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FOR IMMEDIATE RELEASE

NIAGARA ANNOUNCES RECORD FIRST QUARTER RESULTS

New York, May 3, 2005 - Niagara Corporation (OTC: NGCD.PK) announced today record results for the first quarter ended March 31, 2005.

Sales increased to \$ 133.2 million from \$ 99.2 million in the comparable quarter in 2004. Net income for the quarter increased to \$ 6,371,000 from \$ 2,808,000, and net income per share increased to \$.75 (basic) and \$.72 (diluted) from \$.34 (basic and diluted) for the first quarter of 2004.

The results for the quarter ended March 31, 2005 reflect a LIFO charge of approximately \$ 500,000. The LIFO charge for the comparable quarter in 2004 was approximately \$ 1.6 million.

In commenting on these results, Michael Scharf, Chairman and CEO of Niagara, stated:

“Niagara’s results for the first quarter were impressive. Product demand was at a good level, prices were relatively stable, and solid gross margins were achieved. These factors enabled us to achieve record results for the quarter. Both our U.S. and U.K. operations exceeded their respective forecasts.

I want to sound a slight cautionary note, however. In recent weeks, it appears as if the automotive and manufacturing sectors of the U.S. and Western European countries are becoming less robust than they have been over the past year. In spite of this, I believe that Niagara will achieve respectable results for 2005.

Niagara has also learned that Corus, its major billet supplier in the U.K., intends to restructure its production facilities in order to produce hot rolled bars directly from blooms. This restructuring is projected to be completed in 2007. Because Niagara presently produces hot rolled bars from billets, Niagara is analyzing the effect Corus’ action will have on our hot rolled operations in the U.K.

Niagara’s Financial Report for the First Quarter 2005 will be posted shortly on the Company’s website (www.niag.com).

(Table Follows)



Selected Financial Data

	Three Months Ended <u>March 31, 2004</u>	Three Months Ended <u>March 31, 2005</u>
Revenues	\$ 99,235,000	\$ 133,164,000
Net Income	\$ 2,808,000	\$ 6,371,000
Share Earnings		
(basic)	\$.34	\$.75
(diluted)	\$.34	\$.72
Average Shares		
(basic)	8,238,517	8,492,687
(diluted)	8,331,603	8,886,223

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 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 for the year ended December 31, 2004. 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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