



SHENTEL®

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NASDAQ: SHEN

Shenandoah Telecommunications Company

INVESTOR PRESENTATION

OCTOBER 2014

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.

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.

Our vision:

Shentel will ensure that

rural communities

have access to the same level of
telecommunication services as those found
anywhere else in the U.S.

Our mission:

Shentel is committed to

enriching the **lives**
of the **customers** we **serve**

with the highest quality telecommunications services

by making **major investments** in technology,

using **innovative thinking** and delivering

high quality local customer service

that makes using technology easy.

Providing a broad range of diversified telecommunications services to customers in the Mid-Atlantic United States and the exclusive personal communications service ("PCS") Affiliate of Sprint in portions of Pennsylvania, Maryland, Virginia and West Virginia.

- **Diverse Revenue Streams**

- 3 complementary revenue streams: Wireless, Cable and Wireline
- All divisions are OIBDA positive

- **Substantial Network Upgrade**

- Both 4G and Cable upgrades completed in 2013
- CapEx expected to reduce significantly in 2014

- **Significant Opportunity for Improved Cable Performance**

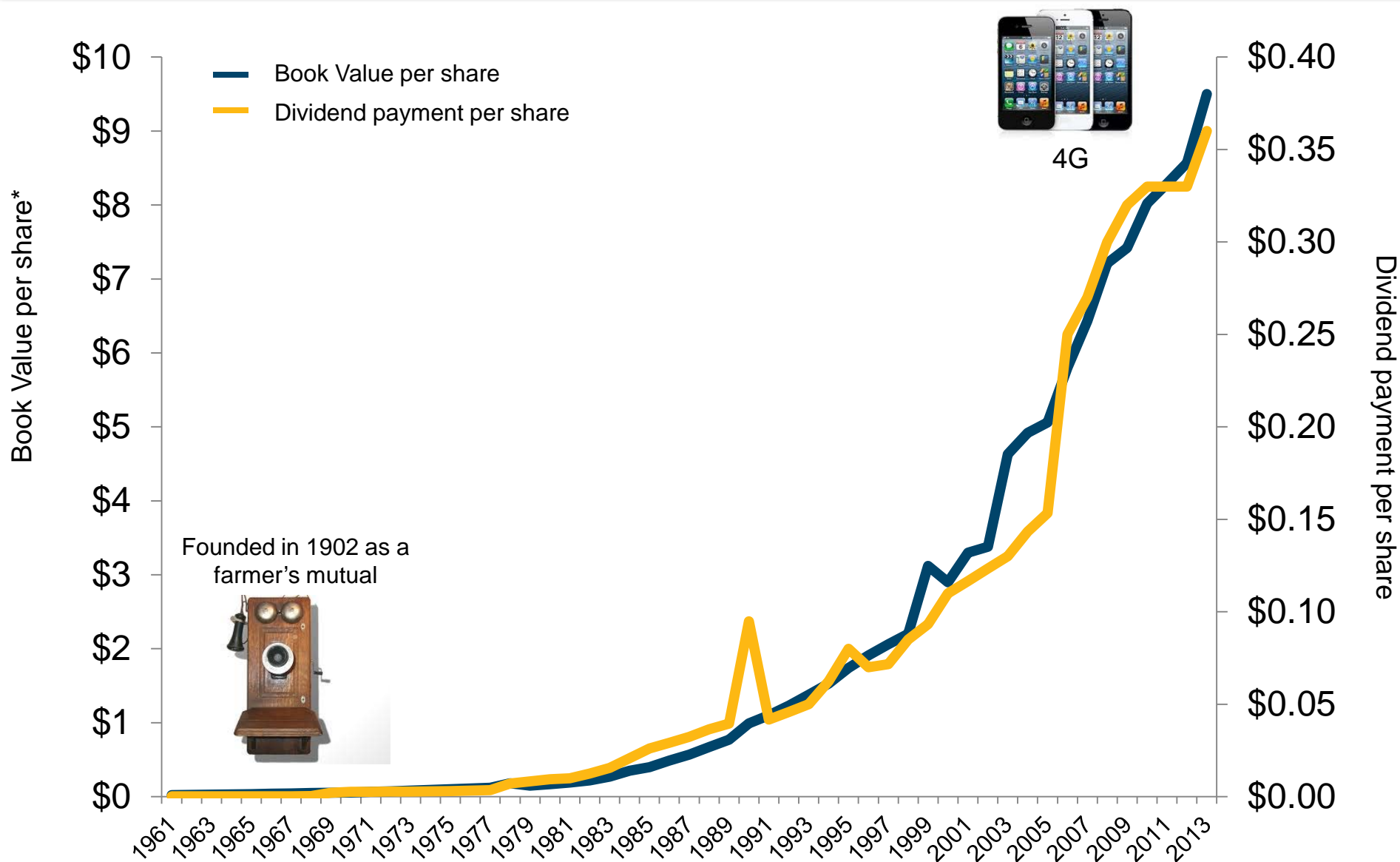
- Acquired neglected assets
- Making progress building the Shentel Cable brand

- **Tower Leasing Business Provides Steady Recurring Cash Flow**

- We own 154 towers with an average of 2.3 tenants each

- **Fiber**

- We control 3,918 route miles of fiber
- Writing \$1.3 million of fiber revenue contracts monthly over the TTM



We Are Here



2008-2010

2010-2013

2014

Acquisitions

Upgrades

Reduced CapEx

Cable

- Acquired various cable assets in West Virginia, Maryland and Virginia
- Many assets had been neglected by former owners

Wireless

- Acquired 50,000 Virgin Mobile customers and began selling Virgin Mobile and Boost prepaid

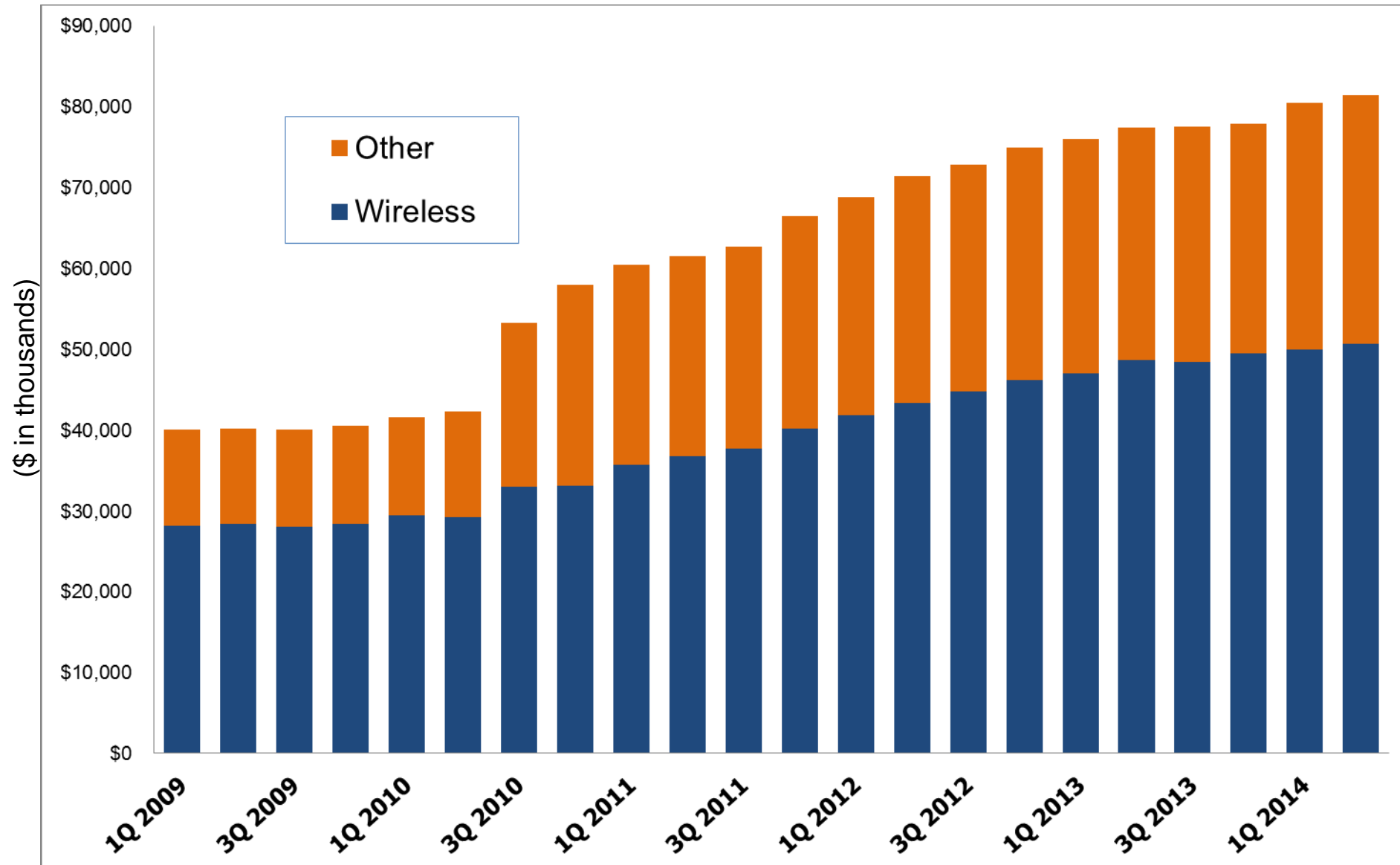
Cable

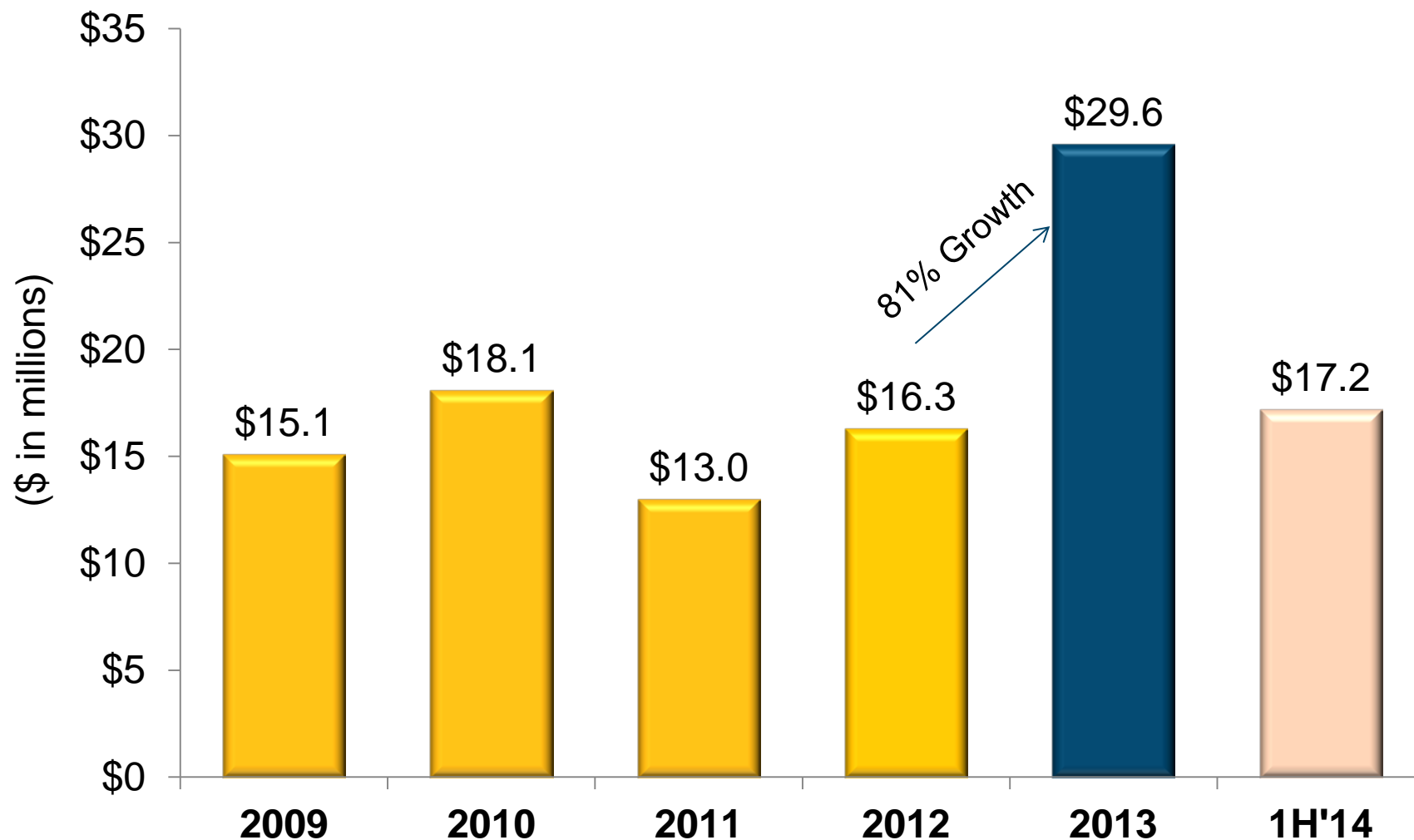
- Upgraded acquired networks to offer “Triple Play” with robust high speed data offering
- Streamlined network to gain operating efficiency

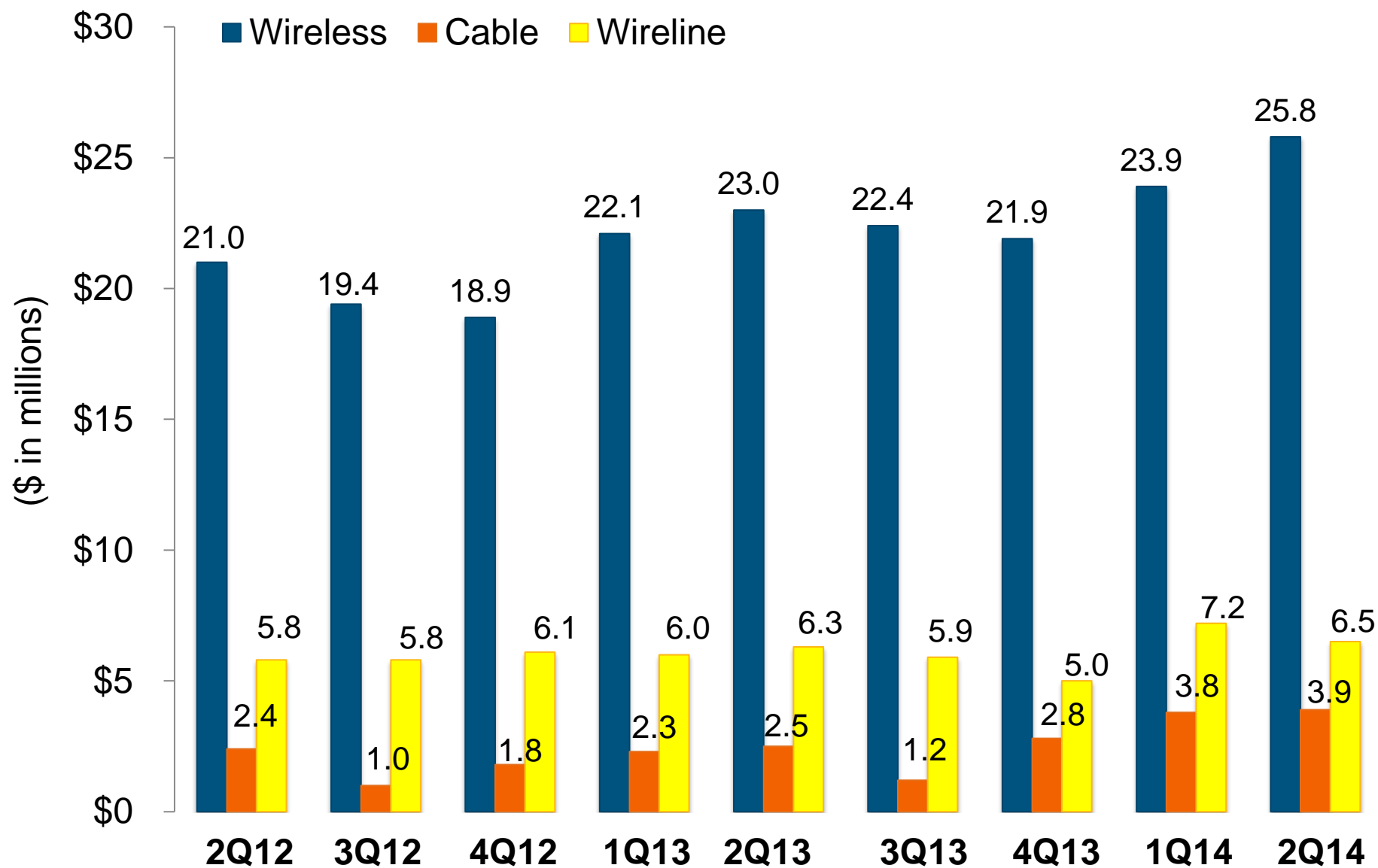
Wireless

- Invested heavily in upgrading wireless networks to 4G LTE as part of the Sprint Network Vision project

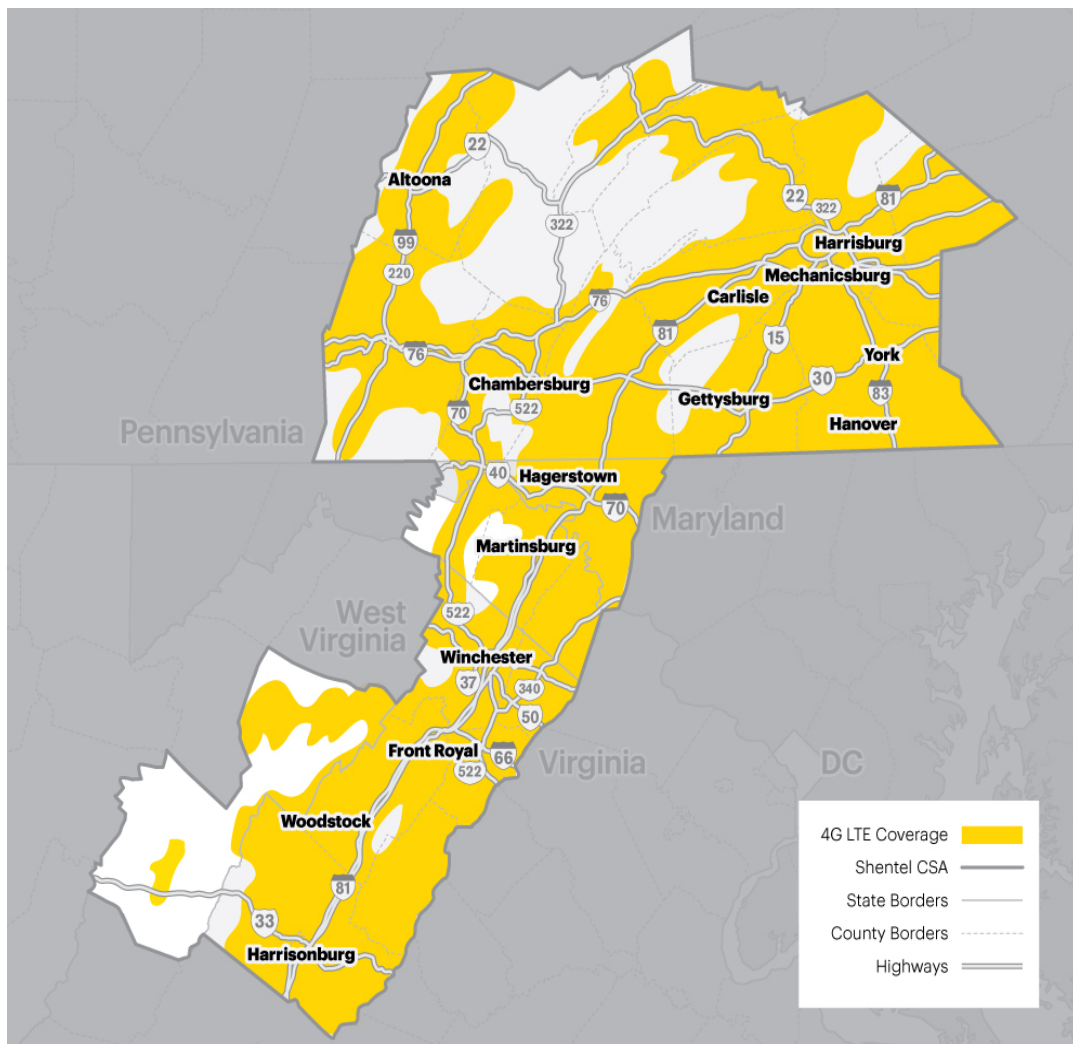
- Capital Expenditures will decrease approximately 27% in 2014 now that network upgrades are complete
- Expect enhanced free cash flow







WIRELESS SEGMENT



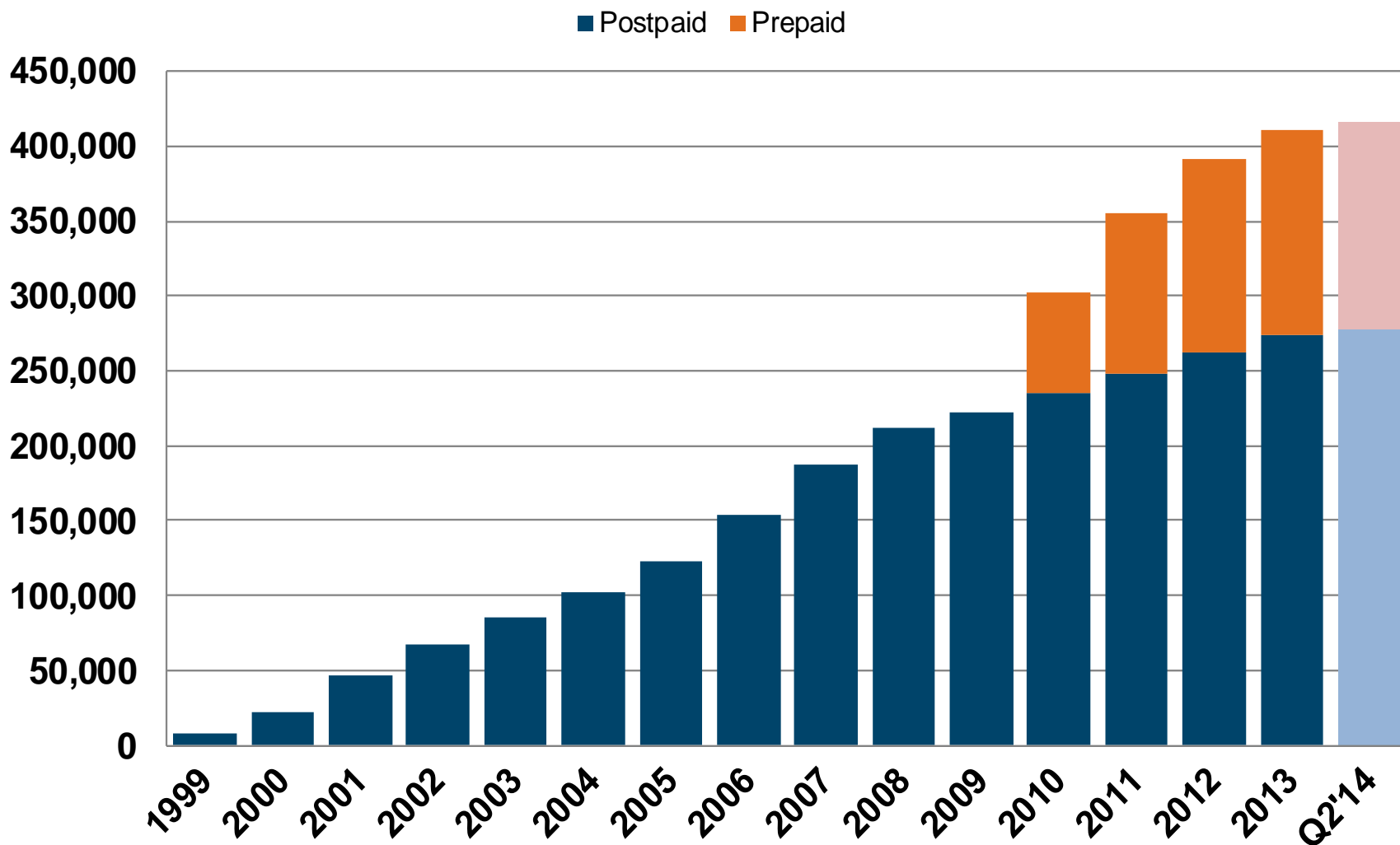
- One of only 2 Sprint affiliates
- 2.1 million covered POPs
- 416k total subscribers
 - 20% penetration of covered POPs
- 528 base stations

LONG TERM CONTRACT:

- Initial contract term to 2024
- Two 10-year renewals
- Payment at termination
- 22% Fee (Management: 8%; Service: 14%); capped for the duration of the contract

SPRINT PROVIDES:

- Spectrum
- Brand
- National Platform
- Access to Sprint vendors on similar terms
- Billing
- Customer Care
- Long Distance
- Travel/Roaming
- National Distribution (Commissions and Handset Subsidies)



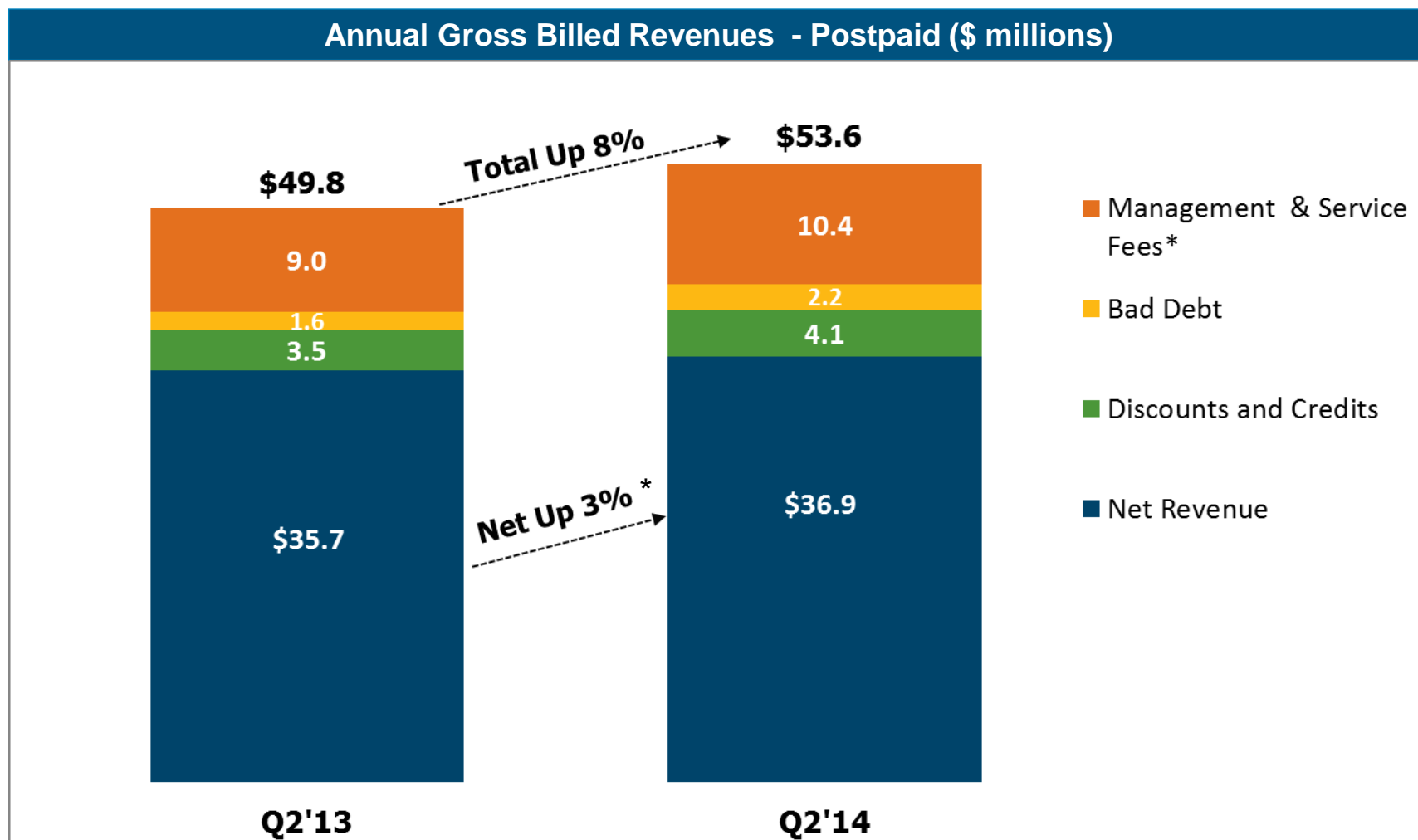


Postpaid Retail Channels	
Corporate	16
Branded	19
Local Agents (LFI)	7
Nationals (Big Box Retailers)	78
Total	120



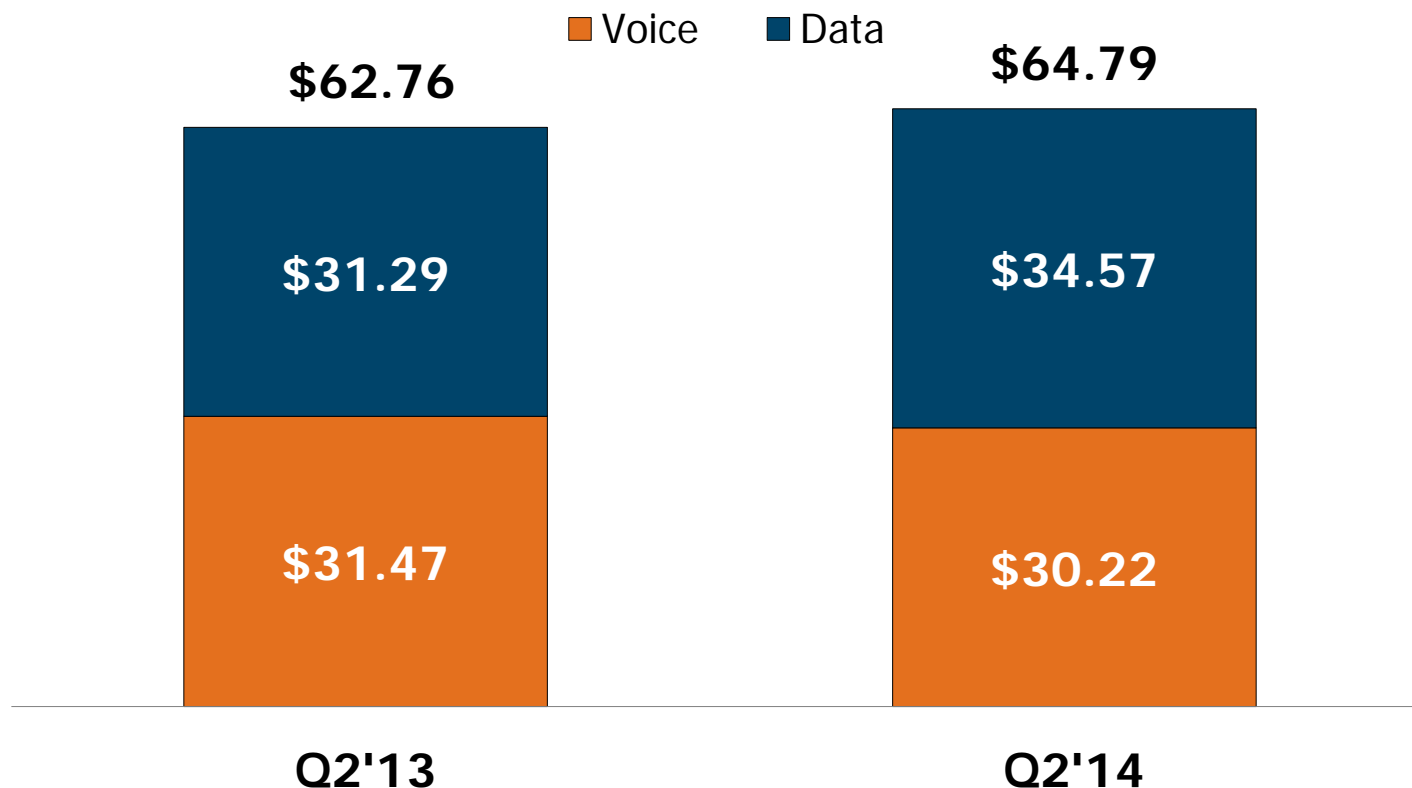
As of 6/30/2014							
	Shentel PCS	nTelos	US Cellular	Sprint Nextel	T-Mobile	Verizon Wireless	AT&T Mobile
Covered POPS (in 000s)	2,100	6,000	31,729	279,000	290,000	308,000	321,000
% Growth	4.6%	0.7%	(6.1%)	(0.5%)	2.6%	4.5%	3.5%
Penetration	19.8%	7.6%	14.2%	16.4%	13.9%	34.0%	25.3%

Source: Company filings, SNL Kagan, and Shentel estimates;
 Covered pops and penetration as of June 30, 2014;
 Growth and penetration rates cover Postpaid and Prepaid subs only;
 % growth for trailing twelve months as of June 30, 2014; excludes
 acquisitions and divestitures



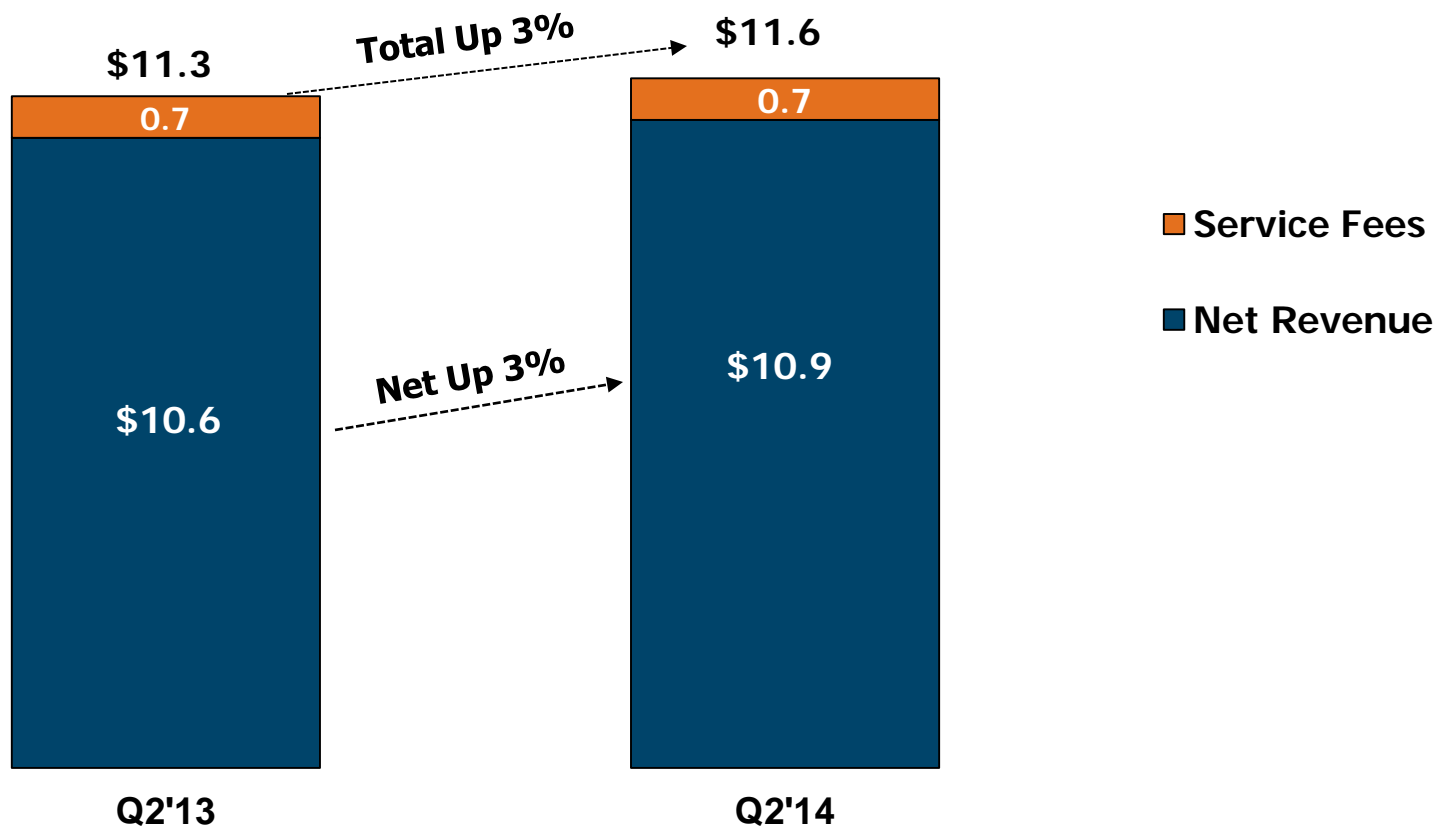
*Net service fee increased from 12% to 14% effective 8/1/2013

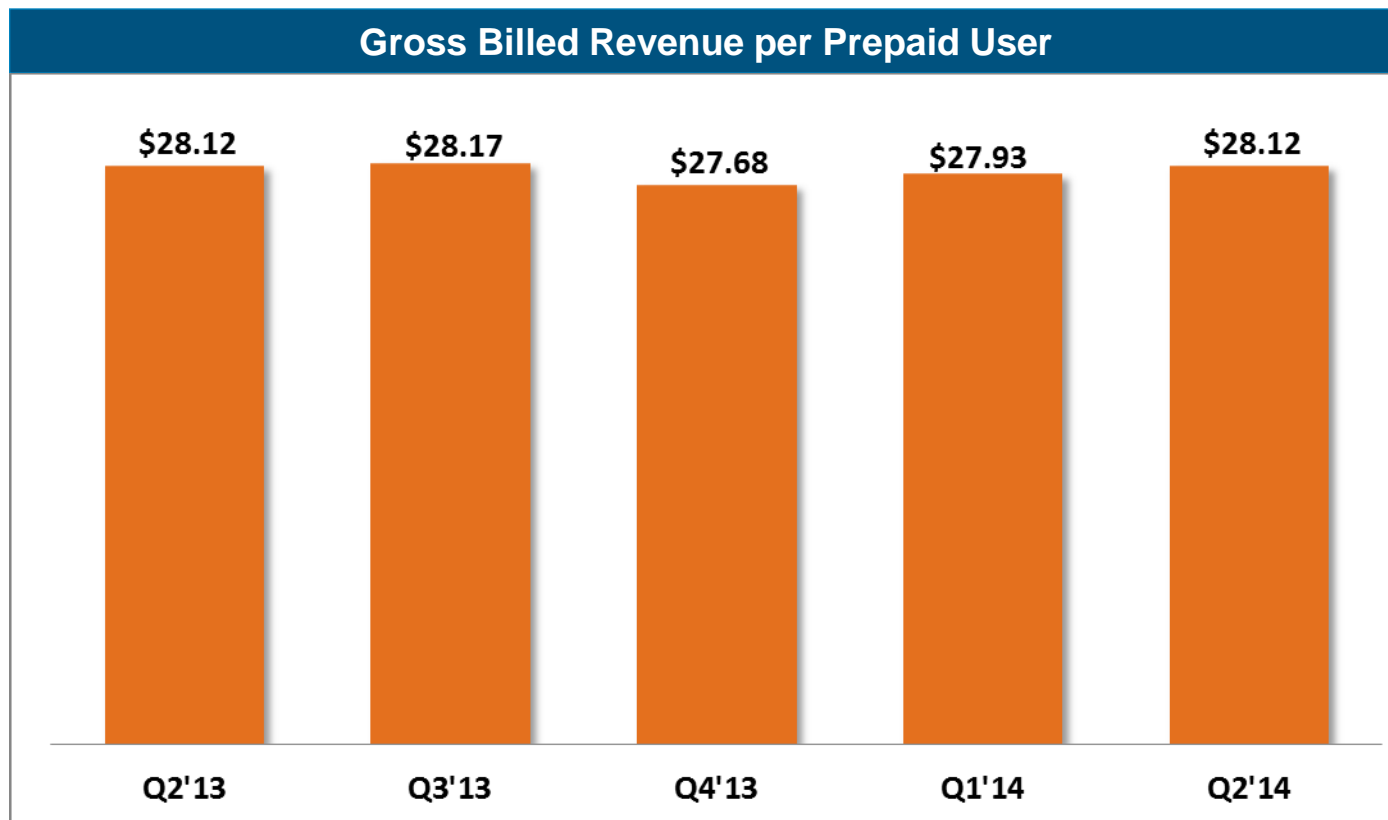
Gross Billed Revenue per Postpaid User – Data & Voice ¹



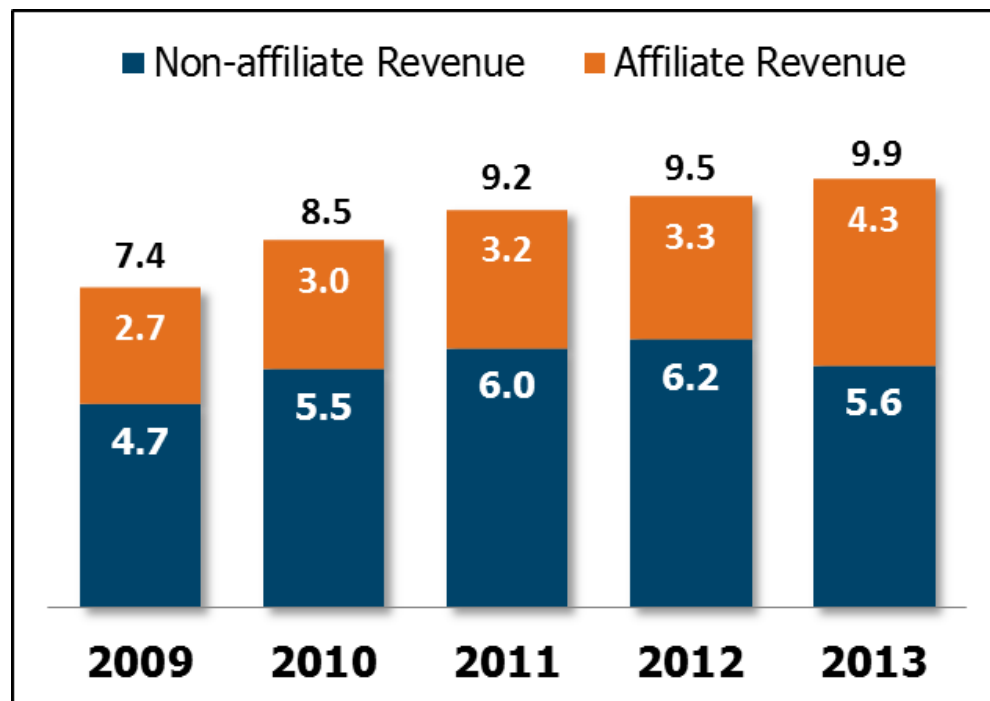
¹ – Before Service credits, bad debt, Sprint Nextel fees.

Gross Billed Revenues - Prepaid (\$ millions)





Steady Recurring Cash Flow

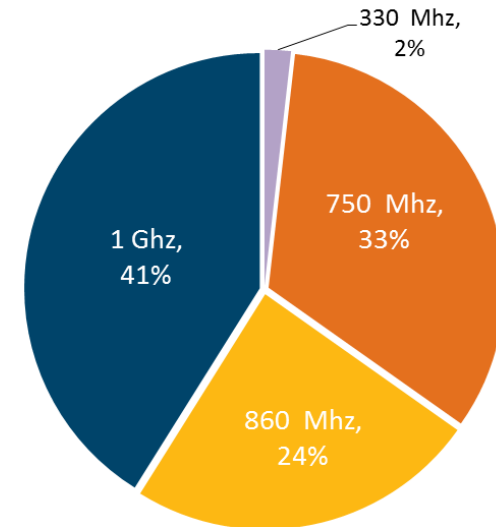


- Tower lease revenue of \$9.9 million in FY'13 with \$6.2 million of EBITDA
- Long-term opportunity to increase leasing revenues given growing demand for data
- Company owns 154 cell towers
 - Most carriers do not own their own towers

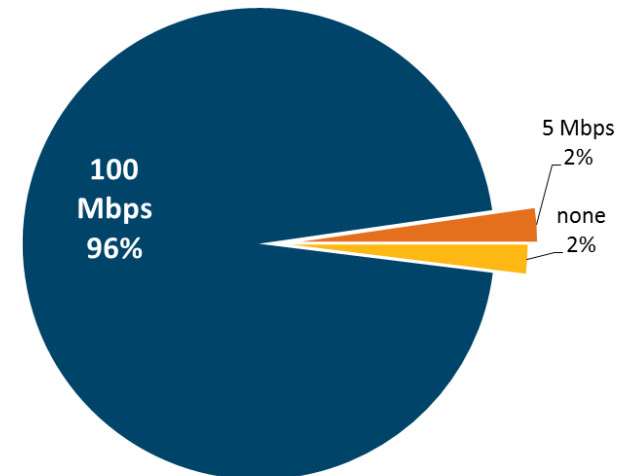
CABLE SEGMENT

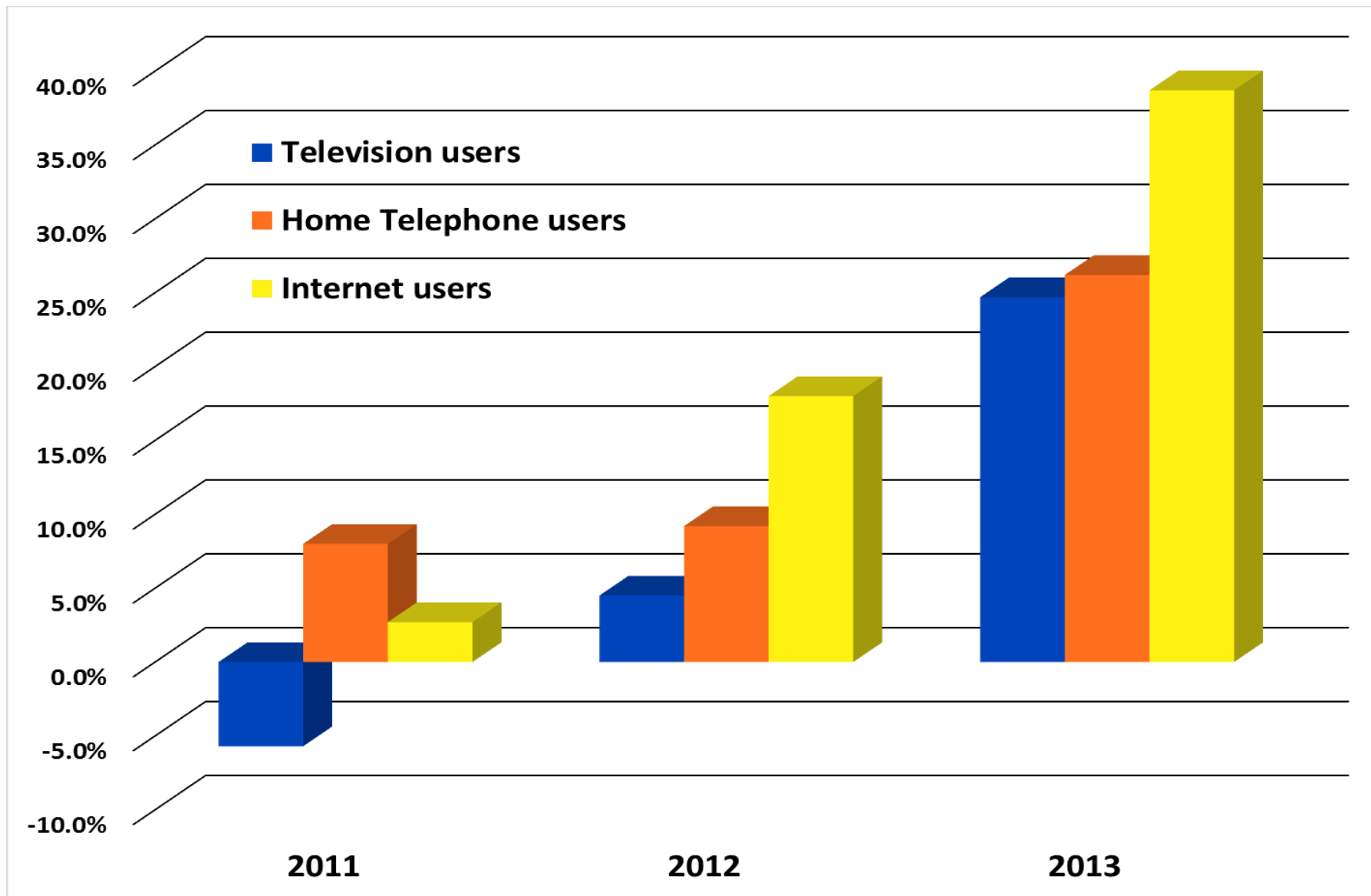
- Focus on broadband
- Diversifies revenue streams
- Opportunity to consolidate cable providers in region
- Strong regional presence
- Long-term opportunity to acquire/upgrade neglected markets
- Strong demand in the region for high-speed “triple play” offering

Capacity of the System

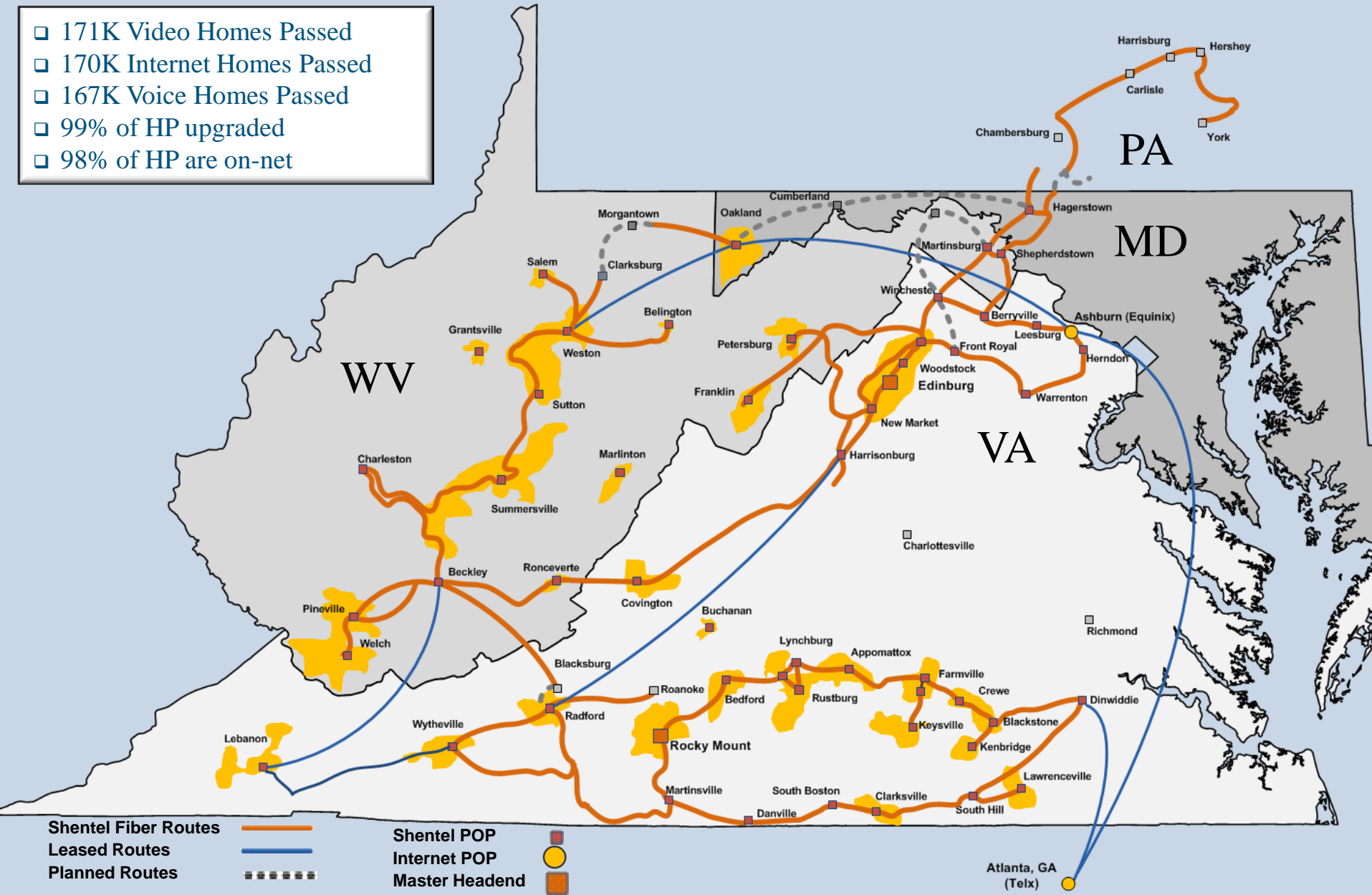


Highest Data Speed





- 171K Video Homes Passed
- 170K Internet Homes Passed
- 167K Voice Homes Passed
- 99% of HP upgraded
- 98% of HP are on-net



Shentel Cable

- Improved customer experience: higher speeds, lower cost, and choice to bundle or pick and choose services
- We own/control our backbone fiber network and our telephone switch
- Local/Regional focus

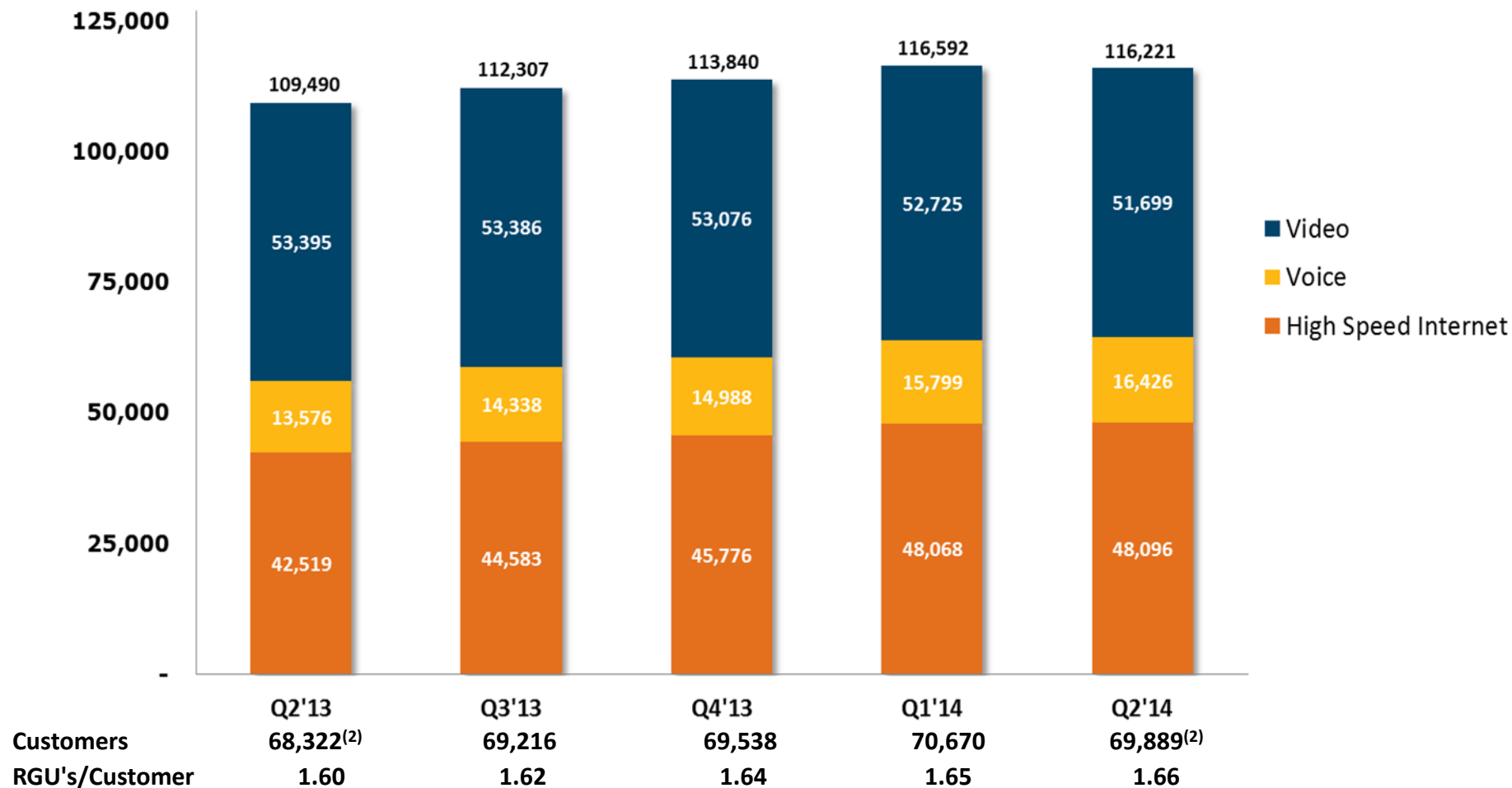
Competitors

Verizon/CenturyLink/Frontier

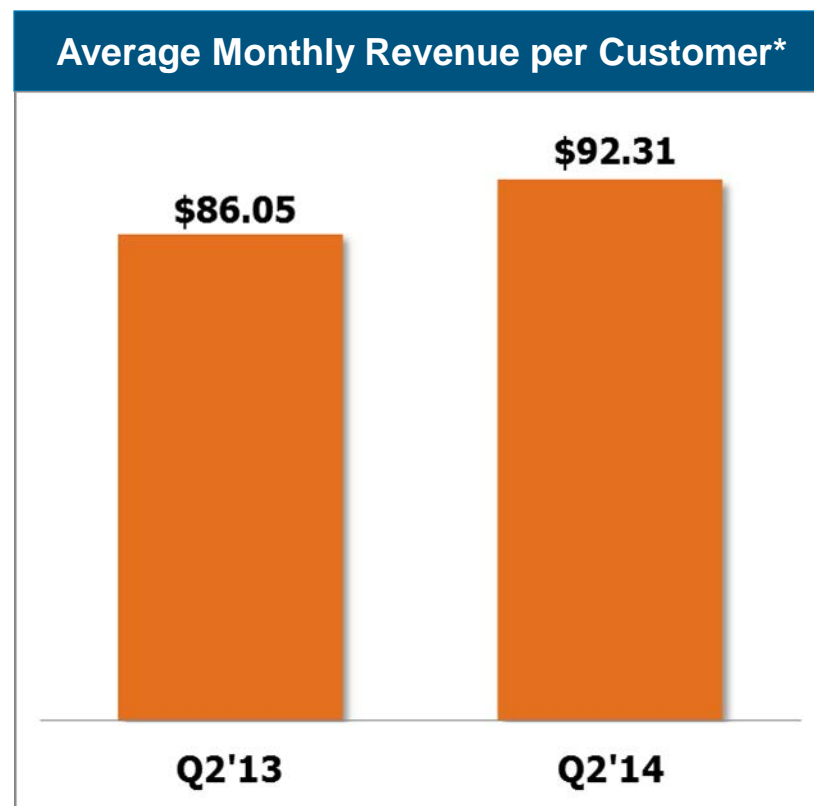
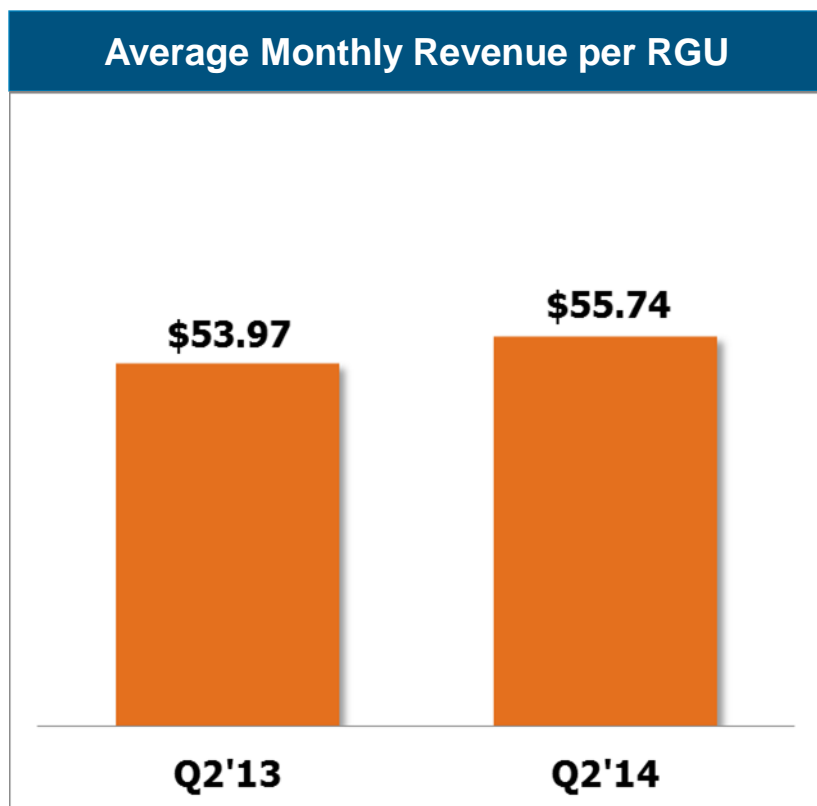
- DSL– slower service
- Requires significant capital expenditure to offer comparable service to Cable
- Loss of cash flow from shrinking voice service
- Bundling of satellite video with their voice and DSL

Dish/DirecTV

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



1. Prior periods revised to reflect transfer of Shenandoah County, VA video activities to Wireline
2. College students disconnect during summer



*Average monthly revenue per video subscriber was \$109.66 and \$124.32 for Q2 2013 and Q2 2014, respectively.

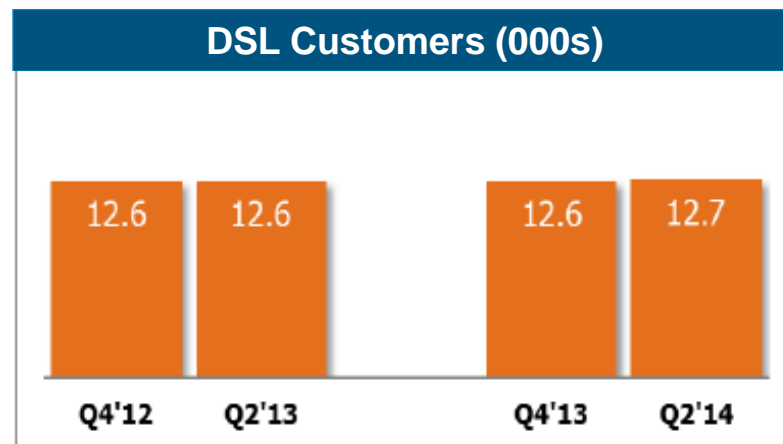
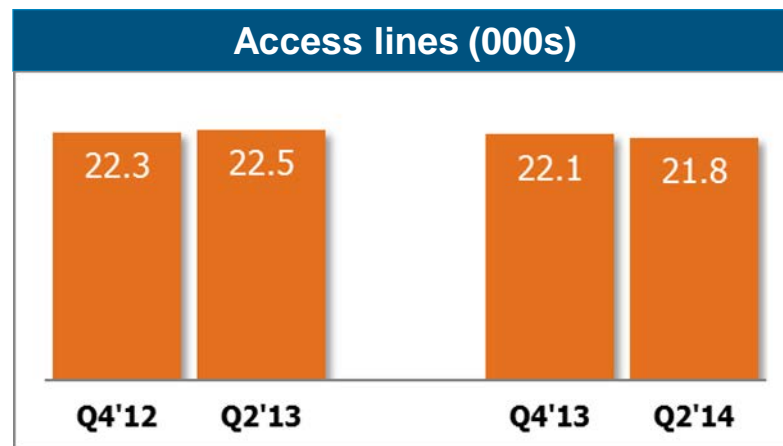
	<u>June 30,</u>		<u>Peer</u>
	<u>2013</u>	<u>2014</u>	<u>Average*</u>
<u>Video</u>			
Homes Passed	168,523	171,147	
Penetration	31.7%	30.2%	30.9%
<u>High-speed Internet</u>			
Available Homes	166,675	168,923	
Penetration	25.5%	28.5%	29.4%
<u>Voice</u>			
Available Homes	161,709	166,186	
Penetration	8.4%	9.9%	8.2%

Acquired Neglected Markets; Opportunity to Drive Higher Penetration

** Note: Peer Average information derived from SNL Kagan data as of 6/30/2014 for 10 comparably sized companies: Anne Arundel Broadband; Baja Broadband; BendBroadband; Comporium Communications; Fidelity Communications; Morris Broadband; Northland Cable Television; Schurz Communications; WEHCO Video; Zito Media.*

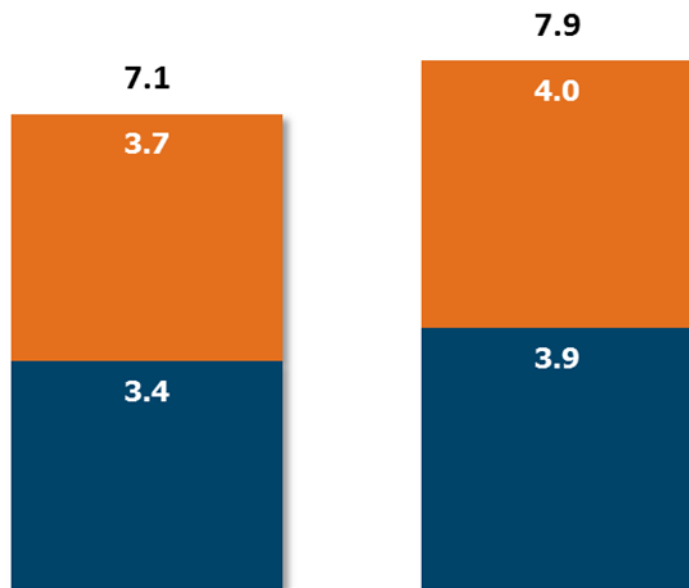
WIRELIN SEGMENT

- Access line loss of 2.8% in past 12 months
- Broadband penetration in LEC area at 58.2%
- Total connections at 6/30/14 of 34.5 thousand
- Over 6,000 video subscribers at 6/30/14



Fiber Lease Revenue

■ Non-affiliate Revenue ■ Affiliate Revenue

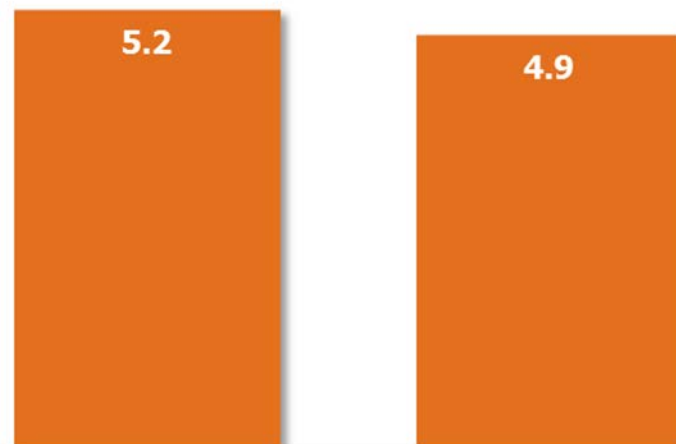


Q2'13

Q2'14

New External Fiber Lease Contracts*

Non-affiliate Revenue

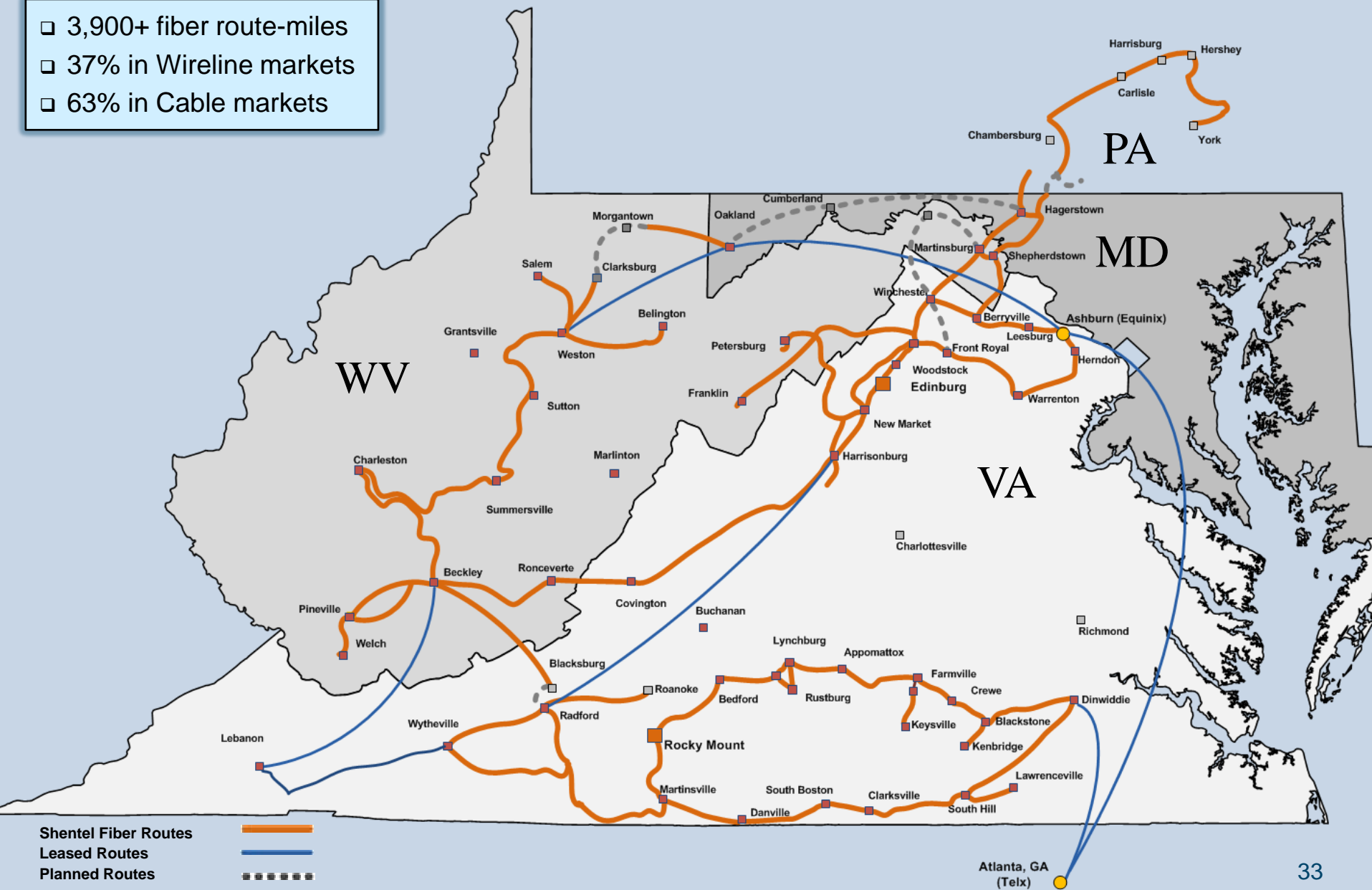


Q2'13

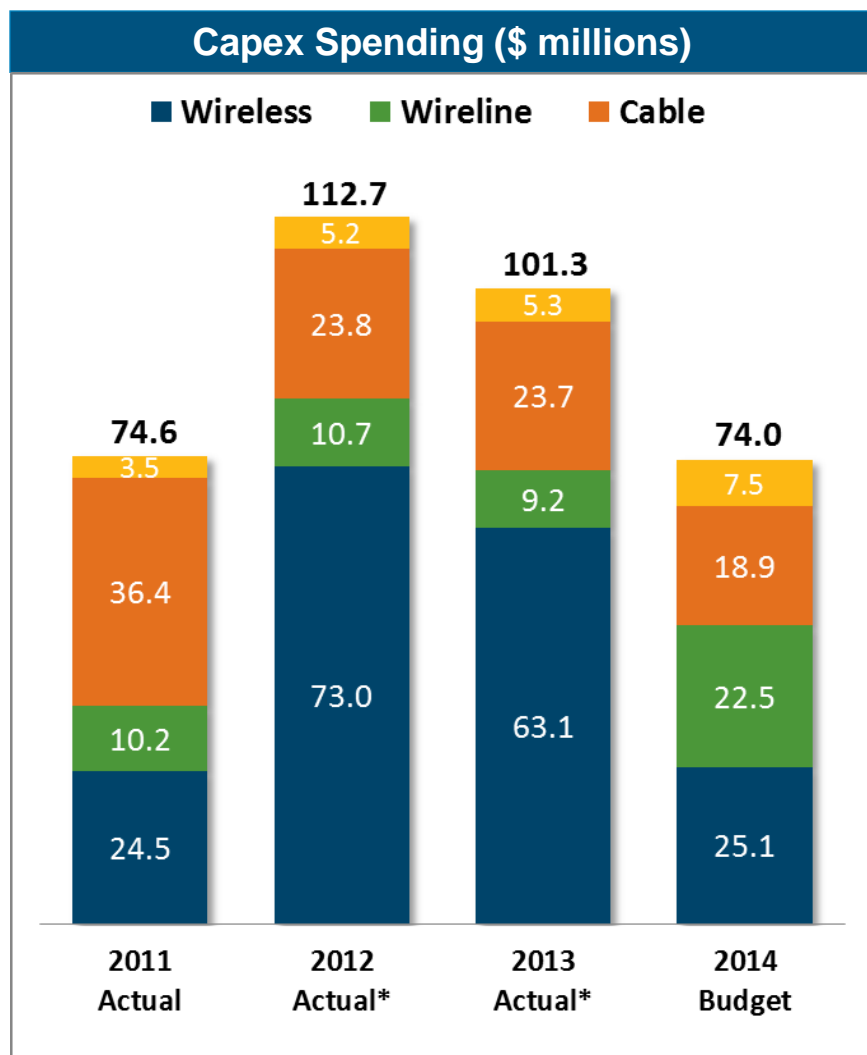
Q2'14

* Amounts shown represent the total contract value. Contract Terms range from 36 to 120 months. Revenues may be booked either in the Wireline or Cable segment depending on which assets are used to provide the service.

- ❑ 3,900+ fiber route-miles
- ❑ 37% in Wireline markets
- ❑ 63% in Cable markets



CAPITAL INVESTMENT



- 2014 Capex Spending:
 - 24% Maintenance
 - 24% Capacity
 - 30% Network Expansion
 - 22% Success-Based

* Accounts payable at December 31, 2013 and 2012 included \$7.6 million and \$24.7 million associated with PCS Network Vision capital expenditures. These amounts were included in the statements of Cash Flows in the year that the payables were satisfied.

Q&A

APPENDIX

Postpaid PCS Customers Top Picks Q2 2014

■ **Top Service Plans** – 84% of Gross Adds

Unlimited, My Way	38%
* Sprint Framily	23%
3G/4G Tablet 1GB	14%
Everything Data 1500	9%

■ **Top Devices** – New Activations – All Channels

iPhone	32%
Samsung Galaxy S	22%
Samsung Galaxy Tablet	20%

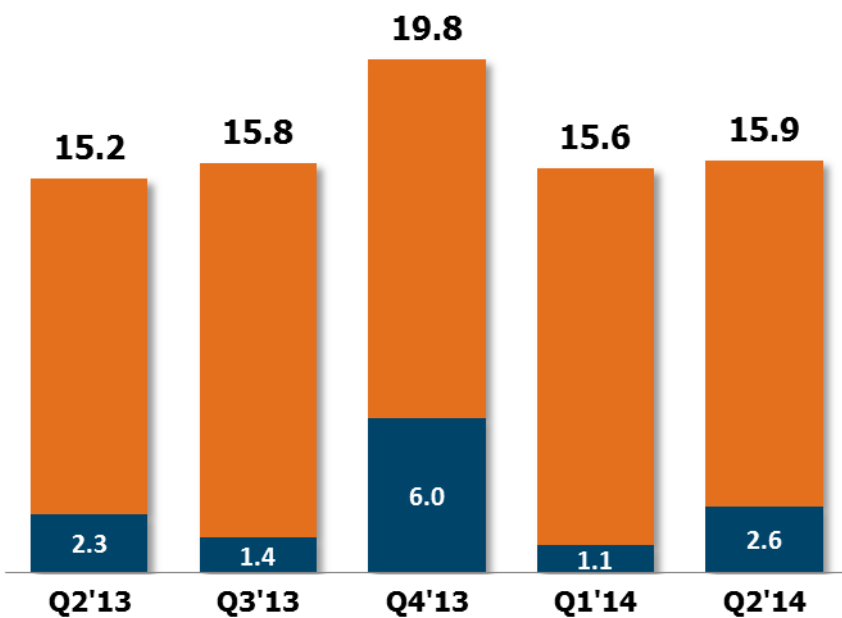
Smartphones made up 77% of the Postpaid base in Q2 and Q1 2014, up from 70% in Q2 2013.

Customers with 4G LTE handsets in Q2 2014 – 57.5%

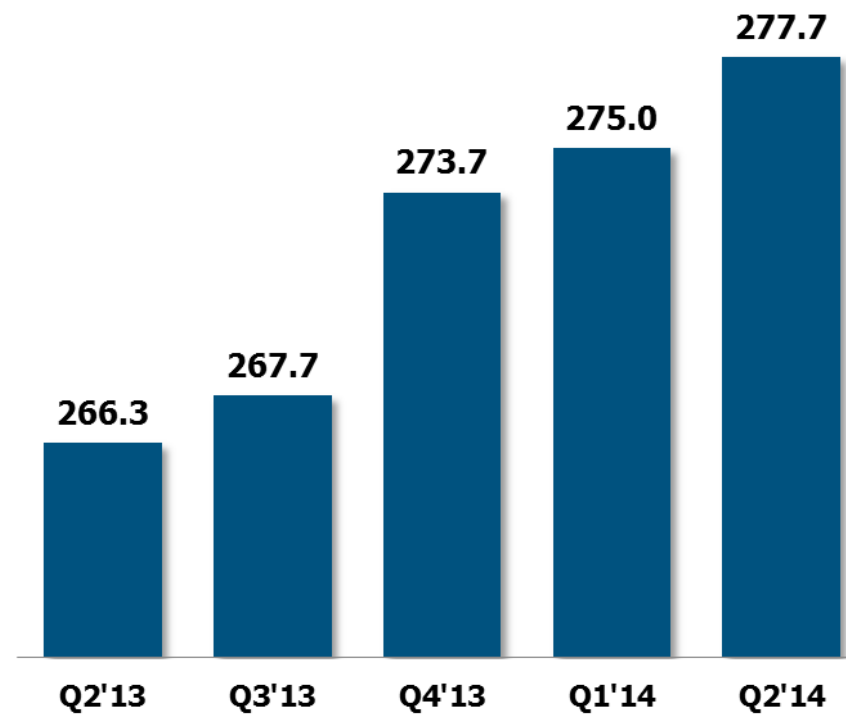
* New Service Plan offered in Q2 2014

Gross Additions (000s)

■ Net Additions ■ Gross Additions

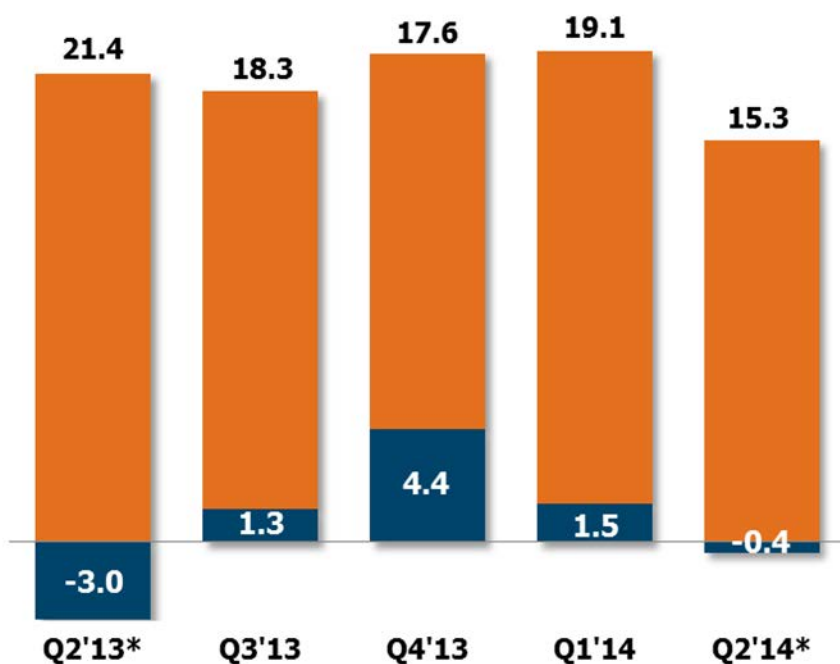


Cumulative Customers (000s)

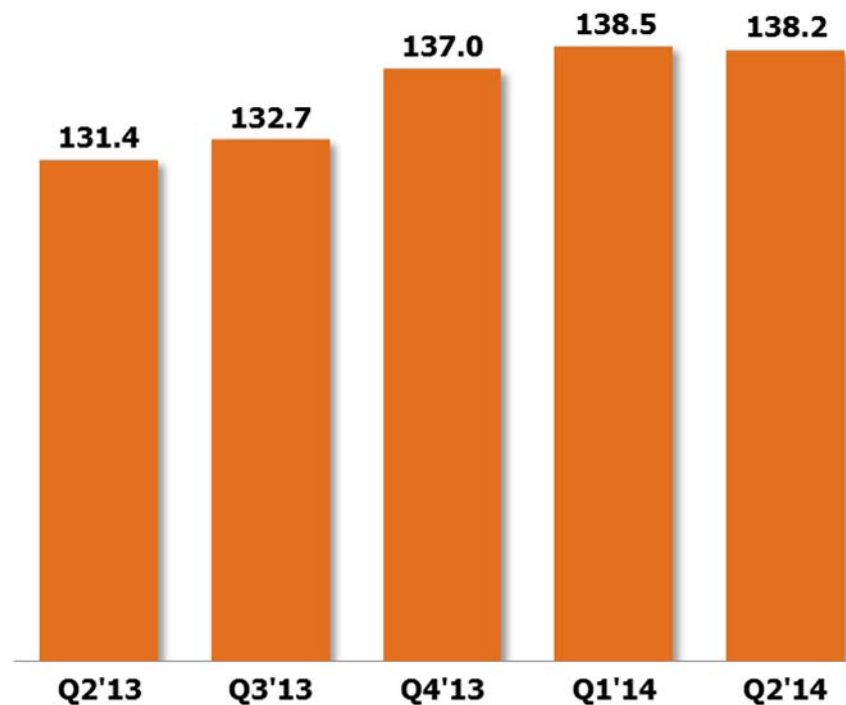


Gross Additions (000s)

■ Gross Additions ■ Net Additions

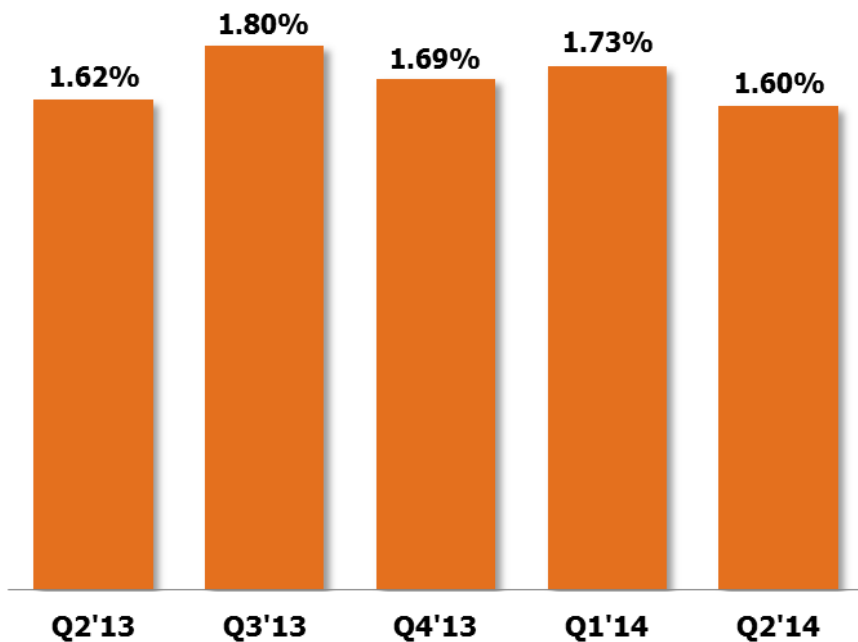


Cumulative Customers (000s)

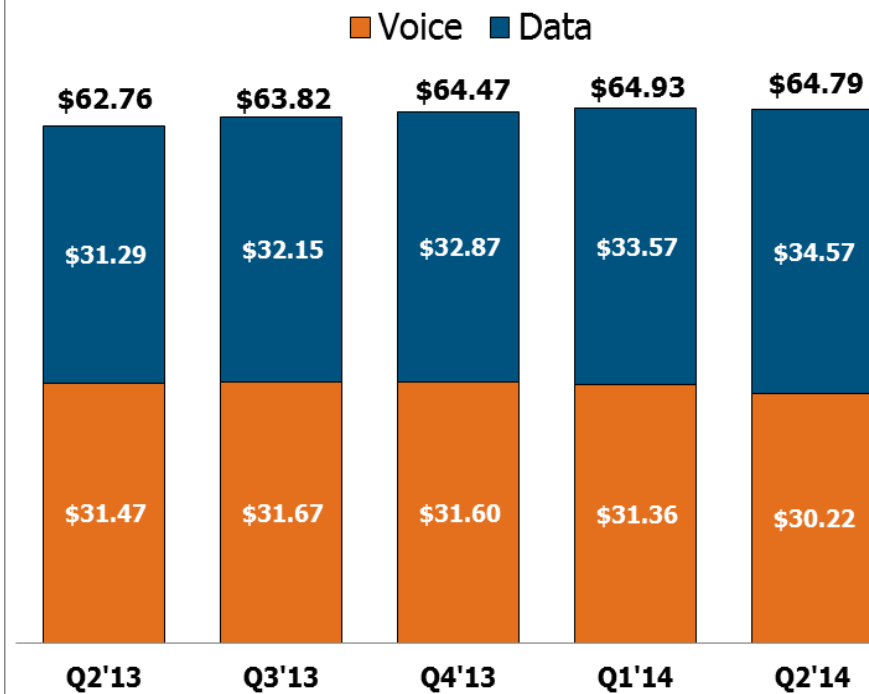


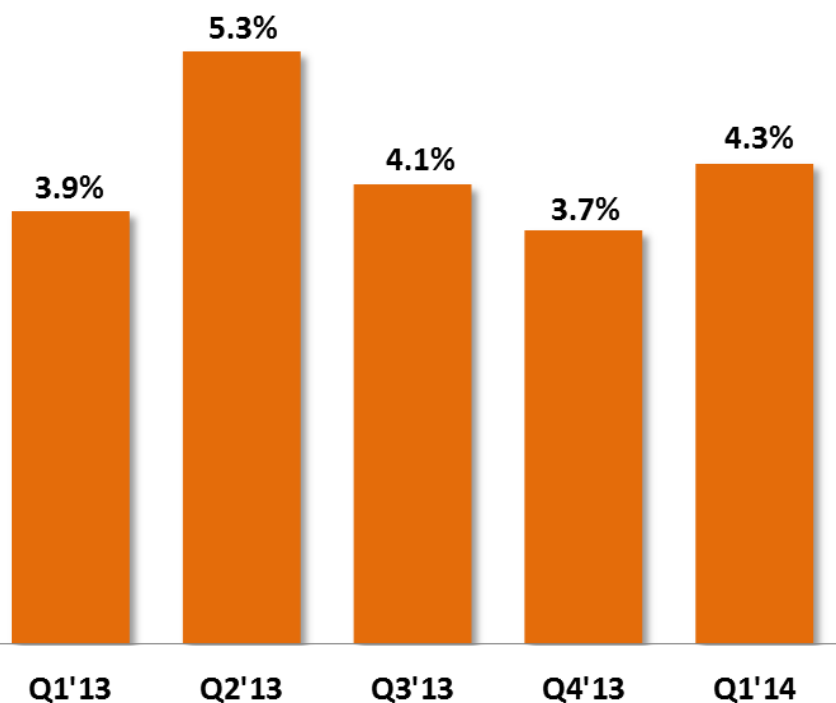
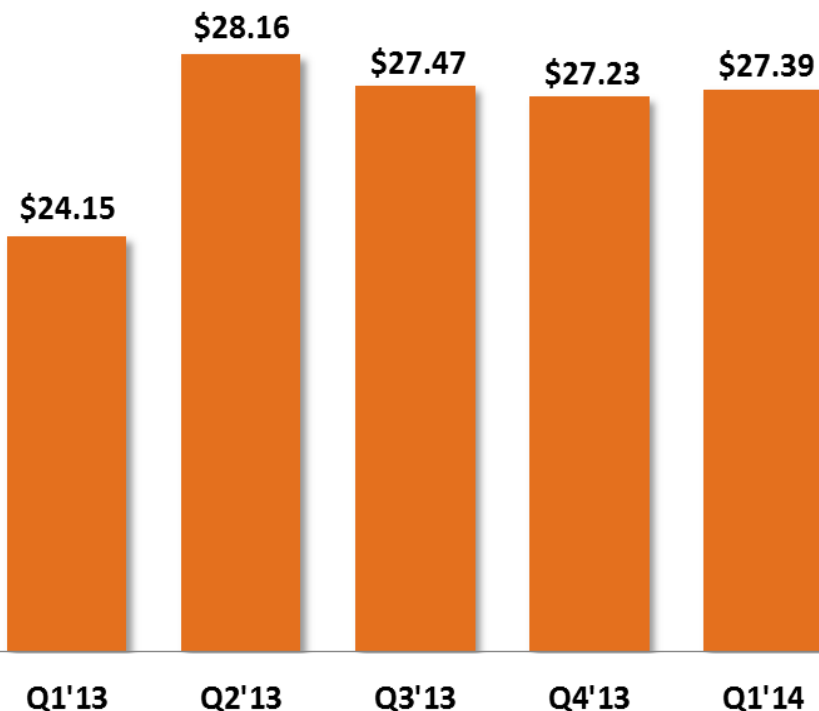
*The loss of customers in Q2'13 related to more stringent governmental requirements for customers renewing their eligibility for the government subsidized Assurance program.

Churn %



Average Gross Billed Revenue

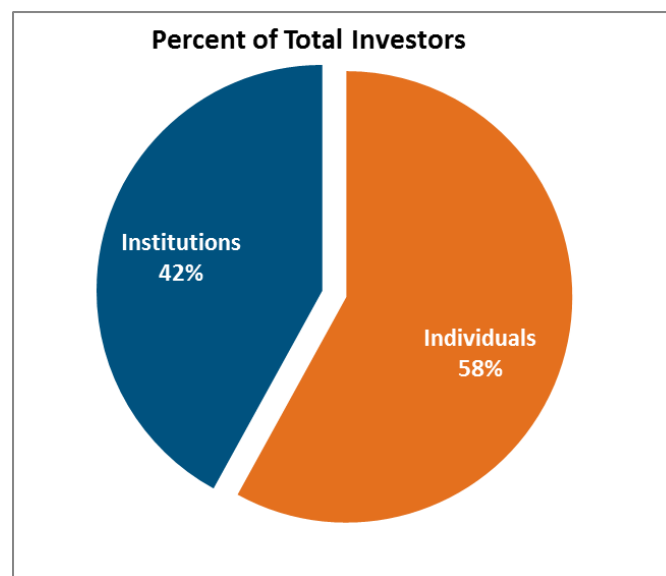


Churn %**Average Gross Billed Revenue**



“Shenandoah Telecommunications Company
was selected from among thousands for its
exemplary trustworthy behavior.”

<u>Holder Name / Fund Name</u>	<u>Mkt Val</u>	<u>% Shares Outstanding</u>
BlackRock Institutional Trust Company, N.A.	\$52,855,106	7.20%
The Vanguard Group, Inc.	35,397,992	4.82%
12 West Capital Management, L.P.	32,967,955	4.49%
Dimensional Fund Advisors, L.P.	16,897,715	2.30%
Seven Locks Capital Management LP	14,708,708	2.00%
State Street Global Advisors (US)	12,514,674	1.71%
Northern Trust Investments, N.A.	8,599,315	1.17%
Renaissance Technologies Corp.	7,992,704	1.09%
James Investment Research Inc.	7,874,336	1.07%
Teton Advisors, Inc.	7,615,000	1.04%



Analyst Firm	Contact Name
Drexel Hamilton, LLC	Barry Sine
Friedman, Billings, Ramsey & Co. Inc.	David Dixon
Raymond James & Associates, Inc.	Ric Prentiss