



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Powerful Financial Solutions

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CFC Secured Lender to NTELOS Inc.

Herndon, VA – National Rural Utilities Cooperative Finance Corporation (“CFC”) announced today that one of its borrowers, NTELOS Inc. (“NTELOS”), has filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division. CFC has a total of \$84 million in senior secured loans outstanding to NTELOS as part of a syndicated bank financing that closed in July 2000. NTELOS has approximately \$660 million in total debt outstanding to its creditors including approximately \$286 million of secured debt. NTELOS’ filing is not material to the current operations or financial condition of CFC.

NTELOS is a diversified telecommunications service provider to customers in Virginia, West Virginia, Kentucky, Tennessee and North Carolina. NTELOS (NASDAQ: NTLO) is headquartered in Waynesboro, Virginia.

CFC is a private, not-for-profit finance cooperative that serves the nation’s more than 1,000 electric cooperatives and over 500 rural telecommunications companies. Rural telecommunications lending is done through CFC’s controlled affiliate, Rural Telephone Finance Cooperative (“RTFC”). With more than \$20 billion in assets, CFC provides its member-owners with an assured source of low-cost capital and state-of-the-art financial products and services.

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