CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No. : 500-11-036133-094

SUPERIOR COURT

Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36)

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

ABITIBIBOWATER INC.

and

ABITIBI-CONSOLIDATED INC.

and

BOWATER CANADIAN HOLDINGS INC.

and the other Petitioners listed on Schedules A, B and C

Petitioners

And

ERNST & YOUNG INC.

Monitor

MOTION *DE BENE ESSE* FOR AUTHORIZATION TO SUSPEND CERTAIN PAYMENTS TO PENSION PLANS MAINTAINED BY THE PETITIONERS

TO ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONERS RESPECTFULLY SUBMIT THE FOLLOWING:

I. PREAMBLE

1. On April 17, 2009 the Petitioners filed a *Petition for an Initial Order pursuant to sections 4, 5 and 11 of the Companies' Creditors Arrangement Act (the "**CCAA**") and Petition for the Issuance of a Recognition Order pursuant to Section 18.6 of the CCAA*

(the "**Initial CCAA Petition**"), the whole as appears from the record of the Court in this docket. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Initial CCAA Petition.

2. As stated in the Initial CCAA Petition, the Petitioners sought specific orders in respect of special payments or contributions in respect of past service to their defined benefit pension plans (the "**Special Payments Orders**").

3. On the same day, this Court issued an Initial Order (the "**Initial Order**") in respect of the Petitioners, the whole as appears from the record of the Court in this docket. On April 22, 2009, this Court issued an Amended Initial Order, the whole as appears from the record of the Court in this docket.

4. The Initial Order contains the customary stay of proceedings and a prohibition on the payment of amounts owing to creditors as of the date thereof except as specifically permitted. Paragraph 21(a) permits payments of "current pension contributions" whether incurred prior to or following the date of the Order. The Initial CCAA Petition sought to supplement this with the Special Payments Orders.

5. This Court did not, however, issue the Special Payments Orders but rather decided to proceed as follows: "*With respect to the request for the suspension of the past service contributions or special payments to the pension plans, petitioners will communicate with the Court to fix a date of hearing before April 30, 2009*", the whole as appears from the record of the Court in this docket.

6. At the hearing of April 22, 2009, in this matter, it was determined that the hearing on Petitioners' request for the issuance of the Special Payment Orders would be heard by this Court on April 30, 2009 at 9:15 in room 16.12, the whole as appears from the record of the Court in this docket.

7. The Petitioners hereby seek the issuance of the Special Payments Orders, the whole as set forth in the conclusions of this Motion.

8. This Motion is supported by the Monitor, the whole as appears from the Monitor's Third Report.

II. THE PENSION PLANS

(a) ACI Pension Plans

9. Abitibi-Consolidated Inc. ("**ACI**") and its subsidiaries (the "**ACI Group**") maintain 20 registered pension plans (the "**ACI Canadian Pension Plans**") for their Canadian employees.

10. Some of the ACI Canadian Pension Plans provide defined benefits, some provide defined contributions and some operate on a hybrid (*i.e.*, defined benefit and defined contribution) basis. All the ACI Canadian Pension Plans are registered

with the Canada Revenue Agency and the applicable provincial pension regulator. The ACI Canadian Pension Plans are funded by contributions from the ACI Group and, in most cases, also by contributions from plan members.

11. The ACI Group's aggregate contributions to the defined benefit ACI Canadian Pension Plans in Canada during the fiscal year ended December 31, 2008 totaled $148,248,065.

12. As of December 31, 2008, the aggregate solvency deficit (*i.e.*, essentially assuming their total termination) of the defined benefit ACI Canadian Pension Plans (including the hybrid plans, as applicable) was estimated at approximately $964 million. Under the pension legislation governing the ACI Canadian Pension Plans, contributions to amortize such solvency deficit over a prescribed period must be made by the ACI Group in addition to the current service contributions for benefits accruing during the year of contribution.

13. Based on the most recent estimates available, the aggregate contributions of the ACI Group to the defined benefit ACI Canadian Pension Plans for the fiscal year ended December 31, 2009 are expected to be in the amount of about $131 million. This amount includes about $102.4 million in actual and estimated special payments.

14. Contributions under the ACI Canadian Pension Plans are made on a monthly basis by the ACI Group on the last day of the month.

(b) <u>BI Pension Plans</u>

15. Bowater Incorporated, Bowater Newsprint South LLC and their subsidiaries (the "**BI Group**") maintain 13 registered pension plans (the "**BI Canadian Pension Plans**") for their Canadian employees.

16. Some of the BI Canadian Pension Plans provide defined benefits, some provide defined contributions and some operate on a hybrid (*i.e.*, defined benefit and defined contribution) basis. All the BI Canadian Pension Plans are registered with the Canada Revenue Agency and the applicable provincial pension regulator. The BI Canadian Pension Plans are funded by contributions from the BI Group and, in most cases, also by contributions from plan members.

17. The BI Group's aggregate contributions to the defined benefit BI Canadian Pension Plans in Canada during the fiscal year ended December 31, 2008 totaled $66,431,915.

18. As of December 31, 2008, the aggregate solvency deficit (*i.e.*, essentially assuming their total termination) of the defined benefit BI Canadian Pension Plans (including the hybrid plans, as applicable) was estimated at approximately $419 million. Under the pension legislation governing the BI Canadian Pension Plans, contributions to amortize such solvency deficit over a prescribed period

must be made by the BI Group in addition to the current service contributions for benefits accruing during the year of contribution.

19. Based on the most recent estimates available, the aggregate contributions of the BI Group to the defined benefit BI Canadian Pension Plans for the fiscal year ended December 31, 2009 are expected to be in the amount of about $72 million. This amount includes about $56.9 million in actual and estimated special payments.

20. Contributions under the BI Canadian Pension Plans are made on a monthly basis by the BI Group on the last day of the month.

III. THE LACK OF LIQUIDITY

21. The Petitioners take the position that all special payments in respect of past service to their defined benefit ACI Canadian Pension Plans and BI Canadian Pension Plans (collectively the "**Pension Plans**") must be suspended consistent with paragraph 27 of the Initial Order but propose to continue to make current service contributions to such plans in accordance with paragraph 21(a). The Petitioners also intend to make current contributions to all defined contribution plans. As is demonstrated below, even if the Petitioners had authority from this honorable Court to make special payments to their Pension Plans, the amount of required special payments far exceeds the available liquidity of the Petitioners and a requirement to pay these could thus lead rapidly to a total cessation of activities.

22. The Petitioners have substantial operations with significant working capital flows which are not predictable with precision. A Cash Flow Forecast for the ACI Group covering the 13-week period from April 26, 2009 to July 19, 2009 is communicated as **Exhibit R-1** and a Cash Flow Forecast for the BI Group covering the 13-week period from April 26, 2009 to July 19, 2009 is communicated as **Exhibit R-2.**

23. The Cash Flow Forecasts include advances to the Bowater Petitioners under the BI DIP Facility, and to the Abitibi Petitioners under the Securitization Program and the ACI DIP Facility (which as of the filing of this Motion date hereof has not yet been submitted to this Court for approval) to supplement current liquidity but do not take into consideration any Special Payments to the Pension Plans.

24. As mentioned above, the actual and estimated special payments to be made by the Abitibi Petitioners are in excess of $8.5 million on a monthly basis or $102.4 million on a yearly basis as compared to an amount of $100 million to be made available to the Abitibi Petitioners if the ACI DIP Facility is approved by this Court. The proposed ACI DIP Facility expires in November 2009 and must either be repaid or re-financed at that time. It was procured with a view to stabilizing operations of the Petitioners, assisting in the re-establishment of normalized trade credit terms, smoothing fluctuations in cash flow and permitting the Petitioners to respond to changing market conditions (including

possible increases in working capital to respond to any recovery in demand). The ACI DIP Facility has not been sought to fund what are essentially pre-petition obligations of the Petitioners and funding of these amounts at this time would drain the Petitioners of substantially all of their available liquidity leaving them with insufficient working capital to carry on business.

25. As mentioned above, the actual and estimated special payments to be made by the Bowater Petitioners are in excess of $4.7 million on a monthly basis or $56.9 million on a yearly basis as compared to an amount of $40 million currently available to the Bowater Petitioners under the BI DIP Facility approved by this Court.

26. Given their limited anticipated liquidity and the margin of error inherent to any forecast of receipts and disbursements for an enterprise of this size and scope there is insufficient availability to make special payments to their respective defined benefit pension plans in respect of the past service contributions.

27. The Petitioners submit that based on the Cash Flow Forecasts, they are not in a position to make the special payments without putting their operations at risk. The Petitioners consider that to make the special payments would imperil the current restructuring process.

28. Given their financial situation, the Petitioners submit that the BI DIP Facility, the Securitization Program and the ACI DIP Facility (for which authorization of this Court will be sought) should rather serve to ensure the continuation of their operations as a going concern and preserve value to the benefit of their creditors, employees and other stakeholders during the restructuring process.

29. The Petitioners, based on the advice of their advisors and of the Monitor, expect that it would be unlikely that other stakeholders of the Petitioners would accept the use of the limited available liquidity for the purpose of making the above mentioned special payments.

IV. SUSPENSION OF SPECIAL PAYMENTS

30. In any event, the Petitioners submit that pursuant to the Initial Order and the applicable provisions of the CCAA they are entitled to suspend the remittance of past service contributions or special payments to their respective defined benefit pension plans during the Stay Period. Such payments constitute pre-filing obligations or claims which are subject to the stay of proceedings ordered by this Court.

V. CONCLUSIONS SOUGHT

31. The Petitioners hereby seek, *de bene esse*, an order declaring and confirming that pursuant to the Initial Order (as amended) they are entitled to suspend the remittance of the special payments in respect of past service to their respective pension plans.

32. Subsidiary and without prejudice to their foregoing position, the Petitioners hereby seek an order from this Court confirming that they are authorized to suspend the remittance of special payments in respect of past service for all current and former employees to their respective pension plans.

33. It is to be noted also that in a bankruptcy context, the special payments would be treated as unsecured obligations. As a result, in the unlikely event of a failed CCAA and a subsequent bankruptcy, the above mentioned special payments could be challenged by the Petitioners' creditors as being fraudulent preferences.

34. Given their financial situation and, the possibility of alleged liability of their respective directors and officers arising out of the suspension of the special payments, the Petitioners hereby seek an order declaring that no director or officer of the Petitioners shall incur any obligation as a result of the failure by the Petitioners to make any contribution to pension plans other than current cost contribution obligations. The Petitioners submit that such an order is appropriate in the circumstances and required in order to ensure that their respective directors and officers remain in office throughout the duration of these proceedings. In the current exceptional circumstances, material actions of the Petitioners are subject to the direction of the Court on notice to relevant stakeholders. As such, the requested orders will clarify that acting upon such directions does not engage the personal liability of directors or officers.

35. The Petitioners respectfully submit that this Motion should be granted in accordance with its conclusions.

WHEREFORE, MAY THIS COURT:

1. **DECLARE** that pursuant to the Initial Order (as amended), the Petitioners listed in Schedule A and B hereto and the partnerships listed on Schedule D hereto (the "**Partnerships**") are entitled to suspend the remittance of the special payments in respect of past service to their respective pension plans.

2. **SUBSIDIARILY, AMEND** as follows the Initial Order issued by this Court in this matter on April 17, 2009 by adding these paragraphs after Paragraph 21 of the Initial Order:

   [22] **ORDER** that notwithstanding any other provision of this Order, the Petitioners and the Partnerships shall not make any past service contributions or special payments to funded pension plans maintained by the Petitioners or the Partnerships (the "**Pension Plans**") during the Stay Period, pending further order of this Court.

   [23] **ORDER** that none of the Petitioners or the Partnerships, or their respective officers or directors shall incur any obligation, whether by way of debt, damages for breach of any duty, whether statutory, fiduciary, common law or otherwise, or for breach of trust, nor shall any trust be recognized,

whether express, implied, constructive, resulting, deemed or otherwise, as a result of the failure of any Person to make any contribution or payments other than current cost contribution obligations ("**Current Contributions**") during the Stay Period that they might otherwise have become required to make to any Pension Plans maintained by a Petitioner or by a Partnership.

[24] **ORDER** that if any claim, lien, charge or trust arises as a result of the failure of any Person to make any contribution or payment (other than Current Contributions) during the Stay Period that such Person might otherwise have become required to make to any Pension Plans but for the stay provided for herein, no such claim lien, charge or trust shall be recognized in these proceedings or in any subsequent receivership, interim receivership or bankruptcy of any of the Petitioners or the Partnerships as having priority over the claims of the CCAA Charges as set out in this Order.

ORDER the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.

THE WHOLE WITHOUT COSTS.

Montréal, April 24, 2009

Stikeman Elliott LLP

STIKEMAN ELLIOTT LLP
Attorneys for the Petitioners

SCHEDULE "A"
ABITIBI PETITIONERS

1. Abitibi-Consolidated Inc.
2. Abitibi-Consolidated Company of Canada
3. 3224112 Nova Scotia Limited
4. Marketing Donohue Inc.
5. Abitibi-Consolidated Canadian Office Products Holdings 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.

SCHEDULE "B"
BOWATER PETITIONERS

1. Bowater Canadian Holdings Inc.
2. Bowater Canada Finance Corporation
3. Bowater Canadian Limited
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 (2001) Inc.
15. Bowater Belledune Sawmill Inc.
16. Bowater Maritimes Inc.
17. Bowater Mitis Inc.
18. Bowater Guérette Inc.
19. Bowater Couturier Inc.

SCHEDULE "C"
18.6 CCAA Petitioners

1. AbitibiBowater Inc.
2. AbitibiBowater US Holding 1 Corp.
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

SCHEDULE "D"
PARTNERSHIPS

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

AFFIDAVIT

I, the undersigned, Allen Dea, having my principal place of business at Suite 800, 1155 Metcalf Street, Montréal, Quebec, H3B 5H2 solemnly declare the following:

1. I am the Vice President, Treasurer of AbitibiBowater Inc. and Abitibi-Consolidated Inc.;

2. All the facts alleged in the *Motion de benne esse for authorization to suspend certain payments to pension plans maintained by the Petitioners* are true.

AND I HAVE SIGNED

ALLEN DEA

Solemnly declared before me
at Montréal **on the 24th day of April, 2009**

Sophie Rossignol 257915-4, avocate
Commissioner of oaths for the

NOTICE OF PRESENTATION

TO : SERVICE LIST

TAKE NOTICE that the *Motion de bene esse for authorization to suspend certain payments to Pension Plans maintained by the Petitioners* will be presented for adjudication before one of the Honourable Judges of the Superior Court, sitting in Commercial Division in and for the District of Montreal, in Room **16.12** of the **Montreal Court House, 1 Notre-Dame St. East**, on **April 30, 2009**, at **9:15 am** in the forenoon, or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, April 24, 2009

Stikeman Elliott LLP

STIKEMAN ELLIOTT LLP
Attorneys for Petitioners

#10422824 v1

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*)

N°. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBIBOWATER INC. *et al*

Petitioners

- and -

ERNST & YOUNG INC.

Monitor

BS0350 **n/dos.:** 041053-1170

MOTION *DE BENE ESSE* FOR AUTHORIZATION TO SUSPEND CERTAIN PAYMENT TO PENSION PLANS MAINTAINED BY THE PETITIONERS

ORIGINAL

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CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. : 500-11-036133-094

SUPERIOR COURT

Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C., c. C-36, as amended)

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

ABITIBIBOWATER INC.,

And

ABITIBI-CONSOLIDATED INC.,

And

BOWATER CANADIAN HOLDINGS INC.,

And

the other Petitioners listed on Schedules "A", "B" and "C"

Petitioners

And

ERNST & YOUNG INC.,

Monitor

LIST OF EXHIBITS OF THE PETITIONERS

DESCRIPTION		TAB
R-1:	Cash flow for ACI Group forecast for the 13-week period from April 26, 2009 to July 19, 2009	1
R-2:	Cash flow for BI Group forecast for the 13-week period from April 26, 2009 to July, 2009	2

Montreal, this 24th day of April, 2009

Stikeman Elliott LLP.

STIKEMAN ELLIOTT LLP
Attorneys for Petitioners

EXHIBIT R-1

R-1

Abitibi-Consolidated Inc. ("ACI")
Weekly Cash Flow Forecast
13 Weeks Ended July 19, 2009
US$000s

Week ended	Notes	26-Apr-09	3-May-09	10-May-09	17-May-09	24-May-09	31-May-09	7-Jun-09	14-Jun-09	21-Jun-09	28-Jun-09	5-Jul-09	12-Jul-09	19-Jul-09	Total
Cash Held in Bank		10,000	9,838	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cash Held in Lockboxes		17,382	-	33,320	56,671	42,583	49,408	44,877	53,690	56,501	52,947	49,936	63,814	69,862	17,382
Opening Cash	1	**27,382**	**9,838**	**43,320**	**66,671**	**52,583**	**59,408**	**54,877**	**63,690**	**66,501**	**62,947**	**59,936**	**73,814**	**79,862**	**27,382**
Receipts															
Total A/R Collections	2	36,152	48,189	58,886	54,382	42,002	54,573	34,336	46,324	38,784	32,028	49,338	39,266	36,646	570,908
Collections on Behalf of JV's	3	4,708	4,557	4,355	4,355	4,355	4,355	5,385	5,385	5,385	5,385	5,116	5,008	5,008	63,356
Other Inflows	4	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	25,131
Total Receipts		**42,794**	**54,679**	**65,174**	**60,670**	**48,290**	**60,861**	**41,655**	**53,643**	**46,102**	**39,347**	**56,386**	**46,207**	**43,587**	**659,395**
Disbursements															
Trade Payables	5	(32,664)	(21,912)	(20,909)	(20,909)	(20,909)	(28,909)	(22,695)	(22,695)	(22,695)	(22,695)	(21,503)	(21,027)	(21,027)	(300,549)
Capital Expenditures	6	(1,453)	(1,433)	(1,406)	(1,406)	(1,406)	(1,406)	(1,453)	(1,453)	(1,453)	(1,453)	(1,407)	(1,388)	(1,388)	(18,507)
Marine Freight Payments	7	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(1,050)	(13,650)
Utility Payments	8	(14,200)	(5,686)	(3,400)	(7,400)	(7,400)	(7,400)	(3,400)	(7,400)	(7,400)	(7,400)	(4,543)	(3,400)	(7,400)	(86,429)
Payroll & Benefits	9	(1,961)	(10,477)	(1,971)	(8,310)	(1,971)	(10,765)	(1,953)	(7,937)	(2,303)	(7,937)	(4,693)	(7,619)	(2,212)	(70,111)
Joint Venture Remittances, Net	10	(10,038)	-	-	(24,467)	(4,289)	(5,089)	(5,305)	(5,305)	(5,305)	(6,105)	(3,039)	(4,933)	(4,933)	(78,807)
Restructuring & Other Items	11	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(13,000)
Total Disbursements		**(62,366)**	**(41,558)**	**(29,736)**	**(64,543)**	**(38,025)**	**(55,619)**	**(36,857)**	**(46,841)**	**(41,207)**	**(47,641)**	**(37,234)**	**(40,417)**	**(39,009)**	**(581,052)**
Financing															
Securitization Inflows / (Outflows)	12	2,028	(5,233)	(12,088)	(10,215)	(3,440)	(9,635)	4,015	(3,991)	(8,450)	5,438	(5,275)	258	(2,245)	(48,832)
DIP Drawings / (Repayments)	13	-	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
DIP Interest & Fees	13	-	(4,406)	-	-	-	(138)	-	-	-	(154)	-	-	-	(4,698)
Total Change in Cash		(17,545)	33,482	23,351	(14,088)	6,825	(4,531)	8,813	2,811	(3,554)	(3,011)	13,877	6,049	2,333	54,813
* **Ending Cash Balance** (with ACI DIP Facility Draws) *		**9,838**	**43,320**	**66,671**	**52,583**	**59,408**	**54,877**	**63,690**	**66,501**	**62,947**	**59,936**	**73,814**	**79,862**	**82,195**	**82,195**
* **Ending Cash Balance Excluding DIP** *		9,838	17,726	41,077	26,989	33,814	29,420	38,233	41,045	37,491	34,634	48,512	54,560	56,893	56,893
Securitization Schedule	14														
Allowable Receivable Pool Balance		132,631	127,399	115,311	105,939	102,499	92,864	96,879	93,551	85,102	90,539	85,264	86,113	83,869	83,869
Interest & Fees	15	-	-	-	(843)	-	-	-	(664)	-	-	-	(591)	-	(2,098)
Amount Drawn Under Facility		130,603	132,631	127,399	115,311	105,939	102,499	92,864	96,879	93,551	85,102	90,539	85,264	86,113	130,603
Availability / (Required Repayment)		2,028	(5,233)	(12,088)	(10,215)	(3,440)	(9,635)	4,015	(3,991)	(8,450)	5,438	(5,275)	258	(2,245)	(48,832)

Note: The above totals are subject to rounding errors in the underlying balances

Abitibi Consolidated Inc. ("ACI")
Notes to Cash Flow Forecast
13 Weeks Ended July 19, 2009
US$000s

1. **Opening Cash** in the forecast is approximately $53 million lower than the actual balance for the week ending April 26, 2009. Reasons for this difference are as follows :
- Approximately $27 million is explained by the timing difference in the decreased availability under the Securitization Program.
The balance of the difference is due to the following ;
- Trade payables disbursements being lower than forecast due to bank accounts being frozen on April 17, 2009 as a result of the CCAA filing.
- The reversal of outstanding cheques.
- A cash inflow due to the unwinding of a Swap agreement.
Some of the timing differences in the forecast cash disbursements will reverse this week.
2. **Total A/R Collections** represent amounts estimated to be collected from ACI's customers. The timing of collections is based on ACI's collection terms with its customers and the latest sales forecast.
3. **Collections on Behalf of Joint Ventures** represent amounts estimated to be collected by ACI on behalf of its joint venture partners. ACI has agreements with its joint venture partners whereby ACI collects the joint venture partners accounts receivable (for a fee) and remits these funds to the joint venture in accordance with their agreement.
4. **Other Inflows** represent miscellaneous receipts, including, but not limited to such items as tax refunds or insurance proceeds, as estimated by ACI.
5. **Trade Payables** represent amounts estimated to be paid to suppliers for the purchase of ACI's raw materials, repairs and maintenance and other goods and services related to production.
6. **Capital Expenditures** represent amounts estimated to be paid pursuant to ACI's most recent capital expenditure budget.
7. **Marine Freight Payments** represent amounts estimated to be paid to ACI's outbound marine freight suppliers.
8. **Utility Payments** represent amounts estimated to be payable to ACI's hydroelectricity suppliers.
9. **Payroll and Benefits** represent estimated amounts for salaries, wages and current service pension costs.
10. **Joint Venture Remittances, Net** represent the estimated payment of accounts receivable funds collected by ACI on behalf of the respective joint venture, net of any collection/management fees
11. **Restructuring and Other Items** represent amounts estimated by ACI for restructuring costs and other miscellaneous payments.
12. **Securitization Inflows/(Outflows)** represent the estimated net availability or repayment (including interest) of funds under ACI's Securitization Program.
13. The **DIP Drawings/(Repayments)** and the **DIP Interest & Fees** represent cash flows related to ACI's new $100 million DIP term loan. This term loan may be drawn in increments to enable the Company to maintain a minimum cash balance of approximately $50 million.
14. The **Securitization Summary** represents ACI's estimated calculation of amounts owing or available under the Securitization Program based on the eligible accounts receivable (net of any fees, interest or allowances).
15. The **Interest & Fees** represent interest and fees related to the Securitization Program.

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*)

N°. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBIBOWATER INC. *et al*

Petitioners

- and -

ERNST & YOUNG INC.

Monitor

BS0350 **n/dos.:** 041053-1170

EXHIBIT R-1

ORIGINAL

Me Guy P. Martel **(514) 397-3163**
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EXHIBIT R-2

R-2

Bowater Canadian Forest Products Inc.
CCAA Cash Flow
13 Week Period Ended July 19, 2009
US$000s

Week Ended	Notes	26-Apr-09	3-May-09	10-May-09	17-May-09	24-May-09	31-May-09	7-Jun-09	14-Jun-09	21-Jun-09	28-Jun-09	5-Jul-09	12-Jul-09	19-Jul-09	Total
Receipts															
Trade Receipts	1, 11	10,611	17,820	13,293	18,287	11,733	15,918	11,045	11,967	11,839	13,295	14,516	13,684	13,593	177,602
Total Receipts		10,611	17,820	13,293	18,287	11,733	15,918	11,045	11,967	11,839	13,295	14,516	13,684	13,593	177,602
Disbursements															
Trade Payables	2	(14,299)	(10,102)	(8,507)	(8,507)	(8,507)	(10,507)	(12,373)	(12,373)	(12,373)	(12,373)	(10,579)	(9,862)	(9,862)	(140,222)
Intercompany SG&A Allocation	3	(510)	(494)	(472)	(472)	(472)	(472)	(517)	(517)	(517)	(517)	(479)	(464)	(464)	(6,366)
Freight	4	(1,090)	(1,039)	(971)	(971)	(971)	(971)	(1,223)	(1,223)	(1,223)	(1,223)	(1,338)	(1,384)	(1,384)	(15,014)
Payroll and Benefits	5	(1,199)	(5,203)	(1,196)	(4,593)	(1,196)	(5,202)	(1,199)	(2,576)	(3,217)	(2,576)	(3,825)	(2,574)	(3,215)	(37,771)
Capital Expenditures	6	(467)	(460)	(452)	(452)	(452)	(452)	(467)	(467)	(467)	(467)	(456)	(452)	(452)	(5,959)
Interest	7	-	(849)	-	-	(338)	(880)	-	-	(338)	-	(1,026)	-	-	(3,430)
Restructuring Costs	8	(2,260)	(260)	(260)	(260)	(260)	(260)	(260)	(260)	(260)	(260)	(260)	(260)	(260)	(5,380)
Total Disbursements		(19,825)	(18,407)	(11,858)	(15,254)	(12,195)	(18,743)	(16,038)	(17,416)	(18,394)	(17,416)	(17,963)	(14,996)	(15,637)	(214,142)
Cash Flow from Operations		(9,214)	(587)	1,436	3,033	(462)	(2,825)	(4,993)	(5,449)	(6,555)	(4,121)	(3,447)	(1,312)	(2,044)	(36,540)
Bank Balance, Opening		14,314	45,100	44,513	45,949	48,982	48,519	45,694	40,701	35,253	28,698	24,576	21,129	19,817	14,314
New DIP Facility Inflow (the Canadian Term Loan)	9	40,000	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Cash Flow		(9,214)	(587)	1,436	3,033	(462)	(2,825)	(4,993)	(5,449)	(6,555)	(4,121)	(3,447)	(1,312)	(2,044)	(36,540)
Bank Balance, Closing	10	45,100	44,513	45,949	48,982	48,519	45,694	40,701	35,253	28,698	24,576	21,129	19,817	17,773	17,773
Current Revolving Credit Facility															
Current Credit Facility Balance, Opening		94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337
Current Credit Facility Drawings / (Repayments)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Balance, Closing		94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337	94,337
Intercompany A/R Balance	11														
Ending Balance		55,192	54,928	56,279	54,640	55,591	54,451	57,000	59,024	61,071	62,301	63,106	64,271	65,479	65,479

Amounts in the above table are subject to rounding errors from the underlying balances

Bowater Canadian Forest Products Inc. ("BCFPI")
Notes to CCAA Cash Flow
13 Week Period Ended July 19, 2009
US$000s

1. **Trade Receipts** are based on BCFPI's estimate of collection terms and BCFPI's latest sales forecast.
2. **Trade Payables** represent payments for raw materials, repairs and maintenance, utilities and other production items.
3. **Intercompany SG&A Allocation** represents expenses incurred by BCFPI's parent company on behalf of BCFPI which are charged to BCFPI pursuant to its normal process for the allocation of such costs. These intercompany SG&A costs are assumed to be settled in cash on a weekly basis.
4. **Freight** represents disbursements in respect of costs to deliver product to customers.
5. **Payroll and Benefits** represent amounts paid to employees for salaries and wages (including the related withholdings), pension payments and other benefits due under employee benefit programs. The forecast assumes that only those pension payments in respect of current service costs will be paid.
6. **Capital Expenditures** are costs scheduled to be made in accordance with agreements with BCFPI's various capital equipment suppliers and reflect requirements pursuant to BCFPI's most recent capital expenditure budget.
7. **Interest** represents interest costs for the company's senior secured revolving facility, the existing secured term loan and the new DIP facility.
8. **Restructuring Costs** represent costs related to the restructuring including transaction fees related to the new DIP facility.
9. The forecast assumes that a term loan of $40 million will be available to BCFPI pursuant to a new DIP facility. Further details regarding the BI and BCFPI credit facility can be found in the First Report of the Monitor.
10. The cash flows included in the forecast include only those BCFPI mills in Canada. No funding or dividends from foreign subsidiaries are included in the forecast.
11. The intercompany accounts receivable balance represents pre-filing and post-filing sales to customers in the United States by BCFPI through Bowater America Inc. This amount is assumed not to be stayed and is collected by BCFPI from Bowater America Inc. in the normal course.

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*)

N°. 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBIBOWATER INC. *et al*

Petitioners

- and -

ERNST & YOUNG INC.

Monitor

BS0350 **n/dos.:** 041053-1170

EXHIBIT-2

ORIGINAL

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LIST OF EXHIBITS AND EXHIBITS R-1 TO R-2

ORIGINAL

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