

Coillte Forest



Coillte Forest manages all aspects of the Group's forestry business including the establishment, protection and management of forests. We also provide a wide range of products and services such as timber harvesting, sales and marketing, recreation and environmental management services to our customers and stakeholders.

2011 saw excellent progress in Coillte Forest. A key strand in our strategy is to transform Coillte Forest into a cost efficient, progressive business, fit for purpose and better able to serve customers. With the support and enthusiasm of the people working across the whole Group we have seen some major changes which have set the foundations for this restructuring.

We are proud to have been certified by the Forest Stewardship Council® (FSC®) which demonstrates that we manage our forests in a responsible way, balancing their economic, social, and environmental contribution.

Economic Performance

The division had a strong financial performance based on good log prices, increased demand from our panel mill customers and a focus on cost control across every aspect of our business.

Overall roundwood sales were 2.35 million m³, up 4% on 2010, while the volume of saw-logs supplied to our customers was up 66,000 m³ or 5%.

Sawmills continued to invest in upgrading their value adding capabilities to meet the increasing opportunities in the UK market and exported strongly into the UK and other mainland European countries, while domestic demand continued to be weak.

Our sales of wood into the emerging agriculture and equine bedding market increased by 40% during 2011 and we are now supplying material to some of the leading export businesses in this sector.

Coillte Panel Products continued to be a key outlet in 2011 for both Coillte and private sector timber. Our ability to guarantee security of fibre supply to our MDF and OSB mills is a key component of our Group strategy that differentiates Coillte from its competitors across Europe.

In 2011 we invested €34.5m in planting approximately 14m trees on 5,641 hectares, renewing and reforesting our existing estate and building and upgrading 375km of forest roads.

Environmental Performance

Coillte manages approximately 20% of its estate primarily for biodiversity enhancement. This means that the primary objective in these areas is to maintain or enhance their biodiversity value through a variety of management techniques.

In January 2011, we commenced work on a second raised bog restoration project, in which 636 hectares of raised bog habitat on the Coillte estate was targeted for restoration. This project is managed by Coillte, with financial support from the EU LIFE Nature programme and the National Parks and Wildlife Service.

We also received recognition for high standards in nature conservation when our Priority Woodland Restoration Project, part funded by the EU LIFE Programme, was recognised by the EU as one of the top 6 projects in Europe in 2011.

Social Performance

We added to our network of mountain bike trails in 2011 with the opening of the first trail in the Dublin Mountains at Ticknock, delivering on our commitment of enhancing people's enjoyment of nature.

Coillte's Recreation Team also advanced a number of partnerships in 2011. These included the Wicklow Way Management Partnership which undertook two major reconstruction projects on Coillte lands. Coillte and Cavan County Council secured resources under Interreg Funding to commence a significant development of the Burren Forest in County Cavan as a gateway facility for the International Geopark in Cavan/Fermanagh. Coillte and the National Parks and Wildlife Service completed a feasibility study on the establishment of a wilderness area in the Nephin Beg Range in North West Mayo. The Irish Sports Council (ISC) and Coillte also renewed the very successful Recreation Trail Managers Programme for a further three year period. This has operated since 2008 providing technical support to the ISC and a valuable resource to Coillte.

Outlook

In 2012 the business environment for Coillte Forest will continue to be challenging with a slow domestic construction sector and potential for fluctuations in exchange rates.

The market for construction grade timber in the UK has continued to perform well for our sawmills customers in 2012, mainly because their Scandinavian competitors have reduced supply into that market. However, the demand from the panel board sector continues to be volatile and is likely to remain so throughout 2012 as a result of weak economic growth across Europe.

We expect the level of house building activity to decline through 2012 in Ireland and we do not expect to see improvement until 2013 at the earliest.

2012 will see Coillte Forest continue to focus on cost reduction and delivery of its transformation programme including putting a new organisation structure in place, with a stronger customer focus and delivering benefits to all our stakeholders under the economic, social and environmental agendas.

Fourth National Trails Day largest ever



Taoiseach launching National Trails Day 2011

The Taoiseach, Mr Enda Kenny, TD launched National Trails Day 2011 which took place on Sunday 2nd October. In its fourth year, the event was bigger than ever with activities all over the country, North and South, including walking, cycling, equestrian and water trails.

The events included a range of exciting outdoor events including canoe and kayaking, mountain biking, trail conservation work, nature and heritage walks, horse-riding on equestrian trails, family orienteering and family cycling. There was a Ghost Walk at the Hell Fire Club in the Dublin Mountains, a fancy dress paddle on the River Liffey, an Edible Coast trail on Cape Clear Island in Cork and a High Nelly Bike Trail, in Durrow Co Laois.

National Trails Day is an all-Ireland event organised by Coillte along with the Department of Environment, Community and Local Government, the National Trails Office of the Irish Sports Council and Fáilte Ireland along with the Countryside Access & Activities Network in Northern Ireland and is aimed at increasing awareness about the fantastic recreation opportunities in the Irish countryside and encouraging people to experience a trail in their locality.

Coillte has invested heavily in recreational facilities on our lands over the last number of years with our partners and in addition to the events on National Trails Day these trails are open to the people of Ireland all year round.

For more information visit:
www.nationaltrailsday.ie