



## **Covad Launches Dedicated-Loop ADSL for Consumers and Small Businesses Nationwide**

### ***Speakeasy, First Covad Partner to Offer New Dedicated-Loop ADSL; Customers Can Order DSL Without Having Active Local Telephone Number***

**San Jose, Calif., (July 6, 2004)**—Covad Communications Group, Inc. (OTCBB: COVD), a leading national provider of integrated voice and data communications, today announced that Speakeasy ([www.speakeasy.net](http://www.speakeasy.net)) will be its first broadband partner to offer Covad's new dedicated-loop asymmetric digital subscriber line (ADSL) services to consumers and very small businesses on a nationwide basis.

Before the introduction of dedicated-loop ADSL, also known as "naked DSL" or "dry loop DSL", many customers were required to possess voice services from a local telephone provider in order to layer on broadband capabilities to the telephone line. Today, new customers who do not wish to have local telephone service, but still demand DSL connectivity, are accommodated through a Covad-powered service sold by Speakeasy.

Dedicated-loop ADSL is ideal for customers who rely on other modes of voice communication such as Voice over Internet Protocol (VoIP) and cell phone service. Not only will this eliminate an additional monthly bill and reduce overall communication expenses, it also allows customers the choice to consolidate voice and data services onto one unified broadband platform. The increased flexibility and functionality of DSL offers customers the option to integrate VoIP directly onto the broadband line, relieving them of the need for traditional analog telephone service from the local voice provider.

"Many households and businesses no longer require traditional local telephone service for general voice communication, partly due to the abundance of wireless phones and advances in next-generation voice services like Voice over IP," said Charles Hoffman, president and chief executive officer of Covad. "Dedicated-loop ADSL addresses this issue by providing more connectivity choices to over 50 million household and small businesses within Covad's nationwide network."

Covad's dedicated-loop ADSL is not being phased-out by a recent FCC decision in the same fashion as the line sharing delivery method. In the line sharing platform, DSL



data services are layered onto an existing local telephone company's analog voice service, thus allowing the customer to surf the Internet and speak on the telephone simultaneously.

Dedicated-loop ADSL can be ordered directly through Covad's partner Speakeasy under the product name OneLink for as low as \$55.95 per month. Please visit [www.speakeasy.net](http://www.speakeasy.net) or call 1-800-556-5829 for more information.

Covad's nationwide network is the largest national DSL footprint. Covad's network enables Internet Service Providers (ISP) and Competitive Local Exchange Carriers (CLEC) alike to partner with Covad for their broadband needs. A growing number of companies nationwide including AOL, AT&T, Broadwing, EarthLink, Global Crossing, Sprint, MCI and XO work with Covad to power their consumer and business broadband offerings.

#### **About Covad**

Covad is a leading nationwide provider of integrated voice and data communications. The company offers DSL, Voice Over IP, T1, Web 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 broadband 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](http://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, which 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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