



Covad Partners with AT&T to Offer Bundled DSL and Voice Services in Three New States

Bundled Local, Long Distance and DSL Services Now Available in Missouri, Kansas and Pennsylvania

San Jose, Calif. (February 25, 2004)—Covad Communications Group, Inc. (OTCBB: COVD), a leading national broadband service provider of high-speed Internet and network access, today announced the introduction of Covad's digital subscriber line (DSL) broadband service as part of AT&T's communications bundle for residential users in Missouri, Kansas and Pennsylvania.

Covad's DSL service is bundled with AT&T local and long distance services, offering consumers the advantage of a single, convenient telecommunications package. Launched earlier this year in Illinois, Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, Virginia and Wisconsin, AT&T plans to offer Covad's DSL service in 28 states by the end of March 2004 as part of their nationwide rollout.

"We are pleased that AT&T has committed to aggressively deploying their communication bundle that includes the critical ingredient of Covad DSL in more states," said Charles Hoffman, president and chief executive officer of Covad. "Covad's goal is to be able to provide increased choice in broadband services throughout America and with the help of partners like AT&T we are able to fulfill our goal."

The ability to bundle AT&T local and long distance services with Covad's DSL service is based on a process called line splitting. AT&T "splits" the loop it buys from local phone companies to offer AT&T local and long distance with Covad's DSL service on the same line.

Covad's nationwide network is the only national DSL footprint. Covad's network enables ISPs and CLECs alike to partner with Covad for their broadband needs. A growing number of companies nationwide including AT&T, AOL, EarthLink, Sprint, Speakeasy, MCI, MegaPath and XO work with Covad to power their consumer and business broadband offerings.

For pricing and plan details please contact AT&T.



About Covad

Covad is a leading national broadband service provider of high-speed Internet and network access utilizing Digital Subscriber Line (DSL) technology. It offers DSL, T1, managed security, hosting, IP, dial-up services and bundled voice and data services directly through Covad's network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups to small and medium-sized businesses and home users. Covad operates the largest national DSL network with services currently available in 96 of the top Metropolitan Statistical Areas (MSAs). Covad's network currently covers more than 45 million homes and businesses and reaches approximately 45 percent of all US homes and businesses. Corporate headquarters is located at 110 Rio Robles San Jose, CA 95134. Telephone: 1-888-GO-COVAD. Web Site: www.covad.com.

About AT&T

AT&T (www.att.com) is among the premier voice and data communications companies in the world, serving businesses, consumers, and government. The company runs one of the most sophisticated communications networks in the U.S., backed by the research and development capabilities of AT&T Labs. A leading supplier of data, Internet and managed services for the public and private sectors, AT&T offers outsourcing and consulting to large businesses and government. The company is a market leader in local, long distance and Internet services, as well as transaction-based services like prepaid cards, collect calling and directory assistance. With approximately \$37 billion of revenue, AT&T has about 40 million residential customers and 4 million business customers, who depend on AT&T for high-quality communications. AT&T has garnered several awards for outstanding performance and customer service.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

The statements contained in this press release that are not historical facts are "forward-looking statements," including statements regarding AT&T's plans regarding Covad's services and the statements made by the president and chief executive officer and the assumptions underlying such statements. Actual events or results may differ materially as a result of risks facing Covad or actual results differing from the assumptions underlying such statements. Such risks and assumptions include, but are not limited to, future FCC rulemaking, Covad's ability to successfully market



its services to current and new customers, to achieve acceptable pricing, to respond to competition, to develop and maintain strategic relationships, as well as regulatory, legislative, and judicial developments. Covad disclaims any obligation to update any forward-looking statement contained in this press release. All forward-looking statements are expressly qualified in their entirety by the "Risk Factors" and other cautionary statements included in Covad's SEC Annual Report on Form 10-K for the year ended December 31, 2002 and the 10-Q for the quarter ended September 30, 2003, along with Current Reports on Form 8-K filed from time to time with the SEC.

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