

Press Release:



TSX SYMBOLS: PDV, PDV.PR.A

SUBJECT: DIV

PRIME DIVIDEND CORP.

Dividends Set to Increase

TORONTO, ONTARIO – May 24, 2006 / 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 6.00%. As a result, the June 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 June Preferred share dividend being paid at an annualized rate of 6.75% (Prime Rate plus 0.75%) and the Class A share dividend being paid at an annualized rate of 8.00% (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 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.

For further information, please contact Investor Relations:

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