



Covad and Verizon Agree to Interim Arrangement Extending the Availability of Line Sharing Until February 1, 2005

San Jose, Calif. (September 21, 2004)—Covad Communications Group, Inc. (OTCBB: COVD), a leading national provider of integrated voice and data communications, and Verizon have entered into an interim agreement which extends the availability of line sharing for new subscribers until February 1, 2005. The agreement resolves a dispute between Covad and Verizon with respect to Verizon's obligation to continue to provide access to line sharing after October 2, 2004.

"We are pleased that we were able to reach this interim agreement to provide certainty and continuity of service to our partners and customers," said James Kirkland, Covad senior vice president and general counsel. "We hope to build on this positive step with renewed efforts toward a long-term commercial agreement between Covad and Verizon."

Line sharing allows communications providers to deploy DSL (Digital Subscriber Line) high-speed data service on the same line customers use for their voice phone services.

On September 9, 2004, Covad announced an agreement with SBC permitting Covad to continue to provision new line-sharing customers in SBC's service territories through September 1, 2005. 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, SBC and Verizon agreements, Covad has secured continued access to line sharing with carriers accounting for the vast majority 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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