

Press Release:



TSX SYMBOLS: PDV, PDV.PR.A

SUBJECT: DIV

PRIME DIVIDEND CORP. Initial Regular Monthly Dividend Declaration

TORONTO, ONTARIO – December 19, 2005 / CCN Matthews: Prime Dividend Corp. (“Prime Dividend”) declares its initial regular monthly distribution of \$0.08750 (7.00% annualized) for each Class A share which reflects the distribution policy of prime rate in Canada (5.00% as at Dec 15th) plus 2% annually. Prime Dividend also declares its regular monthly distribution of \$0.07247 for the period Nov 16/05 to Dec 31/05 (5.75% annualized) for each Preferred share which reflects the distribution policy of prime rate plus 0.75% annually. Distributions are payable January 10, 2006 to shareholders on record as of December 30, 2005.

The fund’s investment objectives are:

Floating Rate Preferred Shares:

- (i) to provide holders of the Preferred Shares with cumulative preferential floating rate monthly cash dividends at a rate per annum equal to the Prime Rate in Canada plus 0.75% (minimum 5%, maximum 7%) based on original issue price of \$10.00 per share
- (ii) on or about December 1, 2012 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

Floating Rate Class A Shares:

- (i) to provide holders of the Class A Shares with regular floating rate monthly cash distributions targeted to be at a rate per annum equal to the Prime Rate in Canada plus 2.0% (minimum 5%, maximum 10%) based on original issue price of \$15.00 per share
- (ii) on or about December 1, 2012 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

Prime Dividend invests in a portfolio of high yielding Canadian Companies as follows:

Banks	Investment Management	Life Insurance	Utilities & Other
Bank of Montreal	AGF Management Ltd.	Great-West Lifeco Inc.	BCE Inc.
The Bank of Nova Scotia	CI Financial Inc.	Manulife Financial Corp.	TransAlta Corp
CIBC	IGM Financial Inc.	Sun Life Financial Inc.	TransCanada Corp
National Bank of Canada			Power Financial Corp.
Royal Bank of Canada			TSX Group Inc.
Toronto-Dominion Bank			

Shares held within the Portfolio will generally represent no less than 4% and no more than 8% of the net asset value.

Distribution Details:

Class A Share (PDV):	\$0.08750
Preferred Share (PDV.PR.A)	\$0.07247
Ex-Dividend Date:	December 28, 2005
Record Date:	December 30, 2005
Payable Date:	January 10, 2006

For further information, please contact Investor Relations:

Royal Trust Tower, 77 King Street West, PO Box 341, Toronto, Ontario, M5K 1K7

info@quadravest.com • www.primedividend.com • 416.304.4443 • 1.877.478.2372