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UNITED STATES
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, 2008

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 o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer ☑	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o 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 April 30, 2008
Common Stock, $1.00 Par Value	6,643,677
Class B Common Stock, $1.00 Par Value	2,499,652

COCA-COLA BOTTLING CO. CONSOLIDATED
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 30, 2008

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PART I — FINANCIAL INFORMATION

Item l. Financial Statements.

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

	First Quarter	
	2008	2007
Net sales	$ 337,674	$ 337,556
Cost of sales	197,756	186,065
Gross margin	139,918	151,491
Selling, delivery and administrative expenses	136,243	130,942
Income from operations	3,675	20,549
Interest expense	10,434	12,218
Minority interest	(339)	681
Income (loss) before income taxes	(6,420)	7,650
Income tax provision (benefit)	(2,085)	2,999
Net income (loss)	$ (4,335)	$ 4,651
Basic net income (loss) per share:		
Common Stock	$ (.47)	$ .51
Weighted average number of Common Stock shares outstanding	6,644	6,643
Class B Common Stock	$ (.47)	$ .51
Weighted average number of Class B Common Stock shares outstanding	2,500	2,480
Diluted net income (loss) per share:		
Common Stock	$ (.47)	$ .51
Weighted average number of Common Stock shares outstanding — assuming dilution	9,144	9,131
Class B Common Stock	$ (.47)	$ .51
Weighted average number of Class B Common Stock shares outstanding — assuming dilution	2,500	2,488
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 BALANCE SHEETS
In Thousands (Except Share Data)

	Unaudited March 30, 2008	Dec. 30, 2007	Unaudited April 1, 2007
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 9,930	$ 9,871	$ 55,039
Accounts receivable, trade, less allowance for doubtful accounts of $858, $1,137 and $1,328, respectively	107,412	92,499	102,356
Accounts receivable from The Coca-Cola Company	14,158	3,800	16,724
Accounts receivable, other	6,655	7,867	8,801
Inventories	65,556	63,534	63,746
Prepaid expenses and other current assets	24,881	20,758	17,543
Total current assets	228,592	198,329	264,209
Property, plant and equipment, net	358,626	359,930	376,185
Leased property under capital leases, net	69,829	70,862	73,962
Other assets	35,662	35,655	36,108
Franchise rights, net	520,672	520,672	520,672
Goodwill, net	102,049	102,049	102,049
Other identifiable intangible assets, net	4,192	4,302	4,636
Total	$ 1,319,622	$ 1,291,799	$ 1,377,821

See Accompanying Notes to Consolidated Financial Statements

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

	Unaudited March 30, 2008	Dec. 30, 2007	Unaudited April 1, 2007
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Current portion of debt	$ 42,100	$ 7,400	$ 103,000
Current portion of obligations under capital leases	2,645	2,602	2,476
Accounts payable, trade	44,887	51,323	42,615
Accounts payable to The Coca-Cola Company	22,610	11,597	23,111
Other accrued liabilities	55,540	54,511	51,827
Accrued compensation	12,935	23,447	10,416
Accrued interest payable	14,337	8,417	18,562
Total current liabilities	195,054	159,297	252,007
Deferred income taxes	165,988	168,540	158,192
Pension and postretirement benefit obligations	33,645	32,758	57,276
Other liabilities	95,045	93,632	95,722
Obligations under capital leases	76,935	77,613	79,581
Long-term debt	591,450	591,450	591,450
Total liabilities	1,158,117	1,123,290	1,234,228
Commitments and Contingencies (Note 14)			
Minority interest	47,666	48,005	46,683
Stockholders' Equity:			
Common Stock, $1.00 par value:			
Authorized — 30,000,000 shares;			
Issued — 9,706,051, 9,706,051 and 9,705,551 shares, respectively	9,706	9,706	9,705
Class B Common Stock, $1.00 par value:			
Authorized — 10,000,000 shares;			
Issued — 3,127,766, 3,107,766 and 3,108,266 shares, respectively	3,127	3,107	3,108
Capital in excess of par value	102,732	102,469	101,418
Retained earnings	72,453	79,227	70,865
Accumulated other comprehensive loss	(12,925)	(12,751)	(26,932)
	175,093	181,758	158,164
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	113,839	120,504	96,910
Total	$ 1,319,622	$ 1,291,799	$ 1,377,821

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	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance on December 31, 2006	$ 9,705	$ 3,088	$ 101,145	$ 68,495	$ (27,226)	$ (61,254)	$ 93,953
Comprehensive income:							
Net income				4,651			4,651
Foreign currency translation adjustments, net of tax					2		2
Pension and postretirement benefit adjustments, net of tax					292		292
Total comprehensive income							4,945
Cash dividends paid							
Common ($.25 per share)				(1,661)			(1,661)
Class B Common ($.25 per share)				(620)			(620)
Issuance of 20,000 shares of Class B Common Stock		20	(20)				—
Stock compensation expense			293				293
Balance on April 1, 2007	$ 9,705	$ 3,108	$ 101,418	$ 70,865	$ (26,932)	$ (61,254)	$ 96,910
Balance on December 30, 2007	$ 9,706	$ 3,107	$ 102,469	$ 79,227	$ (12,751)	$ (61,254)	$ 120,504
Comprehensive income (loss):							
Net loss				(4,335)			(4,335)
Foreign currency translation adjustments, net of tax					7		7
Pension and postretirement benefit adjustments, net of tax					(67)		(67)
Total comprehensive income (loss)							(4,395)
Adjustment to change measurement date for SFAS No. 158, net of tax				(153)	(114)		(267)
Cash dividends paid							
Common ($.25 per share)				(1,661)			(1,661)
Class B Common ($.25 per share)				(625)			(625)
Issuance of 20,000 shares of Class B Common Stock		20	(20)				—
Stock compensation expense			283				283
Balance on March 30, 2008	$ 9,706	$ 3,127	$ 102,732	$ 72,453	$ (12,925)	$ (61,254)	$ 113,839

See Accompanying Notes to Consolidated Financial Statements

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

	First Quarter	
	2008	2007
Cash Flows from Operating Activities		
Net income (loss)	$ (4,335)	$ 4,651
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	16,629	16,944
Amortization of intangibles	110	111
Deferred income taxes	(2,085)	754
Losses on sale of property, plant and equipment	369	679
Amortization of debt costs	615	768
Amortization of deferred gain related to terminated interest rate agreements	(426)	(424)
Stock compensation expense	283	293
Minority interest	(339)	681
Increase in current assets less current liabilities	(28,879)	(21,518)
(Increase) decrease in other noncurrent assets	147	(285)
Increase (decrease) in other noncurrent liabilities	1,753	(142)
Other	(152)	(92)
Total adjustments	(11,975)	(2,231)
Net cash provided by (used in) operating activities	(16,310)	2,420
Cash Flows from Investing Activities		
Additions to property, plant and equipment	(14,835)	(8,415)
Proceeds from the sale of property, plant and equipment	174	197
Investment in plastic bottle manufacturing cooperative	(729)	(758)
Net cash used in investing activities	(15,390)	(8,976)
Cash Flows from Financing Activities		
Proceeds from lines of credit, net	34,700	3,000
Cash dividends paid	(2,286)	(2,281)
Principal payments on capital lease obligations	(635)	(593)
Other	(20)	(354)
Net cash provided by (used in) financing activities	31,759	(228)
Net increase (decrease) in cash	59	(6,784)
Cash at beginning of period	9,871	61,823
Cash at end of period	$ 9,930	$ 55,039
Significant non-cash investing and financing activities:		
Issuance of Class B Common Stock in connection with stock award	$ 1,171	$ 929
Capital lease obligations incurred	—	5,144

See Accompanying Notes to Consolidated Financial Statements

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

1. Significant 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 consolidated 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 consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 30, 2007 filed with the United States Securities and Exchange Commission.

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

2. Seasonality of Business

Historically, operating results for the first quarter of the fiscal year have not been representative of results for the entire fiscal year. Business seasonality results primarily from higher unit sales of the Company’s products in the second and third quarters versus the first and fourth quarters of the fiscal year. Fixed costs, such as depreciation and interest expense, are not significantly impacted by business seasonality.

3. 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 nonalcoholic 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. These intercompany transactions are eliminated in the consolidated financial statements.

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

3. Piedmont Coca-Cola Bottling Partnership

Minority interest as of March 30, 2008, December 30, 2007 and April 1, 2007 represents the portion of Piedmont owned by The Coca-Cola Company, which was 22.7% for all periods presented.

4. Inventories

Inventories were summarized as follows:

In Thousands	March 30, 2008	Dec. 30, 2007	April 1, 2007
Finished products	$41,822	$37,649	$38,279
Manufacturing materials	6,923	9,198	9,700
Plastic shells, plastic pallets and other inventories	16,811	16,687	15,767
Total inventories	$65,556	$63,534	$63,746

5. Property, Plant and Equipment

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

In Thousands	March 30, 2008	Dec. 30, 2007	April 1, 2007	Estimated Useful Lives
Land	$ 12,280	$ 12,280	$ 12,455	
Buildings	110,721	110,721	111,533	10-50 years
Machinery and equipment	106,575	106,180	101,118	5-20 years
Transportation equipment	174,785	174,882	185,475	4-13 years
Furniture and fixtures	38,587	38,350	39,841	4-10 years
Cold drink dispensing equipment	325,586	323,629	328,404	6-13 years
Leasehold and land improvements	60,047	60,023	58,119	5-20 years
Software for internal use	52,155	51,681	36,677	3-10 years
Construction in progress	13,336	6,635	16,603	
Total property, plant and equipment, at cost	894,072	884,381	890,225	
Less: Accumulated depreciation and amortization	535,446	524,451	514,040	
Property, plant and equipment, net	$358,626	$359,930	$376,185	

Depreciation and amortization expense was $16.6 million and $16.9 million in the first quarter of 2008 (“Q1 2008”) and the first quarter of 2007 (“Q1 2007”), respectively. These amounts included amortization expense for leased property under capital leases.

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

6. Leased Property Under Capital Leases

Leased property under capital leases was summarized as follows:

In Thousands	March 30, 2008	Dec. 30, 2007	April 1, 2007	Estimated Useful Lives
Leased property under capital leases	$88,619	$88,619	$88,619	3-29 years
Less: Accumulated amortization	18,790	17,757	14,657	
Leased property under capital leases, net	$69,829	$70,862	$73,962	

As of March 30, 2008, real estate represented all of the leased property under capital leases and $64.0 million of this real estate is leased from related parties as described in Note 19 to the consolidated financial statements.

7. Franchise Rights and Goodwill

There was no change in franchise rights and goodwill in the periods presented.

8. Other Identifiable Intangible Assets

Other identifiable intangible assets were summarized as follows:

In Thousands	March 30, 2008	Dec. 30, 2007	April 1, 2007	Estimated Useful Lives
Other identifiable intangible assets	$6,599	$6,599	$6,599	1-16 years
Less: Accumulated amortization	2,407	2,297	1,963	
Other identifiable intangible assets, net	$4,192	$4,302	$4,636	

Other identifiable intangible assets primarily represent customer relationships.

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

9. Other Accrued Liabilities

Other accrued liabilities were summarized as follows:

In Thousands	March 30, 2008	Dec. 30, 2007	April 1, 2007
Accrued marketing costs	$ 6,406	$ 6,787	$ 4,656
Accrued insurance costs	15,281	14,228	11,562
Accrued taxes (other than income taxes)	2,080	502	2,208
Employee benefit plan accruals	8,936	9,933	8,752
Checks and transfers yet to be presented for payment from zero balance cash account	13,550	13,279	9,681
All other accrued liabilities	9,287	9,782	14,968
Total other accrued liabilities	$55,540	$54,511	$51,827

10. Debt

Debt was summarized as follows:

In Thousands	Maturity	Interest Rate	Interest Paid	March 30, 2008	Dec. 30, 2007	April 1, 2007
Lines of Credit	2008	2.87%	Varies	$ 42,100	$ 7,400	$ 3,000
Debentures	2007	—		—	—	100,000
Debentures	2009	7.20%	Semi-annually	57,440	57,440	57,440
Debentures	2009	6.375%	Semi-annually	119,253	119,253	119,253
Senior Notes	2012	5.00%	Semi-annually	150,000	150,000	150,000
Senior Notes	2015	5.30%	Semi-annually	100,000	100,000	100,000
Senior Notes	2016	5.00%	Semi-annually	164,757	164,757	164,757
				633,550	598,850	694,450
Less: Current portion of debt				42,100	7,400	103,000
Long-term debt				$591,450	$591,450	$591,450

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

10. Debt

On March 8, 2007, the Company entered into a $200 million revolving credit facility (the “$200 million facility”), replacing its $100 million facility. The $200 million facility matures in March 2012 and includes an option to extend the term for an additional year at the discretion of the participating banks. The $200 million facility bears interest at a floating base rate or a floating rate of LIBOR plus an interest rate spread of .35%. In addition, the Company must pay an annual facility fee of .10% of the lenders’ aggregate commitments under the 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 debt rating. The $200 million facility contains two financial covenants related to ratio requirements for interest coverage and long-term debt to cash flow, each as defined in the credit agreement. The Company is currently in compliance with these covenants. On March 30, 2008, the Company had no outstanding borrowing on the $200 million facility.

The Company borrows periodically under its uncommitted lines of credit. These uncommitted lines of credit, in the aggregate amount of $60 million at March 30, 2008, are made available at the discretion of two participating banks and may be withdrawn at any time by such banks. The Company uses the $200 million facility to provide appropriate liquidity when the uncommitted lines of credit are unavailable. On March 30, 2008, amounts outstanding under the lines of credit were $42.1 million with a weighted average interest rate of 2.87%. On December 30, 2007 and April 1, 2007, $7.4 million and $3.0 million, respectively, were outstanding under the uncommitted lines of credit.

After taking into account all of its interest rate hedging activities, the Company had a weighted average interest rate of 5.9%, 6.2% and 6.8% for its debt and capital lease obligations as of March 30, 2008, December 30, 2007 and April 1, 2007, respectively. The Company’s overall weighted average interest rate on its debt and capital lease obligations was 5.9% for Q1 2008 compared to 6.6% for Q1 2007. As of March 30, 2008, approximately 43% of the Company’s debt and capital lease obligations of $713.1 million was subject to changes in short-term interest rates.

The Company’s public debt is not subject to financial covenants but does limit the incurrence of certain liens and encumbrances as well as the incurrence of indebtedness by the Company’s subsidiaries in excess of certain amounts.

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

11. 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

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

11. Derivative Financial Instruments

derivative financial instruments for trading purposes nor does it use leveraged financial instruments. All of the Company's interest rate swap agreements are LIBOR-based.

Derivative financial instruments were summarized as follows:

In Thousands	March 30, 2008		December 30, 2007		April 1, 2007	
	Notional Amount	Remaining Term	Notional Amount	Remaining Term	Notional Amount	Remaining Term
Interest rate swap agreement — floating	$ —	—	$ —	—	$25,000	0.7 years
Interest rate swap agreement — floating	—	—	—	—	25,000	0.7 years
Interest rate swap agreement — floating	—	—	—	—	50,000	0.7 years
Interest rate swap agreement — floating	50,000	1.2 years	50,000	1.4 years	50,000	2.2 years
Interest rate swap agreement — floating	50,000	1.3 years	50,000	1.5 years	50,000	2.3 years
Interest rate swap agreement — floating	50,000	4.7 years	50,000	4.9 years	50,000	5.7 years
Interest rate swap agreement — floating	25,000	1.1 years	25,000	1.3 years	25,000	2.1 years
Interest rate swap agreement — floating	25,000	7.0 years	25,000	7.2 years	25,000	8.0 years
Interest rate swap agreement — floating	25,000	4.7 years	25,000	4.9 years	25,000	5.7 years

The Company had six interest rate swap agreements as of March 30, 2008 with varying terms that effectively converted $225 million of the Company's fixed rate debt to floating rate debt. All of the interest rate swap agreements have been accounted for as fair value hedges.

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

During Q1 2007, the Company began using derivative instruments to hedge the majority of its vehicle fuel purchases. These derivative instruments relate to diesel fuel and unleaded gasoline used in the Company's delivery fleet. Derivative instruments used include puts, calls and caps which effectively establish an upper and lower limit on the Company's price of fuel within periods covered by the instruments. The Company currently accounts for its fuel hedges on a mark-to-market basis with any expense or income being reflected as an adjustment of fuel costs.

12. 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 and Cash Equivalents, Accounts Receivable and Accounts Payable

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

Public Debt Securities

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

Non-Public Variable Rate Debt

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

Deferred Compensation Plan Assets

The fair values of deferred compensation plan assets, which are held in mutual funds, are based upon the quoted market value of the securities held within the mutual funds.

Derivative Financial Instruments

The fair values for the Company's interest rate swap and fuel hedging agreements are based on current settlement values.

Letters of Credit

The fair values of the Company's letters of credit, obtained from financial institutions, are based on the notional amounts of the instruments. These letters of credit primarily relate to the Company's property and casualty insurance programs.

The carrying amounts and fair values of the Company's debt, deferred compensation plan assets, derivative financial instruments and letters of credit were as follows:

	March 30, 2008		December 30, 2007		April 1, 2007	
In Thousands	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Public debt securities	$591,450	$588,616	$591,450	$575,833	$691,450	$681,014
Non-public variable rate debt	42,100	42,100	7,400	7,400	3,000	3,000
Deferred compensation plan assets	6,810	6,810	6,386	6,386	4,956	4,956
Interest rate swap agreements	(8,405)	(8,405)	(2,337)	(2,337)	8,883	8,883
Fuel hedging agreements	(654)	(654)	(340)	(340)	(667)	(667)
Letters of credit	—	21,496	—	21,389	—	21,252

The fair values of the interest rate swap agreements at March 30, 2008 and December 30, 2007 represent the estimated amounts the Company would have received upon termination of these agreements, which are the current settlement values. The fair value on April 1, 2007 represents the estimated amount the Company would have paid upon the termination of these agreements. The fair value of the fuel hedging agreements at March 30, 2008, December 30, 2007 and April 1, 2007 represents the estimated amount the Company would have received upon termination of these agreements.

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

12. Fair Values of Financial Instruments

The Company adopted Statement of Financial Accounting Standards No. 157, "Fair Value Measurement" ("SFAS No. 157") as of the beginning of Q1 2008 and there was no material impact to the consolidated financial statements. SFAS No. 157 currently applies to all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value on a recurring basis. For all other nonfinancial assets and liabilities, SFAS No. 157 is effective for the first quarter of 2009. In February 2008, FASB issued FASB Staff Position SFAS No. 157-2, "Effective Date of FASB Statement No. 157," which defers the application date of the provisions of SFAS No. 157 for all nonfinancial assets and liabilities except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Due to the deferral, the Company has delayed the implementation of SFAS No. 157 provisions on the fair value of goodwill, intangible assets with indefinite lives and nonfinancial long-lived assets. SFAS No. 157 requires new disclosure that establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. SFAS No. 157 is intended to enable the readers of financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. SFAS No. 157 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The following table summarizes the valuation of derivative instruments and deferred compensation plan assets and liabilities by the above categories as of March 30, 2008:

In Thousands	Level 1	Level 2
Assets		
Deferred compensation plan assets	$6,810	
Interest rate swap agreements		$8,405
Fuel hedging agreements		654
Liabilities		
Deferred compensation plan liabilities	6,810	

The Company maintains a non-qualified deferred compensation plan for certain executives and other highly compensated employees. The investment assets are held in mutual funds available under the Company's 401(k) Savings Plan. The fair value of the mutual funds is based on the quoted market value of the securities held within the funds (Level 1). The related deferred compensation liability represents the fair value of the investment assets. The Company's interest rate swap agreements are fair value hedges, meaning the Company receives fixed and pays variable rates based on LIBOR swap rates. LIBOR swap rates are observable and quoted periodically over the full term of the agreements and are considered Level 2 items. The Company's fuel hedging agreements are based on NYMEX and Weekly US DOE Daily Average rates that are observable and quoted periodically over the full term of the agreement and are considered Level 2 items.

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13. Other Liabilities

Other liabilities were summarized as follows:

In Thousands	March 30, 2008	Dec. 30, 2007	April 1, 2007
Accruals for executive benefit plans	$ 77,222	$ 75,438	$ 71,945
Other	17,823	18,194	23,777
Total other liabilities	$ 95,045	$ 93,632	$ 95,722

14. Commitments and Contingencies

The Company is a member of South Atlantic Canners, Inc. ("SAC"), a manufacturing cooperative from which it is obligated to purchase 17.5 million cases of finished product on an annual basis through May 2014. The Company is also a member of Southeastern Container ("Southeastern"), a plastic bottle manufacturing cooperative, from which it is obligated to purchase at least 80% of its requirements of plastic bottles for certain designated territories. See Note 19 to the consolidated financial statements for additional information concerning SAC and Southeastern.

The Company guarantees a portion of SAC's and Southeastern's debt and lease obligations. The amounts guaranteed were $45.4 million, $45.4 million and $45.3 million as of March 30, 2008, December 30, 2007 and April 1, 2007, respectively. The Company has not recorded any liability associated with these guarantees. The Company holds no assets as collateral against these guarantees and no contractual recourse exists that would enable the Company to recover amounts paid, if any, under such guarantees. The guarantees relate to the debt and lease obligations of SAC and Southeastern, which resulted primarily from the purchase of production equipment and facilities. These guarantees expire at various times through 2021. The members of both cooperatives consist solely of Coca-Cola bottlers. The Company does not anticipate either of these cooperatives will fail to fulfill their commitments. The Company further believes each of these cooperatives has sufficient assets, including production equipment, facilities and working capital, and the ability to adjust selling prices of their products to adequately mitigate the risk of material loss.

In the event either of these cooperatives fails to fulfill its 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 borrowing capacity, the Company's maximum exposure under these guarantees on March 30, 2008 would have been $50.4 million and the Company's maximum total exposure including its equity investment, would have been $29.3 million for SAC and $33.4 million for Southeastern. The Company has been purchasing plastic bottles and finished products from these cooperatives for more than ten years.

The Company has an equity ownership in each of the entities in addition to the guarantees of certain indebtedness. As of March 30, 2008, SAC had total assets of approximately $44 million and total debt of approximately $24 million. SAC had total revenues for Q1 2008 of approximately $47 million. As of March

14. Commitments and Contingencies

30, 2008, Southeastern had total assets of approximately $380.9 million and total debt of approximately $253.4 million. Southeastern had total revenue for Q1 2008 of approximately $135.7 million.

The Company has standby letters of credit, primarily related to its property and casualty insurance programs. On March 30, 2008, these letters of credit totaled $21.5 million.

The Company participates in long-term marketing contractual arrangements with certain prestige properties, athletic venues and other locations. The future payments related to these contractual arrangements as of March 30, 2008 amounted to $21.4 million and expire at various dates through 2017.

The Company is involved in various claims and legal proceedings which have arisen in the ordinary course of its business. Although it is difficult to predict the ultimate outcome of these claims and legal proceedings, management believes the ultimate disposition of these matters will not have a material adverse effect on the financial condition, cash flows or results of operations of the Company. No material amount of loss in excess of recorded amounts is believed to be reasonably possible as a result of these claims and legal proceedings.

The Company is subject to audit by tax authorities in jurisdictions where it conducts business. These audits may result in assessments that are subsequently resolved with the tax authorities or potentially through the courts. Management believes the Company has adequately provided for any assessments that are likely to result from these audits; however, final assessments, if any, could be different than the amounts recorded in the consolidated financial statements.

15. Income Taxes

The Company's effective income tax rate for Q1 2008 and Q1 2007 was 32.5% and 39.2%, respectively.

The following table provides a reconciliation of the income tax expense (benefit) at the statutory federal rate to actual income tax expense (benefit).

	First Quarter	
In Thousands	2008	2007
Statutory expense (benefit)	$(2,247)	$2,677
State income taxes (benefits), net of federal effect	(279)	333
Manufacturing deduction benefit	128	(224)
Meals and entertainment	(103)	83
State income tax adjustment	159	—
Other, net	257	130
Income tax expense (benefit)	$(2,085)	$2,999

15. Income Taxes

In June 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”), an interpretation of FASB Statement No. 109, “Accounting for Income Taxes.” FIN 48 clarifies the accounting for uncertainty in income taxes recognized by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure. In May 2007, FASB issued FASB Staff Position FIN 48-1, “Definition of Settlement in FASB Interpretation No. 48” (“FSP FIN 48-1”). FSP FIN 48-1 provides guidance on whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. The Company adopted the provisions of FIN 48 and FSP FIN 48-1 effective as of January 1, 2007. As a result of the implementation of FIN 48 and FSP FIN 48-1, the Company recognized no material adjustment in the liability for unrecognized income tax benefits. As of December 30, 2007, the Company had $9.2 million of unrecognized tax benefits, including accrued interest, of which $8.0 million would affect the Company’s effective tax rate if recognized. As of March 30, 2008, the Company had $9.4 million of unrecognized tax benefits, including accrued interest, of which $8.3 million would affect the Company’s effective rate if recognized. It is expected that the amount of unrecognized tax benefits will change in the next 12 months; however, the Company does not expect the change to have a significant impact on the consolidated financial statements.

The Company recognizes potential interest and penalties related to uncertain tax positions in income tax expense. As of December 30, 2007, the Company had approximately $2.0 million of accrued interest related to uncertain tax positions. As of March 30, 2008, the Company had approximately $2.1 million of accrued interest related to uncertain tax positions. Income tax expense in both Q1 2008 and Q1 2007 included approximately $.1 million of interest.

In Q1 2008, the Company reached an agreement with a state tax authority to resolve certain prior year tax positions. The net effect of the adjustments was an increase to income tax expense of approximately $.2 million.

Various tax years from 1989 remain open due to loss carryforwards in certain state jurisdictions. The tax years 2004 through 2007 remain open to examination by taxing jurisdictions to which the Company is subject.

The Company’s income tax assets and liabilities are subject to adjustment in future periods based on the Company’s ongoing evaluations of such assets and liabilities and new information that becomes available to the Company.

16. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss is comprised of adjustments relative to the Company’s pension and postretirement medical benefit plans and foreign currency translation adjustments required for a subsidiary of the Company that performs data analysis and provides consulting services in Europe.

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16. Accumulated Other Comprehensive Loss

A summary of accumulated other comprehensive loss is as follows:

In Thousands	Dec. 30, 2007	Application SFAS No. 158 After tax(1)	Pre-tax Activity	Tax Effect	March 30, 2008
Net pension activity:					
Actuarial loss	$(12,684)	$ 23	$ 111	$ (43)	$(12,593)
Prior service costs	(55)	1	4	(2)	(52)
Net postretirement benefits activity:					
Actuarial loss	(9,928)	141	229	(88)	(9,646)
Prior service costs	9,833	(275)	(446)	171	9,283
Transition asset	60	(4)	(6)	3	53
Foreign currency translation adjustment	23	—	12	(5)	30
Total	$(12,751)	$(114)	$ (96)	$ 36	$(12,925)

In Thousands	Dec. 31, 2006	Pre-tax Activity	Tax Effect	April 1, 2007
Net pension activity:				
Actuarial loss	$(24,673)	$ 623	$(246)	$(24,296)
Prior service costs	(31)	6	(2)	(27)
Net postretirement benefits activity:				
Actuarial loss	(13,512)	305	(119)	(13,326)
Prior service costs	10,915	(446)	175	10,644
Transition asset	75	(6)	2	71
Foreign currency translation adjustment	—	3	(1)	2
Total	$(27,226)	$ 485	$(191)	$(26,932)

(1) See Note 18 of the consolidated financial statements for additional information.

17. Capital Transactions

The Company has two classes of common stock outstanding, Common Stock and Class B Common Stock. The Common Stock is traded on the NASDAQ Global Select Market[sm] tier of The NASDAQ Stock Market LLC® under the symbol COKE. There is no established public trading market for the Class B Common Stock. Shares of the Class B Common Stock are convertible on a share-for-share basis into shares of Common Stock at any time at the option of the holders of Class B Common Stock.

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

17. Capital Transactions

paid on the Common Stock. During Q1 2008 and Q1 2007, dividends of $.25 per share were declared and paid on both Common Stock and Class B Common Stock.

Each share of Common Stock is entitled to one vote per share at all meetings of stockholders and each share of Class B Common Stock is entitled to 20 votes per share at such meetings. Except to the extent otherwise required by law, holders of the Common Stock and Class B Common Stock vote together as a single class on all matters brought before the Company's stockholders. In the event of liquidation, there is no preference between the two classes of common stock.

On May 12, 1999, the stockholders of the Company approved a restricted stock award for J. Frank Harrison, III, the Company's Chairman of the Board of Directors and Chief Executive Officer, consisting of 200,000 shares of the Company's Class B Common Stock. Under the award program, the shares of restricted stock are granted at a rate of 20,000 shares per year over the ten-year period. The vesting of each annual installment is contingent upon the Company achieving at least 80% of the overall goal achievement factor in the Company's Annual Bonus Plan. The restricted stock award does not entitle Mr. Harrison, III to participate in dividend or voting rights until each installment has vested and the shares are issued.

On February 28, 2007, the Compensation Committee of the Board of Directors determined 20,000 shares of restricted Class B Common Stock vested and should be issued, pursuant to the performance-based award discussed above, to Mr. Harrison, III in connection with his services as Chairman of the Board of Directors and Chief Executive Officer of the Company for the fiscal year ended December 31, 2006. On February 27, 2008, the Compensation Committee determined an additional 20,000 shares of restricted Class B Common Stock vested and should be issued to Mr. Harrison, III in connection with his services for the fiscal year ended December 30, 2007.

The Company's only active share based compensation is the restricted stock award to Mr. Harrison, III, as previously described. Each annual 20,000 share tranche has an independent performance requirement as it is not established until the Company's Annual Bonus Plan targets are approved each year by the Compensation Committee of the Company's Board of Directors. As a result, each 20,000 share tranche is considered to have its own service inception date, grant-date fair value and requisite service period. The Company's Annual Bonus Plan targets, which establish the performance requirement for the restricted stock awards, are approved by the Compensation Committee in the first quarter of each year.

A summary of restricted stock awards is as follows:

Year	Shares Awarded	Grant-Date Price	Annual Compensation Expense	First Quarter Compensation Expense
2007	20,000	$58.53	$1,170,600	$292,650
2008	20,000	56.50	1,130,000	282,500

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17. Capital Transactions

In addition, the Company reimburses Mr. Harrison, III for income taxes to be paid on the shares if the performance requirement is met and the shares are issued. The Company accrues the estimated cost of the income tax reimbursement over the one-year service period.

On April 29, 2008, the stockholders approved a Performance Unit Award Agreement for Mr. Harrison, III consisting of 400,000 performance units ("Units") that each represents the right to receive one share of the Company's Class B Common Stock. The Units will vest in annual increments over a ten-year period starting in fiscal year 2009. The Units vested each year will equal the product of 40,000 multiplied by the overall goal achievement factor (not to exceed 100%) as determined under the Company's existing Annual Bonus Plan based upon annual targets defined by the Compensation Committee. The Performance Unit Award Agreement will replace the restricted stock award discussed above which expires at the end of 2008 and will not affect the Company's results of operations or financial position during 2008.

The increase in the number of shares outstanding in Q1 2008 and Q1 2007 was due to the issuance of 20,000 shares of Class B Common Stock related to the restricted stock award in each quarter.

18. Benefit Plans

Recently Adopted Pronouncement

In September 2006, FASB issued Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Pension and Other Postretirement Plans" ("SFAS No. 158") which was effective for the year ending December 31, 2006 except for the requirement that the benefit plan assets and obligations be measured as of the date of the employer's statement of financial position, which is effective for the year ending December 28, 2008. The Company adopted the measurement date provisions of SFAS No. 158 on the first day of Q1 2008 and used the "one measurement" approach. The incremental effect of applying the measurement date provisions on the balance sheet in Q1 2008 was as follows:

In Thousands	Before Application of SFAS No. 158	Adjustment	After Application of SFAS No. 158
Pension and postretirement benefit obligations	$ 32,758	$ 434	$ 33,192
Deferred income taxes	168,540	(167)	168,373
Total liabilities	1,123,290	267	1,123,557
Retained earnings	79,227	(153)	79,074
Accumulated other comprehensive loss	(12,751)	(114)	(12,865)
Total stockholders' equity	120,504	(267)	120,237

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Notes to Consolidated Financial Statements (Unaudited)

18. Benefit Plans

Pension Plans

Retirement benefits under the two Company-sponsored pension plans are based on the employee's length of service, average compensation over the five consecutive years which gives the highest average compensation and the average of the Social Security taxable wage base during the 35-year period before a participant reaches Social Security retirement age. Contributions to the plans are based on the projected unit credit actuarial funding method and are limited to the amounts currently deductible for income tax purposes. On February 22, 2006, the Board of Directors of the Company approved an amendment to the principal Company-sponsored pension plan to cease further benefit accruals under the plan effective June 30, 2006.

The components of net periodic pension cost (income) were as follows:

	First Quarter	
In Thousands	2008	2007
Service cost	$ 21	$ 20
Interest cost	2,701	2,634
Expected return on plan assets	(3,410)	(3,225)
Amortization of prior service cost	4	6
Recognized net actuarial loss	111	623
Net periodic pension cost (income)	$ (573)	$ 58

The Company did not contribute to its pension plans during Q1 2008 and expects to make contributions of approximately $0.3 million to its principal Company-sponsored pension plan during the remainder of 2008.

Postretirement Benefits

The Company provides postretirement benefits for a portion of its current employees. The Company recognizes the cost of postretirement benefits, which consist principally of medical benefits, during employees' periods of active service. The Company does not pre-fund these benefits and has the right to modify or terminate certain of these benefits in the future.

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

	First Quarter	
In Thousands	2008	2007
Service cost	$ 128	$ 106
Interest cost	536	552
Amortization of unrecognized transitional assets	(6)	(6)
Recognized net actuarial loss	229	305
Amortization of prior service cost	(446)	(446)
Net periodic postretirement benefit cost	$ 441	$ 511

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18. Benefit Plans

401(k) Savings Plan

The Company provides a 401(k) Savings Plan for substantially all of its employees who are not part of collective bargaining agreements. The total cost for this benefit in Q1 2008 and Q1 2007 was $2.5 million and $2.1 million, respectively.

19. Related Party Transactions

The Company's business consists primarily of the production, marketing and distribution of nonalcoholic beverages 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, 2008, The Coca-Cola Company had a 27.1% 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:

	First Quarter	
In Millions	2008	2007
Payments by the Company for concentrate, syrup, sweetener and other purchases	$ 87.3	$ 75.4
Marketing funding support payments to the Company	8.5	6.8
Payments by the Company net of marketing funding support	$ 78.8	$ 68.6
Payments by the Company for customer marketing programs	$ 11.0	$ 10.0
Payments by the Company for cold drink equipment parts	1.6	1.3
Fountain delivery and equipment repair fees paid to the Company	2.3	2.3
Presence marketing funding support provided by The Coca-Cola Company on the Company's behalf	1.1	1.1
Sales of finished products to The Coca-Cola Company	3.7	10.9

On March 10, 2008, the Company entered into a letter agreement with The Coca-Cola Company regarding brand innovation and distribution collaboration. Under the letter agreement, the Company granted to The Coca-Cola Company the option to purchase any nonalcoholic beverage brands then or thereafter owned by the Company. The option is exercisable as to each brand at a formula-based price during the two-year period that begins after that brand has achieved a specified level of net operating revenue or, if earlier, beginning five years after the introduction of that brand in the market with a minimum level of net operating revenue (except that, with respect to brands owned at the date of the letter agreement, the five-year period does not begin earlier than the date of the letter agreement).

19. Related Party Transactions

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 arrangement were $8.5 million and $10.7 million in Q1 2008 and Q1 2007, respectively. Purchases from CCE under this arrangement were $5.3 million and $3.1 million in Q1 2008 and Q1 2007, respectively. The Coca-Cola Company has significant equity interests in the Company and CCE. As of March 30, 2008, CCE held less than 9% of the Company's outstanding Common Stock and held no shares of the Company's Class B Common Stock.

Along with all other Coca-Cola bottlers in the United States, the Company is a member in Coca-Cola Bottlers' Sales and Services Company, LLC ("CCBSS"), which was formed in 2003 for the purposes of facilitating various procurement functions and distributing certain specified beverage products of The Coca-Cola Company with the intention of enhancing the efficiency and competitiveness of the Coca-Cola bottling system in the United States. CCBSS negotiates the procurement for the majority of the Company's raw materials (excluding concentrate). The Company pays an administrative fee to CCBSS for its services.

The Company is a shareholder in two entities from which it purchases substantially all its requirements for plastic bottles. Net purchases from these entities were $16.6 million and $16.8 million in Q1 2008 and Q1 2007, respectively. In connection with its participation in one of these entities, the Company has guaranteed a portion of the entity's debt. Such guarantee amounted to $21.2 million as of March 30, 2008. Additionally, the Company has recorded an equity investment of $8.2 million in one of these entities as of March 30, 2008.

The Company is a member of SAC, a manufacturing cooperative. SAC sells finished products to the Company and Piedmont at cost. Purchases from SAC by the Company and Piedmont for finished products were $36.7 million and $32.6 million in Q1 2008 and Q1 2007, respectively. The Company also manages the operations of SAC pursuant to a management agreement. Management fees earned from SAC were $.3 million and $.4 million in Q1 2008 and Q1 2007, respectively. The Company has also guaranteed a portion of debt for SAC. Such guarantee amounted to $24.2 million as of March 30, 2008. Additionally, the Company has recorded an equity investment of $4.1 million in SAC as of March 30, 2008.

The Company leases from Harrison Limited Partnership One ("HLP") the Snyder Production Center and an adjacent sales facility, which are located in Charlotte, North Carolina. HLP is directly and indirectly owned by trusts of which J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, and Deborah S. Harrison, a director of the Company, are trustees and beneficiaries. The principal balance outstanding under this capital lease as of March 30, 2008 was $38.3 million. Rental payments related to this lease were $1.0 million and $1.1 million in Q1 2008 and Q1 2007, respectively.

The Company leases from Beacon Investment Corporation ("Beacon") the Company's headquarters office facility and an adjacent office facility. Beacon's sole shareholder is J. Frank Harrison, III. The principal balance outstanding under this capital lease as of March 30, 2008 was $33.9 million. Rental payments related to the lease were $.9 million in both Q1 2008 and Q1 2007.

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20. Net Sales by Product Category

Net sales by product category were as follows:

	First Quarter	
In Thousands	2008	2007
Bottle/can sales:		
Sparkling beverages (including energy products)	$234,552	$233,963
Still beverages	53,456	46,186
Total bottle/can sales	288,008	280,149
Other sales:		
Sales to other Coca-Cola bottlers	28,028	34,883
Post-mix and other	21,638	22,524
Total other sales	49,666	57,407
Total net sales	$337,674	$337,556

Sparkling beverages are primarily carbonated beverages while still beverages are primarily noncarbonated beverages.

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Notes to Consolidated Financial Statements (Unaudited)

21. Net Income (Loss) Per Share

The following table sets forth the computation of basic net income (loss) per share and diluted net income (loss) per share under the two-class method:

In Thousands (Except Per Share Data)	First Quarter 2008	First Quarter 2007
Numerator for basic and diluted net income (loss) per Common Stock and Class B Common Stock share:		
Net income (loss)	$ (4,335)	$ 4,651
Less dividends:		
Common Stock	1,661	1,661
Class B Common Stock	625	620
Total undistributed earnings (losses)	$ (6,621)	$ 2,370
Common Stock undistributed earnings (losses) — basic	$ (4,811)	$ 1,726
Class B Common Stock undistributed earnings (losses) — basic	(1,810)	644
Total undistributed earnings (losses) — basic	$ (6,621)	$ 2,370
Common Stock undistributed earnings (losses) — diluted	$ (4,811)	$ 1,724
Class B Common Stock undistributed earnings (losses) — diluted	(1,810)	646
Total undistributed earnings (losses) — diluted	$ (6,621)	$ 2,370
Numerator for basic net income (loss) per Common Stock share:		
Dividends on Common Stock	$ 1,661	$ 1,661
Common Stock undistributed earnings (losses) — basic	(4,811)	1,726
Numerator for basic net income (loss) per Common Stock share	$ (3,150)	$ 3,387
Numerator for basic net income (loss) per Class B Common Stock share:		
Dividends in Class B Common Stock	$ 625	$ 620
Class B Common Stock undistributed earnings (losses) — basic	(1,810)	644
Numerator for basic net income (loss) per Class B Common Stock share	$ (1,185)	$ 1,264

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

21. Net Income (Loss) Per Share

In Thousands (Except Per Share Data)	First Quarter 2008	First Quarter 2007
Numerator for diluted net income (loss) per Common Stock share:		
Dividends on Common Stock	$ 1,661	$ 1,661
Dividends on Class B Common Stock assumed converted to Common Stock	625	620
Common Stock undistributed earnings (losses) — diluted	(6,621)	2,370
Numerator for diluted net income (loss) per Common Stock share	$ (4,335)	$ 4,651
Numerator for diluted net income (loss) per Class B Common Stock share:		
Dividends on Class B Common Stock	625	620
Class B Common Stock undistributed earnings (losses) — diluted	(1,810)	646
Numerator for diluted net income (loss) per Class B Common Stock share	$ (1,185)	$ 1,266

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21. Net Income (Loss) Per Share

In Thousands (Except Per Share Data)	First Quarter 2008	First Quarter 2007
Denominator for basic net income (loss) per Common Stock and Class B Common Stock share:		
Common Stock weighted average shares outstanding — basic	6,644	6,643
Class B Common Stock weighted average shares outstanding — basic	2,500	2,480
Denominator for diluted net income (loss) per Common Stock and Class B Common Stock share:		
Common Stock weighted average shares outstanding — diluted (assumes conversion of Class B Common Stock to Common Stock)	9,144	9,131
Class B Common Stock weighted average shares outstanding — diluted	2,500	2,488
Basic net income (loss) per share:		
Common Stock	$ (.47)	$ .51
Class B Common Stock	$ (.47)	$ .51
Diluted net income (loss) per share:		
Common Stock	$ (.47)	$ .51
Class B Common Stock	$ (.47)	$ .51

NOTES TO TABLE

(1) For purposes of the diluted net income (loss) per share computation for Common Stock, shares of Class B Common Stock are assumed to be converted; therefore, 100% of undistributed earnings is allocated to Common Stock.

(2) For purposes of the diluted net income (loss) per share computation for Class B Common Stock, weighted average shares of Class B Common Stock are assumed to be outstanding for the entire period and not converted.

(3) Denominator for diluted net income (loss) per share for Common Stock and Class B Common Stock includes the dilutive effect of shares relative to the restricted stock award.

22. Risks and Uncertainties

Approximately 89% of the Company's Q1 2008 bottle/can volume to retail customers were products of The Coca-Cola Company, which is the sole supplier of the concentrates or syrups required to manufacture these products. The remaining 11% of the Company's Q1 2008 bottle/can volume to retail customers were products of other beverage companies and the Company. The Company has bottling contracts under which it has various requirements to meet. Failure to meet the requirements of these bottling contracts could result in the loss of distribution rights for the respective product.

The Company's products are sold and distributed directly by its employees to retail stores and other outlets. During Q1 2008, approximately 68% of the Company's bottle/can volume to retail customers was sold for future consumption. The remaining bottle/can volume to retail customers of approximately 32% was sold for immediate consumption. The Company's largest customers, Wal-Mart Stores, Inc. and Food Lion, LLC, accounted for approximately 18% and 12% of the Company's total bottle/can volume to retail customers during Q1 2008, respectively. Wal-Mart Stores, Inc. accounted for approximately 14% of the Company's total net sales during Q1 2008.

The Company obtains all of its aluminum cans from one domestic supplier. The Company currently obtains all of its plastic bottles from two domestic entities. See Note 19 of the consolidated financial statements for additional information.

The Company is exposed to price risk on such commodities as aluminum, corn and resin which affects the cost of raw materials used in the production of finished products. The Company both produces and procures these finished products. Examples of the raw materials affected are aluminum used for can packaging, high fructose corn syrup used as an ingredient and plastic bottles used for packaging. Further, the Company is exposed to commodity price risk on oil which impacts the Company's cost of fuel used in the movement and delivery of the Company's products.

Beginning in 2007, the majority of the Company's aluminum packaging requirements did not have any ceiling price protection. The cost of aluminum cans further increased during Q1 2008. High fructose corn syrup costs also increased significantly during Q1 2008 as a result of increasing demand for corn products around the world such as for ethanol production. The combined impact of increasing costs for aluminum cans and high fructose corn syrup increased cost of sales during Q1 2008. In additional, there is no limit on the price The Coca-Cola Company and other beverage companies can charge for concentrate.

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

Approximately 7% of the Company's labor force is currently covered by collective bargaining agreements. Two collective bargaining contracts covering approximately 5% of the Company's employees will expire during the remainder of 2008.

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23. Supplemental Disclosures of Cash Flow Information

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

	First Quarter	
In Thousands	2008	2007
Accounts receivable, trade, net	$(14,913)	$(11,057)
Accounts receivable from The Coca-Cola Company	(10,358)	(11,809)
Accounts receivable, other	1,212	(236)
Inventories	(2,022)	3,309
Prepaid expenses and other current assets	(4,143)	(3,994)
Accounts payable, trade	(6,436)	(1,435)
Accounts payable to The Coca-Cola Company	11,013	1,363
Other accrued liabilities	1,360	3,042
Accrued compensation	(10,512)	(9,255)
Accrued interest payable	5,920	8,554
Increase in current assets less current liabilities	$(28,879)	$(21,518)

24. New Accounting Pronouncements

Recently Adopted Pronouncements

In September 2006, FASB issued SFAS No. 158 which was effective for the year ending December 31, 2006 except for the requirement that the benefit plan assets and obligations be measured as of the date of the employer’s statement of financial position, which was effective for the year ending December 28, 2008. The impact of the adoption of the change in measurement dates was not material to the consolidated financial statements. See Note 16 and Note 18 of the consolidated financial statements for additional information.

In September 2006, FASB issued SFAS No. 157 which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. The Statement does not require any new fair value measurements but could change the current practices in measuring current fair value measurements. The Statement was effective at the beginning of Q1 2008 for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value on a recurring basis. See Note 12 of the consolidated financial statements for additional information. For all other nonfinancial assets and liabilities, the Statement is effective in the first quarter of 2009. In February 2008, FASB issued FASB Staff Position SFAS No. 157-2, “Effective Date of FASB Statement No. 157,” which defers the application date of the provisions of SFAS No. 157 for all nonfinancial assets and liabilities except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Due to the deferral, the Company has delayed the implementation of SFAS No. 157 provisions on the fair value of goodwill, intangible assets with indefinite lives and nonfinancial long-lived assets. The adoption of this Statement did not have a material impact on the consolidated financial statements. The Company is in the process of evaluating the impact related to the Company’s nonfinancial assets and liabilities not valued on a recurring basis (at least annually).

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

24. New Accounting Pronouncements

In February 2007, FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities.” This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement was effective at the beginning of Q1 2008. The Company has not applied the fair value option to any of its outstanding instruments; therefore, the Statement did not have an impact on the consolidated financial statements.

Recently Issued Pronouncements

In December 2007, FASB issued SFAS No. 160, “Noncontrolling Interest in Consolidated Financial Statements — an amendment of ARB No. 51.” This Statement amends Accounting Research Bulletin No. 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary (commonly referred to as minority interest) and for the deconsolidation of a subsidiary. The Statement is effective for fiscal years beginning on or after December 15, 2008. The Company anticipates that the adoption of this Statement will not have a material impact on the consolidated financial statements, although changes in financial statement presentation may be required.

In December 2007, FASB revised SFAS No. 141, “Business Combinations” (SFAS No. 141(R)). This Statement established principles and requirements for recognizing and measuring identifiable assets and goodwill acquired, liabilities assumed and any noncontrolling interest in an acquisition, at their fair values as of the acquisition date. The Statement is effective for fiscal years beginning on or after December 15, 2008. The impact on the Company of adopting SFAS No. 141(R) will depend on the nature, terms and size of business combinations completed after the effective date.

In March 2008, FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133.” This Statement amends and expands the disclosure requirements of Statement No. 133 to provide an enhanced understanding of why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how they affect an entity’s financial position, financial performance and cash flows. The Statement is effective for fiscal years beginning on or after November 15, 2008. The adoption of this Statement will not impact the consolidated financial statements other than expanded footnote disclosures related to derivative instruments and related hedged items.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("M,D&A") should be read in conjunction with Coca-Cola Bottling Co. Consolidated's (the "Company") consolidated financial statements and the accompanying notes to consolidated financial statements. M,D&A includes the following sections:

- Our Business and the Nonalcoholic Beverage Industry — a general description of the Company's business and the nonalcoholic beverage industry.
- Areas of Emphasis — a summary of the Company's key priorities.
- Overview of Operations and Financial Condition — a summary of key information and trends concerning the financial results for the first quarter of 2008 ("Q1 2008") and changes from the first quarter of 2007 ("Q1 2007").
- Discussion of Critical Accounting Policies, Estimates and New Accounting Pronouncements — a discussion of accounting policies that are most important to the portrayal of the Company's financial condition and results of operations and that require critical judgments and estimates and the expected impact of new accounting pronouncements.
- Results of Operations — an analysis of the Company's results of operations for Q1 2008 compared to Q1 2007.
- Financial Condition — an analysis of the Company's financial condition as of the end of Q1 2008 compared to year-end 2007 and the end of Q1 2007 as presented in the consolidated financial statements.
- Liquidity and Capital Resources — an analysis of capital resources, cash sources and uses, investing activities, financing activities, off-balance sheet arrangements, aggregate contractual obligations and hedging activities.
- Cautionary Information Regarding Forward-Looking Statements.

The consolidated statements of operations and consolidated statements of cash flows for the quarters ended March 30, 2008 and April 1, 2007 and the consolidated balance sheets at March 30, 2008, December 30, 2007 and April 1, 2007 include the consolidated operations of the Company and its majority-owned subsidiaries including Piedmont Coca-Cola Bottling Partnership ("Piedmont"). Minority interest consists of The Coca-Cola Company's interest in Piedmont, which was 22.7% for all periods presented.

Our Business and the Nonalcoholic Beverage Industry

The Company produces, markets and distributes nonalcoholic 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 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. These product offerings include both sparkling and still beverages. Sparkling beverages are primarily carbonated beverages including energy products. Still beverages are primarily noncarbonated beverages such as bottled water, tea, ready to drink coffee, enhanced water, juices and sports drinks. The Company had net sales of approximately $1.4 billion in 2007.

The nonalcoholic beverage market is highly competitive. The Company's competitors include bottlers and distributors of nationally and regionally advertised and marketed products and private label products. In each region in which the Company operates, between 75% and 95% of sparkling beverage sales in bottles, cans and

other containers are accounted for by the Company and its principal competitors, which in each region includes the local bottler of Pepsi-Cola and, in some regions, the local bottler of Dr Pepper, Royal Crown and/or 7-Up products. During the last three years, industry sales of sugar sparkling beverages, other than energy products, have declined. The decline in sugar sparkling beverages has generally been offset by volume growth in other nonalcoholic product categories. The sparkling beverage category (including energy products) represents 81% of the Company's Q1 2008 bottle/can net sales.

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

Historically, operating results for the first quarter of the fiscal year have not been representative of results for the entire fiscal year. Business seasonality results primarily from higher unit sales of the Company's products in the second and third quarters versus the first and fourth quarters of the fiscal year. Fixed costs, such as depreciation and interest expense, are not significantly impacted by business seasonality.

Net sales by product category were as follows:

	First Quarter	
In Thousands	2008	2007
Bottle/can sales:		
Sparkling beverages (including energy products)	$234,552	$233,963
Still beverages	53,456	46,186
Total bottle/can sales	288,008	280,149
Other sales:		
Sales to other Coca-Cola bottlers	28,028	34,883
Post-mix and other	21,638	22,524
Total other sales	49,666	57,407
Total net sales	$337,674	$337,556

Areas of Emphasis

Key priorities for the Company include revenue management, product innovation and beverage portfolio expansion, distribution cost management and productivity.

Revenue Management

Revenue management requires a strategy which reflects consideration for pricing of brands and packages within product categories and channels, as well as highly effective working relationships with customers and disciplined fact-based decision-making. Revenue management has been and continues to be a key performance driver which has significant impact on the Company's results of operations.

Product Innovation and Beverage Portfolio Expansion

Sparkling beverages volume, other than energy products, has declined over the past several years. Innovation of both new brands and packages has been and will continue to be critical to the Company's overall revenue. The Company introduced the following new products during 2007: smartwater, vitaminwater, vitaminenergy, Gold Peak and Country Breeze tea products, Diet Coke Plus, Dasani Plus, juice products from FUZE (a subsidiary of The Coca-Cola Company) and V8 juice products from Campbell's. The Company also modified its energy product portfolio in 2007 with the addition of NOS© products from FUZE and energy drinks from BooKoo Beverages.

In August 2007, the Company entered into a distribution agreement with Energy Brands Inc. ("Energy Brands"), a wholly-owned subsidiary of The Coca-Cola Company. Energy Brands, also known as glacéau, is a producer and distributor of branded enhanced beverages including vitaminwater, smartwater and vitaminenergy. The distribution agreement was effective November 1, 2007 for a period of ten years and, unless earlier terminated, will be automatically renewed for succeeding ten-year terms, subject to a one year non-renewal notification by the Company. In conjunction with the execution of the distribution agreement, the Company entered into an agreement with The Coca-Cola Company whereby the Company agreed not to introduce new third party brands or certain third party brand extensions in the United States through August 31, 2010 unless mutually agreed to by the Company and The Coca-Cola Company.

The Company has invested in its own brand portfolio with products such as Respect, a vitamin and mineral enhanced beverage, Tum-E Yummies, a vitamin C enhanced flavored drink, Country Breeze and diet Country Breeze tea and its own energy drink. The Company is also the exclusive licensee of Cinnabon Premium Coffee Lattes in the United States. These brands enable the Company to participate in strong growth categories and capitalize on distribution channels that include the Company's traditional Coca-Cola franchise territory as well as third party distributors outside the Company's traditional Coca-Cola franchise territory. While the growth prospects of Company-owned or exclusive licensed brands appear promising, the cost of developing, marketing and distributing these brands is anticipated to be significant.

On March 10, 2008, the Company entered into a letter agreement with The Coca-Cola Company regarding brand innovation and distribution collaboration. Under the letter agreement, the Company granted to The Coca-Cola Company the option to purchase any nonalcoholic beverage brands then or thereafter owned by the Company. The option is exercisable as to each brand at a formula-based price during the two-year period that begins after that brand has achieved a specified level of net operating revenue or, if earlier, beginning five years after the introduction of that brand in the market with a minimum level of net operating revenue (except that, with respect to brands owned at the date of the letter agreement, the five-year period does not begin earlier than the date of the letter agreement).

Distribution Cost Management

Distribution costs represent the costs of transporting finished goods from Company locations to customer outlets. Total distribution costs amounted to $49.7 million and $45.8 million in Q1 2008 and Q1 2007, respectively. Over the past several years, the Company has focused on converting its distribution system from a conventional routing system to a predictive system. This conversion to a predictive system has allowed the Company to more efficiently handle increasing numbers of products. In addition, the Company has closed a number of smaller sales distribution centers over the past several years reducing its fixed warehouse-related costs.

The Company has three primary delivery systems for its current business:

- bulk delivery for large supermarkets, mass merchandisers and club stores;

- advanced sale delivery for convenience stores, drug stores, small supermarkets and on-premise accounts; and
- full service delivery for its full service vending customers.

Distribution cost management will continue to be a key area of emphasis for the Company.

Productivity

A key driver in the Company's selling, delivery and administrative ("S,D&A") expense management relates to ongoing improvements in labor productivity and asset productivity. The Company continues to focus on its supply chain and distribution functions for ongoing opportunities to improve productivity.

Overview of Operations and Financial Condition

The following overview provides a summary of key information concerning the Company's financial results for Q1 2008 compared to Q1 2007.

	First Quarter			%
In Thousands (Except Per Share Data)	2008	2007	Change	Change
Net sales	$337,674	$337,556	$ 118	—
Gross margin	139,918	151,491	(11,573)	(7.6)
S,D&A expenses	136,243	130,942	5,301	4.0
Income from operations	3,675	20,549	(16,874)	(82.1)
Interest expense	10,434	12,218	(1,784)	(14.6)
Income (loss) before income taxes	(6,420)	7,650	(14,070)	(183.9)
Income tax provision (benefit)	(2,085)	2,999	(5,084)	(169.5)
Net income (loss)	(4,335)	4,651	(8,986)	(193.2)
Basic net income (loss) per share:				
Common Stock	$ (.47)	$ .51	$ (.98)	(192.2)
Class B Common Stock	$ (.47)	$ .51	$ (.98)	(192.2)
Diluted net income (loss) per share:				
Common Stock	$ (.47)	$ .51	$ (.98)	(192.2)
Class B Common Stock	$ (.47)	$ .51	$ (.98)	(192.2)

The Company's net sales were relatively flat in Q1 2008 compared to Q1 2007. The small increase in net sales was primarily due to a 2.4% increase in bottle/can volume offset by an approximate 19.7% or $6.9 million decrease in sales to other Coca-Cola bottlers ("bottler sales"). The increase in bottle/can volume was due to increases in enhanced water and sparkling beverages partially offset by a decline in bottled water sales. The decrease in bottler sales was due to a decrease in energy and tea products partially offset by an increase in sparkling beverages volume.

The Company anticipates overall bottle/can sales growth will be primarily dependent upon continued growth in diet sparkling products, sports drinks, bottled water, enhanced water, tea and energy products as well as the introduction of new beverage products and the appropriate pricing of brands and packages within sales channels.

Gross margin dollars decreased 7.6% in Q1 2008 compared to Q1 2007. The Company's gross margin percentage decreased to 41.4% in Q1 2008 from 44.9% in Q1 2007. The 3.5% decrease in gross margin as a percentage of

net sales was primarily due to increased raw material costs, increased sales of purchased products (which have lower margin percentages), a shift in product and package mix to lower margin items and lower sales price per unit for bottled water. Purchased products include FUZE, Campbell's products, smartwater, vitaminwater and NOS© energy products.

S,D&A expenses increased 4.0% in Q1 2008 from Q1 2007. The increase in S,D&A expenses was primarily attributable to increases in employee related expenses of $4.0 million (excluding restructuring costs in 2007), fuel costs of $2.1 million and property and casualty insurance costs of $1.3 million.

Net interest expense decreased 14.6% in Q1 2008 compared to Q1 2007. The decrease was primarily due to lower effective interest rates and lower borrowing levels offset by a $.7 million decrease in interest earned on short-term cash investments in Q1 2008 as compared to Q1 2007. The Company's overall weighted average interest rate decreased to 5.9% during Q1 2008 from 6.6% during Q1 2007.

Net debt and capital lease obligations were summarized as follows:

In Thousands	March 30, 2008	December 30, 2007	April 1, 2007
Debt	$633,550	$598,850	$694,450
Capital lease obligations	79,580	80,215	82,057
Total debt and capital lease obligations	713,130	679,065	776,507
Less: Cash and cash equivalents	9,930	9,871	55,039
Total net debt and capital lease obligations (1)	$703,200	$669,194	$721,468

(1) The non-GAAP measure "Total net debt and capital lease obligations" is used to provide readers with additional information to more clearly evaluate the Company's capital structure and financial leverage.

Discussion of Critical Accounting Policies, Estimates and New Accounting Pronouncements

Critical Accounting Policies

In the ordinary course of business, the Company has made a number of estimates and assumptions relating to the reporting of results of operations and financial position in the preparation of its consolidated 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 included in its Annual Report on Form 10-K for the year ended December 30, 2007 a discussion of the Company's most critical accounting policies, which are those most important to the portrayal of the Company's financial condition and results of operations and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

The Company has not made changes in any critical accounting policies during Q1 2008. Any changes in critical accounting policies and estimates are discussed with the Audit Committee of the Board of Directors of the Company during the quarter in which a change is made.

New Accounting Pronouncements

Recently Adopted Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 158, "Employers' Accounting for Defined Pension and Other Postretirement Plans," which was effective for the year ending December 31, 2006 except for the requirement that the benefit plan assets and obligations be measured as of the date of the employer's statement of financial position, which was effective for the year ending December 28, 2008. The impact of the adoption of the change in measurement dates was not material to the consolidated financial statements. See Note 16 and Note 18 of the consolidated financial statements for additional information.

In September 2006, FASB issued SFAS No. 157, "Fair Value Measurement." This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. The Statement does not require any new fair value measurements but could change the current practices in measuring current fair value measurements. The Statement was effective at the beginning of Q1 2008 for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value on a recurring basis. See Note 12 to the consolidated financial statements for additional information. For all other nonfinancial assets and liabilities, the Statement is effective in the first quarter of 2009. In February 2008, FASB issued FASB Staff Position SFAS No. 157-2, "Effective Date of FASB Statement No. 157," which defers the application date of the provisions of SFAS No. 157 for all nonfinancial assets and liabilities except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Due to the deferral, the Company has delayed the implementation of SFAS No. 157 provisions on the fair value of goodwill, intangible assets with indefinite lives and nonfinancial long-lived assets. The adoption of this Statement did not have a material impact on the consolidated financial statements. The Company is in the process of evaluating the impact related to the Company's nonfinancial assets and liabilities valued on a recurring basis (at least annually).

In February 2007, FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement was effective at the beginning of Q1 2008. The Company has not applied the fair value option to any of its outstanding instruments; therefore, the Statement did not have an impact on the consolidated financial statements.

Recently Issued Pronouncements

In December 2007, FASB issued SFAS No. 160, "Noncontrolling Interest in Consolidated Financial Statements — an amendment of ARB No. 51." This Statement amends Accounting Research Bulletin No. 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary (commonly referred to as minority interest) and for the deconsolidation of a subsidiary. The Statement is effective for fiscal years beginning on or after December 15, 2008. The Company anticipates that the adoption of this Statement will not have a material impact on the consolidated financial statements, although changes in financial statement presentation may be required.

In December 2007, FASB revised SFAS No. 141, "Business Combinations" (SFAS No. 141(R)). This Statement established principles and requirements for recognizing and measuring identifiable assets and goodwill acquired, liabilities assumed and any noncontrolling interest in an acquisition, at their fair values as of the acquisition date. The Statement is effective for fiscal years beginning on or after December 15, 2008. The impact on the Company of adopting SFAS No. 141(R) will depend on the nature, terms and size of business combinations completed after the effective date.

In March 2008, FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133." This Statement amends and expands the disclosure

requirements of Statement No. 133 to provide an enhanced understanding of why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how they affect an entity's financial position, financial performance and cash flows. The Statement is effective for fiscal years beginning on or after November 15, 2008. The adoption of this Statement will not impact the consolidated financial statements other than expanded footnote disclosures related to derivative instruments and related hedged items.

Results of Operations

Q1 2008 Compared to Q1 2007

Net Sales

Net sales increased $.1 million to $337.7 million in Q1 2008 compared to $337.6 million in Q1 2007.

The increase in net sales was a result of the following:

Amount (In Millions)	Attributable to:
$ 9.0	2.4% increase in bottle/can volume primarily due to increases in enhanced water and sparkling beverage volume offset by a decrease in bottled water volume
(4.3)	12.3% decrease in bottler sales volume primarily due to decreases in energy and tea products volume
(2.5)	8.4% decrease in bottler sales price per unit primarily due to a decrease in energy drink volume as a percentage of total volume (energy drinks have a higher sales price per unit)
(1.7)	9.5% decrease in post-mix volume
(1.2)	Decrease in bottle/can sales price primarily due to increases in sales of lower price packages in higher margin channels (convenience and drug) and lower sales price per unit for bottled water partially offset by higher selling prices in other channels
0.8	Other
$ 0.1	Total increase in net sales

In Q1 2008, the Company's bottle/can sales to retail customers accounted for 85% of the Company's total net sales. Bottle/can net pricing is based on the invoice price charged to customers reduced by promotional allowances. Bottle/can net pricing per unit is impacted by the price charged per package, the volume generated in each package and the channels in which those packages are sold. The decrease in the Company's bottle/can net pricing per unit in Q1 2008 compared to Q1 2007 was primarily due to increases in sales of lower price packages in the convenience and drug channels and lower sales price per unit for bottled water partially offset by increases in pricing in other channels, primarily the supermarket channel. The increase in pricing in other channels was primarily due to increases in sales of enhanced water which has a higher sales price per unit.

Product category sales volume in Q1 2008 and Q1 2007 as a percentage of total bottle/can sales volume and the percentage change by product category was as follows:

Product Category	Bottle/Can Sales Volume		Bottle/Can Sales Volume
	Q1 2008	Q1 2007	% Increase
Sparkling beverages (including energy products)	84.4%	85.4%	1.2
Still beverages	15.6%	14.6%	9.5
Total bottle/can sales volume	100.0%	100.0%	2.4

The Company's products are sold and distributed through various channels. These channels include selling directly to retail stores and other outlets such as food markets, institutional accounts and vending machine outlets. During Q1 2008, approximately 68% of the Company's bottle/can volume was sold for future consumption. The remaining bottle/can volume of approximately 32% was sold for immediate consumption. The Company's largest customer, Wal-Mart Stores, Inc., accounted for approximately 18% of the Company's total bottle/can volume during Q1 2008. The Company's second largest customer, Food Lion, LLC, accounted for approximately 12% of the Company's total bottle/can volume in Q1 2008. All of the Company's beverage sales are to customers in the United States.

The Company charges certain customers a delivery fee to offset a portion of the Company's delivery and handling costs. The delivery fee is recorded in net sales and was $1.5 million and $1.6 million in Q1 2008 and Q1 2007, respectively.

Cost of Sales

Cost of sales includes the following: raw material costs, manufacturing labor, manufacturing overhead including depreciation expense, manufacturing warehousing costs and shipping and handling costs related to the movement of finished goods from manufacturing locations to sales distribution centers.

Cost of sales increased 6.3%, or $11.7 million, to $197.8 million in Q1 2008 compared to $186.1 million in Q1 2007. The increase in cost of sales was principally attributable to the following:

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Amount (In Millions)	Attributable to:
$ 14.1	Increase in costs primarily due to an increase in purchased products and an increase in raw material costs such as aluminum cans, high fructose corn syrup and plastic bottles
5.8	2.4% increase in bottle/can volume primarily due to increases in enhanced water and sparkling beverage volume offset by a decrease in bottled water volume
(4.1)	12.3% decrease in bottler sales volume primarily due to decreases in energy drinks and tea volume
(2.1)	Decrease in bottler cost price per unit primarily due to a decrease in energy drink volume as a percentage of total volume (energy drinks have a higher cost per unit)
(1.7)	Increase in marketing funding support received primarily from The Coca-Cola Company
(1.2)	9.5% decrease in post-mix volume
0.9	Other
$ 11.7	Total increase in cost of sales

The Company relies extensively on advertising and sales promotion in the marketing of its products. The Coca-Cola Company and other beverage companies that supply concentrates, syrups and finished products to the Company make substantial marketing and advertising expenditures to promote sales in the local territories served by the Company. The Company also benefits from national advertising programs conducted by The Coca-Cola Company and other beverage companies. Certain of the marketing expenditures by The Coca-Cola Company and other beverage companies are made pursuant to annual arrangements. Although The Coca-Cola Company has advised the Company that it intends to continue to provide marketing funding support, it is not obligated to do so under the Company's Bottle Contracts. Significant decreases in marketing funding support from The Coca-Cola Company or other beverage companies could adversely impact operating results of the Company in the future.

Total marketing funding support from The Coca-Cola Company and other beverage companies, which includes direct payments to the Company and payments to customers for marketing programs, was $10.6 million for Q1 2008 compared to $8.9 million for Q1 2007 and was recorded as a reduction in cost of sales.

Gross Margin

Gross margin dollars decreased $11.6 million, or 7.6%, to $139.9 million in Q1 2008 from $151.5 million in Q1 2007. Gross margin as a percentage of net sales decreased to 41.4% in Q1 2008 from 44.9% in Q1 2007.

The decrease in gross margin dollars was primarily the result of the following:

Amount (In Millions)	Attributable to:
$ (14.1)	Increase in costs primarily due to an increase in purchased products and an increase in raw material costs
3.2	2.4% increase in bottle/can volume primarily due to increases in enhanced water and sparkling beverage volume offset by a decrease in bottled water volume
1.7	Increase in marketing funding support received primarily from The Coca-Cola Company
(1.2)	Decrease in bottle/can sales price primarily due to increased sales of lower price packages in higher margin channels (convenience and drug) and lower sales price per unit for bottled water partially offset by higher prices in other channels
(1.2)	Other
$ (11.6)	Total decrease in gross margin

The 3.5% decrease in gross margin as a percentage of net sales was primarily due to increased raw material costs and increased sales of purchased products (which have lower margin percentages), higher percentage of sales of lower margin packages to total packages and lower sales price per unit for bottled water.

The Company's gross margins may not be comparable to other companies, since some entities include all costs related to their distribution network in cost of sales. The Company includes a portion of these costs in S,D&A expenses.

S,D&A Expenses

S,D&A expenses include the following: sales management labor costs, distribution costs from sales distribution centers to customer locations, sales distribution center warehouse costs, depreciation expense related to sales centers, delivery vehicles and cold drink equipment, point-of-sale expenses, advertising expenses, cold drink equipment repair costs and administrative support labor and operating costs such as treasury, legal, information services, accounting, internal control services, human resources and executive management costs.

S,D&A expenses increased by $5.3 million, or 4.0%, to $136.2 million in Q1 2008 from $130.9 million in Q1 2007.

The increase in S,D&A expenses was primarily due to the following:

Amount (In Millions)	Attributable to:
$ 4.7	Increase in employee related expenses primarily related to wage increases
(2.2)	Restructuring costs in Q1 2007 related to the simplification of the Company's operating management structure and reduction in work force in order to improve operating efficiencies
2.1	Increase in fuel and other energy costs related to the movement of finished goods from sales distribution centers to customer locations
1.3	Increase in property and casualty insurance costs
(0.7)	Decrease in employee benefit costs primarily due to the amendment of the principal Company-sponsored pension plan, net of increases in the Company's 401(k) Savings Plan contributions
0.1	Other
$ 5.3	Total increase in S,D&A expenses

Shipping and handling costs related to the movement of finished goods from manufacturing locations to sales distribution centers are included in cost of sales. Shipping and handling costs related to the movement of finished

goods from sales distribution centers to customer locations are included in S,D&A expenses and totaled $49.7 million and $45.8 million in Q1 2008 and Q1 2007, respectively.

On February 2, 2007, the Company initiated plans to simplify its operating management structure and reduce its workforce in order to improve operating efficiencies across the Company's business. The restructuring expenses consisted primarily of one-time termination benefits and other associated costs, primarily relocation expense for certain employees. The Company incurred $2.2 million in restructuring expenses in Q1 2007.

Interest Expense

Net interest expense decreased 14.6%, or $1.8 million, in Q1 2008 compared to Q1 2007. The decrease in interest expense was primarily due to lower effective interest rates and lower levels of borrowing offset by a $.7 million decrease in interest earned on short-term cash investments in Q1 2008 as compared to Q1 2007. The Company's overall weighted average interest rate decreased to 5.9% during Q1 2008 from 6.6% during Q1 2007. See the "Liquidity and Capital Resources — Hedging Activities — Interest Rate Hedging" section of M,D&A for additional information.

Minority Interest

The Company recorded minority interest income of $.3 million in Q1 2008 compared to minority interest expense of $.7 million in Q1 2007 related to the portion of Piedmont owned by The Coca-Cola Company. The income recorded for Q1 2008 was due to a loss at Piedmont for Q1 2008.

Income Taxes

The Company's effective income tax rate for Q1 2008 was 32.5% compared to 39.2% in Q1 2007. The lower effective tax rate in Q1 2008 resulted primarily from a state income tax adjustment and an increase in the Company's reserve for uncertain tax positions. The reduction in the Q1 2008 effective tax rate diminished the income tax benefit to the Company. See Note 15 to the consolidated financial statements for additional information. The Company's income tax rate for the remainder of 2008 is dependent upon results of operations and may change if the results for 2008 are different from current expectations.

The adoption of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), an interpretation of FASB Statement No. 109, "Accounting for Income Taxes" and FASB Staff Position FIN 48-1, "Definition of Settlement in FASB Interpretation No. 48" effective January 1, 2007, did not have a material impact on the consolidated financial statements. See Note 15 to the consolidated financial statements for additional information related to the implementation of FIN 48 and FSP FIN 48-1.

The Company's income tax assets and liabilities are subject to adjustment in future periods based on the Company's ongoing evaluations of such assets and liabilities and new information that becomes available to the Company.

Financial Condition

Total assets increased to $1.32 billion at March 30, 2008 from $1.29 billion at December 30, 2007 primarily due to an increase in accounts receivable.

Net working capital, defined as current assets less current liabilities, decreased by $5.5 million at March 30, 2008 from December 30, 2007 and increased by $21.3 million at March 30, 2008 from April 1, 2007.

Significant changes in net working capital from December 30, 2007 were as follows:

- An increase in accounts receivable, trade of $14.9 million primarily due to higher sales in the quarter ended March 2008 compared to the quarter ended December 2007.
- An increase in accounts receivable from and an increase in accounts payable to The Coca-Cola Company of $10.4 million and $11.0 million, respectively, primarily due to the timing of payments.
- An increase in current portion of long-term debt of $34.7 million due to increased borrowings on the Company's lines of credit.
- A decrease in accounts payable, trade of $6.4 million primarily due to the timing of payments.
- A decrease in accrued compensation of $10.5 million due to the payment of bonuses in March of 2008.
- An increase in interest payable of $5.9 million due to the timing of interest payments on debt.

Significant changes in net working capital from April 1, 2007 were as follows:

- A decrease in cash and cash equivalents of $45.1 million primarily due to the payment of $100 million of debentures in November 2007.
- An increase in accounts receivable, trade of $5.1 million primarily due to the collection of payments from customers on the last day of March 2008 which was in the second quarter of 2008 while the last day of March 2007 was in the first quarter of 2007.
- An increase in prepaid expenses and other current assets of $7.3 million primarily due to an increase in current deferred tax assets.
- An increase in other accrued liabilities of $3.7 million primarily due to increases in accrued insurance costs and timing of payments.
- A decrease in the current portion of debt of $60.9 million primarily due to the payment of $100 million in debentures in November 2007 partially offset by a $39.1 million increase in borrowing on the Company's lines of credit.

Debt and capital lease obligations were $713.1 million as of March 30, 2008 compared to $679.1 million as of December 30, 2007 and $776.5 million as of April 1, 2007. Debt and capital lease obligations as of March 30, 2008 included $79.6 million of capital lease obligations related primarily to Company facilities.

Liquidity and Capital Resources

Capital Resources

The Company's sources of capital include cash flows from operations, available credit facilities and the issuance of debt and equity securities. Management believes the Company has sufficient resources available to finance its business plan, meet its working capital requirements and maintain an appropriate level of capital spending. 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.

As of March 30, 2008, the Company had $200 million available under its revolving credit facility to meet its cash requirements. The $200 million facility contains two financial covenants related to ratio requirements for interest coverage and long-term debt to cash flows, each as defined in the credit agreement. The Company is currently in compliance with these covenants. Also, the Company borrows periodically under its uncommitted lines of credit. These uncommitted lines of credit, in the aggregate amount of $60 million at March 30, 2008, are made available at the discretion of two participating banks at rates negotiated at the time of borrowing and may be withdrawn at any time by such banks. The Company uses the $200 million facility to provide appropriate liquidity when the uncommitted lines of credit are unavailable.

The Company expects to use cash flow generated from operations, its $200 million revolving credit facility and potentially other sources, including bank borrowings or issuance of debentures under its shelf registration statement, to repay or refinance debentures maturing in May 2009 and July 2009.

The Company has obtained the majority of its long-term financing, other than capital leases, from public markets. As of March 30, 2008, $591.4 million of the Company's total outstanding balance of debt and capital lease obligations of $713.1 million was financed through publicly offered debt. The Company had capital lease obligations of $79.6 million and $42.1 million outstanding on its lines of credit as of March 30, 2008. The Company's interest rate derivative contracts are with several different financial institutions to minimize the concentration of credit risk. The Company has master agreements with the counterparties to its derivative financial agreements that provide for net settlement of derivative transactions.

Cash Sources and Uses

The primary sources of cash for the Company have been cash provided by operating activities and financing activities. The primary uses of cash have been for capital expenditures, the payment of debt and capital lease obligations and the payment of dividends.

A summary of activity for Q1 2008 and Q1 2007 follows:

In Millions	First Quarter 2008	First Quarter 2007
Cash Sources		
Cash provided by operating activities	$ —	$ 2.4
Proceeds from lines of credit, net	34.7	3.0
Other	.2	.2
Total cash sources	$34.9	$ 5.6
Cash Uses		
Cash used in operating activities	$16.3	$ —
Capital expenditures	14.8	8.4
Investment in plastic bottle manufacturing cooperative	.7	.7
Payment of debt and capital lease obligations	.6	.6
Dividends	2.3	2.3
Other	.1	.4
Total cash uses	$34.8	$12.4
Increase (decrease) in cash	$ .1	$ (6.8)

Investing Activities

Additions to property, plant and equipment during Q1 2008 were $14.8 million compared to $8.4 million during Q1 2007. Capital expenditures during Q1 2008 were funded with borrowings from its available lines of credit. Leasing is used for certain capital additions when considered cost effective relative to other sources of capital. The Company currently leases its corporate headquarters, two production facilities and several sales distribution facilities and administrative facilities.

Financing Activities

On March 8, 2007, the Company entered into a $200 million revolving credit facility (the "$200 million facility"), replacing its $100 million facility. The $200 million facility matures in March 2012 and includes an option to extend the term for an additional year at the discretion of the participating banks. The $200 million facility bears interest at a floating rate of LIBOR plus an interest rate spread of .35%. In addition, the Company must pay an annual facility fee of .10% of the lenders' aggregate commitments under the 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 debt rating. The $200 million facility contains two financial covenants related to ratio requirements for interest coverage and long-term debt to cash flow, each as defined in the credit agreement. The Company is currently in compliance with these covenants. There were no amounts outstanding under the revolving credit facilities at March 30, 2008, December 30, 2007 and April 1, 2007.

The Company borrows periodically under its uncommitted lines of credit. These uncommitted lines of credit, in the aggregate amount of $60 million at March 30, 2008, are made available at the discretion of the two participating banks at rates negotiated at the time of borrowing and may be withdrawn at any time by such banks. The Company can utilize its revolving credit facility in the event the uncommitted lines of credit are not available. On March 30, 2008, December 30, 2007 and April 1, 2007, $42.1 million, $7.4 million and $3.0 million, respectively, was outstanding under the lines of credit.

The Company expects to use cash flow generated from operations, its $200 million revolving credit facility and potentially other sources, including bank borrowings or issuance of debentures under its shelf registration statement, to repay or refinance debentures maturing in May 2009 and July 2009.

All of the outstanding debt has been issued by the Company with none having been issued by any of the Company's subsidiaries. There are no guarantees of the Company's debt. The Company or its subsidiaries have entered into four capital leases.

At March 30, 2008, the Company's credit ratings were as follows:

	Long-Term Debt
Standard & Poor's	BBB
Moody's	Baa2

The Company's credit ratings are reviewed periodically by the respective rating agencies. Changes in the Company's operating results or financial position could result in changes in the Company's credit ratings. Lower credit ratings could result in higher borrowing costs and/or different credit terms for the Company. There were no changes in these credit ratings from the prior year.

The Company's public debt is not subject to financial covenants but does limit the incurrence of certain liens and encumbrances as well as indebtedness by the Company's subsidiaries in excess of certain amounts.

The Company issued 20,000 shares of Class B Common Stock to J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer, with respect to 2007 performance, effective December 30, 2007, under a restricted stock award plan that provides for annual awards of such shares subject to the Company achieving at least 80% of the overall goal achievement factor in the Company's Annual Bonus Plan.

The award provides the shares of restricted stock vest at the rate of 20,000 shares per year over a ten-year period. The vesting of each annual installment is contingent upon the Company achieving at least 80% of the overall goal achievement factor in the Company's Annual Bonus Plan. Each annual 20,000 share tranche has an independent performance requirement as it is not established until the Company's Annual Bonus Plan targets are approved for each year. As a result, each 20,000 share tranche is considered to have its own service inception date, grant-date fair value and requisite service period. The Company's Annual Bonus Plan targets, which establish the performance requirement for 2008, were set in Q1 2008 and the Company recorded the 20,000 share award with respect to 2008 performance at the grant-date price of $56.50 per share. Total stock compensation expense will be approximately $1.1 million over the one-year service period of which $.3 million was recognized in Q1 2008. In addition, the Company reimburses Mr. Harrison, III for income taxes to be paid on the shares if the performance requirement is met and the shares are issued. The Company accrues the estimated cost of the income tax reimbursement over the one-year service period.

On April 29, 2008, the stockholders approved a Performance Unit Award Agreement for Mr. Harrison, III consisting of 400,000 performance units ("Units") that each represents the right to receive one share of the Company's Class B Common Stock. The Units will vest in annual increments over a ten-year period starting in fiscal year 2009. The Units vested each year will equal the product of 40,000 multiplied by the overall goal achievement factor (not to exceed 100%) as determined under the Company's existing Annual Bonus Plan based upon annual targets defined by the Compensation Committee. The Performance Unit Award Agreement will replace the restricted stock award discussed above which expires at the end of 2008 and will not affect the Company's results of operation or financial position during 2008.

Off-Balance Sheet Arrangements

The Company is a member of two manufacturing entities and has guaranteed $45.4 million of debt and related lease obligations for these entities as of March 30, 2008. In addition, the Company has an equity ownership in each of the entities. As of March 30, 2008, the Company's maximum exposure, if the entities borrowed up to their borrowing capacity, would have been $62.7 million including the Company's equity interest. See Note 14 of the consolidated financial statements for additional information about these entities.

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Aggregate Contractual Obligations

The following table summarizes the Company's contractual obligations and commercial commitments as of March 30, 2008:

		Payments Due by Period			
In Thousands	Total	Apr. 2008-Mar. 2009	Apr. 2009-Mar. 2011	Apr. 2011-Mar. 2013	After Mar. 2013
Contractual obligations:					
Total debt, net of interest	$ 633,550	$ 42,100	$176,693	$150,000	$264,757
Capital lease obligations, net of interest	79,580	2,645	5,850	6,694	64,391
Estimated interest on long-term debt and capital lease obligations (1)	281,735	39,980	57,298	52,473	131,984
Purchase obligations (2)	580,250	95,017	192,819	188,137	104,277
Other long-term liabilities (3)	92,682	5,830	11,202	10,594	65,056
Operating leases	18,081	3,757	4,859	2,641	6,824
Long-term contractual arrangements (4)	21,374	6,650	9,110	3,917	1,697
Interest rate swap agreements (1)	1,480	1,090	280	110	
Postretirement obligations	35,931	2,271	4,868	5,212	23,580
Purchase orders (5)	16,967	16,967			
Total contractual obligations	$1,761,630	$216,307	$462,979	$419,778	$662,566

(1) Includes interest payments based on contractual terms and current interest rates for variable rate debt.

(2) Represents an estimate of the Company's obligation to purchase 17.5 million cases of finished product on an annual basis through May 2014 from South Atlantic Canners, a manufacturing cooperative, and other purchase commitments.

(3) Includes obligations under executive benefit plans, unrecognized income tax benefits and other long-term liabilities.

(4) Includes contractual arrangements with certain prestige properties, athletics venues and other locations, and other long-term marketing commitments.

(5) Purchase orders include commitments in which a written purchase order has been issued to a vendor, but the goods have not been received or the services have not been performed.

The Company has $9.4 million of unrecognized income tax benefits including accrued interest as of March 30, 2008 (included in other long-term liabilities in the table above) of which $8.3 million would affect the Company's effective tax rate if recognized. The Company does not anticipate any significant impact on its liquidity and capital resources due to the resolution of income tax positions reserved for as uncertain. See Note 15 of the consolidated financial statements for additional information.

The Company is a member of Southeastern Container, a plastic bottle manufacturing cooperative, from which the Company is obligated to purchase at least 80% of its requirements of plastic bottles for certain designated territories. This obligation is not included in the Company's table of contractual obligations and commercial commitments since there are no minimum purchase requirements.

As of March 30, 2008, the Company has $21.5 million of standby letters of credit, primarily related to its property and casualty insurance programs. See Note 14 of the consolidated financial statements for additional information related to commercial commitments, guarantees, legal and tax matters.

The Company anticipates that contributions to the principal Company-sponsored pension plan in 2008 will be approximately $0.3 million. Postretirement medical care payments are expected to be approximately $2.3 million in 2008. See Note 18 to the consolidated financial statements for additional information related to pension and postretirement obligations.

Hedging Activities

Interest Rate Hedging

The Company periodically uses interest rate hedging products to mitigate 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 currently has six interest rate swap agreements. These interest rate swap agreements effectively convert $225 million of the Company's debt from a fixed rate to a floating rate and are accounted for as fair value hedges.

Interest expense was reduced due to the amortization of deferred gains on previously terminated interest rate swap agreements and forward interest rate agreements by $.4 million during both Q1 2008 and Q1 2007.

The weighted average interest rate of the Company's debt and capital lease obligations after taking into account all of the interest rate hedging activities was 5.9% as of March 30, 2008 compared to 6.2% as of December 30, 2007 and 6.8% as of April 1, 2007. Approximately 43% of the Company's debt and capital lease obligations of $713.1 million as of March 30, 2008 was maintained on a floating rate basis and was subject to changes in short-term interest rates.

Assuming no changes in the Company's capital structure, if market interest rates average 1% more over the next twelve months than the interest rates as of March 30, 2008, interest expense for the next twelve months would increase by approximately $3 million. This amount is determined by calculating the effect of a hypothetical interest rate increase of 1% on outstanding floating rate debt and capital lease obligations as of March 30, 2008, including the effects of the Company's derivative financial instruments. This calculated, hypothetical increase in interest expense for the following twelve months may be different from the actual increase in interest expense from a 1% increase in interest rates due to varying interest rate reset dates on the Company's floating rate debt and derivative financial instruments.

Fuel Hedging

During Q1 2007, the Company began using derivative instruments to hedge the majority of the Company's vehicle fuel purchases. These derivative instruments relate to diesel fuel and unleaded gasoline used in the Company's delivery fleet. Derivative instruments used include puts, calls and caps which effectively establish an upper and lower limit on the Company's price of fuel within periods covered by the instruments. The Company pays a fee for these instruments which is amortized over the corresponding period of the instrument. The Company accounts for its fuel hedges on a mark-to-market basis with any expense or income being reflected as an adjustment of fuel costs.

Cautionary Information Regarding Forward-Looking Statements

This Quarterly Report 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, forward-looking management comments and other statements that reflect management's current outlook for future periods. These statements include, among others, statements relating to:

- the Company's belief that other parties to certain contractual arrangements will perform their obligations;
- potential marketing funding support from The Coca-Cola Company and other beverage companies;
- the Company's belief that disposition of certain claims and legal proceedings will not have a material adverse effect on its financial condition, cash flows or results of operations and that no material amount of loss in excess of recorded amounts is reasonably possible;
- management's belief that the Company has adequately provided for any ultimate amounts that are likely to result from tax audits;
- management's belief that the Company has sufficient resources available to finance its business plan, meet its working capital requirements and maintain an appropriate level of capital spending;
- the Company's belief that the cooperatives whose debt and lease obligations the Company guarantees have sufficient assets and the ability to adjust selling prices of their products to adequately mitigate the risk of material loss and that the cooperatives will perform their obligations under their debt and lease agreements;
- the Company's ability to issue $300 million of securities under acceptable terms under its shelf registration statement;
- the Company's key priorities which are revenue management, product innovation and beverage portfolio expansion, distribution cost management and productivity;
- the Company's hypothetical calculation of the impact of a 1% increase in interest rates on outstanding floating rate debt and capital lease obligations for the next twelve months as of March 30, 2008;
- the Company's belief that contributions to the principal Company-sponsored pension plan in 2008 will be approximately $0.3 million;
- the Company's belief that postretirement benefit payments are expected to be approximately $2.3 million in 2008;
- the Company's beliefs and estimates regarding the impact of the adoption of certain new accounting pronouncements;
- the Company's expectation that its overall bottle/can revenue will be primarily dependent upon continued growth in diet sparkling products, sports drinks, bottled water, enhanced water, tea and energy products, the introduction of new products and the pricing of brands and packages within channels;
- the Company's beliefs that the growth of Company-owned or exclusive licensed brands appear promising and the cost of developing, marketing and distributing these brands may be significant;
- the Company's belief there will not be any material impact on its liquidity and capital resources due to the resolution of income tax positions reserved for as uncertain;
- the Company's belief that changes in unrecognized tax benefits over the next 12 months will not have a significant impact on the consolidated financial statements; and

- the Company's expectation that it will use cash flow generated from operations, its revolving credit facility and potentially other sources, including bank borrowings or issuance of debentures under its shelf registration statement, to repay or refinance debentures maturing in May 2009 and July 2009.

These statements and expectations are based on currently available competitive, financial and economic data along with the Company's operating plans, and are subject to future events and uncertainties that could cause anticipated events not to occur or actual results to differ materially from historical or anticipated results. Factors that could impact those differences or adversely affect future periods include, but are not limited to, the factors set forth in the Company's Annual Report on Form 10-K for the year ended December 30, 2007 under Item 1A. Risk Factors.

Caution should be taken not to place undue reliance on the Company's forward-looking statements, which reflect the expectations of management of the Company only as of the time such statements are made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Debt and Derivative Financial Instruments

The Company is subject to interest rate risk on its fixed and floating rate debt. The Company periodically uses interest rate hedging products to modify risk from interest rate fluctuations. The Company has historically altered its fixed/floating rate mix based upon anticipated cash flows from operations relative to the Company's overall financial condition. Sensitivity analyses are performed to review the impact on the Company's financial position and coverage of various interest rate movements. The counterparties to these interest rate hedging arrangements are major financial institutions with which the Company also has other financial relationships. While the Company is exposed to credit loss in the event of nonperformance by these counterparties, the Company does not anticipate nonperformance by these parties. The Company generally maintains between 40% and 60% of total borrowings at variable interest rates after taking into account all of the interest rate hedging activities. While this is the target range for the percentage of total borrowings at variable interest rates, the financial position of the Company and market conditions may result in strategies outside of this range at certain points in time. Approximately 43% of the Company's debt and capital lease obligations of $713.1 million as of March 30, 2008 was subject to changes in short-term interest rates.

As it relates to the Company's variable rate debt and variable rate leases, assuming no changes in the Company's financial structure, if market interest rates average 1% more over the next twelve months than the interest rates as of March 30, 2008, interest expense for the following 12 months would increase by approximately $3 million. This amount was determined by calculating the effect of the hypothetical interest rate on our variable rate debt and variable rate leases after giving consideration to all our interest rate hedging activities. This calculated, hypothetical increase in interest expense for the following twelve months may be different from the actual increase in interest expense from a 1% increase in interest rates due to varying interest rate reset dates on the Company's floating rate debt and derivative financial instruments.

Raw Material and Commodity Price Risk

The Company is also subject to commodity price risk arising from price movements for certain other commodities included as part of its raw materials. The Company manages this commodity price risk in some cases by entering into contracts with adjustable prices. The Company has not historically used derivative commodity instruments in the management of this risk. The combined impact of a 10% increase cost of commodities included as part of the Company's raw materials as compared to fiscal 2007, assuming flat volume, would be approximately $23 million.

During Q1 2007, the Company began using derivative instruments to hedge the majority of the Company's vehicle fuel purchases. These derivative instruments relate to diesel fuel and unleaded gasoline used in the Company's delivery fleet. Instruments used include puts, calls and caps which effectively establish an upper and lower limit on the Company's price of fuel within periods covered by the instruments. The Company pays a fee for these instruments which is amortized over the corresponding period of the instrument. The Company currently accounts for its fuel hedges on a mark-to-market basis with any expense or income being reflected as an adjustment of fuel costs.

Effects of Changing Prices

The principal effect of inflation on the Company's operating results is to increase costs. The Company may raise selling prices to offset these cost increases; however, the resulting impact on retail prices may reduce the volume of product purchased by consumers.

Item 4. Controls and Procedures.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")), pursuant to Rule 13a-15(b) of the Exchange Act. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded the Company's disclosure controls and procedures are effective for the purpose of providing reasonable assurance the information required to be disclosed in the reports the Company files or submits under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

There has been no change in the Company's internal control over financial reporting during the quarter ended March 30, 2008 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1A. Risk Factors.

There have been no material changes to the factors disclosed in Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 30, 2007.

Item 6. 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 consolidated subsidiaries which authorizes a total amount of securities not in excess of 10 percent of the total assets of the registrant and its subsidiaries on a consolidated basis.
10.1*	Letter Agreement, dated as of March 10, 2008, between the Company and The Coca-Cola Company (filed herewith).
12	Ratio of earnings to fixed charges (filed herewith).
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

* Certain portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested for such portions of the exhibit.

SIGNATURE

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 9, 2008

By: /s/ James E. Harris
James E. Harris
Principal Financial Officer of the Registrant
and
Senior Vice President and Chief Financial Officer

Exhibit 10.1

CONFIDENTIAL PORTIONS OF THIS AGREEMENT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR SUCH PORTIONS. ASTERISKS DENOTE OMISSIONS.

The Coca-Cola Company
COCA-COLA PLAZA
ATLANTA, GEORGIA

ADDRESS REPLY TO
P.O. BOX 1734
ATLANTA, GA
404 676-2121

March 10, 2008

Mr. Henry W. Flint
Vice-Chairman of the Board of Directors
Coca-Cola Bottling Company Consolidated
4100 Coca-Cola Plaza
Charlotte, NC 28211-3481

Re: ***TCCC/CCBCC/ByB Brand Innovation and Distribution Collaboration Agreement***

Dear Hank:

As set forth in our August 29, 2007 Letter Agreement, TCCC and CCBCC have agreed to a new holistic collaborative framework for the TCCC-CCBCC business relationship. In consideration of significant TCCC financial and other commitments to CCBCC as provided for in that Letter Agreement, CCBCC has agreed to enter into a beverage brand innovation and distribution collaboration arrangement with TCCC. This arrangement is intended and designed to increase the likelihood of the commercial success of both TCCC and CCBCC in regards to innovative brand and product ideas. We are very excited about the prospects of this opportunity.

This Letter Agreement on brand innovation and distribution collaboration expands on Part IV of the August 29, 2007 Letter Agreement and governs the brand relationship contemplated by the August 29, 2007 Letter Agreement until mutually terminated by both parties in writing.

Covered CCBCC and ByB Brands

All existing non-alcoholic beverage brands owned by CCBCC or ByB and all brands owned by such entities on and following the date of this Agreement (“Developed Brands”) are covered within the scope of this Agreement with the exception of the Cinnabon® Premium Lattes brand (and all line extensions and other products under the Cinnabon® trade name), for which ByB is a licensee. CCBCC and ByB agree to

consider in good faith whether and under what terms it could include the Cinnabon® brand within the scope of this Agreement, but there is no obligation to do so.

It is expressly acknowledged and understood that the development, ownership and introduction of brands by CCBCC or BYB pursuant to the August 29, 2007 Letter Agreement and this Letter Agreement are not otherwise prohibited by the Focus and Commitment Letter dated August 28, 2007. It is further understood, however, that the Focus and Commitment Letter does specifically prohibit CCBCC and BYB from distributing any new third party brands through August 31, 2010, unless otherwise provided therein or otherwise agreed to by TCCC, but that the Developed Brands are not considered to be third party brands for that purpose.

This Agreement does not in any manner govern, subordinate, interfere with, or otherwise affect CCBCC's merchandising and marketing of current or future TCCC brands. CCBCC's actions in respect to such TCCC brands will be solely governed by existing and future contractual obligations and past business practices relating to those brands.

Ownership of Developed Brands

CCBCC and ByB own and will continue to own each Developed Brand and sufficient rights to use the applicable formula in connection therewith until such time that ownership of such brand is transferred to TCCC or a third party as contemplated by this Agreement.

Nothing contained in this Agreement shall be deemed or construed to impose any limitations upon the manner in which CCBCC or ByB deals with existing or future licensors, licensees, distributors, or manufacturers with respect to Developed Brands to the extent they remain owned by CCBCC or ByB. Notwithstanding, CCBCC expressly agrees not to distribute or license Developed Brands to or through Pepsico or any Pepsico Bottler.

TCCC Purchase Option for Developed Brands

To facilitate CCBCC's and ByB's comfort in investing in brand and product innovation and distribution, they grant to TCCC, and TCCC accepts, the option to purchase Developed Brands in accordance with the following processes, terms, and conditions:

CCBCC and ByB agree to notify TCCC, in writing and on a brand by brand basis, within thirty (30) business days following the earlier occurrence of either:

(a) such Developed Brand achieving $50MM Net Operating Revenue in any consecutive twelve month period (continual rolling twelve month periods), or

(b) the later of (i) the fifth anniversary of the date of this Letter Agreement, or (ii) the fifth year anniversary of the first wholesale or retail sale of such Developed Brand by either CCBCC, ByB, or any of their distributors or licensees that is followed by at least six consecutive months of sales of such Developed Brand that

generate a minimum of $250,000 in Net Operating Revenue for such six month period.

For purposes of this Agreement, "Net Operating Revenue" with respect to any Developed Brand is defined as all billings to customers at agreed-upon prices for products of that Developed Brand shipped by the owner of such Developed Brand to such customers, less all royalties, pricing allowances, rebates, discounts, product returns and cooperative marketing program costs applicable to such Developed Brand; provided, that in the case of billings by ByB to CCBCC, or by TCCC to any of its affiliates after it has acquired the Developed Brand, "agreed upon prices" shall generally represent the lowest price charged to external customers for such products.

Within two (2) years after its receipt of such notice, TCCC may, by giving written notice thereof to CCBCC, exercise an option to purchase the Developed Brand that is the subject of such written notice. CCBCC and ByB agree not to offer or sell to any third party any Developed Brand in any period prior to the expiration of the two year period that commences upon the provision of written notice to TCCC as contemplated above.

Upon TCCC's election to purchase a Developed Brand, CCBCC shall select one of the following two purchase price options:

(a) **[***],** or

(b) **[***]**.

If TCCC subsequently transfers ownership of any purchased Developed Brand to a third party, TCCC and CCBCC will mutually agree to determine in good faith a mechanism for continuation of the royalty or payment to compensate CCBCC for future royalty lost as a result of such sale.

To the extent TCCC for any reason fails to exercise a purchase option for a Developed Brand within the time permitted, CCBCC/ByB may, if it so chooses, engage in discussions with third parties with respect to the sale of such Developed Brand. However, CCBCC/ByB agree to give TCCC prompt written notice upon their receipt of a bona-fide non-binding proposal or letter of intent or firm offer from any third party to purchase any Developed Brand. TCCC will have thirty (30) days following the receipt of such bona-fide offer notice from CCBCC/ByB to agree, by written notice to CCBCC/ByB of its agreement to do so, to purchase the Developed Brand on the identical terms and conditions as the third party offer. If TCCC does not match the third party offer within such thirty (30) day period, CCBCC/ByB shall be free to accept such offer.

In conjunction with TCCC's purchase of any Developed Brand, CCBCC/ByB agree to pay, or to expressly undertake to pay as and when due, all amounts accrued under any and all open third party accounts and agreements through the time of such purchase (including amounts coming due by reason of such purchase) with respect to any remaining brand acquisition costs or to the prior development, production, marketing or

distribution of such Developed Brand (other than distribution contract termination costs, which are provided for below). TCCC will assume all obligations accruing from and after its purchase of such Developed Brand under all agreements entered into by CCBCC or ByB with third parties with respect to the production, marketing or distribution of such Developed Brand. To the extent TCCC, CCBCC, or ByB incur distribution contract termination costs in connection with or within the twelve (12) months following TCCC's purchase of a Developed Brand, or any longer period to the extent that certain distribution contracts cannot be terminated within twelve months, TCCC and CCBCC will split such termination costs on a 50/50 basis.

TCCC, CCBCC and ByB agree to document and complete all Developed Brand transfer transactions contemplated hereby as soon as practicable following agreement to do so, and in any event within sixty (60) days after TCCC's election to purchase such Developed Brand.

TCCC System Distribution of Developed Brands

ByB may, with TCCC's written consent, sell in wholesale quantities Developed Brands to Bottlers of the Coca-Cola System under terms and conditions that may be mutually agreed upon between TCCC, ByB, and the Bottlers. This consent obligation does not apply to any bottling or distribution territory assigned to CCBCC by TCCC. TCCC, CCBCC and ByB agree that TCCC's consent may be conditioned upon such economic arrangements, including a coordination fee or other value provided to TCCC, as may be mutually agreeable to TCCC, CCBCC and ByB.

Formation of TCCC/ByB Innovative Brand Development Council

It is imperative to the success of this collaboration and to competitive and effective current and future brand distribution that there is ongoing collaboration among the parties with respect to CCBCC/ByB brand development and opportunities. To that end, beginning in 2008, ByB agrees to form an Innovative Brand Development Council, the membership of which will include at least two mutually acceptable TCCC-appointed participants and at least two mutually acceptable CCBCC-appointed participants. While TCCC representatives will have no role in the management of Developed Brands while owned by CCBCC/ByB, they will be provided access to sufficient information regarding Developed Brands to enable TCCC to make informed brand purchase and System distribution decisions. The scope and content of such information regarding Developed Brands will be determined by mutual agreement of TCCC and CCBCC. The Council will formally meet no less than two (2) times per year.

TCCC, CCBCC and ByB agree to hold the terms of this Agreement and all related information exchanges as highly confidential except to the extent that such information is required to be disclosed per SEC or other governmental laws or regulations and to the extent disclosure is reasonably necessary for such party to perform its obligations hereunder or exercise its rights hereunder or with respect to the Developed Brands. Each of TCCC and CCBCC agrees that, prior to its first public disclosure of the terms of this Agreement, it will, with no less than ten (10) days notice (unless the circumstances

requiring such public disclosure do not permit at least ten days notice, in which case such party will provide such prior notice to the other party as is reasonably practicable under the circumstances), notify the other party of its intention to make such public disclosure and give the other party the opportunity to comment on the content of such disclosure.

Acknowledged and Agreed:

/s/ Gray Lindsey

Gray Lindsey
Senior Vice-President,
Business Development

Acknowledged and Agreed:

/s/ Henry W. Flint

Henry W. Flint
Vice-Chairman

c: Bill Elmore
Frank Harrison
J.A.M. Douglas
Melody Justice
Steve Westphal

Exhibit 12

Coca-Cola Bottling Co. Consolidated
Ratio of Earnings to Fixed Charges
(In Thousands, Except Ratios)

	First Quarter	
	2008	2007
Computation of Earnings		
Income (loss) before income taxes	$ (6,420)	$ 7,650
Add:		
Minority interest	(339)	681
Interest expense	9,820	11,450
Amortization of debt premium/discount and expenses	615	768
Interest portion of rent expense	308	305
Earnings as adjusted	$ 3,984	$ 20,854
Computation of Fixed Charges:		
Interest expense	$ 9,820	$ 11,450
Capitalized interest	158	273
Amortization of debt premium/discount and expenses	615	768
Interest portion of rent expense	308	305
Fixed charges	$ 10,901	$ 12,796
Ratio of Earnings to Fixed Charges	0.37	1.63

Exhibit 31.1

MANAGEMENT CERTIFICATION

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 report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ J. Frank Harrison, III

Date: May 9, 2008

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

Exhibit 31.2

MANAGEMENT CERTIFICATION

I, James E. Harris, 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 report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James E. Harris

Date: May 9, 2008

James E. Harris
Senior Vice President and Chief Financial Officer

Exhibit 32

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

In connection with the Quarterly Report of Coca-Cola Bottling Co. Consolidated (the "Company") on Form 10-Q for the quarter ending March 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, J. Frank Harrison, III, Chairman of the Board of Directors and Chief Executive Officer of the Company, and James E. Harris, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350 as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ J. Frank Harrison, III

J. Frank Harrison, III
Chairman of the Board of Directors and
Chief Executive Officer
May 9, 2008

/s/ James E. Harris

James E. Harris
Senior Vice President and
Chief Financial Officer
May 9, 2008