (ii) in relation to HFRXGLE, 30 April 2007 or if such date is not a Scheduled Trading Day in respect of such Index or Commodity as applicable the relevant Initial Valuation Date in respect of such Index or Commodity shall be the next following Scheduled Trading Day subject to adjustment in accordance with the provision of the Schedule;

“**OMX**” means the OMX Index;

“**SPX**” means the Standard and Poor’s 500 Index;

“**SX5E**” means the Dow Jones Euro STOXX 50<sup>®</sup> Index;

“**TSEREIT**” means the Tokyo Stock Exchange REIT Index;

“**TSEREIT<sub>AVE</sub>**” means the arithmetic average of the official closing levels of such Index on the Averaging Dates;

“**TSEREIT<sub>initial</sub>**” means the official closing level of such Index on the Initial Valuation Date; and

“**TPX**” means the Tokyo Stock Price Index.

**Issuer Early Redemption Call:**

None.

**Noteholder Early Redemption Put:**

None.

**Early Redemption for Tax Reasons:**

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

**Taxation:**

All payments of interest or principal in respect of the Notes will be made without deduction for or on account of withholding taxes payable in the country in which the Issuer is organised, subject as provided in the Conditions.

**Early Redemption Amount:**

An amount equal to the market value of the Notes on the date of redemption, adjusted to account for any losses, expenses or costs to the Issuer (or any of its affiliates) of unwinding any underlying hedging or funding arrangements, all as determined by the Issuer in its sole and absolute discretion.

**Status of Notes:**

The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of the Conditions) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (subject as aforesaid and to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

**Form of Notes:**

Bearer Form.

**Clearing:**

Euroclear Bank S.A./N.V. and Clearstream, Luxembourg.

**Listing:**

Application will be made for the Notes to be listed and admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market and on the Nordic Derivatives Exchange of the Nordic Growth Market.

**Public Offer:**

The Notes will be offered to the public in Sweden.

**Selling Restrictions:**

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

Notes.

**Notices:** Any notice to Noteholders will be validly given if published in a leading English language daily newspaper of general circulation in London.

**Rating:** The Notes will not be rated.

**Governing Law:** The Notes will be governed by and construed in accordance with English law.

**Risk Factors:** The market value of the Notes may be significantly less than their nominal amount during their lifetime and can be expected to fluctuate significantly. The price of the Notes may be affected by many factors including, but not limited to: the performance of the Indices and Commodities, the cost to the Issuer or the Dealer of unwinding any related hedging activity or any funding arrangement, the remaining term of the Notes, and the general level of interest rates.

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition.

## INCORPORATION BY REFERENCE

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

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

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Guarantor and from the specified office of the Paying Agent for the time being in London.

## **RISK FACTORS**

*Noteholders should also read the risk factors set out in pages 19 to 26 inclusive of the Base Prospectus (including for the avoidance of doubt, the introductory paragraphs thereto) which are incorporated by reference into this Prospectus.*

*The attention of Noteholders is also drawn to the Section headed “Questions and Answers”.*

### **Liquidity Risk**

Neither the Dealer nor the Issuer makes any representation as to the existence of a secondary market for the Notes. The market value can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Notes. The market value of the Notes may be affected by many factors including, but not limited to: the remaining term of the Notes, the general level of interest rates, the performance of the Indices and Commodities (as defined herein) and the cost to the Issuer or the Dealer of unwinding any related hedging activity or any funding arrangement. Accordingly, there can be no assurance that Noteholders will realise the nominal amount of the Notes if the Notes are sold prior to the Maturity Date.

### **Linked Redemption Notes**

Noteholders should understand that the Final Redemption Amount payable under the Notes will be linked to the performance of each of the Indices and Commodities (as defined herein). However, the Final Redemption Amount payable may be less than the performance of the Indices and Commodities. The Final Redemption Amount is also affected by the participation rate: see “Participation Rate” below.

The Notes are principal protected, therefore, a Noteholder may only receive less than the principal amount in respect of any Note in the event that such Noteholder sells such Note prior to maturity or the Notes are redeemed early pursuant to Condition 8(b) or Condition 11.

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

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

Bear Stearns Global Asset Holdings, Ltd. cannot be held liable for fluctuations in the value of the Notes or in the return on the Notes during the life thereof.

### **Participation Rate**

The calculation of the Equity Amount includes a participation rate defined as PP in the Conditions of the Notes. PP is only determined by the Calculation Agent on 29 March 2007. This falls after the end of the Subscription Period. PP is expected to be not less than 190 per cent. However, if the Calculation Agent determines that it is less than 170 per cent., the Issuer shall publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive.

**Risk of Insolvency of the Issuer**

The value of their investment does not merely depend on the performance of the Indices and Commodities, but also on the solvency of the Issuer.

**Subscription Period**

The Subscription Period for the Notes may be shortened at the discretion of the Issuer or the Dealer without notice.

The Subscription Period may also be extended at the discretion of the Issuer or the Dealer. Such extension shall not trigger the requirement to publish a supplement to the Prospectus pursuant to Article 16 of the Prospectus Directive.

## QUESTIONS AND ANSWERS

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

### *What are the Notes?*

The Notes are scheduled to issue on 18 April 2007 and scheduled to mature on 18 April 2012 (the “**Maturity Date**”).

The Notes do not bear interest.

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

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

The Notes are principal protected on the Maturity Date. Therefore, in the absence of any event of default in relation to the Issuer or the occurrence of certain tax related events, you will receive at least the principal amount of the Notes on the Maturity Date.

### *What is the Reference Basket?*

The Reference Basket is comprised of (i) a basket of three commodities, the Commodity Basket, (ii) a basket of four indices, the Equity Index Basket, (iii) the HFRX Global Hedge Fund EUR Index and (iv) the Tokyo Stock Exchange REIT Index. Further information in respect of the Reference Basket is provided in the Schedule to the Prospectus and may be obtained through publicly available sources: see “Part B – Other Information” below.

Three portfolios have been established each attributing a different weighting to the various components of the Reference Basket. The three portfolios are as follows:

	<b>Portfolio 1 (weighting)</b>	<b>Portfolio 2 (weighting)</b>	<b>Portfolio 3 (weighting)</b>
Equity Index Basket	60%	20%	20%
Commodity Basket	20%	20%	20%
HFRX Global Hedge Fund EUR Index	0%	20%	40%
Tokyo Stock Exchange REIT Index	20%	40%	20%

***What do the Notes pay on the Maturity Date?***

On the Maturity Date the Notes will pay an amount determined by reference to the best performing portfolio.

On the Maturity Date, the Notes will pay an amount equal to the Notional Amount of the Notes plus the Equity Amount. The Equity Amount is equal to the Notional Amount of the Notes multiplied by the participation rate multiplied by the Return Percentage. The participation rate shall be determined on the Trade Date and is expected to be not less than 190%. In the event that the participation rate is less than 170%, the Issuer shall publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive. The Return Percentage shall be either zero or the best performing portfolio minus 100%.

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

***Three different portfolios – the return is only dependent on the performance of the best portfolio***

*Illustrative Example 1:*

<b>Performance of components of the Reference Basket</b>	
<i>Equity Index Basket</i>	50%
<i>Tokyo Stock Exchange REIT Index</i>	30%
<i>Commodity Basket</i>	5%
<i>HFRX Global Hedge Fund EUR Index</i>	-10%

<b>Portfolio</b>	<b>Portfolio #1</b>	<b>Portfolio #2</b>	<b>Portfolio #3</b>
<i>Weighted performance of the Equity Index Basket</i>	30%	10%	10%
<i>Weighted performance of the Tokyo Stock Exchange REIT Index</i>	6%	12%	6%
<i>Weighted performance of the Commodity Basket</i>	1%	1%	1%
<i>Weighted performance of the HFRX Global Hedge Fund EUR Index</i>	0%	-2%	-4%
<b><i>Return of Portfolio</i></b>	<b>37%</b>	<b>21%</b>	<b>13%</b>

*In the above example, portfolio #1 would have given the highest return, and would hence be the portfolio used to determine the return for the Notes.*

*The Notes would therefore pay SEK 85,150.*



<i>Notional Amount of each Note</i>	<i>Multiplied by</i>	<i>Participation Percentage</i>	<i>Multiplied by</i>	<i>Return Percentage</i>
SEK 50,000	X	190%	X	137% minus 100%

*Illustrative Example 2:*

<b>Performance of components of the Reference Basket</b>	
<i>Equity Index Basket</i>	-50%
<i>Tokyo Stock Exchange REIT Index</i>	30%
<i>Commodity Basket</i>	5%
<i>HFRX Global Hedge Fund EUR Index</i>	-15%

<b>Portfolio</b>	<b>Portfolio #1</b>	<b>Portfolio #2</b>	<b>Portfolio #3</b>
<i>Weighted performance of the Equity Index Basket</i>	-30%	-10%	-10%
<i>Weighted performance of the Tokyo Stock Exchange REIT Index</i>	6%	12%	6%
<i>Weighted performance of the Commodity Basket</i>	1%	1%	1%
<i>Weighted performance of the HFRX Global Hedge Fund EUR Index</i>	0%	-3%	-6%
<b><i>Return of Portfolio</i></b>	<b>-23%</b>	<b>0%</b>	<b>-9%</b>

*As the return of each portfolio is negative, the Return Percentage will be zero.*

*The Notes would therefore pay SEK 50,000.*

<i>Notional Amount of each Note</i>	<i>Multiplied by</i>	<i>Participation Percentage</i>	<i>Multiplied by</i>	<i>Return Percentage</i>
SEK 50,000	X	190%	X	0%

***What will happen if certain events occur in relation to the Indices and Commodities?***

Upon the occurrence of certain events, for example, in connection with the indices including changes to the method of calculating the Index or in respect of Commodities the disappearance of trading in relevant futures contracts, certain adjustments and actions may be made by the Calculation Agent to the terms of the Notes. These adjustments or actions are set out in more detail in the “*Terms of the Notes*” below and in the Conditions set out in the Base Prospectus.

***What is the minimum required purchase?***

You can purchase Notes in a minimum amount of SEK 50,000.

***Who is issuing the Notes?***

The Notes are issued by Bear Stearns Global Asset Holdings, Ltd. under its U.S.\$30,000,000,000 Euro Medium Term Note Programme. Bear Stearns Global Asset Holdings, Ltd. is a company incorporated with limited liability in the Cayman Islands. The Notes are guaranteed by The Bear Stearns Companies Inc.

***Will the Notes be rated?***

The Notes will not be rated by any rating agency.

***Will the Notes be listed on any securities exchange?***

It is intended that the Notes be listed and admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market and the Nordic Derivatives Exchange of the Nordic Growth Market. There can be no assurance, however, that such admission will be granted.

***Can I sell my Notes?***

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

***What are the tax implications of owning the Notes?***

Please refer to the section entitled “Swedish Taxation” set out in the Prospectus. Buying, owning and selling the Notes may present different tax issues depending on your particular tax position. You should consult your tax adviser concerning these issues.

***What risks are associated with owning the Notes?***

The Notes only protect the principal at maturity and may fluctuate below par in the meantime. You should consider carefully whether you are able to withstand a potential loss in your initial investment if the Notes are sold during the life of the product.

## SWEDISH TAXATION

### Swedish Taxation

*The following summary of certain Swedish tax issues that may arise as a result of holding Notes is based on current tax legislation and is intended only as general information for holders of Notes, who are resident or domiciled in Sweden for tax purposes. This description does not deal comprehensively with all tax consequences that may occur for holders of Notes, nor does it cover the specific rules where Notes are held by a partnership or are held as current assets in a business operation. Further, the summary does not address potential exchange gains or losses related to currency exchange rate fluctuations. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, investment funds and persons who are not resident or domiciled in Sweden. It is recommended that prospective applicants for Notes consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding Notes, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.*

### Taxation of Private Individuals Resident in Sweden

Private individuals, who sell or redeem their Notes, are subject to capital gains taxation. The current tax rate is 30 per cent of the capital gain.

The capital gain or capital loss is equal to the difference between the sales proceeds after deduction of sales costs and the acquisition cost of the Notes. The acquisition cost is calculated according to the so-called average method. This means that the costs of acquiring all Notes of the same type and class are added together and calculated collectively, with respect to changes to the holding.

70 per cent of a loss should be deductible against any other income derived from capital. If a net loss arises in the capital income category, a reduction of the tax on income from employment and from business operations, as well as property tax, is allowed. The tax reduction allowed amounts to 30 per cent of any net loss not exceeding SEK 100,000 and 21 per cent of any net loss in excess of SEK 100,000. The net loss may not be carried forward to a subsequent fiscal year.

### *Net Wealth Taxation*

The Notes are – provided that they are regarded listed for Swedish tax purposes – currently subject to Swedish net wealth taxation. Such tax is paid by individuals on net wealth exceeding SEK 1,500,000 (SEK 3,000,000 for those who are jointly taxed). 100 per cent of the listed value of the Notes at the end of the fiscal year is taxable. If not regarded listed, the Notes should not be subject to Swedish net wealth taxation.

### Taxation of Swedish limited liability companies

Limited liability companies and other legal entities are taxed on all income (including income from the sale or redemption of the Notes) as income from business activities at a flat rate of 28 per cent. Regarding the calculation of a capital gain or a capital loss and the acquisition cost, see “*Taxation of Private Individuals Resident in Sweden*” above.

The Notes should probably not be treated as share-related instruments, which means that capital losses on Notes incurred by a corporate holder may be fully offset in the income from business activities category. This assessment is based on the fact that the return on the Notes is dependent on the value of on the one hand foreign currencies and commodities and on the other hand shares. Instruments with such a mixed return should probably not be regarded as share-related instruments. It should be noted that there is no fiscal case law which settles this issue and we cannot guarantee that the outcome would be the above-mentioned. Holders are recommended, in case of capital losses on Notes, to disclose the capital losses openly in their

tax return. If the Notes should be regarded as share-related instruments, a capital loss can normally only be offset against capital gains on shares and other securities taxed as shares.

## TERMS OF THE NOTES

1. Issuer: Bear Stearns Global Asset Holdings, Ltd.  
Guarantor: The Bear Stearns Companies Inc.
2. Series Number: 5428  
Tranche Number: 1
3. Specified Currency or Currencies: Swedish Krona (“SEK”).
4. Aggregate Nominal Amount:  
Series: Up to SEK 1,000,000,000  
Tranche: Up to SEK 1,000,000,000
5. Issue Price: 112 per cent. of the Aggregate Nominal Amount.
6. Specified Denominations: SEK 50,000.
7. Issue Date: 18 April 2007.
8. Maturity Date: 18 April 2012.
9. Interest Basis: The Notes do not bear interest.
10. Redemption/Payment Basis: See the Schedule hereto.
11. Change of Interest Basis or Redemption/Payment Basis: Not Applicable.
12. Put/Call Options: Not Applicable.
13. Status of the Notes: Senior.
14. Method of distribution: Non-Syndicated.

### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Not Applicable.
16. Floating Rate Note Provisions: Not Applicable.
17. Zero Coupon Note Provisions: Not Applicable.
18. Index Interest Note Provisions: Not Applicable, except that Condition 6(b)(i) and (ii) shall apply to each Index (other than HFRXGLE) in respect of the Final Redemption Amount.
19. Linked Note Provisions: Not Applicable.
20. Dual Currency Interest Note Provisions: Not Applicable.

## **PROVISIONS RELATING TO REDEMPTION**

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

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |     |  |   |
|-----|--|---|
| 25. | Form of Notes:   | Bearer. Temporary Bearer Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event. |
| 26. | Other special provisions relating to Payment Business Days (Condition 7(c)):   | Not Applicable.   |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):  | Not Applicable.   |
| 28. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable.   |
| 29. | Details relating to Instalment Notes:  | Not Applicable.   |
| 30. | Redenomination applicable:   | Not Applicable.   |
| 31. | Other terms and conditions:  | Not Applicable.   |

## **DISTRIBUTION**

- |     |                                       |                 |
|-----|---------------------------------------|-----------------|
| 32. | (a) If syndicated, names of Managers: | Not Applicable. |
|     | (b) Date of Subscription Agreement:   | Not Applicable. |
|     | (c) Stabilising Manager (if any):     | Not Applicable. |

- 33. If non-syndicated, name and address of relevant Dealers: Bear, Stearns International Limited  
One Canada Square  
London  
E14 5AD
- 34. Total commission and concession: Not Applicable.
- 35. Whether TEFRA D rules applicable or TEFRA D. TEFRA rules not applicable:
- 36. Additional selling restrictions: Not Applicable. See also “*Notification*” below.

**LISTING AND ADMISSION TO TRADING APPLICATION**

This Prospectus comprises the Prospectus required to list and have admitted to trading the Notes described herein pursuant to the U.S.\$30,000,000,000 Euro Medium Term Note Programme of Bear Stearns Global Asset Holdings, Ltd.

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:.....

*Duly authorised*

Signed on behalf of the Guarantor:

By:.....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: London and Stockholm
- (ii) Admission to trading: Application will be made for the Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market and on the Nordic Derivatives Exchange of the Nordic Growth Market, there can be no assurance that such listings and admissions to trading will be granted.
- (iii) Estimate of total expenses related to admission to trading: A maximum of SEK 40,772.

### 2. NOTIFICATION

The Issuer intends to request that the Financial Services Authority (the "FSA") provides the *Finansinspektionen* in Sweden with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive.

The Prospectus will be used for the purposes of a public offering of the Notes in Sweden. However, the Issuer and the Dealer have not taken any action which would permit the public offering of the Notes or distribution of this Prospectus or any other offering material in respect of the Notes in any other jurisdiction where action for that purpose is required. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any applicable restrictions on the distribution of this Prospectus and the offering and sale of the Notes. In particular investors should comply with the restrictions set out in the "*Subscription and Sale and Transfer Restrictions*" section of the Base Prospectus.

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

Save for any amounts earned by the Dealer, no person involved in the issue of the Notes has an interest material to the offer.

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

- (i) Reasons for the offer: The net proceeds from the issue of Notes will be applied by the Issuer for the general corporate purposes of the Group which may include making a profit, additions to working capital, the repayment of short term indebtedness, the replacement or repayment of long term debt, investments in, or extensions of credit to, subsidiaries of the Guarantor, the purchase and maintenance of positions in certain stocks, bonds, other securities or assets or certain options contracts or forward contracts or other derivative or synthetic instruments relating thereto in connection with hedging obligations relating to the Notes and other investment activities.
- (ii) Estimated net proceeds: Up to SEK 1,120,000,000



(iii) Estimated total expenses: Not Applicable.

**5. YIELD** (*Fixed Rate Notes only*)

Indication of yield: Not Applicable.

**6. HISTORIC INTEREST RATES** (*Floating Rate Notes only*)

Not Applicable.

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

Information on past and future performance and volatility of the Indices and Commodities can be obtained from the following Bloomberg® pages:

Dow Jones Euro STOXX 50® Index: SX5E <Index>;

HFRX Global Hedge Fund EUR Index: HFRXGLE <Index>;

OMX Index: OMX <Index>;

Standard and Poor's 500 Index: SPX <Index>;

Tokyo Stock Exchange REIT Index: TSEREIT <Index>;

Tokyo Stock Price Index: TPX <Index>;

Aluminium: LOAHDY <Comdty>;

Copper: LOCADY <Comdty>;

Zinc: LOZSDY <Comdty>.

**8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

Not Applicable.

**9. OPERATIONAL INFORMATION**

(i) ISIN Code: XS0289622234

(ii) Common Code: 028962223

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

(iv) Delivery: Delivery against payment

- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: No

## 10. NOTEHOLDERS' REPRESENTATIONS

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

- (a) in deciding whether or not to purchase the Note it has carefully read and has fully understood the Base Prospectus and this Prospectus;
- (b) it has been afforded the opportunity to ask questions of, and receive answers from, the Issuer and the Dealer concerning the terms of the Note, the offering contemplated by the Base Prospectus and this Prospectus and related matters;
- (c) 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;
- (d) it has itself been, and will at all times continue to be, solely responsible for making its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Issuer;
- (e) in deciding whether or not to purchase the Notes, it is not relying on any communication (written or oral) of the Issuer or the Dealer as investment advice or as a recommendation to purchase the Note, it being understood that information and explanations related to the terms and conditions of the Notes and the agreements that are described in the Base Prospectus and in this Prospectus shall not be considered investment advice or a recommendation to purchase the Notes;
- (f) it understands that the Issuer and any affiliate of the Issuer may have banking or other commercial transactions relating to the Reference Basket (as defined in the Schedule attached hereto) and may engage in proprietary trading in securities of the Reference Basket (including such trades as the Issuer and/or any affiliate may consider appropriate in their sole discretion to hedge their market risk relating to the Notes) and that such trading may affect the price of the Reference Basket and consequently the amount payable under the Notes. Such trading may be effected at any time, including on or near any Averaging Date;
- (g) it represents that it is a non-U.S. person purchasing this Note in an offshore transaction in accordance with Regulation S under the Securities Act;
- (h) it understands that the Note has not been registered under the Securities Act, or any state securities laws, and that neither this Note nor any interest or participation herein may be reoffered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of in the absence of such registration or unless such transaction is exempt from, or not subject to, registration;
- (i) it has all necessary power and authority to acquire the Note and such acquisition will not contravene any law, rule or regulation binding on it or such account or any investment guideline or restriction applicable to it or such account;
- (j) it acknowledges and agrees that neither the Dealer nor the Issuer have made any representation to it regarding the legality of its investment in the Note under applicable legal investment or similar laws or regulations and that the appropriate characterisation of the Note under various legal investment restrictions may be subject to significant interpretative uncertainties;
- (k) it understands that it may suffer a loss of its investment in the Note in the event of an early redemption pursuant to Condition 8(b) or Condition 11;

- (l) it understands that the Final Redemption Amount will be dependent upon the performance of the Reference Basket (as defined in the Schedule attached hereto), which contains substantial equity, commodity and interest rate risks;
- (m) 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;
- (n) it understands and agrees that the Dealer may offer to sell the Notes to the initial purchaser at varying prices above or below the Issue Price and that the Notes may then be re-sold by the initial purchaser (and, where relevant, subsequent purchasers) at prices above or below the Issue Price;
- (o) it understand and agrees 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;
- (p) it acknowledges that, in acting hereunder, the Calculation Agent is acting as agent of the Issuer and such entity shall not thereby assume any obligations towards or relationship of agency or trust for or with the Noteholders; and
- (q) it understands that although long term debt of the Guarantor 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 do not necessarily apply to the Notes.

## **11. DETAILS OF THE SUBSCRIPTION PROCEDURE**

The Notes will be offered to the public in Sweden during a subscription period from and including 28 February 2007, 9.00 a.m. (Central European time) to and including 27 March 2007, 9.00 a.m. (Central European time) (the "**Subscription Period**"). Early closing of the Subscription Period shall be possible at the discretion of the Issuer or the Dealer.

The Subscription Period may also be extended at the discretion of the Issuer or the Dealer. Any adjustments to the Subscription Period will be set out in one or more notices to be made available on the website of the London Stock Exchange ([www.londonstockexchange.com](http://www.londonstockexchange.com)). For the avoidance of doubt, such adjustment shall not trigger the requirement to publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive.

There are no allotment criteria. All of the requests for allocation during the Subscription Period will be assigned until the maximum amount of the offer is reached (such amount being SEK 1,000,000,000).

The final aggregate Nominal Amount of the Notes will be determined by the Issuer and will be published on the website of the London Stock Exchange ([www.londonstockexchange.com](http://www.londonstockexchange.com)) and the Nordic Derivatives Exchange will be notified of such amount not later than two (2) Business Days before the Issue Date.

For the avoidance of doubt, no dealings in the Notes may begin until after the Issue Date.

Further details regarding the subscription procedure can be obtained from the Issuer or from a Noteholder's financial services provider.

## SCHEDULE

For the avoidance of doubt this Schedule forms part of the Prospectus to which it is attached.

### 1. Final Redemption Amount

Unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions (as amended and supplemented herein), the Final Redemption Amount payable in respect of each Note of Specified Denomination on the Maturity Date shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} + \text{Equity Amount}$$

where:

“**Equity Amount**” is an amount determined in accordance with the following formula:

$$\text{Specified Denomination} \times \text{PP} \times \text{Return Percentage}$$

where:

“**PP**” means a participation rate determined by the Calculation Agent on the Trade Date, taking into account the market conditions which the Calculation Agent deems appropriate, in its sole and absolute discretion. It is expected that PP shall not be less than 190%. In the event that the PP is less than 170%, the Issuer shall publish a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive.

“**Return Percentage**” means a rate determined in accordance with the following formula:

$$\text{MAX} [0\%; \text{Basket}_1 - 100\%; \text{Basket}_2 - 100\%; \text{Basket}_3 - 100\%]$$

where

“**Basket<sub>1</sub>**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$60\% \text{ Equity Index Basket} + 20\% \left( \frac{\text{TSEREITAVE}}{\text{TSEREITinitial}} \right) + 20\% \text{ Commodity Basket} + 0\% \left( \frac{\text{HFRXGLEAVE}}{\text{HFRXGLEinitial}} \right)$$

“**Basket<sub>2</sub>**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$20\% \text{ Equity Index Basket} + 40\% \left( \frac{\text{TSEREITAVE}}{\text{TSEREITinitial}} \right) + 20\% \text{ Commodity Basket} + 20\% \left( \frac{\text{HFRXGLEAVE}}{\text{HFRXGLEinitial}} \right)$$

“**Basket<sub>3</sub>**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$20\% \text{ Equity Index Basket} + 20\% \left( \frac{\text{TSEREITAVE}}{\text{TSEREITinitial}} \right) + 20\% \text{ Commodity Basket} + 40\% \left( \frac{\text{HFRXGLEAVE}}{\text{HFRXGLEinitial}} \right)$$

## 2. Equity Index Basket

“Equity Index Basket” means an amount determined by the Calculation Agent in accordance with the following formula:

$$\left[ 25\% \frac{\text{SPX}_{\text{AVE}}}{\text{SPX}_{\text{initial}}} + 25\% \frac{\text{SX5E}_{\text{AVE}}}{\text{SX5E}_{\text{initial}}} + 25\% \frac{\text{OMX}_{\text{AVE}}}{\text{OMX}_{\text{initial}}} + 25\% \frac{\text{TPX}_{\text{AVE}}}{\text{TPX}_{\text{initial}}} \right]$$

where:

“**SPX<sub>AVE</sub>**”, “**SX5E<sub>AVE</sub>**”, “**OMX<sub>AVE</sub>**” and “**TPX<sub>AVE</sub>**” are determined by calculating the arithmetic average of the official closing levels for the relevant Index on the Averaging Dates;

“**SPX<sub>initial</sub>**”, “**SX5E<sub>initial</sub>**”, “**OMX<sub>initial</sub>**” and “**TPX<sub>initial</sub>**” are determined by calculating the official closing levels for the relevant Index on the Initial Valuation Date;

“**HFRXGLE**” means the HFRX Global Hedge Fund EUR Index (*Bloomberg Code: HFRXGLE*);

“**HFRXGLE<sub>AVE</sub>**” means the arithmetic average of the official levels of such Index on the Averaging Dates;

“**HFRXGLE<sub>initial</sub>**” means the official level of such Index on the Initial Valuation Date;

“**Index**” means each of the SPX, SX5E, OMX, TPX, TSEREIT and HFRXGLE (collectively, the “**Indices**”);

“**OMX**” means the OMX Index (*Bloomberg Code: OMX*);

“**SPX**” means the Standard and Poor’s 500 Index (*Bloomberg Code: SPX*);

“**SX5E**” means the Dow Jones Euro STOXX 50<sup>®</sup> Index (*Bloomberg Code: SX5E*);

“**TSEREIT**” means the Tokyo Stock Exchange REIT Index (*Bloomberg Code: TSEREIT*);

“**TSEREIT<sub>AVE</sub>**” means the arithmetic average of the official closing level of such Index on the Averaging Dates;

“**TSEREIT<sub>initial</sub>**” means the official closing level of such Index on the Initial Valuation Date;

“**TPX**” or “**TOPIX**” means the Tokyo Stock Price Index (*Bloomberg Code: TPX*);

## 3. Commodity Basket

“**Commodity Basket**” means an amount determined by the Calculation Agent in accordance with the following formula:

$$\left[ \frac{\text{LOAHDY Comdty}_{\text{AVE}}}{\text{LOAHDY Comdty}_{\text{initial}}} + \frac{\text{LOCADY Comdty}_{\text{AVE}}}{\text{LOCADY Comdty}_{\text{initial}}} + \frac{\text{LOZSDY Comdty}_{\text{AVE}}}{\text{LOZSDY Comdty}_{\text{initial}}} \right] \times \frac{1}{3}$$

where:

“**LOAHDY Comdty<sub>AVE</sub>**” means the arithmetic average of the official settlement price per tonne of high grade primary Aluminium (“**Aluminium**”) on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (ALUMINUM–LME CASH) on the Averaging Dates;

“**LOAHDY Comdty<sub>initial</sub>**” means the official settlement price per tonne of Aluminium on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (ALUMINUM–LME CASH) on the Initial Valuation Date;

“**LOCADY Comdty<sub>AVE</sub>**” means the arithmetic average of the official settlement price per tonne of copper-Grade A (“**Copper**”) on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (COPPER – LME – CASH) on the Averaging Dates;

“**LOCADY Comdty<sub>initial</sub>**” means the official settlement price per tonne of Copper on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (COPPER – LME – CASH) on the Initial Valuation Date;

“**LOZSDY Comdty<sub>AVE</sub>**” means the arithmetic average of the official settlement price per tonne of special high grade zinc (“**Zinc**”) on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (ZINC–LME CASH) on the Averaging Dates;

“**LOZSDY Comdty<sub>initial</sub>**” means the official settlement price per tonne of Zinc on the London Metal Exchange for cash delivery, stated in U.S. dollars, as determined by the London Metal Exchange and also displayed on the Reuters screen page “MTLE” (ZINC–LME CASH) on the Initial Valuation Date;

#### 4. Definitions

For the purpose of this Prospectus the following definitions shall apply:

“**Averaging Date**” means:

(i) in relation to SPX, SX5E, OMX, TPX, TSEREIT, LOAHDY Comdty, LOCADY Comdty and LOZSDY Comdty the 30<sup>th</sup> calendar day of each month (except for February for which it should be the 28<sup>th</sup> calendar day) from and including 30 March 2011 to and including 30 March 2012 (the “**Indices and Commodities Final Valuation Date**”); and

(ii) in relation to HFRXGLE, the last Business Day of every month from and including 30 April 2011 to and including 31 March 2012 (the “**HFRXGLE Final Valuation Date**”);

(or, if any such date is not a Scheduled Trading Day in respect of such Index or Commodity (as relevant), the relevant Averaging Date in respect of such Index or Commodity (as relevant) shall be the next following Scheduled Trading Day in respect of such Index or Commodity).

If, in respect of any Index or Commodity, any such date is a Disrupted Day in respect of such Index or Commodity, then that Averaging Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the five Scheduled Trading Days immediately following the

original date (the “**Scheduled Averaging Date**”) that, but for the occurrence of a Disrupted Day, would have been the Averaging Date, is a Disrupted Day. In that case: (a) that fifth Scheduled Trading Day shall be deemed to be the relevant Averaging Date notwithstanding that it is a Disrupted Day, and (b) the Calculation Agent shall determine:

- (A) in respect of each Index, the closing level of the relevant Index as of the Valuation Time on that fifth Scheduled Trading Day in accordance with the formula for and method of calculating the relevant Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that fifth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that fifth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that fifth Scheduled Trading Day); or
- (B) in respect of each Commodity, the relevant settlement price in its sole and absolute discretion, taking into consideration the latest available quotations for such Commodity on the relevant Price Source and any other information that the Calculation Agent in good faith deems relevant,

PROVIDED THAT if, pursuant to the above provision, the Final Valuation Date would otherwise fall on a date after 05 April 2012 (the “**Cut-Off Date**”) then that Cut-Off Date shall be deemed to be the final Averaging Date and the above provisions shall apply as if that Cut-Off Date was the fifth Scheduled Trading Day following the Scheduled Averaging Date.

For the avoidance of doubt, there shall be 13 Averaging Dates in total.

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open to general business (including dealings in foreign exchange and foreign currency deposits) in London and Stockholm.

“**Calculation Agent**” means Bear, Stearns International Limited.

“**Commodity**” means each of Aluminium, Copper and Zinc (collectively, the “**Commodities**”).

“**Component Security**” means, in respect of SX5E each component security comprised in such Index.

“**Disrupted Day**” means any Scheduled Trading Day on which:

- (i) in respect of SX5E the Sponsor thereof fails to publish the level of such Index or the Related Exchange fails to open for trading during its regular session or a day on which a Market Disruption Event has occurred; or
- (ii) in respect of SPX, OMX, TPX and TSEREIT, the Exchange or any Related Exchange thereof fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or
- (iii) in respect of HFRXGLE, the Sponsor fails to publish the levels of HFRXGLE; or
- (iv) in respect of each Commodity, a Market Disruption Event has occurred.

“**Disappearance of the Commodity Trading**” means, in respect of a Commodity:

- (i) the failure of trading to commence, or the permanent discontinuation of trading in the relevant futures contract on the London Metal Exchange; or

- (ii) the disappearance of, or of trading in, the relevant Commodity.

**“Early Closure”** means:

- (i) in respect of SX5E the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; or
- (ii) in respect of SPX, OMX, TPX and TSEREIT the closure on any Exchange Business Day of the Exchange or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the avoidance of doubt, this definition does not apply to HFRXGLE or the Commodities.

**“Exchange”** means:

- (i) in respect of OMX: the Stockholm Stock Exchange;
- (ii) in respect of SPX: The American Stock Exchange, The New York Stock Exchange and NASDAQ;
- (iii) in respect of SX5E: in relation to each Component Security, the principal stock exchange on which such Component Security is principally traded;
- (iv) in respect of TPX: the Tokyo Stock Exchange; and
- (v) in respect of TSEREIT: the Tokyo Stock Exchange.

For the avoidance of doubt, this definition does not apply to HFRXGLE or the Commodities.

**“Exchange Business Day”** means:

- (i) in respect of SX5E, any Scheduled Trading Day on which (a) the Sponsor thereof publishes the level of such Index and (b) the related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time; or
- (ii) in respect of SPX, OMX, TPX and TSEREIT any Scheduled Trading Day on which each Exchange and Related Exchange (as applicable) are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

For the avoidance of doubt, this definition does not apply to HFRXGLE or the Commodities.



**“Exchange Disruption”** means:

- (i) in respect of SX5E any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transitions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Related Exchange; and
- (ii) in respect of SPX, OMX, TPX and TSEREIT, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transitions in, or obtain market values for, the securities that comprise 20 per cent. or more of the level of the Index on the Exchange, or (b) to effect transitions in, or obtain market values for, futures or options contracts relating to the relevant Index on the Related Exchange.

For the avoidance of doubt, this definition does not apply to HFRXGLE or the Commodities.

**“Final Valuation Date”** means each of the Indices and Commodities Final Valuation Date and the HFRXGLE Final Valuation Date (as applicable).

**“Initial Valuation Date”** means (i) in relation to SPX, SX5E, OMX, TPX, TSEREIT, LOAHDY Comdty, LOCADY Comdty, and LOZSDY Comdty, 30 March 2007 and (ii) in relation to HFRXGLE, 30 April 2007 or if such date is not a Scheduled Trading Day in respect of such Index or Commodity as applicable the relevant Initial Valuation Date in respect of such Index or Commodity shall be the next following Scheduled Trading Day subject to adjustment in accordance with the provision of the Schedule;

**“Market Disruption Event”** means:

- (i) in respect of SX5E the occurrence or existence in respect of any Component Security of:
  - (a) (1) in respect of any Component Security, a Trading Disruption Event in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
  - (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
  - (3) an Early Closure in respect of such Component Security; and
- (b) the aggregate of all Component Securities in respect of which a Trading Disruption Event, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent or more of the level of the Index; or
- (c) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (1) a Trading Disruption Event; (2) an Exchange Disruption, in which either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (3) an Early Closure, in each case in respect of such futures or options contracts.

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

- (ii) in respect of the SPX, OMX, TPX and TSEREIT the occurrence or existence of (1) a Trading Disruption Event, (2) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (3) Early Closure; or
- (iii) in respect of a Commodity, the occurrence or existence on any Averaging Date of a Price Source Disruption, a Trading Suspension or Limitation, a Disappearance of the Commodity Trading, a Material Change in Formula or a Material Change in Content.

**“Material Change in Content”** means, in respect of a Commodity, the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant futures contract.

**“Material Change in Formula”** means, in respect of a Commodity, the occurrence since the Trade Date of a material change in the formula for or the method of calculating the settlement price of the relevant Commodity.

**“Price Source”** means any of the LOAHDY<Comdty>, LOCADY<Comdty>, and LOZSDY<Comdty>, as relevant.

**“Price Source Disruption”** means, in respect of a Commodity, (A) the failure of the Price Source to announce or publish the relevant settlement price (or the information necessary for determining such relevant settlement price), or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

**“Reference Basket”** means a basket consisting of the Commodity Basket, the Equity Index Basket, TSEREIT and HFRXGLE.

**“Related Exchange”** means:

- (i) in relation to OMX: Not Applicable;
- (ii) in relation to SPX: the Chicago Mercantile Exchange and Chicago Board of Options Exchange;
- (iii) in relation to SX5E, Eurex;
- (iv) in relation to TPX: the Osaka Securities Exchange; and
- (v) in relation to TSEREIT: the Osaka Securities Exchange.

For the avoidance of doubt, this definition does not apply to HFRXGLE or the Commodities.

**“Scheduled Closing Time”** means, in respect of the relevant Exchange or any Related Exchange (as the case may be) and a Scheduled Trading Day, the scheduled weekday closing time of such

relevant Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**“Scheduled Trading Day”** means:

- (i) in relation to SX5E any day on which (a) the Sponsor is scheduled to publish the level of such Index, and (b) the Related Exchange (if any) is scheduled to be open to trading to its regular trading session;
- (ii) in relation to SPX, OMX, TPX and TSEREIT, any day on which the Exchange and any Related Exchange are scheduled to be open for trading for their respective regular trading sessions;
- (iii) in relation to each Commodity, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the London Metal Exchange (in relation to LOAHDY Cmdty, LOCADY Cmdty and LOZSDY Cmdty); and
- (iv) in relation to HFRXGLE, any day in which the Sponsor is scheduled to publish the level of such Index.

**“Sponsor”** means:

- (i) in respect of HFRXGLE, HFR Asset Management, LLC;
- (ii) in respect of OMX, OMX AB;
- (iii) in respect of SPX, Standard & Poor's, a division of the The McGraw-Hill Companies, Inc.;
- (iv) in respect of SX5E, STOXX Limited;
- (v) in respect of TPX, Tokyo Stock Exchange, Inc.; and
- (vi) in respect of TSEREIT, Tokyo Stock Exchange, Inc.;

and, in each case, any agent or other person acting on behalf of such persons or any successor thereto.

**“Trade Date”** means 29 March 2007.

**“Trading Disruption Event”** means:

- (i) in respect of SX5E any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (a) relating to any Component Security on the Exchange in respect of such Component Security; or (b) in futures or options contracts relating to such Index on the Related Exchange (if any); or
- (ii) in respect of SPX, OMX, TPX and TSEREIT, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (a) relating to securities that comprise 20 per cent. or more of the level of the Index, or (b) in futures or options contracts relating to the Index on the Related Exchange.

For the avoidance of doubt, this definition does not apply to HFRXGLE or the Commodities.

**“Trading Suspension or Limitation”** means, in respect of a Commodity, the material suspension or limitation of trading in the relevant futures contract or the relevant Commodity on the London Metal Exchange (in respect of LOAHDY Cmdty, LOCADY Cmdty or LOZSDY Cmdty).

**“Valuation Time”** means:

- (i) in relation to SX5E (a) for the purposes of determining whether a Market Disruption Event has occurred: (1) in respect of any Component Security, the close of trading on the Exchange in respect of such Component Security, and (2) in respect of any options contracts or future contracts on the relevant Index, the close of trading on the Related Exchange; and (b) in all other circumstances, the time at which the last Index calculation is effected and published by the Sponsor; and
- (ii) in relation to SPX, OMX, TPX and TSEREIT, the Scheduled Closing Time on the relevant Exchange in respect of each Index on each Averaging Date.

For the avoidance of doubt, this definition does not apply to HFRXGLE or the Commodities.

## 5. **Correction to Published Prices**

For the purposes of determining the Final Redemption Amount, if the value of any Index or any Commodity published on a given day and used or to be used by the Calculation Agent is subsequently corrected and the correction is published (i) within 30 days of the original publication and (ii) no later than the Cut-Off Date, the Calculation Agent shall notify the Issuer and Agent of that correction and determine or re-determine the Final Redemption Amount using such corrected values.

## 6. **Restructuring of HFRXGLE**

On any Business Day following the Trade Date if the Calculation Agent determines that a Restructuring Event has occurred, it may determine, acting reasonably and in good faith, (such determination, a “Restructuring”) that the value of the HFRXGLE shall no longer be linked to the return of such HFRXGLE but to a substitute index with similar economic characteristics (such index, an **“Alternative Index”**). If the Calculation Agent has not been able to find an Alternative Index within 10 Business Days, the Calculation Agent will decide that the return in respect of the HFRXGLE shall no longer be linked to the return of such HFRXGLE, but to EURIBOR instead. The date as of which such change shall be effective shall be the Business Day falling one month after all shares held by the Calculation Agent in shares of the fund tracking the HFRXGLE under this transaction have been redeemed (such date, the Restructuring Date).

**“EURIBOR”** means the rate of deposits in EUR for one month which appears on Reuters Screen EURIBOR01 as of 11:00 a.m., Brussels time, on the day that is two TARGET Settlement Days prior to the relevant Averaging Date. If such rate does not appear on the Reuters Screen EURIBOR01, the applicable rate will be determined by the Calculation Agent in its sole and absolute discretion by reference to “Euribor -Reference Banks” as defined in the ISDA Definition (as defined in Condition 5(b)(iii)).

**“Restructuring Event”** means, in respect of HFRXGLE, any of the following events:

- (i) The Sponsor is wound-up, dissolved, or stops calculating the HFRXGLE for any reason;
- or

- (ii) There is a material modification to the conditions of the HFRXGLE (including but not limited to a modification of its index methodology, or any other document related thereto) or any event affecting HFRXGLE (including but not limited to interruption, breakdown, suspension or deferral of the calculation or the publication of the value of HFRXGLE); or
- (iii) The registration or regulatory approval of the Sponsor is withdrawn by any relevant authority; or there is a review of the Sponsor by any regulatory authority for fraud, willful default, breach of rules or regulation or other similar reason; or
- (iv) The Dealer is unable to maintain its hedge to this transaction as originally anticipated or there is a change to the costs and conditions for the Dealer of maintaining its hedge to this transaction; or
- (v) Any event occurs which causes (or with the passage of time, the giving of notice or both, would cause) the failure of the Sponsor to meet or maintain any material obligation or covenant under the index methodology as published by the Sponsor;
- (vi) There is a breach, or a modification in the conditions of any agreement entered into between the Dealer and the Sponsor or any of its affiliates without the prior waiver or approval of the Dealer; or
- (vii) The Sponsor effects a change to the index methodology which has a material impact on the calculation of HFRXGLE; or
- (viii) The Sponsor is replaced without the prior approval of the Dealer.

In taking any decision in respect of the events listed above the Calculation Agent shall act in good faith.

“**TARGET Settlement Day**” means any day on which TARGET (the Trans-European Automated Real-Time Gross settlement Express Transfer system) is open.

## 7. Calculation Agent

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

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

## 8. Disclaimers

- (i) Dow Jones Euro STOXX 50<sup>®</sup> Index

The Notes are not sponsored, endorsed, sold or promoted by STOXX Limited (“**STOXX**”) or Dow Jones & Company, Inc. (“**Dow Jones**”). Neither STOXX nor Dow Jones makes any representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly. The only relationship of STOXX to the Issuer is as the licensor of the Dow Jones EURO STOXX50 Index and of certain trademarks, tradenames and service marks of STOXX and as the sublicensor of certain trademarks, trade names and service marks of Dow Jones. The SX5E is determined,

composed and calculated by STOXX without regard to the Issuer or the Notes. Neither STOXX nor Dow Jones is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the redemption provisions in respect of the Notes. Neither STOXX nor Dow Jones has any obligation or liability in connection with the administration marketing or trading of the Notes.

(ii) HFRX Global Hedge Fund EUR Index

The HFRX Global Hedge Fund EUR Index, a EUR denominated index of selected hedge funds from the HFR platform designed to be representative of the overall composition of the hedge fund universe and built from eight single strategy indices representing the main hedge fund strategies. The HFRXGLE is sponsored and calculated by HFR Index Management. The HFRXGLE is published on Bloomberg Page HFRXGLE Index and on the [www.hfrx.com](http://www.hfrx.com) website.

(iii) OMX INDEX™

The Notes are not in any way sponsored, endorsed, sold or promoted by OMX AB (publ) (“**OMX**”) and OMX makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the OMXS30™ index and/or the figure at which the said OMXS30™ index stands at any particular time on any particular day or otherwise. The OMXS30™ index is compiled and calculated solely by an index calculator on behalf of OMX. However, neither OMX nor the index calculator shall be liable (whether in negligence or otherwise) to any person for any error in the OMXS30™ index and neither OMX nor the index calculator shall be under any obligation to advise any person of any error therein.

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(iv) The Standard & Poor's 500 Index

The Notes are not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (“**S&P**”). S&P makes no representations or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the S&P 500 Index to track general stock market performance. S&P's only relationship to the Issuer is as the licensor of the S&P 500 Index and of certain trademarks and trade names of S&P. The S&P 500 Index is determined, composed and calculated by S&P without regard to the Issuer or the Notes and S&P has no obligation to take the needs of the Issuer or the owners of the Notes into consideration in determining, composing or calculating the S&P 500 Index. S&P is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Notes.

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(INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

(v) Tokyo Stock Exchange REIT Index

The Tokyo Stock Exchange REIT Index Value and the Tokyo Stock Exchange REIT Index Trademarks are subject to the intellectual property rights owned by the Tokyo Stock Exchange, Inc. and the Tokyo Stock Exchange owns all rights relating to the Tokyo Stock Exchange REIT Index such as calculation, publication and use of the Tokyo Stock Exchange REIT Index Value and relating to the Tokyo Stock Exchange REIT Index Trademarks.

The Tokyo Stock Exchange, Inc. shall reserve the rights to change the methods of calculation or publication to cease the calculation or publication of the Tokyo Stock Exchange REIT Index Value or to change the Tokyo Stock Exchange REIT Index Trademarks or cease the use thereof. The Tokyo Stock Exchange, Inc. makes no warranty or representation whatsoever, either as to the results stemmed from the use of the Tokyo Stock Exchange REIT Index Value and the Tokyo Stock Exchange REIT Index Trademarks or as to the figure at which the Tokyo Stock Exchange REIT Index Value stands on any particular day. The Tokyo Stock Exchange, Inc. gives no assurance regarding accuracy or completeness of the Tokyo Stock Exchange REIT Index Value and data contained therein. Further, the Tokyo Stock Exchange, Inc. shall not be liable for the miscalculation, incorrect publication, delayed or interrupted publication of the Tokyo Stock Exchange REIT Index Value.

No Notes are in any way sponsored, endorsed or promoted by the Tokyo Stock Exchange, Inc. The Tokyo Stock Exchange, Inc. shall not bear any obligation to give an explanation of the Notes or an advice on investments to any purchaser of the Notes or to the public. The Tokyo Stock Exchange, Inc. neither selects specific stocks or groups thereof nor takes into account any needs of the issuing company or any purchaser of the Notes for calculation of the Tokyo Stock Exchange REIT Index Value. Including but not limited to the foregoing, the Tokyo Stock Exchange, Inc. shall not be responsible for any damage resulting from the issue and sale of the Notes.

(vi) The TOPIX Index

The TOPIX Index Value and the TOPIX Trademarks are subject to the intellectual property rights owned by the Tokyo Stock Exchange, Inc. and the Tokyo Stock Exchange, Inc. owns all rights relating to the TOPIX Index such as calculation, publication and use of the TOPIX Index Value and relating to the TOPIX Trademarks. The Tokyo Stock Exchange, Inc. shall reserve the rights to change the methods of calculation or publication, to cease the calculation or publication of the TOPIX Index Value or to change the TOPIX Trademarks or cease the use thereof. The Tokyo Stock Exchange, Inc. makes no warranty or representation whatsoever, either as to the results stemmed from the use of the TOPIX Index Value and the TOPIX Trademarks or as to the figure at which the TOPIX Index Value stands on any particular day.

The Tokyo Stock Exchange, Inc. gives no assurance regarding accuracy or completeness of the TOPIX Index Value and data contained therein. Further, the Tokyo Stock Exchange, Inc. shall not be liable for the miscalculation, incorrect publication, delayed or interrupted publication of the TOPIX Index Value. No Notes are in any way sponsored, endorsed or promoted by the Tokyo Stock Exchange, Inc. The Tokyo Stock Exchange, Inc. shall not bear any obligation to give an explanation of the Notes or an advice on investments to any purchaser of the Notes or to the public. The Tokyo Stock Exchange, Inc. neither selects specific stocks or groups thereof nor takes into account any needs of the issuing company or any purchaser of the Notes for calculation of the TOPIX Index Value. Including but not limited to the foregoing, the Tokyo Stock Exchange, Inc. shall not be responsible for any damage resulting from the issue and sale of the Notes.

(vii) General

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

All information in this Prospectus relating to the Indices and the Commodities, including, without limitation, their composition, method of calculation and changes in their components, is derived from publicly available information verified any such information. None of the Issuer, or the Calculation Agent shall have any responsibility for any errors or omissions in the calculation and publication of the Indices and the Commodities.



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