



NEWS RELEASE

COLONIAL COMMERCIAL CORP. REPORTS

FIRST QUARTER FINANCIAL RESULTS

HAWTHORNE, New Jersey (May 15, 2006) – Colonial Commercial Corp. (“Colonial”) (OTC Bulletin Board: “CCOM,” “CCOMP”) today announced its results for the first quarter of the year 2006.

Sales increased by 11.5%, or \$1,536,896, to \$14,884,214 for the three months ended March 31, 2006 from \$13,347,318 for the same period in 2005. The Company incurred a loss of \$423,089 in the 2006 quarter, compared to a loss of \$198,933 for the same period in 2005. Gross profit increased by 7.8%, or \$333,697, to \$4,586,767 from \$4,253,070 for the same period in 2005.

William Pagano, the Company’s Chief Executive Officer, said, “The increase in sales is primarily a result of increased market penetration at two of our subsidiaries. Additionally, sales benefited from an increase in general industry pricing, and a continuing strong demand for residential and light commercial heating, air conditioning and plumbing fixtures, supplies and accessories. We are pleased that many of our newer locations are continuing to increase revenues.

“The first quarter historically has been our weakest quarter due to seasonality factors. In late 2005 and the first quarter of 2006, we took significant steps to increase the quality of our customer service and improve operating efficiencies. These steps included the implementation of a wireless bar-coding system at our major locations and improvement of our communications system. We increased personnel and product breadth for the expansion of our commercial department. Additionally, in the first quarter of 2006, we increased our customer training and marketing programs to build our customer base. These investments should continue to improve our sales growth, increase our market penetration and improve our future profitability.”

Colonial distributes heating, ventilating and air conditioning, (“HVAC”), equipment, parts and accessories, climate control systems, and plumbing supplies to HVAC contractors, primarily in the New York metropolitan area through its Universal Supply Group, Inc. (“Universal”), American/Universal Supply Inc. (“American”) and The RAL Supply Group, Inc. (“RAL”) subsidiaries. These contractors purchase and install equipment and systems for residential, commercial and industrial users. Universal also provides control system design, custom control panel fabrication, technical field support, in-house training and climate control consultation for engineers and installers. It is a leader in the design of direct digital control systems and systems that control multi-location facilities through the Internet. Universal is headquartered in New Jersey, and, with its affiliates, operates out of seven locations in New Jersey; nine in New York and one in Pennsylvania. For more information on Colonial Commercial Corp.’s operations, products and/or services, please visit www.colonialcomm.com.

Safe Harbor Statement: The foregoing press release contains statements concerning Colonial Commercial Corp.'s financial performance, markets and business operations that may be considered "forward-looking" under applicable securities laws. Colonial wishes to caution readers of this press release that actual results might differ materially from those projected in any forward-looking statements. Factors which might cause actual results to differ materially from those projected in the forward-looking statements contained herein include the following: continued acceptance of the Company's products in the marketplace, competitive factors, dependence upon third-party vendors, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission. These and certain other factors which might cause actual results to differ materially from those projected are detailed from time to time in Colonial's periodic reports and registration statements filed with the Securities and Exchange Commission, which important factors are incorporated herein by reference. Colonial undertakes no obligation to update forward looking statements to reflect changed assumptions, the occurrence of unanticipated events, or changes in future operating results, financial condition or business over time.

For further information, please contact:

**William Pagano, Chief Executive Officer, or
William Salek, Chief Financial Officer, at (973) 427-8224**

(Financials Highlights Follow)

COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	March 31, 2006	December 31, 2005
	(Unaudited)	
Assets		
Current assets:		
Cash	\$ 563,156	\$ 613,456
Accounts receivable, net of allowance for doubtful accounts of \$169,268 in 2006 and \$185,971 in 2005	7,707,152	8,489,717
Inventory	14,314,466	12,214,261
Prepaid expenses and other current assets	980,841	1,066,658
Deferred tax asset - current portion	637,500	637,500
Total current assets	24,203,115	23,021,592
Property and equipment	1,653,514	1,669,484
Goodwill	1,628,133	1,628,133
Other intangibles	7,917	11,334
Other assets - noncurrent	122,713	135,832
Deferred tax asset - noncurrent	1,071,000	1,071,000
	\$ 28,686,392	\$ 27,537,375
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade payables	\$ 6,802,202	\$ 5,991,946
Accrued liabilities	1,911,084	2,047,159
Income taxes payable	19,029	12,772
Borrowings under credit facility - revolving credit	12,336,234	11,183,008
Borrowings under credit facility - term loan	312,977	562,977
Notes payable - current portion; includes related party notes of \$30,000 in 2006 and \$60,389 in 2005	134,677	165,112
Total current liabilities	21,516,203	19,962,974
Notes payable, excluding current portion; includes related party notes of \$1,010,000 in 2006 and \$1,000,625 in 2005	1,407,671	1,400,834
Total liabilities	22,923,874	21,363,808
Commitments and contingencies		
Stockholders' equity:		
Redeemable convertible preferred stock, \$.05 par value, 2,500,000 shares authorized, 475,566 in 2006 and 484,721 in 2005 shares issued and outstanding, liquidation preference of \$2,377,830 in 2006 and \$2,423,605 in 2005	23,778	24,236
Common stock, \$.05 par value, 20,000,000 shares authorized, 4,553,614 in 2006 and 4,544,459 in 2005 shares issued and outstanding	227,681	227,223
Additional paid-in capital	10,638,899	10,626,859
Accumulated deficit	(5,127,840)	(4,704,751)
Total stockholders' equity	5,762,518	6,173,567
	\$ 28,686,392	\$ 27,537,375

COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)

	For The Three Months Ended March 31,	
	2006	2005
Sales	\$ 14,884,214	\$ 13,347,318
Cost of sales	10,297,447	9,094,248
Gross profit	4,586,767	4,253,070
Selling, general and administrative expenses, net	4,756,862	4,250,624
Operating (loss) income	(170,095)	2,446
Other income	65,789	61,877
Interest expense, net; includes related party interest of \$25,629 in 2006 and \$21,820 in 2005	(299,662)	(243,560)
Loss before income taxes	(403,968)	(179,237)
Income tax expense	19,121	19,696
Net loss	\$ (423,089)	\$ (198,933)
Loss per common share:		
Basic	\$ (0.09)	\$ (0.05)
Diluted	\$ (0.09)	\$ (0.05)
Weighted average shares outstanding:		
Basic	4,549,411	4,165,183
Diluted	4,549,411	4,165,183