

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, 2008.**

Business Editors

NEW YORK – (BUSINESS WIRE) – October 7, 2008 – 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 November 26, 2008, at 10:00 a.m. Eastern time. The meeting is being held for the following purposes:

- 1) To elect the Class I Director to the Fund’s Board of Directors.
- 2) 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, 2008.

On July 31, 2008, total net assets of the Fund were \$129,225,603 and the net asset value (“NAV”) for common and preferred stock was \$28.29 per share, based on 3,764,607 and 804,001 shares outstanding, respectively. The Fund’s common stock closed at \$24.39 per share and its preferred stock closed at \$25.50 per share on the New York Stock Exchange on July 31, 2008.

For the fiscal year ended July 31, 2008, the Fund’s net realized and unrealized gains totaled \$40,737,861 and the Fund’s accumulated net investment income was \$1,138,428.

On July 31, 2008, the Fund’s investments in equity securities of Mexican companies totaled \$101,279,233 (or 78.37% of the Fund’s net assets), while cash and cash equivalents (including foreign currency) totaled \$27,960,090 (or 21.64% of the Fund’s net assets). Other liabilities in excess of other assets totaled \$13,714 (or (0.01)% of the Fund’s net assets). Additional information regarding the Fund’s investments may be obtained by calling the Fund’s Administrator at (414) 765-4255.

Separately, the Fund announced that it has repurchased approximately 206,168 of its common shares in open market transactions as of October 7, 2008. Subject to price and market conditions, the Fund may make additional open market purchases.

As of July 31, 2008, the Fund’s 10 largest common stock investments represented 60.2% of the Fund’s net assets and are listed below in descending order:

1. Promotora y Operadora de Infraestructura, S.A. de C.V.	10.0%
2. Empresas ICA Sociedad Consoladora, S.A. de C.V.	8.3%
3. Grupe, S.A. de C.V.	8.0%
4. America Movil, S.A. de C.V. – Class L	7.7%
5. Desarrolladora Homex S.A. de C.V.	7.6%
6. Industrias CH, S.A. – Class B	4.5%
7. Grupo Mexico, S.A. - Series B	4.0%
8. Grupo Mexicano de Desarrollo, S.A.	3.7%
9. Corporativo GBM SAB de CV	3.3%
10. Promotora Ambiental, S.A. de C.V.	3.1%

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 visiting the Fund’s website at www.mxefund.com or by calling the Fund’s dedicated telephone line. Information includes a recorded update providing the Fund’s net asset value. The Fund’s toll free number is (866) 700-6104. Inquiries regarding

change of address, transfer of shares, lost certificates, and non-receipt of dividend checks or reinvestment statements should be directed to Computershare Investor Services, P.O. Box A35014, Chicago, IL 60690-3504; (888) 294-8217.

CONTACT: U.S. Bancorp Fund Services, LLC – John Buckel (414) 765-4255.