First Quarter 2010
Financial Presentation Material

Rayonier

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 effect of the current economic downturn, which is impacting many areas of our economy, including the housing market, availability and cost of credit, and demand for our products and real estate; 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 and wood products businesses; 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 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 continue to qualify as a 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, or the alternative fuel mixture credit discussed in this document.

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.

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Financial Highlights
($ Millions - Except EPS)

	1Q 2010	4Q 2009	1Q 2009
Profitability			
Sales	310	310	279
Operating income	77	121	43
Pro forma operating income *	65	57	43
Net Income	57	98	26
Pro forma net income *	46	33	26
Earnings Per Share:			
Net income	0.71	1.21	0.33
Pro forma net income *	0.56	0.42	0.33
Average diluted shares (millions)	80.7	80.5	79.3

	Three Months Ended March 31,	
	2010	2009
Capital Resources and Liquidity		
Cash Provided by Operating Activities	91	65
Cash Used for Investing Activities	(38)	(29)
Cash Provided by (Used for) Financing Activities	24	(41)
Adjusted EBITDA *	110	85
Cash Available for Distribution (CAD) *	77	53
	3/31/2010	12/31/2009
Debt	762	700
Debt / Capital	39.3%	37.9%
Cash	153	75

* Non-GAAP measures (see pages 6, 17, 18 and 19 for definitions and reconciliations).

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Variance Analysis – 4Q 09 to 1Q 10
($ Millions)

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	Operating Income
2009 4Q (Pro forma) *	**$ 57**
Variance	
Timber	
- Price	5
- Volume	3
- Costs / Other	(7)
Real Estate	13
Performance Fibers	
- Price	9
- Volume	(13)
- Cost / Other	(10)
Wood Products	3
Corporate and other	5
2010 1Q (Pro forma) *	**$ 65**

* Non-GAAP measure (See page 18 for reconciliation).

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Variance Analysis – 1Q 09 to 1Q 10
($ Millions)

	Operating Income	
2009 1Q	**$**	**43**
Variance		
Timber		
- Price		5
- Volume		(1)
- Costs / Other		7
Real Estate		3
Performance Fibers		
- Price		(6)
- Volume		1
- Costs / Other		9
Wood Products		4
Corporate and other		-
2010 1Q (Pro forma) *	**$**	**65**

* Non-GAAP measure (See page 18 for reconciliation).

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Cash Available for Distribution*

($ Millions – Except Per Share Data)

	Three Months Ended March 31,	
	2010	2009
Cash Available for Distribution (CAD)		
Cash provided by operating activities	$ 91.4	$ 64.8
Capital expenditures **	(36.2)	(29.8)
Change in committed cash	9.9	13.4
Other	11.6	4.2
Cash Available for Distribution	$ 76.7	$ 52.6
Shares outstanding	80,064,618	78,978,816
CAD per share	$ 0.96	$ 0.67
Dividends per share	$ 0.50	$ 0.50

* Non-GAAP measure (See page 17 for definition).

** Capital spending excludes strategic acquisitions.

Markets and Operations

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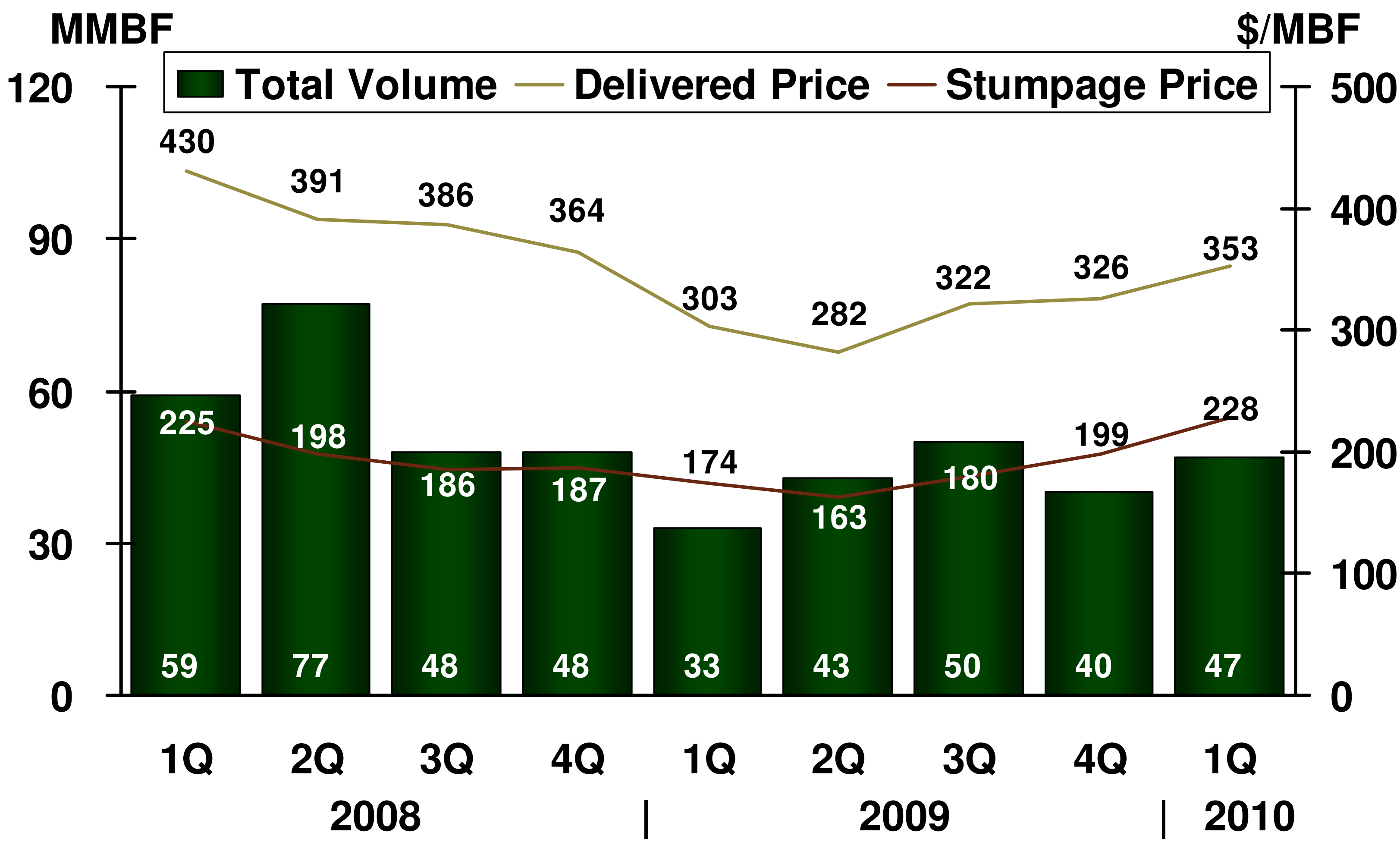
Western Timber Sales *



* The Western region represents the Company's operations in Washington State.

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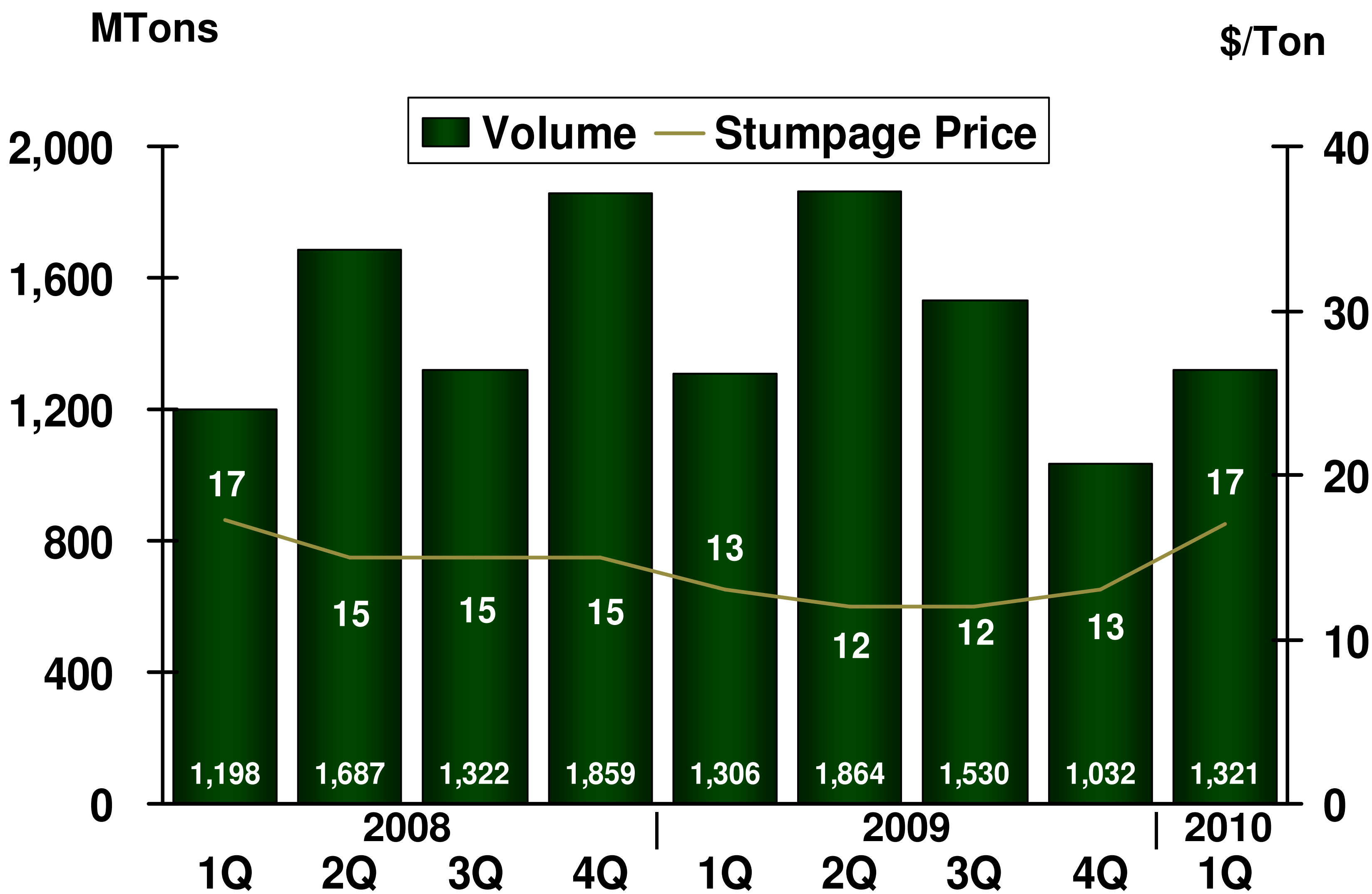
Eastern Pine Timber Sales *



* The Eastern region represents the Company's operations in Alabama, Arkansas, Florida, Georgia, Louisiana, New York, Oklahoma and Texas.

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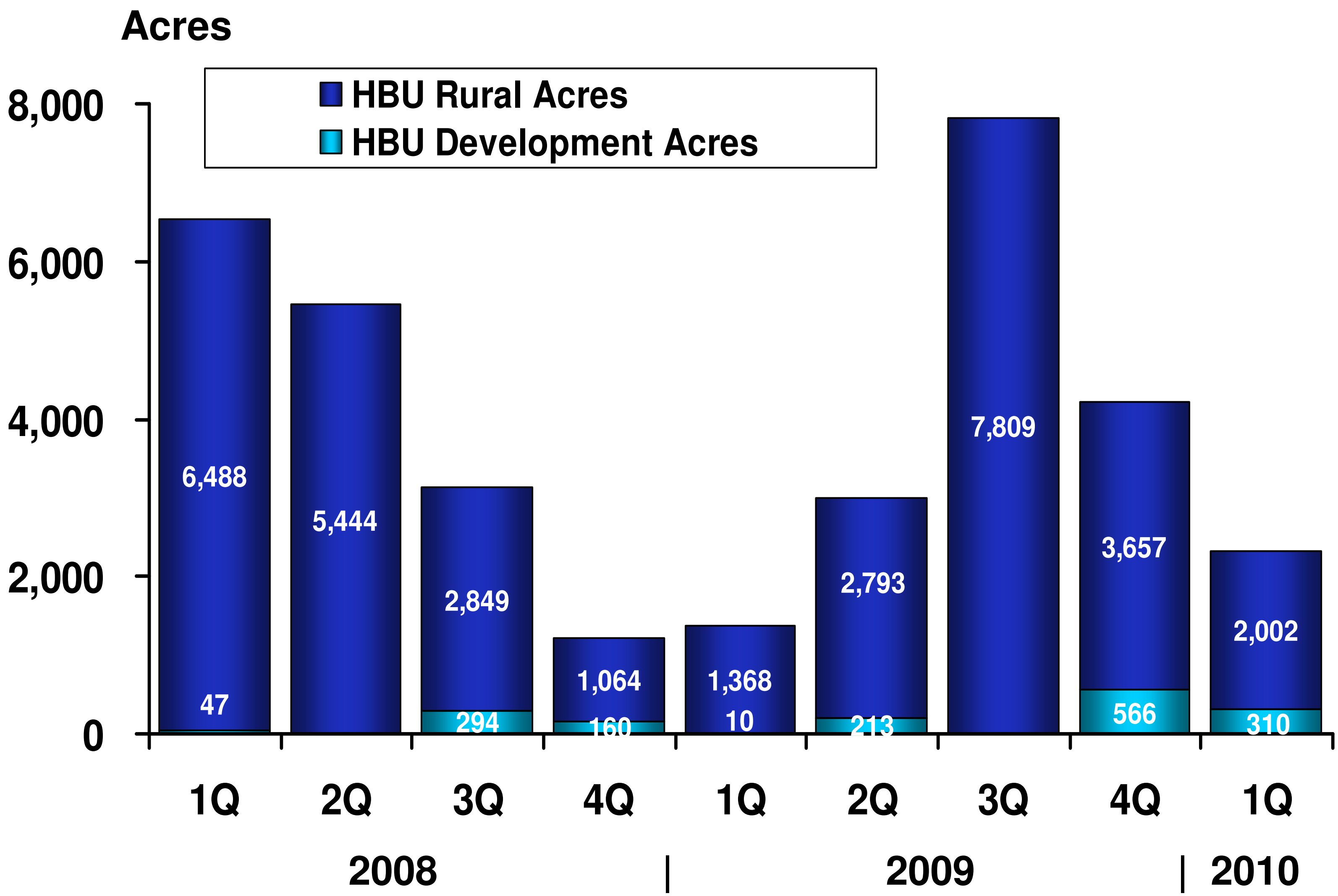
HBU Real Estate Acres - Sales



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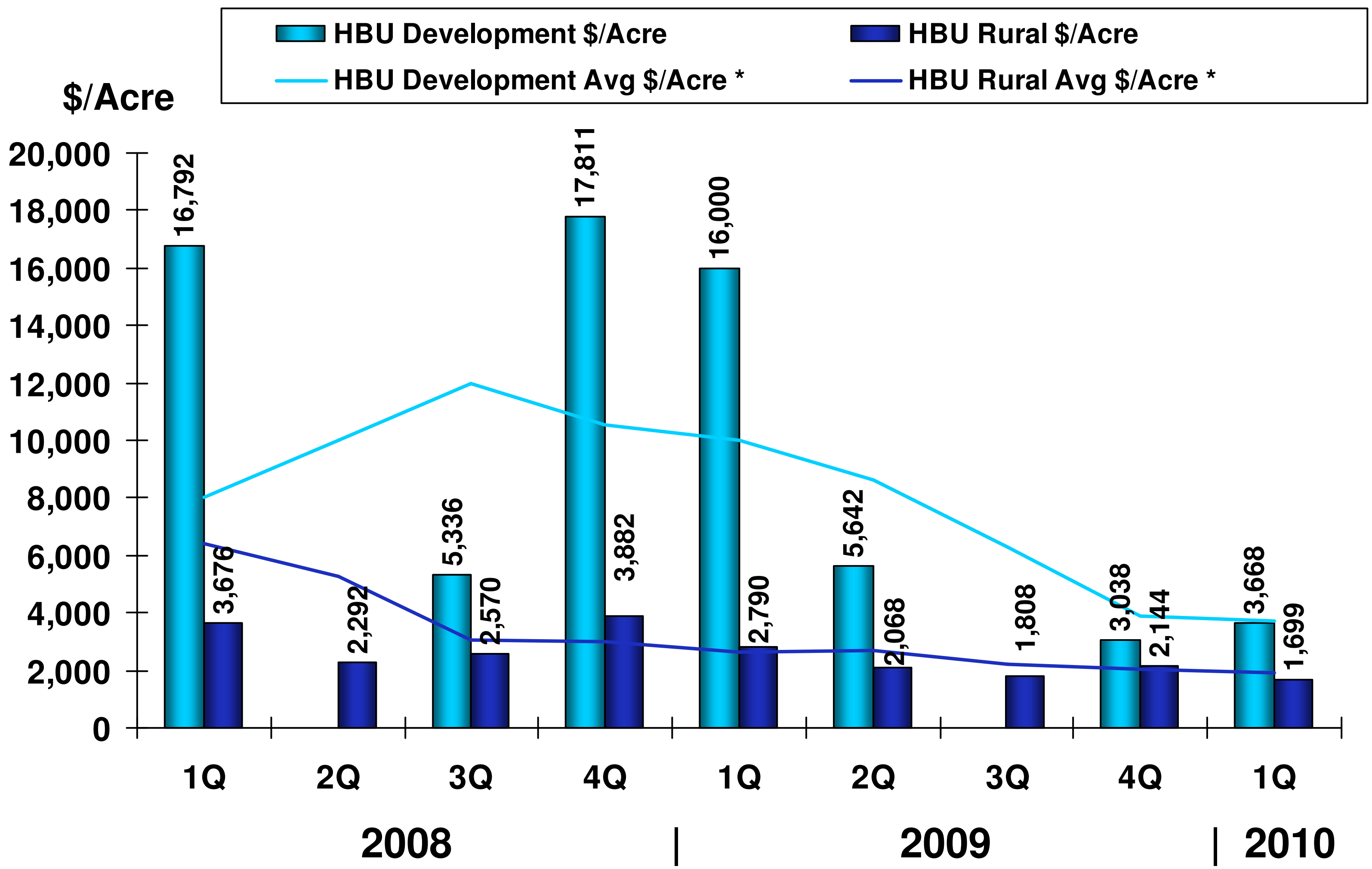
HBU Real Estate Sales Prices



* Four quarter rolling weighted average.

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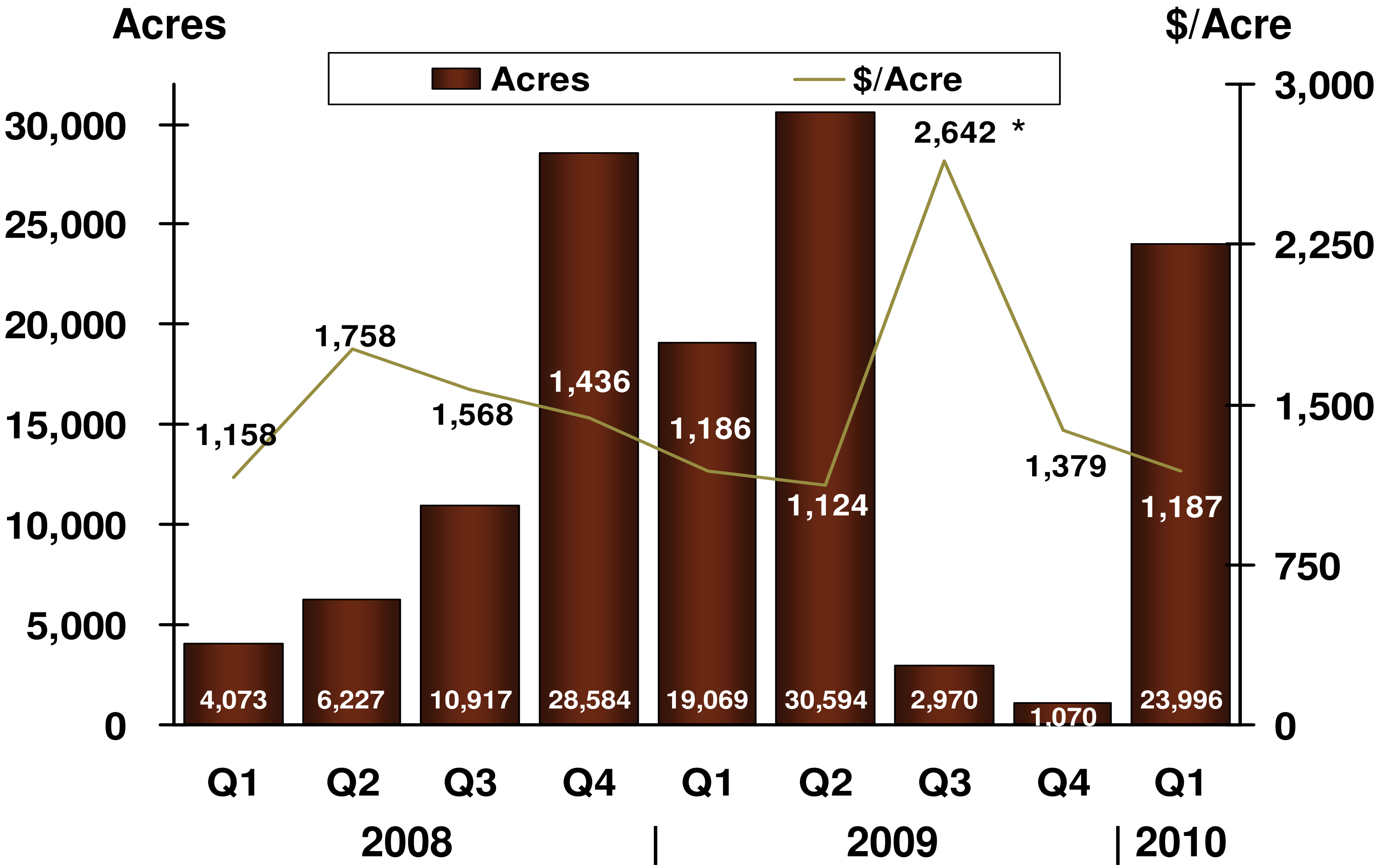
Non-Strategic Timberland Acres - Sales



* Third quarter 2009 includes a proportionately higher percentage of sales in the Pacific Northwest where the price per acre is traditionally higher than the Southeast.

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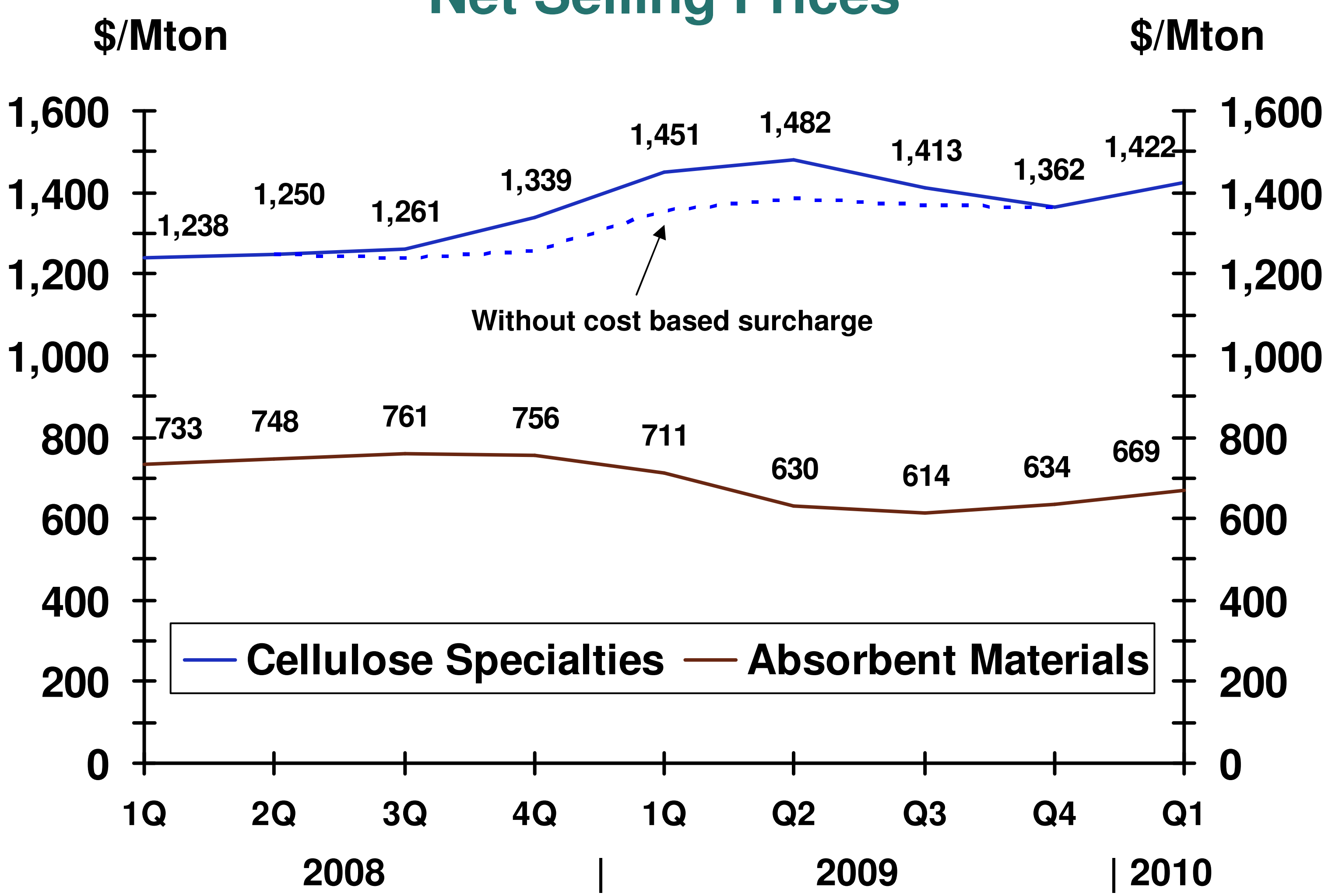
Performance Fibers
Net Selling Prices



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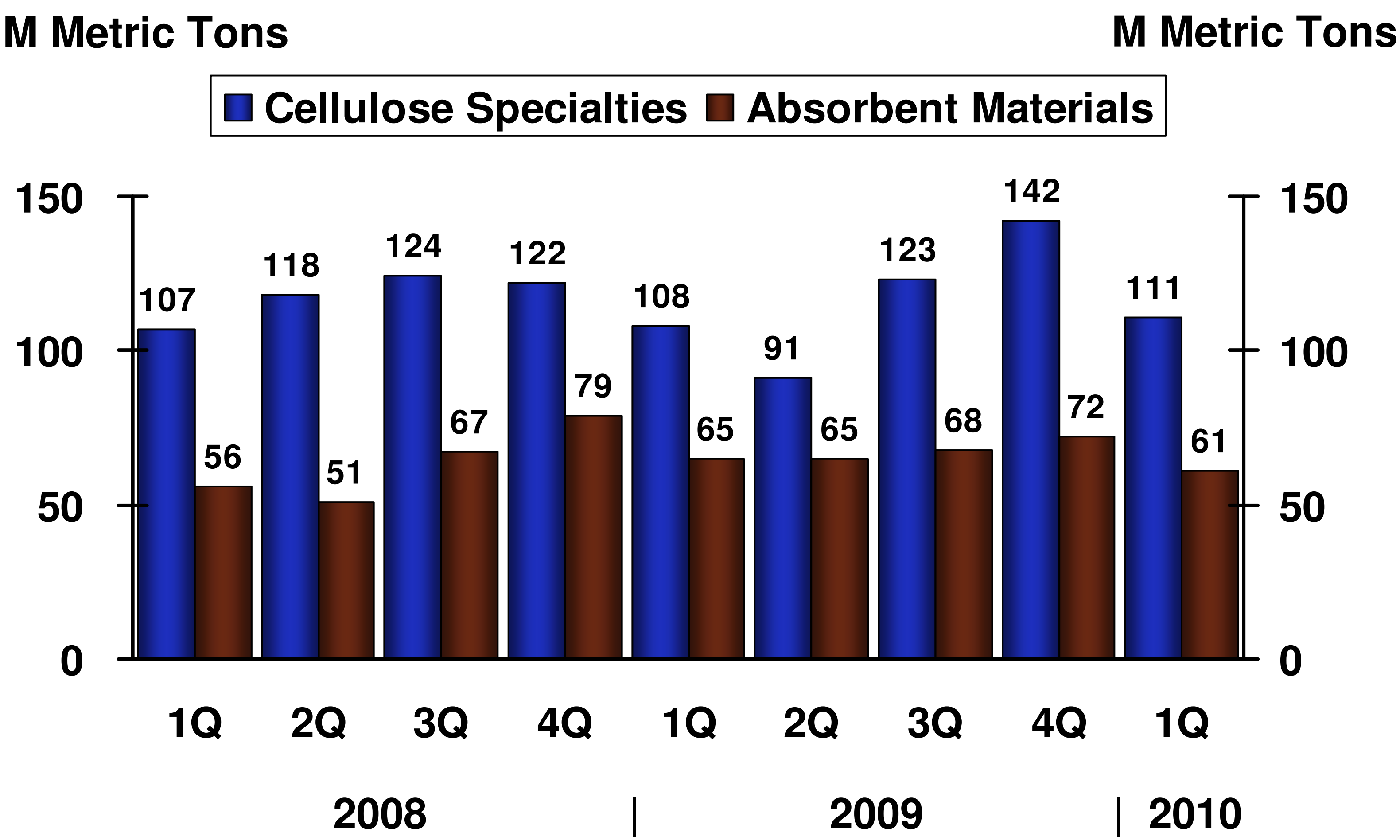
Performance Fibers
Sales Volumes



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Earnings Per Share

($ / Share)

	Pro forma *		Actual	
	2010	2009	2010	2009
First Quarter	$ 0.56	$ 0.33	$ 0.71	$ 0.33
Second Quarter		0.36		1.35
Third Quarter		0.40		1.01
Fourth Quarter		0.42		1.21
Full Year	**($1.80 - $2.00)**	$ 1.50		$ 3.91

* First Quarter 2010 pro forma earnings per share excludes a $0.15 benefit for the gain on sale of a portion of the company's interest in the New Zealand joint venture. Second, third and fourth quarter 2009 pro forma results exclude a per share benefit from the alternative fuel mixture credit of $0.99, $0.61 and $0.79 respectively. Pro forma earnings per share is a non-GAAP measure, see page 18 for reconciliation.

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Appendix

Definitions of Non-GAAP Measures

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization and the non-cash cost basis of real estate sold. Adjusted EBITDA is a non-GAAP measure of the operating cash generating capacity of the Company.

Cash Available for Distribution (CAD) is defined as cash provided by operating activities adjusted for capital spending, the tax benefits associated with certain strategic acquisitions, 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 for strategic acquisitions net of associated financing. CAD is not necessarily indicative of the CAD that may be generated in future periods.

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Reconciliation of Reported to Pro Forma Earnings

($ Millions – Except EPS)

	Three Months Ended									
	Mar 31, 2010		Dec 31, 2009		Sep 30, 2009		June, 30 2009		Mar 31, 2009	
	$	Per Diluted Share	$	Per Diluted Share	$	Per Diluted Share	$	Per Diluted Share	$	Per Diluted Share
Operating Income	$ 76.9		$ 120.9		$ 111.1		$ 134.2		$ 43.2	
Gain on sale of portion of New Zealand JV interest	(12.4)		-		-		-		-	
Alternative Fuel Mixture Credit	-		(63.5)		(55.8)		(85.9)		-	
Pro Forma Operating Income	**$ 64.5**		**$ 57.4**		**$ 55.3**		**$ 48.3**		**$ 43.2**	
Net Income	$ 57.0	$ 0.71	$ 97.7	$ 1.21	$ 81.1	$ 1.01	$ 107.7	$ 1.35	$ 25.9	$ 0.33
Gain on sale of portion of New Zealand JV interest	(11.5)	(0.15)	-	-	-	-	-	-	-	-
Alternative Fuel Mixture Credit	-	-	(64.3)	(0.79)	(49.1)	(0.61)	(79.3)	(0.99)	-	-
Pro Forma Net Income	**$ 45.5**	**$ 0.56**	**$ 33.4**	**$ 0.42**	**$ 32.0**	**$ 0.40**	**$ 28.4**	**$ 0.36**	**$ 25.9**	**$ 0.33**

Adjusted EBITDA by Segment
($ Millions)

	Timber	Real Estate	Performance Fibers	Wood Products	Trading	Corporate and other	Total
Three Months Ended							
March 31, 2010							
Pro forma Operating Income *	$ 8.2	$ 17.4	$ 44.9	$ -	$ 0.6	$ (6.6)	$ 64.5
Depreciation, depletion and amortization	16.8	9.5	15.8	1.1	-	0.1	43.3
Non-cash cost of real estate sold	-	2.2	-	-	-	-	2.2
Adjusted EBITDA	$ 25.0	$ 29.1	$ 60.7	$ 1.1	$ 0.6	$ (6.5)	$ 110.0
December 31, 2009							
Pro forma Operating Income *	$ 7.3	$ 4.7	$ 58.6	$ (2.8)	$ (0.4)	$ (10.0)	$ 57.4
Depreciation, depletion and amortization	12.0	1.7	16.5	1.1	-	0.2	31.5
Non-Operating Expenses	-	-	-	-	-	(0.1)	(0.1)
Non-cash cost of real estate sold	-	1.3	-	-	-	-	1.3
Adjusted EBITDA	$ 19.3	$ 7.7	$ 75.1	$ (1.7)	$ (0.4)	$ (9.9)	$ 90.1
March 31, 2009							
Operating Income	$ (2.3)	$ 14.4	$ 40.8	$ (3.6)	$ 0.7	$ (6.8)	$ 43.2
Depreciation, depletion and amortization	17.4	5.4	14.3	1.2	-	0.2	38.5
Non-cash cost of real estate sold	-	3.5	-	-	-	-	3.5
Adjusted EBITDA	$ 15.1	$ 23.3	$ 55.1	$ (2.4)	$ 0.7	$ (6.6)	$ 85.2

* Pro forma operating income is a non-GAAP measure, see page 18 for reconciliation.

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Timber Supplemental Financial Data
($ Millions)

	Three Months Ended		
	Mar 31, 2010	Dec 31, 2009	Mar 31, 2009
Sales			
Western U.S.	$ 15.3	$ 12.4	$ 9.3
Eastern U.S.	29.5	19.3	23.9
New Zealand *	2.3	2.5	1.7
Total	$ 47.1	$ 34.2	$ 34.9
Operating income / (loss)			
Western U.S.	$ 0.4	$ (0.5)	$ (3.9)
Eastern U.S.	8.3	7.8	3.0
New Zealand / Other **	(0.5)	-	(1.4)
Total	$ 8.2	$ 7.3	$ (2.3)

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

** Primarily equity earnings related to the Matariki joint venture's timber activities.

Selected Operating Information

	Three Months Ended		
	Mar 31, 2010	Dec 31, 2009	Mar 31, 2009
Timber			
Sales Volume			
Western U.S.			
in millions of board feet	47	40	33
Eastern U.S.			
in thousands of short green tons	1,415	1,084	1,572
Real Estate			
Acres sold			
HBU Development	310	566	10
HBU Rural	2,002	3,657	1,368
Non-Strategic Timberlands	23,996	1,070	19,069
Total	26,308	5,293	20,447
Performance Fibers			
Sales Volume			
Cellulose specialties,			
in thousands of metric tons	111	142	108
Absorbent materials,			
in thousands of metric tons	61	72	65
Lumber			
Sales volume,			
in millions of board feet	55	57	53

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Market Price and Dividend History

($ / Share)

	High		Low		Dividends	
2010						
First Quarter	$	46.41	$	39.70	$	0.50
2009						
Fourth Quarter	$	43.92	$	37.88	$	0.50
Third Quarter	$	45.00	$	33.63	$	0.50
Second Quarter	$	41.79	$	29.35	$	0.50
First Quarter	$	32.40	$	22.28	$	0.50
2008						
Fourth Quarter	$	47.09	$	26.58	$	0.50
Third Quarter	$	49.54	$	40.60	$	0.50
Second Quarter	$	48.00	$	41.88	$	0.50
First Quarter	$	47.37	$	35.36	$	0.50

Wood Products
Southeast Lumber Sales