



**MORE THAN**  
*trees*

# **Q1 2020 Financial Supplement**

April 2020



# Safe Harbor Statement

**Forward-Looking Statements** - Certain statements in this presentation regarding anticipated financial outcomes including Rayonier's earnings guidance, if any, business and market conditions, outlook, expected dividend rate, Rayonier's business strategies, including expected harvest schedules, timberland acquisitions and dispositions, the anticipated benefits of Rayonier's business strategies, and other similar statements relating to Rayonier's future events, developments or financial or operational performance or results, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are identified by the use of words such as "may," "will," "should," "expect," "estimate," "believe," "intend," "project," "anticipate" and other similar language. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. While management believes that these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements.

The following important factors, among others, could cause actual results or events to differ materially from those expressed in forward-looking statements that may have been made in this document: the cyclical and competitive nature of the industries in which we operate; fluctuations in demand for, or supply of, our forest products and real estate offerings; entry of new competitors into our markets; changes in global economic conditions and world events; business disruptions arising from public health crises and outbreaks of communicable diseases, including the recent outbreak of the virus known as the novel coronavirus; fluctuations in demand for our products in Asia, and especially China; the uncertainties of potential impacts of climate-related initiatives; the cost and availability of third party logging and trucking services; the geographic concentration of a significant portion of our timberland; our ability to identify, finance and complete timberland acquisitions; changes in environmental laws and regulations regarding timber harvesting, delineation of wetlands, and endangered species, that may restrict or adversely impact our ability to conduct our business, or increase the cost of doing so; adverse weather conditions, natural disasters and other catastrophic events such as hurricanes, wind storms and wildfires, which can adversely affect our timberlands and the production, distribution and availability of our products; interest rate and currency movements; our capacity to incur additional debt; changes in tariffs, taxes or treaties relating to the import and export of our products or those of our competitors; changes in key management and personnel; our ability to meet all necessary legal requirements to continue to qualify as a real estate investment trust ("REIT") and changes in tax laws that could adversely affect beneficial tax treatment; the cyclical nature of the real estate business generally; a downturn in the housing market; the lengthy, uncertain and costly process associated with the ownership, entitlement and development of real estate, especially in Florida, which also may be affected by changes in law, policy and political factors beyond our control; unexpected delays in the entry into or closing of real estate transactions; changes in environmental laws and regulations that may restrict or adversely impact our ability to sell or develop properties; the timing of construction and availability of public infrastructure; and the availability of financing for real estate development and mortgage loans.

For additional factors that could impact future results, please see Item 1A - Risk Factors in the Company's most recent Annual Report on Form 10-K and similar discussion included in other reports that we subsequently file with the Securities and Exchange Commission (the "SEC"). Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent reports filed with the SEC.

**Non-GAAP Financial Measures** - To supplement Rayonier's financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Rayonier uses certain non-GAAP measures, including "cash available for distribution," "pro forma sales," "pro forma operating income (loss)," "pro forma net (loss) income," and "Adjusted EBITDA," which are defined and further explained in this communication. Reconciliation of such measures to the nearest GAAP measures can also be found in this communication. Rayonier's definitions of these non-GAAP measures may differ from similarly titled measures used by others. These non-GAAP measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP.

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## Section 1



# Financial and Segment Information

# Financial Highlights

(\$ in millions, except per share data)

Profitability	Q1 2020	Q4 2019	Q1 2019
Sales	\$259.1	\$178.8	\$191.5
Pro Forma Sales <sup>(1)</sup>	143.1	178.8	191.5
Operating Income	38.6	26.1	38.5
Pro Forma Operating Income <sup>(1)</sup>	12.4	26.1	38.5
Net Income Attributable to Rayonier Inc.	25.9	16.0	24.8
Pro Forma Net (Loss) Income <sup>(1)</sup>	(0.3)	16.0	24.8
Adjusted EBITDA <sup>(1)</sup>	47.1	65.0	79.0
Diluted Earnings Per Share:			
Net Income Attributable to Rayonier Inc.	0.20	0.12	0.19
Pro Forma Net (Loss) Income <sup>(1)</sup>	—	0.12	0.19
Average Diluted Shares (millions)	129.3	129.4	129.8

Capital Resources & Liquidity	Three Months Ended March 31,	
	2020	2019
Cash provided by Operating Activities	\$29.2	\$70.9
Cash provided by (used for) Investing Activities	74.7	(25.8)
Cash used for Financing Activities	(38.7)	(37.9)
Cash Available for Distribution (CAD) <sup>(1)</sup>	27.2	62.2

	3/31/2020	12/31/2019
Debt <sup>(2)</sup>	\$1,057.0	\$1,057.0
Cash <sup>(3)</sup>	132.4	68.7
Net Debt	924.6	988.3
Net Debt / Enterprise Value <sup>(4)</sup>	23%	19%

(1) Non-GAAP measures (see Section 2 — Supplemental Information for reconciliations).

(2) Debt as of March 31, 2020 includes \$1,057.0 million of long-term borrowings, gross of \$1.7 million of deferred financing costs.

(3) Excludes \$0.8 million of restricted cash held by LKE intermediaries as of December 31, 2019.

(4) Enterprise Value based on equity market capitalization plus net debt at March 31, 2020 and December 31, 2019, respectively.



# Variance Analysis – Q1 2019 to Q1 2020

## Operating Income (Loss) (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>Q1-19 Operating Income (Loss)</b>	\$21.5	(\$3.7)	\$15.7	\$10.0	\$0.5	(\$5.5)	\$38.5
Volume	(0.9)	(0.4)	(4.0)	(11.6)	—	—	(16.9)
Price <sup>(1)</sup>	(2.1)	2.8	(7.4)	0.1	—	—	(6.6)
Cost	0.3	(0.4)	(0.7)	(0.6)	(0.6)	0.2	(1.8)
Non-timber income <sup>(2)</sup>	(4.3)	0.1	(0.4)	—	0.1	—	(4.5)
Foreign exchange <sup>(3)</sup>	—	—	2.1	—	—	—	2.1
Depreciation, depletion & amortization	0.6	0.7	0.1	0.1	—	—	1.5
Non-cash cost of land and improved development	—	—	—	0.1	—	—	0.1
Other <sup>(4)</sup>	—	—	—	28.7	—	(2.5)	26.2
<b>Q1-20 Operating Income (Loss)</b>	<b>\$15.1</b>	<b>(\$0.9)</b>	<b>\$5.4</b>	<b>\$26.8</b>	<b>—</b>	<b>(\$7.8)</b>	<b>\$38.6</b>
Pro forma adjustments <sup>(5)</sup>	—	—	—	(28.7)	—	2.5	(26.2)
<b>Pro forma Operating Income (Loss)<sup>(5)</sup></b>	<b>\$15.1</b>	<b>(\$0.9)</b>	<b>\$5.4</b>	<b>(\$1.9)</b>	<b>—</b>	<b>(\$5.3)</b>	<b>\$12.4</b>

## Adjusted EBITDA<sup>(5)</sup> (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>Q1-19 Adjusted EBITDA</b>	\$41.2	\$3.1	\$22.0	\$17.4	\$0.5	(\$5.2)	\$79.0
Volume	(1.8)	4.2	(5.1)	(18.0)	—	—	(20.7)
Price <sup>(1)</sup>	(2.1)	2.8	(7.4)	0.1	—	—	(6.6)
Cost	0.3	(0.4)	(0.7)	(0.6)	(0.6)	0.2	(1.8)
Non-timber income <sup>(2)</sup>	(4.3)	0.1	(0.4)	—	0.1	—	(4.5)
Foreign exchange <sup>(3)</sup>	—	—	1.8	—	—	—	1.8
<b>Q1-20 Adjusted EBITDA</b>	<b>\$33.3</b>	<b>\$9.8</b>	<b>\$10.2</b>	<b>(\$1.1)</b>	<b>—</b>	<b>(\$5.0)</b>	<b>\$47.1</b>

(1) For Timber segments, price reflects net stumpage (i.e., net of cut and haul and shipping costs).

(2) For the New Zealand Timber segment, includes carbon credit sales.

(3) Net of currency hedging impact.

(4) Real Estate includes \$28.7 million of operating income from Large Dispositions. Corporate and Other includes \$2.5 million in costs related to the merger with Pope Resources.

(5) Non-GAAP measures and pro forma items (see Section 2 — *Supplemental Information* for definitions and reconciliations).

# Liquidity Measures – Cash Available for Distribution

(\$ in millions, except per share data)	Three Months Ended March 31,	
	2020	2019
<b>Cash Provided by Operating Activities</b>	<b>\$29.2</b>	<b>\$70.9</b>
Working capital and other balance sheet changes	15.2	5.4
Capital expenditures <sup>(1)</sup>	(17.2)	(14.1)
<b>Cash Available for Distribution<sup>(2)</sup></b>	<b>\$27.2</b>	<b>\$62.2</b>
<b>Net Income</b>	<b>\$26.4</b>	<b>\$27.8</b>
Interest, net and miscellaneous income	8.1	6.7
Income tax expense	3.7	4.3
Depreciation, depletion and amortization	34.3	36.5
Non-cash cost of land and improved development	0.4	4.0
Non-operating expense (income)	0.3	(0.3)
Costs related to the merger with Pope Resources <sup>(2)</sup>	2.5	—
Large Dispositions <sup>(2)</sup>	(28.7)	—
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$47.1</b>	<b>\$79.0</b>
Cash interest paid <sup>(3)</sup>	(2.6)	(2.1)
Cash taxes paid	(0.2)	(0.6)
Capital expenditures <sup>(1)</sup>	(17.2)	(14.1)
<b>Cash Available for Distribution<sup>(2)</sup></b>	<b>\$27.2</b>	<b>\$62.2</b>
Cash Available for Distribution <sup>(2)</sup>	27.2	62.2
Real estate development investments	(1.7)	(1.7)
<b>Cash Available for Distribution after real estate development investments</b>	<b>\$25.4</b>	<b>\$60.5</b>
Shares outstanding at period end	129,181,239	129,513,566
<b>CAD per Share</b>	<b>\$0.21</b>	<b>\$0.48</b>
<b>Dividends per Share</b>	<b>\$0.27</b>	<b>\$0.27</b>

(1) Capital expenditures exclude timberland acquisitions of \$24.1 million and \$12.3 million during the three months ended March 31, 2020 and March 31, 2019, respectively.

(2) Non-GAAP measures and pro forma items (see Section 2 — *Supplemental Information* for definitions).

(3) Cash interest paid is presented net of patronage refunds received of \$4.3 million and \$3.9 million for the three months ended March 31, 2020 and March 31, 2019, respectively.



# Southern Timber Overview

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	YTD
<b>Sales Volume (Tons in 000s)</b>										
Pine Pulpwood	1,122	755	829	934	3,640	1,133	—	—	—	1,133
Pine Sawtimber	744	462	369	616	2,191	680	—	—	—	680
<b>Total Pine Volume</b>	<b>1,865</b>	<b>1,217</b>	<b>1,198</b>	<b>1,550</b>	<b>5,831</b>	<b>1,813</b>	—	—	—	<b>1,813</b>
Hardwood	70	57	82	26	235	30	—	—	—	30
<b>Total Volume</b>	<b>1,935</b>	<b>1,274</b>	<b>1,280</b>	<b>1,576</b>	<b>6,066</b>	<b>1,843</b>	—	—	—	<b>1,843</b>
% Delivered Sales	27%	40%	37%	33%	33%	32%	—	—	—	32%
% Stumpage Sales	73%	60%	63%	67%	67%	68%	—	—	—	68%
<b>Net Stumpage Pricing (\$ per ton)<sup>(1)</sup></b>										
Pine Pulpwood	\$17.94	\$17.16	\$15.53	\$14.82	\$16.42	\$16.05	—	—	—	\$16.05
Pine Sawtimber	26.38	25.82	23.16	23.25	24.86	26.67	—	—	—	26.67
<b>Weighted Average Pine</b>	<b>\$21.31</b>	<b>\$20.45</b>	<b>\$17.88</b>	<b>\$18.17</b>	<b>\$19.59</b>	<b>\$20.03</b>	—	—	—	<b>\$20.03</b>
Hardwood	13.80	16.86	20.47	14.33	16.93	12.74	—	—	—	12.74
<b>Weighted Average Total</b>	<b>\$21.03</b>	<b>\$20.29</b>	<b>\$18.05</b>	<b>\$18.10</b>	<b>\$19.49</b>	<b>\$19.91</b>	—	—	—	<b>\$19.91</b>
<b>Summary Financial Data (\$ in MM\$)</b>										
Timber Sales	\$51.0	\$37.0	\$33.0	\$38.1	\$159.2	\$47.5	—	—	—	\$47.5
(-) Cut, Haul & Freight	(10.3)	(11.1)	(9.9)	(9.6)	(41.0)	(10.8)	—	—	—	(10.8)
<b>Net Stumpage Sales</b>	<b>\$40.7</b>	<b>\$25.9</b>	<b>\$23.1</b>	<b>\$28.5</b>	<b>\$118.2</b>	<b>\$36.7</b>	—	—	—	<b>\$36.7</b>
Non-Timber Sales	9.8	9.2	8.3	7.7	35.0	5.5	—	—	—	5.5
<b>Total Sales</b>	<b>\$60.8</b>	<b>\$46.2</b>	<b>\$41.3</b>	<b>\$45.8</b>	<b>\$194.1</b>	<b>\$53.0</b>	—	—	—	<b>\$53.0</b>
Operating Income	\$21.5	\$14.7	\$9.5	\$12.0	\$57.8	\$15.1	—	—	—	\$15.1
(+) DD&A	19.7	12.9	13.0	16.3	61.9	18.2	—	—	—	18.2
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$41.2</b>	<b>\$27.6</b>	<b>\$22.5</b>	<b>\$28.3</b>	<b>\$119.7</b>	<b>\$33.3</b>	—	—	—	<b>\$33.3</b>
<b>Other Data</b>										
Period End Acres (in 000s)	1,803	1,808	1,825	1,835	1,835	1,780	—	—	—	1,780

(1) Pulpwood and sawtimber product pricing for composite stumpage sales is estimated based on market data.

(2) Non-GAAP measure (see Section 2 — *Supplemental Information* for reconciliations).

# Pacific Northwest Timber Overview

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	YTD
<b>Sales Volume (Tons in 000s)</b>										
Pulpwood	62	54	56	83	254	82	—	—	—	82
Sawtimber	220	197	205	334	956	393	—	—	—	393
<b>Total Volume</b>	<b>283</b>	<b>250</b>	<b>261</b>	<b>417</b>	<b>1,211</b>	<b>476</b>	—	—	—	<b>476</b>
<b>Northwest Sales Volume (Converted to MBF)</b>										
Pulpwood	5,933	5,076	5,277	7,823	24,109	7,789	—	—	—	7,789
Sawtimber	28,945	26,603	28,039	43,130	126,717	50,406	—	—	—	50,406
<b>Total Volume</b>	<b>34,878</b>	<b>31,679</b>	<b>33,316</b>	<b>50,952</b>	<b>150,826</b>	<b>58,194</b>	—	—	—	<b>58,194</b>
% Delivered Sales	100%	100%	100%	82%	94%	78%	—	—	—	78%
% Sawtimber Sales	78%	79%	79%	80%	79%	83%	—	—	—	83%
<b>Delivered Log Pricing (\$ per ton)</b>										
Pulpwood	\$45.15	\$42.26	\$37.87	\$39.24	\$41.09	\$38.11	—	—	—	\$38.11
Sawtimber	78.47	78.35	78.26	78.51	78.41	75.40	—	—	—	75.40
<b>Weighted Average Log Price</b>	<b>\$71.11</b>	<b>\$70.61</b>	<b>\$69.64</b>	<b>\$70.04</b>	<b>\$70.34</b>	<b>\$68.29</b>	—	—	—	<b>\$68.29</b>
<b>Summary Financial Data (\$ in MMs)</b>										
Timber Sales	\$20.1	\$17.7	\$18.2	\$26.8	\$82.7	\$30.6	—	—	—	\$30.6
(-) Cut & Haul	(12.0)	(10.5)	(10.6)	(12.8)	(45.9)	(14.2)	—	—	—	(14.2)
<b>Net Stumpage Sales</b>	<b>\$8.1</b>	<b>\$7.2</b>	<b>\$7.6</b>	<b>\$14.0</b>	<b>\$36.8</b>	<b>\$16.4</b>	—	—	—	<b>\$16.4</b>
Non-Timber Sales	0.4	0.9	0.6	0.8	2.7	0.5	—	—	—	0.5
<b>Total Sales</b>	<b>\$20.5</b>	<b>\$18.6</b>	<b>\$18.8</b>	<b>\$27.6</b>	<b>\$85.4</b>	<b>\$31.1</b>	—	—	—	<b>\$31.1</b>
Operating Loss	(\$3.7)	(\$3.8)	(\$3.6)	(\$1.3)	(\$12.4)	(\$0.9)	—	—	—	(\$0.9)
(+) DD&A	6.8	6.0	6.3	10.0	29.2	10.7	—	—	—	10.7
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$3.1</b>	<b>\$2.2</b>	<b>\$2.7</b>	<b>\$8.7</b>	<b>\$16.7</b>	<b>\$9.8</b>	—	—	—	<b>\$9.8</b>
<b>Other Data</b>										
Period-End Acres (in 000s)	379	379	379	379	379	384	—	—	—	384
Northwest Sawtimber (\$ per MBF) <sup>(2)</sup>	\$609	\$587	\$575	\$574	\$587	\$611	—	—	—	\$611
Estimated Percentage of Export Volume	16%	26%	18%	9%	17%	2%	—	—	—	2%

(1) Non-GAAP measure (see Section 2 — *Supplemental Information* for reconciliations).

(2) Delivered Sawtimber excluding chip-n-saw.

# New Zealand Timber Overview

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	YTD
<b>Sales Volume (Tons in 000s)</b>										
Domestic Pulpwood (Delivered)	113	125	132	120	490	101	—	—	—	101
Domestic Sawtimber (Delivered)	195	204	235	169	803	147	—	—	—	147
Export Pulpwood (Delivered)	41	37	34	37	148	16	—	—	—	16
Export Sawtimber (Delivered)	255	318	354	362	1,290	216	—	—	—	216
<b>Total Volume</b>	<b>604</b>	<b>684</b>	<b>754</b>	<b>688</b>	<b>2,731</b>	<b>481</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>481</b>
<b>Delivered Log Pricing (\$ per ton)</b>										
Domestic Pulpwood	\$39.23	\$39.10	\$38.47	\$34.91	\$37.93	\$33.84	—	—	—	\$33.84
Domestic Sawtimber	83.42	82.66	75.29	69.13	77.85	69.97	—	—	—	69.97
Export Sawtimber	116.24	111.81	95.51	102.69	105.65	94.86	—	—	—	94.86
<b>Weighted Average Log Price</b>	<b>\$90.49</b>	<b>\$89.16</b>	<b>\$78.68</b>	<b>\$81.98</b>	<b>\$84.75</b>	<b>\$74.16</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$74.16</b>
<b>Summary Financial Data (\$ in MM\$)</b>										
Timber Sales	\$54.6	\$61.0	\$59.3	\$56.4	\$231.4	\$35.6	—	—	—	\$35.6
(-) Cut & Haul	(20.2)	(22.9)	(23.2)	(21.8)	(88.1)	(15.2)	—	—	—	(15.2)
(-) Port / Freight Costs	(9.7)	(12.6)	(13.6)	(15.1)	(51.0)	(8.0)	—	—	—	(8.0)
<b>Net Stumpage Sales</b>	<b>\$24.7</b>	<b>\$25.5</b>	<b>\$22.6</b>	<b>\$19.5</b>	<b>\$92.3</b>	<b>\$12.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$12.4</b>
Non-Timber Sales/Carbon Credits	2.5	1.1	2.7	4.2	10.5	1.9	—	—	—	1.9
<b>Total Sales</b>	<b>\$57.1</b>	<b>\$62.1</b>	<b>\$62.0</b>	<b>\$60.6</b>	<b>\$241.9</b>	<b>\$37.5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$37.5</b>
Operating Income	\$15.7	\$12.8	\$10.1	\$9.4	\$48.0	\$5.4	—	—	—	\$5.4
(+) DD&A	6.3	7.2	7.6	6.7	27.8	4.8	—	—	—	4.8
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$22.0</b>	<b>\$20.0</b>	<b>\$17.7</b>	<b>\$16.1</b>	<b>\$75.8</b>	<b>\$10.2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$10.2</b>
<b>Other Data</b>										
NZ\$/US\$ Exchange Rate (Period-average rate)	0.6831	0.6659	0.6554	0.6361	0.6615	0.6500	—	—	—	0.6500
Net Plantable Period-End Acres (in 000s)	291	292	295	295	295	295	—	—	—	295
Export Sawtimber (\$ / JAS m <sup>3</sup> )	\$135.15	\$130.00	\$111.05	\$119.40	\$122.84	\$110.29	—	—	—	\$110.29
Domestic Sawtimber (NZ\$ / tonne)	\$134.33	\$136.55	\$126.36	\$119.54	\$129.46	\$118.41	—	—	—	\$118.41

# Real Estate Overview

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	YTD
<b>Gross Sales (\$ in MM)</b>										
Improved Development <sup>(1)</sup>	\$0.3	\$0.2	\$4.5	\$0.9	\$5.9	—	—	—	—	—
Unimproved Development	1.0	14.4	—	4.0	19.5	—	—	—	—	—
Rural	12.7	6.8	3.8	6.5	29.9	2.4	—	—	—	2.4
Timberlands & Non-Strategic	6.9	1.1	0.4	10.6	19.1	—	—	—	—	—
Other <sup>(2)</sup>	0.1	—	0.5	—	0.5	0.1	—	—	—	0.1
Large Dispositions <sup>(5)</sup>	—	—	—	—	—	116.0	—	—	—	116.0
<b>Total Sales</b>	<b>\$21.0</b>	<b>\$22.5</b>	<b>\$9.2</b>	<b>\$22.1</b>	<b>\$74.9</b>	<b>\$118.5</b>	—	—	—	<b>\$118.5</b>
<b>Acres Sold</b>										
Improved Development <sup>(1)</sup>	1.2	0.9	21.7	20.7	44.4	—	—	—	—	—
Unimproved Development	7	784	—	405	1,196	—	—	—	—	—
Rural	3,338	1,717	1,121	1,480	7,656	624	—	—	—	624
Timberlands & Non-Strategic	2,333	763	202	4,957	8,254	—	—	—	—	—
Acres Sold	5,679	3,265	1,345	6,862	17,151	624	—	—	—	624
Large Dispositions <sup>(5)</sup>	—	—	—	—	—	66,946	—	—	—	66,946
<b>Total Acres Sold</b>	<b>5,679</b>	<b>3,265</b>	<b>1,345</b>	<b>6,862</b>	<b>17,151</b>	<b>67,570</b>	—	—	—	<b>67,570</b>
<b>Gross Price per Acre (\$ per acre)</b>										
Improved Development <sup>(1)</sup>	\$291,880	\$198,276	\$207,325	\$42,250	\$132,412	—	—	—	—	—
Unimproved Development	145,773	18,402	—	10,000	16,290	—	—	—	—	—
Rural	3,794	3,959	3,425	4,424	3,899	3,842	—	—	—	3,842
Timberlands & Non-Strategic	2,972	1,472	2,117	2,148	2,318	—	—	—	—	—
Large Dispositions <sup>(5)</sup>	—	—	—	—	—	1,733	—	—	—	1,733
<b>Weighted Avg. (Total)<sup>(3)</sup></b>	<b>\$3,687</b>	<b>\$6,899</b>	<b>\$6,513</b>	<b>\$3,223</b>	<b>\$4,335</b>	<b>\$3,842</b>	—	—	—	<b>\$3,842</b>
Weighted Avg. (Adjusted) <sup>(4)</sup>	\$3,628	\$6,848	\$3,225	\$3,105	\$4,002	\$3,842	—	—	—	\$3,842
Total Net Sales (Excluding Large Dispositions <sup>(5)</sup> )	\$21.0	\$22.5	\$9.2	\$22.1	\$74.9	\$2.5	—	—	—	\$2.5
Operating Income	\$10.0	\$15.5	\$0.4	\$12.7	\$38.7	\$26.8	—	—	—	\$26.8
(-) Large Dispositions <sup>(5)</sup>	—	—	—	—	—	(28.7)	—	—	—	(28.7)
Pro Forma Operating Income (Loss) <sup>(5)</sup>	\$10.0	\$15.5	\$0.4	\$12.7	\$38.7	(\$1.9)	—	—	—	(\$1.9)
(+) Depreciation, depletion and amortization	3.3	1.2	0.7	3.0	8.2	0.4	—	—	—	0.4
(+) Non-cash cost of land and improved development	4.0	1.6	4.3	2.6	12.6	0.4	—	—	—	0.4
<b>Adjusted EBITDA<sup>(5)</sup></b>	<b>\$17.4</b>	<b>\$18.3</b>	<b>\$5.4</b>	<b>\$18.4</b>	<b>\$59.5</b>	<b>(\$1.1)</b>	—	—	—	<b>(\$1.1)</b>

(1) Reflects land with capital invested in infrastructure improvements.

(2) Includes marketing fees and deferred revenue adjustments related to Improved Development sales. (4) Excludes Improved Development and Large Dispositions.

(3) Excludes Large Dispositions.

(5) Non-GAAP measure and pro forma item (see Section 2 — Supplemental Information for reconciliations).



# Capital Expenditures By Segment

(\$ in millions)	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
<b>Southern Timber</b>			
Reforestation, Silviculture & Other Capital Expenditures	\$7.1	\$6.5	\$2.8
Property taxes	1.7	1.8	1.8
Lease payments	1.1	2.2	1.6
Allocated overhead	1.3	1.2	1.2
<b>Subtotal Southern Timber</b>	<b>\$11.1</b>	<b>\$11.6</b>	<b>\$7.4</b>
<b>Pacific Northwest Timber</b>			
Reforestation, Silviculture & Other Capital Expenditures	2.3	1.7	2.8
Property taxes	0.2	0.1	0.2
Allocated overhead	0.8	0.8	0.8
<b>Subtotal Pacific Northwest Timber</b>	<b>\$3.3</b>	<b>\$2.6</b>	<b>\$3.8</b>
<b>New Zealand Timber</b>			
Reforestation, Silviculture & Other Capital Expenditures	1.5	2.2	1.7
Property taxes	0.2	0.2	0.2
Lease payments	0.4	1.5	0.3
Allocated overhead	0.6	0.6	0.7
<b>Subtotal New Zealand Timber</b>	<b>\$2.7</b>	<b>\$4.5</b>	<b>\$2.9</b>
<b>Total Timber Segments Capital Expenditures</b>	<b>\$17.1</b>	<b>\$18.7</b>	<b>\$14.1</b>
<b>Real Estate</b>	0.1	—	—
<b>Total Capital Expenditures</b>	<b>\$17.2</b>	<b>\$18.7</b>	<b>\$14.1</b>
<b>Timberland Acquisitions</b>			
Southern Timber	24.1	56.7	1.8
Pacific Northwest Timber	—	3.7	3.6
New Zealand Timber	—	—	6.9
<b>Subtotal Timberland Acquisitions</b>	<b>\$24.1</b>	<b>\$60.4</b>	<b>\$12.3</b>
<b>Real Estate Development Investments</b>	<b>\$1.7</b>	<b>\$3.5</b>	<b>\$1.7</b>

# 2020 Revised Financial Guidance

(\$ in millions)	2019	Prior 2020 Full-Year Guidance		Revised 2020 Full-Year Guidance			
<b>Timber Volumes (tons in millions)</b>							
Southern Timber	6.1	6.3	-	6.5	5.7	-	6.0
Pacific Northwest Timber	1.2	1.4	-	1.5	1.3	-	1.4
New Zealand Timber	2.7	2.6	-	2.7	2.1	-	2.3
<b>Total</b>	<b>10.0</b>	<b>10.3</b>	<b>-</b>	<b>10.7</b>	<b>9.1</b>	<b>-</b>	<b>9.7</b>
<b>Segment Adjusted EBITDA<sup>(1)</sup></b>							
Southern Timber	\$119.7	\$115.0	-	\$120.0	\$100.0	-	\$106.0
Pacific Northwest Timber	16.7	21.0	-	25.0	17.0	-	20.0
New Zealand Timber	75.8	53.0	-	59.0	46.0	-	52.0
Real Estate	59.5	80.0	-	90.0	60.0	-	75.0
Trading	—	—	-	—	—	-	—
Corporate and Other	(23.9)	(24.0)	-	(24.0)	(23.0)	-	(23.0)
<b>Total</b>	<b>\$247.8</b>	<b>\$245.0</b>	<b>-</b>	<b>\$270.0</b>	<b>\$200.0</b>	<b>-</b>	<b>\$230.0</b>
<b>Segment DD&amp;A</b>							
Southern Timber	\$61.9	\$62.5	-	\$64.5	\$57.0	-	\$60.0
Pacific Northwest Timber	29.2	31.5	-	33.5	30.0	-	31.5
New Zealand Timber	27.8	26.0	-	27.5	20.0	-	22.0
Real Estate	8.2	10.0	-	12.0	15.0	-	18.0
Trading	—	—	-	—	—	-	—
Corporate and Other	1.2	1.5	-	1.5	1.5	-	1.5
<b>Total</b>	<b>\$128.2</b>	<b>\$131.5</b>	<b>-</b>	<b>\$139.0</b>	<b>\$123.5</b>	<b>-</b>	<b>\$133.0</b>
Non-cash cost of land and improved development	\$12.6	\$24.0	-	\$28.0	\$19.0	-	\$24.0
<b>Segment Operating Income</b>							
Southern Timber	\$57.8	\$52.5	-	\$55.5	\$43.0	-	\$46.0
Pacific Northwest Timber	(12.4)	(10.5)	-	(8.5)	(13.0)	-	(11.5)
New Zealand Timber	48.0	27.0	-	31.5	26.0	-	30.0
Real Estate	38.7	46.0	-	50.0	54.7	-	61.7
Trading	—	—	-	—	—	-	—
Corporate and Other	(25.1)	(25.5)	-	(25.5)	(27.0)	-	(27.0)
<b>Total</b>	<b>\$107.0</b>	<b>\$89.5</b>	<b>-</b>	<b>\$103.0</b>	<b>\$83.7</b>	<b>-</b>	<b>\$99.2</b>
Costs related to the merger with Pope Resources <sup>(1)</sup>	—	—	-	—	2.5	-	2.5
Large Dispositions <sup>(1)</sup>	—	—	-	—	(28.7)	-	(28.7)
<b>Pro Forma Operating Income<sup>(1)</sup></b>	<b>\$107.0</b>	<b>\$89.5</b>	<b>-</b>	<b>\$103.0</b>	<b>\$57.5</b>	<b>-</b>	<b>\$73.0</b>
Capital Expenditures	\$64.0	\$65.0	-	\$69.0	\$60.0	-	\$64.0
Diluted Earnings per Share	\$0.46	\$0.36	-	\$0.44	\$0.26	-	\$0.36
Pro forma Diluted Earnings Per Share	\$0.46	\$0.36	-	\$0.44	\$0.05	-	\$0.15

(1) Non-GAAP measure or pro forma item (see Section 2 — *Supplemental Information* for definitions).

## Section 2



## Supplemental Information

# Definitions of Non-GAAP Measures and Pro Forma Items

**Adjusted EBITDA** is defined as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land and improved development, non-operating income and expense, costs related to the merger with Pope Resources and Large Dispositions. Adjusted EBITDA is a non-GAAP measure that management uses to make strategic decisions about the business and that investors can use to evaluate the operational performance of the assets under management. It removes the impact of specific items that management believes do not directly reflect the core business operations on an ongoing basis.

**Large Dispositions** are defined as transactions involving the sale of timberland that exceed \$20 million in size and do not have a demonstrable premium relative to timberland value.

**Cash Available for Distribution (CAD)** is defined as cash provided by operating activities adjusted for capital spending (excluding timberland acquisitions and real estate development investments) and working capital and other balance sheet changes. CAD is a non-GAAP measure of cash generated during a period that is available for common stock dividends, distributions to the New Zealand minority shareholder, repurchase of the Company's common shares, debt reduction, timberland acquisitions and real estate development investments. CAD is not necessarily indicative of the CAD that may be generated in future periods.

**Pro Forma Sales** is defined as revenue adjusted for Large Dispositions. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes items that are not indicative of ongoing operating results.

**Pro Forma Operating Income (Loss)** is defined as operating income (loss) adjusted for costs related to the merger with Pope Resources and Large Dispositions. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes specific items that are not indicative of ongoing operating results.

**Pro Forma Net (Loss) Income** is defined as net income attributable to Rayonier Inc. adjusted for costs related to the merger with Pope Resources and Large Dispositions. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes specific items that are not indicative of ongoing operating results.

**Costs related to the merger with Pope Resources** include legal, accounting and due diligence, consulting and other costs related to the previously announced definitive merger agreement with Pope Resources, which is expected to close on May 8, 2020.

# Reconciliation of Reported to Pro Forma Earnings

(\$ in millions, except per share amounts)

Three Months Ended	March 31, 2020		December 31, 2019		March 31, 2019	
	\$	EPS	\$	EPS	\$	EPS
Sales	\$259.1		\$178.8		\$191.5	
Large Dispositions <sup>(1)</sup>	(116.0)		—		—	
Pro Forma Sales	\$143.1		\$178.8		\$191.5	
Net Income attributable to Rayonier Inc.	\$25.9	\$0.20	\$16.0	\$0.12	\$24.8	\$0.19
Costs related to the merger with Pope Resources <sup>(1)</sup>	2.5	0.02	—	—	—	—
Large Dispositions <sup>(1)</sup>	(28.7)	(0.22)	—	—	—	—
Pro Forma Net (Loss) Income	(\$0.3)	—	\$16.0	\$0.12	\$24.8	\$0.19



(1) Pro forma items (see page 15 for definitions).

# Reconciliation of Operating Income (Loss) to Adjusted EBITDA by Segment

(\$ in millions)

Three Months Ended	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>March 31, 2020</b>							
Operating income (loss)	\$15.1	(\$0.9)	\$5.4	\$26.8	—	(\$7.8)	\$38.6
Costs related to the merger with Pope Resources <sup>(1)</sup>	—	—	—	—	—	\$2.5	\$2.5
Large Dispositions <sup>(1)</sup>	—	—	—	(28.7)	—	—	(28.7)
Pro forma operating income (loss)	\$15.1	(\$0.9)	\$5.4	(\$1.9)	—	(\$5.3)	\$12.4
Depreciation, depletion & amortization	18.2	10.7	4.8	0.4	—	0.3	34.3
Non-cash cost of land and improved development	—	—	—	0.4	—	—	0.4
<b>Adjusted EBITDA</b>	<b>\$33.3</b>	<b>\$9.8</b>	<b>\$10.2</b>	<b>(\$1.1)</b>	<b>—</b>	<b>(\$5.0)</b>	<b>\$47.1</b>
<b>December 31, 2019</b>							
Operating income (loss)	\$12.0	(\$1.3)	\$9.4	\$12.7	(\$0.3)	(\$6.5)	\$26.1
Depreciation, depletion & amortization	16.3	10.0	6.7	3.0	—	0.3	36.3
Non-cash cost of land and improved development	—	—	—	2.6	—	—	2.6
<b>Adjusted EBITDA</b>	<b>\$28.3</b>	<b>\$8.7</b>	<b>\$16.1</b>	<b>\$18.4</b>	<b>(\$0.3)</b>	<b>(\$6.2)</b>	<b>\$65.0</b>
<b>March 31, 2019</b>							
Operating income (loss)	\$21.5	(\$3.7)	\$15.7	\$10.0	\$0.5	(\$5.5)	\$38.5
Depreciation, depletion & amortization	19.7	6.8	6.3	3.3	—	0.3	36.5
Non-cash cost of land and improved development	—	—	—	4.0	—	—	4.0
<b>Adjusted EBITDA</b>	<b>\$41.2</b>	<b>\$3.1</b>	<b>\$22.0</b>	<b>\$17.4</b>	<b>\$0.5</b>	<b>(\$5.2)</b>	<b>\$79.0</b>

## Section 3



# Supplemental Cost Disclosure

# Southern Timber Supplemental Cost Data

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	YTD
<b>Sales Volume (Tons in 000s)</b>										
Stumpage Volume	1,414	766	803	1,057	4,040	1,258	—	—	—	1,258
Delivered Volume	521	508	478	520	2,027	586	—	—	—	586
Total Volume	1,935	1,274	1,280	1,576	6,066	1,843	—	—	—	1,843
<b>Sales Detail</b>										
Timber Sales	\$51.0	\$37.0	\$33.0	\$38.1	\$159.3	\$47.5	—	—	—	\$47.5
Non-Timber Sales	9.8	9.2	8.3	7.7	35.0	5.5	—	—	—	5.5
Total Sales	\$60.8	\$46.2	\$41.3	\$45.8	\$194.1	\$53.0	—	—	—	\$53.0
<b>Cost Detail (excl. DD&amp;A)</b>										
Cut, Haul & Freight (Delivered Volume Only)	\$10.3	\$11.1	\$9.9	\$9.6	\$41.0	\$10.8	—	—	—	\$10.8
Other Direct Variable Costs	0.6	0.3	0.3	0.3	1.5	0.4	—	—	—	0.4
Indirect Variable Costs	1.9	2.0	1.7	2.0	7.6	1.9	—	—	—	1.9
Non-Timber Costs	0.5	0.5	0.2	0.4	1.7	0.6	—	—	—	0.6
Fixed Costs	6.2	4.6	6.6	5.2	22.7	6.0	—	—	—	6.0
Total Costs (excl. DD&A)	\$19.5	\$18.6	\$18.8	\$17.5	\$74.4	\$19.7	—	—	—	\$19.7
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$41.2</b>	<b>\$27.6</b>	<b>\$22.5</b>	<b>\$28.3</b>	<b>\$119.7</b>	<b>\$33.3</b>	—	—	—	<b>\$33.3</b>
(-) DD&A	(19.7)	(12.9)	(13.0)	(16.3)	(61.9)	(18.2)	—	—	—	(18.2)
<b>Operating Income</b>	<b>\$21.5</b>	<b>\$14.7</b>	<b>\$9.5</b>	<b>\$12.0</b>	<b>\$57.8</b>	<b>\$15.1</b>	—	—	—	<b>\$15.1</b>
<b>Cost Statistics<sup>(2)</sup></b>										
Cut, Haul & Freight per Delivered Ton	\$19.86	\$21.90	\$20.72	\$18.43	\$20.21	\$18.41	—	—	—	\$18.41
Other Direct Variable Costs per Ton	0.28	0.27	0.23	0.17	0.25	0.22	—	—	—	\$0.22
Indirect Variable Costs per Ton	0.97	1.59	1.34	1.27	1.25	1.01	—	—	—	\$1.01
DD&A per Ton	10.19	10.11	10.18	10.34	10.21	9.86	—	—	—	\$9.86
Fixed Costs per Period-End Acres	3.46	2.53	3.64	2.84	12.36	3.38	—	—	—	\$3.38

(1) Non-GAAP measure (see Section 2 — Supplemental Information for reconciliations).

(2) See page 22 for definitions of cost statistic measures.

# Pacific Northwest Timber Supplemental Cost Data

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	YTD
<b>Sales Volume (Tons in 000s)</b>										
Stumpage Volume	—	—	—	73	73	103	—	—	—	103
Delivered Volume	283	250	261	343	1,137	373	—	—	—	373
Total Volume	283	250	261	417	1,211	476	—	—	—	476
<b>Sales Detail</b>										
Timber Sales	\$20.1	\$17.7	\$18.2	\$26.8	\$82.7	\$30.6	—	—	—	\$30.6
Non-Timber Sales	0.4	0.9	0.6	0.8	2.7	0.5	—	—	—	0.5
Total Sales	\$20.5	\$18.6	\$18.8	\$27.6	\$85.4	\$31.1	—	—	—	\$31.1
<b>Cost Detail (excl. DD&amp;A)</b>										
Cut & Haul (Delivered Volume Only)	\$12.0	\$10.5	\$10.6	\$12.8	\$45.9	\$14.2	—	—	—	\$14.2
Other Direct Variable Costs	1.9	1.7	1.7	2.6	8.0	3.0	—	—	—	3.0
Indirect Variable Costs	2.5	2.9	2.5	2.3	10.3	2.9	—	—	—	2.9
Non-Timber Costs	—	0.1	0.1	0.2	0.3	—	—	—	—	—
Fixed Costs	1.1	1.1	1.1	0.9	4.2	1.2	—	—	—	1.2
Total Costs (excl. DD&A)	\$17.4	\$16.3	\$16.0	\$18.9	\$68.7	\$21.3	—	—	—	\$21.3
<b>Adjusted EBITDA<sup>(1)</sup></b>										
	<b>\$3.1</b>	<b>\$2.2</b>	<b>\$2.7</b>	<b>\$8.7</b>	<b>\$16.7</b>	<b>\$9.8</b>	—	—	—	<b>\$9.8</b>
(-) DD&A	(6.8)	(6.0)	(6.3)	(10.0)	(29.2)	(10.7)	—	—	—	(10.7)
<b>Operating Income</b>	<b>(\$3.7)</b>	<b>(\$3.8)</b>	<b>(\$3.6)</b>	<b>(\$1.3)</b>	<b>(\$12.4)</b>	<b>(\$0.9)</b>	—	—	—	<b>(\$0.9)</b>
<b>Cost Statistics<sup>(2)</sup></b>										
Cut & Haul per Delivered Ton	\$42.35	\$42.00	\$40.48	\$37.41	\$40.37	\$37.97	—	—	—	\$37.97
Other Direct Variable Costs per Ton	6.63	6.83	6.62	6.33	6.57	6.40	—	—	—	6.40
Indirect Variable Costs per Ton	8.87	11.63	9.77	5.55	8.49	6.09	—	—	—	6.09
DD&A per Ton	24.15	24.15	24.14	23.99	24.09	22.50	—	—	—	22.50
Fixed Costs per Period-End Acres	2.80	2.97	2.92	2.46	11.09	3.09	—	—	—	3.09

(1) Non-GAAP measure (see Section 2 — Supplemental Information for reconciliations).

(2) See page 22 for definitions of cost statistic measures.

# New Zealand Timber Supplemental Cost Data

	2019					2020				
	Q1	Q2	Q3	Q4	FY 2019	Q1	Q2	Q3	Q4	YTD
<b>Sales Volume (Tons in 000s)</b>										
Domestic Volume	307	329	366	289	1,292	248	—	—	—	248
Export Volume	296	354	388	399	1,436	233	—	—	—	233
Total Volume	603	683	754	688	2,728	481	—	—	—	481
<b>Sales Detail</b>										
Timber Sales	\$54.6	\$61.0	\$59.3	\$56.4	\$231.3	\$35.6	—	—	—	\$35.6
Non-Timber Sales/Carbon Credits	2.5	1.1	2.7	4.2	10.5	1.9	—	—	—	1.9
Total Sales	\$57.1	\$62.1	\$62.0	\$60.6	\$241.9	\$37.5	—	—	—	\$37.5
<b>Cost Detail (excl. DD&amp;A)</b>										
Cut & Haul	\$20.2	\$22.9	\$23.2	\$21.7	\$88.1	\$15.2	—	—	—	\$15.2
Port / Freight Costs (Export Volume Only)	9.7	12.6	13.6	15.1	51.0	8.0	—	—	—	8.0
Other Direct Variable Costs	1.8	2.3	2.8	2.5	9.4	2.2	—	—	—	2.2
Indirect Variable Costs	1.2	1.5	1.6	1.3	5.6	1.4	—	—	—	1.4
Fixed Costs	2.0	2.0	2.0	2.0	8.1	1.9	—	—	—	1.9
Non-Timber / FX Loss (Gain) / Other	0.2	0.8	1.1	1.8	3.9	(1.4)	—	—	—	(1.4)
Total Costs (excl. DD&A)	\$35.1	\$42.1	\$44.3	\$44.4	\$166.0	\$27.3	—	—	—	\$27.3
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$22.0</b>	<b>\$20.0</b>	<b>\$17.7</b>	<b>\$16.1</b>	<b>\$75.8</b>	<b>\$10.2</b>	—	—	—	<b>\$10.2</b>
(-) DD&A	(6.3)	(7.2)	(7.6)	(6.7)	(27.8)	(4.8)	—	—	—	(4.8)
<b>Operating Income</b>	<b>\$15.7</b>	<b>\$12.8</b>	<b>\$10.1</b>	<b>\$9.4</b>	<b>\$48.0</b>	<b>\$5.4</b>	—	—	—	<b>\$5.4</b>
<b>Cost Statistics<sup>(2)</sup></b>										
NZ\$/US\$ Exchange Rate (Period-average rate)	0.6831	0.6659	0.6554	0.6361	0.6615	0.6500	—	—	—	0.6500
Cut & Haul per Ton (NZ\$)	\$48.99	\$50.43	\$46.98	\$49.64	\$48.79	\$48.56	—	—	—	\$48.56
Port / Freight Costs per Export Ton (US\$)	32.93	35.52	35.01	37.96	35.53	34.51	—	—	—	34.51
Other Direct Variable Costs per Ton (NZ\$)	4.36	5.05	5.69	5.68	5.20	6.95	—	—	—	6.95
Indirect Variable Costs per Ton (NZ\$)	2.86	3.33	3.31	2.88	3.10	4.55	—	—	—	4.55
DD&A per Ton (NZ\$)	15.34	15.81	15.30	15.29	15.38	15.27	—	—	—	15.27
Fixed Costs per Period-End Acres (NZ\$)	10.14	10.41	10.37	10.85	41.47	9.66	—	—	—	9.66

(1) Non-GAAP measure (see Section 2 — *Supplemental Information* for reconciliations).

(2) See page 22 for definitions of cost statistic measures.

# Definitions of Cost Statistic Measures

**Direct Variable Costs** are defined as costs that are directly correlated to the volume of timber sold, such as cut and haul costs, export freight costs and severance taxes. In the New Zealand Timber Segment, direct variable costs are generally paid in N.Z. dollars, except for costs associated with export shipping, which are generally paid in U.S. dollars.

**Indirect Variable Costs** are defined as costs that fluctuate with but are not directly correlated to the volume of timber sold and can be managed as market conditions change. Such costs include road maintenance and engineering costs. In the New Zealand Timber Segment, indirect variable costs are generally paid in N.Z. dollars.

**Fixed Costs** are defined as overhead and other costs that are generally not affected by changes in the volume of timber sold, such as lease payments, salaries and other G&A costs. In the New Zealand Timber Segment, fixed costs are generally paid in N.Z. dollars.