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2015 ANNUAL REPORT

Shenandoah Telecommunications Company

SHENANDOAH TELECOMMUNICATIONS

Subsidiaries

Shenandoah Personal Communications, LLC

Shenandoah Mobile, LLC

Shenandoah Telephone Company

Shentel Communications, LLC

Shenandoah Cable Television, LLC

Shentel Management Company

Shentel Cable of Shenandoah County, LLC

Gridiron Merger Sub, Inc.

This list contains all significant subsidiaries of Shenandoah Telecommunications Company.

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A MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Christopher French

March 10, 2016

Dear Shareholder:

I am very pleased to report on the record financial and operational results achieved by your Company in 2015. These results provide us great momentum entering into 2016, and have us well positioned for our acquisition of nTelos and the significant expansion of your company.

Our financial results again set new records for revenues and earnings. Revenues for 2015 were $342.5 million, an increase of $15.5 million or 4.8 percent over 2014. Revenue growth outpaced the $3.4 million increase in operating expenses, resulting in a $12.1 million, or 19.6 percent increase in operating income. Net income for the year was $40.9 million, an increase of 20.6 percent over 2014.

During the year, the Board of Directors declared a two-for-one stock split which was effective for shareholders of record as of December 31, 2015. After giving effect to the split, fully-diluted earnings per share for 2015 were $0.83, an increase of $0.13 from 2014. During 2015, the Board of Directors declared a cash dividend of $0.48 per share ($0.24 per post-split share) which was a 2.1 percent increase over the dividend paid in 2014. This dividend represents the fifty-sixth year of continuous dividend payments since the Company paid its first dividend in 1960.

The two-for-one stock split resulted in shareholders receiving one additional share for every one share held on the record date. As a result of the Board's action, the Company now has approximately 48.5 million shares outstanding, out of a total 96.0 million authorized shares.

Our stock price increased substantially during 2015, ending the year at a split-adjusted price of $21.525, an increase of 37.8 percent from the prior year-end close. During the year, it again reached a new all-time high closing price, closing at $25.34 in November 2015. Longer-term increases in our stock price were also impressive. As shown in the Form 10-K filed with the Securities and Exchange Commission, our cumulative total shareholder return assuming reinvestment of dividends reflects a compounded annual rate of increase of 20.4 percent for the five-year period ending December 31, 2015. This increase exceeded the comparison indexes for the NASDAQ US Index and the NASDAQ Telecommunications Index over the same period. Our stock's strong performance continues to attract attention from institutional investors, which hold an increasing number of our outstanding shares.

Net income increased 20.6% over 2014

Increases in our stock price are a reflection of our improving financial and operating results. All three of our operating segments – Cable, Wireline and Wireless - posted increases in operating income, with our Cable segment providing the largest improvement of $10.6 million, achieving positive operating income for 2015.

The improvement in our Cable segment's performance resulted from growth in our customer base, customers selecting higher-speed data packages, and achieving economies of scale from our past investments. We continued to experience an expected decline in video subscribers, but this loss was more than offset by increases in data and voice customers. Due to high costs for programming content, video is a lower-margin service than both data and voice, and the contribution from the increase in the number of higher-margin services more than offset the decline of the lower-margin video customers.

Battles with programmers continued in 2015, for Shentel and other video distributors. After months of attempting to reach an acceptable agreement with AMC, the network refused to let us continue carrying their programs. We had agreed to pay reasonable rate increases, but AMC demanded much more in huge annual increases and requirements to carry and pay for additional channels that would be of little interest to our customers. Agreeing to carry such channels would have required us to make use of our valuable network capacity, which would limit our ability to offer Internet services. We have lost a few hundred video customers, but most of those customers continue to purchase broadband and phone from Shentel. Unfortunately, customers lose out when programmers make unreasonable and unacceptable demands, and we continue to work for changes in the current rules regarding programming disputes such as this. We remain supportive of efforts in Congress to mandate à la carte programming, which would let customers receive and pay for only the channels they want.

Our Wireline segment also experienced improved financial results during 2015, with growth in revenue from lease of our fiber network more than offsetting the continued decline of revenue from traditional local telephone access lines.

During the year, our sales team signed fiber network leases worth a total of $22.0 million, a ten percent increase over the prior year. In addition to providing a source of revenues and profits, our 4,580 route miles of fiber serve as the backbone of both our cable and wireless networks, helping us operate both more economically, and with a high degree of reliability. We built a new fiber route in southern Pennsylvania and are now building a new route along Interstate 81 in Virginia from Harrisonburg to Roanoke. We also continue to build fiber to tower sites as we expand and enhance this valuable asset.

Effective October 1, 2015, we began offering cable modem services on our Shenandoah County cable network, and at the same time ended the requirement that a customer have a telephone access line to purchase DSL service. As a result of these changes, we experienced a slightly larger than normal decrease in access lines late in 2015, and ended the year with 1,360 fewer access lines compared to the prior year end. Of the 1,360 customers that discontinued phone service, 1,172 continued to purchase our broadband services. The number of wireline data customers, now served via both DSL and cable modems, increased by 344 over the same period.

The nTelos acquisition will make Shentel the 6th largest wireless carrier in the nation.

Operating results in Wireless, our largest segment, set new records during 2015. We had solid growth of 8.6 percent in the number of post-paid customers, and in the fourth quarter of 2015 set a new record with the addition of 8,985 post-paid customers added, an increase of 84 percent from the prior year's fourth quarter. We had a slight decline in our smaller pre-paid customer base, but ended the year with a total of 455,352 wireless customers. Sprint made significant improvements in their network, enhancing the experience of our customers who travel to Sprint's metropolitan areas. We also benefited from Sprint's more aggressive marketing efforts following their network improvements.

Great results in our Wireless segment provide a solid foundation for our acquisition of nTelos and the significant expansion of our wireless business. Since the August 2015 announcement, we have made good progress towards closing of the acquisition. We have received necessary approvals from all government entities except for the Federal Communications Commission, and we are cautiously optimistic that approval will be forthcoming this month. We finalized arrangements for the debt facility needed to finance the purchase and fund our planned capital expenditures. Planning for the integration has also gone well. We have made offers to approximately 300 employees for permanent positions at Shentel, and another 200 employees who will be required for varying lengths of time to assist with the transition. Our teams have worked together to ensure a smooth hand off for continuing the upgrades of the nTelos network. We have identified the best approach for migration of nTelos customers to the Sprint back office and billing systems. This migration will now take longer and cost more than we had originally estimated, but at closing nTelos customers should not experience any decrease in their level of service and will be able to continue use of their existing phones and price plans.

As with past acquisitions and major capital initiatives, we will incur significant one-time costs which will impact short-term financial results. The nTelos acquisition, and the investment it will require, represents the largest commitment of resources in our company's history. It is a highly attractive strategic acquisition that will significantly enhance our scale and regional service offering, further solidifying Shentel as a premier wireless provider in the mid-Atlantic region, and making us the sixth-largest wireless carrier in the United States. The acquisition expands and strengthens our affiliate relationship with Sprint and the deal terms are attractive, with Sprint reducing the fees they retain as an incentive for Shentel to acquire nTelos. Financing the transaction will result in a reasonable pro forma leverage profile for the company, and there will be no shareholder dilution. Much work is still required to make this acquisition a success, but we remain extremely excited about the opportunity. While the challenges are significant, the potential is also great, and it should meaningfully enhance shareholder value. The increase in our stock price since the transaction was announced is an indication that the market recognizes this value.

Our success in the past depended on, and in the future will increasingly depend on, our ability to provide quality services and real value to customers. We have met the challenges of the past, and are well-poised to meet those of the future. Our focus has always been on making the best decisions for the long-term benefit of our shareholders, and that will continue to be a guiding principal for setting our long-term strategic direction and in making our day-to-day business decisions. I appreciate the support shown by our shareholders as we work to increase the long-term value of your investment, and I am confident in the ability of your Board of Directors, management team, and our employees to continue to do so.

For the Board of Directors,

Christopher E. French
President

MANAGEMENT TEAM

Christopher French
President & Chief Executive Officer

Earle MacKenzie
Executive Vice President & Chief Operating Officer

Adele Skolits
Vice President of Finance & Chief Financial Officer

Edward McKay
Sr. Vice President of Engineering & Planning

William Pirtle
Sr. Vice President of Marketing & Sales

Thomas Whitaker
Sr. Vice President of Operations

Richard Baughman
Vice President of Information Technology

Brian Brooks
Vice President of Wireless Sales

Kevin Folk
Vice President of Wireless Network Operations

Christopher Kyle
Vice President of Industry Affairs & Regulatory

Raymond Ostroski
Vice President of Legal & General Counsel

Angela Washington
Vice President Customer Service

BOARD OF DIRECTORS

Douglas Arthur
Board Vice Chairman,
Lead Independent Director
Attorney-At-Law

Ken Burch
Farmer

Tracy Fitzsimmons
President / Shenandoah University

John Flora
Attorney-At-Law and Senior Partner / Lenhart Pettit

Christopher French
Board Chairman /
President & CEO / Shentel

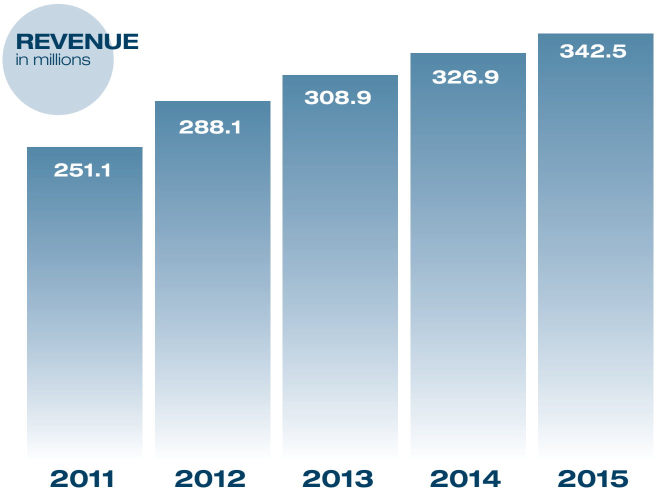
Jonelle St. John
Consultant

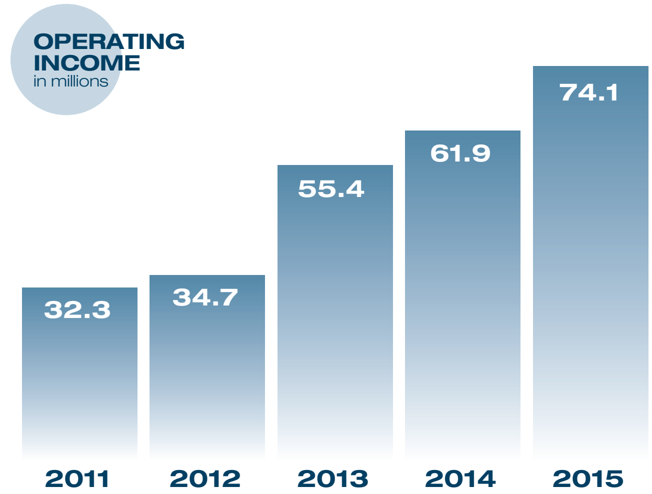
Richard Koontz, Jr.
Vice President & COO / Holtzman Oil Corp

Dale Lam
President / Strategent Financial, LLC

James Zerkel II
Vice President / James E. Zerkel, Inc.

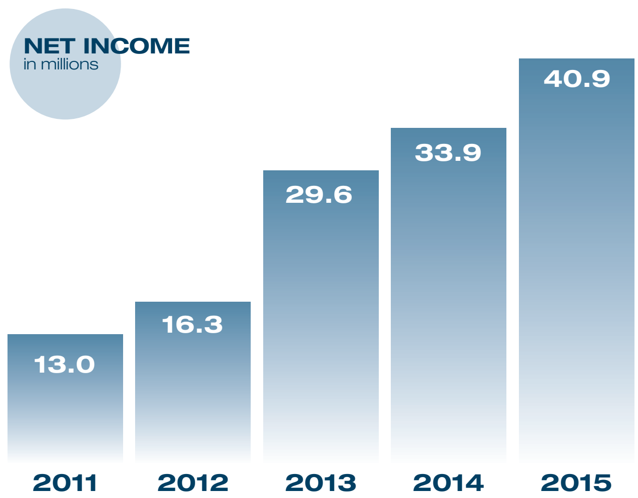
SELECTED STATISTICS (UNAUDITED)

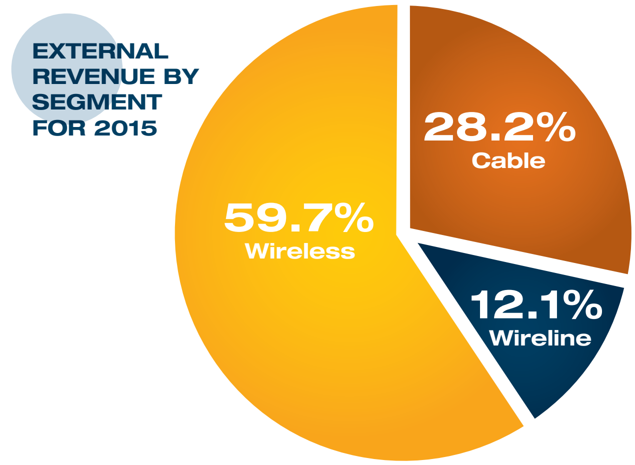




	DEC 31, 2013	DEC 31, 2014	DEC 31, 2015
Retail PCS Subscribers — Postpaid	273,721	287,867	**312,512**
Retail PCS Subscribers — Prepaid	137,047	145,162	**142,840**
PCS Market POPS (000) (1)	2,397	2,415	**2,433**
PCS Covered POPS (000) (1)	2,067	2,207	**2,224**
Base Stations (sites)	526	537	**552**
Company-owned Towers	153	154	**158**
Non-affiliate Leases on Shentel Towers (2)	217	198	**202**
Net PCS Subscriber Additions — Postpaid	10,829	14,146	**24,645**
Net PCS Subscriber Additions (Losses) — Prepaid	8,870	8,115	**(2,322)**
PCS Avg Monthly Retail Churn % — Postpaid (3)	1.75%	1.76%	**1.47%**
PCS Avg Monthly Retail Churn % — Prepaid (3)	4.24%	4.00%	**4.93%**
Cable Segment RGUs (4)	113,840	121,716	**126,071**
Fiber Route Miles — Cable (5)	2,636	2,834	**2,844**
Total Fiber Miles — Cable (5) (6)	69,296	72,694	**76,949**
Telephone Access Lines — Wireline	22,106	21,612	**20,252**
DSL & Cable Modem Subscribers — Wireline (7)	12,632	12,742	**13,086**
Video Customers — Wireline	6,342	5,692	**5,356**
Long Distance Subscribers — Wireline	9,851	9,571	**9,476**
Fiber Route Miles — Wireline (5)	1,452	1,556	**1,736**
Total Fiber Miles — Wireline (5) (6)	84,600	86,801	**123,891**

1) POPS refers to the estimated population of a given geographic area and is based on information purchased from third party sources. Market POPS are those within a market area which the Company is authorized to serve under its Sprint PCS affiliate agreements, and Covered POPS are those covered by the Company's network. Covered POPS increased in 2014 primarily as a result of the Company's deployment of the 800 megahertz spectrum at existing cell sites.
2) The decrease from December 31, 2013 to December 31, 2014 is primarily a result of termination of Sprint iDEN leases associated with the former Nextel network.
3) PCS Average Monthly Retail Churn is the average of the monthly subscriber turnover, or churn, calculations for the period.
4) Revenue generating units are the sum of video, voice and high-speed internet services.
5) Fiber miles are measured by taking the number of fiber strands in a cable and multiplying that number by the route distance. For example, a 10 mile route with 144 fiber strands would equal 1,440 fiber miles.
6) Fiber counts were revised following a review of fiber records in the fourth quarter of 2014.
7) 2015 total includes 420 customers served via the coaxial cable network.





	2011	2012	2013	2014	2015
FIVE YEAR SUMMARY OF SELECTED FINANCIAL DATA (in thousands of dollars, except share and per share data)					
Operating revenues	251,145	288,075	308,942	326,946	**342,485**
Operating expenses	218,855	253,417	253,535	265,003	**268,399**
Operating income	32,290	34,658	55,407	61,943	**74,086**
Interest expense	8,289	7,850	8,468	8,148	**7,355**
Income taxes	10,667	12,008	19,878	22,151	**27,726**
Net income from continuing operations	13,538	16,603	29,586	33,883	**40,864**
Discontinued operations, net of tax [(a)]	(545)	(300)	-	-	**-**
Net income	12,993	16,303	29,586	33,883	**40,864**
Total assets	479,979	570,740	597,006	619,242	**628,740**
Total debt — including current maturities	180,575	231,977	230,000	224,250	**201,250**
SHAREHOLDER INFORMATION:					
Shares outstanding	47,675,056	47,924,220	48,080,554	48,264,994	**48,475,132**
Income per share from continuing operations-diluted	$0.28	$0.35	$0.62	$0.70	**$0.84**
Loss per share from discontinued operations-diluted	$(0.01)	$(0.01)	$0.00	$0.00	**$0.00**
Net income per share-diluted	$0.27	$0.34	$0.61	$0.70	**$0.83**
Cash dividends per share	$0.165	$0.165	$0.18	$0.235	**$0.24**

(a) Discontinued operations include the operating results of Converged Services. The Company announced its intention to dispose of Converged Services in September 2008, and reclassified its operating results as discontinued operations. The Company completed the disposition of Converged Services properties during 2013.

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