
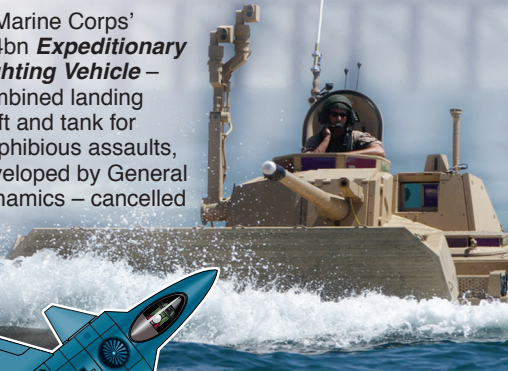


Pentagon seeks \$78bn defence budget cut

The U.S. will cut \$78 billion in defence spending over five years, in a politically contentious move that would trim the government's growing budget deficit. The cuts, the largest since the 2001 terrorist attacks, come in addition to \$100bn in internal savings already announced



■ Marine Corps' \$14bn **Expeditionary Fighting Vehicle** – combined landing craft and tank for amphibious assaults, developed by General Dynamics – cancelled



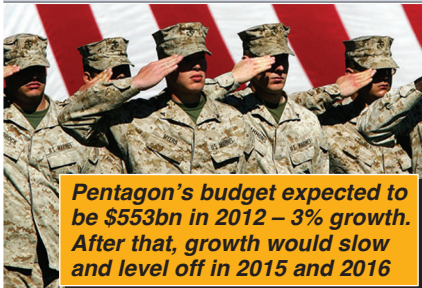
■ **Surface Launched Advanced Medium Range Air-to-Air Missile** – air defence system supplied by Raytheon, cancelled

■ Next-generation missile launcher developed by Lockheed and Raytheon, cancelled

■ Orders for **F-35 Joint Strike Fighter**, made by Lockheed Martin, to be cut to 325 from 449 over next five years to compensate for repeated delays in development and testing

■ **Marine version of F-35 jet placed on two-year probation**

■ Army expected to begin cutting active-duty troop levels by 27,000 and Marine Corps by up to 20,000 in order to save \$6bn in 2015-16



Pentagon's budget expected to be \$553bn in 2012 – 3% growth. After that, growth would slow and level off in 2015 and 2016