



Contact: Niagara Corporation
Michael Scharf, CEO
(212) 317-1000

FOR IMMEDIATE RELEASE

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

DECLARES DIVIDEND OF 30 CENTS PER SHARE

New York, August 5, 2005 - Niagara Corporation (OTC: NGCD.PK) announced today results for the second quarter and six months ended June 30, 2005 and also declared its second annual dividend.

In the second quarter, sales increased to \$122.8 million from \$106.9 million in the comparable quarter in 2004. Net income for the quarter was \$5,646,000 compared to \$5,564,000, and net income per share was \$.66 (basic) and \$.63 (diluted) as compared to \$.68 (basic and diluted) for the second quarter of 2004. The results for the quarter ended June 30, 2005 reflect a LIFO credit of approximately \$ 1.9 million. The LIFO charge for the comparable quarter in 2004 was approximately \$ 3.4 million.

Comparing the six months ended June 30, 2005 and 2004, sales increased to \$256.0 million from \$206.1 million, net income increased to \$12,016,000 from \$8,372,000, and net income per share increased to \$ 1.41 (basic) and \$1.35 (diluted) from \$ 1.02 (basic and diluted) for the first six months of 2004. The results for the six months ended June 30, 2005 reflect a LIFO credit of approximately \$ 1.4 million. The LIFO charge for the comparable period in 2004 was approximately \$ 5.0 million.

Niagara also announced today that its Board of Directors has declared a dividend of 30 cents per share. This represents a 20% increase over the 25 cents per share dividend paid in 2004. The dividend will be payable on September 15, 2005 to stockholders of record on September 1, 2005.



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

“Niagara’s strong results for the second quarter were achieved in the face of our customers endeavoring to reduce their inventories (with a resultant drop in our tons sold), a slight decline in prices on certain of our products and our having to pay higher prices for raw materials. Our US operations performed extremely well and achieved high marks for quality and on-time delivery. In the UK, all of our divisions were profitable and the decline in the value of the pound relative to the dollar and the euro made us more competitive in certain markets.

During the first six months of 2005, we were able to reduce significantly our bank debt (by approximately \$23 million) so that at June 30, our total bank debt was under \$25 million, with approximately 80% of that relating to our UK operations.

As a result of our strong performance, our Board of Directors today declared a dividend of 30 cents per share, a 20% increase over the dividend paid last year.

It is difficult to chart the balance of the year, but I remain confident in Niagara’s ability to perform well because of our outstanding employees, our devoted and loyal customers and our suppliers who are so important to the Company’s success.

Our complete Second Quarter Report will be posted shortly on the Company’s website (www.niag.com).

(Table Follows)



Niagara Corporation

Selected Financial Data

	<u>Quarter Ended June 30, 2004</u>	<u>Quarter Ended June 30, 2005</u>
Revenues	\$ 106,905,000	\$ 122,829,000
Net Income	\$ 5,564,000	\$ 5,646,000
Share Earnings		
(basic)	\$.68	\$.66
(diluted)	\$.68	\$.63
Average Shares		
(basic)	8,238,517	8,531,368
(diluted)	8,238,517	8,903,220
	<u>Six Months Ended June 30, 2004</u>	<u>Six Months Ended June 30, 2005</u>
Revenues	\$ 206,140,000	\$ 255,993,000
Net Income	\$ 8,372,000	\$ 12,016,000
Share Earnings		
(basic)	\$ 1.02	\$ 1.41
(diluted)	\$ 1.02	\$ 1.35
Average Shares		
(basic)	8,238,517	8,512,135
(diluted)	8,238,517	8,868,854

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, 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.