



Rayonier to Build Engineered Absorbent Products Facility; Renames Specialty Pulp Group

November 9, 2000

JACKSONVILLE, Fla.--(BUSINESS WIRE)--Nov. 9, 2000--Rayonier (NYSE:RYN) announced today that it will invest \$15 million in a new 12,000 ton per year state-of-the-art production facility for its NovaThin(TM) line of engineered absorbent products. Also, to emphasize its continuing program to deliver more value-added products to the marketplace, the company said it has renamed its specialty pulp products segment the Performance Fibers group.

"Building this facility and renaming our specialty pulp products unit are additional steps in our program to strategically reposition this business further up the value chain and closer to the consumer," said Lee Nutter, Chairman, President and CEO. "This new facility will enable us to meet growing demand for NovaThin(TM) products and will also serve as a research platform from which we will develop new generations of absorbent materials."

NovaThin(TM) products are innovative, high performance, pre-formed absorbent cores developed by Rayonier scientists and sold to consumer products companies for use in disposables such as diapers and feminine hygiene products. NovaThin(TM) cores have gained rapid acceptance because of their thinness, absorbency, comfort and superior cost benefits. These patented products combine Rayonier's fiber technology with a super absorbent polymer.

Nutter said a global hygiene products manufacturer has incorporated NovaThin(TM) cores into one of its product lines and has successfully introduced the product in Europe and Asia and will soon launch it in other world markets. Other Rayonier customers in Japan and Latin America are also utilizing NovaThin(TM) cores in their products.

"Customer response has been exceptional," Nutter said. "Extensive market development efforts over the past 18 months clearly show that NovaThin(TM) cores are products with substantial growth opportunities. A manufacturing and product development facility dedicated to engineered absorbent materials will enable us to expedite market penetration and further product enhancements." NovaThin(TM) cores are currently available through a tolling agreement with a European manufacturer.

Nutter said that as part of its effort to further reposition its Performance Fibers business into higher value, higher margin products, Rayonier, a world leader in cellulose chemistry research, has increased its investments in research and market development. "NovaThin(TM) cores are just the first products to reach a commercial stage," he said. "Several other products, which will introduce our fiber technology into new and non-traditional markets, have been developed and are now undergoing customer testing."

Over the past 70 years, through research and technical excellence, Rayonier has built a reputation as the world's premier producer of specialty cellulose fibers used by customers worldwide in a broad array of products such as photographic film, pharmaceuticals, cosmetics, food products, high-tenacity tire cord, cigarette filters, impact-resistant plastics, textiles, paints and lacquers, and disposable absorbent products.

"Our Performance Fibers business is extremely important to us and provides the foundation to expand into new areas," Nutter said. "The new name more accurately describes not only our existing specialty fiber business and our commitment to provide customers with ever-improved products and services, but also, our focus on adding value to that business by creating innovative products for new markets," Nutter said.

The NovaThin(TM) plant will be located in Jesup, Georgia, home of Rayonier's largest specialty fiber production facility, research center and global marketing organization. It is expected to be operational by year-end 2001 and will employ about 50 salaried and technical personnel.

"By locating this facility in Jesup," Nutter said, "we will be able to work very closely with our research and marketing groups. This will allow us to more quickly implement technological advances in our products and better serve our customers."

The Performance Fibers group is supported by sales and marketing offices in London, Tokyo, Shanghai and Singapore.

Rayonier is a global supplier of specialty fibers, timber and wood products. The company has 2.4 million acres of timber in the U.S. and New Zealand. About half of Rayonier's sales are to international customers in 60 countries.

Comments about market trends, anticipated volumes, and other future activities are forward-looking and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Changes in global market trends and fluctuations in demand for absorbent products, among other factors, could cause actual results to differ materially from those expressed in the forward looking statement.

For further information, visit the company's website at www.rayonier.com. Complimentary copies of Rayonier press releases and other financial documents are available by mail or fax by calling 1-800-RYN-7611.

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CONTACT: Rayonier, Inc., Jacksonville

Jay Fredericksen, 904/357-9106

Investor Contact:

Parag Bhansali, 904/357-9155

www.rayonier.com

