



NEXTLINK AND COVAD FORM STRATEGIC PARTNERSHIP TO ENHANCE BROADBAND WIRELESS ACCESS FOR ENTERPRISE CUSTOMERS

Service to Start in Los Angeles; Businesses to Benefit from High-Speed, Ethernet-Based Connectivity

RESTON, VA and SAN JOSE, CA (JUNE 13, 2006) – Nextlink Wireless, Inc., a subsidiary of XO Holdings, Inc., and Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, today announced a strategic partnership that will enable Covad to deploy higher speed wireless Ethernet services nationally using Nextlink's licensed 28-31 GHz Local Multipoint Distribution System (LMDS) wireless spectrum. Covad's new offering will include access speeds up to 25 Mbps per subscriber location, providing a high degree of reliability and low latency to propel delivery of real-time, next-generation applications, such as VoIP, to the enterprise marketplace.

The agreement teams Nextlink, the leading provider of broadband wireless services and the nation's largest holder of LMDS spectrum, with Covad, a pioneering voice and data solutions provider to small and medium businesses. Initially, Covad will offer enhanced broadband wireless service within its existing network in the Los Angeles metropolitan area. The agreement also allows for an expansion to eleven additional major markets across the country, including Chicago, Dallas, Miami, New York, Seattle, and Washington, DC.

Covad provides a business-class, cost-effective alternative to traditional telecom providers that is focused on the needs of small and medium businesses. As Covad deploys the new broadband wireless access service, these businesses, along with Covad's enterprise-class business customers, will have the option to upgrade to a versatile suite of high-speed, Ethernet-based solutions that combines the power, reach, performance, and scalability of Nextlink's licensed spectrum with the reliability and security of Covad's extensive network.

Nextlink CEO Bob Beran said, "This agreement builds on the long-standing relationship between Covad and XO Communications. The consummation of this strategic deal, coming only weeks after Nextlink's launch, validates our business model and the demand by carriers for new applications of broadband wireless."

Charles Hoffman, president and CEO of Covad, added, "The alliance with Nextlink is important to our market strategy. We will significantly boost our strength in the business space, while Nextlink benefits from the use of its wireless assets. Best of all, business customers across the U.S. are the biggest winners, gaining an alternative in broadband that is reliable, top quality and very price competitive."

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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 Nextlink

Nextlink, a subsidiary of XO Holdings, Inc. (OTCBB: XOHO.OB), provides broadband wireless services to the wireless and wireline communications service provider, business and government markets. As one of the nation's largest holders of fixed wireless spectrum, Nextlink delivers high-quality, carrier-grade wireless access solutions that scale to meet the demands of today's converged world of communications - supporting next-generation mobile and wireline voice, data and video applications. For additional information, visit www.nextlink.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 the deployment and performance of wireless broadband services and Covad's ability to recruit customers to the new service, as well as the success of any new services. 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 operational challenges that may arise as we deploy wireless services, difficulties as we rapidly expand, deploy and improve our services, the impact of increasing competition, pricing pressures, consolidation in the telecommunications industry, 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 Forms 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.

Forward Looking Statement Note:

The statements contained in this release that are not historical facts are "forward-looking statements" (as such term is defined in the Private Securities Litigation



Reform Act of 1995) that involve risks and uncertainties. These statements include those describing Nextlink's expected future business and network operations and results of operations, Nextlink's ability to increase sales and maintain current revenue, and Nextlink's ability to service the demand for high-bandwidth broadband wireless services. Management cautions the reader that these forward-looking statements are only predictions and are subject to a number of both known and unknown risks and uncertainties and actual results, performance, and/or achievements of Nextlink may differ materially from the future results, performance, and/or achievements expressed or implied by these forward-looking statements as a result of a number of factors. These factors include, without limitation, those risks and uncertainties described from time to time in the reports filed by XO Holdings, Inc. (as the successor issuer to XO Communications, Inc.) with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2005 and its quarterly reports on Form 10-Q. XO undertakes no obligation to update any forward-looking statements.

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