MID-AMERICA APARTMENT COMMUNITIES, INC.

A self-managed Equity REIT

PRESS RELEASE

FROM: **SIMON R. C. WADSWORTH**

SUBJECT: **MID-AMERICA SECOND QUARTER AHEAD OF EXPECTATIONS AS OPERATING PERFORMANCE IMPROVES**

DATE: **AUGUST 5, 2004**

Memphis, TN, Mid-America Apartment Communities, Inc. (NYSE: MAA) reported Funds From Operations ("FFO") of $17,275,000, or $0.74 per share/unit for the second quarter ended June 30, 2004, a second quarter record. This was $0.02 per share/unit higher than analyst's First Call estimates and compares to $15,069,000, or $0.73 per share/unit for the same quarter of a year ago. FFO is the generally accepted measure of operating performance for real estate investment trusts. Reconciliation and discussion of FFO can be found later in this release.

Net income available for common shareholders for the quarter ended June 30, 2004 was $1,286,000 or $0.06 per common share, as compared to $1,180,000, or $0.07 per common share for the same quarter a year ago.

Highlights for the quarter were:

- Average same store physical occupancy in the second quarter was 93.3%, an increase from 92.6 % in the same quarter a year ago.
- Same-store property net operating income grew by 2.1% as compared to the same quarter last year; the best operating performance achieved over the last twelve quarters.
- The acquisition of the 240-unit Watermark property in the Dallas metro market was completed during the quarter.
- Fixed charge coverage remains strong at 2.61x.
- The company's insurance program was successfully renewed resulting in significant cost reductions for the balance of 2004 and 2005.

Eric Bolton, Chairman and CEO said, "Our solid second quarter performance underscores the success of our strategy. Mid-America's strong operating capabilities and investment focus on deploying capital in the high growth southeast region of the country, diversified across large, middle and small tier markets, continue to deliver excellent results. We believe that our markets and portfolio will show steady recovery and recapture a higher level of earnings as the improving economy continues to create new jobs and higher interest rates. By remaining committed to protecting property values and long-term FFO growth potential during the weak operating environment of the last three years, Mid-America's portfolio is poised to capture higher FFO as leasing conditions continue to improve. In addition, as we make steady progress in further improving the quality and value of our real estate portfolio through new acquisitions, Mid-America's ability to strengthen dividend coverage and grow value per share is enhanced."

Simon Wadsworth, Executive Vice-President and CFO said, "Second quarter results were ahead of expectations as a result of lower than expected interest expense as well as a 1 cent per share refund on last year's insurance program. Our insurance policy renewal effective July 1st will result in 4 cents per share expense savings over the next 12 months compared to our prior expectations, which we've incorporated into our forecasts. As previously disclosed, FFO for the quarter includes $0.015 per share/unit of non-cash income relating to the amortization of the adjustment of the value of debt assumed. We completed over $100 million of debt refinancings through the second quarter of 2004, and initiated a new $100 million credit facility with Freddie Mac in June, all of which contributed to our reduced interest costs. Our improving operations and financing programs have provided us with significant balance sheet flexibility, positioning us to take advantage of current markets.

"As a result of the strong second quarter, the insurance savings, and the accretive acquisition of Watermark, we're again raising our forecast range of FFO per share for the year to $2.94 to $2.96, with a mid-point of $2.95, an increase of 3 cents. We expect FFO per share of 69 to 70 cents in the third quarter, and 75 to 76 cents in the fourth quarter."

MAA is a self-administered, self-managed apartment-only real estate investment trust which currently owns or has ownership interest in 36,952 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 June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
Property revenues	$ 66,727	$ 57,817	$ 132,927	$ 115,115
Management and fee income, net	149	266	294	514
Property operating expenses	(27,624)	(23,762)	(55,091)	(46,820)
Depreciation	(17,098)	(13,983)	(34,331)	(27,858)
Property management expenses	(3,014)	(2,290)	(5,567)	(4,551)
General and administrative	(2,515)	(1,774)	(4,886)	(3,600)
Income from continuing operations before non-operating items	16,625	16,274	33,346	32,800
Interest and other non-property income	136	234	279	463
Interest expense	(12,191)	(10,772)	(24,786)	(22,407)
Loss on debt extinguishment	(359)	(205)	(277)	(205)
Amortization of deferred financing costs	(406)	(504)	(869)	(1,128)
Minority interest in operating partnership income	(534)	(206)	(954)	(339)
Loss from investments in unconsolidated entities	(33)	(183)	(74)	(308)
Net gain on insurance and other settlement proceeds	1,754	528	3,382	607
Income from continuing operations	4,992	5,166	10,047	9,483
Discontinued operations:				
Property operations	-	(61)	-	(52)
Net income	4,992	5,105	10,047	9,431
Preferred dividend distribution	(3,706)	(3,925)	(7,412)	(7,850)
Net income available for common shareholders	$ 1,286	$ 1,180	$ 2,635	$ 1,581
Weighted average common shares - Diluted	20,585	18,047	20,475	17,984
Net income per share available for common shareholders	$0.06	$0.07	$0.13	$0.09

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

	Three months 2004	Three months 2003	Six months 2004	Six months 2003
Net income	$ 4,992	$ 5,105	$ 10,047	$ 9,431
Addback: Depreciation real estate assets	16,762	13,638	33,661	27,169
Subtract: Net gain on insurance and other settlement proceeds	1,754	528	3,382	607
Addback: Depreciation real estate assets of discontinued operations	-	39	-	78
Addback: Depreciation real estate assets of unconsolidated entities	447	534	898	1,033
Subtract: Preferred dividend distribution	3,706	3,925	7,412	7,850
Addback: Minority interest in operating partnership income	534	206	954	339
Funds from operations	17,275	15,069	34,766	29,593
Recurring capex	3,954	3,723	6,542	6,216
Adjusted funds from operations	$ 13,321	$ 11,346	$ 28,224	$ 23,377
Weighted average common shares and units - Diluted	23,256	20,781	23,150	20,719
Funds from operations per share and unit - Diluted	$0.74	$0.73	$1.50	$1.43
Adjusted funds from operations per share and unit - Diluted	$0.57	$0.55	$1.22	$1.13

CONSOLIDATED BALANCE SHEETS *(in thousands)*

	June 30, 2004	December 31, 2003
Assets		
Gross real estate assets	$ 1,731,422	$ 1,670,417
Accumulated depreciation	(372,631)	(339,704)
Other real estate assets, net	26,185	21,136
Real estate assets, net	1,384,976	1,351,849
Cash and cash equivalents, including restricted cash	45,472	20,880
Other assets	28,357	33,804
Total assets	$ 1,458,805	$ 1,406,533
Liabilities		
Notes payable	$ 1,017,578	$ 951,941
Other liabilities	49,052	61,279
Total liabilities	1,066,630	1,013,220
Shareholders' equity and minority interest	392,175	393,313
Total liabilities & shareholders' equity	$ 1,458,805	$ 1,406,533

SHARE AND UNIT DATA *(in thousands)*

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Weighted average common shares - Basic	20,275	17,824	20,157	17,788
Weighted average common shares - Diluted	20,585	18,047	20,475	17,984
Weighted average common shares and units - Basic	22,946	20,558	22,832	20,523
Weighted average common shares and units - Diluted	23,256	20,781	23,150	20,719
Common shares at June 30 - Basic	20,385	17,985	20,385	17,985
Common shares at June 30 - Diluted	20,738	18,237	20,738	18,237
Common shares and units at June 30 - Basic	23,057	20,719	23,057	20,719
Common shares and units at June 30 - Diluted	23,409	20,971	23,409	20,971

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

ROA	Three Months Ended June 30, 2004	Trailing 4 Quarters
Net income	$ 4,992	$ 20,822
Net gain on insurance and other settlement proceeds	(1,754)	(5,717)
Gain on sale of discontinued operations	-	(1,919)
Depreciation	17,098	65,491
Amortization of deferred financing costs	406	1,803
Interest expense	12,191	48,411
EBITDA	$ 32,933	$ 128,891

	Annualized 2Q04	Trailing 4 Quarters
Gross Real Estate Assets, Average	$1,761,064	$1,710,148
EBITDA	$131,732	$128,891
EBITDA/Gross Real Estate Assets	7.5%	7.5%

	Three Months Ended June 30,	
	2004	2003
EBITDA/Debt Service	2.61x	2.60x
EBITDA/Fixed Charges	2.61x	2.65x
Total Debt as % of Gross Real Estate Assets	58%	55%
MAA portion of JV debt at June 30	$24,883	$41,554

COMMUNITY STATISTICS

Properties are grouped by operational responsibility.

	At June 30, 2004			
	Number of Units	Portfolio Concentration	Occupancy	Average Rental Rate Per Unit
Tennessee				
Memphis	4,837	13.08%	94.3%	$ 635.17
Nashville	1,855	5.02%	93.9%	$ 716.70
Chattanooga	943	2.55%	93.8%	$ 576.80
Jackson	664	1.80%	95.8%	$ 583.17
Florida				
Jacksonville	3,631	9.82%	91.1%	$ 770.64
Tampa	1,120	3.03%	92.3%	$ 778.64
Other	2,518	6.81%	92.7%	$ 739.16
Georgia				
Atlanta	2,116	5.73%	92.4%	$ 714.97
Columbus / LaGrange	1,509	4.08%	93.6%	$ 663.08
Augusta / Aiken / Savannah	912	2.47%	91.6%	$ 618.84
Other	1,962	5.31%	95.1%	$ 677.15
Texas				
Dallas	3,616	9.79%	89.9%	$ 725.04
Houston	1,310	3.55%	90.8%	$ 717.46
Austin	1,254	3.39%	92.0%	$ 618.49
South Carolina				
Greenville	1,492	4.04%	94.8%	$ 548.05
Other	784	2.12%	91.5%	$ 685.74
Kentucky				
Lexington	924	2.50%	93.6%	$ 697.82
Other	624	1.69%	96.0%	$ 616.73
Mississippi	1,673	4.53%	95.2%	$ 607.23
Alabama	952	2.58%	93.6%	$ 648.93
Arkansas	808	2.19%	94.8%	$ 630.51
North Carolina	738	2.00%	93.0%	$ 542.50
Ohio	414	1.12%	93.2%	$ 692.82
Virginia	296	0.80%	95.9%	$ 766.79
Total	**36,952**	**100.00%**	**93.0%**	**$ 677.91**

SAME STORE STATISTICS

Dollars in thousands except Average Rental Rate

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Percent Change From June 30, 2003	Three Months Ended Mar 31, 2004	Percent Change From Mar 31, 2004
Revenues	$54,811	$53,702	2.1%	$54,506	0.6%
Property Operating Expenses	15,134	14,818	2.1%	14,974	1.1%
RE Taxes and Insurance	7,087	6,951	2.0%	7,099	-0.2%
Other Expenses	148	169	-12.4%	143	3.5%
Total Operating Expenses	22,369	21,938	2.0%	22,216	0.7%
NOI	$32,442	$31,764	2.1%	$32,290	0.5%
Units [1]	29,043	29,043		29,043	
Average Rental Rate [1]	$658.25	$656.05	0.3%	$658.08	0.0%
Average Physical Occupancy [1]	93.3%	92.6%	0.7%	93.5%	-0.2%

[1] Values are at June 30, 2004 and 2003, and March 31, 2004.

DEBT AS OF JUNE 30, 2004

Dollars in thousands

	Principal Balance	Average Years to Maturity[1]	Average Rate
Conventional - Fixed Rate or Swapped	$ 585,914	9.6	6.3%
Tax-free - Fixed Rate or Swapped	108,889	25.0	5.1%
Conventional - Variable Rate	289,345	8.4	2.1%
Tax-free - Variable Rate	33,430	21.2	1.9%
Total	**$ 1,017,578**	**11.3**	**4.8%**

[1] Maturities on swapped balances are calculated using the life of the underlying variable debt.

FUTURE PAYMENTS

	Scheduled Amortization	Maturities	Total	Average Rate of Maturities
2004	$ 1,383	$ 67,500	$ 68,883	4.8%
2005	2,549	-	2,549	-
2006	2,679	18,459	21,138	4.8%
2007	2,767	-	2,767	-
2008	2,602	30,539	33,141	5.5%
Thereafter	81,590	807,510	889,100	4.8%
Total	**$ 93,570**	**$ 924,008**	**$ 1,017,578**	**4.8%**

OTHER DATA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Number of apartment units with ownership interest (excluding development units not delivered)	36,952	34,815	36,952	34,815
Apartment units added during period, net	240	308	1,218	892
PER SHARE DATA				
Dividend declared per common share	$0.585	$0.585	$0.585	$0.585

DIVIDEND INFORMATION (latest declaration)	Payment per Share	Payment Date	Record Date
Common Dividend - quarterly	$0.5850	07/31/2004	07/23/2004
Preferred Series F - monthly	$0.1927	08/16/2004	08/01/2004
Preferred Series H - quarterly	$0.51875	06/23/2004	06/13/2004

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 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 settlement proceeds, 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.