

NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

Form N-30D

February 07, 2003

SEMIANNUAL REPORT November 30, 2002

Nuveen
Municipal Closed-End
Exchange-Traded
Funds

GEORGIA
NPG
NZX
NKG

NORTH CAROLINA
NNC
NRB
NNO
NII

PHOTO OF: 2 WOMAN WITH GRADUATION CAP AND GOWN.

PHOTO OF: MAN AND GIRL WORKING ON A LAPTOP COMPUTER.

DEPENDABLE,
TAX-FREE INCOME
BECAUSE
IT'S NOT WHAT YOU EARN,
IT'S WHAT YOU KEEP. (R)

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Photo of: Timothy R. Schwertfeger
Chairman of the Board

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COVER OF THIS REPORT FOR STEP-BY-STEP INSTRUCTIONS."

Dear
SHAREHOLDER

Once again, I am pleased to write that during the period covered by this report your Nuveen Fund continued to meet its objective of providing attractive monthly income free from federal income taxes and, where applicable, state income taxes. Detailed information on your Fund's performance can be found in the Portfolio Manager's Comments and on the Performance Overview pages within this report. Please take the time to read them.

In addition to providing regular tax-free income, we believe that a municipal bond investment like your Nuveen Fund also may offer opportunities to reduce the risk of your overall investment portfolio. This is because the prices of municipal bonds may move differently than the prices of the common stocks, mutual funds or other investments you may own. Since one part of your portfolio may be going up when another is going down, portfolio diversification may reduce your overall risk. Your financial advisor can explain the advantages of portfolio diversification in more detail. I urge you to contact him or her soon for more information on this important investment strategy.

I also urge you to consider receiving future Fund reports and other Fund information through the Internet and by e-mail rather than in hard copy. Not only will you be able to receive the information faster, but this also may help lower your Fund expenses. Sign up is quick and easy - see the inside front cover of this report for step-by-step instructions.

For more than 100 years, Nuveen has specialized in offering quality investments such as your Nuveen Fund to those seeking to accumulate and preserve wealth. Our commitment to careful research, constant surveillance and judicious trading by our seasoned portfolio management team has never been stronger. Our mission continues to be to assist you and your financial advisor by offering the investment solutions and services that can help you meet your financial objectives. We thank you for choosing us as a partner as you work toward that goal.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

January 15, 2003

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Nuveen Georgia and North Carolina Municipal Closed-End Exchange-Traded Funds
(NPG, NZX, NKG, NNC, NRB, NNO, NII)

Portfolio Manager's
COMMENTS

Portfolio manager Tom O'Shaughnessy discusses U.S. and state economic conditions, key investment strategies, and the recent performance of the Funds. A 20-year Nuveen veteran, Tom has managed NPG and NNC since 1998 and NZX, NRB, and NNO since 2001, and NKG and NII since their inceptions in September 2002.

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(In January 2003, as part of a general realignment of portfolio management assignments, Rick Huber assumed primary management responsibility for these Georgia and North Carolina Funds. Rick has 17 years' of investment management experience. There were no changes in the investment objectives or general investment strategies of these Funds.)

WHAT WERE THE MAJOR FACTORS AFFECTING THE U.S. ECONOMY AND THE MUNICIPAL MARKET DURING THIS REPORTING PERIOD?

In many ways, economic and market conditions did not significantly change since the last shareholder report dated May 31, 2002. We believe the most influential factors affecting the U.S. economy and the municipal market continued to be the slow pace of economic growth and interest rates that remained at 40-year lows. The ongoing threat of terrorism and continued geopolitical uncertainty also had an economic impact during this reporting period.

In the municipal market, the sluggish economic recovery and lack of inflationary pressures helped many bonds perform well during much of 2002. However, during October and, to a lesser degree, November 2002, the market environment for all fixed income investments was negatively impacted by a rebound in the equity markets, which appeared to prompt some investors to sell fixed income products and purchase common stocks.

During the first eleven months of 2002, new municipal supply nationwide reached a record \$328 billion, a 27% increase over January-November 2001 levels. Demand for municipal bonds also remained strong over most of this period, as many individual investors continued to seek investments offering tax-free income and diversification for their portfolios. Institutional investors, especially traditional municipal bond purchasers such as property/casualty insurance companies, also were active buyers.

WHAT ABOUT ECONOMIC AND MARKET CONDITIONS IN GEORGIA AND NORTH CAROLINA?

Between January and November 2002, Georgia issued \$5.7 billion in new municipal debt, an increase of 43% over the first 11 months of 2001, while North Carolina went against the general trend toward increased issuance, offering \$4.1 billion in new bonds, down 18% from 2001 levels. In both states, investor demand often exceeded available supply. Over the past twelve months, Georgia maintained its credit rating from Moody's and Standard & Poor's at Aaa/AAA, respectively. In North Carolina, however, the state's continued budget issues led Moody's to downgrade the state's general obligation debt to Aa1 from Aaa in August 2002, while Standard & Poor's maintained its AAA rating for the state.

In Georgia, the state economy appeared to be slowly emerging from recession, although its overall performance remained weak. Healthy residential building activity supported construction employment and improving demand for manufactured products, and the state's transportation industry began to show signs of recovery. Unemployment in Georgia remained relatively stable over the past year, standing at 4.6% in November 2002, compared with a state rate of 4.5% a year earlier and the current national average of 6.0%. Georgia continues to maintain strong financial reserves and a tradition of conservative fiscal management. As in other states, tax revenues, particularly those from personal income taxes, have declined recently, requiring the state to reduce funding to state agencies and cut budget requests for fiscal 2003. Despite weaker tax collections, the state continues to have substantial financial flexibility and has not had to draw down reserves to maintain its balanced budget.

Based on early signs of a potential turnaround in the manufacturing sector, North Carolina's economy also seemed to be gradually improving. The state remained a national banking center, and its universities continued to attract

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businesses and professional workers to the state. However, downside risks remained.

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While the services industry has served as a growth driver, the trade and construction sectors remained a drag on job growth, and the textile industry continued to decline. Over the past 12 months, unemployment in North Carolina has fallen from 6.5% to 6.1% as of November 2002, bringing the state more closely in line with the national average of 6.0%, although unemployment remains higher in rural areas. Shortfalls in North Carolina's fiscal 2003 budget were addressed through non-recurring revenues, funds from rainy day reserves, and spending measures that left the state to face another structural budget imbalance in fiscal 2004.

| | MARKET YIELD | | TOTAL RETURN ON NAV | LEHMAN TOTAL RETURN ¹ | LIPPER AVERAGE ² |
|-----|--------------|-------------------------------------|-----------------------------|-------------------------------------|--------------------------------|
| | 11/30/02 | TAXABLE- EQUIVALENT ³ | 1 YEAR ENDED 11/30/02 | 1 YEAR ENDED 11/30/02 | 1 YEAR ENDED 11/30/02 |
| NPG | 5.38% | 8.15% | 5.99% | 6.32% | 7.80% |
| NZX | 5.39% | 8.17% | 9.15% | 6.32% | 7.80% |
| NKG | 5.58% | 8.45% | NA | - | - |
| NNC | 5.55% | 8.67% | 8.49% | 6.32% | 7.80% |
| NRB | 5.59% | 8.73% | 8.97% | 6.32% | 7.80% |
| NNO | 5.52% | 8.63% | 8.38% | 6.32% | 7.80% |
| NII | 5.51% | 8.61% | NA | - | - |

Past performance is not predictive of future results.

For additional information, see the individual Performance Overview for your Fund in this report.

For the twelve months ended November 30, 2002, each of the Funds in this report having at least one year of performance history (with the exception of NPG) outperformed the unleveraged, unmanaged Lehman Brothers Municipal Bond Index and the Lipper average. Much of this outperformance can be attributed to the leveraged structure of these Funds, which provides the opportunity for additional income for common shareholders while adding volatility to the Fund's NAV and share price. It also can be attributed to the relatively long leverage-adjusted durations⁴ of these Funds, which ranged from 10.95 to 12.55, compared with 8.04 for the Lehman Index. A longer duration generally will help a Fund to perform well during periods of declining interest rates, as has been the case over much of the past year. (Please see the individual Performance Overview pages for each Fund's duration.)

It is difficult to compare the performance of these Funds with the Lipper Average shown in the table because Lipper combines the performance of many different funds from different states into one overall multi-state average. Looking specifically at the Nuveen Funds, we believe that in addition to leverage and duration their relative performances were also influenced by

factors including call exposure, portfolio trading activity, and the price movement of specific sectors. For example, as of November 30, 2002, NPG held 16% of its portfolio in multifamily housing bonds, the largest allocation to this sector among these seven Funds. Over the past twelve months ended November 30, 2002, the performance of the multifamily housing sector lagged that of the general municipal market as well as other revenue bond sectors. This had a direct impact on NPG's performance over this period.

HOW DID THE MARKET ENVIRONMENT AFFECT THE FUNDS' DIVIDENDS AND SHARE PRICES?

As the Federal Reserve continued to keep short-term interest rates relatively low, the dividend-payment capabilities of all of these Funds benefited from their use of leverage, a strategy that can potentially enhance the dividends paid to common shareholders. The amount of this benefit is tied in part to the short-term rates the Funds pay their MuniPreferred, shareholders. Low short-term rates, such as those currently in effect, can enable the Funds to reduce the amount of income they pay preferred shareholders, which can leave more earnings to support common share dividends.

During the fiscal year ended November 30, 2002, the relatively low level of short-term interest rates enabled us to implement three dividend increases in NRB, two in NNC, and one in NPG. NZX and NNO, which were introduced in September and November 2001, respectively, continued to pay attractive monthly dividends during this period, while the two Funds introduced in September 2002--NKG and NII--paid their first dividends in November 2002.

Over the course of the twelve months ended November 30, 2002, the share prices of the three oldest Funds - NPG, NNC, and NRB - rose. For NZX, NKG, NNO and NII, the general weakening of bond prices during October and November 2002 resulted in share prices at the end of this period that were lower than at the beginning or at inception. All of the Funds covered in this report were trading at premiums to their common share net asset values as of the end of this reporting period (see charts on individual Performance Overview pages).

- 1 The total annual returns on common share net asset value (NAV) for these Nuveen Funds are compared with the total annual return of the Lehman Brothers Municipal Bond Index, an unleveraged national index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.
- 2 The total returns of these Funds are compared with the average annualized return of the 31 funds in the Lipper Other States Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.
- 3 The taxable-equivalent yield represents the yield that must be earned on a taxable investment in order to equal the yield of the Nuveen Fund on an after-tax basis. The taxable-equivalent yield is based on the Fund's market yield on the indicated date and a federal income tax rate of 30% plus the applicable state income tax rate. The combined federal and state tax rates used in this report are as follows: Georgia 34% and North Carolina 36%.
- 4 Duration is a measure of a Fund's NAV volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund. References to duration in this commentary are intended to indicate Fund duration unless otherwise noted.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE FISCAL YEAR ENDED NOVEMBER 30, 2002?

Over the period, our strategic focus continued to be on diversifying Fund holdings while remaining fully invested, enhancing call protection, and positioning the Funds more defensively in anticipation of potential changes in the interest rate environment. Specifically, that included purchasing a number of high-quality and insured bonds, as well as bonds in the 15- to 20-year part of the yield curve. We believed bonds in this maturity range offered yields similar to those of longer bonds, but with less inherent risk. We think the addition of these long-intermediate bonds should help to moderate the Funds' durations over time, making the portfolios less sensitive to interest rate changes while still allowing the Funds to provide competitive yields and returns.

Over the past year, the addition of bonds with 15- to 20-year maturities resulted in shorter durations in the three Funds with 2001 inception dates. In the two older Funds, NPG and NNC, the reinvestment of proceeds from callable bonds into this part of the yield curve actually led to a modest lengthening of their durations.

In addition to an emphasis on yield curve positioning, we also continued to look for individual issues that we believed would perform well regardless of the future direction of interest rates. In Georgia, this included selected purchases in the healthcare sector, which has been one of the top performers in 2002, as well as general obligation and water and sewer bonds. In North Carolina, we saw the most opportunities in education bonds. In both states, we avoided the purchase of industrial development bonds.

In the current geopolitical and economic climate, we believed that maintaining strong credit quality remained a key requirement. As of November 30, 2002, each of these Funds continued to offer excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 77% to 96%. In general, our weightings in higher quality and insured bonds benefited the performance of these Funds during the past year.

In September 2002, we introduced two new Funds, NKG and NII. As of November 30, 2002, these Funds had completed their initial investment phase and were in the process of investing the proceeds from MuniPreferred shares. Due to the tighter supply of municipal bonds in both Georgia and North Carolina over the past six months, each of these Funds held bonds issued by other states and Puerto Rico. We expect to replace these issues with in-state paper as attractive opportunities present themselves. As mentioned earlier, both NKG and NII paid their first dividends in November 2002.

WHAT IS YOUR OUTLOOK FOR THE MUNICIPAL MARKET IN GENERAL AND THESE FUNDS IN PARTICULAR?

In general, our outlook for the fixed income markets remains positive. We believe the U.S. economy is headed for an eventual recovery, but one that may be less robust and slower to arrive than some are predicting. We expect inflation and interest rates to remain relatively low over the near term, while new municipal volume nationally should continue to be strong, though probably below the record levels seen in 2002, as issuers take advantage of the low rate environment for both new issues and refinancings. In Georgia and North Carolina, however, we expect to see little new issue supply during the first few months of 2003, a situation that is typical in these states. Demand for tax-exempt municipal bonds should remain solid, as investors continue to look for ways to

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rebalance their portfolios and reduce overall investment risk.

Over the next two years, we believe that these Georgia and North Carolina Funds generally will offer good levels of call protection, with call exposure ranging from zero in NZX and NKG to 18% in NNC during 2003 and 2004. During the past twelve months, we worked to mitigate the call risk and improve the positions of all the Funds, particularly NPG and NNC, which mark their 10-year anniversaries in May 2003. While the number of actual calls in each Fund will depend largely on market interest rates over this time, we believe the short-term call exposure of these Funds is manageable.

In the months ahead, specific areas of concentration will include managing duration through additional purchases of high-quality bonds in the 15- to 20-year part of the yield curve. In general, we plan to remain focused on strategies that can add value for our shareholders and provide support for the Funds' long-term dividend-paying capabilities.

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Nuveen Georgia Premium Income Municipal Fund

Performance

OVERVIEW As of November 30, 2002

NPG

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 72% |
| AA | 14% |
| A | 10% |
| BBB | 2% |
| BB OR LOWER | 2% |

PORTFOLIO STATISTICS

| | |
|--|----------|
| Share Price | \$15.95 |
| Common Share Net Asset Value | \$14.43 |
| Market Yield | 5.38% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 7.69% |
| Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹ | 8.15% |
| Net Assets Applicable to Common Shares (\$000) | \$54,460 |
| Average Effective Maturity (Years) | 20.54 |
| Leverage-Adjusted Duration | 10.12 |

AVERAGE ANNUAL TOTAL RETURN (Inception 5/93)

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| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 10.83% | 5.99% |
| 5-Year | 8.10% | 6.07% |
| Since Inception | 6.30% | 6.12% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Healthcare | 23% |
| Water and Sewer | 16% |
| Housing/Multifamily | 16% |
| Tax Obligation/Limited | 9% |
| Utilities | 9% |

Bar Chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-------|--------|
| 12/01 | 0.07 |
| 1/02 | 0.07 |
| 2/02 | 0.07 |
| 3/02 | 0.0715 |
| 4/02 | 0.0715 |
| 5/02 | 0.0715 |
| 6/02 | 0.0715 |
| 7/02 | 0.0715 |
| 8/02 | 0.0715 |
| 9/02 | 0.0715 |
| 10/02 | 0.0715 |
| 11/02 | 0.0715 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 12/1/01 | 15.27 |
| | 15.5 |
| | 15.56 |
| | 15.54 |
| | 15.53 |
| | 15.48 |
| | 15.53 |
| | 15.52 |
| | 15.67 |
| | 15.82 |
| | 15.86 |
| | 15.93 |
| | 15.86 |
| | 15.82 |
| | 15.57 |
| | 15.4 |
| | 15.32 |
| | 15.36 |
| | 15.25 |
| | 15.48 |

| | |
|----------|-------|
| | 15.5 |
| | 15.47 |
| | 15.65 |
| | 15.75 |
| | 15.8 |
| | 15.83 |
| | 16 |
| | 16.32 |
| | 16.4 |
| | 16.47 |
| | 16.5 |
| | 16.72 |
| | 16.52 |
| | 16.5 |
| | 16.7 |
| | 16.61 |
| | 16.6 |
| | 16.47 |
| | 16.09 |
| | 16.04 |
| | 16.2 |
| | 16.08 |
| | 15.95 |
| | 16.55 |
| | 16.64 |
| | 15.96 |
| | 15.9 |
| | 15.85 |
| | 16 |
| | 16.1 |
| | 15.7 |
| 11/30/02 | 15.95 |

- 1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.
- 2 The Fund also paid shareholders a net ordinary income distribution in December 2001 of \$0.0189 per share.

Nuveen Georgia Dividend Advantage Municipal Fund

Performance

OVERVIEW As of November 30, 2002

NZX

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 76% |
| AA | 10% |
| A | 9% |
| BBB | 5% |

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PORTFOLIO STATISTICS

| | |
|--|----------|
| Share Price | \$14.80 |
| Common Share Net Asset Value | \$14.49 |
| Market Yield | 5.39% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 7.70% |
| Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹ | 8.17% |
| Net Assets Applicable to Common Shares (\$000) | \$28,352 |
| Average Effective Maturity (Years) | 20.66 |
| Leverage-Adjusted Duration | 12.55 |

AVERAGE ANNUAL TOTAL RETURN (Inception 9/01)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 3.78% | 9.15% |
| Since Inception | 3.90% | 6.32% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------------------|-----|
| Education and Civic Organizations | 17% |
| Healthcare | 15% |
| Utilities | 13% |
| Housing/Single Family | 12% |
| Water and Sewer | 9% |

Bar Chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|--------|
| 12/01 | 0.0665 |
| 1/02 | 0.0665 |
| 2/02 | 0.0665 |
| 3/02 | 0.0665 |
| 4/02 | 0.0665 |
| 5/02 | 0.0665 |
| 6/02 | 0.0665 |
| 7/02 | 0.0665 |
| 8/02 | 0.0665 |
| 9/02 | 0.0665 |
| 10/02 | 0.0665 |
| 11/02 | 0.0665 |

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Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|----------|-------|
| 12/1/01 | 15.3 |
| | 14.92 |
| | 14.9 |
| | 14.69 |
| | 14.7 |
| | 14.85 |
| | 14.94 |
| | 14.99 |
| | 15.25 |
| | 15.25 |
| | 15.15 |
| | 15.03 |
| | 15 |
| | 15 |
| | 14.97 |
| | 14.65 |
| | 14.65 |
| | 14.32 |
| | 14.35 |
| | 14.83 |
| | 15.04 |
| | 14.75 |
| | 14.65 |
| | 14.75 |
| | 14.6 |
| | 14.74 |
| | 14.56 |
| | 14.55 |
| | 14.5 |
| | 14.48 |
| | 14.63 |
| | 14.8 |
| | 14.97 |
| | 14.75 |
| | 15.2 |
| | 15.07 |
| | 15.3 |
| | 15.23 |
| | 15.4 |
| | 15.25 |
| | 15 |
| | 14.94 |
| | 14.86 |
| | 15.22 |
| | 15.6 |
| | 15.25 |
| | 14.63 |
| | 15.25 |
| | 15.15 |
| | 14.9 |
| | 14.6 |
| 11/30/02 | 14.8 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of

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owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

6

Nuveen Georgia Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of November 30, 2002

NKG

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 91% |
| AA | 5% |
| A | 3% |
| BBB | 1% |

PORTFOLIO STATISTICS

| | |
|--|----------|
| Share Price | \$14.40 |
| Common Share Net Asset Value | \$13.82 |
| Market Yield | 5.58% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 7.97% |
| Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹ | 8.45% |
| Net Assets Applicable to Common Shares (\$000) | \$62,848 |
| Average Effective Maturity (Years) | 21.85 |
| Leverage-Adjusted Duration | 17.72 |

CUMULATIVE TOTAL RETURN (Inception 9/02)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| Since Inception | -3.55% | -3.09% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------------------|-----|
| Tax Obligation/Limited | 29% |
| Education and Civic Organizations | 18% |
| Water and Sewer | 16% |
| Healthcare | 16% |

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 Tax Obligation/General 7%

THE FUND PAID ITS FIRST REGULAR MONTHLY DIVIDEND OF \$.0670 PER SHARE ON DECEMBER 2, 2002.

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|----------|-------|
| 9/27/02 | 15 |
| | 15.01 |
| | 15.01 |
| | 15 |
| | 15.01 |
| | 15.1 |
| | 15.02 |
| | 15 |
| | 14.35 |
| 11/30/02 | 14.4 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 34%.

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Nuveen North Carolina Premium Income Municipal Fund

Performance

OVERVIEW As of November 30, 2002

NNC

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 46% |
| AA | 31% |
| A | 14% |
| BBB | 9% |

PORTFOLIO STATISTICS

 Share Price \$15.25

Common Share Net Asset Value \$14.54

Market Yield 5.55%

Taxable-Equivalent Yield

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| | |
|---|----------|
| (Federal Income Tax Rate) ¹ | 7.93% |
| ----- | |
| Taxable-Equivalent Yield | |
| (Federal and State Income Tax Rate) ¹ | 8.67% |
| ----- | |
| Net Assets Applicable to Common Shares (\$000) | \$91,642 |
| ----- | |
| Average Effective Maturity (Years) | 19.78 |
| ----- | |
| Leverage-Adjusted Duration | 10.95 |
| ----- | |

AVERAGE ANNUAL TOTAL RETURN (Inception 5/93)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 6.63% | 8.49% |
| 5-Year | 6.57% | 6.30% |
| Since Inception | 5.63% | 6.07% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------------------|-----|
| Healthcare | 24% |
| Housing/Single Family | 11% |
| Tax Obligation/Limited | 10% |
| Education and Civic Organizations | 9% |
| Tax Obligation/General | 9% |

Bar Chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|--------|
| 12/01 | 0.0675 |
| 1/02 | 0.0675 |
| 2/02 | 0.0675 |
| 3/02 | 0.0695 |
| 4/02 | 0.0695 |
| 5/02 | 0.0695 |
| 6/02 | 0.0705 |
| 7/02 | 0.0705 |
| 8/02 | 0.0705 |
| 9/02 | 0.0705 |
| 10/02 | 0.0705 |
| 11/02 | 0.0705 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 12/1/01 | 15.13 |
| | 15.03 |
| | 14.76 |
| | 14.27 |

| | |
|----------|-------|
| | 14.69 |
| | 14.76 |
| | 15.04 |
| | 14.99 |
| | 15.22 |
| | 15.49 |
| | 15.45 |
| | 15.55 |
| | 15.7 |
| | 15.76 |
| | 15.8 |
| | 15.72 |
| | 15.62 |
| | 15.6 |
| | 15.54 |
| | 15.6 |
| | 15.56 |
| | 15.45 |
| | 15.75 |
| | 16 |
| | 16.07 |
| | 16.21 |
| | 16.4 |
| | 16.4 |
| | 16.7 |
| | 16.69 |
| | 16.43 |
| | 16.45 |
| | 16.72 |
| | 16.35 |
| | 16.75 |
| | 16.8 |
| | 16.56 |
| | 16.46 |
| | 16.39 |
| | 16.39 |
| | 16.15 |
| | 15.79 |
| | 15.86 |
| | 15.7 |
| | 15.69 |
| | 14.61 |
| | 14.76 |
| | 14.95 |
| | 15.39 |
| | 15.43 |
| | 15.4 |
| 11/30/02 | 15.25 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36%.

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Nuveen North Carolina Dividend Advantage Municipal Fund

Performance

OVERVIEW As of November 30, 2002

NRB

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 55% |
| AA | 29% |
| A | 9% |
| BBB | 5% |
| NR | 2% |

PORTFOLIO STATISTICS

| | |
|--|----------|
| Share Price | \$15.45 |
| Common Share Net Asset Value | \$14.81 |
| Market Yield | 5.59% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 7.99% |
| Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹ | 8.73% |
| Net Assets Applicable to Common Shares (\$000) | \$33,128 |
| Average Effective Maturity (Years) | 19.55 |
| Leverage-Adjusted Duration | 11.32 |

AVERAGE ANNUAL TOTAL RETURN (Inception 1/01)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 8.57% | 8.97% |
| Since Inception | 7.09% | 7.52% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------------------|-----|
| Water and Sewer | 20% |
| Education and Civic Organizations | 17% |
| Healthcare | 13% |
| Utilities | 12% |
| Tax Obligation/Limited | 9% |

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Bar Chart:

2001-2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|-------|
| 12/01 | 0.068 |
| 1/02 | 0.068 |
| 2/02 | 0.068 |
| 3/02 | 0.069 |
| 4/02 | 0.069 |
| 5/02 | 0.069 |
| 6/02 | 0.07 |
| 7/02 | 0.07 |
| 8/02 | 0.07 |
| 9/02 | 0.072 |
| 10/02 | 0.072 |
| 11/02 | 0.072 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 12/1/01 | 15.21 |
| | 15.03 |
| | 15.09 |
| | 15.14 |
| | 14.99 |
| | 15.12 |
| | 15.23 |
| | 15.2 |
| | 15.25 |
| | 15.25 |
| | 15.19 |
| | 15.3 |
| | 15.2 |
| | 15.38 |
| | 15.19 |
| | 14.1 |
| | 14.5 |
| | 15.03 |
| | 15.04 |
| | 15.17 |
| | 15 |
| | 15 |
| | 15 |
| | 14.95 |
| | 15.14 |
| | 15.44 |
| | 15.2 |
| | 15.9 |
| | 15.65 |
| | 15.5 |
| | 15.38 |
| | 15.32 |
| | 15.37 |
| | 14.89 |
| | 15 |
| | 15.22 |
| | 15.11 |
| | 15.1 |
| | 15.1 |
| | 15.1 |

| | |
|----------|-------|
| | 15.18 |
| | 15.29 |
| | 15.35 |
| | 15.48 |
| | 15.4 |
| | 14.45 |
| | 14.5 |
| | 15.24 |
| | 15.25 |
| | 15.35 |
| | 15.3 |
| 11/30/02 | 15.45 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36%.

Nuveen North Carolina Dividend Advantage Municipal Fund 2

Performance

OVERVIEW As of November 30, 2002

NNO

Pie Chart:

| | |
|---------------------|-----|
| CREDIT QUALITY | |
| AAA/U.S. GUARANTEED | 60% |
| AA | 24% |
| A | 8% |
| BBB | 8% |

PORTFOLIO STATISTICS

| | |
|--|----------|
| Share Price | \$14.89 |
| Common Share Net Asset Value | \$14.73 |
| Market Yield | 5.52% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 7.89% |
| Taxable-Equivalent Yield (Federal and State Income Tax Rate) ¹ | 8.63% |
| Net Assets Applicable to Common Shares (\$000) | \$54,990 |
| Average Effective Maturity (Years) | 16.84 |
| Leverage-Adjusted Duration | 11.82 |

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 AVERAGE ANNUAL TOTAL RETURN (Inception 11/01)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| 1-Year | 4.04% | 8.38% |
| Since Inception | 4.39% | 8.23% |

 TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------------------|-----|
| Education and Civic Organizations | 16% |
| Utilities | 15% |
| Healthcare | 15% |
| Tax Obligation/Limited | 13% |
| Tax Obligation/General | 12% |

Bar Chart:

2002 MONTHLY TAX-FREE DIVIDENDS PER SHARE

| | |
|-------|--------|
| 1/02 | 0.0685 |
| 2/02 | 0.0685 |
| 3/02 | 0.0685 |
| 4/02 | 0.0685 |
| 5/02 | 0.0685 |
| 6/02 | 0.0685 |
| 7/02 | 0.0685 |
| 8/02 | 0.0685 |
| 9/02 | 0.0685 |
| 10/02 | 0.0685 |
| 11/02 | 0.0685 |

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 12/1/01 | 15.02 |
| | 15 |
| | 14.8 |
| | 14.51 |
| | 14.5 |
| | 14.73 |
| | 14.61 |
| | 14.84 |
| | 14.88 |
| | 14.99 |
| | 14.99 |
| | 14.75 |
| | 15 |
| | 15.13 |
| | 14.99 |
| | 14.85 |
| | 14.75 |
| | 14.36 |

| | |
|----------|-------|
| | 14.5 |
| | 14.4 |
| | 14.9 |
| | 15 |
| | 14.75 |
| | 14.84 |
| | 14.88 |
| | 14.9 |
| | 15 |
| | 14.99 |
| | 14.95 |
| | 14.9 |
| | 15.4 |
| | 15.21 |
| | 15.2 |
| | 14.6 |
| | 14.99 |
| | 14.99 |
| | 14.99 |
| | 14.85 |
| | 14.75 |
| | 14.94 |
| | 15.02 |
| | 14.9 |
| | 15.25 |
| | 15.45 |
| | 15.35 |
| | 14.85 |
| | 14.42 |
| | 14.95 |
| | 14.99 |
| | 14.9 |
| | 14.55 |
| 11/30/02 | 14.89 |

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36%.

10

Nuveen North Carolina Dividend Advantage Municipal Fund 3

Performance

OVERVIEW As of November 30, 2002

NII

Pie Chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. GUARANTEED | 74% |
| AA | 19% |
| A | 2% |
| BBB | 4% |

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NR 1%

PORTFOLIO STATISTICS

| | |
|--|----------|
| Share Price | \$14.60 |
| Common Share Net Asset Value | \$13.85 |
| Market Yield | 5.51% |
| Taxable-Equivalent Yield (Federal Income Tax Rate)1 | 7.87% |
| Taxable-Equivalent Yield (Federal and State Income Tax Rate)1 | 8.61% |
| Net Assets Applicable to Common Shares (\$000) | \$54,284 |
| Average Effective Maturity (Years) | 20.56 |
| Leverage-Adjusted Duration | 16.01 |

CUMULATIVE TOTAL RETURN (Inception 9/02)

| | ON SHARE PRICE | ON NAV |
|-----------------|----------------|--------|
| Since Inception | -2.22% | -2.88% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|-----------------------------------|-----|
| Tax Obligation/Limited | 22% |
| Education and Civic Organizations | 19% |
| Tax Obligation/General | 15% |
| Utilities | 10% |
| Healthcare | 10% |

THE FUND PAID ITS FIRST REGULAR MONTHLY DIVIDEND OF \$.0670 PER SHARE ON DECEMBER 2, 2002.

Line Chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 9/27/02 | 15.01 |
| | 15.03 |
| | 15.2 |
| | 15.05 |
| | 15.01 |
| | 15 |
| | 15.06 |
| | 15 |

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11/30/02 14.6
14.6

1 Taxable-equivalent yield represents the yield on a taxable investment necessary to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 30%. The rate shown for federal and state highlights the added value of owning shares that are also exempt from state income taxes. It is based on a combined federal and state income tax rate of 36%.

11

Shareholder
MEETING REPORT

The Shareholder Meeting was held October 23, 2002 in Chicago at Nuveen's headquarters.

| | NPG | | NZX | |
|--|------------------|----------------------------------|------------------|-------------------------------|
| | Common Shares | Preferred Shares Series-TH | Common Shares | Preferred Shares Series |
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | | | | |
| Robert P. Bremner | | | | |
| For | 3,629,996 | 1,028 | 1,932,515 | 5 |
| Withhold | 14,700 | 1 | 1,000 | |
| Total | 3,644,696 | 1,029 | 1,933,515 | 5 |
| Lawrence H. Brown | | | | |
| For | 3,626,196 | 1,028 | 1,932,515 | 5 |
| Withhold | 18,500 | 1 | 1,000 | |
| Total | 3,644,696 | 1,029 | 1,933,515 | 5 |
| Anne E. Impellizzeri | | | | |
| For | 3,624,089 | 1,028 | 1,932,515 | 5 |
| Withhold | 20,607 | 1 | 1,000 | |
| Total | 3,644,696 | 1,029 | 1,933,515 | 5 |
| Peter R. Sawers | | | | |
| For | 3,629,996 | 1,028 | 1,932,515 | 5 |
| Withhold | 14,700 | 1 | 1,000 | |
| Total | 3,644,696 | 1,029 | 1,933,515 | 5 |
| Judith M. Stockdale | | | | |
| For | 3,626,196 | 1,028 | 1,932,515 | 5 |
| Withhold | 18,500 | 1 | 1,000 | |
| Total | 3,644,696 | 1,029 | 1,933,515 | 5 |

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| | | | | |
|-------------------------|----|-------|----|---|
| William J. Schneider | | | | |
| For | -- | 1,028 | -- | 5 |
| Withhold | -- | 1 | -- | |
| ----- | | | | |
| Total | -- | 1,029 | -- | 5 |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 1,028 | -- | 5 |
| Withhold | -- | 1 | -- | |
| ----- | | | | |
| Total | -- | 1,029 | -- | 5 |
| ===== | | | | |

12

NRB

APPROVAL OF THE BOARD MEMBERS
WAS REACHED AS FOLLOWS:

| | | Common Shares | Preferen Shar Series |
|----------------------|--|------------------|----------------------------|
| ----- | | | |
| Robert P. Bremner | | | |
| For | | 2,186,644 | 6 |
| Withhold | | 18,168 | |
| ----- | | | |
| Total | | 2,204,812 | 6 |
| ===== | | | |
| Lawrence H. Brown | | | |
| For | | 2,186,396 | 6 |
| Withhold | | 18,416 | |
| ----- | | | |
| Total | | 2,204,812 | 6 |
| ===== | | | |
| Anne E. Impellizzeri | | | |
| For | | 2,184,896 | 6 |
| Withhold | | 19,916 | |
| ----- | | | |
| Total | | 2,204,812 | 6 |
| ===== | | | |
| Peter R. Sawers | | | |
| For | | 2,186,396 | 6 |
| Withhold | | 18,416 | |
| ----- | | | |
| Total | | 2,204,812 | 6 |
| ===== | | | |
| Judith M. Stockdale | | | |
| For | | 2,186,644 | 6 |
| Withhold | | 18,168 | |
| ----- | | | |
| Total | | 2,204,812 | 6 |
| ===== | | | |
| William J. Schneider | | | |
| For | | -- | 6 |
| Withhold | | -- | |
| ----- | | | |
| Total | | -- | 6 |
| ===== | | | |

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| | | |
|-------------------------|----|---|
| Timothy R. Schwertfeger | | |
| For | -- | 6 |
| Withhold | -- | |
| Total | -- | 6 |

13

Nuveen Georgia Premium Income Municipal Fund (NPG)
 Portfolio of
 INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| | BASIC MATERIALS - 6.3% | |
| \$ 2,500 | Effingham County Industrial Development Authority, Georgia, Pollution Control Revenue Refunding Bonds, Georgia-Pacific Project, Series 2001, 6.500%, 6/01/31 | 6/11 at 101 |
| 1,500 | Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2001A, 6.250%, 2/01/25 (Alternative Minimum Tax) | 2/11 at 101 |
| | CONSUMER STAPLES - 3.8% | |
| 2,000 | Development Authority of Cartersville, Georgia, Sewage Facilities Refunding Revenue Bonds (Anheuser-Busch Project), Series 1997, 6.125%, 5/01/27 (Alternative Minimum Tax) | 5/07 at 101 |
| | EDUCATION AND CIVIC ORGANIZATIONS - 11.1% | |
| | Urban Residential Finance Authority of the City of Atlanta, Georgia, Dormitory Facility Refunding Revenue Bonds (Morehouse College Project), Series 1995: | |
| 1,210 | 5.750%, 12/01/20 | 12/05 at 102 |
| 1,375 | 5.750%, 12/01/25 | 12/05 at 102 |
| 1,555 | Development Authority of DeKalb County, Georgia, Revenue Bonds (Emory University Project), Series 1994-A, 6.000%, 10/01/14 | 10/04 at 102 |
| 1,550 | Private Colleges and Universities, Georgia, Authority Revenue Bonds (Agnes Scott College Project), Series 1993, 5.625%, 6/01/23 | 6/03 at 102 |
| | HEALTHCARE - 33.0% | |
| 3,000 | Hospital Authority of Albany-Dougherty County, Georgia, Revenue Bonds (Phoebe Putney Memorial Hospital), Series 1993, 5.700%, 9/01/13 | 9/03 at 102 |

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| | | |
|-------|---|--------------|
| 2,300 | Hospital Authority of Chatham County, Savannah, Georgia, Hospital Revenue Improvement Bonds, Memorial Health University Medical Center, Inc., Series 2001A, 6.125%, 1/01/24 | 7/11 at 101 |
| 2,000 | Hospital Authority of Clarke County, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.125%, 1/01/32 | 1/12 at 101 |
| 3,000 | Hospital Authority of Floyd County, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002, 5.200%, 7/01/32 | 7/12 at 101 |
| 1,765 | Hospital Authority of Gainesville and Hall County, Georgia, Revenue Anticipation Certificates (Northeast Georgia Healthcare Project), Series 1995, 6.000%, 10/01/25 | 10/05 at 102 |
| 1,750 | Hospital Authority of Gainesville and Hall County, Georgia, Revenue Anticipation Certificates (Northeast Georgia Health System, Inc. Project), Series 2001, 5.500%, 5/15/31 | 5/11 at 100 |
| 3,750 | Hospital Authority of Gwinnett County, Georgia, Revenue Anticipation Certificates, Gwinnett Hospital System Inc., Series 1997B, 5.300%, 9/01/27 | 2/12 at 102 |

HOUSING/MULTIFAMILY - 22.7%

| | | |
|-------|--|--------------|
| 1,145 | Housing Authority of Clayton County, Georgia, Multifamily Housing Revenue Bonds (The Advantages Project), Series 1995, 5.800%, 12/01/20 | 12/05 at 102 |
| 3,400 | Housing Authority of DeKalb County, Georgia, Multifamily Housing Revenue Bonds (The Lakes at Indian Creek Apartments Project), Series 1994, 7.150%, 1/01/25 (Alternative Minimum Tax) | 1/05 at 102 |
| 945 | Housing Authority of the City of Decatur, Georgia, Mortgage Revenue Refunding Bonds (FHA-Insured Mortgage Loan - Park Trace Apartments - Section 8 Assisted Project), Series 1992A, 6.450%, 7/01/25 | 1/03 at 102 |
| 2,000 | Housing Authority of the City of Lawrenceville, Georgia, Multifamily Housing Senior Revenue Bonds, Brisben Greens of Hillcrest II Project, Series 2000A-1, 5.800%, 12/01/33 (Alternative Minimum Tax) | 12/10 at 100 |
| 3,000 | Macon-Bibb County Urban Development Authority, Georgia, Multifamily Housing Refunding Revenue Bonds, Series 1997A, 5.550%, 1/01/24 | 1/04 at 103 |
| 1,500 | Housing Authority of the City of Marietta, Georgia, Multifamily Housing Revenue Bonds (GNMA Collateralized - Country Oaks Apartments), Series 1996, 6.150%, 10/20/26 (Alternative Minimum Tax) | 10/06 at 102 |

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| | | | |
|----|-------|--|--------------|
| | | HOUSING/SINGLE FAMILY - 7.8% | |
| \$ | 255 | Housing Authority of Fulton County, Georgia, Single Family Mortgage Revenue Bonds (GNMA Mortgage-Backed Securities Program), Series 1995A, 6.550%, 3/01/18 (Alternative Minimum Tax) | 3/05 at 102 |
| | 2,995 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2001 Series A (Subseries A-2), 5.700%, 12/01/31 (Alternative Minimum Tax) | 12/10 at 100 |
| | 900 | Georgia Housing and Finance Agency, Single Family Mortgage Bonds, 2002 Series B-2, 5.350%, 12/01/22 (Alternative Minimum Tax) | 12/11 at 100 |

| | | | |
|--|-----|--|-------------|
| | | INDUSTRIAL/OTHER - 0.9% | |
| | 500 | Savannah Economic Development Authority, Georgia, Revenue Bonds, GTREP Project, Series 2002, 5.000%, 7/01/22 | 7/12 at 100 |

| | | | |
|--|-------|--|-------------|
| | | TAX OBLIGATION/GENERAL - 7.9% | |
| | 2,500 | Forsyth County School District, Georgia, General Obligation Bonds, Series 1999, 5.750%, 2/01/19 | 2/10 at 102 |
| | 1,500 | Gwinnett County School District, Georgia, General Obligation Bonds, Series 2002 Refunding, 5.000%, 2/01/15 (WI, settling 12/05/02) | 2/13 at 100 |

| | | | |
|--|-------|---|--------------|
| | | TAX OBLIGATION/LIMITED - 13.3% | |
| | 3,000 | Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Refunding Bonds, Series 1993, 5.625%, 10/01/26 | 10/19 at 100 |
| | 2,600 | Macon-Bibb County Urban Development Authority, Georgia, County of Bibb Public Facilities Projects, Series 2002A, Revenue Refunding Bonds, 5.375%, 8/01/17 | 8/12 at 101 |
| | 1,000 | Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Refunding Series P, 6.250%, 7/01/20 | No Opt. C |

| | | | |
|--|-------|---|-----------|
| | | TRANSPORTATION - 2.1% | |
| | 1,000 | City of Atlanta, Georgia, Airport Facilities Revenue Refunding Bonds, Series 1994A, 6.500%, 1/01/09 | No Opt. C |

| | | | |
|--|----|--|-----------|
| | | U.S. GUARANTEED - 0.2% | |
| | 85 | Municipal Electric Authority of Georgia, Project One Special Obligation Bonds, Fifth Crossover Series, 6.400%, 1/01/09 | No Opt. C |

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| UTILITIES - 12.7% | | |
|-------------------|--|-------------|
| 885 | Coweta County Development Authority, Georgia, Revenue Bonds, Newnan Water, Sewer and Light Commission Project, Series 2002, 5.250%, 1/01/18 | 1/13 at 100 |
| 1,900 | Municipal Electric Authority of Georgia, General Power Revenue Bonds, 1992B Series, 5.500%, 1/01/18 (Pre-refunded to 1/01/03) | 1/03 at 100 |
| 1,000 | Municipal Electric Authority of Georgia, Power Revenue Bonds, Series Z, 5.500%, 1/01/20 | No Opt. C |
| 1,665 | Municipal Electric Authority of Georgia, Project One Special Obligation Bonds, Fifth Crossover Series, 6.400%, 1/01/09 | No Opt. C |
| 1,000 | Development Authority of Monroe County, Georgia, Pollution Control Revenue Bonds, Georgia Power Company Scherer Plant Project, Series 2001, 4.200%, 1/01/12 (Mandatory put 12/01/08) | No Opt. C |

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Nuveen Georgia Premium Income Municipal Fund (NPG) (continued)
Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| <hr/> | | |
| WATER AND SEWER - 22.8% | | |
| \$ 500 | Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002: 5.000%, 10/01/16 | 10/12 at 100 |
| 1,990 | 5.000%, 10/01/17 | 10/12 at 100 |
| 3,500 | Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2001, 5.250%, 6/01/26 | 6/11 at 102 |
| 2,500 | DeKalb County, Georgia, Water and Sewerage Bonds, Series 2000, 5.125%, 10/01/31 | 10/10 at 101 |
| 2,685 | Harris County, Georgia, Water System Revenue Bonds, Series 2002, 4.750%, 12/01/27 (WI, settling 12/05/02) | 12/12 at 100 |
| 1,000 | City of Milledgeville, Georgia, Water and Sewerage Revenue and Refunding Bonds, Series 1996, 6.000%, 12/01/21 | No Opt. C |
| <hr/> | | |
| \$ 76,205 | Total Long-Term Investments (cost \$75,927,723) - 144.6% | |
| <hr/> | | |
| Other Assets Less Liabilities - 6.4% | | |
| <hr/> | | |
| Preferred Shares, at Liquidation Value - (51.0)% | | |
| <hr/> | | |
| Net Assets Applicable to Common Shares - 100% | | |
| <hr/> | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

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* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen Georgia Dividend Advantage Municipal Fund (NZX)
Portfolio of
INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | BASIC MATERIALS - 3.5% | |
| \$ 1,000 | Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company Project Refunding, Series 2002A, 6.000%, 2/01/25 (Alternative Minimum Tax) | 2/12 at 101 |
| ----- | | |
| | CONSUMER STAPLES - 3.6% | |
| 1,000 | Cartersville Development Authority, Georgia, Waste and Wastewater Facilities Revenue Bonds, Anheuser Busch Cos. Inc. Project, Series 2002 Refunding, 5.950%, 2/01/32 (Alternative Minimum Tax) | 2/12 at 100 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 24.2% | |
| 1,200 | Atlanta Development Authority, Georgia, Revenue Bonds, Yamacraw Design Center Project, Series 2001A, 5.125%, 1/01/27 | 1/12 at 100 |
| 1,620 | Bulloch County Development Authority, Georgia, Student Housing Lease Revenue Bonds, Georgia Southern University Project, Series 2002, 5.000%, 8/01/20 | 8/12 at 100 |
| 1,485 | Fulton County Development Authority, Georgia, Georgia Tech Athletic Association Revenue Bonds, Series 2001, 5.000%, 10/01/20 | 4/12 at 100 |

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| | | |
|-------|---|--------------|
| 1,225 | Private Colleges and University Authority, Georgia, Emory University Revenue Bonds, Series 2001A, 5.000%, 9/01/31 | 9/11 at 100 |
| 1,250 | Private Colleges and Universities Authority, Georgia, Mercer University Project, Revenue Bonds, Series 2001, 5.750%, 10/01/31 | 10/11 at 102 |

HEALTHCARE - 22.0%

| | | |
|-------|---|--------------|
| 1,000 | Hospital Authority of Clarke County, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.375%, 1/01/19 | 1/12 at 101 |
| 1,250 | Hospital Authority of Gainesville and Hall County, Georgia, Revenue Anticipation Certificates (Northeast Georgia Health System, Inc. Project), Series 2001, 5.500%, 5/15/31 | 5/11 at 100 |
| 1,900 | Hospital Authority of Gwinnett County, Georgia, Revenue Anticipation Certificates, Gwinnett Hospital System, Inc., Series 1997B, 5.300%, 9/01/27 | 2/12 at 102 |
| 2,000 | Hospital Authority of Valdosta and Lowndes County, Georgia, South Georgia Medical Center Project Revenue Certificates, Series 2002, 5.250%, 10/01/27 | 10/12 at 101 |

HOUSING/MULTIFAMILY - 12.3%

| | | |
|-------|--|--------------|
| 1,000 | Housing Authority of DeKalb County, Georgia, Multifamily Housing Revenue Bonds, GNMA Collateralized, Castaways Apartments Project, Series 2001A, 5.400%, 2/20/29 | 8/11 at 103 |
| 1,000 | Housing Authority of DeKalb County, Georgia, Multifamily Housing Revenue Bonds, GNMA Collateralized, Snapwoods Apartments Project, Series 2001A, 5.500%, 12/20/32 | 12/11 at 103 |
| 1,400 | Housing Authority of Savannah, Georgia, Multifamily Housing Revenue Refunding Bonds, Chatham Gardens Project, Series 2001, 5.625%, 8/01/31 (Alternative Minimum Tax) (Mandatory put 2/01/19) | 8/16 at 100 |

HOUSING/SINGLE FAMILY - 16.6%

| | | |
|-------|--|--------------|
| 2,000 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2002 Series A (Subseries A-2), 5.450%, 12/01/22 (Alternative Minimum Tax) | 12/11 at 100 |
| 650 | Georgia Housing and Finance Agency, Single Family Mortgage Bonds, 2002 Series B-2, 5.350%, 12/01/22 (Alternative Minimum Tax) | 12/11 at 100 |
| 2,025 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2002 Series C-2, 5.300%, 6/01/33 (Alternative Minimum Tax) (WI, settling 1/09/03) | 12/12 at 100 |

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Nuveen Georgia Dividend Advantage Municipal Fund (NZX) (continued)
 Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| | INDUSTRIAL/OTHER - 2.7% | |
| \$ 750 | Savannah Economic Development Authority, Georgia, GTREP Project, Revenue Bonds, Series 2002, 5.000%, 7/01/19 | 7/12 at 100 |
| | TAX OBLIGATION/GENERAL - 11.0% | |
| 2,000 | State of Georgia, General Obligation Bonds, Series 2002D, 5.000%, 8/01/18 | 8/12 at 100 |
| 1,000 | Gwinnett County School District, Georgia, General Obligation Bonds, Series 2002 Refunding, 5.000%, 2/01/15 (WI, settling 12/05/02) | 2/13 at 100 |
| | TAX OBLIGATION/LIMITED - 9.4% | |
| 1,525 | Macon-Bibb County Urban Development Authority, Georgia, County of Bibb Public Facilities Projects, Revenue Refunding Bonds, Series 2002A, 5.000%, 8/01/14 | 8/12 at 101 |
| 1,000 | Rockdale County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 1999A, 5.375%, 7/01/29 | 1/10 at 101 |
| | TRANSPORTATION - 3.8% | |
| 1,000 | City of Atlanta, Georgia, Airport General Revenue and Refunding Bonds, Series 2000A, 5.400%, 1/01/15 | 1/10 at 101 |
| | UTILITIES - 18.0% | |
| 1,500 | Coweta County Development Authority, Georgia, Revenue Bonds, Newnan Water and Sewer and Light Commission Project, Series 2002, 5.250%, 1/01/18 | 1/13 at 100 |
| 1,000 | City of Elberton, Georgia, Combined Utility System Refunding and Improvement Revenue Bonds, Series 2001, 5.000%, 1/01/22 | 1/12 at 100 |
| 1,250 | Municipal Electric Authority of Georgia, Combustion Turbine Revenue Project Bonds, Series 2002A, 5.250%, 11/01/20 | 11/12 at 100 |
| 1,200 | Summerville, Georgia, Combined Public Utility Revenue Refunding and Improvement Bonds, Series 2002, 5.750%, 1/01/26 | 1/12 at 101 |

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| | | |
|--|---|--------------|
| WATER AND SEWER - 12.5% | | |
| 2,065 | Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002, 5.000%, 10/01/16 | 10/12 at 100 |
| 1,395 | Macon Water Authority, Georgia, Water and Sewer Revenue Bonds, Series 2001B, 5.000%, 10/01/21 | 10/11 at 101 |
| <hr/> | | |
| \$ 38,690 | Total Long-Term Investments (cost \$39,306,844) - 139.6% | |
| <hr/> | | |
| SHORT-TERM INVESTMENTS - 3.5% | | |
| 1,000 | Residential Care Facility for the Elderly Authority of Fulton County, Georgia, Refunding Revenue Bonds, Lenbrook Square Foundation Inc., Variable Rate Demand Bonds, Series 1996, 1.250%, 1/01/18+ | |
| <hr/> | | |
| \$ 1,000 | Total Short-Term Investments (cost \$1,000,000) | |
| <hr/> | | |
| Other Assets Less Liabilities - 9.8% | | |
| <hr/> | | |
| Preferred Shares, at Liquidation Value - (52.9)% | | |
| <hr/> | | |
| Net Assets Applicable to Common Shares - 100% | | |
| <hr/> | | |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- * Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- (WI) Security purchased on a when-issued basis.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG)
Portfolio of
INVESTMENTS November 30, 2002 (Unaudited)

| | | |
|---------------------------|----------------|------------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|

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BASIC MATERIALS - 1.6%

| | | | |
|----|-------|---|-------------|
| \$ | 1,000 | Richmond County Development Authority, Georgia, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2001A, 6.250%, 2/01/25 (Alternative Minimum Tax) | 2/11 at 101 |
|----|-------|---|-------------|

 EDUCATION AND CIVIC ORGANIZATIONS - 9.8%

| | | | |
|--|-------|--|--------------|
| | | Athens-Clarke County Unified Government Development Authority, Georgia, Educational Facilities Revenue Bonds, UGAREF CCRC Building LLC Project, Series 2002: | |
| | 1,225 | 5.000%, 12/15/18 | 12/12 at 100 |
| | 1,240 | 5.000%, 12/15/19 | 12/12 at 100 |
| | 1,050 | Fulton County Development Authority, Georgia, TUFF Morehouse Project, Series 2002A, 5.000%, 2/01/34 | 2/12 at 100 |
| | 1,315 | Private Colleges and Universities Authority, Georgia, Emory University Revenue Bonds, Series 2001A, 5.125%, 9/01/33 | 9/11 at 100 |
| | 1,250 | Private Colleges and Universities Authority, Georgia, Mercer University Project, Revenue Bonds, Series 2001, 5.750%, 10/01/31 | 10/11 at 102 |

 HEALTHCARE - 17.4%

| | | | |
|--|-------|--|--------------|
| | 2,000 | Hospital Authority of Clarke County, Georgia, Hospital Revenue Certificates, Athens Regional Medical Center, Series 2002, 5.125%, 1/01/32 | 1/12 at 101 |
| | | Hospital Authority of Floyd County, Georgia, Revenue Anticipation Certificates, Floyd Medical Center Project, Series 2002: | |
| | 1,480 | 5.000%, 7/01/22 | 7/12 at 101 |
| | 1,000 | 5.200%, 7/01/32 | 7/12 at 101 |
| | 1,250 | Hospital Authority of Gainesville and Hall County, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health System, Inc. Project, Series 2001, 5.500%, 5/15/31 | 5/11 at 100 |
| | 3,000 | Glynn-Brunswick Memorial Hospital Authority, Revenue Anticipation Certificates, Southeast Georgia Health Systems Project, Series 1996, 5.250%, 8/01/13 | 8/06 at 102 |
| | 1,945 | Tift County Hospital Authority, Georgia, Revenue Anticipation Bonds, Tift Regional Medical Center, Series 2002, 5.250%, 12/01/19 (WI, settling 12/11/02) | 12/12 at 101 |

 HOUSING/SINGLE FAMILY - 6.6%

| | | | |
|--|-------|--|--------------|
| | 2,455 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2001 Series B (Subseries B-2), 5.400%, 12/01/31 (Alternative Minimum Tax) | 6/11 at 100 |
| | 1,700 | Georgia Housing and Finance Authority, Single Family Mortgage Bonds, 2002 Series C-2, 5.100%, 12/01/22 (Alternative Minimum Tax) (WI, settling 12/05/02) | 12/12 at 100 |

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| | | |
|-------------------------------|---|-----------|
| TAX OBLIGATION/GENERAL - 1.3% | | |
| 750 | State of Georgia, General Obligation Bonds, Series 1998D, 5.250%, 10/01/15 | No Opt. C |

| | | |
|--------------------------------|--|-------------|
| TAX OBLIGATION/LIMITED - 37.7% | | |
| 6,085 | Chicago Park District, Illinois, General Obligation and Parking Revenue Bonds, Series 2002A Refunding, 5.000%, 1/01/21 (WI, settling 12/10/02) | 1/13 at 100 |
| 1,620 | Georgia Local Government, Certificates of Participation, Grantor Trust, Series A, 4.750%, 6/01/28 | No Opt. C |
| 750 | Georgia Municipal Association, Inc., Certificates of Participation, City of Atlanta Court Project, Series 2002, 5.125%, 12/01/21 | 1/12 at 101 |
| 3,600 | State of Illinois, Sales Tax Revenue Bonds, FIRST Series 2002, 5.000%, 6/15/22 | 6/13 at 100 |
| 2,500 | Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Refunding Series P, 6.250%, 7/01/20 | No Opt. C |
| 5,000 | Puerto Rico Public Buildings Authority, Guaranteed Government Facilities Revenue Bonds, Series 2002F Refunding, 5.250%, 7/01/21 | No Opt. C |

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Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG) (continued)
Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

| | | |
|------------------------------------|--|-------------|
| TAX OBLIGATION/LIMITED (continued) | | |
| | Puerto Rico Municipal Finance Agency, General Obligations Bonds, 2002 Series A: | |
| \$ 800 | 5.250%, 8/01/21 (WI, settling 12/05/02) | 8/12 at 100 |
| 2,500 | 5.000%, 8/01/27 (WI, settling 12/05/02) | 8/12 at 100 |

| | | |
|-----------------------|---|--------------|
| TRANSPORTATION - 2.9% | | |
| 1,900 | City and County of Denver, Colorado, Airport System Revenue Refunding Bonds, Series 2002E, 5.000%, 11/15/21 (Alternative Minimum Tax) | 11/12 at 100 |

| | | |
|------------------------|--|--|
| U.S. GUARANTEED - 0.9% | | |
|------------------------|--|--|

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| | | |
|-----------|--|--------------|
| 525 | City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.000%, 11/01/38 (Pre-refunded to 5/01/09) | 5/09 at 101 |
| ----- | | |
| | UTILITIES - 3.3% | |
| 2,000 | Georgia Municipal Electric Authority, General Power Revenue Bonds, Series 2002A, 5.000%, 1/01/17 | 1/13 at 100 |
| ----- | | |
| | WATER AND SEWER - 20.9% | |
| 3,000 | City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2001A, 5.000%, 11/01/39 | 5/12 at 100 |
| 3,500 | Augusta, Georgia, Water and Sewerage Revenue Bonds, Series 2002, 5.000%, 10/01/27 | 10/12 at 100 |
| 2,500 | DeKalb County, Georgia, Water and Sewerage Bonds, Series 2000, 5.375%, 10/01/35 | 10/10 at 101 |
| 950 | Fulton County, Georgia, Water and Sewerage Revenue Bonds, Series 1998, 5.000%, 1/01/16 | 7/08 at 101 |
| 3,100 | Harris County, Georgia, Water System Revenue Bonds, Series 2002, 5.000%, 12/01/22 (WI, settling 12/05/02) | 12/12 at 100 |
| ----- | | |
| \$ 62,990 | Total Long-Term Investments (cost \$65,638,491) - 102.4% | |
| ===== | | |
| | SHORT-TERM INVESTMENTS - 26.1% | |
| 8,000 | Chester County Industrial Development Authority, Pennsylvania, Archdiocese of Philadelphia, Revenue Bonds, Series 2001, Variable Rate Demand Bonds, 1.200%, 7/01/31+ | |
| 2,000 | Idaho Health Facilities Authority, Revenue Bonds, St. Luke's Regional Medical Center, Variable Rate Demand Bonds, Series 1995, 1.250%, 5/01/22+ | |
| 1,200 | Monroe County Development Authority, Georgia, Pollution Control Revenue Bonds, Georgia Power Company, Scherer Plant, Series 1997, Variable Rate Demand Obligations, 1.300%, 9/01/29+ | |
| 5,200 | Puerto Rico Government Development Bank, Adjustable Refunding Bonds, Series 1985, Variable Rate Demand Bonds, 1.020%, 12/01/15+ | |
| ----- | | |
| \$ 16,400 | Total Short-Term Investments (cost \$16,400,000) | |
| ===== | | |
| | Other Assets Less Liabilities - 24.0% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (52.5)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

(WI) Security purchased on a when-issued basis.

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen North Carolina Premium Income Municipal Fund (NNC)
 Portfolio of
 INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | BASIC MATERIALS - 4.4% | |
| \$ 2,100 | Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, Champion International Corporation Project, Series 1995A, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/05 at 102 |
| 2,000 | Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Pollution Control Revenue Refunding Bonds, Champion International Corporation Project, Series 1995, 6.000%, 3/01/20 | 3/06 at 102 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 13.6% | |
| | State of North Carolina, State Education Assistance Authority, Guaranteed Student Loan Revenue Bonds, 1995 Series A (Subordinate Lien): | |
| 1,000 | 6.050%, 7/01/10 (Alternative Minimum Tax) | 7/05 at 102 |
| 2,400 | 6.300%, 7/01/15 (Alternative Minimum Tax) | 7/05 at 102 |
| 5,875 | State of North Carolina, State Education Assistance Authority (a political subdivision of the state of North Carolina), Guaranteed Student Loan Revenue Bonds, 1996 Series C (Subordinate Lien), 6.350%, 7/01/16 (Alternative Minimum Tax) | 7/06 at 102 |
| 1,000 | University of North Carolina System, Pool Revenue Bonds, Series 2002A Refunding, 5.375%, 4/01/22 | 10/12 at 100 |

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| | | |
|-------|--|-------------|
| 1,675 | University of North Carolina at Wilmington, General Revenue Bonds, Series 2002A, 5.000%, 1/01/23 | 1/12 at 101 |
|-------|--|-------------|

HEALTHCARE - 35.9%

| | | |
|-------|---|-------------|
| 5,630 | Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31 | 1/11 at 101 |
|-------|---|-------------|

North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center Project, Series 2002A:

| | | |
|-------|-----------------|-------------|
| 1,000 | 5.500%, 1/01/19 | 1/12 at 100 |
| 550 | 5.500%, 1/01/20 | 1/12 at 100 |
| 1,750 | 5.375%, 1/01/32 | 1/12 at 100 |

| | | |
|-------|---|--------------|
| 2,000 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Stanley Memorial Hospital Project, Series 1999, 6.375%, 10/01/29 | 10/09 at 101 |
|-------|---|--------------|

| | | |
|-------|---|--------------|
| 4,500 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32 | 10/11 at 101 |
|-------|---|--------------|

| | | |
|-------|---|-------------|
| 3,000 | North Carolina Medical Care Commission, Hospital Revenue Refunding Bonds, Carolina Medicorp Project, Series 1992, 5.500%, 5/01/15 | 5/03 at 101 |
|-------|---|-------------|

| | | |
|-------|---|--------------|
| 3,615 | North Carolina Medical Care Commission, Hospital Revenue Bonds, FirstHealth of the Carolinas Project, Series 1998, 4.750%, 10/01/26 | 10/08 at 101 |
|-------|---|--------------|

| | | |
|-------|--|-------------|
| 3,000 | North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002, 5.375%, 6/01/32 | 6/12 at 101 |
|-------|--|-------------|

| | | |
|-------|--|--------------|
| 5,000 | North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31 | 10/11 at 101 |
|-------|--|--------------|

| | | |
|-------|--|-------------|
| 3,340 | Board of Governors of The University of North Carolina, University of North Carolina Hospitals at Chapel Hill, Revenue Bonds, Series 1996, 5.250%, 2/15/26 | 2/06 at 102 |
|-------|--|-------------|

Nuveen North Carolina Premium Income Municipal Fund (NNC) (continued)
Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|
|---------------------------|----------------|------------------------|

HOUSING/MULTIFAMILY - 7.4%

| | | |
|----------|---|--------------|
| \$ 1,000 | Housing Authority of the City of Asheville, North Carolina, Multifamily Housing Revenue Bonds (GNMA-Collateralized - Woodridge Apartments), Series 1997, 5.800%, 11/20/39 | 11/07 at 102 |
|----------|---|--------------|

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(Alternative Minimum Tax)

| | | |
|-------|---|-------------|
| 1,000 | City of Charlotte, North Carolina, Mortgage Revenue Refunding Bonds (FHA-Insured Mortgage Loan-Tryon Hills Apartments Project), Series 1993A, 5.875%, 1/01/25 | 1/03 at 105 |
| 3,000 | County of Mecklenburg, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax) | 1/12 at 102 |
| | North Carolina Housing Finance Agency, Multifamily Revenue Bonds (FHA-Insured Mortgage Loan Resolution), Series 1993: | |
| 650 | 5.800%, 7/01/14 | 1/03 at 102 |
| 1,000 | 5.900%, 7/01/26 | 1/03 at 102 |

HOUSING/SINGLE FAMILY - 17.0%

| | | |
|-------|---|-------------|
| 3,395 | North Carolina Housing Finance Agency, Single Family Revenue Bonds, Series X (1985 Resolution), 6.700%, 9/01/26 (Alternative Minimum Tax) | 3/04 at 102 |
| 6,455 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 6A (1998 Trust Agreement), 6.200%, 1/01/29 (Alternative Minimum Tax) | 7/09 at 100 |
| 3,575 | North Carolina Housing Finance Agency, Single Family Revenue Bonds, Series HH (1985 Resolution), 6.300%, 3/01/26 (Alternative Minimum Tax) | 3/06 at 102 |
| 1,640 | North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 10A (1998 Trust Agreement), 5.400%, 7/01/32 (Alternative Minimum Tax) | 7/10 at 100 |

TAX OBLIGATION/GENERAL - 12.3%

| | | |
|-------|--|-------------|
| 1,890 | County of Craven, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 5/01/21 | 5/12 at 101 |
| 4,285 | County of Durham, North Carolina, General Obligation Public Improvement Bonds, Series 2002B, 5.000%, 4/01/16 | 4/12 at 100 |
| 4,500 | State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16 | 9/10 at 102 |

v-----
TAX OBLIGATION/LIMITED - 14.9%

| | | |
|-------|--|--------------|
| 1,330 | County of Cabarrus, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/17 | 2/13 at 100 |
| 6,000 | City of Charlotte, North Carolina, Refunding Certificates of Participation (Convention Facility Project), Series 1993C, 5.250%, 12/01/20 | 12/03 at 102 |
| | City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002: | |
| 1,050 | 5.250%, 6/01/20 | 6/12 at 101 |

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| | | |
|-------------------------|--|-------------|
| 1,750 | 5.000%, 6/01/25 | 6/12 at 101 |
| 2,180 | City of Concord, North Carolina, Certificates of Participation, Series 1996A, 6.125%, 6/01/21 | 6/06 at 102 |
| 750 | Johnston County Finance Corporation, North Carolina, Installment Payment Revenue Bonds, School and Museum Projects, Series 1999, 5.250%, 8/01/21 | 8/09 at 101 |
| ----- | | |
| TRANSPORTATION - 4.8 | | |
| 4,450 | Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A, 5.000%, 11/01/31 | 5/11 at 101 |
| ----- | | |
| U.S. GUARANTEED - 13.2% | | |
| 4,000 | City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2000, 5.250%, 6/01/25 (Pre-refunded to 6/01/10) | 6/10 at 101 |
| 2,000 | City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2000, 6.000%, 6/01/25 (Pre-refunded to 6/01/10) | 6/10 at 101 |
| 2,475 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1980, 10.500%, 1/01/10 | No Opt. C |
| 2,000 | Orange County, North Carolina, General Obligation School Bonds, Series 1994, 5.500%, 2/01/11 (Pre-refunded to 2/01/04) | 2/04 at 102 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| UTILITIES - 12.9% | | |
| \$ 2,900 | City of Fayetteville, North Carolina, Public Works Commission, Revenue Bonds, Series 1997, 5.125%, 3/01/24 | 3/07 at 101 |
| 2,600 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1993-D, \ 5.600%, 1/01/16 | 1/03 at 102 |
| 1,000 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1985-G, 5.750%, 12/01/16 | 9/03 at 102 |
| 4,000 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1999B, 6.500%, 1/01/20 | 1/10 at 101 |
| 1,000 | Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17 | 2/12 at 101 |
| ----- | | |

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WATER AND SEWER - 9.6%

| | | |
|------------|--|-------------|
| 2,350 | Orange Water and Sewer Authority, North Carolina, Water and Sewer System Revenue and Revenue Refunding Bonds, Series 1993, 5.200%, 7/01/16 | 7/03 at 102 |
| | Thomasville, North Carolina, Combined Enterprise System Revenue Bonds, Series 2002: | |
| 370 | 5.000%, 5/01/20 | 5/12 at 101 |
| 390 | 5.000%, 5/01/21 | 5/12 at 101 |
| 1,250 | 5.125%, 5/01/27 | 5/12 at 101 |
| 2,180 | County of Union, North Carolina, Enterprise Systems Revenue Bonds, Series 1996, 5.500%, 6/01/21 | 6/06 at 102 |
| 2,000 | Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2002A, 5.000%, 6/01/18 (WI, settling 12/04/02) | 6/12 at 100 |
| ----- | | |
| \$ 129,850 | Total Long-Term Investments (cost \$127,821,546) - 146.0% | |
| ===== | | |

SHORT-TERM INVESTMENTS - 4.8%

| | | |
|----------|--|--|
| 1,000 | Guilford County, North Carolina, General Obligation Bonds, Series 2002C, Variable Rate Demand Obligations, 1.200%, 10/01/21+ | |
| 3,400 | North Carolina Capital Facilities Financing Agency, Exempt Facilities Revenue Bonds, Republic Services, Inc. Project, Series 2001, Variable Rate Demand Obligations, 1.350%, 12/01/21+ | |
| ----- | | |
| \$ 4,400 | Total Short-Term Investments (cost \$4,400,000) | |
| ===== | | |

Other Assets Less Liabilities - 0.3%

Preferred Shares, at Liquidation Value - (51.1)%

Net Assets Applicable to Common Shares - 100%

=====

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- * Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- (WI) Security purchased on a when-issued basis.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that

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currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen North Carolina Dividend Advantage Municipal Fund (NRB)
 Portfolio of
 INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|---|---------------------|
| ----- | | |
| | BASIC MATERIALS - 4.6% | |
| \$ 750 | Columbus County, North Carolina, Industrial Facilities and Pollution Control Financing Authority, Environmental Improvement Revenue Bonds, 1997 Series A, International Paper Company Project, 6.150%, 4/01/21 (Alternative Minimum Tax) | 4/07 at 102 |
| 750 | Columbus County, North Carolina, Industrial Facilities and Pollution Control Financing Authority, Solid Waste Disposal Revenue Bonds, International Paper Company Project, Series 1996A Refunding, 5.800%, 12/01/16 (Alternative Minimum Tax) | 12/07 at 102 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 27.6% | |
| 500 | North Carolina Capital Facilities Finance Agency, Educational Facilities Revenue Bonds, High Point University Project, Series 2001, 5.125%, 9/01/18 | 9/11 at 101 |
| 2,250 | North Carolina Capital Facilities Finance Agency, Revenue Bonds, Duke University Project, Series 2001A, 5.125%, 10/01/26 | 10/11 at 100 |
| 1,750 | University of North Carolina at Chapel Hill, General Revenue Bonds, Series 2001A, 5.000%, 12/01/25 | 6/11 at 100 |
| 1,845 | University of North Carolina at Chapel Hill, General Revenue Bonds, Series 2002B, 5.000%, 12/01/11 | No Opt. C |
| 2,450 | University of North Carolina System, Pool Revenue Bonds, Series 2002A Refunding, 5.375%, 4/01/17 | 10/12 at 100 |
| ----- | | |
| | HEALTHCARE - 21.4% | |
| 1,110 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center Project, Series 2002A, 5.250%, 1/01/15 | 1/12 at 100 |
| 2,500 | North Carolina Medical Care Commission, Healthcare Revenue Bonds, Carolina Medicorp Project, Series 1996, 5.250%, 5/01/26 | 5/07 at 100 |

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| | | |
|-------------------------------|--|--------------|
| 1,500 | North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002, 5.250%, 6/01/22 | 6/12 at 101 |
| 2,000 | North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31 | 10/11 at 101 |
| ----- | | |
| HOUSING/MULTIFAMILY - 14.5% | | |
| 2,250 | Housing Authority of the City of Durham, North Carolina, Multifamily Housing Revenue Bonds, Naples Terrace Apartments Project, FNMA Guaranteed, Series 2001, 5.700%, 6/01/33 (Alternative Minimum Tax) | 6/11 at 100 |
| 2,500 | County of Mecklenburg, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax) | 1/12 at 102 |
| ----- | | |
| HOUSING/SINGLE FAMILY - 11.2% | | |
| 2,975 | North Carolina Housing Finance Agency, Home Ownership Revenue Bonds, Series 5A (1998 Trust Agreement), 5.625%, 7/01/30 (Alternative Minimum Tax) | 7/09 at 100 |
| 655 | North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 10A (1998 Trust Agreement), 5.400%, 7/01/32 (Alternative Minimum Tax) | 7/10 at 100 |
| ----- | | |
| LONG-TERM CARE - 2.8% | | |
| 900 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, First Mortgage, Salemtowne Project, Series 2001, 6.625%, 4/01/31 | 4/11 at 101 |
| ----- | | |
| TAX OBLIGATION/GENERAL - 9.3% | | |
| 2,500 | County of Mecklenburg, North Carolina, General Obligation Public Improvement Bonds, Series 2000D, 5.000%, 4/01/13 | 4/10 at 101 |
| 400 | Raleigh, North Carolina, General Obligation Bonds, Series 2002, 5.000%, 6/01/21 | 6/12 at 100 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|------------------------|----------------|---------------------|
|------------------------|----------------|---------------------|

TAX OBLIGATION/LIMITED - 14.8%

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| | | | |
|-------|--------|--|--------------|
| \$ | 1,330 | County of Cabarrus, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/15 | 2/13 at 100 |
| | 1,870 | County of Dare, North Carolina, Certificates of Participation, Series 2002, 5.250%, 6/01/15 (WI, settling 12/04/02) | 12/12 at 100 |
| | 1,360 | County of Duplin, North Carolina, Certificates of Participation, Series 2002 Refunding, 5.000%, 9/01/12 | No Opt. C |
| ----- | | | |
| | | TRANSPORTATION - 4.8% | |
| | 1,530 | Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A, 5.250%, 11/01/18 | 5/11 at 101 |
| ----- | | | |
| | | UTILITIES - 20.0% | |
| | | City of Greenville Utilities Commission, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001: | |
| | 1,000 | 5.250%, 9/01/20 | 9/11 at 101 |
| | 500 | 5.250%, 9/01/21 | 9/11 at 101 |
| | 2,500 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Refunding Series 1993B, 5.500%, 1/01/17 | 1/03 at 100 |
| | 1,000 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1999B Refunding, 5.650%, 1/01/16 | 1/09 at 102 |
| | 1,500 | Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17 | 2/12 at 101 |
| ----- | | | |
| | | WATER AND SEWER - 33.4% | |
| | 2,290 | Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2000, 5.375%, 6/01/26 | 6/10 at 101 |
| | 2,250 | City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001, 5.125%, 6/01/26 | 6/11 at 101 |
| | | City of Greensboro, North Carolina, Combined Enterprise System Revenue Bonds, Series 2001A: | |
| | 500 | 5.125%, 6/01/20 | 6/11 at 101 |
| | 500 | 5.125%, 6/01/21 | 6/11 at 101 |
| | 2,500 | City of Kannapolis, North Carolina, Water and Sewer Revenue Bonds, Series 2001B, 5.250%, 2/01/26 (Alternative Minimum Tax) | 2/12 at 101 |
| | 2,775 | Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2002A, 5.000%, 6/01/17 (WI, settling 12/04/02) | 6/12 at 100 |
| ----- | | | |
| \$ | 52,990 | Total Long-Term Investments (cost \$53,736,339) - 164.4% | |
| ===== | | | |
| | | Other Assets Less Liabilities - (13.1)% | |
| ----- | | | |
| | | Preferred Shares, at Liquidation Value - (51.3)% | |

 Net Assets Applicable to Common Shares - 100%
 =====

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.
- * Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- ** Ratings: Using the higher of Standard & Poor's or Moody's rating.
- N/R Investment is not rated.
- (WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO)
 Portfolio of
 INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---|---|------------------------|
| ----- | | |
| BASIC MATERIALS - 4.5% | | |
| \$ 1,400 | Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Solid Waste Disposal Revenue Bonds, Champion International Corporation Project, Series 1993, 5.500%, 10/01/18 (Alternative Minimum Tax) | 10/03 at 102 |
| 1,100 | Northampton County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, International Paper Company Project, Series 2001A, 6.200%, 2/01/25 (Alternative Minimum Tax) | 2/11 at 101 |
| ----- | | |
| EDUCATION AND CIVIC ORGANIZATIONS - 24.9% | | |
| Appalachian State University, North Carolina, Housing and Student Center System Revenue Bonds, Series 2001 Refunding: | | |
| 600 | 5.125%, 7/15/24 | 1/11 at 101 |
| 200 | 5.125%, 7/15/27 | 1/11 at 101 |
| Appalachian State University, North Carolina, Housing and Student Center System Revenue Bonds, Series 2002 Refunding: | | |
| 1,000 | 5.000%, 7/15/13 | 7/12 at 100 |
| 1,040 | 5.000%, 7/15/14 | 7/12 at 100 |
| 1,000 | 5.000%, 7/15/15 | 7/12 at 100 |

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| | | |
|-------|--|--------------|
| 4,750 | North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2001A, 5.125%, 10/01/26 | 10/11 at 100 |
| 1,840 | University of North Carolina at Chapel Hill, General Revenue Bonds, Series 2002B, 5.000%, 12/01/11 | No Opt. C |
| 400 | Board of Governors of the University of North Carolina at Greensboro, General Revenue and Revenue Refunding Bonds, Series 2002B, 5.375%, 4/01/17 | 4/11 at 101 |
| | University of North Carolina System, Pool Revenue Bonds, Series 2002A Refunding: | |
| 1,155 | 5.375%, 4/01/16 | 10/12 at 100 |
| 1,100 | 5.375%, 4/01/19 | 10/12 at 100 |

HEALTHCARE - 21.9%

| | | |
|-------|---|--------------|
| 4,000 | Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31 | 1/11 at 101 |
| 2,225 | New Hanover County, North Carolina Hospital Revenue Bonds, New Hanover Regional Medical Center Project, Series 1993, 4.750%, 10/01/23 | 10/03 at 102 |
| 1,005 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center Project, Series 2002A, 5.250%, 1/01/13 | 1/12 at 100 |
| 1,000 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, WakeMed Project, Series 2001, 5.000%, 10/01/32 | 10/11 at 101 |
| | North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002: | |
| 1,000 | 5.500%, 6/01/15 | 6/12 at 101 |
| 2,000 | 5.250%, 6/01/22 | 6/12 at 101 |
| 1,000 | North Carolina Medical Care Commission, Health System Revenue Bonds, Mission-Saint Joseph Health System, Series 2001, 5.250%, 10/01/31 | 10/11 at 101 |

HOUSING/MULTIFAMILY - 6.4%

| | | |
|-------|---|-------------|
| 3,500 | County of Mecklenburg, North Carolina, Multifamily Housing Revenue Bonds, Sycamore Green Apartments, Series 2001, 5.500%, 1/15/35 (Alternative Minimum Tax) | 1/12 at 102 |
|-------|---|-------------|

| | | |
|---------------------------|----------------|------------------------|
| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|----------------|------------------------|

HOUSING/SINGLE FAMILY - 4.7%

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| | | | |
|----|-------|---|-------------|
| \$ | 555 | North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 10A (1998 Trust Agreement), 5.400%, 7/01/32 (Alternative Minimum Tax) | 7/10 at 100 |
| | | North Carolina Housing Finance Agency, Home Ownership Program Bonds, Series 13-A: | |
| | 1,000 | 4.700%, 7/01/12 (Alternative Minimum Tax) | 7/11 at 100 |
| | 1,000 | 4.850%, 7/01/13 (Alternative Minimum Tax) | 7/11 at 100 |

TAX OBLIGATION/GENERAL - 18.6%

| | | | |
|--|-------|---|-------------|
| | 250 | County of Durham, North Carolina, General Obligation Bonds, Series 2000, 5.600%, 5/01/15 | 5/10 at 102 |
| | 3,000 | County of Mecklenburg, North Carolina, General Obligation Public Improvement Bonds, Series 2000D, 5.000%, 4/01/13 | 4/10 at 101 |
| | 3,000 | State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16 | 9/10 at 102 |
| | 3,200 | County of Wake, North Carolina, General Obligation School Bonds, Series 2000, 5.400%, 2/01/13 | 2/10 at 101 |

TAX OBLIGATION/LIMITED - 19.9%

| | | | |
|--|-------|---|--------------|
| | 1,330 | County of Cabarrus, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/16 | 2/13 at 100 |
| | | City of Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002: | |
| | 1,850 | 5.250%, 6/01/18 | 6/12 at 101 |
| | 400 | 5.250%, 6/01/19 | 6/12 at 101 |
| | 1,325 | County of Dare, North Carolina, Certificates of Participation, Series 2002, 5.250%, 6/01/17 (WI, settling 12/04/02) | 12/12 at 100 |
| | | County of Hartnett, North Carolina, Certificates of Participation, Series 2002: | |
| | 1,000 | 5.250%, 12/01/15 | 12/12 at 101 |
| | 2,025 | 5.375%, 12/01/16 | 12/12 at 101 |
| | 825 | 5.000%, 12/01/18 | 12/12 at 101 |
| | 1,595 | Rutherford County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 9/01/18 | 9/12 at 101 |

TRANSPORTATION - 12.8%

| | | | |
|--|-------|--|-------------|
| | | Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A: | |
| | 1,000 | 5.250%, 11/01/15 | 5/11 at 101 |
| | 2,320 | 5.250%, 11/01/16 | 5/11 at 101 |
| | 2,230 | 5.250%, 11/01/17 | 5/11 at 101 |
| | | University of North Carolina at Charlotte, Parking System Revenue Bonds, Series 2002: | |

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| | | |
|-----|-----------------|-------------|
| 360 | 5.000%, 1/01/17 | 1/12 at 101 |
| 270 | 5.000%, 1/01/20 | 1/12 at 101 |
| 500 | 5.125%, 1/01/27 | 1/12 at 101 |

UTILITIES - 22.3%

| | | |
|-------|--|-------------|
| 3,000 | City of Fayetteville, North Carolina, Public Works Commission, Revenue Bonds, Series 1997, 5.125%, 3/01/24 | 3/07 at 101 |
| 2,500 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Refunding Series 1993B, 5.500%, 1/01/17 | 1/03 at 100 |
| 2,400 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1993-D, 5.600%, 1/01/16 | 1/03 at 102 |
| 1,500 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1999B, 6.500%, 1/01/20 | 1/10 at 101 |
| 2,600 | Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17 | 2/12 at 101 |

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Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO) (co
Portfolio of INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|--|---|------------------------|
| ----- | | |
| WATER AND SEWER - 15.1% | | |
| \$ 4,520 | City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2002, 5.250%, 7/01/13 | No Opt. C |
| | Orange Water and Sewer Authority, North Carolina, Water and Sewer System Revenue Bonds, Series 2001: | |
| 1,465 | 5.000%, 7/01/20 | 7/11 at 101 |
| 1,000 | 5.000%, 7/01/26 | 7/11 at 101 |
| 850 | City of Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 1999, 4.750%, 3/01/24 | 3/09 at 101 |
| ----- | | |
| \$ 80,185 | Total Long-Term Investments (cost \$81,654,511) - 151.1% | |
| ===== | | |
| Other Assets Less Liabilities - (0.2)% | | |
| ----- | | |
| Preferred Shares, at Liquidation Value - (50.9)% | | |
| ----- | | |
| Net Assets Applicable to Common Shares - 100% | | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* Optional Call Provisions: Dates (month and year) and

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prices of the earliest optional call or redemption.
There may be other call provisions at varying prices at later dates.

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

(WI) Security purchased on a when-issued basis.

See accompanying notes to financial statements.

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Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII)
Portfolio of
INVESTMENTS November 30, 2002 (Unaudited)

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | BASIC MATERIALS - 5.3% | |
| \$ 1,400 | Haywood County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Environmental Improvement Revenue Bonds, Champion International Corporation Project, Series 1995A, 5.750%, 12/01/25 (Alternative Minimum Tax) | 12/05 at 102 |
| 1,500 | Martin County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Solid Waste Disposal Revenue Bonds, Weyerhaeuser Company Project, Series 1991, 7.250%, 9/01/14 (Alternative Minimum Tax) | 3/03 at 102 |
| ----- | | |
| | EDUCATION AND CIVIC ORGANIZATIONS - 14.1% | |
| | North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2001A: | |
| 750 | 5.125%, 10/01/26 | 10/11 at 100 |
| 2,000 | 5.125%, 10/01/41 | 10/11 at 100 |
| 3,000 | North Carolina Capital Facilities Financing Agency, Revenue Bonds, Duke University Project, Series 2002A, 5.125%, 7/01/42 | 10/12 at 100 |
| 1,900 | University of North Carolina System, Pool Revenue Bonds, Series 2002A Refunding, 5.000%, 4/01/27 | 10/12 at 100 |
| ----- | | |
| | HEALTHCARE - 14.4% | |
| 2,000 | Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, Series 1997A, DBA Carolinas Healthcare System, 5.125%, 1/15/22 | 1/07 at 102 |
| 1,750 | Charlotte-Mecklenburg Hospital Authority, North Carolina, | 1/11 at 101 |

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| | | | |
|-------|---|--|--------------|
| | Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31 | | |
| 2,500 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Duke University Health System, Series 1998A, 4.750%, 6/01/28 | | 6/08 at 101 |
| 2,000 | North Carolina Medical Care Commission, Hospital Revenue Bonds, FirstHealth of the Carolinas Project, Series 1998, 4.750%, 10/01/26 | | 10/08 at 101 |
| ----- | | | |
| | LONG-TERM CARE - 1.7% | | |
| 900 | North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, First Mortgage, Salemtowne Project, Series 2001, 6.625%, 4/01/31 | | 4/11 at 101 |
| ----- | | | |
| | TAX OBLIGATION/GENERAL - 4.0% | | |
| 1,000 | County of Mecklenburg, North Carolina, General Obligation Public Improvement Bonds, Series 2000D, 5.000%, 4/01/13 | | 4/10 at 101 |
| 1,000 | State of North Carolina, General Obligation Bonds, Series 2000A, 5.100%, 9/01/16 | | 9/10 at 102 |
| ----- | | | |
| | TAX OBLIGATION/LIMITED - 31.1% | | |
| 3,900 | Cary, North Carolina, General Obligation Water Bonds, Series 2001, 5.000%, 3/01/20 | | 3/11 at 102 |
| 1,550 | Cary, North Carolina, Certificates of Participation, Series 2002A, Public Improvement Projects, 5.000%, 12/01/17 | | 12/12 at 100 |
| 1,500 | Centennial Authority, North Carolina, Hotel Tax Revenue Bonds, Arena Project, Series 1997, 5.125%, 9/01/19 | | 9/07 at 102 |
| 3,000 | County of Dare, North Carolina, Certificates of Participation, Series 2002, 5.000%, 6/01/23 (WI, settling 12/04/02) | | 12/12 at 100 |
| | Duplin County, North Carolina, Certificates of Participation, Series 2002 Refunding: | | |
| 1,230 | 5.000%, 9/01/13 | | No Opt. C |
| 1,290 | 5.000%, 9/01/14 | | No Opt. C |
| 2,000 | Puerto Rico Municipal Finance Agency, General Obligation Bonds, 2002 Series A, 5.000%, 8/01/27 (WI, settling 12/05/02) | | 8/12 at 100 |
| 2,000 | Rutherford County, North Carolina, Certificates of Participation, Series 2002, 5.000%, 9/01/21 | | 9/12 at 101 |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL C PROVISIO |
|---------------------------|---|------------------------|
| ----- | | |
| | TRANSPORTATION - 9.3% | |
| | Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2001A: | |
| \$ 1,780 | 5.250%, 11/01/15 | 5/11 at 101 |
| 3,100 | 5.000%, 11/01/20 | 5/11 at 101 |
| ----- | | |
| | UTILITIES - 14.5% | |
| 4,000 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Refunding Series 1993B, 5.500%, 1/01/17 | 1/03 at 100 |
| 500 | North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 1985-G, 5.750%, 12/01/16 | 9/03 at 102 |
| 1,775 | Puerto Rico Electric Power Authority, Power Revenue Bonds, 2002 Series II, 5.375%, 7/01/19 | 7/12 at 101 |
| 1,400 | Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company Project, Series 2002 Refunding, 5.375%, 2/01/17 | 2/12 at 101 |
| ----- | | |
| | WATER AND SEWER - 12.2% | |
| 750 | Broad River Water Authority, North Carolina, Water System Revenue Bonds, Series 2000, 5.375%, 6/01/26 | 6/10 at 101 |
| | City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001: | |
| 750 | 5.125%, 6/01/26 | 6/11 at 101 |
| 1,780 | 5.125%, 6/01/26 | 6/11 at 101 |
| 3,215 | Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2002A, 5.000%, 6/01/19 (WI, settling 12/04/02) | 6/12 at 100 |
| ----- | | |
| \$ 57,220 | Total Long-Term Investments (cost \$58,901,083) - 106.6% | |
| ===== | | |
| | SHORT-TERM INVESTMENTS - 37.4% | |
| 7,000 | Chester County Industrial Development Authority, Pennsylvania, Archdiocese of Philadelphia, Revenue Bonds, Series 2001, Variable Rate Demand Bonds, 1.200%, 7/01/31+ | |
| 6,000 | Guilford County, North Carolina, General Obligation Bonds, Series 2002C, Variable Rate Demand Obligations, 1.200%, 10/01/21+ | |
| 3,500 | North Carolina Capital Facilities Financing Agency, Exempt Facilities Revenue Bonds, Republic Services, Inc. Project, Series 2001, Variable Rate Demand Obligations, 1.350%, 12/01/21+ | |

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3,800 Puerto Rico Government Development Bank, Adjustable Refunding
Bonds, Series 1985, Variable Rate Demand Bonds,
1.020%, 12/01/15+

\$ 20,300 Total Short-Term Investments (cost \$20,300,000)

Other Assets Less Liabilities - 7.6%

Preferred Shares, at Liquidation Value - (51.6)%

Net Assets Applicable to Common Shares - 100%
=====

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings: Using the higher of Standard & Poor's or Moody's rating.

N/R Investment is not rated.

(WI) Security purchased on a when-issued basis.

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES November 30, 2002 (Unaudited)

| | GEORGIA PREMIUM INCOME (NPG) |
|---|---------------------------------------|
| ----- | |
| ASSETS | |
| Investments in municipal securities, at market value | \$78,747,287 |
| Temporary investments in short-term securities, at amortized cost, which approximates market value | -- |
| Cash | 6,377,912 |
| Interest receivable | 1,470,526 |
| Other assets | 7,751 |

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| | |
|---|--------------|
| Total assets | 86,603,476 |
| ----- | |
| LIABILITIES | |
| Cash overdraft | -- |
| Payable for investments purchased | 4,275,528 |
| Accrued expenses: | |
| Management fees | 44,233 |
| Organization and offering costs | -- |
| Other | 21,490 |
| Preferred share dividends payable | 1,903 |
| ----- | |
| Total liabilities | 4,343,154 |
| ----- | |
| Preferred shares, at liquidation value | 27,800,000 |
| ----- | |
| Net assets applicable to Common shares | \$54,460,322 |
| ===== | |
| Common shares outstanding | 3,773,306 |
| ===== | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 14.43 |
| ===== | |

NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF:

| | |
|--|--------------|
| Common shares, \$.01 par value per share | \$ 37,733 |
| Paid-in surplus | 52,185,877 |
| Undistributed (Over-distribution of) net investment income | 541,534 |
| Accumulated net realized gain (loss) from investments | (1,124,386) |
| Net unrealized appreciation (depreciation) of investments | 2,819,564 |
| ----- | |
| Net assets applicable to Common shares | \$54,460,322 |
| ===== | |
| Authorized shares: | |
| Common | Unlimited |
| Preferred | Unlimited |
| ===== | |

See accompanying notes to financial statements.

Statement of
ASSETS AND LIABILITIES (Unaudited) (continued)

| | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) |
|---|---|---|
| ----- | | |
| ASSETS | | |
| Investments in municipal securities, at market value | \$133,763,197 | \$54,468,193 |
| Temporary investments in short-term securities, at amortized cost, which approximates market value | 4,400,000 | -- |
| Cash | 72,841 | -- |
| Interest receivable | 2,397,440 | 841,446 |

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| | | |
|---|---------------|--------------|
| Other assets | 3,336 | 5,108 |
| ----- | | |
| Total assets | 140,636,814 | 55,314,747 |
| ----- | | |
| LIABILITIES | | |
| Cash overdraft | -- | 154,880 |
| Payable for investments purchased | 2,081,240 | 4,949,043 |
| Accrued expenses: | | |
| Management fees | 74,200 | 14,531 |
| Organization and offering costs | -- | 7,713 |
| Other | 36,310 | 60,136 |
| Preferred share dividends payable | 3,204 | -- |
| ----- | | |
| Total liabilities | 2,194,954 | 5,186,303 |
| ----- | | |
| Preferred shares, at liquidation value | 46,800,000 | 17,000,000 |
| ----- | | |
| Net assets applicable to Common shares | \$ 91,641,860 | \$33,128,444 |
| ===== | | |
| Common shares outstanding | 6,302,088 | 2,237,086 |
| ===== | | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 14.54 | \$ 14.81 |
| ===== | | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | | |
| ----- | | |
| Common shares, \$.01 par value per share | \$ 63,021 | \$ 22,371 |
| Paid-in surplus | 87,285,911 | 31,644,106 |
| Undistributed (Over-distribution of) net investment income | 892,455 | 325,551 |
| Accumulated net realized gain (loss) from investments | (2,541,178) | 404,562 |
| Net unrealized appreciation (depreciation) of investments | 5,941,651 | 731,854 |
| ----- | | |
| Net assets applicable to Common shares | \$ 91,641,860 | \$33,128,444 |
| ===== | | |
| Authorized shares: | | |
| Common | Unlimited | Unlimited |
| Preferred | Unlimited | Unlimited |
| ===== | | |

See accompanying notes to financial statements.

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Statement of
OPERATIONS Six Months Ended November 30, 2002 (Unaudited)

| | |
|-------------------|---------------------------------------|
| | GEORGIA PREMIUM INCOME (NPG) |
| ----- | |
| INVESTMENT INCOME | \$2,167,586 |
| ----- | |
| EXPENSES | |

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| | |
|--|-------------|
| Management fees | 270,517 |
| Preferred shares - auction fees | 34,845 |
| Preferred shares - dividend disbursing agent fees | 5,014 |
| Shareholders' servicing agent fees and expenses | 5,728 |
| Custodian's fees and expenses | 18,462 |
| Trustees' fees and expenses | 752 |
| Professional fees | 4,520 |
| Shareholders' reports - printing and mailing expenses | 10,263 |
| Stock exchange listing fees | 276 |
| Investor relations expense | 5,078 |
| Other expenses | 5,582 |
| ----- | |
| Total expenses before custodian fee credit and expense reimbursement | 361,037 |
| Custodian fee credit | (5,579) |
| Expense reimbursement | -- |
| ----- | |
| Net expenses | 355,458 |
| ----- | |
| Net investment income | 1,812,128 |
| ----- | |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS | |
| Net realized gain from investments | 612,919 |
| Change in net unrealized appreciation (depreciation) of investments | (185,197) |
| ----- | |
| Net gain (loss) from investments | 427,722 |
| ----- | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | |
| From and in excess of net investment income | (150,316) |
| From accumulated net realized gains from investments | -- |
| ----- | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (150,316) |
| ----- | |
| Net increase (decrease) in net assets applicable to Common shares from operations | \$2,089,534 |
| ===== | |

* For the period September 25, 2002 (commencement of operations) through November 30, 2002.

See accompanying notes to financial statements.

Statement of
OPERATIONS (Unaudited) (continued)

| | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) |
|-------------------|---|---|
| ----- | | |
| INVESTMENT INCOME | \$3,655,013 | \$1,283,016 |
| ----- | | |
| EXPENSES | | |
| Management fees | 451,752 | 164,230 |

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| | | |
|---|-------------|-------------|
| Preferred shares - auction fees | 58,660 | 23,091 |
| Preferred shares - dividend disbursing agent fees | 5,014 | 5,014 |
| Shareholders' servicing agent fees and expenses | 9,911 | 1,182 |
| Custodian's fees and expenses | 25,703 | 22,006 |
| Trustees' fees and expenses | 853 | 501 |
| Professional fees | 5,007 | 4,531 |
| Shareholders' reports - printing and mailing expenses | 13,516 | 2,875 |
| Stock exchange listing fees | 11,298 | 163 |
| Investor relations expense | 8,334 | 1,786 |
| Other expenses | 6,776 | 3,987 |
| ----- | | |
| Total expenses before custodian fee credit and expense reimbursement | 596,824 | 229,366 |
| Custodian fee credit | (12,222) | (1,849) |
| Expense reimbursement | -- | (75,798) |
| ----- | | |
| Net expenses | 584,602 | 151,719 |
| ----- | | |
| Net investment income | 3,070,411 | 1,131,297 |
| ----- | | |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS | | |
| Net realized gain from investments | 749,232 | 469,381 |
| Change in net unrealized appreciation (depreciation) of investments | 1,349,777 | 389,026 |
| ----- | | |
| Net gain (loss) from investments | 2,099,009 | 858,407 |
| ----- | | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | | |
| From and in excess of net investment income | (247,691) | (82,743) |
| From accumulated net realized gains from investments | -- | (5,052) |
| ----- | | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (247,691) | (87,795) |
| ----- | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | \$4,921,729 | \$1,901,909 |
| ===== | | |

* For the period September 25, 2002 (commencement of operations) through November 30, 2002.

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (Unaudited)

| | GEORGIA PREMIUM INCOME (NPG) | GEOR DIVIDEND ADV |
|-------|---------------------------------|------------------------------|
| | SIX MONTHS ENDED 11/30/02 | YEAR ENDED 5/31/02 |
| | SIX MONTHS ENDED 11/30/02 | SIX MONTHS ENDED 11/30/02 |
| ----- | | |

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| | | | |
|--|--------------|--------------|--------------|
| OPERATIONS | | | |
| Net investment income | \$ 1,812,128 | \$ 3,856,072 | \$ 906,209 |
| Net realized gain (loss) from investments | 612,919 | 570,501 | 631,458 |
| Change in net unrealized appreciation (depreciation) of investments | (185,197) | (195,055) | 288,883 |
| Distributions to Preferred Shareholders: | | | |
| From and in excess of net investment income | (150,316) | (460,881) | (84,538) |
| From accumulated net realized gains from investments | -- | -- | (4,890) |
| ----- | | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | 2,089,534 | 3,770,637 | 1,737,122 |
| ----- | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | |
| From and in excess of net investment income | (1,617,865) | (3,187,446) | (780,847) |
| ----- | | | |
| CAPITAL SHARE TRANSACTIONS | | | |
| Common shares: | | | |
| Net proceeds from sale of shares | -- | -- | -- |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 79,294 | 158,444 | 14,240 |
| Preferred shares offering costs | -- | -- | -- |
| ----- | | | |
| Net increase in net assets applicable to Common shares from capital share transactions | 79,294 | 158,444 | 14,240 |
| ----- | | | |
| Net increase in net assets applicable to Common shares | 550,963 | 741,635 | 970,515 |
| Net assets applicable to Common shares at the beginning of period | 53,909,359 | 53,167,724 | 27,381,386 |
| ----- | | | |
| Net assets applicable to Common shares at the end of period | \$54,460,322 | \$53,909,359 | \$28,351,901 |
| ===== | | | |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 541,534 | \$ 520,560 | \$ 143,937 |
| ===== | | | |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS (Unaudited) (continued)

| | NORTH CAROLINA PREMIUM INCOME (NNC) | |
|---|--|-----------------------|
| | SIX MONTHS ENDED 11/30/02 | YEAR ENDED 5/31/02 |
| ----- | | |
| OPERATIONS | | |
| Net investment income | \$ 3,070,411 | \$ 6,403,807 |
| Net realized gain (loss) from investments | 749,232 | 1,171,228 |

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| | | |
|--|--------------|--------------|
| Change in net unrealized appreciation (depreciation) of investments | 1,349,777 | (237,275) |
| Distributions to Preferred Shareholders: | | |
| From and in excess of net investment income | (247,691) | (795,822) |
| From accumulated net realized gains from investments | -- | -- |
| ----- | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | 4,921,729 | 6,541,938 |
| ----- | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | |
| From and in excess of net investment income | (2,664,693) | (5,047,923) |
| ----- | | |
| CAPITAL SHARE TRANSACTIONS | | |
| Common shares: | | |
| Net proceeds from sale of shares | -- | -- |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 99,076 | 177,785 |
| Preferred shares offering costs | -- | -- |
| ----- | | |
| Net increase in net assets applicable to Common shares from capital share transactions | 99,076 | 177,785 |
| ----- | | |
| Net increase in net assets applicable to Common shares | 2,356,112 | 1,671,800 |
| Net assets applicable to Common shares at the beginning of period | 89,285,748 | 87,613,948 |
| ----- | | |
| Net assets applicable to Common shares at the end of period | \$91,641,860 | \$89,285,748 |
| ===== | | |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 892,455 | \$ 685,795 |
| ===== | | |

See accompanying notes to financial statements.

| | | |
|---|--|--------------|
| ----- | | |
| OPERATIONS | | |
| Net investment income | | \$ 1,767,723 |
| Net realized gain (loss) from investments | | 645,163 |

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| | |
|--|--------------|
| Change in net unrealized appreciation (depreciation) of investments | 922,359 |
| Distributions to Preferred Shareholders: | |
| From and in excess of net investment income | (195,130) |
| From accumulated net realized gains from investments | -- |
| ----- | |
| Net increase (decrease) in net assets applicable to Common shares from operations | 3,140,115 |
| ----- | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | |
| From and in excess of net investment income | (1,533,857) |
| ----- | |
| CAPITAL SHARE TRANSACTIONS | |
| Common shares: | |
| Net proceeds from sale of shares | -- |
| Net proceeds from shares issued to shareholders due to reinvestment of distributions | 252 |
| Preferred shares offering costs | -- |
| ----- | |
| Net increase in net assets applicable to Common shares from capital share transactions | 252 |
| ----- | |
| Net increase in net assets applicable to Common shares | 1,606,510 |
| Net assets applicable to Common shares at the beginning of period | 53,383,321 |
| ----- | |
| Net assets applicable to Common shares at the end of period | \$54,989,831 |
| ===== | |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 40,592 |
| ===== | |

See accompanying notes to financial statements.

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Notes to
FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The state Funds (the "Funds") covered in this report and their corresponding Common share stock exchange symbols are Nuveen Georgia Premium Income Municipal Fund (NPG), Nuveen Georgia Dividend Advantage Municipal Fund (NZX), Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG), Nuveen North Carolina Premium Income Municipal Fund (NNC), Nuveen North Carolina Dividend Advantage Municipal Fund (NRB), Nuveen North Carolina Dividend Advantage Municipal Fund 2 (NNO) and Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII). Georgia Premium Income (NPG), Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) are traded on the American Stock Exchange while North Carolina Premium Income (NNC) is traded on the New York Stock Exchange.

Prior to the commencement of operations of Georgia Dividend Advantage (NZX),

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Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII), each Fund had no operations other than those related to organizational matters, the initial capital contribution of \$100,275 per Fund by Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of The John Nuveen Company, and the recording of the organization expenses (\$11,500 per Fund) and their reimbursement by Nuveen Investments, also a wholly owned subsidiary of The John Nuveen Company.

Each Fund seeks to provide current income exempt from both regular federal and designated state income taxes by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities within a single state. The Funds are registered under the Investment Company Act of 1940 as closed-end management investment companies.

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with accounting principles generally accepted in the United States.

Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Trustees. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Trustees of the Funds or its designee may establish a fair value for the security. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets in a separate account with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At November 30, 2002, Georgia Premium Income (NPG), Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Premium Income (NNC), North Carolina Dividend Advantage (NRB), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) had outstanding when-issued purchase commitments of \$4,275,528, \$3,109,470, \$16,469,944, \$2,081,240, \$4,949,043, \$1,418,930 and \$8,353,774, respectively.

Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis.

Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal and designated state income taxes, to retain such tax-exempt status when distributed to shareholders of the Funds.

Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared and paid monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to Common shareholders of tax-exempt net investment income, net realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States. Accordingly, temporary over-distributions as a result of these differences may occur and will be classified as either distributions in excess of net investment income, distributions in excess of net realized gains and/or distributions in excess of net ordinary taxable income from investment transactions, where applicable.

Preferred Shares

The Funds have issued and outstanding \$25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in one Series. The dividend rate on each Series may change every seven days, as set pursuant to a dutch auction process by the auction agent, and is payable at or near the end of each rate period. The number of Preferred shares outstanding for each Fund is as follows:

| | GEORGIA PREMIUM INCOME (NPG) | GEORGIA DIVIDEND ADVANTAGE (NZX) | GEORGIA DIVIDEND ADVANTAGE 2 (NKG) | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO) | ADVANTAGE 3 (NII) |
|-------------------|---------------------------------------|---|---|---|---|---|----------------------|
| ----- | | | | | | | |
| Number of shares: | | | | | | | |
| Series M | -- | 600 | -- | -- | -- | -- | -- |
| Series T | -- | -- | -- | -- | 680 | -- | -- |
| Series W | -- | -- | -- | -- | -- | -- | -- |
| Series TH | 1,112 | -- | -- | 1,872 | -- | -- | -- |
| Series F | -- | -- | 1,320 | -- | -- | 1,120 | -- |
| ===== | | | | | | | |

Effective November 15, 2002, Georgia Dividend Advantage 2 (NKG) issued 1,320 Series F \$25,000 stated value Preferred shares. Effective November 15, 2002, North Carolina Dividend Advantage 3 (NII) issued 1,120 Series W \$25,000 stated value Preferred shares.

Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the period ended November 30, 2002.

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

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Offering Costs

Nuveen Investments has agreed to pay all offering costs (other than the sales load) that exceed \$.03 per Common share for Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII). Georgia Dividend Advantage's (NZX), Georgia Dividend Advantage 2's (NKG), North Carolina Dividend Advantage 2's (NNO) and North Carolina Dividend Advantage 3's (NII) share of offering costs (\$58,470, \$136,200, \$111,750 and \$117,375, respectively) were recorded as a reduction of the proceeds from the sale of Common shares.

Costs incurred by Georgia Dividend Advantage (NZX), Georgia Dividend Advantage 2 (NKG), North Carolina Dividend Advantage 2 (NNO) and North Carolina Dividend Advantage 3 (NII) in connection with their offering of Preferred shares (\$315,750, \$782,000, \$421,392 and \$678,500, respectively) were recorded as a reduction to paid-in surplus.

Use of Estimates

The preparation of 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 at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

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Notes to

FINANCIAL STATEMENTS (Unaudited) (continued)

2. FUND SHARES

Transactions in Common and Preferred shares were as follows:

| | GEORGIA PREMIUM INCOME (NPG) | | GEORGIA DIVIDEND ADVANTAGE (NZX) | |
|--|---------------------------------|------------|-------------------------------------|---|
| | SIX MONTHS ENDED | YEAR ENDED | SIX MONTHS ENDED | FOR THE PERIOD 9/25/01 (COMMENCEMENT OF OPERATIONS) THROUGH 5/31/02 |
| | 11/30/02 | 5/31/02 | 11/30/02 | |
| Common shares: | | | | |
| Shares sold | -- | -- | -- | 1,949,000 |
| Shares issued to shareholders due to reinvestment of distributions | 4,920 | 10,384 | 956 | 336 |
| | 4,920 | 10,384 | 956 | 1,949,336 |
| Preferred shares sold | -- | -- | -- | 600 |

NORTH CAROLINA

NORTH CAROLINA

NORTH CAROLINA

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| | PREMIUM INCOME (NNC) | | DIVIDEND ADVANTAGE (NRB) | | DIVIDEND ADVANTAGE 2 (NNO) | |
|--|---------------------------|--------------------|---------------------------|--------------------|----------------------------|--|
| | SIX MONTHS ENDED 11/30/02 | YEAR ENDED 5/31/02 | SIX MONTHS ENDED 11/30/02 | YEAR ENDED 5/31/02 | SIX MONTHS ENDED 11/30/02 | FOR THE PERIOD 11/16/01 (COMMENCEMENT OF OPERATIONS) THROUGH 5/31/02 |
| Common shares: | | | | | | |
| Shares sold | -- | -- | -- | -- | -- | 3,725,000 |
| Shares issued to shareholders due to reinvestment of distributions | 6,172 | 11,774 | 2,281 | 3,402 | 17 | -- |
| | 6,172 | 11,774 | 2,281 | 3,402 | 17 | 3,725,000 |
| Preferred shares sold | -- | -- | -- | -- | -- | 1,120 |

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3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities and short-term securities for the six months ended November 30, 2002, were as follows:

| | GEORGIA PREMIUM INCOME (NPG) | GEORGIA DIVIDEND ADVANTAGE (NZX) | ADVANTAGE |
|--------------------------------|------------------------------|----------------------------------|-----------|
| Purchases: | | | |
| Long-term municipal securities | \$12,018,512 | \$15,553,653 | \$65 |
| Short-term securities | -- | 1,000,000 | 16 |
| Sales and maturities: | | | |
| Long-term municipal securities | 14,360,875 | 18,865,989 | |
| Short-term securities | -- | -- | |

* For the period September 25, 2002 (commencement of operations) through November 30, 2002.

| | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO) | ADVANTAGE |
|--------------------------------|-------------------------------------|---|---|-----------|
| Purchases: | | | | |
| Long-term municipal securities | \$12,448,490 | \$20,222,877 | \$18,238,782 | \$5 |
| Short-term securities | 8,800,000 | 2,000,000 | 1,000,000 | 2 |
| Sales and maturities: | | | | |
| Long-term municipal securities | 14,312,205 | 15,577,606 | 19,115,411 | |

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| | | | | |
|---|---------------|---|---|---|
| Short-term securities | 5,400,000 | 2,000,000 | 1,000,000 | |
| ===== | | | | |
| * For the period September 25, 2002 (commencement of operations) through November 30, 2002. | | | | |
| 4. INCOME TAX INFORMATION | | | | |
| The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions. | | | | |
| At November 30, 2002, the cost of investments were as follows: | | | | |
| | | GEORGIA PREMIUM INCOME (NPG) | GEORGIA DIVIDEND ADVANTAGE (NZX) | AD |
| ----- | | | | |
| Cost of investments | \$75,844,734 | \$40,306,844 | \$8 | |
| ===== | | | | |
| | | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO) |
| ----- | | | | |
| Cost of investments | \$132,127,395 | \$53,735,942 | \$81,652,130 | \$7 |
| ===== | | | | |

Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

Gross unrealized appreciation and gross unrealized depreciation on investments on November 30, 2002, were as follows:

| | | | | |
|-------------------|-------------|---------------------------------------|---|----|
| | | GEORGIA PREMIUM INCOME (NPG) | GEORGIA DIVIDEND ADVANTAGE (NZX) | AD |
| ----- | | | | |
| Gross unrealized: | | | | |
| Appreciation | \$3,672,367 | \$ 453,425 | \$ | |
| Depreciation | (769,814) | (191,057) | (1 | |

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| | | | |
|---|-------------|------------|-------|
| Net unrealized appreciation (depreciation) on investments | \$2,902,553 | \$ 262,368 | \$ (1 |
|---|-------------|------------|-------|

| | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO) | AD |
|--|---|---|---|----|
|--|---|---|---|----|

| | | | | |
|-------------------|-------------|------------|-------------|----|
| Gross unrealized: | | | | |
| Appreciation | \$6,087,319 | \$ 879,601 | \$1,549,795 | \$ |
| Depreciation | (51,517) | (147,350) | (124,480) | (1 |

| | | | | |
|--|-------------|------------|-------------|-------|
| Net unrealized appreciation (depreciation) on investments | \$6,035,802 | \$ 732,251 | \$1,425,315 | \$ (1 |
|--|-------------|------------|-------------|-------|

The tax components of undistributed net investment income and net realized gains at May 31, 2002, the Funds' last fiscal year end, were as follows:

| | GEORGIA PREMIUM INCOME (NPG) | GEORGIA DIVIDEND ADVANTAGE (NZX) | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | ADV |
|---|---------------------------------------|---|---|---|-----|
| Undistributed tax-exempt income | \$686,277 | \$235,839 | \$1,057,462 | \$385,206 | |
| Undistributed ordinary income * | 1,522 | -- | 22,036 | -- | |
| Undistributed net long-term capital gains | -- | -- | -- | -- | |

* Ordinary income consists of taxable market discount income and net short-term capital gains, if any.

The tax character of distributions paid during the period ended May 31, 2002, the Funds' last fiscal year end, were designated for purposes of the dividends paid deduction as follows:

| | GEORGIA PREMIUM INCOME (NPG) | GEORGIA DIVIDEND ADVANTAGE (NZX) | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | ADV |
|--------------------------------------|---------------------------------------|---|---|---|-----|
| Distributions from tax-exempt income | \$3,537,237 | \$892,422 | \$5,824,960 | \$2,119,636 | \$1 |
| Distributions from ordinary income * | 94,734 | -- | -- | -- | |
| Distributions from net long-term | | | | | |

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Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MANAGEMENT FEE |
|--|----------------|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For the next \$3 billion | .5875 |
| For net assets over \$5 billion | .5750 |

Under Georgia Dividend Advantage's (NZX), Georgia Dividend Advantage 2's (NKG), North Carolina Dividend Advantage's (NRB), North Carolina Dividend Advantage 2's (NNO) and North Carolina Dividend Advantage 3's (NII) investment management agreements with the Adviser, each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MANAGEMENT FEE |
|--|----------------|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For net assets over \$2 billion | .5750 |

For the first ten years of Georgia Dividend Advantage's (NZX) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts, and for the time periods set forth below:

| YEAR ENDING SEPTEMBER 30, | YEAR ENDING SEPTEMBER 30, |
|------------------------------|------------------------------|
| 2001* .30% | 2007 .25% |
| 2002 .30 | 2008 .20 |
| 2003 .30 | 2009 .15 |
| 2004 .30 | 2010 .10 |
| 2005 .30 | 2011 .05 |
| 2006 .30 | |

* From the commencement of operations.

The Adviser has not agreed to reimburse Georgia Dividend Advantage (NZX) for any

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portion of its fees and expenses beyond September 30, 2011.

For the first ten years of North Carolina Dividend Advantage's (NRB) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts, and for the time periods set forth below:

| YEAR ENDING JANUARY 31, | | YEAR ENDING JANUARY 31, | |
|----------------------------|------|----------------------------|------|
| 2001* | .30% | 2007 | .25% |
| 2002 | .30 | 2008 | .20 |
| 2003 | .30 | 2009 | .15 |
| 2004 | .30 | 2010 | .10 |
| 2005 | .30 | 2011 | .05 |
| 2006 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse North Carolina Dividend Advantage (NRB) for any portion of its fees and expenses beyond January 31, 2011.

For the first ten years of North Carolina Dividend Advantage 2's (NNO) operations, the Adviser has agreed to reimburse the Fund, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts, and for the time periods set forth below:

| YEAR ENDING NOVEMBER 30, | | YEAR ENDING NOVEMBER 30, | |
|-----------------------------|------|-----------------------------|------|
| 2001* | .30% | 2007 | .25% |
| 2002 | .30 | 2008 | .20 |
| 2003 | .30 | 2009 | .15 |
| 2004 | .30 | 2010 | .10 |
| 2005 | .30 | 2011 | .05 |
| 2006 | .30 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse North Carolina Dividend Advantage 2 (NNO) for any portion of its fees and expenses beyond November 30, 2011.

Notes to
FINANCIAL STATEMENTS (Unaudited) (continued)

For the first eight years of Georgia Dividend Advantage 2's (NKG) and North Carolina Dividend Advantage 3's (NII) operations, the Adviser has agreed to reimburse the Funds, as a percentage of average daily net assets (including net assets attributable to Preferred shares), for fees and expenses in the amounts, and for the time periods set forth below:

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| YEAR ENDING SEPTEMBER 30, | | YEAR ENDING SEPTEMBER 30, | |
|------------------------------|------|------------------------------|------|
| 2002* | .32% | 2007 | .32% |
| 2003 | .32 | 2008 | .24 |
| 2004 | .32 | 2009 | .16 |
| 2005 | .32 | 2010 | .08 |
| 2006 | .32 | | |

* From the commencement of operations.

The Adviser has not agreed to reimburse Georgia Dividend Advantage 2 (NKG) and North Carolina Dividend Advantage 3 (NII) for any portion of its fees and expenses beyond September 30, 2010.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Trustees who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their services to the Funds from the Adviser.

6. DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 30, 2002, to shareholders of record on December 15, 2002, as follows:

| | GEORGIA PREMIUM INCOME (NPG) | GEORGIA DIVIDEND ADVANTAGE (NZX) | GEORGIA DIVIDEND ADVANTAGE 2 (NKG) | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO) | ADVANTAGE 3 (NII) |
|--------------------|---------------------------------------|---|---|---|---|---|----------------------|
| Dividend per share | \$.0715 | \$.0665 | \$.0670 | \$.0715 | \$.0720 | \$.0685 | |

At the same time, the following Funds declared capital gains and ordinary income distributions as follows:

| | GEORGIA DIVIDEND ADVANTAGE (NZX) | NORTH CAROLINA PREMIUM INCOME (NNC) | NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | ADVANTAGE 3 (NII) |
|---|---|---|---|----------------------|
| Capital gains distributions per share | \$.0330 | \$ -- | \$.1311 | |
| Ordinary income distributions per share * | \$.0948 | \$.0031 | \$ -- | |

* Ordinary income consists of taxable market discount income and net short-term capital gains, if any.

Financial
HIGHLIGHTS (Unaudited)

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Financial
HIGHLIGHTS (Unaudited)

Selected data for a Common share outstanding throughout each period:

| | | Investment Operations | | | | | |
|--|-----------------------------|--|---|---|-------|--------|--|
| Beginning Common Share Net Asset Value | Net Investment Income | Net Unrealized Investment Gain (Loss) | Distributions from and in Excess of Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | Total | | |
| ===== | | | | | | | |
| GEORGIA PREMIUM INCOME (NPG) | | | | | | | |
| ----- | | | | | | | |
| Year Ended 5/31: | | | | | | | |
| 2003 (c) | \$14.31 | \$.48 | \$.11 | \$ (.04) | \$ -- | \$.55 | |
| 2002 | 14.15 | 1.02 | .11 | (.12) | -- | 1.01 | |
| 2001 | 12.80 | 1.06 | 1.35 | (.26) | -- | 2.15 | |
| 2000 | 14.45 | 1.03 | (1.65) | (.23) | -- | (.85) | |
| 1999 | 14.58 | 1.01 | (.13) | (.21) | -- | .67 | |
| 1998 | 13.70 | 1.01 | .90 | (.24) | -- | 1.67 | |
| ===== | | | | | | | |
| GEORGIA DIVIDEND ADVANTAGE (NZX) | | | | | | | |
| ----- | | | | | | | |
| Year Ended 5/31: | | | | | | | |
| 2003 (c) | 14.00 | .46 | .47 | (.04) | -- | .89 | |
| 2002 (a) | 14.33 | .58 | (.19) | (.06) | -- | .33 | |
| ===== | | | | | | | |
| GEORGIA DIVIDEND ADVANTAGE 2 (NKG) | | | | | | | |
| ----- | | | | | | | |
| Year Ended 5/31: | | | | | | | |
| 2003 (b) | 14.33 | .05 | (.28) | -- | -- | (.23) | |
| ===== | | | | | | | |

Total Returns

| Offering Costs and Preferred Share | Ending Common Share | Ending | Based on | Based on Common Share Net |
|---|---------------------------|--------|-------------|---------------------------------------|
|---|---------------------------|--------|-------------|---------------------------------------|

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| | Underwriting Discounts | Net Asset Value | Market Value | Market Value** | Asset Value** |
|------------------------------------|---------------------------|--------------------|-----------------|-------------------|------------------|
| ===== | | | | | |
| GEORGIA PREMIUM INCOME (NPG) | | | | | |
| ----- | | | | | |
| Year Ended 5/31: | | | | | |
| 2003 (c) | \$-- | \$14.43 | \$15.9500 | 3.47% | 3.83% |
| 2002 | -- | 14.31 | 15.8300 | 8.98 | 7.32 |
| 2001 | -- | 14.15 | 15.3500 | 30.41 | 16.98 |
| 2000 | -- | 12.80 | 12.4375 | (18.84) | (5.87) |
| 1999 | -- | 14.45 | 16.2500 | 13.42 | 4.64 |
| 1998 | -- | 14.58 | 15.0625 | 14.56 | 12.43 |
| ----- | | | | | |
| GEORGIA DIVIDEND ADVANTAGE (NZX) | | | | | |
| ----- | | | | | |
| Year Ended 5/31: | | | | | |
| 2003 (c) | -- | 14.49 | 14.8000 | 3.12 | 6.36 |
| 2002 (a) | (.19) | 14.00 | 14.7400 | 1.42 | 1.02 |
| ----- | | | | | |
| GEORGIA DIVIDEND ADVANTAGE 2 (NKG) | | | | | |
| ----- | | | | | |
| Year Ended 5/31: | | | | | |
| 2003 (b) | (.21) | 13.82 | 14.4000 | (3.55) | (3.09) |
| ===== | | | | | |

Ratios/Supplemental Data

| | Before Credit/Reimbursement | | | After Credit/Reimbursement*** | | |
|----------------------------------|--|---|---|---|---|--|
| | Ending Net Assets Applicable to Common Shares (000) | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | |
| ===== | | | | | | |
| GEORGIA PREMIUM INCOME (NPG) | | | | | | |
| ----- | | | | | | |
| Year Ended 5/31: | | | | | | |
| 2003 (c) | \$54,460 | 1.30%* | 6.52%* | 1.28%* | 6.54%* | |
| 2002 | 53,909 | 1.37 | 7.12 | 1.35 | 7.13 | |
| 2001 | 53,168 | 1.41 | 7.67 | 1.40 | 7.68 | |
| 2000 | 47,991 | 1.43 | 7.73 | 1.40 | 7.76 | |
| 1999 | 54,022 | 1.34 | 6.87 | 1.33 | 6.88 | |
| 1998 | 54,352 | 1.33 | 7.10 | 1.33 | 7.10 | |
| ----- | | | | | | |
| GEORGIA DIVIDEND ADVANTAGE (NZX) | | | | | | |
| ----- | | | | | | |
| Year Ended 5/31: | | | | | | |
| 2003 (c) | 28,352 | 1.40* | 5.82* | .90* | 6.33* | |
| 2002 (a) | 27,381 | 1.37* | 5.70* | .92* | 6.16* | |
| ----- | | | | | | |
| Year Ended 5/31: | | | | | | |
| 2003 (b) | 62,848 | .89* | 1.58* | .52* | 1.95* | |
| ===== | | | | | | |

| Preferred Shares at End of Period | | | |
|------------------------------------|---|---|--------------------------------|
| | Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share |
| GEORGIA PREMIUM INCOME (NPG) | | | |
| Year Ended 5/31: | | | |
| 2003 (c) | \$27,800 | \$25,000 | \$73,975 |
| 2002 | 27,800 | 25,000 | 73,480 |
| 2001 | 27,800 | 25,000 | 72,813 |
| 2000 | 27,800 | 25,000 | 68,157 |
| 1999 | 27,800 | 25,000 | 73,581 |
| 1998 | 27,800 | 25,000 | 73,878 |
| GEORGIA DIVIDEND ADVANTAGE (NZX) | | | |
| Year Ended 5/31: | | | |
| 2003 (c) | 15,000 | 25,000 | 72,253 |
| 2002 (a) | 15,000 | 25,000 | 70,636 |
| GEORGIA DIVIDEND ADVANTAGE 2 (NKG) | | | |
| Year Ended 5/31: | | | |
| 2003 (b) | 33,000 | 25,000 | 72,612 |

* Annualized.

** Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in Common share net asset value per share. Total returns are not annualized.

*** After custodian fee credit and expense reimbursement, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

(a) For the period September 25, 2001 (commencement of operations) through May 31, 2002.

(b) For the period September 25, 2002 (commencement of operations) through November 30, 2002.

(c) For the six months ended November 30, 2002.

See accompanying notes to financial statements.

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Financial HIGHLIGHTS (Unaudited) (continued)

Selected data for a Common share outstanding throughout each period:

| | | Investment Operations | | | | | |
|---|-----------------------|--|-----------------------|---------------|--|---|-------|
| | | | | | Distributions from and in Excess of Net Investment Income to Preferred Shareholders+ | Distributions from Capital Gains to Preferred Shareholders+ | Total |
| Beginning Common Share Value | Net Investment Income | Realized/Unrealized Investment Gain (Loss) | Net Investment Income | Shareholders+ | Shareholders+ | Total | |
| ===== | | | | | | | |
| NORTH CAROLINA PREMIUM INCOME (NNC) | | | | | | | |
| ----- | | | | | | | |
| Year Ended 5/31: | | | | | | | |
| 2003 (d) | \$14.18 | \$.49 | \$.33 | \$ (.04) | \$ -- | \$.78 | |
| 2002 | 13.94 | 1.02 | .15 | (.13) | -- | 1.04 | |
| 2001 | 12.62 | 1.03 | 1.31 | (.27) | -- | 2.07 | |
| 2000 | 14.28 | 1.02 | (1.61) | (.26) | -- | (.85) | |
| 1999 | 14.48 | 1.02 | (.22) | (.21) | -- | .59 | |
| 1998 | 13.50 | 1.02 | 1.00 | (.25) | -- | 1.77 | |
| NORTH CAROLINA DIVIDEND ADVANTAGE (NRB) | | | | | | | |
| ----- | | | | | | | |
| Year Ended 5/31: | | | | | | | |
| 2003 (d) | 14.39 | .51 | .38 | (.04) | -- | .85 | |
| 2002 | 13.90 | 1.06 | .38 | (.13) | -- | 1.31 | |
| 2001 (a) | 14.33 | .25 | (.26) | (.05) | -- | (.06) | |
| NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO) | | | | | | | |
| ----- | | | | | | | |
| Year Ended 5/31: | | | | | | | |
| 2003 (d) | 14.30 | .47 | .42 | (.05) | -- | .84 | |
| 2002 (b) | 14.33 | .38 | .11 | (.04) | -- | .45 | |
| NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII) | | | | | | | |
| ----- | | | | | | | |
| Year Ended 5/31: | | | | | | | |
| 2003 (c) | 14.33 | .06 | (.26) | -- | -- | (.20) | |
| ===== | | | | | | | |

| | | Total Returns | | | |
|---|-------------------------------------|---|-------------------------|---|-------------------------|
| | | Based on Common Share Net Asset Value** | | Based on Market Value** | |
| Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value** | Based on Common Share Net Asset Value** | Based on Market Value** |
| ===== | | | | | |
| NORTH CAROLINA PREMIUM INCOME (NNC) | | | | | |
| ----- | | | | | |

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| | | | | | |
|------------------|-------|---------|-----------|---------|--------|
| Year Ended 5/31: | | | | | |
| 2003 (d) | \$ -- | \$14.54 | \$15.2500 | (3.39)% | 5.54% |
| 2002 | -- | 14.18 | 16.2100 | 15.44 | 7.62 |
| 2001 | -- | 13.94 | 14.8000 | 14.03 | 16.65 |
| 2000 | -- | 12.62 | 13.6875 | (7.76) | (5.98) |
| 1999 | -- | 14.28 | 15.6875 | 9.87 | 4.11 |
| 1998 | -- | 14.48 | 15.0000 | 8.17 | 13.38 |

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

| | | | | | |
|------------------|-------|-------|---------|------|--------|
| Year Ended 5/31: | | | | | |
| 2003 (d) | -- | 14.81 | 15.4500 | 2.89 | 5.88 |
| 2002 | -- | 14.39 | 15.4400 | 7.54 | 9.58 |
| 2001 (a) | (.17) | 13.90 | 15.1500 | 2.42 | (1.57) |

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

| | | | | | |
|------------------|-------|-------|---------|------|------|
| Year Ended 5/31: | | | | | |
| 2003 (d) | -- | 14.73 | 14.8900 | 2.71 | 5.87 |
| 2002 (b) | (.14) | 14.30 | 14.9000 | 1.64 | 2.22 |

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

| | | | | | |
|------------------|-------|-------|---------|--------|--------|
| Year Ended 5/31: | | | | | |
| 2003 (c) | (.21) | 13.85 | 14.6000 | (2.22) | (2.88) |

Ratios/Supplemental Data

| | Before Credit/Reimbursement | | After Credit/Reimbursement*** | | |
|--|---|--|---|--|--|
| | Ratio of Expenses to Average Net Assets Applicable to Common Shares (000) | Ratio of Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Investment Income to Average Net Assets Applicable to Common Shares++ |

NORTH CAROLINA PREMIUM INCOME (NNC)

| | | | | | |
|------------------|----------|--------|--------|--------|--------|
| Year Ended 5/31: | | | | | |
| 2003 (d) | \$91,642 | 1.29%* | 6.62%* | 1.27%* | 6.65%* |
| 2002 | 89,286 | 1.33 | 7.17 | 1.32 | 7.18 |
| 2001 | 87,614 | 1.34 | 7.47 | 1.30 | 7.51 |
| 2000 | 79,167 | 1.37 | 7.81 | 1.35 | 7.83 |
| 1999 | 89,377 | 1.30 | 6.97 | 1.30 | 6.97 |
| 1998 | 90,470 | 1.30 | 7.17 | 1.30 | 7.17 |

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

| | | | | | |
|------------------|--------|-------|-------|------|-------|
| Year Ended 5/31: | | | | | |
| 2003 (d) | 33,128 | 1.37* | 6.29* | .91* | 6.75* |
| 2002 | 32,148 | 1.44 | 6.86 | .90 | 7.40 |
| 2001 (a) | 31,015 | 1.31* | 5.02* | .85* | 5.48* |

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

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| | | | | | |
|------------------|--------|-------|-------|------|-------|
| Year Ended 5/31: | | | | | |
| 2003 (d) | 54,990 | 1.28* | 5.84* | .78* | 6.33* |
| 2002 (b) | 53,383 | 1.19* | 4.70* | .74* | 5.15* |

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

| | | | | | |
|------------------|--------|------|-------|------|-------|
| Year Ended 5/31: | | | | | |
| 2003 (c) | 54,284 | .90* | 2.27* | .53* | 2.65* |

Preferred Shares at End of Period

| Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share |
|---|---|--------------------------------|
|---|---|--------------------------------|

NORTH CAROLINA PREMIUM INCOME (NNC)

| | | | |
|------------------|----------|----------|----------|
| Year Ended 5/31: | | | |
| 2003 (d) | \$46,800 | \$25,000 | \$73,954 |
| 2002 | 46,800 | 25,000 | 72,695 |
| 2001 | 46,800 | 25,000 | 71,802 |
| 2000 | 46,800 | 25,000 | 67,290 |
| 1999 | 46,800 | 25,000 | 72,744 |
| 1998 | 46,800 | 25,000 | 73,328 |

NORTH CAROLINA DIVIDEND ADVANTAGE (NRB)

| | | | |
|------------------|--------|--------|--------|
| Year Ended 5/31: | | | |
| 2003 (d) | 17,000 | 25,000 | 73,718 |
| 2002 | 17,000 | 25,000 | 72,277 |
| 2001 (a) | 17,000 | 25,000 | 70,610 |

NORTH CAROLINA DIVIDEND ADVANTAGE 2 (NNO)

| | | | |
|------------------|--------|--------|--------|
| Year Ended 5/31: | | | |
| 2003 (d) | 28,000 | 25,000 | 74,098 |
| 2002 (b) | 28,000 | 25,000 | 72,664 |

NORTH CAROLINA DIVIDEND ADVANTAGE 3 (NII)

| | | | |
|------------------|--------|--------|--------|
| Year Ended 5/31: | | | |
| 2003 (c) | 28,000 | 25,000 | 73,468 |

* Annualized.

** Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in Common share net asset value per share. Total returns are not annualized.

*** After custodian fee credit and expense reimbursement, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

- (a) For the period January 31, 2001 (commencement of operations) through May 31, 2001.
- (b) For the period November 16, 2001 (commencement of operations) through May 31, 2002.
- (c) For the period September 25, 2002 (commencement of operations) through November 30, 2002.
- (d) For the six months ended November 30, 2002.

See accompanying notes to financial statements.

50-51 SPREAD

Build Your Wealth
AUTOMATICALLY

SIDEBAR TEXT: NUVEEN MAKES REINVESTING EASY. A PHONE CALL IS ALL IT TAKES TO SET UP YOUR REINVESTMENT ACCOUNT.

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Exchange-Traded Fund allows you to conveniently reinvest dividends and/or capital gains distributions in additional fund shares.

By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of tax-free compounding. Just like dividends or distributions in cash, there may be times when income or capital gains taxes may be payable on dividends or distributions that are reinvested.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

EASY AND CONVENIENT

To make recordkeeping easy and convenient, each month you'll receive a statement showing your total dividends and distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of shares may increase before purchases are completed, the average purchase price

per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBILITY

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

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Fund INFORMATION

BOARD OF TRUSTEES

Robert P. Bremner
Lawrence H. Brown
Anne E. Impellizzeri
Peter R. Sawers
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale

FUND MANAGER

Nuveen Advisory Corp.
333 West Wacker Drive
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CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust
Nuveen Funds
P.O. Box 43071

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LEGAL COUNSEL
Morgan, Lewis &
Bockius LLP
Washington, D.C.

INDEPENDENT AUDITORS
Ernst & Young LLP
Chicago, IL

GLOSSARY OF TERMS USED IN THIS REPORT

AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return (including change in NAV and reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered.

AVERAGE EFFECTIVE MATURITY: The average of all the maturities of the bonds in a fund's portfolio, computed by weighting each maturity date (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions.

LEVERAGE-ADJUSTED DURATION: Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund.

MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market price.

NET ASSET VALUE (NAV): A fund's NAV is calculated by subtracting the liabilities of the fund from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

Each Fund intends to repurchase shares of its own common or preferred stock in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the period ended November 30, 2002. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

Serving Investors
FOR GENERATIONS

Photo of: John Nuveen, Sr.

For over a century, generations of Americans have relied on Nuveen Investments to help them grow and keep the money they've earned. Financial advisors, investors and their families have associated Nuveen Investments with quality, expertise and dependability since 1898. That is why financial advisors have

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entrusted the assets of more than 1.3 million investors to Nuveen.

With the know-how that comes from a century of experience, Nuveen continues to build upon its reputation for quality. Now, financial advisors and investors can count on Nuveen Investments to help them design customized solutions that meet the far-reaching financial goals unique to family wealth strategies - solutions that can translate into legacies.

To find out more about how Nuveen Investments' products and services can help you preserve your financial security, talk with your financial advisor, or call us at (800) 257-8787 for more information, including a prospectus where applicable. Please read that information carefully before you invest.

Logo: NUVEEN Investments

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