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## **Covad Launches Nation's First ADSL2+ Service for Small Businesses and Home Offices**

*Next-generation broadband service provides data speeds of up to 15.0 Mbps in 11 major markets*

**San Jose, Calif. – May 31, 2007** – Covad Communications Group Inc., (AMEX: DVW), a leading national provider of integrated voice and data communications, today announced it has launched the nation's first standalone ADSL2+ business solution. The service, available in 11 major markets, provides small businesses and home offices with faster data speeds to power bandwidth-intensive applications such as file-sharing and video conferencing.

"With download speeds of up to 15.0 Mbps, the ADSL2+ solution continues our strategy of providing superior broadband services to small businesses and home office customers who wish to move up the bandwidth curve," said Eric Weiss, Covad chief marketing officer. "Unlike many of our competitors serving this market, Covad offers a truly business-class service, with the level of support and customer experience that small businesses rely on."

Covad's standalone ADSL2+ is available today in Atlanta, Chicago, Dallas, Los Angeles, Miami, New York, Philadelphia, San Diego, the San Francisco Bay Area, Seattle, and Washington, DC. Three speed tiers are available: up to 8.0 Mbps, up to 10.0 Mbps and up to 15.0 Mbps. Covad offers standalone ADSL2+ customers 24x7 support and a service level agreement that includes a mean time to repair (MTTR), at prices on par with the few competing offers in the market. Customers within 9,000 feet of a central office (CO) have access to ADSL2+ services.

ADSL2+ has been available for several years in countries with advanced broadband infrastructures, such as South Korea and Singapore, but Covad is the first provider to deploy it widely in the US. Continuing its tradition of innovation, the company operates the nation's first and largest next-generation broadband network, placing it among a select group of forward-looking telecom providers and allowing it to offer new services that small businesses demand.

"With the launch of standalone ADSL2+, Covad solidifies its position as a leading provider of broadband to small businesses and is able to better compete with cable providers and traditional phone companies," said David Lemelin, In-Stat senior analyst.



Covad is marketing standalone ADSL2+ to small businesses and home offices with high-bandwidth needs, such as: companies dependent on video-conferencing, like doctor's offices, video surveillance or security firms; and graphic design, photography and other digital media businesses who are dependent on the sharing of large files. Covad does not market standalone ADSL2+ to residential users, but expects that households with high-bandwidth needs will seek out this "latest-and-greatest" broadband offering.

ADSL2+ augments Covad's portfolio of business-class broadband offerings, which also includes a Bonded T1 service, launched nationwide earlier this month, that combines two T1 lines to serve businesses and distributed enterprises with fast, symmetrical data speeds of up to 3.0 Mbps and service level agreements. Covad also offers a residential ADSL2+ product with speeds of up to 8.0 Mbps as part of a bundled line-powered voice solution sold by strategic partner EarthLink in the same 11 markets as standalone ADSL2+.

ADSL2+ is available through Covad and its distribution partners. 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](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, 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](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's ability to provide services that small businesses will demand and expected demand from households that seek out the broadband offerings described above. 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 and new services offered by our competitors, 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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