



## **Covad Announces Special Business VoIP Offer for Level 3 VoIP Resellers and Their Customers**

**San Jose, Calif. (February 8, 2005)** — Covad Communications Group, Inc. (OTCBB: COVD), a leading national provider of integrated voice and data communications, today announced a special offer for Level 3 resellers that were selling the company's (3) Tone Business voice over IP (VoIP) product, which Level 3 is discontinuing later this year.

Resellers who become Authorized Covad VoIP dealers by March 15 are eligible for special one-time bonuses and financial incentives. In addition, Covad will waive the set-up fees and router charges for Level 3 reseller customers who sign-up for Covad VoIP by April 1.

Level 3 recently announced that in June it will discontinue its (3) Tone Business VoIP service that is sold by nearly 100 resellers. Besides the financial incentive, Covad will work with Level 3 resellers and their customers to help provide a smooth transition to Covad VoIP.

"Covad is the leading provider of hosted VoIP with a proven model to successfully grow the VoIP business that is already at work today for hundreds of dealers around the country," said Andy Lockwood, executive vice president-business development and strategy for Covad. "Our award-winning Covad VoIP is specifically designed for the fast-growing small and medium business market. Combined with Covad's nationwide broadband network and our experience in delivering high quality, end-to-end customer service, Level 3 resellers and their customers joining us will have all the ingredients needed to enjoy even more success in the fast growing small and medium business VoIP market."

The Covad platform will provide a richer set of features than (3) Tone Business to enhance productivity. In addition, Covad offers resellers an opportunity to increase their revenue streams by bundling Covad broadband access into their sales mix.

Covad has the largest share of the hosted VoIP market with more than 20,500 business VoIP stations already in service.



For additional details about these special offers and information on joining Covad's Alliance Network or becoming a Covad VoIP customer, go to [www.covad.com/level3](http://www.covad.com/level3) or call 1-866-888-2965.

### **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](http://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. Examples of "forward-looking statements" include our ability to successfully recruit and transition customers and to add increased distribution and reach into the small and medium business VoIP market. 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, our ability to successfully transition partners and customers and compete with other providers of voice services, 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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