NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-CSRS
February 07, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21152

Nuveen Georgia Dividend Advantage Municipal Fund 2
(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: May 31

Date of reporting period: November 30, 2012

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

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Chairman's
Letter to Shareholders

Dear Shareholders,

Despite the global economy's ability to muddle through the many economic headwinds of 2012, investors continue to have good reasons to remain cautious. The European Central Bank's decisions to extend intermediate term financing to major European banks and to support sovereign debt markets have begun to show signs of a stabilized euro area financial market. The larger member states of the European Union (EU) are working diligently to strengthen the framework for a tighter financial and banking union and meaningful progress has been made by agreeing to centralize large bank regulation under the European Central Bank. However, economic conditions in the southern tier members are not improving and the pressures on their political leadership remain intense. The jury is out on whether the respective populations will support the continuing austerity measures that are needed to meet the EU fiscal targets.

In the U.S., the Fed remains committed to low interest rates into 2015 through its third program of Quantitative Easing (QE3). Inflation remains low but a growing number of economists are expressing concern about the economic distortions resulting from negative real interest rates. The highly partisan atmosphere in Congress led to a disappointingly modest solution for dealing with the end-of-year tax and spending issues. Early indications for the new Congressional term have not given much encouragement that the atmosphere for dealing with the sequestration legislation and the debt ceiling issues, let alone a more encompassing "grand bargain," will be any better than the last Congress. Over the longer term, there are some encouraging trends for the U.S. economy: house prices are beginning to recover, banks and corporations continue to strengthen their financial positions and incentives for capital investment in the U.S. by domestic and foreign corporations are increasing due to more competitive energy and labor costs.

During 2012 U.S. investors have benefited from strong returns in the domestic equity markets and solid returns in most fixed income markets. However, many of the macroeconomic risks of 2012 remain unresolved, including negotiating through the many U.S. fiscal issues, managing the risks of another year of abnormally low U.S. interest rates, sustaining the progress being made in the euro area and reducing the potential economic impact of geopolitical issues, particularly in the Middle East. In the face of these uncertainties, the experienced investment professionals at Nuveen Investments seek out investments that are enjoying positive economic conditions. At the same time they are always on the alert for risks in markets subject to excessive optimism or for opportunities in markets experiencing undue pessimism. Monitoring this process is a critical function for the Fund Board as it oversees your Nuveen Fund on your behalf.

As always, I encourage you to communicate with your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner
Chairman of the Board
January 22, 2013

Portfolio Managers' Comments

Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG)
Nuveen Maryland Premium Income Municipal Fund (NMY)
Nuveen Missouri Premium Income Municipal Fund (NOM)
Nuveen North Carolina Premium Income Municipal Fund (NNC)
Nuveen Virginia Premium Income Municipal Fund (NPV)

Portfolio managers Daniel Close, Chris Drahn and Tom Spalding discuss key investment strategies and the six-month performance of these five Funds. Dan assumed portfolio management responsibility for the Nuveen Georgia and North Carolina Funds in 2007. Chris took on portfolio management responsibility for the Nuveen Missouri Fund in 2011 and Tom assumed portfolio management responsibility for the Nuveen Maryland and Virginia Funds in 2011.

FUND REORGANIZATIONS

Effective before the opening of business on July 9, 2012, certain Georgia and North Carolina funds and on August 6, 2012, certain Maryland and Virginia funds (the Acquired Funds) were reorganized into four of the larger-state funds included in this report (the Acquiring Funds) as follows:

Acquired Funds	Symbol	Acquiring Fund	Symbol
Georgia Fund			
Nuveen Georgia Premium Income Municipal Fund	NPG	Nuveen Georgia Dividend Advantage Municipal Fund 2	NKG
Nuveen Georgia Dividend Advantage Municipal Fund	NZX		

Acquired Funds	Symbol	Acquiring Fund	Symbol
Maryland Funds			
Nuveen Maryland Dividend Advantage Municipal Fund	NFM	Nuveen Maryland Premium Income Municipal Fund	NMY
Nuveen Maryland Dividend Advantage Municipal Fund 2	NZR		
Nuveen Maryland Dividend Advantage Municipal Fund 3	NWI		

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc., or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

Acquired Funds	Symbol	Acquiring Fund	Symbol
North Carolina Funds			
Nuveen North Carolina Dividend Advantage Municipal Fund	NRB	Nuveen North Carolina Premium Income Municipal Fund	NNC
Nuveen North Carolina Dividend Advantage Municipal Fund 2	NNO		
Nuveen North Carolina Dividend Advantage Municipal Fund 3	NII		

Acquired Funds	Symbol	Acquiring Fund	Symbol
Virginia Funds			
Nuveen Virginia Dividend Advantage Municipal Fund	NGB	Nuveen Virginia Premium Income Municipal Fund	NPV
Nuveen Virginia Dividend Advantage Municipal Fund 2	NNB		

Upon the closing of the reorganizations, the Acquired Funds transferred their assets to the Acquiring Funds in exchange for common and preferred shares of the Acquiring Funds and the assumption by the Acquiring Funds of the liabilities of the Acquired Funds. The Acquired Funds were then liquidated, dissolved and terminated in accordance with their Declaration of Trust. Shareholders of the Acquired Funds became shareholders of the Acquiring Funds. Holders of common shares of the Acquired Funds received newly issued common shares of the Acquiring Funds, the aggregate net asset value of which was equal to the aggregate net asset value of the common shares of the Acquired Funds held immediately prior to the reorganizations (including for this purpose fractional Acquiring Funds shares to which shareholders would be entitled). Fractional shares were sold on the open market and shareholders received cash in lieu of such fractional shares. Holders of MuniFund Term Preferred (MTP) Shares of the Acquired Funds received on a one-for-one basis newly issued MTP Shares of the Acquiring Funds, in exchange for their MTP Shares of the Acquired Funds held immediately prior to the reorganizations.

What key strategies were used to manage these Funds during the six-month reporting period ended November 30, 2012?

During this reporting period, municipal bond prices generally rallied, as strong demand and tight supply combined to create favorable market conditions for municipal bonds. Although the total volume of tax-exempt supply improved over that of the same six-month period a year earlier, the issuance pattern remained light compared with long-term historical trends. This supply/demand dynamic served as a key driver of performance. Concurrent with rising prices, yields continued to decline across most maturities, especially at the longer end of the municipal yield curve, and the curve flattened. During this period, we saw an increased number of borrowers come to market seeking to take advantage of the low rate environment through refunding activity, with approximately 60% of new municipal paper issued by borrowers that were calling existing debt and refinancing at lower rates.

In this environment, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that had the potential to perform well over the long term. During this period, NKG, NMY, NNC and NOM found value to varying degrees in several areas of the market, including health care, higher education, electric utilities and appropriations bonds. NKG and NPV also purchased local general

obligation (GO) credits, while NNC added bonds in the transportation sector, including those issued by the North Carolina Turnpike Authority. NMY added lower rated bonds issued for Frederick Memorial Hospital and Maryland Institute College of Art. In NPV, we added to our positions in the transportation sector, including bonds issued by the Virginia Small Business Financing Authority for the Elizabeth River Crossing and credits issued for the new Chesapeake expressway. NOM added to its health care positions with purchases of continuing care retirement community (CCRC) bonds and hospital credits, including those issued by Missouri Health and Educational Facilities Authority for Mercy Health. In North Carolina, the health care sector was the predominant issuer during this time, offering attractive opportunities from a number of hospitals across the state, with credit quality of AA and A and intermediate and longer maturities. Among the health care names we purchased during this period was Wake Forest Baptist Medical Center.

Because the issuance of new municipal supply in the primary market continued to be limited, especially in Georgia, we looked to the secondary market as an additional source of attractive opportunities. During this period, the secondary market accounted for approximately 80% of NMY's purchases and 50% in NPV. When in-state paper was scarce, NKG and NMY also purchased territorial bonds to keep the Funds as fully invested as possible, including dedicated sales tax bonds issued by the Puerto Rico Sales Tax Financing Corporation (COFINA). These territorial bonds offered higher yields, added diversification and triple exemption (i.e., exemption from federal, state and local taxes). These bonds issued by the Puerto Rico Sales Tax Financing Corporation (COFINA) were downgraded by Moody's in July 2012. This downgrade was due mainly to the performance of Puerto Rico's economy and its impact on the projected growth of sales tax revenues, and not to any sector or structural issues. Each of the Funds held varying amounts of the COFINA bonds purchased at different times, with those purchased prior to and early in this period performing more positively than those purchased during the latter part of this period. Therefore, the impact on performance differed from Fund to Fund. As we continue to emphasize Puerto Rico's stronger credits, we view these bonds as long-term holdings and note that the commonwealth's recent enforcement of sales tax collections has improved significantly.

During this period, we also took advantage of short term market opportunities created by supply/demand dynamics in the municipal market. While demand for tax-exempt paper remained consistently strong throughout the period, supply fluctuated widely. We found that periods of substantial supply provided good short term buying opportunities not only because of the increased number of issues available, but also because some investors became more hesitant in their buying as supply grew, causing spreads to widen temporarily. At times when supply was more plentiful, we focused on anticipating cash flows from bond calls and maturing bonds and closely monitored opportunities for reinvestment.

During this period, we emphasized bonds with longer maturities. The purchase of longer maturity bonds helped to extend the Funds' durations, and enabled us to take advantage of more attractive yields at the longer end of the municipal yield curve. We also purchased lower rated bonds when we found attractive opportunities, as we believed these bonds continued to offer relative value. Our opportunities were somewhat constrained by the structure of bonds typically issued as part of refinancing deals, which tended to be characterized by shorter maturities and higher quality.

Cash for new purchases during this period was generated primarily by the proceeds from an increased number of bond calls resulting from the growth in refinancings. The elevated number of bond calls provided a meaningful source of liquidity, which drove much of our activity during this period as we worked to redeploy these proceeds, as well as those from maturing bonds, to keep the Funds fully invested and support their income streams. Overall, selling was minimal because the bonds in our portfolios generally offered higher yields than those available in the current marketplace.

As of November 30, 2012, all of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform during the six-month reporting period ended November 30, 2012?

Individual results for these Nuveen Funds, as well as relevant index and peer group information, are presented in the accompanying table.

Average Annual Total Returns on Common Share Net Asset Value*
For periods ended 11/30/12

Fund	6-Month	1-Year	5-Year	10-Year
Georgia				
NKG	5.86%	13.45%	6.34%	6.14%
S&P Georgia Municipal Bond Index**	4.21%	9.10%	5.75%	5.29%
S&P Municipal Bond Index**	4.52%	10.94%	6.09%	5.57%
Lipper Other States Municipal Debt Funds				
Classification Average**	6.85%	16.99%	7.48%	6.73%

Maryland