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Covad Continues Build-out of Next-Generation Network in Eight Markets

Partnering with Samsung to build nation's largest ADSL 2+ network

San Jose, Calif. (July 20, 2006) – Covad Communications Group, Inc. (AMEX: DVW), a leading national provider of integrated voice and data communications, is progressing on the next phase of its build-out of a next-generation telecommunications network. When the project is completed in the fourth quarter of this year, Covad will operate the nation's largest ADSL 2+ network, enabling high-speed data and next-generation voice services to millions of businesses and residences.

This phase of the build-out covers Atlanta, Chicago, Los Angeles, New York, Miami, Philadelphia, San Diego and Washington, DC, joining San Francisco, San Jose, Seattle and Dallas, where Covad's next generation network is already in service. By the end of 2006, Covad will offer line powered voice access, and have the capability to offer higher-speed broadband access, such as ADSL 2+ and G.SHDSL, and new business-class services such as metro Ethernet and bonded T1.

"Covad's next-generation network build-out is progressing on time and on budget and will allow Covad to leap ahead of our competition in providing for the total telecommunications needs of our customers with unmatched business-class broadband services," said Claude Tolbert, Covad senior vice president.

Covad has chosen Samsung as its network equipment provider, and is now the vendor's largest North American customer of network equipment. "We're very excited to work with an innovative partner such as Covad," said Dale Sohn, president of Samsung Telecommunications America. "Covad has raised the bar in delivering advanced broadband services."

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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.

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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 completion of Covad's next-generation network build-out, plans for line-powered voice access services, business-class services and other new services, as well as the timing, deployment schedule and 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 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.