



Minnesota Power earnings increase; dividend raised, stock split

(Jan. 18, 1999) Minnesota Power, Inc. (NYSE: MPL), the diversified Duluth-based services company, today released its 1998 financial results while at the same time announcing an increase in the dividend on the company's common stock and a two-for-one stock split.

"Our 1998 net income increased by 14 percent over last year. This increase reflects continued sound performance by our various businesses. This is especially true of our electric operations and our automotive services segments. We have been successfully implementing a focused strategy since 1995 and we are ahead of expectations," said Edwin L. Russell, company chief executive.

"Our earnings and free cash flow trends are strong and we see significant growth opportunities in front of us. Consequently, our Board of Directors approved a quarterly dividend of \$0.535 per share, representing an annualized increase of 10 cents per share (5 percent) and authorized a two-for-one split on our common stock. This raises the annual payment to our shareholders to \$2.14 per share on a pre-split basis," Russell said.

Minnesota Power's 1998 earnings per share were \$2.70 compared with \$2.47 per share in 1997, an increase of 9 percent. Net income was \$88.5 million versus \$77.6 million in 1997 on operating revenue of \$1.04 billion versus \$954 million the year earlier.

The dividend is payable March 1, 1999 to shareholders of record at the close of business February 16, 1999. Minnesota Power has continuously paid cash dividends to its shareholders since 1948. Assuming timely regulatory approval, the effective date of the stock split will be March 2, 1999 to shareholders of record at the close of business February 16, 1999. Additional shares resulting from the split will be distributed March 2, 1999.

Russell also announced that Donnie Crandell and John Fuller have been promoted to executive vice presidents of the corporation. Crandell is responsible for the company's Florida real estate operations, while Fuller manages the company's automobile dealer finance services. "Both Donnie and John are strong leaders and the success of their businesses has benefited our shareholders by increasing the value of our company," said Russell.

Minnesota Power is a diverse services company with corporate headquarters in Duluth, Minnesota. In addition to providing low-cost electric service in northeast Minnesota and northwest Wisconsin, the company's other enterprises include water services, automotive services, and investments, which include Florida real estate and a sizable securities portfolio.