

Press Release:



TSX SYMBOLS: PDV, PDV.PR.A

PRIME DIVIDEND CORP.

Dividend Rate Change

TORONTO, ONTARIO – March 6, 2008 / CCN Matthews: As a result of the Bank of Canada's decision on March 4, 2008 to decrease the bank rate in Canada by 0.50%, the Prime Rate has also decreased by 0.50% to **5.25%**. As a result, the March dividends payable to both Preferred Shares and Class A shares of Prime Dividend are each set to decrease by 0.50%. This would result in the March Preferred share dividend once declared being set at an annualized rate of 6.00% (Prime Rate plus 0.75%) and the Class A share dividend being set at an annualized rate of 7.25% (Prime Rate plus 2.0%).

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

| Banks | Investment Management | Life Insurance | Utilities & Other |
|---|---|---|---|
| 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 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.

For further information, please contact Investor Relations:

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