

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Consolidated Communications Holdings, Inc.		2 Issuer's employer identification number (EIN) 02-0636095	
3 Name of contact for additional information Matthew Smith	4 Telephone No. of contact 217-258-2959	5 Email address of contact matthew.smith@consolidated.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 121 South 17th Street		7 City, town, or post office, state, and Zip code of contact Mattoon, IL 61938-3915	
8 Date of action November 1, 2012		9 Classification and description Distribution of cash	
10 CUSIP number N/A	11 Serial number(s)	12 Ticker symbol N/A	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On November 1, 2012, Consolidated Communications Holdings, Inc. made a cash distribution of \$0.38 per share for a total of \$15,368,022.81 to its shareholders of record on October 15, 2012.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The distribution per share was \$0.38. \$0.03 per share is estimated to be a taxable dividend (with no effect on basis). The remaining \$0.35 per share is a reduction in the stock basis in each share. To the extent the tax basis in the share is less than \$0.35 per share, the excess of \$0.35 over the basis in that share is recognized as capital gain.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ When a cash distribution (or other distribution of property) is made by a corporation, it is treated as a taxable dividend to the extent of the current and accumulated earnings and profits ("E&P") of that corporation at the date of the distribution or, in certain cases, at the end of the tax year in which the distribution was made. In order to determine what portion of this cash distribution should be treated as a taxable dividend versus return of capital/capital gain, Consolidated Communications Holdings, Inc. completed a computation of E&P as of December 31, 2011 with an estimate of the current year E&P for the year ended December 31, 2012. According to this computation, Consolidated Communications Holdings, Inc. had approximately \$0.03 of E&P per outstanding share of stock. As a result, the distribution of \$0.38 per share resulted in a dividend of \$0.03 per share (with no effect on basis) and a reduction in basis of up to \$0.35 per share.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

IRC Sections 316 - Dividend defined _____

IRC Sections 317 - Property defined _____

IRC Sections 301(c) - Distributions defined _____

IRC Sections 312 - Effect on earnings and profits _____

Reg Section 1.1502-33- Earnings and profits _____

Other sections further defining adjustments to E&P that are not contained in Section 312 _____

18 Can any resulting loss be recognized? ▶ This distribution would not create a loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The adjustment to basis

would be taken into account in the tax year of the shareholder during which the distribution was received (e.g. 2012).

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ D. P. Huston Date ▶ 01/10/2013

Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Michael D. Huston</u>		<u>01/10/2013</u>		<u>P00634208</u>
	Firm's name ▶ <u>Deloitte Tax LLP</u>	Firm's EIN ▶ <u>86-1065772</u>		Phone no. <u>312-486-1000</u>	
Firm's address ▶ <u>111 South Wacker Drive, Chicago, IL 60606</u>					

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054