

FOR IMMEDIATE RELEASE

November 16, 2007

Sterling Shoes Income Fund Announces Monthly Cash Distribution

VANCOUVER, BC, November 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 November 1, 2007 to November 30, 2007, payable on December 17, 2007 to unitholders of record at the close of business on November 30, 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.

On October 3, 2007 the Fund closed an offering (the “Offering”) of \$25 million of convertible unsecured subordinated debentures (the “Debentures”) at a price of \$1,000 per debenture. The Debentures bear interest at an annual rate of 6.5% payable semi-annually in arrears on October 31 and April 30 in each year commencing April 30, 2008. The maturity date for the Debentures is October 31, 2012. The Offering was completed on a “bought deal” basis by a syndicate of underwriters led by CIBC World Markets Inc., including BMO Capital Markets, Canaccord Capital Corporation and TD Securities Inc. The net proceeds of the Offering will be used by the Fund to repay existing indebtedness, to pay for the Fund’s new store expansion projects and for general corporate purposes.

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 six separate retail banners: Sterling, Joneve, Shoe Warehouse, Freedman, Gia and Sterling Outlet. Since 1987, Sterling Shoes has grown from five shopping mall locations to 141 stores (as at November 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 September 30, 2007 were \$114.1 million. The Fund’s units are listed on the Toronto Stock Exchange under the symbol SSI.UN. The Fund’s convertible debentures are listed on the Toronto Stock Exchange under the symbol SSI.DB.

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.