PFD, PFO and FFC ANNOUNCE REDEMPTION OF ALL OUTSTANDING PREFERRED SHARES

PASADENA, CALIFORNIA – June 26, 2009

The Boards of Directors of Flaherty & Crumrine Preferred Income Fund Incorporated (NYSE: PFD), Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated (NYSE: PFO) and Flaherty & Crumrine/Claymore Preferred Securities Income Fund Incorporated (NYSE: FFC) have announced that each Fund will optionally redeem all of its outstanding auction preferred stock ("APS") at a redemption price equal to the applicable liquidation preference, plus the amount of accumulated but unpaid dividends. Separately, the Boards of PFD and PFO have announced that each Fund has secured committed financing with which they currently intend to finance these redemptions. FFC currently intends to draw on its existing debt facility to finance its redemptions. After the completion of these redemptions, borrowings from debt facilities will be each Fund's sole source of leverage.

On June 1, 2009, the Securities and Exchange Commission granted each of the Flaherty & Crumrine Funds temporary relief from the debt coverage requirements of the Investment Company Act of 1940 (the "1940 Act"). The 1940 Act requires asset coverage of at least 300% for debt-based leverage and at least 200% for equity-based leverage. The SEC's order temporarily lowers the debt asset coverage requirement for each Fund to at least 200%, specifically in order to permit debt financings sufficient to redeem currently outstanding APS. This relief expires on October 31, 2010, by which time all Fund borrowings must have asset coverage of at least 300%.

Donald F. Crumrine, Chairman of the Board of each Fund, said, "With the completion of these redemptions and the redemptions previously announced for Flaherty & Crumrine/Claymore Total Return Fund Incorporated (NYSE: FLC), the four closed-end Funds managed by Flaherty & Crumrine Incorporated will have successfully retired all of the total of $820.5 million in auction preferred shares originally issued by the Funds. We believe that this leverage restructuring has been accomplished in a manner beneficial to both the common and preferred shareholders of each Fund."

Subject to satisfying the notice and other requirements that apply to APS redemptions, shares will be redeemed as follows:

PFD:

CUSIP		No. of Shares Outstanding		No. of Shares Redeemed		Aggregate Amount Redeemed		Redemption Date
338480205		448		448		$44,800,000		July 14, 2009

PFO:

CUSIP		No. of Shares Outstanding		No. of Shares Redeemed		Aggregate Amount Redeemed		Redemption Date
33848E205		366		366		$36,600,000		August 4, 2009

FFC:

Series	CUSIP	No. of Shares Outstanding	No. of Shares Redeemed	Aggregate Amount Redeemed	Redemption Date
M7	338478209	542	542	$13,550,000	July 14, 2009
T7	338478308	542	542	$13,550,000	July 15, 2009
W7	338478407	542	542	$13,550,000	July 16, 2009
Th7	338478506	542	542	$13,550,000	July 17, 2009
F7	338478605	542	542	$13,550,000	July 13, 2009
T28	338478704	481	481	$12,025,000	July 15, 2009
W28	338478803	480	480	$12,000,000	July 30, 2009

About the Funds' Use of Leverage:

When each of the Funds commenced operations, they intended to leverage through APS, rather than debt. Because of the ongoing failed APS auctions, the Funds have been required to pay maximum rates that could potentially become prohibitive should short-term interest rates increase. Given the current relative beneficial economics of debt leverage and the potential for prohibitive maximum rates on APS in the future, the Funds have re-evaluated their leveraging alternatives. The following describes risks associated with leveraging each Fund through the use of borrowing, which do not materially differ from the risks each Fund currently faces through leveraging using auction preferred stock, except as mentioned immediately above.

Because the investment risk associated with investment assets purchased with funds obtained through leveraging is borne solely by each Fund's Common Stock shareholders, adverse movements in the price of the Fund's portfolio holdings would have a more severe effect on the Fund's net asset value than if the Fund were not leveraged. Leverage creates risks for each Fund's Common Stock shareholders, including the likelihood of greater volatility of the Fund's net asset value and the market price of its shares, and the risk that fluctuations in interest rates on borrowings may affect the return to Common Stock shareholders. If the income from the securities purchased with such funds is not sufficient to cover the cost of leverage, the net income of the Fund would be less than if leverage had not been used, and therefore the amount available for distribution to Common Stock shareholders as dividends will be reduced. In such an event, the Fund may nevertheless determine to maintain its leveraged position in order to avoid capital losses on securities purchased with the leverage. Further, all expenses associated with borrowing, such as interest expenses and transaction costs, will be borne solely by the Fund's Common Stock shareholders.

If the asset coverage for borrowing declines below the limits specified in the 1940 Act or in the terms of the APS or the financing arrangement, the Fund may be required to sell a portion of its investments when it may not be advantageous to do so. In the extreme, sales of investments required to meet asset coverage tests imposed by the 1940 Act could also cause a Fund to lose its status as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"). If a Fund were unable to make adequate distributions to shareholders because of asset coverage or other restrictions, it could fail to qualify as a regulated investment company for federal income tax purposes, and, even if it did not fail to so qualify, it could become liable for income and excise tax on the portion of its earnings which are not distributed on a timely basis in accordance with applicable provisions of the Code.

About the Funds:

PFD, PFO and FFC were organized in 1990, 1991 and 2002, respectively, as closed-end, diversified investment companies investing primarily in preferred and other income producing securities. Each Fund's investment objective for holders of its common stock is high current income consistent with preservation of capital. The Funds 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 one additional U.S. closed-end fund – Flaherty & Crumrine/Claymore Total Return Fund (NYSE: FLC).

Websites:
www.preferredincome.com (for PFD and PFO)
www.fcclaymore.com (for FFC)

PRESS AND ANALYST/PFD AND PFO SHAREHOLDER INQUIRIES:
Flaherty & Crumrine Incorporated
Donald F. Crumrine
(626) 795-7300
Pasadena, California
crumrine@pfdincome.com

FFC SHAREHOLDER INQUIRIES:
Claymore Securities, Inc.
Greg Drake and William Korver
(630) 505-3700
Lisle, Illinois
gdrake@claymore.com
wkorver@claymore.com