



Covad Files Form 8-K on Plans to Acquire GoBeam

Document Details Shares to be Issued in Transaction

San Jose, CA, (March 25, 2004)—Covad Communications Group (OTCBB: COVD) today filed a Form 8-K with the Securities and Exchange Commission providing additional information about its proposed acquisition of GoBeam, Inc., a privately owned provider of Voice over Internet Protocol (VoIP) services, including details regarding shares that would be issued in the transaction.

On March 3, Covad signed an Agreement and Plan of Merger to acquire GoBeam, Inc., in all-stock transaction valued at \$48 million. The actual number of shares to be issued will be based on a formula derived from the trading price of Covad's share prices prior to the closing of the transaction. The agreement also contains provisions that limit the maximum number of shares to be issued in the transaction to approximately 20.2 million shares of common stock.

The completion of the transaction remains subject to customary closing conditions contained in the merger agreement and is expected to occur in May of this year.

About Covad Communications

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, hosting, managed security, IP and dial-up, 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 services are currently available across the nation in 44 states and 235 Metropolitan Statistical Areas (MSAs) and can be purchased by more than 57 million homes and businesses, which represent over 50 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.

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 expectations regarding Covad's acquisition of



GoBeam, deployment of VoIP and related services and capabilities, expected market for VoIP and IP-PBX services 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, Covad's ability to continue to service and support its customers, to successfully market its services to current and new customers, to maintain competitive pricing, manage the consolidation of sales to a fewer number of wholesale customers, to respond to competition, to develop and maintain strategic relationships, to manage growth, to access regions and negotiate suitable interconnection agreements, all in a timely manner, at reasonable costs and on satisfactory terms and conditions, 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, 2003, along with Current Reports on Form 8-K filed from time to time with the SEC.

Covad Communications Group, Inc. and GoBeam, Inc. may determine that Covad will file a registration statement on Form S-4 containing a joint proxy statement/prospectus in connection with the merger transaction involving the two companies. If such a filing is made, security holders are urged to read it because it will contain important information about the merger. Investors and security holders may obtain free copies of this document (if and when it is filed) and other documents filed with the Securities and Exchange Commission at the Securities and Exchange Commission's web site at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the Securities and Exchange Commission by Covad Communications Group, Inc. by contacting Covad Communications Group, Inc. at the address, website and phone number provided above under About Covad.

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