



FOR IMMEDIATE RELEASE

July 21, 2008

STERLING SHOES INCOME FUND

Fund Announces Monthly Cash Distribution of \$0.125 per unit

VANCOUVER, BC, July 21, 2008 –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 \$0.125 per trust unit for the period from July 1, 2008 to July 31, 2008, payable on August 15, 2008 to unitholders of record at the close of business on July 31, 2008.

Sterling Shoes Limited Partnership (the “Partnership”) is continuing to pay equivalent distributions to the exchangeable LP units of the Partnership.

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 Shoes, Gia and Sterling Outlet. Since 1987, Sterling Shoes has grown from five shopping mall locations to 148 stores (as at July 21, 2008) 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, 2008 were \$119.8 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.

Sterling

**SHOE
WAREHOUSE**

Joneve

**freedman
shoes**

gia shoes

**Sterling
OUTLET**