

PREMIUM INCOME CORPORATION ANNOUNCES QUARTERLY DISTRIBUTION

Toronto, Ontario, January 3, 2013 – (**TSX: PIC.A; PIC.PR.A**) Premium Income Corporation has declared quarterly distributions payable on January 31, 2013 to shareholders of record on January 15, 2013, ex-dividend date of January 11, 2013, in the following amounts per share:

Share Class	<u>Ticker</u>	Amount Per Share
Class A Shares	PIC.A	\$0.20319
Preferred Shares	PIC.PR.A	\$0.215625

To the extent that any portion of the distributions are ordinary taxable dividends and not capital gains dividends, they will be eligible dividends.

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

Aaron Ho, Vice-President, Finance

Strathbridge Asset Management Inc.

121 King Street West Suite 2600 Toronto, Ontario, M5H 3T9 416.681.3966; 1.800.725.7172 www.strathbridge.com info@strathbridge.com