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September 18, 2007

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## Sterling Shoes Income Fund Announces Monthly Cash Distribution

VANCOUVER, BC, September 18, 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 September 1, 2007 to September 30, 2007, payable on October 15, 2007 to unitholders of record at the close of business on September 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 September 17, 2007 the Fund filed a preliminary short form prospectus in connection with 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 will be October 31, 2012. The Fund entered into an underwriting agreement with a syndicate of underwriters led by CIBC World Markets Inc., including BMO Capital Markets, Canaccord Capital Corporation and TD Securities Inc. on a bought deal basis. 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.

The Offering is expected to close on or about October 3, 2007. Purchasers of Debentures who convert their Debentures to trust units of the Fund will not be entitled to receive the monthly distribution payable on October 15, 2007 as they will not be holders of trust units on the September 30, 2007 record date for the distribution.

The Debentures have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the Debentures in the United States or in any state in which such offer, solicitation or sale would be unlawful.

### *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 136 stores (as at September 18, 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 June 30, 2007 were \$110.6 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](http://www.SterlingShoesIncomeFund.com), or contact:

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# Sterling

STERLING SHOES LIMITED PARTNERSHIP

*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**

*Joneve*

**SHOE**  
**WAREHOUSE**

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