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IKANO and Covad Announce Expanded Partnership

Private Label ISP to Offer Covad ADSL 2+ and T1 Service

Salt Lake City, Utah and San Jose, Calif. (July 9, 2007) – IKANO

Communications, an industry leader in private-label, wholesale, and retail Internet services, and Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, today announced an expanded strategic partnership that enables IKANO to offer competitively-priced, higher speed broadband packages to meet growing customer demand. IKANO will begin marketing Covad T1 and ADSL 2+ service, in addition to ADSL service, to its more than 250 branded partners and thousands of retail subscribers.

Under the expanded partnership, IKANO partners will benefit from Covad's ADSL service, offering downstream data speeds of up to 6.0 Megabits per second (Mbps). As IKANO rolls out Covad ADSL 2+ and T1 services, its partners will be able to choose data speeds of up to 15.0 Mbps. These services are designed to meet the increasing needs of consumers and small businesses for high-speed broadband to run advanced applications such as streaming video, online gaming, and voice services. IKANO will sell these services to partners in cities served by Covad's nationwide, facilities-based network.

"We look forward to expanding our partnership with Covad because it is a leading provider of DSL and T1 services," said George Naspo, chief executive officer of IKANO Communications Inc. "Covad's high-speed broadband services, combined with IKANO's private-label Internet services and applications solutions, enable our partners to offer their customers a quality broadband experience."

IKANO combines a fully-meshed aggregated network with call center support, private label ISP offerings, and value-added applications such as network fraud protection. The company markets this end-to-end solution to ISPs, affinity groups, direct sales organizations, and other telecommunications providers who want to develop a new, recurring stream of revenue, decrease communications costs, and offer high-end Internet services with minimal or no investment or expertise.

"This expanded partnership with IKANO enables us to leverage the investment in our next-generation broadband network and maintain our position as the partner of choice for telecommunications providers seeking innovative, carrier-class broadband services," said Jeff Rider, vice president of sales development for Covad.



Covad is the 'easy to do business with' choice for partners who benefit from the company's streamlined provisioning and ordering systems, scalable, cost-efficient support infrastructure, and nationwide, facilities-based network. Covad recently completed the build-out of the nation's largest ADSL 2+ network and offers partners a broad portfolio of DSL and T1 services, including bonded T1, as well as line-powered voice access.

For more information on IKANO services, visit www.ikano.com. For more information on becoming a Covad partner, visit www.covad.com/partners/join.html.

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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.

About IKANO Communications

IKANO Communications was founded over 10 years ago as a regional Internet service provider in the Intermountain West and since then has flourished to become the industry leader in private-label, wholesale, and retail Internet services. IKANO leverages its ISP platform to provide outstanding services at highly competitive prices. IKANO offers a robust global IP network, application solutions, private-label Internet services - including DSL and Web and mail hosting, server-side filtering, branded portal development, customer service and technical support. The company's rapid growth and excellence in the field have resulted in IKANO's ranking in the Inc. 500, Technology Fast 500, Inner City 100, Utah 100, and Call Center of the Year. For more information, visit www.ikano.com. Corporate headquarters is located at 124 North Charles Lindbergh Drive, Salt Lake City, UT 84116. Companies interested in learning more about IKANO should contact info@ikano.com or call 877-492-0121.

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 leverage its investment in its next-generation broadband network and maintain its position as the partner of choice for telecommunications providers seeking innovative, carrier-class broadband 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 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.