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PRESS RELEASE

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CONSOLIDATED COMMUNICATIONS TEAMS WITH ZHONE TECHNOLOGIES TO HOST IPTV BEST PRACTICES CONFERENCE

40 INDUSTRY PROS COMPARE NOTES ON THE FUTURE OF HD, VOD AND IPTV

MATTOON, IL — July 9, 2007— **Consolidated Communications Holdings, Inc. (NASDAQ: CNSL)**, the 14th largest telephone company in the United States with over a century of service and **Zhone Technologies, Inc. (NASDAQ: ZHNE)**, a global provider of advanced communications equipment and a leader in VoIP, IPTV, and Ethernet over copper and fiber access lines, recently hosted more than 40 vendors and representatives from the telecommunications industry at Zhone's *IPTV 2007: Best Practices and Beyond* Conference, held at Consolidated Communications corporate headquarters in Mattoon, Illinois.

Conference participants gained insights from Consolidated Communications, a major regional Independent Local Exchange Carrier (ILEC), and other technology experts on the best practices for deploying and managing IPTV services. Consolidated was a first-mover in delivering IPTV and has an established track record of delivering next-generation video profitably, with a high degree of customer satisfaction. Customer Quality of Experience (QoE) is critical to successful video provisioning where the consumer aesthetic is uncompromising. Companies attending gained valuable knowledge from Consolidated Communications on improving the customer video experience while ensuring profitably through sound equipment and planning strategies.

“Prior to the launch, Consolidated Communications was fortunate enough to visit several telecommunications companies that had deployed ATM or RF-based competitive video services and learned a wealth of information from their experiences,” said Tom White, vice president of network engineering for Consolidated Communications. “With our launch of pure IP-based IPTV video service, we were on the forefront of the next generation of technology and worked through the ups and downs of being on the leading edge of the IPTV wave. This conference allowed us to share our more than two years of experience with other telecommunications companies entering the IPTV arena and allowed us to continue the tradition of companies banding together



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to learn from one another,” Tom White said. “The ILEC market is a small community facing the same competitive pressures, and our ability to be open and learn from each other helps all of us be more successful.”

IPTV: Lessons Learned in Best Practices

Customer Quality of Experience: Local telcos are differentiating themselves from national operators by offering superior customer QoE across all fronts, from technical quality to friendlier more proactive customer service. “Networks no longer stop outside the door, but we’re now an integral part of our customer’s homes and lives,” said Tom White.

Choose Experienced Vendors: Never underestimate interoperability requirements. Choose experienced vendors that have testing programs in place. Install intelligent devices at the subscriber site to ensure proactive customer service and superior QoE.

Fiber or Copper: With the advent of MPEG 4, telco grade copper is more than adequate to transmit HDTV and VOD services, but operators will save time and expense by making sure they have pre-test procedures in place and technicians adequately trained in conditioning copper cable for digital services.

The IPTV Experience: Consolidated Communications IPTV service has become the community hub, a go-to source for information about local events from broadcasting high school games, to information about local concert or movie listings. Independent telcos must compete with national operators by offering extra-localized content that is meaningful to communities. “Me too services aren’t good enough,” Tom White said. “We need to exceed customer expectations.” Successful telcos are re-tooling and rethinking their approaches to make customer service and community centric programming primary to their organizations. Better service and intuitive convenient interfaces are critical to the customer experience and the service provider’s bottom line. For instance, by archiving community events on the VOD server, customers can shop current movie titles. “IPTV offers a new model for content and community services,” said Tom White. “As a digital medium we’re able to unlock the potential of television.”

Consolidated Communications launched its IPTV network in 2005 in Central Illinois and later expanded its reach to include the company’s service area in Conroe, Lufkin and Katy, Texas in 2006. Consolidated Communications partners with Zhone Technologies to provide equipment integral to the company’s IPTV deployment. Consolidated Communications relies on the Zhone MALC multi-service Broadband Loop Carrier (BLC) to deliver its triple play services. Consolidated



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was also one of the first customers for Zhone's newly announced zNID intelligent FTTH gateway and standards-based GPON - OLT system suite.

In addition to educational sessions, the conference featured a tour of a Consolidated Communications head end and state-of-the-art IPTV operations center. Zhone and Consolidated Communications mutually validated de-centralized multicast control and the importance of scalability for successful IPTV deployment. Consolidated Communications also highlighted its plans for launching HDTV and the role of MPEG-4 in the company's new deployments in Texas and Illinois.

"Like Consolidated Communications, Zhone shares and learns from our customers. Their experience in IPTV and triple play has inspired many of the enhancements and innovations made to our platform. Our goal is to add value and contribute to the success of our customers," said Steve Klein, director of product marketing for Zhone Technologies and the workshop organizer and presenter. "To bring together a group of leading IPTV technology vendors with Consolidated Communications and compare experience and the vision of the future with other interested service providers was valuable for everyone involved."

About Consolidated Communications Holdings

Founded in 1894, Consolidated Communications Holdings, Inc., (NASDAQ: CNSL) is a family of companies providing advanced voice, data and video services to both business and residential customers. Services include local and long distance high-speed Internet, digital TV, wireless phone, private line, carrier services and VoIP. Serving markets in Illinois and Texas, Consolidated Communications operates the 14th largest local telephone company in the nation. Its related businesses complement its core telecommunications business and include directory services, business systems, retail and operator services, call completion services, and fully-integrated telemarketing and fulfillment services. Additional information about Consolidated Communications Holdings, Inc. and its products and service is available at www.consolidated.com.

About Zhone Technologies – Access for a Converging World

Zhone Technologies, Inc. (NASDAQ: ZHNE) is a global provider of advanced communications equipment to more than 600 operators in both emerging and established markets. Zhone's market-leading Broadband Loop Carrier equipment enables operators to rapidly deploy revenue-generating access services using their existing infrastructure, while providing a migration path to a cost-efficient, all-IP access network. The company's products address a broad range of applications including residential and business broadband, VoIP, IPTV, and Ethernet over both



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copper and fiber access lines. Zhone's advanced networking solutions include the Single Line Multi-Service architecture (SLMS™), Multi-Access Line Concentrator (MALC™), Raptor™ ATM/IP DSLAMs, Zhone Residential Gateways (ZRG™), GigaMux™ Optical Transport Systems and Zhone Management System (ZMS™) www.zhone.com

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