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HORIZON GROUP PROPERTIES TO DEVELOP OUTLET CENTER IN EL PASO COUNTY, TEXAS

(EL Paso, TX - April 27, 2006) --- A joint venture between Horizon Group Properties, Inc. (OTC:HGPI.pk) and Grand Misuma, LLC has acquired 100 acres of land in El Paso County, Texas to develop a 385,000 square foot factory outlet shopping center named Sun Valley Factory Shoppes. The property is located at the intersection of Interstate 10 and the new Transmountain Loop, also known as Highway 375. Horizon Group Properties will be responsible for leasing and developing the center. Its joint venture partner is Grand Misuma, a real estate development company headed by Allan Davidov and Gil Priel.

Tenants of Sun Valley Factory Shoppes are expected to include many of the best names in the factory outlet industry. The center will also feature a large food court, play area and other amenities to encourage shoppers to fully enjoy the different retail and entertainment choices at the center.

“We are excited about this dynamic new project in the vibrant and growing El Paso area,” said Gary J. Skoien, Chairman, President and Chief Executive Officer of Horizon Group Properties. “We believe that Sun Valley Factory Shoppes will draw shoppers from a large area both within the United States and Mexico.” Of the 30 largest cities in the United States, El Paso is alone in not having a factory outlet center within 100 miles and is one of the 20 fastest growing cities in the US.

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“The location of the center is perfectly suited to serve consumers from El Paso, Las Cruces and Mexico as well as tourists driving I-10,” said Allan Davidov of Grand Misuma. “The access and visibility are truly remarkable.”

The development site was acquired through the brokerage service of Avi Kotkowski.

Construction on the project is planned to commence in the summer of 2006 and will create more than 300 construction related jobs. When completed, it is expected to create 800 retail jobs. The center will generate \$110 million in annual sales providing approximately \$1.1 million of incremental local sales tax revenue. The annual property taxes will be approximately \$580,000 split amongst the area taxing authorities."

A fact sheet for the project is attached and images of the proposed center are available on Horizon Group Properties' web site at www.horizongroup.com.

Based in Rosemont, Illinois, Horizon Group Properties, Inc. has interests in ten factory outlet centers in eight states totaling approximately 2.2 million square feet and is the developer of a master planned community in suburban Chicago, Illinois.

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FACT SHEET**Horizon Group Properties – El Paso**

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|---------------------------|---|
| Center Name | Sun Valley Factory Shoppes |
| Location | I-10 and Transmountain Loop (Highway 375) El Paso County, Texas |
| Owner | El Paso Outlet Center, LLC, a joint venture between Horizon El Paso LLC and Grand Misuma. |
| Total project cost | \$70,000,000 |
| Total Gross Leasable Area | 385,000 square feet |
| Parking spaces | 2,000 |
| Key features | <ul style="list-style-type: none">• Daily vehicle count of 70,000.• Of the 30 largest cities in the United states, El Paso is alone in not having an outlet center within 100 miles.• The site is within 25 miles of the US Mexico border, making the Sun Valley Factory Shoppes the preferred shopping destination for Mexico. |
| Construction schedule | Start - Summer 2006 Open - Summer 2007 |
| Job Creation | Construction - 300 Retail - 800 Total 1,100 |

