



## **PFD AND PFO ANNOUNCE RESULTS OF ANNUAL MEETING**

PASADENA, CALIFORNIA – April 19, 2012

The Boards of Directors of Flaherty & Crumrine Preferred Income Fund Incorporated (**NYSE: PFD**) and Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated (**NYSE: PFO**) today announced the results of their Annual Meetings of Shareholders.

PFD shareholders re-elected Donald F. Crumrine and Robert F. Wulf as Class II directors. PFO shareholders re-elected David Gale as its Class I director.

In addition, PFD and PFO's shareholders approved the following changes to their fundamental policies on concentration of investments:

- Proposal 2-A (**PFD Only**): The Fund is now required, under normal market conditions, to invest at least 25% of its total assets in the financials sector, which for this purpose is comprised of the bank, thrifts & mortgage finance, diversified financial services, finance, consumer finance, capital markets, asset management & custody, investment banking & brokerage, insurance, insurance brokers and real estate investment trust (REIT) industries. From time to time, a Fund may have 25% or more of its total assets invested in any one of these industries.
- Proposal 2-B (**PFD and PFO**): The Fund eliminated its requirement that the Fund concentrate its investments in the utilities industry. As a result, under normal market conditions, the Fund may no longer invest more than 25% of its total assets in the utilities industry.

As a result of this change, beginning immediately, each Fund will begin to rebalance its portfolio to the extent required by its new fundamental policy on concentration.

*PFD was organized in 1991 and PFO was organized in 1992 as closed-end, diversified investment companies which invest primarily in preferred securities. Each Fund's investment objective for holders of its common stock is high current income consistent with preservation of capital. PFD and PFO are managed by Flaherty & Crumrine Incorporated, an independent investment adviser which was founded in 1983 to specialize in the management of portfolios of preferred and related securities. Flaherty & Crumrine also manages two other U.S. closed-end funds: Flaherty & Crumrine/Claymore Preferred Securities Income Fund (NYSE: FFC); and Flaherty & Crumrine/Claymore Total Return Fund (NYSE: FLC).*

### **PRESS, ANALYST, SHAREHOLDER INQUIRIES:**

Flaherty & Crumrine Incorporated  
Donald F. Crumrine (crumrine@pfdincome.com)  
Chad C. Conwell (conwell@pfdincome.com)  
626-795-7300  
Pasadena, California  
Website: [www.preferredincome.com](http://www.preferredincome.com)