March 19, 2018

Dear Shareholder:

Your company experienced significant growth and expansion in 2017, with all of our business segments contributing to a record year. The highlight of the year was the completed transformation of nTelos into a part of our wireless business as an affiliate of Sprint, which was accomplished a full quarter ahead of schedule and below our expected cost. The transformation included upgrading the nTelos wireless network to a state-of-the-art 4G LTE network and migrating the customer base to Sprint's back office systems. Improvements to the wireless network will continue in 2018, as we further expand coverage with construction of additional sites. Both our Cable and Wireline segments also experienced success in 2017, with both delivering solid increases in revenues and operating income.

Overall financial results set new records for revenues and earnings. Revenues for 2017 were $612.0 million, an increase of $76.7 million, or 14.3 percent over 2016 while operating expenses were $571.3 million, an increase of $58.5 million, or 11.4 percent over 2016. Net income for the year was $66.4 million, a significant improvement over the operating loss of $895 thousand in 2016, and included an approximately $53.4 million non-cash tax benefit from revaluation of our net deferred tax liabilities due to federal tax law changes. As a result of our strong financial performance in 2017, the Board of Directors increased the cash dividend to $0.26 per share, an increase of 4 percent over the 2016 dividend. This dividend represents the fifty-eighth year of continuous dividend payments since the Company paid its first dividend in 1960, and was the eighteenth time we raised the dividend in the past twenty years.

Our strong financial performance was primarily driven by the full year of wireless results from the acquired nTelos markets. Successfully completing this transition and migrating the customer base to Sprint's back office systems was a significant accomplishment and involved the efforts of most of our organization. As a result of the nTelos acquisition, we made investments to upgrade 552 sites and also deployed 140 additional sites into the network. We migrated 161,706 postpaid and 41,141 prepaid customers from the nTelos back office systems to Sprint's back office, and also converted or opened 134 new stores to better serve customers in our new markets. As a result of these efforts and the growth in our legacy markets, our wireless business ended the year with more than 962,000 wireless users, of which 736,597 were postpaid and 225,822 were prepaid. We are now the sixth largest public wireless company in the country.

In addition to the transition, we made great progress on our two-year network expansion plans, completing over 60% of the additional sites planned to further improve coverage and reliability of service in the acquired markets. Our company is now well positioned to effectively market the benefits of our improved network to further drive customer growth, both in our newly acquired and legacy markets.

As we grow our wireless business in our legacy and newly acquired markets, we are also expanding our affiliate agreement with Sprint. In early 2018 we announced an expansion of our affiliate service territory, adding a population of approximately 1.1 million people (POPs) in Lancaster County, Pennsylvania; central Virginia; southwest Virginia; southern West Virginia; and eastern Kentucky. We signed a similar agreement in 2017, expanding service to approximately 500 thousand POPs in the Parkersburg, West Virginia and Cumberland, Maryland areas. These expansions allow us to build networks and improve coverage between our current service areas and Sprint's metropolitan networks, both extending our service to new potential customers, and improving service in the region for all Sprint customers. Our wireless business now has responsibility for providing service to a total population of approximately seven million in the Mid-Atlantic region.

Our Cable segment also experienced considerable growth in 2017, with customer demand for high-speed data service again being the primary driver. We ended 2017 with 133,086 total Cable revenue generating units (RGUs). Growth in data and voice RGUs more than offset the decline in video RGUs. Video RGUs are expected to continue to decline as customers increasingly prefer downloading their video content from services like Netflix or Hulu instead of subscribing to traditional cable television programming packages. This trend is aggravated by the price increases programmers and content owners demand for their content to be delivered over our traditional cable network. Retransmission fees, which we are required to pay for delivering content that broadcasters provide free over the air, also experienced another large increase in early 2018. Retransmission fee increases, which are passed through to our customers, averaged over $4.00 per customer per month, with our most expensive market now incurring monthly fees of $15.70 per customer.

Our network delivers the speed, bandwidth, and reliability that enables us to meet and exceed customer expectations, making it the preferred network for dependably accessing voice, video or data applications. The high speed data customer experience was further enhanced recently, when we upgraded data speeds one tier, with no price increase, for all of our Cable customers with 15, 25, 50 or 101 megabit per second (Mbps) service and added a new 150 Mbps tier.

Our Wireline segment further built on its successes as revenues from leases of our fiber network continued to grow. We remain successful in competing for contracts awarded by municipalities and school systems, delivering the reliable high speed data services they increasingly need to function effectively. In addition to allowing us to bring these services to additional customers, building new fiber routes also supports our own wireless and cable networks. This lowers our cost of doing business and enables us to provide more reliable and better service, while providing a robust backbone to carry the rapidly growing data needs of our customers.

During 2017, we added 321 additional route miles to our fiber network. One of our major projects was the completion of a 95-mile route along Virginia Interstate 81 from Harrisonburg to Roanoke, both enhancing our internal network capacity and creating new business opportunities throughout this region. Most of the cost of this construction was funded by a new long term customer. We ended the year with a total of 5,429 fiber route miles in a network that extends through Virginia, West Virginia, Maryland and Pennsylvania.

As in years past, various actions by the federal government have affected our company and industry. In 2017, federal attention was again focused on Net Neutrality regulations, which arguably attempted to preserve the open nature of the Internet by imposing Depression-era regulations on 21st century network providers. Particular focus has been given to the provisions designed to prevent the blocking or throttling of Internet traffic to some websites and paid prioritization for traffic to preferred websites. Our Company has never engaged in blocking, throttling or prioritization of Internet traffic, so neither the adoption of the rules in 2015, nor their repeal in 2017 has had any effect on our service. Unlike Google and Facebook, we don't monitor what sites our customers visit. We will continue to operate our networks with the goal of providing excellent, non-discriminatory, high speed data service to our customers.

One positive for our company that came out of Washington late last year was the enactment of the Tax Cuts and Jobs Act. This new law provides our company with a lower federal corporate income tax rate, reducing the double taxation our shareholders incur when our corporate income is taxed both when earned by the Company and when distributed as shareholder dividends. The reduction in cash taxes to be paid by the company will allow us to further invest in our networks and to expand services to additional areas that do not yet have the wireless or broadband services they deserve.

Long-term performance of our stock price remains exceptional. As shown in the performance graph in our Form 10-K, our stock's total return again greatly exceeded the returns of the telecommunications and broader market indexes. For the most recent five years ending December 31, 2017, our compounded annual rate of total shareholder return was 36 percent.

Much was accomplished in 2017, and it would not have been possible without our dedicated team of employees. I am extremely proud of our entire team, who work with dedication and pride to provide quality services to our rural markets. As a thank-you from our Board of Directors, the company recently made a one-time additional contribution of $1,000 to each full-time employee's 401(k) account, for non-senior management employees up through manager level. The total contribution was approximately $1 million.

At the senior management level, we were pleased to announce in November 2017 the hiring of James F. Woodward as our Senior Vice President-Finance and Chief Financial Officer. Jim brings to the Company 34 years of financial, accounting and operational experience. He most recently served as Senior Vice President, Chief Financial Officer of Media General, Inc. a NYSE-listed broadcasting and digital media company headquartered in Richmond, Virginia.

Our acquisition of nTelos, the additional territory expansion with Sprint, and the ongoing investment and expansion of our fiber network are all examples of our continued investment in new growth opportunities. Investments such as these have allowed us to profitably grow and create long-term value for our shareholders. Continuing to do so, while providing a quality customer experience in our rural markets, remains a key objective for our organization. On behalf of our management team and the Board of Directors, I thank our shareholders for your faithful support as we continue our efforts to grow the long-term value of your investment.

For the Board of Directors,

Christopher E. French
President