



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

FOR IMMEDIATE RELEASE

**NIAGARA STOCKHOLDERS APPROVE MERGER AGREEMENT
WITH AFFILIATE OF KOHLBERG & COMPANY**

New York, N.Y., September 6, 2006 – Niagara Corporation (OTC: NGCN.PK) announced today that its stockholders had approved the previously announced merger of Niagara with KNIA Acquisition, Inc., an affiliate of funds managed by Kohlberg & Company, L.L.C.

The merger agreement was approved at a special meeting of Niagara stockholders held earlier today. Approximately 79% of the outstanding Niagara shares were present and voting, and approximately 76% of the outstanding shares voted in favor of the merger agreement.

Pursuant to the merger agreement, following the consummation of the merger which is expected to occur shortly, Niagara's stockholders will receive \$16 in cash per share. Following the merger, Niagara's shares will no longer be publicly traded.

"I am very pleased that our stockholders strongly supported the Board's recommendation to approve the merger," said Michael Scharf, Niagara's Chairman, President and CEO.

About Kohlberg & Company

Founded in 1987, Kohlberg & Company is a leading middle-market private equity firm with offices in Mt. Kisco, New York and Palo Alto, California. Together with its affiliates, Kohlberg manages more than \$2.5 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.

###