

PREMIUM INCOME CORPORATION

PREMIUM INCOME CORPORATION ANNOUNCES YEAR END RESULTS

Toronto, Ontario, December 18, 2014 – (TSX: PIC.A; PIC.PR.A) Premium Income Corporation today announces results of operations for the year ended October 31, 2014. Net income for the year was \$24.1 million or \$2.47 per Class A share. Net assets per Unit as of October 31, 2014 were \$23.60 after cash distributions of \$0.86 per Preferred share and \$0.81 per Class A share. Each Unit consists of one Preferred share and one 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. The Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting, to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

Selected Financial Information: (\$ Millions)	
<i>Statement of Financial Position</i>	
	2014
Assets	\$ 230.3
Liabilities	<u>146.5</u>
Class A Equity	<u>\$ 83.8</u>
<i>Statement of Operations</i>	
Revenue	\$ 9.0
Expenses	(2.7)
Preferred Share Distributions	<u>(8.4)</u>
Net Investment Loss	(2.1)
Net Gain on Investments	<u>26.2</u>
Net Income	<u>\$ 24.1</u>

For further information, please contact Investor Relations at 416.681.3966, toll free at 1.800.725.7172 or visit www.strathbridge.com.

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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.