UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

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

For the quarterly period ended September 30, 2001

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 X 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 November 1, 2001
Common Stock, $1.00 Par Value	6,392,277
Class B Common Stock, $1.00 Par Value	2,361,052

PART I - FINANCIAL INFORMATION

Item l. Financial Statements

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

	Sept. 30, 2001	Dec. 31, 2000	Oct. 1, 2000
ASSETS			
Current Assets:			
Cash	$ 6,252	$ 8,425	$ 24,971
Accounts receivable, trade, less allowance for doubtful accounts of $950, $918 and $813	63,762	62,661	61,487
Accounts receivable from The Coca-Cola Company	7,860	5,380	6,764
Accounts receivable, other	4,611	8,247	6,257
Inventories	37,180	40,502	39,430
Prepaid expenses and other current assets	14,688	14,026	16,707
Total current assets	134,353	139,241	155,616
Property, plant and equipment, net	471,891	437,926	458,655
Investment in Piedmont Coca-Cola Bottling Partnership	60,229	62,730	63,460
Other assets	60,544	60,846	62,808
Identifiable intangible assets, net	275,795	284,842	287,089
Excess of cost over fair value of net assets of businesses acquired, less accumulated amortization of $37,699, $35,585 and $34,858	74,398	76,512	56,409
Total	$1,077,210	$1,062,097	$1,084,037

See Accompanying Notes to Consolidated Financial Statements

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

	Sept. 30, 2001	Dec. 31, 2000	Oct. 1, 2000
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Portion of long-term debt payable within one year	$ 56,891	$ 9,904	$ 3,213
Accounts payable and accrued liabilities	89,146	84,324	90,110
Accounts payable to The Coca-Cola Company	9,543	3,802	6,790
Due to Piedmont Coca-Cola Bottling Partnership	23,746	16,436	16,472
Accrued interest payable	13,310	10,483	13,840
Total current liabilities	192,636	124,949	130,425
Deferred income taxes	149,309	148,655	130,223
Other liabilities	77,376	77,835	78,802
Long-term debt	626,256	682,246	709,529
Total liabilities	1,045,577	1,033,685	1,048,979
Commitments and Contingencies (Note 12)			
Stockholders' Equity:			
Convertible Preferred Stock, $100.00 par value: Authorized-50,000 shares; Issued-None			
Nonconvertible Preferred Stock, $100.00 par value: Authorized-50,000 shares; Issued-None			
Preferred Stock, $.01 par value: Authorized-20,000,000 shares; Issued-None			
Common Stock, $1.00 par value: Authorized - 30,000,000 shares; Issued - 9,454,651 shares	9,454	9,454	9,454
Class B Common Stock, $1.00 par value: Authorized - 10,000,000 shares; Issued - 2,989,166, 2,969,166 and 2,969,166 shares	2,989	2,969	2,969
Class C Common Stock, $1.00 par value: Authorized-20,000,000 shares; Issued-None			
Capital in excess of par value	93,192	99,020	101,203
Accumulated deficit	(10,635)	(21,777)	(17,314)
Accumulated other comprehensive loss	(2,113)		
	92,887	89,666	96,312
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	31,633	28,412	35,058
Total	$1,077,210	$1,062,097	$1,084,037

See Accompanying Notes to Consolidated Financial Statements

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

	Third Quarter		First Nine Months	
	2001	2000	2001	2000
Net sales (includes sales to Piedmont of $20,591, $18,351, $54,545 and $55,293)	$ 266,604	$ 258,565	$ 768,339	$ 757,682
Cost of sales, excluding depreciation shown below (includes $14,535, $13,582, $40,224 and $41,709 related to sales to Piedmont)	145,496	137,559	416,056	402,804
Gross margin	121,108	121,006	352,283	354,878
Selling, general and administrative expenses, excluding depreciation shown below	80,518	81,772	239,634	239,829
Depreciation expense	16,810	16,271	49,208	48,585
Amortization of goodwill and intangibles	3,721	3,641	11,161	10,971
Income from operations	20,059	19,322	52,280	55,493
Interest expense	10,764	13,570	34,245	41,124
Other income (expense), net	(924)	4,245	(4,330)	2,440
Income before income taxes	8,371	9,997	13,705	16,809
Federal and state income taxes	456	3,599	2,563	6,051
Net income	$ 7,915	$ 6,398	$ 11,142	$ 10,758
Basic net income per share	$ .90	$ .73	$ 1.27	$ 1.23
Diluted net income per share	$ .90	$ .73	$ 1.26	$ 1.22
Weighted average number of common shares outstanding	8,753	8,733	8,753	8,733
Weighted average number of common shares outstanding-assuming dilution	8,818	8,811	8,822	8,830
Cash dividends per share				
Common Stock	$ .25	$ .25	$ .75	$ .75
Class B Common Stock	$ .25	$ .25	$ .75	$ .75

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	Accum. Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance on January 2, 2000	$ 9,454	$ 2,969	$ 107,753	$ (28,072)	$ -	$ (61,254)	$ 30,850
Net income				10,758			10,758
Cash dividends paid			(6,550)				(6,550)
Balance on October 1, 2000	$ 9,454	$ 2,969	$ 101,203	$ (17,314)	$ -	$ (61,254)	$ 35,058

	Common Stock	Class B Common Stock	Capital in Excess of Par Value	Accum. Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance on December 31, 2000	$ 9,454	$ 2,969	$ 99,020	$ (21,777)	$ -	$ (61,254)	$ 28,412
Comprehensive income:							
Net income				11,142			11,142
Proportionate share of Piedmont's accum. other comprehensive loss at adoption of SFAS No. 133					(924)		(924)
Change in proportionate share of Piedmont's accum. other comprehensive loss					(1,189)		(1,189)
Total comprehensive income							9,029
Cash dividends paid			(6,565)				(6,565)
Issuance of Class B Common Stock		20	737				757
Balance on September 30, 2001	$ 9,454	$ 2,989	$ 93,192	$ (10,635)	$ (2,113)	$ (61,254)	$ 31,633

See Accompanying Notes to Consolidated Financial Statements

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

	First Nine Months 2001	First Nine Months 2000
Cash Flows from Operating Activities		
Net income	$ 11,142	$ 10,758
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	49,208	48,585
Amortization of goodwill and intangibles	11,161	10,971
Deferred income taxes	5,413	6,051
Losses on sale of property, plant and equipment	573	1,386
Gain on sale of bottling territory		(8,829)
Provision for impairment of property, plant and equipment		3,247
Amortization of debt costs	625	713
Amortization of deferred gain related to terminated interest rate swaps	(775)	(464)
Undistributed earnings of Piedmont	(993)	(3,244)
Decrease in current assets less current liabilities	24,174	9,425
Increase in other noncurrent assets	(291)	(2,913)
Increase (decrease) in other noncurrent liabilities	(123)	4,167
Other	605	(393)
Total adjustments	89,577	68,702
Net cash provided by operating activities	100,719	79,460
Cash Flows from Financing Activities		
Repayment of current portion of long-term debt	(2,203)	(25,557)
Repayment of lines of credit, net	(6,800)	(14,300)
Cash dividends paid	(6,565)	(6,550)
Payments on capital lease obligations	(2,347)	(3,513)
Termination of interest rate swap agreements		(292)
Other	(848)	116
Net cash used in financing activities	(18,763)	(50,096)
Cash Flows from Investing Activities		
Additions to property, plant and equipment	(87,735)	(38,891)
Proceeds from the sale of property, plant and equipment	3,606	2,623
Acquisitions of companies, net of cash acquired		(175)
Proceeds from sale of bottling territory		23,000
Net cash used in investing activities	(84,129)	(13,443)
Net increase (decrease) in cash	(2,173)	15,921
Cash at beginning of period	8,425	9,050
Cash at end of period	$ 6,252	$ 24,971
Significant non-cash investing and financing activities:		
Issuance of Class B Common Stock in connection with stock award	757	
Capital lease obligations incurred		1,313

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 information contained in the financial statements is unaudited. The 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 the same as 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 31, 2000 filed with the Securities and Exchange Commission.

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

2. New Accounting Pronouncement

On January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS No. 133") as amended, which requires that all derivative instruments be recognized in the financial statements.

Currently, the Company uses interest rate swap agreements to manage its exposure to fluctuations in interest rates and to maintain its targeted fixed/floating rate mix. These agreements generally involve the exchange of fixed and variable rate interest payments between two parties, based on a common notional principal amount and maturity date. The notional amount and interest payments in these agreements match the cash flows of the related liabilities. The notional balances of these agreements represent a balance used to calculate the exchange of cash flows and are not assets or liabilities of the Company. Accordingly, any market risk or opportunity associated with these agreements is offset by the opposite market impact on the related debt. The Company's credit risk related to interest rate swap agreements is considered low because they are entered into only with strong creditworthy counterparties and are generally settled on a net basis. The difference paid or received on interest rate swap agreements is recognized as an adjustment to interest expense.

In accordance with the provisions of SFAS No. 133, the Company has designated its current interest rate swap agreements as fair value hedges. The Company has determined that these agreements are highly effective in offsetting the fair value changes in a portion of the Company's debt portfolio. These derivatives and the related hedged debt amounts have been recognized in the financial statements at their fair value.

The adoption of SFAS No. 133 did not have a significant impact on the financial statements or results of operations during the first nine months of 2001. See Notes 7, 8 and 9 for additional information regarding long-term debt and current derivative positions.

The Company's equity investee, Piedmont Coca-Cola Bottling Partnership ("Piedmont"), has a similar risk management approach and has several interest rate swap agreements that have been designated as cash flow hedges. The effect of adoption of SFAS No. 133 and the impact during the first nine months of 2001 related to Piedmont were as follows:

In Thousands	
Impact of adoption, net of tax	$ 924
Change in fair market value of cash flow hedges during first nine months of 2001, net of tax	1,189
Company's proportionate share of Piedmont's accumulated other comprehensive loss	$ 2,113

3. Summarized Income Statement Data of Piedmont Coca-Cola Bottling Partnership

On July 2, 1993, the Company and The Coca-Cola Company formed Piedmont to distribute and market soft drink products primarily in portions of North Carolina and South Carolina. The Company and The Coca-Cola Company, through their respective subsidiaries, each beneficially own a 50% interest in Piedmont. The Company provides a portion of the soft drink products to Piedmont at cost and receives a fee for managing the business of Piedmont pursuant to a management agreement. Summarized income statement data for Piedmont was as follows:

	Third Quarter		First Nine Months	
In Thousands	2001	2000	2001	2000
Net sales	$80,094	$76,188	$224,685	$220,406
Gross margin	38,808	36,658	107,924	106,205
Income from operations	5,820	6,099	11,605	16,879
Net income	2,700	2,496	1,986	6,488

4. Inventories

Inventories were summarized as follows:

In Thousands	Sept. 30, 2001	Dec. 31, 2000	Oct. 1, 2000
Finished products	$25,730	$ 22,907	$ 24,362
Manufacturing materials	7,446	13,330	10,510
Plastic pallets and other	4,004	4,265	4,558
Total inventories	$37,180	$ 40,502	$ 39,430

5. Property, Plant and Equipment

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

In Thousands	Sept. 30, 2001	Dec. 31, 2000	Oct. 1, 2000	Estimated Useful Lives
Land	$ 11,158	$ 11,311	$ 12,584	
Buildings	96,943	97,012	96,329	10-50 years
Machinery and equipment	93,949	94,652	92,740	5-20 years
Transportation equipment	143,537	133,886	137,510	4-10 years
Furniture and fixtures	36,881	36,519	34,663	4-10 years
Vending equipment	335,246	285,714	287,826	6-13 years
Leasehold and land improvements	40,307	39,597	41,431	5-20 years
Software for internal use	20,135	17,207	16,050	3-7 years
Construction in progress	3,203	1,162	10,549	
Total property, plant and equipment, at cost	781,359	717,060	729,682	
Less: Accumulated depreciation and amortization	309,468	279,134	271,027	
Property, plant and equipment, net	$471,891	$437,926	$458,655	

6. Identifiable Intangible Assets

The principal categories and estimated useful lives of identifiable intangible assets were as follows:

In Thousands	Sept. 30, 2001	Dec. 31, 2000	Oct. 1, 2000	Estimated Useful Lives
Franchise rights	$353,036	$353,036	$352,269	40 years
Customer lists	54,864	54,864	54,864	17-23 years
Other	16,668	16,668	16,668	17-23 years
Identifiable intangible assets	424,568	424,568	423,801	
Less: Accumulated amortization	148,773	139,726	136,712	
Identifiable intangible assets, net	$275,795	$284,842	$287,089	

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

7. Long-Term Debt

Long-term debt was summarized as follows:

In Thousands	Maturity	Interest Rate	Interest Paid	Sept. 30, 2001	Dec. 31, 2000	Oct. 1, 2000
Lines of Credit	2002	3.70%	Varies	$ 6,100	$ 12,900	$ 32,300
Term Loan Agreement	2004	4.01%	Varies	85,000	85,000	85,000
Term Loan Agreement	2005	4.01%	Varies	85,000	85,000	85,000
Medium-Term Notes	2002	8.56%	Semi-annually	47,000	47,000	47,000
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	256,221	250,000	250,000
Other notes payable	2001 - 2006	5.75% - 10.00%	Varies	10,047	12,250	13,442
				689,368	692,150	712,742
Less: Portion of long-term debt payable within one year				56,891	9,904	3,213
				632,477	682,246	709,529
Fair market value of interest rate swaps				(6,221)		
Long-term debt				$626,256	$682,246	$709,529

7. Long-Term Debt (cont.)

The Company borrows from time to time under lines of credit from various banks. On September 30, 2001, the Company had approximately $65 million of credit available under these lines, of which $6.1 million was outstanding. Loans under these lines are made at the sole discretion of the banks at rates negotiated at the time of borrowing. The Company intends to renew such borrowings as they mature. To the extent that these borrowings and the borrowings under the revolving credit facility do not exceed the amount available under the Company's $170 million revolving credit facility, they are classified as noncurrent liabilities.

The Company had weighted average interest rates for its debt portfolio of 6.0%, 7.1% and 7.1% as of September 30, 2001, December 31, 2000 and October 1, 2000, respectively. The Company's overall weighted average interest rate on long-term debt decreased from an average of 7.2% during the first nine months of 2000 to an average of 6.6% during the first nine months of 2001. After taking into account the effect of all of the interest rate swap activities, approximately 40%, 41% and 42% of the total debt portfolio was subject to changes in short-term interest rates as of September 30, 2001, December 31, 2000 and October 1, 2000, respectively.

A rate increase of 1% on the floating rate component of the Company's debt would have increased interest expense for the first nine months of 2001 by approximately $2.1 million and net income for the first nine months of 2001 would have decreased by approximately $1.3 million.

8. Derivative Financial Instruments

The Company uses interest rate hedging products to modify risk from interest rate fluctuations in its underlying debt. The Company has historically used derivative financial instruments from time to time to achieve a targeted fixed/floating rate mix. This target is based upon anticipated cash flows from operations relative to the Company's debt level and the potential impact of increases in interest rates on the Company's overall financial condition.

The Company does not use derivative financial instruments for trading or other speculative purposes nor does it use leveraged financial instruments. All of the Company's outstanding interest rate swap agreements are LIBOR-based.

Derivative financial instruments were summarized as follows:

	September 30, 2001		December 31, 2000		October 1, 2000	
In Thousands	Notional Amount	Remaining Term	Notional Amount	Remaining Term	Notional Amount	Remaining Term
Interest rate swaps-floating	$100,000	7.50 years	$100,000	8.25 years	$100,000	8.50 years

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 these counterparties. However, the Company does not anticipate nonperformance by the other parties.

9. Fair Values of Financial Instruments

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

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

Non-Public Variable Rate Long-Term Debt
The carrying amounts of the Company's variable rate borrowings approximate their fair values.

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

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

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

	September 30, 2001		December 31, 2000		October 1, 2000	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Public debt	$503,221	$503,252	$497,000	$480,687	$497,000	$466,689
Non-public variable rate long-term debt	176,100	176,100	182,900	182,900	202,300	202,300
Non-public fixed rate long-term debt	10,047	10,326	12,250	12,433	13,442	13,578
Interest rate swaps	(6,221)	(6,221)		1,669		6,744

The fair values of the interest rate swaps at September 30, 2001 represent the estimated amounts the Company would have received upon termination of these agreements. The fair values of the interest rate swaps at December 31, 2000 and October 1, 2000 represent the estimated amounts the Company would have had to pay to terminate these agreements.

10. Supplemental Disclosures of Cash Flow Information

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

In Thousands	First Nine Months 2001	2000
Accounts receivable, trade, net	$(1,101)	$ (1,120)
Accounts receivable, The Coca-Cola Company	(2,480)	(746)
Accounts receivable, other	3,636	7,681
Inventories	3,322	2,585
Prepaid expenses and other current assets	(662)	(3,438)
Accounts payable and accrued liabilities	5,581	(10,727)
Accounts payable, The Coca-Cola Company	5,741	4,444
Accrued interest payable	2,827	(2,990)
Due to Piedmont	7,310	13,736
Decrease in current assets less current liabilities	$24,174	$ 9,425

11. 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)	Third Quarter 2001	Third Quarter 2000	First Nine Months 2001	First Nine Months 2000
Numerator:				
Numerator for basic net income and diluted net income	$7,915	$6,398	$11,142	$10,758
Denominator:				
Denominator for basic net income per share - weighted average common shares	8,753	8,733	8,753	8,733
Effect of dilutive securities - stock options	65	78	69	97
Denominator for diluted net income per share - adjusted weighted average common shares	8,818	8,811	8,822	8,830
Basic net income per share	$ .90	$ .73	$ 1.27	$ 1.23
Diluted net income per share	$ .90	$ .73	$ 1.26	$ 1.22

12. 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 $36.7 million, $35.7 million and $36.0 million as of September 30, 2001, December 31, 2000 and October 1, 2000, respectively.

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.

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

Introduction:

Coca-Cola Bottling Co. Consolidated (the "Company") is engaged in the production, marketing and distribution of 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, teas, juices, isotonics and bottled water. The Company is also a partner with The Coca-Cola Company in a partnership that operates additional bottling territory.

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

Overview:

The following discussion presents management's analysis of the results of operations for the third quarter and first nine months of 2001 compared to the third quarter and first nine months of 2000 and changes in financial condition from October 1, 2000 and December 31, 2000 to September 30, 2001. The results for interim periods are not necessarily indicative of the results to be expected for the year due to seasonal factors.

The Company reported net income of $7.9 million or $.90 per share for the third quarter of 2001 compared with net income of $6.4 million or $.73 per share for the same period in 2000. For the first nine months of 2001, net income was $11.1 million or $1.27 per share compared to net income of $10.8 million or $1.23 per share for the first nine months of 2000. Net income for the third quarter and first nine months of 2001 was favorably impacted by an income tax benefit of approximately $2.9 million, which resulted from the settlement of certain income tax matters with the Internal Revenue Service during the quarter. Operating results for the third quarter of 2000 included nonrecurring items that increased net income for the quarter by approximately $3.6 million. The nonrecurring income items in the third quarter of 2000 were primarily related to an $8.8 million pre-tax gain on the sale of bottling territories in Kentucky and Ohio at the end of September 2000 offset partially by a $3.2 million pre-tax provision for impairment of certain fixed assets. Operating results for the third quarter of 2001 included constant territory physical case volume growth of approximately 5% and a reduction in net selling price per unit of approximately 1.6%. Constant territory physical case volume increased 3.5% for the first nine months of 2001. Net selling price per case declined approximately 1% for the first nine months of 2001 on a constant territory basis.

In March 2000, at the end of a collective bargaining agreement in Huntington, West Virginia, the Company and Teamsters Local Union 505 were unable to reach agreement on wages and benefits. The union elected to strike and other Teamster-represented sales centers in West Virginia joined in a sympathy strike. As of August 7, 2000, the Company and the respective local unions settled all outstanding issues.

Cash operating profit, which includes net income plus interest, income taxes, depreciation, amortization and other non-operating expenses increased by 5.4% for the third quarter of 2001 and was unchanged for the first nine months of 2001 on a constant territory basis. Cash operating profit is used as an indicator of operating performance and is not a replacement of other measurements of performance, such as cash flow from operations and operating income as defined and required by generally accepted accounting principles, and may differ from similarly titled measures used by other companies.

The Company has continued to benefit from lower interest rates and reduced debt balances. Interest expense for the third quarter and first nine months of 2001 declined by $2.8 million and $6.9 million, respectively. The Company continued to experience strong free cash flow as evidenced by reductions in outstanding debt which declined to $683.1 million as of September 30, 2001 compared to $712.7 million as of October 1, 2000. During the second quarter of 2001, the Company purchased certain vending equipment for approximately $49 million that was previously leased.

On January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS No. 133") as amended, which requires that all derivative instruments be recognized in the financial statements. The adoption of SFAS No. 133 did not have a significant impact on the financial statements or results of operations during the first nine months of 2001.

In June 2001, the Financial Standards Board (FASB) issued SFAS No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." These standards require that all business combinations be accounted for using the purchase method and that goodwill and intangible assets with indefinite useful lives not be amortized but instead be tested for impairment at least annually. These standards provide guidelines for new disclosure requirements and outline the criteria for initial recognition and measurement of intangibles, assignment of assets and liabilities including goodwill to reporting units and goodwill impairment testing. The provisions of SFAS Nos. 141 and 142 apply to all business combinations consummated after June 30, 2001. The provisions of SFAS No. 142 for existing goodwill and other intangible assets are required to be implemented effective the first day of fiscal year 2002. The Company is currently evaluating the impact of SFAS No. 142 on the consolidated financial statements.

Results of Operations:
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During 2000, the Company increased its net selling price by approximately 6.5% to cover increased costs and improve operating margins. The increases in selling price during 2000 impacted unit sales volume which declined by approximately 5%. During the third quarter and first nine months of 2001, the Company has continued to balance volume and price changes. Constant territory physical case volume increased by approximately 5% during the third quarter and 3.5% for the first nine months of 2001. Net selling price per case during the third quarter of 2001 was approximately 1.6% lower than the third quarter of 2000 and declined by approximately 1% from the first nine months of 2000.

The growth in the Company's constant territory physical case volume was attributable to several different items. The Company continued to experience strong growth in its bottled water, Dasani. New packaging, including twelve-ounce bottles and multi-packs, contributed to an increase in volume of 55% for Dasani on a constant territory basis over the first nine months of 2000. During the third quarter of 2001, the Company introduced new packaging for its twelve-pack cans called Fridge Pack(TM). Fridge Pack(TM) has been very popular with both retailers and consumers. New packages for POWERaDE, including twelve-ounce bottles, have helped increase volume by 27.7% over the first nine months of 2001. Noncarbonated beverages comprised 8.0% of the Company's total sales volume through the first nine months of 2001 compared to 6.6% for the first nine months of 2000. On a constant territory basis, volume for the Company's three largest selling brands, Coca-Cola classic, Sprite and diet Coke increased during the first nine months of 2001 after volume declines during 2000.

Cost of sales on a per unit basis increased 0.9% in the third quarter and 0.2% for the first nine months of 2001 compared to the same periods in 2000. Increases in raw material costs were essentially offset by a package mix shift from bottles to cans. Gross margin as a percentage of net sales on a constant territory basis was 45.8% in the first nine months of 2001 compared to 46.9% in the first nine months of 2000. The decrease in gross margin percentage resulted primarily from lower net selling prices.

Selling, general and administrative expenses for the third quarter of 2001 were approximately the same as the prior year on a constant territory basis. Selling, general and administrative expenses for first nine months of 2001 increased 1.7% from the same period in 2000 on a constant territory basis. The increase in selling, general and administrative expenses for the first nine months of 2001 was due primarily to higher employee compensation costs and an increase in sales development costs offset by a reduction in lease expense resulting from the Company's purchase of certain assets during the second quarter of 2001 that were previously leased.

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 concentrate, syrups and finished products to the Company make substantial 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 2001, it is not obligated to do so under the Company's master bottle contract. Total marketing funding support from The Coca-Cola Company and other beverage companies in the first nine months of 2001 and 2000 was $35.5 million and $36.9 million, respectively.

On a constant territory basis, depreciation expense for the third quarter and first nine months of 2001 increased by $.7 million and $1.0 million, respectively, from comparable periods in the prior year. The increase was due primarily to the purchase during the second quarter of 2001 of approximately $49 million of cold drink equipment that was previously leased. This purchase was financed with the Company's lines of credit. The Company expects its capital spending in 2001, excluding the purchase of previously leased equipment discussed above, will approximate amounts expended during 2000.

Interest expense for the third quarter of 2001 of $10.8 million decreased by $2.8 million or 21% from the third quarter of 2000. Interest expense for the first nine months of 2001 decreased by $6.9 million or 17% from the same period in the prior year. The decrease in interest expense was attributable to lower average interest rates on the Company's outstanding debt and lower debt balances. The Company's outstanding long-term debt declined to $683.1 million at September 30, 2001 from $712.7 million at October 1, 2000. The long-term debt balance at September 30, 2001 included borrowings used to finance the purchase of approximately $49 million of leased equipment discussed above. The Company's overall weighted average interest rate decreased from an average of 7.2 % during the first nine months of 2000 to an average of 6.6% during the first nine months of 2001.

Other expense for the third quarter of 2001 included a gain of $1.1 million on the sale of certain corporate transportation equipment offset by a loss provision of $.9 million related to the Company's loan to an equity investee which sells and markets computerized data management products and services.

The Company's income tax rate for the third quarter and first nine months of 2001 was favorably impacted by the settlement of certain Federal income tax issues with the Internal Revenue Service during the third quarter. As a result of the settlement, an adjustment was made to the income tax provision during the third quarter of $2.9 million, significantly reducing the effective income tax rate for both the third quarter and first nine months of 2001. Excluding the effect of the adjustment, the effective income tax rate for the third quarter and first nine months of 2001 would have been approximately 39.5%. The effective income tax rate for fiscal year 2000 was 36%. The Company's effective tax rate for interim periods reflects expected fiscal year 2001 earnings. The Company's effective income tax rate for the remainder of 2001 is dependent upon operating results and may change if the results for the year are different from current expectations.

Changes in Financial Condition:
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Working capital decreased $72.6 million from December 31, 2000 to September 30, 2001. The most significant component of the decrease from December 31, 2000 was an increase in the current portion of long-term debt of $47.0 million. The increase in the current portion of long-term debt includes $47 million of Medium-Term Notes that mature during the first quarter of 2002, which the Company expects will be repaid with available lines of credit. Other components of the decrease in working capital include an increase in accounts payable and accrued liabilities of $4.8 million, an increase in amounts payable to The Coca-Cola Company of $5.7 million and an increase in amounts due to Piedmont Coca-Cola Bottling Partnership ("Piedmont") of $7.3 million. The increase in amounts due to Piedmont resulted primarily from additional free cash flow at Piedmont.

Working capital decreased by $83.5 million from October 1, 2000 to September 30, 2001. Similar to the change from December 31, 2000, the decrease in working capital was due to an increase in the current portion of long-term debt of $53.7 million and an increase in amounts due to Piedmont of $7.3 million. Additionally, the decrease in working capital was due to a reduction in cash of $18.7 million. Cash at the end of September 2000 was higher than in the previous periods due to the timing of the sale of bottling territory in Kentucky and Ohio. Net proceeds from the sale of this territory of approximately $20 million were used to repay debt in the fourth quarter of 2000.

Capital expenditures in the first nine months of 2001 were $87.7 million compared to $38.9 million in the first nine months of 2000. Expenditures for the first nine months of 2001 include the purchase of approximately $49 million of previously leased equipment.

Long-term debt decreased by $29.6 million from October 1, 2000 and $9.0 million from December 31, 2000, respectively. The Company sold bottling territory in Kentucky and Ohio in the third quarter of 2000 generating approximately $20 million of net proceeds that were used to repay long-term debt. During the second quarter of 2001, the Company purchased approximately $49 million of vending assets that had previously been leased. The Company used its lines of credit to finance this purchase.

As of September 30, 2001, the Company had no amounts outstanding under its $170 million revolving credit facility and $6.1 million outstanding under its lines of credit. As of September 30, 2001, the debt portfolio had a weighted average interest rate of approximately 6.0% and approximately 40% of the total portfolio of $683.1 million was subject to changes in short-term interest rates.

It is the Company's intent to continue to grow through acquisitions of other Coca-Cola bottlers. Acquisition related costs including interest expense may be incurred. To the extent incremental expenses are incurred and are not offset by cost savings or increased sales, the Company's acquisition strategy may depress short-term earnings. The Company believes that the continued growth through acquisitions will enhance long-term stockholder value.

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 liabilities and dividends for stockholders.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, as well as information included in, or incorporated by reference from, 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, forward-looking management comments and other statements that reflect management's current outlook for future periods. These statements include, among others, statements relating to: our growth strategy increasing long-term stockholder value; the sufficiency of our financial resources to fund our operations and capital expenditure requirements and our expectations concerning capital expenditures. 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. Events or uncertainties that could adversely affect future periods include, without limitation: lower than expected net pricing resulting from increased marketplace competition, an inability to meet performance requirements for expected levels of marketing support payments from The Coca-Cola Company, 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 fuel prices, an inability to meet projections for performance in newly acquired bottling territories and unfavorable interest rate fluctuations.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description
4.1	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.

(b) Reports on Form 8-K

None.

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: November 9, 2001 By: /s/ David V. Singer

David V. Singer
Principal Financial Officer of the Registrant
and
Executive Vice President - Chief Financial Officer