

Federated Municipal Closed-End Fund Announces Details for Partial Auction Market Preferred Shares Redemptions

(PITTSBURGH, Pa., March 31, 2009) – Federated Investors, Inc. (NYSE: FII), one of the nation's largest investment managers, today announced the redemption date for a partial redemption of the auction market preferred shares (AMPS) issued by Federated Premier Municipal Income Fund (FMN). The Board of Trustees for the fund approved the redemptions, which are part of a tender-option bond (TOB) refinancing that is expected to lower the fund’s relative cost of leverage over time, to diversify the fund’s sources of leverage and to provide liquidity to a portion of AMPS shareholders.

The fund is expected to partially redeem the AMPS in the following manner:

Fund	AMPS Series	CUSIP	Redemption Date	Total Number of Shares to be Redeemed	Aggregate Redemption Amount (\$)	Percentage of Original AMPS to be Redeemed	Cumulative Percentage of AMPS Redeemed since August 2008
FMN	Series A	31423P207	4/22/09	300	\$ 7,500,000	14%	32%

The redemption price is \$25,000 per AMPS, plus the amount of accumulated, but unpaid, dividends at the redemption date. The fund will use the proceeds from the TOB transaction to make the redemptions noted in the above table. The successful closure of the TOB transaction is a condition precedent to the redemptions.

FMN will be redeeming a portion of AMPS and the redemption will be on a pro-rata basis to the fund’s recordholder. For more information about the redemption process, including how AMPS are selected for redemption, please see the press release titled “Federated Municipal Bond Fund Announce Tender-Option Bond Refinancing for Preferred Shares” dated Aug. 5, 2008, which is available on the About Us section of **FederatedInvestors.com**.

Federated Investors, Inc. is one of the largest investment managers in the United States, managing \$407 billion in assets as of Dec. 31, 2008. With 158 funds and various separately managed account options, Federated provides comprehensive investment management to nearly 5,400 institutions and intermediaries including corporations, government entities, insurance companies, foundations and endowments, banks and broker-dealers. For more information, visit **FederatedInvestors.com**.

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Certain statements in this press release, such as those related to the redemption of certain AMPS, the methodology for and timing of such redemption, the use and successful closure of tender-option bond transactions, and the manager’s efforts relating to leverage constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the company, or industry results, to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Among other risks and uncertainties are the ability of the company to redeem AMPS, the ability to successfully

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utilize and close tender-option bond transactions, and the ability of the manager to successfully diversify and lower the cost of leverage, and the risk factors discussed in the company's annual and quarterly reports as filed with the United States Securities and Exchange Commission. As a result, no assurance can be given as to future results, levels of activity, performance or achievements, and neither the company nor any other person assumes responsibility for the accuracy and completeness of such statements in the future.