

GIFFIN GORDON D
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 *
GIFFIN GORDON D

(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)

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 Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

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SEC 1474 (9-02)

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	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
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	Derivative Security	Date	Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title
			Code	V (A) (D)			
Restricted Stock Units	(1)	10/29/2007	D	2,175	(1)	(1)	Common Stock
Restricted Stock Units	(2)	10/29/2007	D	808.32	(2)	(2)	Common Stock
Stock Options	\$ 44.355	10/29/2007	D	2,000	01/28/2006	01/28/2014	Common Stock
Stock Options	\$ 38.09	10/29/2007	D	1,500	05/07/2005	05/07/2013	Common Stock
Phantom Stock Units (Deferred Fee Plan)	(4)	10/29/2007	D	1,876.67	(4)	(4)	Common Stock
Phantom Stock Units (Deferred Compensation Plan)	(5)	10/29/2007	D	10,301.08	(5)	(5)	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GIFFIN GORDON D 55 EAST CAMPERDOWN WAY GREENVILLE, SC 29601	X			

Signatures

/s/ William A. McCormick,
Attorney-in-Fact

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) Assumed by AbitibiBowater in the combination of Bowater Incorporated and Abitibi-Consolidated Inc. (the "Combination"), effected on October 29, 2007, and replaced with restricted stock units representing a contingent right to receive the cash value of 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. AbitibiBowater common stock had a market value of \$36.77 per share on the effective date of the Combination. Each Restricted Stock Unit is the economic equivalent of one share of Bowater common stock and is settled in cash upon the director's ceasing to be an outside director of Bowater or other events as specified in the plan.
- (2)

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Assumed by AbitibiBowater in the Combination and replaced with restricted 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 Restricted Stock Units multiplied by 0.52. Each Restricted Stock Unit is the economic equivalent of one share of Bowater common stock and becomes payable in cash at the time the director ceases to be a director after completing five years of service, death or disability or change in control.

- (3) 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.

- (4) 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 at the time the director ceases to be a director after completing five years of service, death or disability or change in control.

- (5) 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. Acquired as deferred compensation for the director's annual retainer and meeting fees at a price equal to 95% of the closing price of Bowater common stock on the day of deferral. Each Phantom Stock Unit is the economic equivalent of one share of Bowater common stock and becomes payable, in cash or Bowater common stock, at the election of the director, either (a) as soon as possible after they cease to be an outside director or in a stated number of years thereafter or (b) in either five or ten installments.

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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