

PATERSON DAVID J
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 *
PATERSON DAVID J

(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)
Chairman, President and CEO

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 | | 46,707 | D | 0 |
| Common Stock | 10/29/2007 | | D | | 688,882.6 | D | 0 |
| | | | | | (2) | | |

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

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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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Restricted Stock Units | (3) | 10/29/2007 | | D | 54,200 | (4) 03/23/2017 | Common Stock 54,200 |
| Restricted Stock Units | \$ 27.87 | 10/29/2007 | | D | 46,611 | (6) 01/30/2017 | Common Stock 46,611 |
| Stock Option (right to buy) | \$ 27.87 | 10/29/2007 | | D | 47,082 | (7) 01/30/2017 | Common Stock 47,082 |
| Stock Option (right to buy) | \$ 27.425 | 10/29/2007 | | D | 83,334 | 05/01/2009 05/01/2016 | Common Stock 83,334 |
| Stock Option (right to buy) | \$ 27.425 | 10/29/2007 | | D | 83,333 | 05/01/2008 05/01/2016 | Common Stock 83,333 |
| Stock Option (right to buy) | \$ 27.425 | 10/29/2007 | | D | 83,333 | 05/01/2007 05/01/2016 | Common Stock 83,333 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| PATERSON DAVID J 55 EAST CAMPERDOWN WAY GREENVILLE, SC 29601 | X | | Chairman, President and CEO | |

Signatures

/s/ David J.
Paterson

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) Each Restricted Stock Unit represents a contingent right to receive one share of Bowater common stock.

(4) These Restricted Stock Units will vest on a pro-rata basis upon the achievement of certain amounts of documented synergies during the two year period following the consummation of the Combination. For example, the reporting person would receive the maximum of 54,200 shares for the achievement of \$300 million or more in synergies, 45,100 shares for the achievement of \$250 million in synergies and 36,100 shares for the achievement of \$200 million in synergies.

(5) 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.

(6) These Restricted Stock Units vest in three equal annual installments beginning January 30, 2007.

(7) These Stock Options vest in three equal annual installments beginning January 30, 2007.

(8) 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 for the replacement stock options is determined by dividing the existing exercise price by 0.52.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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