



Investor Presentation

March 2014



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 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," "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; 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 (such as the currently pending Chinese anti-dumping investigation of dissolving pulp, which has been disclosed in our public filings); 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 adversely affect tax treatment of our specific businesses or 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; 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.

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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Company Profile



Company profile

Investment grade timber REIT with diverse business mix

Segments

- Global forest products company with \$5.6 billion market cap*
 - Forest Resources
 - Real Estate
 - Performance Fibers

Revenue

- \$1.7 billion in revenues
- ~ 50% of sales to customers outside of US in ~ 20 countries

Dividends

- Dividend of \$1.96/share yields ~4.4%*
- Dividend generally taxed at capital gains rate
- Dividend growth a key element of overall strategy

Tax Status

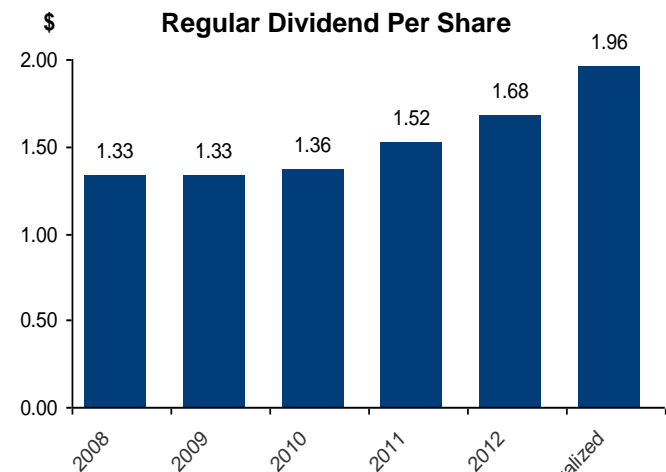
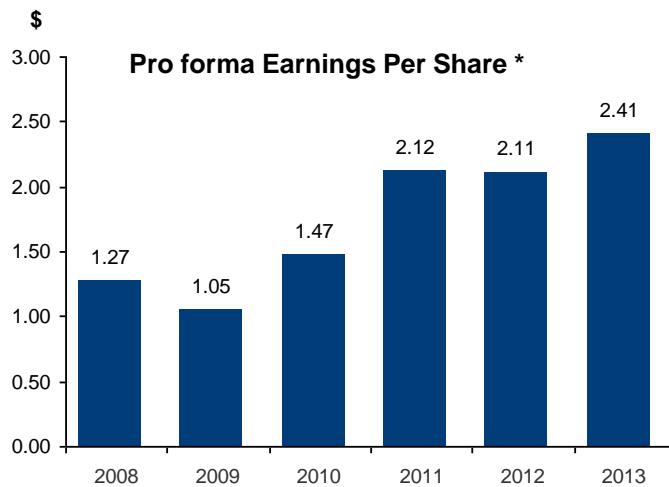
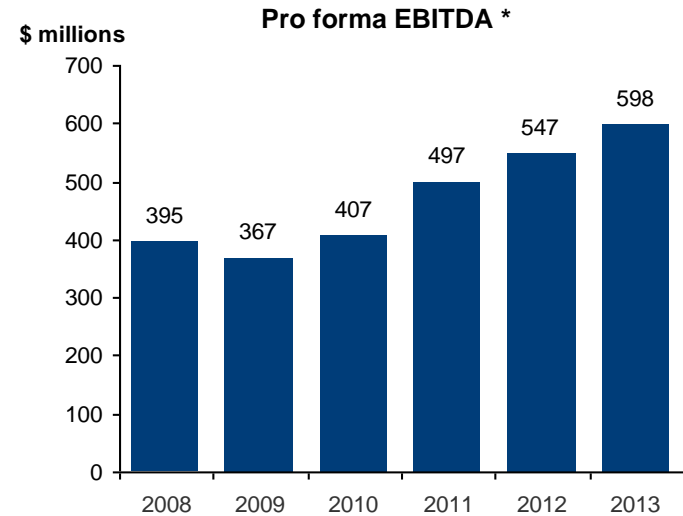
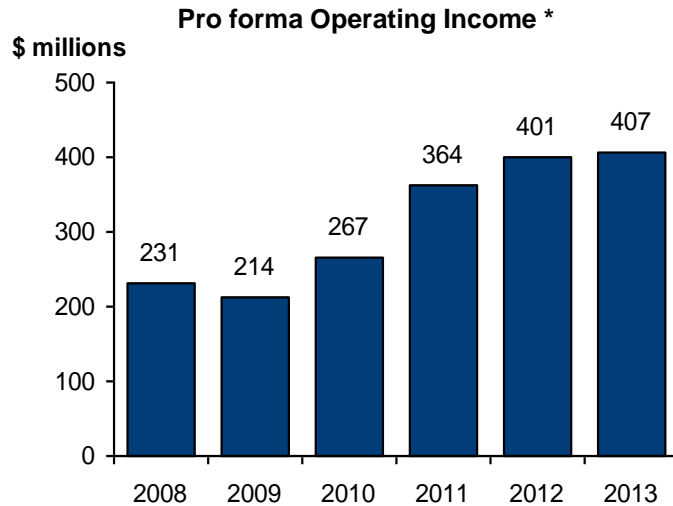
- Highly efficient REIT structure

Ratings

- Investment-grade debt ratings:
 - S&P BBB+ (Stable)
 - Moody's Baa1 (Stable)

* Based on share price of \$44.26 on January 31, 2014, and a quarterly dividend of \$0.49/share effective with the 3rd quarter 2013 distribution.

Superior performance

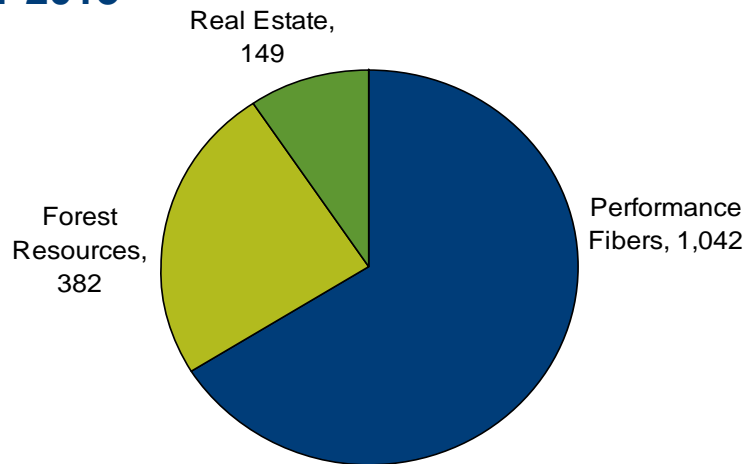


* Pro forma results are non-GAAP measures defined and reconciled in the Appendix. In the first quarter 2013, the Wood Products segment was sold. Results have been restated for all periods to exclude Wood Products.

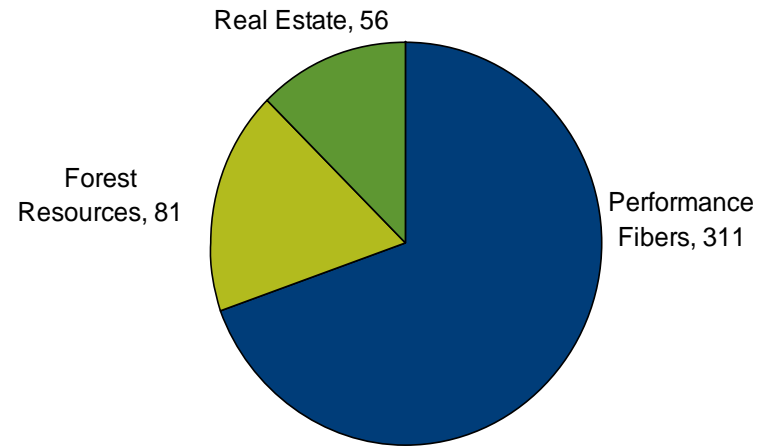
Segment financial summary (\$ millions)

Full Year 2013

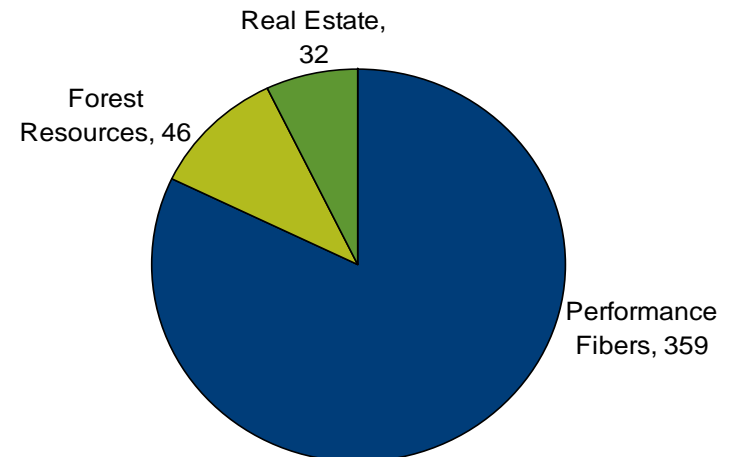
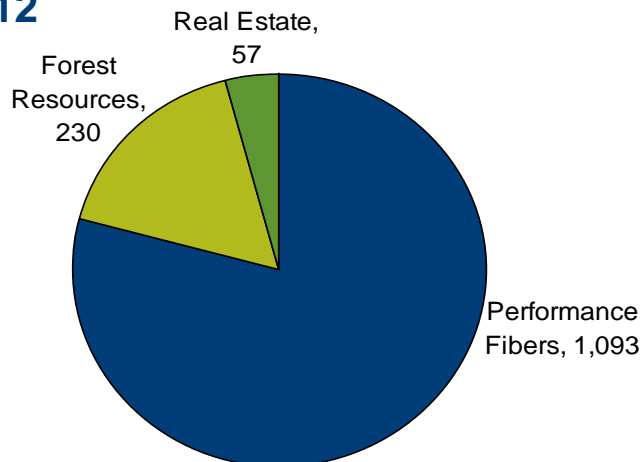
Revenue



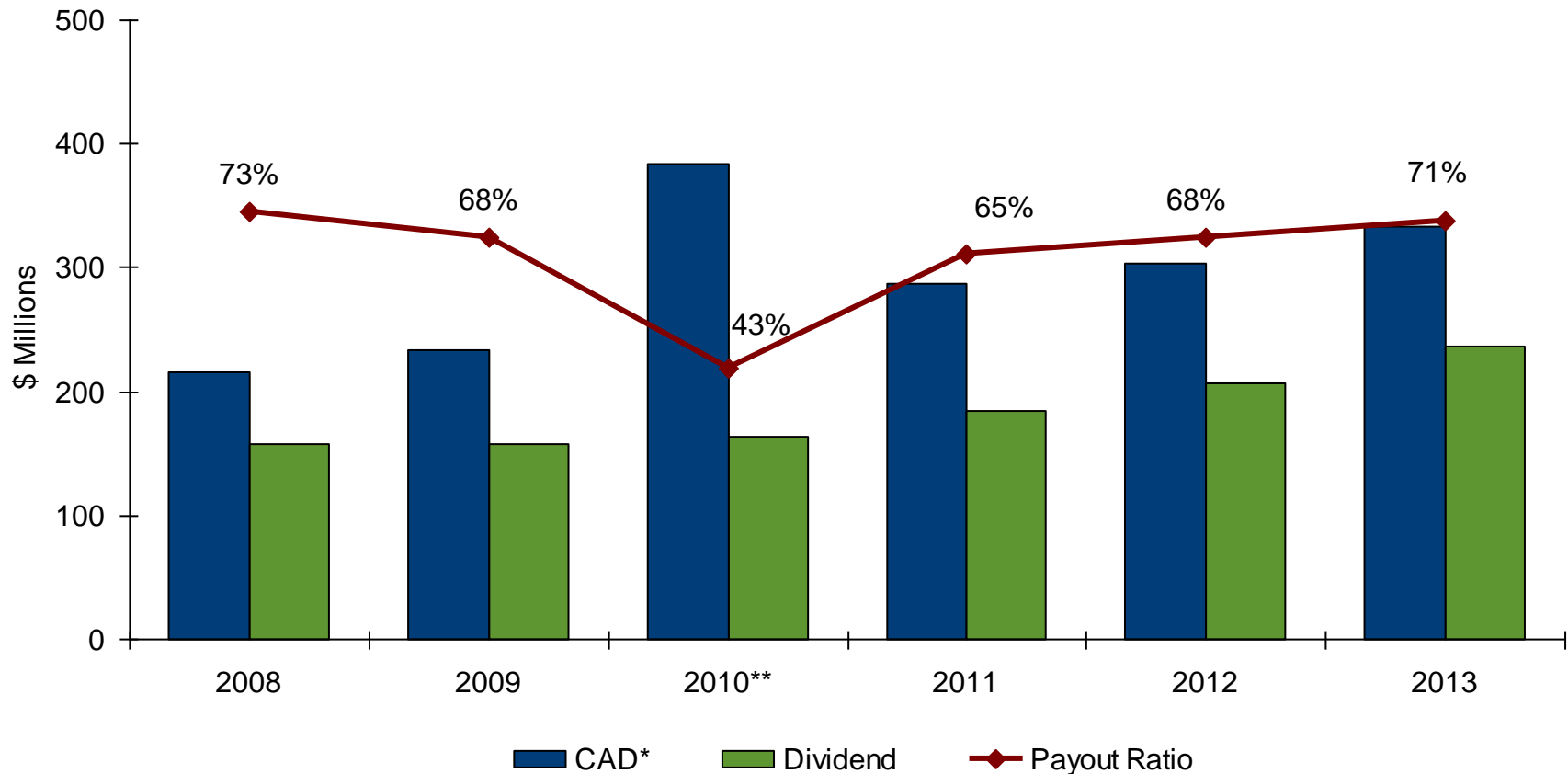
Operating Income



Full Year 2012



Cash flow strength supports dividend



* Cash Available for Distribution (CAD) is a non-GAAP measure defined and reconciled in the Appendix.

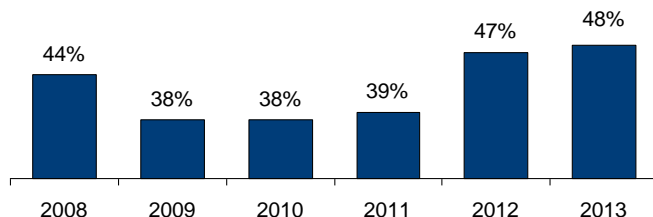
** 2010 CAD included \$189 million received from the alternative fuel mixture credit.

Nine dividend increases in past 11 years, including 11% dividend increase effective with the 3rd quarter 2013 distribution

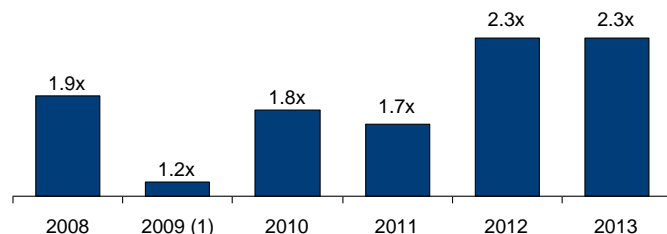


Balance sheet reflects conservative leverage and ample liquidity

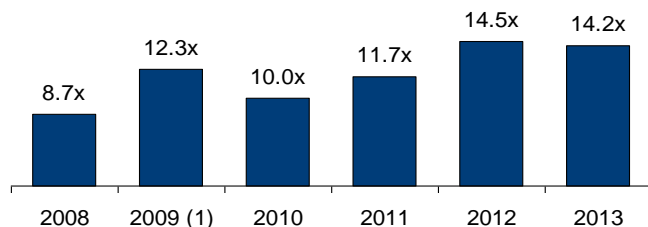
Debt / Total Capitalization



Debt / EBITDA*



EBITDA* / Interest Expense



* EBITDA is a non-GAAP measure defined and reconciled in the Appendix.

(1) 2009 EBITDA included \$205M related to the alternative fuel mixture credit.

Debt

- Manageable debt maturities
- Majority of debt in TRS, reducing after-tax cost
- 3.2% weighted average cost of debt, before tax as of December 31, 2013

Liquidity

- \$450 million bank revolver had \$243 million available as of December 31, 2013
- \$640 million term credit agreement had \$140 million available as of December 31, 2013

Net Debt

- \$1.4B net debt
- 44% net debt to capital

Strategy



Strategy

- Forest Resources: Optimize our timberland portfolio
 - Grow core timberland ownership over time
 - Evaluate timberland for highest and best use
 - Optimize timber yields through advanced silvicultural practices

- Real Estate
 - Monetize rural HBU through conservation and recreational sales
 - Sell entitled and other coastal corridor development land for industrial, commercial and residential uses
 - Divest non-strategic timberland

- Performance Fibers: Maintain global cellulose specialties leadership position
 - Differentiate through purity, consistency and technical expertise
 - Focus on operational excellence to improve competitive cost position and reliability
 - Successfully ramp-up cellulose specialties sales from recently completed Cellulose Specialties Expansion (CSE) project at Jesup mill

Forest Resources

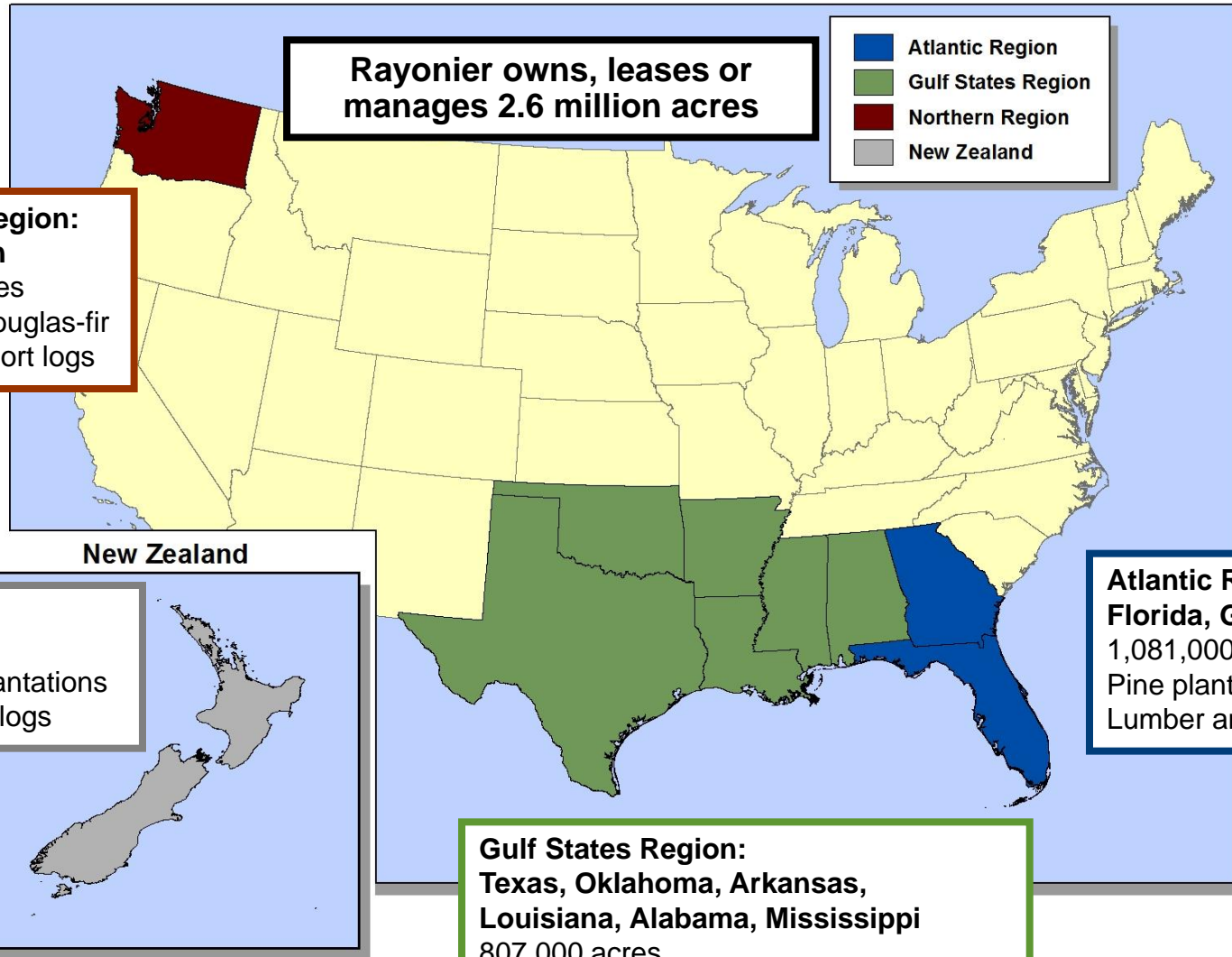


Timberlands are a unique and attractive asset class

- Appreciating asset values have historically outpaced inflation
- Continued strong interest in asset class
- Flexibility to adjust harvest levels and product supply as markets change
- Unlike most natural resources, timber grows and is renewable
- REIT structure eliminates double level taxation and is highly tax efficient
- Generated sales of \$382 million and EBITDA* of \$180 million for the year ended 2013

* EBITDA is a non-GAAP measure defined and reconciled in the Appendix.

Timber holdings reflect geographic and market diversity



Gulf States and Atlantic Regions

- 1.9 million acres in eight states
- Diverse management regimes and species mix increase harvest flexibility

- Slash pine 43%
- Loblolly pine 53%
- Hardwood 4%



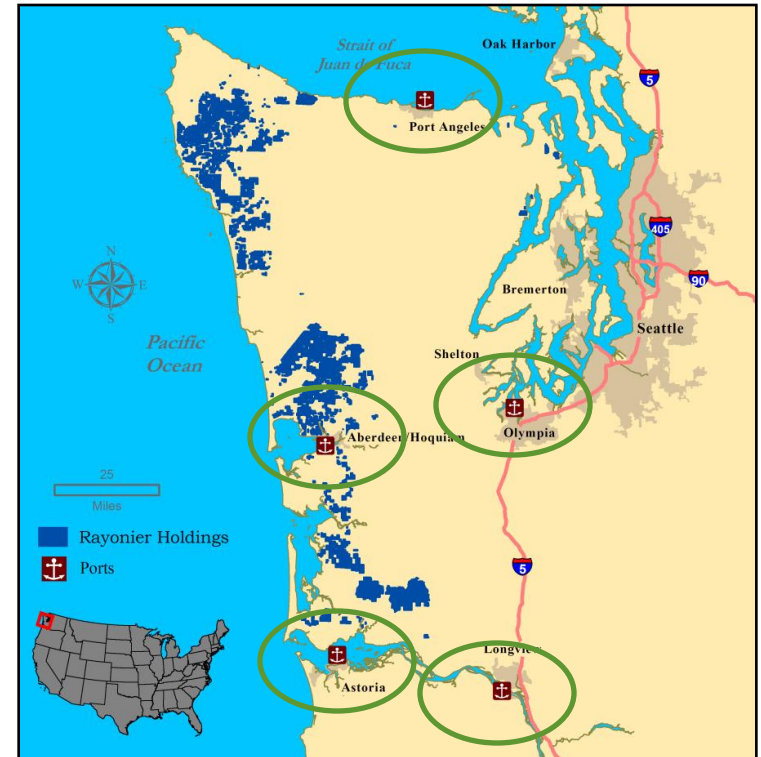
- Adjusted harvest mix to meet strong pulpwood demand

	<u>Typical</u>	<u>Current</u>
• Pulp/OSB	50%	70%
• Sawmills	50%	30%

- Non-timber income
 - \$19 million for the year ended 2013

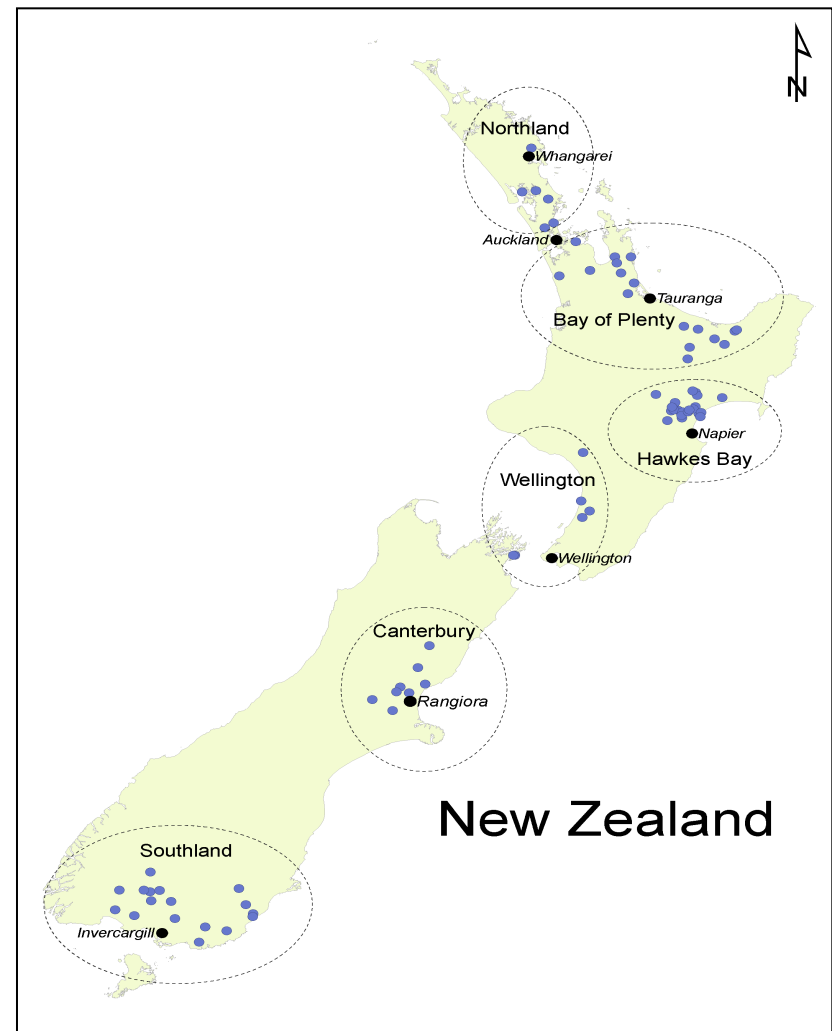
Northern Region

- 377K acres in coastal Washington
 - Hemlock 51%
 - Douglas-fir 36%
 - Valuable minor species 13%
- Proximity to five ports
- Harvest mix
 - Domestic pulpwood 15%
 - Domestic sawlogs 50%
 - Export (China and Korea) 35%
- Non-timber income
 - \$3 million for the year ended 2013



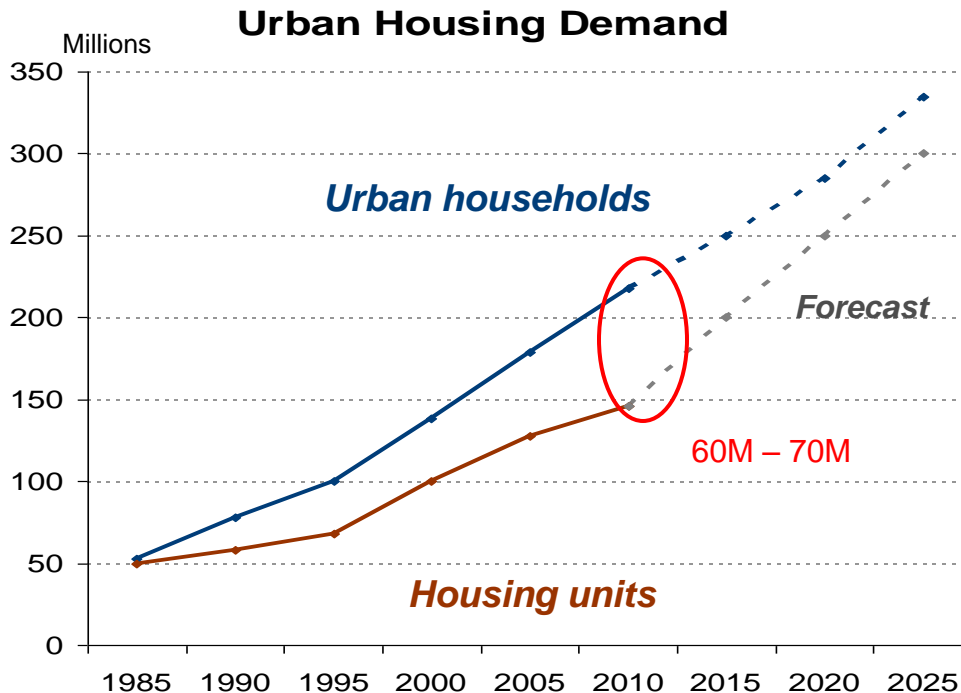
New Zealand Holdings

- In April, Rayonier increased its interest in the Matariki JV from 26% to 65% at a cost of \$140 million
- JV controls 314K acres of Radiata pine
- Rayonier manages entire estate
 - 3rd largest in New Zealand
- Export markets (China, Korea, India)
- Strategically positioned to benefit from net wood fiber deficit in Asia Pacific
- JV is now consolidated, with expected annual EBITDA of approximately \$45 million
- Estimated fair value of the JV's timber and timberlands at December 2013 was \$609 million



China - Strong housing fundamentals driving wood demand

- Long-term demand for logs driven by affordable housing shortage
- Wood fiber deficit in China
- Rayonier is well-positioned to serve China's growing need for logs



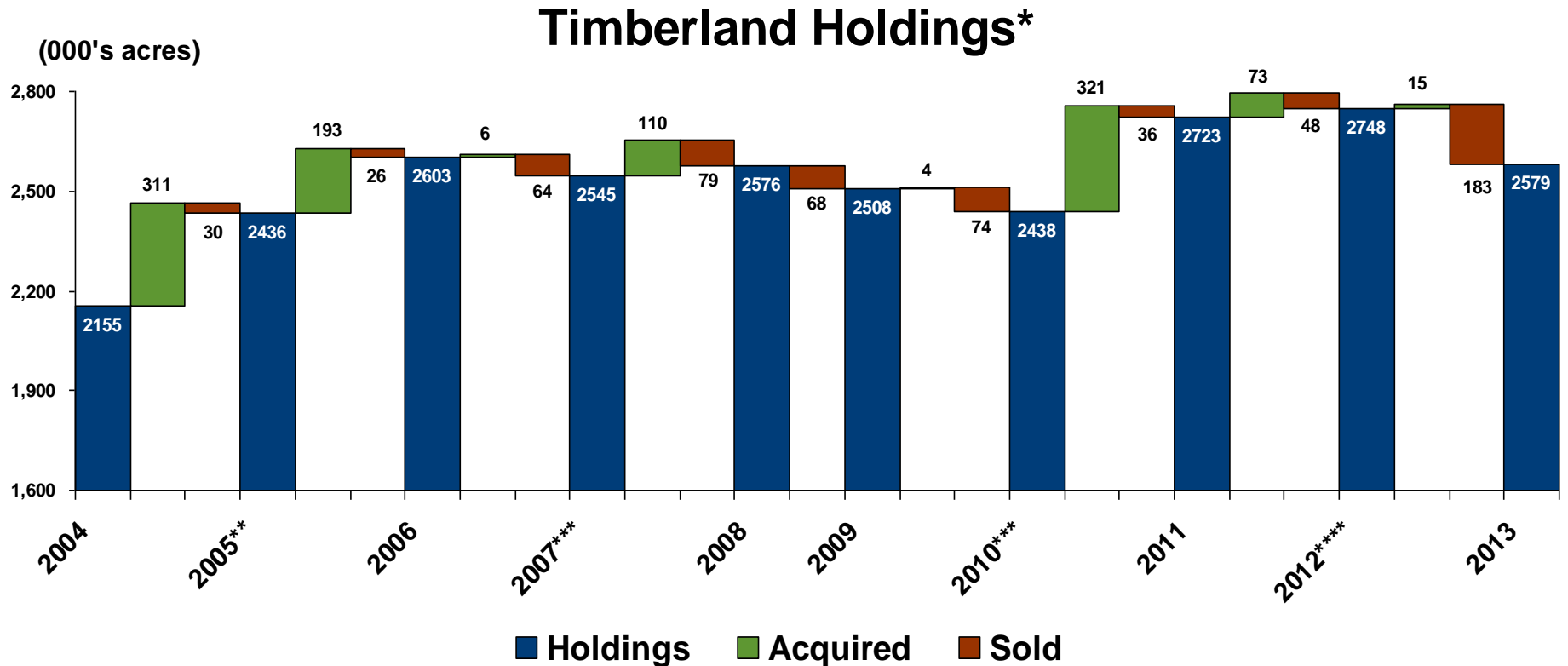
- Housing consumes 80% of softwood logs and lumber
- Current urban housing shortage of 60 – 70 million units
- Urban households expected to grow 5 million per year for 20+ years

New immigration	5 million
Teardowns	2 million
To close gap	<u>2 – 4 million</u>
Annual Housing	10 – 12 million
- Affordable housing is a top priority

Source: GaveKal Data

Disciplined approach to portfolio value optimization

- Acquire timberlands that meet strategic and financial criteria
- Optimize timberland portfolio
 - Monetize HBU properties and non-strategic timberlands
 - Maximize value through advanced silvicultural practices
- Generate non-timber revenue



* Represents timberland owned, leased or managed by Rayonier and real estate properties

** Includes acquisition of 237K acres by the New Zealand JV, which Rayonier manages and (as of April 2013) holds a 65% ownership interest

*** Includes termination of management agreement in Australia in 2007 and expiration of leases in 2010

**** 2012 acquisitions exclude 15,000 acres previously reported under a lease agreement



Forest Resources market outlook

- Current and near-term drivers
 - Steady pulpwood demand
 - Increasing demand for Southeast sawlogs as housing improves
 - Sustained strong demand in China for logs from Pacific Northwest and New Zealand
- Mid-to long-term drivers
 - Volume
 - Timberland acquisitions - Using 2012 as a baseline, expect an additional one million tons of pine harvest volume available by 2016
 - Advanced silviculture practices
 - Mix
 - Improved Southeast sawlog vs. pulpwood harvest mix
 - Price
 - Asian demand
 - Housing recovery
 - British Columbia mountain pine beetle impact
- Expect 2014 operating income to be well above 2013

Real Estate



Real estate activities focused exclusively on adding value to timberland base



- ~200,000 acres of Higher and Better Use (“HBU”) properties in I-95 coastal corridor between Savannah, GA and Palm Coast, FL
- HBU properties generating cash flow — managed as timberland
- Industrial and commercial sites in prime locations
- 39,000 entitled development acres in coastal Florida and Georgia
- Generated \$149 million in revenue and \$73 million in EBITDA* for the year ended 2013 on sales of 177,000 acres

Active portfolio management creates significant value

¹ Development and value-enhancing activities conducted in taxable REIT subsidiary.

* EBITDA is a non-GAAP measure defined and reconciled in the Appendix.

Create higher value opportunities across land portfolio

Development HBU	Rural HBU	Non-Strategic
<ul style="list-style-type: none">▪ Market research and conceptual planning▪ Land use entitlements▪ Market catalysts<ul style="list-style-type: none">• Mega-site certifications• I-95 interchange• Schools▪ Strategically positioned to benefit from economic recovery and to monetize properties	<ul style="list-style-type: none">▪ Buy wholesale-sell retail▪ Buyers include:<ul style="list-style-type: none">• Individual landowners• Conservation groups• Recreation groups• Industry▪ Restocking through timberland acquisitions	<ul style="list-style-type: none">▪ Sales made to upgrade the portfolio▪ Redeploy capital to higher value assets▪ Opportunistically capture value from attractive unsolicited offers

Rayonier is not a developer – No significant strategic capital employed in Real Estate business

~200,000 HBU acres along Coastal Corridor



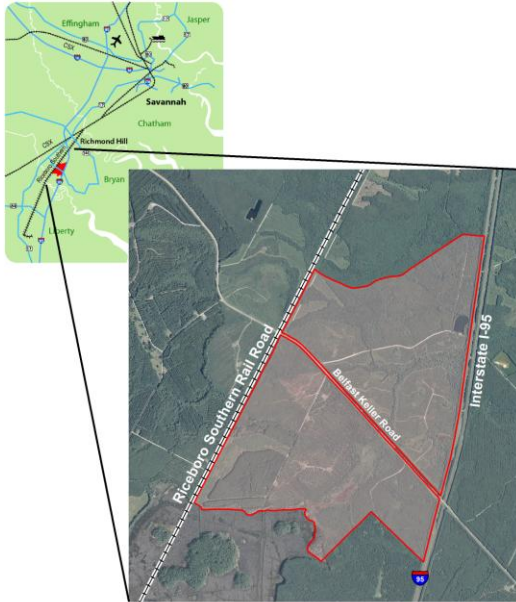
- Bryan County – 7,900 entitled acres
 - 1,100-acre Belfast Commerce Centre
 - Approved for up to 10.5 M SF of industrial land use
 - 2 miles of I-95 frontage, 16 miles by rail to the Port of Savannah
 - Certified as a mega-site
 - New I-95 interchange approved
 - Closed first sale in November 2013
- Nassau County/Jacksonville
 - 23,000 entitled acres – six miles of scenic bluffs along St. Marys River
 - Approved for commercial, industrial and residential uses
 - Crawford Diamond – 1,800-acre entitled industrial property
 - Certified as a mega-site

Mega-site Certification — third-party verification that industrial site can be ready in 18 months

- Purpose — enhance marketability
 - Elevate profile in a confidential site selection market
 - De-risk site upfront
 - Pre-qualify for end users
 - Accelerate capture of end users
- Comprehensive site due diligence
 - Environmental
 - Legal and regulatory
 - Infrastructure and utilities — plans, permits, agreements
- Belfast certification achieved December 2012
- Crawford certification achieved May 2013

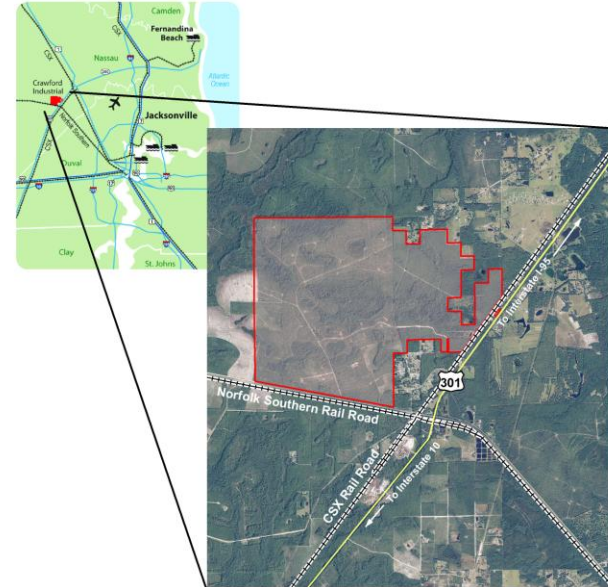
Industrial Sites

Belfast Commerce Centre Bryan County, GA 1,100 acres



- 10.5 MM SF zoned industrial
- Certified CSX Select Site
- 1.7 miles of CSX/Genesee & Wyoming rail frontage; direct link to Port of Savannah
- 2.1 miles of I-95 frontage
- 5 ports (Savannah, Brunswick, Jacksonville, Fernandina, Charleston) within 130 miles

Crawford Diamond Industrial Park Nassau County, FL 1,800 acres



- 10.5 MM SF zoned industrial
- Mega-site certified by McCallum Sweeney
- Dual Class I rail frontage (.6 miles - CSX and 1.3 miles - Norfolk Southern)
- Dual power supply
- 4 ports (Jacksonville, Fernandina, Brunswick, Savannah) within 140 miles

Real Estate outlook

- Increasing interest in industrial, commercial sites
- Residential developer interest improving as existing lots are absorbed
- Continuing solid demand for rural HBU properties
 - Recreational
 - Conservation
- Significant land use entitlement efforts successfully completed – continue to position for monetization as markets recover
- Expect 2014 operating income to be somewhat comparable to 2013 (excluding impact of \$57M New York timberland sale in 2013 with operating income of \$3M)

Performance Fibers



Performance Fibers: Global leadership in Cellulose Specialties

- Leading producer of high value cellulose fibers

Capacity

- Jesup, GA 520,000 MT
- Fernandina Beach, FL 155,000 MT

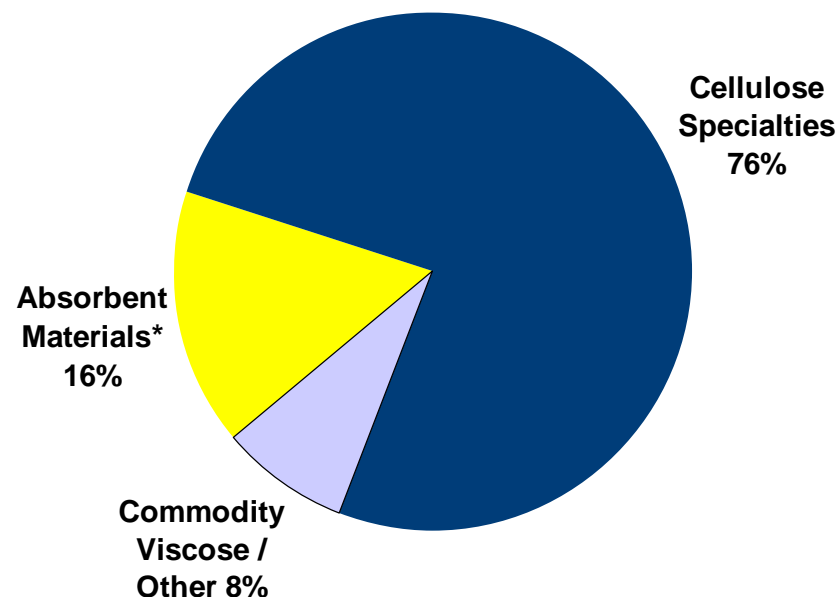
- Cellulose Specialties (CS)
 - Acetate, ethers and high-strength viscose

- Commodity grades produced during ramp-up to full CS Production:

- Commodity Viscose / Other
- Absorbent Materials (AM) - fluff pulp for hygiene products

- CSE project converted all 260,000 tons of AM capacity to 190,000 tons of CS capacity

- Generated sales of \$1,042 million and EBITDA of \$386 million for the year ended 2013

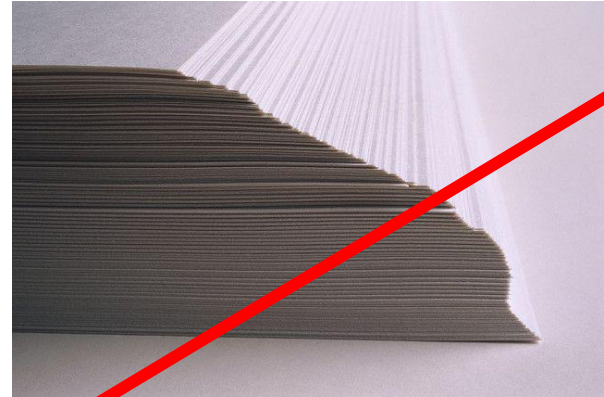


2013 Sales Volume: 643,000 MT

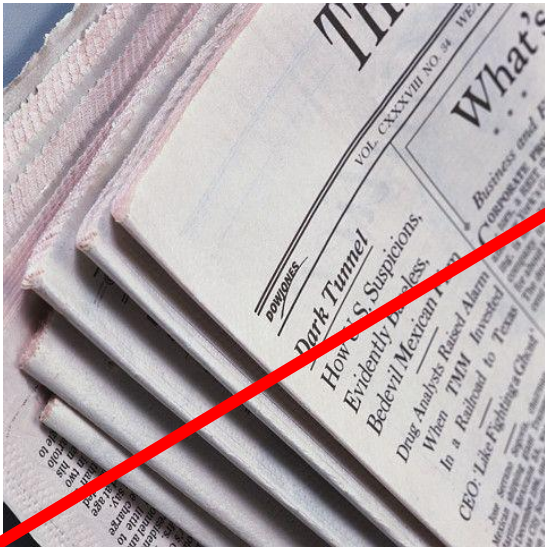
Note: EBITDA is a non-GAAP measure defined and reconciled in the Appendix.

* With completion of the CSE project in July 2013, Rayonier is no longer producing Absorbent Materials (fluff pulp).

... Not in commodity pulp business



Standard Market Pulp Applications



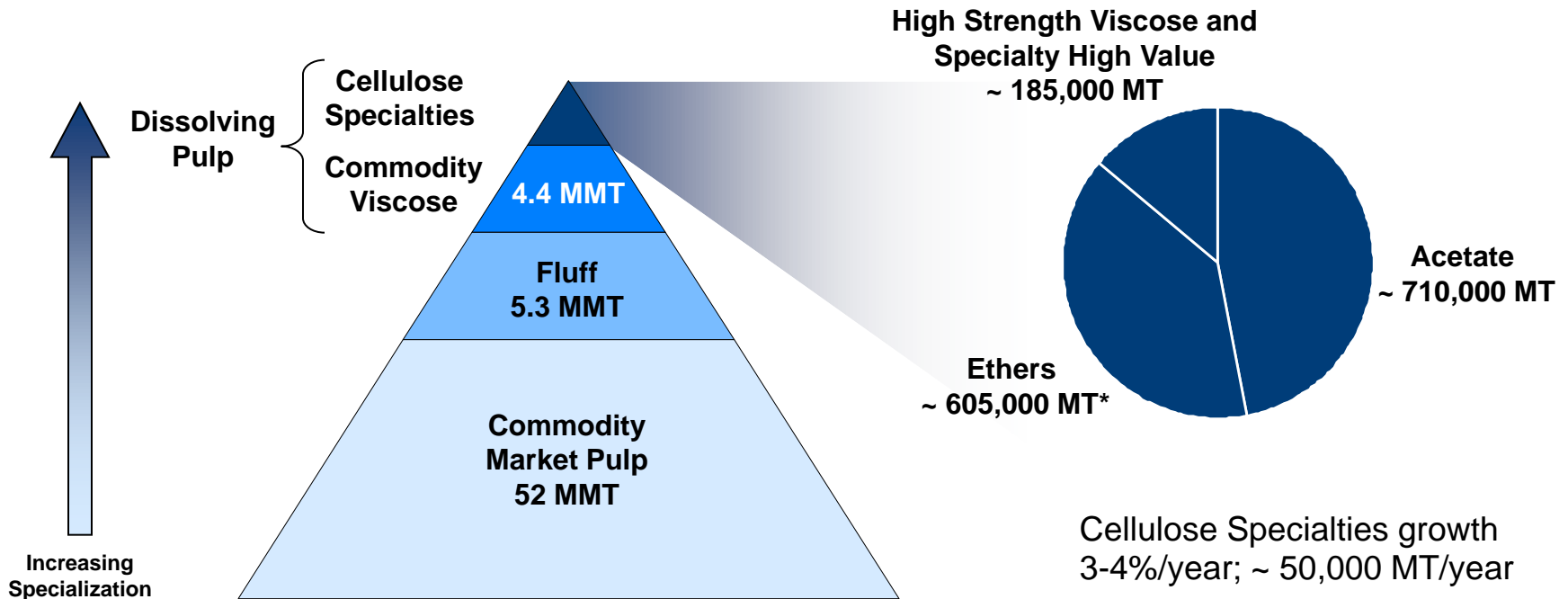
Cellulose Specialties is the highest value, most demanding segment

Market pulp industry (kraft and sulfite)

Total: 63 MMT

Cellulose Specialties segment

Total: 1.50 MMT



* Includes some lower purity, less demanding grades

Cellulose Specialties growth
3-4%/year; ~ 50,000 MT/year

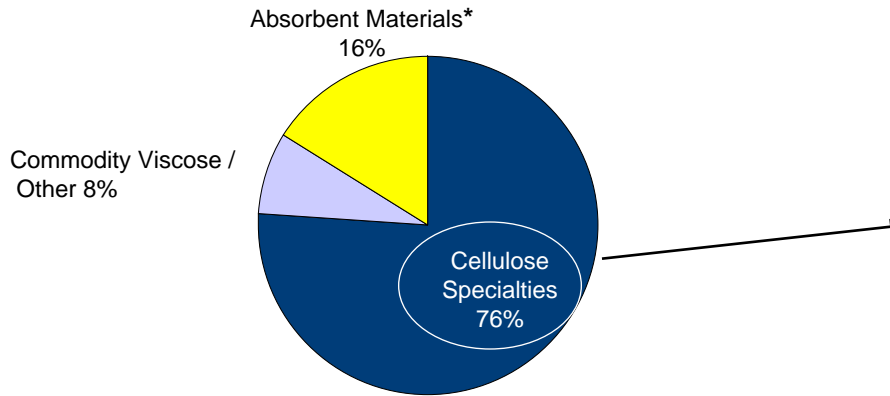
CS has unique technical and production demands

- Technically demanding:
 - Requires a high purity product customized for each customer
 - Requires extensive R&D capability, process knowledge and customer support
 - Long qualification period with customers
 - Demanding and high value-add end-use products: Cigarette filters, food, pharmaceuticals, electronics, automotive and other consumer oriented goods
- Significant capital investment required
- Customers require a consistent and secure supply
- Customer base primarily chemical companies
 - Strong financials

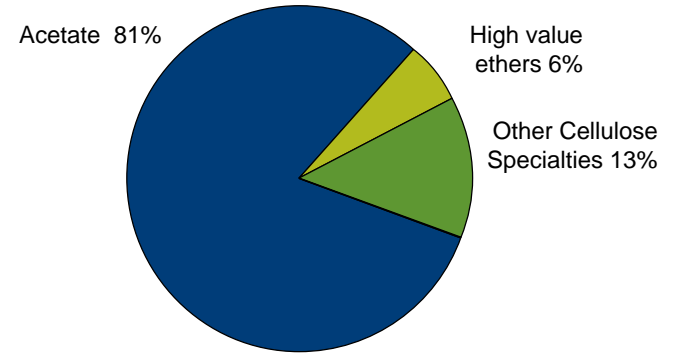
CS is a specialty chemical business

World leader in Cellulose Specialties

**Rayonier Performance Fibers:
643,000 MT's (2013)**



**Rayonier Cellulose Specialties:
486,000 MT's (2013)**



Cellulose Specialties

Acetate



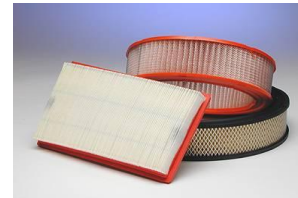
High Value Ethers



High Strength Viscose



Specialty High Value



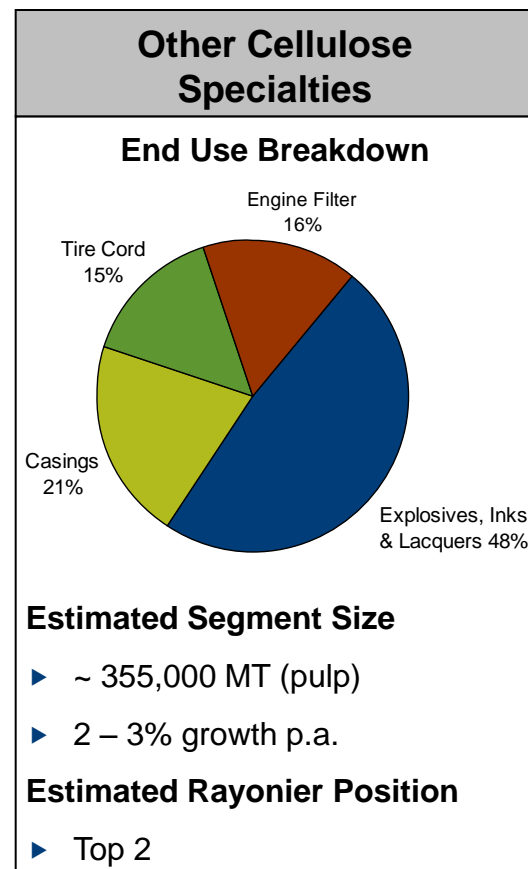
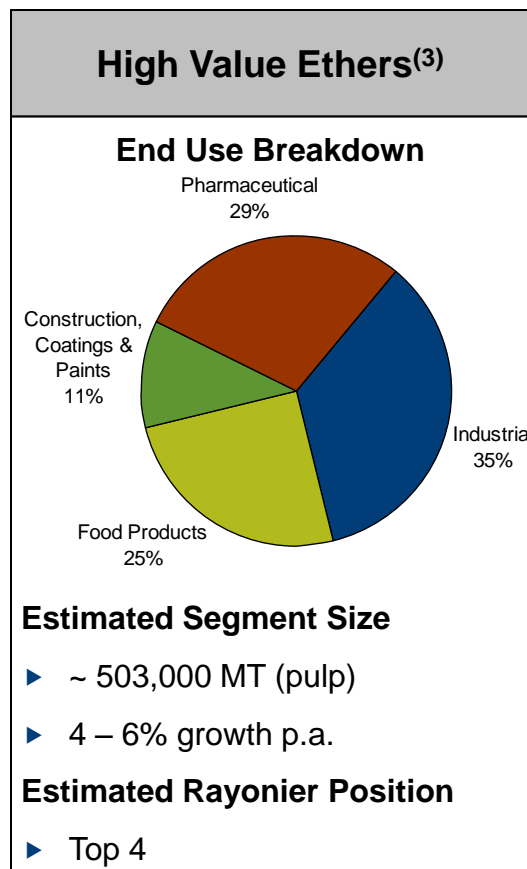
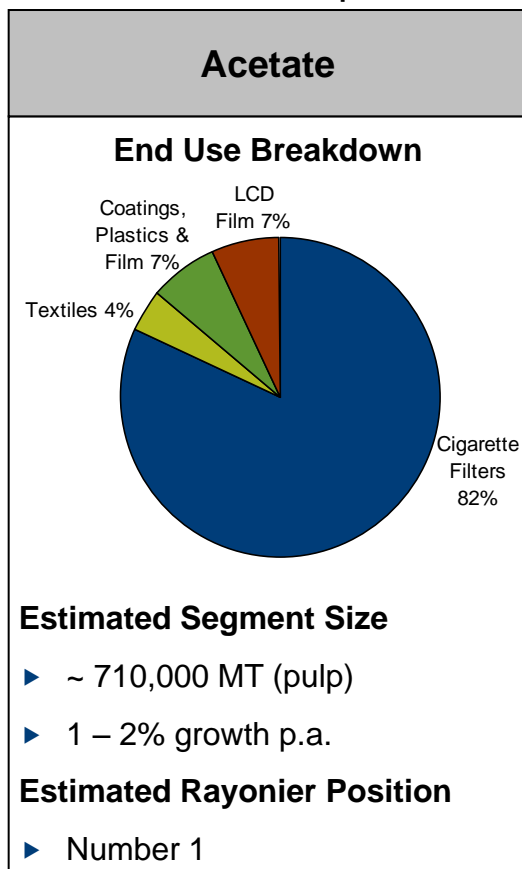
Absorbent Materials*



* With completion of the CSE project in July 2013, Rayonier is no longer producing Absorbent Materials (fluff pulp).

Leading positions in key segments

Global Cellulose Specialties End Use Breakdown⁽¹⁾⁽²⁾



Source: Public information and privately commissioned studies

(1) Data from 2012.

(2) Segment sizes include approximately 130,000 to 160,000 MT of Cotton Linter Pulps

(3) Segment size includes 100,000 MT MCC (as pulp)

Rayonier's edge — Expertise creates best total value equation

Acetate



- Rayonier's acetate filter tow is the global 'benchmark'
 - Customized for each customer application
 - Consumer taste and feel preference
- Only wood based CS supplier for LCD optical film application, most demanding CS application

Ethers



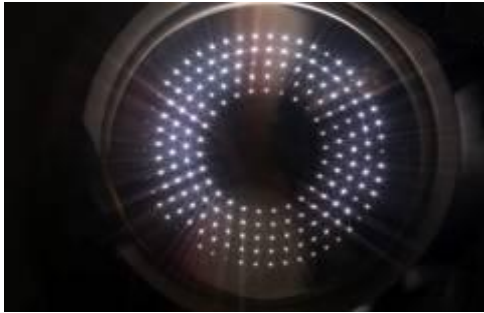
- Proven in technically demanding pharmaceutical and food applications
 - Wide range of viscosity options
 - High ground-cellulose bulk density improves productivity
 - Small product granularity provides taste and texture

Specialty High Value and High Strength Viscose

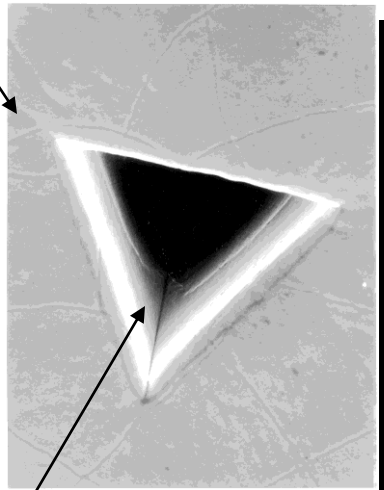


- Rayonier is one of two global producers of kraft mercerized products for filter applications
- Delivers strength and stability for tire cord and casing

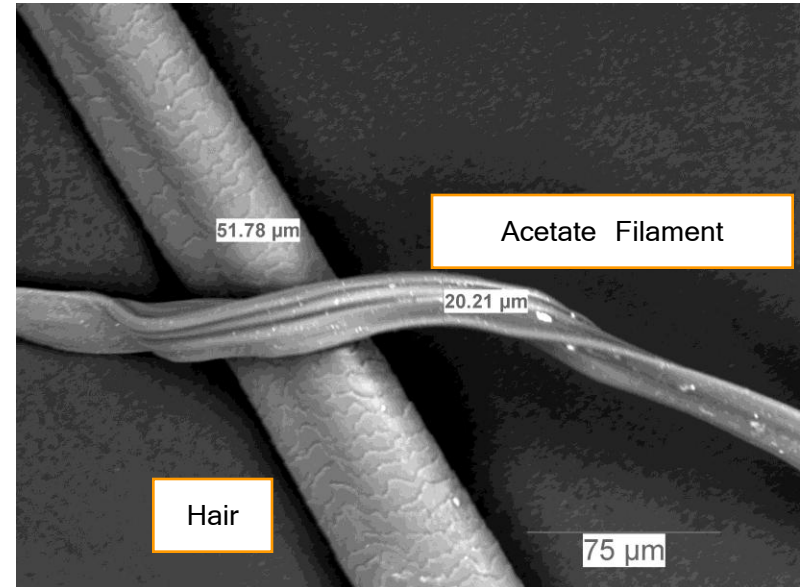
Spinning cellulose acetate fibers demonstrates the importance of consistency and high purity



Customers process our pulp through a spinnerette like the one above, where the holes are smaller than a human hair. Purity is crucial.

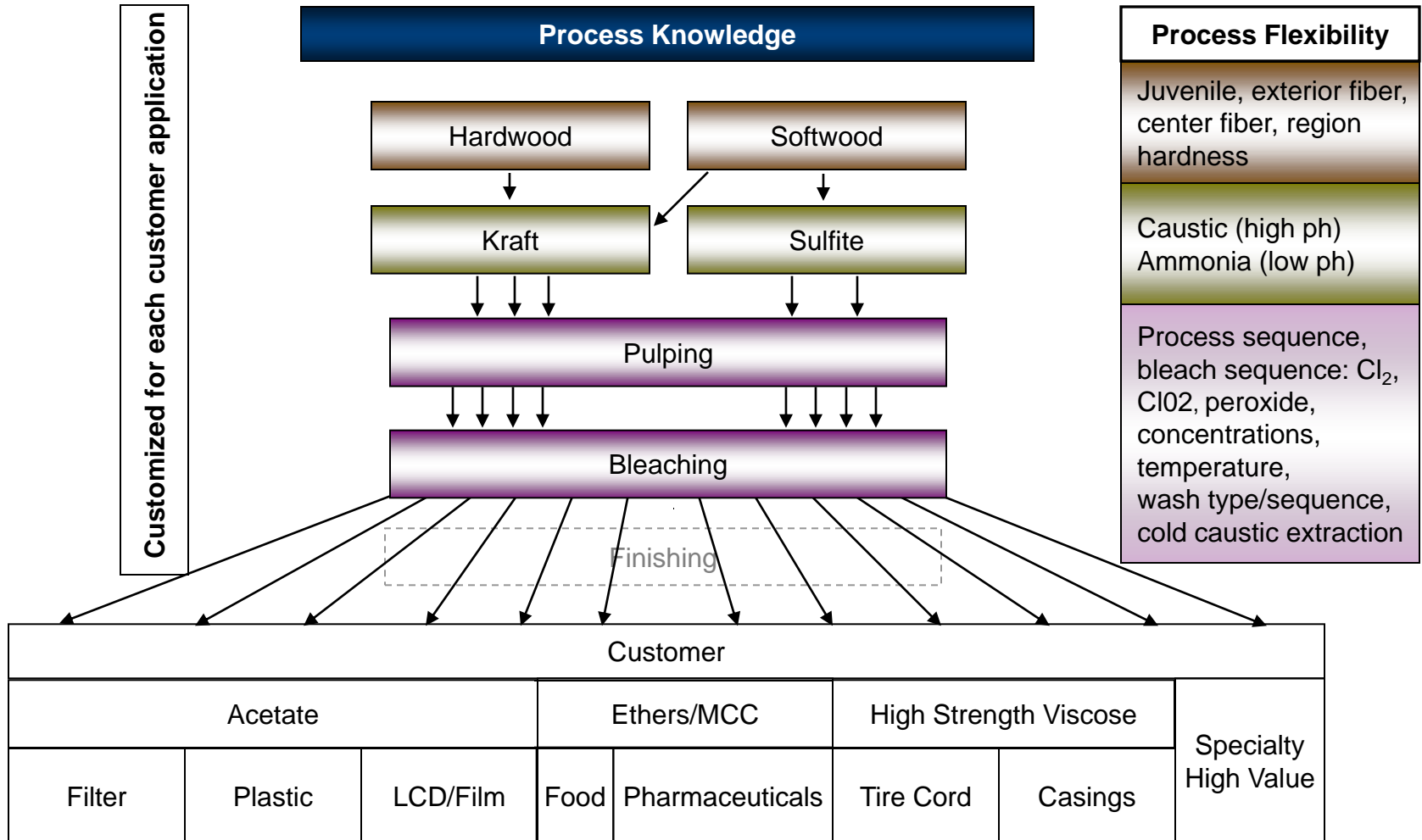


Potential for molecular buildup of impurities

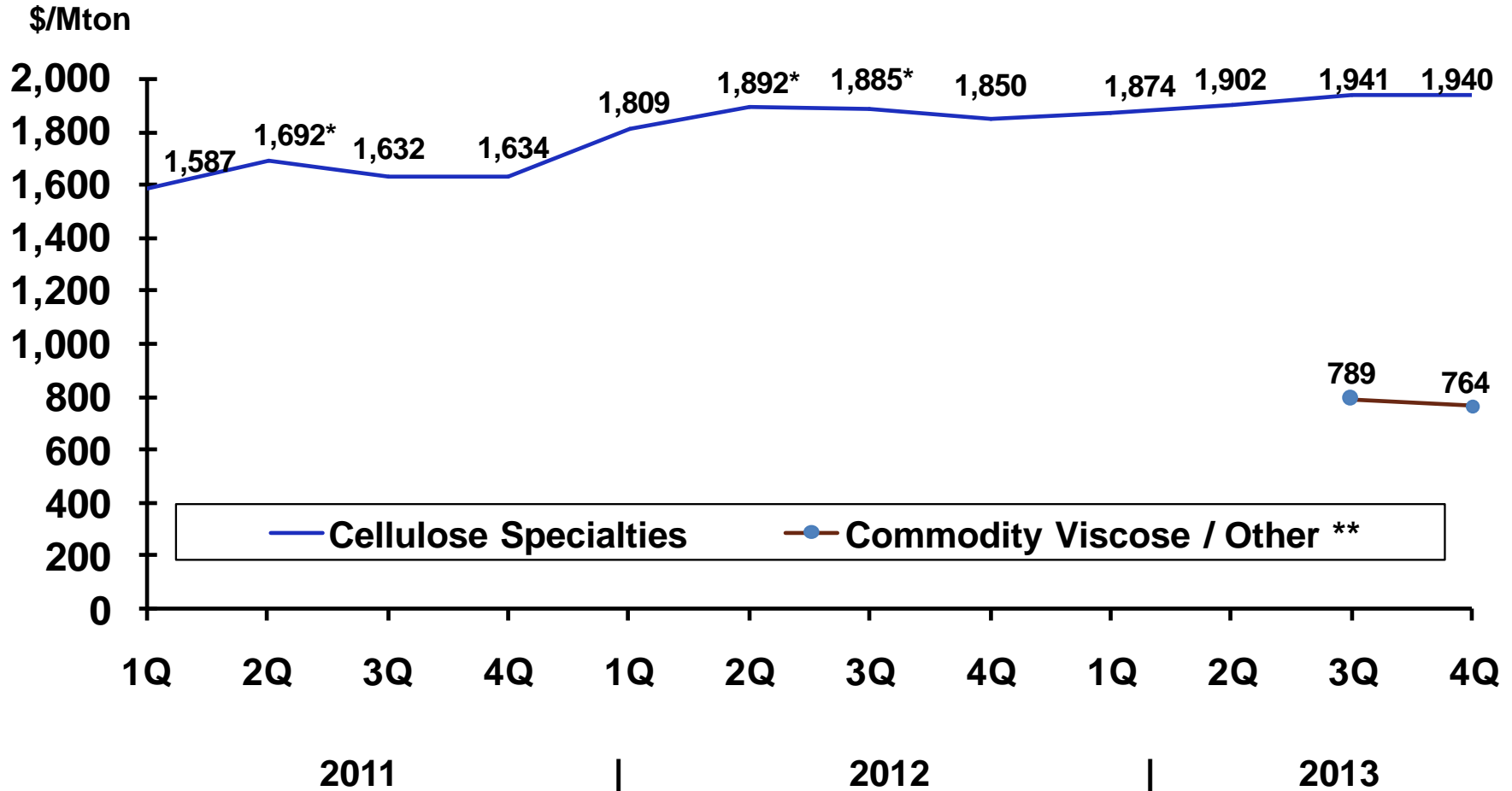


What differentiates Rayonier as the technical leader in the CS market?

The “Rayonier Recipe”



Performance Fibers Net Selling Prices



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

** Initial production from the Jesup mill Cellulose Specialties Expansion project will be commodity viscose with an expected transition to all cellulose specialties after customer qualification and market growth.

Cellulose Specialties Expansion (CSE) overview

- \$385 million project to convert Absorbent Materials capacity to Cellulose Specialties (CS)
 - 260,000 MT Absorbent Materials → 190,000 MT CS
 - Project completed on schedule in July 2013, with initial quality above expectations
- Customer-driven project to support their growth
 - Strategically attractive – strengthens our market leadership
 - Exit non-strategic fluff business
 - Enables future CS growth
 - Diversify within CS market
- Transition period after conversion
 - CS customer qualification
 - Produce both CS and commodity viscose or other commodity grades during ramp-up period through 2017/2018

Performance Fibers market outlook

2014

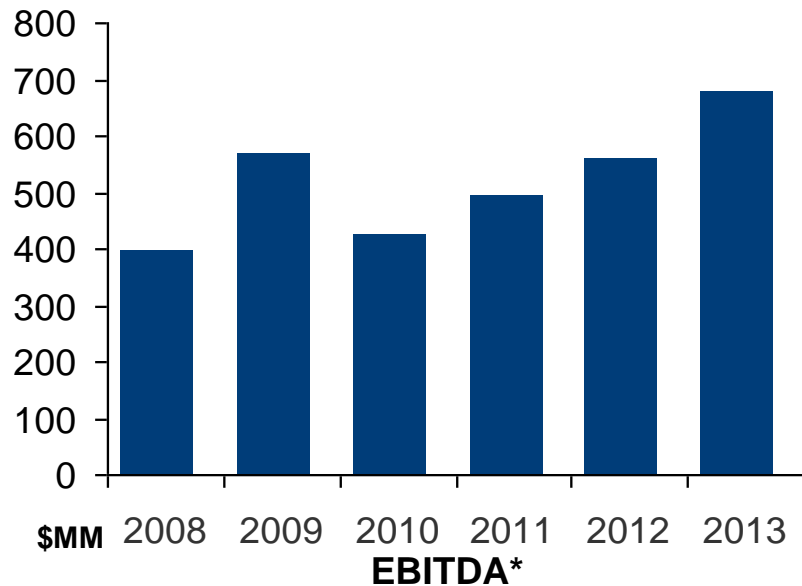
- Continuing solid demand for acetate
- CS prices 7% to 8% below 2013
- Incremental 30-50,000 MT of cellulose specialties sales from the CSE project
- CS volume committed under long-term contracts
- 2014 commences the multi-year ramp-up period to full CS production
- Expect to complete the qualification process with customers by mid-year
- Financial outlook:
 - Operating income expected to be ~ 20-25% below 2013
 - EBITDA expected to be ~ 10-15% below 2013

Conclusion

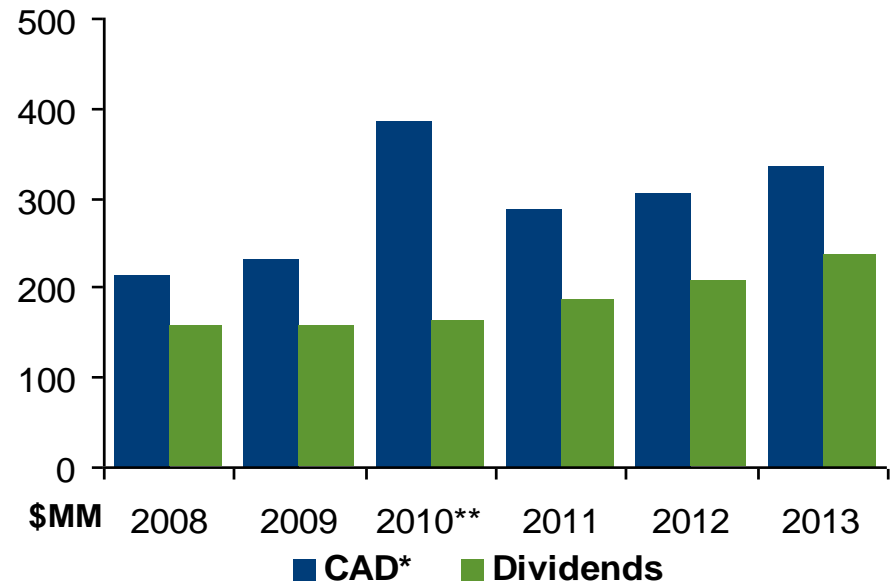


Creating value through cash flow growth

Growing cash flow



Strong dividend coverage

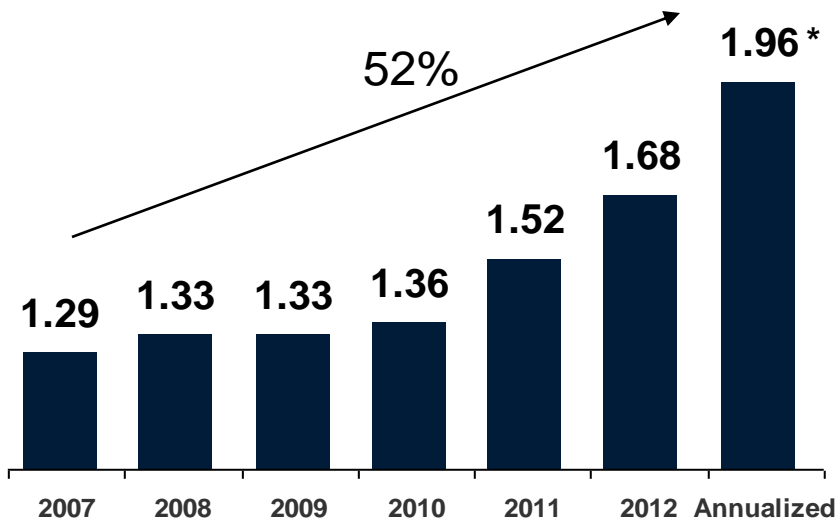


* EBITDA and CAD are non-GAAP measures defined and reconciled in the Appendix. 2009 EBITDA included \$205M related to the alternative fuel mixture credit.

** 2010 CAD included \$189M received from the alternative fuel mixture credit.

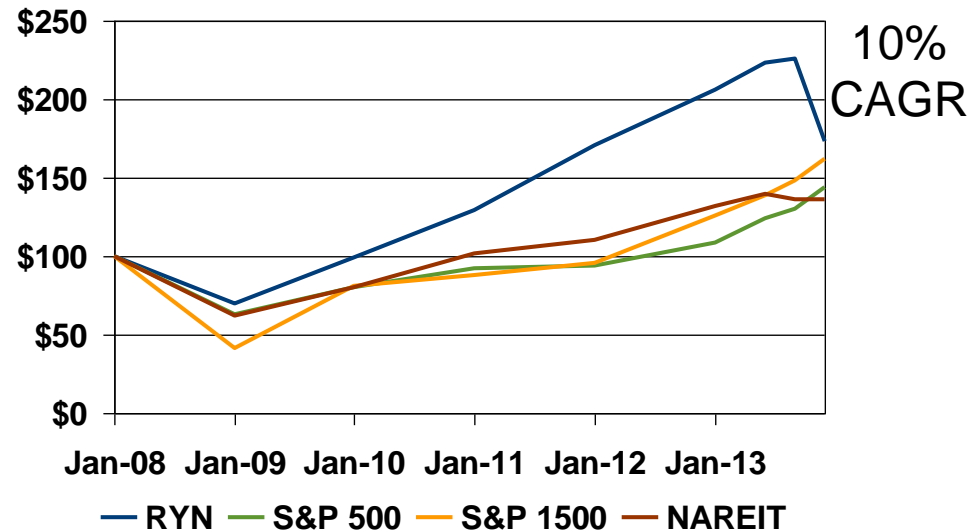
Market rewards strong execution, increased cash flow and steady dividend growth

Dividends Per Share
(post-split basis)



* The annualized amount is based on the quarterly dividend of \$0.49/share effective with the 3rd quarter 2013 distribution.

Total Shareholder Return*
Rayonier Compared to S&P 500, S&P 1500 Paper &
Forest Products Index and NAREIT Equity REIT Index
12/31/07 – 12/31/13



* \$100 invested on 12/31/07 in stock or index, including reinvestment of dividends.

Focus on increasing shareholder value

- Strategic focus on maximizing value, driving cash-flow growth and operational excellence
- Diverse mix of businesses
 - Generating strong cash flow
 - Significant operating flexibility
 - Geographic balance – 50% of sales to international customers in ~ 20 countries
- Attractive, growing dividend
- Strong balance sheet
 - Low debt levels and significant liquidity
- Tax efficient REIT structure

Growth drivers

- CSE expansion
 - Exit commodity fluff pulp and focus on high-value CS products
 - Position Performance Fibers as a specialty chemical business with expected long-term EBITDA growth

- Substantial leverage to housing recovery
 - Higher sawlog prices
 - Improved sawlog/pulpwood mix
 - Increased demand for real estate HBU properties

- Timberlands
 - Acquisitions with good operational fit that meet our investment criteria
 - Advanced silviculture and genetics increase value

Appendix



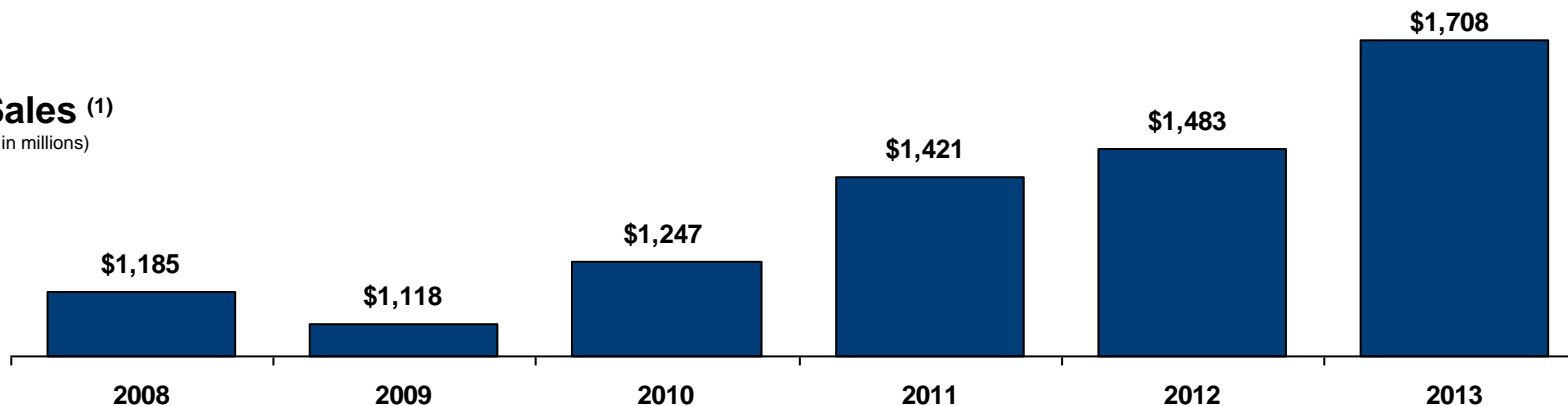
Definitions of Non-GAAP Measures

Cash Available for Distribution (CAD) is defined as cash provided by operating activities adjusted for capital spending, strategic divestitures, the change in committed cash, and other items which include cash provided by discontinued operations, 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.

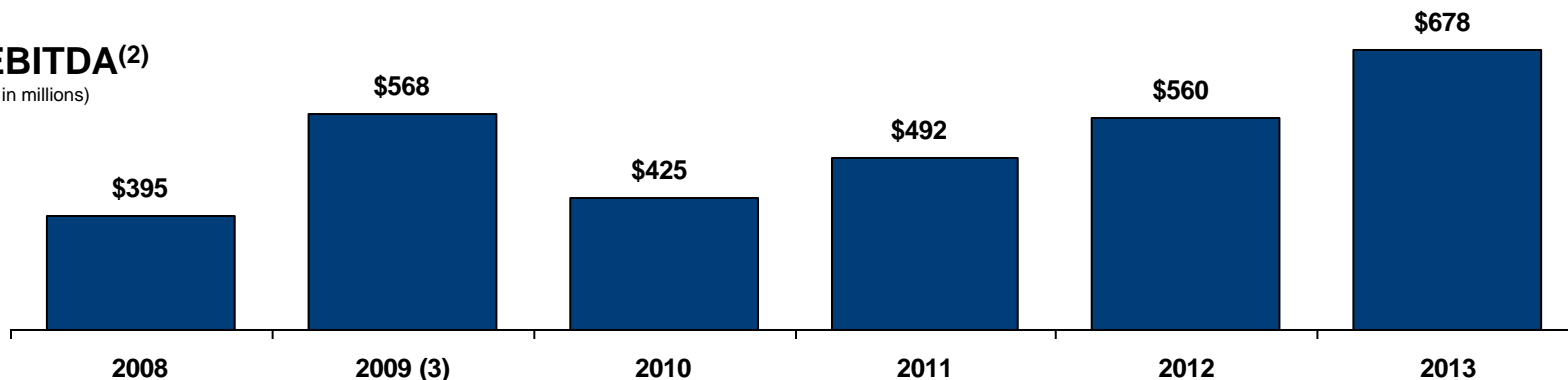
EBITDA is defined as earnings before interest, taxes, depreciation, depletion and amortization. EBITDA is a non-GAAP measure used by our Chief Operating Decision Maker, existing shareholders and potential shareholders to measure how the Company is performing relative to the assets under management.

Financial Overview – Sales and EBITDA

Sales (1)
(\$ in millions)



EBITDA(2)
(\$ in millions)



- (1) In first quarter 2013, the Wood Products segment was sold. As a result, sales have been restated to exclude Wood Products.
- (2) EBITDA is a non-GAAP measure defined and reconciled in the Appendix.
- (3) 2009 EBITDA included \$205M related to the alternative fuel mixture credit.

Reconciliation of Non-GAAP Measures

(\$ and shares in millions, except per share data)

	2013	2012	2011	2010 ⁽²⁾	2009	2008
Cash Available for Distribution (CAD)						
Cash provided by operating activities	\$545	\$446	\$432	\$495	\$307	\$340
Capital expenditures ⁽¹⁾	(159)	(158)	(145)	(138)	(92)	(105)
Change in committed cash	(4)	6	(6)	12	17	(10)
Excess tax benefits on stock-based compensation	8	8	6	5	3	3
Strategic divestitures	(54)	–	–	–	–	–
Other	(2)	2	–	10	(2)	(12)
Cash Available for Distribution	\$334	\$304	\$287	\$384	\$233	\$216
Shares outstanding	126.3	123.3	122.0	121.0	119.3	118.2
CAD per share	\$2.65	\$2.46	\$2.35	\$3.17	\$1.95	\$1.83

(1) Capital expenditures exclude strategic capital.

(2) 2010 CAD included \$189M received from the alternative fuel mixture credit.

Reconciliation of Non-GAAP Measures (Cont'd)

(\$ in millions)	Forest Resources	Real Estate	Performance Fibers	Other	Corporate & Eliminations	Total
2008						
Operating income	\$31	\$80	\$149	\$3	(\$32)	\$231
Depreciation, depletion and amortization	85	21	56	–	7	169
Income from discontinued operations ⁽¹⁾	–	–	–	–	(5)	(5)
EBITDA	\$116	\$101	\$205	\$3	(\$30)	\$395
Income from discontinued operations ⁽¹⁾	–	–	–	–	5	5
Depreciation, depletion, and amortization, discontinued operations	–	–	–	–	(5)	(5)
Pro forma EBITDA	\$116	\$101	\$205	\$3	(\$30)	\$395
2009						
Operating income	\$7	\$56	\$184	(\$3)	\$175	\$419
Depreciation, depletion and amortization	70	24	58	–	6	158
Income from discontinued operations ⁽¹⁾	–	–	–	–	(9)	(9)
EBITDA	\$77	\$80	\$242	(\$3)	\$172	\$568
Income from discontinued operations ⁽¹⁾	–	–	–	–	9	9
Depreciation, depletion, and amortization, discontinued operations	–	–	–	–	(5)	(5)
Income related to the AFMC	–	–	–	–	(205)	(205)
Pro forma EBITDA	\$77	\$80	\$242	(\$3)	(\$29)	\$367

- (1) In first quarter 2013, the Wood Products segment was sold. As a result, operating income has been restated to reflect the Wood Products operations as discontinued.

Reconciliation of Non-GAAP Measures (Cont'd)

(\$ in millions)	Forest Resources	Real Estate	Performance Fibers	Other	Corporate & Eliminations	Total
2010						
Operating income	\$33	\$53	\$214	\$1	(\$22)	\$279
Depreciation, depletion and amortization	59	22	58	–	4	143
Income from discontinued operations ⁽¹⁾	–	–	–	–	3	3
EBITDA	\$92	\$75	\$272	\$1	(\$15)	\$425
Income from discontinued operations ⁽¹⁾	–	–	–	–	(3)	(3)
Depreciation, depletion and amortization, discontinued operations	–	–	–	–	(3)	(3)
Gain on sale of a portion of NZ JV interest	–	–	–	–	(12)	(12)
Pro forma EBITDA	\$92	\$75	\$272	\$1	(\$33)	\$407
2011						
Operating income	\$47	\$47	\$298	\$1	(\$36)	\$357
Depreciation, depletion and amortization	63	12	56	–	5	136
Income from discontinued operations ⁽¹⁾	–	–	–	–	(1)	(1)
EBITDA	\$110	\$59	\$354	\$1	(\$32)	\$492
Income from discontinued operations ⁽¹⁾	–	–	–	–	1	1
Depreciation, depletion and amortization, discontinued operations	–	–	–	–	(3)	(3)
Increase in disposition reserve	–	–	–	–	7	7
Pro forma EBITDA	\$110	\$59	\$354	\$1	(\$27)	\$497

- (1) In first quarter 2013, the Wood Products segment was sold. As a result, operating income has been restated to reflect the Wood Products operations as discontinued.

Reconciliation of Non-GAAP Measures (Cont'd)

(\$ in millions)	Forest Resources	Real Estate	Performance Fibers	Other	Corporate & Eliminations	Total
2012						
Operating income	\$46	\$32	\$359	\$—	(\$36)	\$401
Depreciation, depletion and amortization	75	8	61	—	5	149
Income from discontinued operations ⁽¹⁾	—	—	—	—	10	10
EBITDA	\$121	\$40	\$420	\$—	(\$21)	\$560
Income from discontinued operations ⁽¹⁾	—	—	—	—	(10)	(10)
Depreciation, depletion and amortization, discontinued operations	—	—	—	—	(3)	(3)
Pro forma EBITDA	121	40	420	—	(34)	547
2013						
Operating income	\$81	\$56	\$311	\$2	(\$27)	\$423
Depreciation, depletion and amortization	99	17	75	—	1	192
Income from discontinued operations ⁽¹⁾	—	—	—	—	63	63
EBITDA	180	73	386	2	37	678
Gain related to consolidation of New Zealand JV	—	—	—	—	(16)	(16)
Income from discontinued operations ⁽¹⁾	—	—	—	—	(63)	(63)
Depreciation, depletion and amortization, discontinued operations	—	—	—	—	(1)	(1)
Pro forma EBITDA	\$180	\$73	\$386	\$2	(\$43)	\$598

(1) In first quarter 2013, the Wood Products segment was sold. As a result, operating income has been restated for all periods to reflect the Wood Products operations as discontinued. 2013 includes a \$64 million gain on the sale.

Reconciliation of Non-GAAP Measures (Cont'd)

(\$ in millions, except per share data)

	2013		2012		2011		2010		2009		2008	
Operating Income (1)	\$423		\$401		\$357		\$279		\$419		\$231	
Gain related to consolidation of New Zealand JV	(16)		-		-		-		-		-	
Gain on sale of portion of New Zealand JV interest	-		-		-		(12)		-		-	
Increase in disposition reserve	-		-		7		-		-		-	
AFMC	-		-		-		-		(205)		-	
Pro forma Operating Income	\$407		\$401		\$364		\$267		\$214		\$231	
	2013		2012		2011		2010		2009		2008	
	\$	EPS	\$	EPS	\$	EPS	\$	EPS	\$	EPS	\$	EPS
Net Income	\$372 \$2.86		\$279 \$2.17		\$276 \$2.20		\$218 \$1.79		\$313 \$2.60		\$149 \$1.25	
Gain related to consolidation of New Zealand JV	(16) (0.13)		-		-		-		-		-	
Gain on sale of portion of New Zealand JV interest	-		-		-		(12) (0.09)		-		-	
Discontinued operations	(42) (0.32)		(7) (0.06)		1 0.01		(2) (0.02)		6 0.05		3 0.02	
Increase in disposition reserve	-		-		4 0.03		-		-		-	
Reversal of reserve related to the taxability of the AFMC	-		-		(16) (0.12)		-		-		-	
CBPC	-		-		-		(24) (0.21)		-		-	
AFMC, net of \$16M tax reserve	-		-		-		-		(193) (1.60)		-	
Pro forma Net Income	\$314 \$2.41		\$272 \$2.11		\$265 \$2.12		\$180 \$1.47		\$126 \$1.05		\$152 \$1.27	

- (1) In first quarter 2013, the Wood Products segment was sold. Operating income has been restated for all periods to remove the effect of Wood Products.

Timberlands – Acres Owned or Managed

(in thousands)

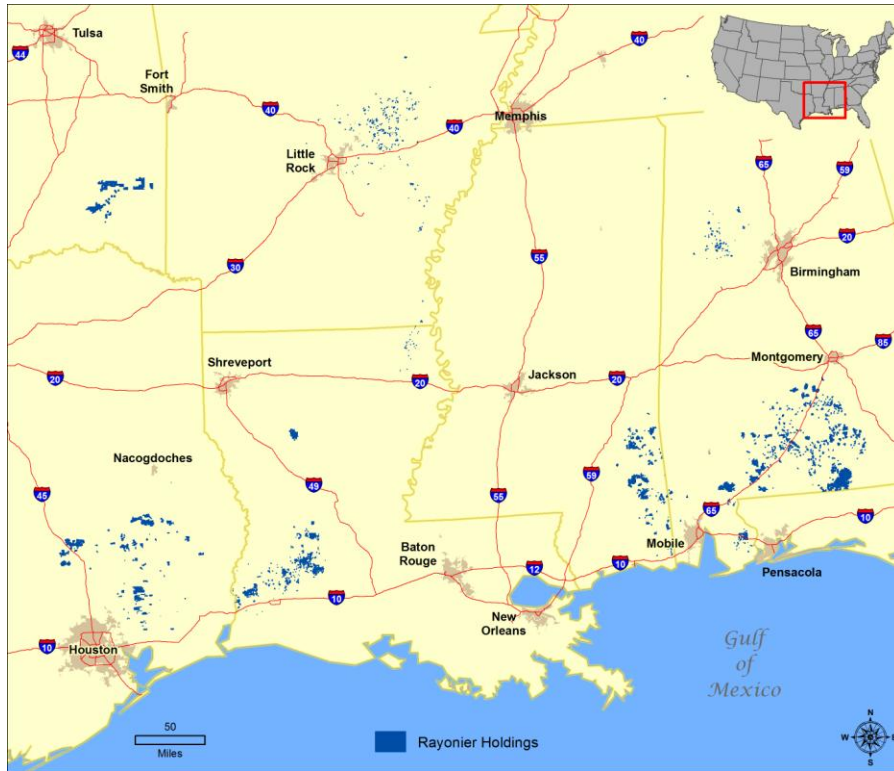
Northern	Washington	377
Gulf States	Alabama	322
	Louisiana	130
	Mississippi	92
	Oklahoma	93
	Texas	148
	Arkansas	22
	Total Gulf States	<u>807</u>
Atlantic	Georgia	659
	Florida	422
	Total Atlantic	<u>1,081</u>
New Zealand		314
Rayonier	Total Rayonier	<u><u>2,579</u></u>

Northern Forest Resources

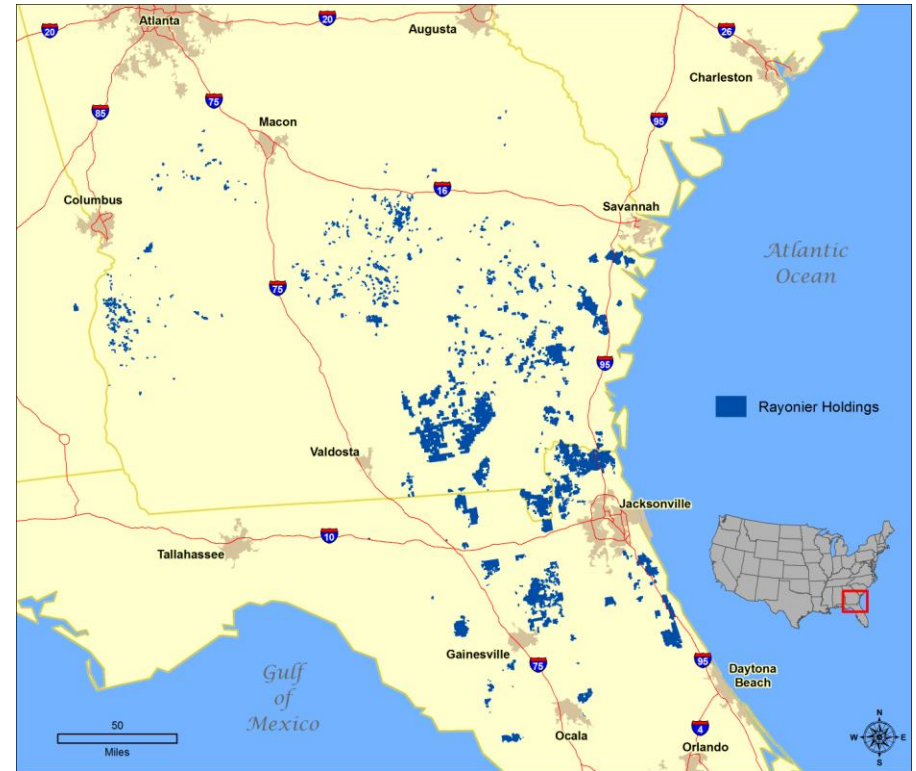


Washington

Gulf States and Atlantic Forest Resources

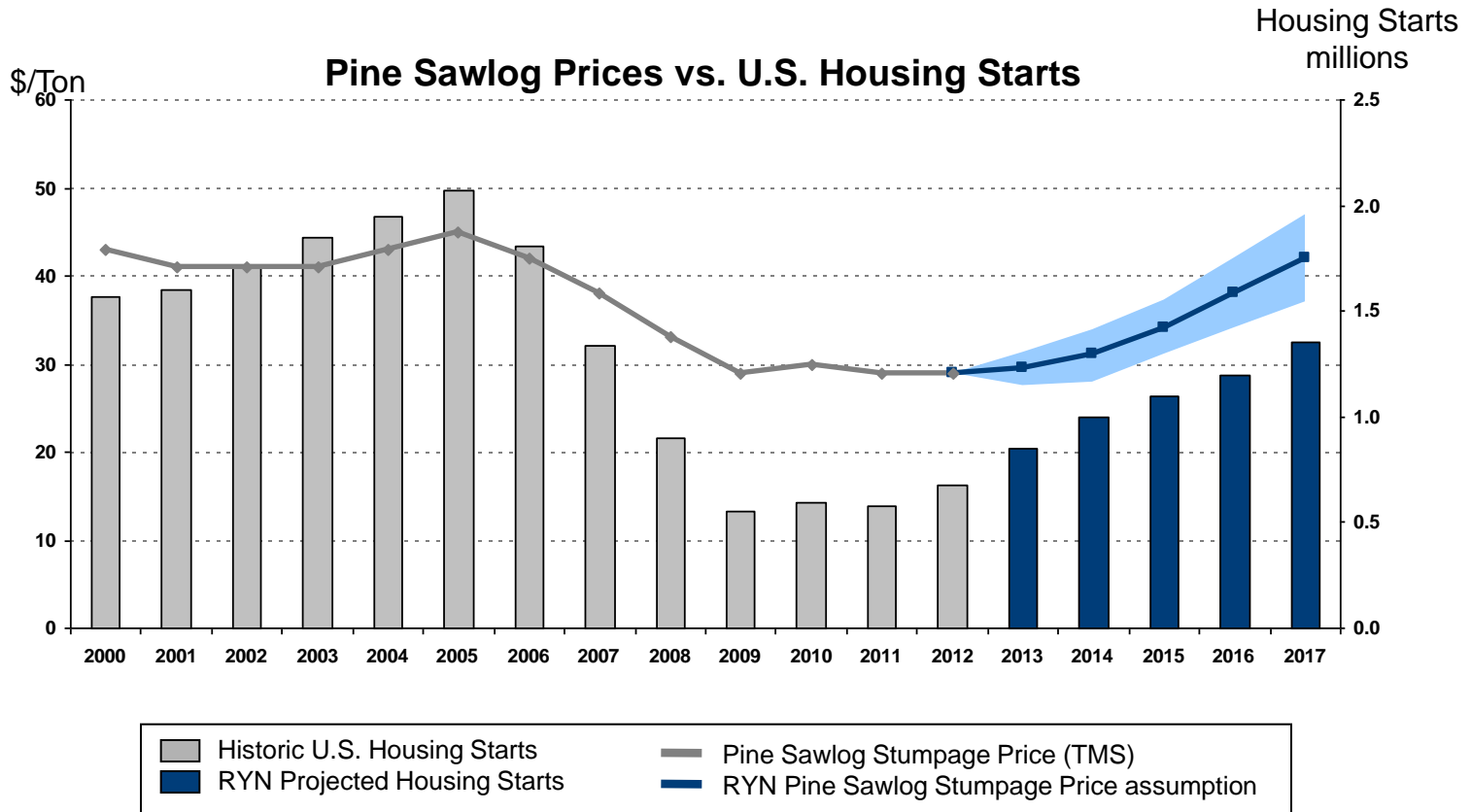


Gulf States Region



Atlantic Region

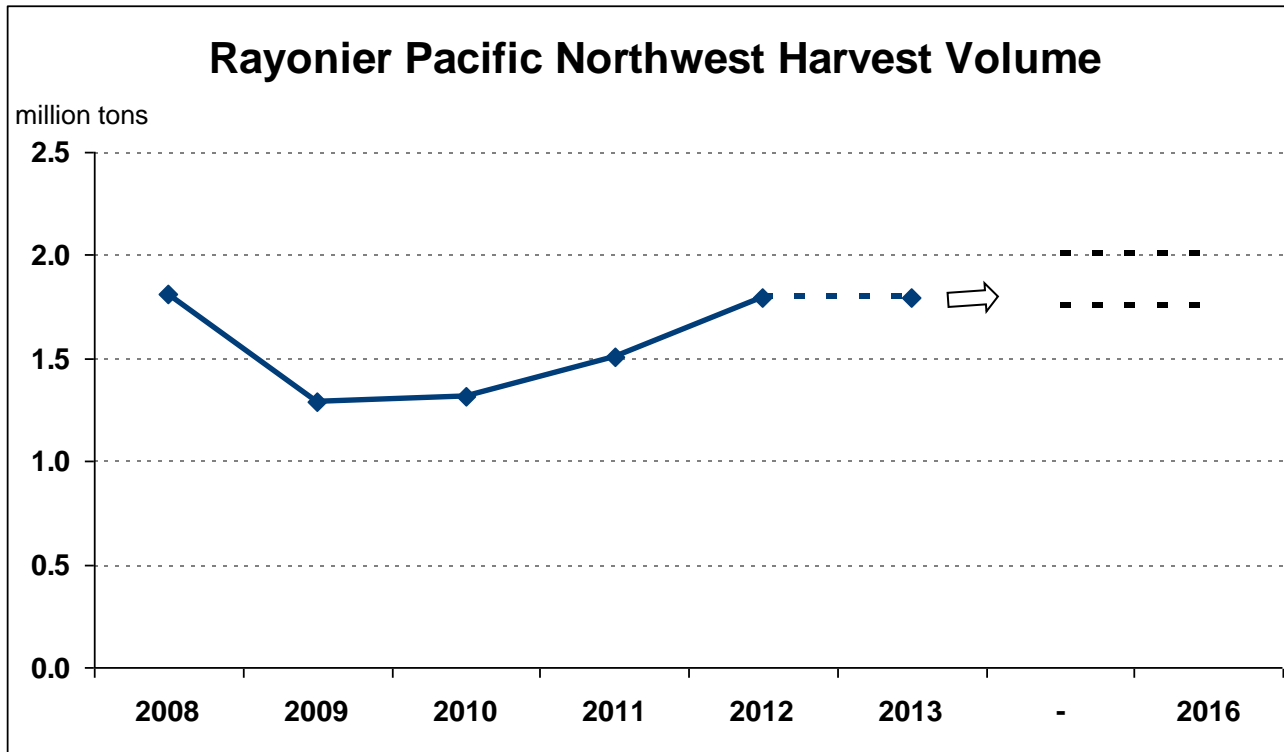
Demand/supply dynamics expected to drive sawlog prices higher



A \$10/ton sawlog price lift would increase EBITDA \$20 million

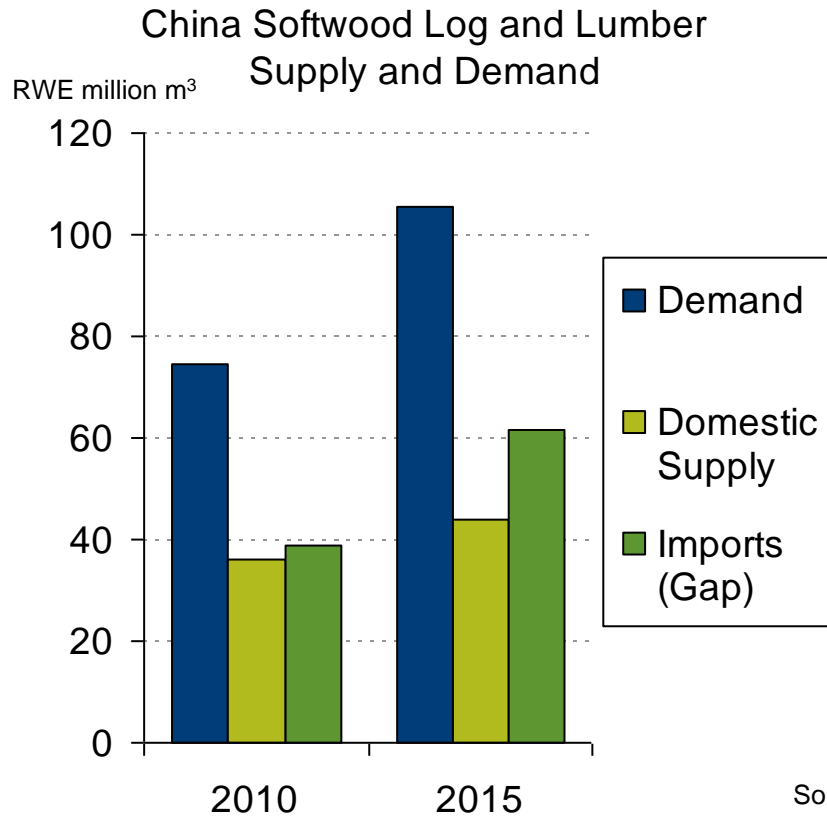
Note: EBITDA is a non-GAAP measure defined and reconciled in the appendix.

Harvesting deferred volume to meet increasing US and Asian demand

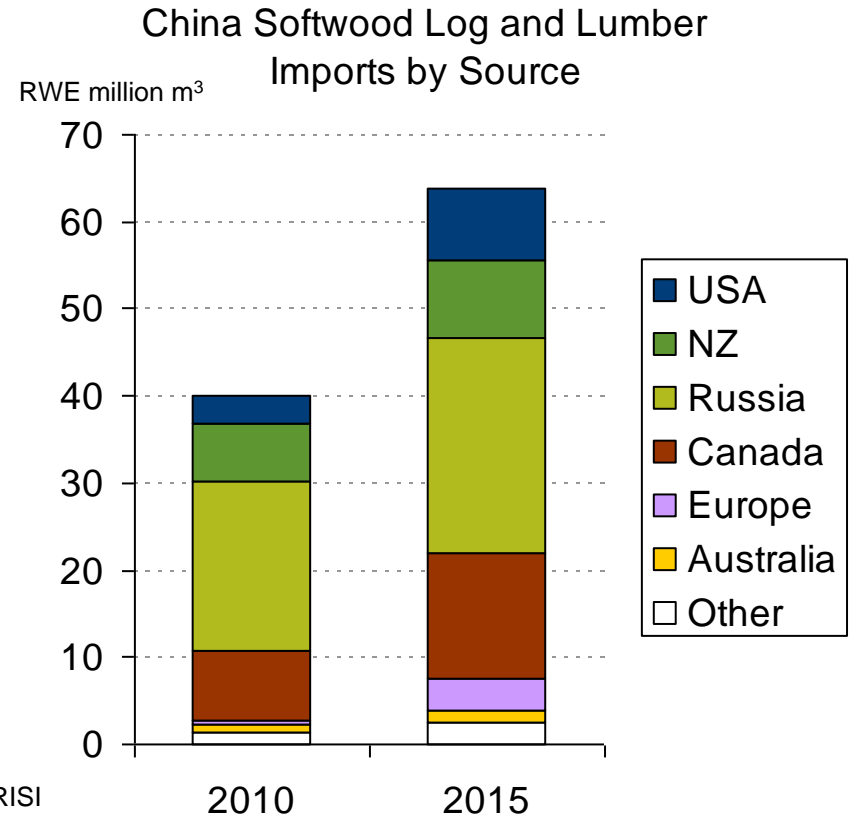


Harvest levels can be flexed to take advantage of strong market conditions

China's demand for softwood driving higher imports



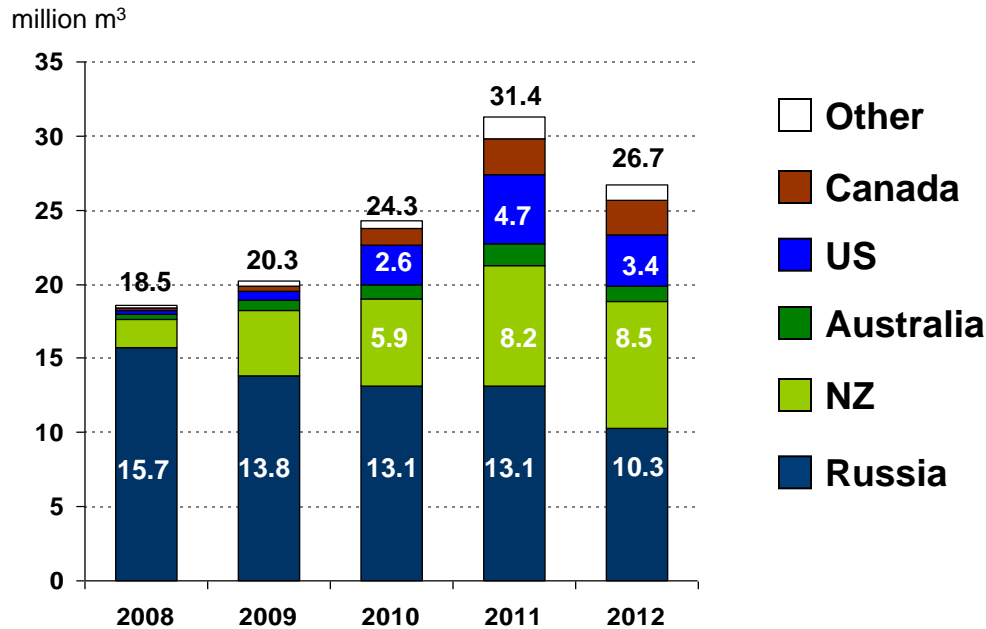
China softwood log and lumber deficit expected to grow 10% per year



U.S. and New Zealand exports expected to grow significantly

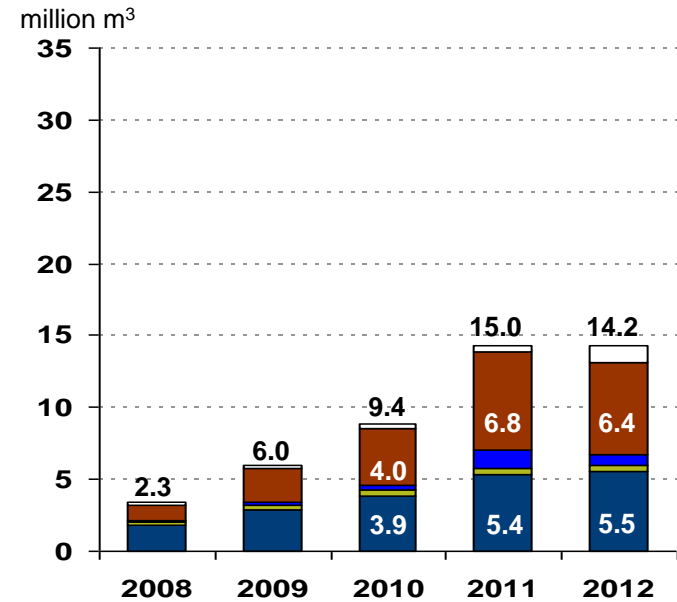
Chinese log imports continued long-term growth trend, but below exceptionally high 2011

Chinese Softwood Log Imports



Source: RISI

Chinese Softwood Lumber Imports



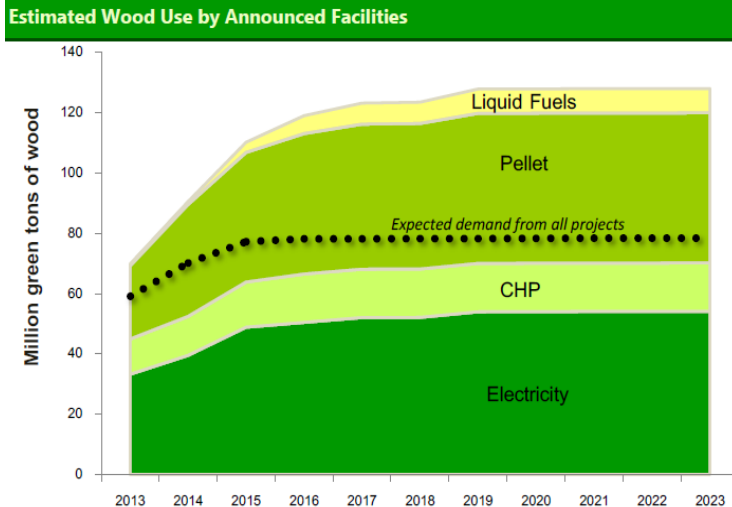
Structural decline in Canadian supply

- British Columbia (BC) timber and lumber supply projected to decline significantly due to mountain pine beetle
 - Over 43 million acres dead or dying
 - Estimated 53% of merchantable pine volume in BC has been killed
 - Expect ~58% of merchantable pine volume in interior BC will be dead by 2023
 - Estimated shelf life of 8 to 10 years
 - 60 year impact on future harvest levels
- Eastern Canadian harvest reductions of 10% to 20% implemented
- Combined projected impact of 7% to 15% reduction in North American lumber supply depending on lumber price level
 - Supply replacement flows primarily to U.S. timberlands

Source: BC Ministry of Forests and Range, Statistics Canada and Forest Economic Advisors

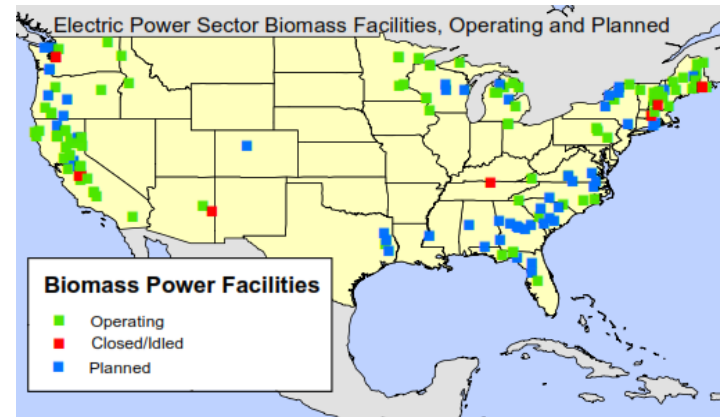
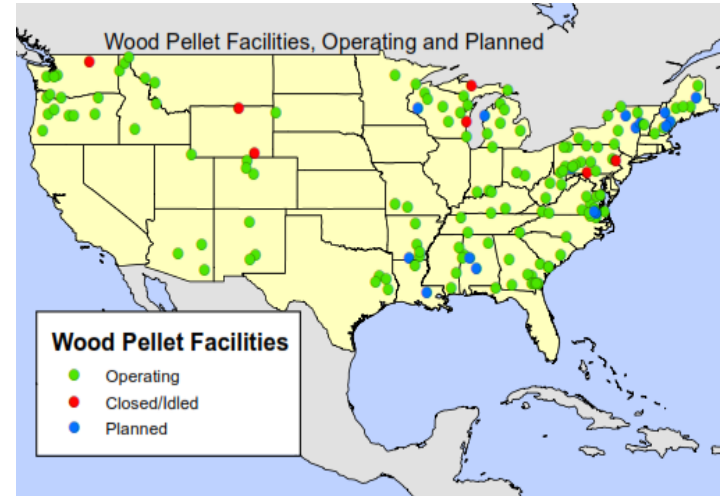
Biomass market

- Wood pellet demand increase driven by existing European energy policy
- Key recent start-ups
 - German Pellets Texas, LLC (TX)
 - Westervelt Renewable Energy (AL)
 - American Renewables LLC (FL)
- Key recent announcements - Green Circle (MS)
- Rayonier holdings of 1.9 million acres in the US South are strategically located to benefit from increased demand for wood fiber



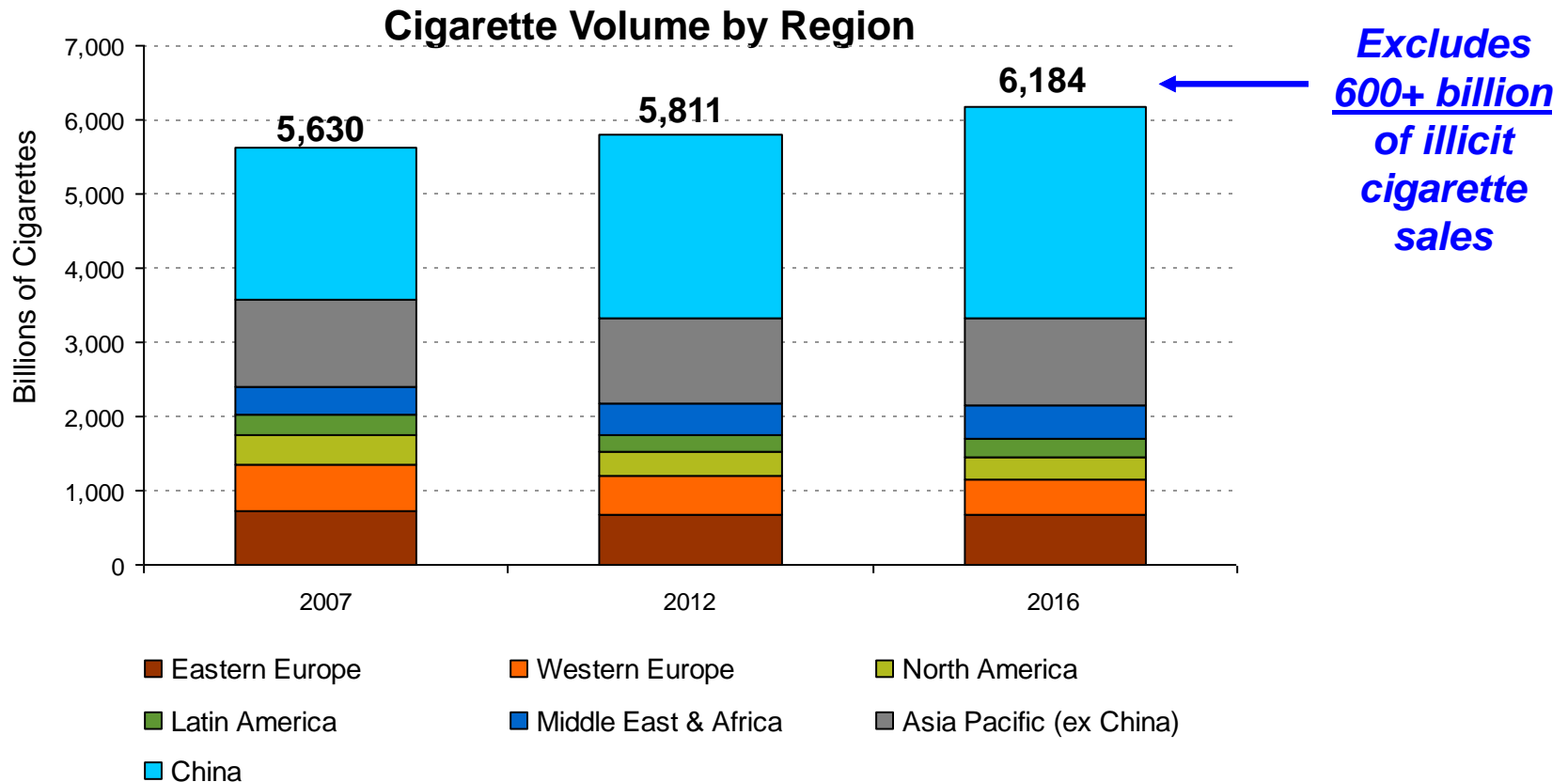
Source: Forisk Consulting

Note: Expected demand represents a subset of announced projects. CHP is combined heat and power, or cogeneration.



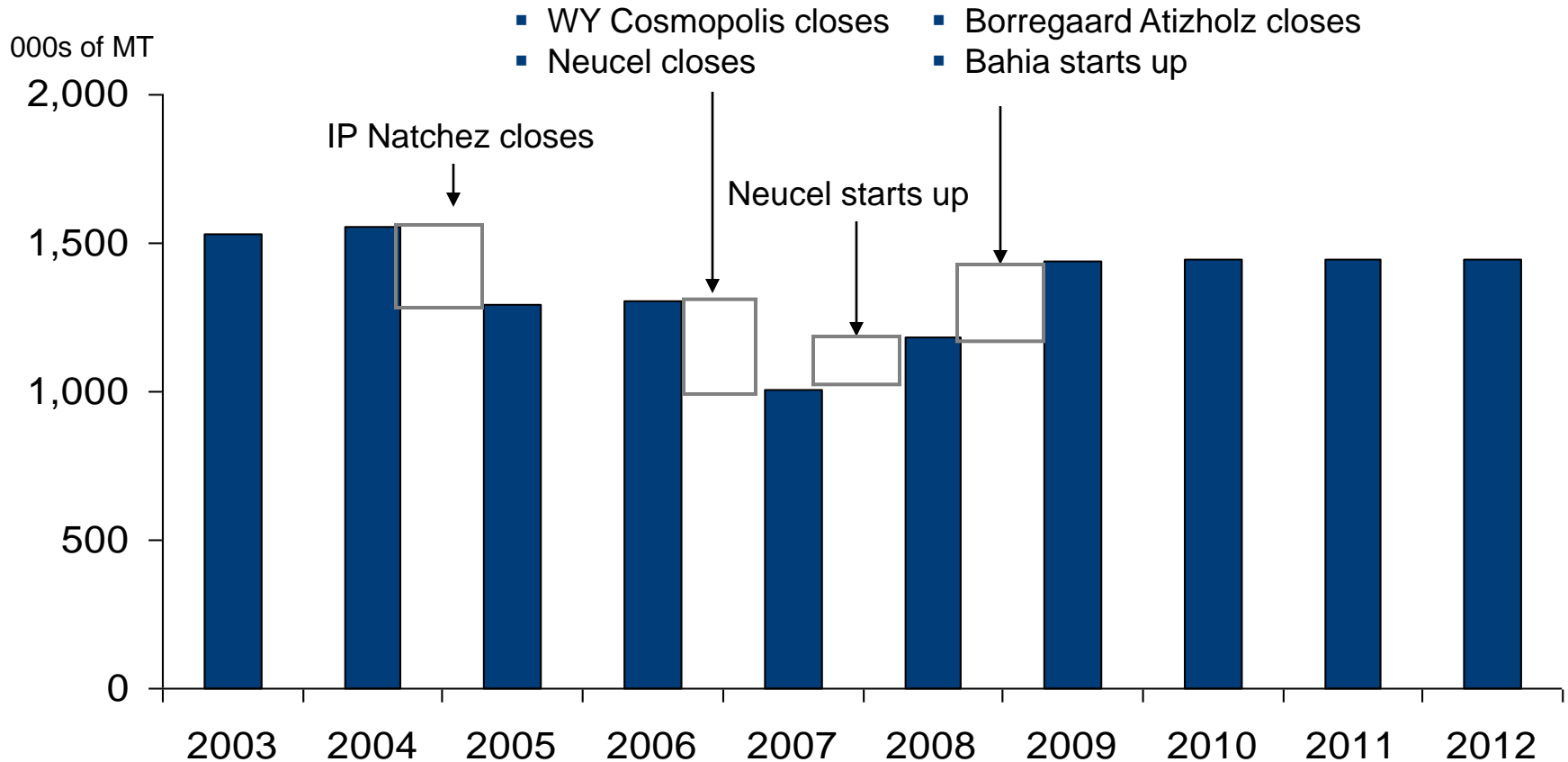
Source: Forest Economic Advisors *Quarterly Wood Biomass Forecasting Services*, August 2012

Global consumption growing 1% – 1.5% per year, despite efforts to reduce smoking rates



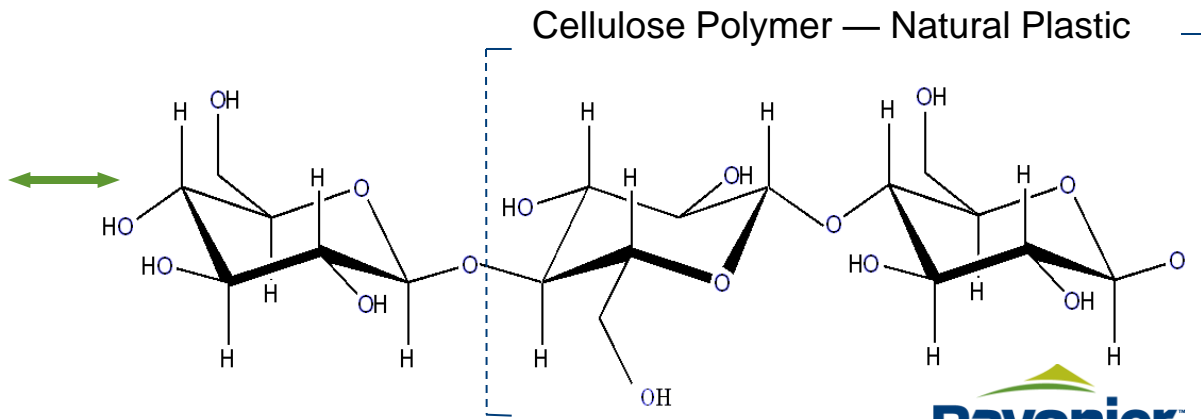
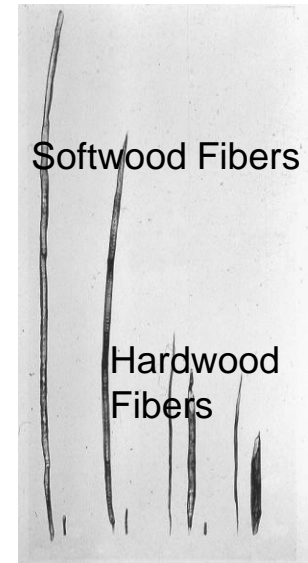
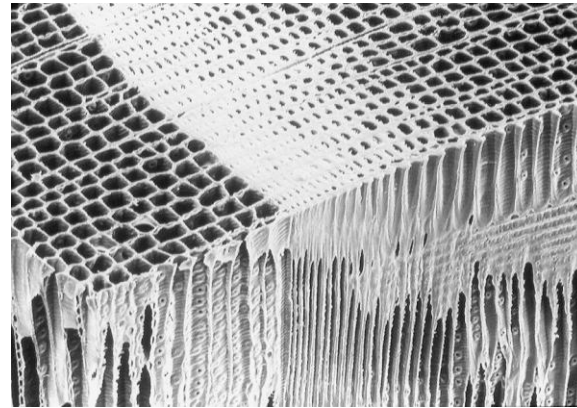
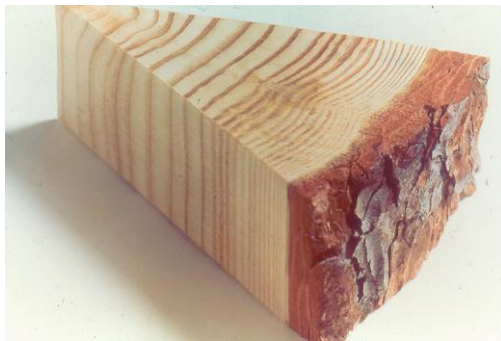
- The Asia Pacific region (including China) contains seven of the world's largest markets and six of the fastest-growing

CS Capacity: Three mill closures with only one expansion until 2013*



* Rayonier CSE (190K MT) and Buckeye (42K MT) expansions in 2013

The technical challenge: Isolate the natural cellulose polymers in wood — nature's most abundant, versatile plastic



Technical support enables customers to maximize throughput and achieve product attributes

- Strong technical partnerships with our customers and their customers
 - Customer-driven research
 - Experienced scientists and engineers with leading expertise in cellulose chemistry
 - Comprehensive understanding of our customers' processes
 - Majority of relationships exceed 50 years
 - Unmatched analytical capability and end-use testing capability
 - Trust in the confidentiality of our business
- Pilot plant lines that simulate Jesup and Fernandina mill pulping and bleaching processes
- Ability to customize each product grade to meet the exacting requirements of a specific end use

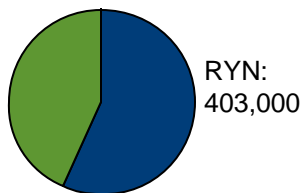


Projected steady growth in CS demand

Growth Rate and Drivers

2012

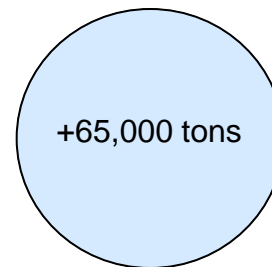
Acetate: 710,000 tons



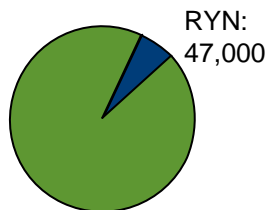
1.5 – 2% p.a.
Cigarette Tow
LCD Screens

2017

Acetate: 775,000 tons

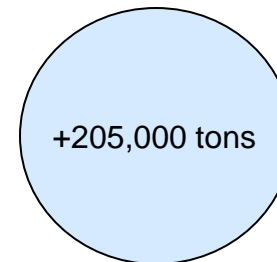


Ethers: 605,000 tons*

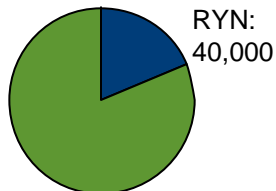


5 – 7% p.a.
Food Products
Pharmaceutical

Ethers: 810,000 tons

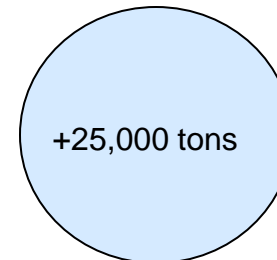


High Strength Viscose and
Specialty High Value:
185,000 tons



2 – 3% p.a.
Sausage Casings

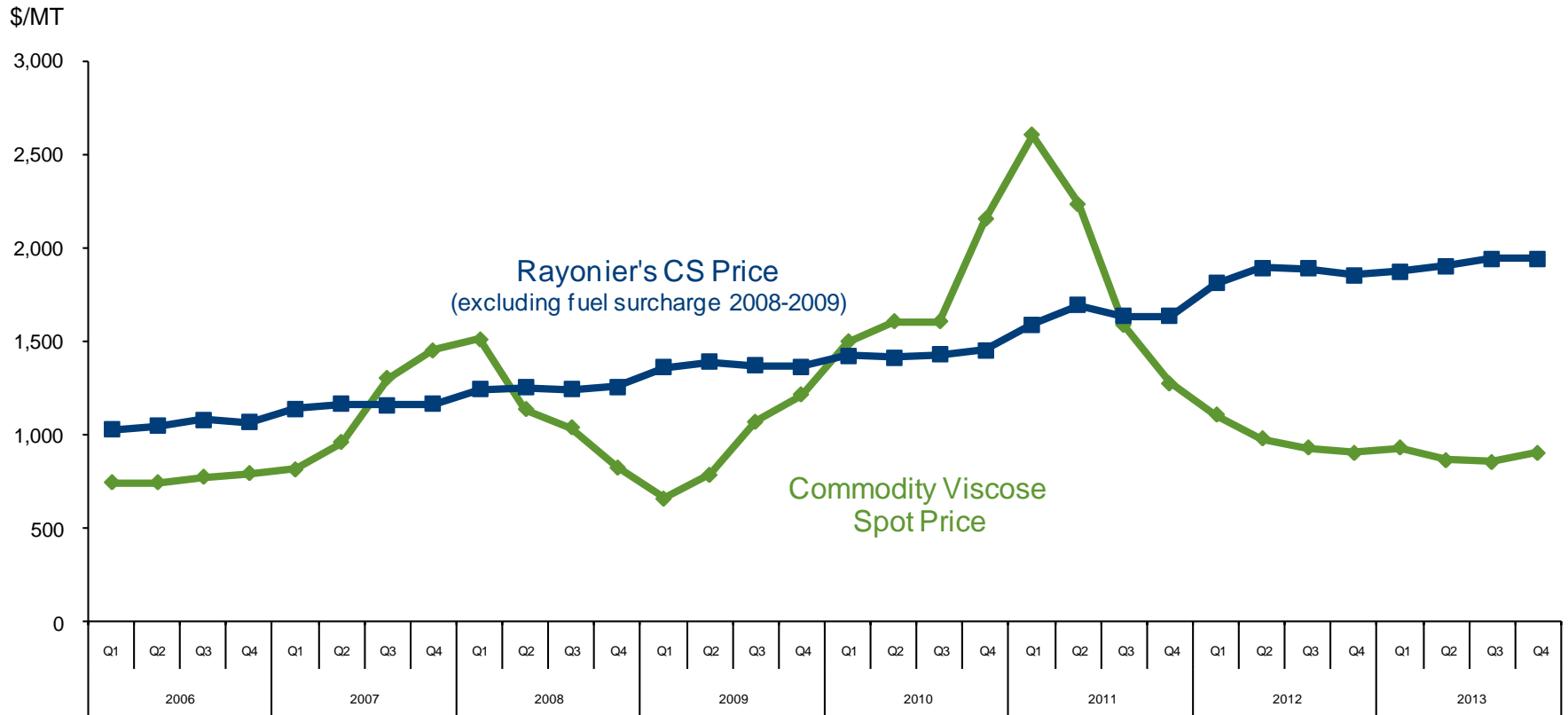
High Strength Viscose and
Specialty High Value:
210,000 tons



Source: Public information and privately commissioned studies

*Includes some lower purity, less demanding grades

CS market / pricing largely independent of commodity viscose pricing

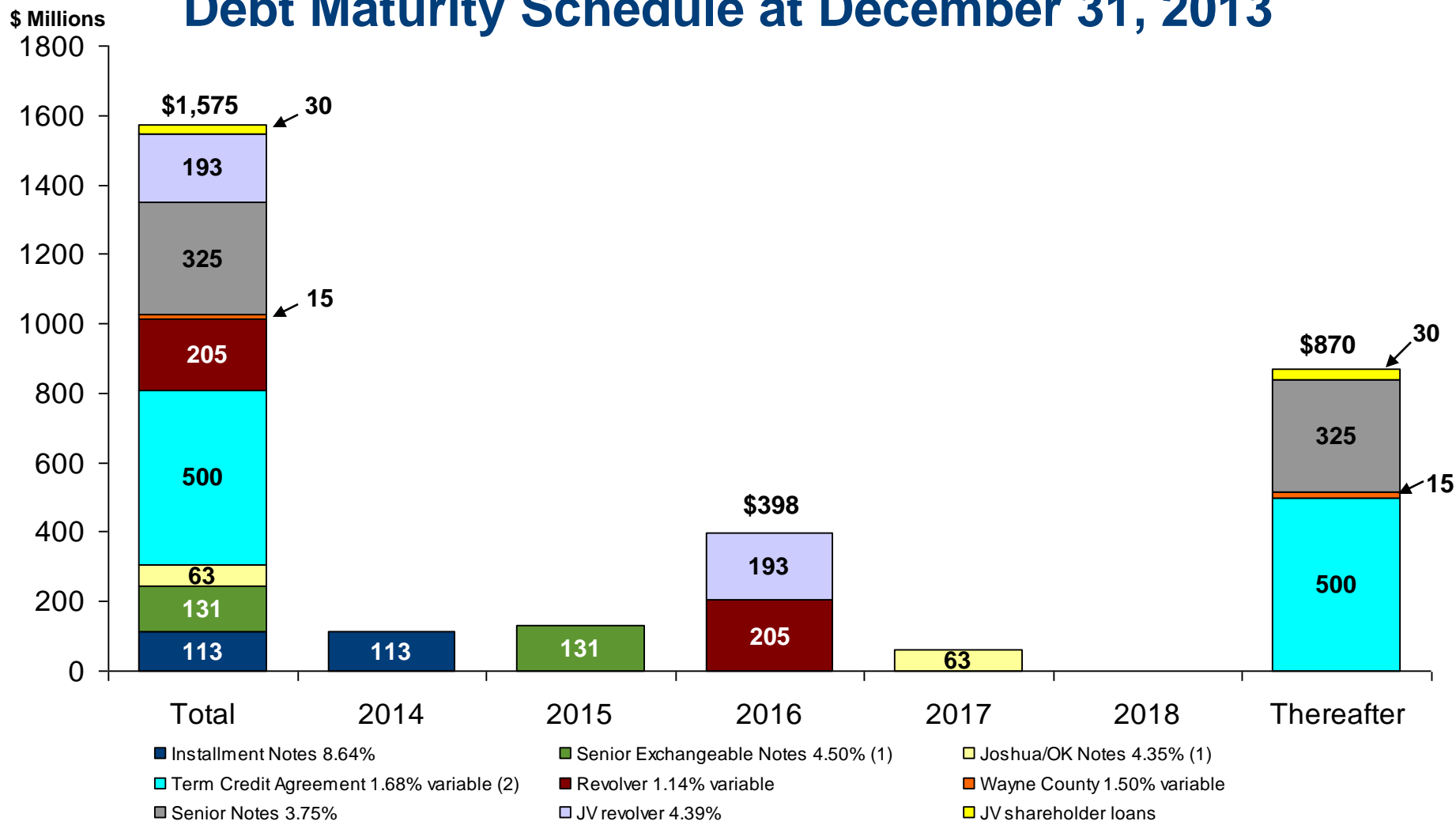


Note: CS prices were higher in Q2 2011, Q2 2012 and Q3 2012 due to sales mix.

Source: PCI Fibres, CCF Group and Rayonier



Debt Maturity Schedule at December 31, 2013

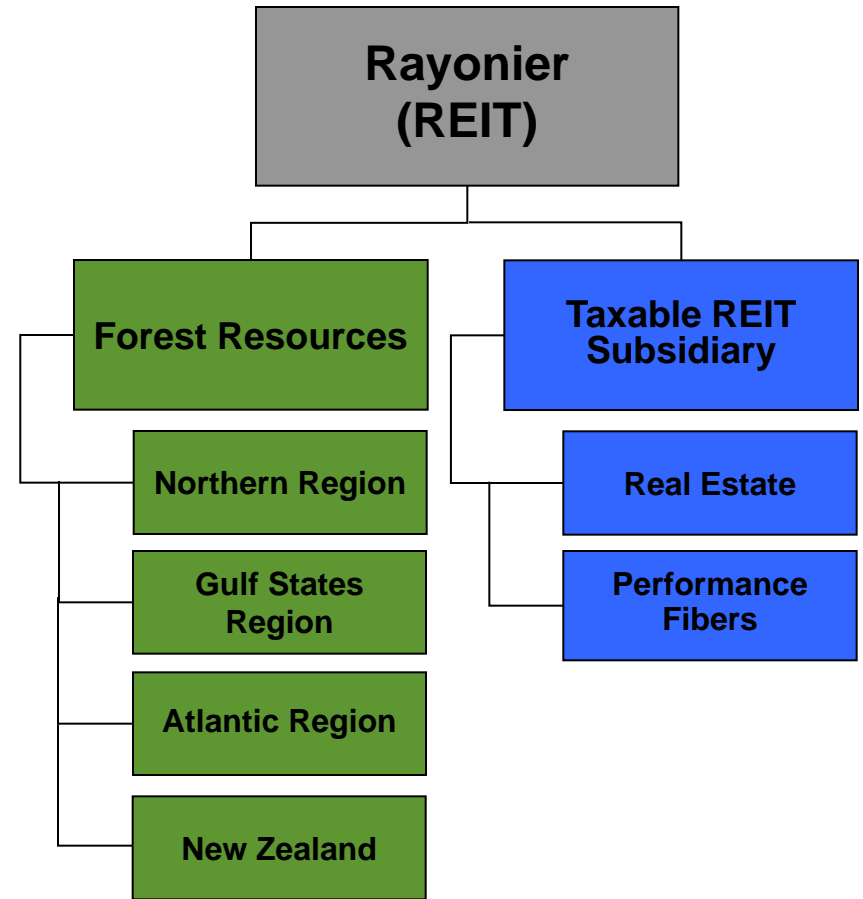


- 1) The Sr Exchangeable Notes and the Joshua/OK Notes are valued at \$128M and \$65M, respectively, on the company's consolidated balance sheet pursuant to current accounting rules. The face value of the Senior Exchangeable Notes are \$131M and the Joshua/OK Notes are \$63M, reflecting the company's responsibility at maturity.
- 2) In the fourth quarter 2012, we paid off our 2012 Senior Exchangeable Notes outstanding balance of \$300M at 3.75% from proceeds of a \$640M 7 year Term Credit Agreement at LIBOR + 150 bps. As of December 31, 2013 this Term Credit Agreement had \$140M available.

Company structure

Highly efficient structure

- Majority of debt at Taxable REIT Subsidiary (TRS)
 - Resulting tax shield reduces cost of capital
- Facilitates like-kind exchanges



REIT Technical / Other Considerations

Key REIT Definitions / Parameters

- **REIT Taxable Income** – REITs are required to distribute 90% of their taxable income (excluding capital gains and certain other income) in order to maintain REIT status; any amount not distributed by the REIT is taxed at corporate rates
- **75% Income Test** – At least 75% of REIT gross income must be derived from real property sources (including the sale of timber)
 - No more than 25% of gross income can be derived from other sources, including dividends from a TRS and/or any other dividends and interest
- **75% Asset Test** – At the close of each quarter, at least 75% of the value of the REIT's gross assets must be comprised of real estate assets (including timberlands), cash items and government securities
- **25% Asset / Securities Limitation** – At the close of each quarter, no more than 25% of the REIT's gross assets can be securities; no more than 5% of the REIT's assets can be securities of a single issuer (other than a TRS); and the REIT can own no more than a 10% interest of a single issuer (other than a TRS)
- **TRS Limitation** – The fair market value of the securities of a TRS owned by a REIT cannot exceed 25% of the fair market value of the REIT's gross assets