

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 1, 2013

**Shenandoah Telecommunications Company**

(Exact name of registrant as specified in its charter)

**Virginia**  
(State or other jurisdiction of incorporation)

**0-9881**  
(Commission File Number)

**54-1162807**  
(IRS Employer Identification No.)

**500 Shentel Way**  
**P.O. Box 459**  
**Edinburg, VA**  
(Address of principal executive offices)

**22824**  
(Zip Code)

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

**Not applicable**

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2-(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

The following information is furnished pursuant to Regulation FD: On November 1, 2013, Shenandoah Telecommunications Company held its third quarter 2013 earnings release conference call. The materials attached hereto as Exhibit 99.1 were utilized during the conference call. These materials are also available on the Company's website.

These materials may contain forward-looking statements about Shenandoah Telecommunications 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 or similar words, or by discussions of strategy or risks and uncertainties. Shenandoah Telecommunications undertakes no obligation to revise or update such statements to reflect current events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

**Item 9.01 Financial Statements and Exhibits.**

**(c) Exhibits**

The following exhibit is furnished with this Current Report on Form 8-K.

**99.1 Third Quarter 2013 Earnings Release Conference Call Slides**

**SIGNATURE**

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)

November 1, 2013

/S/ Adele M. Skolits  
Adele M. Skolits  
Vice President - Finance and  
Chief Financial Officer  
(Duly Authorized Officer)

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Exhibit 99.1



**SHENTEL**<sup>®</sup>

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**3Q 2013  
Earnings Conference Call**

November 1, 2013

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# Safe Harbor Statement

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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](http://www.sec.gov), [www.shentel.com](http://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

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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

President and CEO

# Q3'13 Highlights

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## ■ Net Income Growth

- Increased 394% to \$6.7 million
- Adjusted OIBDA increased 12% to \$28.7 million

## ■ Revenue Growth

- Revenue grew 6.4% over Q3'12 to \$77.5 million

## ■ Customer Growth

	<u>9/30/12</u>	<u>9/30/13</u>	<u>Change</u>
Wireless	381,321	400,336	+19,015
Cable (RGUs)	114,762	118,805	+4,043

# Wireless Highlights

## ❑ Postpaid Growth

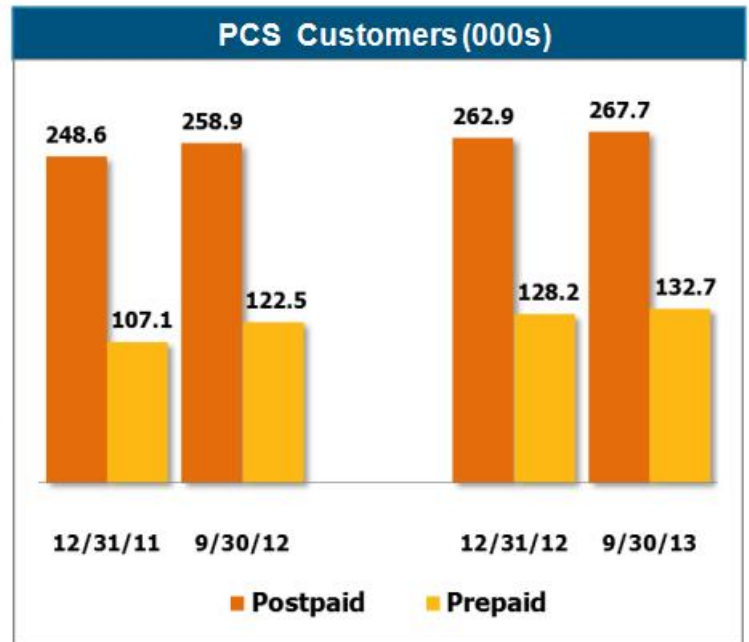
Postpaid customers up 3.4% over last 12 months

## ❑ Prepaid Growth

Prepaid customers up 8.3% over last 12 months

## ❑ Operating Income Increase

Improvement of \$7.2 million, or 87.9%





# Cable Highlights

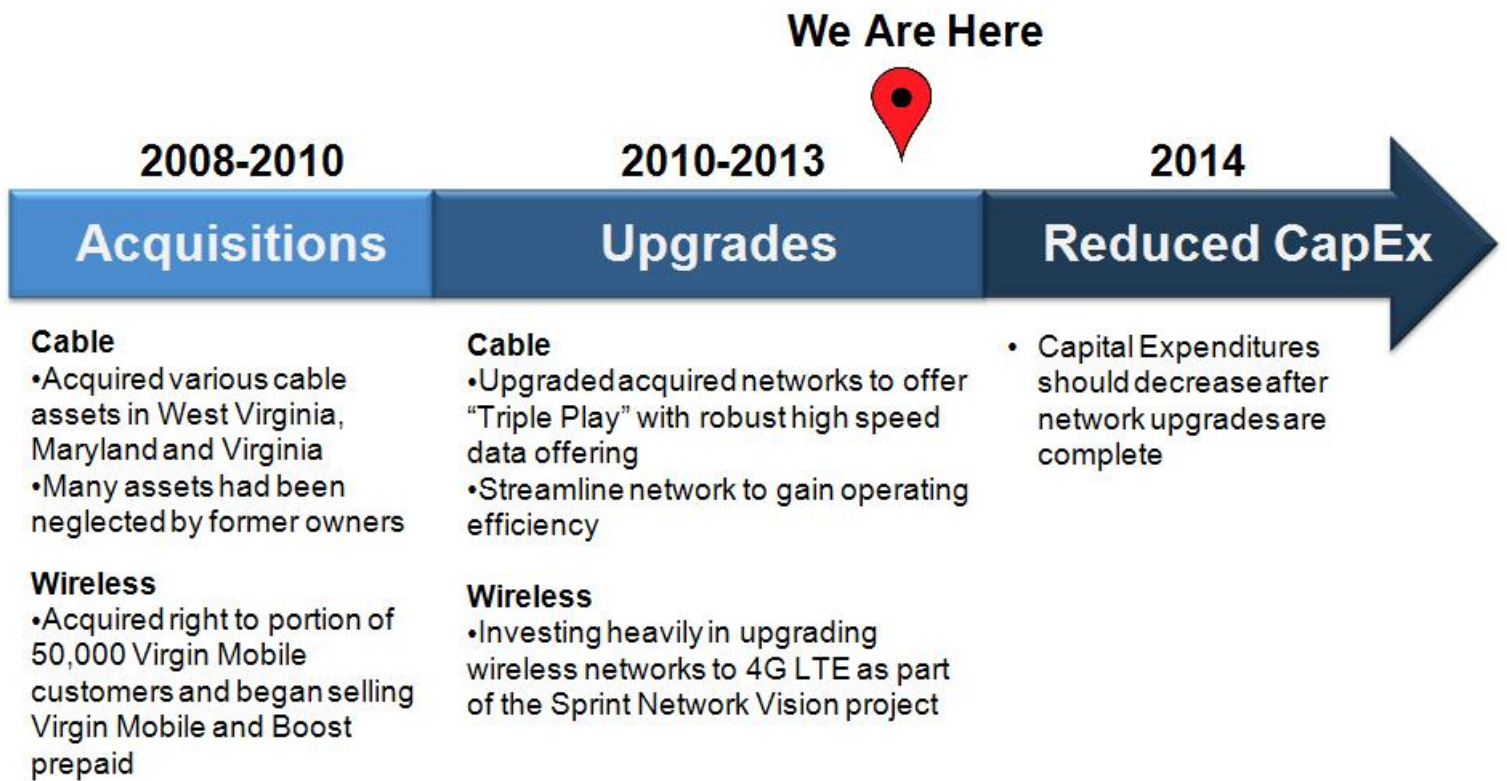
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- **Upgrades of 2010 Acquisitions Finished**

- **Revenue Growth**

- Operating revenues grew 8.0% over Q3'12
- 118,805 RGUs at 9/30/2013, up 3.5% over Q3'12
- Adjusted OIBDA \$1.2 million, up 13% from Q3'12

# Tail End of Significant Capital Expenditures



# Strategic Initiatives

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## Wireless

- Optimize 4G LTE Network by end of year
- Leverage improved network and our regional focus to drive growth

## Cable

- Leverage significant improvements made to network
- Drive unified brand initiative launched in 2012
- Continue to deliver total RGU growth

## Cable & Wireline

- Grow fiber lease revenues



# Adele Skolits

VP of Finance and CFO

# Profitability

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**Consolidated Results**  
(\$ in thousands, except per share amounts)

	<u>For the Quarter Ended:</u>	
	<u>9/30/12</u>	<u>9/30/13</u>
<b>Operating Income</b>	\$ 5,407	\$ 13,262
<b>Net Income</b>	\$ 1,361	\$ 6,717
<b>Basic and Diluted Earnings Per Share</b>	\$ 0.06	\$ 0.28

# Profitability

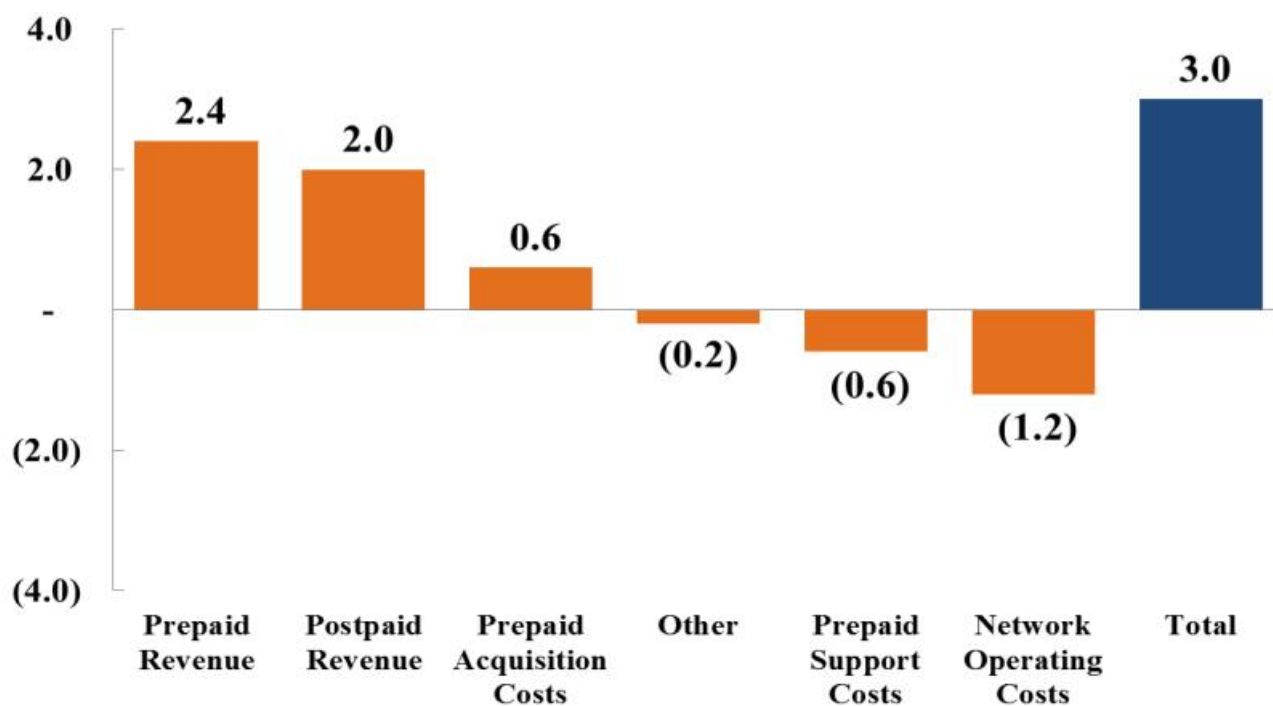
## Adjusted OIBDA (\$ thousands)

	<b>For the Quarter Ended:</b>		
	<b>9/30/12</b>	<b>9/30/13</b>	<b>Change</b>
Operating Income	5,407	13,262	7,855
Depreciation and Amortization	16,794	14,992	(1,802)
Adjusted prepaid results	2,408	-	(2,408)
Share Based Compensation	379	431	52
Storm Expenses	551	-	(551)
(Gain)/Loss on Asset Sales	56	18	(38)
<b>Adjusted OIBDA</b>	<b>25,595</b>	<b>28,703</b>	<b>3,108</b>

## Adjusted OIBDA by Segment (\$ millions)

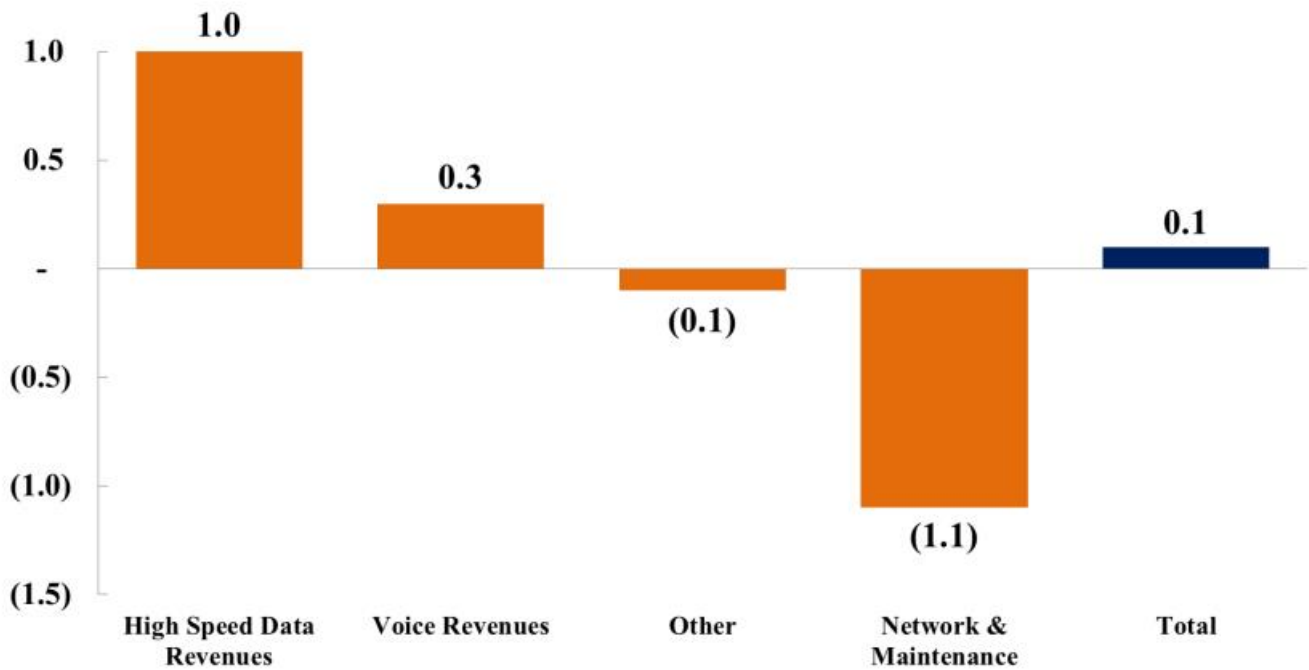
	<u>Wireless</u>		<u>Cable</u>		<u>Wireline</u>	
	<u>Q3'12</u>	<u>Q3'13</u>	<u>Q3'12</u>	<u>Q3'13</u>	<u>Q3'12</u>	<u>Q3'13</u>
Operating Income	\$ 8.2	\$ 15.5	\$ (5.6)	\$ (4.7)	\$ 3.5	\$ 3.3
Depreciation and amortization	8.7	6.8	5.9	5.7	2.2	2.5
Adjusted prepaid results	2.4	-	-	-	-	-
Plus storm expenses	-	-	0.5	-	-	-
Plus (gain) loss on asset sales	-	-	-	-	-	-
Share based compensation	0.1	0.1	0.2	0.2	0.1	0.1
<b>Adjusted OIBDA</b>	<b><u>\$19.4</u></b>	<b><u>\$22.4</u></b>	<b><u>\$1.0</u></b>	<b><u>\$ 1.2</u></b>	<b><u>\$5.8</u></b>	<b><u>\$5.9</u></b>
Percent Change		15.5%		13.2%		2.2%

## Wireless Segment - Change in Adjusted OIBDA Q3'13 vs. Q3'12 (\$ millions)





## Cable Segment - Change in Adjusted OIBDA Q3'13 vs. Q3'12 (\$ millions)





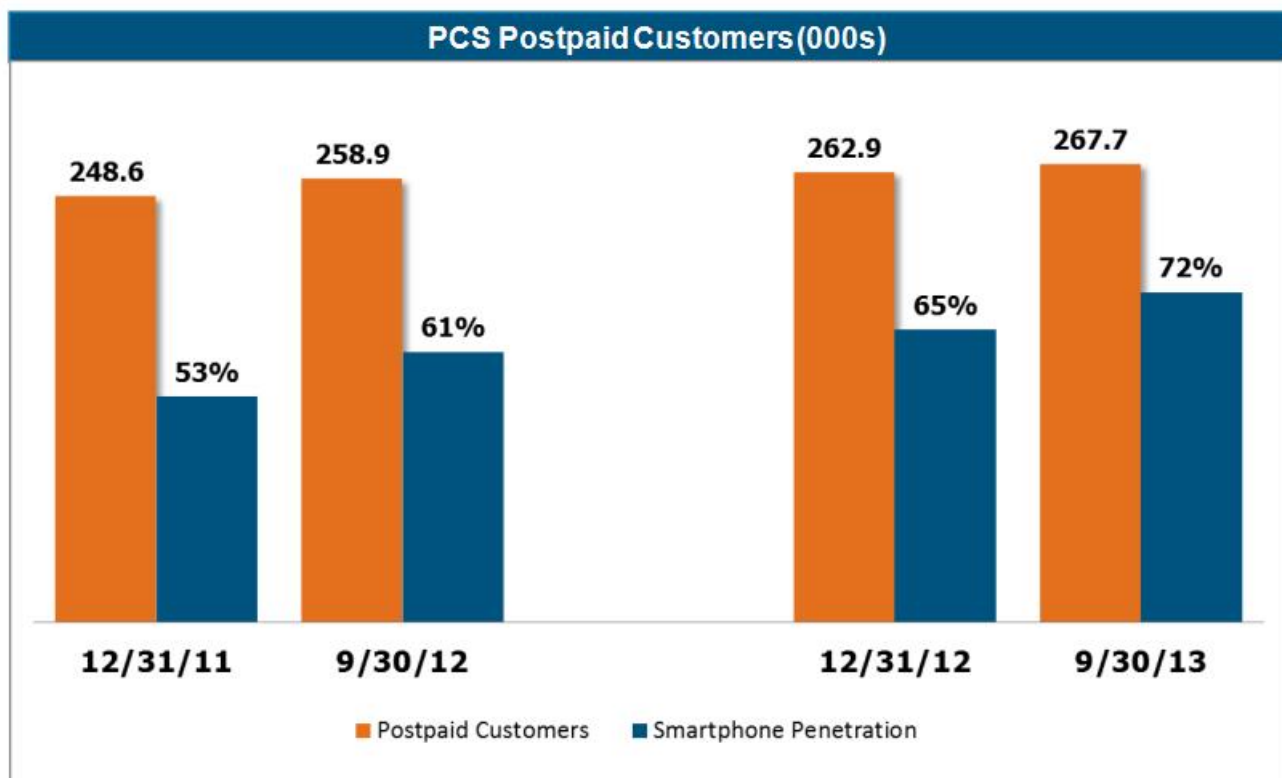
# Earle MacKenzie

EVP and COO

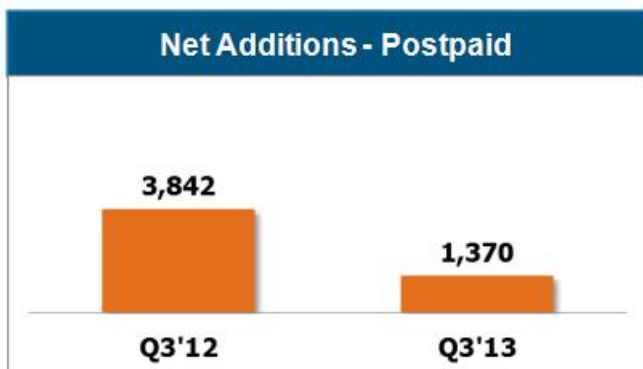
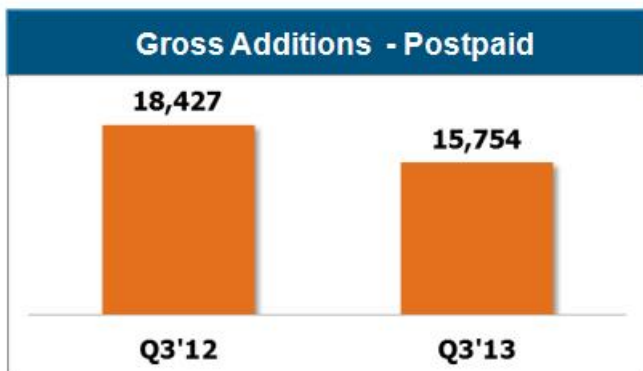


# Wireless Segment

# Postpaid Customer Growth

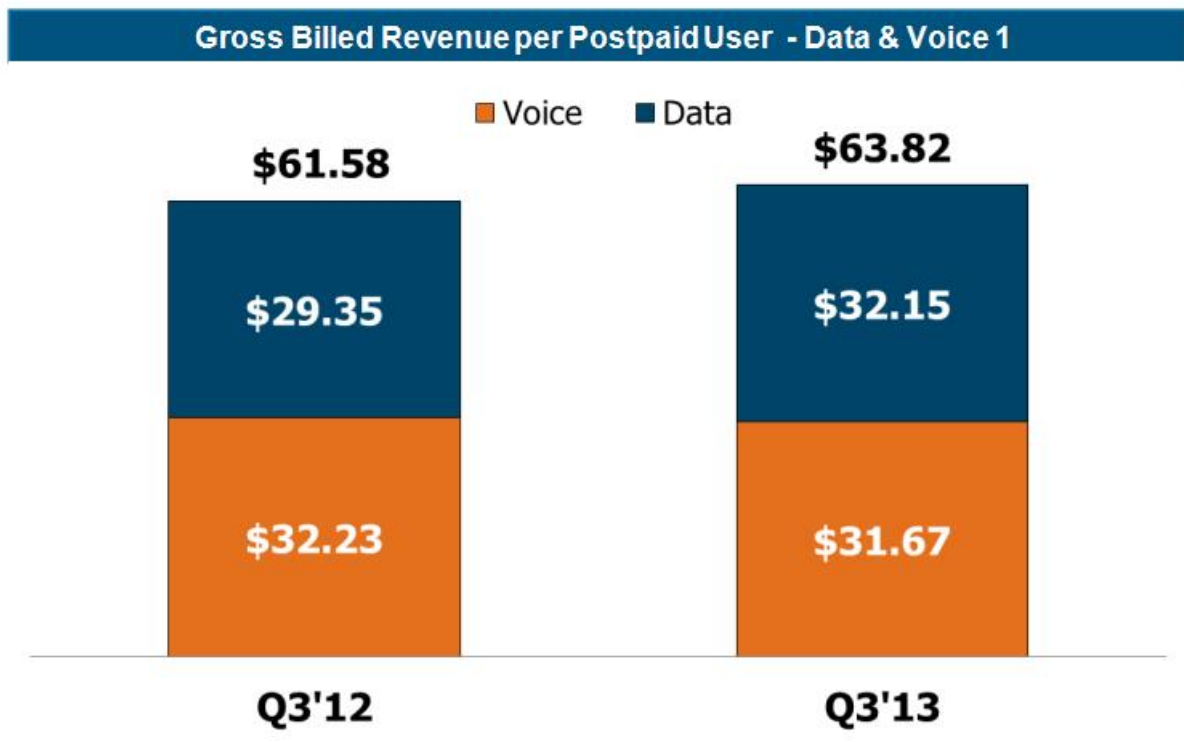


# Postpaid Customer Additions



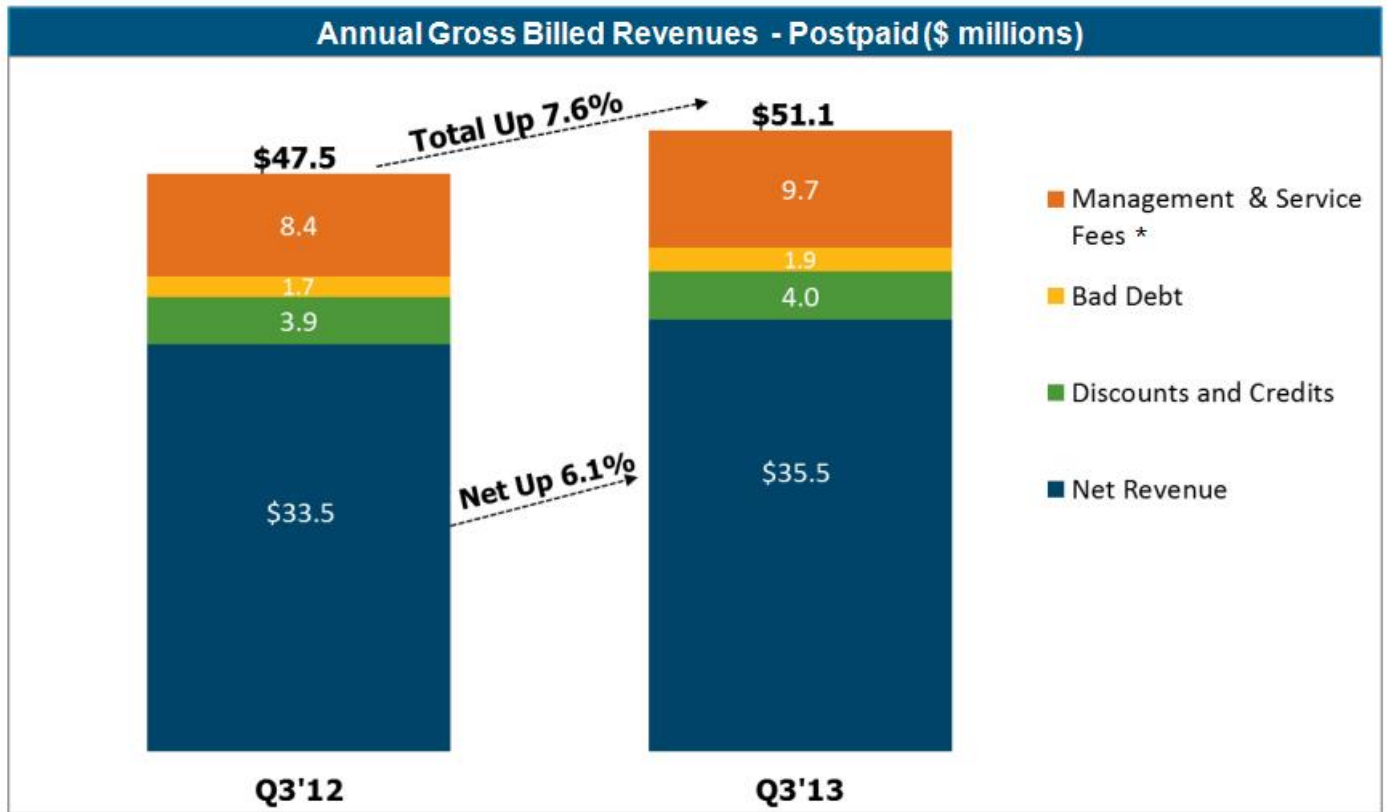
- Net adds of 1,370 in Q3 2013 versus 3,842 in Q3 2012
- Q3 2013 churn of 1.80% down from 1.89% in Q3 2012
- Shentel-controlled channels produced 55% of gross adds in Q3 2013 and 47% in Q3 2012

# Total Revenue per Customer Up; Data Usage Increasing



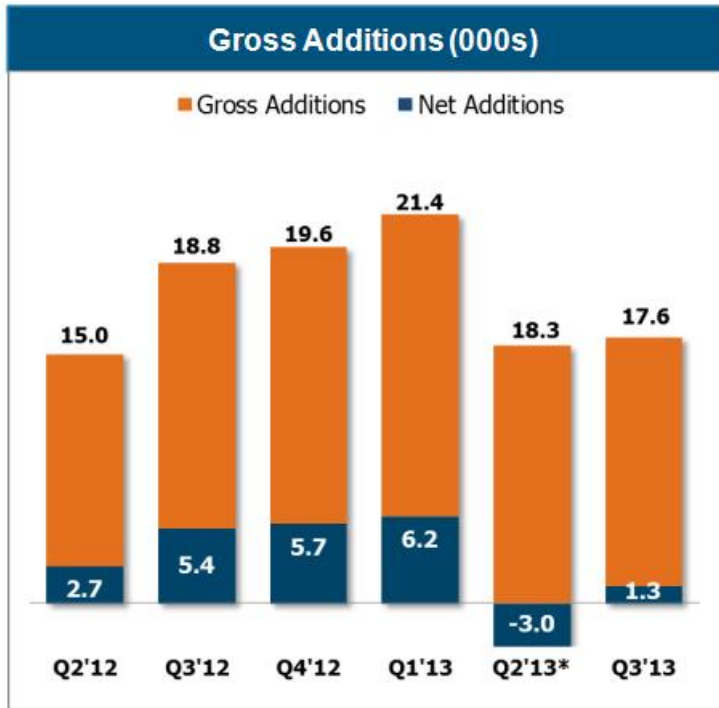
1 - Before Service credits, bad debt, Sprint Nextel fees.

# PCS Revenues



\*Net service fee increased from 12% to 14% effective 8/1/2013

# PCS Prepaid Statistics

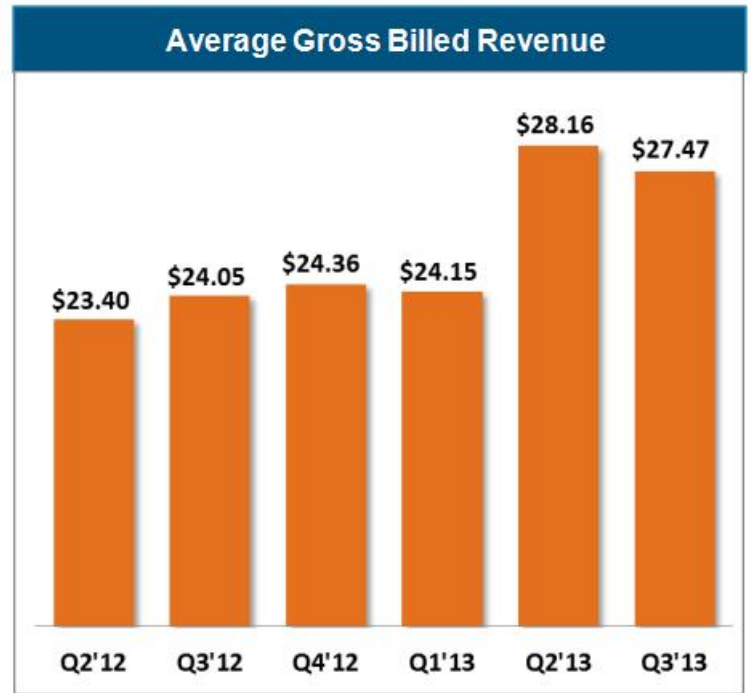
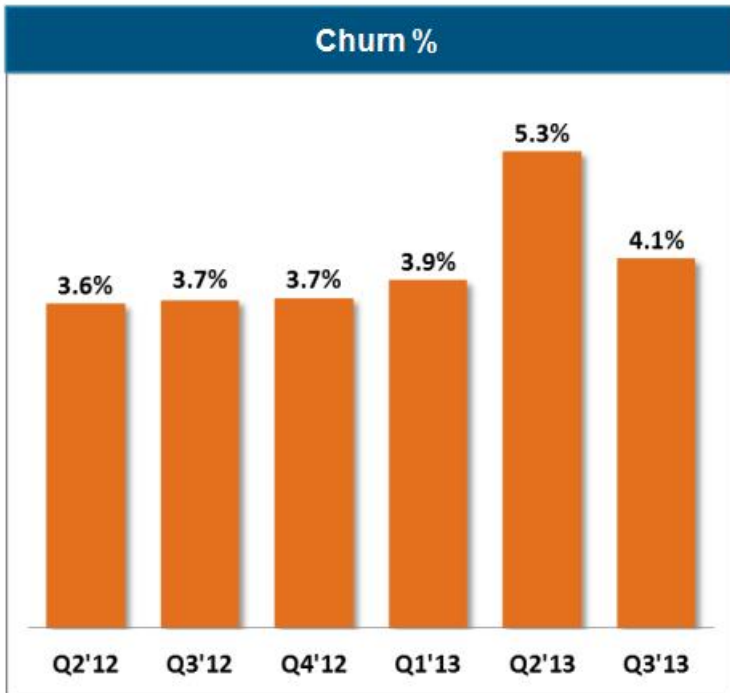


\*The loss of customers in Q2'13 related to more stringent governmental requirements for customers renewing their eligibility for the government subsidized Assurance program.





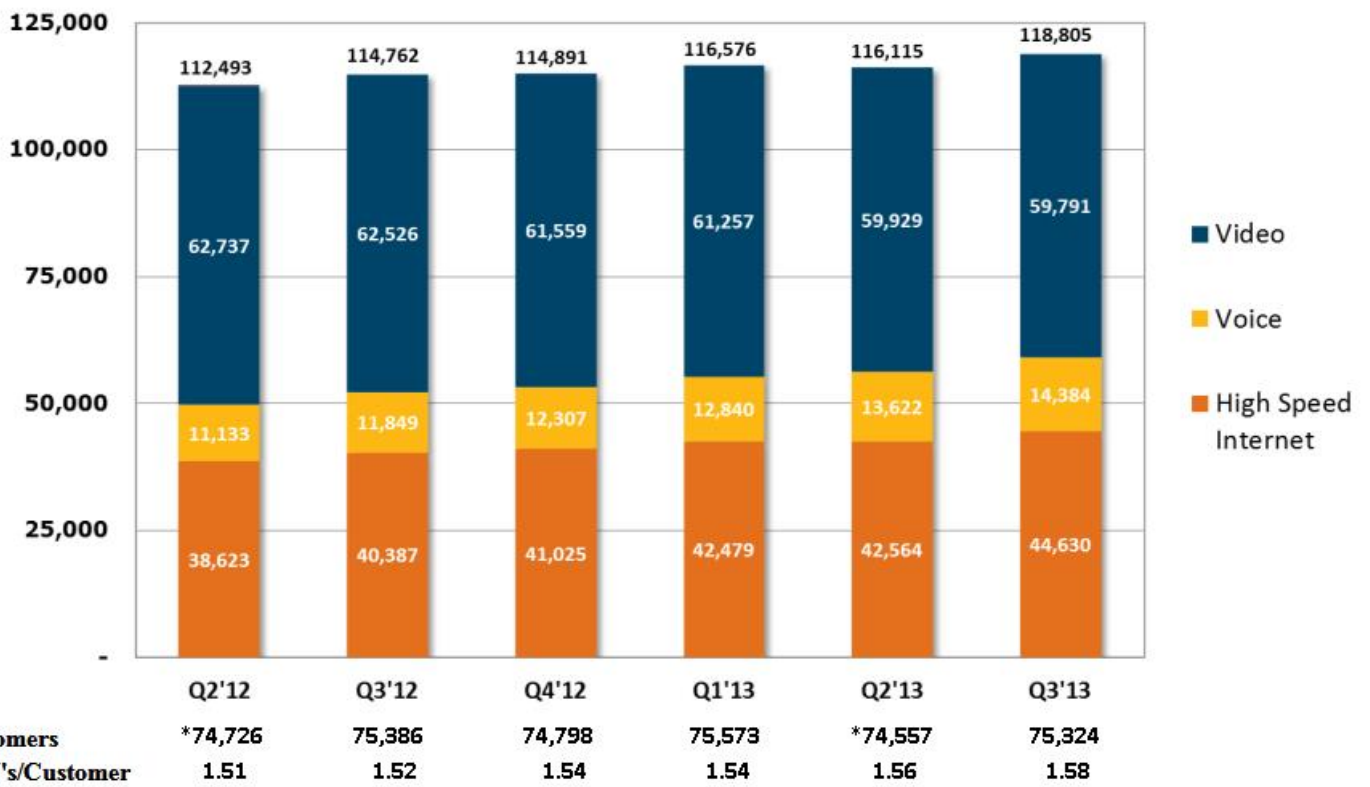
# PCS Prepaid Statistics





# Cable Segment

# Cable - RGU Growth by Quarter

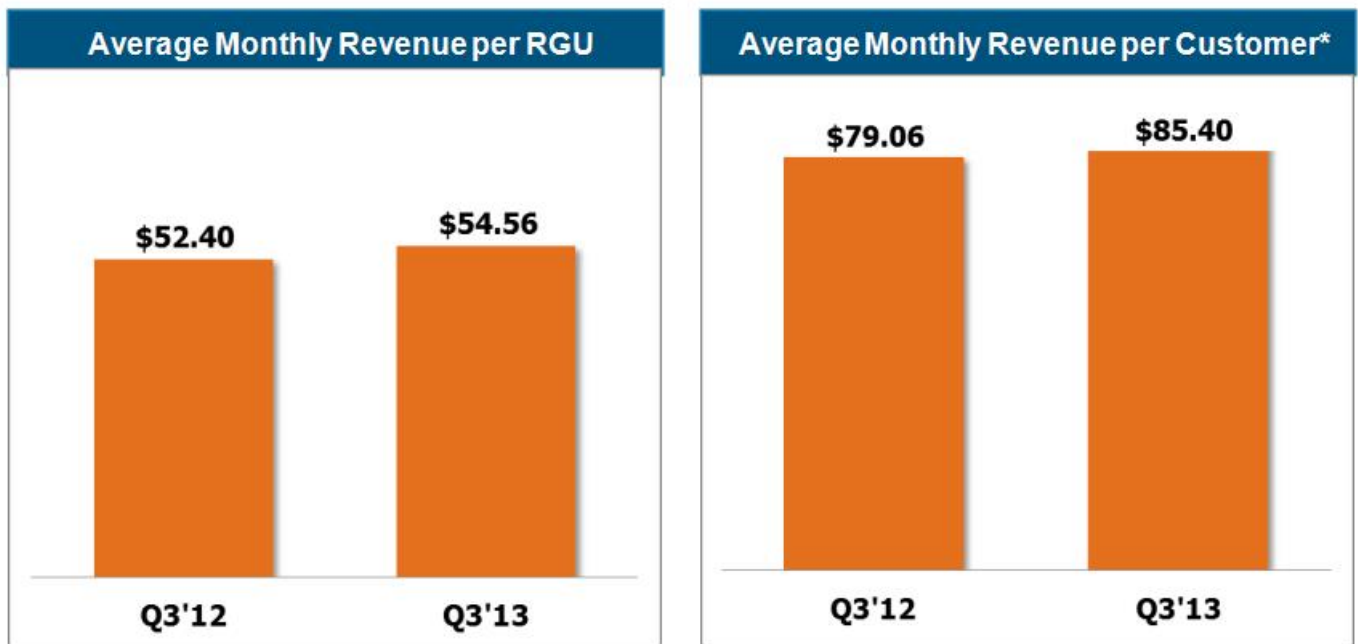


\* College students disconnect during summer



# Increasing Average Monthly Cable Revenue

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\*Average monthly revenue per video subscriber was \$94.96 and \$107.05 for Q3 2012 and Q3 2013, respectively.

## Key Operational Results - Cable

	<u>Q3 2012</u>	<u>Q3 2013</u>
<b>Homes Passed</b>	<b>183,375</b>	<b>184,841</b>
<b>Total Revenue Generating Units</b>	<b>114,762</b>	<b>118,805</b>
<b>Customer Relationships</b>	<b>75,386</b>	<b>75,324</b>
<b>RGUs per Customer Relationship</b>	<b>1.52</b>	<b>1.58</b>
Video		
Revenue generating units	62,526	59,791
Penetration	34.1%	32.3%
Digital video penetration	39.4%	48.7%
High-speed Internet		
Available Homes	157,338	166,898
Revenue generating units	40,387	44,630
Penetration	25.7%	26.7%
Voice		
Available Homes	150,944	161,932
Revenue generating units	11,849	14,384
Penetration	7.8%	8.9%

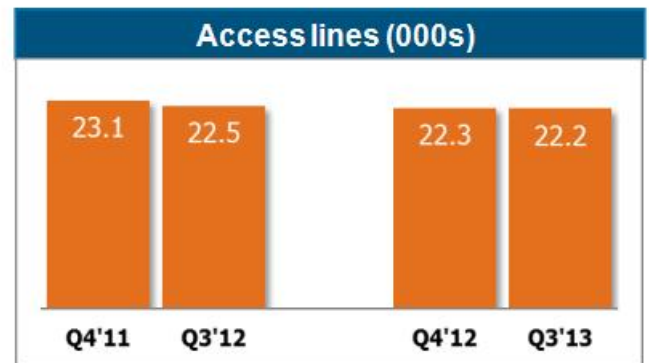
Note: Video homes passed includes 16K homes located in Shenandoah County, VA, where internet and voice services are provided by the Wireline segment.



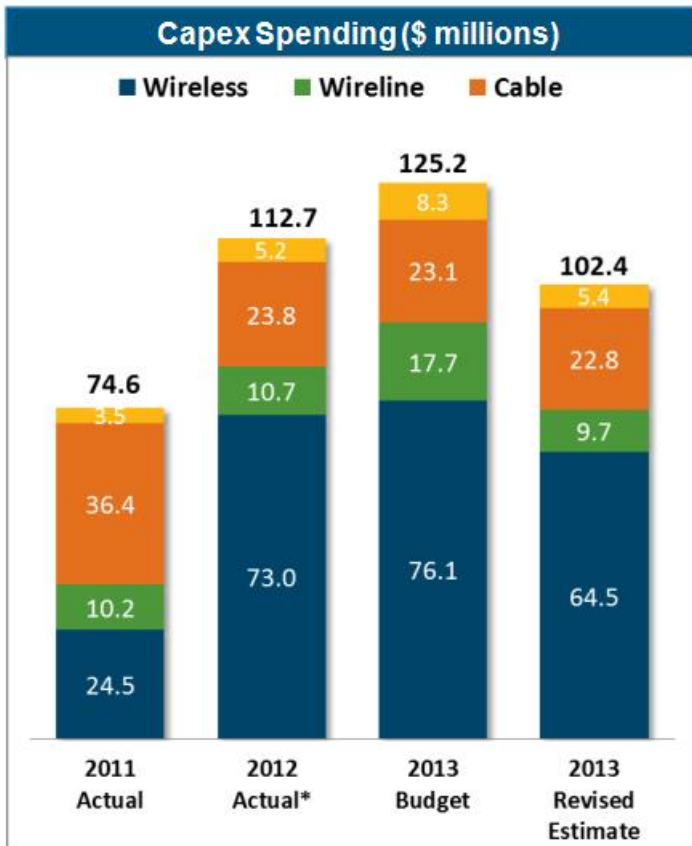
# Wireline Segment

# Key Operational Results - Wireline

- Access line loss of 1.3% in past 12 months
- Broadband penetration in LEC area at 56.3%
- Total connections at 9/30/13 of 34.7 thousand



# Investing in the Future



- Revised 2013 estimate to \$102.4 million. Approximately \$17 million of planned FY'13 spend is being shifted into 2014.
- Capex should decrease significantly in 2014.

\* Capex spending for 2012 included \$24.7 million of contracted commitments that was included in accounts payable at 12/31/12.



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# Q&A

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# Appendix

## Non-GAAP Financial Measure - Billed Revenue per Postpaid Subscriber

*Dollars in thousands (except subscribers and revenue per subscriber)*

	<b><u>3Q 2012</u></b>	<b><u>3Q 2013</u></b>
<b>Gross billed revenue</b>		
Wireless segment total operating revenues	\$ 45,661	\$ 49,578
Equipment revenue	(1,436)	(1,257)
Tower Lease Revenue	(2,286)	(2,611)
Prepaid Net Service Revenues	(8,065)	(10,460)
Other revenue	(422)	228
Wireless service revenue – postpaid	33,452	35,478
Service credits	3,863	3,987
Write-offs	1,702	1,952
Management fee	3,381	3,624
Service fee	5,071	6,048
Gross billed revenue – postpaid	\$ 47,469	\$ 51,089
<b>Average postpaid subscribers</b>	<b>256,965</b>	<b>266,842</b>
<b>Billed revenue per postpaid subscriber</b>	<b>\$ 61.58</b>	<b>\$ 63.82</b>

# Postpaid PCS Customers Top Picks Q3 2013

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## ■ **Top Service Plans** - 81% of Gross Adds

Everything Data 1500	46%
* Unlimited, My Way	27%
Everything Data 450	9%

## ■ **Top Devices** - New Activations - All Channels

Samsung Galaxy S III	32%
iPhone	23%
Samsung Galaxy S4	12%

Smartphones made up 72% of the Postpaid base in Q3 2013, up from 65% in Q4 2012 and 61% in Q3 2012.

\* New Service Plan offered in Q3 2013

## iPhone Statistics - Q3'13

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- 23% of Q3 Gross Adds
- 29% of iPhones were sold or upgraded in Shentel-controlled channels
- 25.6% of 09/30/13 Postpaid customers had the iPhone, up from 23.7% at 06/30/13
- iPhone Base - 9/30/2013
  - 47% iPhone 4S
  - 28% iPhone 4
  - 25% iPhone 5

# Non-GAAP Financial Measure - Average Monthly Cable Revenue

*Dollars in thousands (except subscribers and revenue per user)*

	<b>3Q 2012</b>	<b>3Q 2013</b>
Net Service Revenue	\$ 16,509	\$ 17,630
Set-top box rentals	1,059	1,283
FUSC and pass-through fees	234	286
<b>Video, Internet &amp; Voice Revenue</b>	<b>17,802</b>	<b>19,199</b>
Other miscellaneous revenue	1,199	1,324
<b>Total Operating Revenue</b>	<b>19,001</b>	<b>20,523</b>
Video revenue	12,134	12,343
Internet revenue	4,581	5,514
Voice revenue	1,087	1,342
<b>Video, Internet &amp; Voice Revenue</b>	<b>\$ 17,802</b>	<b>\$ 19,199</b>
<b><u>Average Subscribers</u></b>		
Video	62,493	59,784
Internet	39,326	43,531
Voice	11,428	13,980
Revenue Generating Units (RGUs)	113,247	117,295
Average Customer Relationships	75,056	74,941
<b><u>Average Revenue Per User (ARPU)</u></b>		
Revenue Generating Units (RGUs)	\$ 52.40	\$ 54.56
Customer Relationships	\$ 79.06	\$ 85.40
Video	\$ 94.96	\$ 107.05

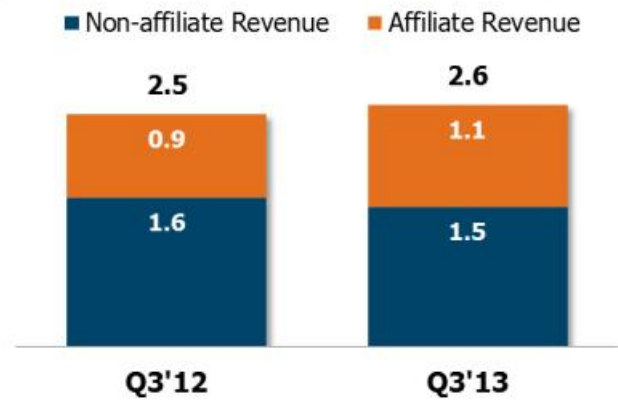


# Key Operational Results - Mobile Company

## Towers and Leases



## Mobile Tower Revenue (\$ millions)



(in thousands)

	<u>Q3'12</u>	<u>Q3'13</u>
Operating Income	\$1,216	\$1,070 *
Depreciation and Amortization	339	386
Share Based Compensation	5	6
<b>Adjusted OIBDA</b>	<b>\$1,559</b>	<b>\$1,462</b>

\* The decrease in operating income primarily resulted from a \$0.3 million adjustment to reduce straight-line rent accruals at a small number of sites related to termination of Sprint's IDEN leases.

# Wireline Statistics - Fiber Sales (\$ millions)

