



ALLETE Properties and Grosse Point Development Company Finalize Real Estate Transaction

FORT MYERS, FLORIDA - June 22, 2001- ALLETE Properties, Inc. has completed the sale of its interest in Tarpon Point Marina and surrounding 150 acres of development property in Cape Coral, Florida to the Grosse Point Development Company. The transaction, announced in April, was closed for \$29 million cash.

"We are very pleased to have completed this sale to a developer who has the experience and financial strength necessary to complete the upscale community we envisioned," said Laura Holquist, Senior Vice President of ALLETE Properties. "Grosse Pointe will add value to the property and also positively impact the entire Cape Coral community," she said.

The transaction allows ALLETE Properties to achieve its earnings objectives for 2001. ALLETE Properties owns property throughout Florida and is the parent company of Cape Coral Holdings, Lehigh Corporation, and Florida Landmark Communities, all headquartered in Southwest Florida.

Participating with Grosse Pointe in the transaction were J.M. Koster of Flatbeher, a Dutch development group, and BFV Interim Finance B.V., a Netherlands financial institution. The purchasers plan to develop more than 900 luxury residences at Tarpon Point, as well as an upscale hotel and commercial establishments.

"We are excited about this opportunity and plan to work diligently with Cape Coral and our new neighbors to create a first-class community that everyone can be proud of," said Bob Hensley, president of Grosse Pointe Development Company. "Our vision is to develop Tarpon Point into a destination point for Cape Coral residents and Southwest Florida visitors."

ALLETE Properties is a wholly owned subsidiary of ALLETE (NYSE: ALE), a highly diversified services company which has interests in 43 states and nine Canadian provinces including electric utility, automotive services and water and wastewater businesses.

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. 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 ALLETE with the Securities and Exchange Commission.