



MP to purchase Blandin facilities

Minnesota Power, Inc. has announced it will purchase Blandin Paper Company's steam and electric generating facilities located at the Blandin paper mill in Grand Rapids, Minnesota.

Minnesota Power will operate the existing facilities, add new boiler equipment to serve Blandin's future steam needs and continue providing supplemental retail electric service.

Minnesota Power will offer employment to Blandin employees currently working in the purchased facilities. Employment details will be discussed with people personally in the next several days.

"This sale will allow us to concentrate our efforts on serving our customers by making world class paper," explained Kevin Lyden, president and CEO of Blandin Paper Company. "Minnesota Power brings the expertise to supply reliable, competitive steam and improve efficiency that comes with being an acknowledged leader in the power generation business."

"We value this opportunity to put our strengths to work to meet Blandin's process needs," said Bob Edwards, president of MP Electric. "We look forward to helping Blandin meet the challenges of a changing paper industry."

Terms of the deal were not disclosed. The transaction is subject to regulatory approval.

Blandin Paper is a leading producer of lightweight coated printing paper for use in magazines and catalogs. Blandin is a member of the Helsinki-based UPM-Kymmene Group, a global forest products company and the world's largest producer of magazine papers.

Minnesota Power is a diversified services company with headquarters in Duluth, Minnesota. Minnesota Power holdings include a low-cost electric utility that serves some of the largest industrial loads in the United States; 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 and significant real estate holdings in Florida.