



FOR IMMEDIATE RELEASE

December 13, 2005

**STERLING SHOES INCOME FUND ANNOUNCES SPECIAL CASH DISTRIBUTION**

VANCOUVER, BC, December 13, 2005 – Sterling Shoes Income Fund (TSX: SSI.UN) (“Sterling Shoes”), a leading independent footwear retailer, today announced that its Board of Trustees has approved a special distribution of \$0.16 per trust unit to be paid on January 15, 2006 to unitholders of record at the close of business on December 30, 2005.

Upon completion of Sterling Shoes’ audited financial statements for the period July 12, 2005 to December 31, 2005 (in March 2006), this special distribution may be supplemented by a further payment to allow Sterling Shoes to distribute all income of Sterling Shoes for 2005. Any such further payment would be payable to unitholders of record at the close of business on December 30, 2005.

“This special distribution reflects the strong performance of our business since our initial public offering on July 12, 2005. We are very pleased to be able to share our success with our unitholders” said Jeremy Horwitz, President and CEO. He went on to mention, “Same-store sales and new-store sales growth have continued to exceed our expectations. We plan to take advantage of the seasonal slowdown in the first quarter of next year to further strengthen our business and continue to implement our expansion strategy in the Ontario market in order to position ourselves for continued success during the traditionally strong spring season.” Sterling Shoes expects its presence in Ontario to grow from its current base of five stores to at least 12 stores by the end of March 2006.

Sterling Shoes also announced today a \$212,540 distribution by Sterling Shoes Limited Partnership (the “Partnership”) to SSI Investments Inc. (“SSI”) (the entity that previously carried on the Sterling Shoes business and that retains a 20% interest in the Partnership) as the holder of record on December 30, 2005 of subordinated limited partner units in the Partnership. This distribution amounts to a payment of \$0.16 per Subordinated Exchangeable LP Unit. This distribution will also be payable on January 15, 2006, and like the special distribution to Sterling Shoes’ unitholders, may be supplemented by a further payment in March 2006.

*About Sterling Shoes Income Fund*

Sterling Shoes Income Fund became a publicly traded entity on the Toronto Stock Exchange on July 12, 2005 and 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 105 stores located primarily



# Sterling

STERLING SHOES LIMITED PARTNERSHIP

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 750 employees, and sales for its initial 81-day period ended September 30, 2005 were \$19.5 million.

For further information, please visit us at [www.SterlingShoesIncomeFund.com](http://www.SterlingShoesIncomeFund.com), or contact:

Jeremy Horwitz  
President and Chief Executive Officer  
(604) 270-6114

Daniel S. Gumprich  
Chief Financial Officer  
(604) 270-6114

*Additional information about Sterling Shoes Income Fund can be found in the disclosure documents filed by Sterling Shoes Income Fund with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com).*

**freedman**  
shoes

**Sterling**

*Jones*

**SHOE**  
**WAREHOUSE**

---

2580 Viscount Way Richmond BC Canada V6V 1N1 | TEL 604.270.6114 FAX 604.278.7751 [www.sterlingshoes.com](http://www.sterlingshoes.com)