



**PREMIUM INCOME CORPORATION
ANNOUNCES YEAR END RESULTS**

Toronto, Ontario, December 21, 2011 – (TSX: PIC.A; PIC.PR.A) Premium Income Corporation today announces results for the year ended October 31, 2011. Net realized income before distributions amounted to \$19.0 million or \$1.98 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 \$0.81 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. 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>	
	<u>2011</u>
Assets	\$ 198.2
Liabilities	<u>143.1</u>
Equity	\$ 55.1
<i>Statement of Operations</i>	
Income	\$ 7.9
Total Net Realized Gain	<u>13.7</u>
Total Revenue	\$ 21.6
Less: Expenses	<u>(2.6)</u>
Net Realized Income Before Distributions	\$ 19.0

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.