



FOR IMMEDIATE RELEASE:

Urban Barn Announces Major Deal with Stern Partners and Keeps it Canadian

VANCOUVER, BC, June 04, 2007 – Vancouver-based national retailer Urban Barn today announced the completion of a new partnership with Stern Partners. With 28 stores across Canada, and annual revenues approaching \$50 million, the company felt the time had come to leverage its strong market position to facilitate future growth.

This news comes just as Urban Barn has been featured in the 19th annual PROFIT 100 ranking of Canada's Fastest-Growing Companies by PROFIT Magazine.

"Urban Barn is an exciting company with excellent opportunities for growth and development. We are very pleased to become partners with the current owners, and look forward to contributing to the Company's continued success," said Ron Stern, founder of Stern Partners.

The senior management team at Urban Barn was insistent that any investor had to genuinely have the company's and employees' best long-term interests at heart. Stern Partners was able to satisfy this priority and its track record working with other fast growing companies, like Urban Barn, was testament to this.

Stern Partners looks forward to working with the existing senior management team of Urban Barn, which will continue to direct the day-to-day operations of the company, under the leadership of Rick Bohonis as President. Despite the significance of this new partnership, it's business as usual for this quintessentially Canadian success story.

Offers of interest in Urban Barn were being received from various sources north and south of the border. Eventually this prompted the company to approach Canadian investment specialists Capital West Partners, who had been involved with other Vancouver-based retail successes, such as Lululemon and Aritzia.

Capital West Partners introduced Urban Barn to Stern Partners largely because of Stern's knowledge of the retail landscape and expertise in strategic development. Stern Partners, which is headquartered in Vancouver, Canada, has interests in a broad range of businesses in various sectors including multi-location retailing, manufacturing, distribution, publishing and real estate.

"What excites me most about this deal is that after an extensive search we found the ideal partner with strong retail experience and a long-term investment horizon, right here in our own backyard," said Marco Tomassetti of Capital West Partners.

With a goal to double the number of stores over the next 5 years, Urban Barn has been growing strongly, with 3 new stores just opened in the last few months in South Surrey, Kamloops and Winnipeg. Two further stores are planned later this year in Cambridge and Oakville in Ontario.

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Ranking Canada's Fastest-Growing Companies by five-year revenue growth, the PROFIT 100 profiles the country's most successful growth companies.

"PROFIT 100 companies are the new heroes of Canadian business, creating jobs at home and products used around the world. They've accomplished this by building great employee teams, exploiting export markets and rapidly responding to the customer's fast-changing needs," says Ian Portsmouth, editor of PROFIT Magazine.

ABOUT URBAN BARN

Since its doors opened in 1990, Urban Barn's focus has been on providing home furniture and furnishings that have a classically contemporary appeal. They have consistently been featured as one of Canada's fastest growing companies, with strong positions in the Profit 100 "Next 100 list" in 2005 and 2006; Business in Vancouver's "Fastest 50" in 2004 – 2006; and BC Business top 25 companies to work for in 2005. For more information visit urbanbarn.com

ABOUT STERN PARTNERS

Stern Partners was founded and is headed by Ronald N. Stern of Vancouver, British Columbia. Stern Partners and its affiliates have been making investments for over 25 years, and is currently the lead investor in a diverse range of businesses. Current investments include stand-alone companies ranging in size from less than \$10 million in annual revenue, to over \$200 million.

ABOUT CAPITAL WEST PARTNERS

Capital West Partners is Western Canada's leading mid-market independent investment banking firm. Since inception in 1990, Capital West has successfully completed corporate finance transactions valued in excess of \$3 billion across a diverse range of industries. Capital West's corporate finance services include merger, acquisition and divestiture advisory, capital raising and valuations and fairness opinions.

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For more information, please contact:

Claire Munroe
NATIONAL Public Relations
Tel: 604-691-7393
cmunroe@national.ca

Andrew Rennie
Marketing Manager
Urban Barn
Tel: 604 540 2276 ext: 119
Cell: 778 233 0935
andrew@urbanbarn.com
www.urbanbarn.com