NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-CSRS
February 07, 2011

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, 2010

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.

INVESTMENT ADVISOR NAME CHANGE

Effective January 1, 2011, Nuveen Asset Management, the Funds' investment adviser, has changed its name to Nuveen Fund Advisors, Inc. ("Nuveen Fund Advisors"). Concurrently, Nuveen Fund Advisors has formed a wholly-owned subsidiary, Nuveen Asset Management, LLC, to house its portfolio management capabilities. Nuveen Asset Management, LLC now serves as the Funds' sub-adviser, and the Funds' portfolio managers have become employees of Nuveen Asset Management, LLC rather than Nuveen Fund Advisors. Nuveen Fund Advisors will compensate Nuveen Asset Management, LLC for the portfolio management services it provides to the Funds from the Funds' management fee, which will not change as a result of this reorganization. Nuveen Fund Advisors and Nuveen Asset Management, LLC retain the right to reallocate investment advisory responsibilities and fees between themselves in the future.

NUVEEN INVESTMENTS COMPLETES STRATEGIC COMBINATION WITH FAF ADVISORS

On January 3, 2011, Nuveen Investments announced the completion of the strategic combination with FAF Advisors and Nuveen Asset Management LLC, the largest investment affiliate of Nuveen Investments. As part of this transaction, U.S. Bancorp–the parent of FAF Advisors—received a 9.5% stake in Nuveen Investments as well as additional cash consideration in exchange for the long term investment business of FAF Advisors, including investment-management responsibilities for the mutual funds of the First American Funds family.

The approximately $27 billion of mutual fund and institutional assets managed by FAF Advisors, along with the investment professionals managing these assets and most other key personnel, have become part of Nuveen Asset Management LLC. With these additions to Nuveen Asset Management LLC, this affiliate now manages more than $100 billion of assets across a broad range of strategies from municipal and taxable fixed income to traditional and specialized equity investments.

This combination does not affect the investment objectives or strategies of the Funds in this report. Over time, Nuveen Investments expects that the combination will provide even more ways to meet the needs of investors who work with financial advisors and consultants by enhancing the multi-boutique model of Nuveen Investments, which also includes highly respected investment teams at Hyde Park, NWQ Investment Management, Santa Barbara Asset Management, Symphony Asset Management, Tradewinds Global Investors and Winslow Capital. In total, Nuveen Investments managed approximately $195 billion of assets as of December 31, 2010.

Chairman's
Letter to Shareholders

Dear Shareholders,

The global economy recorded another year of recovery from the financial and economic crises of 2008, but many of the factors that caused the crises still weigh on the prospects for continued recovery. In the U.S., ongoing weakness in housing values is putting pressure on homeowners and mortgage lenders. Similarly, the strong earnings recovery for corporations and banks has not been translated into increased hiring or more active lending. Globally, deleveraging by private and public borrowers is inhibiting economic growth and this process is far from complete.

Encouragingly, a variety of constructive actions are being taken by governments around the world to stimulate further recovery. In the U.S., the recent passage of a stimulatory tax bill relieves some of the pressure on the Federal Reserve System to promote economic expansion through quantitative easing and offers the promise of faster economic growth. A number of European governments are undertaking programs that could significantly reduce their budget deficits. Governments across the emerging markets are implementing various steps to deal with global capital flows without undermining international trade and investment.

The success of these government actions could have an important impact on whether 2011 brings further economic recovery and financial market progress. One risk associated with the extraordinary efforts to strengthen U.S. economic growth is that the debt of the U.S. government will continue to grow to unprecedented levels. Another risk is that over time there could be upward pressures on asset values in the U.S. and abroad, because what happens in the U.S. impacts the rest of the world economy. We must hope that the progress made on the fiscal front in 2010 will continue into 2011. In this environment, your Nuveen investment team continues to seek sustainable investment opportunities and to remain alert to potential risks in a recovery still facing many headwinds. On your behalf, we monitor their activities to assure they maintain their investment disciplines.

As you will note elsewhere in this report, on January 1, 2011, Nuveen Investments completed the acquisition of FAF Advisors, Inc., the manager of the First American Funds. The acquisition adds highly respected and distinct investment teams to meet the needs of investors and their advisors and is designed to benefit all fund shareholders by creating a fund organization with the potential for further economies of scale and the ability to draw from even greater talent and expertise to meet these investor needs.

As always, I encourage you to contact 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 21, 2011

Portfolio Manager's Comments

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)
Nuveen North Carolina Dividend Advantage Municipal Fund 3 (NII)

Portfolio manager Daniel Close discusses key investment strategies and the six-month performance of the Nuveen Georgia and North Carolina Funds. Dan, who joined Nuveen in 2000, assumed portfolio management responsibility for these seven Funds in 2007.

What key strategies were used to manage the Georgia and North Carolina Funds during the six-month reporting period ended November 30, 2010?

During this period, the combination of strong demand and tighter supply of new tax-exempt municipal issuance continued to create favorable conditions. One reason for the decline in new tax-exempt supply was the considerable issuance of taxable municipal debt under the Build America Bond (BAB) program. Build America Bonds, first issued in April 2009, generally offer municipal issuers a federal subsidy equal to 35% of a security's interest payments, providing issuers with an alternative to traditional tax-exempt debt. For the six months ended November 30, 2010, taxable Build America Bond issuance totaled $57.5 billion, representing 26% of new bonds in the municipal marketplace nationwide. In Georgia and North Carolina during this period, Build America Bonds accounted for approximately 10% and 18% of municipal supply, respectively. Although these percentages were lower than the national average for BABs, the impact on tax-exempt supply was meaningful in both states, due to the fact that municipal issuance in Georgia and North Carolina was already down sharply from the same period a year earlier. Since interest payments from Build America Bonds represent taxable income, we do not view these bonds as good investment opportunities for these Funds.

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 manager 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.

Any reference to credit ratings for portfolio holdings denotes the highest rating assigned by a Nationally Recognized Statistical Rating Organization (NRSRO) such as Standard & Poor's, Moody's or Fitch. AAA, AA, A, and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below investment grade. Holdings and ratings may change over time.

In this environment of constrained tax-exempt municipal issuance, we continued to take a bottom-up approach in an attempt to discover undervalued sectors and individual credits with the potential to perform well over the long term. For the most part, the Funds were focused on bonds with maturities at the longer end of the yield curve. During this period, the Georgia Funds found value primarily in health care bonds. When in-state issues became especially scarce, the Georgia Funds took advantage of their ability to invest up to 20% of their net assets in out-of-state credits, buying insured Alabama electric utility bonds in order to keep the Funds as fully invested as possible. In the North Carolina Funds, our purchases included higher education credits, bonds issued for Raleigh Durham Airport and health care bonds, including those issued for Charlotte-Mecklenburg Hospital and Novant Health.

Some of our investment activity resulted from opportunities created by the provisions of the Build America Bond program. For example, tax-exempt supply was more plentiful in the health care and higher education sectors because, as 501(c)(3) (nonprofit) organizations, hospitals and private universities generally did not qualify for the Build America Bond program and continued to issue bonds in the tax-exempt municipal market. Bonds with proceeds earmarked for refundings, working capital and private activities also were not covered by the Build America Bond program, and this resulted in attractive opportunities in various other sectors of the market.

The impact of the Build America Bond program also was evident in the area of longer-term issuance, as municipal issuers sought to take full advantage of the attractive financing terms offered by these bonds. Approximately 70% of Build America Bonds were issued with maturities of at least 30 years. This significantly reduced the availability of tax-exempt credits with longer maturities and made locating appropriate longer bonds more challenging in both of these states, although we continued to find opportunities to purchase attractive longer-term bonds for these Funds. The issuance of Build America Bonds ended on December 31, 2010.

Cash for new purchases during this period was generated primarily by the proceeds from bond calls and maturing bonds, which we worked to redeploy to keep the Funds fully invested. Although the North Carolina Funds sold a few small positions in pre-refunded bonds, active selling was relatively minimal in both states, as the bonds in our portfolios generally offered higher yields than those available in the current marketplace.

As of November 30, 2010, all seven of these Funds continued to use inverse floating rate securities.[1] We employ inverse floaters as a form of leverage for a variety of reasons, including duration management, income enhancement and total return enhancement.

1 An inverse floating rate security, also known as an inverse floater, is a financial instrument designed to pay long-term interest at a rate that varies inversely with a short-term interest rate index. For the Nuveen Funds, the index typically used is the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. Inverse floaters, including those inverse floating rate securities in which the Funds invested during this reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in this Report sections of this report.

How did the Funds perform?

Individual results for the Nuveen Georgia and North Carolina 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 11/30/10

Fund	6-Month	1-Year	5-Year	10-Year
Georgia Funds				
NPG	-0.02%	4.13%	4.09%	5.75%
NZX	0.53%	4.67%	4.72%	N/A
NKG	0.38%	4.81%	4.34%	N/A
Standard & Poor's (S&P) Georgia Municipal Bond Index2	1.49%	5.11%	4.44%	5.21%
Standard & Poor's (S&P) National Municipal Bond Index3	1.09%	5.06%	4.44%	5.27%
Lipper Other States Municipal Debt Funds Average4	0.78%	6.04%	4.23%	5.85%
North Carolina Funds				
NNC	0.79%	5.40%	4.78%	6.13%
NRB	0.28%	4.51%	5.22%	N/A
NNO	0.34%	4.43%	4.88%	N/A
NII	0.47%	4.57%	5.04%	N/A
Standard & Poor's (S&P) North Carolina Municipal Bond Index2	1.45%	4.77%	4.90%	5.51%
Standard & Poor's (S&P) National Municipal Bond Index3	1.09%	5.06%	4.44%	5.27%
Lipper Other States Municipal Debt Funds Average4	0.78%	6.04%	4.23%	5.85%

For the six months ended November 30, 2010, the cumulative returns on common share net asset value (NAV) for all seven of the Nuveen Georgia and North Carolina Funds underperformed the returns for their respective state's Standard & Poor's (S&P) Municipal Bond Index as well as the Standard & Poor's (S&P) National Municipal Bond Index. NNC exceeded the average return for the Lipper Other States Municipal Debt Funds Average, while the remaining six Funds underperformed the group average.

Key management factors that influenced the Funds' returns during this period included duration and yield curve positioning, credit exposure and sector allocation. In addition, all of the Funds except NPG had holdings pre-refunded during this period, which benefited these Funds through price appreciation and enhanced credit quality. The use of financial leverage also factored into the Funds' performance. Leverage is discussed in more detail on page five.

* Six-month returns are cumulative; all other returns are annualized.
Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.
For additional information, see the individual Performance Overview for your Fund in this report.

2 The Standard & Poor's (S&P) Municipal Bond Indexes for Georgia and North Carolina are unleveraged, market value-weighted indexes designed to measure the performance of the tax-exempt, investment-grade municipal bond markets in Georgia and North Carolina, respectively. These indexes do not reflect any initial or ongoing expenses and are not available for direct investment.

3

The Standard & Poor's (S&P) National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.

4 The Lipper Other States Municipal Debt Funds Average is calculated using the returns of all leveraged and unleveraged closed-end funds in this category for each period as follows: 6-month, 46 funds; 1-year, 46 funds; 5-year, 46 funds; and 10-year, 20 funds. Lipper returns account for the effects of management fees and assume reinvestment of dividends, but do not reflect any applicable sales charges. The Lipper average is not available for direct investment. Shareholders should note that the performance of the Lipper Other States Average represents the overall average of returns for funds from ten different states with a wide variety of municipal market conditions, making direct comparisons less meaningful.

During this period, municipal bonds with intermediate maturities generally outperformed other maturities, with credits at both the shortest and longest ends of the municipal yield curve posting the weakest returns. Overall, duration and yield curve positioning proved positive for the performance of the three Georgia Funds as well as NNC and NII. These Funds generally had good weightings in the outperforming intermediate-maturity sector and less exposure to the underperforming long part of the curve. NRB and NNO were not as well positioned in terms of duration and yield curve positioning, which detracted from their performance during this period.

Credit exposure also played a role in the performance of these Funds. For the period, bonds rated AA generally performed poorly on a relative basis, while those rated BBB or below and non-rated bonds posted stronger returns. In this environment, the Funds' performance benefited from their allocations to lower quality and non-rated credits. All four of the North Carolina Funds tended to be underweighted in these lower quality credit categories, which lessened the positive impact. In addition, NPG in particular, as well as NNO, had the heaviest allocations of bonds rated AA among these Funds, which negatively impacted their relative performance for this period.

Holdings that generally made positive contributions to the Georgia Funds' returns during this period included an underweight exposure to the underperforming transportation sector while housing was negative for all three Georgia funds. For the North Carolina Funds, the tax supported sector outperformed while our utility exposure was generally a negative.

In contrast, the education and water and sewer sectors turned in relatively weak performances and zero coupon bonds trailed the municipal market by the widest margin. The transportation sector, with the exception of the airport subsector, also failed to keep pace with the municipal market return for the six months.

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of most of these Funds relative to the comparative indexes was the Funds' use of financial leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising. Leverage made a positive contribution to the performance of these Funds over this reporting period.

RECENT DEVELOPMENTS REGARDING THE FUNDS' LEVERAGED CAPITAL STRUCTURE

Shortly after their respective inception, each of the Funds issued auction rate preferred shares (ARPS) to create financial leverage. As noted in past shareholder reports, the ARPS issued by many closed-end funds, including these Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more ARPS have been submitted for sale in each of their regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely non-existent since late February 2008. This means that these auctions have "failed to clear," and that many, or all, of the ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in ARPS did not lower the credit quality of these shares, and ARPS shareholders unable to sell their shares continued to receive distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the ARPS. In the recent market, with short-term rates at multigenerational lows, those maximum rates also have been low.

One continuing implication for common shareholders from the auction failures is that each Fund's cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, each Fund's common share earnings likely have been incrementally lower at times than they otherwise might have been.

As noted in past shareholder reports, the Nuveen funds' Board of Directors/Trustees authorized several methods that can be used separately or in combination to refinance a portion of the Nuveen funds' outstanding ARPS. Some funds have utilized tender option bonds (TOBs), also known as inverse floating rate securities, for leverage purposes. The amount of TOBs that a fund may use varies according to the composition of each fund's portfolio. Some funds have a greater ability to use TOBs than others. Some funds have issued Variable Rate Demand Preferred (VRDP) Shares, a floating rate form of preferred stock. Some funds have issued MuniFund Term Preferred (MTP) Shares, a fixed rate form of preferred stock with a mandatory redemption period of five years.

While all these efforts have reduced the total amount of outstanding ARPS issued by the Nuveen funds, the funds cannot provide any assurance on when the remaining outstanding ARPS might be redeemed.

During 2010, and as of the time this report was prepared, 33 Nuveen leveraged closed-end funds (excluding all of the Funds included in this report) received a demand letter from a law firm on behalf of purported holders of common shares of each such fund, alleging that Nuveen and the funds' officers and Board of Directors/ Trustees breached their fiduciary duties related to the redemption at par of the funds' ARPS. In response, the Board established an ad hoc Demand Committee consisting of certain of its disinterested and independent Board members to investigate the claims. The Demand Committee retained independent counsel to assist it in conducting an extensive investigation. Based upon its investigation, the Demand Committee found that it was not in the best interests of each fund or its shareholders to take the actions suggested in the demand letters, and recommended that the full Board reject the demands made in the demand letters. After reviewing the findings and recommendation of the Demand Committee, the full Board of each fund unanimously adopted the Demand Committee's recommendation.

Subsequently, 26 of the funds that received demand letters, were named as nominal defendants in a putative shareholder derivative action complaint captioned Safier and Smith v. Nuveen Asset Management, et al. that was filed in the Circuit Court of Cook County, Illinois, Chancery Division (the "Cook County Chancery Court") on July 27, 2010. Three additional funds were named as nominal defendants in a similar complaint captioned Curbow v. Nuveen Asset Management, et al. filed in the Cook County Chancery Court on August 12, 2010, and three additional funds were named as nominal defendants in a similar complaint captioned Beidler v. Nuveen Asset Management, et al. filed in the Cook County Chancery Court on September 21, 2010 (collectively, the "Complaints"). The Complaints, filed on behalf of purported holders of each fund's common shares, also name Nuveen Asset Management as a defendant, together with current and former Officers and interested Director/Trustees of each of the funds (together with the nominal defendants, collectively, the "Defendants"). The Complaints contain the same basic allegations contained in the demand letters. The suits seek a declaration that the Defendants have breached their fiduciary duties, an order directing the Defendants not to redeem any ARPS at their liquidation value using fund assets, indeterminate monetary damages in favor of the funds and an award of plaintiffs' costs and disbursements in pursuing the action. Nuveen Asset Management believes that the Complaints are without merit, and intends to defend vigorously against these charges.

As of November 30, 2010, the amount of ARPS redeemed by the Funds are as shown in the accompanying table.

Fund	Auction Rate Preferred Shares Redeemed	% of Original Auction Rate Preferred Shares
NPG	$27,800,000	100.0%
NZX	$15,000,000	100.0%
NKG	$33,000,000	100.0%
NNC	$25,250,000	54.0%
NRB	$17,000,000	100.0%
NNO	$28,000,000	100.0%
NII	$28,000,000	100.0%

MTP

As of November 30, 2010, the Funds have issued and outstanding MTP Shares, at liquidation value, as shown in the accompanying table.

Fund	MTP Shares at Liquidation Value
NPG	$28,340,000
NZX	$14,340,000
NKG	$32,265,000
NNC	$24,300,000
NRB	$16,600,000
NNO	$29,700,000
NII	$28,725,000

Subsequent to the reporting period, NNC completed the issuance of $25.53 million of 2.60%, Series 2016 MTP. The newly issued MTP Shares trade on the NYSE under the symbol "NNC PrD." The net proceeds from this offering were used to refinance the Fund's remaining outstanding ARPS at par. Immediately following its MTP issuance, NNC noticed for redemption at par its remaining $21.550 million ARPS outstanding using the MTP proceeds.

(Refer to Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies and Footnote 4 – Fund Shares for further details on MTP Shares.)

As of November 30, 2010, all 84 of the Nuveen closed-end municipal funds that had issued ARPS have redeemed at par all or a portion of these shares. These redemptions bring the total amount of Nuveen's municipal closed-end funds' ARPS redemptions to approximately $5.8 billion of the approximately $11.0 billion originally outstanding.

For up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at: http://www.nuveen.com/arps.

Common Share Dividend and Share Price Information

The monthly dividends of all seven Funds in this report remained stable throughout the six-month reporting period ended November 30, 2010.

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of November 30, 2010, all of the Funds in this report had positive UNII balances, based on our best estimates, for tax purposes and positive UNII balances for financial reporting purposes.

COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

Since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding common shares.

As of November 30, 2010, the Funds' common share prices were trading at (+)premiums or (-)discounts to their common share NAVs as shown in the accompanying table.

Fund	11/30/10 (+)Premium/(-)Discount	6-Month Average (+)Premium/(-)Discount
NPG	-1.77%	-1.03%
NZX	+3.03%	+0.90%
NKG	-0.43%	-1.91%
NNC	+0.76%	+3.55%
NRB	+4.30%	+7.64%
NNO	+0.88%	+6.12%
NII	+2.22%	+5.70%

NPG	Nuveen Georgia
Performance	Premium Income
OVERVIEW	Municipal Fund