



ALLETE's ADESA Subsidiary To Significantly Expand North American Presence In The Auto Salvage Auction Industry

ALLETE (NYSE: ALE) and its automotive subsidiary, ADESA Corporation, have signed definitive agreements to acquire all of the outstanding stock of ComSearch, Inc. and all of the assets of Auto Placement Center, Inc. (APC), respectively, in an overall transaction valued at \$62.4 million.

ADESA's acquisition of APC, a Rhode Island-based auto salvage auction company, includes eight salvage auctions. The eight auctions are located in Albany, New York; Manchester, New Hampshire; East Providence, Rhode Island; Saco, Maine; Clinton, Maine; Taunton, Massachusetts; Newburgh, New York; and Burlington, Vermont.

ComSearch, Inc., also based in Rhode Island, provides Internet-based parts location and insurance adjustment audit services nationwide.

"We are thrilled to expand our existing auto salvage business by combining resources with APC and ComSearch," said Jim Hallett, executive vice president of ALLETE and president of ADESA. "Along with Impact Auto Auctions, Inc., already the premier salvage auction firm in Canada, the addition of APC will position us as the third largest salvage auction company in North America. In addition to Internet product offerings at both ADESA and APC, ComSearch brings state-of-the-art Internet-based technology in the related auto parts location and insurance adjustment business."

"We see strong synergies in joining forces with ADESA to provide outstanding automotive recovery services across the United States," said Bob Lyons, CEO of APC and ComSearch. "While APC has been the premier provider of services in New England, now we will be able to grow our business to ultimately service our insurance company customers coast to coast as part of ADESA."

"We believe this is the perfect opportunity to further consolidate the salvage auto auction industry not unlike what we have done in our wholesale auto auction business," stated Jim Hallett. "We will continue to look for accretive acquisitions not only in the whole car auction business but now also in the salvage auto auction business."

ALLETE is a multi-services company with corporate headquarters in Duluth, Minnesota. 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.