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FOR IMMEDIATE RELEASE

**NIAGARA ANNOUNCES STRONG RESULTS
FOR QUARTER AND SIX MONTHS**

New York, August 1, 2006 - Niagara Corporation (OTC: NGCN.PK) announced today results for the three and six months ended June 30, 2006.

Selected Financial Data

	Three Months Ended <u>June 30, 2005</u>	Three Months Ended <u>June 30, 2006</u>
Revenues	\$ 122,829,000	\$ 123,617,000
Net Income	\$ 5,646,000	\$ 6,503,000
Share Earnings		
(basic)	\$.66	\$.73
(diluted)	\$.63	\$.70
Average Shares		
(basic)	8,531,368	8,856,265
(diluted)	8,903,220	9,306,189
Adjusted EBITDA*	\$ 12,046,000	\$ 13,087,000
LIFO (benefit) expense	\$ (1,888,000)	\$ 1,227,000



	Six Months Ended <u>June 30, 2005</u>	Six Months Ended <u>June 30, 2006</u>
Revenues	\$ 255,993,000	\$ 253,304,000
Net Income	\$ 12,016,000	\$ 13,584,000
Share Earnings		
(basic)	\$ 1.41	\$ 1.53
(diluted)	\$ 1.35	\$ 1.46
Average Shares		
(basic)	8,512,135	8,856,265
(diluted)	8,868,854	9,319,499
Adjusted EBITDA*	\$ 25,405,000	\$ 27,228,000
LIFO (benefit) expense	\$ (1,388,000)	\$ 788,000

* Adjusted EBITDA consists of net income before interest, taxes, depreciation and amortization, adjusted for, among other things, extraordinary and non-recurring items.

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

“Our complete Second Quarter Report will be posted later today on the Company’s website (www.niag.com). In addition, we will shortly be mailing a proxy statement to stockholders in connection with a special meeting to consider and vote upon the previously announced merger with an affiliate of Kohlberg & Company, L.L.C.”

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, which 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, 2005. 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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