

Sterling

STERLING SHOES LIMITED PARTNERSHIP

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FOR IMMEDIATE RELEASE

January 11, 2011

STERLING SHOES INC. (TSX: SSI)

STERLING ANNOUNCES ORGANIZATIONAL CHANGES

VANCOUVER, BC, January 11, 2011 – Sterling Shoes Inc. (the “Company”) today announced a number of exciting changes to the organization.

“These changes are primarily designed to improve our focus on the customers of our operating divisions: Shoe Warehouse, Sterling, Freedman and Joneve” said Dave Alves, President and CEO.

“We have reorganized these operating divisions to include dedicated leadership, marketing staff, merchandise planners and buyers within each division. This alignment will bring more focus, dedication and accountability to each.

Leadership changes include Colin Romain transitioning from Vice President, Operations to Vice President, Shoe Warehouse. Colin will lead Shoe Warehouse, our largest division consisting of 75 stores.

Another important change is to align our Joneve banner with our Freedman brand, so that it more closely resembles the Freedman model. Melanie Best-Richardson, currently the general manager of Freedman Shoes, will take on the role of Vice President, Freedman and Joneve. We are recruiting for a Vice President, Sterling to lead a rejuvenated Sterling division.

We recognize that the Company needs to become far more strategic about its procurement. Driving appropriate procurement and timely inventory management at the store level is critical. To accomplish these goals we have added further resources to our merchandise planning team, and are strengthening our Supply Chain function by recruiting for a Vice President, Supply Chain.

I am excited to announce the addition of a new member of our senior leadership team; Scot Sheeler. Scot has joined us as Vice President, Store Operations. Scot is a senior executive with over 20 years of diverse and progressive experience in the retail industry. He has expertise in the creation and execution of operational strategies with extensive experience in store operations, in-store marketing, store planning, and loss prevention. Scot’s recent experiences include serving as President & CEO of Advanced Electronics, and Vice President, Stores (Zellers Western Region) for the Hudson’s Bay Company. In his final role with HBC Scot was directly accountable for the sales and profit for up to 148 stores in 5 provinces (Ontario west to BC) with an annual sales volume of \$2.1 billion; Providing leadership to 21 direct reports including 12 District Managers who in turn led 20,000 sales associates. We are thrilled to have Scot join our team. I know he will be an inspiring leader for our store associates.

I am confident that these changes will position the Company to maximize our potential, they demonstrate a commitment to our customers, our employees and ultimately to our shareholders” said Mr. Alves.

About Sterling Shoes Inc.

Sterling 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 four distinct retail banners: Sterling, Joneve, Shoe Warehouse and Freedman Shoes. Since 1987, Sterling Shoes has grown from five shopping mall locations to 162 stores (as at January 11, 2011) located in high-traffic, high-visibility locations within enclosed shopping malls, on high streets and in strip malls. The Company currently employs over 1,300 employees. The Company’s shares are

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SHOE
WAREHOUSE

Joneve

freedman
shoes

gia shoes

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listed on the Toronto Stock Exchange under the symbol SSI. The Company's convertible debentures are listed on the Toronto Stock Exchange under the symbol SSI.DB.

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

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Additional information about Sterling Shoes Inc. can be found in the disclosure documents filed by Sterling Shoes Inc. with the securities regulatory authorities, available at www.sedar.com.

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