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## **Covad Announces Voice and Data Bundle for SMBs that Combines Covad ClearEdge Integrated Access with Cisco® Unified CallManager Express**

*Announcement made at 2006 Channel Partners Conference & Expo in Washington, DC*

**Washington, DC. (Aug. 23, 2006)** – Covad Communications Group, Inc. (AMEX: DVW) has introduced a bundled voice and data offering for small-medium businesses (SMBs) that unites two industry-leading IP Communications solutions: Covad ClearEdge Integrated Access and Cisco® Unified CallManager Express. The offering was announced today at the 2006 Channel Partners Conference & Expo in Washington D.C.

The customer managed IP Communications service is based on Cisco Unified CallManager Express and is built to scale as a SMB evolves. Further, it provides the foundation and applications SMBs need to improve operational efficiency, enhance customer relationships, and control costs. Features that help businesses manage their telecommunications efforts include auto attendant, night service bell, call logging, caller ID, call monitoring, call forwarding, call pickup, dual-line appearances, and hunt groups. The solution also provides SMBs with a solid foundation for the addition of advanced communications capabilities such as video telephony, rich-media conferencing, unified messaging and softphone integration.

“Cisco Unified CallManager Express and Covad ClearEdge Integrated Access give small companies like ours a reliable, flexible voice-and-data service,” says Brian Blanton, vice president of business administration for HIS Communications Services, which has successfully deployed the bundled offer. “Dynamic bandwidth allocation, enabled by Covad’s voice optimized access product, is also a significant benefit for our business. Voice calls are always prioritized over data traffic, so our call quality does not diminish when, for example, an email with a very large attachment comes through. If nobody is on the phone, then the entire circuit is available for the Internet, increasing access speed. And if we hire new people, we do not need to add circuits or make any other changes to our network. The combination of Cisco and Covad is the best for our business.”

CovadClearEdge Integrated Access combines voice and data on a single, integrated connection to deliver voice over IP, broadband, email and Web hosting services on one bill. This acts as a consolidated point of contact for support and offers the potential for a significant discount over the local phone company's loosely coupled voice and data services. The service also features an optional Covad Integrated Access Dashboard, a Web-accessible interface equipped with a full range of powerful communication and productivity tools.

The Cisco Unified CallManager Express solution is embedded in the Cisco Internet Services Router that provides call processing for Cisco Unified IP phones. The Cisco Unified Communications solution delivers a comprehensive set of features commonly used by business customers, facilitating the deployment of a cost-effective and highly reliable unified communications solution for the SMB. Cisco Unified CallManager Express and integrated services routers for the solution will be sold, deployed and maintained by authorized Cisco and Covad partners.

"Together, Covad and Cisco provide big business communications for SMBs with a comprehensive, flexible, end-to-end voice and data solution that increases customer responsiveness and reduces operational costs. It also offers Covad and Cisco channel partners the opportunity to earn both up-front margins on Cisco equipment and ongoing commissions from Covad," said Eric Weiss, chief marketing officer for Covad, a member of the Cisco Powered Network program. "This joint offering will increase our presence in the \$30 billion small business communications market."

"Covad's customer focus led it to develop this offering specifically for SMBs that require smart, simple and secure communications services," said Vic Northrup, vice president of service provider operations for Cisco. "This offering gives these businesses exactly what they need in a managed unified communications service -- feature-rich call processing, integrated voicemail, and basic auto attendant, as well as advanced high-touch customer service applications, allowing them to get the best of both the hosted and the premise-based communications solution."

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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).

### **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 increasing its presence in the small-business communications market and the addition of advanced communications capabilities such as video telephony, rich-media conferencing, unified messaging and softphone integration. 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 small-medium businesses, 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.