



Covad Gives Voice to Small Business In Houston, Las Vegas, Miami and Portland

Businesses Say Hello to Covad VoIP Service

San Jose, Calif. (September 1, 2004)—Covad Communications Group, Inc. (OTCBB: COVD), a leading national provider of integrated voice and data communications, today announced the availability of business-class Covad VoIP (Voice over Internet Protocol) in four new markets: Houston, Las Vegas, Miami and Portland. Now launching nationwide, Covad VoIP is managed end-to-end, offering small and medium businesses an unparalleled suite of services and voice quality that businesses can rely on.

Covad VoIP will be available in all 113 major metropolitan statistical areas served by Covad's nationwide broadband network by the end of 2004.

"VoIP is the most significant alternative ever to traditional phone service, and Covad VoIP is a high quality, reliable communications service with features that, until now, have not been available at affordable prices for small businesses," said Charles Hoffman, president and chief executive officer of Covad. "Covad VoIP offers small businesses the opportunity to work with one provider for their voice and data needs on a national scale."

Patrick Hurley, Director of Research at telecommunications research firm, TeleChoice, Inc., said: "When businesses are considering Voice over IP services they shouldn't expect today's consumer VoIP services to keep up with their needs. However, when a provider like Covad adds Voice over IP onto its nationwide broadband network, they can provide these business customers a truly integrated voice and data service that offers customers the quality and reliability they need."

Covad VoIP works by delivering voice information in digital electronic packets. This allows businesses to manage calls with a single broadband connection.

Covad currently offers two VoIP products custom-tailored for small- to medium-sized businesses, and for enterprises needing a virtual Private Branch Exchange (PBX). Covad PBXi is designed to work seamlessly with existing PBX equipment. Covad vPBX is designed as a full PBX alternative. Covad and Covad's dealer network install the service, train users and provide complete customer support.



Both Covad VoIP products feature the Covad Dashboard, which brings an array of capabilities into one common Web-based user interface, including: local and long-distance services, visual fax and voice mail, Instant Messaging, audio and web conferencing, call logs, directory services, "Find me/Follow me", and other features, all managed from one place using one phone number.

Features of Covad VoIP include:

- Local and Long Distance telephone service
- Nationwide coverage
- Automated provisioning capabilities
- Service backed by comprehensive service level agreements (SLAs)
- Covad Dashboard, an easy-to-use, award-winning Web-based user interface
- Call logs
- Find Me/Follow Me functionality that allows a user to receive calls on multiple devices from the user's VoIP phone number
- Unified visual voice and fax mail
- Voice and Web conferencing
- Automated Attendant

Covad VoIP can be ordered directly by calling 1-866-462-3269.

For more information on Covad VoIP visit Covad's website and schedule a free voice assessment with a Covad consultant at:

<http://www.covad.com/voip/howtoorder/index.shtml>.

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.

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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