MI Developments Inc.

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MI DEVELOPMENTS ANNOUNCES 2011 SECOND QUARTER RESULTS

August 11, 2011, Aurora, Ontario, Canada — MI Developments Inc. (TSX/NYSE: MIM) ("MID" or the "Company") today announced its results for the three and six-month periods ended June 30, 2011. Since July 1, 2011, MID has been a Canadian based real estate company engaged primarily in the acquisition, development, construction, leasing, management and ownership of a predominantly industrial rental portfolio of properties in North America and Europe that are leased primarily to Magna International Inc. ("Magna") and its automotive operating units. The results of these business activities are reported as the continuing operations of the Company.

Prior to July 1, 2011, MID also owned racing and gaming operations which included the operation of four thoroughbred racetracks located in the U.S. and a casino with alternative gaming machines, as well as the simulcast wagering venues at these tracks. Accordingly, at that time, the Company operated in two segments, the "Real Estate Business" and the "Racing & Gaming Business". Following the close of business on June 30, 2011, the Racing & Gaming Business and substantially all of the Real Estate Business' lands held for development were transferred to entities owned by Mr. Frank Stronach and his family (the "Stronach Shareholder") in consideration for the elimination of MID's dual class share capital structure through which the Stronach Shareholder controlled MID. The transaction was completed through a court-approved plan of arrangement (the "Arrangement"). The assets and business transferred to the Stronach Shareholder pursuant to the Arrangement are collectively referred to as the "Arrangement Transferred Assets & Business". The results of the Arrangement Transferred Assets & Business activities are reported as discontinued operations of the Company (see "Plan of Arrangement and Discontinued Operations" below*)*.

"Post-Arrangement we promptly began the process of reviewing MID's business model and assessing strategic alternatives to enhance shareholder value", commented Bill Lenehan, Chief Executive Officer. "We expect to conclude this strategic planning process during the fall of 2011".

MID's consolidated results for the three and six-month periods ended June 30, 2011 and 2010 are summarized below (all figures are in U.S. dollars):

(in thousands, except per share figures)	**MID CONSOLIDATED** Three months ended June 30, **2011**	Three months ended June 30, 2010	Six months ended June 30, **2011**	Six months ended June 30, 2010
Revenues[1]	**$ 46,361**	$ 43,321	**$ 91,228**	$ 87,712
Income from continuing operations[1]	**$ 27,292**	$ 38,472	**$ 40,128**	$ 53,759
Income (loss) from discontinued operations[1]	**85,716**	(6,472)	**96,601**	(6,630)
Net income	**$ 113,008**	$ 32,000	**$ 136,729**	$ 47,129
Diluted earnings (loss) per share from:				
continuing operations	**$ 0.58**	$ 0.82	**$ 0.86**	$ 1.15
discontinued operations	**1.82**	(0.14)	**2.05**	(0.14)
Diluted earnings per share	**$ 2.40**	$ 0.68	**$ 2.91**	$ 1.01
Funds from operations ("FFO")[2]	**$ 38,207**	$ 48,587	**$ 61,639**	$ 74,307
Diluted FFO per share [2]	**$ 0.81**	$ 1.04	**$ 1.31**	$ 1.59

(1) As a result of the approval by MID's shareholders and the Ontario Superior Court of Justice of the Arrangement (please refer to the section titled *"Plan of Arrangement and Discontinued Operations"*), the operating results of the Arrangement Transferred Assets & Business have been presented as discontinued operations. Income from continuing operations pertains to the Company's income producing property portfolio.

(2) FFO and diluted FFO per share are measures widely used by analysts and investors in evaluating the operating performance of real estate companies. However, FFO does not have a standardized meaning under U.S. GAAP and therefore may not be comparable to similar measures presented by other companies. The Company determines FFO using the definition prescribed in the United States by the National Association of Real Estate Investment Trusts® ("NAREIT"). For a reconciliation of FFO to income from continuing operations, please refer to the section titled "*Reconciliation of Funds from Operations to Income from Continuing Operations*".

MID CONSOLIDATED FINANCIAL RESULTS

The results of operations of the Company for the three and six-month periods ended June 30, 2011 and 2010 include those from continuing operations and discontinued operations.

Three-Month Period Ended June 30, 2011

Continuing Operations

For the three-month period ended June 30, 2011, revenues increased by $3.1 million from $43.3 million in the second quarter of 2010 to $46.4 million in the second quarter of 2011. Rental revenues increased from $42.3 million in the second quarter of 2010 to $46.4 million in the second quarter of 2011. Interest and other income from Magna Entertainment Corp. ("MEC") decreased by $1.0 million to nil in the second quarter of 2011.

Rental revenue increased by $4.1 million in the second quarter of 2011 compared to the prior year primarily due to the effect of changes in foreign currency exchange rates, additional rent earned from contractual rent increases and completed projects on-stream.

Interest and other income from MEC consist of interest and fees earned in relation to loan facilities between MID and MEC and certain of its subsidiaries. These loan facilities were settled and interest and other income thereon ceased in the second quarter of 2010 as MEC's Chapter 11 process concluded.

The Company's income from continuing operations was $27.3 million in the second quarter of 2011 compared to $38.5 million in the prior year period. The decrease in income from continuing operations of $11.2 million is primarily due to (i) $30.3 million of gains in the second quarter of 2010 pertaining to MEC, including a loan provision recovery of $10.0 million in respect of loans previously made to MEC by the Company and a $20.3 million increase in the consideration received by the Company in satisfaction of the former MEC loans offset by (ii) an income tax recovery of $13.3 million recorded in the second quarter of 2011 related to successfully setting aside an internal amalgamation undertaken in 2010 that had caused MID to incur a tax expense in a prior period and (iii) a revaluation of the Company's future tax assets in 2010 in respect of loan recoveries from MEC.

FFO for the second quarter of 2011 decreased $10.4 million from $48.6 million in the prior year period to $38.2 million primarily due to the reduced income from continuing operations for the reasons noted above.

Discontinued Operations

Income from discontinued operations increased $92.2 million from a loss of $6.5 million in the second quarter of 2010 to income of $85.7 million in the second quarter of 2011. During the second quarter of 2011, income from discontinued operations included $89.5 million net of income taxes of $10.8 million relating to the net gain on disposition of the Arrangement Transferred Assets & Business. The transfer of the Arrangement Transferred Assets & Business is considered a non-pro rata distribution and therefore has been recorded as a fair value disposition.

Net Income

Net income of $113.0 million for the second quarter of 2011 increased by $81.0 million from net income of $32.0 million in the prior year period. The $81.0 million increase was primarily due to the increase in income from discontinued operations of $92.2 million partially offset by the reduction of net income from continuing operations of $11.2 million as noted above.

Six-Month Period Ended June 30, 2011

Continuing Operations

For the six-month period ended June 30, 2011, revenues increased by $3.5 million from $87.7 million in 2010 to $91.2 million in 2011. Rental revenues increased from $85.9 million in the six-month period ended 2010 to $91.2 million in 2011. Interest and other income from MEC decreased by $1.8 million to nil during the same period.

Rental revenue increased by $5.3 million in the six-month period ended of 2011 compared to the prior year primarily due to the effect of changes in foreign currency exchange rates, additional rent earned from contractual rent increases and completed projects on-stream.

Interest and other income from MEC consist of interest and fees earned in relation to loan facilities between MID and MEC and certain of its subsidiaries. These loan facilities were settled and interest and other income thereon ceased in the second quarter of 2010 as MEC's Chapter 11 process concluded.

The Company's income from continuing operations was $40.1 million in the six-month period ended 2011 compared to $53.8 million in the prior year period. Items decreasing income from continuing operations include (i) $30.3 million of gains in 2010 pertaining to MEC, including a loan loss provision recovery of $10.0 million in respect of loans previously made to MEC by the Company and a $20.3 million increase in the consideration received by the Company in satisfaction of the former MEC loans, (ii) an increase in general and administrative expenses of $4.4 million, (iii) the write-down of long-lived asset of $2.8 million, (iv) a reduction in other gains of $1.9 million recognized in 2010 in respect of a lease termination payment and (v) an increase in depreciation expense and other items of $3.5 million. These items were offset by (i) an increase of $5.3 million in rental revenue and (ii) a decrease of income tax expense of $23.9 million in the six-month period ended June 30, 2011 for the reasons noted above.

FFO for the six-month period ended June 30, 2011 decreased $12.7 million from $74.3 million in the prior year period to $61.6 million primarily due to the reduced income from continuing operations for the reasons noted above.

Discontinued Operations

Income from discontinued operations increased $103.2 million from a loss of $6.6 million during the six-month period ended June 30, 2010 to income of $96.6 million during 2011. The increase in income from discontinued operations was due to the gain of $89.5 million recorded on the disposition of the Arrangement Transferred Assets & Business. For the six-month period ended June 30, 2011, the Racing & Gaming Business generated operating income of $9.9 million whereas in the prior year period it generated a loss of $6.2 million. In the six-month period ended June 30, 2010, the Racing & Gaming Business is only included for two months commencing on April 30, 2010, the date the Racing & Gaming Business was acquired from MEC.

Net Income

Net income of $136.7 million for the six-month period ended June 30, 2011 increased by $89.6 million from net income of $47.1 million in the prior year period. The $89.6 million increase was primarily due to the increase in income from discontinued operations of $103.2 million partially offset by the reduction of income from continuing operations of $13.6 million as noted above.

A more detailed discussion of MID's consolidated financial results for the three and six-month periods ended June 30, 2011 and 2010 is contained in MID's Management's Discussion and Analysis of Results of Operations and Financial Position and the unaudited interim consolidated financial statements and notes thereto, which are available through the internet on Canadian Securities Administrators' Systems for Electronic Document Analysis and Retrieval (SEDAR) and can be accessed at www.sedar.com and on the United States Securities and Exchange Commission's Electronic Data Gathering, Analysis and Retrieval System (EDGAR) which can be accessed at www.sec.gov.

RECONCILIATION OF FUNDS FROM OPERATIONS TO INCOME FROM CONTINUING OPERATIONS

	Three months ended June 30,		Six months ended June 30,	
(in thousands, except per share information)	**2011**	2010	**2011**	2010
Income from continuing operations	**$ 27,292**	$ 38,472	**$ 40,128**	$ 53,759
Add back depreciation and amortization	**10,915**	10,115	**21,511**	20,548
Funds from operations	**$ 38,207**	$ 48,587	**$ 61,639**	$ 74,307
Basic and diluted funds from operations per share	**$ 0.81**	$ 1.04	**$ 1.31**	$ 1.59
Basic number of shares outstanding	**47,128**	46,708	**46,919**	46,708
Diluted number of shares outstanding	**47,165**	46,708	**47,063**	46,708

PLAN OF ARRANGEMENT AND DISCONTINUED OPERATIONS

On June 30, 2011, the Company completed the Arrangement under the *Business Corporations Act* (Ontario) which eliminated MID's dual class share capital structure through which the Stronach Shareholder controlled MID. Definitive agreements with respect to the Arrangement were entered into by the Company on January 31, 2011. The Arrangement was approved on March 29, 2011 by 98.08% of the votes cast by shareholders at the annual general and special meeting and on March 31, 2011, the Ontario Superior Court of Justice issued a final order approving the Arrangement. The Arrangement eliminated MID's dual class share capital structure through:

i) the purchase for cancellation of 363,414 MID Class B Shares held by the Stronach Shareholder upon the transfer to the Stronach Shareholder of the Company's Racing & Gaming Business including $20 million of working capital at January 1, 2011, substantially all of the Company's lands held for development and associated assets and liabilities (MID was granted an option to purchase at fair value certain of these development lands if needed to expand our income producing properties), a property located in the United States, an income producing property located in Canada which is also currently MID's Head Office and cash in the amount of $8.5 million. In addition, the Stronach Shareholder received a 50% interest in the note receivable and cash proceeds from the sale of Lone Star LP, a 50% interest in future payments, if any, under a holdback agreement relating to MEC's prior sale of The Meadows racetrack and a second right of refusal in respect of certain properties; and

ii) the purchase for cancellation by MID of each of the other 183,999 MID Class B Shares in consideration for 1.2 MID Class A Subordinate Voting Shares per MID Class B Share, which following cancellation of the MID Class B Shares, and together with the existing outstanding MID Class A Subordinate Voting Shares, were renamed Common Shares.

DIVIDENDS

MID's Board of Directors has declared a dividend of $0.10 per share on MID's Common Shares for the second quarter ended June 30, 2011. The dividend is payable on or about September 15, 2011 to shareholders of record at the close of business on August 26, 2011. The Common Shares will begin trading on an ex-dividend basis at the opening of trading on August 24, 2011.

Unless indicated otherwise, MID has designated the entire amount of all past and future taxable dividends paid since January 1, 2006 to be an "eligible dividend" for purposes of the Income Tax Act (Canada), as amended from time to time. Please contact your tax advisor if you have any questions with regard to the designation of eligible dividends.

ABOUT MID

MID is a Canadian-based real estate company engaged primarily in the acquisition, development, construction, leasing, management and ownership of a predominantly industrial rental portfolio of properties in North America and Europe leased primarily to Magna and its automotive operating units.

For further information, please contact Bill Lenehan, Chief Executive Officer, at 905-726-7630 or Michael Forsayeth, Chief Financial Officer, at 905-726-7600.

OTHER INFORMATION

Additional property statistics have been posted to MID's website at http://www.midevelopments.com/uploads/File/PropertyStatistics.pdf. Copies of financial data and other publicly filed documents are available through the internet on Canadian Securities Administrators' Systems for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com and on the United States Securities and Exchange Commission's Electronic Data Gathering, Analysis and Retrieval System (EDGAR) which can be accessed at www.sec.gov. For further information about MID, please see our website.

FORWARD-LOOKING STATEMENTS

This press release may contain statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements" within the meaning of applicable securities legislation, including the United States Securities Act of 1933 and the United States Securities Exchange Act of 1934. Forward-looking statements may include, among others, statements regarding the Company's future plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, economic performance or expectations, or the assumptions underlying any of the foregoing. 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, performance or results and will not necessarily be accurate indications of whether or the times at or by which such future performance 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 made in light of our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances, 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 set forth in the "Risk Factors" section in the Company's Annual Information Form for 2010, filed on SEDAR at www.sedar.com and attached as Exhibit 1 to the Company's Annual Report on Form 40-F for the year ended December 31, 2010, 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, the Company 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.