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## **VONAGE AND COVAD COMMUNICATIONS ANNOUNCE STRATEGIC RELATIONSHIP TO DELIVER VONAGE BROADBAND**

**Holmdel, NJ, and San Jose, CA (May 8, 2008)** – Vonage, a leading provider of digital phone services, and Covad Communications Company, a leading national provider of integrated voice and data communications, today announced a strategic relationship which will enable Vonage to provide its customers with a broadband solution using Covad’s nationwide DSL network.

The new service, called *Vonage Broadband*, is expected to be offered to new and existing customers by the end of the year. Through this relationship with Covad, Vonage will offer a DSL service with a maximum download speed of between 3.0 or 6.0 megabits per second to both residential and small business customers. This offering will expand Vonage’s competitive position in the marketplace by integrating these services for customers who prefer this option.

“Consistent with our strategy of focusing on the customer, Vonage Broadband enables us to respond to the demand we hear from customers who prefer the Vonage brand,” said Jeffrey Citron, Chairman, Chief Strategist, and Interim CEO. “In addition, it provides us with a competitive offering that continues to give customers the freedom of choice.”

Broadband fits perfectly into the MyVonage portfolio of products and services, such as Vonage Visual Voicemail, Unlimited International Long Distance Calling and V-Portal, which enable customers to control not only the way they communicate, but now, the way they bundle.

“We look forward to partnering with Vonage as its broadband wholesale service provider,” said Patrick Bennett, Covad President and Chief Executive Officer. “This new strategic relationship enables us to demonstrate the reliability and award-winning performance of our nationwide broadband network to Vonage’s large and savvy customer base.”

Vonage will be hosting an Earnings call today at 10:00 AM and will discuss the relationship in further detail. To participate, please dial (877) 419-6594 approximately ten minutes prior to the call. International callers should dial (719) 325-4932.

### **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).

### **About Vonage**

Vonage (NYSE: VG) is a leading provider of digital phone services with over 2.6 million subscriber lines. Our award-winning technology enables anyone to make and receive phone calls with a touch tone telephone almost anywhere a broadband Internet connection is available. We offer feature-rich and cost-effective communication services that offer users an experience similar to traditional telephone services.

Our Residential Premium Unlimited and Small Business Unlimited calling plans offer consumers unlimited local and long distance calling, and popular features like call waiting, call forwarding and voicemail - for one low, flat monthly rate. Vonage's service is sold on the web and through national retailers including Best Buy, Circuit City, Wal-Mart Stores Inc. and Target and is available to customers in the U.S., Canada and the United Kingdom. For more information about Vonage's products and services, please visit [www.vonage.com](http://www.vonage.com).

Vonage Holdings Corp. is headquartered in Holmdel, New Jersey. Vonage® is a registered trademark of Vonage Marketing Inc., a subsidiary of Vonage Holdings Corp.

### **Safe Harbor Statement**

This press release contains forward-looking statements regarding the Company's future offering of a wholesaled DSL solution. The forward-looking statements in this release are based on information available at the time the statements are made and/or management's belief as of that time with respect to future events and involve risks and uncertainties that could cause actual results and outcomes to be materially different. Important factors include, but are not limited to, our ability to consummate a proposed financing, our damaging and disruptive intellectual property and other litigation; our convertible notes, which can be put to us in December 2008; our rate of customer terminations; our history of net operating losses and our need for cash to finance our growth; the competition we face; our reliance on third parties to provide portions of our service; our dependence on our customers' existing broadband connections; differences between our service and traditional phone services, including our 911 service; uncertainties relating to regulation of VoIP services; system disruptions or flaws in our technology; the risk that VoIP does not gain broader acceptance; and other factors that are set forth in the "Risk Factors" section, the "Legal Proceedings" section, the "Management's Discussion and Analysis of Results of Operations and Financial Condition" section and other sections of Vonage's Annual Report on Form 10-K for the year ended December 31, 2007, as well as in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. While the Company may elect to update forward-looking statements at some point in the future, it specifically disclaims any obligation to do so, and therefore, you should

not rely on these forward- looking statements as representing our views as of any date subsequent to today.