

MEMORANDUM

To: All Options Members, Member Organizations and ROTs.

From: Market Watch

Date: August 1, 2007

Re: Horizon Lines Inc. (HRZ)
2009/2010 LEAPS TO BEGIN TRADING ON AUGUST 2, 2007

Please be advised that the Philadelphia Stock Exchange (PHLX) will begin listing LEAPS on the following issue effective Thursday, August 2, 2007:

Name: Horizon Lines Inc. (HRZ)

LEAP Symbol(s): YPU - 2009
XUC - 2010

P/E Limit: 50000 contracts

Specialist Unit: LaBranche Structured Prod. LLC

Below find the 2009/2010 LEAPs call and put option strike prices and codes which will be available for trading on Thursday, August 2, 2007:

Horizon Lines Inc. (HRZ/YPU/XUC)

				<u>Calls</u>	<u>Puts</u>
YPU/XUC	JAN	15		AC	MC
YPU/XUC	JAN	17 1/2		AW	MW
YPU/XUC	JAN	20		AD	MD
YPU/XUC	JAN	22 1/2		AX	MX
YPU/XUC	JAN	25		AE	ME
YPU/XUC	JAN	30		AF	MF
YPU/XUC	JAN	35		AG	MG
YPU/XUC	JAN	40		AH	MH

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or Options Services Department at (215) 496-1266.