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FOR IMMEDIATE RELEASE

NIAGARA CORPORATION COMPLETES MERGER

New York, N.Y., September 7, 2006 – Niagara Corporation (OTC: NGCN.PK) announced today that the merger of Niagara with KNIA Acquisition, Inc., an affiliate of funds managed by Kohlberg & Company, L.L.C., has been completed. Stockholders of Niagara had previously approved the merger on September 6, 2006.

Under the terms of the merger, which became effective today, Niagara’s stockholders will receive \$16 in cash per share. Niagara’s shares will no longer be publicly traded. Niagara stockholders shortly will receive letters of transmittal and instructions for converting their shares to cash.

“I am very pleased with the successful and timely completion of 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.

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