



Moody's revises Minnesota Power outlook

Moody's Investors Service on Nov. 11 changed its rating outlook on Minnesota Power, Inc.'s securities to stable from negative.

This outlook change reflects the improving performance and prospects of the company's automotive services, water and real estate businesses as well as the inherent stability and competitiveness of the company's electric utility business.

Moody's believes management continues to demonstrate strategic and thoughtful management of its disparate businesses.

Moody's notes that the company's automotive services business should rival its electric utility business in income and cash flow within the next few years.

Affected are Minnesota Power's Baa1 senior secured debt rating, Baa2 issuer rating, "baa2" preferred stock rating, Baa1 ratings for revenue bonds guaranteed by the company on a secured basis and Baa2 ratings for revenue bonds guaranteed by the company on an unsecured basis.

Also affected are Moody's "baa2" rating for MP&L Capital I preferred stock and its Baa2 rating for company guaranteed ADESA Corporation senior debt. Moody's rates the company's commercial paper Prime-2.

Duluth, Minnesota-based Minnesota Power, Inc. is a diversified utility operating in 36 states and Canada. Approximately 53% of the company's 1998 revenues derived from the electric utility which services northern Minnesota and Superior, Wisconsin, and related electricity businesses. Thirty-two percent of the company's 1998 revenues derived from vehicle auction and related businesses.

The company's remaining revenues derived from southeastern US water utilities, Florida real estate operations and various investments.

(Press release provided by Moody's Investors Service)