

MID - AMERICA APARTMENT COMMUNITIES , INC .  
*A self-managed Equity REIT*

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**PRESS RELEASE**

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**FROM: SIMON R. C. WADSWORTH**  
**SUBJECT: MID-AMERICA ANNOUNCES HIGHER FOURTH QUARTER AND 2004 ANNUAL RESULTS**  
**DATE: FEBRUARY 10, 2005**

**Memphis, TN, Mid-America Apartment Communities, Inc. (NYSE: MAA)** (the “Company”) reported net income available for common shareholders for the quarter ended December 31, 2004 was \$8,314,000 or \$0.40 per common share, as compared to \$281,000 or \$0.01 per common share for the same quarter a year ago. Net income available for common shareholders for the year 2004 was \$10,373,000 or \$0.50 per common share, as compared to a net loss available for common shareholders of \$1,200,000 or \$0.07 per common share for calendar year 2003.

Funds from operations (“FFO”), the accepted measure of operating performance for real estate investment trusts, was \$18,124,000 or \$0.77 per share/unit for the fourth quarter ended December 31, 2004, which is \$0.01 per share/unit ahead of First Call’s estimate. As previously forecast, the fourth quarter results include 5 cents per share/unit net gain from debt refinancing; the results also include a 1½ cent per share/unit charge for asset impairment and hurricane-related costs. Results compare to \$0.76 per share/unit for the comparable period in the prior year. For the year 2004, FFO was \$70,025,000 or \$3.00 per share/unit, as compared to \$55,367,000 or \$2.59 per share/unit for the prior year (which included a \$0.28 per share/unit non-cash charge related to the redemption of preferred stock). The FFO results for the quarter and for the year are record high performances for the Company. A reconciliation of FFO to net income and an expanded discussion of the components of FFO can be found later in this release.

The Company also reported record high performance in adjusted funds from operations (“AFFO”) for the year of \$2.45 compared to \$2.27 a year ago. For the quarter, the Company reported record AFFO of \$0.67 per share/unit compared to \$0.61 a year ago. A reconciliation of AFFO to net income and an expanded discussion of the components of AFFO can be found later in this release.

Highlights for the quarter were:

- Average same store physical occupancy at the end of the fourth quarter was 93.7%, an increase from 93.1% at the same point of the prior year.
- The Company completed the successful acquisition of three upscale properties totaling 964 apartments located in South Florida, Austin and Houston for a total price of \$78.75 million.

- The Company recorded net gains of \$9.1 million on the sale of two properties (including one in a joint venture) that were sold in the quarter at very attractive prices.
- Operating fundamentals continue to show steady improvement with same store net operating income growing 1.5% in 2004, excluding hurricane expenses. This is the highest year over year growth since 2001.
- The Company completed \$68 million of refinancing in the quarter, and expects annualized interest expense savings of \$1.2 million.

Eric Bolton, Chairman and CEO said, “Operating performance during the quarter reflects the steady improvement in leasing conditions underway throughout the strong job-growth southeast region of the country. As has been the case for six consecutive quarters, same store occupancy performance during the fourth quarter was ahead of the comparable period in the prior year. As leasing conditions continue to improve, and because we have protected the earnings potential of our properties, we expect to see steady pricing and revenue progress in 2005. Our constant focus on improving productivity and efficiencies within our operation also continues to prove out with same store operating expenses down 1.0% in the fourth quarter over prior year, excluding expenses related to this year’s extraordinary hurricane season.

“Despite a very competitive acquisitions market, we were successful in acquiring almost \$200 million of high quality assets in 2004 at attractive prices that have further enhanced our portfolio quality and level of investment in major growth markets. We expect to capture additional new growth in 2005 while remaining committed to our strict investment disciplines. We have made steady progress over the past two years in shifting our portfolio towards a more balanced three-tier market strategy allocation and are as a result well positioned for more robust earnings growth as leasing conditions improve.”

Simon Wadsworth, Executive Vice-President and CFO said, “We recorded a one-time net gain of \$1.27 million in the fourth quarter from debt refinancing, and also took a \$200,000 impairment charge on one of our original properties that we are now negotiating to sell. During the quarter we also recorded a charge of approximately \$146,000 to revise an estimate for hurricane related expenses originally recorded in the third quarter.

“As we reported in our third quarter earnings release, our FFO forecast for 2005 is a range of \$3.00 to \$3.10 per share/unit. We expect this to break down throughout the year with \$0.72 to \$0.76 of FFO per share/unit in Q1, \$0.77 to \$0.82 in Q2, \$0.74 to \$0.78 in Q3 and \$0.75 to \$0.79 in Q4. Important assumptions are same store growth rate of NOI in the 2% to 2.5% range, reflecting continued improvement in our markets, a projection of interest rates based on the forward yield curve, and our ability to complete acquisitions on terms similar to this year. We’ll discuss these assumptions more fully in our conference call.”

The Company has expanded disclosure, especially on market performance, in supplemental disclosure schedules. These supplemental disclosure schedules can be found in an expanded version of this earnings release on the Investors’ page of our web site at [www.maac.net](http://www.maac.net). The Company will host a conference call to further discuss fourth quarter and annual results

on Friday, February 11, 2005 at 9:15 AM Central Time. The conference call-in number is 866-814-8483 and the moderator's name is Eric Bolton.

MAA is a self-administered, self-managed apartment-only real estate investment trust which currently owns or has ownership interest in 37,904 apartment units throughout the southeast and southcentral U.S. For further details, please refer to our website at [www.maac.net](http://www.maac.net) or contact Simon R. C. Wadsworth at (901) 682-6668, ext. 105. 6584 Poplar Ave., Suite 300, Memphis, TN 38138.

Certain matters in this press release may constitute forward-looking statements within the meaning of Section 27-A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934. Such statements include, but are not limited to, statements made about anticipated market conditions, anticipated acquisitions, redevelopment opportunities, and property financing. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including a downturn in general economic conditions or the capital markets, competitive factors including overbuilding or other supply/demand imbalances in some or all of our markets, shortage of acceptable property acquisition candidates, changes in interest rates, real estate taxes, and other items that are difficult to control, as well as the other general risks inherent in the apartment and real estate businesses. Reference is hereby made to the filings of Mid-America Apartment Communities, Inc., with the Securities and Exchange Commission, including quarterly reports on Form 10-Q, reports on Form 8-K, and its annual report on Form 10-K, particularly including the risk factors contained in the latter filing.

**CONSOLIDATED STATEMENTS OF OPERATIONS** (in thousands except per share data)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2004	2003	2004	2003
Property revenues	\$ 68,551	\$ 63,375	\$ 267,202	\$ 235,940
Management and fee income, net	139	93	582	822
Property operating expenses	(29,091)	(26,976)	(112,748)	(98,692)
Depreciation	(17,592)	(16,101)	(68,653)	(58,074)
Property management expenses	(2,389)	(1,667)	(10,357)	(8,435)
General and administrative	(2,401)	(1,886)	(9,240)	(7,235)
Income from continuing operations before non-operating items	17,217	16,838	66,786	64,326
Interest and other non-property income	159	173	593	835
Interest expense	(13,619)	(11,675)	(50,858)	(44,991)
Gain on debt extinguishment	1,274	215	1,095	111
Amortization of deferred financing costs	(452)	(467)	(1,753)	(2,050)
Minority interest in operating partnership income	(846)	(243)	(2,264)	(1,360)
Loss from investments in unconsolidated entities	(152)	(633)	(287)	(949)
Net gain (loss) on insurance and other settlement proceeds	(421)	260	2,683	2,860
Gain on dispositions of unconsolidated entities	3,249	-	3,249	-
Income from continuing operations	6,409	4,468	19,244	18,782
Discontinued operations:				
Loss from discontinued operations	(14)	(161)	(197)	(577)
Asset impairment of discontinued operations	(200)	-	(200)	-
Net gain on insurance and other settlement proceeds of discontinued operations	-	-	526	82
Gain (loss) on sale of discontinued operations	5,825	(2)	5,825	1,919
Net income	12,020	4,305	25,198	20,206
Preferred dividend distribution	(3,706)	(4,024)	(14,825)	(15,419)
Premiums and original issuance costs associated with the redemption of preferred stock	-	-	-	(5,987)
Net income (loss) available for common shareholders	\$ 8,314	\$ 281	\$ 10,373	\$ (1,200)
Weighted average common shares - Diluted <sup>(1)</sup>	20,969	19,949	20,652	18,374
Net income (loss) per share available for common shareholders	\$0.40	\$0.01	\$0.50	(\$0.07)

<sup>(1)</sup> For periods where the Company reported a net loss available for common shareholders, the effect of dilutive shares has been excluded from net loss per share available for common shareholder computations as including such shares would be anti-dilutive.

**FUNDS FROM OPERATIONS** (in thousands except per share data)

Net income	\$ 12,020	\$ 4,305	\$ 25,198	\$ 20,206
Addback: Depreciation real estate assets	17,262	15,757	67,302	56,701
Subtract: Net gain (loss) on insurance and other settlement proceeds	(421)	260	2,683	2,860
Subtract: Gain on dispositions of unconsolidated entities	3,249	-	3,249	-
Subtract: Net gain on insurance and other settlement proceeds of discontinued operations	-	-	526	82
Addback: Depreciation real estate assets of discontinued operations	-	232	681	1,022
Subtract: Gain (loss) on sale of discontinued operations	5,825	(2)	5,825	1,919
Addback: Depreciation real estate assets of unconsolidated entities	355	864	1,688	2,345
Subtract: Gain on sale of non-depreciable assets	-	-	-	-
Subtract: Preferred dividend distribution	3,706	4,024	14,825	15,419
Addback: Minority interest in operating partnership income	846	243	2,264	1,360
Funds from operations before premiums and original issuance costs associated with the redemption of preferred stock	18,124	17,119	70,025	61,354
Premiums and original issuance costs associated with the redemption of preferred stock	-	-	-	5,987
Funds from operations	18,124	17,119	70,025	55,367
Addback: Premiums and original issuance costs associated with the redemption of preferred stock	-	-	-	5,987
Recurring capex	(2,321)	(3,256)	(13,012)	(12,846)
Adjusted funds from operations	\$ 15,803	\$ 13,863	\$ 57,013	\$ 48,508
Weighted average common shares and units - Diluted	23,612	22,637	23,316	21,354
Funds from operations before premiums and original issuance costs associated with the redemption of preferred stock per shares and units - Diluted	\$0.77	\$0.76	\$3.00	\$2.87
Funds from operations per share and unit - Diluted	\$0.77	\$0.76	\$3.00	\$2.59
Adjusted funds from operations per share and unit - Diluted	\$0.67	\$0.61	\$2.45	\$2.27

**NON-GAAP FINANCIAL DEFINITIONS****Funds From Operations (FFO)**

FFO represents net income (computed in accordance with U.S. generally accepted accounting principles, or GAAP) excluding extraordinary items, minority interest in Operating Partnership income, gain on disposition of real estate assets, plus depreciation of real estate and adjustments for joint ventures to reflect FFO on the same basis. This definition of FFO is in accordance with the National Association of Real Estate Investment Trust's definition.

Disposition of real estate assets includes sales of discontinued operations as well as proceeds received from insurance and other settlements from property damage.

Our calculation of FFO may differ from the methodology for calculating FFO utilized by other REITs and, accordingly, may not be comparable to such other REITs. FFO should not be considered as an alternative to net income.

The Company believes that FFO is helpful in understanding the Company's operating performance in that FFO excludes depreciation expense on real estate assets. The Company believes that GAAP historical cost depreciation of real estate assets is generally not correlated with changes in the value of those assets, whose value does not diminish predictably over time, as historical cost depreciation implies.

While the Company has included the amount charged to retire preferred stock in excess of carrying values in its FFO calculation in response to the SEC's Staff Policy Statement relating to EITF Topic D-42 concerning the calculation of earnings per share for the redemption of preferred stock, the Company believes that FFO before amount charged to retire preferred stock in excess of carrying values is also an important measure of operating performance as the amount charged to retire preferred stock in excess of carrying values is a non-cash adjustment representing issuance costs in prior periods for preferred stock.

**Adjusted Funds From Operations (AFFO)**

For purposes of these computations, AFFO is composed of FFO less recurring capital expenditures plus the premiums and original issuance costs of preferred stock that was redeemed. As an owner and operator of real estate, we consider AFFO to be an important measure of performance from core operations because AFFO measures our ability to control revenues, expenses and recurring capital expenditures.

**Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)**

For purposes of these computations, EBITDA is composed of net income before net gain on discontinued operations and insurance and other settlement proceeds, and gain or loss on debt extinguishment, plus depreciation, interest expense, and amortization of deferred financing costs. EBITDA is a non-GAAP financial measure we use as a performance measure. As an owner and operator of real estate, we consider EBITDA to be an important measure of performance from core operations because EBITDA does not include various income and expense items that are not indicative of our operating performance. EBITDA should not be considered as an alternative to net income as an indicator of financial performance. Our computation of EBITDA may differ from the methodology utilized by other companies to calculate EBITDA.

**COMMUNITY STATISTICS** Dollars in thousands except Average Rental Rate

Properties are grouped by operational responsibility

	As of December 31, 2004				
	Units	Gross Real Assets	Percent to Total of Gross Assets	Physical Occupancy	Average Rental Rate
Atlanta	2,500	\$ 147,564	7.6%	94.7%	\$ 737.93
Dallas	3,616	\$ 201,535	10.4%	89.6%	\$ 742.49
Houston	1,584	\$ 80,833	4.2%	92.5%	\$ 752.25
Tampa	1,120	\$ 64,963	3.4%	95.6%	\$ 793.95
South Florida	480	\$ 50,806	2.6%	97.7%	\$ 1,040.15
<b>Large Tier Markets</b>	<b>9,300</b>	<b>\$ 545,701</b>	<b>28.2%</b>	<b>92.6%</b>	<b>\$ 764.49</b>
Austin	1,464	\$ 71,094	3.7%	94.1%	\$ 684.08
Greenville	1,492	\$ 61,072	3.2%	94.7%	\$ 539.82
Jacksonville	3,347	\$ 172,565	8.9%	93.3%	\$ 759.98
Memphis	4,837	\$ 221,986	11.5%	92.4%	\$ 627.58
Nashville	1,855	\$ 118,990	6.1%	96.0%	\$ 708.61
All other middle	2,320	\$ 101,961	5.3%	95.0%	\$ 639.99
<b>Middle Tier Markets</b>	<b>15,315</b>	<b>\$ 747,668</b>	<b>38.7%</b>	<b>93.8%</b>	<b>\$ 665.06</b>
Augusta/Aiken	912	\$ 37,672	1.9%	94.1%	\$ 606.19
Chattanooga	943	\$ 35,971	1.9%	93.7%	\$ 570.59
Columbia	576	\$ 29,712	1.5%	92.7%	\$ 655.25
Columbus	1,293	\$ 60,890	3.1%	93.7%	\$ 685.66
Huntsville	544	\$ 27,084	1.4%	85.1%	\$ 626.96
Jackson, TN	664	\$ 31,824	1.6%	93.8%	\$ 593.71
Jackson, MS	1,577	\$ 60,065	3.1%	95.7%	\$ 621.59
Lexington	924	\$ 57,955	3.0%	91.8%	\$ 691.87
Little Rock	808	\$ 37,924	2.0%	93.1%	\$ 634.03
Macon/Warner Robbins	904	\$ 49,358	2.5%	97.0%	\$ 670.66
Southeast Georgia	566	\$ 25,908	1.3%	91.3%	\$ 621.40
All other small	3,578	\$ 189,761	9.8%	94.5%	\$ 724.58
<b>Small Tier Markets</b>	<b>13,289</b>	<b>\$ 644,124</b>	<b>33.1%</b>	<b>93.8%</b>	<b>\$ 660.14</b>
<b>Total Portfolio (including JV properties)</b>	<b>37,904</b>	<b>\$ 1,937,493</b>	<b>100.0%</b>	<b>93.5%</b>	<b>\$ 687.73</b>

**NUMBER OF APARTMENT UNITS**

	2004				2003
	December 31	September 30	June 30	March 31	December 31
100% Owned Properties	36,618	35,766	35,382	35,142	34,686
Properties in Joint Ventures	1,286	1,570	1,570	1,570	1,048
<b>Total Portfolio</b>	<b>37,904</b>	<b>37,336</b>	<b>36,952</b>	<b>36,712</b>	<b>35,734</b>

**SAME STORE** Dollars in thousands except Average Rental Rate

Properties are grouped by operational responsibility

**CURRENT PERIOD ACTUALS**

As of December 31, 2004 unless otherwise noted

	Three Months Ended December 31, 2004				Physical Occupancy	Economic Occupancy <sup>(2)</sup>	Average Rental Rate	Twelve Month Turn Rate
	Units	Revenue	Expense <sup>(1)</sup>	NOI <sup>(1)</sup>				
Atlanta	1,652	\$ 3,301	\$ 1,349	\$ 1,952	94.3%	82.0%	\$ 699.46	63.3%
Dallas	2,056	\$ 3,356	\$ 1,877	\$ 1,479	89.2%	77.7%	\$ 641.26	58.9%
Houston	1,310	\$ 2,415	\$ 1,305	\$ 1,110	91.8%	78.8%	\$ 728.37	68.5%
Tampa	1,120	\$ 2,552	\$ 1,078	\$ 1,474	95.6%	88.7%	\$ 793.95	54.6%
<b>Large Tier Markets</b>	<b>6,138</b>	<b>\$ 11,624</b>	<b>\$ 5,609</b>	<b>\$ 6,015</b>	<b>92.3%</b>	<b>81.4%</b>	<b>\$ 703.38</b>	<b>61.3%</b>
Austin	1,254	\$ 2,102	\$ 1,157	\$ 945	93.8%	81.0%	\$ 631.52	59.2%
Greenville	1,492	\$ 2,374	\$ 1,014	\$ 1,360	94.7%	88.2%	\$ 539.82	65.7%
Jacksonville	2,846	\$ 6,113	\$ 2,088	\$ 4,025	94.1%	91.9%	\$ 729.62	60.8%
Memphis	4,405	\$ 7,729	\$ 3,533	\$ 4,196	93.7%	87.9%	\$ 636.41	55.6%
Nashville	1,399	\$ 2,883	\$ 1,138	\$ 1,745	96.0%	87.0%	\$ 713.50	60.5%
All other middle	2,320	\$ 4,099	\$ 1,536	\$ 2,563	95.0%	84.3%	\$ 639.99	60.0%
<b>Middle Tier Markets</b>	<b>13,716</b>	<b>\$ 25,300</b>	<b>\$ 10,466</b>	<b>\$ 14,834</b>	<b>94.4%</b>	<b>87.5%</b>	<b>\$ 653.27</b>	<b>59.4%</b>
Augusta/Aiken	912	\$ 1,593	\$ 630	\$ 963	94.1%	87.6%	\$ 606.19	69.2%
Chattanooga	943	\$ 1,538	\$ 682	\$ 856	93.7%	89.5%	\$ 570.59	52.3%
Columbia	576	\$ 1,015	\$ 512	\$ 503	92.7%	79.1%	\$ 655.25	61.8%
Columbus	1,293	\$ 2,568	\$ 1,087	\$ 1,481	93.7%	90.5%	\$ 685.66	105.2%
Huntsville	544	\$ 865	\$ 394	\$ 471	85.1%	77.2%	\$ 626.96	60.7%
Jackson, TN	664	\$ 1,088	\$ 529	\$ 559	93.8%	84.2%	\$ 593.71	63.0%
Jackson, MS	1,577	\$ 2,889	\$ 1,079	\$ 1,810	95.7%	91.1%	\$ 621.59	64.2%
Lexington	924	\$ 1,704	\$ 633	\$ 1,071	91.8%	82.0%	\$ 691.87	60.2%
Little Rock	808	\$ 1,523	\$ 523	\$ 1,000	93.1%	91.7%	\$ 634.03	60.9%
Macon/Warner Robbins	904	\$ 1,798	\$ 708	\$ 1,090	97.0%	91.2%	\$ 670.66	63.9%
Southeast Georgia	566	\$ 997	\$ 393	\$ 604	91.3%	86.4%	\$ 621.40	68.2%
All other small	3,578	\$ 7,539	\$ 2,739	\$ 4,800	94.5%	90.1%	\$ 724.58	64.0%
<b>Small Tier Markets</b>	<b>13,289</b>	<b>\$ 25,117</b>	<b>\$ 9,909</b>	<b>\$ 15,208</b>	<b>93.8%</b>	<b>88.2%</b>	<b>\$ 660.14</b>	<b>67.0%</b>
<b>Total Same Store</b>	<b>33,143</b>	<b>\$ 62,041</b>	<b>\$ 25,984</b>	<b>\$ 36,057</b>	<b>93.7%</b>	<b>86.6%</b>	<b>\$ 665.30</b>	<b>62.8%</b>

<sup>(1)</sup> 2004 expenses exclude expenses related to hurricanes.<sup>(2)</sup> Economic Occupancy represents Net Potential Rent less Delinquencies, Vacancies and Cash Concessions divided by Net Potential Rent.**PERCENT CHANGE FROM THREE MONTHS ENDED SEP 30, 2004 (PRIOR QUARTER<sup>(1)(3)</sup>) AND DEC 31, 2003 (PRIOR YEAR)**

	Revenue		Expense		NOI		Physical Occupancy		Average Rental Rate	
	Prior Quarter	Prior Year	Prior Quarter	Prior Year	Prior Quarter	Prior Year	Prior Quarter	Prior Year	Prior Quarter	Prior Year
Atlanta	2.3%	2.1%	-5.9%	-4.7%	8.8%	7.4%	-0.9%	3.5%	-0.6%	-3.8%
Dallas	0.6%	-2.3%	6.3%	-1.9%	-5.8%	-2.9%	0.4%	-1.3%	2.0%	2.7%
Houston	-0.5%	-7.0%	0.4%	4.7%	-1.5%	-17.7%	-0.1%	1.7%	1.6%	-1.5%
Tampa	-0.6%	0.9%	-1.4%	-7.8%	-0.1%	8.5%	0.7%	3.5%	1.2%	3.2%
<b>Large Tier Markets</b>	<b>0.6%</b>	<b>-1.4%</b>	<b>0.3%</b>	<b>-2.4%</b>	<b>0.8%</b>	<b>-0.5%</b>	<b>0.0%</b>	<b>1.5%</b>	<b>1.0%</b>	<b>0.0%</b>
Austin	-6.2%	-3.0%	-3.3%	1.1%	-9.7%	-7.5%	2.6%	2.0%	0.8%	1.6%
Greenville	5.7%	3.6%	-6.1%	-7.3%	16.7%	13.6%	-2.6%	0.4%	-0.9%	-1.5%
Jacksonville	-0.7%	0.0%	-6.5%	-3.2%	2.6%	1.7%	-1.2%	0.1%	0.4%	2.7%
Memphis	-2.8%	-1.5%	-5.1%	2.3%	-0.8%	-4.5%	-2.3%	1.5%	-0.4%	-3.1%
Nashville	-1.1%	1.8%	-6.2%	1.3%	2.6%	2.2%	-1.1%	4.0%	-0.5%	-1.0%
All other middle	-1.9%	1.1%	-19.4%	-10.7%	12.9%	9.8%	-0.7%	0.0%	0.5%	2.1%
<b>Middle Tier Markets</b>	<b>-1.5%</b>	<b>0.0%</b>	<b>-7.8%</b>	<b>-2.1%</b>	<b>3.5%</b>	<b>1.5%</b>	<b>-1.2%</b>	<b>1.2%</b>	<b>0.0%</b>	<b>-0.2%</b>
Augusta/Aiken	-2.9%	-0.4%	-9.1%	0.3%	1.7%	-0.8%	-3.1%	1.4%	-0.1%	-1.9%
Chattanooga	-0.9%	2.9%	-4.3%	-5.8%	2.0%	11.2%	-2.4%	0.5%	-0.5%	0.8%
Columbia	0.7%	0.5%	-10.6%	-2.8%	15.6%	4.1%	-2.3%	4.0%	-0.2%	-2.4%
Columbus	-4.5%	-4.2%	-1.4%	5.6%	-6.7%	-10.4%	-2.3%	-1.6%	0.0%	1.7%
Huntsville	-9.1%	-11.8%	-1.3%	-2.2%	-14.8%	-18.5%	-6.3%	-7.2%	-0.2%	-1.9%
Jackson, TN	2.1%	4.0%	-7.4%	-11.5%	12.9%	24.8%	-1.2%	0.0%	0.7%	1.9%
Jackson, MS	-4.6%	-0.9%	-5.9%	1.6%	-3.7%	-2.4%	-2.1%	-0.6%	-0.7%	2.3%
Lexington	-6.9%	1.7%	-1.6%	-1.9%	-9.8%	3.9%	-4.5%	-2.6%	-0.2%	-1.4%
Little Rock	2.0%	2.5%	-6.3%	-7.9%	7.0%	8.9%	-3.4%	-1.8%	0.4%	1.2%
Macon/Warner Robbins	-1.2%	1.3%	-0.1%	7.4%	-1.8%	-2.3%	0.5%	3.9%	-0.2%	0.8%
Southeast Georgia	-1.7%	-2.6%	1.6%	10.1%	-3.7%	-9.4%	-3.8%	0.0%	0.6%	1.6%
All other small	-2.2%	1.9%	0.7%	5.3%	-3.8%	0.0%	-1.1%	-0.3%	0.4%	1.5%
<b>Small Tier Markets</b>	<b>-2.7%</b>	<b>0.1%</b>	<b>-3.0%</b>	<b>1.1%</b>	<b>-2.4%</b>	<b>-0.5%</b>	<b>-2.1%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>0.8%</b>
<b>Total Same Store</b>	<b>-1.6%</b>	<b>-0.2%</b>	<b>-4.3%</b>	<b>-1.0%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>-1.4%</b>	<b>0.6%</b>	<b>0.2%</b>	<b>0.2%</b>
With Hurricane Expenses	-1.6%	-0.2%	-5.1%	-0.4%	1.1%	-0.1%	-1.4%	0.6%	0.2%	0.2%

<sup>(3)</sup> Prior Quarter comparisons reflect a year to date adjustment made in the third quarter to include the effect of straight-lining the greater level of lease concessions granted.

**CONSOLIDATED BALANCE SHEETS** (in thousands)

	<b>December 31,</b> <b>2004</b>	<b>December 31,</b> <b>2003</b>
<b>Assets</b>		
Gross real estate assets	\$ 1,836,776	\$ 1,670,417
Accumulated depreciation	(399,762)	(339,704)
Other real estate assets, net	22,938	21,136
Real estate assets, net	1,459,952	1,351,849
Cash and cash equivalents, including restricted cash	15,174	19,523
Other assets	38,602	35,161
Assets held for disposition	8,579	-
Total assets	\$ 1,522,307	\$ 1,406,533
<b>Liabilities</b>		
Notes payable	\$ 1,083,473	\$ 951,941
Other liabilities	49,969	61,279
Liabilities associated with assets held for disposition	164	-
Total liabilities	1,133,606	1,013,220
Shareholders' equity and minority interest	388,701	393,313
Total liabilities and shareholders' equity	\$ 1,522,307	\$ 1,406,533

**SHARE AND UNIT DATA** (in thousands)

	<b>Three months ended</b> <b>December 31,</b>		<b>Twelve months ended</b> <b>December 31,</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
Weighted average common shares - Basic	20,612	19,598	20,317	18,374
Weighted average common shares - Diluted <sup>(1)</sup>	20,969	19,949	20,652	18,636
Weighted average common shares and units - Basic	23,255	22,285	22,981	21,093
Weighted average common shares and units - Diluted	23,612	22,637	23,316	21,354
Common shares at December 31 - Basic	20,857	20,032	20,857	20,032
Common shares at December 31 - Diluted	21,226	20,410	21,226	20,410
Common shares and units at December 31 - Basic	23,492	22,713	23,492	22,713
Common shares and units at December 31 - Diluted	23,861	23,091	23,861	23,091

<sup>(1)</sup> For periods where the Company reported a net loss available for common shareholders, the effect of dilutive shares has been excluded from net loss per share available for common shareholder computations as including such shares would be anti-dilutive. In such periods, weighted average common shares - diluted in the above table has been adjusted to represent potential dilutive shares.

**OPERATING RESULTS** (Dollars and shares in thousands except per share data)

	<b>Three Months Ended</b> <b>December 31, 2004</b>		<b>Trailing</b> <b>4 Quarters</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
Net income	\$ 12,020	\$ 25,198		
Gain on debt extinguishment	(1,274)	(1,095)		
Net (gain) loss on insurance and other settlement proceeds	421	(2,683)		
Gain on dispositions of unconsolidated entities	(3,249)	(3,249)		
Net gain on insurance and other settlement proceeds of discontinued operations	-	(526)		
Gain on sale of discontinued operations	(5,825)	(5,825)		
Depreciation	17,592	68,653		
Amortization of deferred financing costs	452	1,753		
Interest expense	13,619	50,858		
EBITDA	\$ 33,756	\$ 133,084		
	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
EBITDA/Debt Service	2.39x	2.57x	2.50x	2.50x
EBITDA/Fixed Charges	2.40x	2.64x	2.53x	2.56x
Total Debt as % of Gross Real Estate Assets	58%	56%	58%	56%



**DEBT AS OF DECEMBER 31, 2004***Dollars in thousands*

	<u>Principal Balance</u>	<u>Average Years to Maturity<sup>(1)</sup></u>	<u>Average Rate</u>
Conventional - Fixed Rate or Swapped	\$ 721,327	7.7	6.4%
Conventional - Fixed Rate - Forward Swapped <sup>(2)</sup>	50,000	8.4	3.0%
Tax-free - Fixed Rate or Swapped	87,960	14.0	4.8%
Conventional - Variable Rate	190,756	6.3	3.0%
Tax-free - Variable Rate	10,855	25.8	2.7%
Tax-free - Variable Rate - Capped <sup>(3)</sup>	22,575	4.2	2.7%
<b>Total</b>	<b>\$ 1,083,473</b>	<b>8.1</b>	<b>5.4%</b>

<sup>(1)</sup> Maturities on swapped balances are calculated using the life of the underlying variable debt.

<sup>(2)</sup> As the \$50 million forward swap listed above does not go into effect until May 2, 2005, its effective rate of 5.2% is replaced in the table with the rate of its underlying debt to accurately reflect the average interest rate of the Company at December 31, 2004.

<sup>(3)</sup> As the cap rate of 6.0% has not been reached, the average rate represents the rate on the underlying variable debt.

**FIXED RATE MATURITIES**

	<u>Balance</u>	<u>Rate</u>
2005	\$ 99,262	5.7%
2006	49,591	6.9%
2007	92,800	5.9%
2008	191,514	6.1%
2009	100,230	6.5%
2010	90,000	5.5%
2011	101,000	5.2%
2012 <sup>(1)</sup>	75,000	5.3%
Thereafter	59,890	6.1%
<b>Total</b>	<b>\$ 859,287</b>	<b>5.9%</b>

<sup>(1)</sup> Includes the impact of a \$50 million forward swap which goes into effect on May 2, 2005 and has an effective rate of 5.2%.

**OTHER DATA**

	<u>Three Months Ended December 31, 2004</u>	<u>Three Months Ended December 31, 2003</u>	<u>Twelve Months Ended December 31, 2004</u>	<u>Twelve Months Ended December 31, 2003</u>
<b>PER SHARE DATA</b>				
Dividend declared per common share	\$0.585	\$0.585	\$2.340	\$2.340

**DIVIDEND INFORMATION** (latest declaration)

	<u>Payment per Share</u>	<u>Payment Date</u>	<u>Record Date</u>
Common Dividend - quarterly	\$0.5850	01/31/2005	01/24/2005
Preferred Series F - monthly	\$0.1927	02/15/2005	02/01/2005
Preferred Series H - quarterly	\$0.51875	12/23/2004	12/13/2004