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Covad Provides Innovative Broadband Solutions for Hospitality Industry

Partners with San Jose, CA-based Discover IT to Sponsor Gujarat Day Celebrations and Serve Indian-American Hotel Owners

San Jose, Calif. – May 15, 2007 – Covad Communications Group Inc., (AMEX: DVW), a leading national provider of integrated voice and data communications, announced today that it has entered into a partnership with San Jose-based Discover IT, a leading provider of managed wireless high-speed Internet access to hotels, restaurants, and other hospitality industry venues. Discover IT will utilize Covad's next-generation network and business-class broadband solutions to serve leading hotel companies such as Holiday Inn Express, the Pacific Group of Hotels, and the American Hotel Group. Covad and Discover IT launched their partnership by co-sponsoring the Bay Area Gujarat Day Celebration in Sunnyvale, California on May 13th. This event highlighted the business and cultural contributions of the Bay Area's citizens of Indian heritage, many of whom are active in the local hospitality industry.

"Covad has a proven track record of success in serving the communications needs of the hospitality industry and is very pleased to partner with Discover IT to provide high-speed, highly-reliable broadband services such as business-class ADSL, T1, broadband wireless, and VoIP," said Anne Merkert, Covad vice-president of product marketing. "As a nationwide, facilities-based broadband provider, Covad is well-suited to meeting the needs of enterprises that operate across multiple regions. These multi-location businesses include hotels and restaurant chains."

Covad enables partners such as Discover IT to offer best-in-class DSL and T1 service, high-capacity fixed wireless broadband, and award-winning Covad ClearEdge voice solutions. As a Covad partner, Discover IT has access to Covad's all-in-one resource center with a complete online order-management system that includes comprehensive and targeted sales and technical training. An additional benefit of partnering with Covad is the ease and cost-effectiveness of dealing with a single provider for all broadband needs, rather than multiple providers spread across the country.

"Together, Covad and Discover IT are well-positioned to succeed in the hospitality space," said Chirag Gandhi, president of Discover IT. "The range of business-class solutions and services that Covad and Discover IT collaboratively provide enable our



customers to improve their voice and data communications, and focus on what they do best – serving guests.”

By partnering with Discover IT, Covad gains entry into the growing community of Indian-American hotel owners. According to the Asian American Hotel Owners Association, 43% of the 47,000 hotels and motels in the USA are owned by Indian-Americans and 30% of Indian-American hotels and motels are non-branded, independently run hotels. Many of these independently-run hotels fit the small business profile that Covad has successfully served for over a decade. In addition, Covad services are designed to meet the unique needs of the hospitality industry, such as providing high-speed access to guests, using the Web to offer virtual tours of hotel facilities, and linking franchise hotels via broadband connection for resource management and ordering. Once such franchise hotel customer, the Renaissance Las Vegas, a AAA-rated 4-Diamond hotel in downtown Las Vegas, uses Covad Wireless broadband service for its Internet access needs.

For more information on Covad’s full portfolio of DSL, T1, VoIP, and broadband wireless products, call 1-888-GO-COVAD or visit 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, broadband wireless, 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.

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 success in the hospitality space. 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 our ability to rapidly expand and deploy these 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 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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