



## **CompUSA® and Covad Sign Deal to Offer Business-Class Broadband in 168 Stores Nationwide**

**Dallas TX and San Jose, CA – Jan. 25, 2006** – Covad Communications Group, Inc. (AMEX: DVW) and CompUSA, Inc. announced an agreement today to offer Covad's business-class broadband services in 168 CompUSA stores nationwide.

"With this deal, CompUSA is strengthening its commitment to being the one-stop technology shop for small businesses," Larry Mondry, president and CEO of CompUSA. "Total package offerings in a retail setting are a real need for the small business market. According to TechInsights, a survey by CompUSA, 76 percent of small business owners buying technology want service, support, and broad product offerings all from the same retailer."

"We are excited by the opportunity to offer Covad's small business broadband products through CompUSA, one of the nation's most recognizable and trusted business brands for technology solutions," said Charles Hoffman, Covad president and CEO. "Placement of Covad's business-class broadband services in selected business-focused retail locations represents an important addition to Covad's distribution channel strategy. Partnering with CompUSA will extend our reach into the key small business market."

CompUSA will be offering a full range of Covad broadband access services, from shared-line DSL suitable for a small or home office all the way up to full T-1 connections. CompUSA has chosen Covad's broadband service to power its Digital Services demonstration kiosk in all 168 supported store locations, powering a variety of voice and data products. In 112 of the Covad-supported stores, CompUSA has established dedicated business services sales areas staffed with a business-focused sales force that will help customers ascertain their needs and make Covad a part of a total office technology solution. Covad's business-class broadband services will also be available for purchase through the Digital Services section of CompUSA's on-line venues: [www.compusa.com](http://www.compusa.com) and [www.compusabusiness.com](http://www.compusabusiness.com).

CompUSA will begin offering Covad services in mid-February. A 10-market road show introducing CompUSA's entire line of broadband data and voice products will help familiarize CompUSA associates with Covad's business-class broadband services. Financial terms of the agreement were not disclosed.

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### **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).

### **About CompUSA**

CompUSA, Inc., a Dallas-based company, is one of the nation's leading retailers and resellers of technology products and services. CompUSA currently operates more than 240 locations in more than 90 major metropolitan markets across the United States and Puerto Rico. In addition, CompUSA's Web site offers an assortment of more than 170,000 items. Visit them at [www.compusa.com](http://www.compusa.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 expectations regarding Covad's reach in the small business 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 Covad's ability to sell its services in a retail store setting, future changes in telecommunications regulations and litigation concerning current regulations, and our ability to increase the revenue that we obtain from our services and maintain an efficient cost structure, 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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