

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

PRESS RELEASE

FROM: SIMON R. C. WADSWORTH
SUBJECT: MID-AMERICA FIRST QUARTER FUNDS FROM OPERATIONS GROW 4.7%
DATE: MAY 8, 2003

Mid-America Funds From Operations Grow 4.7%

Memphis, TN, Mid-America Apartment Communities, Inc. (NYSE: MAA) reported Funds From Operations (“FFO”), the generally accepted measure of operating performance for real estate investment trusts, of \$14,524,000, or \$0.70 per share/unit for the quarter ended March 31, 2003. This compares to FFO of \$13,877,000, or \$0.68 per share/unit earned during the same period last year. Net income for the quarter ended March 31, 2003 was \$4,326,000, or \$0.02 per common share, as compared to \$4,300,000, or \$0.02 per common share for the same quarter of last year. A reconciliation of FFO to net income is attached as a schedule to this press release.

Highlights for the first quarter were:

- FFO per share/unit was 5 cents ahead of consensus and 2 cents higher than the same period of a year ago.
- Leasing conditions remain competitive as same store occupancy at quarter end of 91.9% trails the same point last year at 94.1%.
- However, leasing concessions have moderated somewhat and were down 27.4% from the prior year on a same store basis.
- Almost \$150 million of refinancing helped to lower the average interest rate to 5.0% at quarter-end from 5.8% at December 31, 2002.
- Fixed charge coverage ratio continued to strengthen and is at a five year high.
- Two property acquisitions were completed during the quarter, both designated for joint venture ownership: the Preserve at Arbor Lakes, a 284-unit community located in Jacksonville, FL and Green Oaks, a 300-unit community in the Dallas suburb of Grand Prairie, TX.

Eric Bolton, Chairman and CEO said, “As reported in our first quarter earnings pre-announcement on April 16th, FFO for the quarter was better than we had forecast earlier. While we still feel considerable pressure on property revenues due to a very competitive leasing environment, property operating expenses were lower than expected as a result of a continued drop in resident turnover, declining 1.7% on a same store basis from the same period a year ago. Additionally, maintenance costs associated with resident turnover, were lower than expected as several improvements to the operational management of turnover were implemented. Revenue performance continues to be sluggish as occupancy levels remain below prior year levels. However, we continue to

feel that soft market conditions have bottomed out as leasing concessions posted a significant decline from the prior year. Occupancy should improve over the coming summer leasing season.”

Simon Wadsworth, Executive Vice-President and CFO said, “Coverage ratios continue to strengthen. For the quarter, our fixed charge coverage improved to 2.49 from 2.44 in the prior quarter, and 2.35 in the same quarter a year ago. Debt service coverage improved to 2.43 from 2.41 in the prior quarter, and 2.30 in the same quarter a year earlier. In addition to the better than anticipated operating performance from our properties, interest expense was also lower than we had anticipated as rates remain low. At quarter-end 84% of our debt was fixed rate, swapped or forward-swapped and only 10% of our debt is scheduled for refinance through the end of 2004, giving us protection once the economy improves and interest rates begin to rise.

We have increased our full-year forecast of FFO to a range of \$2.75 to \$2.80 per share/unit, with 70 to 72 cents forecast for the second quarter, 66 to 69 cents for the third quarter, and 69 to 71 cents for the fourth quarter. The forecast assumes the continuation of a weak operating environment through 2003.”

Al Campbell, Senior Vice-President and Director of Financial Planning said, “Our Dallas and Atlanta properties continue to feel the brunt of the weak leasing environment. These markets have been hardest hit by excessive new construction and weak job growth. We also have seen occupancy in the Tampa, FL market weaken over the last few months. High leasing concessions persist in these markets.

Our concentration of properties in mid-tier and small markets continue to post stable results as Memphis, Jacksonville, Jackson, MS and Lexington, KY properties all generated occupancy results in the 94% to 95% range for the quarter.

We continue to pursue several property acquisition opportunities. On May 6th we closed on the purchase of Jefferson Pines, a 309-unit apartment community in Houston and anticipate that we will be acquiring additional properties during the year.”

Bolton said, “We remain on track with our strategy to further increase dividend coverage. Quarterly coverage ratios have improved on a year-over-year basis for five straight quarters. Our ability to progress significantly during this down part of the cycle and keep dividends and shareholder value fully intact is evident. Our unique portfolio strategy focused on a range of market segments, from large metro markets to smaller tertiary markets, diversified over the stable and steady growth region of the country, will continue to generate one of the best risk adjusted investment returns for the apartment REIT sector. Our dividend remains secure within the range of our FFO estimates. We are confident that a recovering economy and continued progress on our acquisitions initiative will further boost FFO and dividend coverage. Market pricing of the common stock currently offers a discount to net asset value even as we continue to generate steady growth in share value.”

The Company provides guidance on FFO and does not forecast net income. It is not possible to reasonably predict the timing and certainty of acquisitions and dispositions that would materially affect depreciation, capital gains or losses and minority interest, or to forecast extraordinary items, which, combined, generally represent the difference between net income and FFO.

MAA is a self-administered, self-managed apartment-only real estate investment trust which currently owns or has ownership interest in 34,816 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 March 31,	
	2003	2002
Property revenues	\$ 57,407	\$ 56,871
Property operating expenses	23,118	22,399
Net operating income	34,289	34,472
Interest and other non-property income	229	134
Management and fee income, net	248	186
FFO from real estate joint ventures	373	320
Property management expenses	2,244	2,313
General & administrative	1,843	1,605
Interest expense	11,635	12,362
Preferred dividend distribution	3,925	4,028
Depreciation and amortization non-real estate assets	344	270
Amortization of deferred financing costs	624	657
Funds from operations	14,524	13,877
Depreciation and amortization	13,571	13,239
Joint venture depreciation adjustment included in FFO	498	343
Preferred dividend distribution add back	(3,925)	(4,028)
Income before gain on disposition of assets and minority interest	4,380	4,323
Net gain on disposition of assets and insurance settlement proceeds	79	64
Minority interest in operating partnership income	(133)	(87)
Net Income	4,326	4,300
Preferred dividend distribution	3,925	4,028
Net income available for common shareholders	\$ 401	\$ 272
Weighted average common shares and units - Diluted	20,657	20,512
Funds from operations per share and units - Diluted	\$0.70	\$0.68
Weighted average common shares - Diluted	17,921	17,596
Net income available for common shareholders	\$0.02	\$0.02

CONSOLIDATED BALANCE SHEETS

In thousands

	March 31,	December 31,
	2003	2002
Assets		
Gross real estate assets	\$ 1,474,818	\$ 1,452,362
Accumulated depreciation	(297,053)	(283,593)
Other real estate assets, net	25,335	23,454
Real estate assets, net	1,203,100	1,192,223
Cash and cash equivalents, including restricted cash	12,505	18,057
Other assets	30,256	29,187
Total assets	\$ 1,245,861	\$ 1,239,467
Liabilities		
Bonds and notes payable	\$ 825,776	\$ 803,703
Other liabilities	60,661	64,188
Total liabilities	886,437	867,891
Shareholders' equity and minority interest	359,424	371,576
Total liabilities & shareholders' equity	\$ 1,245,861	\$ 1,239,467



OPERATING RESULTS

Dollars and shares in thousands except per share data

ROA

	Three Months Ended March 31, 2003	Trailing 4 Quarters
Net income	\$ 4,326	\$ 16,187
Minority interest in operating partnership income	133	539
Extraordinary items, net of minority interest	-	1,339
Net gain on disposition of assets and insurance settlement proceeds	(79)	(412)
Income before gain on disposition of assets, minority interest and extraordinary items	4,380	17,653
Depreciation and amortization	13,915	55,669
Amortization of deferred financing costs	624	2,679
Interest expense	11,635	48,721
EBITDA	<u>\$ 30,554</u>	<u>\$ 124,722</u>
	Annualized 1Q03	Trailing 4 Quarters
Gross Real Estate Assets, Average	\$1,503,486	\$1,484,701
EBITDA	\$122,216	\$124,722
EBITDA/Gross Real Estate Assets	8.1%	8.4%
	Three Months Ended March 31, 2003	2002
Common and Preferred Dividends as % of FFO (12 month rolling)	87%	87%
EBITDA/Debt Service	2.43x	2.30x
EBITDA/Fixed Charges	2.49x	2.35x
Total Debt as % of Gross Real Estate Assets	55%	54%
MAA portion of JV debt	\$37,524	\$27,036
Capitalized Interest YTD	\$0	\$127

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) excluding the effects of Minority Interest in Operating Partnership Income, Extraordinary Items, net of Minority Interest, and Net Gain on Disposition of Assets and Insurance Settlement Proceeds is a non-GAAP financial measure used by the Company to assist in measuring the Company's ability to service its debt, and its financial and operating performance.

FAD

	Three Months Ended March 31, 2003	2002
FFO	\$ 14,524	\$ 13,877
Recurring Capex	2,493	1,800
FAD	12,031	12,077
Depreciation and amortization non-real estate assets	344	270
Amortization of deferred financing costs	624	657
Free Cash Flow	<u>\$ 12,999</u>	<u>\$ 13,004</u>
Average Common Shares and Units - Diluted	20,657	20,512

PER SHARE (DILUTED)

FFO	\$0.70	\$0.68
FAD	\$0.58	\$0.59
Free Cash Flow	\$0.63	\$0.63
Distribution	\$0.585	\$0.585

Funds Available for Distribution (FAD) and Free Cash Flow are non-GAAP financial measures the Company believes are appropriate measures of cash flow available for shareholder distributions after funding normal operating expenses and recurring capital expenditures.



COMMUNITY STATISTICS*Properties are grouped by operational responsibility and exclude properties in lease-up***At March 31, 2003**

	Number of Units	Portfolio Concentration	Occupancy	Average Rental Rate Per Unit
Tennessee				
Memphis	4,429	13.2%	92.8%	\$ 623.71
Nashville	966	2.9%	91.4%	\$ 676.64
Chattanooga	943	2.8%	91.7%	\$ 566.19
Jackson	664	2.0%	92.0%	\$ 591.56
Florida				
Jacksonville	3,130	9.3%	94.3%	\$ 717.09
Tampa	1,120	3.3%	88.3%	\$ 762.32
Other	2,518	7.5%	93.4%	\$ 722.69
Georgia				
Atlanta	2,116	6.3%	86.9%	\$ 767.65
Columbus / LaGrange	1,509	4.5%	92.9%	\$ 650.29
Augusta / Aiken / Savannah	1,132	3.4%	93.9%	\$ 627.12
Other	1,742	5.2%	90.8%	\$ 658.88
Texas				
Dallas	2,356	7.0%	86.2%	\$ 661.27
Austin	1,254	3.7%	93.5%	\$ 646.74
Houston	1,002	3.0%	95.2%	\$ 676.24
South Carolina				
Greenville	1,492	4.4%	87.0%	\$ 556.17
Other	784	2.3%	84.6%	\$ 680.35
Kentucky				
Lexington	924	2.8%	92.2%	\$ 696.79
Other	624	1.9%	94.7%	\$ 606.42
Mississippi	1,673	5.0%	95.0%	\$ 584.68
Alabama	952	2.8%	91.9%	\$ 645.78
Arkansas	808	2.4%	94.4%	\$ 618.70
North Carolina	738	2.2%	87.7%	\$ 553.76
Ohio	414	1.2%	91.8%	\$ 676.73
Virginia	296	0.9%	92.6%	\$ 724.92
Total	33,586	100.0%	91.5%	\$ 659.57

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

	Three Months Ended Mar 31, 2003	Three Months Ended Mar 31, 2002	Percent Change From Mar 31, 2002	Three Months Ended Dec 31, 2002	Percent Change From Dec 31, 2002
Revenues	\$52,689	\$53,244	-1.0%	\$53,196	-1.0%
Property Operating Expenses	13,986	14,228	-1.7%	14,810	-5.6%
RE Taxes and Insurance	6,906	6,179	11.8%	6,789	1.7%
Other Expenses	192	105	82.9%	87	120.7%
Total Operating Expenses	21,084	20,512	2.8%	21,686	-2.8%
NOI	\$31,605	\$32,732	-3.4%	\$31,510	0.3%
Units ⁽¹⁾	28,723	28,723		28,723	
Average Rental Rate ⁽¹⁾	\$654.28	\$656.53	-0.3%	\$655.73	-0.2%
Average Physical Occupancy ⁽¹⁾	91.9%	94.1%	-2.3%	91.9%	0.0%

⁽¹⁾ Values are at March 31, 2003 and 2002

DEBT AS OF MARCH 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	\$ 419,199	9.7	6.9%
Conventional - Forward Swapped ⁽²⁾	150,000	10.4	2.0%
Tax-free - Fixed Rate or Swapped	122,176	23.8	5.5%
Conventional - Variable Rate	117,741	10.5	2.0%
Tax-free - Variable Rate	16,660	28.3	2.0%
Total	\$ 825,776	12.4	5.0%

⁽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 for Maturities</u>
2003	\$ 2,553	\$ 3,605	\$ 6,158	7.9%
2004	3,650	71,168	74,818	7.0%
2005	3,891	-	3,891	
2006	3,980	36,010	39,990	6.4%
2007	3,427	-	3,427	
Thereafter	107,180	590,312	697,492	4.7%
Total	\$ 124,681	\$ 701,095	\$ 825,776	5.0%

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

	<u>Three Months Ended March 31,</u>	
	<u>2003</u>	<u>2002</u>
Weighted average common shares and units - Basic	20,487	20,371
Weighted average common shares and units - Diluted	20,657	20,512
Weighted average common shares - Diluted	17,921	17,596
Number of apartment units with ownership interest (excluding development units not delivered)	34,507	33,434
Apartment units added(sold) during period, net	584	23

PER SHARE DATA

Funds from operations per share and units - Basic	\$0.71	\$0.68
Funds from operations per share and units - Diluted	\$0.70	\$0.68
Net income available for common shareholders per share - Diluted	\$0.02	\$0.02
Dividend declared per common share	\$0.585	\$0.585

DIVIDEND INFORMATION (latest declaration)

	<u>Payment per Share</u>	<u>Payment Date</u>	<u>Record Date</u>
Common Dividend - quarterly	\$0.5850	4/30/2003	4/24/2003
Preferred Series A - monthly	\$0.1979	5/15/2003	5/1/2003
Preferred Series B - monthly	\$0.1849	5/15/2003	5/1/2003
Preferred Series C - quarterly	\$0.5859	4/15/2003	4/1/2003
Preferred Series F - monthly	\$0.1927	5/15/2003	5/1/2003

