



Met Tel Selects Covad DSL For Its Local and Long Distance Voice and Data Bundles

San Jose, Calif., (July 6, 2004)—Covad Communications Group, Inc. (OTCBB: COVD) and Metropolitan Telecommunications, Inc. today announced a one-year agreement that will enable MetTel, an integrated communications provider, to bundle Covad's Digital Subscriber Line (DSL) broadband services with its local and long distance service packages. Met Tel currently serves customers in 11 states and plans to expand its coverage area to 30 states by the end of the first quarter 2005.

MetTel has the ability to bundle Covad's business class broadband services through line splitting. MetTel buys the local loop from local phone companies and bundles its local and long distance services with Covad's DSL services. MetTel plans to make this new offer available in the third quarter of this year.

Additionally, MetTel is now able to offer Covad's business-class SDSL services, and Covad's full and fractional T1 services. Both of these services are available in a variety of speeds, with flexible IP address options for business applications such as E-mail and Web hosting. MetTel will handle customer service and will include voice and DSL services on one easy-to-read bill.

"As a Covad partner, MetTel benefits not only from working directly with our broadband specialists but also from the breadth and depth of our nationwide DSL network," said Charles Hoffman, president and chief executive officer of Covad. "Through this agreement, Covad is able to continue to play an important role in meeting the demand for bundled telecommunication services."

"The Covad partnership will enable MetTel to offer a wide range of broadband services throughout our operating territories," said Marshall Aronow, MetTel's chief executive officer. "Business customers require these applications and this partnership will enable us to quickly and economically meet these needs. We are pleased to be partnering with a leader in broadband service deployment who can support our expansion plans."

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, America Online, EarthLink,



Sprint, Speakeasy, MegaPath and XO work with Covad to power their consumer and business broadband offerings.

For more information MetTel's local and long distance offering, contact 1-800-463-7922 or www.mettel.net.

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.

About MetTel

MetTel (Metropolitan Telecommunications), a premier integrated communications provider serving more than 125,000 lines in 10 states from Maine to Florida and plans to serve 30 states by the end of the first quarter 2005. MetTel provides a comprehensive package of voice, data and Internet services to businesses and consumers specializing in the business market. Founded in 1996, MetTel was the first company to provide services using the Verizon Unbundled Network Element-Platform (UNE-P) in New York City and is currently serving customers on this platform throughout its operating territories. MetTel's innovative and proprietary operations support systems provide leading edge electronic bonding, provisioning, customer care and billing system capabilities, which have fueled its expansion. Corporate headquarters is located in the heart of Manhattan's financial district at 44 Wall Street, New York NY 10005. Telephone: 1-212-607-2000. Web Site: www.mettel.net.

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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