



1Q 2009 Earnings Conference Call

May 5, 2009



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

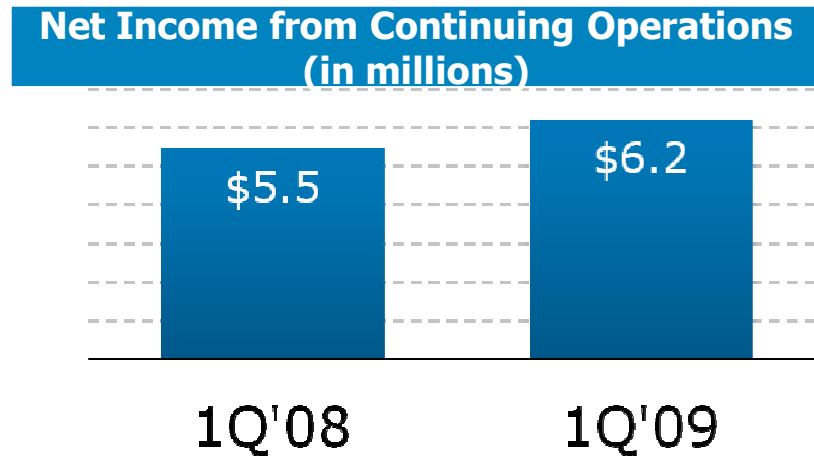
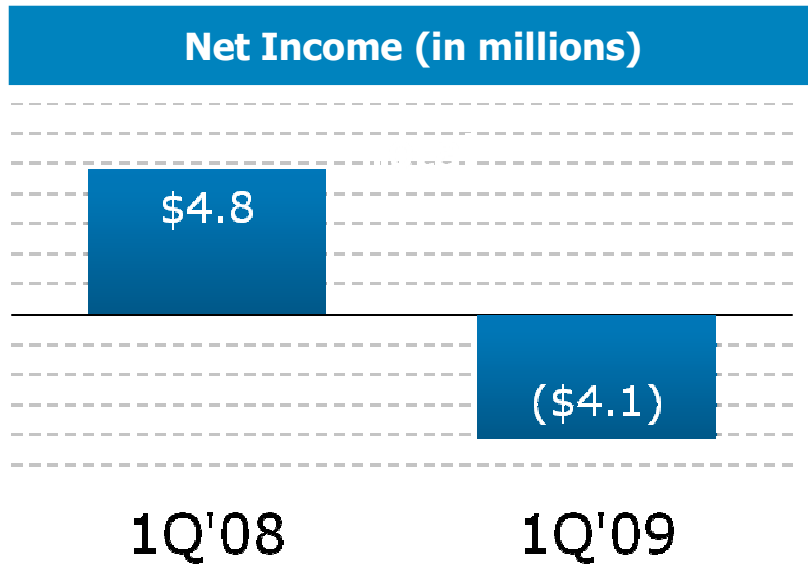
Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. These financial performance measures are not indicative of cash provided or used by operating activities and exclude the effects of certain operating, 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.

Chris French

CEO and President



1Q '09 Highlights

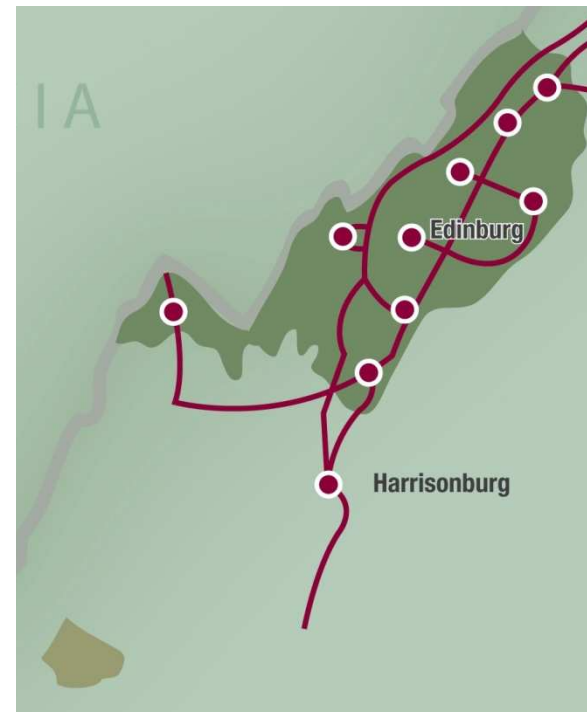
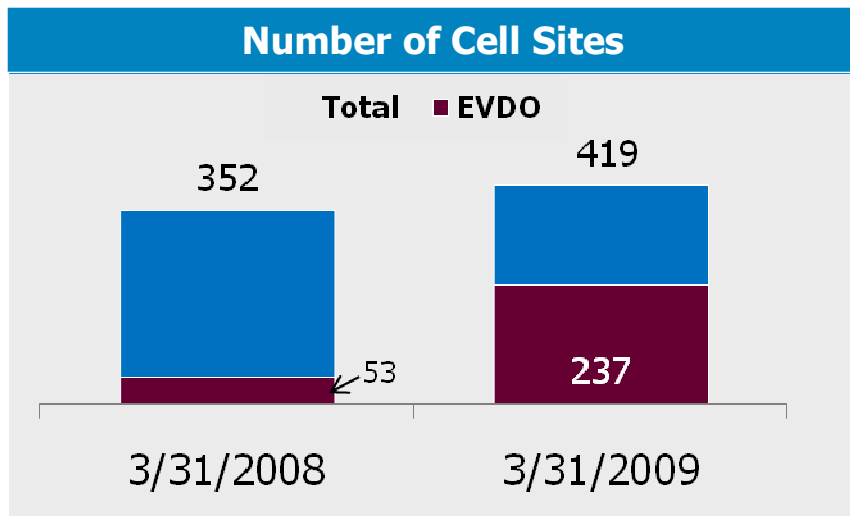


- ❑ **Net Income** - 1Q09 net loss of \$4.1 million due to impairment charge
- ❑ **Discontinued Operations** - Converged Services impairment charge \$10.7 million after tax; several interested buyers
- ❑ **Strong operating results** - Net income from continuing operations of \$6.2 million up 14.2%

1Q '09 Highlights

- **Cable Triple Play** - Upgrade of cable and acquisition integration in progress
- **Investment in wireless for sustained growth** – 26 additional EVDO sites and 8 additional cell sites

- **Acquisition of Rural Access Lines** – Acquiring approximately 1,000 rural access lines for \$600k, upgrading to DSL for \$1.7 m





Operational Issues

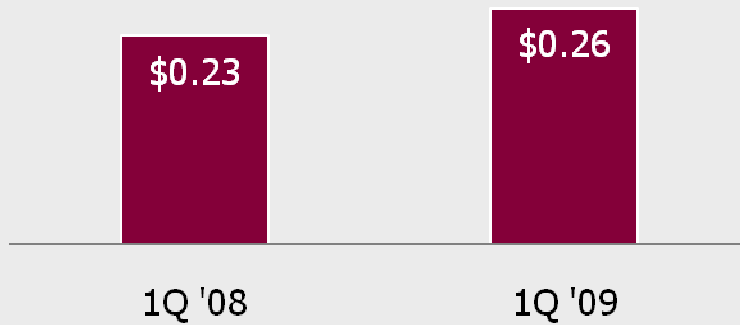
- **Capital Spending Rationale** – Will delay some capital projects based on payback should the economic conditions warrant it
- **Broadband Stimulus** – We are continuing to monitor the evolving rules for public support of rural broadband development
- **Being Opportunistic** – Our balance sheet enables us to take advantage of opportunities which fit our business model

Adele Skolits

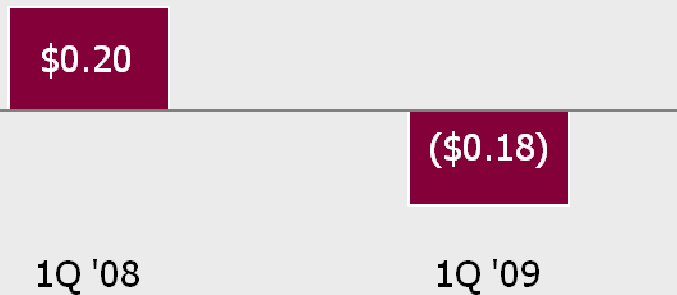
CFO and VP of Finance

EPS

Earnings per Share from Continuing Operations – Quarter over Quarter



Earnings Per Share



- **Delivering value for Shareholders** – EPS from continuing operations up 13% in 1Q'09 over 1Q'08
- **EPS** - EPS loss of \$.18 for 1Q '09 as a result of \$.45/per share impairment loss



Profitability

Maintaining profitability while investing in growth –

OIBDA up 25% for 1Q'09 over 1Q'08

OIBDA (\$ millions)			
	<u>March 31,</u> <u>2008</u>	<u>March 31,</u> <u>2009</u>	<u>Change</u>
Operating Income	\$9.6	\$12.1	\$2.5
Depreciation and Amortization	6.3	7.8	\$1.5
OIBDA	<u>\$15.9</u>	<u>\$19.9</u>	<u>\$4.0</u>
OIBDA Margin	47%	50%	3%

Cash Flows

- **Strong operating cash flow** – 48% growth in cash generated by operations
- **Capex Well Supported**– Increased capital expenditures supported more than adequately by operating cash flow and debt facility
- **Future Cash Flows** – New debt facility has equal amortization over six years beginning in 2010, when CAPEX spending is expected to drop
- **Positioned to deliver for shareholders** – Ability to be opportunistic or return value to shareholders

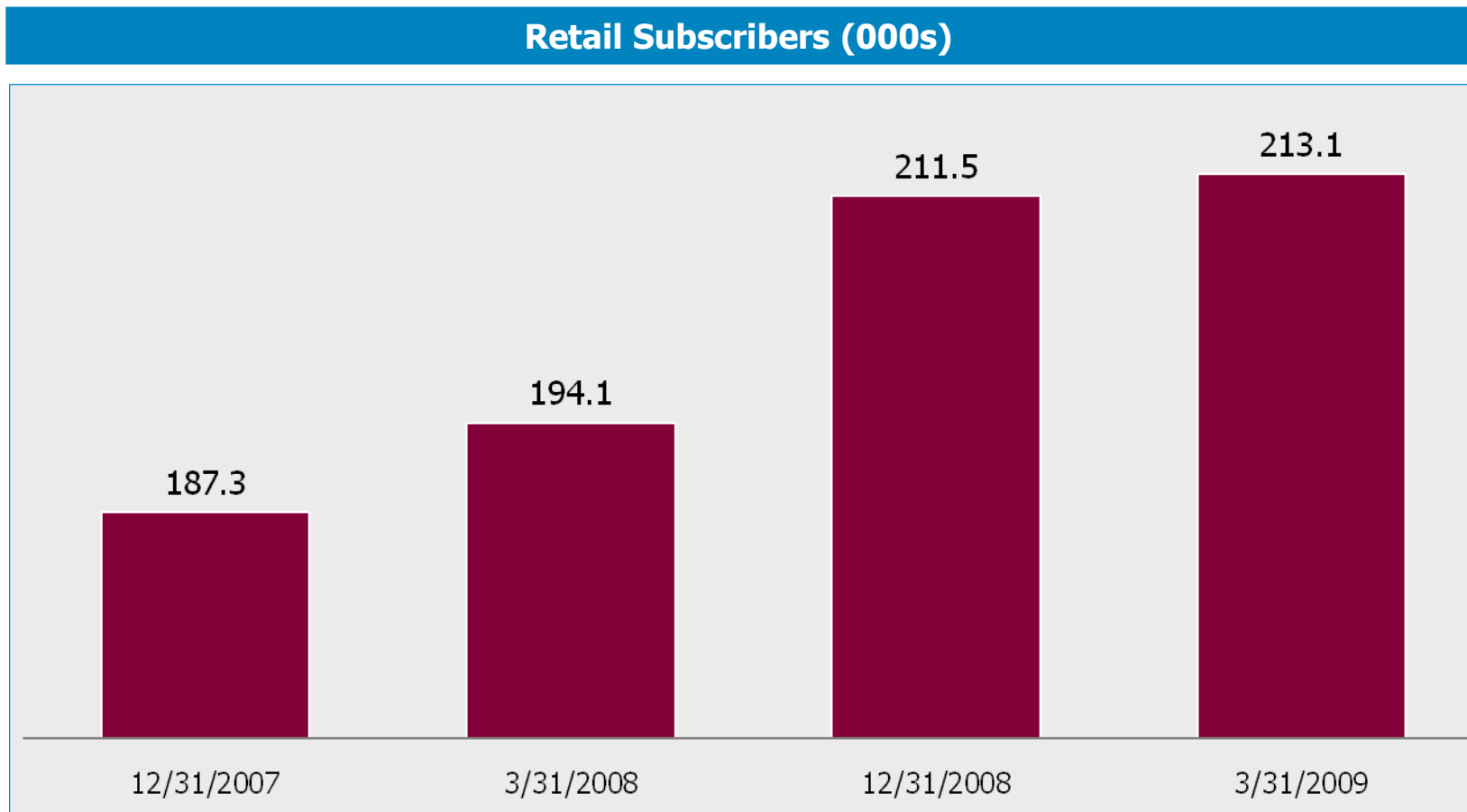
Cash Flows (\$ millions)

	<u>1Q '08</u>	<u>1Q '09</u>	<u>Change</u>
Net Cash from Operations	\$14.3	\$21.2	\$6.9
Capital Expenditures	(\$7.8)	(\$9.1)	(\$1.3)
Borrowings	\$0.0	\$2.0	\$2.0
Debt Repayments	(\$1.0)	(\$1.1)	(\$0.1)
Other	<u>\$0.3</u>	<u>\$0.4</u>	<u>\$0.1</u>
Free Cash Flow	<u>\$5.8</u>	<u>\$13.4</u>	<u>\$7.6</u>

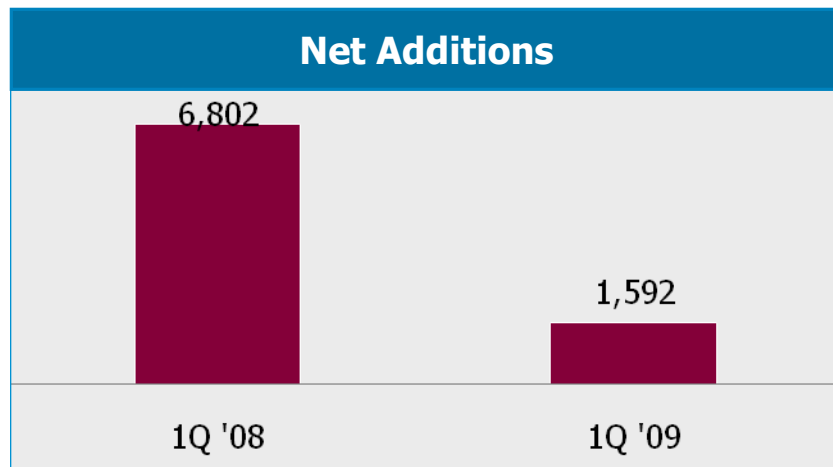
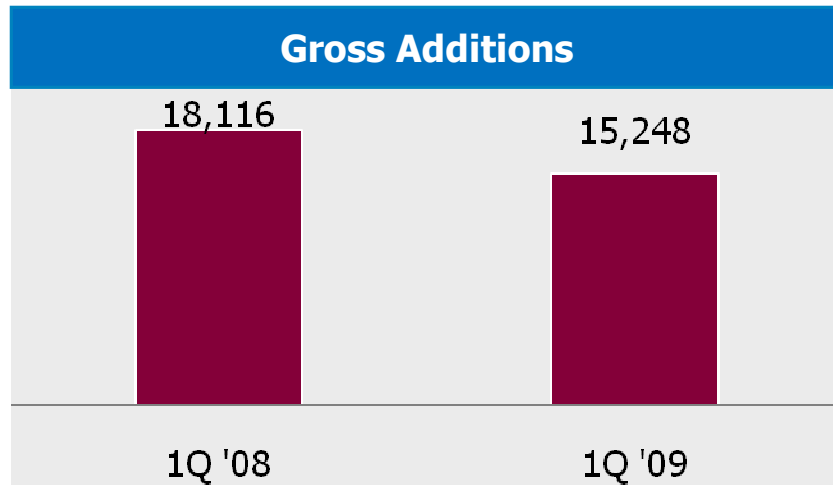
Earle MacKenzie

EVP and COO

Key Operational Results – PCS



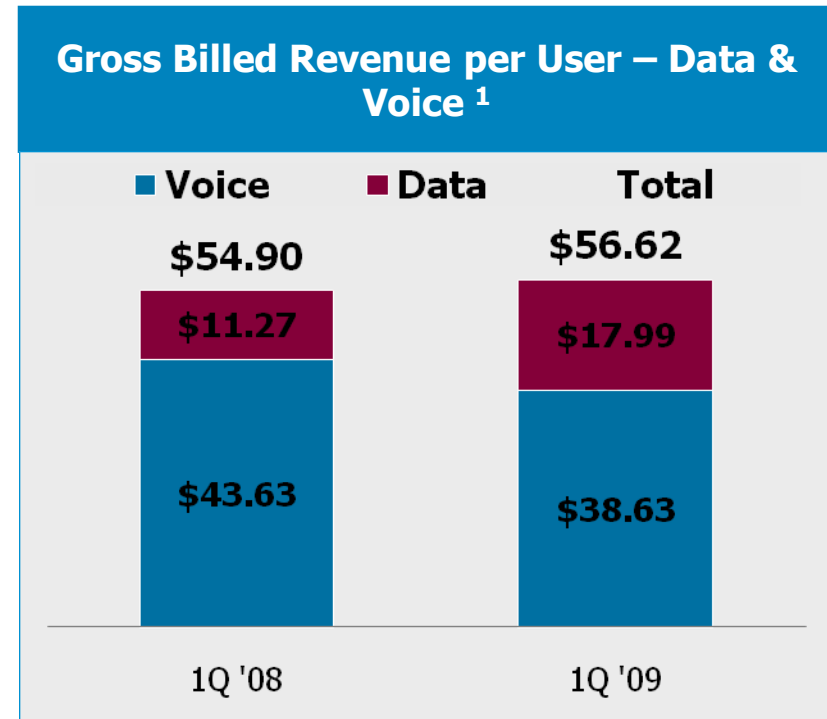
Key Operational Results – PCS



- Decrease in store traffic
- Modest increase in churn from 1.98% in Q1 '08 to 2.15% in Q2 '09
- Lower bad debt in Q1 '09 compared to Q1 '08 (from \$2.5m to \$1.7m)

Key Operational Results – PCS

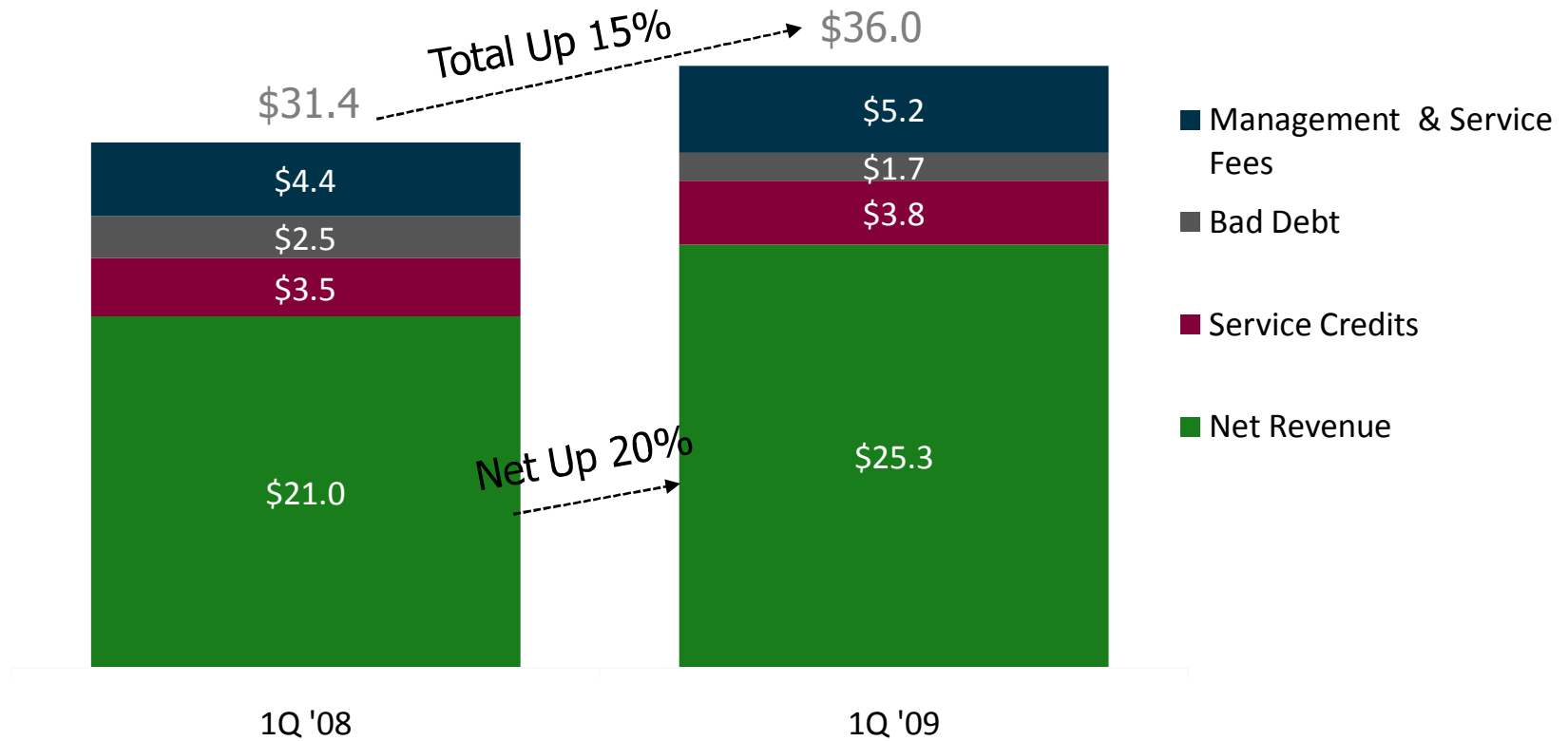
- Gross Billed revenue per subscriber continues to grow – Data revenues growth continues



¹ – Before Service credits, bad debt, Sprint Nextel fees. See reconciliation of Non-GAAP financial measures on slide 23

PCS Revenues

Gross Billed Revenues (\$ millions)





PCS Customers Top Picks Q1 2009

■ Top Service Plans

- ▶ Everything Messaging Family 1500
- ▶ Everything Data Family 1500
- ▶ Simply Everything

■ 48% of Gross Adds

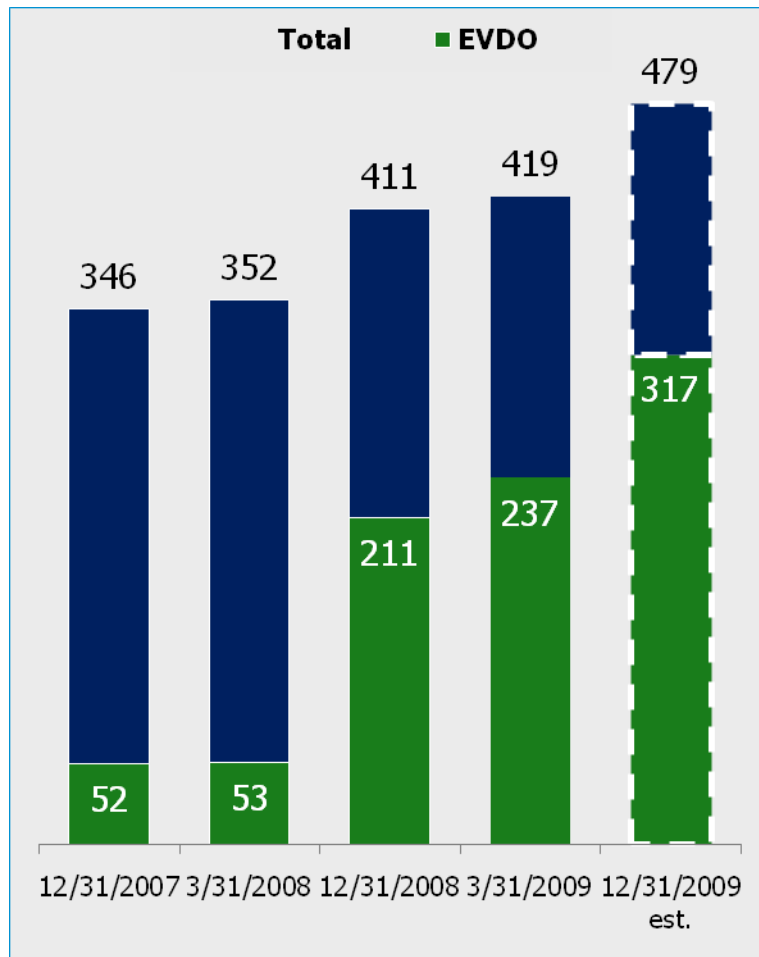
■ Top Devices

- ▶ LG Rumor 17%
- ▶ LG Lotus 16%
- ▶ Samsung Rant 9%
- ▶ Mobile Data Cards 8%
- ▶ Samsung Instinct 3%

■ Equipment Sales Shentel Controlled Channels

Meeting PCS Customer Needs

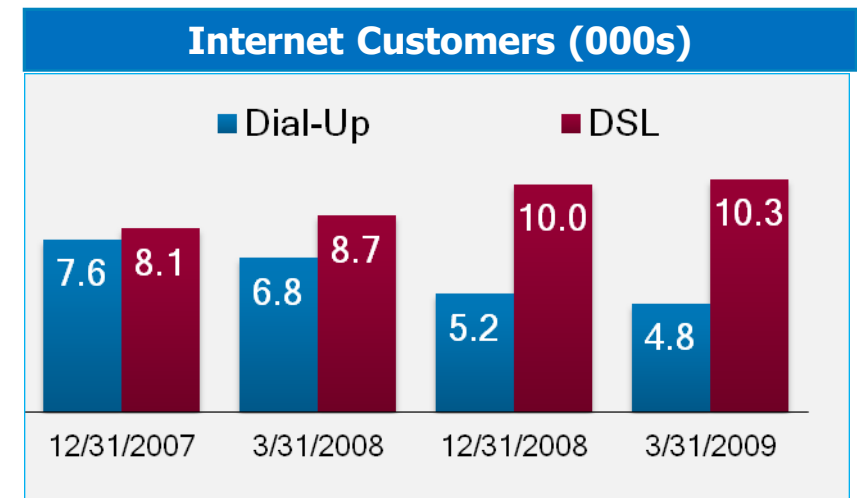
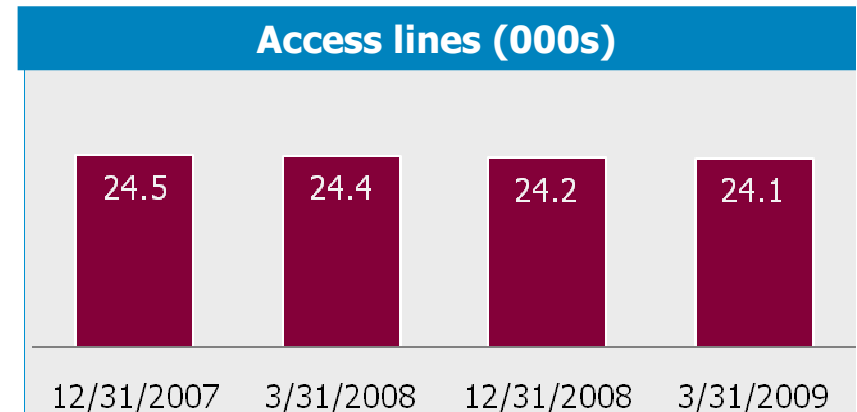
Number of Cell Sites



- On track to complete 2009 construction plans
- Expanded data offering
 - ▶ Over 90% POP's will have EVDO coverage by year end 2009
- PA coverage improved
- Capacity increased

Key Operational Results - Telco

- Modest access line loss
- 43% data penetration
- 2009 Capex to increase broadband speeds to 10Mbps

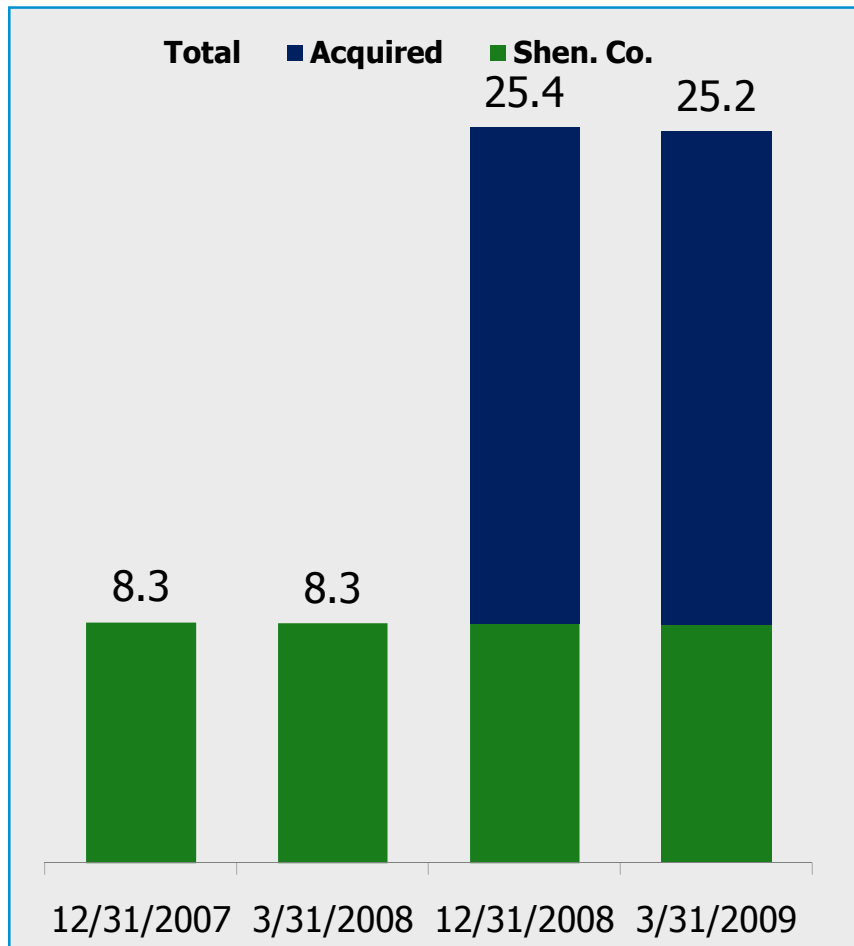


¹ DSL only available within LEC area

² Dial-up offered inside and outside the LEC area

Key Operational Results - Cable

Number of Customers (000's)



- Integrating acquisition of 17,000 new customers
- Converting acquired systems to our billing platform
- Upgrade underway to enable us to offer triple play to 85% of acquired homes passed by year end 2009
- Re-launch of the first acquired market in late Q2

Q&A

Appendix



Non-GAAP Financial Measure – Billed Revenue per Subscriber

Dollars in thousands (except subscribers and revenue per subscriber)

	<u>1Q '09</u>	<u>1Q '08</u>
<u>Gross billed revenue</u>		
Wireless segment total operating revenues	\$28,804	\$ 24,407
Equipment revenue	(1,270)	(1,300)
Other revenue	<u>(2,174)</u>	<u>(2,055)</u>
Wireless service revenue	25,360	21,052
Service credits	3,764	3,498
Write-offs	1,705	2,496
Management fee	2,482	2,091
Service fee	<u>2,730</u>	<u>2,300</u>
Gross billed revenue	<u>36,041</u>	<u>31,437</u>
Average subscribers	212,196	190,870
Billed revenue per subscriber	\$ 56.62	\$ 54.90