



Colonial Commercial Corp.

COLONIAL COMMERCIAL CORP. REPORTS

THIRD QUARTER FINANCIAL RESULTS

HAWTHORNE, New Jersey (November 13, 2006) – Colonial Commercial Corp. (“Colonial”) (OTC Bulletin Board: “CCOM,” “CCOMP”), today announced its financial results for the third quarter and nine months ended September 30, 2006.

For the quarter ended September 30, 2006, sales increased by 10.6%, or \$1,839,901, to \$19,217,556 from \$17,377,655 for the same period in 2005. Gross margins increased to 29.7% from 29.3% for the same period in 2005. Gross profit increased by 12.2%, or \$620,871, to \$5,713,326 from \$5,092,455 for the same period in 2005. Operating income increased by 33.1%, or \$212,964, to \$855,793 from \$642,829 for the same period in 2005. Pre-tax income increased by 28.4%, or \$123,808, to \$560,286 from \$436,478 for the same period in 2005.

The Company’s net income decreased by 48.0%, or \$489,172, to \$529,447 for the quarter ended September 30, 2006, or \$0.10 per diluted share, compared to net income of \$1,018,619, or \$0.19 per diluted share, for the same period in 2005. This decrease in net income primarily reflects \$641,500 in non-cash income that was reported in the quarter ending September 30, 2005 in relation to a recalculation of the future utilization of the Company’s federal income tax loss carryforward. No such non-cash income was reported in the quarter ended September 30, 2006.

For the nine months ended September 30, 2006, sales increased by 8.4%, or \$4,030,766, to \$52,257,581 from \$48,226,815 for the same period in 2005. Gross margins increased to 30.1% from 30.0% for the same period in 2005. Gross profit increased by 8.7%, or \$1,263,381 to \$15,741,026 from \$14,477,645 for the same period in 2005. Operating income decreased by 5.4%, or \$75,532, to \$1,333,425 from \$1,408,957 for the same period in 2005. Pre-tax income decreased by 38.1%, or \$327,179, to \$531,272 from \$858,451 for the same period in 2005.

The Company’s net income decreased by 66.5%, or \$891,677, to \$448,191 for the nine months ended September 30, 2006, or \$0.08 per diluted share, compared to net income of \$1,339,868, or \$0.25 per diluted share, for the same period in 2005. This decrease in net income was caused by a decrease in pre-tax income of \$327,179, and \$641,500 in non-cash income that was reported in the nine months ending September 30, 2005 in relation to a recalculation of the future utilization of the Company’s federal income tax loss carryforward. No such non-cash income was reported in the nine months ended September 30, 2006.

William Pagano, CEO of the Company, said, “We are pleased with our continued growth in sales and increased pre-tax profit this quarter. We are anticipating future growth in sales of our commercial products for the balance of 2006 and for 2007. Additionally, in September, we announced our entrance into the distribution and sales of appliances to contractors and independent appliance dealers in the New York metropolitan area, and in portions of Connecticut, Delaware and Eastern Pennsylvania. We believe that the addition of the appliance sales, emphasis on our commercial sales, and continued increase in market penetration of HVAC and plumbing products provides an exciting future for our Company.”

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. The Company 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. The Company also distributes home appliances to dealer groups and appliance stores through its Goldman Universal division. The Company 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 may contain statements concerning Colonial Commercial Corp.'s financial performance, markets and business operations that may be considered "forward-looking" under applicable securities laws. Colonial cautions 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 any results that are projected in the forward-looking statements 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.

(Financial Highlights Follow)

COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	September 30, 2006 (Unaudited)	December 31, 2005
Assets		
Current assets:		
Cash	\$ 790,174	\$ 613,456
Accounts receivable, net of allowance for doubtful accounts of \$215,757 in 2006 and \$185,971 in 2005	9,379,331	8,489,717
Inventory	14,123,645	12,214,261
Prepaid expenses and other current assets	1,256,986	1,066,658
Deferred tax asset - current portion	637,500	637,500
Total current assets	26,187,636	23,021,592
Property and equipment	1,598,782	1,669,484
Goodwill	1,628,133	1,628,133
Other intangibles	4,000	11,334
Other assets - noncurrent	118,052	135,832
Deferred tax asset - noncurrent	1,071,000	1,071,000
Total assets	\$ 30,607,603	\$ 27,537,375
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade payables	\$ 6,723,810	\$ 5,991,946
Accrued liabilities	2,005,860	2,047,159
Income taxes payable	12,666	12,772
Borrowings under credit facility - revolving credit	13,712,099	11,183,008
Borrowings under credit facility - term loan/overadvance	-	562,977
Notes payable - current portion; includes related party notes of \$30,000 in 2006 and \$60,389 in 2005	136,594	165,112
Total current liabilities	22,591,029	19,962,974
Notes payable, excluding current portion; includes related party notes of \$1,028,750 in 2006 and \$1,000,625 in 2005	1,386,816	1,400,834
Total liabilities	23,977,845	21,363,808
Commitments and contingencies		
Stockholders' equity:		
Redeemable convertible preferred stock, \$.05 par value, 2,500,000 shares authorized, 467,601 in 2006 and 484,721 in 2005 shares issued and outstanding, liquidation preference of \$2,338,005 in 2006 and \$2,423,605 in 2005	23,380	24,236
Common stock, \$.05 par value, 20,000,000 shares authorized, 4,593,579 in 2006 and 4,544,459 in 2005 shares issued and outstanding	229,679	227,223
Additional paid-in capital	10,633,259	10,626,859
Accumulated deficit	(4,256,560)	(4,704,751)
Total stockholders' equity	6,629,758	6,173,567
Total liabilities and stockholders' equity	\$ 30,607,603	\$ 27,537,375

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

	For The Three Months Ended September 30,	
	2006	2005
Sales	\$ 19,217,556	\$ 17,377,655
Cost of sales	13,504,230	12,285,200
Gross profit	5,713,326	5,092,455
Selling, general and administrative expenses, net	4,857,533	4,449,626
Operating income	855,793	642,829
Other income	63,707	63,546
Interest expense, net; includes related party interest of \$26,431 in 2006 and \$23,684 in 2005	(359,214)	(269,897)
Income before income taxes	560,286	436,478
Income tax expense (benefit)	30,839	(582,141)
Net Income	\$ 529,447	\$ 1,018,619
Income per common share:		
Basic	\$ 0.12	\$ 0.24
Diluted	\$ 0.10	\$ 0.19
Weighted average shares outstanding:		
Basic	4,592,968	4,300,270
Diluted	5,301,782	5,296,133

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

	For The Nine Months Ended September 30,	
	2006	2005
Sales	\$ 52,257,581	\$ 48,226,815
Cost of sales	36,516,555	33,749,170
Gross profit	15,741,026	14,477,645
Selling, general and administrative expenses, net	14,407,601	13,068,688
Operating income	1,333,425	1,408,957
Other income	192,963	213,282
Interest expense, net; includes related party interest of \$77,825 in 2006 and \$68,225 in 2005	(995,116)	(763,788)
Income before income taxes	531,272	858,451
Income tax expense (benefit)	83,081	(481,417)
Net income	\$ 448,191	\$ 1,339,868
Income per common share:		
Basic	\$ 0.10	\$ 0.32
Diluted	\$ 0.08	\$ 0.25
Weighted average shares outstanding:		
Basic	4,574,227	4,217,250
Diluted	5,300,467	5,290,507