



4Q 2009 Earnings Conference Call  
March 4, 2010

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## Safe Harbor Statement

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

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

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



## Use of Non-GAAP Financial Measures

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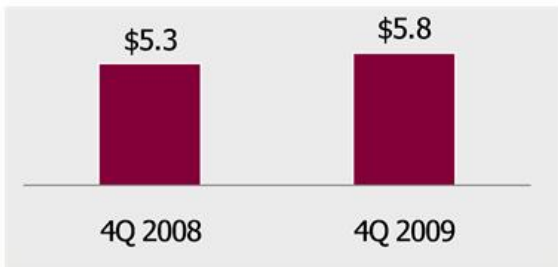
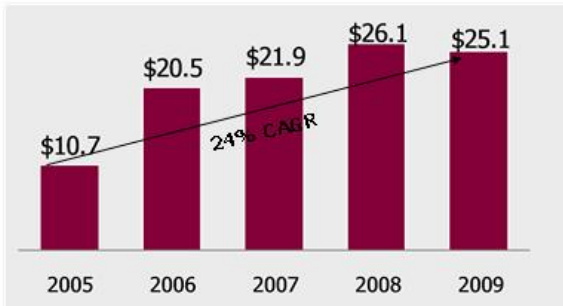
Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. These financial performance measures are not indicative of cash provided or used by operating activities and exclude the effects of certain operating, capital and financing costs and may differ from comparable information provided by other companies, and they should not be considered in isolation, as an alternative to, or more meaningful than measures of financial performance determined in accordance with US generally accepted accounting principles. These financial performance measures are commonly used in the industry and are presented because Shentel believes they provide relevant and useful information to investors. Shentel utilizes these financial performance measures to assess its ability to meet future capital expenditure and working capital requirements, to incur indebtedness if necessary, return investment to shareholders and to fund continued growth. Shentel also uses these financial performance measures to evaluate the performance of its businesses and for budget planning purposes.

Chris French  
CEO and President

## 2009 Highlights

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

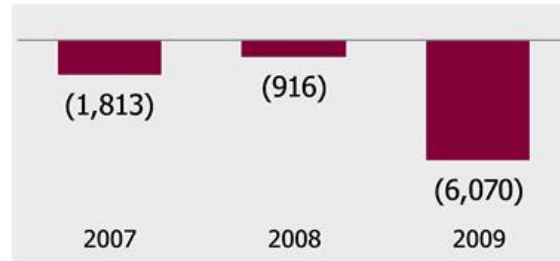


- ❑ **Strong operating results** - Net income from continuing operations of \$25.1 million
- ❑ **Returning value to shareholders** - Dividend of \$.32/share up 7%
- ❑ **Positioning the consolidated enterprise to maximize shareholder returns** - Invested in upgrade of acquired cable networks; sale of outlying cable systems completed; North River acquisition completed and DSL roll-out nearly complete

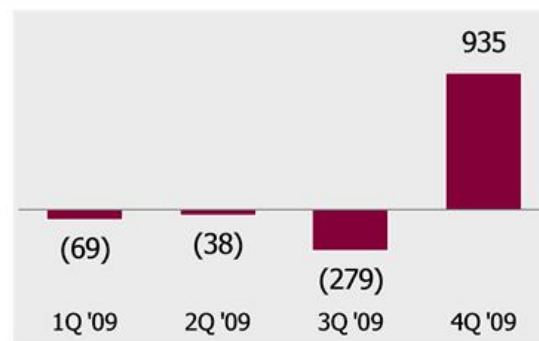
## 2009 Highlights

- ❑ **Acquired networks** - Completed integration of 17,000 customers and 42,000 homes passed
- ❑ **Enhanced networks** - 64% of acquired homes passed upgraded at 12/31/09
- ❑ **Sales results improving** - The cable network upgrades which began in late June are beginning to improve sales/retention

### Cable Segment Operating Losses



### Cable Segment RGU's Growth<sup>(1)</sup>



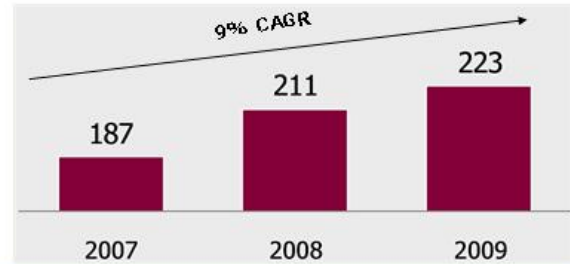
(1) - Excludes the impact of RGU's in markets sold in 4Q'09

## 2009 Highlights (Continued)

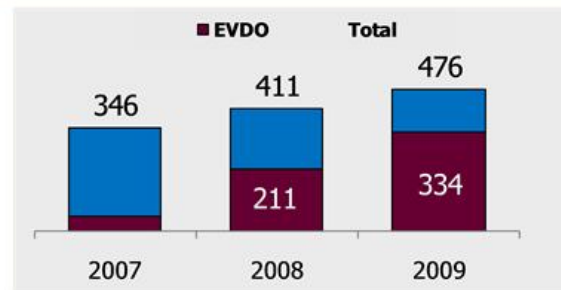
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- ❑ **Wireless growth drives results** - 3,465 net subscriber additions for 4Q'09 to 222,818 at year end; average subs up 8% for 2009
- ❑ **Investment in wireless for sustained growth** - Expansion of EVDO to 95% of the PCS footprint, 15% growth in cell sites
- ❑ **Providing a quality local customer experience** - PCS churn 2.0% in 4Q'09, 1.9% in 4Q'08

PCS Subscribers (000s)



Number of Cell Sites

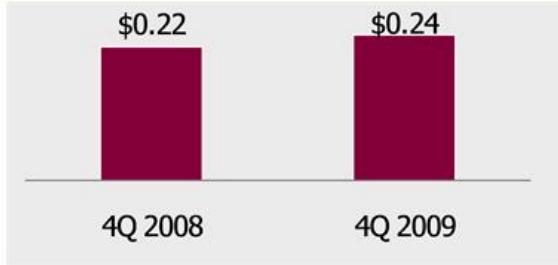


# Adele Skolits

CFO and VP of Finance

# EPS

## Earnings per Share from Continuing Operations - Quarter over Quarter



■ Delivering value for Shareholders- EPS growth of 9% in 4Q'09 over 4Q'08

## Earnings Per Share - Year over Year



\*-Includes gain on sale of Rural Telephone Bank stock of \$.27 in EPS from Continuing Operations and EPS



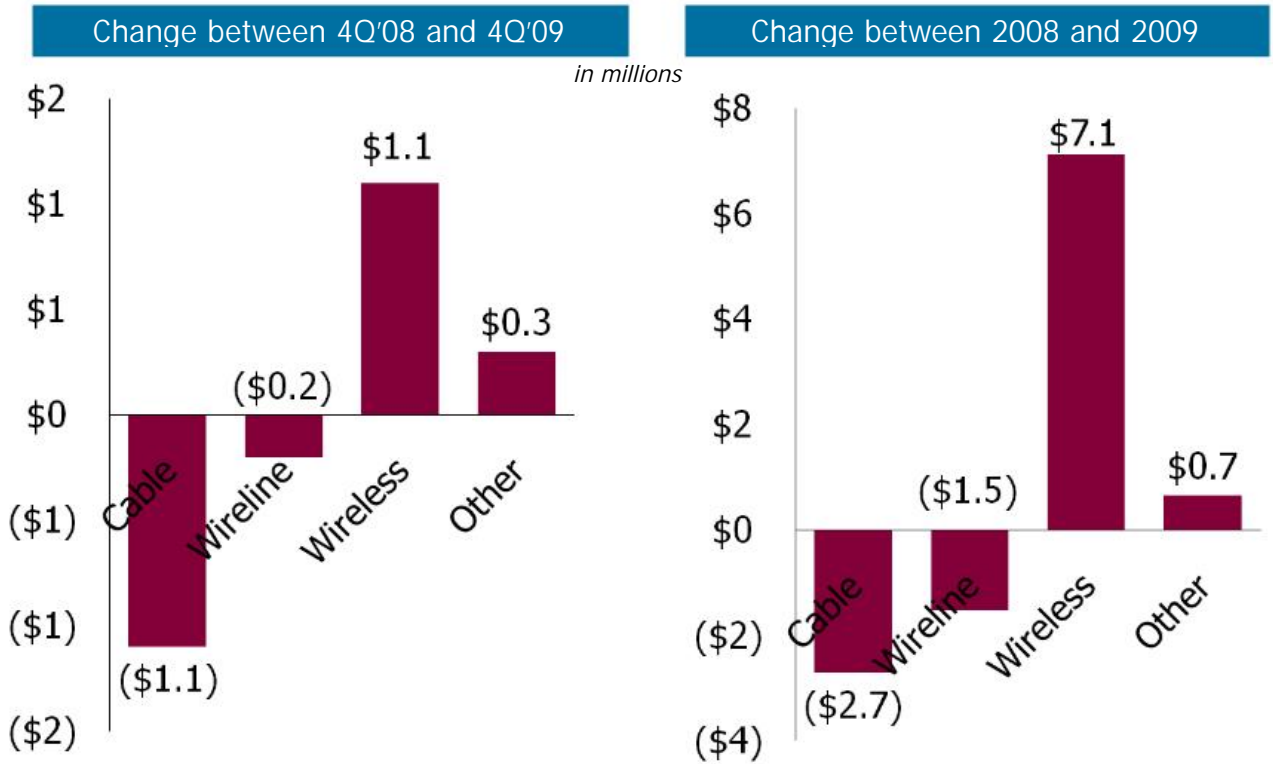
# Profitability

Maintaining profitability while investing in growth -  
OIBDA up 5% for 2009 over 2008

## Results (\$'s in millions)

	Quarter Ended		Year Ended	
	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Operating Revenues	\$40.3	\$37.1	\$160.6	\$144.4
Operating Expenses	31.7	27.5	117.8	99.2
Operating Income	8.6	9.6	42.8	45.2
Depreciation and Amortization	8.5	7.4	32.6	26.7
<b>OIBDA</b>	<b>\$17.1</b>	<b>\$17.0</b>	<b>\$75.4</b>	<b>\$71.9</b>
<b>OIBDA Margin</b>	<b>43%</b>	<b>46%</b>	<b>47%</b>	<b>50%</b>

OIBDA



## Cash Flows

- **Record operating cash flow** - 48% growth in cash generated by operations
- **Extended debt facility supports sustained growth** - Increased capital expenditures supports cable upgrades and PCS development
- **Manageable debt service** - Debt facility has equal amortization over five years beginning next year
- **Positioned to deliver for shareholders** - Debt capacity and cash flow generation will enable the company to be opportunistic or return value to shareholders

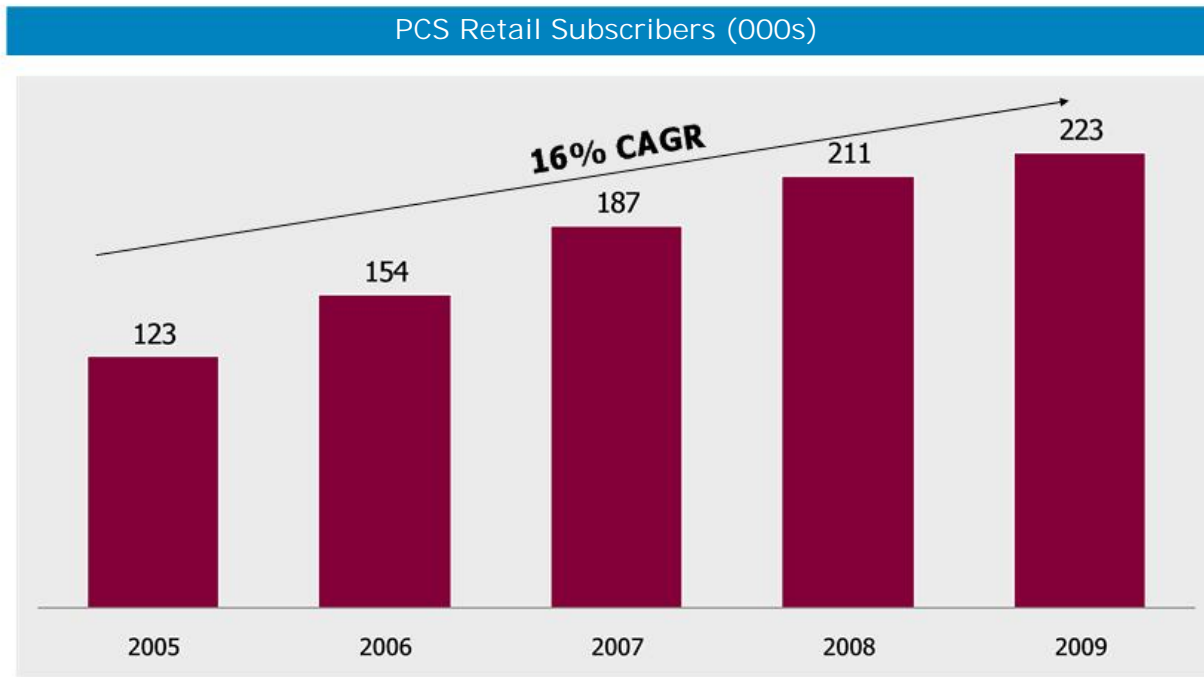
Cash Flows (\$ millions)			
	2008	2009	Change
Net Cash from Operations	\$50.1	\$74.1	\$24.0
Capital Expenditures	(\$65.6)	(\$53.2)	\$12.4
Cable TV Acquisition	(\$10.9)	\$0.0	\$10.9
Borrowings	\$23.7	\$7.0	(\$16.7)
Debt Repayments	(\$4.2)	(\$15.4)	(\$11.2)
Dividends	(\$6.5)	(\$7.0)	(\$0.5)
Other	\$1.4	\$1.3	(\$0.1)
Free Cash Flow	(\$12.0)	\$6.8	\$18.8

Earle MacKenzie

COO and EVP

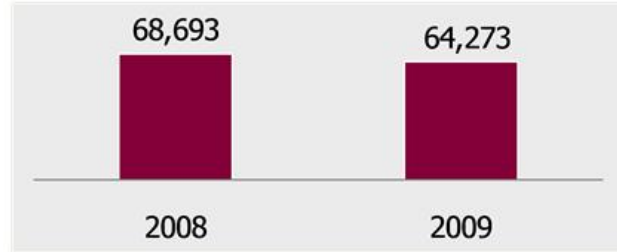
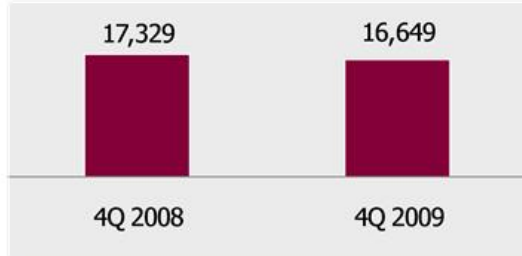
## Key Operational Results - Wireless

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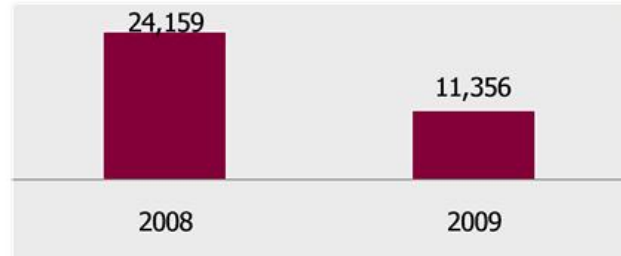
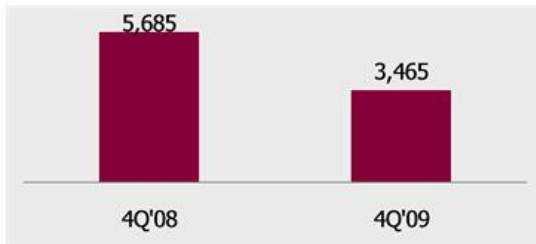


## Key Operational Results - Wireless

### PCS Gross Additions



### PCS Net Additions

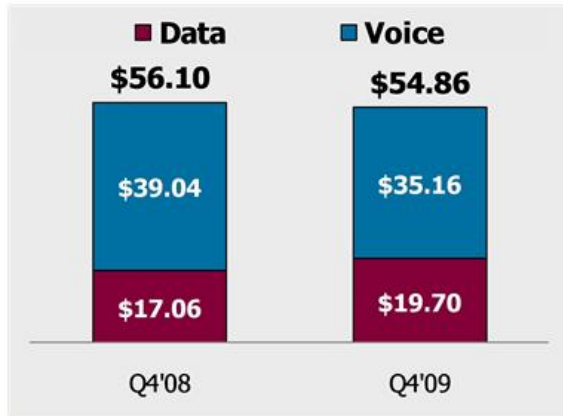


## Key Operational Results - Wireless

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- Billed revenue per subscriber declining
- Data revenue growth not enough to compensate

PCS Gross Billed Revenue per User  
Data & Voice  
Quarter over Quarter



## Key Operational Results - Wireless

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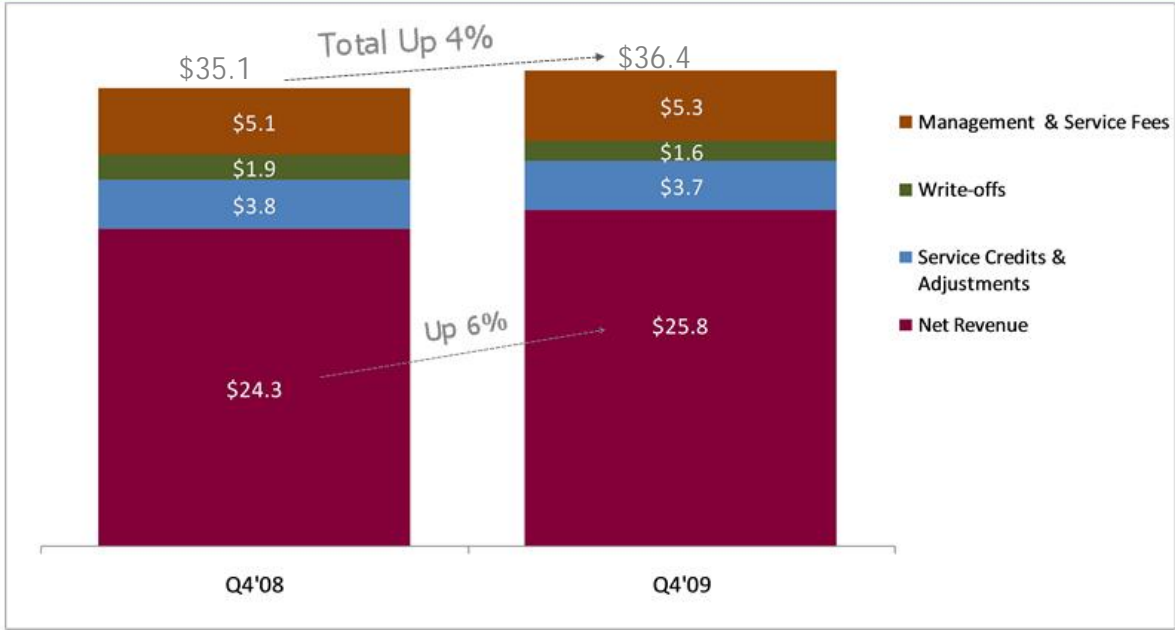
- Billed revenue per subscriber declines slightly due to add-a-phone
- Data revenue continues to grow

PCS Gross Billed Revenue per User  
Data & Voice  
Year over Year



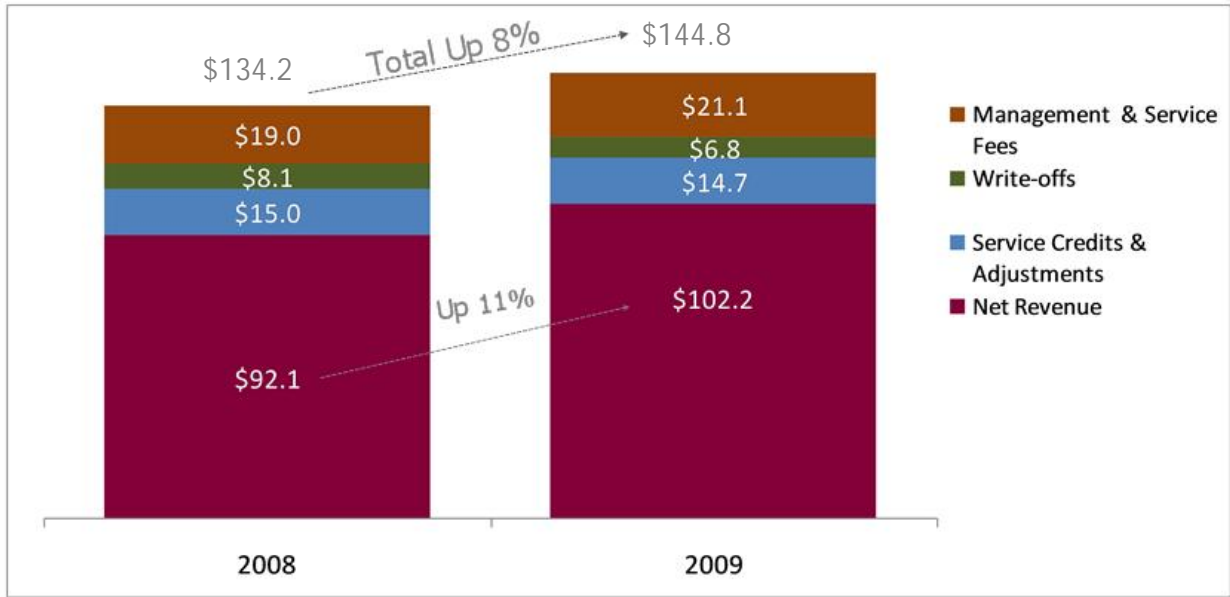
# Wireless Revenues

PCS Quarterly Billed Service Revenues (\$ millions)



# PCS Revenues

PCS Annual Billed Service Revenues (\$ millions)



### ■ Service Plans

- ▶ Everything Data Family 1500
- ▶ Everything Messaging Family 1500
- ▶ Everything Data 450
- ▶ 3G Connector Card

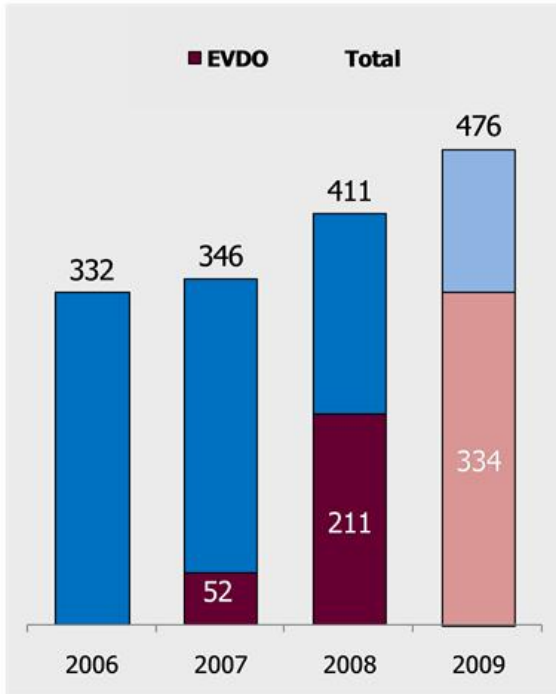
### ■ Handsets

- ▶ Samsung Exclaim
- ▶ Blackberry 8330
- ▶ LG Rumor 2
- ▶ Data Cards
- ▶ Sanyo 3810

## Meeting PCS Customer Needs

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### Number of Cell Sites

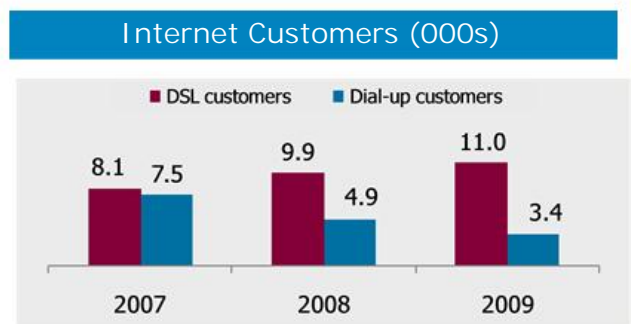
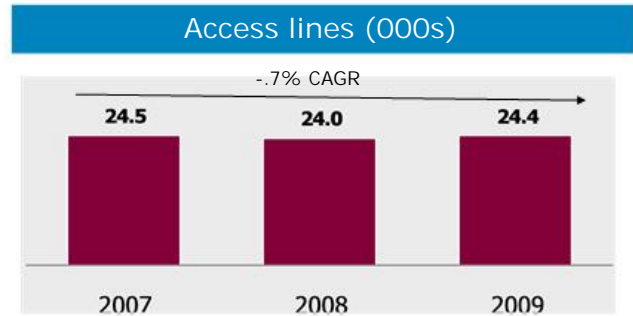


- Expanded data offering
  - ▶ Over 95% POP's have EVDO coverage
- PA coverage improved
- Capacity increased

## Key Operational Results - Wireline

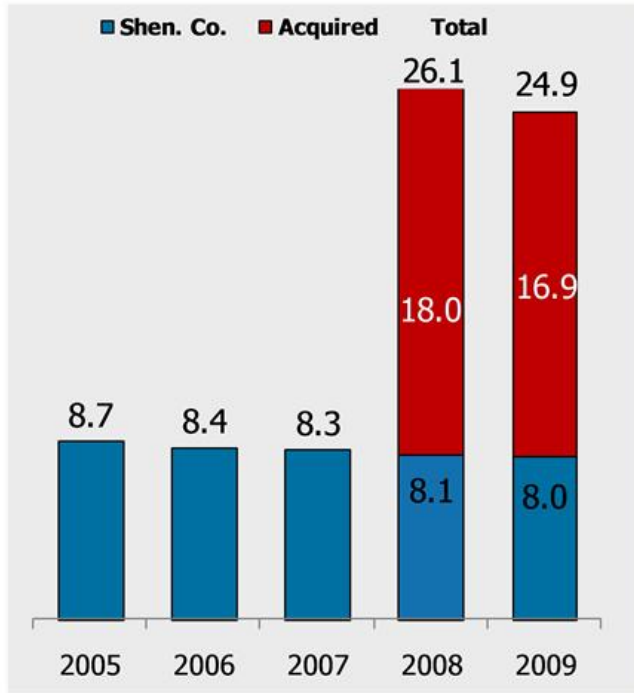
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- Added approximately 935 NRTC access lines 11/1/2009
- Modest access line loss
- 45% data penetration
- Increased broadband speeds - most customers able to get up to 10 Mbps



## Key Operational Results - Cable

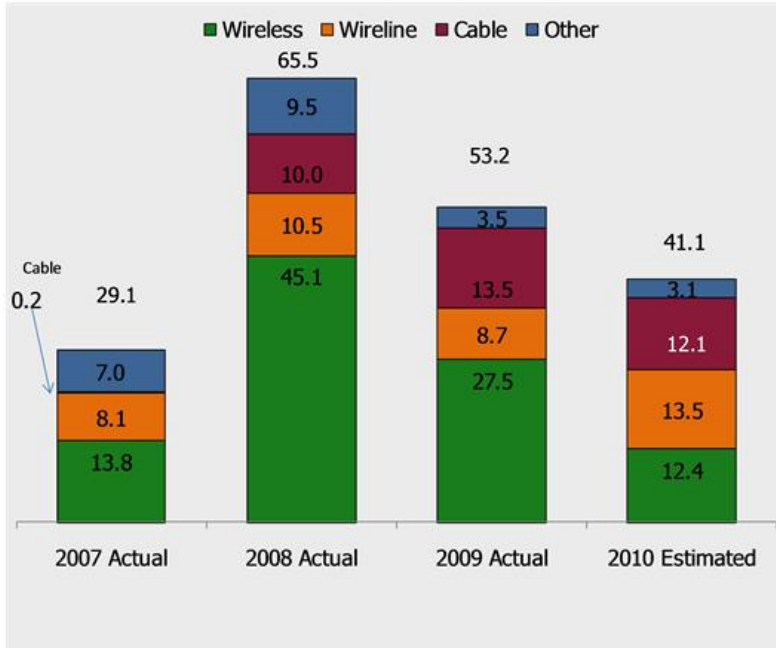
### Number of RGUs (000's)



- Acquisition of 18,000 new RGUs in Q4'08; sold 1,750 in Q4'09
- 64% of acquired homes passed upgraded as of 12/31/09
- Expect to offer triple play to 100% of acquired homes passed by third quarter 2010

# Investing in the Future

## Capex Spending



- Expanding wireless coverage & capacity with 64 new cell sites and data with 125 EVDO sites in 2009
- Increasing broadband speeds to 10 MB in LEC area
- Increased miles and capacity of fiber
- Upgrade of cable systems to 2-way to provide triple play of services

# Q&A

# Appendix



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

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

	<u>2008</u>	<u>2009</u>
<u>Gross billed revenue</u>		
Wireless segment total operating revenues \$	106,885	\$115,695
Tower lease revenue	(6,480)	(7,144)
Equipment revenue	(5,214)	(4,522)
Other revenue	<u>(3,042)</u>	<u>(1,833)</u>
Wireless service revenue	92,149	102,196
Service credits	15,018	14,725
Write-offs	8,064	6,782
Management fee	9,034	10,028
Service fee	<u>9,938</u>	<u>11,030</u>
Gross billed revenue	<u>134,203</u>	<u>144,761</u>
Average subscribers	199,794	216,143
Billed revenue per subscriber	\$ 55.98	\$ 55.81