



Exchange Fact Sheet 2017

Exchange Financials (FY 2016): Revenue: **\$8.3 B** > Earnings: **\$384 M** > Dividends: Army: **\$128 M** > Air Force: **\$76 M**
Marine Corps: **\$16 M** > Navy: **\$5 M** > Total: **\$225 M** > Dividend per active duty Airman & Soldier: **\$287**

Mission & Structure

Since 1895, the Army & Air Force Exchange Service's enduring mission has been to make the lives of Soldiers and Airmen better through the goods and services we offer. The Exchange goes where Soldiers, Airmen and their families go to improve their quality of life through retail goods and services.

The Exchange is the 56th largest retail organization in the U.S., achieving industry-leading earnings of 11.7 percent as a percentage of sales in 2016. Exchange earnings provide dividends to Quality-of-Life programs. The Exchange is part of the Department of Defense and is directed by a Board of Directors, responsible to the Secretaries of the Army and Air Force through the Chiefs of Staff.

Facilities Worldwide

The Exchange operates more than 2,700 facilities in 36 countries, 50 states, five U.S. territories (Guam, Puerto Rico, U.S. Virgin Islands, Northern Mariana Islands and American Samoa) and the District of Columbia. Facilities include 122 main stores, 166 Military Clothing stores, 500 convenience stores (troop stores, Express locations, Class Six outlets), 117 specialty stores and 76 theaters. The Exchange also operates approximately 1,750 quick-serve restaurants under licenses such as Subway, Boston Market and Starbucks. The Exchange also manages more than 3,600 concession operations. Further, the Exchange operates 47 contingency locations in Afghanistan, Kuwait, Iraq, Saudi Arabia, Jordan, Qatar, United Arab Emirates, Romania, Poland, Bulgaria, Bosnia and Kosovo.

Family Serving Family

The Exchange is a major employer of military families. About 85 percent of the Exchange's approximately 34,000 associates are connected to the military; 38 percent are Veterans; spouses; dependents; or active duty, Guard or Reserve personnel working part-time in Exchanges during their off-duty hours. In 2017, the Exchange was named a top Military Friendly Employer and a top Military Spouse Friendly Employer by Victory Media, publisher of G.I. Jobs and Military Spouse magazine. The Exchange has been named a Best for Vets employer four years running by Military Times.

Military & Family Support

When military members deploy to remote locations around the world, the Exchange is with them, offering products and services to bring troops a taste of home. Since 9/11, more than 4,600 Exchange associates have deployed. Other Exchange support last year included outfitting 1.1 million troops with combat uniforms, serving 3 million school lunches to their children and operating seven plants providing baked goods, bottled water and ice to overseas bases.

Self-Supporting

The Exchange funds 98 percent of its operating budget from the sale of goods and services. The remaining 2 percent of Exchange funding comes from appropriated funds; the vast majority of this support is devoted to transporting goods overseas to make American goods available to those serving abroad.

Our Vision

Be the preferred retail and services provider for the military family through extraordinary customer experiences and value pricing.

Who We Serve

The Exchange not only supports active-duty service members, but also military retirees and families. In fact, 54 percent of the Exchange's 12.9 million customers are military family members; 19 percent are retirees; 11 percent are active duty military; 9 percent are Guardsman/Reservists and 7 percent are civilians. This Veterans Day, the Exchange welcomed home all honorably discharged Veterans with a lifelong online exchange shopping benefit, marking the first time the Department of Defense has expanded exchange shopping privileges in nearly three decades.

Sales & Dividends

One hundred percent of Exchange earnings support the military community. Roughly two-thirds support Quality-of-Life programs critical to maintaining force readiness and resiliency, including Army Child Development Centers, Youth Services and fitness centers, Air Force Outdoor Recreation and more. In the past 10 years (2006-2016), the Exchange distributed more than \$2.4 billion to these programs. All remaining earnings are reinvested to enhance the customer experience. Examples include new and renovated stores, delivery of Warfighters' uniforms and serving affordable school lunches for service members' children overseas.

eCommerce

The Exchange offers products in every category and the same national brand merchandise found in brick-and-mortar stores at ShopMyExchange.com. The Exchange's online assortment is updated continually, offering convenience for those who don't live near a military installation. There are millions of items available online from the world's largest exchange. Online shoppers pay no sales tax and enjoy free delivery when using a MILITARY STAR card or when their online purchases total \$49 or more.

Exchange Credit Program

The Exchange also operates and funds the Exchange Credit Program (ECP), which offers responsible credit solutions to Soldiers, Sailors, Marines, Airmen and Reservists. Established by Congress in 1979 to protect service members from predatory lending, ECP funds and operates the MILITARY STAR® card for approximately 2 million cardholders from all branches of service. In 2016, the MILITARY STAR card was recognized by CreditCards.com for having the lowest flat interest rate among cards offered by America's Top 100 retailers. The MILITARY STAR card is accepted at all exchange locations worldwide including the Navy, Marine Corps and Coast Guard exchanges. Starting in 2017, the MILITARY STAR is also accepted at all 240 Defense Commissary Agency locations.

MILITARY STAR earnings are part of the overall Exchange earnings returned to the community to fund Quality-of-Life programs. Since MILITARY STAR card transactions are processed in-house, costly merchant and bank fees are avoided, allowing the Exchange Credit Program to return an even greater amount to the military community.