SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10-Q

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2004

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1934

For the transition period from __________________ to________________________

Commission File Number: 0-9881

SHENANDOAH TELECOMMUNICATIONS COMPANY
(Exact name of registrant as specified in its charter)

Virginia	54-1162807
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

124 South Main Street, Edinburg, Virginia	22824
(Address of principal executive offices)	(Zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. |X| YES |_| NO

Indicate by check mark whether the registration is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). |X| YES |_| NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 23, 2004
Common Stock, No Par Value	7,604,715 Shares

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARY COMPANIES
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Item 1. FINANCIAL STATEMENTS

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

Assets	March 31, 2004	December 31, 2003
Current Assets		
Cash and cash equivalents	$ 33,138	$ 28,696
Accounts receivable, net	6,974	6,488
Income tax receivable	576	1,526
Materials and supplies	1,859	2,062
Prepaid expenses and other (Note 10)	7,175	1,669
Deferred income taxes	400	522
Total current assets	50,122	40,963
Securities and investments		
Available-for-sale securities	201	199
Other investments	7,263	7,268
Total securities and investments	7,464	7,467
Property, plant and equipment, net	124,879	127,686
Other Assets		
Cost in excess of net assets of business acquired	5,105	5,105
Deferred charges and other assets, net	1,048	999
Escrow account (Note 10)	--	5,000
	6,153	11,104
Accumulated amortization	1,860	1,856
Net other assets	4,293	9,248
Total Assets	$186,758	$185,364

(continued)

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (continued)
(in thousands)

Liabilities and Shareholders' Equity	March 31, 2004	December 31, 2003
Current Liabilities		
Current maturities of long-term debt	$ 4,257	$ 4,230
Accounts payable	5,004	4,729
Advance billings and deposits	3,332	3,326
Other current liabilities	2,953	3,511
Total current liabilities	15,546	15,796
Long-term debt, less current maturities	38,044	39,116
Other Liabilities		
Deferred income taxes	20,719	20,819
Pension and other	3,777	3,425
Total other liabilities	24,496	24,244
Shareholders' Equity		
Common stock	5,882	5,733
Retained earnings	102,762	100,449
Accumulated other comprehensive income	28	26
Total shareholders' equity	108,672	106,208
Total Liabilities and Shareholders' Equity	$ 186,758	$ 185,364

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)	Three months ended March 31, 2004	Three months ended March 31, 2003
Operating Revenues		
Wireless	$ 18,953	$ 15,634
Wireline	7,149	7,639
Other revenues	1,707	1,674
Total revenues	27,809	24,947
Operating Expenses		
Cost of goods and services	2,987	2,328
Network operating costs	8,314	8,007
Depreciation and amortization	4,337	4,021
Selling, general and administrative	7,887	6,441
Total operating expense	23,525	20,797
Operating Income	4,284	4,150
Other Income (expense):		
Non-operating income, net	224	204
Loss on investments, net	(18)	(328)
Interest expense	(797)	(954)
Income before income taxes, discontinued operations and cumulative effect of change in accounting	3,693	3,072
Income tax provision	(1,380)	(1,141)
Income from continuing operations	2,313	1,931
Income from discontinued operations, net of income taxes	--	22,628
Cumulative effect of a change in accounting, net of income taxes	--	(76)
Net income	$ 2,313	$ 24,483
Net income per share, basic		
Continuing operations	$ 0.30	$ 0.26
Discontinued operations, net of income taxes	--	2.99
Cumulative effect of a change in accounting, net of income taxes	--	(0.01)
Total net income per share, basic	$ 0.30	$ 3.24
Net income per share, diluted		
Continuing operations	$ 0.30	$ 0.26
Discontinued operations, net of income taxes	--	2.98
Cumulative effect of a change in accounting, net of income taxes	--	(0.01)
Total net income per share, diluted	$ 0.30	$ 3.23
Weighted average shares outstanding, basic	7,600	7,565
Weighted average shares, diluted	7,646	7,577

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three months ended March 31, 2004	Three months ended March 31, 2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Income from continuing operations	$ 2,313	$ 1,931
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,334	4,019
Amortization	3	2
Deferred income taxes	22	1,554
Gain on investments	--	(83)
(Income) loss from patronage and equity investments	(34)	292
Loss on disposal of equipment	79	20
Other	303	99
Changes in current assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(486)	1,453
Materials and supplies	203	65
Increase (decrease) in:		
Accounts payable	275	231
Other prepaids, deferrals and accruals	(108)	138
Net cash provided by operating activities	6,904	9,721
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	(1,621)	(2,027)
Purchases of other investments	(56)	(177)
Proceeds from investment activities	96	151
Proceeds from disposal of assets	15	--
Net cash used in investing activities	(1,566)	(2,053)
Cash Flows from Financing Activities		
Payments on long-term debt and revolving loan	(1,045)	(8,337)
Proceeds from issuance of common stock upon exercise of stock options	149	226
Net cash used in financing activities	(896)	(8,111)
Net cash provided by (used in) continuing operations	4,442	(443)
Net cash provided by discontinued operations	--	34,522
Net increase in cash and cash equivalents	4,442	34,079
Cash and Cash Equivalents		
Beginning	28,696	2,209
Ending	$ 33,138	$ 36,288
Cash paid for:		
Interest paid	$ 799	$ 962
Income taxes (net of refunds)	$ 410	$ 121

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
AND COMPREHENSIVE INCOME
(in thousands)

	Shares	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2002	7,552	$ 5,246	$ 71,335	$ (4)	$ 76,577
Comprehensive income:					
Net income	--	--	32,074	--	32,074
Net unrealized change in securities available-for-sale, net of tax of $(18)	--	--	--	30	30
Total comprehensive income					32,104
Dividends declared ($0.39 per share)			(2,960)		(2,960)
Common stock issued through the exercise of stock options and stock grants	41	487	--	--	487
Balance, December 31, 2003	7,593	$ 5,733	$100,449	$ 26	$106,208
(unaudited)					
Comprehensive income:					
Net income	--	--	2,313		2,313
Net unrealized change in securities available-for-sale, net of tax	--	--		2	2
Total comprehensive income					2,315
Common stock issued through the exercise of stock options	11	149		--	149
Balance, March 31, 2004	7,604	$ 5,882	$102,762	$ 28	$108,672

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. The interim condensed consolidated financial statements of Shenandoah Telecommunications Company and Subsidiaries (collectively, the Company) are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the interim results have been reflected therein. All such adjustments were of a normal and recurring nature. These statements should be read in conjunction with the consolidated financial statements and related notes in the Company's Annual Report on Form 10-K for the year ended December 31, 2003. The balance sheet information at December 31, 2003 was derived from the audited December 31, 2003 consolidated balance sheet.

2. Operating revenues and income from continuing operations and discontinued operations for any interim period are not necessarily indicative of results that may be expected for the entire year.

3. To account for its stock options granted under the Company Stock Incentive Plan (the Plan), the Company applies the intrinsic value-based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations, including Financial Accounting Standards Board (FASB) Interpretation No. 44, Accounting for Certain Transactions involving Stock Compensation, an interpretation of APB Opinion No. 25 issued in March 2000. Under this method, compensation expense is recorded on the date of the grant only if the current market price of the underlying stock exceeded the exercise price. SFAS No. 123, Accounting for Stock-Based Compensation, established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As allowed by SFAS No. 123, the Company has elected to continue to apply the intrinsic value-based method of accounting described above, and has adopted the disclosure requirements of SFAS No. 123, as amended by SFAS No. 148, Accounting for Stock-Based Compensation--Transition and Disclosure--an amendment of FASB Statement No. 123.

Grants of options under the Plan are accounted for following the APB Opinion No. 25 and related interpretations. Accordingly, no compensation expense has been recognized under the Plan. Had compensation expense been recorded based on fair values of the awards at the grant date (the method prescribed in SFAS No. 123), reported net income and earnings per share would have been reduced to the pro forma amounts shown in the following table for the three months ended March 31:

(in thousands, except per share amounts)	Three months ended March 31,	
	2004	2003
Net Income		
As reported	$ 2,313	$ 24,483
Pro forma	2,294	24,427
Earnings per share, basic and diluted		
As reported, basic	$ 0.30	$ 3.24
As reported, diluted	0.30	3.23
Pro forma, basic	0.30	3.23
Pro forma, diluted	0.29	3.22

4. Basic net income per share was computed on the weighted average number of shares outstanding. Diluted net income per share was computed under the treasury stock method, assuming the conversion as of the beginning of the period, for all dilutive stock options. There were no adjustments to net income in the computation of dilutive net income per share for any period.

5. The Company has identified ten reporting segments based on the products and services each provide. Each segment is managed and evaluated separately because of diverse technologies and marketing strategies. A summary of unaudited external operating revenues (revenues generated from outside customers or subscribers), internal operating revenues (revenues generated between the Company's operating segments), operating income (loss), income (loss) from continuing operations, income from discontinued operations, cumulative effect of accounting change, and net income (loss) of each segment is as follows for the three months ended March 31, 2004 and March 31, 2003.

For the three months ended March 31, 2004

In thousands (unaudited)	External Revenues	Internal Revenues	Operating Income (loss)	Net Income (loss) from continuing operations	Income (loss) from discontinued operations	Cum. effect	Net income (loss)
Holding	$ --	$ --	$ (528)	$ (300)	$ --	$ --	$ (300)
PCS	18,221	--	1,161	484	--	--	484
Telephone	5,546	932	2,608	1,589	--	--	1,589
ShenTel Service	1,688	77	218	105	--	--	105
Cable TV	1,104	6	182	70	--	--	70
Mobile	732	320	462	250	--	--	250
Long Distance	338	332	49	32	--	--	32
Network	161	38	129	80	--	--	80
ShenTel Communications	17	--	4	3	--	--	3
Leasing	2	--	(1)	--	--	--	--
Combined totals	27,809	1,705	4,284	2,313	--	--	2,313
Inter-segment eliminations	--	(1,705)	--	--	--	--	--
Consolidated totals	$ 27,809	--	$ 4,284	$ 2,313	--	--	$ 2,313

For the three months ended March 31, 2003

In thousands (unaudited)	External Revenues	Internal Revenues	Operating Income (loss)	Net Income (loss) from continuing operations	Income (loss) from discontinued operations	Cum. effect	Net income (loss)
Holding	$ --	$ --	$ (140)	$ (47)	$ --	$ --	$ (47)
PCS	14,976	--	(305)	(684)	--	--	(684)
Telephone	6,003	734	3,573	2,162	12	--	2,174
ShenTel Service	1,659	80	370	209	--	--	209
Cable TV	1,097	1	246	73	--	--	73
Mobile	658	300	258	(6)	22,628	(76)	22,546
Long Distance	341	127	206	131	--	--	131
Network	198	31	155	96	--	--	96
ShenTel Communications	11	--	(8)	(4)	--	--	(4)
Leasing	4	--	1	1	--	--	1
Combined totals	24,947	1,273	4,356	1,931	22,640	(76)	24,495
Inter-segment eliminations	--	(1,273)	(206)	--	(12)	--	(12)
Consolidated totals	$ 24,947	--	$ 4,150	$ 1,931	$ 22,628	$ (76)	$ 24,483

The Company's assets by segment as of March 31, 2004, December 31, 2003, and March 31, 2003 are as follows:

In thousands (unaudited)	March 31, 2004	December 31, 2003	March 31, 2003
Holding	$ 143,198	$ 141,658	$ 143,631
PCS	68,864	68,773	68,104
Telephone	59,891	57,533	57,173
ShenTel Service	6,679	6,721	6,115
Cable TV	10,271	10,340	10,776
Mobile	18,580	18,396	16,854
Long Distance	866	808	552
Network	1,721	1,557	1,232
ShenTel Communications	69	78	111
Leasing	188	188	183
Combined totals	310,327	$ 306,052	$ 304,731
Inter-segment eliminations	(123,569)	(120,688)	(110,980)
Consolidated totals	$ 186,758	$ 185,364	$ 193,751

6. Comprehensive income includes net income along with net unrealized gains and losses on the Company's available-for-sale investments. Following is a summary of comprehensive income for the periods indicated:

In thousands (unaudited)	Three Months Ended March 31, 2004	2003
Net income	$ 2,313	$ 24,483
Net unrealized income	2	(8)
Comprehensive income	$ 2,315	$ 24,475

7. Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

8. On February 20, 2004, the Company effected a 2-for-1 stock split with a record date of January 30, 2004. Shareholders received one additional share of common stock for each share of common stock held on the record date. All share and per share amounts have been retroactively adjusted to reflect the impact of the split.

9. The following table presents pension and other post-retirement benefits information for the periods presented.

In thousands (unaudited)	Three Months Ended March 31, 2004	2003
Net periodic benefit cost recognized:		
Service cost	$ 166	$ 122
Interest cost	189	154
Expected return	(135)	(135)
Amortization of unrecognized transition asset	(2)	(7)
Recognized gains or losses	16	8
Prior service cost recognized	17	8
Total	$ 251	$ 150

The Company's contribution to the Pension Plan for 2004 was $2.0 million, which was contributed on April 30, 2004, of which $0.1 million was a required contribution.

10. As a result of the previously reported February 2003 sale of the Company's Cellular operation, the Company reflected those operations and the sale proceeds as discontinued operations in the 2003 first quarter results. $5.0 million of the sales price has been held in escrow and is now reflected as an other current asset as of March 31, 2004.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When used in this report, the words "anticipate," "believe," "estimate," "expect," "intend," "plan" and similar expressions as they relate to Shenandoah Telecommunications Company or its management are intended to identify these forward-looking statements. All statements regarding Shenandoah Telecommunications Company's expected future financial position and operating results, business strategy, financing plans, forecasted trends relating to the markets in which Shenandoah Telecommunications Company operates and similar matters are forward-looking statements. We cannot assure you that the Company's expectations expressed or implied in these forward-looking statements will turn out to be correct. The Company's actual results could be materially different from its expectations because of various factors, including those discussed below and under the caption "Business--Risk Factors" in the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2003. The following management's discussion and analysis should be read in conjunction with the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2003, including the financial statements and related notes included therein.

Unless indicated otherwise, dollar amounts over fifty thousand have been rounded to the nearest hundred thousand dollars and dollar amounts of less than fifty thousand have been rounded to the nearest thousand dollars.

Overview

Shenandoah Telecommunications Company is a diversified telecommunications company providing both regulated and unregulated telecommunications services through its nine wholly owned subsidiaries. These subsidiaries provide local exchange telephone services, wireless personal communications services (PCS), as well as cable television, paging, Internet access, long distance, fiber optics facilities, and leased tower facilities. The Company is the exclusive provider of wireless mobility communications network products and services under the Sprint brand from Harrisonburg, Virginia to Harrisburg, York and Altoona, Pennsylvania. The Company refers to the Hagerstown, Maryland; Martinsburg, West Virginia; and Harrisonburg and Winchester, Virginia markets as its Quad State markets. The Company refers to the Altoona, Harrisburg, and York, Pennsylvania markets as its Central Penn markets. Competitive local exchange carrier (CLEC) services were established on a limited basis during 2002. In addition, the Company sells and leases equipment, mainly related to services it provides, and also participates in emerging services and technologies by direct investment in non-affiliated companies.

The Company reports revenues as wireless, wireline and other revenues. These revenue classifications are defined as follows: Wireless revenues are generated by operations of the Personal Communications Company (a PCS Affiliate of Sprint) and the Mobile Company. Wireline revenues are generated by operations of the Telephone Company, Network Company, Cable Television Company, and Long Distance Company. Other revenues are generated by operations of ShenTel Service Company, the Leasing Company, ShenTel Communications Company and the Holding Company.

The Company participates in the telecommunications industry, which requires substantial investment in fixed assets or plant. For new initiatives, this significant capital requirement may preclude profitability during the early years of operation. The strategy of the Company is to expand and diversify its business by adding services and geographic areas that can leverage the existing plant, but to do so within the opportunities and constraints presented by the industry. For many years the Company focused on reducing reliance on the regulated telephone operation, which up until 1981 was the primary business within the Company. This initial diversification was concentrated in other wireline businesses, such as the cable television and regional fiber facility businesses, but in 1990 the Company made its first significant investment in the wireless sector through its former investment in the Virginia 10 RSA Limited partnership. By 1998, revenues of the regulated telephone operation had decreased to 59.2% of total revenues. In that same year more than 76.6% of the Company's total revenue was generated by wireline operations, and initiatives were already underway to make wireless a more significant contributor to total revenues.

During the 1990's significant investments were made in the cellular and PCS (wireless) businesses. The VA 10 RSA cellular operation, in which the Company held a 66% interest and was the general partner, experienced rapid revenue growth and excellent margins in the late 1990's. The cellular operation covered only six counties, and became increasingly dependent on roaming revenues. Management believed the roaming revenues and associated margins would be unsustainable as other wireless providers increasingly offered nationally-branded services with significantly reduced usage charges. To position it to participate in the newer, more advanced, digital wireless services, in 1995 the Company entered the PCS business through an affiliation with American Personal Communications (APC), initiating service along the Interstate 81 corridor from Harrisonburg, Virginia to Chambersburg, Pennsylvania. This territory was a very close match to the Company's fiber network, thereby providing economic integration that might not be available to other wireless carriers. In 1999, the Company entered a new affiliation arrangement with Sprint, the successor to APC (which introduced the Company to a nationally-branded wireless service), and expanded the PCS footprint further into Central Pennsylvania.

The wireless industry in the late 1990's became increasingly competitive and the Company was not immune to industry issues. The Clear Pay(SM) program, introduced by Sprint as a no-deposit offering in 2001, attracted high credit risk customers in the Company's markets. As the results began to materialize, the Company implemented deposits on this program (mid-April 2002), and experienced high levels of customer turnover (churn) and uncollectable accounts. The write-offs of uncollectable accounts peaked in the third quarter of 2002. During the fourth quarter of 2002 there was some evidence that the strengthened credit policy was having a favorable impact. Nonetheless, the 2002 net loss in the PCS operation was $5.4 million, as compared to $5.5 million in 2001. Despite the disappointing financial results for 2002, the PCS customer base grew by over 40%. While the PCS operation was adding customers, the cellular operation continued to lose its local customer base.

The growing belief that national branding was critical to our wireless operations, the expectation that roaming revenues from our analog cellular operation would not continue to grow, and the increase in the number of wireless competitors in our markets, prompted the Company to exit the cellular business in order to focus on our PCS operations. The Company entered into an agreement on November 21, 2002 to sell its 66% ownership interest in the Virginia 10 RSA cellular operation, which was then classified as a discontinued operation. The sale closing occurred February 28, 2003.

The Company received $37.0 million in proceeds, including $5.0 million in escrow for two years and $1.7 million for working capital.

On January 30, 2004, the Company signed an addendum to its management and services agreements with Sprint, which is expected to lead to cost savings and greater certainty in fees paid to Sprint. However, the consolidation predicted for the wireless industry in recent years, including the recently announced sale of the AT&T Wireless operations to Cingular and anticipated improvements in the overall economics of wireless services, has not yet materialized. Future Sprint marketing efforts, designed to meet the competition, could potentially have an unfavorable impact on the Company and lead to additional losses. The risks associated with the Sprint PCS affiliation are described elsewhere in this report. The Company is now reviewing alternatives for other businesses to further diversify our revenue mix based on services provided and geographic areas served.

Selected Operating Statistics

The following table shows selected operating statistics of the Company for the most recent five quarters. This information is unaudited, and is provided as a supplement to the financial statements.

	Three Month Period Ended				
(Unaudited)	Mar. 31, 2004	Dec. 31, 2003	Sept. 30, 2003	Jun. 30, 2003	Mar. 31, 2003
Telephone Access Lines	24,901	24,877	24,951	24,972	24,903
Cable Television Subscribers	8,701	8,696	8,796	8,750	8,704
Dial-up Internet Subscribers	17,063	17,420	17,616	17,798	18,174
DSL Subscribers	1,637	1,298	1,163	1,080	852
Retail PCS Subscribers	89,632	85,139	81,015	77,398	72,480
Wholesale PCS Users (1)	16,349	12,858	7,531	4,690	3,280
Paging Subscribers	1,862	1,989	2,107	2,315	2,805
Long Distance Subscribers	9,542	9,526	9,517	9,520	9,312
Fiber Route Miles	552	552	552	552	552
Total Fiber Miles	28,743	28,740	28,740	28,739	28,729
Wholesale PCS Minutes (000)	8,492	4,974	3,207	2,303	1,562
Long Distance Calls (000) (2)	5,821	5,851	6,078	5,001	5,074
Total Switched Access Minutes (000)	58,090	55,932	54,349	51,124	48,380
Originating Switched Access MOU (000)	18,252	17,829	18,285	18,343	18,685
Employees (full time equivalents)	272	268	264	266	267
CDMA Base Stations (sites)	257	253	248	246	240
Towers (100 foot and over)	78	77	76	73	72
Towers (under 100 foot)	11	11	10	10	10
(See note (3) for definitions of terms)					
PCS Market POPS (000)	2,048	2,048	2,048	2,048	2,048
PCS Covered POPS (000)	1,585	1,581	1,581	1,574	1,574
PCS Average Revenue Per User (ARPU) (ex. Travel)	$ 50.38	$ 52.05	$ 55.09	$ 52.84	$ 52.22
PCS Travel Revenue per subscriber (4)	$ 18.20	$ 20.84	$ 16.50	$ 17.18	$ 17.39
PCS Ave. Management Fee per subscriber	$ 4.07	$ 4.02	$ 4.62	$ 4.58	$ 4.40
PCS Ave. Monthly Churn %	2.2%	2.3%	2.4%	2.1%	2.6%
PCS Cost Per Gross Addition (CPGA)	$371.49	$387.47	$418.22	$376.98	$276.97
PCS Cash Cost Per User (CCPU) (4)	$ 38.57	$ 36.31	$ 40.05	$ 44.23	$ 45.87

(1) - Wholesale Digital PCS Users are private label subscribers homed in the Company's wireless network service area.

(2) - Originated by customers of the Company's Telephone subsidiary

(3) - POPS refers to the estimated population of a given geographic area. Market POPS are those within a market area, and Covered POPS are those covered by the network's service area. ARPU is revenue before travel, roaming revenue, and management fee, net of adjustments divided by average subscribers. PCS Travel revenue includes roamer revenue and is divided by average subscribers. PCS Average management fee per subscriber is 8% of revenue paid to Sprint, excluding travel revenue. PCS Ave Monthly Churn is the average of three monthly calculations of deactivations (excluding returns less than 30 days) divided by beginning of period subscribers. CPGA includes selling costs, product costs, and advertising costs. CCPU includes network, customer care and other costs.

(4) - On a normalized basis, PCS travel revenue per subscriber in the fourth quarter of 2003 would have been $19.25 and PCS CCPU would have been approximately $38.66 taking into account the adjustments and true-ups recorded in December 2003.

Significant Transactions

On January 30, 2004, the Company entered into an amendment to the Management Agreement with Sprint as previously disclosed in the Company's Annual Report on Form 10-K filed with the SEC on March 9, 2004. The agreement was filed as an exhibit to that report.

During the first quarter 2004, the Company was notified by two of its Interexchange carriers of a dispute they each filed in relation to how the Company billed for 800 calls originating in the Company's service area. The dispute covers the period of April 1, 2003 through February 28, 2004. As a result, management recorded a $0.3 million reduction in access revenue. Management reviewed the issue and effective in the second quarter of 2004, the Company modified its bills for originating 800 call services.

Results Of Operations

Summary

The Company's three major lines of business are wireless, wireline and other businesses. Each of the three areas has unique issues and challenges that are critical to the understanding of the operations of the Company. The wireless business is made up of two different operations, the PCS operation and the tower business. The wireline business is made up of traditional telephone operations, a cable TV operation, fiber network leasing and a company that resells long-distance. Other business includes the Company's Internet operation, the Interstate 81 corridor Travel 511 project, and the sales and service of telecommunications systems.

From the mid 1990's, the principal source of the Company's revenues had shifted from traditional wireline revenues to wireless and other revenues. For the three months ended March 31, 2004, wireless revenue accounted for 68.2% of total revenue, wireline revenue accounted for 25.7% of total revenue, and other revenue accounted for 6.1% of total revenue. These results compare to 62.7% for wireless, 30.6% for wireline and 6.7% for other, for the three months ended March 31, 2003.

The Company's strategy is to expand its services and the geographic areas served. This strategy has been implemented primarily through enhancing the PCS network, using CDMA technology, under the national brand of Sprint. The Company's efforts to market its services in the expanded PCS network area contributed to new subscribers purchasing phones and services, which continued to increase revenues during the three months ended March 31, 2004. The Company had 257 PCS CDMA base stations in service at March 31, 2004, compared to 240 base stations in service at March 31, 2003. This increase in base stations is primarily the result of supplementing the network capacity and gradually extending coverage along highly traveled secondary roads in the Company's market areas.

The Company operates its wireless network as a PCS affiliate of Sprint. The Company receives revenues from Sprint for subscribers that obtain service in the Company's network coverage area and those subscribers using the Company's network when they travel. The Company relies on

Sprint to provide timely, accurate and complete information for the Company to record the appropriate revenue and expenses for the periods reflected.

The Company's PCS business has operated in a positive net travel revenue position for several years. The Company received $6.0 million in net travel in 2003, compared to $5.8 million in 2002, and $4.0 million in 2001. In the first quarter of 2004, the positive net travel revenue was $1.4 million compared to $1.4 million in first quarter of 2003. This relationship could change due to service plan changes, subscriber travel habit changes and other changes beyond the control of the Company.

Through Sprint, the Company began receiving revenue from wholesale resellers of wireless PCS service in late 2002. These resellers pay a flat rate per minute of use for all traffic their subscribers generate on the Company's network. The Company's cost to handle this traffic is the incremental cost to provide the necessary network capacity.

In August 2002, the Company entered into a resale agreement for its PCS wireless network through Sprint with Virgin Mobile USA, LLC, a joint venture of Sprint and the Virgin global family of companies. The agreement allows the Company to receive wholesale revenue for usage of the network by Virgin Mobile subscribers traveling in or based in the Company's network coverage area. The Company also agreed to sell Virgin Mobile handsets and plans in its retail stores. The plans offered by Virgin Mobile are pre-paid plans, a type not currently offered by Sprint. Prior to 2003, the Company did not experience significant revenue from or usage by wholesale users. During the first quarter of 2004, the network minutes generated by wholesale users, primarily from Virgin Mobile subscribers active on the Company's PCS network, were nearly 8.5 million minutes compared to 1.6 million minutes generated in the first quarter of 2003.

As previously reported, the Company entered into an amendment to the management agreement between the Company and Sprint on January 30, 2004. This amendment extends the travel rate paid by the Company and received by the Company at the $0.058 per minute through 2006. The Company's net travel and wholesale roaming position increased to a $1.8 million receivable for the current quarter, compared to a $1.2 million receivable for the same quarter last year, including the long distance and 3G data portion of that traffic. The Company's travel receivable minutes increased 40% to 62.0 million while the travel payable minutes increased by 49% to 43.3 million compared to the first quarter of 2003. The increases in travel minutes receivable and payable are primarily the result of an increase in usage of the Company's network facilities by subscribers based in other markets and growth in subscribers in the Company's markets. On a per-subscriber basis, the Company's average of travel payable minutes increased to 165 minutes in the first quarter of 2004, which represented an increase of 25 minutes from first quarter of 2003. A continuation of this trend could negatively affect the results of the PCS operation and overall results of the Company absent any changes in the Company's arrangements with Sprint.

In the first quarter of 2004, the Company's average PCS churn rate decreased to 2.2%, compared to 2.6% in the first quarter of 2003. To date, the impact of Wireless Local Number Portability, which began November 24, 2003 in part of the Company's service area, has not had a significant impact on churn. There is no certainty this trend will continue. Bad debt expense has declined for the last four quarters due to the implementation of deposits in the Clear Pay program suspended nearly two years ago. Bad debt expense for the PCS operation, as a percentage of service revenues, declined from 8.5% in the first quarter of 2003 to 3.6% in the first quarter of 2004. There is no certainty that the improving bad debt trend will continue in the future, although management is monitoring receivables and looking for signs of a deterioration of collection efforts.

The wireline business is made up of traditional telephony, cable TV, fiber network operations and the Company's long-distance resale business. These businesses operate in a defined geographic area. The Company's primary service area for the telephone, cable TV and long-distance business is Shenandoah County, Virginia. The county is a rural area in northwestern Virginia, with a population of approximately 37,300 inhabitants, which has increased by approximately 6,000 since 1990. The potential for significant numbers of additional customers in the current operating area is limited.

The Company's telephone subscriber count declined in the third and fourth quarters of 2003 but increased by a net 24 subscribers in first quarter of 2004. The Company believes the decline is attributable to the migration of customers to wireless and DSL services. Based on industry experience, the Company anticipates the trend of limited subscriber additions and, possibly, further declines may continue for the foreseeable future.

Other revenues are primarily Internet services, which are provided through both dial-up and DSL high-speed service. The Company has experienced a decline in dial up subscriptions over the last year. Over the same period, customer desire for faster Internet connections has contributed to growth of almost 100% in revenues from the DSL service.

The Company is facing competition for revenues it generates in the other lines of business, which will require the Company to differentiate itself from other providers through its service levels and evolving technologies that are more reliable and cost effective for the customer.

The Company continues to devote significant resources to comply with the various requirements of the Sarbanes-Oxley Act.

First Quarter 2004 vs. First Quarter 2003

General

Total revenue for the first quarter of 2004 was $27.8 million, which represented an increase of $2.9 million, or 11.5% compared to $24.9 million for the first quarter of 2003. Total revenues include wireless revenue of $19.0 million, which increased by $3.3 million or 21.2%; wireline revenues of $7.1 million, which decreased by $0.5 million, or 6.4%; and other revenues of $1.7 million, which remained at the same level achieved in the first quarter of 2003. Operating income increased $0.2 million, to $4.3 million, compared to $4.1 million for the same period in 2003. Income per share from continuing operations, diluted was $0.30 cents per share for the 2004 first quarter, compared to $0.26 per share for the 2003 first quarter.

The 2003 first quarter results included $0.4 million of favorable adjustments to prior period estimates, in addition to bad debt recoveries of $0.4 million. Additionally, a reduction in revenue of $0.3 million was recorded in the first quarter of 2004 against telephone access revenue related to revenue recorded in prior periods disputed by interexchange carriers.

Revenues

Wireless revenues are primarily derived from the PCS business. As of March 31, 2004, the Company had 89,632 retail PCS subscribers. The PCS operation added 17,152 net subscribers since March 31, 2003, and 4,493 since December 31, 2003. Wireless service revenues were $12.0 million for the first quarter of 2004, which represented an increase of $2.1 million or 20.9% compared to $9.9 million for first quarter of 2003. The Company's Average Revenue Per User (ARPU) exclusive of travel revenue, decreased 3.5% to $50.38 for the first quarter of 2004, from $52.22 for the first quarter of 2003. The first quarter 2004 ARPU also decreased 3.2% from the fourth quarter 2003 ARPU of $52.05. These decreases were primarily attributable to subscribers generating less revenue from minutes over plan usage.

PCS travel and roaming revenue combined for the first quarter 2004 were $5.4 million, which represented a $0.8 million or 16.7% increase compared to the travel and roaming revenue for the first quarter of 2003. The travel and roamer revenue increase resulted from an increase in travel usage, the effect of which was offset in part by a decline in roaming usage for the same period.

Wireline revenues were $7.1 million in the 2004 first quarter, which represented a decrease of $0.5 million or 6.4% from the 2003 first quarter. Access revenue in the telephone business decreased $0.4 million, due primarily to a recorded reduction in revenue of $0.3 million related to a dispute with interexchange carriers in the rating of originating 800 traffic between interstate and intrastate. Total switched minutes of use increased 20.1% compared to the first quarter of 2003. The mix of wireless traffic to total traffic shifted from 32.8% for the first quarter of 2003 to 42.8% for the first quarter of 2004. This increase is primarily terminating traffic coming into the Company's network and being delivered to wireless users.

Other revenues of $1.7 million remained at the same level achieved in the first quarter of 2003. Internet revenues increased $0.1 million or 5.0%. The total subscriber base for the Company's dial-up and DSL Internet services was 18,700 as of March 31, 2004 compared to 19,026 as of March 31, 2003. Total dial-up and DSL Internet subscribers decreased 326 or 1.7% compared to March 31, 2003. While DSL subscribers increased 785 or 92% compared to the March 31, 2003 subscriber base, there was a decline of 1,111 subscribers or 6.1% decrease in dial-up subscribers from the level at March 31, 2003. In those areas where the Company does not offer a high speed access alternative, the Company has experienced increased subscriber deactivations due to migration to competing high-speed Internet services.

Operating Expenses

Total operating expense for the first quarter of 2004 was $23.5 million, which represented an increase of $2.7 million or 13.1%, compared to the first quarter of 2003. The principal factors reflected in the higher operating expense were an increase in the number of PCS subscribers, the expanded PCS network operation, and an increase in selling, general and administrative expenses, offset in part by a significant decline in bad debt expenses.

Costs of goods and services were $3.0 million, which represented an increase of $0.7 million or 29.3% from the first quarter of 2003. This increase was due primarily to an increase in current PCS customers upgrading their handsets. During the first quarter of 2004, the Company added 10,343 gross new PCS subscribers compared to 10,362 gross new subscribers added in the first quarter

2003. Existing subscribers are purchasing Company subsidized new handsets to replace their current handsets as new features become available and new services are offered that are not available on earlier model handsets. The upgrade cost for the first quarter of 2004 was $0.4 million. Management anticipates the upgrade trend will continue, and may increase significantly in the future as subsidized handsets are offered by wireless carriers as enticement for a subscriber to extend their service agreement.

The Company's cost per gross add (CPGA) in the PCS business for the first quarter of 2004 increased to $371.49 or 34.1% from the first quarter of 2003, due to handset upgrade costs included in the CPGA measure. Cost of goods sold on a per gross addition basis contributed $59.18 or 62.6% of the increase in the CPGA measure. Currently, the Company classifies 100% of the handset cost as a cost per gross addition, including the costs of existing subscribers electing to up-grade their handsets.

Network operating costs for the first quarter of 2004 were $8.3 million, which represented an increase of $0.3 million, or 3.7% compared to first quarter 2003. Increased rental costs for towers and buildings of $0.1 million and increased travel costs of $0.7 million were offset in part by lower network costs in the PCS operation. The travel costs increased in part due to an increase in the average minutes of use for travel by the Company's subscribers. This increase was approximately 25 minutes per month per subscriber.

Depreciation and amortization expense for the 2004 first quarter was $4.3 million, which represented an increase of $0.3 million or 7.9% compared to $4.0 million for the first quarter of 2003, as new assets, primarily in the PCS and telephone operation, have been added to the networks.

Selling, general and administrative costs were $7.9 million, an increase of $1.4 million or 22.5%. Billing and customer care costs incurred in the PCS operation, primarily charges from Sprint, increased $0.2 million as a result of the increase in the total number of PCS subscribers, net of cost reductions obtained as part of the amendment signed with Sprint on January 30, 2004. Increased administrative staff and increases in wages and benefits for existing employees contributed $0.5 million in added costs compared to the first quarter of 2003. Costs incurred to prepare for Sarbanes-Oxley compliance were $0.3 million in the first quarter of 2004. Selling and marketing expenses increased $0.5 million due to added internal sales staff and expanded advertising efforts on the new Shentel Pages phone book introduced in early 2004. Bad debt expenses decreased $0.2 million primarily due to reduced PCS subscriber terminations for non-payment compared to the first quarter of 2003, and bad debt recoveries of $0.4 million recorded in the first quarter of 2003. Bad debt expense, net of recoveries, was 1.6% of total revenue in the first quarter of 2004 compared to 2.5% of total revenue in the first quarter of 2003.

In the Company's PCS operation, cash cost per user (CCPU) for the first quarter of 2004 declined to $38.57, which represented a 15.9% decrease from the first quarter of 2003. The change was primarily the result of economies of scale due to an increase in the average number of customers of 24.9% compared to the first quarter of 2003.

Other Income (Expense)

Losses on external investments totaled $18 thousand in the first quarter of 2004, compared to a $0.3 million loss in the first quarter of 2003. First quarter 2004 interest expense decreased by $0.2

million, or 16.5%, a result of decreased borrowing levels compared to the first quarter of 2003. The Company's total debt as of March 31, 2004 was $42.3 million, compared to $47.2 million as of March 31, 2003 and $43.3 million as of December 31, 2003.

Income before income taxes, discontinued operations and cumulative effect of accounting changes was $3.7 million, which represented an increase of $0.7 million from the $3.0 million reported for the first quarter of 2003.

Income from continuing operations was $2.3 million for first quarter 2004, compared to $1.9 million for the first quarter 2003, which represented an increase of $0.4 million.

The results of discontinued operations in 2003 were from the sale of the VA 10 RSA limited partnership in February 2003. Income from discontinued operations was $22.6 million in the first quarter of 2003, which is net of the tax effect on the transaction. There were no discontinued operations in 2004.

The Company adopted FAS 143 effective January 1, 2003, and as a result recorded a charge to earnings for the cumulative effect of this change in accounting of $76 thousand after taxes in the first quarter of 2003.

The Company's first quarter net income was $2.3 million compared to $24.5 million in 2003.

Investments In Non-Affiliated Companies

The Company participates in emerging technologies by investing in entities that invest in start-up companies. This includes indirect participation through capital venture funds of South Atlantic Venture Fund III, South Atlantic Private Equity IV, Dolphin Communications Parallel Fund, Dolphin Communications Fund II and Burton Partnership. The Company also participates by direct investment in privately held companies. Currently the Company's only direct investment is in NTC Communications, a provider of voice, video and data connections to off-campus student housing properties at universities and colleges. For those investments that eventually become publicly traded, the Company evaluates whether to hold or sell parts or all of each investment on an individual basis.

As of March 31, 2004, the Company held shares in two companies that are publicly traded, with the following market values: $52 thousand in Net IQ (NTIQ) with 3,744 shares held, and $148 thousand in Deutsche Telekom, AG (DT) with 8,219 shares held.

Liquidity And Capital Resources

The Company generated $6.9 million in cash from operations in the first quarter of 2004, compared to $9.7 million in the first quarter of 2003. The higher cash flow in the 2003 first quarter was primarily attributable to a one-time payment by Sprint PCS of $1.0 million for the true-up of cash payments due to a calculation error in the distribution of cash between Sprint and the affiliates, and the impact of the growth of deferred tax liabilities on cash flows.

The Company expects that operations will continue to generate positive cash flows as PCS operations continue to improve and the Company further monitors its current assets and current liabilities.

As of March 31, 2004, the Company's total debt was $42.3 million, with an annualized overall weighted average interest rate of approximately 7.5%. As of March 31, 2004, the Company was in compliance with the covenants in its credit agreements.

The Company is obligated to make future payments under various contracts it has entered into, including amounts pursuant to its various long-term debt facilities, and non-cancelable operating lease agreements for retail space, tower space and cell sites.

Capital expenditures budgeted for 2004 total approximately $33 million, including approximately $23 million for additional PCS base stations, additional towers, and switch upgrades to enhance the PCS network. Improvements and replacements of approximately $5 million are planned for the telephone operation. The remaining $5 million covers building renovations, vehicles, office equipment, and other miscellaneous capital needs including the final renovation to the Shentel Center in Edinburg, Virginia for the housing of its corporate offices.

The Company expects to generate adequate cash to meet its short-term and long-term cash needs, including working capital requirements, capital projects and debt payments, and to fund potential dividend payments from cash on hand, operating cash flow, and amounts expected to be available under the Company's existing financing facilities and its anticipated financing facilities discussed above. The Company may, at its election, liquidate some of its investments to generate additional cash for its capital needs as market conditions allow.

Risks

The Company is one of eleven PCS Affiliates of Sprint, and accordingly, is affected by decisions and requirements adopted by Sprint in regard to its wireless operation. Management continually reviews its relationship with Sprint as new developments and requirements are added.

The Company is dependent on Sprint for the reporting of a significant majority of PCS revenues, particularly travel and service revenue. Controls and processes are continually refined, so the Company can monitor, review, test, and validate information being reported to the Company by Sprint. It is the Company's policy to estimate and reflect the information supplied by Sprint in the financial statements in the respective periods. Corrections, if any, are made no earlier than the period in which the parties agree to the corrections and as noted in this report, there are several dispute settlements, true-ups of estimates and corrections which are recorded in the period the issue has been resolved. The Company is at risk for reporting errors that may be made by Sprint.

The net balance of PCS travel revenue and expense could change significantly due to changes in service plan offerings, changes in the travel settlement rate, changes in travel habits by the subscribers in the Company's market areas or other Sprint subscribers and numerous other factors beyond the Company's control. The Company is continuing to monitor the financial strength of the other PCS Affiliates of Sprint, as their ability to maintain their segment of the Sprint network may impact the ability of the Company to add new subscribers.

Wireless Local Number Portability (WLNP) permits a subscriber to change wireless service providers in the same market area while retaining the subscriber's existing telephone number. This Federal Communications Commission mandate was effective November 24, 2003 in the 100 largest metropolitan areas and will be effective in all areas of the United States on May 24, 2004.

Although the initial impact of WLNP on the Company's operations appears to be immaterial, there may be a significant future impact to the Company's operations. As a result of WLNP, portions of the PCS subscriber base may migrate to other wireless providers, thereby contributing to increased churn. Alternatively, the implementation of WLNP may allow the Company to attract additional subscribers from other wireless providers.

The Company has limited control over the service plans and marketing promotions offered by Sprint in the competitive wireless telecommunications industry. Sprint controls the marketing plans, advertising message and market promotions offered in the Company's market area. As a result, the plans and promotions offered may have a material adverse effect on the Company's results of operations.

The Company relies on Sprint for the development of new products and services to remain competitive in the wireless industry. These services include text messaging, video, and push to talk walkie-talkie features. If these services do not operate properly or if Sprint should not continue to develop new competitive products, the results could have a material adverse impact on the results of the Company.

The Company is required to participate in national and regional third party distribution programs formulated and negotiated by Sprint. Sprint has entered into reseller agreements which will impact the Company. These distribution and reseller programs may have an adverse effect on the results of the Company.

The Company's PCS network is part of Sprint's nationwide wireless network. The network is owned and operated by Sprint and its Affiliates. The financial viability of Sprint and its Affiliates is critical to the success of operating and marketing Sprint PCS. If financial difficulties are experienced by Sprint or any Affiliate, those difficulties could have an adverse impact on the Company's results.

The current competitive nature of the wireless industry may prompt major wireless providers to strive for financial improvements through industry consolidation. Such consolidation could include Sprint. It is not clear to what extent consolidation may occur or which companies will be involved, but certain consolidation transactions may have an adverse impact on the operating results and valuation of the Company's wireless operations.

The Company's telephone access revenue may be adversely impacted by legislative or regulatory actions that decrease access rates or exempt certain traffic from paying access to the Company's regulated telephone network. An unfavorable finding or ruling may have an adverse effect on the Company's telephone operations.

There has been a trend for incumbent local exchange carriers to see a decrease in access lines due to the effect of wireless and wireline competition and the elimination of a second line dedicated to dial up Internet as customers migrate to broadband connections. Although the Company has not seen a material reduction in its number of access lines to date, it experienced line decreases in the third and fourth quarters of 2003. There is a significant risk that this trend could have a material adverse effect on the Company's telephone operations in the future.

On May 24, 2004, Local Number Portability (LNP) will be required in the Company's local wireline service area. The Company's customers will be able to retain their existing wireline phone number and use it to obtain service from a competing wireline or wireless provider in the service area. At this time, the Company cannot estimate the potential impact on its telephone operations. If a significant number of customers disconnect the Company's service, such disconnections will have an adverse impact on the Company's telephone operating results.

The Company's revenue from fiber leases may be adversely impacted by further erosion in demand or in price competition for these facilities. There is also the potential for additional bankruptcies of the Company's customers. The Company monitors each of its fiber lease customers closely to minimize the risk related to this business.

The Company operates the cable television system in Shenandoah County, Virginia. The Company has seen increased competition from satellite providers that are larger and have cost advantages over the Company in the procurement of programming. The continued success of the satellite television providers may have an adverse impact on the Company's cable television results.

The Company currently has a 12-month, $1.2 million contract with the Virginia Department of Transportation (VDOT) to provide 511 Travel services in the I-81 corridor of Virginia. This contract expires in February 2005. The Department has recently requested a proposal for a three-year contract with two two-year extensions to extend 511 services to the entire state. The Company submitted a proposal for the new VDOT contract, but there is no certainty that the Company will be selected to provide these services after the end of its current contract.

The Company may not be able to utilize all of its net operating loss carry forwards for taxes in certain states before they expire, resulting in the Company writing off some of its deferred tax assets and impacting its cash position.

Recent Accounting Pronouncements

In December 2003, the FASB issued FASB Interpretation No. 46 (revised December 2003),"Consolidation of Variable Interest Entities," which addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity. FIN 46R replaces FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," which was issued in January 2003. The Company is required to apply FIN 46R to variable interests in Variable Interest Entities created after December 31, 2003. For variable interests in Variable Interest Entities created before January 1, 2004, the Interpretation was applied beginning on January 1, 2004, except that the interpretation was required to be applied in the fourth quarter of 2003 for any Variable Interest Entities that were considered to be special purpose entities. For any Variable Interest Entities that must be consolidated under FIN 46R that were created before January 1, 2004, the assets, liabilities and non-controlling interests of the Variable Interest Entities initially would be measured at their carrying amounts, with any difference between the net amount added to the balance sheet and any previously recognized interest being recognized as the cumulative effect of an accounting change. If determining the carrying amounts is not practicable, fair value at the date FIN 46R first applies may be used to measure the assets, liabilities and non-controlling interest of the VIE. The Company has determined the application of FIN 46R to Variable Interest Entities in which the Company has variable interests has no impact on the Company's consolidated financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Liabilities and Equity," which was effective at the beginning of the first interim period beginning after June 15, 2003. This Statement establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. The Statement also includes required disclosures for financial instruments within its scope. For the Company, the Statement was effective for instruments entered into or modified after May 31, 2003 and otherwise became effective as of January 1, 2004, except for mandatorily redeemable financial instruments. For certain mandatorily redeemable financial instruments, the Statement will be effective for the Company on January 1, 2005. The effective date has been deferred indefinitely for certain other types of mandatorily redeemable financial instruments. The Company currently does not have any financial instruments that are within the scope of this Statement.

In December 2003, the FASB issued SFAS 132(R). SFAS 132(R) is a revision of SFAS 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS 132(R) is effective for financial statements with fiscal years ending after December 15, 2003. SFAS 132(R) requires additional disclosures including information describing the types of plan assets, investment strategy, measurement date(s), plan obligations, cash flows, and components of net periodic benefit cost recognized during interim periods. The objectives of the revisions are to provide qualitative information about the items in the financial statements, quantitative information about items recognized or disclosed in the financial statements, information that enables users of financial statements to assess the effect that pension plans and other postretirement benefit plans have on entities' results of operations, and information to facilitate assessments of future earnings and cash flows. The Company has adopted this statement effective December 31, 2003. See note 9 to the financial statements appearing elsewhere in this report for the disclosures required by this pronouncement.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's market risks relate primarily to changes in interest rates on instruments held for other than trading purposes. Our interest rate risk involves three components, although only one is of any significance at this time. The first component is outstanding debt with variable rates. As of March 31, 2004, the Company's variable rate debt balance was zero. The Company has a variable rate line of credit totaling $0.5 million with SunTrust Banks. The Company's remaining debt has fixed rates through its maturity. A 10.0% decline in interest rates would increase the fair value of the fixed rate debt by approximately $1.2 million, while the estimated current fair value of the fixed rate debt is approximately $41.1 million.

The second component of interest rate risk is temporary excess cash, primarily invested in overnight repurchase agreements and short-term certificates of deposit and money market funds. The Company currently has approximately $23.6 million of cash equivalents in money market funds, which are accruing interest at rates of approximately 1% per year. The cash is currently in short-term investment vehicles that have limited interest rate risk. Management continues to evaluate the most beneficial use of these funds.

The third component of interest rate risk is marked increases in interest rates which may adversely impact the rate at which the Company may borrow funds for growth in the future. Although this risk is real, it is not significant at this time as the Company has adequate cash for operations, payment of debt and near-term capital projects.

Management does not view market risk as having a significant impact on the Company's results of operations, although future results could be adversely impacted if interest rates were to escalate markedly and the Company required external financing. Since the Company does not currently have significant investments in publicly traded stock, currently there is limited risk related to the Company's available for sale securities. General economic conditions impacted by regulatory changes, competition or other external influences may play a higher risk to the Company's overall results.

As of March 31, 2004, the Company has $7.5 million invested in privately held companies directly or through investments with portfolio managers. Most of the companies are early stage and significant increases in interest rates could have an adverse impact on their results, ability to raise capital and viability. The Company's market risk is limited to the funds previously invested and an additional $1.7 million committed under contracts the Company has signed with portfolio managers.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

The Company's management, with the participation of its Chief Executive Officer, who is the Company's principal executive officer, and its Chief Financial Officer, who is the Company's principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of March 31, 2004. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective in alerting them in a timely manner to material information relating to Shentel, including its consolidated subsidiaries, required to be included in this report and the other reports that the Company files or submits under the Securities Exchange Act of 1934.

During the first fiscal quarter of 2004, there have been no changes in the Company's internal control over financial reporting that have materially affected, or that are reasonably likely to materially affect, its internal control over financial reporting.

Under our agreements with Sprint, Sprint provides us with billing, collections, customer care, certain network operations and other back office services. As a result, Sprint remits to the Company approximately 62% of the Company's total revenues based on this quarter's results and approximately 39% of the expenses reflected in the Company's consolidated financial statements relate to charges by or through Sprint for expenses such as billing, collections and customer care, roaming expense, long-distance, and travel. Due to this relationship, the Company necessarily relies on Sprint to provide accurate, timely and sufficient data and information to properly record our revenues, expenses and accounts receivable, which underlie a substantial portion of our periodic financial statements and other financial disclosures.

Information provided by Sprint includes reports regarding the subscriber accounts receivable in our markets. Sprint provides us monthly accounts receivable, billing and cash receipts information on a market level, rather than a subscriber level. We review these various reports to identify discrepancies or errors. However, under our agreements with Sprint, we are entitled to only a portion of the receipts, net of items such as taxes, government surcharges, certain allocable write-offs and the 8% of revenue retained by Sprint. Because of our reliance on Sprint for financial information, we must depend on Sprint to design adequate internal controls with respect to the processes established to provide this data and information to the Company and Sprint's other network partners. To address this issue, Sprint engages its independent auditors to perform a periodic evaluation of these controls and to provide a "Report on Controls Placed in Operation and Tests of Operating Effectiveness for Affiliates" under guidance provided in Statement of Auditing Standards No. 70 ("SAS 70 reports"). The report is provided to us annually and covers a twelve-month period from October to September. This report did not indicate there were issues which would adversely impact the information used to support the recording of the revenues and expenses provided by Sprint related to our relationship with them.

We believe the processes we have put into place have steadily improved our ability to identify material errors in Sprint financial information on a timely basis.

In connection with the requirements imposed under Section 404 of the Sarbanes-Oxley Act of 2002, we have retained an outside consulting firm to assist us in reviewing and documenting our internal control processes.

PART II. OTHER INFORMATION

ITEM 5. Other Information

At the Company's Annual Meeting of Shareholders, which was held on April 20, 2004, Dale S. Lam was elected to a three-year term of the Board of Directors. Mr. Lam currently serves as Chief Financial Officer and member of the Board of Directors of ComSonics, Inc., a cable television equipment manufacturer and repair operation located in Harrisonburg, Virginia. He is also a certified public accountant and previously served in a variety of positions with WLR Foods, Inc., including Controller, Chief Financial Officer, and Vice President of Finance. Subsequent to the Annual Meeting, the Board of Directors appointed Mr. Lam to its Audit Committee. The Board of Directors has determined that Mr. Lam qualifies as an audit committee financial expert and is independent of management under SEC rules.

Mr. Lam fills the vacancy created by the retirement of Dick D. Bowman. Mr. Bowman's term of office expired at the 2004 Annual Meeting, and he was not eligible to stand for re-election as a director due to the Board's mandatory retirement policy.

ITEM 6. Exhibits and Reports on Form 8-K

(a) The following exhibits are attached to this Quarterly Report on Form 10-Q:

31 Certifications pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.

32 Certifications pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. 1350.

(b) The following Current Reports on Form 8-K were furnished during the period covered by this report:

Filing Date of Report	Item Reported
February 3, 2004	Item 9 (press release announcing amendment to the Management Agreement with Sprint)
February 13, 2004	Item 9 (press release announcing Fourth Quarter and Full Year 2003 Financial Results)

SIGNATURES

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)

May 7, 2004

/S/ Earle A. MacKenzie

Earle A. MacKenzie
Executive Vice President and
Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Exhibit
31	Certifications pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32	Certifications pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. 1350.

Exhibit 31

CERTIFICATION

I, Christopher E. French, President and Chief Executive Officer of Shenandoah Telecommunications Company certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shenandoah Telecommunications Company;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function(s)):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2004

/S/ Christopher E. French

Christopher E. French
President and
Chief Executive Officer

CERTIFICATION

I, Earle A. MacKenzie, Executive Vice President and Chief Financial Officer of Shenandoah Telecommunications Company certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shenandoah Telecommunications Company;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material

respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function(s)):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2004

/S/ Earle A. MacKenzie

Earle A. MacKenzie
Executive Vice President and
Chief Financial Officer

Exhibit 32

Written Statement of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer, of Shenandoah Telecommunications Company (the "Company"), hereby certifies that, on the date hereof:

(1) the quarterly report on Form 10-Q of the Company for the three months ended March 31, 2004 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/S/ Christopher E. French

Christopher E. French
President and Chief Executive Officer
May 7, 2004

/S/ Earle A. MacKenzie

Earle A. MacKenzie
Executive Vice President and
Chief Financial Officer
May 7, 2004

The foregoing certification is being furnished solely pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32 is expressly and specifically incorporated by reference in any such filing.