

**FOR IMMEDIATE RELEASE**

**The Mexico Equity and Income Fund, Inc.  
Announces Earnings for the Nine Month Period Ended April 30, 2006.**

Business Editors

NEW YORK – (BUSINESS WIRE) - June 23, 2006 – The Mexico Equity and Income Fund, Inc. MXE and MXEPR (the “Fund”), a closed-end management investment company that seeks total return through capital appreciation and current income, today announced unaudited results for the nine month period ended April 30, 2006.

On April 30, 2006, total net assets of the Fund were \$87,421,672 and the net asset value (“NAV”) for common and preferred stock was \$22.40 per share, based on 2,473,504 and 1,429,336 shares outstanding, respectively. The Fund’s common stock closed at \$19.70 per share and its preferred stock closed at \$19.50 per share on the New York Stock Exchange on April 30, 2006.

For the nine month period ended April 30, 2006, the Fund’s net realized and unrealized gains totaled \$28,370,905 and the Fund’s net investment loss was \$87,517.

On April 30, 2006, the Fund’s investments in equity securities of Mexican companies totaled \$84,038,020 (or 96.1% of the Fund’s net assets) and investments in debt instruments totaled \$724,636 (or 0.8% of the Fund’s net assets), while cash and cash equivalents (including foreign currency) totaled \$2,715,361 (or 3.1% of net assets). Other liabilities in excess of assets totaled \$56,345 (or 0.0% of the Fund’s net assets). Additional information regarding the Fund’s investments may be obtained by calling the Fund’s Administrator at (414) 765-4499.

As of April 30, 2006, the Fund’s 10 largest investments in common stocks represented 51.2% of the Fund’s net assets and are listed below in descending order:

1. America Telecom, S.A. de C.V. - Class A1	9.6%
2. Wal-Mart de Mexico, S.A. de C.V. - Class V	6.5%
3. Grupo Mexico, S.A. de C.V. - Class B	5.2%
4. Cemex, S.A. de C.V. CPO	4.6%
5. Corporacion GEO, S.A. de C.V. - Class B	4.5%
6. Urbi, Desarrollos Urbanos, S.A. de C.V.	4.4%
7. Industrias CH, S.A.	4.2%
8. Grupo Elektra, S.A. de C.V.	4.1%
9. Grupo Financiero Banorte, S.A. de C.V. – Class O	4.1%
10. Empresas ICA Sociedad Controladora S.A. de C.V.	4.0%

The Mexico Equity and Income Fund, Inc. common stock is traded on the New York Stock Exchange under the trading symbol “MXE”. The Mexico Equity and Income Fund,

Inc. preferred stock is traded on the New York Stock Exchange under the trading symbol “MXEPR”.

Periodically updated information on the Fund can be obtained by calling the Fund’s dedicated telephone line. Information provided includes a recorded update reviewing the Fund’s top holdings, net asset value and other information. 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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CONTACT: U.S. Bancorp Fund Services, LLC – Matthew Verhaalen (414) 765-4499