



FOR IMMEDIATE RELEASE

HORIZON GROUP PROPERTIES COMPLETES SALE OF SIX SHOPPING CENTERS

(Rosemont, Illinois –July 28, 2006) -- Horizon Group Properties, Inc. (“HGPI”) (OTC: HGPI.PK), an owner, operator and developer of factory outlet centers and land developer, announced that it had completed the sale of six outlet shopping centers to Prescott Capital Management, LLC, the investment and asset management unit of The Prescott Group, LLC. Total consideration from the sales was approximately \$62 million net of the existing debt secured by the properties subject to the transaction.

The centers are located in Darien, GA, Laughlin, NV, Medford, MN, Traverse City, MI, Tulare, CA and Warrenton, MO. They contain a total of 1.3 million square feet of gross leasable area and are owned by partnerships of which Horizon Group Properties, L.P. (“HGP LP”) owns approximately 51%. HGPI owns approximately 69% of HGP LP and is its general partner. HGPI’s interest in El Portal Center, LLC, which owns a center in Laredo, TX that is planned for redevelopment, is not included in the sale nor is its recently acquired site being used for the development of an outlet center in El Paso County, TX. HGPI will also continue to own the outlet shopping centers in Gretna, NE, Holland, MI and Monroe, MI, an office building and vacant land in Norton Shores, MI, and the Huntley master planned development in suburban Chicago.

Gary J. Skoien, Chairman, President and Chief Executive Officer of HGPI commented, “We are pleased to have concluded this transaction. We believe the sale price for these properties reflects the success of our efforts to increase their value through aggressive leasing, marketing and capital expenditure programs. The proceeds will allow the Company to continue to pursue opportunities in the retail industry, including the development of Sun Valley Factory Shoppes in El Paso County, Texas and the redevelopment of the El Portal shopping center in Laredo, Texas.”

Based in Rosemont, Illinois, Horizon Group Properties, Inc. owns, develops and operates primarily factory outlet shopping centers and is the developer of a master planned community in suburban Chicago.

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Safe Harbor Statement: The statements contained herein, which are not historical facts, are forward-looking statements based upon economic forecasts, budgets, and other factors which, by their nature, involve known risks, uncertainties and other factors which may cause the actual results, performance or achievements of Horizon Group Properties, Inc. to be materially different from any future results implied by such statements. In particular, among the factors that could cause actual results to differ materially are the following: business conditions and the general economy, competitive factors, interest rates and other risks inherent in the real estate business.