Rayonier

Value From The Ground Up™

First Quarter 2013
Financial Presentation Material

Safe Harbor

Certain statements in this document regarding anticipated financial outcomes including earnings guidance, if any, business and market conditions, outlook and other similar statements relating to Rayonier's future financial and operational performance, 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," "anticipate" and other similar language. Forward-looking statements are not guarantees of future performance and undue reliance should not be placed on these statements.

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 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; the uncertainties of potential impacts of climate-related initiatives; changes in energy and raw material prices, particularly for our Performance Fibers business; impacts of the rising cost of fuel, including the cost and availability of transportation for our products, both domestically and internationally, and the cost and availability of third party logging and trucking services; unanticipated equipment maintenance and repair requirements at our manufacturing facilities; 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, including laws regarding air emissions and water discharges, remediation of contaminated sites, 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 and raw materials such as wood, energy and chemicals; 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; the ability to complete like-kind exchanges of property; 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 to fund distributions using cash generated through our taxable REIT subsidiaries, and changes in tax laws that could reduce the benefits associated with REIT status.

In addition, 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; the current 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; 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.

Additional factors are described in the company's most recent Form 10-K and 10-Q reports on file with the Securities and Exchange Commission. Rayonier assumes no obligation to update these statements except as is required by law.

Rayonier

Financial Highlights
($ Millions – Except EPS)

	1Q 2013	4Q 2012	1Q 2012
Profitability			
Sales	394	413	337
Operating income	115	112	83
Income from continuing operations	103	74	52
Income from discontinued operations	45	2	1
Net income	148	76	53
Diluted Earnings Per Share:			
Continuing operations	0.79	0.57	0.41
Discontinued operations	0.34	0.02	0.01
Net income	1.13	0.59	0.42
Average diluted shares (millions)	130.4	129.0	127.9

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Capital Resources and Liquidity		
Cash Provided by Operating Activities	90	111
Cash Provided by (Used for) Investing Activities	24	(74)
Cash (Used for) Provided by Financing Activities	(129)	120
Pro forma EBITDA*	151	113
EBITDA*	219	115
Cash Available for Distribution (CAD) *	67	87

	3/31/2013	12/31/2012
Debt	1,200	1,270
Debt / Capital	44%	47%
Cash	266	281

* Non-GAAP measures (see pages 6 and 19 - 20 for definitions and reconciliations).

Rayonier

Variance Analysis – 4Q 12 to 1Q 13
($ Millions)

	Operating Income
4Q 2012	**$ 112**
Variance	
Forest Resources	
- Price	3
- Volume	(3)
- Costs / Mix / Other	2
- Recreational lease income*	(7)
Real Estate	6
Performance Fibers	
- Price	-
- Volume	(4)
- Costs / Other	2
Corporate / Other	4
1Q 2013	**$ 115**

*The majority of recreational lease income is recognized in the fourth quarter.

Rayonier

Variance Analysis – 1Q 12 to 1Q 13
($ Millions)

	Operating Income
1Q 2012	**$ 83**
Variance	
Forest Resources	
- Price	4
- Volume	2
- Costs / Mix / Other	(1)
Real Estate	11
Performance Fibers	
- Price	3
- Volume	10
- Costs / Other	(2)
Other Operations	1
Corporate / Other	4
1Q 2013	**$ 115**

Cash Available for Distribution*

($ Millions – Except Per Share Data)

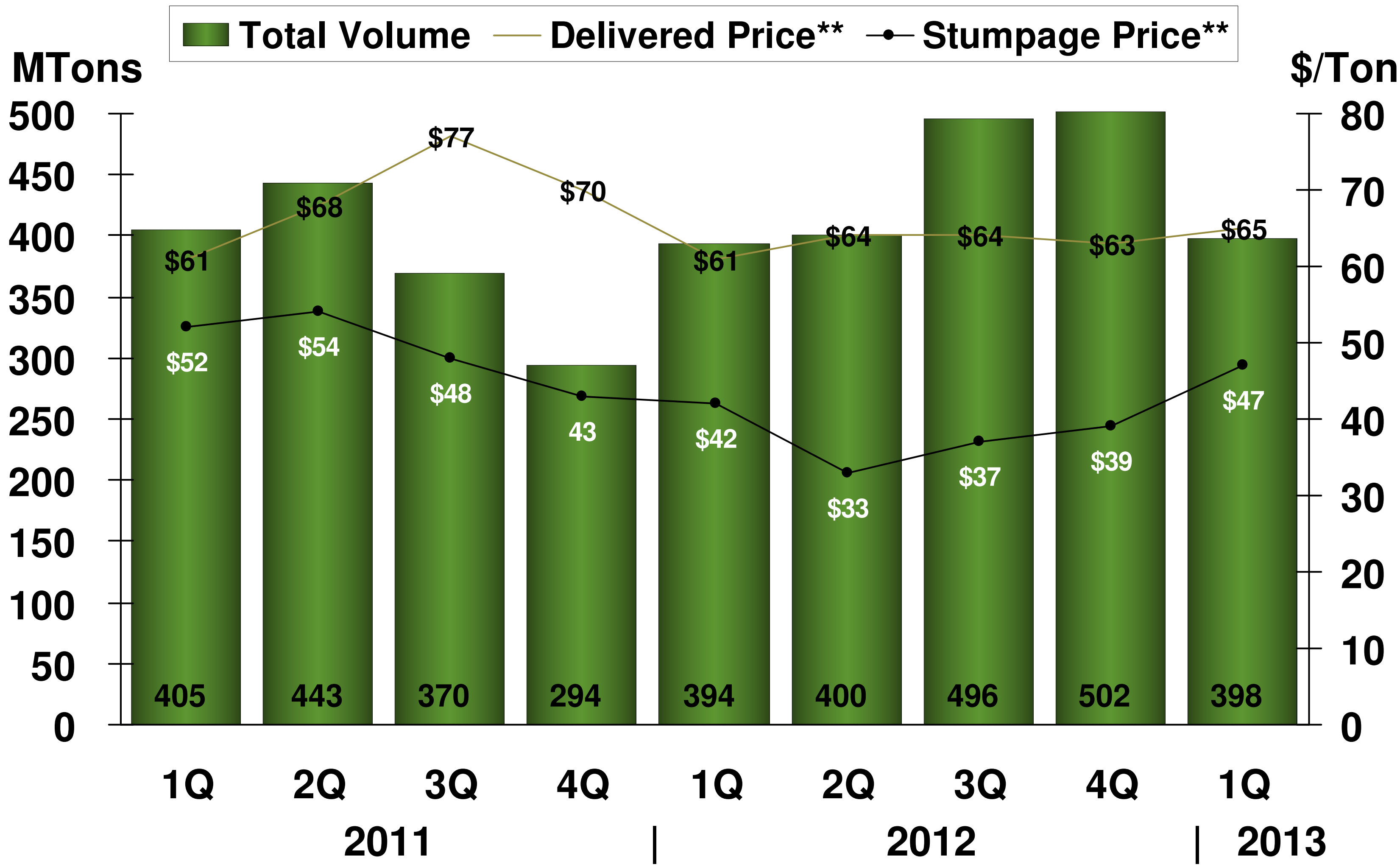
	Three Months Ended March 31,	
	2013	2012
Cash Available for Distribution (CAD)		
Cash provided by operating activities	$ 90	$ 111
Capital expenditures **	(33)	(42)
Change in committed cash	1	5
Excess tax benefits on stock-based compensation	6	4
Other	3	9
Cash Available for Distribution	$ 67	$ 87
Shares outstanding	125,903,058	122,450,771
CAD per share	$ 0.53	$ 0.71
Dividends per share	$ 0.44	$ 0.40

* Non-GAAP measure (see page 19 for definition).

** Capital expenditures exclude strategic capital. For the three months ended March 31, 2013, strategic capital totaled $58 million for the Jesup mill cellulose specialties expansion and $2 million for timberland acquisitions. For the three months ended March 31, 2012, strategic capital totaled $41 million for the Jesup mill cellulose specialties expansion and $9 million for timberland acquisitions.

Markets and Operations

Northern U.S. Timber Sales *

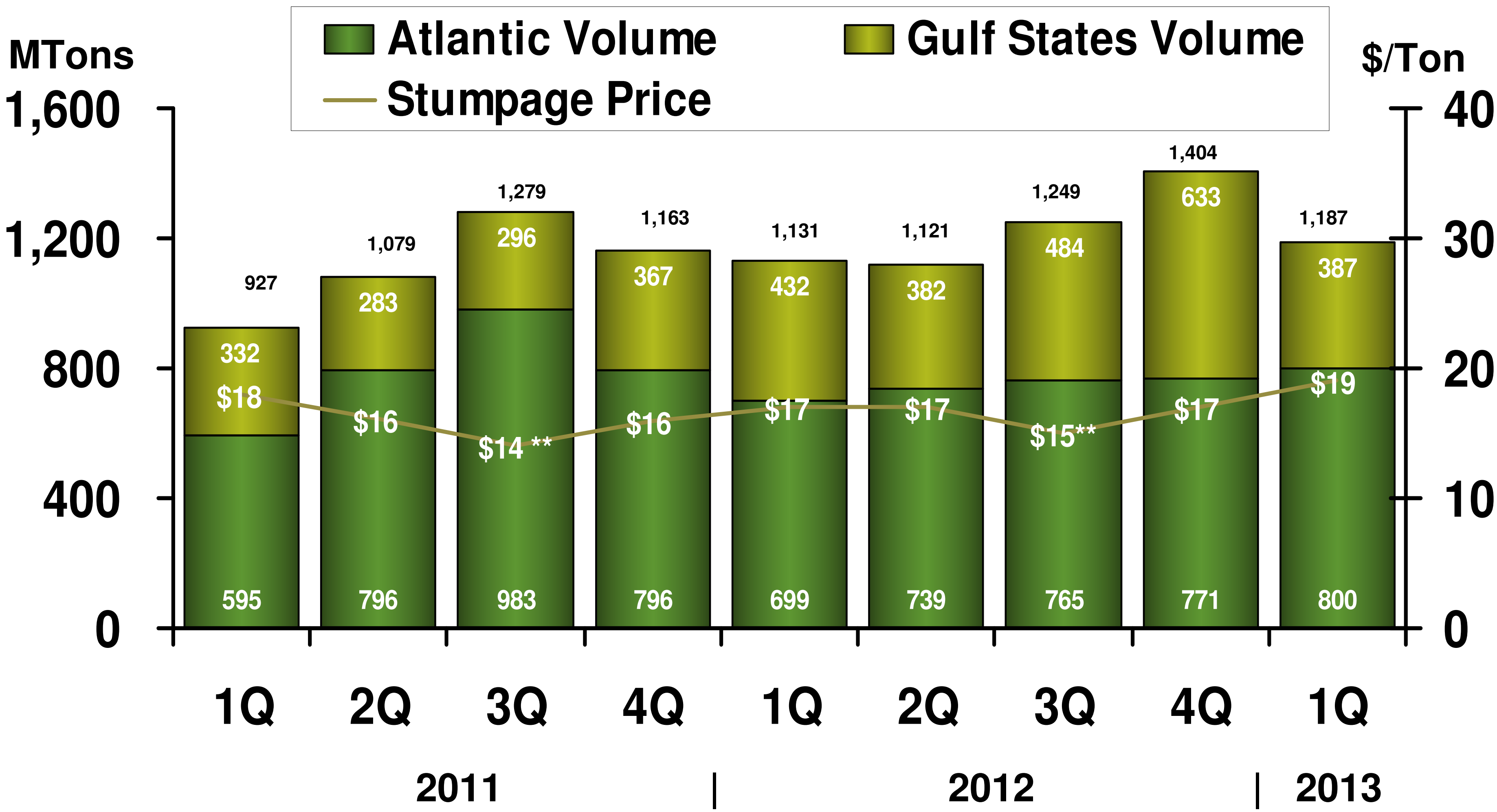


* Chart includes timber sales from Washington state which represent nearly all of the Company's Northern region sales.

** Delivered pricing includes costs to cut and transport the logs. With stumpage sales, the buyer is responsible for cutting and transportation.

Rayonier

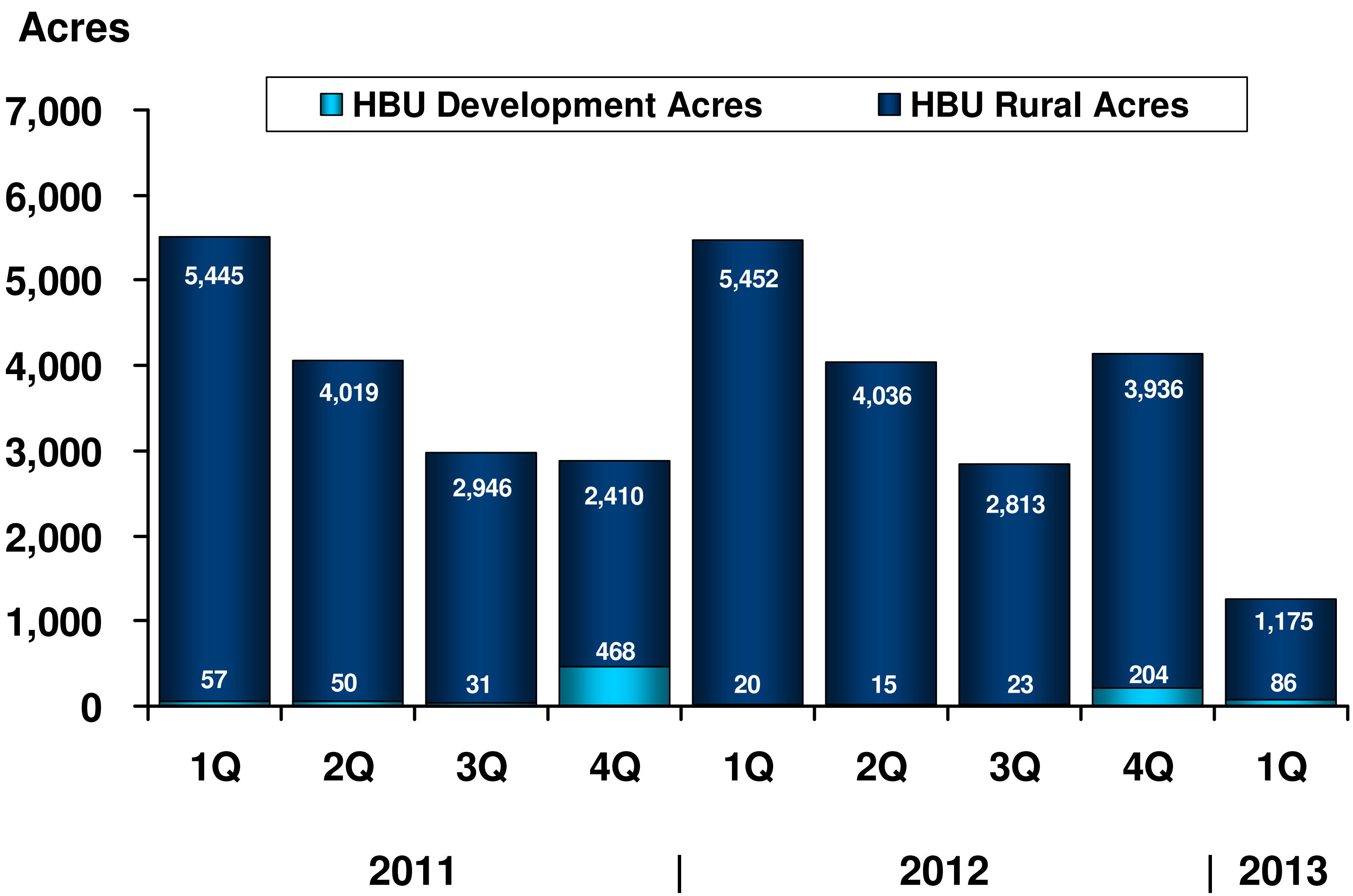
U.S. Pine Timber Sales *



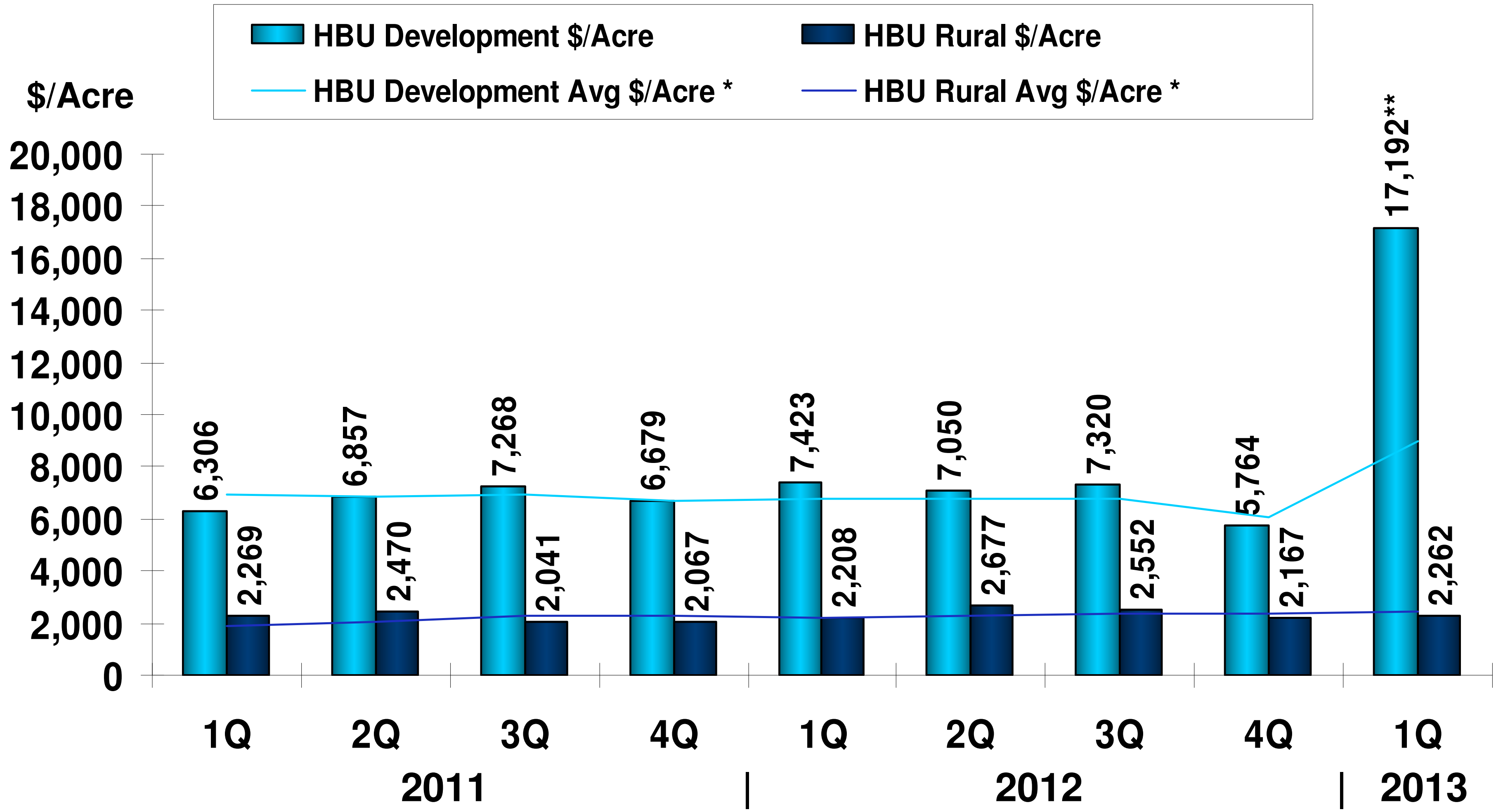
* U.S. pine timber sales are pine sales in the Atlantic (Florida and Georgia) and Gulf States (Alabama, Arkansas, Louisiana, Mississippi, Oklahoma and Texas) regions.

** Q3 2011 prices were lower due to the impact of fire salvage timber. Q3 2012 prices were lower due to sales mix.

HBU Real Estate Acres - Sales



HBU Real Estate Sales Prices

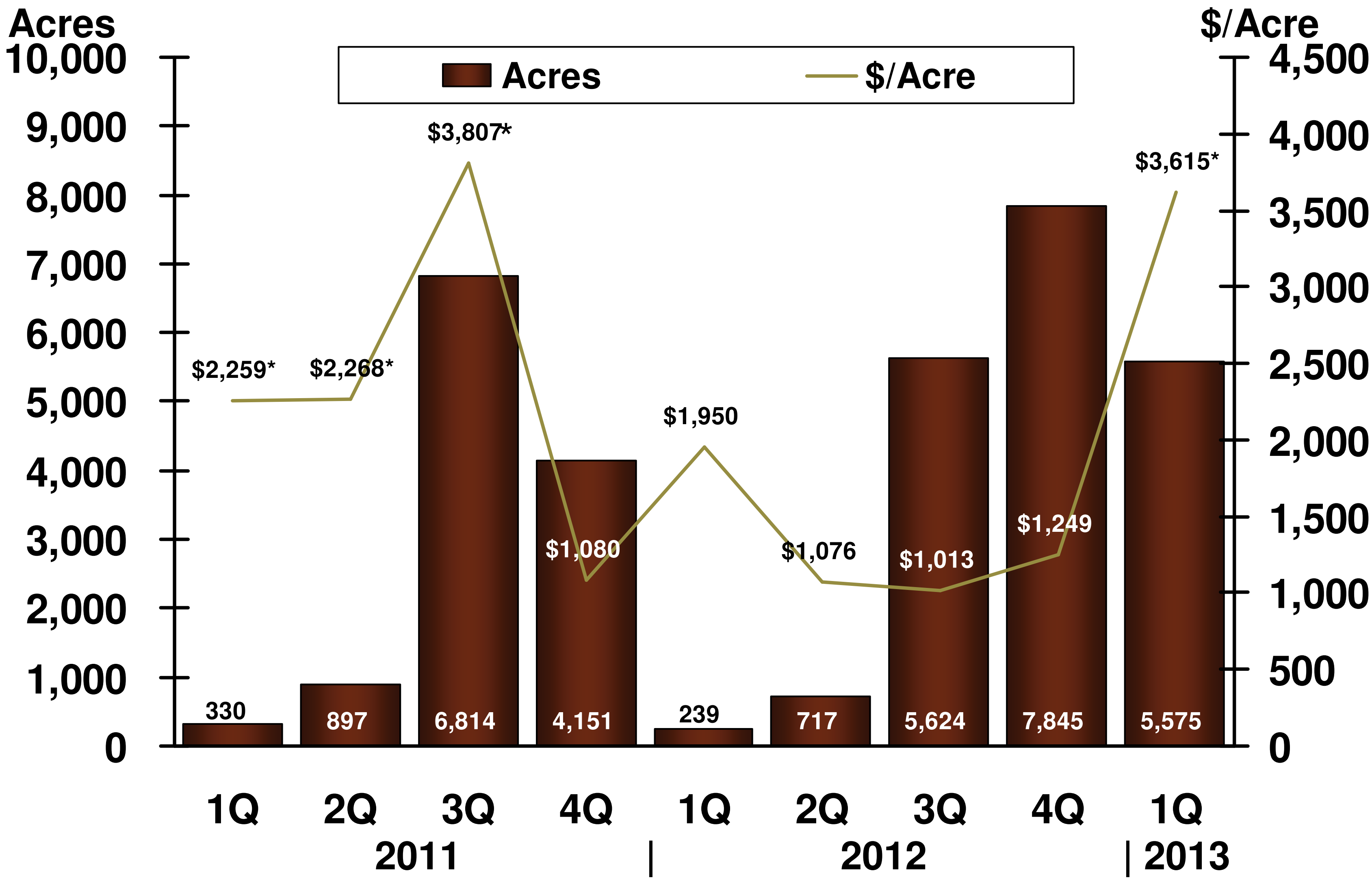


* Four quarter rolling weighted average.

** First quarter 2013 includes a sale of 4 acres for a roadway infrastructure project for $242k per acre.

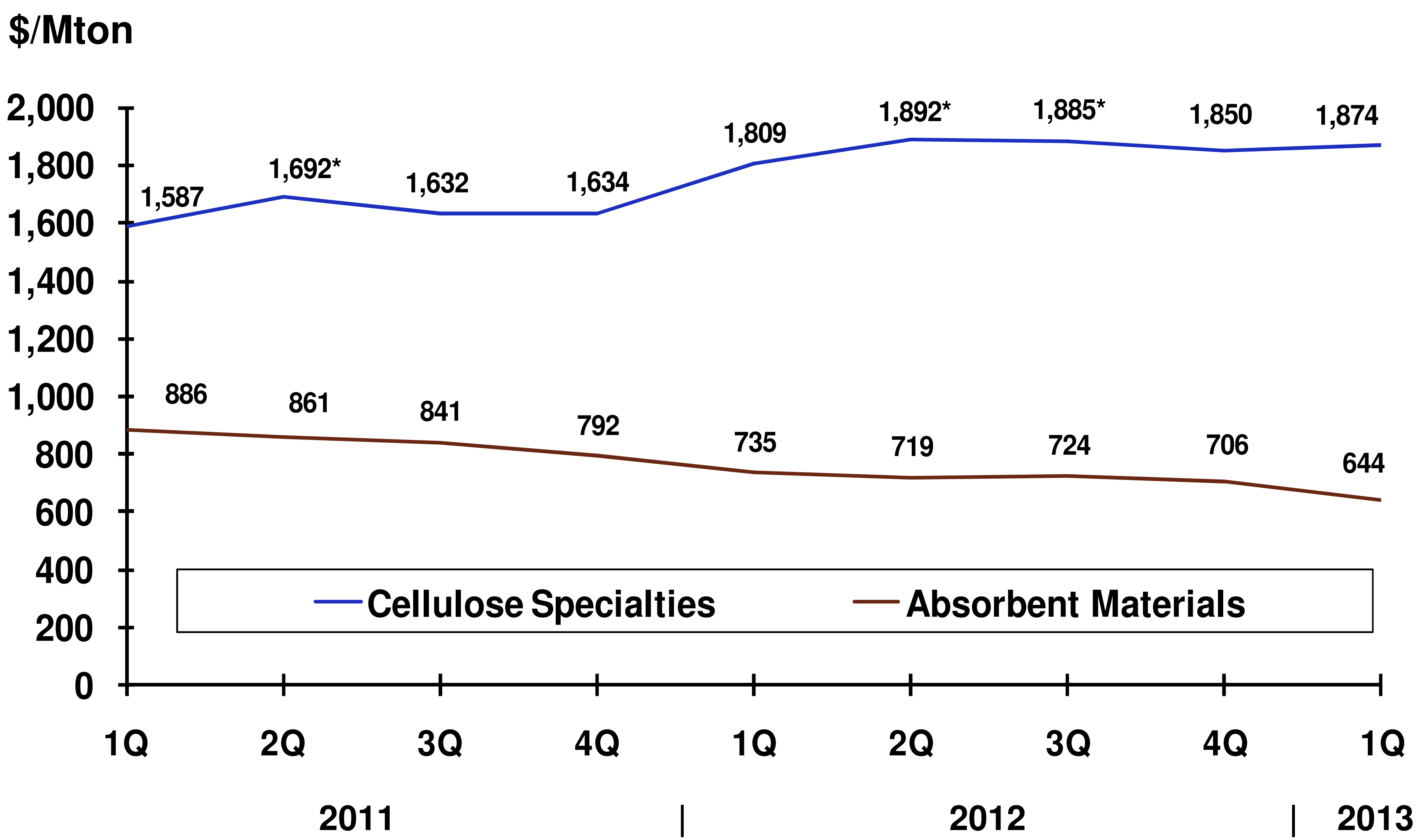
Rayonier

Non-Strategic Timberland Acres - Sales



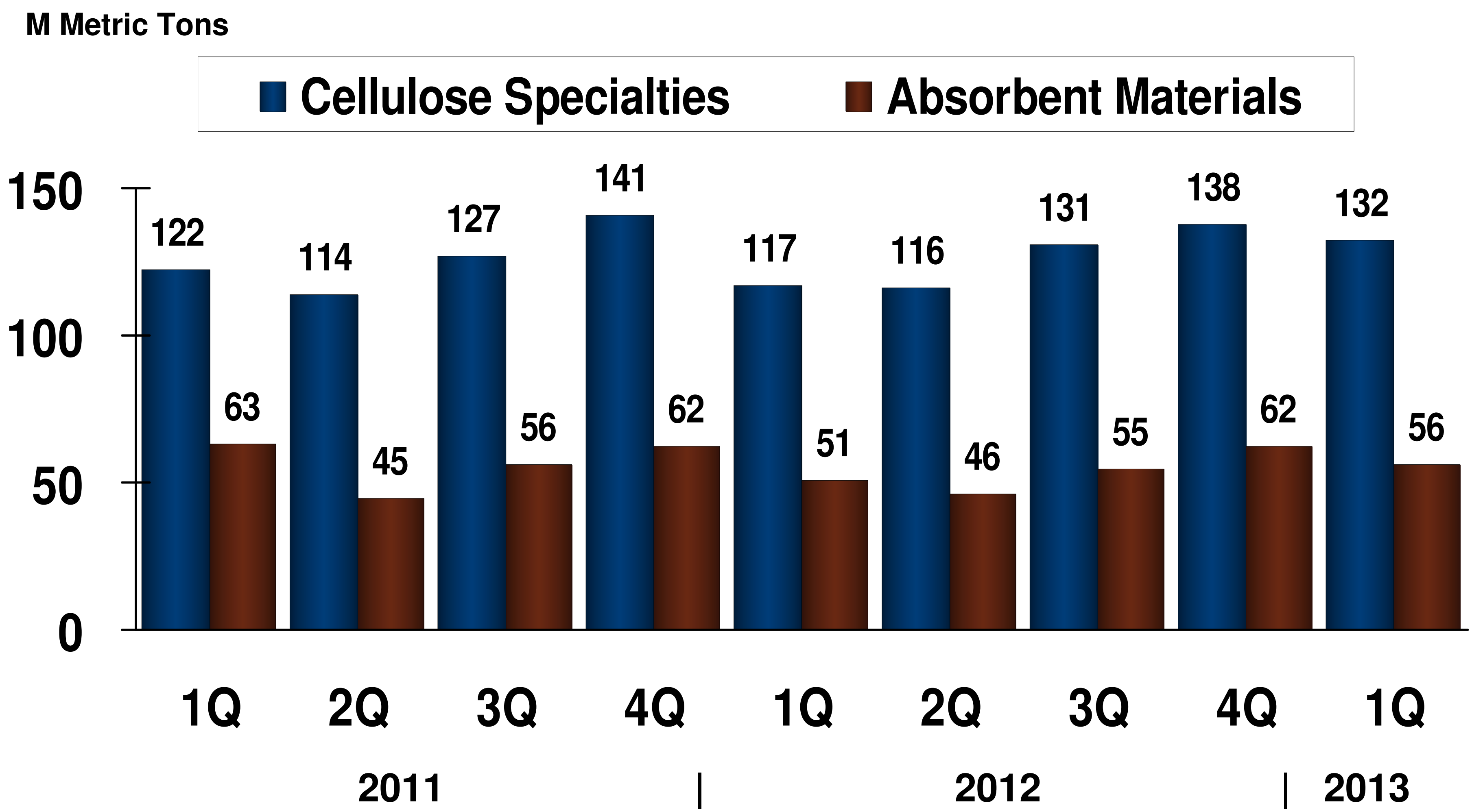
* Period included a proportionately higher percentage of sales in the Pacific Northwest where the price per acre is traditionally higher than the Southeast.

Performance Fibers Net Selling Prices



* Prices were higher in Q2 2011, Q2 2012 and Q3 2012 due to sales mix.

Performance Fibers Sales Volumes



Consolidation of New Zealand Joint Venture
($ Millions, except EPS)

	Forecasted 2013 NZ Joint Venture Impact *
Sales	$125
Depreciation, depletion, amortization & non-cash cost of land	$26
Operating income	$4
Interest expense	$8
EPS - continuing operations	($0.01)
EBITDA	$30
Capital expenditures (excluding strategic capital)	$14
CAD	$5

* From April to December 31, 2013

Rayonier

New Zealand Joint Venture Acquisition
($ Millions)

In the second quarter, the Company will be consolidating* the following estimated assets and liabilities of the New Zealand JV:

	JV Asset/ Liability Balances	
Assets		
Timber and timberlands, net of depletion and amortization	$	543
Other assets		47
Total Assets	$	590
Liabilities		
Long-term bank debt	$	(196)
Other liabilities		(35)
Total Liabilities	$	(231)
Partners' Investment, net	$	359

* Per business combination accounting, there will be other consolidating adjustments not shown here.

Rayonier

Earnings Per Share from Continuing Operations
($ / Share)

	Continuing Operations	
	2013	2012
First Quarter	$ 0.79	$ 0.41
Second Quarter		0.52
Third Quarter		0.61
Fourth Quarter		0.57
Full Year	Slightly above	$ 2.11

Rayonier

Appendix

Definitions of Non-GAAP Measures

EBITDA is defined as earnings before interest, taxes, depreciation, depletion and amortization. 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.

Pro forma EBITDA is defined as earnings before interest, taxes, depreciation, depletion and amortization, excluding discontinued operations. Pro forma 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, the change in committed cash, and other items which include cash provided by discontinued operations, proceeds from matured energy forward contracts, excess tax benefits on stock based compensation and the change in capital expenditures purchased on account. 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.

EBITDA by Segment

($ Millions)

Three Months Ended	Forest Resources	Real Estate	Performance Fibers	Trading	Corporate and other	Total
March 31, 2013						
Operating income	$ 13	$ 17	$ 92	$ -	$ (7)	$ 115
Depreciation, depletion & amortization	17	4	15	-	-	36
Proforma EBITDA	30	21	107	-	(7)	151
Income from discontinued operations	-	-	-	-	67	67
Depreciation, depletion & amortization from discontinued operations	-	-	-	-	1	1
EBITDA	$ 30	$ 21	$ 107	$ -	$ 61	$ 219
December 31, 2012						
Operating income	$ 19	$ 11	$ 94	$ -	$ (12)	$ 112
Depreciation, depletion & amortization	23	3	19	-	-	45
Proforma EBITDA	42	14	113	-	(12)	157
Income from discontinued operations	-	-	-	-	4	4
Depreciation, depletion & amortization from discontinued operations	-	-	-	-	1	1
EBITDA	$ 42	$ 14	$ 113	$ -	$ (7)	$ 162
March 31, 2012						
Operating income (loss)	$ 8	$ 6	$ 81	$ (1)	$ (11)	$ 83
Depreciation, depletion & amortization	17	2	11	-	-	30
Proforma EBITDA	25	8	92	(1)	(11)	113
Income from discontinued operations	-	-	-	-	1	1
Depreciation, depletion & amortization from discontinued operations	-	-	-	-	1	1
EBITDA	$ 25	$ 8	$ 92	$ (1)	$ (9)	$ 115

Forest Resources Supplemental Financial Data

($ Millions)

	Three Months Ended		
	March 31, 2013	December 31, 2012	March 31, 2012
Forest Resources			
Sales			
Atlantic	$ 17	$ 17	$ 15
Gulf States	12	15	10
Northern	25	30	24
New Zealand *	3	3	3
Total	$ 57	$ 65	$ 52
Operating income			
Atlantic	$ 5	$ 9	$ 3
Gulf States	2	3	1
Northern	5	6	4
New Zealand / Other	1	1	-
Total	$ 13	$ 19	$ 8

* Represents timberland management fees for services provided to the Matariki Forestry Group ("Matariki") of which Rayonier has a 26 percent equity interest.

Rayonier

Selected Operating Information

	Three Months Ended		
	March 31, 2013	December 31, 2012	March 31, 2012
Forest Resources			
Sales Volume, in thousands of short green tons			
Atlantic	868	903	737
Gulf States	410	657	442
Northern	455	551	441
Total	1,733	2,111	1,620
Real Estate			
Acres sold			
HBU Development	86	203	20
HBU Rural	1,175	3,936	5,452
Non-Strategic Timberlands	5,575	7,846	238
Total	6,836	11,985	5,710
Performance Fibers			
Sales Volume, in thousands of metric tons			
Cellulose specialties	132	138	117
Absorbent materials	56	62	51
Total	188	200	168

Income Tax Analysis
($ Millions)

	Three Months Ended			
	March 31, 2013		March 31, 2012	
Income tax expense at federal statutory rate	$ 38	35.0%	$ 25	35.0%
REIT income not subject to tax	(11)	(10.1%)	(5)	(7.7%)
Other	(2)	(1.5%)	(1)	(0.8%)
Income tax expense before discrete items	25	23.4%	19	26.5%
Exchange of AFMC for CBPC	(19)	(17.5%)	-	-
Other	(2)	(1.8%)	(1)	(0.7%)
Income tax expense as reported	$ 4	4.1%	$ 18	25.8%

Rayonier

Market Price and Dividend History

	High	Low	Dividends
2013			
First Quarter	$ 59.72	$ 52.17	$ 0.44
2012			
Fourth Quarter	$ 51.86	$ 47.45	$ 0.44
Third Quarter	$ 51.87	$ 44.82	$ 0.44
Second Quarter	$ 46.04	$ 41.33	$ 0.40
First Quarter	$ 47.56	$ 43.38	$ 0.40
2011			
Fourth Quarter	$ 45.28	$ 34.68	$ 0.40
Third Quarter	$ 45.37	$ 35.34	$ 0.40
Second Quarter	$ 44.88	$ 39.64	$ 0.36
First Quarter	$ 41.81	$ 35.28	$ 0.36

Rayonier