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Covad Completes Build-out of Nation's Largest Next-Generation Telecommunications Network Ahead of Schedule

*Increased bandwidth capability enables advanced voice, video, and
business-class broadband applications*

San Jose, Calif. (December 27, 2006) – Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, today announced that it has completed the build-out of its next-generation telecommunications network. Covad now operates the nation's largest ADSL2+ network, capable of providing high-speed data and next-generation voice services to millions of businesses and residences.

Covad's next-generation network covers 14 million homes and businesses in Atlanta, Chicago, Dallas, Los Angeles, New York, Miami, Philadelphia, San Diego, San Francisco, San Jose, Seattle, and Washington, DC. In these markets, Covad is capable of providing customers broadband connections with data speeds of up to 25 megabits per second. This bandwidth capability currently enables Covad to offer line powered voice access, a cost-effective alternative to traditional residential phone service. Covad has also announced plans to introduce higher-speed broadband access and new business-class services such as bonded T1. Covad expects to make these higher-bandwidth services available directly to Covad's business customers and indirectly via Covad's Alliance Channel and wholesale partners in 2007.

"Our next-generation network build-out has been completed ahead of schedule. This new network positions Covad at the forefront of telecom providers, allowing us to offer the solutions that businesses demand, and to continue our tradition of innovation." said Eric Weiss, Covad chief marketing officer.

In addition to enabling next-generation products and services, the expanded network capabilities allow Covad to power bandwidth-intensive applications and provide an improved customer experience. "Covad's deployment of its next-generation ADSL2+ network offers increased reach for the delivery of high speed services, and ADSL2+'s performance monitoring capabilities should enhance reliability and service levels," said Cindy Whelan, senior analyst with competitive analysis firm Current Analysis. "These capabilities are critical to customers who are increasingly using their broadband connections for voice and video applications."



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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.

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 introduction of new services on Covad's next-generation network, the timing, deployment schedule and success of any new services, and improved customer experiences and scalability of the next-generation network. 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 new 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.