

ARMY & AIR FORCE EXCHANGE SERVICE DIRECTOR/CEO NEWSLETTER

June 2018

Setting The Standard for Efficient Delivery of Hard-Earned Benefits

The Exchange has undergone a significant transformation since 2012 through a sustained focus on proven commercial business disciplines to strengthen the benefit the organization has been honored to provide service members and their families for 122 years. Improvements over the last six years include:

- Doubled profitability from 3.2% to 5.9% (unprecedented in the retail industry)
- Reduced workforce by 7,000 positions (from 42,000 to 35,000)
- Intensified supply chain costs by \$200 million annually
- Expanded key businesses such as theaters, concessions and convenience store operations
- Invested in an improved e-commerce platform, resulting in a sales increase of 60 percent from Veterans Day through May 5 compared to the same period last year.
- Extended online shopping benefits to all honorably discharged Veterans
- Expanded acceptance of the MILITARY STAR CARD to all commissaries

Today, the Exchange bests Amazon and Wal-Mart in the key metric of converting sales to cash, maximizing support to the military community. These funds allow the Exchange to:

- Set up shop in combat operations and contingency locations
- Outfit 1.1M combat uniforms annually at cost
- Serve 2.6M dependent school lunches below cost each year
- Offer career opportunities for military families including spouses, veterans, wounded warriors and retirees
- Support child development centers, fitness centers, youth programs and more

Funding quality-of-life programs for military families is foundational to readiness. Our team stands ready to build upon the successes the Exchange has achieved to optimize support for the broader military community.



Soldier For Life!



Veteran For Life!

Tom Shull
Director/CEO

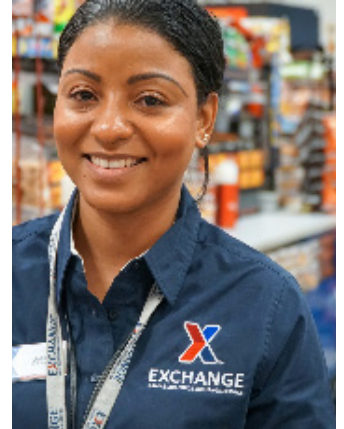
50,000 Veterans and Military Spouses by 2020

The Exchange is reaffirming its commitment to hiring 50,000 Veterans and military spouses by 2020.

The Exchange was recently named a 2018 Top 10 Military Friendly Employer® and Military Spouse Friendly Employer® by Victory Media. Since 2010, the Exchange has hired more than 1,100 Wounded Warriors.

The announcement comes as the Exchange began serving honorably discharged Veterans through a lifelong online military exchange shopping benefit. All who served honorably receive military-exclusive pricing and tax-free shopping at ShopMyExchange.com. Eligibility to shop can be verified at ShopMyExchange.com/Veterans or VetVerify.org.

Veterans, military spouses and others seeking employment with the Exchange can visit ApplyMyExchange.com to view job opportunities worldwide.



BE FIT Approved

Healthier Choice items and tags are now positioned throughout Exchange main stores and Expresses to make identifying better-for-you products easier. This signage highlights BE FIT approved products. Nearly 400 items are now BE FIT approved, including fresh fruit, yogurt, hard-boiled eggs, trail mix and nuts, tuna, grass-fed meat snacks and jerky, veggie chips, frozen entrees, bottled water, and more. Visit your Exchange or ShopMyExchange.com/BeFit to find out more about Healthier Choices of the Exchange.

