

**FOR IMMEDIATE RELEASE**

**The Mexico Equity and Income Fund, Inc.  
Announces Earnings for the Fiscal Year Ended July 31, 2007.**

Business Editors

NEW YORK – (BUSINESS WIRE) – October 5, 2007 – 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, 2007, at 10:00 a.m. Eastern time. The meeting is being held for the following purposes:

- 1) To elect the Class III Directors to the Fund’s Board of Directors.
- 2) To request that the holders of each of the Fund’s common stock and preferred stock approve an increase to the annual investment advisory fee payable to the Fund’s investment advisor.
- 3) To request that the holders of each of the Fund’s common stock and preferred stock approve the Board of Director’s adoption of a Managed Distribution Plan for the Fund.
- 4) To request that the holders of each of the Fund’s common and preferred stock approve an amendment to the Fund’s Articles Supplementary to permit preferred stockholders, at their sole discretion, to convert some or all of their outstanding shares of the preferred stock into shares of common stock at relative net asset value.
- 5) 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, 2007.

On July 31, 2007, total net assets of the Fund were \$154,818,268 and the net asset value (“NAV”) for common and preferred stock was \$38.18 per share, based on 2,626,019 and 1,429,336 shares outstanding, respectively. The Fund’s common stock closed at \$44.23 per share and its preferred stock closed at \$36.10 per share on the New York Stock Exchange on July 31, 2007.

For the fiscal year ended July 31, 2007, the Fund’s net realized and unrealized gains totaled \$76,386,302 and the Fund’s net investment loss was \$566,000.

On July 31, 2007, the Fund’s investments in equity securities of Mexican companies totaled \$154,860,195 (or 100.03% of the Fund’s net assets), while cash and cash equivalents (including foreign currency) totaled \$209,353 (or 0.13% of the Fund’s net assets). Other liabilities in excess of other assets totaled \$251,280 (or (0.16)% of the Fund’s net assets). Additional information regarding the Fund’s investments may be obtained by calling the Fund’s Administrator at (414) 287-3311.

As of July 31, 2007, the Fund’s 10 largest common stock investments represented 59.5% of the Fund’s net assets and are listed below in descending order:

1. America Movil, S.A. de C.V. - Class L	9.0%
2. Promotora y Operadora de Infraestructura, S.A. de C.V.	8.8%
3. Empresas ICA Sociedad Consolidadora, S.A. de C.V.	8.1%
4. Grupe, S.A. de C.V.	7.2%
5. Wal-Mart de Mexico, S.A. de C.V. - Class V	6.6%
6. Grupo Mexicano de Desarrollo, S.A.	5.3%
7. Grupo Mexico, S.A. - Series B	4.1%
8. SARE Holding, S.A. de C.V.	3.8%
9. Promotora Ambiental, S.A. de C.V.	3.5%
10. Grupo Financiero Banorte, S.A. de C.V. – Class O	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 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.

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