



## **Minnesota Power's first quarter earnings up 13%**

Minnesota Power, Inc. has reported a 13 percent increase in first quarter 1999 net income compared to the same quarter last year. Net income was \$20.9 million on quarterly revenue of \$257.5 million versus \$18.5 million net income and \$246.6 million in revenue the year earlier.

Earnings per share of Minnesota Power common stock were 30 cents during the first quarter compared to 29 cents last year, reflecting a larger number of shares outstanding as a result of an equity offering last fall.

"Strong performance by our electric, automotive and water utility businesses were key in our improved first quarter earnings," said Edwin L. Russell, chief executive of the Duluth-based company. "These three business segments all posted double-digit earnings growth for the quarter. Our automotive segment led the way with contributions to earnings \$4.2 million higher, or 78 percent greater than last year's record pace," Russell said.

"Our investments segment was significantly below our expectations primarily due to stock market volatility on short-term investments," said Russell. "In addition, as previously announced, a one-time loss reserve against earnings was taken for extraordinary insurance claims on our ownership stake in Capital Re, a financial guaranty reinsurance company in which we hold 23 percent," he said.

Minnesota Power is a diverse services company with principal business interests in electric operations, automotive services, water services and varied investments.