SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 30, 2003

Commission File Number 0-9286

COCA-COLA BOTTLING CO. CONSOLIDATED
(Exact name of registrant as specified in its charter)

Delaware	**56-0950585**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4100 Coca-Cola Plaza, Charlotte, North Carolina	**28211**
(Address of principal executive offices)	**(Zip Code)**

(704) 557-4400
(Registrant's telephone number, including area code)

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

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

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

Class	Outstanding at May 1, 2003
Common Stock, $1.00 Par Value	6,642,577
Class B Common Stock, $1.00 Par Value	2,400,752

PART I – FINANCIAL INFORMATION

Item l. Financial Statements

Coca-Cola Bottling Co. Consolidated
CONSOLIDATED BALANCE SHEETS
In Thousands (Except Share Data)

	Unaudited March 30, 2003	Dec. 29, 2002	Unaudited March 31, 2002
ASSETS			
Current Assets:			
Cash	$ 7,162	$ 18,193	$ 9,172
Accounts receivable, trade, less allowance for doubtful accounts of $1,757, $1,676 and $2,064	79,341	79,548	81,303
Accounts receivable from The Coca-Cola Company	13,134	12,992	15,475
Accounts receivable, other	5,649	17,001	6,385
Inventories	38,469	38,648	40,852
Prepaid expenses and other current assets	9,334	4,588	5,304
Total current assets	153,089	170,970	158,491
Property, plant and equipment, net	462,725	466,840	478,973
Leased property under capital leases, net	44,080	44,623	50,779
Other assets	58,521	58,167	70,729
Franchise rights, net	522,189	505,374	506,277
Goodwill, net	100,754	100,754	100,754
Other identifiable intangible assets, net	10,398	6,797	8,026
Total	$ 1,351,756	$1,353,525	$1,374,029

See Accompanying Notes to Consolidated Financial Statements

Coca-Cola Bottling Co. Consolidated
CONSOLIDATED BALANCE SHEETS
In Thousands (Except Share Data)

	Unaudited March 30, 2003	Dec. 29, 2002	Unaudited March 31, 2002
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Portion of long-term debt payable within one year	$ 39	$ 31	$ 147,431
Current portion of obligations under capital leases	3,969	3,960	5,715
Accounts payable, trade	38,617	38,303	35,476
Accounts payable to The Coca-Cola Company	5,227	9,823	4,817
Accrued compensation	11,354	20,462	7,817
Other accrued liabilities	65,543	72,647	68,257
Accrued interest payable	16,577	10,649	15,122
Total current liabilities	141,326	155,875	284,635
Deferred income taxes	156,330	155,964	160,578
Pension and postretirement benefit obligations	39,286	37,227	32,941
Other liabilities	60,248	58,261	60,510
Obligations under capital leases	41,771	42,066	41,811
Long-term debt	845,978	807,725	717,625
Total liabilities	1,284,939	1,257,118	1,298,100
Commitments and Contingencies (Note 14)			
Minority interest	31,819	63,540	56,452
Stockholders' Equity:			
Common Stock, $1.00 par value:			
Authorized – 30,000,000 shares;			
Issued – 9,704,951, 9,704,851 and 9,454,851 shares	9,704	9,704	9,454
Class B Common Stock, $1.00 par value:			
Authorized – 10,000,000 shares;			
Issued – 3,028,866, 3,008,966 and 3,008,966 shares	3,029	3,009	3,009
Capital in excess of par value	97,220	95,986	89,559
Retained earnings (accumulated deficit)	5,189	6,043	(8,929)
Accumulated other comprehensive loss	(18,890)	(20,621)	(12,362)
	96,252	94,121	80,731
Less-Treasury stock, at cost:			
Common – 3,062,374 shares	60,845	60,845	60,845
Class B Common – 628,114 shares	409	409	409
Total stockholders' equity	34,998	32,867	19,477
Total	$1,351,756	$1,353,525	$1,374,029

See Accompanying Notes to Consolidated Financial Statements

Coca-Cola Bottling Co. Consolidated
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
In Thousands (Except Per Share Data)

	First Quarter	
	2003	2002
Net sales	$ 275,200	$ 271,618
Cost of sales, excluding depreciation shown below	140,306	137,144
Gross margin	134,894	134,474
Selling, general and administrative expenses, excluding depreciation shown below	102,125	96,412
Depreciation expense	19,015	17,985
Amortization of intangibles	698	687
Income from operations	13,056	19,390
Interest expense	10,371	12,140
Other income (expense), net	(199)	(899)
Minority interest	116	759
Income before income taxes	2,370	5,592
Income taxes	963	2,214
Net income	$ 1,407	$ 3,378
Basic net income per share	$ .16	$ .39
Diluted net income per share	$ .16	$ .38
Weighted average number of common shares outstanding	9,043	8,773
Weighted average number of common shares outstanding-assuming dilution	9,043	8,857
Cash dividends per share		
Common Stock	$ .25	$ .25
Class B Common Stock	$ .25	$ .25

See Accompanying Notes to Consolidated Financial Statements

Coca-Cola Bottling Co. Consolidated
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
In Thousands

	Common Stock	Class B Common Stock	Capital in Excess of Par Value	Retained Earnings (Accum. Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance on December 30, 2001	$ 9,454	$ 2,989	$91,004	$ (12,307)	$ (12,805)	$ (61,254)	$17,081
Comprehensive income:							
Net income				3,378			3,378
Change in fair market value of cash flow hedges, net of tax					14		14
Change in proportionate share of Piedmont's accum. other comprehensive loss, net of tax					429		429
Total comprehensive income							3,821
Cash dividends paid			(2,193)				(2,193)
Issuance of Class B Common Stock		20	748				768
Balance on March 31, 2002	$ 9,454	$ 3,009	$89,559	$ (8,929)	$ (12,362)	$ (61,254)	$19,477
Balance on December 29, 2002	$ 9,704	$ 3,009	$95,986	$ 6,043	$ (20,621)	$ (61,254)	$32,867
Comprehensive income:							
Net income				1,407			1,407
Change in fair market value of cash flow hedges, net of tax					1,731		1,731
Total comprehensive income							3,138
Cash dividends paid				(2,261)			(2,261)
Issuance of Class B Common Stock		20	1,234				1,254
Balance on March 30, 2003	$ 9,704	$ 3,029	$97,220	$ 5,189	$ (18,890)	$ (61,254)	$34,998

See Accompanying Notes to Consolidated Financial Statements

Coca-Cola Bottling Co. Consolidated
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
In Thousands

	First Quarter	
	2003	2002
Cash Flows from Operating Activities		
Net income	$ 1,407	$ 3,378
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	19,015	17,985
Amortization of intangibles	698	687
Deferred income taxes	491	1,111
Losses on sale of property, plant and equipment	178	702
Amortization of debt costs	259	186
Amortization of deferred gain related to terminated interest rate swaps	(482)	(482)
Minority interest	116	759
Increase in current assets less current liabilities	(5,990)	(288)
(Increase) decrease in other noncurrent assets	249	(3,235)
Increase (decrease) in other noncurrent liabilities	3,279	(3,076)
Other	70	(3)
Total adjustments	17,883	14,346
Net cash provided by operating activities	19,290	17,724
Cash Flows from Financing Activities		
Proceeds from the issuance of long-term debt	100,000	
Payment of long-term debt	(50,000)	
Payment of current portion of long-term debt	(39)	(56,708)
Proceeds from (payment of) lines of credit, net	(11,700)	49,900
Cash dividends paid	(2,261)	(2,193)
Payments on capital lease obligations	(286)	(471)
Debt issuance costs paid	(864)	
Proceeds from interest rate lock agreements	3,135	
Other	(752)	179
Net cash provided by (used in) financing activities	37,233	(9,293)
Cash Flows from Investing Activities		
Additions to property, plant and equipment	(14,286)	(7,716)
Proceeds from the sale of property, plant and equipment	232	247
Acquisitions of companies, net	(53,500)	(8,702)
Net cash used in investing activities	(67,554)	(16,171)
Net decrease in cash	(11,031)	(7,740)
Cash at beginning of period	18,193	16,912
Cash at end of period	$ 7,162	$ 9,172
Significant non-cash investing and financing activities:		
Issuance of Class B Common Stock in connection with stock award	$ 1,254	$ 768
Capital lease obligations incurred		41,620

See Accompanying Notes to Consolidated Financial Statements

1. Accounting Policies

The consolidated financial statements include the accounts of Coca-Cola Bottling Co. Consolidated and its majority owned subsidiaries (the “Company”). All significant intercompany accounts and transactions have been eliminated.

The financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal, recurring nature.

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

The accounting policies followed in the presentation of interim financial results are consistent with those followed on an annual basis. These policies are presented in Note 1 to the consolidated financial statements included in the Company’s Annual Report on Form
10-K for the year ended December 29, 2002 filed with the Securities and Exchange Commission. See Note 17 for new accounting pronouncements.

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

2. Piedmont Coca-Cola Bottling Partnership

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont Coca-Cola Bottling Partnership (“Piedmont”) to distribute and market carbonated and noncarbonated beverages primarily in portions of North Carolina and South Carolina. The Company provides a portion of the soft drink products to Piedmont at cost and receives a fee for managing the business of Piedmont pursuant to a management agreement.

Prior to January 2, 2002, the Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially owned a 50% interest in Piedmont. On January 2, 2002, the Company purchased an additional 4.651% interest in Piedmont from The Coca-Cola Company for $10.0 million, increasing the Company’s ownership in Piedmont to 54.651%. As a result of the increase in ownership, the results of operations, financial position and cash flows of Piedmont have been consolidated with those of the Company beginning in the first quarter of 2002. The excess of the purchase price over the net book value of the interest of Piedmont acquired was $4.4 million and was recorded principally as an addition to franchise rights and other identifiable intangible assets. The Company’s investment in Piedmont had been accounted for using the equity method in 2001 and prior years.

On March 28, 2003, the Company purchased half of The Coca-Cola Company’s remaining interest in Piedmont for $53.5 million. This transaction increased the Company’s ownership interest in Piedmont from 54.651% to 77.326%. The excess of the purchase price over the net book value of the interest of Piedmont

acquired was $21.1 million and has been recorded principally as an addition to franchise rights and other identifiable intangible assets.

Summarized financial information for Piedmont was as follows:

In Thousands	March 30, 2003	Dec. 29, 2002	March 31, 2002
Current assets	$ 31,077	$ 31,571	$ 33,660
Noncurrent assets	309,840	310,128	309,659
Total assets	$340,917	$341,699	$343,319
Current liabilities	$ 30,693	$ 23,757	$117,753
Noncurrent liabilities	170,460	178,434	101,685
Total liabilities	201,153	202,191	219,438
Partners' equity	139,764	139,508	127,968
Accumulated other comprehensive loss			(4,087)
Total liabilities and partners' equity	$340,917	$341,699	$343,319

In Thousands	First Quarter	
	2003	2002
Net sales	$ 64,148	$ 63,154
Cost of sales	32,148	30,626
Gross margin	32,000	32,528
Income from operations	2,344	4,646
Net income	$ 256	$ 1,674

3. Inventories

Inventories were summarized as follows:

In Thousands	March 30, 2003	Dec. 29, 2002	March 31, 2002
Finished products	$25,898	$23,207	$28,580
Manufacturing materials	7,399	10,609	7,229
Plastic pallets and other	5,172	4,832	5,043
Total inventories	$38,469	$38,648	$40,852

4. Property, Plant and Equipment

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

In Thousands	March 30, 2003	Dec. 29, 2002	March 31, 2002	Estimated Useful Lives
Land	$ 12,670	$ 12,670	$ 13,058	
Buildings	113,634	113,234	114,773	10-50 years
Machinery and equipment	95,420	96,080	93,009	5-20 years
Transportation equipment	144,907	143,932	138,441	4-13 years
Furniture and fixtures	39,623	39,222	38,253	4-10 years
Vending equipment	365,498	362,689	356,415	6-13 years
Leasehold and land improvements	49,433	47,312	45,945	5-20 years
Software for internal use	25,835	24,439	22,302	3-7 years
Construction in progress	6,661	3,416	3,822	
Total property, plant and equipment, at cost	853,681	842,994	826,018	
Less: Accumulated depreciation and amortization	390,956	376,154	347,045	
Property, plant and equipment, net	$462,725	$466,840	$478,973	

5. Leased Property Under Capital Leases

In Thousands	March 30, 2003	Dec. 29, 2002	March 31, 2002	Estimated Useful Lives
Leased property under capital leases	$47,618	$47,618	$60,761	1-29 years
Less: Accumulated amortization	3,538	2,995	9,982	
Leased property under capital leases, net	$44,080	$44,623	$50,779	

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

6. Franchise Rights and Goodwill

In Thousands	March 30, 2003	Dec. 29, 2002	March 31, 2002
Franchise rights	$ 678,286	$661,471	$662,374
Goodwill	155,192	155,192	155,192
Franchise rights and goodwill	833,478	816,663	817,566
Less: Accumulated amortization	210,535	210,535	210,535
Franchise rights and goodwill, net	$ 622,943	$606,128	$607,031

The Company adopted the provision of Statement of Financial Accounting Standards No. 142, “Goodwill and Other Intangible Assets,” at the beginning of 2002, which resulted in goodwill and intangible assets with indefinite useful lives no longer being amortized. The Company will perform an annual impairment test in the third quarter of each year or earlier if significant impairment indicators arise.

7. Other Identifiable Intangible Assets

In Thousands	March 30, 2003	Dec. 29, 2002	March 31, 2002	Estimated Useful Lives
Customer lists	$60,042	$55,743	$54,864	3-20 years
Less: Accumulated amortization	49,644	48,946	46,838	
Other identifiable intangible assets, net	$10,398	$ 6,797	$ 8,026	

Coca-Cola Bottling Co. Consolidated
Notes to Consolidated Financial Statements (Unaudited)

8. Long-Term Debt

Long-term debt was summarized as follows:

In Thousands	Maturity	Interest Rate	Interest Paid	March 30, 2003	Dec. 29, 2002	March 31, 2002
Lines of Credit	2005	1.86%	Varies	$ 25,900	$ 37,600	$ 19,900
Revolving Credit	2005		Varies			30,000
Term Loan Agreement	2004	1.95%	Varies	35,000	85,000	85,000
Term Loan Agreement	2005	1.95%	Varies	85,000	85,000	85,000
Term Loan Agreement	2002		Varies			97,500
Term Loan Agreement	2003		Varies			97,500
Debentures	2007	6.85%	Semi-annually	100,000	100,000	100,000
Debentures	2009	7.20%	Semi-annually	100,000	100,000	100,000
Debentures	2009	6.38%	Semi-annually	250,000	250,000	250,000
Senior Notes	2012	5.00%	Semi-annually	150,000	150,000	
Senior Notes	2015	5.30%	Semi-annually	100,000		
Other notes payable	2003 – 2006	5.75%	Varies	117	156	156
				846,017	807,756	865,056
Less: Portion of long-term debt payable within one year				39	31	147,431
Long-term debt				$845,978	$807,725	$717,625

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8. Long-Term Debt (cont.)

The Company borrows periodically under its available lines of credit. These lines of credit, in the aggregate amount of $65 million at March 30, 2003, are made available at the discretion of the two participating banks and may be withdrawn at any time by such banks. On March 30, 2003, $25.9 million was outstanding under these lines of credit. The Company intends to refinance short-term maturities with currently available lines of credit. To the extent that these borrowings do not exceed the amount available under the Company's $125 million revolving credit facility, they are classified as noncurrent liabilities.

In December 2002, the Company entered into a three-year $125 million revolving credit facility. This facility includes an option to extend the term for an additional year at the participating banks' discretion. The revolving credit facility bears interest at a floating rate of LIBOR plus an interest rate spread of .60%. In addition, there is a facility fee of .15% required for this revolving credit facility. Both the interest rate spread and the facility fee are determined from a commonly used pricing grid based on the Company's long-term senior unsecured noncredit-enhanced debt rating. This new revolving credit facility replaced the Company's $170 million facility that expired in December 2002. The new facility contains covenants, which establish ratio requirements related to debt, interest expense and cash flow. On March 30, 2003, there were no amounts outstanding under this new facility.

In January 1999, the Company filed an $800 million shelf registration for debt and equity securities. The Company has used this shelf registration to issue long-term debt including $250 million in 1999, $150 million in 2002 and $100 million in March 2003. The Company currently has $300 million available for use under this shelf registration.

In November 2002, the Company issued $150 million of ten-year senior notes at a coupon rate of 5.00%. The proceeds from this issuance were used to repay borrowings under the Company's revolving credit facility and lines of credit, and to loan amounts to Piedmont to enable it to repay a $97.5 million term loan. In March 2003, the Company issued $100 million of twelve-year senior notes at a coupon rate of 5.30%. The proceeds from this issuance were used to purchase an additional interest in Piedmont for $53.5 million and repay a portion of the Company's $170 million term loan, reducing the amount outstanding under the term loan to $120 million at March 30, 2003.

With regards to the Company's $120 million term loan agreement that matures in 2004 and 2005, the Company must maintain its public debt ratings at investment grade as determined by both Moody's and Standard & Poor's. If the Company's public debt ratings fall below investment grade within 90 days after the public announcement of certain designated events and such ratings stay below investment grade for an additional 40 days, a trigger event resulting in a default occurs. The Company does not anticipate a trigger event will occur.

During 2002, Piedmont refinanced a $195 million term loan using the proceeds from a loan from the Company. The Company's source of funds for this loan to Piedmont included the issuance of $150 million of senior notes, its lines of credit, its revolving credit facility and available cash flow. Piedmont pays the

Company interest on the loan at the Company's average cost of funds plus 0.50%. The Company plans to provide for Piedmont's future financing requirements under these terms.

After taking into account all of the interest rate hedging activities, the Company had a weighted average interest rate of 5.0%, 5.0% and 5.4% for its debt and capital lease obligations as of March 30, 2003, December 29, 2002 and March 31, 2002, respectively. The Company's overall weighted average interest rate on its debt and capital lease obligations was 5.1% for the first quarter of 2003 compared to 5.5% for the first quarter of 2002.

Before giving effect to the forward rate agreements discussed in Note 9 to the consolidated financial statements, approximately 38% of the Company's debt and capital lease obligations of $891.8 million was subject to changes in short-term interest rates as of March 30, 2003. The Company considers all floating rate debt and fixed rate debt with a maturity of less than one year to be subject to changes in short-term interest rates.

If average interest rates for the floating rate component of the Company's debt and capital lease obligations increased by 1%, interest expense for the first quarter ended March 30, 2003 would have increased by approximately $.8 million and net income would have been reduced by approximately $.5 million.

During the first quarters of 2003 and 2002, interest expense was lower due to amortization of the deferred gain on previously terminated interest rate swap agreements by approximately $.5 million in each period.

9. Derivative Financial Instruments

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

Derivative financial instruments were summarized as follows:

	March 30, 2003		December 29, 2002		March 31, 2002	
In Thousands	Notional Amount	Remaining Term	Notional Amount	Remaining Term	Notional Amount	Remaining Term
Interest rate swaps – fixed					$27,000	.7 years
Interest rate swaps – fixed					19,000	.7 years
Interest rate swaps – fixed					40,000	.2 years
Interest rate swaps – fixed					90,000	1.2 years
Interest rate swaps – floating	$50,000	4.67 years	$50,000	4.92 years		
Interest rate swaps – floating	50,000	6.33 years	50,000	6.58 years		
Interest rate swaps – floating	50,000	9.67 years	50,000	9.92 years		

9. Derivative Financial Instruments (cont.)

	March 30, 2003			December 29, 2002		
In Thousands	Notional Amount	Start Date	Length of Term	Notional Amount	Start Date	Length of Term
Forward rate agreement – fixed	$50,000	1/02/03	1 year	$50,000	1/02/03	1 year
Forward rate agreement – fixed	50,000	5/01/03	1 year	50,000	5/01/03	1 year
Forward rate agreement – fixed	50,000	5/15/03	1 year	50,000	5/15/03	1 year
Forward rate agreement – fixed	50,000	5/30/03	3 months	50,000	5/30/03	3 months
Forward rate agreement – fixed	50,000	5/30/03	1 year			

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

During the fourth quarter of 2002, the Company terminated two interest rate swap agreements related to long-term debt that was retired early. These swap agreements were accounted for as cash flow hedges. The Company recorded interest expense in the fourth quarter of $2.2 million related to the amounts paid upon termination of these interest rate swap agreements.

The Company has entered into five forward rate agreements, which fix short-term rates on certain components of the Company's floating rate debt for periods ranging from three to twelve months. Two of these forward rate agreements have been accounted for as cash flow hedges. The other three forward rate agreements do not meet the criteria set forth in Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, for hedge accounting and have been accounted for on a mark-to-market basis. The mark-to-market adjustment for these forward rate agreements was an increase to interest expense of approximately $.4 million during the first quarter of 2003.

In conjunction with the issuance of $100 million 5.30% Senior Notes in March 2003, the Company entered into certain interest rate agreements to hedge the issuance price. These interest rate agreements have been accounted for as cash flow hedges. The Company received $3.1 million from these cash flow hedges upon settlement, which has been recorded in other comprehensive income, net of tax, and will be amortized as a reduction of interest expense over the life of the related senior notes.

The counterparties to these contractual arrangements are major financial institutions with which the Company also has other financial relationships. The Company is exposed to credit loss in the event of nonperformance by the other parties. However, the Company does not anticipate nonperformance by the other parties.

10. Fair Values of Financial Instruments

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

Cash, Accounts Receivable and Accounts Payable

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

Public Debt

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

Non-Public Variable Rate Long-Term Debt

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

Non-Public Fixed Rate Long-Term Debt

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

Derivative Financial Instruments

Fair values for the Company's interest rate swaps are based on estimated current settlement values.

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

	March 30, 2003		December 29, 2002		March 31, 2002	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Public debt	$700,000	$744,954	$600,000	$634,150	$450,000	$441,990
Non-public variable rate long-term debt	145,900	145,900	207,600	207,600	414,900	414,900
Non-public fixed rate long-term debt	117	117	156	156	156	156
Interest rate swaps and forward rate agreements	(1,372)	(1,372)	(2,023)	(2,023)	4,056	4,056

The fair values of the interest rate swaps and forward rate agreements at March 30, 2003 and December 29, 2002 represent the estimated amounts the Company would have received upon termination of these agreements. The fair values of the interest rate swaps at March 31, 2002 represent the estimated amounts the Company would have paid upon termination of these agreements.

Coca-Cola Bottling Co. Consolidated

Notes to Consolidated Financial Statements (Unaudited)

11. Income Taxes

The provision for income taxes consisted of the following:

In Thousands	March 30, 2003	March 31, 2002
Current:		
Federal	$ 472	$ 1,103
State		
Total current provision	472	1,103
Deferred:		
Federal	354	827
State	137	284
Total deferred provision	491	1,111
Income tax expense	$ 963	$ 2,214

Current tax expense represents alternative minimum tax.

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

In Thousands	March 30, 2003	March 31, 2002
Statutory expense	$ 830	$ 1,957
State income taxes, net of federal benefit	89	185
Other	44	72
Income tax expense	$ 963	$ 2,214

Coca-Cola Bottling Co. Consolidated
Notes to Consolidated Financial Statements (Unaudited)

12. Supplemental Disclosures of Cash Flow Information

Changes in current assets and current liabilities affecting cash, net of effect of acquisitions, were as follows:

	First Quarter	
In Thousands	2003	2002
Accounts receivable, trade, net	$ 207	$ 3,081
Accounts receivable, The Coca-Cola Company	(142)	(10,470)
Accounts receivable, other	11,352	1,218
Inventories	179	4,960
Prepaid expenses and other current assets	(4,746)	(2,092)
Accounts payable, trade	314	1,262
Accounts payable, The Coca-Cola Company	(4,596)	(3,376)
Other accrued liabilities	(6,632)	11,768
Accrued compensation	(7,854)	(8,765)
Accrued interest payable	5,928	2,126
Increase in current assets less current liabilities	$ (5,990)	$ (288)

13. Earnings Per Share

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

In Thousands (Except Per Share Data)	First Quarter 2003	First Quarter 2002
Numerator:		
Numerator for basic net income per share and diluted net income per share	$ 1,407	$ 3,378
Denominator:		
Denominator for basic net income per share – weighted average common shares	9,043	8,773
Effect of dilutive securities – stock options	—	84
Denominator for diluted net income per share – adjusted weighted average common shares	9,043	8,857
Basic net income per share	$ .16	$ .39
Diluted net income per share	$ .16	$ .38

14. Commitments and Contingencies

The Company has guaranteed a portion of the debt for two cooperatives in which the Company is a member. The amounts guaranteed were $40.0 million, $34.8 million and $45.8 million as of March 30, 2003, December 29, 2002 and March 31, 2002, respectively. The guarantees relate to debt and lease obligations, which resulted primarily from the purchase of production equipment and facilities. Both cooperatives consist solely of Coca-Cola bottlers. In the event either of these cooperatives fail to fulfill their commitments under the related debt and lease obligations, the Company would be responsible for payments to the lenders up to the level of the guarantees. If these cooperatives had borrowed up to their maximum borrowing capacity, the Company's maximum potential amount of payments under these guarantees on March 30, 2003 would have been $59.8 million. The Company does not anticipate that either of these cooperatives will fail to fulfill their commitments under these agreements. The Company believes that each of these cooperatives has sufficient assets, including production equipment, facilities and working capital, to adequately mitigate the risk of material loss.

The Company is involved in various claims and legal proceedings which have arisen in the ordinary course of business. Although it is difficult to predict the ultimate outcome of these cases, management believes, based on discussions with legal counsel, 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.

15. Capital Transactions

On March 4, 2003, the Compensation Committee of the Board of Directors determined that 20,000 shares of restricted Class B Common Stock, $1.00 par value, vested and should be issued pursuant to a performance-based award to J. Frank Harrison, III, in connection with his services as Chairman of the Board of Directors and Chief Executive Officer of the Company. This award was approved by the Company's stockholders in 1999. The shares were issued without registration under the Securities Act of 1933 in reliance on Section 4(2) thereof.

16. Related Party Transactions

The Company's business consists primarily of the production, marketing and distribution of soft drink products of The Coca-Cola Company, which is the sole owner of the secret formulas under which the primary components (either concentrate or syrup) of its soft drink products are manufactured. As of March 30, 2003, The Coca-Cola Company had a 27.4% interest in the Company's total outstanding Common Stock and Class B Common Stock on a combined basis.

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

In Millions	First Quarter 2003	First Quarter 2002
Payments by the Company for concentrate, syrup, sweetener and other miscellaneous purchases	$ 61.6	$ 60.4
Payments by the Company for customer marketing programs	12.3	11.2
Marketing funding support payments to the Company	13.1	12.6
Payments by the Company for local media	—	—
Local media and presence marketing funding support provided by The Coca-Cola Company	2.7	3.1

The Company has a production arrangement with Coca-Cola Enterprises Inc. ("CCE") to buy and sell finished products at cost. Sales to CCE under this agreement were $5.5 million and $5.2 million in the first quarter of 2003 and the first quarter of 2002, respectively. Purchases from CCE under this arrangement were $4.6 million and $4.5 million in the first quarter of 2003 and the first quarter of 2002, respectively. The Coca-Cola Company has significant equity interests in the Company and CCE. As of March 30, 2003, CCE held 10.5% of the Company's outstanding Common Stock but held no shares of the Company's Class B Common Stock, giving CCE a 7.7% equity interest in the Company's total outstanding Common Stock and Class B Common Stock on a combined basis.

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont. Prior to January 2, 2002, the Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially owned a 50% interest in Piedmont. On January 2, 2002, the Company purchased an additional 4.651% interest in

16. Related Party Transactions (cont.)

Piedmont from The Coca-Cola Company, increasing the Company's ownership in Piedmont to 54.651%. On March 28, 2003, the Company purchased an additional 22.675% interest in Piedmont from The Coca-Cola Company, increasing the Company's ownership to 77.326%. The Company provides a portion of the soft drink products for Piedmont at cost and receives a fee for managing the operations of Piedmont pursuant to a management agreement. The Company sold product at cost to Piedmont during the first quarter of 2003 and the first quarter of 2002 totaling $12.6 million and $12.3 million, respectively. The Company received $3.9 million and $4.1 million for management services pursuant to its management agreement with Piedmont for the first quarter of 2003 and the first quarter of 2002, respectively.

During 2002, Piedmont refinanced a $195 million term loan using the proceeds from a loan from the Company. The Company's source of funds for this loan to Piedmont included the issuance of $150 million of senior notes, its lines of credit, the revolving credit facility and available cash flow. Piedmont pays the Company interest on the loan at the Company's average cost of funds plus 0.50%. As of March 30, 2003, the Company had loaned $144.0 million to Piedmont. The Company plans to provide for Piedmont's future financing requirements under these terms.

The Company also subleases various fleet and vending equipment to Piedmont at cost. These sublease rentals amounted to $2.1 million and $2.5 million in the first quarter of 2003 and the first quarter of 2002, respectively. In addition, Piedmont subleases various fleet and vending equipment to the Company at cost. These sublease rentals amounted to approximately $50,000 each period for all periods presented.

The Company is a shareholder in two cooperatives from which it purchases substantially all its requirements for plastic bottles. Net purchases from these entities were approximately $10.5 million and $11.1 million in the first quarter of 2003 and the first quarter of 2002, respectively. In connection with its participation in one of these cooperatives, the Company has guaranteed a portion of the cooperative's debt. Such guarantee amounted to $17.3 million as of March 30, 2003.

The Company is a member of South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative. SAC sells finished products to the Company and Piedmont at cost. Purchases from SAC by the Company and Piedmont for finished products were $25.9 million and $23.2 million in the first quarter of 2003 and the first quarter of 2002, respectively. The Company also manages the operations of SAC pursuant to a management agreement. Management fees from SAC were $.2 million and $.3 million in the first quarter of 2003 and the first quarter of 2002, respectively. Also, the Company has guaranteed a portion of debt for SAC. Such guarantee was $22.7 million as of March 30, 2003.

17. New Accounting Pronouncements

In November 2002, the Emerging Issues Task Force ("EITF") reached a consensus on Issue No. 02-16, "Accounting by a Reseller for Cash Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)," ("EITF 02-16") addressing the recognition and income statement classification of various consideration given by a vendor to a customer. Among its requirements, the consensus requires that certain cash consideration received by a customer from a vendor is presumed to be a reduction of the price of the vendor's products, and therefore should be characterized as a reduction of cost of sales when

recognized in the customer's income statement, unless certain criteria are met. EITF 02-16 is effective for the first quarter of 2003. Previously, the Company classified marketing funding support received from The Coca-Cola Company and other beverage companies as an adjustment to net sales. In accordance with EITF 02-16, the Company classified marketing funding support as a reduction of cost of sales for the first quarter of 2003. Prior year amounts have been reclassified to conform to the current year presentation.

In January 2003, the Financial Accounting Standards Board issued Financial Interpretation No. 46, "Consolidation of Variable Interest Entities," ("FIN 46"). This interpretation addresses consolidation by business enterprises of variable interest entities with certain defined characteristics. The Company believes that the provisions of FIN 46 will not have any impact on the Company's results of operations or financial position at this time.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

<u>Introduction</u>:

Coca-Cola Bottling Co. Consolidated (the "Company") produces, markets and distributes carbonated and noncarbonated beverages, primarily products of The Coca-Cola Company, which include some of the most recognized and popular beverage brands in the world. The Company is currently the second largest bottler of products of The Coca-Cola Company in the United States, operating in eleven states, primarily in the Southeast. The Company also distributes several other beverage brands. The Company's product offerings include carbonated soft drinks, bottled water, teas, juices, isotonics and energy drinks. Over the past several years, the Company has expanded its bottling territory primarily throughout the southeastern region of the United States via acquisitions and, combined with internally generated growth, had net sales of over $1.2 billion in 2002.

On January 2, 2002, the Company purchased an additional 4.651% interest in Piedmont Coca-Cola Bottling Partnership ("Piedmont") from The Coca-Cola Company for $10.0 million, increasing the Company's ownership in Piedmont to 54.651%. On March 28, 2003, the Company purchased an additional 22.675% interest in Piedmont from The Coca-Cola Company for $53.5 million. This transaction increased the Company's ownership interest in Piedmont to 77.326%.

As of March 30, 2003, The Coca-Cola Company owned 27.4% of the Company's Common Stock and Class B Common Stock on a combined basis and had a 22.674% interest in Piedmont.

Management's discussion and analysis should be read in conjunction with the Company's consolidated unaudited financial statements and the accompanying footnotes along with the cautionary forward-looking statements at the end of this section.

Basis of Presentation

The statement of operations, statement of cash flows and the consolidated balance sheet include the combined operations of the Company and its majority owned subsidiaries. Minority interest includes The Coca-Cola Company's interest in Piedmont, which was 45.349% for the first quarters of both 2003 and 2002.

New Accounting Pronouncements

In November 2002, the Emerging Issues Task Force ("EITF") reached a consensus on Issue No. 02-16, "Accounting by a Reseller for Cash Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)," ("EITF 02-16") addressing the recognition and income statement classification of various consideration given by a vendor to a customer. Among its requirements, the consensus requires that certain cash consideration received by a customer from a vendor is presumed to be a reduction of the price of the vendor's products, and therefore should be characterized as a reduction of cost of sales when recognized in the customer's income statement, unless certain criteria are met. EITF 02-16 is effective for the first quarter of 2003. Previously, the Company classified marketing funding support received from The Coca-Cola Company and other beverage companies as an adjustment to net sales. In accordance with EITF

02-16, the Company classified marketing funding support as a reduction of cost of sales for the first quarter of 2003. Prior year amounts have been reclassified to conform to the current year presentation.

In January 2003, the Financial Accounting Standards Board issued Financial Interpretation No. 46, “Consolidation of Variable Interest Entities,” (“FIN 46”). This interpretation addresses consolidation by business enterprises of variable interest entities with certain defined characteristics. The Company believes that the provisions of FIN 46 will not have any impact on the Company’s results of operations or financial position at this time.

Discussion of Critical Accounting Policies and Critical Accounting Estimates

In the ordinary course of business, the Company has made a number of estimates and assumptions relating to the reporting of results of operations and financial position in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ significantly from those estimates under different assumptions and conditions. The Company has included in its Annual Report on Form 10-K for the year ended December 29, 2002 a discussion of the Company’s most critical accounting policies, which are those that are most important to the portrayal of the Company’s financial condition and results of operations and require management’s most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company has not made any changes in any of these critical accounting policies during the first quarter of 2003, nor has it made any material changes in any of the critical accounting estimates underlying these accounting policies during the first quarter of 2003.

Overview:

The following discussion presents management’s analysis of the results of operations for the first quarter of 2003 compared to results for the first quarter of 2002 and changes in financial condition from March 31, 2002 and December 29, 2002 to March 30, 2003. The results for interim periods are not necessarily indicative of the results to be expected for the fiscal year due to seasonal factors.

The Company reported net income of $1.4 million or $.16 per share for the first quarter of 2003 compared with net income of $3.4 million or $.39 per share for the same period in 2002. Operating results for the first quarter of 2003 included physical case volume growth of approximately 1% and net revenue per case that was approximately equivalent to the prior year. The decline in net income was primarily a result of flat gross margin and an increase in selling, general and administrative (“S,G&A”) expenses of approximately 6%. Gross margin was impacted by lower sales in our cold drink channels due to unseasonably cold and wet weather during much of the first quarter of 2003 and the movement of the Easter holiday from the first quarter in 2002 to the second quarter in 2003. S,G&A expense increases were primarily driven by increased employment costs, increased property and casualty insurance costs and increased fuel costs. Lower interest rates and reduced debt balances resulted in a decrease in interest expense from the first quarter of 2002 of approximately $1.8 million.

Results of Operations:

The Company’s operations for the first quarter of 2003 reflected an increase in net sales of approximately 1% over the prior year. The increase reflects higher volume in supermarkets offset by lower volume in convenience stores and other cold drink channels. Physical case volume for the quarter increased by

approximately 1%. Gross margin as a percentage of net sales declined to 49.0% in the first quarter of 2003 from 49.5% for the same period in 2002. The decrease in gross margin as a percentage of net sales primarily reflects an unfavorable shift in the Company's channel mix during the first quarter due to adverse weather conditions and the movement of the Easter holiday from the first quarter in 2002 to the second quarter in 2003.

The Company's carbonated soft drink volume was unchanged in the first quarter of 2003 from the same period in the prior year. Noncarbonated beverage volume grew by almost 13%, led by Dasani bottled water which increased nearly 20% over the first quarter of 2002. Continuing its recent practice of introducing new products and packaging in response to consumer demand, the Company will introduce Sprite Remix, a new offering in the lemon-lime category, during the second quarter of 2003. This follows the successful introduction of Vanilla Coke and diet Vanilla Coke in 2002. The Company expects to introduce new packaging in its territory during the balance of 2003.

Cost of sales on a per unit basis was approximately even in the first quarter of 2003 compared to the same period in 2002. Modest increases in raw material costs were offset by a reduction in manufacturing labor and overhead costs on a per unit basis. The Company anticipates that the cost of PET containers will increase significantly during the second quarter of 2003 due to expected increases in raw material costs.

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

The Company relies extensively on advertising and sales promotion in the marketing of its products. The Coca-Cola Company and other beverage companies that supply concentrates, syrups and finished products to the Company make substantial marketing and advertising expenditures to promote sales in the local territories served by the Company. The Company also benefits from national advertising programs conducted by The Coca-Cola Company and other beverage companies. Certain of the marketing expenditures by The Coca-Cola Company and other beverage companies are made pursuant to annual arrangements. Although The Coca-Cola Company has advised the Company that it intends to provide marketing funding support in 2003, it is not obligated to do so under the Company's master bottle contract. Significant decreases in marketing funding support from The Coca-Cola Company or other beverage companies could adversely impact operating results of the Company. Total marketing funding support from The Coca-Cola Company and other beverage companies, which include direct payments to the Company as well as payments to customers for marketing programs, was $14.9 million and $14.7 million in the first quarters of 2003 and 2002, respectively. In 2002, The Coca-Cola Company offered through its Strategic Growth Initiative an opportunity for the Company to receive additional marketing funding support, subject to the Company's achievement of certain volume performance requirements. The Company recorded $1.6 million and $.3 million as a reduction in cost of sales related to the Strategic Growth Initiative during the first quarters of 2003 and 2002, respectively.

S,G&A expenses for the first quarter of 2003 increased approximately 6% from the first quarter of 2002. The increase was primarily attributable to increases in employee compensation and employee benefit plans (including costs related to the Company's pension plans), property and casualty insurance costs and fuel costs. Based on the performance of the Company's pension plan investments and lower interest rates, pension expense will increase from $6.2 million in 2002 to approximately $9.5 million in 2003. Nonhealth related insurance costs increased by $1.4 million or 39% over the first quarter of 2002. Fuel costs were approximately $.6 million higher in the first quarter of 2003.

Depreciation expense increased approximately $1.0 million for the first quarter of 2003 compared to the first quarter of 2002. The increase in depreciation expense in the first quarter was primarily related to amortization of a capital lease for the Company's Charlotte, North Carolina production/distribution center. The lease obligation was capitalized at the end of the first quarter of 2002 as the Company received a renewal option to extend the term of the lease, which it expects to exercise. The lease was previously accounted for as an operating lease. The Company anticipates that additions to property, plant and equipment in 2003 will be in the range of $70 million to $75 million and plans to fund such additions through cash flows from operations and its available credit facilities. Additions to property, plant and equipment during 2002 were $57.3 million. The Company is in the process of initiating an upgrade of its Enterprise Resource Planning (ERP) computer software systems, which is anticipated will take four to five years to complete.

Interest expense of $10.4 million decreased by $1.8 million or almost 15% from the first quarter of 2002. The decrease is attributable to lower average interest rates on the Company's outstanding debt and lower debt balances. The Company's overall weighted average interest rate on debt and capital lease obligations was 5.1% during the first quarter of 2003 as compared to 5.5% in the first quarter of 2002.

The Company's effective income tax rates for the first quarters of 2003 and 2002 were 40.6% and 39.6%, respectively. The Company's first quarter 2003 effective tax rate reflects expected fiscal year 2003 earnings. The Company's effective income tax rate for the remainder of 2003 is dependent upon operating results and may change if the results for the year are different from current expectations.

Changes in Financial Condition:

Working capital decreased $3.3 million from December 29, 2002 and increased by $137.9 million from March 31, 2002 to March 30, 2003. The significant change from March 31, 2002 was due to the refinancing of approximately $147 million of debt, which was included as short-term at the end of the first quarter of 2002. The short-term debt was refinanced using proceeds from the issuance of long-term debt, as discussed more fully below.

Working capital decreased by $3.3 million from December 29, 2002 to March 30, 2003. The more significant changes included declines in cash of $11.0 million and accounts receivable, other of $11.4 million offset by decreases in other accrued liabilities of $7.1 million and accrued compensation of $9.1 million. The decline in accounts receivable, other is due to the receipt of life insurance proceeds of $6.8 million and a refund of estimated federal income taxes of $1.7 million. These life insurance proceeds related to certain policies covering J. Frank Harrison, Jr., the former Chairman of the Board of Directors of the Company, who passed away in November 2002. The receipt of these proceeds had no impact on the results of operations for the first quarter of 2003. The decline in accrued compensation reflects payments under the Company's incentive plans in March 2003.

Capital expenditures in the first quarter of 2003 were $14.3 million compared to $7.7 million in the first quarter of 2002.

The Company's outstanding debt and capital lease obligations declined to $891.8 million at March 30, 2003 from $912.6 million at March 31, 2002. Total debt and capital lease obligations as of March 30, 2003 include $53.5 million related to the purchase of an additional interest in Piedmont on March 28, 2003, as previously discussed. As of March 30, 2003, the Company's debt and capital lease obligations had a weighted average interest rate of approximately 5.0%. Before giving effect to forward rate agreements discussed below, approximately 38% of the Company's debt and capital lease obligations of $891.8 million as of March 30, 2003 was maintained on a floating rate basis and was subject to changes in short-term interest rates. As a result of the aforementioned forward rate agreements, the Company's exposure to interest rate movements has been significantly reduced for 2003. Including the estimated interest expense related to debt incurred for the additional ownership in Piedmont, the Company estimates that interest expense for 2003 will approximate $44 million, a reduction of approximately $5 million from 2002.

In December 2002, the Company entered into a three-year $125 million revolving credit facility. This facility includes an option to extend the term for an additional year at the participating banks' discretion. The revolving credit facility bears interest at a floating rate of LIBOR plus an interest rate spread of .60%. In addition, there is a facility fee of .15% required for this revolving credit facility. Both the interest rate spread and the facility fee are determined from a commonly used pricing grid based on the Company's long-term senior unsecured noncredit-enhanced debt rating. This new revolving credit facility replaced the Company's $170 million facility that expired in December 2002. The new facility contains covenants, which establish ratio requirements related to debt, interest expense and cash flow. On March 30, 2003, there were no amounts outstanding under this new facility.

The Company borrows periodically under its available lines of credit. These lines of credit, in the aggregate amount of $65 million at March 30, 2003, are made available at the discretion of the two participating banks and may be withdrawn at any time by such banks. The Company can utilize its $125 million revolving credit facility in the event the lines of credit are not available. As of March 30, 2003, the Company had $25.9 million outstanding under its lines of credit at an interest rate of 1.86%.

If average interest rates for the floating rate component of the Company's debt and capital lease obligations increased by 1%, interest expense for the first quarter of 2003 would have increased by approximately $.8 million and net income would have been reduced by approximately $.5 million.

In January 1999, the Company filed an $800 million shelf registration for debt and equity securities. The Company has used this shelf registration to issue long-term debt, including $250 million in 1999, $150 million in 2002 and $100 million in March 2003. The Company currently has $300 million available for use under this shelf registration.

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

interest in Piedmont for $53.5 million and repay a portion of the Company's $170 million term loan, reducing the amount outstanding under the term loan to $120 million at March 30, 2003.

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

With regard to the Company's $120 million term loan agreement, the Company must maintain its public debt ratings at investment grade as determined by both Moody's and Standard & Poor's. If the Company's public debt ratings fall below investment grade within 90 days after the public announcement of certain designated events and such ratings stay below investment grade for an additional 40 days, a trigger event resulting in a default occurs. The Company does not anticipate a trigger event will occur.

At March 30, 2003, the Company's debt ratings were as follows:

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

There were no changes in these debt ratings from the prior year. It is the Company's intent to operate in a manner that will allow it to maintain its investment grade ratings.

The Company issued 20,000 shares of Class B Common Stock to J. Frank Harrison, III, its Chairman of the Board of Directors and Chief Executive Officer, effective January 1, 2003 under a restricted stock award plan that provides for annual awards of such shares subject to meeting certain performance criteria. The performance criteria were met with respect to fiscal year 2002.

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

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

The Company has entered into five forward rate agreements, which fix short-term rates on certain components of the Company's floating rate debt for periods ranging from three to twelve months. Two of these forward rate agreements have been accounted for as cash flow hedges. The other three forward rate agreements do not meet the criteria set forth in Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, for hedge accounting and have been accounted for on a mark-to-market basis. The mark-to-market adjustment for these forward rate agreements was an increase to interest expense of approximately $.4 million during the first quarter of 2003.

In conjunction with the issuance of $100 million 5.30% Senior Notes in March 2003, the Company entered into certain interest rate agreements to hedge the issuance price. These interest rate agreements have been accounted for as cash flow hedges. The Company received $3.1 million from these cash flow hedges upon settlement, which has been recorded in other comprehensive income, net of tax, and will be amortized as a reduction of interest expense over the life of the related senior notes.

During the first quarters of 2003 and 2002, interest expense was lower due to amortization of the deferred gain on previously terminated interest rate swap agreements by approximately $.5 million in each period.

FORWARD-LOOKING STATEMENTS

This Quarterly Report to Stockholders on Form 10-Q, as well as information included in future filings by the Company with the Securities and Exchange Commission and information contained in written material, press releases and oral statements issued by or on behalf of the Company, contains, or may contain, several forward-looking management comments and other statements that reflect management's current outlook for future periods. These statements include, among others, statements relating to: increases in pension expense; anticipated return on pension plan investments; the Company's estimate of interest expense for 2003; anticipated costs associated with nonhealth related insurance; potential marketing funding support from The Coca-Cola Company; sufficiency of financial resources; anticipated additions to property, plant and equipment and financing, therefore; the Company's belief that disposition of certain litigation and claims will not have a material adverse effect; the Company's expectation of exercising its option to extend certain lease obligations; the effects of the upgrade of ERP systems; management's belief that the Company has sufficient financial resources to maintain current operations and provide for its current capital expenditures and working capital requirements, scheduled debt payments, interest and income tax payments and dividends for stockholders; the Company's intention to operate in a manner to maintain its investment grade ratings; the Company's intention to provide for Piedmont's future financing requirements; the Company's belief that parties to certain contractual obligations will perform their obligations under the contracts; the Company's plans to introduce Sprite Remix; the Company's plans to introduce new packaging during the balance of 2003; the Company's beliefs regarding the costs of PET containers and management's belief that a trigger event will not occur under the Company's term loan agreement. These statements and expectations are based on the current available competitive, financial and economic data along with the Company's operating plans, and are subject to future events and uncertainties. Among the events or uncertainties which could adversely affect future periods are: lower than expected net pricing resulting from increased marketplace competition; changes in how significant customers market our products; an inability to meet performance requirements for expected levels of marketing funding support payments from The Coca-Cola Company or other beverage companies; reduced marketing and advertising spending by The Coca-Cola Company or other beverage companies; an inability to meet requirements under bottling contracts; the inability of our aluminum can or PET bottle suppliers to meet our demand; material changes from expectations in the cost of raw materials; higher than expected insurance premiums; lower than anticipated return on pension plan assets; higher than anticipated health care costs; higher than expected fuel prices; unfavorable interest rate fluctuations; terrorist attacks, war or other civil disturbances; changes in financial markets and an inability to meet projections in acquired bottling territories.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Within the 90-day period prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's Exchange Act filings.

There have been no significant changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

PART II – OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description
4.1	Limited Waiver and Consent dated March 25, 2003 by and between the Company and General Electric Capital Corporation, as Agent to the Loan Agreement dated November 20, 1995.
4.2	Fourth Amendment to Partnership Agreement dated as of March 28, 2003 by and among Piedmont Coca-Cola Bottling Partnership, The Coca-Cola Company and the Company.
4.3	Securities Purchase Agreement dated as of March 28, 2003 by and between Piedmont Partnership Holding Company, a Delaware corporation (KO Subsidiary), and Coca-Cola Ventures, Inc., a Delaware corporation (a subsidiary of the Company).
4.4	Assignment dated as of March 28, 2003 by and between Piedmont Partnership Holding Company and Coca-Cola Ventures, Inc.
4.5	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.
99.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On March 3, 2003, the Company filed a Current Report on Form 8-K relating to the announcement of the Company’s financial results for the period ended December 29, 2002.

On March 6, 2003, the Company filed a Current Report on Form 8-K relating to the announcement of the Company’s plan to increase its ownership of Piedmont Coca-Cola Bottling Partnership.

On March 27, 2003, the Company filed a Current Report on Form 8-K relating to the issuance of $100 million of its 5.30% Senior Notes due 2015.

On March 31, 2003, the Company filed a Current Report on Form 8-K relating to the announcement of the Company’s purchase of an additional interest in Piedmont Coca-Cola Bottling Partnership from The Coca-Cola Company for $53.5 million.

On April 25, 2003, the Company filed a Current Report of Form 8-K relating to the announcement of the Company’s financial results for the period ended March 30, 2003.

SIGNATURES

Pursuant to the requirements 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: May 12, 2003	By:	/s/ DAVID V. SINGER
		David V. Singer Principal Financial Officer of the Registrant and Executive Vice President and Chief Financial Officer

I, J. Frank Harrison, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coca-Cola Bottling Co. Consolidated;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 12, 2003

/s/ J. FRANK HARRISON, III

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

I, David V. Singer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coca-Cola Bottling Co. Consolidated;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
    c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 12, 2003

/s/ DAVID V. SINGER

David V. Singer
Executive Vice President and Chief Financial Officer

EXHIBIT 4.1

LIMITED WAIVER AND CONSENT

THIS LIMITED WAIVER AND CONSENT (this "Waiver"), is entered into as of March 25, 2003, by Coca-Cola Bottling Co. Consolidated, a Delaware corporation (the "Borrower"), General Electric Capital Corporation, as Agent and assignee of LTCB Trust Company (the "Agent"), and such number of the Banks (defined hereafter) signatory to the Loan Agreement (defined hereafter) as may be required pursuant to that certain Loan Agreement dated as of November 20, 1995 (as amended from time to time, the "Loan Agreement") among Borrower, Agent, and the banks party thereto from time to time (the "Banks"). Capitalized terms not otherwise defined herein shall be ascribed the meaning set forth for such term in the Loan Agreement.

WHEREAS, pursuant to the Loan Agreement, the Banks made available to the Borrower certain credit facilities;

WHEREAS, the Borrower desires to make a partial prepayment (the "Prepayment") of the Loans in the principal amount of up to $50,000,000, as permitted by and subject to the conditions of Section 3.03 of the Loan Agreement;

WHEREAS, the Borrower has requested that the Agent and the Banks consent to the application of the Prepayment to the next-scheduled installment of principal due on the Loans and waive the provisions of the Loan Agreement prohibiting such application; and

WHEREAS, the Agent and the Banks executing this Waiver are willing to waive such provisions and consent to such application of the Prepayment under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual promises herein contained and for other valuable consideration, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. Waiver and Consent to Application of Prepayment.

1.1 The Agent and the Banks executing this Waiver hereby consent to the Prepayment and waive Section 3.03(a)(iv) of the Loan Agreement so as to permit the application of the Prepayment to the next-scheduled installment of principal due on the Loans, so long as (a) the conditions of Section 3.03 of the Loan Agreement are satisfied, including, without limitation, the payment of all amounts due to the Banks pursuant to Section 5.04 of the Loan Agreement, but excluding any notice requirement stated therein, notice having been deemed received by the Agent, (b) on or within 10 Business Days after the date hereof, the Prepayment is delivered to Agent in immediately available funds for distribution to the Lenders against payment of such next scheduled installment, and (c) on the date hereof and the date on which the Prepayment is received by the Agent, no Default or Event of Default exists.

1.2 Notwithstanding Section 3.03(a)(iv) of the Loan Agreement, so long as the Prepayment is made in accordance with the conditions set forth in Section 1.1 hereof, the Agent and the Banks hereby waive such Section and consent to the application of the Prepayment to the next scheduled installment of principal due on the Loans; provided, however, that such waiver and consent is hereby expressly limited to the terms hereof as set forth herein and shall not extend to any other or subsequent payments, prepayments or repayments of any kind or be considered a waiver of any provision of the Loan Agreement or any other Loan Document.

1.3 The Borrower hereby represents and warrants to the Agent and the Banks that the Prepayment (and the incurrence of indebtedness giving rise to the Prepayment) comply in all respects with the requirements of the Loan Agreement and the other Loan Documents and that the consummation of the incurrence of such indebtedness and the performance by the Borrower of its obligations under such indebtedness will not cause a Default or an Event of Default under any Loan Document.

SECTION 2. Effectiveness of Waiver. This Waiver shall not be deemed effective until (i) the Agent shall have executed and delivered to the Borrower a copy of this Waiver and (ii) the Agent shall have one or more copies of this Waiver, executed by Borrower and such number of the Banks as may constitute the Required Banks.

SECTION 3. Miscellaneous.

3.1 No Waiver. Except to the extent that a provision of the Loan Agreement and the other Loan Documents is expressly modified by this Waiver, nothing in this Waiver shall constitute a modification of the provisions of the Loan Agreement or any other Loan Document or a waiver by the Agent or Banks of their rights and remedies under the Loan Documents. No act or omission by the Agent or any Bank shall constitute a waiver of any of their rights and remedies under the Loan Documents unless such waiver is in writing, signed by the Agent and the requisite Banks required for approval of such modification under the Loan Agreement and then only to the extent specifically set forth therein. Nothing in this Waiver shall be deemed to modify or affect any obligations that the Borrower or any other affiliate of the Borrower may have to Agent or any Lender with respect to any credit facility or other financial arrangements other than those evidenced by the Loan Agreement.

3.2 Reaffirmation. The Borrower hereby acknowledges that all terms and conditions of the Loan Agreement and the other Loan Documents are and shall remain in full force and effect. The Borrower hereby reaffirms the outstanding Loans. This Waiver is incorporated into the Loan Agreement by reference and shall constitute a part thereof as if fully set forth therein. In the event that any of the terms or the provisions of the Loan Agreement are inconsistent with or contradictory of the terms hereof, the terms of this Waiver shall control. Borrower hereby agrees to pay promptly all costs and expenses incurred by Agent (including, without limitation, the fees and expenses of Agent's counsel) in connection with the preparation, negotiation and execution of this Waiver.

3.3 Release. The Borrower acknowledges and agrees that, as of the date hereof, it does not have any claim, defense or set-off right against the Agent or any Bank or their respective

officers, directors, employees, agents, successors, assigns or affiliates, nor any claim, defense or set-off right to the enforcement by the Agent or any Bank of the full amount of the Loans. The Borrower hereby forever expressly waives, releases relinquishes, satisfies, acquits and discharges the Agent and the Banks, and their respective officers, directors, employees, agents, successors, assigns and affiliates, from any and all defenses to payment or other defenses, set-offs, claims, counterclaims, liability and causes of action, accrued or unaccrued, whether known or unknown, which occurred or arose on or prior to the date hereof.

3.4 Counterparts. This Waiver may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Waiver may be delivered by facsimile transmission with the same force and effect as if originally executed copies of this Waiver were delivered to all parties hereto.

3.5 Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or Sections contained in this Waiver shall not affect the validity or enforceability of the remaining portions of this Waiver, or any part thereof.

3.6 Governing Law. This Waiver shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have each caused this Waiver to be duly executed by their duly authorized representatives as of the date first above written.

BORROWER:

COCA-COLA BOTTLING CO. CONSOLIDATED

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

AGENT:

GENERAL ELECTRIC CAPITAL
CORPORATION

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

LENDERS:

GENERAL ELECTRIC CAPITAL
CORPORATION

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

SUNTRUST BANK

By:

Name:
Title:

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

DZ BANK AG DEUTESCHE ZENTRAL-
GENOSSENSCHAFTSBANK, FRANKFURT AM
MAIN (formerly DG BANK DEUTSCHE
GENOSSENSCHAFTSBANK AG), as a Lender

By:

Name:
Title:

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

WACHOVIA BANK, NATIONAL ASSOCIATION

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

THE INDUSTRIAL BANK OF JAPAN, LIMITED
ATLANTA AGENCY

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

THE CHIBA BANK, LTD.

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

FLEET NATIONAL BANK

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

SOCIETE GENERALE

By:

Name:
Title:

SIGNATURE PAGE TO WAIVER

EXHIBIT 4.2

FOURTH AMENDMENT TO PARTNERSHIP AGREEMENT

THIS FOURTH AMENDMENT TO PARTNERSHIP AGREEMENT (the "Amendment") is made and entered into as of the 28th day of March, 2003 by and among PIEDMONT COCA-COLA BOTTLING PARTNERSHIP (formerly known as Carolina Coca-Cola Bottling Partnership), a Delaware general partnership (the "Partnership"), PIEDMONT PARTNERSHIP HOLDING COMPANY, a Delaware corporation, indirect wholly-owned subsidiary of The Coca-Cola Company and successor in interest to Carolina Coca-Cola Holding Company, The Coastal Coca-Cola Bottling Company and Eastern Carolina Coca-Cola Bottling Company, Inc. ("KO Sub") and COCA-COLA VENTURES, INC., a Delaware corporation, wholly-owned subsidiary of Coca-Cola Bottling Co. Consolidated and successor in interest to Palmetto Bottling Company and Fayetteville Coca-Cola Bottling Company ("CCBCC Sub").

Statement of Purpose

KO Sub and CCBCC Sub are partners in the Partnership and are parties to that certain Partnership Agreement, dated as of July 2, 1993 (as amended by that certain First Amendment, dated August 5, 1993, by that certain Second Amendment, dated August 12, 1993, and by that certain Master Amendment to Partnership Agreement, Management Agreement and Definition and Adjustment Agreement, dated January 2, 2002, the "Partnership Agreement"). KO Sub owns a 45.349% general partnership interest in the Partnership and CCBCC Sub owns a 54.651% general partnership interest in the Partnership.

Pursuant to that certain Securities Purchase Agreement, dated as of even date herewith, between CCBCC Sub and KO Sub, CCBCC Sub will purchase from KO Sub, and KO Sub will sell to CCBCC Sub, a 22.675% interest in the capital, profits and losses of the Partnership, including, without limitation, 50% of KO Sub's Capital Account, KO Sub's rights to allocations of net profit and net loss and distributions of cash flow and capital items of the Partnership (the "Purchase Transaction"), such that immediately after the consummation of the Purchase Transaction, CCBCC Sub and KO Sub will have a 77.326% and 22.674% respective interest in the capital, profits and losses of the Partnership. In connection with the Purchase Transaction, the parties hereto desire to consent to the Purchase Transaction and to amend the Partnership Agreement to (a) adjust the relative ownership percentages of the Partners to give effect to the Purchase Transaction, (b) change the required number of meetings of the executive committee of the Partnership and (c) update certain addresses contained therein, as more fully described herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Capitalized Terms. All capitalized terms used and not defined herein shall have the meanings given thereto in the Partnership Agreement.

2. Consent to Purchase Transaction. Each of the parties hereto hereby consents to the Purchase Transaction and waives any right to object to the Purchase Transaction under Section 16.1(a) of the Partnership Agreement as a transfer of less than KO Sub's entire Interest.

3. Amendments to Partnership Agreement.

(a) Section 6 of the Partnership Agreement is hereby amended by deleting the existing Section 6 in its entirety and inserting the following in lieu thereof:

> Section 6. Partnership Interests. Notwithstanding any adjustment in the Partners' Capital Account balances, each Partner's Interest in the Partnership shall be as follows:
>
> | | |
> |---|---|
> | KO Sub | 22.674% |
> | Ventures | 77.326% |

(b) Section 11.2(a) of the Partnership Agreement is hereby amended by deleting the first sentence of the existing Section 11.2(a) in its entirety and inserting the following in lieu thereof:

> Regular meetings of the Executive Committee shall be held at such times and places as the Executive Committee shall designate, provided that the Executive Committee shall meet not less than twice a year unless otherwise mutually agreed by the Partners, and provided further that the Executive Committee shall hold a meeting in the first half of December each year for the approval of the Annual Business Plan for the next year.

(c) Paragraph (b) of Section 25.2 of the Partnership Agreement is hereby amended by deleting the existing paragraph (b) in its entirety and inserting the following in lieu thereof:

> (b) If to Ventures:
>
> Coca-Cola Bottling Co. Consolidated
> Coca-Cola Corporate Center
> 4100 Coca-Cola Plaza (28211-3481)
> P.O. Box 31487
> Charlotte, North Carolina 28231-1487
> Attention: Chief Financial Officer
> Telecopy No.: (704) 557-4451
>
> with a copy to:
>
> Kennedy Covington Lobdell & Hickman, L.L.P.
> Hearst Tower, 47th Floor
> 214 North Tryon Street
> Charlotte, North Carolina 28202
> Attention: Henry W. Flint, Esq.
> Telecopy No.: (704) 331-7598

4. Effect of the Amendment. Except for the amendments contemplated hereby, the Partnership Agreement shall be and remain in full force and effect. The amendments granted herein are specific and limited and shall not constitute a modification, acceptance or waiver of any other provision of the Partnership Agreement or any other document or instrument entered into in connection therewith or a further modification, acceptance or waiver of the provisions set forth therein.

5. Captions. The captions and section numbers appearing in this Amendment are inserted only as a matter of convenience and in no way define, limit, construe or otherwise describe the scope or intent of the sections of this Amendment.

6. Binding Effect. This Amendment shall inure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns.

7. Severability. If any one or more provisions of this Amendment shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired; provided, however, that in such case the parties hereto agree to use their best efforts to achieve the purpose of the invalid provision by a new legally valid provision.

8. Counterparts. This Amendment may be executed in separate counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

9. Fax Transmission. A facsimile, telecopy or other reproduction of this Amendment may be executed by one or more parties hereto, and an executed copy of this Amendment may be delivered by one or more parties hereto by facsimile or similar instantaneously electronic transmission devise pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute an original of this Amendment as well as any facsimile, telecopy or other reproduction hereof.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date and year first above written.

PIEDMONT COCA-COLA BOTTLING PARTNERSHIP

By: PIEDMONT PARTNERSHIP HOLDING COMPANY, its General Partner

By:

Gary P. Fayard
President

By: COCA-COLA VENTURES, INC., its General Partner

By:

David V. Singer
Vice President

PIEDMONT PARTNERSHIP HOLDING COMPANY

By:

Gary P. Fayard
President

COCA-COLA VENTURES, INC.

By:

David V. Singer
Vice President

EXHIBIT 4.3

SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT (this "Agreement") dated as of March 28, 2003, by and between Piedmont Partnership Holding Company, a Delaware corporation ("KO Subsidiary"), and Coca-Cola Ventures, Inc., a Delaware corporation ("Consolidated Subsidiary").

W I T N E S S E T H:

WHEREAS, KO Subsidiary owns a 45.349% general partnership interest in Piedmont Coca-Cola Bottling Partnership, a Delaware general partnership (the "Partnership"); and

WHEREAS, Consolidated Subsidiary owns a 54.651% general partnership interest in the Partnership; and

WHEREAS, the Partnership was formerly known as Carolina Coca-Cola Bottling Partnership; and

WHEREAS, the Partnership was formed pursuant to the Partnership Agreement of Carolina Coca-Cola Bottling Partnership, dated as of July 2, 1993, as amended by the First Amendment, dated as of August 5, 1993, the Second Amendment, dated as of August 12, 1993, and the Master Amendment to Partnership Agreement, Management Agreement and Definition and Adjustment Agreement, dated as of January 2, 2002 (as amended, the "Partnership Agreement"); and

WHEREAS, KO Subsidiary desires to sell to Consolidated Subsidiary and Consolidated Subsidiary desires to purchase from KO Subsidiary, on the terms and subject to the conditions set forth herein, a 22.675% interest in the capital, profits and losses of the Partnership, including, without limitation, 50% of KO Subsidiary's Capital Account, KO Subsidiary's rights to allocations of net profit and net loss and distributions of cash flow and capital items of the Partnership (the "Interest").

NOW, THEREFORE, in consideration of the representations, warranties and agreements set forth herein and for other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows.

1. Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, KO Subsidiary agrees to sell to Consolidated Subsidiary, and Consolidated Subsidiary agrees to purchase from KO Subsidiary, the Interest (the "Sale") for an aggregate purchase price of $53.5 million (the "Purchase Price").

2. Representations and Warranties of KO Subsidiary. KO Subsidiary hereby represents and warrants to Consolidated Subsidiary as of the date hereof as follows:

(a) KO Subsidiary (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and (ii) has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement.

(b) The execution, delivery and performance of this Agreement by KO Subsidiary has been duly authorized by all requisite corporate action and no further consent or authorization of KO Subsidiary, its Board of Directors or its stockholders is required. This Agreement has been duly executed and delivered by KO Subsidiary and, when duly authorized, executed and delivered by Consolidated Subsidiary, will constitute the valid and binding obligations of KO Subsidiary enforceable against KO Subsidiary in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order ("Consent") of any court, governmental agency or other body or of any other third party is required for execution and delivery by KO Subsidiary of this Agreement or the performance of its obligations hereunder, other than those that (i) may arise under the Partnership Agreement or (ii) as may already have been received.

(d) Neither the execution and delivery by KO Subsidiary of this Agreement nor the performance by KO Subsidiary of any of its obligations hereunder violates, conflicts with, results in a breach of, or constitutes a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) under (i) the certificate of incorporation or other organizational documents of KO Subsidiary; (ii) any decree, judgment, order, law, rule, regulation or other restriction of any court, governmental agency or body, or arbitrator having jurisdiction over KO Subsidiary or any of its subsidiaries, other than the Partnership, or any of their respective properties or, (iii) except as set forth in paragraph (c) above, the terms of any material agreement to which KO Subsidiary or any of its subsidiaries, other than the Partnership, is a party, by which KO Subsidiary or any of its subsidiaries, other than the Partnership, is bound, or to which any of the properties or assets of KO Subsidiary or any of its subsidiaries, other than the Partnership, are subject, other than violations, conflicts, breaches or defaults which, individually or in the aggregate, would not have a material adverse effect on the ability of KO Subsidiary to perform its obligations hereunder.

(e) KO Subsidiary has good and valid title to the Interest, free and clear of any security interests, liens, claims or other encumbrances (other than encumbrances that may arise under the Partnership Agreement and federal or state securities laws).

(f) There are no brokerage commissions, finder's fees or similar fees or

commissions payable by KO Subsidiary in connection with the transactions contemplated hereby.

3. Representations and Warranties of Consolidated Subsidiary. Consolidated Subsidiary hereby represents and warrants to KO Subsidiary as of the date hereof as follows:

(a) Consolidated Subsidiary (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and (ii) has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement.

(b) The execution, delivery and performance of this Agreement by Consolidated Subsidiary has been duly authorized by all requisite corporate action and no further consent or authorization of Consolidated Subsidiary, its Board of Directors or its stockholders is required. This Agreement has been duly executed and delivered by Consolidated Subsidiary and, when duly authorized, executed and delivered by KO Subsidiary, will constitute the valid and binding obligations of Consolidated Subsidiary enforceable against Consolidated Subsidiary in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or transfer, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

(c) No Consent of any court, governmental agency or other body or any other third party is required for execution and delivery by Consolidated Subsidiary of this Agreement or the performance of its obligations hereunder other than those that (i) may arise under the Partnership Agreement or (ii) are set forth on Schedule I hereto, which Consents have already been received.

(d) Neither the execution and delivery by Consolidated Subsidiary of this Agreement nor the performance by Consolidated Subsidiary of any of its obligations hereunder violates, conflicts with, results in a breach of, or constitutes a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) under (i) the certificate of incorporation or other organizational documents of Consolidated Subsidiary, (ii) any decree, judgment, order, law, rule, regulation or other restriction of any court, governmental agency or body, or arbitrator having jurisdiction over Consolidated Subsidiary or any of its subsidiaries or any of their respective properties or assets, or (iii) the terms of any material agreement to which Consolidated Subsidiary or any of its subsidiaries is a party, by which Consolidated Subsidiary or any of its subsidiaries are bound, or to which any of the properties or assets of Consolidated Subsidiary or any of its subsidiaries are subject, other than violations, conflicts, breaches or defaults which, individually or in the aggregate, would

not have a material adverse effect on the ability of Consolidated Subsidiary to perform its obligations hereunder.

(e) The Interest is being acquired by Consolidated Subsidiary for its own account and with no intention of distributing or reselling the Interest or any part thereof in any transaction that would be in violation of the securities laws of the United States of America, or any state, without prejudice, however, to the rights of Consolidated Subsidiary at all times to sell or otherwise dispose of all or any part of the Interest under an effective registration available under the Securities Act of 1933, as amended (the "Securities Act"), or an applicable exemption from registration, and subject, nevertheless, to the disposition of Consolidated Subsidiary's property being at all times within its control. If Consolidated Subsidiary should in the future decide to dispose of all or any portion of the Interest, Consolidated Subsidiary understands and agrees that it may do so only in compliance with the Securities Act and applicable state securities laws, as then in effect.

(f) Consolidated Subsidiary understands that the Interests have not been and will not be registered under the Securities Act for the reason that the sale provided for in this Agreement is exempt pursuant to Section 4(2) of the Securities Act and that the reliance of KO Subsidiary on such exemption is predicated in part on Consolidated Subsidiary's representations set forth herein. Consolidated Subsidiary represents that it is experienced in evaluating companies such as the Partnership, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment and has the ability to suffer the total loss of its investment.

(g) Consolidated Subsidiary is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

(h) There are no brokerage commissions, finder's fees or similar fees or commissions payable by Consolidated Subsidiary in connection with the transactions contemplated hereby.

4. Survival of the Representations, Warranties, etc. The respective representations, warranties and agreements made in this Agreement shall survive the date hereof.

5. Closing. The closing of the Sale (the "Closing") shall occur on the date hereof. At the Closing, (a) KO Subsidiary shall deliver to Consolidated Subsidiary (i) a duly executed Assignment of Interest and (ii) a duly executed Fourth Amendment to Partnership Agreement and (b) Consolidated Subsidiary shall deliver to KO Subsidiary: (i) the Purchase Price by wire transfer of immediately available funds, (ii) a duly executed Assignment of Interest and (iii) a duly executed Fourth Amendment to Partnership Agreement.

6. Tax Covenants. KO Subsidiary and Consolidated Subsidiary each covenants and agrees to cause the Partnership to timely file federal and, if applicable, state income tax returns (including Internal Revenue Form 1065) for the Partnership's taxable year during which the Closing occurs and, unless such elections would already be in effect, to include with the federal return an election under section 754 of the Internal Revenue Code of 1986, as amended, or any successor statute thereto (the "Code") to adjust the basis of Partnership property under section 734(b) with respect to distributions of Partnership property and section 743(b) of the Code with respect to transfers of partnership interests of the Partnership (and to include with such state income tax returns any comparable election that may be applicable with respect to any state income tax return to be filed by the Partnership) (the "Section 754 Elections"). The Section 754 Elections shall be filed in such form and manner as determined by Consolidated Subsidiary in its sole discretion. In addition, if requested by Consolidated Subsidiary, KO Subsidiary shall join with Consolidated Subsidiary to cause the Partnership to timely file protective Section 754 Elections with any other income tax returns filed by the Partnership with respect to its 2003 fiscal year in such form and manner as Consolidated Subsidiary in its sole discretion deems to be appropriate to be assured that the adjustments described in section 743(b) of the Code with respect to the adjusted tax basis of the Partnership's property are made with respect to Consolidated Subsidiary's purchase of the Interest.

7. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered by hand or certified mail, return receipt requested, postage prepaid, (b) when transmitted by telecopier, confirmation of which is mechanically received, or (c) when received if sent by overnight courier, to the addressee at the following addresses or telecopier numbers (or to such other address or telecopier number as a party may specify from time to time by notice hereunder):

(i) if to KO Subsidiary:

Piedmont Partnership Holding Company
c/o The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, GA 30301
Attn: Chief Financial Officer
Facsimile: (404) 676-6675

with copies to:

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, GA 30301
Attn: General Counsel
Facsimile: (404) 515-2546

and

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, GA 30301
Attn: Parth S. Munshi, Esq.
Facsimile: (404) 676-6812

(ii) if to Consolidated Subsidiary:

Coca-Cola Ventures, Inc.
c/o Coca-Cola Bottling Co. Consolidated
Coca-Cola Corporate Center
4100 Coca-Cola Plaza (28211-3481)
P.O. Box 31487
Charlotte, North Carolina 28211-3481
Attn: Chief Financial Officer
Facsimile: (704) 557-4451

with a copy to:

Kennedy Covington Lobdell & Hickman, L.L.P.
Hearst Tower, 47th Floor
214 North Tryon Street
Charlotte, North Carolina 28202
Attn: Henry W. Flint, Esq.
Facsimile: (704) 331-7598

8. Miscellaneous

(a) This Agreement may be executed in one or more counterparts and it is not necessary that signatures of all parties appear on the same counterpart, but such counterparts together shall constitute but one and the same agreement.

(b) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, and no other person shall have any right or obligation hereunder. Neither party may assign this Agreement without the prior written consent of the other party.

(d) In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and

enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(e) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed by the parties hereto.

(f) Each party hereto shall execute any and all further documents, agreements and instruments, and take all further action, that may be required under applicable law or which the other party hereto may reasonably request, in order to effectuate the transactions contemplated hereby.

(g) The headings of the sections and subsections of this document have been inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose and shall not in any way define or affect the meaning, construction or scope of any provision hereof.

(h) Each party to this Agreement shall bear its own costs and expenses incurred in connection with the transactions contemplated hereby.

(i) This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter of this Agreement. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed as of the date first above written.

PIEDMONT PARTNERSHIP HOLDING COMPANY

By:

Name:
Title:

COCA-COLA VENTURES, INC.

By:

David V. Singer
Vice President

SCHEDULE I

The Sale would give rise to a termination right under each License Agreement to which the Partnership and Dr. Pepper/Seven Up, Inc. are party, however Dr. Pepper /Seven Up, Inc. has provided its written consent to the Sale.

EXHIBIT 4.4

ASSIGNMENT

This Assignment (this "Assignment") dated March 28, 2003, is by and between Piedmont Partnership Holding Company, a Delaware corporation ("KO Subsidiary"), and Coca-Cola Ventures, Inc., a Delaware corporation ("Consolidated Subsidiary").

R E C I T A L S

WHEREAS, pursuant to the Securities Purchase Agreement, dated as of the date hereof (the "Purchase Agreement"), by and between KO Subsidiary and Consolidated Subsidiary, KO Subsidiary agreed to sell to Consolidated Subsidiary, and Consolidated Subsidiary agreed to purchase from KO Subsidiary, the Interest (as defined in the Purchase Agreement) for an aggregate purchase price of $53.5 million (the "Purchase Price"), all on the terms and subject to the conditions set forth in the Purchase Agreement; and

WHEREAS, capitalized terms used herein, and not otherwise defined herein, shall have the respective meanings ascribed to them in the Purchase Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the payment of the Purchase Price by Consolidated Subsidiary to KO Subsidiary, KO Subsidiary and Consolidated Subsidiary hereby agree as follows:

1. TRANSFER OF THE PARTNERSHIP INTEREST. KO Subsidiary hereby sells, conveys, transfers and assigns to Consolidated Subsidiary, the Interest, free and clear of all security interests, liens, judgements or encumbrances of any kind or nature (other than encumbrances that may arise under the Partnership Agreement and federal or state securities laws).

2. FURTHER ASSURANCES. Each of KO Subsidiary and Consolidated Subsidiary agrees that it will, at any time and from time to time, execute and deliver to the other party such further documents and instruments and take such other actions, that may reasonably be requested by the other party to evidence the sale, conveyance, transfer and assignment of the Interest described in Section 1.

3. NO AMENDMENT. This Assignment is an instrument of transfer contemplated by, and is executed pursuant to, the Purchase Agreement. Nothing contained in this Assignment shall be deemed to supersede, amend or modify any of the terms, conditions or provisions of the Purchase Agreement or any rights or obligations of the parties hereto under the Purchase Agreement, and, to the extent of any conflict between the Purchase Agreement and this Assignment, the terms and provisions of the Purchase Agreement shall prevail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has caused this Assignment to be executed as of the day and year first written above.

PIEDMONT PARTNERSHIP HOLDING COMPANY

By:

Name:
Title:

COCA-COLA VENTURES, INC.

By:

David V. Singer
Vice President

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Coca-Cola Bottling Co. Consolidated (the "Company") on Form 10-Q for the period ending March 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Coca-Cola Bottling Co. Consolidated and will be retained by such Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ J. Frank Harrison, III

J. Frank Harrison, III
Chairman of the Board of Directors and
Chief Executive Officer
May 12, 2003

EXHIBIT 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Coca-Cola Bottling Co. Consolidated (the "Company") on Form 10-Q for the period ending March 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David V. Singer, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Coca-Cola Bottling Co. Consolidated and will be retained by such Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ David V. Singer

David V. Singer
Executive Vice President and Chief Financial Officer
May 12, 2003