



Glamorous? Nope.



It takes one kilowatt-hour of electricity to power a single 100-watt light bulb for 10 hours. Last year, Southern Company's customers used more than 192 billion kilowatt-hours. That much power would be enough to keep that bulb going for about 219 million years. No wonder we think the future looks bright.

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Exceptional? **Yes.**

We are Southern Company, the premier super-regional energy company serving the Southeast and one of America's largest electricity producers. Our stable, low-risk business model may not seem glamorous. That's by choice. We'd rather be known for solid performance, which we have achieved consistently, than for trying to be flashy. We are charting a steady course and focusing on the basics. That's how we've delivered solid returns for our shareholders. Providing energy that's reliable and affordable with superior service also has made Southern Company a perennial leader in customer satisfaction. Sure, we're not glamorous. But there's a good word for our results – **exceptional.**

	2003	2002	Change
Operating revenues <i>(in millions)</i>	\$11,251	\$10,549	6.7 %
Earnings from continuing operations <i>(in millions)</i>	\$1,474	\$1,318	11.8 %
Basic earnings per share	\$2.03	\$1.86	9.1 %
Diluted earnings per share	\$2.02	\$1.85	9.2 %
Dividends per share	\$1.38^{1/2}	\$1.35 ^{1/2}	2.2 %
Dividend yield <i>(percent)</i>	4.6	4.8	(4.2)%
Average shares outstanding <i>(in millions)</i>	727	708	2.6 %
Return on average common equity <i>(percent)</i>	16.05	15.79	1.6 %
Book value per share	\$13.13	\$12.16	8.0 %
Market price <i>(year-end, closing)</i>	\$30.25	\$28.39	6.6 %
Total market value of common stock <i>(year-end, in millions)</i>	\$22,229	\$20,339	9.3 %
Total assets <i>(in millions)</i>	\$35,045	\$33,721	3.9 %
Total Kilowatt-Hour sales <i>(in millions)</i>	192,138	184,436	4.2 %
Retail	151,618	151,885	(0.2)%
Sales for resale	40,520	32,551	24.5 %
Total number of customers <i>(year-end, in thousands)</i>	4,136	4,068	1.7 %



David M. Ratcliffe
CEO, Georgia Power
President-Elect, Southern Company

Allen Franklin
Chairman, President,
and CEO

In December, Southern Company announced a succession and management transition plan that included the retirement of Chairman, President, and CEO Allen Franklin in July 2004. David M. Ratcliffe, currently CEO of Georgia Power, will become Southern Company president in April. Ratcliffe will become chairman and CEO of Southern Company upon Franklin's retirement.



Allen Franklin
Chairman, President, and CEO

Something we strive for at Southern Company is consistency. It's the common thread tying together the many things that I believe make our company truly exceptional.

Our disciplined approach to the business and focus on the fundamentals have produced a record of consistent success.

The past year illustrates what I mean. As they have so many times before, Southern Company people did an outstanding job in 2003. We met or exceeded our financial, operational, and customer satisfaction goals. Reported earnings were \$1.47 billion, or \$2.03 per share. That's a record for Southern Company, including the period before the Mirant spinoff in 2001. Our focus on the business, customers, and region we know best has proven to be right for us.

If you want to know what kind of company we are, look at how we achieve our results. Our profile is clear. We intend to be a stable, income-producing investment with predictable earnings growth. We stay focused on meeting our long-term objectives while the business fads of the moment come and go.

A SOLID CORE

Our core business is generating and delivering electricity in the Southeast. We do that very well.

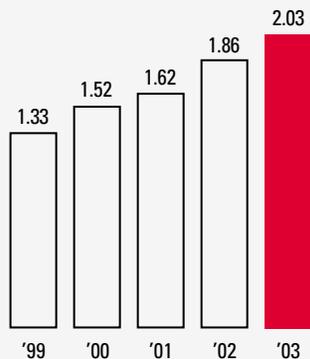
The 2003 results from our regulated retail business, our biggest business, were solid. We faced mild weather most of the year. That meant retail customers used less electricity. But the Southeast continues to grow and we gained 68,000 new customers. That offset some of the negative effects of the weather. And in an encouraging sign about the economy, we saw sales to industrial customers increasing late in the year.

Reliably serving our customers requires well-planned and properly operated generation and power delivery systems.

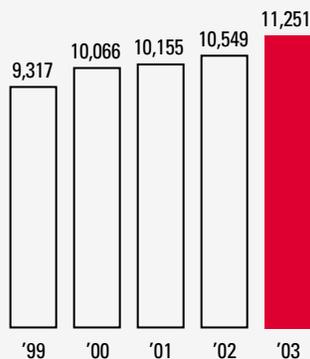
We have that. Our plants operated at record levels of reliability in 2003. And we continued to invest in transmission and distribution facilities. The importance of a well-maintained system was unfortunately demonstrated last summer when the Northeast suffered a widespread blackout. No utility can guarantee there never will be a blackout. But our actions speak louder than words about the importance we place on reliability. This has a direct impact on customer satisfaction, which is a priority for our people.

Competitive generation is the higher-growth part of our business. It had an excellent year. In general, we build competitive generation capacity only after securing long-term contracts with wholesale customers for the output. This approach fits our low-risk profile and has helped protect us from the price volatility in wholesale markets that has hurt some other players. Last year we began operations at Plant Stanton A, a new competitive generation facility serving three utilities in central Florida. It's a good indicator of the potential for growth in the expansive area we call the "Super Southeast." Our competitive generation business also benefited from more short-term energy sales opportunities than had been expected. Mild weather in our service area made more of our lower-cost coal generation available for the wholesale market. And higher natural gas prices expanded the opportunities to sell energy from the coal-fired generation to wholesale customers. Our goal was to earn more than \$200 million from competitive generation by 2005. We achieved that in 2003, and now we've set the bar higher with a goal to earn \$300 million by 2007.

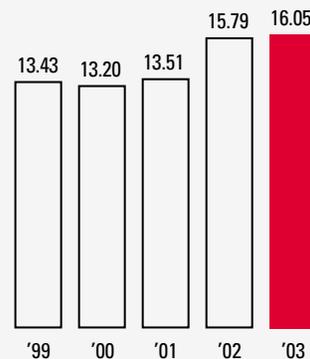
We have an important role to play in continuing to make the environment better. We accept this responsibility. We have



Earnings per Share
(in dollars)



Operating Revenues
(in millions of dollars)



Return on Average Common Equity
(percent)

continued our progress in reducing emissions of nitrogen oxides and sulfur dioxide. In Atlanta, the largest metropolitan area we serve, we have made a major investment in plant controls that has significantly reduced our impact on smog. We're actively working, both on our own and with other parties, to find effective ways to reduce releases of carbon dioxide and mercury. The challenge to continue and expand environmental improvement while keeping energy affordable is greatest in regions like the Southeast that are growing. We've made real progress and we plan to continue major investments in environmental controls while searching for better technological solutions. We are doing our part to create a healthier environment. After all, we live here too.

THE NEXT PHASE

Late last year, I announced my plans to retire in July. As part of a succession and management transition plan, David Ratcliffe will become president in April, and chairman and CEO in July.

Personally, after 34 years with this great company, it is a good time to make a change. From the company's standpoint, it's also a good time for a change. We've achieved the goals we set at the time of the Mirant spinoff. Among other things, we fully implemented our regional strategy, strengthened the balance sheet, consistently met our earnings growth objectives, and got back on track with dividend increases. Now it's time to move to the next phase, focusing on continuing earnings growth over the long term while preserving the low-risk characteristics of the company.

David is a great choice to lead the company. For more than 20 years, I've known David and seen him produce excellent

results, most recently as CEO of Georgia Power, our largest subsidiary. Furthermore, David has been involved in all the key strategic discussions in recent years that have produced such good results for shareholders, customers, employees, and the communities we serve.

This transition speaks to one of the great strengths of Southern Company—the commitment, dedication, and talent of our people. We have a history of developing people and promoting from within. This transition has created stability and confidence that Southern Company will stay the course. It makes me feel very confident about the future of the company.

Coming to work for Southern Company was one of the best decisions I've ever made. I'm fortunate to have been part of a company that provides the kind of essential service that Southern Company does, that plays such a positive role in the communities we serve, and that has been so good to investors over the years. The company has been flexible enough to meet changes in the business environment. But the basic values haven't changed—integrity, honesty, being active as a good citizen, and serving customers well. None of that has changed, nor do I expect it will. Your company is in good hands.

Allen Franklin
March 15, 2004



David M. Ratcliffe
CEO, Georgia Power
President-Elect, Southern Company

The recent history of Southern Company is that of a company hitting on all cylinders. To say we are at the top of our game is not an exaggeration.

Being named to lead a company that's in such good shape is exciting. Let me share with you why I believe your confidence in this company is well placed.

Our history and our strategy are rooted in the Southeast. People and businesses continue to be attracted to this region, which makes it one of the fastest-growing in the nation. More and more new customers are enjoying Southern Company's reliable and affordable energy each year. This is a major reason we believe we can continue to deliver long-term earnings growth that will average 5 percent a year. Our commitment to the dividend as a key component of total return also remains solid.

Our strategic mix of a large regulated retail business and a growing, yet conservatively structured, competitive generation business has been a winning combination. That's something we've demonstrated by focusing on customer satisfaction, operational excellence, and constructive relationships with stakeholders in all our businesses. I believe good results will be achieved by continuing to successfully execute this strategy. Because our employees are the key to our success, we will continue to provide a safe work place and a culture that rewards achievement. As our work force demographics change, we've been implementing stronger diversity programs throughout the company. That will strengthen our commitment to make Southern Company a great place to work. All of this is part of what we are committed to as "Southern Style" – the principles and corporate values that define our people and the way we do business.

Southern Company has a strong management team working for you. Combined, our 15-member management council has more than 300 years experience with this company. That's a tremendous statement about the confidence we have in our leadership. There's a lot of knowledge here about our people, our strategies, and our business realities. That doesn't mean we don't have healthy debate or that we don't encourage different points of view and rigorous analysis. When you have people who have been through all the discussions and have ownership of the strategies, it's easier to focus on the implementation. I think the benefit to our shareholders is huge.

A SEAMLESS TRANSITION

I've been asked many times in the past few months if Southern Company is in for any big changes. Every successful company must evolve and respond to changing business challenges. And we will certainly find ways to continue to improve. But in terms of our overall direction, no major "fixing" is needed. That's something a lot of companies can't say. We have a good strategy and a good implementation plan, with the right people to get it done.

The specifics of our strategy are in most ways consistent with what has been in place the past few years. The strategy is focused geographically on the Southeast and on the two main businesses—our five regulated utilities and growing competitive generation business—that together accounted for almost all our earnings in 2003.

About David M. Ratcliffe

Age 55

Born in Tifton, Georgia

Joined Southern Company as a biologist with Georgia Power in 1971

CEO of Georgia Power since 1999

Previous positions include President and CEO of Mississippi Power as well as executive and management positions in environmental affairs, external affairs, finance, fuel services, marketing and research, operations, and planning.

Our goals are as follows:

- Exhibit “Southern Style” values, behaviors, and actions in all aspects of our business.
- Lead the industry in service and customer satisfaction.
- Continue to earn top-quartile returns, with a long-term earnings-per-share growth rate of 5 percent, while delivering a sustainable and growing dividend to our shareholders.
- Increase the earnings of our competitive generation business to \$300 million by 2007.

Our strategy is focused on the things we do well in the geographic region we understand. Most important, the company is made up of nearly 26,000 men and women who are committed to creating shareholder value, satisfying customers, and being good corporate citizens. We are focused on superior performance in order to extend our record of success. So there really is no need for any dramatic change in how we do business. The things we’ve been doing are working well. Our approach remains disciplined and focused on sustained long-term results.

SALUTING ALLEN FRANKLIN

We are fortunate as Southern Company shareholders, customers, and employees to have been led by Allen Franklin and to have had his dedication and commitment for 34 years. I got to know Allen in the mid-1980s, and I’ve had the pleasure of working with him ever since. I really appreciate how smart he is, how hard he works, and how well he understands this business.

He has the respect of Southern Company people, industry peers, the financial community, and senior government leaders. People know that when Allen talks, it’s worth listening because he knows what he’s talking about. He’s a straight arrow, a quality that stands out even more these days amid the failures in leadership we’ve seen in corporate America. All of us associated with Southern Company have benefited from Allen’s leadership. Please join me in saluting him for the great successes we’ve had and in thanking him for his part in making Southern Company a leader in the industry.

As I’ve said, Southern Company is in very good shape. We’ve got a demonstrated track record of success, and we have high expectations for the future. We have a sound business plan and an excellent team. Therefore, I am excited and confident about what’s ahead for our company. There are issues and challenges for us to address, with national energy and environmental policies and the growing demand for energy among the most critical. We will act on these and other matters in the best interests of our customers, our shareholders, and the communities we serve. And we will work hard to continue to earn the trust and admiration you’ve shown by investing in Southern Company.



David M. Ratcliffe
March 15, 2004

So, how do you become
Exceptional?

“Most admired”

*“America’s Most Admired” electric and gas utility—
FORTUNE magazine, third year in a row.*

“Utility of the Year”—Electric Light & Power magazine

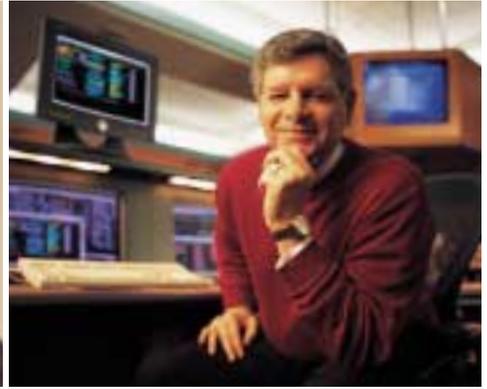
Focus.

It’s the key to the actions that turn strategies and goals into solid results.

By staying focused on what we do best, we’ve achieved much success.

And we continue to reach even higher. We work hard.

**We think ahead. We act responsibly. On the following pages,
learn more about how we are focused on excelling in key areas that
are essential to our continued success.**



We are moving to expand our business in areas surrounding our retail service territory. A shining example is Plant Stanton A, a new competitive generation facility in central Florida. The plant, a partnership with three wholesale customers, is operated by Southern Company. With employees such as plant team leader **Joe Miller**, we are meeting the growing energy needs of customers in the Southeast.

Southern Company people continue to sharpen their customer satisfaction focus in many ways, such as participating in *The Customer*® training from Integrity Systems Inc. **Debbie Dixon** of Georgia Power's training and development department is one of the facilitators. More than 4,000 employees so far have taken part in the program, which is helping to take the company to new heights in customer satisfaction.

With 28,000 miles of transmission lines in the Southern Company system, managing the flow of power is a big job. **Mike Hardy**, system dispatcher at our Power Coordination Center, brings a level of experience, skill, and knowledge equal to the task. At the high-tech facility in Birmingham, Alabama, Hardy and team members balance capacity, demand, and transmission capability so that power keeps moving reliably.

Offer valuable services.

Our main product—electricity—is an everyday necessity. We bring the diverse backgrounds, perspectives, and talents of nearly 26,000 employees together so that more than 4 million customers in the Southeast always have the power they need.

REGULATED UTILITIES

With electric utilities in four states, this is our largest business. It contributed about 86 percent of our total earnings in 2003.

	CUSTOMERS	2003 NET INCOME	SERVICE AREA
ALABAMA POWER	1.4 million	\$473 million	44,500 square miles in the southern two-thirds of Alabama
GEORGIA POWER	2.0 million	\$631 million	57,000 square miles in all but six of Georgia's 159 counties
GULF POWER	394,000	\$69 million	7,400 square miles in 10 counties in northwest Florida
MISSISSIPPI POWER	193,000	\$73 million	11,500 square miles in 23 counties in southeast Mississippi
SAVANNAH ELECTRIC	140,000	\$23 million	2,000 square miles in five counties in southeast Georgia



Our generating plants operated at record levels of efficiency in 2003. Such operational excellence reflects the work of plant employees like **James Brown**, an equipment operator at Alabama Power's Plant Miller. By focusing on safety, teamwork, and operational excellence, we have the power available when it is needed. That's a key factor that helps power Southern Company's solid financial results.

Southern Company's commitment to the environment is embodied in our people. We have more than 400 employees across the company with environmental responsibilities. **Mitzi Houk**, a compliance specialist at Mississippi Power, monitors the environmental performance at Plant Daniel. She is part of a team dedicated to properly managing our environmental performance now and in the future.

Good people and the right tools add up to great customer service. **Phil Moreland**, a Georgia Power troubleman, uses an Automated Resource Management System laptop computer in his truck to complete an outdoor lighting repair order. An example of how we apply proven technologies to the specific needs of our business, ARMS simplifies work orders and helps us respond to customers more quickly and efficiently.

A LONG-TERM RETURN LEADER

Total Return (percent)	3-Year	5-Year	10-Year
Southern Company	20.0	16.9	14.3
S&P 500 Electric Utility Index	(4.3)	2.4	6.5
S&P 500 Index	(4.0)	(0.6)	11.1

Annual returns for the period ending Dec. 31, 2003. Assumes dividends were reinvested.

HIGHEST MARKET VALUE IN THE INDUSTRY

Market Value Ranking – S&P 500 Electric Utility Index (year-end, 2003)	
1. Southern Company	\$22.2 billion
2. Exelon Corp.	\$21.8 billion
3. Dominion Resources	\$20.7 billion
4. Entergy Corp.	\$13.1 billion
5. FPL Group	\$12.1 billion

COMPETITIVE GENERATION

The higher-growth part of our business serves wholesale power customers in the Southeast, primarily through long-term contracts. It includes our wholesale operating company **SOUTHERN POWER** and also our regulated utilities' wholesale income.

CAPACITY

Southern Power has about 4,800 megawatts of generating capacity in commercial operation dedicated to the competitive wholesale market. We plan to increase competitive generation capacity to about 6,000 megawatts by the end of 2005.

CUSTOMERS

Wholesale customers currently include about 75 investor-owned utilities, electric cooperatives, and municipalities in Alabama, Florida, Georgia, Kentucky, Mississippi, and the Carolinas.

EARNINGS

Net income from competitive generation has grown from \$111 million in 2000 to \$224 million in 2003. Our goal is to earn \$300 million from the competitive generation business by 2007.

OTHER MAJOR SUBSIDIARIES AND BUSINESS UNITS

SOUTHERN NUCLEAR

The licensed operator of Southern Company's three nuclear generating plants in Alabama and Georgia.

SOUTHERN LINC

A wireless communications network with 269,000 subscribers in the Southeast.

SOUTHERN TELECOM

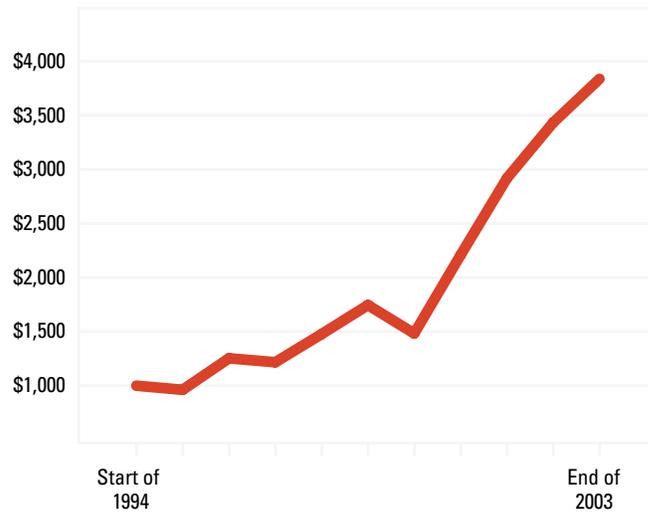
A telecommunications subsidiary providing wholesale dark fiber optic solutions to businesses in the Southeast.

SOUTHERN COMPANY GAS

A competitive retail natural gas company serving 192,000 customers in Georgia.

SOUTHERN COMPANY ENERGY SOLUTIONS

An unregulated subsidiary providing a broad range of consulting and project-based energy services to help large businesses and institutions reduce energy costs and improve efficiency.



Focused on long-term total shareholder return

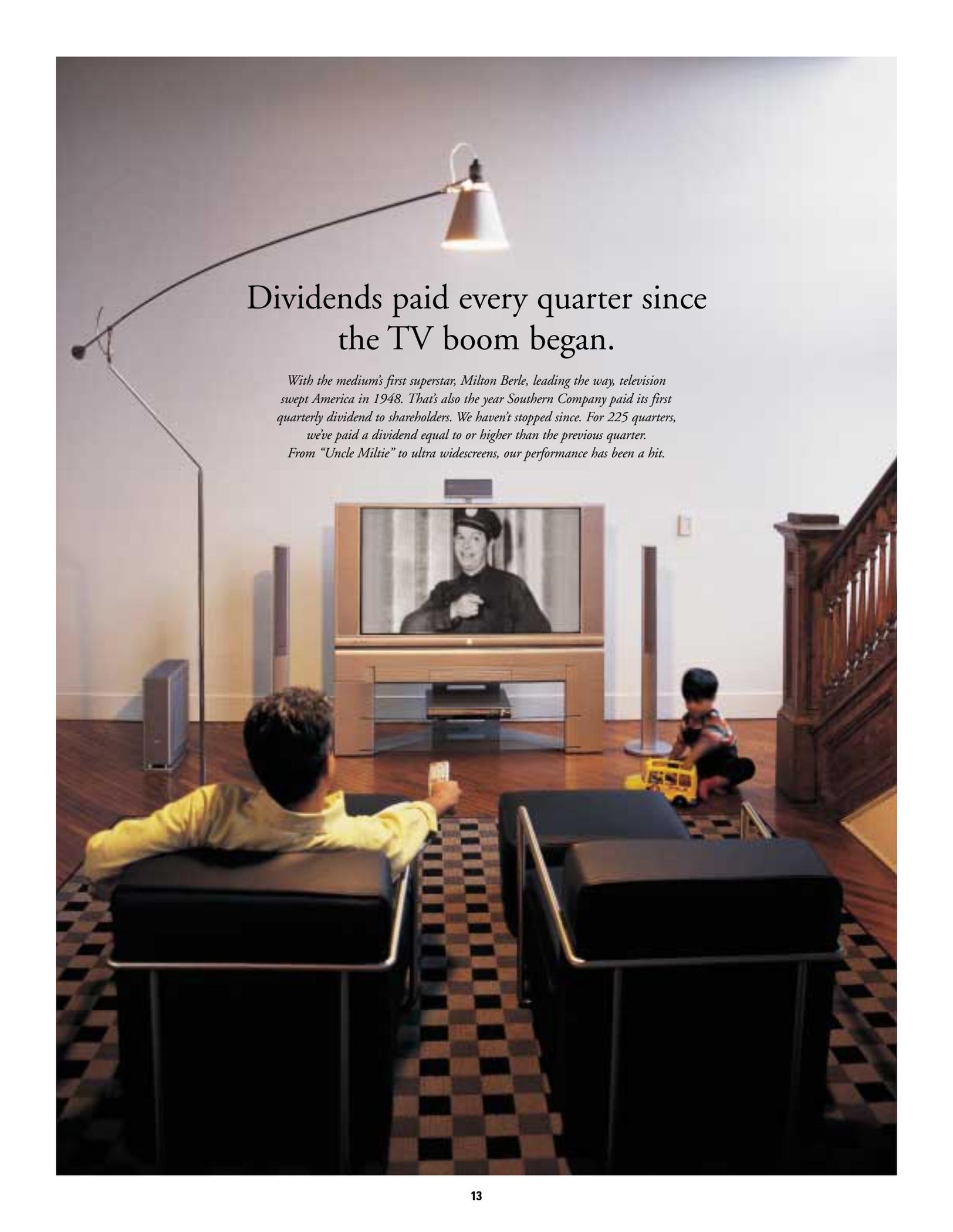
A \$1,000 investment in Southern Company common stock on the first market day of 1994 would have been worth \$3,836 at the end of 2003, assuming dividends were reinvested. The returns shown in this chart have been adjusted to reflect the spinoff of Mirant Corp. in 2001.

Show steady results.

PROVEN STRATEGY. Southern Company's strategy is designed to produce solid long-term results. We strive for stability in our earnings. Our track record is good. Our objective is to deliver long-term earnings-per-share growth that averages 5 percent a year. Our current dividend yield is nearly 5 percent and we have a record of paying a quarterly dividend consistently for 56 years. Most of our revenues and earnings come from our regulated retail business, which includes utilities in Alabama, Florida, Georgia, and Mississippi. We are a vertically integrated utility company with about 34,000 megawatts of regulated generation, 28,000 miles of transmission lines, and an expansive distribution system. We also have a growing competitive generation business. Our Southern Power subsidiary currently has approximately 4,800 megawatts of capacity in commercial operation. With almost all of this capacity committed to long-term contracts, our competitive generation business fits our overall low-risk profile.

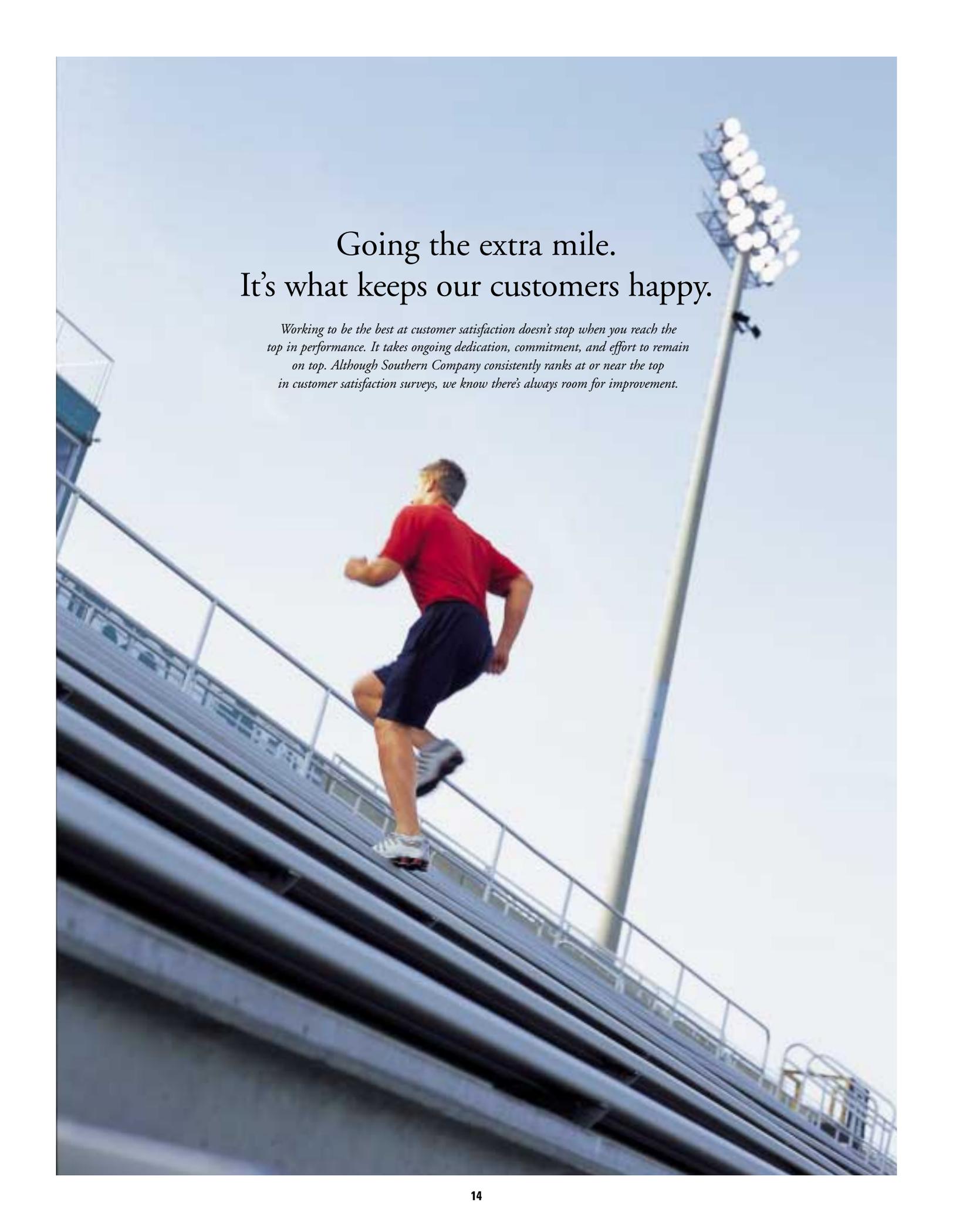
GROWTH AREA. We are focused on the Southeast, a region that has a growing need for energy. In our regulated business, we expect average long-term demand growth of about 2 percent a year and customer growth of 1.5 percent a year. We expect our competitive wholesale generation business, with customers both inside our traditional service territory and in surrounding Southeastern states, to have an additional 1,200 megawatts in operation by the middle of 2005.

STABLE PRESENCE. We have been serving customers in the Southeast for more than 75 years. Our customers know us, and we know them. We are active in the communities we serve, and we work hard to maintain constructive relationships with policymakers and regulatory agencies. Our conservative, disciplined approach to the business seeks to benefit shareholders, customers, employees, and the places where we do business.



Dividends paid every quarter since the TV boom began.

With the medium's first superstar, Milton Berle, leading the way, television swept America in 1948. That's also the year Southern Company paid its first quarterly dividend to shareholders. We haven't stopped since. For 225 quarters, we've paid a dividend equal to or higher than the previous quarter. From "Uncle Miltie" to ultra widescreens, our performance has been a hit.



Going the extra mile.
It's what keeps our customers happy.

Working to be the best at customer satisfaction doesn't stop when you reach the top in performance. It takes ongoing dedication, commitment, and effort to remain on top. Although Southern Company consistently ranks at or near the top in customer satisfaction surveys, we know there's always room for improvement.

Ranked highest

Southern Company has ranked above all other energy utilities four years in a row in the prestigious American Customer Satisfaction Index, compiled by the University of Michigan Business School. In addition, we tied FedEx Corp. in 2003 for the highest score among all service industry companies surveyed.

In 2003, for the fourth consecutive year, J.D. Power and Associates ranked Southern Company highest for overall customer satisfaction for electric service to midsize business customers in the South Region.

*J.D. Power and Associates 2000-2003 Electric Utility Midsize Business Customer Satisfaction Studies.SM
2003 study based on a total of 6,937 midsize business customer responses.
In the southern U.S., the top nine largest electric companies were ranked in the study.*

Always **strive** to be better.

HIGH PRIORITY. It starts with a deep commitment to keeping customers satisfied. At Southern Company, customer service is a key part of the overall business strategy. It's a factor in the decisions we make and the actions we take every day. In surveys and studies, customers say Southern Company is doing a good job. Next time they're asked, we want them to say we're doing even better. So we're working even harder than before. To ensure the flow of electricity is reliable. To keep prices significantly below the national average. And to listen and respond quickly and effectively when a problem does arise.

INNOVATION. Some of the things we do to keep customers satisfied are visible and obvious. Some happen behind the scenes. One example of how Southern Company is applying technology to achieve better customer satisfaction results is the Automated Resource Management System, or ARMS, a high-tech way to

give our people in the field maximum information on service orders. Among other things, ARMS allows orders related to electric service to be transferred between trucks to maximize the number of jobs completed each day. Information sent back through ARMS from the field can also help provide our customers with better information on the status of the work. ARMS is now in use across the Southern Company system.

REACHING OUT. A lot of customer satisfaction comes from plain old caring about our customers. Throughout the company, in ways big and small, we demonstrate that we care and want to serve our customers better. Some recent examples include new billing options in Georgia, "thank you" calls to customers in Alabama, and an aggressive effort to further improve meter reading accuracy in Florida. We are sincere and tireless in our desire to keep customers happy.

Keep your house in order.

A STRONG SYSTEM. In the simplest terms, we're in the business of generating power and getting it to customers. To do that reliably and efficiently, we've got to keep our system strong. That requires an ongoing investment in capacity and maintenance and the expertise to make it all run safely and dependably. With proper planning, investment, and a focus on operational excellence, Southern Company has the ability to serve the increasing population and demand for energy in the Southeast.

WE'RE GENERATING RECORDS. Two of the most significant measures of generating plant reliability are the equivalent forced outage rate (EFOR) and commercial availability. Southern Company's fossil and hydro plants passed these tests with flying colors in 2003. EFOR is the ratio of a unit's forced outage time versus in-service time; the lower the rate, the better. Our EFOR during the peak season of May through September was 1.68 percent, the best ever for Southern Company's fossil fuel generation fleet. Our nuclear plants' 2003 peak-season EFOR was 0.2 percent, the lowest ever by the nuclear fleet for that period.

Commercial availability measures a unit's full-load availability when the system needs it; the higher the percentage, the better. Overall commercial availability for 2003 was 95.89 percent, also the best performance in company history. To meet the demands of customers, our generating units must be available. We're breaking records to make sure they are.

MOVING ALONG. Transmission lines have been called the highways of the electricity delivery system. For customers to have reliable power, the traffic has to keep flowing. That's why a well-maintained transmission system that keeps pace with demand growth is so important. We have maintained our existing lines and added capacity when needed. In the past three years, Southern Company has invested \$2.7 billion in transmission and distribution lines, and an additional \$3.0 billion investment is projected through 2006. In 2003, we constructed more than 145 miles of new transmission lines and modified an additional 560 miles to higher voltage levels. Our goal is to keep the road to reliability running smoothly.

Investing in the future

Projected Capital Expenditures 2004-2006 (in billions of dollars)

Generation	
Environmental	\$1.4
New competitive generation	0.9
Fossil/hydro retrofits	0.7
Nuclear fuel and retrofits	0.5
Transmission/distribution	3.0
Other (regulated infrastructure)	0.4
Products/services and other	0.1
Total capital expenditures	\$7.0

A model of performance in our industry.

*When you work hard to keep your place in top shape, it's nice to be recognized.
So we are proud that Alabama Power's Plant Miller won the
"Large Plant Best Performer Award" from the Electric Utility Cost Group.
Miller was cited by the industry organization specifically for its
high reliability and low operating costs.*





Generation up.
32%

Electricity generated by Southern Company has increased 32 percent since 1990 as demand for electricity and the population of the Southeast have grown.

Emissions down.
37%

Since 1990, combined overall emissions of sulfur dioxide and nitrogen oxides by Southern Company are down more than 37 percent as a result of additional environmental controls and other efforts.

Arrive at the proper balance.

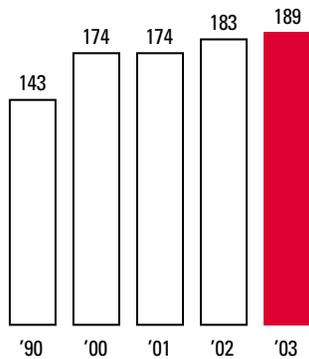
WE'RE PART OF THE SOLUTION. The population clearly is growing and using more energy. We have a responsibility to meet these needs, and we're doing so. We balance this with a strong commitment to the environment and a record of doing our part to make sure the Southeast remains an environmentally healthy place to live. Progress is being made, here and elsewhere. The U.S. Environmental Protection Agency reported last year that in terms of the presence of the six most common air pollutants, the nation's air is significantly cleaner today than it was 34 years ago. Those pollutants have been reduced by nearly half since 1970, while national energy consumption has risen 42 percent. Meeting the demand for more reliable and cost-effective energy while also caring for the environment is an ongoing challenge. We are an important part of the solution and will continue to be.

CLEANER ENERGY. Our commitment is to meet or exceed all federal, state, and local environmental regulations in our operations. Since 1990, we have invested more than \$1.5 billion in environmental controls and in other efforts to reduce emissions of nitrogen oxides (NO_x) and sulfur dioxide (SO₂), which can contribute to smog and particulate matter in the air. As a result, emissions of NO_x and SO₂ are down meaningfully. In another area of particular concern, we have avoided or offset 74 million

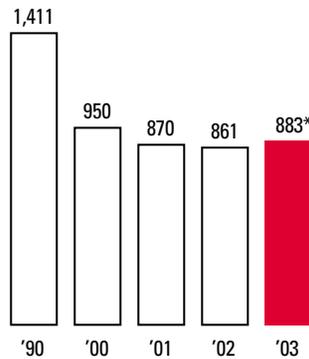
metric tons of carbon dioxide (CO₂) over the past 10 years. Southern Company projects an additional \$5 billion investment over the next decade in control systems to further reduce NO_x and SO₂, as well as lower our mercury emissions. Most of the generation that we are adding is fueled by cleaner-burning natural gas. The increased contribution of natural gas in our fuel mix plus a combination of alternative fuels, new technologies, and ongoing climate initiatives will help us address the challenge of reducing CO₂ emissions over the long term.

NEW WAYS. There are many avenues to environmental solutions. We are a leader in research to find more efficient and cost-effective generating and emission-control technologies. Our current research projects that have produced promising results for the long term include coal-to-gas technology, mercury-control technology, carbon sequestration, and biomass technologies. We also contribute to the improvement of our environment through community activities and partnerships with organizations, including the National Fish and Wildlife Foundation.

For a detailed look at Southern Company's environmental work, refer to our Environmental Progress Report. For information on how to request a copy, see page 74 of the annual report.

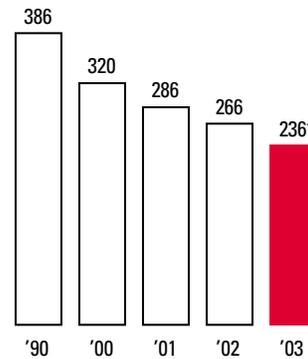


Southern Company Generation
(kilowatt-hours in billions)



Sulfur Dioxide (SO₂) Emissions
(in thousand tons)

* Preliminary



Nitrogen Oxide (NO_x) Emissions
(in thousand tons)

* Preliminary

Our senior management members
have been with the company an
average of 28 years.

*Our focus on developing leaders is evident in our Management Council,
which is composed of key executives from the major business lines
and geographical areas we serve. All of the members have long tenures
with Southern Company and have worked in a wide variety of
capacities and functional areas.*

Develop an outstanding team.

W. George Hairston III
President and CEO
Southern Nuclear
Age 59
Joined SO 1967

G. Edison Holland Jr.
Executive VP
Southern Company,
General Counsel
Age 51
Joined SO 1992

Leonard J. Haynes
Executive VP
Southern Company,
Chief Marketing Officer
Age 53
Joined SO 1977

Anthony R. James
President and CEO
Savannah Electric
Age 53
Joined SO 1978

Dwight H. Evans
Executive VP
Southern Company,
President, External
Affairs Group
Age 55
Joined SO 1970

Anthony J. Topazi
President and CEO
Mississippi Power
Age 53
Joined SO 1969



EXCEPTIONAL LEADERSHIP. People development, teamwork, and disciplined decision-making are hallmarks of Southern Company's management philosophy. By developing leaders primarily from within, the company has a reputation for depth and consistency. The leadership also is involved as a team in developing strategies, so that our strategies and associated goals are well understood and fully supported throughout the company. And when leadership changes are made, the transition tends to be seamless. Our management team is focused and has a track

record of delivering shareholder value. We are developing the next generation of Southern Company leaders today, with a special emphasis on recognizing the importance of diversity in backgrounds, perspectives, and ideas. As a result, more minorities and women are joining the company and moving into leadership positions. In 2003, more than 31 percent of new hires were minorities and nearly 36 percent were women. Almost 16 percent of leadership-position promotions went to minorities and more than 26 percent went to women.

Michael D. Garrett
 President
 Georgia Power
 Age 54
 Joined SO 1968
*To become CEO of
 Georgia Power in April*

Charles D. McCrary
 Executive VP
 Southern Company,
 President and CEO
 Alabama Power
 Age 52
 Joined SO 1970

Robert G. Dawson
 President and CEO
 Southern LINC and
 Southern Telecom
 Age 57
 Joined SO 1964

Andrew J. Dearman III
 Chief Transmission
 Officer
 Southern Company
 Age 50
 Joined SO 1975

Susan N. Story
 President and CEO
 Gulf Power
 Age 44
 Joined SO 1982

W. Paul Bowers
 President, Southern
 Company Generation
 & Energy Marketing,
 President and CEO
 Southern Power
 Age 47
 Joined SO 1979

Thomas A. Fanning
 Executive VP
 Southern Company,
 Chief Financial Officer
 Age 47
 Joined SO 1980



BOARD OF DIRECTORS



Daniel P. Amos
*Chairman and
 Chief Executive Officer*
 AFLAC Incorporated
 (insurance)
 Columbus, Georgia
 Age 52; elected 2000
 Other corporate directorships:
 AFLAC Incorporated,
 Synovus Financial Corporation



Dorrit J. Bern
*Chairman, President, and
 Chief Executive Officer*
 Charming Shoppes Inc.
 (retail)
 Bensalem, Pennsylvania
 Age 53; elected 1999
 Other corporate directorships:
 Charming Shoppes Inc.,
 Brunswick Corporation



Thomas F. Chapman
*Chairman and
 Chief Executive Officer*
 Equifax Inc.
 (information services and
 transaction processing)
 Atlanta, Georgia
 Age 60; elected 1999
 Other corporate directorships:
 Equifax Inc.



Allen Franklin
*Chairman, President, and
 Chief Executive Officer**
 Southern Company
 Atlanta, Georgia
 Age 59; elected 1988
 Other corporate directorships:
 SouthTrust Corporation,
 Vulcan Materials Company
 *retirement planned
 in July 2004



Bruce S. Gordon
*Retired President-Retail
 Markets Group*
 Verizon Communications
 (telecommunications)
 New York, New York
 Age 58; elected 1994
 Other corporate directorships:
 Bartech Personnel Services,
 Advertising Council Inc.,
 Tyco International Ltd.

**Donald M. James**

*Chairman and
Chief Executive Officer*
Vulcan Materials Company
(construction materials,
industrial chemicals)
Birmingham, Alabama
Age 55; elected 1999
Other corporate directorships:
Vulcan Materials Company,
Protective Life Corporation,
SouthTrust Corporation

Zack T. Pate

Chairman Emeritus
World Association of
Nuclear Operators
(nuclear power industry)
Atlanta, Georgia
Age 67; elected 1998
Other corporate directorships:
Michon Inc.

J. Neal Purcell

*Retired Vice Chair-Audit
Operations*
KPMG
(audit and accounting)
Duluth, Georgia
Age 62; elected 2003
Other corporate directorships:
Kaiser Permanente, Kaiser
Permanente-Georgia Regional
Advisory Board, Synovus
Financial Corporation,
Synovus Financial Services-
Advisory Board

David M. Ratcliffe

Chief Executive Officer
Georgia Power
*President-Elect**
Southern Company
Atlanta, Georgia
Age 55; elected 2003
Other corporate directorships:
CSX Transportation

**to become chairman and
chief executive officer, upon
retirement of Allen Franklin*

Jerry St. Pe'

Former President
Ingalls Shipbuilding
Retired Executive
Vice President
Litton Industries
(shipbuilding)
Pascagoula, Mississippi
Age 64; elected 1995
Other corporate directorships:
Signal International,
Delta Health Group,
Mac Land Disposal Centers,
Merchants and Marine Bank

2003 COMMITTEES OF THE BOARD

Audit Committee

J. Neal Purcell, Chairman
Dorrit J. Bern
Donald M. James
Zack T. Pate

**Compensation and
Management**

Succession Committee
Jerry St. Pe', Chairman
Daniel P. Amos
Thomas F. Chapman

Governance Committee

Bruce S. Gordon, Chairman
Dorrit J. Bern
Thomas F. Chapman
Jerry St. Pe'

Finance Committee

Donald M. James, Chairman
Daniel P. Amos
Bruce S. Gordon

Nuclear Oversight Committee

Zack T. Pate, Chairman

SHAREOWNER INFORMATION

Transfer Agent

SCS Stockholder Services is Southern Company's transfer agent, dividend-paying agent, investment plan administrator, and registrar. If you have questions concerning your Southern Company stockholder account, please contact:

By mail

SCS Stockholder Services
P.O. Box 54250
Atlanta, GA 30308-0250

By courier

SCS Stockholder Services
270 Peachtree St. N.W.—16th Floor
Bin 962
Atlanta, GA 30303

By phone

9 a.m. to 5 p.m. ET
Monday through Friday
(800) 554-7626

By e-mail

stockholders@southernco.com

Stockholder Services Internet Site

<http://investor.southerncompany.com/stockholder/overview.cfm> provides transfer instructions, service request forms, and answers to frequently asked questions. Registered stockholders may also access their account information on the Internet.

Stockholders can securely view detailed account information—including share balance, market value, and dividend payment details—as well as change their account mailing address.

Southern Investment Plan

Southern Investment Plan provides a convenient way to purchase common stock and reinvest dividends. Access <http://investor.southerncompany.com> to review the Prospectus and enrollment forms.

Direct Registration

Southern Company common stock can be issued in direct registration (book entry or uncertified) form. The stock is Direct Registration System eligible.

Dividend Payments

The entire amount of dividends for 2003 is paid out of earnings and profits, and therefore is taxable.

The board of directors sets the record and payment dates for quarterly dividends. A dividend of 35 cents per share was paid in March 2004.

For the remainder of 2004, projected record dates are May 3, Aug. 2, and Nov. 1. Projected payment dates for dividends declared during the remainder of 2004 are June 5, Sept. 6, and Dec. 6.

Annual Meeting

The 2004 Annual Meeting of Stockholders will be held Wednesday, May 26, at 10 a.m. ET at The Southern Pine at Callaway in Pine Mountain, Georgia.

Auditors

Deloitte & Touche LLP
Suite 1500, 191 Peachtree St. N.E.
Atlanta, GA 30303

Investor Information Line

For recorded information about earnings and dividends, stock quotes, and current news releases, call toll-free (866) 762-6411.

Institutional Investor Inquiries

Southern Company maintains an investor relations office in Atlanta, (404) 506-5195, to meet the information needs of institutional investors and securities analysts.

Eliminate Duplicate Mailings

If you are a stockholder of record and receive multiple copies of the annual report and proxy statement, or wish to access these electronically in the future, you may authorize Southern Company to suspend future mailings of these documents to a specific account. To do so, consent when you vote your proxy or check the box on the dividend check stub or account statement and mail it to SCS Stockholder Services.

Environmental Information

Southern Company's 2003 Environmental Progress Report is available in print or online. The report and other information about what the company is doing to improve the environment are available at www.southerncompany.com/planetpower/. To request printed copies of the Progress Report or other environmental information, write to:

Dr. Charles H. Goodman
Senior Vice President, Research and Environmental Affairs
600 North 18th St.
P.O. Box 2641
Birmingham, AL 35203-2206

GLOSSARY

Book value—a company's common stockholders' equity as it appears on the balance sheet, divided by the number of common stock shares outstanding.

Competitive generation business—our wholesale market-based electricity supply business that, primarily through long-term contracts, serves customers who can choose their suppliers based on price, reliability, capacity, and other market needs.

Distribution lines—power lines, like those in neighborhoods, which carry moderate-voltage electricity to customer service areas.

Dividend yield—the annual dividend income per share received from a company divided by its current stock price.

Earnings per share—net income divided by the average number of shares of common stock outstanding.

Federal Energy Regulatory Commission (FERC)—an independent agency within the U.S. Department of Energy that, among other things, regulates wholesale sales of electricity and transmission in interstate commerce.

Generating capacity—the amount of energy that can be produced using all of our power generation facilities.

Kilowatt-Hour—the basic unit of electric energy, which equals one kilowatt of power taken from an electric circuit steadily for one hour. A 100-watt light bulb burning for 10 hours uses one kilowatt-hour of electricity.

Market value—what investors believe a company is worth, calculated by multiplying the number of common stock shares outstanding by the current market price of the company's shares.

Payout ratio—the percentage of earnings that is paid to shareholders in the form of dividends.

Regulated business—the part of our business that generates, transmits, and distributes electricity to commercial, industrial, and residential customers in most of Alabama and Georgia, the Florida panhandle, and southeastern Mississippi.

Retail markets—markets in which energy is sold and delivered directly to the ultimate end-users of that energy.

Super Southeast—the vibrant region and energy market that includes the four states of our traditional service territory as well as surrounding Southeastern states. The geographic focus of our business.

Total shareholder return—return on investment, including stock price appreciation plus reinvested dividends. The distribution of shares of Mirant Corporation stock to Southern Company shareholders in 2001 is treated as a special dividend for purposes of calculating Southern Company shareholder return.

Transmission lines—circuits carrying power at a high voltage. They generally carry the power from the source of generation to the point where the voltage is reduced and distributed to customers.

Wholesale customers—energy marketers, electric and gas utilities, municipal utilities, rural electric cooperatives, and other entities that buy power for resale to retail customers.

Southern Company

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601 Pennsylvania Ave., N.W.
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