VODAFONE GROUP PUBLIC LTD CO
Form 6-K
November 14, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

Pursuant to Rules 13a-16 or 15d-16 under

the Securities Exchange Act of 1934

Dated November 14, 2012

Commission File Number: 001-10086

VODAFONE GROUP

PUBLIC LIMITED COMPANY

(Translation of registrant s name into English)

VODAFONE HOUSE, THE CONNECTION, NEWBURY, BERKSHIRE, RG14 2FN, ENGLAND

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F__ü___ Form 40-F_____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes______ No__ü___

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____.

This Report on Form 6-K contains a news release dated 13 November 2012 entitled Vodafone announces results for the six months ended 30 September 2012

news release

Vodafone announces results for the six months ended 30 September 2012

13 November 2012

- H1 Group organic service revenue growth -0.4%*; N. Europe +1.5%*, S. Europe -9.8%*, AMAP +5.2%*

- Q2 Group organic service revenue growth -1.4%*; N. Europe +0.7%*, S. Europe -11.3%*, AMAP +4.1%*

- H1 EBITDA down -2.9%* to £6.6 billion; EBITDA margin down 1.0* percentage point

- Adjusted operating profit £6.2 billion, up 8.5%*; expected to be in the upper half of the guidance range for the full year

- Impairments totalling £5.9 billion for Spain and Italy as a result of challenging market conditions and changes to discount rates

- Free cash flow £2.2 billion; expected to be in the lower half of the guidance range for the full year

- Interim dividend per share of 3.27 pence, up 7.2%

- £2.4 billion dividend due from Verizon Wireless by the end of 2012; £1.5 billion buyback to commence after receipt

Financial highlights[1]

	Six months ended 30 September 2012 £m	Reported %	Change year-on-year Organic %

Group revenue	**21,780**	**(7.4)**	**+0.2**
Group service revenue	**20,157**	**(7.9)**	**(0.4)**
Northern and Central Europe (N. Europe)	9,051	(2.0)	+1.5
Southern Europe (S. Europe)	4,978	(18.1)	(9.8)
Africa, Middle East and Asia Pacific (AMAP)	6,053	(5.1)	+5.2
Loss for the financial period	**(1,886)**		
Adjusted operating profit	**6,170**	**+2.2**	**+8.5**
Free cash flow	**2,178**	**(16.7)**	
Loss per share	**(4.01p)**		
Adjusted earnings per share	**7.86p**	**+1.4**	

- Continued strong growth in data +13.7%* and emerging markets2 (India +11.0%*, Vodacom +4.6%*, Turkey +18.0%*) in Q2

- Smartphone penetration in Europe now 30.7%, with 45.5% of European mobile service revenue now in-bundle; new tariff plans launched across major European markets since September

- Enterprise revenue declined -0.4%*; continued strong growth in Vodafone Global Enterprise, M2M and Vodafone One Net offset by macroeconomic challenges in country-level enterprise units

- Continued execution of efficiency programme, with £300 million absolute reduction in European opex targeted in the 2014 financial year

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Vittorio Colao, Group Chief Executive, commented:

We have continued to make progress on our strategic priorities over the last six months, with good growth in data and emerging markets in particular. In the short-term, however, our results reflect tougher market conditions, mainly in Southern Europe.

We remain very positive about the longer-term opportunities, and our Vodafone 2015 strategy reflects our confidence in the future. This is based on a new strategic approach to our consumer offer and pricing in Europe now being rolled out, an increasing focus on unified communications in enterprise, and an attractive and growing exposure to emerging markets. Fundamental to the success of this strategy will be an ongoing enhancement of the consumer and enterprise customer experience through continuous investment in high speed data networks, and an increased drive towards standardisation and simplification across the Group to maximise cost efficiency and accelerate execution.

Notes:

* All amounts in this document marked with an * represent organic growth which presents performance on a comparable basis, both in terms of merger and acquisition activity and movements in foreign exchange rates. From 1 October 2011 the Group revised its intra-group roaming charges. Whilst neutral to Group revenue and profitability, these changes have had an impact on reported service revenue by country and regionally since 1 October 2011. Whilst prior period reported revenue has not been restated, to ensure comparability in organic growth rates, country and regional revenue in the prior financial period have been recalculated based on the new pricing structure to form the basis for our organic calculations.

1 More information on non-GAAP measures can be found on page 41.

2 Emerging markets comprise India, Vodacom, Egypt, Turkey, Ghana, Qatar and Fiji.

CHIEF EXECUTIVE S STATEMENT

Financial review

Group

Group revenue was up 0.2%* on an organic basis but down -7.4% to £21.8 billion on a reported basis. Organic service revenue declined -0.4%* in the first half of the financial year, and -1.4%* in Q2. Excluding the impact of mobile termination rate (MTR) cuts, service revenue growth in the first half was 1.4%*. We achieved good growth in our emerging market operations and from the continued uptake of data across the Group, but this was offset by macroeconomic pressures in Southern Europe.

Group EBITDA was down -2.9%* on an organic basis, but down -11.7% to £6.6 billion on a reported basis, mainly due to adverse foreign exchange rate movements. EBITDA margin was down 1.0* percentage points year-on-year primarily as a consequence of the revenue decline in Italy, ongoing weakness in brand perception in Australia and restructuring costs in Germany, partly offset by margin improvements in South Africa and India.

Adjusted operating profit was £6.2 billion (H1 2012: £6.0 billion). On an organic basis, adjusted operating profit was up 8.5%* year-on-year, driven by a strong performance from Verizon Wireless (VZW).

The Group incurred a total impairment charge of £5.9 billion in relation to the carrying value of goodwill of its operations in Spain and Italy as a result of challenging market conditions and adverse movements in discount rates.

Reported loss per share was -4.01 pence, impacted by the impairments outlined above. Adjusted earnings per share of 7.86 pence grew 1.4% year-on-year, reflecting the strong adjusted operating profit performance and the reduction in shares outstanding resulting from the share buyback programme, partially offset by a higher effective tax rate.

Free cash flow for the first half of the 2013 financial year was £2.2 billion (H1 2012: £2.6 billion). This year-on-year decline is mainly the result of a weaker euro in the reporting period and the non-recurrence of a £0.2 billion dividend after the disposal of our 44% interest in SFR in June 2011. Capex for the period was £2.5 billion (H1 2012: £2.6 billion). Net debt at 30 September 2012 was £26.0 billion (31 March 2012: £24.4 billion). The movement in net debt since 31 March 2012 has been driven by underlying cash generation and the receipt of the £1.5 billion final tranche of the SoftBank consideration, offset by £1.1 billion of share buybacks, equity dividend payments of £3.2 billion and the £1.3 billion consideration paid for Cable & Wireless Worldwide plc (CWW).

The Board has agreed an interim dividend per share of 3.27 pence, an increase of 7.2% year-on-year, in line with our dividend per share growth target of at least 7% per annum until March 2013.

Northern and Central Europe

In Northern and Central Europe, service revenue was up 1.5%* in H1, with growth of 0.7%* in Q2. The growth drivers in Q2 were Germany (+1.8%*) and Turkey (+18.0%*), while the UK and the Netherlands deteriorated by -3.2%* and -2.3%* respectively.

EBITDA for the region was -3.3%* down year-on-year at £2.8 billion, with reported EBITDA margin down -2.4 percentage points year-on-year. This decline was driven by Germany and the UK, as well as the inclusion of CWW for the first time. The margin in Turkey continued to improve.

Southern Europe

Service revenue in Southern Europe fell -9.8%* in H1, with service revenue in Q2 down -11.3%*. Italy worsened significantly in Q2 (-12.8%*), reflecting a cut in MTRs on 1 July 2012, as well as ongoing competitive and macroeconomic pressures. Spain also continued to be weak (Q2: -12.0%*).

Southern Europe EBITDA was down -15.1%* year-on-year to £1.9 billion, as a result of the weak revenue performance in all markets, and margin erosion in Italy, Greece and Portugal. Margins in Spain were stable year-on-year.

CHIEF EXECUTIVE S STATEMENT

Africa, Middle East and Asia Pacific (AMAP)

AMAP service revenue was up 5.2%* in H1, with year-on-year growth of 4.1%* in Q2. In India, service revenue growth slowed to 11.0%* in Q2, reflecting the impact of regulatory changes, the recognition of SMS termination revenue for the first time in the prior financial year and a less active market for new customer acquisitions. Growth at Vodacom slowed slightly to 4.6%* in Q2 primarily due to pricing pressure. In Australia, service revenue fell by -14.4%* in Q2, as the business continued to focus on network improvements and arresting weakness in brand perception.

AMAP EBITDA was up 10.6%* on an organic basis, with EBITDA margin increasing by 1.4* percentage points. Margins at Vodacom and in India made excellent progress as a result of focused cost control and increasing scale benefits, although this was partially offset at the regional level by weaker margins in Australia.

Verizon Wireless

VZW, our US associate, achieved organic service revenue growth of 8.0%* in H1 and 7.8%* in Q2. Our share of profits from VZW was £3.2 billion, up 27.4%* year-on-year. VZW s net debt declined from US$6.4 billion at 31 March 2012 to US$1.9 billion at 30 September 2012, despite spending US$3.7 billion (net) on the acquisition of spectrum in H1.

On 12 November 2012 VZW declared a dividend of US$8.5 billion (£5.3 billion), of which Vodafone s share is US$3.8 billion (£2.4 billion). The dividend is due by the end of the 2012 calendar year. The Group intends to commence a £1.5 billion share buyback programme after receipt of the dividend.

Strategy update

A more valuable Vodafone

In November 2010 we announced our strategy to build a more valuable Vodafone. The key elements were to focus on the core growth areas of data, enterprise and emerging markets; to deliver value and efficiency from scale; and to generate liquidity or free cash flow from non-controlled interests. At the same time, we reinforced our commitment to rigorous capital discipline with regard to investment decisions.

In the last two financial years, the proportion of our revenue deriving from non-voice services and emerging markets has risen from 56% of service revenue in H1 of the 2011 financial year, to 65% in H1 of the current financial year, thus reducing our dependence on voice revenue in mature markets. Data revenue in the financial year ended 31 March 2012 was £6.2 billion, an increase of £2.2 billion over the financial year ended 31 March 2010. 30.7% of our European customers now use smartphones, compared to 14.5% at September 2010.

In the enterprise business, we have consolidated our position as a market leader in our core national enterprise operations, whilst also broadening our reach across a wide spectrum of businesses, from SoHo up to the largest multinational corporations. Enterprise revenue growth has consistently outstripped consumer revenue growth in Europe over the last two years.

Our emerging markets operations have continued to grow strongly, led by Vodacom, India and Turkey. We have sustained a significant level of investment in emerging markets, which has translated into strong market share gains and improving margins in many of these businesses.

At the same time, we have made significant progress in simplifying our portfolio of assets, allowing management to focus on controlled operations and free up capital for reinvestment in the business and distribution to shareholders.

Since September 2010, our disposal programme has raised £14.8 billion, of which £6.8 billion has been returned to shareholders by way of share buybacks. In addition, in January 2012 we received a £2.9 billion dividend from VZW, of which £2.0 billion was immediately distributed to Vodafone shareholders as a special dividend. Including the interim dividend declared today and the share buyback announced today, we have returned a total of £21.2 billion to shareholders since September 2010, equivalent to approximately 25% of our market capitalisation at that time.

CHIEF EXECUTIVE S STATEMENT

Vodafone 2015

While the macroeconomic and regulatory environment in Europe presents significant short-term challenges, we see a number of positive developments. We expect smartphone adoption to accelerate in all markets over the next three years, with mobile applications and low cost smartphone availability increasing in mature and emerging markets alike. With the broad deployment of high speed data networks, we expect customers appetite for data to increase significantly. At the same time, the evolution of network and IT platforms should enable lower cost and more standardised approaches as commercial and technology planning are integrated.

As a result, we believe that the long-term prospects for the mobile market are highly attractive for those that make scale, standardisation and the customer data experience fundamental to how they operate. Our strategy is to be:

- A scale data company;
- A strong player in enterprise;
- A leader in emerging markets;
- A selective innovator in services; and
- A cost efficient organisation.

Consumer 2015

We are adopting a new strategic approach to consumer pricing and bundling in Europe, in order to offer customers worry-free usage and, at the same time, stabilise ARPU. We are launching new tariffs including unlimited voice and SMS, and much larger data allowances than before. Pricing will be radically simplified as a result, giving clear visibility of the cost of ownership and, thereby, lower complexity for IT and billing. The value proposition will be progressively enhanced through the introduction of a number of additional features, including improved access to technical support, attractive roaming packages, shared data plans, early handset upgrades, storage and back-up in the cloud, and device security, to increase the breadth of service and, over time, ARPU.

In emerging markets, our goal is to build on our success to date to become a clear leader, increasing the value of these markets to the Group through market growth, improving margins, share gains and stronger cash generation. These markets offer very attractive long-term opportunities from sustained GDP growth, the scope for widespread mobile data adoption and the fulfillment of unmet needs such as basic financial services. We aim to maximise these opportunities through smart data pricing, the development of low-cost smartphones and selective innovation in areas in which we can truly differentiate.

Enterprise 2015

We plan to strengthen our leading position in enterprise, enhancing our product offering to large and medium-sized businesses and creating a dedicated enterprise operational structure, following the market success of Vodafone Global Enterprise (VGE) and the CWW acquisition.

VGE, serving the biggest multi-national accounts, will continue to expand its remit, driven by an increasing appetite among customers to consolidate telecoms procurement cross-border and bring mobility into the heart of their business strategies. In converged services, we will continue to develop Vodafone One Net for small- and medium-sized companies, and increasingly provide total communications services to our larger customers. In M2M, we will leverage our new business unit organisation, global technical platform and vertical sector competences to exploit the current wave of adoption of M2M solutions across many industry and service sectors. In addition, we will develop our product offering in high growth segments, such as cloud and hosting, thereby leveraging the expertise acquired with CWW.

CHIEF EXECUTIVE S STATEMENT

Network 2015

Our network strategy continues to focus on supporting higher speed data in both mature and emerging markets, and delivering a consistently excellent data experience to our customers through the widespread deployment of HSPA+, LTE and high capacity backhaul. We will continue our consistent level of investment so that Vodafone customers can be assured of a video-standard data service across our footprint in Europe and we can successfully manage the high growth in data volumes anticipated.

Operations 2015

As a result of our new approach to consumer and enterprise data product catalogues and pricing, over the next three years we will further simplify our business model both across and within countries, eliminating legacy structures, reducing non customer-facing costs and moving towards more standardised offerings. This will enable us to maximise the benefits of our scale and share commercial, technical and support functions across geographies in Europe, and to speed up and co-ordinate our time to market for new propositions and services. We see a significant opportunity in unifying network and IT management across multiple markets, in further centralising and standardising procurement, and in offshoring more business functions to shared service centres of expertise. We are targeting an absolute reduction in European operating expenses from these and other programmes of £300 million in the 2014 financial year.

Outlook and guidance[1]

Overall performance in our controlled operations in the first half of the 2013 financial year has been slightly below our expectations, mainly as a result of a further weakening in the macroeconomic environment. However, this has been offset by a very strong performance by VZW. We expect the environment to be similar in the second half of the 2013 financial year.

We now expect adjusted operating profit for the full year to be in the upper half of the range of £11.1 billion to £11.9 billion indicated in May 2012 and free cash flow to be in the lower half of the range of £5.3 billion to £5.8 billion indicated in May 2012. We expect the Group EBITDA full year margin decline to continue its improving trend year-on-year, excluding the impact of M&A and restructuring costs.

Note:

1 See Guidance on page 8.

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GROUP FINANCIAL HIGHLIGHTS

		Six months ended 30 September		% change	
	Page	2012 £m	2011 £m	Reported	Organic
Financial information[1]					
Revenue	27	21,780	23,520	(7.4)	0.2
Operating profit	27	274	8,999	(97.0)	
(Loss)/profit before taxation	27	(492)	8,011		
(Loss)/profit for the financial period	27	(1,886)	6,644		
Basic (loss)/earnings per share (pence)	27	(4.01p)	13.06p		
Capital expenditure	21, 42	2,516	2,618	(3.9)	
Cash generated by operations	21	6,192	7,069	(12.4)	
Performance reporting[1 2]					
EBITDA	9	6,647	7,532	(11.7)	(2.9)
EBITDA margin		30.5%	32.0%	(1.5pp)	(1.0pp)
Adjusted operating profit	9, 44	6,170	6,035	2.2	8.5
Adjusted profit before tax	11, 44	5,341	5,142	3.9	
Adjusted effective tax rate	11	26.6%	25.2%		
Adjusted profit attributable to equity shareholders	11, 44	3,877	3,962	(2.1)	
Adjusted earnings per share (pence)	11, 44	7.86p	7.75p	1.4	
Free cash flow	21	2,178	2,616	(16.7)	
Net debt	21, 22	25,964	26,247	(1.1)	

Notes:

1 Amounts presented at 30 September or for the six month period then ended.

2 See page 41 for Use of non-GAAP financial information and page 46 for Definitions of terms .

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GUIDANCE

Please see page 41 for Use of non-GAAP financial information , page 46 for Definition of terms and page 47 for Forward-looking statements .

2013 financial year guidance

	Original guidance 2013 financial year £bn	Updated guidance 2013 financial year £bn
Adjusted operating profit	11.1 11.9	Upper half of the range
Free cash flow	5.3 5.8	Lower half of the range

Assumptions

Guidance for the 2013 financial year is based on our current assessment of the global macroeconomic outlook and assumes foreign exchange rates of £1: 1.23 and £1:US$1.62. It excludes the impact of licence and spectrum purchases, income dividends received from VZW, material one-off tax related payments and restructuring costs, and assumes no material change to the current structure of the Group.

Actual foreign exchange rates may vary from the foreign exchange rate assumptions used. A 1% change in the euro to sterling exchange rate would impact adjusted operating profit by approximately £40 million and free cash flow by approximately £30 million, and a 1% change in the dollar to sterling exchange rate would impact adjusted operating profit by approximately £50 million.

CONTENTS

FINANCIAL RESULTS

Group[1,2]

	Northern and Central Europe £m	Southern Europe £m	Africa, Middle East and Asia Pacific £m	Non-Controlled Interests and Common Functions[3] £m	Eliminations £m	Six months ended 30 September 2012 £m	2011 £m	% change £	Organic
Voice revenue	4,248	2,943	4,291			11,482	13,360		
Messaging revenue	1,440	531	416			2,387	2,672		
Data revenue	1,656	800	780	1		3,237	3,062		
Fixed line revenue	1,316	466	199	1		1,982	1,802		
Other service revenue	391	238	367	146	(73)	1,069	998		
Service revenue	**9,051**	**4,978**	**6,053**	**148**	**(73)**	**20,157**	**21,894**	**(7.9)**	**(0.4)**
Other revenue	606	400	537	80		1,623	1,626		
Revenue	**9,657**	**5,378**	**6,590**	**228**	**(73)**	**21,780**	**23,520**	**(7.4)**	**0.2**
Direct costs	(2,477)	(1,191)	(1,713)	(108)	73	(5,416)	(5,700)		
Customer costs	(2,189)	(1,086)	(1,045)	3		(4,317)	(4,627)		
Operating expenses	(2,201)	(1,198)	(1,836)	(165)		(5,400)	(5,661)		
EBITDA	**2,790**	**1,903**	**1,996**	**(42)**		**6,647**	**7,532**	**(11.7)**	**(2.9)**
Depreciation and amortisation:									
Acquired intangibles	(46)		(288)			(334)	(464)		
Purchased licences	(456)	(66)	(97)			(619)	(674)		
Other	(1,184)	(733)	(842)	14		(2,745)	(2,880)		
Share of result in associates		1	23	3,197		3,221	2,521		
Adjusted operating profit	**1,104**	**1,105**	**792**	**3,169**		**6,170**	**6,035**	**2.2**	**8.5**
Impairment loss						(5,900)	(450)		
Other income and expense[4]						4	3,414		
Operating profit						**274**	**8,999**		
						1	(161)		

Non-operating income and expense		
Net financing costs	(767)	(827)
Income tax expense	(1,394)	(1,367)
(Loss)/profit for the financial period	**(1,886)**	**6,644**

Notes:

1 The Group revised its segment structure on 1 August 2012. See Group structure on page 38.

2 Current period results reflect average foreign exchange rates of £1: 1.25 and £1:US$1.58.

3 Common Functions primarily represent the results of the partner markets and the net result of unallocated central Group costs.

4 Other income and expense for the six months ended 30 September 2011 included a £3,419 million gain on disposal of the Group s 44% interest in SFR.

FINANCIAL RESULTS

Revenue

Group revenue was down -7.4% to £21.8 billion, with service revenue of £20.2 billion, a decrease of -0.4%* on an organic basis. Our performance reflects continued strong demand for data services and further growth in emerging markets, offset primarily by challenging macroeconomic conditions in a number of our southern European markets.

AMAP service revenue was up by 5.2%*, with a robust performance in India, Vodacom, Qatar, Ghana and Egypt, offset by declines in Australia and New Zealand.

In Northern and Central Europe service revenue was up by 1.5%*, reflecting growth in Germany and Turkey, partially offset by declines in the majority of other markets.

In Southern Europe service revenue was down by -9.8%* driven by the challenging macroeconomic conditions which continue to have a significant impact on the majority of the region s markets, particularly Italy and Spain.

EBITDA and profit

Group EBITDA was down -11.7% to £6.6 billion, including an 8.1 percentage point adverse impact from foreign exchange rate movements. On an organic basis EBITDA was down -2.9%*, driven by a combination of service revenue decline and higher customer investment due to increased smartphone penetration.

Adjusted operating profit was up 2.2% to £6.2 billion, driven by an increase in our share of profits from associates and lower depreciation and amortisation charges, partially offset by the reduction in EBITDA. Our share of profits of VZW grew by 27.4%* to £3.2 billion.

Operating profit was down -97.0% to £0.3 billion, driven by an impairment loss of £5.9 billion (2011: £0.5 billion) and a £3.4 billion gain on disposal of the Group s 44% interest in SFR in the six months ended 30 September 2011.

An impairment loss of £5.9 billion was recorded in relation to Vodafone Spain and Vodafone Italy, driven by a combination of lower projected cash flows within business plans and an increase in discount rates, resulting from adverse changes in the macroeconomic environment since March 2012.

Net financing costs

	Six months ended 30 September	
	2012	2011
	£m	£m
Investment income	187	226
Financing costs	(954)	(1,053)
Net financing costs	**(767)**	**(827)**
Analysed as:		
Net financing costs before income from investments	(863)	(867)
Interest income/(charges) arising on settlement of outstanding tax issues	32	(36)
Income from investments	2	10
	(829)	**(893)**
Foreign exchange1	62	66
	(767)	**(827)**

Note:

1 Comprises foreign exchange rate differences reflected in the income statement in relation to certain intercompany balances.

Net financing costs before income from investments reduced due to lower mark-to-market losses associated with interest rate fixing and the impact of the Group s lower average net debt.

FINANCIAL RESULTS

Taxation

	Six months ended 30 September 2012 £m	2011 £m
Income tax expense	1,394	1,367
Tax on adjustments to derive adjusted profit before tax	(14)	(170)
Adjusted income tax expense	**1,380**	**1,197**
Share of associates tax	73	145
Adjusted income tax expense for purposes of calculating adjusted tax rate	**1,453**	**1,342**
(Loss)/profit before tax	(492)	8,011
Adjustments to derive adjusted profit before tax1	5,833	(2,869)
Adjusted profit before tax	**5,341**	**5,142**
Add: Share of associates tax and non-controlling interest	120	185
Adjusted profit before tax for the purpose of calculating adjusted effective tax rate	**5,461**	**5,327**
Adjusted effective tax rate	**26.6%**	**25.2%**

Note:

1 See (Loss)/earnings per share below.

The adjusted effective tax rate for the financial year ending 31 March 2013 is expected to be in the mid 20 s. This is in line with the adjusted effective tax rate for the financial year ended 31 March 2012.

(Loss)/earnings per share

Adjusted earnings per share was 7.86 pence, an increase of 1.4% year-on-year, reflecting a reduction in shares arising from the Group s share buyback programme partially offset by a higher tax charge. Basic loss per share was -4.01 pence (30 September 2011: earnings per share 13.06 pence), due to the £5.9 billion impairment charge recorded in the current financial period, with the prior financial period also benefiting from the profit on disposal of our 44% interest in SFR, both of which are excluded from adjusted earnings per share.

	Six months ended 30 September 2012 £m	2011 £m
(Loss)/profit attributable to equity shareholders	**(1,977)**	**6,679**

Pre-tax adjustments:		
Impairment loss1	5,900	450
Other income and expense2	(4)	(3,414)
Non-operating income and expense	(1)	161
Investment income and financing costs3	(62)	(66)
	5,833	**(2,869)**
Taxation	14	170
Non-controlling interests	7	(18)
Adjusted profit attributable to equity shareholders	**3,877**	**3,962**
	Million	Million
Weighted average number of shares outstanding basic	49,310	51,132
Weighted average number of shares outstanding diluted	49,310	51,427

Notes:

1 The impairment charges of £5,900 million and £450 million in the six months ended 30 September 2012 and 2011 respectively did not result in any tax consequences.

2 Other income and expense for the six months ended 30 September 2011 included a £3,419 million gain on disposal of the Group s 44% interest in SFR.

3 See note 1 in Net financing costs on page 10.

FINANCIAL RESULTS

Northern and Central Europe[1]

	Germany £m	UK £m	Other Northern and Central Europe £m	Eliminations £m	Northern and Central Europe £m	% change £	Organic
30 September 2012							
Voice revenue	1,412	1,122	1,714		**4,248**		
Messaging revenue	417	638	385		**1,440**		
Data revenue	796	454	406		**1,656**		
Fixed line revenue	848	24	451	(7)	**1,316**		
Other service revenue	155	173	94	(31)	**391**		
Service revenue	**3,628**	**2,411**	**3,050**	**(38)**	**9,051**	**(2.0)**	**1.5**
Other revenue	263	181	162		**606**		