

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended June 30, 1996

Commission File Number 0-9881

SHENANDOAH TELECOMMUNICATIONS COMPANY
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation or
organization)

54-1162806
(I.R.S. Employer
Identification
Number)

P.O. Box 459, Edinburg, Virginia 22824
(Address of principal executive office and zip code)

Registrant's telephone number,
including area code: (540) 984-4141

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the close of the period covered by this report.

Class	Outstanding at August 12, 1996
Common Stock, No Par Value	3,760,760 Shares

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SHENANDOAH TELECOMMUNICATIONS COMPANY

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SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 1996	December 31, 1995
CURRENT ASSETS		
Cash & Cash Equivalents	\$4,863,872	\$6,106,447
Certificates of Deposit	1,331,366	1,242,228
Investments Held to Maturity	1,151,123	2,488,773
Accounts Receivable	3,161,055	3,068,379
Leases Receivable (Net)	74,350	74,350
Materials	2,408,770	1,922,090
Prepaid and Other Current Assets	255,730	406,653
	-----	-----
Total Current Assets	\$13,246,266	\$15,308,920
	-----	-----
NONCURRENT ASSETS		
Investment in available for sale Securities	\$1,888,910	\$2,000,077
Investment in held-to-maturity securities	2,622,404	2,098,968
Other investments	3,084,160	3,412,464
Investment in Direct Financing Leases	229,016	250,321
	-----	-----
Total Noncurrent Assets	\$7,824,490	\$7,761,830
	-----	-----
PLANT, PROPERTY AND EQUIPMENT		
Plant in Service	\$56,769,893	\$53,316,016
Plant Under Construction	4,540,868	2,372,750
Less Accumulated Depreciation	20,202,536	18,862,526
	-----	-----
Net Plant, Property, and Equipment	\$41,108,225	\$36,826,240
	-----	-----
TOTAL ASSETS	\$62,178,981	\$59,896,990
	=====	=====

See accompanying notes to consolidated financial statements.PAGE

SHENANDOAH TELECOMMUNICATIONS COMPANY
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PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

June 30, 1996 December 31, 1995

CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$461,927	\$461,927
Accounts Payable	479,507	813,887
Advance Billing	369,334	625,559
Customer Deposits	101,863	107,509
Accrued construction costs	198,137	1,097,844
Other Current Liabilities	891,586	1,066,225
Income Taxes Payable	10,339	0
Other Accrued Taxes	252,259	85,804
	-----	-----
Total Current Liabilities	\$2,764,952	\$4,258,755
	-----	-----
LONG TERM DEBT, LESS CURRENT MATURITIES	\$10,978,182	\$10,097,026
	-----	-----
OTHER LIABILITIES AND DEFERRED CREDITS		
Deferred Investment Tax Credits	\$329,807	\$367,143
Deferred Income Taxes	4,029,999	3,965,318
Pension and Other	487,448	438,324
	-----	-----
Total Other Liabilities and Deferred Credits	\$4,847,254	\$4,770,785
	-----	-----
Minority interests	\$1,546,013	\$1,499,151
	-----	-----

See accompanying notes to consolidated financial statements.

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PART I, FINANCIAL INFORMATION
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LIABILITIES AND STOCKHOLDERS' EQUITY

June 30, 1996 December 31, 1995

STOCKHOLDERS' EQUITY

Common Stock, no par, 8,000,000 shares authorized (3,760,760 shares issued and outstanding)	\$4,740,677	\$4,740,677
Retained Earnings	36,942,246	34,301,584
Unrealized Gain on available-for-sale securities	359,657	229,012
	-----	-----
Total Stockholders' Equity	\$42,042,580	\$39,271,273
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$62,178,981	\$59,896,990
	=====	=====

See accompanying notes to consolidated financial statements.

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SHENANDOAH TELECOMMUNICATIONS COMPANY
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PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three months ended June 30		Six months ended June 30	
	1996	1995	1996	1995
OPERATING REVENUES	-----	-----	-----	-----
Telephone Revenues				
Local Service	\$811,613	\$764,253	\$1,602,425	\$1,516,093
Access	1,696,340	1,607,465	3,470,128	3,223,450
Toll	4,412	3,314	8,767	6,788
Miscellaneous:				
Directory	296,408	271,595	580,076	564,710
Facility Leases	451,974	425,262	885,172	843,765
Billing & Collection	108,967	73,275	223,009	179,344
Other Miscellaneous	23,068	31,280	52,228	58,791
	-----	-----	-----	-----
Total Telephone Revenues	3,392,782	3,176,444	6,821,805	6,392,941
Cable Television Revenues	221,843	216,922	441,977	431,564
ShenTel Service Revenues	380,664	266,443	774,226	683,881
Leasing Revenues	5,163	6,438	9,772	12,531
Mobile Revenues	1,674,507	1,239,610	3,041,646	2,291,475
Long Distance Revenues	249,376	273,981	533,728	562,589
Network Revenues	123,842	123,842	247,685	247,685
	-----	-----	-----	-----
Total Revenues and Sales	6,048,177	5,303,680	11,870,839	10,622,666
	-----	-----	-----	-----

See accompanying notes to consolidated financial statements. PAGE

SHENANDOAH TELECOMMUNICATIONS COMPANY
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PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

Three months ended
June 30

Six months ended
June 30

	----- 1996	1995 -----	----- 1996	1995 -----
OPERATING EXPENSES				
Cost of Products and Services Sold	249,042	115,315	522,983	327,275
Line Costs	90,860	115,745	225,441	247,009
Plant Specific	502,049	484,915	1,026,447	919,117
Plant Non-Specific:				
Network & Other	801,581	484,608	1,463,517	895,158
Depreciation and Amortization	815,439	707,211	1,617,960	1,390,681
Customer Operations	830,548	571,742	1,594,590	1,127,630
Corporate Operations	556,244	466,496	1,075,888	934,543
Other Operating Income & Expense	47,435	46,565	93,801	92,016
Taxes other than income	101,684	81,835	201,986	167,179
	-----	-----	-----	-----
Total Operating Expenses	3,994,882	3,074,432	7,822,613	6,100,608
	-----	-----	-----	-----
Operating income	2,053,295	2,229,248	4,048,226	4,522,058
Gain on Sale of Investment	0	0	228,250	872,125
Non-operating income less expenses	242,528	251,845	436,531	438,657
Interest expense	128,418	171,659	269,678	350,692
	-----	-----	-----	-----
Income before taxes	2,167,405	2,309,434	4,443,329	5,482,148
Provision for income taxes	719,871	779,998	1,500,806	1,908,442
	-----	-----	-----	-----
Net income before minority interest	1,447,534	1,529,436	2,942,523	3,573,706
Minority interest	(180,421)	(145,144)	(301,862)	(254,980)
Net Income	\$1,267,113	\$1,384,292	\$2,640,661	\$3,318,726
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.PAGE

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three months ended June 30		Six months ended June 30	
	1996	1995	1996	1995
EARNINGS PER SHARE				
Weighted Average Common Shares Outstanding	3,760,760 =====	3,760,760 =====	3,760,760 =====	3,760,760 =====
Net Earnings per Share	\$0.34 =====	\$0.37 =====	\$0.70 =====	\$0.88 =====

See accompanying notes to consolidated financial statements.

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SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED)

	SIX MONTHS ENDED JUNE 30	
	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$2,640,661	\$3,318,726
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	1,617,960	1,390,681
Deferred taxes	(53,107)	185,020
Gain on Sale of Equity investment	(228,250)	(872,125)
Investment (Gains)/Losses	(140,082)	(119,532)
Minority Share of Income	46,862	254,980
Payment to Pension Fund	0	(176,186)
Other	143,002	122,652
Decrease (increase) in		
Accounts receivable	(92,676)	100,047
Materials and Supplies	(486,680)	(265,477)
Increase (decrease) in		
Accounts Payable	(334,380)	123,812
Income taxes payable	173,199	137,856
Other prepaids, deferrals, and accruals	(228,407)	(171,804)
Net cash provided by operating activities	3,058,102	4,028,650

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY
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PART I, FINANCIAL INFORMATION
ITEM I, FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED)

SIX MONTHS ENDED JUNE 30
1996 1995

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	(6,941,932)	(2,612,565)
Investment in Direct Financing Leases	(21,854)	(36,184)
Payments Received on Direct Financing Leases	43,159	45,056
Purchase of Certificates of Deposit	(611,856)	(1,271,970)
Sale of Certificates of Deposit	522,718	441,564
Purchase of Investments Securities	(563,488)	(3,549,591)
Sales of Investments Securities	2,249,231	1,159,670
Cash flows from Securities	142,189	183,298
Proceeds from matured note receivable	0	375,000
	-----	-----
Net cash used by investing activities	(5,181,833)	(5,265,722)
	-----	-----

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long term debt	1,117,000	0
Principal payments on long term debt	(235,844)	(211,375)
	-----	-----
Net cash used by financing activities	881,156	(211,375)
	-----	-----

NET INCREASE / (DECREASE) IN CASH	(1,242,575)	(1,448,447)
-----------------------------------	-------------	-------------

CASH AND CASH EQUIVALENTS:

Beginning	6,106,447	6,270,849
	-----	-----
Ending	\$4,863,872	\$4,822,402
	=====	=====

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. In the opinion of management, the accompanying consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly Shenandoah Telecommunications Company's financial position as of June 30, 1996 and the results of operations and cash flows for the six month periods ended June 30, 1996 and 1995.

While the Company believes that the disclosures presented are adequate, to make the information not misleading, it is suggested that these financial statements be read in conjunction with the financial statements and notes included in the Company's annual report in Form 10-K.

2. The results of operations for the three-month and six-month periods ended June 30, 1996 and 1995 are not necessarily indicative of the results to be expected for the full year.
3. The Company signed a letter of intent in February 1996 to acquire the Shenandoah County assets of FrontierVision Operating Partners, LP. The Company signed the definitive agreement for this purchase on July 30, 1996.
4. The Company signed a note with CoBank on August 2, 1996 to borrow up to \$25 million. The Company expects to begin drawing these funds in the third quarter of 1996.

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SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Summary

The following tables set forth, for the periods indicated, the percentages which certain items reflected in the financial data bear to total operating revenues and the percentage increase of such items as compared to the indicated prior period:

	RELATIONSHIP TO				PERIOD TO PERIOD			
	TOTAL OPERATING REVENUES				INCREASE OR DECREASE			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	1996	1995	1996	1995	1996-95	1995-94	1996-95	1995-94
OPERATING REVENUES								
Telephone Revenues								
Local Service	13.4%	14.4%	13.5%	14.3%	6.2%	5.9%	5.7%	8.7%
Access	28.0%	30.3%	29.2%	30.3%	5.5%	3.5%	7.7%	-1.6%
Toll	0.1%	0.1%	0.1%	0.1%	33.1%	-116.4%	29.2%	-138.7%
Miscellaneous:								
Directory	4.9%	5.1%	4.9%	5.3%	9.1%	8.3%	2.7%	9.6%
Facility Leases	7.5%	8.0%	7.5%	7.9%	6.3%	12.7%	4.9%	39.9%
Billing & Collection	1.8%	1.4%	1.9%	1.7%	48.7%	-32.6%	24.3%	-19.3%
Other Miscellaneous	0.4%	0.6%	0.4%	0.6%	-26.3%	-39.3%	-11.2%	-45.2%
Total Telephone Revenues	56.1%	59.9%	57.5%	60.2%	6.8%	4.4%	6.7%	4.8%
Cable Television Revenues	3.7%	4.1%	3.7%	4.1%	2.3%	24.3%	2.4%	25.7%
ShenTel Service Revenues	6.3%	5.0%	6.5%	6.4%	42.9%	-43.3%	13.2%	-9.0%
Leasing Revenues	0.1%	0.1%	0.1%	0.1%	-19.8%	18.0%	-22.0%	31.8%
Mobile Revenues	27.7%	23.4%	25.6%	21.6%	35.1%	18.0%	32.7%	17.1%
Long Distance Revenues	4.1%	5.2%	4.5%	5.3%	-9.0%	-0.2%	-5.1%	-0.9%
Network Revenues	2.0%	2.3%	2.1%	2.3%	0.0%	54.4%	0.0%	54.4%
Total Revenues and Sales	100.0%	100.0%	100.0%	100.0%	14.0%	4.0%	11.8%	7.4%

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

	RELATIONSHIP TO				PERIOD TO PERIOD			
	TOTAL OPERATING REVENUES				INCREASE OR DECREASE			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	1996	1995	1996	1995	1996-95	1995-94	1996-95	1995-94
OPERATING EXPENSES								
Cost of Products and Services Sold	4.1%	2.2%	4.4%	3.1%	116.0%	-52.4%	59.8%	-2.1%
Line Costs	1.5%	2.2%	1.9%	2.3%	-21.5%	-8.0%	-8.7%	-4.1%
Plant Specific	8.3%	9.1%	8.6%	8.7%	3.5%	34.2%	11.7%	16.8%
Plant Non-Specific:								
Network & Other	13.3%	9.1%	12.3%	8.4%	65.4%	22.6%	63.5%	8.0%
Depreciation and Amortization	13.5%	13.3%	13.6%	13.1%	15.3%	5.2%	16.3%	4.8%
Customer Operations	13.7%	10.8%	13.4%	10.6%	45.3%	4.5%	41.4%	0.0%
Corporate Operations	9.2%	8.8%	9.1%	8.8%	19.2%	0.9%	15.1%	3.1%
Other Operating Income & Expense	0.8%	0.9%	0.8%	0.9%	1.9%	23.1%	1.9%	25.6%
Taxes other than income	1.7%	1.5%	1.7%	1.6%	24.3%	-8.5%	20.8%	1.6%
Total Operating Expenses	66.1%	57.9%	65.8%	57.5%	29.9%	4.8%	28.2%	5.1%
Operating income	33.9%	42.0%	34.1%	42.6%	-7.9%	3.0%	-10.5%	10.8%
Gain on Sale of Investment	0.0%	0.0%	1.9%	8.2%	N/A	N/A	-73.8%	N/A
Non-operating income less expenses	4.0%	4.7%	3.7%	4.1%	-3.7%	-548.3%	-0.5%	-865.9%
Interest expense	2.1%	3.2%	2.3%	3.3%	-25.2%	14.8%	-23.1%	8.8%
Income before taxes	35.8%	43.5%	37.4%	51.6%	-6.1%	12.5%	-18.9%	44.0%

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SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARY COMPANIES

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

	RELATIONSHIP TO				PERIOD TO PERIOD			
	TOTAL OPERATING REVENUES				INCREASE OR DECREASE			
	Three months ended June 30 1996		Six months ended June 30 1996		Three months ended June 30 1996-95		Six months ended June 30 1996-95	
Provision for income taxes	11.9%	14.7%	12.6%	18.0%	-7.7%	11.3%	-21.4%	46.1%
Net income before minority interest	23.9%	28.8%	24.8%	33.6%	-5.4%	13.1%	-17.7%	42.9%
Minority interest	-3.0%	-2.7%	-2.5%	-2.4%	24.3%	41.0%	18.4%	58.2%
Net Income	21.0%	26.1%	22.2%	31.2%	-8.5%	10.8%	-20.4%	41.9%

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SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Shenandoah Telecommunications Company is a diversified telecommunications holding company providing both regulated and unregulated telecommunications services through its eight wholly-owned subsidiaries.

This industry is in a period of transition from a protected monopoly to a competitive environment as evidenced by the recent passage of the Telecommunications Act of 1996. As a result, Shenandoah Telecommunications has made and plans to continue to make significant investments in the new and emerging technologies.

The most significant revenue contributors are regulated telephone local exchange company accounting for 56.1% of revenue and the cellular dominated operations of the Mobile subsidiary, accounting for 27.7% of revenue during the most recent quarter. Other significant services provided are paging, newly emerging personal communications services (PCS), cable television, Internet access, long distance, and fiber facilities and towers leased to other telecommunications carriers. The Company also sells and leases equipment, mainly related to services provided. The Company also participates in emerging technologies by direct investment in non-affiliated companies.

RESULTS OF OPERATIONS

The Company's largest source of revenue continues to be for access to the Company's local exchange network by interexchange carriers. The volume for approximately two-thirds of these access revenues generally tracks with changes in minutes of use. The minutes of use during the first half of and the second quarter of 1996 increased 10.1% and 5.7% respectively over the total minutes of use in the first half and second quarter of 1995, leading to a 7.7% year-to-date and 5.5% second quarter increase in the associated revenues. The total access revenue increase was not as large as the minutes of use increase, principally due to major growth in the non-traffic sensitive elements.

Second quarter cable television revenues increased 2.3% over the second quarter of 1995. The year-to-date increase 2.4%. The increase was due to an increase in the customer base. The Company signed a definitive agreement on July 30, 1996, to acquire CATV assets located in our service area. The Company expects to close this transaction before the end of the year.

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SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS (Continued)

The increase in the ShenTel Service revenues category for 1996 compared to 1995, is due primarily to increases in Internet Service revenues. Second quarter 1996 revenues from our Internet Service operations were up \$77,363 or 312.6% compared to the second quarter of 1995. On a year-to-date basis, these revenues increased \$150,300 or 419.0% compared to the first half of 1995. This increase is due to the increasing customer base. The Company began offering local access to the Internet in 1994. Equipment sales increased \$33,576 or 39.5% during the second quarter of 1996 compared to the same period in 1995. However, on a year-to-date basis, sales are down \$25,626 or 8.7%. Equipment rentals for the second quarter and year-to-date decreased \$10,198 and \$18,372 respectively compared to a year earlier.

Financing lease revenues are chiefly for leases and rentals of customer premise equipment such as PBXs and home satellite dishes sold through Company subsidiaries.

The Mobile revenues are mainly comprised of revenues from wireless communications services. Second quarter 1996 local cellular revenues increased \$191,862 or 35.1% compared to the same period in 1995. Year-to-date local cellular revenues have increased \$338,284 or 32.0% compared to the first six months of 1995. Included in local cellular revenues are revenues for the sale of phones. These revenues were down 44.7% and 33.9% respectively in the second quarter and year-to-date, compared to the same periods in 1995. This was due to promotional discounts given on the sale of phones in 1996. The promotional pricing began in the fourth quarter of 1995. The increase in local cellular revenues was due to a 49.7% increase in the customer base from the end of the second quarter of 1995. Second quarter 1996 outcollect roamer revenues increased \$548,749 or 46.0% compared to the same period in 1995. The increase in outcollect roamers year-to-date is \$909,784 or 40.9%.

Total payroll costs (including capitalized costs) in the first half of 1996 increased \$497,978 or 24.0% compared to the same period in 1995. Payroll costs in the second quarter of 1996 were \$229,041 or 21.8% higher than the second quarter of 1995. The increase is due to an increase in full-time equivalent employees, primarily due to the start-up of the Internet Service and Personal Communications Services operations.

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SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS (Continued)

The expense category with the largest increase in the first half of 1996 over the first half of 1995 was Network and Other. The 63.5% increase was due primarily to facilities costs attributed to our Internet Service operation and to network costs for our wireless businesses. Second quarter and year-to-date 1996 facilities costs for our Internet access business, were 118.76% and 224.24% higher respectively than for the same periods of 1995. Costs for incollect roaming on our cellular network for the second quarter of 1996, increased 73.0% compared to the second quarter of 1995. The year-to-date increase was 52.8%. Network costs for our PCS operation were \$110,111 during the first half of 1996. The build out of this network began in late 1995 and hence no costs were recorded during the first half of 1995.

Depreciation and amortization, our largest expense category, was 17.4% higher in the first quarter of 1996 compared to the same period in 1995. This is due to the increased pace of plant acquisition for the twelve months ended June 30, 1996. During this period, expenditures for construction and purchases of property and equipment equaled \$11,026,843. Comparable expenditures during the twelve month period ended June 30, 1995 equaled \$4,268,687.

Customer operations increased 45.3% for the quarter and 41.4% year-to-date compared to the same period in 1995. These costs are for the marketing and sales, billing, and customer service functions. As with the network and other category, increases for the Internet access, cellular, and PCS businesses are primarily responsible for the increase.

The increase in Taxes Other Than Income, comprised primarily of property taxes, was due to the increase in capital expenditures discussed above.

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SHENANDOAH TELECOMMUNICATIONS COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS (Continued)

The Company, along with other telecommunications providers, in 1992 founded Virginia Metrotel to construct and operate a fiber optic network in the Richmond, Virginia metropolitan area. The fiber network would provide competitive access to businesses in the area. As a result of a strategic change, it was agreed to sell this business to MFS Communications Company. The Company recognized a gain on the sale in January 1995. The amount of the gain was \$872,125. The Company recognized further gains of \$269,261 on subsequent sales of MFS stock in 1995. In January of 1996 the Company completed the sale of the remaining MFS stock, resulting in a gain on the sale of \$228,250.

LIQUIDITY AND CAPITAL RESOURCES

On August 2, 1996, the Company signed a note with CoBank to borrow up to \$25 million. The Company expects to begin drawing these funds in the third quarter of this year. These funds will be used for the acquisition of the Shenandoah County CATV assets of FrontierVision discussed above. This acquisition is expected to close before the end of the year. The new debt will also be used to finance the building of the new network for the PCS operation discussed above. The Company has a material contractual commitment for these capital expenditures, requiring the build out of the network within a certain time period. The Company has budgeted approximately \$6,000,000 for PCS-related plant in 1996, and anticipates additional cash flow requirements for inventory and initial operating losses.

The Company has budgeted capital expenditures of approximately \$8,000,000 for our other subsidiaries for 1996. These capital needs will be met through internally generated cash flows and the existing Rural Telephone Bank note. The loan agreement with the RTB is in the amount of \$9,240,000. The Company received an advance of \$1,172,850 in June 1996. As of August 12, 1996, the Company has received advances in the amount of \$5,606,750. Expenditure of these loan funds is limited to capital projects for the regulated local exchange carrier.

Other available sources of liquidity is \$2,000,000 in an unsecured line of credit with a local bank. An advance of \$1,100,000 was made from this line of credit on August 8, 1996. The Company expects the advance to be repaid when the first draw is made from the new CoBank loan.

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SHENANDOAH TELECOMMUNICATIONS COMPANY

PART II

OTHER INFORMATION

ITEM 4. Submission of Matters to a Vote of Security Holders

(a) At the Annual Meeting of Shareholders of the Company held on April 16, 1996, 2,673,375 of the Company's 3,760,760 outstanding shares were present in person or by proxy and entitled to vote, which constituted a quorum.

(b) At the Annual Meeting, the following nominees were elected to serve until the 1997 Annual Meeting:

Noel M. Borden
Dick D. Bowman
Ken L. Burch
Christopher E. French
Philip M. Grabill, Jr.
Grover M. Holler, Jr.
Harold Morrison, Jr.
Zane Neff
James E. Zerkel II

(c) At the Annual Meeting the following matters were voted upon and received the vote set forth below:

(1) Election of Directors. Provided that a quorum is present, the nominees receiving the greatest number of votes cast are elected as directors and, as a result in tabulating the vote, votes withheld have no effect upon the election of directors. Each nominee for director was elected, having received the following vote:

Nominee	FOR	WITHHELD
Noel M. Borden	2,642,620	30,755
Dick D. Bowman	2,648,044	25,331
Ken L. Burch	2,648,748	24,627
Christopher E. French	2,648,068	25,307
Philip M. Grabill, Jr.	2,638,453	34,922
Grover M. Holler, Jr.	2,642,121	31,254
Harold Morrison, Jr.	2,648,708	24,667
Zane Neff	2,663,124	10,251
James E. Zerkel II	2,642,019	31,356

SHENANDOAH TELECOMMUNICATIONS COMPANY

PART II

OTHER INFORMATION

ITEM 4. Submission of Matters to a Vote of Security Holders
(Continued)

(2) Approval of Stock Incentive Plan. Provided that a quorum is present, ratification of the Stock Incentive Plan requires the affirmative vote of a majority of the votes cast, and as a result, in tabulating the vote, abstentions do not have the effect of working against ratification. Adoption of the Stock Incentive Plan was approved, having received the following vote:

FOR:	2,537,590
AGAINST:	80,447
ABSTAIN:	55,338

ITEM 6. Exhibits and Reports on Form 8-K

None

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SHENANDOAH TELECOMMUNICATIONS COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SHENANDOAH TELECOMMUNICATIONS COMPANY
(Registrant)

August 13, 1996

CHRISTOPHER E. FRENCH
Christopher E. French
President

August 13, 1996

LAURENCE F. PAXTON
Laurence F. Paxton
Vice President - Finance

3-MOS	DEC-31-1996	6-MOS	DEC-31-1996	6-MOS	DEC-31-1996	JUN-30-1996
	JUN-30-1996		JUN-30-1996		JUN-30-1996	
		4863872		4863872		
		4511314		4511314		
		3161055		3161055		
		0		0		
		2408770		2408770		
	13246266		13246266			
		56769893		56769893		
	20202536		20202536			
	62178981		62178981			
2764952			2764952			
	10978182		10978182			
0			0			
	0		0			
	4740677		4740677			
	37301903		37301903			
62178981		62178981				
	134139		308998			
	6048177		11870839			
		249042		522983		
	3994882		7822613			
	180421		301862			
	17839		27541			
	128418		269678			
	1986984		4141467			
	719871		1500806			
1273864			2511519			
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		0		0		
	1267113		2640661			
	.34		.70			
	.34		.70			