

## **PFD & PFO DECLARE MONTHLY DIVIDEND RATE**

PASADENA, CALIFORNIA – December 12, 2005

The Board of Directors of Flaherty & Crumrine Preferred Income Fund Incorporated (**NYSE: PFD**) and Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated (**NYSE:PFO**) today declared the regular monthly dividend rates as detailed below.

The regular monthly dividend rate for PFD remains unchanged at \$0.0905 per share. The regular monthly dividend rate for PFO remains unchanged at \$0.0705 per share.

The payment date for these dividends will be December 30, 2005 to holders of record of each Fund's Common Stock on December 22, 2005. The expected ex-dividend date is December 20, 2005.

The tax breakdown of the 2005 distribution to shareholders will be available shortly after calendar year-end. We anticipate that the regular monthly dividends will be taxable as ordinary income, although this conclusion is preliminary and may be subject to change.

**PRESS, ANALYST, SHARHOLDER INQUIRIES:**

Flaherty & Crumrine Incorporated  
Chris Ryan, CFA  
626-795-7300  
Pasadena, California

[flaherty@pfdincome.com](mailto:flaherty@pfdincome.com)

Website: [www.preferredincome.com](http://www.preferredincome.com)