



ALLETE Increases Common Stock Dividend

DULUTH, Minn. - ALLETE, Inc. (NYSE: ALE) today announced that its Board of Directors has increased the quarterly dividend on the company's common stock by five percent, to 43 cents per share.

"This increase reflects our long-term earnings outlook and our ongoing commitment to create value for our shareholders," said Don Shippar, ALLETE Chairman, President and CEO.

On an annual basis, the increased dividend is equivalent to \$1.72 per share. The regular quarterly dividend is payable March 1 to common shareholders of record at the close of business Feb. 15, 2008.

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. More information about the company is available on its Web site, 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. 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.

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