

# Press Release:



TSX SYMBOLS: PDV, PDV.PR.A

SUBJECT: DIV

## PRIME DIVIDEND CORP.

### Dividends Set to Increase

**TORONTO, ONTARIO – December 6, 2005** / CCN Matthews: As a result of the Bank of Canada's decision today to increase the bank rate in Canada by 0.25%, the Prime Rate has also increased by 0.25% to 5.00%. As a result, the initial December dividends payable to both Preferred Shares and Class A shares of Prime Dividend are each set to increase by 0.25%. This would result in the December Preferred share dividend being paid at an annualized rate of 5.75% (Prime Rate plus 0.75%) and the Class A share dividend being paid at an annualized rate of 7.00% (Prime Rate plus 2.0%).

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

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

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

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.

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**For further information, please contact Investor Relations:**

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