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6 May 2008

Also by fax to: 02 6243 1199

Attn: Joanne Palisi – Director – Adjudication Branch
 Australian Competition and Consumer Commission
 GPO Box 3131
 CANBERRA ACT 2601

Dear Joanne

Re: Third Line Forcing notification Lodged By Healthy Habits

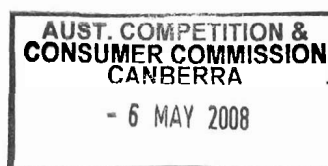
Thank you for your letter dated 24 April 2008.

I enclose list of nominated suppliers (Schedule 1) from whom Healthy Habits franchisees are required to obtain products. It is submitted that the identity of these suppliers is commercially sensitive information. Healthy Habits has spent a great deal of time and effort sourcing these suppliers and negotiating terms and establishing these relationships. It considers these suppliers to be the most suitable for this type of business and Healthy Habits competitors could benefit unfairly from access to this information. Accordingly, we hereby request that the list is excluded from the public register.

Addressing the questions *sed* in your letter and adopting the same numbering:

1. The nominated suppliers are selected through a process which involves applying a number of criteria including, price, consistency, quality and freshness (if applicable) trading terms and scope of distribution capabilities to assess the suppliers and the supplier which best meets the criteria is selected.
2. The nominated suppliers are subject to a service level agreement and constant assessment and review to ensure that they continue to be the supplier which best meets the criteria. The review is an ongoing process conducted by the Franchisor's operations team and general manager.

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3. The Franchisor receives a rebate from one of the approved suppliers. The funds received through this rebate are invested into developing and strengthening the Healthy Habits brand. The identity of this supplier and the amount of the rebate is also considered to be commercially sensitive information. The franchisees are informed about the rebate as it is disclosed in the franchise disclosure document.
4. The requirement is an existing requirement.

Yours faithfully
HEALTHY HABITS

A handwritten signature in black ink, appearing to read "S. Crea", is positioned above the typed name of the signatory.

STEVEN CREA
Legal Counsel
Enc.

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Schedule 1

EXCLUDED FROM
PUBLIC REGISTER

