

COVAD AND MEGAPATH ANNOUNCE MERGER AGREEMENT

Merger Will Combine Nation's Largest IP Broadband Footprint with Complete Suite of Managed Services

San Jose and Costa Mesa, CA, March 31, 2010 - Covad Communications Company, a leading national provider of IP broadband services, and MegaPath Inc., a leading provider of managed IP data, voice and security services in North America, today announced an agreement to combine the operations of Covad and MegaPath.

Pending federal and state regulatory approvals, the transaction will create one of the largest managed service local exchange carriers (MSLEC) in the United States. The combined businesses will have the largest Ethernet, DSL and T1 footprint in North America and be the only MSLEC capable of providing a full range of Internet, voice, security and VPN services nationwide.

"This transaction brings together two industry leaders who will focus on expanding service offerings and distribution channels to further our leadership positions in the SMB, enterprise and wholesale markets," said D. Craig Young, MegaPath CEO and the new Executive Chairman of the combined businesses. "By leveraging the strengths of each company, we will provide customers and partners with expanded expertise, broader innovative services and a powerful network that simplifies the way they communicate and conduct business online."

"We will continue to provide innovative services and superior automation to our wholesale partners, and by adding MegaPath's leading managed service offerings, we will further enhance the value we deliver to the market," said Pat Bennett, CEO of Covad, who will continue as Chief Executive Officer. "The combination of these two companies creates a powerful new business model that provides users and partners with the industry-leading connectivity and services they require to support their critical business communications needs."

Covad offers IP broadband services in more than 4,400 central offices nationwide through its commercial and wholesale distribution channels. Covad wholesale partners include leading providers such as AT&T, Verizon Business and Sprint; MegaPath delivers value-added communication services, including hosted VoIP, managed security, MPLS VPNs for connecting multiple sites, and SSL VPNs for connecting remote users and business partners. MegaPath distributes its services via a large direct sales force and channel sales partnerships, and has over 19,000 direct SMB and enterprise customers.

By combining Covad's robust network infrastructure with MegaPath's wide selection of products and value-added services, the transaction promises to provide the companies' partners and customers with a superior selection of cost-effective IP voice, data communications and security solutions.

"This is a great deal for Covad and MegaPath stakeholders and customers, creating an industry leader with the agility, expertise and resources to address customers' rapidly growing and changing communications needs," said Johnny O. Lopez, partner at Platinum Equity, which

owns Covad. "With such complementary businesses, partners and customers will quickly see new services and capabilities that provide them even greater value, while the company realizes improved efficiencies and greater profitability, and enhanced opportunities for growth through acquisition."

The combined businesses will be owned by Platinum and MegaPath investors. Terms of the deal were not disclosed. The transaction is subject to federal and state regulatory approvals and is expected to close by the end of Q3 2010.

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About Covad

Covad is a leading national provider of integrated voice and data communications, combining broadband solutions with mission-critical service and support to create a superior customer experience. The company provides a wide range of access and hub aggregation services, including Ethernet, DSL, and T1. Covad manages a robust, next-generation IP/MPLS network that efficiently delivers integrated voice, video, and data solutions. With an expanded footprint supported in part by more than 4,400 COs, Covad broadband services are currently available across the nation in 45 states and 240 metropolitan statistical areas (MSAs) and can be purchased by approximately 11 million businesses, representing over 60 percent of all U.S. businesses. Covad is located at 2220 O'Toole Avenue, San Jose, CA 95131. Website: www.covad.com.

About MegaPath, Inc.

MegaPath is the leading provider of managed IP communications services in North America. MegaPath leverages its wide selection of broadband connectivity, Virtual Private Networks, Voice over IP (VoIP) and security technologies to enable businesses to lower costs, increase security and enhance productivity. Businesses of all sizes can easily and securely communicate between their headquarters, branch offices, retail locations, mobile workers, and business partners. To learn more about why over 19,000 companies have chosen MegaPath's managed IP data, voice and security services to improve their business communications, visit www.megapath.com or call 1-877-MegaPath (634-2728).

Read more: <http://www.megapath.com/news/2010/COVAD-AND-MEGAPATH-ANNOUNCE-MERGER-AGREEMENT.cfm#ixzz0IBIw81NR>