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FOR IMMEDIATE RELEASE

NIAGARA CORPORATION ANNOUNCES 25 CENTS PER SHARE DIVIDEND

SCHEDULES 2004 ANNUAL MEETING

New York, August 17, 2004 - Niagara Corporation (OTC: NIAG.PK) announced today that its Board of Directors has declared a special dividend of 25 cents (\$.25) per share. The dividend will be payable on September 15, 2004 to stockholders of record on September 1, 2004.

Niagara also announced that it has scheduled its 2004 Annual Meeting of Stockholders for Wednesday, September 8, 2004. Stockholders of record on August 12, 2004 will be entitled to vote at the Annual Meeting and will shortly be receiving a notice of meeting, related proxy materials, the 2003 Annual Report and the Six Month Report for the period ended June 30, 2004.

In commenting on the special dividend, Michael Scharf, Chairman and CEO of Niagara, stated:

“We are pleased that Niagara’s outstanding operating results, significantly reduced debt levels and anticipated cost-savings from the Company’s recent deregistration have allowed us to pay this special cash dividend to our stockholders.”

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 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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