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HORIZON GROUP PROPERTIES ACQUIRES GETTYSBURG VILLAGE OUTLET CENTER

Rosemont, Illinois - *August 17, 2007.* Horizon Group Properties, Inc. (HGPI) (OTC:HGPI.PK), announced that it has acquired the partnership that owns the Gettysburg Village factory outlet shopping center in Gettysburg, Pennsylvania from an affiliate of AMC Delancey Group, Inc. The center contains 310,000 square feet of gross leasable area including Village Cinema, a nine-screen movie theater. Also located at the center are a T.G.I. Friday's and a Country Inn & Suites by Carlson, each of which leases a pad site. The center is currently 96.5% leased and HGPI is marketing spaces for an expansion of the center. There is sufficient land to increase the size of the center by approximately 250,000 square feet.

"We are thrilled that we were able to acquire a premier, fully leased asset that also has expansion capability. The center's proximity to the National Military Park has been a key to its initial success and we believe that expanding the center with quality tenants will further enhance the center's performance," said Gary Skoien, chairman, president and chief executive officer of HGPI. "Horizon has already opened Carter's Childrenswear, Geoffrey Beene, and Izod outlet stores since we became actively involved in the center operations in 2007."

"The new 139,000 square foot Gettysburg Museum and Visitor Center scheduled to open in the spring of 2008 is located at the same exit as the center. The increased traffic will bring a significant number of additional shoppers to the center," said Skoien. The nearby Gettysburg National Military Park draws over 2.3 millions visitors annually. The Gettysburg Foundation, in partnership with the

National Park Service at Gettysburg, is raising \$125 million for the museum, visitor center and related exhibits. When completed, the project will house one of the nation's largest and most significant collections of Civil War era artifacts and archival items.

Known in the region for its Civil War era architecture, the shopping center features over 70 brand name stores including GAP Outlet, Liz Claiborne, Geoffrey Beene, Old Navy, Jones New York, Eddie Bauer, Wilson's Leather Outlet, Van Heusen, Koret, Petite Sophisticate, Pac Sun, Limited Too, Osh Kosh B'Gosh, Lane Bryant, Izod, and Zales The Diamond Store Outlet. Merchandise available includes apparel for children, women and men, accessories, footwear, jewelry, and specialty stores. Food and beverage shops include, Harry & David, T.G.I. Fridays, Subway, Quiznos, and a full service food court.

"We plan to rename the center The Outlet Shoppes at Gettysburg in line with our recently adopted branding strategy for all of our outlet centers," said Gina Slechta, Director of Marketing for HGPI. "In addition, we plan to refocus our marketing activities to concentrate attention on the outlet store brands which will attract more consumers to the center."

The acquisition price of Delancey Gettysburg Associates, L.P., the partnership that owned the center, was \$61.05 million. An affiliate of HGPI assumed existing debt of \$43.4 million secured by the center. In addition, a mezzanine loan of \$6 million was provided by CW Capital LLC, which has also agreed to fund an additional \$4 million loan to be secured by certain land adjacent to the center.

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

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