**Mid-America Apartment Communities, Inc.**
**First Quarter 2008 Conference Call Comments**

**Leslie Wolfgang:**
Good morning. This is Leslie Wolfgang, Director of External Reporting for Mid-America Apartment Communities. With me are Eric Bolton, our CEO, Simon Wadsworth, our CFO, Al Campbell, Treasurer, Tom Grimes, Director of Property Management and Drew Taylor, Director of Asset Management.

Before we begin I want to point out that as part of the discussion this morning company management will make forward-looking statements. Please refer to the safe-harbor language included in yesterday's press release and our 34-Act filings with the SEC which describe risk factors that may impact future results. These reports, along with a copy of today's prepared comments, and an audio copy of this morning's call can be found on our website.

I'll now turn the call over to Eric.

**Bolton**
Thanks Leslie. Thanks for calling-in to our first quarter's earnings call. As outlined in yesterday's release, Mid-America is off to a terrific start in 2008. Strong first quarter results support our belief that the company is poised to deliver another year of solid performance. Within our markets and portfolio, steady employment conditions, minimal new construction starts and a lack of pressure from vacant single-family and condo product, drives our expectation for steady NOI and FFO growth this year and into 2009.

Employment trends in those markets where we have higher concentrations, such as Houston, Dallas, Atlanta, Jacksonville and Memphis, continue to show positive job growth trends and overall steady employment conditions. While the research we all read supports that job growth is indeed slowing from last year's growth rate, we continue to believe that the employment levels in our markets are likely to hold up pretty well and, at this point, we don't see any evidence developing for significant job loss. From what we're seeing in our leasing offices and sub-markets, indications are that the leasing environment will remain stable as we head into the busy summer leasing season. Of course to some degree, demand levels are also being supported by the pull back in single-family home buying. It's hard to tell how much of the slow down in job growth is being off-set by the pull back in home buying, but there is clearly some off-set…and I expect that it will vary significantly by market across the country.

Further supporting what we expect to be continued net positive absorption trends is the pull back by developers in starting new projects. Most of the developers we talk to are clearly having a difficult time securing financing and also having a real challenge in making their numbers work when they can secure financing. I continue to believe that the necessary components are not in place to support any sort of significant ramp-up in new development activity across our markets and expect that it will remain so for some time.

Now, if one wants to forecast a more severe slow-down in the economy and a meaningful deterioration in employment levels as the year unfolds, we continue to believe that overall the apartment business will avoid the severe collapse that occurred back in the 2002-2003 timeframe. The lack of new construction pressure, and a return to a more disciplined mortgage financing market, will provide some continued relief, unlike the 2002-2003 downturn. And as you may recall, Mid-America's regional focus and diversification held up as one of the stronger performers during this period of very weak fundamentals for the apartment business.

So while some moderation in job growth is occurring, there are other cross-currents at work that keep us comfortable that leasing fundamentals within our portfolio are in pretty good shape as we head into the busy leasing quarters of the second and third quarters.

Looking more specifically at some of our performance trends in the first quarter, total "walk-in" leasing traffic, those that actually come into our leasing office, was up 3% over last year's strong performance. We continue to see just an explosion in the growth rate of folks initiating contact with us through the internet and via email. Traffic in these two areas more than doubled from the first quarter of last year and now represents close to 40% of our total traffic. We expect this trend to grow with long-term positive implications to our leasing and marketing cost efficiencies. With the volume of leasing traffic running higher than last year and closing ratios strong, the average days to lease vacant units across the portfolio declined to 15 days in the first quarter, down from 19 days in the first quarter of last year. That's a pretty meaningful metric and has positive implications for improving year over year effective occupancy and lowering vacancy loss.

In addition to these positive "front door" trends, for the third consecutive quarter we saw move-outs due to home buying post a decline as compared to the prior year. Turnover attributed to buying a home declined by 16% in the first quarter versus last year. Additionally, move-outs to rent a home only increased by 3%, or an insignificant 4% of all move-outs as compared to last year. We remain comfortable that Mid-America's portfolio is not materially exposed to the shadow market of vacant single-family homes and condos that are pressuring apartment leasing fundamentals in a number of markets across the country.

With traffic and demand levels running higher than last year, same store physical occupancy at the end of the first quarter was a very healthy 95.6%, 70 basis points higher than the same point in 2007 and up 80 basis points from year-end. We expect to see this trend continue. In fact, we closed April with same store occupancy ahead of last year by 65 basis points at a strong 95.3%.

In addition to the solid occupancy result, in the first quarter leasing concessions declined a significant 46% and helped to drive effective pricing on a same store basis up 2.6%

over the prior year. Our property management operation continues to become increasingly knowledgeable in using our new yield management program and we've been very pleased with the ability to more actively manage pricing and revenue management decisions on site.

Another area of performance that we've been closely monitoring for any signs of weakness is collections. Again, we've not seen any indication of performance deterioration in this area and in fact, overall performance on net collection loss improved in the first quarter as compared to last year. Current month uncollected rents held steady in the first quarter as compared to last year at 1.1% of total net potential rent. However, as a result of additional system enhancements and procedural changes recently introduced, the recovery of prior month collections and collection agency recoveries improved a significant 28% over last year and as a result our total net collection loss in the first quarter improved to just four-tenths of one percent, which is down from five-tenths of one percent last year. This result marks another quarterly performance record achieved in the first quarter; in fact, it is the strongest net collections performance we've captured in our fourteen year history and is another example of an area where retooled systems and practices have made a significant positive impact to our performance.

So, with occupancy running ahead of last year's strong performance, pricing power in tact, and no signs of deterioration in collections, we continue to feel pretty good about our expectations for another year of solid performance.

Simon will provide additional insights on our up-dated earnings guidance for the year, but in addition to the overall stable leasing environment, we continue to capture positive momentum from several new enhancements with our operating systems, including the recent roll-out of a new purchase order system and expanded capabilities for our on-site operations to more actively manage their expenses. Also, our kitchen and bath up-grade initiative is continuing to capture terrific results and is making great progress in steadily penetrating a higher percentage of the portfolio. In the first quarter, our renovation team completed just over 800 units, capturing an average price increase of 12% on the renovated units. Our guidance this year was based on completing a total of 3,000 units and so we are clearly off to a great start against this goal.

On the transactions front there are some changes starting to take place. From what we are seeing, sellers are slowly starting to recalibrate their expectations. More distressed situations, such as a lease-up property or high leverage deals facing refinancing, offer better buying opportunities for those who can execute a close quickly and close without any financing contingencies. The competition for value-add or repositioning investment opportunities, where the buyer can get a little more creative, or aggressive, with their under-writing remains very competitive and pricing is holding up pretty well. Assuming the operating fundamentals continue to be good, we don't expect to see any sort of significant shift in overall pricing, but the number of distressed situations brought on by financing issues is growing and we believe that buying opportunities are increasing.

Our goal for the year of adding $150 million of high-quality properties, on a 100% owned basis to our balance sheet, is off to good start with $23 million completed to date. We currently have a new lease-up property in the Raleigh market that is under-going due diligence and we expect to close on this acquisition later this month. We're also very active in underwriting acquisitions for our joint-venture, Mid-America Multifamily Fund I, LLC, with a focus on repositioning investment opportunities. In the first quarter we closed on two investments for $60 million for the fund and are on track to also capture our goal of $150 million of joint venture investments this year as well.

**Simon**
First quarter FFO per share/unit of 96 cents was 4 cents ahead of the mid-point of our guidance, and a 10% increase over the first quarter of 2007. Excluding the 4-cents per share/unit promote fee from the Crow joint venture that we reported in the first quarter of 2007, the growth in FFO per share/unit was 16%. The strong growth was driven by excellent operating results and a 40 basis point reduction in our average interest rate

First quarter, year-over-year same store revenue growth was 3.8%, slightly ahead of our internal forecast. NOI growth was 5.0%, which compares favorably to the 4.3% growth we reported a year ago, and, other than the first quarter of 2006, is the best first quarter we're reported in the last twelve years. Fee revenues and reimbursements continue to climb more rapidly than rents, at 6.9% and 7.2% respectively, as we continue to grow fees and fine-tune our reimbursement collection procedures. All of these contributed towards excellent revenue performance.

Same-store expenses increased 2.1% over the first quarter of 2007. This was a little higher than we'd forecast, partly due to the timing of some personnel costs that we expect to moderate during the year. Increasing utility costs were partially recovered through our rebilling programs, and repair and maintenance and marketing expenses had some modest reductions which helped to offset some of the cost increases.

Same-store results included 5% revenue growth and 7.9% NOI growth in our High Growth markets, with strong revenue performance in Dallas, Houston, and Nashville, and strong overall performance in most of our other markets. Florida is the only significant area which has shown any weakness, but even there revenues increased 0.8% over the same quarter a year ago. Our portfolio is well-positioned for the current Florida market conditions, as we have very limited exposure to markets that are oversupplied with condos and single-family houses. We only have one property in South Florida, one in Orlando, and four in Tampa (of which two are in protected submarkets). Our biggest Florida concentration is in Jacksonville which has performed well, and where we have just one property, Lighthouse Court, that is experiencing tough competition from single family housing. Excluding this property, Jacksonville property revenues were up 2.1%. Overall, we expect positive revenue growth from Florida for all of 2008. In Columbus, GA, revenues at our two properties dropped 3%, but we expect a recovery as the year progresses. NOI in our three Texas markets is up by 11%, and by 12% in our northern Tennessee and Kentucky markets.

The strength of the markets and the implementation of the yield management software enabled us to reduce concessions in the 1st quarter on a cash basis more than 50%, from $370 per move-in a year ago to $179 this year, down from 2.6% of net potential rent to 1.2%, which is likely now approaching a stabilized level.

We were pleased that turnover decreased 1.6% compared to the same period a year ago, from 54.1% on an annualized basis to 52.5%. Turnover is generally lower during the first quarter of the year, so on a trailing 12-month basis it is 63.6%.The number of people leaving us to buy a house continued to decline, dropping 16% to 25.5% of move-outs from 29.3% in the first quarter of 2007.

Turning to the balance sheet, our leverage, defined as debt plus preferred to total gross assets, dropped by 40 basis points from March of 2007 to 58.5%. As a percentage of total market capitalization our debt plus preferred stands at the sector median, 48.5%, and our fixed charge coverage continued to improve, rising to 2.40 from 2.22 in the first quarter of 2007. We have $280 million of unused pre-committed credit under our Agency and bank facilities, of which $160 million is available under in-place mortgages and an additional $120 million is committed at our existing credit spreads. We've benefited as Treasury and swap rates have dropped, and as Agency debt securities have traded very favorably compared to Libor. We have $180 million of debt refinancing and swap maturities to address in 2008, of which we completed $27 million in the first quarter. Since quarter-end, we've put in place a further $100 million of forward swaps, locking in attractive interest rates that will be effective between May and December. We'll be working on refinancing the remaining $50 million of maturities using our Fannie Mae and Freddie Mac credit facilities. As a result, we expect to pick up interest savings beginning in the third quarter, which is in both our original and our current guidance. We continue to benefit from the fact that 20% of our debt is floating rate (including the 4% that's capped), mostly tied to very attractive Fannie Mae DMBS rates.

We sold 300,000 shares, raising $15.5 million net of new common equity in the first quarter through our continuous equity program. In April we sold an additional 350,000 shares raising $18.4 million net, so we've netted about $52.14 per share. We'll either use this equity together with some debt to repurchase some of the preferred, which will lower our blended cost of capital, or if the acquisition environment continues to improve as we think it may, we'll use the equity to fund additional new investment. In either case, we anticipate leaving some of the Preferred in place, with effectively a free call option to use if we choose at some future date.

As a reminder, if we do take out some of Preferred H, we have to write off the original issuance cost, a non-cash cost. This works out to be just over 1 cent per share/unit for each $10 million redeemed.

Because of our strong first quarter, we've added 3 cents to our full-year FFO forecast, taking the range to $3.68 to $3.88 per share/unit. Our guidance for the remaining three quarters, which we've outlined in the press release, remains very close to our original forecast:

- We continue to expect our property operations to perform in line with our initial 2008 forecast, with same-store NOI growth in the range of 4% - 5%, revenues growing 3½ - 4½% and expense growth for the full year in a range of 2½% - 3%. Remember in the second half of this year we'll have some tougher expense comparisons because of the favorable insurance renewal July 1st of 2007, and the favorable real estate tax adjustments in the second half of last year.

- We do have a few pieces of the forecast that are moving around. We've increased our forecast for same-store real estate tax expense to just over 4½%; this is almost offset by our expectation of moderation from our July insurance renewal. Taxes are always one of our biggest areas of uncertainty, at least until we get greater clarity towards the end of the third quarter. A 1% change in taxes impacts our results just over 1 cent per share. We're now hopeful of a flat renewal of our insurance program on July 1, and we'll be pretty focused on this over the next two months.

- Compared to our original forecast, lower short term interest rates continue to help us, although longer term interest rates have moved up. For the full year we expect interest rates to average 5% - 5.1%. We also will have slight FFO dilution from raising the additional equity. Our new guidance assumes we sell an additional 300,000 shares during the balance of this year. The net of all of this adds 2 cents to 2008 FFO.

- We now expect about 3 cents of FFO dilution this year from the likely acquisition of the Raleigh property that Eric mentioned, because it's in lease up.

- Combining these items with the 4 cents by which we beat our first quarter forecast, gives us a 3 –cent addition to the mid-point of our full-year guidance.

We have identified our disposition candidates, and subject to approval by our Board, we anticipate starting the marketing process in the next 90 days. We think our prior guidance for acquisitions (both for Fund I and for our wholly-owned account) and for dispositions seem approximately correct.

**Bolton**
We continue to believe that our disciplined, value oriented approach to deploying capital, diversified in high growth markets across the Sunbelt region, supported by a culture that is passionate in our focus on property operations, will continue to deliver performance that competes favorably with those strategies focused on high barrier markets and large new development operations.   Over the last few years we've made a lot of changes to our portfolio profile, operating platform and balance sheet…all of which continue to deliver record levels of performance for Mid-America.

We believe that at times like these, when strategies and platforms are challenged with a more difficult part of the credit cycle and concerns about moderating market fundamentals, those companies with a history of disciplined investment practices, and a strong operating platform, are at their most competitive.

This is also a time when a value buyer and disciplined investor are presented with more opportunities.  We've built a platform that we believe will create a lot of long-term value for shareholders and we're working hard to leverage the platform with additional assets. We have several new growth initiatives teed up and a platform that is well prepared to execute.  We look forward to another year of good results and are enthused about the foundation we continue to build for long-term value growth for our shareholders.