

**ADJUSTING RATES OF EXCHANGE FOR "FOREIGN CURRENCY FLUCTUATIONS, DEFENSE,"
"FOREIGN CURRENCY FLUCTUATIONS, CONSTRUCTION" AND
"DEFENSE MILITARY CONSTRUCTION AND FAMILY HOUSING"
For Month Ended 08/31/06**

COUNTRY	MONETARY UNIT	O&M (DOD)		MILCON & FH		ADJUSTING RATE **	
		FY 2006 BUDGET RATE		FY 2006 BUDGET RATE		ADJUSTING RATE (IN U.S. DOLLARS)	ADJUSTING RATE (IN FOREIGN CURRENCY)
		U.S. DOLLARS FOR ONE UNIT OF FOREIGN CURRENCY	UNITS OF FOREIGN CURRENCY FOR ONE U.S. DOLLAR	U.S. DOLLARS FOR ONE FOREIGN CURRENCY	UNITS OF FOREIGN CURRENCY FOR ONE U.S. DOLLAR		
BELGIUM	FRANC	0.0240346	41.6066	0.0240346	41.6066		
DENMARK	KRONE	0.1661958	6.0170	0.1661958	6.0170	0.1722801	5.8045
EUROPEAN UNION*	EURO	1.1383039	0.8785	1.1383039	0.8785	1.2851819	0.7781
FRANCE	FRANC	0.1478087	6.7655	0.1478087	6.7655		
GERMANY	DEUTSCHE MARK	0.4957367	2.0172	0.4957367	2.0172		
GREECE	DRACHMA	0.0028454	351.4496	0.0028454	351.4496		
ICELAND	KRONA	0.0121656	82.1990	0.0121656	82.1990	0.0144927	69.0001
ITALY	LIRA	0.0005007	1,997.0690	0.0005007	1,997.0690		
JAPAN	YEN	0.0086957	115.0000	0.0086957	115.0000	0.0085237	117.3205
NETHERLANDS	GUILDER	0.4399666	2.2729	0.4399666	2.2729		
NORWAY	KRONE	0.1481262	6.7510	0.1481262	6.7510	0.1590558	6.2871
PORTUGAL	ESCUDO	0.0048361	206.7771	0.0048361	206.7771		
SINGAPORE	DOLLAR	0.5743825	1.7410	0.5743825	1.7410	0.6357683	1.5729
SOUTH KOREA	WON	0.0008297	1,205.2000	0.0008297	1,205.2000	0.0010421	959.6041
SPAIN	PESETA	0.0058271	171.6105	0.0058271	171.6105		
TURKEY	LIRA	0.6603157	1.5144	0.6603157	1.5144	0.6824541	1.4653
UNITED KINGDOM	POUND	1.6863406	0.5930	1.6863406	0.5930	1.9076688	0.5242

*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.