



Covad Partners with AT&T to Offer Bundled DSL and Voice Services in California

AT&T's Voice and Broadband Bundle Now Available in 26 States

San Jose, Calif., (May 11, 2004)—Covad Communications Group, Inc. (OTCBB: COVD), a leading national broadband service provider of high-speed Internet and network access, announced today it is providing the DSL network infrastructure for AT&T's communication bundle for residential users in California.

AT&T bundles its DSL Service, provided in part through the Covad network, with AT&T local and long-distance services, offering consumers the advantage of a single, convenient telecommunications package. Launched in early 2003, AT&T now offers bundled DSL in a total of 26 states.

"Our agreement with AT&T helps us to help meet the telecommunication demands of consumers in our home state of California," said Charles Hoffman, president and chief executive officer of Covad. "Working together we provide consumers in California and 25 other states with an alternative to working with the local phone company by offering affordable bundled package of local, long-distance and DSL services."

The ability to bundle AT&T local and long distance services with 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 DSL service on the same line.

Covad's nationwide facilities-based 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.

Consumers interested in signing up for AT&T DSL Service can call 1-800-WORLDNET, or visit www.att.net/dsl.

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,



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 foregoing contains "forward-looking statements" which are based on management's current information and beliefs as well as on a number of assumptions concerning future events made by management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside Covad's control, that could cause actual results to differ materially from such statements. These risk factors include the impact of increasing competition, pricing pressures, consolidation in the telecommunications industry, uncertainty in telecommunications regulations and changes in technologies, among other risks. For a more detailed description of the risk factors that could cause such a difference, please see Covad's 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission. Covad disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of Covad.

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