

PROSPECTUS SUPPLEMENT  
(TO PROSPECTUS DATED OCTOBER 12, 1994)  
\$400,000,000  
COCA-COLA BOTTLING CO.  
CONSOLIDATED

(Coca-Cola logo appears here)

MEDIUM-TERM NOTES, SERIES B

DUE MORE THAN NINE MONTHS FROM DATE OF ISSUE

Coca-Cola Bottling Co. Consolidated (the "COMPANY") may from time to time offer pursuant to this Prospectus Supplement its Medium-Term Notes, Series B (the "NOTES"), with an aggregate initial public offering price or purchase price of up to \$400,000,000, subject to reduction as a result of the sale of other securities under the Registration Statement of which this Prospectus Supplement and the accompanying Prospectus form a part or under a Registration Statement to which this Prospectus Supplement and the accompanying Prospectus relate.

Unless otherwise specified in the applicable Pricing Supplement, each Note will mature on a Business Day more than nine months from its date of issue (the "STATED MATURITY"), which maturity date may be subject to extension at the option of the Company. Each Note may also be subject to redemption at the option of the Company, or to repayment at the option of the Holder, prior to the Stated Maturity thereof as set forth in a Pricing Supplement. Each Note will be denominated in U.S. dollars. A Note may bear interest at a fixed rate (a "FIXED RATE NOTE"), which may be zero in the case of certain Discount Notes, or at a floating rate (a "FLOATING RATE NOTE") determined by reference to LIBOR, the CD Rate, the Commercial Paper Rate, the Federal Funds Rate, the Treasury Rate, the CMT Rate or any other Base Rate, as selected by the purchaser and agreed to by the Company, adjusted by the Spread or Spread Multiplier, if any, applicable to such Note. Such fixed rate, Spread or Spread Multiplier may be subject to change as described in the applicable Pricing Supplement. Unless otherwise indicated, interest on each Fixed Rate Note will accrue from its date of issue and will be payable semiannually in arrears on each January 15 and July 15 (each an "INTEREST PAYMENT DATE") and at Stated Maturity. A Note may be issued as an amortizing note (an "AMORTIZING NOTE") on which a portion or all the principal amount is payable prior to Stated Maturity in accordance with a schedule, by application of a formula, or by reference to an index. A Note may be issued as an indexed note (an "INDEXED NOTE") on which the amount of any interest payment, in the case of an Indexed Rate Note, and/or the principal amount payable at maturity, in the case of an Indexed Principal Note, will be determined by reference to the level of prices, or changes in prices, or differences between prices, of securities, currencies, intangibles, goods, articles or commodities or by application of a formula. See "Description of Notes -- Indexed Notes". The interest rate or interest rate formula, reset provisions, Issue Price, Stated Maturity, Interest Payment Dates, and any redemption, repayment and extension provisions and certain other terms with respect to each Note will be established at the time of issuance and set forth in a pricing supplement to this Prospectus Supplement (a "PRICING SUPPLEMENT").

Each Note will be represented either by a Global Security registered in the name of a nominee of The Depository Trust Company, as Depositary (a "BOOK-ENTRY NOTE"), or, if specified in the applicable Pricing Supplement, by a certificate issued in temporary or definitive form (a "CERTIFICATED NOTE"). Beneficial interests in Global Securities representing Book-Entry Notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. Book-Entry Notes will not be issuable as Certificated Notes except under the circumstances described herein.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT, ANY PRICING SUPPLEMENT HERETO OR THE ACCOMPANYING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO	AGENT'S
	PUBLIC (1)	COMMISSION (2)
Per Note.....	100.000%	.125% -- 1.125%
Total.....	\$400,000,000	\$500,000 -- \$4,500,000
	PROCEEDS TO THE	
	COMPANY (2)(3)	
Per Note.....	99.875% -- 98.875%	
Total.....	\$399,500,000 -- \$395,500,000	

- (1) Unless otherwise specified in the applicable Pricing Supplement, each Note will be issued at 100% of the principal amount thereof.
- (2) The Company will pay to Salomon Brothers Inc or Citicorp Securities, Inc., each as agent (each an "AGENT" and collectively the "AGENTS") a commission from .125% to 1.125% of the principal amount of any Note, depending upon its Stated Maturity, sold through such Agent. The Company may also sell Notes at a discount to an Agent for its own account or for resale to one or more purchasers at varying prices related to prevailing market prices at the time of resale or, if set forth in the applicable Pricing Supplement, at a fixed public offering price. No commission will be payable on any Note sold

directly by the Company.

(3) Before deduction of expenses payable by the Company estimated at \$577,931, including reimbursement of certain expenses of the Agents.

The Notes are being offered on a continuous basis by the Company through the Agents, which have agreed to use their reasonable efforts to solicit orders to purchase Notes. The Company may also sell Notes at a discount to an Agent for its own account or for resale to one or more purchasers at varying prices related to prevailing market prices at the time of resale or, if set forth in the applicable Pricing Supplement, at a fixed public offering price, as determined by such Agent. In addition, the Agent may offer Notes purchased by it as principal to other dealers. The Company has reserved the right to sell Notes directly to investors on its own behalf. Unless otherwise specified in the applicable Pricing Supplement, any Note purchased by an Agent as principal will be purchased at 100% of the principal amount thereof less a percentage equal to the commission applicable to an agency sale of a Note of identical maturity. The Notes will not be listed on any securities exchange, and there can be no assurance that the maximum amount of Notes offered by this Prospectus Supplement will be sold or that there will be a secondary market for the Notes. The Company reserves the right to withdraw, cancel or modify the offer made hereby without notice. The Company or the Agents may reject any order to purchase Notes, whether or not solicited, in whole or in part. See "Plan of Distribution".

SALOMON BROTHERS INC

CITICORP SECURITIES, INC.

THE DATE OF THIS PROSPECTUS SUPPLEMENT IS MARCH 3, 1995.

IN CONNECTION WITH THIS OFFERING, THE AGENTS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

#### USE OF PROCEEDS

The Company intends to use the proceeds from the sale of the Notes offered hereby for general corporate purposes, which could include debt repayments and business acquisitions or investments. The Company is engaged in a program of selective acquisitions and regularly evaluates the desirability of making business acquisitions or investments.

#### DESCRIPTION OF NOTES

The following description of the particular terms of the Notes supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the Debt Securities set forth in the Prospectus, to which description reference is hereby made. Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed to them in the Indenture or the Notes, as the case may be, which definitions are incorporated herein by reference. Unless otherwise specified in the applicable Pricing Supplement, the Notes will have the terms described below.

#### GENERAL

The Notes constitute a single series of Debt Securities issued under the Indenture, as supplemented by the Supplemental Indenture dated as of March 3, 1995 between the Company and the Trustee. At the date of this Prospectus Supplement, the Notes offered pursuant to this Prospectus Supplement are limited to an aggregate initial public offering price or purchase price of up to \$400,000,000, which amount is subject to reduction as a result of the sale of other securities under the Registration Statement of which this Prospectus Supplement and the accompanying Prospectus form a part or under a Registration Statement to which this Prospectus Supplement and the accompanying Prospectus relate. The aggregate amount of Notes may be increased from time to time to such larger amount as may be authorized by the Company. The Notes will be unsecured and will rank equally and ratably with the Company's other unsecured and unsubordinated indebtedness.

The Notes will be offered on a continuous basis and will be issued in fully registered form only, without coupons, and each Note will mature on a Business Day more than nine months from its date of issue, as selected by the initial purchaser and agreed to by the Company (the "STATED MATURITY"), which maturity date may be subject to extension at the option of the Company. Each Note may also be subject to redemption at the option of the Company, or to repayment at the option of the Holder, prior to its Stated Maturity. Each Floating Rate Note will mature on an Interest Payment Date for such Note.

Each Note will be issued initially as either a Book-Entry Note or, if specified in the applicable Pricing Supplement, a Certificated Note. Except as set forth in the Prospectus under "Description of Debt Securities -- Global Securities", Book-Entry Notes will not be issuable as Certificated Notes. See "Book-Entry System" below. Unless otherwise specified in the applicable Pricing Supplement, the authorized denominations of Notes will be \$1,000 and any integral multiples of \$1,000 in excess thereof.

The Pricing Supplement relating to a Note will describe the following terms: (i) whether such Note is a Fixed Rate Note, a Floating Rate Note, an Amortizing Note and/or an Indexed Note; (ii) the price (expressed as a percentage of the aggregate principal amount or face amount thereof) at which such Note will be issued (the "ISSUE PRICE"); (iii) the date on which such Note will be issued (the "ORIGINAL ISSUE DATE"); (iv) the date of the Stated Maturity; (v) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any, and whether and the manner in which such rate may be changed prior to its Stated Maturity; (vi) if such Note is a Floating Rate Note, the Base Rate, the Initial Interest Rate, the Interest Reset Period or the Interest Reset Dates, the Interest Payment Dates, and, if applicable, the Index Maturity, the Maximum Interest Rate, the Minimum Interest Rate, the Spread or Spread Multiplier (all as defined below), and any other terms relating to the particular method of calculating the interest rate for such Note and whether and the manner in which such Spread or Spread Multiplier may be changed prior to Stated Maturity; (vii) whether such Note is an Original Issue Discount Note (as defined below); (viii) if such Note is an Amortizing Note, the terms for repayment prior to Stated Maturity; (ix) if such Note is an Indexed Note, in the case of an Indexed Rate Note, the manner in which the amount of any interest payment will be determined or, in the case of an Indexed Principal Note, its Face Amount and the manner in which the principal amount payable at Stated Maturity will be determined; (x) whether such Note may be redeemed at the option of the Company, or repaid at the option of the Holder, prior to Stated Maturity as described under "Redemption, Repayment and

Repurchase" below and, if so, the provisions relating to such redemption or repayment, including, in the case of an Original Issue Discount Note or Indexed Note, the information necessary to determine the amount due upon redemption or repayment; (xi) whether such Note is subject to an optional extension beyond its Stated Maturity as described under "Extension of Maturity" below; and (xii) any other terms of such Note not inconsistent with the provisions of the Indenture.

"BUSINESS DAY" with respect to any Note means any day, other than a Saturday or Sunday, that is (i) not a day on which banking institutions are authorized or required by law or regulation to be closed in The City of New York and (ii) if such Note is a LIBOR Note (as defined below), a London Banking Day. "London Banking Day" with respect to any Note means any day on which dealings in U.S. dollar deposits are transacted in the London interbank market.

"ORIGINAL ISSUE DISCOUNT NOTE" means (i) a Note, including any such Note whose interest rate is zero, that has a stated redemption price at Stated Maturity that exceeds its Issue Price by at least 0.25% of its stated redemption price at Stated Maturity, multiplied by the number of full years from the Original Issue Date to the Stated Maturity for such Note and (ii) any other Note designated by the Company as issued with original issue discount for United States Federal income tax purposes.

"PLACE OF PAYMENT" with respect to any Note means the place or places where the principal of (and premium, if any) and interest on such Note is payable, as specified in the terms of such Note.

A "BASIS POINT" or "BP" equals one one-hundredth of a percentage point.

#### PAYMENT OF PRINCIPAL AND INTEREST

The principal of and any premium and interest on each Note are payable by the Company. Unless otherwise specified in the applicable Pricing Supplement, payments of interest on Notes (other than interest payable at Stated Maturity) will be made, except as provided below, by check mailed to the Holders of such Notes (which, in the case of Global Securities representing Book-Entry Notes, will be a nominee of the Depositary); PROVIDED, HOWEVER, that, in the case of a Note issued between a Regular Record Date and the related Interest Payment Date, unless otherwise specified in the related Pricing Supplement, interest for the period beginning on the Original Issue Date for such Note and ending on such Interest Payment Date shall be paid on the next succeeding Interest Payment Date to the Holder of such Note on the related Regular Record Date. Notwithstanding the foregoing, a Holder of \$10,000,000 or more in aggregate principal amount of Notes of like tenor and term shall be entitled to receive such payments by wire transfer of immediately available funds, but only if appropriate wire transfer instructions have been received in writing by the Trustee, acting as paying agent (the "PAYING AGENT", which includes any additional or successor paying agent) not later than fifteen calendar days prior to the applicable Interest Payment Date. Unless otherwise specified in the applicable Pricing Supplement, principal and any premium and interest payable at the Stated Maturity of a Note will be paid in immediately available funds upon surrender of such Note at the corporate trust office or agency of the Paying Agent.

Unless otherwise specified in the applicable Pricing Supplement, if the principal of any Discount Note is declared to be due and payable immediately as described under "Description of Debt Securities -- Events of Default and Remedies" in the Prospectus, the amount of principal due and payable with respect to such Note shall be limited to the aggregate principal amount (or face amount, in the case of an Indexed Principal Note) of such Note multiplied by the sum of its Issue Price (expressed as a percentage of the aggregate principal amount) plus the original issue discount accrued from the date of issue to the date of declaration, which original issue discount shall be calculated using the "interest method" (computed in accordance with generally accepted accounting principles in effect on the date of declaration).

The Regular Record Date with respect to any Interest Payment Date for a Floating Rate Note or for an Indexed Rate Note shall be the date (whether or not a Business Day) fifteen calendar days immediately preceding such Interest Payment Date, and for a Fixed Rate Note (unless otherwise specified in the applicable Pricing Supplement) shall be the January 1 or July 1 (whether or not a Business Day) immediately preceding such Interest Payment Date.

#### FIXED RATE NOTES

Each Fixed Rate Note will bear interest from its Original Issue Date, or from the last Interest Payment Date to which interest has been paid or duly provided for, at the rate per annum stated in the applicable Pricing Supplement until the principal amount thereof is paid or made available for payment, except as described below under "Subsequent Interest Periods" and "Extension of Maturity", and except that if so specified in the applicable Pricing Supplement, the rate of interest payable on certain Fixed Rate Notes may be subject to adjustment from time to time as described in such Pricing Supplement. Unless otherwise set forth in the applicable Pricing Supplement, interest on each Fixed Rate Note will be payable

semiannually in arrears on each January 15 and July 15 (each such day being an "INTEREST PAYMENT DATE" for such Fixed Rate Note) and at Stated Maturity. Unless otherwise specified in the applicable Pricing Supplement, if an Interest Payment Date with respect to any Fixed Rate Note would otherwise be a day that is not a Business Day, such Interest Payment Date shall not be postponed; PROVIDED, HOWEVER, that any payment required to be made in respect of such Note on a date (including the day of Stated Maturity) that is not a Business Day for such Note need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no additional interest shall accrue as a result of such delayed payment. However, if with respect to any Fixed Rate Note, "Accrue to Pay" is specified in the applicable Pricing Supplement, and any Interest Payment Date with respect to such Fixed Rate Note would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next succeeding Business Day and each payment of interest in respect of any such Interest Payment Date shall include interest accrued through the day before such Interest Payment Date. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months ("30 over 360").

#### FLOATING RATE NOTES

Each Floating Rate Note will bear interest from its Original Issue Date to but not including the first Interest Reset Date (the "INITIAL INTEREST PERIOD") at the Initial Interest Rate set forth on the face thereof and in the applicable Pricing Supplement. Thereafter, the interest rate on such Floating Rate Note for each Interest Reset Period will be determined by reference to an interest rate basis (the "BASE RATE"), plus or minus the Spread, if any, or multiplied by the Spread Multiplier, if any. The "Spread" is the number of basis points that may be specified in the applicable Pricing Supplement as being applicable to such Note, and the "Spread Multiplier" is the percentage that may be specified in the applicable Pricing Supplement as being applicable to such Note, except in each case as described below under "Subsequent Interest Periods" and "Extension of Maturity", and except that if so specified in the applicable Pricing Supplement, the Spread or Spread Multiplier on certain Floating Rate Notes may be subject to adjustment from time to time as described in such Pricing Supplement. The applicable Pricing Supplement will designate one of the following Base Rates as applicable to a Floating Rate Note: (i) LIBOR (a "LIBOR NOTE"), (ii) the Commercial Paper Rate (a "COMMERCIAL PAPER RATE NOTE"), (iii) the Treasury Rate (a "TREASURY RATE NOTE"), (iv) the Federal Funds Rate (a "FEDERAL FUNDS RATE NOTE"), (v) the CD Rate (a "CD RATE NOTE"), (vi) the CMT Rate (a "CMT RATE NOTE") or (vii) such other Base Rate as is set forth in such Pricing Supplement and in such Note. The "Index Maturity" for any Floating Rate Note is the period of maturity of the instrument or obligation from which the Base Rate is calculated. "H.15(519)" means the publication entitled "Statistical Release H.15(519), 'Selected Interest Rates'", or any successor publication, published by the Board of Governors of the Federal Reserve System. "Composite Quotations" means the daily statistical release entitled "Composite 3:30 p.m. Quotations for U.S. Government Securities" published by the Federal Reserve Bank of New York.

As specified in the applicable Pricing Supplement, a Floating Rate Note may also have either or both of the following (in each case expressed as a rate per annum on a simple interest basis): (i) a maximum numerical interest rate limitation, or ceiling, on the rate of interest which may accrue during any Interest Period ("MAXIMUM INTEREST RATE") and (ii) a minimum numerical interest rate limitation, or floor, on the rate of interest which may accrue during any Interest Period ("MINIMUM INTEREST RATE"). In addition to any Maximum Interest Rate that may be applicable to any Floating Rate Note, the interest rate on a Floating Rate Note will in no event be higher than the maximum rate permitted by applicable law, as the same may be modified by United States law of general application. The Notes will be governed by the law of the State of New York and, under such law as of the date of this Prospectus Supplement, the maximum rate of interest under provisions of the penal law, with certain exceptions, is 25% per annum on a simple interest basis. Such maximum rate of interest may not apply to Notes in which \$2,500,000 or more has been invested, including Notes purchased by an Agent or Agents in such aggregate principal amount or more for resale to investors.

Unless otherwise specified in a Pricing Supplement, NationsBank of Georgia, National Association shall be the agent (the "CALCULATION AGENT") to calculate interest rates for each Floating Rate Note. All determinations of interest by the Calculation Agent shall, in the absence of manifest error, be conclusive for all purposes and binding on the holders of the Floating Rate Notes.

Unless otherwise specified in the applicable Pricing Supplement, the "CALCULATION DATE", if applicable, pertaining to any Rate Determination Date will be the earlier of (i) the tenth calendar day after such Rate Determination Date, or if such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day immediately preceding the applicable Interest Payment Date or Stated Maturity, as the case may be.

The interest rate on each Floating Rate Note will be reset daily, weekly, monthly, quarterly, semiannually or annually (such period being the "INTEREST RESET PERIOD" for such Note and the first day of each Interest Reset Period being an "INTEREST RESET DATE"), as specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the Interest Reset Dates will be, in the case of Floating Rate Notes that reset daily, each Business Day; in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, Wednesday of each week; in the case of Treasury Rate Notes that reset weekly, Tuesday of each week (except as provided below under "Treasury Rate Notes"); in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December of each year; in the case of Floating Rate Notes that reset semiannually, the third Wednesday of each of two months of each year specified in the applicable Pricing Supplement; and, in the case of Floating Rate Notes that reset annually, the third Wednesday of one month of each year specified in the applicable Pricing Supplement. If an Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next succeeding Business Day, except that, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day.

Unless otherwise specified in the applicable Pricing Supplement, the rate of interest that goes into effect on any Interest Reset Date shall be determined on a date (the "RATE DETERMINATION DATE") preceding such Interest Reset Date, as further described below. Such Rate Determination Date may be referred to below as a "CD Rate Determination Date" in the case of a CD Rate Note, a "Commercial Paper Rate Determination Date" in the case of a Commercial Paper Rate Note, a "Federal Funds Rate Determination Date" in the case of a Federal Funds Rate Note, a "LIBOR Determination Date" in the case of a LIBOR Note, a "Treasury Rate Determination Date" in the case of a Treasury Rate Note or a "CMT Rate Determination Date" in the case of a CMT Rate Note.

Unless otherwise specified in the applicable Pricing Supplement, interest payable in respect of Floating Rate Notes shall be the accrued interest from and including the Original Issue Date or the last date to which interest has been paid, as the case may be, to but excluding the applicable Interest Payment Date. In the case of a Floating Rate Note that resets daily or weekly, interest payable shall be the accrued interest from and including the Original Issue Date or the last date to which interest has been accrued and paid, as the case may be, to but excluding the Record Date immediately preceding the applicable Interest Payment Date, except that, at Stated Maturity, interest payable will include interest accrued to but excluding the date of Stated Maturity.

With respect to a Floating Rate Note, accrued interest shall be calculated by multiplying the principal amount of such Note (or, in the case of a Floating Rate Note that is an Indexed Principal Note, its Face Amount) by an accrued interest factor. Such accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal calculated to seven decimal places without rounding) for each such day is computed, unless otherwise specified in the applicable Pricing Supplement, by dividing the interest rate in effect on such day by 360 ("Actual over 360") in the case of LIBOR Notes, Commercial Paper Rate Notes, Federal Funds Rate Notes and CD Rate Notes or by the actual number of days in the year ("Actual over Actual") in the case of Treasury Rate Notes or CMT Rate Notes. For purposes of making the foregoing calculation, the interest rate in effect on any Interest Reset Date will be the applicable rate as reset on such date.

Unless otherwise specified in the applicable Pricing Supplement, all percentages resulting from any calculation of the rate of interest on a Floating Rate Note will be rounded, if necessary, to the nearest 1/100,000 of 1% (.0000001), with five one-millionths of a percentage point rounded upward, and all currency amounts used in or resulting from such calculation on Floating Rate Notes will be rounded to the nearest one-hundredth of a unit (with .005 of a unit being rounded upward).

Unless otherwise indicated in the applicable Pricing Supplement and except as provided below, interest will be payable, in the case of Floating Rate Notes that reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in the applicable Pricing Supplement; in the case of Floating Rate Notes that reset quarterly, on the third Wednesday of March, June, September, and December of each year; in the case of Floating Rate Notes that reset semiannually, on the third Wednesday of each of two months of each year specified in the applicable Pricing Supplement; and, in the case of Floating Rate Notes that reset annually, on the third Wednesday of one month of each year specified in the applicable Pricing Supplement (each such day being an "INTEREST PAYMENT DATE" with respect to such Floating Rate Notes). If an Interest Payment Date with respect to any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next succeeding Business Day, except that, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day, PROVIDED, HOWEVER, if with respect to

any Floating Rate Note, the applicable Pricing Supplement provides that the Note does not Accrue to Pay, if an Interest Payment Date with respect to such Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Payment Date shall not be postponed; provided, further, that any payment required to be made in respect of a Floating Rate Note that does not Accrue to Pay on a date (including the day of Stated Maturity) that is not a Business Day for such Note need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such dates, and no additional interest shall accrue as a result of such delayed payment.

Upon the request of the Holder of any Floating Rate Note, the Calculation Agent for such Note will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to such Floating Rate Note.

#### CD RATE NOTES

Each CD Rate Note will bear interest for each Interest Reset Period at the interest rate calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any, specified in such Note and in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the "CD Rate" for each Interest Reset Period shall be the rate as of the second Business Day prior to the Interest Reset Date for such Interest Reset Period (a "CD RATE DETERMINATION DATE") for negotiable certificates of deposit having the Index Maturity designated in the applicable Pricing Supplement as published in H.15(519) under the heading "CDs (Secondary Market)". In the event that such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date pertaining to such CD Rate Determination Date, then the "CD Rate" for such Interest Reset Period will be the rate on such CD Rate Determination Date for negotiable certificates of deposit of the Index Maturity designated in the applicable Pricing Supplement as published in Composite Quotations under the heading "Certificates of Deposit". If by 3:00 p.m., New York City time, on such Calculation Date such rate is not yet published in either H.15(519) or Composite Quotations, then the "CD Rate" for such Interest Reset Period will be calculated by the Calculation Agent for such CD Rate Note and will be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on such CD Rate Determination Date of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in The City of New York selected by the Calculation Agent for such CD Rate Note for negotiable certificates of deposit of major United States money center banks of the highest credit standing (in the market for negotiable certificates of deposit) with a remaining maturity closest to the Index Maturity designated in the Pricing Supplement in a denomination of \$5,000,000; PROVIDED, HOWEVER, that if the dealers selected as aforesaid by such Calculation Agent are not quoting offered rates as mentioned in this sentence, the "CD Rate" for such Interest Reset Period will be the same as the CD Rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

#### COMMERCIAL PAPER RATE NOTES

Each Commercial Paper Rate Note will bear interest for each Interest Reset Period at the interest rate calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any, specified in such Note and in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the "Commercial Paper Rate" for each Interest Reset Period will be determined by the Calculation Agent for such Commercial Paper Rate Note as of the second Business Day prior to the Interest Reset Date for such Interest Reset Period (a "Commercial Paper Rate Determination Date") and shall be the Money Market Yield on such Commercial Paper Rate Determination Date of the rate for commercial paper having the index Maturity specified in the applicable Pricing Supplement, as such rate shall be published in H.15(519) under the heading "Commercial Paper". In the event that such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date pertaining to such Commercial Paper Rate Determination Date, then the "Commercial Paper Rate" for such Interest Reset Period shall be the Money Market Yield on such Commercial Paper Rate Determination Date of the rate for commercial paper of the specified Index Maturity as published in Composite Quotations under the heading "Commercial Paper". If by 3:00 p.m., New York City time, on such Calculation Date such rate is not yet published in either H.15(519) or Composite Quotations, then the "Commercial Paper Rate" for such Interest Reset Period shall be the Money Market Yield of the arithmetic mean of the offered rates, as of 11:00 a.m., New York City time, on such Commercial Paper Rate Determination Date of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent for such Commercial Paper Rate Note for commercial paper of the specified Index Maturity placed for an industrial issuer whose bonds are rated "AA" or the equivalent by a nationally recognized rating agency; PROVIDED, HOWEVER, that if the dealers selected as aforesaid by such Calculation Agent are not quoting offered rates as mentioned in this sentence, the "Commercial Paper

Rate" for such Interest Reset Period will be the same as the Commercial Paper Rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

"Money Market Yield" shall be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{(D \times 360)}{(360 - (D \times M))} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the specified Index Maturity.

#### FEDERAL FUNDS RATE NOTES

Each Federal Funds Rate Note will bear interest for each Interest Reset Period at the interest rate calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any, specified in such Note and in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the "Federal Funds Rate" for each Interest Reset Period shall be the effective rate on the Interest Reset Date for such Interest Reset Period (a "FEDERAL FUNDS RATE DETERMINATION DATE") for Federal Funds as published in H.15(519) under the heading "Federal Funds (Effective)". In the event that such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date pertaining to such Federal Funds Rate Determination Date, the "Federal Funds Rate" for such Interest Reset Period shall be the rate on such Federal Funds Rate Determination Date as published in Composite Quotations under the heading "Federal Funds/Effective Rate". If by 3:00 p.m., New York City time, on such Calculation Date such rate is not yet published in either H.15(519) or Composite Quotations, then the "Federal Funds Rate" for such Interest Reset Period shall be the rate on such Federal Funds Rate Determination Date made publicly available by the Federal Reserve Bank of New York which is equivalent to the rate which appears in H.15(519) under the heading "Federal Funds (Effective)"; PROVIDED, HOWEVER, that if such rate is not made publicly available by the Federal Reserve Bank of New York by 3:00 p.m., New York City time, on such Calculation Date, the "Federal Funds Rate" for such Interest Reset Period will be the same as the Federal Funds Rate in effect for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate). In the case of a Federal Funds Rate Note that resets daily, the interest rate on such Note for the period from and including a Monday to but excluding the succeeding Monday will be reset by the Calculation Agent for such Note on such second Monday (or, if not a Business Day, on the next succeeding Business Day) to a rate equal to the average of the Federal Funds Rates in effect with respect to each such day in such week.

#### LIBOR NOTES

Each LIBOR Note will bear interest for each Interest Reset Period at the interest rate calculated with reference to LIBOR and the Spread or Spread Multiplier, if any, specified in such Note and in the applicable Pricing Supplement. If neither "LIBOR Telerate" nor "LIBOR Reuters" is designated in the applicable Pricing Supplement, LIBOR will be calculated as if "LIBOR Telerate" had been specified.

"LIBOR" for each Interest Reset Period will be determined by the Calculation Agent for such LIBOR Notes as follows:

(i) On the second London Banking Day prior to the Interest Reset Date for such Interest Reset Period (a "LIBOR DETERMINATION DATE"), the Calculation Agent for such LIBOR Note will determine the offered rates for deposits in the currency designated by the Company (the "SPECIFIED CURRENCY") for the period of the Index Maturity specified in the applicable Pricing Supplement, commencing on such Interest Reset Date, which appear on the Designated LIBOR Page at approximately 11:00 a.m., London time, on such LIBOR Determination Date. If "LIBOR Telerate" is designated in the applicable Pricing Supplement, "Designated LIBOR Page" means "LIBOR Telerate", which shall be the display designated as page "3750" on the Dow Jones Telerate Service (or such other page as may replace page "3750" on such service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying the London interbank offered rates of major banks), and LIBOR for such Interest Reset Period will be the relevant offered rate as determined by the Calculation Agent. If "LIBOR Reuters" is designated in the applicable Pricing Supplement, in which case "Designated LIBOR Page" means the display designated as page "LIBO" on the Reuters Monitor Money Rates Service (or such other page as may replace the LIBO page on such service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates of major banks) provided that at least two such offered rates appear on the Designated LIBOR Page, in which case, "LIBOR" for such Interest Reset Period will be the arithmetic mean of such offered rates as determined by the Calculation Agent for such LIBOR Note.



(ii) If LIBOR cannot be determined as above (either because the Designated LIBOR Page is no longer available or because less than two rates appear on page "LIBO" on the Reuters Monitor Money Rate Services) on such LIBOR Determination Date, the Calculation Agent for such LIBOR Note will request the principal London offices of each of four major banks in the London interbank market selected by such Calculation Agent to provide such Calculation Agent with its offered quotations for deposits in the Specified Currency for the period of the specified Index Maturity, commencing on such Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such LIBOR Determination Date and in a principal amount equal to an amount of not less than \$1,000,000 that is representative of a single transaction in such market at such time. If at least two such quotations are provided, "LIBOR" for such Interest Reset Period will be the arithmetic mean of such quotations. If fewer than two such quotations are provided, "LIBOR" for such Interest Reset Period will be the arithmetic mean of rates quoted at approximately 11:00 a.m., New York City time, on such LIBOR Determination Date by three major banks in The City of New York selected by the Calculation Agent for such LIBOR Note for loans in the Specified Currency to leading European banks, for the period of the specified Index Maturity, commencing on such Interest Reset Date, and in a principal amount equal to an amount of not less than \$1,000,000 that is representative of a single transaction in such market at such time; PROVIDED, HOWEVER, that if fewer than three banks selected as aforesaid by such Calculation Agent are quoting rates as mentioned in this sentence, "LIBOR" for such Interest Reset Period will be the same as LIBOR for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

#### TREASURY RATE NOTES

Each Treasury Rate Note will bear interest for each Interest Reset Period at the interest rate calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any, specified in such Note and in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the "TREASURY RATE" for each Interest Reset Period will be the rate for the auction held on the Treasury Rate Determination Date for such Interest Reset Period of direct obligations of the United States ("TREASURY SECURITIES") having the Index Maturity specified in the applicable Pricing Supplement, as such rate shall be published in H.15(519) under the heading "U.S. Government Securities-Treasury bills-auction average (investment)" or, in the event that such rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date pertaining to such Treasury Rate Determination Date, the auction average rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) on such Treasury Rate Determination Date as otherwise announced by the United States Department of the Treasury. In the event that the results of the auction of Treasury securities having the specified Index Maturity are not published or reported as provided above by 3:00 p.m., New York City time, on such Calculation Date, or if no such auction is held on such Treasury Rate Determination Date, then the "Treasury Rate" for such Interest Reset Period shall be calculated by the Calculation Agent for such Treasury Rate Note and shall be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on such Treasury Rate Determination Date, of three leading primary United States government securities dealers selected by such Calculation Agent for the issue of Treasury securities with a remaining maturity closest to the specified Index Maturity; PROVIDED, HOWEVER, that if the dealers selected as aforesaid by such Calculation Agent are not quoting bid rates as mentioned in this sentence, then the "Treasury Rate" for such Interest Reset Period will be the same as the Treasury Rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

The "TREASURY RATE DETERMINATION DATE" for each Interest Reset Period will be the day of the week in which the Interest Reset Date for such Interest Reset Period falls on which Treasury securities would normally be auctioned. Treasury securities are normally sold at auction on Monday of each week, unless that day is legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Treasury Rate Determination Date pertaining to the Interest Reset Period commencing in the next succeeding week. If an auction date shall fall on any day that would otherwise be an Interest Reset Date for a Treasury Rate Note, then such Interest Reset Date shall instead be the Business Day immediately following such auction date.

#### CMT RATE NOTES

Each CMT Rate Note will bear interest for each Interest Reset Period at the interest rate calculated with reference to the CMT Rate and the Spread or Spread Multiplier, if any, specified in such Note and in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, "CMT RATE" means, with respect to any CMT Rate Determination Date, the rate displayed on the Designated CMT Telerate Page under the caption "...Treasury Constant Maturities... Federal Reserve Board Release H.15...Mondays Approximately 3:45 P.M.," under the column for the Designated CMT Maturity Index for (i) if the Designated CMT Telerate Page is 7055, the rate on such CMT Rate Determination Date and (ii) if the Designated CMT Telerate Page is 7052, the week, or the month, as applicable, ended immediately preceding the week in which the related CMT Rate Determination Date occurs. If such rate is no longer displayed on the relevant page, or if not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index as published in the relevant H.15(519). If such rate is no longer published, or if not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the CMT Rate Determination Date with respect to such Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519). If such information is not provided by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for the CMT Rate Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M., New York City time, on the CMT Rate Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each a "REFERENCE DEALER") in The City of New York (which may include the Agent or its affiliates) selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States ("TREASURY NOTES") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent cannot obtain three such Treasury Note quotations, the CMT Rate for such CMT Rate Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 P.M., New York City time, on the CMT Rate Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of an equality, one of the highest) and the lowest quotation (or, in the event of an equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100 million. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of such quotes will be eliminated; provided however, that if fewer than three Reference Dealers selected by the Calculation Agent are quoting as described herein, the CMT Rate will be the CMT Rate in effect on such CMT Rate Determination Date. If two Treasury Notes with an original maturity as described in the third preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

"DESIGNATED CMT TELERATE PAGE" means the display on the Dow Jones Telerate Service on the page designated in the applicable Pricing Supplement (or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519)), for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no such page is specified in the applicable Pricing Supplement, the Designated CMT Telerate Page shall be 7052, for the most recent week.

"DESIGNATED CMT MATURITY INDEX" means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20, or 30 years) specified in the applicable Pricing Supplement with respect to which the CMT Rate will be calculated. If no such maturity is specified in the applicable Pricing Supplement, the Designated Maturity Index shall be 2 years.

The "CMT RATE DETERMINATION DATE" shall be the tenth Business Day prior to the Interest Reset Date for the applicable Interest Reset Period.

#### SUBSEQUENT INTEREST PERIODS

The Pricing Supplement relating to each Note will indicate whether the Company has the option to reset the interest rate (in the case of a Fixed Rate Note) with respect to such Note or the Spread or Spread Multiplier (in the case of a Floating Rate

Note) with respect to such Note and, if so, the date or dates on which such interest rate or such Spread or Spread Multiplier, as the case may be, may be reset (each an "OPTIONAL RESET DATE") and the basis or formula, if any, for resetting such interest rate or Spread or Spread Multiplier. Any special tax consequences relating to the ownership of such Notes will be disclosed in the applicable Pricing Supplement.

The Company shall notify the Trustee whether or not it intends to exercise such option with respect to such Note at least 45 but not more than 60 days prior to an Optional Reset Date for such Note. Not later than 40 days prior to such Optional Reset Date, the Trustee will mail to the Holder of such Note a notice (the "RESET NOTICE"), first class, postage prepaid, indicating that the Company has elected to reset the interest rate (in the case of a Fixed Rate Note) or the Spread or Spread Multiplier (in the case of a Floating Rate Note) and if so, (i) such new interest rate or such new Spread or Spread Multiplier, as the case may be; and (ii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or, if there is no such next Optional Reset Date, to the Stated Maturity of such Note (each such period a "SUBSEQUENT INTEREST PERIOD"), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during such Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to an Optional Reset Date for a Note, the Company may, at its option, revoke the interest rate (in the case of a Fixed Rate Note) or the Spread or Spread Multiplier (in the case of a Floating Rate Note) provided for in the Reset Notice with respect to such Optional Reset Date and establish a higher interest rate (in the case of a Fixed Rate Note) or a higher Spread or Spread Multiplier (in the case of a Floating Rate Note) for the Subsequent Interest Period commencing on such Optional Reset Date by causing the Paying Agent to mail notice of such higher interest rate or higher Spread or Spread Multiplier, as the case may be, first class, postage prepaid, to the Holder of such Note. Such notice shall be irrevocable. All Notes with respect to which the interest rate or Spread or Spread Multiplier is reset on an Optional Reset Date will bear such higher interest rate (in the case of Fixed Rate Notes) or higher Spread or Spread Multiplier (in the case of Floating Rate Notes), whether or not tendered for repayment.

If the Company elects to reset the interest rate or the Spread or Spread Multiplier of a Note, the Holder of such Note will have the option to elect repayment of such Note by the Company on each Optional Reset Date at a price equal to the principal amount thereof, plus interest accrued to such Optional Reset Date. In order for a Note to be repaid on an Optional Reset Date, the Holder thereof must follow the procedures set forth below under "Redemption, Repayment and Repurchase" for optional repayment, except that the period for delivery of such Note or notification to the Paying Agent shall be at least 25 but not more than 35 days prior to such Optional Reset Date, and except that a Holder who has tendered a Note for repayment pursuant to a Reset Notice may, by written notice to the Paying Agent, revoke any such tender for repayment until the close of business on the tenth day prior to such Optional Reset Date.

#### AMORTIZING NOTES

The Company may from time to time offer Notes ("AMORTIZING NOTES") on which a portion or all the principal amount is payable prior to Stated Maturity in accordance with a schedule, by application of a formula, or by reference to an Index. Further information concerning additional terms and conditions of any Amortizing Notes, including terms for repayment thereof, will be set forth in the applicable Pricing Supplement.

#### INDEXED NOTES

The Company may from time to time offer Notes ("INDEXED NOTES") on which certain or all interest payments (in the case of an "INDEXED RATE NOTE"), and/or the principal amount payable at Stated Maturity or earlier redemption or retirement (in the case of an "INDEXED PRINCIPAL NOTE"), is determined by reference to the principal amount of such Notes (or, in the case of an Indexed Principal Note, to the amount designated in the applicable Pricing Supplement as the "Face Amount" of such Indexed Note) and by reference to prices, changes in prices, or differences between prices, of securities, currencies, intangibles, goods, articles, commodities, securities or commodities exchange indices or by such other objective price, economic or other measures as are described in the applicable Pricing Supplement (the "INDEX"). A description of the Index used in any determination of an interest or principal payment, the method or formula by which interest or principal payments will be determined by reference to such Index and the tax consequences of owning such Notes, will be set forth in the applicable Pricing Supplement.

In the case of a Fixed Rate Note, Floating Rate Note or Indexed Rate Note that is also an Indexed Principal Note, the amount of any interest payment will be determined by reference to the Face Amount of such Indexed Note unless specified otherwise in the applicable Pricing Supplement. In the case of an Indexed Principal Note, the principal amount payable at Stated Maturity or any earlier redemption or repayment of the Indexed Note may be different from the Face Amount.

If the determination of the Index on which any interest payment or the principal amount of an Indexed Note is calculated or announced by a third party, and such third party either suspends the calculation or announcement of such Index or changes the basis upon which such Index is calculated (other than changes consistent with policies in effect at the time such Indexed Note was issued and permitted changes described in the applicable Pricing Supplement), then such Index shall be calculated for purposes of such Indexed Note by another third party selected by the Company, subject to the same conditions and controls as applied to the original third party. If for any reason such Index cannot be calculated on the same basis and subject to the same conditions and controls as applied to the original third party, then the indexed interest payments, if any, or any indexed principal amount of such Indexed Note shall be calculated in the manner set forth in the applicable Pricing Supplement. Any determination of such third party shall in the absence of manifest error be binding on all parties.

#### BOOK-ENTRY SYSTEM

Upon issuance, and subject to the rules of the Depository, all Fixed Rate Book-Entry Notes having the same Original Issue Date and otherwise identical terms will be represented by a single fully registered Global Security. Each Global Security representing Book-Entry Notes will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the "DEPOSITARY"), and registered in the name of a nominee of the Depository. Book-Entry Notes will not be exchangeable for Certificated Notes and, except under the circumstances described in the Prospectus under "Description of Debt Securities -- Global Securities", will not otherwise be issuable as Certificated Notes.

The Depository has advised the Company and the Agents as follows: The Depository is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. The Depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depository's participants include securities brokers and dealers (including the Agents), banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own the Depository. Access to the Depository's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

A further description of the Depository's procedures with respect to Global Securities representing Book-Entry Notes is set forth in the Prospectus under "Description of Debt Securities -- Global Securities". The Depository has confirmed to the Company, the Agents and the Trustee that it intends to follow such procedures.

#### EXTENSION OF MATURITY

The Pricing Supplement relating to each Note will indicate whether the Company has the option to extend the Stated Maturity of such Note for one or more periods of whole years from one to five (each an "EXTENSION PERIOD") up to but not beyond the date (the "FINAL MATURITY") set forth in such Pricing Supplement and will set forth the basis or formula, if any, for setting the interest rate (in the case of a Fixed Rate Note) or the Spread or Spread Multiplier (in the case of a Floating Rate Note) applicable to any Extension Period. The applicable Pricing Supplement will describe the tax consequences of holding such Notes.

The Company may exercise such option with respect to a Note by notifying the Trustee at least 45 but not more than 60 days prior to the Stated Maturity of such Note in effect prior to the exercise of such option (the "ORIGINAL STATED MATURITY"). Not later than 40 days prior to the Original Stated Maturity of such Note, the Paying Agent will mail to the Holder of such Note a notice (the "EXTENSION NOTICE"), first class, postage prepaid. The Extension Notice will set forth (i) the election of the Company to extend the Stated Maturity of such Note; (ii) the new Stated Maturity; (iii) in the case of a Fixed Rate Note, the interest rate applicable to the Extension Period or, in the case of a Floating Rate Note, the Spread or Spread Multiplier applicable to the Extension Period; and (iv) the provisions, if any, for redemption during the Extension Period, including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Extension Period. Upon the mailing by the Trustee of an Extension Notice to the Holder of a Note, the Stated Maturity of such Note shall be extended automatically, and, except as modified by the Extension Notice and as described in the next paragraph, such Note will have the same terms as prior to the mailing of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days prior to the Original Stated Maturity of such Note, the Company may, at its option, revoke the interest rate (in the case of a Fixed Rate Note) or the Spread or Spread Multiplier (in the case of

a Floating Rate Note) provided for in the Extension Notice for such Note and establish a higher interest rate (in the case of a Fixed Rate Note) or a higher Spread or Spread Multiplier (in the case of a Floating Rate Note) for the Extension Period, by causing the Trustee to mail notice of such higher interest rate or higher Spread or Spread Multiplier, as the case may be, first class, postage prepaid, to the Holder of such Note. Such notice shall be irrevocable. All Notes with respect to which the Stated Maturity is extended will bear such higher interest rate (in the case of Fixed Rate Notes) or higher Spread or Spread Multiplier (in the case of Floating Rate Notes) for the Extension Period, whether or not tendered for repayment.

If the Company extends the Stated Maturity of a Note, the Holder of such Note will have the option to elect repayment of such Note by the Company at the Original Stated Maturity at a price equal to the principal amount thereof, plus interest accrued to such date. In order for a Note to be repaid at Original Stated Maturity once the Company has extended the Stated Maturity thereof, the Holder thereof must follow the procedures set forth below under "Redemption, Repayment and Repurchase" for optional repayment, except that the period for delivery of such Note or notification to the Trustee shall be at least 25 but not more than 35 days prior to the Original Stated Maturity and except that a Holder who has tendered a Note for repayment pursuant to an Extension Notice may, by written notice to the Trustee, revoke any such tender for repayment until the close of business on the tenth day prior to the Original Stated Maturity.

#### REDEMPTION, REPAYMENT AND REPURCHASE

The Pricing Supplement relating to each Note will indicate either that such Note cannot be redeemed prior to its Stated Maturity or that such Note will be redeemable at the option of the Company, in whole or in part, and the date or dates (each a "REDEMPTION DATE") on which such Note may be redeemed and the price (the "REDEMPTION PRICE") at which (together with accrued interest to such Redemption Date) such Note may be redeemed on each such Redemption Date. The Company may exercise such option with respect to a Note by notifying the Trustee at least 60 days prior to any Redemption Date. Unless otherwise specified in the applicable Pricing Supplement, at least 30 but not more than 60 days prior to the date of redemption, the Company, or at the Company's request, the Trustee shall mail notice of such redemption, first class, postage prepaid, to the Holder of such Note. In the event of redemption of a Note in part only, a new Note or Notes for the unredeemed portion thereof shall be issued to the Holder thereof upon the cancellation thereof. The Notes will not be subject to any sinking fund.

The Pricing Supplement relating to each Note will also indicate whether the Holder of such Note will have the option to elect repayment of such Note by the Company prior to its Stated Maturity, and, if so, such Pricing Supplement will specify the date or dates on which such Note may be repaid (each a "REPAYMENT DATE") and the price (the "OPTIONAL REPAYMENT PRICE") at which, together with accrued interest to such Repayment Date, such Note may be repaid on each such Repayment Date.

In order for a Note to be repaid, the Trustee must receive, at least 30 but not more than 45 days prior to a Repayment Date (i) such Note with the form entitled "Option to Elect Repayment" on the reverse thereof duly completed, or (ii) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States setting forth the name of the Holder of such Note, the principal amount of such Note to be repaid, the certificate number or a description of the tenor and terms of such Note, a statement that the option to elect repayment is being exercised thereby and a guarantee that the Note to be repaid with the form entitled "Option to Elect Repayment" on the reverse of the Note duly completed will be received by such Trustee not later than five Business Days after the date of such telegram, telex, facsimile transmission or letter. If the procedure described in clause (ii) of the preceding sentence is followed, then such Note and form duly completed must be received by such Trustee by such fifth Business Day. Any tender of a Note by the Holder for repayment (except pursuant to a Reset Notice or an Extension Notice) shall be irrevocable. The repayment option may be exercised by the Holder of a Note for less than the entire principal amount of such Note provided that the principal amount of such Note remaining outstanding after repayment is an authorized denomination. Upon such partial repayment, such Note shall be cancelled and a new Note or Notes for the remaining principal amount thereof shall be issued in the name of the Holder of such repaid Note.

If a Note is represented by a Global Security, the Depositary's nominee will be the Holder of such Note and therefore will be the only entity that can exercise a right to repayment. In order to ensure that the Depositary's nominee will timely exercise a right to repayment with respect to a particular Note, the beneficial owner of such Note must instruct the broker or other direct or indirect participant through which it holds an interest in such Note to notify the Depositary of its desire to exercise a right to repayment. Different firms have different cut-off times for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other direct or indirect participant through which it holds an

interest in a Note in order to ascertain the cut-off time by which such an instruction must be given in order for timely notice to be delivered to the Depository.

Notwithstanding anything in this Prospectus Supplement to the contrary, if a Note is an Original Issue Discount Note (other than an Indexed Note), the amount payable on such Note in the event of redemption or repayment prior to its Stated Maturity shall be the Amortized Face Amount of such Note as of the date of redemption or the date of repayment, as the case may be. The "AMORTIZED FACE AMOUNT" of a Discount Note shall be the amount equal to (i) the Issue Price set forth in the applicable Pricing Supplement plus (ii) that portion of the difference between the Issue Price and the principal amount of such Note that has accrued at the Yield to Maturity set forth in the Pricing Supplement (computed in accordance with generally accepted United States bond yield computation principles) by such date of redemption or repayment, but in no event shall the Amortized Face Amount of a Discount Note exceed its principal amount.

The Company may at any time purchase Notes at any price in the open market or otherwise. Notes so purchased by the Company may, at the discretion of the Company, be held or resold or surrendered to the Trustee for cancellation.

#### DEFEASANCE

The defeasance provisions described in the Prospectus will not be applicable to the Notes.

#### RISKS OF INDEXED NOTES

An investment in Indexed Notes may entail significant risks that are not associated with a similar investment in a debt instrument that has a fixed principal amount, is denominated in U.S. dollars and bears interest at either a fixed rate or a floating rate determined by reference to nationally published interest rate references. The risks of a particular Indexed Note will depend on the terms of such Indexed Note, but may include, without limitation, the possibility of significant changes in the prices of securities, currencies, intangibles, goods, articles or commodities or of other objective price, economic or other measures making up the relevant Index (the "UNDERLYING ASSETS"). Such risks generally depend on factors over which the Company has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the Underlying Assets. In recent years, prices for various Underlying Assets have been highly volatile, and such volatility may be expected in the future. Fluctuations in any such rates or prices that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any Indexed Note.

In considering whether to purchase Indexed Notes, investors should be aware that the calculation of amounts payable in respect of Indexed Notes may involve reference to prices which are published solely by third parties or entities which are not subject to regulation under the laws of the United States.

THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS DO NOT DESCRIBE ALL THE RISKS OF AN INVESTMENT IN INDEXED NOTES, AND THE COMPANY DISCLAIMS ANY RESPONSIBILITY TO ADVISE PROSPECTIVE PURCHASERS OF SUCH RISKS AS THEY EXIST AT THE DATE OF THIS PROSPECTUS SUPPLEMENT OR AS SUCH RISKS MAY CHANGE FROM TIME TO TIME. THE RISK OF LOSS AS A RESULT OF THE LINKAGE OF PRINCIPAL OR INTEREST PAYMENTS ON INDEXED NOTES TO AN INDEX AND TO THE UNDERLYING ASSETS CAN BE SUBSTANTIAL. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN INDEXED NOTES. AN INDEXED NOTE IS NOT AN APPROPRIATE INVESTMENT FOR PERSONS WHO ARE UNSOPHISTICATED WITH RESPECT TO TRANSACTIONS IN THE UNDERLYING ASSETS OF ANY INDEX RELEVANT TO THAT INDEXED NOTE.

## CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal United States Federal income tax consequences resulting from the beneficial ownership of Notes by certain persons. This summary does not purport to consider all the possible United States Federal tax consequences of the purchase, ownership or disposition of the Notes and is not intended to reflect the individual tax position of any beneficial owner. It deals only with Notes held as capital assets. Moreover, except as expressly indicated, it does not deal with holders other than original purchasers and does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Notes (or currencies or composite currencies other than U.S. dollars) as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprised of a Note and one or more other investments, or purchasers that have a "functional currency" other than the U.S. dollar.

Except to the extent discussed below under "Non-U.S. Holders", this summary applies only to U.S. Holders. As used herein, the term "U.S. HOLDER" means a beneficial owner of a Note that is for Federal income tax purposes (i) a citizen or resident of the United States; (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof; or (iii) a person otherwise subject to United States Federal income taxation on its worldwide income. As used herein, the term "NON-U.S. HOLDER" means a beneficial owner of a Note that is not a U.S. Holder. This summary is based upon the U.S. Federal tax laws and regulations as now in effect and as currently interpreted and does not take into account possible changes in such tax laws or such interpretations, any of which may be applied retroactively. It does not include any description of the tax laws of any state, local or foreign governments that may be applicable to the Notes or holders thereof and it does not discuss the tax treatment of Notes denominated in certain hyperinflationary currencies or dual currency Notes. Persons considering the purchase of Notes should consult their own tax advisors concerning the application of the U.S. Federal tax laws to their particular situations as well as any consequences to them under the laws of any other taxing jurisdiction.

### U.S. HOLDERS

#### Payments of Interest.

In general, interest on a Note (other than certain payments on a Discount Note, as defined and described below under "Original Issue Discount"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes.

#### Original Issue Discount.

The following discussion summarizes the United States Federal income tax consequences to U.S. Holders of Notes issued with original issue discount ("OID"). U.S. Holders of Notes issued with OID generally will be subject to special tax accounting rules provided in the Internal Revenue Code of 1986, as amended (the "CODE"). On February 2, 1994, the Treasury Department published final regulations (the "OID Regulations"), which expand and illustrate the rules provided by the Code.

GENERAL. A Note will be treated as issued with OID (a "DISCOUNT NOTE") if the excess of the Note's "stated redemption price at maturity" over its issue price is greater than a DE MINIMIS amount (set forth in the Code and the OID Regulations). Generally, the issue price of a Note (or any Note that is part of an issue of Notes) will be the first price at which a substantial amount of Notes that are part of such issue of Notes are sold (other than to underwriters, placement agents or wholesalers). Under the OID Regulations, the "stated redemption price at maturity" of a Note is the sum of all payments provided by the Note that are not payments of "qualified stated interest". A "qualified stated interest" payment includes any stated interest payment on a Note that is unconditionally payable in cash or property (other than debt instruments of the Company) at least annually at a single fixed rate (or at certain floating rates) that appropriately takes into account the length of the interval between stated interest payments.

In general, if the excess of a Note's stated redemption price at maturity over its issue price is DE MINIMIS, then such excess constitutes "de minimis OID". Under the OID Regulations, unless the election described below under "Election to Treat All Interest as Original Issue Discount" is made, such a Note will not be treated as issued with OID (in which case the following paragraphs under "Original Issue Discount" will not apply) and a U.S. Holder of such a Note will recognize capital gain with respect to such de minimis OID as stated principal payments on the Note are made. The amount of such gain with respect to each such payment will equal the product of the total amount of the Note's de minimis OID and a fraction, the

numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Note.

In certain cases, Notes that bear stated interest and are issued at par may be deemed to bear OID for Federal income tax purposes, with the result that the inclusion of interest in income for Federal income tax purposes may vary from the actual cash payments of interest made on such Notes, generally accelerating income for cash method taxpayers. Under the OID Regulations, a Note may be a Discount Note where, among other things, (i) a Note bearing interest at a floating rate (a "FLOATING RATE NOTE") provides for a maximum interest rate or a minimum interest rate that is reasonably expected as of the issue date to cause the yield on the debt instrument to be significantly less, in the case of a maximum rate, or more, in the case of a minimum rate, than the expected yield determined without the maximum or minimum rate, as the case may be; (ii) a Floating Rate Note provides for significant front-loading or back-loading of interest; or (iii) certain Notes bear interest at a floating rate in combination with one or more other floating or fixed rates. Notice will be given in the applicable Pricing Supplement when the Company determines that a particular Note will be a Discount Note.

The Code and the OID Regulations provide rules that require a U.S. Holder of a Discount Note having a maturity of more than one year from its date of issue to include OID in gross income before the receipt of cash attributable to such income, without regard to the holder's method of accounting for tax purposes. The amount of OID includible in gross income by a U.S. Holder of a Discount Note is the sum of the "daily portions" of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year in which the U.S. Holder holds such Discount Note ("ACCRUED OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Under the OID Regulations, accrual periods with respect to a Note may be any set of periods (which may be of varying lengths) selected by the U.S. Holder as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on the first day or final day of an accrual period.

The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of any payments of qualified stated interest on the Discount Note allocable to the accrual period. In the case of a Discount Note that is a Floating Rate Note, both the yield to maturity and the qualified stated interest will be determined for these purposes as though the Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield that is reasonably expected for the Note. (Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index). The "ADJUSTED ISSUE PRICE" of a Discount Note at the beginning of the first accrual period is the issue price and at the beginning of any accrual period thereafter is (x) the sum of the issue price of such Discount Note, the accrued OID for each prior accrual period (determined without regard to the amortization of any acquisition premium or bond premium, which are discussed below), and the amount of any qualified stated interest on the Note that has accrued prior to the beginning of the accrual period but is not payable until a later date, less (y) any prior payments on the Discount Note that were not qualified stated interest payments. If a payment (other than a payment of qualified stated interest) is made on the first day of an accrual period, then the adjusted issue price at the beginning of such accrual period is reduced by the amount of the payment. All payments on a Discount Note (other than a payment of qualified stated interest) generally will be viewed first as payments of previously accrued OID (to the extent thereof), with payments made for the earliest accrual periods first, and then as a payment of principal. If a portion of the initial purchase price of a Note is attributable to interest that accrued prior to the Note's issue date, the first stated interest payment on the Note is to be made within one year of the Note's issue date and such payment will equal or exceed the amount of pre-issuance accrued interest, then the issue price will be decreased by the amount of pre-issuance accrued interest, in which case a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on the Note.

The OID Regulations contain certain special rules that generally allow any reasonable method to be used in determining the amount of OID allocable to a short initial accrual period (if all other accrual periods are of equal length) and require that the amount of OID allocable to the final accrual period equal the excess of the amount payable at the maturity of the Discount Note (other than any payment of qualified stated interest) over the Discount Note's adjusted issue price as of the beginning of such final accrual period. In addition, if an interval between payments of qualified stated interest on a Discount Note contains more than one accrual period, then the amount of qualified stated interest payable at the end of such interval is allocated pro rata (on the basis of their relative lengths) between the accrual periods contained in the interval.

U.S. Holders of Discount Notes generally will have to include in income increasingly greater amounts of OID over the life of the Notes.



ACQUISITION PREMIUM. A U.S. Holder that purchases a Discount Note for an amount in excess of its adjusted issue price but less than its stated redemption price at maturity (any such excess being "ACQUISITION PREMIUM"), and that does not make the election described below under "Original Issue Discount-Election to Treat All Interest as Original Issue Discount", is permitted to reduce the daily portions of OID by an amount equal to the amount which would be the daily portion for such day (determined without regard to this paragraph) multiplied by a fraction, the numerator of which is the excess of the U.S. Holder's purchase price for the Note over the issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's issue price. Alternatively, a U.S. Holder may elect to compute OID accruals as described under "Original Issue Discount -- General" above, treating the U.S. Holder's purchase price as the issue price.

OPTIONAL REDEMPTION. If the Company has an option to redeem a Discount Note, or the Holder has an option to cause a Note to be repurchased, prior to the Discount Note's stated maturity, such option will be presumed to be exercised if, by utilizing any date on which such Note may be redeemed or repurchased as the maturity date and the amount payable on such date in accordance with the terms of such Note (the "redemption price") as the stated redemption price at maturity, the yield on the Discount Note would be (i) in the case of an option of the Company, lower than its yield to stated maturity, or (ii) in the case of an option of the Holder, higher than its yield to stated maturity. If such option is not in fact exercised when presumed to be exercised, the Discount Note would be treated solely for OID purposes as if it were redeemed or repurchased, and a new Discount Note were issued, on the presumed exercise date for an amount equal to the Discount Note's adjusted issue price on that date.

SHORT-TERM NOTES. Under the Code, special rules apply with respect to OID on Notes that mature one year or less from the date of issuance ("SHORT-TERM NOTES"). In general, a cash basis U.S. Holder of a Short-Term Note is not required to include OID in income as it accrues for United States Federal income tax purposes unless it elects to do so. Accrual basis U.S. Holders and certain other U.S. Holders, including banks, regulated investment companies, dealers in securities and cash basis U.S. Holders who so elect, are required to include OID in income as it accrues on Short-Term Notes on a straight-line basis or, at the election of the U.S. Holder, under the constant yield method (based on daily compounding). In the case of U.S. Holders not required and not electing to include OID in income currently, any gain realized on the sale, exchange or retirement of Short-Term Notes will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the original issue discount under the constant yield method) through the date of sale, exchange or retirement. U.S. Holders who are not required and do not elect to include OID on Short-Term Notes in income as it accrues will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

Any U.S. Holder of a Short-Term Note can elect to apply the rules in the preceding paragraph taking into account the amount of "acquisition discount", if any, with respect to the Note (rather than the OID with respect to such Note). Acquisition discount is the excess of the stated redemption price at maturity of the Short-Term Note over the U.S. Holder's purchase price therefor. Acquisition discount will be treated as accruing on a ratable basis or, at the election of the U.S. Holder, on a constant yield basis.

For purposes of determining the amount of OID subject to these rules, the OID Regulations provide that no interest payments on a Short-Term Note are qualified stated interest, but instead such interest payments are included in the Short-Term Note's stated redemption price at maturity. Actual receipt of stated interest will be taxable to the extent of accrued OID at the time of receipt.

Notes Purchased at a Premium.

Under the Code, a U.S. Holder that purchases a Note for an amount in excess of its stated redemption price at maturity will not be subject to the OID rules and may elect to treat such excess as "amortizable bond premium", in which case the amount of qualified stated interest required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to such year. Any election to amortize bond premium is applicable to all bonds (other than bonds the interest on which is excludible from gross income) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and may not be revoked without the consent of the Internal Revenue Service ("IRS"). A U.S. Holder that does not elect to amortize bond premium will generally be entitled to treat premium as capital loss when the Note matures. See also "Original Issue Discount -- Election to Treat All Interest as Original Issue Discount".

#### Notes Purchased at a Market Discount.

A Note, other than a Short-Term Note, will be treated as issued at a market discount (a "MARKET DISCOUNT NOTE") if the amount for which a U.S. Holder purchased the Note is less than the Note's issue price, subject to a de minimis rule similar to the rule relating to DE MINIMIS OID.

In general, any gain recognized on the maturity or disposition of a Market Discount Note will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on such Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Market Discount Note. Such an election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS.

Market discount accrues on a straight-line basis unless the U.S. Holder elects to accrue such discount on a constant yield to maturity basis. Such an election is applicable only to the Market Discount Note with respect to which it is made and is irrevocable. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to such Note in an amount not exceeding the accrued market discount on such Note until the maturity or disposition of such Note.

The market discount rules do not apply to a Short-Term Note.

#### Election to Treat All Interest as Original Issue Discount.

Any U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above under the heading "Original Issue Discount -- General," with the modifications described below. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, acquisition discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium.

In applying the constant yield method to a Note with respect to which this election has been made, the issue price of such Note will equal the electing U.S. Holder's adjusted basis in the Note immediately after its acquisition, the issue date of the Note will be the date of its acquisition by the electing U.S. Holder, and no payments on the Note will be treated as payments of qualified stated interest. This election is generally applicable only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If this election is made with respect to a Note with amortizable bond premium, the electing U.S. Holder will be deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludible from gross income) held by such electing U.S. Holder as of the beginning of the taxable year in which the election is made or any debt instruments acquired thereafter. The deemed election with respect to amortizable bond premium may not be revoked without the consent of the IRS.

If the election described above to apply the constant yield method to all interest on a Note is made with respect to a Market Discount Note, as defined above, then the electing U.S. Holder will be treated as having made the election discussed above under "Notes Purchased at a Market Discount" to include market discount in income currently over the life of all debt instruments held or thereafter acquired by such U.S. Holder.

#### Purchase, Sale and Retirement of the Notes.

A U.S. Holder's tax basis in a Note will generally equal its U.S. dollar cost, increased by the amount of any OID or market discount (or acquisition discount, in the case of a Short-Term Note) included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to de minimis OID included in the U.S. Holder's income with respect to the Note, and reduced by the sum of (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. A U.S. Holder generally will recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the U.S. Holder's tax basis in such Note. Except to the extent described above under "Original Issue Discount -- Short Term Notes" or "Market Discount", and except to the extent attributable to accrued but unpaid interest, gain or loss recognized on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held for more than one year.

#### Indexed Notes.

Tax considerations relevant to holders of Indexed Notes will be discussed in the applicable Pricing Supplement.

#### NON-U.S. HOLDERS

Subject to the discussion of backup withholding below, payments of principal (and premium, if any) and interest (including OID) by the Company or any agent of the Company (acting in its capacity as such) to any Non-U.S. Holder will not be subject to U.S. Federal withholding tax, provided, in the case of interest (including OID), that (i) the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote, (ii) the Non-U.S. Holder is not a controlled foreign corporation for U.S. tax purposes that is related to the Company (directly or indirectly) through stock ownership and (iii) either (A) the Non-U.S. Holder certifies to the Company or its agent under penalties of perjury that it is not a United States person and provides its name and address or (B) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "FINANCIAL INSTITUTION") and holds the Note certifies to the Company or its agent under penalties of perjury that such statement has been received from the Non-U.S. Holder by it or by another financial institution and furnishes the payor with a copy thereof. A Non-U.S. Holder of a Note providing for payments of contingent interest within the meaning of Section 871(h) of the Code, will not, however, be exempt from U.S. Federal withholding tax with respect to payments of such contingent interest. The applicable Pricing Supplement will contain a tax description of the U.S. Federal withholding tax consequences to Non-U.S. Holders of the purchase and ownership of a Note providing for payments of such contingent interest.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest (including OID) on the Note is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraph (provided that such holder furnishes a properly executed IRS Form 4224 on or before any payment date to claim such exemption), may be subject to U.S. Federal income tax on such interest (or OID) in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest (including OID) on a Note will be included in the earnings and profits of such holder if such interest (or OID) is effectively connected with the conduct by such holder of a trade or business in the United States.

Any capital gain, market discount or exchange gain realized on the sale, exchange, retirement or other disposition of the Note by a Non-U.S. Holder will not be subject to U.S. Federal income or withholding taxes if (i) such gain is not effectively connected with a U.S. trade or business of the Non-U.S. Holder and (ii) in the case of an individual, such Non-U.S. Holder (A) is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition or (B) does not have a tax home (as defined in Section 911(d)(3) of the Code) in the United States in the taxable year of the sale, exchange, retirement or other disposition and the gain is not attributable to an office or other fixed place of business maintained by such individual in the United States.

Notes held by an individual who is neither a citizen nor a resident of the United States for U.S. Federal tax purposes at the time of such individual's death will not be subject to U.S. Federal estate tax, provided that the income from such Notes was not or would not have been effectively connected with a U.S. trade or business of such individual and that such individual qualified for the exemption from U.S. Federal withholding tax (without regard to the certification requirements) described above.

PURCHASERS OF NOTES WHO ARE NON-U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE POSSIBLE APPLICABILITY OF UNITED STATES WITHHOLDING AND OTHER TAXES UPON INCOME REALIZED IN RESPECT OF THE NOTES.

#### BACKUP WITHHOLDING AND INFORMATION REPORTING

For each calendar year in which the Notes are outstanding, the Company is required to provide the IRS with certain information, including the Holder's name, address and taxpayer identification number (either the holder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid (including OID, if any) to that Holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts and individual retirement accounts.

In the event that a U.S. Holder subject to the reporting requirements described above fails to supply its taxpayer identification number in the manner required by applicable law, provides an incorrect taxpayer identification number that is used by a payor on an information return or underreports its tax liability, the Company, its agents or paying agents or a broker may be

required to "backup" withhold a tax equal to 31 percent of each payment of interest (including OID) and principal (and premium, if any) on the Notes. This backup withholding is not an additional tax and may be credited against the U.S. Holder's U.S. Federal income tax liability, provided that the required information is furnished to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments made by the Company or any agent thereof (in its capacity as such) to a Non-U.S. Holder of a Note if such holder has provided the required certification that it is not a U.S. person as set forth in clause (iii) in the first paragraph under "Non-U.S. Holders" above, or has otherwise established an exemption (provided that neither the Company nor its agent has actual knowledge that the Holder is a U.S. person or that the conditions of any exemption are not in fact satisfied).

Payment of the proceeds from the sale of a Note to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that if the broker is a U.S. person, a controlled foreign corporation for U.S. tax purposes or a foreign person 50 percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a U.S. trade or business, information reporting may apply to such payments. Payment of the proceeds from a sale of a Note to or through the U.S. office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

#### PLAN OF DISTRIBUTION

The Notes are being offered on a continuous basis by the Company through the Agents, which have agreed to use their reasonable efforts to solicit orders to purchase Notes. The Company will have the sole right to accept orders to purchase Notes and may reject proposed purchases in whole or in part. Each Agent shall have the right, in its discretion reasonably exercised and without notice to the Company, to reject any proposed purchase of Notes in whole or in part. The Company will pay an Agent a commission of from not more than .125% to not more than 1.125% of the principal amount of Notes sold through it, depending upon the Stated Maturity.

The Company may also sell Notes at a discount to an Agent for its own account or for resale to one or more purchasers at varying prices related to prevailing market prices at the time of resale or, if set forth in the applicable Pricing Supplement, at a fixed public offering price, as determined by such Agent. After any initial public offering of Notes to be resold to purchasers at a fixed public offering price, the public offering price and any concession or discount may be changed. In addition, an Agent may offer Notes purchased by it as principal to other dealers. Notes sold by such Agent to a dealer may be sold at a discount and, unless otherwise specified in the applicable Pricing Supplement, such discount allowed will not be in excess of the discount received by an Agent from the Company. Unless otherwise specified in the applicable Pricing Supplement, any Note purchased by an Agent as principal will be purchased at 100% of the principal amount or face amount thereof less a percentage equal to the commission applicable to an agency sale of a Note of identical maturity.

No Note will have an established trading market when issued. The Notes will not be listed on any securities exchange. An Agent may make a market in the Notes, but such Agent is not obligated to do so and may discontinue any market-making at any time without notice. There can be no assurance of a secondary market for any Notes, or that the Notes will be sold.

An Agent, whether acting as agent or principal, may be deemed to be an "underwriter" within the meaning of the Securities Act. The Company has agreed to indemnify the Agents against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Agents may be required to make in respect thereof.

DEBT SECURITIES  
PREFERRED STOCK  
COMMON STOCK  
CLASS C COMMON STOCK

Coca-Cola Bottling Co. Consolidated (the "COMPANY"), a Delaware corporation, may offer and sell from time to time, together or separately (i) its debt securities ("DEBT SECURITIES"); (ii) shares of one or more classes of its preferred stock ("PREFERRED STOCK"); (iii) shares of its Common Stock, \$1.00 par value per share ("COMMON STOCK"); and (iv) shares of its Class C Common Stock, \$1.00 par value per share ("CLASS C COMMON STOCK") (collectively, the "SECURITIES"), all having an aggregate initial public offering price not to exceed \$400,000,000, at prices and on terms to be determined at the time of sale.

The specific terms of the particular Securities in respect of which this Prospectus is being delivered (the "OFFERED SECURITIES") will be set forth in an accompanying supplement to this Prospectus (the "PROSPECTUS SUPPLEMENT"), including, where applicable, the initial public offering price thereof, the net proceeds to the Company, the listing on any securities exchange, other specific terms of the Offered Securities, and: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, original issue discount (if any), authorized denominations, maturity, premium (if any), the rate (which may be fixed or variable), time and method of calculating payment of interest (if any), the place or places where principal of, premium (if any) and interest (if any) thereon will be payable and the dates for payment thereof, any terms for redemption (either mandatory or at the option of the Company or the holder) or early repayment, any sinking fund provisions and any terms for conversion or exchange into other securities of the Company and (ii) in the case of Preferred Stock, the designation, number of shares, liquidation preference per share, initial public offering price, dividend rate (or method of calculation thereof), dates on which dividends shall be payable and dates from which dividends shall accrue, any redemption or sinking fund provisions and the terms (if any) for conversion or exchange into other securities of the Company, and (iii) in the case of Common Stock or Class C Common Stock, the number of shares and the terms of the offering and sale thereof. If so specified in the applicable Prospectus Supplement, Debt Securities may be issued in whole or in part in the form of one or more temporary or permanent global securities.

The Securities may be publicly offered through underwriting syndicates represented by one or more managing underwriters, or through one or more such firms acting alone, or through dealers. The Company may enter into an agreement with respect to the Securities then being offered providing for the sale of such Securities to, and for the purchase and public offering thereof by, the several members of such syndicate or such firm or firms (the "UNDERWRITERS"). The Securities may also be sold directly or through agents to investors. See "PLAN OF DISTRIBUTION". The Prospectus Supplement will set forth the names of any underwriters, dealers or agents involved in the sale of the Securities in respect of which this Prospectus is being delivered, any applicable fee, commission or discount arrangements with them and the resulting net proceeds to the Company.

THIS PROSPECTUS MAY NOT BE USED TO CONSUMMATE SALES OF OFFERED SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY

REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS OCTOBER 12, 1994.

NO DEALER, SALESMAN, OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR THE PROSPECTUS SUPPLEMENT DELIVERED HERewith AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER, DEALER, OR AGENT. THIS PROSPECTUS AND THE PROSPECTUS SUPPLEMENT DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES BY ANYONE IN ANY JURISDICTION IN WHICH THE OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING THE OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

#### AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "COMMISSION"). Such reports, proxy statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at its Regional Offices located at 7 World Trade Center, Thirteenth Floor, New York, New York 10048 and at Northwestern Atrium Center, 500 W. Madison Street, Chicago, Illinois 60661. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the Commission at its principal office at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549.

The Company has filed with the Commission a registration statement on Form S-3 (together with all amendments and exhibits thereto, the "REGISTRATION STATEMENT") under the Securities Act of 1933, as amended (the "SECURITIES ACT"), with respect to the Offered Securities. This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission.

Statements contained in this Prospectus as to the contents of any document referred to are not necessarily complete, and in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in all respects by such reference. For further information pertaining to the Company and the Securities, reference is made to the Registration Statement.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, which have been filed by the Company with the Commission (File No. 0-9286) are incorporated herein by reference and made a part hereof: (i) the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1994; (ii) the Company's Quarterly Reports on Form 10-Q for the quarters ended April 3, 1994 and July 3, 1994; and (iii) the Company's Current Report on Form 8-K dated May 18, 1994.

All documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in a Prospectus Supplement or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY WILL FURNISH, WITHOUT CHARGE, UPON WRITTEN OR ORAL REQUEST, TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, INCLUDING ANY BENEFICIAL OWNER, A COPY OF ANY OR ALL OF THE DOCUMENTS THAT HAVE BEEN OR MAY BE INCORPORATED HEREIN BY REFERENCE OTHER THAN EXHIBITS TO SUCH DOCUMENTS (UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE THEREIN). REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO DAVID V. SINGER, VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, COCA-COLA BOTTLING CO. CONSOLIDATED, 1900 REXFORD ROAD, CHARLOTTE, NORTH CAROLINA 28211 (TELEPHONE 704-551-4400).

THE COMPANY

The Company is engaged in the production, marketing and distribution of carbonated soft drinks, primarily products of The Coca-Cola Company, Atlanta, Georgia ("THE COCA-COLA COMPANY"). The Company (including its subsidiaries and its 50% owned affiliate) holds franchises to produce and market carbonated soft drinks, primarily products of The Coca-Cola Company within certain territories in the states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia and West Virginia. The Company also produces and distributes certain other brands of soft drinks within such territories. The Company considers selective acquisitions for additional territories on an ongoing basis. To achieve its goals, further purchases of franchise rights and entities possessing such rights and other related transactions designed to facilitate such purchases may occur.

The Company is a Delaware corporation incorporated in 1980 as the successor to a business originally formed in 1902. The Company's principal executive offices are located at 1900 Rexford Road, Charlotte, North Carolina 28211, and its telephone number is (704)551-4400.

USE OF PROCEEDS

Except as otherwise set forth in a Prospectus Supplement, the Company intends to use the net proceeds from the sale of Securities for general corporate purposes, including repayment of debt, future acquisitions, capital expenditures and working capital. The Company is engaged in an ongoing program of selective acquisitions for additional territories and regularly evaluates the desirability of making such acquisitions. Except as may be specifically set forth in a Prospectus Supplement, the Company has no understandings or agreements with respect to any specific significant acquisition or investment.

RATIOS

The table below sets forth the ratios of earnings to fixed charges and the ratios of earnings to combined fixed charges and preferred stock dividends of the Company and its consolidated subsidiaries for the periods indicated. The ratios have been computed using the amounts for the Company, its consolidated subsidiaries and its proportionate share of losses incurred by its fifty percent (50%) owned affiliate. Earnings available for fixed charges represent earnings before income taxes, extraordinary items and fixed charges. Fixed charges represent interest incurred plus that portion of rental expense deemed to be the equivalent of interest. Preferred Stock dividends represent all such dividends paid by the Company in respect of its Preferred Stock, increased to an amount representing the pre-tax earnings which would be required to cover such dividend requirements.

	SIX MONTHS ENDED		FISCAL YEAR ENDED <sup>1</sup>		
	JULY 3, 1994	JULY 4, 1993	1993	1992 <sup>3</sup>	1991 <sup>4</sup>
Ratio of Earnings to Fixed Charges.....	1.66x	1.66x	1.59x	1.11x	1.11x
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.....	1.66x	1.66x	1.59x	0.91x	1.08x
	1990 <sup>4</sup>	1989 <sup>2</sup>			
Ratio of Earnings to Fixed Charges.....	1.07x	0.91x			
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.....	0.94x	0.91x			

1 The Company's fiscal year ends on the Sunday nearest December 31.  
 2 For the year ended December 31, 1989, earnings, as defined, were inadequate to cover (i) fixed charges and (ii) combined fixed charges and preferred stock dividends. The coverage deficiency, in each case, was \$2,474,000.  
 3 For the year ended January 3, 1993, earnings, as defined, were inadequate to cover combined fixed charges and preferred stock dividends, as a result of the Company's effective tax rate of 57% in 1992.  
 4 For the year ended December 30, 1990, earnings, as defined, were inadequate to cover combined fixed charges and preferred stock dividends, as a result of the Company's effective tax rate of 90% in 1990. Had the Company's effective rate been 38%, consistent with the effective tax rate in 1993, the preferred stock dividend factor for 1990 would have been \$722,000 resulting in a ratio of earnings to combined fixed charges and preferred stock dividends of 1.05 for 1990.

#### DESCRIPTION OF DEBT SECURITIES

The Debt Securities which the Company may offer under this Prospectus will be issued under an Indenture dated as of July 20, 1994 (hereinafter referred to as the "INDENTURE"), between the Company and NationsBank of Georgia, National Association, as Trustee (the "TRUSTEE"). A copy of the Indenture has been filed as an exhibit to the Registration Statement. The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Indenture. Section references herein or in a Prospectus Supplement refer to such Sections in the Indenture, which Sections are incorporated herein or therein by reference. Terms used herein or in a Prospectus Supplement that are not otherwise defined herein or therein shall have the meanings given in the Indenture, which definitions are incorporated herein or therein by reference.

The Debt Securities may be issued from time to time in one or more series. The particular terms of each series of Debt Securities offered pursuant to any Prospectus Supplement or Prospectus Supplements will be described in such Prospectus Supplement or Prospectus Supplements relating to such series.

#### GENERAL

The Indenture does not limit the aggregate amount of Debt Securities that may be issued thereunder, and Debt Securities may be issued thereunder from time to time in separate series, up to the aggregate amount from time to time authorized by the Company for each series. The Debt Securities will be unsecured obligations of the Company and will rank equally and ratably with other unsecured and unsubordinated indebtedness of the Company.

The applicable Prospectus Supplement or Prospectus Supplements will describe the following terms of the series of Debt Securities ("OFFERED DEBT SECURITIES") in respect of which this Prospectus is being delivered: (1) the title of the Offered Debt Securities; (2) any limit on the aggregate principal amount of the Offered Debt Securities; (3) whether the Offered Debt Securities will be issued in whole or in part in global form and, if so, the name of the Depositary; (4) the price or prices (expressed as a percentage of the aggregate principal amount thereof) at which the Offered Debt Securities will be issued; (5) the date or dates on which the principal of the Offered Debt Securities is payable; (6) the rate or rates at which the Offered Debt Securities will bear interest, if any, and the date or dates from which any such interest will accrue; (7) the Interest Payment Dates on which any such interest on the Offered Debt Securities will be payable and the Regular Record Date with respect thereto; (8) the obligation, if any, of the Company to redeem or repay the Offered Debt Securities pursuant to any sinking fund or analogous provisions or at the option of a holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which the Offered Debt Securities shall be redeemed or repurchased, in whole or in part, pursuant to such obligations; (9) each office or agency where, subject to the terms of the Indenture as described below under "Payment and Paying Agents", the principal of and any premium and interest on the Offered Debt Securities will be payable and each office or agency where, subject to the terms of the Indenture as described under "Denominations; Registration of Transfers and Exchange", the Offered Debt Securities may be presented for registration of transfer or exchange; (10) the period or periods within which, the price or prices at which and the terms and conditions upon which the Offered Debt Securities may be redeemed, in whole or in part, at the option of the Company, or repaid at the option of the Holder, prior to Stated Maturity (in which case the Company intends to comply with the requirements of Section 14(e) and Rule 14e-1 under the Exchange Act in connection therewith, if applicable) and, if so, the provisions related to such redemption or repayment including, in the case of an Original Issue Discount Security, the information necessary to determine the amount due upon redemption or repayment; (11) the denominations in which any Offered Debt Securities will be issuable, if other than denominations of \$1,000 and any integral multiple thereof; (12) if other than the principal amount thereof, the portion of the principal amount of Offered Debt Securities that shall be payable upon declaration of acceleration of the maturity thereof; (13) the application, if any, of either or both of the sections of the Indenture relating to defeasance to the Offered Debt Securities; (14) any other terms of the Offered Debt Securities not inconsistent with the provisions of the Indenture.

Debt Securities may be issued as Original Issue Discount Securities to be sold at a substantial discount from their principal amount. Special federal income tax considerations applicable to Debt Securities issued at an original issue discount, including Original Issue Discount Securities, will be described in the Prospectus Supplement relating thereto.

#### DENOMINATIONS; REGISTRATION OF TRANSFERS AND EXCHANGE

Debt Securities of a given series will be issued only in fully registered form without coupons in denominations of \$1,000 and integral multiples thereof, unless otherwise specified in the related Prospectus Supplement. (SECTION 302)



Debt Securities may be presented for registration of transfer or for exchange (duly endorsed or accompanied by a written instrument of transfer duly executed), at the office of the Security Registrar or at the office of any transfer agent designated by the Company for such purpose with respect to any series of Debt Securities and referred to in an applicable Prospectus Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Indenture. The Company has initially appointed the Trustee as Security Registrar. (SECTION 305) If a Prospectus Supplement refers to any transfer agents (in addition to the Security Registrar) initially designated by the Company with respect to any series of Debt Securities, the Company may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that the Company will be required to maintain a transfer agent in each place where principal and any premium and interest in respect of any such series are payable. The Company may at any time designate additional transfer agents with respect to any series of Debt Securities. (SECTION 1002)

In the event of any redemption of Debt Securities of any series, the Company will not be required to (i) issue, register the transfer of or exchange Debt Securities of such series during a period beginning at the opening of business 15 days before the mailing of a notice of redemption with respect to Debt Securities of the series to be redeemed and ending at the close of business on the day of such mailing, or (ii) register the transfer of or exchange any Debt Security, or portion thereof, called for redemption, except the unredeemed portion of any Debt Security being redeemed in part. (SECTION 305)

#### PAYMENT AND PAYING AGENTS

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of and any premium and interest on Debt Securities will be made at the office of such Paying Agent or Paying Agents as the Company may designate from time to time, except that at the option of the Company payment of any interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the Security Register. Unless otherwise indicated in an applicable Prospectus Supplement, payment of any interest due on Debt Securities on any interest payment date will be made to the Person in whose name such Debt Security is registered at the close of business on the Regular Record Date for such interest. (SECTION 307)

Unless otherwise indicated in an applicable Prospectus Supplement, the principal office of the Paying Agent will be designated as the Company's Paying Agent for payments with respect to Debt Securities. Any other Paying Agents initially designated by the Company for the Debt Securities will be named in an applicable Prospectus Supplement. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that the Company will be required to maintain a Paying Agent in each place where principal and any premium or interest in respect of such series of Debt Securities are payable. (SECTION 1002)

All moneys paid by the Company to the Trustee or a Paying Agent for the payment of principal of and any premium or interest on any Debt Security which remain unclaimed for two years after such principal, premium or interest has become due and payable may be paid to the Company and thereafter the holder of such Debt Security, as a general unsecured creditor, may look only to the Company for payment thereof. (SECTION 1003)

#### GLOBAL SECURITIES

The Debt Securities of a series may be issued in the form of one or more fully registered securities in global form (a "GLOBAL SECURITY") that will be deposited with, or on behalf of, a depository (the "DEPOSITARY") identified in the Prospectus Supplement relating to such series. In such case, one or more Global Securities will be issued in a denomination or aggregate denominations in an amount equal to the aggregate principal amount of all outstanding Debt Securities of the series represented by such Global Security or Securities. Unless and until it is exchanged in whole or in part for Debt Securities in definitive registered form, a Global Security may not be transferred except as a whole by the Depository for such Global Security to the nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository to any such nominee to a successor of such Depository or a nominee of such successor Depository. (SECTION 305)

The specific terms of the depository arrangement with respect to a series of Debt Securities will be described in the Prospectus Supplement relating to such series. The Company anticipates that the following provisions will apply to all depository arrangements.

Upon the issuance of a Global Security, and the deposit of such Global Security with or on behalf of the Depository for such Global Security, the Depository will credit, on its book-entry registration and transfer system, the respective principal

amounts of the individual Debt Securities represented by such Global Security to the accounts of institutions that have accounts with such Depository or its nominee ("PARTICIPANTS"). Such accounts will be designated by the underwriters or agents for such Debt Securities or by the Company, if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in such Global Security will be limited to participants or Persons that may hold interests through participants. Ownership of beneficial interests by participants in such Global Security will be shown on, and the transfer of the ownership interest will be effected only through, records maintained by the Depository or its nominee for such Global Security. Ownership of beneficial interests in such Global Security by Persons that hold through participants will be shown on, and the transfer of that ownership interest will be effected only through, records maintained by such participant. The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Security.

So long as the Depository for a Global Security, or its nominee, is the registered owner or Holder of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or Holder of the individual Debt Securities represented by such Global Security for all purposes under the Indenture. Except as set forth below, owners of beneficial interests in a Global Security will not be entitled to have any of the individual Debt Securities of the series represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of Debt Securities of such series in definitive form and will not be considered the Holders thereof for any purposes under the Indenture. Accordingly, each Person owning a beneficial interest in such Global Security must rely on the procedures of the Depository and, if such Person is not a participant, on the procedures of the participant through which such Person owns its interest, to exercise any rights of a Holder under the Indenture. The Indenture provides that the Depository may grant proxies and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a Holder is entitled to give or take under the Indenture. (SECTION 104) The Company understands that under existing industry practices, if the Company requests any action of Holders or if an owner of a beneficial interest in such Global Security desires to give any notice or take any action that a Holder is entitled to give or take under the Indenture, the Depository would authorize the participants to give such notice or take such action, and participants would authorize beneficial owners owning through such participants to give such notice or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Principal, premium, if any, and interest payments on individual Debt Securities represented by a Global Security of a Depository or its nominee will be made to the Depository or its nominee, as the case may be, as the registered owner of a Global Security representing such Global Security. None of the Company, the Trustee or any Paying Agent for such Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Security or Securities for such Debt Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. (SECTION 308)

The Company expects that the Depository for a series of Debt Securities or its nominee, upon receipt of any payment of principal, premium or interest with respect to a definitive Global Security representing any of such Debt Securities, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of the Depository or its nominee. The Company also expects that payments by participants to owners of beneficial interests in such Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participants.

If the Depository for a series of Debt Securities is at any time unwilling or unable to continue as Depository and a successor Depository is not appointed by the Company within 90 days, the Company will issue individual Debt Securities of such series in definitive form in exchange for the Global Security or Securities representing such series of Debt Securities. In addition, the Company may at any time and in its sole discretion, subject to any limitations described in the Prospectus Supplement relating to such Debt Securities, determine not to have the Debt Securities of a series represented by one or more Global Securities and, in such event, will issue individual Debt Securities of such series in definitive form in exchange for the Global Security or Securities representing such series of Debt Securities. (SECTION 305)

Further, if the Company so specifies with respect to the Debt Securities of a series, an owner of a beneficial interest in a Global Security representing Debt Securities of such series may, on terms acceptable to the Company and the Depository for such Global Security, receive Debt Securities of such series in definitive form. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to have Debt Securities of the series represented by such Global Security equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such Debt Securities in definitive form. Debt Securities of such series so issued in definitive form will, except as set forth in the

applicable Prospectus Supplement, be issued in denominations of \$1,000 and integral multiples thereof and will be issued in registered form only without coupons. (SECTION 305)

#### CERTAIN COVENANTS OF THE COMPANY

##### CERTAIN DEFINITIONS APPLICABLE TO COVENANTS (SECTION 101):

The term "Subsidiary" of the Company is defined as a corporation more than 50% of the voting stock of which is owned, directly or indirectly, by the Company and/or one or more Subsidiaries of the Company.

The term "Restricted Subsidiary" is defined as a Subsidiary of the Company which (1) owned a Principal Property as of the date of the Indenture, or (2) acquired or acquires a Principal Property after such date from the Company or a Restricted Subsidiary other than for cash equal to such property's fair market value as determined by the Board of Directors of the Company, or (3) acquired or acquires a Principal Property after such date by purchase with funds substantially all of which are provided by the Company or a Restricted Subsidiary or with the proceeds of indebtedness for money borrowed, which indebtedness is guaranteed in whole or in part by the Company or a Restricted Subsidiary, or (4) is a party to any contract with respect to the bottling, canning, packaging or distribution of soft drinks or soft drink products, other than any such contract which in the opinion of the Board of Directors of the Company is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety.

"Principal Property" is defined to mean any bottling, distribution or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, owned or leased by the Company or any Subsidiary, the gross book value of which (without deduction of any depreciation reserves) on the date as of which the determination is being made exceeds 3% of Consolidated Net Tangible Assets, other than any such facility which in the opinion of the Board of Directors of the Company is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety.

"Attributable Debt" is defined to mean the total net amount of rent required to be paid during the remaining term of certain leases, discounted at the rate per annum equal to the weighted average interest rate borne by the Debt Securities.

"Consolidated Net Tangible Assets" is defined to mean the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting (1) all current liabilities, and (2) goodwill and like intangibles of the Company and its consolidated subsidiaries.

##### RESTRICTIONS ON DEBT

The Company (1) will not itself, and will not permit any Restricted Subsidiary, to incur or guarantee any evidence of any indebtedness for money borrowed ("DEBT") secured by a mortgage, pledge or lien ("MORTGAGE") on any Principal Property of the Company or any Restricted Subsidiary, or on any share of capital stock or Debt of any Restricted Subsidiary, without securing or causing such Restricted Subsidiary to secure the Debt Securities equally and ratably with (or, at the Company's option, prior to) such secured Debt, and (2) will not permit any Restricted Subsidiary to incur or guaranty any unsecured Debt or to issue any preferred stock, in each instance unless the aggregate amount of (A) all such Debt, (B) the aggregate preferential amount to which such preferred stock would be entitled on any involuntary distribution of assets and (C) all Attributable Debt of the Company and its Restricted Subsidiaries with respect to sale and leaseback transactions involving Principal Properties (with the exception of such transactions which are excluded as described in "Restrictions on Sales and Leasebacks" below), would not exceed 10% of Consolidated Net Tangible Assets.

The above restriction does not apply to, and there will be excluded from Debt in any computation under such restriction, (1) Debt secured by Mortgages on property of, or on any shares of capital stock or Debt of, any corporation, and unsecured Debt of any corporation, existing at the time such corporation becomes a Restricted Subsidiary, (2) Debt secured by Mortgages in favor of the Company or a Restricted Subsidiary and unsecured Debt payable to the Company or a Restricted Subsidiary, (3) Debt secured by Mortgages in favor of governmental bodies to secure progress or advance payments, (4) Debt secured by Mortgages on property, shares of capital stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation) or incurred within certain time limits to finance the acquisition thereof or construction thereon, (5) unsecured Debt incurred within certain time limits to finance the acquisition of property, shares of capital stock or Debt (other than shares of capital stock or Debt of the Company) or to finance construction on such property, (6) Debt secured by Mortgages securing industrial revenue bonds or (7) any extension, renewal or replacement of any Debt referred to in the foregoing clauses (1) through (6) inclusive. In addition, the above restriction does not apply to any issuance of preferred stock by a Restricted Subsidiary to the Company or another Restricted Subsidiary, provided that such preferred stock shall not thereafter be transferrable to any person other than the Company or a Restricted Subsidiary. (SECTION 1006)

#### RESTRICTIONS ON SALES AND LEASEBACKS

Neither the Company nor any Restricted Subsidiary may enter into any sale and leaseback transaction involving any Principal Property, unless, after giving effect thereto, the aggregate amount of all Attributable Debt of the Company and its Restricted Subsidiaries with respect to all such transactions plus all Debt to which SECTION 1006 is applicable (as described in "Restrictions on Debt" above) would not exceed 10% of Consolidated Net Tangible Assets.

This restriction does not apply to, and there shall be excluded in any computation of Attributable Debt under such restriction, Attributable Debt with respect to any sale and leaseback transaction if (1) the lease is for a period of not in excess of three years, including renewal rights, (2) the sale or transfer of the Principal Property is made within a specified period after the later of its acquisition or construction, (3) the lease secures or relates to industrial revenue or pollution control bonds, (4) the transaction is between the Company and a Restricted Subsidiary or between Restricted Subsidiaries or (5) the Company or a Restricted Subsidiary, within 180 days after the sale or transfer is completed, applies to the retirement of Funded Debt of the Company or a Restricted Subsidiary ranking on a parity with or senior to the Debt Securities, or to the purchase of other property which will constitute Principal Property of a value at least equal to the value of the Principal Property leased in such sale and leaseback transaction, an amount not less than the greater of (i) the net proceeds of the sale of the Principal Property so leased, or (ii) the fair market value of the Principal Property leased. In lieu of applying the proceeds of such sale to the retirement of Funded Debt, the Company may receive credit for (1) the principal amount of any Debt Securities (or other notes or debentures constituting Funded Debt of the Company or a Restricted Subsidiary) delivered within such 180-day period to the applicable trustee for retirement and cancellation, and (b) the principal amount of any other Funded Debt voluntarily retired within such 180-day period. (SECTION 1007)

#### EVENTS OF DEFAULT AND REMEDIES

The Indenture defines an "Event of Default" whenever used therein with respect to Debt Securities of any series as one or more of the following events: (1) default in the payment of interest, if any, on Debt Securities of such series for 30 days after becoming due; (2) default in the payment of principal of (or premium, if any, on) Debt Securities of such series when due; (3) default in the deposit of any sinking fund when and as due by the terms of Offered Debt Securities; (4) default in the performance of any other covenant for 90 days after notice; (5) certain events of bankruptcy, insolvency or reorganization; (6) a default under or the acceleration of the maturity date of any bond, debenture, note or other evidence of indebtedness of the Company or any Restricted Subsidiary (other than the Debt Securities of such series) or a default under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed and the expiration of any applicable grace period specified in such evidence of indebtedness, indenture or other instrument, if the aggregate amount of indebtedness with respect to which such default or acceleration has occurred exceeds \$1.0 million; and (7) any other Event of Default provided with respect to Debt Securities of such series. If any Event of Default described above shall occur and be continuing, then either the Trustee or the Holders of at least 25% in principal amount of the outstanding Debt Securities of that series may declare the principal amount (or, if any of the Offered Debt Securities are Original Issue Discount Securities, such portion of the principal amount of such Debt Securities as may be specified by the terms thereof) of all of the Offered Debt Securities to be due and payable immediately. (SECTIONS 501 AND 502)

The Indenture provides that the Trustee, within 90 days after the occurrence of a default with respect to any series of Debt Securities, shall give to the Holders of Debt Securities of that series notice of all uncured defaults known to it (the term default to mean any events specified above which is, or after notice or lapse of time or both would become, an Event of Default with respect to the Offered Debt Securities); provided that, except in the case of default in the payment of the principal of (or premium, if any) or interest on any Debt Securities or in the payment of any sinking fund installment with respect to the Offered Debt Securities, the Trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the Holders of Debt Securities. (SECTION 602)

The Company is required to furnish to the Trustee annually a certificate by certain officers of the Company stating whether or not to the best of their knowledge the Company is in default in the fulfillment of its covenants under the Indenture and, if there has been a default in the fulfillment of any such covenant, specifying the nature and status of each such default. (SECTION 1005)

The Holders of a majority in principal amount of the outstanding Offered Debt Securities (voting as one class) will have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Offered Debt Securities, and to waive certain defaults. (SECTIONS 512 AND 513)

The Indenture provides that in case an Event of Default shall occur and be continuing, the Trustee shall exercise such of its rights and powers under the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. (SECTION 601)

Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders of Debt Securities unless they shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. (SECTION 603)

#### CONSOLIDATION, MERGER AND SALE OF ASSETS

The Company shall not consolidate with or merge into, or transfer all or substantially all of its assets to, any person unless (i) that person (including the successor corporation) is a corporation organized under the laws of the United States of America or any State or the District of Columbia; (ii) that person (including the successor corporation) assumes by supplemental Indenture all of the Company's obligations on Debt Securities outstanding at that time; and (iii) after giving effect thereto, no Event of Default, and no event which, after notice or lapse of time, would become an Event of Default shall have occurred and be continuing. The Indenture further provides that no such consolidation or merger of the Company with or into any other corporation and no conveyance or transfer of all or substantially all of its property to any person may be made if, as a result thereof, any Principal Property of the Company or any Restricted Subsidiary would become subject to a Mortgage which is not expressly excluded from the restrictions or permitted by the provisions of SECTION 1006 (see "Restrictions on Debt") unless the Debt Securities are secured equally and ratably with (or, at the Company's option, prior to) the Debt secured by such Mortgage by a lien upon such Principal Property. (SECTION 801)

#### DEFEASANCE

The Prospectus Supplement will state whether any defeasance provision will apply to any Offered Debt Securities which are the subject thereof.

The Indenture provides, if such provision is made applicable to the Debt Securities of any series pursuant to SECTION 301 of the Indenture, that the Company may elect either (A) to defease and be discharged from any and all obligations with respect to such Debt Securities (except for the obligation to register the transfer or exchange of such Debt Securities, to replace temporary or mutilated, destroyed, lost or stolen Debt Securities, to maintain an office or agency in respect of the Debt Securities and to hold moneys for payment in trust) ("DEFEASANCE") or (B) to be released from its obligations with respect to such Debt Securities under SECTIONS 501(5), 1006 and 1007 of the Indenture (being the cross-default provisions described in clause (6) under "EVENTS OF DEFAULT AND REMEDIES" and the restrictions described under "Restrictions on Debt" and "Restrictions on Sales and Leasebacks", respectively) ("COVENANT DEFEASANCE"), upon the deposit with the Trustee (or other qualifying trustee), in trust for such purpose, of money and/or U.S. Government Obligations which through the payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and interest, if any, on such Debt Securities, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor. In the case of defeasance, the Holders of such Debt Securities are entitled to receive payments in respect of such Debt Securities solely from such trust. Such a trust may only be established if, among other things, the Company has delivered to the Trustee an opinion of counsel (as specified in the Indenture) to the effect that the Holders of such Debt Securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred. Such opinion, in the case of defeasance under clause (A) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax law occurring after the date of the Indenture. The Prospectus Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance with respect to the Debt Securities of a particular series. (ARTICLE THIRTEEN)

#### MODIFICATION

Modifications and amendments of the Indenture may be made by the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Debt Securities issued under the Indenture which are affected by the modification or amendment (which Holders, in the case of a Global Security, shall be the Depositary appointed therefor), provided that no such modification or amendment may, without the consent of each Holder of such Debt Security affected thereby: (1) change the Stated Maturity of the principal of, or any installment of principal of or interest, if any, on, any such Debt Security; (2) reduce the principal amount of (or premium, if any) or the interest, if any, on

any such Debt Security or the principal amount due upon acceleration of an Original Issue Discount Security; (3) change the place or currency of payment of principal (or premium, if any) or interest, if any, on any such Debt Security; (4) impair the right to institute suit for the enforcement of any such payment on or with respect to any such Debt Security; (5) reduce the above-stated percentage of Holders of Debt Securities necessary to modify or amend the Indenture; or (6) modify the foregoing requirements or reduce the percentage of outstanding Debt Securities necessary to waive compliance with certain provisions of the Indenture or for waiver of certain defaults. (SECTION 902)  
THE TRUSTEE

NationsBank of Georgia, National Association, is the Trustee under the Indenture. The Company may maintain deposit accounts and conduct other banking transactions with the Trustee in the normal course of the Company's business.

#### DESCRIPTION OF PREFERRED STOCK

Under the Company's Restated Certificate of Incorporation (the "CERTIFICATE OF INCORPORATION"), the Company's Board of Directors (without any further vote or action by the Company's stockholders) is authorized to provide for the issuance, in one or more series, of up to (i) 50,000 shares of Convertible Preferred Stock having a par value of \$100.00 per share; (ii) 50,000 shares of Non-Convertible Preferred Stock having a par value of \$100.00 per share; and (iii) 20,000,000 shares of Preferred Stock having a par value of \$0.01 per share (collectively, the "PREFERRED STOCK"). The Board of Directors is authorized to fix the number of shares, the relative powers, preferences and rights, and the qualifications, limitations or restrictions applicable to each series thereof by resolution authorizing the issuance of such series. As of the date of this Prospectus, there were no shares of Preferred Stock issued and outstanding.

The description below sets forth certain general terms and provisions of each of the three classes of the Company's Preferred Stock to which a Prospectus Supplement may relate. The specific terms of any series of Preferred Stock in respect of which this Prospectus is being delivered (the "OFFERED PREFERRED STOCK") will be described in the Prospectus Supplement relating to such Offered Preferred Stock. The following summaries of certain provisions governing the Company's preferred stock do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the Certificate of Incorporation and the certificate of designations relating to each particular series of Offered Preferred Stock which will be filed with the Commission (and incorporated by reference in the Registration Statement) in connection with such Offered Preferred Stock.

If so indicated in the applicable Prospectus Supplement, the terms of any series of Offered Preferred Stock may differ from the terms set forth below, except those terms required by the Certificate of Incorporation.

#### GENERAL

The Offered Preferred Stock, when issued in accordance with the terms of the Certificate of Incorporation and of the applicable certificate of designations and as described in the applicable Prospectus Supplement, will be fully paid and non-assessable.

To the extent not fixed in the Certificate of Incorporation, the relative rights, preferences, powers, qualifications, limitations or restrictions of the Offered Preferred Stock of any series will be as fixed by the Board of Directors pursuant to a certificate of designations relating to such series. The Prospectus Supplement relating to the Offered Preferred Stock of each such series shall specify the terms thereof, including:

(1) The class, series title or designation and stated value (if any) for such Offered Preferred Stock;

(2) The maximum number of shares of Offered Preferred Stock in such series, the liquidation preference per share and the offering price per share for such Offered Preferred Stock;

(3) The dividend preferences and the dividend rate(s), period(s) and/or payment date(s) or method(s) of calculation thereof applicable to such Offered Preferred Stock;

(4) The date from which dividends on such Offered Preferred Stock will accumulate, if applicable, and whether dividends will be cumulative;

(5) The provisions for a retirement or sinking fund, if any, with respect to such Offered Preferred Stock;

(6) The provisions for redemption, if applicable, of such Offered Preferred Stock;

(7) The voting rights, if any, of shares of such Offered Preferred Stock;

(8) Any listing of such Offered Preferred Stock for trading on any securities exchange or any authorization of such Offered Preferred Stock for quotation in an interdealer quotation system of a registered national securities association;

(9) The terms and conditions, if applicable, upon which such Offered Preferred Stock will be convertible into, or exchangeable for, any other securities of the Company, including the title of any such securities and the conversion or exchange price therefor;

(10) A discussion of federal income tax considerations applicable to such Offered Preferred Stock; and

(11) Any other specific terms, preferences, rights, limitations or restrictions of such Offered Preferred Stock.

Subject to the terms of the Certificate of Incorporation and to any limitations contained in the certificate of designations pertaining to any then-outstanding series of Preferred Stock, the Company may issue additional series of Preferred Stock at any time or from time to time, with such powers, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof, as the Board of Directors shall determine, all without further action of the stockholders, including the holders of any then-outstanding series of any class of Preferred Stock of the Company.

#### DIVIDENDS

Holders of any series of Offered Preferred Stock will be entitled to receive cash dividends when, as and if declared by the Board of Directors of the Company out of funds of the Company legally available therefor, at such rate and on such dates as will be set forth in the applicable Prospectus Supplement. Each dividend will be payable to holders of record as they appear on the stock books of the Company on the record date fixed by the Board of Directors. Dividends, if cumulative, will be cumulative from and after the date set forth in the applicable Prospectus Supplement.

#### LIQUIDATION RIGHTS

The Company's Certificate of Incorporation provides that, in the event of a liquidation or dissolution of the Company, or a winding up of its affairs, whether voluntary or involuntary, or in the event of a merger or consolidation of the Company, no distributions will be made to holders of any class of the Company's common stock until after payment or provision for payment of the debts or liabilities of the Company and any amounts to which holders of shares of any class of the Company's preferred stock shall be entitled. The applicable Prospectus Supplement will specify the amount and type of distributions to which the holders of any series of Offered Preferred Stock would be entitled upon the occurrence of any such event.

#### REDEMPTION

If so provided in the applicable Prospectus Supplement, the Offered Preferred Stock will be redeemable in whole or in part at the option of the Company, at the times, at the redemption prices and in accordance with any additional terms and conditions set forth therein.

#### VOTING RIGHTS

Except as indicated in the applicable Prospectus Supplement, or except as expressly required by applicable law, the holders of any series of Offered Preferred Stock will not be entitled to vote.

#### CONVERSION

The terms and conditions, if any, on which shares of the Offered Preferred Stock are convertible into any other class of the Company's securities will be set forth in the Prospectus Supplement relating thereto. Such terms will include the designation of the security into which such shares are convertible, the conversion price, the conversion period, provisions as to whether conversion will be at the option of the holder or the Company, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of the Offered Preferred Stock. In the case of conversion of the Offered Preferred Stock into Common Stock or into any other security of the Company for which there exists an established public trading market at the time of such conversion, such terms may include provisions under which the amount of such security to be received by the holders of the Offered Preferred Stock would be calculated according to the market price of such security as of a time stated in the Prospectus Supplement.

DESCRIPTION OF COMMON STOCK  
AND CLASS C COMMON STOCK

GENERAL

The Company may issue, separately or together with or upon the conversion of or in exchange for other Securities, Common Stock and/or Class C Common Stock, all as set forth in the accompanying Prospectus Supplement relating to any Common Stock or Preferred Stock in respect of which this Prospectus is being delivered. The following summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the following documents: (i) the Certificate of Incorporation; (ii) the Company's By-Laws, as amended to date (the "BY-LAWS"); and (iii) the certificate of designations filed by the Company with respect to shares of any series of Preferred Stock which may be issued subsequent to the date of this Prospectus (and as described in any applicable Prospectus Supplement). Copies of each of the Restated Certificate of Incorporation of the Company and the Bylaws of the Company, as amended, are filed as exhibits to the Registration Statement.

In addition to the three classes of Preferred Stock described above, the authorized capital stock of the Company consists of (i) 30,000,000 shares of Common Stock having a par value of \$1.00 per share; (ii) 10,000,000 shares of Class B Common Stock having a par value of \$1.00 per share; and (iii) 20,000,000 shares of Class C Common Stock having a par value of \$1.00 per share. As of July 18, 1994, the Company had issued and outstanding: (i) 7,958,059 shares of Common Stock; (ii) options to purchase an aggregate of 250,000 shares of Common Stock, of which options to purchase an aggregate of 212,500 shares were currently exercisable; and (iii) 1,336,362 shares of Class B Common Stock. There are no outstanding shares of Class C Common Stock.

The outstanding shares of Common Stock and Class B Common Stock are, and any shares of Common Stock or Class C Common Stock offered hereby will be, upon issuance and payment therefor in accordance with the Certificate of Incorporation and as described in the applicable Prospectus Supplement, fully paid and non-assessable.

VOTING RIGHTS

The Certificate of Incorporation provides that holders of Common Stock, Class B Common Stock and Class C Common Stock shall, except to the extent provided by law, vote together as a single voting group on any matters brought before the Company's shareholders. Holders of Common Stock are entitled to one (1) vote per share on all such matters, while holders of Class B Common Stock are entitled to twenty (20) votes per share on all such matters and holders of Class C Common Stock are entitled to one-twentieth ( 1/20) vote per share on all such matters. Neither Common Stock, Class B Common Stock nor Class C Common Stock possess any cumulative voting rights under the Certificate of Incorporation.

Under the Certificate of Incorporation, the Company may not change the relative rights, preferences, privileges, restrictions, dividend rights, voting powers or other powers of the Common Stock, Class B Common Stock or Class C Common Stock without the affirmative vote of not less than two-thirds of all the votes entitled to be voted by the holders of each class of stock adversely affected thereby voting as a separate class; provided, however, that any proposed amendment to the Certificate of Incorporation which would increase the authorized number of shares of Common Stock, Class B Common Stock or Class C Common Stock would be subject to approval by a majority of all the votes entitled to be voted by holders of Common Stock, Class B Common Stock and Class C Common Stock, voting together as a single class.

DIVIDENDS

GENERAL.

Subject to any prior rights of holders of any then-outstanding shares of Preferred Stock, and to the provisions regarding relative dividend rights discussed below, holders of all three classes of the Company's common stock are entitled to receive dividends when, as and if declared by the Company's Board of Directors out of funds legally available therefor. See also "DESCRIPTION OF PREFERRED STOCK -- Dividends".

RELATIVE DIVIDEND RIGHTS.

Holders of Class B Common Stock are entitled to receive such dividends, including stock dividends, if any, in such amounts and at such rates per share as may be declared by the Company's Board of Directors out of funds legally available therefor; provided, however, that any such dividends may not exceed any such dividends declared and paid to holders of Common Stock. Holders of Common Stock are entitled to receive such dividends, including stock dividends, if any, in such amounts and at such rates as may be declared by the Board of Directors out of funds legally available therefor, which may



exceed any such dividends declared and paid to holders of Class B Common Stock. A dividend of shares may be declared and paid in Common Stock to holders of Common Stock and in Class B Common Stock to holders of Class B Common Stock, if the number of shares paid per share to holders of Common Stock and Class B Common Stock are the same.

Any dividends declared and paid on Common Stock and Class C Common Stock must be equal in amount or value and may exceed, but not be less than, any such dividends declared and paid to holders of Class B Common Stock. Dividends of shares of Common Stock may be paid to holders of Common Stock and Class C Common Stock only or to holders of all classes of the Company's common stock if the number of shares paid per share to such holders is the same. Similarly, dividends of shares of Class B Common Stock may be paid to holders of Common Stock and Class C Common Stock only or to holders of all classes of the Company's common stock if the number of shares paid per share to such holders is the same. Dividends of shares of Class C Common Stock may be paid to holders of Common Stock and Class C Common Stock only or to holders of all classes of the Company's common stock if the number of shares paid per share to such holders is the same. Additionally, a dividend of Common Stock may be paid to holders of Common Stock simultaneously with a dividend of Class B Common Stock to holders of Class B Common Stock and a dividend of Class C Common Stock to holders of Class C Common Stock, provided that the number of shares paid per share to holders of each such class is the same.

If only shares of Class B Common Stock and Class C Common Stock are outstanding, then a dividend of shares of Class C Common Stock, Class B Common Stock or Common Stock may be declared and paid to holders of Class C Common Stock only or to holders of Class B Common Stock and Class C Common Stock if the number of shares paid per share to such holders is the same; provided that a dividend of shares of Class B Common Stock may be paid to holders of Class B Common Stock while holders of Class C Common Stock receive Common Stock or Class C Common Stock if the number of shares paid to such holders is the same. Additionally, if only shares of Class B Common Stock and Class C Common Stock are outstanding, a dividend of shares of Common Stock or Class B Common Stock may be declared and paid to holders of Class B Common Stock, provided that a dividend of shares of Common Stock or Class C Common Stock is declared and paid to holders of Class C Common Stock and the number of shares paid per share to such holders is the same.

If only shares of Common Stock and Class C Common Stock are outstanding, then a dividend of shares of Common Stock, Class B Common Stock, or Class C Common Stock may be declared and paid to the holders of both Common Stock and Class C Common Stock; provided that the number of shares paid per share to such holders is the same. Additionally, if only shares of Common Stock and Class C Common Stock are outstanding, a dividend of Common Stock may be paid to holders of Common Stock and a dividend of Class C Common Stock paid to holders of Class C Common Stock if the number of shares paid per share to such holders is the same.

#### PREEMPTIVE RIGHTS

Except as may be otherwise stated in any applicable Prospectus Supplement, holders of the Common Stock, Class B Common Stock and Class C Common Stock do not have any preemptive or other rights to subscribe for additional shares of any class of the Company's capital stock.

#### LIQUIDATION RIGHTS

The Certificate of Incorporation provides that, in the event of any liquidation or dissolution of the Company, or a winding up of its affairs, whether voluntary or involuntary, or in the event of a merger or consolidation of the Company, no distributions will be made to holders of any class of the Company's common stock until after payment or provision for payment of the debts or liabilities of the Company and any amounts to which holders of shares of any then-outstanding class of Preferred Stock shall be entitled. After making such payments (or provisions therefor), holders of the Common Stock, Class B Common Stock and Class C Common Stock would be entitled to share ratably (I.E., an equal amount of assets for each share of such stock) in the distribution of the remaining assets of the Company.

#### CONVERSION RIGHTS

Except as stated otherwise in any applicable Prospectus Supplement, shares of Common Stock and Class C Common Stock do not possess any conversion rights. Shares of Class B Common Stock are convertible, at the option of the holder thereof and without the payment of any additional consideration to the Company, into shares of Common Stock on a one share for one share basis. Shares of Class B Common Stock are not convertible into shares of Class C Common Stock.

#### TRANSFERABILITY AND PUBLIC TRADING MARKET

Except as stated otherwise in any applicable Prospectus Supplement, there are no restrictions on the transferability of shares of Common Stock, Class B Common Stock or Class C Common Stock. The Common Stock currently trades on The Nasdaq Stock Market (National Market) with the symbol "COKE". Neither the Class B Common Stock nor the Class C Common Stock is currently listed for trading on any securities exchange or authorized for quotation in an interdealer quotation system of a registered national securities association.

#### OTHER FACTORS

##### PROVISION REGARDING REDEMPTION OR CALL OF CLASS C COMMON STOCK.

The Certificate of Incorporation specifically provides that shares of the Class C Common Stock shall not be made subject to any redemption or call by the Company.

##### STOCK SPLITS AND REVERSE STOCK SPLITS.

The Certificate of Incorporation provides that, except for dividends of the Company's stock, which are governed by the provisions described above, shares of Class B Common Stock outstanding at any time shall not be split up or subdivided, whether by stock distribution, reclassification, recapitalization, or otherwise, so as to increase the number of shares thereof issued and outstanding, unless at the same time the shares of Common Stock are split up or subdivided, whether by stock distribution, reclassification, recapitalization, or otherwise, so that the number of shares thereof outstanding shall be proportionately increased in order to maintain the same proportionate equity ownership (I.E., the same proportion of shares held by each class) between the holders of Common Stock and Class B Common Stock as existed on the record date of any such transaction.

Except in the case of dividends of the Company's stock, the Certificate of Incorporation also provides that, if shares of Common Stock and Class B Common Stock outstanding at any time are split or subdivided, whether by stock distribution, reclassification, recapitalization, or otherwise, so as to increase the number of shares thereof issued and outstanding, then the shares of Class C Common Stock shall be split or subdivided, whether by stock distribution, reclassification, recapitalization, or otherwise, so that the number of shares thereof outstanding shall be proportionately increased in order to maintain the same proportionate equity ownership (I.E., the same proportion of shares held by each class) among the holders of Common Stock, Class B Common Stock, and Class C Common Stock as existed on the date prior to such split or subdivision. Similarly, if shares of Class C Common Stock shall be split or subdivided in any manner, then all other outstanding classes of the Company's common stock shall be proportionately split or subdivided.

In the case of reverse splits, the Certificate of Incorporation provides that shares of Common Stock outstanding at any time shall not be reverse split or combined, whether by reclassification, recapitalization or otherwise, so as to decrease the number of shares thereof issued and outstanding, unless at the same time the shares of Class B Common Stock are reverse split or combined so that the number of shares thereof outstanding shall be proportionately decreased in order to maintain the same proportionate ownership between the holders of Common Stock and Class B Common Stock as existed on the record date of any such transaction.

The Certificate of Incorporation also provides that if shares of Common Stock and Class B Common Stock outstanding at any time are reverse split or combined, whether by reclassification, recapitalization, or otherwise, so as to decrease the number of shares thereof issued and outstanding, then the shares of all other classes of the Company's common stock shall be reverse split or combined so that the number of shares thereof outstanding shall be proportionately decreased in order to maintain the same proportionate ownership (I.E., the same proportion of shares held by each class) between the holders of Common Stock, Class B Common Stock and Class C Common Stock as existed on the date prior to the reverse split or combination. Similarly, if shares of Class C Common Stock are reverse split or combined in any manner, all other outstanding classes of the Company's common stock shall be proportionately reverse split or combined.

##### CLASSIFICATION OF BOARD OF DIRECTORS.

The Company's Board of Directors is divided into three approximately equal classes, having staggered terms of office of three years each. The affirmative vote of the holders of not less than two thirds of all of the outstanding shares of Common Stock, Class B Common Stock and Class C Common Stock, voting together as a single class, is required for the approval of any amendment, alteration, change or repeal of such classification of the Company's Board.

#### PLAN OF DISTRIBUTION

The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices (which may be changed from time to time), at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Company may also offer and sell the Securities in exchange for one or more of its outstanding issues of debt or convertible debt securities, or in exchange for one or more classes of securities of other issuers in connection with business combination transactions. Each Prospectus Supplement will describe the method of distribution of the Securities offered therein.

The Company may sell Securities in any of three ways: (i) through underwriters or dealers; (ii) through agents; or (iii) directly to one or more purchasers. The Prospectus Supplement with respect to a particular offering of Securities will set forth the terms of the offering of such Securities, including the name or names of any underwriters, dealers, or agents, the purchase price of such Securities, the proceeds to the Company from such sale, any delayed delivery arrangements, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price, any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which such Securities may be listed.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. The underwriter or underwriters with respect to a particular underwritten offering of the Securities will be named in the Prospectus Supplement relating to such offering, and if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth on the cover of such Prospectus Supplement. Unless otherwise set forth in the Prospectus Supplement relating thereto, the obligations of the underwriters or agents to purchase a particular offering of Securities will be subject to conditions precedent, and the underwriters will be obligated to purchase all the particular Securities offered if any are purchased.

If dealers are utilized in the sale of a particular offering of Securities with respect to which this Prospectus is delivered, the Company will sell such Securities to the dealers as principals. The dealers may then resell such Securities to the public at varying prices to be determined by such dealers at the time of resale. The names of the dealers and the terms of the transaction will be set forth in the Prospectus Supplement relating thereto. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Only underwriters named in a Prospectus Supplement will be deemed to be underwriters in connection with the Securities described therein. Firms not so named will have no direct or indirect participation in the underwriting of such Securities, although such a firm may participate in the distribution of such Securities under circumstances entitling it to a dealer's commission. It is anticipated that any underwriting agreement pertaining to any such Securities will (i) entitle the underwriters to indemnification by the Company against certain civil liabilities under the Securities Act or to contribution with respect to payments which the underwriters may be required to make in respect thereof, (ii) provide that the obligations of the underwriters will be subject to certain conditions precedent and (iii) provide that the underwriters generally will be obligated to purchase all such Securities if any are purchased.

Securities also may be offered directly by the Company or through agents designated by the Company from time to time at fixed prices, which may be changed, or at varying prices determined at the time of sale. Any such agent will be named, and the terms of any such agency (including any commissions payable by the Company to such agent) will be set forth, in the Prospectus Supplement relating thereto. Unless otherwise indicated in such Prospectus Supplement, any such agent will act on a reasonable best efforts basis for the period of its appointment. Agents named in a Prospectus Supplement may be deemed to be underwriters (within the meaning of the Securities Act) of the Securities described therein and, under agreements which may be entered into with the Company, may be entitled to indemnification by the Company against certain civil liabilities under the Securities Act or to contribution with respect to payments which the agents may be required to make in respect thereof.

If so indicated in a Prospectus Supplement, the Company will authorize underwriters or other agents of the Company to solicit offers by certain specified entities to purchase Securities from the Company pursuant to delayed delivery contracts providing for payment and delivery at a specified future date. The obligations of any purchaser under any such contract will not be subject to any conditions except those described in such Prospectus Supplement. Such Prospectus Supplement will set forth the commissions payable for solicitations of such contracts.

Underwriters and agents may from time to time purchase and sell Securities in the secondary market, but are not obligated to do so, and there can be no assurance that there will be a secondary market for the Securities or liquidity in the secondary market if one develops. From time to time, underwriters and agents may make a market in the Securities. A particular offering of Securities may or may not be listed on a national securities exchange.

Underwriters and agents may engage in transactions with, or perform services for, the Company and its subsidiaries in the ordinary course of business.

#### EXPERTS

The consolidated financial statements and financial statement schedules incorporated in this Prospectus by reference to the Annual Report on Form 10-K of Coca-Cola Bottling Co. Consolidated for the fiscal year ended January 2, 1994 have been so incorporated in reliance on the reports of Price Waterhouse, independent accountants, given on the authority of said firm as experts in accounting and auditing.

Any financial statements and schedules hereafter incorporated by reference in the Registration Statement of which this prospectus is a part that have been audited and are the subject of a report by independent accountants will be so incorporated by reference in reliance upon such reports and upon the authority of such firms as experts in accounting and auditing to the extent covered by consents filed with the Commission.

#### LEGAL OPINIONS

Certain legal matters relating to the Securities offered hereby will be passed upon for the Company by Witt, Gaither & Whitaker, P.C., 1100 American National Bank Building, Chattanooga, Tennessee 37402, and for any underwriters or agents by Cravath, Swaine & Moore. John W. Murrey, III, a director of the Company, is a member of Witt, Gaither & Whitaker, P.C.. As of October 1, 1994, he beneficially owned, directly or indirectly, 500 shares of the Common Stock of the Company. John F. Henry, Jr., Secretary of the Company, is also a member of Witt, Gaither & Whitaker, P.C..

NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS SUPPLEMENT, THE ACCOMPANYING PROSPECTUS OR ANY PRICING SUPPLEMENT IN CONNECTION WITH THE OFFER CONTAINED HEREIN AND, IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY AGENT, DEALER OR UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT, THE ACCOMPANYING PROSPECTUS OR ANY PRICING SUPPLEMENT NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN OR IN THE ACCOMPANYING PROSPECTUS OR ANY PRICING SUPPLEMENT IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF OR THEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THEREOF. NEITHER THIS PROSPECTUS SUPPLEMENT NOR THE ACCOMPANYING PROSPECTUS NOR ANY PRICING SUPPLEMENT CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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\$400,000,000  
 COCA-COLA  
 BOTTLING CO.  
 CONSOLIDATED  
 MEDIUM-TERM NOTES,  
 SERIES B  
 DUE MORE THAN NINE MONTHS  
 FROM DATE OF ISSUE

(Coca-Cola logo appears here)

SALOMON BROTHERS INC  
 CITICORP SECURITIES, INC.  
 PROSPECTUS SUPPLEMENT  
 DATED MARCH 3, 1995