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FOR IMMEDIATE RELEASE

**NIAGARA CORPORATION ANNOUNCES RESULTS
FOR THIRD QUARTER AND NINE MONTHS**

RECORD PERFORMANCE CONTINUES

New York, October 28, 2004 - Niagara Corporation (OTC: NIAG.PK) announced today results for the third quarter and nine months ended September 30, 2004.

In the third quarter, sales increased to \$113.1 million from \$69.8 million in the comparable quarter in 2003. Net income for the quarter increased to \$5,565,000 from \$567,000, and earnings per share increased to \$.68 from \$.07 for the third quarter of 2003. The third quarter 2004 results were achieved after giving affect to a LIFO charge of approximately \$6.1 million. No such charge was taken for the third quarter of 2003.

Comparing the nine months ended September 30, 2004 and 2003, sales increased to \$319.2 million from \$222.5 million, net income increased to \$13,938,000 from \$2,559,000, and net income per share increased to \$1.69 from \$.31 for the first nine months of 2003. The results for the nine months ended September 30, 2004 reflect a LIFO charge of approximately \$11.1 million. No such charge was taken for the comparable period in 2003.

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

“For the third quarter of 2004, Niagara rode the wave of higher prices and strong demand for cold finished steel bar products and achieved record results. Tons shipped, sales, profit margins and net income for our U.S. operations improved significantly in comparison to the third quarter of last year. Strong relationships with key suppliers and customers were instrumental to our success. Because of supplier support, we had levels of inventory sufficient to satisfy our customers’ needs in a timely manner. Our diverse operations in the U.K. benefited primarily from tight supply, increased prices and a modest increase in demand from Western Europe.



I am also pleased to report that, during the nine months ended September 30, 2004, Niagara reduced its debt by \$19.3 million and paid a special dividend of \$.25 per share. This was Niagara's first dividend. Also, it should be noted that, because of sharply rising prices during the first nine months of the year, Niagara has recorded a LIFO charge of approximately \$11.1 million.

Anyone who follows the steel industry or Niagara typically is curious about China and its effect on the future of the steel industry. While it is difficult to predict the length or magnitude of the "China effect," suffice it to say that demand from China created an extremely tight steel supply situation in 2004, and this certainly benefited Niagara. In recent weeks, however, we have begun to experience a slight decline in demand as customers seek to adjust their high inventory levels in anticipation of year-end.

I am optimistic about Niagara's future. In the U.S. cold finished steel bar business, Niagara is the number one producer, and we have the broadest and most specialized range of products. We are continuously upgrading our equipment and production capabilities, and we provide excellent service to our customers. Our success is made possible by the competence, dedication and "teamworker attitude" of our valued employees at all levels and at all locations of our company."

(Table Follows)



Niagara Corporation

Selected Financial Data

	<u>Quarter Ended</u> <u>September 30, 2003</u>	<u>Quarter Ended</u> <u>September 30, 2004</u>
Revenues	\$ 69,786,000	\$ 113,079,000
Net Income	\$ 567,000	\$ 5,565,000
Share Earnings (basic and diluted)	\$.07	\$.68
Average Shares (basic and diluted)	8,238,517	8,238,517

	<u>Nine Months Ended</u> <u>September 30, 2003</u>	<u>Nine Months Ended</u> <u>September 30, 2004</u>
Revenues	\$ 222,537,000	\$ 319,218,000
Net Income	\$ 2,559,000	\$ 13,938,000
Share Earnings (basic and diluted)	\$.31	\$ 1.69
Average Shares (basic and diluted)	8,238,517	8,238,517

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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