

Covad Partners with AT&T to Offer Bundled DSL and Voice Services in Three Additional States

Thursday December 11, 10:00 am ET

Illinois, Ohio and Wisconsin Join Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York, Texas and Virginia

SAN JOSE, Calif.--(BUSINESS WIRE)--Dec. 11, 2003-- Covad Communications (OTCBB:[COVD - News](#)) today announced the introduction of Covad's digital subscriber line (DSL) broadband service in AT&T's communications bundle for residential users in Illinois, Ohio and Wisconsin.

Covad's DSL service is bundled with AT&T local and long distance services, offering consumers the advantage of a single, convenient telecommunications package. Launched earlier this year in Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York and Virginia, AT&T plans to offer Covad's DSL service in all states where AT&T provides bundled local and long distance residential services. AT&T provides local phone service to 24 states -- representing 61 million households -- and is currently conducting local service trials in another 11 states.

"Our partnership with AT&T to provide a bundle of telecommunication services enables Covad to play a critical role in increasing the adoption of broadband," said Charles Hoffman, Covad CEO and president. "We look forward to continue working with AT&T to improve consumer choice and provide innovative new services."

The ability to bundle AT&T local and long distance services with Covad's DSL service is based on a process called line splitting. AT&T "splits" the loop it buys from local phone companies to offer AT&T local and long distance with Covad's DSL service on the same line.

Covad's nationwide network is the only national DSL footprint. Covad's network enables ISPs and CLECs alike to partner with Covad for their broadband needs. A growing number of companies nationwide including AT&T, AOL, EarthLink, Sprint, Speakeasy, MCI, MegaPath and XO work with Covad to power their consumer and business broadband offerings.

About AT&T

AT&T (www.att.com) is among the premier voice and data communications companies in the world, serving businesses, consumers, and government. The company runs one of the most sophisticated communications networks in the U.S., backed by the research and development capabilities of AT&T Labs. A leading supplier of data, Internet and managed services for the public and private sectors, AT&T offers outsourcing and consulting to large businesses and government. The company is a market leader in local, long distance and Internet services, as well as transaction-based services like prepaid cards, collect calling and directory assistance. With approximately \$37 billion of revenue, AT&T has about 40 million residential customers and 4 million business customers, who depend on AT&T for high-quality communications. AT&T has garnered several awards for outstanding performance and customer service.

About Covad

Covad is a leading national broadband service provider of high-speed Internet and network access utilizing Digital Subscriber Line (DSL) technology. It offers DSL, T1, managed security, hosting, IP, dial-up services 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 operates the largest national DSL network with services currently available in 96 of the top Metropolitan Statistical Areas (MSAs). Covad's network currently covers more than 40 million homes and business and reaches approximately 45 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 statements contained in this press release that are not historical facts are "forward-looking statements," including expectations regarding expanded services and the statements made by the president and chief executive officer and the assumptions underlying such statements. Actual events or results may differ materially as a result of risks facing Covad or actual results differing from the assumptions underlying such statements. Such risks and assumptions include, but are not limited to, future FCC rulemaking, Covad's ability to continue as a going concern, to continue to service and support its customers, to successfully market its services to current and new customers, to manage the consolidation of sales to a fewer number of wholesale customers, to successfully migrate end users, Covad's ability to generate customer demand, to achieve acceptable pricing, to respond to competition, to develop and maintain strategic relationships, to manage growth, to receive timely payment from customers, to access regions and negotiate suitable interconnection agreements, all in a timely manner, at reasonable costs and on satisfactory terms and conditions, as well as regulatory, legislative, and judicial developments and the absence of an adverse result in litigation against Covad. Covad disclaims any obligation to update any forward-looking statement contained in this press release. All forward-looking statements are expressly qualified in their entirety by the "Risk Factors" and other cautionary statements included in Covad's SEC Annual Report on Form 10-K for the year ended December 31, 2002 and the 10-Q for the quarter ended September 30, 2003, along with Current Reports on Form 8-K filed from time to time with the SEC.

Contact:

Covad Communications
Kathleen Greene, 408-952-7434 (Media)
kgreene@covad.com
Susan Crawford, 408-434-2130 (Investors)
investorrelations@covad.com

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