Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

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 Lisa Hood, Vice President & Treasurer	**4** Telephone No. of contact 844-909-2675	**5** Email address of contact investor@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
8 Date of action February 1, 2018	**9** Classification and description Distribution to common stock shareholders	

10 CUSIP number	**11** Serial number(s)	**12** Ticker symbol	**13** Account number(s)
N/A	N/A	N/A	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 February 1, 2018, Consolidated Communications Holdings, Inc. ("Issuer") made a cash distribution of $0.38738 per common share for a total of $27,348,114 to its common shareholders of record on January 15, 2018.

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 $0.38738. $0.18212 per share is treated as a reduction to E&P and $0.20526 is expected to be a reduction in the stock basis of each share. To the extent the tax basis in a share is less than $0.20526, the excess over the basis in that share is expected to be recognized as a 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 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 dividends versus return of capital/capital gain, Consolidated Communications Holdings, Inc. completed a computation of E&P as of December 31, 2017 with estimates of the E&P for the period ended December 31, 2018. According to this computation, Issuer had estimated $0.18212 of E&P per outstanding share of stock. As a result, the distribution of $0.38738 per share resulted in a dividend of $0.18212 of E&P per share (with no effect on basis) and a reduction in basis of up to $0.20526 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 ▶

Section 316 - Dividend defined
Section 317 - Property defined
Section 301(c) - Distributions of property
Section 312 - Effect on earnings and profits
Reg. Section 1.1502-33 - Earnings and profits (this section applies to taxpayers filing a consolidated Federal corporate income tax return)
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 ▶ Any adjustment to basis would be taken into account in the tax year of the shareholder during which the distribution was received (e.g., 2018 for calendar year taxpayers).

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 ▶ Date ▶

Print your name ▶ J. L. Hester Title ▶ Senior Director of Tax

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
M. Huston	M. Huston			P00634208
Firm's name ▶ Deloitte Tax LLP			Firm's EIN ▶	86-1065772
Firm's address ▶ 111 S Wacker Drive, Chicago, IL 60606			Phone no.	312-486-1200

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