



Covad Secures \$50 Million Credit Facility

Redeems AT&T liability and plans to withdraw shelf registration

SAN JOSE, Calif. (April 13, 2006) – Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, today announced that it has obtained a two-year \$50 million senior secured revolving credit facility with the Santa Clara, Calif. based Silicon Valley Bank. The credit facility is available for general corporate purposes.

"We are pleased to establish this relationship with Silicon Valley Bank" said Christopher Dunn, Covad chief financial officer. "The availability of this credit facility validates Covad's commitment to improving its balance sheet liquidity and provides us with increased flexibility to refinance existing liabilities."

As part of the transaction, Covad has redeemed its existing collateralized customer deposit liability with AT&T, one of Covad's largest wholesale partners. This liability has been terminated and AT&T has relinquished its related liens on Covad's assets. Covad plans to borrow funds available under the revolving credit facility as needed.

In conjunction with securing the credit facility, Covad also announced that it will withdraw the universal shelf registration statement it filed with the Securities and Exchange Commission in October 2005 without making any sales under that registration statement.

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, wireless broadband, 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 Covad's use of the credit facility. 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 increasing competition in the market for broadband and wireless

services, future changes in telecommunications regulations and litigation concerning current regulations, our ability to effectively offer wireless services, and our ability to increase the revenue that we obtain from our other services and maintain an efficient cost structure, 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-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.

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