

RAF chief: Don't cut fighter jets  
Air Chief Marshal Sir Stephen Dalton, the Chief of the Air Staff, insisted that air power must not be seen as an "optional luxury" when Britain's future defence capability is considered.  
The Telegraph  
VT suddenly finds itself cast as predator-turned-prey  
A £2.2 billion bid to create a FTSE 100 outsourced support services powerhouse descended into a war of words last night as VT Group rejected a takeover approach from Babcock, its rival. The surprise bid from Babcock came hours after VT had announced its own "final" offer of about £330 million for Mouchel, its smaller rival.  
The Times

A400M buyers set to make proposal on Airbus  
Buyer nations for the Airbus A400M will deliver a joint proposal on funding for the military transport plane on Monday, aiming to reach a solution on its future as soon as possible, Germany's defense ministry said.  
Reuters

BAE in \$929 million write-down on lost U.S. deal  
BAE Systems (BAES.L), Europe's biggest military contractor, said it will take a charge of 592 million pounds (\$929 million) to its 2009 accounts after losing out on a U.S. Army contract after an unsuccessful appeal.  
Reuters

Russia blows hot and cold over Iran S-300s  
After months of seesawing, Russia's Security Council says it "sees no reason" not to deliver a state-of-the-art air-defense missile system to Iran despite strenuous U.S. and Israeli objections.  
UPI