



July 21, 2005

## Shenandoah Telecommunications Company Reports Second Quarter 2005 Financial Results

EDINBURG, VA, (July 21, 2005) – Shenandoah Telecommunications Company (Shentel; NASDAQ: SHEN) announced unaudited financial results for the second quarter and six months ended June 30, 2005. Net income for the quarter ended June 30, 2005 was \$2.5 million, compared to \$2.9 million for the second quarter 2004. Total second quarter revenues grew by 18.8% from the same quarter last year, including a 15.9% increase in wireless revenues. Net income for the six months ended June 30, 2005 was \$4.9 million, which represented a decrease of \$0.3 million from the 2004 six-month period.

### Overall Highlights

For the quarter ended June 30, 2005, net income was \$2.5 million or \$0.33 per diluted share, compared to \$2.9 million or \$0.38 per diluted share in the second quarter of 2004. The Company's total revenues for the second quarter of 2005 were \$35.5 million, compared to \$29.9 million in the second quarter of 2004, which represented an increase of \$5.6 million or 18.8%. The Company's revenue growth was driven primarily by a \$3.2 million increase in its wireless PCS operations and \$2.1 million from NTC Communications (NTC), acquired on November 30, 2004.

Operating income for the second quarter of 2005 and 2004 was \$4.7 million and \$5.0 million, respectively. The second quarter of 2005 operating income includes an operating loss from NTC of \$1.0 million and Stock Appreciation Rights (SARS) expense of \$0.5 million. Operating income for the six months ended June 30, 2005 and 2004 was \$9.3 million for both periods, with 2005 including an operating loss of \$1.8 million for NTC and \$0.6 million of SARS expense. The SARS expense relates to the Company's stock-based compensation plan and was driven by the large increase in the Company's stock price during 2005.

"We are pleased with our overall results during the quarter," stated Christopher E. French, President and CEO. "The startup loss from NTC was expected as we continue our efforts to build upon its potential; and, results from our other business lines exhibited good improvement over prior periods."

### PCS Operations

The Company experienced continued growth in second quarter wireless revenues as a PCS Affiliate of Sprint, increasing its PCS subsidiary revenue to a total of \$23.0 million, which represented an increase of \$3.2 million over the 2004 second quarter. The PCS net income was \$1.1 million in the second quarter of 2005 compared to net income of \$0.9 million in the second quarter of 2004. PCS net income for the six months ended June 30, 2005 was \$2.0 million, which represented a \$0.6 million increase over the 2004 six-month period. The Company's Sprint retail wireless customer count for the second quarter increased by 5,200, compared to 4,900 in the second quarter of 2004, to approximately 112,100 retail customers, an 18.6% increase from June 30, 2004. Wholesale users increased by 1,200, compared to a 1,700 increase in the second quarter of 2004, to approximately 32,700, an 81.1% increase from June 30, 2004. The Company's second quarter retail customer turnover, or churn, was 1.9%, similar to the second quarter of 2004.

### Telephone Operations

The local telephone operations net income for the second quarter of 2005 was \$1.8 million, which represented a \$0.1 million increase compared to the second quarter of 2004. Telephone operations recorded a net gain of 75 access lines during the second quarter of 2005 and 186 for the six months ended June 30, 2005 to end the second quarter at 24,877.

### Additional Highlights

During the second quarter, the Company invested \$7.0 million in Plant in Service and reduced long-term debt \$13.1 million, primarily paying down a long-term revolving line of credit. Cash and cash equivalents were \$9.1 million as of the end of the second quarter. At June 30, 2005, the Company's debt/equity ratio was 32.0% and debt as a percent of total assets was 18.9%.

### About Shenandoah Telecommunications

Shenandoah Telecommunications Company is a holding company that provides a broad range of telecommunications services through its operating subsidiaries. The Company is traded on the NASDAQ National Market under the symbol "SHEN." The

Company's operating subsidiaries provide local and long distance telephone, Internet and data services, cable television, wireless voice and data services, alarm monitoring, and telecommunications equipment, along with many other associated solutions in the Mid-Atlantic and Southeastern United States.

Earle A. MacKenzie

Chief Financial Officer

*This release contains forward-looking statements that are subject to various risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of unforeseen factors. A discussion of factors that may cause actual results to differ from management's projections, forecasts, estimates and expectations is available in the Company filings with the SEC. Those factors may include changes in general economic conditions, increases in costs and other competitive factors. For a discussion of these factors, see the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 22, 2005. The Company expressly disclaims any obligation to update or review any forward-looking statements contained in this release.*

SHENANDOAH TELECOMMUNICATIONS COMPANY

SUMMARY FINANCIAL INFORMATION (unaudited)

(In thousands, except per share amounts)

Condensed Consolidated Balance Sheets	June 30, 2005	Dec. 31, 2004
Cash and cash equivalents	\$ 9,050	\$ 14,172
Other current assets	14,596	20,345
Total securities and investments	7,275	7,250
Property, plant and equipment	242,130	230,323
Less accumulated depreciation	(84,584)	(74,071)
Net property, plant and equipment	157,546	156,252
Other assets, net	12,821	13,228
Total assets	\$ 201,288	\$ 211,247

Current liabilities, exclusive of current maturities of  
\$ 4,448 and \$4,372, respectively

Long and short-term debt	\$ 17,108	\$ 17,474
Total other liabilities	38,122	52,291
	26,829	27,685
Total shareholders' equity	119,229	113,797
Total liabilities and shareholders' equity	\$ 201,288	\$ 211,247

SHENANDOAH TELECOMMUNICATIONS COMPANY

SUMMARY FINANCIAL INFORMATION

(unaudited)

(In thousands, except per share amounts)

Condensed Consolidated  
Statements of Income

	Three months ended		Six months ended	
	June 30,		June 30,	
	2005	2004*	2005	2004*
Operating Revenues-	\$ 23,833	\$ 20,568	\$ 46,412	\$ 39,432
Wireless				
-Wireline	9,177	7,608	18,382	14,757
-Other	2,454	1,676	5,070	3,383
Total operating revenue	35,464	29,852	69,864	57,572
Cost of goods and services	5,674	3,886	11,152	7,610
Network operating costs	10,209	9,156	19,931	17,467
Depreciation	5,492	4,395	10,914	8,732
Selling, general and administrative	9,430	7,390	18,591	14,452
Total operating expenses	30,805	24,827	60,588	48,261
Operating income	4,659	5,025	9,276	9,311
Interest expense	(770)	(773)	(1,624)	(1,571)
Other income (expense)	120	337	144	543
Income tax provision	(1,497)	(1,709)	(2,889)	(3,090)

Net income	\$ 2,512	\$ 2,880	\$ 4,907	\$ 5,193
Net earnings per share, basic	\$ 0.33	\$ 0.38	\$ 0.64	\$ 0.68
Net earnings per share, diluted	\$ 0.33	\$ 0.38	\$ 0.64	\$ 0.68

\* Certain amounts for 2004 have been reclassified to conform with the 2005 presentation.