



Covad and SBC Line Sharing Agreement

San Jose, Calif. (September 9, 2004)—Covad Communications Group, Inc. (OTCBB: COVD), a leading national provider of integrated voice and data communications, and SBC Communications have agreed to resolve an outstanding issue relating to a pre-existing agreement between the parties. As a result, Covad may continue to provide line sharing service to new subscribers through September 1, 2005 at existing contract rates.

The pre-existing agreement sets forth the terms and conditions under which Covad is permitted to order line sharing from SBC at a \$5.75 monthly recurring charge and \$10 non-recurring charge per customer.

The agreement with SBC enables Covad to continue to offer high-speed digital subscriber line (DSL) services to thousands of small and medium businesses and home users in the 11 states within the SBC region where Covad offers service.

Line sharing allows communications providers to deploy DSL on the same line customers use for their voice phone services.

On April 15, 2004, Covad entered into a three-year commercial agreement with Qwest providing for continued access to line sharing in the Qwest region. With the Qwest and SBC agreements, Covad has secured continued access to line sharing with carriers accounting for 60% of its line shared customer base.

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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