



STERLING SHOES LIMITED PARTNERSHIP

STERLING SHOES ANNOUNCES CCAA FILING

PRESS RELEASE STATEMENT

VANCOUVER, B.C. October 21st 2011 Sterling Shoes Inc. (TSX:SSI) announces that in order to restructure its operations, it and Sterling Shoes GP Inc. (general partner of Sterling Shoes Limited Partnership) (together, the "Company") today obtained an Initial Order (the "Order") from the Supreme Court of British Columbia (the "Court") under the *Companies' Creditors Arrangement Act (Canada)*, R.S.C. 1985, c. C-36, as amended (the "CCA")

The Company (operating as Sterling, Shoe Warehouse, Freedman, Joneve and Gia) will continue to operate during this period of restructuring.

The Court granted protection under the CCA for an initial period expiring on November 20th 2011 to be extended as required and approved by the Court. While the Company is under CCA protection, all proceedings on the part of its creditors are stayed. The Company believes that restructuring under the CCA will provide the Company with the best opportunity to strengthen its business and to ensure successful operations in the future.

The Company has the support of its secured lender, (the Bank of Montreal) during the restructuring process. The Order permits the Company to pay all expenses incurred in carrying on the business after the date of the Order, including goods and services delivered by suppliers. The terms and conditions of the restructuring plan have not yet been determined by the Company.

Alvarez and Marsal Canada Inc. has been appointed Monitor pursuant to the Initial Order. All inquiries regarding the CCA proceedings affecting the Company should be directed to the Monitor. A copy of the Initial Order will be made available and may be viewed on the monitor's website at www.alvarezandmarsal.com/sterling or on request from the Monitor at: (+1) 604-639-0846.

ABOUT STERLING SHOES

Sterling Shoes is headquartered in Vancouver, B.C and is a leading independent footwear retailer offering a broad selection of private label and brand name shoes and accessories. Founded in 1987, Sterling Shoes LP operates over 150 stores across Canada.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release may constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. When used in this press release, such statements often use, but are not limited to, such words as "may", "will", "expect", "should", "believe", "intend", "plan", "anticipate", "potential", and other similar terminology. Although the forward-looking statements contained in this press release are based upon management's reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.