

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

Date of Report (Date of earliest event reported): May 2, 2014

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**Shenandoah Telecommunications Company**

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**(Exact name of registrant as specified in its charter)**

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**Virginia**  
(State or other jurisdiction of incorporation)

**0-9881**  
(Commission File Number)

**54-1162807**  
(IRS Employer Identification No.)

**500 Shentel Way**  
**P.O. Box 459**  
**Edinburg, VA**  
(Address of principal executive offices)

**22824**  
(Zip Code)

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

**Not applicable**

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**(Former name or former address, if changed since last report.)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2-(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

The following information is furnished pursuant to Regulation FD: On May 2, 2014, Shenandoah Telecommunications Company held its first quarter 2014 earnings release conference call. The materials attached hereto as Exhibit 99.1 were utilized during the conference call. These materials are also available on the Company's website.

These materials may contain forward-looking statements about Shenandoah Telecommunications 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 or similar words, or by discussions of strategy or risks and uncertainties. Shenandoah Telecommunications undertakes no obligation to revise or update such statements to reflect current events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

**Item 9.01 Financial Statements and Exhibits.**

**(c) Exhibits**

The following exhibit is furnished with this Current Report on Form 8-K.

[99.1](#) First Quarter 2014 Earnings Release Conference Call Slides

**SIGNATURE**

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)

May 2, 2014

/s/ Adele M. Skolits  
Adele M. Skolits  
Vice President - Finance and  
Chief Financial Officer  
(Duly Authorized Officer)

Exhibit 99.1



**1Q 2014  
Earnings Conference Call**

May 2, 2014

# 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

President and CEO

# Q1'14 Highlights

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## ■ Net Income Growth – Q1'14 v. Q1'13

- Increased 3.2% to \$8.6 million
- Adjusted OIBDA increased 7% to \$31.7 million

## ■ Revenue Growth

- Revenue grew 6% over Q1'13 to \$80.5 million

## ■ Customer Growth

	<u>3/31/13</u>	<u>3/31/14</u>	<u>Change</u>
Wireless	398,361	413,562	+15,201
Cable (RGUs)	109,854	116,592	+6,738

# Wireless Highlights

## ❑ Postpaid Growth

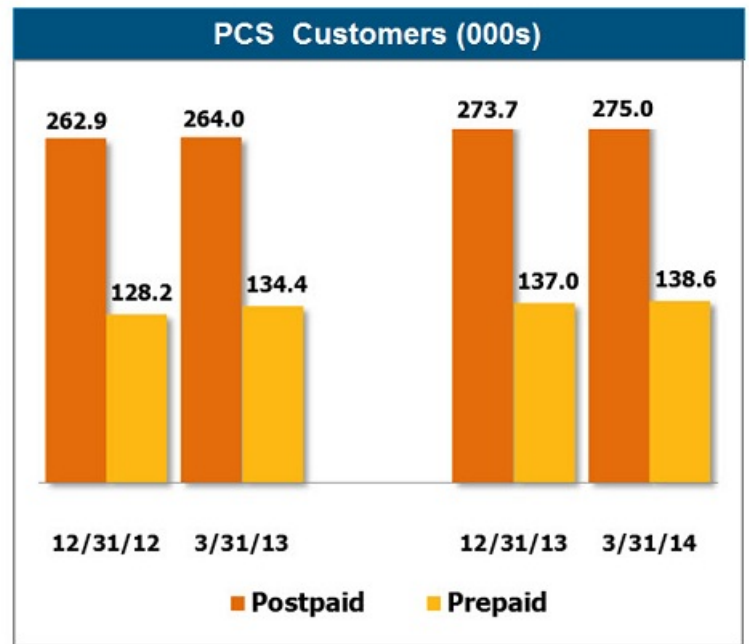
Postpaid customers up 4.2% over last 12 months

## ❑ Prepaid Growth

Prepaid customers up 3.1% over last 12 months

## ❑ Operating Revenue Increase

Improvement of \$2.9 million, or 6.1%

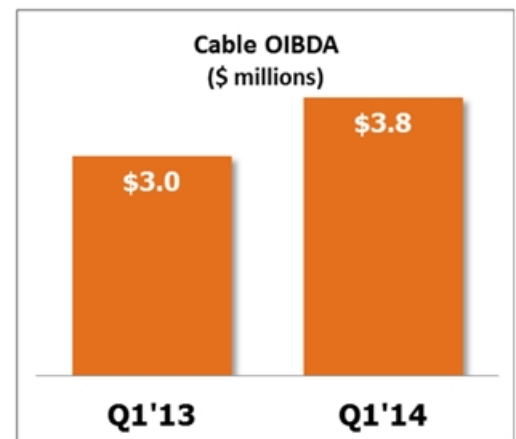
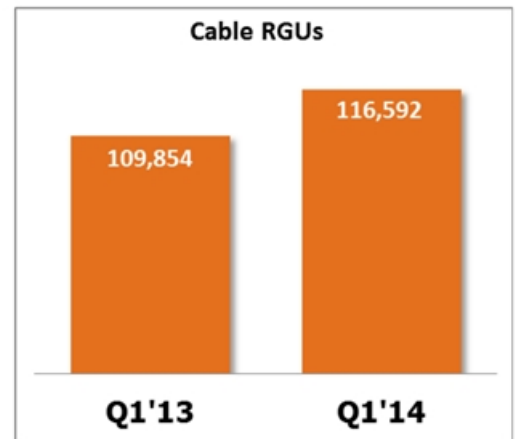




# Cable Highlights

## ■ Revenue Growth

- Operating revenues grew 10.6% over Q1'13
- Q1'14 Adjusted OIBDA \$3.8 million, up 27% from Q1'13
- 116,592 RGUs at 3/31/2014, up 6.1% over Q1'13



# Network Upgrades Helping to Drive Performance

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- Wireless customers benefiting from 4G LTE network
  - \$115 million project completed late 2013
- Cable customers benefiting from improved video, voice and high-speed data services
  - Upgrades completed in 2013
  - “Net promoter score” up dramatically from 2011



# Adele Skolits

VP of Finance and CFO

# Profitability

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**Consolidated Results**  
(\$ in thousands, except per share amounts)

	<b>For the Quarter Ended:</b>	
	<b>3/31/13</b>	<b>3/31/14</b>
<b>Operating Income</b>	\$ 15,209	15,680
<b>Net Income</b>	\$ 8,351	\$ 8,616
<b>Basic and Diluted Earnings Per Share</b>	\$ 0.35	\$ 0.36

# Profitability

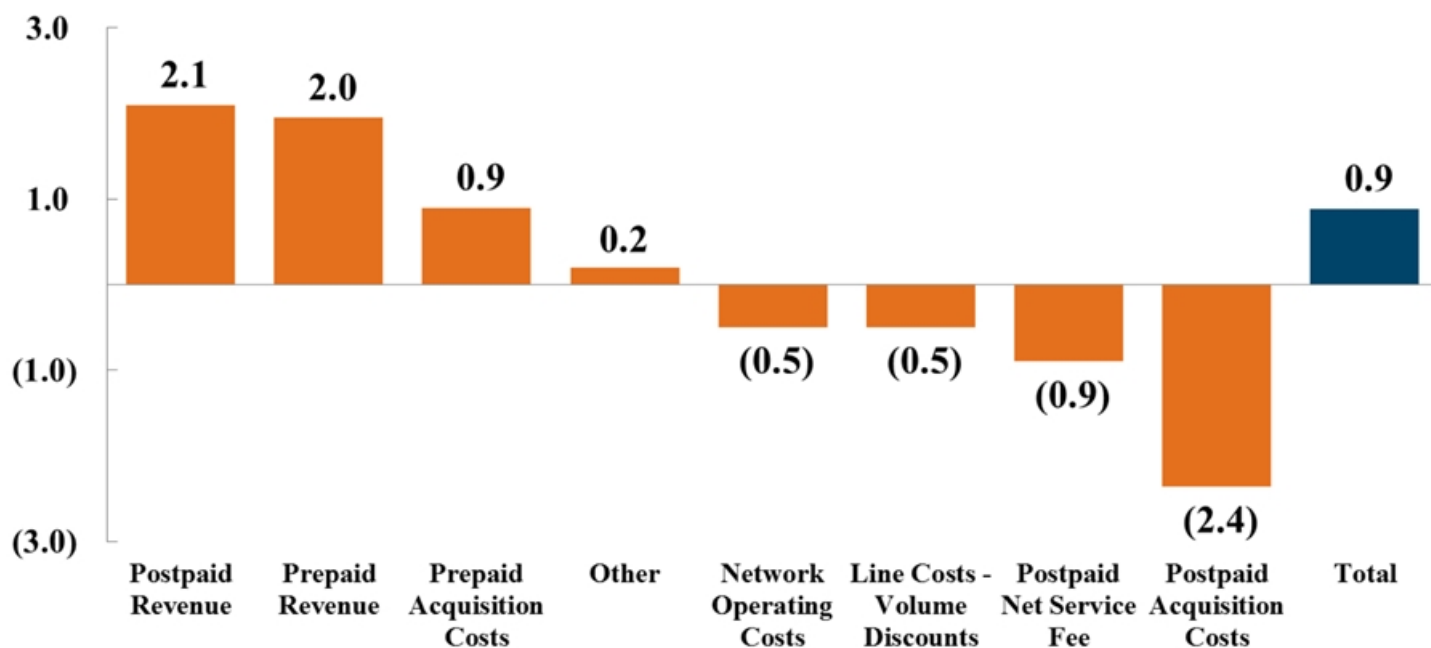
## Adjusted OIBDA (\$ thousands)

	<b>For the Quarter Ended:</b>		
	<b>3/31/13</b>	<b>3/31/14</b>	<b>Change</b>
Operating Income	15,209	15,680	471
Depreciation and Amortization	13,972	15,387	1,415
Share Based Compensation	372	1,028	656
(Gain)/Loss on Asset Sales/Disposals	82	(366)	(448)
<b>Adjusted OIBDA</b>	<b>29,635</b>	<b>31,729</b>	<b>2,094</b>

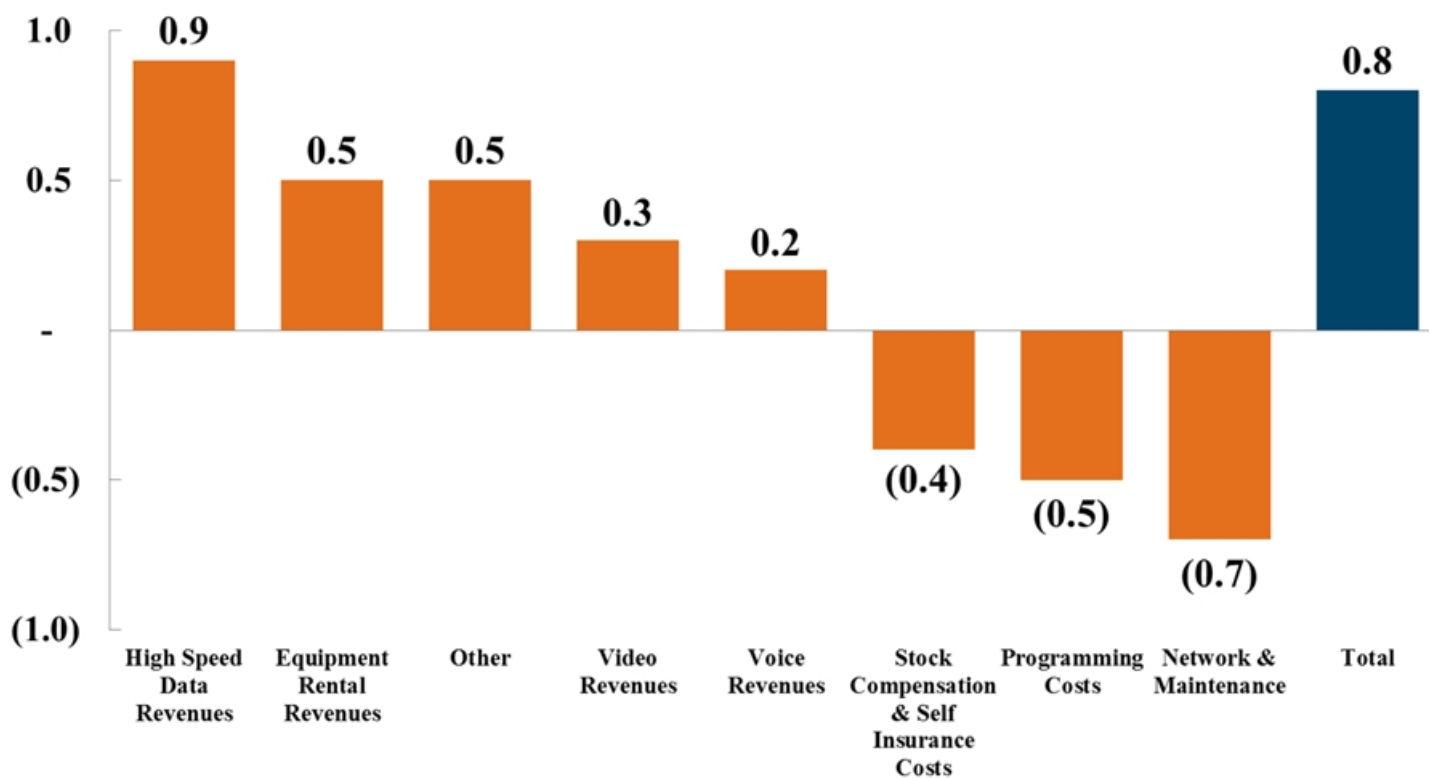
## Adjusted OIBDA by Segment (\$ millions)

	<u>Wireless</u>		<u>Cable</u>		<u>Wireline</u>	
	<u>Q1'13</u>	<u>Q1'14</u>	<u>Q1'13</u>	<u>Q1'14</u>	<u>Q1'13</u>	<u>Q1'14</u>
Operating Income	\$ 16.7	\$ 16.8	\$ (2.3)	\$ (2.0)	\$ 3.8	\$ 4.4
Depreciation and amortization	6.0	7.2	5.2	5.4	2.7	2.7
Plus (gain) loss on asset sales	0.1	(0.3)	(0.1)	0.0	0.1	0.0
Share based compensation	0.1	0.2	0.2	0.4	0.1	0.1
<b>Adjusted OIBDA</b>	<b><u>\$22.9</u></b>	<b><u>\$23.9</u></b>	<b><u>\$ 3.0</u></b>	<b><u>\$ 3.8</u></b>	<b><u>\$6.7</u></b>	<b><u>\$ 7.2</u></b>
Percent Change		4%		27%		9%

# Wireless Segment – Change in Adjusted OIBDA Q1'14 vs. Q1'13 (\$ millions)



# Cable Segment – Change in Adjusted OIBDA Q1'14 vs. Q1'13 (\$ millions)







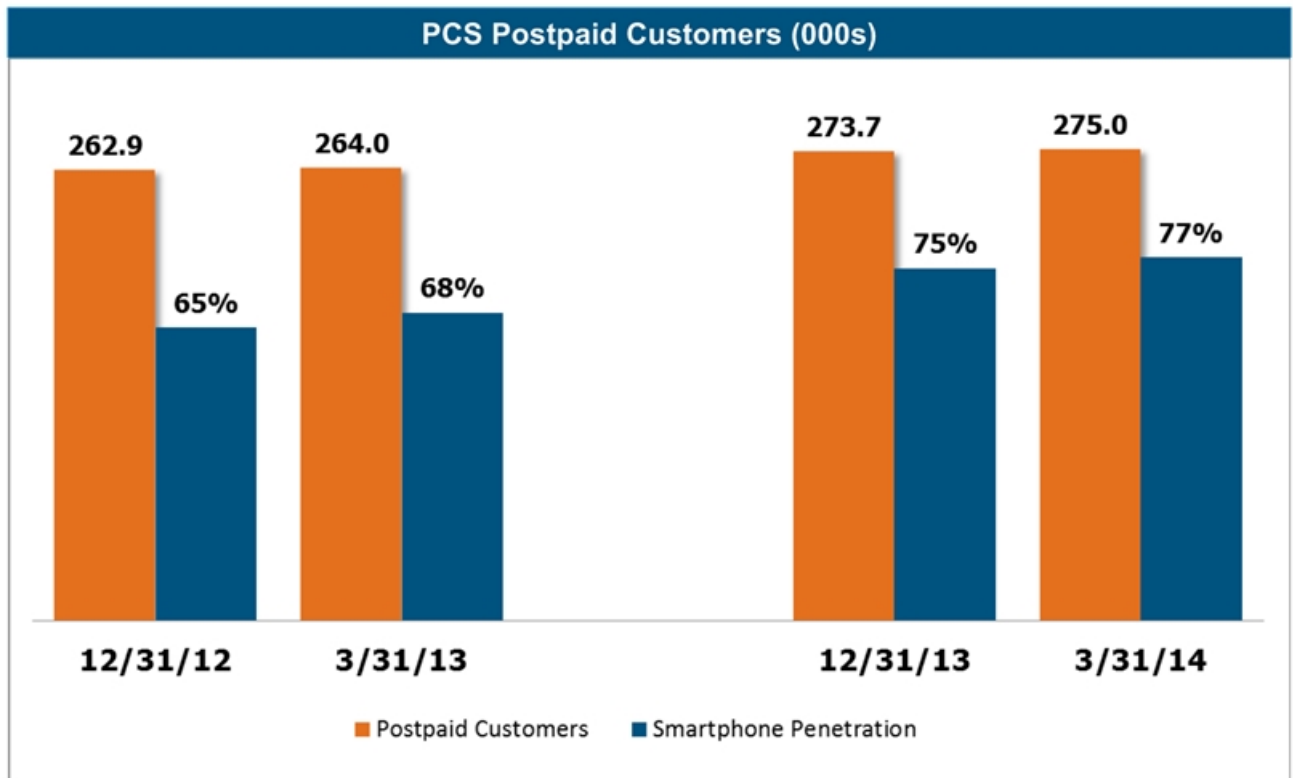
# Earle MacKenzie

EVP and COO

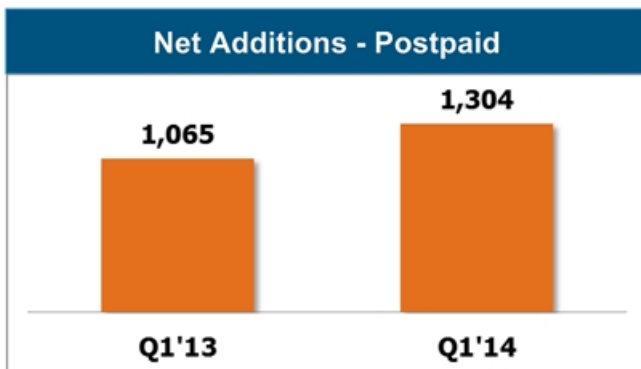
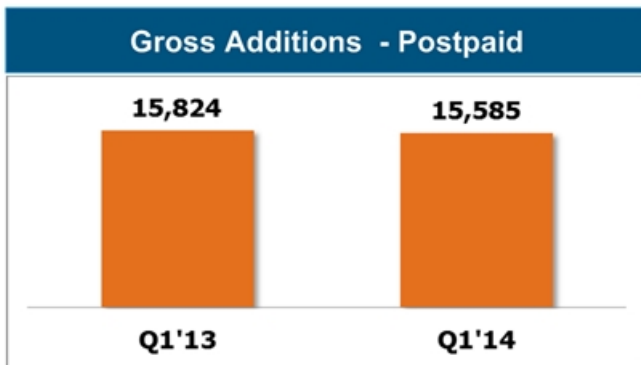


# Wireless Segment

# Postpaid Customer Growth



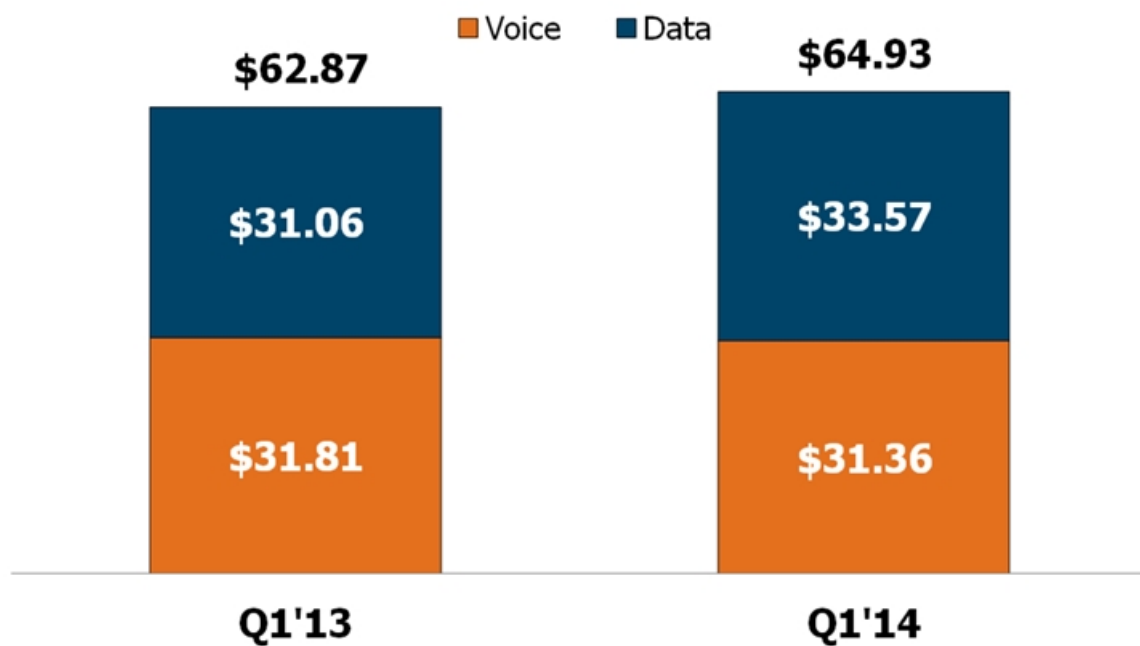
# Postpaid Customer Additions



- Net adds of 1,304 in Q1 2014 versus 1,065 in Q1 2013
- Q1 2014 churn of 1.73% down from 1.87% in Q1 2013
- Shentel-controlled channels produced 55% of gross adds in Q1 2014 and 45% in Q1 2013

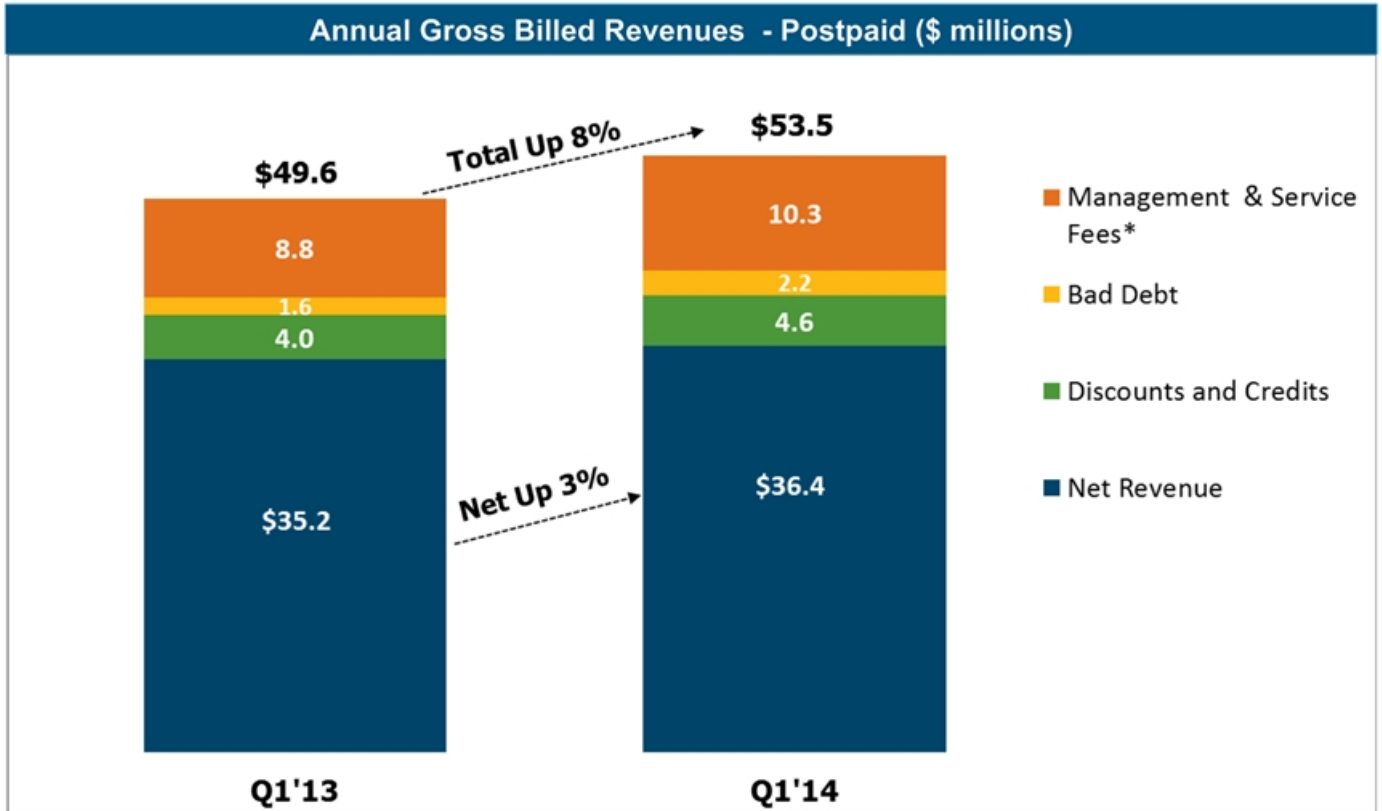
# Total Revenue per Customer Up; Data Usage Increasing

## Gross Billed Revenue per Postpaid User – Data & Voice <sup>1</sup>



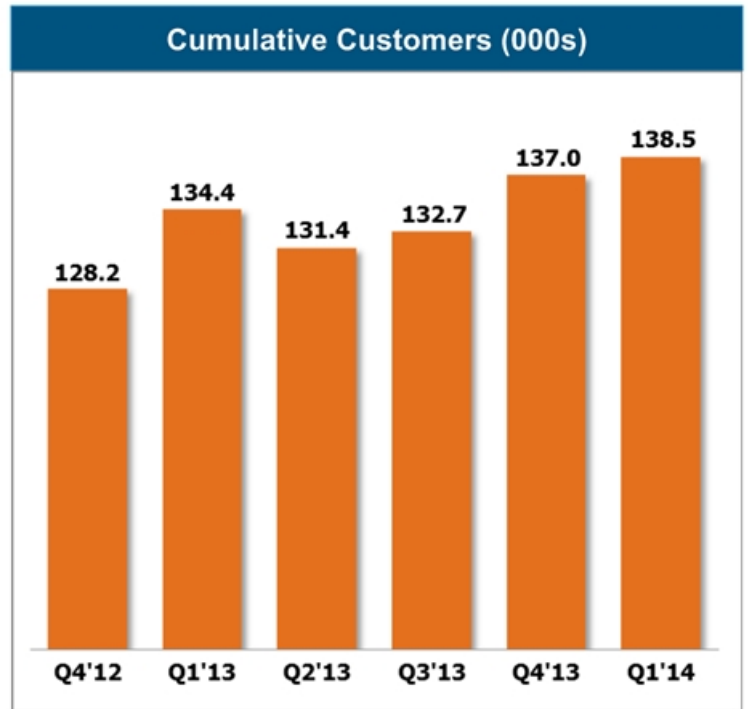
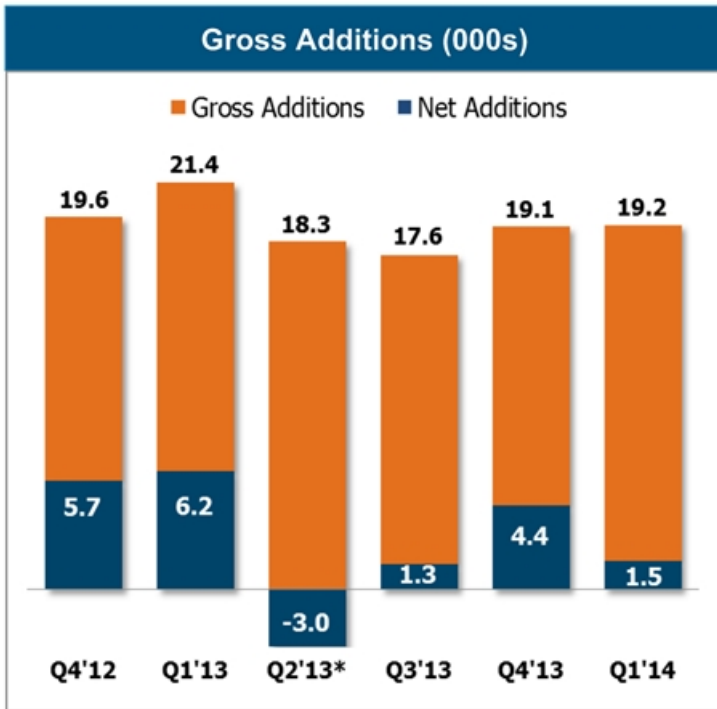
<sup>1</sup> – Before Service credits, bad debt, Sprint Nextel fees.

# PCS Revenues



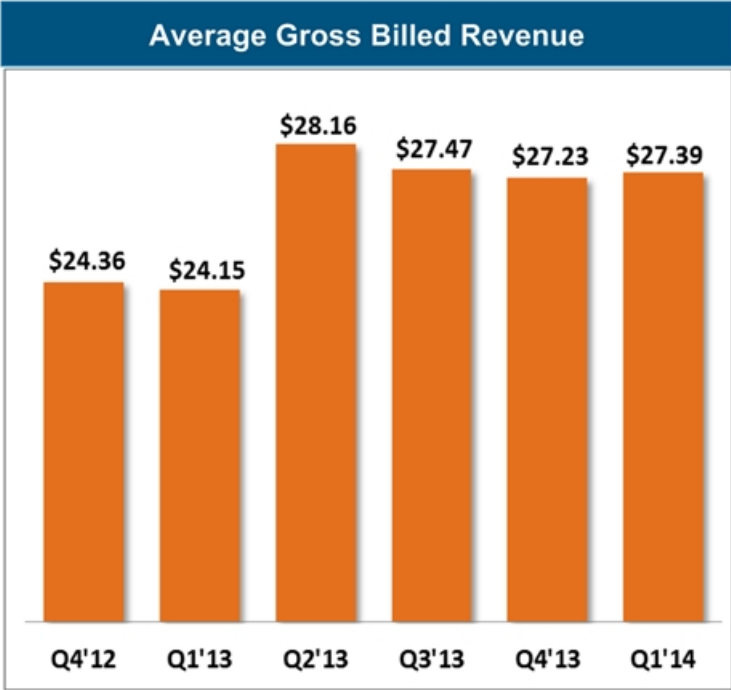
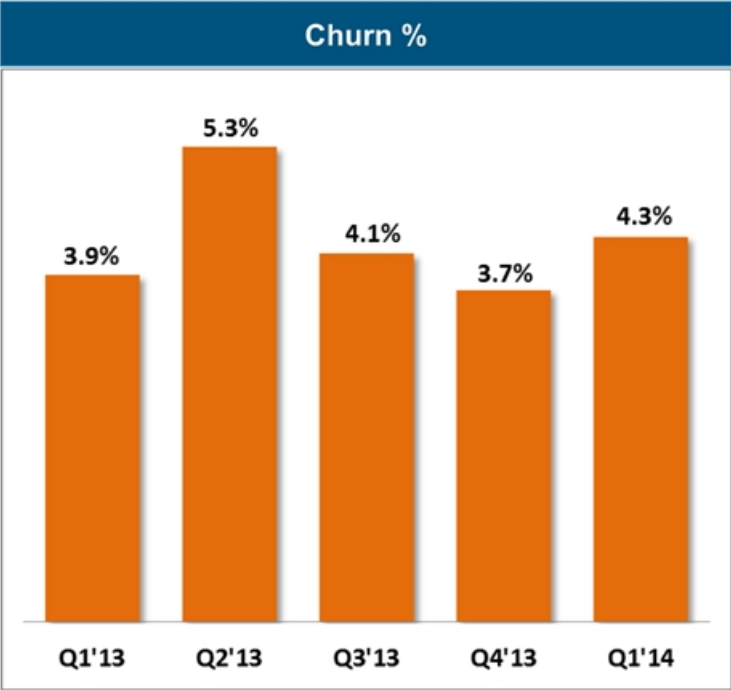
\*Net service fee increased from 12% to 14% effective 8/1/2013

# PCS Prepaid Statistics



\*The loss of customers in Q2'13 related to more stringent governmental requirements for customers renewing their eligibility for the government subsidized Assurance program.

# PCS Prepaid Statistics

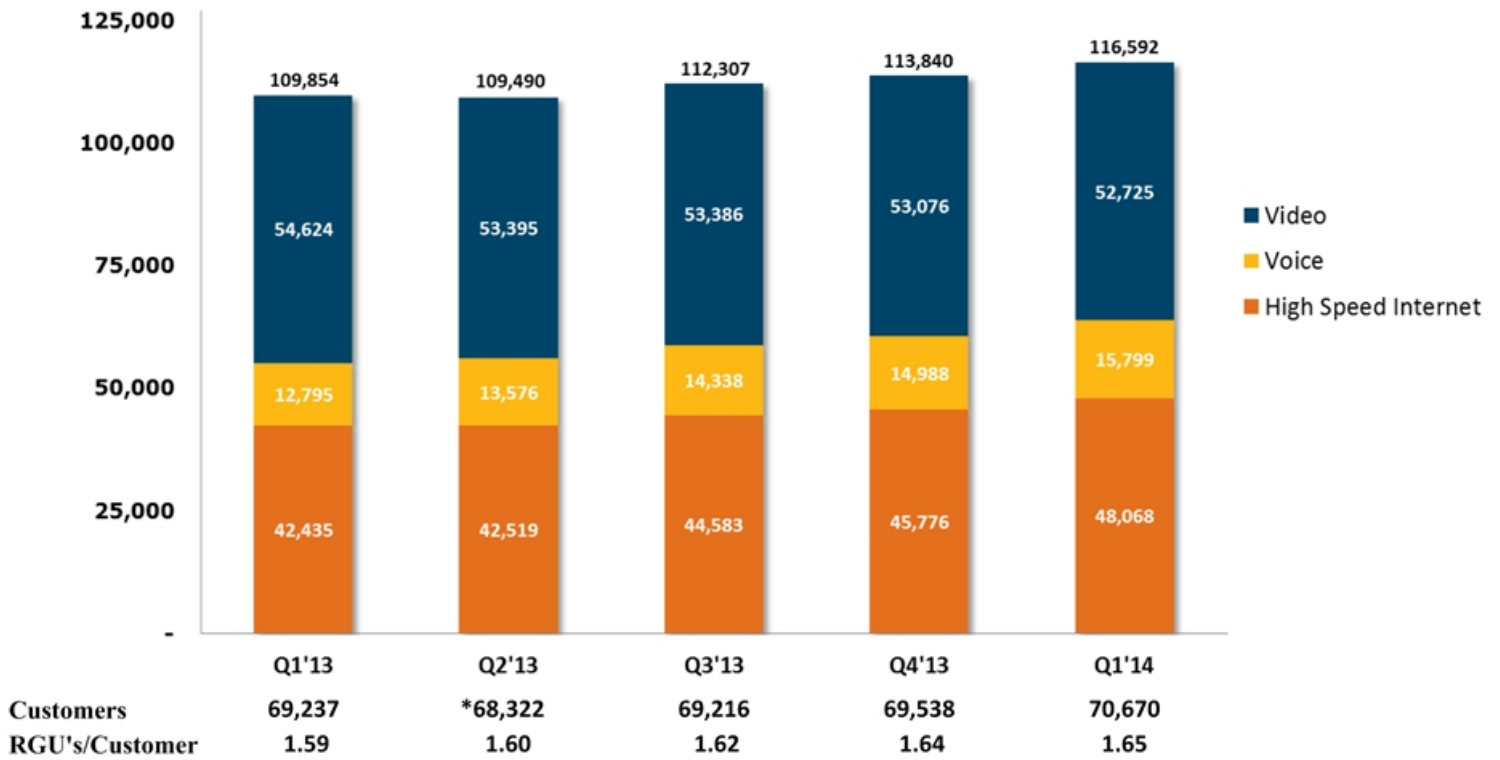






# Cable Segment

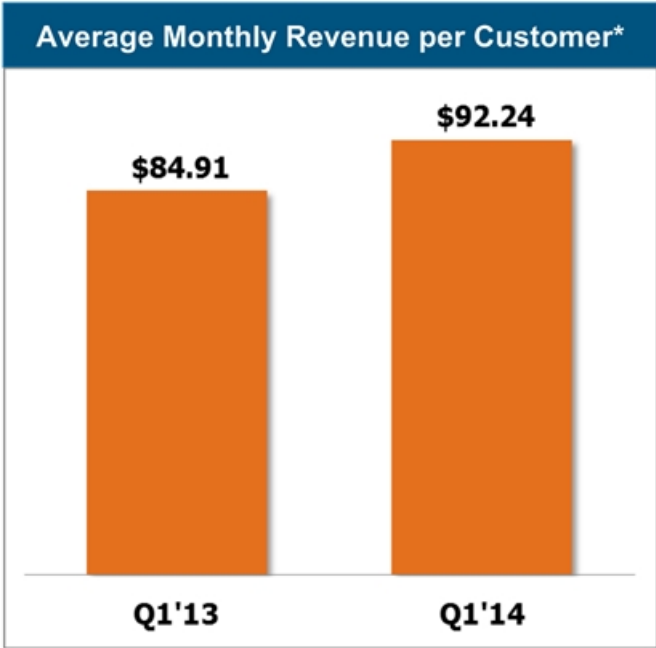
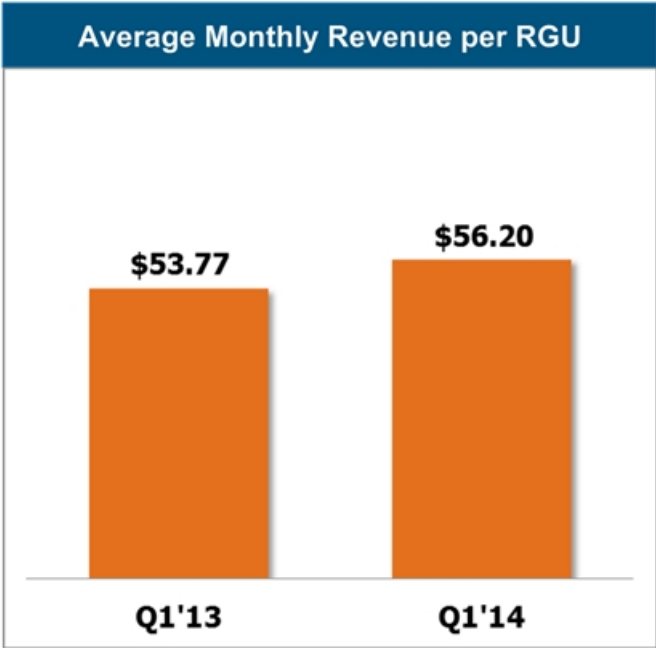
# Cable - RGU Growth by Quarter



- Prior periods revised to reflect transfer of Shenandoah County, VA video activities to Wireline
- College students disconnect during summer



# Increasing Average Monthly Cable Revenue



\*Average monthly revenue per video subscriber was \$107.00 and \$122.59 for Q1 2013 and Q1 2014, respectively.

## Key Operational Results – Cable

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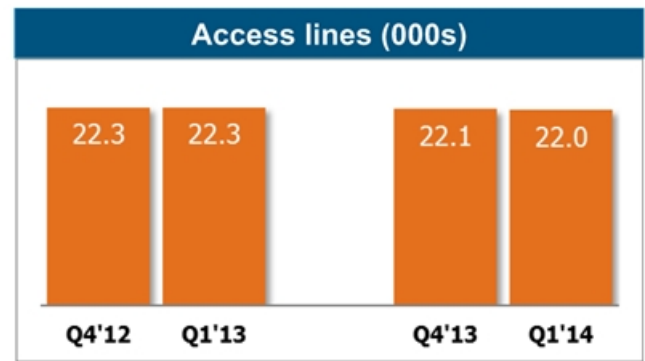
	<b>Q1 2013</b>	<b>Q1 2014</b>
<b>Homes Passed</b>	<b>169,035</b>	<b>170,711</b>
<b>Total Revenue Generating Units</b>	<b>109,854</b>	<b>116,592</b>
<b>Customer Relationships</b>	<b>69,237</b>	<b>70,670</b>
<b>RGUs per Customer Relationship</b>	<b>1.59</b>	<b>1.65</b>
Video		
Revenue generating units	54,624	52,725
Penetration	32.3%	30.9%
Digital video penetration	39.6%	57.5%
High-speed Internet		
Available Homes	164,789	168,573
Revenue generating units	42,435	48,068
Penetration	25.8%	28.5%
Voice		
Available Homes	157,409	163,582
Revenue generating units	12,795	15,799
Penetration	8.1%	9.7%



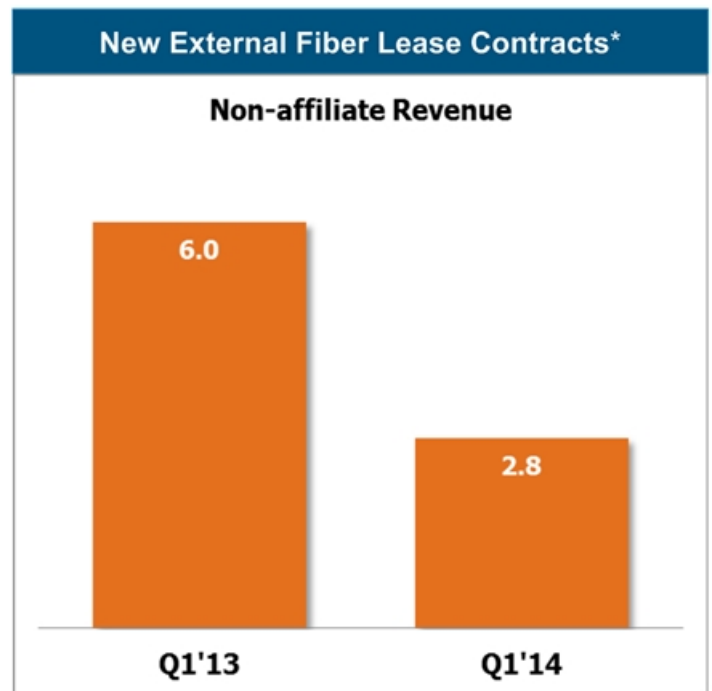
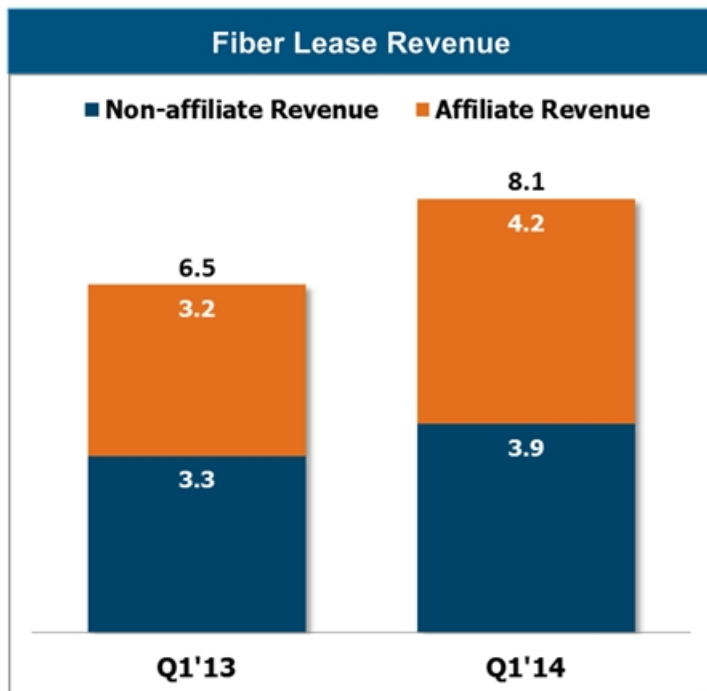
# Wireline Segment

# Key Operational Results - Wireline

- Access line loss of 1.5% in past 12 months
- Broadband penetration in LEC area at 57.9%
- Total connections at 3/31/14 of 34.7 thousand
- Over 6,000 video subscribers at 3/31/14

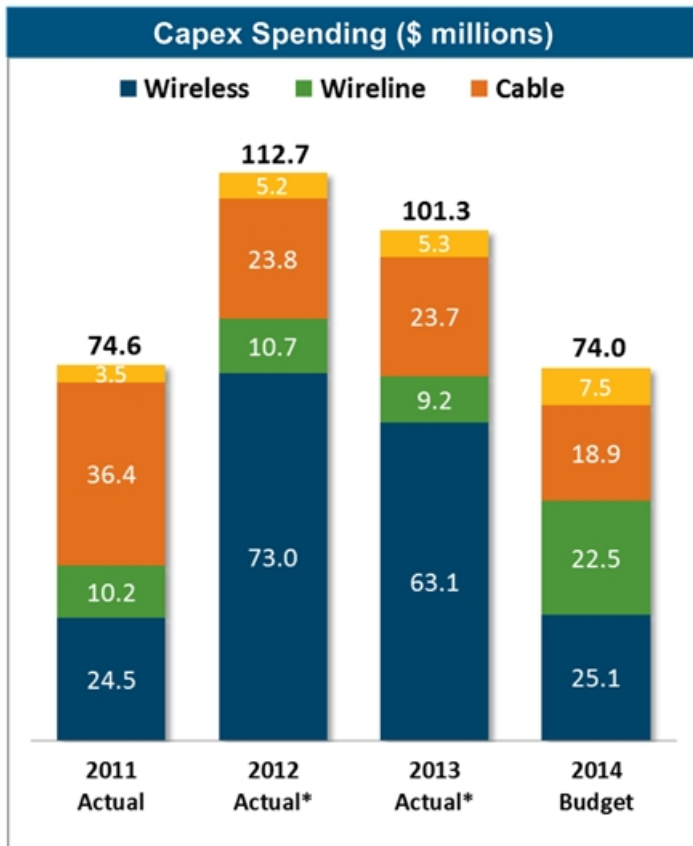


# Wireline Statistics – Fiber Sales (\$ millions)



\* Amounts shown represent the total contract value. Contract Terms range from 36 to 120 months. Revenues may be booked either in the Wireline or Cable segment depending on which assets are used to provide the service.

# Investing in the Future



- 2014 Capex Spending:
  - 24% Maintenance
  - 24% Capacity
  - 30% Network Expansion
  - 22% Success-Based

\* Accounts payable at December 31, 2013 and 2012 included \$7.6 million and \$24.7 million associated with PCS Network Vision capital expenditures.



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# Q&A

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# Appendix

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

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

	<b><u>1Q 2013</u></b>	<b><u>1Q 2014</u></b>
<b><u>Gross billed revenue</u></b>		
Wireless segment total operating revenues	\$ 48,157	\$ 51,079
Equipment revenue	(1,331)	(1,197)
Tower Lease Revenue	(2,562)	(2,565)
Prepaid Net Service Revenues	(8,907)	(10,857)
Other revenue	(199)	(85)
Wireless service revenue – postpaid	35,158	36,375
Service credits	4,035	4,639
Write-offs	1,621	2,191
Management fee	3,521	3,726
Service fee	5,280	6,521
Gross billed revenue – postpaid	\$ 49,615	\$ 53,452
<b>Average postpaid subscribers</b>	<b>263,044</b>	<b>274,390</b>
<b>Billed revenue per postpaid subscriber</b>	<b>\$ 62.87</b>	<b>\$ 64.93</b>

# Postpaid PCS Customers Top Picks Q1 2014

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## ■ **Top Service Plans** – 80% of Gross Adds

* Unlimited, My Way	67%
Everything Data 1500	13%

## ■ **Top Devices** – New Activations – All Channels

iPhone	26%
Samsung Galaxy S4	21%
Samsung Galaxy S III	15%

Smartphones made up 77% of the Postpaid base in Q1 2014, up from 70% in Q2 2013 and 68% in Q1 2013.

\* New Service Plan offered in Q3 2013

## iPhone Statistics – Q1'14

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- 26% of Q1 Gross Adds
- 44% of iPhones were sold or upgraded in Shentel-controlled channels
- 30.3% of 3/31/14 Postpaid customers had the iPhone, up from 28.9% at 12/31/13
- iPhone Base – 3/31/14
  - 58% iPhone 4 & 4S
  - 42% iPhone 5, 5C & 5S

# Non-GAAP Financial Measure – Average Monthly Cable Revenue

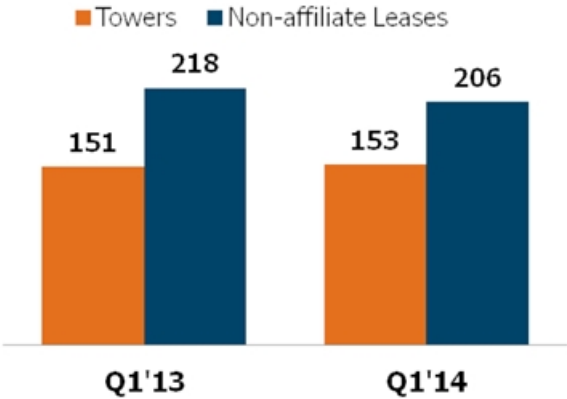
*Dollars in thousands (except subscribers and revenue per user)*

	<b>Q1 2013</b>	<b>Q1 2014</b>
Net Service Revenue	\$ 16,163	\$ 17,423
Set-top box rentals	1,098	1,641
FUSC and pass-through fees	268	320
<b>Video, Internet &amp; Voice Revenue</b>	<b>17,529</b>	<b>19,384</b>
Other miscellaneous revenue	984	1,096
<b>Total Operating Revenue</b>	<b>18,513</b>	<b>20,480</b>
Video revenue	11,223	11,979
Internet revenue	5,107	5,971
Voice revenue	1,199	1,434
<b>Video, Internet &amp; Voice Revenue</b>	<b>\$ 17,529</b>	<b>\$ 19,384</b>
<b><u>Average Subscribers</u></b>		
Video	54,610	52,705
Internet	41,613	46,952
Voice	12,451	15,311
Revenue Generating Units (RGUs)	108,674	114,968
Average Customer Relationships	68,811	70,046
<b><u>Average Revenue Per User (ARPU)</u></b>		
Revenue Generating Units (RGUs)	\$ 53.77	\$ 56.20
Customer Relationships	84.91	92.24
Video	107.00	122.59

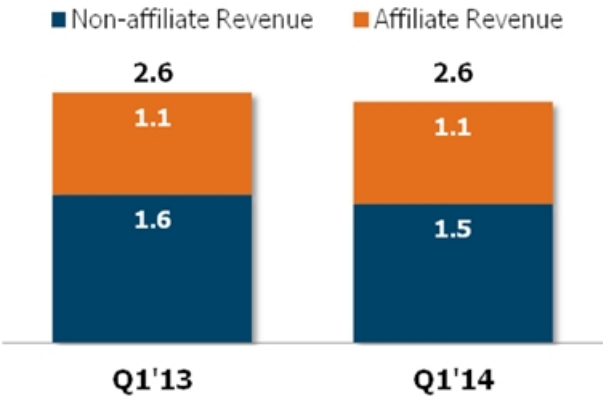


# Key Operational Results – Mobile Company

## Towers and Leases



## Mobile Tower Revenue (\$ millions)



	<b><u>Q1'13</u></b>	<b><u>Q1'14</u></b>
<i>(in thousands)</i>		
Operating Income	\$1,288	\$1,395
Depreciation and Amortization	409	360
Share Based Compensation	5	4
<b>Adjusted OIBDA</b>	<b>\$1,702</b>	<b>\$1,759</b>