



## **PFD & PFO ANNOUNCE RESULTS OF SPECIAL MEETING OF SHAREHOLDERS**

PASADENA, CALIFORNIA – May 22, 2008

Flaherty & Crumrine Preferred Income Fund Incorporated (**NYSE: PFD**) and Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated (**NYSE:PFO**) have announced that their shareholders have approved all proposals considered at the Special Meetings of Common and Preferred Stock Shareholders held on May 21, 2008.

The shareholders approved changes to each Fund's investment policies and advisory agreement, which are intended to give each Fund greater flexibility in responding to the turbulence in the auction market that sets the rates paid on each Fund's outstanding Preferred Stock. As a result of these changes, each Fund has the option of using borrowing or other debt financing as a means of leverage.

*About PFD and PFO: 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:**

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