

Press Release:



Date: Monday, October 3, 2005
Symbols: FTN, FTN.PR.A, DFN, DFN.PR.A, FFN, FFN.PR.A, FTU, FTU.PR.A, LFE, LFE.PR.A, PPL, PPL.PR.A
Subject: OFR
Attention: Business Editors

Initial Public Offering – Prime Dividend Corp.

TORONTO, ONTARIO – Prime Dividend Corp. (“PDV Corp.”) is pleased to announce the filing of a preliminary prospectus for a proposed offering, which offers Class A Shares and Preferred Shares.

PDV Corp.’s **Floating Rate Class A Shares** offer regular monthly cash distributions initially targeted to be 6.5% per annum. The dividend will float at the prime rate in Canada plus 2.00% with a minimum annual targeted rate of 5% and a maximum annual targeted rate of 10%, with the objective of repaying the original issue price upon termination. The Class A shares will also provide holders with any capital appreciation or dividend growth achieved in the investment portfolio.

PDV Corp.’s **Floating Rate Preferred Shares** offer, cumulative preferential monthly cash dividends initially at a rate of 5.25% per annum. The dividend will float at the prime rate in Canada plus 0.75% with a minimum annual rate of 5.00%, and a maximum annual rate of 7%, with the objective of repaying the original issue price upon termination.

The net proceeds from the proposed offering will be used by PDV Corp. to invest 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 CI Fund Management IGM Financial Inc.	Great-West Lifeco Manulife Financial Sun Life Financial	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.

To generate additional returns above the dividend income earned on the portfolio, PDV Corp. will engage in a limited covered call writing program.

CIBC and RBC Capital Markets are co-lead agents for the proposed offering. The other members of the syndicate are TD Securities Inc., BMO Nesbitt Burns, National Bank Financial, Desjardins Securities Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Raymond James Ltd, Bieber Securities Inc., Blackmont Capital Inc., BLC Securities Inc., and Wellington West Capital Inc.

Please visit the Prime Dividend Corp. website at www.primedividend.com.

For further information, please contact:

Prime Dividend Corp. 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