

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 29, 1996

Commission file number 0-9286

COCA-COLA BOTTLING CO. CONSOLIDATED

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

56-0950585
(I.R.S. Employer Identification Number)

1900 REXFORD ROAD,
CHARLOTTE, NORTH CAROLINA 28211
(Address of principal executive offices)
(Zip Code)

(704) 551-4400
(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, \$1.00 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 X 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 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. X

State the aggregate market value of voting stock held by non-affiliates of the Registrant.

Table with 2 columns: Security Class, MARKET VALUE AS OF MARCH 10, 1997. Rows: Common Stock, \$1 par value (\$267,413,000); Class B Common Stock, \$1 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.

Table with 2 columns: CLASS, OUTSTANDING AS OF MARCH 10, 1997. Rows: Common Stock, \$1 Par Value (7,044,985); Class B Common Stock, \$1 Par Value (1,319,862).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Proxy Statement to be filed pursuant to Section 14 of the Exchange Act with respect to the 1997 Annual Meeting of Shareholders..... Part III, Items 10-13

PART I

ITEM 1 -- BUSINESS

INTRODUCTION AND RECENT DEVELOPMENTS

Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Company"), is engaged in the production, marketing and distribution of carbonated and noncarbonated beverages, primarily products of The Coca-Cola Company, Atlanta, Georgia ("The Coca-Cola Company"). The Company has been in the soft drink manufacturing business since 1902.

The Company has grown significantly since 1984. In 1984, net sales were approximately \$130 million. In 1996, net sales were approximately \$774 million. The Company's franchise territory was concentrated in North Carolina prior to 1984. A series of acquisitions since 1984 have significantly expanded the Company's franchise territory. The most significant transactions were as follows:

- (Bullet) February 8, 1985 -- Acquisition of various subsidiaries of Wometco Coca-Cola Bottling Company which included franchise territories in parts of Alabama, Tennessee and Virginia. Other noncontiguous territories acquired in this acquisition were subsequently sold.
- (Bullet) January 27, 1989 -- Acquisition of all of the outstanding stock of The Coca-Cola Bottling Company of West Virginia, Inc. which included franchise territory covering most of the state of West Virginia.
- (Bullet) December 20, 1991 -- Acquisition of all of the outstanding capital stock of Sunbelt Coca-Cola Bottling Company, Inc. ("Sunbelt") which included franchise territory covering parts of North Carolina and South Carolina.
- (Bullet) July 2, 1993 -- Formation of Piedmont Coca-Cola Bottling Partnership ("Piedmont"). Piedmont is a joint venture 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 franchise 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.
- (Bullet) June 1, 1994 -- The Company executed a management agreement with South Atlantic Cannery, 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 10-year management agreement. SAC significantly expanded its operations by adding two PET bottling lines. These bottling lines supply a portion of the Company's and Piedmont's volume requirements for PET finished products.

These transactions, along with several smaller acquisitions of additional franchise territory, have resulted in the Company becoming the second largest Coca-Cola bottler in the United States.

On November 14, 1996 the Company announced a Dutch auction self tender to repurchase up to one million of its outstanding shares of Common Stock. On December 13, 1996 the Company repurchased 508,690 shares of its Common Stock under the terms of this offer at \$46.00 per share for a total purchase price of \$23.4 million. On January 7, 1997 an additional 145,260 shares of Common Stock were repurchased for \$6.9 million from a shareholder in a private transaction.

The Coca-Cola Company currently owns an economic interest of approximately 30% and a voting interest of approximately 23% in the Company. The Coca-Cola Company's economic interest was achieved through a series of transactions as follows:

- (Bullet) June 1987 -- The Company sold 1,355,033 shares of newly issued Common Stock and 269,158 shares of Class B Common Stock to The Coca-Cola Company.
- (Bullet) January 27, 1989 -- The Company issued 1.1 million shares of Common Stock to The Coca-Cola Company in exchange for all of the outstanding stock of The Coca-Cola Bottling Company of West Virginia, Inc.
- (Bullet) June 25, 1993 -- The Company sold 33,464 shares of Common Stock to The Coca-Cola Company pursuant to an agreement to maintain its voting and equity interest at a prescribed level.
- (Bullet) February 20, 1997 -- Subsequent to fiscal year end, the Company purchased 275,490 shares of its Common Stock for \$13.1 million from The Coca-Cola Company pursuant to an agreement to maintain The Coca-Cola Company's voting and equity interest at a prescribed level.

The Company considers acquisition opportunities for additional territories on an ongoing basis. To achieve its goals, further purchases and sales of franchise rights and entities possessing such rights and other related transactions designed to facilitate such purchases and sales may occur.

GENERAL

In its soft drink operations, the Company holds franchises 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, caffeine free diet Coke, Cherry Coke, TAB, Sprite, diet Sprite, Mello Yello, diet Mello Yello, Mr. PiBB, Barq's Root Beer, diet Barq's Root Beer, Fresca, Minute Maid orange and diet Minute Maid orange sodas. The Company also distributes and markets POWERaDE, ready-to-drink Nestea, Fruitopia and Minute Maid Juices To Go in certain of its markets. The Company produces and markets Dr Pepper in most of its regions. Various other products, including Welch's flavors, Seagrams' products and Sundrop are produced and marketed in one or more of the Company's regions under franchise agreements with the companies that manufacture the concentrate for those beverages. In addition, the Company also produces soft drinks for other Coca-Cola franchise bottlers.

The Company's principal soft drink is Coca-Cola classic. During the last three fiscal years, sales of products under the trademark Coca-Cola 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 90% of the Company's soft drink sales during fiscal 1996.

FRANCHISES

The Company's franchises from The Coca-Cola Company 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 franchises. 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 are manufactured. The concentrates, when mixed with water and sweetener, produce syrup which, when mixed with carbonated water, produce the soft drinks known as "Coca-Cola," "Coca-Cola classic," "Coke" and other soft drinks of The Coca-Cola Company which are manufactured and marketed by the Company. The Company also purchases natural sweeteners from The Coca-Cola Company. No royalty or other compensation is paid under the franchise agreements to The Coca-Cola Company for the Company's right to use in its territories the franchised tradenames and trademarks, such as "Coca-Cola," "Coca-Cola classic" and "Coke," and their associated patents, copyrights, designs and labels, all of which are owned by The Coca-Cola Company. The Company has similar arrangements with the Dr Pepper Company and other franchisors.

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, Coca-Cola classic, caffeine free Coca-Cola classic, Cherry Coke, diet Coke, caffeine free diet Coke and diet Cherry 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 non-refillable bottles. The Coca-Cola Company may determine from time to time what containers of this type to authorize for use by the Company.

The price The Coca-Cola Company may charge for syrup or concentrate 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 plan 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 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 franchise 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 syrup or concentrate 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; or (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; or (6) selling any product under any trade dress, trademark, or tradename or in any container that is an imitation of or is confusingly similar to, any trade dress, trademark, or tradename or container in which The Coca-Cola Company has a proprietary interest; or (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 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. Other contracts with The Coca-Cola Company (the "Allied Bottle Contracts") grant similar exclusive rights to the Company with respect to the distribution of Sprite, Mr. PiBB, Mello Yello, diet Mello Yello, Fanta, TAB, diet Sprite, sugar free Mr. PiBB, Fresca, Barq's Root Beer, diet Barq's Root Beer, Minute Maid orange and diet Minute Maid orange sodas (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 10 years and is renewable by the Company for an additional 10 years at the end of each 10 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 Contract 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 Contract that remains uncured for 120 days after notice by The Coca-Cola Company.

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.

OTHER BOTTLING AGREEMENTS. The bottling agreements from most other soft drink franchisors are similar to those described above in that they are renewable at the option of the Company and the franchisors. The price the franchisors may charge for syrup or concentrate is set by the franchisors 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 10% of the Company's sales for fiscal 1996.

The territories covered by the Allied Bottle Contracts and by bottling agreements for products of franchisors 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 business of the Company taken as a whole.

MARKETS AND PRODUCTION AND DISTRIBUTION FACILITIES

As of March 10, 1997, the Company held franchises from The Coca-Cola Company covering the majority of central, northern and western North Carolina, and portions of Alabama, Mississippi, Tennessee, Kentucky, Virginia, West Virginia, Ohio, Pennsylvania, Georgia and Florida. The total population within the Company's franchise territory is approximately 12.1 million.

As of March 10, 1997, the Company operated in six principal geographical regions. Certain information regarding each of these markets follows:

1. NORTH CAROLINA. This region includes the majority of central and western North Carolina, including Raleigh, Greensboro, Winston-Salem, High Point, Hickory, Asheville, Fayetteville and Charlotte and the surrounding areas. The region has an estimated population of 5.3 million. Production/distribution facilities are located in Charlotte and 15 other distribution facilities are located in the region.

2. SOUTH ALABAMA. This region includes a portion of southwestern Alabama, including the area surrounding Mobile, and a portion of southeastern Mississippi. The region has an estimated population of 900,000. A production/distribution facility is located in Mobile, and five other distribution facilities are located in the region.

3. SOUTH GEORGIA. This region includes a small portion of eastern Alabama, a portion of southwestern Georgia surrounding Columbus, Georgia, in which a distribution facility is located, and a portion of the Florida Panhandle, including Panama City and Quincy. Four other distribution facilities are located in the region. This region has an estimated population of 1.0 million.

4. MIDDLE TENNESSEE. This region includes a portion of central Tennessee, including areas surrounding Nashville, and a small portion of southern Kentucky. The region has an estimated population of 1.6 million. A production/distribution facility is located in Nashville and seven other distribution facilities are located in the region.

5. WESTERN VIRGINIA. This region includes most of southwestern Virginia, including areas surrounding Roanoke, 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 1.4 million. A production/distribution facility is located in Roanoke and seven other distribution facilities are located in the region.

6. WEST VIRGINIA. This region includes most of the state of West Virginia, a portion of eastern Kentucky, a portion of eastern Ohio and a portion of southwestern Pennsylvania. The region has an estimated population of 1.9 million. There are 11 distribution facilities located in the region.

The Company owns 100% of the operations in each of the regions listed.

The Company sold the majority of its South Carolina franchise territory to Piedmont in July 1993. Pursuant to a management agreement, the Company produces a portion of the soft drink products for Piedmont. The Company currently owns a 50% interest in Piedmont. Piedmont's franchise territory covers parts of eastern North Carolina and most of South Carolina. This region has an estimated population of 4.1 million.

On June 1, 1994, the Company executed a management agreement with South Atlantic Cannery, 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 10-year management agreement. SAC has significantly expanded its operations by adding two PET bottling lines. The bottling lines supply a portion of the Company's and Piedmont's volume requirements for PET finished products. The Company 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.

In addition to producing bottled and canned soft drinks for the Company's franchise territories, each production facility also produces some products for sale by other Coca-Cola bottlers. With the exception of the Company's production of soft drink products for Piedmont, this contract production is currently not material in the Company's production centers.

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, glass and 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 sweetener, cans and plastic bottles, the Company purchases its raw materials from multiple suppliers.

The cost of aluminum cans increased significantly at the beginning of 1995 as a result of increases in the price of aluminum ingot. The Company entered into supply agreements in the fourth quarter of 1995 with its aluminum can suppliers which require the Company to purchase the majority of its aluminum can requirements for two of its four manufacturing facilities. These agreements, which extend through the end of 2000, also reduce the variability of the cost of cans for these two facilities.

The Company purchases substantially all of its plastic bottles (20 ounce, 1 liter, 2 liter and 3 liter sizes) from manufacturing plants which are owned and operated by two cooperatives of Coca-Cola bottlers, including the Company. The Company joined the southwest cooperative in February 1985 following its acquisition of the bottling subsidiaries of Wometco Coca-Cola Bottling Company. The Company joined the southeast cooperative in 1984.

None of the materials or supplies used by the Company is in short supply, although the supply of specific materials 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 by its employees to retail stores and other outlets, including food markets, institutional accounts and vending machine outlets. During 1996, approximately 75% of the Company's total sales were made in the take-home channel through supermarkets, convenience stores and other retail outlets. The remaining sales were made in the cold drink channel, primarily through dispensing machines, owned either by the Company, retail outlets or third party vending companies.

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. Product introductions in recent years include: caffeine free Coca-Cola classic; caffeine free diet Coke; Cherry Coke; diet Mello Yello; Minute Maid orange; diet Minute Maid orange; ready-to-drink Nestea; Fruitopia; POWERaDE and Minute Maid Juices To Go. New product introductions have entailed increased operating costs for the Company resulting from special marketing efforts, obsolescence of replaced items and, occasionally, higher raw materials costs.

After several new package introductions in recent years, the Company now sells its soft drink products in a variety of refillable and non-refillable bottles, both glass and plastic, and in cans, in varying proportions from market to market. There may be as many as eight different packages for Coca-Cola classic within a single geographical area. Physical unit sales of soft drinks during fiscal year 1996 were approximately 49% cans, 48% non-refillable bottles, 2% pre-mix and 1% refillable bottles.

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 Company each have joined the Company in making substantial expenditures in cooperative advertising in the Company's marketing areas. The Company also benefits from national advertising programs conducted by The Coca-Cola Company and Dr Pepper Company, respectively. In addition, the Company expends substantial funds on its own behalf for extensive local sales promotions of the Company's soft drink products. These expenses are partially offset by marketing funds which the franchisors provide to the Company in support of a variety of marketing programs, such as price promotions, merchandising programs and point-of-sale displays.

The substantial outlays which the Company makes for advertising are generally regarded as necessary to maintain or increase sales volume, and any curtailment of the funding provided by The Coca-Cola Company for advertising or marketing programs which benefit the Company could have a material effect on the business 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.

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 95% 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 products. The Company's carbonated beverage 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, packaging changes, price promotions, quality and frequency of distribution and advertising.

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.

No reformulation of the Company's products is presently required by any rule or regulation, but there can be no assurance that future government regulations will not require reformulation of the Company's products.

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 non-refillable 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 North Carolina, South Carolina, West Virginia and Tennessee for several years. To the Company's knowledge, legislation has not been proposed or enacted to increase the tax in West Virginia or Tennessee. The North Carolina soft drink tax was reduced by 25% effective July 1, 1996. The North Carolina General Assembly also enacted a measure repealing the soft drink tax in 25% increments over a three-year period, such that it will be eliminated in 1999.

The South Carolina soft drink tax has been repealed and is being phased out ratably over a six-year period beginning July 1, 1996.

ENVIRONMENTAL REMEDIATION

The Company does not currently have any material capital expenditure commitments for environmental remediation for any of its properties.

EMPLOYEES

As of March 10, 1997, the Company had a total of approximately 4,800 full-time employees, of whom approximately 400 were union members. Management of the Company believes that the Company's relations with its employees are generally good.

ITEM 2 -- PROPERTIES

The principal properties of the Company include its corporate headquarters, its four production facilities and its 54 distribution centers, all of which are owned by the Company except for its corporate headquarters, two production/distribution facilities and nine distribution centers.

On November 30, 1992, the Company and the owner of the Company's Snyder Production Center in Charlotte, North Carolina agreed to the early termination of the Company's lease. Harrison Limited Partnership One purchased the property contemporaneously with the termination of the lease, and the Company and Harrison Limited Partnership One entered into an agreement under which the Company leased the property for a 10-year term beginning on December 1, 1992. JFH Management, Inc., a North Carolina corporation of which J. Frank Harrison, Jr. is the sole shareholder, serves as sole general partner of the limited partnership that purchased the production center property. The sole limited partner of the limited partnership is a trust as to which J. Frank Harrison, III and Reid M. Henson are co-trustees, share investment powers, and as to which they share voting power for purposes of this partnership interest. The beneficiaries of this trust are J. Frank Harrison, Jr. and his descendants. The annual base rent the Company is obligated to pay under the lease agreement is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates based on London Interbank Offered Rate ("LIBOR").

On June 1, 1993, Beacon Investment Corporation, a North Carolina corporation of which J. Frank Harrison, III is sole shareholder, purchased the office building located on Rexford Road in Charlotte, North Carolina, in which the Company leases its principal executive offices. Contemporaneously, the Company entered into a 10-year lease commencing June 1, 1993 with Beacon Investment Corporation for office space within the building. The annual base rent the Company is obligated to pay under the lease agreement is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates based on LIBOR.

The Company also leases its 297,500 square-foot production/distribution facility in Nashville, Tennessee. The lease requires monthly payments through 2002. The Company's other real estate leases are not material.

The Company owns and operates two soft drink production facilities apart from the leased facilities described above. The current percentage utilization of the Company's production centers as of March 10, 1997 is approximately as indicated below:

PRODUCTION FACILITIES

LOCATION	PERCENTAGE UTILIZATION*
Charlotte, North Carolina.....	86%
Mobile, Alabama.....	79%
Nashville, Tennessee.....	70%
Roanoke, Virginia.....	89%

* Estimated 1997 production divided by capacity (based on 80 hours of operations per week).

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 South Atlantic Cannery, Inc.

Bottled and canned soft drinks are transported to distribution centers for storage pending sale. The number of distribution centers by market area as of March 10, 1997 is as follows:

DISTRIBUTION CENTERS

REGION	NUMBER OF CENTERS
North Carolina.....	16
South Alabama.....	6
South Georgia.....	5
Middle Tennessee.....	8
Western Virginia.....	8
West Virginia.....	11

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

The Company also operates approximately 2,700 vehicles in the sale and distribution of its soft drink products, of which approximately 1,400 are delivery trucks. In addition, the Company owns or leases approximately 116,000 soft drink dispensing and vending machines.

ITEM 3 -- LEGAL PROCEEDINGS

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 these claims will not have a material adverse effect on the financial condition, cash flows or results of operations 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 29, 1996.

EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instruction G(3) of Form 10-K, the following list is included as an unnumbered item in Part I of this Report in lieu of being included in the Proxy Statement for the Annual Meeting of Shareholders to be filed.

The following is a list of names and ages of all the executive officers of the Registrant as of March 10, 1997, indicating all positions and offices with the Registrant 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 42, 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 in the capacity of Vice Chairman since November 1987 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 Compensation Committee and is a member of the Executive Committee, the Audit Committee and the Finance Committee.

REID M. HENSON, age 57, has served as a Vice Chairman of the Board of Directors of the Company since 1983. Prior to that time, Mr. Henson served as a consultant for JTL Corporation, a management company, and later as President of JTL Corporation. He has been a Director of the Company since 1979, is Chairman of the Audit Committee and is a member of the Executive Committee, the Retirement Benefits Committee and the Finance Committee.

JAMES L. MOORE, JR., age 54, is President and Chief Operating Officer of the Company. Prior to his election as President in March 1987, he served as President and Chief Executive Officer of Atlantic Soft Drink Co., a soft drink bottling subsidiary of Grand Metropolitan USA. Mr. Moore has been a Director of the Company since March 1987. He is a member of the Executive Committee and is Chairman of the Retirement Benefits Committee.

ROBERT D. PETTUS, JR., age 52, 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. Prior to joining the Company, he was Director, Employee Relations for the Texize Division of Morton-Thiokol for seven years.

DAVID V. SINGER, age 41, is Vice President and Chief Financial Officer. In addition to his Finance duties, Mr. Singer has overall responsibility for the Company's Purchasing/Materials Management function as well as the Manufacturing function. He served as Vice President, Chief Financial Officer and Treasurer from October 1987 through May 1992; prior to that he was Vice President and Treasurer. Prior to joining the Company in March 1986, Mr. Singer was a Vice President of Corporate Banking for Mellon Bank, N.A.

M. CRAIG AKINS, age 46, is Regional Vice President, Sales for the Virginia and West Virginia Divisions, a position he has held since June 1996. He was previously Vice President, Cold Drink Market, a position he was appointed to in October 1993. He was Vice President, Division Manager of the Tennessee Division from 1989-1993. From 1987 through 1988, he was General Manager of the Nashville, TN sales center. From 1985 through 1986, he was Trade Development Director of the Tennessee Division. Prior to joining the Company in 1985, he was a Regional Trade Development Manager for Coca-Cola USA.

STEVEN D. CALDWELL, age 47, joined the Company in April 1987 as Vice President, Business Systems and Services. Prior to joining the Company, he was Director of MIS at Atlantic Soft Drink Co., a soft drink bottling subsidiary of Grand Metropolitan USA for four years.

WILLIAM B. ELMORE, age 41, is Vice President, Treasurer, a position he has held since June 1996. He was Vice President, Regional Manager for the Virginia Division, West Virginia Division and Tennessee Division, from November 1991 to June 1996. He was Vice President, Division Manager of the West Virginia Division from 1989-1991. He was Senior Director, Corporate Marketing from 1988-1989. Preceding that, he held various positions in sales and marketing in the Charlotte Division from 1985-1988. Before joining the Company in 1985, he was employed by Coca-Cola USA for seven years where he held several positions in their field sales organization.

NORMAN C. GEORGE, age 41, is Regional Vice President, Sales for the Carolinas South Region, a position he has held since November 1991. He served as Vice President, Division Manager of the Southern Division from 1988-1991. He served as Vice President, Division Manager of the Alabama Division from 1986-1988. From 1982-1986, he served as Director of Sales and Operations in the Northern Division. Prior to joining the Company in 1982, he was Sales Manager of the Dallas-Fort Worth Dr Pepper Bottling Company in Irving, Texas.

UMESH M. KASBEKAR, age 39, is Vice President, Planning and Administration, a position he has held since December 1994. He was Vice President, Planning from December 1988 until December 1994. He was first employed by the Company in 1983 and held various other positions with the Company from 1983 to 1988.

C. RAY MAYHALL, age 49, is Regional Vice President, Sales for the Georgia Division, Alabama Division and the Carolinas North Region, a position he has held since November 1991. He served as Vice President, Division Manager of the Northern Division from 1989-1991. Before joining the Company in 1989, he was Vice President, Sales and Marketing of Florida Coca-Cola Bottling Company, a position he had held since 1987. Prior to 1987, he was Division Manager of the Central Florida Division of Florida Coca-Cola Bottling Company for six years.

JAMES B. STUART, age 54, joined the Company in October 1990 as Vice President, Marketing. Mr. Stuart had been Senior Vice President, Sales and Marketing with JTL Corporation from 1980 until such company was acquired by The Coca-Cola Company in 1986. From 1987 until joining the Company in 1990, Mr. Stuart formed his own marketing company, serving a number of clients inside and outside the soft drink industry. During this period, he worked almost exclusively with the International Business Sector of The Coca-Cola Company.

STEVEN D. WESTPHAL, age 42, is Vice President and Controller of the Company, a position he has held since November 1987. Prior to joining the Company, he was Vice President-Finance for Joyce Beverages, an independent bottler, beginning in January 1985. Prior to working for Joyce Beverages, he was Director of Corporate Planning for Mid-Atlantic Coca-Cola Bottling Company, Inc. from December 1981 to December 1984.

PART II

ITEM 5 -- MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

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			
	1996		1995	
	HIGH	LOW	HIGH	LOW
First quarter.....	\$35.50	\$31.50	\$29.75	\$26.00
Second quarter.....	35.25	32.25	32.75	29.25
Third quarter.....	39.50	32.75	35.88	31.00
Fourth quarter.....	48.75	38.00	35.50	33.25

The quarterly dividend rate of \$.25 per share on both Common Stock and Class B Common Stock shares was maintained throughout 1994, 1995 and 1996.

Pursuant to the Company's Certificate of Incorporation, no cash dividend or dividend of property or stock other than stock of the Company may be declared and paid, per share, on the Class B Common Stock unless a dividend of an amount greater than or equal to such cash or property or stock has been declared and paid on the Common Stock. Reference should be made to Article Fourth of the Company's Certificate of Incorporation for additional provisions relating to the relative dividend rights of holders of Common Stock and Class B 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 shareholders of record of the Common Stock and Class B Common Stock, as of March 10, 1997, was 2,387 and 14, respectively.

ITEM 6 -- SELECTED FINANCIAL DATA

The following table sets forth certain selected financial data concerning the Company for the five years ended December 29, 1996. The data for the five years ended December 29, 1996 is unaudited but 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 which details the Company's significant acquisitions and divestitures since 1984.

COCA-COLA BOTTLING CO. CONSOLIDATED

SELECTED FINANCIAL DATA*

IN THOUSANDS (EXCEPT PER SHARE DATA)

SUMMARY OF OPERATIONS	FISCAL YEAR				
	1996	1995	1994	1993	1992
Net sales.....	\$773,763	\$761,876	\$723,896	\$686,960	\$ 655,778
Cost of sales.....	435,959	447,636	427,140	396,077	372,865
Selling expenses.....	177,734	158,831	149,992	144,411	151,382
General and administrative expenses.....	58,793	54,720	54,559	51,125	47,154
Depreciation expense.....	28,528	26,746	24,188	23,284	22,217
Amortization of goodwill and intangibles.....	12,238	12,230	12,309	14,784	18,326
Total costs and expenses.....	713,252	700,163	668,188	629,681	611,944
Income from operations.....	60,511	61,713	55,708	57,279	43,834
Interest expense.....	30,379	33,091	31,385	30,994	36,862
Other income (expense), net.....	(4,433)	(3,401)	63	(2,270)	(2,121)
Income before income taxes, extraordinary charge and effect of accounting changes.....	25,699	25,221	24,386	24,015	4,851
Federal and state income taxes.....	9,535	9,685	10,239	9,182	2,768
Income before extraordinary charge and effect of accounting changes.....	16,164	15,536	14,147	14,833	2,083
Extraordinary charge.....		(5,016)			
Effect of accounting changes.....			(2,211)		(116,199)
Net income (loss).....	16,164	10,520	11,936	14,833	(114,116)
Preferred stock dividends.....					4,195
Net income (loss) applicable to common shareholders.....	\$ 16,164	\$ 10,520	\$ 11,936	\$ 14,833	\$(118,311)
Income (loss) per share:					
Income (loss) before extraordinary charge and effect of accounting changes.....	\$ 1.74	\$ 1.67	\$ 1.52	\$ 1.60	\$ (.23)
Extraordinary charge.....		(.54)			
Effect of accounting changes.....			(.24)		(12.66)
Net income (loss) applicable to common shareholders.....	\$ 1.74	\$ 1.13	\$ 1.28	\$ 1.60	\$ (12.89)
Cash dividends per share:					
Common.....	\$ 1.00	\$ 1.00	\$ 1.00	\$.88	\$.88
Class B Common.....	\$ 1.00	\$ 1.00	\$ 1.00	\$.52	\$.52
OTHER INFORMATION					
Weighted average number of Common and Class B Common shares outstanding.....	9,280	9,294	9,294	9,258	9,181
YEAR-END FINANCIAL POSITION					
Total assets.....	\$702,396	\$676,571	\$664,159	\$648,449	\$ 785,871
Long-term debt.....	439,453	419,896	432,971	434,358	555,126
Shareholders' equity.....	22,269	38,972	33,981	29,629	25,806

* All years presented are 52-week years except for 1992 which is a 53-week year. See Note 2 to the consolidated financial statements for information concerning the Company's investment in Piedmont Coca-Cola Bottling Partnership. During 1992, the Company changed its method of accounting for income taxes and for postretirement benefits other than pensions. In 1994, the Company changed its method of accounting for postemployment benefits, as described in Note 12. In 1995, the Company recorded an extraordinary charge related to the repurchase at a premium of a portion of the Company's long-term debt, as described in Note 6.

INTRODUCTION

THE COMPANY

Coca-Cola Bottling Co. Consolidated ("the Company") is engaged in the production, marketing and distribution of soft drinks, primarily products of The Coca-Cola Company. Since 1984, the Company has expanded its franchise territory throughout the Southeast, primarily through acquisitions, increasing its net sales from \$130 million in 1984 to over \$773 million in 1996. The Company is currently the second largest bottler of products of The Coca-Cola Company in the United States.

THE YEAR IN REVIEW

Strong performance trends reported over the past five years continued in 1996. Key indicators including solid volume growth, higher earnings and increased operating cash flow continued to be favorable in 1996. Per capita consumption in the Company's franchise territory has increased at a rate in excess of the average for the Coca-Cola bottling system in the U.S. Earnings per share have increased dramatically over the past five years. Earnings per share in 1996 were \$1.74 compared to a per share loss before effect of accounting changes of \$.23 in 1992. Operating cash flow has increased from \$84.4 million in 1992 to \$101.3 million in 1996. We attribute our success to great products, a strong relationship with The Coca-Cola Company, strategic acquisitions, internal growth, solid operating performance and a highly motivated and dedicated group of over 5,000 employees. The Company continues to focus on its key long-term objectives including increasing per capita consumption, operating cash flow and shareholder value.

Operating results for 1996 were positively impacted by reductions in the costs of certain raw materials and packaging materials. The Company expects the favorable raw material cost environment to continue into 1997.

The Company continues to find new and innovative marketing strategies to spur increases in per capita consumption. The introduction of the PET contour bottle and the PET proprietary Sprite bottle over the past two years have generated very positive response from consumers. Sprite sales increased by 20% in 1996 over 1995. The Company participated in the high profile "Red Zone" promotion with the National Football League throughout the 1996 football season, culminating with the Super Bowl (TM) in January 1997. The Red Hot Olympic Summer promotion brought increased attention to our core brands during the summer.

On November 14, 1996 the Company issued a Dutch auction self tender to repurchase up to one million of its outstanding shares of Common Stock. On December 13, 1996 the Company repurchased 508,690 shares of its Common Stock under the terms of this offer at \$46.00 per share for a total purchase price of \$23.4 million. On January 7, 1997 an additional 145,260 shares of Common Stock were repurchased for \$6.9 million from a shareholder in a private transaction. During February 1997, the Company purchased 275,490 shares of its Common Stock from The Coca-Cola Company for \$13.1 million under a contractual arrangement to maintain The Coca-Cola Company's equity ownership at a prescribed level. These repurchases were financed using the Company's available lines of credit. Management of the Company believes that the Common Stock repurchases will enhance long-term shareholder value.

Subsequent to year end, on January 14, 1997, the Company purchased all of its equipment leases with Coca-Cola Financial Corporation for \$66.3 million. The leased equipment, primarily vending machines, is used throughout the Company's operating territory. The buyout of the leases will provide the Company with enhanced income tax benefits.

SIGNIFICANT EVENTS OF PRIOR YEARS

On November 1, 1995, the Company issued \$100 million of 6.85% debentures under its \$400 million shelf registration for debt and equities filed with the Securities and Exchange Commission in 1994. The proceeds from the issuance of the debentures were used to retire early \$87 million of the Company's Medium-Term Notes which matured in 1999, 2000 and 2002 and bore interest rates of 7.99%, 10.00% and 8.56%, respectively. In conjunction with the early retirement of the Medium-Term Notes, the Company recorded an after-tax extraordinary charge of \$5.0 million or \$.54 per share in 1995. This refinancing allowed the Company to extend debt maturities and take advantage of lower long-term interest rates.

On June 1, 1994, the Company executed a management agreement with South Atlantic Cannery, 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 this 10-year management agreement. SAC significantly expanded its operations by

adding two PET bottling lines. These new bottling lines supply a portion of the Company's volume requirements for PET product.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont Coca-Cola Bottling Partnership ("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 own a 50% interest in Piedmont. The Company is accounting for its investment in Piedmont using the equity method of accounting.

RESULTS OF OPERATIONS

1996 COMPARED TO 1995

NET INCOME

The Company reported net income of \$16.2 million or \$1.74 per share for fiscal 1996 compared to \$10.5 million or \$1.13 per share for fiscal 1995. The 1996 results include a non-cash, after-tax charge of \$2.7 million in the fourth quarter related to retirement benefits payable under an agreement with J. Frank Harrison, Jr., former Chairman of the Board of Directors of the Company. The 1995 results reflect an after-tax, extraordinary charge of \$5.0 million or \$.54 per share on the early retirement of some of the Company's Medium-Term Notes. Net income in 1996 was higher than net income in 1995 due primarily to reductions in the costs of certain raw materials and packaging materials, lower interest rates on the Company's long-term debt and a reduced effective income tax rate.

NET SALES

Net sales for 1996 increased 2%, reflecting a volume increase of 4% in franchise sales offset by lower contract sales to other Coca-Cola bottlers. The Company continued to see solid growth in its flagship brands, Coca-Cola classic and diet Coke. Sprite volume increased by 20% over the prior year. Mello Yello continues to enjoy strong growth with a volume increase of over 7% from 1995. Sales to other bottlers decreased by \$14.5 million during 1996 as compared to 1995 primarily due to South Atlantic Cannery, rather than the Company, selling certain products to Piedmont. Finished products are sold by the Company to Piedmont at cost.

COST OF SALES AND OPERATING EXPENSES

Gross margin increased by 7.5% from 1995. The Company benefited from decreases in costs for some of its key raw materials and packaging materials. This increase in gross margin was also attributable to lower contract sales on which gross margin is lower. The Company has agreements with its aluminum can suppliers which require the Company to purchase the majority of its aluminum can requirements for two of its four manufacturing facilities. These agreements, which extend through the end of 2000, also reduce the variability of the cost of cans for these two facilities.

Selling expenses increased from approximately 26% of net franchise sales in 1995 to approximately 28% of net franchise sales in 1996. The increase in selling expenses was primarily due to higher employment costs, expenses related to sales development programs, and special marketing and media costs related to the 1996 Summer Olympic Games.

Depreciation expense increased 6.7% as a result of significant capital spending in the past three years, primarily for manufacturing improvements related to packaging changes and improvements to distribution facilities. Depreciation expense will increase further in 1997 due to a buyout of approximately \$66.3 million of vending equipment leases in January 1997.

INVESTMENT IN PARTNERSHIP

The Company's share of Piedmont's net loss decreased to \$1.2 million in 1996 from \$2.1 million in 1995. The decreased loss was primarily due to additional income tax benefits from Piedmont's wholly owned corporate subsidiary.

INTEREST COSTS

Interest expense decreased by 8.2% in 1996 due to lower average interest rates on the Company's long-term debt and a reduction of debt balances for the majority of 1996. Lower interest rates were due primarily to the retirement of \$87 million of Medium-Term Notes in the fourth quarter of 1995. The Company's average borrowing cost for 1996 was 7.1% compared to 7.3% in 1995. Interest costs for 1997 are expected to increase significantly due to higher long-term debt levels associated with the repurchase of shares of the Company's Common Stock and a buyout of vending equipment leases in January 1997.

OTHER INCOME/EXPENSE

The \$1.0 million change in "other income (expense), net" for 1996 was due to losses on the sale of certain production equipment offset partially by a reduction in the use of the Company's trade accounts receivable sale program.

INCOME TAXES

The effective tax rate for federal and state income taxes was approximately 37.1% in 1996 versus approximately 38.4% in 1995. The difference between the effective rate and the statutory rate was due primarily to amortization of nondeductible goodwill, state income taxes, nondeductible premiums on officers' life insurance and other nondeductible expenses.

1995 COMPARED TO 1994

NET INCOME

The Company reported net income of \$10.5 million or \$1.13 per share for fiscal 1995 compared to \$11.9 million or \$1.28 per share for fiscal 1994. The 1995 results reflected an after-tax extraordinary charge of \$5.0 million or \$.54 per share on the early retirement of some of the Company's Medium-Term Notes. A one-time, after-tax noncash charge of \$2.2 million or \$.24 per share was recorded in 1994 upon the adoption of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" ("SFAS 112").

SALES

Net franchise sales for 1995 increased 9%, reflecting a volume increase of approximately 5% and higher average net selling prices. Sales to other bottlers decreased by 13% during 1995 as compared to 1994 primarily due to South Atlantic Canners providing a larger portion of Piedmont's finished products requirement. Finished products are sold by the Company to Piedmont at cost.

COST OF SALES AND OPERATING EXPENSES

Costs of sales related to net franchise sales increased due to increases in packaging costs; however, selling price increases more than offset the increases in cost of sales. The cost of aluminum cans increased significantly at the beginning of 1995 as a result of increases in the price of aluminum ingot. The Company entered into agreements with its aluminum can suppliers in the fourth quarter of 1995 requiring the Company to purchase the majority of its aluminum can requirements for two of its four manufacturing facilities. The cost of resin used to make plastic also increased significantly during 1995.

Gross margin increased 6% in 1995. As a percentage of net franchise sales, gross margin decreased slightly due to higher ingredient costs.

Selling expenses for 1995 increased at a slower rate than net sales. Selling expenses for 1995 decreased from approximately 26.3% of net franchise sales in 1994 to approximately 25.9% of net franchise sales in 1995. Increased selling costs were due to the Company's ongoing commitment to sales development programs which resulted in increased market share in 1995. Employment costs rose over 1994 levels due to increases in franchise volume and in certain sales and operational areas as the Company strives to improve employee retention in key markets.

Depreciation expense increased 10.6% as a result of increased capital spending in 1995 and 1994, primarily for manufacturing improvements related to packaging changes and improvements to distribution facilities.

INVESTMENT IN PARTNERSHIP

The Company's share of Piedmont's net loss increased from \$671,000 in 1994 to \$2.1 million in 1995. The increased loss was due primarily to higher short-term interest rates on Piedmont's variable rate debt.

INTEREST COSTS

Interest expense increased by 5.4% in 1995 despite a reduction in long-term debt of \$13 million. This increase is attributable to an average borrowing cost in 1995 of 7.3% versus 6.6% in 1994, due primarily to higher interest rates on the Company's variable rate debt.

OTHER INCOME/EXPENSE

The \$3.5 million change in "other income (expense), net" primarily reflects a \$1.2 million loss on the sale of assets in 1995 compared to a \$1.4 million gain on sales in 1994. In addition, higher short-term interest rates increased the cost of the Company's trade accounts receivable sale program by \$.6 million.

INCOME TAXES

The effective tax rate for federal and state income taxes was approximately 38.4% in 1995 versus approximately 42% in 1994. The difference between the effective rate and the statutory rate was due primarily to amortization of nondeductible goodwill, state income taxes, nondeductible premiums on officers' life insurance and other nondeductible expenses. The 1995 rate was lower than the 1994 rate due primarily to the utilization of certain credits and the lessened impact of nondeductible items.

FINANCIAL CONDITION

Working capital increased by \$44.2 million to \$33.9 million at December 29, 1996 compared to a deficit of \$10.3 million at December 31, 1995. The significant change in working capital is primarily due to the increase in trade accounts receivable of \$38.8 million from the prior year. The Company had sold \$35 million of its trade accounts receivable as of December 31, 1995 under an arrangement which had been in place since 1989. The program to sell trade accounts receivable was suspended during the latter part of 1996 as this program was no longer cost effective versus other financing alternatives. At December 29, 1996, the Company had not sold any of its trade accounts receivable. The increase in working capital was also due to a decrease in accounts payable and accrued liabilities of \$7.6 million. This decrease was attributable primarily to the timing of payments for certain accruals.

LIQUIDITY AND CAPITAL RESOURCES

As a part of its ongoing management of long-term debt maturities and evaluation of the most cost effective sources of capital, the Company restructured some of its available sources of borrowing during the year. The Company suspended its arrangement to sell an undivided interest in a designated pool of trade accounts receivable for up to a maximum of \$40 million. On December 31, 1995, the Company had sold \$35 million of its trade accounts receivable. On December 29, 1996, the Company had discontinued using the trade accounts receivable sale program. The Company is now using its informal lines of credit to finance a portion of the amounts previously obtained from the sale of its trade accounts receivable.

On November 1, 1995, the Company issued \$100 million of 6.85% debentures due 2007 pursuant to a \$400 million shelf registration for debt and equity securities. The net proceeds from this issuance were used to repurchase \$87 million of the Company's Medium-Term Notes due between 1999 and 2002 and to repay other outstanding borrowings.

The Company borrows from time to time under informal lines of credit from various banks. On December 29, 1996, the Company had approximately \$200 million available under these lines, of which \$19.7 million was outstanding. Loans under these lines are made at the sole discretion of the banks at rates negotiated at the time of borrowing.

In December 1996, the Company extended the maturity of a revolving credit agreement totaling \$170 million to December 2001. The agreement contains several covenants that establish minimum ratio requirements related to debt and cash flow. A commitment fee of 1/8% per year on the average daily unused amount of the banks' commitment is payable quarterly. On December 29, 1996, \$24 million was outstanding under this facility.

A \$100 million commercial paper program established in January 1990 was suspended during the year. The Company had no borrowings under its commercial paper program during 1995 and 1996.

It is the Company's intent to renew any borrowings under the revolving credit facility and the lines of credit as they mature. To the extent that any borrowings under the revolving credit facility and the informal lines of credit do not exceed the amount available under the Company's \$170 million revolving credit facility, they are classified as noncurrent liabilities.

On October 30, 1992, the Company entered into a three-year, \$50 million loan agreement. This agreement was amended November 30, 1992 to increase this facility by \$25 million to a total of \$75 million. The proceeds from the loan agreement were used primarily to redeem the Company's outstanding preferred stock. On January 31, 1994, funds from informal lines of credit were used to repay the \$75 million loan agreement.

The Company periodically uses interest rate hedging products to cost effectively modify risk from interest rate fluctuations in its underlying debt. The Company has historically altered its fixed/floating rate mix based upon anticipated operating cash flows of the Company relative to its debt level and the Company's ability to absorb increases in interest rates. 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.

The weighted average interest rate of the debt portfolio as of December 29, 1996 is 7.2%. The Company's overall interest rate for 1996 declined to 7.1% from 7.3% in 1995. Approximately 51% of the Company's debt portfolio of \$439 million was subject to changes in short-term interest rates as of December 29, 1996.

Leasing is used for certain capital additions when considered cost effective related to other sources of capital. Total lease expense in 1996 was \$27.0 million compared to \$23.3 million in 1995. The Company completed the buyout of approximately \$66.3 million of leases for vending equipment on January 14, 1997. This buyout will provide the Company with future income tax benefits. Lease expense is expected to decline in 1997 as a result of this transaction.

At the end of 1996, the Company had no material commitments for the purchase of capital assets other than those related to normal replacement of equipment.

Management believes that the Company, through the generation of cash flow from operations and the utilization of unused borrowing capacity, has sufficient financial resources available to maintain its current operations and provide for its current capital expenditure requirements. The Company considers the acquisition of additional franchise territories on an ongoing basis.

ITEM 8 -- FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED BALANCE SHEETS

IN THOUSANDS (EXCEPT SHARE DATA)

	DEC. 29, 1996	DEC. 31, 1995
ASSETS		
Current assets:		
Cash.....	\$ 2,941	\$ 2,434
Accounts receivable, trade, less allowance for doubtful accounts of \$410 and \$406.....	50,918	12,098
Accounts receivable from The Coca-Cola Company.....	2,392	6,725
Due from Piedmont Coca-Cola Bottling Partnership.....	5,888	4,584
Accounts receivable, other.....	8,216	9,492
Inventories.....	30,787	27,989
Prepaid expenses and other current assets.....	9,453	6,935
Total current assets.....	110,595	70,257
PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation of \$161,615 and \$153,602.....	190,073	191,800
INVESTMENT IN PIEDMONT COCA-COLA BOTTLING PARTNERSHIP.....	64,462	65,624
OTHER ASSETS.....	33,802	33,268
IDENTIFIABLE INTANGIBLE ASSETS, less accumulated amortization of \$95,403 and \$85,535.....	238,115	247,983
EXCESS OF COST OVER FAIR VALUE OF NET ASSETS OF BUSINESSES ACQUIRED, less accumulated amortization of \$26,269 and \$23,980.....	65,349	67,639
Total.....	\$702,396	\$676,571

See Accompanying Notes to Consolidated Financial Statements.

	DEC. 29, 1996	Dec. 31, 1995
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Portion of long-term debt payable within one year.....	\$ 105	\$ 120
Accounts payable and accrued liabilities.....	56,939	64,551
Accounts payable to The Coca-Cola Company.....	3,249	3,636
Accrued compensation.....	5,275	5,049
Accrued interest payable.....	11,112	7,218
Total current liabilities.....	76,680	80,574
DEFERRED INCOME TAXES.....	108,403	97,252
DEFERRED CREDITS.....	12,096	9,072
OTHER LIABILITIES.....	43,495	30,805
LONG-TERM DEBT.....	439,453	419,896
Total liabilities.....	680,127	637,599
SHAREHOLDERS' EQUITY:		
Convertible Preferred Stock, \$100 par value:		
Authorized-50,000 shares; Issued-None		
Nonconvertible Preferred Stock, \$100 par value:		
Authorized-50,000 shares; Issued-None		
Preferred Stock, \$.01 par value:		
Authorized-20,000,000 shares; Issued-None		
Common Stock, \$1 par value:		
Authorized-30,000,000 shares; Issued-10,107,359 and 10,090,859 shares.....	10,107	10,090
Class B Common Stock, \$1 par value:		
Authorized-10,000,000 shares; Issued-1,947,976 and 1,964,476 shares.....	1,948	1,965
Class C Common Stock, \$1 par value:		
Authorized-20,000,000 shares; Issued-None		
Capital in excess of par value.....	111,439	120,733
Accumulated deficit.....	(59,868)	(76,032)
Minimum pension liability adjustment.....	(104)	(138)
	63,522	56,618
Less-Treasury stock, at cost:		
Common-2,641,490 shares.....	40,844	17,237
Class B Common-628,114 shares.....	409	409
Total shareholders' equity.....	22,269	38,972
Total.....	\$702,396	\$676,571

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF OPERATIONS
IN THOUSANDS (EXCEPT PER SHARE DATA)

	1996	FISCAL YEAR 1995	1994
NET SALES (includes sales to Piedmont of \$61,565, \$71,123 and \$85,272).....	\$773,763	\$761,876	\$723,896
Cost of sales, excluding depreciation shown below (includes \$51,295, \$62,526 and \$75,879 related to sales to Piedmont).....	435,959	447,636	427,140
GROSS MARGIN.....	337,804	314,240	296,756
Selling expenses.....	177,734	158,831	149,992
General and administrative expenses.....	58,793	54,720	54,559
Depreciation expense.....	28,528	26,746	24,188
Amortization of goodwill and intangibles.....	12,238	12,230	12,309
INCOME FROM OPERATIONS.....	60,511	61,713	55,708
Interest expense.....	30,379	33,091	31,385
Other income (expense), net.....	(4,433)	(3,401)	63
Income before income taxes, extraordinary charge and effect of accounting change.....	25,699	25,221	24,386
Federal and state income taxes:			
Current.....	753	751	304
Deferred.....	8,782	8,934	9,935
Total federal and state income taxes.....	9,535	9,685	10,239
Income before extraordinary charge and effect of accounting change.....	16,164	15,536	14,147
Extraordinary charge, net of tax benefit of \$3,127.....		(5,016)	
Effect of accounting change.....			(2,211)
NET INCOME.....	\$ 16,164	\$ 10,520	\$ 11,936
Income per share:			
Income before extraordinary charge and effect of accounting change.....	\$ 1.74	\$ 1.67	\$ 1.52
Extraordinary charge.....		(.54)	
Effect of accounting change.....			(.24)
NET INCOME.....	\$ 1.74	\$ 1.13	\$ 1.28
Cash dividends per share:			
Common Stock.....	\$ 1.00	\$ 1.00	\$ 1.00
Class B Common Stock.....	1.00	1.00	1.00
Weighted average number of Common and Class B Common shares outstanding.....	9,280	9,294	9,294

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
IN THOUSANDS

	1996	FISCAL YEAR 1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income.....	\$ 16,164	\$ 10,520	\$ 11,936
Adjustments to reconcile net income to net cash provided by operating activities:			
Extraordinary charge.....		5,016	
Effect of accounting change.....			2,211
Depreciation expense.....	28,528	26,746	24,188
Amortization of goodwill and intangibles.....	12,238	12,230	12,309
Deferred income taxes.....	8,782	8,934	9,935
(Gains) losses on sale of property, plant and equipment.....	1,810	1,182	(1,361)
Amortization of debt costs.....	540	467	448
Undistributed loss of Piedmont Coca-Cola Bottling Partnership.....	1,162	2,105	671
Increase in current assets less current liabilities.....	(43,725)	(3,174)	(8,667)
Increase in other noncurrent assets.....	(994)	(9,588)	(3,287)
Increase in other noncurrent liabilities.....	18,675	10,891	7,779
Other.....	12	237	521
Total adjustments.....	27,028	55,046	44,747
Net cash provided by operating activities	43,192	65,566	56,683
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from the issuance of long-term debt.....	19,557	73,840	
Payments on long-term debt.....			(1,387)
Purchase of Common Stock.....	(23,607)		
Redemption of Medium-Term Notes.....		(95,948)	
Cash dividends paid.....	(9,294)	(9,295)	(9,294)
Other.....	(718)	791	(1,654)
Net cash used in financing activities.....	(14,062)	(30,612)	(12,335)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment.....	(29,990)	(37,284)	(49,292)
Proceeds from the sale of property, plant and equipment.....	1,367	2,952	5,494
Net cash used in investing activities.....	(28,623)	(34,332)	(43,798)
NET INCREASE IN CASH.....	507	622	550
CASH AT BEGINNING OF YEAR.....	2,434	1,812	1,262
CASH AT END OF YEAR.....	\$ 2,941	\$ 2,434	\$ 1,812

See Accompanying Notes to Consolidated Financial Statements.

COCA-COLA BOTTLING CO. CONSOLIDATED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

IN THOUSANDS

	COMMON STOCK	CLASS B COMMON STOCK	CAPITAL IN EXCESS OF PAR VALUE	ACCUMULATED DEFICIT	MINIMUM PENSION LIABILITY ADJUSTMENT	TREASURY STOCK
Balance on January 2, 1994.....	\$10,090	\$1,965	\$ 139,322	\$ (98,488)	\$ (5,614)	\$ 17,646
Net income.....				11,936		
Cash dividends paid.....			(9,294)			
Minimum pension liability adjustment.....					1,710	
Balance on January 1, 1995.....	10,090	1,965	130,028	(86,552)	(3,904)	17,646
Net income.....				10,520		
Cash dividends paid.....			(9,295)			
Minimum pension liability adjustment.....					3,766	
Balance on December 31, 1995.....	10,090	1,965	120,733	(76,032)	(138)	17,646
Net income.....				16,164		
Cash dividends paid.....			(9,294)			
Minimum pension liability adjustment.....					34	
Purchase of Treasury stock.....						23,607
Conversion of Class B Common Stock into Common Stock.....	17	(17)				
BALANCE ON DECEMBER 29, 1996.....	\$10,107	\$1,948	\$ 111,439	\$ (59,868)	\$ (104)	\$ 41,253

See Accompanying 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 12 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 fiscal years presented are the 52-week periods ended December 29, 1996, December 31, 1995 and January 1, 1995.

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

The Company's more 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.

INVENTORIES

Inventories are stated at the lower of cost, primarily determined on the last-in, first-out basis ("LIFO"), 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 income.

INVESTMENT IN PIEDMONT COCA-COLA BOTTLING PARTNERSHIP

The Company beneficially owns a 50% interest in Piedmont Coca-Cola Bottling Partnership ("Piedmont"). The Company accounts 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 are included in "Net sales." See Note 2 for additional information.

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.

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.

INTANGIBLE ASSETS AND EXCESS OF COST OVER FAIR VALUE OF NET ASSETS OF BUSINESSES
ACQUIRED

Identifiable intangible assets resulting from the acquisition of Coca-Cola bottling franchises are being amortized on a straight-line basis over periods ranging from 17 to 40 years. The excess of cost over fair value of net assets of businesses acquired is being amortized on a straight-line basis over 40 years.

The Company continually monitors conditions that may affect the carrying value of its intangible assets. When conditions indicate potential impairment of an intangible asset, the Company will undertake necessary market studies and reevaluate projected future cash flows associated with the intangible asset. When projected future cash flows, not discounted for the time value of money, are less than the carrying value of the intangible asset, the impaired asset is written down to its net realizable value.

PER SHARE AMOUNTS

Per share amounts are calculated based on the weighted average number of Common and Class B Common shares outstanding.

POSTEMPLOYMENT BENEFITS

In November 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" ("SFAS 112"). SFAS 112 requires the accrual, during the years that employees render service, of the expected cost of providing postemployment benefits if certain criteria are met. Postemployment benefits encompass various types of employer-provided benefits including, but not limited to, workers' compensation, disability-related benefits and severance benefits.

The Company adopted the provisions of SFAS 112 in the first quarter of 1994, effective January 3, 1994.

DERIVATIVE FINANCIAL INSTRUMENTS

Unamortized deferred gains or losses on interest rate swap terminations are amortized over the lives of the initial agreements as an adjustment to interest expense. Amounts receivable or payable under interest rate swap agreements are included in other assets or other liabilities.

2. INVESTMENT IN PIEDMONT COCA-COLA BOTTLING PARTNERSHIP

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont to distribute and market soft drink products primarily in certain portions of North Carolina and South Carolina. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially own 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.

Subsidiaries of the Company made an initial capital contribution to Piedmont of \$70 million in the aggregate. The capital contribution made by such subsidiaries was composed of approximately \$21.7 million in cash and of bottling operations and certain assets used in connection with the Company's Wilson, North Carolina and Greenville and Beaufort, South Carolina territories. The cash contributed to Piedmont by the Company's subsidiaries was provided from the Company's available credit facilities. The Company sold other territories to Piedmont for an aggregate purchase price of approximately \$118 million. Assets were sold or contributed at their approximate carrying values. Proceeds from the sale of territories to Piedmont, net of the Company's cash contribution, totaled approximately \$96 million and were used to reduce the Company's long-term debt.

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Summarized financial information for Piedmont is as follows:

IN THOUSANDS	DEC. 29, 1996	DEC. 31, 1995
Current assets.....	\$ 26,896	\$ 22,136
Noncurrent assets.....	344,976	351,450
Total assets.....	\$371,872	\$373,586
Current liabilities.....	\$ 14,573	\$ 13,775
Noncurrent liabilities.....	228,375	228,563
Total liabilities.....	242,948	242,338
Partners' equity.....	128,924	131,248
Total liabilities and partners' equity.....	\$371,872	\$373,586
Company's equity investment.....	\$ 64,462	\$ 65,624

IN THOUSANDS	1996	FISCAL YEAR 1995	1994
Net sales.....	\$223,834	\$212,665	\$194,054
Cost of sales.....	129,059	126,197	109,563
Gross margin.....	94,775	86,468	84,491
Income from operations.....	6,533	5,618	6,705
Net loss.....	\$ (2,324)	\$ (4,210)	\$ (1,342)
Company's equity in loss.....	\$ (1,162)	\$ (2,105)	\$ (671)

3. INVENTORIES

Inventories are summarized as follows:

IN THOUSANDS	DEC. 29, 1996	DEC. 31, 1995
Finished products.....	\$ 18,888	\$ 18,294
Manufacturing materials.....	9,894	8,324
Plastic pallets and other.....	2,005	1,371
Total inventories.....	\$ 30,787	\$ 27,989

The amounts included above for inventories valued by the LIFO method were greater than replacement or current cost by approximately \$2.1 million and \$1.2 million on December 29, 1996 and December 31, 1995, respectively, as a result of inventory premiums associated with certain acquisitions.

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

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

IN THOUSANDS	DEC. 29, 1996	DEC. 31, 1995	ESTIMATED USEFUL LIVES
Land.....	\$ 9,363	\$ 9,500	
Buildings.....	73,543	71,359	10-50 years
Machinery and equipment.....	81,090	80,909	5-20 years
Transportation equipment.....	54,599	48,267	4-10 years
Furniture and fixtures.....	26,002	23,027	7-10 years
Vending equipment.....	80,588	88,903	6-13 years
Leasehold and land improvements.....	25,343	20,048	5-20 years
Construction in progress.....	1,160	3,389	
Total property, plant and equipment, at cost.....	351,688	345,402	
Less: Accumulated depreciation.....	161,615	153,602	
Property, plant and equipment, net	\$190,073	\$191,800	

5. IDENTIFIABLE INTANGIBLE ASSETS

The principal categories and estimated useful lives of identifiable intangible assets, net of accumulated amortization, were as follows:

IN THOUSANDS	DEC. 29, 1996	DEC. 31, 1995	ESTIMATED USEFUL LIVES
Franchise rights.....	\$210,618	\$217,149	40 years
Customer lists.....	22,670	25,400	17-23 years
Advertising savings.....	4,251	4,764	17-23 years
Other.....	576	670	17-18 years
Total identifiable intangible assets.....	\$238,115	\$247,983	

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. LONG-TERM DEBT

Long-term debt is summarized as follows:

IN THOUSANDS	MATURITY	INTEREST RATE	FIXED(F) OR VARIABLE(V) RATE	INTEREST PAID	DEC. 29, 1996	DEC. 31, 1995
Lines of Credit.....	2001	5.50%	V	Varies	\$ 19,720	\$ 22,590
Revolving Credit.....	2001	5.86%	V	Varies	24,000	--
Term Loan Agreement.....	2002	6.39%	V	Varies	85,000	85,000
Term Loan Agreement.....	2003	6.39%	V	Varies	85,000	85,000
Medium-Term Notes.....	1998	6.14%	V	Quarterly	10,000	10,000
Medium-Term Notes.....	1998	10.05%	F	Semi- annually	2,000	2,000
Medium-Term Notes.....	1999	7.99%	F	Semi- annually	28,585	28,585
Medium-Term Notes.....	2000	10.00%	F	Semi- annually	25,500	25,500
Medium-Term Notes.....	2002	8.56%	F	Semi- annually	47,000	47,000
Debentures	2007	6.85%	F	Semi- annually	100,000	100,000
Other notes payable.....	1997- 2001	6.85%- 10.00%	F	Varies	12,753	14,341
Less: Portion of long-term debt payable within one year.....					439,558	420,016
Long-term debt.....					105	120
					\$439,453	\$419,896

The principal maturities of long-term debt outstanding on December 29, 1996 were as follows:

IN THOUSANDS	
1997.....	\$ 105
1998.....	12,030
1999.....	28,615
2000.....	27,681
2001.....	54,127
Thereafter.....	317,000
Total long-term debt.....	\$439,558

In December 1996, the Company extended the maturity date of the revolving credit agreement, totaling \$170 million, to December 2001. The agreement contains several covenants which establish ratio requirements related to debt, interest expense and cash flow. A facility fee of 1/8% per year on the banks' commitment is payable quarterly. There was \$24 million outstanding under this facility as of December 29, 1996.

The Company borrows from time to time under informal lines of credit from various banks. On December 29, 1996, the Company had approximately \$200 million of credit available under these lines, of which \$19.7 million was outstanding. Loans under these lines are made at the sole discretion of the banks at rates negotiated at the time of borrowing. It is the Company's intent to renew such borrowings as they mature. To the extent that these borrowings and borrowings under the revolving credit facility described above do not exceed the amount available under the Company's \$170 million revolving credit facility, they are classified as noncurrent liabilities.

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On November 20, 1995, the Company entered into a \$170 million loan agreement with \$85 million maturing in November 2002 and \$85 million maturing in November 2003. This loan was used to repay two \$60 million loans and other bank debt.

On October 12, 1994, a \$400 million shelf registration for debt and equity securities filed with the Securities and Exchange Commission became effective and the securities thereunder became available for issuance. On November 1, 1995, the Company issued \$100 million of 6.85% debentures due 2007 pursuant to such registration. The net proceeds from this issuance were used principally for refinancing existing indebtedness with the remainder used to repay other bank debt. During 1995, \$37.9 million of Medium-Term Notes due 1999 with a coupon rate of 7.99%, \$29.5 million of Medium-Term Notes due 2000 with a coupon rate of 10.00% and \$19.5 million of Medium-Term Notes due 2002 with a coupon rate of 8.56% were repurchased. An after-tax extraordinary charge of \$5.0 million related to the premium paid on these repurchases was recorded in the fourth quarter of 1995.

Prior to December 29, 1996, the Company had an arrangement under which it had the right to sell an undivided interest in a designated pool of trade accounts receivable for up to a maximum of \$40 million. The Company had sold \$35 million of its trade accounts receivable under this arrangement as of December 31, 1995. This arrangement was suspended during the fourth quarter of 1996. The discount on sales of trade accounts receivable was \$1.7 million, \$2.2 million and \$1.6 million in 1996, 1995 and 1994, respectively, and is included in "other income (expense), net."

A \$100 million commercial paper program established in January 1990 for general corporate purposes was suspended during the year. The Company had no borrowings under its commercial paper program during 1995 and 1996.

The Company has a weighted average interest rate of 7.2% for the debt portfolio as of December 29, 1996 unchanged from 7.2% at December 31, 1995. The Company's overall weighted average borrowing rate on its long-term debt decreased from an average of 7.3% during 1995 to an average of 7.1% during 1996.

As of December 29, 1996, after taking into account all of the interest rate hedging activities, approximately \$224 million or 51% of the total debt portfolio was subject to changes in short-term interest rates.

If average interest rates for the Company's debt portfolio increased by 1%, annual interest expense would have increased by approximately \$2.2 million and net income for the year ended December 29, 1996 would have been reduced by approximately \$1.4 million.

7. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses interest rate hedging products to modify risk from interest rate fluctuations in its underlying debt. The Company has historically used derivative financial instruments from time to time to achieve a targeted fixed/floating rate mix. This target is based upon anticipated operating cash flows of the Company relative to its debt level and the Company's ability to absorb increases in interest rates. During 1995, and in conjunction with the Company's early retirement of a portion of its Medium-Term Notes, all but two of the derivative financial instruments held by the Company were extinguished.

All deferred gains and losses on interest rate hedging transactions associated with the retired Medium-Term Notes were recognized in 1995. The notional amount of the extinguished interest rate swaps exceeds the amount of debt retired due to the Company's practice of offsetting swaps. Offsetting swaps rather than an original swap were used to help mitigate counterparty credit risk as well as reduce administrative burden. The offsetting swaps along with original swaps and the underlying debt were accounted for as a combined instrument. The Company does not use derivative financial instruments for trading or other speculative purposes nor does it use leveraged financial instruments. All of the Company's outstanding interest rate swap agreements are LIBOR-based. The Company's two remaining interest rate swaps are with the same financial institution and effectively offset each other. Accordingly, risk of counterparty nonperformance is considered minimal.

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Derivative financial instruments are summarized as follows:

IN THOUSANDS	DECEMBER 29, 1996 AMOUNT	REMAINING TERM	DECEMBER 31, 1995 AMOUNT	REMAINING TERM
Interest rate swaps -- floating.....	\$60,000	7 years	\$60,000	8 years
Interest rate swaps -- fixed.....	60,000	7 years	60,000	8 years

The Company had two interest rate swaps totaling \$120 million at December 29, 1996 and December 31, 1995. There were no new interest rate swap transactions during 1996.

8. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Company in estimating the fair values of its 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 swaps are based on current settlement values.

The carrying amounts and fair values of the Company's balance sheet and off-balance-sheet instruments were as follows:

IN THOUSANDS	DECEMBER 29, 1996 CARRYING AMOUNT	FAIR VALUE	DECEMBER 31, 1995 CARRYING AMOUNT	FAIR VALUE
Balance Sheet Instruments				
Public debt.....	\$213,085	\$ 218,912	\$213,085	\$ 228,103
Non-public variable rate long-term debt.....	213,720	213,720	192,590	192,590
Non-public fixed rate long-term debt.....	12,753	13,400	14,341	16,189
Off-Balance-Sheet Instruments				
Interest rate swaps.....		(4,029)		(4,725)

The fair values of the interest rate swaps represent the estimated amounts the Company would have had to pay to terminate these agreements.

9. COMMITMENTS AND CONTINGENCIES

Operating lease payments are charged to expense as incurred. Such rental expenses included in the consolidated statements of operations were \$27.0 million, \$23.3 million and \$20.9 million for 1996, 1995 and 1994, respectively.

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following is a summary of future minimum lease payments for all operating leases as of December 29, 1996:

IN THOUSANDS

1997.....	\$ 25,331
1998.....	23,255
1999.....	17,816
2000.....	14,187
2001.....	13,537
Thereafter.....	30,952
Total minimum lease payments.....	\$125,078

On January 14, 1997, the Company bought out approximately \$66.3 million of leases for vending equipment. The total minimum lease payments as of December 29, 1996 would have been \$58.6 million if this transaction had occurred prior to year-end.

The Company is a member of a cooperative from which it is obligated to purchase a specified number of cases of finished product on an annual basis. The current annual purchase commitment under this agreement is approximately \$40 million.

The Company guarantees a portion of the debt for one cooperative from which the Company purchases plastic bottles. The Company also guarantees a portion of debt for South Atlantic Cannery, Inc., a manufacturing cooperative that is being managed by the Company. See Note 13 to the consolidated financial statements for additional information concerning these financial guarantees. The total amounts guaranteed on December 29, 1996 and December 31, 1995 were \$32 million and \$35.2 million, respectively.

The Company has entered into purchase agreements for aluminum cans on an annual basis through 2000. The annual purchase commitment under these agreements is approximately \$40 million.

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 these claims will not have a material adverse effect on the financial condition, cash flows or results of operations of the Company.

10. INCOME TAXES

The provision for income taxes on income before extraordinary charge and the effect of an accounting change consisted of the following:

IN THOUSANDS	1996	FISCAL YEAR 1995	1994
Current:			
Federal.....	\$ 753	\$ 751	\$ 304
State.....			
Total current provision.....	753	751	304
Deferred:			
Federal.....	6,798	9,382	8,957
State.....	2,009	2,130	1,213
Expense of minimum pension liability adjustment.....	(25)	(2,578)	(359)
Other.....			124
Total deferred provision.....	8,782	8,934	9,935
Income tax expense.....	\$9,535	\$ 9,685	\$10,239

Income tax benefits of \$1.7 million were recorded in 1994 in conjunction with the adoption of SFAS 112. Income tax benefits of \$3.1 million were recorded in 1995 related to the extraordinary charge associated with the early retirement of long-term debt at a premium.

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company made income tax payments of approximately \$5.5 million and \$1.1 million during 1996 and 1995, respectively. Loss carryforwards will result in a \$3.3 million refund of 1996 tax. Income tax payments of \$1.5 million in 1996 will be applied to the estimated 1997 tax liability.

Deferred income taxes are recorded based upon differences between the financial statement and tax bases of assets and liabilities and available tax credit carryforwards. Temporary differences and carryforwards that comprised a significant part of deferred income tax assets and liabilities were as follows:

IN THOUSANDS	DEC. 29, 1996	DEC. 31, 1995
Intangible assets.....	\$103,892	\$106,752
Depreciation.....	23,230	23,166
Investment in Piedmont.....	21,281	19,417
Other.....	12,979	10,309
Gross deferred income tax liabilities.....	161,382	159,644
Net operating loss carryforwards.....	(27,031)	(39,736)
Other.....	(31,442)	(25,817)
Gross deferred income tax assets.....	(58,473)	(65,553)
Tax benefit of minimum pension liability adjustment.....	(36)	(48)
Deferred income tax liability.....	\$102,873	\$ 94,043

Net current deferred tax assets of \$5.5 million and \$3.2 million were included in prepaid expenses and other current assets on December 29, 1996 and December 31, 1995, respectively.

Reported income tax expense is reconciled to the amount computed on the basis of income before income taxes, extraordinary charge and effect of accounting change at the statutory rate as follows:

IN THOUSANDS	FISCAL YEAR		
	1996	1995	1994
Statutory expense.....	\$8,994	\$8,827	\$ 8,535
Amortization of franchise and goodwill assets.....	364	364	364
State income taxes, net of federal benefit.....	618	758	1,244
Other.....	(441)	(264)	96
Income tax expense.....	\$9,535	\$9,685	\$10,239

The Company had \$3.5 million of investment tax credits available to reduce future income tax payments for federal income tax purposes on December 29, 1996. These credits expire in varying amounts through 2001.

On December 29, 1996, the Company had \$65 million and \$131 million of federal and state net operating losses, respectively, available to reduce future income taxes. The net operating loss carryforwards expire in varying amounts through 2007.

11. CAPITAL TRANSACTIONS

On November 14, 1996 the Company announced a Dutch auction self tender to repurchase up to one million of its outstanding shares of Common Stock. On December 13, 1996 the Company repurchased 508,690 shares of its Common Stock under the terms of this offer at \$46.00 per share for a total purchase price of \$23.4 million. Subsequent to year end, on January 7, 1997, an additional 145,260 shares of Common Stock were repurchased from a shareholder in a private transaction for \$6.9 million. During February 1997, the Company repurchased 275,490 shares of its Common Stock for approximately \$13.1 million from The Coca-Cola Company under a contractual arrangement to maintain The Coca-Cola Company's equity ownership at a prescribed level.

Shareholders with Class B Common Stock are entitled to 20 votes per share compared to one vote per share on the Common Stock. Dividends on the Class B Common Stock are permitted to equal, but not exceed, dividends on the Common Stock.

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On March 8, 1989, the Company granted J. Frank Harrison, Jr. an option for the purchase of 100,000 shares of Common Stock exercisable at the closing market price of the stock on the day of grant. The closing market price of the stock on March 8, 1989 was \$27.00 per share. The option is exercisable, in whole or in part, at any time at the election of Mr. Harrison, Jr. over a period of 15 years from the date of grant. This option has not been exercised with respect to any such shares.

On August 9, 1989, the Company granted J. Frank Harrison, III an option for the purchase of 150,000 shares of Common Stock exercisable at the closing market price of the stock on the day of grant. The closing market price of the stock on August 9, 1989 was \$29.75 per share. The option may be exercised, in whole or in part, during a period of 15 years beginning on the date of grant. The option is currently exercisable with respect to 135,000 shares and is exercisable with respect to an additional 7,500 shares annually. This option has not been exercised with respect to any such shares.

12. BENEFIT PLANS

Pension plan expense related to the two Company-sponsored pension plans for 1996, 1995 and 1994 was \$2.4 million, \$2.7 million and \$2.6 million, respectively, including the pro rata share of past service costs, which are being amortized over 30 years. In addition, certain employees are covered by pension plans administered by unions.

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 tax purposes.

The following table sets forth the status of the two Company-sponsored plans:

IN THOUSANDS	DEC. 29, 1996	DEC. 31, 1995
Actuarial present value of benefit obligations:		
Accumulated benefit obligation, including vested benefits of \$48,589 and \$48,990.....	\$ 49,996	\$ 50,236
Projected benefit obligation for service rendered to date.....	(56,212)	(56,427)
Plan assets at fair market value.....	56,488	51,988
Plan assets in excess of (less than) projected benefit obligation.....	276	(4,439)
Unrecognized net loss.....	6,089	11,752
Unrecognized prior service cost.....	(1,062)	(1,207)
Unrecognized net asset being amortized over 7 years.....	(140)	(210)
Additional minimum pension liability.....	(166)	(225)
Pension asset.....	\$ 4,997	\$ 5,671

Under the requirements of Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions," an additional minimum pension liability for certain plans, representing the excess of accumulated benefits over plan assets, was recognized as of January 2, 1994. The increase in liabilities was charged directly to shareholders' equity. As of December 29, 1996 and December 31, 1995, the minimum pension liability adjustment, net of income taxes, was \$104,000 and \$138,000, respectively.

Net periodic pension cost for the Company-sponsored pension plans included the following:

IN THOUSANDS	1996	Fiscal Year 1995	1994
Service cost -- benefits earned.....	\$ 2,218	\$ 1,901	\$ 1,916
Interest cost on projected benefit obligation.....	4,288	4,015	3,556
Actual return on plan assets.....	(5,225)	(6,993)	1,169
Net amortization and deferral.....	1,100	3,732	(4,034)
Net periodic pension cost.....	\$ 2,381	\$ 2,655	\$ 2,607

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The actuarial assumptions that were used for the Company's principal pension plan calculations were as follows:

	1996	1995
Weighted average discount rate used in determining the actuarial present value of the projected benefit obligation.....	8.25%	7.75%
Weighted average expected long-term rate of return on plan assets.....	9.00%	9.00%
Weighted average rate of compensation increase.....	4.50%	4.50%

The Company provides a 401(k) Savings Plan for substantially all of its nonunion employees. Under provisions of the Savings Plan, an employee is vested with respect to Company contributions upon the earlier of two consecutive years of service while participating in the Savings Plan or after five years of service with the Company. The total cost for this benefit in 1996, 1995 and 1994 was \$1.8 million, \$1.6 million and \$1.3 million, respectively.

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 plans in the future.

The Company currently provides employee leasing and management services to employees of Piedmont. Piedmont employees participate in the Company's employee benefit plans. During 1996, the obligation for postretirement benefits payable by Piedmont of \$5.8 million was transferred to the Company in exchange for a note receivable from Piedmont. The transfer was made to facilitate administration of the payment of postretirement liabilities.

The components of postretirement benefit expense were as follows:

	FISCAL YEAR		
IN THOUSANDS	1996	1995	1994
Service cost -- benefits earned.....	\$ 402	\$ 338	\$ 304
Interest cost on projected benefit obligation.....	1,259	1,275	989
Net amortization.....	29	11	
Net postretirement benefit cost.....	\$1,690	\$1,624	\$1,293

The accrued postretirement benefit obligation was comprised of the following:

	DEC. 29, 1996	DEC. 31, 1995
IN THOUSANDS		
Accumulated postretirement benefit obligation:		
Retirees.....	\$22,038	\$10,025
Fully eligible active plan participants.....	2,204	2,231
Other active plan participants.....	4,639	4,124
	28,881	16,380
Unrecognized transition asset.....	369	394
Unrecognized net loss.....	(9,332)	(2,443)
Accrued postretirement benefit obligation.....	\$19,918	\$14,331

The weighted average health care cost trend rate used in measuring the postretirement benefit expense was 8% in 1996 gradually declining to 5.25% in 1999 and remaining at that level thereafter. A 1% increase in this annual trend rate would have increased the accumulated postretirement benefit obligation on December 29, 1996 by approximately \$3.5 million and postretirement benefit expense in 1996 would have increased by approximately \$332,000. The weighted average discount rates used to estimate the accumulated postretirement benefit obligation were 8.25% and 7.75% as of December 29, 1996 and December 31, 1995, respectively.

In November 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" ("SFAS 112"). SFAS 112 requires the accrual, during the years that employees render service, of the expected cost of providing postemployment benefits if certain criteria are met. The Company adopted the provisions of SFAS 112 in the first quarter of 1994, effective January 3, 1994,

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and recorded a one-time, after-tax charge of \$2.2 million. The annual incremental cost of adoption of SFAS No. 112 is not material on an ongoing basis.

13. 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 concentrates or syrups) of its soft drink products are manufactured. Accordingly, the Company purchases a substantial majority of its requirements of concentrates and syrups from The Coca-Cola Company in the ordinary course of its business. The Company paid The Coca-Cola Company approximately \$185 million, \$186 million and \$187 million in 1996, 1995 and 1994, respectively, for sweetener, syrup, concentrate and other miscellaneous purchases. Additionally, the Company engages in a variety of marketing programs, local media advertising and similar arrangements to promote the sale of products of The Coca-Cola Company in territories operated by the Company. Total direct marketing support provided to the Company by The Coca-Cola Company was approximately \$36 million, \$36 million and \$32 million in 1996, 1995 and 1994, respectively. In addition, the Company paid approximately \$20 million, \$18 million and \$15 million in 1996, 1995 and 1994, respectively, for local media and marketing program expense pursuant to cooperative advertising and cooperative marketing arrangements with The Coca-Cola Company.

The Company has a production arrangement with Coca-Cola Enterprises, Inc. ("CCE") to buy and sell finished product at cost. Sales to CCE under this agreement were \$21.5 million, \$23.3 million and \$21.0 million in 1996, 1995 and 1994, respectively. Purchases from CCE under this arrangement were \$14.8 million, \$13.4 million and \$11.8 million in 1996, 1995 and 1994, respectively.

In December 1996, the Board of Directors awarded a retirement benefit to J. Frank Harrison, Jr. for his past service to the Company. The Company recorded a non-cash, after-tax charge of \$2.7 million in the fourth quarter of 1996 related to this agreement. Additionally, the Company entered into an agreement for consulting services with J. Frank Harrison, Jr. beginning in 1997.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially own 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. The Company sold product to Piedmont during 1996, 1995 and 1994 at cost, totaling \$51.3 million, \$62.5 million and \$75.9 million, respectively. The Company received \$11.4 million, \$10.7 million and \$10.1 million for management services pursuant to its management agreement with Piedmont for 1996, 1995 and 1994, respectively. Also, the Company subleased various fleet and vending equipment to Piedmont at cost. These sublease rentals amounted to approximately \$1,484,000, \$784,000 and \$693,000 in 1996, 1995 and 1994, respectively. In addition, Piedmont subleased various fleet and vending equipment to the Company at cost. These sublease rentals amounted to approximately \$589,000, \$186,000 and \$56,000 in 1996, 1995 and 1994, respectively.

On November 30, 1992, the Company and the owner of the Company's Snyder Production Center in Charlotte, North Carolina agreed to the early termination of the Company's lease. Harrison Limited Partnership One purchased the property contemporaneously with the termination of the lease, and the Company and Harrison Limited Partnership One entered into an agreement pursuant to which the Company leased the property for a 10-year term beginning on December 1, 1992. A North Carolina corporation owned entirely by J. Frank Harrison, Jr. serves as sole general partner of the limited partnership. The sole limited partner of this limited partnership is a trust as to which J. Frank Harrison, III and Reid M. Henson are co-trustees. The annual base rent the Company is obligated to pay for its lease of the Snyder Production Center is subject to adjustment for increases in the Consumer Price Index and for increases or decreases in interest rates, using LIBOR as the measurement device. Rent expense under this lease totaled \$2.6 million, \$2.6 million and \$2.0 million in 1996, 1995 and 1994, respectively.

On June 1, 1993, the Company entered into a 10-year 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. The annual base rent the Company is obligated to pay under this lease is subject to adjustment for increases in the Consumer Price

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Index and for increases or decreases in interest rates, using LIBOR as the measurement device. Rent expense under this lease totaled \$1.9 million, \$1.8 million and \$1.6 million in 1996, 1995 and 1994, respectively.

The Company is a shareholder in two entities from which it purchases substantially all its requirements for plastic bottles. Net purchases from these entities were approximately \$46 million, \$52 million and \$44 million in 1996, 1995 and 1994, respectively. In connection with its participation in one of these cooperatives, the Company has guaranteed a portion of the cooperative's debt. On December 29, 1996, such guarantee amounted to approximately \$20 million.

The Company has also guaranteed a portion of debt for South Atlantic Canners, Inc., a manufacturing cooperative that is being managed by the Company. On December 29, 1996, such guarantee was approximately \$12 million.

The Company previously leased vending equipment from Coca-Cola Financial Corporation ("CCFC"), a subsidiary of The Coca-Cola Company. During 1996, the Company made lease payments to CCFC totaling \$6.9 million. On January 14, 1997, the Company purchased all of the leases with CCFC for approximately \$66.3 million. If this transaction had occurred prior to year-end, no future lease payments to CCFC would have been due as of December 29, 1996.

14. RISKS AND UNCERTAINTIES

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.

Approximately 90% of the Company's sales are products of The Coca-Cola Company, which is the sole supplier of the concentrate required to manufacture these products. Additionally, the Company purchases virtually all of its requirements for sweetener from The Coca-Cola Company. The remaining 10% of the Company's sales are products of various other beverage companies. The Company has franchise contracts under which it has various requirements to meet. Failure to meet the requirements of these franchise contracts could result in the loss of distribution rights for the respective product.

The Company currently obtains all of its aluminum cans from two domestic suppliers. 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.

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 non-union pension liability.

Less than 10% of the Company's labor force is currently covered by collective bargaining agreements. Several collective bargaining contracts expire during 1997. The Company anticipates that new contracts will be negotiated for all locations with contracts expiring during 1997.

COCA-COLA BOTTLING CO. CONSOLIDATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Changes in current assets and current liabilities affecting cash, net of the effect of an accounting change, were as follows:

IN THOUSANDS	FISCAL YEAR		
	1996	1995	1994
Accounts receivable, trade, net.....	\$(38,820)	\$(4,342)	\$(2,796)
Due from Piedmont.....	(1,304)	(3,201)	1,071
Accounts receivable, other.....	5,609	(4,471)	5,710
Inventories.....	(2,798)	3,882	(4,338)
Prepaid expenses and other assets.....	(2,518)	(1,881)	(1,729)
Portion of long-term debt payable within one year.....	(15)	(180)	(411)
Accounts payable and accrued liabilities.....	(7,999)	10,273	(9,381)
Accrued compensation.....	226	803	2,040
Accrued interest payable.....	3,894	(4,057)	1,167
Increase in current assets less current liabilities.....	\$(43,725)	\$(3,174)	\$(8,667)

Cash payments for interest and income taxes were as follows:

IN THOUSANDS	FISCAL YEAR		
	1996	1995	1994
Interest.....	\$25,945	\$36,749	\$30,218
Income taxes.....	5,465	1,475	56

16. QUARTERLY FINANCIAL DATA (UNAUDITED)

Set forth below are unaudited quarterly financial data for the fiscal years ended December 29, 1996 and December 31, 1995.

IN THOUSANDS (EXCEPT PER SHARE DATA) YEAR ENDED DECEMBER 29, 1996	QUARTER			
	1	2	3	4
Net sales.....	\$171,996	\$213,579	\$204,579	\$183,609
Gross margin.....	73,728	93,953	89,938	80,185
Net income (loss).....	937	9,545	6,488	(806)
Net income (loss) per share.....	.10	1.03	.70	(.09)
Weighted average number of common shares outstanding.....	9,294	9,294	9,294	9,239

IN THOUSANDS (EXCEPT PER SHARE DATA) YEAR ENDED DECEMBER 31, 1995	QUARTER			
	1	2	3	4
Net sales.....	\$170,977	\$207,876	\$203,559	\$179,464
Gross margin.....	72,074	87,134	82,727	72,305
Income before extraordinary charge.....	1,957	8,054	4,639	886
Extraordinary charge.....				(5,016)
Net income (loss).....	1,957	8,054	4,639	(4,130)
Per share:				
Income before extraordinary charge.....	.21	.87	.50	.09
Extraordinary charge.....				(.54)
Net income (loss).....	.21	.87	.50	(.45)
Weighted average number of common shares outstanding.....	9,294	9,294	9,294	9,294

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS
OF COCA-COLA BOTTLING CO. CONSOLIDATED

In our opinion, the consolidated financial statements listed in the index appearing under Item 14(a) (1) and (2) on page 37 present fairly, in all material respects, the financial position of Coca-Cola Bottling Co. Consolidated and its subsidiaries at December 29, 1996 and December 31, 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 29, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards 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 the opinion expressed above.

As discussed in Note 12 to the financial statements, the Company changed its method of accounting for postemployment benefits in 1994.

PRICE WATERHOUSE LLP

Charlotte, North Carolina
February 17, 1997

The financial statement schedule required by Regulation S-X is set forth in response to Item 14 below.

The supplementary data required by Item 302 of Regulation S-K is set forth in Note 16 to the financial statements.

ITEM 9 -- CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

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 Registrant" at the end of Part I of this Report. For information with respect to the Directors of the Company, see the "Election of Directors" and "Certain Transactions" sections of the Proxy Statement for the 1997 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, which is incorporated herein by reference. For information with respect to Section 16 reports for directors and executive officers of the Company, see the "Election of Directors Section 16(a) Beneficial Ownership Reporting Compliance" section of the Proxy Statement for the 1997 Annual Meeting of Shareholders.

ITEM 11 -- EXECUTIVE COMPENSATION

For information with respect to executive compensation, see the "Executive Compensation" section of the Proxy Statement for the 1997 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, which is incorporated herein by reference (other than the subsections entitled "Report of the Compensation Committee on Annual Compensation of Executive Officers" and "Common Stock Performance," which are specifically excluded from such incorporation).

ITEM 12 -- SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

For information with respect to security ownership of certain beneficial owners and management, see the "Principal Shareholders" and "Election of Directors -- Beneficial Ownership of Management" sections of the Proxy Statement for the 1997 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, which is 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" and "Compensation Committee Interlocks and Insider Participation" sections of the Proxy Statement for the 1997 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission, which are incorporated herein by reference.

PART IV

ITEM 14 -- EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

A. List of Documents filed as part of this report.

1. Financial Statements

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

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:

(i) Exhibits Incorporated by Reference:

NUMBER	DESCRIPTION	PAGE NUMBER OR INCORPORATION BY REFERENCE TO
(1.1)	Underwriting Agreement dated November 1, 1995, among the Company, Citicorp Securities, Inc. and Salomon Brothers, Inc.	Exhibit 1.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 1995.
(3.1)	Bylaws of the Company, as amended.	Exhibit 3.2 to the Company's Registration Statement (No. 33-54657) on Form S-3.
(3.2)	Restated Certificate of Incorporation of the Company.	Exhibit 3.1 to the Company's Registration Statement (No. 33-54657) on Form S-3.
(4.1)	Specimen of Common Stock Certificate.	Exhibit 4.1 to the Company's Registration Statement (No. 2-97822) on Form S-1.
(4.2)	Specimen Fixed Rate Note under the Company's Medium-Term Note Program, pursuant to which it may issue, from time to time, up to \$200 million aggregate principal amount of its Medium-Term Notes, Series A.	Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 14, 1990.
(4.3)	Specimen Floating Rate Note under the Company's Medium-Term Note Program, pursuant to which it may issue, from time to time, up to \$200 million aggregate principal amount of its Medium-Term Notes, Series A.	Exhibit 4.2 to the Company's Current report on Form 8-K dated February 14, 1990.
(4.4)	Indenture dated as of October 15, 1989 between the Company and Manufacturers Hanover Trust Company of California, as Trustee, in connection with the Company's \$200 million shelf registration of its Medium-Term Notes, Series A, due from nine months to 30 years from date of issue.	Exhibit 4. to the Company's Registration Statement (No. 33-31784) on Form S-3 as filed on February 14, 1990.
(4.5)	Selling Agency Agreement, dated as of February 14, 1990, between the Company and Salomon Brothers and Goldman Sachs, as Agents, in connection with the Company's \$200 million Medium-Term Notes, Series A, due from nine months to 30 years from date of issue.	Exhibit 1.2 to the Company's Registration Statement (No. 33-31784) on Form S-3 as filed on February 14, 1990.
(4.6)	Form of Debenture issued by the Company to two shareholders of Sunbelt Coca-Cola Bottling Company, Inc. dated as of December 19, 1991.	Exhibit 4.04 to the Company's Current Report on Form 8-K dated December 19, 1991.
(4.7)	Commercial Paper Dealer Agreement, dated as of February 11, 1993, between the Company and Citicorp Securities Markets, Inc., as co-agent.	Exhibit 4.14 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
(4.8)	Amended and restated commercial paper agreement, dated as of November 14, 1994, between the Company and Goldman Sachs Money Markets, L.P.	Exhibit 4.13 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
(4.9)	Supplemental Indenture, dated as of March 3, 1995, between the Company and NationsBank of Georgia, National Association, as Trustee.	Exhibit 4.15 to the Company's Annual Report, as amended, on Form 10-K/A-2 for the fiscal year ended January 1, 1995.
(4.10)	First Omnibus Amendment to Purchase Agreements, dated as of June 26, 1995, by and among the Company, as Seller, Corporate Receivables Corporation, as the Investor, and Citicorp North America, Inc., individually and as agent.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 2, 1995.
(4.11)	Form of the Company's 6.85% Debentures due 2007.	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 1995.
(4.12)	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 subsidiaries for which consolidated financial statements are required to be filed, and which authorizes a total amount of securities not in excess of 10 percent of total assets of the Registrant and its subsidiaries on a consolidated basis.	

(4.13)	Loan Agreement dated as of November 20, 1995 between the Company and LTCB Trust Company, as Agent, and other banks named therein.	Exhibit 4.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.
(4.14)	Amended and Restated Credit Agreement dated as of December 21, 1995 between the Company and NationsBank, N.A., Bank of America National Trust and Savings Association and other banks named therein.	Exhibit 4.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.
(10.1)	Employment Agreement of James L. Moore, Jr. dated as of March 16, 1987.**	Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1986.
(10.2)	Amendment, dated as of May 18, 1994, to Employment Agreement designated as Exhibit 10.1**	Exhibit 10.84 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
(10.3)	Stock Rights and Restrictions Agreement by and between Coca-Cola Bottling Co. Consolidated and The Coca-Cola Company dated January 27, 1989.	Exhibit 28.01 to the Company's Current Report on Form 8-K dated January 27, 1989.
(10.4)	Description and examples of bottling franchise agreements between the Company and The Coca-Cola Company.	Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.
(10.5)	Lease, dated as of December 11, 1974, by and between the Company and the Ragland Corporation, related to the production/ distribution facility in Nashville, Tennessee.	Exhibit 19.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.
(10.6)	Amendment to Lease Agreement designated as Exhibit 10.5.	Exhibit 19.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.
(10.7)	Second Amendment to Lease Agreement designated as Exhibit 10.5.	Exhibit 19.8 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988.
(10.8)	Supplemental Savings Incentive Plan, dated as of April 1, 1990 between certain Eligible Employees of the Company and the Company.**	Exhibit 10.36 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1990.
(10.9)	Description and example of Deferred Compensation Agreement, dated as of October 1, 1987, between Eligible Employees of the Company and the Company under the Officer's Split-Dollar Life Insurance Plan.**	Exhibit 19.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1990.
(10.10)	Consolidated/Sunbelt Acquisition Agreement, dated as of December 19, 1991, by and among the Company and the shareholders of Sunbelt Coca-Cola Bottling Company, Inc.	Exhibit 2.01 to the Company's Current Report on Form 8-K dated December 19, 1991.
(10.11)	Officer Retention Plan, dated as of January 1, 1991, between certain Eligible Officers of the Company and the Company.**	Exhibit 10.47 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1991.
(10.12)	Acquisition Agreement, by and among Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc., and the stockholders of TRNH, Inc., dated as of November 7, 1989.	Exhibit 10.50 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1991.
(10.13)	Amendment Number One to the Sunbelt/Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc.	Exhibit 10.04 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
(10.14)	Amendment Number Two to the Sunbelt/Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc.	Exhibit 10.05 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.

- (10.15) Amendment Number Three to the Sunbelt/Affiliated Acquisition Agreement, dated as of December 29, 1989, between Sunbelt Coca-Cola Bottling Company, Inc., Sunbelt Carolina Acquisition Company, Inc., certain of the common stockholders of Coca-Cola Bottling Co. Affiliated, Inc. and the stockholders of TRNH, Inc. Exhibit 10.06 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
- (10.16) Lease Agreement, dated as of November 30, 1992, between the Company and Harrison Limited Partnership One, related to the Snyder Production Center in Charlotte, North Carolina. Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
- (10.17) Termination and Release Agreement dated as of March 27, 1992, by and among Sunbelt Coca-Cola Bottling Company, Coca-Cola Bottling Co. Affiliated, Inc., the agent for holders of certain debentures of Sunbelt issued pursuant to a certain Indenture dated as of January 11, 1990, as amended, and Wilmington Trust Company which acted as trustee under the Indenture. Exhibit 10.43 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
- (10.18) Reorganization Plan and Agreement by and among Coca-Cola Bottling Co. Consolidated, Chopper Acquisitions, Inc., Whirl-i-Bird, Inc. and J. Frank Harrison, Jr. Exhibit 10.03 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 4, 1993.
- (10.19) 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 2.01 to the Company's Current Report on Form 8-K dated July 2, 1993.
- (10.20) Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership,* Coca-Cola Bottling Co. Affiliated, Inc. and Coca-Cola Bottling Co. Consolidated. Exhibit 2.02 to the Company's Current Report on Form 8-K dated July 2, 1993.
- (10.21) Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership,* Fayetteville Coca-Cola Bottling Company and Coca-Cola Bottling Co. Consolidated. Exhibit 2.03 to the Company's Current Report on Form 8-K dated July 2, 1993.
- (10.22) Asset Purchase Agreement, dated as of July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership,* Palmetto Bottling Company and Coca-Cola Bottling Co. Consolidated. Exhibit 2.04 to the Company's Current Report on Form 8-K dated July 2, 1993.
- (10.23) Definition and Adjustment Agreement, dated July 2, 1993, by and among Carolina Coca-Cola Bottling Partnership,* Coca-Cola Ventures, Inc., Coca-Cola Bottling Co. Consolidated, CCBC of Wilmington, Inc., Carolina Coca-Cola Bottling Investments, Inc., The Coca-Cola Company, Carolina Coca-Cola Holding Company, The Coastal Coca-Cola Bottling Company, Eastern Carolina Coca-Cola Bottling Company, Inc., Coca-Cola Bottling Co. Affiliated, Inc., Fayetteville Coca-Cola Bottling Company and Palmetto Bottling Company. Exhibit 2.05 to the Company's Current Report on Form 8-K dated July 2, 1993.
- (10.24) Management Agreement, dated as of July 2, 1993, by and among Coca-Cola Bottling Co. Consolidated, Carolina Coca-Cola Bottling Partnership,* CCBC of Wilmington, Inc., Carolina Coca-Cola Bottling Investments, Inc., Coca-Cola Ventures, Inc. and Palmetto Bottling Company. Exhibit 10.01 to the Company's Current Report on Form 8-K dated July 2, 1993.
- (10.25) Post-Retirement Medical and Life Insurance Benefit Reimbursement Agreement, dated July 2, 1993, by and between Carolina Coca-Cola Bottling Partnership* and Coca-Cola Bottling Co. Consolidated. Exhibit 10.02 to the Company's Current Report on Form 8-K dated July 2, 1993.
- (10.26) Aiken Asset Purchase Agreement, dated as of August 6, 1993, by and among Carolina Coca-Cola Bottling Partnership,* Palmetto Bottling Company and Coca-Cola Bottling Co. Consolidated. Exhibit 2.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
- (10.27) Aiken Definition and Adjustment Agreement, dated as of August 6, 1993, by and among Carolina Coca-Cola Bottling Partnership, Coca-Cola Ventures, Inc., Coca-Cola Bottling Co. Consolidated, Carolina Coca-Cola Bottling Investments, Inc., The Coca-Cola Company and Palmetto Bottling Company. Exhibit 2.02 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
- (10.28) Lease Agreement, dated as of June 1, 1993, between the Company and Beacon Investment Corporation, related to the Company's corporate headquarters in Charlotte, North Carolina. Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.
- (10.29) Amended and Restated Guaranty Agreement, dated as of July 15, 1993 re: Southeastern Container, Inc. Exhibit 10.06 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 1993.

- (10.30) Agreement, dated as of December 23, 1993, between the Company and Western Container Corporation covering purchase of PET bottles. Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 1994.
- (10.31) Management Agreement, dated as of June 1, 1994, by and among Coca-Cola Bottling Co. Consolidated and South Atlantic Cannery, Inc. Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
- (10.32) Guaranty Agreement, dated as of July 22, 1994, between Coca-Cola Bottling Co. Consolidated and Wachovia Bank of North Carolina, N.A. Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 1994.
- (10.33) Selling Agency Agreement, dated as of March 3, 1995, between the Company, Salomon Brothers Inc. and Citicorp Securities, Inc. Exhibit 10.83 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
- (10.34) Agreement, dated as of March 1, 1994, between the Company and South Atlantic Cannery, Inc. Exhibit 10.85 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
- (10.35) Stock Option Agreement, dated as of March 8, 1989, of J. Frank Harrison, Jr.** Exhibit 10.86 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
- (10.36) Stock Option Agreement, dated as of August 9, 1989, of J. Frank Harrison, III.** Exhibit 10.87 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995.
- (10.37) First Amendment to Credit Agreement, Line of Credit Note and Mortgage, and Reaffirmation of Term Note, Security Agreement, Guaranty Agreement and Addendum to Guaranty Agreement, dated as of March 31, 1995, by and among the Company, South Atlantic Cannery, Inc. and Wachovia Bank of North Carolina, N.A. Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 2, 1995.
- (10.38) Guaranty Agreement and Addendum, dated as of March 31, 1995, between the Company and Wachovia Bank of North Carolina, N.A. Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 2, 1995.
- (10.39) Can Supply Agreement, dated November 7, 1995, between the Company and American National Can Company. Exhibit 10.16 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 1995.
- (10.40) Lease Agreement, dated as of July 17, 1988, between the Company and GE Capital Fleet Services covering various vehicles. Exhibit 19.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.
- (10.41) Master Motor Vehicle Lease Agreement, dated as of December 15, 1988, between the Company and Citicorp North America, Inc. covering various vehicles. Exhibit 19.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.
- (10.42) Master Lease Agreement, beginning on April 12, 1989, between the Company and Citicorp North America, Inc. covering various equipment. Exhibit 19.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.
- (10.43) Master Lease Agreement, dated as of January 7, 1992 between the Company and Signet Leasing and Financial Corporation covering various vehicles. Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1992.
- (10.44) Master Equipment Lease, dated as of February 9, 1993, between the Company and Coca-Cola Financial Corporation covering various vending machines. Exhibit 10.37 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
- (10.45) Motor Vehicle Lease Agreement No. 790855, dated as of December 31, 1992, between the Company and Citicorp Leasing, Inc. covering various vehicles. Exhibit 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1993.
- (10.46) Master Lease Agreement, dated as of February 18, 1992, between the Company and Citicorp Leasing, Inc. covering various equipment. Exhibit 10.69 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1994.
- (10.47) Lease Agreement dated as of December 15, 1994 between the Company and BA Leasing & Capital Corporation. Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 2, 1995.
- (10.48) Beverage Can and End Agreement dated November 9, 1995 between the Company and Ball Metal Beverage Container Group. Exhibit 10.48 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.

- | | | |
|---------|--|--|
| (10.49) | Member Purchase Agreement, dated as of August 1, 1994 between the Company and South Atlantic Cannery, Inc., regarding minimum annual purchase requirements of canned product by the Company. | Exhibit 10.49 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995. |
| (10.50) | Member Purchase Agreement, dated as of August 1, 1994 between the Company and South Atlantic Cannery, Inc., regarding minimum annual purchase requirements of 20 ounce PET product by the Company. | Exhibit 10.50 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995. |
| (10.51) | Member Purchase Agreement, dated as of August 1, 1994 between the Company and South Atlantic Cannery, Inc., regarding minimum annual purchase requirements of 2 Liter PET product by the Company. | Exhibit 10.51 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995. |
| (10.52) | Member Purchase Agreement, dated as of August 1, 1994 between the Company and South Atlantic Cannery, Inc., regarding minimum annual purchase requirements of 3 Liter PET product by the Company. | Exhibit 10.52 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995. |
| (99.1) | Audited Financial Statements of Piedmont Coca-Cola Bottling Partnership for the 1994 fiscal period. | Included as Item 14D of Part IV to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1995. |

(ii) Other Exhibits:

- | | | |
|---------|---|----------------------------------|
| (10.53) | Description of the Company's 1997 Bonus Plan for officers.** | Exhibit included in this filing. |
| (10.54) | Agreement for Consultation and Services between the Company and J. Frank Harrison, Jr.** | Exhibit included in this filing. |
| (10.55) | Agreement to assume liability for postretirement benefits between the Company and Piedmont Coca-Cola Bottling Partnership. | Exhibit included in this filing. |
| (21.1) | List of subsidiaries. | Exhibit included in this filing. |
| (23.1) | Consent of Independent Accountants to Incorporation by Reference into Form S-3 (Registration No. 33-4325) and Form S-3 (Registration No. 33-54657). | Exhibit included in this filing. |
| (27.1) | Financial data schedule for period ended December 29, 1996. | Exhibit included in this filing. |
| (99.2) | Information, financial statements and exhibits required by Form 11-K with respect to the Coca-Cola Bottling Co. Consolidated Savings Plan. | To be supplied by amendment. |

* 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 14(c) of this report.

B. Reports on Form 8-K.

- (1) Current Report on Form 8-K dated as of May 15, 1996 relating to the Board of Directors authorization to repurchase up to an aggregate of one million shares of the Company's Common Stock.
- (2) Current Report on Form 8-K dated as of November 14, 1996 relating to a Dutch Auction Self Tender to repurchase for cash up to 500,000 shares of the Company's outstanding Common Stock.
- (3) Current Report on Form 8-K dated as of December 4, 1996 relating to the appointment of J. Frank Harrison, III as Chairman of the Board of Directors replacing J. Frank Harrison, Jr., who retired.
- (4) Current Report on Form 8-K dated as of December 4, 1996 relating to the recording of a fourth quarter non-cash after-tax charge of \$2.7 million for a retirement benefit for J. Frank Harrison, Jr., who retired from his position as Chairman of the Board of Directors.
- (5) Current Report on Form 8-K dated as of December 16, 1996 relating to preliminary results of the Dutch Auction Self Tender.
- (6) Current Report on Form 8-K dated as of January 7, 1997 related to the repurchase of 145,260 shares of the Company's Common Stock from a single shareholder.

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 29, 1996.....	\$406	\$436	\$432	\$ 410
Fiscal year ended December 31, 1995.....	\$400	\$319	\$313	\$ 406
Fiscal year ended January 1, 1995.....	\$425	\$600	\$625	\$ 400

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 25, 1997

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.

By: /s/	J. FRANK HARRISON, JR. J. FRANK HARRISON, JR.	Chairman Emeritus of the Board of Directors and Director	March 25, 1997
By: /s/	J. FRANK HARRISON, III J. FRANK HARRISON, III	Chairman of the Board of Directors, Chief Executive Officer and Director	March 25, 1997
By: /s/	JAMES L. MOORE, JR. JAMES L. MOORE, JR.	President and Chief Operating Officer and Director	March 25, 1997
By: /s/	REID M. HENSON REID M. HENSON	Vice Chairman of the Board of Directors and Director	March 25, 1997
By: /s/	H. W. MCKAY BELK H. W. MCKAY BELK	Director	March 25, 1997
By: /s/	JOHN M. BELK JOHN M. BELK	Director	March 25, 1997
By: /s/	H. REID JONES H. REID JONES	Director	March 25, 1997
By: /s/	DAVID L. KENNEDY, JR. DAVID L. KENNEDY, JR.	Director	March 25, 1997
By: /s/	NED R. MCWHERTER NED R. MCWHERTER	Director	March 25, 1997
By: /s/	JOHN W. MURREY, III JOHN W. MURREY, III	Director	March 25, 1997
By: /s/	DAVID V. SINGER DAVID V. SINGER	Vice President and Chief Financial Officer	March 25, 1997
By: /s/	STEVEN D. WESTPHAL STEVEN D. WESTPHAL	Vice President and Chief Accounting Officer	March 25, 1997

COCA-COLA BOTTLING CO. CONSOLIDATED
1997 ANNUAL BONUS PLAN

PURPOSE

The purpose of the bonus plan is to provide additional incentive to officers and employees of the Company in key positions.

PLAN ADMINISTRATION

The plan will be administered by the Compensation Committee as elected by the Board of Directors. 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. All determinations and interpretations of the Committee will be binding upon the Company and each participant.

PLAN GUIDELINES

ELIGIBILITY: The Compensation 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 Compensation 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
 - (a) Corporate goals set for the fiscal year.
 - (b) Division/Manufacturing Center goals or individual goals set for the fiscal year.
 - (c) The Compensation Committee may, in its sole discretion, amend or eliminate any individual award.
2. The gross amount of the award will be specified as a percentage of base salary of the participant and will be determined on the following basis:

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

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

Gross Cash Award = Base Salary X approved bonus % X the indexed performance factor X overall goal achievement factor.

*

4. The Compensation Committee will review and approve all awards for Executive Officers. The Committee has full and final authority in its discretion to determine the actual gross amount to be paid to participants. The gross amount will be subject to all local, state and federal minimum tax withholding requirements.

NOTE: * During 1997 the Company will initiate a plan to increase volume more so than in past years. This increase may affect earnings, OCF, FCF, etc. in Fiscal 1997. Therefore the Compensation Committee of the Board of Directors reserves the right to modify any calculated awards in #3 above for 1997 in recognition of these unique circumstances.

5. 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 Compensation Committee, provided the participant has been employed a minimum of three (3) months during the calendar year.

6. 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 notification from the Company's independent auditors of the final results of operations for the fiscal year. The Compensation Committee is authorized to establish an earlier payment date based on unaudited preliminary results.

SPECIAL AWARD PROVISION: Management may wish to recognize outstanding performances by individuals who may or may not be in eligible positions to receive an award. Management may recommend awards for such individuals, and the Compensation Committee is authorized to make such awards.

AMENDMENTS, MODIFICATIONS AND TERMINATION

The Compensation Committee is authorized to amend, modify or terminate the plan retroactively at any time, in part or in whole.

APPROVED PERFORMANCE CRITERIA FOR
COMPENSATION COMMITTEE TO CONSIDER
IN AWARDING 1997 BONUS PAYMENTS

CORPORATE GOALS

PERFORMANCE INDICATOR	WEIGHTAGE FACTOR	GOAL**
1. Cash Flow:		
Operating Cash Flow (A)	25%	Approved Budget
Free Cash Flow (B)	25%	Approved Budget
2. Net Income	10%	Approved Budget
3. Unit Volume	20%	Approved Budget
4. Nielsen Market Share	10%	Positive Share Swing
5. Value Measure (9 X OCF - Debt)	10%	Approved Budget

NOTES:

1. A. Operating cash flow is defined as income from operations before depreciation and amortization of goodwill and intangibles.
- B. Free cash flow is defined as the net cash available for debt paydown after considering non-cash charges, capital expenditures, taxes and adjustments for changes in assets and liabilities, but before payment of cash dividends. Specifically excluded would be acquisitions and capital expenditures made because of acquisitions. Specifically excluded from operating cash flow are gains/losses from:
 - Sales of franchise territories.
 - Sales of real estate
 - Sales of other assets
 - Other items as defined by the Compensation Committee.

NOTE:

**It should be noted that none of the goals reflect the possibility of a Joint Venture or acquisitions. Should these events occur the goals would need to be recalculated.

2. Net Income is defined as the after-tax reported earnings of the Company.
3. Unit Volume is defined as bottle, can and pre-mix cases, converted to 8 oz. cases.
4. The following items will be considered for exclusions by the Committee:
 - Unusual or extraordinary events of more than \$50,000
 - Impact of non-budgeted acquisitions made after January 1, 1997.
 - Adjustments required to implement unbudgeted changes in accounting principles (i.e., FASB rulings regarding health care benefits for retirees, deferred taxes, etc.).
 - Unbudgeted changes in depreciation and amortization schedules.
 - Premiums paid or received due to the retirement or refinancing of debt or hedging vehicles.
5. Bonus program will not be in force if any material aspects of the Bottle Contracts with TCCC are violated.
6. For purposes of determining 1997 incentive compensation, accounting practices and principles used to calculate "actual" results will be consistent with those used in calculating the budget.

This Agreement is made to be effective the 1st day of January, 1997, by and between J. Frank Harrison, Jr. (hereinafter "Harrison") and Coca-Cola Bottling Co. Consolidated (hereinafter the "Company").

WHEREAS, Harrison has served as an officer of the Company for over twenty (20) years, including having held the positions of Chief Executive Officer, Vice-Chairman of the Board of Directors (hereinafter the "Board") and Chairman of the Board since 1977;

WHEREAS, during the period that Harrison served the Company, it grew from a small bottler of soft drinks to a very large publicly held bottler of soft drinks with sales of over \$750 million;

WHEREAS, the Board believes that presently the Company has superior management, a very efficient manufacturing and distribution operation, an outstanding sales organization and a good relationship with The Coca-Cola Company and its other franchisers;

WHEREAS, Harrison has expressed his intention to resign as Chairman of the Board, and the Board desires to ensure that Harrison will continue to serve as a Director of the Company, Chairman of the Executive and Finance Committees, a member of the Compensation Committee and as a consultant to the Company participating fully in various major strategic decisions of management and in matters relating to The Coca-Cola Company and its relations with the Company;

WHEREAS, the Board believes that it is in the best interest of the Company to generally reward him for his past services to the Company and insure that he will continue to take an active role in the Company's business affairs, including his continued availability to assist in maintaining a good relationship with The Coca-Cola Company; and

WHEREAS, Harrison is willing to provide such continued services and benefits to the Company under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and other consideration as expressly provided for herein, the parties hereto agree as follows:

1

1. Duties. Harrison agrees to serve as a director of the Company, Chairman of the Executive and Finance Committees, member of the Compensation Committee, and in any other capacity that the Board shall request of him including the participation in special projects of the Company. Harrison agrees to be available to consult with and assist the management of the Company concerning the general oversight and guidance of the Company and all major decisions and projects of the Company, and to provide the Company with the benefit of his experience and knowledge concerning all such matters. Also Harrison agrees to use his good relationship with The Coca-Cola Company in order to assist and promote the best interests of the Company and its shareholders. Harrison agrees to provide the Company with his full time and business resources in order to carry out his responsibilities hereunder, and he agrees not to accept any other employment that would preclude him from carrying out or otherwise interfering with his responsibilities hereunder.

2. Compensation And Assistance. As compensation for the services to be rendered by Harrison pursuant hereto and in order to provide him with the necessary administrative and other support needed to perform such services, the Company agrees to pay or furnish to Harrison, as applicable, the following:

(a) A retirement benefit payment of \$500,000 annually, such amount to be paid in equal monthly installments;

(b) A payment of \$200,000 annually as consideration for future services to be rendered as described herein, such amount to be paid in equal monthly installments;

(c) Medical and hospital expense coverage comparable to such benefits as may from time to time be furnished to the principal executive officers of the Company;

(d) Life Insurance in an amount and pursuant to the same terms and conditions as have been previously furnished to Harrison prior to his resignation as Chairman;

(e) Office facilities, office staff, and related services and expenses in accordance with the past practice of the Company, and transportation by Company owned and/or operated aircraft, in accordance with the previous resolutions of the Board requiring him to at all times use Company aircraft for travel rather than commercial aircraft, where it is practical to do so.

2

3. Honorary Title. Harrison is hereby designated honorary Chairman Emeritus of the Board.

4. Term. This Agreement shall be for a term of one (1) year from the date hereof, and shall be self renewing for additional terms of one (1) year each successively thereafter unless (a) the Board having initially approved of this Agreement shall thereafter at a meeting called specifically for such purpose elect to terminate the Agreement, or (b) Harrison shall elect to terminate the Agreement, in which event the party electing to terminate the Agreement shall serve a notice upon the other party informing such party of the election to terminate this Agreement, which notice in order to be effective at the end of the then present term must be served sixty (60) days or more prior to the end of such term of the Agreement.

5. Early Termination. This Agreement shall terminate automatically, without any requirement of notice, upon the following events:

(a) The death of Harrison; or

(b) A determination made in good faith by the Board that Harrison has willfully failed to perform or is unable to perform due to medical infirmity the services assigned to him by the Board pursuant hereto.

6. Change Of Control. In the event of a change of control of the Company, the requirement to compensate Harrison pursuant to Section 2.(a) hereof shall continue thereafter for the remainder of his lifetime. For purposes of this Agreement, change of control shall mean that Harrison and his issue, including any trusts or other legal entities established for their benefit and the benefit of their issue, shall be entitled to vote shares of capital stock of the Company at any meeting of shareholders held for the election of directors of the Company less than fifty-one percent (51%) of all the votes entitled to vote at such meeting.

7. Confidentiality of Company Information. Harrison agrees to keep confidential and not to disclose to anyone other than a person acting on behalf of the Company any information about the Company concerning its methods and manner of operation, marketing plans, new products, procedures, methods, processes, know-how and techniques, customer lists and other similar information that may be useful by a competitor of the Company. This obligation

TRANSFER AND ASSUMPTION OF LIABILITIES AGREEMENT

THIS TRANSFER AND ASSUMPTION OF LIABILITIES AGREEMENT made and entered into as of this 19th day of December, 1996 (this "Agreement") by and between CCBCC, Inc., a Delaware corporation ("CCBCC"), PIEDMONT COCA-COLA BOTTLING PARTNERSHIP a Delaware general partnership ("PCCBP").

WITNESSETH

WHEREAS, CCBCC was established by Coca-Cola Bottling Co. Consolidated, the Managing Agent of PCCBP ("Consolidated"), to act as the common employer for all personnel utilized by Consolidated in its operations, including the personnel which it uses in the management and operation of PCCBP and PCCBP's subsidiary, and, to that end, most former employees of PCCBP and its subsidiary are now employed by CCBCC and are leased to PCCBP and its subsidiary; and

WHEREAS, PCCBP believes it to be in its best interest, to the extent feasible, to consolidate all employee-related matters in CCBCC, so that all personnel and personnel-related functions will be handled by CCBCC; and

WHEREAS, in connection with the foregoing, PCCBP desires to transfer to CCBCC certain of PCCBP's retiree health care benefit liabilities for former employees who either are retired or are employed by CCBCC, a schedule of which liabilities and the amount thereof is attached hereto as Exhibit 1 (the "Assumed Liabilities"); and

WHEREAS, PCCBP is transferring the Assumed Liabilities, and making a transfer of cash in the amount of \$8,177,000 in exchange for 805.31 shares of CCBCC's Series A Preferred Stock (the "Capital Contribution"); and

WHEREAS, the parties hereto wish to enter this Agreement in order to effectuate the transfer and the assumption of the Assumed Liabilities in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which PCCBP hereby acknowledges, the parties hereto agree as follows:

1. For and consideration of the issuance to PCCBP of 805.31 shares of CCBCC's Series A Preferred Stock, PCCBP hereby conveys to CCBCC the Assumed Liabilities and a cash payment, and CCBCC assumes all of the Assumed Liabilities. To the extent necessary, CCBCC agrees to execute any and all assignments or other documents which may be necessary to effect such assumption or which may be requested by any creditor of PCCBP to document such assumption.

2. PCCBP hereby warrants itself to be obligated to pay the Assumed Liabilities.

3. CCBCC hereby represents and warrants that it possesses full authority to assume the Assumed Liabilities and to issue all shares of its Series A Preferred Stock to be issued pursuant to this Agreement and that all such shares when issued shall be deemed fully paid and non-assessable.

IN WITNESS WHEREOF, PCCBP and CCBCC have caused this Agreement to be executed and delivered on the day and date first above written.

CCBCC, INC.

By: /s/ David V. Singer
Title: VICE PRESIDENT
PIEDMONT COCA-COLA BOTTLING PARTNERSHIP
By Coca-Cola Bottling Co. Consolidated
Managing Agent

By: /S/ William B. Elmore
Title: VICE PRESIDENT

EXHIBIT 1

Piedmont Coca-Cola Bottling Partnership
Assumed Liabilities

Certain retiree healthcare benefit liabilities with a present value of \$8,096,469; as actuarially determined by AON Consulting, Inc. (formerly Godwins Booke & Dickenson), and more fully described in a document previously delivered to CCBCC, Inc. on November 30, 1994.

LIST OF SUBSIDIARIES

INVESTMENT IN	STATE/DATE INCORPORATION	OWNED BY	PERCENT OWNERSHIP
Columbus Coca-Cola Bottling Company	Delaware 7/10/84	Consolidated	100%
Coca-Cola Bottling Co. of Roanoke, Inc.	Delaware 2/5/85	Consolidated	100%
Panama City Coca-Cola Bottling Company	Florida 10/5/31	Columbus CCBC, Inc.	100%
Case Advertising, Inc.	Delaware 2/18/88	Consolidated	100%
C C Beverage Packing, Inc.	Delaware 3/15/88	Consolidated	100%
Tennessee Soft Drink Production Company	Tennessee 12/22/88	CCBC of Nashville, Inc.	100%
The Coca-Cola Bottling Company of West Virginia, Inc.	West Virginia 12/28/92	Consolidated	100%
Jackson Acquisitions, Inc.	Delaware 1/24/90	Consolidated	100%
CCBCC, Inc.	Delaware 12/20/93	Consolidated	100%
Coca-Cola Bottling Co. Affiliated, Inc.	Delaware 4/18/35	Consolidated	100%
Metrolina Bottling Company	Delaware 5/21/93	Consolidated	100%
COBC, Inc.	Delaware 11/23/93	Columbus Coca-Cola Bottling Company	100%
ECBC, Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. Affiliated, Inc.	100%

LIST OF SUBSIDIARIES (cont.)

INVESTMENT IN	STATE/DATE INCORPORATION	OWNED BY	PERCENT OWNERSHIP
MOBC, Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. of Mobile, Inc.	100%
NABC, Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. of Nashville, Inc.	100%
PCBC, Inc.	Delaware 11/23/93	Panama City Coca-Cola Bottling Company	100%
ROBC, Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. of Roanoke, Inc.	100%
WCBC, Inc.	Delaware 11/23/93	Coca-Cola Bottling Co. Affiliated, Inc.	100%
WVBC, Inc.	Delaware 11/23/93	The Coca-Cola Bottling Company of West Virginia, Inc.	100%
Coca-Cola Ventures, Inc.	Delaware 6/17/93	Coca-Cola Bottling Co. Affiliated, Inc.	100%
Whirl-i-Bird, Inc.	Tennessee 11/3/86	Consolidated	100%
Coca-Cola Bottling Company of North Carolina, LLC	North Carolina 12/18/95	Consolidated	100%
Category Management Consulting, LLC	North Carolina 6/29/95	Consolidated	100%
Chesapeake Treatment Company, LLC	North Carolina 6/5/95	Consolidated	100%
Consolidated Volunteer, Inc.	Delaware 12/20/96	Consolidated	100%

LIST OF SUBSIDIARIES (cont.)

INVESTMENT IN	STATE/DATE INCORPORATION	OWNED BY	PERCENT OWNERSHIP
Coca-Cola Bottling of Alabama, LLC	Delaware 12/17/96	Coca-Cola Beverage/ Consolidated	100%
Coca-Cola Bottling Company of Mobile, LLC	Alabama 12/20/96	CCBC of Alabama/ Coca-Cola Beverage	100%
Coca-Cola Bottling Company of Nashville, LLP	Tennessee 12/18/96	CCBC of Tennessee/ Consolidated Volunteer	100%
Coca-Cola Bottling Company of Tennessee, LLC	Tennessee 12/10/96	CCBC of Roanoke/ Consolidated	100%

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 33-4325) and Registration Statement on Form S-3 (No. 33-54657) of Coca-Cola Bottling Co. Consolidated of our report dated February 17, 1997 appearing on page 36 of this Form 10-K.

PRICE WATERHOUSE LLP
Charlotte, North Carolina
March 18, 1997

This schedule contains summary financial information extracted from the financial statements as of and for the year ended December 29, 1996 and is qualified in its entirety by reference to such financial statements.

12-MOS		
	DEC-29-1996	
	JAN-01-1996	
	DEC-29-1996	2,941
		0
		51,328
		410
		30,787
	110,595	351,688
		161,615
		702,396
	76,680	439,453
		0
		0
		12,055
		10,214
702,396		773,763
	773,763	435,959
		435,959
		227,293
		0
		30,379
		25,699
		9,535
	16,164	0
		0
		0
		0
		16,164
		1.74
		0