Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
SAKS FIFTH AVENUE PENSION PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 07/02/1990

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
SAKS & COMPANY

12 EAST 49TH STREET
ATTN CORP TAX DEPT
NEW YORK, NY 10017

2b Employer Identification Number (EIN)
13-1256625

2c Sponsor's telephone number
212-940-4000

2d Business code (see instructions)
452110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	MICHAEL VINCENT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	CELESTE L. TATE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
SAKS INCORPORATED RETIREMENT COMMITTEE

12 EAST 49TH STREET, 4TH FLOOR
NEW YORK, NY 10017

3b Administrator's EIN
37-1584180

3c Administrator's telephone number
877-725-7238

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	7412
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	2814
b	Retired or separated participants receiving benefits	**6b**	1320
c	Other retired or separated participants entitled to future benefits	**6c**	2765
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	6899
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	93
f	Total. Add lines **6d** and **6e**	**6f**	6992
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1C 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
SAKS FIFTH AVENUE PENSION PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
SAKS & COMPANY

D Employer Identification Number (EIN)
13-1256625

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2010			
2	Assets:			
a	Market value	2a		106729585
b	Actuarial value	2b		115035965
3	Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	1420	39582401
b	For terminated vested participants	3b	2756	36648837
c	For active participants:			
	(1) Non-vested benefits	3c(1)		98147
	(2) Vested benefits	3c(2)		54025390
	(3) Total active	3c(3)	3236	54123537
d	Total	3d	7412	130354775
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	4a		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		6.56 %
6	Target normal cost	6		1257920

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

08/29/2011
Date

HENRY A. ERK III
Type or print name of actuary

11-02713
Most recent enrollment number

MERCER
Firm name

502-561-4500
Telephone number (including area code)

462 SOUTH FOURTH STREET, SUITE 1100
LOUISVILLE, KY 40202-3415
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	3214455	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	2356072	0
9	Amount remaining (Item 7 minus item 8)	858383	0
10	Interest on item 9 using prior year's actual return of 22.97 %	197171	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 8.31 %		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	1055554	0

Part III Funding percentages

14	Funding target attainment percentage	14	87.43 %
15	Adjusted funding target attainment percentage	15	87.43 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.69 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/14/2010	122482	0			
01/14/2010	589018	0			
11/18/2010	9963550	0			
11/19/2010	7253125	0			
11/22/2010	2744400	0			
			Totals ► 18(b)	20672575	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	19552094

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.03 %	6.73 %	6.82 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	64

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment		☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**	1257920

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	11160173	1974597
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**	3232517

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	1055554		1055554

36 Additional cash requirement (item 34 minus item 35)	**36**	2176963
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	19552094
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	17375131
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
SAKS FIFTH AVENUE PENSION PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY

D Employer Identification Number (EIN)
13-1256625

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

RUSSELL TRUST COMPANY

91-1117282

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	PARTY IN INTEREST	637349	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

PBGC INSURANCE

52-1042410

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19	NONE	471172	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

WILLIAM M. MERCER

13-2834444

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARY	266040	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

MCDERMOTT WILL & EMERY

36-1453176

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	54971	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

BAKER DONELSON

62-1047356

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	11588	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
SAKS FIFTH AVENUE PENSION PLAN

B Three-digit plan number (PN) ▶ 003

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY

D Employer Identification Number (EIN)
13-1256625

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL EMERGING MARKETS FUND

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
91-1117282-010	C	6453181

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL EQUITY I FUND

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
91-1117282-003	C	19342690

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL EQUITY II FUND

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
91-1117282-006	C	3823988

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL REAL ESTATE EQUITY FUND

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
91-1117282-008	C	5620122

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL MULTI-MANAGER BOND FUND

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
91-1117282-038	C	38557623

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL INT'L EQUITY W ACT CURRENCY

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
35-2268857-001	C	20552186

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL WORLD EQUITY FUN

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
91-1117282-046	C	10253948

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL ENHANCED INDEX U.S. EQUITY

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN 91-1117282-056	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10242402

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL LONG DURATION FIXED INC FUN

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN 91-1117282-044	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6550251

a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL LONG CREDIT FIXED INC FUND

b Name of sponsor of entity listed in (a): RUSSELL TRUST COMPANY

c EIN-PN 26-6609096-002	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6538053

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
SAKS FIFTH AVENUE PENSION PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY

D Employer Identification Number (EIN)
13-1256625

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	446742	440339
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	106282835	127934444
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	106729577	128374783
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	205424	186029
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	205424	186029
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	106524153	128188754

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	711500	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)	19961075	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		20672575
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	20070358	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	20014064	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		56294

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		14599426
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		17890
d Total income. Add all **income** amounts in column (b) and enter total	2d		35346185
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	12240464	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		12240464
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	332599	
(2) Contract administrator fees	2i(2)	637349	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	471172	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1441120
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		13681584
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		21664601
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS LLP (2) EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l	X		1
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
SAKS FIFTH AVENUE PENSION PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
SAKS & COMPANY

D Employer Identification Number (EIN)
13-1256625

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-3581074

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 357

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 63.4% Investment-Grade Debt: 28.4% High-Yield Debt: 3.6% Real Estate: 4.6% Other: 0.0%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Saks Fifth Avenue
Pension Plan

Financial Statements and Supplemental Schedules
December 31, 2010 and 2009

Saks Fifth Avenue Pension Plan
Index
December 31, 2010 and 2009

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Report of Independent Auditors 1

Financial Statements

Statements of Net Assets Available for Benefits
December 31, 2010 and 2009 2

Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2010 3

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Supplemental Schedules

Schedule H, line 4(i) – Schedule of Assets (Held at End of Year)
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Schedule H, line 4(j) – Schedule of Reportable Transactions
Year ended December 31, 2010 14

Note: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Auditors

To the Participants and Administrator of
Saks Fifth Avenue Pension Plan

We were engaged to audit the financial statements and supplemental schedules of the Saks Fifth Avenue Pension Plan (the "Plan") at December 31, 2010 and 2009, and for the year ended December 31, 2010, as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Russell Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

PricewaterhouseCoopers LLP

Birmingham, Alabama
October 17, 2011

Saks Fifth Avenue Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2010 and 2009

	December 31,	
	2010	2009
Assets		
Investments, at fair value:		
Common/collective trust funds	$ 127,934,444	$ 106,282,835
Total investments	127,934,444	106,282,835
Receivable for securities sold	440,339	446,742
Total assets	128,374,783	106,729,577
Liabilities and Net Assets Available for Benefits		
Administrative expenses payable	186,029	205,424
Total liabilities	186,029	205,424
Net assets available for benefits	$ 128,188,754	$ 106,524,153

The accompanying notes are an integral part of these financial statements.

Saks Fifth Avenue Pension Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2010

	2010
Additions	
Employer contributions:	
Cash contributions	$ 711,500
Non-cash contributions	19,961,075
Total contributions	20,672,575
Net appreciation in fair value of investments:	
Common/collective trust funds	14,599,426
Common stock	56,294
Total appreciation in the fair value of investments	14,655,720
Other income	17,890
Total additions	35,346,185
Deductions	
Benefits paid to participants	12,240,464
Administrative expenses	1,441,120
Total deductions	13,681,584
Net increase	21,664,601
Net assets available for benefits, beginning of year	106,524,153
Net assets available for benefits, end of year	$ 128,188,754

The accompanying notes are an integral part of these financial statements.

1. Description of the Plan

The following description of the Saks Fifth Avenue Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a non-contributory defined benefit cash balance pension plan covering certain employees of Saks & Company, a subsidiary of Saks Incorporated (the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Plan Administrator and Trustee

The Plan is sponsored by Saks & Company. The Retirement Committee was appointed by the Board of Directors of the Company to be the Plan's administrator and to oversee the investment of the Plan's assets. Russell Trust Company (the "Trustee") serves as the trustee of the Plan and State Street Corporation is the custodian of the Plan's assets.

Participation

Eligible employees become participants of the Plan when they have attained age 21 and completed one year of eligible service, which is defined by the Plan to be a plan year in which an employee completes 1,000 hours of service. Commencement of employment on or after May 1, 2002 excludes an employee from participation in the Plan. All employees of Saks & Company employed prior to May 1, 2002 are considered eligible for participation except for: (1) non-resident aliens with no U.S. source of income; (2) employees covered by a collective bargaining agreement that does not provide for participation in the Plan; (3) "leased" employees, unless participation of such employees is necessary for the Plan to remain qualified under the Internal Revenue Code (the "Code"); and (4) employees participating in another defined benefit plan maintained by the Company.

Pension Benefits

The Plan maintains hypothetical accounts for each Plan participant to which the following are allocated: (1) opening balance equal to a participant's accrued benefit as of December 31, 1997; (2) annual benefit credits equal to a percentage of a participant's eligible compensation for that plan year; and (3) annual interest credits. For plan years 1998 through 2001, the percentage used to determine the annual benefit credit is based on years of vesting service, as defined by the Plan. Effective May 1, 2002, for plan year 2002 and after, the annual benefit credit is equal to 2.00% of eligible compensation for that plan year. For purposes of calculating the annual benefit credit, eligible compensation is limited in accordance with the Code. The annual interest credit is determined based on the 3-year Treasury rate as of the last day of the preceding plan year, subject to a minimum rate of 4.75% per year, applied to the participant's account balance as of the first day of the plan year. The interest rate used in determining the annual interest credit for plan year ending December 31, 2010 was 4.75%.

Effective January 1, 2007, the accrued benefits for all participants, except certain participants who as of December 31, 2006 had attained age 55, completed 10 years of vesting service, as defined by the Plan, and who are not considered to be highly compensated employees ("Grandfathered Participants"), were frozen and no further benefit credits would accrue under the Plan. Effective March 13, 2009, the accrued benefits for Grandfathered Participants were frozen. No further benefit credits would accrue for any participants of the Plan after March 13, 2009. All participants continue to accrue interest credits.

Vesting and Payment of Benefits
Participants in the Plan become fully vested in their benefits under the Plan upon attainment of normal retirement age, as defined by the Plan, or upon completion of three years of vesting service. Prior to January 1, 2008, participants became fully vested in their benefits upon completion of five years of vesting service. For the purposes of vesting, a year of service is defined by the Plan to be a plan year during which the participant completed at least 1,000 hours of service. Normal retirement age is defined by the Plan to be the later of: (a) age 65, and (b) the earlier of the date on which five years of vested service is completed or the fifth anniversary of the date the employee becomes a participant in the Plan.

Participants may elect early retirement at the earlier of, the date the participant reaches age 55 if they have completed ten years of vesting service, or the age at which their age combined with their years of vesting service is at least 65, provided they have completed at least three years of vesting service. Participants may also elect late retirement and continue employment beyond the normal retirement age. The participant's benefit would be adjusted accordingly based on the later termination date.

Benefits commence within 90 days following retirement. Benefits are normally paid monthly in the form of a single-life annuity, or for married participants in the form of a joint and 50% survivor annuity. Other forms of payment available to participants, subject to spousal consent in the case of married participants, include a joint and 75% survivor annuity, or a life and 10-year certain annuity. Effective January 1, 1998, participants could also elect to receive their benefits as lump sum distributions.

Forfeitures
Participants who terminate employment, but have not become fully vested, forfeit their unvested benefits. In accordance with the Plan document, forfeitures are used to reduce the cost of the Plan to the Company.

Administrative Expenses
Expenses incurred with respect to the administration of the Plan are paid from the assets of the Plan to the extent allowed under ERISA. To the extent such expenses are not paid by the Plan, they are paid by the Company. Administrative expenses of $1,441,120 were incurred by the Plan for the year ended December 31, 2010.

Subsequent Events
Management has evaluated subsequent events for potential disclosure in or adjustment to the financial statements through October 17, 2011, the date the accompanying financial statements were issued. Based on such evaluation, no events have occurred that in the opinion of management warrant disclosure or adjustment to the financial statements.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

New Accounting Pronouncements
In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2010-06, *Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"), which requires additional disclosures of the transfers into and out of Level 1 and Level 2 fair value measurements and clarifies existing disclosure requirements regarding the level of disaggregation and the inputs and valuation techniques used to measure fair value. The Plan adopted these provisions of ASU 2010-06 effective January 1, 2010. The adoption did not have a material impact on the financial statements. ASU 2010-06 also added requirements to separately present information about purchases, sales, issuances, and settlements (i.e., on a gross basis rather than on a net basis) in the reconciliation of Level 3 fair value measurements. This portion of ASU 2010-06 is effective for fiscal years beginning after December 15, 2010. The Plan does not expect the adoption of this portion of ASU 2010-06 to have a material impact on the financial statements.

In May 2011, the FASB issued Accounting Standards Update No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* ("ASU 2011-04"), which amends the existing fair value guidance to improve consistency in the application and disclosure of fair value measurements in U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 provides certain clarifications to the existing guidance, changes certain fair value principles, and enhances disclosure requirements. ASU 2011-04 is effective for interim and annual periods beginning after December 15, 2011 and is to be applied prospectively. The Plan does not expect the adoption of ASU 2011-04 to have a material impact on the financial statements.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. See Note 6, *Fair Value Measurements*, for further discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

The Plan's investment strategy is to maintain a diversified portfolio of asset classes with the primary goal of ensuring that funds are available to meet the Plan's benefit obligations as they become due. The common/collective trust funds employ a multi-advisor investment approach whereby portions of the funds are allocated to different money managers who employ distinct investment styles to provide returns to meet the Plan's overall investment objectives. Common/collective trust funds have various procedures regarding liquidity, which may include advance notification requirements and specific periodic dates for providing such liquidity. The Russell Real Estate Equity Fund has certain restrictions whereby the Trustee may reserve the right to limit the portion of an investment that may be redeemed at any one time, either by an individual investor or in the aggregate by all such investors of the fund. The Russell Real Estate Equity Fund allows for transactions on a quarterly basis and requires advance notification of 110 calendar days. The Russell Long Credit Fixed Income Fund allows for transactions on a monthly basis and requires advance notification of 4 business days. The Russell Long Duration Fixed Income Fund allows for transactions on a daily basis and requires advance notification of 4 business days. The other common/collective trust funds in which the Plan invests do not have restrictions on redemption frequency, nor do they have advance notification requirements.

Payment of Benefits
Benefit payments to participants are recorded upon distribution.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to: (a) retired or terminated participants or their beneficiaries; (b) beneficiaries of participants who have died; and (c) present participants or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to participant service rendered to the valuation date.

The actuarial present value of accumulated plan benefits (see Note 4) is determined by the Plan's independent actuary, Mercer, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts of interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial methods and assumptions used in the valuations as of January 1, 2011 and 2010 are as follows:

Actuarial cost method	Traditional Unit Credit method.
Discount rate	7.50% for January 1, 2011 and 8.00% for January 1, 2010.
Interest rate for cash balance accounts	5.00% per annum at January 1, 2011 and 2010.
Life expectancy of participants	The mortality tables were updated from the 2010 PPA Separate Static Annuitant and Non-Annuitant mortality tables used at January 1, 2010 to the 2011 PPA Separate Static Annuitant and Non-Annuitant mortality tables used at January 1, 2011.
Employee turnover	At assumed annual rates during the first five years of employment, ranging from 0.200 to 0.450 for January 1, 2011 and 2010. After the first five years of employment, assumed turnover rates are based on attained age ranging from 0.060 to 0.160 for January 1, 2011 and 2010.
Retirement age	Employees were assumed to retire in accordance with the following assumptions in the January 1, 2011 and 2010 plan year valuations:

Age	Rate of Retirement
55	0.060
56-59	0.050
60-61	0.060
62-64	0.100
65	0.250
66-74	0.150
75	1.000

Vested terminated participants are assumed to start receiving benefit payments at age 61.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

3. Funding Policy

The Plan is funded solely through contributions by the Company. The Company makes contributions, which are determined on an actuarial basis, as necessary to provide the Plan with sufficient assets to provide for benefits to be paid to participants. The Plan contributes amounts at least sufficient to satisfy the minimum funding requirements of ERISA and Section 430 of the Code. For ERISA funding purposes, the actuarial cost method employed is the traditional unit credit method.

During the year ended December 31, 2010, the Company made cash contributions totaling $711,500. In November 2010, the Company voluntarily contributed 1,755,000 newly issued shares of the Company's common stock with a fair value of $19,961,075. As required by the Plan's investment policy, the shares were sold in an orderly manner as soon as practicable after the contribution was made. As of December 31, 2010, no assets of the Plan were invested in the Company's common stock.

The Company's contributions have met the minimum funding requirements of ERISA for the year ended December 31, 2010.

4. Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits as of January 1, 2011 and 2010 (the benefit information dates utilized for the plan years ending December 31, 2010 and 2009, respectively) are as follows:

	2010	2009
Vested benefits:		
Participants currently receiving benefits	$ 36,378,770	$ 36,199,418
Other vested participants	86,645,092	86,622,170
Total vested benefits	123,023,862	122,821,588
Non-vested benefits	28,368	8,877
Actuarial present value of accumulated plan benefits	$ 123,052,230	$ 122,830,465

The changes in the actuarial present value of accumulated plan benefits are as follows:

	2010
Actuarial present value of accumulated plan benefits at January 1, 2010	$ 122,830,465
Increase (decrease) during the year attributable to:	
Benefits accumulated and (gains) losses	(1,893,873)
Benefits paid to participants	(12,240,464)
Increase for interest due to decrease in discount period	9,336,819
Change in actuarial assumptions & plan provisions	5,019,283
Actuarial present value of accumulated plan benefits at January 1, 2011	$ 123,052,230

The actuarial present value of accumulated plan benefits at December 31, 2010 and 2009 was developed using actuarial valuations as of January 1, 2011 and 2010, respectively (the benefit information dates). The differences between the December 31, 2010 and 2009 and January 1, 2011 and 2010 valuations were not considered material.

5. Information Certified by the Trustee

The investment information, including the net appreciation in the fair value investments, receivable for securities sold and other income, presented in this Note 5 and the Supplemental Schedules was compiled from information that was certified as complete and accurate by the Trustee and was not subject to auditing procedures by the Plan's independent auditor as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Amounts certified by the Trustee as of December 31, 2010 and 2009 are as follows:

	2010		2009	
Investments, at fair value:				
Russell Equity I Fund	$ 19,342,690	*	$ 42,816,879	*
Russell Equity II Fund	3,823,988		5,142,163	
Russell Multi-Manager Bond Fund	38,557,623	*	32,081,982	*
Russell International Equity Fund with Active Currency	20,552,186	*	19,314,403	*
Russell Real Estate Equity Fund	5,620,122		4,878,368	
Russell Emerging Markets Fund	6,453,181	*	2,049,040	
Russell World Equity Fund	10,253,948	*	-	
Russell Enhanced Index U.S. Equity Fund	10,242,402	*	-	
Russell Long Duration Fixed Income Fund	6,550,251	*	-	
Russell Long Credit Fixed Income Fund	6,538,053	*	-	
	$ 127,934,444		$ 106,282,835	
Receivable for securities sold	$ 440,339		$ 446,742	

* Investment exceeds five percent of the net assets available for benefits in the period presented.

Amounts certified by the Trustee for the year ended December 31, 2010, including the net appreciation in the fair value of investments purchased and sold, as well as those held during the year, are as follows:

	2010
Common/collective trust funds	$ 14,599,426
Common stock	56,294
Net appreciation in the fair value of investments	$ 14,655,720
Other income	$ 17,890

6. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The Plan classifies its investments under the fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Unadjusted quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Prices or valuation techniques that require inputs that are unobservable (i.e., inputs reflecting the reporting entity's own assumptions) and significant to the fair value measurement.

There have been no changes in the valuation techniques used as of December 31, 2010 and 2009. Investments in common/collective trust funds are valued at the net asset value per unit as determined by the Trustee on each valuation date, without further adjustment as a practical expedient permitted under U.S. GAAP. The net asset value per unit is determined by the Trustee based on the fair values of the underlying assets. Underlying assets that are traded on national securities exchanges are valued based on the last reported sale or settlement price for each such security on the valuation date. Underlying assets that are not traded in public markets or for which quoted prices are not readily available are valued based on broker/dealer quotes or valuation estimates from internal pricing models, which utilize inputs that are primarily observable.

The following tables set forth, by level within the fair value hierarchy, the Plan's financial assets that are measured at fair value on a recurring basis as of December 31, 2010 and 2009:

	December 31, 2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Common/collective trust funds:				
Domestic equity	$ -	$ 33,409,080	$ -	$ 33,409,080
International & global equity	-	37,259,315	-	37,259,315
Fixed income	-	51,645,927	-	51,645,927
Real estate	-	-	5,620,122	5,620,122
Total	$ -	$ 122,314,322	$ 5,620,122	$ 127,934,444

	December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Common/collective trust funds:				
Domestic equity	$ -	$ 47,959,042	$ -	$ 47,959,042
International & global equity	-	21,363,443	-	21,363,443
Fixed income	-	32,081,982	-	32,081,982
Real estate	-	-	4,878,368	4,878,368
Total	$ -	$ 101,404,467	$ 4,878,368	$ 106,282,835

There were no transfers between the levels within the fair value hierarchy during the year ended December 31, 2010. The following table summarizes changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2010:

	Real Estate Fund
Balance at December 31, 2009	$ 4,878,368
Transfers in (out) of Level 3	-
Realized gains (losses)	-
Unrealized gains relating to assets still held at the reporting date*	741,754
Purchases, sales, issurances and settlements, net	-
Balance at December 31, 2010	$ 5,620,122

* Included within net appreciation in fair value of investments on the Statement of Changes in Net Assets Available for Benefits

7. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risks. The Plan limits its exposure to credit risk by diversifying its investments and monitoring the credit ratings of such investments. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

8. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan, subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
2. Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations (discussed below).
3. All other vested benefits (that is, vested benefits not insured by the PBGC).
4. All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits

under the Plan, and the amount of benefits protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2010 and 2009 the statutory ceiling was $4,500 per month. The ceiling applies to those participants who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward. Benefit improvements may not be fully granted even though the total benefit entitlements fall below the aforementioned ceilings.

Whether all participants receive their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

9. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated August 10, 2007, that the Plan is designed in accordance with applicable sections of the Code and is qualified as tax-exempt. The Plan has been amended since receiving the determination letter. In January 2011, the Plan filed for a new determination letter but has not yet received a response from the IRS. However, the Company believes that the Plan remains in compliance with the applicable requirements of the Code, and that the Plan continues to be tax-exempt. Therefore, no provision for income taxes or uncertain tax positions has been included in the financial statements. The Plan is no longer subject to tax examinations for years prior to 2007.

10. Party-in-Interest Transactions

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan (i.e., parties-in-interest). As the Plan sponsor, the Company is considered a party-in-interest with respect to the Plan. In November 2010, the Company voluntarily contributed 1,755,000 newly issued shares of the Company's common stock with a fair value of $19,961,075. As required by the Plan's investment policy, the shares were sold in an orderly manner as soon as practicable after the contribution was made. The Plan recognized a gain of $56,294 as a result of these transactions. As of December 31, 2010, no assets of the Plan were invested in the Company's common stock.

State Street Corporation is the custodian of the Plan's assets and is considered a party-in-interest with respect the Plan. In connection with the aforementioned transactions, the Plan engaged State Street Corporation to sell the shares of common stock on its behalf. Commissions and fees paid to State Street Corporation related to these transactions were $52,989.

Russell Trust Company serves as the trustee of the Plan and is considered a party-in-interest with respect to the Plan. The Plan invests in common/collective trust funds that are managed by Russell Trust Company. Transactions in these funds qualify as exempt party-in-interest transactions. For the year ended December 31, 2010, expenses incurred for services rendered by Russell Trust Company totaled $637,349. Fees payable to Russell Trust Company as of December 31, 2010 and 2009 were $157,753 and $165,860, respectively.

Supplemental Schedules

Saks Fifth Avenue Pension Plan
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
December 31, 2010

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
*	Russell Equity I Fund	Common/collective trust fund	$ 13,869,314	$ 19,342,690
*	Russell Equity II Fund	Common/collective trust fund	2,174,643	3,823,988
*	Russell Multi-Manager Bond Fund	Common/collective trust fund	32,736,421	38,557,623
*	Russell International Equity Fund with Active Currency	Common/collective trust fund	20,909,281	20,552,186
*	Russell Real Estate Equity Fund	Common/collective trust fund	4,474,561	5,620,122
*	Russell Emerging Markets Fund	Common/collective trust fund	4,898,185	6,453,181
*	Russell World Equity Fund	Common/collective trust fund	10,222,686	10,253,948
*	Russell Enhanced Index U.S. Equity Fund	Common/collective trust fund	10,222,686	10,242,402
*	Russell Long Duration Fixed Income Fund	Common/collective trust fund	6,389,179	6,550,251
*	Russell Long Credit Fixed Income Fund	Common/collective trust fund	6,389,179	6,538,053
			$ 112,286,135	$ 127,934,444

* Party-in-interest with respect to the Plan

NOTE: The information on this schedule has been certified as complete and accurate by Russell Trust Company, the Trustee.

Saks Fifth Avenue Pension Plan
Schedule H, line 4j - Schedule of Reportable Transactions
Year Ended December 31, 2010

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(f) Expenses incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
(i) Single transactions in excess of 5% of plan assets:							
Saks Incorporated	Saks Incorporated Common Stock	$ 9,963,550			$ 9,963,550	$ 9,963,550	
Saks Incorporated	Saks Incorporated Common Stock	$ 7,253,125			$ 7,253,125	$ 7,253,125	
--	Saks Incorporated Common Stock		$ 5,395,317	$ 14,006	$ 5,270,939	$ 5,395,317	$ 110,372
--	Saks Incorporated Common Stock		$ 5,455,611	$ 14,410	$ 5,429,845	$ 5,455,611	$ 11,356
--	Saks Incorporated Common Stock		$ 6,287,937	$ 16,687	$ 6,288,332	$ 6,287,937	$ (17,082)
Russell Trust Company	Russell Equity I Fund		$ 33,120,716	$ -	$ 23,758,751	$ 33,120,716	$ 9,361,965
Russell Trust Company	Russell World Equity Fund	$ 10,222,686				$ 10,222,686	
Russell Trust Company	Russell Enhanced Index U.S. Equity Fund	$ 10,222,686				$ 10,222,686	
Russell Trust Company	Russell Long Duration Fixed Income Fund	$ 6,389,179				$ 6,389,179	
Russell Trust Company	Russell Long Credit Fixed Income Fund	$ 6,389,179				$ 6,389,179	
(iii) Series of transactions in the same security in excess of 5% of plan assets:							
Saks Incorporated	Saks Incorporated Common Stock	$ 19,961,075			$ 19,961,075	$ 19,961,075	
--	Saks Incorporated Common Stock		$ 20,070,358	$ 52,989	$ 19,961,075	$ 20,070,358	$ 56,294
Russell Trust Company	Russell Equity I Fund	$ 7,598,777			$ 7,598,777	$ 7,598,777	
Russell Trust Company	Russell Equity I Fund		$ 37,695,800	$ -	$ 27,165,971	$ 37,695,800	$ 10,529,829
Russell Trust Company	Russell Multi-Manager Bond Fund	$ 8,714,606			$ 8,714,606	$ 8,714,606	
Russell Trust Company	Russell Multi-Manager Bond Fund		$ 5,465,415	$ -	$ 4,579,410	$ 5,465,415	$ 886,005
Russell Trust Company	Russell International Equity Fund with Active Currency	$ 4,147,500			$ 4,147,500	$ 4,147,500	
Russell Trust Company	Russell International Equity Fund with Active Currency		$ 4,691,162	$ -	$ 4,934,807	$ 4,691,162	$ (243,645)
(iv) Transactions with the same parties with whom there were single transactions in excess of 5% of plan assets:							
Saks Incorporated	Saks Incorporated Common Stock	$ 2,744,400			$ 2,744,400	$ 2,744,400	
--	Saks Incorporated Common Stock		$ 2,931,493	$ 7,886	$ 2,971,959	$ 2,931,493	$ (48,352)

NOTE: The information on this schedule has been certified as complete and accurate by Russell Trust Company, the Trustee.

Schedule SB, Line 26 — Schedule of Active Participant Data

Years of credited service										
Attained age	**Under 1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Up**
< 25										
25 - 29			16	3						
30 - 34			56 5,513	63 7,865						
35 - 39		6	52 6,461	121 9,462	20 13,734	4				
40 - 44		5	61 6,368	185 10,129	54 16,323	20 22,252				
45 - 49		5	71 5,611	204 11,372	106 16,643	62 20,831	21 27,402			
50 - 54		3	65 5,789	213 10,708	104 18,198	69 25,891	54 29,955	25 33,190		
55 - 59		4	75 5,558	201 11,853	92 20,548	51 28,083	31 35,144	28 47,187	18	
60 - 64		8	59 5,547	219 10,992	109 21,341	58 32,559	28 48,746	28 58,580	13	10
65 - 69		3	38 5,136	114 11,197	68 22,259	32 42,349	21 43,075	9	11	15
70+		7	33 5,616	74 11,172	58 32,705	24 56,522	14	7	3	5

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average account balance. Average account balance are not shown for cells with fewer than 20 participants.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial assumptions

Discount rate sponsor elections	
▪ Segment rates or full yield curve	Segment
▪ Look-back months	4
▪ 1st 5 years	5.03%
▪ Next 15 years	6.73%
▪ Over 20 years	6.82%
Mortality sponsor elections	
▪ All participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
417(e) lump sums	Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and current year 417(e) unisex mortality.
Cash balance plans	
▪ Interest accumulation rate	5.00%
▪ Whipsaw calculations	No
Other economic assumptions	
▪ Expected investment return	8.00% per year for years 2008 through 2010
▪ Expenses	$1,257,920 added to current year normal cost
Demographic assumptions	
Withdrawal	See table of sample rates.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Retirement age	**Attained age**	**Percentage**
	55	6.0%
	56	5.0
	57	5.0
	58	5.0
	59	5.0
	60	6.0
	61	6.0
	62	10.0
	63	10.0
	64	10.0
	65	25.0
	66	15.0
	67	15.0
	68	15.0
	69	15.0
	70	15.0
	71	15.0
	72	15.0
	73	15.0
	74	15.0
	75	100.0
Benefit commencement age for		
▪ Future vested deferred	Immediate	
▪ Current vested deferred	Immediate if have a cash balance account; else age 61.	
Form of payment		
▪ Active retirements	Lump sum	
▪ Future vested deferred	Lump sum	
▪ Future deaths	Lump sum	
▪ Current vested deferred	Life annuity if participant does not have a cash balance account; else, a lump sum.	
Unpredictable contingent event assumptions	Not applicable	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Table of sample rates

Rates during the first 5 years of employment are as follows:

Year of Employment	Rate
1	45.0%
2	35.0
3	25.0
4	20.0
5	20.0

Rates after the first 5 years of employment are as follows:

Age	Rate
25	16.0%
30	16.0
35	14.0
40	11.0
45	8.0
50	7.0
55	6.0

Actuarial methods

Asset methods

The asset valuation method is an annual average of the adjusted market value over the last 25 months preceding the valuation date. The adjusted market value is the market value at each determination date (calendar year end) adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding method

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Saks Fifth Avenue Pension Plan

Schedule H, line 4j - Schedule of Reportable Transactions

Year Ended December 31, 2010

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(f) Expenses incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
(i) Single transactions in excess of 5% of plan assets:							
Saks Incorporated	Saks Incorporated Common Stock	$ 9,963,550			$ 9,963,550	$ 9,963,550	
Saks Incorporated	Saks Incorporated Common Stock	$ 7,253,125			$ 7,253,125	$ 7,253,125	
--	Saks Incorporated Common Stock		$ 5,395,317	$ 14,006	$ 5,270,939	$ 5,395,317	$ 110,372
--	Saks Incorporated Common Stock		$ 5,455,611	$ 14,410	$ 5,429,845	$ 5,455,611	$ 11,356
--	Saks Incorporated Common Stock		$ 6,287,937	$ 16,687	$ 6,288,332	$ 6,287,937	$ (17,082)
Russell Trust Company	Russell Equity I Fund		$ 33,120,716	$ -	$ 23,758,751	$ 33,120,716	$ 9,361,965
Russell Trust Company	Russell World Equity Fund	$ 10,222,686				$ 10,222,686	
Russell Trust Company	Russell Enhanced Index U.S. Equity Fund	$ 10,222,686				$ 10,222,686	
Russell Trust Company	Russell Long Duration Fixed Income Fund	$ 6,389,179				$ 6,389,179	
Russell Trust Company	Russell Long Credit Fixed Income Fund	$ 6,389,179				$ 6,389,179	
(iii) Series of transactions in the same security in excess of 5% of plan assets:							
Saks Incorporated	Saks Incorporated Common Stock	$ 19,961,075			$ 19,961,075	$ 19,961,075	
--	Saks Incorporated Common Stock		$ 20,070,358	$ 52,989	$ 19,961,075	$ 20,070,358	$ 56,294
Russell Trust Company	Russell Equity I Fund	$ 7,598,777			$ 7,598,777	$ 7,598,777	
Russell Trust Company	Russell Equity I Fund		$ 37,695,800	$ -	$ 27,165,971	$ 37,695,800	$ 10,529,829
Russell Trust Company	Russell Multi-Manager Bond Fund	$ 8,714,606			$ 8,714,606	$ 8,714,606	
Russell Trust Company	Russell Multi-Manager Bond Fund		$ 5,465,415	$ -	$ 4,579,410	$ 5,465,415	$ 886,005
Russell Trust Company	Russell International Equity Fund with Active Currency	$ 4,147,500			$ 4,147,500	$ 4,147,500	
Russell Trust Company	Russell International Equity Fund with Active Currency		$ 4,691,162	$ -	$ 4,934,807	$ 4,691,162	$ (243,645)
(iv) Transactions with the same parties with whom there were single transactions in excess of 5% of plan assets:							
Saks Incorporated	Saks Incorporated Common Stock	$ 2,744,400			$ 2,744,400	$ 2,744,400	
--	Saks Incorporated Common Stock		$ 2,931,493	$ 7,886	$ 2,971,959	$ 2,931,493	$ (48,352)

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	2010 This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan	B Three-digit plan number (PN) ▶
Saks Fifth Avenue Pension Plan	003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)
Saks & Company	13-1256625

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2010

2	Assets:			
	a Market value		**2a**	106,729,585
	b Actuarial value		**2b**	115,035,965
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	1,420	39,582,401
	b For terminated vested participants	**3b**	2,756	36,648,837
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		98,147
	(2) Vested benefits	**3c(2)**		54,025,390
	(3) Total active	**3c(3)**	3,236	54,123,537
	d Total	**3d**	7,412	130,354,775
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.56 %
6	Target normal cost		**6**	1,257,920

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE Henry A. Erk III HAE — Signature of actuary — 6/29/2011 — Date

Henry A. Erk III — Type or print name of actuary — 11-02713 — Most recent enrollment number

Mercer — Firm name — (502)561-4500 — Telephone number (including area code)

462 South Fourth Street, Suite 1100

Louisville KY 40202-3415 — Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	3,214,455	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	2,356,072	0
9	Amount remaining (Item 7 minus item 8)	858,383	0
10	Interest on item 9 using prior year's actual return of 22.97%	197,171	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 8.31%		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	1,055,554	0

Part III Funding percentages

14	Funding target attainment percentage	14	87.43 %
15	Adjusted funding target attainment percentage	15	87.43 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.69 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/14/2010	122,482				
10/14/2010	589,018				
11/18/2010	9,963,550				
11/19/2010	7,253,125				
11/22/2010	2,744,400				
			Totals ► 18(b)	20,672,575	18(c) 0

19	Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	19,552,094

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.03 %	6.73 %	6.82 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	64

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment		☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)		**31**	1,257,920
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	11,160,173		1,974,597
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)		**34**	3,232,517
	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	1,055,554		1,055,554
36 Additional cash requirement (item 34 minus item 35)		**36**	2,176,963
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)		**37**	19,552,094
38 Interest-adjusted excess contributions for current year (see instructions)		**38**	17,375,131
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)		**39**	0
40 Unpaid minimum required contribution for all years		**40**	0

Saks Fifth Avenue Pension Plan

Schedule H, line 4l – Failure to Pay Benefits When Due Under the Plan
December 31, 2010

The Plan administrator recently discovered that the Plan failed to distribute certain required minimum distributions timely as required by IRC Section 401(a)(9). The amount of missed distributions is currently not available and is in the process of being calculated in conjunction with a filing under the Voluntary Correction Program (VCP). The VCP application will seek approval of late payment of the required distributions and a waiver of excise taxes due by affected Plan participants. Once the VCP application has been approved and the correction method determined, the Plan will calculate and pay the required minimum distributions with appropriate interest. The Plan administrator will then file an amended Form 5500 to reflect the amount of the missed required minimum distributions in line 4l.

Schedule SB, Part V — Summary of Plan Provisions

Plan provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective date and plan year	Original plan: July 2, 1990 Restated plan: April 1, 1998 Last amended: November 19, 2009 Plan year: January 1
Status of the plan	All pension benefits, accruals, credits, compensation and service are frozen at December 31, 2006 for non-grandfathered participants. For grandfathered participants, the freeze date is March 13, 2009.
Significant events that occurred during the year	None
Definitions	
▪ Covered employees and participation	An "employee" becomes a member following attainment of age 21 and completion of 12 months of employment during which 1000 hours is worked. An "employee" includes all employees of Saks Fifth Avenue except for (1) any nonresident alien with no U.S. source income, (2) any person covered by a collective bargaining agreement which does not provide for participation in the plan and (3) any leased employee. Notwithstanding the above, employees hired after April 30, 2002 are not eligible for the plan.
▪ Vesting service	Each year of service in which a participant completes 1000 hours of service.
▪ Compensation	Earnings are wages used for purposes of income tax withholding plus pre-tax contributions under IRC Sections 401(k) and 125 minus allowances, reimbursements, bonuses and incentive payments. Compensation shall not exceed the specified annual amount under IRC Section 401(a)(17).
▪ Accrued benefit	The accrued benefit is the benefit earned based on compensation and service through the date of termination.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement	
▪ Eligibility	Normal retirement age is the later of age 65 and the earlier of date on which 5 years of service are completed or the fifth anniversary of the date a person becomes a participant. However, if an employee was a participant in the BATUS Retail Group Pension Plan with at least 3 years of service as of January 1, 1989 and was employed by Saks Fifth Avenue on July 2, 1990, normal retirement age is 65.
▪ Benefit	A cash balance design with the following key provisions: Opening Account Balance: Based on accrued benefit as of December 31, 1997 Benefit Credits: Beginning in 1998, benefit credits were provided for each year of vesting service through 2001, based on the following schedule: Year of Vesting Service — Benefit Credit 1 - 2 — 2.0% 3 - 6 — 2.5 7 - 10 — 3.0 11 - 15 — 4.0 16 - 20 — 5.0 21 and over — 6.0 Effective for participants terminating employment on or after May 1, 2002, the benefit credit is 2.0% beginning with the 2002 plan year. Effective December 31, 2006, only those participants who are grandfathered will continue to accrue benefit credits after 2006. A grandfathered participant is an active participant who has attained age 55 and completed 10 years of service as of January 1, 2007 and is a non-highly compensated employee. Effective March 13, 2009, grandfathered participants no longer accrue benefits for periods after March 13, 2009. Interest Credits: Based on 3-year treasury rates but not less than 4.75%. Minimum Benefit: The benefit accrued as of March 31, 1998 under the prior plan design.

Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
▪ Eligibility	Early retirement age is the earlier of (1) age 55 with 10 years of service and (2) the age at which age plus service equals 65 with at least 5 years of service. Early retirement benefits cannot commence before age 55.
▪ Benefit	The benefit provided by the cash balance account or the minimum benefit, if greater. The minimum benefit is the accrued benefit as of March 31, 1998 reduced 1/2 of 1% for each of the first 60 months and 1/4 of 1% for each of the next 60 months that early retirement precedes age 65.
Late retirement	
▪ Eligibility	Termination of employment after normal retirement.
▪ Benefit	A member receives an immediate annual benefit equal to the accrued benefit as of late retirement date.
Deferred vested	
▪ Eligibility	After 5 years of vesting service; effective January 1, 2008 after 3 years of vesting service.
▪ Benefit	Accrued benefit.
Pre-retirement death	The vested balance of the cash balance account is payable to the beneficiary.
Unpredictable contingent event benefits	None.
Form of benefits	
▪ Automatic form for unmarried participants	Life annuity.
▪ Automatic form for married participants	Qualified joint and 50% survivor annuity.
▪ Optional forms	Options available to members who retire under the plan include: ▪ Life with 120 months guaranteed, ▪ Joint and 50% survivor, ▪ Joint and 75% survivor, ▪ Lump sum.

Schedule SB, Part V — Summary of Plan Provisions

▪ Optional form conversion factors	For conversions from a cash balance account to a life annuity and for conversion to optional monthly forms of payment, the GATT 2003 mortality table and the 30 year Treasury rate in effect for November preceding the plan year in which payment is made are used. For conversion of the March 31, 1998 accrued benefit to a lump sum, PPA mortality and interest rates equal to the 3-tiered minimum present value segment rate for the month of November immediately preceding the first day of the Plan Year during which the lump sum occurs and reflecting the appropriate phase-ins.
Miscellaneous	
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2010, the limit is $195,000 (unchanged from 2009).

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through Amendment #9, are included in this valuation.

- **Most recent plan amendments included:** Amendment #9 is included because it was adopted by the valuation date.
- **Plan amendments excluded:** None
- **Late retirement increases:**
  - *Active participants:* The plan continues to apply interest credits to the cash balance account for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases. Participants with a frozen accrued benefit as of March 31, 1998, are valued including a late retirement increase.
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age continue to accrue interest credits on their cash balance accounts. Participants with a frozen accrued benefit as of March 31, 1998, are valued including a late retirement increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Saks Fifth Avenue Pension Plan

Schedule H, line 4i - Schedule of Assets (Held at End of Year)

December 31, 2010

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
*	Russell Equity I Fund	Common/collective trust fund	$ 13,869,314	$ 19,342,690
*	Russell Equity II Fund	Common/collective trust fund	2,174,643	3,823,988
*	Russell Multi-Manager Bond Fund	Common/collective trust fund	32,736,421	38,557,623
*	Russell International Equity Fund with Active Currency	Common/collective trust fund	20,909,281	20,552,186
*	Russell Real Estate Equity Fund	Common/collective trust fund	4,474,561	5,620,122
*	Russell Emerging Markets Fund	Common/collective trust fund	4,898,185	6,453,181
*	Russell World Equity Fund	Common/collective trust fund	10,222,686	10,253,948
*	Russell Enhanced Index U.S. Equity Fund	Common/collective trust fund	10,222,686	10,242,402
*	Russell Long Duration Fixed Income Fund	Common/collective trust fund	6,389,179	6,550,251
*	Russell Long Credit Fixed Income Fund	Common/collective trust fund	6,389,179	6,538,053
			$ 112,286,135	$ 127,934,444

* Party-in-interest with respect to the Plan

Schedule SB, Line 32 — Schedule of Amortization Bases

The shortfall amortization charge is the sum of the shortfall base amortization for each plan year covered under PPA. Although a shortfall base can be negative, the combined shortfall amortization charge cannot be negative.

Shortfall bases

Year established	Outstanding balance	Years remaining	Installment
2009	4,459,656	6	846,953
2010	6,700,517	7	1,127,644
Total	$ 11,160,173		$ 1,974,597

Schedule SB, Line 24 — Change in Actuarial Assumptions

- Expense normal cost decreased from $1,403,229 to $1,257,920 to reflect our expectations for the current plan year.
- The retirement and turnover rates were changed to represent our best estimate of future expectations. No approval is required as the changes meet the requirements of IRC Section 430.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 64.

Age	Retirement Percent	Lx	# Ret	#Ret x Age
55	6.0%	10,000	600	33,000
56	5.0%	9,400	470	26,320
57	5.0%	8,930	447	25,451
58	5.0%	8,484	424	24,602
59	5.0%	8,059	403	23,775
60	6.0%	7,656	459	27,563
61	6.0%	7,197	432	26,341
62	10.0%	6,765	677	41,944
63	10.0%	6,089	609	38,358
64	10.0%	5,480	548	35,071
65	25.0%	4,932	1,233	80,142
66	15.0%	3,699	555	36,619
67	15.0%	3,144	472	31,597
68	15.0%	2,672	401	27,259
69	15.0%	2,272	341	23,511
70	15.0%	1,931	290	20,274
71	15.0%	1,641	246	17,479
72	15.0%	1,395	209	15,066
73	15.0%	1,186	178	12,984
74	15.0%	1,008	151	11,188
75	100.0%	857	857	64,254
		Sum	10,000	642,796
		Average Age		64.28

The weighted average retirement age is the total for the number of Retirements multiplied by age and divided by the total number of Retirements, rounded to the nearest age. It should be noted that while only integral values are shown in the table, the full content of each cell, including decimal portions, is used in the calculations.