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FOR IMMEDIATE RELEASE

**NIAGARA CORPORATION EFFECTS STOCK SPLITS
TO ENSURE RETENTION OF DEREGISTERED STATUS**

New York, January 3, 2005— Niagara Corporation (OTC: NIAG.PK) announced today that at the close of business on December 31, 2004 it completed a reverse stock split in a ratio of 1-for-200 which was immediately followed by a forward stock split in a ratio of 200-for-1. These stock splits were effected in order to ensure that the Company had less than five hundred holders of record at year-end which, as a result, will allow Niagara to maintain its deregistered status and avoid the increased burdens associated with operating as a registered public company. By remaining deregistered, Niagara expects to save in excess of \$2,500,000 initially and a minimum of \$750,000 per year going forward.

Niagara stockholders who owned 200 or more shares immediately prior to the stock splits continue to own the same number of shares of the Company, and the combined effect of the reverse/forward stock splits had no effect on their holdings of Niagara common stock. Niagara stockholders who owned fewer than 200 shares at the time of the stock splits will receive cash in exchange for their fractional interests in an amount based on the average of the last sales price of Niagara common stock as reported on the Pink Sheets for the ten trading days ending December 31, 2004, which was \$ 8.47 per share. The Company will shortly be sending transmittal materials to its stockholders to enable them to either receive cash for their fractional interests or to exchange their old share certificates for new share certificates.



The reverse/forward stock splits will ensure that Niagara will continue to maintain its deregistered status and retain the substantial benefits of deregistration, including avoiding the substantial costs and burdens of complying with the Sarbanes-Oxley Act of 2002 and related SEC and Nasdaq rules.

This release contains certain “forward-looking statements” made pursuant to the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, that may cause the Company’s actual results and estimates of cost savings to be materially different from those expressed or implied by such statements. Such risks, uncertainties and other factors include those described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2003. The forward-looking statements made herein are only made as of the date of this release, and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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