



## **BT Selects Covad as U.S. Broadband Partner**

### ***Agreement Enables BT to Offer Covad Business-Class Broadband to its U.S.-Based Customers***

**New York and San Jose, Calif. (February 7, 2005)** — Covad Communications Group (OTCBB: COVD) and BT (NYSE: BT) today announced an agreement whereby BT will use Covad's nationwide network to provide business-class broadband to its U.S.-based customers.

Under the agreement, BT will work with Covad to offer all of Covad's business-class broadband services in the 44 states, which include more than 900 cities, covered by Covad's nationwide network.

"Covad's nationwide broadband network and its high quality business class service enables BT to meet our U.S. customers' needs for flexible and cost effective access," said Kim Johnson, BT Americas General Manager of Product Operations. "Covad allows us to expand our US reach and offer our US customers a variety of cost effective ways to access their BT VPNs, according to their individual site requirements."

"Our agreement with BT adds another major communications provider to our list of key strategic partners who turn to Covad for broadband support," said Andy Lockwood, Covad executive vice president, strategic development. "As a Covad partner, BT can take advantage of our track record of delivering innovative and reliable business-class broadband services to keep their customers a step ahead."

#### **About Covad**

Covad is a leading nationwide provider of broadband 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](http://www.covad.com).

### **About BT**

BT is one of the world's leading providers of communications solutions serving customers in Europe, the Americas and Asia Pacific. Its principal activities include IT and networking services, local, national and international telecommunications services, and higher-value broadband and internet products and services.

BT consists principally of three lines of business:

- BT Retail, providing fixed and mobile communications services and solutions and IT and networking services to more than 20 million business and residential customers in the UK. It is also a leading UK internet services provider.
- BT Wholesale, providing network services and solutions within the UK to more than 600 fixed and mobile operators and service providers including the provision of broadband, private circuits.
- BT Global Services, providing IT and networking services internationally to meet the needs of multi-site organisations with European operations. BT Global Services operates in more than 130 countries and also offers international carrier services.

In the year ended 31 March 2004, BT Group's turnover was £18,519 million with profit before goodwill amortisation, exceptional items and taxation of £2,013 million.

BT Group plc is listed on stock exchanges in London and New York. British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group and encompasses virtually all businesses and assets of the BT Group.

For more information, visit [www.bt.com/aboutbt](http://www.bt.com/aboutbt)

### **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. 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 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 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.

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