

Note 14. Segment Reporting

The Company, as a holding company with various operating subsidiaries, has identified ten reporting segments based on the products and services each provides. Each segment is managed and evaluated separately because of differing technologies and marketing strategies.

The reporting segments and the nature of their activities are as follows:

Shenandoah Telecommunications Company (Holding)	Holding company, which invests in both affiliated and non-affiliated companies.
Shenandoah Telephone Company (Telephone)	Provides both regulated and unregulated telephone services and leases fiber optic facilities primarily throughout the Northern Shenandoah Valley.
Shenandoah Cable Television Company (CATV)	Provides cable television service in Shenandoah County.
ShenTel Service Company (ShenTel)	Provides Internet access to a multi-state region surrounding the Northern Shenandoah Valley, hosts Travel 511 for Virginia, and sells and services telecommunication equipment.
Shenandoah Valley Leasing Company (Leasing)	Finances purchases of telecommunications equipment to customers of other segments.
Shenandoah Mobile Company (Mobile)	Provides tower rental space in the Company's PCS markets and paging services throughout the Northern Shenandoah Valley.
Shenandoah Long Distance Company (Long Distance)	Provides long distance services.
Shenandoah Network Company (Network)	Leases interstate fiber optic facilities.
ShenTel Communications Company (Shen Comm)	Provides DSL services as a CLEC operation.
Shenandoah Personal Communications Company (PCS)	As a PCS Affiliate of Sprint, provides digital wireless service to a portion of a four-state area covering the region from Harrisburg, York and Altoona, Pennsylvania, to Harrisonburg, Virginia.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Each segment accounts for inter-segment sales and transfers as if the sales or transfers were to outside parties.

Income (loss) recognized from equity method nonaffiliated investees by segment is as follows:

Year	Holding	Telephone	Consolidated Totals
		<i>(in thousands)</i>	
2003	\$ (441)	\$ 65	\$ (376)
2002	\$ (822)	\$ 45	\$ (777)
2001	\$ (1,218)	\$104	\$ (1,114)