

From: Larry Tabak
Sent: January 4, 2007

Subject: MADISON STRATEGIC SECTOR PREMIUM FUND CHANGES DIVIDEND FREQUENCY

Madison, Wisconsin – January 4, 2007 Effective January, 2007, the Madison Strategic Sector Premium Fund (MSP) has adopted a quarterly dividend payment plan. The Fund plans on declaring its first quarterly dividend in March, 2007. During 2006, the Fund paid a monthly dividend of 15 cents per share. Most important, the Fund has no plans to reduce or change its annual dividend at this time.

Message from Portfolio Manager Frank Burgess:

When we launched Madison Strategic Sector Premium Fund (MSP) in April of 2005, our goal was to provide investors with an income-generating equity strategy that could provide strong risk-moderated returns. We've been pleased with the results, which have been solid total returns and income that matched or exceeded our projections.

Our Board has given considerable attention to the frequency of dividend distributions. In addition to providing operational efficiencies, a shift to quarterly payments allows greater flexibility in the fund's use of assets, and allows for the potential of shifting more of the annual distribution from short-term gains to tax-advantaged long-term gains. *As a fellow shareholder, I personally favor any efforts to improve the tax treatment of the dividends!*

Performance for 2006. We are pleased to report a successful year. Our net asset value per share enjoyed a total investment return of 11.61%. Our stock price posted a total return of 11.30% and traded at a slight premium to its NAV at the close of business for 2006, as it did at the outset of the year. And, of course, the Fund paid \$1.80 per share in dividends, a yield of 8.87% based on the share price at the beginning of the year. The Fund's management is most encouraged about the outlook for 2007.

We believe MSP's option strategy has proved its mettle over the past 19 months, and that going forward, it can continue to be an innovative and effective means of helping investors meet their financial goals.

Sincerely,
Frank Burgess

President
Madison Investment Advisors, Inc.

Certain statements in this release are forward-looking statements. The Fund's actual results may differ from current expectations or projections due to numerous factors, including but not limited to changes in the equity markets, changes in the portfolio's value, economic and political conditions and other risks generally discussed in the Fund's filings with the SEC. Neither the Fund nor Madison undertakes any obligation to publicly update or revise any forward-looking statements.

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