

Press Release:



TSX SYMBOLS: PDV, PDV.PR.A

SUBJECT: DIV

PRIME DIVIDEND CORP. Regular Monthly Dividend Declaration

TORONTO, ONTARIO – May 18, 2006 / CCN Matthews: Prime Dividend Corp. (“Prime Dividend”) declares its regular monthly distribution of \$0.09688 (7.75% annualized) for each Class A share which reflects the distribution policy of prime rate in Canada (5.75% as at May 15th) plus 2% annually. Prime Dividend also declares its regular monthly distribution of \$0.05417 (6.50% annualized) for each Preferred share which reflects the distribution policy of prime rate plus 0.75% annually. Distributions are payable June 9, 2006 to shareholders on record as of May 31, 2006.

Since inception Class A shareholders have received a total of \$0.55 per share and Preferred shareholders have received a total of \$0.33 per share inclusive of this distribution, for a combined total of \$0.88.

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 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.

Distribution Details:

Class A Share (PDV):	\$0.09688
Preferred Share (PDV.PR.A)	\$0.05417
Ex-Dividend Date:	May 29, 2006
Record Date:	May 31, 2006
Payable Date:	June 9, 2006

For further information, please contact Investor Relations:

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