Question and Answer

Operator

Our first question comes from the line of Sameer Chopra with Merrill Lynch.

Sameer Chopra
BofA Merrill Lynch, Research Division

I had 2 questions. The first one's on mobile. You've had very good growth in mobile, as has kind of Vodafone, when we look at their subscriber trend. Could you talk to what's going on? Are you both -- is it the economy that's improving and there're industry growth or you able to pick up share from Two Degrees? Is that what's driving trends? My second question is at the Investor Day, you mentioned that there's a focus on government and broadband [ph]. And I was wondering if you could give us your perspective right now on how mobile, broadband and ICT are winning those 2 markets for broadband customers?

Simon Moutter
Former MD & Executive Director

Government, right. Sameer, look, on mobile, I think if you consider the mobile performance, you can see very strong. We really focus nowadays on service revenues, very strong performance in our Retail business. Gen-i are holding share, but a heavy price pressure putting a dampener on the revenue position. Solid growth in data, but within that, within the -- so data revenues up 7.8%, but when we look underneath the cover there, we've got, as the trends are worldwide, a significant decline now in SMS revenues but broadband, mobile broadband data growing very strongly, up 29%. So that's sort of the makeup for us. Relative to competitors, we have very little insight at this point on Two Degrees' progress. We have seen Vodafone's most recent results. I'm interested that you interpreted them, their numbers, as a solid growth. Our observation is that's the likely consolidation of their TelstraClear acquisition base. And we would certainly point inventors to them to more clearly understand that, but we don't think that was real growth. We think that was the customer base they acquired being consolidated into the numbers. On Gen-i, the -- we have had a very strong focus on -- as I said in May, on reestablishing our presence and performance around the government contracts across a range of activity. To emphasize that, we've relocated 2 of our Gen-i GMs back to -- back down to Wellington to join the GM who was already based there. We've reorganized the business to have a group led by Robin Hartendorp focused entirely on government. Robin came from Dimension Data, was a highly respected and very successful CEO in our industry, with selling into and performing on delivery for government. We've seen our success rate improve rapidly as we've reconfigured our approach to winning the government contracts and, of course, the acquisition of Revera, who were very embedded in a number of government business activities has assisted us again in reopening doors and enhancing our proposition. So I would say at this early phase, only 2 or 3 months of relief that we've repositioned strongly. We feel much more positive about our ability to win government business from here. But I guess time will tell over the coming year whether that all shows up in our results. Operator?

Sameer Chopra
BofA Merrill Lynch, Research Division

I mean are you -- I was just going to ask, on the dividend guidance ball, [indiscernible] of $0.16 as well, what kind of drove the thinking behind that, why not leave it at a floating payout ratio?

Simon Moutter
Former MD & Executive Director

Simply that we're not offering earnings guidance at this point. So we wanted to alleviate any concern that we might be trying to dampen on the yield on the yield expectations on the business.

Operator

Our next question comes from the line of Tristan Joll with UBS.

Tristan Joll
UBS Investment Bank, Research Division

Just a question on, I mean I realize the $1,035 million EBITDA number is not guidance, but there's some test -- approval of that I guess. So what we're really saying is if you take out Revera, which I think's about $50 million, you've got sort of 2% group EBITDA decline for the next year, if that is the number that you hit. I suppose my question is what are you basing around Southern Cross in that? I think probably Southern Cross is surprised this year and do we expect to see dividends in the order of sort of $55-odd-million punching through into next year as well?

Simon Moutter
Former MD & Executive Director

Sorry, Tristan, we can't speak for Southern Cross and say, we wouldn't be able to comment on that.

Tristan Joll
UBS Investment Bank, Research Division

But if you've got a level of comfort with analysts' consensus, you must have an internal budget review do you or not really?

Simon Moutter
Former MD & Executive Director

Well, of course, we do, but we're not at liberty, at this point, to disclose those numbers.

Tristan Joll
UBS Investment Bank, Research Division

Okay. And then just with the restructuring stuff, the $100 million to $200 million, it's obviously exciting to see the possibly that that comes forward. I've got a question. I mean, what is that range actually baselined off? Is it baselined off your sort of fiscal '12 cost base or can you give us some idea where we should anchor that?

Simon Moutter
Former MD & Executive Director

Yes. I think our view -- if -- we think about it as run rates all the time. So it is always a little bit focusing. Jolie, do you have any sort of thoughts on how to clarify that for Tristan here?

Jolie Hodson
CEO & Executive Director

Just to give you some stats. In terms of our labor costs figure for FY '14, our basis on our exit run rate from FY '13, we'd expect our FY '14 labor costs to be approximately $50 million lower than FY '13, once you taken into account the rollup of STI for most staff in the addition of Revera, so that bakes in. Some of the restructure, obviously, we see value from FY '13 and then adjust for additional costs with Revera and the STI.

Tristan Joll
UBS Investment Bank, Research Division

Okay. So that's actually very helpful. So that $50 million is net of the extra costs from Revera?

Jolie Hodson
CEO & Executive Director

It is.

Tristan Joll

UBS Investment Bank, Research Division

That includes it, okay. Well, that’s really good. And then just finally, I was just interested to see the comment around AAPT and finding a pathway, I think was the comment, strategic path. I guess, I mean, my perspective has been that it was kind of looking after itself and it wasn't too big a cash drain. Has something changed there or has something changed in terms of your outlook to make you go back and have another look?

Simon Moutter
Former MD & Executive Director

No, Tristan, just simply at the May Investor briefing, we -- if you recall, we sort of descoped our Australian operations from that whole day's conversation, because we said we hadn't got up to it. And I get asked most weeks what direction are we taking in Australia and we have not yet done the work to determine what the future direction around our participation on the Australian market is. So we -- I indicated in May and we’re still indicating that during this financial year, we will clarify to our investors our intentions and aspirations for Australia. And we don’t have an update at this point.

Operator

Our next question comes from the line of Richard Eary with UBS.

Richard Eary
UBS Investment Bank, Research Division

Just sort of 2 questions for me. I think they're probably a little bit more housekeeping. Jolie, you mentioned on the call that net debt benefited from, obviously, delayed payments to Chorus. I noticed that just by looking through the stat accounts and, obviously, what you published on CapEx, there looks as though there's obviously a reasonable charge difference on the accrual difference. So I don’t know if you can gives us some sort of feel in terms of obviously how the accrual timing on CapEx, plus obviously the magnitude of Chorus' influences that net debt in terms of a number? So that’s the first question. The second question is just in terms of the mobile numbers. I mean, actually service revenue growth's similar growth to what it was in the first half. But I think we were expecting a sort of a pickup based on obviously postpaid gains and sort of some degree of ARPU growth that we saw in the first half, which sort of seemed to peter out in the second half. Is there any reason for that? I mean, Simon, you mentioned that Gen-i was still a bit tough in that market, but the underlying ARPU trend half-on-half down. Is that -- is there anything in that that we should read into? Or if you can give us a bit more color, that would be helpful.

Simon Moutter
Former MD & Executive Director

Jolie, do you want to handle the first part of that?

Jolie Hodson
CEO & Executive Director

So in terms of the Chorus payment, it's approximately $60 million which has had an impact between FY '13 and which will fall into the first month of FY '14.

Richard Eary
UBS Investment Bank, Research Division

And on the accrual difference between sort of CapEx and actually cash CapEx, is that just a step in terms of payment for supplies that -- given their year end?

Jolie Hodson
CEO & Executive Director

Yes. We'll come back to you offline on that.

Simon Moutter

Former MD & Executive Director

Too complicated a question, Richard. Look, on mobile, I think it's -- I think broadly I would say I ran through the sort of key performance drivers. And I think you can reasonably conclude retail postpaid, very strong performance; retail prepaid, a bit more average in the second half, feels like a bit of blood bath out there at the moment. So we're sort of sticking to our knitting in the sort of higher end of the prepaid market and have tried to avoid going down to the bottom end there, where to us, the subsidies and things on prepaid that there's down on those sub-$50 devices are starting to look a bit silly. So that's given us a sort of slightly softer half I think on prepaid. And we're scratching our head around how to play a bit more strongly in the year, albeit that naturally putting Skinny back in with a more clear-cut offer ought to help there. And then the bigger issue, I think in mobile in the second half has been extreme price pressure on the re-wins in Gen-i. I think we had one significant customer loss, the NZ Police account, which was significant. But just -- we're just noticing really, very, very difficult pricing pressure in that market, which is dampening the performance a little bit. So yes, so I think your overall read is are we satisfied; we're growing mobile share, yes. Are we particularly self-congratulatory about it; no. We'd like to maintain solid momentum this year, that's for sure and we got some work to do.

Richard Eary
UBS Investment Bank, Research Division

Simon, just to follow up on the Gen-i side, are there substantial move recontracts income pace [ph] for '14 that could obviously mean that the recovery in the postpaid ARPU takes a bit longer to actually flow through?

Simon Moutter
Former MD & Executive Director

Yes, Richard, we have 4,000 customers in Gen-i, so we're recontracting hundreds a year. So I don't -- you wouldn't see it as sort of particularly lumpy. We have big customers coming to bid every year in a pretty routine process. So yes, I think there's -- we don't feel like we're through the pricing pressures in Gen-i yet and we will be working hard to try to shift the game on from a fewer price pay in terms of our integrated apps and solutions; what we're doing with mobile, cloud apps, we'll be integrating Wi-Fi as a strong point of difference and providing our sort of full integrated cloud ICT capability as a way of differentiating from Vodafone who tends to be still mostly about a pure mobile telco offer. So that's the game plan, but got a lot of work to do to bring that to fruition.

Operator

Our next question comes from the line of Laurent Horrut with CLSA.

Laurent J. Horrut
CLSA Limited, Research Division

First one, just on the decision not to give a formal sort of earnings guidance for FY '14, is there an element you want to keep some element of flexibility in how you respond to market development? Because you're comfortable giving an EPS guidance, but not an earnings guidance, so the first question. Then the second question is on the broadband back book repricing, you mentioned that 60% are now on new plans. Do you need to reprice or to -- yes, to reprice 100% of the base, so you're comfortable having 40% of your customers on legacy plans? And lastly, just on the - you mentioned an upsell opportunity on fiber and VDSL. Just wondering if you could give a bit of color on sort of the quantum of this upsell opportunity, what are you seeing in terms of new customers coming on these plans? And maybe just how many customers are now on VDSL and fiber products -- fiber plans?

Simon Moutter
Former MD & Executive Director

Thank you, Laurent. Look, I think in answer to your first question, it's sort of less about preserving flexibility in relation to our unwillingness to narrow the range of guidance, but more that we have so many things moving in the business right now. We just don't feel confident enough to lock down in a narrow range. There's just a lot happening, there's a lot of timing uncertainty. And yes, as you note, we're certainly not in control of the activity of our competitors and so that is part of our concern. So that’s the reason for that. On broadband reprice, yes, the answer is a simple yes. We are going to move our entire base to the new plans. We will not achieve a radical simplification of the business if we persist with legacy products, so we'll be repricing them and we try to be a bit more sophisticated there than just simply trading customers down in the process. We work with each customer to offer them a higher value outcome, more for the same type product rather than necessarily migrating downward. And I would remind you that data usage and household data usage growing very rapidly, so if we manage that process, we don’t necessarily have to trade all the value away. And on fiber and VDSL, we got roughly 3,000 sales made in fiber and 4,000 on VDSL. They're not all yet connected, because we can sell it a bit faster than Chorus can currently provision. And what we're excited about is with relatively recent above-the-line marketing effort, the demand is very strong and the appetite for speed amongst our customers is very strong. So it is providing a genuine upsell opportunity. And it’s something that the industry can take heart in because broadband has become a bit of a profit-free zone. So having a chance to move people up the stick and get a little bit more margin back is attractive to us. Operator?

Operator

Our next question is from the line of Greg Main with First NZ Capital.

Gregory Main
Jarden Limited, Research Division

I think you just partly answered a question. I guess one of the key things I was trying to get my head around was just how much pricing of that legacy back book is still to go on. It looks as though you obviously taken a bit of a hit this half. You kind of alluded to that you're still going to transfer quite a bit of broadband pricing. What about on the calling side? Do you still expect some impact of lower calling prices on people’s plans or is that across the board? How does that kind of work through?

Simon Moutter
Former MD & Executive Director

Yes, Greg, look, it's -- how I look at core, and I just think we’ve been on a track on calling. I don't personally see it -- that sort of trend changing much actually, it's just it is a pretty steep path. And the reality is that sort of customer interested in fixed line calling is declining at about that rate. Calling's still a great business, it’s just moving to mobile and it’s moving to apps and services that run over broadband networks. So it’s not calling as a product that’s declining, it’s simply the revenue of old fixed line calling. Repricing the -- or migration of customers to the new broadband plan lineup, as I've indicated, does in a way stimulate that decline in that we don’t include calling in the basic bundle. It’s a bolt-on and so it highlights a more conscious decision from customers, but at the end of the day, we -- that is the market reality and that's where customer preference is. So I think assuming -- we've still got some flow-through there, but it's one of the harder things to pick to be honest exactly where it'll land.

Gregory Main
Jarden Limited, Research Division

Okay. And then just on mobile, are you going to be pricing your 4G services at a slight premium to your existing services? And then, can you just sort of explain on sort of what benefits you'll get out of the reengineering of the -- I think you said the prepaid platform? What will that enable you to do that you can’t do at the moment?

Simon Moutter
Former MD & Executive Director

Prepaid reengineering, Greg, look, 4G pricing is commercially secret of course, so you’ll see how we price when we come to market. And look, on the mobile platforms, I think you can broadly think about the first big reengineering capability drops is taking mobile across from the legacy environment on practically all that matters, on to a world standard modern platform, which has a significant flexibility and a lower cost structure to manage. So it would be sort of the first base in terms of saying, there's one product set that is now on a modern platform across most of the interfacing between customers and the network that'll speed us up, allow us to do more modern pricing, move more quickly, respond to the market and reduce the cost.

Gregory Main
Jarden Limited, Research Division

Okay. Should we expect any sort of a marketing-type expense in, I guess, you'd say the first half that's related to the 4G launch? Or is it all just going to be pretty low key, roll it out as is around the country type of scenario?

Simon Moutter
Former MD & Executive Director

I mean our marketers would love another pile of money, I’m sure, but they won’t be getting it. So their job is to market our evolving product set for more than a sensible and benchmarked marketing funds allocation. And so yes, I wouldn’t be looking to indicate to you there'd be large lumps.

Operator

Our next question comes from the line of Paul Brunker with JPMorgan.

Paul Matthew Brunker
JP Morgan Chase & Co, Research Division

I have a question about the Wholesale revenue, Simon. You mentioned there'd been a volume hit mainly from unbundling. I’m just wondering whether you're getting any price pressure from your customers in that -- given that's going through some of the same sort of margin pressures that you mentioned Telecom's seeing. But -- and the other question I have, which is a totally different area, is the Wi-Fi offloads, just a quite interesting product. So I wondered what sort of take up you're seeing there and do you see it more as a churn reduction tool or is it a capacity management tool?

Simon Moutter
Former MD & Executive Director

So Paul, look, on Wholesale, we -- what hit -- of course, we still -- because we’re still the owner of the PSTN, we sell -- we are the wholesaler of the combined sort of access and PSTN service in the baseband product set, that our competitors buy a lot of that through us. Naturally, now in a world of software, voice and unbundled inputs, some of those customers, wholesale customers have significantly migrated and will continue to migrate to their own these DSLAMs, and provide their own servers, so there's a natural decay. We view PSTN wholesale as a sunset revenue line. We don’t think anything of it. It'll follow its natural course. We have negotiated arrangements with some of the more significant customers to provide them some margin benefit in return for a different technical path they would take, which gives us a sort of flatter, a step down, but being a flatter rate of decline on that. And that’s about all we’ll probably do. I wouldn’t waste much more time or energy thinking about PSTN wholesale, it'll be what it'll be. On Wi-Fi, off Wi-Fi, look, we're very proud of our position -- emerging position in Wi-Fi. We have a unique proposition there. We are rolling out a nationwide network with thousands of hotspots and we're soon going to integrate it into our mobile offer. It will not be matchable by any competitor for a very long time. And we see it as an economic driver in terms of enabling the carriage of increasing amounts of smartphone and device data without the crippling cost and CapEx roll that cellular networking requires. So it’s very solid for our economics and very good for customers in enabling them to be able to utilize our Wi-Fi network for data and continue to build the appetite for data usage. That will have a flow-on benefit to our cellular data revenue, so we’ll be pushing this hard. It’s had over 130,000 registered users already on a relatively small network of only a couple of hundred hotspots. We have it open to our competitors' at the moment, customers to use, if -- of course, in return for their information. So we will be delighted to offer them the opportunity to switch suppliers and continue to use that Wi-Fi proposition once we integrate it into our plans. It’s currently offered free, so it’s sort of done on a trial basis and -- but, as I say, it will commercialize quite soon. Operator?

Operator

Our next question comes from the line of Arie Dekker with Deutsche Bank.

Arie Dekker
Deutsche Bank AG, Research Division

Just a couple of quick questions. Just following on from the Wholesale one, just wanted to -- on a -- sort of on a constant-volume basis, what the financial impact on FY '14 might be from these renegotiated plans? And then just further to the point you made in answer to the previous question, what should we be thinking about in terms of volume decline for that step down to a flat level?

Simon Moutter
Former MD & Executive Director

Look, Arie, we -- those agreements are confidential. Obviously, there are a number of customers who would be very interested in watching, if we see specific things in trying to do the math backwards. So we don't feel able to disclose anything too pointed there at this point. I'm sorry, but I think you can think of the impact in the low teens of millions of margin would be a sort of broad way of looking at it and I'm not sure that I could help you much on the decline rate. We'll have look at that and see if we can help analysts with that in due course, at least some sort of generic guidance. So I'll get Mark to think about how we might give you some steer on that at some point in the future.

Arie Dekker
Deutsche Bank AG, Research Division

Okay. And then just on FTE, just in terms of -- and obviously, very good progress second half on that. Just in terms of what you had left to complete for initiatives underway and any other things that you've got underway currently, where do you sort of see that level landing sort of say by the end of first half '14?

Simon Moutter
Former MD & Executive Director

Arie, we -- I will, hopefully, be able to give you some steer on that at the half year, but I just am reluctant. What we've done to date on staff level, I think in fairness, we would say was done in a reasonably unsophisticated way. We do need to be more sophisticated from here because if we just keep doing that sort of unsophisticated trimming, we'll start to break some things in the business. So we've got the centralized program underway. They're only in the early phases of what you'd think of as a sort of diagnostic, working out where the opportunities are and that'll flesh up the opportunities across the board on cost. I would remind you our focus from here is the whole cost base not just labor. So yes, look I know that's a bit short for what you guys would like to hear right now, but I just want to -- I would prefer to hold until we've got a bit of substance and then give you some clarity which, hopefully, we can do at the half year.

Arie Dekker
Deutsche Bank AG, Research Division

That's fine. But what you're basically saying also is that going out of the second half or the full year '13 position, there wasn't any other major cuts that were in the process of being finalized?

Simon Moutter
Former MD & Executive Director

No. No. Arie, that's correct. Broadly, the numbers we said and the initiatives we had in mind when we indicated we would drop by 900 to 1,200 staff by the end of the financial year. Those initiatives have been completed and we are now into this new phase of considering the wider cost base opportunities and that has not, at this point, completed with any firm moves, but as -- we will do so over coming months.

Operator

Our next question comes from the line of Ian Martin with CIMB.

Ian John Martin
CIMB Research

I just have some questions around your CapEx budget and the profile of that and how well it matches up to your -- where your best opportunities are. Obviously, mobile's the key to that and I just wonder if you can outline what your priorities in spending there are, what you hope to achieve in terms of rollout targets this year? What part of that network will end up being built this year with that CapEx budget? Secondly, in relation to the opportunities in Gen-i and cloud and data, what part of that CapEx, where that CapEx is going to contribute to that? We've seen in other markets this terrific buildup in spending on data centers and particularly putting them on networks. And I just wonder what path, what your plans are there in terms of cloud capacity and what part of that will end up being on your own network versus backhaul, and whether you've got any plans to expand that backhaul and transit network?

Simon Moutter
Former MD & Executive Director

I might -- I'll have Jolie speak to the -- sort of the CapEx on the Gen-i bit, on the data center and things in a second. But just on mobile broadly, our mobile program in '14, FY '14 is a large one because it rolls the 4G out on the 1800 spectrum to the urban centers around New Zealand. As I said before, we are intentionally cautious about disclosing a tight time line there due to we'd like to have something in our bag when we launch to make some market impact. So we're signaling Q2 major centers and -- but a significant rollout at a -- at pace on 4G.

Ian John Martin
CIMB Research

And that's with the bulk of the market covered by then?

Simon Moutter
Former MD & Executive Director

A very substantial portion of the New Zealand urban market inside '14 and certainly, in terms of the population base, it'll be significant. The -- yes, so there's 4G in there. We -- because 4G is a transition, we've still got 3G on the rise. So there's quite a bit of capacity still required for 3G data as the volumes continue to absorb that capacity. And in the 4G world, because 4G drives much more efficiently off some of the newer core boxes, we've been upgrading and are still completing the process of doing the evolved packet core and the big new HSS boxes and we've got a rebuild of our service gateways for the data channels underway too. So there's a lot going on in the mobile program and fording [ph] it would be heavier than normal. Jolie, on the data stuff?

Jolie Hodson
CEO & Executive Director

On the Auckland data center, the CapEx will be included in our FY '15 CapEx number.

Operator

Our next question comes from the line of Chris Keall with NBR.

Chris Keall

Simon, are you able to comment on the number of UFB customers who have been signed so far, and also update on the progress of voice over fiber and billing services for fiber?

Simon Moutter
Former MD & Executive Director

Chris, I don't have at hand the number of customers connected to UFB, but as I indicated before, we've made around 3,000 sales. Some of those will be stuck in a sort of longish queue because this -- Chorus do have some legitimate issues around multi-tenanted properties with -- they're finding the process of getting excess challenging and then others will just be in the order backlog. So I'm assuming we're sort of

-- we'll be in the thousands but somewhere under the 3,000 mark. I'm sorry I just don't have that number to hand. On voice over fiber, we've been working with our technology and business partners here to see what is the best way to deliver a basic voice or calling service on fiber. I'd have to say, in the most recent weeks, it's becoming apparent that the sort of technical challenge around doing that in a sort of a PSTN emulation-type product is looking very difficult and a bit unsatisfactory in terms of the service experience. So we have indicated to Crown Fibre Holdings that we're not particularly enamored with where we've got to here and we're not, at this point, certain that we will meet the December deadline. And we've sent our technical teams off to have a look at whether there might be a better way to deliver the voice service on fiber than we were currently planning. So at this point, I'd say we're off track there. The good news is that this model of -- that we've been working with, with selling fiber alongside the copper as an interim solution to provide the continuing PSTN service is very satisfactory to customers. It's a bit expensive for us incurring the cost, but customers find it very satisfactory because it does ease the transition to fiber so that, at the very least, we'll continue to offer that and we'll be looking at some alternates. So that's the reality on that one. Did that cover your all your issues? I can't…

Chris Keall

Where are you at with the line that -- I mean launch, everyone was effectively getting untaxed plants where the billing software was being completed, where's that at?

Simon Moutter
Former MD & Executive Director

Again, I don't know the answer to that. Maybe I'll get the comms team to tell you. I'm not sure where we're at with whether that has been sorted, closed off yet or not, Chris. Thank you, Chris. Operator? One final question I think. We're getting a bit low on time. So let's make this the last one. Thank you.

Operator

We have follow-up question from the line of Richard Eary with UBS.

Richard Eary
UBS Investment Bank, Research Division

Just to come back to Jolie, I think you mentioned earlier on the call that you were looking at a $50 million reduction in headcount for FY '14. Just to be clear, is that -- do we think about that as take the second half run rate annualized less $50 million? Or is it literally the full year cost of FY '13 minus $50 million? Because the reason why I ask that is that second half, labor costs were down $65 million and the bulk of, obviously, the headcount reductions were in second half. So I would have thought $50 million seems light in that context.

Jolie Hodson
CEO & Executive Director

It is the Gen exit rate out of FY '13. Remembering, of course, you have the acquisition of Revera coming in as well which offset some of those savings, which is why it's a net $50 million.

Richard Eary
UBS Investment Bank, Research Division

Okay, so we take the 3 15 [ph] labor costs times by 2, less the $50 million?

Jolie Hodson
CEO & Executive Director

No.

Simon Moutter
Former MD & Executive Director

Maybe, Mark, you could probably clarify for any analysts here. Just I think it's confused, Richard, by the fact we started to reduce some months ago. So you've got some of the benefit already in the 13, so when you reference to 13, it's not a whole 100, it's -- because a reasonable portion was…

Jolie Hodson
CEO & Executive Director

$25 million was in FY '13.

Simon Moutter
Former MD & Executive Director

Yes, already incurred as we started to step down from sort of 8…

Richard Eary
UBS Investment Bank, Research Division

So we just take the FY '13 cost out and less $50 million.

Jolie Hodson
CEO & Executive Director

Yes.

Richard Eary
UBS Investment Bank, Research Division

Is that right?

Jolie Hodson
CEO & Executive Director

Yes, that's right.

Simon Moutter
Former MD & Executive Director

In that 2 or 3 [ph], but the guys can help you out for that offline.

Jolie Hodson
CEO & Executive Director

Check the closing, there's $50 million, that's perfect, yes.

Simon Moutter
Former MD & Executive Director
All right. Well, thank you, Richard, and thank you, operator. I think we'll close the line there. We are running a little over time. So thank you all for joining the briefing and we look forward to potentially meeting some of you as we do the rounds over the next few weeks. Cheers.