



Covad Retains Leadership for the Second Consecutive Year and Receives 2005 Market Leadership Award

Palo Alto, Calif. (September 19, 2005)—Frost & Sullivan’s recent analysis, North American Hosted IP Telephony and VoIP Access Service, selected Covad as the recipient of the 2005 Market Leadership Award for its leadership in the North American hosted IP telephony market.

Each year Frost & Sullivan presents this Award to a company that has displayed excellence in all areas of the market leadership process, including the identification of market challenges, drivers, and restraints as well as strategy development and methods of addressing these market dynamics. “In 2004, Covad acquired GoBeam, a pioneer in hosted IP telephony services, and gained expertise in next-generation, IP-based voice services as well as access to an existing customer base,” says Frost & Sullivan Industry Manager, IP Communications, Elka Popova. “Now Covad is bundling its hosted IP telephony service with its own digital subscriber lines (DSL) service, thus offering a total solution to its business customers.”

Covad is one of the pioneers in the hosted IP telephony market. Its successful development of brand value and product differentiation through a graphical user interface (GUI)-based service management console known as the “Covad Dashboard” has greatly contributed to the company’s success. The company’s end users prefer Covad for its keen grasp on market needs and its ability to develop features and capabilities that meet these needs.

Through its nationwide footprint and extensive partnerships, Covad was able to grow its hosted IP telephony line base by about 35 percent within just a few months of the GoBeam acquisition. Furthermore, Covad leverages its nationally dispersed Installation Service Group (ISG) to service small and mid-sized businesses with key services like broadband access, VoIP installation and maintenance, PC configuration, home or office networking, telecommunications wiring, and virtual private networking (VPN). Covad continues to invest in improving its VoIP services capabilities in order to gain a further competitive advantage and to enhance the customer experience. “Covad has developed new features and capabilities for its hosted IP telephony customers and is looking at adding some advanced contact center capabilities, enhanced conferencing features, and vertical applications to its service bundles,” explains Popova.



Recently, the company announced its private branch exchange integrated (PBXi) service, the voice over Internet Protocol (VoIP) access solution, in order to be able to capture a larger customer base. The service comes in four different editions—two analog and two digital versions. It would be remiss to not include Covad’s other innovative voice service—the line-powered voice access solution that enables its partners to cost efficiently offer voice services over a DSL connection using the existing inside wiring and phones in a customer’s home. Although this is not a true hosted IP telephony service, it demonstrates Covad’s ability to think out-of-the-box and develop creative solutions that enable its partners to compete effectively against incumbent telcos. Covad is well positioned to continue growing its market share in both the hosted IP telephony and the VoIP access service markets as evident from its partnerships and acquisitions. Covad’s dedication to developing next-generation voice services coupled with its large network footprint and extensive partnerships are likely to enable it to remain a major contender for the market share leadership position.

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 U.S. homes and businesses. Its corporate headquarters is located at 110 Rio Robles San Jose, CA 95134. Telephone: 1-888-GO-COVAD. Web Site: <http://www.covad.com>.

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