



**PREMIUM INCOME CORPORATION  
ANNOUNCES YEAR END RESULTS**

**Toronto, Ontario, January 26, 2011 – (TSX: PIC.A; PIC.PR.A)** Premium Income Corporation today announces results for the year ended October 31, 2010. Net realized income before Preferred share transactions amounted to \$19.7 million or \$1.37 per Unit. Each Unit consists of one Class A share and one Preferred Share. Distributions to shareholders amounted to \$0.86 per Preferred share, and \$0.60 per Class A share.

Premium Income Corporation is a mutual fund corporation, which invests in the common shares of Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and the Toronto Dominion Bank. To generate additional returns above the dividend income earned on the portfolio, the Company will, from time to time, write covered call options in respect of all or part of the common shares in the Portfolio. In addition, the Company may write cash covered put options in respect of securities in which the Company is permitted to invest.

<b>Selected Financial Information: (\$ Millions)</b>	
<i>Statement of Net Assets</i>	<b><u>2010</u></b>
Assets	\$ 293.3
Liabilities	<u>214.4</u>
Net Assets (Equity)	<b>\$ 78.9</b>
<i>Statement of Operations</i>	
Income	\$ 12.4
Expenses	<u>(4.5)</u>
Net Investment Income	\$ 7.9
Net Gain on Investments	<u>11.8</u>
Net Realized Income Before Preferred Share Transactions	<b>\$ 19.7</b>

For further information, please contact Investor Relations at 416.681.3966, toll free at 1.800.725.7172 or visit [www.mulvihill.com](http://www.mulvihill.com).

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David Roode, President, Fund Services  
Aaron Ho, Vice-President, Finance

**Mulvihill Structured Products**

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*Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.*