



ALLETE Declares Dividend on Common Stock

DULUTH, Minn. -- ALLETE's (NYSE: ALE) board of directors has declared a quarterly dividend on the company's common stock.

A dividend of 28.25 cents per share of common stock was declared by the board. On an annual basis the dividend is equivalent to \$1.13 per share, unchanged from the previous quarter.

The regular quarterly dividend on common stock is payable September 1 to shareholders of record at the close of business August 16, 2004.

ALLETE's corporate headquarters are located in Duluth, Minnesota. ALLETE provides energy services in the upper Midwest and has significant real estate holdings in Florida. ALLETE is the majority owner of ADESA, Inc., a leading vehicle remarketing company. More information about the company is available on ALLETE's Web site at www.allete.com.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.