

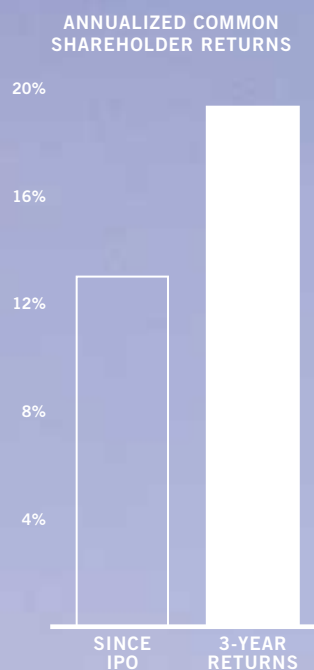
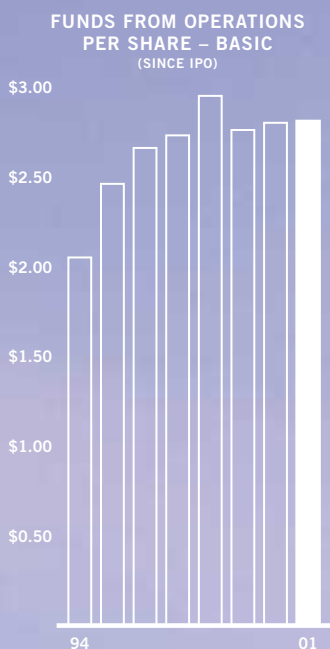
A FUTURE IN PLACE

A photograph of a house at dusk. The house is dark, with a large, multi-paned window on the ground floor that is brightly lit from within, showing a person standing. To the right of the window is a balcony with a wooden railing, where two people are standing and looking out. The sky is a mix of blue and purple, suggesting twilight. The house has a gabled roof and a chimney.

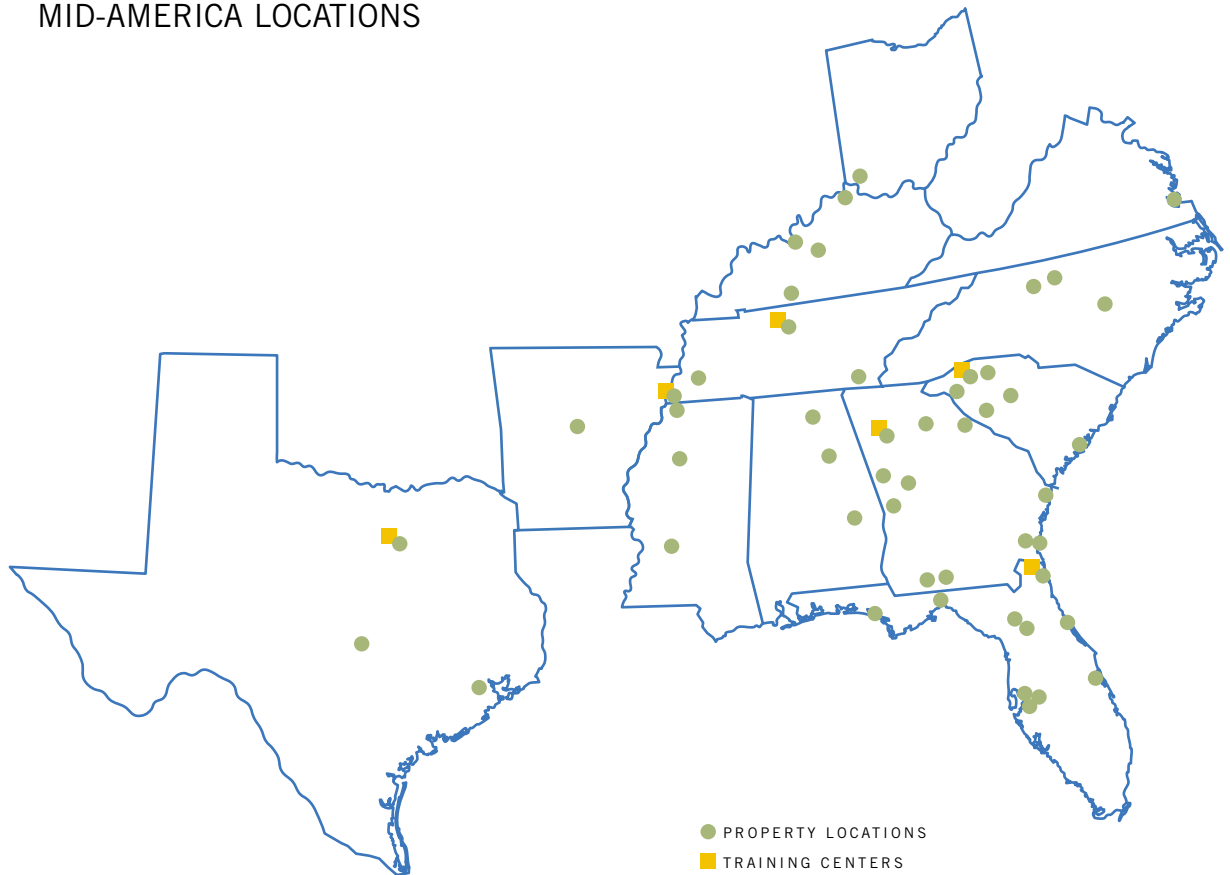
Mid-America Apartment Communities, Inc.
Annual Report 2001

FINANCIAL HIGHLIGHTS

	Years Ended December 31		
	2001	2000	1999
Dollars in thousands, except per share data			
Total revenues	\$ 228,039	\$ 224,640	\$ 226,322
Funds from operations per share, diluted	\$ 2.80	\$ 2.80	\$ 2.74
Dividends per share	\$ 2.34	\$ 2.32	\$ 2.30
Weighted average common shares, diluted	17,532	17,597	18,808
Weighted average shares and units, diluted	20,464	20,551	21,817
Real estate owned, at cost	\$1,449,720	\$1,430,378	\$1,396,743
Construction in progress	\$ 10,915	\$ 28,523	\$ 58,840
Investment in real estate joint venture	\$ 7,045	\$ 7,630	\$ 8,054
Total debt	\$ 779,664	\$ 781,089	\$ 744,238
Shareholders' equity and minority interest	\$ 442,260	\$ 485,376	\$ 519,944
Market capitalization (shares and units)	\$ 709,224	\$ 634,903	\$ 639,095
Number of properties with ownership interest	122	124	129
Number of apartment units with ownership interest	33,411	33,612	33,901



MID-AMERICA LOCATIONS



33,459 apartments in 12 states

(including 48 units still under development)

Mid-America's market focus on the southeast and south central U.S. provides access to the most stable job growth and apartment housing markets in the country. By proactively diversifying our portfolio throughout this steady growth region and positioning in large, middle and selective small markets, we maintain a solid foundation for growth in shareholder value...despite the ups and downs of the economic cycles and capital markets.

With our strong regional focus we are better positioned to remain alert to changing market trends and neighborhood shifts. As experienced operators, we take a proactive approach to creating value at each and every property.



EXISTING LOCATIONS

ALABAMA

Birmingham
Huntsville 2
Montgomery

ARKANSAS

Little Rock 3

FLORIDA

Daytona Beach
Gainesville
Jacksonville 9
Lakeland
Melbourne
Ocala
Orlando
Panama City Beach
Tallahassee
Tampa Metro 4

GEORGIA

Athens
Atlanta Metro 6
Augusta 3
Brunswick
Columbus 2
LaGrange
Macon/Warner Robins 4
Savannah
St. Simons Island
Thomasville
Valdosta

KENTUCKY

Bowling Green
Florence
Lexington 4
Louisville

MISSISSIPPI

Grenada
Jackson 6
Southaven 2

NORTH CAROLINA

Greensboro
Raleigh
Winston-Salem

OHIO

Cincinnati

SOUTH CAROLINA

Aiken 2
Anderson
Charleston
Columbia 2
Greenville 5
Spartanburg

TENNESSEE

Chattanooga 4
Jackson 5
Memphis 11
Nashville Metro 4

TEXAS

Austin 4
Dallas Metro 7
Houston Metro 4

VIRGINIA

Hampton

**REGIONAL OFFICES
AND TRAINING CENTERS**

Atlanta, GA
Dallas, TX
Greenville, SC
Jacksonville, FL
Memphis, TN
Nashville, TN

BELOW, FROM LEFT: THE TERRACES
AT FIELDSTONE, CONYERS, GA; THE
PADDOCK CLUB, BRANDON, FL; AND
THE RESERVE AT DEXTER LAKE,
MEMPHIS, TN.



At Mid-America Apartment Communities the **future** is firmly in place – for our residents, our associates and our investors. The Company has a **strong** and experienced management team to lead us into the future. Our award-winning communities continue to **thrive**, with new developments completed and steadily adding to earnings. And our investors can feel **secure** knowing that, even in a year of economic fluctuation rarely seen, Mid-America outperformed most of our competitors. Our business has always focused on “Creating Great Places to Live,”SM and our **future**, and that of our residents and our investors, is being built on these **great places.**



TO OUR SHAREHOLDERS



UNDER THE FORMAL SUCCESSION PLAN SUCCESSFULLY IMPLEMENTED OVER THE PAST FIVE YEARS, H. ERIC BOLTON JR. (ABOVE RIGHT) BECAME PRESIDENT AND CHIEF EXECUTIVE OFFICER OF MID-AMERICA IN OCTOBER 2001, SUCCEEDING GEORGE E. CATES (ABOVE LEFT) WHO WILL REMAIN AS CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL HIS PLANNED RETIREMENT IN OCTOBER OF 2002.

In a year that brought unprecedented world events and economic trends no one could have predicted, Mid-America remained strong. The year 2001 ushered in a renewed sense of rational investing and a realization that hard assets, cash flow and solid dividend payments matter. These fundamentals, which provide the bedrock for true value growth and preservation of principal, remained as the driving force for Mid-America during this year of economic recession and worries. Consequently, Mid-America owners were rewarded with a 26.9 percent investment return for 2001 – far above conventional performance yardsticks and among the best in the apartment industry.

The near completion of our development pipeline, which is now fully funded and becoming increasingly productive, continues to strengthen Mid-America's balance sheet. We entered 2002 with 365 newly developed apartments in inventory. Although the leasing and operating environment remains very competitive, we anticipate completing lease up and stabilization of newly developed properties during the coming year.

The year 2001 also generated an interest rate environment unlike any we've seen. We took advantage of the opportunities created and refinanced more than \$200 million of debt. With 89 percent of the total debt now under fixed rate terms at an average rate of 6.8 percent, our balance sheet was strengthened during the year. We are very comfortable with our balance sheet structure. Unlike many other apartment REITs that are carrying large new development pipelines, we have significantly lower operating and development risk inherent within our operation. Looking back, we believe the decision made two years ago to pull back on our new construction starts was a good one. As operators in this business for more than 20 years, we understand the cyclical

nature of our industry and our markets – critical skills for preservation of capital and steady growth in value over the long haul.

Just as the deployment of capital in new development and acquisitions is critical, so are the judgments pertaining to reinvesting capital in existing properties. This industry is littered with examples of property owners “robbing” properties of annual recurring capital needs and enjoying short term, benefits, only to face real problems later when trying to operate or sell the “capital starved” property. Your portfolio of Mid-America properties is in great condition, and at an average of 12.3 years old, one of the “youngest” in the business.

One of the best assessments of proper capital allocation decisions is Return on Assets (ROA). By looking clearly at the return generated on all capital employed (regardless of the source) in purchasing, developing and maintaining assets, one can best evaluate the efficacy of capital allocation decisions. Our ROA for 2001, even while being inescapably diminished by the impact of the new development pipeline prior to its full productivity, was 8.8 percent, in line with our industry average. We expect to see steady growth in the performance over the course of 2002, and for our ROA performance to once again exceed the apartment sector average, 8.8 percent in 2001. Another indication of the tremendous condition and quality of our properties is evidenced by the numerous civic and industry awards received by our properties and staff, examples of which are listed on the back inside cover of this report.

As experienced operators in this business, we fully appreciate the highly competitive nature of our industry. Operating productivity and vigilant expense control are critical to steady growth in profits and value. Our property management team continues to generate very impressive results in this area. For all of 2001, on a same store basis, property operating expense was up only 1.3 percent. This compares to an equally strong prior year performance of 2.1 percent in same store expense growth in 2000 and 2.9 percent in 1999. Our aggressive focus on utility expense management programs has been part of our success in this area. In addition, our rapid development and expanded use of the Internet for various leasing, transaction and reporting activities has contributed to gains in personnel productivity.

A large part of our long term success and solid performance for more than 20 years is the strong foundation and culture of our company, centered on property operations and a focus on what’s happening at each of the individual properties. We call it “hands-on operations.” Throughout our company, the focus is to be intimately knowledgeable of and involved with our markets, our properties and our on-site personnel. We realize that our success as a company is ultimately a function of the success we have on site at each of our properties. While our operation has certainly grown and our markets expanded over the years, we work diligently to remain very close to our properties and to stick to our knitting. During the past few years, when many other apartment REITs tried to diversify and deploy capital into the latest high-tech start up ventures

THE YEAR 2001 USHERED IN A RENEWED SENSE OF RATIONAL INVESTING AND A REALIZATION THAT HARD ASSETS, CASH FLOW AND SOLID DIVIDEND PAYMENTS ARE CRUCIAL.

THE AVERAGE APARTMENT INDUSTRY
EXPERIENCE AMONG OUR MULTISITE
MANAGEMENT TEAM IS 14 YEARS –
EIGHT YEARS WITH MID-AMERICA.

– subsequently writing off millions of dollars – we remained focused on steady value growth and a very disciplined use of capital.

Mid-America's management team is strong and experienced. The average apartment industry experience among our multisite management team is 14 years – eight years with Mid-America. Our Board of Directors is one of the strongest in the industry. The level of experience and success represented by its members in public company leadership, capital allocation and multifamily real estate is unparalleled in the industry. We are grateful for their wise counsel and stewardship. But experience doesn't stop with the management team and board of directors. Employee training and development is a cornerstone component of any successful operating company and Mid-America is no exception. We have a strong tradition of developing the best in our people and in formal training of our hands-on operating techniques. We are one of the few in the industry with an in-house Certified Apartment Manager (CAM) training program – a National Apartment Association designation. In 2001, 39 of our employees achieved their CAM certification. And during 2001, our training staff completed a total of 20,700 hours of training and associate development.

We had a good year in 2001 during a time of capital markets uncertainty and worry. Our balance sheet is strong and getting stronger. Our new properties are becoming increasingly productive. Our dividend coverage is ample and strengthening. Our ability to capture new opportunities and value for you is improving. Thank you for your support and confidence.



H. Eric Bolton Jr.
PRESIDENT AND CEO



George E. Cates
CHAIRMAN OF THE BOARD OF DIRECTORS

A FUTURE IN PLACE

A FUTURE IN PLACE



MID-AMERICA EMPLOYEES, SUCH AS LEAD SERVICE TECHNICIAN ALTON B. WINGATE (ABOVE), SEE TO IT THAT EVERY DETAIL IS IN PLACE – DETAILS LIKE AWARD-WINNING LANDSCAPING AND HIGH-SPEED INTERNET CONNECTIONS THAT MAKE OUR APARTMENT COMMUNITIES GREAT PLACES TO LIVE.

The future is in place at Mid-America Apartment Communities. Each of our more than 33,000 apartment homes in 122 communities throughout the southeast and south central U.S. receives Mid-America's hands-on attention and is served by a skilled staff of more than 1,100 associates. We take pride in our quality assets, and our innovative management practices have been instrumental in winning numerous civic and industry awards.

As one of our guiding principles, we strive to exceed expectations in every way. Our locations, superior buildings, industry-leading landscaping and overall curb appeal initially attract residents, but our focus on "Creating Great Places to Live"SM goes beyond those first impressions. We provide added value at every turn.

From virtual leasing offices open 24-7, to the park-like atmosphere and responsive on-site staff, we're so confident in our services that we give new residents 30 days to change their minds and leave us, penalty free, if they're not completely satisfied. Our Hassle Free GuaranteeSM assures that maintenance problems are taken care of within 24 hours, and every Mid-America community has a trained service technician on call 24 hours a day. We offer high-speed Internet connections and web partnerships for on-line purchase savings. Personal intranet sites allow residents to set up their utilities and other services, as well as browse through more than 20 service and product offerings. Convenience adds value to our residents' daily lives.

We are also dedicated to creating an old-fashioned neighborhood experience. While residents enjoy privacy in our comfortable apartments, they also have the opportunity to participate in Community Awareness programs, including volunteer opportunities, social events, children's activities, health fairs and educational seminars. This sense of community increases resident retention. The number one reason that residents leave us is to purchase a home. And if they've been with us for three years or more, our First Down program pays \$1,000 toward their down payment.

Our focus on a better future also extends to the communities around us. Open ArmsSM, the 501(c)(3) foundation created and directed by Mid-America associates, provides comfortable housing and peace of mind to families in



WHILE RESIDENTS ENJOY PRIVACY IN OUR APARTMENTS, THEY ALSO HAVE THE OPPORTUNITY TO PARTICIPATE IN COMMUNITY AWARENESS PROGRAMS, INCLUDING VOLUNTEER OPPORTUNITIES, SOCIAL EVENTS, CHILDREN'S ACTIVITIES, HEALTH FAIRS AND EDUCATIONAL SEMINARS. THIS SENSE OF COMMUNITY ISN'T JUST FOR WARM FUZZIES EITHER. IT INCREASES OUR RESIDENT RETENTION.

OUR “HANDS-ON” MANAGEMENT STYLE FLOWS FROM THE TOP DOWN. EXECUTIVES, SUCH AS TOM GRIMES, GINNY DOANE (BELOW) AND LEE LITTLE (RIGHT) FROM OUR PROPERTY OPERATIONS GROUP, REGULARLY TOUR OUR PROPERTIES HELPING TO ENSURE THAT WE KEEP THEM IN TOP-NOTCH CONDITION.





medical crises far from home. Two-bedroom, fully furnished apartments are provided free of charge to qualifying families referred by local hospitals. The 28 Open Arms homes located throughout the Mid-America network provided more than 6,000 nights of calm for families in 2001.

The future of Mid-America as a company is firmly in place. Our \$300 million development pipeline nears completion, and as new properties continue to mature, greater balance sheet flexibility and share value are created. Our award-winning portfolio is in outstanding condition and business is sound. While quality assets and innovative programs help ensure a bright future, it is only top-notch associates who can lead us there. Under the formal succession plan successfully implemented over the past five years, H. Eric Bolton Jr. became President and Chief Executive Officer of Mid-America in October 2001, succeeding George E. Cates who will remain as Chairman of the Board of Directors until his planned retirement in October of 2002. Our highly skilled management team averages 14 years of multifamily experience – eight of that with Mid-America. We are confident in their abilities.

Management participates in frequent and thorough “property walks” as part of our extensive hands-on operation. Shareholders can rest assured that we are firmly in touch and involved with every property – where the real long-term success of the company is determined.

The contribution of our outstanding support staff is also highly valued. Extensive internal training is available in regional centers as well as with online learning options to help develop excellence in our associates. Regional meetings and our Annual Leadership Conference provide motivation and information about the latest trends and products. In 2001, 39 Mid-America property managers achieved Certified Apartment Manager (CAM) certification, a National Apartment Association designation. We are proud to have one of the few in-house programs in the industry for CAM.

Mid-America’s financial future is firmly in place. New development is virtually complete and will now provide a source of growing value and new revenues for the future. Disciplined spending on capital improvements assures that we remain very competitive in all markets, while we avoid the deferred

IT IS WITH THE DILIGENT EFFORTS OF OPERATIONS TEAM MEMBERS (MIDDLE, FROM LEFT) DAVID NISCHWITZ, KEVIN PERKINS, JAMES MACLIN, NANCY ROBERTS AND KEITH ACTON THAT MID-AMERICA SUCCESSFULLY MANAGES MORE THAN 33,000 APARTMENT HOMES IN 122 COMMUNITIES.



FINANCE TEAM MEMBERS (ABOVE, FROM LEFT) AL CAMPBELL, SHELTON BARRON, SIMON WADSWORTH AND RICK BARTON SHARE THE CREDIT FOR A YEAR IN WHICH MID-AMERICA OUTPERFORMED MOST OF OUR COMPETITORS, IN SPITE OF UNPRECEDENTED ECONOMIC FLUCTUATION. KENWOOD CLUB (MIDDLE), KATY, TX, COMPLETED LEASE-UP IN 2001. PICTURED ABOVE RIGHT IS THE VILLAGE, LEXINGTON, KY.

maintenance temptation that traps so many other property owners. We strive for steady improvement in productivity and solid expense control. Our strong return on asset performance is evidence of the prudent deployment of capital, and we expect performance to grow in 2001.

Our proactive focus on innovative new systems and programs resulted in improved productivity in 2001. These include our new Internet-based operating, reporting and leasing systems and our aggressive utility management and billing systems. Same-store expense growth in 2001 was only 1.3 percent, as compared to 2.1 percent in 2000 and 2.9 percent in 1999.

At an average age of 12.3 years, our portfolio is among the “youngest” in the industry. A maturing baby boom generation increasingly attracted to hassle-free living, a steadily growing immigration trend and an influx of new workers and household formations expected from the “echo boom” generation all help to create a healthy and growing demand for multifamily housing that will continue throughout the coming decade. Mid-America is well positioned to capitalize on that growing market.

Steadily increasing value per share is our major financial objective. Strategically, we focus on the needs of the people we serve – residents, employees and investors alike – creating optimum opportunities for profitability and value growth. Tactically, we are flexible and forward thinking, working always to stay one step ahead. Our Board of Directors is one of the strongest and most experienced in the industry. Each member brings a record of exemplary success and stewardship in both the public and private business sectors, and they serve your interests well. As evidence of our strong belief in the future of the Company, insider ownership has risen to 16 percent.

An investment in Mid-America is more than financially sound – it’s an investment you can be proud of. We touch people’s lives in a positive way by creating great places to live, work and build a future and by reaching out to the larger communities around us. Though we never lose our focus on steady growth in shareholder value, secure dividends and a strong balance sheet, we also know that it’s important to strengthen and maintain the time-honored values on which great companies and partnerships have always been built.

BECAUSE THE FUTURE IS IN PLACE AT
MID-AMERICA APARTMENT COMMUNI-
TIES, OUR INVESTORS CAN FEEL
SECURE THAT THEIR INVESTMENT
FUTURES ARE IN PLACE AS WELL.



MANAGEMENT'S DISCUSSION



FROM LEFT: AL CAMPBELL, VICE PRESIDENT, DIRECTOR OF FINANCIAL PLANNING; ERIC BOLTON, PRESIDENT AND CEO; AND SIMON WADSWORTH, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Q. Mid-America is known throughout the apartment industry for maintaining its properties in excellent condition. You reported that the spending on recurring capital needs at your properties in 2001 was \$375 per unit, which is down from \$410 per unit in 2000. Does this decreased spending indicate any sort of compromise on your commitment to maintaining asset quality?

A. “Not at all. We are more committed than ever to maintaining the high quality of our properties. We achieved this \$1 million reduction in spending in 2001 as a result of several factors:

- Our asset quality and average property age has been improving as a result of our consistent, systematic practice of selectively selling older properties, coupled with the addition of our newly developed properties over the last four years.

- We have strengthened our regional capital management operations, renegotiated a number of our service contracts and expanded the use of our bulk contracting capabilities...we're getting more accomplished with fewer dollars.

- And finally, as a result of a very detailed physical assessment process that is part of our “property walk system,” we've developed a proactive preventive maintenance program and detailed three-year capital needs assessment for each of our properties. This program is providing a better platform from which to make efficient capital spending decisions.”

Kevin Perkins / Vice President, Director of Capital Improvements and Maintenance Operations

Q. You reported in your fourth quarter earnings announcement that markets are soft, but that you are forecasting an improvement in the latter half of 2002. How much of your forecast for 2002 depends on market recovery?

A. “The markets were noticeably weaker in the latter part of the third quarter and all of the fourth quarter of 2001. The weakness in the overall economy, pockets of overbuilding in several markets and the prolonging of strong single family home buying trends, generated a greater than anticipated slow down in new leasing traffic during the traditionally slow winter season. To put the slowdown in perspective, we saw occupancy within our same store portfolio decline from 94.7 percent in the fourth quarter of 2000 to 93.2 percent

in the fourth quarter of 2001. The combination of higher vacancy loss and higher leasing concession costs for the full year 2001, over 2000, generated roughly \$3 million or 15 cents per share variance to earlier estimates. In forecasting 2002 we have assumed only a 0.5 percent growth in net operating income for the year, coming off the 1.2 percent growth generated in 2001. We actually expect net operating income from our same store group of properties to be slightly negative over the first half of the year. As the economy and job growth resume their growth patterns over the last half of 2002, we expect to see some recovery. Over the latter part of 2002, with only 0.5 percent growth for the entire year, we aren't counting on significant market recovery in our forecast. In addition, we have built in no assumptions regarding new acquisitions in 2002, which if completed, would provide additional earnings."

Al Campbell / Vice President, Director of Financial Planning

Q. Mid-America has consistently demonstrated strong property level operating expense control. Have you captured most of the savings in this area, or do you foresee additional opportunities to keep operating expense growth trends below inflation growth?

A. "Our aggressive focus on expense control and productivity enhancements is an integral part of everything we do in property operations. Some of the biggest success we've had in this area is due to our utility expense management programs and resident billing initiatives. We feel that we have captured roughly 75 percent of the overall identified opportunity thus far...but of course, new opportunities, technologies and ideas are continually emerging. Additionally, the rapid growth of new Internet-based operating systems covering leasing activities, reporting processes and resident service support are still relatively new, and we continue to explore opportunities for further productivity gains in this area as well."

James Maclin / Vice President, Director of Asset Management

Q. Can Mid-America sustain the current level of dividend? What are the prospects for future dividend increases?

A. "We believe that our dividend payout is secure. It would take a significant reduction in our projected earnings – from the current 0.5 percent NOI growth estimate, an event we think is highly unlikely – to cause us to reduce our dividend. Also, because we have surplus balance sheet capacity, we can acquire income-producing properties that will further enhance earnings and cash flow coverage. In our January decision to hold the current dividend level, we noted that we will reconsider the possibility of an increase later in 2002 if the anticipated recovery in the economy occurs. However, we are very committed to strengthening the ratio of funds available for distribution to the current dividend payout level and thus would anticipate an increase, if any, to be minimal in 2002."

Simon Wadsworth / Executive Vice President and Chief Financial Officer



BELMERE, TAMPA, FL



HUNTINGTON CHASE
WARNER ROBINS, GA

Q. You've said that the completion of the development program adds balance sheet capacity. What does that mean and will this cause the company to increase leverage?

A. "Having non-earning or not yet fully productive construction assets on the balance sheet, coupled with the funding obligations associated with projects still under construction, consumes a portion of a company's capacity to generate current earnings from assets owned, as well as to acquire additional apartments. This is one of the reasons that a predominantly development REIT should carry less debt than a REIT that is not burdened with funding a development pipeline, and thus bears lower business risk. As our remaining development pipeline becomes fully productive over the course of 2002, we will begin to generate a higher level of current earnings and cash flow as a percentage of our asset base. This will generate additional borrowing capacity, while maintaining the same overall leverage. In addition, the lower "non-development" risk profile of our balance sheet and overall operation can also comfortably carry a little more leverage if we want to do so. However, we do not anticipate any appreciable debt increase on our corporate balance sheet in 2002."

Simon Wadsworth / Executive Vice President and Chief Financial Officer

Q. Mid-America has a number of properties located in small or tertiary cities. Have these proven to be good investments as compared to investments in larger cities?

A. "The smaller city investments have often provided better opportunities to create value in the acquisition phase through an ability to acquire at a steep discount to replacement value. Once stabilized, property performance in most small markets tends to remain fairly consistent. Capturing and ultimately realizing the value in many of these investments has been achieved through the disposition process, as opposed to prolonged hold strategy. So in general terms most of the investments we have in smaller markets, which have gone through the full investment cycle (through disposition), have been just as good an investment for us as have those properties in larger markets. The difference between investment performance in larger versus smaller markets is to some degree more a function of how and where the return and value is created; during the acquisition and disposition phase for the smaller markets, or during the hold-operating period and disposition phase for the larger markets."

Eric Bolton / President and Chief Executive Officer



Q. What is the strategic focus for Mid-America? In what ways do you plan to grow and continue to increase value?

A. “We believe that the best opportunities for us over the next few years lie in acquiring and redeveloping under-valued properties. Acquiring, repositioning and creating value through our “hands-on” operating practices is a strong core competency of our company. As our new development pipeline becomes increasingly productive we have improving flexibility and capabilities to pursue these opportunities. We will become increasingly proactive in harvesting and capturing full value from a number of our investments in our smaller markets and will be redeploying capital in larger markets which will generate a more balanced portfolio performance in all phases of the real estate investment value cycle: acquisition, development, disposition or hold.”

Eric Bolton / President and Chief Executive Officer

PICTURED FROM LEFT: SAVANNAHS AT JAMES LANDING, MELBOURNE, FL; HUNTER’S RIDGE, JACKSONVILLE, FL; AND THE PADDOCK CLUB, PANAMA CITY BEACH, FL.

CONSOLIDATED BALANCE SHEETS

	December 31	
Dollars in thousands	2001	2000
ASSETS		
Real estate assets:		
Land	\$ 124,993	\$ 124,867
Buildings and improvements	1,265,327	1,231,603
Furniture, fixtures and equipment	32,290	29,094
Construction in progress	10,915	28,523
	1,433,525	1,414,087
Less accumulated depreciation	(229,913)	(183,652)
	1,203,612	1,230,435
Land held for future development	1,366	1,366
Commercial properties, net	4,910	5,044
Investment in and advances to real estate joint venture	7,045	7,630
Real estate assets, net	1,216,933	1,244,475
Cash and cash equivalents	12,192	16,095
Restricted cash	11,240	17,472
Deferred financing costs, net	10,415	9,700
Other assets	12,708	16,029
Total assets	\$1,263,488	\$1,303,771
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Notes payable	\$ 779,664	\$ 781,089
Accounts payable	1,219	1,740
Accrued expenses and other liabilities	31,691	26,589
Security deposits	4,514	4,611
Deferred gain on disposition of properties	4,140	4,366
Total liabilities and deferred gain	821,228	818,395
Minority interest	46,431	51,383
Shareholders' equity:		
Preferred stock, \$.01 par value, 20,000,000 shares authorized, \$173,470,750 or \$25 per share liquidation preference:		
2,000,000 shares at 9.5% Series A Cumulative	20	20
1,938,830 shares at 8.875% Series B Cumulative	19	19
2,000,000 shares at 9.375% Series C Cumulative	20	20
1,000,000 shares at 9.5% Series E Cumulative	10	10
Common stock, \$.01 par value authorized 50,000,000 shares; issued 17,452,678 and 17,506,968 shares at December 31, 2001 and 2000, respectively	175	175
Additional paid-in capital	550,176	551,809
Other	(774)	(1,171)
Accumulated distributions in excess of net income	(145,061)	(116,889)
Accumulated other comprehensive income (loss)	(8,756)	—
Total shareholders' equity	395,829	433,993
Total liabilities and shareholders' equity	\$1,263,488	\$1,303,771

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31		
Dollars in thousands, except per share data	2001	2000	1999
Revenues:			
Rental revenues	\$223,410	\$219,039	\$221,342
Other property revenues	2,860	3,493	2,872
Total property revenues	226,270	222,532	224,214
Interest and other non-property income	1,310	1,526	1,388
Management and development income, net	755	739	751
Equity in loss of real estate joint venture	(296)	(157)	(31)
Total revenues	228,039	224,640	226,322
Expenses:			
Property operating expenses:			
Personnel	24,704	24,268	25,239
Building repairs and maintenance	9,443	9,701	10,107
Real estate taxes and insurance	26,594	25,021	24,561
Utilities	7,164	7,635	9,119
Landscaping	6,278	6,027	5,634
Other operating	10,401	10,794	10,225
Depreciation and amortization	52,051	51,844	49,903
	136,635	135,290	134,788
Property management expenses	10,204	9,509	9,360
General and administrative expenses	5,879	5,317	5,119
Interest expense	52,598	50,736	48,302
Amortization of deferred financing costs	2,352	2,758	2,854
Total expenses	207,668	203,610	200,423
Income before gain on dispositions, minority interest			
in operating partnership income and extraordinary items	20,371	21,030	25,899
Gain on dispositions, net	11,933	11,587	10,237
Income before minority interest in operating			
partnership income and extraordinary items	32,304	32,617	36,136
Minority interest in operating partnership income	2,573	2,626	2,497
Income before extraordinary items	29,731	29,991	33,639
Extraordinary items – loss on debt extinguishment, net of minority interest	(1,033)	(204)	(67)
Net income	28,698	29,787	33,572
Preferred dividend distribution	16,113	16,114	16,114
Net income available for common shareholders	\$ 12,585	\$ 13,673	\$ 17,458
Net income available per common share			
Basic (in thousands):			
Average common shares outstanding	17,427	17,544	18,784
Basic earnings per share:			
Net income available per common share before extraordinary items	\$ 0.78	\$ 0.79	\$ 0.93
Extraordinary items	(0.06)	(0.01)	—
Net income available per common share	\$ 0.72	\$ 0.78	\$ 0.93
Diluted (in thousands):			
Average common shares outstanding	17,427	17,544	18,784
Effect of dilutive stock options	105	53	24
Average dilutive common shares outstanding	17,532	17,597	18,808
Diluted earnings per share:			
Net income available per common share before extraordinary items	\$ 0.78	\$ 0.79	\$ 0.93
Extraordinary items	(0.06)	(0.01)	—
Net income available per common share	\$ 0.72	\$ 0.78	\$ 0.93

SELECTED FINANCIAL DATA

Dollars in thousands, except per share data	Year Ended December 31				
	2001	2000	1999	1998	1997
OPERATING DATA					
Total revenues	\$ 228,039	\$ 224,640	\$ 226,322	\$ 215,543	\$ 139,116
Expenses:					
Property operating expenses	84,584	83,446	84,885	79,917	52,404
Depreciation and amortization	52,051	51,844	49,903	46,021	27,737
General, administrative and property management expenses	16,083	14,826	14,479	11,960	6,602
Interest	52,598	50,736	48,302	45,704	28,943
Amortization of deferred financing costs	2,352	2,758	2,854	2,348	888
Gain on dispositions, net	11,933	11,587	10,237	408	—
Income before minority interest in operating partnership income and extraordinary items	32,304	32,617	36,136	30,001	22,542
Minority interest in operating partnership income	(2,573)	(2,626)	(2,497)	(2,254)	(2,693)
Extraordinary items	(1,033)	(204)	(67)	(990)	(8,622)
Net income	28,698	29,787	33,572	26,757	11,227
Preferred dividends	16,113	16,114	16,114	11,430	5,252
Net income available for common shareholders	\$ 12,585	\$ 13,673	\$ 17,458	\$ 15,327	\$ 5,975
PER SHARE DATA					
Basic and diluted:					
Before extraordinary items	\$ 0.78	\$ 0.79	\$ 0.93	\$ 0.87	\$ 1.05
Extraordinary items	(0.06)	(0.01)	—	(0.05)	(0.62)
Net income available per common share	\$ 0.72	\$ 0.78	\$ 0.93	\$ 0.82	\$ 0.43
Dividends declared	\$ 2.340	\$ 2.325	\$ 2.305	\$ 2.225	\$ 2.155
BALANCE SHEET DATA					
Real estate owned, at cost	\$1,449,720	\$1,430,378	\$1,396,743	\$1,434,733	\$1,211,693
Real estate owned, net	\$1,216,933	\$1,244,475	\$1,248,051	\$1,315,368	\$1,134,704
Total assets	\$1,263,488	\$1,303,771	\$1,298,823	\$1,366,427	\$1,193,870
Total debt	\$ 779,664	\$ 781,089	\$ 744,238	\$ 753,427	\$ 632,213
Minority interest	\$ 46,431	\$ 51,383	\$ 56,060	\$ 61,441	\$ 62,865
Shareholders' equity	\$ 395,829	\$ 433,993	\$ 463,884	\$ 517,299	\$ 461,300
Weighted average common shares (000's):					
Basic	17,427	17,544	18,784	18,725	13,892
Diluted	17,532	17,597	18,808	18,770	13,955
OTHER DATA (AT END OF PERIOD)					
Market capitalization (shares and units)	\$ 709,224	\$ 634,903	\$ 639,095	\$ 670,123	\$ 710,175
Number of properties with ownership interest	122	124	129	129	116
Number of apartment units with ownership interest	33,411	33,612	33,901	33,831	30,579

INDEPENDENT AUDITORS' REPORT

THE BOARD OF DIRECTORS AND SHAREHOLDERS
MID-AMERICA APARTMENT COMMUNITIES, INC.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of Mid-America Apartment Communities, Inc. and subsidiaries (the "Company") as of December 31, 2001, and 2000, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2001 (not presented herein); and in our report dated February 13, 2002, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

KPMG LLP

Memphis, Tennessee
February 13, 2002

INVESTOR INFORMATION

CHAIRMAN OF THE BOARD OF DIRECTORS

George E. Cates

EXECUTIVE OFFICERS

(also serve on Board of Directors)

H. Eric Bolton Jr.

President and Chief Executive Officer

Simon R.C. Wadsworth

Executive Vice President
and Chief Financial Officer

INDEPENDENT BOARD OF DIRECTORS

O. Mason Hawkins

(since October 1993)

Chairman and Chief Executive Officer
Southeastern Asset Management, Inc.

Robert F. Fogelman

(since July 1994)

President

Fogelman Investment Company

John F. Flournoy

(since November 1997)

Chairman and Chief Executive Officer
Flournoy Development Company

John S. Grinalds

(since November 1997)

President

The Citadel

Ralph Horn

(since April 1998)

Chairman and Chief Executive Officer
First Tennessee National Corporation

Michael S. Starnes

(since July 1998)

President

M.S. Carriers, a subsidiary of Swift Transportation

CORPORATE HEADQUARTERS

Mid-America Apartment Communities, Inc.

6584 Poplar Avenue, Suite 300

Memphis, TN 38138

(901) 682-6600

www.maac.net

ANNUAL SHAREHOLDERS MEETING

Mid-America Apartment Communities, Inc. will hold its 2002 annual meeting of shareholders on Monday, June 10th, at 4:00 p.m. CST in the clubhouse at The Reserve at Dexter Lake, Memphis, TN.

ANNUAL REPORT AND FORM 10-K

A copy of Mid-America's Annual Report and Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission, will be sent without charge upon written request to the corporate headquarters address, attention Investor Relations, and is available on the Internet at www.maac.net.

TRANSFER AGENT AND REGISTRAR

First Union National Bank

Shareholders who have questions about their accounts or who wish to change ownership or address of stock; to report lost, stolen or destroyed certificates; or wish to sign up for our dividend reinvestment plan, should contact the stock transfer agent at 800-829-8432.

Limited partners wishing to convert units into shares should contact Mid-America directly at the corporate headquarters listed above.

INDEPENDENT AUDITORS

KPMG LLP, Memphis, TN

GENERAL COUNSEL

Bass, Berry & Sims, Memphis, TN

STOCK LISTING AND COMMON STOCK PRICE

Mid-America's stock is traded on the New York Stock Exchange. Its common stock is listed under the stock symbol MAA. Its Cumulative Preferred Stock is under the symbols MAA PR A, MAA PR B, and MAA PR C.

Fiscal 2001	Sales Prices		Dividends	Fiscal 2000	Sales Prices		Dividends
	High	Low	Declared		High	Low	Declared
First Quarter	\$23.88	\$21.73	\$0.585	First Quarter	\$23.38	\$22.00	\$0.580
Second Quarter	\$25.75	\$22.42	\$0.585	Second Quarter	\$24.50	\$22.38	\$0.580
Third Quarter	\$26.42	\$24.40	\$0.585	Third Quarter	\$24.88	\$23.00	\$0.580
Fourth Quarter	\$26.76	\$24.40	\$0.585	Fourth Quarter	\$23.88	\$21.25	\$0.585

CORPORATE CHARITY

Open Arms Foundation



CIVIC AND INDUSTRY AWARDS

ABBINGTON PLACE

SOUTH POINTE, AL
Beautification Award
Huntsville Beautification Board

AUSTIN CHASE

MACON, GA
Beautification Award, Macon-Bibb Beautiful Commission

BALCONES WOODS

AUSTIN, TX
Property of the Year
Austin Apartment Association

BRADFORD CHASE

JACKSON, TN
Best Property, City Beautiful Award, Jackson, TN

BRENTWOOD DOWNS

NASHVILLE, TN
1st Place Beautification Award
Nashville Apartment Association

CEDAR MILL

MEMPHIS, TN
2nd Place Beautification Award
Older Conventional; Memphis Apartment Association

THE CORNERS

WINSTON-SALEM, NC
Property of the Year
Triad Apartment Association
Diamond Awards

THE CROSSINGS

MEMPHIS, TN
Beautification Award, Memphis City Beautiful Commission

EAGLE RIDGE

BIRMINGHAM, AL
Beautification Award, Greater Birmingham Association of Home Builders Multifamily Council

FAIRWAYS AT HARTLAND

BOWLING GREEN, KY
City Beautification Award
City of Bowling Green, KY

FAIRWAYS AT ROYAL OAK

CINCINNATI, OH
Best Property
City of Cincinnati, OH

GEORGETOWN GROVE

SAVANNAH, GA
Silver Award
Savannah Apartment Association

GLENEAGLES

MEMPHIS, TN
1st Place Beautification Award
Southeast Memphis Betterment Association

THE GRAND RESERVE

LEXINGTON, KY
Kentucky Derby Award
Lexington Apartment Association

HAMILTON POINTE

CHATTANOOGA, TN
2nd Place, Newer Property
Chattanooga Apartment Association

HICKORY FARM

MEMPHIS, TN
Beautification Award, Memphis City Beautiful Commission

HIDDEN CREEK

CHATTANOOGA, TN
Best Newer Property
Chattanooga Apartment Association

HIDDEN LAKE

UNION CITY, GA
Top 1000 High-Performing Multifamily Properties, Secretary of Housing & Urban Development

HIGH RIDGE

ATHENS, GA
Clean & Beautiful Award
Athens/Clark County

HIGHLAND RIDGE

GREENVILLE, SC
1st Place Beautification Award
Upper State (SC) Apartment Association (USAA)

LAKEPOINTE

LEXINGTON, KY
Triple Crown Award
Lexington Apartment Association

LAKESHORE LANDING

RIDGELAND, MS
2nd Place Beautification Award
Mississippi Multifamily Council

LANE AT TOWNE CROSSING

MESQUITE, TX
City Beautiful Award
City of Mesquite, TX

LINCOLN ON THE GREEN

MEMPHIS, TN
1st Place Beautification Award
Memphis Apartment Association

THE MANSION

LEXINGTON, KY
Triple Crown Award
Lexington Apartment Association

NAPA VALLEY

LITTLE ROCK, AR
City Beautiful Award

THE PADDOCK CLUB

HUNTSVILLE, AL
Beautification Award
City of Huntsville Honor Roll (five consecutive years)

THE PADDOCK CLUB

JACKSONVILLE, FL
Best Management Company
Jacksonville, FL

THE PADDOCK CLUB

LAKELAND, FL
1st Place Beautification Award
City of Lakeland

THE PADDOCK CLUB

PANAMA CITY BEACH, FL
Best New Property
Chamber of Commerce

THE PADDOCK CLUB

MURFREESBORO, TN
Beautification Award
Rutherford County Property Management Association

THE PADDOCK CLUB

COLUMBIA, SC
Best New Property, USAA

PADDOCK PARK

OCALA, FL
Best Apartment Community
Star Banner

THE PARK AT HERMITAGE

HERMITAGE, TN
2nd Place Beautification Award
Nashville Apartment Association

PARK ESTATE

MEMPHIS, TN
City Beautiful Award (Apartments)
Memphis City Beautiful Commission

PARK PLACE

SPARTANBURG, SC
1st Place Beautification Award
USAA

PARK HAYWOOD

GREENVILLE, SC
1st Place Floral Design
USAA

PEAR ORCHARD

RIDGELAND, MS
1st Place Beautification Award
Mississippi Multifamily Council

REFLECTION POINTE

JACKSON, MS
Best Entry Award
Mississippi Multifamily Council

RESERVE AT DEXTER LAKE

MEMPHIS, TN
Beautification Award, New Large Conventional; Memphis Apartment Association, 2nd Place

RIVERHILLS

GRENADE, MS
Civic Pride Award, Grenada County Chamber of Commerce

RIVER TRACE

MEMPHIS, TN
Beautification Award, Memphis City Beautiful Commission

RUNAWAY BAY

MT. PLEASANT, SC
Civic Pride Award
Mt. Pleasant Pride Committee

SAVANNAHS AT JAMES LANDING

MELBOURNE, FL
Best Property Runner-up
City of Melbourne

SPRING CREEK

GREENVILLE, SC
2nd Place Beautification Award
USAA

STEEPLECHASE

CHATTANOOGA, TN
Show Award, Chattanooga Apartment Association

STONEMILL VILLAGE

LOUISVILLE, KY
Landscape Awards Program
Winner, Beautification League of Louisville and Jefferson County

SUTTON PLACE

SOUTHAVEN, MS
Community Pride Award
Top of Mississippi
MS Chamber of Commerce

TANGLEWOOD

ANDERSON, SC
2nd Place Beautification Award
USAA

TERRACES AT TOWNE LAKE

WOODSTOCK, GA
"Best of the Best", Cherokee County, GA *Towne Laker* magazine (four consecutive years)

TOWNSHIP

HAMPTON, VA
Best Overall Community
Peninsula Apartment Council of the Peninsula Housing and Builders Association

THE VILLAGE

LEXINGTON, KY
Keeneland Award
Lexington Apartment Association

THE VISTAS

MACON, GA
Beautification Award, Macon-Bibb Beautiful Commission

WHISPERWOOD

COLUMBUS, GA
Best Apartment Community
Reader's Choice Award
Columbus Ledger Enquirer (six consecutive years)

WILDWOOD

THOMASVILLE, GA
Best of Thomas & Grady Counties, Reader's Choice Awards, *Thomasville Times-Enterprise*

WINDRIDGE

CHATTANOOGA, TN
1st Place Beautification Award
Chattanooga Apartment Association

WOODRIDGE

JACKSON, MS
3rd Place Beautification Award
Mississippi Multifamily Council



Mid-America
Apartment
Communities

Mid-America Apartment Communities, Inc.
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Memphis, TN 38138
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CREATING *Great Places* TO LIVESM