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News Release

August 22, 2005

STERLING SHOES INCOME FUND ANNOUNCES AUGUST 2005 DISTRIBUTION

VANCOUVER, BC, AUGUST 22, 2005 - Sterling Shoes Income Fund (TSX: SSI.UN) announced today a cash distribution of \$0.14737 per unit for the period from July 12, 2005 to August 31, 2005. The distribution will be made to unitholders of record at the close of business on August 31, 2005 and will be paid on September 15, 2005.

Sterling Shoes is a leading Vancouver-based independent footwear retailer offering a broad selection of private label and brand name shoes and accessories across five Canadian provinces through its four separate retail banners: Sterling, Joneve, Shoe Warehouse and Freedman's. Since 1987, Sterling Shoes has grown from five shopping mall locations to 102 stores located primarily in western Canada in high-traffic, high-visibility locations within enclosed shopping malls, on high streets and in strip malls. Sterling Shoes currently employs over 700 employees, and its sales for the 12 month period ended April 30, 2005 were \$73.3 million.

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