

FOR IMMEDIATE RELEASE

**The Mexico Equity and Income Fund, Inc.
Announces the Annual Meeting of Stockholders and
Earnings for the Fiscal Year Ended July 31, 2011.**

Business Editors

NEW YORK – (BUSINESS WIRE) – October 11, 2011 – The Mexico Equity and Income Fund, Inc. (the “Fund”) (NYSE: MXE; MXEPR), announced that it is scheduled to hold its Annual Meeting of Common and Preferred Stockholders on December 7, 2011, at 2:30 p.m. Eastern time. The meeting is being held for the following purposes:

- 1) To elect the Class I Directors to the Fund’s Board of Directors.
- 2) To consider and vote upon an amendment to the investment advisory agreement between the Fund and Pichardo Asset Management, S.A. de C.V.
- 3) To consider and vote upon such other matters as may properly come before the meeting or any adjournment thereof.

The Fund today also announced financial results for the fiscal year ended July 31, 2011.

On July 31, 2011, total net assets of the Fund were \$89,948,178 and the net asset value (“NAV”) for common and preferred stock was \$13.26 per share, based on 6,723,882 and 57,639 shares outstanding, respectively. The Fund’s common stock closed at \$11.64 per share on the New York Stock Exchange on July 31, 2011. The Fund’s preferred stock which did not trade on July 31, 2011 had a value of \$11.93 based on the mean of the bid and ask price.

For the fiscal year ended July 31, 2011, the Fund had an increase in net assets resulting from operations of \$19,077,045. The increase was comprised of realized and unrealized gains of \$19,248,527 and a net investment loss of \$171,482.

On July 31, 2011, the Fund’s investments in Mexican securities totaled \$89,710,835, (or 99.75% of the Fund’s net assets), while other cash and cash equivalents totaled \$299,971 (or 0.33% of the Fund’s net assets). Other liabilities in excess of other assets totaled \$62,628 (or -0.08% of the Fund’s net assets).

As of July 31, 2011, the Fund’s 10 largest common stock investments represented 71.1% of the Fund’s net assets and are listed below in descending order:

1. America Movil, S.A. de C.V. – Class L	17.6%
2. El Puerto de Liver	9.4%
3. Mexichem, S.A. de C.V.	9.1%
4. Genomma Lab Internacional SA	8.8%
5. Wal-Mart de Mexico S.A.B. de C.V.	6.1%
6. Grupe S.A. de C.V.	4.4%
7. Banregio Grupo Financiero S.A. de C.V	4.3%
8. Qualita Compania de Seguros	4.2%
9. Fomento Economico Mexicano S.A. de C.V.	3.7%
10. Arca Continental S.A.B. de C.V.	3.5%

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. 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.
