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Covad Announces Launch of Wireless Broadband Mesh Network Test in San Carlos, California

Leading wireless broadband provider to businesses joins Cisco for Wireless Silicon Valley 'Concept City' test

San Jose, Calif. – February 26, 2008 – Covad Communications Group Inc., (AMEX: DVW), a leading national provider of integrated voice and data communications, announced today that it will use technology from Cisco to deploy a wireless broadband test network in San Carlos, California. The test is part of the 'Concept City' phase of *Wireless Silicon Valley*, a project of Joint Venture: Silicon Valley Network.

Covad's Covad Wireless business unit, which already serves business customers in San Carlos, will layer a new wireless broadband mesh capability onto its existing fixed wireless broadband service. Covad Wireless will use the latest wireless equipment from Cisco to create a mesh network, and judge performance, user experience and customer demand during the testing period. Central to the test is creating a repeatable financial and operational model. Following the completion of the test, Covad Wireless will explore expanding the mesh service to additional locations in the region.

"The *Wireless Silicon Valley* strategy aligns well with our goal to expand wireless broadband service in Silicon Valley," said David McMorrow, General Manager for Covad Wireless. "In the past year, the municipal wireless market has grown and changed dramatically, and *Wireless Silicon Valley's* focus on economic development and multiple types of outdoor wireless broadband service is now a better fit for our differentiated approach at entering this market segment."

Extension of existing, high-margin business model

Unlike many of the municipal WiFi experiments in other metropolitan areas, the San Carlos test network is an extension of Covad Wireless' existing, high-margin fixed wireless business and benefits from the expertise of Cisco and the participants in the *Wireless Silicon Valley* initiative. Covad Wireless operates California's largest fixed broadband wireless network serving businesses, and views this test network as an exciting opportunity to reach new segments of the business market, such as small business and home office customers, while utilizing its existing infrastructure. The company currently offers fixed broadband wireless access using WIMAX, pre-WIMAX, and LMDS technology to deliver services with data speeds of up to 100 Mbps to over 1,700 business and enterprise customers in the San Francisco Bay Area. The City of San Carlos is already an existing, satisfied customer of Covad Wireless and is able to provide cost-effective access for wireless equipment to poles, rooftops and other locations, and a continuing test base for municipal services.



Covad Wireless believes, and hopes to validate through this test, that wireless broadband mesh technologies, including WiFi/802.11, can provide a cost-effective extension of its service delivery model by economically enabling services targeted at new market segments, such as:

- Fixed broadband wireless access for the Small Office/Home Office (SoHo) and Very Small Business market segments requiring self installation and competitive market pricing
- Nomadic and portable services for vertical market segments such as mobile business and sales professionals and municipal field services
- Telemetry services for municipal and select vertical market segments

An ideal partnership

"We are very pleased to welcome Covad Wireless as the service provider partner for the San Carlos 'Concept City' test," said Seth Fearey, vice president and chief operating officer for Joint Venture: Silicon Valley Network and director of the *Wireless Silicon Valley* project.

Added Covad's McMorrow, "Covad Wireless has developed a service delivery model that utilizes different wireless technologies to maximize flexibility and meet the unique needs of customers. By using the advantages of each technology within the test network, we plan to leverage incremental value, achieve lower costs, and ensure higher customer satisfaction."

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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 the deployment and performance of the wireless broadband services described above and Covad's ability to provide a cost-effective extension of its service delivery model by economically enabling services targeted at new market segments. 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 wireless services, the impact of increasing competition, pricing pressures 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.