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## **Covad and Granite Sign Wholesale Agreement**

*Covad broadband to enhance Granite's distributed enterprise offerings*

**San Jose, Calif. (October 10, 2007)** – Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, today announced that it has signed an agreement with Granite Telecommunications, a reseller of bundled local dial tone and long-distance voice services to Fortune 100 customers nationwide. Granite currently serves approximately 10,000 distributed enterprise customers, spread across 125,000 locations nationwide. Granite will bundle Covad broadband with its offerings of enhanced services, such as point-of-sale solutions, to its customers.

"We are excited to partner with Covad, the leader in business-class broadband services," said Sam Kline, Granite vice president of strategic initiatives. "We look forward to benefiting from Covad's next-generation broadband solutions, nationwide network, and legacy of working with partners to serve distributed enterprises."

Covad's nationwide, facilities-based network will enable Granite to better serve its target market of multi-site enterprise customers. Covad offers its wholesale partners dedicated support and project management for its distributed enterprise customers. By bundling Covad DSL with its distributed enterprise offerings, Granite will be able to reach an expanded group of customers and provide fast, dependable broadband access, backed by strong service quality commitments.

"Partnering with Granite enables us to expand our presence in serving the growing bandwidth needs of distributed enterprises," said Lisa Graham, senior vice president of sales for Covad. "Covad has the unique ability to provide multi-site customers with business-class reliability, nationwide facilities, and a consistent quality of service."

"Enterprise customers spent \$4.7 billion on broadband services in 2006 and we expect this number to almost double to \$9.3 billion by 2010," said Ozgur Aytar, Pyramid Research analyst. "The rising need for higher bandwidth is a significant market growth opportunity for service providers like Covad who can offer high speeds on a reliable, nationwide broadband network."



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 now operates the nation's largest ADSL2+ next-generation broadband network, offering customers the fast data transfer speeds required to support today's bandwidth-intensive applications. Covad offers partners a broad portfolio of DSL and T1 services, including bonded T1, as well as line-powered voice access. As a leading DSL service provider, Covad allows customers to choose a broadband solution that balances competitive pricing with the performance, features, and room to grow that businesses need.

For more information on becoming a Covad partner, please visit [www.covad.com/partners/join.html](http://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, 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 Granite's expected sales of Covad services and spending by enterprise customers on 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 our ability to rapidly expand and deploy these services, changes in Granite's strategy 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.