

**FOR IMMEDIATE RELEASE**

**The Mexico Equity and Income Fund, Inc.  
Announces Cash Dividend,  
Results of the Annual Meeting of Stockholders, and  
Earnings for the Three Months Ended October 31, 2012.**

Business Editors

New York -- (BUSINESS WIRE) — December 10, 2012 -- The Mexico Equity and Income Fund, Inc. (the “Fund”) (NYSE: MXE; MXEPR) today announced that its Board of Directors has declared a cash dividend of \$0.19 per share on both its common and preferred stock payable on December 28, 2012 to stockholders of record on December 21, 2012. The dividend consists of \$0.04 of short-term capital gain and \$0.15 of long-term capital gain.

The Fund also announced the results of the Annual Meeting of Stockholders of the Fund held on December 4, 2012. At the Annual Meeting of Stockholders, the common and preferred stockholders elected Andrew Dakos as a Director of the Fund and the preferred stockholders voting separately elected Rajeev Das as a Director of the Fund, each to serve until the 2015 Annual Meeting of Stockholders.

On October 31, 2012, the Fund had net assets of \$92,935,715 and the net asset value (“NAV”) of the common and preferred stock was \$14.78 per share, based on 6,228,217 and 57,639 shares outstanding, respectively. The Fund’s common and preferred stock closed on the New York Stock Exchange on that date at \$13.22 and \$13.00 respectively.

For the three month period ended October 31, 2012, the Fund’s net realized and unrealized gains totaled \$6,328,074 and the Fund’s net investment loss was \$143,920.

On October 31, 2012, the Fund’s investments in securities totaled \$92,269,655 or 99.28% (which includes 3.80% in real estate investment trust and private equity instruments) of the Fund’s net assets, while cash and cash equivalents (excluding foreign currency) totaled \$781,979 or 0.84% of the Fund’s net assets and other liabilities in excess of assets totaled \$(115,919) or (0.12)% of the Fund’s net assets.

As of October 31, 2012, the Fund’s 10 largest equity investments represented 63.3% of the Fund’s net assets and are listed below in descending order:

1. America Movil, S.A. de C.V. – Class L	19.3%
2. Mexichem, S.A.B. de C.V.	7.8%
3. Grupo Carso, S.A.B. de C.V.	5.9%
4. El Puerto de Liverpool, S.A.B. de C.V.	5.8%
5. Alfa, S.A.B. de C.V. – Class A	5.0%
6. Grupo Mexico, S.A.B. de C.V. – Series B	4.9%
7. Qualitias Controladora, S.A.B. de C.V.	4.3%
8. Grupo Televisa, S.A.B. de C.V.	3.8%
9. Grupo Financiero Santander Mexico S.A.B. de C.V.	3.3%
10. Promotora y Operadora de Infraestructura, S.A.B. de C.V.	3.2%

The Fund is a closed-end management investment company that seeks high total return through capital appreciation and current income by investing primarily in equity and convertible debt securities issued by Mexican companies and debt securities of Mexican issuers. Pichardo Asset Management, S.A. de C.V. is the investment adviser to the Fund. The Fund’s common and preferred stocks are traded on the New York Stock Exchange under the trading symbol “MXE” and “MXEPR”, respectively.

Periodically updated information on the Fund can be obtained by calling the Fund's dedicated telephone line or by visiting the Fund's website at [www.mxefund.com](http://www.mxefund.com). Information includes a recorded update providing the Fund's net asset value. The Fund's toll free number is (877) 785-0376. Inquiries regarding change of address, transfer of shares, lost certificates, and non-receipt of dividend checks or reinvestment statements should be directed to U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, Milwaukee, WI 53202; (877) 785-0376.

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