



ALLETE Board Raises Quarterly Common Stock Dividend By Fifteen Percent

DULUTH, Minn. — The ALLETE (NYSE:ALE) Board of Directors has increased the quarterly dividend on the company's common stock by fifteen percent to 36.25 cents per share.

"This substantial increase reflects ALLETE's solid balance sheet and our earnings outlook for both the near and longer terms," said Don Shippar, ALLETE Chairman, President and CEO. "It also reflects the Board's confidence in the Company's ability to provide consistent future dividend increases while, at the same time, funding its growth strategy. ALLETE is committed to returning value to its shareholders."

Shippar noted that the company will provide earnings guidance for 2006 in its conference call scheduled for February 16.

On an annual basis, the increased dividend is equivalent to \$1.45 per share. The regular quarterly dividend is payable March 1 to common shareholders of record at the close of business February 15, 2006.

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 ALLETE's Web site at 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. 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.