

Sterling

STERLING SHOES LIMITED PARTNERSHIP

FOR IMMEDIATE RELEASE

March 20, 2006

STERLING SHOES INCOME FUND ANNOUNCES MONTHLY CASH DISTRIBUTION

VANCOUVER, BC, March 20, 2006 – Sterling Shoes Income Fund (TSX: SSI.UN) (“Sterling Shoes”), a leading independent footwear retailer, today announced that its Board of Trustees has approved a cash distribution of \$0.08958 per trust unit for the period from March 1, 2006 to March 31, 2006, payable on April 15, 2006 to unitholders of record at the close of business on March 31, 2006.

Sterling Shoes also announced today a \$356,987 distribution by Sterling Shoes Limited Partnership (the “Partnership”) to SSI Investments Inc. (“SSI”) (the entity that previously carried on the Sterling Shoes business and that retains a 20% interest in the Partnership) as the holder of record on March 31, 2006 of subordinated limited partner units in the Partnership. This distribution amounts to a payment of \$0.26874 per Subordinated Exchangeable LP Unit for the period from January 1, 2006 to March 31, 2006, resulting in the Subordinated Exchangeable LP Units receiving distributions equal (on a per unit basis) to the trust unit distributions for that period. This distribution will also be payable on April 15, 2006.

Sterling Shoes’ policy is to pay cash distributions on the 15th of each month to unitholders of record on the last business day of the preceding month. Unitholders who are non-residents of Canada will be required to pay all withholding taxes payable on any distributions by Sterling Shoes. Distributions on the subordinated limited partner units of the Partnership are intended to be paid quarterly on a subordinated basis assuming certain financial tests are met.

About Sterling Shoes Income Fund

Sterling Shoes Income Fund became a publicly traded entity on the Toronto Stock Exchange on July 12, 2005 and is a leading Vancouver-based independent footwear retailer offering a broad selection of private label and brand name shoes and accessories across five Canadian provinces through its four separate retail banners: Sterling, Joneve, Shoe Warehouse and Freedman’s. Since 1987, Sterling Shoes has grown from five shopping mall locations to 110 stores located primarily in western Canada in high-traffic, high-visibility locations within enclosed shopping malls, on high streets and in strip malls. Sterling Shoes currently employs over 850 employees and sales for the twelve month period ended December 31, 2005 were \$81.9 million. Sterling Shoes’ units are listed on the Toronto Stock Exchange under the symbol SSI.UN.

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 Shoes Income Fund with the securities regulatory authorities, available at www.sedar.com.

freedman
shoes

Sterling

Joneve

SHOE
WAREHOUSE