



Experts in Profitable Email and Hosting

News Release

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Covad Partners with Hostopia, Inc for Enhanced E-mail and Web Hosting Services for Small-Businesses Nationwide

Currently Serving nearly 100,000 Residential and Business Customers

San Jose, Calif. (November 2, 2004) – Covad Communications (OTCBB: COVD), a leading national provider of integrated voice and data communications, introduced a suite of new Hostopia-powered e-mail and Web hosting services for small-businesses, including basic e-mail solutions starting under \$10 per month.

Covad's enhanced hosting services include e-mail, Webmail, a simple-to-use Web design tool, and Web reports. All hosting services also include free anti-virus and SPAM protection, an easy-to-use online account management tool, and 24x7x365 live customer support.

“In order for small-businesses to be successful, they need to spend more time focusing on their bottom line and less time worrying about their e-mail and Web site,” said Justin Spencer, product management and development manager at Covad. “We want small-businesses to take advantage of Covad’s intuitive hosted e-mail and Website services as a way to effectively help their business grow.”

Says Hostopia’s president, Franc Nemanic, “We are pleased that Covad has selected Hostopia to deliver and manage Covad’s full suite of enhanced hosting services. I believe we demonstrated a formula of highly sophisticated, seamless back office integration to Covad’s customer and employee facing systems as well as a new engine of business growth and diminished customer churn for their business services.”

Covad Hosting Services Enhancements and Highlights

One of the key enhancements with Covad’s new Hosting services is its intuitive anti-virus and SPAM protection upgrade that passes more control to end-users to



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customize their own SPAM settings and parameters. Users can have SPAM quarantined, tagged and delivered, or simply deleted.

The entirely new suite of business class services includes storage-mail boxes that are now 40 MB in size (originally 10 MB) with advanced features such as:

- Auto-responder messages
- Forwarding
- Aliasing
- Catch-alls

Business users also receive a newly enhanced Webmail user interface that dramatically improves the customers' ease-of-use, including two different interface options for customers who have specific viewing preferences. This is ideal for small-business administrators who want to enable their employees with the ability to manage their own e-mail and SPAM settings.

Covad is also giving customers a new Web design tool to address the needs of small-businesses that want to create an online presence. Covad's Web design tool is an easy-to-use Web-based application that allows users with no prior Web design experience to create a professional looking Web site within minutes. Businesses can quickly create their online presence by choosing from hundreds of pre-built site templates organized by industry vertical.

Covad E-mail and Hosting Packages and Prices

Covad offers an e-mail only plan and three Web hosting plans, designed to address the needs of small-businesses. The e-mail only plan with anti-virus and SPAM protection is \$9.95 a month while the Web hosting plans range from \$19.95 a month to \$79.95 a month when bundled with Covad Broadband access services.

E-mail Service Only Details:

- Each mailbox has 40 MB of storage
- Free Webmail, anti-virus and SPAM protection

Web Hosting Services (also includes business class e-mail service) Details:

- Basic - 50 MB Web storage/ 2.5 GB data transfer/ 20 e-mail accounts
- Enhanced - 100 MB Web storage/ 5 GB data transfer/ 30 e-mail accounts
- Premium - 250 MB Web storage/ 10 GB data transfer/ 50 e-mail accounts
- Free Webmail, anti-virus and SPAM protection, Web Design Templates



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All of the hosting packages feature a unique technology that allows Unix and Windows applications to be used on the same website. No longer will small business owners have to settle between operating systems when designing and maintaining their website.

For more information on Covad's Hosting Services visit <http://covad.com/products/hosting/index.shtml> or call 1-800-636-3500.

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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.

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The foregoing contains "forward-looking statements" regarding expectations around increased growth, as well as other matters, which are based on management's current information and beliefs as well as on a number of assumptions concerning future events made by management. 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 the impact of increasing competition, pricing pressures, consolidation in the telecommunications industry, and uncertainty in telecommunications regulations 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-K/A, 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.