
PRESS RELEASE

FROM: SIMON R. C. WADSWORTH
**SUBJECT: MID-AMERICA APARTMENTS FOURTH QUARTER RESULTS
IN LINE WITH EXPECTATIONS**
DATE: FEBRUARY 12, 2004

Memphis, TN, Mid-America Apartment Communities, Inc. (NYSE: MAA) reported Funds From Operations (“FFO”) of \$17,119,000 or \$0.76 per share/unit for the fourth quarter ended December 31, 2003. This compares to FFO per share/unit of \$0.53 for the same quarter a year ago. The year-ago results have been restated in accordance with the current NAREIT definition of FFO, and include a charge of \$0.10 per share/unit relating to the redemption of preferred stock.

For the year 2003, FFO was \$2.59 per share/unit, which included a \$0.28 non-cash charge related to the redemption of preferred stock. This compares to FFO per share/unit for 2002 restated to \$2.59 per share/unit, which included a \$0.10 per share/unit charge relating to the redemption of preferred stock and a charge of \$0.07 per share/unit relating to the early extinguishment of debt. FFO for the fourth quarter of 2003 includes \$0.04 per share/unit credit to interest expense relating to the amortization of the adjustment of the value of debt assumed during the 3rd quarter. All adjustments associated with restating 2002 FFO were made in accordance with, and as a result of, current NAREIT reporting definitions. FFO is the generally accepted measure of operating performance for real estate investment trusts. Reconciliations and discussions of FFO and the other non-GAAP performance measures can be found later in this release.

Net income available for common shareholders for the quarter ended December 31, 2003 was \$281,000, or \$0.01 per common share, as compared to a loss of \$0.16 per common share for the same quarter a year ago (which included the charge of 12 cents per share related to the redemption of preferred stock in 2002). For the year 2003, the net loss available for common shareholders was \$1,200,000 which included a \$5,987,000 or \$0.33 per share non-cash charge for the preferred stock that was redeemed in the third quarter. This compared to a loss of \$1,929,000 for the year 2002 (after the charge for redemption of preferred stock of \$2,041,000).

Highlights for the quarter were:

- Occupancy performance continued to strengthen as year-end same store occupancy of 93.1% compared favorably to 92.0% for the prior year.
- Quarterly same-store NOI grew by 2.9% on a sequential basis, and was down 1.5% from the same quarter a year ago.
- Revenue performance for the fourth quarter was the highest quarterly revenue performance the company has ever achieved.
- Fixed charge coverage reached a five-year high.

- During the quarter and the first few weeks of 2004, the company completed 3 acquisitions which are expected to be immediately accretive to FFO and dividend coverage.
- The balance sheet continued to strengthen as \$12 million in proceeds were raised in a direct common stock placement.

Eric Bolton, Chairman and CEO said, “We continue to strengthen the balance sheet and position for stronger FFO growth as market conditions improve. We’re encouraged that the NOI of our same-store portfolio showed sequential quarterly improvement and that the portfolio has continued to show resiliency to the difficult market conditions. Mid-America’s unique strategy focused on deploying capital in the high growth southeastern and south central regions of the country, diversified across large, middle and small tier markets, continues to deliver one of the highest risk adjusted investment returns for the sector.”

Simon Wadsworth, Executive Vice-President and CFO said, “We are pleased with the steady progress made on strengthening the balance sheet. While the operating environment has pressured property revenue performance, we’ve been successful in significantly lowering our cost of capital. Our fixed charge coverage for 2003 is at 2.55 compared to 2.36 a year ago, a five-year high. Our business and investment strategy continues to deliver fairly predictable results with lower volatility.”

“Our prior forecast for 2004 included 7 cents per share of non-cash income from the amortization of the adjustment to the value of the debt acquired in 2003. We’ve revised this estimate to 3 1/2 cents. Therefore we’re adjusting the mid-point of our 2004 forecast to \$2.88 and tightening the range of projected FFO to \$2.86 to \$2.90 per share/unit, with the first quarter from \$0.71 to \$0.73. This assumes that our same store performance continues to recover, with NOI growth in the range of 2.0%, and that we complete one more acquisition in our joint venture as we originally planned. We’ve assumed no other acquisitions, although we continue to actively pursue investments that will add to AFFO.”

Bolton said, “We were pleased with the 47% total return that MAA common shareholders received in 2003. Over the 10 years since our initial public offering, our shareholders have experienced a compound annual total return of 15.3%. Our focus continues to be on strengthening dividend coverage and positioning for steady FFO growth. As a result of our commitment to take care of properties and not compromise leasing and resident quality standards during this weak part of the operating cycle, we believe that shareholder value continues to be well protected and poised to see steady growth.”

MAA is a self-administered, self-managed apartment-only real estate investment trust which currently owns or has ownership interest in 36,712 apartment units throughout the southeast and southcentral U.S. For further details, please refer to our website at 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 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,	
	2003	2002	2003	2002
Property revenues	\$ 64,211	\$ 57,756	\$ 239,245	\$ 231,532
Property operating expenses	27,493	23,607	100,526	92,530
Net operating income	36,718	34,149	138,719	139,002
Interest and other non-property income	173	266	839	737
Management and fee income, net	93	205	822	775
Property management expenses	1,651	1,851	8,435	8,633
General & administrative	1,902	1,557	7,235	6,665
Interest expense	11,936	12,067	46,032	49,448
Loss (gain) on debt extinguishment	(215)	1,412	(111)	1,444
Depreciation and amortization	16,333	13,815	59,018	55,110
Amortization of deferred financing costs	470	701	2,062	2,712
Income from continuing operations before loss from investments in unconsolidated entities and minority interest in operating partnership income	4,907	3,217	17,709	16,502
Loss from investments in unconsolidated entities	(633)	(115)	(949)	(532)
Minority interest in operating partnership income	(243)	(27)	(1,360)	(388)
Net gain (loss) on insurance settlement proceeds	260	(40)	2,942	397
Discontinued operations:				
Property operations	16	39	(55)	162
Gain (loss) on sale of discontinued operations	(2)	-	1,919	-
Net income	4,305	3,074	20,206	16,141
Preferred dividend distribution	4,024	3,944	15,419	16,029
Premiums and original issuance costs associated with the redemption of preferred stock	-	2,041	5,987	2,041
Net income (loss) available for common shareholders	\$ 281	\$ (2,911)	\$ (1,200)	\$ (1,929)
Weighted average common shares - Diluted ⁽¹⁾	19,949	17,709	18,374	17,561
Net income (loss) available for common shareholders	\$0.01	(\$0.16)	(\$0.07)	(\$0.11)

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

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

Net income	\$ 4,305	\$ 3,074	\$ 20,206	\$ 16,141
Addback: Depreciation and amortization real estate assets	15,989	13,323	57,645	53,753
Subtract: Net gain (loss) on insurance settlement proceeds	260	(40)	2,942	397
Addback: Depreciation and amortization real estate assets of discontinued operations	-	40	78	153
Subtract: Gain (loss) on sale of discontinued operations	(2)	-	1,919	-
Addback: Depreciation and amortization real estate assets of unconsolidated entities	864	398	2,345	1,430
Subtract: Gain on sale of non-depreciable assets	-	45	-	45
Subtract: Preferred dividend distribution	4,024	3,944	15,419	16,029
Addback: Minority interest in operating partnership income	(243)	(27)	(1,360)	(388)
Funds from operations before premiums and original issuance costs associated with the redemption of preferred stock	17,119	12,913	61,354	55,394
Premiums and original issuance costs associated with the redemption of preferred stock	-	2,041	5,987	2,041
Funds from operations	\$ 17,119	\$ 10,872	\$ 55,367	\$ 53,353
Weighted average common shares and units - Diluted	22,637	20,634	21,354	20,613
Funds from operations before premiums and original issuance costs associated with the redemption of preferred stock per shares and units - Diluted	\$0.76	\$0.63	\$2.87	\$2.69
Funds from operations per shares and units - Diluted	\$0.76	\$0.53	\$2.59	\$2.59

CONSOLIDATED BALANCE SHEETS (in thousands)

	December 31, 2003	December 31, 2002
Assets		
Gross real estate assets	\$ 1,670,417	\$ 1,452,362
Accumulated depreciation	(339,704)	(283,277)
Other real estate assets, net	21,136	23,454
Real estate assets, net	1,351,849	1,192,539
Cash and cash equivalents, including restricted cash	20,880	18,057
Other assets	33,804	28,871
Total assets	\$ 1,406,533	\$ 1,239,467
Liabilities		
Bonds and notes payable	\$ 951,941	\$ 803,703
Other liabilities	61,279	64,188
Total liabilities	1,013,220	867,891
Shareholders' equity and minority interest	393,313	371,576
Total liabilities & shareholders' equity	\$ 1,406,533	\$ 1,239,467

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

ROA	Three Months Ended December 31, 2003	Trailing 4 Quarters		
	Net income	\$ 4,305	\$ 20,206	
Net gain on insurance settlement proceeds	(260)	(2,942)		
Gain on sale of discontinued operations	2	(1,919)		
Depreciation and amortization	16,333	59,018		
Amortization of deferred financing costs	470	2,062		
Interest expense	11,936	46,032		
EBITDA	\$ 32,786	\$ 122,457		
	Annualized 4Q03	Trailing 4 Quarters		
Gross Real Estate Assets, Average	\$1,695,111	\$1,589,685		
EBITDA	\$131,144	\$122,457		
EBITDA/Gross Real Estate Assets	7.7%	7.7%		
	Three Months Ended December 31, 2003	December 31, 2002	Twelve Months Ended December 31, 2003	December 31, 2002
EBITDA/Debt Service	2.57x	2.29x	2.49x	2.31x
EBITDA/Fixed Charges	2.64x	2.33x	2.55x	2.36x
Total Debt as % of Gross Real Estate Assets	56%	54%		
MAA portion of JV debt	\$14,884	\$36,747		
AFFO	Three Months Ended December 31, 2003	December 31, 2002	Twelve Months Ended December 31, 2003	December 31, 2002
FFO	\$ 17,119	\$ 10,872	\$ 55,367	\$ 53,353
Premiums and original issuance costs associated with the redemption of preferred stock	-	2,041	5,987	2,041
FFO before premiums and original issuance costs associated with the redemption of preferred stock	17,119	12,913	61,354	55,394
Recurring Capex	3,256	4,966	12,846	12,123
AFFO ⁽¹⁾	\$ 13,863	\$ 7,947	\$ 48,508	\$ 43,271
Average Common Shares and Units - Diluted	22,637	20,634	21,354	20,613
AFFO per Shares and Units - Diluted	\$0.61	\$0.39	\$2.27	\$2.10

(1) The three and twelve months ended December 31, 2003 include approximately \$952,000 of a credit to interest expense relating to the amortization of the adjustment of the value of debt assumed during the third quarter.



COMMUNITY STATISTICS*Properties are grouped by operational responsibility.***At December 31, 2003**

	Number of Units	Portfolio Concentration	Occupancy	Average Rental Rate Per Unit
Tennessee				
Memphis	4,837	13.4%	92.0%	\$ 646.67
Nashville	1,399	3.9%	92.0%	\$ 721.04
Chattanooga	943	2.6%	93.2%	\$ 565.82
Jackson	664	1.9%	93.8%	\$ 582.81
Florida				
Jacksonville	3,631	10.2%	90.7%	\$ 757.54
Tampa	1,120	3.1%	92.1%	\$ 769.00
Other	2,518	7.0%	94.1%	\$ 734.08
Georgia				
Atlanta	2,116	5.9%	91.2%	\$ 738.18
Columbus / LaGrange	1,509	4.2%	95.1%	\$ 657.07
Augusta / Aiken / Savannah	912	2.6%	92.7%	\$ 617.79
Other	1,962	5.5%	93.8%	\$ 673.03
Texas				
Dallas	2,854	8.0%	90.1%	\$ 658.52
Houston	1,310	3.7%	90.1%	\$ 739.81
Austin	1,254	3.5%	91.8%	\$ 621.55
South Carolina				
Greenville	1,492	4.2%	94.3%	\$ 547.98
Other	784	2.2%	89.9%	\$ 691.84
Kentucky				
Lexington	924	2.6%	94.4%	\$ 701.50
Other	624	1.7%	95.5%	\$ 608.51
Mississippi	1,673	4.7%	95.9%	\$ 596.08
Alabama	952	2.7%	93.8%	\$ 655.18
Arkansas	808	2.3%	94.9%	\$ 626.77
North Carolina	738	2.1%	95.1%	\$ 539.66
Ohio	414	1.2%	92.8%	\$ 675.13
Virginia	296	0.8%	99.3%	\$ 755.10
Total	35,734	100.0%	92.7%	\$ 671.62

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

	Three Months Ended Dec 31, 2003	Three Months Ended Dec 31, 2002	Percent Change From Dec 31, 2002	Three Months Ended Sep 30, 2003	Percent Change From Sep 30, 2003
Revenues	\$54,323	\$53,984	0.6%	\$54,102	0.4%
Property Operating Expenses	15,909	14,978	6.2%	16,524	-3.7%
RE Taxes and Insurance	6,774	6,940	-2.4%	6,773	0.0%
Other Expenses	152	87	74.7%	207	-26.6%
Total Operating Expenses	22,835	22,005	3.8%	23,504	-2.8%
NOI	\$31,488	\$31,979	-1.5%	\$30,598	2.9%
Units ⁽¹⁾	29,043	29,043		29,043	
Average Rental Rate ⁽¹⁾	\$657.81	\$657.39	0.1%	\$657.20	0.1%
Average Physical Occupancy ⁽¹⁾	93.1%	92.0%	1.1%	94.7%	-1.6%

⁽¹⁾ Values are at December 31, 2003 and 2002, and September 30, 2003.

DEBT AS OF DECEMBER 31, 2003*Dollars in thousands*

	<u>Principal Balance</u>	<u>Average Years to Maturity⁽¹⁾</u>	<u>Average Rate</u>
Conventional - Fixed Rate or Swapped	\$ 612,472	8.5	6.7%
Conventional - Forward Swapped ⁽²⁾	40,000	8.6	1.8%
Tax-free - Fixed Rate or Swapped	116,068	23.7	5.4%
Conventional - Variable Rate	165,741	7.7	1.9%
Tax-free - Variable Rate	17,660	27.7	2.0%
Total	\$ 951,941	10.6	5.4%

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

⁽²⁾ As the forward swaps are not yet in effect, the average rate represents the rate on the underlying variable debt.

FUTURE PAYMENTS

	<u>Scheduled Amortization</u>	<u>Maturities</u>	<u>Total</u>	<u>Average Rate of Maturities</u>
2004	\$ 3,511	\$ 93,595	\$ 97,106	5.8%
2005	3,806	-	3,806	
2006	4,046	4,459	8,505	8.8%
2007	4,242	-	4,242	
2008	4,524	-	4,524	6.9%
Thereafter	102,757	731,001	833,758	5.3%
Total	\$ 122,886	\$ 829,055	\$ 951,941	5.4%

OTHER DATA*Shares and units in thousands except per share data*

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Weighted average common shares and units - Basic	22,285	20,449	21,093	20,415
Weighted average common shares and units - Diluted	22,637	20,634	21,354	20,613
Weighted average common shares - Diluted ⁽¹⁾	19,949	17,709	18,374	17,561
Number of apartment units with ownership interest (excluding development units not delivered)	35,734	33,923	35,734	33,923
Apartment units added during period, net	501	464	1,811	512

⁽¹⁾ For periods where the Company reported a net loss available for common shareholders, the effect of dilutive shares has been excluded from weighted average common shares computations because including such shares would be anti-dilutive.

PER SHARE DATA

Dividend declared per common share	\$0.585	\$0.585	\$2.340	\$2.340
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DIVIDEND INFORMATION (latest declaration)

	<u>Payment per Share</u>	<u>Payment Date</u>	<u>Record Date</u>
Common Dividend - quarterly	\$0.5850	01/31/2004	01/24/2004
Preferred Series F - monthly	\$0.1927	02/13/2004	02/01/2004
Preferred Series H - quarterly	\$0.51875	12/23/2003	12/13/2003



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

FFO represents net income (computed in accordance with accounting principles generally accepted in the United States of America, or GAAP) excluding extraordinary items, minority interest in Operating Partnership income, gain or loss on sale of discontinued operations and insurance settlement proceeds, plus depreciation and amortization 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. 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 July 31st 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 settlement proceeds, plus depreciation and amortization, 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.