

FOR IMMEDIATE RELEASE

**The Mexico Equity and Income Fund, Inc.
Announces Stock Dividend
and
Results of the Annual Meeting of Stockholders**

Business Editors

New York -- (BUSINESS WIRE) — Dec. 19, 2014 -- The Mexico Equity and Income Fund, Inc. (the “Fund”) (NYSE: MXE) announced today that its Board of Directors has declared a stock dividend of \$1.618 per share payable on January 28, 2015 to common and preferred stockholders of record on December 30, 2014. The per share dividend consists of \$1.42 of long-term capital gains, \$0.192 of short-term capital gains and \$0.006 of ordinary income. The dividend on each class of stock will be paid in shares of common stock with an option to elect cash subject to a maximum of 25% of the total distribution payable in cash. The number of shares of common stock to be issued will be based on the trade-weighted average market price of the Fund’s common stock from January 21, 2015 through January 23, 2015. If stockholders elect to receive cash exceeding, in aggregate, 25% of the total distribution, the cash portion of their distribution will be prorated and the balance paid in shares of common stock. The tax treatment of the dividend to shareholders is the same whether or not a cash election is made. Registered stockholders that elect to receive cash in lieu of the stock dividend must notify the Fund by January 20, 2015. Stockholders who hold their shares through a third party intermediary, such as a bank or brokerage firm, and that wish to receive cash in lieu of the stock dividend should advise such intermediary to elect the cash option.

The Fund also announced the results of the Annual Meeting of Stockholders of the Fund, which was held on December 18, 2014. At the Annual Meeting of Stockholders, the common and preferred stockholders voting as a single class, elected Phillip Goldstein and Maria Eugenia Pichardo as Directors of the Fund to serve until the 2017 Annual Meeting of Stockholders. In addition, the Fund’s common and preferred stockholders, voting as a single class, approved an amendment to the Fund’s Amended and Restated By-Laws regarding claims that may be brought by a stockholder against the Fund, its officers, and its directors.

Periodically updated information on the Fund can be obtained by visiting the Fund's website at www.mxefund.com. 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 (877) 785-0376.

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