

Sterling

STERLING SHOES LIMITED PARTNERSHIP

FOR IMMEDIATE RELEASE

May 16, 2007

Sterling Shoes Income Fund Announces Monthly Cash Distribution

VANCOUVER, BC, May 16, 2007 – Sterling Shoes Income Fund (the “Fund”) (TSX: SSI.UN), a Vancouver-based, national specialty footwear retailer, today announced that its Board of Trustees has approved a cash distribution of \$0.12 per trust unit for the period from May 1, 2007 to May 31, 2007, payable on June 15, 2007 to unitholders of record at the close of business on May 31, 2007.

Through a series of increases, the Fund has increased its monthly payout more than 34% since the Fund’s initial public offering in July 2005. Furthermore, the Fund made special cash distributions of \$0.47 per unit for 2006. These special cash distributions were paid in tranches on January 15, 2007 and March 30, 2007. These special cash distributions are not indicative of future performance.

About Sterling Shoes Income Fund

Sterling Shoes Income Fund is a leading Vancouver-based footwear retailer offering a broad selection of private label and brand name shoes and accessories in five Canadian provinces through its five separate retail banners: Sterling, Joneve, Shoe Warehouse, Freedman’s and Gia. Since 1987, Sterling Shoes has grown from five shopping mall locations to 131 stores (as at May 16, 2007) located in high-traffic, high-visibility locations within enclosed shopping malls, on high streets and in strip malls. The Fund currently employs over 1,000 employees, and sales of the business for the 12 month period ended March 31, 2007 were \$107.5 million. The Fund’s units are listed on the Toronto Stock Exchange under the symbol SSI.UN.

For further information, please visit us at www.SterlingShoesIncomeFund.com, or contact:

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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.

freedman
shoes

Sterling

Joneve

SHOE
WAREHOUSE