

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**  
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

June 27, 2014

**RAYONIER INC.**

COMMISSION FILE NUMBER 1-6780

**Incorporated in the State of North Carolina  
I.R.S. Employer Identification Number 13-2607329**

**225 Water Street, Suite 1400  
Jacksonville, Florida 32202  
(Principal Executive Office)**

Telephone Number: (904) 357-9100

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**ITEM 2.01.**

**Completion of Acquisition or Disposition of Assets.**

On June 27, 2014, Rayonier Inc. ("Rayonier") completed the previously announced distribution of 100% of the outstanding common stock of Rayonier Advanced Materials Inc. ("SpinCo") to Rayonier's shareholders (the "Distribution"). SpinCo was formed to hold Rayonier's performance fibers business and, as a result of the Distribution, is now an independent public company whose common stock is listed and trading under the symbol "RYAM" on the New York Stock Exchange. The Distribution was made to Rayonier's shareholders of record as of the close of business on June 18, 2014 (the "Record Date"), and such shareholders received one share of SpinCo common stock for every three Rayonier common shares held as of close of business on the Record Date.

**ITEM 9.01.**

**Financial Statements and Exhibits.**

(b) Pro Forma Financial Information.

The unaudited pro forma condensed consolidated financial statements of Rayonier giving effect to the Distribution, and the related notes thereto, are attached hereto as Exhibit 99.1.

(d) Exhibits.

**Exhibit No.    Exhibit**

99.1    Unaudited pro forma condensed consolidated financial information

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

RAYONIER INC. (Registrant)

BY: /s/ H. EDWIN KIKER

H. Edwin Kiker

Senior Vice President and

Chief Financial Officer

July 3, 2014

EXHIBIT INDEX

| <u>EXHIBIT NO.</u> | <u>DESCRIPTION</u>   | <u>LOCATION</u>     |
|--------------------|--|---------------------|
| 99.1               | Unaudited pro forma condensed consolidated financial information | Furnished herewith. |

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The unaudited pro forma condensed consolidated financial statements of Rayonier Inc. ("Rayonier") have been derived from Rayonier's historical consolidated financial statements and are being presented to give effect to the separation of Rayonier Advanced Materials Inc. ("Rayonier Advanced Materials") into an independent, publicly traded company as of March 31, 2014. The separation occurred on June 27, 2014. Effective with the filing of the Rayonier Form 10-Q for the period ending June 30, 2014, Rayonier Advanced Materials will be reported as a discontinued operation of Rayonier.

The following unaudited pro forma condensed consolidated financial statements should be read in conjunction with Rayonier's historical financial statements and accompanying notes. The unaudited pro forma condensed consolidated balance sheet has been prepared as though the separation occurred on March 31, 2014 while the unaudited pro forma condensed consolidated income statements have been prepared as though the separation occurred on January 1, 2011. The pro forma adjustments are based on available information and assumptions management believes are factually supportable. For income statement purposes, the pro forma adjustments include only those deemed to be recurring in nature. The pro forma adjustments to reflect the separation of Rayonier Advanced Materials include:

- The distribution of Rayonier Advanced Materials common stock to Rayonier shareholders.
- The transfer by Rayonier Advanced Materials of approximately \$906 million to Rayonier prior to the distribution.
- The transfer of assets and liabilities from Rayonier to Rayonier Advanced Materials, primarily related to postretirement benefit plans, certain property, plant and equipment, and environmental liabilities associated with prior disposed operations.

No adjustments have been made to Rayonier's operating costs after the separation of Rayonier Advanced Materials, the potentially dilutive impact of changes to stock-based compensation resulting from the Employee Matters Agreement executed in connection with the separation and the use of proceeds from the Rayonier Advanced Materials cash distribution as these items are not factually supportable at this time.

The unaudited pro forma condensed consolidated financial statements are for illustrative purposes only, and do not reflect what Rayonier's actual financial position and results of operations would have been had the separation occurred on the dates indicated and are not necessarily indicative of Rayonier's future financial position and results of operations.

**RAYONIER INC. AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED**  
**STATEMENTS OF INCOME FROM CONTINUING OPERATIONS**  
**For the Three Months Ended March 31, 2014**  
**(Dollars in thousands, except per share amounts)**

|   | Historical Rayonier<br>Inc. | Less: Separation<br>of Rayonier<br>Advanced<br>Materials | Pro Forma<br>Adjustments | Pro Forma<br>Rayonier Inc. |
|---|-----------------------------|--|--------------------------|----------------------------|
| <b>SALES</b>  | \$ 386,686                  | \$ (243,499)   | \$ —                     | \$ 143,187                 |
| <b>Costs and Expenses</b>   |                             |  |                          |                            |
| Cost of sales   | 302,650                     | (188,719)  | —                        | 113,931                    |
| Selling and general expenses  | 15,491                      | (8,226)  | 5,972 (a)                | 13,237                     |
| Other operating expense (income), net   | 3,537                       | (3,190)  | (534) (c)                | (187)                      |
|   | <u>321,678</u>              | <u>(200,135)</u>   | <u>5,438</u>             | <u>126,981</u>             |
| <b>OPERATING INCOME</b>   | 65,008                      | (43,364)   | (5,438)                  | 16,206                     |
| Interest expense  | (12,969)                    | —  | 2,295 (d)                | (10,674)                   |
| Interest and miscellaneous (expense) income, net  | (1,015)                     | —  | —                        | (1,015)                    |
| <b>INCOME FROM CONTINUING OPERATIONS BEFORE<br/>INCOME TAXES</b>  | 51,024                      | (43,364)   | (3,143)                  | 4,517                      |
| Income tax (expense) benefit  | (7,732)                     | 12,417   | 1,147 (e)                | 5,832                      |
| <b>INCOME FROM CONTINUING OPERATIONS</b>  | 43,292                      | (30,947)   | (1,996)                  | 10,349                     |
| Less: Loss from continuing operations attributable to noncontrolling<br>interests                               | (83)                        | —  | —                        | (83)                       |
| <b>INCOME FROM CONTINUING OPERATIONS<br/>ATTRIBUTABLE TO RAYONIER INC.</b>                                      | <u>\$ 43,375</u>            | <u>\$ (30,947)</u>                                       | <u>\$ (1,996)</u>        | <u>\$ 10,432</u>           |
| <b>EARNINGS PER COMMON SHARE</b>  |                             |  |                          |                            |
| <b>Pro Forma Income from Continuing Operations Attributable to Rayonier Inc. per Share<br/>of Common Stock:</b> |                             |  |                          |                            |
| Basic   | \$ 0.34                     |  |                          | \$ 0.08                    |
| Diluted   | \$ 0.34                     |  |                          | \$ 0.08                    |
| <b>Weighted Average Shares Outstanding:</b>   |                             |  |                          |                            |
| Basic   | 126,344,987                 |  |                          | 126,344,987                |
| Diluted   | 128,424,493                 |  |                          | 128,424,493                |

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Statements.

**RAYONIER INC. AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED**  
**STATEMENTS OF INCOME FROM CONTINUING OPERATIONS**  
**For the Year Ended December 31, 2013**  
(Dollars in thousands, except per share amounts)

|   | Historical<br>Rayonier Inc. | Less: Separation<br>of Rayonier<br>Advanced<br>Materials | Pro Forma<br>Adjustments | Pro Forma<br>Rayonier Inc. |
|---|-----------------------------|--|--------------------------|----------------------------|
| <b>SALES</b>  | \$ 1,707,822                | \$ (1,046,603)   | \$ —                     | \$ 661,219                 |
| <b>Costs and Expenses</b>   |                             |  |                          |                            |
| Cost of sales   | 1,246,312                   | (714,038)  | —                        | 532,274                    |
| Selling and general expenses  | 64,843                      | (35,778)   | 26,369 (a)               | 55,434                     |
| Other operating (income) expense, net   | (9,487)                     | (8,163)  | (3,253) (b)              | (20,903)                   |
|   | 1,301,668                   | (757,979)  | 23,116                   | 566,805                    |
| Equity in income of New Zealand joint venture   | 562                         | —  | —                        | 562                        |
| <b>OPERATING INCOME BEFORE GAIN RELATED TO<br/>CONSOLIDATION OF NEW ZEALAND JOINT VENTURE</b>                   | 406,716                     | (288,624)  | (23,116)                 | 94,976                     |
| Gain related to consolidation of New Zealand joint venture  | 16,098                      | —  | —                        | 16,098                     |
| <b>OPERATING INCOME</b>   | 422,814                     | (288,624)  | (23,116)                 | 111,074                    |
| Interest expense  | (43,760)                    | —  | 8,964 (d)                | (34,796)                   |
| Interest and miscellaneous income (expense), net  | 2,372                       | (292)  | —                        | 2,080                      |
| <b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME<br/>TAXES</b>  | 381,426                     | (288,916)  | (14,152)                 | 78,358                     |
| Income tax (expense) benefit  | (49,661)                    | 69,148   | 5,165 (e)                | 24,652                     |
| <b>INCOME FROM CONTINUING OPERATIONS</b>  | 331,765                     | (219,768)  | (8,987)                  | 103,010                    |
| Less: Income from continuing operations attributable to noncontrolling interests                                | 1,902                       | —  | —                        | 1,902                      |
| <b>INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE<br/>TO RAYONIER INC.</b>                                      | \$ 329,863                  | \$ (219,768)   | \$ (8,987)               | \$ 101,108                 |
| <b>EARNINGS PER COMMON SHARE</b>  |                             |  |                          |                            |
| <b>Pro Forma Income from Continuing Operations Attributable to Rayonier Inc. per Share<br/>of Common Stock:</b> |                             |  |                          |                            |
| Basic   | \$ 2.63                     |  |                          | \$ 0.80                    |
| Diluted   | \$ 2.54                     |  |                          | \$ 0.78                    |
| <b>Weighted Average Shares Outstanding:</b>   |                             |  |                          |                            |
| Basic   | 125,717,311                 |  |                          | 125,717,311                |
| Diluted   | 130,105,101                 |  |                          | 130,105,101                |

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Statements.



**RAYONIER INC. AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED**  
**STATEMENTS OF INCOME FROM CONTINUING OPERATIONS**  
**For the Year Ended December 31, 2012**  
(Dollars in thousands, except per share amounts)

|   | Historical<br>Rayonier Inc. | Less: Separation<br>of Rayonier<br>Advanced<br>Materials | Pro Forma<br>Adjustments | Pro Forma<br>Rayonier Inc. |
|---|-----------------------------|--|--------------------------|----------------------------|
| <b>SALES</b>  | \$ 1,483,490                | \$ (1,095,376)   | \$ —                     | \$ 388,114                 |
| <b>Costs and Expenses</b>   |                             |  |                          |                            |
| Cost of sales   | 1,030,692                   | (715,707)  | —                        | 314,985                    |
| Selling and general expenses  | 66,957                      | (35,684)   | 27,360 (a)               | 58,633                     |
| Other operating (income) expense, net   | (14,169)                    | (2,003)  | (797) (b)                | (16,969)                   |
|   | 1,083,480                   | (753,394)  | 26,563                   | 356,649                    |
| Equity in income of New Zealand joint venture   | 550                         | —  | —                        | 550                        |
| <b>OPERATING INCOME</b>   | 400,560                     | (341,982)  | (26,563)                 | 32,015                     |
| Interest expense  | (44,981)                    | —  | 9,333 (d)                | (35,648)                   |
| Interest and miscellaneous income (expense), net  | 606                         | (507)  | —                        | 99                         |
| <b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>  | 356,185                     | (342,489)  | (17,230)                 | (3,534)                    |
| Income tax (expense) benefit  | (84,743)                    | 100,393  | 6,289 (e)                | 21,939                     |
| <b>INCOME FROM CONTINUING OPERATIONS</b>  | \$ 271,442                  | \$ (242,096)   | \$ (10,941)              | \$ 18,405                  |
| <b>EARNINGS PER COMMON SHARE</b>  |                             |  |                          |                            |
| <b>Pro Forma Income from Continuing Operations Attributable to Rayonier Inc. per Share of Common Stock:</b> |                             |  |                          |                            |
| Basic   | \$ 2.21                     |  |                          | \$ 0.15                    |
| Diluted   | \$ 2.11                     |  |                          | \$ 0.14                    |
| <b>Weighted Average Shares Outstanding:</b>   |                             |  |                          |                            |
| Basic   | 122,711,802                 |  |                          | 122,711,802                |
| Diluted   | 128,702,423                 |  |                          | 128,702,423                |

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Statements.

**RAYONIER INC. AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED**  
**STATEMENTS OF INCOME FROM CONTINUING OPERATIONS**  
**For the Year Ended December 31, 2011**  
(Dollars in thousands, except per share amounts)

|   | Historical<br>Rayonier Inc. | Less: Separation<br>of Rayonier<br>Advanced<br>Materials | Pro Forma<br>Adjustments | Pro Forma<br>Rayonier Inc. |
|---|-----------------------------|--|--------------------------|----------------------------|
| <b>SALES</b>  | \$ 1,420,960                | \$ (1,021,416)   | \$ —                     | \$ 399,544                 |
| <b>Costs and Expenses</b>   |                             |  |                          |                            |
| Cost of sales   | 1,006,297                   | (697,918)  | —                        | 308,379                    |
| Selling and general expenses  | 65,251                      | (33,110)   | 25,146 (a)               | 57,287                     |
| Other operating (income) expense, net   | (3,794)                     | (7,434)  | (6,873) (b)              | (18,101)                   |
|   | 1,067,754                   | (738,462)  | 18,273                   | 347,565                    |
| Equity in income of New Zealand joint venture   | 4,088                       | —  | —                        | 4,088                      |
| <b>OPERATING INCOME</b>   | 357,294                     | (282,954)  | (18,273)                 | 56,067                     |
| Interest expense  | (50,775)                    | —  | 5,799 (d)                | (44,976)                   |
| Interest and miscellaneous income (expense), net  | 843                         | (98)   | —                        | 745                        |
| <b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>  | 307,362                     | (283,052)  | (12,474)                 | 11,836                     |
| Income tax (expense) benefit  | (30,688)                    | 69,234   | 4,553 (e)                | 43,099                     |
| <b>INCOME FROM CONTINUING OPERATIONS</b>  | \$ 276,674                  | \$ (213,818)   | \$ (7,921)               | \$ 54,935                  |
| <b>EARNINGS PER COMMON SHARE</b>  |                             |  |                          |                            |
| <b>Pro Forma Income from Continuing Operations Attributable to Rayonier Inc. per Share of Common Stock:</b> |                             |  |                          |                            |
| Basic   | \$ 2.28                     |  |                          | \$ 0.45                    |
| Diluted   | \$ 2.21                     |  |                          | \$ 0.44                    |
| <b>Weighted Average Shares Outstanding:</b>   |                             |  |                          |                            |
| Basic   | 121,662,985                 |  |                          | 121,662,985                |
| Diluted   | 125,394,291                 |  |                          | 125,394,291                |

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Statements.

**RAYONIER INC. AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED**  
**CONSOLIDATED BALANCE SHEETS**  
As of March 31, 2014  
(Dollars in thousands)

|   | Historical<br>Rayonier Inc. | Less: Separation of<br>Rayonier<br>Advanced<br>Materials | Pro Forma<br>Adjustments | Pro Forma<br>Rayonier Inc. |
|---|-----------------------------|--|--------------------------|----------------------------|
| <b>ASSETS</b>   |                             |  |                          |                            |
| <b>CURRENT ASSETS</b>   |                             |  |                          |                            |
| Cash and cash equivalents   | \$ 156,071                  | \$ —   | \$ 831,527 (f)           | \$ 987,598                 |
| Restricted cash   | —                           | —  | 75,000 (f)               | 75,000                     |
| Accounts receivable, less allowance for doubtful accounts of \$630                                      | 111,697                     | (80,108)   | (896) (g)                | 30,693                     |
| Inventory   |                             |  |                          | —                          |
| Finished goods  | 124,075                     | (108,128)  | —                        | 15,947                     |
| Work in progress  | 2,533                       | (2,533)  | —                        | —                          |
| Raw materials   | 12,943                      | (12,649)   | —                        | 294                        |
| Manufacturing and maintenance supplies  | 2,377                       | (2,377)  | —                        | —                          |
| Total inventory   | 141,928                     | (125,687)  | —                        | 16,241                     |
| Deferred tax assets   | 31,580                      | (15,902)   | 9,943 (h)(i)             | 25,621                     |
| Prepaid and other current assets  | 54,557                      | (25,809)   | (4,466) (g)              | 24,282                     |
| Total current assets  | 495,833                     | (247,506)  | 911,108                  | 1,159,435                  |
| <b>TIMBER AND TIMBERLANDS, NET OF DEPLETION AND AMORTIZATION</b>  | 2,069,518                   | —  | —                        | 2,069,518                  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>  |                             |  |                          |                            |
| Land  | 20,620                      | (13,939)   | —                        | 6,681                      |
| Buildings   | 188,913                     | (174,113)  | (5,791) (g)              | 9,009                      |
| Machinery and equipment   | 1,756,924                   | (1,753,571)  | —                        | 3,353                      |
| Construction in progress  | 32,560                      | (32,289)   | —                        | 271                        |
| Total property, plant and equipment, gross  | 1,999,017                   | (1,973,912)  | (5,791)                  | 19,314                     |
| Less — accumulated depreciation   | (1,137,048)                 | 1,126,153  | 2,932 (g)                | (7,963)                    |
| Total property, plant and equipment, net  | 861,969                     | (847,759)  | (2,859)                  | 11,351                     |
| <b>OTHER ASSETS</b>   | 217,458                     | (27,205)   | (72,631) (g)(i)(j)       | 117,622                    |
| <b>TOTAL ASSETS</b>   | <u>\$ 3,644,778</u>         | <u>\$ (1,122,470)</u>                                    | <u>\$ 835,618</u>        | <u>\$ 3,357,926</u>        |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                             |  |                          |                            |
| <b>CURRENT LIABILITIES</b>  |                             |  |                          |                            |
| Accounts payable  | \$ 86,282                   | \$ (62,655)  | \$ (111) (g)             | \$ 23,516                  |
| Current maturities of long-term debt  | 114,319                     | —  | —                        | 114,319                    |
| Accrued taxes   | 11,374                      | (1,682)  | (75) (g)                 | 9,617                      |
| Accrued payroll and benefits  | 19,261                      | (9,777)  | (6,010) (g)              | 3,474                      |
| Accrued interest  | 13,857                      | —  | —                        | 13,857                     |
| Accrued customer incentives   | 10,082                      | (10,082)   | —                        | —                          |
| Other current liabilities   | 35,870                      | (1,662)  | (8,848) (g)(l)           | 25,360                     |
| Current liabilities for dispositions and discontinued operations  | 6,446                       | —  | (6,446) (i)              | —                          |
| Total current liabilities   | 297,491                     | (85,858)   | (21,490)                 | 190,143                    |
| <b>LONG-TERM DEBT</b>   | 1,393,887                   | —  | —                        | 1,393,887                  |
| <b>NON-CURRENT LIABILITIES FOR DISPOSITIONS AND DISCONTINUED OPERATIONS</b>                             | 67,456                      | —  | (67,456) (i)             | —                          |
| <b>PENSION AND OTHER POSTRETIREMENT BENEFITS</b>  | 95,098                      | (21,441)   | (59,005) (j)             | 14,652                     |
| <b>OTHER NON-CURRENT LIABILITIES</b>  | 31,254                      | (46,953)   | 19,190 (g)(i)            | 3,491                      |
| <b>COMMITMENTS AND CONTINGENCIES</b>  |                             |  |                          |                            |
| <b>SHAREHOLDERS' EQUITY</b>   |                             |  |                          |                            |
| Common Shares, 480,000,000 shares authorized, 126,451,505 and 126,257,870 shares issued and outstanding | 694,236                     | —  | —                        | 694,236                    |
| Retained earnings   | 996,573                     | (1,007,087)  | 951,740 (k)              | 941,226                    |
| Accumulated other comprehensive loss  | (30,037)                    | 38,869   | 12,639 (j)               | 21,471                     |
| <b>TOTAL RAYONIER INC. SHAREHOLDERS' EQUITY</b>   | 1,660,772                   | (968,218)  | 964,379                  | 1,656,933                  |
| Noncontrolling interest   | 98,820                      | —  | —                        | 98,820                     |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>   | 1,759,592                   | (968,218)  | 964,379                  | 1,755,753                  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   | <u>\$ 3,644,778</u>         | <u>\$ (1,122,470)</u>                                    | <u>\$ 835,618</u>        | <u>\$ 3,357,926</u>        |

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Statements.



**RAYONIER INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED PRO FORMA CONDENSED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**(Dollar amounts in thousands unless otherwise stated)**

- (a) These pro forma adjustments represent the reversal of general corporate overhead costs previously allocated to Rayonier Advanced Materials which are not permitted to be allocated to discontinued operations under generally accepted accounting principles.
- (b) This pro forma item eliminates adjustments to the estimates of environmental remediation liabilities relating to prior disposed operations that were transferred to Rayonier Advanced Materials upon separation.
- (c) This pro forma adjustment represents the elimination of transaction costs to be allocated from Rayonier to discontinued operations. These costs were incurred by Rayonier related to the separation of the Performance Fibers business and are primarily legal, accounting and information system costs.
- (d) These pro forma adjustments reflect the Rayonier pretax interest expense allocated to discontinued operations as allowed by generally accepted accounting principles.
- (e) These pro forma tax adjustments represent the tax effect of the pro forma adjustments described above using a blended federal, state and non-U.S. statutory tax rate of 36.5 percent, which is not indicative of the anticipated effective tax rate of Rayonier subsequent to the separation. The income tax benefit for pro forma Rayonier Inc. is the result of eliminating the Rayonier Advanced Materials income tax expense which was calculated on a stand-alone basis. As the Rayonier Advanced Materials stand alone income tax expense is greater than historical Rayonier tax expense, the tax benefit represents the benefits from losses from Rayonier's taxable operations and interest and general administrative expenses not allocated to Rayonier Advanced Materials.
- (f) Immediately prior to the separation, Rayonier Advanced Materials and subsidiaries distributed approximately \$906 million in cash to Rayonier stemming from \$550 million in Senior Notes issued by Rayonier A.M. Products (a wholly owned subsidiary of Rayonier Advanced Materials) on May 22, 2014, \$281 million in term loans and \$75 million from a revolving credit facility Rayonier Advanced Materials entered into prior to separation. Under the terms of an Internal Revenue Service ruling, \$75 million of these funds is restricted to pay dividends or repurchase common stock within eighteen months following its distribution. The remaining \$831 million of proceeds will be used by Rayonier to repay debt and support future working capital needs.
- (g) These pro forma adjustments represent Rayonier assets and liabilities that were transferred to Rayonier Advanced Materials as defined in the separation agreement, primarily consisting of prepaid insurance, leasehold improvements (and related depreciation), accrued benefits, workman's compensation and deferred compensation liabilities.
- (h) This pro forma adjustment represents the Cellulosic Biofuel Producer Credit ("CBPC") tax credit carryforward of \$12 million which will remain with Rayonier and will be available to be utilized in the income tax returns of Rayonier TRS Holdings Inc., a wholly-owned subsidiary of Rayonier, through 2016.
- (i) These pro forma adjustments represent all of Rayonier's environmental assets and liabilities relating to prior disposed operations that were transferred to Rayonier Advanced Materials upon separation. The assets consist mainly of \$11 million of land, land improvements, and docks located at Rayonier's disposed operations sites, primarily Port Angeles, Washington, Augusta, Georgia and Spartanburg, South Carolina and \$28 million of related deferred tax assets (\$3 million in Deferred Tax Assets and \$25 million in Other Assets).
- (j) These pro forma adjustments represent the funded status of Rayonier sponsored pension and other post retirement benefit plans pertaining to Rayonier Advanced Materials employees, who were transferred to newly formed Rayonier Advanced Materials sponsored plans. In addition, accumulated other comprehensive losses and deferred tax assets (\$36 million in Other Assets netted with \$22 million in Other Non-Current Liabilities) associated with the Rayonier Advanced Materials benefit plans were also transferred.
- (k) This pro forma adjustment represents the net impact of all Balance Sheet pro forma adjustments (as outlined above) on Rayonier's equity.
- (l) This pro forma adjustment represents an accrual of \$4.7 million in transaction costs incurred by Rayonier related to the separation of the Performance Fibers business.