



Contact: Niagara Corporation
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FOR IMMEDIATE RELEASE

**NIAGARA CORPORATION TO BE ACQUIRED BY
KOHLBERG & COMPANY, L.L.C. AFFILIATES FOR \$16.00 PER SHARE**

NEW YORK, July 19, 2006 - Niagara Corporation (OTC: NGCN.PK) (“Niagara”) announced today that it has entered into a definitive merger agreement with KNIA Holdings, Inc. (“Kohlberg Niagara”) and KNIA Acquisition, Inc., a wholly-owned subsidiary of Kohlberg Niagara, each of which is an affiliate of Kohlberg & Company, L.L.C. Pursuant to the merger agreement, Kohlberg Niagara will acquire Niagara at a cash price of \$16.00 per share. Stock options will be cancelled in exchange for a cash payment equal to the difference between \$16.00 and the exercise price of the option. As a result of the merger, Niagara will become a private company.

The Board of Directors has unanimously approved the merger agreement and has recommended to Niagara’s stockholders that they approve it. The transaction is expected to close in September 2006, subject to receipt of stockholder approval, customary regulatory approvals, and the satisfaction of other customary closing conditions. Kohlberg Niagara has received a commitment from one of Kohlberg & Company’s regular institutional debt financing sources to fund the debt portion of the financing. Michael Scharf and Gilbert Scharf, who collectively own approximately 38% of Niagara’s outstanding shares, have entered into a voting agreement to support the transaction.

CIBC World Markets Corp. and Peter J. Solomon Company, L.P. acted as financial advisors to Niagara. Skadden, Arps, Slate, Meagher & Flom LLP acted as legal counsel to Niagara, and Ropes & Gray acted as legal counsel to Kohlberg Niagara.



Michael Scharf, Chairman, President and CEO of Niagara, stated

“I am pleased that Niagara’s lengthy review of strategic alternatives has resulted in the proposed transaction with Kohlberg & Company. Kohlberg has recognized the importance of Niagara’s management team and the Company’s customer and supplier relationships. I am confident in the ability of the new owners to maintain Niagara’s leadership position in the cold finished steel bar industry.”

Niagara stated that it will shortly post on its web site the merger agreement.

About Kohlberg & Company

Founded in 1987, Kohlberg & Company is a private equity firm with offices in Mt. Kisco, New York and Palo Alto, California. Together with its affiliates, Kohlberg manages more than \$3.7 billion of capital. Through its affiliates, Kohlberg has completed over 75 acquisition and recapitalization transactions in a variety of industries, including a focus on investments in manufacturing, healthcare, consumer products and service industries.

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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