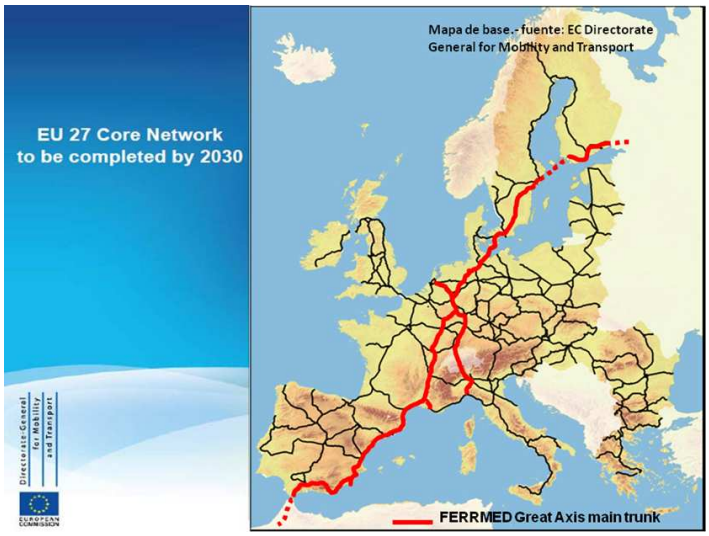
VALENCIA DECLARATION

15.12.2011. Valencia, Spain.

1. DETERMINATION OF THE TRANS-EUROPEAN CORE NETWORK

FERRMED welcomes the Trans-European Core Network proposal made by the European Commission, which includes almost all FERRMED propositions, including the establishment of most of FERRMED Standards in the "Guidelines" to be considered in all corridors that will be part of the Core Network.

Also, FERRMED appreciates that the European Commission has taken into account the definition of a dozen "prioritary" corridors within the Core Network, as declared by FERRMED after the TRANS-EUROPEAN FERRMED CLUSTER Conference, held on Brussels the 21st September 2011.



2. GREAT INTERCONTINENTAL RAILWAY AXIS SCANDINAVIA - RHINE - RHÔNE - WESTERN MEDITERRANEAN (FERRMED GREAT AXIS)

FERRMED also expresses its satisfaction because the main trunk of the Great Axis (which crosses eight different countries with more than 4,000 km long) is considered part of the Trans-European Central Network, according to the proposal made by our Association.

However, the route through Spain (Mediterranean Corridor) does not satisfy FERRMED expectations and petitions and, therefore, the inclusion of new lines (which actual EC Proposal does not cover) is necessary, as is the case of Lorca - Baza - Granada and Almeria - Motril - Málaga - Algeciras.

In France, the complementary lines of the main trunk: Lille - Metz and "Rocade Nord de Paris" have not been included either. FERRMED should also insist on its inclusion.

3. MEDITERRANEAN CORRIDOR. SOUTHERN ZONE OF FERRMED GREAT AXIS

3.1. Section Lyon - Spanish border

In this section it is essential to ensure that actions carried out in the following lines will be finished by the due dates:

- "Contournement Est" in Lyon
Northern Sector: 2019
South Sector: before 2023

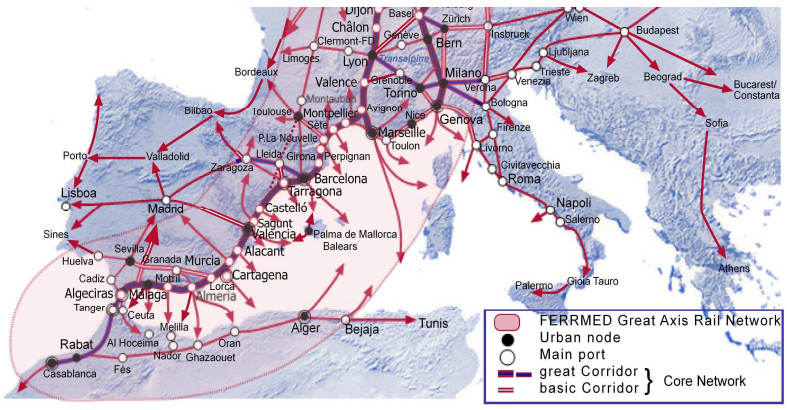
- Refurbishment of the line Valence - Grenoble: 2013

- Sector Nîmes - Montpellier: New mixed line of high performance: 2016

- Sector Montpellier - Perpignan: New mixed line of high performance: 2020

- Remodeling of access to the Port of Marseille: First phase 2013, Phase II 2014 and Phase III 2020.
- New line transalpine Lyon - Turin: 2023 (base tunnel of Saint Jean de Maurienne - Susa).

These dates are deadlines, based on the traffic resulting from the Global Study conducted by FERRMED in 2009.



During 2012 we also have to solve the problem of control and signaling systems in the mixed high performance line Perpignan - Figueres (see 3.2.5).

3.2. Iberian Corridor Segment (French border - Algeciras)

3.2.1. Essential aspects to consider

In this section there are four essential aspects to consider:

• To guarantee that the actions to be taken will be concluded in the agreed timming, according to the traffic forecasted by FERRMED Global Study.

• The addition of some lines not covered by the Southern Sector of the Corridor.
• The adequacy of the EC "Core Network" lines to the standards advocated by the "Guidelines" to introduce into the Trans-European Core Network.
• The issue of control and signaling system in the new mixed line of high performance Perpignan - Barcelona.

3.2.2. Ensuring completion dates of the actions to be taken

• New mixed line with high performance Figueres – Barcelona	2012
• Change of gauge (or addition of a third rail) in the conventional line of Portbou to Barcelona	2013 - 2016
• Variant of Figueres for good transportation	2016
• Change of gauge (or addition of a third rail) in the conventional line Castellbisbal - Vilafranca - Tarragona	2013
• Additional UIC gauge line North Girona - South Tarragona for goods:	
▪ Girona variant	2020
▪ Girona – Sant Celoni	2025
▪ Sant Celoni – Mollet - Castellbisbal	2015
▪ Castellbisbal – Martorell	2014
▪ Martorell – Sant Vicenç de Calders	2018
▪ Sant Vicenç de Calders - Constantí – Tarragona	2016
• Doubling of the current single line in the Sector Tarragona – Vandellós	2013
• Change of gauge (or addition of a third rail) in the conventional line Tarragona- Reus- Lleida and installation of a double track facility	2017
• Change of gauge (or addition of a third rail) in the conventional line Tarragona – Valencia	2014
• New high-speed line Tarragona - Castelló	2018
• New high-speed line Castelló – Valencia……	2015
• Change of gauge (or addition of a third rail) in Valencia conventional line - Font de la Figuera - Alicante - Murcia / Cartagena	2015
• New high-speed line Valencia - Alicante - Murcia / Cartagena	2015
• Branch of Sant Lluís Font - Almusafes / Benifaió: to be built with double track	2015
• West beltway of the city of Valencia	2018
• Conventional Murcia - Cartagena. Remodeling the line and to be built with double-track line	2016
• New mixed line of high performance Murcia - Almería	2016
• New Conventional Monforte del Cid - Murcia - Lorca	2018
• New line Lorca – Baza – Granada……....	2020
• New mixed line of high performance Almería– Motril– Málaga– Algeciras	2025
• Access to ports of the Corridor and links to major Industrial Areas	2012 - 2015
• Interconexion with principal airports	2014 - 2016
• Construction of new intermodal terminals along the entire Corridor	2013 - 2020
• Adjustments on the line Algeciras - Bobadilla and the Andalusian Cross Axis to Granada and Almería	2015 - 2020

3.2.3. Incorporation of some lines not covered by the Southern Sector Corridor

The Great Axis FERRMED-due to its high critical mass and high-level strategic-must have all the way from Scandinavia to the south of the Iberian Peninsula, two parallel lines (not necessarily next to each other) with double track each one.

In fact, from 2020, throughout its route from Helsinki to Alicante the double line will be a reality.

FERRMED urges that this double line has to be continued from Alicante to Murcia and Lorca. At Lorca one of the lines will be directed towards Granada through Baza; the other will continue to Almeria and, from there, to Motril, Malaga and Algeciras.

Furthermore, Malaga should be included as Node "Core Network", as it has an urban agglomeration of over one million inhabitants.

On the other hand, other peninsular corridors with a lower critical mass that the Mediterranean (Atlantic Corridor and Central Corridor, for example) already have, or will have in the medium term this double line. It would be unreasonable to discriminate the corridor with the greatest potential of the peninsula in front of others.

3.2.4. Adaptation of the lines of "Core Network" to the standards recommended in the EU Guidelines

The European Commission on "Proposals for Regulation on Union guidelines for the Development of the Trans-European Transport Network. Regulation Establishing the Connecting Facility Europe ", published last October, makes it clear that the railway infrastructure of the" Core Network" without exception should adopt common Standards advocated:
- Track gauge of 1435 mm.
- Electrified lines.
- For the lines used by conventional freight trains: 22.5 tons per axle, speed of 100 km / h train length of 750 meters.
- Maximum slopes for lines, used for conventional rail freight of 12.5 mm/m

In the Mediterranean Corridor we can see that new lines under construction, mixed (suitable for high speed passenger trains and for conventional rail freight), do not meet the standards established by the European Commission. That is the case of the lines Barcelona - Perpignan and Murcia - Almeria, where ramps are foreseen 18 mm/m and 20 mm/m respectively.

This implies the use of a second locomotive in the conventional trains in goods, with the rising cost that this entails.

In the first case the solution is to use for freight trains the existing conventional line, that crosses the border in Portbou. In the second case the solution gravitates to rectify the route of the line currently under construction. FERRMED not accept, under any circumstances, that the Mediterranean Corridor has a performance inferior to those established by the European Commission.

The same appears in the line Almeria - Moreda - Granada - Antequera - Bobadilla - Algeciras with ramps near 30mm/ m. This is one more reason to build a new high-performance mixed line along the coast, to Motril and Malaga to Algeciras, tailored to the requirements of the European Commission.

3.2.5. The problem of control and signaling system in the new line of high performance mixed Perpignan - Barcelona

In this line there are two different trunks if we take in account the control and signaling system:
• Section Perpignan - Figueres with ERTMS 1
• Section Figueres - Barcelona with double: ERTMS 1 and ASFA

Today, for high speed passenger trains ERTMS is mandatory (because they operate on a specific network). However, this is absolutely not the case of freight trains, which operate throughout the Trans-European Network.

On the conventional French network, KBV is the signaling system and control and, in the Spanish Network, the ASFA system is used.

There is a very important number of locomotives equipped with either the system KBV or ASFA. To incorporate both systems in a locomotive is relatively easy and inexpensive, while the installation of ERTMS is actually quite expensive.

Because the ERTMS system implementation in all European conventional lines will take many years (Core Network deadline 2030 and, for the Comprehensive Network, 2050), and due to the fact that in the sector Perpignan - Figueres the systems KBV or ASFA are not installed , the movement of freight trains will strangle because of the high cost of the ERTMS installation on the locomotives.

Therefore, FERRMED urges the sector company TP FERRO to install either ASFA system, or this system jointly with the KBV systemin the line Perpignan - Figueres by December 2012 (the month that the new line Figueres - Barcelona will be fully operational).