

VODAFONE GROUP PUBLIC LTD CO
Form 6-K
March 07, 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 March 7, 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 Form 40-F

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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 ii

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 SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN EACH OF THE REGISTRATION STATEMENT ON FORM F-3 (FILE NO. 333-168347), THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-81825) AND THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-149634) OF VODAFONE GROUP PUBLIC LIMITED COMPANY AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

This report on Form 6-K contains Vodafone Group Plc's (Vodafone) interim management statement for the quarter ended 31 December 2011.

Use of non-GAAP financial information

In presenting and discussing our reported operating results and cash flows, certain information is derived from amounts calculated in accordance with International Financial Reporting Standards (IFRS) but this information is not itself an expressly permitted GAAP measure. Such non-GAAP measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

Cash flow measures

In presenting and discussing our reported results, free cash flow is calculated and presented even though this measure is not recognised within IFRS. We believe that it is both useful and necessary to communicate free cash flow to investors and other interested parties, for the following reasons:

- free cash flow allows us and external parties to evaluate our liquidity and the cash generated by our operations. Free cash flow does not include payments for licences and spectrum included within intangible assets, items determined independently of the ongoing business, such as the level of dividends, and items which are deemed discretionary such as cash flows relating to acquisitions and disposals. In addition, it does not necessarily reflect the amounts which we have an obligation to incur. However, free cash flow does reflect the cash available for activities such as strengthening the consolidated statement of financial position or providing returns to shareholders in the form of dividends or share purchases;
- free cash flow facilitates comparability of results with other companies although our measure of free cash flow may not be directly comparable to similarly titled measures used by other companies;
- this measure is used by management for planning, reporting and incentive purposes; and
- this measure is useful in connection with discussions with the investment analyst community and debt rating agencies.

A reconciliation of cash generated by operations, the closest equivalent GAAP measure, to free cash flow is provided below:

	Quarter ended 31 December	
	2011	2010
	£m	£m
Cash generated by operations	3,546	3,557

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Cash capital expenditure, net of disposals(1)	(1,544)	(1,470)
Dividends received from associates and investments	180	210
Other	(717)	(1,211)
Free cash flow	1,465	1,086
Note:		

(1) Cash paid for the purchase of property, plant and equipment and intangible assets other than licence and spectrum payments.

Organic growth

All amounts in this document marked with an (*) represent year on year organic growth which present performance on a comparable basis, both in terms of merger and acquisition activity and movements in foreign exchange rates. At the start of Q3 FY12 the Group revised its intra-group roaming charges. Whilst neutral to Group revenue and profitability, these changes do have an impact on reported service revenue by country and regionally from this quarter onwards. Whilst prior period reported revenue has not been restated, to ensure comparability in organic growth rates, Q3 country and regional revenue in the prior financial year have been recalculated based on the new pricing structure to form the basis for our organic calculations. We believe that organic growth, which is not intended to be a substitute for or superior to reported growth, provides useful and necessary information to investors and other interested parties for the following reasons:

- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to the operating performance of the business;
- it is used for internal performance analysis; and
- it facilitates comparability of underlying growth with other companies, although the term organic is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies.

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Reconciliations of organic growth to reported growth can be found below and on pages 8, 10 and 12.

		Organic	Other activity(3)	Foreign exchange	% change Reported
Group					
Revenue	Q3	1.6	(0.4)	(3.5)	(2.3)
Service revenue(1)	Q3	3.1	(0.5)	(3.6)	(1.0)
Enterprise revenue (2)	Q3	0.8	4.8	(1.1)	4.5
Enterprise revenue(2)	Q2	3.5	10.6	4.3	18.4
Enterprise data service revenue (2)	Q3	20.8	6.8	(0.7)	26.9
Enterprise data service revenue (2)	Q2	18.1	13.4	5.0	36.5
Capital expenditure	Year to date	3.6		(1.2)	2.4
Europe					
Enterprise revenue	Q3	(0.1)		(0.7)	(0.8)
Mobile internet revenue	Q3	55.0		(1.1)	53.9
Germany service revenue(1)	Q3	3.3	(0.2)	(0.3)	2.8
Germany enterprise revenue	Q3	5.0		(0.3)	4.7
Germany data revenue	Q3	22.3		(0.3)	22.0
Italy data revenue	Q3	15.9		0.1	16.0
Italy service revenue	Q2	(3.0)		5.1	2.1
Italy enterprise revenue	Q3	1.9		(0.2)	1.7
Spain service revenue	Q2	(9.3)		4.8	(4.5)
Spain data revenue	Q3	26.9			26.9
Spain data revenue	Q2	15.1		5.5	20.6
Spain fixed line revenue	Q3	13.0			13.0
UK service revenue(1)	Q3	4.8	(0.5)		4.3
UK data revenue	Q3	13.2			13.2
UK enterprise revenue	Q3	3.1			3.1
Netherlands service revenue	Q3	1.5	(0.4)	(0.4)	0.7
Netherlands service revenue (1)	Q3	6.4	(0.4)	(0.3)	5.7
Turkey service revenue	Q3	23.5	(2.4)	(24.4)	(3.3)
Africa, Middle East and Asia Pacific					
Enterprise revenue(2)	Q3	9.2	64.0	(7.2)	66.0
Mobile internet revenue	Q3	36.0		(2.0)	34.0
India data revenue	Q3	46.4			