



## **ALLETE Expects Sale of Florida Water Services In Early 2003**

Duluth, Minn.--ALLETE, Inc. (NYSE: ALE) announced that representatives of its wholly owned subsidiary, Florida Water, have agreed to delay the closing of the sale of substantially all of its assets until early 2003. The delay was at the request of the buyer, Florida Water Services Authority, a governmental entity established under Florida law.

Ed Gray, of the Authority staff, said, "Moving a large company into a governmental entity is a monumental task. More time is necessary for putting the financing in place and making sure the transaction is handled properly and in the best interest of Florida Water customers."

"We're comfortable with the Authority's request for more time," said Dave Gartzke, ALLETE CEO. "We look forward to closing the transaction in early 2003."

ALLETE's corporate headquarters are located in Duluth, Minnesota. ALLETE's holdings include ADESA, the second largest wholesale automobile auction network in North America; AFC, the leading provider of independent auto dealer inventory financing; Minnesota Power, a low-cost electric utility that serves some of the largest industrial customers in the United States; and significant real estate holdings in Florida. For more information about ALLETE, visit the company's Web site at [www.allete.com](http://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.