



Covad and Verizon Sign Commercial DSL Line-Sharing Agreement

Covad Now Has Pacts Covering 90% of Its Line-Shared Customer Base

San Jose, Calif. (December 15, 2004)—Covad Communications Group, Inc. (OTCBB: COVD), a leading national provider of integrated voice and data communications, and Verizon (NYSE: VZ) have signed a commercial agreement enabling Covad to continue to provide line sharing services to digital subscriber line (DSL) subscribers throughout Verizon territory for a four-year period.

Line sharing allows communications providers like Covad to deploy high-speed DSL broadband on the same line customers use for their voice phone services.

While the specific terms of the agreement are confidential, the economic terms of the agreement are comparable to those of Covad's other commercial line-sharing agreements. The agreement is effective Jan. 1, 2005. Until that time, line-sharing pricing will continue under an interim agreement that was reached in September.

The agreement allows Covad to continue offering high-speed DSL services to thousands of small and medium businesses, and home users in the 19 states within the Verizon territory where Covad offers service. Earlier this year Covad entered into agreements with Qwest and SBC to continue providing line sharing in their respective regions.

"We applaud Verizon for its leadership in striking a long-term commercial agreement," said Charles Hoffman, president and chief executive officer of Covad. "With the Qwest, SBC and Verizon agreements, Covad has now secured continued access to line sharing with carriers accounting for approximately 90 percent of our line-shared customer base and the pricing in these agreements allows Covad to provide very competitive service offerings to our customers and partners."

About Covad

Covad is a leading nationwide provider of broadband 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.

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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, decreasing prices for competing broadband offerings, consolidation in the telecommunications industry, future changes in telecommunications regulations, litigation concerning current 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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