



Covad's Line-Powered Voice Service Named "Product of the Year" by *Internet Telephony*

Award recognizes VoIP-based consumer alternative powered by Covad's innovative technology and nationwide broadband network

San Jose, Calif. (Jan. 31, 2006) – Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, has won Internet Telephony's "Product of the Year" award for the rollout of line-powered voice, a VoIP-based voice and data bundle for consumers. The award is announced in the January 2006 issue of *Internet Telephony* magazine.

"Each year *Internet Telephony* magazine bestows its Product of the Year awards on companies that have demonstrated excellence in technological advancement and application refinements. With the introduction of its line-powered voice service, Covad Communications has demonstrated to the editors of *Internet Telephony* that it is committed to quality and innovation while addressing the real needs in the marketplace," said Rich Tehrani, Group Publisher and Editor-in-Chief of *Internet Telephony*.

"Line-powered voice is a revolutionary product developed by Covad to provide a facilities-based alternative for local phone service," said Charles Hoffman, president and CEO of Covad Communications. "Winning the Internet Telephony award validates Covad's ongoing efforts to create innovative products and expand our portfolio of voice and data solutions."

Line-powered voice is a Covad-developed, VoIP-based replacement for traditional phone service that does not require a broadband connection or additional consumer premises equipment. Customers use their existing analog phone equipment and in-house jack. As with traditional voice service, the line is powered from the central office (CO), so a power failure will not disrupt service. Full e-911 service is also included.

"Line-powered voice is an innovative offering that allows Covad to expand into the massive consumer VoIP market, which IDC projects will reach \$4.8 billion by 2008," said Will Stofega, senior research analyst with IDC.

Customers will enjoy high quality service because their calls will be delivered over Covad's managed national network, rather than the public Internet. EarthLink is the first Covad partner to commercially launch line-powered voice following successfully completed technical trials. Going forward, Covad's strategy is to seek out strategic partners to fund the necessary network upgrades for expansion of line-powered voice into additional markets.

Line-powered voice is made possible by next-generation Digital Subscriber Line Access Multiplexers (DSLAMs) that Covad has been testing in three trial markets: Seattle, Dallas and San Francisco. This equipment also allows Covad to offer ADSL2+ (which delivers much higher bandwidth than ADSL) in the future.

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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.

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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 expectations regarding the market for consumer VoIP services, sales of line-powered voice services and new services, such as ADSL2+. 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 ability of Covad to sell and deliver its services efficiently, to effectively compete with other providers of voice and broadband services, and to maintain an efficient cost structure, as well as potential changes in telecommunications regulations, 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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