SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 28, 2003
Commission file number 0-9286

Coca-Cola Bottling Co. Consolidated

(Exact name of registrant as specified in its charter)

Delaware	**56-0950585**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

4100 Coca-Cola Plaza, Charlotte, North Carolina 28211

(Address of principal executive offices) (Zip Code)

(704) 557-4400

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act: None
Securities Registered Pursuant to Section 12(g) of the Act:

Common Stock, $l.00 Par Value

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes ☒ No ☐

State the aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

	Market Value as of June 27, 2003
Common Stock, $l.00 Par Value	$258,017,058
Class B Common Stock, $l.00 Par Value	*

* No market exists for the shares of Class B Common Stock, which is neither registered under Section 12 of the Act nor subject to Section 15(d) of the Act. The Class B Common Stock is convertible into Common Stock on a share-for-share basis at the option of the holder.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	**Outstanding as of March 3, 2004**
Common Stock, $1.00 Par Value	6,642,577
Class B Common Stock, $1.00 Par Value	2,420,752

Documents Incorporated by Reference

Portions of Proxy Statement to be filed pursuant to Section 14 of the Exchange Act with respect to the 2004 Annual Meeting of Stockholders.	Part III, Items 10-14

Part I

Item 1. *Business*

Introduction and Recent Developments

Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the “Company”), produces, markets and distributes carbonated and noncarbonated beverages, primarily products of The Coca-Cola Company, Atlanta, Georgia (“The Coca-Cola Company”). The Company was incorporated in 1980, and its predecessors have been in the soft drink manufacturing and distribution business since 1902.

The Company has grown significantly since 1984. In 1984, net sales were approximately $130 million. In 2003 net sales were approximately $1.2 billion. The Company’s bottling territory was concentrated in North Carolina prior to 1984. A series of acquisitions since 1984 has significantly expanded the Company’s bottling territory. The most significant transactions since 1993 were as follows:

- July 2, 1993—Piedmont Coca-Cola Bottling Partnership (“Piedmont”) was formed. Piedmont is an entity originally owned equally by the Company and The Coca-Cola Company through their respective subsidiaries. Piedmont distributes and markets soft drink products, primarily in parts of North Carolina and South Carolina. The Company sold and contributed certain territories to Piedmont upon formation. The Company currently provides part of the finished product requirements for Piedmont and receives a fee for managing the operations of Piedmont pursuant to a management agreement.
- June 1, 1994—The Company executed a management agreement with South Atlantic Canners, Inc. (“SAC”), a manufacturing cooperative located in Bishopville, South Carolina. The Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to a management agreement.
- January 2, 2002—The Company purchased for $10.0 million an additional 4.651% interest in Piedmont from The Coca-Cola Company, increasing the Company’s ownership in Piedmont to 54.651%. As a result of the increase in ownership, the results of operations, financial position and cash flows of Piedmont were consolidated with those of the Company beginning in the first quarter of 2002.
- March 28, 2003—The Company purchased 50% of The Coca-Cola Company’s remaining interest in Piedmont for $53.5 million. This transaction increased the Company’s ownership interest in Piedmont from 54.651% to 77.326%.

These transactions, along with several smaller acquisitions of additional bottling territories, have resulted in the Company becoming the second largest Coca-Cola bottler in the United States. The Company considers acquisition opportunities for additional territories on an ongoing basis. To achieve its goals, further purchases and sales of bottling rights and entities possessing such rights and other related transactions designed to facilitate such purchases and sales may occur.

On February 27, 2004, The Coca-Cola Company had a 27.4% interest in the Company’s total outstanding Common Stock and Class B Common Stock on a combined basis. J. Frank Harrison, III and Reid M. Henson (as trustee of certain trusts) are parties to a Voting Agreement and Irrevocable Proxy with The Coca-Cola Company pursuant to which, among other things, Mr. Harrison, III has been granted an Irrevocable Proxy for life concerning the shares of Common Stock and Class B Common Stock owned by The Coca-Cola Company. As of March 3, 2004, Mr. Harrison, III owned or controlled approximately 92% of the combined voting power of the Company’s outstanding Common Stock and Class B Common Stock.

General

In its soft drink operations, the Company holds Bottle Contracts and Allied Bottle Contracts under which it produces and markets, in certain regions, carbonated soft drink products of The Coca-Cola Company, including

Coca-Cola classic, caffeine free Coca-Cola classic, diet Coke, diet Coke with lemon, diet Coke with lime, caffeine free diet Coke, Cherry Coke, diet Cherry Coke, Vanilla Coke, diet Vanilla Coke, TAB, Sprite, diet Sprite, Sprite Remix, Mello Yello, diet Mello Yello, Mello Yello Cherry, Mr. PiBB, sugar free Mr. PiBB, Barq's Root Beer, diet Barq's Root Beer, Fresca, Fanta flavors, Seagrams' products, Minute Maid orange and diet Minute Maid orange.

The Company also distributes and markets under Noncarbonated Beverage Contracts products such as POWERade, Dasani and Minute Maid Juices To Go in certain of its markets. The Company produces and markets Dr Pepper in some of its regions. The Company also distributes and markets various other products, including Sundrop, in one or more of the Company's regions under agreements with the companies that manufacture the concentrate for those beverages. In addition, the Company also produces soft drinks for other Coca-Cola bottlers.

The Company's principal soft drink is Coca-Cola classic. In each of the last three fiscal years, sales of products under the Coca-Cola trademark have accounted for more than half of the Company's soft drink sales. In total, the products of The Coca-Cola Company accounted for approximately 91% of the Company's soft drink sales volume during 2003.

Beverage Agreements

The Company holds contracts with The Coca-Cola Company which entitle the Company to produce and market The Coca-Cola Company's soft drinks in bottles, cans and five gallon, pressurized pre-mix containers. The Company is one of many companies holding such contracts. The Coca-Cola Company is the sole owner of the secret formulas pursuant to which the primary components (either concentrates or syrups) of Coca-Cola trademark beverages and other trademark beverages are manufactured. The concentrates, when mixed with water and sweetener, produce syrup which, when mixed with carbonated water, produces the soft drink known as "Coca-Cola classic" and other soft drinks of The Coca-Cola Company which are manufactured and marketed by the Company. The Company also purchases sweeteners from The Coca-Cola Company. No royalty or other compensation is paid under the contracts with The Coca-Cola Company for the Company's right to use in its territories the tradenames and trademarks, such as "Coca-Cola classic" and their associated patents, copyrights, designs and labels, which are owned by The Coca-Cola Company. The Company has similar arrangements with Dr Pepper/Seven-Up, Inc. and other beverage companies.

Bottle Contracts. The Company is party to standard bottle contracts with The Coca-Cola Company for each of its bottling territories (the "Bottle Contracts") which provide that the Company will purchase its entire requirement of concentrates and syrups for Coca-Cola classic, caffeine free Coca-Cola classic, diet Coke, diet Coke with lemon, diet Coke with lime, caffeine free diet Coke, Cherry Coke, diet Cherry Coke, Vanilla Coke and diet Vanilla Coke (together, the "Coca-Cola Trademark Beverages") from The Coca-Cola Company. The Company has the exclusive right to distribute Coca-Cola Trademark Beverages for sale in its territories in authorized containers of the nature currently used by the Company, which include cans and refillable and nonrefillable bottles. The Coca-Cola Company may determine from time to time what containers of this type to authorize for use by the Company. The Company cannot sell Coca-Cola Trademark Beverages outside of its territories.

The price The Coca-Cola Company charges for concentrate and syrup under the Bottle Contracts is set by The Coca-Cola Company from time to time. Except as provided in the Supplementary Agreement described below, there are no limitations on prices for concentrate or syrup. Consequently, the prices at which the Company purchases concentrates and syrup under the Bottle Contracts may vary materially from the prices it has paid during the periods covered by the financial information included in this report.

Under the Bottle Contracts, the Company is obligated:

- to maintain such plant, equipment, staff and distribution facilities as are required for the manufacture, packaging and distribution of the Coca-Cola Trademark Beverages in authorized containers, and in sufficient quantities to satisfy fully the demand for these beverages in its territories;

- to undertake adequate quality control measures and maintain sanitation standards prescribed by The Coca-Cola Company;
- to develop, stimulate and satisfy fully the demand for Coca-Cola Trademark Beverages and to use all approved means, and to spend such funds on advertising and other forms of marketing, as may be reasonably required to meet that objective; and
- to maintain such sound financial capacity as may be reasonably necessary to assure performance by the Company and its affiliates of their obligations to The Coca-Cola Company.

The Bottle Contracts require the Company to submit to The Coca-Cola Company each year its plans for marketing, management and advertising with respect to the Coca-Cola Trademark Beverages for the ensuing year. Such plans must demonstrate that the Company has the financial capacity to perform its duties and obligations to The Coca-Cola Company under the Bottle Contracts. The Company must obtain The Coca-Cola Company's approval of those plans, which approval may not be unreasonably withheld, and if the Company carries out its plans in all material respects, it will have satisfied its contractual obligations. Failure to carry out such plans in all material respects would constitute an event of default that, if not cured within 120 days of notice of such failure, would give The Coca-Cola Company the right to terminate the Bottle Contracts. If the Company at any time fails to carry out a plan in all material respects with respect to any geographic segment (as defined by The Coca-Cola Company) of its territory, and if that failure is not cured within six months of notice of such failure, The Coca-Cola Company may reduce the territory covered by the applicable Bottle Contract by eliminating the portion of the territory with respect to which the failure has occurred.

The Coca-Cola Company has no obligation under the Bottle Contracts to participate with the Company in expenditures for advertising and marketing. As it has in the past, The Coca-Cola Company may contribute to such expenditures and undertake independent advertising and marketing activities, as well as cooperative advertising and sales promotion programs which require mutual cooperation and financial support of the Company. The future levels of marketing funding support and promotional funds provided by The Coca-Cola Company may vary materially from the levels provided during the periods covered by the financial information included in this report.

The Coca-Cola Company has the right to reformulate any of the Coca-Cola Trademark Beverages and to discontinue any of the Coca-Cola Trademark Beverages, subject to certain limitations, so long as all Coca-Cola Trademark Beverages are not discontinued. The Coca-Cola Company may also introduce new beverages under the trademarks "Coca-Cola" or "Coke" or any modification thereof, and in that event the Company would be obligated to manufacture, package, distribute and sell the new beverages with the same duties as exist under the Bottle Contracts with respect to Coca-Cola Trademark Beverages.

If the Company acquires the right to manufacture and sell Coca-Cola Trademark Beverages in any additional territory, the Company has agreed that such new territory will be covered by a standard contract in the same form as the Bottle Contracts and that any existing agreement with respect to the acquired territory automatically shall be amended to conform to the terms of the Bottle Contracts. In addition, if the Company acquires control, directly or indirectly, of any bottler of Coca-Cola Trademark Beverages, or any party controlling a bottler of Coca-Cola Trademark Beverages, the Company must cause the acquired bottler to amend its franchises for the Coca-Cola Trademark Beverages to conform to the terms of the Bottle Contracts.

The Bottle Contracts are perpetual, subject to termination by The Coca-Cola Company in the event of default by the Company. Events of default by the Company include:

1) the Company's insolvency, bankruptcy, dissolution, receivership or similar conditions;
2) the Company's disposition of any interest in the securities of any bottling subsidiary without the consent of The Coca-Cola Company;
3) termination of any agreement regarding the manufacture, packaging, distribution or sale of Coca-Cola Trademark Beverages between The Coca-Cola Company and any person that controls the Company;

4) any material breach of any obligation occurring under the Bottle Contracts (including, without limitation, failure to make timely payment for any concentrate or syrup or of any other debt owing to The Coca-Cola Company, failure to meet sanitary or quality control standards, failure to comply strictly with manufacturing standards and instructions, failure to carry out an approved plan as described above, and failure to cure a violation of the terms regarding imitation products) that remains uncured for 120 days after notice by The Coca-Cola Company;

5) producing, manufacturing, selling or dealing in any "Cola Product," as defined, or any concentrate or syrup which might be confused with those of The Coca-Cola Company;

6) selling any product under any trade dress, trademark or tradename or in any container that is an imitation of a trade dress or container in which The Coca-Cola Company claims a proprietary interest; and

7) owning any equity interest in or controlling any entity which performs any of the activities described in (5) or (6) above.

In addition, upon termination of the Bottle Contracts for any reason, The Coca-Cola Company, at its discretion, may also terminate any other agreements with the Company regarding the manufacture, packaging, distribution, sale or promotion of soft drinks, including the Allied Bottle Contracts described elsewhere herein.

The Company is prohibited from assigning, transferring or pledging its Bottle Contracts or any interest therein, whether voluntarily or by operation of law, without the prior consent of The Coca-Cola Company. Moreover, the Company may not enter into any contract or other arrangement to manage or participate in the management of any other Coca-Cola bottler without the prior consent of The Coca-Cola Company.

The Coca-Cola Company may automatically amend the Bottle Contracts if 80% of the domestic bottlers who are parties to agreements with The Coca-Cola Company containing substantially the same terms as the Bottle Contracts, which bottlers purchased for their own account 80% of the syrup and equivalent gallons of concentrate for Coca-Cola Trademark Beverages purchased for the account of all such bottlers, agree that their bottle contracts shall be likewise amended.

Supplementary Agreement. The Company and The Coca-Cola Company are also parties to a Supplementary Agreement (the "Supplementary Agreement") that modifies some of the provisions of the Bottle Contracts. The Supplementary Agreement provides that The Coca-Cola Company will:

- exercise good faith and fair dealing in its relationship with the Company under the Bottle Contracts;
- offer marketing funding support and exercise its rights under the Bottle Contracts in a manner consistent with its dealings with comparable bottlers;
- offer to the Company any written amendment to the Bottle Contracts (except amendments dealing with transfer of ownership) which it offers to any other bottler in the United States; and
- subject to certain limited exceptions, sell syrups and concentrates to the Company at prices no greater than those charged to other bottlers which are parties to contracts substantially similar to the Bottle Contracts.

The Supplementary Agreement permits transfers of the Company's capital stock that would otherwise be limited by the Bottle Contracts.

Allied Bottle Contracts. The Company is a party to other contracts with The Coca-Cola Company (the "Allied Bottle Contracts") which grant similar exclusive rights to the Company with respect to the distribution of TAB, Sprite, diet Sprite, Sprite Remix, Mello Yello, diet Mello Yello, Mello Yello Cherry, Mr. PiBB, sugar free Mr. PiBB, Barq's Root Beer, diet Barq's Root Beer, Fresca, Fanta flavors, Seagrams' products, Minute Maid orange and diet Minute Maid orange (the "Allied Beverages") for sale in authorized containers in its territories. These contracts contain provisions that are similar to those of the Bottle Contracts with respect to pricing,

authorized containers, planning, quality control, trademark and transfer restrictions and related matters. Each Allied Bottle Contract has a term of ten years and is renewable by the Company for an additional ten years at the end of each ten-year period, but is subject to termination in the event of (1) the Company's insolvency, bankruptcy, dissolution, receivership or similar condition; (2) termination of the Company's Bottle Contracts covering the same territory by either party for any reason; and (3) any material breach of any obligation of the Company under the Allied Bottle Contracts that remains uncured for 120 days after notice by The Coca-Cola Company.

Noncarbonated Beverage Contracts. The Company purchases and distributes certain noncarbonated beverages such as isotonics, teas and juice drinks in finished form from The Coca-Cola Company, and produces, markets and distributes Dasani water, pursuant to the terms of marketing and distribution agreements (the "Noncarbonated Beverage Contracts"). The Noncarbonated Beverage Contracts contain provisions that are similar to the Bottle Contracts and Allied Bottle Contracts with respect to authorized containers, planning and related matters, but the Noncarbonated Beverage Contracts also have certain significant differences. Unlike the Bottle Contracts and Allied Bottle Contracts, which grant the Company exclusivity in the distribution of the respective beverages in the territory, the Noncarbonated Beverage Contracts grant exclusivity but permit The Coca-Cola Company to test market the noncarbonated beverage products in the territory, subject to the Company's right of first refusal, and to sell the noncarbonated beverages to commissaries for delivery to retail outlets in the Company's territory where noncarbonated beverages are consumed on-premise, including restaurants. The Coca-Cola Company must pay the Company certain fees in the event of such commissary sales. Also, under the Noncarbonated Beverage Contracts, the Company may not sell other beverages in the same product category. The Coca-Cola Company establishes the pricing the Company must pay for the noncarbonated beverages or, in the case of Dasani, the concentrate. The Coca-Cola Company has no rights under the Noncarbonated Beverage Contracts to establish the resale prices at which the Company sells its products. Each of the Noncarbonated Beverage Contracts has a term of ten or fifteen years and is renewable by the Company at the end of each term.

Post-Mix Rights. The Company also has the non-exclusive right to sell Coca-Cola classic and other fountain syrups ("post-mix syrup") of The Coca-Cola Company. In 2003, total post-mix net sales were $65.5 million.

Other Bottling Agreements. The bottling agreements from most other soft drink franchisers are similar to those described above in that they are renewable at the option of the Company and the franchisers. The price the franchisers may charge for syrup or concentrate is set by the franchisers from time to time. They also contain similar restrictions on the use of trademarks, approved bottles, cans and labels and sale of imitations or substitutes as well as termination for cause provisions. Sales of beverages by the Company under these agreements represented approximately 9% of the Company's sales for fiscal year 2003. The territories covered by the Allied Bottle Contracts and by bottling agreements for products of franchisers other than The Coca-Cola Company in most cases correspond with the territories covered by the Bottle Contracts. The variations do not have a material effect on the Company's business.

Markets and Production and Distribution Facilities

As of February 1, 2004, the Company held bottling rights from The Coca-Cola Company covering the majority of North Carolina, South Carolina and West Virginia, and portions of Alabama, Mississippi, Tennessee, Kentucky, Virginia, Pennsylvania, Georgia and Florida. The total population within the Company's bottling territory is approximately 18.2 million.

As of February 1, 2004, the Company operated in seven principal geographical regions. Certain information regarding each of these markets follows:

1. *North Carolina*. This region includes the majority of North Carolina, including Raleigh, Greensboro, Winston-Salem, High Point, Hickory, Asheville, Fayetteville, Wilmington, Charlotte and the surrounding areas.

The region has an estimated population of 8.0 million. A production/distribution facility is located in Charlotte and 17 sales distribution facilities are located in the region.

2. *South Carolina*. This region includes the majority of South Carolina, including Charleston, Columbia, Greenville, Myrtle Beach and the surrounding areas. The region has an estimated population of 3.3 million. There are nine sales distribution facilities in the region.

3. *South Alabama*. This region includes a portion of southwestern Alabama, including Mobile and surrounding areas, and a portion of southeastern Mississippi. The region has an estimated population of .9 million. A production/distribution facility is located in Mobile and four sales distribution facilities are located in the region.

4. *South Georgia*. This region includes a small portion of eastern Alabama, a portion of southwestern Georgia including Columbus and surrounding areas and a portion of the Florida Panhandle. This region has an estimated population of 1.0 million. There are five sales distribution facilities located in the region.

5. *Middle Tennessee*. This region includes a portion of central Tennessee, including Nashville and surrounding areas, a small portion of southern Kentucky and a small portion of northwest Alabama. The region has an estimated population of 2.1 million. A production/distribution facility is located in Nashville and four sales distribution facilities are located in the region.

6. *Western Virginia*. This region includes most of southwestern Virginia, including Roanoke and surrounding areas, a portion of the southern piedmont of Virginia, a portion of northeastern Tennessee and a portion of southeastern West Virginia. The region has an estimated population of 1.5 million. A production/distribution facility is located in Roanoke and five sales distribution facilities are located in the region.

7. *West Virginia*. This region includes most of the state of West Virginia and a portion of southwestern Pennsylvania. The region has an estimated population of 1.4 million. There are eight sales distribution facilities located in the region.

The Company owns 100% of the operations in each of the regions previously listed except for portions of North Carolina and South Carolina that are owned by Piedmont.

On June 1, 1994, the Company executed a management agreement with SAC, a manufacturing cooperative located in Bishopville, South Carolina. The Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to a ten-year management agreement that expires in May 2004. The Company anticipates the management agreement will be extended on terms comparable to the current agreement. Management fees earned from SAC were $1.3 million, $1.3 million and $1.2 million in 2003, 2002 and 2001, respectively. SAC’s two PET bottling lines supply a portion of the Company’s and Piedmont’s volume requirements for finished products in PET containers. The Company has executed member purchase agreements with SAC that require minimum annual purchases of canned product, 20-ounce PET product, 2 liter PET product and 3 liter PET product by the Company of approximately $40 million. Purchases from SAC by the Company and Piedmont for finished products were $105 million, $110 million and $110 million in 2003, 2002 and 2001, respectively.

In addition to producing bottled and canned soft drinks for the Company’s bottling territories, each production facility also produces some products for sale to other Coca-Cola bottlers. With the exception of the Company’s production of soft drink products for Piedmont, this contract production is currently not a material portion of the Company’s total production volume.

Raw Materials

In addition to concentrates obtained by the Company from The Coca-Cola Company and other concentrate companies for use in its soft drink manufacturing, the Company also purchases sweeteners, carbon dioxide,

plastic bottles, cans, closures, pre-mix containers and other packaging materials as well as equipment for the production, distribution and marketing of soft drinks. Except for sweeteners, cans, carbon dioxide and plastic bottles, the Company purchases its raw materials from multiple suppliers.

The Company purchases substantially all of its plastic bottles (20-ounce, half liter, 390 ml, 2 liter and 3 liter sizes) from manufacturing plants which are owned and operated by two cooperatives of Coca-Cola bottlers, including the Company.

None of the materials or supplies used by the Company are in short supply, although the supply of specific materials (including plastic bottles, which are formulated using petroleum-based products) could be adversely affected by strikes, weather conditions, governmental controls or national emergency conditions.

Marketing

The Company's soft drink products are sold and distributed directly to retail stores and other outlets, including food markets, institutional accounts and vending machine outlets. During 2003, approximately 70% of the Company's physical case volume was sold for future consumption. The remaining volume of approximately 30% was sold for immediate consumption, primarily through dispensing machines, owned either by the Company, retail outlets or third party vending companies. The Company's largest customer (Wal-Mart Stores, Inc.) accounted for approximately 11% of the Company's total sales volume. All of the Company's sales are to customers in the United States.

New product introductions, packaging changes and sales promotions have been the major competitive techniques in the soft drink industry in recent years and have required and are expected to continue to require substantial expenditures. Brand introductions in the last three years include diet Coke with lemon, Minute Maid Light, Fanta flavors, Sprite Remix, Vanilla Coke and diet Vanilla Coke. New packaging introductions include Fridge Pack™ cans, double Fridge Pack™ cans, Fridge Pack™ 12-ounce PET bottles and 390 ml PET bottles. New product introductions have resulted in increased operating costs for the Company due to special marketing efforts, obsolescence of replaced items and, in some cases, higher raw materials costs.

After new package introductions in recent years, the Company sells its soft drink products primarily in nonrefillable bottles and cans, in varying proportions from market to market. There may be as many as nineteen different packages for Coca-Cola classic within a single geographical area. Physical unit sales of soft drinks during 2003 were approximately 51% cans, 48% nonrefillable bottles and 1% pre-mix.

Advertising in various media, primarily television and radio, is relied upon extensively in the marketing of the Company's soft drinks. The Coca-Cola Company and Dr Pepper/Seven-Up, Inc. ("Beverage Companies") make substantial expenditures on advertising in the Company's territories. The Company has also benefited from national advertising programs conducted by the Beverage Companies. In addition, the Company expends substantial funds on its own behalf for extensive local sales promotions of the Company's soft drink products. Historically, these expenses have been partially offset by marketing funding support which the Beverage Companies provide to the Company in support of a variety of marketing programs, such as point-of-sale displays and merchandising programs. However, the Beverage Companies are under no obligation to provide the Company with marketing funding support in the future.

The substantial outlays which the Company makes for marketing and merchandising programs are generally regarded as necessary to maintain or increase sales volume, and any significant curtailment of marketing funding support provided by the Beverage Companies for marketing programs which benefit the Company could have a material effect on the business and financial results of the Company.

Seasonality

Sales are somewhat seasonal, with the highest sales volume occurring in May, June, July and August. The Company has adequate production capacity to meet sales demands during these peak periods. Sales volume can be impacted by weather conditions.

Competition

The soft drink industry is highly competitive. The Company's competitors include several large soft drink manufacturers engaged in the distribution of nationally advertised products, as well as similar companies which market lesser-known soft drinks in limited geographical areas and manufacturers of private brand soft drinks. In each region in which the Company operates, between 75% and 90% of carbonated soft drink sales in bottles, cans and pre-mix containers are accounted for by the Company and its principal competition, which in each region includes the local bottler of Pepsi-Cola and, in some regions, also includes the local bottler of Royal Crown and/or 7-Up products. The Company's products also compete with, among others, noncarbonated beverages and citrus and noncitrus fruit drinks.

The principal methods of competition in the soft drink industry are point-of-sale merchandising, new product introductions, new vending and dispensing equipment, packaging changes, pricing, price promotions, product quality, retail space management, customer service, frequency of distribution and advertising. The Company believes that it is competitive in its territories with respect to each of these methods of competition.

Government Regulation

The production and marketing of beverages are subject to the rules and regulations of the United States Food and Drug Administration ("FDA") and other federal, state and local health agencies. The FDA also regulates the labeling of containers.

As a manufacturer, distributor and seller of beverage products of The Coca-Cola Company and other soft drink manufacturers in exclusive territories, the Company is subject to antitrust laws of general applicability. However, pursuant to the United States Soft Drink Interbrand Competition Act, soft drink bottlers such as the Company may have an exclusive right to manufacture, distribute and sell a soft drink product in a defined geographic territory if that soft drink product is in substantial and effective competition with other products of the same general class in the market. The Company believes that there is such substantial and effective competition in each of the exclusive geographic territories in the United States in which the Company operates.

From time to time, legislation has been proposed in Congress and by certain state and local governments which would prohibit the sale of soft drink products in nonrefillable bottles and cans or require a mandatory deposit as a means of encouraging the return of such containers in an attempt to reduce solid waste and litter. The Company is currently not impacted by this type of proposed legislation.

Soft drink and similar-type taxes have been in place in West Virginia and Tennessee for several years.

Environmental Remediation

The Company does not currently have any material capital expenditure commitments for environmental compliance or environmental remediation for any of its properties. The Company does not believe that compliance with federal, state and local provisions that have been enacted or adopted regarding the discharge of materials into the environment, or otherwise relating to the protection of the environment, will have a material effect on its capital expenditures, earnings or competitive position.

Employees

As of February 1, 2004, the Company had approximately 5,500 full-time employees, of whom approximately 400 were union members. The total number of employees, including part-time employees, was approximately 6,100.

Less than 10% of the Company's labor force is currently covered by collective bargaining agreements. Two collective bargaining contracts covering less than 1% of the Company's employees expire during 2004.

Exchange Act Reports and Code of Ethics for Senior Financial Officers

The Company makes available free of charge through its Internet website, www.cokeconsolidated.com, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. In addition, the Company makes available on its Internet website its Code of Ethics for Senior Financial Officers. The information provided on the Company's website is not part of this report and is therefore not incorporated herein by reference.

Item 2. *Properties*

The principal properties of the Company include its corporate headquarters, its four production/distribution facilities and its 52 sales distribution centers. The Company owns two production/distribution facilities and 48 sales distribution centers, and leases its corporate headquarters, two other production/distribution facilities and four sales distribution centers.

The Company leases its 110,000 square foot corporate headquarters and a 65,000 square foot adjacent office building from an affiliate for a ten-year term expiring December, 2008. Total rental payments for these facilities were $2.8 million in 2003.

The Company leases its 542,000 square foot Snyder Production Center and an adjacent 105,000 square foot distribution center in Charlotte, North Carolina from an affiliate for a ten-year term expiring in December 2010. Rental payments under this lease totaled $2.7 million in 2003.

The Company also leases its 306,000 square foot production/distribution facility in Nashville, Tennessee. The lease requires monthly payments through 2009. Rent expense under this lease totaled $.4 million in 2003.

The Company's other real estate leases are not material.

The Company owns and operates a 316,000 square foot production/distribution facility in Roanoke, Virginia and a 271,000 square foot production/distribution facility in Mobile, Alabama.

The approximate percentage utilization of the Company's production centers as of March 1, 2004 is indicated below:

Production Facilities

Location	Percentage Utilization *
Charlotte, North Carolina	67%
Mobile, Alabama	50%
Nashville, Tennessee	57%
Roanoke, Virginia	60%

* Estimated 2004 production divided by capacity (based on operations of 6 days per week and 20 hours per day).

The Company currently has sufficient production capacity to meet its operational requirements. In addition to the production facilities noted above, the Company also has access to production capacity from SAC, a cooperative located in Bishopville, South Carolina, that owns a 261,000 square foot production facility.

The Company's products are transported to sales distribution facilities for storage pending sale. During 2003, the Company closed four sales distribution facilities, incorporating their operations into other existing distribution facilities. The number of sales distribution facilities by market area as of February 1, 2004 was as follows:

Sales Distribution Facilities

Region	Number of Facilities
North Carolina	17
South Carolina	9
South Alabama	4
South Georgia	5
Middle Tennessee	4
Western Virginia	5
West Virginia	8
Total	52

The Company's facilities are all in good condition and are adequate for the Company's operations as presently conducted.

The Company also operates approximately 3,800 vehicles in the sale and distribution of its soft drink products, of which approximately 1,600 are route delivery trucks. In addition, the Company owns approximately 225,000 soft drink dispensing and vending machines for the sale of its products in its bottling territories.

Item 3. *Legal Proceedings*

There are various lawsuits and claims pending against the Company arising in the ordinary course of its business. The Company believes that any losses that may arise from these lawsuits or claims will not have a material adverse effect on the financial condition or results of operation of the Company.

Item 4. *Submission of Matters to a Vote of Security Holders*

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year ended December 28, 2003.

EXECUTIVE OFFICERS OF THE COMPANY

The following is a list of names and ages of all the executive officers of the Company as of March 1, 2004, indicating all positions and offices with the Company held by each such person. All officers have served in their present capacities for the past five years except as otherwise stated.

J. FRANK HARRISON, III, age 49, is Chairman of the Board of Directors and Chief Executive Officer of the Company. Mr. Harrison was appointed Chairman of the Board of Directors in December 1996. Mr. Harrison served as Vice Chairman from November 1987 through December 1996 and was appointed as the Company's Chief Executive Officer in May 1994. He was first employed by the Company in 1977 and has served as a Division Sales Manager and as a Vice President of the Company. Mr. Harrison, III is a Director of Wachovia Bank & Trust Co., N.A., Southern Region Board. He is Chairman of the Finance Committee and Chairman of the Executive Committee.

WILLIAM B. ELMORE, age 48, is President and Chief Operating Officer and a Director of the Company, positions he has held since January 2001. Previously, he was Vice President, Value Chain since July 1999 and Vice President, Business Systems from August 1998 to June 1999. He was Vice President, Treasurer from June 1996 to July 1998. He was Vice President, Regional Manager for the Virginia Division, West Virginia Division and Tennessee Division from August 1991 to May 1996. Mr. Elmore is a member of the Executive Committee and Chairman of the Retirement Benefits Committee.

ROBERT D. PETTUS, JR., age 59, is Executive Vice President and Assistant to the Chairman, a position to which he was appointed in January 1997. Mr. Pettus was previously Vice President, Human Resources, a position he held since September 1984.

DAVID V. SINGER, age 48, is Executive Vice President and Chief Financial Officer, a position to which he was appointed in January 2001. He was previously Vice President and Chief Financial Officer, a position he had held since October 1987.

CLIFFORD M. DEAL, III, age 42, is Vice President, Treasurer, a position he has held since June 1999. Previously, he was Director of Compensation and Benefits from October 1997 to May 1999. He was Corporate Benefits Manager from December 1995 to September 1997. From November 1993 to November 1995 he was Manager of Tax Accounting.

NORMAN C. GEORGE, age 48, is Senior Vice President, Chief Marketing and Customer Officer, a position he was appointed to in September 2001. Prior to that he was Vice President, Marketing and National Sales, a position he was appointed to in December 1999. Prior to that he was Vice President, Corporate Sales, a position he had held since August 1998. Previously, he was Vice President, Sales for the Carolinas South Region, a position he held beginning in November 1991.

RONALD J. HAMMOND, age 48, is Vice President, Supply Chain, a position he was appointed to in January 2001. Prior to that he was Vice President, Manufacturing, a position he had held since September 1999. Before joining the Company, he was Vice President, Operations, Asia Pacific at Pepsi-Cola International, where he was an employee since 1981.

KEVIN A. HENRY, age 36, is Vice President, Human Resources, a position he has held since February 2001. Prior to joining the Company he was Senior Vice President, Human Resources at Nationwide Credit Inc., where he was an employee since January 1997. Prior to that he was Director, Human Resources, at Office Depot Inc. since December 1994.

UMESH M. KASBEKAR, age 46, is Vice President, Planning and Administration, a position he has held since January 1995. Prior to that, he was Vice President, Planning, a position he was appointed to in December 1988.

C. RAY MAYHALL, **JR.,** age 56, is Senior Vice President, Sales, a position he was appointed to in September 2001. Prior to that he was Vice President, Distribution and Technical Services, a position he was appointed to in December 1999. Prior to that he was Regional Vice President, Sales, a position he had held since November 1992.

LAUREN C. STEELE, age 49, is Vice President, Corporate Affairs, a position he has held since May 1989. He is responsible for governmental, media and community relations for the Company.

STEVEN D. WESTPHAL, age 49, is Vice President and Controller of the Company, a position he has held since November 1987.

JOLANTA T. ZWIREK, age 48, is Vice President and Chief Information Officer, a position she has held since June 1999. Prior to joining the Company, she was Vice President and Chief Technology Officer for Bank One during a portion of 1999. Prior to that, she was a Senior Director in the Information Services organization at McDonald's Corporation, where she was an employee since 1984.

Part II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

The Company has two classes of common stock outstanding, Common Stock and Class B Common Stock. The Common Stock is traded on the Nasdaq National Market tier of the Nasdaq Stock Market® under the symbol COKE. The table below sets forth for the periods indicated the high and low reported sales prices per share of Common Stock. There is no established public trading market for the Class B Common Stock. Shares of Class B Common Stock are convertible on a share-for-share basis into shares of Common Stock.

	Fiscal Year			
	2003		2002	
	High	Low	High	Low
First quarter	$70.45	$46.80	$50.10	$37.24
Second quarter	66.80	48.55	52.09	42.30
Third quarter	58.92	49.25	52.05	41.30
Fourth quarter	55.85	49.75	63.06	46.02

The quarterly dividend rate of $.25 per share on both Common Stock and Class B Common Stock shares was maintained throughout 2002 and 2003.

Pursuant to the Company's Certificate of Incorporation, no cash dividend or dividend of property or stock other than stock of the Company, as specifically described in the Certificate of Incorporation, may be declared and paid on the Class B Common Stock unless an equal or greater dividend is declared and paid on the Common Stock.

The amount and frequency of future dividends will be determined by the Company's Board of Directors in light of the earnings and financial condition of the Company at such time, and no assurance can be given that dividends will be declared in the future.

The number of stockholders of record of the Common Stock and Class B Common Stock, as of March 3, 2004, was 3,573 and 12, respectively.

On March 3, 2004, the Compensation Committee determined that 20,000 shares of restricted Class B Common Stock, $1.00 par value, vested and should be issued pursuant to a performance-based award to J. Frank Harrison, III, in connection with his services as Chairman of the Board of Directors and Chief Executive Officer of the Company. This award was approved by the Company's stockholders in 1999. The shares were issued without registration under the Securities Act of 1933 in reliance on Section 4(2) thereof.

Item 6. ***Selected Financial Data***

The following table sets forth certain selected financial data concerning the Company for the five years ended December 28, 2003. The data for the five years ended December 28, 2003 is derived from audited financial statements of the Company. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in Item 7 hereof and is qualified in its entirety by reference to the more detailed financial statements and notes contained in Item 8 hereof. This information should also be read in conjunction with the "Introduction and Recent Developments" section in Item 1 hereof.

Selected Financial Data*

	Fiscal Year				
In Thousands (Except Per Share Data)	2003	2002**	2001	2000***	1999
Summary of Operations					
Net sales	$1,210,765	$1,198,335	$ 958,859	$ 938,684	$ 916,544
Cost of sales	625,448	619,137	514,358	489,524	505,889
Selling, general and administrative expenses	422,456	407,145	306,106	312,279	278,555
Depreciation expense	76,485	76,075	66,134	64,751	60,567
Provision for impairment of property, plant and equipment			947	3,066	
Amortization of intangibles	3,105	2,796	15,296	14,712	13,734
Restructuring expense					2,232
Total costs and expenses	1,127,494	1,105,153	902,841	884,332	860,977
Income from operations	83,271	93,182	56,018	54,352	55,567
Interest expense	41,914	49,120	44,322	53,346	50,581
Gain on sale of bottling territory				8,829	
Minority interest	3,297	5,992			
Income before income taxes	38,060	38,070	11,696	9,835	4,986
Income taxes	7,357	15,247	2,226	3,541	1,745
Net income	$ 30,703	$ 22,823	$ 9,470	$ 6,294	$ 3,241
Basic net income per share	$ 3.40	$ 2.58	$ 1.08	$ .72	$ .38
Diluted net income per share	$ 3.40	$ 2.56	$ 1.07	$ .71	$ .37
Cash dividends per share:					
Common	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Class B Common	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Other Information					
Weighted average number of common shares outstanding	9,043	8,861	8,753	8,733	8,588
Weighted average number of common shares outstanding—assuming dilution	9,043	8,921	8,821	8,822	8,708
Year-End Financial Position					
Total assets	$1,349,920	$1,353,525	$1,064,459	$1,062,097	$1,108,392
Portion of long-term debt payable within one year	78	31	56,708	9,904	28,635
Current portion of obligations under capital leases	1,337	1,120	1,364	3,325	4,483
Obligations under capital leases	44,226	44,906	1,060	1,774	4,468
Long-term debt	802,639	807,725	620,156	682,246	723,964
Stockholders' equity	52,472	32,867	17,081	28,412	30,851

* See Management's Discussion and Analysis and accompanying notes to consolidated financial statements for additional information.

** On January 2, 2002, the Company purchased an additional interest in Piedmont Coca-Cola Bottling Partnership ("Piedmont") from The Coca-Cola Company, increasing the Company's ownership in Piedmont to more than 50%. Due to the increase in ownership, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The Company's investment in Piedmont had been accounted for using the equity method for 2001 and prior years. In addition, the Company adopted the provisions of SFAS No. 142 at the beginning of 2002, which resulted in goodwill and intangible assets with indefinite useful lives no longer being amortized.

*** In September 2000, the Company sold a bottling territory which represented approximately 3% of the Company's 2000 sales volume.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following Management Discussion and Analysis of Financial Condition and Results of Operations ("M,D&A") should be read in conjunction with the Company's financial statements and the accompanying footnotes. M,D&A includes the following sections:

- Our Business—a general description of the Company's business.
- Overview—a summary of key information concerning the financial results for 2003 and changes from 2002.
- Discussion of Critical Accounting Policies—a discussion of accounting policies that are most important to the portrayal of the Company's financial condition and results of operations and require critical judgments and estimates.
- Results of Operations—an analysis of the Company's results of operations for the three years presented in the financial statements.
- Financial Condition—an analysis of the Company's financial condition as of the end of the last two years presented in the financial statements.
- Liquidity and Capital Resources—an analysis of capital resources, sources and uses of cash, investing and financing activities, off-balance sheet arrangements, contractual obligations and interest rate hedging.
- Cautionary Information Regarding Forward-Looking Statements—cautionary information about forward-looking statements and a description of certain risks and uncertainties that could cause the Company's actual results to differ materially from the Company's historical results or the Company's current expectations about future periods.

OUR BUSINESS

Coca-Cola Bottling Co. Consolidated (the "Company") produces, markets and distributes carbonated and noncarbonated beverages, primarily products of The Coca-Cola Company, which include some of the most recognized and popular beverage brands in the world. The Company is currently the second largest bottler of products of The Coca-Cola Company in the United States, operating in eleven states primarily in the Southeast. The Company also distributes several other beverage brands. The Company's product offerings include carbonated soft drinks, bottled water, teas, juices, isotonics and energy drinks. The Company had net sales of over $1.2 billion in 2003.

OVERVIEW

The following overview provides a summary of key information concerning the Company's financial results for fiscal year 2003 and changes from fiscal year 2002.

Net Income

The Company reported net income of $30.7 million or $3.40 per basic share in 2003 compared with net income of $22.8 million or $2.58 per basic share in 2002. Lower interest expense and minority interest expense in 2003 offset a $9.9 million decline in income from operations, resulting in income before income taxes in 2003 of $38.1 million, unchanged from 2002. Significant favorable income tax expense adjustments in 2003 led to an effective tax rate of 19% in 2003 versus 40% in 2002.

Significant Items Which Impacted Net Income

2003

Net income in 2003 was favorably impacted by $.9 million as a result of changes in certain benefit programs. The Company also recorded several adjustments, primarily resulting from a reduction in the valuation allowance for the Company's deferred tax assets as a result of the completion of a state tax audit and a reorganization of the Company's subsidiaries, which reduced income tax expense by $8.6 million.

2002

Net income in 2002 was favorably impacted by the reversal of an accrual of approximately $2.3 million related to a retirement benefit payable to J. Frank Harrison, Jr., the former Chairman of the Board of Directors of the Company, who passed away in November 2002. As a partial offset, net income was reduced by approximately $1.3 million due to the termination of two interest rate hedging agreements in the fourth quarter.

Operations

Net sales and gross margin increased by approximately 1% in 2003 compared to the prior year. Bottle/can volume decreased by approximately 2% while average revenue per case increased by 2.1%. The decline in bottle/can volume resulted primarily from:

- The introduction of fewer new brands and packaging in 2003 than in 2002;
- Certain large customers promoting the Company’s products less aggressively;
- Difficult economic conditions in certain portions of the Company’s territories; and
- Unusually cool and wet weather during key holiday periods and summer months.

The soft drink industry has seen a rapid increase in the number of brand and package combinations over the past few years as a result of changing consumer tastes combined with slowing industry-wide volume growth rates.

Average revenue per case increased in 2003 as the Company focused on maintaining gross margins while offsetting increases in raw material costs. The Company anticipates further selling price increases in 2004 in order to offset a significant projected increase in the cost of aluminum cans and to maintain its gross margins.

Selling, general and administrative (“S,G&A”) expenses increased only 3.8% in 2003 compared to the prior year despite significant increases in pension expense, fuel costs and property and casualty insurance costs. Over the last two years, the Company has converted the majority of its distribution system from a conventional sales method to a pre-sell method in which sales personnel either visit or call a customer to determine the customer’s requirements for their order. This pre-sell method has enabled the Company to add a significant number of new product and package combinations and provides the capacity to add additional product offerings in the future. In addition, the Company closed four sales distribution centers in 2003 as part of a multi-year effort to reduce overall costs and improve productivity. The combination of fewer sales distribution centers and the use of the pre-sell sales method will enable the Company to make its distribution network more efficient over time.

Income from operations in 2003 declined by $9.9 million or 10.6% compared to 2002 as modest increases in net sales and gross margin were not sufficient to offset higher S,G&A expenses.

Interest expense decreased by $7.2 million or 14.7% in 2003 primarily due to lower average interest rates. Minority interest expense declined by $2.7 million in 2003 due to the purchase by the Company of an additional interest in Piedmont Coca-Cola Bottling Partnership (“Piedmont”) in March 2003.

Financial Condition

Over the past several years, the Company has been focused on decreasing financial leverage primarily by reducing its outstanding debt and capital lease obligations. During 2003, debt and capital lease obligations declined by $5.5 million despite the purchase of an additional interest in Piedmont in March 2003 for $53.5 million.

Another key performance indicator the Company uses to monitor its financial health is the ratio of income from operations divided by interest expense, which improved from 1.90 in 2002 to 1.99 in 2003. The

improvement in this ratio resulted primarily from lower debt balances and a reduction in interest rates. The Company anticipates further reduction in debt and capital lease obligations in 2004.

Basis of Presentation

The statements of operations, statements of cash flows and the consolidated balance sheets for the years ending December 28, 2003 and December 29, 2002 include the consolidated operations of the Company and its majority owned subsidiaries including Piedmont. Minority interest consists of The Coca-Cola Company's interest in Piedmont, which was 22.674% for the last three quarters of 2003, 45.349% for the first quarter of 2003 and all of 2002 and 50% in 2001 and prior years. Due to the increase in the Company's ownership in Piedmont resulting from the additional interest purchased on January 2, 2002, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The Company's investment in Piedmont had been accounted for using the equity method for 2001 and prior years. Generally accepted accounting principles require that results for 2001 be presented on an historical basis with the Company's investment in Piedmont accounted for under the equity method of accounting. Management's discussion and analysis for 2002 compared to 2001 compares actual 2002 results to pro forma 2001 results assuming that Piedmont had been consolidated in 2001.

Significant Events of Prior Years

On June 1, 1994, the Company executed a management agreement with South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative located in Bishopville, South Carolina. The cooperative consists solely of Coca-Cola bottlers. SAC produces bottle and can product for its members. The Company is a member of the cooperative and receives a fee for managing the day-to-day operations of SAC pursuant to a ten-year management agreement. This management agreement expires in May 2004. The Company anticipates negotiating a new agreement with SAC on terms substantially comparable to the current arrangement.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont to distribute and market soft drink products of The Coca-Cola Company and other third party licensors, primarily in certain portions of North Carolina and South Carolina. The Company provides a portion of the soft drink products to Piedmont and receives a fee for managing the business of Piedmont pursuant to a management agreement. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially owned a 50% interest in Piedmont at December 30, 2001. As discussed below, the Company has increased its ownership interest in Piedmont since December 30, 2001 to 77.326% and The Coca-Cola Company's ownership in Piedmont has been reduced to 22.674%.

Acquisitions

On January 2, 2002, the Company purchased an additional 4.651% interest in Piedmont from The Coca-Cola Company for $10.0 million, increasing the Company's ownership in Piedmont to 54.651%. On March 28, 2003, the Company purchased an additional 22.675% interest in Piedmont from The Coca-Cola Company for $53.5 million. This transaction in 2003 increased the Company's ownership interest in Piedmont to 77.326%. The Company recorded $19.7 million of franchise rights and $5.2 million related to customer relationships in connection with these acquisitions of additional interests in Piedmont.

As of December 28, 2003, The Coca-Cola Company owned 27.4% of the Company's outstanding Common Stock and Class B Common Stock on a combined basis and had a 22.674% interest in Piedmont.

New Accounting Pronouncements

In November 2002, the Emerging Issues Task Force ("EITF") reached a consensus on Issue No. 02-16, "Accounting by a Customer (Including a Reseller) for Certain Consideration Received from a Vendor"

(“EITF 02-16”), addressing the recognition and income statement classification of various considerations given by a vendor to a customer. Among its requirements, the consensus requires that certain cash consideration received by a customer from a vendor is presumed to be a reduction of the price of the vendor’s products, and therefore should be characterized as a reduction of cost of sales when recognized in the customer’s income statement, unless certain criteria are met. EITF 02-16 was effective for the first quarter of 2003. Previously, the Company classified marketing funding support received from The Coca-Cola Company and other beverage companies as an adjustment to net sales. In accordance with EITF 02-16, the Company began classifying marketing funding support as a reduction of cost of sales in the first quarter 2003. The application of EITF 02-16 did not have a significant impact on results of operations. Prior year amounts have been reclassified to conform to the current year presentation.

In January 2003, the Financial Accounting Standards Board (“FASB”) issued Financial Interpretation No. 46 (revised December 2003), “Consolidation of Variable Interest Entities” (“FIN 46”). This interpretation addresses consolidation by business enterprises of variable interest entities with certain defined characteristics. Application of FIN 46 is required in the Company’s financial statements for interests in variable interest entities that are considered to be special-purpose entities for the year ended December 28, 2003. The Company has determined that it does not have any arrangements or relationships with special-purpose entities. Application of FIN 46 for all other types of variable interest entities is required for the Company effective March 28, 2004. The Company anticipates that application of FIN 46 will not have a significant impact on its financial statements at this time.

In December 2003, the FASB issued Statement No. 132 (revised 2003), “Employers’ Disclosures About Pensions and Other Postretirement Benefits,” that requires additional financial statement disclosures for defined benefit plans. This revised statement replaces existing FASB disclosure requirements for defined benefit plans. The revised standard requires more disclosure about plan assets, benefit obligations, cash flows, benefit costs and other relevant information. The Company has adopted these disclosure provisions beginning with its 2003 year-end financial reporting.

DISCUSSION OF CRITICAL ACCOUNTING POLICIES

In the ordinary course of business, the Company has made a number of estimates and assumptions relating to the reporting of results of operations and financial position in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ significantly from those estimates under different assumptions and conditions. The Company believes that the following discussion addresses the Company’s most critical accounting policies, which are those that are most important to the portrayal of the Company’s financial condition and results of operations and require management’s most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

The Company has not made changes in any critical accounting policies during 2003. The Company changed its estimate relating to the realizability of certain income tax assets during the second quarter and third quarter of 2003 as discussed below. Any significant changes in critical accounting policies and estimates are discussed with the Audit Committee of the Board of Directors of the Company during the quarter in which a change is contemplated and prior to making any change.

Allowance for Doubtful Accounts

The Company evaluates the collectibility of its trade accounts receivable based on a number of factors. In circumstances where the Company becomes aware of a specific customer’s inability to meet its financial obligations to the Company, a specific reserve for bad debts is estimated and recorded which reduces the recognized receivable to the estimated amount the Company believes will ultimately be collected. In addition to specific customer identification of potential bad debts, bad debt charges are recorded based on the Company’s recent past loss history and an overall assessment of past due trade accounts receivable outstanding.

The Company's review of potential bad debts considers the specific industry a particular customer operates in, such as supermarket retailers, convenience stores and mass merchandise retailers, and the general economic conditions that currently exist in that specific industry. We then consider the effects of concentration of credit risk in a specific industry and for specific customers within that industry.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of such assets. Changes in circumstances such as technological advances, changes to the Company's business model or changes in the Company's capital strategy could result in the actual useful lives differing from the Company's current estimates. Factors such as changes in the planned use of manufacturing equipment, vending equipment, transportation equipment, warehouse facilities or software could also result in shortened useful lives. In those cases where the Company determines that the useful life of property, plant and equipment should be shortened, the Company would depreciate the net book value in excess of the estimated salvage value over its revised remaining useful life.

The Company evaluates long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When undiscounted future cash flows will not be sufficient to recover an asset's carrying amount, the asset is written down to its fair value and the Company recognizes an impairment loss.

Franchise Rights

The Company considers franchise rights with The Coca-Cola Company and other franchisers to be indefinite lived because the agreements are perpetual or, in situations where agreements are not perpetual, the Company anticipates the agreements will continue to be renewed upon expiration. The cost of renewals is minimal and the Company has not had any renewals denied. The Company considers franchise rights as indefinite lived intangible assets under Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," ("SFAS No. 142") and therefore, does not amortize the value of such assets. Instead, franchise rights are tested at least annually for impairment.

Impairment Testing of Franchise Rights and Goodwill

The only intangible assets the Company classifies as indefinite lived are franchise rights and goodwill. SFAS No. 142 requires testing of intangible assets with indefinite lives and goodwill for impairment at least annually. The Company completed its annual impairment test for 2003 in the third quarter.

For the annual impairment analysis of franchise rights, the fair value for the Company's acquired franchise rights is estimated using a multi-period excess earnings approach. This approach involves projecting future earnings, discounting those estimated earnings using an appropriate discount rate and subtracting a contributory charge for net working capital, property, plant and equipment, assembled workforce and customer relationships to arrive at excess earnings attributable to franchise rights. The present value of the excess earnings attributable to franchise rights is their estimated fair value and is compared to the carrying value on an aggregate basis. Based on this analysis, there was no impairment of our recorded franchise rights in 2003. The projection of earnings includes a number of assumptions such as projected net sales, cost of sales, operating expenses and income taxes. Changes in the assumptions required to estimate the present value of the excess earnings attributable to franchise rights could materially impact the fair value estimate.

For the annual impairment analysis of goodwill, the Company develops an estimated fair value for the enterprise using an average of three different approaches:

- Market value, using the Company's stock price plus outstanding debt and minority interest;
- Discounted cash flow analysis; and
- Multiple of earnings before interest, taxes, depreciation and amortization based upon relevant industry data.

The estimated fair value of the enterprise is then compared to the Company's carrying amount including goodwill. If the estimated fair value of the Company exceeds its carrying amount, goodwill will be considered not impaired and the second step of the SFAS No. 142 impairment test will not be necessary. If the carrying amount including goodwill exceeds its estimated fair value, the second step of the impairment test will be performed to measure the amount of the impairment, if any. Based on this analysis, there was no impairment of our recorded goodwill in 2003. The discounted cash flow analysis includes a number of assumptions such as projected sales volume, net sales, cost of sales and operating expenses. Changes in these assumptions could materially impact the fair value estimate of the enterprise.

Deferred Tax Assets

The Company records a valuation allowance to reduce the carrying value of its deferred tax assets to an amount that is more likely than not to be realized. While the Company has considered future taxable income and prudent and feasible tax planning strategies in assessing the need for the valuation allowance, should the Company determine that it would not be able to realize all or part of its net deferred tax assets in the future, an adjustment to the valuation allowance would be charged to income in the period in which such determination was made. A reduction in the valuation allowance and corresponding adjustment to income may be required if the likelihood of realizing existing deferred tax assets were to increase. The Company regularly reviews the realizability of deferred tax assets and initiates a review when significant changes in the Company's business occur.

The Company's valuation allowance of $16.8 million at December 28, 2003 relates principally to state net operating loss carryforwards. During the second and third quarters of 2003, the Company adjusted its valuation allowance related to certain deferred tax assets. During the second quarter of 2003, the Company reduced its valuation allowance upon the completion of a state income tax audit which resulted in a favorable adjustment to income tax expense of $3.1 million. During the third quarter of 2003, in conjunction with a reorganization of certain of the Company's subsidiaries and corresponding assessment of the Company's ability to utilize certain state net operating loss carryforwards, the Company reduced its valuation allowance related to such carryforwards. This reduction in the valuation allowance reduced income tax expense by $6.5 million in the third quarter.

Pension and Postretirement Benefits Obligations

The Company sponsors pension plans covering substantially all full-time nonunion employees who meet eligibility requirements. Several statistical and other factors, which attempt to anticipate future events, are used in calculating the expense and liability related to the plans. These factors include assumptions about the discount rate, expected return on plan assets, employee turnover, age at retirement and rate of future compensation increases as determined by the Company, within certain guidelines. In addition, the Company's actuarial consultants also use subjective factors such as withdrawal and mortality rates to estimate the projected benefit obligation. The actuarial assumptions used by the Company may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of net periodic pension cost recorded by the Company in future periods. In 2003, the discount rate used in determining the actuarial present value of the projected benefit obligation for the Company's nonunion pension plans decreased to 6.25% from 7.00% in 2002 due to declining interest rates for long-term corporate bonds, which serve as the benchmark for determination of the discount rate. The discount rate assumption is generally the estimate which can have the most significant impact on net periodic pension cost and the projected benefit obligation for these nonunion pension plans. The Company determines an appropriate discount rate annually based on the annual yield on long-term corporate bonds as of the measurement date.

A .25% increase or decrease in the discount rate assumption at the beginning of fiscal year 2003 would have impacted the projected benefit obligation and net periodic pension cost as follows:

Impact on	.25% Increase	.25% Decrease
In Thousands		
Projected benefit obligation at December 28, 2003	$ (6,371)	$ 6,797
Net periodic pension cost in 2003	(930)	989

The weighted average expected long-term rate of return of plan assets was reduced from 9.0% for 2002 to 8.0% for determination of 2003 pension expense. This rate reflects an estimate of long-term future returns for the pension plan assets. This estimate is primarily a function of the asset classes (equities versus fixed income) in which the pension plan assets are invested and the analysis of past performance of these asset classes over a long period of time. This analysis includes expected long-term inflation and the risk premiums associated with equity and fixed income investments.

The Company sponsors a postretirement health care plan for employees meeting specified qualifying criteria. Several statistical and other factors, which attempt to anticipate future events, are used in calculating the net periodic postretirement benefit cost and postretirement benefit obligation for this plan. These factors include assumptions about the discount rate and the expected growth rate for the cost of health care benefits. In addition, the Company's actuarial consultants also use subjective factors such as withdrawal and mortality rates to estimate the projected liability under this plan. The actuarial assumptions used by the Company may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. In 2003, the discount rate used in the actuarial estimates for the Company's postretirement health care plan decreased to 6.00% from 6.75% in 2002 due to declining interest rates for long-term corporate bonds.

The discount rate assumption, the annual health care cost trend and the ultimate trend rate for health care costs are key estimates which can have a significant impact on the net periodic postretirement benefit cost and postretirement obligation in future periods. The Company annually determines the health care cost trend based on recent actual medical trend experience and projected experience for the following year.

A .25% increase or decrease in the discount rate assumption at the beginning of fiscal year 2003 would have impacted the projected benefit obligation and net periodic postretirement benefit cost as follows:

Impact on	.25% Increase	.25% Decrease
In Thousands		
Postretirement benefit obligation at December 28, 2003	$ (1,246)	$ 1,306
Net periodic postretirement benefit cost in 2003	(113)	119

A 1.0% increase or decrease in the annual health care cost trend for 2003 would have impacted the postretirement benefit obligation and net periodic postretirement benefit cost as follows:

Impact on	1.0% Increase	1.0% Decrease
In Thousands		
Postretirement benefit obligation at December 28, 2003	$ 5,857	$ (5,122)
Net periodic postretirement benefit cost in 2003	523	(456)

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") was enacted. The Act introduces a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans. The postretirement benefit obligation as of December 28, 2003 and the net periodic postretirement benefit cost in 2003 do not reflect the effects of the Act since enactment occurred

after the Company's postretirement plan measurement date of September 30, 2003. The Company has not determined what, if any, impact the Act will have on the Company's costs for future postretirement benefits.

RESULTS OF OPERATIONS

2003 Compared to 2002

Net Income

The Company reported net income of $30.7 million or $3.40 per basic share for fiscal year 2003 compared with net income of $22.8 million or $2.58 per basic share for fiscal year 2002. Significant items which impacted net income during 2003 and 2002 are discussed in the "Overview" section.

Net Sales and Gross Margin

The Company's net sales increased approximately 1% in 2003 compared to 2002. This increase in net sales reflected growth in average revenue per case and contract sales, which more than offset an approximate 2% decline in bottle/can volume. For 2003, average revenue per case increased by 2.1% compared to 2002. Some of the factors contributing to the decline in bottle/can volume in 2003 are discussed below:

- While 2002 saw the introduction of numerous new brands and packages, there were not as many new product introductions during 2003. Brand and package introductions during 2003 included Sprite Remix, 12-ounce PET bottles in Fridge Pack™ for future consumption channels and a 390 ml PET bottle package for immediate consumption channels. New brands and packaging in 2002 included Vanilla Coke, diet Vanilla Coke, diet Cherry Coke, Fanta flavors, the Dasani Fridge Pack™, Minute Maid Lemonade, Minute Maid Pink Lemonade and the full rollout of Fridge Pack™ cans in all of the Company's territories. New brands and packaging usually stimulate consumer demand resulting in increased sales. The short-term increase in sales from new brands and packages generally exceeds sustained growth as evidenced during 2003.
- Some of the Company's largest customers are chain grocery stores. During 2003, certain chain grocery store customers were less aggressive in their promotion of the Company's products resulting in volume declines for those customers. The Company believes that some of the volume declines in these chains are offset by higher volume in other retail outlets that more aggressively promoted the Company's products.
- General economic conditions also impacted the Company's results during 2003. Higher unemployment levels, particularly in certain areas of North Carolina, negatively impacted the Company's sales channel that includes manufacturing plants, where volume for the year declined.
- Operating results for 2003 were also adversely affected by unusually cool and wet weather throughout much of the Company's territory during the key Memorial Day holiday period, the early weeks of June and most of July and August.
- Noncarbonated beverages, which include bottled water, juices and isotonics, grew at a much slower rate in 2003 than in the past several years and comprised 10.5% of the Company's total sales volume in 2003 compared to 10.0% in 2002.

Contract sales to other Coca-Cola bottlers, which totaled $69.2 million in 2003, increased by 13% during 2003 compared to 2002. Sales to other bottlers allowed the Company to achieve a higher utilization of its production facilities, thus improving overall efficiency of operations.

As previously discussed, the Company adopted the provisions of EITF 02-16 at the beginning of 2003. As a result, the Company has recorded marketing funding support from The Coca-Cola Company and other beverage companies as a reduction in cost of sales. Prior year marketing funding support was reclassified from net sales to cost of sales to conform to the current year presentation.

The Company's products are sold and distributed directly by its employees to retail stores and other outlets. During 2003 and 2002, approximately 70% and 69%, respectively, of the Company's physical case volume was sold for future consumption. The remaining 30% and 31% in 2003 and 2002, respectively, of the Company's volume was sold for immediate consumption through various cold drink outlets. The Company's largest customer (Wal-Mart Stores, Inc.) accounted for approximately 11% of the Company's total sales volume in 2003.

Gross margin increased by 1% in 2003 compared to 2002 as the increase in average revenue per case more than offset both a 2% decline in bottle/can volume and a modest 1% increase in cost of sales on a per unit basis. Gross margin on contract sales to other Coca-Cola bottlers was flat compared to the prior year. The Company's gross margin percentage of 48.3% in 2003 was unchanged compared to 2002. The Company's gross margins may not be comparable to other companies, since some entities include all costs related to their distribution network in cost of sales and the Company excludes a portion of these costs from gross margin, including them instead in S,G&A expenses.

Cost of Sales and Operating Expenses

Cost of sales on a per unit basis increased 1% for 2003 compared to 2002. The increase in cost of sales on a per unit basis resulted primarily from modest increases in raw material costs. Cost of sales includes the following: raw material costs, manufacturing labor, manufacturing overhead, inbound freight charges related to raw materials, receiving costs, inspection costs, manufacturing warehousing costs and freight charges related to the movement of finished goods from manufacturing locations to sales distribution centers.

The Company anticipates that the cost of aluminum cans will increase significantly in 2004 as compared to prior years. As a result, the Company is focused on managing its selling prices in 2004 in order to offset higher raw material costs and to maintain its gross margins.

During 2003, the Company and all other Coca-Cola bottlers in the U.S. formed Coca-Cola Bottling Sales and Services Company ("CCBSS") for the purpose of facilitating various procurement functions and distributing certain specified beverage products of The Coca-Cola Company. CCBSS is responsible for negotiating contracts for most of the significant raw materials (other than concentrates and syrups) purchased by the Company. The Company anticipates that in future years CCBSS will increase purchasing efficiency for Coca-Cola bottlers and help reduce future increases in cost of sales.

The Company relies extensively on advertising and sales promotion in the marketing of its products. The Coca-Cola Company and other beverage companies that supply concentrates, syrups and finished products to the Company make substantial marketing and advertising expenditures to promote sales in the local territories served by the Company. The Company also benefits from national advertising programs conducted by The Coca-Cola Company and other beverage companies. Certain of the marketing expenditures by The Coca-Cola Company and other beverage companies are made pursuant to annual arrangements. Although The Coca-Cola Company has advised the Company that it intends to provide marketing funding support in 2004, it is not obligated to do so under the Company's Bottle Contracts. Significant decreases in marketing funding support from The Coca-Cola Company or other beverage companies could adversely impact operating results of the Company. Total marketing funding support from The Coca-Cola Company and other beverage companies, which includes direct payments to the Company, payments to customers for marketing programs and the Strategic Growth Initiative ("SGI") payments, was $60.8 million in 2003 versus $64.1 million in 2002 and was recorded as a reduction in cost of sales. In 2003 and 2002, The Coca-Cola Company offered through SGI an opportunity for the Company to receive marketing funding support, subject to the Company's achievement of certain volume performance requirements. The Company recorded $3.2 million and $2.3 million as a reduction in cost of sales related to SGI during 2003 and 2002, respectively. In 2002, the Company could have received a total of $6.3 million in cash in incremental marketing funding support under SGI as a result of its volume performance. Instead, the Company requested The Coca-Cola Company reinvest $4.0 million of this funding in additional local media and the balance of the funding, or $2.3 million, was received by the Company in cash.

S,G&A expenses for 2003 increased by 3.8% compared to the prior year. The increase was attributable primarily to increases in employee compensation and employee benefit plans (including costs related to the Company's pension plans), property and casualty insurance costs and fuel costs. Based on the performance of the Company's pension plan investments prior to 2003 and a lower discount rate, pension expense increased from $6.2 million in 2002 to $9.7 million 2003. Based upon interest rates at the measurement date on November 30, 2003, the Company anticipates that pension expense will further increase by approximately $1 million in 2004. Property and casualty insurance costs increased by $3.0 million or 20.7% during 2003 compared to 2002. Management believes that while its property and casualty insurance costs will increase in 2004, it will be at a lower rate than the Company experienced in 2002 and 2003. Fuel costs increased by $1.5 million or 16.1% during 2003 over 2002 partially due to an increase in vehicles related to a change in the Company's distribution system and also due to higher rates for fuel. Costs related to the restricted stock award for the Company's Chairman of the Board of Directors were $1.8 million in 2003 compared to $2.3 million in 2002. Changes in certain benefit programs for officers of the Company reduced expenses by $1.4 million in 2003.

The Company closed four sales distribution centers during 2003 in addition to the eight centers closed in 2002. The Company believes that these sales distribution center closings along with changes in its methods of distribution will reduce overall costs and improve productivity in the future. The Company will continue to evaluate its distribution system in an effort to improve the process of distributing products to customers. Shipping and handling costs related to the movement of finished goods from manufacturing locations to sales distribution centers are included in cost of sales. Shipping and handling costs related to the movement of finished goods from sales distribution centers to customers locations are included in S,G&A expenses and totaled $168.1 million and $165.8 million in 2003 and 2002, respectively. Customers do not pay the Company separately for shipping and handling costs.

The S,G&A expense line item includes the following: sales management labor costs, costs of distribution from sales distribution centers to customer locations, sales distribution center warehouse costs, point-of-sale expenses, advertising and marketing expenses, vending equipment repair costs, and administrative support labor and operating costs such as treasury, legal, information services, accounting, internal audit and executive management costs.

Depreciation Expense

Depreciation expense increased $.4 million or less than 1% for 2003 compared to 2002. Capital expenditures during 2003 amounted to $57.8 million compared to $57.3 million in 2002. The Company is in the process of implementing an upgrade of its Enterprise Resource Planning (ERP) computer software systems, which is anticipated to take several years to complete. In 2003, the Company capitalized $6.5 million related to the new ERP software. The Company anticipates using a portion of the new ERP software beginning in 2004.

Income from Operations

Income from operations for 2003 declined by $9.9 million from 2002. The decrease in income from operations was primarily attributable to higher operating expenses and relatively flat net sales.

Interest Expense

Interest expense for 2003 of $41.9 million decreased by $7.2 million or 14.7% from $49.1 million in 2002. The decrease in interest expense was primarily attributable to lower average interest rates on the Company's outstanding debt. Interest expense during the fourth quarter of 2002 included $2.2 million due to the termination of interest rate swap agreements related to the Company's long-term debt that was retired early. The Company's overall weighted average interest rate decreased from an average of 5.6% during 2002 to an average of 4.9% during 2003.

Debt and capital lease obligations decreased from $853.8 million at December 29, 2002 to $848.3 million at December 28, 2003. Debt and capital lease obligations at December 28, 2003 and December 29, 2002 included $45.6 million and $46.0 million, respectively, attributable to capital leases. Cash flow was sufficient to allow the Company to purchase the additional interest in Piedmont for $53.5 million and repay $5.5 million in debt and capital lease obligations.

Minority Interest

The Company recorded minority interest expense of $3.3 million in 2003 compared to $6.0 million in 2002 related to the portion of Piedmont owned by The Coca-Cola Company. The decreased amount in 2003 was primarily due to the purchase by the Company of an additional interest in Piedmont as previously discussed.

Income Taxes

The Company's effective income tax rates for 2003 and 2002 were approximately 19% and 40%, respectively.

During 2003, the Company recorded several adjustments to income tax expense. During the second quarter of 2003, the Company reduced its valuation allowance upon the completion of a state income tax audit which resulted in a favorable adjustment to income tax expense of $3.1 million. During the third quarter of 2003, in conjunction with a reorganization of certain of the Company's subsidiaries and a corresponding assessment of the Company's ability to utilize certain state net operating loss carryforwards, the Company reduced its valuation allowance related to such carryforwards. This reduction in the valuation allowance reduced income tax expense by $6.5 million in the third quarter. An income tax benefit of approximately $1.6 million was recorded in the fourth quarter related to the return of certain insurance premiums primarily in conjunction with the elimination of a split-dollar life insurance program for officers of the Company. As a partial offset to these favorable adjustments, the Company decided to terminate certain company-owned life insurance policies and recorded additional income tax expense of $2.6 million in the third and fourth quarters of 2003 related to the taxable value of these policies.

2002 Compared to Pro Forma 2001

Net Income

The Company reported net income of $22.8 million or $2.58 per basic share for fiscal year 2002 compared with net income of $9.0 million or $1.03 per basic share for fiscal year 2001. Net income for 2002 was favorably impacted by a $21.0 million pre-tax reduction in amortization expense associated with the adoption of SFAS No. 142 and the reversal of an accrual of $2.3 million, net of tax, related to a retirement benefit payable to J. Frank Harrison, Jr., the former Chairman of the Company, who passed away in November 2002. Net income for 2002 was reduced during the fourth quarter by a $1.3 million expense, net of tax, related to the termination of two interest rate hedging agreements. Net income for 2001 was favorably impacted by an income tax benefit of $2.9 million, which resulted from the settlement of certain income tax matters with the Internal Revenue Service.

Net Sales and Gross Margin

The Company's net sales for 2002 were $1.2 billion, an increase of 4.3% compared to 2001. The increase in net sales was due to an increase in physical case volume of 3.4%, higher sales to other Coca-Cola bottlers and an increase of slightly less than 1% in net selling price per unit compared to 2001. Sales volume of carbonated beverages increased by 2.1% for 2002 over 2001. In addition, the Company continued to experience strong volume growth for its bottled water, Dasani. New packaging, including the Dasani Fridge Pack™, and increased availability in retail outlets contributed to an increase in volume of more than 40% for Dasani during 2002. The Company introduced Vanilla Coke during the second quarter of 2002 and introduced diet Vanilla Coke and diet Cherry Coke during the fourth quarter of 2002. The introduction of these additional options in the cola category

led to an increase in total cola volume of approximately 1% in 2002 compared to approximately 3% in 2001. Fanta flavors and Minute Maid Lemonade, introduced in 2002, favorably impacted volume growth. The Company introduced Minute Maid Pink Lemonade during the third quarter of 2002. POWERade continued to show solid growth with volume increasing by approximately 22% over 2001. Noncarbonated beverages, which include bottled water, juices and isotonics, comprised approximately 10% of the Company's total sales volume in 2002 compared to approximately 8% in 2001.

Gross margin increased by 5.7% for 2002. Gross margin as a percentage of net sales increased from 47.7% in 2001 to 48.3% in 2002. The improvement in gross margin as a percentage of net sales reflected modest increases in selling prices in future consumption packages offset by planned decreases in selling prices in immediate consumption packages in certain channels. These changes in selling prices resulted in growth in revenue per case of slightly less than 1% for the year and have led to favorable shifts in channel mix, which combined with lower cost of sales on a per unit basis, have driven the increase in gross margin. During 2002 and 2001, approximately 69% of the Company's physical case volume was sold for future consumption. The remaining 31% of the Company's volume was sold for immediate consumption in 2002 and 2001.

Cost of Sales and Operating Expenses

Cost of sales on a per unit basis decreased by less than 1% in 2002 compared to 2001. Packaging costs decreased slightly compared to the prior year. Increases in other raw material costs have been offset largely by productivity improvements.

Total marketing funding support from The Coca-Cola Company and other beverage companies, which included direct payments to the Company (including SGI discussed below) combined with payments to customers for marketing programs were $64.1 million in 2002 versus $65.3 million in 2001. In 2002, The Coca-Cola Company offered through its SGI an opportunity for the Company to receive additional marketing funding support subject to meeting certain volume performance requirements. Under this program, the Company could have received a total of $6.3 million in cash in incremental marketing funding support in 2002 as a result of its volume performance. Instead, the Company requested The Coca-Cola Company reinvest $4.0 million of this funding in additional local media and the balance of the funding, or $2.3 million, was received by the Company in cash.

S,G&A expenses for 2002 increased 6.4% from 2001. The increase in S,G&A expenses was primarily attributable to increases in employee compensation and employee benefit plans (including costs related to the Company's pension plans), increases in insurance costs, increases in marketing expenses and certain expenses related to the closing of sales distribution facilities. Property and casualty insurance costs increased by $4.0 million or 37% during 2002. Costs related to the restricted stock award for the Company's Chairman of the Board of Directors increased from $1.4 million in 2001 to $2.3 million in 2002, due to the increased market price of the Company's stock during 2002. Shipping and handling costs related to the movement of finished goods from sales distribution centers to customer locations are included in S,G&A expenses and totaled $165.8 million and $150.7 million in 2002 and 2001, respectively. The Company reversed an accrual of $3.8 million related to a retirement benefit payable to J. Frank Harrison, Jr., the former Chairman of the Company, who passed away in November 2002.

Based on the performance of the overall equity markets in 2001 and lower interest rates, pension expense increased from $2.0 million in 2001 to $6.2 million in 2002. Claim costs related to the Company's health care insurance program increased by $3.1 million or 14.1% during 2002.

Depreciation Expense

Depreciation expense in 2002 increased $4.5 million or 6.3% from 2001. The increase was due to the amortization of a capital lease for the Company's Charlotte, North Carolina production/distribution center and

the purchase during the second quarter of 2001 of approximately $49 million of cold drink equipment that had previously been leased. The production/distribution center lease obligation was capitalized at the end of the first quarter of 2002 as the Company received a renewal option to extend the term of the lease, which it expects to exercise. The production/distribution lease was previously accounted for as an operating lease. Capital expenditures during 2002 amounted to $57.3 million compared to $101.6 million in 2001. Capital expenditures during 2001 included the purchase of approximately $49 million of leased equipment as previously discussed.

Provision for Impairment of Property, Plant and Equipment

The Company recorded a provision for impairment of certain real estate of $.9 million in the fourth quarter of 2001. The impairment charge reflected an adjustment to estimated net realizable value of real estate which was no longer required for the Company's ongoing operations.

Interest Expense

Interest expense for 2002 of $49.1 million decreased by $8.7 million or 15.0% from 2001. The decrease in interest expense was primarily attributable to lower average interest rates on the Company's outstanding debt and lower debt balances. Interest expense during the fourth quarter of 2002 included $2.2 million due to the termination of interest rate hedging agreements related to the Company's long-term debt that was retired early. The Company's overall weighted average interest rate decreased from an average of 6.5% during 2001 to an average of 5.6% during 2002. Debt and capital lease obligations decreased from $878.4 million at December 30, 2001 to $853.8 million at December 29, 2002. Debt and capital lease obligations at December 29, 2002 included $41.6 million attributable to a lease that was capitalized during the first quarter of 2002.

Minority Interest

The Company recorded minority interest expense of $6.0 million in 2002 compared to $.4 million in 2001 related to the portion of Piedmont owned by The Coca-Cola Company. The increased amount in 2002 was due to improved operating results at Piedmont. Piedmont's operating results were favorably impacted by the reduction in amortization expense associated with the adoption of SFAS No. 142. Amortization expense decreased at Piedmont by $8.4 million in 2002 compared to 2001.

Income Taxes

The effective tax rate for federal and state income taxes was approximately 40% in 2002 versus approximately 18% in 2001. The Company's income tax rate for 2001 was favorably impacted by the $2.9 million settlement of certain income tax issues with the Internal Revenue Service.

FINANCIAL CONDITION

Total assets decreased slightly from $1.354 billion at December 29, 2002 to $1.350 billion at December 28, 2003.

Net working capital, defined as current assets less current liabilities, increased by $40.2 million to $66.4 million at December 28, 2003 from $26.2 million at December 29, 2002.

The most significant change in net working capital resulted from the reclassification of cash surrender value on certain company-owned life insurance policies of $27.8 million from other noncurrent assets resulting from the Company's decision to terminate certain life insurance policies. The Company anticipates it will receive the proceeds from the surrender of these policies during 2004. The proceeds will be used to fund contributions to the Company's nonunion pension plans and repay debt. Other changes in net working capital include a decline in accounts receivable, other of $6.3 million, an increase in accounts receivable from The Coca-Cola Company of $5.1 million and a decrease in accounts payable to The Coca-Cola Company of $9.7 million. The decline in

accounts receivable, other was primarily due to the receipt of life insurance proceeds of $6.8 million. The life insurance proceeds related to certain policies covering J. Frank Harrison, Jr., the former Chairman of the Board of Directors of the Company, who passed away in November 2002. The receipt of these proceeds had no impact on the results of operations for 2003. The increase in accounts receivable from The Coca-Cola Company was due to the timing of customer marketing reimbursements to the Company. The decrease in accounts payable to The Coca-Cola Company was due to the timing of payments by the Company.

Debt and capital lease obligations decreased from $853.8 million at December 29, 2002 to $848.3 million at December 28, 2003. The balance at December 28, 2003 includes $53.5 million of debt incurred to purchase an additional interest in Piedmont.

The Company had recorded a minimum pension liability adjustment of $20.6 million, net of tax, as of December 29, 2002 to reflect the difference between the fair market value of the Company's nonunion pension plan assets and the accumulated benefit obligation of the plans. The Company recorded an additional minimum pension liability adjustment of $3.2 million, net of tax, as of December 28, 2003. Contributions to the Company's pension plans were $12.4 million in 2003 and $13.5 million in 2002. The Company anticipates the contribution to its nonunion plans in 2004 will approximate $23 million to $24 million. The majority of the funds for the contributions in 2004 will be provided from the proceeds related to the termination and surrender of certain Company-owned life insurance policies. Due to the significant contributions made to the pension plans during 2002 and 2003 and the projected contribution to be made in 2004, the Company anticipates that contributions in the three years after 2004 will be lower than those during 2002 through 2004. The expectation of lower contributions in future years is contingent on certain plan variables including actual investment returns and the plan discount rate. Unfavorable trends in plan investment returns or the discount rate could result in higher than expected contributions to the pension plans in years after 2004.

The Company's pension expense and pension liability is affected by certain valuation assumptions including the expected rate of return on plan assets, the discount rate used to measure plan liabilities, participant service and wage rates, mortality and actual investment returns. Management of the Company, in conjunction with its consultants, evaluates all of these variables on an annual basis. Based upon its review of overall financial market conditions and anticipated future returns on pension plan investments, the Company reduced its expected long-term rate of return on plan assets from 9% in 2002 to 8% in 2003. The discount rate used to determine pension plan liabilities is a market based rate at the measurement date for the pension plan which is November 30 of each year. The discount rates as of November 30, 2003 and 2002 were 6.25% and 7.0%, respectively. The reductions in the expected rate of return on plan investments and the lower discount rate combined with lower than expected returns on plan investments during 2002 were responsible for the significant increase in pension expense as previously discussed.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Sources of capital for the Company include cash flows from operating activities, bank borrowings, issuance of public or private debt and the issuance of equity securities. Management believes that the Company, through these sources, has sufficient financial resources available to maintain its current operations and provide for its current capital expenditure and working capital requirements, scheduled debt payments, interest and income tax payments and dividends for stockholders. The amount and frequency of future dividends will be determined by the Company's Board of Directors in light of the earnings and financial condition of the Company at such time, and no assurance can be given that dividends will be declared in the future.

The Company primarily uses cash flow from operations and available debt facilities to meet its cash requirements. As of December 28, 2003, the Company had $125 million available under its revolving credit facility to meet its cash requirements. The Company anticipates that cash provided by operating activities and its existing credit facilities will be sufficient to meet all of its cash requirements, including debt maturities, through 2008.

The Company has obtained the majority of its long-term financing from public markets. As of December 28, 2003, $700 million of the Company's total outstanding balance of debt and capital leases of $848.3 million was financed through publicly offered debentures. The remainder of the Company's debt is provided by several financial institutions. The Company mitigates its financing risk by using multiple financial institutions and carefully evaluating the credit worthiness of those institutions. The Company enters into credit arrangements only with institutions with investment grade credit ratings. The Company monitors counterparty credit ratings on an ongoing basis. The Company's interest rate derivative contracts are with several different financial institutions to minimize the concentration of credit risk. The Company has master agreements with the counterparties to its derivative financial agreements that provide for net settlement of derivative transactions.

Cash Sources and Uses

The primary sources of cash for the Company are cash provided by operating activities and proceeds from the issuance of long-term debt. The primary uses of cash are for capital expenditures, the repayment of long-term debt maturities, acquisitions and dividends.

A summary of activity for 2003 and 2002 follows:

In Millions	2003	2002
Cash sources		
Cash provided by operating activities	$ 121.3	$ 132.0
Proceeds from the issuance of long-term debt	100.0	150.0
Other	6.0	15.9
Total cash sources	$ 227.3	$ 297.9
Cash uses		
Capital expenditures	$ 57.8	$ 57.3
Repayment of debt maturities and capital lease obligations	106.4	215.9
Acquisitions (net of cash acquired)	52.6	8.7
Dividends	9.0	8.9
Other	1.6	5.8
Total cash uses	$ 227.4	$ 296.6

Due primarily to net operating loss carryforwards, contributions to its pension plan and accelerated depreciation, the Company did not have any cash income tax payments during 2003. Based on current projections, the Company anticipates that beginning in 2005, the cash requirements for income taxes will increase significantly.

Investing Activities

Additions to property, plant and equipment during 2003 were $57.8 million compared to $57.3 million in 2002. Capital expenditures during 2003 were funded with cash flows from operations and from borrowings under the Company's available lines of credit. Leasing is used for certain capital additions when considered cost effective relative to other sources of capital. The Company currently leases two production facilities and several sales distribution and administrative facilities.

At the end of 2003, the Company had no material commitments for the purchase of capital assets other than those related to normal replacement of equipment. The Company considers the acquisition of bottling territories on an ongoing basis. The Company anticipates that additions to property, plant and equipment in 2004 will be in the range of $60 million to $70 million and plans to fund such additions through cash flows from operations and its available lines of credit. The Company is in the process of implementing an upgrade of its Enterprise

Resource Planning (ERP) computer software systems, which is anticipated to take several years to complete. During 2003, the Company capitalized $6.5 million related to the new ERP software. The Company anticipates using a portion of the new ERP software beginning in 2004.

Financing Activities

In December 2002, the Company entered into a three-year, $125 million revolving credit facility. This facility includes an option to extend the term for an additional year at the discretion of the participating banks. The revolving credit facility bears interest at a floating rate of LIBOR plus an interest rate spread of .60%. In addition, there is a facility fee of .15% required for this revolving credit facility. Both the interest rate spread and the facility fee are determined from a commonly used pricing grid based on the Company's long-term senior unsecured noncredit-enhanced debt rating. The facility contains covenants which establish ratio requirements related to interest coverage, and long-term debt to cash flow. On December 28, 2003, there were no amounts outstanding under this facility.

In January 1999, the Company filed a shelf registration relating to up to $800 million of debt and equity securities. The Company has used this shelf registration to issue long-term debt of $250 million in 1999, $150 million in 2002 and $100 million in 2003. The Company currently has up to $300 million available for use under this shelf registration which, subject to the Company's ability to consummate a transaction on acceptable terms, could be used for long-term financing or refinancing of long-term debt maturities.

In November 2002, the Company issued $150 million of ten-year senior notes at a coupon rate of 5.00%. The proceeds from this issuance were used to repay borrowings under the Company's revolving credit facility and lines of credit, and to loan amounts to Piedmont to enable it to repay a $97.5 million term loan. In March 2003, the Company issued $100 million of twelve-year senior notes at a coupon rate of 5.30%. The proceeds from this issuance were used to purchase an additional interest in Piedmont for $53.5 million and repay a portion of the Company's $170 million term loan.

The Company also borrows periodically under its available lines of credit. These lines of credit, in the aggregate amount of $60.0 million at December 28, 2003, are made available at the discretion of the two participating banks at rates negotiated at the time of borrowing and may be withdrawn at any time by such banks. The Company can utilize its $125 million revolving credit facility in the event the lines of credit are not available. The Company had borrowed $17.6 million under its lines of credit as of December 28, 2003. The lines of credit as of December 28, 2003 bore an interest rate of 1.52%. To the extent that these borrowings do not exceed the amount available under the Company's $125 million revolving credit facility, they are classified as noncurrent liabilities.

During 2002, Piedmont refinanced a $195 million term loan using the proceeds from a loan from the Company. The Company's source of funds for this loan to Piedmont included the issuance of $150 million of senior notes, its lines of credit, its revolving credit facility and available cash flow. Piedmont pays the Company interest on the loan at the Company's average cost of funds plus .50%. The loan matures on December 31, 2005. The Company plans to provide for Piedmont's future financing requirements under these terms.

All of the outstanding long-term debt has been issued by the Company with none having been issued by any of the Company's subsidiaries. There are no guarantees of the Company's debt.

With regard to the Company's $85 million term loan, the Company must maintain its public debt ratings at investment grade as determined by both Moody's and Standard and Poor's. If the Company's public debt ratings fall below investment grade within 90 days after the public announcement of certain designated events and such ratings stay below investment grade for an additional 40 days, a trigger event resulting in a default occurs. The Company does not anticipate a trigger event will occur in the foreseeable future.

At December 28, 2003, the Company's debt ratings were as follows:

	Long-Term Debt
Standard and Poor's	BBB
Moody's	Baa

The Company's credit ratings are reviewed periodically by the respective rating agencies. Changes in the Company's operating results or financial position could result in changes in the Company's credit ratings. Lower credit ratings could result in higher borrowing costs for the Company or in the event of a reduction below investment grade level, a potential default on one of its credit agreements as discussed above. There were no changes in these debt ratings from the prior year. It is the Company's intent to operate in a manner that will allow it to maintain its investment grade ratings.

The Company's revolving credit facility contains two financial covenants related to ratio requirements for interest coverage, and long-term debt to cash flow as defined in the credit agreement. These covenants do not currently, and the Company does not anticipate that they will, restrict its liquidity or capital resources. The Company's public debt is not subject to financial covenants but does limit the incurrence of certain liens and encumbrances.

The Company issued 20,000 shares of Class B Common Stock to J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer, with respect to fiscal year 2003, effective January 1, 2004, under a restricted stock award plan that provides for annual awards of such shares subject to the Company meeting certain performance criteria.

During 2002, two of the Company's directors, J. Frank Harrison, Jr., Chairman Emeritus, and J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer, entered into plans providing for sales of up to an aggregate total of 250,000 shares of the Company's Common Stock in accordance with Securities and Exchange Commission Rule 10b5-1. Shares sold under the plans were issuable to Mr. Harrison, Jr. and Mr. Harrison, III under stock option agreements that were granted in 1989 as long-term incentives. All 250,000 shares of Common Stock exercisable under the options were sold under the plans and the Company received proceeds of $7.2 million.

Off-Balance Sheet Arrangements

See Note 13 to the consolidated financial statements for details of the Company's off-balance sheet arrangements, including its operating lease commitments, debt guarantees, standby letters of credit and long-term contractual arrangements for certain prestige properties, athletic venues and other locations.

Aggregate Contractual Obligations

The following table summarizes the Company's contractual obligations and commercial commitments as of December 28, 2003:

	Payments Due by Period				
	Total	2004	2005-2006	2007-2008	2009 and Thereafter
In Thousands					
Contractual obligations:					
Long-term debt	$ 802,717	$ 78	$ 102,639	$ 100,000	$ 600,000
Capital lease obligations (1)	45,563	1,337	2,049	1,603	40,574
Purchase obligations (1)	40,000	40,000			
Other long-term liabilities (2)	58,584	3,487	6,829	6,769	41,499
Operating leases (1)	31,671	6,639	11,807	9,414	3,811
Long-term contractual arrangements (1)	26,348	5,342	9,073	6,814	5,119
Total contractual obligations	$ 1,004,883	$ 56,883	$ 132,397	$ 124,600	$ 691,003

(1) See Note 13 to the consolidated financial statements for additional information.

(2) Includes obligations under executive benefit plans and non-compete liabilities.

Interest Rate Hedging

The Company periodically uses interest rate hedging products to modify risk from interest rate fluctuations. The Company has historically altered its fixed/floating rate mix based upon anticipated cash flows from operations relative to the Company's debt level and the potential impact of changes in interest rates on the Company's overall financial condition. Sensitivity analyses are performed to review the impact on the Company's financial position and coverage of various interest rate movements. The Company does not use derivative financial instruments for trading purposes nor does it use leveraged financial instruments.

During November 2002, the Company entered into three interest rate swap agreements in conjunction with the issuance of $150 million of senior notes and the refinancing of other Company debt as previously discussed. These interest rate swap agreements effectively converted $150 million of the Company's debt from a fixed rate to a floating rate and are accounted for as fair value hedges.

During the fourth quarter of 2002, the Company terminated two interest rate swap agreements classified as cash flow hedges. These two interest rate swaps hedged the cash flows on part of a variable rate term loan agreement the Company had outstanding. In conjunction with the issuance of $150 million of senior notes in November 2002, the variable rate term loan was repaid early. The term loan had a maturity of May 2003. Upon the repayment of the term loan, the cash flow hedges no longer qualified as hedges due to the fact that the variability of cash flows being hedged was eliminated with the repayment of the variable rate term loan, and thus the forecasted schedule of payments did not occur. Accordingly, the interest rate swap agreements were terminated and the resulting interest expense of $2.2 million was reflected in the 2002 statement of operations.

The Company has four forward interest rate agreements with twelve-month terms which fix short-term rates on certain components of the Company's floating rate debt. One of these forward interest rate agreements has been accounted for as a cash flow hedge. The other three forward interest rate agreements do not meet the criteria set forth in Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, for hedge accounting and have been accounted for on a mark-to-market basis. The mark-to-market adjustment for these three forward interest rate agreements was an increase to interest expense of approximately $0.1 million during 2003.

In conjunction with the issuance of $100 million of twelve-year senior notes in March 2003, the Company entered into two forward interest rate agreements to hedge the issuance price. These forward interest rate agreements were accounted for as cash flow hedges. The Company received $3.1 million from these cash flow hedges upon settlement, which has been recorded in other liabilities, and will be amortized as a reduction of interest expense over the life of the related senior notes.

In July 2003, the Company entered into three interest rate swap agreements in conjunction with the $100 million of twelve-year senior notes previously mentioned. These interest rate swap agreements effectively converted $100 million of the Company's debt from a fixed rate to a floating rate and are accounted for as fair value hedges.

During 2003, 2002 and 2001, interest expense was reduced by $2.1 million, $1.9 million and $1.2 million, respectively, due to amortization of the deferred gains on previously terminated interest rate swap agreements and forward interest rate agreements. Interest expense will be reduced by the amortization of these deferred gains in 2004 through 2009 as follows: $1.9 million, $1.7 million, $1.7 million, $1.7 million, $1.7 million and $.9 million, respectively.

The weighted average interest rate of the Company's debt and capital lease obligations after taking into account the interest rate hedging activities was 4.9% as of December 28, 2003 compared to 5.0% at the end of 2002. The Company's overall weighted average interest rate on its debt and capital lease obligations in 2003 decreased to 4.9% from 5.6% in 2002. Before giving effect to forward rate agreements discussed below, approximately 46% of the Company's debt and capital lease obligations of $848.3 million as of December 28, 2003 was maintained on a floating rate basis and was subject to changes in short-term interest rates. The

Company currently has three forward interest rate agreements that fix the interest rate through May 2004 on $150 million of floating rate debt. After giving effect to the forward interest rate agreements, approximately 29% of the Company's debt and capital lease obligations is subject to changes in short-term interest rates through May 2004.

If average interest rates for the floating rate component of the Company's debt and capital lease obligations increased by 1.0%, annual interest expense for the year ended December 28, 2003 would have increased by $2.5 million. This amount is determined by calculating the effect of a hypothetical interest rate change on our floating rate debt, including the effects of our interest rate swap agreements.

CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, as well as information included in future filings by the Company with the Securities and Exchange Commission and information contained in written material, press releases and oral statements issued by or on behalf of the Company, contains, or may contain, several forward-looking management comments and other statements that reflect management's current outlook for future periods. These statements include, among others, statements relating to:

- increases in pension expense;
- anticipated return on pension plan investments;
- anticipated costs associated with property and casualty insurance;
- the Company's ability to utilize net operating loss carryforwards;
- the Company's belief that other parties to certain contractual arrangements will perform their obligations;
- potential marketing funding support from The Coca-Cola Company;
- the Company's belief that the risk of loss with respect to funds deposited with banks is minimal;
- anticipated additions to property, plant and equipment;
- expectations regarding future income tax payments;
- the Company's belief that disposition of certain litigation and claims will not have a material adverse effect;
- the Company's expectation of exercising its option to extend certain lease obligations;
- the effects of the closings of sales distribution centers;
- the Company's intention to continue to evaluate its distribution system in an effort to optimize the process of distributing products;
- the effects of the upgrade of ERP systems;
- management's belief that the Company has sufficient financial resources to maintain current operations and provide for its current capital expenditures and working capital requirements, scheduled debt payments, interest and income tax payments and dividends for stockholders;
- the Company's intention to operate in a manner to maintain its investment grade ratings;
- the Company's belief that the cooperatives whose debt the Company guarantees have sufficient assets and the ability to adjust selling prices of their products to adequately mitigate the risk of material loss and that the cooperatives will perform their obligations under the agreements;
- the Company's belief that FIN 46 will not have any significant impact on the Company's financial statements at this time;
- the Company's ability to issue $300 million of securities under acceptable terms under its shelf registration statement;
- the Company's belief that CCBSS will increase future purchasing efficiencies;

- the Company’s belief that certain franchise rights are perpetual or will be renewed upon expiration;
- the Company’s ability to extend its management agreement with SAC on terms comparable to the current agreement;
- the Company’s ability to offset increases in raw material costs with selling price increases to maintain gross margins in 2004;
- the Company’s intention to provide for Piedmont’s future financing requirements; and
- management’s belief that a trigger event will not occur under the Company’s $85 million term loan.

These statements and expectations are based on the currently available competitive, financial and economic data along with the Company’s operating plans, and are subject to future events and uncertainties. Among the events or uncertainties which could adversely affect future periods are:

- lower than expected net pricing resulting from increased marketplace competition;
- an inability to meet performance requirements for expected levels of marketing funding support payments from The Coca-Cola Company or other beverage companies;
- changes in how significant customers market or promote our products;
- reduced advertising and marketing spending by The Coca-Cola Company or other beverage companies;
- an inability to meet requirements under bottling contracts;
- the inability of our aluminum can or PET bottle suppliers to meet our sales demand;
- significant changes from expectations in the cost of raw materials;
- higher than expected insurance premiums and fuel costs;
- lower than anticipated returns on pension plan assets;
- higher than anticipated health care costs;
- unfavorable interest rate fluctuations;
- higher than anticipated cash payments for income taxes;
- unfavorable weather conditions;
- inability to increase selling prices to offset higher raw material costs;
- significant changes in debt ratings impacting the Company’s ability to borrow;
- terrorist attacks, war or other civil disturbances;
- changes in financial markets; and
- an inability to meet projections in acquired bottling territories.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

The Company is exposed to certain market risks that arise in the ordinary course of business. The Company may enter into derivative financial instrument transactions to manage or reduce market risk. The Company does not enter into derivative financial instrument transactions for trading purposes. A discussion of the Company’s primary market risk exposure and interest rate risk is presented below.

Long-Term Debt and Derivative Financial Instruments

The Company is subject to interest rate risk on its long-term fixed and floating rate debt. The Company periodically uses interest rate hedging products to modify risk from interest rate fluctuations. The Company has

historically altered its fixed/floating rate mix based upon anticipated cash flows from operations relative to the Company's overall financial condition. Sensitivity analyses are performed to review the impact on the Company's financial position and coverage of various interest rate movements. The counterparties to these interest rate hedging arrangements are major financial institutions with which the Company also has other financial relationships. While the Company is exposed to credit loss in the event of nonperformance by these counterparties, the Company does not anticipate nonperformance by these parties. The Company generally maintains between 40% and 60% of total borrowings at variable interest rates after taking into account all of the interest rate hedging activities. While this is the target range, the financial position of the Company and market conditions may result in strategies outside of this range at certain points in time. Before giving effect to forward interest rate agreements, approximately 46% of the Company's debt and capital lease obligations of $848.3 million as of December 28, 2003 was subject to changes in short-term interest rates. The Company currently has three forward interest rate agreements that fix the interest rate through April 2004 on $150 million of floating rate debt. After giving effect to the forward interest rate agreements, approximately 29% of the Company's debt and capital lease obligations are subject to changes in short-term interest rates through May 2004.

As it relates to the Company's variable rate debt and variable rate leases, assuming no changes in the Company's financial structure, if market interest rates average 1% more in 2004 than the interest rates as of December 28, 2003, interest expense for 2004 would increase by $3.0 million. This amount was determined by calculating the effect of the hypothetical interest rate on our variable rate debt and variable rate leases after giving consideration to all our interest rate hedging activities.

Raw Material and Commodity Price Risk

The Company is subject to commodity price risk arising from price movements for certain commodities included as part of its raw materials. The Company manages this risk in some cases by entering into contracts with adjustable prices. The Company has not used derivative commodity instruments in the management of this risk.

Effect of Changing Prices

The principal effect of inflation on the Company's operating results is to increase costs. Subject to normal competitive market conditions, the Company believes it has the ability to raise selling prices to offset these cost increases over time.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED BALANCE SHEETS

In Thousands (Except Share Data)	Dec. 28, 2003	Dec. 29, 2002
ASSETS		
Current assets:		
Cash	$ 18,044	$ 18,193
Accounts receivable, trade, less allowance for doubtful accounts of $1,723 and $1,676	82,222	79,548
Accounts receivable from The Coca-Cola Company	18,112	12,992
Accounts receivable, other	10,663	17,001
Inventories	36,891	38,648
Cash surrender value of life insurance, net	27,765	
Prepaid expenses and other current assets	6,981	4,588
Total current assets	200,678	170,970
Property, plant and equipment, net	446,708	466,840
Leased property under capital leases, net	43,109	44,623
Other assets	27,653	58,167
Franchise rights, net	520,672	504,374
Goodwill, net	102,049	101,754
Other identifiable intangible assets, net	9,051	6,797
Total	$ 1,349,920	$ 1,353,525

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

	Dec. 28, 2003	Dec. 29, 2002
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Portion of long-term debt payable within one year	$ 78	$ 31
Current portion of obligations under capital leases	1,337	1,120
Accounts payable, trade	39,493	38,303
Accounts payable to The Coca-Cola Company	10,996	20,649
Other accrued liabilities	52,492	53,536
Accrued compensation	18,999	20,462
Accrued interest payable	10,924	10,649
Total current liabilities	134,319	144,750
Deferred income taxes	156,094	148,297
Pension and postretirement benefit obligations	50,842	47,040
Other liabilities	74,457	64,400
Obligations under capital leases	44,226	44,906
Long-term debt	802,639	807,725
Total liabilities	1,262,577	1,257,118
Commitments and Contingencies (Note 13)		
Minority interest	34,871	63,540
Stockholders' Equity:		
Convertible Preferred Stock, $100.00 par value:		
Authorized-50,000 shares; Issued-None		
Nonconvertible Preferred Stock, $100.00 par value:		
Authorized-50,000 shares; Issued-None		
Preferred Stock, $.01 par value:		
Authorized-20,000,000 shares; Issued-None		
Common Stock, $1.00 par value:		
Authorized-30,000,000 shares; Issued-9,704,951 and 9,704,851 shares	9,704	9,704
Class B Common Stock, $1.00 par value:		
Authorized-10,000,000 shares; Issued-3,028,866 and 3,008,966 shares	3,029	3,009
Class C Common Stock, $1.00 par value:		
Authorized-20,000,000 shares; Issued-None		
Capital in excess of par value	97,220	95,986
Retained earnings	27,703	6,043
Accumulated other comprehensive loss	(23,930)	(20,621)
	113,726	94,121
Less-Treasury stock, at cost:		
Common-3,062,374 shares	60,845	60,845
Class B Common-628,114 shares	409	409
Total stockholders' equity	52,472	32,867
Total	$1,349,920	$1,353,525

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF OPERATIONS

In Thousands (Except Per Share Data)	Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
Net sales (includes sales to Piedmont of $71,170 in 2001)	$ 1,210,765	$ 1,198,335	$ 958,859
Cost of sales, excluding depreciation expense shown below (includes $53,033 in 2001 related to sales to Piedmont)	625,448	619,137	514,358
Gross margin	585,317	579,198	444,501
Selling, general and administrative expenses, excluding depreciation expense shown below	422,456	407,145	306,106
Depreciation expense	76,485	76,075	66,134
Provision for impairment of property, plant and equipment			947
Amortization of intangibles	3,105	2,796	15,296
Income from operations	83,271	93,182	56,018
Interest expense	41,914	49,120	44,322
Minority interest	3,297	5,992	
Income before income taxes	38,060	38,070	11,696
Income taxes	7,357	15,247	2,226
Net income	$ 30,703	$ 22,823	$ 9,470
Basic net income per share	$ 3.40	$ 2.58	$ 1.08
Diluted net income per share	$ 3.40	$ 2.56	$ 1.07
Weighted average number of common shares outstanding	9,043	8,861	8,753
Weighted average number of common shares outstanding—assuming dilution	9,043	8,921	8,821

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands	Fiscal Year 2003	Fiscal Year 2002	Fiscal Year 2001
Cash Flows from Operating Activities			
Net income	$ 30,703	$ 22,823	$ 9,470
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	76,485	76,075	66,134
Amortization of intangibles	3,105	2,796	15,296
Deferred income taxes	7,357	14,953	888
Provision for impairment of property, plant and equipment			947
Losses on sale of property, plant and equipment	1,182	3,381	1,297
Amortization of debt costs	1,082	809	830
Amortization of deferred gain related to terminated interest rate agreements	(2,082)	(1,927)	(1,183)
Undistributed earnings of Piedmont			(417)
Minority interest	3,297	5,992	
(Increase) decrease in current assets less current liabilities	(41,519)	(15,645)	44,418
(Increase) decrease in other noncurrent assets	29,221	12,700	(9,809)
Increase (decrease) in other noncurrent liabilities	12,685	10,358	(6,010)
Other	(182)	(357)	82
Total adjustments	90,631	109,135	112,473
Net cash provided by operating activities	121,334	131,958	121,943
Cash Flows from Financing Activities			
Proceeds from the issuance of long-term debt	100,000	150,000	
Payment of long-term debt	(50,000)		
Repayment of current portion of long-term debt	(35,039)	(251,708)	(2,385)
Proceeds from (repayment of) lines of credit, net	(20,000)	37,600	(12,900)
Cash dividends paid	(9,043)	(8,861)	(8,753)
Principal payments on capital lease obligations	(1,340)	(1,748)	(2,868)
Termination of interest rate swap agreements		(2,229)	6,704
Proceeds from settlement of forward interest rate agreements	3,135		
Debt issuance costs paid	(1,039)	(3,617)	
Proceeds from exercise of stock options		7,162	
Other	(644)	1,214	(230)
Net cash used in financing activities	(13,970)	(72,187)	(20,432)
Cash Flows from Investing Activities			
Additions to property, plant and equipment	(57,795)	(57,317)	(96,684)
Proceeds from the sale of property, plant and equipment	2,845	7,506	3,660
Acquisitions of companies, net of cash acquired	(52,563)	(8,679)	
Net cash used in investing activities	(107,513)	(58,490)	(93,024)
Net increase (decrease) in cash	(149)	1,281	8,487
Cash at beginning of year	18,193	16,912	8,425
Cash at end of year	$ 18,044	$ 18,193	$ 16,912
Significant non-cash investing and financing activities			
Capital lease obligations incurred	$ 877	$ 42,180	$ 456
Issuance of Class B Common Stock in connection with stock award	1,254	768	757

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

In Thousands	Common Stock	Class B Common Stock	Capital in Excess of Par Value	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance on December 31, 2000	$ 9,454	$ 2,969	$ 99,020	$ (21,777)	$ —	$ (61,254)	$ 28,412
Comprehensive income (loss):							
Net income				9,470			9,470
Net gain (loss) on derivatives, net of tax					(1,821)		(1,821)
Net change in minimum pension liability adjustment, net of tax					(10,984)		(10,984)
Total comprehensive income (loss)							(3,335)
Cash dividends paid							
Common ($1.00 per share)			(6,392)				(6,392)
Class B Common ($1.00 per share)			(2,361)				(2,361)
Issuance of Class B Common Stock		20	737				757
Balance on December 30, 2001	$ 9,454	$ 2,989	$ 91,004	$ (12,307)	$ (12,805)	$ (61,254)	$ 17,081
Comprehensive income (loss):							
Net income				22,823			22,823
Net gain (loss) on derivatives, net of tax					1,821		1,821
Net change in minimum pension liability adjustment, net of tax					(9,637)		(9,637)
Total comprehensive income (loss)							15,007
Cash dividends paid							
Common ($1.00 per share)			(3,197)	(3,282)			(6,479)
Class B Common ($1.00 per share)			(1,191)	(1,191)			(2,382)
Issuance of Class B Common Stock		20	748				768
Exercise of stock options	250		6,912				7,162
Tax adjustment related to stock options			1,710				1,710
Balance on December 29, 2002	$ 9,704	$ 3,009	$ 95,986	$ 6,043	$ (20,621)	$ (61,254)	$ 32,867
Comprehensive income (loss):							
Net income				30,703			30,703
Net gain (loss) on derivatives, net of tax					(62)		(62)
Net change in minimum pension liability adjustment, net of tax					(3,247)		(3,247)
Total comprehensive income (loss)							27,394
Cash dividends paid							
Common ($1.00 per share)				(6,642)			(6,642)
Class B Common ($1.00 per share)				(2,401)			(2,401)
Issuance of Class B Common Stock		20	1,234				1,254
Balance on December 28, 2003	$ 9,704	$ 3,029	$ 97,220	$ 27,703	$ (23,930)	$ (61,254)	$ 52,472

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ***Significant Accounting Policies***

Coca-Cola Bottling Co. Consolidated (the “Company”) is engaged in the production, marketing and distribution of carbonated and noncarbonated beverages, primarily products of The Coca-Cola Company. The Company operates in portions of 11 states, principally in the southeastern region of the United States.

The consolidated financial statements include the accounts of the Company and its majority owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The fiscal years presented are the 52-week periods ended December 28, 2003, December 29, 2002 and December 30, 2001. The Company’s fiscal year ends on the Sunday closest to December 31.

On January 2, 2002, the Company purchased an additional interest in Piedmont Coca-Cola Bottling Partnership (“Piedmont”) from The Coca-Cola Company, increasing the Company’s ownership in Piedmont to more than 50%. Due to the increase in ownership, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The Company’s investment in Piedmont had been accounted for using the equity method for 2001 and prior years.

Certain prior year amounts have been reclassified to conform to current year classifications.

The Company’s significant accounting policies are as follows:

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and cash equivalents, which are highly liquid debt instruments with maturities of less than 90 days. The Company maintains cash deposits with major banks which from time to time may exceed federally insured limits. The Company periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

Credit Risk of Trade Accounts Receivable

The Company sells its products to large retail chain stores and other customers and extends credit, generally without requiring collateral, based on an ongoing evaluation of the customer’s business prospects and financial condition. The Company monitors its exposure to losses on trade accounts receivable and maintains an allowance for potential losses or adjustments. The Company’s trade accounts receivable are typically collected within approximately 30 days from the date of sale.

Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out method, or market.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Additions and major replacements or betterments are added to the assets at

cost. Maintenance and repair costs and minor replacements are charged to expense when incurred. When assets are replaced or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and the gains or losses, if any, are reflected in the statement of operations. Gains or losses on the disposal of manufacturing equipment and manufacturing facilities are included in cost of sales. Gains or losses on the disposal of all other property, plant and equipment are included in selling, general and administrative (“S,G&A”) expenses. Disposals of property, plant and equipment generally occur when it is not cost effective to repair an asset.

Impairment of Long-lived Assets

The Company evaluates long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When undiscounted future cash flows will not be sufficient to recover an asset’s carrying amount, the asset is written down to its fair value. Long-lived assets to be disposed of other than by sale are classified as held and used until they are disposed of. Long-lived assets to be disposed of by sale are classified as held for sale and are reported at the lower of carrying amount or fair value less cost to sell, and depreciation is ceased.

Software

Certain costs incurred in the development of internal-use software are capitalized. Software is amortized using the straight-line method over its estimated useful life.

Piedmont Coca-Cola Bottling Partnership

Prior to January 2, 2002, the Company beneficially owned a 50% interest in Piedmont. The Company accounted for its interest in Piedmont using the equity method of accounting. With respect to Piedmont, sales of soft drink products at cost, management fee revenue and the Company’s share of Piedmont’s results from operations were included in “Net sales” for 2001. See Note 2 and Note 18 to the consolidated financial statements for additional information.

On January 2, 2002, the Company purchased an additional 4.651% interest in Piedmont from The Coca-Cola Company, increasing the Company’s ownership to 54.651%. As a result of the increase in ownership, the results of operations, financial position and cash flows of Piedmont are consolidated with those of the Company beginning in the first quarter of 2002. See Note 2 to the consolidated financial statements for additional information.

Franchise Rights and Goodwill

The Company adopted the provisions of Statement of Financial Accounting Standards No. 141, “Business Combinations,” and Statement of Financial Accounting Standards No. 142, “Goodwill and Other Intangible Assets,” (“SFAS No. 142”) at the beginning of 2002. These standards require that all business combinations be accounted for using the purchase method and that goodwill and intangible assets with indefinite useful lives not be amortized but instead be tested for impairment annually, or more frequently if facts and circumstances indicate they may be impaired. The only intangible assets the Company classifies as indefinite lived are franchise rights and goodwill. SFAS No. 142 requires testing of intangible assets with indefinite lives and goodwill for impairment at least annually. The Company performs its annual impairment test in the third quarter of each year.

For the annual impairment analysis of franchise rights, the fair value for the Company’s acquired franchise rights is estimated using a multi-period excess earnings approach. This approach involves a projection of future

earnings, discounting those estimated earnings using an appropriate discount rate, and subtracting a contributory charge for net working capital, property, plant and equipment, assembled workforce and customer relationships to arrive at excess earnings attributable to franchise rights. The present value of the excess earnings attributable to franchise rights is their estimated fair value and is compared to the carrying value.

For the annual impairment analysis of goodwill, the Company develops an estimated fair value for the enterprise using an average of three different approaches:

- Market value, using the Company's stock price plus outstanding debt and minority interest;
- Discounted cash flow analysis; and
- Multiple of earnings before interest, taxes, depreciation and amortization based upon relevant industry data.

The estimated fair value of the enterprise is then compared to the Company's carrying amount including goodwill. If the estimated fair value of the Company exceeds its carrying amount, goodwill will be considered not impaired, and the second step of the impairment test will not be necessary. If the carrying amount including goodwill exceeds its estimated fair value, the second step of the impairment test will be performed to measure the amount of the impairment, if any.

Other Identifiable Intangible Assets

Other identifiable intangible assets primarily represents customer relationships and are amortized on a straight-line basis over their estimated useful lives.

Pension and Postretirement Benefit Plans

The Company has a noncontributory pension plan covering substantially all nonunion employees and one noncontributory pension plan covering certain union employees. Costs of the plans are charged to current operations and consist of several components of net periodic pension cost based on various actuarial assumptions regarding future experience of the plans. In addition, certain other union employees are covered by plans provided by their respective union organizations. The Company expenses amounts as paid in accordance with union agreements. The Company recognizes the cost of postretirement benefits, which consist principally of medical benefits, during employees' periods of active service.

Amounts recorded for benefit plans reflect estimates related to future interest rates, investment returns, employee turnover, wage increases and health care costs. The Company reviews all assumptions and estimates on an ongoing basis.

The Company records an additional minimum pension liability adjustment, when necessary, for the amount of underfunded accumulated pension obligations in excess of accrued pension costs.

Income Taxes

The Company provides deferred income taxes for the tax effects of temporary differences between the financial reporting and income tax bases of the Company's assets and liabilities. The Company records a valuation allowance to reduce the carrying value of its deferred tax assets to an amount that is more likely than not to be realized.

Revenue Recognition

Revenues are recognized when finished products are delivered to customers and both title and the risks and benefits of ownership are transferred. Appropriate provision is made for uncollectible accounts.

The Company also recognized as revenue the management fees earned in 2001 and prior years from Piedmont. Beginning in 2002, these management fees were eliminated in consolidation.

Marketing Programs and Sales Incentives

Payments to customers for cooperative marketing programs and sales incentives are classified as a reduction of net sales. Price discounts, rebates and free products to customers and coupons are also classified as a reduction of net sales.

Marketing Funding Support

The Company receives marketing funding support payments in cash from The Coca-Cola Company and other franchisers. Payments to the Company for marketing programs to promote the sale of bottle/can volume and fountain syrup volume are recognized in earnings primarily on a per unit basis over the year as product is sold. Payments for periodic programs are recognized in the periods for which they are earned.

Under the provisions of EITF 02-16 “Accounting by a Customer (Including a Reseller) for Certain Consideration Received from a Vendor,” cash consideration received by a customer from a vendor is presumed to be a reduction of the prices of the vendor’s products or services and are, therefore, to be accounted for as a reduction of cost of sales in the statements of operations unless those payments are specific reimbursements of costs or payments for services. Payments the Company receives from The Coca-Cola Company and other franchisers for marketing funding support are classified as reductions of cost of sales.

Derivative Financial Instruments

The Company records all derivative instruments in the financial statements at fair value.

The Company uses derivative financial instruments to manage its exposure to movements in interest rates. The use of these financial instruments modifies the exposure of these risks with the intent to reduce the risk to the Company. The Company does not use financial instruments for trading purposes, nor does it use leveraged financial instruments. Credit risk related to the derivative financial instruments is considered minimal and is managed by requiring high credit standards for its counterparties and periodic settlements.

The Company periodically enters into interest rate swap agreements. The Company has standardized procedures for evaluating the accounting for financial instruments. These procedures include:

- Identifying and matching of the hedging instrument and the hedged item to ensure that significant features, such as maturity dates and interest reset dates, coincide;
- Identifying the nature of the risk being hedged and the Company’s intent for undertaking the hedge;
- Assessing the hedging instrument’s effectiveness in offsetting the exposure to changes in the hedged item’s fair value or variability to cash flows attributable to the hedged risk;
- Assessing evidence that, at the hedge’s inception and on an ongoing basis, it is expected that the hedging relationship will be highly effective in achieving an offsetting change in the fair value or cash flows that are attributable to the hedged risk; and
- Maintaining a process for assessment of ongoing hedge effectiveness.

To the extent the interest rate swap agreements meet the specified criteria, they are accounted for as either fair value or cash flow hedges. Changes in the fair values of designated and qualifying fair value hedges are recognized in earnings as offsets to changes in the fair value of the related hedged liabilities. Changes in the fair value of cash flow hedging instruments are recognized in accumulated other comprehensive income and are then subsequently reclassified to earnings as an adjustment to interest expense in the same periods the forecasted payments affect earnings. Ineffectiveness of cash flow hedges, defined as the amount by which the change in the value of the hedge does not exactly offset the change in the value of the hedged item, is reflected in current results of operations.

The Company evaluates its mix of fixed and floating rate debt on an ongoing basis. Periodically, the Company may terminate an interest rate derivative when the underlying debt remains outstanding in order to achieve its desired mix of fixed and floating rate debt. Upon termination of an interest rate derivative accounted for as a cash flow hedge, amounts reflected in other comprehensive income are reclassified to earnings consistent with the variability of the cash flows previously hedged, which is generally over the life of the related debt that was hedged. Upon termination of an interest rate derivative accounted for as a fair value hedge, the value of the hedge as recorded on the Company's balance sheet is eliminated against either the cash received or cash paid for settlement and the fair value adjustment of the related debt is amortized to earnings over the remaining life of the debt instrument as an adjustment to interest expense.

Interest rate derivatives designated as cash flow hedges are used to hedge the variability of cash flows related to a specific component of the Company's long-term debt. Interest rate derivatives designated as fair value hedges are used to hedge the fair value of a specific component of the Company's long-term debt. If the hedged component of long-term debt is repaid or refinanced, the Company generally terminates the related hedge due to the fact that the forecasted schedule of payments will not occur or the changes in fair value of the hedged debt will not occur and the derivative will no longer qualify as a hedge. Any gain or loss on the termination of an interest rate derivative related to the repayment or refinancing of long-term debt is recognized currently in the Company's statement of operations as an adjustment to interest expense. In the event that a derivative previously accounted for as a hedge was retained and did not qualify for hedge accounting, changes in the fair value would be recognized in income currently as an adjustment to interest expense.

Insurance Programs

In general, the Company is self-insured for costs of casualty and medical claims. The Company uses commercial insurance for casualty and medical claims as a risk reduction strategy to minimize catastrophic losses. Casualty losses are provided for using actuarial assumptions and procedures followed in the insurance industry, adjusted for company-specific history and expectations.

Cost of Sales

The following expenses are included in cost of sales: raw material costs, manufacturing labor, manufacturing overhead, inbound freight charges related to raw material costs, receiving costs, inspection costs, manufacturing warehousing costs and freight charges related to the movement of finished goods from manufacturing locations to sales distribution centers.

Selling, General and Administrative Expenses

The following expenses are included in the S,G&A expenses line item: sales management labor costs, costs of distribution from sales distribution centers to customer locations, sales distribution center warehouse costs, point-of-sale expenses, advertising and marketing expenses, vending equipment repair costs, and administrative support labor and operating costs such as treasury, legal, information services, accounting, internal audit and executive management costs.

The Company receives fees from The Coca-Cola Company related to the delivery of fountain syrup products to The Coca-Cola Company's national or regional fountain customers. In addition, the Company receives fees from The Coca-Cola Company related to the repair of fountain equipment owned by The Coca-Cola Company. The fees received from The Coca-Cola Company for the delivery of fountain syrup products to their customers and the repair of their fountain equipment represent a reimbursement of costs incurred by the Company to provide these services. Accordingly, these fees are classified as reductions of S,G&A expenses.

Shipping and Handling Costs

Shipping and handling costs related to the movement of finished goods from manufacturing locations to sales distribution centers are included in cost of sales. Shipping and handling costs related to the movement of finished goods from sales distribution centers to customer locations are included in S,G&A expenses and were $168.1 million, $165.8 million and $112.7 million in 2003, 2002 and 2001, respectively.

Customers do not pay the Company separately for shipping and handling costs.

Compensation Cost for Unvested/Restricted Stock with Contingent Vesting

The Company has a restricted stock plan for the Company's Chairman of the Board of Directors and Chief Executive Officer. The plan initially included 200,000 shares of the Company's Class B Common Stock, which are issued in the amount of 20,000 shares per year, contingent upon the achievement of 80% of the overall goal achievement factor in the Annual Bonus Plan.

The Company recognizes compensation expense for this plan during a fiscal year based on the quoted market price of the Company's Common Stock at each measurement date multiplied by the number of shares which would vest if the performance requirements are met, unless the achievement of the performance requirements for that fiscal year are considered unlikely.

Net Income Per Share

Basic earnings per share ("EPS") excludes potential common shares that were dilutive and is computed by dividing net income available for common stockholders by the weighted average number of Common and Class B Common shares outstanding. Diluted EPS gives effect to all securities representing potential common shares that were dilutive and outstanding during the period.

(2) ***Piedmont Coca-Cola Bottling Partnership***

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont to distribute and market carbonated and noncarbonated beverages primarily in certain portions of North Carolina and South Carolina. Prior to January 2, 2002, the Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially owned a 50% interest in Piedmont. The Company provides a portion of the soft drink products for Piedmont at cost and receives a fee for managing the operations of Piedmont pursuant to a management agreement.

On January 2, 2002, the Company purchased, for $10.0 million, an additional 4.651% interest in Piedmont from The Coca-Cola Company, increasing the Company's ownership in Piedmont to 54.651%. Due to the increase in ownership, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The Company recorded $3.4 million of franchise rights and $.9 million related to customer relationships in connection with its 2002 acquisition of a controlling interest in Piedmont. The Company's investment in Piedmont had been accounted for using the equity method in 2001 and prior years.

The Company paid $53.5 million in March 2003 for an additional 22.675% interest in Piedmont. The Company recorded $16.3 million of franchise rights and $4.3 million related to customer relationships in connection with this acquisition. This additional acquisition was recorded using purchase accounting.

Minority interest as of December 28, 2003 and December 29, 2002 represents the portion of Piedmont which is owned by The Coca-Cola Company.

Summarized financial information for Piedmont was as follows:

	Fiscal Year		
	2003	**2002**	**2001**
In Thousands			
Net sales	$ 291,753	$ 288,902	$ 272,722
Cost of sales	147,010	143,813	139,764
Gross margin	144,743	145,089	132,958
Amortization of intangibles			8,410
Income from operations	23,008	23,805	13,150
Net income	$ 14,286	$ 13,214	$ 834
Company’s equity in net income			$ 417

The following financial information includes the 2003 and 2002 results of operations of the Company and includes the comparable 2001 results of operations. The comparable 2001 financial information reflects the consolidation of Piedmont's financial position and results of operations with those of the Company as if the purchase of the additional 4.651% interest in Piedmont in January 2002 had occurred at the beginning of 2001.

Consolidated Statements of Operations

	Fiscal Year		
In Thousands (Except Per Share Data)	2003	2002	Unaudited Pro forma 2001
Net sales	$ 1,210,765	$ 1,198,335	$ 1,149,013
Cost of sales, excluding depreciation expense shown below	625,448	619,137	600,930
Gross margin	585,317	579,198	548,083
Selling, general and administrative expenses, excluding depreciation expense shown below	422,456	407,145	382,623
Depreciation expense	76,485	76,075	71,542
Provision for impairment of property, plant and equipment			947
Amortization of intangibles	3,105	2,796	23,810
Income from operations	83,271	93,182	69,161
Interest expense	41,914	49,120	57,802
Minority interest	3,297	5,992	378
Income before income taxes	38,060	38,070	10,981
Income taxes	7,357	15,247	1,947
Net income	$ 30,703	$ 22,823	$ 9,034
Basic net income per share	$ 3.40	$ 2.58	$ 1.03
Diluted net income per share	$ 3.40	$ 2.56	$ 1.02
Weighted average number of common shares outstanding	9,043	8,861	8,753
Weighted average number of common shares outstanding—assuming dilution	9,043	8,921	8,821

(3) ***Inventories***

Inventories were summarized as follows:

In Thousands	Dec. 28, 2003	Dec. 29, 2002
Finished products	$25,669	$23,207
Manufacturing materials	6,637	10,609
Plastic pallets and other	4,585	4,832
Total inventories	$36,891	$38,648

(4) ***Property, Plant and Equipment***

The principal categories and estimated useful lives of property, plant and equipment were as follows:

In Thousands	Dec. 28, 2003	Dec. 29, 2002	Estimated Useful Lives
Land	$ 12,857	$ 12,670	
Buildings	113,820	113,234	10-50 years
Machinery and equipment	97,933	96,080	5-20 years
Transportation equipment	150,421	143,932	4-13 years
Furniture and fixtures	38,683	39,222	4-10 years
Vending equipment	366,266	362,689	6-13 years
Leasehold and land improvements	53,425	47,312	5-20 years
Software for internal use	26,780	24,439	3-7 years
Construction in progress	7,057	3,416	
Total property, plant and equipment, at cost	867,242	842,994	
Less: Accumulated depreciation and amortization	420,534	376,154	
Property, plant and equipment, net	$ 446,708	$ 466,840	

(5) ***Leased Property Under Capital Leases***

In Thousands	Dec. 28, 2003	Dec. 29, 2002	Estimated Useful Lives
Leased property under capital leases	$ 48,497	$ 47,618	1-29 years
Less: Accumulated amortization	5,388	2,995	
Leased property under capital leases, net	$ 43,109	$ 44,623	

The Company recorded a capital lease of $41.6 million at the end of the first quarter of 2002 related to its production/distribution center located in Charlotte, North Carolina. As disclosed in Note 18 to the consolidated financial statements, this facility is leased from a related party. The lease obligation was capitalized as the Company received a renewal option to extend the term of the lease, which it expects to exercise.

The majority of the leased property under capital leases is real estate.

(6) ***Franchise Rights and Goodwill***

In Thousands	Dec. 28, 2003	Dec. 29, 2002
Franchise rights	$ 677,769	$ 661,471
Goodwill	155,487	155,192
Franchise rights and goodwill	833,256	816,663
Less: Accumulated amortization	210,535	210,535
Franchise rights and goodwill, net	$ 622,721	$ 606,128

The Company adopted the provisions of SFAS No. 142 at the beginning of 2002, which resulted in goodwill and intangible assets with indefinite useful lives no longer being amortized. If SFAS No. 142 had been in effect at the beginning of 2001, pro forma net income, pro forma basic earnings per share and pro forma diluted earnings per share for the fiscal year ended December 30, 2001 would have been as follows:

In Thousands (except Per Share Data)	For the fiscal year ended Dec. 28, 2003	For the fiscal year ended Dec. 29, 2002	Pro forma For the fiscal year ended Dec. 30, 2001
Reported net income	$ 30,703	$ 22,823	$ 9,470
Add: goodwill amortization, net of tax	—	—	1,596
Add: franchise rights amortization, net of tax	—	—	4,939
Adjusted net income	$ 30,703	$ 22,823	$ 16,005
Basic earning per share:			
Reported net income	$ 3.40	$ 2.58	$ 1.08
Goodwill amortization, net of tax	—	—	.18
Franchise rights amortization, net of tax	—	—	.56
Adjusted basic net income per share	$ 3.40	$ 2.58	$ 1.82
Diluted earnings per share:			
Reported net income	$ 3.40	$ 2.56	$ 1.07
Goodwill amortization, net of tax	—	—	.18
Franchise rights amortization, net of tax	—	—	.56
Adjusted diluted net income per share	$ 3.40	$ 2.56	$ 1.81

In January 2002, the Company’s ownership interest in Piedmont increased from 50% to 54.651%. As a result of acquiring a controlling interest in Piedmont, the Company consolidated the results of operations, financial position and cash flows of Piedmont beginning in the first quarter of 2002. The Company’s investment in Piedmont had been accounted for using the equity method in 2001 and prior years. The Company’s interest in Piedmont increased from 54.651% in 2002 to 77.326% in 2003.

The Company recorded $16.3 million of franchise rights and $4.3 million related to customer relationships in connection with its 2003 acquisition of an additional interest in Piedmont. The Company recorded $3.4 million of franchise rights and $.9 million related to customer relationships in connection with its 2002 acquisition of a controlling interest in Piedmont.

A rollforward of activity for franchise rights, net and goodwill, net from December 30, 2001 to December 28, 2003 follows:

	Franchise Rights, net	Goodwill, net
Balance on December 30, 2001	$ 260,969	$ 74,693
Consolidation of Piedmont	239,908	25,019
Acquisitions	3,497	2,042
Balance on December 29, 2002	$ 504,374	$ 101,754
Acquisitions	16,298	295
Balance on December 28, 2003	$ 520,672	$ 102,049

(7) *Other Identifiable Intangible Assets*

Other identifiable intangible assets were summarized as follows:

In Thousands	Dec. 28, 2003	Dec. 29, 2002	Estimated Useful Lives
Other identifiable intangible assets	$61,102	$55,743	3-20 years
Less: Accumulated amortization	52,051	48,946	
Other identifiable intangible assets, net	$ 9,051	$ 6,797	

Amortization expense related to other identifiable intangible assets was $3.1 million, $2.8 million and $3.0 million in 2003, 2002 and 2001, respectively. Amortization expense of other identifiable intangible assets in future years based upon recorded amounts as of December 28, 2003 will be $3.1 million, $.9 million, $.5 million, $.4 million and $.4 million for 2004 through 2008, respectively. Other identifiable intangible assets primarily represents customer relationships.

(8) *Other Accrued Liabilities*

Other accrued liabilities were summarized as follows:

In Thousands	Dec. 28, 2003	Dec. 29, 2002
Accrued marketing costs	$ 8,753	$ 7,146
Accrued insurance costs	11,351	9,424
Accrued taxes (other than income taxes)	1,738	7,518
Employee benefit plan accruals	9,084	7,307
All other accrued expenses	21,566	22,141
Total	$52,492	$53,536

(9) *Long-Term Debt*

Long-term debt was summarized as follows:

In Thousands	Maturity	Interest Rate	Interest Paid	Dec. 28, 2003	Dec. 29, 2002
Term Loan	2004		Varies		$ 85,000
Lines of Credit	2005	1.52%	Varies	$ 17,600	37,600
Term Loan	2005	1.70%	Varies	85,000	85,000
Debentures	2007	6.85%	Semi-annually	100,000	100,000
Debentures	2009	7.20%	Semi-annually	100,000	100,000
Debentures	2009	6.38%	Semi-annually	250,000	250,000
Senior Notes	2012	5.00%	Semi-annually	150,000	150,000
Senior Notes	2015	5.30%	Semi-annually	100,000	
Other notes payable	2004-2006	5.75%	Quarterly	117	156
				802,717	807,756
Less: Portion of long-term debt payable within one year				78	31
Long-term debt				$ 802,639	$ 807,725

The principal maturities of long-term debt outstanding on December 28, 2003 were as follows:

In Thousands	
2004	$ 78
2005	102,600
2006	39
2007	100,000
2008	—
Thereafter	600,000
Total long-term debt	$ 802,717

The Company has obtained the majority of its long-term financing from public markets. As of December 28, 2003, $700 million of the Company's total outstanding balance of debt and capital leases of $848.3 million was financed through publicly offered debentures. The remainder of the Company's debt is provided by several financial institutions. The Company mitigates its financing risk by using multiple financial institutions and carefully evaluating the credit worthiness of those institutions. The Company enters into credit arrangements only with institutions with investment grade credit ratings. The Company monitors counterparty credit ratings on an ongoing basis.

The Company borrows periodically under its available lines of credit. These lines of credit, in the aggregate amount of $60.0 million at December 28, 2003, are made available at the discretion of the two participating banks at rates negotiated at the time of borrowing and may be withdrawn at any time by such banks. The Company intends to renew such borrowings as they mature. To the extent these borrowings and borrowings under the revolving credit facility do not exceed the amount available under the Company's $125 million revolving credit facility, they are classified as noncurrent liabilities. On December 28, 2003, $17.6 million was outstanding under these lines of credit. The Company intends to either refinance short-term debt maturities with currently available lines of credit or repay them with cash flow from operations.

In December 2002, the Company entered into a three-year $125 million revolving credit facility. This facility includes an option to extend the term for an additional year at the discretion of the participating banks. The revolving credit facility bears interest at a floating rate of LIBOR plus an interest rate spread of .60%. In addition, there is a facility fee of .15% required for this revolving credit facility. Both the interest rate spread and the facility fee are determined from a commonly used pricing grid based on the Company's long-term senior unsecured noncredit-enhanced debt rating. The facility contains covenants which establish ratio requirements related to interest coverage, and long-term debt to cash flow. On December 28, 2003, there were no amounts outstanding under this facility.

On November 21, 2002, the Company issued $150 million of senior notes maturing November 15, 2012 at a coupon rate of 5.00%. The Company used the proceeds from this issuance to repay borrowings outstanding under its lines of credit and the Company's $170 million revolving credit facility, as well as to repay a $97.5 million term loan on behalf of Piedmont.

On March 27, 2003, the Company issued $100 million of senior notes maturing on April 1, 2015 at a coupon rate of 5.30%. The Company used the proceeds from this issuance to purchase an additional interest in Piedmont from The Coca-Cola Company for $53.5 million and to repay a portion of the Company's $170 million term loan.

During 2002, Piedmont refinanced a $195 million term loan using the proceeds from a loan from the Company. The Company's source of funds for this loan to Piedmont included the issuance of $150 million of senior notes, its lines of credit, the revolving credit facility and available cash flow. Piedmont pays the Company interest on the loan at the Company's average cost of funds plus 0.50%. The loan matures on December 31, 2005. The Company plans to provide for Piedmont's future financing requirements under these terms.

The Company filed an $800 million shelf registration for debt and equity securities in January 1999. The Company used this shelf registration to issue long-term debt of $250 million in 1999, $150 million in 2002 and $100 million in 2003, as previously discussed. The Company currently has up to $300 million available for use under this shelf registration which, subject to the Company's ability to consummate a transaction on acceptable terms, could be used for long-term financing or refinancing of long-term debt maturities.

After taking into account all of the interest rate hedging activities, the Company had a weighted average interest rate of 4.9% for its debt and capital lease obligations as of December 28, 2003 compared to 5.0% at December 29, 2002. The Company's overall weighted average interest rate on its debt and capital lease obligations was 4.9%, 5.6% and 6.5% for 2003, 2002 and 2001, respectively.

As of December 28, 2003, before giving effect to forward interest rate agreements, approximately 46% of its debt and capital lease obligations was subject to changes in short-term interest rates. As a result of the forward interest rate agreements discussed in Note 10 to the consolidated financial statements, the Company's exposure to interest rate movements has been significantly reduced through April 2004. The forward interest rate agreements expire in May 2004. The Company considers all floating rate debt and fixed rate debt with a maturity of less than one year to be subject to changes in short-term interest rates.

If average interest rates for the floating rate component of the Company's debt and capital lease obligations increased by 1%, annual interest expense for the year ended December 28, 2003 would have increased by approximately $2.5 million and net income would have been reduced by approximately $1.5 million.

With regard to the Company's $85 million term loan, the Company must maintain its public debt ratings at investment grade as determined by both Moody's and Standard & Poor's. If the Company's public debt ratings fall below investment grade within 90 days after the public announcement of certain designated events and such ratings stay below investment grade for an additional 40 days, a trigger event resulting in a default occurs. The Company does not anticipate a trigger event will occur in the foreseeable future.

The Company's credit ratings are reviewed by the respective rating agencies. Changes in the Company's operating results or financial position could result in changes in the Company's credit ratings. Lower credit ratings could result in higher borrowing costs for the Company or in the event of a reduction below investment grade level, a potential default on one if its credit agreements as discussed above. There were no changes in these debt ratings from the prior year. It is the Company's intent to operate in a manner that will allow it to maintain its investment grade ratings.

The Company's revolving credit facility contains two financial covenants related to ratio requirements for interest coverage, and long-term debt to cash flow, as defined in the credit agreement. These covenants do not currently, and the Company does not anticipate that they will, restrict its liquidity or capital resources. The Company's public debt is not subject to financial covenants but does limit the incurrence of certain liens and encumbrances.

All of the outstanding long-term debt has been issued by the Company with none being issued by any of the Company's subsidiaries. There are no guarantees of the Company's debt.

(10) ***Derivative Financial Instruments***

The Company periodically uses interest rate hedging products to modify risk from interest rate fluctuations. The Company has historically altered its fixed/floating rate mix based upon anticipated cash flows from operations relative to the Company's debt level and the potential impact of changes in interest rates on the Company's overall financial condition. Sensitivity analyses are performed to review the impact on the Company's financial position and coverage of various interest rate movements. The Company does not use derivative financial instruments for trading purposes nor does it use leveraged financial instruments. All of the Company's outstanding interest rate swap agreements and forward rate agreements are LIBOR-based.

Derivative financial instruments were summarized as follows:

	December 28, 2003		December 29, 2002	
In Thousands	**Notional Amount**	**Remaining Term**	**Notional Amount**	**Remaining Term**
Interest rate swap agreement-floating	$25,000	3.92 years		
Interest rate swap agreement-floating	25,000	3.92 years		
Interest rate swap agreement-floating	50,000	5.42 years		
Interest rate swap agreement-floating	50,000	3.92 years	$50,000	4.92 years
Interest rate swap agreement-floating	50,000	5.58 years	50,000	6.58 years
Interest rate swap agreement-floating	50,000	8.92 years	50,000	9.92 years

	December 28, 2003		
In Thousands	**Notional Amount**	**Start Date**	**Length of Term**
Forward interest rate agreement-fixed	$50,000	1/02/03	1 year
Forward interest rate agreement-fixed	50,000	5/01/03	1 year
Forward interest rate agreement-fixed	50,000	5/15/03	1 year
Forward interest rate agreement-fixed	50,000	5/30/03	1 year

In November 2002, the Company entered into three interest rate swap agreements in conjunction with the issuance of $150 million of senior notes and the refinancing of other Company debt as previously discussed. These interest rate swap agreements effectively converted $150 million of the Company's debt from a fixed rate to a floating rate and are accounted for as fair value hedges.

In December 2002, the Company entered into three one-year forward interest rate agreements that fixed short-term rates on certain components of the Company's floating rate debt for periods of twelve months. These forward interest rate agreements did not meet the criteria set forth in Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, for hedge accounting and were accounted for on a mark-to-market basis. The mark-to-market adjustment for these forward interest rate agreements was an increase to interest expense of approximately $0.1 million in 2003.

During the fourth quarter of 2002, the Company terminated two interest rate swap agreements classified as cash flow hedges. These two interest rate swap agreements hedged the cash flows on part of a variable rate term loan the Company had outstanding. In conjunction with the issuance of $150 million of senior notes in November 2002, the variable rate term loan was repaid early. The term loan had a maturity of May 2003. Upon the repayment of the term loan, the cash flow hedges no longer qualified as hedges due to the fact that the variability of cash flows being hedged was eliminated with the repayment of the variable rate term loan, and thus the forecasted schedule of payments did not occur. Accordingly, the interest rate swap agreements were terminated and the resulting expense of $2.2 million was reflected in the 2002 statement of operations.

In January 2003, the Company entered into an additional $50 million, one-year forward interest rate agreement. This agreement was accounted for as a cash flow hedge.

In March 2003, the Company entered into two forward interest rate agreements in conjunction with the issuance of $100 million of twelve-year senior notes. These forward interest rate agreements were accounted for

as cash flow hedges. The hedges were terminated at the time the senior notes were priced, with the Company receiving proceeds of $3.1 million. The proceeds were recorded in other liabilities and are being amortized as a reduction of interest expense over the life of the related senior notes.

In July 2003, the Company entered into three interest rate swap agreements in conjunction with the $100 million of senior notes previously mentioned. These interest rate swap agreements effectively convert $100 million of the Company's debt from a fixed rate to a floating rate and are accounted for as fair value hedges.

During 2003, 2002 and 2001, the Company amortized deferred gains related to previously terminated interest rate swap agreements and forward interest rate agreements which reduced interest expense by $2.1 million, $1.9 million and $1.2 million, respectively. Interest expense will be reduced by the amortization of these deferred gains in 2004 through 2009 as follows: $1.9 million, $1.7 million, $1.7 million, $1.7 million, $1.7 million, and $.9 million, respectively.

The counterparties to these contractual arrangements are major financial institutions with which the Company also has other financial relationships. The Company uses several different financial institutions for interest rate derivative contracts to minimize the concentration of credit risk. While the Company is exposed to credit loss in the event of nonperformance by these counterparties, the Company does not anticipate nonperformance by these parties. The Company has master agreements with the counterparties to its derivative financial agreements that provide for net settlement of derivative transactions.

(11) *Fair Values of Financial Instruments*

The following methods and assumptions were used by the Company in estimating the fair values of its financial instruments:

Cash, Accounts Receivable and Accounts Payable

The fair values of cash, accounts receivable and accounts payable approximate carrying values due to the short maturity of these financial instruments.

Public Debt

The fair values of the Company's public debt are based on estimated market prices.

Non-Public Variable Rate Long-Term Debt

The carrying amounts of the Company's variable rate borrowings approximate their fair values.

Non-Public Fixed Rate Long-Term Debt

The fair values of the Company's fixed rate long-term borrowings are estimated using discounted cash flow analyses based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Derivative Financial Instruments

Fair values for the Company's interest rate swap agreements and forward interest rate agreements are based on current settlement values.

The carrying amounts and fair values of the Company's long-term debt, derivative financial instruments and letters of credit were as follows:

	December 28, 2003		December 29, 2002	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Public debt	$ 700,000	$ 747,359	$ 600,000	$ 634,150
Non-public variable rate long-term debt	102,600	102,600	207,600	207,600
Non-public fixed rate long-term debt	117	120	156	156
Interest rate swap agreements and forward interest rate agreements	1,613	1,613	(2,023)	(2,023)
Letters of credit	—	11,888	—	8,910

The fair values of the interest rate swap agreements and forward interest rate agreements at December 28, 2003 represent the estimated amounts the Company would have paid upon termination of these agreements. The fair values of the interest rate swap agreements and forward interest rate agreements at December 29, 2002 represent the estimated amount the Company would have received upon termination of these agreements.

(12) ***Other Liabilities***

Other liabilities were summarized as follows:

In Thousands	Dec. 28, 2003	Dec. 29, 2002
Accruals for executive benefit plans	$ 52,645	$ 46,274
Deferred gains on terminated interest rate agreements	9,490	8,141
Other	12,322	9,985
Total	$ 74,457	$ 64,400

The accruals for executive benefit plans relate to three benefit programs for eligible executives of the Company. These benefit programs are the Supplemental Savings Incentive Plan ("Supplemental Savings Plan"), the Officer Retention Plan ("Retention Plan") and a supplemental benefit plan.

Eligible participants in the Supplemental Savings Plan may elect to defer a portion of their annual salary and bonus. The Company matches 30% of the first 6% of salary (excluding bonuses) deferred by the participant. The Company can also make discretionary contributions to participants' accounts. Participants are immediately vested for their contributions and after five years of service the participants are vested for Company contributions. Participant deferrals and Company contributions are deemed invested in either a fixed benefit option or certain investment funds specified by the Company. Participant balances in the fixed benefit option accrue a return depending upon the participant's age, years of service and other factors. The long-term liability under this plan was $31.3 million and $29.0 million as of December 28, 2003 and December 29, 2002, respectively.

The benefits under the Retention Plan increase with each year of participation as set forth in an agreement between the participant and the Company. Eligible participants receive a 20-year annuity payable in equal monthly installments commencing at retirement or under other certain conditions. Benefits under the Retention Plan are reduced by 50% for participants who terminate employment due to severance before age 60 and not due to death or disability. The long-term liability under this plan was $19.1 million and $17.2 million as of December 28, 2003 and December 29, 2002, respectively.

In conjunction with the elimination in 2003 of a split-dollar life insurance benefit for officers of the Company, a replacement benefit plan was established. The replacement benefit plan provides a supplemental benefit to eligible participants that increases with each additional year of service and is comparable to benefits provided to eligible participants through certain split-dollar life insurance agreements. Upon separation from the Company, participants receive an annuity payable in up to ten annual installments or a lump sum. The long-term liability was $2.3 million under this plan as of December 28, 2003.

(13) *Commitments and Contingencies*

Rental expenses incurred for operating leases during 2003, 2002 and 2001 were as follows:

In Thousands	2003	2002	2001
Minimum rentals	$ 6,307	$ 7,438	$ 11,889
Contingent rentals	—	—	480
Total	$ 6,307	$ 7,438	$ 12,369

Contingent rentals are based on factors other than the passage of time, principally inflation factors and interest rate factors.

The Company leases office and warehouse space, machinery and other equipment under operating lease agreements which expire at various dates through 2016. These leases generally contain scheduled rent increases or escalation clauses, renewal options or, in some cases, purchase options. The Company leases certain warehouse space and other equipment under capital lease agreements which expire at various dates through 2030. These leases contain scheduled rent increases or escalation clauses. Amortization of assets recorded under capital leases is included in depreciation expense. Leasing is used for certain capital additions when considered cost effective relative to other sources of capital.

The following is a summary of future minimum lease payments for all capital and operating leases as of December 28, 2003.

In Thousands	Capital Leases	Operating Leases	Total
2004	$ 5,664	$ 6,639	$ 12,303
2005	5,457	6,061	11,518
2006	5,325	5,746	11,071
2007	5,200	4,783	9,983
2008	5,352	4,631	9,983
Thereafter	146,279	3,811	150,090
Total minimum lease payments	$ 173,277	$ 31,671	$ 204,948
Less: Amounts representing interest	127,714		
Present value of minimum lease payments	45,563		
Less: Current portion of obligations under capital leases	1,337		
Long-term portion of obligations under capital leases	$ 44,226		

The Company is a member of South Atlantic Canners, Inc. (“SAC”), a manufacturing cooperative from which it is obligated to purchase a specified number of cases of finished product on an annual basis. The

contractual minimum annual purchases required from SAC are approximately $40 million. See Note 18 to the consolidated financial statements for additional information concerning SAC.

The Company is also a member of Southeastern Container (“SEC”), a plastic bottle manufacturing cooperative, from which it is obligated to purchase at least 80% of its requirements of plastic bottles for certain designated territories. See Note 18 to the consolidated financial statements for additional information concerning SEC.

The Company guarantees a portion of SAC’s and SEC’s debt and lease obligations. On December 28, 2003, these debt and lease guarantees were $39.4 million. The Company has not recorded any liability associated with these guarantees. The guarantees relate to debt and lease obligations, resulting primarily from the purchase of production equipment and facilities. Both cooperatives consist solely of Coca-Cola bottlers. In the event either of these cooperatives fail to fulfill their commitments under the related debt and lease obligations, the Company would be responsible for payments to the lenders up to the level of the guarantees. If these cooperatives had borrowed up to their maximum borrowing capacity, the Company’s maximum potential amount of payments under these guarantees on December 28, 2003 would have been $58.9 million. The Company does not anticipate that either of these cooperatives will fail to fulfill their commitments under these agreements. The Company believes that each of these cooperatives has sufficient assets, including production equipment, facilities and working capital, to adequately mitigate the risk of material loss.

The Company has standby letters of credit, primarily related to its property and casualty insurance program. On December 28, 2003, these letters of credit totaled $11.9 million.

The Company participates in long-term contractual arrangements with certain prestige properties, athletic venues and other locations. The future payments related to these contractual arrangements as of December 28, 2003 amount to $26.3 million and expire at various dates through 2016.

The Company is involved in various claims and legal proceedings which have arisen in the ordinary course of its business. The Company believes that the ultimate disposition of its claims and legal proceedings will not have a material adverse effect on the financial condition, cash flows or results of operations of the Company. No material amount of loss in excess of recorded amounts is believed to be reasonably possible at this time.

(14) *Income Taxes*

The provision for income taxes consisted of the following:

	Fiscal Year		
In Thousands	**2003**	**2002**	**2001**
Current:			
Federal	$ —	$ 294	$ 1,338
State	—	—	—
Total current provision	—	294	1,338
Deferred:			
Federal	19,443	13,829	(447)
State	(12,086)	1,124	1,335
Total deferred provision	7,357	14,953	888
Income tax expense	$ 7,357	$ 15,247	$ 2,226

Current tax expense for 2002 and 2001 represents alternative minimum tax (“AMT”). Deferred income taxes are recorded based upon differences between the financial statement and tax bases of assets and liabilities and available net operating loss and tax credit carryforwards. Temporary differences and carryforwards that comprised deferred income tax assets and liabilities were as follows:

In Thousands	Dec. 28, 2003	Dec. 29, 2002
Intangible assets	$ 97,965	$ 103,877
Depreciation	100,960	100,030
Investment in Piedmont	40,995	25,006
Pension	11,886	3,440
Gross deferred income tax liabilities	251,806	232,353
Net operating loss carryforwards	(41,275)	(39,209)
AMT credits	(12,565)	(15,844)
Deferred compensation	(21,715)	(18,550)
Postretirement benefits	(12,929)	(12,171)
Termination of interest rate agreements	(4,290)	(3,884)
Other	(3,004)	(5,126)
Gross deferred income tax assets	(95,778)	(94,784)
Valuation allowance for deferred tax assets	16,770	25,964
Net current deferred income tax liability	918	1,528
Net deferred income tax liability	171,880	162,005
Accumulated other comprehensive income adjustments	(15,786)	(13,708)
Net deferred income tax liability	$ 156,094	$ 148,297

Except for amounts for which a valuation allowance has been provided, the Company believes the deferred tax assets will be realized primarily through the reversal of existing temporary differences. The reduction in the valuation allowance from December 29, 2002 to December 28, 2003 relates to the completion of a state income tax audit, a reorganization of certain of the Company’s subsidiaries and a corresponding assessment of the Company’s ability to utilize certain state net operating loss carryforwards. The valuation allowance of $16.8 million and $26.0 million as of December 28, 2003 and December 29, 2002, respectively, relates primarily to state net operating loss carryforwards which expire in varying amounts through 2023.

Reported income tax expense is reconciled to the amount computed on the basis of income before income taxes at the statutory rate as follows:

	Fiscal Year		
In Thousands	2003	2002	2001
Statutory expense	$13,321	$13,300	$4,094
State income taxes, net of federal benefit	1,338	735	307
Valuation allowance change	(9,194)	3,522	(522)
Amortization of franchise rights and goodwill			486
Favorable tax settlement			(2,850)
Officers' life insurance premiums		992	1,135
Cash surrender value		(1,102)	(1,195)
Termination of certain company-owned life insurance policies	2,589		
Termination of split-dollar life insurance program	(1,676)		
Other	979	(2,200)	771
Income tax expense	$7,357	$15,247	$2,226

On December 28, 2003, the Company had $16.0 million of federal net operating losses and $12.6 million of AMT credit carryforwards available to reduce future income taxes. The federal net operating loss carryforwards expire in varying amounts through 2022 while the AMT credit carryforwards have no expiration date.

(15) ***Accumulated Other Comprehensive Income (Loss)***

The reconciliation of the components of accumulated other comprehensive income (loss) was as follows:

In Thousands	Derivatives Gain/(Loss)	Minimum Pension Liability Adjustment	Total
Balance at December 31, 2000	$ —	$ —	$ —
Change in fair market value of cash flow hedges, net of tax	4		4
Change in proportionate share of Piedmont's accumulated other comprehensive loss, net of tax	(1,825)		(1,825)
Additional minimum pension liability adjustment, net of tax		(10,984)	(10,984)
Balance as of December 30, 2001	$ (1,821)	$ (10,984)	$ (12,805)
Change in fair market value of cash flow hedges, net of tax	(408)		(408)
Termination of cash flow hedges, reclassified into earnings	2,229		2,229
Additional minimum pension liability adjustment, net of tax		(9,637)	(9,637)
Balance as of December 29, 2002	$ —	$ (20,621)	$ (20,621)
Change in fair market value of cash flow hedges, net of tax	(62)		(62)
Additional minimum pension liability adjustment, net of tax		(3,247)	(3,247)
Balance as of December 28, 2003	$ (62)	$ (23,868)	$ (23,930)

A summary of the components of other accumulated comprehensive income (loss) was as follows:

In Thousands	Before-Tax Amount	Income Tax Effect	After-Tax Amount
2003			
Change in fair market value of cash flow hedges	$ (101)	$ 39	$ (62)
Minimum pension liability adjustment	(39,615)	15,747	(23,868)
Other comprehensive income (loss)	$ (39,716)	$ 15,786	$ (23,930)
2002			
Minimum pension liability adjustment	$ (34,329)	$ 13,708	$ (20,621)
Other comprehensive income (loss)	$ (34,329)	$ 13,708	$ (20,621)
2001			
Change in fair market value of cash flow hedges	$ 7	$ (3)	$ 4
Change in proportionate share of Piedmont’s accumulated other comprehensive loss	(2,944)	1,119	(1,825)
Minimum pension liability adjustment	(17,717)	6,733	(10,984)
Other comprehensive income (loss)	$ (20,654)	$ 7,849	$ (12,805)

(16) *Capital Transactions*

During 2002, two of the Company’s directors, J. Frank Harrison, Jr., Chairman Emeritus, and J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer, entered into plans providing for sales of up to an aggregate total of 250,000 shares of the Company’s Common Stock in accordance with Securities and Exchange Commission Rule 10b5-1. Shares sold under the plans were issuable to Mr. Harrison, Jr. and Mr. Harrison, III under stock option agreements that were granted in 1989 as long-term incentives. During 2002, all 250,000 shares of Common Stock exercisable under the options were sold under the plans. Total proceeds to the Company from the exercise of the stock options under the plans were $7.2 million.

Pursuant to a Stock Rights and Restriction Agreement dated January 27, 1989, between the Company and The Coca-Cola Company, in the event that the Company issues new shares of Class B Common Stock upon the exchange or exercise of any security, warrant or option of the Company which results in The Coca-Cola Company owning less than 20% of the outstanding shares of Class B Common Stock and less than 20% of the total votes of all outstanding shares of all classes of the Company, The Coca-Cola Company has the right to exchange shares of Common Stock for shares of Class B Common Stock in order to maintain its ownership of 20% of the outstanding shares of Class B Common Stock and 20% of the total votes of all outstanding shares of all classes of the Company. Under the Stock Rights and Restrictions Agreement, The Coca-Cola Company also has a preemptive right to purchase a percentage of any newly issued shares of any class as necessary to allow it to maintain ownership of both 29.67% of the outstanding shares of Common Stock of all classes and 22.59% of the total votes of all outstanding shares of all classes.

On May 12, 1999, the stockholders of the Company approved a restricted stock award for J. Frank Harrison, III, the Company’s Chairman of the Board of Directors and Chief Executive Officer, consisting of 200,000 shares of the Company’s Class B Common Stock. The fair value of the restricted stock award, when approved, was approximately $11.7 million based on the market price of the Common Stock on the effective date of the award. The award provides that the shares of restricted stock vest at the rate of 20,000 shares per year over a ten-year period. The vesting of each annual installment is contingent upon the Company achieving at least 80% of the overall goal achievement Factor in the Company’s Annual Bonus Plan. The Company achieved more than 80%

of the overall goal achievement factor in 2003, 2002 and 2001, resulting in compensation expense of $1.8 million, $2.3 million and $1.4 million, respectively. As of December 28, 2003, the fair market value of the potentially issuable shares (120,000 shares) in the future under this award approximated $6.3 million.

Shares of Class B Common Stock are convertible on a share-for-share basis into shares of Common Stock. There is no trading market for the Company's Class B Common Stock.

(17) ***Benefit Plans***

Retirement benefits under the Company's principal pension plan are based on the employee's length of service, average compensation over the five consecutive years which gives the highest average compensation and the average of the Social Security taxable wage base during the 35-year period before a participant reaches Social Security retirement age. Contributions to the plan are based on the projected unit credit actuarial funding method and are limited to the amounts that are currently deductible for income tax purposes.

The following tables set forth pertinent information for the two nonunion Company-sponsored pension plans:

Changes in Projected Benefit Obligation

	Fiscal Year	
In Thousands	**2003**	**2002**
Projected benefit obligation at beginning of year	$ 117,841	$ 102,327
Service cost	4,363	4,006
Interest cost	8,129	7,305
Actuarial loss	20,306	7,485
Benefits paid	(3,837)	(3,282)
Projected benefit obligation at end of year	$ 146,802	$ 117,841

Change in Plan Assets

	Fiscal Year	
In Thousands	**2003**	**2002**
Fair value of plan assets at beginning of year	$ 84,086	$ 80,572
Actual return on plan assets	13,244	(6,697)
Employer contributions	7,800	13,493
Benefits paid	(3,837)	(3,282)
Fair value of plan assets at end of year	$ 101,293	$ 84,086

Funded Status

In Thousands	Dec. 28, 2003	Dec. 29, 2002
Funded status of the plans	$ (45,509)	$ (33,755)
Unrecognized prior service cost	90	109
Unrecognized net loss	58,236	48,339
Contributions from measurement date to fiscal year-end	4,600	
Net amount recognized	$ 17,417	$ 14,693

Amounts Recognized in the Balance Sheet

In Thousands	Dec. 28, 2003	Dec. 29, 2002
Accrued benefit liability	$ (26,888)	$ (19,745)
Intangible asset	90	109
Accumulated other comprehensive income	39,615	34,329
Contributions from measurement date to fiscal year-end	4,600	
Net amount recognized	$ 17,417	$ 14,693

Net Periodic Pension Cost

	Fiscal Year		
In Thousands	2003	2002	2001
Service cost	$ 4,363	$ 4,006	$ 3,290
Interest cost	8,129	7,305	6,578
Expected return on plan assets	(6,898)	(7,139)	(7,763)
Amortization of prior service cost	21	(88)	(135)
Recognized net actuarial loss	4,062	2,098	15
Net periodic pension cost	$ 9,677	$ 6,182	$ 1,985

Significant Assumptions Used

	2003	2002	2001
Weighted average discount rate used in determining net periodic pension cost	7.00%	7.25%	7.75%
Weighted average discount rate used in determining the actuarial present value of the projected benefit obligation	6.25%	7.00%	7.25%
Weighted average expected long-term rate of return on plan assets	8.00%	9.00%	9.00%
Weighted average rate of compensation increase	4.00%	4.00%	4.00%
Measurement date	Nov. 30	Nov. 30	Nov. 30

A .25% increase or decrease in the discount rate assumption at the beginning of fiscal year 2003 would have impacted the projected benefit obligation and net periodic pension cost as follows:

Impact on	.25% Increase	.25% Decrease
In Thousands		
Projected benefit obligation at December 28, 2003	$ (6,371)	$ 6,797
Net periodic pension cost in 2003	(930)	989

Cash Flows

In Thousands	
Expected employer contributions for 2004	$23,400
Anticipated future benefit payments reflecting expected future service for the fiscal years:	
2004	$ 3,611
2005	4,011
2006	4,325
2007	4,706
2008	5,035
2009 – 2013	32,964

Plan Assets

The Company's pension plan allocation at December 28, 2003 and December 29, 2002, the target allocation for 2004 and the expected weighted average long-term rate of return by asset category were as follows:

	Target Allocation 2004	Percentage of Plan Assets at Fiscal Year End		Weighted Average Expected Long-Term Rate of Return – 2003
		12/28/03	12/29/02	
U.S. Large Capitalization Equity Securities	40%	40%	39%	3.4%
U.S. Small/Mid Capitalization Equity Securities	10%	11%	11%	1.0%
International Equity Securities	15%	15%	15%	1.6%
Debt Securities	35%	34%	35%	2.0%
Total	100%	100%	100%	8.0%

The investments in the Company's pension plan include U.S. equities, international equities and fixed income instruments. All of the plan assets are invested in institutional investment funds managed by professional investment advisors. The objective of the Company's investment philosophy is to earn the plan's targeted rate of return over longer periods without assuming excess investment risk. The general guidelines for plan investments include 30%—45% in large capitalization U.S. equities, 0%—20% in small and mid-capitalization U.S. equities, 0%—20% in non-U.S. equities and 10%—50% in fixed income instruments. The Company currently has 66% of its plan investments in equities and 34% in fixed income instruments.

U.S. large capitalization equities include domestic based companies that are generally included in common market indices such as the S&P 500™ and the Russell 1000™. Small and mid-capitalization equity securities include small domestic equities as represented by the Russell 2000™ index. International equity securities include companies from developed markets outside of the U.S. Debt securities at December 28, 2003 are comprised of investments in two institutional bond funds with a weighted average duration of approximately 3 years.

The weighted average expected long-term rate of return of plan assets was reduced from 9.0% in 2002 to 8.0% for determination of 2003 net periodic pension cost. This rate reflects an estimate of long-term future

returns for the pension plan assets. This estimate is primarily a function of the asset classes (equities versus fixed income) in which the pension plan assets are invested and the analysis of past performance of these asset classes over a long period of time. This analysis includes expected long-term inflation and the risk premiums associated with equity investments and fixed income investments.

The Company also participates in various multi-employer pension plans covering certain employees who are part of collective bargaining agreements. Total pension expense for multi-employer plans was $1.3 million, $1.3 million and $1.2 million in 2003, 2002 and 2001, respectively.

The Company provides a 401(k) Savings Plan for substantially all of its employees who are not part of collective bargaining agreements. Under provisions of the Savings Plan, an employee is vested with respect to Company contributions upon the completion of two years of service with the Company. The total cost for this benefit in 2003, 2002 and 2001 was $4.0 million, $3.8 million and $2.8 million, respectively.

The Company currently provides employee leasing and management services to SAC. SAC employees participate in the Company's employee benefit plans.

The Company provides postretirement benefits for a portion of its current employees. The Company recognizes the cost of postretirement benefits, which consist principally of medical benefits, during employees' periods of active service. The Company does not pre-fund these benefits and has the right to modify or terminate certain of these benefits in the future. The Company amended certain provisions of this postretirement benefit plan in 2001 and 2002. Under the amended plan, qualifying active employees will be eligible for coverage upon retirement until they become eligible for Medicare (normally age 65), at which time coverage under the plan will cease.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") was enacted. The Act introduces a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans. The postretirement benefit obligation as of December 28, 2003 and the net periodic postretirement benefit cost in 2003 do not reflect the effects of the Act since enactment occurred after the Company's postretirement plan measurement date of September 30, 2003.

The following tables set forth a reconciliation of the beginning and ending balances of the benefit obligation, a reconciliation of the beginning and ending balances of the fair value of plan assets and funded status of the Company's postretirement plan:

	Fiscal Year	
In Thousands	**2003**	**2002**
Benefit obligation at beginning of year	$ 48,271	$ 46,060
Service cost	512	403
Interest cost	3,159	3,238
Plan participants' contributions	674	575
Actuarial loss (gain)	(2,826)	779
Benefits paid	(2,916)	(2,784)
Benefit obligation at end of year	$ 46,874	$ 48,271
Fair value of plan assets at beginning of year	$ —	$ —
Employer contributions	2,242	2,209
Plan participants' contributions	674	575
Benefits paid	(2,916)	(2,784)
Fair value of plan assets at end of year	$ —	$ —

In Thousands	Dec. 28, 2003	Dec. 29, 2002
Funded status of the plan	$ (46,874)	$ (48,271)
Unrecognized net loss	16,427	20,183
Unrecognized prior service cost	(2,370)	(2,666)
Contributions between measurement date and fiscal year-end	814	663
Accrued liability	$ (32,003)	$ (30,091)

The components of net periodic postretirement benefit cost were as follows:

	Fiscal Year		
In Thousands	2003	2002	2001
Service cost	$ 512	$ 403	$ 331
Interest cost	3,159	3,238	3,253
Amortization of unrecognized transitional assets	(25)	(25)	(25)
Recognized net actuarial loss	931	1,155	1,106
Amortization of prior service cost	(272)	(271)	(271)
Net periodic postretirement benefit cost	$ 4,305	$ 4,500	$ 4,394

The weighted average discount rate used to estimate the postretirement benefit obligation was 6.00%, 6.75% and 7.25% as of December 28, 2003, December 29, 2002 and December 30, 2001, respectively. The measurement dates were September 30 of each year 2003, 2002 and 2001, respectively.

The weighted average health care cost trend used in measuring the postretirement benefit expense in 2003 was 10% graded down 1% per year to an ultimate rate of 5%. The weighted average health care cost trend used in measuring the postretirement benefit expense in 2002 was 11% graded down 1% per year to an ultimate rate of 5%. The weighted average health care cost trend used in measuring the postretirement benefit expense in 2001 was 12% graded down 1% per year to an ultimate rate of 5%.

A 1% increase or decrease in this annual health care cost trend for 2003 would have impacted the postretirement benefit obligation and net periodic postretirement benefit cost as follows:

Impact on	1% Increase	1% Decrease
In Thousands		
Postretirement benefit obligation at December 28, 2003	$ 5,857	$ (5,122)
Net periodic postretirement benefit cost in 2003	523	(456)

(18) ***Related Party Transactions***

The Company’s business consists primarily of the production, marketing and distribution of soft drink products of The Coca-Cola Company, which is the sole owner of the secret formulas under which the primary components (either concentrate or syrup) of its soft drink products are manufactured. As of December 28, 2003, The Coca-Cola Company had a 27.4% interest in the Company’s total outstanding Common Stock and Class B Common Stock on a combined basis.

The following table summarizes the significant transactions between the Company and The Coca-Cola Company:

In Millions	2003	2002	2001
Payments by the Company for concentrate, syrup, sweetener and other miscellaneous purchases	$ 284.3	$ 287.5	$ 241.1
Payments by the Company for customer marketing programs	50.5	50.2	22.8
Payments by the Company for cold drink equipment parts	4.4	4.6	4.8
Payments by the Company for local media	.2	—	4.4
Marketing funding support payments to the Company	53.4	56.0	22.3
Fountain delivery and equipment repair fees paid to the Company	7.2	6.6	5.0
Local media and presence marketing support provided by The Coca-Cola Company on the Company's behalf	13.0	17.7	6.9

The significant changes in payments to and from The Coca-Cola Company relate primarily to the consolidation of Piedmont in 2002 and changes in the administration of customer marketing programs, local media and marketing funding support by The Coca-Cola Company at the beginning of 2002.

The Company has a production arrangement with Coca-Cola Enterprises Inc. ("CCE") to buy and sell finished products at cost. Sales to CCE under this agreement were $24.5 million, $23.6 million and $21.0 million in 2003, 2002 and 2001, respectively. Purchases from CCE under this arrangement were $20.9 million, $20.3 million and $21.0 million in 2003, 2002 and 2001, respectively. The Coca-Cola Company has significant equity interests in the Company and CCE. As of December 28, 2003, CCE held 10.5% of the Company's outstanding Common Stock but held no shares of the Company's Class B Common Stock, giving CCE a 7.7% equity interest in the Company's total outstanding Common Stock and Class B Common Stock on a combined basis.

Along with all other Coca-Cola bottlers, the Company has become a member in Coca-Cola Bottlers' Sales & Services Company LLC, ("CCBSS"), which was formed in 2003 for the purposes of facilitating various procurement functions and distributing certain specified beverage products of The Coca-Cola Company with the intention of enhancing the efficiency and competitiveness of the Coca-Cola bottling system in the United States. The Company paid $.2 million in 2003 to CCBSS for its share of CCBSS' administrative costs. CCE is also a member of CCBSS.

The Company entered into an agreement for consulting services with J. Frank Harrison, Jr., the former Chairman of the Board of Directors of the Company, beginning in 1997. Payments related to the consulting services agreement totaled $183,333 and $200,000 in 2002 and 2001, respectively. Mr. Harrison, Jr. passed away in November 2002. An accrual of $3.8 million related to a retirement benefit payable to Mr. Harrison, Jr. was reversed in the fourth quarter of 2002.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont. Prior to January 2, 2002, the Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially owned a 50% interest in Piedmont. On January 2, 2002, the Company purchased for $10.0 million an additional 4.651% interest in Piedmont from The Coca-Cola Company, increasing the Company's ownership in Piedmont to 54.651%. In March 2003, the Company purchased an additional 22.675% interest in Piedmont from The Coca-Cola Company for $53.5 million, increasing its ownership interest in Piedmont to 77.326%.

The Company provides a portion of the soft drink products for Piedmont at cost and receives a fee for managing the operations of Piedmont pursuant to a management agreement. The Company sold product at cost to

Piedmont during 2003, 2002 and 2001 totaling $67.6 million, $55.4 million and $53.0 million, respectively. The Company received $17.6 million, $17.9 million and $17.8 million for management services pursuant to its management agreement with Piedmont for 2003, 2002 and 2001, respectively. Beginning in 2002, sales of product at cost to Piedmont and management fees earned pursuant to its management agreement were eliminated in consolidation.

During 2002, Piedmont refinanced a $195 million term loan using the proceeds from a loan from the Company. The Company's source of funds for this loan to Piedmont included the issuance of $150 million of senior notes, its lines of credit, the revolving credit facility and available cash flow. Piedmont pays the Company interest on the loan at the Company's average cost of funds plus 0.50%. As of December 28, 2003, the Company had loaned $140.2 million to Piedmont. All amounts outstanding under this loan will become due and payable on December 31, 2005. The Company plans to provide for Piedmont's future financing requirements under these terms.

The Company also subleases various fleet and vending equipment to Piedmont at cost. These sublease rentals amounted to $8.4 million, $8.7 million and $11.2 million in 2003, 2002 and 2001, respectively. In addition, Piedmont subleases various fleet and vending equipment to the Company at cost. These sublease rentals amounted to $.2 million each year for all periods presented.

On November 30, 1992, the Company and the previous owner of the Company's Snyder Production Center ("SPC") in Charlotte, North Carolina, who was unaffiliated with the Company, agreed to the early termination of the SPC lease. Harrison Limited Partnership One ("HLP") purchased the property contemporaneously with the termination of the lease, and the Company leased SPC from HLP pursuant to a ten-year lease that was to expire on November 30, 2002. HLP's sole general partner is a corporation of which the estate of J. Frank Harrison, Jr. is the sole shareholder. HLP's sole limited partner is a trust of which J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, and Reid M. Henson, a former Director of the Company, are co-trustees. On August 9, 2000, a Special Committee of the Board of Directors approved the sale by Company of property and improvements adjacent to SPC to HLP and a new lease of both the conveyed property and SPC from HLP, which expires on December 31, 2010. The sale closed on December 15, 2000 at a price of $10.5 million. The annual base rent the Company was obligated to pay for its lease of this property is subject to adjustment for an inflation factor and for increases or decreases in interest rates, using LIBOR as the measurement device. Rental payments for these properties totaled $2.7 million, $2.9 million and $3.3 million in 2003, 2002 and 2001, respectively.

As disclosed in Note 5 to the consolidated financial statements, the Company recorded a capital lease of $41.6 million at the end of the first quarter of 2002 related to this lease as the Company received a renewal option to extend the term of the lease, which it expects to exercise. The minimum rentals and contingent rentals that relate to these properties were as follows:

In Millions	2003	2002	2001
Minimum rentals	$ 4.2	$ 4.1	$ 4.0
Contingent rentals	(1.5)	(1.2)	(0.7)
Total rental payments	$ 2.7	$ 2.9	$ 3.3

The contingent rentals in 2003, 2002 and 2001 reduce the minimum rentals as a result of decreases in interest rates, using LIBOR as the measurement device. Increases or decreases in lease payments that result from changes in the inflation factor or changes in the interest rate factor are recorded as adjustments to interest expense.

In May 2000, the Company entered into a five-year consulting agreement with Reid M. Henson. Mr. Henson served as a Vice Chairman of the Board of Directors from 1983 to May 2000. Payments in 2003, 2002 and 2001 related to the consulting agreement totaled $350,000 in each year.

On June 1, 1993, the Company entered into a lease agreement with Beacon Investment Corporation related to the Company's headquarters office building. Beacon Investment Corporation's sole shareholder is J. Frank Harrison, III. On January 5, 1999, the Company entered into a new ten-year lease agreement with Beacon Investment Corporation which includes the Company's headquarters office building and an adjacent office facility. The annual base rent the Company is obligated to pay under this lease is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates using the Adjusted Eurodollar Rate as the measurement device. Rental payments under this lease totaled $2.8 million, $2.8 million and $3.3 million in 2003, 2002 and 2001, respectively.

The following table summarizes the minimum rentals and contingent rentals associated with this lease:

In Millions	2003	2002	2001
Minimum rentals	$2.8	$2.8	$ 2.8
Contingent rentals	—	—	.5
Total rental expense	$2.8	$2.8	$ 3.3

Increases or decreases in lease payments that result from changes in the Consumer Price Index or changes in the interest rate factor are recorded as adjustments to rent expense in S,G&A expenses.

The Company is a shareholder in two cooperatives from which it purchases substantially all its requirements for plastic bottles. Net purchases from these entities were $51.1 million, $45.6 million and $49.7 million in 2003, 2002 and 2001, respectively. In connection with its participation in one of these cooperatives, the Company has guaranteed a portion of the cooperative's debt. Such guarantee amounted to $18.8 million as of December 28, 2003.

The Company is a member of SAC, a manufacturing cooperative. SAC sells finished products to the Company and Piedmont at cost. Purchases from SAC by the Company and Piedmont for finished products were $105 million, $110 million and $110 million in 2003, 2002 and 2001, respectively. The Company also manages the operations of SAC pursuant to a management agreement. Management fees earned from SAC were $1.3 million, $1.3 million and $1.2 million in 2003, 2002 and 2001, respectively. Also, the Company has guaranteed a portion of debt for SAC. Such guarantee was $20.6 million as of December 28, 2003.

(19) *Earnings Per Share*

The following table sets forth the computation of basic net income per share and diluted net income per share:

In Thousands (Except Per Share Data)	Fiscal Year 2003	2002	2001
Numerator:			
Numerator for basic net income and diluted net income per share	$30,703	$22,823	$9,470
Denominator:			
Denominator for basic net income per share—weighted average common shares	9,043	8,861	8,753
Effect of dilutive securities	—	60	68
Denominator for diluted net income per share—adjusted weighted average common shares	9,043	8,921	8,821
Basic net income per share	$ 3.40	$ 2.58	$ 1.08
Diluted net income per share	$ 3.40	$ 2.56	$ 1.07

(20) *Risks and Uncertainties*

Approximately 91% of the Company’s sales are products of The Coca-Cola Company, which is the sole supplier of the concentrates or syrups required to manufacture these products. The remaining 9% of the Company’s sales are products of other beverage companies. The Company has bottling contracts under which it has various requirements to meet. Failure to meet the requirements of these bottling contracts could result in the loss of distribution rights for the respective product.

The Company currently obtains all of its aluminum cans from one domestic supplier. The Company currently obtains all of its PET bottles from two domestic cooperatives. The inability of either of these aluminum can or PET bottle suppliers to meet the Company’s requirement for containers could result in short-term shortages until alternative sources of supply could be located. The Company attempts to mitigate these risks by working closely with key suppliers and by purchasing business interruption insurance where appropriate. In addition, the cost of aluminum cans and PET bottle containers are subject to change. Material increases in the cost of these containers may result in a reduction in earnings to the extent the Company is not able to increase its selling prices to offset an increase in container costs.

The Company’s products are sold and distributed directly by its employees to retail stores and other outlets. During 2003, approximately 70% of the Company’s physical case volume was sold for future consumption. The remaining 30% of the Company’s volume was sold for immediate consumption through various cold drink channels. The Company’s largest customer (Wal-Mart Stores, Inc.) accounted for approximately 11% of the Company’s total sales volume during 2003.

The Company makes significant expenditures each year on fuel for product delivery. Material increases in the cost of fuel may result in a reduction in earnings to the extent the Company is not able to increase its selling prices to offset an increase in fuel costs.

Certain liabilities of the Company are subject to risk of changes in both long-term and short-term interest rates. These liabilities include floating rate debt, leases with payments determined on floating interest rates, postretirement benefit obligations and the Company's nonunion pension liability.

Less than 10% of the Company's labor force is currently covered by collective bargaining agreements. Two collective bargaining contracts covering less than 1% of the Company's employees expire during 2004.

Material changes in the performance requirements or decreases in levels of marketing funding support historically provided under marketing programs with The Coca-Cola Company and other franchisers, or the Company's inability to meet the performance requirements for the anticipated levels of such marketing funding support payments, would adversely affect future earnings. The Coca-Cola Company is under no obligation to continue marketing funding support at past levels.

Changes in the market value of assets in the Company's pension plan as well as changes in the discount rate may result in significant changes in net periodic pension cost and the Company contributions to the plan.

Changes in the health care cost trend as well as changes in the discount rate may result in significant changes in postretirement benefit cost.

Changes in the insurance markets may significantly impact insurance premiums or, in certain situations, may impact the Company's ability to secure insurance coverages.

(21) *Supplemental Disclosures of Cash Flow Information*

Changes in current assets and current liabilities affecting cash were as follows:

	Fiscal Year		
In Thousands	**2003**	**2002**	**2001**
Accounts receivable, trade, net	$ (2,674)	$ 4,836	$ (1,313)
Accounts receivable from The Coca-Cola Company	(5,120)	(7,988)	1,445
Accounts receivable, other	6,338	(9,398)	2,994
Inventories	1,757	7,164	586
Prepaid expenses and other assets	(28,978)	(1,377)	10,958
Accounts payable, trade	1,190	4,089	6,893
Accounts payable to The Coca-Cola Company	(9,653)	6,483	5,058
Other accrued liabilities	(4,445)	(20,987)	4,250
Accrued compensation	(209)	3,880	3,906
Accrued interest payable	275	(2,347)	1,395
Due to Piedmont			8,246
(Increase) decrease in current assets less current liabilities	$ (41,519)	$ (15,645)	$ 44,418

Cash payments for interest and income taxes were as follows:

	Fiscal Year		
In Thousands	**2003**	**2002**	**2001**
Interest	$ 42,722	$ 52,572	$ 42,084
Income taxes (net of refunds)	(7,172)	3,138	2,673

(22) ***New Accounting Pronouncements***

In November 2002, the Emerging Issues Task Force ("EITF") reached a consensus on Issue No. 02-16, "Accounting by a Customer (Including a Reseller) for Certain Consideration Received from a Vendor" ("EITF 02-16"), addressing the recognition and income statement classification of various considerations given by a vendor to a customer. Among its requirements, the consensus requires that certain cash consideration received by a customer from a vendor is presumed to be a reduction of the price of the vendor's products, and therefore should be characterized as a reduction of cost of sales when recognized in the customer's income statement, unless certain criteria are met. EITF 02-16 was effective for the first quarter of 2003. Previously, the Company classified marketing funding support received from The Coca-Cola Company and other beverage companies as an adjustment to net sales. In accordance with EITF 02-16, the Company classified marketing funding support as a reduction of cost of sales beginning the first quarter of 2003. The application of EITF 02-16 did not have a significant impact on results of operations. Prior year amounts have been reclassified to conform to the current year presentation.

In January 2003, the Financial Accounting Standards Board ("FASB") issued Financial Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). This interpretation addresses consolidation by business enterprises of variable interest entities with certain defined characteristics. Application of FIN 46 is required in the Company's financial statements for interests in variable interest entities that are considered to be special-purpose entities for the year ended December 28, 2003. The Company has determined that it does not have any arrangements or relationships with special-purpose entities. Application of FIN 46 for all other types of variable interest entities is required for the Company effective March 28, 2004. The Company anticipates that application of FIN 46 will not have a significant impact on its financial statements at this time.

In December 2003, the FASB issued Statement No. 132 (revised 2003), "Employers' Disclosures About Pensions and Other Postretirement Benefits," that requires additional financial statement disclosures for defined benefit plans. This revised standard requires more disclosure about plan assets, benefit obligations, cash flows, benefit costs and other relevant information. The Company has adopted these disclosure provisions beginning with its 2003 fiscal year-end financial reporting.

(23) *Quarterly Financial Data (Unaudited)*

Set forth below are unaudited quarterly financial data for the fiscal years ended December 28, 2003 and December 29, 2002.

In Thousands (Except Per Share Data) Year Ended December 28, 2003	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Net sales	$ 275,200	$ 318,165	$ 325,637	$ 291,763
Gross margin	134,869	153,656	156,759	140,033
Net income	1,407	11,900	13,846	3,550
Basic net income per share	.16	1.32	1.53	.39
Diluted net income per share	.16	1.32	1.53	.39

In Thousands (Except Per Share Data) Year Ended December 29, 2002	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Net sales	$ 271,618	$ 329,512	$ 319,725	$ 277,480
Gross margin	134,407	159,380	153,823	131,588
Net income (loss)	3,378	10,783	9,539	(877)
Basic net income (loss) per share	.39	1.23	1.08	(.10)
Diluted net income (loss) per share	.38	1.21	1.07	(.10)

Report of Independent Auditors

To the Board of Directors and Stockholders of Coca-Cola Bottling Co. Consolidated:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Coca-Cola Bottling Co. Consolidated and its subsidiaries at December 28, 2003 and December 29, 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 28, 2003 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the appendix appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 6 to the consolidated financial statements, the Company changed its accounting for goodwill and other intangible assets in 2002.

/s/ PRICEWATERHOUSECOOPERS LLP
Charlotte, North Carolina
February 18, 2004

The financial statement schedule required by Regulation S-X is set forth in response to Item 15 below.

The supplementary data required by Item 302 of Regulation S-K is set forth in Note 23 to the financial statements.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***Controls and Procedures***

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) pursuant to Rule 13a-15 of the Exchange Act. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's Exchange Act filings.

There has been no change in the Company's internal control over financial reporting during the quarter ended December 28, 2003 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part III

Item 10. *Directors and Executive Officers of the Company*

For information with respect to the executive officers of the Company, see “Executive Officers of the Company” included as a separate item at the end of Part I of this Report. For information with respect to the directors of the Company, see the “Election of Directors” section of the Proxy Statement for the 2004 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission on or before April 26, 2004, which is incorporated herein by reference. For information with respect to Section 16 reports, see the “Election of Directors—Section 16(a) Beneficial Ownership Reporting Compliance” section of the Proxy Statement for the 2004 Annual Meeting of Stockholders, which is incorporated herein by reference.

The Company has adopted a Code of Ethics for Senior Financial Officers, which is intended to qualify as a “code of ethics” within the meaning of Item 406 of Regulation S-K of the Exchange Act (the “Code of Ethics”). The Code of Ethics applies to the Company’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Vice President-Controller, Vice President-Treasurer, Vice President-Tax/Risk Management and any other person performing similar functions. The Code of Ethics is available on the Company’s website at *www.cokeconsolidated.com.* The Company intends to disclose any substantive amendments to, or waivers from, its Code of Ethics on its website or in a report on Form 8-K.

Item 11. *Executive Compensation*

For information with respect to executive and director compensation, see the “Executive Compensation,” “Compensation Committee Interlocks and Insider Participation,” and “Election of Directors—Director Compensation” sections of the Proxy Statement for the 2004 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which are incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

For information with respect to security ownership of certain beneficial owners and management, see the “Principal Stockholders,” “Election of Directors—Beneficial Ownership of Management” and “Equity Compensation Plans” sections of the Proxy Statement for the 2004 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which are incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions*

For information with respect to certain relationships and related transactions, see the “Certain Transactions” section of the Proxy Statement for the 2004 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which is incorporated herein by reference.

Item 14. *Principal Accountant Fees and Services*

For information with respect to principal accountant fees and services, see the “Independent Accountants” section of the Proxy Statement for the 2004 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, which is incorporated herein by reference.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a) List of documents filed as part of this report.

1. Financial Statements

Consolidated Balance Sheets
Consolidated Statements of Operations
Consolidated Statements of Cash Flows
Consolidated Statements of Changes in Stockholders' Equity
Notes to Consolidated Financial Statements
Report of Independent Auditors

2. Financial Statement Schedule

Schedule II—Valuation and Qualifying Accounts and Reserves

All other financial statements and schedules not listed have been omitted because the required information is included in the consolidated financial statements or the notes thereto, or is not applicable or required.

3. Listing of Exhibits:

Exhibit Index

Number	Description	Incorporated by Reference or Filed Herewith
(3.1)	Restated Certificate of Incorporation of the Company.	Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2003.
(3.2)	Amended and Restated Bylaws of the Company.	Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2003.
(4.1)	Specimen of Common Stock Certificate.	Exhibit 4.1 to the Company's Registration Statement (No. 2-97822) on Form S-1 as filed on May 31, 1985.
(4.2)	Supplemental Indenture, dated as of March 3, 1995, between the Company and Citibank, N.A., as Successor, as Trustee.	Exhibit 4.2 to the Company's. Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(4.3)	Form of the Company's 6.85% Debentures due 2007.	Exhibit 4.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(4.4)	Loan Agreement, dated as of November 20, 1995, between the Company and LTCB Trust Company, as Agent, and other banks named therein.	Exhibit 4.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.

Number	Description	Incorporated by Reference or Filed Herewith
(4.5)	Amendment, dated as of July 22, 1997, to Loan Agreement (designated as Exhibit 4.4) between the Company and General Electric Capital Corporation as assignee of LTCB Trust Company, as Agent, and other banks named therein.	Exhibit 4.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(4.6)	Form of the Company's 7.20% Debentures due 2009.	Exhibit 4.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(4.7)	Form of the Company's 6.375% Debentures due 2009.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 1999.
(4.8)	Assignment and Release Agreement, dated as of October 6, 1999 (relating to the Loan Agreement designated as Exhibit 4.4), by and between The Long-Term Credit Bank of Japan, Limited and General Electric Capital Corporation.	Exhibit 4.11 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2000.
(4.9)	Second Amendment, dated as of February 24, 2000 (to Loan Agreement designated as Exhibit 4.4) by and among the Company and General Electric Capital Corporation, as agent.	Exhibit 4.12 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2000.
(4.10)	Amended and Restated Promissory Note, dated as of November 22, 2002, by and between Piedmont Coca-Cola Bottling Partnership and the Company.	Exhibit 4.10 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(4.11)	$125,000,000 Credit Agreement, dated as of December 20, 2002, between the Company and Citibank, N.A. as Administrative Agent, and other banks named therein.	Exhibit 4.11 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(4.12)	Form of the Company's 5.00% Senior Notes due 2012.	Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 21, 2002.
(4.13)	Form of the Company's 5.30% Senior Notes due 2015.	Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 27, 2003.
(4.14)	Limited Waiver and Consent, dated March 25, 2003, by and between the Company and General Electric Capital Corporation, as Agent to the Loan Agreement designated as Exhibit 4.4.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 2003.
(4.15)	Third Amendment, dated as of July 29, 2003, to Loan Agreement (designated as Exhibit 4.4) by and among the Company and General Electric Capital Corporation.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2003.
(4.16)	Waiver, dated as of October 24, 2003, of certain provisions of the $125,000,000 Credit Agreement designated as Exhibit 4.11, between the Company and Citibank, N.A., as Administrative Agent, and other banks named therein.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 28, 2003.

Number	Description	Incorporated by Reference or Filed Herewith
(4.17)	The registrant, by signing this report, agrees to furnish the Securities and Exchange Commission, upon its request, a copy of any instrument which defines the rights of holders of long-term debt of the registrant and its consolidated subsidiaries which authorizes a total amount of securities not in excess of 10 percent of the total assets of the registrant and its subsidiaries on a consolidated basis.	
(10.1)	Stock Rights and Restrictions Agreement, dated January 27, 1989, by and between the Company and The Coca-Cola Company.	Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.2)	Description and examples of bottling franchise agreements between the Company and The Coca-Cola Company.	Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.3)	Lease, dated as of January 1, 1999, by and between the Company and the Ragland Corporation, related to the production/distribution facility in Nashville, Tennessee.	Exhibit 10.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.4)	Purchase and Sale Agreement, dated as of December 15, 2000, between the Company and Harrison Limited Partnership One, related to land adjacent to the Snyder Production Center in Charlotte, North Carolina.	Exhibit 10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.5)	Lease Agreement, dated as of December 15, 2000, between the Company and Harrison Limited Partnership One, related to the Snyder Production Center in Charlotte, North Carolina and a distribution center adjacent thereto.	Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.6)	Partnership Agreement of Carolina Coca-Cola Bottling Partnership,* dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Investments, Inc., Coca-Cola Ventures, Inc., Coca-Cola Bottling Co. Affiliated, Inc., Fayetteville Coca-Cola Bottling Company and Palmetto Bottling Company.	Exhibit 10.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.7)	Management Agreement, dated as of July 2, 1993, by and among the Company, Carolina Coca-Cola Bottling Partnership,* CCBC of Wilmington, Inc., Carolina Coca-Cola Bottling Investments, Inc., Coca-Cola Ventures, Inc. and Palmetto Bottling Company.	Exhibit 10.8 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.8)	First Amendment to Management Agreement designated as Exhibit 10.7, dated as of January 1, 2001.	Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.9)	Amended and Restated Guaranty Agreement, dated as of July 15, 1993, with Southeastern Container, Inc.	Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.

Number	Description	Incorporated by Reference or Filed Herewith
(10.10)	Management Agreement, dated as of June 1, 1994, by and between the Company and South Atlantic Canners, Inc.	Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.11)	Agreement, dated as of March 1, 1994, between the Company and South Atlantic Canners, Inc.	Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.12)	Guaranty Agreement, dated as of May 18, 2000, between the Company and Wachovia Bank of North Carolina, N.A.	Exhibit 10.17 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001.
(10.13)	Guaranty Agreement, dated as of December 1, 2001, between the Company and Wachovia, N.A.	Exhibit 10.18 to the Company's. Annual Report on Form 10-K for the fiscal year ended December 30, 2001.
(10.14)	Description of the Company's 2004 Bonus Plan for officers. * *	Filed herewith.
(10.15)	Retirement and Consulting Agreement, effective as of May 31, 2000, between the Company and Reid M. Henson. * *	Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.
(10.16)	Agreement to assume liability for postretirement benefits between the Company and Piedmont Coca-Cola Bottling Partnership.	Exhibit 10.17 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.17)	Lease Agreement, dated as of January 5, 1999, between the Company and Beacon Investment Corporation, related to the Company's corporate headquarters and an adjacent office building in Charlotte, North Carolina.	Exhibit 10.61 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999.
(10.18)	Coca-Cola Bottling Co. Consolidated Director Deferral Plan, dated as of January 1, 1998. **	Filed herewith.
(10.19)	Restricted Stock Award to J. Frank Harrison, III (effective January 4, 1999). **	Annex A to the Company's Proxy Statement for the 1999 Annual Meeting.
(10.20)	Supplemental Savings Incentive Plan, as amended and restated as of December 28, 2003, between Eligible Employees of the Company and the Company. **	Filed herewith.
(10.21)	Employment Agreement Termination, dated as of April 27, 2001, between the Company and James L. Moore, Jr. **	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2001.
(10.22)	Officer Retention Plan (ORP), as amended and restated as of January 1, 2001, between Eligible Employees of the Company and the Company. **	Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2001.

Number	Description	Incorporated by Reference or Filed Herewith
(10.23)	Master Amendment to Partnership Agreement, Management Agreement and Definition and Adjustment Agreement, dated as of January 2, 2002, by and among Piedmont Coca-Cola Bottling Partnership, The Coca-Cola Company and the Company.	Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 2, 2002.
(10.24)	Securities Purchase Agreement, dated as of January 2, 2002, by and between Piedmont Partnership Holding Company (KO Subsidiary) and Coca-Cola Ventures, Inc. (Consolidated Subsidiary).	Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001.
(10.25)	Assignment, dated as of January 2, 2002, by and between Piedmont Partnership Holding Company (KO Subsidiary) and Coca-Cola Ventures, Inc. (Consolidated Subsidiary).	Exhibit 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2001.
(10.26)	First Amendment to Lease (relating to the Lease Agreement designated as Exhibit 10.3) and First Amendment to Memorandum of Lease, dated as of August 30, 2002, between Ragland Corporation and the Company.	Exhibit 10.33 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.27)	Sweetener Sales Agreement, dated as of October 14, 2002, by and between The Coca-Cola Company and the Company.	Exhibit 10.34 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.28)	Limited Liability Company Operating Agreement of Coca-Cola Bottlers' Sales & Services Company, LLC, dated as of December 11, 2002, by and between Coca-Cola Bottlers' Sales & Services Company, LLC and Consolidated Beverage Co., a wholly-owned subsidiary of the Company.	Exhibit 10.35 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2002.
(10.29)	Form of Split-Dollar and Deferred Compensation Replacement Benefit Agreement, effective as of December 27, 2003, between the Company and Eligible Employees of the Company. **	Filed herewith.
(10.30)	Fourth Amendment to Partnership Agreement, dated as of March 28, 2003, by and among Piedmont Coca-Cola Bottling Partnership, Piedmont Partnership Holding Company and Coca-Cola Ventures, Inc.	Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 2003.
(10.31)	Amendment to Officer Retention Plan Agreement by and between the Company and David V. Singer, effective as of January 12, 2004.**	Filed herewith.
(10.32)	Securities Purchase Agreement, dated as of March 28, 2003, by and between Piedmont Partnership Holding Company (KO subsidiary) and Coca-Cola Ventures, Inc. (Consolidated Subsidiary).	Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 2003.
(10.33)	Assignment, dated as of March 28, 2003, by and between Piedmont Partnership Holding Company and Coca-Cola Ventures, Inc.	Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 2003.
(10.34)	Form of Split-Dollar and Deferred Compensation Termination Agreement, effective as of December 27, 2003, by and between the Company and Eligible Employees of the Company.**	Filed herewith.

Number	Description	Incorporated by Reference or Filed Herewith
(10.35)	Form of SSIP Settlement, Release and Acknowledgment Agreement, effective as of December 27, 2003, by and between the Company and Eligible Employees of the Company.**	Filed herewith.
(10.36)	Split-Dollar Termination Agreements, effective as of December 27, 2003, by and between the Company and Jan M. Harrison, Trustee under the Irrevocable Trust Agreement of J. Frank Harrison, III.**	Filed herewith.
(10.37)	Life Insurance Benefit Agreement, effective as of December 28, 2003, by and between the Company and Jan M. Harrison, Trustee under the J. Frank Harrison, III 2003 Irrevocable Trust, John R. Morgan, Trustee under the Harrison Family 2003 Irrevocable Trust, and J. Frank Harrison, III.**	Filed herewith.
(21.1)	List of subsidiaries.	Filed herewith.
(23.1)	Consent of Independent Accountants to Incorporation by reference into Form S-3 (Registration No. 33-54657) and Form S-3 (Registration No. 333-71003).	Filed herewith.
(31.1)	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
(31.2)	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
(32)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith.

* Carolina Coca-Cola Bottling Partnership's name was changed to Piedmont Coca-Cola Bottling Partnership.

** Management contracts and compensatory plans and arrangements required to be filed as exhibits to this form pursuant to Item 15(c) of this report.

(b) Reports on Form 8-K.

On October 27, 2003, the Company filed a Current Report on Form 8-K relating to the announcement of the Company's financial results for the period ended September 28, 2003.

On November 25, 2003, the Company filed a Current Report on Form 8-K relating to the issuance of its Report to Stockholders for the period ending September 28, 2003.

On December 3, 2003, the Company filed a Current Report on Form 8-K relating to the resignations of two directors of the Company.

On February 20, 2004, the Company filed a Current Report on Form 8-K relating to the announcement of the Company's financial results for the fiscal year ended December 28, 2003.

(c) Exhibits.

See Item 15(a)3

(d) Financial Statement Schedules.

See Item 15(a)2

Schedule II

COCA-COLA BOTTLING CO. CONSOLIDATED

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

(In Thousands)

Description	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions	Balance at End of Year
Allowance for doubtful accounts:				
Fiscal year ended December 28, 2003	$ 1,676	$ 494	$ 447	$ 1,723
Fiscal year ended December 29, 2002	$ 1,863	$ 1,190	$ 1,377	$ 1,676
Fiscal year ended December 30, 2001	$ 918	$ 1,463	$ 518	$ 1,863

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COCA-COLA BOTTLING CO. CONSOLIDATED
(REGISTRANT)

Date: March 11, 2004

By: /S/ J. FRANK HARRISON, III

J. Frank Harrison, III
Chairman of the Board of Directors
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
By: /S/ J. FRANK HARRISON, III **J. Frank Harrison, III**	Chairman of the Board of Directors, Chief Executive Officer and Director	March 11, 2004
By: /S/ H. W. MCKAY BELK **H. W. McKay Belk**	Director	March 11, 2004
By: /S/ SHARON A. DECKER **Sharon A. Decker**	Director	March 11, 2004
By: /S/ WILLIAM B. ELMORE **William B. Elmore**	President, Chief Operating Officer and Director	March 11, 2004
By: /S/ JAMES E. HARRIS **James E. Harris**	Director	March 11, 2004
By: /S/ DEBORAH S. HARRISON **Deborah S. Harrison**	Director	March 11, 2004
By: /S/ NED R. MCWHERTER **Ned R. McWherter**	Director	March 11, 2004
By: /S/ JOHN W. MURREY, III **John W. Murrey, III**	Director	March 11, 2004
By: /S/ CARL WARE **Carl Ware**	Director	March 11, 2004
By: /S/ DENNIS A. WICKER **Dennis A. Wicker**	Director	March 11, 2004
By: /S/ DAVID V. SINGER **David V. Singer**	Executive Vice President and Chief Financial Officer	March 11, 2004
By: /S/ STEVEN D. WESTPHAL **Steven D. Westphal**	Vice President, Controller and Chief Accounting Officer	March 11, 2004

Exhibit 10.14

COCA-COLA BOTTLING CO. CONSOLIDATED

ANNUAL BONUS PLAN – 2004

PURPOSE

The purpose of this Annual Bonus Plan (the **"Plan"**) is to promote the best interests of the Company and its Shareholders by providing key management employees with additional incentives to assist the Company in meeting and exceeding its business goals.

PLAN ADMINISTRATION

The Plan will be administered by the Compensation Committee as elected by the Board of Directors; *provided that*, so long as the Company and the Plan are subject to the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended (**"Section 162(m)"**), either the Compensation Committee shall be composed solely of two or more directors who qualify as "outside directors" under Section 162(m) or, if for any reason one or more members of the Compensation Committee cannot qualify as "outside directors," the Board shall appoint a separate Bonus Plan Committee composed of two or more "outside directors" which shall have all of the powers otherwise granted to the Compensation Committee to administer the Plan. All references herein to the **"Committee"** shall be deemed to refer to either the Compensation Committee or to the Bonus Plan Committee, as applicable at any given time. The Committee is authorized to establish new guidelines for administration of the Plan, delegate certain tasks to management, make determinations and interpretations under the Plan, and to make awards pursuant to the Plan; *provided*, *however,* that the

Committee shall at all times be required to exercise these discretionary powers in a manner, and subject to such limitations, as will permit all payments under the Plan to "covered employees" (as defined in Section 162(m)) to continue to qualify as "performance-based compensation" for purposes of Section 162(m), and any action taken by the Committee shall automatically be deemed null and void to the extent (if any) that it would have the effect of destroying such qualification. Subject to the foregoing, all determinations and interpretations of the Committee will be binding upon the Company and each participant.

PLAN GUIDELINES

Eligibility: The Committee is authorized to grant cash awards to any officer, including officers who are directors and to other employees of the Company and its affiliates in key positions.

Participation: Management will recommend annually key positions which should qualify for awards under the Plan. The Committee has full and final authority in its discretion to select the key positions eligible for awards. Management will inform individuals in selected key positions of their participation in the Plan.

Qualification and Amount of Award:

1. Participants will qualify for awards under the Plan based on:

   (a) Corporate goals set for the fiscal year.

   (b) Division/Manufacturing Center goals or individual goals set for the fiscal year.

   (c) The Committee may, in its sole discretion,

eliminate any individual award, or reduce (but not increase) the amount of compensation payable with respect to any individual award.

2. The total cash award to the participant will be computed as follows:

   Gross Cash Award = Base Salary X Approved Bonus % Factor X Indexed Performance Factor X Overall Goal Achievement Factor.

   Notwithstanding the above formula, the maximum cash award that may be made to any individual participant based upon performance for any fiscal year period shall be $1,000,000.

3. The Base Salary is the participant's base salary level set for the fiscal year. The Approved Bonus % Factor is a number set by the Committee (maximum = 100%) to reflect each participant's relative responsibility and the contribution to Company performance attributed to each participant's position with the Company.

4. The Indexed Performance Factor is determined by the Committee prior to making payments of awards for each fiscal year, based on each individual's performance during such fiscal year. Since the Committee is necessarily required to evaluate subjective factors related to each individual's performance in order to arrive at this number, and since such evaluations cannot be made until after the close of the fiscal year to which the award relates, the Indexed Performance Factor will automatically be set at 1.2 for all participants who are "covered employees" (as defined in Section 162(m)), in order to allow awards to such participants to qualify as "performance-based compensation" that is not subject to the deduction limits of Section 162(m).

5. The Overall Goal Achievement Factor used in calculating the Gross Cash Award for each participant will be determined on the basis of multiplying the weightage factor specified in **ANNEX A** attached hereto for each of the six performance criteria specified therein (Operating Cash Flow (as defined in **ANNEX A**), Free Cash Flow (as defined in **ANNEX A**), Net Income, Unit Volume, Market Share, and an overall Value Measure (as defined in **ANNEX A**)) by the percentage specified in the following table for the level of performance achieved with respect to each such goal:

Goal Achievement (in percent)	**Amount of Award (as a % of max.)**
89.0 or less	0
89.1-94	80
94.1-97	90
97.1-100	100
100.1-105	110
105.1-110	120

6. The Committee will review and approve all awards. The Committee has full and final authority in its discretion to adjust the Gross Cash Award determined in accordance with the formula described above in arriving at the actual gross amount of the award to be paid to any participant; subject, however, to the limitation that such authority may be exercised in a manner which reduces (by using lower numbers for the Indexed Performance Factor or otherwise), but not in a manner which increases, the Gross Cash Award calculated in accordance with the formula prescribed in Paragraph 2 above. The gross amount will be subject to all local, state and federal minimum tax withholding requirements.

7. Participant must be an employee of the Company on the date of payment to qualify for an award. Any participant who leaves the employ of the

Company, voluntarily or involuntarily, prior to the payment date, is ineligible for any bonus. An employee who assumes a key position during the fiscal year may be eligible for a pro-rated award at the option of the Committee, provided the participant has been employed a minimum of three (3) months during the calendar year.

8. Awards under the bonus program will not be made if any material aspects of the bottle contracts with The Coca-Cola Company are violated.

Payment Date: Awards shall be paid upon determination (and certification by the Committee, as provided below) of the results under each of the performance criteria specified in Paragraph 5 above following the closing of the Company's books for the fiscal year to which such awards relate; *provided, however,* that the Committee shall have discretion to delay its certification and payment of awards for any fiscal year until following notification from the Company's independent auditors of the final audited results of operations for the fiscal year. In any event, the Committee shall provide written certification that the annual performance goals have been attained, as required by Section 162(m), prior to any payments being made for any fiscal year.

AMENDMENTS, MODIFICATIONS AND TERMINATION

The Committee is authorized to amend, modify or terminate the Plan retroactively at any time, in part or in whole; *provided*, *however*, that any such amendment may not cause payments to "covered employees" under the Plan to cease to qualify as "performance-based compensation" under Section 162(m) unless such amendment has been approved by the full Board of Directors of the Company.

SHAREHOLDER APPROVAL REQUIREMENT

So long as the Company and the Plan are subject to the provisions of Section 162(m), no awards shall be paid to any participants under the Plan unless the performance goals under the Plan (including any subsequent Plan amendments as contemplated above) shall have received any approval of the Company's shareholders required in order for all such payments to "covered employees" to qualify as "performance-based compensation" under Section 162(m).

ANNEX A FOR 2004

APPROVED PERFORMANCE CRITERIA FOR AWARDING BONUS PAYMENTS

CORPORATE GOALS

PERFORMANCE INDICATOR	WEIGHTAGE FACTOR*	GOAL
1. Operating Cash Flow (A)	30%	
2. Free Cash Flow (B)	40%	
3. Net Income	10%	
4. Unit Volume	5%	
5. Market Share	5%	
6. Value Measure (9 X OCF - Debt)	10%	
Total	100%	

* Set as Part of Approved Plan

NOTES:

1. Operating cash flow is defined as income from operations before depreciation and amortization of goodwill and intangibles.
2. Free cash flow is defined as the net cash available for debt or lease pay down after considering non-cash charges, capital expenditures, taxes and adjustments for changes in assets and liabilities. Specifically excluded would be acquisitions and capital expenditures made because of acquisitions. Specifically excluded from free cash flow are net proceeds from:
   - Investment in or sale of franchise territories
   - Sales of real estate
   - Sales of other assets
   - Other items as defined by the Committee.
3. Net Income is defined as the after-tax reported earnings of the Company.

4. Unit Volume is defined as bottle, can and pre-mix cases converted to 8 oz. cases.

5. If, and to the extent that, excluding any of the following items increases the level of goal achievement with respect to any of the performance indicators, then such item shall be excluded from determination of the level of goal achievement:

   - Unbudgeted events of more than $50,000.
   - Impact of non-budgeted acquisition or joint venture transactions occurring after the commencement of the fiscal year performance period.
   - Adjustments required to implement unbudgeted changes in accounting principles (i.e., new FASB rulings).
   - Unbudgeted changes in depreciation and amortization schedules.
   - Unbudgeted premiums paid or received due to the retirement of refinancing of debt or hedging vehicles.

   The Committee shall, however, have discretion to include any of these specifically excluded items, but only to the extent that the exercise of such discretion would reduce (but not increase) the amount of any award otherwise payable under the Plan.

6. Bonus program will not be in force if any material aspects of the Bottle Contracts with TCCC are violated.

7. For purposes of determining incentive compensation, accounting practices and principles used to calculate “actual” results will be consistent with those used in calculating the budget.

Exhibit 10.18

COCA-COLA BOTTLING CO. CONSOLIDATED DIRECTOR DEFERRAL PLAN

1. Name and Effective Date:

This plan shall be known as the “Coca-Cola Bottling Co. Consolidated Director Deferral Plan” (the “Plan”). The Plan shall be effective as of January 1, 1998.

2. Purpose and Intent:

Coca-Cola Bottling Co. Consolidated (the “Company”) establishes this Plan effective January 1, 1998 for the purpose of providing the nonemployee members of its Board of Directors with the opportunity to defer payment of the director fees payable with respect to a year in accordance with the terms and provisions set forth herein. It is the intent of the Company that amounts deferred under the Plan by a director shall not be taxable to the director for income tax purposes until the time actually received by the director. The provisions of the Plan shall be construed and interpreted to effectuate such intent.

3. Definitions:

For purposes of the Plan, the following terms shall have the following meanings:

(a) “Account” means the account established and maintained on the books of the Company to record a Participant’s interest under the Plan attributable to amounts credited to the Participant pursuant to paragraph 5(c) below, as adjusted from time to time pursuant to the terms of the Plan.

(b) “Beneficiary” means the person(s) or entity(ies) designated by the Participant to receive the Participant’s benefits under the Plan in the event of the Participant’s death. Designation of a Participant’s Beneficiary shall be made on such forms and pursuant to such procedures as determined by the Plan Administrator from time to time. If a Participant fails to designate a Beneficiary or if the designated Beneficiary fails to survive the Participant, then the Beneficiary shall be the Participant’s surviving spouse, and if there is no surviving spouse, then the Participant’s estate.

(c) “Claim” means a claim for benefits under the Plan.

(d) “Claimant” means a person making a Claim.

(e) “Compensation Committee” means the committee of individuals who are serving from time to time as the members of the Compensation Committee of the Board of Directors of the Company.

(f) “Fees” means both (i) the annual retainer fee and (ii) any meetings fees payable to a Nonemployee Director under the Company’s compensation policies for directors in effect from time to time.

(g) “Nonemployee Director” means an individual who is a member of the Board of Directors of the Company, but who is not an employee of the Company.

(h) “Participant” means a Nonemployee Director who has elected to participate in the Plan as provided in paragraph 5(b) below.

(i) “Plan Administrator” means the person or entity designated by the Compensation Committee as the Plan Administrator for purposes of the Plan.

(j) “Plan Year” means the twelve (12) month period beginning January 1 and ending December 31.

(k) “Single Sum Value” of the Account of a Participant who is receiving annual installments pursuant to paragraph 5(h) means the single sum present value of the installments determined as of the relevant determination date using for such purpose as the discount rate the same rate that was used in calculating the amount of the installments pursuant to paragraph 5(g) below.

4. Administration:

The Plan Administrator shall be responsible for administering the Plan. The Plan Administrator shall have all of the powers necessary to enable it to properly carry out its duties under the Plan. Not in limitation of the foregoing, the Plan Administrator shall have the power to construe and interpret the Plan and to determine all questions that shall arise thereunder. The Plan Administrator shall have such other and further specified duties, powers, authority and discretion as are elsewhere in the Plan either expressly or by necessary implication conferred upon it. The Plan Administrator may appoint such agents as it may deem necessary for the effective performance of its duties, and may delegate to such agents such powers and duties as the Plan Administrator may deem expedient or appropriate that are not inconsistent with the intent of the Plan. The decision of the Plan Administrator upon all matters within its scope of authority shall be final and conclusive on all persons, except to the extent otherwise provided by law.

5. Operation:

(a) Eligibility. Each Nonemployee Director shall be eligible to participate in the Plan.

(b) Elections to Defer. A Nonemployee Director may become a Participant in the Plan by irrevocably electing, on a form provided by the Plan Administrator, to defer the Fees payable for a Plan Year to the Nonemployee Director. In order to be effective, a Nonemployee Director’s election to defer must be executed and returned to the Plan Administrator on or before the date

specified by the Plan Administrator for such purpose. Such election must normally be made prior to the beginning of the Plan Year to which the election relates. However, the Plan Administrator, in its sole and exclusive discretion, may determine that in certain circumstances an election may be made during a Plan Year if such determination is not inconsistent with the intent of the Plan expressed in paragraph 2 above.

(c) Establishment of Accounts. The Company shall establish and maintain on its books an Account for each Participant. Each Account shall be designated by the name of the Participant for whom established. The amount of Fees deferred by a Participant shall be credited to the Participant's Account as of the date such Fees would have otherwise been paid to the Participant.

(d) Periodic Account Adjustments for Deemed Investments.

(i) Deemed Investment. The Plan Administrator shall from time to time designate one or more investment vehicle(s) in which the Accounts of Participants shall be deemed to be invested. The investment vehicle(s) may be designated by reference to the investments available under other plans sponsored by the Company. Each Participant shall designate the investment vehicle(s) in which his or her Account shall be deemed to be invested according to the procedures developed by the Plan Administrator. The Company shall be under no obligation to acquire or invest in any of the deemed investment vehicle(s) under this subparagraph, and any acquisition of or investment in a deemed investment vehicle by the Company shall be made in the name of the Company and shall remain the sole property of the Company.

(ii) Periodic Account Adjustments. Each Account shall be adjusted from time to time at such intervals as determined by the Plan Administrator. The amount of the adjustment shall equal the amount that each Participant's Account would have earned (or lost) for the period since the last adjustment had the Account actually been invested in the deemed investment vehicle(s) designated by the Participant for such period pursuant to paragraph 5(d)(i).

(e) Methods of Payment.

(i) Termination Prior to Age 65. If a Participant terminates service with the Company as a member of the Board of Directors of the Company prior to having attained age 65, then the Participant's Account shall be paid in a single cash payment in accordance with paragraph 5(f) below.

(ii) Termination At and After Age 65. If a Participant terminates service with the Company as a member of the Board of Directors of the Company after having attained age 65, then the Participant's Account shall be paid in either a single cash payment (in accordance with paragraph 5(f) below) or ten (10) annual installments (in accordance with paragraph 5(g) below) pursuant to the Participant's election. Such election shall be irrevocable and shall be made at the time the Participant first elects to defer Fees under the

Plan (or at such other time as determined by the Plan Administrator not inconsistent with the intent of the Plan expressed in paragraph 2 above).

(f) Single Cash Payment. If a Participant to whom the single cash payment method applies terminates services with the Company as a member of the Board of Directors of the Company, such Participant's Account determined as of the date of such termination of services shall be paid to the Participant (or Beneficiary in case of death) as soon as practicable after such termination of service. Notwithstanding the foregoing, at the time a Participant first elects to defer Fees under the Plan (or at such other time as determined by the Plan Administrator not inconsistent with the intent of the Plan expressed in paragraph 2 above), the Participant may elect to have the payment of the Participant's Account deferred until the date the Participant attains age 65, provided that the Participant terminates service after having attained at least age 60 (i.e., the deferral to age 65 will not apply if the Participant terminates service prior to age 60). Such election shall be irrevocable and shall be made in such forms and pursuant to such procedures as established by the Plan Administrator from time to time.

(g) Annual Installments. If a Participant to whom the annual installments method applies terminates service with the Company as a member of the Board of Directors of the Company, the amount of such annual installments shall be calculated and paid to the Participant (or Beneficiary in the case of death) pursuant to the provisions of this paragraph 5(g). The first installment shall be paid as soon as administratively practicable following such termination of service, and each subsequent installment shall be paid on or about the anniversary of the first installment payment. The amount of the annual installments shall be calculated, based on the balance in the Participant's Account determined as of the date of such termination of services, as ten (10) equal annual installments amortized over the payment period using an eight percent (8%) interest rate. If a Participant who has selected the annual installments method dies before any or all of the annual installments have been paid, such remaining annual installments shall be paid to the Participant's Beneficiary at such time as they would have otherwise been paid to the Participant had the Participant not died.

(h) Other Payment Provisions. Subject to the provisions of paragraph 5(i) and paragraph 6 below, a Participant shall not be paid any portion of the Participant's Account prior to the Participant's termination of services as a member of the Board of Directors of the Company. Any payment hereunder shall be subject to applicable payroll and withholding taxes. In the event any amount becomes payable under the provisions of the Plan to a Participant, beneficiary or other person who is a minor or an incompetent, whether or not declared incompetent by a court, such amount may be paid directly to the minor or incompetent person or to such person's fiduciary (or attorney-in-fact in the case of an incompetent) as the Plan Administrator, in its sole discretion, may decide, and the Plan Administrator shall not be liable to any person for any such decision or any payment pursuant thereto.

(i) Withdrawals on Account of an Unforeseeable Emergency. A Participant who is in active service as a member of the Board of Directors of the Company may, in the Plan Administrator's sole discretion, receive a refund of all or any part of the amounts previously

credited to the Participant's Account in the case of an "unforeseeable emergency". A Participant requesting a payment pursuant to this subparagraph (i) shall have the burden of proof of establishing, to the Plan Administrator's satisfaction, the existence of such "unforeseeable emergency", and the amount of the payment needed to satisfy the same. In that regard, the Participant shall provide the Plan Administrator with such financial data and information as the Plan Administrator may request. If the Plan Administrator determines that a payment should be made to a Participant under this subparagraph (i), such payment shall be made within a reasonable time after the Plan Administrator's determination of the existence of such "unforeseeable emergency" and the amount of payment so needed. As used herein, the term "unforeseeable emergency" means a severe financial hardship to a Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that shall constitute an "unforeseeable emergency" shall depend upon the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, or (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship. Examples of what are not considered to be "unforeseeable emergencies" include the need to send a Participant's child to college or the desire to purchase a home. Withdrawals of amounts because of an "unforeseeable emergency" shall not exceed an amount reasonably needed to satisfy the emergency need.

(j) Statements of Account. Each Participant shall receive an annual statement of the Participant's Account balance.

6. Amendment, Modification and Termination of the Plan:

The Board of Directors shall have the right and power at any time and from time to time to amend the Plan in whole or in part and at any time to terminate the Plan; provided, however, that no such amendment or termination shall reduce the amount actually credited to a Participant's Account under the Plan on the date of such amendment or termination, or further defer the due dates for the payment of such amounts, without the consent of the affected Participant. Notwithstanding the provisions of paragraph 5(e) and 5(g), in connection with any termination of the Plan the Board of Directors shall have the authority to cause the Accounts of all Participants to be paid in a single sum payment as of a date determined by the Board of Directors or to otherwise accelerate the payment of all Accounts in such manner as the Board of Directors shall determine in its discretion. In that regard, upon any termination of the Plan the amount of any payment to a Participant (or beneficiary of a deceased Participant) who is receiving annual installments pursuant to paragraph 5(g) shall be the Single Sum Value of the Participant's Account determined as of the selected determination date.

7. Claims Procedures:

(a) General. In the event that a Claimant has a Claim under the Plan, such Claim shall be made by the Claimant's filing a notice thereof with the Plan Administrator within ninety (90) days after such Claimant first has knowledge of such Claim. Each Claimant who has submitted a

Claim to the Plan Administrator shall be afforded a reasonable opportunity to state such Claimant's position and to present evidence and other material relevant to the Claim to the Plan Administrator for its consideration in rendering its decision with respect thereto. The Plan Administrator shall render its decision in writing within ninety (90) days after the Claim is referred to it, unless special circumstances require an extension of such time within which to render such decision, in which event such decision shall be rendered no later than one hundred eighty (180) days after the Claim is referred to it. A copy of such written decision shall be furnished to the Claimant.

(b) Notice of Decision of Plan Administrator. Each Claimant whose Claim has been denied by the Plan Administrator shall be provided written notice thereof, which notice shall set forth:

(i) the specific reason(s) for the denial;

(ii) specific reference to pertinent provision(s) of the Plan upon which such denial is based;

(iii) a description of any additional material or information necessary for the Claimant to perfect such Claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the procedure hereunder for review of such Claim;

all in a manner calculated to be understood by such Claimant.

(c) Review of Decision of Plan Administrator. Each such Claimant shall be afforded a reasonable opportunity for a full and fair review of the decision of the Plan Administrator denying the Claim. Such review shall be by the Compensation Committee. Such appeal shall be made within ninety (90) days after the Claimant received the written decision of the Plan Administrator and shall be made by the written request of the Claimant or such Claimant's duly authorized representative of the Compensation Committee. In the event of appeal, the Claimant or such Claimant's duly authorized representative may review pertinent documents and submit issues and comments in writing to the Compensation Committee. The Compensation Committee shall review the following:

(i) the initial proceedings of the Plan Administrator with respect to such Claim;

(ii) such issues and comments as were submitted in writing by the Claimant or the Claimant's duly authorized representative; and

(iii) such other material and information as the Compensation Committee, in its sole discretion, deems advisable for a full and fair review of the decision of the Plan Administrator.

The Compensation Committee may approve, disapprove or modify the decision of the Plan Administrator, in whole or in part, or may take such other action with respect to such appeal as it deems appropriate. The decision of the Compensation Committee with respect to such appeal shall be made promptly, and in no event later than sixty (60) days after receipt of such appeal, unless special circumstances require an extension of such time within which to render such decision, in which event such decision shall be rendered as soon as possible and in no event later than one hundred twenty (120) days following receipt of such appeal. The decision of the Compensation Committee shall be in writing and in a manner calculated to be understood by the Claimant and shall include specific reasons for such decision and set forth specific references to the pertinent provisions of the Plan upon which such decision is based. The Claimant shall be furnished a copy of the written decision of the Compensation Committee. Such decision shall be final and conclusive upon all persons interested therein, except to the extent otherwise provided by applicable law.

8. Applicable Law:

The Plan shall be construed, administered, regulated and governed in all respects under and by the laws of the United States to the extent applicable, and to the extent such laws are not applicable, by the laws of the state of North Carolina.

9. Miscellaneous:

A Participant's rights and interests under the Plan may not be assigned or transferred by the Participant. The Plan shall be an unsecured, unfunded arrangement. To the extent the Participant acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company. Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship between the Company and any Participant. The Plan shall be binding on the Company and any successor in interest of the Company.

IN WITNESS WHEREOF, this instrument has been executed by an authorized officer of the Company as of the 18th day of December, 1997.

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ Robert D. Pettus, Jr.

Name: Robert D. Pettus, Jr.
Title: Executive Vice-President and Assistant to the Chairman

"Company"

Exhibit 10.20

COCA-COLA BOTTLING CO. CONSOLIDATED

SUPPLEMENTAL SAVINGS INCENTIVE PLAN (SSIP)

(as amended and restated effective December 28, 2003)

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COCA-COLA BOTTLING CO. CONSOLIDATED
SUPPLEMENTAL SAVINGS INCENTIVE PLAN (SSIP)

(as amended and restated effective December 28, 2003)

Preamble

This Plan is designed to enhance the earnings and growth of the Participating Company. The Plan rewards selected key Employees with the opportunity to forego current Earnings in exchange for retirement and survivor benefits. Such benefits are intended to supplement retirement and survivor benefits from other sources. By providing such supplemental benefits, the Plan enables the Participating Company to attract superior key Employees, to encourage them to make careers with the Participating Company, and to give them additional incentive to make the Participating Company more profitable.

The Plan became effective on April 1, 1990, was amended and restated effective December 1, 1990, was amended and restated effective January 1, 2001 by an Instrument of Coca-Cola Bottling Co. Consolidated dated March 23, 2001 and further amended and restated effective January 1, 2001 by an Instrument of Cola-Cola Bottling Co. Consolidated dated July 26, 2001. This Instrument supercedes and replaces the said Instrument dated July 26, 2001 as the Plan as amended and restated effective December 28, 2003. The Board of Directors of Coca-Cola Bottling Co. Consolidated has reserved the right to amend the Plan from time to time in whole or in part, and the Board of Directors has authorized the amendment and restatement of the Plan set forth below.

ARTICLE 1. REFERENCES, CONSTRUCTION AND DEFINITIONS

Unless otherwise indicated, all references to articles, sections and subsections shall be to the Plan as set forth in this document. The Plan and all rights thereunder shall be construed and enforced in accordance with ERISA and, to the extent that state law is applicable, the laws of the State of Delaware. The article titles and the captions preceding sections and subsections have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provision. References to the masculine gender are for convenience of reference only and shall include the feminine gender as well. When the context so requires, the singular includes the plural. Whenever used herein and capitalized, the following terms shall have the respective meanings indicated unless the context plainly requires otherwise.

1.1 Adjustment Date: December 31st of each year, the date of a Change in Control, and any other date during the calendar year specified by the Committee, upon or as of which Supplemental Accounts are adjusted as set forth in Article 6.

1.2 Affiliate: Any corporation with respect to which the Company owns, directly or indirectly, 100 percent of the corporation's outstanding capital stock, and any other entity with respect to which the Company owns directly or indirectly 50 percent or more of such corporation's outstanding capital stock and which the Board designates as an Affiliate.

1.3 Authorized Leave of Absence: Either (a) a leave of absence authorized by the Participating Company in its sole and absolute discretion (the Participating Company is not required to treat different Employees comparably) provided that the Employee returns within the period specified, or (b) an absence required to be considered an Authorized Leave of Absence by applicable law.

1.4 Beneficiary: The beneficiary or beneficiaries designated by a Participant pursuant to Article 9 to receive the benefits, if any, payable on behalf of the Participant under the Plan after the death of such Participant, or when there has been no such designation or an invalid designation, the individual or entity, or the individuals or entities, who will receive such amount.

1.5 Board: The Board of Directors of the Company.

1.6 Bonus Deferral Election: The Participant's irrevocable written election, made in accordance with Section 2.4, to forego the receipt of a stipulated amount of Discretionary Year-End Bonus. Amounts so foregone are called "Deferrals."

1.7 Change in Control: Any of the following:

(a) The acquisition or possession by any person, other than Harrison Family Interests (herein defined), of beneficial ownership of shares of the Company's capital stock having the power to cast more than 50% of the votes in the election of the Board of Directors of the Company or to otherwise designate a majority of the members of the Board of Directors of the Company; or

(b) at any time when Harrison Family Interests do not have beneficial ownership of shares of the Company's capital stock having the power to cast more than 50% of the votes in the election of the Board of Directors of the Company or to otherwise designate a majority of the members of the Board of Directors of the Company, the acquisition or possession by any person, other than Harrison Family Interests, of beneficial ownership of shares of the Company's capital stock having the power to cast both (x) more than 20% of the votes in the election of the Board of Directors of the Company and (y) a greater percentage of the votes in the election of the Board of Directors of the Company than the shares beneficially owned by Harrison Family Interests are then entitled to cast; or

(c) the sale or other disposition of all or substantially all of the business and assets of the Company and its subsidiaries (on a consolidated basis) outside the ordinary

course of business in a single transaction or series of related transactions, other than any such sale or disposition to a person controlled, directly or indirectly, by the Company or to a person controlled, directly or indirectly, by Harrison Family Interests that succeeds to the rights and obligations of the Company with respect to the Plan; or

(d) any merger or consolidation of the Company with another entity in which the Company is not the surviving entity and in which either (x) the surviving entity does not succeed to the rights and obligations of the Company with respect to the Plan or (y) after giving effect to the merger, a "Change in Control" under subparagraph (a) or (b) above would have occurred as defined therein were the surviving entity deemed to be the Company for purposes of subparagraphs (a) and (b) (with appropriate adjustments in the references therein to "capital stock" and "the Board of Directors of the Company" to properly reflect the voting securities and governing body of the surviving entity if it is not a corporation).

For purposes of this definition:

(i) "Harrison Family Interests" means and includes, collectively, J. Frank Harrison, Jr., his lineal descendants (whether by blood or adoption), any decedent's estate of any of the foregoing, any trust primarily for the benefit of any one or more of the foregoing, any person controlled, directly or indirectly, by any one or more of the foregoing, and any person in which any one or more of the foregoing have a majority of the equity interests;

(ii) "person" includes an entity as well as an individual, and also includes, for purposes of determining beneficial ownership, any group of persons acting in concert to acquire or possess such beneficial ownership;

(iii) "beneficial ownership" has the meaning ascribed to such term in Rule 13d-3 of the Securities Exchange Act of 1934;

(iv) "control" of a person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person; and

(v) "subsidiary" of the Company means any person as to which the Company, or another subsidiary of the Company, owns more than 50% of the equity interest or has the power to elect or otherwise designate a majority of the members of its board of directors or similar governing body.

For purposes of this definition, the revocable appointment of a proxy to vote shares of the Company's capital stock at a particular meeting of shareholders shall not of itself be deemed to confer upon the holder of such proxy the beneficial ownership of such shares. If any person other than Harrison Family Interests would (but for this sentence) share beneficial ownership of any shares of the Company's capital stock with any Harrison Family Interests, then such person shall be deemed the beneficial owner of such shares for purposes of this definition only if and to the extent such person has the power to vote or direct the voting of such shares otherwise than as

directed by Harrison Family Interests and otherwise than for the benefit of Harrison Family Interests.

1.8 Code: The Internal Revenue Code, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.9 Committee: The Compensation Committee of the Board.

1.10 Company: Coca-Cola Bottling Co. Consolidated, a Delaware corporation, and where appropriate any subsidiary thereof, or any entity which succeeds to its rights and obligations with respect to the Plan; provided, however, that for purposes of Section 1.7, "Company" shall mean only Coca-Cola Bottling Co. Consolidated, a Delaware corporation, and any entity which succeeds to its rights and obligations with respect to the Plan.

1.11 Company Contribution: Discretionary Contribution and Matching Amount. Company Contributions are allocated among Investment Subaccounts in accordance with the Participant's written election (except as otherwise specified by the Board with respect to Discretionary Contributions).

1.12 Company Contribution Subaccount: The subaccount kept as part of a Participant's Supplemental Account to account for Company Contributions credited to Investment Funds and adjustments thereto.

1.13 Deferral Election: A Salary Deferral Election or a Bonus Deferral Election. Unless otherwise specified, any reference to a Deferral Election automatically includes the Matching Amounts that relate to such election.

1.14 Deferral Subaccount: The subaccount kept as part of a Participant's Supplemental Account to account for Deferrals credited to Investment Funds and adjustments thereto.

1.15 Deferred Retirement: A Participant's Termination of Employment, other than on account of death, after the last day of the month coinciding with or during which the Participant attains Normal Retirement Age but before the end of the calendar year in which the Participant attains age 70. If the Participant is still employed with the Participating Company or an Affiliate at the end of the calendar year in which the Participant attains age 70, the Participant shall be deemed to have taken Deferred Retirement on the last day of that calendar year.

1.16 Deferrals: Amounts of Earnings foregone pursuant to a Deferral Election.

1.17 Disability Retirement—Regular: Attaining age 55 while subject to a Total Disability if (i) the Total Disability caused a Termination of Employment, (ii) the Total Disability has continued from the Termination of Employment until age 55 and (iii) the Participant has less than 20 Years of Service (including Years of Service credited for time while the Total Disability continued) upon attaining age 55. The Participant will be deemed to have taken Disability Retirement—Regular upon attaining age 55.

1.18 Disability Retirement—Special: Attaining age 55 while subject to a Total Disability if (i) the Total Disability caused a Termination of Employment, (ii) the Total Disability has continued from the Termination of Employment until age 55 and (iii) the Participant has 20 or more Years of Service (including Years of Service credited for time while the Total Disability continued) upon attaining age 55. The Participant will be deemed to have taken Disability Retirement—Special upon attaining age 55.

1.19 Discretionary Contribution: The amount which the Committee, upon appropriate authorization of the Board of Directors, may determine. Such amount may be made according to a formula or may be made in differing amounts to any one or more Participants who are Employees. Such amount may from time to time increase a Participant's Matching Amount to take into account some or all of the amount by which the Participant's contributions or benefits under any Code section 401(a) qualified pension, retirement or savings plan sponsored by the Participating Company may be reduced by one or more of the compensation, contribution or benefit restrictions and limitations of the Code that apply to such plan as a condition of its qualified status. The determination of whether a particular Participant's Matching Amount shall be so increased, and (if so) the amount and frequency of any such increase, shall be made by the Committee in the exercise of its sole and absolute discretion. The making of any Discretionary Contribution by the Committee does not obligate it to continue such for any other year.

1.20 Discretionary Year-End Bonus: A bonus which is awarded and payable by the Participating Company or an Affiliate to the Employee in the calendar year next following the "Bonus Employment Year," which is the calendar year in which the Employee performed the employment for which the bonus is awarded. To qualify as a Discretionary Year-End Bonus, the determination of whether to make such an award and the determination of the amount of the bonus must not be determined until after the end of the Bonus Employment Year.

1.21 Early Retirement—Regular: Termination of Employment, other than on account of death, after attaining age 55 but prior to the earlier of attaining age 60 or completing 20 years of Service.

1.22 Early Retirement—Special: Termination of Employment, other than on account of death, after attaining age 55 and completing 20 Years of Service, but prior to attaining age 60.

1.23 Earnings: With respect to an Employee, Salary and Discretionary Year-End Bonuses payable by the Participating Company to the Employee for Service.

1.24 Effective Date: The Prior Plan became effective initially on April 1, 1990 and was amended and restated effective December 1, 1990. The Plan was further amended and restated effective January 1, 2001 (by Instruments of the Company dated March 23, 2001 and July 26, 2001). The "Effective Date" is December 28, 2003, which is the date on which the provisions of the amendment and restatement set forth herein become effective.

1.25 Employee: A person who is a common law employee of the Participating Company.

1.26 ERISA: The Employee Retirement Income Security Act of 1974, as now in effect or as hereafter amended. All citations to sections of ERISA are to such sections as they may from time to time be amended or renumbered.

1.27 Fixed Benefit Option: The benefits described in Articles 3, 4 and 5 that are provided by the "Fixed Benefit Option" (and not by a Supplemental Account).

1.28 Investment Fund: An investment fund designated by the Committee pursuant to Section 2.5.

1.29 Investment Subaccount: A subaccount kept as part of the Participant's Supplemental Account to account for Deferrals or Company Contributions which are deemed to be invested in the Investment Fund to which the subaccount relates, and to account for adjustments thereto as provided in Article 6.

1.30 Matching Amount: With respect to a Participant, the product of 30 percent times the Participant's Deferrals of Salary for a calendar year; provided, however, that for this purpose there shall be disregarded the Participant's Deferrals of Salary for a particular payroll period which exceed 6 percent of the Participant's Salary for such payroll period.

1.31 Net Gain (Loss) Equivalent: With respect to each Adjustment Date, the dollar amount to be credited to or debited from, as the case may be, each of the Participant's Investment Subaccounts. The amount of the Net Gain (Loss) Equivalent of a particular Investment Subaccount shall equal the amount of investment gain or loss which would have been experienced had the Investment Subaccount balance been invested in the Investment Fund to which it relates. As of each Adjustment Date, the Committee, shall determine the Net Gain (Loss) Equivalent, taking into due account additions to and subtractions from the Investment Subaccount since the next preceding Adjustment Date.

1.32 Normal Retirement: A Participant's Termination of Employment, other than on account of death, on the last day of the month coinciding with or during which the Participant attains Normal Retirement Age.

1.33 Normal Retirement Age: Age 60.

1.34 Participant: As of any date, any individual who commenced participation in the Plan as provided in Article 2 and who is either (a) an Employee, (b) a former Employee who is eligible for a benefit under the Plan, or (c) a former Employee whose employment terminated on account of Total Disability and who may later become eligible for a benefit under the Plan.

1.35 Participating Company: Subject to the provisions of Article 9, "Participating Company" means the Company and any Affiliate. Each Participating Company shall be deemed to appoint the Company its exclusive agent to exercise on its behalf all of the power and authority conferred by the Plan upon the Company and accept the delegation to the Committee of all the power and authority conferred upon it by the Plan. The authority of the Company to act as such agent shall continue until the Plan is terminated as to the Participating Company. The term "Participating Company" shall be construed as if the Plan were solely the Plan of such Participating Company, unless the context plainly requires otherwise.

1.36 Plan: The Coca-Cola Bottling Co. Consolidated Supplemental Savings Incentive Plan as contained herein and as it may be amended from time to time hereafter.

1.37 Plan Administrator: The Committee.

1.38 Prior Plan: The provisions of the Plan as in effect prior to the Effective Date.

1.39 Quarterly Start Month: The first month in a calendar quarter: January, April, July or October (as the case may be).

1.40 Retire: The act of taking Retirement.

1.41 Retirement: A Participant's Normal Retirement, Early Retirement, Deferred Retirement or Disability Retirement.

1.42 Rollover Amount: Amount transferred among Investment Funds or from Investment Funds to the Fixed Benefit Option, pursuant to a Rollover Election.

1.43 Rollover Election: A Participant's written election, made in accordance with Section 2.5, whereby the Participant requests that one or more of the balances in the Participant's Investment Subaccounts be transferred to one or more different Investment Subaccounts or the Fixed Benefit Option.

1.44 Salary: With respect to an Employee, cash base salary payable by any Participating Company to the Employee for Service.

1.45 Salary Deferral Election: The Participant's irrevocable written election, made in accordance with Section 2.4, to forego the receipt of a stipulated amount of Salary. Amounts so foregone are called "Deferrals."

1.46 Severance: Termination of Employment other than on account of Retirement, death or Total Disability. If a Participant's employment with the Participating Company or an Affiliate terminates before attaining age 55 on account of Total Disability and the Total Disability ceases prior to Disability Retirement, a Severance shall occur when the Total Disability ceases unless the Participant immediately returns to the employment of the Participating Company or an Affiliate.

1.47 Supplemental Account: With respect to each Participant, the separate bookkeeping account (consisting of the Participant's Deferral Subaccount, Company Contribution Subaccount and the Investment Subaccounts thereunder), adjusted as of each Adjustment Date as provided in Article 6.

1.48 Surviving Spouse: The survivor of a deceased Participant to whom such deceased Participant was legally married (as determined by the Committee) immediately before the Participant's death.

1.49 Termination of Employment: The date on which the Participant is no longer employed by any Participating Company; and provided, however, that a Termination of Employment shall occur on the earlier of Date A or Date B, where:

"Date A" is the later of (i) the date as of which an Employee quits, is discharged, terminates employment in connection with incurring a Total Disability, Retires or dies, or (ii) at the discretion of the Committee when the Employee is no longer receiving Severance payments.

"Date B" is the first day of absence of an Employee who fails to return to employment at the expiration of an Authorized Leave of Absence.

1.50 Total Disability: A physical or mental condition under which the Participant qualifies as Totally Disabled under the individual disability insurance policy provided for such Participant by the Participating Company; provided, however, if the Participant is not insured by such a policy, the Participant

shall be under a Total Disability if the Participant qualifies as totally disabled under the group long-term disability plan of the Participating Company; provided further, however, if the Participant is not covered by such plan or if there is no such plan, the Participant shall be under a Total Disability if, in the opinion of a physician selected by the Committee, the Participant's physical or mental condition totally and permanently prevents the Participant from performing the material duties of the participant's regular occupation. In determining whether a Participant is totally disabled under a policy of insurance, only the definition of "disabled" or "Totally Disabled" as contained in such policy shall be considered; and other requirements such as exclusion for pre-existing conditions or the meeting of a waiting period shall be disregarded. Notwithstanding any other provisions of this Plan, a Participant shall not be considered Totally Disabled if such disability is due to (i) war, declared or undeclared, or any act of war, (ii) intentionally self-inflicted injuries, (iii) active participation in a riot, or (iv) the Participant's intoxication or his illegal use of drugs.

1.51 Vested Percentage: The percentage in which the Participant is vested in benefits attributable to Deferrals is 100 percent. The percentage in which the Participant is vested in benefits attributable to Company Contributions shall be 100 percent upon (i) Retirement, (ii) death while an Employee or while Totally Disabled but prior to reaching Disability Retirement, (iii) the completion of at least 5 Years of Service, or (iv) a Change in Control while an Employee or while Totally Disabled but prior to reaching Disability Retirement. Prior to the occurrence of any of the above events, the Participant's Vested Percentage in Company Contributions shall be determined according to the following schedule:

Years of Service	Vested Percentage
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

1.52 Year of Service: A calendar year, including years before 1990, in which an Employee completes at least 1,000 Hours of Service. A Participant's Years of Service shall be determined (without duplication) in accordance with the following rules:

(a) "Hour of Service" means each hour that would be credited for the purposes of vesting under the Coca-Cola Bottling Company Consolidated Savings Plan if that plan were in existence when such service was performed.

(b) Years of Service shall include periods of Total Disability and Authorized Leave of Absence.

(c) Except as provided in subparagraph (d) below, Years of Service shall not include periods of employment with an Affiliate rendered prior to the date on which such corporation or other entity became an Affiliate.

(d) Years of Service shall include any period of a Participant's prior employment by any organization upon such terms and conditions as the Board may approve.

ARTICLE 2. ELIGIBILITY AND PARTICIPATION

2.1 Eligibility. An Employee (i) who is both an officer, director of other key personnel of the Participating Company and a member of the Participating Company's "select group of management or highly compensated employees", as defined in Sections 201(2), 301(a) (3) and 401(a) of ERISA, as amended, and (ii) whom the Board designates, shall be eligible to become a Participant in the Plan.

2.2 Participation. An Employee who is eligible to become a Participant shall become a Participant upon the execution and delivery of a Deferral Election.

2.3 Duration of Participation. A Participant shall continue to be a Participant until the Participant's Severance, or death or the date the Participant is no longer entitled to a benefit under this Plan.

2.4 Deferral Elections.

(a) Procedures. An Employee shall have 30 days following the date the Employee first becomes eligible to participate in this Plan in which to execute and deliver to the Committee a Deferral Election by which the Participant elects to defer a stipulated amount of Salary to be earned during the portion of the calendar year remaining after the Deferral Election is made and which, but for such Deferral Election, would be paid to the Participant. An eligible Employee shall have until December 31st of each year to execute and deliver to the Committee a Deferral Election providing for the Deferral of a stipulated amount of Earnings to be earned during the next calendar year and which, but for such Deferral Election, would be paid to the Participant. In such regard, an eligible Employee's Deferral Election with respect to a Discretionary Year-End Bonus must be made no later than the December 31st preceding the beginning of the Bonus Employment Year (as defined in Section 1.20) to which such Discretionary Year-End Bonus relates.

(b) Minimum and Maximum Deferrals. An eligible Employee is prohibited from making any Deferral Election which, in the determination of the Committee, would result in Deferrals for a calendar year of less than $1,200. The foregoing notwithstanding, the Committee, in the exercise of its discretion, may waive such minimum Deferral requirement with respect to the calendar year in which the Employee begins participation. In addition, the

Committee, in the exercise of its discretion, may from time to time place maximum limits on the amount of any Deferral Election that an Employee could otherwise make pursuant to the Plan and may from time to time require, as a condition of making a Deferral Election, that all or a specified portion of the resulting Deferrals and Company Contributions be allocated only among the Investment Funds and in no event to the Fixed Benefit Option (even following a Change in Control pursuant to Section 5.5(b)), and any such maximums and conditions may vary from Employee to Employee.

(c) Reducing Deferrals for Unforeseeable Emergencies. Subject to Committee approval, a Participant may reduce his Deferral Election at any time to zero but only if each reduction is reasonably needed to meet an unforeseeable emergency. For the purpose of this Section 2.4(c), an "unforeseeable emergency" means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case, but, in any case, no reduction in a Deferral Election may be made to the extent that such hardship is or may be relieved:

(i) through reimbursement or compensation by insurance or otherwise, or

(ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship.

If a Participant's Deferred Election is reduced to zero pursuant to this Section 2.4(c), no further Deferral may be effective for any Earnings paid or attributed to the calendar year during which the reduction occurs.

(d) Restriction After certain Hardship Distributions. In the event that a Participant receives a hardship distribution from any plan qualified under Section 401(k) of the Code, then if and to the extent required by such plan no Deferrals may be made for 12 months following the receipt of such distribution.

2.5 Benefits Elections.

(a) Procedures. In making a Deferral Election the Participant shall specify how the Deferrals and Company Contributions shall be allocated among the Fixed Benefit Option and the Investment Funds. In accordance with such procedures and limitations as the Committee adopts, the Participant may by written election filed with the Committee change such specification with respect to unallocated Deferrals and future Deferrals. In accordance with such procedures and limitations as the Committee adopts, and subject to the rules set forth in the next paragraph in the case of a Rollover Election to the Fixed Benefit Option filed on or after January 1, 2001, allocations among the Investment Funds and Fixed Benefit Option may be changed by filing with the Committee a written "Rollover Election" whereby the Participant elects to have one or

more Investment Subaccount balances transferred to one or more other Investment Subaccounts or the Fixed Benefit Option. An election of the Fixed Benefit Option is irrevocable as to the amounts so transferred, and except as provided in Section 2.6 (regarding a change in eligibility status), transfers from the Fixed Benefit Option to one or more Investment Subaccounts are prohibited. A Rollover Election shall become effective as soon as practicable after filing with the Committee.

The following rules apply to Rollover Elections to the Fixed Benefit Option that are filed with the Committee on or after January 1, 2001:

Only one election. A Participant may make only one such Rollover Election.

Latest date for election. The Rollover Election must be made before Termination of Employment.

Termination of Employment within 5 years of Rollover Election. If the Participant makes the Rollover Election and then has a Termination of Employment before the fifth anniversary of the date on which the Rollover Election became effective, then for purposes of determining the Participant's benefits under the Plan, it shall be assumed that (i) the Rollover Election never became effective and (ii) his Investment Subaccount balances that were to be transferred to the Fixed Benefit Option pursuant to the Rollover Election were invested, from and after the time that the Rollover Election would have become effective, in the Investment Fund known as the "Prime Rate Option" (whether or not that Investment Fund is still available under the Plan for other purposes). The preceding sentence shall not apply, however, if the Termination of Employment is on or after a Change in Control.

(b) Investment Funds. Subject to Section 2.5(c), the Committee shall designate the Investment Funds and shall have the right, to eliminate and add Investment Funds from time to time. If an Investment Fund is eliminated, Participants' Investment Subaccount balances relating to such Investment Fund shall be transferred to such other Investment Subaccounts as the Committee directs. All elections as to how Deferrals and Company Contributions are allocated among Investment Subaccounts and Fixed Benefit Options, including Rollover Elections, are subject to the Committee's approval. The Committee will notify Participants if changes are made in the available Investment Funds. The Committee may designate an Investment Fund or the Fixed Benefit Option if and to the extent a Participant fails to make a valid or approved, election. Notwithstanding any other provision in this Plan to the contrary (but subject to Section 2.5(c)), if the Committee eliminates all Investment Funds, then all Supplemental Account balances shall be transferred to the Fixed Benefit Option.

(c) Effect of Change in Control. From and after a Change in Control, and notwithstanding any other provision of the Plan to the contrary, (i) the Investment Funds in effect immediately prior to the Change in Control shall continue and not be eliminated, and (ii) subject to Section 5.5(b), Participants shall continue to have the right to transfer their Investment Subaccount Balances among the Investment Funds in accordance with the same rules and

procedures as were in effect immediately prior to the Change in Control. If an Investment Fund is deemed invested in a particular mutual fund or other collective investment vehicle that is liquidated or terminated after the Change in Control or has its fundamental investment objective materially changed, then the Committee shall immediately substitute, as the deemed investment of such Investment Fund, another mutual fund or other collective investment vehicle having substantially the same investment objectives and other material characteristics as the said mutual fund or collective investment vehicle had prior to its liquidation, termination or change in investment objective.

(d) Effect of Benefits Elections. A Participant's benefits under the Plan (including any death benefits) shall be provided by the Fixed Benefit Option, by the Participant's Supplemental Account, or by a combination thereof, as follows: benefits attributable to the Fixed Benefit Option shall be determined solely with respect to the Deferrals, Company Contributions and Rollover Amounts (if any) allocated to the Fixed Benefit Option, and benefits provided by the Participant's Supplemental Account shall be determined solely with reference to the Deferrals and Company Contributions (if any) allocated to the Participant's Investment Subaccounts (and not transferred to the Fixed Benefit Option by a Rollover Election). The Deferrals, Company Contributions and Rollover Amounts allocated to Investment Funds shall be deemed invested in such Investment Funds for the purpose of determining the Net Gain (Loss) Equivalent to be added to or subtracted from the Investment Subaccounts relating to the respective Investment Funds.

(e) Allocation of Company Contributions. Subject to the other provisions of this Article, Company Contributions are allocated among Investment Subaccounts and the Fixed Benefit Option in the same manner as Salary Deferrals are allocated under the most recent election or if the Participant has no Salary Deferrals, as Bonus Deferrals are allocated under the most recent election.

2.6 Effect of Change in Status. The provisions of this Section 2.6 apply if a Participant's employment with the Participating Company changes (before a Change in Control) to a position in which he is no longer eligible to actively participate in the Plan pursuant to Section 2.1. In that event, he may make no deferral elections with respect to compensation earned while ineligible to actively participate. The payment of his benefits under the Plan shall not be accelerated by the change in employment status, and his benefits shall be paid when and as otherwise provided in the Plan. In determining the amount of any benefits provided by the Fixed Benefit Option (but not the time of such benefit payments), it will be assumed that he had a Termination of Employment on the date of the change in employment status; provided, however, if his Vested Percentage is less than 100% on that date, his Vested Percentage will be based on his Years of Service at the time of his actual Termination of Employment.

If he has any Deferrals, Company Contributions or Rollover Amounts allocated to the Fixed Benefit Option at the time of the change in employment status, he may make, subject to the consent of the Committee, a one time, irrevocable election to have those benefits transferred from the Fixed Benefit Option to one or more Investment Subaccounts. Such election must be

made on a form furnished by the Committee, must be filed with the Committee no later than 120 days after the change in employment status and (if made) must be for all amounts credited to the Fixed Benefit Option. If the transfer is made, the amount transferred (and any other amounts attributable thereto) may not be retransferred to the Fixed Benefit Option (except as provided in Section 5.5 following a Change in Control). The Committee will cause the transfer (if properly elected) to be made as soon as administratively practical, and the amounts transferred shall be the single lump sum benefit that would have been provided by the Fixed Benefit Option (assuming a 100% Vested Percentage) had he had a Termination of Employment on the date of the change in employment status. The following rule applies, however, to any portion of the transfer that is attributable to any Investment Subaccount balance that had been transferred to the Fixed Benefit Option pursuant to a Rollover Election filed with the Committee on or after January 1, 2001: if the Participant has an actual Termination of Employment before the fifth anniversary of the date on which that Rollover Election became effective (and also before a Change in Control), then the provisions of Section 2.5(a) (regarding the Termination of the Employment within 5 years after a Rollover Election to the Fixed Benefit Option) shall apply for purposes of determining the Participant’s benefits under the Plan with respect to said portion.

If he should again become eligible to fully participate in the Plan pursuant to Section 2.1 (his “Reparticipation Date”), then for purposes of determining any future benefits payable to him or his Beneficiary under the Fixed Benefit Option, it shall be assumed (unless there was a transfer from the Fixed Benefit Option pursuant to the preceding paragraph) that (i) any amounts that were credited to the Fixed Benefit Option before his Reparticipation Date were instead credited to the Fixed Benefit Option on his Reparticipation Date, and (ii) that there has also been credited to the Fixed Benefit Option on his Reparticipation Date, as an additional Deferral, Company Contribution or Rollover Amount (as the case may be), an amount equal to the interest credited on the actual amounts that had been credited to the Fixed Benefit Option prior to the Reparticipation Date at the rate of 8 percent.

2.7 Advance Payment for Unforeseeable Emergencies. Subject to Committee approval, a Participant may receive advance payment of benefits under the Plan in the event of an unforeseeable emergency (as defined in Section 2.4(c)), but only if the Committee determines that the resulting hardship may not be relieved (i) through a reduction or termination of his Deferral Elections pursuant to Section 2.4(c), (ii) through reimbursement or compensation by insurance or otherwise, or (iii) by liquidation of the Participant’s assets, to the extent the liquidation of such assets would not itself cause severe financial hardship. Any such advance payment shall not exceed the amount that the Committee determines is necessary to satisfy the hardship (taking into account all other available financial resources to the Participant), and shall require that no further Deferrals be made by the Participant for 12 months following the payment. The payment shall be made by debiting the Participant’s Supplemental Account by the amount of the payment. If the Participant does not have a Supplemental Account, or if his Supplemental Account balance is not sufficient, the portion of the payment not deducted from the Supplemental Account shall reduce amounts then credited to the Fixed Benefit Option. The reduction shall be to the most recent Deferrals and Company Contributions credited to the Fixed Benefit Option (including Deferrals and Company Contributions rolled over pursuant to a Rollover Election). In no event may any payment be made with respect to Company Contributions before the Participant’s Vested Percentage therein is 100 percent.

2.8 Other Advance Payment. A Participant may receive while an Employee an advance payment of benefits under the Plan not more frequently than once in any 24 month period, upon his request and without the requirement of Committee approval, in accordance with the provisions of this Section 2.8. The Participant must specify the amount of the advance payment (net of the required accompanying forfeiture described below) on a form provided by the Committee. The amount specified must be at least $5,000; if the Participant's entire benefit (net of forfeiture) under the Plan does not exceed $5,000, however, the amount specified must be that amount that (after forfeiture) would reduce his benefit to zero. Any such advance payment (irrespective of its amount) shall require that no further Deferrals be made by the Participant for 24 months following the payment and shall require the immediate and irrevocable forfeiture from his remaining interest in the Plan, equal to 10% of the advance payment. The payment and related forfeiture shall be made by debiting the Participant's Supplemental Account by 110% of the amount of the payment. If the Participant does not have a Supplemental Account, or if his Supplemental Account balance is not sufficient, the portion of the 110% amount of the payment not deducted from the Supplemental Account shall reduce amounts then credited to the Fixed Benefit Option. The reduction shall be to the most recent Deferrals and Company Contributions credited to the Fixed Benefit Option (including Deferrals and Company Contributions rolled over pursuant to a Rollover Election). In no event may any payment be made with respect to Company Contributions before the Participant's Vested Percentage therein is 100 percent.

ARTICLE 3. RETIREMENT AND SEVERANCE BENEFITS

3.1 Eligibility. This Article provides the benefit that becomes payable to a Participant following Retirement or Severance. The commencement of the benefit is determined under Section 3.2, the method of payment of the benefit is determined under Section 3.3, and the amount of the benefit is determined under Section 3.4 and/or Section 3.5 (as applicable).

3.2 Commencement of Benefit. Payment of the Retirement or Severance benefit shall commence during the Participant's "Benefit Commencement Month," determined as follows:

(a) Normal, Deferred or Disability Retirement. In the case of Normal Retirement, Deferred Retirement or Disability Retirement, the Benefit Commencement Month is the first Quarterly Start Month that begins after the Participant's Retirement.

(b) Early Retirement. In the case of Early Retirement, the Benefit Commencement Month is the first Quarterly Start Month that begins after the Participant's attainment of age 60. The foregoing sentence notwithstanding, however, the Participant may make an irrevocable "early payment election" on a form provided by the Committee. Such election is subject to Committee approval and must be made before the Participant attains age 59. If an early payment

election is approved by the Committee, then the Benefit Commencement Month shall be the first Quarterly Start Month that begins after Early Retirement or, if later, the first Quarterly Start Month which begins at least one year after such election is received by the Committee.

(c) Severance. In the case of Severance, the Benefit Commencement Month is the first Quarterly Start Month that begins after the Participant's Severance.

3.3 Method of Payment. The method of payment of the Retirement or Severance benefit shall be as follows:

(a) Retirement. In the case of Retirement, the method of payment shall be 180 consecutive monthly payments. The foregoing sentence notwithstanding, however, if the Committee so approves and directs, the benefit shall, at the request of the Participant, be paid instead in a single lump sum or in consecutive monthly installments for a period certain less than 180 months. To make such a request, the Participant must file a written request with the Committee not less than 30 days prior to the Benefit Commencement Month. Once a request is made and approved, it may only be changed with Committee approval.

(b) Severance. In the case of Severance, the method of payment shall be as follows:

$50,000 or less. The method of payment shall be a single lump sum unless the Severance benefit would exceed $50,000 if paid by that method.

Over $50,000. If the Severance Benefit would exceed $50,000 if paid in a single lump sum, then the method of payment shall be 120 consecutive monthly payments. The Participant, however, may make an election on a form furnished by the Committee to have the benefit paid instead in a single lump sum or in consecutive monthly installments for a period certain less than 120 months, as specified by the Participant in such election. In order to be effective, such election must be made by the later of (i) December 31, 2001 or (ii) the date on which he becomes a Participant under Section 2.2. Except as follows, such election shall be irrevocable: the Participant may change his election one time, but no later than 365 days before Severance, and therefore any election that is in effect on the 365th day before Severance shall be irrevocable.

3.4 Amount of Benefit: Fixed Benefit Option. The amount of the Retirement or Severance benefit provided by the Fixed Benefit Option shall be determined as follows:

(a) Lump sum method of payment. If the method of payment is a single lump sum, the amount of the lump sum shall be the Benefit Commencement Month Lump Sum (as defined below).

(b) Consecutive monthly installments method of payment. If the method of payment is consecutive monthly payments, the monthly payments shall be equal in amount, and the monthly payments shall have a present value as of the 1st day of the Benefit Commencement Month equal to the Benefit Commencement Month Lump Sum, determined by discounting the monthly payments at the Applicable Interest Rate (as defined below) per annum. In the case of Deferred Retirement, the Applicable Interest Rate used to discount the monthly payments pursuant to the preceding sentence shall be the 8%, 11% or 13% rate (whichever applied), not 6%.

(c) Applicable Interest Rate. The "Applicable Interest Rate" is as follows:

Normal Retirement. The Applicable Interest Rate in the case of Normal Retirement is (i) 13% if he became a Participant by December 31, 2000 or (ii) determined as follows if he became a Participant on or after January 1, 2001:

Years of Service at Retirement	Applicable Interest Rate
Less than 5	8%
5-9	11%
10 or more	13%

Deferred Retirement. In the case of Deferred Retirement, the Applicable Interest Rate for time through the December 31 of the calendar year in which the Participant attains the Normal Retirement Age is (i) 13% if he became a Participant by December 31, 2000 or (ii) determined as follows if he became a Participant on or after January 1, 2001:

Years of Service at Retirement	Applicable Interest Rate
Less than 5	8%
5-9	11%
10 or more	13%

The Deferred Retirement Applicable Interest Rate for time thereafter until the Benefit Commencement Month is 6%.

Early Retirement—Regular or Disability Retirement—Regular. The Applicable Interest Rate in the case of Early Retirement—Regular or Disability Retirement—Regular is (i) 11% if he became a Participant by December 31, 2000 or (ii) determined as follows if he became a Participant on or after January 1, 2001:

Years of Service at Retirement	Applicable Interest Rate
Less than 5	8%
5 or more	11%

Early Retirement—Special or Disability Retirement—Special. The Applicable Interest Rate in the case of Early Retirement—Special or Disability Retirement—Special is 13%.

Severance. The Applicable Interest Rate in the case of Severance is 8%.

(d) Benefit Commencement Month Lump Sum. The "Benefit Commencement Month Lump Sum" means the sum of Amount A, Amount B and Amount C, determined as of the 1st day of the Benefit Commence Month, where:

Amount A. "Amount A" is the amount of the Participant's total Deferrals credited to the Fixed Benefit Option (including Deferrals rolled over pursuant to a Rollover Election).

Amount B. "Amount B" is the product of (i) the Participant's total Company Contributions credited to the Fixed Benefit Option (including any Company Contributions rolled over pursuant to a Rollover Election) multiplied by (ii) the Participant's Vested Percentage.

Amount C. "Amount C" is interest credited with respect to the Deferrals in Amount A and the vested Company Contributions in Amount B at the Applicable Interest Rate compounded annually.

3.5 Amount of Benefit: Supplemental Account. The amount of the Retirement or Severance benefit provided by the Participant's Supplemental Account shall be determined as follows:

(a) Reduction for non-vested benefits. If in the case of a Severance benefit the Participant's Vested Percentage in Company Contributions is less than 100%, then the balance of the Supplemental Account attributable to his Company Contribution Subaccount shall be reduced to the product of (i) the balance in the Company Contribution Subaccount multiplied by (ii) his Vested Percentage, and the remainder of the Company Contribution Subaccount shall be forfeited and totally disregarded in determining the Participant's Severance benefit.

(b) Lump sum method of payment. If the method of payment is a single lump sum, the amount of the lump sum shall equal the balance of the Participant's Supplemental Account as of the Adjustment Date immediately preceding the payment.

(c) Consecutive monthly payments method of payment. If the method of payment is consecutive monthly payments, the amount of the monthly payments shall be determined annually, as follows: the amount of each monthly payment payable during a particular calendar year shall be the quotient of (i) the balance of the Supplemental Account as of the Adjustment Date immediately preceding the beginning of such calendar year (or immediately preceding the Benefit Commencement Month if the monthly payments commence during such calendar year) divided by (ii) the number of remaining monthly payments in the installment payment period (including the calendar year's monthly payments being calculated). In no event, however, shall any monthly payment exceed the balance of the Supplemental Account immediately prior to such payment, and therefore no payment shall be made once the balance of the Supplemental Account has become zero.

3.6 Payments to Beneficiary. If a Participant who has become entitled to a Retirement or Severance benefit dies before payment of the benefit has been completed, then the payment(s) remaining to be paid shall be paid instead to the Participant's Beneficiary when, as and in the amount as would have been paid to the Participant had the Participant not died. The Committee in its discretion, however, may cause any or all such remaining payments to be paid to the Participant's Beneficiary in a lump sum payment, which lump sum shall be (i) based on the then Supplemental Account balance in the case of benefits provided by the Supplemental Account, and (ii) based on the interest rate used to determine the Participant's periodic payments in the case of benefits provided by the Fixed Benefit Option.

3.7 Reemployment. If a Participant who has become entitled to a Retirement or Severance benefit again becomes an Employee, such reemployment shall not change, suspend, delay or otherwise affect payment of such benefit.

ARTICLE 4. PRE-RETIREMENT DEATH BENEFIT

4.1 Eligibility. This Article provides a death benefit ("Pre-Retirement Death Benefit") with respect to a Participant:

(i) who dies while an Employee and (if he has attained age 70) before Deferred Retirement;

(ii) who dies while Totally Disabled but prior to the commencement of Disability Retirement benefits; or

(iii) who dies after having terminated employment, and is eligible for Early Retirement but prior to receiving benefits under the Plan.

The Pre-Retirement Death Benefit shall be payable to the Participant's Beneficiary. The commencement of the Pre-Retirement Death Benefit is determined under Section 4.2, the method of payment of the Pre-Retirement Death Benefit is determined under Section 4.3, and the amount of the Pre-Retirement Death Benefit is determined under Sections 4.4 and/or 4.5 (as applicable). The Pre-Retirement Death Benefit shall be in lieu of any and all other benefits provided under the Plan with respect to the Participant or to the Beneficiary.

4.2 Commencement of Benefit. Payment of the Pre-Retirement Death Benefit shall commence during the first Quarterly Start Month that begins after the Participant's death (the "Death Benefit Commencement Month").

4.3 Method of Payment. The method of payment of the Pre-Retirement Death Benefit shall be 180 consecutive monthly payments. The foregoing sentence notwithstanding, however, if the Committee so approves and directs, the Pre-Retirement Death Benefit shall, at the request of the Beneficiary, be paid instead in a single lump sum or in consecutive monthly installments for a period certain less than 180 months. To make such request, the Beneficiary must file a written request with the Committee not less than 30 days prior to the Pre-Retirement Death Benefit Commencement Month; provided, however, the Committee may permit the Beneficiary to file the request at a later, administratively feasible date before benefit commencement if the Participant died within 30 days of the Pre-Retirement Death Benefit Commencement Month or in such other circumstances as the Committee may allow. Once a request is made and approved, it may only be changed with Committee approval.

4.4 Amount of Benefit: Fixed Benefit Option. The amount of the Pre-Retirement Death Benefit provided by the Fixed Benefit Option shall be determined as follows:

(a) Lump sum method of payment. If the method of payment to the Beneficiary is a single lump sum, the amount of the lump sum shall be the Death Benefit Commencement Month Lump Sum (as defined below).

(b) Consecutive monthly installments method of payment. If the method of payment is consecutive monthly payments, the monthly payments shall be equal in amount, and the monthly payments shall have a present value as of the 1st day of the Death Benefit Commencement Month equal to the Death Benefit Commencement Month Lump Sum, determined by discounting the monthly payments (i) in the case of death on or after the Normal Retirement Age, at the interest rate used in determining his Death Benefit Commencement Lump Sum (that is, 13%, 11% or 8%) or (ii) in the case of death before the Normal Retirement Age, at the interest rate used in calculating "Amount B" of the Death Benefit Commencement Month Lump Sum (that is, 13%, 11% or 8%).

(c) Death Benefit Commencement Month Lump Sum. The "Death Benefit Commencement Month Lump Sum" means the following:

Death on or after Normal Retirement Age. If the Participant dies on or after the Normal Retirement Age, the Death Benefit Commencement Month Lump Sum shall be the amount that the Participant's Benefit Commencement Month Lump Sum would have been had the Participant Retired on the day preceding the Participant's death.

Death before Normal Retirement Age. If the Participant dies before the Normal Retirement Age, the Death Benefit Commencement Month Lump Sum shall be the sum of Amount A and Amount B, determined as of the 1st day of the Death Benefit Commencement Month, where:

Amount A. "Amount A" is the amount of the Participant's total Deferrals and Company Contributions credited to the Fixed Benefit Option (including any Deferrals and Company Contributions rolled over pursuant to a Rollover Election).

Amount B. "Amount B" is interest credited with respect to the Deferrals and Company Contributions in Amount A at the following interest rate compounded annually: 13% if the Participant was eligible for Early Retirement—Special or Disability Retirement—Special at the time of death, 11% if the Participant was eligible for Early Retirement—Regular or Disability Retirement—Regular at the time of death, or 8% in any other case. If he became a Participant on or after January 1, 2001, however, the interest rate shall be the lesser of (i) the interest rate provided by the preceding sentence or (ii) the interest rate determined as follows:

Years of Service at Participant's death	Applicable Interest Rate
Less than 5	8%
5-9	11%
10 or more	13%

4.5 Amount of Benefit: Supplemental Account. The amount of the Pre-Retirement Death Benefit provided by the deceased Participant's Supplemental Account shall be determined as follows:

(a) Lump sum method of payment. If the method of payment is a single lump sum, the amount of the lump sum shall equal the balance of the Participant's Supplemental Account as of the Adjustment Date immediately preceding the payment.

(b) Consecutive monthly payments method of payment. If the method of payment is consecutive monthly payments, the amount of the monthly

payments shall be determined annually, as follows: the amount of each monthly payment payable during a particular calendar year shall be the quotient of (i) the balance of the Supplemental Account as of the Adjustment Date immediately preceding the beginning of such calendar year (or immediately preceding the Death Benefit Commencement Month if the monthly payments commence during such calendar year) divided by (ii) the number of remaining monthly payments in the installment payment period (including the calendar year's monthly payments being calculated). In no event, however, shall any monthly payment exceed the balance of the Supplemental Account immediately prior to such payment, and therefore no payment shall be made once the balance of the Supplemental Account has become zero.

ARTICLE 5. CHANGE IN CONTROL BENEFIT

5.1 Eligibility. This Article provides a benefit (a "Change in Control Benefit") for each Participant who, as of the date of a Change in Control:

(i) is an Employee and (if he has attained age 70) he has not taken Deferred Retirement; or

(ii) is under a Total Disability but has not reached Disability Retirement.

The commencement of the Change in Control Benefit is determined under Section 5.2, the method of payment of the Change in Control Benefit is determined under Section 5.3, and the amount of the Change in Control Benefit is determined under Sections 5.4 and/or 5.5 (as applicable).

5.2 Commencement of Benefit. Payment of the Change in Control Benefit shall commence during the "CIC Benefit Commencement Month," determined as hereinafter provided. The CIC Benefit Commencement Month is the first Quarterly Start Month that begins after the Change in Control. The foregoing sentence notwithstanding, however, the Participant may make an irrevocable election on a form furnished by the Committee to have the CIC Benefit Commencement Month be a later Quarterly Start Month specified by the Participant in such election, but in no event later than the first Quarterly Start Month that begins after the Participant's attainment of age 60. Such election must be made no later than 365 days before the Change in Control in order to be effective. Such election does not require Committee approval in order to be effective.

5.3 Method of Payment. The method of payment of the Change in Control Benefit shall be 180 consecutive months of payment. The foregoing sentence notwithstanding, however, the Participant may make an election on a form furnished by the Committee to have his benefit paid instead in a single lump sum or in consecutive monthly installments for a period certain less than 180 months, as specified by the Participant in such election. In order to be effective, such election must be made no later than 365 days before the Change in Control, and therefore any election that is in effect

on the 365th day before the Change in Control shall be irrevocable. Such election does not require Committee approval in order to be effective.

5.4 Amount of Benefit: Fixed Benefit Option. The amount of the Change in Control Benefit provided by the Fixed Benefit Option shall be as follows:

(a) Lump sum method of payment. If the method of payment is a single lump sum, the amount of the lump sum shall be the CIC Benefit Commencement Month Lump Sum (as defined below).

(b) Consecutive monthly installments method of payment. If the method of payment is consecutive monthly payments, the monthly payments shall be equal in amount, and the monthly payments shall have a present value as of the 1st day of the CIC Benefit Commencement Month equal to the CIC Benefit Commencement Month Lump Sum determined by discounting the monthly payments at the rate of 13% per annum.

(c) CIC Benefit Commencement Month Lump Sum. The "CIC Benefit Commencement Month Lump Sum" means the sum of Amount A and Amount B, determined as of the 1st day of the CIC Benefit Commencement Month, where:

"Amount A" is the amount of the Participant's total Deferrals and Company Contributions credited to the Fixed Benefit Option (including any Deferrals and Company Contributions rolled over pursuant to a Rollover Election).

"Amount B" is interest credited with respect to the Deferrals and Company Contributions in Amount A at the rate of 13% per annum.

5.5 Amount of Benefit: Supplemental Account. The amount of the Change in Control Benefit provided by the Participant's Supplemental Account shall be determined as follows:

(a) Lump sum method of payment. If the method of payment is a single lump sum, the amount of the lump sum shall equal the balance of the Participant's Supplemental Account at the time of payment.

(b) Consecutive monthly payments method of payment. If the method of payment is consecutive monthly payments, then the entire balance of the Participant's Supplemental Account, other than the portion (if any) thereof that is not allocable to the Fixed Benefit Option pursuant to the last sentence of Section 2.4(b), shall be irrevocably transferred to the Fixed Benefit Option as soon as administratively practicable after the

Change in Control, and in no event later than 60 days after the Change in Control, to provide a Change in Control Benefit under Section 5.4 (which shall be in addition to any portion of the Change in Control Benefit provided by other amounts allocated to the Fixed Benefit Option).

5.6 Payments to Beneficiary. If a Participant entitled to a Change in Control Benefit dies before payment of the Change in Control Benefit has begun or been completed, then full payment of the Change in Control Benefit shall still be made, and except as provided in the next sentence, the payment(s) remaining to be paid shall be paid instead to the Participant's Beneficiary when, as and in the amount as would have been paid to the Participant had the Participant not died. If payment of the Change in Control Benefit had not begun before the Participant's death, however, the CIC Benefit Commencement Month shall be the first Quarterly Start Month begins after the Participant's death for purposes of determining the commencement and amount of the Change in Control Benefit.

5.7 Benefits Pending or in Progress. If as of the date of a Change in Control a Participant is not entitled to a Change in Control Benefit under Section 5.1 but is entitled to one or more future payments under Article 3 above, such benefits shall be paid when, as and in the amount provided in Article 3. If as of the date of a Change in Control a Beneficiary is entitled to one or more future payments under Article 3 or Article 4 above, such benefits shall be paid when, as and in the amount provided in Article 3 or Article 4 (as applicable).

ARTICLE 6. SUPPLEMENTAL ACCOUNTS

6.1 Establishment of Accounts. The Committee shall establish and cause to be maintained a Supplemental Account with respect to each Participant. In addition, the Committee shall establish and cause to be maintained with respect to each Participant separate subaccounts to be known respectively as the Participant's "Deferral Subaccount" and "Company Contribution Subaccount", such subaccounts together shall comprise the Supplemental Account. Within each Deferral Subaccount and Company Contribution Subaccount there shall be kept Investment Subaccounts.

6.2 Accounting.

(a) Accounting of Deferral Subaccount. As of each Adjustment Date, the Committee shall debit and credit each Participant's Deferral Subaccount by the following:

(1) Payments. There shall be debited the amount of benefit payments made to or on behalf of the Participant or the Participant's Beneficiary since the last Adjustment Date and allocable to such Deferral Subaccount.

(2) Rollovers to Fixed Benefit Option. There shall be debited amounts transferred since the last Adjustment Date from the Supplemental Account to the Fixed Benefit option which are properly allocable to the Participant's Deferral Subaccount.

(3) Net Gain (Loss) Equivalent. There shall be credited or debited, as the case may be, the Net Gain (Loss) Equivalent since the last Adjustment Date for each of the Participant's Investment Subaccounts.

(4) Deferrals. There shall be credited the Participant's Deferrals made since the last Adjustment Date and allocable to the Supplemental Account.

(b) Accounting of Company Contribution Subaccount. As of each Adjustment Date, the Committee shall debit and credit each Participant's Company Contribution Subaccount by the following:

(1) Payments. There shall be debited the amount of benefit payments made to or on behalf of the Participant or the Participant's Beneficiary since the last Adjustment Date and allocable to such Company Contribution Subaccount.

(2) Rollovers to Fixed Benefit Option. There shall be debited amounts transferred since the last Adjustment Date from the Supplemental Account to the Fixed Benefit option which are properly allocable to the Participant's Company Contribution Subaccount.

(3) Net Gain (Loss) Equivalent. There shall be credited or debited, as the case may be, the Net Gain (Loss) Equivalent since the last Adjustment Date for each of the Participant's Investment Subaccounts.

(4) Company Contributions. There shall be credited the Participant's Company Contributions made since the last Adjustment Date and allocable to the Participant's Supplemental Account.

ARTICLE 7. ADMINISTRATION OF THE PLAN

7.1 Powers and Duties of the Committee. The Committee shall have general responsibility for the administration of the Plan (including but not limited to complying with reporting and disclosure requirements, and establishing and maintaining Plan records). In the exercise of its sole and absolute discretion, the Committee shall interpret the Plan's provisions (and all ambiguities) and subject to the Board's approval, determine the eligibility of individuals for benefits.

7.2 Agents. The Committee may engage such legal counsel, certified public accountants and other advisers and service providers, who may be advisers or service providers for one or more Participating Companies, and make use of such agents and clerical or other personnel, as it shall require or may deem advisable for purposes of the Plan. The Committee may rely upon the written opinion of any legal counsel or accountants engaged by the Committee, and may delegate to any person or persons its authority to perform any act hereunder, including, without limitation, those matters involving the exercise of discretion, provided that such delegation shall be subject to revocation at any time at the discretion of the Committee.

7.3 Reports to Board. The Committee shall report to the Board or to the Executive Committee of the Board of Directors, as frequently as the Board or such committee shall specify, with regard to the matters for which the Committee is responsible under the Plan.

7.4 Structure of Committee. No member of the Committee shall be entitled to act on or decide any matter relating solely to such member or any of such member's rights or benefits under the Plan. In the event the Committee is unable to act in any matter by reason of the foregoing restriction, the Board shall act on such matter. The members of the Committee shall not receive any special compensation for serving in the capacity as members of the Committee but shall be reimbursed for any reasonable expenses incurred in connection therewith. Except as otherwise required by ERISA, no bond or other security shall be required of the Committee or any member thereof in any jurisdiction. Any member of the Committee, any subcommittee or agent to whom the Committee delegates any authority, and any other person or group of persons, may serve in more than one fiduciary capacity with respect to the Plan.

7.5 Adoption of Procedures of Committee. The Committee shall establish its own procedures and the time and place for its meetings, and provide for the keeping of minutes of all meetings. A majority of the members of the Committee shall constitute a quorum for the transaction of business at a meeting of the Committee. Any action of the Committee may be taken upon the affirmative vote of a majority of the members of the Committee at a meeting. The Committee may also act without meeting by unanimous written consent.

7.6 Benefit Elections, Procedures and Calculations. The Committee shall establish, and may alter, amend and modify from time to time, the procedures pursuant to which Participants (and Beneficiaries) may make their respective elections, requests and designations under the Plan, including procedures relating to the making of Deferral Elections (including elections thereunder as to the allocation of Deferrals and Company Contributions among the Fixed Benefit Option and the Investment Funds), Rollover Elections, elections or requests regarding the timing and method of benefit payments, and designations of Beneficiaries. The Committee shall also establish the election, request and designation forms that Participants and Beneficiaries must use for such purposes. No election, request or designation by a Participant or a Beneficiary shall be effective unless and until it has been executed and delivered to the Committee (or its authorized representative) and has also

satisfied any other conditions or requirements that may apply to such election, request or designation under any other applicable provision of the Plan.

7.7 Calculation of Benefits. Attached hereto as Exhibits 1 through 15 are examples of the calculation of benefits due hereunder in specific circumstances. The Committee shall promulgate and establish such additional written rules, charts, examples and other guidelines as it deems necessary or advisable in order to precisely calculate the benefits due hereunder, and the same shall be filed with the records of the Committee and shall be binding and governing on Participants, their Beneficiaries and all other interested parties to the extent they represent a reasonable and consistent interpretation of the benefit-calculation provisions of the Plan.

7.8 Instructions for Payments. All requests of or directions to any Participating Company for payment or disbursement shall be signed by a member of the Committee or such other person or persons as the Committee may from time to time designate in writing. This person shall cause to be kept full and accurate accounts of payments and disbursements under the Plan.

7.9 Claims for Benefits.

(a) General. In the event a Claimant has a Claim under the Plan, such Claim shall be made by the Claimant's filing a notice thereof with the Committee in care of the Company. (A Claimant may authorize a representative to act on the Claimant's behalf with respect to the Claim.) Each such Claim shall be referred to the Committee for the initial decision with respect thereto. Each Claimant who has submitted a claim to the Committee shall be afforded a reasonable opportunity to state such Claimant's position and to submit written comments, documents, records, and other information relating to the Claim to the Committee for its consideration in rendering its decision with respect thereto. A Claimant shall also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

(b) Committee Decision. The Committee will consider the Claim and make its decision and notify the Claimant in writing within a reasonable period of time but not later than 90 days after it receives the Claim. Under special circumstances, the Committee may take up to an additional 90 days to review the Claim if it determines that such an extension is necessary due to matters beyond its control. If this happens, the Claimant will be notified before the end of the initial 90-day period of the circumstances requiring the extension and the date by which the Committee expects to render a decision. If any part of the Claim is denied, the notice will include specific reasons for the denial and specific references to the pertinent Plan provisions on which the denial is based, describe any additional material or information necessary to file the Claim properly and explain why this material or information is necessary, and describe the Plan's review procedures, including the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefits determination on review.

(c) Review of Decision. The Claimant may have the Committee review its initial decision denying any part of the Claim. To obtain a review, the Claimant must submit a written request for review to the Committee within 90 days after the Claimant receives the written decision of the Committee. The written request may include written comments, documents, records, and other information relating to the Claim. The Claimant will be provided upon request and free of charge reasonable access to and copies of all documents, records, and other information relevant to the Claim. The Committee will review the case and notify the Claimant of its decision, whether favorable or unfavorable, within a reasonable period of time, but no later than 60 days after it receives the Claim. The review will take into account all comments, documents, records, and other information the Claimant submits, without regard to whether such information was submitted or considered in the initial benefit determination. Under special circumstances, the Committee may take up to an additional 60 days to review the Claim if it determines that such an extension is necessary due to matters beyond its control. If this happens, the Claimant will be notified before the end of the initial 60-day period of the circumstances requiring the extension and the date by which the Committee expects to render a decision. The Committee's notification to the Claimant will be in writing, specify the reasons for its decision, make specific references to the Plan provisions on which the denial was based, and include a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim and a statement regarding the Claimant's right to bring a civil action under Section 502(a) of ERISA. The decision of the Committee will be final and conclusive upon all persons interested therein, except to the extent otherwise provided by applicable law.

7.10 Hold Harmless. To the maximum extent permitted by law, no member of the Committee shall be personally liable by reason of any contract or other instrument executed by such member or on such member's behalf in such member's capacity as a member of the Committee nor for any mistake of judgment made in good faith, and each Participating Company shall indemnify and hold harmless, directly from its own assets (including the proceeds of any insurance policy the premiums of which are paid from the Company's own assets), each member of the Committee and each other officer, employee, or director of any Participating Company to whom any duty or power relating to the administration or interpretation of the Plan against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of any Participating Company) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith or such indemnification is contrary to law.

7.11 Service of Process. The Secretary of the Company or such other person designated by the Board shall be the agent for service of process under the Plan.

ARTICLE 8. DESIGNATION OF BENEFICIARIES

8.1 Beneficiary Designation. Every Participant shall file with the Committee a written designation of one or more persons as the Beneficiary who shall be entitled to receive the benefits, if any, payable under the Plan after the Participant's death. A Participant may from time to time revoke or change such Beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of any date prior to such receipt. All Beneficiary designations, and the identity of any Beneficiary, shall be final. If a Beneficiary dies after the death of the Participant and prior to receiving the payment(s) that would have been made to such Beneficiary had such Beneficiary's death not occurred, and no contingent Beneficiary has been designated, then for the purposes of the Plan the payment(s) that would have been received by such Beneficiary shall be made to the Beneficiary's estate.

8.2 Failure to Designate Beneficiary. If no Beneficiary designation is in effect at the time of a Participant's death, the benefits, if any, payable under the Plan after the Participant's death shall be made to the Participant's Surviving Spouse, if any, or if the Participant has no Surviving Spouse, to the Participant's estate. If the Committee is in doubt as to the right of any person to receive such benefits, the Committee may direct the Participant Company to withhold payment, without liability for any interest thereon, until the rights thereto are determined, or the Committee may direct the Participating Company to pay any such amount into any court of appropriate jurisdiction; and such payment shall be a complete discharge of the liability of the Participating Company.

ARTICLE 9. WITHDRAWAL OF PARTICIPATING COMPANY

9.1 Withdrawal of Participating Company. The Participating Company (other than the Company) may withdraw from participation in the Plan by giving the Board prior written notice approved by resolution by its board of directors or similar governing body specifying a withdrawal date, which shall be the last day of a month at least 30 days subsequent to the date which notice is received by the Board. The Participating Company shall withdraw from participating in the Plan if and when it ceases to be either a division of the Company or an Affiliate. The Board may require the Participating Company to withdraw from the Plan, as of any withdrawal date the Board specifies.

9.2 Effect of Withdrawal. The Participating Company's withdrawal from the Plan shall not in any way modify, reduce or otherwise affect the Participating Company's obligations under Deferral Elections made before the withdrawal, as such obligations are defined under the provisions of the Plan existing immediately before this withdrawal. Withdrawal from the Plan by any Participating Company shall not in any way affect any other Participating Company's participating in the Plan.

ARTICLE 10. AMENDMENT OR TERMINATION OF THE PLAN

10.1 Right to Amend or Terminate Plan.

(a) By the Board of Directors. Subject to Section 10.1(c), the Board reserves the right at any time to amend or terminate the Plan, in whole or in part, and for any reason and without the consent of any Participating Company, Participant or Beneficiary. Each Participating Company by its participation in the Plan shall be deemed to have delegated this authority to the Board.

(b) By the Committee. Subject to Section 10.1(c), the Committee may adopt any ministerial and nonsubstantive amendment which may be necessary or appropriate to facilitate the administration, management and interpretation of the Plan, provided the amendment does not materially affect the estimated cost to the Participating Companies of maintaining the Plan. Each Participating Company by its participation in the Plan shall be deemed to have delegated this authority to the Committee.

(c) Limitations. In no event shall any amendment or termination of the Plan modify, reduce or otherwise affect a Participating Company's obligations under Deferral Elections made before the amendment or termination, as such obligations are defined under the provisions of the Plan existing immediately before such amendment or termination. Notwithstanding any provision of the Plan to the contrary, from and after the date of a Change in Control, no amendment or termination may be made to the Plan that, without the express written consent of the affected Participant or Beneficiary (as the case may be), directly or indirectly changes the amount, time or method of payment of (i) any Change in Control Benefits resulting from the Change in Control or (ii) any Retirement benefit, Severance benefit, Pre-Retirement Death Benefit or other benefits that had accrued by the date of the Change in Control.

(d) The amendment and restatement of the Plan as the of January 1, 2001 Effective Date by this instrument shall not affect the time, amount or method of payment of Plan benefits paid on or after the Effective Date to any Participant whose employment with the Company terminated on or before December 31, 2000, and such Participant's benefits (including any death benefits) shall be determined under the provisions of the Plan as in effect immediately prior to the Effective Date; provided, however, upon a Change in Control (as defined herein), the provisions of Sections 2.5(c), 5.7 and 10.1(c) shall apply to any remaining benefits of such Participant.

10.2 Notice. Notice of any amendment or termination of the Plan shall be given by the Board or the Committee, whichever adopts the amendment, to the other and all Participating Companies.

ARTICLE 11. GENERAL PROVISIONS AND LIMITATIONS

11.1 No Right to Continued Employment. Nothing contained in the Plan shall give any Employee the right to be retained in the employment of the Participating Company or Affiliate or affect the right of any such employer to dismiss any employee with or without cause. The adoption and maintenance of the Plan shall not constitute a contract between any Participating Company and Employee or consideration for, or an inducement to or condition of, the employment of any Employee. Unless a written contract of employment has been executed by a duly authorized representative of a Participating Company, such Employee is an "employee at will."

11.2 Payment on Behalf of Payee. If the Committee finds that any person to whom any amount is payable under the Plan is unable to care for such person's affairs because of illness or accident, or is a minor, or has died, then any payment due such person or such person's estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so elects, be paid to such person's spouse, a child, a relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Plan and every Participating Company therefor.

11.3 Nonalienation. No interest, expectancy, benefit, payment, claim or right of any Participant or Beneficiary under the Plan shall be (a) subject in any manner to any claims of any creditor of the Participant or Beneficiary, (b) subject to the debts, contracts, liabilities or torts of the Participant or Beneficiary or (c) subject to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge or encumbrance of any kind. If any person attempts to take any action contrary to this Section, such action shall be null and void and of no effect; and the Committee and the Participating Company shall disregard such action and shall not in any manner be bound thereby and shall suffer no liability on account of its disregard thereof.

If the Participant or Beneficiary hereunder becomes bankrupt or attempts to anticipate, alienate, sell, assign, pledge, encumber, or charges any right hereunder, then such right or benefit shall, in the discretion of the Committee, cease and terminate, and in such event the Committee may hold or apply the same or any part thereof for the benefit of the Participant or Beneficiary or the spouse, children, or other dependents of the Participant or Beneficiary, or any of them, in such manner and in such amounts and proportions as the Committee may deem proper.

11.4 Missing Payee. If the Committee cannot ascertain the whereabouts of any person to whom a payment is due under the Plan, and if, after five years from the date such payment is due, a notice of such payment due is mailed to the last known address of such person, as shown on the records of the Committee or any Participating Company, and within three months after such mailing such person has not made written claim therefor, the Committee, if it so elects, after receiving advice from counsel to the Plan, may direct that such payment and all remaining payments otherwise due to such person be canceled on the records of the Plan and the amount thereof forfeited; and upon such cancellation, the Participating Company shall have no further liability therefor, except that, in the event such person later notifies the Committee of such person's whereabouts and

requests the payment or payments due to such person under the Plan, the amounts otherwise due but unpaid shall be paid to such person without interest for late payment.

11.5 Required Information. Each Participant shall file with the Committee such pertinent information concerning himself or herself, such Participant's Beneficiary, or such other person as the Committee may specify; and no Participant, Beneficiary, or other person shall have any rights or be entitled to any benefits under the Plan unless such information is filed by or with respect to the Participant.

11.6 No Trust or Funding Created. The obligations of such Participating Company to make payments hereunder constitutes a liability of such Participating Company to a Participant or Beneficiary, as the case may be. Such payments shall be made from the general funds of the Participating Company; and the Participating Company shall not be required to establish or maintain any special or separate fund, or purchase or acquire life insurance on a Participant's life, or otherwise to segregate assets to assure that such payment shall be made; and neither a Participant nor a Beneficiary shall have any interest in any particular asset of the Participating Company by reason of its obligations hereunder. Nothing contained in the Plan shall create or be construed as creating a trust of any kind or any other fiduciary relationship between any Participating Company and a Participant or any other person, it being the intention of the parties that the Plan be unfunded for tax purposes and for Title I of ERISA. The rights and claims of a Participant or a Beneficiary to a benefit provided hereunder shall have no greater or higher status than the rights and claims of any other general, unsecured credit of any Participating Company; and the Plan constitutes a mere promise to make benefit payments in the future.

11.7 Binding Effect. Obligations incurred by any Participating Company pursuant to this Plan shall be binding upon and inure to the benefit of such Participating Company, its successors and assigns, and the Participant and the Participant's Beneficiary.

11.8 Merger or Consolidation. In the event of a merger or a consolidation by any Participating Company with another corporation, or the acquisition of substantially all of the assets or outstanding stock of a Participating Company by another corporation, then and in such event the obligations and responsibilities of such Participating Company under this Plan shall be assumed by any such successor or acquiring corporation, and all of the rights, privileges and benefits of the Participants and Beneficiaries hereunder shall continue.

11.9 Entire Plan. This document, any elections provided for in the Plan, any written amendments hereto and the Exhibits attached hereto contain all the terms and provisions of the Plan and shall constitute the entire Plan, any other alleged terms or provisions being of no effect.

11.10 Withholding. Each Participating Company shall withhold from benefit payments all taxes required by law.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed this 28th day of December, 2003.

COCA-COLA BOTTLING CO. CONSOLIDATED

By: ______________________________

Officer's Name ______________________________
Officer's Title ______________________________

Exhibit 10.29

SPLIT-DOLLAR AND DEFERRED COMPENSATION REPLACEMENT BENEFIT AGREEMENT

THIS SPLIT-DOLLAR AND DEFERRED COMPENSATION REPLACEMENT BENEFIT AGREEMENT (the "Agreement") is made and entered into as of the 5th day of December, 2003, and shall be effective as of December 27, 2003 (the "Effective Date"), by and between COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation (the "Corporation"), and **«First_MI» «Last_Name»** (the "Executive" and together with the Corporation, the "Parties").

Statement of Purpose

The Corporation and Executive are parties to one or more Split-Dollar Life Insurance Agreements (each a "Split-Dollar Agreement"), relating to the insurance policy(ies) listed on Schedule A attached hereto insuring the life of Executive (each a "Policy"), one or more Assignments of Life Insurance Policy as Collateral by Executive in favor of the Corporation (each a "Collateral Assignment"), and a Deferred Compensation Agreement (the "Deferred Compensation Agreement"), each of which is more particularly described on Schedule A attached hereto. Pursuant to a Split Dollar and Deferred Compensation Termination Agreement entered into between the Parties dated December 5, 2003, each Split-Dollar Agreement, each Collateral Assignment, and the Deferred Compensation Agreement are being terminated and Executive has agreed to assign each Policy to the Corporation.

NOW, THEREFORE, in consideration of the foregoing Statement of Purpose and of the mutual promises set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties hereto agree as follows:

1. Replacement Benefit.

(a) Initial Replacement Benefit. As of the Effective Date, Executive's replacement benefit is the amount indicated on Schedule B.

(b) Amount of Replacement Benefit Upon Termination of Employment. Upon the termination of Executive's employment with the Corporation (as defined in Paragraph 1(e)), regardless of the date, cause or manner of such termination, the Corporation shall pay to Executive (or, in the event such termination is the result of Executive's death, his beneficiary designated pursuant to Paragraph 2) a replacement benefit equal to the amount indicated on Schedule B as of the end of the Corporation's fiscal year immediately preceding such termination, increased on an interpolated basis through the last day of the calendar month immediately preceding such termination.

(c) Method of Payment of Replacement Benefit. Executive may elect from time to time to have the replacement benefit payable under Paragraph 1(b) paid in accordance with one of the following methods of payment:

(i) single lump sum payment;

(ii) five annual installments; or

(iii) ten annual installments.

A method of payment election under this Paragraph 1(c) may be made at any time and from time to time after the date of this Agreement. Any such election shall be made on such form and pursuant to such procedures as are adopted by the Corporation for such purpose. An election made within 30 days of the date of this Agreement shall become effective immediately. An election made more than 30 days after the date of this Agreement, including any change in an election, shall not become effective until the first anniversary of the date the new election is made. In the event no method of payment election is in effect under this Paragraph 1(c) as of the date of the termination of Executive's employment with the Corporation, payment of Executive's replacement benefit shall be paid in a single sum payment.

(d) Timing of Payment; Amount of Installment Payments. Payment of Executive's replacement benefit payable under Paragraph 1(b) shall commence within 60 days following the termination of Executive's employment with the Corporation. In the event Executive's replacement benefit is paid in the form of a single sum payment, the amount of such payment shall be equal to the replacement benefit provided in Paragraph 1(b). The amount of each annual installment payment payable under Paragraph 1(c) shall be the amount necessary to amortize the replacement benefit in equal annual installments over the selected period using an interest rate equal to 8% compounded annually. Following termination of Executive's employment with the Corporation, the amount of the replacement benefit will not change.

(e) "Termination of Employment with the Corporation" Defined. For purposes of this Paragraph 1, the "termination of Executive's employment with the Corporation" means the termination of Executive's employment not only with the Corporation, but also with any other entity (including a subsidiary of the Corporation) while such entity is considered part of the group that includes the Corporation by application of the rules of sections 414(b) and (c) of the Internal Revenue Code of 1986, as amended, as in effect on the date of this Agreement (a "Related Company"). Therefore, Executive shall not have a "termination of Executive's employment with the Corporation" until such time as Executive is no longer in the employ of the Corporation or any Related Company.

2. Designation of Beneficiary. Executive may designate a beneficiary to receive payments payable hereunder after his death by filing with the Corporation a beneficiary designation on a form approved by the Corporation, bearing the name, address and relationship of the beneficiary and shall be in such other form and shall contain such other information as shall be satisfactory to the Corporation. The beneficiary may be changed by Executive at any time by filing a new beneficiary designation form with the Corporation, said new beneficiary designation form to comply with the provisions of this Paragraph 2. If Executive shall not be survived by the beneficiary designated in accordance with this Paragraph 2 or Executive shall have failed to designate a beneficiary in accordance with this Paragraph 2, then upon Executive's death, any and all payments provided for herein shall be made to Executive's surviving spouse or, if none, to his estate. If Executive shall be survived by the beneficiary designated as provided herein, and such

beneficiary shall die prior to receiving all amounts payable hereunder to such deceased beneficiary if such beneficiary had lived, then all remaining amounts that would have been paid to such deceased beneficiary if living shall be paid to the estate of such deceased beneficiary. In any case where payments hereunder are to be made to an estate (either the estate of Executive or the estate of a deceased beneficiary), the Corporation, in its sole discretion, may make all remaining payments due said estate in one lump sum payment without discount.

3. No Assignment by Executive. Neither Executive, his beneficiary designated pursuant to Paragraph 2, his heirs, his estate, his executors, his administrators, other personal representatives, nor any other person claiming by, through or under him, shall have any right to commute, encumber, mortgage, hypothecate, pledge, assign, give or dispose of the right to receive any payment or payments hereunder, all of which payments and the right thereto are expressly declared to be non-assignable.

4. No Funding of Replacement Benefit. The Corporation shall be under no obligation whatever to purchase or maintain any contract, policy or other asset to provide the benefits under this Agreement. Further, any contract, policy or other asset which the Corporation may utilize to assure itself of the funds to provide the replacement benefit hereunder shall not serve in any way as security to Executive for the performance of the Corporation's obligations under this Agreement. The rights accruing to Executive or any beneficiary hereunder shall be solely those of an unsecured creditor of the Corporation.

5. Withholding Taxes. To the extent the Corporation is required to withhold federal, state, local or foreign income or other taxes in connection with any payment made or benefit realized by Executive or other person under this Agreement, and the amount available to the Corporation for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that Executive or such other person make arrangements satisfactory to the Corporation for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Board) may include relinquishment of a portion of such benefit. The Corporation and Executive or such other person may also make similar arrangements with respect to the payment of any taxes with respect to which withholding is not required.

6. ERISA Information. The following provisions are part of this Agreement and are intended to meet the requirements of the Employee Retirement Income Security Act of 1974, as amended:

(a) The named fiduciary under this Agreement is the Corporation.

(b) The funding policy under this Agreement is that the replacement benefit shall be paid from the general assets of the Corporation when due.

(c) For claims procedure purposes, the "Claims Manager" shall be the Compensation Committee of the Board of Directors of the Corporation or its delegee.

(i) If for any reason a claim for benefits under this Agreement is denied by the Corporation, the Claims Manager shall deliver to the claimant a

written explanation setting forth the specific reasons for the denial, specific references to the pertinent Agreement provisions on which the denial is based, such other data as may be pertinent and information on the procedures to be followed by the claimant in obtaining a review of his claim, all written in a manner calculated to be understood by the claimant. For this purpose:

(A) The claimant's claim shall be deemed filed when presented orally or in writing to the Claims Manager.

(B) The Claims Manager's explanation shall be in writing delivered to the claimant within ninety (90) days of the date the claim is filed.

(ii) The claimant shall have sixty (60) days following the claimant's receipt of the denial of the claim to file with the Claims Manager a written request for review of the denial. For such review, the claimant or the claimant's representative may submit pertinent documents and written issues and comments.

(iii) The Claims Manager shall decide the issue on review and furnish the claimant with a copy within sixty (60) days of receipt of the claimant's request for review of his claim. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Agreement provisions on which the decision is based. If a copy of the decision is not so furnished to the claimant within such sixty (60) days, the claim shall be deemed denied on review.

7. Miscellaneous.

(a) This Agreement may not be amended, altered or modified except by a written instrument signed by the Parties or their respective successors or assigns and may not be otherwise terminated except as provided herein.

(b) This Agreement shall be binding upon the Parties, their heirs, legal representatives, successors and assigns.

(c) This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of North Carolina except to the extent (if any) superceded by the laws of the United States.

(d) Headings in this Agreement are provided for purposes of convenience only and shall not affect the interpretation of the terms hereof.

(e) All notices and other communications hereunder must be in writing and shall be deemed to have been duly given when either personally delivered or placed in the United States

mails by Certified Mail, return receipt requested, postage prepaid, addressed to the party to whom such notice is being given as follows:

As to the Corporation:	Coca-Cola Bottling Co. Consolidated 4100 Coca-Cola Plaza Charlotte, North Carolina 28211 Attention: Executive Compensation and Benefits Department
As to Executive:	**«First_MI» «Last_Name»** «Street» «City», «ST» «Zip»

Either party may change its address (or the name of the person to whose attention communications hereunder shall be directed) from time to time by serving notice thereof upon the other party as provided herein.

[Signature page follows on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the 5th day of December, 2003 to be effective as of the Effective Date.

"Executive"

____

«First_MI» «Last_Name»

Address:
«Street»
«City», «ST» «Zip»

"Corporation"

COCA-COLA BOTTLING CO. CONSOLIDATED

By: _______________________

Name: _______________________

Title: _______________________

Schedule A

Insurance Policy(ies)

Insurer	Policy Number	Policy Date

[Intentionally Omitted]

Split-Dollar Agreement(s)

[Intentionally Omitted]

Collateral Assignment Agreement(s)

[Intentionally Omitted]

Deferred Compensation Agreement

[Intentionally Omitted]

Schedule B

Replacement Benefit Amount

[Intentionally Omitted - See Annex A.]

Annex A
Exhibit 10.29

Schedule to Form of Split-Dollar and Deferred Compensation Replacement Benefit Agreement

Name	Position	Initial Replacement Benefit
William B. Elmore	President and Chief Operating Officer	$ 217,774
Robert D. Pettus, Jr	Executive Vice President and Assistant to the Chairman	350,200
David V. Singer	Executive Vice President and Chief Financial Officer	294,492
C. Ray Mayhall, Jr.	Senior Vice President, Sales	138,386
Clifford M. Deal, III	Vice President, Treasurer	12,049
Norman C. George	Senior Vice President, Chief Marketing and Customer Officer	96,502
Ronald J. Hammond	Vice President, Supply Chain	24,683
Kevin A. Henry	Vice President, Human Resources	15,238
Umesh M. Kasbekar	Vice President, Planning and Administration	147,281
Lauren C. Steele	Vice President, Corporate Affairs	78,371
Steven D. Westphal	Vice President, Controller	85,361
Jolanta T. Zwirek	Vice President, Chief Information Officer	26,805

Exhibit 10.31

AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT (this “Amendment Agreement”) is made and entered into as of this 12th day of JANUARY, 2004, by and between COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation (the “Employer”), and DAVID V. SINGER, an employee of the Employer (the “Participant”).

W I T N E S S E T H:

WHEREAS, the Employer and the Participant entered into that certain “ORP Agreement” dated July 1, 2001 pursuant to which Employer agreed to provide the Participant certain benefits under the Officer Retention Plan (ORP) of Coca-Cola Bottling Co. Consolidated, as amended and restated effective January 1, 2001 (the “Plan”), subject to the terms and conditions of the Plan; and

WHEREAS, the Plan contains provisions that reduce a participant’s “Benefit Earned” by fifty-percent (50%) in the event of a participant’s termination of employment prior to attaining the age of sixty (60); and

WHEREAS, the Employer and the Participant desire to amend the ORP Agreement to provide that the foregoing benefit reduction provisions will not apply to the Participant unless his termination of employment occurs prior to his attaining the age of fifty-five (55);

NOW, THEREFORE, in consideration of the mutual premises and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree to amend the ORP Agreement as follows:

1. Paragraph 1 of the ORP Agreement is hereby amended to add the following sentence to the end of said Paragraph:

“Notwithstanding anything to the contrary contained herein, the definitions of “Normal Retirement” in Section 1.15 of the Plan and “Normal Retirement Date” in Section 1.16 of the Plan are hereby amended with respect to the Participant by deleting the phrase “age 60” and replacing it with “age 55” in each such Section.”

2. The Participant hereby acknowledges and agrees that the dollar amounts of the Participant’s “Benefit Earned” under the Plan set forth on the Schedule to the ORP Agreement are not affected by this Amendment Agreement.

3. Except as expressly modified hereby, the terms and provisions of the ORP Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment Agreement as of the day and year first above written.

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ Robert D. Pettus, Jr

Name: ROBERT D. PETTUS, Jr.
Title: Executive VP and Assistant to Chairman

"Employer"

(CORPORATE SEAL)

ATTEST:

/s/ Umesh Kasbekar

Asst

/s/ David V. Singer

DAVID V. SINGER
"Participant"

Exhibit 10.34

SPLIT-DOLLAR AND DEFERRED COMPENSATION TERMINATION AGREEMENT

THIS SPLIT-DOLLAR AND DEFERRED COMPENSATION TERMINATION AGREEMENT (the "Agreement") is made and entered into as of the 5th day of December, 2003, and shall be effective as of the 27th day of December, 2003 (the "Effective Date"), by and between COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation (the "Corporation"), and _______________ (the "Executive" and together with the Corporation, the "Parties").

Statement of Purpose

The Corporation and Executive are parties to one or more Split-Dollar Life Insurance Agreements (each a "Split-Dollar Agreement"), relating to the insurance policy(ies) listed on Schedule A attached hereto insuring the life of Executive (each a "Policy"), one or more Assignments of Life Insurance Policy as Collateral by Executive in favor of the Corporation (each a "Collateral Assignment"), and a Deferred Compensation Agreement (the "Deferred Compensation Agreement"), each of which is more particularly described on Schedule A attached hereto. The Corporation and Executive now desire to terminate the Split-Dollar Agreement, the Collateral Assignment, and the Deferred Compensation Agreement and that Executive assign the Policy to the Corporation, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties hereby agree as follows:

1. Termination of Agreements; Assignment of Policy. Each Split-Dollar Agreement, each Collateral Assignment and the Deferred Compensation Agreement are hereby terminated and all obligations of the Parties thereunder are hereby extinguished, notwithstanding any provisions to the contrary contained therein effective as of the Effective Date. Executive shall transfer and assign ownership of each Policy to the Corporation effective as of the Effective Date and shall execute and deliver such assignments and other documents and take all such other actions as the Corporation may request to effect such transfer. The Parties agree that the termination of the foregoing agreements and the assignment of each Policy shall occur contemporaneously.

2. Payment of Excess Cash Surrender Value. By the Effective Date, the Corporation shall determine the cash surrender value of the Policy and the Corporation's Interest (as defined in each Split-Dollar Agreement) in each Policy as of the Effective Date. If the cash surrender value of a Policy exceeds the Corporation's Interest in such Policy, then promptly following such determination the Corporation shall pay to Executive the amount of such excess and make a tax gross-up payment on behalf of Executive, which such tax gross-up amount shall be determined by the Corporation in its sole discretion.

3. Mutual Release. Each Party for itself and its heirs, beneficiaries, legal representatives, successors and assigns, as applicable (the "Releasing Party"), does hereby release, acquit and forever discharge the other Party and its heirs, beneficiaries, legal representatives, officers, directors, agents, successors and assigns, as applicable (the "Released Party"), from any and all claims, demands, actions, causes of action, suits, liabilities and disputes of any nature whatsoever, at law, in equity, or otherwise that the Releasing Party ever had, now has or hereafter may have against the Released Party arising out of each Split-Dollar Agreement, each Collateral Assignment and the Deferred Compensation Agreement, except that this provision shall not relieve either Party of any of its obligations under this Agreement. With respect to this release, Executive represents to the Corporation that Executive is aware, understands and agrees that (i) Executive voluntarily entered into this Agreement, (ii) Executive had and has the right to consult with an attorney regarding this Agreement before signing it, and (iii) Executive has carefully read this Agreement and fully understands each and every term herein.

4. Miscellaneous.

(a) Each of the Parties hereto agrees to execute and deliver such other documents or agreements and to take such other action as may be reasonably necessary or desirable for the implementation of this Agreement and the consummation of the transactions contemplated hereby.

(b) This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives, heirs, successors and assigns.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the conflicts of laws provisions thereof.

(d) Headings in this Agreement are provided for purposes of convenience only and shall not affect the interpretation of the terms hereof.

(e) This Agreement may not be amended, altered, modified or terminated except by a written instrument signed by the Parties or their respective successors or assigns.

[Signature page follows on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the 5th day of December, 2003 to be effective as of the Effective Date, as defined above.

"Executive"

____

Address:

____

____

"Corporation"

COCA-COLA BOTTLING CO. CONSOLIDATED

By: ______________________________

Name: ______________________________

Title: ______________________________

Schedule A

Insurance Policy(ies)

Insurer	Policy Number	Policy Date

[Intentionally Omitted]

Split-Dollar Agreement(s)

[Intentionally Omitted]

Collateral Assignment Agreement(s)

[Intentionally Omitted]

Deferred Compensation Agreement

[Intentionally Omitted]

Annex A
Exhibit 10.34

Schedule to Form of Split-Dollar and
Deferred Compensation Termination Agreement

The Company has entered into Split-Dollar Deferred Compensation Termination Agreements (the “Termination Agreements”) with each of the officers named below. Each of the Termination Agreements is identical in all material respects.

Name and Position

William B. Elmore
President and Chief Operating Officer

Robert D. Pettus, Jr.
Executive Vice President and Assistant to the Chairman

David V. Singer
Executive Vice President and Chief Financial Officer

C. Ray Mayhall, Jr.
Senior Vice President, Sales

Clifford M. Deal, III
Vice President, Treasurer

Norman C. George
Senior Vice President, Chief Marketing and Customer Officer

Ronald J. Hammond
Vice President, Supply Chain

Kevin A. Henry
Vice President, Human Resources

Umesh M. Kasbekar
Vice President, Planning and Administration

Lauren C. Steele
Vice President, Corporate Affairs

Steven D. Westphal
Vice President, Controller

Jolanta T. Zwirek
Vice President, Chief Information Officer

Exhibit 10.35

SETTLEMENT, RELEASE AND ACKNOWLEDGEMENT AGREEMENT

THIS SETTLEMENT, RELEASE AND ACKNOWLEDGEMENT AGREEMENT (the “Agreement”) is made and entered into as of the 5th day of December, 2003, and shall be effective as of the 27th day of December, 2003 (the “Effective Date”), by and between COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation (the “Corporation”), and ________________ (the “Executive” and together with the Corporation, the “Parties”).

Statement of Purpose

Executive participates in the Corporation’s Supplemental Savings Incentive Plan, (the “SSIP”), a non-qualified deferred compensation plan providing benefits to certain key employees of the Corporation. Executive has been previously designated as an Insurable Participant by the Committee for purposes of the SSIP. The Corporation has amended and restated the SSIP effective as of December 28, 2003. The amended and restated SSIP amends Section 4.4 of the SSIP to delete the death benefit previously provided by the Fixed Benefit Option for Insurable Participants who die before Normal Retirement Age (the “Amendment”). In exchange for Executive acknowledging and consenting to the Amendment and releasing the Corporation from any and all liability relating thereto, the Corporation has agreed to pay Executive a single sum amount as provided below.

NOW, THEREFORE, in consideration of the foregoing Statement of Purpose, the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Terminology. Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the SSIP.

2. Consent to the Amendment; Settlement Payment. Executive hereby acknowledges that Executive has received and reviewed a copy of: (i) the SSIP as amended and restated effective as of December 28, 2003 and (ii) the Plan Summary for the SSIP as amended and restated effective as of December 28, 2003. Executive hereby consents to the Amendment as set forth in the amended and restated SSIP. In consideration for such consent and for Executive’s release provided in Paragraph 3 below, the Corporation shall pay to Executive a single sum cash payment of **[______________]** (the “Payment”) by January 31, 2004, subject to the withholding of income taxes and all other taxes as required by applicable law.

3. Release. In consideration of the Payment, Executive, for himself or herself and his or her heirs, beneficiaries, legal representatives, successors and assigns (the “Releasing Party”), does hereby release, acquit and forever discharge the Corporation and each and every one of its present or former stockholders, directors, officers, owners, affiliates, subsidiaries, predecessors, successors, assigns, representatives and agents (the “Released Party”) from any and all claims, demands, actions, causes of action, suits, liabilities and disputes of any nature whatsoever, at law, in equity, or otherwise that the Releasing Party ever had, now has or hereafter may have

against the Released Party for, upon or by reason of any matter, cause or thing whatsoever with respect to or arising out of the Amendment (including, without limitation, any claims for any amounts that any Releasing Party would have been entitled to under the SSIP had the Amendment not been made). With respect to this release, Executive represents to the Corporation that Executive is aware, understands and agrees that (i) Executive voluntarily entered into this Agreement, (ii) Executive had and has the right to consult with an attorney regarding this Agreement before signing it, and (iii) Executive has carefully read this Agreement and fully understands each and every term herein.

4. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns, heirs and executors.

5. Further Assurances. Executive and the Corporation shall execute all such further and additional documents, if any, and take such further and additional actions, if any, as shall be reasonable and appropriate to carry out the provisions of this Agreement.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the conflict of laws provisions thereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the 5th day of December, 2003 to be effective as of the Effective Date.

"Executive"

____

Address:

____

____

"Corporation"

COCA-COLA BOTTLING CO. CONSOLIDATED

By: __________________________

Name: ________________________

Title: _________________________

Annex A
Exhibit 10.35

Schedule to Form of SSIP Settlement, Release and Acknowledgement Agreement

Name	Position	Cash Payment upon SSIP Settlement, Release and Acknowledgement
J. Frank Harrison, III	Chairman and Chief Executive Officer	$ 28,272
William B. Elmore	President and Chief Operating Officer	62,810
Robert D. Pettus, Jr.	Executive Vice President and Assistant to the Chairman	1,963
David V. Singer	Executive Vice President and Chief Financial Officer	81,573
C. Ray Mayhall, Jr.	Senior Vice President, Sales	6,944
Clifford M. Deal, III	Vice President, Treasurer	5,106
Norman C. George	Senior Vice President, Chief Marketing and Customer Officer	26,737
Ronald J. Hammond	Vice President, Supply Chain	4,228
Kevin A. Henry	Vice President, Human Resources	7,623
Umesh M. Kasbekar	Vice President, Planning and Administration	35,977
Lauren C. Steele	Vice President, Corporate Affairs	20,361
Steven D. Westphal	Vice President, Controller	16,690
Jolanta T. Zwirek	Vice President, Chief Information Officer	23,300

Exhibit 10.36

SPLIT-DOLLAR TERMINATION AGREEMENT

This SPLIT-DOLLAR TERMINATION AGREEMENT (the "Agreement") is made and entered into as of the 5th day of December, 2003, and shall be effective as of the 27th day of December, 2003 (the "Effective Date"), by and between COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation (the "Corporation"), and Jan M. Harrison, Trustee under the Irrevocable Trust Agreement of J. Frank Harrison, III, dated January 19, 1990 (the "Trustee" and together with the Corporation, the "Parties").

Statement of Purpose

The Corporation and Trustee are parties to that certain Split-Dollar Agreement dated March 2, 1990 (the "Split-Dollar Agreement"), relating to insurance policies insuring the life of J. Frank Harrison, III, specifically policies 7-715-353 and 7-715-361 issued by Massachusetts Mutual Life Insurance Co. (each a "Policy"). The Corporation and Trustee are also parties to that certain Assignment of Split-Dollar Policy as Collateral by Trustee in favor of the Corporation dated March 2, 1990 (the "Collateral Assignment"). The Corporation and Trustee now desire to terminate the Split-Dollar Agreement and the Collateral Assignment, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties hereby agree as follows:

1. Termination of Agreements. The Corporation shall be repaid its Policy Interest (as defined in the Split-Dollar Agreement) in each Policy as of the Effective Date, at which time the Split-Dollar Agreement and the Collateral Assignment shall be deemed terminated and all obligations of the Parties thereunder extinguished. The Parties shall execute and deliver all necessary documents and take all such other actions as the other party may request to effect the transactions contemplated herein.

2. Mutual Release. Each Party for itself and its heirs, beneficiaries, legal representatives, successors and assigns, as applicable (the "Releasing Party"), does hereby release, acquit and forever discharge the other Party and its heirs, beneficiaries, legal representatives, officers, directors, agents, successors and assigns, as applicable (the "Released Party"), from any and all claims, demands, actions, causes of action, suits, liabilities and disputes of any nature whatsoever, at law, in equity, or otherwise that the Releasing Party ever had, now has or hereafter may have against the Released Party arising out of the Split-Dollar Agreement and the Collateral Assignment, except that this provision shall not relieve either Party of any of its obligations under this Agreement. With respect to this release, Trustee represents to the Corporation that Trustee is aware, understands and agrees that (i) Trustee voluntarily entered into this Agreement, (ii) Trustee had and has the right to consult with an attorney regarding this Agreement before signing it, and (iii) Trustee has carefully read this Agreement and fully understands each and every term herein.

4. Miscellaneous.

(a) Each of the Parties hereto agrees to execute and deliver such other documents or agreements and to take such other action as may be reasonably necessary or desirable for the implementation of this Agreement and the consummation of the transactions contemplated hereby.

(b) This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives, heirs, successors and assigns.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the conflicts of laws provisions thereof.

(d) Headings in this Agreement are provided for purposes of convenience only and shall not affect the interpretation of the terms hereof.

(e) This Agreement may not be amended, altered, modified or terminated except by a written instrument signed by the Parties or their respective successors or assigns.

[Signature page follows on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the 5th day of December, 2003 to be effective as of the Effective Date, as defined above.

"Trustee"

/s/ Jan M. Harrison

Jan M. Harrison, as Trustee under the Irrevocable Trust Agreement of J. Frank Harrison, III dated January 19, 1990

"Corporation"

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ Robert D. Pettus, Jr.

Name: Robert D. Pettus, Jr.
Title: Executive V.P. & Asst. to the Chairman

SPLIT-DOLLAR TERMINATION AGREEMENT

This SPLIT-DOLLAR TERMINATION AGREEMENT (the “Agreement”) is made and entered into as of the 5th day of December, 2003, and shall be effective as of the 27th day of December, 2003 (the “Effective Date”), by and between COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation (the “Corporation”), and Jan M. Harrison, Trustee under the Irrevocable Trust Agreement of J. Frank Harrison, III, dated June 13, 1994 (the “Trustee” and together with the Corporation, the “Parties”).

Statement of Purpose

The Corporation and Trustee are parties to that certain Insurance Agreement dated June 13, 1994 (the “Split-Dollar Agreement”), relating to insurance policies insuring the life of J. Frank Harrison, III (the “Executive”), specifically policy 12-979-942 issued by The Northwestern Mutual Life Insurance Co. (the “Northwestern Policy”) and policy 3768296 issued by The Guardian Life Insurance Co. of America (the “Guardian Policy” and with the Northwestern Policy, each a “Policy”). The Corporation and Trustee are also parties to that certain Assignment of Split-Dollar Policy as Collateral by Trustee in favor of the Corporation dated June 13, 1994 relating to the Guardian Policy and that certain Assignment of Split-Dollar Policy as Collateral by Trustee in favor of the Corporation dated June 13, 1994 relating to the Northwestern Policy (each a “Collateral Assignment”). The Corporation and Trustee now desire to terminate the Split-Dollar Agreement and the Collateral Assignment, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties hereby agree as follows:

1. Termination of Agreements. The Corporation shall be repaid its Policy Interest (as defined in the Split-Dollar Agreement) in the Northwestern Policy and the Guardian Policy as of the Effective Date, at which time the Split-Dollar Agreement and each Collateral Assignment shall be deemed terminated and all obligations of the Parties thereunder extinguished. The Parties shall execute and deliver all necessary documents and take all such other actions as the other party may request to effect the transactions contemplated herein.

2. Mutual Release. Each Party for itself and its heirs, beneficiaries, legal representatives, successors and assigns, as applicable (the “Releasing Party”), does hereby release, acquit and forever discharge the other Party and its heirs, beneficiaries, legal representatives, officers, directors, agents, successors and assigns, as applicable (the “Released Party”), from any and all claims, demands, actions, causes of action, suits, liabilities and disputes of any nature whatsoever, at law, in equity, or otherwise that the Releasing Party ever had, now has or hereafter may have against the Released Party arising out of the Split-Dollar Agreement and each Collateral Assignment, except that this provision shall not relieve either Party of any of its obligations under this Agreement. With respect to this release, Trustee represents to the

Corporation that Trustee is aware, understands and agrees that (i) Trustee voluntarily entered into this Agreement, (ii) Trustee had and has the right to consult with an attorney regarding this Agreement before signing it, and (iii) Trustee has carefully read this Agreement and fully understands each and every term herein.

3. Miscellaneous.

(a) Each of the Parties hereto agrees to execute and deliver such other documents or agreements and to take such other action as may be reasonably necessary or desirable for the implementation of this Agreement and the consummation of the transactions contemplated hereby.

(b) This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives heirs, successors and assigns.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the conflicts of laws provisions thereof.

(d) Headings in this Agreement are provided for purposes of convenience only and shall not affect the interpretation of the terms hereof.

(e) This Agreement may not be amended, altered, modified or terminated except by a written instrument signed by the Parties or their respective successors or assigns.

[Signature page follows on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the 5th day of December, 2003 to be effective as of the Effective Date, as defined above.

“Trustee”

/s/ Jan M. Harrison

Jan M. Harrison, as Trustee under the Irrevocable Trust Agreement of J. Frank Harrison, III dated June 13, 1994

“Corporation”

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ Robert D. Pettus, Jr.

Name: Robert D. Pettus, Jr.
Title: Executive V.P. & Asst. to the Chairman

Exhibit 10.37

LIFE INSURANCE BENEFIT AGREEMENT

This LIFE INSURANCE BENEFIT AGREEMENT (the "Agreement") is made and entered into as of the 5th day of December, 2003, and shall be effective as of the 28th day of December, 2003 (the "Effective Date"), by and between COCA-COLA BOTTLING CO. CONSOLIDATED, a Delaware corporation (the "Corporation"), Jan M. Harrison, Trustee under the J. Frank Harrison, III 2003 Irrevocable Trust dated December 8, 2003 (the "JFH Trust"), John R. Morgan, Trustee under the Harrison Family 2003 Irrevocable Trust dated December 8, 2003 (the "Family Trust"), and J. Frank Harrison, III (the "Executive" and together with the JFH Trust, the Family Trust and the Corporation, the "Parties").

Statement of Purpose

Executive is the Chairman and Chief Executive Officer of the Corporation. The Corporation has previously provided Executive certain life insurance benefits in accordance with certain split-dollar arrangements. These split-dollar arrangements have been terminated effective December 27, 2003. As part of Executive's continuing compensation and benefit arrangements, the Corporation wishes to provide replacement life insurance benefits for Executive.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties hereto agree as follows:

1. Life Insurance Benefit. As of the Effective Date, the JFH Trust is the owner of the life insurance policy more particularly described on Exhibit A (the "JFH Trust Policy") and the Family Trust is the owner of the life insurance policy more particularly described on Exhibit B (the "Family Trust Policy"). The Corporation hereby agrees to pay the annual premiums on the JFH Trust Policy and the Family Trust Policy, as set forth on Exhibit A and Exhibit B respectively. The Corporation's obligation under this Paragraph 1 shall continue until (a) the premiums and expenses of both the JFH Trust Policy and the Family Trust Policy have been paid in full or (b) the death of (i) Executive in the case of the JFH Trust Policy or (ii) both Executive and his spouse in the case of the Family Trust Policy.

2. Taxes. Executive acknowledges that the premium payments made pursuant to Paragraph 1 will be treated as compensation taxable to him. The Corporation agrees to make a tax gross-up payment on behalf of Executive, in an amount to be determined by the Corporation in its sole discretion, for each year in which a premium payment is made on the Policy by the Corporation.

3. Miscellaneous.

(a) This Agreement may not be amended, altered or modified except by a written instrument signed by the Parties or their respective successors or assigns and may not be otherwise terminated except as provided herein.

(b) This Agreement shall be binding upon the Parties, their heirs, legal representatives, successors and assigns.

(c) This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of North Carolina except to the extent (if any) superceded by the laws of the United States.

(d) Headings in this Agreement are provided for purposes of convenience only and shall not affect the interpretation of the terms hereof.

(e) All notices and other communications hereunder must be in writing and shall be deemed to have been duly given when either personally delivered or placed in the United States mails by Certified Mail, return receipt requested, postage prepaid, addressed to the party to whom such notice is being given as follows:

As to the Corporation:	Coca-Cola Bottling Co. Consolidated 4100 Coca-Cola Plaza Charlotte, North Carolina 28211 Attention: Executive Compensation and Benefits Department
As to the Trustee of the JFH Trust:	Jan M. Harrison **[Intentionally Omitted]**
As to the Trustee of the Family Trust:	John R. Morgan Poole, Thornbury & Morgan 732 Cherry Street Chattanooga, Tennessee 37402
As to the Executive:	J. Frank Harrison, III **[Intentionally Omitted]**

Any party may change its address (or the name of the person to whose attention communications hereunder shall be directed) from time to time by serving notice thereof upon the other party as provided herein.

[Signature page follows on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the 12th day of December, 2003 to be effective as of the Effective Date.

"JFH Trust"

/s/ Jan M. Harrison

Jan M. Harrison, as Trustee of the J. Frank Harrison, III 2003 Irrevocable Trust Dated December 8, 2003

"Family Trust"

/s/ John R. Morgan

John R. Morgan, as Trustee of the Harrison Family 2003 Irrevocable Trust Dated December 8, 2003

"Corporation"

COCA-COLA BOTTLING CO. CONSOLIDATED

By: /s/ Robert D. Pettas, Jr.

Name: Robert D. Pettas, Jr.
Title: Executive V.P. & Asst. to the Chairman

"Executive"

/s/ J. Frank Harrison, III

J. Frank Harrison, III

Exhibit A
JFH Trust

Insurance Policy

Insurer	Policy Number	Policy Date
Travelers Life & Annuity Company	7421840	December 19, 2003

Schedule of Premium Payments

Sixteen (16) annual payments of $145,431.66 commencing in December 2003.

Exhibit B
Family Trust

Insurance Policy

Insurer	Policy Number	Policy Date
Travelers Life & Annuity Company	7421839	December 19, 2003

Schedule of Premium Payments

Sixteen (16) annual payments of $77,271.87 commencing in December 2003.

Exhibit 21.1

LIST OF SUBSIDIARIES as of December 28, 2003

Entities Legal Name	*State & Date Inc./ Organized*	*Owned by*	*Ownership %*
Case Advertising, Inc.	Delaware 2/18/88	Consolidated	100%
CCBCC, Inc.	Delaware 12/20/93	Consolidated	100%
CCBCC Operations, LLC (“Operations”)	Delaware 10/14/2003	Consolidated	100%
CCBCC Vending, LLC	Delaware 9/25/03	Operations/Tennessee Soft Drink Production Company	100%
Chesapeake Treatment Company, LLC	North Carolina 6/5/95	Operations/Case Advertising, Inc.	100%
Coca-Cola Ventures, Inc.	Delaware 6/17/93	Consolidated	100%
Consolidated Beverage Co.	Delaware 1/8/97	Consolidated	100%
Consolidated Real Estate Group, LLC	North Carolina 01/04/2000	Consolidated	100%
Beverage Plus, LLC	North Carolina 10/02/2002	Consolidated	100%
Data Ventures, LLC	Delaware 03/12/1996	Consolidated	100%
Heath Oil Co., Inc.	South Carolina 9/9/86	Operations	100%
TXN, Inc.	Delaware 01/03/90	Data Ventures, LLC	100%
Tennessee Soft Drink Production Company	Tennessee 12/22/88	Operations	100%

LIST OF SUBSIDIARIES as of December 28, 2003

Entities Legal Name	***State & Date Inc./ Organized***	***Owned by***	***Ownership %***
Piedmont Coca-Cola Bottling Partnership (“Piedmont”)	Delaware 07/02/93	Coca-Cola Ventures, Inc.	77%
CCBC of Wilmington, Inc.	Delaware 06/17/93	Piedmont	100%

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-3 (Nos. 33-54657 and 333-71003) of Coca-Cola Bottling Co. Consolidated of our report dated February 18, 2004 relating to the financial statements and financial statement schedule, which appears in this form 10-K.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
March 11, 2004

Exhibit 31.1

I, J. Frank Harrison, III, certify that:

1. I have reviewed this annual report on Form 10-K of Coca-Cola Bottling Co. Consolidated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 11, 2004

/s/ J. FRANK HARRISON, III

J. Frank Harrison, III
Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 31.2

I, David V. Singer, certify that:

1. I have reviewed this annual report on Form 10-K of Coca-Cola Bottling Co. Consolidated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2004

/s/ DAVID V. SINGER

David V. Singer
Executive Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Coca-Cola Bottling Co. Consolidated (the “Company”) on Form 10-K for the period ending December 28, 2003 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, and David V. Singer, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. Frank Harrison, III

J. Frank Harrison, III
Chairman of the Board of Directors and
Chief Executive Officer
March 11, 2004

/s/ David V. Singer

David V. Singer
Executive Vice President and
Chief Financial Officer
March 11, 2004