



Covad Dedicated-Loop ADSL Offers Alternative to Bell Customers Who Want "Naked DSL"

FCC Ruling on Bell Naked DSL Service Does Not Affect Covad's Offer

San Jose, Calif. (March 28, 2005) — The Federal Communications Commission (FCC) issued a ruling on March 25, 2005 that overturned several state PUC decisions requiring local phone companies to offer so called "naked DSL service" to customers who do not also order basic local phone service. Naked DSL allows customers to purchase stand-alone DSL high-speed Internet service over their phone line.

Covad Communications Group, Inc. (OTCBB: COVD), a leading national provider of integrated voice and data communications, offers "naked DSL" in the form of its dedicated-loop ADSL service, which has been sold since July 2004 and is used by thousands of customers on the company's nationwide DSL network. Customers use Covad's dedicated-loop ADSL service for broadband access while using Voice over IP (VoIP) service or voice services from their wireless provider or competitive local voice provider.

"The FCC decision does not affect Covad's ability to offer its own naked DSL service," said James Kirkland, Covad senior vice president and general counsel. "In fact, it does not in any way prevent a customer from choosing a competitive DSL provider like Covad for broadband and VoIP services."

David McMorrow, Covad executive vice president of sales, added: "Covad has been providing its dedicated-loop ADSL service to thousands of customers around the country who are using VoIP, their mobile phone or a competitive local service provider for their voice service and Covad for their DSL high-speed Internet access. Response to the service has been very positive and we continue to expand availability of the service so Bell customers and others who want a naked DSL service have a high quality alternative."

Speakeasy is also offering Covad's dedicated loop ADSL service to home and business customers. With over 10,000 naked DSL customers and growing, naked DSL represents over 70% of Speakeasy's business and home market order volume. "Customers are voting with their dollars and joining Speakeasy to say good-bye to



the phone company” said Speakeasy’s president and CEO, Bruce Chatterley. “Customers of our Naked DSL service are people who use cell phones or VoIP as their primary phone service.”

Covad and its partner, Speakeasy, are the only two companies nationwide offering Naked DSL as an alternative to Bell companies.

For more information about naked DSL visit www.covad.com or www.speakeasy.net.

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.

About Speakeasy

Speakeasy, the nation’s largest independent broadband services company, is focused on meeting the needs of discerning businesses, professionals and those who depend on the Internet for higher productivity in life. Speakeasy manages its own private fiber-optic national network, ensuring fast connections, low latency, and an unparalleled degree of security protection from the public Internet. Speakeasy’s full range of products — from OneLink to VoIP to business bandwidth solutions to gaming services — offers features and benefits other providers can’t match, Speakeasy’s broadband services are available in most metropolitan areas within the 48 contiguous United States. Those interested in Speakeasy can visit www.speakeasy.net or call 1.800.556.5829.



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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. Examples of forward looking statements include our plans to expand the availability of our services and the expected impact of regulatory decisions and judicial rulings. 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 future decisions by state and Federal regulatory agencies and related judicial rulings. 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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