



ALLETE Subsidiary Expands Vehicle Salvage Business

Duluth, Minn.- ALLETE, Inc. (NYSE: ALE) announced today that its total loss vehicle business, ADESA Impact, has purchased Sadisco East, a salvage vehicle auction located in Clayton, N.C. Sadisco East serves insurance companies and total loss vehicle dealers throughout the Carolinas, and processes over 20,000 vehicles per year. Terms of the sale were not disclosed.

"This acquisition is an important step forward for ADESA Impact and ALLETE," said David Gartzke, president, chairman, and CEO of ALLETE. "We said we wanted to expand our presence in the total loss vehicle industry-we think there is tremendous growth potential there."

The current management team of Sadisco East will remain in place. This includes president and general manager Bill Duncan, who has nearly 40 years of experience in the total loss vehicle industry.

ADESA Impact has 24 auction facilities in the United States and Canada and sold 148,000 vehicles in 2001. ALLETE Automotive Services also includes ADESA Corp., a network of 52 wholesale vehicle auctions; AFC, a dealer floorplan finance company; PAR, a vehicle remarketing company; AutoVIN, which provides vehicle inspection services to the automotive industry and its lenders; and ComSearch, which provides Internet-based parts location and insurance claim audit services nationwide.

ALLETE's corporate headquarters are located in Duluth, Minn. Besides ALLETE Automotive Services, other ALLETE businesses include real estate holdings in Florida and Minnesota Power, a low-cost electric utility that serves some of the largest industrial customers in the United States. For more information about ALLETE, visit the company'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.