



1Q 2012 Earnings Conference Call

May 4, 2012

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

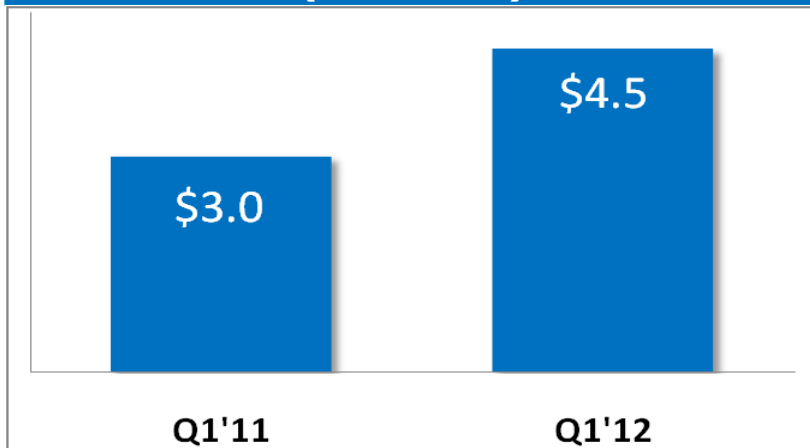
Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. These financial performance measures are not indicative of cash provided or used by operating activities and exclude the effects of certain operating,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

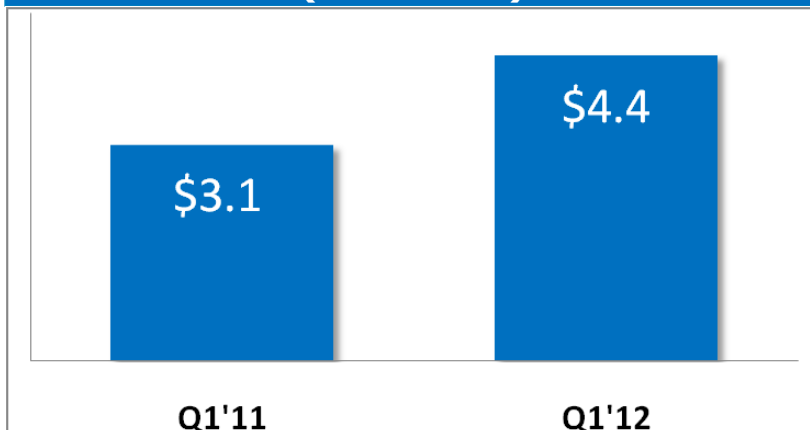
CEO and President

2012 Financial Highlights

**Net Income
(in millions)**



**Net Income from Continuing Operations
(in millions)**



- ❑ **Revenue Growth-** Revenues grew by \$8.4 million
- ❑ **Depreciation and Amortization Expense-** \$2.0 million due to acceleration of Wireless network asset depreciation ahead of Network Vision upgrades
- ❑ **Adjusted OBIDA Growth-** Increase of \$3.6 million over 1Q 2011

1Q'12 Highlights

❑ Revenue Growth

Revenue grew 13.9% over 1Q'11 to \$68.8 million.

❑ Customer Growth

	<u>3/31/11</u>	<u>3/31/12</u>	<u>Change</u>
Wireless	318,068	365,068	47,000
Cable (RGUs)	130,700	139,599	8,899

Wireless Highlights

□ **Steady Postpaid growth**

Postpaid customers up 5.4% in the last year

□ **Rapid Prepaid Growth**

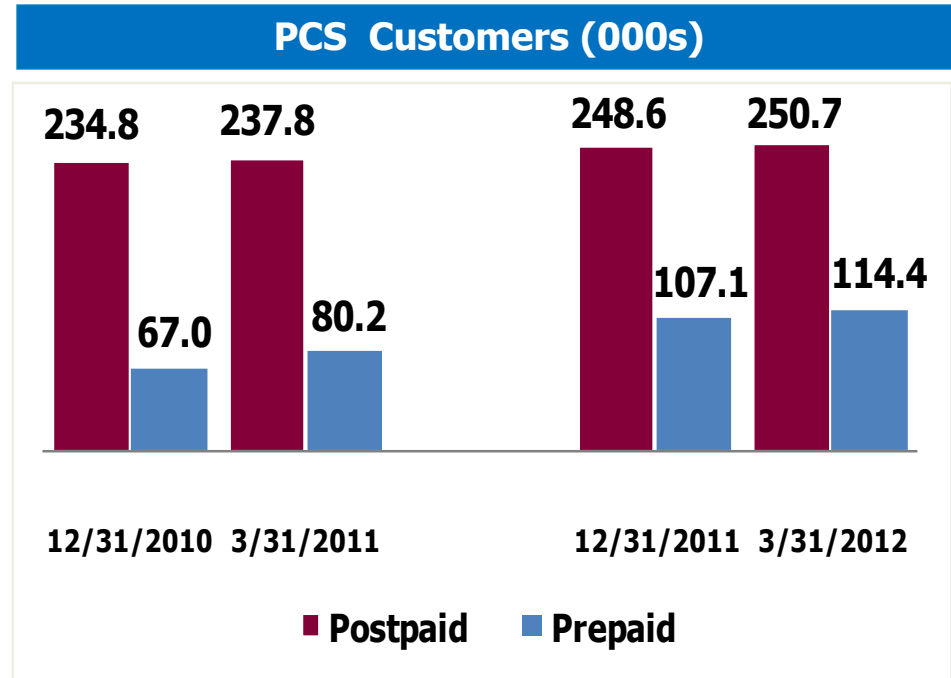
Q1'12 net additions of 7,285; 114k prepaid subs at 03/31

□ **Prepaid Churn improves**

Q1'12 churn of 3.65% compared to 4.50% for Q1'11

□ **Earnings Improve**

Q1'12 operating income up by \$0.5 million over Q1'11



Cable Highlights

❑ Cable Upgrades

- ▶ Markets acquired in mid-2010 are approximately 90% complete
- ▶ Remainder scheduled for 2012

❑ RGU Growth

- ▶ Total RGU growth of 1.7% in Q1'12
- ▶ 139,599 RGUs at 3/31/2012

Adele Skolits

CFO and VP of Finance

Profitability

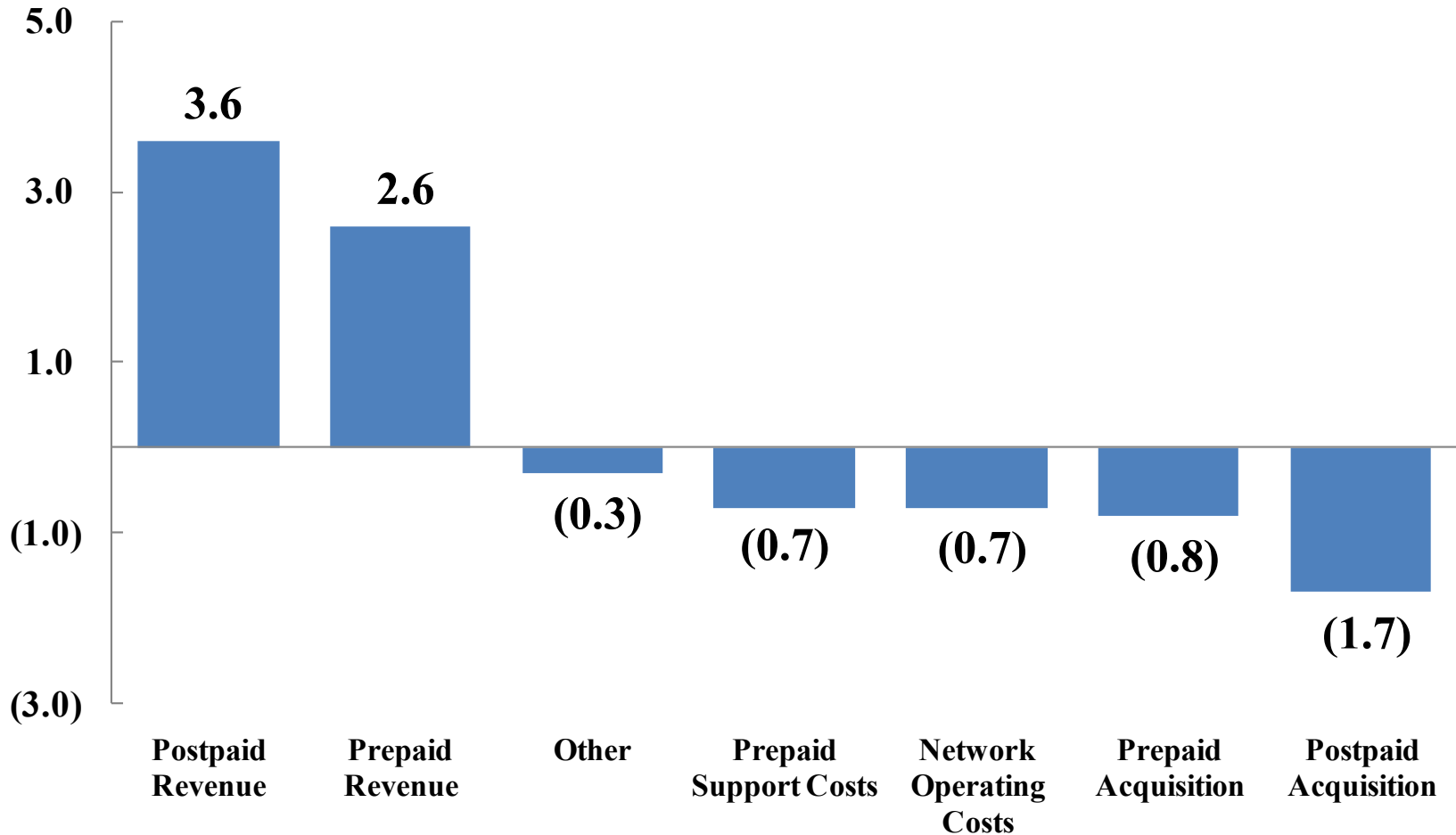
Adjusted OIBDA (\$ thousands)

<i>(in thousands)</i>	For the Quarter Ended:		
	3/31/11	3/31/12	Change
Operating Income	\$7,091	\$8,817	\$1,726
Depreciation and Amortization	13,938	15,807	1,869
OIBDA	\$21,029	\$24,624	\$3,595
Plus loss on asset sales	75	33	(42)
Share Based Compensation	270	357	87
Adjusted OIBDA	\$21,374	\$25,014	\$3,640

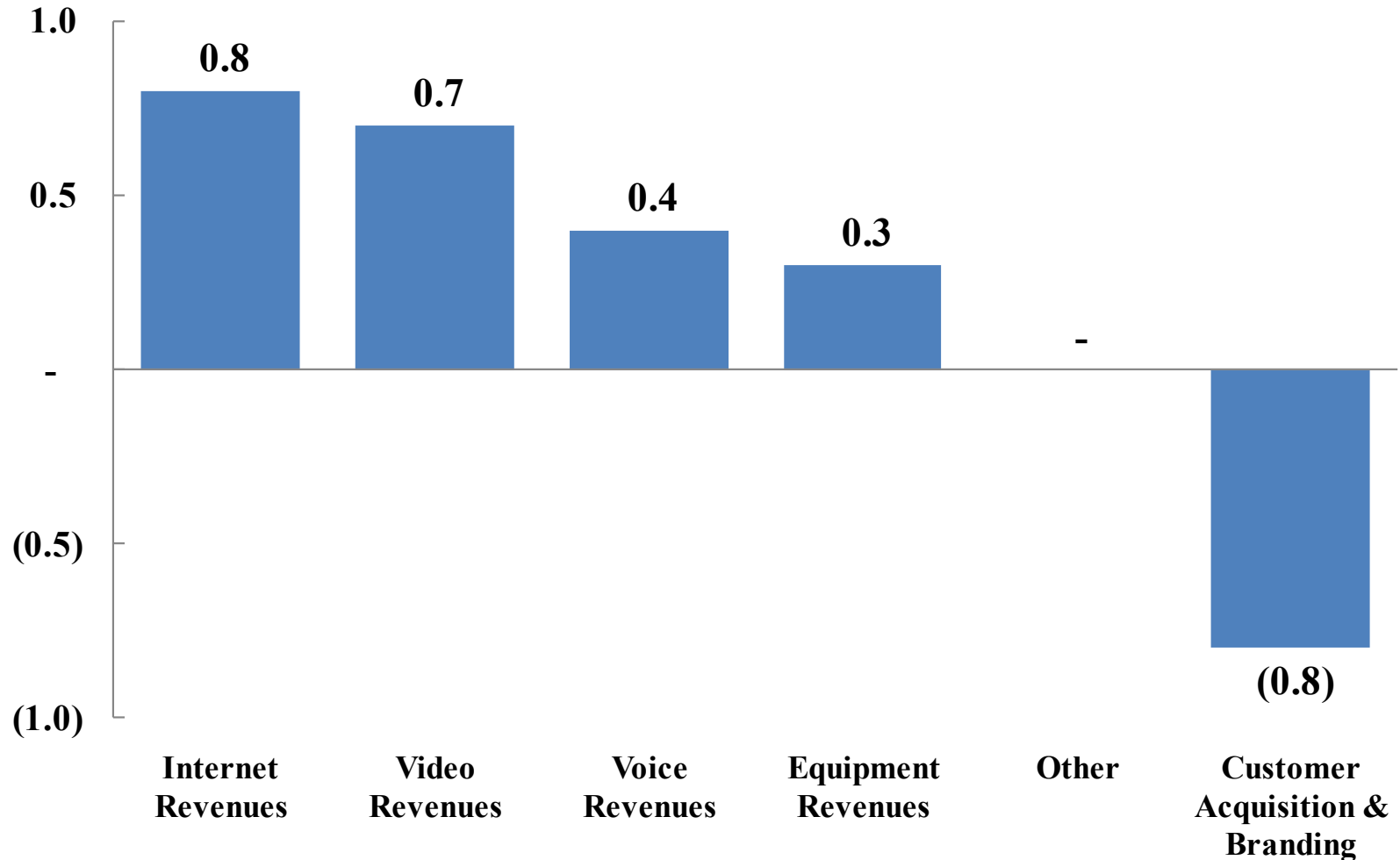
Adjusted OIBDA by Segment

<i>(in thousands)</i>	<u>Wireless</u>		<u>Cable</u>		<u>Wireline</u>	
	<u>Q1'11</u>	<u>Q1'12</u>	<u>Q1'11</u>	<u>Q1'12</u>	<u>Q1'11</u>	<u>Q1'12</u>
Operating Income	\$ 10.1	\$ 10.5	\$ (5.7)	\$ (4.5)	\$ 3.8	\$ 3.8
Depreciation and Amortization	6.2	7.8	5.7	5.9	1.9	2.2
OIBDA	16.3	18.3	-	1.4	5.7	6.0
Plus loss on asset sales	-	-	-	-	-	-
Share based compensation	0.1	0.1	0.1	0.1	0.1	0.1
Adjusted OIBDA	\$ 16.4	\$ 18.4	\$ 0.1	\$ 1.5	\$ 5.8	\$ 6.1

Wireless Segment – Change in Adjusted OIBDA Q1'12 vs. Q1'11



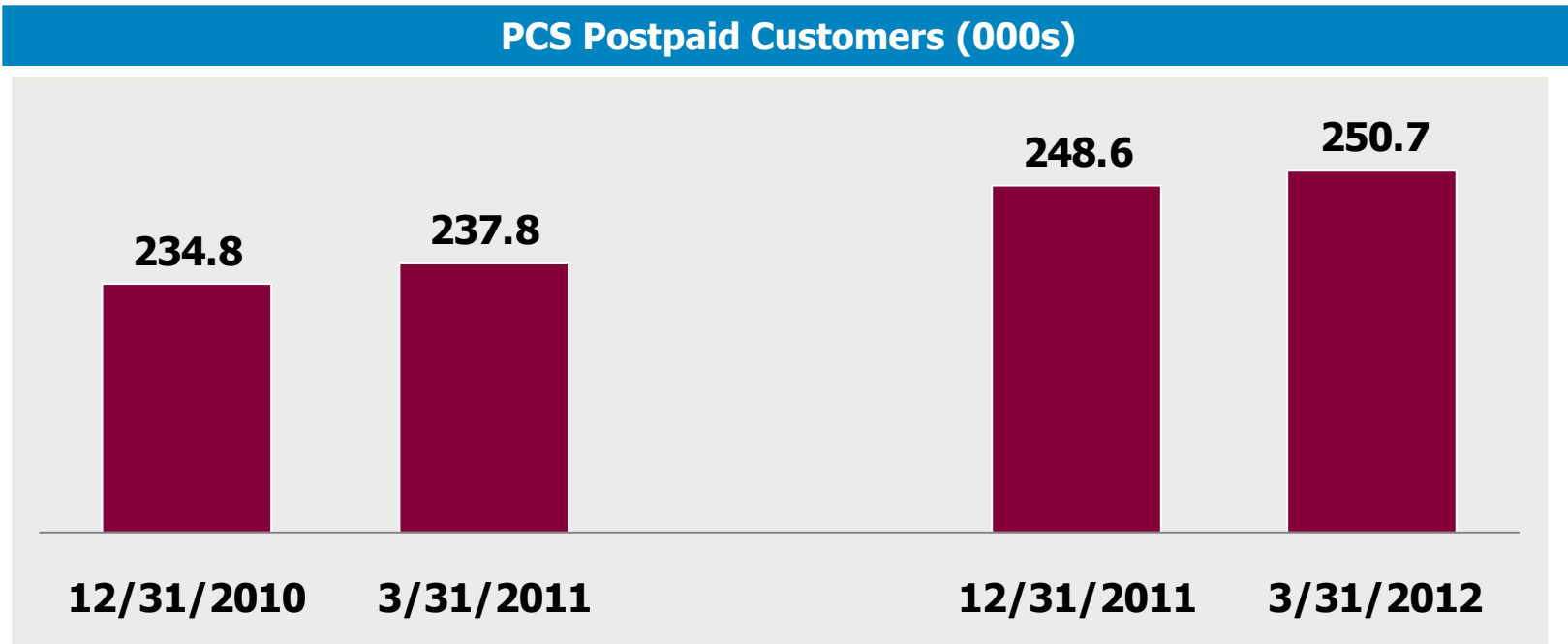
Cable Segment – Change in Adjusted OIBDA Q1'12 vs. Q1'11



Earle MacKenzie

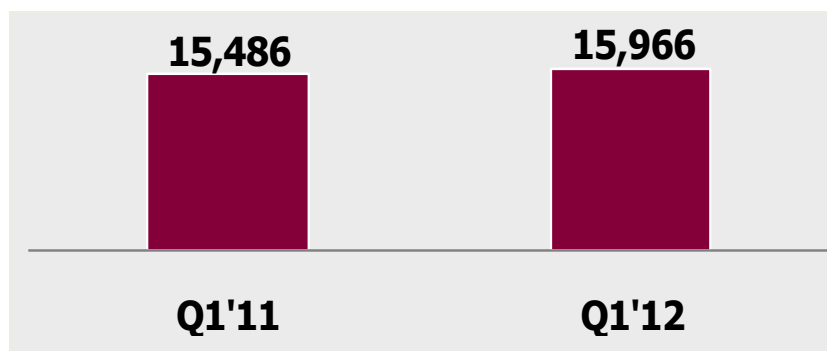
EVP and COO

Key Operational Results – Wireless



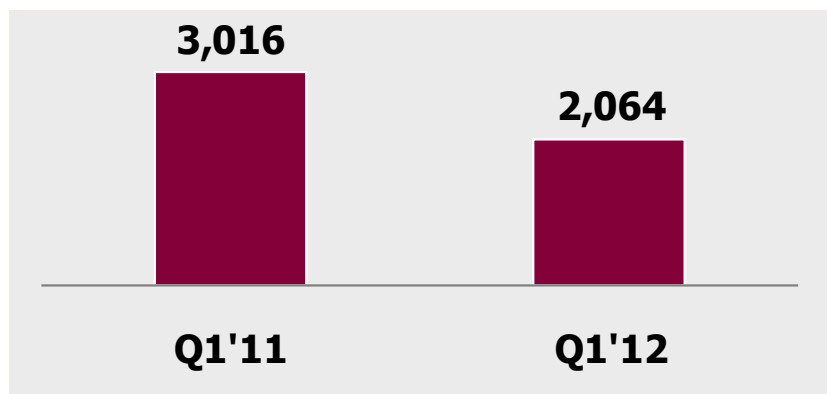
Key Operational Results – Wireless

Gross Additions - Postpaid



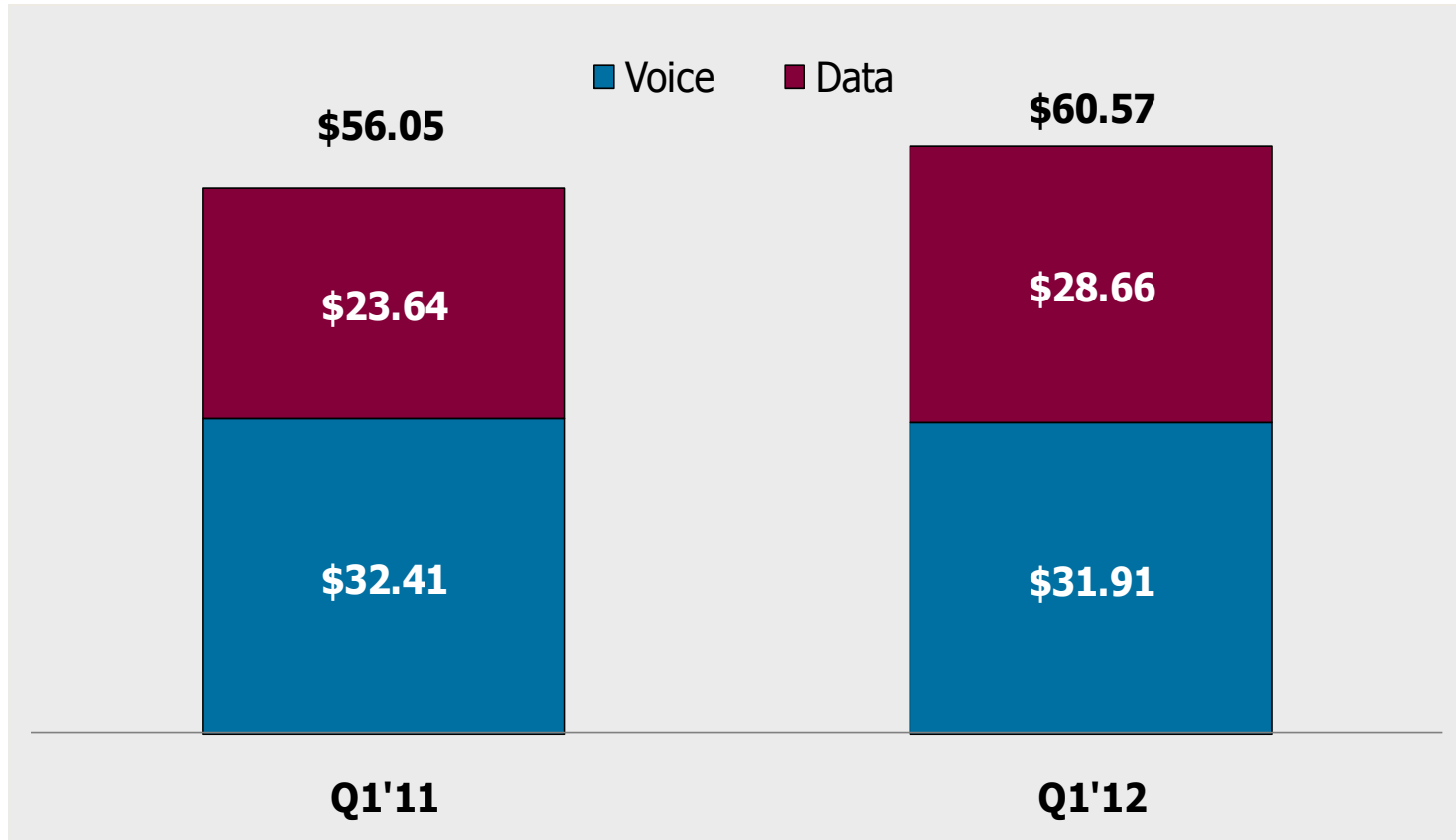
- Q1 2012 net adds of 2,064 versus 3,016 Q1 2011 net adds
- Q1 2012 churn of 1.86% similar to Q4 2011, increased from 1.76% in Q1 2011
- Shentel-controlled channels produced 50% of gross adds in Q1 2012 and 55% of gross adds in Q1 2011

Net Additions - Postpaid



Key Operational Results – PCS

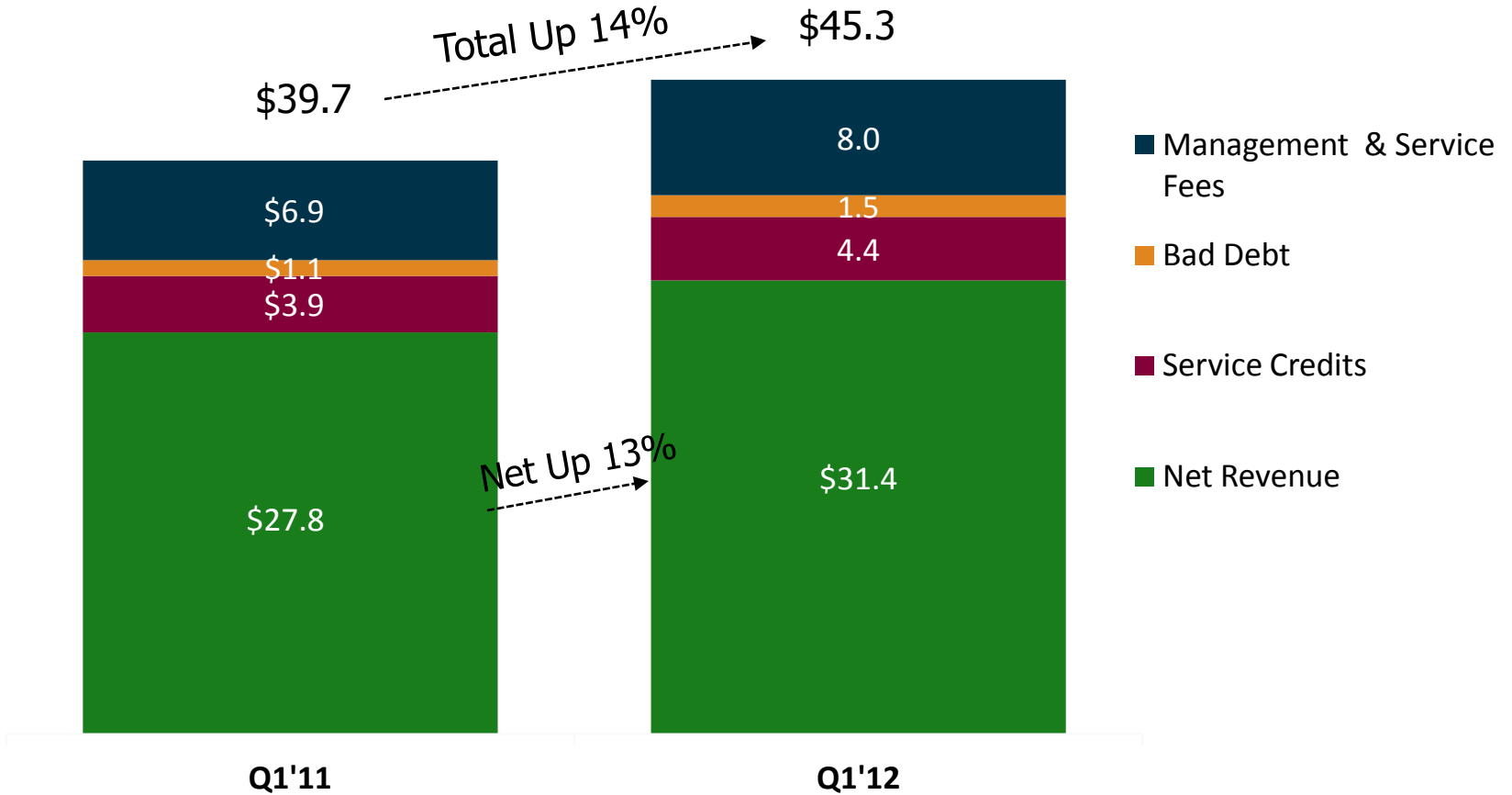
Gross Billed Revenue per Postpaid User – Data & Voice ¹



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

PCS Revenues

Gross Billed Revenues - Postpaid (\$ millions)



Postpaid PCS Customers Top Picks Q1 2012

- Top Service Plans – 75% of Gross Adds

- ▶ Everything Data Family 1500 – 49%
- ▶ Everything 450 – 18%
- ▶ Business Advantage Talk 200 – 5%
- ▶ Everything Messaging Family 1500 – 3%

- Top Devices – New Activations - All Channels

- ▶ iPhone 20%
- ▶ Kyocera DuraMax 11%
- ▶ Samsung Epic 3D/4G 7%
- ▶ HTC Evo 3D 7%
- ▶ Sanyo Vero 4%

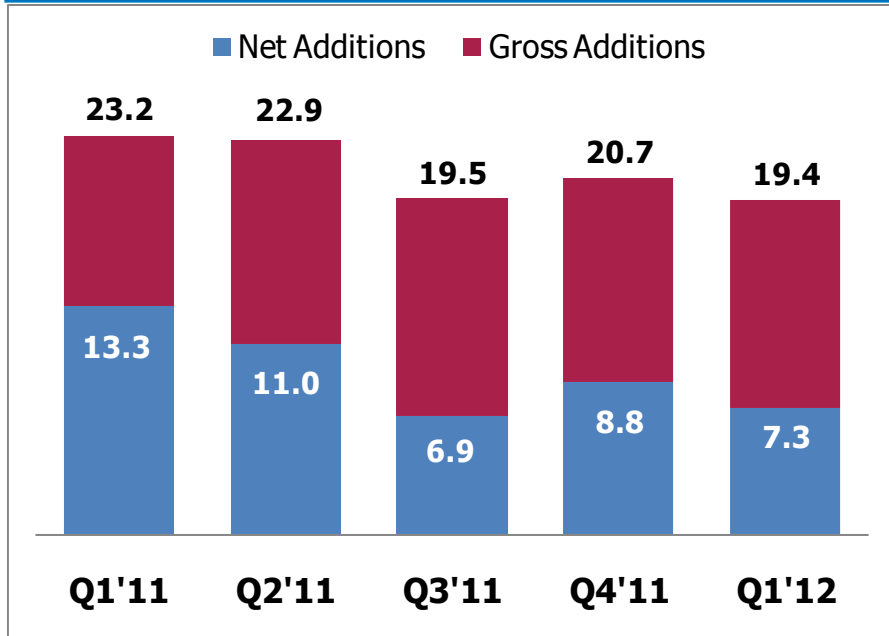
- Smartphones made up 57% of the Postpaid base in Q1 2012, up from 53% in Q4 2011 and 39% in Q1 2011

iPhone Statistics – Q1'12

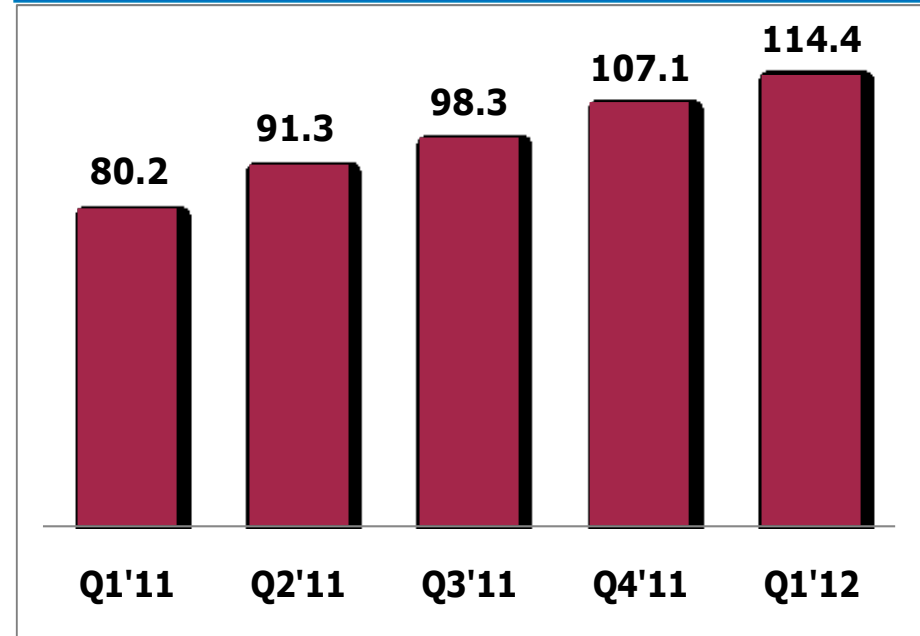
- 20% of Q1 Gross Adds
- 51% of iPhones were sold or upgraded in Shentel-controlled channels
- 6.8% of 3/31/2012 Postpaid customers had the iPhone, up from 3.6% at 12/31/11
 - ▶ 60% iPhone 4S
 - ▶ 40% iPhone 4

PCS Prepaid Statistics

Gross Additions (000s)

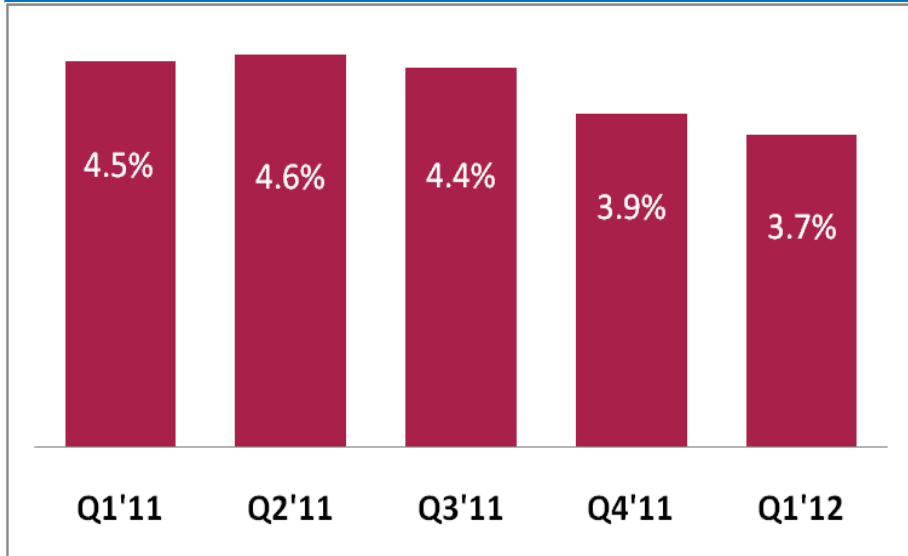


Cumulative Customers (000s)

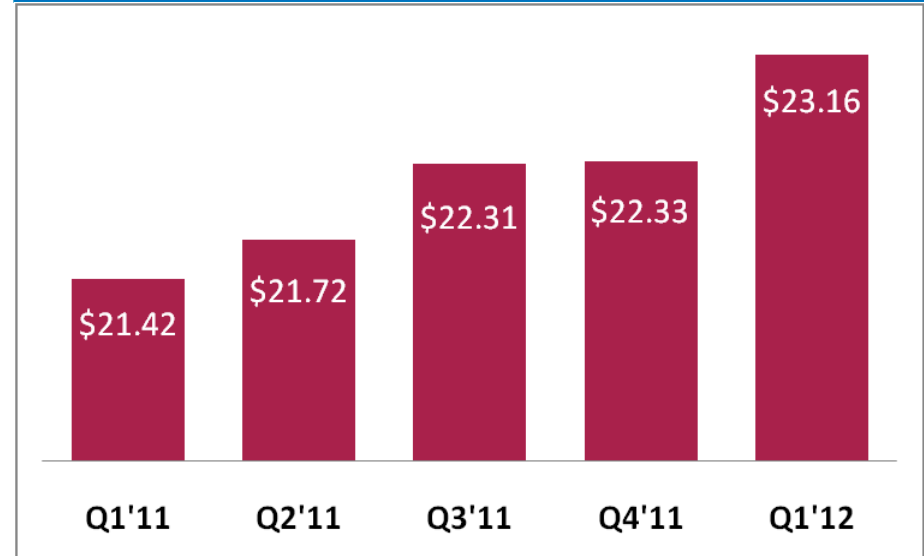


PCS Prepaid Statistics

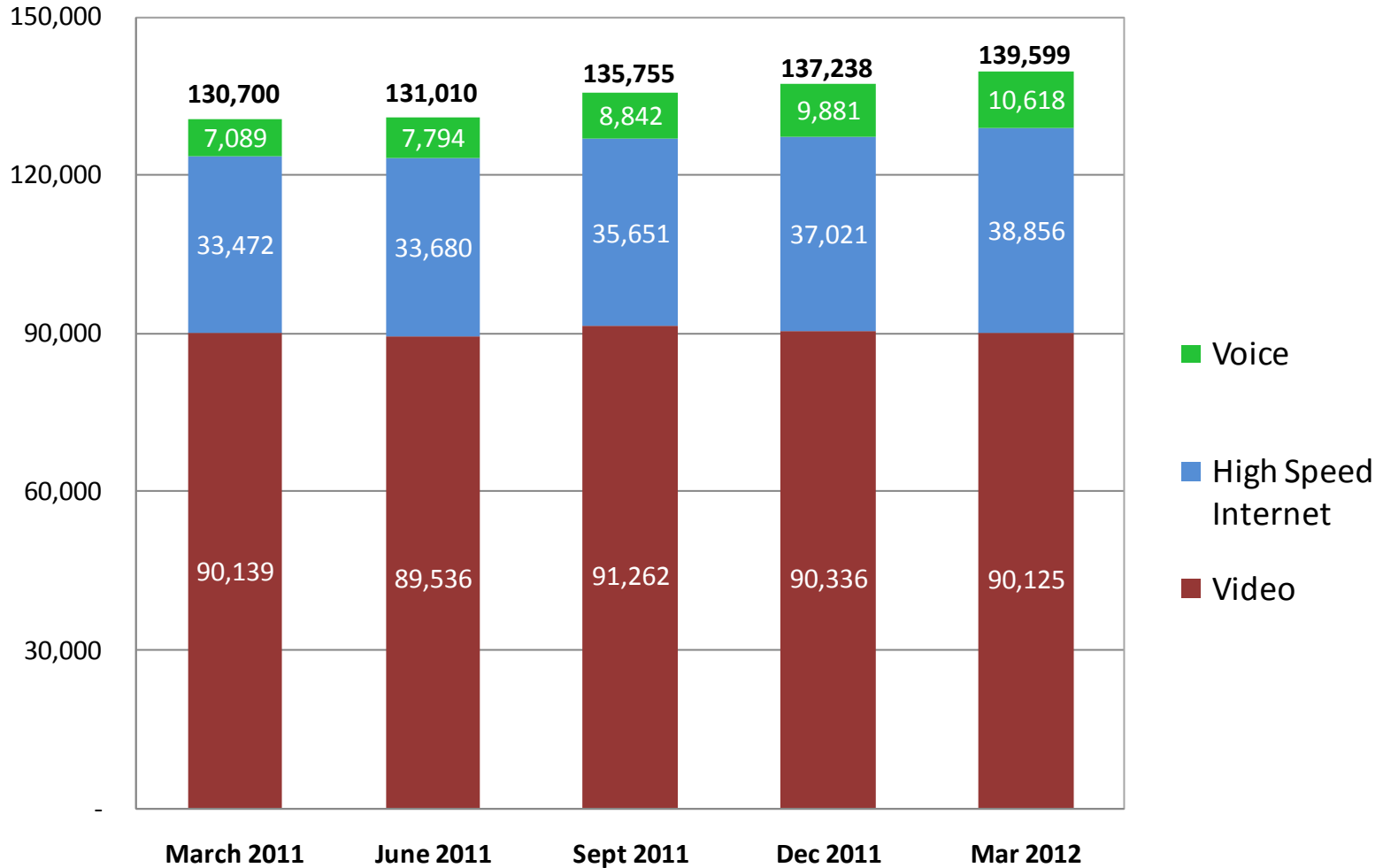
Churn %



Average Gross Billed Revenue

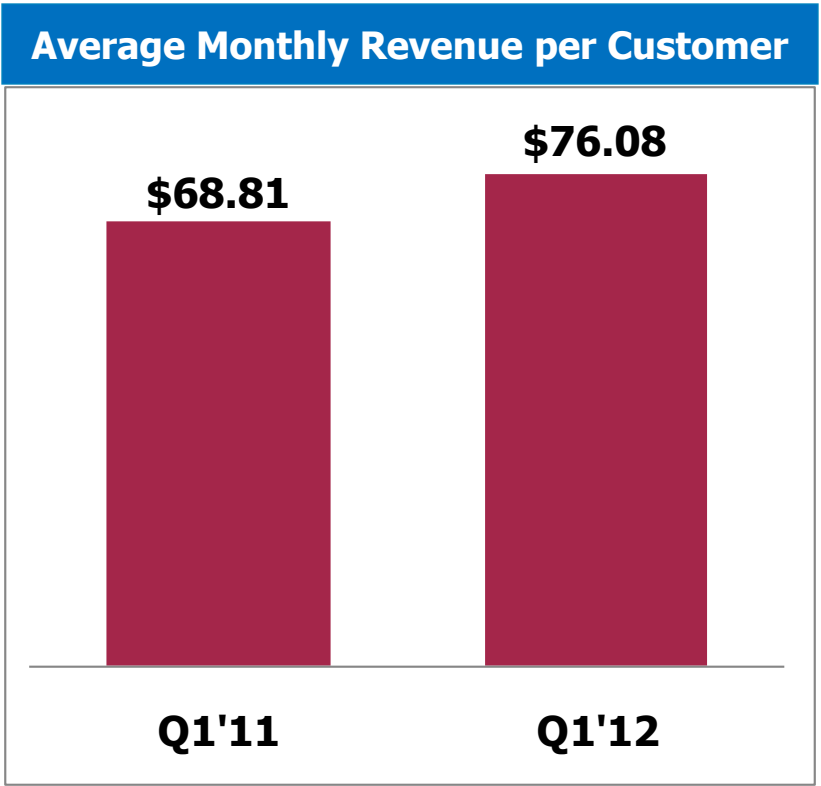
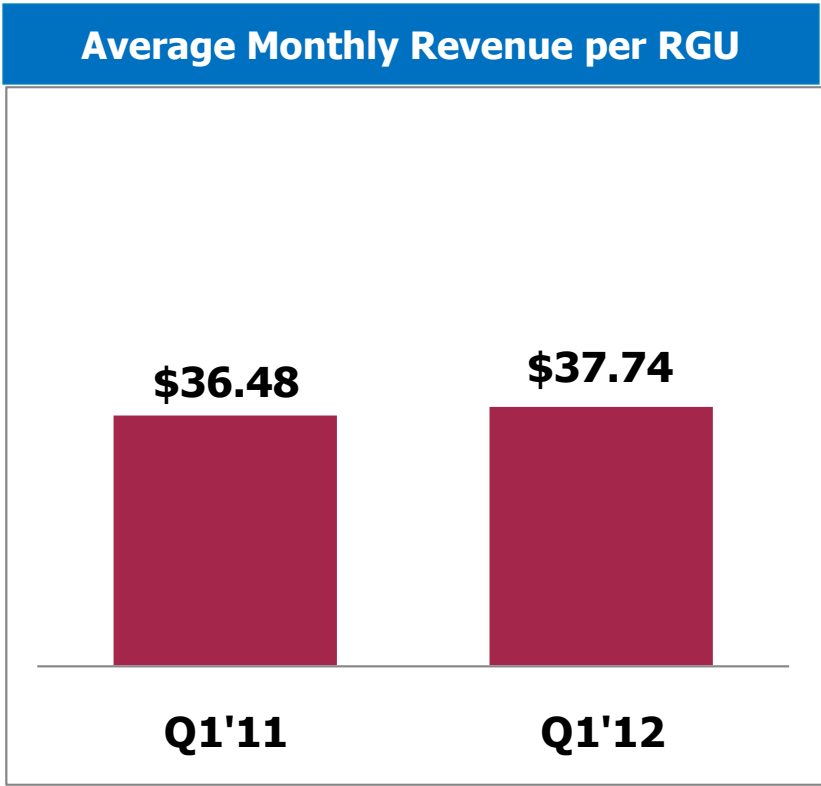


Cable - RGU Growth by Quarter



	March 2011	June 2011	Sept 2011	Dec 2011	Mar 2012
Customers	74,657	73,930	75,131	75,348	76,130
RGU's/Customer	1.75	1.77	1.81	1.82	1.83

Cable Statistics



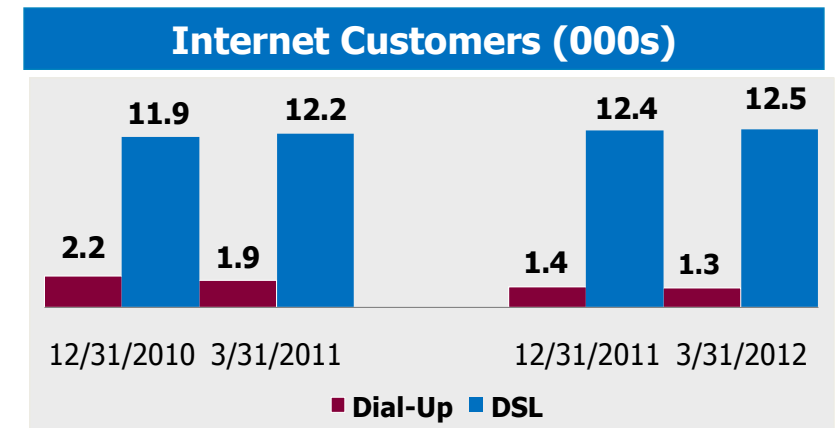
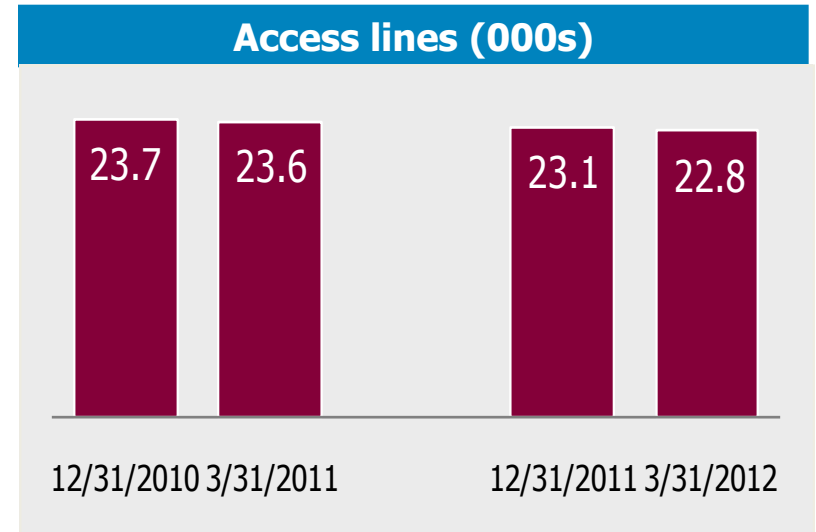
Key Operational Results - Cable

	3/31/2011	3/31/2012
Homes Passed	179,328	182,828
Basic Video		
Revenue generating units	66,861	64,532
Penetration	37.3%	35.3%
Digital video revenue generating units	23,278	25,593
Digital video penetration	34.8%	39.7%
High-speed Internet		
Available Homes	147,444	156,791
Customers	33,472	38,856
Penetration	22.7%	24.8%
Voice		
Available Homes	121,960	143,097
Customers	7,089	10,618
Penetration	5.8%	7.4%
Total Revenue Generating Units	130,700	139,599

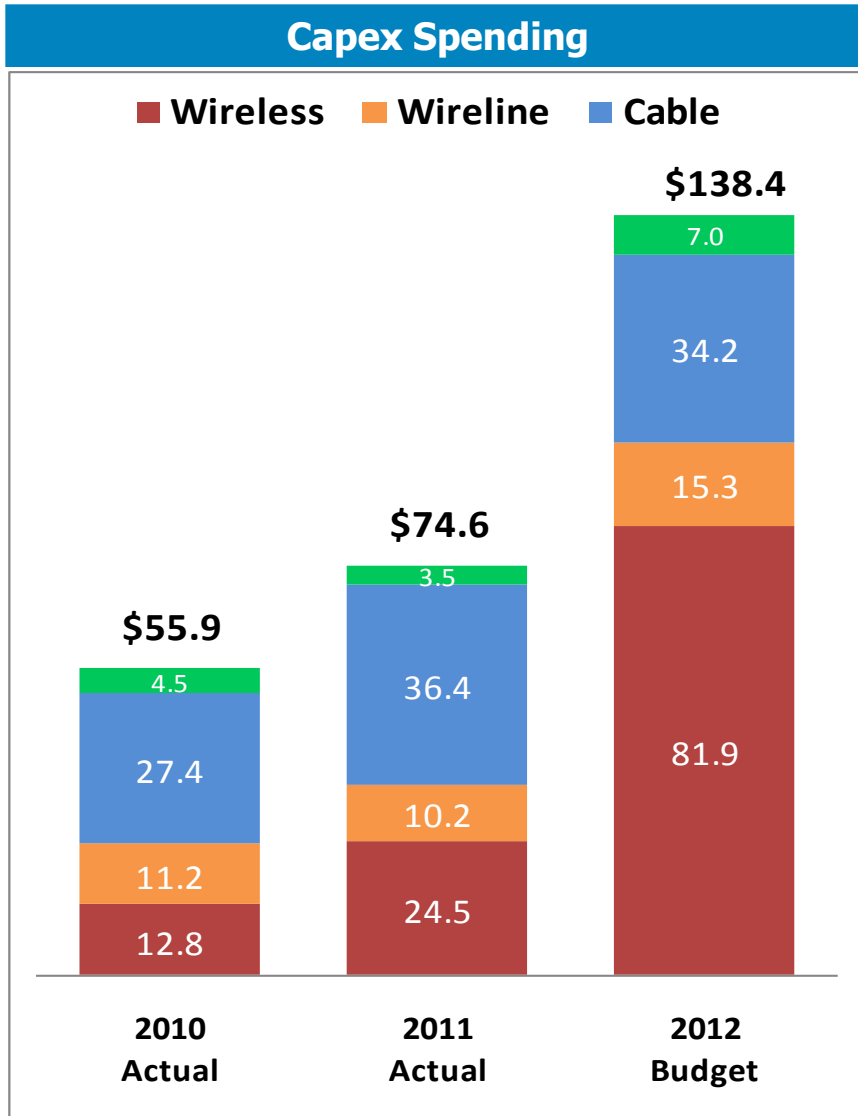
Note: Video homes passed includes 16K homes located in Shenandoah County, VA, where internet and voice services are provided by the Wireline segment.

Key Operational Results - Wireline

- Modest access line loss of 3% in past 12 months
- Continued broadband penetration in LEC area to 55%
- 3% growth in DSL customers since 03/31/11, partially offsetting access line losses, resulting in total connections of 35.3 thousand



Investing in the Future



- All remaining systems in West Virginia and Maryland to have upgrades completed in 2012
- Upgrade of Jet Network is approximately 90% complete
- Network Vision expected to drive \$60M of spend in 2012

Q&A

Appendix

Non-GAAP Financial Measure – Billed Revenue per Postpaid Subscriber

Dollars in thousands (except subscribers and revenue per subscriber)

	<u>1Q 2011</u>	<u>1Q 2012</u>
<u>Gross billed revenue</u>		
Wireless segment total operating revenues	\$ 36,468	\$ 42,669
Equipment revenue	(1,569)	(1,530)
Tower Lease Revenue	(2,177)	(2,251)
Prepaid Net Service Revenues	(4,424)	(6,985)
Other revenue	(519)	(485)
Wireless service revenue – postpaid	<u>27,779</u>	<u>31,418</u>
Discounts and Credits	3,948	4,355
Write-offs	1,060	1,529
Management fee	2,701	3,202
Service fee	4,214	4,803
Gross billed revenue – postpaid	<u>\$ 39,702</u>	<u>\$ 45,307</u>
Average postpaid subscribers	236,131	249,331
Billed revenue per postpaid subscriber	56.05	60.57