



Annual Shareholder Meeting
April 17, 2012

Safe Harbor Statement

This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our business strategy, our prospects and our financial position. These statements can be identified by the use of forward-looking terminology such as “believes,” “estimates,” “expects,” “intends,” “may,” “will,” “should,” “could,” or “anticipates” or the negative or other variation of these similar words, or by discussions of strategy or risks and uncertainties. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from the Company’s expectations and projections. Important factors that could cause actual results to differ materially from such forward-looking statements include, without limitation, risks related to the following:

- ❑ Increasing competition in the communications industry; and
- ❑ A complex and uncertain regulatory environment.

A further list and description of these risks, uncertainties and other factors can be found in the Company’s SEC filings which are available online at www.sec.gov, www.shentel.com or on request from the Company. The Company does not undertake to update any forward-looking statements as a result of new information or future events or developments

Use of Non-GAAP Financial Measures

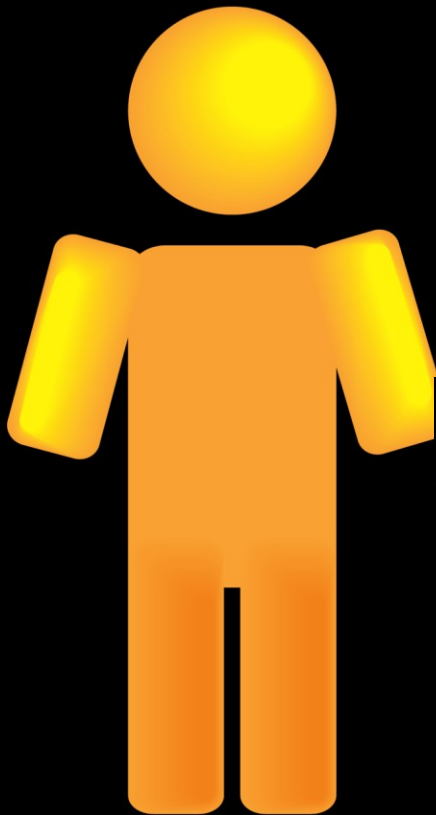
Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. These financial performance measures are not indicative of cash provided or used by operating activities and exclude the effects of certain operating, capital and financing costs and may differ from comparable information provided by other companies, and they should not be considered in isolation, as an alternative to, or more meaningful than measures of financial performance determined in accordance with US generally accepted accounting principles. These financial performance measures are commonly used in the industry and are presented because Shentel believes they provide relevant and useful information to investors. Shentel utilizes these financial performance measures to assess its ability to meet future capital expenditure and working capital requirements, to incur indebtedness if necessary, return investment to shareholders and to fund continued growth. Shentel also uses these financial performance measures to evaluate the performance of its businesses and for budget planning purposes.



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band Is:



Email



Web



Maps



Gaming



Shopping



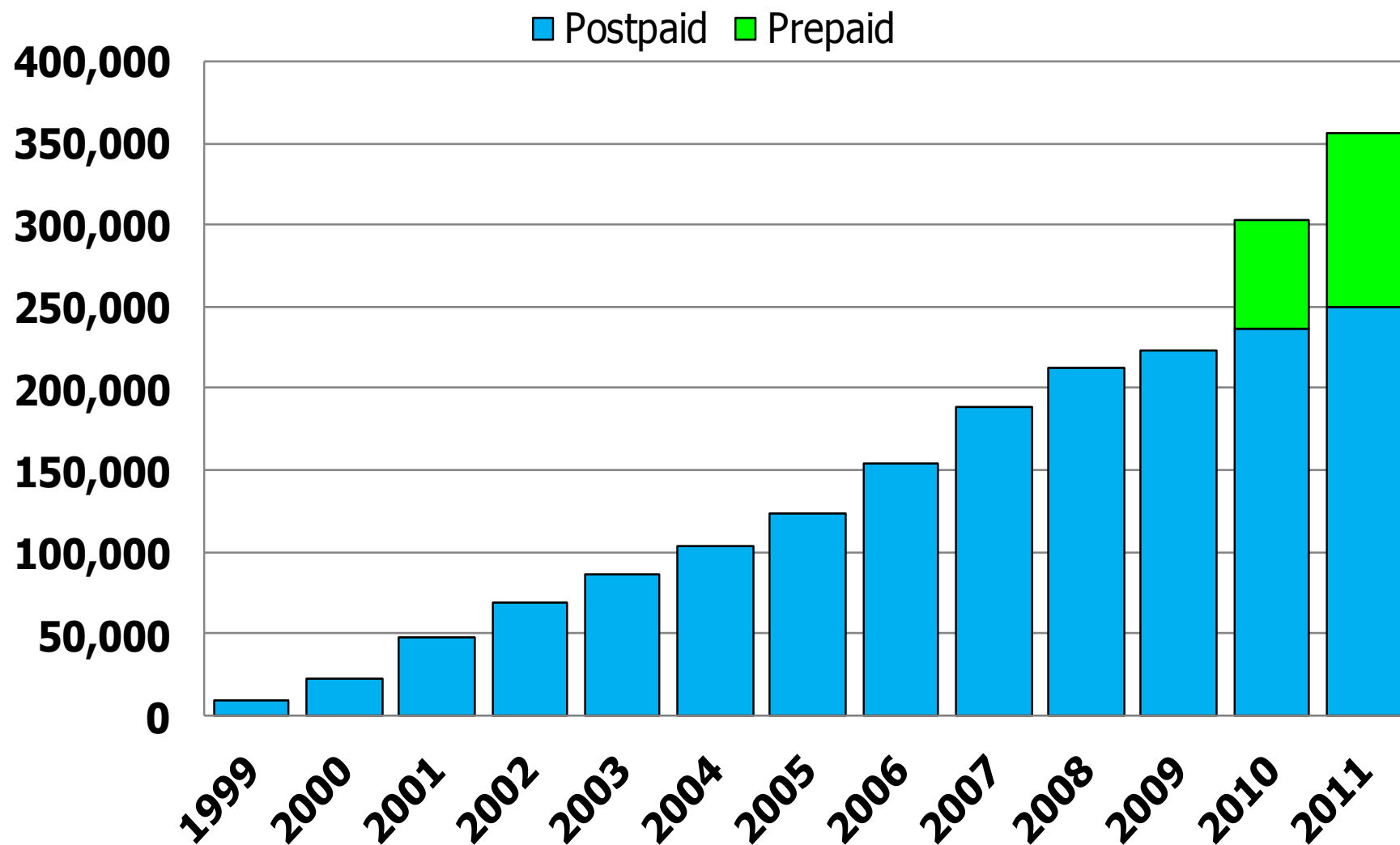
Music



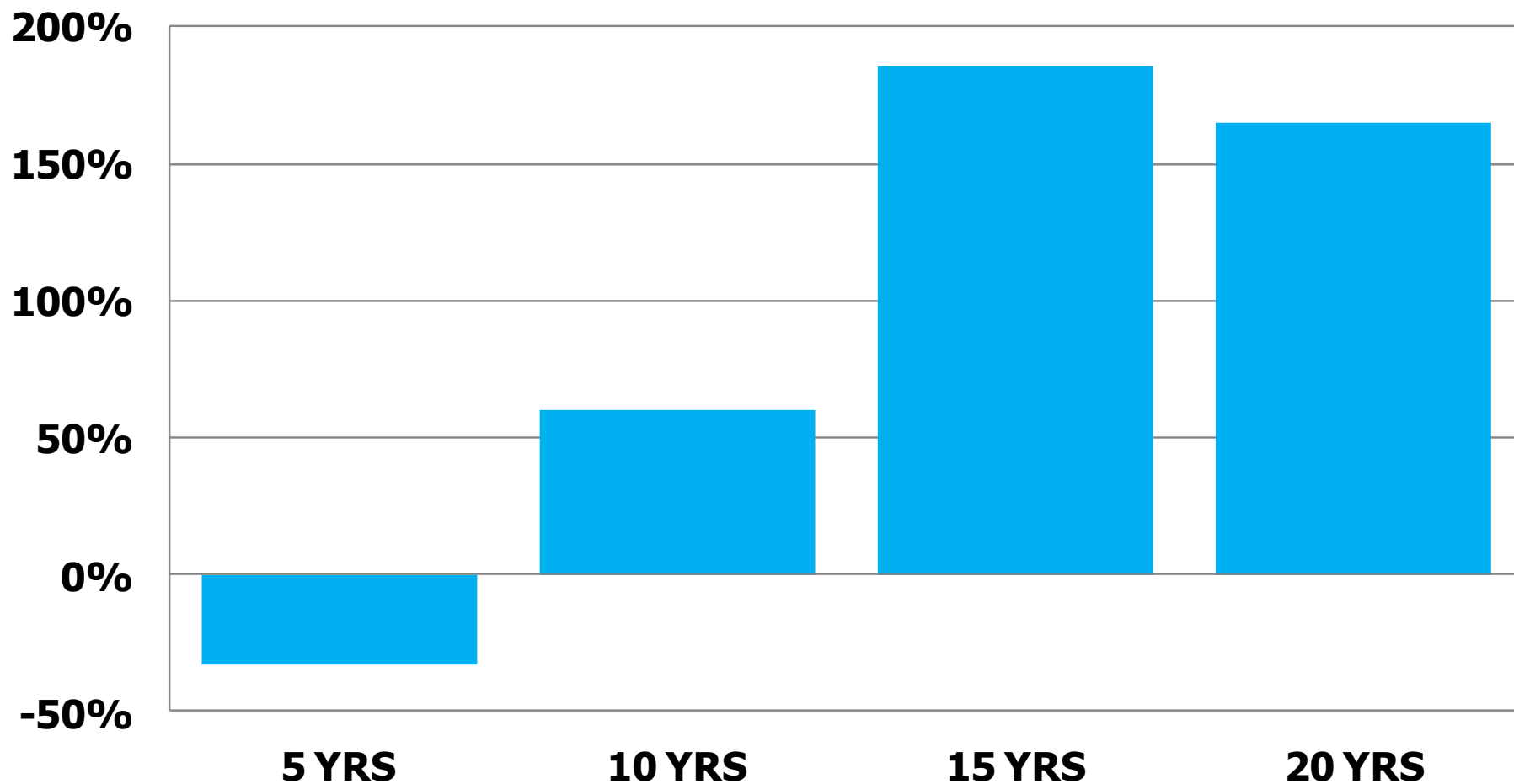
Video



PCS Subscriber Growth History

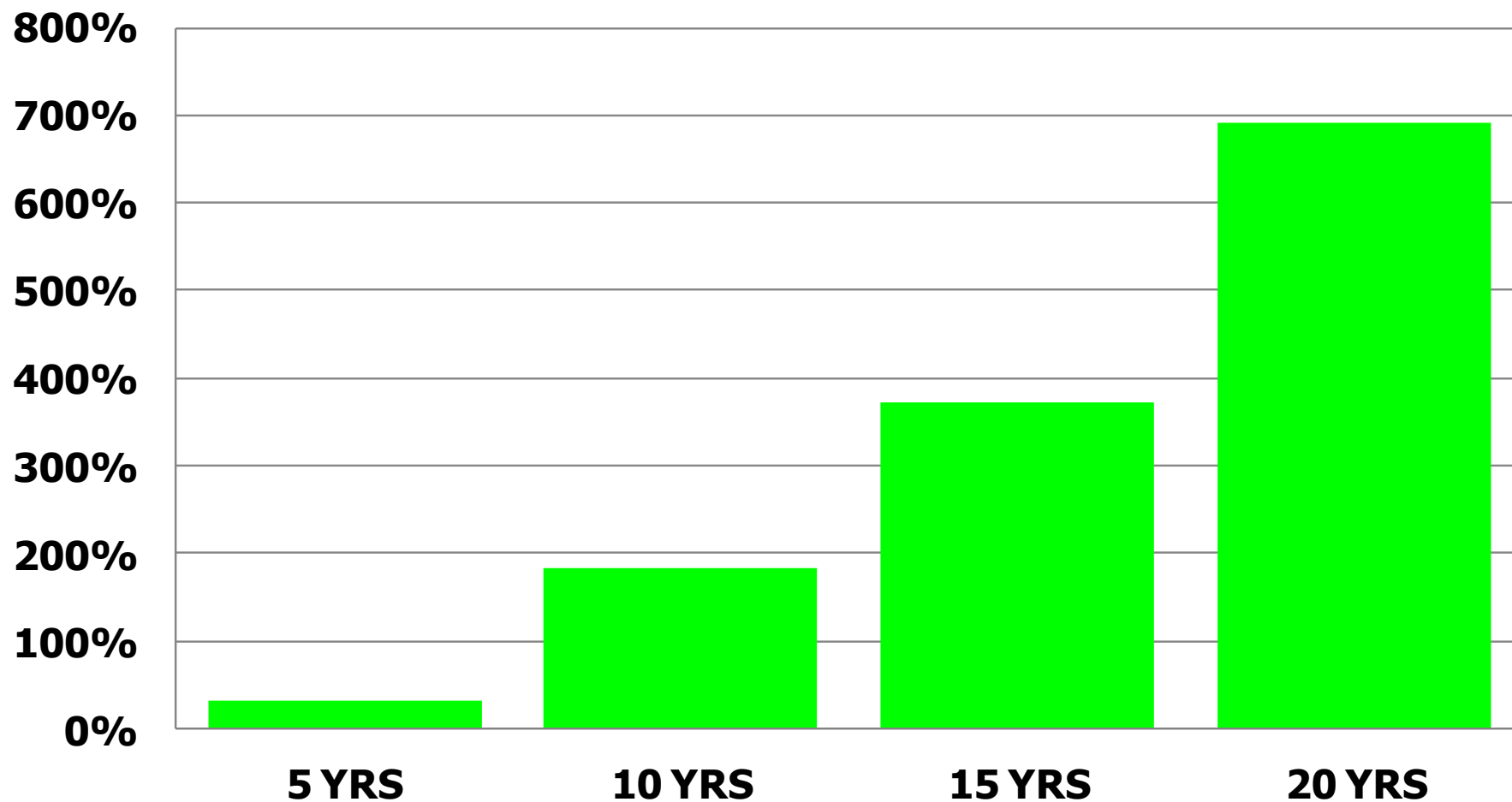


Total Change in Stock Price



Note: Adjusted for stock splits and as of the end of year close.

Total Change in Dividends per Share

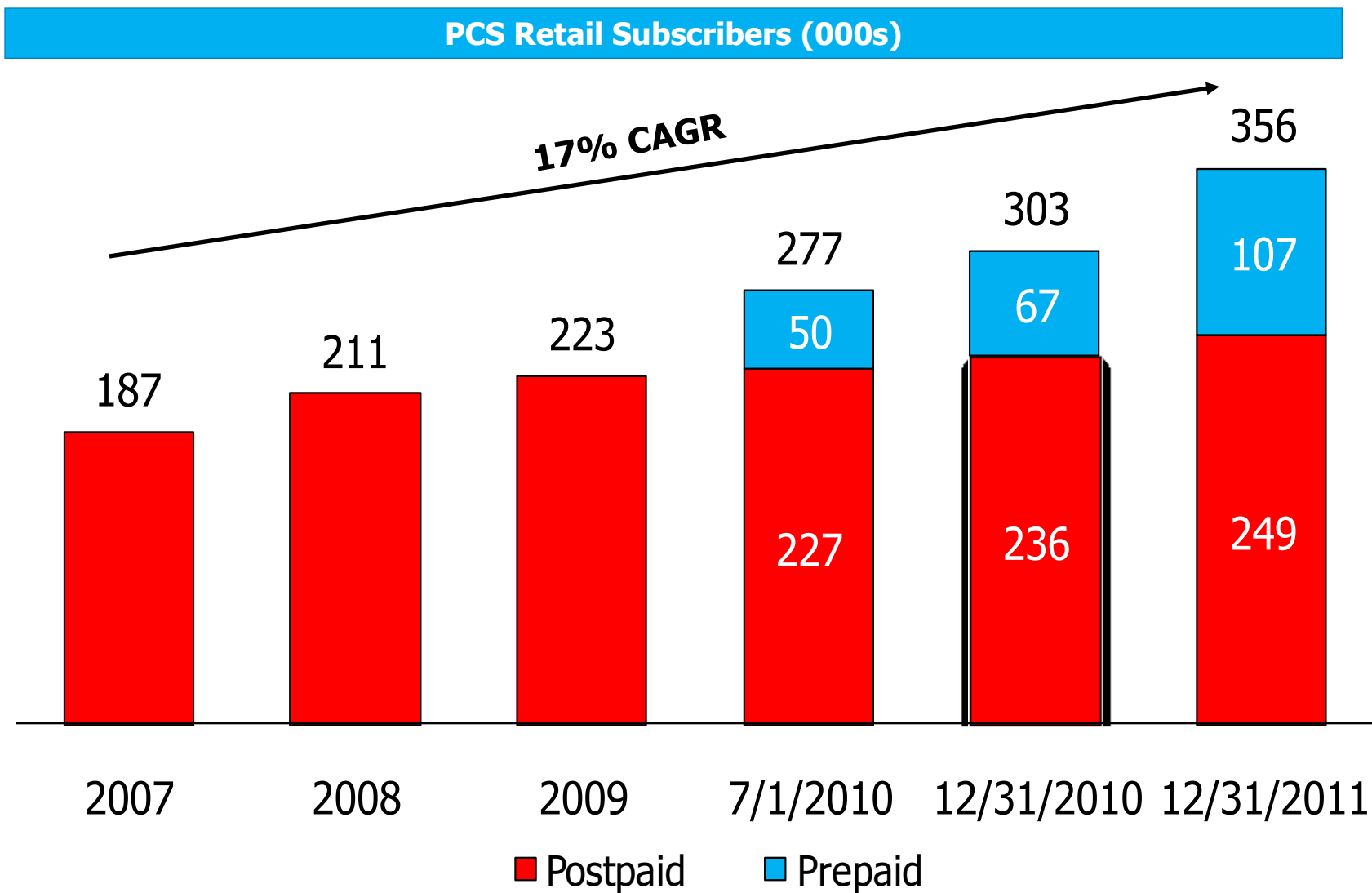


Note: Adjusted for stock splits.

Earle MacKenzie

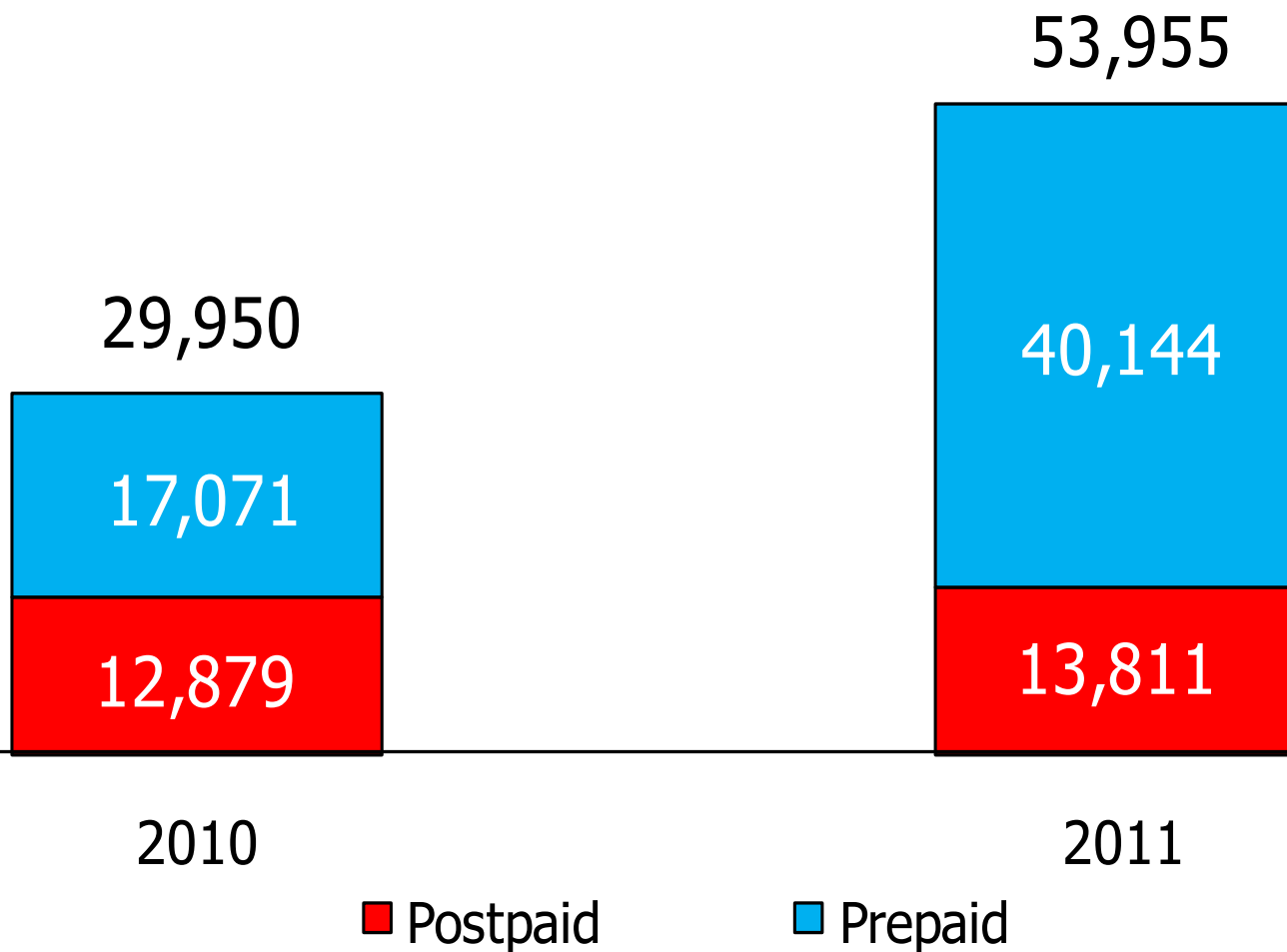
COO and EVP

Key Operational Results – Wireless



Key Operational Results – Wireless

PCS Net Additions



How Does Shentel's Wireless Compare?

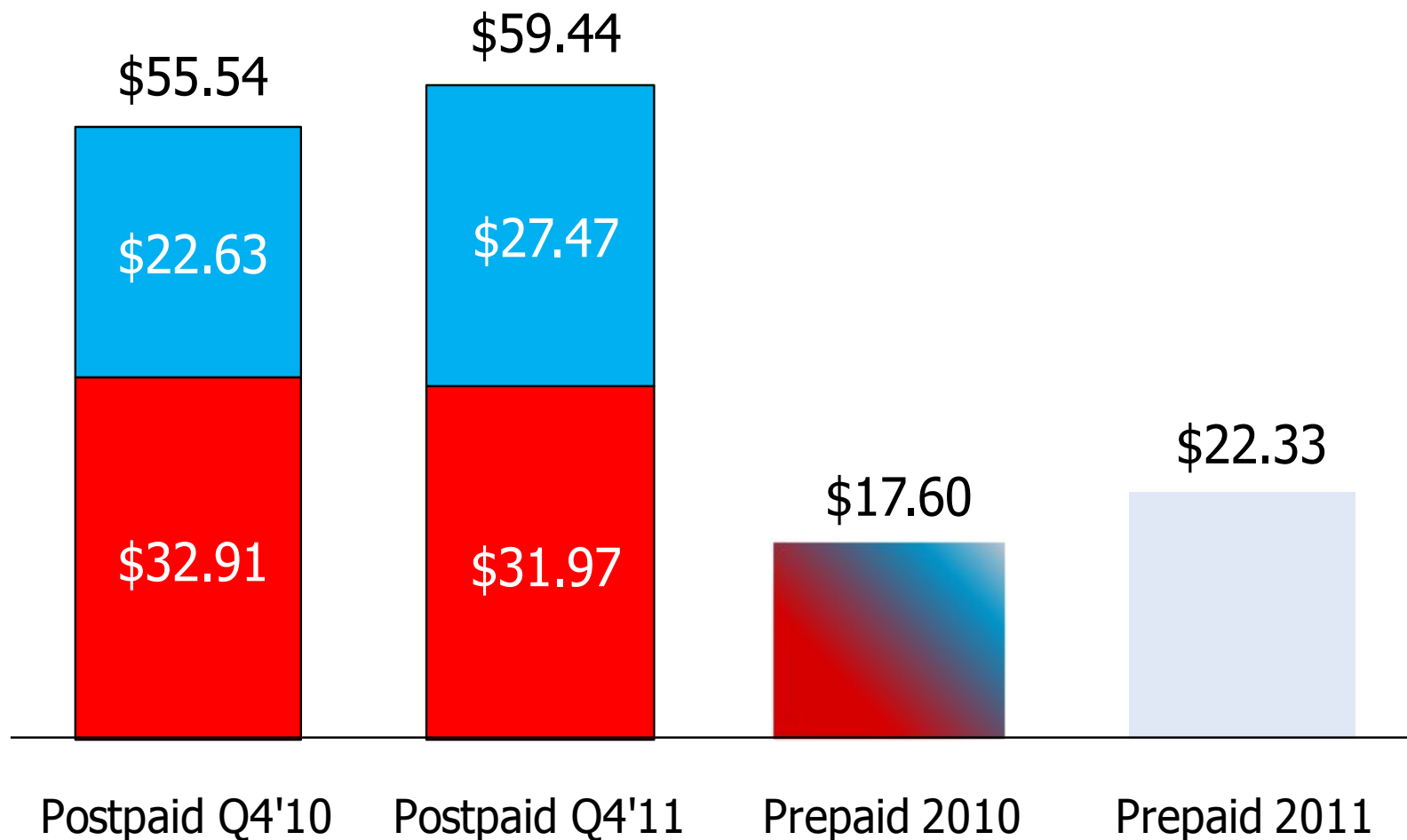
2011 Results *(in thousands)*

	<u>Verizon</u>	<u>AT&T</u>	<u>Sprint</u>	<u>Shentel</u>	<u>US Cellular</u>	<u>Alltel (ATNI)</u>	<u>T-Mobile</u>	<u>nTelos</u>
Covered POPs	296,000	313,000	277,800	2,055	46,888	4,500	280,200	5,915
2011 Net Adds or (Loss)	5,419	7,699	5,111	54	(186)	(10)	(1,232)	(18)
Total Subs	107,798	103,247	55,021	356	5,891	582	33,734	415
Penetration	36.4%	33.0%	19.8%	17.3%	12.6%	12.9%	12.4%	7.0%

Note: All metrics include wholesale subscribers.

Key Operational Results – Wireless

PCS Gross Billed Data & Voice



Investing in the Future

- ☐ **Keeps Shentel's network aligned with Sprint's**
- ☐ **Allows Shentel to remain competitive with Verizon and AT&T**
- ☐ **Improve customers' experience**
- ☐ **Provide 4G LTE service in entire coverage area**
- ☐ **Provide better in building and overall coverage**
- ☐ **Gives Shentel potential to leverage investment**
- ☐ **Convert existing iDEN customers to our network**

Profile of the Sprint Nextel Relationship - Postpaid

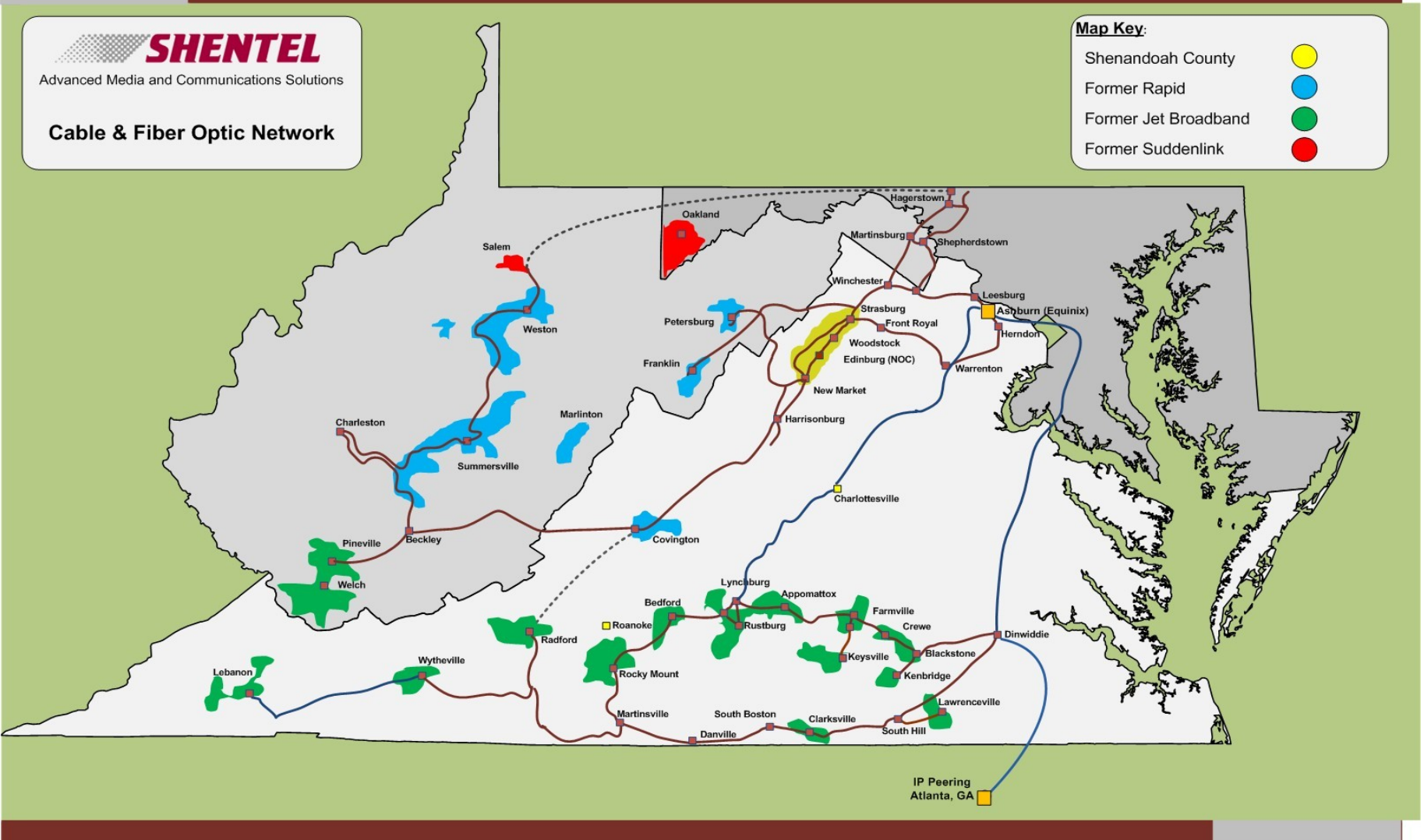
- ❑ **Contract**
 - **Initial term to 2024**
 - **Two 10 year renewals**
 - **Defined exit value based on DCF**
- ❑ **Net Service Fee of 12% (14% maximum):**
 - **Billing**
 - **Customer care**
 - **Long distance**
 - **Travel/Roaming**
 - **National channel handset subsidies**
- ❑ **Access to Additional Spectrum**
 - **G Block – PCS**
 - **800Mhz – iDEN**
- ❑ **Management Fee of 8% (Fixed for life of contract)**
 - **Spectrum**
 - **Brand**
 - **National platform**
 - **Access to Sprint vendors on similar terms**

Network Vision – 2012 & 2013

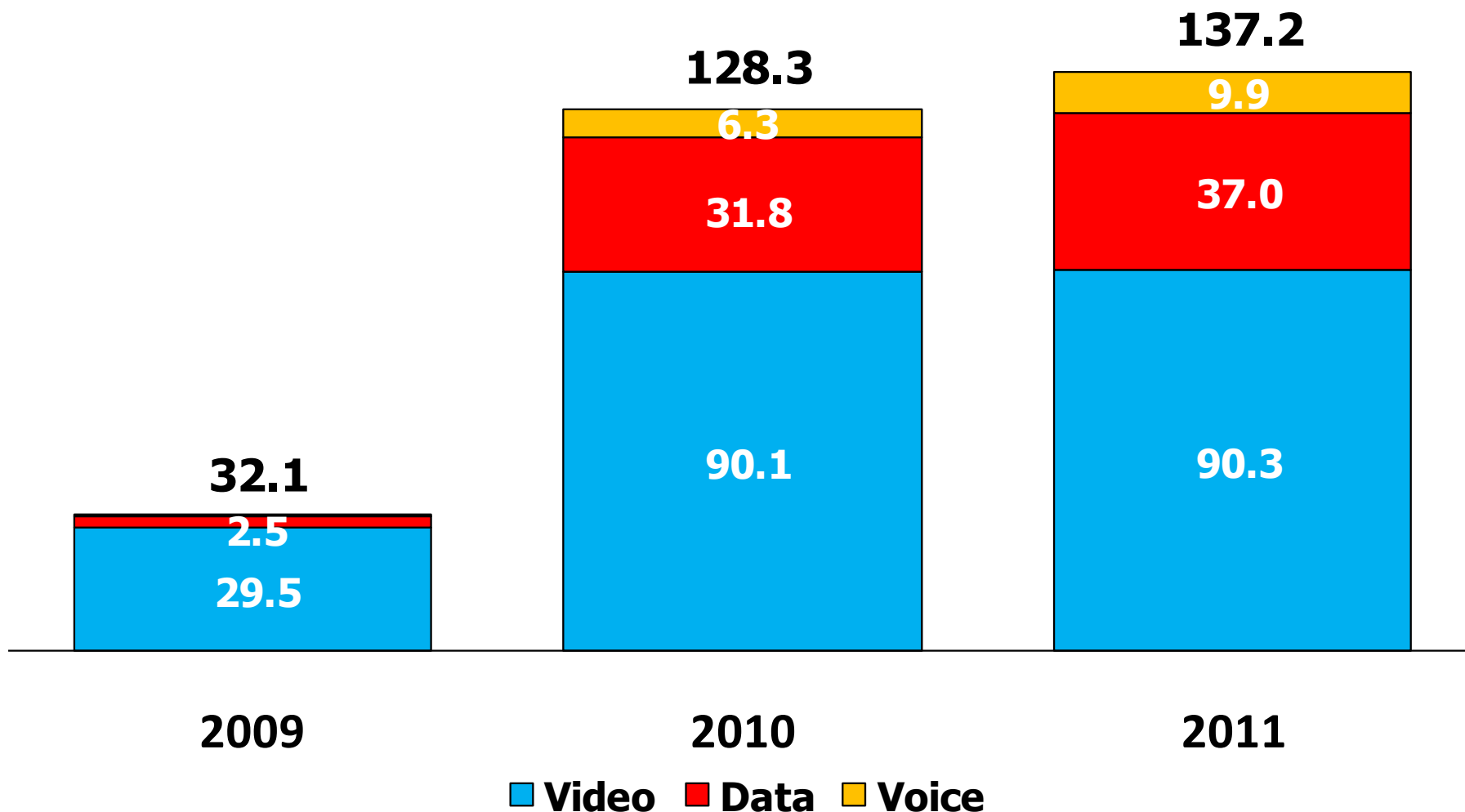
- ❑ **Plan to upgrade 274 cell sites in 2012 and the remaining 236 in 2013 including:**
 - Multi-modal base station at each site
 - Expanded backhaul capacity
 - LTE in the PCS G-block
 - Voice service in the 800Mhz block

- ❑ **Expect to launch LTE as early as Q3 2012**

Cable Service Areas



Cable Revenue Generating Units (in thousands)



How Does Shentel Cable Compare?

	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>Industry Average *</u>
<u>Video</u>			
Homes Passed	178,763	182,156	
Penetration	38%	36%	43%
<u>High-speed Internet</u>			
Available Homes	144,099	156,119	
Penetration	21%	24%	36%
<u>Voice</u>			
Available Homes	118,652	143,235	
Penetration	5%	7%	19%

* Industry Averages are from SNL Kagan's estimate of U.S. totals.

Why Cable has a Competitive Advantage

❑ **Issues with the Local Telephone Company**

- Limits of DSL – Is it the new dial up?
- Requires significant capital investment to offer comparable
- Loss of cash flow from shrinking voice service
- Long-term pricing advantages as access revenues decrease
- Bundling of satellite video with their voice and DSL

❑ **Issues with Satellite – Dish/DirecTV**

- Bundling of telco DSL and voice with their video
- Satellite internet is fast but has limited capacity
- No local presence

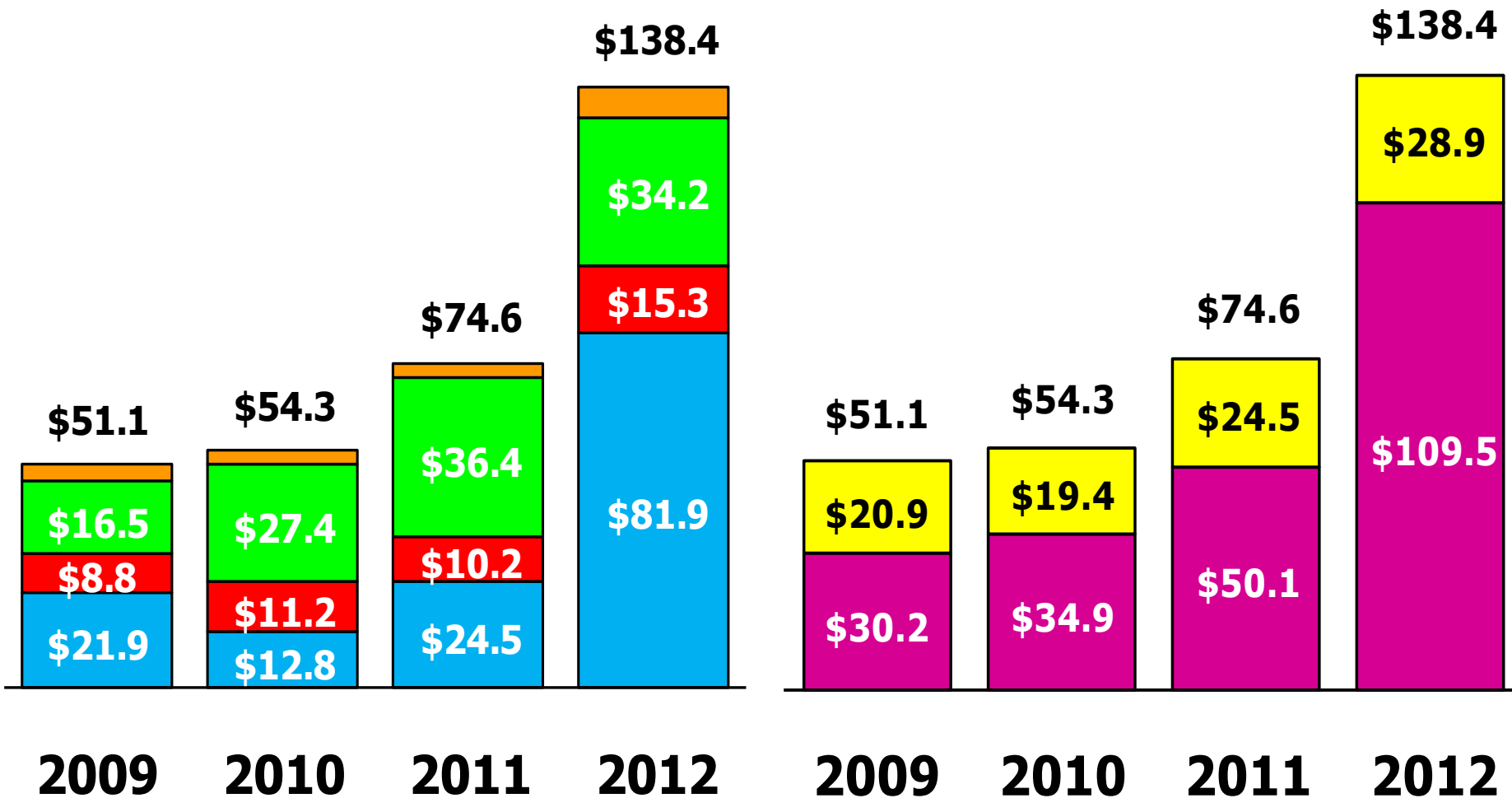
Shentel's Cable Advantage

- ❑ **We know Telephone – Our primary competitor**
 - Needs to spend lots of capital to match our service
 - Unfavorable changes in economics
- ❑ **Own/control our backbone fiber network**
- ❑ **Own our telephone switch**
- ❑ **Regional focus on small markets**

Investing in the Future – CapEx Spending (in millions)

■ Wireless ■ Wireline ■ Cable ■ Other

■ Broadband ■ Other



Adele Skolits

CFO and VP of Finance

2011 Financial Highlights

Net Income (in millions)

\$18.1

\$13.0

2010

2011

**Net Income from Continuing
Operating (in millions)**

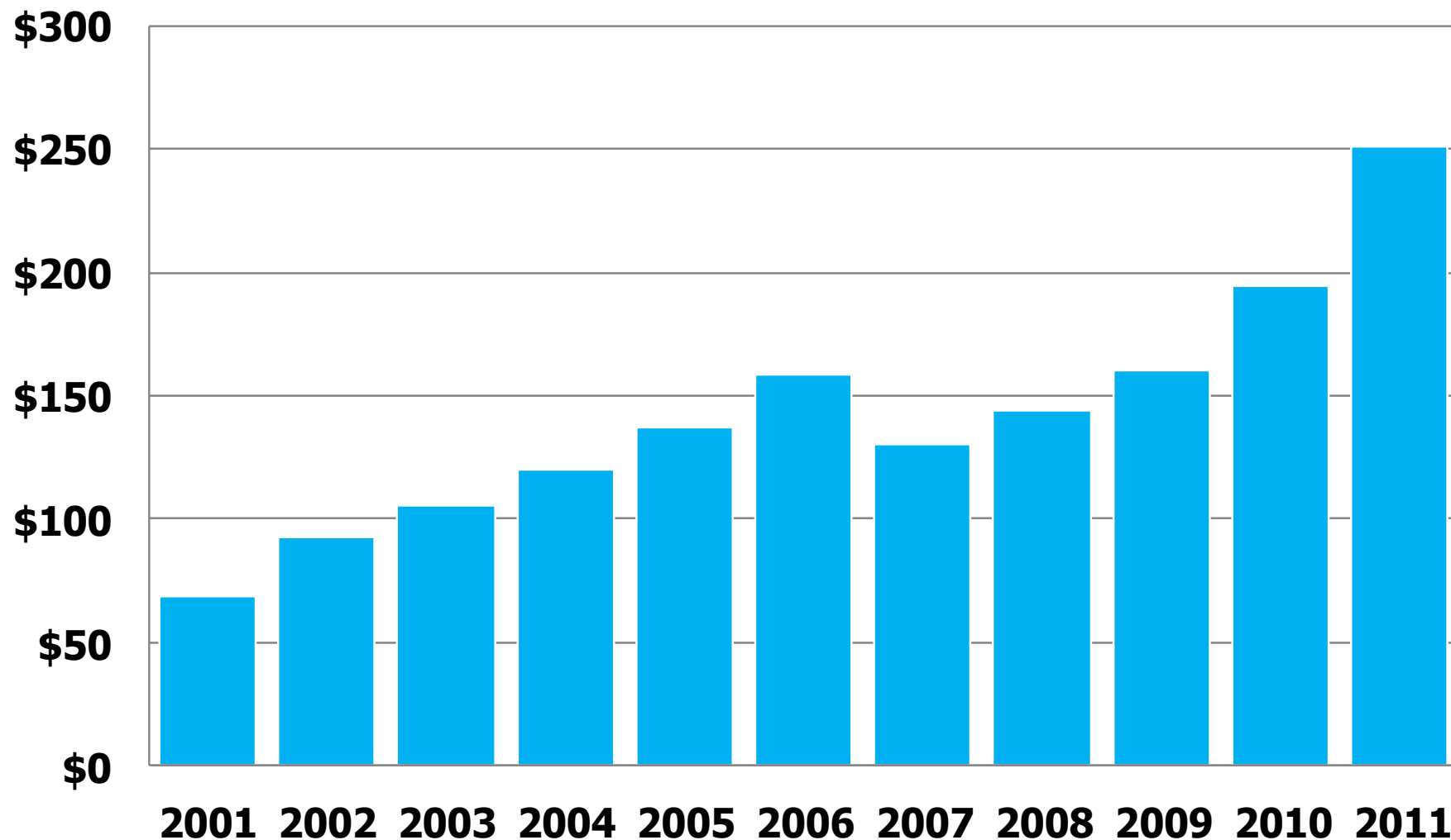
\$18.8

\$13.5

2010

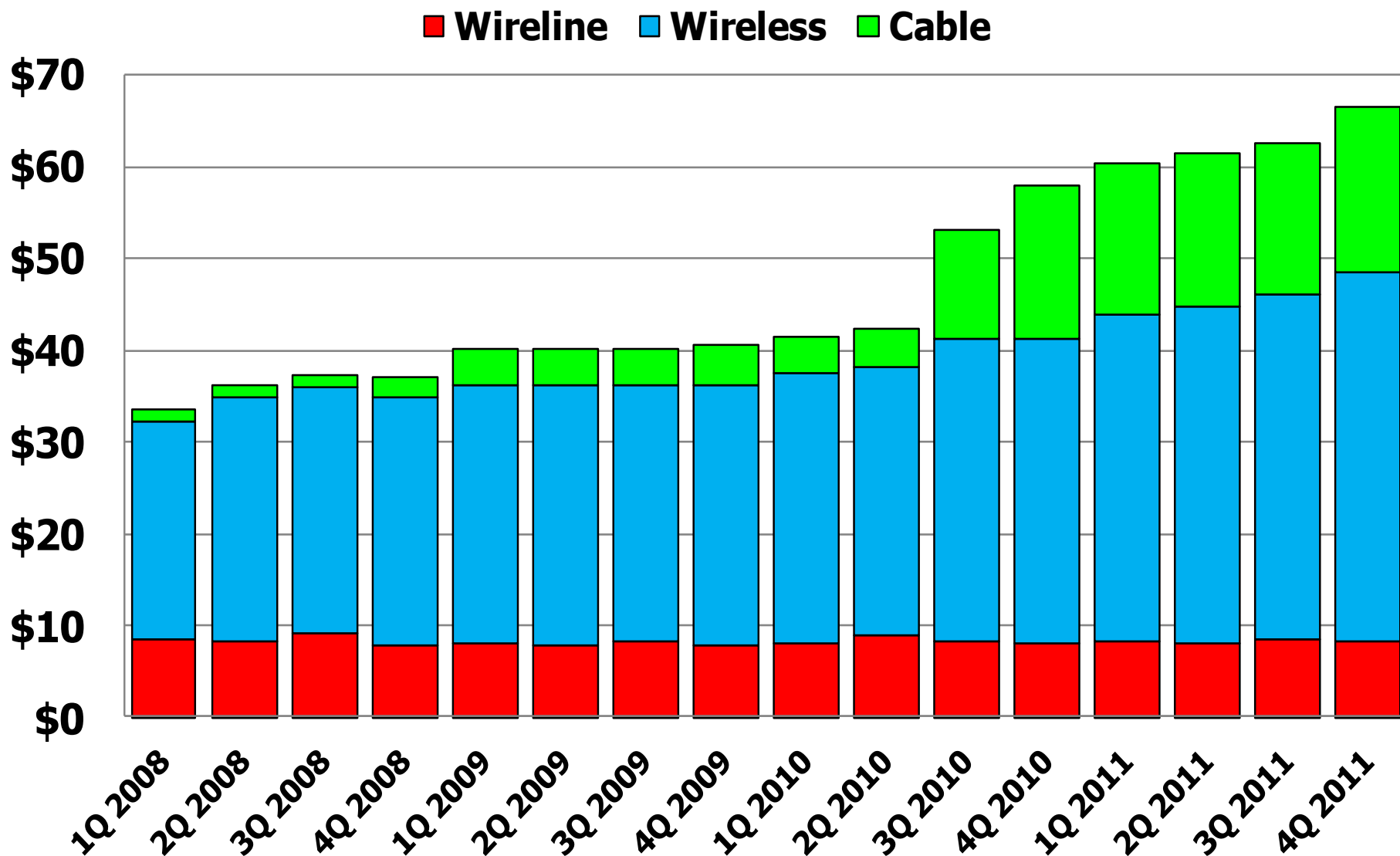
2011

Revenues (in millions)



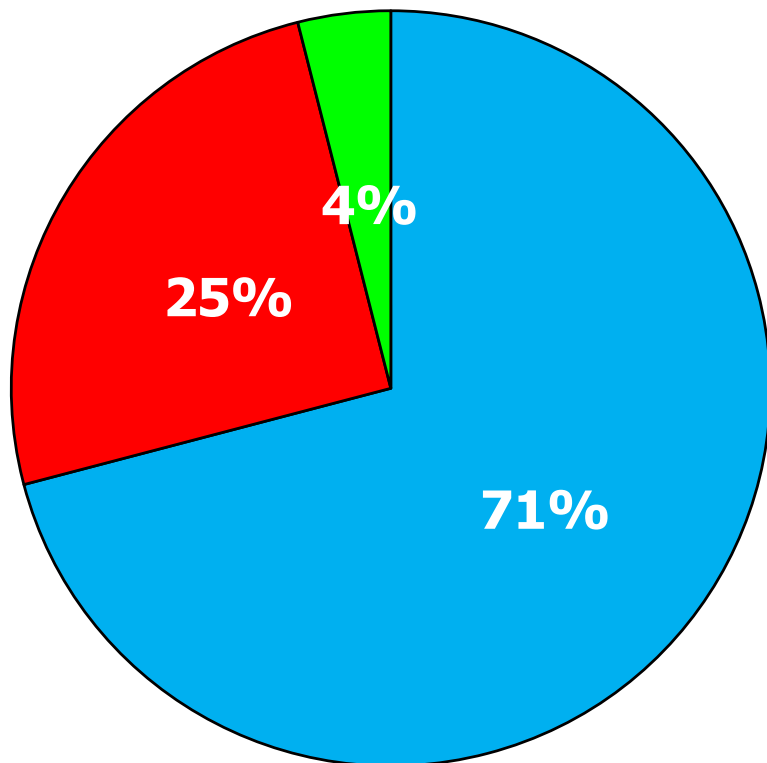
Note: Effective 2007, Shentel amended its agreement with Sprint Nextel. The net effect of this amendment was a reduction in both revenues and expenses.

Mix of Revenues by Quarter (in millions)

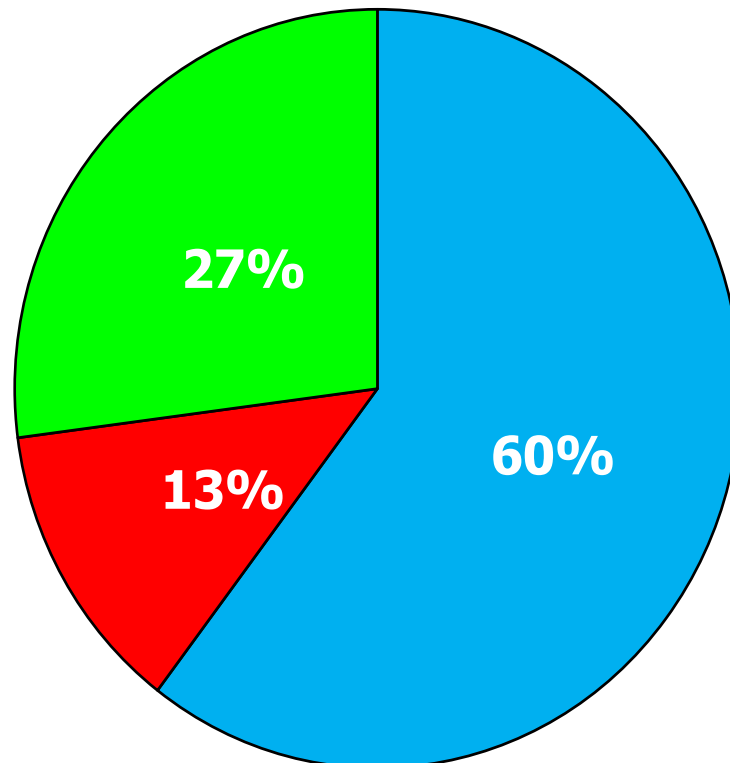


Change in Mix of Revenues

1Q 2008



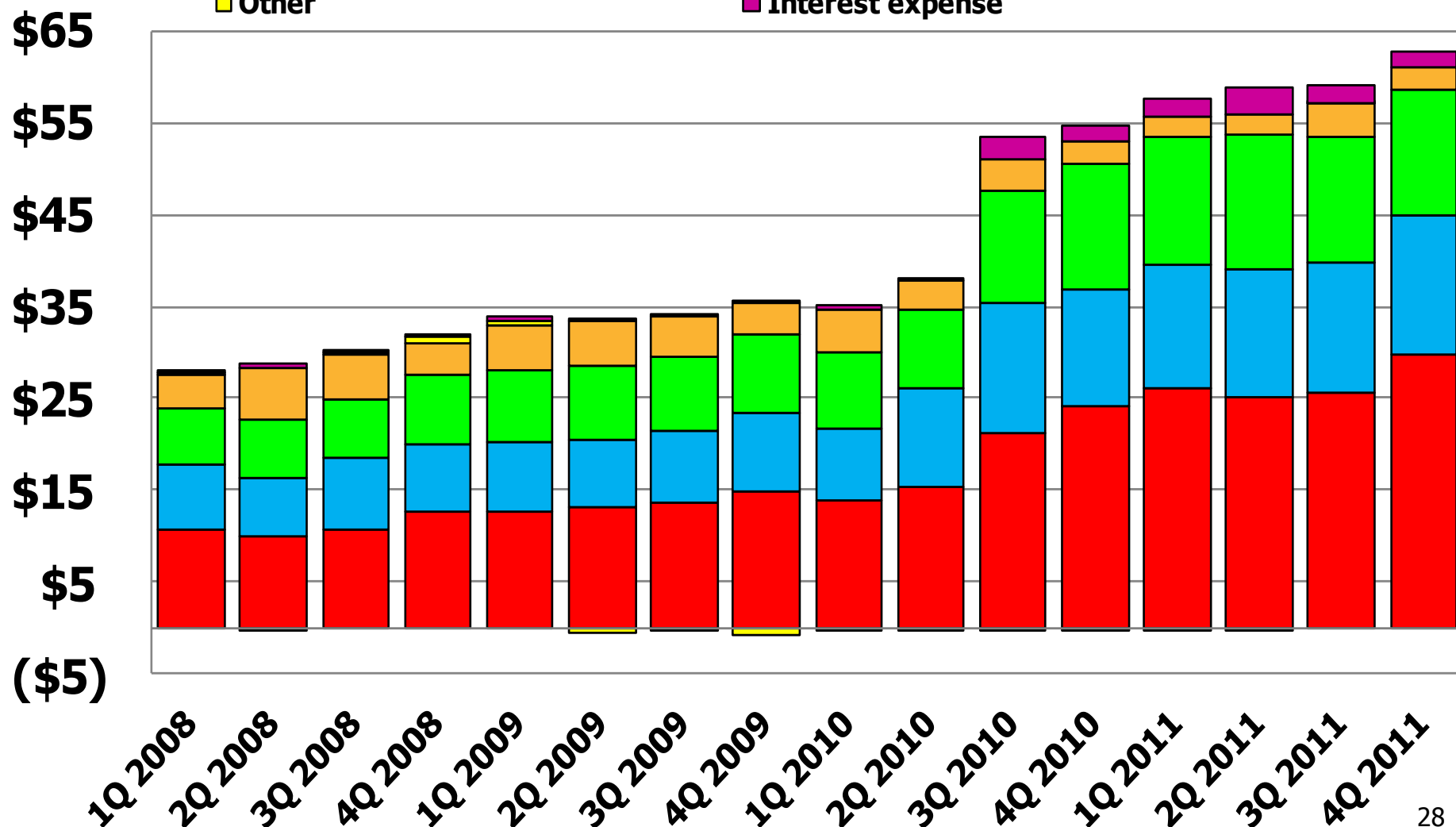
4Q 2011



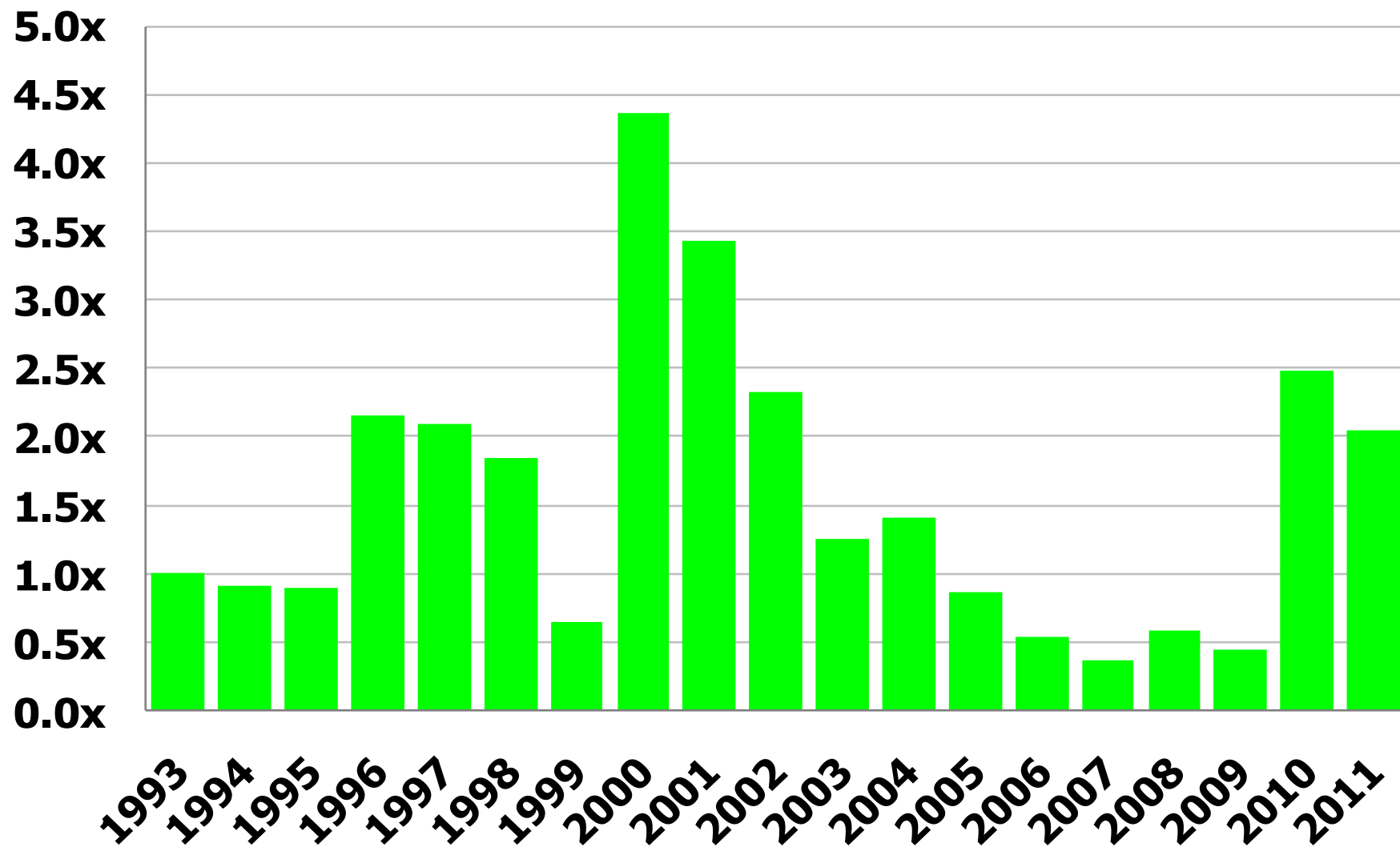
 **Wireline**  **Wireless**  **Cable**

Expenses by Quarter (in millions)

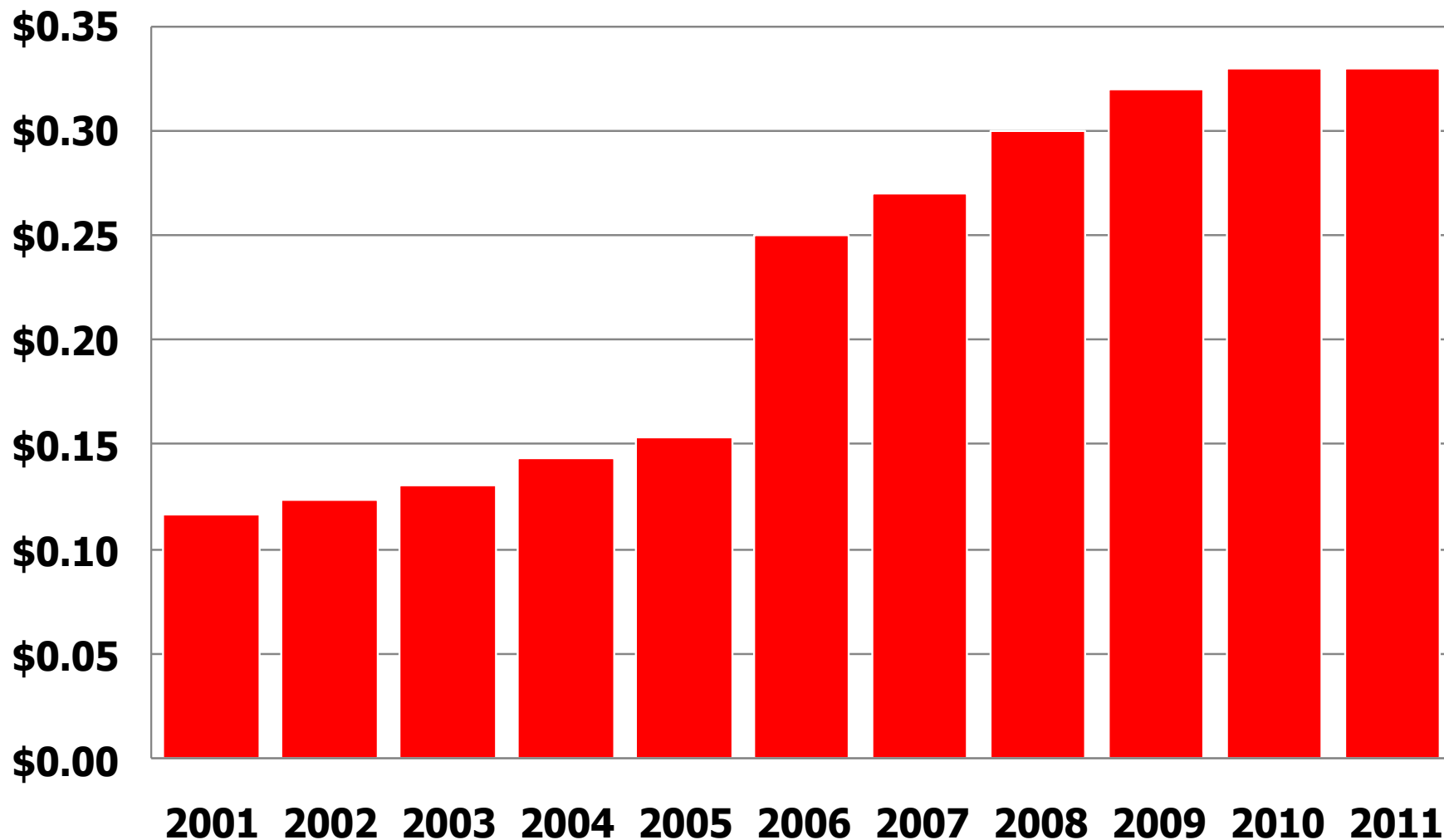
- Cost of goods and services
- Depreciation and amortization
- Other
- Selling, general and administrative
- Income tax expense
- Interest expense



Debt to Operating Cash Flow



Cash Dividends Per Share





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