

Morris William  
Form 4  
October 31, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Morris William

(Last) (First) (Middle)

55 EAST CAMPERDOWN WAY

(Street)

GREENVILLE, SC 29601

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
BOWATER INC [BOW]

3. Date of Earliest Transaction (Month/Day/Year)  
10/29/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP & President, C&SP Division

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/29/2007		D		1,490	D	0
Common Stock	10/29/2007		D		5,218.9019 (2)	D	0
						I	401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)
					V	(A) (D)	Date Exercisable	Expiration Date	
Restricted Stock Units	\$ 27.87	10/29/2007		D		8,565	<u>(3)</u>	01/30/2017	Common Stock
Restricted Stock Units	\$ 26.35	10/29/2007		D		7,906	01/01/2008	05/10/2016	Common Stock
Restricted Stock Units	<u>(5)</u>	10/29/2007		D		1,300	01/24/2009	05/10/2016	Common Stock
Restricted Stock Units	<u>(5)</u>	10/29/2007		D		1,300	<u>(6)</u>	05/10/2016	Common Stock
Stock Options (right to buy)	\$ 27.87	10/29/2007		D		4,580	<u>(7)</u>	01/30/2017	Common Stock
Stock Options (right to buy)	\$ 26.35	10/29/2007		D		5,020	01/24/2009	05/10/2016	Common Stock
Stock Options (right to buy)	\$ 37.295	10/29/2007		D		10,000	01/25/2006	01/25/2015	Common Stock
Stock Options (right to buy)	\$ 45.02	10/29/2007		D		10,000	01/27/2005	01/27/2014	Common Stock
Stock Options (right to buy)	\$ 40.74	10/29/2007		D		10,000	01/28/2004	01/28/2013	Common Stock
Stock Options (right to buy)	\$ 47.025	10/29/2007		D		10,000	01/29/2003	01/29/2012	Common Stock
Stock Options (right to buy)	\$ 51.93	10/29/2007		D		10,000	09/25/2002	01/30/2011	Common Stock
Stock Options (right to buy)	\$ 48	10/29/2007		D		10,000	<u>(9)</u>	01/25/2010	Common Stock
	\$ 48.9688	10/29/2007		D		10,000	<u>(9)</u>	01/27/2008	

Stock Options (right to buy)								Common Stock
Stock Appreciation Rights	\$ 54.84	10/29/2007	D	21,200	(10)	05/10/2010		Common Stock
Stock Appreciation Rights	\$ 39.78	10/29/2007	D	1,000	(10)	02/22/2009		Common Stock
Stock Appreciation Rights	\$ 41.031	10/29/2007	D	10,000	(10)	01/26/2009		Common Stock
Phantom Stock Units	(12)	10/29/2007	D	909,6136 (13)	(12)	(12)		Common Stock 9

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Morris William 55 EAST CAMPERDOWN WAY GREENVILLE, SC 29601			VP & President, C&SP Division	

## Signatures

/s/ William  
Morris 10/31/2007

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
  - (1) Disposed of pursuant to the combination of Bowater Incorporated and Abitibi-Consolidated Inc. (the "Combination"), effected on October 29, 2007. Each share of Bowater common stock was exchanged for 0.52 of a share of AbitibiBowater common stock having a market value of \$36.77 per share on the effective date of the Combination.
  - (2) Represents all securities acquired by the reporting person under the Bowater Incorporated Savings Plan as of October 26, 2007. Additional securities may have accrued to the reporting person's account since that date.
  - (3) These Restricted Stock Units vest in three equal annual installments beginning January 30, 2007.
  - (4) Assumed by AbitibiBowater in the Combination and replaced with restricted stock units representing a contingent right to receive an amount of AbitibiBowater common stock equal to the number of shares of Bowater common stock subject to the Restricted Stock Units multiplied by 0.52.
  - (5) Each Restricted Stock Unit represents a contingent right to receive one share of Bowater common stock.
  - (6) These Restricted Stock Units vest January 24, 2009 or in the event of involuntary termination without cause. If Bowater has cumulative positive earnings per share during the three-year period beginning January 1, 2006 and ending December 31, 2008, the total awards will vest. If Bowater has positive earnings per share for any one calendar year during the three-year period, one-third of the respective award will vest for each such year.

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- (7) These Stock Options vest in three equal annual installments beginning January 30, 2007.
- Assumed by AbitibiBowater in the Combination and replaced with stock options to purchase an amount of AbitibiBowater common stock equal to the number of shares of Bowater common stock subject to the Stock Options multiplied by 0.52. The exercise price of the replacement stock options is determined by dividing the existing exercise price by 0.52.
- (8) These Stock Options are exercisable.
- (9) These Stock Appreciation Rights are exercisable.
- (10) Received in the Combination in exchange for stock appreciation rights that represented a right to purchase an amount of Bowater common stock equal to the number of shares of AbitibiBowater common stock subject to the Stock Appreciation Rights divided by 0.52.
- Assumed by AbitibiBowater in the Combination and replaced with phantom stock units that are the economic equivalent of an amount of AbitibiBowater common stock equal to the number of shares of Bowater common stock subject to the Phantom Stock Units multiplied by 0.52. Each Phantom Stock Unit is the economic equivalent of one share of Bowater common stock and becomes payable in cash upon the reporting person's retirement, death, disability, or other termination of employment.
- (11) Represents all securities acquired by the reporting person under the Bowater Incorporated Compensatory Benefits Plan as of October 26, 2007. Additional securities may have accrued to the reporting person's account since that date.
- (12)
- (13)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.