

**ADJUSTING RATES OF EXCHANGE FOR "FOREIGN CURRENCY FLUCTUATIONS, DEFENSE,"
"FOREIGN CURRENCY FLUCTUATIONS, CONSTRUCTION" AND
"DEFENSE MILITARY CONSTRUCTION AND FAMILY HOUSING"
For Month Ended 12/31/06**

COUNTRY	MONETARY UNIT	O&M (DOD) FY 2007 BUDGET RATE		MILCON & FH FY 2007 BUDGET RATE		ADJUSTING RATE **	
		U.S. DOLLARS FOR ONE UNIT OF FOREIGN CURRENCY	UNITS OF FOREIGN FOR ONE U.S. DOLLAR	U.S. DOLLARS FOR ONE UNIT OF FOREIGN CURRENCY	UNITS OF FOREIGN FOR ONE U.S. DOLLAR	ADJUSTING RATE (IN U.S. DOLLARS)	ADJUSTING RATE (IN FOREIGN CURRENCY)
DENMARK	KRONE	0.1545356	6.4710	0.1545356	6.4710	0.1770570	5.6479
EUROPEAN UNION*	EURO	1.1723329	0.8530	1.1723329	0.8530	1.3197000	0.7577
ICELAND	KRONA	0.0135002	74.0730	0.0135002	74.0730	0.0140905	70.9700
JAPAN	YEN	0.0088261	113.3000	0.0088261	113.3000	0.0084019	119.0200
NORWAY	KRONE	0.1477541	6.7680	0.1477541	6.7680	0.1605471	6.2287
SINGAPORE	DOLLAR	0.5868545	1.7040	0.5868545	1.7040	0.6519755	1.5338
SOUTH KOREA	WON	0.0008688	1151.0000	0.0008688	1151.0000	0.0010753	930.0000
TURKEY	LIRA	0.6703235	1.4918	0.6703235	1.4918	0.7055591	1.4173
UNITED KINGDOM	POUND	1.7391304	0.5750	1.7391304	0.5750	1.9585991	0.5106

*On January 1, 1999, the euro became the official currency of 11 member states of the European Union with a fixed conversion rate against their national currencies. The euro was adopted by Greece on January 1, 2001. The value of the euro fluctuates according to market conditions against the dollar and all other currencies. Euro notes and coins were introduced to replace national notes and coins on January 1, 2002. The above foreign currency budget rates are based on PBD 660, dated December 9, 2002. **Adjusting exchange rates for the individual euro-area currencies are no longer provided. Use the fixed conversion rates as follows: 1 Euro = 40.3399 Belgian Francs, 6.55957 French Francs, 1.95583 German Marks, 1936.27 Italian Lire, 2.20371 Netherlands Guilders, 200.482 Portuguese Escudos, 166.386 Spanish Pesetas, 340.750 Greek Drachmas.

***On January 31, 2004, the Government of Turkey passed a law to redenominate its currency from the Turkey Lira (TL) to the New Turkey Lira (YTL). Starting January 1, 2005, Turkey will be dropping six zeros off of the Turkey Lira (TL). This means that 1 million TL will now be equal to 1.0 YTL. To coincide with the change, Turkey will issue new currency. Both the new and old currency will be in circulation for all of 2005. The old currency will no longer be valid after December 31, 2005.