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## **Covad Announces ClearEdge Office – First VoIP Offering Built Specifically for Very Small Businesses**

*“End of low quality consumer VoIP products masquerading as small business solutions”*

**Boston, Mass. (Sep. 13, 2006)** – Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, announced today at the Fall 2006 VON Conference & Expo the nationwide availability of Covad ClearEdge Office, the first combined Voice over IP and high-speed Internet offering built specifically for very small businesses.

“The VoIP offerings being marketed to very small businesses today are typically pumped-up consumer products or enterprise-level products that can be too technically demanding and expensive for small companies with limited IT capabilities and telecom budgets,” said Charles Hoffman, president and CEO of Covad. “Covad ClearEdge Office has been designed to meet the specific needs of very small businesses: affordability, simplicity, reliability and minimal upfront costs.”

With Covad ClearEdge Office, customers can continue to use their existing analog phones. Covad handles the entire installation, which involves only two additional pieces of equipment: a DSL router and an analog telephone adaptor.

“This signals the end of low quality consumer VoIP products masquerading as small business solutions,” said Claude Tolbert, Covad senior vice president. “We expect Covad ClearEdge Office to be the product that will have very small businesses choosing VoIP, by combining easy installation, high service quality, minimal new equipment and a compelling price.”

This \$13.2 billion market segment, made up of businesses with between five and 19 employees, represents over 2 million small businesses with average monthly telecom expenditures of more than \$500, according to AMI Partners, a market research firm.

“The introduction of Covad ClearEdge Office is a wake-up call to consumer providers who think catchy advertising is going to help them succeed in the small business market without a quality managed service,” said Will Stofega, research manager for IDC’s VoIP Services program. “Covad is clearly filling a gap in the market by



becoming the only company to specifically target this segment with a managed-quality access line."

Because ClearEdge Office operates on Covad's nationwide broadband network, the service and overall calling experience is fully managed end-to-end as opposed to traditional consumer VoIP solutions that rely on a third party broadband connection to transfer the data packets over the public internet. Covad's Voice-Optimized Access (VOA) solution preserves VoIP call quality by prioritizing voice over data traffic on every call and thereby ensures a quality calling experience.

Covad ClearEdge Office offers an intuitive interface through a web-based "dashboard." Businesses can reduce "phone tag" with Find Me/Follow Me, create hunt groups to forward calls to available team members, and manage voicemail and faxes through any Web connection. It also includes call waiting, call forwarding, call logging, call monitoring and call pick-up. Covad ClearEdge Office is an ideal solution for companies with fewer than 20 people.

There is no need to replace inside wiring and all unique wiring needs will be handled by Covad. Automatic upgrades ensure customers always have the most advanced features available.

With the launch of Covad ClearEdge Office, Covad now offers a complete portfolio of VoIP products to small and medium businesses. Covad ClearEdge Office Pro is a hosted VoIP offering that is ideal for SMBs looking for a feature-rich, managed solution with low up-front costs. Covad ClearEdge Integrated Access combines separate voice and data access services into a single solution over a T1 broadband line, and is well-suited for customers who already have an existing PBX.

To learn more about Covad ClearEdge Office or Covad's other VoIP products, log onto <http://www.covad.com>.

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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, wireless broadband, 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 the performance of Covad ClearEdge Office, the adoption by small businesses of VoIP and success of any VoIP services. 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 operational challenges that may arise as we deploy new services, difficulties as we rapidly expand, deploy and improve our services, the impact of increasing competition, pricing pressures, consolidation in the telecommunications industry, uncertainty in telecommunications regulations and changes in technologies, among other risks. For a more detailed description of the risk factors that could cause such a difference, please see Covad's Forms 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.