

PROVEN PERFORMANCE



# MAA 2012 Annual Report





## Proven Performance

*15%*

2012 FFO/Share  
YEAR OVER YEAR GROWTH

*\$2.64*

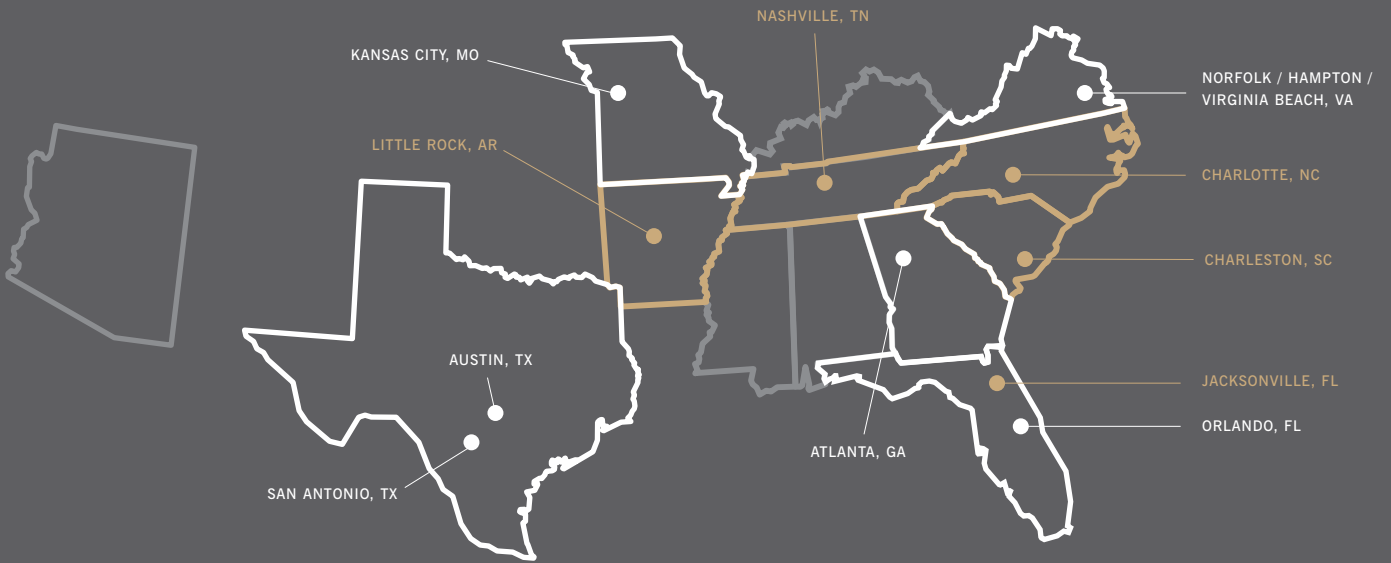
2012 Dividends Paid  
PER SHARE

MAA has a track record of proven performance that starts with a disciplined approach to investing capital in younger, high-quality apartments in both large and secondary high-growth markets. With an efficient, technology-based operating platform, our team of experienced real estate professionals transforms these high-quality apartments into the communities our residents call home. This dynamic of disciplined capital deployment and operational strength drives our consistent, full-cycle performance and superior long-term returns for shareholders.

MAA is a real estate investment trust (REIT) that acquires, owns and operates apartment communities in the Sunbelt region of the United States. At December 31, 2012, MAA had ownership interest in and operated 49,591 units in 166 communities in 13 states.

MAA's common shares are traded on the New York Stock Exchange under the ticker symbol MAA. For more information about MAA, please visit [www.maac.com](http://www.maac.com).

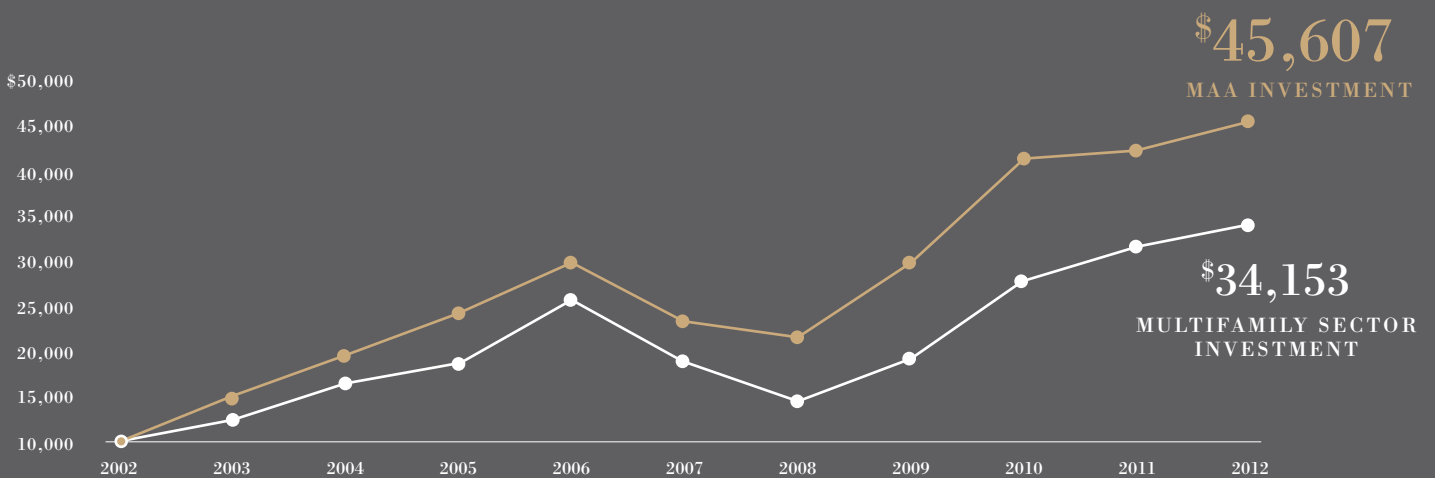
# 2012 Growth in Key Markets



7 Acquisitions  
\$345M

5 Developments  
\$187M Pipeline  
\$75M Invested in 2012

## Superior Long-term Shareholder Return



Valuable Return on a \$10,000 Investment

(SOURCE: SNL EQUITY RESEARCH)

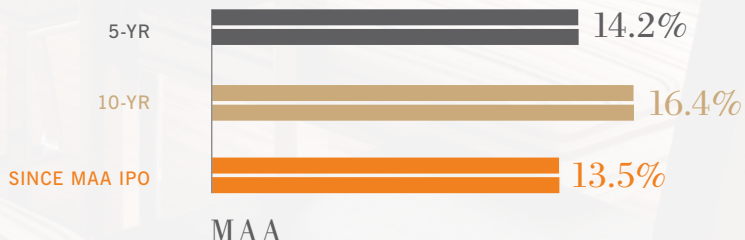
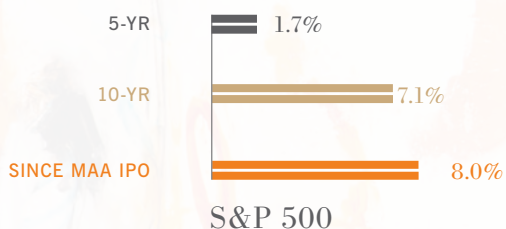
Kansas City, MO / Market Station





## Delivering Superior Shareholder Returns

TOTAL ANNUAL SHAREHOLDER RETURNS (SOURCE: SNL EQUITY RESEARCH)





Nashville, TN / Venue at Cool Springs





Atlanta, GA / Allure at Brookwood





# \$4.57

RECORD FULL YEAR FFO/SHARE

## Record Results

In 2012, we delivered record results to our shareholders with year-end funds from operations, or FFO, of \$4.57 per share—a 15% increase over the prior year. We announced our 76th consecutive quarterly dividend—an increase of 5.3%. And, MAA shareholders captured another year of total return that exceeded the apartment REIT sector average; supporting our long-term record of sector out-performance—16.4% annual compounded return to shareholders over the past 10 years.

We continued to strengthen our balance sheet, increasing our fixed charge coverage to 4.3x from 3.7x last year and decreasing our leverage to 44.1%. Our total market capitalization at year end was \$4.53 billion—with debt comprising 37%, down from 39% the prior year. In January 2013, we became fully investment grade rated with the assignment of Standard and Poor's Ratings Services' first-time issuer rating of BBB- with a positive outlook. This rating combined with existing ratings from Fitch Ratings (BBB) and Moody's Investors Service (Baa2) reflects the strength of MAA's balance sheet position.



# \$345M

ACQUISITIONS

## Portfolio Strategy

A key component in the level and stability of our results is our portfolio strategy. With a focus on areas favorable for strong job and demographic growth, we employ a diversified approach of owning high-quality properties in both large and key secondary markets. We feel this provides a more stable cash flow by driving down risk and volatility. In 2012, 59% of our gross assets were invested in large markets and 41% were in select secondary markets.

Our disciplined redeployment of capital maintains the quality of our portfolio and results by allowing for strategic upscale acquisitions in key markets. In 2012, we completed the disposition of nine properties for \$113 million, supporting the acquisition of seven communities totaling \$345 million—including the purchase of Market Station, which represented our entrance into the Kansas City, Missouri market.

We continue to invest in select development opportunities through pre-purchasing apartment communities to be built as a way to continually introduce new and high-end properties to the portfolio without taking on the full risks associated with new development. Construction was completed at two properties in 2012: The Ridge at Chenal Valley in Little Rock and Venue at Cool Springs in Nashville. Development and lease-up continues at 1225 South Church Street, Phase II, in Charlotte, 220 Riverside in Jacksonville and River's Walk in Charleston.

We also strategically renovate key communities in our existing portfolio. In 2012, 3,236 units were renovated at an average cost of \$4,300 per unit, achieving average rental rate increases of 10% above non-renovated units.



Charleston, SC / River's Walk





# 6.6%

YEAR OVER YEAR SAME STORE NOI INCREASE

## Strength of Operations

Another key component of our results is our operating platform. Through a dedicated team of onsite managers, leasing agents and landscape and maintenance teams, we are able to drive demand by exceeding the needs of our residents. We create great homes by providing superior customer service, scrupulously maintaining our communities, enhancing curb appeal with landscape and exterior improvements and by providing high-end, desirable amenities that appeal to today's discerning apartment resident. We also utilize environmentally friendly practices to create a socially responsible living environment and better quality of life for our residents and employees.

We put the most up-to-date tools in the hands of our employees including a real time and online property management system, lease revenue optimization program, web-based marketing programs and online resident portals which allow us to drive more efficiency in our operations and provide responsive service for our residents.

In 2012, same store NOI increased 6.6% from the prior year, a record performance for MAA. We maintained 95.9% physical occupancy across our same-store portfolio in 2012 and managed turnover to just 56.1%.

Nashville, TN / Venue at Cool Springs







Eric Bolton  
CHAIRMAN & CEO



## — To My Fellow Shareholders —

The demand for high-quality and professionally managed apartment housing is strong and growing. Fueled by improving employment markets and increasing new household formation, we expect these positive trends will be particularly evident in the high-growth Sunbelt region of the country where we focus your investment capital.

As I've reported to you over the past couple of years, the very favorable leasing trends that began as a collapse in the single-family "for sale" housing market encouraged an increasing number of households to meet their needs within the rental market. This influence, coupled with the lowest level of new apartment construction in the last 40 years, created very favorable leasing conditions.

“...paying a secure and growing cash dividend, over full market and economic cycles, is a key variable in delivering superior long-term shareholder return.”

The favorable leasing conditions have not gone unnoticed by developers, investors or lenders, and the development of new apartment communities is increasing. However, at this point construction activity is not at a level that is concerning or that exceeds the growing level of demand for apartments. While we believe that leasing conditions are likely to moderate some from 2012, we expect the leasing environment will continue to support our ability to capture strong and above average rent growth over the next couple of years.

There has been some discussion by analysts that the recovery underway in the single-family housing market is a cause for concern. We don't share that concern. The high number of move-outs of residents to buy a house in the 2003–2007 timeframe was, to a large degree, fueled by overly aggressive mortgage financing products, coupled with the false belief that a single-family home was almost certain to generate a positive investment return. The last few years have clearly shown that is not always the case. The next wave of future homeowners, those who today are in the age bracket of their early 20's to early 30's, are more likely to stay in the apartment rental market longer. Record levels of student debt, more disciplined mortgage financing practices, a desire for more flexibility and mobility, and a general desire for the convenience and lifestyle surrounding apartment living will compel many rental households to stay in the rental market longer.

At MAA we continue to take a long-term approach to investing. Our approach is centered on deploying investment capital to generate secure, growing “full cycle” cash flow. As a Real Estate Investment Trust we believe that generating value for

shareholders through paying a secure and growing cash dividend, over full market and economic cycles, is a key variable in delivering superior long-term shareholder return. During the current “up” cycle for apartment real estate our team of professionals at MAA has been actively working to further fortify our balance sheet and position the company for favorable access to the capital markets. Additionally, we are increasingly recycling investment capital into newer and more profitable apartment properties that will drive higher levels of shareholder value over the long haul. And, we are continuously strengthening and fine-tuning a number of our operating processes to deliver superior and more efficient services for our residents. MAA's culture and long-standing priority

placed on on-site property operations along with a disciplined approach to deploying capital are the key cornerstones in our ability to extract superior performance and value from the property investments we own.

MAA had a record year of performance in 2012. And with a favorable outlook for apartment leasing fundamentals over the next couple of years, we believe MAA is in a solid position to continue generating record results. We remain excited about our outlook.

Our record results in 2012 were only possible due to the hard work and dedication of 1,400 MAA associates working every day to serve our residents and our shareholders and to support each other. I want to thank them for their professionalism and dedication to our team.

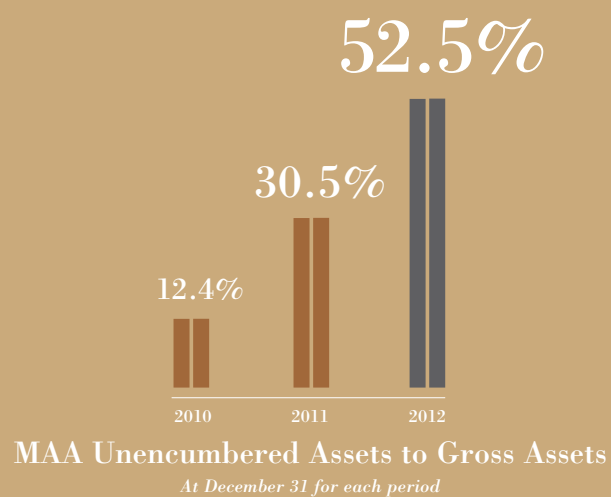
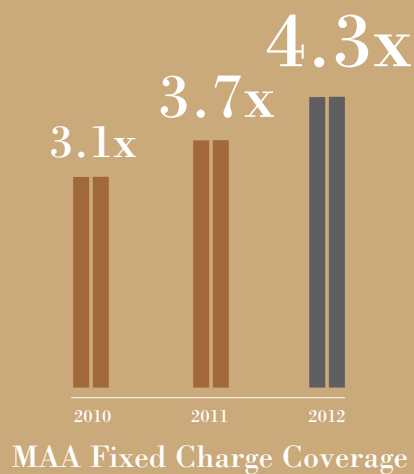
I also want to express my deep appreciation and gratitude to General John Grinalds, who will be retiring from our Board of Directors effective at our annual shareholder meeting in May. General Grinalds joined our Board of Directors in 1997 and is our longest serving independent director. His wise counsel over the past 16 years has been a key contributor to the growth and success that we have captured.

Sincerely,

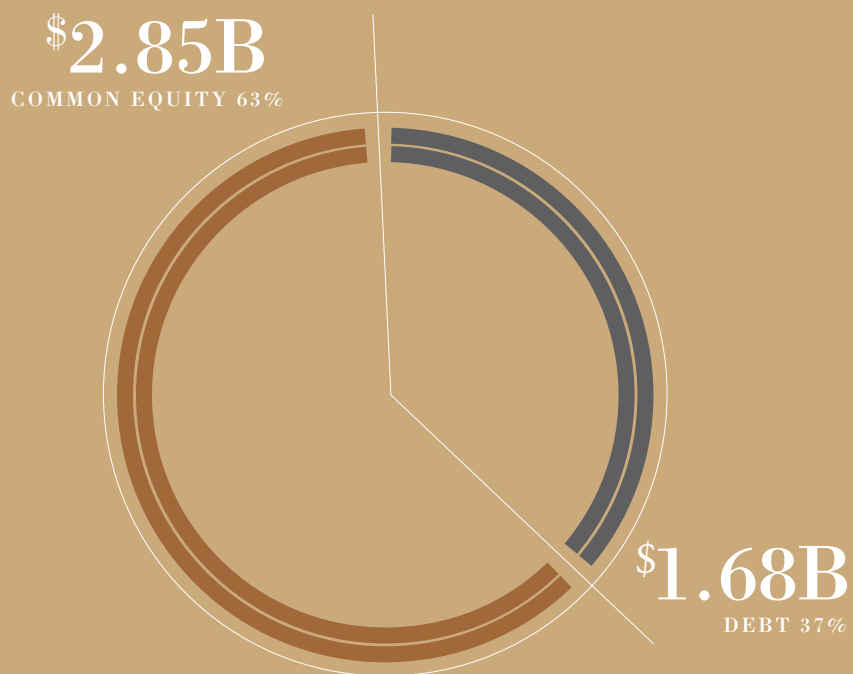


H. Eric Bolton, Jr.  
*Chairman and CEO*

# Balance Sheet Strength



**44.1%**  
DEBT TO GROSS ASSETS



## MAA Debt to Total Capitalization 12/31/2012

*Total Capitalization equals the total number of shares of common stock and units at period end times the closing stock price plus total debt outstanding*

AGENCY	RATING	OUTLOOK
<i>Fitch Ratings</i> <sup>(1)</sup>	<b>BBB</b>	<i>Stable</i>
<i>Moody's Investors Service</i> <sup>(2)</sup>	<b>Baa2</b>	<i>Stable</i>
<i>Standard &amp; Poor's Ratings Services</i> <sup>(1)</sup>	<b>BBB-</b>	<i>Positive</i>

## Credit Ratings

<sup>(1)</sup> Mid-America Apartment Communities, Inc. and Mid-America Apartments, LP

<sup>(2)</sup> Mid-America Apartments, LP only

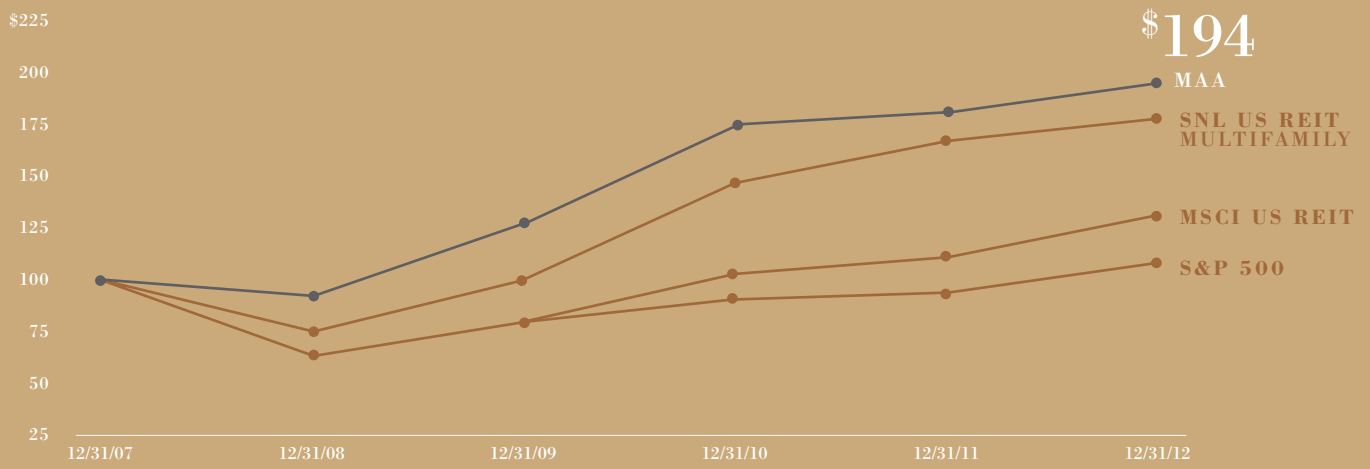


## Consolidated Balance Sheets

	December 31,	
	2012	2011
<i>(Dollars in thousands, except per share data)</i>		
<b>ASSETS:</b>		
<i>Real estate assets:</i>		
Land	\$ 386,670	\$ 333,846
Buildings and improvements	3,170,413	2,879,289
Furniture, fixtures and equipment	98,044	92,170
Development and capital improvements in progress	52,455	53,790
	3,707,582	3,359,095
Less accumulated depreciation	(1,027,618)	(961,724)
	2,679,964	2,397,371
Land held for future development	1,205	1,306
Commercial properties, net	8,065	8,125
Investments in real estate joint ventures	4,837	17,006
	2,694,071	2,423,808
Real estate assets, net	2,694,071	2,423,808
Cash and cash equivalents	9,075	57,317
Restricted cash	808	1,362
Deferred financing costs, net	13,842	14,680
Other assets	29,166	29,195
Goodwill	4,106	4,106
	\$ 2,751,068	\$ 2,530,468
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
<i>Liabilities:</i>		
Secured notes payable	\$ 1,190,848	\$ 1,514,755
Unsecured notes payable	483,000	135,000
Accounts payable	4,586	2,091
Fair market value of interest rate swaps	21,423	33,095
Accrued expenses and other liabilities	94,719	91,718
Security deposits	6,669	6,310
	1,801,245	1,782,969
Total liabilities	1,801,245	1,782,969
Redeemable stock	4,713	4,037
<i>Shareholders' equity:</i>		
Common stock, \$0.01 par value per share, 100,000,000 shares authorized; 42,316,398 and 38,959,338 shares issued and outstanding at December 31, 2012 and December 31, 2011, respectively <sup>(1)</sup>	422	389
Additional paid-in capital	1,542,999	1,375,623
Accumulated distributions in excess of net income	(603,315)	(621,833)
Accumulated other comprehensive losses	(26,054)	(35,848)
	914,052	718,331
Total MAA shareholders' equity	914,052	718,331
Noncontrolling interest	31,058	25,131
	945,110	743,462
Total equity	945,110	743,462
	\$ 2,751,068	\$ 2,530,468
Total liabilities and equity	\$ 2,751,068	\$ 2,530,468

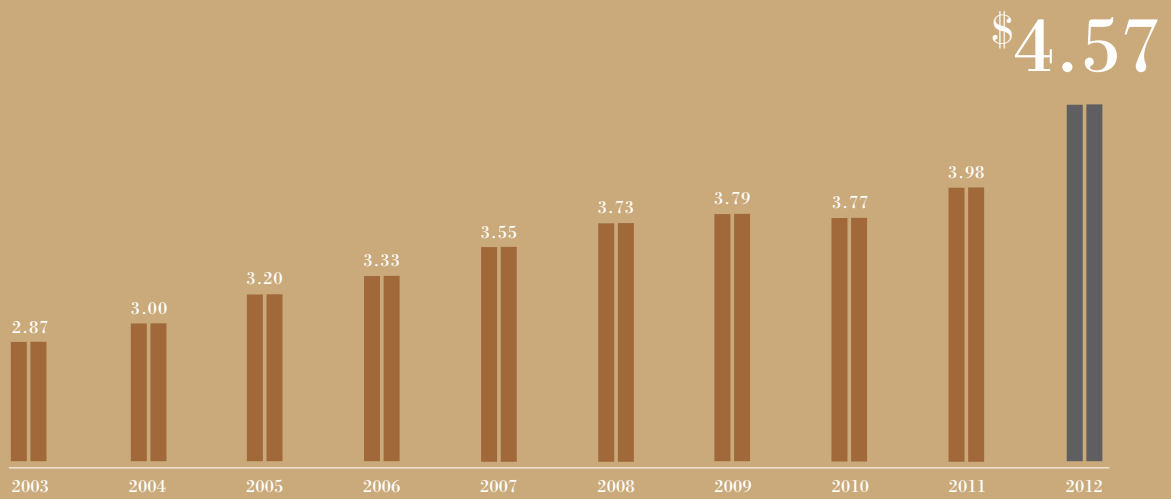
(1) Number of shares issued and outstanding represents total shares of common stock regardless of classification on the consolidated balance sheet. The number of shares classified as redeemable stock on the consolidated balance sheet for December 31, 2012 and December 31, 2011 is 72,786 and 65,771, respectively.

# Proven Performance



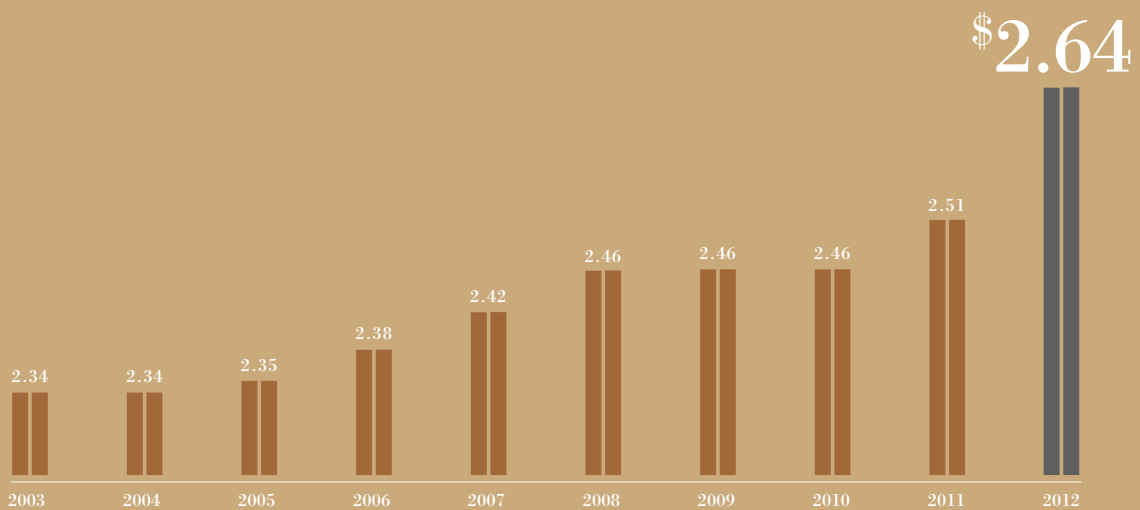
Total Return Performance / MAA Shareholder Return Performance Exceeds Benchmarks

(SOURCE: SNL EQUITY RESEARCH)



## Funds From Operations per Share

FFO/Share for 2003 and 2010 excludes non-routine items.



## Annual Cash Dividends Paid per Share

75 Consecutive Quarterly Cash Dividends Paid – Never Cut or Reduced



## Consolidated Statements of Operations

	Years Ended December 31,		
	2012	2011	2010
<i>(Dollars in thousands, except per share data)</i>			
<i>Operating revenues:</i>			
Rental revenues	\$456,202	\$393,142	\$348,522
Other property revenues	40,064	36,647	30,936
Total property revenues	496,266	429,789	379,458
Management fee income	899	1,017	680
Total operating revenues	497,165	430,806	380,138
<i>Property operating expenses:</i>			
Personnel	57,190	51,679	47,816
Building repairs and maintenance	15,957	14,656	13,760
Real estate taxes and insurance	56,907	48,769	43,220
Utilities	27,248	25,188	22,571
Landscaping	11,163	10,328	9,558
Other operating	34,861	31,957	26,663
Depreciation and amortization	126,136	110,870	98,384
Total property operating expenses	329,462	293,447	261,972
Acquisition expenses	1,581	3,319	2,512
Property management expenses	22,084	20,700	18,035
General and administrative expenses	13,762	18,123	12,354
Income from continuing operations before non-operating items	130,276	95,217	85,265
Interest and other non-property income	430	802	903
Interest expense	(58,751)	(57,415)	(54,632)
Loss on debt extinguishment/modification	(654)	(755)	—
Amortization of deferred financing costs	(3,552)	(2,902)	(2,627)
Net casualty (loss) gain after insurance and other settlement proceeds	(6)	(619)	314
Gain on sale of non-depreciable assets	45	1,084	—
Gain on properties acquired from joint ventures	—	—	752
Income from continuing operations before loss from real estate joint ventures	67,788	35,412	29,975
Loss from real estate joint ventures	(223)	(593)	(1,149)
Income from continuing operations	67,565	34,819	28,826
<i>Discontinued operations:</i>			
Income from discontinued operations before gain (loss) on sale	577	3,625	2,051
Net casualty gain (loss) after insurance and other settlement proceeds on discontinued operations	48	(12)	—
Gain (loss) on sale of discontinued operations	41,635	12,799	(2)
Consolidated net income	109,825	51,231	30,875
Net income attributable to noncontrolling interests	4,602	2,410	1,114
Net income attributable to MAA	105,223	48,821	29,761
Preferred dividend distributions	—	—	6,549
Premiums and original issuance costs associated with the redemption of preferred stock	—	—	5,149
Net income available for MAA common shareholders	\$105,223	\$ 48,821	\$ 18,063
<i>Earnings per common share—basic:</i>			
Income from continuing operations available for common shareholders	\$ 1.58	\$ 0.90	\$ 0.50
Discontinued property operations	0.98	0.42	0.07
Net income available for common shareholders	\$ 2.56	\$ 1.32	\$ 0.57
<i>Earnings per share—diluted:</i>			
Income from continuing operations available for common shareholders	\$ 1.57	\$ 0.89	\$ 0.49
Discontinued property operations	0.99	0.42	0.07
Net income available for common shareholders	\$ 2.56	\$ 1.31	\$ 0.56
Dividends declared per common share	\$ 2.6750	\$ 2.5425	\$ 2.4725



## Financial Highlights

	Years Ended December 31,		
	2012	2011	2010 <sup>(1)</sup>
<i>(Dollars and shares in thousands, except per share data)</i>			
Net income attributable to MAA	\$ 105,223	\$ 48,821	\$ 29,761
Preferred dividend distribution	—	—	(6,549)
Premiums and original issuance costs associated with the redemption of preferred stock	—	—	(5,149)
Net income available for common shareholders	105,223	48,821	18,063
Depreciation and amortization of real estate assets	123,767	108,660	96,320
Asset impairment	—	—	1,914
Net casualty (gain) loss and other settlement proceeds	(42)	631	(330)
Gain on properties contributed to joint ventures	—	—	(752)
(Gain) loss on sales of discontinued operations	(41,635)	(12,799)	2
Depreciation and amortization of real estate assets of discontinued operations	2,507	5,557	5,680
Depreciation and amortization of real estate assets of real estate joint ventures	1,887	2,262	1,896
Net income attributable to noncontrolling interests	4,602	2,410	1,114
Funds from operations	\$ 196,309	\$ 155,542	\$ 123,907
<i>Non-routine items:</i>			
Premiums and original issuance costs associated with the redemption of preferred stock	—	—	5,149
Funds from operations before non-routine items	\$ 196,309	\$ 155,542	\$ 129,056
Weighted average shares, diluted	42,937	39,087	31,977
Net income per share available for common shareholders, diluted	\$ 2.56	\$ 1.31	\$ 0.56
Weighted average shares and units, diluted	42,911	39,051	34,219
Funds from operations per share and unit, diluted	\$ 4.57	\$ 3.98	\$ 3.62
Funds from operations before non-routine items per share and unit, diluted	\$ 4.57	\$ 3.98	\$ 3.77
Dividends paid per share	\$ 2.64	\$ 2.51	\$ 2.46
Real estate owned, at cost	\$3,734,544	\$3,396,934	\$2,958,765
Capital improvements in progress	\$ 52,455	\$ 53,790	\$ 11,501
Investments in real estate joint ventures	\$ 4,837	\$ 17,006	\$ 17,505
Total debt	\$1,673,848	\$1,649,755	\$1,500,193
Shareholders' equity, redeemable stock and minority interest	\$ 949,823	\$ 747,499	\$ 544,392
Market capitalization (shares and units) <sup>(2)</sup>	\$2,852,113	\$2,558,107	\$2,353,115
Number of properties, including joint venture ownership interest	166	167	157
Number of apartment units, including joint venture ownership interest	49,591	49,133	46,310

(1) In accordance with NAREIT's current guidance, FFO has been updated to exclude asset impairment write downs.

(2) Market capitalization includes common shares, regardless of classification on balance sheet, and partnership units (value based on common stock equivalency).



## Shareholder Information

### CORPORATE HEADQUARTERS

MAA  
6584 Poplar Avenue  
Memphis, TN 38138  
901-682-6600  
www.maac.com

### GENERAL COUNSEL

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, Memphis, TN

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, Memphis, TN

### ANNUAL SHAREHOLDERS MEETING

MAA will hold its 2013 Annual Meeting of Shareholders on Tuesday, May 21, 2013 at 11:00 a.m. CDT at their corporate headquarters located in Memphis, TN.

### STOCK LISTING

MAA's common stock is listed on the New York Stock Exchange (NYSE) and is traded under the stock symbol MAA.

### TRANSFER AGENT AND REGISTRAR

American Stock Transfer & Trust Company  
800-937-5449 or www.amstock.com

**Registered 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 enroll in our dividend reinvestment plan or direct stock purchase program should contact American Stock Transfer & Trust Company at the shareholder service number listed above or access their account at the website listed above.

**Beneficial owners** who own shares held in "street name" should contact their broker or bank for all questions.

**Limited partners** of Mid-America Apartments, L.P. wishing to transfer their units or convert units into shares of common stock of MAA should contact MAA directly at the corporate headquarters.

### ANNUAL REPORT AND FORM 10-K

A copy of MAA's Annual Report and Form 10-K for the year ended December 31, 2012, as filed with the Securities and Exchange Commission (SEC) will be sent without charge upon written request. Please address requests to the corporate headquarters, attention Investor Relations or email your request to [investor.relations@maac.com](mailto:investor.relations@maac.com). Other MAA SEC filings as well as corporate governance documents are also on the "For Investors" page of our website at [www.maac.com](http://www.maac.com).

### CEO AND CFO CERTIFICATIONS

As is required by Section 303A.12(a) of the NYSE's corporate governance standards, the CEO Certification has been previously filed without qualification with the NYSE. Certifications of the CEO and CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 have been filed as exhibits to MAA's Form 10-K.

### THE OPEN ARMS FOUNDATION

The Open Arms Foundation is MAA's award-winning corporate charity that provides fully-furnished, two-bedroom apartment homes free of charge to families displaced from their own homes while seeking medical treatment. In addition to rent, The Open Arms Foundation also pays for basic utilities including electricity/gas, phone, cable and internet. At the time of printing of this report, The Open Arms Foundation was providing 42 homes to families in medical crisis across 11 states. In its 19-year history, the foundation has provided 2,400 families with nearly 145,500 nights of rest away from home. To find out more about The Open Arms Foundation please visit [www.maac.com](http://www.maac.com).



## Board of Directors

### H. ERIC BOLTON, JR.

Chief Executive Officer and  
Chairman of the Board of Directors, MAA

### ALAN B. GRAF, JR.

Executive Vice President and  
Chief Financial Officer  
FedEx Corporation  
Committee: Audit (Chairman)

### MAJOR GENERAL JOHN S. GRINALDS,

USMC (RET.)  
Past President  
The Citadel  
Committee: Audit

### RALPH HORN

Past President, Chief Executive Officer and  
Chairman of the Board of Directors  
First Horizon National Corporation  
Committees: Compensation; Nominating and  
Corporate Governance (Chairman)

### PHILIP W. NORWOOD

Senior Advisor, Past President and  
Chief Executive Officer  
Faison Enterprises, Inc.  
Committees: Compensation (Chairman);  
Nominating and Corporate Governance

### W. REID SANDERS

Managing Partner  
Chickasaw Partners  
Committee: Audit

### WILLIAM B. SANSOM

President, Chief Executive Officer and  
Chairman of the Board of Directors  
H.T. Hackney Co.  
Committees: Compensation; Nominating  
and Corporate Governance

### GARY SHORB

President and Chief Executive Officer  
Methodist Le Bonheur Healthcare  
Committee: Audit



6584 Poplar Avenue / Memphis, TN / 38138

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