



Covad and Samsung Announce Upgrade to Covad Nationwide Network that Enables Local & Long Distance Service, Internet Access and Video over DSL

New Choice for Communications Services Available Soon for Covad Partners

San Jose, Calif. (June 28, 2005)—Covad Communications Group, Inc. (OTCBB: COVD) and Samsung Electronics Company, Ltd. (Samsung Electronics (005930)) today announced that Samsung Telecommunications America has been selected as the provider of new central office equipment that will power Covad's market launch of line-powered voice access. This new technology enables Covad to offer basic local and long distance voice services, along with high-speed Internet and, eventually, video over DSL.

Earlier this month, Covad and its partner EarthLink announced plans for commercial trials of line-powered voice access in Dallas, San Francisco, San Jose and Seattle starting in October. This will be the first large-scale application of the service in the U.S., offering communications users another choice for simple, reliable local, long distance and high-speed data services. EarthLink is funding the trial through a prepayment for future Covad services.

Covad has selected Samsung's Multi-Service Access Gateway technology to be installed in the core of Covad's nationwide DSL broadband network. In addition to line-powered voice access, the new Samsung Multi-Service Access platform will allow Covad to enhance its offerings through the further deployment of Voice over IP (VoIP) services as well as advanced high-speed broadband services such as ADSL2+ and G.SHDSL. ADSL2+ provides higher ADSL speeds at greater distances. G.SHDSL is the next generation of SDSL providing higher symmetrical speeds at greater reaches. These two services will ultimately enable new voice and video services on Covad's extensive nationwide network, which passes more than half the homes and businesses in the U.S., in more than 900 cities.

"Covad is extremely pleased to enter into this strategic alliance with a world-class company like Samsung as we develop and grow together this new voice and data service offer," said Charles Hoffman, Covad president and chief executive officer. "This initial market deployment is just the beginning of what we expect to be a highly-disruptive



service. We are working to deliver nationwide deployment of line-powered voice access and next-generation broadband services that will offer cutting edge technology and an alternative choice to businesses and consumers across the country.”

“We’re delighted Covad has selected Samsung’s AceMAP platform as the deployment vehicle for advanced broadband services across its nationwide network”, said Jeong Han Kim, President of Samsung Telecommunications America, a subsidiary of Samsung Electronics Corporation. “The power of a Covad-Samsung alliance ensures Covad’s continued position as a leading provider of Next-Generation broadband services.”

Line-powered voice access marries the usability of traditional phone service with the advanced features of VoIP. In addition to traditional calling features like Caller ID, Call Waiting and Call Forwarding, customers will also have VoIP features like Find Me/Follow Me, a Web-based call controller and click to dial. Customers will continue to use their existing phones, wiring and computer equipment. Just like traditional phone service, line-powered voice services will remain working during a power outage and the service fully supports enhanced 911 calling.

The new Samsung Multi-Service Access platform enables line-powered voice by taking an analog voice signal from a customer’s basic telephone and converting it into digital form at the Covad central office where the Samsung Access Gateway is located. The digital signal is then transported over Covad’s nationwide broadband network and terminated to any telephone on the partner’s Voice over IP network or the Public Switched Telephone Network (PSTN) managed by the local phone companies.

Unlike DSL broadband service, line-powered voice access is not distance sensitive. That means Covad’s nationwide network will, in the future, be able to serve 40 percent more customers with voice services in the current Covad footprint.

ADSL—The “A” in ADSL stands for “asymmetric.” ADSL has greater downstream than upstream rates. These rates are dependent on the distance a user is from the central office and may vary from as high as 9 Mbps to as low as 384 Kbps.

SDSL—The “S” in SDSL stands for “symmetric.” Symmetric DSL transmits at the same download speeds and upload speeds.



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, 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 Samsung Telecommunications America

Samsung Telecommunications America, L.P., a Dallas-based subsidiary of Samsung Electronics Company, Ltd., researches, markets and develops telecommunications equipment throughout North America. Samsung is a registered trademark of Samsung Electronics America, Inc. and its related entities.

About Samsung Electronics

Samsung Electronics Co., Ltd. is a global leader in semiconductor, telecommunication, digital media and digital convergence technologies with 2004 parent company sales of US\$55.2 billion and net income of US\$10.3 billion. Employing approximately 113,000 people in 90 offices in 48 countries, the company consists of five main business units: Digital Appliance Business, Digital Media Business, LCD Business, Semiconductor Business and Telecommunication Network Business. Recognized as one of the fastest growing brands, Samsung Electronics is the world's largest producer of color monitors, color TVs, memory chips and TFT-LCDs. For more information, please visit www.samsung.com.

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and other factors, many of which are outside the company's control, that could cause actual results to differ materially from such statements. These risk factors include the ability to deploy new service in a timely manner, the impact of increasing competition, pricing pressures, and consolidation in the telecommunications industry, and 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 the company's filings with the Securities and Exchange Commission. The company 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 the company.

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