

Edgar Filing: BOWATER INC - Form 11-K

BOWATER INC
Form 11-K
June 29, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-8712

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

BOWATER INCORPORATED SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BOWATER INCORPORATED

P. O. Box 1028

Edgar Filing: BOWATER INC - Form 11-K

55 East Camperdown Way

Greenville, SC 29602

REQUIRED INFORMATION

1. Report of Independent Registered Public Accounting Firm
2. Statements of Net Assets Available for Benefits as of December 31, 2006 and 2005
3. Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2006 and 2005
4. Notes to Financial Statements
5. Supplemental Schedule - Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
6. Exhibits:
 - a. Exhibit 23 - Consent of Independent Registered Public Accounting Firm

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

BOWATER INCORPORATED SAVINGS PLAN

(Name of Plan)

/s/ Aaron B. Whitlock

Aaron B. Whitlock

Date: June 29, 2007

Edgar Filing: BOWATER INC - Form 11-K

Director, Human Resources
Bowater Incorporated
(Plan Administrator)

BOWATER INCORPORATED SAVINGS PLAN

Financial Statements and Supplemental Schedule

December 31, 2006 and 2005

(With Report of Independent Registered Public Accounting Firm Thereon)

BOWATER INCORPORATED SAVINGS PLAN

Index

	Page
Report of Independent Registered Public Accounting Firm	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2006 and 2005	2
Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2006 and 2005	3
Notes to Financial Statements	4
Supplemental Schedule:	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year) - December 31, 2006	10
Exhibits	
Consent of Independent Registered Public Accounting Firm	Exhibit 23

Edgar Filing: BOWATER INC - Form 11-K

Schedules not filed herewith are omitted because of the absence of conditions under which they are required.

Report of Independent Registered Public Accounting Firm

The Board of Directors
Bowater Incorporated

We have audited the accompanying statements of net assets available for benefits of the Bowater Incorporated Savings Plan (the Plan) as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Bowater Incorporated Savings Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2006 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

As discussed in Note 2 to the financial statements, the Plan adopted Financial Accounting Standards Board Staff Position AAG INV-1 and SOP No. 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain

Edgar Filing: BOWATER INC - Form 11-K

Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare Pension Plans, as of December 31, 2006 and 2005.

/s/ KPMG LLP
Greenville, South Carolina
June 29, 2007

1

BOWATER INCORPORATED SAVINGS PLAN

Statements of Net Assets Available for Benefits

December 31, 2006 and 2005

	2006	2005
ASSETS		
Investments (at fair value):		
Mutual funds	\$ 163,971,833	\$ 152,886,2
Bowater common stock	23,347,063	36,833,3
Participant notes receivable	7,792,673	8,203,7
Interest-bearing cash	6,132,408	2,111,1
Fixed income fund	158,943,746	165,507,1
	360,187,723	365,541,7
Receivables:		
Employer's contribution	-	410,8
Other	748,377	453,6
	748,377	864,4
Cash	108,605	662,2
Total assets	361,044,705	367,068,4
LIABILITIES		
Accounts payable	46,825	52,6
Other	850,535	275,9
Total liabilities	897,360	328,5

Edgar Filing: BOWATER INC - Form 11-K

Net assets available for benefits at fair value	\$	360,147,345	\$	366,739,9
Adjust fully benefit-responsive investment contracts in the Fixed Income Fund from fair value to contract value		1,820,114		1,883,9

Net assets available for benefits	\$	361,967,459	\$	368,623,9

See accompanying notes to financial statements.

2

BOWATER INCORPORATED SAVINGS PLAN

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2006 and 2005

				2006

Additions (reductions) to net assets attributed to:				
Investment income:				
Net depreciation in fair value of investments	\$			(4,351,868)
Interest and dividends				23,400,041

Net investment income				19,048,173
Contributions:				
Employer's				5,264,530
Participants'				16,634,851
Rollovers				187,621

Total contributions				22,087,002

Total additions				41,135,175
Deductions from net assets attributed to:				
Benefits paid to participants				47,771,284
Administrative expenses				20,351

Total deductions				47,791,635

Net change in net assets available for benefits				(6,656,460)

Edgar Filing: BOWATER INC - Form 11-K

Net assets available for benefits:		
Beginning of year		368,623,919

End of year	\$	361,967,459

See accompanying notes to financial statements.

3

BOWATER INCORPORATED SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

(1) Description of the Plan

The following description of the Bowater Incorporated Savings Plan (Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan was established by Bowater Incorporated (Company) as a trustee, defined contribution savings plan and a leveraged employee stock ownership plan (ESOP). The ESOP had no debt outstanding at December 31, 2006 or 2005. It covers all full-time employees of the Company and certain employees of the Company's U.S. subsidiaries. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Contributions

Active participants may elect to contribute to the Plan a percentage of their earnings and certain other income items on a tax-deferred or non-tax deferred basis, subject to regulated maximums. The maximum allowable deferral percentage is 50% of the participant's earnings.

The Company contributes to the Plan in cash or shares of Company common stock. Generally, the Company contributes an amount equal to a percentage of each participant's contributed earnings. The Company match is dependent upon each participant's predecessor plan design. Generally, the Company will match between 40% and 60% of each participant's contributed earnings up to 6%. Participants who direct their contributions to the Bowater Stock Fund receive an additional Company contribution equal to 5% of the purchase price of the stock.

The Company may authorize additional employer contributions.

(c) Participant Accounts

Edgar Filing: BOWATER INC - Form 11-K

Each participant's account is credited with the participant's contributions, the Company's contributions and investment earnings; each participant's account is reduced by participant's withdrawals and proportionately for investment losses. Allocations are based on participant contributions or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(d) Vesting

Participants are immediately vested in their contributions plus earnings thereon. Participants become fully vested in the Company contributions after completing three years of service.

(e) Investment Options

Participants can direct their contributions to be invested in one or more of many investment funds, including a Fixed Income Fund, a Bowater Stock Fund, and certain mutual funds. Participants may make an unlimited number of exchanges out of the Bowater Stock Fund, but only one exchange transaction into the Bowater Stock Fund in a thirty-day period.

4

BOWATER INCORPORATED SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

(f) Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 (less certain adjustments required by statute) or 50% of their vested account balance, whichever is less. Loan transactions are treated as deductions from participants' accounts and accounted for separately. Loan terms range from 1-5 years or up to 15 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the prime lending rate plus 1% as of the date of the loan. Currently, interest rates range from 5.25% to 10.50% on participant loans. Principal and interest are paid through payroll deductions.

(g) Benefits and Withdrawals

Participants are entitled to receive vested benefits upon termination of employment. Active employees may withdraw vested funds subject to certain withdrawal rules as defined in the Plan.

(h) Forfeited Accounts

Forfeited nonvested accounts are used to reduce employer contributions. In 2006 and 2005, approximately \$56,538 and \$40,975, respectively, were forfeited and used to reduce employer contributions.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

Edgar Filing: BOWATER INC - Form 11-K

The accompanying financial statements are prepared using the accrual method of accounting in accordance with U.S. generally accepted accounting principles.

(b) Investment Valuation and Income Recognition

The Plan investments include the Fixed Income Fund, Bowater common stock, mutual funds, participant notes receivable and interest-bearing cash.

Purchase and sales of securities are recorded on a trade date basis. The Plan records interest income on an accrual basis and accrues dividends on the ex-dividend date.

Investments in participant notes receivable and interest-bearing cash are stated at cost which approximates fair value. Investments in Bowater common stock and mutual funds are stated at fair value through quoted market prices. The Fixed Income Fund's holding of synthetic guaranteed investment contracts are stated at fair value based primarily on the quoted market price of the underlying fixed income marketable securities.

The Guaranteed Investment Contracts (GICs) held by the Fixed Income Fund are synthetic. The Fixed Income Fund owns certain fixed-income marketable securities and a liquidity agreement ("wrapper") is entered into for a fee with financially responsible third parties that guarantee a minimum rate of return and provides benefit responsiveness. There are no reserves currently considered necessary against contract value for credit risk of the contract issuer or otherwise. Contract value, as reported by the Plan by financially responsible third parties, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The average yield was approximately 4.3% and 4.1% for 2006 and 2005, respectively. The crediting interest rate was approximately 4.3% and 4.0% at December 31, 2006 and 2005, respectively. The crediting interest rate is based on a formula agreed upon with the issuer and may not be less than 0%. Such interest rates are

5

BOWATER INCORPORATED SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

reviewed on a quarterly basis for resetting. The fair value of the synthetic GICs is equal to fair value of the underlying marketable securities plus any accrued income. At December 31, 2006 and 2005, fair value was \$158,943,746 and \$165,507,159, respectively, compared to the contract value at the same dates of \$160,763,860 and \$167,391,152, respectively.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1)

Edgar Filing: BOWATER INC - Form 11-K

amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption under Employee Retirement Income Security Act of 1974. The Plan administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable.

The contracts do not permit the financially responsible third parties to terminate the agreement prior to the scheduled maturity date.

(c) Administrative Expenses

Net appreciation in fair value of investments is net of investment management fees of \$548,004 and \$551,788, respectively, for the years ended December 31, 2006 and 2005. Additional administrative expenses, including additional expenses charged by the Trustee, are paid by the participants or the Company.

(d) Payments of Benefits

Benefit payments to participants are recorded upon distribution.

(e) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amount of assets, liabilities and changes therein, and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates and assumptions.

The Plan's investments include funds which invest in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Plan's financial statements and schedule.

(f) Reclassifications

Certain 2005 amounts in the financial statements and notes have been reclassified to conform to the 2006 presentation. These reclassifications had no impact on previously reported net change in net assets available for benefits or net assets available for benefits.

6

BOWATER INCORPORATED SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

Edgar Filing: BOWATER INC - Form 11-K

(g) New Accounting Pronouncements

As of December 31, 2006, the Plan adopted Financial Accounting Standards Board (FASB) Staff Position FSP AAG INV-1 and Statement of Position No. 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare Pension Plans (the FSP). The FSP requires the Statement of Net Assets Available for Benefits to present the fair value of the Plan's investments as well as the adjustment from fair value to contract value for the fully benefit-responsive investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. The FSP was applied retroactively to the prior period presented on the Statement of Net Assets Available for Benefits as of December 31, 2005.

In September 2006, the FASB issued Statement on Financial Accounting Standards No. 157 (SFAS 157) "Fair Value Measurements." SFAS 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurement. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Plan management does not believe the adoption of SFAS 157 will have a material impact on the financial statements.

(3) Investments

Investments, with items representing 5% or more of the Plan's net assets separately stated, were as follows at December 31, 2006 and 2005:

Issuer	2006	2005
Fidelity Magellan Fund	\$ 31,2	31,2
Fidelity Equity Income Fund		32,3
Fidelity OTC Portfolio Fund		22,0
Fidelity International Discovery		18,2
Fixed Income Fund (Fair value of \$158,943,746 and \$165,507,159 in 2006 and 2005, respectively)		160,7
Bowater Common Stock		23,3
Other (mutual funds, interest-bearing cash, and participant notes receivable)		73,9
		362,0

Edgar Filing: BOWATER INC - Form 11-K

During the years ended December 31, 2006 and 2005, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$4,351,868 and \$7,181,782, respectively, as follows:

	2006		2005	
Mutual Funds	\$	4,853,980	\$	4,632,767
Bowater Common Stock		(9,205,848)		(11,814,549)
	\$	(4,351,868)	\$	(7,181,782)

(4) Related Party Transactions

Certain Plan assets are shares of mutual funds managed by Fidelity Management Trust Company (Fidelity). Fidelity is the trustee as defined by the Plan and therefore, these investment transactions qualify as party-in-interest transactions. The trustee receives investment and administrative fees as a result of these activities. The Plan assets also include shares of Bowater common stock. The Company is the Plan sponsor, therefore, these investment transactions qualify as party-in-interest transactions. Investment in company stock is participant directed.

(5) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in all Company contributions.

(6) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated April 24, 2003, that the Plan is designed in accordance with the applicable sections of the Internal Revenue Code (IRC).

The Plan has been amended since receiving the determination letter, however, the Company believes that the Plan is currently designed and being operated in compliance with applicable requirements of the IRC and Plan document.

(7) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2006 to Form 5500:

Net assets available for benefits per the financial statements	\$
Less: Adjustment from fair value to contract value for fully	

Edgar Filing: BOWATER INC - Form 11-K

benefit-responsive investment contracts

Net assets available for benefits per the Form 5500 \$

8

BOWATER INCORPORATED SAVINGS PLAN

Notes to Financial Statements

December 31, 2006 and 2005

The following is a reconciliation of net investment income per the financial statements at December 31, 2006 to Form 5500:

Total investment income per the financial statements \$
Less: Adjustment from fair value to contract value for fully
benefit-responsive investment contracts

Total investment income per the Form 5500 \$

(8) Plan Amendments

On May 9, 2006, the Company approved changes to the Plan. These changes will be effective beginning January 1, 2007 and are as follows:

- o The current company contribution will be replaced as follows: Eligible employees shall receive a "safe harbor" matching contribution equal to 100% of the first 3% of compensation deferred and 50% of the next 2% of compensation deferred.
- o Additionally, in lieu of benefits received under the Company's defined benefit pension plan, newly hired non-union employees and current active participants whose age plus years of service are less than 70 and are younger than age 55, determined as of December 31, 2006 will receive an additional annual Company contribution (Automatic Company Contribution) ranging from 2.5% to 6.5% based on the participant's age and years of service.
- o Roth 401(k) accounts shall be provided.
- o Participants become fully vested in the Company matching contributions credited before January 1, 2007 after completing three years of service. Participants not covered by a collective bargaining agreement are immediately vested in the Company matching contributions credited on or after January 1, 2007. Participants become fully vested in the Automatic Company Contribution after completing three years of service.

Edgar Filing: BOWATER INC - Form 11-K

On January 1, 2007, the name of the Plan was changed to Bowater Incorporated Retirement Savings Plan.

(9) Subsequent Event

In January 2007, the Company and Abitibi-Consolidated Inc. ("Abitibi") announced a definitive agreement to combine in an all-stock merger of equals (with the newly merged company herein referred to as "AbitibiBowater"). The combination is subject to approval by the shareholders of both companies, regulatory approvals, and customary closing conditions. It is expected to be completed in the third quarter of 2007. Upon consummation of the merger, AbitibiBowater will become the new sponsor of the Plan.

9

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets
 (Held at End of Year) December 31, 2006

		DESCRIPTION OF INVESTMENT		
IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date	

*	FIDELITY FIXED INCOME FUND			
	Synthetic Guaranteed Investment Contracts (GICs)			
**	CDC FINANCIAL PRODUCTS #1290-01	4.572%		open-ended
**	MONUMENTAL LIFE INSURANCE #MDA00182TR	4.575%		open-ended
**	MORGAN GUARANTY #ABOWATER03	4.569%		open-ended
**	UBS AG #3062	4.572%		open-ended
	UNDERLYING SECURITIES			
	ANZ NATL INTL4.265 5/16/08 144	00182EAC3	4.265%	05/16/2008
	AT&T CORP GLOBAL 6% 3/15/09DTC	001957AV1	6.000%	03/15/2009
	AT&T WIRELESS 7.875% 3/01/11	00209AAE6	7.875%	03/01/2011
	AT&T WIRE GLBL 8.125 5/1/12 DT	00209AAG1	8.125%	05/01/2012
	AXA FINL INC 7.75% 8/01/10	002451AA0	7.750%	08/01/2010
	ACCR 03-2 A1 4.23% 10/33	004375AN1	4.230%	10/25/2033
	ACCR 03-3 A1 4.46% 12/33	004375AR2	4.460%	01/25/2034
	ACE 03-HS1 M1 1ML+75 6/33	004421CF8	6.070%	06/25/2033
	ACE 03-HS1 M2 1ML+175 6/33	004421CG6	7.070%	06/25/2033
	ACE 03-NC1 M1 1ML+78 7/33	004421CQ4	6.100%	07/25/2033
	ACE 03-HE1 M1 1ML+65 11/33	004421DA8	5.970%	11/25/2033
	ACE 04-FM1 M1 1ML+60 9/33	004421DK6	6.220%	08/25/2033
	ACE 02-HE1 M1 1ML+65 6/32	004427AX8	6.295%	06/25/2032
	AIFUL CORP 4.45 2/16/10 144A	00873NAA1	4.450%	02/16/2010
	AIFUL CORP 5% 8/10/10 144A	00873NAC7	5.000%	08/10/2010
	AIFUL CORP 6% 12/12/11 144A	00873NAD5	6.000%	12/12/2011

Edgar Filing: BOWATER INC - Form 11-K

AMERICA MOVIL 4.125 3/1/09	02364WAE5	4.125%	03/01/2009
AGFC SR MTN 4.625% 5/15/09	02635PSP9	4.625%	05/15/2009
AMER GENL FIN 3.875% 10/1/09	02635PSS3	3.875%	10/01/2009
AMCAR 04-1 B 3.7 1/09	03061NHH5	3.700%	01/06/2009
AMCAR 04-1 C 4.22% 7/09	03061NHJ1	4.220%	07/06/2009
AMCAR 04-CA A4 3.61% 5/11	03061NHP7	3.610%	05/06/2011
AMCAR 04-DF A4 3.43 7/11	03061NHT9	3.430%	07/06/2011
AMCAR 05-1 B 4.48% 11/09	03061NJB6	4.480%	11/06/2009
AMCAR 05-CF A4 4.63 6/12	03061NJN0	4.630%	06/06/2012
AMCAR 06-1 A3 5.11 10/10	03061NJV2	5.110%	10/06/2010
AMCAR 06-1 B 5.2 3/11	03061NJV0	5.200%	03/06/2011
AMCAR 06-BG A3 5.21% 10/11	03062XAC0	5.210%	10/06/2011
AMCAR 06-BG A4 5.21% 9/13	03062XAD8	5.210%	09/06/2013

10

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
AMSI 04-R2 M1 1ML+43 4/34	03072SPH2	5.750%	04/25/2034
AMSI 04-R2 M2 1ML+48 4/34	03072SPJ8	5.800%	04/25/2034
ARSI 03-W3 M2 1ML+180 9/33	040104BG5	7.120%	09/25/2033
ABSHE 03-HE6 M1 1ML+65 11/33	04541GGB2	5.970%	11/25/2033
ABSHE 04-HE3 M1 1ML+54 6/34	04541GJT0	5.860%	06/25/2034
ASSOCIATES CORP 6.875 11/15/08	046003HS1	6.875%	11/15/2008
ASSOC-NA GLBL 6.25% 11/01/08	046003JT7	6.250%	11/01/2008
AVON PRODUCTS 5.125% 1/15/11	054303AS1	5.125%	01/15/2011
BBVA BANC 5.3795 7/22/15 144A	055295AA7	5.398%	07/22/2015
BTM CURACAO 4.76% 7/21/15 144A	0557X2AA6	4.760%	07/21/2015
BACM 00-2 A2 7.1975 9/32	05947UBB3	7.197%	09/15/2032
BACM 05-1 A2 4.64% 11/42	05947UC71	4.640%	11/10/2042
BACM 2003-2 A2 4.342 3/41	05947ULW6	4.342%	03/11/2041
BACM 04-2 A2 3.52% 11/38	05947URB6	3.520%	11/10/2038
BACM 05-3 A2 CSTR 7/43	05947UR42	4.501%	07/10/2043
BACM 05-3 XP CSTR 7/43	05947US33	0.456%	07/10/2043
BACM 04-4 A3 4.128% 7/42	05947UVK1	4.128%	07/10/2042
BACM 05-4 A1 4.432 7/45	05947UW61	4.432%	07/10/2045
BACM 05-4 XP CSTR 7/45	05947UX78	0.190%	07/10/2045
BACM 05-5 A1 4.716 8/10	05947U2M9	4.716%	08/10/2010
BACM 05-5 XP CSTR 10/45	05947U2U1	0.080%	10/10/2045
BACM 05-6 A1 5.001 9/47	05947U3Z9	5.001%	09/10/2047
BOAMS 05-E 2A7 CSTR 6/35	05949A6J4	4.604%	06/25/2035
BACM 06-6 XP CSTR 10/45	05950VAG5	0.431%	10/10/2045
BACM 06-5 A1 5.185% 7/11	05950XAA4	5.185%	07/10/2011
BACM 2006-5 XP .832% 9/47	05950XAG1	0.832%	09/10/2047

Edgar Filing: BOWATER INC - Form 11-K

BANKAMER 7.8% 2/15/10 GLBL	060505AD6	7.800%	02/15/2010
BONY INC 3.4/3ML+148 3/15/13	064057BF8	3.400%	03/15/2013
BOIT 04-B2 B2 4.37% 4/12	06423RBQ8	4.370%	04/15/2012
BALL 05-ESHA X1 CSTR 7/20	06424HAD9	0.916%	07/14/2020
BNK OF TOKYO MIT GL8.4 4/15/10	065379AB5	8.400%	04/15/2010
BANKAMER CORP 6.25% 4/01/08	066050CU7	6.250%	04/01/2008
BSCMS 04-ESA A3 4.741% 5/16	07383FD47	4.741%	05/14/2016
BSCMS 03-PWR2 A3 4.83% 5/39	07383FXH6	4.834%	05/11/2039
BSARM 05-6 1A1 CSTR 8/35	07387ADG7	5.080%	08/25/2035
BSCMS 05-PWR9 A1 4.498 9/42	07387BAD5	4.498%	09/11/2042
BSCMS 05-PWR9 X2 CSTR 9/42	07387BAS2	0.390%	09/11/2042
BSCMS 05-T20 A1 4.94% 10/42	07387BCG6	4.940%	10/12/2042
BSABS 04-BO1 M2 1ML+75 9/34	073879JM1	6.070%	09/25/2034

11

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held
 at End of Year) December 31,2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date	DESCRIP
BSABS 04-BO1 M3 1ML+105 9/34	073879JN9	6.370%	09/25/2034	
BSABS 04-BO1 M4 1ML+120 9/34	073879JP4	6.520%	09/25/2034	
BSCMS 06-PW13 A1 5.294% 09/41	07388LAA8	5.294%	09/11/2041	
BSCMS 06-PW13 X2 CSTR 9/41	07388LAK6	0.447%	09/11/2041	
BSCMS 2006-T24 X2 CSTR 10/41	07388NAY2	0.450%	10/12/2041	
BEAR STEARNS 2.875 7/2/08	073902CC0	2.875%	07/02/2008	
BELLSOUTH GLBL 4.2% 9/15/09 DT	079860AF9	4.200%	09/15/2009	
BRHEA 05-4 A5 4.91 12/40	106238LP1	4.910%	12/01/2040	
BRHEA 06-A A2R 5.03% 12/41	106238LR7	5.030%	12/01/2041	
BRITISH G STEP 12/10 DT	111021AD3	8.625%	12/15/2010	
CDCMC 03-HE3 M1 1ML+70 11/33	12506YBN8	6.020%	11/25/2033	
CITEC 05-VT1 A4 4.36% 11/12	125564CT9	4.360%	11/20/2012	
CIT GROUP 4.125% 11/3/09	125581AM0	4.125%	11/03/2009	
CNH 05-B A3 4.27 1/10	12613XCV1	4.270%	01/15/2010	
CNH 05-B B 4.57 7/12	12613XCY5	4.570%	07/16/2012	
COMM 05-C6 A2 CSTR 6/44	126171AB3	4.999%	06/10/2044	
COMM 05-C6 XP CSTR 6/44	126171AJ6	0.128%	06/10/2044	
CPS 06-C A3 5.14% 1/11	12619BAC7	5.140%	01/15/2011	
CWL 04-3 M1 1ML+50 6/34	1266714T0	5.820%	06/25/2034	
CWHL 02-25 2A1 5.5 11/17	12669DHX9	5.500%	11/27/2017	
CIBC# Y\$CD 4.375% 7/28/2008	13606VSM5	4.375%	07/28/2008	
CARAT 06-1 A3 5.03 10/09	139732FY2	5.030%	10/15/2009	
CARAT 06-1 B 5.26 10/10	139732GA3	5.260%	10/15/2010	
CARAT 2006-SN1A A3 5.31% 10/09	13974AAD4	5.310%	10/20/2009	
CARAT 2006-SN1A A4A 5.32% 3/10	13974AAE2	5.320%	03/20/2010	
CARAT 2006-SN1A B 5.5% 4/10	13974AAG7	5.500%	04/20/2010	
CARAT 2006-SN1A C 5.77% 5/10	13974AAH5	5.770%	05/20/2010	

Edgar Filing: BOWATER INC - Form 11-K

CAPITAL ONE MTN 4.875% 5/15/08	14040EHF2	4.875%	05/15/2008
CAPITAL ONE MTN 4.25% 12/1/08	14040EHJ4	4.250%	12/01/2008
CAPITAL ONE 5% 6/15/09	14040EHL9	5.000%	06/15/2009
COAFT 05-BSS C 4.48 12/10	14041GCF1	4.480%	12/15/2010
COAFT 05-C A4A 4.71 6/12	14041GCL8	4.710%	06/15/2012
COMET 2003-B3 B3 4.5 6/11	14041NAT8	4.500%	06/15/2011
COMET 04-B6 B6 4.155 7/12	14041NBV2	4.150%	07/16/2012
COAFT 2006-CA 5.07% 7/11	14041UAC9	5.070%	07/15/2011
COPAR 06-2 A4 4.94% 7/12	14042CAD6	4.940%	07/15/2012
COPAR 2006-2 B 5.05% 6/13	14042CAE4	5.050%	06/15/2013
CFAT 05-A A3 3.9 2/09	149114BX7	3.900%	02/25/2009
CD 06-CD3 XP CSTR 10/48	14986DAL4	0.452%	10/15/2048

12

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	DESCRIPTION		
	Security Number	Interest Rate	Maturity Date
CDTIM 05-1A A1 4.67 5/17	15132KAA2	4.670%	05/20/2017
CHAIT 05-B2 B2 4.52 12/10	161571AP9	4.520%	12/15/2010
CHASE MANHATTAN 6.375% 4/01/08	16161ABS6	6.375%	04/01/2008
CHUBB CORP 5.472% 8/16/08	171232AK7	5.472%	08/16/2008
CITIGROUP GLOBAL 3.625 2/09/09	172967CH2	3.625%	02/09/2009
CCCIT 05-B1 B1 4.4 9/10	17305ECR4	4.400%	09/15/2010
CCCIT 06-B2 B2 5.15% 3/11	17305EDD4	5.150%	03/07/2011
CGCMT 05-EMG A2 4.2211 9/51	173067FQ7	4.221%	09/20/2051
CWCI 06-C1 A2 5.122% 8/15/4	190749AB7	5.174%	08/15/2048
COMM 99-1 A2 6.455 5/32	200466AB6	6.455%	05/15/2032
COMM 06-C8 A1 5.11% 12/46	20047EAA0	5.110%	12/10/2046
COMM 06-C8 XP CSTR 12/46	20047EAG7	0.505%	12/10/2046
COMM 06-CN2A BFX 5.537 2/19	20047MAJ3	5.537%	02/05/2019
COMM 06-CN2A CFX 5.47945 2/19	20047MAL8	5.479%	02/05/2019
COMM 06-CN2A D 5.52861 2/19	20047MAM6	5.529%	02/05/2019
COMM 06-CN2A E CSTR 2/19	20047MAN4	5.570%	02/05/2019
COMM 06-CN2A F CSTR 2/19	20047MAP9	5.570%	02/05/2019
COMM 05-LP5 A2 4.63 5/43	20047PAB3	4.630%	05/10/2043
COMM 05-LP5 XP CSTR 5/43	20047PAG2	0.369%	05/10/2043
CMAC 98-C2 B CSTR 9/30	201728DN9	6.076%	09/15/2030
CMAT 99-C1 A3 6.64 1/32	201730AC2	6.640%	01/17/2032
CONSTELATION EC 6.35% 4/01/07	210371AG5	6.350%	04/01/2007
CONSTELATION EN 6.125% 9/01/09	210371AJ9	6.125%	09/01/2009
CONTL AIR 98-3A2 6.32% 11/1/08	210805CL9	6.320%	11/01/2008
CONTL AIR 991A 6.545% 2/02/19	210805CQ8	6.545%	02/02/2019
CSFB 99-C1 A2 7.29 9/41	22540ALK2	7.290%	09/15/2041
CSFB 01-CK3 A3 6.4 6/34	22540A3E6	6.400%	06/15/2034
CSFB 03-C5 A3 4.429% 12/36	22541QH96	4.429%	12/15/2036
CSFB 04-C1 A3 4.321 1/37	22541SAC2	4.321%	01/15/2037

Edgar Filing: BOWATER INC - Form 11-K

CSFB 04-FRE1 B1 1ML+180 4/34	22541SSV1	7.120%	04/25/2034
CSMC 06-C5 ASP CSTR 12/39	22545LAJ8	0.673%	12/15/2039
CSMC 06-C4 ASP CSTR 9/39	22545MBA4	0.591%	09/15/2039
CSFB 05-C4 ASP CSTR 8/38	225458Q84	0.251%	08/15/2038
CSFB 05-C2 ASP CSTR 4/37	225458SP4	0.571%	04/15/2037
CCI 05-1A B 4.878% 6/35	22822RAB6	4.878%	06/15/2035
DLJCM 98-CF1 A1B 6.41 2/31	23322BAD0	6.410%	02/18/2031
DLJCM 99-CG1 A1B 6.46% 3/32	23322BEG9	6.460%	03/10/2032
DLJCM 1999-CG1 A3 6.77 3/32	23322BEJ3	6.770%	03/10/2032
DAIMLERCHRYSLER 5.75% 8/10/09	23383FBT1	5.750%	08/10/2009

13

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
DCAT 2006-C A4 4.98% 11/11	233875AC7	4.980%	11/08/2011
DCAT 2006-C B 5.11% 4/13	233875AD5	5.110%	04/08/2013
JOHN DEERE MTN D 4.375 3/14/08	24422EPW3	4.375%	03/14/2008
JOHN DEERE CAP 4.875% 3/16/09	24422EPY9	4.875%	03/16/2009
DEUTSCHE TEL 5.375% 3/23/11	25156PAG8	5.375%	03/23/2011
DONNELLEY RR 3.75% 4/1/09	257867AK7	3.750%	04/01/2009
DRIVE 05-3 A3 4.99 10/10	26207PBH2	4.990%	10/15/2010
DRIVE 06-2 A-2 5.3% 7/11	26207RAB2	5.300%	07/15/2011
DRIVE 06-2 A-3 5.33% 4/14	26207RAC0	5.330%	04/15/2014
DRVT 2006-A A3 5.501% 11/11	26250RAC6	5.501%	11/15/2011
DRVT 2006-B A2 5.32% 3/10	26250SAB6	5.320%	03/15/2010
DRVT 2006-B A3 5.23% 8/12	26250SAC4	5.230%	08/15/2012
EXELON GEN GLBL 6.95% 6/15/11	30161MAB9	6.950%	06/15/2011
FPL GROUP 5.551% 2/16/08	302570AU0	5.551%	02/16/2008
FHLM ARM 4.889% 3/33 #847126	3128HD4K2	4.777%	03/01/2033
FHLM ARM 4.314% 12/34 #1B2670	3128JM2C0	4.302%	12/01/2034
FHLM ARM 4.106% 12/34 #1B2699	3128JM3H8	4.052%	12/01/2034
FHLM ARM 4.22% 2/35 #1B2747	3128JM5H6	4.229%	02/01/2035
FHLM ARM 4.63% 3/35 #1B2811	3128JNAM7	4.629%	03/01/2035
FHLM ARM 4.497% 6/35 #1B2907	3128JNDM4	4.420%	06/01/2035
FHLM ARM 4.307% 5/35 #847408	3128JRGR1	4.287%	05/01/2035
FHLM ARM 4.55% 2/35 #1G0068	3128NCCD4	4.541%	02/01/2035
FHLM ARM 4.401% 2/35 #1G0103	3128NCDG6	4.378%	02/01/2035
FHLM ARM 4.37% 3/35 #1G0125	3128NCD68	4.344%	03/01/2035
FHLM ARM 4.444% 3/35 #1G0133	3128NCEE0	4.426%	03/01/2035
FHLM ARM 4.504% 3/35 #1G0145	3128NCES9	4.445%	03/01/2035
FHLM ARM 4.941% 11/35 #1J1228	3128NHLH4	4.910%	11/01/2035
FHLM ARM 5.26% 1/36 #1J1274	3128NHMX8	5.188%	01/01/2036
FHLM ARM 4.93% 9/35 #1K1215	3128NVK43	4.930%	09/01/2035
FHLM ARM 5.034% 4/35 #1N0002	3128QGAB8	4.989%	04/01/2035
FHLM ARM 5.62% 12/35 #1N0117	3128QGDW9	5.581%	12/01/2035

Edgar Filing: BOWATER INC - Form 11-K

FHLM ARM	6.53%	8/36	#1N0187	3128QGF49	6.513%	08/01/2036
FHLM ARM	6.67%	10/36	#1G2538	3128QSZB5	6.612%	10/01/2036
FHLM ARM	5.34%	6/35	#1L0097	3128Q2DA8	5.285%	06/01/2035
FHLM ARM	4.40%	8/35	#1L1225	3128Q3LE9	4.405%	08/01/2035
FHLM ARM	5.885%	6/35	#1L1275	3128Q3MY4	5.900%	06/01/2035
FHR 1539 PM	6.5	6/08		312916RJ0	6.500%	06/15/2008
FHLM ARM	5.676%	4/32	#789284	31295NJ58	7.363%	04/01/2032
FHR 2292 QT	6.5%	5/30		3133TRXT7	6.500%	05/15/2030

14

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
FHLG 20YR 5.50% 7/23 #C90691	31335HXU2	5.500%	07/01/2023
FHLG 20YR 5.50% 4/24 #C90825	31335H4J9	5.500%	04/01/2024
FHLM ARM 4.819% 10/32 #1B0610	31336SGT9	4.806%	10/01/2032
FHLM ARM 4.441% 2/34 #781229	31349SLJ0	4.427%	02/01/2034
FHLM ARM 4.13% 12/34 #782916	31349UGZ5	4.114%	12/01/2034
FHLM ARM 4.232% 1/35 #782988	31349UJ90	4.066%	01/01/2035
FHLM ARM 4.434% 2/35 #783032	31349ULM8	4.288%	02/01/2035
FHLM ARM 4.307% 3/35 #783067	31349UMQ8	4.288%	03/01/2035
FNR 92-48 HB 7 4/07	31358MRN6	7.000%	04/25/2007
FNR 96-28 PK 6.5 7/25	31359KKK2	6.500%	07/25/2025
FNMA 20YR 5.50% 11/22 #254543	31371KWC1	5.500%	11/01/2022
FNMA ARM 4.25% 2/35 #255658	31371L5T2	4.250%	02/01/2035
FNMA 20YR 5.50% 4/25 #255711	31371MAL1	5.500%	04/01/2025
FNMA 20YR 5.50% 6/25 #255767	31371MCC9	5.500%	06/01/2025
FNMA 15YR 7.00% 10/11 #351943	31376C5C4	7.000%	10/01/2011
FNMA 15YR 7.00% 7/14 #522561	31384FQN0	7.000%	07/01/2014
FNMA 15YR 7.00% 12/17 #555532	31385XED5	7.000%	12/01/2017
FNMA ARM 4.305% 8/33 #555696	31385XKH9	4.291%	08/01/2033
FNMA 15YR 7.00% 1/17 #626726	31389JHB3	7.000%	01/01/2017
FNMA ARM 4.710% 10/32 #612/25/2033	31390K4X3	4.670%	10/01/2032
FNMA ARM 4.732% 10/32 #668509	31391JVA5	4.780%	10/01/2032
FNMA ARM 4.925% 12/32 #677026	31391UD77	4.990%	12/01/2032
FNR 03-23 AB 4% 3/17	31392J6Q7	4.000%	03/25/2017
FNR 03-24 PB 4.5 12/12	31393AA23	4.500%	12/25/2012
FNR 03-83 TH 4.5% 11/16	31393ETB5	4.500%	11/25/2016
FHR 2590 NT 5% 4/16	31393NJV6	5.000%	04/15/2016
FHR 2625 QX 2.25% 3/22	31393RKA7	2.250%	03/15/2022
FHR 2626 NA 5 6/23	31393VHJ3	5.000%	06/15/2023
FHR 2640 QG 2% 4/22	31393WBS7	2.000%	04/15/2022
FHR 2667 PC 3.8% 1/18	31394HHN4	3.800%	01/15/2018
FHR 2677 LC 4.5 6/15	31394JTR8	4.500%	06/15/2015
FNMA ARM 3.828% 4/33 #688969	31400JMS5	3.826%	04/01/2033
FNMA ARM 4.646% 1/33 #689554	31400KBX3	4.594%	01/01/2033

Edgar Filing: BOWATER INC - Form 11-K

FNMA ARM	4.708%	2/33	#693344	31400PHV0	4.709%	02/01/2033
FNMA ARM	4.318%	3/33	#694530	31400QST1	4.303%	03/01/2033
FNMA ARM	4.801%	2/33	#695019	31400RDY4	4.812%	02/01/2033
FNMA ARM	4.292%	3/33	#701296	31400YC95	4.291%	03/01/2033
FNMA ARM	3.984%	5/33	#703915	31401CAQ6	3.947%	05/01/2033
FNMA ARM	4.079%	4/33	#708221	31401GYS7	4.013%	04/01/2033

15

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date			
FNMA ARM	4.351%	6/33	#720921	31401W4E6	4.302%	06/01/2033
FNMA ARM	3.878%	6/33	#723633	31402A4S2	3.879%	06/01/2033
FNMA ARM	3.836%	6/33	#723760	31402BB52	3.802%	06/01/2033
FNMA ARM	5.12%	1/34	#725109	31402CR61	5.364%	01/01/2034
FNMA ARM	4.862%	9/34	#725855	31402DMC1	4.879%	09/01/2034
FNMA ARM	4.832%	8/34	#725858	31402DMF4	4.942%	08/01/2034
FNMA ARM	4.409%	10/34	#725968	31402DQV5	4.396%	10/01/2034
FNMA 15YR	4.00%	8/18	#727438	31402FEK7	4.000%	08/01/2018
FNMA ARM	5.229%	8/33	#735030	31402QST9	5.170%	08/01/2033
FNMA ARM	4.115%	2/35	#735343	31402Q5C1	4.076%	02/01/2035
FNMA ARM	4.162%	2/35	#735345	31402Q5E7	4.113%	02/01/2035
FNMA ARM	4.587%	2/35	#735355	31402Q5Q0	4.574%	02/01/2035
FNMA ARM	4.493%	8/34	#735360	31402Q5V9	4.443%	08/01/2034
FNMA ARM	4.62%	2/35	#735433	31402RBA6	4.579%	02/01/2035
FNMA ARM	4.53%	3/35	#735448	31402RBR9	4.508%	03/01/2035
FNMA ARM	4.319%	5/35	#735538	31402REK1	4.267%	05/01/2035
FNMA ARM	4.177%	3/35	#735545	31402RES4	4.188%	03/01/2035
FNMA ARM	4.763%	6/35	#735689	31402RKA6	4.699%	06/01/2035
FNMA ARM	4.402%	10/34	#735934	31402RSX8	4.414%	10/01/2034
FNMA ARM	4.898%	10/35	#745060	31403CWB9	4.839%	10/01/2035
FNMA ARM	4.99%	11/35	#745064	31403CWZ0	4.975%	11/01/2035
FNMA ARM	4.858%	10/35	#745231	31403C4Q1	4.813%	10/01/2035
FNMA ARM	3.941%	6/34	#745335	31403DBC2	3.917%	06/01/2034
FNMA ARM	5.541%	11/36	#745972	31403DW96	5.533%	11/01/2036
FNMA ARM	3.753%	10/33	#746320	31403EDZ7	3.753%	10/01/2033
FNMA ARM	4.155%	7/34	#747270	31403FFK5	4.130%	07/01/2034
FNMA ARM	4.055%	10/18	#749296	31403HNM8	3.995%	10/01/2018
FNMA ARM	4.358%	10/33	#754672	31403QMV9	4.282%	10/01/2033
FNMA ARM	3.752%	10/33	#755148	31403Q5H9	3.729%	10/01/2033
FNMA ARM	4.294%	1/34	#759264	31403VQR3	4.302%	01/01/2034
FNMA ARM	3.750%	1/34	#761058	31403XQK4	3.750%	01/01/2034
FNMA ARM	3.826%	10/33	#763199	31404A3G7	3.810%	10/01/2033
FNMA ARM	4.250%	1/34	#765659	31404DTQ1	4.250%	01/01/2034
FNMA ARM	4.25%	2/34	#765660	31404DTR9	4.250%	02/01/2034
FNMA ARM	4.30%	1/34	#766886	31404E6X9	4.301%	01/01/2034

Edgar Filing: BOWATER INC - Form 11-K

FNMA ARM 4.057% 5/34 #768224	31404GPH8	6.292%	05/01/2034
FNMA ARM 4.368% 2/34 #769940	31404JLV5	4.365%	02/01/2034
FNMA ARM 3.83% 1/35 #773220	31404NAV8	3.862%	01/01/2035
FNMA ARM 3.98% 1/35#773221	31404NAW6	3.955%	01/01/2035

16

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
FNMA ARM 4.12% 2/35 #773243	31404NBL9	4.064%	02/01/2035
FNMA ARM 4.455% 3/35 #773281	31404NCS3	4.432%	03/01/2035
FNMA ARM 3.939% 10/34 #781549	31404XH23	3.862%	10/01/2034
FNMA ARM 3.786% 12/34 #781576	31404XJV7	3.732%	12/01/2034
FNMA ARM 3.791% 6/34 #783545	31405AP64	3.786%	06/01/2034
FNMA ARM 4.351 1/35 #783580	31405AQ97	4.345%	01/01/2035
FNMA ARM 4.499% 3/35 #783587	31405ARG0	4.487%	03/01/2035
FNMA ARM 4.4% 2/35 #783588	31405ARH8	4.396%	02/01/2035
FNMA ARM 4.876% 7/34 #785318	31405CPB9	4.869%	07/01/2034
FNMA ARM 5.019% 9/34 #790458	31405JE75	4.968%	09/01/2034
FNMA ARM 4.658% 9/34 #790618	31405JK78	4.647%	09/01/2034
FNMA ARM 4.748% 7/34 #793028	31405MA56	4.721%	07/01/2034
FNMA ARM 4.82% 8/34 #793420	31405MPD3	4.828%	08/01/2034
FNMA ARM 4.74% 10/34 #794794	31405N7F6	4.701%	10/01/2034
FNMA ARM 4.96% 8/34 #796987	31405RNC6	4.946%	08/01/2034
FNMA ARM 3.737% 1/35 #797416	31405R3Z7	3.761%	01/01/2035
FNMA ARM 4.202% 1/35 #797418	31405R4B9	4.166%	01/01/2035
FNMA ARM 4.67% 11/34 #799727	31405UPL7	4.586%	11/01/2034
FNMA ARM 4.85% 11/34 #799812	31405UR92	4.807%	11/01/2034
FNMA ARM 4.825% 12/34 #800297	31405VDA2	4.721%	12/01/2034
FNMA ARM 4.845% 12/34 #800335	31405VEG8	4.783%	12/01/2034
FNMA ARM 5.00% 9/34 #801341	31405WHS7	4.999%	09/01/2034
FNMA ARM 5.05% 7/34 #801635	31405WSY2	5.026%	07/01/2034
FNMA ARM 4.23% 11/34 #803591	31405YXU0	4.151%	11/01/2034
FNMA ARM 4.029% 1/35 #806167	31406CTY4	4.014%	01/01/2035
FNMA ARM 4.127% 1/35 #806519	31406DAU0	4.114%	01/01/2035
FNMA ARM 4.048% 1/35 #806711	31406DGU4	4.011%	01/01/2035
FNMA ARM 4.118% 1/35 #807221	31406DYS9	4.100%	01/01/2035
FNMA ARM 3.913% 12/34 #809113	31406F3W9	3.893%	12/01/2034
FNMA ARM 4.5% 2/35 #809429	31406GHE2	4.463%	02/01/2035
FNMA ARM 5.029% 2/35 #809463	31406GJG5	4.977%	02/01/2035
FNMA ARM 4.625% 2/35 #809931	31406GY45	4.567%	02/01/2035
FNMA ARM 4.145% 2/35 #810415	31406HK48	4.116%	02/01/2035
FNMA ARM 4.872% 1/35 #810896	31406H3D7	4.839%	01/01/2035
FNMA ARM 4.57% 2/35 #811803	31406J3L5	4.503%	02/01/2035
FNMA ARM 4.052% 2/35 #812091	31406KF88	4.060%	02/01/2035

Edgar Filing: BOWATER INC - Form 11-K

FNMA ARM 4.118% 2/35 #813114	31406LK31	4.058%	02/01/2035
FNMA ARM 4.151% 1/35 #813170	31406LMT2	4.128%	01/01/2035
FNMA ARM 4.694% 11/34 #813184	31406LM96	4.658%	11/01/2034

17

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31,
 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
FNMA ARM 3.87% 1/35 #813713	31406MAN6	3.918%	01/01/2035
FNMA ARM 3.84% 1/35 #813714	31406MAP1	3.807%	01/01/2035
FNMA ARM 4.023% 2/35 #813737	31406MBE5	3.965%	02/01/2035
FNMA ARM 5.01% 4/35 #814954	31406NMB7	4.966%	04/01/2035
FNMA ARM 4.790% 1/35 #815323	31406NYU2	4.757%	01/01/2035
FNMA ARM 4.293% 3/35 #815586	31406PCX5	4.294%	03/01/2035
FNMA ARM 4.653% 3/35 #816322	31406P4F3	4.719%	03/01/2035
FNMA ARM 4.573% 2/35 #816591	31406QF85	4.498%	02/01/2035
FNMA ARM 4.639% 2/35 #816599	31406QGG6	4.509%	02/01/2035
FNMA ARM 4.934% 3/35 #819648	31406TTD3	4.298%	03/01/2035
FNMA ARM 4.928% 2/35 #820356	31406UMD7	4.925%	02/01/2035
FNMA ARM 4.372% 4/35 #820407	31406UNY0	4.315%	04/01/2035
FNMA ARM 4.725% 3/35 #820598	31406UUX4	4.651%	03/01/2035
FNMA ARM 4.597% 6/35 #821487	31406VUL8	4.543%	06/01/2035
FNMA ARM 4.575% 7/35 #822002	31406WGK4	4.503%	07/01/2035
FNMA ARM 4.302% 1/35 #827592	31407DNH4	4.579%	01/01/2035
FNMA ARM 5.8170% 5/35 #827781	31407DUE3	5.051%	05/01/2035
FNMA ARM 5.10% 5/35 #827782	31407DUF0	5.092%	05/01/2035
FNMA ARM 5.208% 5/35 #827783	31407DUG8	5.180%	05/01/2035
FNMA ARM 5.180% 5/35 #827785	31407DUJ2	5.149%	05/01/2035
FNMA ARM 4.520% 8/35 #829603	31407FU40	4.521%	08/01/2035
FNMA ARM 4.409% 5/35 #829985	31407GCW6	4.435%	05/01/2035
FNMA ARM 5.203% 6/35 #830605	31407GYA0	5.168%	06/01/2035
FNMA ARM 4.555% 7/35 #832099	31407JNQ1	4.518%	07/01/2035
FNMA ARM 5.344% 7/35 #834917	31407MSE6	5.315%	07/01/2035
FNMA ARM 5.101% 7/35 #841837	31407VHN8	5.255%	07/01/2035
FNMA ARM 5.349% 12/34 #843013	31407WSA2	5.326%	12/01/2034
FNMA ARM 5.43% 11/35 #844168	31407XZ95	5.398%	11/01/2035
FNMA ARM 4.893% 10/35 #847787	31408C2U9	4.883%	10/01/2035
FNMA ARM 5.32% 1/36 #850852	31408GH59	5.312%	01/01/2036
FNMA ARM 5.409% 2/36 #865319	31409AK81	5.371%	02/01/2036
FNMA ARM 5.84% 3/36 #865958	31409BB30	5.834%	03/01/2036
FNMA ARM 5.98% 4/36 #868793	31409EGA3	5.930%	04/01/2036
FNMA ARM 5.839% 1/36 #879146	31409UWF8	5.794%	01/01/2036
FNMA ARM 3.854% 10/33 #879906	31409VR39	3.847%	10/01/2033
FNMA ARM 6.21% 4/36 #891332	31410MHH6	6.177%	04/01/2036

Edgar Filing: BOWATER INC - Form 11-K

FNMA ARM	6.08%	4/36	#895834	31410SHK6	6.080%	04/01/2036
FNMA ARM	5.50%	5/36	#896475	31410S6L6	5.500%	05/01/2036
FNMA ARM	6.63%	9/36	#898175	31410U2G6	6.586%	09/01/2036

18

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2006

IDENTITY OF ISSUER	DESCRIPTION OF INVESTMENT					
	Security Number	Interest Rate	Maturity Date			
FNMA ARM	6.60%	9/36	#898177	31410U2J0	6.595%	09/01/2036
FNMA ARM	6.62%	9/36	#898178	31410U2K7	6.598%	09/01/2036
FNMA ARM	6.65%	9/36	#898179	31410U2L5	6.670%	09/01/2036
FNMA ARM	6.62%	9/36	#898180	31410U2M3	6.607%	09/01/2036
FNMA ARM	5.26%	11/36	#901494	31410YRP1	5.263%	11/01/2036
FIAOT 06A A3	4.93%	2/15/11		32057TAJ0	4.930%	02/15/2011
FULB 97-C2 A3	6.65%	11/29		33736LAR6	6.650%	11/18/2029
FLEETBOSTON FIN	7.375%	12/1/09		33901AAA6	7.375%	12/01/2009
FORDO 2005-A B	3.88%	1/10		34527RKS1	3.880%	01/15/2010
FORDO 2005-A C	4.08%	6/10		34527RKT9	4.080%	06/15/2010
FORDO 05-C A4	4.36%	6/10		34527RLH4	4.360%	06/15/2010
FORDO 2006-B B	5.43%	2/12		34528AAF6	5.430%	02/15/2012
FORDO 06-C A4A	5.15%	2/12		34528CAE5	5.150%	02/15/2012
FORDO 2006-C B	5.3%	6/12		34528CAG0	5.300%	06/15/2012
FRNK 06-1 A4	5.03%	7/14		35242WAD5	5.030%	07/21/2014
FRNK 06-1 B1	5.14%	7/14		35242WAE3	5.140%	07/21/2014
FRANKLIN RESOUR	3.7%	4/15/08		354613AD3	3.700%	04/15/2008
FUJI FIN	8.625%	4/15/10	144A	359555AB5	8.625%	04/15/2010
GEMC 02-2A A2	4.97%	8/36		36158YFS3	4.970%	08/11/2036
GMACC 97-C1 A3	6.869%	7/29		361849BV3	6.869%	07/15/2029
GMACC 97-C2 A3	6.566%	4/29		361849CK6	6.566%	04/15/2029
GMACC 04-C2 A2	CSTR	8/38		361849F31	4.760%	08/10/2038
GMACC 2004-C3 A3	CSTR	12/41		361849J60	4.207%	12/10/2041
GMACC 05-C1 A2	CSTR	5/43		361849M66	4.471%	05/10/2043
GMACC 05-C1 X2	CSTR	5/43		361849M90	0.746%	05/10/2043
GMACC 06-C1 A1	4.975%	11/45		361849Q47	4.975%	11/10/2045
GMACC 06-C1 XP	CSTR	11/45		361849R20	0.156%	11/10/2045
GMACC 2002-C1 A1	5.785%	11/39		361849TP7	5.785%	11/15/2039
GMACC 2003-C2 A1	4.576%	5/40		361849YT3	4.576%	05/10/2040
GNII ARM	3.750%	1/34	#080817	36225C4B9	4.750%	01/20/2034
GSMS 03-C1 A2A	3.59%	1/40		36228CPS6	3.590%	01/10/2040
GSMS 04-C1 A1	3.659%	10/28		36228CSF1	3.659%	10/10/2028
GSMS 05-GG4 XP	CSTR	7/39		36228CWC3	0.707%	07/10/2039
GSALT 05-1 A3	4.45%	5/10		36292RAU5	4.450%	05/17/2010
GSALT 05-1 B	4.62%	11/13		36292RAW1	4.620%	11/15/2013
GEMC 04-C3 A2	4.433%	7/39		36828QHJ3	4.433%	07/10/2039

Edgar Filing: BOWATER INC - Form 11-K

GCOSL 06-1A NOTE 5.72 3/22	36829EAA0	5.720%	03/01/2022
GE CAP CP MTN 7.5% 6/15/09	36962FUT1	7.500%	06/15/2009
GE CAP CORP MTN 5.25% 10/27/09	36962GZ31	5.250%	10/27/2009

19

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
TOWER 06-1 B 5.588% 2/36	37945SAD0	5.588%	02/15/2036
TOWER 06-1 C 5.707% 2/36	37945SAE8	5.707%	02/15/2036
GNR 02-35 C CSTR 10/23	38373MBY5	5.874%	10/16/2023
GNR 05-58 NJ 4.5 8/35	38374LP54	4.500%	08/20/2035
GPMH 01-1 IA 1ML+34 4/32	395383BC5	5.660%	04/20/2032
GREENPOINT FINL 3.2% 6/06/08	395384AE0	3.200%	06/06/2008
GCCFC 03-C1 A2 3.285% 7/35	396789DT3	3.285%	07/05/2035
GCCFC 04-GG1 A4 4.755 6/36	396789FQ7	4.755%	06/10/2036
GCCFC 05-GG5 CSTR 4/37	396789MP1	0.122%	04/10/2037
HBOS PLC MTN 3.75 9/30/08 144A	4041A0AG3	3.750%	09/30/2008
HSBC FIN CORP MTN4.125 3/11/08	40429JAA5	4.125%	03/11/2008
HAT 2006-3 A3 5.38% 9/11	40431CAC2	5.280%	09/19/2011
HARTFORD FINL 5.55% 8/16/08	416515AH7	5.550%	08/16/2008
HEINZ CO 6.428 12/01/08 144A	423074AH6	6.428%	12/01/2008
HAT 04-1 A4 3.93 7/11	44179CBQ8	3.930%	07/18/2011
HOUSEHOLD FIN C 4.125 12/15/08	441812KF0	4.125%	12/15/2008
HOUSEHOLD FIN CO 4.75% 5/15/09	441812KG8	4.750%	05/15/2009
HOUSEHOLD MTN 4.125% 11/16/09	441812KH6	4.125%	11/16/2009
HAT 05-2 A4 4.55 7/12	44328FAH2	4.550%	07/17/2012
HUTCHISON WH 5.45 11/24/10 144	44841SAA7	5.450%	11/24/2010
HART 05-A C 4.22 2/12	449182BM5	4.220%	02/15/2012
HART 06-1 A-3 5.13 6/10	449182BR4	5.130%	06/15/2010
HART 06-1 B 5.29 11/12	449182BT0	5.290%	11/15/2012
HART 06-1 C 5.34 11/12	449182BU7	5.340%	11/15/2012
ILFC ECAP TR 5.9/VR 12/65 144A	44965TAA5	5.900%	12/21/2065
IMM 05-1 M4 1ML+75 4/35	45254NMU8	6.070%	04/25/2035
IMM 05-1 M5 1ML+77 4/35	45254NMV6	6.090%	04/25/2035
IMM 05-1 M6 1ML+82 4/35	45254NMW4	6.140%	04/25/2035
INTL LEASE FIN 4.625% 6/02/08	45974VZW1	4.625%	06/02/2008
JPMMT 05-A8 2A3 CSTR 11/35	466247YP2	4.951%	11/25/2035
JPMCC 2001-C1 A2 5.464 10/35	46625MFB0	5.464%	10/12/2035
JPMCC 04-CB9 A2 CSTR 6/41	46625M6U8	5.108%	06/12/2041
JPMCC 05-LDP2 A2 4.575% 7/42	46625YNA7	4.575%	07/15/2042
JPMCC 05-LDP4 A1 CSTR 10/42	46625YTX1	4.613%	10/15/2042
JPMCC 05-LDP4 X2 CSTR 10/42	46625YUF8	0.209%	10/15/2042
JPMCC 05-LDP5 A1 5.035 12/44	46625YXL2	5.035%	12/15/2044
JPMCC 2006-LDP9 A1 CSTR 5/47	46629PAA6	5.170%	05/15/2047

Edgar Filing: BOWATER INC - Form 11-K

JPMCC 2006-CB17 A3 5.45% 12/43	46630EAB6	5.450%	12/12/2043
JPMART 2006-A A-3 5.18% 12/10	481238AC7	5.180%	12/15/2010

20

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
JPMRT 2006-A A4 5.14% 12/14	481238AD5	5.140%	12/15/2014
JPMART 2006-A B 5.36% 12/14	481238AE3	5.360%	12/15/2014
KOREA DEV BANK 3.875% 3/02/09	500630BH0	3.875%	03/02/2009
KRAFT FOODS 4% 10/1/08	50075NAK0	4.000%	10/01/2008
LBCMT 98-C4 A1B 6.21 10/35	501773CA1	6.210%	10/15/2035
LBCMT 99-C1 A2 6.78 6/31	501773CS2	6.780%	06/15/2031
LBUBS 00-C3 A2 7.95 1/10	52108HAT1	7.950%	01/15/2010
LBUBS 00-C5 A2 6.51 12/26	52108HCB8	6.510%	12/15/2026
LBUBS 04-C4 A2 CSTR 6/29	52108HE26	4.567%	06/15/2029
LBUBS 04-C6 A2 4.187% 8/29	52108HJ54	4.187%	08/15/2029
LBUBS 03-C3 A2 3.086 5/27	52108HRA4	3.086%	05/15/2027
LBUBS 03-C5 A2 3.478 7/27	52108HSY1	3.478%	07/15/2027
LBUBS 03-C7 A3 CSTR 9/27	52108HUL6	4.559%	09/15/2027
LBUBS 05-C5 XCP CSTR 9/40	52108H7F5	0.544%	09/15/2040
LBUBS 05-C7 XCP CSTR 11/40	52108MAQ6	0.376%	11/15/2040
LBUBS 06-C1A A1 5.018 2/31	52108MDD2	5.018%	02/15/2031
LBUBS 206-C1A XCP CSTR 2/41	52108MDR1	0.519%	02/15/2041
LEGG MASON INC 6.75% 7/02/08	524901AH8	6.750%	07/02/2008
LEHMAN BROS MTN 4.25% 1/27/10	52517PYN5	4.250%	01/27/2010
LBART 2006-B A3 5.17 8/11	54238NAC4	5.170%	08/15/2011
LBART 2006-B A4 5.18% 9/13	54238NAD2	5.180%	09/15/2013
LBART NT CL A-3 5.418% 12/10	542388AC7	5.418%	12/15/2010
LOUIS DREYFUS 6.875% 12/01/07	546011AD9	6.875%	12/01/2007
MBNA CAPITAL 8.278% 12/01/26	55263BAA9	8.278%	12/01/2026
MBNAS 05-B4 B4 4.9% 3/11	55264TDK4	4.900%	03/15/2011
MSSTR 04-1 1A1 CSTR 8/17	55265WAV5	6.238%	08/25/2017
MLCFC 2006-4 XP CSTR 12/49	55312VAQ1	0.674%	12/12/2049
MANUFTRS & TRD 3.85/VAR 4/1/13	564759NH7	3.850%	04/01/2013
AMERITECH CAP 6.25% 5/18/09 EC	5685231	6.250%	05/18/2009
MVCOT 06-2A A 5.417% 10/28	57164UAA3	5.362%	10/20/2028
MVCOT 06-2A B 5.467% 10/28	57164UAB1	5.442%	10/20/2028
MVCOT 06-2A C 5.766% 10/28	57164UAC9	5.691%	10/20/2028
MARSHALL & ISLY 4.375% 8/01/09	571834AE0	4.375%	08/01/2009
MALT 04-3 3A1 6 4/34	576434NW0	6.000%	04/25/2034
MMLT 04-1 M1 1ML+50 7/34	59001FAQ4	5.820%	07/25/2034
MERRILL LYN MTN 4.125% 1/15/09	59018YSK8	4.125%	01/15/2009
MERRILL LYN MTN 4.831 10/27/08	59018YWG2	4.831%	10/27/2008
MLMT 04-MKB1 A2 4.353% 2/42	59022HCT7	4.353%	02/12/2042

Edgar Filing: BOWATER INC - Form 11-K

MLMT 05-MKB2 XP CSTR 9/42

59022HHB1

0.272%

09/12/2042

21

BOWATER INCORPORATED SAVINGS PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2006

IDENTITY OF ISSUER	DESCRIPTION OF		
	Security Number	Interest Rate	Maturity Date
MLMT 05-MCP1 A2 4.556 6/43	59022HHF2	4.556%	06/12/2043
MLMT 05-MCP1 XP CSTR 6/43	59022HHR6	0.573%	06/12/2043
MLMT 05-CIP1 A2 4.96 6/10	59022HJH6	4.960%	07/12/2038
MLMT 05-LC1 A1 5.017 1/44	59022HMV1	5.017%	01/12/2044
MET LIFE GBL 4.25 7/30/09 144A	59217EAL8	4.250%	07/30/2009
MLCFC 06-3 XP CSTR 7/46	60687VBB0	0.681%	07/12/2046
MORGAN JP MTN A 6% 1/15/09	61688AAX6	6.000%	01/15/2009
MORGAN JP & CO 6.25% 1/15/09	616880AV2	6.250%	01/15/2009
JPMC 99-C8 A2 7.4% 7/31	617059GE4	7.400%	07/15/2031
MSC 98-WF2 A2 6.54 7/30	61745MGX5	6.540%	07/15/2030
MSC 98-XL2 A2 6.17 10/34	61745MJF1	6.170%	10/03/2034
MSC 98-HF2 A2 6.48 11/30	61745MJR5	6.480%	11/15/2030
MSC 99-WF1 A2 6.21 11/31	61745MKG7	6.210%	11/15/2031
MSC 03-IQ5 A2 4.09 4/38	61745MTB9	4.090%	04/15/2038
MSC 04-HQ3 A2 4.05 1/41	61745MWZ2	4.050%	01/13/2041
MSC 05-TOP17 X2 CSTR 12/41	61745MW58	0.601%	12/13/2041
MSC 05-HQ5 X2 CSTR 1/42	61745M3G6	0.326%	01/14/2042
MSC 06-T21 A1 4.925 10/52	617451CM9	4.925%	10/12/2052
MORGAN STLY MTN 5.625% 1/09/12	61746BCW4	5.625%	01/09/2012
MSAC 03-NC7 M1 1ML+70 6/33	61746RCR0	6.020%	06/25/2033
MSDWC 00-PRIN A2 7.18 2/34	61746WCX6	7.180%	02/23/2034
MSDWC 01-PPM A2 6.4 2/31	61746WES5	6.400%	02/15/2031
MSC 2006-HQ9 A1 5.49% 7/44	61750CAA5	5.490%	07/20/2044
MSC 2006-HQ10 X2 CSTR 11/41	61750HAM8	0.503%	11/01/2041
MCFI 98-MC2 A2 6.423 6/30	61910DEQ1	6.423%	06/18/2030
NCSLT 05-1 AIO 6.75% 12/09	63543PBP0	6.750%	12/25/2009
NCSLT 05-2 AIO 7.73 3/12	63543PBV7	7.730%	03/25/2012
NCSLT 06-1 A-IO 5.5 4/11	63543PCE4	5.500%	04/25/2011
NCSLT 05-3W AIO1 4.8 7/12	63543TAM0	4.800%	07/25/2012
NCSLT 2006-3 AIO 7.1% 1/12	63543VAF0	7.100%	01/25/2012
NCSLT 06-4 AIO 6.35% 02/12	63543WAE1	6.350%	02/27/2012
NAT-RURAL GLBL 5.75% 8/28/09	637432CV5	5.750%	08/28/2009
NLFC 99-1 A2 6.316 1/31	63859CBS1	6.316%	01/20/2031
NLFC 99-1 C 6.571 1/31	63859CBV4	6.571%	01/20/2031
NAVOT 05-A A4 4.43 1/14	63937UAD1	4.430%	01/15/2014
NEXTEL COMM 5.95% SER F 3/14	65332VBJ1	5.950%	03/15/2014
NEF 05-1 A5 4.74 10/45	66704JBJ6	4.740%	10/30/2045
NHEL 04-1 M1 1ML+45 6/34	66987XEA9	5.770%	06/25/2034

Edgar Filing: BOWATER INC - Form 11-K

NHEL 04-1 M4 1ML+97.5 6/34

66987XED3

6.295%

06/25/2034

22

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
ONYX 05-B A4 4.34% 5/12	68338SEX2	4.340%	05/15/2012
ORIX CORP 5.48% 11/22/11	686330AC5	5.480%	11/22/2011
PECO ENERGY 3.5% 5/01/08	693304AF4	3.500%	05/01/2008
PNC FUNDING CORP 4.2 3/10/08	693476AU7	4.200%	03/10/2008
PPSI 04-WWF1 M4 1ML+110 1/35	70069FDM6	6.420%	01/25/2035
PETRO EXP 4.623% 6/15/10 144A	716589AA4	4.623%	06/15/2010
PETRO EXP 4.633% 6/15/10 144A	716589AB2	4.633%	06/15/2010
PCAT 2006-A B 5.51% 9/09	72345WAD4	5.510%	09/25/2009
PCAT 2006-A C 5.77% 5/10	72345WAE2	5.770%	05/25/2010
PMNT 05-2 B2 5.1 11/12	74490BAH0	5.100%	11/15/2012
PMNT 06-B1A B1 5.35 3/13	74490BAL1	5.350%	03/15/2013
RAMP 03-SL1 A31 7.125% 4/31	760985E64	7.125%	04/25/2031
RAMP 03-RZ2 A1 3.6% 4/33	760985SH5	3.600%	04/25/2033
RAMP 04-SL2 A1I 6.5 10/16	7609856A4	6.500%	10/25/2016
GMACM 05-AR5 1A1 CSTR 9/35	76112BXX3	4.814%	09/19/2035
SBC COMM GLBL 6.25 3/15/11	78387GAD5	6.250%	03/15/2011
SBC COMM GLBL 4.125 9/15/09	78387GAN3	4.125%	09/15/2009
SLM CORP 4% 1/15/09	78442FBK3	4.000%	01/15/2009
SLM CORP 4.5% 7/26/10	78442FDP0	4.500%	07/26/2010
SLMA 05-7 A3 4.41 7/25	78442GQH2	4.410%	07/25/2025
SLMA 04-A B 3ML+58 6/33	78443CBJ2	5.935%	06/15/2033
SVOVM 05-A A 5.25 2/21	78487TAA2	5.250%	02/20/2021
SAFECO CORP 4.2% 2/01/08	786429AP5	4.200%	02/01/2008
SBM7 00-C3 A2 6.592 12/33	79548CAB2	6.592%	12/18/2033
SBM7 02-KEY2 A2 4.467% 3/36	79548CCP9	4.467%	03/18/2036
SBM7 00-C1 A2 7.52 12/09	79548K3J5	7.520%	12/18/2009
SANTANDER 5.805/VAR 6/20/16	80281TAB4	5.805%	06/20/2016
SANTANDER 4.75% 10/21/08 144A	802815AC4	4.750%	10/21/2008
SEMPRA ENERGY 7.95% 3/01/10	816851AB5	7.950%	03/01/2010
SEMPRA ENERGY 4.621% 5/17/07	816851AE9	4.621%	05/17/2007
SEMPRA ENERGY 4.75 5/15/09	816851AG4	4.750%	05/15/2009
SIMON PROPERTY 4.875% 8/15/10	828807BE6	4.875%	08/15/2010
SIMON PROPERTY 5.6% 9/1/11	828807BU0	5.600%	09/01/2011
SPRINT CAP GLBL 7.625% 1/30/11	852060AJ1	7.625%	01/30/2011
ARC 02-BC1 M2 1ML+110 1/32	86358RYK7	6.420%	01/25/2032
SASC 04-GEL1 A 1ML+36 2/34	86359BMQ1	5.680%	02/25/2034
SWIFT 05-A12 B 1ML+48 6/10	86837YAB9	5.800%	06/15/2010
TARGET CORP 3.375% 3/01/08	87612EAL0	3.375%	03/01/2008
TELECOM ITALIA 4% 11/15/08	87927VAD0	4.000%	11/15/2008

Edgar Filing: BOWATER INC - Form 11-K

23

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
TELECOM ITALIA 4% 1/15/10	87927VAK4	4.000%	01/15/2010
TELECOM ITALIA 4.875% 10/01/10	87927VAN8	4.875%	10/01/2010
TELEFONOS MEX 4.5 11/19/08	879403AL7	4.500%	11/19/2008
TELEFONOS MEXICO 4.75% 1/27/10	879403AP8	4.750%	01/27/2010
TEXAS EAST 5.25% 7/15/07	882389CB3	5.250%	07/15/2007
TEXTRON FINL MTN 4.125% 3/3/08	88319QG98	4.125%	03/03/2008
TIME WARNER COS INC 8.18% 8/07	887315AX7	8.180%	08/15/2007
TRAVELERS PPTY 3.75% 3/15/08	89420GAG4	3.750%	03/15/2008
TAROT 2006-C A4 5.31% 5/13	89578PAD1	5.310%	05/13/2013
TAROT 06-A A3 4.77% 1/11	895787AW9	4.770%	01/12/2011
TAROT 06-A A4 4.88% 4/13	895787AX7	4.880%	04/12/2013
UNCREDIT LUX 5.584/VAR 1/13/17	90466GAB8	5.584%	01/13/2017
USTN TII 3.875% 1/15/09	9128274Y5	3.875%	01/15/2009
USTN 4.375% 12/15/10	912828EQ9	4.375%	12/15/2010
USTN 4.75% 3/31/11	912828FA3	4.750%	03/31/2011
USTN 4.875% 5/15/09	912828FE5	4.875%	05/15/2009
USTN 5% 7/31/08	912828FM7	5.000%	07/31/2008
VERIZON GBL 7.25% 12/1/10	92344GAL0	7.250%	12/01/2010
VERIZON NEW YOR 6.875% 4/01/12	92344XAA7	6.875%	04/01/2012
VODAFONE GRP PLC 5.5% 6/15/11	92857WAM2	5.500%	06/15/2011
WESTO 04-4 A4 3.44% 5/12	92927TAD5	3.440%	05/17/2012
WBCMT 05-C22 A1 4.98 12/44	92976BBJ0	4.980%	12/15/2044
WBCMT 06-C24 XP CSTR 3/45	92976BGC0	0.077%	03/15/2045
WBCMT 05-C16 APB 4.692% 10/41	929766B69	4.692%	10/15/2041
WBCMT 03-C6 A2 4.498 8/35	929766JC8	4.498%	08/15/2035
WBCMT 03-C7 A1 4.241 10/35	929766KH5	4.241%	10/15/2035
WBCMT 03-C8 A3 4.445% 11/35	929766LX9	4.445%	11/15/2035
WBCMT 05-C18 XP CSTR 4/42	929766V75	0.342%	04/15/2042
WBCMT 2004-C15 A2 4.039 10/41	929766WJ8	4.039%	10/15/2041
WBCMT 05-C16 A2 4.38% 10/41	929766YV9	4.380%	10/15/2041
WALOT 06-1 A-3 5.1 7/11	92977AAE3	5.100%	07/20/2011
WALOT 06-1B 5.15% 7/12	92977AAG8	5.150%	07/20/2012
WACHOVIA CAP 7.965 6/1/27 144A	92977EAA3	7.965%	06/01/2027
WALOT 06-2 B 5.29% 6/12	92977UAJ8	5.290%	06/20/2012
WALOT 06-2 C 5.34% 10/12	92977UAL3	5.340%	10/22/2012
WMLT 05-B 2A4 CSTR 10/35	92977YBW0	5.171%	10/20/2035
WACHOVIA CORP 6.15% 3/15/09	929771AM5	6.150%	03/15/2009
WACHOVIA CORP 3.5% 8/15/08	929903AC6	3.500%	08/15/2008
WASHINGTON MUTUAL 4.5% 8/25/08	93933VAV0	4.500%	08/25/2008

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31,
 2006

IDENTITY OF ISSUER	DESCRIPTION OF INVESTMENT		
	Security Number	Interest Rate	Maturity Date
WAMMS 03-MS9 2A1 7.5% 12/33	939336N66	7.500%	12/25/2033
WAMMS 04-RA2 2A 7% 7/33	939336R54	7.000%	07/25/2033
WELLS FARGO & CO 4% 9/10/12	949746CN9	4.000%	09/10/2012
WELLS FARGO 3.125 4/1/09	949746FQ9	3.125%	04/01/2009
WELLS FARGO MED 4% 8/15/08	949746JB8	4.000%	08/15/2008
WFMB 05-AR4 2A2 CSTR 4/35	94981NAH8	4.524%	04/25/2035
WFMB 05-AR2 2A2 4.57% 3/35	94981UAF6	4.570%	03/25/2035
WFMB 5-AR9 2A1 CSTR 5/35	94982HAC1	4.362%	05/25/2035
WFMB 05-AR10 2A2 CSTR 6/35	94983CAE7	4.110%	06/25/2035
WFMB 05-AR12 2A6 CSTR 7/35	94983EAJ2	4.319%	07/25/2035
WFMB 06-AR8 2A6 CSTR 4/36	94983VAL9	5.240%	04/25/2036
WESTERN UN 5.4% 11/17/11 144A	959802AC3	5.400%	11/17/2011
WESTO 05-3 A4 4.39 5/13	962215AE9	4.390%	05/17/2013
WESTO 05-3 B 4.50 5/13	962215AG4	4.500%	05/17/2013
WESTO 05-3 C 4.54 5/13	962215AH2	4.540%	05/17/2013
WOART 04-A A4 3.96% 7/11	98152DBJ9	3.960%	07/12/2011
WOART 06-A A3 5.01 10/10	98152DBY6	5.010%	10/15/2010
TOTAL OF CDC Financial Products, Monumental Life Insurance Co, Morgan Guaranty, and UBS AG contracts			
* FID INST CASH PORT: MM FUND CLASS I SHS F/N/A	316175207	5.244%	
* Interest-Bearing Cash			
* Interest-Bearing Cash			
* TOTAL OF INTEREST-BEARING CASH			
STOCK			
* BOWATER COMMON STOCK			
MUTUAL FUNDS			
* FIDELITY MAGELLAN			
* FIDELITY EQUITY INCOME			
* FIDELITY OTC PORTFOLIO			
* FIDELITY INTERNATIONAL DISCOVERY			

Edgar Filing: BOWATER INC - Form 11-K

SPARTAN US EQUITY INDEX
 LORD ABBETT SMCPVAL Y
 * FIDELITY ASSET MANAGER
 * FIDELITY ASSET MANAGER GROWTH

25

BOWATER INCORPORATED SAVINGS PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2006

IDENTITY OF ISSUER	Security Number	Interest Rate	Maturity Date
* FIDELITY SHORT TERM BOND			
* FIDELITY ASSET MANAGER INCOME RS SMALLER COMPANY GROWTH			
* FIDELITY FREEDOM 2020			
* FIDELITY FREEDOM 2015			
LM VALUE TRUST FI CL			
* FIDELITY FREEDOM 2010			
GS GROWTH OPPS INST			
* FIDELITY FREEDOM 2025			
* FIDELITY FREEDOM 2035			
* FIDELITY FREEDOM 2030			
* FIDELITY FREEDOM 2005			
* FIDELITY FREEDOM 2040			
* FIDELITY FREEDOM INCOME			
* FIDELITY FREEDOM 2045			
* FIDELITY FREEDOM 2050			
TOTAL OF MUTUAL FUNDS			
* PARTICIPANT LOANS (5.25% to 10.50%)			
TOTAL ASSETS IN SAVINGS PLAN AT FAIR VALUE			

*Denotes a party-in-interest

Edgar Filing: BOWATER INC - Form 11-K

See accompanying report of independent registered public accounting firm.

26

INDEX TO EXHIBITS

Exhibit No.	Description
23	Consent of Independent Registered Public Accounting Firm

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Bowater Incorporated:

We consent to the incorporation by reference in the Registration Statement (No. 333-129865) on Form S-8 of Bowater Incorporated of our report dated June 29, 2007, with respect to the statements of net assets available for benefits of the Bowater Incorporated Savings Plan as of December 31, 2006 and 2005 and the related statements of changes in net assets available for benefits for the years then ended, as well as the related financial statement schedule, which report appears in the December 31, 2006 annual report on Form 11-K of the Bowater Incorporated Savings Plan.

Our report with respect to the financial statements refers to the Plans's adoption of Financial Accounting Standards Board Staff Position AAG INV-1 and SOP No. 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare Pension Plans, as of December 31, 2006 and 2005.

/s/ KPMG LLP
Greenville, South Carolina

June 29, 2007