

**SHENANDOAH  
TELECOMMUNICATIONS  
COMPANY**

**2008 ANNUAL  
SHAREHOLDERS  
MEETING**



# **Disclosure Regarding Forward-Looking Statements**

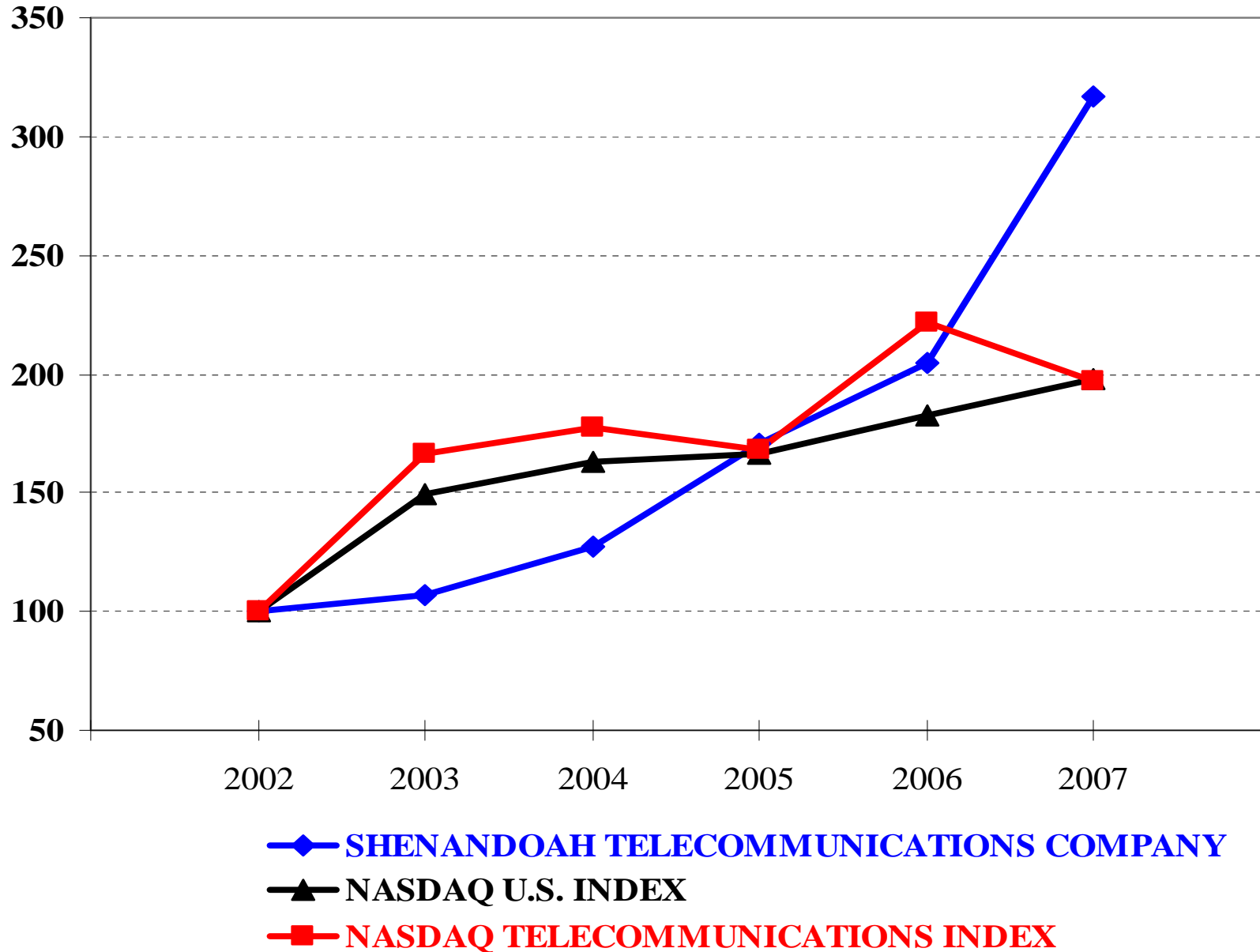
**This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our business strategy, our prospects and our financial position. These statements can be 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2007. Copies of this Form 10-K, as well as subsequent filings, 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.**

# Total Return - 5 Years



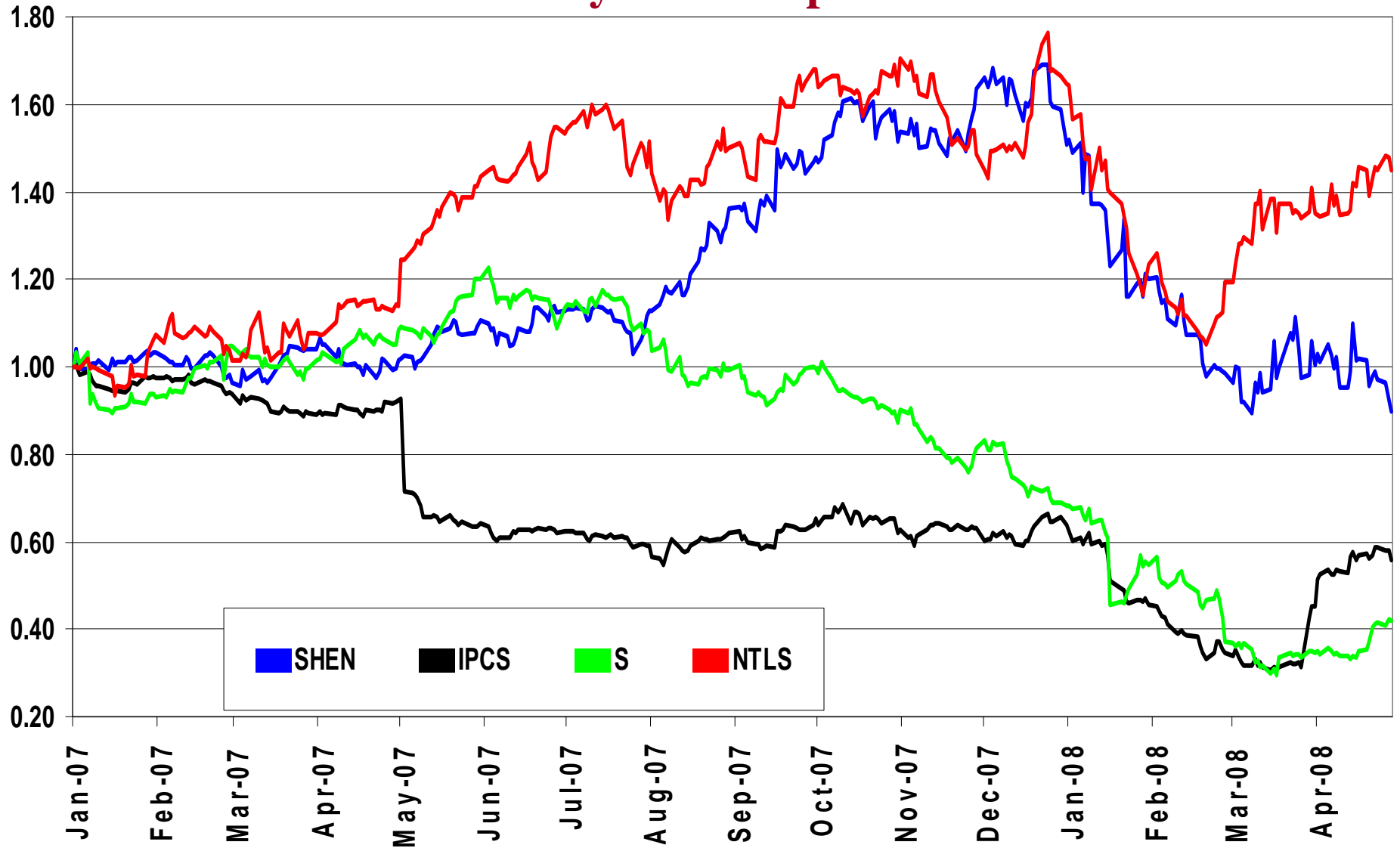
# Comparative Results

(in millions, except per share amounts)

	<u>2006</u>	<u>2007</u>	<u>Percent Change</u>
Revenues	169.2	141.2	(16.6)
Operating Income	21.2	31.2	47.3
Total Net Income	17.9	18.8	4.9
Total Net Income w/o RTB gain	11.5	18.8	63.7
Cash Dividend (per share)	0.25	0.27	8.0

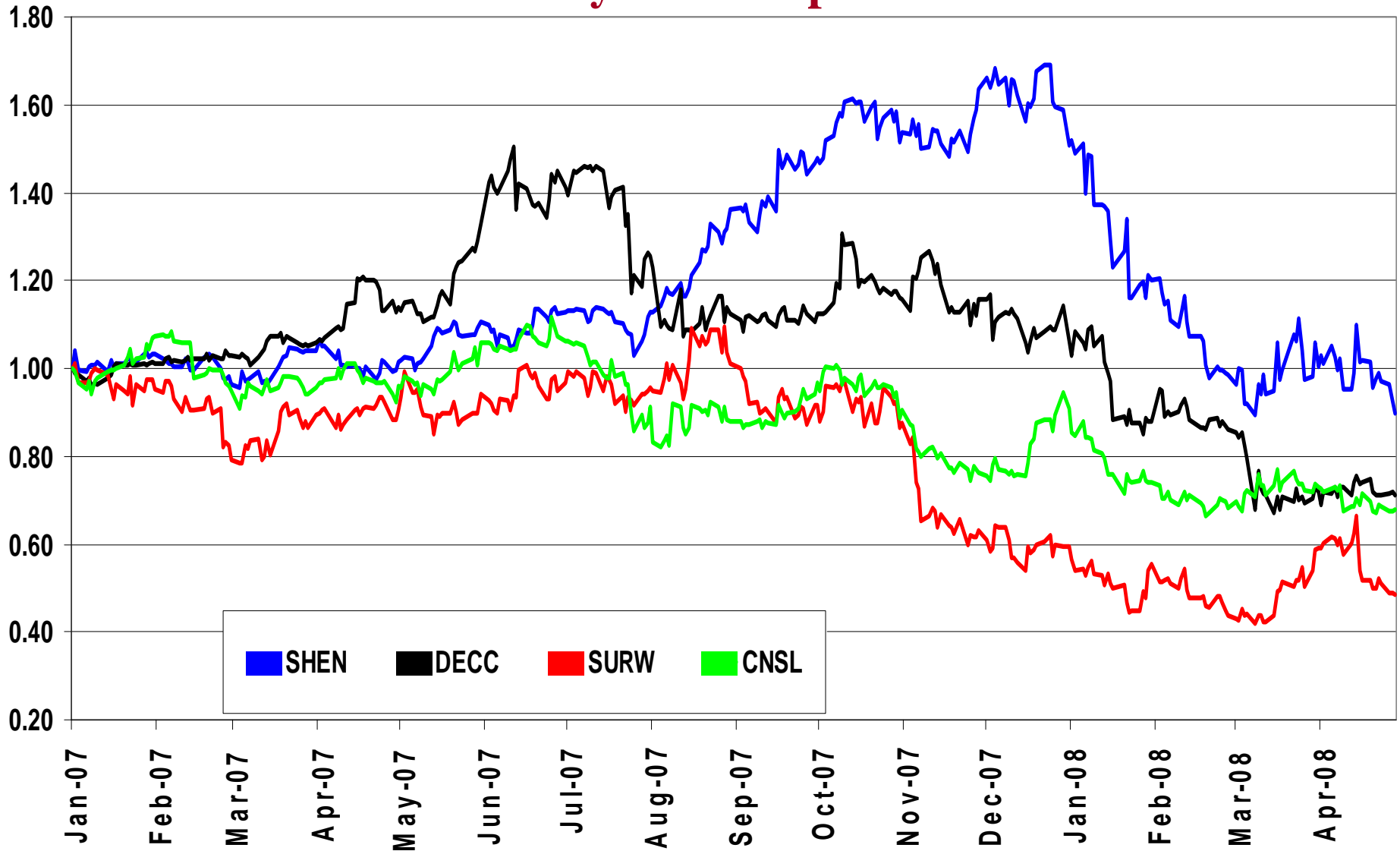
# Stock Performance-Wireless

January 2007 – April 2008



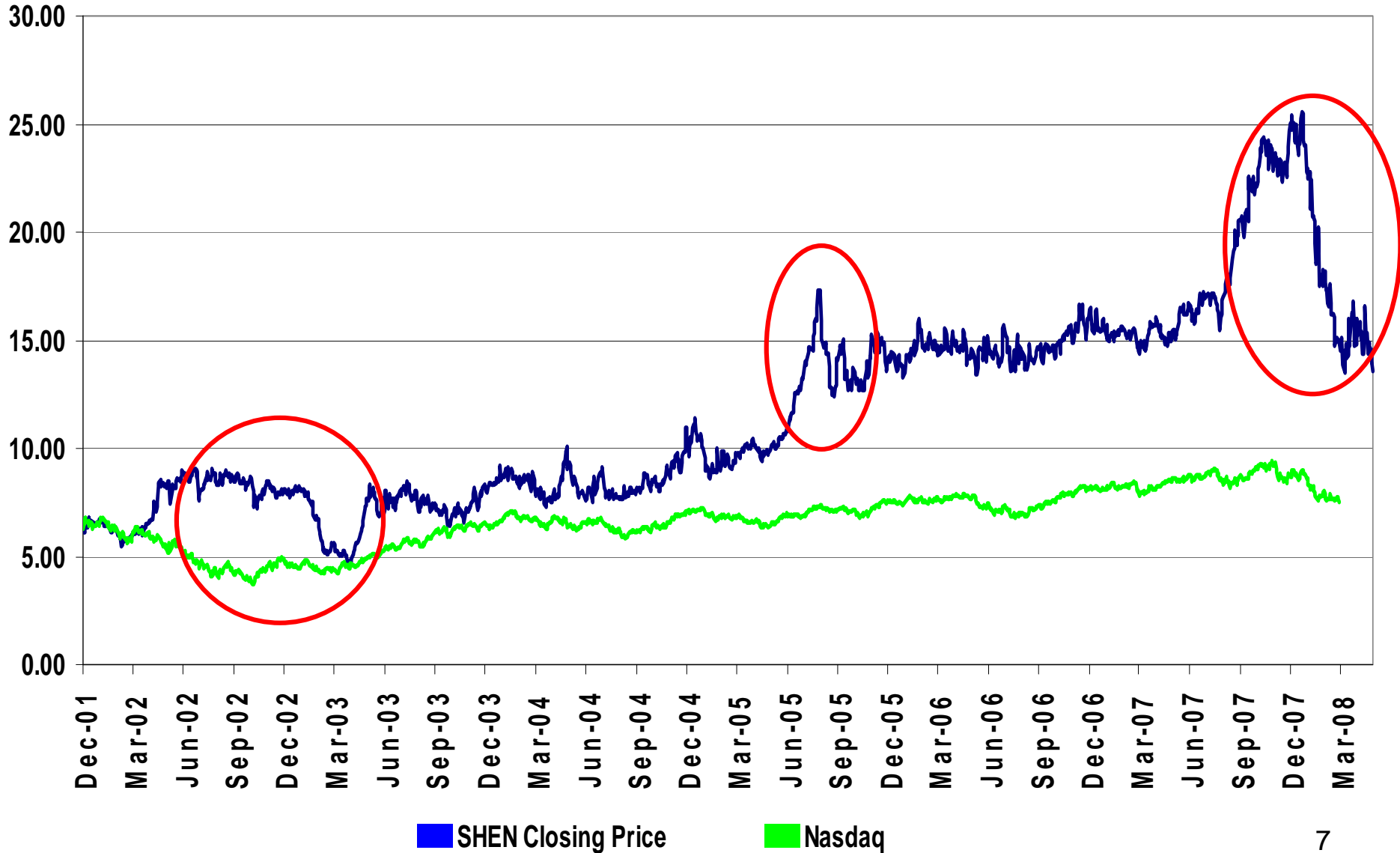
# Stock Performance-Wireline

January 2007 – April 2008



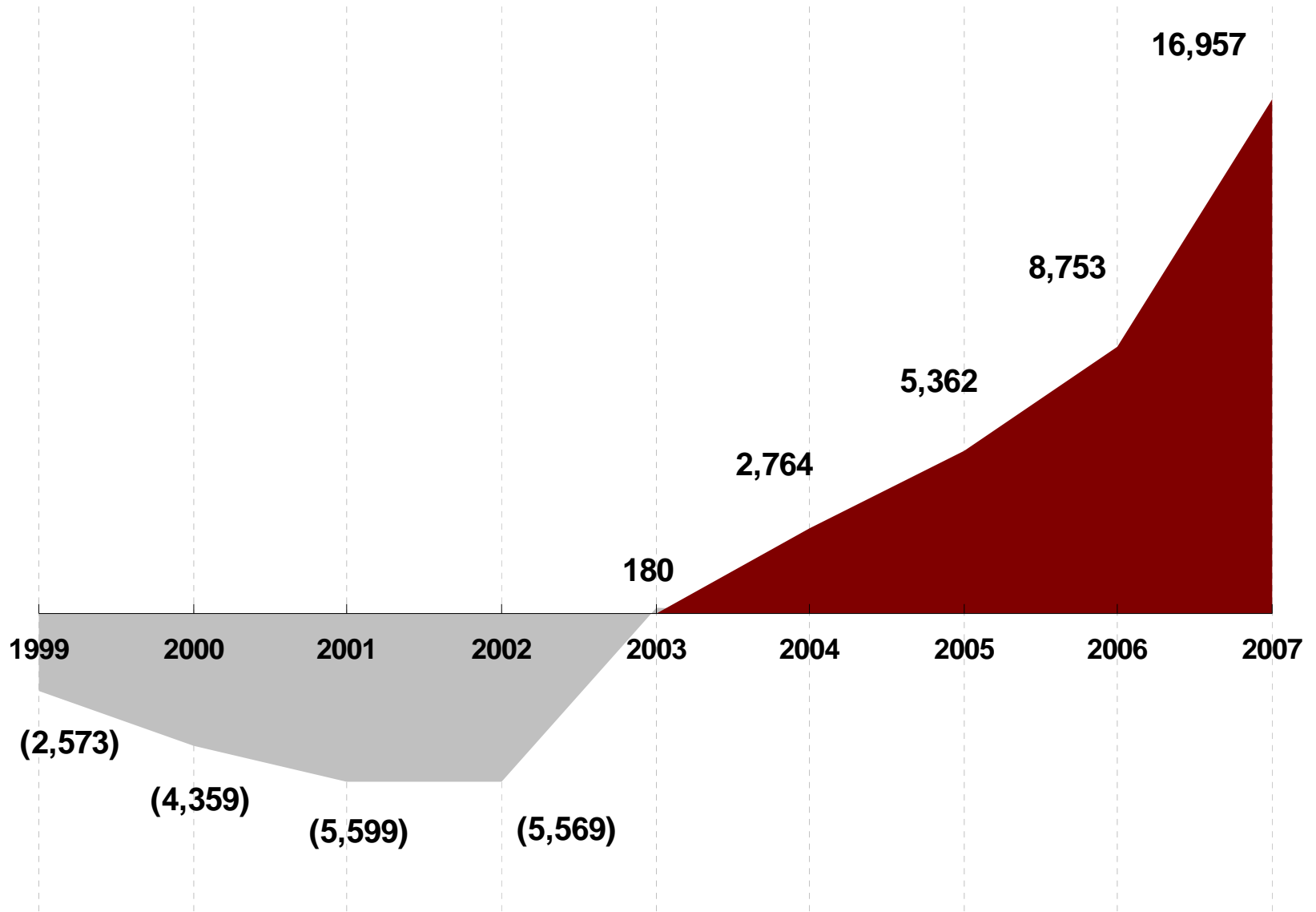
# Long-Term Stock Performance

December 2001 – April 2008



# PCS Net Income Growth

(thousands)





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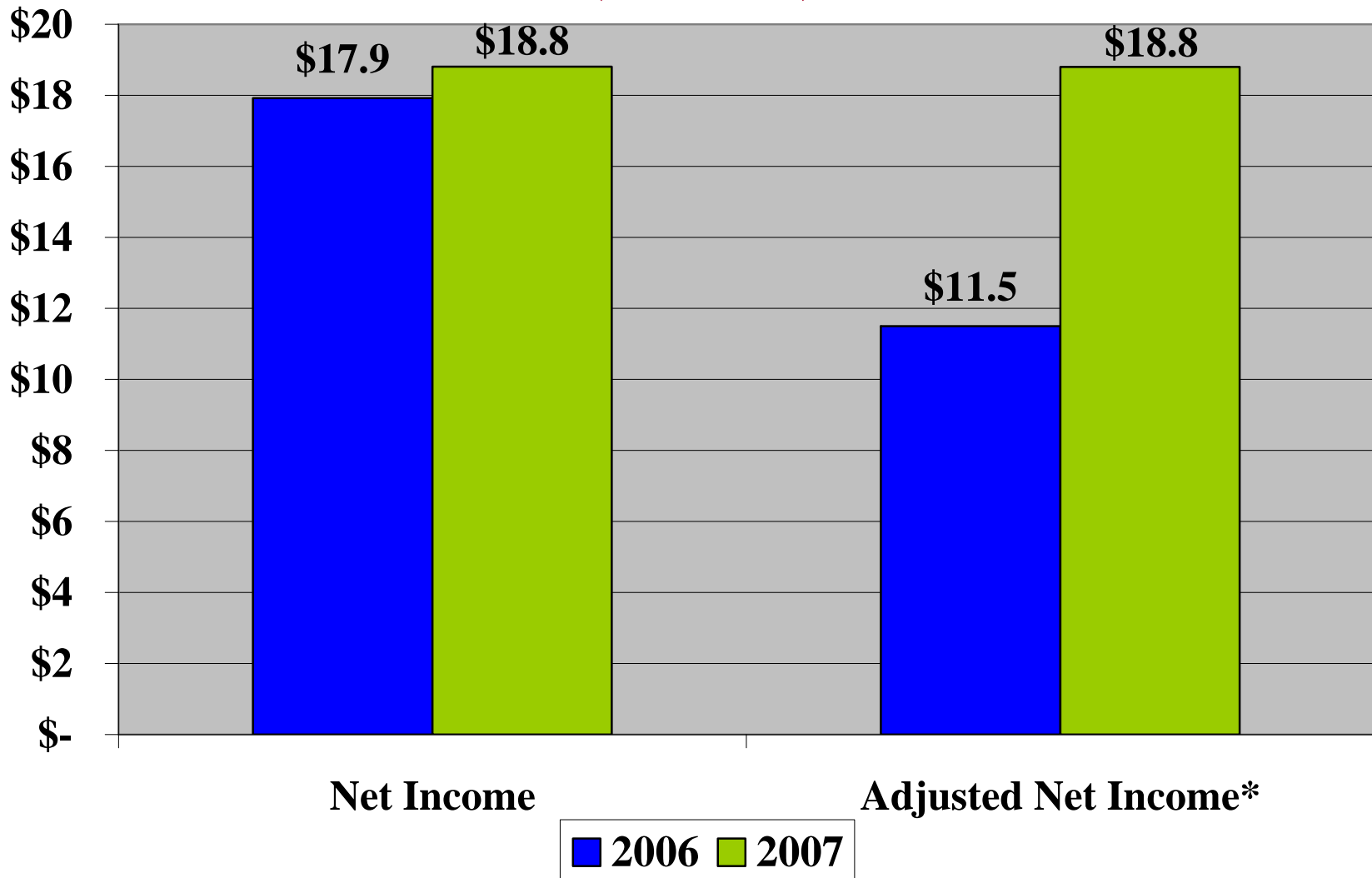
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# Comparative Financial Results 2007 and 2006

# Summary Results

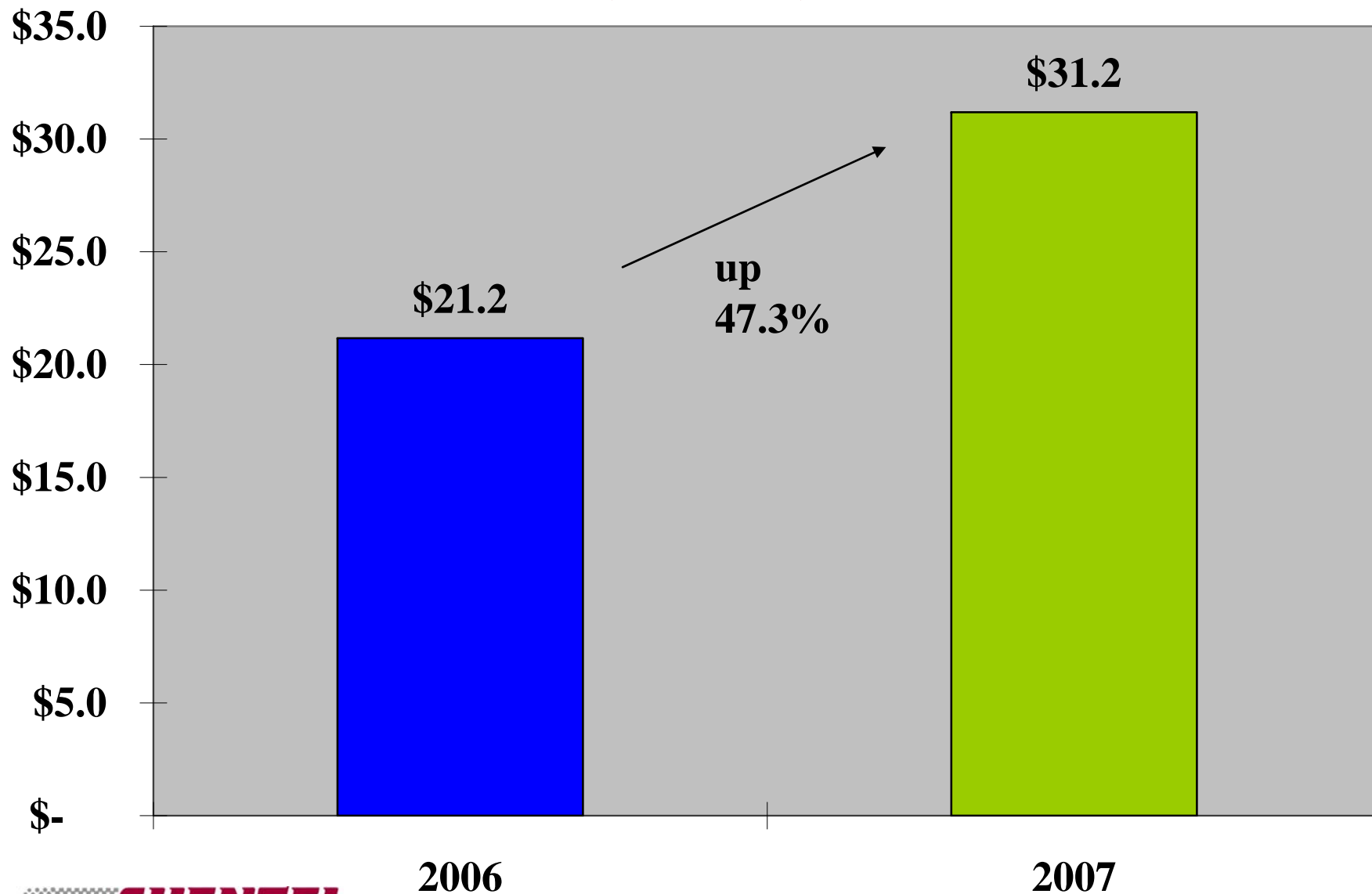
(in millions)



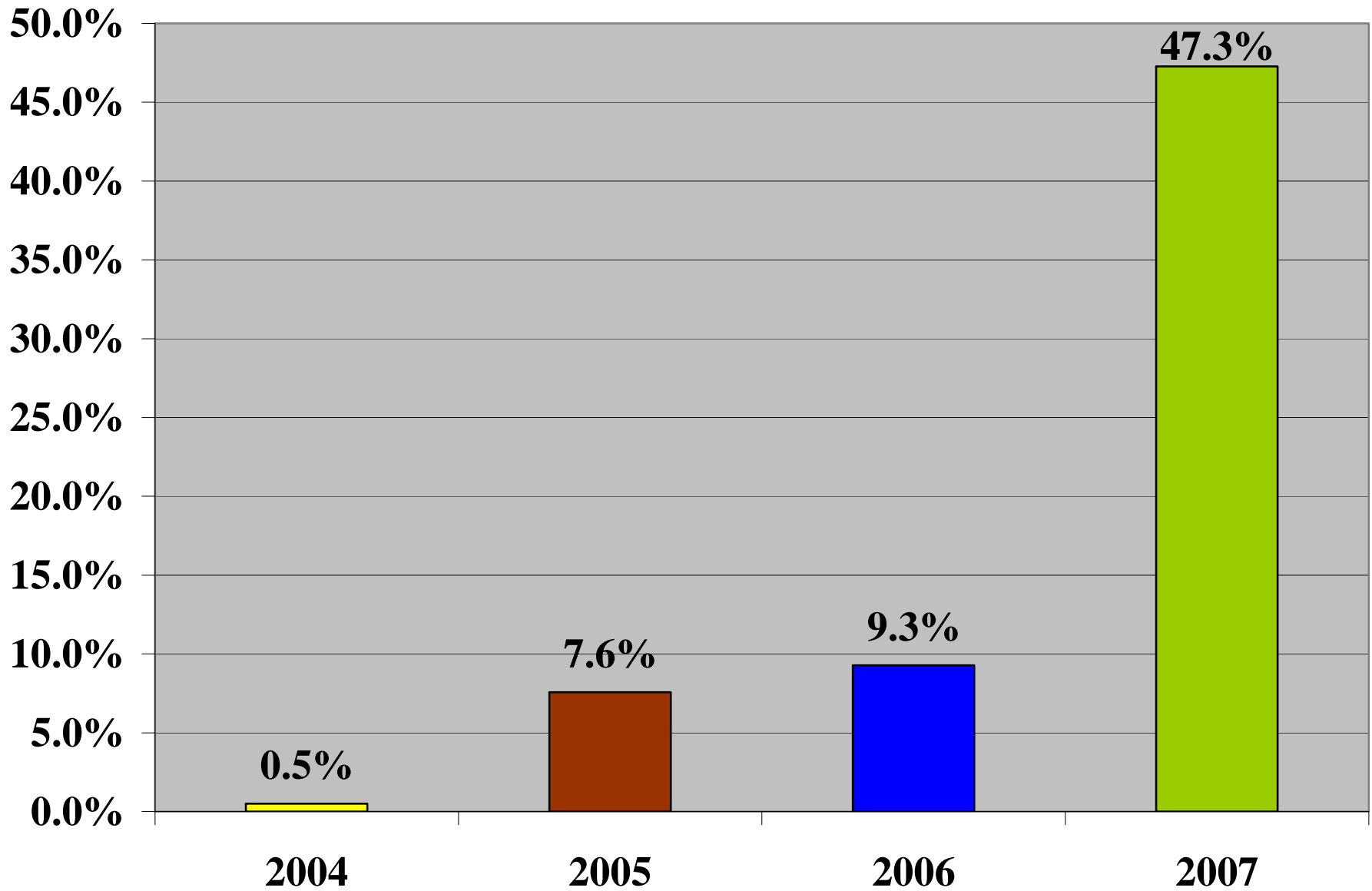
\*Excluding \$6.4 gain on liquidation of Rural Telephone Bank

# Operating Income Results

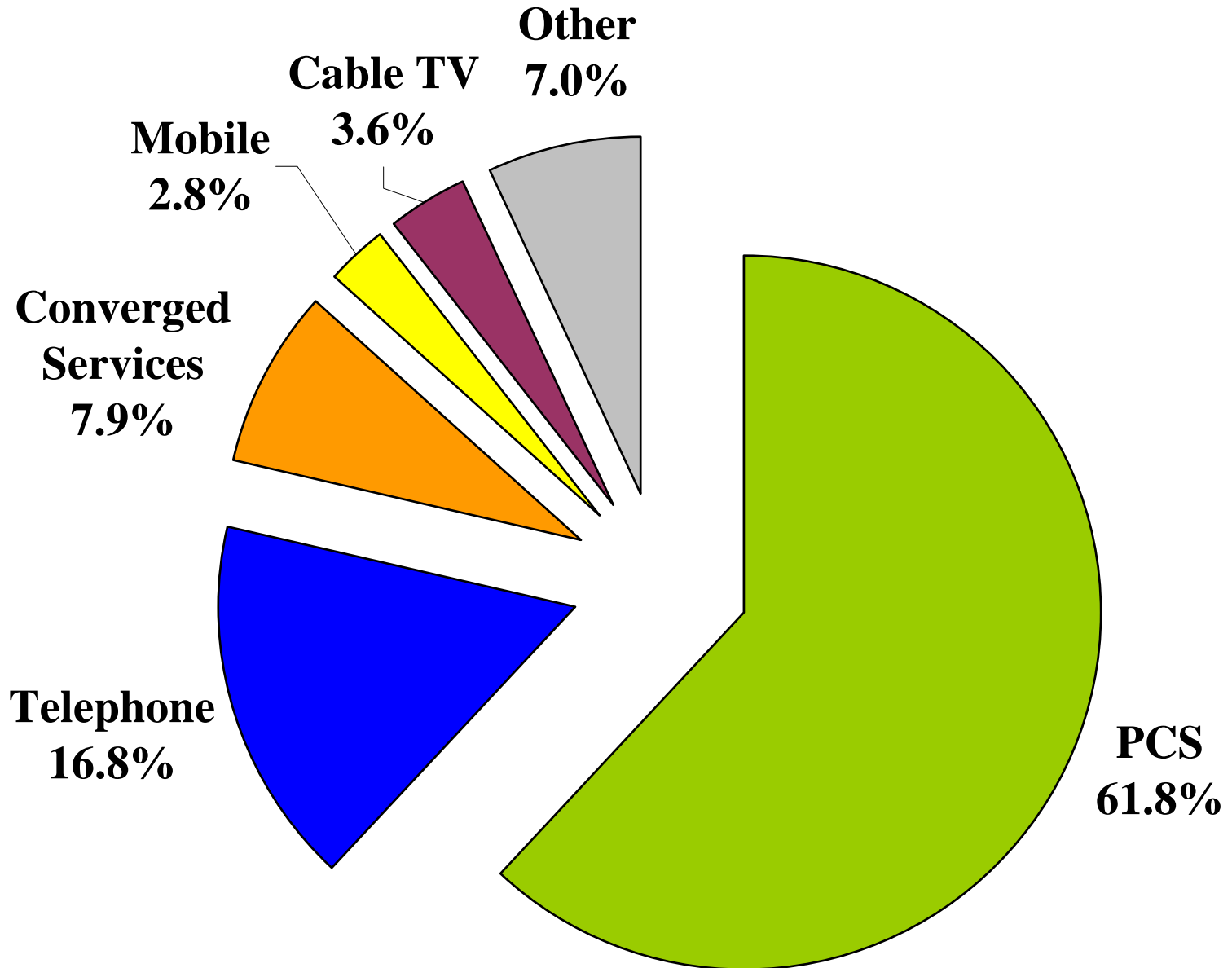
(in millions)



# Operating Income Growth Rate

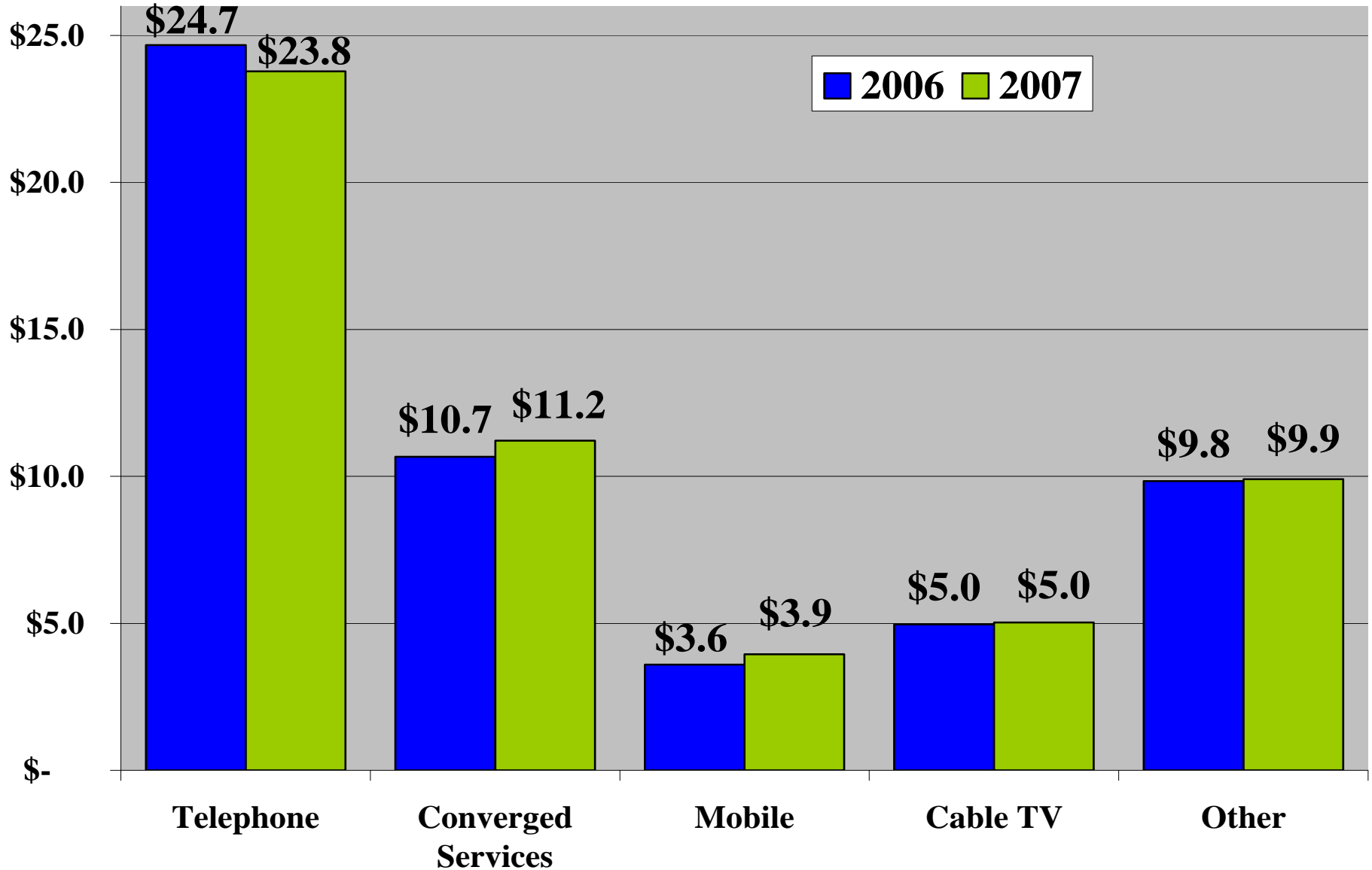


# 2007 Reporting Segment Revenues



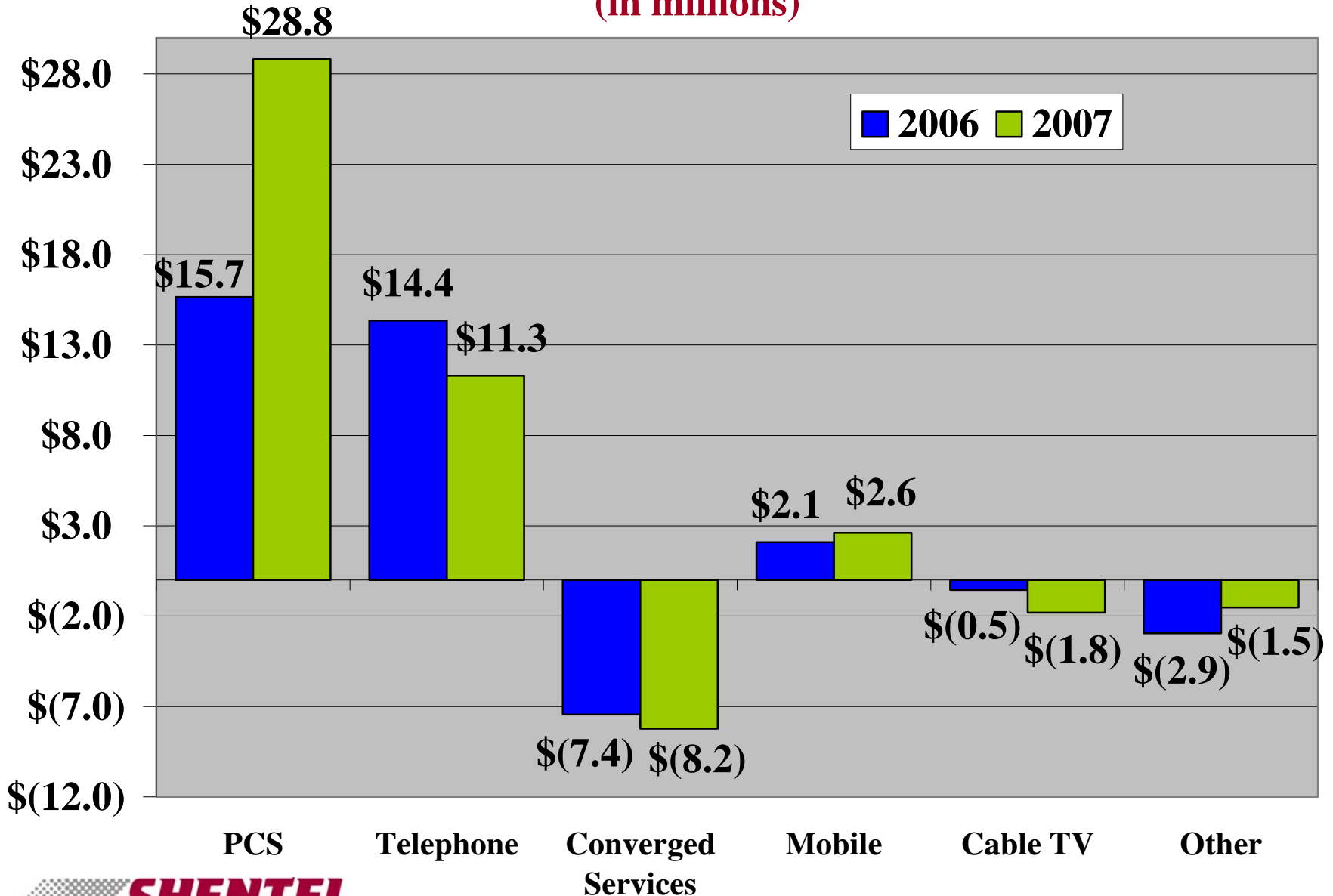
# Revenues by Segment

(in millions)



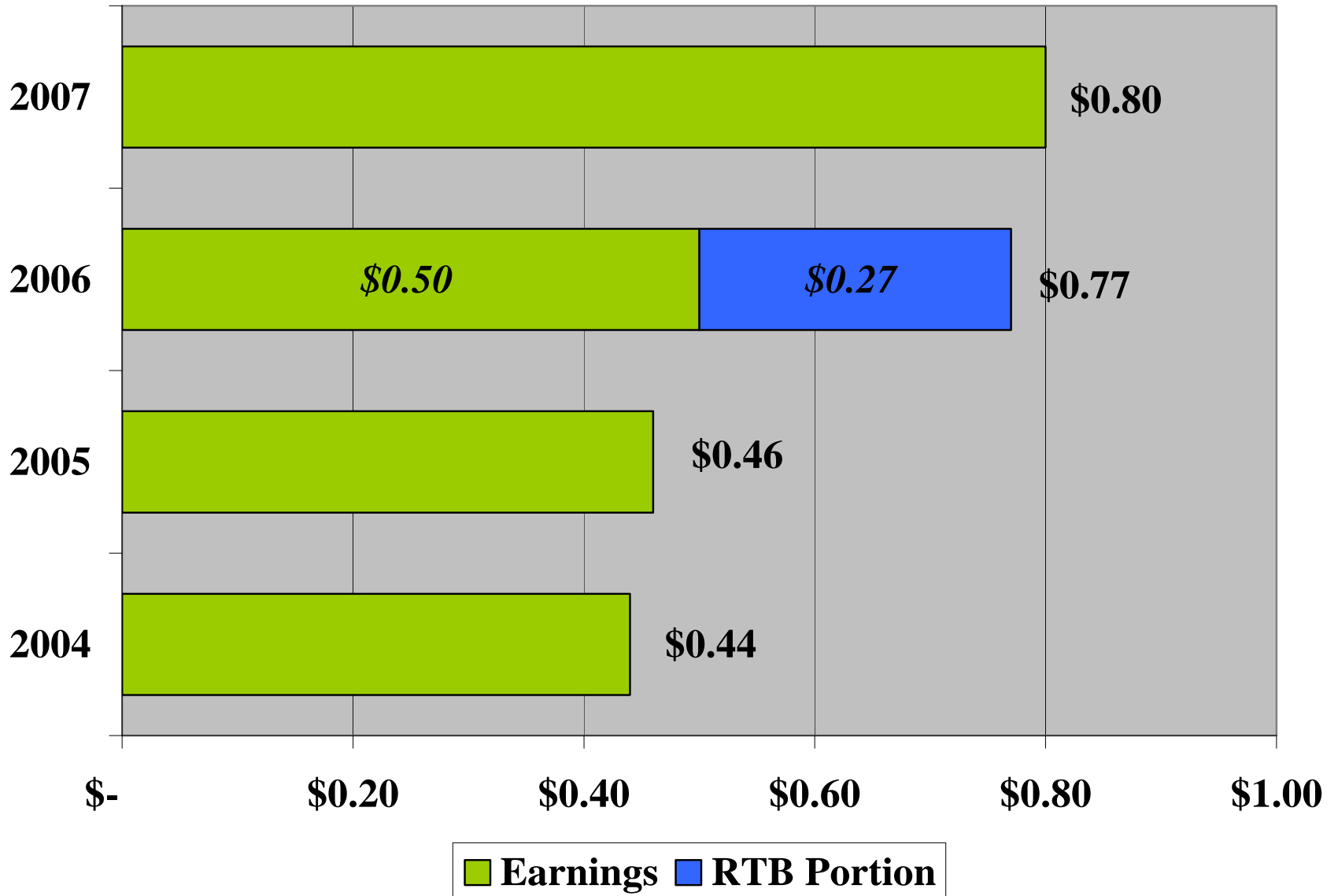
# Reporting Segments Operating Income

(in millions)

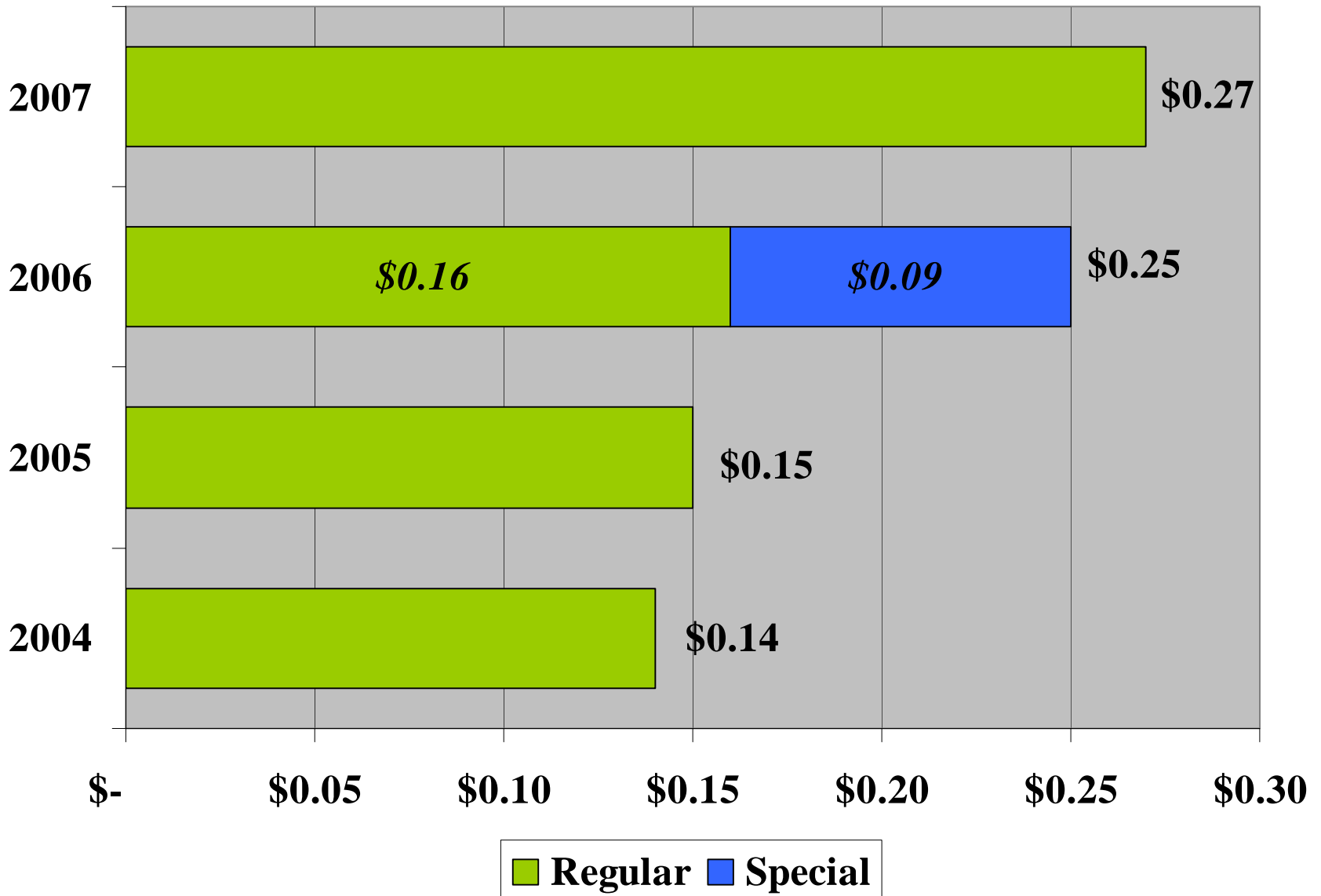




# Earnings Per Share



# Dividends Per Share



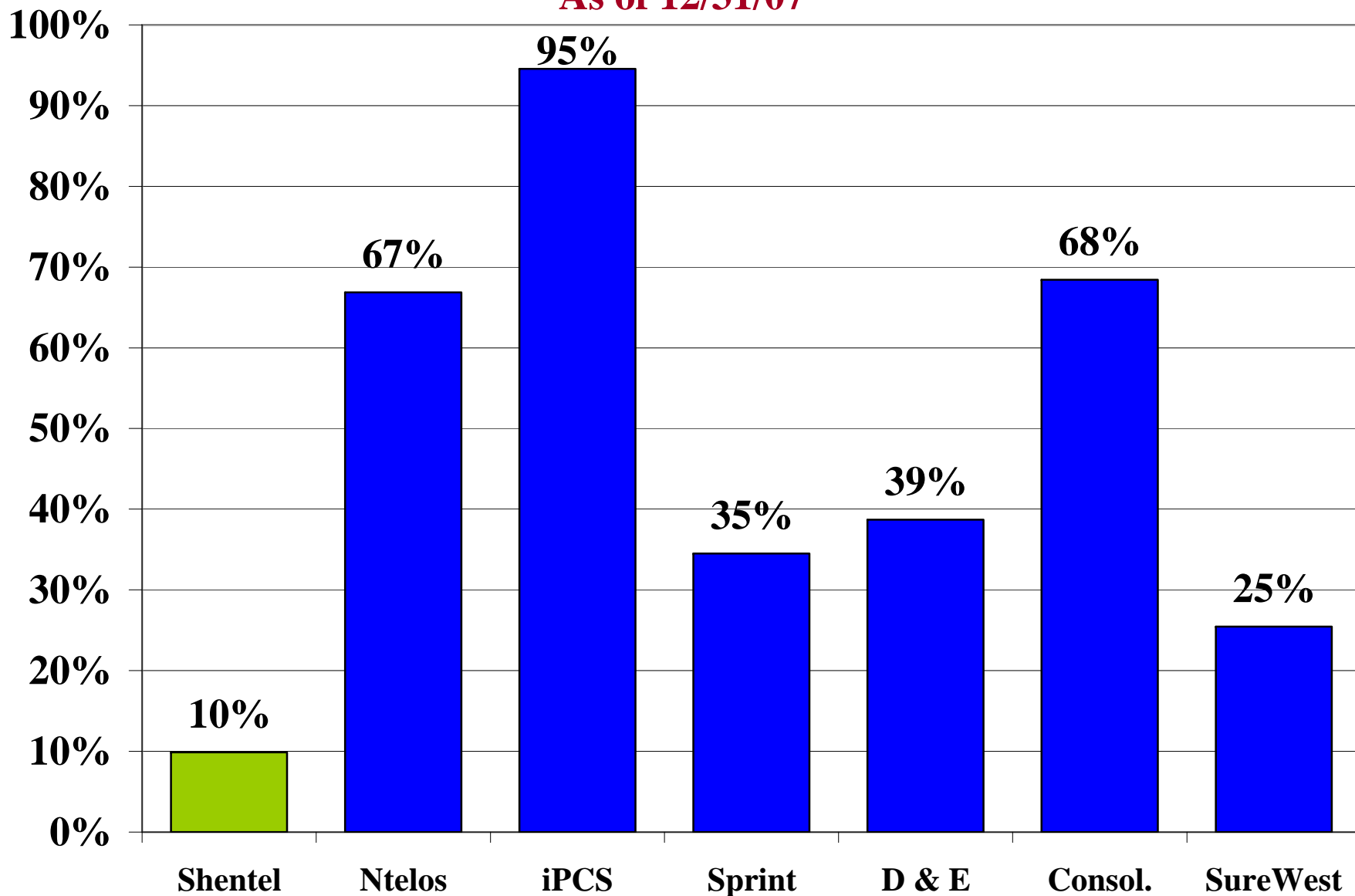
# Cash Flows – 2006 to 2007

(in millions)

	<u>2006</u>	<u>2007</u>
Beginning Cash	\$ 2.6	\$ 13.4
Cash generated by Operations	34.4	43.7
Net proceeds of RTB sale	11.3	0.0
Cash used for:		
Plant and Equipment	(21.2)	(29.1)
Payments on Long-term Debt	(9.9)	(4.1)
Dividends	(5.3)	(5.8)
Other sources (uses) of cash	1.6	(0.9)
Ending Cash	<u>13.4</u>	<u>17.2</u>

# Debt as a Percent of Assets

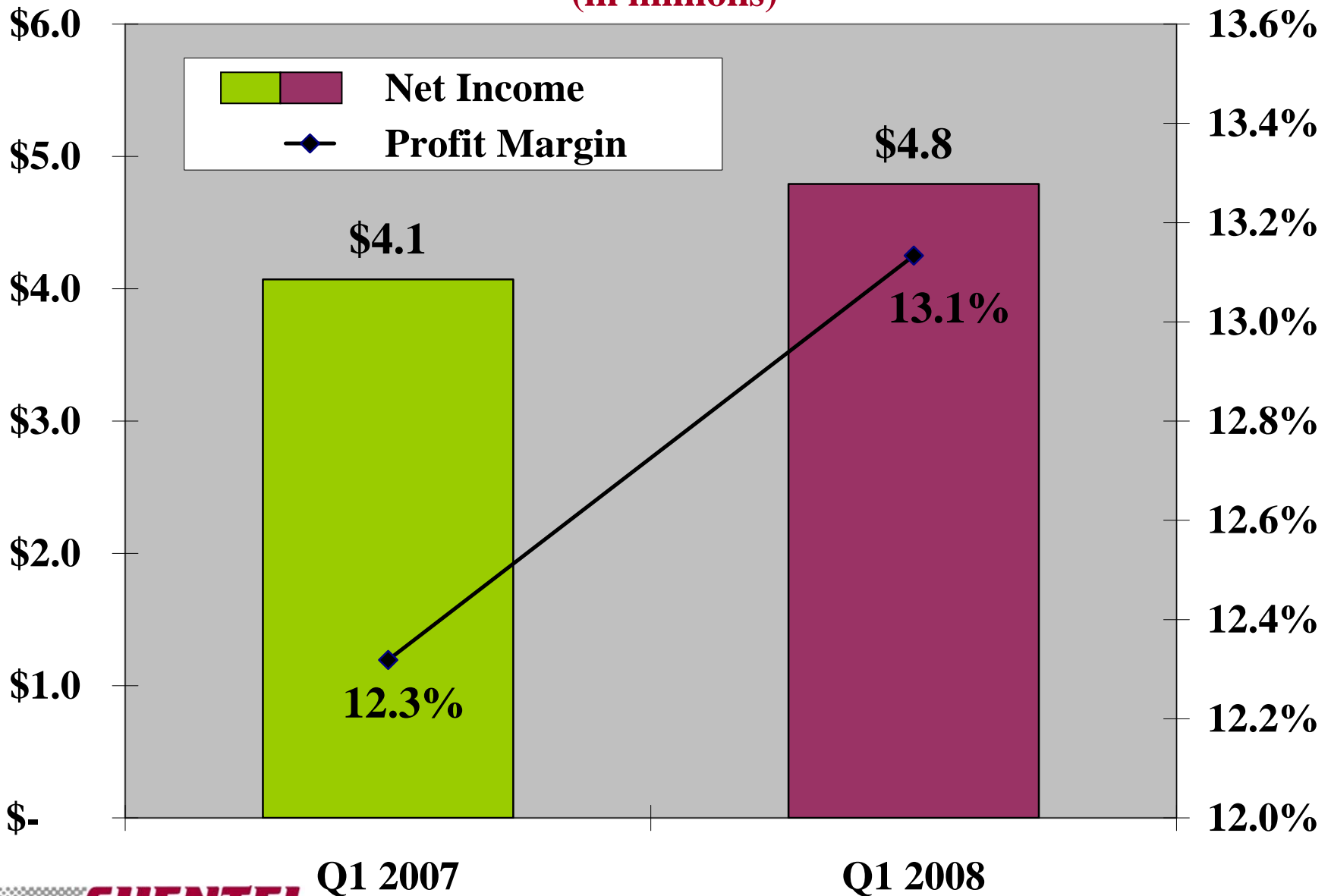
As of 12/31/07



# Comparative Financial Results Quarter 1 2008 and 2007

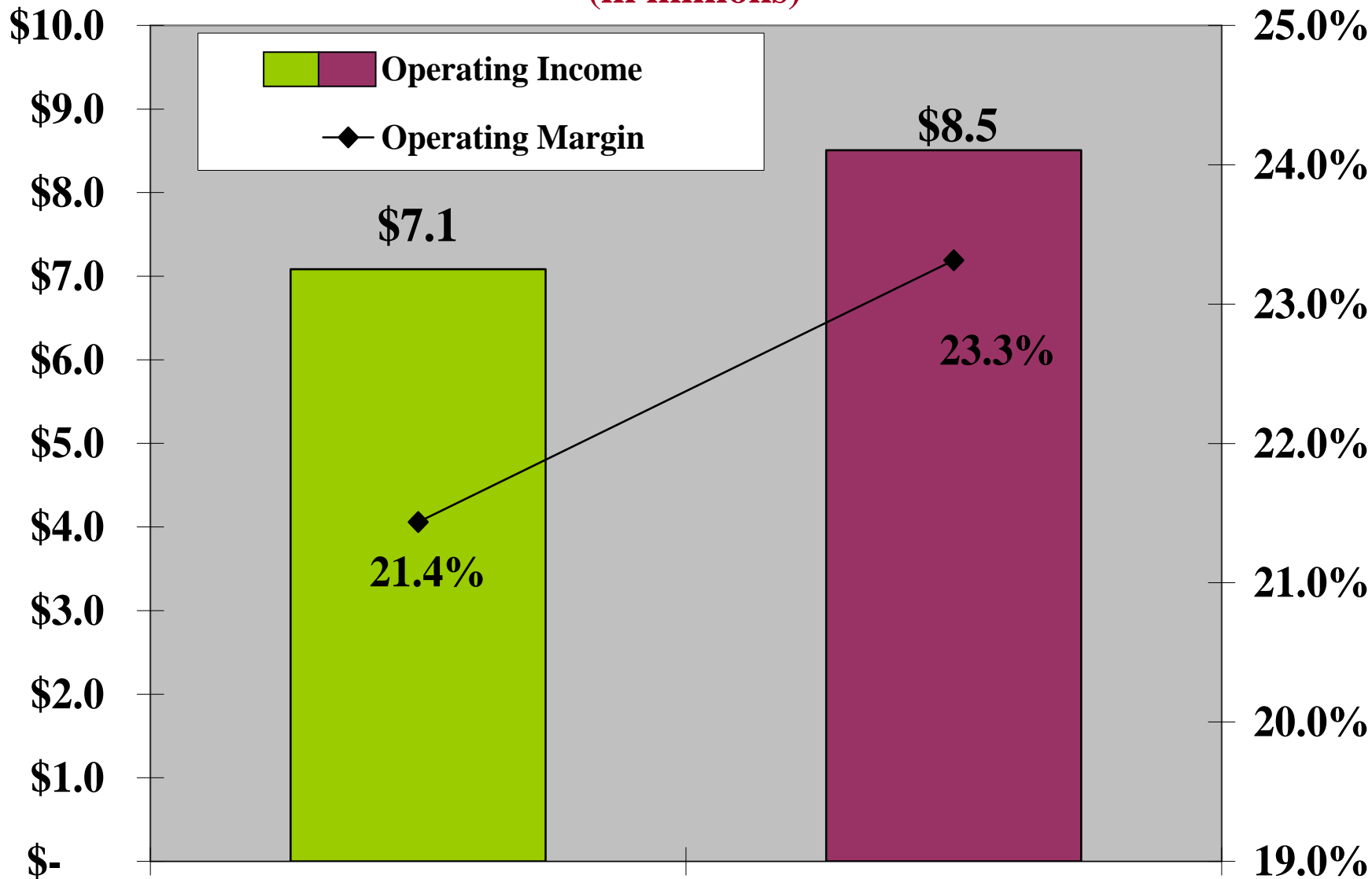
# Q1 Results - Net Income

(in millions)

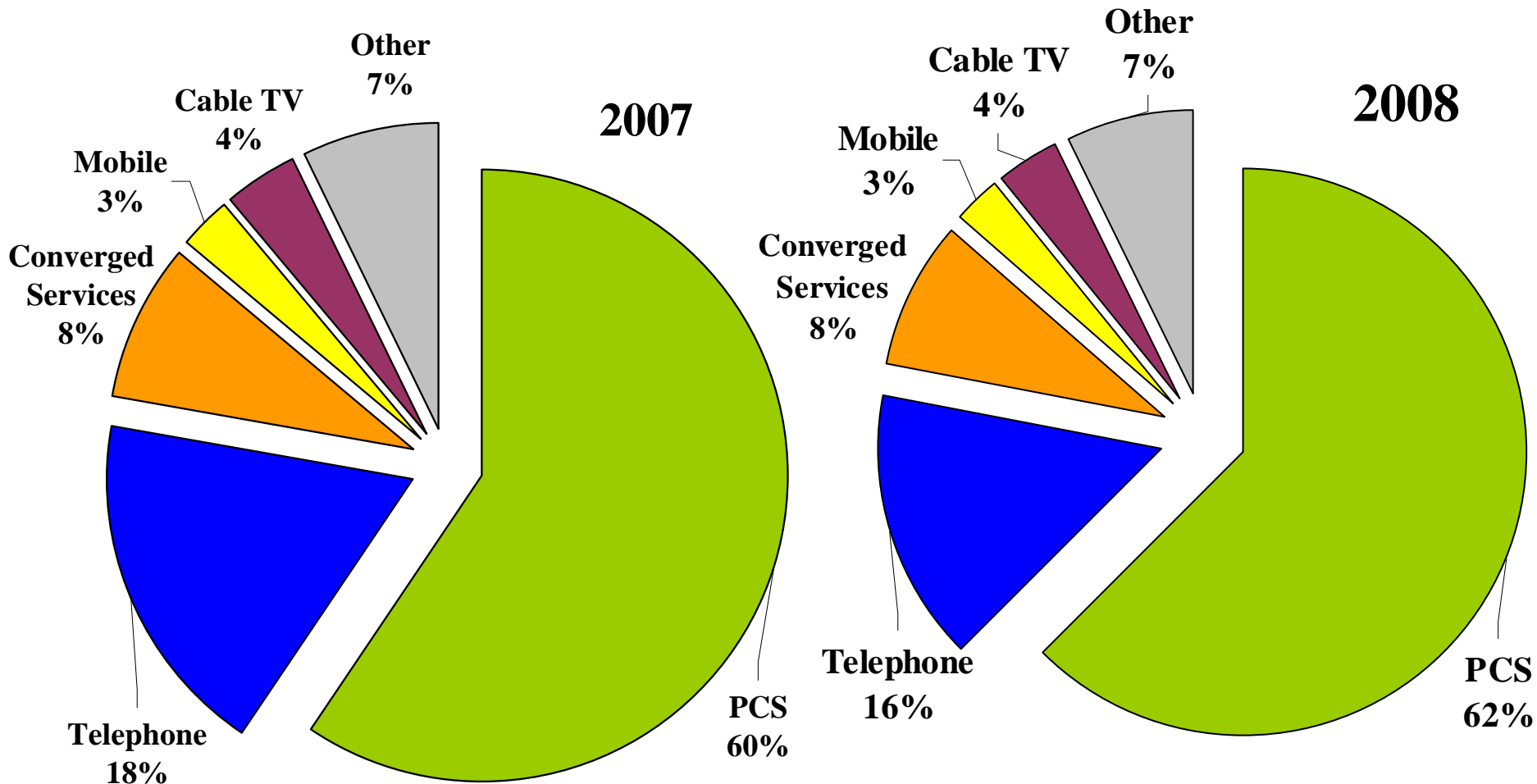


# Q1 Results - Operating Income

(in millions)



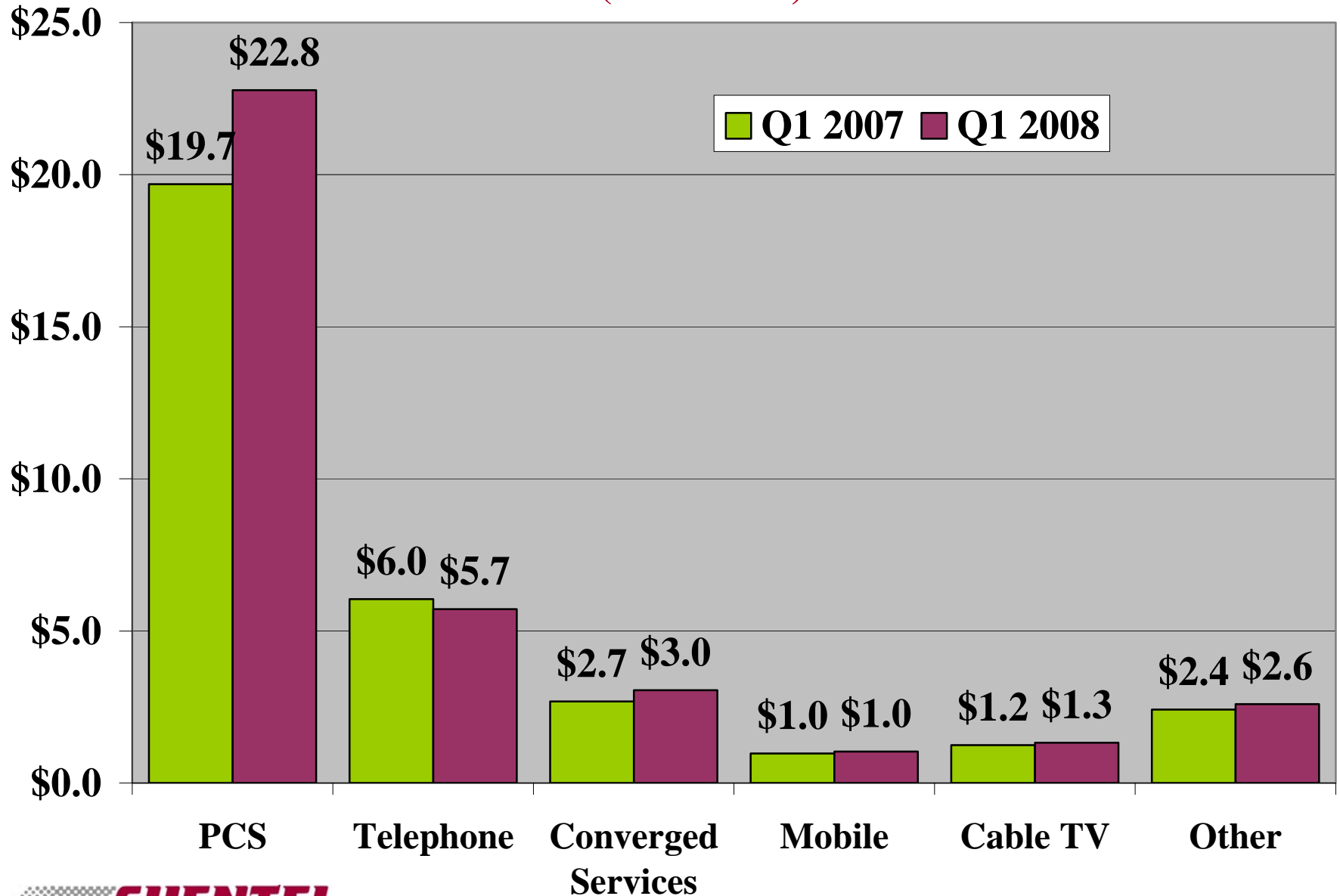
# Q1 Results – Revenues by Segment





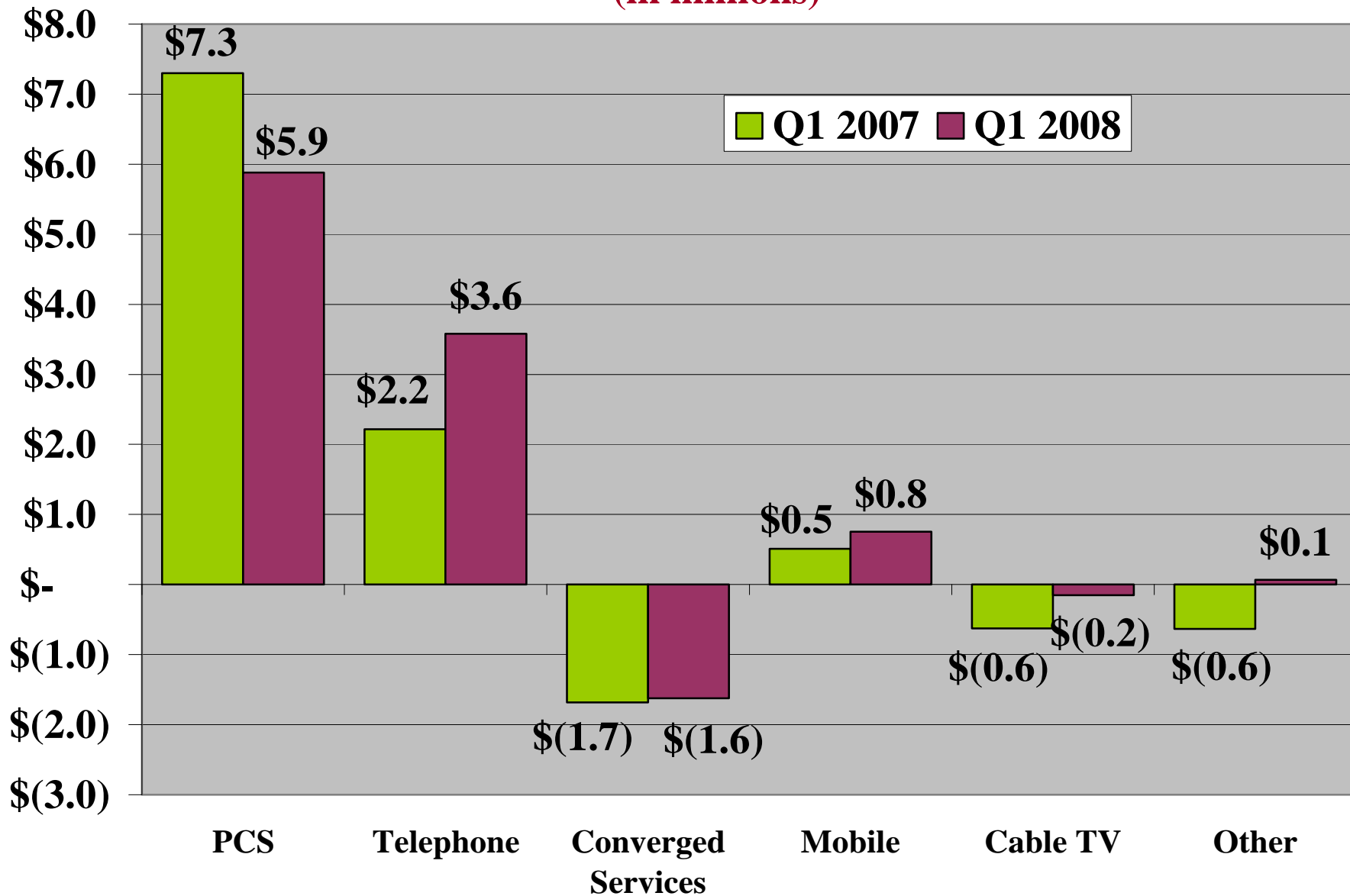
# Q1 Results - Revenues

(in millions)



# Q1 Results – Operating Income

(in millions)



# Cash Flows – Q1 2007 to Q1 2008

(in millions)

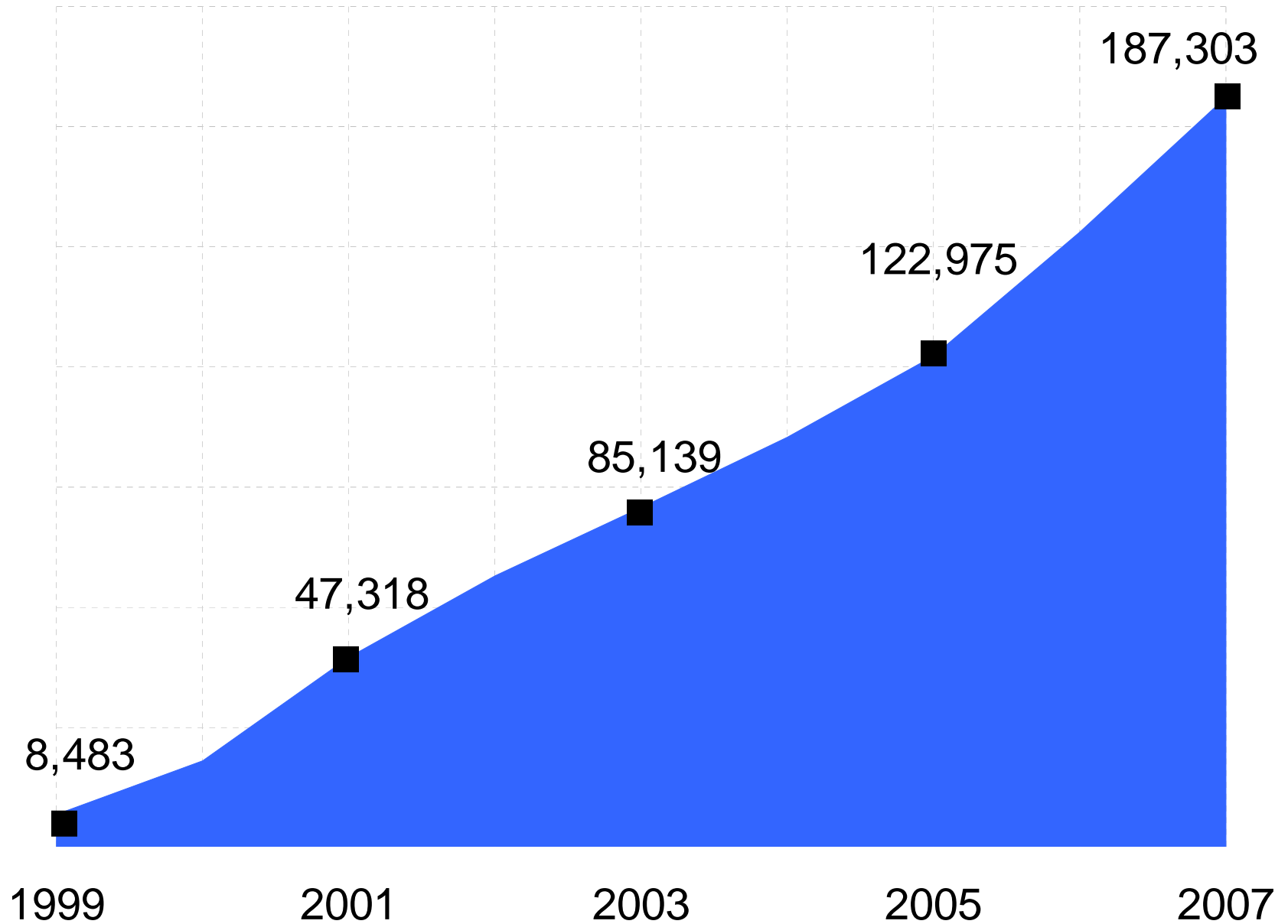
	<u>Q1 2007</u>	<u>Q1 2008</u>
<b>Beginning Cash</b>	\$ 13.4	\$ 17.2
<b>Cash generated by Operations</b>	11.3	14.3
<b>Cash used for:</b>		
<b>Plant and Equipment</b>	(3.5)	(7.8)
<b>Payments on Long-term Debt</b>	(1.0)	(1.0)
<b>Other sources (uses) of cash</b>	0.6	0.3
<b>Ending Cash</b>	20.9	23.0

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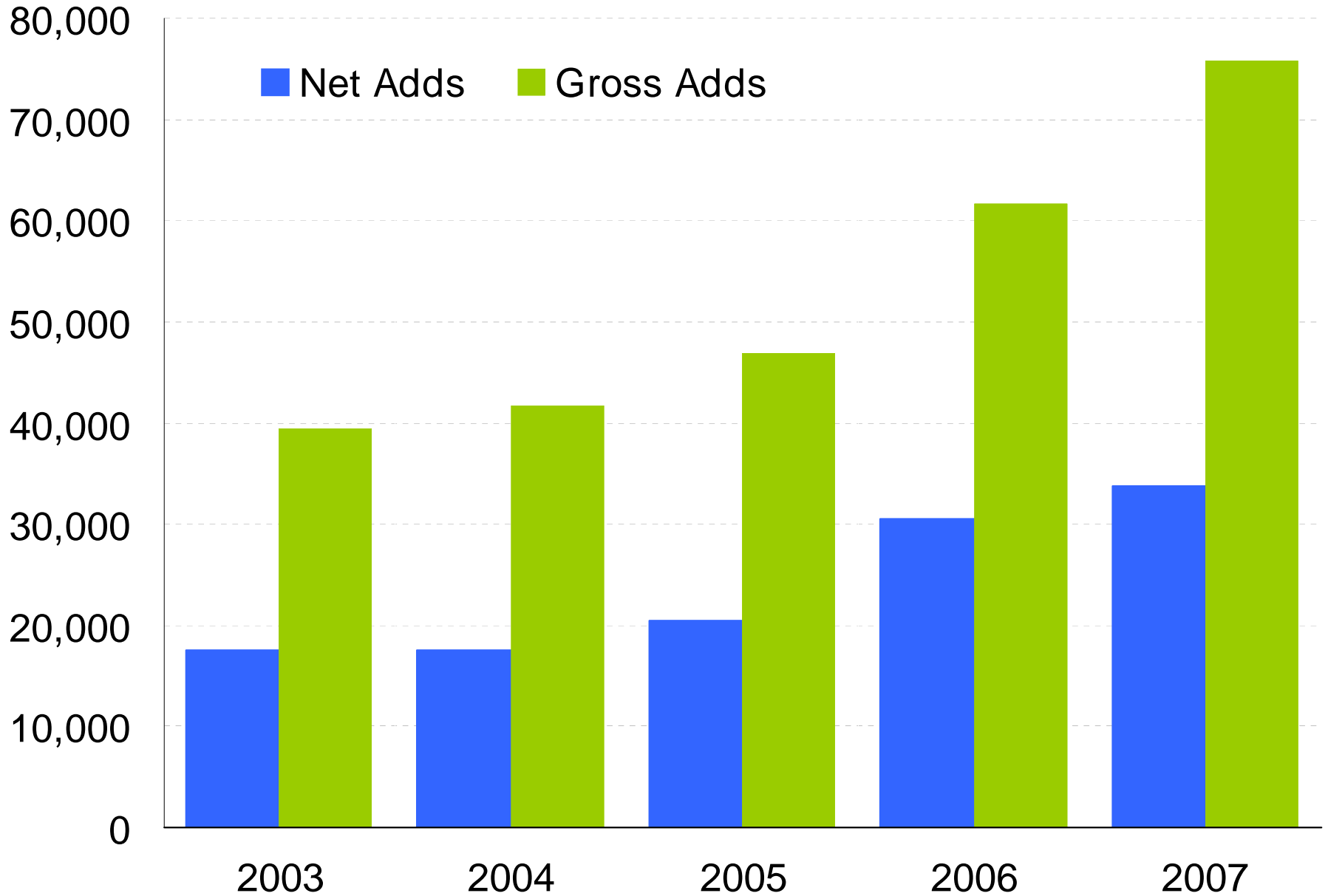
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OPERATIONS REVIEW**



# PCS Subscriber Growth

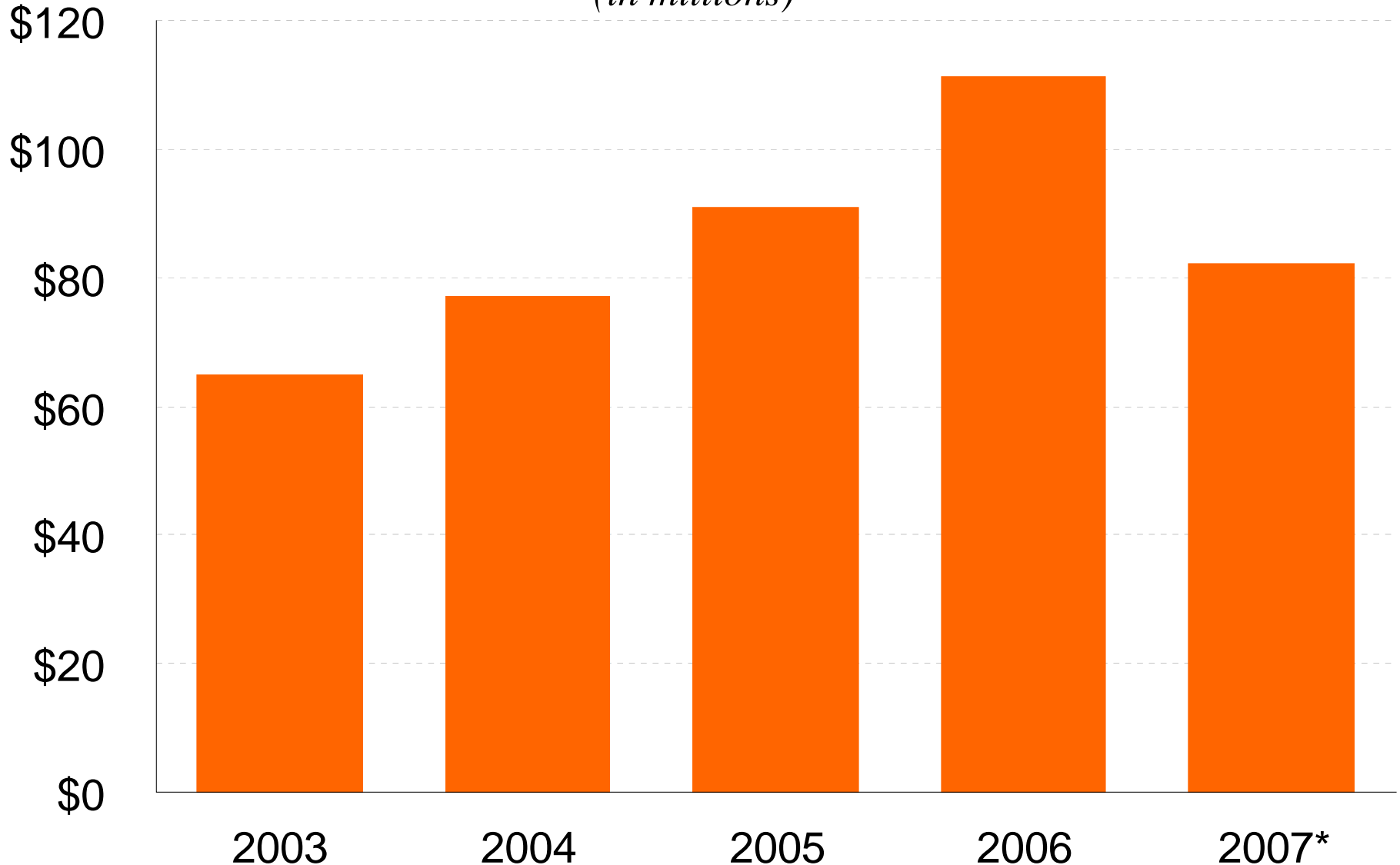


# Customer Additions



# PCS Total Revenue

*(in millions)*



\* New contract amendment

# PCS Service Revenue

*(in millions, except ARPU)*

Service Revenue

\$140

\$120

\$100

\$80

\$60

\$40

\$20

\$0

ARPU

\$56

\$53

\$50

\$47

\$44

\$41

\$38

\$35

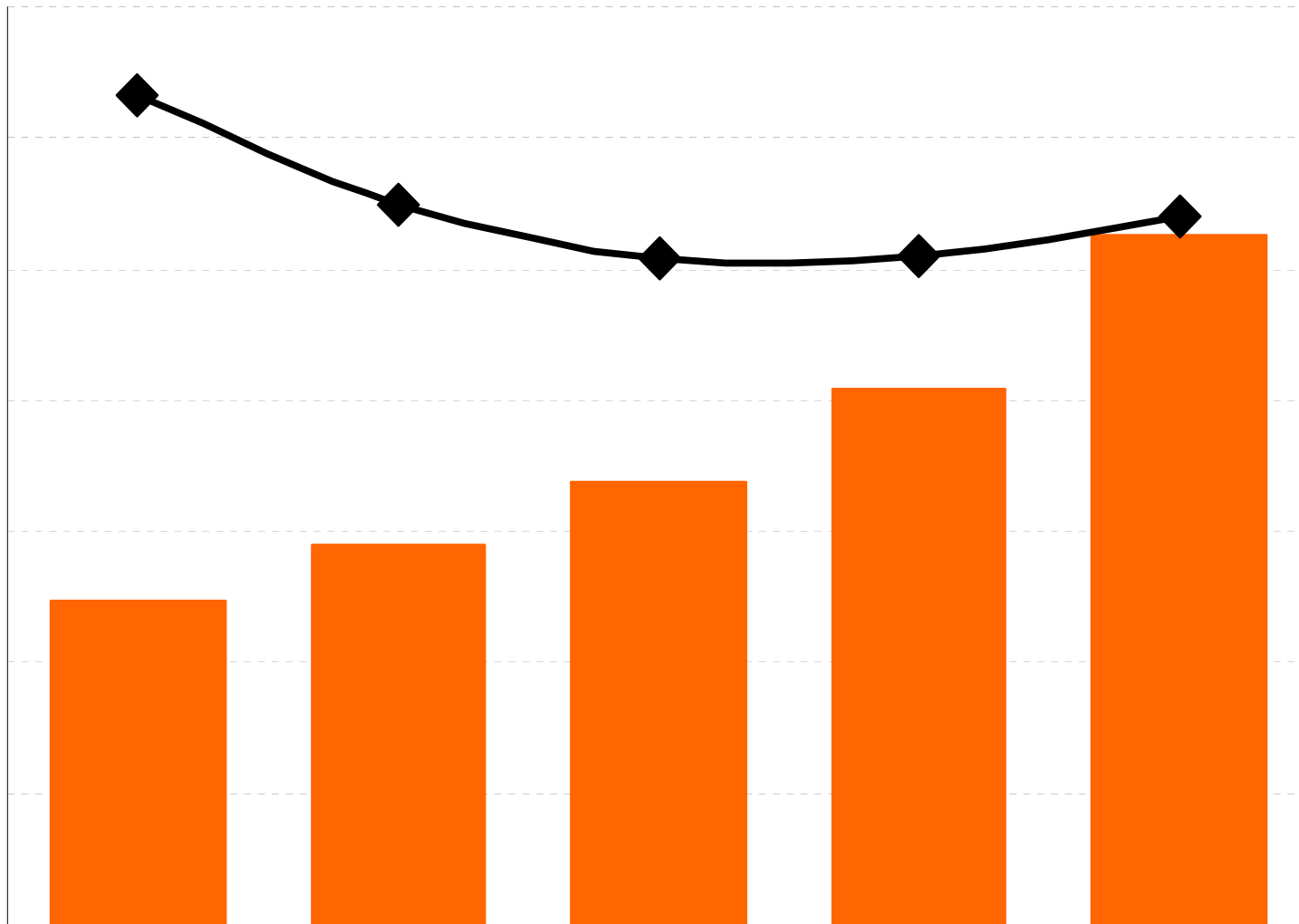
2003

2004

2005

2006

2007





Data  
Revenue

# PCS Data Revenue

*(in millions, except ARPU)*

ARPU

\$24

\$11

\$20

\$9

\$16

\$7

\$12

\$5

\$8

\$4

\$4

\$2

\$0

\$0

2003

2004

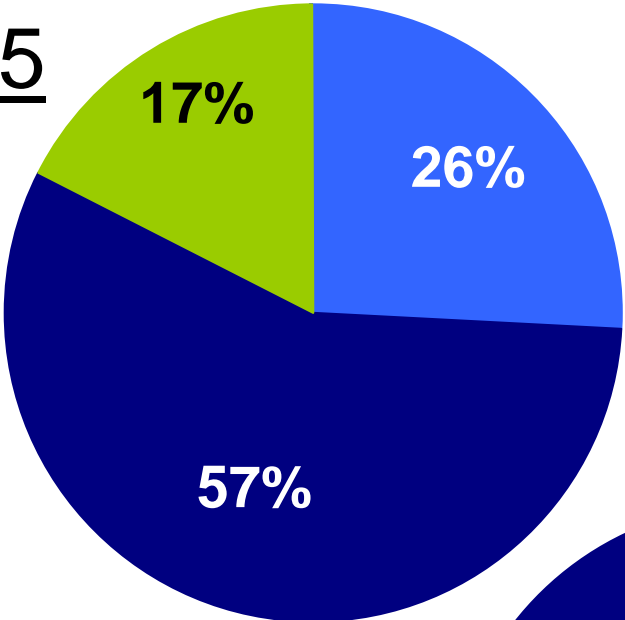
2005

2006

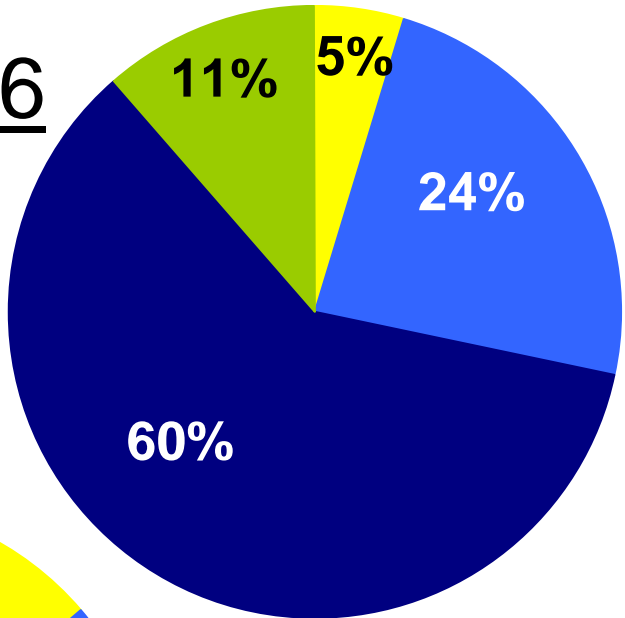
2007

# PCS Distribution

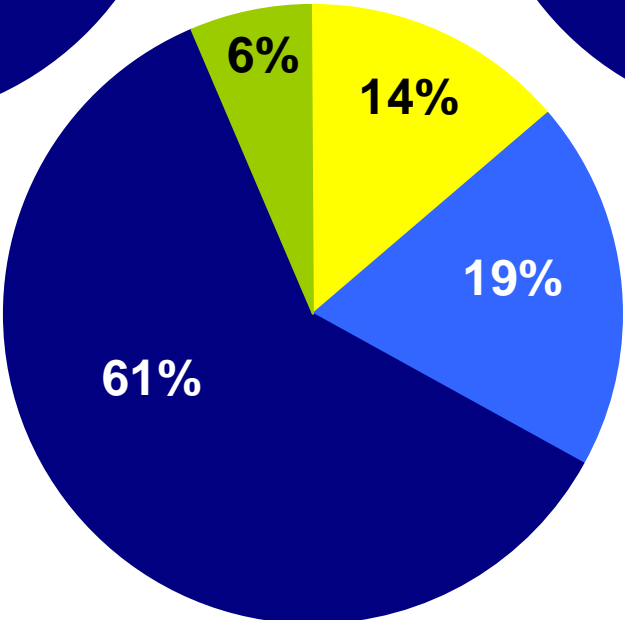
2005



2006



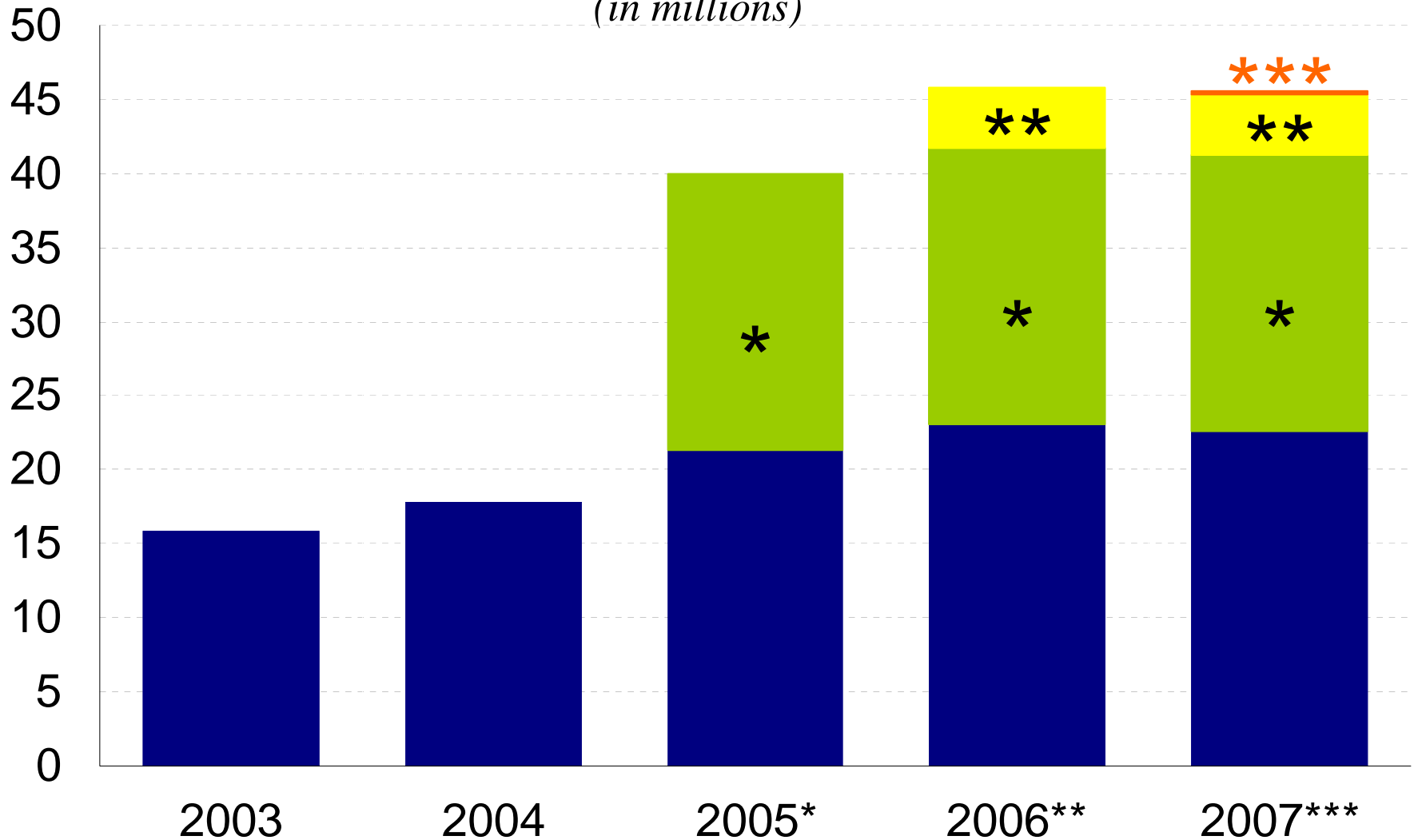
2007



- Shentel Controlled
- Radio Shack
- Regional
- Other

# Sprint Subscribers

(in millions)



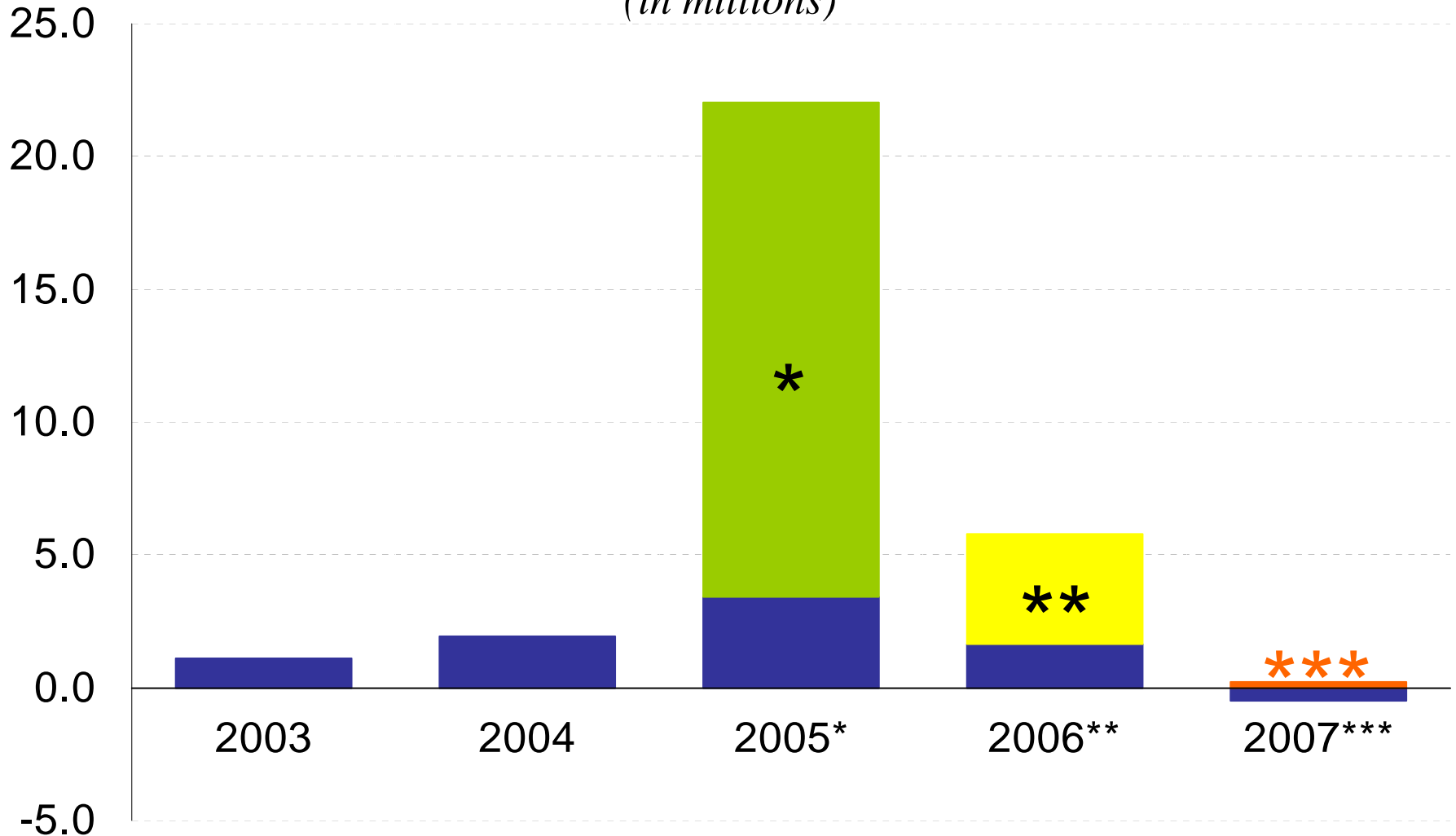
\* Includes Nextel merger, US Unwired, Gulf Coast and IWO

\*\* Includes acquisition of Nextel Partners, Alamosa, UbiqTel and Enterprise Communications

\*\*\* Includes acquisition of Northern PCS

# Sprint Subscriber Net Additions

(in millions)



\* Includes Nextel merger, US Unwired, Gulf Coast and IWO

\*\* Includes acquisition of Nextel Partners, Alamosa, UbiqTel and Enterprise Communications

\*\*\* Includes acquisition of Northern PCS

# Sprint Issues

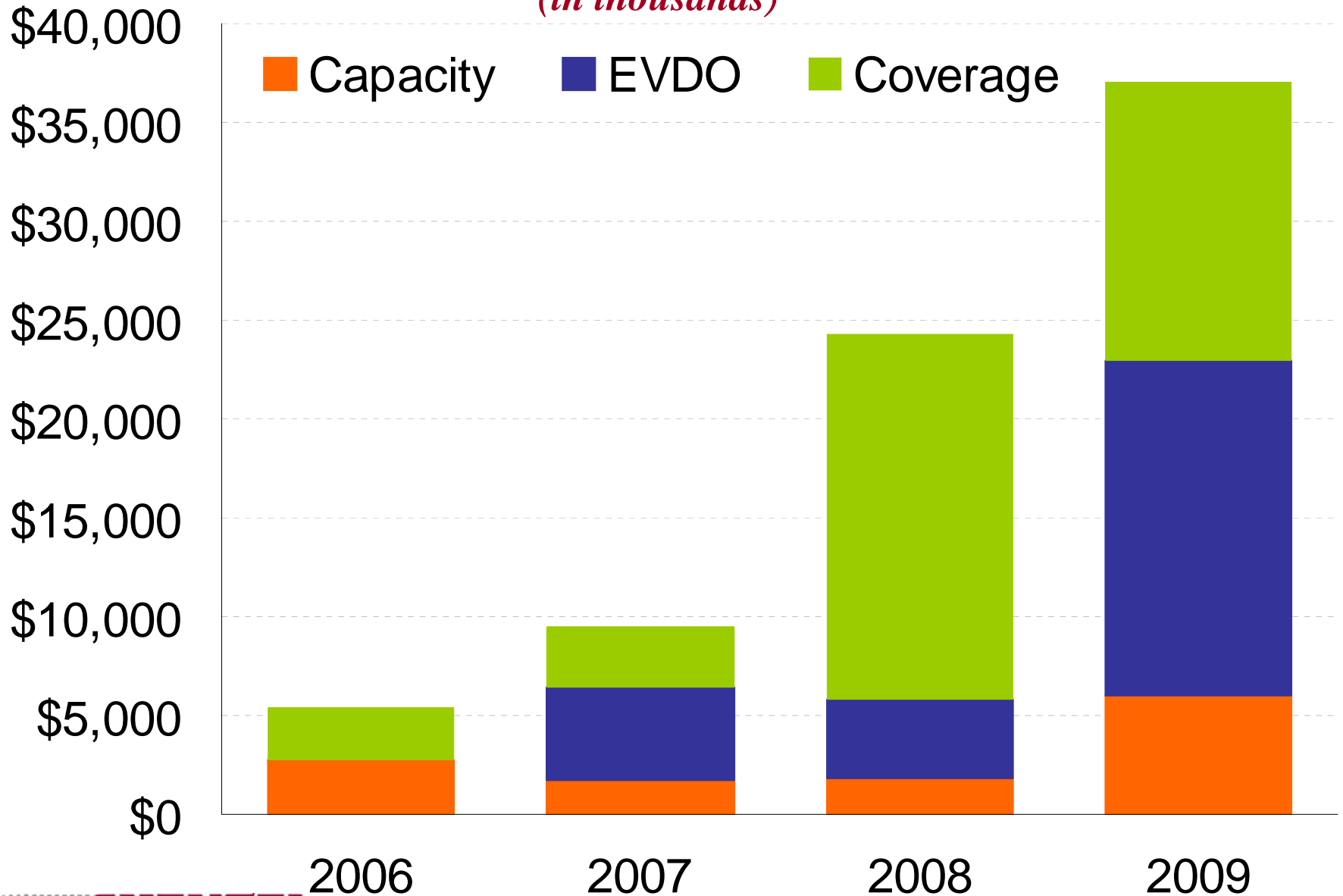
- Merger of equals – clash of cultures
- Integration issues
- High churn
- Poor customer service
- Lack of strong marketing and sales plan

# Recent Changes at Sprint

- New CEO – December 2007
- Reorganize
- Focus on the basics
- Simplified “Everything” plans

# PCS Construction

*(in thousands)*

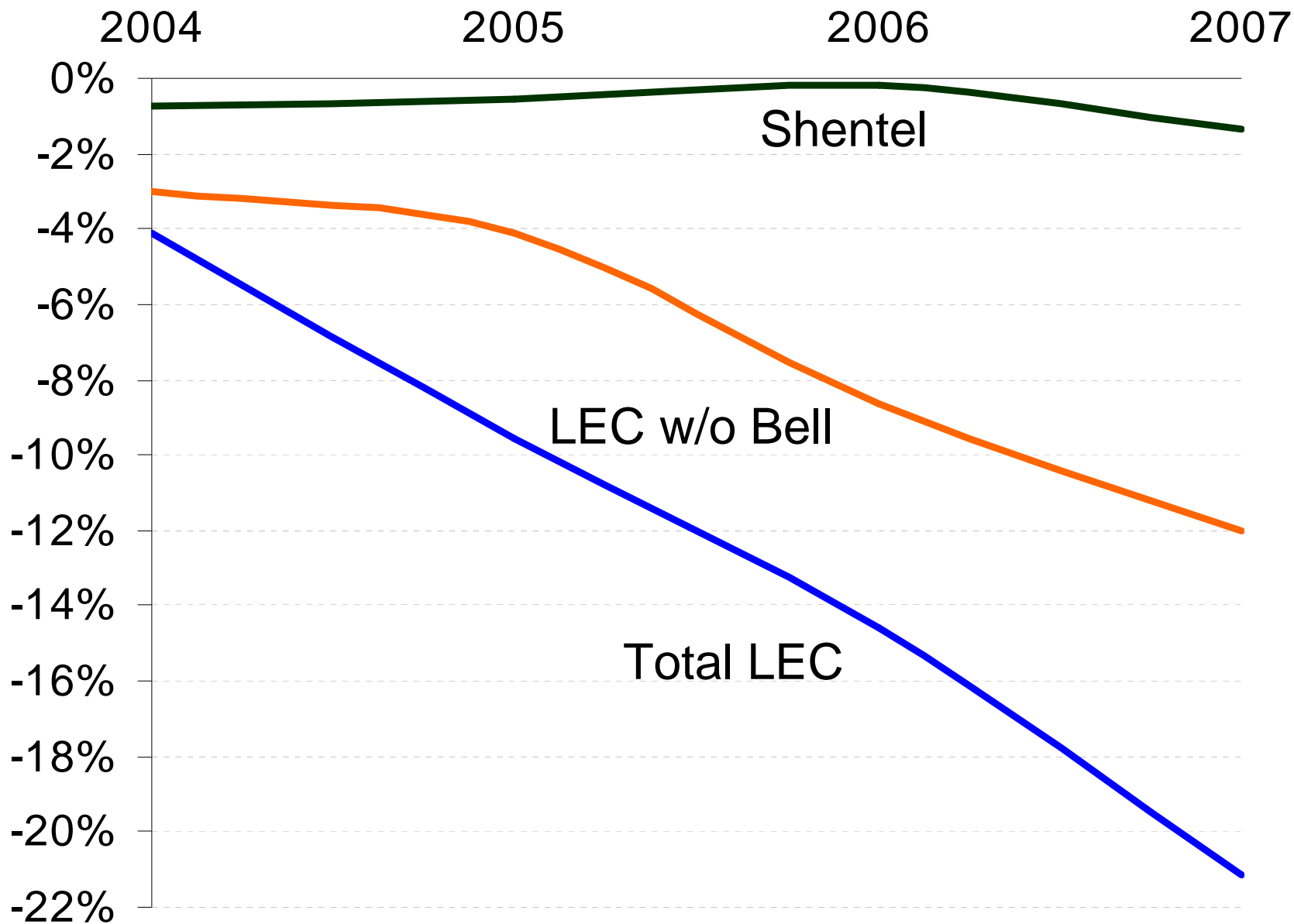


# Why Large Increase in PCS Construction?

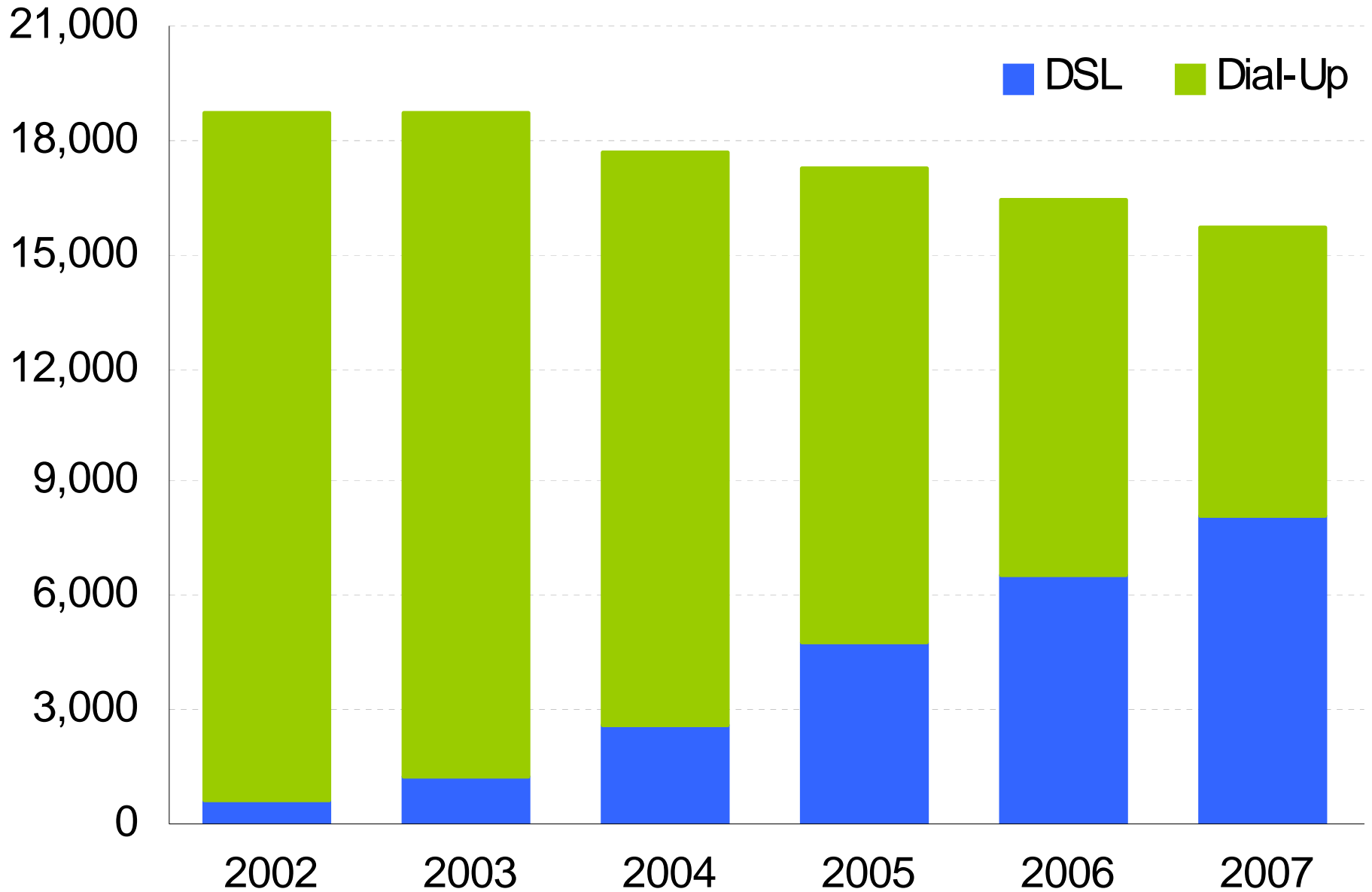
- Keep ahead of capacity requirements
- Continue to roll out high speed data (EVDO)
- Offer Q-Chat before the end of 2009
- Coverage issues in Central PA



# Cumulative Local Access Line Losses

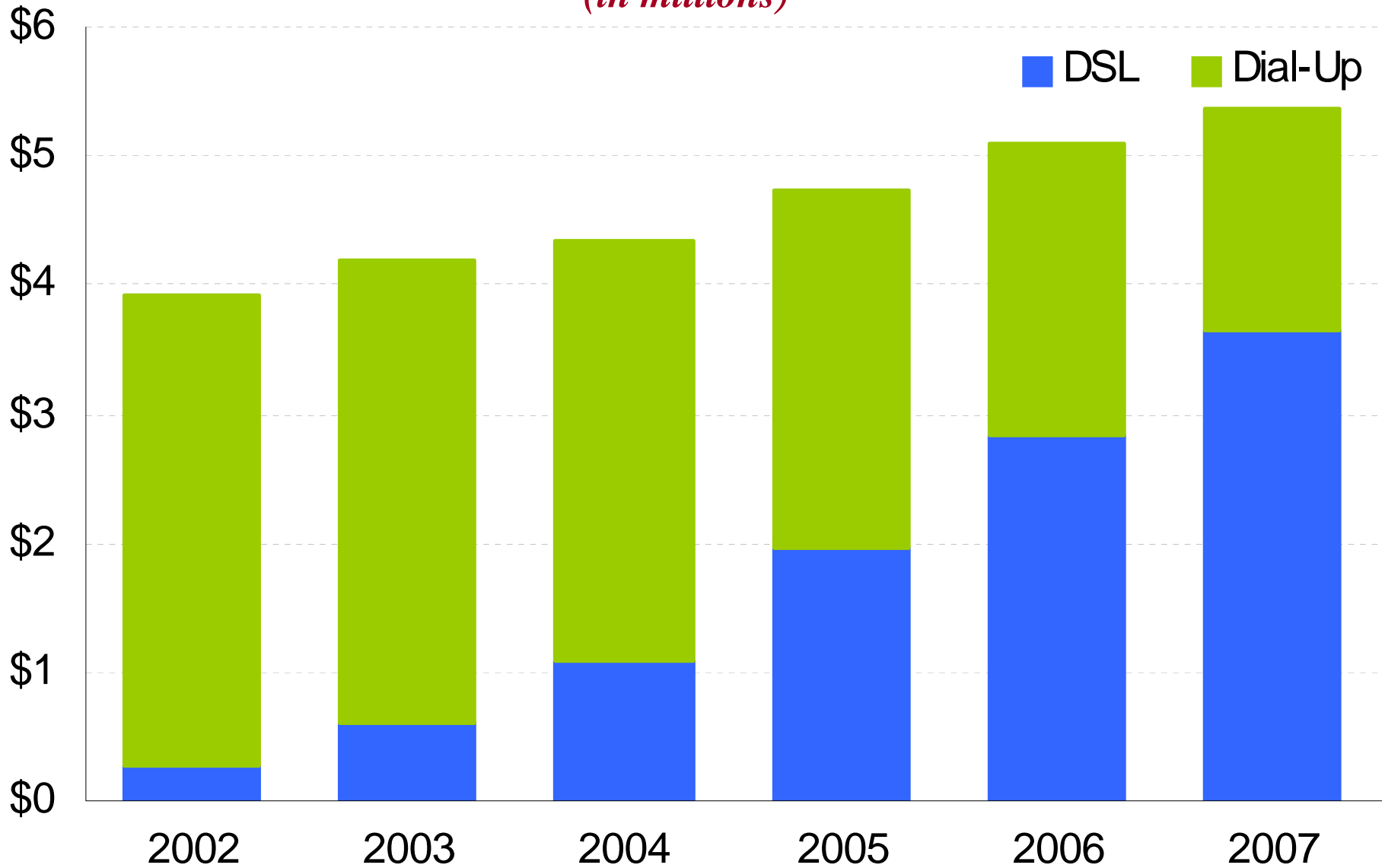


# Internet Customers

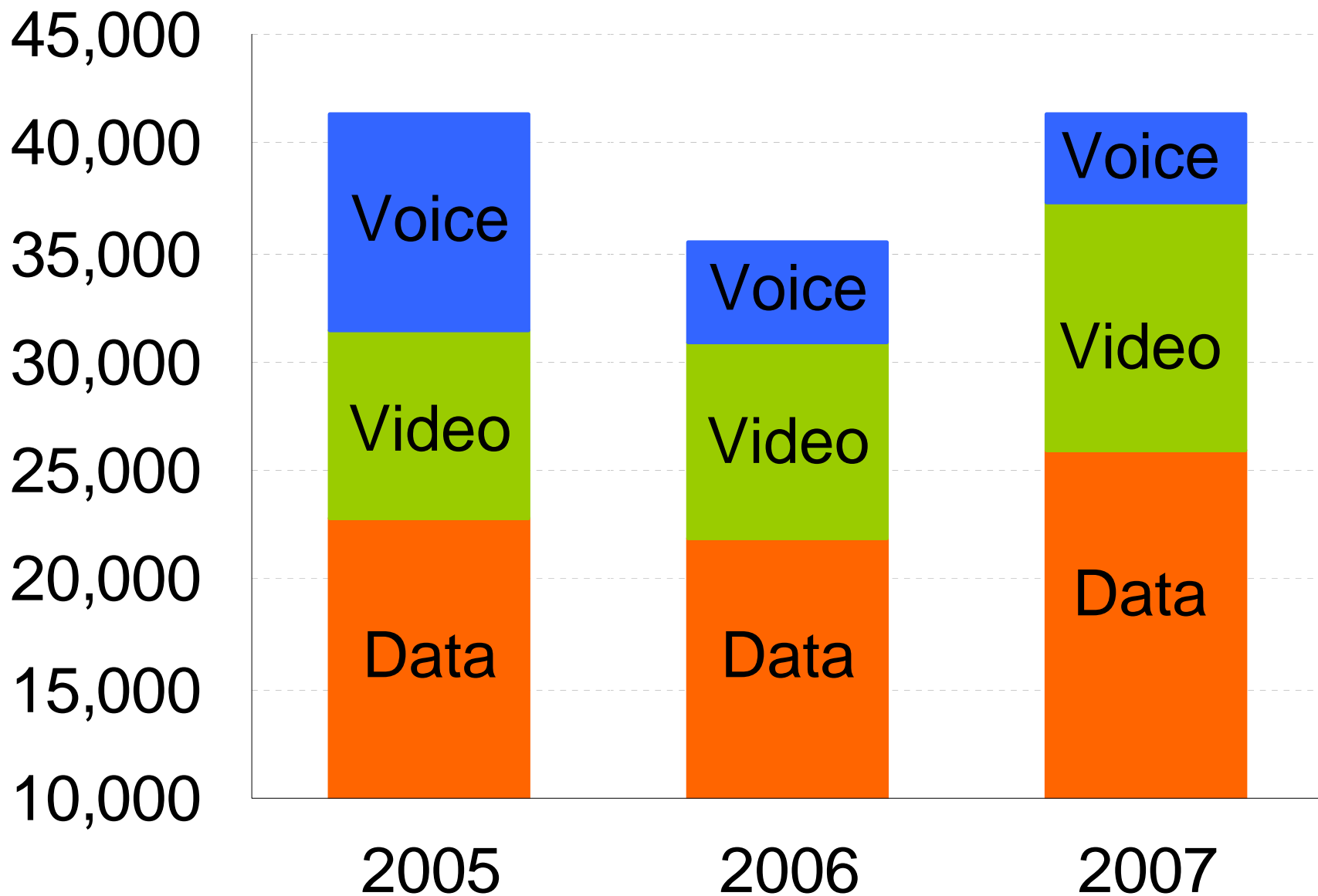


# Internet Revenue

*(in millions)*

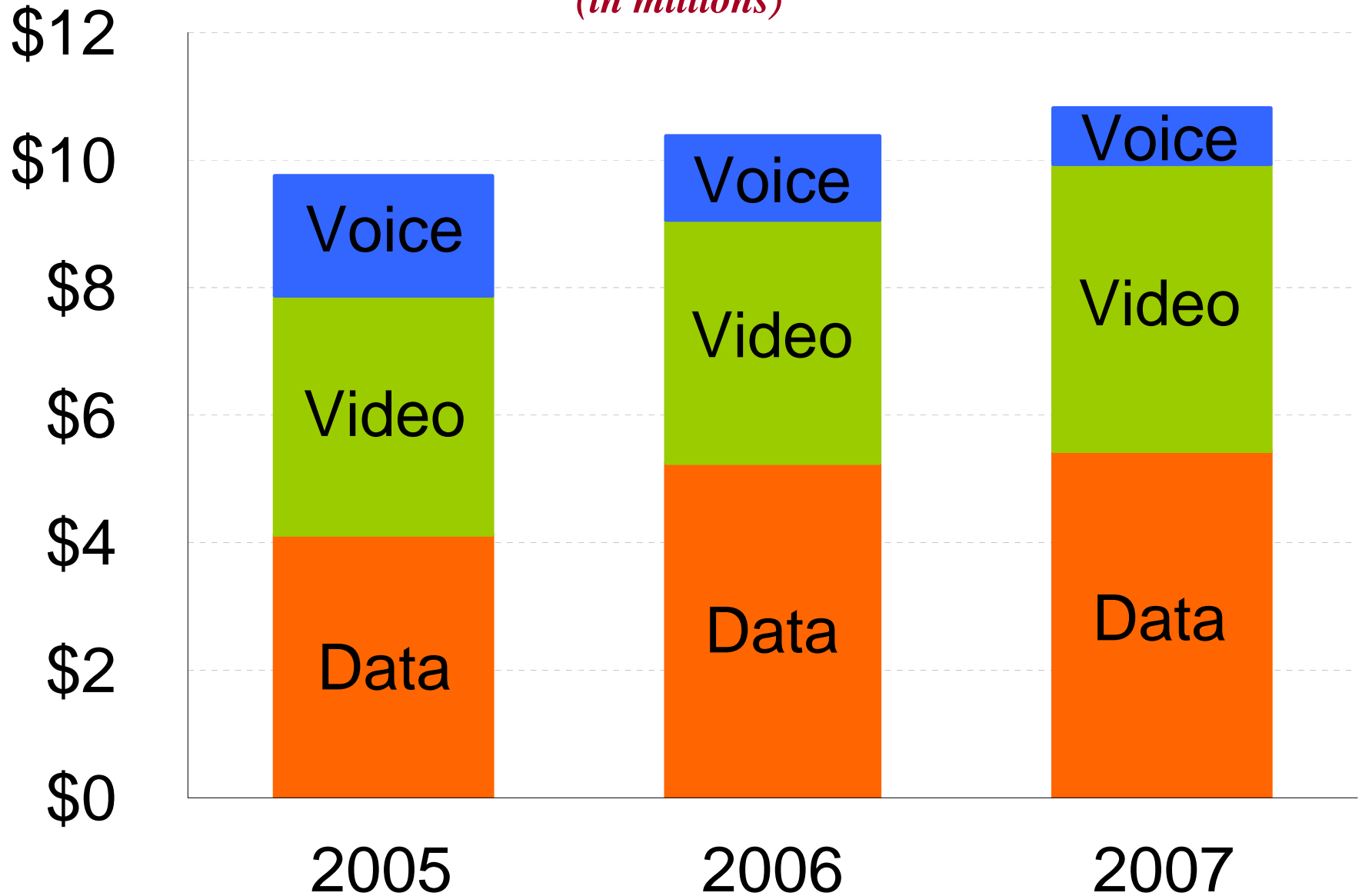


# Converged Services Subscribers



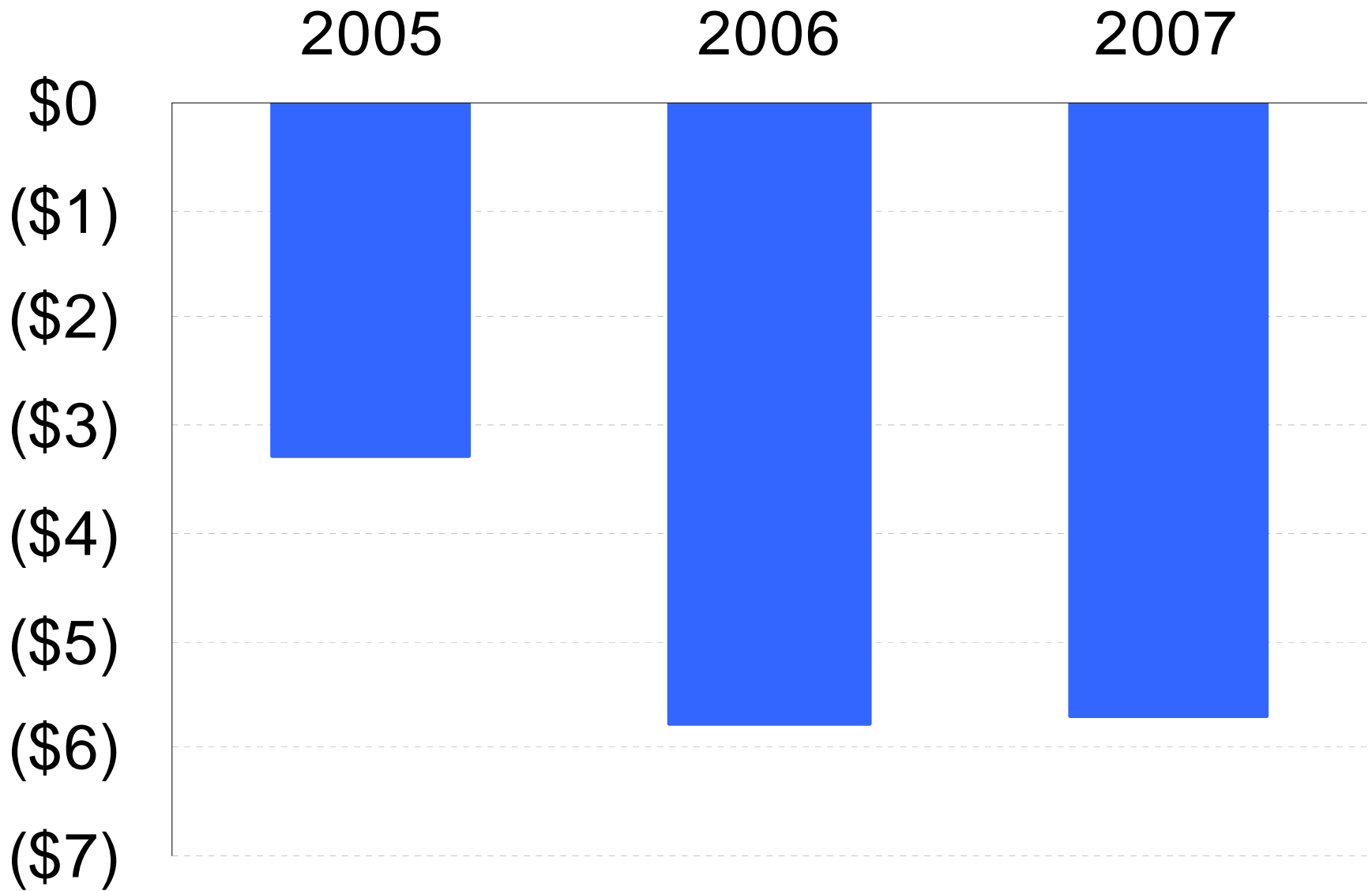
# Converged Services Revenues

*(in millions)*



# Converged Services Losses

*(in millions)*



# Converged Services Issues

- Need for scale to be profitable
- FCC rules to restrict exclusive contracts
- Aggressive tactics by cable companies
- Rely on 3<sup>rd</sup> party for video content
- Fast changing marketplace

# Why Converged Services

- Demand for an alternative to the cable/telephone companies
- Shentel's core competence – Voice, Data and Video
- Shentel unique position
- Unrestricted growth



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