



## **Covad to Join Russell 3000® Index on June 30**

**San Jose, Calif. (June 19, 2006)** – Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, will join the Russell 3000 Index when Russell Investment Group reconstitutes its family of U.S. indexes on June 30, according to a preliminary membership list posted Friday on [www.russell.com](http://www.russell.com).

"Our recent inclusion in the new Russell 3000 Index is another positive indicator that the investment community is paying attention to our success," said Christopher Dunn, Covad's chief financial officer. "As we continue to leverage our operational capabilities to deliver strong financial results, and invest in growth areas such as our next-generation network and wireless broadband capability, we position ourselves for sustainable leadership in the marketplace."

The company, which operates the only nationwide broadband network in the US, has been focused on expanding into high-growth areas such as wireless broadband, while reaching profitability targets. Covad's recent financial wins include a \$50 million debt and equity investment from strategic partner EarthLink in March, to fund the build of a next-generation broadband network. Once built, Covad will have the largest ADSL 2+ footprint in the country with an ability to service over 14 million households on the new ADSL 2+ platform. And in April, Covad redeemed its existing collateralized customer deposit liability with AT&T, one of Covad's largest wholesale partners., and secured access to a \$50 million credit facility from Silicon Valley Bank.

The Russell 3000 Index offers investors access to the broad U.S. equity universe representing approximately 98% of the U.S. market. The Russell 3000 is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected.

# # #

### **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](http://www.covad.com).

### **About Russell**

Russell, a global leader in multi-manager investment services, provides investment products and services in 44 countries. Russell manages more than \$167 billion in assets and advises clients worldwide representing \$2.4 trillion. Founded in 1936,



Russell is a subsidiary of Northwestern Mutual and is headquartered in Tacoma, Wash., with additional offices in New York, Toronto, London, Paris, Singapore, Sydney, Auckland and Tokyo. Russell indexes are widely used by investment managers and institutional investors for index funds and as benchmarks for both passive and active investment strategies. An industry-leading \$3.8 trillion in assets currently are benchmarked to them. Investment managers who oversee these funds purchase shares of member stocks according to that company's weighting in the particular index.

**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 ability to reach and maintain profitability, and Covad's continued inclusion in the Russell 3000 Index. 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.

**Media Contacts**

Michael Doherty  
Covad Communications  
408-952-7431  
[mdoherty@covad.com](mailto:mdoherty@covad.com)

**Covad Investor Relations**

Robert Dougherty  
Covad Communications  
408-434-2130  
[investorrelations@covad.com](mailto:investorrelations@covad.com)

Christian Pinkston  
Pinkston Group  
703-574-2137  
[pinkston@pinkstongroup.com](mailto:pinkston@pinkstongroup.com)