PARTICIPANTS

Corporate Participants

Wesley B. Wampler – Director-Investor Relations
James A. Hyde – President, Chief Executive Officer & Director
Stebbins B. Chandor – Executive Vice President
Harold L. Covert – Executive Vice President and Chief Financial Officer, Lumos Networks Corp.
Michael B. Moneymaker – CFO, Secretary, Treasurer & Executive VP
Conrad J. Hunter – President-Wireless Operations & EVP
Frank L. Berry – COO, President-Wireline Operations & EVP

Other Participants

Robert J. Dezego – Analyst, SunTrust Robinson Humphrey
Ric Prentiss – Analyst, Raymond James & Associates
David G. Coleman – Analyst, RBC Capital Markets Equity Research
Phil Cusick – Analyst, JPMorgan Securities LLC
Batya Levi – Analyst, UBS Securities LLC
David M. Dixon – Analyst, FBR Capital Markets
Kevin M. Roe – Analyst, Roe Equity Research LLC
Bruce J. Roberts – Analyst, Brigantine Advisors

MANAGEMENT DISCUSSION SECTION

Operator: Good morning and welcome to the combined NTELOS Lumos Networks Third Quarter 2011 Earnings Conference Call and Webcast. All participants will be in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please note this event is being recorded.

I'd now like to turn the conference over to Wes Wampler, Director of Investor Relations. Mr. Wampler, please go ahead.

Wesley B. Wampler, Director-Investor Relations

Thank you. Good morning and welcome to the combined NTELOS and Lumos Networks third quarter 2011 earnings conference call. As a reminder, Lumos Networks Corp was separated from NTELOS Holding Corp. through a spin off effective after the close of business on October 31, 2011. The NTELOS results for third quarter of 2011 and for the nine months ended September 30, 2011, include the Wireline Operations consistent with historical consolidated and segment reporting.

The topics for today's call include an overview of business activities and financial highlights for the third quarter and updates to the company's financial guidance for the fourth quarter of 2011. Here today we have NTELOS and Lumos Network's Chief Executive Officer, Jim Hyde; and for NTELOS, Steb Chandor, Chief Financial Officer; and Conrad Hunter, Chief Operating Officer. For Lumos Networks, we have Mike Moneymaker, President; Hal Covert, Chief Financial Officer; and Frank Berry, Chief Operating Officer.

We'll begin with comments from Jim, Steb, Hal and Mike, and then we'll take any questions you may have. We ask that questions on this call be from current investors or analysts and that any media questions be later directed to the appropriate Directors of Public Relations.

Before we continue, I'd like to point out that certain of the statements contained in our earnings releases and on this conference call are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those described. Please refer to the earnings releases for a special note regarding forward-looking statements.

Also in an effort to provide useful information to investors, our comments today include non-GAAP financial measures. For details on these measures, including why we use them, and reconciliations to the most comparable GAAP measures, please refer to our earnings releases posted on each company's Web site or to the 8-K filing provided to the SEC.

With that, I'll now turn the call over to Jim Hyde, CEO of NTELOS and Lumos Networks.

James A. Hyde, President, Chief Executive Officer & Director

Thanks, Wes, and thanks everybody for joining us on the call today. We do have a full house on the phone here from our side between the Lumos and NTELOS management teams and we do look forward to taking your questions on both businesses at the end of the call.

As you all know we recently completed the separation of our wireline and our wireless businesses into standalone companies. The transaction is under – the transition is underway and proceeding according to plan. Our teams here have done a terrific job preparing the businesses for the spin and we're very excited about our future as independent companies.

I'll provide a brief update first on a high level in terms of consolidated results, as we were operating as a consolidated entity for the entire third quarter. However, we will focus our time today on the individual NTELOS and Lumos operating results.

We will provide a look into how our two companies performed during the quarter and we will also provide fourth quarter guidance inclusive of previously unallocated corporate expenses and incremental costs associated with both businesses now being standalone entities.

Consolidated operating revenues were $157 million for Q3, up 17% over Q3 of last year. And that's reflective of contributions from the FiberNet acquisition in wireline and steady wholesale growth on the wireless side. Consolidated EBITDA for Q3 was $63.5 million or 40% of operating revenues and up 15% year-over-year. Net income for the third quarter was $13.3 million, versus $10.8 million for the same period last year and that's up 23% year-over-year.

With that I'd like to now turn the call over to Steb Chandor, the CFO of NTELOS Wireless, for an update on quarterly wireless operating results.

Stebbins B. Chandor, Executive Vice President

Thanks, Jim. I would first like to say that I'm very excited to be here at NTELOS. I think there's an excellent team here at the company and at all levels of the company. And I believe the company is well positioned to have a successful future and of course continue to provide and create value for its shareholders.

I will provide a quick overview of the wireless results and key metrics for the quarter. I will reference the financial results as reported in our Q, which we expect to file shortly, specifically on a segmented basis as the company has in the past. In future filings with the separation of the wireline business behind us, the company will report and discuss its wireless business on a standalone basis with the wireline operations shown as discontinued operations.

Third quarter 2011 wireless revenues were up $7 million over the prior-year quarter due to continued strong growth in wholesale revenue from Sprint, which offset a 5% decline in subscriber revenue. Third quarter 2011 wireless wholesale revenue from Sprint was $35.4 million, an increase of $2.7 million from the second quarter. Excluding contractual minimum payments in 2010, Sprint's wholesale revenue was up 35% in the quarter compared to the prior-year quarter, helped by a doubling in data revenues.

Subscriber revenues for the third quarter were down $0.8 million from 2Q levels, primarily reflecting declines in both prepaid and postpaid subscribers. The company ended the quarter with approximately 415,000 subscribers. Net subscriber losses during the quarter were 9,800, which included net losses of 6,400 postpaid subscribers and 3,400 prepaid subscribers. Postpaid churn of 2.6% was up sequentially due primarily to an increase in involuntary churn. Jim will discuss the quarter's subscriber activity in more detail later in the call.

Blended ARPU for the quarter was $49.77, down approximately $0.85 from the prior-year quarter, but down only $0.19 from the second quarter of 2011 as ARPU in the Prepaid segment showed some stabilization after declining during the year. Equipment costs primarily reflected the continued increase in the number of smartphones purchased by new customers, increased both sequentially and year-over-year. Smartphone upgrades have also grown having more than doubled from the levels of a year-ago.

Retention expense increased $0.4 million or 5.6% from the prior-year period due to continued increase in handset upgrades to smartphones by existing customers. However, retention expense decreased significantly each sequential quarter of 2011 as the company more effectively targeted retentions costs to its higher-valued subscribers.

Bad debt expense increased $800,000 over the prior-year period, reflecting both a larger number of accounts being written off and a higher amount written off per account. Roaming costs for the third quarter were $5 million, up seasonally from the 4.9 in the second quarter, but down $0.5 million from the third quarter of 2010. Adjusted EBITDA for the quarter was $39.6 million, up over $3 million from both the previous quarter and the prior-year quarter. Pro forma adjusted EBITDA, which is shown on the last schedule of the press release, was $38.9 million and is pro forma as if the separation was effective at the beginning of 2011. The difference is primarily the inclusion of previously unallocated corporate expenses of $0.9 million.

I also wanted to take a quick second to mention the company's NOL position. Post-separation and as allocated between NTELOS and Lumos, NTELOS expects to have approximately $130 million in NOLs available for its use. This amount will be subject to a 382 Limit of approximately $8.9 million per year but remains a key financial asset of the company.

Lastly, I'd like to provide a quick overview of the company's liquidity and current financial condition. The company's board of directors declared a quarterly cash dividend on the common stock in the amount of $0.42 per share to be paid on January 12, 2012 to shareholders of record on December 16, 2011. Again, this is the company's first dividend declaration post-separation and post-reverse stock split. The total cash amount paid in January will be approximately $9 million.

Unlike the prior figures I've provided, the following few numbers are pro forma for the separation as of the end of the third quarter. Cash and restricted cash balances at the end of September would have been approximately $58 million. As part of the separation plan, the company made a $283 million mandatory repayment on its Senior Secured Credit Facility. Pro forma for this payment debt outstanding under this facility was approximately $460 million and the company's net debt to leverage ratio would be approximately $2.8 million – 2.8 times.

With that, let me now turn the discussion back over to Jim, who will provide an update on our latest business and operational developments for the wireless business.

James A. Hyde, President, Chief Executive Officer & Director

Thank you, Steb. The Q3 marked another quarter of progress in the turnaround of our wireless business. While we were disappointed in our subscriber results for the quarter, our revenue and EBITDA results were improved. We have taken measures on the subscriber development side that are not only reflected in the negative subscriber numbers reported for Q3 but will also impact our result in coming quarters but in a more positive way.

Postpaid gross ads were down sequentially and year-over-year. The drop in sales was driven primarily by tighter credit standards around lower credit class customers and partially by normal Q3 seasonality as well as the earthquake and Hurricane Irene, both impacting our regions fairly significantly during the period.

Postpaid churn also came in a bit higher than our usual Q3 up-tick and this was entirely a result of involuntary churn increases. Involuntary churn was up due to continued economic pressures and as a result of the elimination of some of our more aggressive retention offers within our lower credit class customer segments. The netting result while negative in terms of subscribers for the quarter, should turn positive for our business over the longer term as the average credit score of our postpaid customers continues to improve thus driving involuntary churns down.

Additionally, non-deposit gross ads increased on a percentage basis by 7.2% year-over-year, and now represent 89% of our postpaid gross additions versus only 68% during Q3 a year ago. While we're certainly not satisfied with our overall retail sales results during Q3, we are seeing positive developments thus far in Q4 and both postpaid and prepaid sales are beginning to pick up. Churn is also improving in both segments.

We continue to see strength in our smartphone sales. During Q3, over 65% of our new postpaid customers were choosing smartphones and now represent 28% of our postpaid subscriber base. We also continue to drive smartphone sales into our prepaid business. 34% of all new prepaid sales were on smartphones during Q3 and our prepaid base is now penetrated by 15% with smartphones, which has had a stabilizing impact on ARPU and is already driving decreasing churn. Prepaid churn came down each month throughout the third quarter, finishing for the month of September at 5.4%.

The overhaul of our distribution channels continues. During Q3, we completed six new retrofitted or relocated company-owned retail stores. To date, we have converted or relocated 50% of our retail enterprise to the new look and feel and we remained encouraged with the impact these changes are having on our results.

Additionally, we've remained focused on growing out third party distribution partners. During the quarter, we added 25 new sub-dealer points of distribution and six new exclusive retail partner doors, bringing that total now to 52 doors throughout the region. We also added late in Q3 40 new regional retail locations that will focus on selling our FRAWG phone-in-the-box products going forward. Net-net our indirect sales are up 54% year-over-year and growing.

Our wholesale business continues to grow as well, as a result of our continued network investments coupled with the increase in smartphones and data device penetration recently reported by Sprint. We have enhanced our EVDO coverage footprint year-over-year with an increase of 6% in terms of total EVDO cell sites on air and we've added 20 new cell sites within our Sprint wholesale footprint, driving more of their traffic on net. The result is a steady increase in

Sprint wholesale revenues and improved network experience for all of our customers, both retail and wholesale.

We differentiate our brand in the market in three ways. First, we are the value leader in our region. We use the best value in the wireless message to drive consideration, to give potential switchers a reason to do business with NTELOS. Second, we make it easier for customers to do business with us by focusing on simplicity. And finally, we focus on creating a differentiated service experience which will inspire loyalty in our customers over the long term.

By staying focused on this strategy, we have seen a significant increase in brand awareness, ad recall and a doubling in our consideration scores. We've been driving higher quality customers into our stores and more customers have chosen to switch to NTELOS instead of switching away from NTELOS as evidenced by our postpaid porting number trends which were net positive across our footprint for all of Q3. That's a first for our company. We believe that by continuing to focus on these three strategic differentiators and executing well, we'll see improved results in the coming quarters.

Finally, I'd like to provide you with fourth quarter guidance for NTELOS Wireless. For the fourth quarter 2011, we expect capital expenditures of between $13 million and $15 million which includes some IT CapEx previously unallocated to either the wireline or the wireless business units.

We also expect EBITDA between $33 million and $35 million for the quarter and that's reflective of an expected increase in fourth quarter growth additions, previously unallocated corporate expenses and increased costs related to becoming a standalone entity which will be approximately $250,000 on a monthly basis.

With that, I'd like to turn the call over to Hal Covert, CFO of Lumos Networks.

Harold L. Covert, Executive Vice President and Chief Financial Officer, Lumos Networks Corp.

Thank you, Jim. First I want to say that I'm happy to be part of the Lumos senior management team and I look forward to working with you.

Today I would like to discuss three topics. First, an overview of our Q3 2011 financial results, next, selected key operational metrics and finally an overview of our liquidity and financial position.

Please note; revenue and EBITDA results in my discussion today are reported on the same accounting basis as our Form 10 filed with the SEC which includes push down accounting for selected expenses such as corporate support functions which were not previously allocated to NTELOS segments. The Form 10 is also available on the company's website, www.lumosnetworks.com.

For Q3, 2011, we recorded the following financial results. Revenue for Q3, 2011 was $51.6 million compared $52.1 million last quarter and $54 million for the same quarter in 2010. For Q3 2011, competitive revenue was $38.5 million or 75% of total revenue compared to $38.5 million last quarter or 74% and $39.1 million or 73% in the same quarter one year ago.

During Q3, 2011, growth in enterprise and wholesale data revenue was mostly offset by a decrease in competitive voice and other revenue. ILEC revenue for Q3, 2011 was $13.1 million or 25% of the total revenue versus $13.6 million or 26% last quarter and $14.6 million or 27% in the same quarter last year. The decrease in ILEC revenue for Q3, 2011 was primarily due to the biannual interstate rate reset that took place on July 1, 2011 and resulted in $0.6 million decline in revenue during the quarter.

Adjusted EBITDA for Q3, 2011 was $24.6 million or 48% of revenue compared to $25 million or 48% last quarter and $24.6 million or 46% for the same quarter in 2010. For Q3, 2011 competitive adjusted EBITDA was $15.7 million or 41% of competitive revenue compared to $15.6 million or 40% last quarter and $14.2 million or 36% in the same quarter one year ago.

ILEC adjusted EBITDA for Q3, 2011 was $8.9 million or 68% of ILEC revenue versus $9.7 million or 71% last quarter and $10.4 million or 71% in the same quarter last year. The decrease in EBITDA during Q3, 2011 compared to Q2, 2011 is primarily related to the biannual interstate rate reset previously discussed.

Net income for Q3, 2011 was $6.2 million or 12% of revenue compared to $6.5 million or 13% last quarter and $5.6 million or 11% for the same quarter in 2010. Capital expenditures for Q3, 2011, were $15.5 million compared to $17.6 million last quarter and $7.7 million for the same quarter in 2010.

Next our key operating metrics are as follows. Enterprises data revenue for Q3, 2011 was $8.6 million or an increase of 4% over Q2, 2011 and 9% over the same quarter last year. On-net buildings increased by 46 during the quarter totaling 949 at September 30, 2011. Residential and small, medium business revenue for Q3, 2011 was $4.4 million or an increase of 2% over Q2, 2011 and 3% for the same quarter last year.

Wholesale data revenue for Q3, 2011 was $9.4 million or an increase of 5% over Q2, 2011 and 16% over the same quarter of last year. Construction was completed to 23 new cell sites during the quarter bringing the total to 132 with an additional 82 sites ordered.

Competitive voice and other revenue for Q3, 2011 was $16.2 million, a decrease of 5% from Q2, 2011 and a decrease of 14% for the same quarter last year. The decline in competitive voice revenue was primarily due to off-net customer churn.

ILEC revenue for Q3, 2011 was $13.1 million, a decline of 4% from Q2, 2011 and a decline of 11% from the same quarter last year. The decline in ILEC revenue for the most part relates to the biannual late reset previously discussed.

Our liquidity and financial position is as follows: concurrent with our separation from NTELOS, Lumos Networks received funding of $340 million under a new $370 million Senior Debt Facility. The $340 million of proceeds was used to fund a $20 million working capital reserve. $315 million of those distributed to NTELOS and approximately $5 million was paid to cover fees related to our spinout from NTELOS. Our pro-forma net leverage ratio as of September 30, 2011 was 3.16.

On November 4, 2011, our board of directors declared the company's first quarterly dividend on its common stock of $0.14 per share to be paid on January 12, 2012 to stockholders of record on December 16, 2011.

Finally, I'd like to close by saying that we're in the process of completing the work on our operating plan for 2012. When this process is complete, we'll provide an update for the investment community. I'll now turn the discussion over to Mike.

Michael B. Moneymaker, CFO, Secretary, Treasurer & Executive VP

Thank you, Hal, and good morning. Welcome to the first Lumos Networks Earnings Call. We're excited about becoming a new public company and look forward to providing update on activities related to our operational and strategic initiatives, discussing recent regulatory activity and we'll wrap up with a guidance update.

We've successfully completed all billing integration projects related to our FiberNet acquisition and we expect to recognize $7 million of run rate cost synergies by year-end. Metro Ethernet services are now available in 25 new markets with six more markets scheduled to be available in the fourth quarter. IP Voice products are now available in 29 new markets with two more scheduled in 4Q. These market upgrades will serve as catalyst for future sales.

One example that synergy is realized from our successful integration of FiberNet is our network access expense, which continues to decline as we move more of the legacy FiberNet business on-net. Access expense has declined from $12.6 million in 1Q to $12.3 million in 2Q to $11.8 million for 3Q '11. We remain focused on driving cost efficiencies to mitigate a portion of the cost of synergies associated with being a standalone public company.

With our continued focus on driving cost efficiencies, we are able to increase competitive adjusted EBITDA of operating margins to nearly 41%, from 40% in Q3 and 38% in Q1.

We've seen a good order flow in terms of new enterprise and wholesale data bookings. Our fiber connectivity to cell sites doubled over the last nine months. We've a strong book of orders for additional fiber deals and are activity pursuing additional growth opportunity in this space.

And while we continue to see declines in competitive voice revenues, our competitive voice revenues declined only $0.4 million from 2Q '11 to 3Q '11, compared to a decline of $0.6 million from 1Q '11 to 2Q '11.

Next a few words on recent regulatory activity, our strategy and guidance for fourth quarter. On October 27, 2011 the FCC adopted, but did not release an order comprehensively reforming its universal service fund and inter-carrier compensation systems. We anticipate further access revenue declines in the RLEC segment as a result of actions taken by the FCC or state regulatory authority and the impacts of continued network grooming by carries in the fourth quarter of 2011 and beyond.

We've always known that access reform, something that has been discussed for years in our industry would one day take place. We've taken appropriate steps leading up to this day, including two significant acquisitions over the last two years in the competitive segment as well as investments that have expanded our fiber presence and capabilities in new markets.

We remain focused on continuing to grow our competitive operations, which now accounts for three-quarters of our consolidated revenues, and as noted above, our revenues related to strategic data service offerings in enterprise and wholesale space to continue to show strong period-over-period growth. This has been and will continue to be our fundamental strategy to grow our competitive data service offerings, which will create long-term value and in the process these actions will enhance our capabilities to mitigate the overall impact of this day by continuing to transform the company from a legacy RLEC providing voice services to a growing competitive service provider, focused on capitalizing on the explosive growth that has taken place and demand for data services.

Finally, a few word on guidance. For the fourth quarter, we expected adjusted EBITDA net of estimated disynergies of approximately $0.4 million per month of between $23 million and $24 million. Our planned capital expenditures for the quarter are estimated between $10 million and $12 million.

Thanks, everyone. I'll now hand the call back to Jim for a recap and then Q&A.

James A. Hyde, President, Chief Executive Officer & Director

Thanks, Mike. Listen, I appreciate everyone's patience here. We've got a full house and a lot to cover obviously between both Lumos and NTELOS.

Overall, we're pleased with the third quarter operating results for both companies as we ran up to the spin. Both businesses are well positioned to deliver on our respective strategies going forward with strong balance sheets and cash flow generation.

As a reminder, on a sum of the parts basis the collective dividends announced by both NTELOS and Lumos today, in aggregate, are equal to the dividend paid in Q3 by the consolidated NTELOS pre-spin and adjusted for the reverse split. Of course, we'd be happy to walk you through that math if you think that would be helpful. Our focus remains on creating long-term value for our Lumos and NTELOS shareholders going forward.

I'd like to thank you all for joining us today. And operator, we're now ready to open the call up for Q&A.

QUESTION AND ANSWER SECTION

Operator: Yes. We will now begin the question-and-answer session. [Operator Instructions] Our first question comes from Robert Dezego of SunTrust Robinson Humphrey. Go ahead, please.

<Q – Robert Dezego – SunTrust Robinson Humphrey>: Hey. Thanks for taking the call. Congratulations on getting the spin done. Just a quick housekeeping question, can we get a kind of a ballpark for cash and operations for both companies in the quarter to help us model out here?

<A – Michael Moneymaker – NTELOS Holdings Corp.>: Yeah. This is Mike. Obviously, that information will be filed in the 10-Qs that we expect to either file later today or tomorrow at the latest. I'll pull that information up. We'll circle back on that.

<Q – Robert Dezego – SunTrust Robinson Humphrey>: Fair enough.

<A – Michael Moneymaker – NTELOS Holdings Corp.>: I don't have that right at my fingertips.

<Q – Robert Dezego – SunTrust Robinson Humphrey>: Okay. And then the bigger question is, you know, the Sprint revenue obviously was very strong in the quarter. And I was wondering if you could talk a little bit about the drive of that strength there. Is it usage? Is it more subscribers? Do you kind of get that information? And have you had any kind of read on the iPhone data performance in the quarter? And kind of what are you seeing as your early read? Are there any spikes from iPhone traffic and kind of your expectations around any kind of growing, if we can see an acceleration in this revenue number from iPhone subscribers on the Sprint network?

<A – James Hyde – NTELOS Holdings Corp.>: So, here's what we've seen. We've seen a combination of subscriber growth as well as usage, so really all four elements of the Sprint agreement are showing some level of growth, obviously data being the biggest driver. I think it's early days to make any kind of call on iPhone traffic. Sprint's already got a fairly high data phone penetration rate. Having said that, we're certainly very encouraged with the potential impact that even a further penetration of data devices on the Sprint – within the Sprint customer base, particularly, the iPhone should bring to the traffic usage on our network.

In terms of what kind of acceleration might we see there? Obviously, we're not giving guidance specific to that line item. I can tell you that the month of October was another good month. I think we booked $12.3 million of revenue on the Sprint wholesale contract for October and that still continues to move in the right direction. So, we continue to remain very encouraged by what the future should hold with our wholesale business.

<Q – Robert Dezego – SunTrust Robinson Humphrey>: Okay, great. And if I could just switch over to the – ask one question on the Lumos side here. Looking at the competitive segment, we've seen the growth kind of flatten off the last couple of quarters here. And given the Fiber acquisitions, and you've had the assets for about a year now and you're getting some of those cost synergies. But when do you think we're going to start to see the data business start to – and some new sales on to these fiber assets really start to move the needle on that competitive business and give us some growth in that half of the business?

<A – Michael Moneymaker – NTELOS Holdings Corp.>: Rob, it's Mike. The – you're right on in terms of – we have had data revenue growth double digit in the enterprise and the wholesale. I think particularly in I think the third quarter, we had very strong growth in that stream. What you have, as we've pointed out here, is the competitive voice going in the opposite direction. That being said, we did see a slowdown in the competitive voice from 2Q to 3Q compared to previous quarters. So, we're pleased with the actions that we've taken and we're pleased with that slowdown.

We've had within our other revenues; we have about $200,000 to $300,000 of some one-time items in the third quarter as well, that was a reduction. But for the most part, that other number ranges from about a $3.2 million to a $2.8 million over the last six, seven, eight quarters on a pro forma basis. And it just happened to be low this particular quarter. That particular other segment has sometimes some sales of equipment and things which is a low margin product but it is a sale that hits whenever those sales occur.

But I think it's important to note that we do continue to see the EBITDA improvement in the competitive space. I think the other important point that we've made is that the sales pipeline, we're very pleased with what we're seeing, and we're pleased with the momentum. We gave you some numbers here on the fiber-to-the-cell site. Again, one must keep in mind all this involves a lag in terms of from the date of the sale to actually installation.

And I think the nature of this competitive business, I think, it's very important to keep that in mind. Sales that took place and take place in the first quarter principally are going to hit in the latter half of 2011 and again that same lag factor comes into play. So, we're quite pleased with the reception in the marketplace, the new market that we've entered into. Again, bear with us, there's clearly a lag factor coming into play there. And we look forward to giving further updates. But again, competitive data, growing, strong and we're getting our hands around it, and we've seen a decline in the competitive voice revenues from quarter-to-quarter.

<Q – Robert Dezego – SunTrust Robinson Humphrey>: Okay, great. Thanks a lot.

<A – Michael Moneymaker – NTELOS Holdings Corp.>: To your question about the operating cash flows from NTELOS for the nine months, $1,148.7 million compared with the nine months '10 of $123.2 million. Lumos in – again, different basis of reporting, so on a standalone basis, Lumos $58.6 million compared to $43.1 million again for the nine months of '11 versus '10.

<Q – Robert Dezego – SunTrust Robinson Humphrey>: Okay. Can you say the nine months for NTELOS again, I didn't catch that.

<A – Michael Moneymaker – NTELOS Holdings Corp.>: Sure. NTELOS, 148.7...

<Q – Robert Dezego – SunTrust Robinson Humphrey>: I'm sorry --

<A – Michael Moneymaker – NTELOS Holdings Corp.>: ...compared with $123.2 for nine months of '10.

<Q – Robert Dezego – SunTrust Robinson Humphrey>: Thank you very much.

<A – Michael Moneymaker – NTELOS Holdings Corp.>: Okay.

Operator: Our next question is from Ric Prentiss of Raymond James.

<Q – Ric Prentiss – Raymond James & Associates>: Thanks. Good morning, guys.

<A – James Hyde – NTELOS Holdings Corp.>: Hey, Ric.

<A – Michael Moneymaker – NTELOS Holdings Corp.>: Good morning.

<Q – Ric Prentiss – Raymond James & Associates>: Hey, a couple of questions. First, on the wireless side, can you talk to us a little bit about what's going on ARPU? It was a little lighter than we thought particularly given smartphone sales and then on the landline side, Mike, you were talking about the FiberNet cost synergies. How much of that have we seen reflected in the results so far? How much would pop in to fourth quarter become more visible in 2012?

<A – James Hyde – NTELOS Holdings Corp.>: Ric, I'm going to have Conrad answer your wireless ARPU question. Go ahead, Conrad.

<A – Conrad Hunter – NTELOS Holdings Corp.>: Okay. Yeah, Ric, on the smart – on the ARPU post-pay, a couple of things. Number one, our smartphone sales have a very aggressive plan right now. So, we saw a lot of upgrades to that. So, that was a hit to the overall ARPU. But secondly, then because of involuntary churn we had a lot of service credit that we propped through in third quarter as well. And then we've had a lot more people upgrade to national plans that include roaming. So, those are the three big ticket items and we do believe that that trend will reverse itself here going forward.

<Q – Ric Prentiss – Raymond James & Associates>: And then on the FiberNet?

<A – Conrad Hunter – NTELOS Holdings Corp.>: Sure. You know the majority of those call synergies are, Ric, have been in place, it's probably a number, call it in the range of a $6 million number, plus or minus, that's been put in place with a [7].

<Q – Ric Prentiss – Raymond James & Associates>: Okay. And as you think through CapEx, and I appreciate you guys haven't done the plans yet, but as you look out, we had Shenandoah yesterday talking about their discussions with Sprint and Vision getting close to maybe by year-end, Shentel being able to announce what they're going to do, feeling that CapEx was going up in wireless for them in '12 and '13. As you look at your CapEx thoughts for the two different companies, and factoring in what might be happening with Vision, can you give us a little early indication of which way CapEx should go and should we be expecting something with Vision?

<A – James Hyde – NTELOS Holdings Corp.>: Hey, Ric. So, in terms of – I think the question is really more around 4G generally speaking, and the way in which we're thinking about 4G – if I'm wrong, that's a follow-up. The way that we're thinking about 4G – our 4G investment – we've got a plan in place. We've got an migratory path towards – to LTE. We have completed some trial – in-market trials here within our footprint and we are – we got – we are in discussions with multiple vendors that – and they're household names, I guess, for those of you who have been paying attention to Sprint's calls and other calls.

Having said that, the way in which we'll deploy LTE is going to be dependent on a couple of things. First of all, our customers are going to drive some of the timing as will the competition. And then also, you make mention to Sprint's LTE and 4G migratory plans. And as our largest wholesale customer, clearly, we will align ourselves with Sprint. As to sort of – the status of those discussions and how that impacts our wholesale relationship with Sprint on a go-forward basis, we're not going to discuss those terms at this point in time but we will update you in due course.

Specific to kind of CapEx planning for 2012, we are finalizing those plans. I've also – I also saw the Shentel comments and frankly, I will tell you our model is $8 to $11 per POP to build out LTE depending on where you come in on spectrum. And clearly, the number that's been discussed over the last couple of days with Shentel is a number that's significantly higher than that. So, I have a difficult time kind of getting to anything close to that number and suffice it to say, we have done a fair amount of work on our part and have a pretty good handle on what it's going to cost us. In terms of the time of that deployment again and I will just reiterate, and we will continue to roll out LTE as required by our customers and driven by the competitive environment and certainly in conjunction with our plans with Sprint on a go-forward basis.

<Q – Ric Prentiss – Raymond James & Associates>: Okay. Thanks.

<A – Michael Moneymaker – NTELOS Holdings Corp.>: Ric, this is Mike. On Lumos Networks, again, I think what you will find and I've commented earlier here about the Metro Ethernet market that we've turned up the IP voice product capabilities that we've turned up in our markets. We spent capital in 2011 to integrate FiberNet. We have turned up a number of new fiber rings in a number of the markets in 2011, and in the second half of '10. I think the message there is while those are growth-oriented capital expenditures, they are really network growth that then contribute to the growth opportunity as we've got to make the sales and put customers on that. Certainly, we think there will be a strong focus on – focusing our capital on really that growth capital related directly to that new revenue generated as we bring on customers on that, so a strong focus on that for 2012.

<Q – Ric Prentiss – Raymond James & Associates>: And the 82 sites that are on order for fiber-to-the-cell, did I catch that number right and is that a multi-year project?

<A – Michael Moneymaker – NTELOS Holdings Corp.>: Well, certainly, we'll have – we have – those 82 sites are in various stages. I mean, some of them have started. Some of them are more in the design. But we – so, yes, we'll have capital expenditure relating to those sites both in 2011 and 2012.

<Q – Ric Prentiss – Raymond James & Associates>: Okay. Thanks, guys.

Operator: The next question comes from Dave Coleman of RBC.

<Q – David Coleman – RBC Capital Markets Equity Research>: Thanks a lot. I was just wondering if you could talk about the level of sales staffing for the Lumos business, where that is and where you envision getting that to and how long it would take to get to full sales force productivity in the competitive wireline business. And then just on the NTELOS business, it sounds like there's a possibility that you could extend this Sprint wholesale contract and that may revolve around LTE.

I was just wondering if you can update us as to whether that's something that's currently being contemplated and where that may stand. And then finally, the retail wireless business remains very challenging. Prepaid is very competitive. Is there any thought to possibly divesting of the retail business and just be a wholesale operator given the strong growth in margins that you're seeing in that business? Thanks.

<A – James Hyde – NTELOS Holdings Corp.>: Sure thing, Dave. We've got Frank Berry here with us today on the Lumos side. He's going to tackle the first part of that question, then I'll take it from there. Go ahead.

<A – Frank Berry – NTELOS Holdings Corp.>: Sure. As far as sales in the Lumos Networks are really divided into two pieces, as Mike spoke about a moment ago. On the wholesale side, certainly fiber-to-the-cell has been very strong for us. You can see the – in terms of the sites that have been turned up as well as sites in the pipeline has been very strong. We expect that to continue for us as we head into 2012. We're having excellent discussions with all the carriers that are out there. The other thing to consider from a sales standpoint with – on the wholesale side is fiber-to-the-cell drives revenues out from the edge back into the network; it will also drive revenue growth on backhaul.

And we're seeing a good demand for wavelength services within the core sections of networks. So, that's been very strong. On the retail side, or the enterprise side, Metro Ethernet and IP services are driving the sales, I will say, in the third quarter. As Mike said, the pipeline was fairly empty early on but third quarter we saw our best quarter ever in terms of sales on the enterprise side. So, we expect that to continue. We're getting traction with the products out there multi-node networks or Ethernet, as Mike mentioned. We actually have five rings that will come into service this quarter here in the fourth quarter. So, those will be available. We're already selling on those – pre-selling onto those and we will see that continue into next year.

So, we've seen good progress. Again a strong third quarter on the retail side and we're – we expect strength to continue into '12 on the wholesale side.

<A – Michael Moneymaker – NTELOS Holdings Corp.>: And this is Mike. Just to add on – and yes, we are – we have added staffing and we have plans to continue to add staffing as – particularly as we turn up and get ready to turn up in the markets.

<A – Frank Berry – NTELOS Holdings Corp.>: We're adding staff, that's in the enterprise channel as well as the wholesale channel. We started that here in the fourth quarter.

<A – James Hyde – NTELOS Holdings Corp.>: Dave, on the – you asked a couple of questions; one around that's kind of our relationship with Sprint and then a retail related questions. So, in terms of Sprint, clearly sort of the next generation of our relationship with Sprint would include, from our perspective, the next generation of technology just like the last time we extended our relationship with Sprint was on the backs of the upgrade. Having said that, I'll just remind everybody on the call, our existing relationship with Sprint, our existing contract with Sprint runs through July of 2015 with monthly minimums, obviously, we are running comfortably above those minimums right now. We are an exclusive network provider of the Sprint currently.

So, as we think about our ongoing and future relationship with Sprint, it makes good sense for us to consider the next generation of technology, how and which we partner with one another to deliver a great customer experience to the Sprint customers while they're on our network and certainly a positive return to our shareholders on a go-forward basis. And we're not going to comment on sort of the status other than to say we've got a great relationship with Sprint. We've got a contract in place that runs through July of '15 and certainly we'll continue to work with our biggest wholesale partner to continue to provide services well beyond that date.

You also asked about the retail wireless business, specifically the competitiveness in prepaid. So, we're encouraged about – tough sledding in the retail wireless business for sure. It continues to become more and more competitive. We've been – we've really been sort of rebuilding our retail engine here over the last 18 months and we're encouraged with some of the results that we're beginning to see both in terms of the quality of the customers that are coming into our retail locations and the productivity from our new indirect partners et cetera. We believe that we can continue to, sort of, maintain our position as sort of a disruptive challenger in the marketplace and take share from our larger competitors on a go-forward basis.

So, to be very specific, we have no intentions of divesting our retail wireless business now or any time in the future. That is an integral part of NTELOS wireless going forward. We very much so will leverage the opportunity that we have on the wholesale side, and those investments – and continue to make investments in our network going forward to continue to drive increases in our wholesale revenue streams and then leverage those investments so that we can become even more competitive on the retail side.

<Q – David Coleman – RBC Capital Markets Equity Research>: That's great. Thank you very much.

<A – James Hyde – NTELOS Holdings Corp.>: You bet. Thanks, Dave.

Operator: Next, we have a question from Phil Cusick of JPMorgan.

<Q – Phil Cusick – JPMorgan Securities LLC>: Hey, guys. Thanks. So, a couple of things. One, let's just go back, you talked about this a little bit, but let's go back to the 3Q churn and talk about what the expectation is into 4Q. You said that it's all involuntary and I assume you have a decent amount of visibility. Can you talk about where that could come in in the fourth quarter in terms of how much lower?

<A – James Hyde – NTELOS Holdings Corp.>: Well, we're – so, Phil, I'll say this. Q4 churn typically – is typically a slightly higher number based on contract renewals and so on and so forth. Our view right now to Q4 churn is that we will have an improved churn number both in terms of voluntary and involuntary. Having said that, Q3, we did get a – the sort of usual Q3 uptick in – slight involuntary churn but the miss in churn was solely related to involuntary and that is solely related to actions that we've taken, right? So, in other words, we continue to evaluate and re-evaluate kind of what's going on with our customer base, and what's going on with new customers kind of coming in the door, how customer payment profiles change over time and how that impacts long-term profitability on a customer-by-customer basis.

And we've made a determination that on the post-paid side, the customer is sort of at the lower end of the food chain for a lack of a better description in terms of credit quality. They are – the profitability model for those customers now is very marginal at best. So, we've revamped our – some of our retention programs at the low end. What that means over the short-term is a bit of a culling of the low end of our base but those are kind of, I don't want to call them one-time events so much as that it'll kind of come in chunks and so we do expect Q4 churn on post-paid and on prepaid to be better than what we reported in Q3.

<Q – Phil Cusick – JPMorgan Securities LLC>: Can you give us an idea of how much that culling was on like 10, 20 basis points or was it more significant?

<A – James Hyde – NTELOS Holdings Corp.>: You can kind of go back and look at involuntary churn in sort of Q2 and Q3 and do a little bit of math. I'd prefer not to necessarily give too much color around that, particularly as we think about kind of go forward because it is still a little bit early in the quarter. One thing about involuntary churn is there is – the bigger chunk of involuntary churn is outside of your control.

<Q – Phil Cusick – JPMorgan Securities LLC>: Yeah. And then second of all, talk about the payout ratio a little bit on the wireless side. You've got a huge amount of cash flow, but it's all coming essentially from the wholesale business. If this continues to grow, do you anticipate taking the dividend up to continue to pay this out or do you want to retain some amount for a higher CapEx number going into an LTE build and sort of keep the dividend flat from here?

<A – James Hyde – NTELOS Holdings Corp.>: Certainly we'll continue to evaluate the strong free cash flow generation of our wireless business. We absolutely see a continued positive return on future network investments from a CapEx perspective. How we – where we ultimately come out and how we think about LTE and the timing of deployment of LTE will drive a lot of our CapEx and cash flow sort of decisions.

From a liquidity perspective, as you point out, the current dividend rate is very safe and secure, whether or not we make decisions to take that number up in the future, will be solely dictated based on how we're going to deliver the best return to our shareholders, kind of going forward. So, we'll make those decisions at the board level based on best use of funds. I would suggest that LTE is absolutely a reality for us, both on the wholesale and the retail side so it makes good sense for us to make sure that we're well prepared and have enough dry powder to deliver on those investments and adjust the timing accordingly as required.

So, no decisions one way or the other on what to do at the sort of the level of the current dividend, but certainly, we're very happy that we enjoy such a positive and healthy free cash flow generation position.

<Q – Phil Cusick – JPMorgan Securities LLC>: Okay. And maybe the last one, if I may. Can you talk about what's assumed from the wholesale side as you talk about your 4Q guidance? Are you assuming this continues to grow on a sequential basis or is there any reason that seasonality sort of comes back into play and 4Q comes down a little bit? Thanks.

<A – James Hyde – NTELOS Holdings Corp.>: There's a – Q3 – there's typically a little bit of seasonality in Q3 – positive seasonality in Q3 with the summer months particularly on the travel data side. So, I mean I mean you can take that to mean that we're not really – we haven't really factored in any kind of a wholesale pop in Q4, but the seasonality impact to Q3 is relatively small.

<Q – Phil Cusick – JPMorgan Securities LLC>: Okay. Thanks, guys.

<A – Frank Berry – NTELOS Holdings Corp.>: Thank you.

<A – James Hyde – NTELOS Holdings Corp.>: Thank you.

Operator: our next question is from Batya Levi of UBS.

<Q – Batya Levi – UBS Securities LLC>: Great, thanks. I had a couple of questions on the NTELOS side. First just if you could remind us on the Sprint contract, do you have the pricing resets every July or are they volume driven, so as you see increased volume could there be a reset sooner than that? And also if you could help us on how we should think about margins on the wholesale business?

And on the retail side, I think you've mentioned that some service credits helped – actually hurt the postpaid data ARPU, if you could quantify that? And on the postpaid gross adds, you mentioned that you expect improvements in the 4Q, could you just talk about what you've seen in terms of the iPhone 4S impact and do you think some improvements in churn and higher gross adds could drive total net adds into the positive territory in 4Q? Thanks.

<A – James Hyde – NTELOS Holdings Corp.>: Sure. Okay, Batya. Let me see if I can take these things and see if I can take these things in order. In terms of the pricing resets in our Sprint contract, we do quarterly pricing resets with Sprint. We had the big reset back in July 2009. That was the contractual reset, that's what put those guys below the minimum if you recall and the business has been growing since then. On a quarterly basis since then, we do pricing resets and it's just based on a formula that we've agreed to in the contract and that's kind of based on Sprint's sort of national pricing and usage, data usage and their national pricing. So, there's a percent of the national data revenue that comes into the equation.

The way that's netted out for us over the last several quarters, obviously, is there are de minimis adjustments to the voice and data rate on a per megabyte and per minute basis, but again that's more of a shifting between kind of voice and data more so than any kind of significant reset. And as a reminder, there are no other kind of contracted resets built into the agreement between now and July 2015, just this sort of normal quarterly adjustment that happens between voice and data rates. So, we don't anticipate any big changes to that extent.

You also asked about – you asked for some clarification on the postpay ARPU question that came up earlier. There were three drivers of the downward move in postpay ARPU. One was we've had a migration of a number of customers as they come up for renewal into a – our new smartphone plans that are certainly sort of the price leader in the marketplace that has a dilutive effect both on voice and data ARPU. About 22,000 customers migrated over the course of the quarter to a lower-priced plan, provides a negative impact to ARPU in the current period, but over the lifetime of that customer, obviously, it's a profitable relationship because you got customers upgrading to smartphones or adding a second smartphone to their account. So, that's item number one.

We also had a decrease in roaming revenues during Q3 as more customers migrated to our national plans that include all roaming on all networks. So, again, in the period where we get that migration – by the way, that's the same group of customers. When you get that period of migration, it's dilutive in the quarter but again, over the lifetime of that customer, it's a lower churn, more profitable customer for us over the long term. And this, by the way, all comes with renewals and extensions of two-year contracts and so forth. So, these are good things.

And then finally, specifically to your point is the service credit and it relates back to that kind of low end of the food chain that I was talking about before, we only had fairly aggressive retention programs for some of our lower credit quality customers where we would put them on some payment plans and we'd apply some credits to their accounts – some proration credits to their accounts to kind of get them back on track. And our experience with that subset of customers has just continued to deteriorate over time, so while – during the quarter, we had an impact of about $0.54 in postpaid ARPU as related to those credits. Those will be largely eliminated going forward. And I think that's what Conrad meant by you'll see a reversal kind of in Q4 and moving forward because we've eliminated those programs. Okay. That's the ARPU question.

<Q – Batya Levi – UBS Securities LLC>: Just one follow-up on the ARPU side. The renewal rates, what do you expect that to be in 4Q? And could we see that impacting a little bit in 4Q as they move to the new smartphone plan?

<A – James Hyde – NTELOS Holdings Corp.>: What we've found in – that's a good question. So, we anticipate a continued migration across our base to our smartphone plans. We're 28% penetrated on smartphones today, obviously the lion's share. Well over 50% of our upgrades are coming in on smartphones kind of – going forward.

We don't anticipate a largely dilutive effect. We did have a fairly large slug, for us anyway, of customers that came up in Q3 that migrated to those plans. We expect kind of a more normalized rate in Q4 and going forward. So, we don't expect – anticipate an additional dilutive effect necessarily as they migrate to these plans. In fact, I think the way that math works sort of going forward is now we start to begin to see an uptick again both in terms of data ARPU and postpaid ARPU beginning in Q4, based on our current projections.

<Q – Batya Levi – UBS Securities LLC>: Okay.

<A – James Hyde – NTELOS Holdings Corp.>: You also asked about the impact of the iPhone on our wholesale relationship with Sprint, is that right?

<Q – Batya Levi – UBS Securities LLC>: Well more on the impacts on the retail side. How is it impacting growth adds and you mentioned churns improved, would that drive postpaid to be positive in 4Q?

<A – James Hyde – NTELOS Holdings Corp.>: We're not putting up sub numbers for Q4. I will say this, we do anticipate a fairly robust sales quarter in Q4 and improved churn results in Q4 in terms of prepay and postpay. Having – it's just a little too early in the quarter. For us, Q4 is an interesting one. I mean, we haven't really seen competitive offers yet for Q4. We've got our plans in place. We certainly think that we'll take our fair share during the quarter, but I think it would be premature for us to put guidance out there.

In terms of the impact of the iPhone on our retail business, look, Verizon and AT&T have certainly done very well with the iPhone as has any other carrier globally that's had that device in their lineup since 2008. I've yet to see anybody who's picked up the iPhone anywhere in the world not show improved results for having the iPhone in their lineup and I would also argue with anybody who would make a case that it hasn't negatively impacted them if they did not have that device on the retail side at some level or another.

That's a long way of saying, we continue to get requests in our retails stores for the iPhone. We continue to hear from customers that have turned away from us that in many cases the lack of the iPhone was a reason for churn. It's a powerful device. It's a device that's reshaped the industry worldwide. If somebody else within our footprint needed to pick that device up ahead of us, I'm delighted that it was Sprint. So, the negative impact that we might have on the retail side certainly pick up some wholesale revenue if their switching to Sprint.

<Q – Batya Levi – UBS Securities LLC>: Okay, great. Thanks a lot.

Operator: The next question comes from David Dixon of FBR Capital Markets.

<Q – David Dixon – FBR Capital Markets>: Good morning, Jim. I have another question actually for you on the wholesale side. With the benefits of the existing deal we're now seeing kicking in quite strongly actually, I'm just a little concerned we might be negotiating away that advantage and I wondered if you could help us think through areas more specifically where we could see potential changes to drive some higher value and how soon we should model those changes. I'm wondering if the real win-win for us in renegotiating early is to get access to the 800 spectrum for both the 1x voice and then LTE advance from 2013 onwards and how that could potentially help reduce churn for the entire company. Do you think that could be part of a revision of the agreement? Is that how we should be thinking about this?

<A – James Hyde – NTELOS Holdings Corp.>: Well, Dave, thanks for the question and I'll – my initial response is ye have little faith. We certainly have never negotiated away a benefit before and certainly hopefully would be able to avoid that mistake going forward. Having said that, we are operating well above the current contracted minimums and certainly we're enjoying the benefits that brings. With each renewal of the Sprint agreement over the last couple of renewals it's come with a technology upgrade request from Sprint and ultimately higher revenues and continued strong margins on that wholesales business that's been a net positive for our shareholders certainly.

And you can imagine we take a similar approach going forward. We bring up a very interesting point on 800 megahertz which absolutely is smack dab in the middle of the radar screen, right. I mean Sprint came out and openly discussed their plans to bring down iDEN and shift 1x voice to 800 megahertz. We don't have 800 megahertz spectrum within the wholesale footprint right now. They do on the iDEN network. Now, we do have elements in our existing agreement with Sprint, that provides us access to their spectrum and any discussions that we have with Sprint obviously would be comprehensive. In other words we want to be there to support their strategy going forward. If their strategy going forward involves bringing down the iDEN network and moving customers voice onto 800 megahertz, we are well prepared to provide a solution for them to that regard.

<Q – David Dixon – FBR Capital Markets>: And then...

<A – James Hyde – NTELOS Holdings Corp.>: And yes it would provide a great benefit across the entire footprint. You're right.

<Q – David Dixon – FBR Capital Markets>: I agree. I agree. And that's something we would expect to be part of discussions between the two companies?

<A – James Hyde – NTELOS Holdings Corp.>: Well, as you know, I'm certainly not going to talk about any specifics in terms of the discussions that we're having with Sprint.

<Q – David Dixon – FBR Capital Markets>: Absolutely.

<A – James Hyde – NTELOS Holdings Corp.>: But, boy, isn't that a great idea.

<Q – David Dixon – FBR Capital Markets>: And then on – it's likely they're going to build, or they've announced publicly they're going to buildout on G-block initially. They've also talked about having additional 1.9 spectrum available in the bulk of their markets and an additional 5X5. Can you talk about how much flexibility you have in addition to G-block in the 1.9 spectrum band for potential LTE build?

<A – James Hyde – NTELOS Holdings Corp.>: Sure. So, we certainly have the ability to build G-block out within our wholesale footprint. That is not a problem. And in terms of access to incremental 1900 for future LTE capacity needs, remember our existing contract with Sprint provides us access to exactly that spectrum. And so you could imagine that if capacity were to drive the need, then that aspect of the contract would come into play. And that would be something that clearly on a go-forward basis with an extension of our agreement with Sprint would, in my view, continue to be an important part of our arrangement.

<Q – David Dixon – FBR Capital Markets>: Got it. And then just lastly, Jim, on CapEx and I apologize if you addressed this earlier in your call, I may have missed it. But previously, we'd been talking about curbing wireline CapEx due to longer payback periods and a favoring of the wireless opportunity in general. What's really changing here to drive the CapEx levels higher to levels that we saw back when you were building out 3G in '08 and into '09? If you could just talk about what has happened philosophically here, that would be terrific, to get some color there. Thanks.

<A – James Hyde – NTELOS Holdings Corp.>: I think you said, wireline. But you were asking about wireless, yes?

<Q – David Dixon – FBR Capital Markets>: Well, I was looking at overall CapEx and it just looks like we're opening our throttles up on the wireline side a lot more so than we've done in the past and arguably we may not have done if we hadn't been a combined company.

<A – James Hyde – NTELOS Holdings Corp.>: A couple of things on the, just jump on the wireline side for half a second and then speak to the wireless side. You remember for 2011 we did amp up wireline CapEx. We had acquired FiberNet that had been CapEx'd. We've identified $6 million of incremental CapEx expense that would just sort of be what we call integration CapEx, kind of bringing our two networks kind of together and updating some of the FiberNet networks so that we have the capabilities to sell our data products and services.

And then we continue to sort of extend the network reach into some new markets on the wireline side as well that we can provide opportunities, particularly when taken in conjunction with the Allegheny and the FiberNet acquisition. So, you're right, I mean, yeah, we did ramp up wireline CapEx some in 2011 to take advantage of those opportunities on a go-forward basis.

As it relates to the wireless capital investment, the big driver of the spend in – the increased spend in 2011 has been data capacity. As you can imagine, with the continued penetration of smartphone and data devices, not only in our retail subscriber base but with our wholesale partners' customers, the need for incremental capacity has increased. So, that's been driving that capital investment. But as our revenue line, particularly on the wholesale side, continue to grow, those are some of the best investments we can make. I can promise you, as we think about 2012 and beyond, we will continue to wisely invest our capital to enhance and expand our network to continue to drive those incremental revenue streams and margin.

<Q – David Dixon – FBR Capital Markets>: Great, Right. Thanks very much.

<A – James Hyde – NTELOS Holdings Corp.>: Thank you.

Operator: And the next question comes from Kevin Roe of Roe Equity Research.

<Q – Kevin Roe – Roe Equity Research LLC>: Thank you. Good morning, gentlemen.

<A – James Hyde – NTELOS Holdings Corp.>: Hi.

<Q – Kevin Roe – Roe Equity Research LLC>: A couple on the wireless side, following up, Jim, on your comments on the 3G network, how is that performing today? How well are you staying ahead of demand? And do you see 3G network CapEx accelerating as you have to bridge the gap between now and when you have a 4G network? And secondly, when was the new wireless credit standard implemented in the quarter? Thank you.

<A – James Hyde – NTELOS Holdings Corp.>: Thanks, Kevin. In terms of 3G network investment, we're performing very well. We continue to see improvements in overall customer satisfaction, but I'll tell you, it's something that we closely monitor, particularly with the increase in data demand on our network. So, I would tell you that, as we think about 2012, we will continue to not only upgrade our 3G network, but we will also continue to prepare our network for 4G particularly in the backhaul area. In fact, we're – one of the bids Lumos Networks is working on right now in terms of fiber-to-the-cell-site is from nTelos Wireless.

So, I mean, we will continue to equip our network to prepare for a seamless transition to LTE and we decide to roll LTE out across our footprint. So, I think we're in good shape, and certainly we're in a good position to continue to make those capital investments to enhance our network.

You asked another question about the credit standards in – on the Wireless side. So, we've continued to modify our credit model so that we can enhance long-term profitability of this business and that's something we'll monitor on a quarterly basis. So, I don't want to speak specifically to any changes plus or minus and we've made to any kind of credit policy, but I will say that we've continued to manage the quality of our base very, very carefully and again I think that's just an ongoing exercise.

The things that we did specifically in Q3 that I've spoken to already is we have absolutely changed some of our retention programs, specifically around the lower end of the credit scale within our base.

<Q – Kevin Roe – Roe Equity Research LLC>: And when did the change in the retention program kick in?

<A – James Hyde – NTELOS Holdings Corp.>: Early Q3.

<Q – Kevin Roe – Roe Equity Research LLC>: Early Q3. Great. Thank you.

<A – James Hyde – NTELOS Holdings Corp.>: You bet.

Operator: [Operator Instructions] And our next question comes from Ric Prentiss of Raymond James.

<Q – Ric Prentiss – Raymond James & Associates>: Yeah, I've got a philosophical question for you, Jim. This earnings season we saw U.S. Cellular come out and say, they said no to Apple. We've seen Cease Fire, private company, old Cellular South guys say, they're going to start selling the iPhone any day now. Shen talking about how they couldn't get the 4S, they could get the 4 in the store but they went to the Sprint Web site since they're affiliate and selling 50/50.

As a regional player, and thinking through what you said about the iPhone, how do you balance the benefits of the iPhone, churn, gross adds, with the cost of the iPhone and as you think about would you someday want it, looking at that, U.S. Cellular said no, Cease Fire said, heck yeah, we're going to start doing it immediately. How do you balance that?

<A – James Hyde – NTELOS Holdings Corp.>: Yeah, Ric. Good question. So, first of all, I think it's very encouraging to see the former Cell South pick up the iPhone on a regional basis where historically Apple has done business with only the largest of carriers globally. So, I think that's encouraging. In terms of U.S. Cellular allegedly turning the device down, I guess their financial model is their financial model.

If we think about hypothetically the iPhone and the impact that it would have on our business over the long term, it's hard for us to model a situation that over the long term it wouldn't be beneficial, particularly as you look at the reported results of every wireless carrier on the globe who's added that device to their portfolio. You might have some short-term margin pressure depending on how successful you were at launch of that device, but I think long-term in terms of the overall customer satisfaction, which should drive ARPU up and churn down and from a profitability perspective, the efficiency of the device, I think – I'm hard-pressed to imagine the scenario where I wouldn't be very interested in the iPhone if I had the opportunity to pick it up.

<Q – Ric Prentiss – Raymond James & Associates>: And then from a just reaction standpoint, you guys have split; glad to have the first call here post-split; how do you feel the market's reacting to the different stocks? Were you surprised kind of on how they divvied up the value? And anything that you think the market might be missing on either side? On the nTelos or the Lumos side as you look at the kind of here the first week or so of trading?

<A – James Hyde – NTELOS Holdings Corp.>: I'm not – I was – that's a tough one for me, right?

<Q – Ric Prentiss – Raymond James & Associates>: Because you've got a leg on both sides – hands on both sides.

<A – James Hyde – NTELOS Holdings Corp.>: Yeah. That's why it's so tough. No, hey, I think – the way I think about both these businesses sort of going forward is I think the Wireless business is – look, I think Wireless came out of its chutes about where we expected it to be in terms of how we've modeled it from a multiple perspective a little bit and I think Lumos came out of the chutes a little bit soft. I think you actually summed it up fairly well in your comments, that came out with a couple of days after – after these things started trading.

I think the reason, in my view, the reason why Lumos came out of those chutes just a little bit soft is it is new sort of on a standalone basis and I think it's incumbent upon us to get out there and make sure that we properly frame what that business needs to look like on a forward-looking basis. Hal mentioned earlier that we are completing our kind of 2012 operating plan for Lumos and we'll probably come out with some 2012 guidance ahead of when we normally would come out with 2012 guidance for just that reason. I think as people fully understand and appreciate what these businesses look like on a go-forward basis, the market's going to value them appropriately, and I guess, you're sure of sort of a swami-says kind of a response, maybe I ought to just leave it at that.

<Q – Ric Prentiss – Raymond James & Associates>: That helps because this doesn't happen very often where you have these kind of spin-outs, so there's not very much historical evidence at least within telecom land about how the market does it. So, – and I appreciate the 2012 guidance when it comes out. Thanks, guys.

<A – James Hyde – NTELOS Holdings Corp.>: Thanks, Ric.

Operator: [Operator Instructions] Our next question is from Bruce Roberts of Brigantine Advisors.

<Q – Bruce Roberts – Brigantine Advisors>: Yeah. Good afternoon, guys. Yeah, I'm thinking – I'm actually considering picking up coverage of the Wireless side of the network right now, on a standalone basis, and I know this is really just a housekeeping question. So, the schedules provided at the end of the earnings release that you guys put out today, I mean, is that all related to the Wireless piece? I'm assuming it is. And will enough information be provided in the 10-K to break out things for example such as cost of sales for the network side as well as cost of equipment for the wireless piece. Will there be some more detail such that I can model a full-blown suit-to-nuts earnings statement for the wireless piece? Thank you.

<A – Stebbins Chandor – NTELOS Holdings Corp.>: Thank you Bruce; this is Steb. We'll be providing the incremental information. However the information you see on Page – the last page of the financial statements in the press release about pro-forma statements breaking the cost of sales and service into customer operations, corporate operations: that will continue to be the level of which we provide on the basis of financial statements. Obviously we give significantly more detail in the MD&A on the Q as well as the K that we'll file obviously sometime early next year.

<Q – Bruce Roberts – Brigantine Advisors>: I'm sorry, just to repeat that. You said, so that you will break those out for the Q that you're filing today or tomorrow, or not until next year?

<A – Stebbins Chandor – NTELOS Holdings Corp.>: No, we will not be breaking that out in the Q other than discussions within the MD&A.

<Q – Bruce Roberts – Brigantine Advisors>: Okay, okay.

<A – James Hyde – NTELOS Holdings Corp.>: Hey, Bruce, it might make sense – and again its being sort of new to the story we'd be happy to set up a call with you one-on-one help you kind of get what you need to get to.

<Q – Bruce Roberts – Brigantine Advisors>: Great and I appreciate that very much.

<A – James Hyde – NTELOS Holdings Corp.>: Sure.

<A>: Thank you.

Operator: This concludes our question-and-answer session. I would like to turn the conference back over to management for any closing remarks.

Wesley B. Wampler, Director-Investor Relations

Thank you. As a reminder, a replay of this call and an archive of the audio webcast will be available. Please refer to our Investor Relations website for details.

James A. Hyde, President, Chief Executive Officer & Director

Yeah sorry, I need to jump in just for a quick second and we – I'm going to ask Hal Covert to just make one closing remark. I think we had a misstatement in the prepared remarks. So, Hal, go ahead.

Harold L. Covert, Executive Vice President and Chief Financial Officer, Lumos Networks Corp.

Yeah, thanks Jim. In regard to Lumos I indicated that our pro forma net debt leverage ratio as of September 30, 2011 was 3.16, it was actually 3.26. Thanks.

James A. Hyde, President, Chief Executive Officer & Director

Okay, thanks. Just want to make sure that we got that right in the transcript, so thank you very much. Go ahead, Wes.

Wesley B. Wampler, Director-Investor Relations

Thank you, Hal. Please also feel free to contact us anytime with questions. Thank you all again for joining us this morning and this concludes our call.

Operator: The conference is now concluded. Thank you for attending today's presentation, you may now disconnect.