



MI DEVELOPMENTS ANNOUNCES 2011 THIRD QUARTER RESULTS

November 10, 2011, Aurora, Ontario, Canada — MI Developments Inc. (TSX/NYSE: MIM) (“MID” or the “Company”) today announced its results for the three and nine-month periods ended September 30, 2011. 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 that are leased primarily to the automotive operating subsidiaries of Magna International Inc. (together “Magna”).

“We are pleased with the progress made since June 30 when the new Board of Directors and senior management were put in place. A new strategic plan has been announced which includes converting the Company to a Canadian REIT; the dividend paid to shareholders has been increased substantially; we have enhanced the Company’s disclosure to shareholders; today, the Board approved a normal course issuer bid and we are announcing third quarter results which reflect a significant reduction in our run rate general and administrative expenses,” commented Bill Lenehan, Interim Chief Executive Officer.

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

<i>(in thousands, except per share figures)</i>	MID CONSOLIDATED			
	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Revenues ⁽¹⁾	\$ 46,411	\$ 42,595	\$ 137,639	\$ 130,307
Income from continuing operations ⁽¹⁾	\$ 15,524	\$ 13,894	\$ 55,652	\$ 67,653
Income (loss) from discontinued operations ⁽¹⁾	—	(24,419)	96,601	(31,049)
Net income (loss)	\$ 15,524	\$ (10,525)	\$ 152,253	\$ 36,604
Diluted earnings (loss) per share from:				
- continuing operations	\$ 0.33	\$ 0.30	\$ 1.18	\$ 1.45
- discontinued operations	—	(0.53)	2.06	(0.67)
Diluted earnings (loss) per share	\$ 0.33	\$ (0.23)	\$ 3.24	\$ 0.78
Funds from operations (“FFO”) ⁽²⁾	\$ 26,368	\$ 24,052	\$ 88,007	\$ 98,359
Diluted FFO per share ⁽²⁾	\$ 0.56	\$ 0.51	\$ 1.87	\$ 2.11

(1) Following the close of business on June 30, 2011, the Racing & Gaming Business, substantially all of the Company’s lands held for development, a property in the United States and an income producing property in Canada (the “Arrangement Transferred Assets & Business”) 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 structure. 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 nine-month periods ended September 30, 2011 and 2010 include those from continuing operations and discontinued operations.

Three-Month Period Ended September 30, 2011

Continuing Operations

For the three-month period ended September 30, 2011, rental revenues increased by \$3.8 million from \$42.6 million in the third quarter of 2010 to \$46.4 million in the third quarter of 2011 primarily due to the favourable effect of changes in foreign currency exchange rates, additional rent earned from contractual rent increases, completed projects on-stream and the re-leasing of income producing properties.

The Company's income from continuing operations was \$15.5 million in the third quarter of 2011 compared to \$13.9 million in the prior year period. The increase in income from continuing operations of \$1.6 million is primarily due to the increase in rental revenue of \$3.8 million, the increase in foreign exchange gains of \$0.4 million, the reduction in interest expense and other financing costs of \$0.8 million and the decrease in income tax expense of \$1.7 million, partially offset with the increase in general and administrative expenses of \$4.1 million and the increase in depreciation and amortization expense of \$0.7 million. The increase in general and administrative expenses of \$4.1 million is predominately due to \$5.6 million in employee termination expenses relating to former officers, a director and other staff.

FFO for the third quarter of 2011 increased \$2.3 million from \$24.1 million in the prior year period to \$26.4 million primarily due to the increased income from continuing operations of \$1.6 million for the reasons noted above and the add back of increased depreciation and amortization expense of \$0.7 million.

Discontinued Operations

For the three-month period ended September 30, 2011, the Company's results of operations were not impacted by the Arrangement Transferred Assets & Business as they were transferred to the Stronach Shareholder effective June 30, 2011.

Net Income

Net income of \$15.5 million for the third quarter of 2011 increased by \$26.0 million from a net loss of \$10.5 million in the prior year period. The \$26.0 million increase is primarily due to the loss from discontinued operations of \$24.4 million in the third quarter of 2010.

Nine-Month Period Ended September 30, 2011

Continuing Operations

For the nine-month period ended September 30, 2011, revenues increased by \$7.3 million from \$130.3 million in 2010 to \$137.6 million in 2011. Rental revenue increased from \$128.5 million in the nine-month period ended 2010 to \$137.6 million in 2011. Interest and other income from Magna Entertainment Corp. ("MEC") decreased by \$1.8 million to nil during the same period.

Rental revenue increased by \$9.1 million in the nine-month period ended 2011 compared to the prior year primarily due to the favourable 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 \$55.7 million in the nine-month period ended 2011 compared to \$67.7 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) a decrease in interest and other income from MEC of \$1.8 million, (iii) an increase in general and administrative expenses of \$8.5 million, (iv) the write-down of a long-lived asset of \$2.8 million, (v) a reduction in other gains of \$1.9 million recognized in 2010 in respect of a lease termination payment and (vi) an increase in depreciation and amortization expense of \$1.7 million. These items were offset by: (i) an increase of \$9.1 million in rental revenue, (ii) a decrease of \$1.3 million in interest expense and other financing costs and (iii) a decrease of income tax expense of \$25.6 million in the nine-month period ended September 30, 2011.

FFO for the nine-month period ended September 30, 2011 decreased \$10.4 million from \$98.4 million in the prior year period to \$88.0 million primarily due to the reduced income from continuing operations for the reasons noted above and the add back of increased depreciation and amortization expense of \$1.7 million.

Discontinued Operations

Income from discontinued operations increased \$127.6 million from a loss of \$31.0 million during the nine-month period ended September 30, 2010 to income of \$96.6 million during 2011. For the nine-month period ended September 30, 2011, the operating results of the Racing & Gaming Business are included to June 30, 2011, the date of transfer to the Stronach Shareholder. In the nine-month period ended September 30, 2010, the operating results of the Racing & Gaming Business are included commencing on April 30, 2010, the date the Racing & Gaming Business was acquired from MEC. Given these facts, a comparison of the results is not meaningful, however, one of the main reasons for 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 nine-month period ended September

30, 2011, the Racing & Gaming Business generated operating income of \$9.9 million whereas in the prior year period it generated a loss of \$29.4 million, which is reflective of the seasonality of the business.

Net Income

Net income of \$152.3 million for the nine-month period ended September 30, 2011 increased by \$115.7 million from net income of \$36.6 million in the prior year period. The \$115.7 million increase was primarily due to the increase in income from discontinued operations of \$127.6 million partially offset by the reduction of income from continuing operations of \$12.0 million as noted above.

A more detailed discussion of MID's consolidated financial results for the three and nine-month periods ended September 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 September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<i>(in thousands, except per share information)</i>				
Income from continuing operations	\$ 15,524	\$ 13,894	\$ 55,652	\$ 67,653
Add back depreciation and amortization	10,932	10,158	32,443	30,706
Deduct gain on disposal of real estate	(88)	—	(88)	—
Funds from operations	<u>\$ 26,368</u>	<u>\$ 24,052</u>	<u>\$ 88,007</u>	<u>\$ 98,359</u>
Basic funds from operations per share	<u>\$ 0.56</u>	<u>\$ 0.51</u>	<u>\$ 1.88</u>	<u>\$ 2.11</u>
Diluted funds from operations per share	<u>\$ 0.56</u>	<u>\$ 0.51</u>	<u>\$ 1.87</u>	<u>\$ 2.11</u>
Basic number of shares outstanding	<u>46,843</u>	46,708	<u>46,894</u>	46,708
Diluted number of shares outstanding	<u>46,862</u>	46,708	<u>46,996</u>	46,708

NORMAL COURSE ISSUER BID

The Board has approved a normal course issuer bid to purchase, from time to time over the next 12 months, if the Company's Common Shares are trading at a price that the Company believes is materially below intrinsic value, up to an aggregate number of Common Shares that is equal to 10% of MID's public float, expected to be approximately 8.5% of the 46,871,356 currently issued and outstanding Common Shares. Purchases under the normal course issuer bid will be made on the Toronto Stock Exchange ("TSX"), the New York Stock Exchange (the "NYSE") and any alternative trading system in Canada, pending required regulatory approvals. MID will file with the TSX a notice of intention to make a normal course issuer bid. Purchases may commence through the TSX two trading days after the TSX accepts the notice and through the NYSE or any automated trading system in Canada five days after filing of the news release announcing such acceptance.

The Board of Directors of MID believes that the proposed purchases are in the best interests of MID and are a desirable use of corporate funds. All Common Shares purchased by MID pursuant to the notice will be cancelled.

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.

For further information, please contact Bill Lenehan, Interim 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://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. In particular, this press release contains forward-looking statements regarding a strategic plan and a proposed conversion to a REIT. 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. In particular, MID cautions that the timing or completion of the strategic plan and the timing or completion of the REIT conversion process cannot be predicted with certainty, and there can be no assurance at this time that all required or desirable approvals and consents to effect the plan and a REIT conversion will be obtained in a timely manner or at all. 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 risk of changes to tax or other laws that may adversely affect the REIT conversion; inability of MID to develop a suitable structure for the REIT conversion; the inability to obtain all required consents and approvals for the REIT conversion; and 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.