



**TAX INFORMATION
DIVIDENDS FOR 2012**

Dear Shareholders:

We are pleased to inform shareholders of Babson Capital Corporate Investors (the “Trust”) that a quarterly dividend of \$.30 per share was paid on January 11, 2013 to shareholders of record on December 31, 2012. The \$.30 per share is from net investment income. In addition to the \$.30 per share quarterly dividend, the Trust declared a special year-end dividend of \$.10 per share also paid on January 11, 2013 to shareholders of record on December 31, 2012. Of the \$.10 per-share year-end dividend \$.0548 is from net investment income and \$.0452 is from accumulated undistributed net short-term capital gains.

The January 11th distributions represent 2012 calendar year dividends for federal income tax purposes and are included on IRS Form 1099-Div. The entire \$0.40 per-share distribution represents ordinary income for Federal income tax purposes.

The dividends declared and paid during 2012 and the January 11, 2013 dividends resulted in the Trust’s distribution of substantially all of its net investment income for the calendar year 2012. These dividends are included on your IRS Form 1099-Div for 2012. No portion of the Trust’s distributions is being made out of capital gains. The Trustees have elected to retain the Trust’s 2012 net long-term capital gains and to pay the required federal capital gains tax. Tax information relating to the retained gains is reported on IRS Form 2439.

The following table summarizes, for federal income tax purposes, the cash dividends paid by the Trust for the calendar year 2012:

Record Date	Payment Date	Cash Dividend Per Share	Ordinary Income Gains
5/7/12	5/18/12	\$.30	\$.30
7/30/12	8/10/12	.30	.30
10/29/12	11/9/12	.30	.30
12/31/12	1/11/13	.30	.30
12/31/12	1/11/13	.10	.10
		\$ 1.30	\$ 1.30

The entire \$1.30 per-share cash dividend declared in 2012 is included as ordinary income on your IRS Form 1099-Div for 2012. Of this amount, approximately \$0.0700 per share represents qualified dividends. For shareholders who are individuals, qualified dividends are taxed as long-term capital gains, generally at a tax rate of 15%. Qualified dividends are reported in Box 1b on IRS Form 1099-DIV for 2012. The \$1.30 per-share dividend consists of the following components: \$1.1784 per-share is from net investment income from 2012 and \$0.1216 per share is from undistributed net investment income from 2011. The undistributed net investment income from 2011 was distributed in the May 2012 dividend.

Michael L. Klofas
President