



MI Developments Inc.

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MI DEVELOPMENTS ANNOUNCES CHANGES TO MAGNA ENTERTAINMENT BRIDGE LOAN AND PROJECT FINANCING FACILITIES

October 15, 2008, Aurora, Ontario, Canada – MI Developments Inc. (TSX: MIM.A, MIM.B; NYSE: MIM) today announced that it and one of its wholly-owned subsidiaries (collectively, “MID”) have agreed to increase and extend the bridge loan (the “Bridge Loan”) provided in September 2007 to Magna Entertainment Corp. (“MEC”) and to extend the deadline for repayment of certain amounts under the project financing facility provided in connection with MEC’s racing and alternative gaming facilities at Gulfstream Park in Florida. The increase and extensions are intended to permit MID and MEC to complete their exploration of the strategic transactions and alternatives available in respect of MEC, including a recapitalization, restructuring or sales of some or all of MEC’s assets, and evaluation of whether or to what extent MID might participate in any such transactions or alternatives.

The maturity date of the Bridge Loan will be extended from October 31, 2008 to December 1, 2008. In addition, the maximum commitment of the Bridge Loan will be increased from US\$110 million to US\$125 million. MEC will also be permitted to redraw the US\$4.5 million that it repaid in July 2008 using asset sale proceeds such that the amount available to MEC under the Bridge Loan will be increased by approximately US\$19.5 million. US\$95.9 million is currently outstanding under the Bridge Loan.

MID will also extend the deadline for repayment of at least US\$100 million under the Gulfstream Park project financing facility from October 31, 2008 to December 1, 2008 (during which time any repayments made under that facility or the facility provided in connection with MEC’s racing and alternative gaming facilities at Remington Park in Oklahoma will not be subject to a make-whole payment).

In connection with the increase to and extension of the Bridge Loan, MID will receive a fee of US\$1.25 million. MID will also receive an extension fee of US\$1.0 million under the Gulfstream Park facility. The increase and extensions are conditional on MEC extending the maturity date of its US\$40 million senior secured revolving credit facility with a Canadian chartered bank from October 15, 2008 to no earlier than November 17, 2008. Draws under the Bridge Loan will not be permitted after November 17, 2008 unless the MEC bank facility has been further extended or replaced.

The MID Board approved the changes after considering, among other things, recommendations from a Special Committee of independent directors.

Dennis Mills, MID's Vice-Chairman and Interim Chief Executive Officer, stated, "The recent market disruptions have complicated the process being pursued by MID. We are aware that not all MID shareholders may support the need to afford MEC this limited, incremental funding, but we believe that this is the most appropriate course of action for MID during this challenging period. We are committed to quickly developing and implementing a solution that is in the best interests of MID and its shareholders."

There can be no assurance that any transaction relating to MID or MEC will be completed.

MID will file a material change report immediately upon filing of this press release. The material change report will be filed less than 21 days before the date of the closing of the increase and extensions, which, in MID's view, is both reasonable and necessary in the circumstances as the terms thereof were settled, and approved by MID's Board of Directors, on October 15, 2008, and MEC requires immediate funding to address its short-term liquidity concerns. For more details on the increase and extensions, please refer to the material change report. In addition, the amendment to the Bridge Loan will be filed by MID on SEDAR at www.sedar.com and on the SEC's website at www.sec.gov.

About MID

MID is a real estate operating company focusing primarily on the ownership, leasing, management, acquisition and development of a predominantly industrial rental portfolio for Magna International Inc. and its subsidiaries in North America and Europe. MID also acquires land that it intends to develop for mixed-use and residential projects. MID holds a controlling interest in MEC, North America's number one owner and operator of horse racetracks, based on revenue, and one of the world's leading suppliers, via simulcasting, of live horse racing content to the growing intertrack, off-track and account wagering markets.

For further information about this press release, please contact Dennis Mills, MID's Vice-Chairman and Interim Chief Executive Officer, at 905-726-7614.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements may include, among others, statements relating to the reorganization proposal and the terms and conditions of such proposal. Words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate" and similar expressions are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future events or results and will not necessarily be accurate indications of whether or the times at or by which such future events or results will be achieved. Undue reliance should not be placed on such statements. Forward-looking statements are based on information available at the time and/or management's good faith assumptions and analyses, and are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company's control, that could cause actual events or results to differ materially from such forward-looking statements. Important factors that could cause such differences include, but are not limited to the risks that the parties may not proceed with the reorganization proposal delivered to the Company on March 31, 2008, and if the parties decide to proceed with a transaction, the terms of such transaction may differ from those that are currently contemplated by the proposed reorganization. Other important factors are set forth in the "Risk Factors" section in MID's

Annual Information Form for 2007, filed on SEDAR at www.sedar.com and attached as Exhibit 1 to MID's Annual Report on Form 40-F for the year ended December 31, 2007, which investors are strongly advised to review. The "Risk Factors" section also contains information about the material factors or assumptions underlying such forward-looking statements. Forward-looking statements speak only as of the date the statements were made and unless otherwise required by applicable securities laws, MID expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements contained in this press release to reflect subsequent information, events or circumstances or otherwise.