



3Q 2011 Earnings Conference Call
November 7, 2011

Safe Harbor Statement

This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our business strategy, our prospects and our financial position. These statements can be identified by the use of forward-looking terminology such as “believes,” “estimates,” “expects,” “intends,” “may,” “will,” “should,” “could,” or “anticipates” or the negative or other variation of these similar words, or by discussions of strategy or risks and uncertainties. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from the Company’s expectations and projections. Important factors that could cause actual results to differ materially from such forward-looking statements include, without limitation, risks related to the following:

- ❑ Increasing competition in the communications industry; and
- ❑ A complex and uncertain regulatory environment.

A further list and description of these risks, uncertainties and other factors can be found in the Company’s SEC filings which are available online at www.sec.gov, www.shentel.com or on request from the Company. The Company does not undertake to update any forward-looking statements as a result of new information or future events or developments.

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Chris French

CEO and President

Wireless Highlights

❑ Prepaid Rapid Growth

Q3'11 net additions of 6,940 and 98,272 prepaid subs at 9/30

❑ Steady Postpaid growth

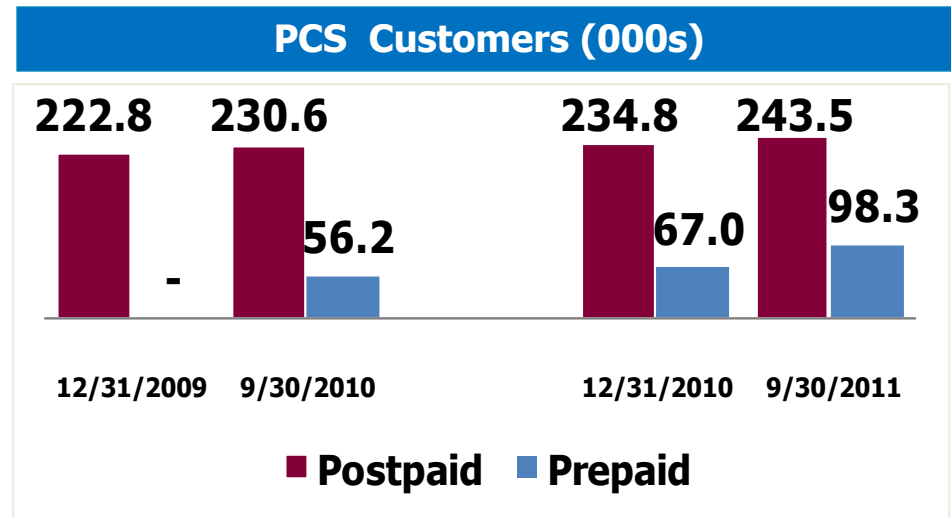
Postpaid customers up 6% in the last year

❑ Postpaid Churn improves

Q3'11 churn of 1.85% compared to 1.88% for Q3'10

❑ Earnings Improve

Q3'11 operating income up by \$3.7 million over Q3'10



Cable Highlights

□ Growth

- ▶ Total Cable RGUs 136 thousand at end of Q3 2011, up 4,745 in Q3

□ Triple Play

- ▶ Gains in all services including video, high-speed Internet, and voice services

□ Cable Upgrades

- ▶ Former JetBroadband markets are approximately 25% complete

2011 Financial Highlights

**Net Income
(in millions)**



Q3'10

Q3'11

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



Q3'10

Q3'11

- ❑ **Revenue Growth-** Revenues grew by \$9.4 million
- ❑ **Depreciation and Amortization Expense-** Increased \$1.6 million, after tax, due to investments in cable and wireless networks
- ❑ **Adjusted OBIDA Growth-** Increase of \$1.1 million over 3Q 2011

Adele Skolits

CFO and VP of Finance

Profitability

Adjusted OIBDA (\$ thousands)

For the Quarter Ended:

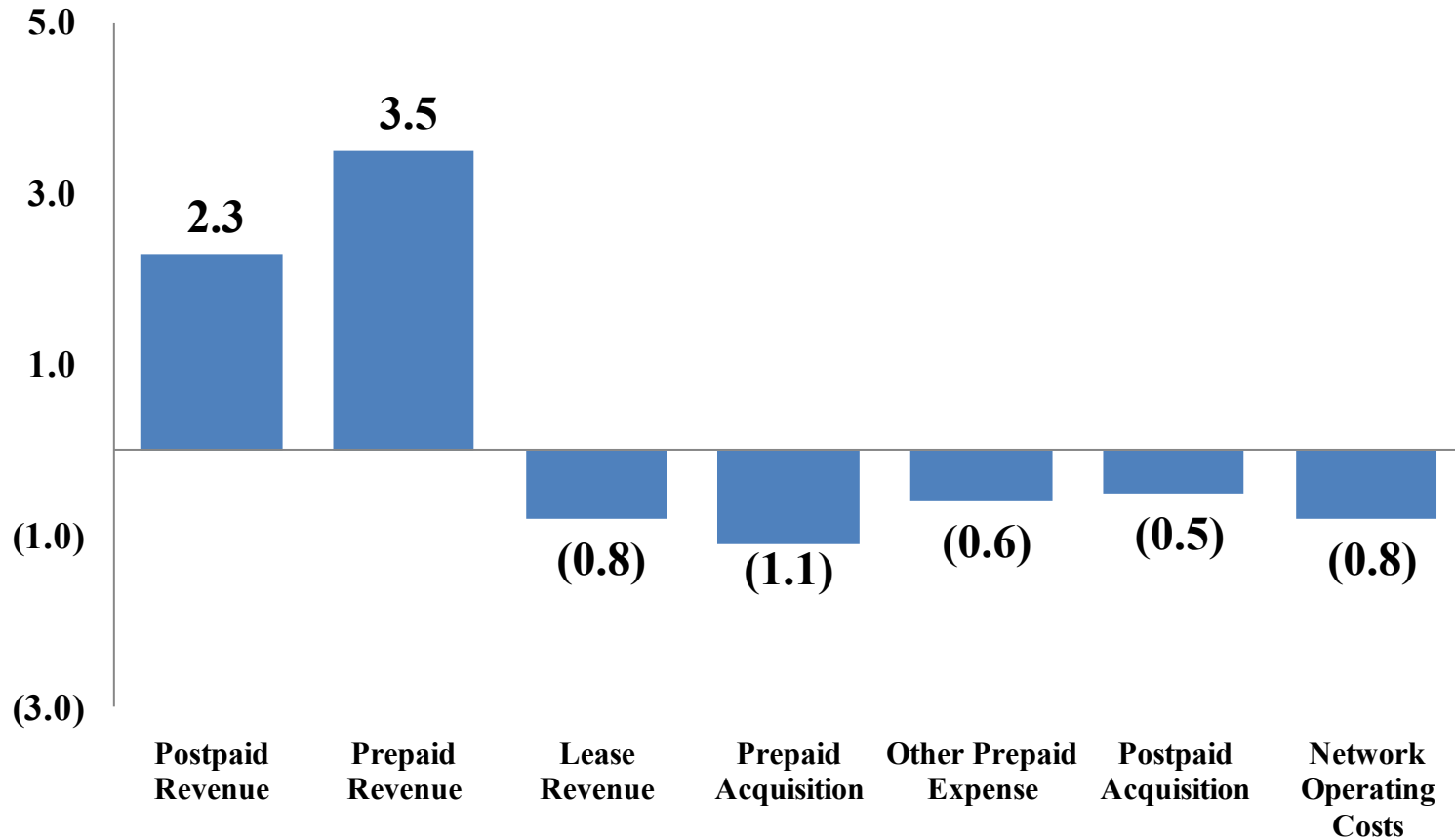
(in thousands)

	9/30/10	9/30/11	Change
Operating Income	\$9,586	\$9,170	(\$416)
Depreciation and Amortization	12,202	13,774	1,572
OIBDA	\$21,788	\$22,944	\$1,156
Less gain on sale of directory	(4,000)	-	4,000
Less (gain) loss on asset sales	7	(1,146)	(1,153)
Acquisition Costs	3,050	-	(3,050)
Share Based Compensation	260	433	173
Adjusted OIBDA	\$21,105	\$22,231	\$1,126

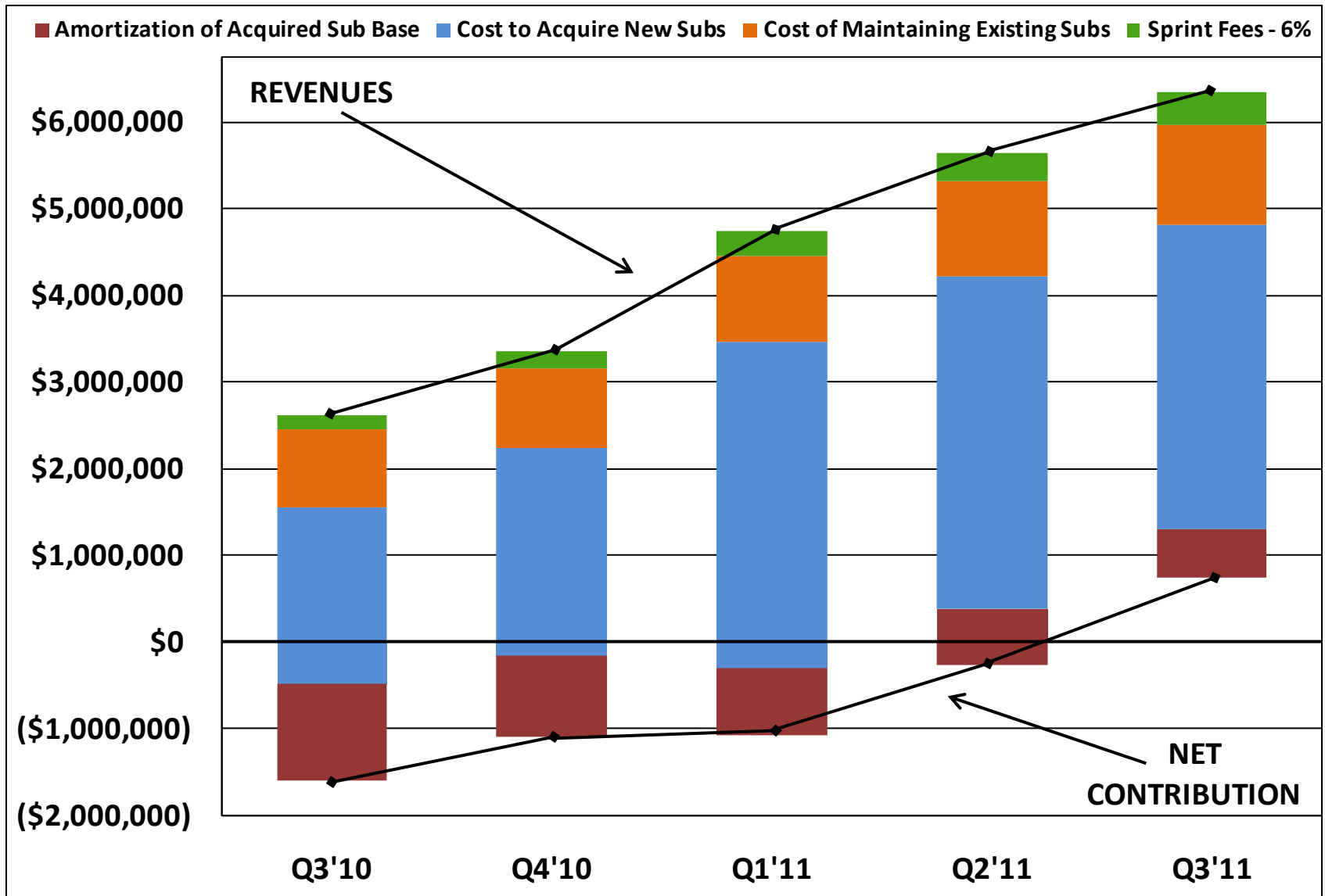
Adjusted OIBDA by Segment

<i>(in thousands)</i>	<u>Wireless</u>		<u>Cable</u>		<u>Wireline</u>	
	<u>Q3'10</u>	<u>Q3'11</u>	<u>Q3'10</u>	<u>Q3'11</u>	<u>Q3'10</u>	<u>Q3'11</u>
Operating Income	\$ 9.2	\$ 12.9	\$ (6.3)	\$ (6.4)	\$ 7.5	\$ 3.5
Depreciation and Amortization	6.4	5.9	3.8	5.7	2.0	2.2
OIBDA	15.6	18.8	(2.5)	(0.7)	9.5	5.7
Less gain on sale of directory	-	-	-	-	(4.0)	-
Less (gain) loss on asset sales	-	(1.3)	-	-	-	0.1
Share Based Compensation	0.1	0.1	0.1	0.1	0.1	0.1
Acquisition Costs	-	-	3.0	-	-	-
Adjusted OIBDA	<u>\$ 15.7</u>	<u>\$ 17.6</u>	<u>\$ 0.6</u>	<u>\$ (0.6)</u>	<u>\$ 5.6</u>	<u>\$ 5.9</u>

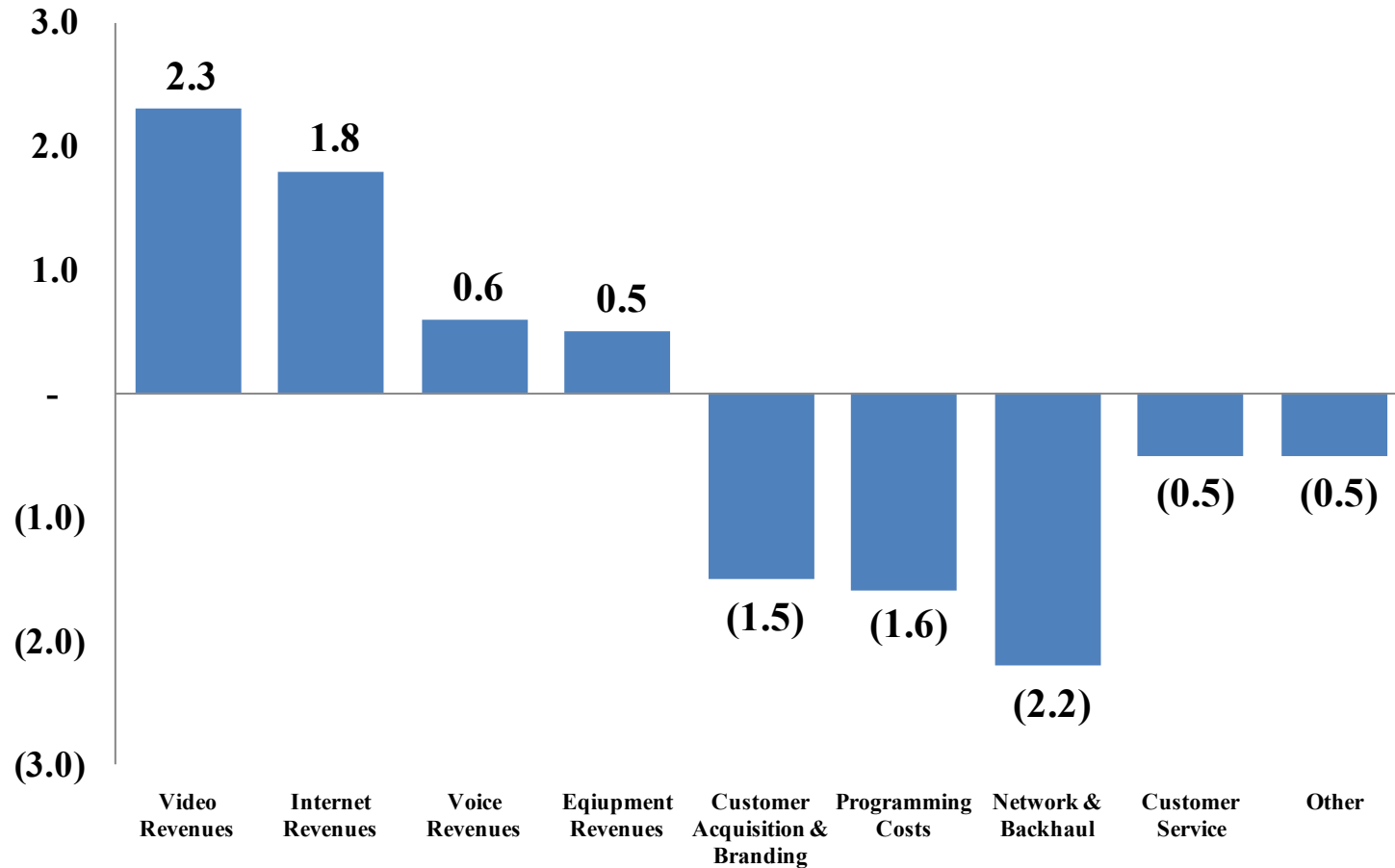
Wireless Segment – Change in Adjusted OIBDA Q3'10 vs. Q3'11



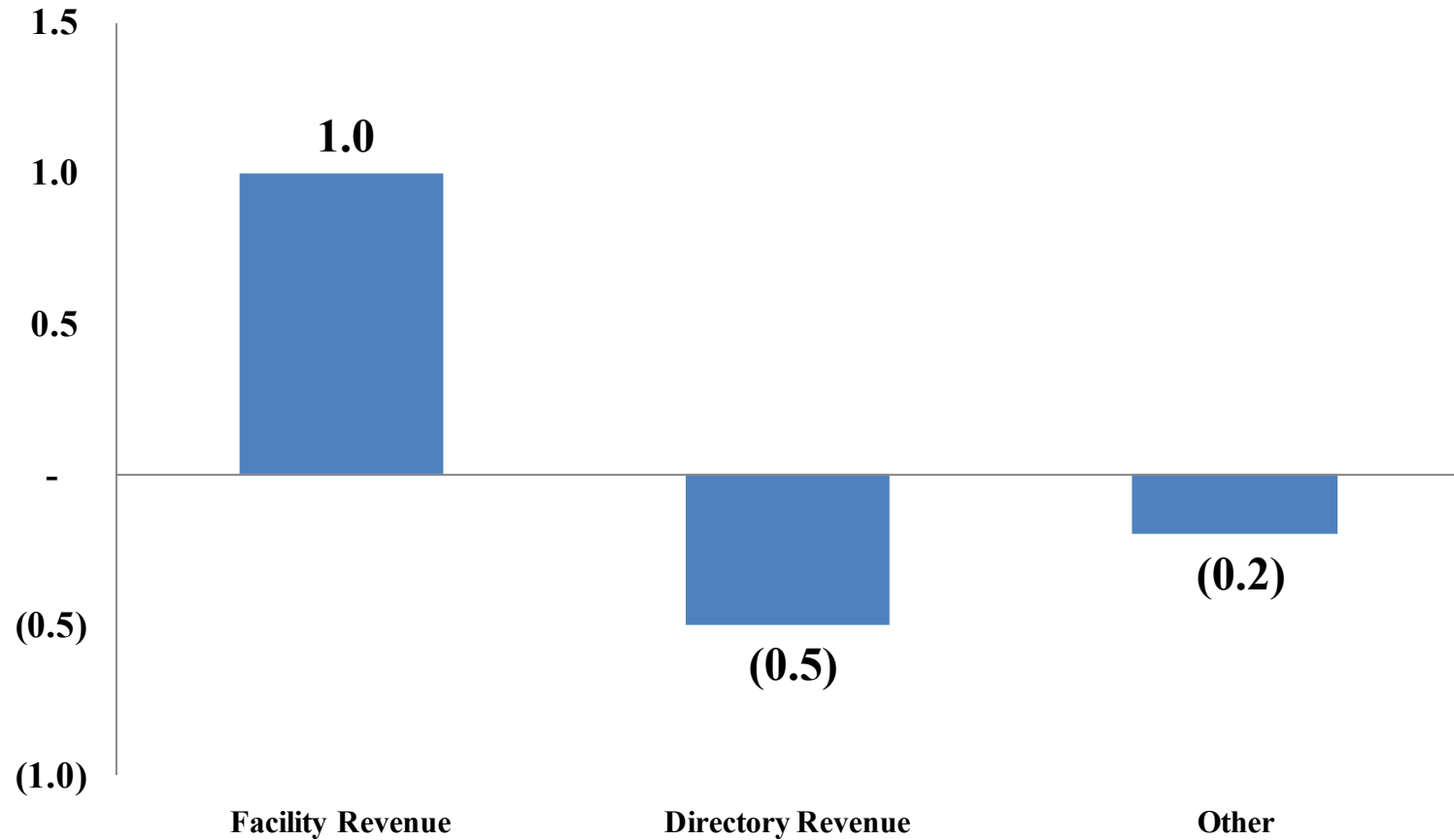
PCS Prepaid Statistics – Total Net Contribution



Cable Segment – Change in Adjusted OIBDA Q3'10 vs. Q3'11



Wireline Segment – Change in Adjusted OIBDA Q3'10 vs. Q3'11

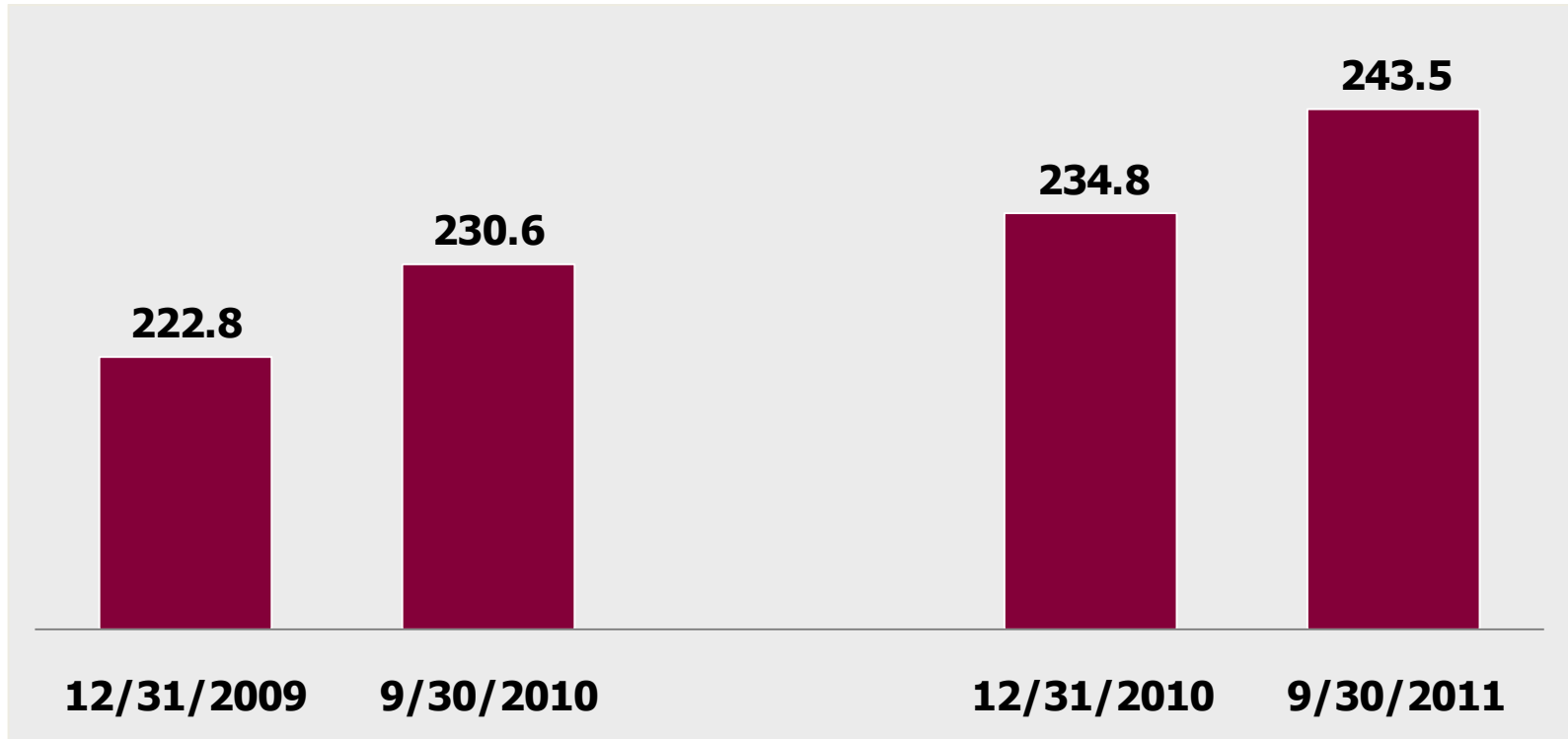


Earle MacKenzie

EVP and COO

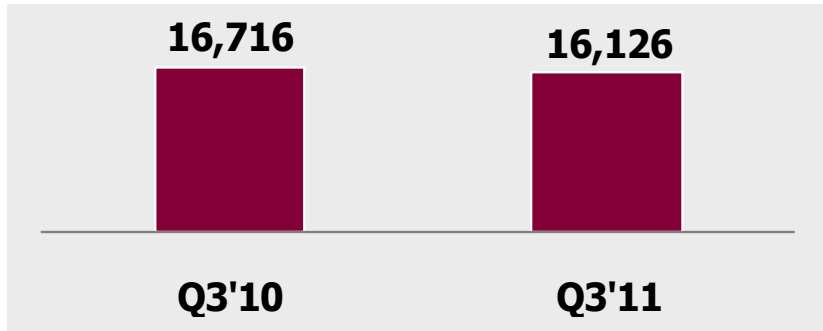
Key Operational Results – Wireless

PCS Postpaid Customers (000s)

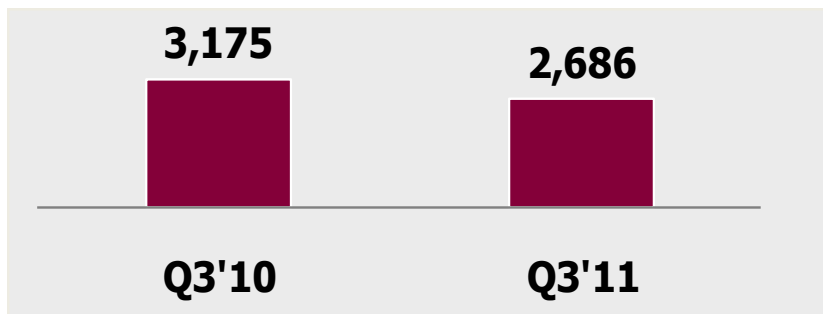


Key Operational Results – Wireless

Gross Additions - Postpaid



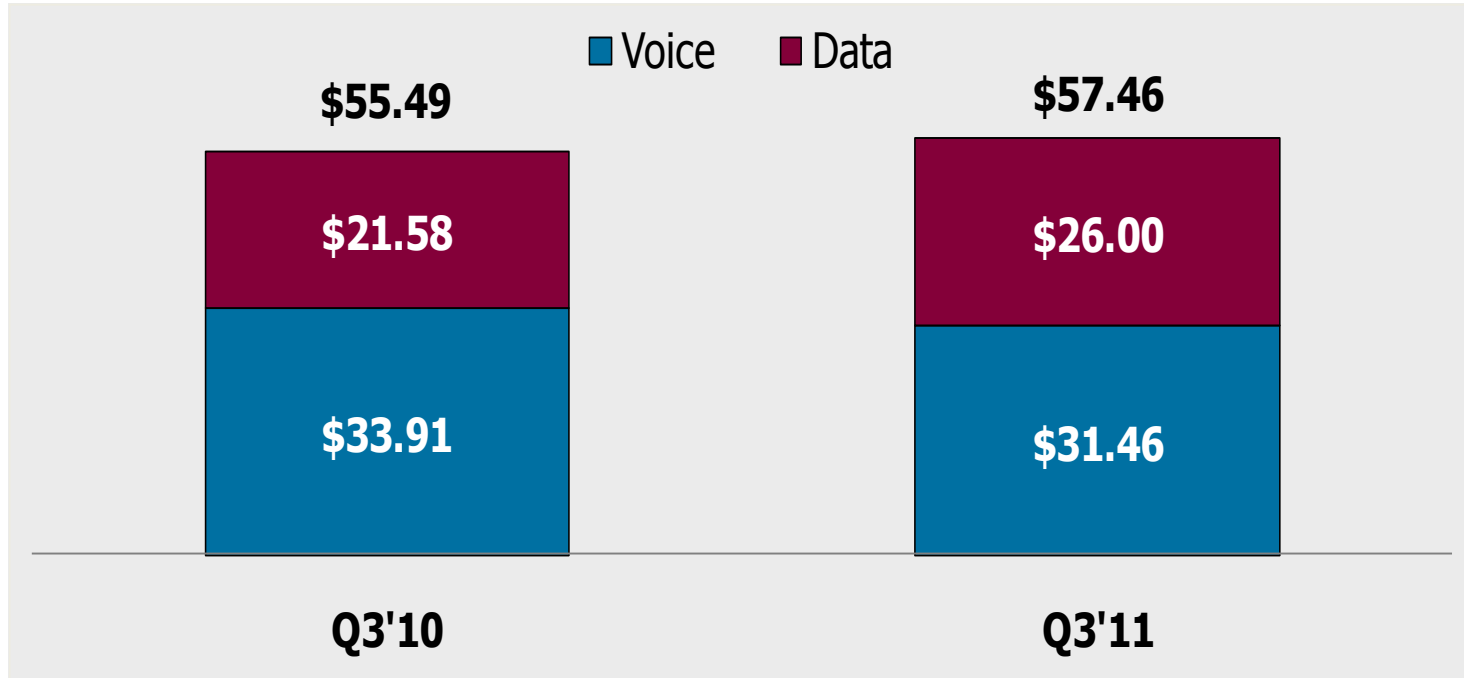
Net Additions - Postpaid



- Q3 2011 net adds of 2,686 versus 3,175 Q2 2010 net adds
- Q3 2011 churn of 1.8% improved from 1.9% in Q3 2010
- Shentel-controlled channels produced 50% of gross adds in Q3 2011 and 53% of gross adds in Q3 2010

Key Operational Results – PCS

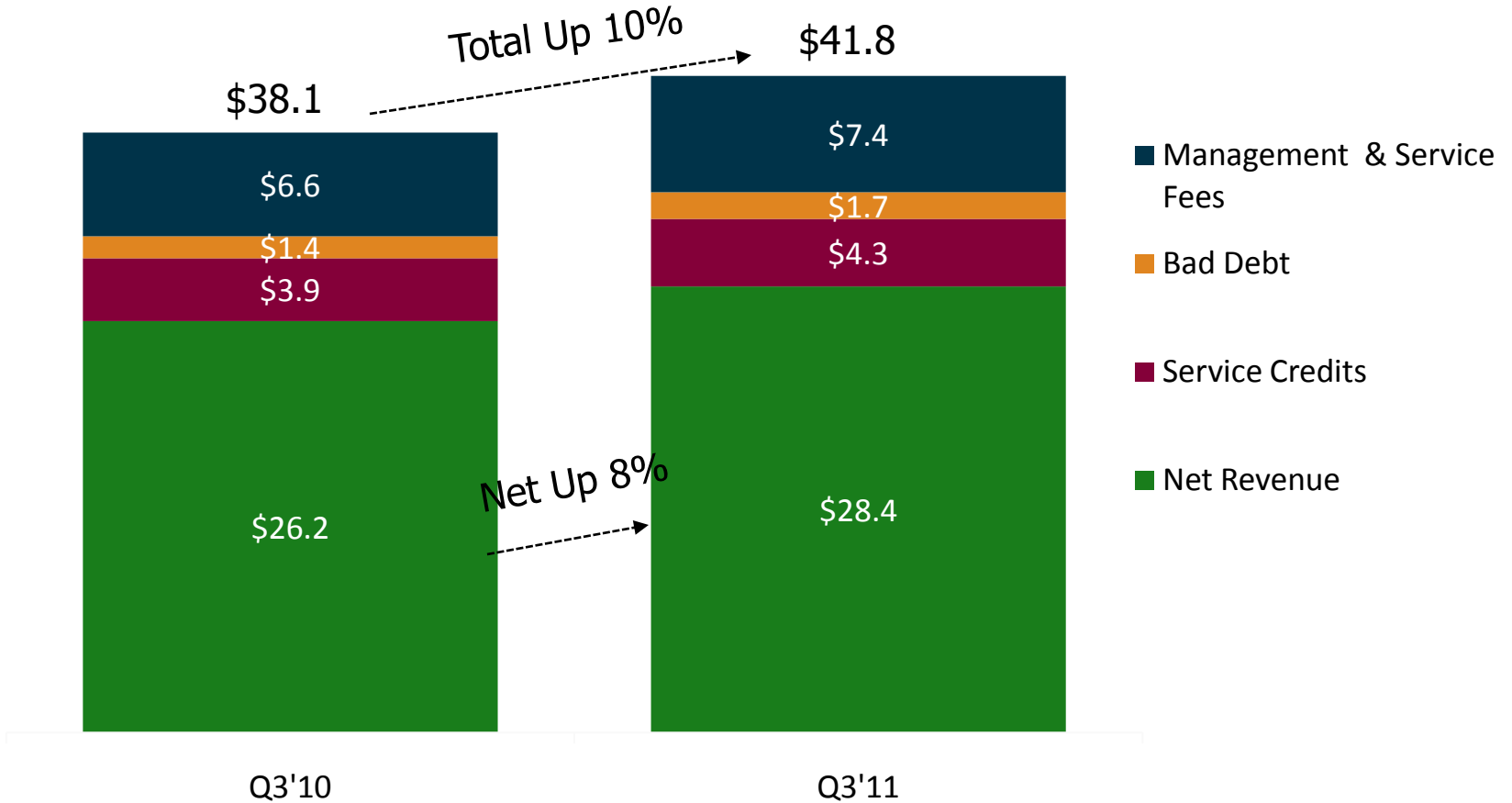
Gross Billed Revenue per Postpaid User – Data & Voice ¹



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

PCS Revenues

Gross Billed Revenues - Postpaid (\$ millions)



Postpaid PCS Customers Top Picks Q3 2011

- Top Service Plans - 76% of Gross Adds

- ▶ Everything Data Family 1500 – 53%
- ▶ Everything 450 – 18%
- ▶ Everything Messaging Family 1500 – 5%

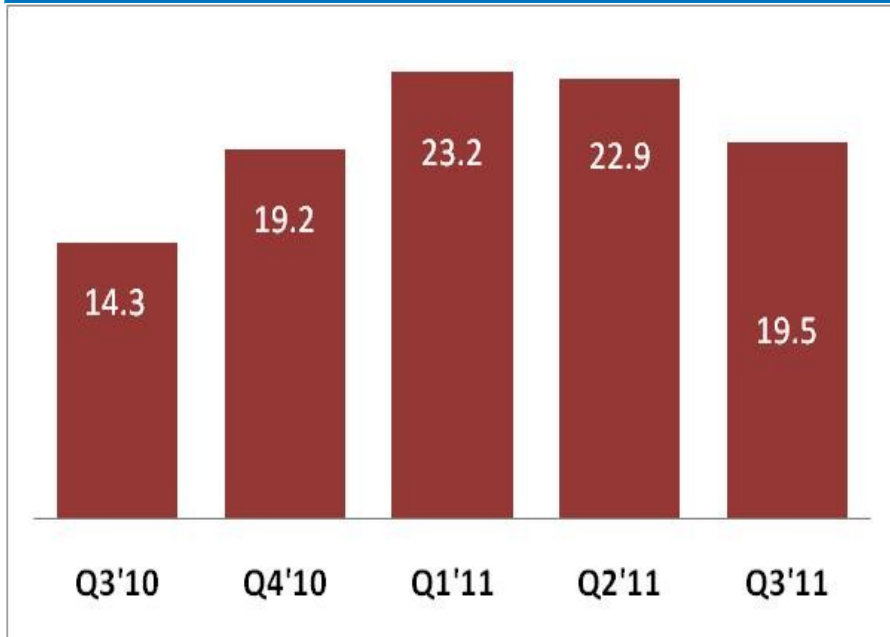
- Top Devices – New Activations - All Channels

- ▶ HTC EVO 4G 22%
- ▶ LG Optimus S 14%
- ▶ LG Rumor Touch 7%
- ▶ HTC EVO Shift 4G 6%
- ▶ Sanyo Vero 5%

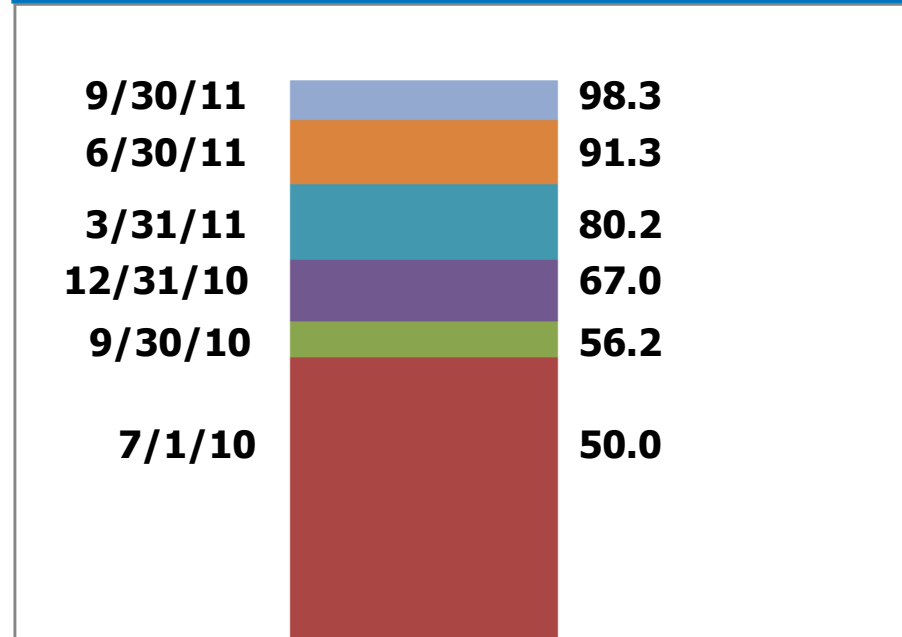
- Q3 2011 smartphones made up 48% of base, up from 43.5% in Q2 2011

PCS Prepaid Statistics

Gross Additions (000s)

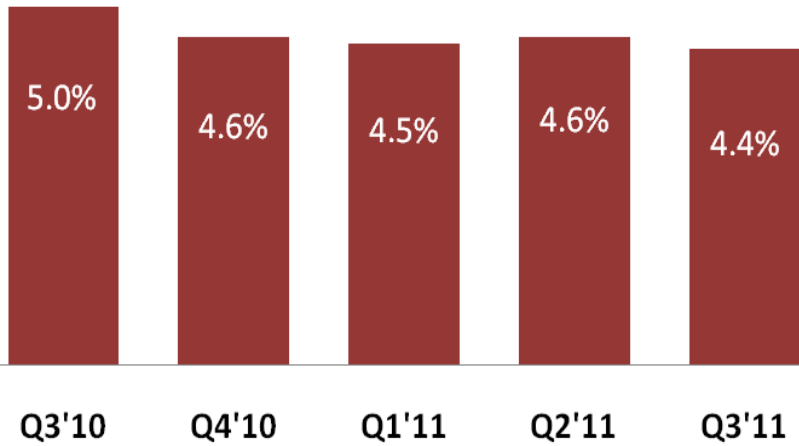


Cumulative Customers (000s)

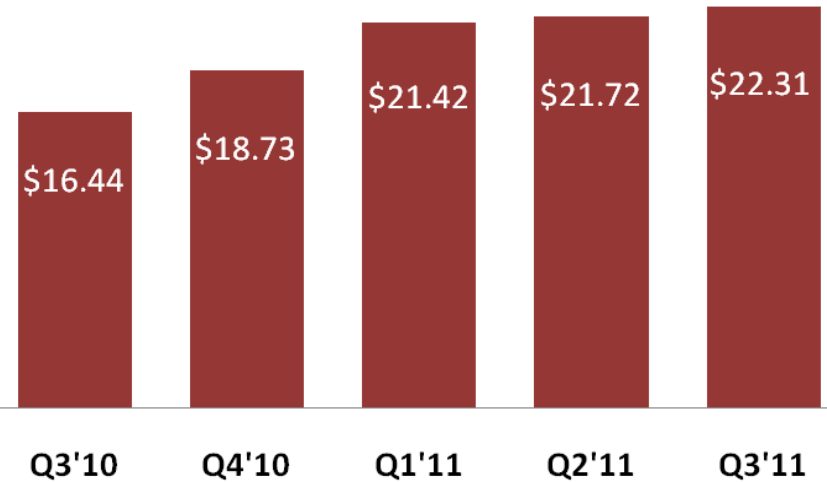


PCS Prepaid Statistics

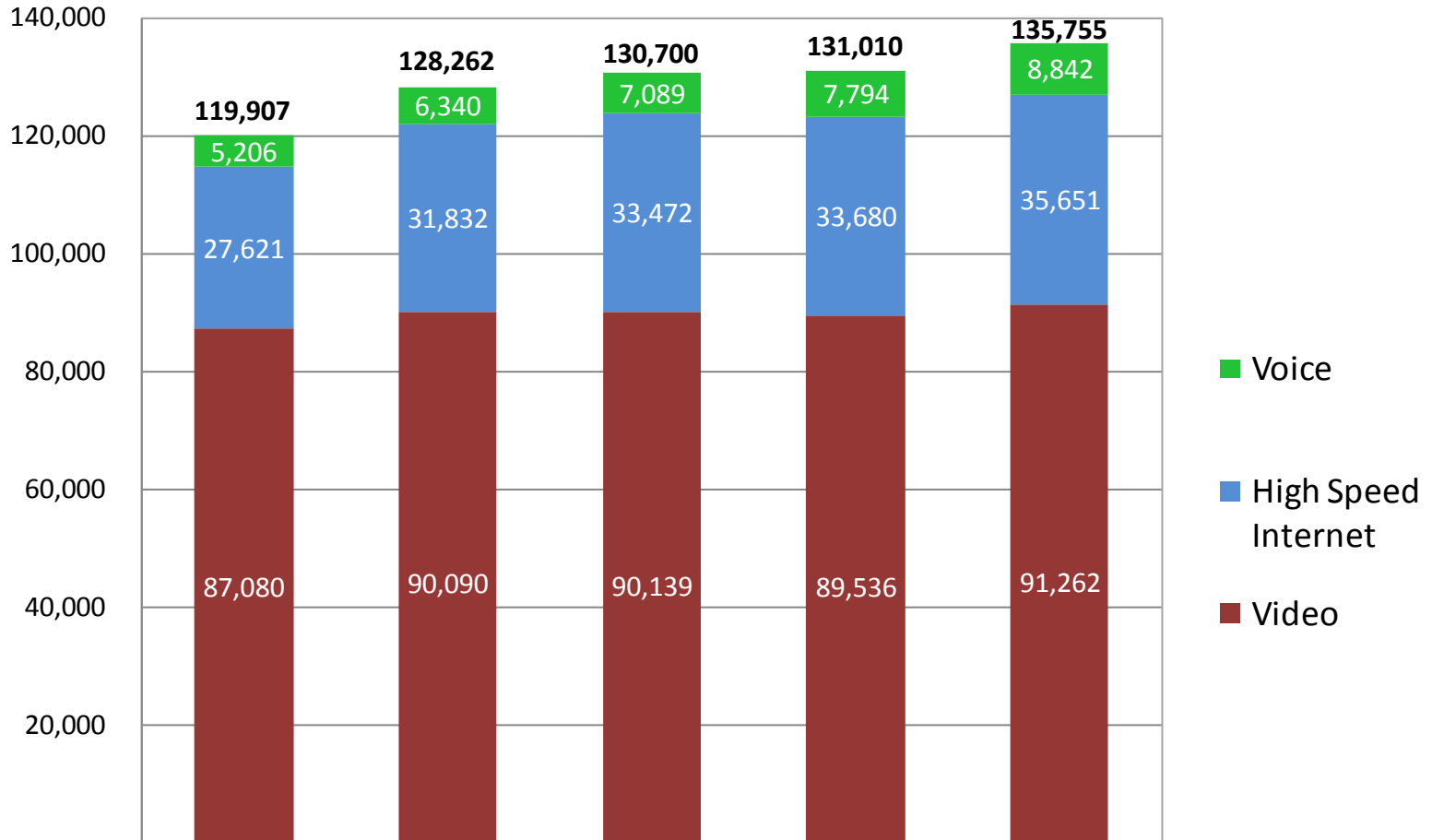
Churn %



Average Gross Billed Revenue



RGU Growth by Quarter - Cable



	Sept. 2010	December 2010	March 2011	June 2011	Sept. 2011
Customers	70,430	74,178	74,657	73,930	75,131
RGU's/Customer	1.70	1.73	1.75	1.77	1.81

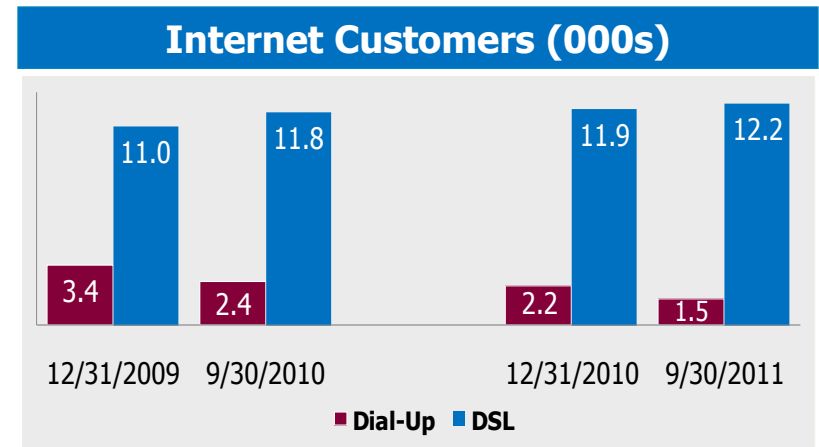
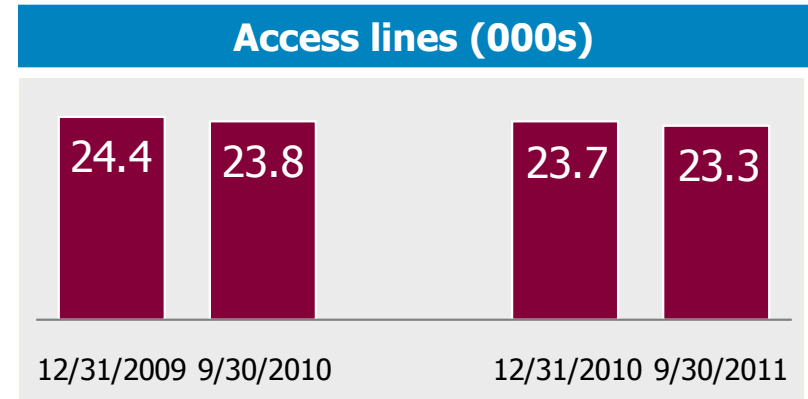
Key Operational Results - Cable

	12/31/2009	9/30/2010	12/31/2010	9/30/2011
Homes Passed	56,268	171,662	178,763	181,351
Basic Video				
Customers	23,022	64,524	67,235	66,179
Penetration	40.9%	37.6%	37.6%	36.5%
Digital video customers	6,487	22,556	22,855	25,083
Digital video penetration	28.2%	35.0%	34.0%	37.9%
High-speed Internet				
Available Homes	25,748	136,998	144,099	155,120
Customers	2,525	27,621	31,832	35,651
Penetration	9.8%	20.2%	22.1%	23.0%
Voice				
Available Homes	-	118,627	118,652	142,236
Customers	22	5,206	6,340	8,842
Penetration	n/a	4.4%	5.3%	6.2%
Revenue Generating Units	32,056	119,907	128,262	135,755

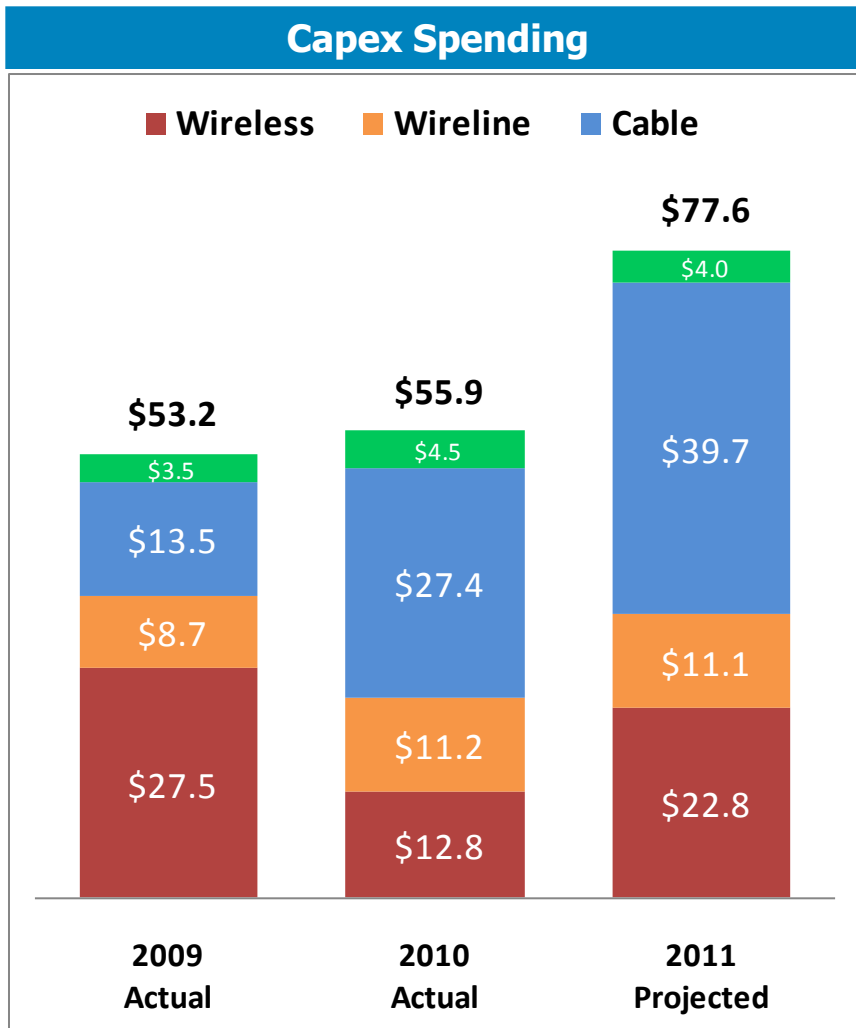
Note: Video homes passed includes 16K homes located in Shenandoah County, VA, where internet and voice services are not available from the cable company.

Key Operational Results - Wireline

- Modest access line loss of 2% in past 12 months
- Continued broadband penetration in LEC area to 53%
- 4% growth in DSL customers since 9/30/10, partially offsetting access line losses, resulting in total connections of 35.5 thousand



Investing in the Future



- Increased planned Wireless spending for 2011 EVDO growth. Increased capacity approximately 50%
- Upgrade of Jet Network is approximately 25% complete
- 52% of Virginia systems and 48% of WV systems upgrades projected to be completed in 2011
- All remaining systems in Virginia, West Virginia and Maryland to have upgrades completed in 2012

Q&A

Appendix

Non-GAAP Financial Measure – Billed Revenue per Postpaid Subscriber

Dollars in thousands (except subscribers and revenue per subscriber)

	<u>3Q 2010</u>	<u>3Q 2011</u>
<u>Gross billed revenue</u>		
Wireless segment total operating revenues	\$ 33,728	\$ 38,489
Equipment revenue	(1,713)	(1,107)
Tower Lease Revenue	(2,078)	(2,302)
Prepaid Net Service Revenues	(2,450)	(5,963)
Other revenue	(1,314)	(677)
Wireless service revenue – postpaid	<u>26,173</u>	<u>28,440</u>
Service credits	3,913	4,279
Write-offs	1,415	1,672
Management fee	2,651	2,946
Service fee	3,977	4,419
Gross billed revenue – postpaid	<u>\$ 38,129</u>	<u>\$ 41,756</u>
Average postpaid subscribers	229,043	242,234
Billed revenue per postpaid subscriber	55.49	57.46