



Q1 2015 Financial Supplement

Safe Harbor Statement

Certain statements in this presentation regarding anticipated financial outcomes including Rayonier's earnings guidance, if any, business and market conditions, outlook, expected dividend rate, expected harvest schedules, timberland acquisitions, sales of non-strategic timberlands, the anticipated benefits of Rayonier's realigned business strategy 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, including political changes in particular regions or countries; fluctuations in demand for our products in Asia, and especially China; various lawsuits relating to matters arising out of our previously announced internal review and restatement of our consolidated financial statements; 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, 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, and any decision we may make to do so; 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 tax treatment of our specific businesses or reduce the benefits associated with REIT status.

Specifically with respect to our Real Estate business, the following important factors, among others, could cause actual results to differ materially from those expressed in forward-looking statements that may have been made in this document: the cyclical nature of the real estate business generally, including fluctuations in demand for both entitled and unentitled property; a delayed or weak recovery 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; the potential for legal challenges to entitlements and permits in connection with our properties; unexpected delays in the entry into or closing of real estate transactions; the existence of competing developers and communities in the markets in which we own property; the pace of development and the rate and timing of absorption of existing entitled property in the markets in which we own property; changes in the demographics affecting projected population growth and migration to the Southeastern U.S.; changes in environmental laws and regulations, including laws regarding water withdrawal and management and delineation of wetlands, that may restrict or adversely impact our ability to sell or develop properties; the cost of the development of property generally, including the cost of property taxes, labor and construction materials; 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.

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Section 1



Financial and Segment Information

Financial Highlights

(\$ in millions, except per share data)

Profitability	Three months ended March 31,	
	2015	2014
Sales	\$140.3	\$143.2
Operating income	27.7	14.4
Net income attributable to Rayonier Inc.	17.7	41.4
Pro forma net income ⁽¹⁾	17.7	10.4
Adjusted EBITDA ⁽¹⁾	61.4	43.5
Diluted Earnings Per Share:		
Income from continuing operations	0.14	0.08
Net income	0.14	0.32
Pro forma net income ⁽¹⁾	0.14	0.08
Average diluted shares (millions)	127.7	128.4

Capital Resources & Liquidity	Three months ended March 31,	
	2015	2014
Cash provided by Operating Activities ⁽²⁾	\$53.4	\$100.1
Cash used for Investing Activities ⁽²⁾	(43.7)	(2.6)
Cash used for Financing Activities ⁽²⁾	(30.6)	(141.1)
Cash Available for Distribution (CAD) ⁽¹⁾	42.7	10.8

	3/31/2015	12/31/2014
Debt	743.0	751.6
Cash	139.0	161.6
Net Debt	604.0	590.0
Net Debt / Enterprise Value ⁽³⁾	15%	14%

(1) Non-GAAP measures (see page 15 for definitions and pages 8, 16 and 17 for reconciliations).

(2) 2014 period includes discontinued operations.

(3) Enterprise Value based on equity market capitalization plus net debt at March 31, 2015 and December 31, 2014, respectively.

Variance Analysis – 4Q 2014 to 1Q 2015

Operating Income (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
4Q14 Operating income	\$13.5	\$3.7	\$2.9	\$2.6	(\$0.3)	(\$8.2)	\$14.2
Pro forma adjustments ⁽¹⁾	—	—	—	—	—	2.4	2.4
Pro forma operating income⁽²⁾	\$13.5	\$3.7	\$2.9	\$2.6	(\$0.3)	(\$5.8)	\$16.6
Volume/Mix	(1.0)	—	(4.0)	2.3	—	—	(2.7)
Price	1.0	(1.9)	3.7	8.4	—	—	11.2
Cost	0.3	0.5	1.0	0.3	—	(0.2)	1.9
Non-timber income	(1.1)	0.3	0.6	—	—	—	(0.2)
Foreign exchange	—	—	0.2	—	0.1	—	0.3
Depreciation, depletion & amortization	(0.3)	—	0.6 ⁽³⁾	(0.7)	—	0.1	(0.3)
Non-cash cost of land and real estate development costs recovered upon sale	—	—	2.2	(0.3)	—	—	1.9
Other	—	—	(1.5) ⁽⁴⁾	—	0.5	—	(1.0)
1Q15 Operating Income	\$12.4	\$2.6	\$5.7	\$12.6	\$0.3	(\$5.9)	\$27.7

Adjusted EBITDA ⁽²⁾ (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
4Q14 Adjusted EBITDA	\$28.3	\$7.5	\$13.8	\$7.2	(\$0.3)	(\$5.6)	\$50.9
Volume/Mix	(1.8)	—	(5.9)	4.5	—	—	(3.2)
Price	1.0	(1.9)	3.7	8.4	—	—	11.2
Cost	0.3	0.5	1.0	0.3	—	(0.2)	1.9
Non-timber income	(1.1)	0.3	0.6	—	—	—	(0.2)
Foreign exchange	—	—	0.2	—	0.1	—	0.3
Other	—	—	0.3	(0.3)	0.5	—	0.5
Adjusted EBITDA variance	(1.6)	(1.1)	(0.1)	12.9	0.6	(0.2)	10.5
1Q15 Adjusted EBITDA	\$26.7	\$6.4	\$13.7	\$20.1	\$0.3	(\$5.8)	\$61.4

(1) Internal review and restatement costs in 2014.

(2) Non-GAAP measures (see page 15 for definitions and pages 16 and 17 for reconciliations).

(3) Primarily related to timber sold in conjunction with the relinquishment of a forestry right.

(4) Includes \$1.9 million of timber basis sold in conjunction with the relinquishment of a forestry right.

Variance Analysis – 1Q 2014 to 1Q 2015

Operating Income (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
1Q14 Operating income	\$10.5	\$12.6	\$2.4	\$0.7	(\$0.4)	(\$11.4)	\$14.4
Volume/Mix	1.2	(7.3)	1.9	8.5	—	—	4.3
Price	0.8	(2.8)	(1.3)	4.5	—	—	1.2
Cost	(0.5)	(0.4)	0.3	—	—	5.3 ⁽¹⁾	4.7
Non-timber income	1.5	0.5	0.7 ⁽²⁾	—	—	—	2.7
Foreign exchange	—	—	(0.1)	—	1.1	—	1.0
Depreciation, depletion & amortization	(1.1)	—	1.4	(0.8)	—	0.2	(0.3)
Non-cash cost of land and real estate development costs recovered upon sale	—	—	2.1	(0.3)	—	—	1.8
Other	—	—	(1.7) ⁽⁴⁾	—	(0.4)	—	(2.1)
1Q15 Operating Income	\$12.4	\$2.6	\$5.7	\$12.6	\$0.3	(\$5.9)	\$27.7

Adjusted EBITDA⁽³⁾ (\$ in millions)

	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
1Q14 Adjusted EBITDA	\$22.5	\$18.9	\$11.0	\$2.6	(\$0.4)	(\$11.1)	\$43.5
Volume/Mix	2.5	(9.8)	2.9	13.0	—	—	8.6
Price	0.8	(2.8)	(1.3)	4.5	—	—	1.2
Cost	(0.5)	(0.4)	0.3	—	—	5.3 ⁽¹⁾	4.7
Non-timber income	1.5	0.5	0.7 ⁽²⁾	—	—	—	2.7
Foreign exchange	—	—	(0.1)	—	1.1	—	1.0
Other	(0.1)	—	0.2	—	(0.4)	—	(0.3)
Adjusted EBITDA variance	4.2	(12.5)	2.7	17.5	0.7	5.3	17.9
1Q15 Adjusted EBITDA	\$26.7	\$6.4	\$13.7	\$20.1	\$0.3	(\$5.8)	\$61.4

(1) Corporate and other improved \$5.3 million due to lower selling, general and administrative expenses as a result of the spin-off.

(2) Primarily related to timber sold in conjunction with the relinquishment of a forestry right.

(3) Non-GAAP measures (see page 15 for definitions and pages 16 and 17 for reconciliations).

(4) Includes \$1.9 million of timber basis sold in conjunction with the relinquishment of a forestry right.

Cash Available for Distribution*

(\$ in millions, except per share data)

	Three Months Ended March 31,	
	2015	2014
Operating Income	\$27.7	\$14.4
Depreciation, depletion, amortization	30.0	26.0
Non-cash cost of land and real estate development costs recovered upon sale	3.7	3.1
Adjusted EBITDA*	\$61.4	\$43.5
Cash interest paid ⁽¹⁾	(5.0)	(6.9)
Cash taxes paid ⁽²⁾	(0.1)	(7.1)
Real estate development costs	(0.3)	(1.8)
Capital expenditures from continuing operations ⁽³⁾	(13.3)	(16.9)
Cash Available for Distribution	\$42.7	\$10.8
Working capital changes	(2.9)	14.6
Real estate development costs	0.3	1.8
Capital expenditures from continuing operations ⁽³⁾	13.3	16.9
Cash flow from discontinued operations	—	56.0
Cash Provided by Operating Activities	\$53.4	\$100.1
Shares outstanding	126,802,309	126,451,505
CAD per Share	\$0.34	\$0.09
Dividends per Share⁽⁴⁾	\$0.25	\$0.49

* Non-GAAP measure (see page 15 for definition).

(1) Cash interest paid is presented net of patronage refunds received of \$1.3 million and \$2.1 million for the three months ended March 31, 2015 and March 31, 2014, respectively.

(2) The three months ended March 31, 2014 includes payments related to the spun-off Performance Fibers business.

(3) Capital expenditures exclude timberland acquisitions of \$23.1 million and \$10.6 million during the three months ended March 31, 2015 and March 31, 2014, respectively.

(4) 2014 includes pre-spin dividend levels.

Southern Timber Overview

	2014					2015				
	Q1	Q2	Q3	Q4	FY 2014	Q1	Q2	Q3	Q4	YTD
Sales Volume (Tons in 000s)										
Pine Pulpwood	776	707	867	934	3,284	905	—	—	—	905
Pine Sawtimber	387	363	492	459	1,701	418	—	—	—	418
Total Pine Volume	1,163	1,070	1,359	1,393	4,985	1,323	—	—	—	1,323
Hardwood	111	79	55	66	311	47	—	—	—	47
Total Volume	1,274	1,149	1,414	1,459	5,296	1,370	—	—	—	1,370
% Delivered Sales	30%	36%	33%	32%	33%	25%	—	—	—	25%
% Stumpage Sales	70%	64%	67%	68%	67%	75%	—	—	—	75%
Net Stumpage Pricing (\$ per ton)⁽¹⁾										
Pine Pulpwood	\$18.55	\$18.94	\$17.99	\$18.55	\$18.48	\$18.83	—	—	—	\$18.83
Pine Sawtimber	27.07	26.16	25.78	26.84	26.45	28.84	—	—	—	28.84
Weighted Average Pine	\$21.38	\$21.39	\$20.81	\$21.28	\$21.20	\$21.99	—	—	—	\$21.99
Hardwood	13.73	11.58	13.22	13.34	13.01	13.07	—	—	—	13.07
Weighted Average Total	\$20.72	\$20.71	\$20.51	\$20.92	\$20.72	\$21.69	—	—	—	\$21.69
Summary Financial Data (\$ in MM\$)										
Sales	\$33.9	\$31.5	\$37.5	\$38.9	\$141.8	\$35.5	—	—	—	\$35.5
(-) Cut & Haul	(7.5)	(7.7)	(8.5)	(8.4)	(32.1)	(5.8)	—	—	—	(5.8)
Net Stumpage Sales	\$26.4	\$23.8	\$29.0	\$30.5	\$109.7	\$29.7	—	—	—	\$29.7
Operating Income	\$10.5	\$8.9	\$13.5	\$13.5	\$46.4	\$12.4	—	—	—	\$12.4
(+) DD&A	12.0	10.6	14.1 ⁽³⁾	14.8	51.5	14.3	—	—	—	14.3
Adjusted EBITDA ⁽²⁾	\$22.5	\$19.5	\$27.6	\$28.3	\$97.9	\$26.7	—	—	—	\$26.7
Other Data										
Non-timber Income (\$ in MM\$)	\$3.1	\$3.5	\$5.0	\$5.6	\$17.2	\$4.5	—	—	—	\$4.5
Period End Acres (in 000s)	1,898	1,901	1,900	1,906	1,906	1,901	—	—	—	1,901

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

(2) Non-GAAP measure (see page 15 for definition and page 17 for reconciliation).

(3) Excludes \$0.7 million cumulative out-of-period adjustment for depletion expense.

Pacific Northwest Timber Overview

	2014					2015				
	Q1	Q2	Q3	Q4	FY 2014	Q1	Q2	Q3	Q4	YTD
Sales Volume (Tons in 000s)										
Pulpwood	86	73	51	52	262	55	—	—	—	55
Sawtimber	458	375	295	274	1,402	270	—	—	—	270
Total Volume	544	448	346	326	1,664	325	—	—	—	325
Northwest Sales Volume (Converted to MBF)										
Pulpwood	8,111	6,860	4,856	4,934	24,761	5,140	—	—	—	5,140
Sawtimber	54,570	49,093	39,504	35,731	178,898	33,455	—	—	—	33,455
Total Volume	62,681	55,953	44,360	40,665	203,659	38,595	—	—	—	38,595
Northwest Sales Mix										
% Delivered Sales	47%	41%	61%	83%	55%	79%	—	—	—	79%
% Stumpage Sales	53%	59%	39%	17%	45%	21%	—	—	—	21%
Delivered Log Pricing										
Pulpwood (\$ per ton)	\$37.92	\$37.10	\$37.86	\$43.23	\$39.20	\$43.19	—	—	—	\$43.19
Sawtimber (\$ per ton)	81.90	84.46	83.91	79.19	82.05	72.03	—	—	—	72.03
Weighted Average Log Price (\$ per ton)	\$74.00	\$74.51	\$76.60	\$73.15	\$74.44	\$66.91	—	—	—	\$66.91
Summary Financial Data (\$ in MM)										
Sales	\$33.0	\$25.1	\$22.0	\$22.1	\$102.2	\$19.2	—	—	—	\$19.2
(-) Cut & Haul	(8.3)	(5.9)	(6.8)	(9.1)	(30.1)	(8.1)	—	—	—	(8.1)
Net Stumpage Sales	\$24.7	\$19.2	\$15.2	\$13.0	\$72.1	\$11.1	—	—	—	\$11.1
Pro forma Operating Income ⁽¹⁾	\$12.6	\$8.8	\$6.3 ⁽²⁾	\$3.7	\$31.4	\$2.6	—	—	—	\$2.6
(+) DD&A	6.3	5.2	4.1	3.8	19.4	3.8	—	—	—	3.8
Adjusted EBITDA ⁽¹⁾	\$18.9	\$14.0	\$10.4	\$7.5	\$50.8	\$6.4	—	—	—	\$6.4
Other Data										
Non-timber Income (\$ in MM)	\$0.5	\$0.8	\$0.8	\$0.7	\$2.8	\$1.0	—	—	—	\$1.0
Period-End Acres (in 000s)	372	372	372	372	372	368	—	—	—	368
Northwest Sawtimber (\$ per MBF)	\$684	\$629	\$614	\$606	\$632	\$604	—	—	—	\$604
Estimated Percentage of Export Volume	27%	21%	29%	21%	25%	19%	—	—	—	19%

(1) Non-GAAP measures (see page 15 for definitions and pages 16 and 17 for reconciliations).

(2) Excludes \$1.9 million cumulative out-of-period adjustment for depletion expense.

New Zealand Timber Overview

	2014					2015				
	Q1	Q2	Q3	Q4	FY 2014	Q1	Q2	Q3	Q4	YTD
Sales Volume (Tons in 000s)										
Domestic Sawtimber (Delivered)	144	170	179	151	644	150	—	—	—	150
Domestic Pulpwood (Delivered)	73	77	103	99	352	100	—	—	—	100
Export Sawtimber (Delivered)	142	193	231	261	827	201	—	—	—	201
Export Pulpwood (Delivered)	9	16	21	25	71	11	—	—	—	11
Stumpage	91	67	136	172	466	76	—	—	—	76
Total Volume	459	523	670	708	2,360	538	—	—	—	538
% Delivered Sales	80%	87%	80%	76%	80%	86%	—	—	—	86%
% Stumpage Sales	20%	13%	20%	24%	20%	14%	—	—	—	14%
Delivered Log Pricing										
Domestic Sawtimber (\$ / ton)	\$80.04	\$84.64	\$78.28	\$68.87	\$78.15	\$70.77	—	—	—	\$70.77
Domestic Pulpwood (\$ / ton)	38.34	39.52	38.78	35.18	37.84	35.38	—	—	—	35.38
Export Sawtimber (\$ / ton)	120.62	118.12	104.11	108.96	111.75	102.60	—	—	—	102.60
Summary Financial Data (\$ in MM\$)										
Sales	\$35.8	\$44.1	\$48.4	\$48.9	\$177.2	\$37.8	—	—	—	\$37.8
(-) Cut & Haul	(15.9)	(20.3)	(22.4)	(20.3)	(78.9)	(16.0)	—	—	—	(16.0)
(-) Port / Freight Costs	(5.6)	(9.0)	(10.1)	(11.1)	(35.8)	(6.6)	—	—	—	(6.6)
Net Stumpage Sales	\$14.3	\$14.8	\$15.9	\$17.5	\$62.5	\$15.2	—	—	—	\$15.2
Land/Other Sales	\$2.0	\$0.3	\$0.1	\$2.7	\$5.1	\$3.4	—	—	—	\$3.4
Total Sales	\$37.8	\$44.4	\$48.5	\$51.7	\$182.4	\$41.2	—	—	—	\$41.2
Operating Income	\$2.4	\$2.2	\$1.9	\$2.9	\$9.4	\$5.7	—	—	—	\$5.7
(+) DD&A	6.5	7.7	9.4	8.7	32.3	8.0 ⁽²⁾	—	—	—	8.0
(+) Non-cash cost of land sold	2.1	—	—	2.2	4.3	—	—	—	—	—
Adjusted EBITDA ⁽¹⁾	\$11.0	\$9.9	\$11.3	\$13.8	\$46.0	\$13.7	—	—	—	\$13.7
Other Data										
NZ\$/US\$ Exchange Rate (Average period rate)	0.8253	0.8575	0.8540	0.7827	0.8299	0.7556	—	—	—	0.7556
Net plantable Period-End Acres (in 000s)	313	313	312	309	309	303	—	—	—	303
Export Sawtimber (\$ / JAS m3)	\$139.95	\$137.05	\$120.79	\$126.42	\$129.66	\$119.04	—	—	—	\$119.04

(1) Non-GAAP measure (see page 15 for definition and page 17 for reconciliation).

(2) Includes \$1.9 million of timber basis sold in conjunction with the relinquishment of a forestry right.

Timber Segments Selected Operating Information

(\$ in millions)

	Three Months Ended		
	3/31/2015	12/31/2014	3/31/2014
<u>Depreciation, Depletion and Amortization</u>			
Southern Timber	\$14.3	\$14.8	\$12.0
Pacific Northwest Timber	3.8	3.8	6.3
New Zealand Timber	8.0	8.7	6.5
Total	\$26.1	\$27.3	\$24.8
<u>Capital Expenditures</u>			
U.S. Timber			
Reforestation, Silviculture & Other Capital Expenditures	\$4.8	\$6.6	\$5.4
Property Taxes, Lease Payments & Allocated Overhead	5.5	5.3	6.3
Timberland Acquisitions	23.1	36.5	10.6
Subtotal U.S. Timber	\$33.4	\$48.4	\$22.3
New Zealand Timber			
Reforestation, Silviculture & Other Capital Expenditures	\$1.5	\$2.6	\$1.8
Property Taxes, Lease Payments & Allocated Overhead	1.2	2.2	1.3
Timberland Acquisitions	—	—	—
Subtotal New Zealand Timber	\$2.7	\$4.8	\$3.1
Total Timber Segments Capital Expenditures	\$36.1	\$53.2	\$25.4

Real Estate Overview

	2014					2015				
	Q1	Q2	Q3	Q4	FY 2014	Q1	Q2	Q3	Q4	YTD
Sales (\$ in MMs)										
Improved Development ⁽¹⁾	—	—	—	—	—	—	—	—	—	—
Unimproved Development	0.1	1.4	1.4	1.9	4.8	4.8	—	—	—	4.8
Rural	5.1	5.4	25.1	5.4	41.0	6.8	—	—	—	6.8
Non-strategic / Timberlands	0.3	27.2	0.3	3.7	31.5	12.2	—	—	—	12.2
Total Sales	\$5.5	\$34.0	\$26.8	\$11.0	\$77.3	\$23.8	—	—	—	\$23.8
Sales (Development / Rural Only)	\$5.2	\$6.8	\$26.5	\$7.3	\$45.8	\$11.6	—	—	—	\$11.6
Acres Sold										
Improved Development ⁽¹⁾	—	—	—	—	—	—	—	—	—	—
Unimproved Development	27	68	203	554	852	409	—	—	—	409
Rural	1,733	2,030	11,685	2,629	18,077	2,877	—	—	—	2,877
Non-strategic / Timberlands	362	23,185	234	2,138	25,919	4,111	—	—	—	4,111
Total Acres Sold	2,122	25,283	12,122	5,321	44,848	7,397	—	—	—	7,397
Acres Sold (Development / Rural Only)	1,760	2,098	11,888	3,183	18,929	3,286	—	—	—	3,286
Percentage of U.S. South acreage sold ⁽²⁾	0.1%	0.1%	0.7%	0.2%	1.2%	0.2%	—	—	—	0.2%
Price per Acre (\$ per acre)										
Improved Development ⁽¹⁾	—	—	—	—	—	—	—	—	—	—
Unimproved Development	\$5,259	\$20,897	\$6,660	\$3,389	\$5,623	\$11,781	—	—	—	\$11,781
Rural	2,958	2,654	2,146	2,040	2,265	2,368	—	—	—	2,368
Non-strategic / Timberlands	723	1,174	1,100	1,779	1,217	2,957	—	—	—	2,957
Weighted Avg. (Total)	\$2,606	\$1,345	\$2,202	\$2,075	\$1,723	\$3,216	—	—	—	\$3,216
Weighted Avg. (Development / Rural) ⁽³⁾	\$2,994	\$3,245	\$2,223	\$2,275	\$2,417	\$3,540	—	—	—	\$3,540

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

(2) Calculated as development / rural acres sold (excluding sales in the Pacific Northwest region) over U.S. South acres owned.

(3) Excludes Improved Development.

Section 2



Supplemental Information

Definitions of Non-GAAP Measures

Pro Forma Operating Income is defined as operating income adjusted for internal review and restatement costs.

Pro Forma Net Income is defined as net income attributable to Rayonier Inc. adjusted for internal review and restatement costs and discontinued operations.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land sold and real estate development costs recovered upon sale, discontinued operations and the internal review and restatement costs in 2014. Adjusted EBITDA is a non-GAAP measure used by our Chief Operating Decision Maker, existing shareholders and potential shareholders to measure how the Company is performing relative to the assets under management.

Cash Available for Distribution (CAD) is defined as cash provided by operating activities adjusted for capital spending (excluding strategic acquisitions), real estate development costs, cash provided by discontinued operations and working capital and other balance sheet changes. CAD is a non-GAAP measure of cash generated during a period that is available for dividend distribution, repurchase of the Company's common shares, debt reduction and strategic acquisitions. CAD is not necessarily indicative of the CAD that may be generated in future periods.

Reconciliation of Reported to Pro Forma Earnings

(\$ in millions, except per share amounts)

Three Months Ended	March 31, 2015		December 31, 2014		March 31, 2014	
	\$	EPS	\$	EPS	\$	EPS
Operating income	\$27.7		\$14.2		\$14.4	
Internal review and restatement costs	—		2.4		—	
Pro Forma Operating Income	\$27.7		\$16.6		\$14.4	
Net Income attributable to Rayonier Inc.	\$17.7	\$0.14	\$8.9	\$0.07	\$41.4	\$0.32
Internal review and restatement costs	—	—	2.4	0.02	—	—
Discontinued operations, net	—	—	(0.3)	—	(31.0)	(0.24)
Pro Forma Net Income	\$17.7	\$0.14	\$11.0	\$0.09	\$10.4	\$0.08

Reconciliation of Operating Income 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
March 31, 2015							
Operating Income	\$12.4	\$2.6	\$5.7	\$12.6	\$0.3	(\$5.9)	\$27.7
Depreciation, depletion & amortization	14.3	3.8	8.0	3.8	—	0.1	30.0
Non-cash cost of land and real estate development costs recovered upon sale	—	—	—	3.7	—	—	3.7
Adjusted EBITDA	\$26.7	\$6.4	\$13.7	\$20.1	\$0.3	(\$5.8)	\$61.4
December 31, 2014							
Operating Income	\$13.5	\$3.7	\$2.9	\$2.6	(\$0.3)	(\$8.2)	\$14.2
Depreciation, depletion & amortization	14.8	3.8	8.7	2.2	—	0.2	29.7
Non-cash cost of land and real estate development costs recovered upon sale	—	—	2.2	2.4	—	—	4.6
Internal review and restatement costs	—	—	—	—	—	2.4	2.4
Adjusted EBITDA	\$28.3	\$7.5	\$13.8	\$7.2	(\$0.3)	(\$5.6)	\$50.9
March 31, 2014							
Operating Income	\$10.5	\$12.6	\$2.4	\$0.7	(\$0.4)	(\$11.4)	\$14.4
Depreciation, depletion & amortization	12.0	6.3	6.5	0.9	—	0.3	26.0
Non-cash cost of land and real estate development costs recovered upon sale	—	—	2.1	1.0	—	—	3.1
Adjusted EBITDA	\$22.5	\$18.9	\$11.0	\$2.6	(\$0.4)	(\$11.1)	\$43.5