Consolidated Communications Holdings Reports Third Quarter 2009 Results

- **Highest quarterly IPTV growth with 1,800 subscribers added.**
- **Pair bonding expands IPTV homes passed and increases broadband bandwidth.**
- **Access line losses declined to the lowest level since the first quarter of 2008.**
- **Strong quarter of cash available for dividends.**

MATTOON, Ill., Nov. 5, 2009 (GLOBE NEWSWIRE) -- Consolidated Communications Holdings, Inc. (Nasdaq:CNSL) reported results for the third quarter ended September 30, 2009.

Third quarter financial summary:

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 * Revenue was $101.6 million.
 * Net cash provided by operations was $34.2 million.
 * Adjusted EBITDA was $47.3 million.
 * Dividend payout ratio was 58.1%.
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"Once again, both our financial and operating results were strong," said Bob Currey, president and CEO. "We continue to maintain a very comfortable payout ratio while making the investments to grow the business."

"Our line losses continue to improve and the introduction of pair bonding technology enabled us to achieve our largest quarterly increase ever for IPTV subscribers and a solid 2,100 DSL customer additions. We passed another 18,000 homes with IPTV and will have a similar expansion in the fourth quarter."

"We are equally excited about a new in-home wireless device we began utilizing in the quarter with our IPTV offering. The technology provides us the opportunity to size the service offering to the consumer's demand while reducing the overall costs, shortening the installation time and increasing our marketing flexibility," Currey concluded.

Operating Statistics at September 30, 2009, compared to September 30, 2008.

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 * Total connections were 449,923, a decrease of 5,513 or 1.2%.
 * Total local access lines were 250,370, a decrease of 19,982, or
   7.4%.
 * ILEC Broadband connections were 119,268, an increase of 14,685,
   or 14.0%.
   -- DSL subscribers were 97,750, an increase of 8,621, or 9.7%.
   -- IPTV subscribers were 21,518, an increase of 6,064, or 39.2%.
 * ILEC VOIP lines were 8,562, an increase of 2,823, or 49.2%.
 * CLEC access line equivalents were 71,723, a decrease of 3,039,
   or 4.1%.
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Steve Childers, Consolidated's Chief Financial Officer, stated, "Based on our consistently strong results as well as already having most of our pension funding behind us, we ended the quarter in a strong cash position and continued building cushion with respect to our dividend and debt service obligations. In addition, we improved our cost structure by leveraging the completed systems integration work with our North Pittsburgh operation and consolidating work group functions. These cost structure improvements resulted in severance expenses of $0.8 million that qualified as an add-back to adjusted EBITDA and are expected to generate approximately $1.0 million in future annualized savings."

Cash Available to Pay Dividends

For the quarter, cash available to pay dividends, or CAPD, was $19.9 million and the payout ratio was 58.1%. At September 30, 2009, cash and cash equivalents were $31.9 million. The Company made capital expenditures of $10.6 million during the quarter.

Financial Highlights for the Third Quarter Ended September 30, 2009

* Revenues were $101.6 million, compared to $103.8 million in the third quarter of 2008. Declines in Local Calling Services, Long Distance, and Network Access were partially offset by increases in Data and Internet Services and Subsidies. Local Calling Services and Network Access revenues declined $1.7 million and $2.4 million, respectively, due to the loss of access lines and lower minutes of use.
* Depreciation and amortization was $21.3 million, compared to $22.8 million in the same period last year. The $1.5 million decline was primarily due to our election to discontinue FAS 71 accounting for our regulated fixed assets at year end 2008.
* Income from operations was $18.5 million, compared to $17.0 million in the third quarter of 2008. The increase was mainly due to the decrease in depreciation and amortization as well as the continued cost structure improvements implemented throughout 2009, which have allowed us to offset the decline in revenues and incremental increases in pension and OPEB expenses. Also, the third quarter of 2008 included $1.2 million in hurricane Ike service recovery expenses.
* Interest expense, net was $14.8 million, compared to $13.6 million in the same quarter last year. In the third quarter of 2008, we recognized a non-cash benefit of $2.5 million related to hedge accounting on the interest rate swaps. Normalizing for this, interest expense is down $1.3 million driven by an overall lower weighted average cost of debt.
* Other income, net was $6.1 million, compared to $5.9 million for the same period in 2008. We recognized $5.8 million in cash distributions from wireless partnerships compared to $4.8 million for the third quarter of 2008.
* Net income attributable to common stockholders was $7.1 million versus $5.0 million in the same period of 2008. "Adjusted net income applicable to common stockholders" excludes certain items in the manner described in the table provided in this release. On that basis, "adjusted net income attributable to common stockholders" was $8.6 million for the third quarter of 2009, compared to $4.7 million in the same quarter of 2008.
* Diluted net income per common share was $0.24, compared to a diluted net income per common share of $0.17 in the third quarter of 2008. "Adjusted diluted net income per share" excludes certain items in the manner described in the table provided in this release. On that basis, "adjusted diluted net income per share" for the quarter ended September 30, 2009 was $0.29 versus $0.16 in the third quarter of 2008.
* Adjusted EBITDA was $47.3 million compared to $46.2 million for the same period in 2008.
* Net cash provided from operating activities increased $9.7 million to $34.2 million, compared to $24.5 million for the third quarter in 2008.
* The total net debt to last twelve month adjusted EBITDA coverage ratio is 4.5 times to 1.0.

Financial Highlights for the Nine Months Ended September 30, 2009

* Revenues were $305.3 million, compared to $315.7 million in the same period of 2008. Declines in Local Calling Services, Long Distance, and Network Access were attributable to lower access lines and minutes of use and were partially offset by increases in Data and Internet Services and Subsidies.
* Net income attributable to common stockholders was $17.9 million

versus $8.9 million in the prior year period. The difference was primarily driven by the $5.2 million in after tax charges associated with the redemption of our 9 3/4 % Senior Notes in the second quarter 2008 and the $1.8 million benefit for the access settlement in the second quarter of this year.

* Diluted net income per common share was $0.60, compared to a diluted net income per common share of $0.30 in the same period of 2008. "Adjusted diluted net income per share" excludes certain items in the manner described in the table provided in this release. On that basis, "adjusted diluted net income per share" for the nine month period ending September 30, 2009 was $0.73 versus $0.54 for the same period of 2008.
* Adjusted EBITDA was $140.8 million, compared to $143.6 million

  for the same period in 2008. The decrease was primarily driven by lower revenue and $4.8 million in incremental pension expense, which have been offset by increased cash distributions by our wireless partnerships and our continued cost structure improvements that have been implemented throughout 2009.
* Net cash provided from operating activities increased $15.5 million to $82.2 million, compared to $66.6 million for the nine month period in 2008.

Financial Guidance

For 2009, the Company is reiterating its full year guidance with respect to capital expenditures, cash interest, and cash taxes. Capital expenditures are still expected to be in the range of $41.0 million to $42.0 million; cash interest expense is expected to be in the range of $56.0 million to $57.5 million; and when including the bonus depreciation from the stimulus plan, cash income taxes are expected to be in the range of $9.0 million to $11.0 million.

Dividend Payments

On November 2, 2009, the Company's board of directors declared its next quarterly dividend of $0.38738 per common share, which is payable on February 1, 2010 to stockholders of record at the close of business on January 15, 2010.

Conference Call Information

The Company will host a conference call today at 11:00 a.m. Eastern Time / 10:00 a.m. Central Time to discuss third quarter earnings and developments with respect to the Company. The call is being webcast and can be accessed from the "Investor Relations" section of the Company's website at http://www.consolidated.com. The webcast will also be archived on the Company's website. If you do not have internet access, the conference call dial-in number is 866-395-2185 with pass code 34564949. International parties can access the call by dialing 706-758-1344. A telephonic replay of the conference call will also be available starting two hours after completion of the call until November 12, 2009 at midnight Eastern Time. To hear the replay, parties in the United States and Canada should call 800-642-1687 and international parties should call 706-645-9291.

Use of Non-GAAP Financial Measures

This press release, as well as the conference call, includes disclosures regarding "EBITDA," "adjusted EBITDA," "cash available to pay dividends," "total net debt to last twelve month adjusted EBITDA coverage ratio," "adjusted diluted net income," and "adjusted diluted net income per share," all of which are non-GAAP financial measures. Accordingly, they should not be construed as alternatives to net cash from operating or investing activities, cash and cash equivalents, cash flows from operations, net income (loss) or net income (loss) per share as defined by GAAP and are not, on their own, necessarily indicative of cash available to fund cash needs as determined in accordance with GAAP. In addition, not all companies use identical calculations, and the non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. A reconciliation of the differences between these non-GAAP financial measures and the most directly comparable financial measures presented in accordance with GAAP is included in the tables that follow.

Adjusted EBITDA is comprised of EBITDA, adjusted for certain items as permitted or required by the lenders under the credit facility in place at the end of each quarter in the periods presented. The tables that follow include an explanation of how adjusted EBITDA is calculated for each of the periods presented.

EBITDA is defined as net earnings (loss) before interest expense, income taxes, depreciation, amortization and extraordinary items on a historical basis. We believe net cash provided by operating activities is the most directly comparable financial measure to EBITDA under GAAP. EBITDA is a non-GAAP financial measure.

Cash available to pay dividends represents adjusted EBITDA plus cash interest income less (1) cash interest expense, (2) capital expenditures, and (3) cash taxes.

We present adjusted EBITDA and cash available to pay dividends for several reasons. Management believes adjusted EBITDA and cash available to pay dividends are useful as a means to evaluate our ability to fund our estimated uses of cash (including interest on our debt) and pay dividends. In addition, we have presented adjusted EBITDA and cash available to pay dividends to investors in the past because they are frequently used by investors, securities analysts and other interested parties in the evaluation of companies in our industry, and management believes presenting them here provides a measure of consistency in our financial reporting. Adjusted EBITDA and cash available to pay dividends, referred to as Available Cash in our credit agreement, are also components of the restrictive covenants and financial ratios contained in the agreements governing our debt that require us to maintain compliance with these covenants and limit certain activities, such as our ability to incur debt and to pay dividends. The definitions in these covenants and ratios are based on adjusted EBITDA and cash available to pay dividends after giving effect to specified charges. We present other information related to the non-GAAP financial measures, specifically "total net debt to last twelve month adjusted EBITDA coverage ratio," principally to put these other measures in context and facilitate comparisons by investors, security analysts and others; this ratio differs in certain respects from the similar ratio used in our credit agreement. As a result, management believes the presentation of adjusted EBITDA and cash available to pay dividends, as supplemented by "total net debt to last twelve months adjusted EBITDA coverage ratio," provides important additional information to investors. In addition, adjusted EBITDA and cash available to pay dividends provide our board of directors with meaningful information to determine, with other data, assumptions and considerations, our dividend policy and our ability to pay dividends under the restrictive covenants in the agreements governing our debt and to measure our ability to service and repay debt.

These non-GAAP financial measures have certain shortcomings. In particular, adjusted EBITDA does not represent the residual cash flows available for discretionary expenditures, since items such as debt repayment and interest payments are not deducted from such measure. Similarly, while we may generate cash available to pay dividends, we are not required to use any such cash to pay dividends, and the payment of any dividends is subject to declaration by our board of directors, compliance with applicable law and the terms of our credit agreement.

Because adjusted EBITDA is a component of the Dividend Payout Ratio and the ratio of total net debt to last twelve month adjusted EBITDA, these measures are also subject to the material limitations discussed above. In addition, the ratio of total net debt to last twelve month adjusted EBITDA is subject to the risk that we may not be able to use the cash on the balance sheet to reduce our debt on a dollar-for-dollar basis. Management believes these ratios are useful as a means to evaluate our ability to incur additional indebtedness in the future. We present the non-GAAP measures adjusted net income and adjusted diluted net income per share because our net income and net income per share are regularly affected by items that occur at irregular intervals or are non-cash items. We believe that disclosing these measures assists investors, securities analysts and other interested parties in evaluating both our company over time and the relative performance of the companies in our industry.

About Consolidated

Consolidated Communications Holdings, Inc. is an established rural local exchange company providing voice, data and video services to residential and business customers in Illinois, Texas and Pennsylvania. Each of the operating companies has been operating in its local market for over 100 years. As of September 30, 2009 the Company had 250,370 ILEC access lines, 71,723 Competitive Local Exchange Carrier (CLEC) access line equivalents, 97,750 DSL subscribers, and 21,518 IPTV subscribers. Consolidated Communications offers a wide range of telecommunications services, including local and long distance service, custom calling features, private line services, high-speed Internet access, digital TV, carrier access services, and directory publishing.

Safe Harbor

Any statements contained in this press release other than statements of historical fact, including statements about management's beliefs and expectations, are forward-looking statements and should be evaluated as such. These statements are made on the basis of management's views and assumptions regarding future events and business performance. Words such as "estimate," "believe," "anticipate," "expect," "intend," "plan," "target," "project," "should," "may," "will" and similar expressions are intended to identify forward-looking statements. Forward-looking statements (including oral representations) involve risks and uncertainties that may cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. These risks and uncertainties include economic and financial market conditions generally and economic conditions in Consolidated's service areas; changes in the valuation of pension plan assets, as well as a number of other factors related to our business, including various risks to shareholders of not receiving dividends and risks to Consolidated's ability to pursue growth opportunities if Consolidated continues to pay dividends according to the current dividend policy; various risks to the price and volatility of Consolidated's common stock; the substantial amount of debt and Consolidated's ability to incur additional debt in the future; Consolidated's need for a significant amount of cash to service and repay the debt and to pay dividends on the common stock; restrictions contained in the debt agreements that limit the discretion of management in operating the business; the ability to refinance the existing debt as necessary; regulatory changes, including changes to subsidies, rapid development and introduction of new technologies and intense competition in the telecommunications industry; risks associated with Consolidated's possible pursuit of acquisitions; system failures; losses of large customers or government contracts; risks associated with the rights-of-way for the network; disruptions in the relationship with third party vendors; losses of key management personnel and the inability to attract and retain highly qualified management and personnel in the future; changes in the extensive governmental legislation and regulations governing telecommunications providers and the provision of telecommunications services; telecommunications carriers disputing and/or avoiding their obligations to pay network access charges for use of Consolidated's network; high costs of regulatory compliance; the competitive impact of legislation and regulatory changes in the telecommunications industry; and liability and compliance costs regarding environmental regulations. These and other risks and uncertainties are discussed in more detail in Consolidated's filings with the Securities and Exchange Commission, including our reports on Form 10-K and Form 10-Q. Many of these risks are beyond management's ability to control or predict. All forward-looking statements attributable to Consolidated or persons acting on behalf of us are expressly qualified in their entirety by the cautionary statements and risk factors contained in this press release and Consolidated's filings with the Securities and Exchange Commission. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. Except as required under the federal securities laws or the rules and regulations of the Securities and Exchange Commission, Consolidated does not undertake any obligation to update or review any forward-looking information, whether as a result of new information, future events or otherwise.

Consolidated Communications Holdings, Inc.
Condensed Consolidated Balance Sheets
(Dollars in thousands)
(Unaudited)

	September 30, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 31,883	$ 15,471
Accounts receivable, net	44,990	45,092
Prepaid expenses and other current assets	21,559	18,013
Total current assets	98,432	78,576
Property, plant and equipment, net	382,642	400,286
Intangibles, net and other assets	747,217	762,764
Total assets	$ 1,228,291	$ 1,241,626
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of capital lease obligation	$ 581	$ 922
Accounts payable	11,467	12,336
Accrued expenses and other current liabilities	59,041	58,034
Total current liabilities	71,089	71,292
Capital lease obligation less current portion	--	344
Long-term debt	880,000	880,000
Other long-term liabilities	208,985	214,705
Total liabilities	1,160,074	1,166,341
Stockholders' equity:		
Common stock, $0.01 par value	296	295
Paid in capital	114,029	129,284

Accumulated other comprehensive loss	(52,062)	(59,479)
Total Consolidated Communications Holdings, Inc. stockholders' equity:	62,263	70,100
Noncontrolling interest	5,954	5,185
Total equity	68,217	75,285
Total liabilities and stockholders' equity	$ 1,228,291	$ 1,241,626

Consolidated Communications Holdings, Inc.
Condensed Consolidated Statements of Operations
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenues	$101,590	$103,824	$305,342	$315,682
Operating expenses:				
Cost of services and products	36,151	37,778	108,595	107,749
Selling, general and administrative expenses	25,600	26,162	79,327	81,217
Depreciation and amortization	21,341	22,841	63,999	68,062
Income from operations	18,498	17,043	53,421	58,654
Other income (expense):				
Interest expense, net	(14,775)	(13,596)	(43,794)	(47,634)
Loss on extinguishment of debt	--	--	--	(9,224)
Other income, net	6,054	5,931	19,078	15,024
Income before income taxes	9,777	9,378	28,705	16,820
Income tax expense	2,494	4,262	10,066	7,410
Net income	7,283	5,116	18,639	9,410
Less: Net income attributable to noncontrolling interest	226	145	769	550
Net income attributable to Consolidated Communications Holdings, Inc.	$ 7,057	$ 4,971	$ 17,870	$ 8,860
Diluted net income attributable to Consolidated Communications Holdings, Inc. per common share	$ 0.24	$ 0.17	$ 0.60	$ 0.30

Consolidated Communications Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

	Three Months Ended September 30,	Nine Months Ended September 30,

	2009	2008	2009	2008
OPERATING ACTIVITIES				
Net income	$ 7,283	$ 5,116	$ 18,639	$ 9,410
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	21,341	22,841	63,999	68,062
Non-cash stock compensation	502	542	1,434	1,402
Loss on extinguishment of debt	--	--	--	9,224
Other adjustments, net	7,157	(502)	7,232	(3,665)
Changes in operating assets and liabilities, net	(2,071)	(3,531)	(9,094)	(17,787)
Net cash provided by operating activities	34,212	24,466	82,210	66,646
INVESTING ACTIVITIES				
Proceeds from sale of assets	--	--	300	--
Capital expenditures	(10,577)	(10,845)	(30,952)	(37,131)
Net cash used for investing activities	(10,577)	(10,845)	(30,652)	(37,131)
FINANCING ACTIVITIES				
Proceeds from long-term obligations	--	--	--	120,000
Payments made on long-term obligations	(232)	(254)	(685)	(137,087)
Payment of deferred financing costs	--	--	--	(240)
Purchase and retirement of common stock	--	--	(9)	(8)
Dividends on common stock & participating securities	(11,545)	(11,365)	(34,452)	(34,086)
Net cash used in financing activities	(11,777)	(11,619)	(35,146)	(51,421)
Net increase in cash and cash equivalents	11,858	2,002	16,412	(21,906)
Cash and cash equivalents at beginning of period	20,025	10,433	15,471	34,341
Cash and cash equivalents at end of period	$ 31,883	$ 12,435	$ 31,883	$ 12,435

Consolidated Communications Holdings, Inc.
Consolidated Revenue by Category
(Dollars in thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008

Telephone Operations				
Local calling services	$ 24,331	$ 25,992	$ 73,318	$ 79,475
Network access services	20,913	23,359	65,036	72,465
Subsidies	14,472	13,758	42,008	40,952
Long distance services	4,894	5,815	15,784	18,268
Data and Internet services	17,356	16,530	50,461	46,140
Other services	9,313	8,870	27,510	27,634
Total Telephone Operations	91,278	94,324	274,117	284,934
Other Operations	10,312	9,500	31,225	30,748
Total operating revenues	$101,590	$103,824	$305,342	$315,682

Consolidated Communications Holdings, Inc.
Schedule of Adjusted EBITDA Calculation
(Dollars in thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
EBITDA:				
Net cash provided by operating activities	$ 34,116	$ 24,466	$ 82,114	$ 66,646
Adjustments:				
Compensation from restricted share plan	(502)	(542)	(1,434)	(1,402)
Loss on extinguishment of debt	--	--	--	(9,224)
Other adjustments, net	(7,157)	502	(7,232)	3,665
Changes in operating assets and liabilities	2,167	3,531	9,190	17,787
Interest expense, net	14,775	13,596	43,794	47,634
Income taxes	2,494	4,262	10,066	7,410
EBITDA (1)	45,893	45,815	136,498	132,516
Adjustments to EBITDA(2):				
Integration and restructuring(3)	1,391	1,052	5,363	3,155
Other, net (4)	(6,280)	(6,076)	(18,068)	(15,574)
Investment distributions(5)	5,841	4,862	15,543	12,918
Non-cash compensation(6)	502	542	1,434	1,402
Loss on extinguishment of debt(7)	--	--	--	9,224
Adjusted EBITDA	$ 47,347	$ 46,195	$140,770	$143,641

Footnotes for Adjusted EBITDA:

(1) EBITDA is defined as net earnings before interest expense, income taxes, depreciation, amortization and extraordinary items on a historical basis.
(2) These adjustments reflect those required or permitted by the lenders under the credit facility in place at the end of each of the quarters included in the periods presented.
(3) Represents certain expenses associated with integrating and

restructuring the Texas, Illinois and Pennsylvania businesses. For the third quarter of 2009, this is comprised of $0.6 million of integration costs and $0.8 million of severance costs. For the third quarter of 2008, this is comprised of $0.6 million of integration costs and $0.4 million of severance costs.

(4) Other, net includes the equity earnings from our investments, dividend income, income attributable to noncontrolling interests in subsidiaries and certain miscellaneous non-operating items. In accordance with the terms of our credit facility, $1.8 million of income recognized upon settlement of a dispute was not included in the year-to-date adjustment. The income represents the reversal of a reserve that was created in connection with the purchase of North Pittsburgh.

(5) For purposes of calculating adjusted EBITDA, we include all cash dividends and other cash distributions received from our investments.

(6) Represents compensation expenses in connection with our Restricted Share Plan, which because of the non-cash nature of the expenses are being excluded from adjusted EBITDA.

(7) This includes approximately $6.3 million as a call premium and $2.9 million in write offs of deferred financing costs incurred with the redemption of the 9.75% Senior Notes on April 1, 2008.

Consolidated Communications Holdings, Inc.
Cash Available to Pay Dividends
(Dollars in thousands)
(Unaudited)

	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2009
Adjusted EBITDA	$ 47,347	$ 140,770
- Cash interest expense	(14,194)	(42,452)
- Capital expenditures	(10,577)	(30,952)
- Cash income taxes	(2,473)	(7,156)
- Principal payments on debt	(232)	(685)
+ Cash interest income	10	47
Cash available to pay dividends	$ 19,881	$ 59,572
Dividends Paid	$ 11,545	$ 34,452
Payout Ratio	58.1%	57.8%

Consolidated Communications Holdings, Inc.
Total Net Debt to LTM Adjusted EBITDA Ratio
(Dollars in thousands)
(Unaudited)

Summary of Outstanding Debt	
Term loan	$ 880,000
Capital leases	581
Total debt as of September 30, 2009	$ 880,581
Less cash on hand	(31,883)

Total net debt as of September 30, 2009	$ 848,698
Adjusted EBITDA for the last twelve months ended September 30, 2009	$ 186,885
Total Net Debt to last twelve months Adjusted EBITDA	4.5x

Consolidated Communications Holdings, Inc.
Adjusted Net Income and Diluted Net Income Per Share
(Dollars in thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Reported net income attributable to common stockholders	$ 7,057	$ 4,971	$ 17,870	$ 8,860
Access dispute settlement, net of tax	--	--	(1,325)	--
Bond redemption charge, net of tax	--	--	--	5,193
Non-cash interest on interest rate hedges, net of tax	--	(1,389)	--	(1,389)
Severance, net of tax	605	239	2,001	426
Integration and restructuring charges, net of tax	431	339	1,480	1,335
Non-cash compensation	502	542	1,434	1,402
Adjusted net income attributable to common stockholders	$ 8,595	$ 4,702	$ 21,460	$ 15,827
Weighted average number of shares outstanding	29,389,150	29,529,487	29,388,239	29,519,578
Adjusted diluted net income per share	$ 0.29	$ 0.16	$ 0.73	$ 0.54

Calculations above assume a 25.5 and 45.0 percent effective tax rate for the three months ended September 30, 2009 and 2008, respectively and the nine month ended rates for the same ending period are assumed at 35.1 and 45.0 percent, respectively.

Consolidated Communications Holdings, Inc.
Key Operating Statistics

	Sept. 30, 2009	June 30, 2009	Sept. 30, 2008
Local access lines in service			
Residential	148,857	151,937	167,581
Business	101,513	102,656	102,771

Total local access lines	250,370	254,593	270,352
Total IPTV subscribers	21,518	19,731	15,454
ILEC DSL subscribers(1)	97,750	95,656	89,129
ILEC Broadband Connections	119,268	115,387	104,583
ILEC VOIP subscribers	8,562	7,883	5,739
CLEC Access Line Equivalents(2)	71,723	72,062	74,762
Total connections	449,923	449,925	455,436
Long distance lines(3)	166,859	166,006	166,652
Dial-up subscribers	3,017	3,406	5,442
IPTV Homes passed	169,861	152,181	134,925

(1) Includes only ILEC DSL. CLEC DSL is included in CLEC access line equivalents.

(2) CLEC access line equivalents represent a combination of voice services and data circuits. The calculations represent a conversion of data circuits to an access line basis. Equivalents are calculated by converting data circuits (basic rate interface (BRI), primary rate interface (PRI), DSL, DS-1, DS-3, and Ethernet) and SONET-based (optical) services (OC-3 and OC-48) to the equivalent of an access line.

(3) Excludes CLEC LD subscribers.

CONTACT: Consolidated Communications Holdings, Inc.
Matt Smith, Treasurer & Director of Finance
217-258-2959
matthew.smith@consolidated.com