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HORIZON GROUP PROPERTIES TO DEVELOP OUTLET CENTER IN RICHMOND, VIRGINIA

Rosemont, Illinois – April 16,2008. – Joint venture partners, Horizon Group Properties, Inc. (HGPI) (OTC:HGPI.PK), and Holladay Properties, Inc. have announced plans to develop a 366,000 square foot factory outlet shopping center in Hanover County, Virginia named The Outlet Shoppes at Richmond. It is planned to accommodate a second phase of 50,000 square feet of outlet stores. The property is located at the intersection of Interstate 95 and Lewistown Rd, just north of Richmond.

The outlet center is part of a planned 186-acre destination mixed use project called Winding Brook being developed by Holladay, which includes a 150,000 square foot Bass Pro Shops Outdoor World store, hotels, park, themed restaurants and entertainment. Winding Brook was carefully designed with environmentally thoughtful goals in mind. A 40-acre linear park surrounds the natural, babbling brook and rolling hills throughout the complex, providing paths for hiking and biking, fishing, archery and more.

Tenants of The Outlet Shoppes at Richmond 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.

“This site is great location for Horizon to develop an outlet Center,” said Gary J. Skoien, Chairman, President and Chief Executive Officer of Horizon Group properties. “The site is visible from the heaviest traveled interstate in the

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United States with a daily traffic count of 131,000. It is located 9 miles south of Kings Dominion, a 400 acre theme park that hosts 2 million guests a year. We believe that the combination of attractions of this project will draw shoppers from a large area throughout the east coast.”

Within a forty-five mile drive of the center live 1.5 million people. Richmond is one of the fastest growing cities in the state. Eight Fortune 500 companies and four Fortune 1000 companies have their headquarters in the area. Richmond serves as the state capital of Virginia and the market area draws over 5 million tourist annually for historical tours, world-class museums, sporting events, and outdoor activities.

“Because of its proximity to this historical market, the shopping center architectural design will be a combination of colonial meets contemporary, said Skoien. “It will be designed to play off the area’s Jeffersonian styles with contemporary accents.”

The start of construction on the outlet center is planned to begin in the spring, with a Spring 2010 opening date. Bass Pro Shop is currently under construction and will open September of 2008. Horizon will be responsible for leasing, management marketing and construction for the center.

Holladay Properties, Inc. is one of the largest privately held developers, design/build firms and fully integrated real estate companies in the eastern half of the United States. Holladay Properties has developed over \$1 billion in real estate and has been in business for over 52 years.

Based in Rosemont, Illinois, Horizon Group Properties, Inc. is the owner and developer of six factory outlet shopping centers totaling over 1.5 million square feet 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.