Natural resources, responsibly managed

Annual Report 2012

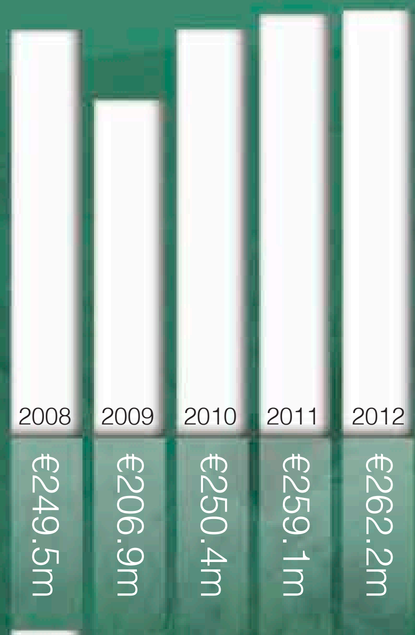
Annual Report 2012

Contents

For more information about Coillte, please contact us at: Coillte, Newtownmountkennedy, Co. Wicklow, Ireland.
Tel: +353 1 2011111 Fax: +353 1 2011199 Email: pr@coillte.ie www.coillte.ie

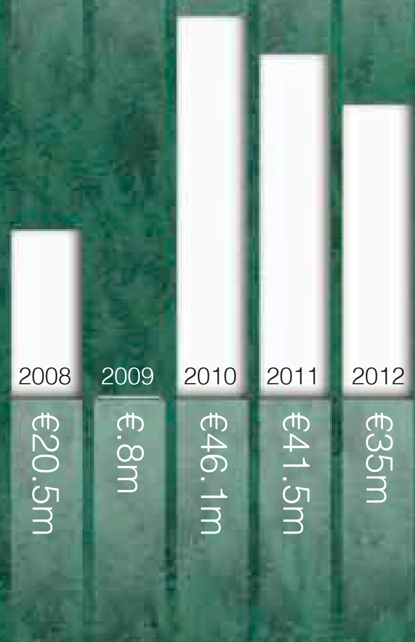
Group Performance

Turnover
€million



Capital Expenditure
€million

Profit before exceptional items
€million



2012 Highlights

Performance

Delivered operating profit before exceptionals of €35m.

Dividends

Paid €2m dividend to shareholder.

Revenue

Generated revenue from new products of €11m.

Exports

Exported our wood panel products to 32 countries.

New Products

Launched innovative new OSB product - ToughPly.

Award Winning

Won Supreme Innovation Award at Timber Expo in the UK with Medite Tricoya, our waterproof MDF product.

Planting

Planted 15m trees on approx 6,000 hectares.

FSC®

Held major event at Aviva Stadium celebrating 10 years of Forest Stewardship Council® (FSC®) certification, hosted by Kevin McCloud, from TV's Grand Designs.

Conservation

Recognised for our leadership in nature conservation with RDS National Forestry Award for Clonbur native woodland habitat restoration project.

Sustainability

Country award for Ireland in the Environmental and Corporate Sustainability category of the European Business Awards and selected for final phase of competition.

Wild

Finalised plans for the unique "Wild Nephin" Wilderness Project in Mayo, in partnership with National Parks and Wildlife Service and Mayo County Council.

Chairman's Statement

2012 was a successful year for the Coillte Group with excellent progress made across all our business areas. As Ireland's leading natural resources company we deliver a range of economic, social and environmental benefits and in these challenging times we have continued to deliver on this "triple bottom line".

In 2012 we delivered a strong financial performance with an operating profit before exceptional items of €35m, consolidating our position as a leader and innovator in the sustainable management of natural resources, against the backdrop of a very difficult construction sector in all our markets.

In 2012 we invested €42.7m in our business, primarily in enhancing and maintaining the forest estate, investing in our wood panel products business and in providing world class recreation and nature conservation services to our stakeholders.

The second half of the year saw us working closely with NewERA and our shareholders to review the implications of the Government decision in principle in June 2012, to sell harvesting rights to Coillte forests for between 50 and 80 years.

As requested by the Minister for Agriculture, Food and the Marine, we commissioned an independent report to review the broad range of issues involved in implementing this decision. The report was completed on time and submitted to Government as part of its decision making process.

In 2012 the Board of Coillte approved plans to invest in our SmartPly facility in Waterford Port, subject to shareholder approval, following an extensive strategic review of the business. This will enable us to secure that business and its ability to deliver exports, sustain jobs and produce best in class timber panel products, which are in demand worldwide.

The investment in SmartPly will protect the value of the Irish Forest Products sector as it is the primary pulpwood outlet on the island with a strong wood paying capability. The investment will also protect 400 direct and indirect jobs in the South East and provide a strong platform for further job creation – 180 jobs will be created during the construction phase. We are currently engaging with our shareholders to advance this project.

Coillte provides a unique natural resource for people in Ireland where they can enjoy a range of recreational activities in a healthy outdoor environment. During 2012 we continued to enhance the experience for the estimated 18 million visits to our forests with the addition of new trails and other facilities. There is a considerable demand for significant investment in this area particularly in the current economic environment.

We continued to protect and enhance the natural environment for future generations in our role as stewards of the forests. We were recognised yet again for our work in nature conservation and habitat restoration and we have seen the return of a number of wildlife species to our forests in recent year, such as the red squirrel and the greater spotted woodpecker.

Our performance

In 2012 we made progress on developing the plan for Ireland's first true wilderness area in the Nephin Mountains in County Mayo and we continued our habitat restoration work across our forest estate, where we manage 20% of our land for nature conservation and biodiversity. We were recognised for our leadership in nature conservation at the RDS National Forestry Awards.

During 2012 our panel products division continued to innovate and bring new products to market, enhancing our ability to add value to the fibre resources we manage. We exported certified, sustainable panel products to a record 32 countries, and these products are playing a key role in delivering low carbon buildings of the future right now.

One of our recently introduced products, Medite Tricoya won a Supreme Innovation Award at a major trade show in the UK – Timber Expo, and we continued to launch new innovative products such as ToughPly, a coated OSB panel. This pipeline of new products demonstrates our commitment to innovation which will meet the needs of an ever more environmentally conscious customer and which add value to the fibre resource we manage.

In 2012 we enhanced our role as a key player in the renewable energy sector in Ireland – both in wind and biomass. Our wind energy projects will make a significant contribution to Ireland's capacity to generate its own energy. We continued to work with a range of partners on projects, which are seeking to create real and substantial value for Ireland in the areas of energy export and secured planning permissions, which added value to our wind portfolio.

In biomass we grew our business and played a leading role in setting out a vision for the industry in Ireland, highlighting the challenges and how they can be addressed.

2012 was another very difficult year in the property and land development market in Ireland. We manage our estate strategically and look for opportunities to add value and be involved in projects which can deliver lasting benefits.

Our sustainability credentials were recognised in 2012 as a Country Winner in the Environmental and Corporate Sustainability category of the European Business Awards.

We have positive economic, social and environmental impacts on people in Ireland every day. Our core purpose is to enrich lives, locally nationally and globally and we strive to ensure that we manage the nation's publicly owned forests for the benefit of all. As a business we have a unique natural resource – wood fibre – and we see great potential to add value to that fibre and deliver enhanced returns to our shareholders. At the same time we deliver world class environmental and recreation results and continue to develop new and sustainable ways of managing 7% of the land of Ireland.

The future

2012 marked the end of the current phase of our transformation programme which we called Destination 2012. This programme was built on a renewal of our corporate strategy back in 2008 which refocused Coillte as a business operating in four key areas – forestry, panel products, renewable energy and land management.

We are now looking to the future and the next phase of our story. We are working on a corporate strategy for the next five years with a sense of purpose and optimism across all our business areas. We have transformed Coillte into a progressive, innovative and sustainable company, focused on exports and enriching the lives of people who get to enjoy our forests. We are a key player in renewable energy in Ireland and have a unique perspective on the opportunities there.

Our vision for the future is of a company which will be recognised as a major player in the wood fibre industry. We will work closely with our technical partners in the development of products that will meet the key environmental and sustainability regulations.

Thanks

On behalf of all the people who work in Coillte I would like to thank our customers, contractors, suppliers and partners for their business and continued support in 2012. We continue to be committed to working in partnership with our customers and stakeholders as we manage our way through the challenges ahead.

On behalf of myself and the Board I want to acknowledge the engagement of our shareholders the Minister for Agriculture, Food and the Marine Mr Simon Coveney TD, and the Minister for Public Expenditure and Reform Mr Brendan Howlin TD and the officials of their respective Departments during 2012.

I was delighted to continue in my role as Chairman of Coillte in 2012 when asked to do so by the Minister for Agriculture, Food and the Marine at this crucial point in the development of the Group and I thank him for giving me that opportunity.

I would like to pay special thanks and tribute to the late Shane McEntee TD, former Minister of State in the Department of Agriculture, Food and the Marine. He had a genuine interest in forestry and made a significant contribution to progressing forestry issues during his time in office.

I would like to thank my Director colleagues for their outstanding work during the year and indeed all those I have had the pleasure to serve with on the Board of Coillte during my 10 years as Chairman.

I would also like to make special mention of the now former Chief Executive, David Gunning who finished his term at the helm of Coillte in March 2013. David led the people of Coillte with a sense of purpose and determination. On behalf of my fellow Directors, and all the employees I wish him all the best in the future.

I would also like to join with my fellow Directors in a very sincere thanks to all the people who work across the Coillte Group for their outstanding efforts over the last 12 months, in particular given the issues faced and the extra demands which were put on people across the company during the year. This is a challenging time for every business and Coillte is no exception. Employees have continued to show their commitment and enthusiasm in delivering on challenging objectives and I have no doubt they will continue to do so in 2013.

Brendan McKenna

Chairman

Coillte among the top companies at *2012 European Business Awards*

In May 2012 Coillte was selected as a National Finalist in the Environmental & Corporate Sustainability category of the European Business Awards. We were nominated for this award by audit and tax advisory firm RSM Farrell Grant Sparks. In November Coillte was among the 11 Irish companies selected as national champions for Ireland in the 2012/13 Awards. Since year end we have participated in the final round of judging when we presented our story to a panel in Dusseldorf, Germany.

The overall winners will be announced at a ceremony in Turkey in June 2013.

Judges made up of Europe-wide business leaders, academics and entrepreneurs have been assessing the national champions in order to find the winner of the European Business Award. Since 2007, the European Business Awards has been shining a light on the most innovative businesses by promoting success, innovation and ethics in the European business community.

www.businessawardseurope.com

Board of Directors & Group Executive Team

Board of Directors

Brendan McKenna
Chairman

Brendan was reappointed by the Minister for Agriculture, Food and the Marine for an additional two year period in 2012, following the completion of his second 5 year term. He was formerly Chief Executive of Abbott Ireland Manufacturing Operations and is a past President of the Chambers of Commerce Ireland. He chairs the Remuneration Committee.

Board Meetings attended 2012: 10 out of 11

Alma Kelly

Alma was appointed to the Board in 2008. She is an associate solicitor in Arthur Cox, Dublin, specialising in projects, procurement and energy law. She holds a degree in Law and European Studies from the University of Limerick and a Masters in Law from Trinity College Dublin. She was admitted as solicitor in Ireland in 2003 and is a member of the Society of Construction Law (UK). She is a member of the Audit and Risk Committee.

Board Meetings attended 2012: 11 out of 11

Denis Byrne

Denis was appointed to the Board of Coillte in 2010. Denis was an Assistant Secretary General in the Department of Agriculture, Fisheries and Food with responsibility for forestry until his retirement in December 2009. He is a member of the Audit and Risk Committee.

Board Meetings attended 2012: 10 out of 11

Frank Toal

Frank was appointed to the Board in 2003. He was formerly V.P. and Chief Executive of the General Electric subsidiary ECCO Ltd, an electronics Business Company based in Dundalk. He is a past President of the Chambers of Commerce of Ireland. He is now a Business Consultant. He chairs the Audit and Risk Committee.

Frank holds an M.Sc.(Management) from Trinity College, Dublin.

Board Meetings attended 2012: 11 out of 11

Seamus Murray

Seamus Murray was appointed to the Board in 2009. He is a farmer and was a member of Meath County Council from 1992 to 2009 during which period he served as Chairman of the Council and was a member of County Meath Vocational Education Committee. He was also a member of Irish Delegation of the European Union's Committee of the Regions since its inauguration in 1994 as well as being at various stages Chairman and member of both the Mid-East and Southern and Eastern Regional Assemblies.

Board Meetings attended 2012: 10 out of 11

Directors' Expenses

The aggregate expenses paid to Directors in 2012 were €12,994 (2011: €12,427). These mainly relate to travel expenses.

Group Executive Team

Gerry Britchfield
Acting Chief Executive

Gerry was appointed Acting Chief Executive in March 2013. He was Managing Director of Coillte Panel Products since 2007. He has worked with Coillte since 1992 in a variety of senior management roles, including Managing Director of Coillte Enterprise.

Gerry is a Chartered Accountant by profession and also holds a Bachelor of Commerce (B.Comm.) from University College Dublin and an MBA from Dublin City University. Prior to joining Coillte, he held finance related positions in the accountancy, IT and manufacturing sectors.

Gerry Egan
Group Director, Strategy and Corporate Affairs

Gerry is the Group Director of Strategy and Corporate Affairs and Company Secretary. He has held a number of roles during his time with the company including Head of Public Affairs, Head of Customer Service and Communications Manager.

His current responsibilities include strategy development, the Group's transformation and innovation programmes, ICT, legal services and corporate communications.

Gerry holds a M.Sc. (Management) Trinity College / IMI.

Ivan Schuster
Chief Financial Officer

Ivan joined Coillte in 1989 and has held the current role as Chief Financial Officer since 2006.

Other roles in Coillte have included Managing Director Coillte Enterprise, Chairman Garvagh Glebe Power Limited and Director of Moylurg Rockingham Ltd.

Ivan is a Chartered Accountant and holds a B.A. Economics from University College Dublin.

Mark Foley
Managing Director, Coillte Enterprise

Mark joined Coillte in 2008 as Managing Director of Coillte Enterprise. Mark is responsible for the identification and delivery of new business opportunities through the deployment of the Group's broad asset base within the areas of land development, renewable energy and telecommunications infrastructure.

Prior to joining Coillte, Mark Foley was Director of Capital Programmes with Dublin Airport Authority (DAA) and was responsible for the permitting, procurement and delivery of over €1 billion of new infrastructure projects over an 8 year period at Dublin, Cork and Shannon Airports.

Mark holds a B.E. in Chemical Engineering and a M.I.E. (Masters in Industrial Engineering) from University College Dublin.

Gerard Murphy
Managing Director, Coillte Forest

Gerard has worked in a variety of positions in forestry including - research, inventory, sales and marketing, harvesting and overseas consulting, before taking on his current role as Managing Director of Coillte Forest. He is responsible for the performance of the Group's forestry businesses which have a turnover of approximately €100m. The provision of social and environmental values from the estate is also a key responsibility.

Gerard has a B. Ag. Sci. (Forestry) and an MBA from University College Dublin as well as a Grad Dip. in Science from Australia National University.

Neil Foot
Acting Managing Director, Coillte Panel Products

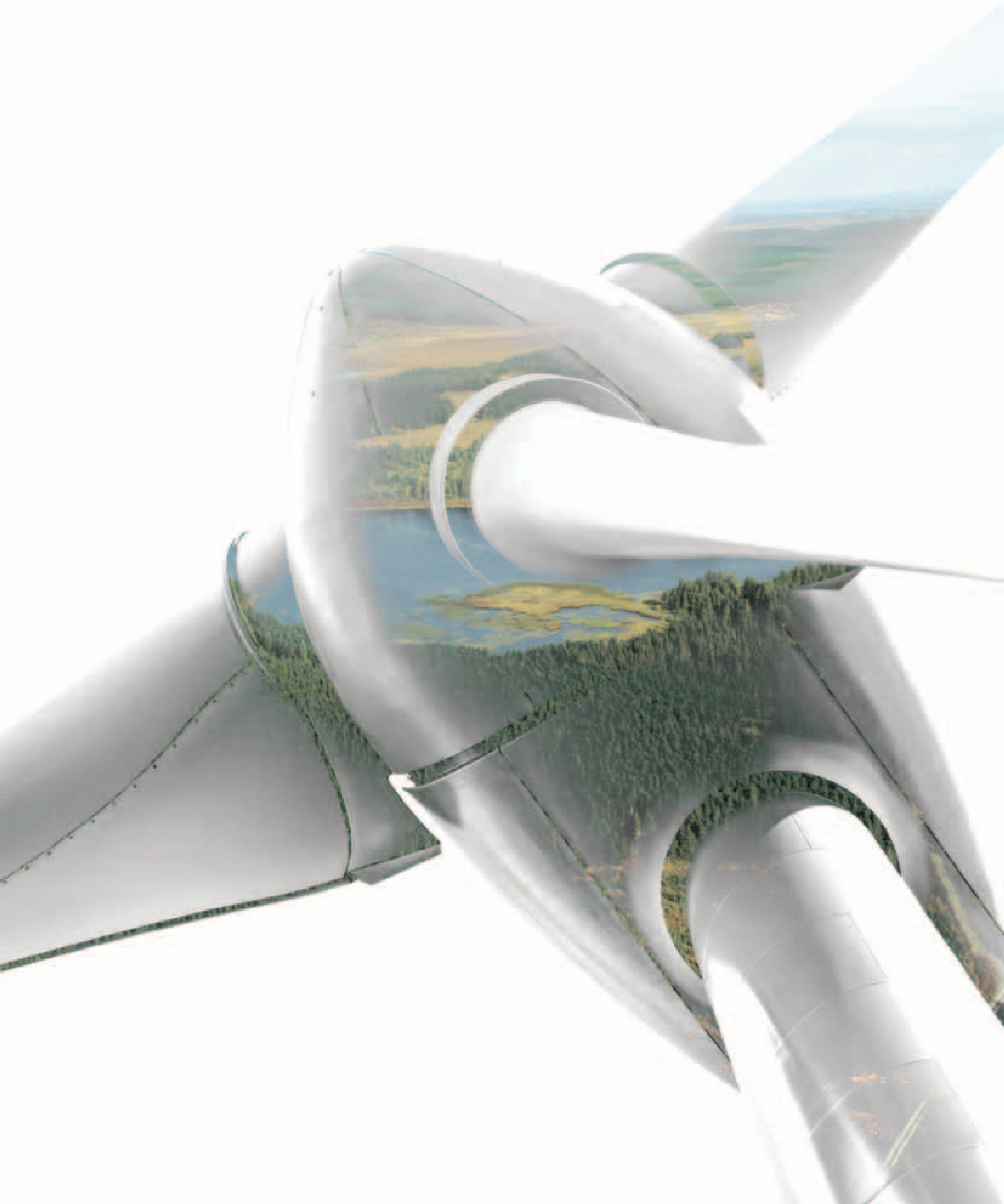
Neil has 25 years' experience of the wood panel industry in a variety of senior management roles including procurement, logistics, sales & marketing and operations, first with Willamette and then Louisiana-Pacific, which was taken over in Ireland by Coillte in 2002. Most recently he has held the positions of Chief Operating Officer, CPP and Managing Director, SmartPly.

Neil holds a degree in Forestry, a Diploma in Accounting & Finance and is APICS qualified.

Eamonn McGee
Group Director, Human Resources

Eamonn has held the role of Group Director Human Resources since 2007. Prior to this he held a variety of HR and Industrial Relations roles in Coillte. Before joining Coillte on its establishment in 1989, Eamonn was a civil servant attached to the Forest Service for 15 years, undertaking a range of administrative and management roles.

Eamonn is a Chartered Fellow of CIPD and has a certificate in Timber Technology (Institute of Wood Science/TRADA).



Chief Executive's Review

Coillte is a key player in an innovative, export oriented forestry and forest products sector that employs 12,000 people across the country.

2012 was a landmark year for Coillte as we reached the end of our Destination 2012 transformation programme and began to plan for the next phase of the company's development. As part of Destination 2012 we set ourselves a range of stretching transformation targets and I am proud to say we achieved them. 2012 was also a year of great challenges in our main markets and I am pleased to report that we delivered an operating profit before exceptional items of €35m.

Our strategy is focused on adding value to the great natural resources we manage. We have set ourselves the core purpose of "enriching lives, locally, nationally and globally through innovative and sustainable management of natural resources." Our strategy is built around four main business areas: forestry management, manufacture and export of wood panel products, renewable energy and land management.

So how did we perform in 2012 against our strategic goals?

To be a business that contributes economic value at every level

Coillte is a profitable commercial business and in 2012 we delivered an operating profit before exceptional items of €35m, down from €41.5m in 2011 and paid a €2m dividend to our shareholders – the Minister for Agriculture, Food and the Marine and the Minister for Public Expenditure and Reform. We increased our turnover on a year by year basis by €3m but our operating costs increased by €9.5m principally due to increases in resin and electricity costs.

The construction sector, where we generate the majority of our revenue, continues to struggle in the UK and other continental European markets. Log prices remained strong throughout 2012 but sales volumes in our forestry business were lower than expected. In our panel products business, whilst prices were relatively stable, they were lower than anticipated and this was the key issue for us in 2012. Our Enterprise division delivered a good performance in a very challenging market, adding value with a number of key wind farm planning permissions awarded during the year.

2012 also saw us complete the negotiation of new five year bank funding, including the funding for our planned investment in the SmartPly facility in Waterford Port. We continue to engage with our shareholders to advance this project.

To be a vibrant and competitive business

Innovation is an essential driver of our transformation and is a key element of how we are making Coillte a vibrant and competitive place to work. 2012 saw us continue to embed innovation across the Group. We delivered €11.1m in revenue from new products in 2012 and we have beaten our targets for innovation prototypes as we look to develop the next wave of new products, processes and business models.

In December 2012 we held our second annual "Innovation Day" event in the Science Gallery in Trinity College Dublin. Over 60 people from across the Coillte Group, along with external contributors, participated to review our pipeline of ideas and how we are using our innovation process to turn them into reality. Events were also held across the organisation on the day to mark the progress being made as we continue to embed innovation.

Our "world's first waterproof MDF product" – Medite Tricoya – won the Supreme Award for Innovation at the 2012 Timber Expo event, the largest timber industry trade show held annually in the UK. This strong independent affirmation of our innovation progress has continued into the first quarter of 2013 with Medite Tricoya winning the Sustain Magazine Award for 'Product of the Year' in the UK. Medite Tricoya continues to win new customers with its unique properties and is just one of a pipeline of new products we are bringing to market.

We launched ToughPly in 2012 in response to new EU Timber Regulations. ToughPly is a double sided, precoated, sustainable OSB3 panel that is an FSC certified alternative to uncertified high-value tropical plywood and is suitable for many structural and non-structural applications.

In 2012 we completed a voluntary early retirement programme, with the average number of people employed falling by 53 year on year, as we continued to reduce costs and make Coillte more competitive. We completed a major restructuring of our Coillte Forest division, making us more responsive to our customer needs and helping us reduce our costs. 2012 also saw an extensive period of engagement with our employees and their representatives which resulted in agreement to move to a market based reward system. At the same time we also increased the level of employee engagement across the Group, as measured by our annual Employee Opinion Survey and we continued to invest in learning and development and improving our health and safety performance.

To be a progressive business, recognised for our contribution

Our contribution to the community and environment was delivered in a number of ways in 2012.

We hosted an event in February of 2012 at Dublin's Aviva Stadium to celebrate our achievement of 10 years of FSC Certification and its renewal for a further five years. Approximately 200 stakeholders attended the event with guest host for the day Kevin McCloud of Channel 4 TV's Grand Designs, who spoke about the positive impact our approach to sustainable forest management is having. Minister for Agriculture, Food and the Marine, Simon Coveney TD, also attended the event along with customers from the UK and Ireland, our business partners, key stakeholders from the recreation and environmental sectors and Coillte employees past and present.

In 2012 Coillte was nominated for a European Business Award and selected as the National Champion representing Ireland in the Environment and Corporate Sustainability category. Since year end Coillte has been awarded Ruban d'Honneur status at the European Business Awards 2012/2013, placing us among Europe's top 100 companies. The European Business Awards recognise and reward excellence, best practice and innovation in companies across Europe.

Coillte is Ireland's leading provider of recreation and nature conservation and 2012 saw our Native Woodland Restoration site at Clonbur on the Galway Mayo border, win the RDS Forest Service Award for Biodiversity at the National Forestry Awards. This site is part of our world class habitat restoration programme, which has been recognised by the EU LIFE Programme as among the best in Europe.

In 2012 we published our 2011 Sustainability Report which was independently audited to reach the Global Reporting Initiative (GRI) B+ standard. This internationally recognised reporting framework helps companies report on their performance across a range of economic, social and environmental indicators. This Report is the latest evolution of our sustainability reporting which began back in 2001 with our first Social and Environmental Report. We are very proud of our track record in this area and it is a fundamental part of what we do.

Record numbers of people attended events for National Trails Day in October 2012 and we again worked in partnership with the Tree Council to ensure 15,000 trees were planted by community groups across the country as part of National Tree Week in March of last year.

To be a company that partners with our customers

In 2012 we continued to work with our customers to deliver quality products and services and to deepen our understanding of their needs.

During 2012 Coillte exported to a record 32 countries across the world, as a result of a concerted effort to seek out new markets for our wood panel products – SmartPly OSB and Medite MDF. While the UK and the EU remain the largest markets for Coillte Panel Products, we expanded our business into Turkey, Mexico and Russia in 2012.

We launched a dedicated website for estate agents who work with us across the country, which gives them access to a range of information on our estate, helping them serve their clients better. We also recently rolled out a smart phone app for our customers in the telecommunications mast business, building on the dedicated website we launched for these customers in 2012, giving them information on our mast sites and enabling them manage their access to these sites.

The Timber Expo event in Coventry saw Coillte, in partnership with Enterprise Ireland, host a joint exhibit with Murray Timber Products, Glennon Bros. Timber Ltd, and Grainger's Sawmills, along with our own panel products team. Coillte Panel Products launched 'ToughPly' at this event to a very positive response. Timber Expo is the premier show in the UK for all those involved in the timber sector or those looking to build with this versatile and sustainable material. There were over 150 timber companies exhibiting with over 5,000 visitors, including architects, specifiers, engineers and contractors plus central government departments and local authorities.

Another great example of our partnership approach with customers and key stakeholders was the Irish exhibit at the Venice Biennale Architecture event in September 2012. Sitka Spruce sourced from Coillte forests in County Cork, sawn by Glennons, was part of a piece called the Vessel displayed in Venice designed by architects O' Donnell and Tuomey. The Irish architects were invited to exhibit their nine metre high stacked timber structure at the prestigious architecture exhibition.

Priorities for 2013

We have set ourselves five key priorities for 2013. They are:

- To develop a new Group strategy,
- To advance the SmartPly renewal project,
- To deliver an operational excellence programme across the Group,
- To deepen our stakeholder engagement, and,
- To meet our 2013 operational targets.

I want to thank the people of this organisation for their strong ongoing commitment to driving change and serving customers. In addition, I want to acknowledge the support of the Chairman, the Board and my Group Executive colleagues for their drive and determination in making the transformation of Coillte a reality.

I would also like to reiterate the words of the Chairman and acknowledge the commitment and engagement of our shareholders, the Departments of Agriculture, Food and the Marine and Public Expenditure and Reform and NewERA, in 2012. I look forward to deepening that engagement and understanding during 2013 to build a set of shared objectives as part of a new medium term strategy for Coillte.

Gerry Britchfield

Gerry Britchfield

Acting Chief Executive

Truck technology reducing costs to sector

Coillte launched a collaborative project in the Irish forestry sector in 2012, partnering with timber haulage contractors and the Sustainable Energy Authority of Ireland (SEAI), under the Government's 'Better Energy Programme', to reduce the amount of fuel being used to move logs from forests to customers.

GPS and fuel management technology has been installed in approximately 220 trucks in the Irish timber haulage fleet, which represents 2/3 of the total fleet. This technology provides timber hauliers with information on energy usage with the aim of reducing fuel consumption.

This is expected to realise minimum energy savings of 5% or the equivalent of 2GWh on an annual basis. This equates to a reduction of an estimated 189,000 litres of diesel fuel, with an expected cost saving of approx €230,000. This reduction in fuel consumption also represents an annual saving of 508,000 kgs of $C0_2$.

All load documentation will be created electronically on the in-cab computer removing the requirement for paper dockets and docket boxes in the forest. The project is funded 45% by Coillte, 35% by SEAI and 20% by the hauliers themselves.

There are currently approx 350 trucks operating in the timber haulage sector and the objective is to have them all using this technology in order to optimise energy efficiencies.

COILLTE DIVISIONS
Coillte Forest
Coillte Panel Products
Coillte Enterprise

Coillte Forest

Coillte Forest manages all aspects of the Group's forestry business, including the establishment, management and protection of forests.

We provide a range of wood fibre products from our forests and deliver ecosystem services such as biodiversity enhancement and recreation, to a wide range of customers and stakeholders.

We manage our forests according to Responsible Forest Management (RFM) principles to balance the economic, social and environmental impacts of what we do. We have been certified by the Forest Stewardship Council (FSC) since 2001 and they review the results of an annual independent audit to ensure we are delivering on our commitments.

2012 performance

Coillte Forest had a very satisfactory financial performance in 2012. While sales volumes were behind target, prices for both standing and harvested timber performed well, particularly in the first half of the year.

The overall volume of roundwood sales was 2.3 million m^3, down 2% on 2011. Pulpwood sales volumes declined by 6% while the volume of sawlogs supplied to our sawmill customers at 1.4 million m^3 was marginally up by 1% for the year.

Sales to the agricultural stake market remained stable and, while demand from our animal bedding customers was down 10%, sales of energy products rose by over 40% year-on-year.

Coillte Forest underwent a significant transformation in 2012. We restructured our forest business and established 8 new Business Area Units (BAUs) which are focussed on enhancing the commercial value at all stages of the forestry production cycle.

We also continued to work in partnership with our customers to seek out new markets and increase the range of products and service we offer. We attended the Timber Expo event in the UK with a number of our sawmill customers and continued to innovate and offer new products.

Attracting people to nature and supporting local communities

Coillte is Ireland's largest provider of outdoor recreation and with over 18 million visits a year to our forests we play a key role in providing places for people to get out, get active and enjoy the forests. We manage Ireland's largest network of trails, forest parks and recreation sites, providing access to forests that promotes healthier lifestyles and supports local communities through tourism and recreation related activities.

Coillte works in partnership with all stakeholders to deliver outdoor recreation resources across the country. Key to supporting the valuable work of Coillte in this sector are the Department of the Environment Heritage and Local Government (Rural Recreation Division), the Irish Sports Council, local authorities and volunteer groups who work closely with Coillte to enhance the value of the forest resource for recreation. This cooperation is a fundamental part of our approach to delivering this important public good which is estimated to deliver in excess of €90 million worth of services each year.

Cutting Edge Forestry Products

Coillte, in partnership with Enterprise Ireland, hosted some of our sawmill customers at the Timber Expo event in Coventry, UK in September. Timber Expo is the premier show in the UK for all those involved in the timber. There were approximately 150 timber companies exhibiting with over 5,000 visitors, including architects, specifiers, engineers and contractors plus central government departments and local authorities from across the UK.

Coillte had a joint presence with a number of our sawmill customers - Murray Timber Products, Glennon Bros. Timber Ltd, and Grainger's Sawmills. Coillte Panel Products were also present launching a new product called 'Toughply', a doubled sided pre-coated OSB3 panel.

The recreation team introduced several new innovations in 2012 - “wheel O ” which is orienteering for less able users; and “watchable wildlife” a project to enhance people’s enjoyment of the forest by providing easily accessible information on wildlife. The Coillte recreation team also ran a successful pilot health programme in conjunction with the HSE to demonstrate the value of the forests for improving peoples health and well being.

2012 saw the fifth annual National Trails Day (NTD) take place across the country in October with record numbers turning up to participate in the free events. National Trails Day is an initiative aimed at increasing awareness of the variety of recreational facilities and resources available to everyone in their locality. NTD is managed by Coillte, in partnership with the Department of Environment, Community and Local Government; the National Trails Office of the Irish Sports Council and Fáilte Ireland. An estimated 15,000 people took part on the day.

2012 also saw significant progress in the development of the “Wild Nephin” Wilderness Project in County Mayo. Coillte is working with the National Parks and Wildlife Service to create a wilderness area of 11,000 hectares for people to enjoy in a truly unique landscape. The partnership has developed a model for wilderness in Ireland and used the model to define the area that will be set aside. The project, the first of its kind in western Europe, will protect a significant area of wild landscape while enhancing nature conservation values and providing opportunities for primitive and challenging recreation. The project brings together the different strands of recreation, nature conservation and landscape protection to deliver important ecosystem services.

In 2012 Coillte finalised a joint development plan with Cavan County Council to develop the Burren Forest in North County Cavan as the gateway facility for the Marble Arch Cross Border Geopark in County Cavan. The project will spend approximately €1 million over the next year to develop visitor and interpretation facilities to encourage visitors into this site which has a broad range of important geological and archaeological features.

Protecting the earth’s natural resources

Nature conservation and environmental protection is a key part of Coillte’s core purpose. Coillte has set aside approx 20% of its estate which is managed primarily for nature conservation and biodiversity enhancement. We are also restoring and protecting natural habitats for a range of plants and animals. These restoration projects are undertaken under the EU Life Nature programmes and are amongst the most successful habitat restoration projects in Europe. Coillte is currently engaged in a major bog restoration programme, restoring over 636 hectares on 17 different sites across the midlands.

Our native woodland habitat restoration project at Clonbur on the Galway Mayo border won the RDS Forest Service Award for Biodiversity in 2012, another welcome recognition for our commitment to nature conservation and biodiversity.

Market Outlook

Irish sawmills are currently exporting over 50% of their production to the UK, where Irish timber accounts for 7% of total UK timber imports. The sawn timber market which began to decline in the second half of 2012 remains very challenging due to the sluggish demand in the UK. The weakening of Sterling versus the Euro will also impact on the competitiveness of the Irish saw mills who buy our logs to process and sell in the UK market.

Demand in Ireland is not expected to improve in 2013 as house starts continue to decline. Maintaining and expanding export markets for our customers’ wood products and diversifying our customer base are among the key market challenges we face in 2013.

The demand on Coillte to provide recreation continues to grow. Outdoor recreation is now seen as a key part of the product offering to tourists in Ireland and the very real benefits that our forests deliver in terms of health and well being are being recognised. We will continue to strive to offer world class recreation services and facilities in 2013. However, given the public good nature of much of these services, the challenge is to ensure that we can continue to secure funding in an increasingly difficult environment.

COILLTE DIVISIONS
Coillte Forest
Coillte Panel Products
Coillte Enterprise

Coillte Panel Products

Coillte Panel Products manufactures Oriented Strand Board (OSB), under the SmartPly brand in Waterford, and Medium Density Fibreboard (MDF), under the Medite brand in Clonmel, and is a significant player in the European panel products' sector.

The business has sales and marketing teams based in Ireland, the UK and Holland. Coillte Panel Products is by far the largest user of small diameter wood fibre in Ireland, consuming in excess of one million tonnes of pulpwood and sawmill residues each year and is an integral component of the interdependent Irish forest products' sector.

2012 performance

2012 was a challenging period for Coillte Panel Products with prices for OSB and MDF below the targets we set for the year. Strong price competition in our main markets limited our ability to increase prices as we had hoped during the year. Turnover of €154m in 2012 was flat compared to 2011.

Over 90% of turnover in 2012 was derived from export sales. We exported to a record 32 countries as a result of a concerted effort to seek out new markets for SmartPly OSB and Medite MDF. While the UK and the EU remain the largest markets for Coillte Panel Products, regions such as Russia, the Middle East and Central America have also increased their imports of Coillte's products.

Revenue from new products reached €10m in Coillte Panel Products in 2012, a clear indication of the strength of our commitment to innovation. SmartPly launched a new product ToughPly in October 2012 to exploit the opportunity being created by new EU Timber Regulations, which took effect in March 2013 and are aimed at prohibiting the import of wood products from illegal sources into the EU. ToughPly is an FSC certified, double-sided, pre-coated OSB, sanded and finished on both sides, which can replace uncertified high-value plywoods in many applications. The product's coating allows considerable time saving onsite since it can be painted directly with no further surface preparation. With this product Coillte Panel Products has established itself as the leading supplier of coated OSB products in the UK and Irish markets.

Another successful product launched in 2012 is Medite Tricoya, an "extreme durable" MDF product jointly developed by Coillte Panel Products and Accsys Technologies. This ground breaking product won the Supreme Innovation Award at the Timber Expo event held in Coventry in the UK. This innovative and high performance wood based product scooped the prestigious award which recognises a product or solution that, in the eyes of the judges, stands out above all other innovations at the show.

The award reflected the outstanding levels of performance, stability and durability produced by the wood's advanced modification process. The product was described by the judges as truly ground-breaking and the campaign to bring this technology to the marketplace has been very strategic and professionally managed. The judges added that they felt that the "degree of product innovation, marketing and communication meant that Accsys and Medite through the joint development agreement deserved the Supreme Award for Innovation at this year's show."

Medite Tricoya jumps into action

The incredibly versatile Medite Tricoya MDF was used in the construction of a unique sculpture in The Netherlands in 2012. The Vrouw Moeder Kind Centrum, a hospital health-centre for mothers and newly born children in The Netherlands, joined forces with Coillte Panel Products and the Fiction Factory to build a 6-metre model kangaroo. It is hoped that the installation will enhance the positive experience for children visiting the centre. Made from Irish timber, processed into a unique and innovative wood panel product at our panel mill in Clonmel, Medite Tricoya, with its additional weather resistant characteristics, was the ideal solution for this unique sculpture.

Outlook

The macroeconomic environment for Coillte Panel Products is forecast to remain challenging in 2013 as growth in GDP and construction output are likely to be modest across our key European markets. Nevertheless, we are continuing to develop new market opportunities.

The biggest issue for the business remains the depressed price of our products in our core markets, which is a function of the ongoing imbalance between sluggish demand and supply. The key UK market remains flat but prices have stabilised. Furthermore, there are a number of positive signals emerging, with a number of large scale UK builders reporting increased activity levels in recent times.

On the cost side, resin prices remain volatile and energy costs in Ireland have risen in 2013, but we are working hard to manage these challenges.

We remain very focused on bringing our product innovation pipeline to fruition and we will be launching a number of additional new products during 2013.

We continue to be very positive about the prospects for the business over the medium term given the strength of our brands, our innovation pipeline and the demand for energy efficient building materials across Europe and beyond.

COILLTE DIVISIONS
Coillte Forest
Coillte Panel Products
Coillte Enterprise

Coillte Enterprise

Coillte Enterprise is the venturing arm of the Coillte Group, which seeks to identify new business opportunities and to extract value from the Group's broad asset base. It comprises the Group's interests in Renewable Energy – Wind and Biomass, Telecommunications Masts and Land Sales and Development.

In 2012 significant progress was made in delivering on our wind energy strategy, in building our biomass business and in engaging with the key stakeholders across all our business areas.

Wind

Coillte is a major player in the wind energy sector in Ireland with a portfolio of 11 Gate 2/3 development projects in eight counties with the potential to generate over 500MW of electricity. Coillte is also the largest supplier of high quality sites to the sector and has made a significant contribution to the 18% of Ireland's electricity which is now generated from renewable sources.

We are working in partnership with public and private companies to develop these projects and in 2012 we saw community engagement continue to grow as a key factor in the planning of projects, as landowners and communities seek to share in a higher level of benefits from windfarms. Consultation is an integral part of how we manage and develop wind projects and we can bring real value to communities through our recreation and nature conservation work.

In 2012 we continued to build strategic relationships with a range of key players in the sector. We signed an option agreement to lease land in a number of counties in the midlands to Element Power as part of its €8 billion renewable energy export project called "Project Greenwire". This wind energy project will facilitate the export of wind energy to the UK, via a sub-sea interconnector cable, from a series of Element Power developed wind farms in the midlands, across Kildare, Laois, Offaly and Westmeath.

Coillte's successful track record in the delivery of projects now includes over 300MW of projects with full planning consent across five counties in Ireland. During 2013 the remaining projects in Coillte's portfolio of wind energy development projects will be submitted for planning approval. This will include a planning application for our 150MW Cluddaun Windfarm Project in County Mayo, which will be lodged in the first half of 2013 following extensive public consultation.

Telecommunications Masts

Coillte has a portfolio of 429 telecoms towers on its land, of which 116 are Coillte owned structures, mainly new structures built by Coillte to support Three Ireland's requirement to deliver the National Broadband Scheme (NBS). Coillte's tower portfolio is mostly located in rural areas and includes a number of locations which are amongst the most attractive transmission sites in the country. Over 80% of Coillte Telecom's revenue is generated from the mobile market.

The demand for data has increased exponentially over the last few years and shows no sign of slowing. This will put further demands on the network operators for coverage and capacity.

Telecommunication business grows

Mark Foley, Managing Director of Coillte Enterprise and Colin Cunningham of the Telecoms team, at the breakfast briefing held in the Aviva Stadium, Dublin

As part of our ongoing development in the telecommunication infrastructure sector in Ireland the Telecoms Team, part of the Coillte Enterprise division, hosted a breakfast briefing attended by 70 of the telecoms industry leaders. This was the first event of its kind Coillte has hosted and proved to be a huge success for the team led by Mark Foley and Colin Cunningham. The event was held in the Aviva Stadium in Dublin and was an opportunity to unveil the new website developed for our mast site customers to allow them better access and information on our 400 plus mast sites across the country.

Over the past 18 months our Telecoms Division has completed an extensive review of its business, both at a contractual level and at a site level. This has provided the Telecoms Division with the ability to assess the current market dynamics in order to understand how Coillte can position its infrastructure, product and service offerings into the future.

A number of key factors are driving the sector including the award of new spectrum by ComReg in November 2012, the rollout of new technology – LTE\4G, network consolidation, delivery of fibre to wireless sites and the planned further extension of the National Broadband Scheme across rural Ireland.

In 2012 the Telecoms Division developed customer account management plans to ensure on-going engagement with each mobile operator. This will prove critical in ensuring that Coillte's portfolio of sites is central to the plans of the mobile operators during this period of change and in the rollout of next generation networks.

Biomass

Coillte plays a key leadership role in delivering renewable energy technologies and climate change mitigation by providing biomass energy solutions to Irish industry. During 2012 we continued to pursue our strategy of providing long term fuel supply agreements to industrial heat customers. Since February 2012, Coillte has underpinned the future energy supply of one of Ireland's leading pharmaceutical plants, Astellas Ireland Ltd in Killorglin, Co. Kerry. Having secured a five year biomass fuel supply agreement with this customer, Coillte is now successfully delivering both 'security of supply' and significantly reduced energy costs for Astellas.

Coillte signed two additional fuel supply contracts in 2012. One of these contracts is with Botany Weaving in Kilcar, Co. Donegal one of the leading providers of fabric to the airline and automotive industries worldwide.

In the absence of any supports or incentives for renewable heat we are not forecasting strong growth in this sector. In 2013 we will continue to explore the capability of other biomass energy markets, looking to build on our strengths in this sector.

Land

Coillte is Ireland's largest land owner and we manage our estate in a strategic way, primarily for forestry but also to avail of other opportunities that arise.

The decline in the construction industry continued in 2012, with an estimated 8,000 new houses built in 2012, down from 11,500 in 2011, continuing to dampen the demand for land. There is a marked lack of bank funding for property transactions with estimates of circa 40% of acquisitions being cash purchases.

Lack of funding for investment in national infrastructure has resulted in limited CPO activity from Local Authorities in 2012, and we currently see no signs that this will change in the next few years.

There was however demand for land in the agricultural sector in 2012 and we are working to ensure we can avail of any opportunities that arise in that sector.

Despite the challenging environment we delivered 44 individual property sales in 2012, down from 49 in 2011, but still a good performance in a very difficult market.

We don't expect to see any significant pick up in 2013 but we will continue to make land available for a range of community and agricultural projects as well as pursuing any commercial opportunities that may arise.

Outlook

Regulatory uncertainty in renewable energy and the challenging funding environment for projects will continue to influence the outlook for our business.

However, we are well placed in our telecoms and wind energy business to continue to add value to the land we manage. The export of wind energy to the UK is a major opportunity which we are engaged in on a number of fronts and we hope to benefit from the progress we made in 2012 in this area.

Financial review

Results

Group turnover increased by €3m (1%) during 2012 to €262.2m. Demand for sawn timber in the UK was strong in the first half of the year and this was reflected in the demand for logs from Irish sawmills which were 14% ahead year on year however, prices declined by an average of 3.5% in the same period. The second half of the year was significantly more challenging with the UK market once again descending into recession. Demand for logs declined and volumes ended the year 1% ahead of the 2011 outturn although prices increased marginally during the same period reflecting the strength of Sterling throughout 2012. By contrast, the demand for panel products remained stable throughout the year when compared with the 2011 outturn. New markets in Russia, Turkey and Mexico underpinned demand however, price performance was mixed, with a fall in OSB prices offset by increased MDF prices. Export sales account for 57% of Group turnover and 65% of this figure was sold into the UK market.

Operating profit before exceptional items fell from €41.5m in 2011 to €35m in 2012. The increased contribution from sales was offset by an increase in input costs, mainly electricity and resin costs. Profit after tax fell from €19.9m in 2011 to €15.3m in 2012 however, the results include an exceptional charge of €6m compared with an equivalent charge of €9.1m in the previous year. Further details are provided in Note 5 to the accounts.

EBITDA for the group decreased from €60.5m to €52.6m, a fall of 13%. A reconciliation of EBITDA is included in Table 2 below.

Interest (including related bank costs) and financing charges for the year were €12.6 million, an increase of €1 million on 2011. Interest charges on our overdrafts and loan facilities were €8.3m (2011:€8.6m) while the finance charge relating to the FRS17 finance costs associated with the pension fund deficit was €4.3m (2011:€3m). The underlying EBIT interest cover for the year was 3.5 times.

The Group tax charge for 2012 was €1.1m (2011:€0.9m).

Outlook

The economic environment continues to be extremely challenging across Europe. The decline in activity in the UK market in the second half of the year together with an adverse movement in the Sterling exchange rate is a concern for 2013. Construction activity in the domestic market would appear to have stabilised however, no significant growth is forecast in Ireland or the UK in 2013. Increased demand and prices for panel products in the US provide a realistic opportunity for growth. The Sterling exchange rate remains a significant issue for the Group. While we have hedged a significant proportion of our own exposure to sterling, any further deterioration in the exchange rate, particularly relative to the Swedish Krona, would have a significant impact on the sawmill sector and will be reflected in lower log prices. The Group continually strives to reduce operating costs through innovation which has facilitated a further reduction in staff numbers of 53. During the year, the Group renegotiated its loan facilities, ensuring adequate resources are in place to continue its capital investment programme over the next 5 years.

Capital Expenditure

The Group continued its capital expenditure programme in 2012 with €42.7m (2011: €42.5m) invested. 78% of expenditure (€33.3m) was incurred in enhancing and maintaining the forest estate.

Net Debt and Gearing

At year end, the Group's net debt increased by €8m to €162.5m with headroom on existing undrawn facilities of €103m. Gross debt decreased by €2.4m while cash balances decreased by €10.4m. These figures include the payment of a €2m dividend to the shareholders. Gearing was 13.6% at year end and 60% of the debt portfolio was at fixed interest rates at 31 December. The ratio of net debt to EBITDA was 3.09 times and interest cover was 6.3.

Employee Benefits

Coillte operates a number of defined benefit pension schemes with assets held in separately administered funds. The most recent actuarial valuations (31 December 2011 – Coillte and 1 January 2012 – Medite) indicated that the market value of the scheme's assets was €165.3m, which was €74.4m less than the scheme's liabilities.

A funding proposal (accepted by the Pensions Board) is in place for Coillte Teoranta which has the objective of bringing the Scheme back to full solvency on the Minimum Funding Standard basis by 31 December 2020. As part of this agreed funding proposal Coillte has made significant additional cash contributions to the Scheme including an up front contribution of €3m, has agreed to make annual contributions of €1.5m over twelve years (indexed at 6.5% p.a.), has agreed to transfer €30m non-cash assets to the Scheme of which €7m has already been transferred and has introduced employee contributions since September 2009.

The Group continues to adopt the full requirements of Financial Reporting Standard 17 (FRS 17) retirement benefits' disclosure. The deficit on the fund at 31 December 2012, based on FRS 17 and calculated using the projected unit method, is €161.4m (2011: €135.0m) and is fully reflected in the Group accounts. The FRS 17 deficit has increased substantially since the last actuarial valuation and indeed on prior year. This mainly reflects a change in the rate at which future liabilities are being discounted, the rate was reduced from 5% in 2011 to 3.8% in 2012 and partially offsetting strong returns on the schemes assets during the year.

Financial Risk Management

The Group's treasury operations are managed in accordance with policies approved by the Board. These policies provide principles for overall financial risk management and cover specific areas such as interest rate, liquidity and foreign exchange risk.

The Group's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, foreign exchange risk, credit risk, liquidity and interest rate risk. The Group has in place a risk management programme that seeks to manage the financial exposures of the Group by monitoring levels of debt finance and the related finance costs.

In order to ensure stability of cash out flows and hence manage interest rate risk, the Group has a policy of maintaining at least 50% of its debt at a fixed rate. Further to this the Group seeks to minimise the risk of uncertain funding in its operations by borrowing within a spread of maturity periods. Financial instruments are used to manage interest rate and financial risk. The Group does not engage in speculative activity and its treasury operating policy is risk averse.

Price risk

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Foreign exchange risk

The Group is exposed to foreign exchange risks in the normal course of business, principally on the sale of Sterling. The Group's policy on mitigating the effect of this currency exposure is to hedge Sterling by entering into forward foreign exchange contracts based on expected sales in the UK markets.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. In addition, insurance is also put in place for the larger customers of the Group.

Liquidity risk

The Group actively maintains a mix of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

Key Financial Performance Indicators

Table 1 – Key Financial Performance Indicators

	2012	2011
Revenue (€'m)	262.2	259.1
EBITDA (€'m)	52.6	60.5
EBIT (€'m)	28.9	32.3
Interest cover, excluding associates		
- EBITDA basis (times)	6.3	7.1
- EBIT basis (times)	3.5	3.8
Net Debt (€'m)	162.5	154.5
Net debt as a percentage of total equity (%)	13.7	12.9
Net debt as a percentage of fixed assets (%)	10.9	10.5
Net debt/EBITDA	3.09	2.55
Effective tax rate (%)	6.8	4.1

EBITDA – earnings before finance costs, tax, depreciation, depletion and intangible asset amortisation, impairment and exceptional costs
EBIT – earnings before finance costs and tax (trading profit)
Interest cover – the ratio of EBITDA or EBIT to net interest charges

Table 2 – EBITDA Reconciliation

	2012	2011
EBIT	28,935	32,304
Adjustments		
Depreciation	9,870	10,255
Depletion	7,622	8,681
Amortisation of goodwill	117	118
Share of associate losses	50	50
Exceptional costs	6,043	9,131
EBITDA	52,637	60,539

Report of the Directors

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2012.

The Company

The Company was incorporated on 8 December 1988 and commenced trading on 1 January 1989 when it took over the forestry business formerly carried out by the Department of Agriculture, Food and the Marine. The related assets were acquired and liabilities assumed as at 1 January 1989.

One ordinary share is held by the Minister for Agriculture, Food and the Marine and the remainder of the issued share capital is held by the Minister for Public Expenditure and Reform.

Principal activities and review of the business

The principal activities of the Group are forestry and forestry related activities, wood based panels, renewable energy and land development. The review of the business required by Section 13 (as amended) of the Companies (Amendment) Act, 1986 is included in the Chairman's Statement, Chief Executive Review, Division Reviews and Financial Review sections of the Annual Report.

Results and dividends

Details of the results of the Group are set out in the profit and loss account and the related notes. Group turnover increased by €3m (1%) to €262m in 2012 as a result of strong demand for Irish logs in the UK market, particularly in the first half of the year. This increased contribution from logs was offset by an increase in input cost that resulted in a fall in operating profit before exceptionals from €41.5m in 2011 to €35m in 2012. Exceptional items of €6m were charged to the profit and loss account (see Note 5 to the accounts for further details).

An interim dividend of €0.00317 per share representing a total payment of €2m was paid during the year (2011: €10m). The Directors do not propose payment of a final dividend.

Directors

The Directors of the Company were appointed by the Minister for Agriculture, Food and the Marine. The Directors in office during the year ended 31 December 2012 were as follows:

Brendan McKenna (Chairman)
David Gunning (Chief Executive)
Breffni Byrne
Denis Byrne
Oliver McCabe
Alma Kelly
Seamus Murray
Yvonne Scannell
Frank Toal

David Gunning was reappointed to the Board on 25 May 2012 having previously retired by rotation on 25 July 2011. Oliver McCabe retired from the Board on 1 November 2012 while Breffni Byrne and Yvonne Scannell retired on 27 November 2012. David Gunning retired as Chief Executive and Director on 19 March 2013.

The Directors and Secretary have no interests in the shares of the Company, its subsidiaries or associated undertakings.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with Irish law. Irish law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period.

Under the law the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Accounting Standards Board and promulgated by The Institute of Chartered Accountants in Ireland.)

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company or Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Companies Acts 1963 to 2012 and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also required to include in the Annual Report a statement on the system of internal control in accordance with the requirements of the Code of Practice for the Governance of State Bodies.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate governance

The Board of Coillte is committed to the highest standards of corporate governance and is accountable to its shareholders for those standards. The Code of Practice for the Governance of State Bodies, issued by the Department of Finance, sets out the principles of corporate governance that apply to the Company and the Directors support the principles and provisions of the code.

Board of Directors

During the year the Board consisted of a non-executive Chairman, the Chief Executive (reappointed to the Board on 25 May 2012) and seven non-executive Directors. The Chairman and non-executive board members are independent of the Chief Executive and senior management. All the Directors are appointed to the Board by the Minister for Agriculture, Food and the Marine for a period not to exceed 5 years and their terms of office are set out in writing. The level of remuneration for the Board of Directors is also determined by the Minister and remuneration of non-executive Directors is not linked to performance.

The Board meets formally on a monthly basis. It has a schedule of matters specifically reserved to it for decision and is satisfied that the direction and control of the Group is firmly in its hands. The Group's annual budget and rolling five year plan are reviewed and approved by the Board. The Board receives monthly management accounts promptly with detailed comparison of actual to budget. The presentation of management accounts is supported by detailed presentations by senior management to the Board on a regular basis. All significant contracts, major investments and capital expenditure are also subject to review by the Board. Each non-executive Director brings an independent judgement to bear on all matters dealt with by the Board including those relating to strategy, performance, resources and standards of conduct.

All members of the Board have access to the Company Secretary and the Company's professional advisors as required. This ensures that Board procedures are followed and that applicable rules and regulations are complied with. Each Director received appropriate briefing on being appointed to the Board.

The Board uses two other main committees to assist in the effective discharge of its responsibilities:

Audit Committee

Members: Frank Toal (Chairman), Denis Byrne and Alma Kelly

The Audit Committee is composed of non-executive Directors and operates under formal terms of reference. The Committee may review any matters relating to the financial affairs of the Group, in particular, the annual financial statements, the financial controls, the internal audit function, reports of the external and internal auditors and proposed changes to accounting policies. The Chief Executive, Chief Financial Officer, the Chief Internal Auditor and other senior managers are normally invited to attend these meetings as appropriate. The Committee is responsible for the appointment and fees of the external auditors and meets with them to plan and subsequently review the results of the annual audit. The external auditors also meet privately with the Committee. The Chief Internal Auditor reports directly to the Committee and the Committee is responsible for approval of the internal audit plan. The Chief Internal Auditor also meets privately with the Committee.

A framework to formally identify risk and assess the effectiveness of internal controls has been established. Internal auditors monitor the Group's control systems by examining financial reports, by testing the accuracy of the reporting of transactions and by otherwise obtaining assurances that the systems are operating in accordance with the Group's objectives. Management's response to significant risks identified and their reporting procedures are also evaluated.

Remuneration Committee

The Committee operates under formal terms of reference and met once during the year. The members of the Committee during 2012 were Brendan McKenna (Chairman), Yvonne Scannell and Breffni Byrne. It assists the Board in implementing the performance related pay system applicable to the Chief Executive and selects the specific performance criteria applicable to this aspect of the Chief Executive's remuneration. It advises the Board on executive remuneration generally in the Company and provides guidance and advice to the Chief Executive with regard to implementation of Board policy in this area. Details of Directors' fees are set out in note 3 to the financial statements. Coillte's policy in relation to remuneration of the Chief Executive is in accordance with "Guidelines on contracts, remuneration and other conditions of Chief Executives and senior management of Commercial State Bodies" issued in March 2006 by the Department of Finance. An Assistant Secretary from the Department of Agriculture, Food and the Marine attends the meetings of the remuneration committee.

Relations with Shareholders

The Chairman, Chief Executive and management maintain an ongoing dialogue with the Company's shareholders on trading performance, future plans and strategic issues. Certain specified matters require the approval of the Minister for Agriculture, Food and the Marine and/or the Minister for Public Expenditure and Reform and ongoing communication with the relevant Minister is maintained through their respective departments.

Internal control

The Board has overall responsibility for the Group's system of internal control. Those systems which are maintained by the Group can only provide reasonable and not absolute assurance against material misstatement or loss. The Board confirms that it has reviewed the effectiveness of the system of internal control.

Management is responsible for the identification and evaluation of significant risks applicable to their areas of business, together with the implementation of suitable internal controls. These risks are assessed on a continuous basis and may arise because of control breakdowns, disruption to IT systems, legal and regulatory issues, market conditions and natural catastrophes. Management also reports to the Board on major changes in the business and external environment which affects risk. Where areas of improvement in the system are identified the Board considers the recommendations of management and the Audit Committee.

The system of internal control is designed to ensure management carry on the business of the Group in an orderly manner, safeguard its assets and ensure, as far as possible, the accuracy and reliability of its records. The key elements of the system are:

- An organisation structure with clear operating and reporting procedures, authorisation limits, segregation of duties and delegated authorities.
- A comprehensive system of financial reporting.
- Annual budgets and long term plans for the business that identify key risks and opportunities.
- Monitoring performance against budgets and reporting on it to the Board on a monthly basis.
- A formal code of business conduct applicable to the business and communicated to staff.
- An internal audit function that reviews the system of internal controls on a regular basis.
- An audit committee that reviews the effectiveness of the Group's system of internal financial control on an annual basis.

A risk register has been compiled that identifies the most significant risks facing the Group. In reviewing these risks managers were asked to pay particular attention to:

- The counter measures in place to mitigate the risk.
- The net residual risk having regard to the processes and controls in place.
- Actions required or being taken to further mitigate the risk.

The risks identified were ranked in terms of their impact and likelihood of occurrence and managers have been instructed to ensure these risks are considered in the development of business plans and the performance plans of individual managers. This is an ongoing process and the Group's risk profile and risk management process will continue to be reviewed on a periodic basis.

Books of account

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and the employment of competent persons. The books of account are kept at the Group's head office at Dublin Road, Newtownmountkennedy, Co. Wicklow.

Health and safety

All business units across the Group have developed safety statements which are updated on an ongoing basis in accordance with the provisions of the Safety, Health and Welfare at Work Act 2005. Risk assessment programmes are in place which are reviewed and updated to ensure in so far as is reasonably practicable the safety, health and welfare of those affected by the Group's activities. Safety committees are in place and meet on a regular basis to ensure effective health and safety consultation with employees' representatives and to monitor and improve safety standards and performance across the Group. Safety and skills training programmes are implemented to ensure competence and compliance with legislation, industry best practice and relevant safety guidelines in all business units across the Group.

Research and development

During the year, the Group continued its research and development programme in relation to its forestry activities and in expanding the application of its panel board products.

Prompt payments regulation

The Directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations 2002 ('the Regulations').

Procedures have been implemented to identify the dates upon which invoices fall due for payment and for payments to be made by such dates.

Accordingly, the Directors are satisfied that the Company has complied with the requirements of the Regulations.

Subsidiary, associated and joint venture undertakings

A list of subsidiary, joint venture and associated undertakings as at 31 December 2012 is set out in note 29.

Auditors

The auditors PricewaterhouseCoopers will continue in office in accordance with Section 160(2) of the Companies Act 1963.

Brendan McKenna
Chairman

Frank Toal
Director

Independent Auditor's report to the members of Coillte Teoranta

We have audited the financial statements of Coillte Teoranta the year ended 31 December 2012 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out in the Report of the Directors, the Directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's profit and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The Company Balance Sheet is in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- The net assets of the parent company, as stated in the Company Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Acts 1963 to 2012 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Under the Code of Practice for the Governance of State Bodies ("the Code") we are required to report to you if the statement regarding the system of internal financial control required under the Code included in the Report of the Directors does not reflect the group's compliance with paragraph 13.1 (iii) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements.

John Dillon
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

6 June 2013

Accounting Policies

The significant accounting polices adopted by the Group are as follows:

Authority

Coillte Teoranta (The Irish Forestry Board) was established under the Forestry Act, 1988.

Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain financial assets and have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2012, and the European Communities (Companies: Group Accounts) Regulations, 1992. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The Directors have concluded having made due enquiries that it is appropriate to prepare the Group and Company financial statements on a going concern basis.

Critical accounting estimates and judgments

Preparation of the consolidated financial statements requires management to make certain assumptions that affect the reported amounts of assets and liabilities. These include but are not limited to the following areas:

A. Impairment of assets and goodwill

Intangible assets including goodwill, forests and land, buildings, machinery and equipment are reviewed for impairment whenever events or changes in circumstances indicate that carrying values may not be recoverable. The recoverable amount of income generating units is determined based on value in use calculations. These calculations require the use of estimates. The calculations are inherently judgmental and susceptible to change from period to period because they require the Group to make assumptions about future supply and demand, future sales prices, the achievement of cost savings, applicable exchange rates and an appropriate discount rate.

If the Group fails to meet its forecasted sales levels or fails to achieve anticipated cost reductions, or if weak economic conditions prevail in its primary markets, the value in use of an income generating unit is likely to be adversely affected.

B. Pensions

The actuarial valuation of pensions is based on assumptions regarding inflation, discount rates, the expected return on plan assets, salary increases, pension payment increases and mortality rates. The assumptions may differ from the actual data as a result of changes in economic and market conditions.

Consolidation and equity accounting

The Group financial statements consolidate the financial statements of the holding Company and its subsidiary undertakings and the Group's share of the results and net assets including the premium on acquisition of associated undertakings. Associated undertakings are accounted for under the equity method of accounting.

Turnover

Turnover, excluding value added tax, represents the income received and receivable from third parties, in the ordinary course of business, for goods and services provided. Any discounts given to the Group's customers are deducted from turnover.

Revenue from the sale of standing timber is recognised when the timber is released to the customer for harvest. Revenue from the sale of harvested timber is recognised when delivered to the mill gate. Revenue from the sale of panel products is recognised when the goods are delivered. Revenue from operating leases is recognised over the term of the lease. Revenue from the sale of fixed assets is recognised when an unconditional contract has been signed. Revenue is recognised on the sale of units in the Irish Forestry Unit Trust or by marking units that are readily realisable to market.

Operating lease rental income is charged to the profit and loss account on a straight line basis over the life of the lease agreement. All other revenue is recognised when the goods or services are delivered.

Exceptional items

The Group has adopted a profit and loss account format which highlights significant items within the Group's results for the year. Exceptional items are those items of income and expense that the Group considers are material and/or of such a nature that their separate disclosure is relevant to a better understanding of the Group's financial performance. Judgement is used by the Group in assessing the particular items, which by virtue of their materiality and/or nature, are disclosed in the Group profit and loss account and related notes as exceptional items.

Tangible assets

Forests and land are stated at cost less depletion. Critical spare parts (components) are stated at cost and are depreciated over the shorter of the economic life of the component or the tangible asset that the component is incorporated into, once the component is utilised. Other tangible assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of tangible assets other than forests, land and critical spare parts over their estimated useful lives by equal annual instalments.

Forest capitalisation policy

The Group capitalises the costs associated with establishing and maintaining forest plantations. Direct costs are capitalised on the basis of the specific operations carried out. Indirect costs are capitalised by operation where this information is available or by reference to the proportion of the direct costs capitalised for which the individual management team has responsibility.

Joint arrangements

The Group has certain contractual arrangements with other participants to engage in joint activities that do not create an entity carrying on a trade or business of its own. The Group includes its share of assets, liabilities and cash flows in such joint arrangements, measured in accordance with the terms of each arrangement, which is usually pro-rata to the Group's risk interest in the joint arrangement.

Depletion

Depletion represents the costs of forests clear felled and is calculated as the proportion that the area harvested bears to the total area of similar forests. The amount of depletion charged to the profit and loss account is based on the original cost of the forest asset at vesting day plus an estimate of maintenance costs capitalised since that date.

Leased assets

The capital cost of assets acquired under finance leases is included under tangible assets and written off over the shorter of the lease term or the estimated useful life of the asset. The outstanding capital element of the lease obligations is included in loans and other debt, while the interest is charged to the profit and loss account over the primary lease period. Assets acquired under operating leases are not capitalised. The lease charges are expensed over the period of the lease.

Financial assets

Interests in subsidiary, associated and joint venture undertakings are stated in the Holding Company's balance sheet at cost less provisions for impairment. The Group's share of profits less losses of associated and joint venture undertakings is included in the Group profit and loss account and added to the carrying value of investments in the Group balance sheet. Other investments are stated at cost except for investments that are readily marketable, which are stated at market value.

Intangible assets

Goodwill arising on the acquisition of subsidiary undertakings by the Group is capitalised and amortised to the Group profit and loss account over its estimated useful life.

Impairment of assets and goodwill

Intangible assets, forests and land, buildings, machinery and equipment are reviewed for impairment whenever events or changes in circumstances indicate that carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or income generating units are written down to their recoverable amount.

The recoverable amount of intangible assets, forests and land, buildings, machinery and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For immature forestry related assets, cost is recognised as being equivalent to fair value for value in use purposes. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by the income generating unit to which the asset belongs.

Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may be impaired. As at acquisition date any goodwill acquired is allocated to each of the income generating units expected to benefit from the business combination's synergies. Impairment is determined by assessing the recoverable amount of the income generating unit to which the goodwill relates.

When the recoverable amount of the income generating unit is less than the carrying amount, including goodwill, an impairment loss is recognised.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on normal levels of cost and comprises supplier's invoice price with the addition of charges such as freight or duty where appropriate. Net realisable value comprises the actual or estimated selling price (net of trade but before settlement discounts), less all costs to be incurred in marketing, selling and distribution. Non-critical spare parts are included in stock at cost and a provision is made for obsolete, slow-moving or defective items where appropriate.

Financial instruments

Forward foreign exchange contracts are used to hedge foreign currency exposures arising from trading activities. At the balance sheet date, debtor or creditor balances that are hedged by forward foreign currency contracts are translated into Euro at the contract rate.

Interest rate swap agreements and similar contracts are used to manage interest rate exposures. Amounts payable or receivable in respect of these financial instruments are amortised to finance charge over the remaining life of the financial instrument.

Foreign currencies

Transactions denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the transaction date or, if hedged, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date or, if hedged forward, at the rate of exchange under the related forward currency contract. The resulting profit or loss is included in the profit and loss account.

Pensions

(a) The pension entitlements of the majority of employees in Coillte Teoranta and Medite Europe Limited, are funded through separately administered defined benefit superannuation schemes. A full actuarial valuation is undertaken every three years and is updated to reflect current conditions in the intervening periods. The schemes' assets are valued at market value and the schemes' liabilities are measured on an actuarial basis, using the projected unit credit method. If the schemes are in surplus, the surplus is shown net of deferred tax as an asset on the balance sheet. If the schemes are in deficit, the deficit is shown as a liability on the balance sheet net of deferred tax. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses. The current service and past service cost of the defined benefit scheme is charged to operating profit and the expected return on assets net of the change in the present value of the scheme's liabilities arising from the passage of time is credited to other finance income/charges.

(b) Pension entitlements of employees of SmartPly Europe Limited and Coillte Panel Products (UK) Limited are funded through a separately administered defined contribution superannuation scheme. Pension entitlements of employees in Coillte Teoranta and Medite Europe Limited who are not members of the defined benefit superannuation scheme are funded through separately administered defined contribution schemes and are charged to the profit and loss account as they fall due.

(c) The payment of pre-Vesting Day pension entitlements of employees retiring after Vesting Day, which is the liability of the Minister for Public Expenditure and Reform, has been delegated to the Company by the Minister for Agriculture, Food and the Marine under section 44 of the Forestry Act, 1988. Payments made by the Company in accordance with such delegation are reimbursed by the Minister for Public Expenditure and Reform.

Grants

Revenue based grants are credited to the profit and loss account on the same basis as the related expenditure is incurred.

Capital grants received and receivable under EU-assisted schemes are recognised when received or when their receipt can be foreseen with virtual certainty.

Grants, in respect of afforestation costs which have been capitalised, are treated as grant reserve and will be amortised to the profit and loss account when the related forests are clearfelled. Grants, in respect of afforestation costs expensed by the Group, are credited to the profit and loss account on the same basis as the related expenditure is incurred.

Other non-repayable grants are amortised to the profit and loss account at the same time as the related assets are depreciated.

Taxation

Corporation tax is provided, where applicable, at current rates.

Deferred tax liabilities are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, have occurred at the balance sheet date.

Deferred tax assets arising from timing differences are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Timing differences are differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax is calculated at the rates at which it is estimated that tax will arise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Research expenditure

All expenditure on research is written off to the profit and loss account in the year in which it is incurred.

Legal claims and provisions

The Group employs an in-house team to manage all claims against the Group. It has also established a Liability Provisions Committee that meets four times a year to assess the provisions for legal claims proposed by the in-house legal team. The committee is made up of senior management and a representative of the Group's insurance brokers.

Provisions are included in the financial statements for legal and any other matters on the basis of the amounts that management consider will become payable, after evaluating the recommendations of claim advisors, the specific knowledge of the in-house legal team, insurance thresholds and any other experts.

Group Profit and Loss Account
Year ended 31 December 2012

	Notes	2012 €'000	2011 €'000
Group turnover	1	262,156	259,116
Operating costs		(227,128)	(217,631)
Operating profit before exceptional items		**35,028**	**41,485**
Exceptional items	5	(6,043)	(9,131)
Operating profit		**28,985**	**32,354**
Share of associated undertaking losses	30	(50)	(50)
Profit before finance charge and taxation		**28,935**	**32,304**
Interest payable	6	(8,333)	(8,585)
Interest receivable	6	30	3
Other finance cost	9 (b)	(4,251)	(2,973)
Profit before taxation	2	**16,381**	**20,749**
Taxation	8	(1,119)	(851)
Profit for the year		**15,262**	**19,898**

Note: Movements on reserves are set out in note 27.

Brendan McKenna
Chairman

Frank Toal
Director

Group Statement of Total Recognised Gains and Losses

Year ended 31 December 2012

	Notes	2012 €'000	2011 €'000
Profit for the financial year		15,262	19,898
Actuarial loss in respect of pension scheme	9	(26,457)	(36,680)
Deferred tax on actuarial loss	20	468	1,642
Total recognised losses for the year		**(10,727)**	**(15,140)**

Group Balance Sheet
At 31 December 2012

	Notes	2012 €'000	2011 €'000
Fixed assets			
Tangible assets	10	1,489,217	1,467,195
Financial assets	11	1,267	1,218
Intangible assets	12	461	578
		1,490,945	1,468,991
Current assets			
Stocks	13	22,535	24,196
Debtors	14	59,358	60,937
Cash		5,131	15,585
		87,024	100,718
Creditors: Amounts falling due within one year	15	(57,997)	(60,361)
Net current assets		**29,027**	**40,357**
Total assets less current liabilities		**1,519,972**	**1,509,348**
Creditors: Amounts falling due after one year	18	(168,996)	(171,732)
Provisions for liabilities and charges	20	(5,735)	(6,166)
Net assets excluding pension liability		**1,345,241**	**1,331,450**
Pension liability	9	(156,483)	(130,525)
Net assets including pension liability		**1,188,758**	**1,200,925**
Capital and reserves			
Called up share capital	21	795,060	795,060
Capital conversion reserve fund	21	6,145	6,145
Profit and loss account	22	234,205	246,932
Grant reserve	22	153,348	152,788
Shareholders' funds		**1,188,758**	**1,200,925**

Brendan McKenna
Chairman

Frank Toal
Director

Company Balance Sheet

At 31 December 2012

	Notes	2012 €'000	2011 €'000
Fixed assets			
Tangible assets	10	1,424,574	1,401,330
Financial assets	11	65,490	63,665
		1,490,064	1,464,995
Current assets			
Stocks	13	6,805	6,382
Debtors	14	38,533	41,621
Cash		2,290	7,935
		47,628	55,938
Creditors: Amounts falling due within one year	15	(41,481)	(40,562)
Net current assets		**6,147**	**15,376**
Total assets less current liabilities		**1,496,211**	**1,480,371**
Creditors: Amounts falling due after one year	18	(167,720)	(170,189)
Provisions for liabilities and charges	20	(1,982)	(2,283)
Net assets excluding pension liability		**1,326,509**	**1,307,899**
Pension liability	9	(144,022)	(122,009)
Net assets including pension liability		**1,182,487**	**1,185,890**
Capital and reserves			
Called up share capital	21	795,060	795,060
Capital conversion reserve fund	21	6,145	6,145
Profit and loss account	22	227,934	231,897
Grant reserve	22	153,348	152,788
Shareholders' funds		**1,182,487**	**1,185,890**

Brendan McKenna
Chairman

Frank Toal
Director

Group Cash Flow Statement

At 31 December 2012

	Notes	2012 €'000	2011 €'000
Net cash inflow from operating activities	26(a)	37,369	48,491
Return on investment and servicing of finance			
Net Interest	26(b)	(8,406)	(8,569)
Taxation		(77)	(1,708)
Capital expenditure			
Purchase of tangible fixed assets	26(c)	(42,632)	(42,421)
Sale of tangible fixed assets	26(d)	6,810	8,624
Capital grants received	26(e)	911	1,709
Net cash outflow from capital expenditure		(34,911)	(32,088)
Equity dividends paid to shareholders	7	(2,000)	(10,000)
Net cash outflow from management of liquid resources		**(8,025)**	**(3,874)**
Financing			
Capital element of finance lease payments	26(e)	19	31
(Decrease)/increase in borrowings	26(h)	(2,448)	10,000
(Decrease)/increase in cash at bank		**(10,454)**	**6,157**

Brendan McKenna
Chairman

Frank Toal
Director

Notes to the Financial Statements

1. Segmental reporting

Analysis of turnover by class of business and by geography

The Group is organised into three divisions, Forest, Enterprise and Panel Products. The Forest Division is involved in the management of the Group's forestry business, including the establishment, management and protection of forests. Enterprise is responsible for optimising the land resource through renewable energy (Wind and Biomass), telecommunication masts and land sales and development. Panel Products is involved in the manufacture of engineered wood products.

	Forest		Enterprise		Panel Products		Group	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Segment Revenue								
Republic of Ireland	108,891	112,501	23,265	22,645	13,647	15,037	145,803	150,183
United Kingdom	6,428	6,799	1,284	871	88,819	90,334	96,531	98,004
Rest of the World	1,034	226	161	183	51,928	48,402	53,123	48,811
	116,353	119,526	24,710	23,699	154,394	153,773	295,457	296,998
Inter-segment sales	(28,128)	(32,462)	(5,173)	(5,420)	-	-	(33,301)	(37,882)
Sales to third parties	**88,225**	**87,064**	**19,537**	**18,279**	**154,394**	**153,773**	**262,156**	**259,116**

No analysis of operating profit or assets by business segment is provided in accordance with SSAP 25 as the Directors are of the opinion that such disclosure would be seriously prejudicial to the Group's interests.

2. Profit before taxation

		2012	2011
		€'000	**€'000**
Profit before taxation has been arrived at after charging/(crediting):			
Auditors' remuneration:	- audit services	192	192
	- audit-related services	122	150
	- non-audit related services	195	147
Depreciation		9,870	10,255
Interest payable on borrowings wholly repayable within 5 years		8,333	8,585
Operating lease charges – plant and machinery		264	288
Operating lease charges – buildings		1,100	991
Research expenditure		3,956	2,310
Operating lease rental income		(5,383)	(4,685)
Amortisation of grants (note 23)		(319)	(302)
Amortisation of goodwill (note 12)		117	118
Other exceptional costs (note 5)		6,043	9,131
Auditors' remuneration for statutory audit of parent company accounts		147	147

Auditors' remuneration for audit-related services comprised:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**
Taxation advice and compliance	50	127	41	104
Pension audit	22	21	22	21
Grant claims	-	2	-	2
Accounting and other advice	50	-	50	-
	122	150	113	127

Auditors' remuneration for non-audit related services comprised:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**
Advisory service	195	147	88	147

3. Emoluments of Directors and Chief Executive

	Fees	Salary	Performance Related Pay	Pension Contribution	Taxable Benefits	Other Emoluments	2012 Total	2011 Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Parent Company								
David Gunning	-	265	-	78	29	-	372	411
Brendan McKenna	22	-	-	-	-	-	22	22
Breffni Byrne	13	-	-	-	-	-	13	13
Alma Kelly	13	-	-	-	-	-	13	13
Seamus Murray	13	-	-	-	-	-	13	13
Frank Toal	13	-	-	-	-	-	13	13
Denis Byrne	13	-	-	-	-	-	13	13
Yvonne Scannell	13	-	-	-	-	-	13	13
Oliver McCabe	13	29	-	2	-	-	44	33
	113	294	-	80	29	-	516	544

4. Employees and remuneration

The average number of persons employed by the Group (excluding associated undertakings) during the year was 960 (2011: 1,013) which comprise 439 (2011: 450) industrial workers and 521 (2011: 563) non-industrial employees.

	2012	2011
	€'000	€'000
The staff costs comprise:		
Wages and salaries	53,675	55,463
Social welfare costs	4,628	4,479
Pension costs	5,394	4,820
	63,697	64,762
Own work capitalised	(10,456)	(11,432)
Charge to profit and loss account	53,241	53,330

5. Exceptional items

	2012 €'000	2011 €'000
Restructuring costs (note a)	-	731
Voluntary parting/early retirement programme (note b)	3,043	-
Past service pension costs (note c)	-	8,400
Impairment of fixed assets (note d)	3,000	-
	6,043	9,131

A. Restructuring costs

During 2011 the Group announced the closure of its sawmill business (Dundrum Woodproducts) resulting in a charge to the profit and loss account of €731,000.

B. Voluntary parting/early retirement programme

In 2012 severance payments and actuarial costs relating to the past service of departing employees of €3.0m were incurred.

C. Past service pension costs

During 2011 the Group incurred a once-off charge of €8.4m relating to past service pension costs of its employees.

D. Impairment of fixed assets

In accordance with the provisions of FRS11 – 'Impairment of Fixed Assets and Goodwill', the Group has reviewed the carrying value of its investment in certain forestry assets. As a consequence of the review, the Group has written down the assets to their recoverable amount by including an impairment charge of €3.0m (2011: €nil) in the Group profit and loss account.

6. Net finance charges

	2012 €'000	2011 €'000
Finance charges:		
Interest on bank overdraft and loans wholly repayable within 5 years and other related bank costs	8,333	8,585
Finance income:		
Interest receivable	(30)	(3)
	8,303	8,582

7. Dividends paid

	2012 €'000	2011 €'000
Amounts recognised as distributions to equity holders in the year:		
Equity dividends on ordinary shares		
Interim dividend of €0.00317 per share for the year ended 31 December 2012 (2011: €0.01585)	2,000	10,000

8. Taxation

		2012 €'000	2011 €'000
Current tax:			
Corporation tax at 12.5% (2011: 12.5%)		4,140	2,480
Less: Woodlands relief		(2,849)	(1,804)
		1,291	676
Foreign tax	- Netherlands	1	3
	- United Kingdom	22	43
Adjustment in respect of prior years		(2,423)	(1,367)
Taxation on disposal of fixed assets at 30%/33% (2011: 25%/30%)		2,238	1,944
Total current tax		1,129	1,299
Deferred tax:			
Origination and reversal of pension timing differences		(55)	(12)
Origination and reversal of other timing differences		45	(436)
Total taxation on profit on ordinary activities		1,119	851

The tax assessed for the period is higher than the standard rate of corporation tax in the Republic of Ireland. The differences are explained below:

	2012 €'000	2011 €'000
Profit on ordinary activities before tax	16,381	20,749
Profit on ordinary activities multiplied by the standard rate of tax in the Republic of Ireland of 12.5% (2011: 12.5%)	2,048	2,594
Effects of:		
Woodlands relief	(2,849)	(1,804)
Impairment of assets and associated goodwill	375	-
Expenses not deductible for tax purposes	761	767
Differences between capital allowances and depreciation	381	405
Adjustments in respect of prior years	(2,423)	(1,367)
Higher rates of tax on certain activities	2,215	966
Unutilised current year tax losses	667	249
Utilisation of losses forward from prior years	-	(424)
Foreign tax	21	26
Other	(67)	(113)
Total current tax	1,129	1,299

9. Pensions

A. Defined benefit pension scheme

The Group operates defined benefit pension schemes in Coillte Teoranta and Medite Europe Limited for the majority of employees with assets held in separately administered funds.

Actuarial valuation

The pension costs relating to the Group's defined benefit schemes are assessed in accordance with the advice of independent qualified actuaries. The valuations were based on the attained age and the projected unit credit method and the last full valuations were carried out on 1 January 2012 (Medite Europe Limited) and 31 December 2011 (Coillte Teoranta).

The assumptions which have the most significant effect on the results of the actuarial valuations are those relating to the rate of return on investments and the rates of increase in remuneration and pensions. It was assumed that the rate of return on investments would on average exceed annual remuneration by 3% (Coillte Teoranta) and 2% (Medite Europe Limited) in the last full valuations and pension increases by 3% in Coillte Teoranta. No provision was made for future pension increases in Medite Europe Limited.

The market value of the assets in the Group's defined benefit schemes at the respective valuation dates was €150.0m (Coillte Teoranta – 31 December 2011) and €15.3m (Medite Europe Limited – 1 January 2012) and the deficiency in both schemes at those dates were €66.0m (Coillte Teoranta) and €8.4m (Medite Europe Limited).

The valuations indicated that the actuarial value of the total scheme assets was sufficient to cover 69% of the benefits that had accrued to the members of the combined scheme as at the valuation dates. Coillte Teoranta and Medite Europe Limited contribute to their respective scheme at a rate of 25% and 15.4% respectively. The actuarial reports of both schemes are available to scheme members, but not for public inspection.

A funding proposal in respect of the Coillte Teoranta scheme has been approved by the Pensions Board. The funding proposal has the objective of returning the scheme to full solvency on a Minimum Funding Standard basis by 31 December 2020. The agreement requires Coillte to make significant additional contributions and has also increased employee contributions.

B. Financial Reporting Standard 17 (FRS 17)

	2012 €'000	2011 €'000
The amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	(357,736)	(306,410)
Fair value of plan assets	196,288	171,443
Pension Liability	(161,448)	(134,967)
Related deferred tax asset (note 20)	4,965	4,442
Net pension liability	**(156,483)**	**(130,525)**
The amounts recognised in the profit and loss account are as follows:		
Current service cost	4,795	4,196
Past service cost	-	8,400
Curtailment charge	1,343	-
Capitalised costs	(1,395)	(1,004)
Net operating cost	4,743	11,592
Expected return on scheme assets	(9,590)	(10,554)
Interest on liability	15,250	14,556
Capitalised costs	(1,409)	(1,029)
Net finance cost	4,251	2,973
Total profit and loss account charge	**8,994**	**14,565**
The amounts recognised in the statement of total recognised gains and losses are as follows:		
Actual return less expected return on pension scheme assets	9,932	(14,817)
Experience gains and losses arising on scheme liabilities	12,557	2,290
Changes in assumptions underlying present value of scheme liabilities	(48,946)	(24,153)
Actuarial loss recognised	**(26,457)**	**(36,680)**

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 December 2012 is €68,503,000 (2011: loss €42,046,000).

	2012 €'000	2011 €'000
The actual return on plan assets was:		
Actual return on plan assets	19,522	(4,263)

Expected contributions for the year ended 31 December 2013 are €7,903,000.

9. Pensions - continued

B. Financial Reporting Standard 17 (FRS 17) - continued	**Pension Assets €'000**	**Pension Liabilities €'000**	**Pension Deficit €'000**
Movement in scheme assets and liabilities			
At 31 December 2011	171,443	(306,410)	(134,967)
Current service cost	-	(4,795)	(4,795)
Interest on scheme liabilities	-	(15,250)	(15,250)
Expected return on scheme assets	9,590	-	9,590
Actual less expected return on scheme assets	9,932	-	9,932
Experience gains on liabilities	-	12,558	12,558
Changes in assumptions	-	(48,946)	(48,946)
Contributions by plan participants	1,840	(1,840)	-
Curtailment charge	-	(1,343)	(1,343)
Benefits paid from plan assets	(8,290)	8,290	-
Employer contributions paid	11,773	-	11,773
As at 31 December 2012	**196,288**	**(357,736)**	**(161,448)**

	Pension Assets €'000	**Pension Liabilities €'000**	**Pension Deficit €'000**
At 31 December 2010	174,030	(263,200)	(89,170)
Current service cost	-	(4,196)	(4,196)
Interest on scheme liabilities	-	(14,556)	(14,556)
Expected return on scheme assets	10,554	-	10,554
Actual less expected return on scheme assets	(14,817)	-	(14,817)
Experience gains on liabilities	-	2,290	2,290
Changes in assumptions	-	(24,153)	(24,153)
Past service cost	-	(8,400)	(8,400)
Contributions by plan participants	1,925	(1,925)	-
Benefits paid from plan assets	(7,730)	7,730	-
Employer contributions paid	7,481	-	7,481
As at 31 December 2011	**171,443**	**(306,410)**	**(134,967)**

The following amounts were measured in accordance with the requirements of FRS 17 at 31 December 2008-2012 inclusive.

	2012	**2011**	**2010**	**2009**	**2008**
Expected rate of return:					
Equities	7.00%	7.50%	7.50%	8.00%	8.50%
Bonds	2.40%	3.20%	3.40%	3.80%	3.75%
Property	5.00%	5.50%	5.50%	6.00%	6.00%
Other	2.00%	2.00%	2.00%	2.00%	2.50%

	2012 €'000	**2011 €'000**	**2010 €'000**	**2009 €'000**	**2008 €'000**
Market Value:					
Equities	131,526	114,754	107,007	99,695	70,250
Bonds	50,380	40,624	50,867	40,741	44,482
Property	13,308	13,255	12,357	13,310	8,213
Other	1,074	2,810	3,799	7,729	15,463
Total market value of assets	196,288	171,443	174,030	161,475	138,408
Present value of scheme liabilities	(357,736)	(306,410)	(263,200)	(233,847)	(221,022)
Deficit in the scheme	(161,448)	(134,967)	(89,170)	(72,372)	(82,614)

For the purposes of disclosure under FRS 17 – 'Retirement Benefits' the assets and liabilities of the Coillte Teoranta and Medite Europe Limited defined benefit schemes have been combined in 2012. Under FRS 17 the deficit in the Coillte Teoranta scheme net of deferred tax was €144.0m (2011: deficit of €122.0m) and the deficit in the Medite Europe Limited scheme net of deferred tax was €12.5m (2011: deficit of €8.5m).

9. Pensions - continued

B. Financial Reporting Standard 17 (FRS 17) - continued

The principal actuarial assumptions at the balance sheet date:

	2012	2011	2010	2009	2008
The main financial assumptions used were:					
Rate of increase in salaries	3.00%	3.50%	3.50%	3.50%	3.50%
Rate of increase in pension payments					
- Coillte Teoranta	3.00%	3.50%	3.50%	3.50%	3.50%
- Medite Europe Limited	0.00%	0.00%	0.00%	0.00%	0.00%
Discount rate	3.80%	5.00%	5.50%	5.90%	5.75%
Price inflation	2.00%	2.00%	2.00%	2.00%	2.00%

Assumptions regarding future mortality are set based on advice from published statistics and experience. The average life expectancy in years for a pensioner retiring aged 65 is as follows:

	2012	2011
Male – current pensioner	23.2	23.0
Female – current pensioner	24.6	24.5
Male – future pensioner (age 45)	25.8	25.7
Female – future pensioner (age 45)	26.8	26.7

5 year analysis	**2012 €'000**	**2011 €'000**	**2010 €'000**	**2009 €'000**	**2008 €'000**
Present value of the defined benefit obligation	(357,736)	(306,410)	(263,200)	(233,847)	(221,022)
Fair value of plan assets	196,288	171,443	174,030	161,475	138,408
Pension Deficit	(161,448)	(134,967)	(89,170)	(72,372)	(82,614)

	2012	2011	2010	2009	2008
Experience adjustment on plan Liabilities as a percentage of scheme liabilities at the balance sheet date	(3.51%)	(0.75%)	(1.04%)	5.4%	(4.14%)
Experience adjustment on plan Assets as a percentage of scheme assets at the balance sheet date	5.06%	(8.64%)	0.07%	1.0%	(37.10%)

Sensitivity analysis of the scheme liabilities

A decrease of 1% in the discount rate would increase the Coillte defined benefit pension scheme obligation by €65.4m and an increase of 1% in the discount rate would decrease the Coillte defined benefit pension scheme obligation by €54.1m. A decrease of 1% in the discount rate would increase the Medite defined benefit obligation by €7.0m and an increase of 1% in the discount rate would decrease the Medite defined benefit pension scheme obligation by €5.3m.

C. Defined contribution pension scheme

SmartPly Europe Limited and Coillte Panel Products UK Limited contribute to defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost for the period for SmartPly Europe Limited amounted to €362,000 (2011: €357,000) and contributions of €37,000 (2011: €37,000) were not transferred to the fund until after the year end. The pension cost for the period for Coillte Panel Products UK Limited amounted to €74,000 (2011: €86,000) and contributions of €8,000 (2011: €3,000) were not transferred to the fund until after the year end.

The Group contributes to a separately funded defined contribution pension scheme on behalf of certain employees in Coillte Teoranta and Medite Europe Limited who are not members of the defined benefit schemes. The assets of these schemes are held separately from those of the Group in an independently administered scheme. The pension cost for the period amounted to €163,000 (2011: €181,000) and contributions of €19,000 (2011: €22,000) were not transferred to the fund until after the year end.

10. Tangible assets

	Notes	Forests & land €'000	Buildings €'000	Machinery & equipment €'000	Total €'000
A. Group					
Cost					
At 1 January 2012	(i)	1,404,474	33,416	120,785	1,558,675
Additions	(ii)	33,314	633	8,743	42,690
Depletion	(iii)	(7,622)	-	-	(7,622)
Disposals		(80)	(21)	(1,707)	(1,808)
At 31 December 2012		1,430,086	34,028	127,821	1,591,935
Accumulated depreciation					
At 1 January 2012		12,017	20,486	58,977	91,480
Charge for year	(iv)	-	983	8,945	9,928
Provision for impairment	(vi)	3,000	-	-	3,000
Disposals		-	(2)	(1,688)	(1,690)
At 31 December 2012		15,017	21,467	66,234	102,718
Net book amounts					
At 31 December 2012		1,415,069	12,561	61,587	1,489,217
At 31 December 2011		1,392,457	12,930	61,808	1,467,195
B. Company					
Cost					
At 1 January 2012	(i)	1,392,133	11,669	28,269	1,432,071
Additions	(ii)	33,314	617	1,944	35,875
Depletion	(iii)	(7,622)	-	-	(7,622)
Disposals		(80)	(21)	(1,006)	(1,107)
At 31 December 2012		1,417,745	12,265	29,207	1,459,217
Accumulated depreciation					
At 1 January 2012		11,457	3,671	15,613	30,741
Charge for year	(iv)	-	227	1,661	1,888
Provision for impairment	(vi)	3,000	-	-	3,000
Disposals		-	(2)	(984)	(986)
At 31 December 2012		14,457	3,896	16,290	34,643
Net book amounts					
At 31 December 2012		1,403,288	8,369	12,917	1,424,574
At 31 December 2011		1,380,676	7,998	12,656	1,401,330

(i) Tangible assets taken over from the Department of Agriculture, Food and the Marine on Vesting Day (1 January 1989) are stated at cost, based on the amount agreed between the Group and the Minister for Agriculture, Food and the Marine. Subsequent additions are stated at cost.

(ii) Additions to forests and land comprised €0.41m (2011:€0.89m) for afforestation, €17.26m (2011:€19.56m) for reforestation, €15.35m (2011:€13.12m) for other capital work and €0.29m (2011:€0.96m) paid for land.

(iii) Depletion represents the cost of forests clearfelled during the year, calculated as the proportion that the area harvested bears to the total area of similar forests. The depletion amount is charged to the profit and loss account and is based on cost, as defined in (i) above.

(iv) The estimated useful lives of tangible assets by reference to which depreciation has been calculated are as follows:

Buildings	20 to 50 years
Machinery and equipment	4 to 20 years

(v) Included in the net book amount of tangible assets is an amount for capitalised leased assets of €71,000 (2011: €65,000). The depreciation charge for capitalised leased assets for the year ended 31 December 2012 was €30,000 (2011: €20,000).

10. Tangible assets - continued

(vi) Tangible assets are reviewed for impairment if events or changes in circumstances indicate that their carrying value may be impaired.

In June 2012 the Government made a decision in principle to sell the harvesting rights of Coillte for a period of 50-80 years. To date no decision in respect of future intent has been made by Government. In this context the Group carried out an impairment review of the Land & Forest Asset held by it to establish whether its carrying value exceeds its estimated recoverable amount. The Group assessed the value in use of the Land & Forest asset in determining the estimated recoverable amount.

The value in use of the growing forest, other than for immature plantations, has been determined by assessing the present value of future expected cash flows from the growing forest. Immature plantations (0-15 years) are valued at the actual establishment costs of those stands. Cash flows have been determined over the average crop rotation being 40 years. The cash flows are calculated on the basis of expected harvest volumes according to Coillte's current harvesting plan and assessments of future price and cost profile changes. The impact of re-planting has been taken into account.

The cash flows are discounted using a weighted average cost of capital (WACC) of 4.5% (real) and / or 6.5% (nominal).

The value of land, including land upon which non-forestry income generating activities such as mast site income, wind generation and other non-strategic plantations are located, has also been assessed by the Group and included in this land and forest based impairment model.

Based on this assessment, and the related assumptions set out above, the Group has concluded that the recoverable amount exceeds the book value.

The duration of the cashflow period increases the inherent risk of forecasting over such a long period of time. Critical to the determination of value in use is the achievement of forecasted cashflows, which will be assessed against actual performance in coming years in accordance with FRS 11.

The assessment of the recoverable amount is sensitive to changes to the underlying assumptions. The impact of changes in a number of the most significant valuation assumptions are set out below:

Sensitivity analysis

	Change assumption	**Change in Value in Use € million**
WACC	+/- 0.25%	(€52m) / €60m
Timber prices	+/- 1%	€27m / (€27m)
Felling costs	+/- 1%	(€10m) / €10m
Volumes	+/- 1%	€17m / (€17m)

As part of the impairment assessment, the company also engaged with external advisors to perform an independent assessment of the value of Land and Forest assets on a value in use basis in accordance with International Accounting Standards. This valuation assessment supports the current carrying value.

During 2012 the Group also carried out an impairment review of the carrying value of its investment in certain forestry assets that were considered separate income generating units. As a consequence of this review, the Group recorded an impairment charge of €3 million.

11. Financial assets

A. Group

	Associated Undertakings	Other Investments	Total
	€'000	€'000	€'000
Unlisted shares			
At 1 January 2012	(251)	1,469	1,218
Revaluation of investments	-	99	99
Share of associate losses (note 30)	(50)	-	(50)
At 31 December 2012	(301)	1,568	1,267

B. Company

	Subsidiary Undertaking	Associated Undertaking	Other Investments	Total
	€'000	€'000	€'000	€'000
Unlisted shares				
At 1 January 2012	78,856	-	1,469	80,325
Revaluation of investments	-	-	99	99
At 31 December 2012	78,856	-	1,568	80,424
Loans , advances and trading balances				
At 1 January 2012	(16,611)	(49)	-	(16,660)
Movements	1,775	(49)	-	1,726
At 31 December 2012	(14,836)	(98)	-	(14,934)
Net investment				
At 31 December 2012	64,020	(98)	1,568	65,490
At 31 December 2011	62,245	(49)	1,469	63,665

Notes:

(i) Other investments include the cost of forests, which were transferred to the Irish Forestry Unit Trust in exchange for units in the fund. At 31 December 2012 the Group held 471,516 units which were readily realisable and were marked to market.

12. Intangible assets

	2012	2011
	€'000	€'000
At 1 January	578	696
Amortised during year (note i)	(117)	(118)
At 31 December	461	578

(i) On 27 November 2006 the Group recognised goodwill of €1.2 million on the acquisition of 100% of the share capital in Medite Europe Limited. The goodwill is being amortised on a straight line basis over its estimated useful life. This has been estimated at 10 years after taking account of the nature of the business acquired and the industry in which it operates.

13. Stocks

	Group		Company	
	2012	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**
Raw material and consumables	9,983	10,435	6,805	6,382
Non critical spare parts (net of provisions)	2,561	2,455	-	-
Goods for resale	9,991	11,306	-	-
	22,535	24,196	6,805	6,382

The value of stock is shown net of any provisions for obsolescence and impairment. The replacement cost of stocks does not materially differ from the valuation computed on a first-in-first-out basis.

14. Debtors

	Group		Company	
	2012	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**
Amounts falling due within one year				
Trade debtors	37,636	36,110	17,719	17,593
Grants receivable	1,794	2,145	1,794	2,145
Other debtors and prepayments	19,928	22,682	19,020	21,883
	59,358	60,937	38,533	41,621

15. Trade creditors and accruals

	Group		Company	
	2012	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**
Amounts falling due within one year				
Finance leases (note 17)	29	15	-	-
Trade creditors	8,734	7,488	4,958	3,949
Taxation and social welfare (note 16)	4,755	4,752	3,591	2,105
Accruals and deferred income	44,179	47,779	32,912	34,469
	57,697	60,034	41,461	40,523
Capital grants deferred (note 23)	300	327	20	39
	57,997	60,361	41,481	40,562

16. Taxation and social welfare

	Group		Company	
	2012	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**
Taxation and social welfare comprise				
PAYE/PRSI	1,909	2,293	1,034	997
VAT	1,154	1,844	729	1,097
Corporation and capital gains tax	1,588	536	1,742	-
Other	104	79	86	11
	4,755	4,752	3,591	2,105

17. Loans and other debt

	Group		Company	
	2012	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**
Wholly repayable within 1 year				
Finance lease	29	15	-	-
	29	15	-	-
Repayable between 2 and 5 years (note 18)				
Loans	167,552	170,000	167,552	170,000
Finance lease	26	22	-	-
Total loans and other debt	167,607	170,037	167,552	170,000

18. Creditors

	Group		Company	
	2012	**2011**	**2012**	**2011**
	€'000	**€'000**	**€'000**	**€'000**
Amounts falling due after one year:	**€'000**	**€'000**	**€'000**	**€'000**
Loans	167,552	170,000	167,552	170,000
Capital grants deferred (note 23)	1,418	1,710	168	189
Finance leases	26	22	-	-
	168,996	171,732	167,720	170,189

19. Financial instruments

For the purposes of the disclosures that follow in this note, short-term debtors and creditors which arise directly from the Group's operations have been excluded as permitted under FRS 13. The disclosures therefore, focus on those financial instruments which play a significant medium term role in the financial risk profile of the Group. Financial assets are separately disclosed in note 11.

A. Treasury management

The Group treasury function, as part of the Group finance function, operates as a centralised service which aims to ensure cost-efficient funding for the Group and to manage its financial risks. The main risks identified are interest rate, foreign exchange and liquidity risk. The activities of Group treasury are routinely reported to members of the Board and are subject to review by internal audit. Group treasury does not engage in speculative activity and undertakes its operations in a risk averse manner. The main financial instruments used to manage interest rate and foreign exchange risk arising from the Group's operations are interest rate swaps and forward foreign exchange contracts and all derivatives are undertaken with appropriate counterparties.

B. Interest rate risk management

The interest rate risk profile of the Group's financial liabilities as at 31 December was as follows:

	2012		**2011**	
	€'000	%	**€'000**	%
Fixed rate financial liabilities	100,055	60	100,037	59
Floating rate financial liabilities	67,552	40	70,000	41
(note 17)	167,607	100	170,037	100
Weighted average fixed debt interest rates		4.65%		5.20%
Weighted average fixed debt period – years		0.1		1.1

All of the Group's borrowings are in Euro. The amounts shown above take into account the effect of interest rate swaps used to manage interest rate exposures.

The Group seeks to have between 50% and 80% of its core debt fixed at all times. In certain circumstances the Group may fix a percentage outside of this band. At the end of 2012, 60% of debt was fixed (2011:59%). In light of the short timeframe to maturity of the Group's fixed debt and in order to ensure against any long term exposure to interest rate movements the Group created a number of fixed interest contracts in December 2012 which will came into effect from February 2013.

19. Financial instruments - continued

Floating rate debt comprises bank borrowings bearing interest at rates determined in advance for periods ranging from overnight to less than one year largely by reference to inter-bank interest rates (EURIBOR). The Group minimises cash balances.

This strategy means that a 1% increase in interest rates would cost the Group €700,000 (2011: €700,000) in additional interest charges per annum.

C. Liquidity risk:

The maturity profiles of debt as at 31 December 2011 and 2012 are as follows:

	2012		2011	
Repayable:	**€'000**	%	**€'000**	%
In one year or less	29	1	15	1
Between two and five years	167,578	99	170,022	99
Total	167,607	100	170,037	100

The maturity profile is determined by reference to the earliest date on which payment can be required or on which the liability falls due.

The group had undrawn facilities of €103m (2011: €77.8m) as at 31 December 2012.

D. Fair values

Fair value is the amount at which a financial instrument could be exchanged in an arms length transaction between informed and willing parties, other than in a forced or liquidation sale. The following table provides a comparison of the carrying amounts (book value) and fair value amounts of the Group's financial assets and liabilities.

	Book value		Fair value		Mark-to-market gain/(loss)	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Assets:	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Financial assets	1,568	1,469	1,568	1,469	-	-
Cash	5,131	15,585	5,131	15,585	-	-
Liabilities:						
Overdrafts	-	-	-	-	-	-
Floating rate debt	167,552	170,000	167,552	170,000	-	-
Finance leases	55	37	55	37	-	-
Derivatives:						
Interest rate swaps	-	-	(2,666)	(2,401)	(2,666)	(2,401)
Foreign exchange contracts	-	-	442	(1,534)	442	(1,534)

E. Currency contracts: (Sterling)

At 31 December 2012, the Group had entered into Euro / Stg£ foreign exchange contracts for the sale of the total principal amount of Stg £30.7 million at the rate of 0.8086. There was a gain of €399,453 on sterling forward contracts marked to market at 31 December 2012.

At 31 December 2012, the Group had Euro / Stg £ foreign exchange options and collars for the sale of the total principal amount of Stg £1.0 million at the rate of 0.7925. There was a gain of €42,350 on these instruments as at 31 December 2012.

19. Financial instruments - continued

F. Gains and losses on hedges

The Group enters into forward interest rate swaps and foreign currency contracts to manage exposures that arise on interest rates and revenue and costs denominated in foreign currencies. Changes in the fair value of instruments used as hedges are not recognised in the financial statements until the hedged position matures. An analysis of these unrecognised gains and losses is as follows:

	Gains €'000	Losses €'000	2012 Total €'000	2011 Total €'000
Unrecognised gains and (losses) on hedges at 1 January 2012	-	(3,935)	(3,935)	(1,710)
Gains and (losses) arising in previous years recognised prior to 1 January 2012	-	1,535	1,535	139
Gains / (losses) arising in 2012 that were not recognised prior to 1 January 2012	442	(266)	176	(2,364)
Unrecognised gains and (losses) on hedges at 31 December 2012	442	(2,666)	(2,224)	(3,935)
Expected to mature:				
Within one year	442	(614)	(172)	(1,534)
After one year	-	(2,052)	(2,052)	(2,401)
	442	(2,666)	(2,224)	(3,935)

20. Provisions for liabilities and charges

	Group		Company	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Legal and other provisions	2,517	2,993	1,543	1,975
Deferred taxation	3,218	3,173	439	308
	5,735	6,166	1,982	2,283

A. Legal and other provisions

Legal and other provisions relates to provisions included in the financial statements for legal claims against the Group on the basis of the amounts that management consider will become payable, after evaluating the recommendations of claim advisors, knowledge of the in-house legal team, other experts and insurance thresholds.

Legal and other provisions				
At 1 January	2,993	3,876	1,975	2,612
Net movements	(476)	(883)	(432)	(637)
At 31 December	2,517	2,993	1,543	1,975

B. Deferred tax

Deferred taxation				
At 1 January	3,173	3,609	308	296
Net movements (note 8)	45	(436)	131	12
At 31 December	3,218	3,173	439	308

No asset has been recognised for deferred tax of €4,577,000 (2011: €4,212,000) arising on the losses carried forward in one of the Group companies. In view of the current trading environment it was not considered prudent to recognise the asset at this stage.

Deferred taxation arising on pension deficits				
At 1 January	(4,442)	(2,788)	(3,226)	(2,180)
Net movement recognised in STRGL	(468)	(1,642)	41	(1,046)
Net movement recognised in Profit & Loss	(55)	(12)	-	-
At 31 December	(4,965)	(4,442)	(3,185)	(3,226)

21. Called up share capital

	2012 €'000	2011 €'000
Ordinary shares of €1.26 each		
Authorised:	1,260,000	1,260,000
Issued and fully paid	795,060	795,060

During the year ended 31 December 2001, in accordance with the Economic and Monetary Union Act, 1998, the share capital was redenominated into Euro and the nominal value was renominalised to €1.26. Consequently the issued and fully paid share capital was reduced by €6,145,000 and that amount was transferred to the capital conversion reserve fund.

22. Reserves

Grant Reserve	2012 €'000	2011 €'000
At 1 January	152,788	151,273
Net movement in forestry grants (note 27)	560	1,515
At 31 December	153,348	152,788

Profit and Loss Account	2012 €'000	2011 €'000
Parent company	227,934	231,897
Subsidiary undertakings	6,572	15,286
Associated undertaking	(301)	(251)
	234,205	246,932

As permitted by Section 148(8) of the Companies Amendment Act, 1986, the Parent company is availing of the exemption of presenting its separate profit and loss account in these financial statements and from filing it with the Registrar of Companies.

23. Forestry and other grants

	Forestry €'000	Other €'000	Total 2012 €'000	Forestry €'000	Other €'000	Total 2011 €'000
A. Group						
At 1 January	152,788	2,037	154,825	151,273	2,339	153,612
Receivable during year	560	-	560	1,515	-	1,515
	153,348	2,037	155,385	152,788	2,339	155,127
Amortised during year	-	(319)	(319)	-	(302)	(302)
At 31 December	153,348	1,718	155,066	152,788	2,037	154,825
B. Company						
At 1 January	152,788	228	153,016	151,273	239	151,512
Movement	560	-	560	1,515	-	1,515
	153,348	228	153,576	152,788	239	153,027
Amortised during year	-	(39)	(39)	-	(11)	(11)
At 31 December	153,348	189	153,537	152,788	228	153,016

Other grants (notes 15 and 18)

The period over which other capital grants will be amortised is as follows:

C. Group	€'000	2012 €'000	€'000	2011 €'000
Within 1 year		300		327
Between 2 and 5 years	1,068		1,197	
Over 5 year	350		513	
		1,418		1,710
		1,718		2,037

Other grants (notes 15 and 18) continued

		2012		2011
D. Company	**€'000**	**€'000**	**€'000**	**€'000**
Within 1 year		20		39
Between 2 and 5 years	34		45	
Over 5 years	134		144	
		168		189
		188		228

24. Future capital expenditure not provided for

	2012	2011
	€'000	**€'000**
Contracted for	-	-
Authorised by the Directors but not contracted for	58,475	56,496
At 31 December	58,475	56,496

25. Contingencies and commitments

A. Government grants

A contingent liability of €35,759,000 (2011: €42,999,000) exists in respect of government grants which become repayable if certain conditions, as set out in the agreements, are not adhered to. The most significant of these conditions relates to afforestation grants. Plantations must be adequately maintained and protected for a period of at least ten years after the date of payment of the grant, failing which all grant monies or part thereof may be refundable.

B. The Irish Forestry Unit Trust

The trust deed of the Irish Forestry Unit Trust commits the Group to providing liquidity to the fund if it is needed. This commitment would require the purchase of forests by the Group from the Irish Forestry Unit Trust representing up to 15% of the value of the fund. This is subject to an annual limit of the lesser of 5% of the value of the fund or €4,400,000. The maximum amount that the Group can be required to purchase is €38,000,000.

C. Operating lease commitments

Commitments under operating leases expire as follows:

	Land & Buildings	Machinery & equipment	Total 2012	Total 2011
	€'000	**€'000**	**€'000**	**€'000**
Within one year	96	157	253	192
Between two and five years	162	96	258	419
Over five years*	442	-	442	366
	700	253	953	977

*Included within the commitments for land and buildings, SmartPly Europe Limited leases 60 acres on which its facility is constructed from Waterford Harbour Commissioners and Kilkenny County Council. The lease agreement expires in 2034, it is renewable at five year intervals thereafter and it provides for rent reviews every five years. The Company has an option to terminate the lease on 25 July 2014 and on 25 July 2024. The Company has a commitment, under the terms of the lease, to ship a certain agreed tonnage of finished product through the Port of Waterford each year. At 31 December 2012 the Company was committed to making an annual payment of €112,000 (2011: €112,000) in respect of these lease obligations.

On cessation of the lease and vacating the site Smartply Europe Limited is required to remove all plant, equipment, rolling stock and inventory and shall give the lessor clear and vacant possession of the premises, foundations and fixtures.

26. Notes to the Group Cashflow Statement

A. Reconciliation of operating profits to net cash inflow from operating activities

	Notes	2012 €'000	2011 €'000
Operating profit		28,985	32,354
Depreciation	2	9,870	10,255
Depletion	10	7,622	8,681
Impairment of fixed assets	10(vi)	3,000	-
Amortisation of goodwill	12	117	118
Profit on sale of tangible fixed assets	26(d)	(6,693)	(7,911)
Revaluation of IForUT units	11	(99)	(47)
Amortisation of grants	23	(319)	(302)
Movement in provisions and liabilities	20	(476)	(883)
Movement in pension fund liability		(4,227)	6,144
Movement in working capital			
Decrease/(increase) in stocks	26(g)	1,661	(6,747)
Decrease/(increase) in debtors	26(g)	1,228	(2,699)
(Decrease)/increase in creditors	26(g)	(3,300)	9,528
		37,369	48,491

B. Interest paid and received

	Notes	2012 €'000	2011 €'000
Interest charge	6	8,333	8,585
Interest received	6	(30)	(3)
Movement of interest accrual	26(g)	103	(13)
		8,406	8,569

C. Additions to tangible fixed assets

	Notes	2012 €'000	2011 €'000
Fixed asset additions	10	42,690	42,484
Less: non cash consideration (depreciation)		(58)	(63)
		42,632	42,421

D. Sale of tangible fixed assets

	Notes	2012 €'000	2011 €'000
Net book value of assets sold	10	118	713
Profit on disposals of assets		6,692	7,911
Cash consideration		6,810	8,624

E. Analysis of changes in financing during the year

	Share Capital €'000	Share Capital Conversion €'000	Capital Grants €'000	Finance Lease Obligations €'000
At 1 January 2012	795,060	6,145	154,825	37
Capital grants received	-	-	911	-
Additional finance leases obligations	-	-	-	19
Movement in capital grants receivable	-	-	(351)	-
Capital grants amortised	-	-	(319)	-
At 31 December 2012	**795,060**	**6,145**	**155,066**	**56**

F. Analysis of movement in net debt

	Balance 1 Jan €'000	Cash Flows €'000	Balance 31Dec €'000
Cash at bank	15,585	(10,454)	5,131
Debt due within one year	(37)	(19)	(56)
Debt due after one year	(170,000)	2,448	(167,552)
	(154,452)	(8,025)	(162,477)

G. Analysis of movement in working capital

	Balance 1 Jan €'000	Cash Flows €'000	Balance 31Dec €'000
Stock	24,196	1,661	22,535
Debtors	60,937	1,579	59,358
Less capital grants receivable	(2,145)	(351)	(1,794)
	58,792	1,228	57,564
Creditors (excluding corporation tax, capital grants, loans and leases)	59,483	(3,403)	56,080
less: accrued interest	(2,258)	103	(2,155)
	57,225	(3,300)	53,925

H. Reconciliation of net cashflow to movements in net debt

	2012 €'000	2011 €'000
(Decrease)/increase in cash in the period	(10,454)	6,157
Cash inflow on finance leases	(19)	(31)
Cash outflow/(inflow) on bank loans	2,448	(10,000)
	(8,025)	(3,874)
Net debt at the beginning of the year	(154,452)	(150,578)
Net debt at the end of the year	(162,477)	(154,452)

27. Reconciliation of movements in shareholders' funds

	Share Capital €'000	Share Capital Conversion €'000	Capital Forest Grants €'000	Profit and Loss account €'000	Total €'000
At 1 January 2012	795,060	6,145	152,788	246,932	1,200,925
Retained profit for the year	-	-	-	15,262	15,262
Actuarial loss recognised on pension schemes	-	-	-	(26,457)	(26,457)
Deferred tax related to actuarial loss	-	-	-	468	468
Net movement in forestry grants	-	-	560	-	560
Dividends paid	-	-	-	(2,000)	(2,000)
At 31 December 2012	**795,060**	**6,145**	**153,348**	**234,205**	**1,188,758**

28. Related party transactions

A. The ownership of the company

One ordinary share is held by the Minister for Agriculture, Food and the Marine and the remainder of the issued share capital is held by the Minister for Public Expenditure and Reform.

B. Sales of goods, property and services to entities controlled by the Irish Government*

In the ordinary course of its business the Group sold goods, property and services to entities controlled by the Irish Government, principally the ESB and Offaly County Council. Sales of these goods, property and services amounted to €7.3m in 2012 and amounts due from these entities to the Group at 31 December 2012 for these goods, property and services amounted to €1.2m.

C. Purchases of goods and services from entities controlled by the Irish Government*

In the ordinary course of its business the Group purchased goods and services from entities controlled by the Irish Government, principally the ESB. Purchases of goods and services amounted to €15.3m in 2012 and amounts due to these entities at 31 December 2012 for these goods and services amounted to €1m.

D. Transactions with state controlled/influenced financial institutions

The Group have loan facilities of €116m with Allied Irish Banks plc (A.I.B.) and Bank of Ireland (B.O.I.) as part of a syndicated loan agreement which includes a number of financial institutions. Interest payments in relation to the drawn balances amount to €4.4m for 2012. At 31 December 2012 the Group had entered into Eur/Stg£ foreign exchange contracts with A.I.B. and B.O.I. for the sale of the principal amount of STG £22.15 million at the rate of 0.8067. The Group also had €57m of interest rate swaps in place with A.I.B. and B.O.I. at a weighted average interest rate of 2.362%.

E. Transactions with related Companies

Moylurg Rockingham Limited

In the ordinary course of its business the Group sold goods and services to Moylurg Rockingham Limited amounting to €0.01m (2011: €0.01m), the balance due from this company at 31 December 2012 for these goods and services was €0.01m (2011: €0.01m)

* Entities controlled by the Irish Government refers to all county councils, Government departments and semi-state companies.

29. Subsidiary and Associated Undertakings

	% Held	Principal Activities	Registered Office and Country of Incorporation
Subsidiary Undertakings			
SmartPly Europe Limited	100	Oriented strand board (OSB) manufacture	Belview, Slieverue Waterford, Ireland
Medite Europe Limited	100	Medium density fibreboard (MDF) manufacture	Redmonstown, Clonmel, Co. Tipperary, Ireland.
Coillte Panel Products (UK) Limited	100	Panel products marketing	Persimmon House, Anchor Boulevard, Crossways Business Park, Dartford, Kent, UK.
Associated Undertaking			
Moylurg Rockingham Limited	50	Forest recreation	Lough Key Forest and Activity Park, Boyle, Co. Roscommon, Ireland

In accordance with Section 17 of the Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its wholly owned subsidiaries and, as a result, these subsidiaries have been exempted from the provisions of Section 7 of the Companies (Amendment) Act, 1986.

30. Associated Undertakings – Moylurg Rockingham Limited

The following additional disclosure represents the Group's share of amounts included in the financial statements of Moylurg Rockingham Limited. This Company is a joint venture between Coillte and Roscommon County Council to provide forest recreation in Lough Key Forest Park. The Company was incorporated on 23 March 2005 and commenced trading under a joint venture agreement dated 16 August 2005. It is included in the consolidated financial statements as an associated undertaking using the equity method of accounting. The Company has been treated as an associated undertaking as Coillte's share of the losses are limited under the joint venture agreement.

	2012	2011
	€'000	€'000
Share of turnover	549	535
Share of the loss after tax *	(50)	(50)
Share of fixed assets	3,756	3,891
Share of current assets	636	91
Share of creditors due within one year	(319)	(59)
Share of creditors due after one year	(4,374)	(4,174)
Share of net assets	(301)	(251)

* There was no tax charge during the period.

31. Subsequent events

The Shareholders are undertaking a review of the Group's assets (excluding land) to assess their potential value for disposal purposes. At the date of signing the accounts, no decision had been taken in relation to this initiative.

32. Approval of Financial Statements

The Directors approved the financial statements on 30 May 2013.

5 Year Performance

Financial review (unaudited figures)

	2012 €'000	2011 €'000	2010 €'000	2009 €'000	2008 €'000
Profit and loss account					
Turnover	262,156	259,116	250,399	206,865	249,475
Operating profit before exceptional items	35,028	41,485	46,065	817	20,543
Exceptional items	(6,043)	(9,131)	(1,392)	18,529	549
Operating profit	28,985	32,354	44,673	19,346	21,092
Share of losses of joint ventures/associates	(50)	(50)	(50)	(50)	(50)
Finance charge	(12,554)	(11,555)	(11,168)	(11,780)	(9,437)
Profit before taxation	16,381	20,749	33,455	7,516	11,605
Taxation	(1,119)	(851)	(1,307)	(3,273)	(2,399)
Profit after taxation	15,262	19,898	32,148	4,243	9,206
Dividend Paid	(2,000)	(10,000)	-	-	(2,600)
Retained earnings	13,262	9,898	32,148	4,243	6,606
Balance sheet					
Fixed assets	1,490,945	1,468,991	1,446,339	1,423,767	1,414,763
Current assets	87,024	100,718	85,309	87,175	87,302
Creditors: amounts falling due within one year	(57,997)	(60,361)	(51,219)	(67,245)	(93,669)
Net current assets/(liabilities)	29,027	40,357	34,090	19,930	(6,367)
Total assets less current liabilities	1,519,972	1,509,348	1,480,429	1,443,697	1,408,396
Creditors: Amounts falling due after one year	(168,996)	(171,732)	(162,012)	(160,059)	(120,858)
Provisions for liabilities and charges	(5,735)	(6,166)	(7,485)	(5,962)	(4,111)
Net assets excluding pension liability	1,345,241	1,331,450	1,310,932	1,277,676	1,283,427
Pension Liability	(156,483)	(130,525)	(86,382)	(70,192)	(82,614)
Net assets including pension liability	1,188,758	1,200,925	1,224,550	1,207,484	1,200,813
Capital and reserves					
Called up share capital	795,060	795,060	795,060	795,060	795,060
Capital conversion reserve fund	6,145	6,145	6,145	6,145	6,145
Profit and loss account	234,205	246,932	272,072	256,669	250,774
Grant reserve	153,348	152,788	151,273	149,610	148,834
Shareholders' funds	1,188,758	1,200,925	1,224,550	1,207,484	1,200,813

Corporate Information

Registered Office
Dublin Road,
Newtownmountkennedy,
County Wicklow

Company Secretary
Gerry Egan

Auditors
PricewaterhouseCoopers
Chartered Accountants &
Registered Auditors

Bankers
Bank of Ireland
Ulster Bank
Allied Irish Banks
Rabobank Ireland
Danske Bank

Insurance Brokers
Willis Risk Services (Ireland Ltd)

Solicitors
Arthur Cox
DFMG
Eugene F Collins
Kane Tuohy
McCann Fitzgerald & Co

Head Office
Dublin Road,
Newtownmountkennedy,
County Wicklow
Tel +353 1 2011111
or 1890 367 378
Fax +353 1 2011199

Coillte Forest
Dublin Road,
Newtownmountkennedy,
County Wicklow
Tel +353 1 2011111
Fax +353 1 2011199

Coillte Recreation Team
Dublin Road,
Newtownmountkennedy,
County Wicklow
Tel +353 1 2011111
Fax +353 1 2011199

Moylurg Rockingham Ltd.
The Visitor Centre
Lough Key Forest and
Activity Park,
Boyle,
County Roscommon
Tel +353 71 9673122
Fax +353 71 9673140

Main Regional Offices

Northern/Western Region
1st Floor, Units 4 and 5,
Pearse Plaza, Pearse St.,
Sligo
Tel +353 71 9162663
Fax +353 71 9143014

Eastern/Southern Region
Unit 4, Parkside,
Abbeyleix Road,
Portlaoise,
Co. Laois
Tel +353 57 8621617
Fax +353 57 8680003

Coillte Panel Products

SmartPly Europe Ltd
Belview, Slieverue,
Waterford
Tel +353 51 851233
Fax +353 51 851130

Medite Europe Ltd.
Redmondstown, Clonmel,
Co. Tipperary
Tel: +353 52 6182300
Fax: +353 52 6121815

CPP (UK)
Persimmon House,
Anchor Boulevard,
Crossways Business Park
Dartford, Kent DA2 6QH
England
Tel +44 1322 424900
Fax +44 1322 424920

CPP European Sales Office
Boven de Wolfskuil 3B10
6049 LX Roermond
The Netherlands
Tel +31 475 399740
Fax +31 475 310271

Coillte Enterprise

Coillte Nurseries
Ardattin, Ballintemple,
County Carlow
Tel +353 59 9155621
Fax +353 59 9155775

Coillte Training and Safety Services
Dublin Road,
Newtownmountkennedy,
County Wicklow
Tel +353 1 2011111
Fax +353 1 2011199

Coillte Energy
Dublin Road,
Newtownmountkennedy,
County Wicklow
Tel +353 1 2011111
Fax +353 1 2011199

Coillte Land Development
Dublin Road,
Newtownmountkennedy,
County Wicklow
Tel +353 1 2011111
Fax +353 1 2011199

Coillte Telecoms
Dublin Road,
Newtownmountkennedy,
County Wicklow
Tel +353 1 2011111
Fax +353 1 2011199

Designed by Roomthree.com

Annual Report 2012