Consolidated Communications Holdings, Inc.
Form S-4
September 17, 2007

Table of Contents

As filed with the Securities and Exchange Commission on September 17, 2007.

Registration No.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Consolidated Communications Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**4813**	**02-0636095**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

121 South 17th Street
Mattoon, Illinois 61938-3987
Telephone: (217) 235-3311
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Steven L. Childers
Chief Financial Officer
121 South 17th Street
Mattoon, Illinois 61938-3987
Telephone: (217) 235-3311
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Peter L. Rossiter
Schiff Hardin LLP
6600 Sears Tower
Chicago, Illinois 60606
Telephone: (312) 258-5500

Ellen S. Friedenberg
Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, New York 10004
Telephone: (212) 837-6000

Approximate date of commencement of proposed sale of the securities to the public: Upon consummation of the merger.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, par value $0.01 per share	3,319,690	N/A	$ 50,116,700	$ 1,539

(1) The number of shares of common stock, par value $0.01 per share, of the registrant (Consolidated common stock) being registered is based upon the product obtained by multiplying (i) 15,005,000 shares of common stock, par value $0.15625 per share, of North Pittsburgh Systems, Inc. (North Pittsburgh common stock) estimated to be outstanding immediately prior to the North Pittsburgh merger, by (ii) 20% (being the number of shares of North Pittsburgh common stock convertible into shares of Consolidated common stock), by (iii) the exchange ratio of 1.1061947.

(2) Pursuant to Rules 457(f)(1) and 457(c) under the Securities Act of 1933, as amended (the Securities Act) and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal

to (i) the product obtained by multiplying (a) $23.34 (the average of the high and low prices of North Pittsburgh common stock on September 10, 2007), by (b) 15,005,000 shares of North Pittsburgh common stock to be cancelled in the North Pittsburgh merger), minus (ii) $300,100,000 (the estimated amount of cash to be paid by the registrant to North Pittsburgh shareholders in the North Pittsburgh merger.

(3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to $30.70 per $1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this proxy statement/prospectus is not complete and may be changed. Consolidated Communications Holdings, Inc. may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or sale is not permitted.

SUBJECT TO COMPLETION DATED SEPTEMBER 17, 2007

NORTH PITTSBURGH SYSTEMS, INC.

4008 GIBSONIA ROAD
GIBSONIA, PENNSYLVANIA 15044-9311
TELEPHONE NO. 724-443-9600

[ ], 2007

Dear Shareholder:

We cordially invite you to attend the 2007 annual meeting of the shareholders of North Pittsburgh Systems, Inc. (North Pittsburgh) to be held at [ ] on [ ], 2007 at [ ] p.m., local time.

At the annual meeting, in addition to electing directors, you will be asked to consider and vote on a proposal to approve and adopt the Agreement and Plan of Merger, dated as of July 1, 2007, by and among North Pittsburgh, Consolidated Communications Holdings, Inc. (Consolidated), and Fort Pitt Acquisition Sub Inc., pursuant to which Consolidated has agreed to acquire North Pittsburgh. If North Pittsburgh shareholders approve and adopt the merger agreement and the merger is completed, you will receive, for each of your North Pittsburgh shares, either (i) $25.00 in cash, without interest, or (ii) 1.1061947 shares of Consolidated common stock. You may elect to receive, for each of your North Pittsburgh shares, either cash or Consolidated common stock, subject to proration so that 80% of North Pittsburgh s shares will be converted in the merger into the right to receive cash and 20% of North Pittsburgh s shares will be converted in the merger into the right to receive Consolidated common stock.

The Board of Directors of North Pittsburgh unanimously recommends that you vote FOR the approval and adoption of the merger agreement at the annual meeting. The Board of Directors also unanimously recommends that you vote FOR the nominees named herein for election as directors of North Pittsburgh.

Your vote is very important. Your Board of Directors has fixed the close of business on [ ], 2007 as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting. Whether or not you plan to attend the annual meeting, we recommend that you submit your proxy which is solicited by, and on behalf of, the Board of Directors of North Pittsburgh. You may vote by completing, dating and signing the enclosed proxy card and returning it in the envelope provided. Alternatively, you may vote by telephone or over the Internet by following the instructions set forth on the enclosed proxy card. If you hold your shares in street name through a broker, bank or other nominee, you should follow the instructions provided by your broker or other nominee.

The accompanying proxy statement/prospectus explains the proposed merger in greater detail. We urge you to read this proxy statement/prospectus, including the matters discussed under Risk Factors Relating to the Merger beginning on page 15, carefully.

Thank you for your cooperation and continued support.

Sincerely,

Charles E. Thomas, Jr. Chairman of the Board	Harry R. Brown President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the merger described in this proxy statement/prospectus or the Consolidated common stock to be issued in connection with the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated [ ], 2007
and is first being mailed to North Pittsburgh shareholders on or about [ ], 2007.

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about Consolidated and North Pittsburgh from documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your oral or written request. You can obtain the documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

North Pittsburgh Systems, Inc.
4008 Gibsonia Road
Gibsonia, Pennsylvania 15044-9311
Attention: Investor Relations
Telephone: (724) 443-9583

Consolidated Communications Holdings, Inc.
121 South 17th Street
Mattoon, Illinois 61938
Attention: Investor Relations
Telephone: (217) 235-3311

If you would like to request documents, please do so by [ ], 2007 in order to receive them before the annual meeting.

See Where You Can Find More Information on page 135.

ABOUT THIS DOCUMENT

This proxy statement/prospectus forms a part of a registration statement on Form S-4 (Registration No. [ ]) filed by Consolidated with the Securities and Exchange Commission (the SEC). It constitutes a prospectus of Consolidated under Section 5 of the Securities Act of 1933, as amended (the Securities Act), and the rules thereunder, with respect to the shares of Consolidated common stock to be issued to North Pittsburgh shareholders in the merger. It addition, it constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules thereunder, and a notice of meeting with respect to the North Pittsburgh annual meeting of shareholders at which North Pittsburgh shareholders will consider and vote upon the proposal to approve and adopt the merger agreement and the proposal to elect directors.

Table of Contents

NORTH PITTSBURGH SYSTEMS, INC.

4008 GIBSONIA ROAD
GIBSONIA, PENNSYLVANIA 15044-9311
TELEPHONE NO. 724-443-9600

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD [ ], 2007

The annual meeting of shareholders of North Pittsburgh Systems, Inc. (North Pittsburgh) will be held on [ ], 2007 at [ ] p.m., local time, at [ ], for the purpose of considering and acting upon the following matters:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of July 1, 2007 (as it may be amended from time to time, the Merger Agreement), by and among North Pittsburgh, Consolidated Communications Holdings, Inc., a Delaware corporation (Consolidated), and Fort Pitt Acquisition Sub Inc., a Pennsylvania corporation and a wholly-owned subsidiary of Consolidated (Merger Sub). A copy of the Merger Agreement is attached as Annex I to the accompanying proxy statement/prospectus. Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into North Pittsburgh, with North Pittsburgh continuing as the surviving corporation and becoming a wholly-owned subsidiary of Consolidated.

2. To elect 7 directors.

3. To transact such other business as may properly come before the meeting or any adjournments thereof.

Your vote is very important. Your Board of Directors has fixed the close of business on [ ], 2007 as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting. Whether or not you plan to attend the annual meeting, we recommend that you submit your proxy which is solicited by, and on behalf of, the Board of Directors of North Pittsburgh. You may vote by completing, dating and signing the enclosed proxy card and returning it in the envelope provided. Alternatively, you may vote by telephone or over the Internet by following the instructions set forth on the enclosed proxy card. If you hold your shares in street name through a broker, bank or other nominee, you should follow the instructions provided by your broker or other nominee.

The Board of Directors of North Pittsburgh unanimously recommends that you vote FOR the approval and adoption of the Merger Agreement. The Board of Directors also unanimously recommends that you vote FOR the nominees named herein for election as directors of North Pittsburgh.

By Order of the Board of Directors

N. William Barthlow
Secretary

Dated: Gibsonia, PA
[ ], 2007

TABLE OF CONTENTS

Table of Contents

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND THE MERGER

The following questions and answers address briefly some questions you may have regarding the annual meeting and the proposed merger. These questions and answers may not address all questions that may be important to you as a shareholder of North Pittsburgh Systems, Inc. (North Pittsburgh). Please refer to the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents referred to in or incorporated by reference into this proxy statement/prospectus. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section entitled Where You Can Find More Information .

Q: What am I being asked to vote on?

A: In addition to being asked to vote on the election of directors, you are being asked to vote on the approval and adoption of the Agreement and Plan of Merger, dated as of July 1, 2007 (as it may be amended from time to time, the Merger Agreement), by and among North Pittsburgh, Consolidated Communications Holdings, Inc. (Consolidated) and Fort Pitt Acquisition Sub Inc., a wholly-owned subsidiary of Consolidated (Merger Sub). If North Pittsburgh shareholders approve and adopt the Merger Agreement and the other closing conditions under the Merger Agreement are satisfied or waived, Merger Sub will merge with and into North Pittsburgh (the Merger). North Pittsburgh will be the surviving corporation in the Merger and will become a wholly-owned subsidiary of Consolidated.

Q: What will I receive for my North Pittsburgh common stock in the Merger?

A: You may make 1 of the following elections, or a combination of the 2, regarding the type of merger consideration you wish to receive in exchange for your shares of North Pittsburgh common stock:

- a cash election to receive $25.00 in cash, without interest, for each share of North Pittsburgh common stock; or
- a stock election to receive 1.1061947 shares of Consolidated common stock for each share of North Pittsburgh common stock.

If you make a cash election or a stock election, the form of merger consideration that you actually receive as a North Pittsburgh shareholder may be adjusted as a result of the proration procedures contained in the Merger Agreement as described in this proxy statement/prospectus under The Merger North Pittsburgh Shareholders Making Cash and Stock Elections on page 47. These proration procedures are designed to ensure that 80% of the North Pittsburgh shares outstanding immediately prior to the Merger are converted in the Merger into the right to receive cash and 20% of the North Pittsburgh shares outstanding immediately prior to the Merger are converted into the right to receive Consolidated common stock.

Neither Consolidated nor North Pittsburgh is making any recommendation as to whether North Pittsburgh shareholders should elect to receive cash consideration or stock consideration in the Merger. You must make your own decision with respect to such election. No guarantee can be made that you will receive the amount of cash consideration or stock consideration you elect. As a result of the proration procedures described in this proxy statement/prospectus and in the Merger Agreement, you may receive stock consideration or cash consideration in amounts that are different from the amounts you elect to receive. Because the value of the stock consideration and cash consideration may differ, you may receive consideration having an aggregate value less than what you elected to receive. North Pittsburgh shareholders should obtain current market quotations for Consolidated common stock before deciding

what elections to make.

Q: How and when do I make a cash election or a stock election?

A: You should carefully review and follow the instructions accompanying the form of election provided together with this proxy statement/prospectus. To make a cash election or a stock election, North Pittsburgh shareholders of record must properly complete, sign and send the form of election and any stock certificates representing their North Pittsburgh shares, or a guarantee of delivery as described in the instructions accompanying the form of election, to Computershare Trust Company, N.A., the exchange agent, as follows:

By Mail:	By Hand or Overnight Courier:
Computershare Trust Company, N.A. Attention: Corporate Actions P.O. Box 859208 Braintree, MA 02185-9208	Computershare Trust Company, N.A. Attention: Corporate Actions 161 Bay State Drive Braintree, MA 02184

The exchange agent must receive the form of election and any stock certificates representing North Pittsburgh shares, or a guarantee of delivery as described in the instructions accompanying the form of election, at or prior to the election deadline. **The election deadline will be 5:00 p.m., New York City time, on the date that is 2 business days immediately prior to the closing date of the Merger (or such other date as Consolidated and North Pittsburgh mutually agree).** Consolidated and North Pittsburgh will publicly announce the anticipated election deadline at least 5 business days prior to the anticipated closing date of the Merger.

If you own North Pittsburgh shares in street name through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the financial institution holding your shares concerning how to make your election.

Q: Can I elect to receive cash consideration for a portion of my North Pittsburgh shares and stock consideration for my remaining North Pittsburgh shares?

A: Yes. The form of election allows an election to be made for cash consideration for a portion of your North Pittsburgh shares and stock consideration for your remaining North Pittsburgh shares.

Q: Can I change my election after the form of election has been submitted?

A: Yes. You may revoke your election at or prior to the election deadline by submitting a written notice of revocation to the exchange agent. Revocations must specify the name in which your shares are registered on the share transfer books of North Pittsburgh and such other information as the exchange agent may request. If you wish to submit a new election, you must do so in accordance with the election procedures described in this proxy statement/prospectus and the form of election. If you instructed a broker or other nominee holder to submit an election for your shares, you must follow your broker s or other nominee s directions for changing those instructions. **The notice of revocation must be received by the exchange agent at or prior to the election deadline in order for the revocation to be valid.**

Q: May I transfer North Pittsburgh shares after making a cash election or a stock election?

A: No. Once you properly make an election with respect to any shares of North Pittsburgh common stock, you will be unable to sell or otherwise transfer those shares, unless you properly revoke your election at or prior to the election deadline or unless the Merger Agreement is terminated.

Q: What happens if I do not send a form of election or it is not received by the election deadline?

A: If the exchange agent does not receive a properly completed form of election from you at or prior to the election deadline (together with any stock certificates representing the shares of North Pittsburgh common stock covered by your election or a guarantee of delivery as described in the form of election), then you will have no control over the type of merger consideration you receive. As a result, your North Pittsburgh shares may be exchanged for cash consideration, stock consideration or a combination of cash consideration and stock consideration in accordance with the proration procedures contained in the Merger Agreement and described under The Merger North Pittsburgh Shareholders Making Cash and Stock Elections beginning on page 47. **You bear the risk of delivery of all the materials that you are required to submit to the exchange agent in order to properly make an election.**

Table of Contents

If you do not properly make an election with respect to all the North Pittsburgh shares you own of record, after the completion of the Merger you will receive written instructions from the exchange agent on how to exchange your North Pittsburgh stock certificates for the shares of Consolidated common stock and/or cash that you are entitled to receive in the Merger as a non-electing North Pittsburgh shareholder.

Because other North Pittsburgh shareholders would likely take the relative values of the stock consideration and cash consideration into account in determining what form of election to make, if you fail to make an election you are likely to receive the consideration having the lower value (depending on the relative values of the cash consideration and the stock consideration at the effective time of the Merger).

Q: May I submit a form of election even if I do not vote to approve and adopt the Merger Agreement?

A: Yes. You may submit a form of election even if you vote against the approval and adoption of the Merger Agreement or if you abstain or fail to vote with respect to the approval and adoption of the Merger Agreement.

Q: Where and when is the annual meeting of North Pittsburgh shareholders?

A: The annual meeting will be held at [ ] on [ ], 2007 at [ ] p.m., local time.

Q: Who can vote at the annual meeting?

A: You can vote at the annual meeting if you owned shares of North Pittsburgh common stock at the close of business on [ ], 2007, the record date for the annual meeting.

Q: What vote of North Pittsburgh shareholders is required to approve and adopt the Merger Agreement?

A: To approve and adopt the Merger Agreement, holders of a majority of the votes cast at the annual meeting must vote their shares **FOR** the approval and adoption of the Merger Agreement. Because the required vote of North Pittsburgh shareholders is based upon the number of votes cast, rather than upon the number of shares of North Pittsburgh common stock outstanding, any shares for which a holder does not submit a proxy or vote in person at the annual meeting, including abstentions and broker non-votes, will have no impact on the vote for the proposal to approve and adopt the Merger Agreement.

Q: How does the Board of Directors of North Pittsburgh recommend that I vote on the Merger Agreement?

A: The North Pittsburgh Board of Directors has determined that the Merger Agreement is advisable and in the best interests of North Pittsburgh and its shareholders and recommends that North Pittsburgh shareholders vote **FOR** the approval and adoption of the Merger Agreement.

Q: What do I need to do now to vote on the Merger Agreement?

A: If you are a shareholder of record, after carefully reading and considering the information contained in this proxy statement/prospectus, please complete, date and sign your proxy card and return it in the envelope provided, or vote by telephone or over the Internet, as soon as possible, so that your shares may be represented at the annual meeting. If you properly return or submit your proxy but do not indicate how you wish to vote, North Pittsburgh will count your proxy as a vote **FOR** the approval and adoption of the Merger Agreement and **FOR** the election of each of the persons nominated by the North Pittsburgh Board of Directors for election as directors of North Pittsburgh.

Q: If my North Pittsburgh shares are held in street name by my broker, will my broker vote my shares for me?

A: Your broker will vote your North Pittsburgh shares on the proposal to approve and adopt the Merger Agreement only if you provide instructions to your broker on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without instructions, your shares will not be voted on, and will have no effect on the vote for, the proposal to approve and adopt the Merger Agreement. However, brokers have discretionary authority to vote shares held in street name with respect to the election of directors.

Q: Can I change my vote after I have delivered my proxy?

A: Yes. You can change your vote before the annual meeting. If you are a shareholder of record, you may change your proxy voting instructions prior to commencement of the annual meeting by granting a new proxy (by mail, by phone or over the Internet), as described under The Annual Meeting Voting of Proxies on page 19. You may also revoke a proxy by submitting a notice of revocation to the Secretary of North Pittsburgh at the address set forth under The Annual Meeting Changing Your Vote on page 20 prior to the commencement of the annual meeting. Attendance at the annual meeting will not in and of itself constitute revocation of a proxy.

If your shares are held in street name , you may change your vote by submitting new voting instructions to your broker or other nominee holder in accordance with the procedures established by it. Please contact your broker or other nominee and follow its directions in order to change your vote.

Q: Should I send in my stock certificates with my proxy card?

A: **Please DO NOT send your North Pittsburgh stock certificates with your proxy card.**

If you wish to make an election with respect to your North Pittsburgh shares, then, prior to the election deadline, you should send your completed, signed form of election (together with your North Pittsburgh stock certificates or a guarantee of delivery) to the exchange agent as described in the form of election. If your shares are held in street name , you should follow your broker s or other nominee s instructions for making an election with respect to your shares.

If you make no election with respect to your North Pittsburgh shares, after the completion of the Merger you will receive a letter of transmittal for you to use in surrendering any North Pittsburgh stock certificates you have at that time.

Q: Is the Merger expected to be taxable to me?

A: Generally, yes. The receipt of the merger consideration for North Pittsburgh common stock pursuant to the Merger will be a taxable transaction for United States federal income tax purposes. In general, you will recognize capital gain or loss as a result of the Merger equal to the difference, if any, between (i) the sum of the cash, if any, and the fair market value of shares of Consolidated common stock, if any, that you receive and (ii) your adjusted tax basis in the North Pittsburgh shares surrendered pursuant to the Merger. You should read The Merger Material United States Federal Income Tax Consequences beginning on page 53 for a more complete discussion of United States federal income tax consequences of the Merger. Tax matters can be complicated, and the tax consequences of the Merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the Merger to you.**

Q: When do you expect the Merger to be completed?

A: We are working to complete the Merger as quickly as possible. If the Merger Agreement is approved and adopted by North Pittsburgh shareholders, and the other conditions to completion of the Merger are satisfied or waived, it is anticipated that the Merger will be completed in the fourth quarter of 2007 or the first quarter of 2008. However, it is possible that factors outside our control could require us to complete the Merger at a later time or not complete it at all.

Q: Can I dissent and require appraisal of my shares?

A: No. North Pittsburgh shareholders have no dissenters rights under Pennsylvania law in connection with the Merger. See The Merger Dissenters Rights on page 57.

Q: Who can help answer my questions?

A: If you have any questions about the Merger or the annual meeting, or if you need additional copies of this proxy statement/prospectus, the enclosed form of election or the enclosed proxy card, you should contact:

North Pittsburgh Systems, Inc.
4008 Gibsonia Road
Gibsonia, Pennsylvania 15044-9311
Attention: Investor Relations
Telephone: (724) 443-9583

SUMMARY OF THE MERGER

This summary highlights selected information from this proxy statement/prospectus and may not contain all the information that is important to you. To understand the Merger fully and for a more complete description of the legal terms of the Merger, you should carefully read this entire proxy statement/prospectus and the other documents to which we refer you, including, in particular, the copies of the Merger Agreement and the opinion of Evercore Group L.L.C. that are attached to this proxy statement/prospectus as Annexes I and II, respectively. See also Where You Can Find More Information on page 135. We have included page references to direct you to a more complete description of the topics presented in this summary.

General

What North Pittsburgh Shareholders Will Receive in the Merger (page 47)

At the effective time of the Merger, each issued and outstanding share of North Pittsburgh common stock (other than shares held in North Pittsburgh s treasury or owned by any North Pittsburgh subsidiary, Consolidated, Merger Sub or any other Consolidated subsidiary) will converted into the right to receive, at the holder s election, either (i) $25.00 in cash, without interest (the cash consideration), or (ii) 1.1061947 shares of Consolidated common stock (including cash in lieu of any fractional share, the stock consideration), subject to proration to ensure that 80% of the North Pittsburgh shares are converted in the Merger into the right to receive cash and 20% of the North Pittsburgh shares are converted in the Merger into the right to receive Consolidated common stock. The exchange ratio for the stock consideration is fixed and will not be adjusted to reflect any changes in the price of Consolidated common stock prior to the effective time of the Merger.

In this proxy statement/prospectus, when we refer to the term Merger Consideration with respect to a given share of North Pittsburgh common stock, we mean either the cash consideration (with respect to a share of North Pittsburgh common stock representing the right to receive the cash consideration) or the stock consideration (with respect to a share of North Pittsburgh common stock representing the right to receive the stock consideration).

Ownership of Consolidated Following the Merger (page 47)

Based on the number of shares of North Pittsburgh common stock and Consolidated common stock outstanding on the record date, we anticipate that, immediately following the Merger, North Pittsburgh shareholders who receive stock consideration in the Merger will own in the aggregate approximately 11.27% of the outstanding shares of Consolidated common stock.

Material United States Federal Income Tax Consequences (page 53)

The receipt of the Merger Consideration by a shareholder in exchange for shares of North Pittsburgh common stock pursuant to the Merger will be a taxable transaction for United States federal income tax purposes. In general, a shareholder who receives consideration in exchange for shares pursuant to the Merger will recognize gain or loss for federal income tax purposes equal to the difference, if any, between (i) the sum of the cash, if any, and the fair market value of shares of Consolidated common stock, if any, received and (ii) the shareholder s adjusted tax basis in the North Pittsburgh shares surrendered pursuant to the Merger. Such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the shareholder s holding period for such shares is more than 1 year at the time of consummation of the Merger. **Because individual circumstances may differ, each shareholder should consult his or her own tax advisor as to the particular tax consequences to him or her of the Merger, including the application and effect of state, local, foreign and other tax laws.**

Recommendation of the North Pittsburgh Board of Directors (page 63)

The Board of Directors of North Pittsburgh recommends a vote **FOR** the approval and adoption of the Merger Agreement.

Opinion of Evercore Group L.L.C. (page 29 and Annex II)

Evercore Group L.L.C. (Evercore) delivered its opinion to the Board of Directors of North Pittsburgh that, as of the date of its opinion and based upon and subject to the assumptions made, matters considered and limits of the review undertaken by it, the Merger Consideration to be received by the holders of North Pittsburgh common stock pursuant to the Merger Agreement is fair, from a financial point of view, to such holders.

The full text of Evercore s written opinion, dated July 1, 2007, is attached as Annex II to this proxy statement/prospectus and incorporated by reference herein. North Pittsburgh shareholders are encouraged to read Evercore s opinion carefully in its entirety, as it sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations of Evercore s review in rendering its opinion. Evercore s opinion only addresses the fairness from a financial point of view of the Merger Consideration to be received by the holders of shares of North Pittsburgh common stock pursuant to the Merger Agreement, and Evercore was not asked to express, nor has it expressed, any opinion with respect to any other aspect of the Merger. Specifically, Evercore s opinion does not address the underlying business decision by North Pittsburgh to effect the Merger and does not constitute a recommendation to any shareholder of North Pittsburgh as to how such shareholder should vote with respect to the Merger Agreement.

Interests of North Pittsburgh Directors and Executive Officers in the Merger (page 43)

In considering the recommendation of the North Pittsburgh Board of Directors with respect to the Merger Agreement, you should be aware that some of North Pittsburgh s directors and executive officers have interests in the Merger that are different from, or in addition to, those of North Pittsburgh shareholders generally. The North Pittsburgh Board of Directors was aware of these interests and considered them, among other matters, in reaching its decision to approve the Merger Agreement and the transactions contemplated by the Merger Agreement (including the Merger) and to recommend that North Pittsburgh shareholders vote **FOR** the approval and adoption of the Merger Agreement.

Comparison of Rights of North Pittsburgh Shareholders and Consolidated Stockholders (page 83)

North Pittsburgh shareholders rights are currently governed by the North Pittsburgh articles of incorporation, the North Pittsburgh by-laws and Pennsylvania law. Those North Pittsburgh shareholders who receive stock consideration in the Merger will, upon completion of the Merger, become stockholders of Consolidated and their rights will be governed by the Consolidated certificate of incorporation, the Consolidated by-laws and Delaware law.

The Annual Meeting (page 19)

The annual meeting of North Pittsburgh shareholders will be held on [ ], 2007 at [ ] p.m., local time, at [ ]. At the annual meeting, North Pittsburgh shareholders will be asked to (i) vote upon the proposal to approve and adopt the Merger Agreement, (ii) elect 7 directors and (iii) transact such other business as may properly come before the annual meeting or any adjournments thereof.

Record Date; Shares Entitled to Vote; Required Vote; Quorum (page 19)

North Pittsburgh shareholders are entitled to vote at the annual meeting if they owned shares of North Pittsburgh common stock at the close of business on [ ], 2007, the record date. On the record date, there were 15,005,000 shares of North Pittsburgh common stock outstanding. Shareholders will be entitled to 1 vote for each share of North Pittsburgh common stock that they owned on the record date on all matters submitted to a vote at the annual meeting.

To approve and adopt the Merger Agreement, holders of a majority of the votes cast on the proposal at the annual meeting must vote their shares **FOR** the approval and adoption of the Merger Agreement. In the election of directors of North Pittsburgh, the 7 candidates who receive the highest number of affirmative votes in the election of directors at the annual meeting will be elected the directors of North Pittsburgh. The presence at the annual meeting on [ ], 2007, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast at the annual meeting will constitute a quorum, which is necessary to hold the meeting. If a quorum is not present, the shareholders present, in person or by proxy, may adjourn the meeting without notice other than announced at the meeting.

Shares Owned by North Pittsburgh Directors and Executive Officers (page 19)

At the close of business on the record date, directors and executive officers of North Pittsburgh beneficially owned and were entitled to vote, in the aggregate, [ ] shares of North Pittsburgh common stock, which represented approximately [ ]% of the shares of North Pittsburgh common stock outstanding on that date. The directors and executive officers of North Pittsburgh have informed North Pittsburgh that they intend to vote all of their shares of North Pittsburgh common stock **FOR** the approval and adoption of the Merger Agreement.

The Merger (pages 22 and 58)

The Merger Agreement is attached as Annex I to this proxy statement/prospectus. We encourage you to read the Merger Agreement carefully and in its entirety because it is the principal document governing the Merger.

Conditions to the Completion of the Merger (page 58)

North Pittsburgh and Consolidated are obligated to complete the Merger only if certain conditions precedent are satisfied, including the following:

- the Merger Agreement has been approved and adopted by the affirmative vote of a majority of the votes cast on the proposal by North Pittsburgh shareholders at the annual meeting;

- the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), has expired or has been terminated (this condition has been satisfied see The Merger Regulatory Matters United States Antitrust);

- the approvals of the Federal Communications Commission (the FCC) and the Pennsylvania Public Utility Commission (the Pennsylvania PUC) required to permit consummation of the Merger have been obtained;

- no statute, rule or regulation has been enacted or promulgated by any federal or state governmental entity that prohibits the completion of the Merger;

- no judgment, order, writ, decree or injunction of any court is in effect that precludes, restrains, enjoins or prohibits the completion of the Merger;

- Consolidated s registration statement, of which this proxy statement/prospectus forms a part, has been declared effective by the SEC and no stop order suspending the effectiveness of the registration statement is in effect, and no proceeding for such purpose is pending before or, to the knowledge of North Pittsburgh or Consolidated, threatened by the SEC;

- the shares of Consolidated common stock to be issued in the Merger have been approved for listing on NASDAQ; and

- other contractual conditions set forth in the Merger Agreement have been satisfied or waived.

Termination of the Merger Agreement; Termination Fee and Expenses (pages 64 and 65)

The Merger Agreement contains provisions addressing the circumstances under which Consolidated or North Pittsburgh may terminate the Merger Agreement. In addition, the Merger Agreement provides that, in certain circumstances, North Pittsburgh may be required to pay Consolidated a termination fee of $11,250,000 plus reimbursement of Consolidated s actual and reasonable documented out-of-pocket expenses incurred in connection with the Merger Agreement up to $1,500,000.

Table of Contents

No Solicitation (page 61)

The Merger Agreement contains certain restrictions on North Pittsburgh s ability to solicit or engage in discussions or negotiations with a third party regarding specified transactions involving North Pittsburgh. Notwithstanding these restrictions, under certain circumstances, the Board of Directors of North Pittsburgh may (i) respond to an unsolicited bona fide written proposal for an alternative acquisition or (ii) terminate the Merger Agreement and enter into an agreement with respect to a superior proposal (in which case North Pittsburgh will be required to pay to Consolidated the termination fee and reimbursement of expenses referred to above).

Regulatory Matters (page 53)

United States antitrust laws prohibit Consolidated and North Pittsburgh from completing the Merger until they have furnished certain information and materials to the Antitrust Division of the Department of Justice and the Federal Trade Commission under the HSR Act and a required waiting period has ended. North Pittsburgh and Consolidated filed the required notification and report forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission on July 23, 2007. On August 3, 2007, the Federal Trade Commission granted early termination of the HSR Act waiting period.

Completion of the Merger is also conditioned upon the receipt of the following approvals of the FCC and the Pennsylvania PUC. Pursuant to the Merger Agreement, on July 16, 2007, North Pittsburgh s subsidiaries that are regulated by the Pennsylvania PUC, North Pittsburgh Telephone Company and Penn Telecom, Inc., jointly filed an application with the Pennsylvania PUC for approval of the transfers of control of those subsidiaries to Consolidated, as required under the Pennsylvania Public Utility Code. On July 17 and July 20, 2007, Consolidated and North Pittsburgh jointly filed the applications to transfer control of North Pittsburgh to Consolidated under the rules and regulations of the FCC.

Financing Arrangements (page 55)

In connection with the execution of the Merger Agreement, Consolidated and certain of its subsidiaries entered into a Commitment Letter, dated June 30, 2007, from Wachovia Bank, National Association and Wachovia Capital Markets, LLC. The Commitment Letter provides for senior secured credit facilities in an aggregate principal amount of up to \$950,000,000, consisting of a 6-year revolving credit facility in an aggregate principal amount of up to \$50,000,000 and a 7-year senior secured term loan facility in an aggregate principal amount of up to \$900,000,000. The credit facilities will be used, among other things, to finance the aggregate cash consideration for the transactions contemplated by the Merger Agreement.

The Companies (page 21)

Consolidated Communications Holdings, Inc.
121 South 17th Street
Mattoon, Illinois 61938
Telephone: (217) 235-3311

Consolidated, a Delaware corporation, through its operating companies, operates established rural local exchange companies (RLECs) providing voice, data and video services to residential and business customers in Illinois and Texas. Each of the operating companies has been operating in its local market for over 100 years. With approximately 229,007 local access lines, 58,225 DSL subscribers and 9,577 IPTV subscribers, Consolidated s operating companies offer a wide range of telecommunications services, including local and long distance service, custom calling features, private line services, dial-up and high-speed Internet access, digital TV, carrier access services, and directory publishing. Consolidated operates the 14th largest local telephone company in the United States.

North Pittsburgh Systems, Inc.
4008 Gibsonia Road
Gibsonia, Pennsylvania 15044-9311
Telephone: (724) 443-9600

North Pittsburgh, a Pennsylvania corporation, is a holding company. Its predecessor, North Pittsburgh Telephone Company, a telephone public utility incorporated in 1906, became a wholly-owned subsidiary of North Pittsburgh on May 31, 1985. Penn Telecom, Inc. became a wholly-owned subsidiary of North Pittsburgh on January 30, 1988. Prior to this date, Penn Telecom was a wholly-owned subsidiary of North Pittsburgh Telephone Company. Penn Telecom is certificated as a Competitive Access Provider (CAP), a Competitive Local Exchange Carrier (CLEC) and an Interexchange Carrier (IXC) and has entered into these businesses. Pinnatech, Inc., a wholly-owned subsidiary of North Pittsburgh, was formed in 1995 and principally provides Internet and broadband related services.
North Pittsburgh Telephone Company, Penn Telecom and Pinnatech are Pennsylvania corporations. In addition to its wholly-owned subsidiaries, North Pittsburgh, through its North Pittsburgh Telephone Company subsidiary, owns limited partnership interests constituting equity interests of 3.6%, 16.6725% and 23.67% in the Pittsburgh SMSA, Pennsylvania RSA No. 6(I) and Pennsylvania RSA No. 6(II) limited partnerships, respectively, all of which are majority-owned and operated by Verizon Wireless.

As of June 30, 2007, North Pittsburgh had a total of 60,663 access lines in its Incumbent Local Exchange Carrier (ILEC) territory, 66,699 CLEC equivalent access lines (including 42,250 access lines and 2,286 DSL subscribers) and a total of 16,572 DSL subscribers across all subsidiaries. CLEC equivalent access lines include access lines and access line equivalents. Access line equivalents represent a conversion of data circuits to an access line basis and are presented for comparability purposes. Equivalents are calculated by converting data circuits (basic rate interface (BRI), primary rate interface (PRI), DSL, DS-1 and DS-3) and SONET-based (optical) services (OC-3 and OC-48) to the equivalent of an access line.

Fort Pitt Acquisition Sub Inc.
c/o Consolidated Communications Holdings, Inc.
121 South 17th Street
Mattoon, Illinois 61938
Telephone: (217) 235-3311

Fort Pitt Acquisition Sub Inc. (Merger Sub) is a Pennsylvania corporation and a wholly-owned subsidiary of Consolidated. It was incorporated on July 2, 2007 solely for the purpose of effecting the Merger with North Pittsburgh.

Market Prices and Dividend Information (page 81)

Shares of Consolidated common stock are listed on the NASDAQ Global Market under the symbol CNSL . Shares of North Pittsburgh common stock are listed on the NASDAQ Global Select Market under the symbol NPSI . The following table presents:

- the last reported sale price of a share of Consolidated common stock, as reported by the NASDAQ Global Market;

- the last reported sale price of a share of North Pittsburgh common stock, as reported by the NASDAQ Global Select Market; and the market value of a share of North Pittsburgh common stock on an equivalent value per share basis, as determined by multiplying (i) the last reported sale price of a share of Consolidated common stock, as reported by the NASDAQ Global Market, by (ii) 1.1061947, which is the exchange ratio for the stock consideration that North Pittsburgh shareholders may elect to receive in the Merger, subject to proration (see The Merger North Pittsburgh Shareholders Making Cash and Stock Elections);

in each case, on June 29, 2007, the last full trading day prior to the public announcement of the Merger, and on [ ], 2007, the latest practicable date before the date of this proxy statement/prospectus.

Table of Contents

Date	Consolidated Common Stock		North Pittsburgh Common Stock		Equivalent Value per Share of North Pittsburgh Common Stock	
June 29, 2007	$	22.60	$	21.25	$	25.00
[ ], 2007	$	[ ]	$	[ ]	$	[ ]

Shareholders are urged to obtain current market quotations for shares of Consolidated common stock and North Pittsburgh common stock prior to making any decision with respect to the Merger.

No assurance can be given as to the market price of Consolidated common stock or the market price of North Pittsburgh common stock at the effective time of the Merger. Because the exchange ratio for the stock consideration will not be adjusted for changes in the market price of Consolidated common stock, the market value of the stock consideration at the effective time of the Merger may vary significantly from the market value of the shares of Consolidated common stock that would have been issued in the Merger if the Merger had been consummated on the date of the Merger Agreement or on the date of this proxy statement/prospectus. The market price of Consolidated common stock will continue to fluctuate after the effective time of the Merger. See Risk Factors Relating to the Merger .

The equivalent value per share of North Pittsburgh common stock set forth in the table above has been calculated based on the exchange ratio for the stock consideration and does not reflect the $25.00 per share cash consideration that North Pittsburgh shareholders may elect to receive in the Merger (subject to proration). See The Merger North Pittsburgh Shareholders Making Cash and Stock Elections . **If the market price of Consolidated common stock at the effective time of the Merger is less than $22.60 per share, the value of the stock consideration will be less than the value of the cash consideration at that time.**

As a result of the proration procedures in the Merger Agreement, even if you properly make a cash election for all of your North Pittsburgh shares, if more than 80% of the outstanding North Pittsburgh shares are subject to cash elections, you will receive Consolidated common stock in the Merger in exchange for some of your North Pittsburgh shares. See The Merger North Pittsburgh Shareholders Making Cash and Stock Elections .

Consolidated and North Pittsburgh declare and pay regular quarterly dividends as declared by their respective Boards of Directors. However, North Pittsburgh has agreed in the Merger Agreement that North Pittsburgh will not declare or pay dividends on its capital stock after the regular quarterly cash dividend of $0.20 per share which is payable on October 15, 2007 to shareholders of record on October 1, 2007. See The Merger Agreement Conduct of North Pittsburgh s Business Pending the Merger .

Comparative Per Share Information

The following table sets forth for the periods presented certain per share information for Consolidated common stock and North Pittsburgh common stock on a historical basis and on an unaudited pro forma basis after giving effect to the Merger under the purchase method of accounting. The historical per share information for Consolidated and North Pittsburgh has been derived from, and should be read in conjunction with, the historical consolidated financial statements of Consolidated and North Pittsburgh incorporated by reference into this proxy statement/prospectus. See

Where You Can Find More Information . The unaudited pro forma per share information has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information included in this proxy statement/prospectus. See Unaudited Pro Forma Condensed Combined Financial Statements .

The unaudited pro forma North Pittsburgh equivalent information was calculated by multiplying the corresponding Consolidated unaudited pro forma combined information by 1.1061947, which is the exchange ratio for the stock consideration in the Merger. It does not reflect the $25.00 per share cash consideration that North Pittsburgh shareholders may elect to receive in the Merger (subject to proration). See The Merger North Pittsburgh Shareholders Making Cash and Stock Elections . This data shows how each share of North Pittsburgh common stock that is converted in the Merger into shares of Consolidated common stock would have participated in income from continuing operations, cash dividends declared and book value of Consolidated if

6

Table of Contents

North Pittsburgh and Consolidated had been combined for accounting and financial reporting purposes for all periods presented. These amounts, however, are not intended to be indicative of the historical results that would have been achieved had the companies actually been combined for all periods presented or of the future results of the combined company.

	Six Months Ended June 30, 2007 (Unaudited)	Year Ended December 31, 2006
CONSOLIDATED HISTORICAL		
Income from continuing operations (basic)	$ 0.39	$ 0.48
Income from continuing operations (diluted)	0.39	0.47
Unaudited book value at period end	4.15	4.42
Cash dividends	0.77	1.55
NORTH PITTSBURGH HISTORICAL		
Income from continuing operations (basic)	0.35	2.12
Income from continuing operations (diluted)	0.35	2.12
Unaudited book value at period end	6.64	6.75
Cash dividends	0.40	1.79 (1)
CONSOLIDATED UNAUDITED PRO FORMA COMBINED		
Income from continuing operations (basic)	0.23	0.82
Income from continuing operations (diluted)	0.23	0.81
Unaudited book value at period end	6.00	N/A (2)
Cash dividends	0.77	1.55
NORTH PITTSBURGH UNAUDITED PRO FORMA EQUIVALENT		
Income from continuing operations (basic)	0.25	0.91
Income from continuing operations (diluted)	0.25	0.90
Unaudited book value at period end	6.64	N/A (2)
Cash dividends	0.85	1.71

(1) Includes a $1.00 per share special dividend declared in April 2006.

(2) Book value is presented on a pro forma basis only for June 30, 2007, the most recent presented balance sheet date.

Table of Contents

Selected Historical Consolidated Financial Information of North Pittsburgh Systems, Inc.

The following selected historical consolidated financial information as of and for the 5 years ended December 31, 2006 has been derived from North Pittsburgh s audited historical consolidated financial statements and related notes. The selected historical financial information as of December 31, 2006 and 2005 and for the 3 years ended December 31, 2006 is derived from the audited historical consolidated financial statements and related notes of North Pittsburgh incorporated by reference into this proxy statement/prospectus. The selected historical financial information as of December 31, 2004, 2003 and 2002 and for the 2 years ended December 31, 2003 is derived from audited historical consolidated financial statements and related notes of North Pittsburgh which were previously filed with the SEC but are not included or incorporated by reference into this proxy statement/prospectus.

The following selected historical consolidated financial information as of and for the 6-month periods ended June 30, 2007 and 2006 has been derived from North Pittsburgh s unaudited historical consolidated financial statements and related notes. The selected historical financial information as of June 30, 2007 and for the 6-month periods ended June 30, 2007 and 2006 is derived from the unaudited historical financial statements and related notes of North Pittsburgh incorporated by reference into this proxy statement/prospectus. The selected historical financial information as of June 30, 2006 is derived from unaudited historical financial statements and related notes of North Pittsburgh which were previously filed with the SEC but are not included or incorporated by reference into this proxy statement/prospectus.

This information is only a summary and should be read in conjunction with management s discussion and analysis of financial condition and results of operations of North Pittsburgh and the historical consolidated financial statements and notes thereto of North Pittsburgh incorporated by reference into this proxy statement/prospectus or otherwise previously filed with the SEC as described above. See Where You Can Find More Information .

	Six Months Ended June 30, (Unaudited)		Year Ended December 31,				
	2007	**2006**	**2006**	**2005**	**2004**	**2003**	**2002**
	(dollars in thousands, except per share amounts)						
Statement of Income Data:							
Operating revenues	$ 48,737	$ 52,438	$ 103,465	$ 109,804	$ 106,082	$ 103,147	$ 92,408
Operating expenses(1)	45,157	39,179	78,524	78,066	78,703	79,777	69,528
Net operating income	3,580	13,259	24,941	31,738	27,379	23,370	22,880
Interest expense	(608)	(717)	(1,402)	(1,639)	(1,931)	(2,126)	(3,990)
Interest income	1,192	1,270	2,546	1,457	406	202	530
Dividend income	10	9	20	1,140	1,171	610	6
Gain on redemption of investment(2)		19,622	19,622				
Equity income of affiliated companies	4,859	4,225	8,623	6,001	5,622	3,085	2,809
Sundry expense, net	(51)	(19)	(133)	(48)	(132)	(153)	(1,465)
	8,982	37,649	54,217	38,649	32,515	24,988	20,770

Income from continuing operations before income taxes							
Income tax expense	3,766	15,671	22,473	15,407	13,408	10,303	8,574
Income from continuing operations	5,216	21,978	31,744	23,242	19,107	14,685	12,196
Discontinued operations, net of tax(3)		6	11	(186)	(147)	(68)	(78)
Net income	$ 5,216	$ 21,984	$ 31,755	$ 23,056	$ 18,960	$ 14,617	$ 12,118
Weighted average common shares outstanding	15,005	15,005	15,005	15,005	15,005	15,005	15,005
Basic and diluted earnings per share:							
Income from continuing operations	$ 0.35	$ 1.47	$ 2.12	$ 1.55	$ 1.27	$ 0.97	$ 0.81
Income (loss) from discontinued operations				(0.01)	(0.01)		
Net income per share	$ 0.35	$ 1.47	$ 2.12	$ 1.54	$ 1.26	$ 0.97	$ 0.81
Dividends declared per share of Common Stock(4)	$ 0.40	$ 1.39	$ 1.79	$ 0.75	$ 0.72	$ 0.68	$ 0.68

	Six Months Ended June 30, (Unaudited)		Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(dollars in thousands, except per share amounts)						
Statement of Cash Flows Data:							
Cash provided by operating activities from continuing operations	$ 7,160	$ 3,469	$ 13,863	$ 32,723	$ 34,138	$ 30,575	$ 28,234
Cash provided by (used for) investing activities from continuing operations(2)	(1,841)	14,318	10,346	(4,339)	(8,738)	(6,849)	(9,806)
Cash used for financing activities from continuing operations(4)(5)	(8,012)	(22,688)	(30,684)	(15,217)	(14,810)	(14,284)	(31,604)
Cash provided by (used for) discontinued operations(3)		272	426	(169)	(47)	340	121
Balance Sheet Data (at period end):							
Total assets	$ 157,122	$ 157,791	$ 157,433	$ 159,200	$ 155,500	$ 151,255	$ 150,403
Long-term debt	13,885	16,970	15,427	18,512	21,597	24,682	27,767
Long-term obligations under capital lease	2,286	3,273	2,790	3,731	4,588	5,539	6,611
Shareholders equity	99,708	100,654	101,296	99,517	86,861	79,152	74,892

(1) Includes $6,468 of curtailment and special termination benefit expenses associated with an early retirement incentive program and $718 of strategic alternatives expenses recognized in the 6-month period ended June 30, 2007.

(2) Reflects gain recognized on, and for purposes of the comparable Cash provided by (used for) investing activities from continuing operations includes proceeds received from, the redemption of North Pittsburgh s Rural Telephone Bank stock in April 2006.

(3) Reflects the results of North Pittsburgh s telecommunications equipment operations, which were sold on December 30, 2005 and have been classified as discontinued operations.

(4) Includes a $1.00 per share special dividend declared in April 2006 that amounted to $15,005.

(5) Includes $16,349 of accelerated payments to retire the remaining notes payable to the Rural Telephone Bank during 2002.

Table of Contents

Selected Historical Consolidated Financial Information of Consolidated Communications Holdings, Inc.

The following selected historical financial information as of and for the years ended December 31, 2006, 2005, 2004 and 2003 has been derived from Consolidated s audited historical consolidated financial statements, and the following selected historical financial information as of and for the year ended December 31, 2002 has been derived from the audited historical combined financial statements of Illinois Consolidated Telephone Company (ICTC) and related businesses. Consolidated believes the operations of ICTC and related businesses prior to December 31, 2002 represent the predecessor of Consolidated. The selected historical financial information as of December 31, 2006 and 2005 and for the 3 years ended December 31, 2006 is derived from the audited historical consolidated financial statements of Consolidated incorporated by reference into this proxy statement/prospectus. The selected historical financial information as of December 31, 2004, 2003 and 2002 and for the 2 years ended December 31, 2003 is derived from audited historical consolidated financial statements of Consolidated and audited historical combined financial statements of ICTC and related businesses which were previously filed with the SEC but are not included or incorporated by reference into this proxy statement/prospectus.

The following selected historical financial information as of and for the 6-month periods ended June 30, 2006 and 2007 has been derived from Consolidated s unaudited historical consolidated financial statements. The selected historical financial information as of June 30, 2007 and for the 6-month periods ended June 30, 2007 and 2006 is derived from the unaudited historical financial statements of Consolidated incorporated by reference into this proxy statement/prospectus. The selected historical financial information as of June 30, 2006 is derived from unaudited historical financial statements of Consolidated which were previously filed with the SEC but are not included or incorporated by reference into this proxy statement/prospectus.

This information is only a summary and should be read in conjunction with management s discussion and analysis of financial condition and results of operations of Consolidated and the historical consolidated financial statements and notes thereto of Consolidated incorporated by reference into this proxy statement/prospectus or otherwise previously filed with the SEC as described above. See Where You Can Find More Information .

	Consolidated						Predecessor
	Six Months Ended June 30,		Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(dollars in millions, except per share amounts)						
Consolidated Statement of Operations Data:							
Telephone operations revenues	$ 143.5	$ 139.1	$ 280.4	$ 282.3	$ 230.4	$ 90.3	$ 76.7
Other operations revenues	20.4	19.7	40.4	39.1	39.2	42.0	33.2
Total operating revenues	163.9	158.8	320.8	321.4	269.6	132.3	109.9
Cost of services and products (exclusive of depreciation and amortization shown separately below)	51.4	48.7	98.1	101.1	80.6	46.3	35.8
Selling, general and administrative	44.6	47.2	94.7	98.8	87.9	42.5	35.6
Intangible assets impairment			11.3		11.6		

Depreciation and amortization	33.2	33.9	67.4	67.4	54.5	22.5	24.6
Income from operations	34.7	29.0	49.3	54.1	35.0	21.0	13.9
Interest expense, net(1)	(22.9)	(20.1)	(42.9)	(53.4)	(39.6)	(11.9)	(1.6)
Other, net(2)	3.1	2.7	7.3	5.7	3.7	0.1	0.4
Income (loss) before income taxes	14.9	11.6	13.7	6.4	(0.9)	9.2	12.7
Income tax expense	(4.8)	0.2	(0.4)	(10.9)	(0.2)	(3.7)	(4.7)
Net income (loss)	10.1	11.8	13.3	(4.5)	(1.1)	5.5	$ 8.0
Dividends on redeemable preferred shares				(10.2)	(15.0)	(8.5)	
Net income (loss) applicable to common shares	$ 10.1	$ 11.8	$ 13.3	$ (14.7)	$ (16.1)	$ (3.0)	
Net income (loss) per common share:							
Basic	$ 0.39	$ 0.40	$ 0.48	$ (0.83)	$ (1.79)	$ (0.33)	
Diluted	$ 0.39	$ 0.40	$ 0.47	$ (0.83)	$ (1.79)	$ (0.33)	

	Consolidated						Predecessor
	Six Months Ended June 30,		Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(dollars in millions, except per share amounts)						
Consolidated Cash Flow Data:							
Cash flows from operating activities	$ 37.1	$ 33.4	$ 84.6	$ 79.3	$ 79.8	$ 28.9	$ 28.5
Cash flows used in investing activities	(27.3)	(11.3)	(26.7)	(31.1)	(554.1)	(296.1)	(14.1)
Cash flows from (used in) financing activities	(20.4)	(23.0)	(62.7)	(68.9)	516.3	277.4	(16.6)
Capital expenditures	16.7	17.2	33.4	31.1	30.0	11.3	14.1
Consolidated Balance Sheet Data:							
Cash and cash equivalents	$ 16.1	$ 30.4	$ 26.7	$ 31.4	$ 52.1	$ 10.1	$ 1.1
Total current assets	75.9	78.7	74.2	79.0	98.9	39.6	23.2
Net plant, property, & equipment(3)	304.1	325.3	314.4	335.1	360.8	104.6	105.1
Total assets	876.7	928.6	889.6	946.0	1,006.1	317.6	236.4
Total long-term debt (including current portion)(4)	594.0	555.0	594.0	555.0	629.4	180.4	21.0
Redeemable preferred shares					205.5	101.5	
Stockholders equity/Members deficit/Parent company investment(5)	108.5	193.4	115.0	199.2	(18.8)	(3.5)	174.5
Other Financial Data:							
Consolidated EBITDA(6)	$ 73.3	$ 69.3	$ 139.8	$ 136.8	$ 115.8	$ 45.5	$ 38.5
Other Data (as of end of period):							
Local access lines in service:							
Residential	151,645	159,295	155,354	162,231	168,778	58,461	60,533
Business	77,362	79,609	78,335	79,793	86,430	32,426	32,475
Total local access lines	229,007	238,904	233,689	242,024	255,208	90,887	93,008
IPTV subscribers	9,577	4,516	6,954	2,146	101		
DSL subscribers	58,225	45,948	52,732	39,192	27,445	7,951	5,761
Total connections	296,809	289,368	293,375	283,362	282,754	98,838	98,769

(1)

Interest expense includes amortization and write-off of deferred financing costs totaling $1.7 million and $1.6 million for the 6 months ended June 30, 2007 and June 30, 2006, respectively, and $3.3 million, $5.5 million, $6.4 million and $0.5 million for the years ended December 31, 2006, 2005, 2004 and 2003, respectively.

(2) In June 2007 and June 2005, Consolidated recognized $0.3 million and $2.8 million of net proceeds in other income due to the receipt of key-man life insurance proceeds relating to the passing of former TXU Communications Ventures Company (TXUCV) employees.

(3) Property, plant and equipment are recorded at cost. The cost of additions, replacements and major improvements is capitalized, while repairs and maintenance are charged to expenses. When property, plant and equipment are retired from Consolidated s regulated subsidiaries, the original cost, net of salvage, is charged against accumulated depreciation, with no gain or loss recognized in accordance with composite group life remaining methodology used for regulated telephone plant assets.

(4) In connection with Consolidated s acquisition of TXUCV on April 14, 2004, Consolidated issued $200.0 million in aggregate principal amount of senior notes and entered into credit facilities. In connection with its initial public offering in July 2005, Consolidated retired $70.0 million of senior notes and amended and restated its credit facilities.

(5) In July 2006, Consolidated repurchased and retired approximately 3.8 million shares of its common stock for approximately $56.7 million, or $15.00 per share. Consolidated financed this transaction using approximately $17.7 million of cash on hand and $39.0 million of additional term-loan borrowings.

(6) Consolidated presents its Consolidated EBITDA because it believes that Consolidated EBITDA is a useful indicator of its historical debt capacity and its ability to service debt and pay dividends and because it provides a measure of consistency in Consolidated s financial reporting. Consolidated also presents its Consolidated EBITDA because covenants in its credit facilities contain ratios based on Consolidated EBITDA.

Table of Contents

Consolidated EBITDA is defined in Consolidated s credit facilities as: Consolidated Net Income, which is defined in Consolidated s credit facilities, (a) plus the following to the extent deducted in arriving at Consolidated Net Income (i) interest expense, amortization or write-off of debt discount and non-cash expense incurred in connection with equity compensation plans; (ii) provision for income taxes; (iii) depreciation and amortization; (iv) non-cash charges for asset impairment; and (v) fees and expenses incurred in connection with Consolidated s repurchase of its common stock from Providence Equity in July 2006 and the borrowing of the new term D loans in connection therewith; (b) minus (in the case of gains) or plus (in the case of losses) gain or loss on sale of assets; (c) plus (in the case of losses) and minus (in the case of income) non-cash minority interest income or loss; (d) plus (in the case of items deducted in arriving at Consolidated Net Income) and minus (in the case of items added in arriving at Consolidated Net Income) non-cash charges resulting from changes in accounting principles; (e) plus extraordinary losses and minus extraordinary gains as defined by generally accepted accounting principles (GAAP); (f) minus interest income; and (g) plus, as defined in Consolidated s credit facilities and amendments to its credit facilities, certain costs associated with the integration of Consolidated Communications, Inc. and Consolidated Communications Acquisitions Texas, Inc., severance and start-up costs associated with documentation to become compliant with the Sarbanes-Oxley Act. If Consolidated s Consolidated EBITDA were to decline below certain levels, covenants in its credit facilities that are based on Consolidated EBITDA, including Consolidated s total net leverage, senior secured leverage and fixed charge coverage ratios covenants, may be violated and could cause, among other things, a default or mandatory prepayment under Consolidated s credit facilities, or result in Consolidated s inability to pay dividends.

Consolidated believes that net cash provided by operating activities is the most directly comparable financial measure to Consolidated EBITDA under GAAP. Consolidated EBITDA should not be considered in isolation or as a substitute for consolidated statement of operations and cash flows data prepared in accordance with GAAP. Consolidated EBITDA is not a complete measure of an entity s profitability because it does not include costs and expenses identified above; nor is Consolidated EBITDA a complete net cash flow measure because it does not include reductions for cash payments for an entity s obligation to service its debt, fund its working capital, make capital expenditures and make acquisitions or pay its income taxes and dividends.

The following table sets forth a reconciliation of Cash Provided by Operating Activities to Consolidated EBITDA:

	Consolidated						**Predecessor**
	Six Months Ended June 30,		**Year Ended December 31,**				
	2007	**2006**	**2006**	**2005**	**2004**	**2003**	**2002**
	(dollars in millions)						
Historical EBITDA:							
Net cash provided by operating activities	$ 37.1	$ 33.4	$ 84.6	$ 79.3	$ 79.8	$ 28.9	$ 28.5
Adjustments:							
Compensation from restricted share plan	(1.7)	(1.3)	(2.5)	(8.6)			
Other adjustments, net(a)	(4.1)	0.1	(8.1)	(18.0)	(22.0)	(7.3)	3.1
Changes in operating assets and liabilities	12.0	13.5	6.7	10.2	(4.4)	6.4	1.0
Interest expense, net	22.9	20.2	42.9	53.4	39.6	11.8	1.6

Income taxes	4.8	(0.2)	0.4	10.9	0.2	3.7	4.7
Historical EBITDA(b)	71.0	65.7	124.0	127.2	93.2	43.5	38.9
Adjustments to EBITDA:							
Integration, restructuring and Sarbanes-Oxley(c)	0.5	2.7	3.7	7.4	7.0		
Professional service fees(d)				2.9	4.1	2.0	
Other, net(e)	(3.0)	(2.8)	(7.1)	(3.0)	(3.7)		(0.4)
Investment distributions(f)	3.1	2.4	5.5	1.6	3.6		
Pension curtailment gain(g)				(7.9)			
Intangible assets impairment(a)			11.2		11.6		
Non-cash compensation(h)	1.7	1.3	2.5	8.6			
Consolidated EBITDA	$ 73.3	$ 69.3	$ 139.8	$ 136.8	$ 115.8	$ 45.5	$ 38.5

12

(a) Other adjustments, net includes $11.2 million and $11.6 million of asset impairment charges for years ended December 31, 2006 and December 31, 2004, respectively. Upon completion of its 2006 annual impairment review and as a result of a decline in estimated future cash flows in the telemarketing and operator services business, Consolidated determined that the value of the customer lists associated with these businesses was impaired. As a result of its 2004 impairment testing, Consolidated determined that the goodwill of its operator services business and the tradenames of its telemarketing and mobile services business were impaired. Non-cash impairment charges are excluded in arriving at Consolidated EBITDA under Consolidated s credit facilities.

(b) Historical EBITDA is defined as net earnings (loss) before interest expense, income taxes, depreciation and amortization on a historical basis.

(c) In connection with the TXUCV acquisition, Consolidated has incurred certain expenses associated with integrating and restructuring the businesses. These expenses include severance, employee relocation expenses, Sarbanes-Oxley start-up costs, costs to integrate Consolidated s technology, administrative and customer service functions, billing systems and other integration costs. These expenses are also excluded from Consolidated s Consolidated EBITDA under its credit facilities.

(d) Represents the aggregate professional service fees paid to certain large equity investors prior to Consolidated s initial public offering. Upon closing of the initial public offering, these agreements terminated.

(e) Other, net includes the equity earnings from Consolidated s investments, dividend income and certain other miscellaneous non-operating items. Key man life insurance proceeds of $0.3 million received in June 2007 and $2.8 million received in June 2005 are not deducted to arrive at Consolidated EBITDA.

(f) For purposes of calculating Consolidated EBITDA, Consolidated includes all cash dividends and other cash distributions received from its investments.

(g) Represents a $7.9 million curtailment gain associated with the amendment of Consolidated s Texas pension plan. The gain was recorded in general and administrative expenses. However, because the gain is non-cash, it is excluded from Consolidated s Consolidated EBITDA.

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

Table of Contents

Selected Unaudited Pro Forma Condensed Combined Financial Information

The following selected unaudited pro forma condensed combined financial information is based upon the historical consolidated financial statements of Consolidated and North Pittsburgh incorporated by reference into this proxy statement/prospectus and has been prepared to reflect the Merger based on the purchase method of accounting, with Consolidated treated as the acquiror. The historical consolidated financial statements have been adjusted to give effect to pro forma events that are directly attributable to the Merger and factually supportable and, in the case of the statement of operations information, that are expected to have a continuing impact. The selected unaudited pro forma condensed combined financial information is derived from the unaudited pro forma condensed combined financial statements contained in this proxy statement/prospectus. See Unaudited Pro Forma Condensed Combined Financial Statements . The selected unaudited pro forma condensed combined financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes of Consolidated and North Pittsburgh incorporated by reference into this proxy statement/prospectus and the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined balance sheet has been prepared as of June 30, 2007 and gives effect to the Merger as if it had occurred on that date. The unaudited pro forma condensed combined statement of operations, which has been prepared for the 6 months ended June 30, 2007 and for the year ended December 31, 2006, gives effect to the Merger as if it had occurred on January 1, 2006.

As of the date of this proxy statement/prospectus, Consolidated has not finalized the detailed valuation studies necessary to arrive at the required estimates of the fair market value of the North Pittsburgh assets to be acquired and the liabilities to be assumed and the related allocations of the purchase price, nor has Consolidated identified the adjustments necessary, if any, to conform North Pittsburgh data to Consolidated accounting policies. As indicated in Note 1 to the unaudited pro forma condensed combined financial statements, Consolidated has made certain adjustments to the historical book values of the assets and liabilities of North Pittsburgh to reflect certain preliminary estimates of the fair values necessary to prepare the unaudited pro forma condensed combined financial statements, with the excess of the estimated purchase price over the historical net assets of North Pittsburgh, as adjusted to reflect estimated fair values, recorded as goodwill. See Unaudited Pro Forma Condensed Combined Financial Statements . Actual results are expected to differ from the unaudited pro forma condensed combined financial statements once Consolidated has determined the final purchase price (as determined by the market price of Consolidated common stock on the closing date of the Merger) for North Pittsburgh, completed the valuation studies necessary to finalize the required purchase price allocations and identified any necessary conforming accounting changes for North Pittsburgh. There can be no assurances that such finalization will not result in material changes.

The unaudited pro forma condensed combined financial statements are not intended to represent or be indicative of the consolidated results of operations or financial condition of the combined company that would have been reported had the Merger been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial condition of the combined company.

The unaudited pro forma condensed combined financial statements do not include the realization of future cost savings or synergies or restructuring charges that are expected to result from Consolidated s acquisition of North Pittsburgh.

	Six Months Ended June 30, 2007	**Year Ended December 31, 2006**
	(dollars in thousands, except per share amounts)	

Statement of Operations Data:		
Revenues	$ 212,661	$ 424,232
Income from continuing operations	6,660	25,508
Income from continuing operations per common share:		
Basic	0.23	0.82
Diluted	0.23	0.81
Balance Sheet Data (at period end):		
Total assets	1,316,110	N/A
Long-term debt and capital lease obligations	892,286	N/A
Total stockholders equity	176,712	N/A

Table of Contents

RISK FACTORS RELATING TO THE MERGER

In addition to the other information included in and incorporated by reference into this proxy statement/prospectus, North Pittsburgh shareholders should consider carefully the matters described below in determining whether to approve and adopt the Merger Agreement and in determining whether to make a cash election or a stock election for each of their shares of North Pittsburgh common stock. Please also refer to the information under the heading Risk Factors set forth in Item 1A in each of Consolidated s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and North Pittsburgh s Annual Report on Form 10-K for the fiscal year ended December 31, 2006, each of which is incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information .

The exchange ratio for the stock consideration is fixed and will not be adjusted in the event that the price of Consolidated common stock declines before the Merger is completed. As a result, the value of the shares of Consolidated common stock issued in the Merger could be less than the value of those shares today. At the effective time of the Merger, each issued and outstanding share of North Pittsburgh common stock (other than shares held in North Pittsburgh s treasury or owned by any North Pittsburgh subsidiary, Consolidated, Merger Sub or any other Consolidated subsidiary) will be converted into the right to receive, at the holder s election, either (i) $25.00 in cash, without interest, or (ii) 1.1061947 shares of Consolidated common stock, subject to proration to ensure that 80% of the North Pittsburgh shares outstanding immediately prior to the Merger are converted in the Merger into the right to receive cash and 20% of the North Pittsburgh shares outstanding immediately prior to the Merger are converted in the Merger into the right to receive Consolidated common stock. The exchange ratio for the stock consideration is fixed and will not be adjusted to reflect any changes in the price of Consolidated common stock prior to the effective time of the Merger. See Comparative Stock Prices and Dividends . The market price of Consolidated common stock at the effective time of the Merger will likely be different from, and may be less than, the market price of Consolidated common stock on the date of this proxy statement/prospectus or the date of the annual meeting. The market price of Consolidated common stock will continue to fluctuate after the effective time of the Merger. Because the exchange ratio for the stock consideration is fixed, the market value of the stock consideration at any time may be higher or lower than the $25.00 per share cash consideration that North Pittsburgh shareholders may elect to receive in the Merger (subject to proration). Differences in the market price of Consolidated common stock may be the result of changes in the business, operations or prospects of Consolidated, market reactions to the proposed Merger, regulatory considerations, general market and economic conditions or other factors.

You may receive a form of consideration different from what you elect. Regardless of the cash or stock elections made by North Pittsburgh shareholders, the Merger Agreement contains proration procedures that are designed to ensure that (i) 80% of the North Pittsburgh shares outstanding immediately prior to the Merger are converted in the Merger into the right to receive cash and (ii) 20% of the North Pittsburgh shares outstanding immediately prior to the Merger are converted in the Merger into the right to receive Consolidated common stock. As a result, if more than 80% of North Pittsburgh s shares are subject to cash elections, those shareholders who properly make cash elections will receive Consolidated common stock for a portion of their North Pittsburgh shares. If more than 20% of North Pittsburgh s shares are subject to stock elections, those shareholders who properly make stock elections will receive cash consideration for a portion of their North Pittsburgh shares. See The Merger North Pittsburgh Shareholders Making Cash and Stock Elections .

After making a cash election or a stock election, you will not be able to sell the North Pittsburgh shares covered by your election, unless you revoke your election at or prior to the election deadline or unless the Merger Agreement is terminated. The deadline for making cash elections and stock elections is 5:00 p.m., New York City time, on the date that is 2 business days immediately prior to the closing date of the Merger (or such other date as Consolidated and North Pittsburgh mutually agree). Consolidated and North Pittsburgh will publicly announce the anticipated election deadline at least 5 business days prior to the anticipated closing date of the Merger. Once you make an election with respect to any shares of North Pittsburgh common stock, you will not be able to sell those shares, unless you properly revoke your election at or prior to the election deadline or the Merger Agreement is terminated. See The Merger North Pittsburgh Shareholders Making Cash and Stock Elections . After you make a cash or stock election and prior to completion of the Merger, the trading price of North Pittsburgh common stock or Consolidated common stock may decrease, and you may otherwise want to sell North Pittsburgh shares to gain access to cash, make other investments, or eliminate the potential for a decrease in the value of your investment.

The price of Consolidated common stock may be affected by factors different from those affecting the price of North Pittsburgh common stock. Upon completion of the Merger, holders of North Pittsburgh common stock who elect to receive Consolidated common stock and, if more than 80% of the North Pittsburgh shares are subject to cash elections, all of the holders of North Pittsburgh common stock (as a result of the proration procedures described herein), will become Consolidated stockholders. Consolidated s business and results of operations and the market price of Consolidated common stock may be affected by factors different than those affecting North Pittsburgh s business and results of operations and the market price of North Pittsburgh common stock. For a discussion of Consolidated s and North Pittsburgh s businesses and certain factors to consider in connection with their businesses, see the periodic reports and other documents of Consolidated and North Pittsburgh incorporated by reference into this proxy statement/prospectus and listed under Where You Can Find More Information .

The integration of Consolidated and North Pittsburgh following the Merger may present significant challenges. Consolidated may face significant challenges in combining North Pittsburgh s operations into its operations in a timely and efficient manner and in retaining key North Pittsburgh personnel. The failure to integrate successfully Consolidated and North Pittsburgh and to manage successfully the challenges presented by the integration process may result in Consolidated not achieving the anticipated benefits of the Merger including operational and financial synergies.

You may not receive dividends because of restrictions in Consolidated s debt agreements. Consolidated s ability to pay dividends will be restricted by the financing agreements expected to be in place upon consummation of the Merger, including its proposed new credit facilities and its existing indenture. See The Merger Financing Arrangements . Consolidated expects that, giving pro forma effect to the Merger and related transactions, including its proposed new credit facilities, it would have been able to pay aggregate dividends of $55.7 million at June 30, 2007 on the approximately 29.45 million shares of Consolidated common stock expected to be outstanding upon consummation of the Merger.

Consolidated will have a substantial amount of debt outstanding after giving effect to the Merger, and may incur additional indebtedness in the future, which could restrict Consolidated s ability to pay dividends. Consolidated has a significant amount of debt outstanding, and after consummation of the Merger will have increased leverage. As of June 30, 2007, giving pro forma effect to the Merger and related transactions, including its proposed new credit facilities, Consolidated will have $892.3 million of total long-term debt outstanding and $176.7 million of stockholders equity. The degree to which Consolidated is leveraged could have important consequences for you, including:

- requiring Consolidated to dedicate a substantial portion of its cash flow from operations to make interest payments on its debt, which payments it currently expects to be approximately $67.5 to $70.5 million in 2008 assuming consummation of the Merger by December 31, 2007, thereby reducing funds available for operations, future business opportunities and other purposes and/or dividends on its common stock;

- limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;

- making it more difficult for Consolidated to satisfy its debt and other obligations;

- limiting Consolidated s ability to borrow additional funds, or to sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other purposes;

- increasing Consolidated s vulnerability to general adverse economic and industry conditions, including changes in interest rates; and placing Consolidated at a competitive disadvantage compared to its competitors that have less debt.

Consolidated cannot assure you that it will generate sufficient revenues to service and repay its debt and have sufficient funds left over to achieve or sustain profitability in its operations, meet its working capital and capital expenditure needs, compete successfully in its markets or pay dividends to its stockholders. In addition, because Consolidated will have an additional 3.32 million shares outstanding as a result of the Merger, its annual amount expended for dividends will increase materially if the current dividend per share is maintained.

Subject to the restrictions in Consolidated s indenture and its proposed new credit facilities, Consolidated may be able to incur additional debt. Although Consolidated s indenture contains, and its proposed new credit facilities are expected to contain, restrictions on its ability to incur additional debt, these restrictions are subject to a number of important exceptions. If Consolidated incurs additional debt, the risks associated with its substantial leverage, including its ability to service its debt, would likely increase.

Consolidated will require a significant amount of cash to service and repay its debt and to pay dividends on its common stock, and its ability to generate cash depends on many factors beyond its control. Consolidated currently expects its cash interest expense to be approximately $67.5 to $70.5 million in fiscal year 2008 assuming consummation of the Merger by December 31, 2007. Future interest expense will be significantly higher than historic interest expense as a result of higher levels of indebtedness incurred to consummate the Merger. Consolidated s ability to make payments on its debt and to pay dividends on its common stock will depend on its ability to generate cash in the future, which will depend on many factors beyond its control. Consolidated cannot assure you that:

- its business will generate sufficient cash flow from operations to service and repay its debt, pay dividends on its common stock and fund working capital and planned capital expenditures;

- future borrowings will be available under its credit facilities or any future credit facilities in an amount sufficient to enable it to repay its debt and pay dividends on its common stock; or

- it will be able to refinance any of its debt on commercially reasonable terms or at all.

If Consolidated cannot generate sufficient cash from its operations to meet its debt service and repayment obligations, Consolidated may need to reduce or delay capital expenditures, cash dividend payments, the development of its business generally and any acquisitions. If for any reason Consolidated is unable to meet its debt service and repayment obligations, it would be in default under the terms of the agreements governing its debt, which would allow the lenders under its credit facilities and note holders under the indenture to declare all borrowings outstanding to be due and payable. If the amounts outstanding under its credit facilities or indenture were to be accelerated, Consolidated cannot assure you that its assets would be sufficient to repay in full the money owed to its lenders or to its other debt holders.

Obtaining required approvals and satisfying closing conditions may delay or prevent completion of the Merger. Completion of the Merger is conditioned upon, among other things, the receipt of certain governmental consents and approvals, including approval by the FCC and the Pennsylvania PUC. These consents and approvals may impose conditions on or require divestitures relating to the divisions, operations or assets of Consolidated or North Pittsburgh. Such conditions or divestitures may jeopardize or delay completion of the Merger or may reduce the anticipated benefits of the Merger. Further, no assurance can be given that the required consents and approvals will be obtained or that the required conditions to closing will be satisfied. Even if all such consents and approvals are obtained, no assurance can be given as to the terms, conditions and timing of the consents and approvals or that they will satisfy the terms of the Merger Agreement. See The Merger Agreement Conditions to the Completion of the Merger for a discussion of the conditions to the completion of the Merger, The Merger Agreement Additional Covenants Obligations to Cooperate; Regulatory Filings for a discussion of the parties obligations to cooperate (including certain limitations thereon) with respect to the receipt of such consents and approvals, and The Merger Regulatory Matters for a description of the regulatory approvals necessary in connection with the Merger. If the Merger is not completed by April 1, 2008 (or if all required regulatory approvals have not been obtained by April 1, 2008, then under certain conditions, June 30, 2008), either North Pittsburgh or Consolidated may terminate the Merger Agreement. See The Merger Agreement Termination of the Merger Agreement .

Consolidated will incur transaction, integration and restructuring costs in connection with the Merger. Consolidated and North Pittsburgh expect to incur costs associated with transaction fees and other costs related to the Merger. Specifically, Consolidated expects to incur approximately $5.5 million of transaction costs related to the Merger, which costs are expected to be recorded as a component of the purchase price. In addition, Consolidated will incur integration and restructuring costs following the completion of the Merger as it integrates the businesses of North Pittsburgh with those of Consolidated. Although Consolidated expects that the realization of efficiencies related to the integration of the businesses will offset incremental transaction, integration and restructuring costs over time, Consolidated cannot give any assurance that this net benefit will be achieved in the near term.

North Pittsburgh shareholders will have reduced ownership and voting interests after the Merger and will exercise less influence over management of Consolidated than currently exercised over management of North Pittsburgh. After the effective time of the Merger, North Pittsburgh shareholders who receive stock consideration in the Merger will own in the aggregate a significantly smaller percentage of Consolidated than they currently own of North Pittsburgh. Immediately following the Merger, those shareholders are expected to own approximately 11.27% of the outstanding shares of Consolidated common stock, based on the number of shares of North Pittsburgh common stock and Consolidated common stock outstanding on the record date. Consequently, North Pittsburgh shareholders, as a general matter, will have less influence over the management and policies of Consolidated than they currently exercise over the management and policies of North Pittsburgh.

The shares of Consolidated common stock to be received by North Pittsburgh shareholders as a result of the Merger will have different rights from the shares of North Pittsburgh common stock. North Pittsburgh shareholders rights are currently governed by the North Pittsburgh articles of incorporation, the North Pittsburgh by-laws and Pennsylvania law. Those North Pittsburgh shareholders who receive stock consideration in the Merger will, upon completion of the Merger, become stockholders of Consolidated and their rights will be governed by the Consolidated certificate of incorporation, the Consolidated by-laws and Delaware law. See Comparison of Rights of Common Shareholders of North Pittsburgh and Common Stockholders of Consolidated .

Certain directors and executive officers of North Pittsburgh may have potential conflicts of interest with respect to the approval and adoption of the Merger Agreement. Some of North Pittsburgh s directors and executive officers have interests in the Merger that are different from, or in addition to, those of North Pittsburgh shareholders generally. See The Merger Interests of North Pittsburgh Directors and Executive Officers in the Merger for a discussion of these interests.

Whether or not the Merger is completed, the pendency of the transaction could cause disruptions in the businesses of North Pittsburgh and Consolidated, which could have an adverse effect on their businesses and financial results. These disruptions could include the following:

- current and prospective employees may experience uncertainty about their future roles with the combined company, which might adversely affect North Pittsburgh s and Consolidated s ability to retain or attract key managers and other employees;
- current and prospective customers of North Pittsburgh or Consolidated may experience variations in levels of services as the companies prepare for integration and may, as a result, choose to discontinue their service with either company or choose another provider; and
- the attention of management of each of North Pittsburgh and Consolidated may be diverted from the operation of the businesses toward the completion of the Merger.

THE ANNUAL MEETING

Date, Time and Place

The annual meeting of shareholders of North Pittsburgh will be held on [ ], 2007 at [ ] p.m., local time, at [ ].

Purpose of the Annual Meeting

The annual meeting will be held for the purpose of considering and acting upon the following matters:

1. To vote upon the proposal to approve and adopt the Merger Agreement.

2. To elect 7 directors.

3. To transact such other business as may properly come before the meeting or any adjournments thereof.

Record Date; Shares Entitled to Vote; Required Vote; Quorum

The Board of Directors of North Pittsburgh has fixed the close of business on [ ], 2007 as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting.

Only North Pittsburgh shareholders of record at the close of business on the record date are entitled to notice of and to vote at the annual meeting, including any adjournments thereof. At the record date, North Pittsburgh had outstanding and entitled to vote 15,005,000 shares of its common stock.

North Pittsburgh shareholders are entitled to 1 vote for each share held. The approval and adoption of the Merger Agreement requires the affirmative vote of a majority of the votes cast on the proposal by the North Pittsburgh shareholders at the annual meeting. The 7 candidates for directors of North Pittsburgh who receive the highest number of affirmative votes in the election of directors at the annual meeting will be elected the directors of North Pittsburgh.

The presence at the annual meeting on [ ], 2007, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast at the annual meeting will constitute a quorum, which is necessary to hold the meeting. If a quorum is not present, the shareholders present, in person or by proxy, may adjourn the meeting without notice other than announced at the meeting.

The required vote of North Pittsburgh shareholders for the approval and adoption of the Merger Agreement is based upon the number of votes cast at the annual meeting, rather than upon the number of shares of North Pittsburgh common stock outstanding. Because abstentions, withheld votes and broker non-votes are not considered votes cast under Pennsylvania law, such shares will have no impact on the vote for the proposal to approve and adopt the Merger Agreement. A broker non-vote occurs when a broker or other nominee holding shares for a beneficial owner does not receive voting instructions from the beneficial owner. Similarly, abstentions and withheld votes will have no impact on the vote for the election of directors. Brokers have discretionary authority to vote shares held in street name with respect to the election of directors.

Shares Owned by North Pittsburgh Directors and Executive Officers

At the close of business on the record date, directors and executive officers of North Pittsburgh beneficially owned and were entitled to vote, in the aggregate, [ ] shares of North Pittsburgh common stock, which represented approximately [ ]% of the shares of North Pittsburgh common stock outstanding on that date. The directors and executive officers of North Pittsburgh have informed North Pittsburgh that they intend to vote all of their shares of North Pittsburgh common stock **FOR** the approval and adoption of the Merger Agreement.

Voting of Proxies

This proxy statement/prospectus is being sent to North Pittsburgh shareholders on behalf of the Board of Directors of North Pittsburgh for the purpose of requesting that you allow your shares of North Pittsburgh common stock to be represented by the persons named in the enclosed proxy card. All shares of North Pittsburgh common stock represented at the annual meeting by properly executed proxy cards, or by proxies properly submitted by telephone or over the Internet, will be voted in accordance with the instructions indicated on that proxy. If you properly return or submit a proxy without giving voting instructions, your shares will be voted **FOR** the approval and adoption of the Merger Agreement and **FOR** the election of each of the persons nominated by the North Pittsburgh Board of Directors for election as directors of North Pittsburgh. See Proposal 2: Election of Directors of North Pittsburgh Nominees for Election. The presence of a North Pittsburgh shareholder at the annual meeting will not automatically revoke such shareholder s proxy.

If you are a shareholder of record, which means that your shares are registered directly in your name on the books of North Pittsburgh s transfer agent, you may vote by completing, dating and signing the enclosed proxy card and returning it in the envelope provided to Corporate Election Services, P.O. Box 1150, Pittsburgh, PA 15230, for receipt by it prior to the annual meeting. You may also vote either by telephone or over the Internet. Specific instructions for voting by telephone or over the Internet (including the deadline for voting) are set forth on the enclosed proxy card. These procedures are designed to authenticate each shareholder s identity and to allow shareholders to vote their shares and confirm that their instructions have been properly recorded.

If your shares are held in street name , which means your shares are held of record by a broker or other nominee holder, you will need to obtain instructions from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker or other nominee to vote your shares. Many such firms make telephone and/or Internet voting available, but the specific processes available will depend on those firms individual arrangements.

Even if you plan to attend the annual meeting and vote in person, North Pittsburgh recommends that you submit your proxy so that your vote will be counted should you later decide not to attend the meeting. **The North Pittsburgh Board of Directors urges North Pittsburgh shareholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage paid envelope, or to vote by telephone or over the Internet**.

Please note that if your shares are held in street name and you wish to vote in person at the annual meeting, you must bring to the annual meeting a proxy from the record holder of the shares authorizing you to vote at the annual meeting (with satisfactory evidence that the shares you wish to vote have not been included in any proxy submitted and not revoked by the record holder) or, if you wish to attend the annual meeting without voting in person, you must bring to the annual meeting a copy of a brokerage statement reflecting your stock ownership as of the record date.

North Pittsburgh does not expect that any matters other than (i) the proposal to approve and adopt the Merger Agreement and (ii) election of directors of North Pittsburgh will be brought before the annual meeting, other than as described below under Other Matters . If, however, any other matter is properly presented at the annual meeting or any properly reconvened meeting following an adjournment of the annual meeting, the persons named as proxies in the proxy card will use their own judgment to determine how to vote your shares on those other matters.

Changing Your Vote

If you are a shareholder of record, you may change your proxy voting instructions prior to commencement of the annual meeting by granting a new proxy (by mail, by phone or over the Internet), as described above under Voting of Proxies . You may also revoke a proxy by submitting a notice of revocation to the Secretary of North Pittsburgh at North Pittsburgh Systems, Inc., 4008 Gibsonia Road, Gibsonia, Pennsylvania 15044-9311, prior to the commencement of the annual meeting.

If your shares are held in street name , you may change your vote by submitting new voting instructions to your broker or other nominee holder in accordance with the procedures established by it. Please contact your broker or other nominee and follow its directions in order to change your vote.

Solicitation of Proxies

North Pittsburgh will bear the cost of solicitation of proxies. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of North Pittsburgh common stock beneficially owned by others to forward to such beneficial owners. Persons representing beneficial owners of North Pittsburgh common stock may be reimbursed for their costs of forwarding solicitation materials to such beneficial owners. In addition to soliciting proxies by mail, directors, officers or employees of North Pittsburgh and Consolidated may solicit proxies personally and by telephone, email or otherwise. None of these persons will receive additional or special compensation for soliciting proxies.

North Pittsburgh has retained MacKenzie Partners, Inc. to assist in the solicitation of proxies for the annual meeting. MacKenzie Partners, Inc. will be paid a fee of $7,500 for its services, plus reimbursement of its reasonable out-of-pocket expenses.

PROPOSAL 1: APPROVAL AND ADOPTION OF THE MERGER AGREEMENT

THE COMPANIES

Consolidated

Consolidated, a Delaware corporation, through its operating companies, operates established rural local exchange companies (RLECs) providing voice, data and video services to residential and business customers in Illinois and Texas. Each of its operating companies has been operating in its local market for over 100 years. With approximately 229,007 local access lines, 58,225 DSL subscribers and 9,577 IPTV subscribers, Consolidated s operating companies offer a wide range of telecommunications services, including local and long distance service, custom calling features, private line services, dial-up and high-speed Internet access, digital TV, carrier access services, and directory publishing. Consolidated operates the 14th largest local telephone company in the United States.

Founded in 1894 as the Mattoon Telephone Company by the great-grandfather of the current chairman of Consolidated, Richard A. Lumpkin, it began as one of the nation s first independent telephone companies. After several subsequent acquisitions, the Mattoon Telephone Company was incorporated as Illinois Consolidated Telephone Company (ICTC), on April 10, 1924. On September 24, 1997, McLeodUSA acquired ICTC and all related businesses from the Lumpkin family.

In December 2002, Mr. Lumpkin and 2 private equity firms, Spectrum Equity and Providence Equity, formed Consolidated and purchased the capital stock and assets of ICTC and several related businesses back from McLeodUSA.

On April 14, 2004, Consolidated acquired TXU Communications Ventures Company with rural telephone operations in Lufkin, Conroe, and Katy, Texas from TXU Corporation.

On July 27, 2005, Consolidated completed the initial public offering (IPO) of its common stock. Concurrent with the IPO, Spectrum Equity sold its entire investment, and Providence Equity sold 50% of its investment, in Consolidated. On July 28, 2006, Consolidated repurchased the remaining shares owned by Providence Equity.

North Pittsburgh

North Pittsburgh, a Pennsylvania corporation, is a holding company. Its predecessor, North Pittsburgh Telephone Company (NPTC or North Pittsburgh Telephone Company), a telephone public utility incorporated in 1906, became a wholly-owned subsidiary of North Pittsburgh on May 31, 1985. Penn Telecom, Inc. (Penn Telecom) became a wholly-owned subsidiary of North Pittsburgh on January 30, 1988. Prior to this date, Penn Telecom was a wholly-owned subsidiary of NPTC. Penn Telecom is certificated as a Competitive Access Provider (CAP), a Competitive Local Exchange Carrier (CLEC) and an Interexchange Carrier (IXC) and has entered into these businesses. Pinnatech, Inc. (Pinnatech), a wholly-owned subsidiary of North Pittsburgh, was formed in 1995 and principally provides Internet and broadband related services. North Pittsburgh Telephone Company, Penn Telecom and Pinnatech are Pennsylvania corporations. In addition to its wholly-owned subsidiaries, North Pittsburgh, through its North Pittsburgh Telephone Company subsidiary, owns limited partnership interests constituting equity interests of 3.6%, 16.6725% and 23.67% in the Pittsburgh SMSA, Pennsylvania RSA No. 6(I) and Pennsylvania RSA No. 6(II) limited partnerships, respectively, all of which are majority-owned and operated by Verizon Wireless.

As of June 30, 2007, North Pittsburgh had a total of 60,663 access lines in its Incumbent Local Exchange Carrier (ILEC) territory, 66,699 CLEC equivalent access lines (including 42,250 access lines and 2,286 DSL subscribers) and a total of 16,572 DSL subscribers across all subsidiaries. CLEC equivalent access lines include access lines and access line equivalents. Access line equivalents represent a conversion of data circuits to an access line basis and are presented for comparability purposes. Equivalents are calculated by converting data circuits (basic rate interface (BRI), primary rate interface (PRI), DSL, DS-1 and DS-3) and SONET-based (optical) services (OC-3 and OC-48) to the equivalent of an access line.

Fort Pitt Acquisition Sub Inc.

Merger Sub is a Pennsylvania corporation and a wholly-owned subsidiary of Consolidated. It was incorporated on July 2, 2007 solely for the purpose of effecting the Merger with North Pittsburgh.

Table of Contents

THE MERGER

Background to the Merger

Beginning in the second half of 2001 through mid-2002, the North Pittsburgh Board of Directors explored possible strategic alternatives for North Pittsburgh. During this process, North Pittsburgh actively negotiated with 4 parties who separately submitted definitive proposals to acquire the company. The North Pittsburgh Board of Directors rejected these offers, which ranged in price between $19.00 and $22.00 per share. Consolidated s predecessor company was not solicited to, and did not, submit an offer to acquire North Pittsburgh during the Board of Directors exploration of possible strategic alternatives during this period; however, a senior executive of a business subsequently acquired by Consolidated (who is now a senior executive of Consolidated) participated in this process on behalf of his then-employer.

Beginning in 2004, at annual meetings of the United States Telecom Association and otherwise, members of North Pittsburgh s senior management had casual contacts from time to time with members of Consolidated s senior management. During these conversations, the Consolidated executives from time to time raised the possibility of Consolidated and North Pittsburgh discussing a possible business combination transaction and/or commercial transaction between the 2 companies. They suggested that, if and when North Pittsburgh was interested in discussing such a possibility, North Pittsburgh should contact Consolidated.

At various executive staff meetings during the third and fourth quarters of 2006, North Pittsburgh s senior management discussed its internal evaluation of both the current and future status of North Pittsburgh s business, the potential opportunities, risks and returns associated with building and deploying new products and technologies, and the potential opportunity for and risks associated with North Pittsburgh pursuing possible strategic alternatives. Concurrently, North Pittsburgh was in the process of developing its internal video model, which was presented to senior management in November 2006. Scale issues, especially with respect to the inability to secure content at competitive rates and the fixed costs associated with building a video head-end and a robust video test environment and network operating center, contributed to senior management s assessment that the video expenditures, even when taking into account the contribution margin from retaining voice and adding potential DSL customers, most likely could not produce an acceptable rate of return given North Pittsburgh s limited addressable market, which consists primarily of residential customers in its existing ILEC territory. However, senior management also concluded that it would be important for North Pittsburgh to implement video capability in order to compete effectively with the cable competitors that had launched triple play offerings of voice, video and broadband in North Pittsburgh s ILEC territory.

In December 2006, senior management presented its thoughts and recommendations to the North Pittsburgh Board of Directors. At a meeting of the North Pittsburgh Board of Directors on December 1, 2006, the Board of Directors authorized senior management to engage in discussions, on a sequential basis, with various telecommunications companies in order to ascertain whether any of these companies would be interested in pursuing a possible business combination transaction with North Pittsburgh. The Board of Directors did not approve any such business combination transaction or determine that North Pittsburgh should be sold, but, instead, authorized senior management to initiate these discussions in order to explore possible strategic alternatives for North Pittsburgh.

Shortly thereafter, members of North Pittsburgh s senior management initiated discussions with a major telephone company in order to ascertain that company s interest in pursuing a possible business combination transaction with North Pittsburgh. These discussions continued into the first quarter of 2007, when the other telephone company ended the discussions. It did not submit a proposal to acquire North Pittsburgh.

On February 23, 2007, after discussions with the other telephone company had ended, members of North Pittsburgh s senior management met with members of Consolidated s senior management in order to ascertain Consolidated s interest in pursuing a possible business combination transaction with North Pittsburgh. The parties also discussed a possible commercial transaction between North Pittsburgh and Consolidated. At the February 23 meeting, Consolidated and North Pittsburgh signed a confidentiality agreement for the purpose of facilitating the delivery of material non-public information regarding North Pittsburgh.

At a meeting of the Consolidated Board of Directors on March 5, 2007, management briefed the directors on the status of discussions with North Pittsburgh.

During March and April 2007, members of North Pittsburgh s senior management had various contacts with members of Consolidated s senior management on an informal or casual basis. On March 28, 2007 and March 29, 2007, members of North Pittsburgh s senior management met with members of Consolidated s senior management to discuss Consolidated s possible interest in making a proposal to acquire North Pittsburgh. On April 9, 2007 and April 18, 2007, North Pittsburgh s senior management held preliminary due diligence sessions for members of Consolidated s senior management and representatives of Consolidated s financial advisor, Wachovia Securities (Wachovia Securities).

At a meeting of the Consolidated Board of Directors on April 13, 2007, Consolidated s management updated the directors on the status of discussions with North Pittsburgh and key metrics in connection with a transaction. The Board of Directors authorized management to submit a non-binding preliminary proposal. From time to time, management updated the directors on the status of discussions with North Pittsburgh and the non-binding preliminary proposals, including at a meeting of the Consolidated Board of Directors on May 8, 2007.

On April 24, 2007, Consolidated submitted to North Pittsburgh a non-binding preliminary proposal to acquire North Pittsburgh in a merger at a price per share ranging between $21.50 and $25.00 payable in cash and stock (mix to be determined). The proposal included, among other things, a requirement that North Pittsburgh agree to negotiate exclusively with Consolidated for a period of 60 days. North Pittsburgh s senior management informed Consolidated s senior management that North Pittsburgh would not be interested in continuing the discussions unless Consolidated increased the lower end of the price range.

On April 25, 2007, Consolidated submitted to the North Pittsburgh Board of Directors a non-binding preliminary proposal to acquire North Pittsburgh in a merger at a price per share ranging between $23.00 and $25.00 payable in cash and stock (mix to be determined). Consolidated s proposal included, among other things, a requirement that North Pittsburgh agree to negotiate exclusively with Consolidated for a period of 45 days.

Thereafter, Evercore Group L.L.C. (Evercore), which was retained by North Pittsburgh in late April 2007 to act as its financial advisor in connection with a possible business combination transaction, commenced negotiation of Consolidated s proposal on behalf of North Pittsburgh. Beginning in late April/early May 2007, while the negotiation of Consolidated s proposal was ongoing, Evercore approached 5 other possible strategic bidders, and 1 possible financial bidder, on behalf of North Pittsburgh on a confidential basis in order to ascertain their interest in pursuing a possible business combination transaction with North Pittsburgh. To facilitate and expedite serious consideration by the 5 possible strategic bidders, contacts were initiated by a senior Evercore banker to the chief executive officer and/or chief financial officer at each of the relevant companies. Of the 6 parties approached, (i) 3 of the possible strategic bidders and the possible financial bidder informed Evercore that they were not interested in bidding, (ii) 1 possible strategic bidder informed Evercore that it was likely not interested in bidding (subsequently, this company publicly announced an agreement to acquire another company), and (iii) 1 possible strategic bidder (Party X) negotiated and signed a confidentiality agreement with North Pittsburgh for the purpose of facilitating the delivery of material non-public information.

On May 11, 2007, Evercore, on behalf of North Pittsburgh, delivered to Party X a letter that, among other things, requested the submission by 5:00 p.m., Eastern time, on May 18, 2007 (later extended to May 25, 2007) of a preliminary proposal to acquire North Pittsburgh. Party X was given certain non-public information regarding North Pittsburgh and certain access rights to North Pittsburgh s management. Party X informed Evercore that an offer price in the range of $24.00 to $25.00 per share would likely be very difficult for Party X to achieve. It did not submit a proposal to acquire North Pittsburgh.

At a meeting of the North Pittsburgh Board of Directors on May 24, 2007, Evercore discussed with the directors, among other things, the status of the negotiations of Consolidated s non-binding preliminary proposal to acquire North Pittsburgh, the financial aspects of the proposal and certain preliminary financial analyses undertaken by Evercore. The Board of Directors unanimously approved North Pittsburgh s entry into the Exclusivity Letter (as defined below). During the late afternoon on May 25, 2007, North Pittsburgh and Consolidated executed a letter agreement (the Exclusivity Letter) pursuant to which, among other things, (i) Consolidated made a non-binding

Table of Contents

preliminary proposal to acquire North Pittsburgh in a merger at a price per share ranging between $24.00 and $25.00 payable in cash and stock (mix to be determined) and (ii) North Pittsburgh agree to negotiate exclusively with Consolidated for a period of 30 days. Also on May 25, 2007, Consolidated and North Pittsburgh entered into a confidentiality agreement that superseded the February 23 confidentiality agreement described above and, among other things, contained certain standstill provisions. Following execution of the May 25 confidentiality agreement, Consolidated was given access to certain non-public information regarding North Pittsburgh and, as part of the due diligence process, attended certain presentations by North Pittsburgh s management.

Following the execution of the Exclusivity Letter and commencement of the exclusivity period thereunder, Evercore did not engage in substantive discussions with any of the potential bidders referred to above and ceased its efforts on North Pittsburgh s behalf to solicit potential bids from third parties other than Consolidated.

On June 12, 2007, Evercore, on behalf of North Pittsburgh, delivered to Wachovia Securities a draft merger agreement prepared by Hughes Hubbard & Reed LLP (Hughes Hubbard), North Pittsburgh s special counsel in connection with a possible business combination transaction.

On June 20, 2007, Consolidated submitted to the North Pittsburgh Board of Directors a definitive proposal to acquire North Pittsburgh in a merger in which existing shareholders would elect to receive per share either $23.00 in cash or 0.9952 shares of Consolidated common stock (the actual exchange ratio to be determined based on Consolidated s closing stock price on June 22, 2007), subject to proration if more than 65% of the North Pittsburgh shares elected cash conversion or more than 35% elected stock conversion. Consolidated also submitted to North Pittsburgh a markup of the draft merger agreement reflecting its proposed changes. Evercore, on behalf of North Pittsburgh, informed Wachovia Securities that the North Pittsburgh Board of Directors would reject this proposal.

On June 22, 2007, Consolidated and North Pittsburgh modified the Exclusivity Letter to extend the exclusivity period until 11:59 p.m., Eastern time, on July 1, 2007, provided that Consolidated submitted to North Pittsburgh no later than noon, Eastern time, on June 25, 2007 a revised definitive proposal to acquire North Pittsburgh.

At a meeting of the Consolidated Board of Directors on June 22, 2007, management, Wachovia Securities and counsel to Consolidated reviewed the status of negotiations, including the terms of the transaction, financing and form of consideration. Management and Wachovia Securities also reviewed business and financial information regarding North Pittsburgh, results of due diligence and strategic and operational considerations related to the potential transaction. The directors authorized the execution and delivery of a definitive merger agreement.

Prior to noon, Eastern time, on June 25, 2007, Consolidated submitted to the North Pittsburgh Board of Directors a revised definitive proposal to acquire North Pittsburgh in a merger in which existing shareholders would elect to receive per share either $24.00 in cash or 1.0762 shares of Consolidated common stock (based on Consolidated s closing stock price on June 22, 2007), subject to proration if more than 80% of the North Pittsburgh shares elected cash conversion or more than 20% elected stock conversion. Evercore, on behalf of North Pittsburgh, informed Wachovia Securities that the North Pittsburgh Board of Directors would reject this proposal.

On June 26, 2006, Evercore delivered to Wachovia Securities on behalf of North Pittsburgh a revised draft merger agreement prepared by Hughes Hubbard (the June 26 Draft).

On June 27, 2007, Consolidated submitted to the North Pittsburgh Board of Directors a revised definitive proposal to acquire North Pittsburgh in a merger in which existing shareholders would elect to receive per share either $24.00 in cash or 1.0174 shares of Consolidated common stock (based on Consolidated s closing stock price on June 27, 2007), subject to proration if more than 80% of the North Pittsburgh shares elected cash conversion or more than 20% elected stock conversion. Consolidated also expressed a willingness to engage in an all-cash transaction. With the revised proposal, Consolidated submitted to North Pittsburgh (i) a markup of the June 26 Draft reflecting its proposed changes and (ii) a signed commitment letter from Wachovia Bank, National Association and Wachovia Capital Markets, LLC with respect to the financing of Consolidated s bid (followed on June 28, 2007 by a related term sheet).

At a meeting of the North Pittsburgh Board of Directors on June 28, 2007, Evercore discussed with the directors, among other things, the status of the negotiations with Consolidated, the financial aspects of

Table of Contents

Consolidated s June 27 merger proposal and certain preliminary financial analyses undertaken by Evercore. Hughes Hubbard discussed with the directors, among other things, the legal aspects of Consolidated s merger proposal (including the Board of Directors fiduciary duties), the June 26 Draft and certain changes proposed by Consolidated in its markup of the June 26 Draft.

At the June 28 Board meeting, management and the advisors responded to numerous questions from the Board of Directors. Following additional discussion, the Board of Directors informed the advisors that it was the sense of the Board that North Pittsburgh should continue to evaluate and pursue a possible merger with Consolidated in which the consideration would take the form of cash and Consolidated stock (rather than an all-cash transaction as referenced in Consolidated s June 27 proposal) and that Evercore and Hughes Hubbard should continue to actively negotiate price and other terms on North Pittsburgh s behalf.

At a meeting of the North Pittsburgh Board of Directors on June 29, 2007, the directors discussed among themselves and with representatives of Evercore and Hughes Hubbard (who were present for a portion of the meeting) certain potential transaction terms and the status of the negotiations. Among other things, the directors discussed the fact that, as of the meeting, Consolidated had not increased its offer price from the $24.00 per share amount set forth in the June 27 merger proposal. The Board of Directors instructed Evercore to continue the price negotiations on North Pittsburgh s behalf, with a view to achieving a price of $25.00 per share.

The parties continued to actively negotiate throughout the weekend of June 30 July 1, 2007. During these negotiations, among other things, Consolidated revised the terms of its proposal to increase the offer price, per share of North Pittsburgh common stock, to $25.00 in cash or 1.1061947 shares of Consolidated common stock (based on Consolidated s closing stock price on June 29, 2007), subject to proration as described above if more than 80% of the North Pittsburgh shares elected cash conversion or more than 20% elected stock conversion.