



## **Minnesota Power's ADESA acquires Canadian Auction Group**

Minnesota Power, Inc.'s ADESA subsidiary has acquired the Canadian Auction Group (CAG), a wholesale auto remarketing company with 13 auction sites and dealer financing operations located across Canada. For the twelve months ended May 31, 2000, CAG auctions sold approximately 200,000 vehicles and generated USD \$68 million in revenues. The acquisition is subject to post-closing review by Canadian regulatory authorities. ADESA currently operates 32 additional auctions throughout North America.

"This deal expands our presence in major Canadian markets and allows us to integrate and enhance the quality of the services we provide to our Canadian customers," said Jim Hallett, executive vice-president of Minnesota Power and president of ADESA Corporation. "As a Canadian citizen, I am pleased that we are making this investment in Canada. Combined with our existing auctions in Ottawa, Halifax, Montreal and Vancouver and another opening soon in Calgary, the CAG acquisition establishes ADESA Canada as the premier automotive services company in Canada."

ADESA Canada also recently completed acquisition of the remaining 27 percent of Impact Auto Auctions, Canada's largest national salvage auction chain with 11 locations in six provinces. With the two acquisitions, Minnesota Power increased its investment in automotive services by about USD \$160 million.

"These acquisitions are an excellent strategic fit as we continue building shareholder value by growing our automotive business," said Ed Russell, chairman of Minnesota Power.

The acquisitions were funded by Minnesota Power's investment portfolio and the recent sale of 4.7 million shares of ACE Limited (NYSE: ACL). Cash proceeds from the stock sale were about USD \$127 million in addition to USD \$25 million received last December as a part of the Capital Re Corporation merger with ACE.

"In May, Minnesota Power recorded a USD \$30.4 million after-tax gain on the ACE sale, resulting in a one-time gain of 44 cents per share that will be reflected in second quarter financials," Russell said.

Minnesota Power is a multi-services company with corporate headquarters in Duluth, Minnesota. Minnesota Power holdings include the second largest wholesale automobile auction network in North America; the leading provider of independent auto dealer inventory financing; the largest investor-owned water utilities in Florida and North Carolina; significant real estate holdings in Florida and a low-cost electric utility that serves some of the largest industrial customers in the United States.

The statements contained in this release and statements that the company 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 the company with the Securities and Exchange Commission.