

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

February 28, 2003
Date of Report
(Date of earliest event reported)

Shenandoah Telecommunications Company
(Exact name of registrant as specified in its charter)

Virginia 0-9881 54-1162807
(State or other jurisdiction of (Commission File Number) (I.R.S. Employer
incorporation or organization) Identification Number)

P.O. Box 459
Edinburg, VA 22824
(Address of principal executive office) (Zip code)

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

Item 2. Acquisition or Disposition of Assets

On February 28, 2003, Shenandoah Mobile Company ("SMC"), a wholly-owned subsidiary of Shenandoah Telecommunications Company (the "Registrant"), completed the sale of SMC's general partner interest in the Virginia 10 RSA Limited Partnership, a Virginia limited partnership (the "Partnership"), to Cellco Partnership d/b/a Verizon Wireless (the "Purchaser"). On that date, the Registrant filed with the Securities and Exchange Commission a Current Report on Form 8-K which included a copy of the press release announcing completion of the sale.

The Partnership is the sole holder of a cellular license granted by the Federal Communications Commission for the Virginia 10 B2 Rural Service Area #690. The Partnership operates a cellular network under this license, covering approximately 198,000 people in Frederick, Shenandoah, Page, Warren, Clarke, and Rappahannock counties of Virginia.

The Purchaser paid a total purchase price of approximately \$37 million in cash for SMC's general partner interest, of which \$5 million was paid into escrow under the terms of the purchase agreement as security for SMC's post-closing indemnification obligations under the purchase agreement. In addition to the purchase price, the Purchaser paid to SMC at closing approximately \$1.7 million for SMC's share of the estimated working capital of the Partnership as of the closing date. This estimate is subject to adjustment after the closing date when final working capital amounts have been determined. The purchase price was established on the basis of arms-length negotiations between unrelated parties. The Registrant will recognize a taxable gain as a result of the sale.

Item 7. Financial Statements and Exhibits

(b) Pro Forma Financial Information.

The following unaudited pro forma condensed consolidated financial statements are filed with this report:

Pro Forma Condensed Consolidated Balance Sheet as of September 30, 2002

Pro Forma Condensed Consolidated Statement of Income:

Year Ended December 31, 2001
Nine Months Ended September 30, 2002
Notes to Pro Forma Condensed Consolidated Financial Statements

The following pro forma condensed consolidated balance sheet as of September 30, 2002 and pro forma condensed consolidated statements of income for the year ended December 31, 2001 and nine months ended September 30, 2002 are adjusted to reflect the sale by SMC of its interest in the Partnership to the Purchaser, as of the dates indicated. The pro forma condensed consolidated financial statements are unaudited, except for the information of the Registrant for the year ended December 31, 2001, which is derived from the Registrant's audited consolidated financial statements for such period.

The pro forma balance sheet gives effect to the Transaction as though it had occurred on September 30, 2002, and the pro forma condensed consolidated statements of income give effect to the Transaction as though it had occurred as of the beginning of the periods presented. The Registrant believes that, on the

basis of the assumptions set forth herein, the pro forma condensed consolidated

financial statements reflect a reasonable estimate of the effects of the Transaction. In accordance with Securities and Exchange Commission policy governing pro forma financial statements, no pro forma interest income is recognized in the pro forma consolidated statements of income for funds assumed invested in cash investments.

The pro forma statements are for illustrative purposes only and are not necessarily indicative of the financial position or results of operations that would actually have occurred if the Transaction had taken place on the applicable dates or for the periods indicated or that may occur in the future.

The pro forma condensed consolidated financial statements should be read in conjunction with previously filed consolidated financial statements and accompanying notes of the Registrant contained in its Annual Report on Form 10-K for the year ended December 31, 2001, and the Quarterly Report on Form 10-Q for the quarter ended September 30, 2002. The notes to the pro forma consolidated financial statements are an integral part thereof.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEET
September 30, 2002
(unaudited)

	Historical 9/30/2002	Divested Partnership Interest (a)	Pro forma Adjustments	Pro forma 9/30/2002
	In thousands			
Assets				
Current assets				
Cash	\$ 2,450	(301)	33,482(b)	\$ 35,631
Accounts receivable	10,925	(2,788)		8,137
Inventories	1,840	(27)		1,813
Other current assets	1,666	(22)		1,644
Total current assets	16,881	(3,138)	33,482	47,225
Other assets				
Investments	7,568	--		7,568
Other assets	4,228	--	5,000(c)	9,228
Total other assets	11,796	--	5,000	16,796
Property, plant and equipment				
Property, plant and equipment	193,013	(5,876)	--	187,137
Accumulated depreciation	(57,564)	3,094	--	(54,470)
Net property plant and equipment	135,449	(2,782)	--	132,667
Total assets	\$ 164,126	(5,920)	38,482	\$ 196,688
Liabilities and Shareholders' equity				
Current liabilities				
Current maturities	\$ 4,428	--		\$ 4,428
Notes payable	4,661	--		4,661
Accounts payable	4,522	(171)		4,351
Other accruals and liabilities	7,015	(380)	12,350(d)	18,985
Total current liabilities	20,626	(551)	12,350	32,425
Long-term debt	48,724	--	--	48,724
Other liabilities	15,960	--	3,950(e)	19,910
Minority interest	1,790	(1,790)		--
Shareholders equity	77,026	(3,579)	22,182(f)	95,629
Total liabilities and shareholders' equity	\$ 164,126	(5,920)	38,482	\$ 196,688

See accompanying notes.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
Year Ended December 31, 2001
in thousands, except per share amounts
(unaudited)

	Historical -----	Divested Operations(g) -----	Pro forma Adjustments -----	Pro forma Dec. 31, 2001 -----
Operating revenues:				
Wireless	\$ 56,144	\$20,012	170(h)	\$ 36,302
Wireline	27,468	0	14(h)	27,482
Other	5,103	0		5,103
	-----	-----	---	-----
Total operating revenues	88,715	20,012	184	68,887
	-----	-----	---	-----
Operating expenses:				
Cost of goods and services	7,612	220		7,392
Network operating costs	29,949	3,194		26,755
Depreciation and amortization	11,834	571		11,263
Selling, general and administrative	17,558	689		16,869
	-----	-----	---	-----
Total operating expenses	66,953	4,674	0	62,279
	-----	-----	---	-----
Operating income	21,762	15,338	184	6,608
	-----	-----	---	-----
Other income (expense):				
Interest expense	(4,127)	0		(4,127)
Net gain (loss) on investments	12,943	0		12,943
Non-operating income, net	281	16	0	265
	-----	-----	---	-----
	9,097	16		9,081
	-----	-----	---	-----
Income before income taxes and minority interest	30,859	15,354	184	15,689
Minority interest	4,526	4,526		0
	-----	-----	---	-----
Income tax provision (benefit)	9,961	4,150	72(i)	5,883
	-----	-----	---	-----
Continuing operations(k)	16,372	6,678	112	9,806
	=====	=====	===	=====
Income per share from continuing operations:				
Basic income per share:				
Income from continuing operations	\$ 4.35			\$ 2.61
	=====			=====
Weighted average shares outstanding	3,761			3,761
	=====			=====
Diluted Income per share:				
Income from continuing operations	\$ 4.34			\$ 2.60
	=====			=====
Weighted average shares, diluted	3,774			3,774
	=====			=====

See accompanying notes.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
Nine months ended September 30, 2002
in thousands, except per share amounts
(unaudited)

	Historical	Divested Operations(g)	Pro forma Adjustments	Pro forma Sep. 30, 2002
	-----	-----	-----	-----
Operating revenues:				
Wireless	\$ 57,009	\$15,670	150(h)	\$ 41,489
Wireline	21,428	0	11(h)	21,439
Other	4,734	0		4,734
	-----	-----	---	-----
Total operating revenues	83,171	15,670	161	67,662
Operating expenses:				
Cost of goods and services	7,346	78		7,268
Network operating costs	25,446	1,731		23,715
Depreciation and amortization	11,040	448		10,592
Selling, general and administrative	19,107	485		18,622
	-----	-----	---	-----
Total operating expenses	62,939	2,742	0	60,197
	-----	-----	---	-----
Operating income	20,232	12,928	161	7,465
Other income (expense):				
Interest expense	(3,177)	0		(3,177)
Net gain (loss) on investments	(9,594)	0		(9,594)
Non-operating income, net	141	3		138
	-----	-----	---	-----
	(12,630)	3	0	(12,633)
	-----	-----	---	-----
Income before income taxes and minority interest	7,602	12,931	161	(5,168)
Minority interest	3,879	3,879		0
	-----	-----	---	-----
Income tax provision (benefit)	1,457	3,530	63(i)	(2,010)
	-----	-----	---	-----
Continuing operations (k)	\$ 2,266	5,522	98	\$ (3,158)
	=====	=====	===	=====
Income (loss) per share:				
Basic income (loss) per share:				
Income (loss) from continuing operations	\$ 0.60			\$ (0.84)
	=====			=====
Weighted average shares outstanding, basic	3,768			3,768
	=====			=====
Diluted Income (loss) per share:				
Income (loss) from continuing operations	\$ 0.60			\$ (0.84)
	=====			=====
Weighted average shares, diluted	3,794		(26)(j)	3,768
	=====		===	=====

See accompanying notes.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
NOTES TO PRO FORMA STATEMENTS

- (a) The proforma adjustments are to eliminate the assets, liabilities, minority intererests, and equity of the Virginia RSA 10 Limited Partnership consolidated in the Company's September 30,2002 Condensed Consolidated Balance Sheet.
- (b) To record the initial purchase price of \$38.7 million, less the \$5.0 million held in escrow and the costs incurred to complete the transaction of \$0.2 million. The purchase price includes \$1.7 million for working capital, which will be adjusted after the financial statements are finalized.
- (c) To record the escrow funds as a long-term receivable.
- (d) To record the current taxes payable on the portion of cash received.
- (e) To record the deferred portion of taxes payable based on the escrowed cash, net of the deferred taxes previously recorded.
- (f) To record the gain on the sale of the partnership interest, net of the tax effect.
- (g) To eliminate the revenues and expenses of the divested partnership entity.
- (h) To reflect additional revenues to the divested partnership, previously recorded as intercompany.
- (i) To reflect the tax impact on the additional revenues in (h).
- (j) Because the pro forma income statement reflects a net loss from continuing operations for the nine months ended September 2002, the diluted income (loss) per share is the same as basic income (loss) per share since including any potentially dilutive securities would be antidilutive to the net loss per share from continuing operations.
- (k) Excludes the gain on the sale of the partnership interest.

(c) Exhibits.

Exhibit No. -----	Description -----
10.1	Partnership Interest Purchase Agreement dated as of November 21, 2002 among Shenandoah Mobile Company, Shenandoah Telecommunications Company and Cellco Partnership d/b/a/ Verizon Wireless. Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 25, 2002 and incorporated herein by reference.

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)

March 17, 2003

/s/ LAURENCE F. PAXTON

Laurence F. Paxton
Vice President-Finance