



Covad Named Finalist for “2006 Outsourcing Excellence Awards” from Outsourcing Center

Company chosen for innovative use of off-shore call-center partners to improve customer satisfaction and churn rates

San Jose, Calif. (May 9, 2006) – Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, has been named a finalist for Outsourcing Center’s “2006 Outsourcing Excellence Awards,” sponsored by Everest Group and Forbes Magazine. Covad was chosen for its innovative use of off-shore call-center partners to cost-effectively diversify and improve its customer service operations, directly resulting in improved customer satisfaction and churn results for its broadband data services. Eight out of ten Covad broadband data customers surveyed would recommend Covad to someone else.

“The increase in our customer satisfaction rating in the first quarter of this year is driven by several factors, most notably a cross-functional program of enhanced customer service,” said Brett Flinchum, senior vice president of customer operations for Covad. “We achieved this improvement while simultaneously reducing our customer operations budget by more than 20% compared to the same period last year.”

An example of a satisfied Covad customer is Tony Ondrusek, publisher, Insurance & Financial Advisor Monthly, who said, “Covad outpaced the local phone company’s customer service by a mile. I am a customer for life.”

Covad’s focus on creating a seamless, superior customer experience through its partnerships with off-shore call-center providers in Canada and India has proven successful. The company’s enhanced customer service program includes event-triggered marketing such as anniversary and other holiday recognition, proactive customer communication, escalated attention to service questions, and a realignment of internal resources to drive numerous quality touches that improve customer loyalty.

Covad’s customer satisfaction improvement coincides with the company’s positive churn record for its direct broadband data services. Covad has achieved seven consecutive quarters of churn improvement in its direct broadband data services.

The Outsourcing Excellence Award winners will be chosen by a panel of industry experts and announced in June.

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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, 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.

About the Outsourcing Excellence Awards

Outsourcing Excellence Awards is an annual program developed by Outsourcing Center, an online community specializing in thought leadership, best practices, and innovation in outsourcing. [Everest Group](#), helps companies create customized sourcing strategies and outsourcing relationships that are tailored to their specific situations.

For more information, please visit www.outsourcing-awards.com and www.outsourcing-center.com.

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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 the success of the relationship described in this press release. 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 ability of Covad to sell and deliver its services efficiently, to effectively compete with other providers of voice and broadband services, and to maintain an efficient cost structure, as well as potential changes in telecommunications regulations, 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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