

Sterling

STERLING SHOES LIMITED PARTNERSHIP

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For Immediate Release

STERLING SHOES ANNOUNCES APPOINTMENT OF NEW BOARD MEMBERS AND INTERIM CEO AND APPROVAL OF CONVERSION TO A CORPORATION BY UNITHOLDERS

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Vancouver, B.C., June 24, 2010 - Sterling Shoes Income Fund (the "Fund") (TSX: SSI.UN) is pleased to announce that at its annual and special meeting held today in Vancouver, James Bruce and Steven Richardson were appointed as independent trustees of the Fund, replacing Jeremy Horwitz, who resigned as CEO, trustee and director of Sterling Shoes on June 22, 2010, and increasing the number of trustees to six. Mr. Bruce and Mr. Richardson bring several years of experience as corporate executives in leading financial, retail and distribution institutions.

Mr. Bruce is a partner of Capital West Partners, an independent firm providing investment banking services to mid-market firms in Western Canada. Prior to joining Capital West, he held investment banking positions as Managing Director, TD Securities Inc. and Vice President and Director, RBC Securities Inc. Mr. Bruce has held a number of directorships on both public and private entities. Mr. Bruce holds a Bachelor of Science (Mechanical Engineering) and a Masters of Business Administration and is a Certified Management Accountant, Chartered Business Valuator and Professional Engineer (retired).

Mr. Richardson retired in 2009 as Chief Financial Officer at Hudson's Bay Company, a national retail group of companies, where he led the financial team from 2006 through to 2009. Over the years 2003 to 2006 he held various senior financial positions with the Hudson's Bay group of companies. Prior to joining the Hudson's Bay Company, he held senior executive positions with financial services companies, including Wells Fargo Financial Canada, Associates Financial Services of Canada and Beneficial Canada. Mr. Richardson began his career at Imperial Oil Limited, with various positions in the corporate finance and controller's departments. Mr. Richardson holds a Certified Management Accountant designation and completed the Senior Executive Leadership Program at Columbia University.

"Sterling Shoes thanks Jeremy for his significant contribution, leadership role and dedicated service over the years. The business has grown from 100 stores in 2005 to 160 today. We wish Jeremy and his family all the best with their future endeavours" said Mr. Richard Mahler, Chairman of the Fund. "We believe that Mr. Bruce and Mr. Richardson's backgrounds are well suited to Sterling Shoes and look forward to benefitting from their knowledge and experience in the retail and distributions sectors."

Mr. Mahler was appointed as interim CEO of the Fund and Sterling Shoes GP Inc., the administrator of Sterling Shoes Limited Partnership, the Fund's operating unit and will be appointed interim CEO of Sterling Shoes Inc. on completion of the conversion of the Fund to a corporation.

The Fund also announced today that the unitholders of the Fund adopted the special resolution approving the previously announced conversion of the Fund's trust structure to a publicly traded corporation named Sterling Shoes Inc. The Fund will make application to the Supreme Court of British Columbia tomorrow, June 25, 2010, to obtain a final order approving the conversion. The conversion is expected to become effective on or about July 1, 2010.

All other resolutions presented at the meeting were also approved by the requisite majority of unitholders of the Fund. For more information, readers can view the report of voting results in respect of the meeting filed under the Fund's profile at <http://www.sedar.com>.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Certain statements contained in this news release including statements that contain words such as 'could' 'should', 'can', 'anticipate', 'estimate', 'propose', 'plan', 'expect' 'believe', 'will', 'may' and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian

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securities legislation (collectively, ‘forward-looking information and statements’).

In particular, this news release contains forward-looking information and statements relating to the expectations of the Fund regarding the proposed conversion including, but not limited to: timing, completion, receipt of necessary approvals and anticipated benefits of the conversion.

These forward-looking information and statements are based on certain assumptions and analysis made by the Fund in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results, performance or achievements will conform to the Fund’s expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from the Fund’s expectations. Such risks and uncertainties include, but are not limited to the failure to receive approval of the conversion from the court or other regulatory authorities or to realize the anticipated benefits of the conversion.

Consequently, all of the forward-looking information and statements made in this news release are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Fund will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Fund or its business or operations. Readers are therefore cautioned not to place undue reliance on such forward-looking information and statements. Except as may be required by law, the Fund assumes no obligation to update publicly any such forward-looking information and statements, whether as a result of new information, future events or otherwise.

ABOUT STERLING SHOES

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 and Gia. Since 1987, Sterling Shoes has grown from five shopping mall locations to 160 stores (as at June 24, 2010) located in high-traffic, high-visibility locations within enclosed shopping malls, on high streets and in strip malls. The Fund currently employs over 1,300 employees. 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, contact Daniel Gumprich, Chief Financial Officer

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