CANADA	**SUPERIOR COURT**
PROVINCE OF QUÉBEC **DISTRICT OF MONTRÉAL**	Commercial Division *Sitting as a court designated pursuant to the Companies' Creditors Arrangement Act, R.S.C., c. C-36, as amended*
No.: 500-11-036133-094	

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

ABITIBIBOWATER INC., a legal person incorporated under the laws of the State of Delaware, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
ABITIBI-CONSOLIDATED INC., a legal person incorporated under the laws of Canada, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
BOWATER CANADIAN HOLDINGS INC., a legal person incorporated under the laws of the Province of Nova Scotia, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And
the other Petitioners listed on Appendices "A", "B" and "C";

Petitioners

And
ERNST & YOUNG INC., a legal person under the laws of Canada, having a place of business at 800 René-Lévesque Blvd. West, Suite 1900, in the City and District of Montréal, Province of Quebec, H3B 1X9;

Monitor

EIGHTY-FIRST REPORT OF THE MONITOR
AUGUST 16, 2012

INTRODUCTION

1. On April 17, 2009, Abitibi-Consolidated Inc. ("**ACI**") and its subsidiaries listed in Appendix "A" hereto (collectively with ACI, the "**ACI Petitioners**") and Bowater Canadian Holdings Incorporated ("**BCHI**") and its subsidiaries and affiliates listed in Appendix "B" hereto (collectively with BCHI, the "**Bowater Petitioners**") (the ACI Petitioners and the Bowater Petitioners, along with their successor entities, where applicable, are collectively referred to herein as the "**Petitioners**") filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") pursuant to an Order of this Honourable Court, as amended on May 6, 2009 (the "**Initial Order**"). Pursuant to an Order of this Honourable Court dated November 10, 2009, Abitibi-Consolidated (U.K.) Inc., a subsidiary of ACI, was added to the list of the ACI Petitioners.

2. Pursuant to the Initial Order, Ernst & Young Inc. ("**EYI**") was appointed as monitor of the Petitioners (the "**Monitor**") under the CCAA and a stay of proceedings in favour of the Petitioners was granted until May 14, 2009 (the "**Stay Period**"). The Stay Period was subsequently extended to the date of implementation of the CCAA Plan (as defined herein) pursuant to further Orders of this Honourable Court. The date of implementation of the CCAA Plan was December 9, 2010.

3. On April 16, 2009, AbitibiBowater Inc. ("**ABH**"), Bowater Inc. ("**BI**"), and certain of their direct and indirect U.S. and Canadian subsidiaries, including BCHI and Bowater Canadian Forest Products Inc. ("**BCFPI**") (collectively referred to herein as the "**U.S. Debtors**"), filed voluntary petitions (collectively, the "**Chapter 11 Proceedings**") for relief under Chapter 11 of the U.S. Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "**U.S. Bankruptcy Code**") in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Bankruptcy Court**").

4. BCHI, Bowater Canada Finance Corporation ("**BCFC**"), Bowater Canadian Limited, AbitibiBowater Canada Inc., BCFPI, Bowater LaHave Corporation and Bowater Maritimes Inc. commenced both CCAA Proceedings and Chapter 11 Proceedings and are referred to herein collectively as the "**Cross-Border Petitioners**" and are also included in

the definition of "**Petitioners**". The Petitioners, without BCFC, are referred to herein as the "**Applicants**".

5. The Petitioners are all subsidiaries of ABH (ABH, collectively with its subsidiaries, are referred to as the "**ABH Group**").

6. On April 17, 2009, ABH and the petitioners listed on Appendix "C" hereto (collectively with ABH, the "**18.6 Petitioners**") obtained Orders under Section 18.6 of the CCAA in respect of voluntary proceedings initiated under Chapter 11 and EYI was appointed as the information officer in respect of the 18.6 Petitioners.

7. On April 16, 2009, ACI and Abitibi-Consolidated Company of Canada ("**ACCC**") filed petitions for recognition under Chapter 15 of the U.S. Bankruptcy Code (the "**Chapter 15 Proceeding**"). On April 21, 2009, the U.S. Bankruptcy Court granted the recognition orders under Chapter 15 of the U.S. Bankruptcy Code.

8. On April 22, 2009, the Court amended the Initial Order to extend the stay of proceedings to the partnerships (the "**Partnerships**") listed in Appendix "D" hereto.

9. On December 10, 2010, ACI was renamed AbiBow Canada Inc. ("**AbiBow**") as a result of the corporate reorganization undertaken pursuant to these CCAA Proceedings.

PURPOSE

10. The purpose of this eighty-first report of the Monitor (the "**Eighty-First Report**") is to report to this Honourable Court with respect to (i) the number of shares that were distributed on account of unsecured claims as at the Ninth Distribution Date (defined herein) in respect of each class of Affected Unsecured Creditors (defined herein); (ii) provide a summary of all shares distributed to date on account of the claims of the Affected Unsecured Creditors; and (iii) to provide a general update on the claims process as it relates to ACI and ACCC in respect of the Chapter 15 Proceeding and BCFPI.

TERMS OF REFERENCE

11. In preparing this Eighty-First Report, the Monitor has been provided with and, in making comments herein, has relied upon unaudited financial information, the ABH Group's books and records, financial information and projections prepared by the ABH Group and discussions with management of the ABH Group (the "**Management**"). The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Eighty-First Report. Some of the information referred to in this Eighty-First Report may consist of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Future-oriented financial information referred to in this Eighty-First Report, if any, was prepared by the ABH Group based on Management's estimates and assumptions. Readers are cautioned that, since these projections are based upon assumptions about future events and conditions the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

12. Capitalized terms not defined in this Eighty-First Report are as defined in the previous reports of the Monitor and the Initial Order. All references to dollars are in U.S. currency and are translated at a rate of CDN$1.00=US$0.98 unless otherwise noted.

13. Copies of all of the Monitor's Reports, in both English and French, including a copy of this Eighty-First Report, and all motion records and Orders in the CCAA Proceedings are available on the Monitor's website at www.ey.com/ca/abitibibowater. The Monitor has also established a bilingual toll-free telephone number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceedings.

14. Copies of all of the U.S. Bankruptcy Court's orders are posted on the website for Epiq Bankruptcy Solutions LCC ("**Epiq**") at http://chapter11.epiqsystems.com/abitibibowater. The Monitor has included a link to Epiq's website from the Monitor's website.

IMPLEMENTATION OF THE CCAA PLAN

15. At the meeting of all classes of creditors of the Petitioners on September 14, 2010, the resolution approving the Plan of Reorganization and Compromise, as amended, supplemented and restated (the "**CCAA Plan**"), was overwhelmingly approved by each of the classes of unsecured creditors of the Petitioners affected by the CCAA Plan (the "**Affected Unsecured Creditors**"), save and except for the Affected Unsecured Creditors of BCFC.[1]

16. On September 23, 2010, this Honourable Court issued an order (the "**Sanction Order**") approving the CCAA Plan in respect of the Petitioners, save and except for BCFC.

17. In the Chapter 11 Proceedings, the U.S. Debtors filed with the U.S. Bankruptcy Court a plan related to the joint reorganization of the U.S. Debtors under the U.S. Bankruptcy Code (the "**U.S. Plan**"). On November 23, 2010, the U.S. Bankruptcy Court entered an order confirming the U.S. Plan.

18. As reported in the Seventieth Report of the Monitor dated December 16, 2010 (the "**Seventieth Report**"), the CCAA Plan was implemented on December 9, 2010 (the "**Implementation Date**") and the effective date under the U.S. Plan was also December 9, 2010.

19. On the Implementation Date, the Applicants and the U.S. Debtors emerged from the CCAA Proceedings and Chapter 11 Proceedings, respectively.

20. As described in greater detail in the Seventieth Report, the "**Initial Distribution Date**" in respect of Affected Unsecured Creditors under the CCAA Plan was December 17, 2010.

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[1] On December 31, 2010, BCFC made an assignment in bankruptcy under the provisions of the *Bankruptcy and Insolvency Act* (Canada).

DISTRIBUTIONS UNDER THE CCAA PLAN

21. Since the Initial Distribution Date, there have been eight (8) additional distributions in respect of Affected Unsecured Creditors under the CCAA Plan. A summary of the distribution dates is as follows (collectively referred to as the "**Distribution Dates**").

Second Distribution Date:	February 15, 2011
Third Distribution Date:	April 18, 2011
Fourth Distribution Date:	June 17, 2011
Fifth Distribution Date:	August 16, 2011
Sixth Distribution Date:	October 17, 2011
Seventh Distribution Date:	December 16, 2011
Eighth Distribution Date:	February 14, 2012
Ninth Distribution Date:	June 15, 2012

22. The Monitor has prepared a summary, a copy of which is attached as Appendix "E", that details the status of all unsecured claims and the number of shares issued to each Affected Unsecured Creditor Class as at the Ninth Distribution Date. The summary includes:

(a) the unsecured claim amounts that have been accepted, including the unsecured claims that received (or will receive – see next paragraph) a cash distribution rather than a share distribution under the CCAA Plan;

(b) the unsecured claim amounts that have been accepted for which a share distribution has not yet taken place. As outlined in the Monitor's Sixty-Ninth Report dated December 7, 2010 (the "**Sixty-Ninth Report**") the Petitioners are required to receive clearance from Service Canada ("**SC**") for each former or current employee who receives a distribution under the CCAA Plan on account of earnings for a period of time when that employee may have received employment insurance benefits. The Petitioners are further required to withhold any amount owing to SC as a repayment of employment insurance benefits from any distributions under the CCAA Plan and remit that amount directly to the Receiver General. Where distributed shares are withheld to repay SC benefits, such shares are sold in the open market on the respective distribution date and the proceeds are remitted to SC. The Petitioners have been providing SC the necessary information in order to obtain the required clearances;

(c) the unsecured claim reserve that consists of (i) claims that remain under review; (ii) claims that remain in dispute (in respect of which a reserve has been established by the Monitor); and iii) a reserve.

(d) the corresponding number of shares that were distributed on the Distribution Dates;

(e) the corresponding number of shares that have been set aside in reserve with the Monitor;

(f) the total number of shares allocated to each class of Affected Unsecured Creditors under the CCAA Plan; and

(g) the number of shares that have been distributed as at the Ninth Distribution Date for unsecured claims that have been accepted per $1,000 of claims in each class of Affected Unsecured Creditors.

23. Creditors with claims under review will be included in subsequent distributions once their respective claims have been determined. In addition, any claims that remain in dispute will be included in subsequent distributions once those disputes have been resolved. In accordance with the CCAA Plan and the Sanction Order, the Petitioners have established reserves with respect to claims under review or in dispute pending resolution.

ACI AND ACCC'S CLAIMS PROCESS

24. As noted in Appendix E, the Monitor has held a claims reserve of approximately CDN $529 million in respect of the class of ACI Affected Unsecured Creditors and CDN $260 million in respect of the class of ACCC Affected Unsecured Creditors. Claim reserves were established at the Initial Distribution Date for claims that were still under review by the Monitor and claims that were in dispute and such reserves were adjusted at the Third Distribution Date. Most of the claims have now been resolved and the Monitor expects

that excess reserves will be released when a final distribution is made creating an incremental share distribution to proven claimholders of ACI and ACCC.

25. Currently, there are a few remaining employee claims, tax claims and trade claims outstanding against ACCC. With the exception of the construction lien claims described below, the Monitor expects that the remaining employee and trade claims will be resolved in the next few months. The tax claims are still being reviewed by ACCC and the Canadian Revenue Agency.

26. There are currently four (4) claims against ACCC in relation to construction liens that remain in dispute. The amount in dispute in respect of these claims amounts to approximately CDN $5,000,000 which amount the Monitor is holding in reserve to be released back to AbiBow or to be paid to the claimants once the claims are resolved. A claims officer specializing in construction lien law was appointed by the Court on June 5, 2012. The Monitor has provided the claims officer with claims packages enclosing information pertinent to the claims. A timetable for the claims hearing process was recently established for certain claims with hearing dates scheduled for end of January, mid February and early March 2013 (if needed). Any portion of the disputed claims that are found to be valid but not secured will constitute an unsecured claim and such claim will participate in the share distributions under the CCAA Plan.

27. There are no significant claims outstanding in respect of ACI. As noted above, the Monitor expects that excess reserves will be released when a final distribution is made creating an incremental share distribution to proven claimholders of ACI.

BCFPI'S CLAIMS PROCESS

28. As noted in Appendix E, the Monitor has held a claims reserve of approximately CDN $111 million in respect of the class of BCFPI Affected Unsecured Creditors. Similar to ACI and ACCC, claim reserves were established at the Initial Distribution Date for claims that were still under review by the Monitor and claims that were in dispute and such reserves were adjusted at the Third Distribution Date. Most of the claims have now been resolved and the Monitor expects that excess reserves will be released when a final

distribution is made creating an incremental share distribution to proven claimholders of BCFPI.

29. There are a few remaining employee claims and tax claims outstanding against BCFPI. The Monitor expects that the remaining employee claims will be resolved in the next few months. The tax claims are still being reviewed by BCFPI and the provincial taxing authorities.

30. On May 18, 2012, a motion was filed seeking a declaratory order that a late claim against BCFPI be deemed to be a timely filed claim for the purpose of the claims process. Counsel to the Monitor, BCFPI and the claimants are in discussions with respect to this claim.

All of which is respectfully submitted.

ERNST & YOUNG INC.
In its capacity as the Court-Appointed
Monitor of the Petitioners

Per:

Alex Morrison, CA, CIRP
Senior Vice President

Greg Adams, CA, CIRP
Senior Vice President

Martin Daigneault, CA, CIRP
Senior Vice President

APPENDIX "A"
ABITIBI PETITIONERS

1. Abitibi-Consolidated Company of Canada
2. Abitibi-Consolidated Inc.
3. 3224112 Nova Scotia Limited
4. Marketing Donohue Inc.
5. Abitibi-Consolidated Canadian Office Products Holding Inc.
6. 3834328 Canada Inc.
7. 6169678 Canada Inc.
8. 4042140 Canada Inc.
9. Donohue Recycling Inc.
10. 1508756 Ontario Inc.
11. 3217925 Nova Scotia Company
12. La Tuque Forest Products Inc.
13. Abitibi-Consolidated Nova Scotia Incorporated
14. Saguenay Forest Products Inc.
15. Terra Nova Explorations Ltd.
16. The Jonquière Pulp Company
17. The International Bridge and Terminal Company
18. Scramble Mining Ltd.
19. 9150-3383 Québec Inc.
20. Abitibi-Consolidated (U.K.) Inc.

APPENDIX "B"
BOWATER PETITIONERS

1. Bowater Canada Finance Corporation
2. Bowater Canadian Limited
3. Bowater Canadian Holdings. Inc.
4. 3231378 Nova Scotia Company
5. AbitibiBowater Canada Inc.
6. Bowater Canada Treasury Corporation
7. Bowater Canadian Forest Products Inc.
8. Bowater Shelburne Corporation
9. Bowater LaHave Corporation
10. St-Maurice River Drive Company Limited
11. Bowater Treated Wood Inc.
12. Canexel Hardboard Inc.
13. 9068-9050 Québec Inc.
14. Alliance Forest Products Inc. (2001)
15. Bowater Belledune Sawmill Inc.
16. Bowater Maritimes Inc.
17. Bowater Mitis Inc.
18. Bowater Guérette Inc.
19. Bowater Couturier Inc.

APPENDIX "C"
18.6 PETITIONERS

1. AbitibiBowater US Holding 1 Corp.
2. AbitibiBowater Inc.
3. Bowater Ventures Inc.
4. Bowater Incorporated
5. Bowater Nuway Inc.
6. Bowater Nuway Mid-States Inc.
7. Catawba Property Holdings LLC
8. Bowater Finance Company Inc.
9. Bowater South American Holdings Incorporated
10. Bowater America Inc.
11. Lake Superior Forest Products Inc.
12. Bowater Newsprint South LLC
13. Bowater Newsprint South Operations LLC
14. Bowater Finance II, LLC
15. Bowater Alabama LLC
16. Coosa Pines Golf Club Holdings, LLC

APPENDIX "D"
PARTNERSHIPS

1. Bowater Canada Finance Limited Partnership
2. Bowater Pulp and Paper Canada Holdings Limited Partnership
3. Abitibi-Consolidated Finance LP

Appendix E
AbitibiBowater Inc. et al.
The Petitioners' Distribution Summary
As of the Ninth Distribution Record Date

Affected Unsecured Creditor Class (Note 1)	Unsecured Claims Accepted (CDN$000's): Total Unsecured Claims Accepted as at the Ninth Distribution Date	Less Claims that Received (or will Receive) a Cash Distribution	Less Claims that have not yet Received a Share Distribution (Note 2)	Less Claims that have Received (or will Receive) an ABH US SERP Share Distribution	Net Unsecured Claims Accepted who Received a Pro-Rata Share Distribution (CDN$000's)	Unsecured Claims Reserve as at the Ninth Distribution Date (CDN$000's)	Maximum Unsecured Claims Population Including Reserves as at the Ninth Distribution Date (CDN$000's)
	A	B	C	D	E=A-B-C-D	F	G=A+F
ACI Affected Unsecured Creditor Class	3,515,493	$ 1,839	$ 341	17,392	$ 3,495,921	$ 528,900	$ 4,044,393
ACCC Affected Unsecured Creditor Class	3,610,133	36,281	1,826	17,392	3,554,634	259,948	3,870,081
Saguenay Forest Products Affected Unsecured Creditor Class	10,928	2,885	388		7,656	53,960	64,888
BCFPI Affected Unsecured Creditor Class	458,023	15,368	1,905	19,459	421,291	110,802	568,825
AbitibiBowater Canada Affected Unsecured Creditor Class	0	0	-		-	-	0
Bowater Maritimes Affected Unsecured Creditor Class	2,998	138	20		2,840	15,000	17,998
ACNSI Affected Unsecured Creditor Class	1	1	-		-	-	1
Office Products Affected Unsecured Creditor Class	431	-	-		431	-	431
Recycling Affected Unsecured Creditor Class	196	-	-		196	-	196
15.5% Senior Unsecured Notes	371,480	-	-		371,480	-	371,480

Affected Unsecured Creditor Class	Shares Distributed as at the Initial Distribution Date (Note 4)	Net Shares Distributed at the Second Distribution Date	Net Shares Distributed at the Third Distribution Date	Net Shares Distributed at the Fourth Distribution Date	Net Shares Distributed at the Fifth Distribution Date	Net Shares Distributed at the Sixth Distribution Date	Total Shares Distributed as of the Sixth Distribution Date
	H	I	J	K	L	M	N = ∑ (H…M)
ACI Affected Unsecured Creditor Class	3,583,137	32,609	152,427	896	200	27,428	3,796,697
ACCC Affected Unsecured Creditor Class	18,165,359	64,386	269,544	74,524	80,304	54,814	18,708,931
Saguenay Forest Products Affected Unsecured Creditor Class	492	69	80	12	19	1	673
BCFPI Affected Unsecured Creditor Class	3,495,606	142,968	844,671	94,245	136,086	137,830	4,851,406
AbitibiBowater Canada Affected Unsecured Creditor Class	-	-	-	-	-	-	-
Bowater Maritimes Affected Unsecured Creditor Class	927	56	77	29	-	265	1,354
ACNSI Affected Unsecured Creditor Class	-	-	-	-	-	-	-
Office Products Affected Unsecured Creditor Class	15	-	-	-	-	-	15
Recycling Affected Unsecured Creditor Class	-	1	-	-	-	-	1
15.5% Senior Unsecured Notes	4,439,680	-	-	-	-	-	4,439,680
	29,685,216	240,089	1,266,799	169,706	216,609	220,338	31,798,757

Appendix E
AbitibiBowater Inc. et al.
The Petitioners' Distribution Summary
As of the Ninth Distribution Record Date

Affected Unsecured Creditor Class	Total Shares Distributed as of the Sixth Distribution Date	Net Shares Distributed at the Seventh Distribution Date		Net Shares Distributed at the Eighth Distribution Date	Net Shares Distributed at the Ninth Distribution Date
		Ordinary Claims	ABH US SERP Claims (Note 3)		
	N	O	P	Q	R
ACI Affected Unsecured Creditor Class	3,796,697	334	12,388	3,959	495
ACCC Affected Unsecured Creditor Class	18,708,931	14,596	62,303	71,352	39,085
Saguenay Forest Products Affected Unsecured Creditor Class	673	7	0	1	24
BCFPI Affected Unsecured Creditor Class	4,851,406	61,575	151,162	32,782	104,512
AbitibiBowater Canada Affected Unsecured Creditor Class	-	-	-	-	-
Bowater Maritimes Affected Unsecured Creditor Class	1,354	-	-	190	4,558
ACNSI Affected Unsecured Creditor Class	-	-	-	-	-
Office Products Affected Unsecured Creditor Class	15	-	-	-	1,940
Recycling Affected Unsecured Creditor Class	1	-	-	-	276
15.5% Senior Unsecured Notes	4,439,680	-	-	-	-
	31,798,757	76,512	225,853	108,284	150,890

Affected Unsecured Creditor Class	Total Shares distributed as of the Ninth Distribution	Shares Reserved as at the Ninth Distribution Date	Total Shares to be Issued per the CCAA Plan (Schedules C & D of the CCAA Plan)	Pro-Rata Number of Shares Issued per $1,000 of Accepted Claim, as of the Ninth Distribution Date (Note 5)
	CumDistrib = ∑ (N...R)	Reserve	CumDistrib + Reserve	((N+O+Q+R)/E)
ACI Affected Unsecured Creditor Class	3,813,873	583,956	4,397,829	1.09
ACCC Affected Unsecured Creditor Class	18,896,267	1,602,124	20,498,391	5.30
Saguenay Forest Products Affected Unsecured Creditor Class	705	5,242	5,947	0.09
BCFPI Affected Unsecured Creditor Class	5,201,437	1,643,669	6,845,106	11.99
AbitibiBowater Canada Affected Unsecured Creditor Class	-	2	2	
Bowater Maritimes Affected Unsecured Creditor Class	6,102	38,704	44,806	2.15
ACNSI Affected Unsecured Creditor Class	-	46,882	46,882	
Office Products Affected Unsecured Creditor Class	1,955	-	1,955	4.54
Recycling Affected Unsecured Creditor Class	277	-	277	1.41
15.5% Senior Unsecured Notes	4,439,680	-	4,439,680	11.95
	32,360,296	3,920,579	36,280,875	

Notes

Note 1 Unsecured Claims Accepted as at the Ninth Distribution exclude the 15.5% Senior Unsecured Notes, as these are presented separately above.

Note 2 These are unsecured claims from employees or former employess that have been accepted but shares cannot be distributed until the Petitioners' obtain clearance from Service Canada as to any amounts that need to be repaid to Service Canada with respect to employment insurance.

Note 3 The shares distributed on account of the ABH US SERP claims were fixed (as fully described in the Monitor's 77th Report) and such claims will not participate in further distributions.

Note 4 The amount of shares distributed vary slightly from those reported in the Monitor's Seventieth Report to account for rounding.

Note 5 The shares distributed on account of the ABH US SERP claims were fixed (as fully described in the Monitor's 77th Report) and have been excluded from the calculation of the average distribution per $1,000 of accepted claim calculation.