

**ADJUSTING RATES OF EXCHANGE FOR "FOREIGN CURRENCY FLUCTUATIONS, DEFENSE,"  
"FOREIGN CURRENCY FLUCTUATIONS, CONSTRUCTION" AND  
"DEFENSE MILITARY CONSTRUCTION AND FAMILY HOUSING"  
For Month Ended 7/31/04**

COUNTRY	MONETARY UNIT	O&M (DOD)		MILCON & FH		ADJUSTING RATE **	
		FY 2004 BUDGET RATE		FY 2004 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 UNIT OF FOREIGN CURRENCY	UNITS OF FOREIGN CURRENCY FOR ONE U.S. DOLLAR		
BELGIUM	FRANC	0.0240346	41.6066	0.0240346	41.6066		
DENMARK	KRONE	0.1282117	7.7996	0.1282117	7.7996	0.1616998	6.1843
EUROPEAN UNION*	EURO	0.9695559	1.0314	0.9695559	1.0314	1.2023566	0.8317
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		
ITALY	LIRA	0.0005007	1,997.0690	0.0005007	1,997.0690		
JAPAN	YEN	0.0079688	125.4900	0.0079688	125.4900	0.0089928	111.2000
NETHERLANDS	GUILDER	0.4399666	2.2729	0.4399666	2.2729		
NORWAY	KRONE	0.1309003	7.6394	0.1309003	7.6394	0.1425009	7.0175
PORTUGAL	ESCUDO	0.0048361	206.7771	0.0048361	206.7771		
SINGAPORE	DOLLAR	0.5544159	1.8037	0.5544159	1.8037	0.5819028	1.7185
SOUTH KOREA	WON	0.0007968	1,255.0000	0.0007968	1,255.0000	0.0008573	1,166.4500
SPAIN	PESETA	0.0058271	171.6105	0.0058271	171.6105		
TURKEY	LIRA	0.0000006	1,694,915.0000	0.0000006	1,694,915.0000	0.0000007	1,470,588.0000
UNITED KINGDOM	POUND	1.5344484	0.6517	1.5344484	0.6517	1.8211619	0.5491

\* 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.