



First Quarter 2014 Financial Presentation Material



Safe Harbor

Certain statements in this document regarding anticipated financial outcomes including earnings guidance, if any, business and market conditions, outlook and other similar statements relating to Rayonier's future events, developments or financial or operational performance or results, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are identified by the use of words such as "may," "will," "should," "expect," "estimate," "believe," "intend," "project," "anticipate" and other similar language. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. While management believes that these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements.

Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent Forms 10-Q, 10-K, 8-K and other reports to the SEC.

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; risks associated with customer concentration and potential impact of future tobacco-related restrictions in our Performance Fibers business; 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; current litigation with the Altamaha Riverkeeper relating to the Jesup mill's permitted wastewater discharge (which has been disclosed in our public filings); 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 recent 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.

In addition, specifically with respect to the separation of Rayonier Advanced Materials Inc. from Rayonier Inc., 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: uncertainties as to the timing of the separation and whether it will be completed, the possibility that various closing conditions for the separation may not be satisfied or waived, the expected tax treatment of the separation, the impact of the separation on the businesses of Rayonier Inc. and Rayonier Advanced Materials Inc., the ability of both companies to meet debt service requirements, the availability and terms of additional financing required by Rayonier Advanced Materials Inc., and expectations of credit rating.

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

Financial Highlights

(\$ Millions – Except EPS)

	<u>1Q 2014</u>	<u>4Q 2013</u>	<u>1Q 2013</u>
<u>Profitability</u>			
Sales	387	520	394
Operating income	65	113	115
Pro forma operating income*	68	115	115
Net income attributable to Rayonier Inc.	43	80	148
Pro forma net income*	46	83	103
Diluted Earnings Per Share:			
Income from continuing operations	0.34	0.64	0.79
Net income	0.34	0.62	1.13
Pro forma net income*	0.36	0.65	0.79
Average diluted shares (millions)	128.4	128.9	130.4
Three Months Ended March 31,			
<u>Capital Resources and Liquidity</u>	<u>2014</u>	<u>2013</u>	
Cash Provided by Operating Activities	99	90	
Cash Provided by Investing Activities	-	24	
Cash Used for Financing Activities	(142)	(129)	
EBITDA*	112	219	
Pro forma EBITDA*	115	151	
Cash Available for Distribution (CAD) *	72	67	
	<u>3/31/2014</u>	<u>12/31/2013</u>	
Debt	1,508	1,574	
Debt / Capital	46%	47%	
Cash	156	200	

* Non-GAAP measures (see pages 6 and 18 - 20 for definitions and reconciliations).

Variance Analysis – 4Q 13 to 1Q 14

(\$ Millions)

	Pro Forma Operating Income*
4Q 2013	\$ 115
Variance	
Forest Resources	
U.S. Operations	
- Volume	3
- Price	6
- Costs / Mix / Other	(6)
New Zealand	
- Price	3
- Volume / Cost / Other	(2)
Real Estate	(25)
Performance Fibers	
- CS Price	(13)
- CS Volume	(11)
- Costs / Mix / Other	(4)
Corporate / Other	2
1Q 2014	\$ 68

* Non-GAAP measure (see page 20 for reconciliation).

Variance Analysis – 1Q 13 to 1Q 14

(\$ Millions)

	Pro Forma
	Operating Income*
	\$ 115
1Q 2013	
Variance	
Forest Resources	
U.S. Operations	
- Volume	6
- Price	7
- Costs / Mix / Other	-
New Zealand	
- Price	-
- Volume / Cost / Other	2
Real Estate (Non-strategic volume)	(16)
Performance Fibers	
- CS Price	(6)
- CS Volume	(14)
- CS Cost / Mix / Other	(6)
- Costs / Mix / Other	(17)
Corporate / Other	(3)
1Q 2014	\$ 68

* Non-GAAP measure (see page 20 for reconciliation).

Cash Available for Distribution*

(\$ Millions – Except Per Share Data)

	Three Months Ended March 31,	
	2014	2013
Cash Available for Distribution (CAD)		
Cash provided by operating activities	\$ 99	\$ 90
Capital expenditures **	(37)	(33)
Change in committed cash	5	1
Excess tax (deficiency) benefit on stock-based compensation	(1)	6
Other	6	3
Cash Available for Distribution	<u>\$ 72</u>	<u>\$ 67</u>
Shares outstanding	<u>126,451,505</u>	<u>125,903,058</u>
CAD per share	\$ 0.57	\$ 0.53
Dividends per share	\$ 0.49	\$ 0.44

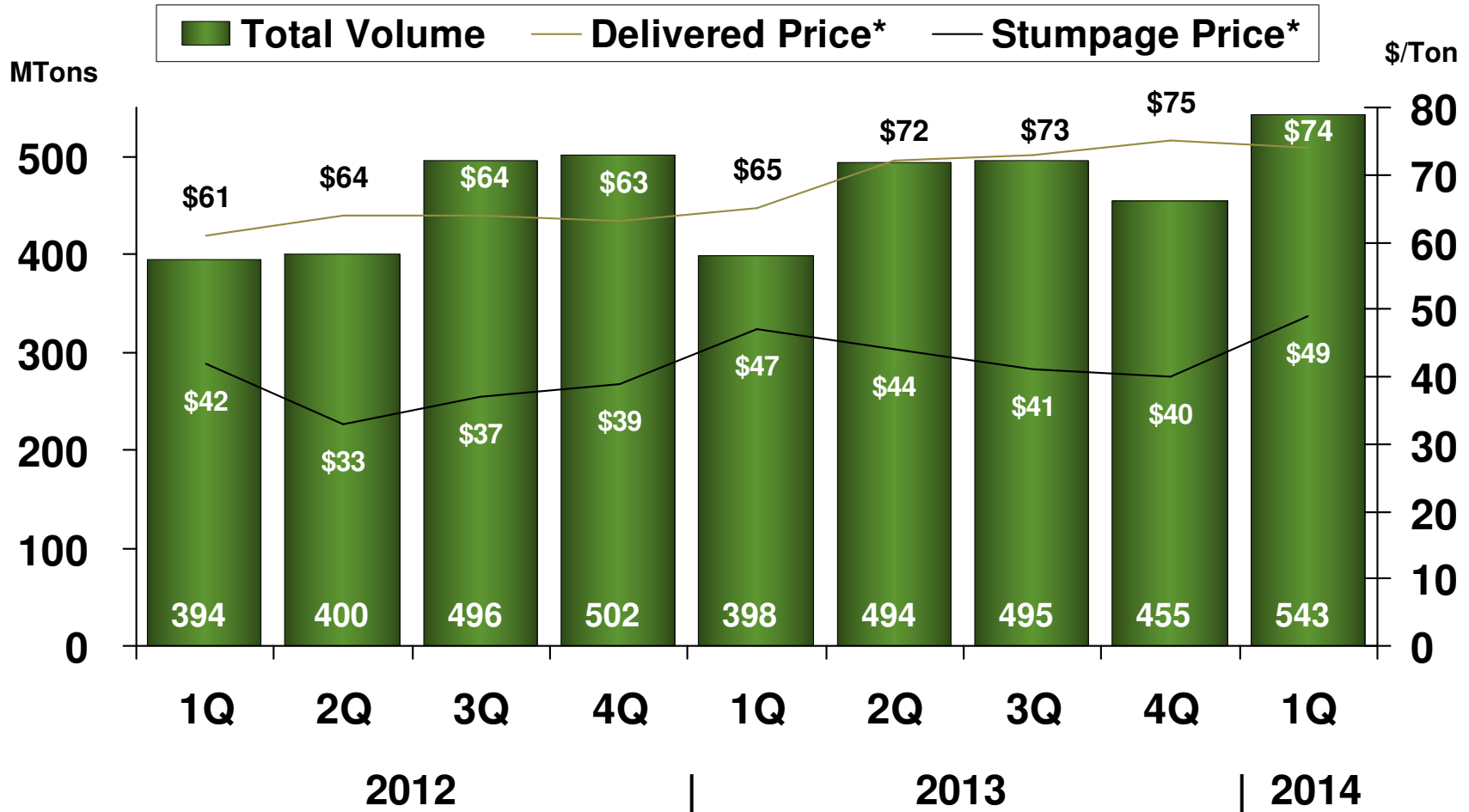
* Non-GAAP measure (see page 18 for definition).

** Capital expenditures exclude strategic capital. For the three months ended March 31, 2014, strategic capital totaled \$11 million for timberland acquisitions. For the three months ended March 31, 2013, strategic capital totaled \$58 million for the Jesup mill cellulose specialties expansion and \$2 million for timberland acquisitions.

Markets and Operations

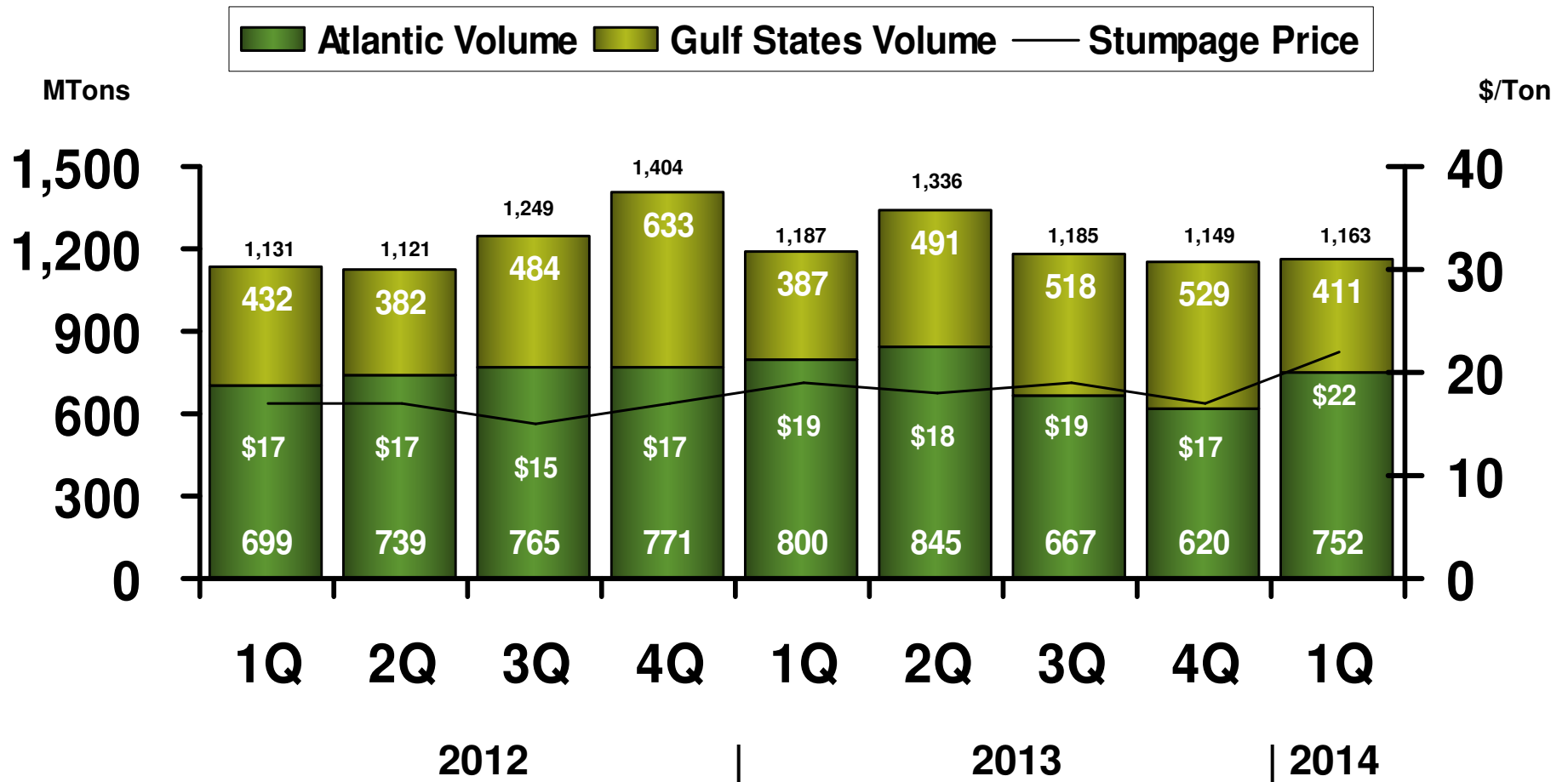


Northern U.S. Timber Sales



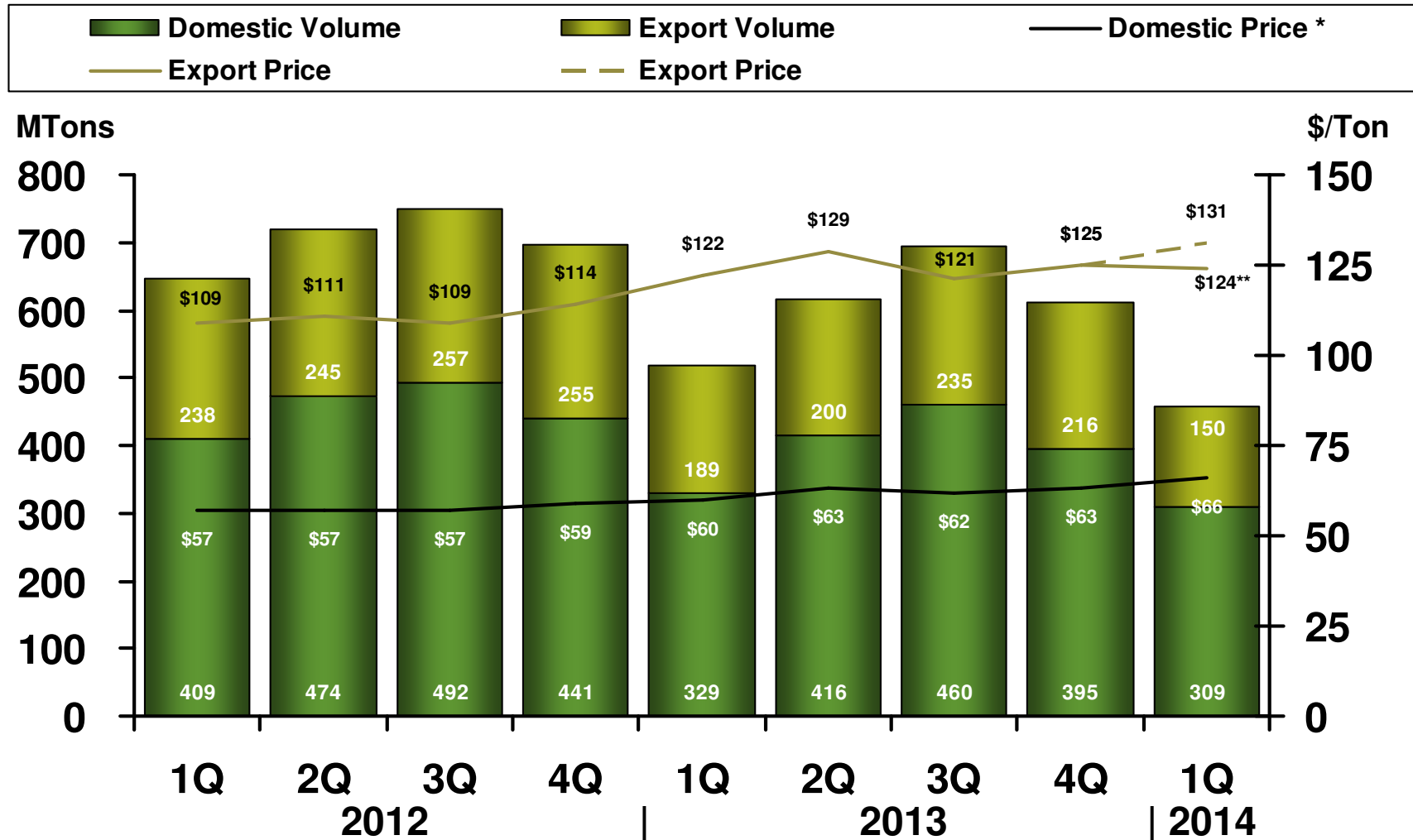
* Delivered pricing includes costs to cut and transport the logs. With stumpage sales, the buyer is responsible for cutting and transportation.

U.S. Pine Timber Sales *



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

New Zealand Log Sales

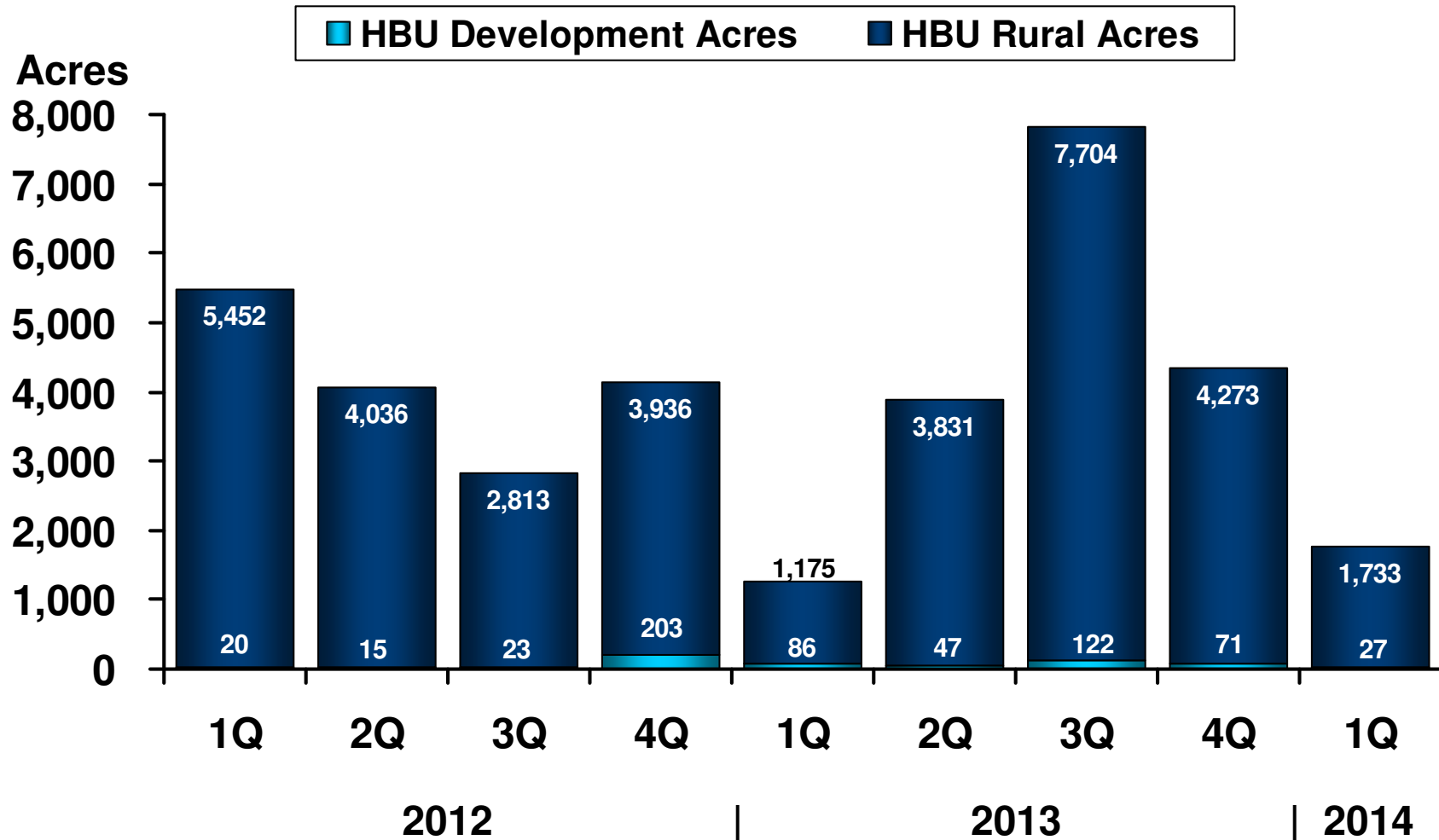


* Domestic price is affected by exchange rate fluctuations. Third quarter 2013 increased 4.8% in NZ\$ over second quarter 2013.
 ** January 2014 included a higher proportion of sales with FOB shipping terms, which lowered the average quarterly price for Q1 2014 by \$7.

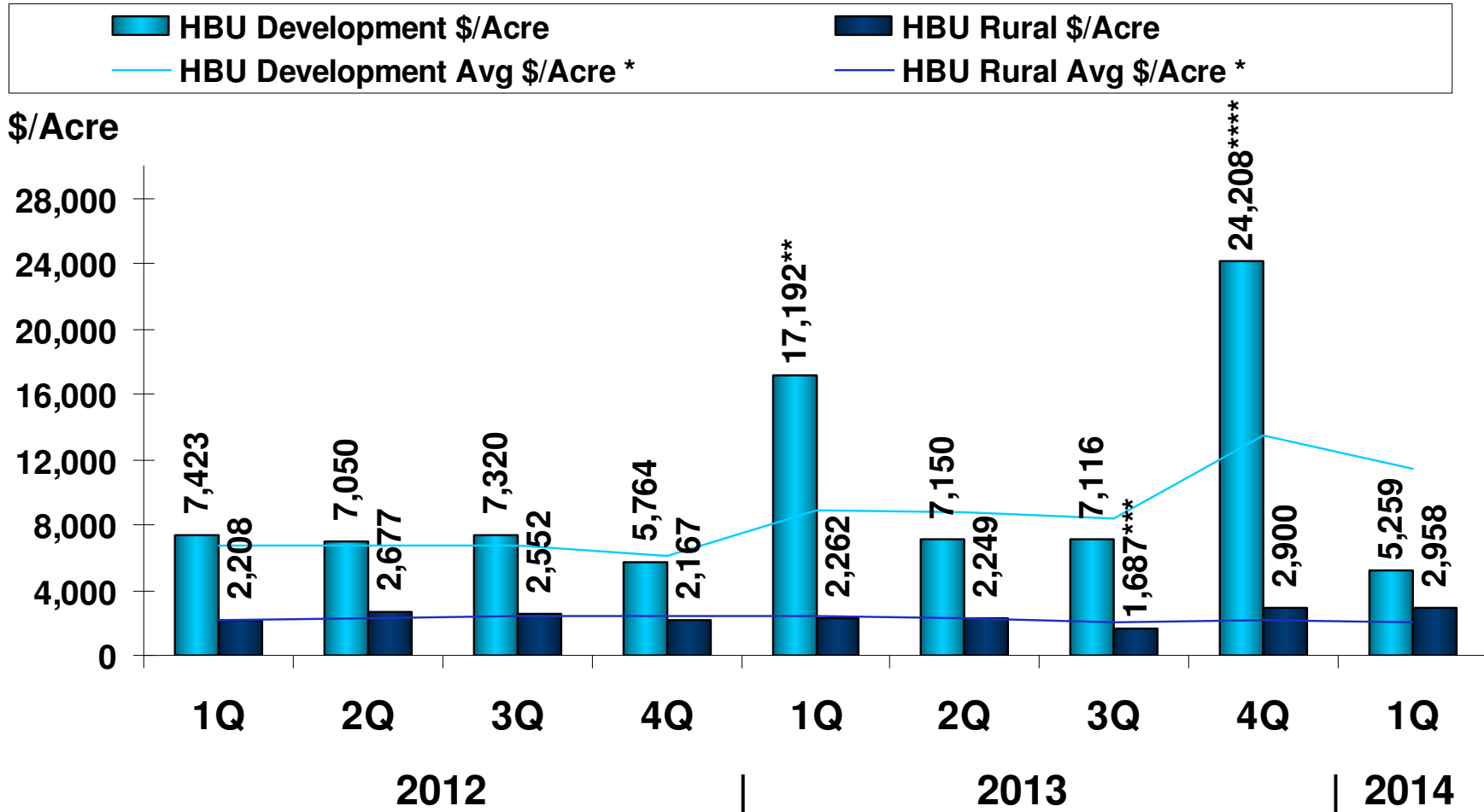
Notes: Beginning in second quarter 2013 New Zealand operating results were fully consolidated into Rayonier Inc.'s financial statements. Pricing includes delivered log pricing only. Volumes include domestic and export delivered log sales. Stumpage sales are included in domestic volumes.



HBU Real Estate Acres - Sales



HBU Real Estate Sales Prices



* Four quarter rolling weighted average.

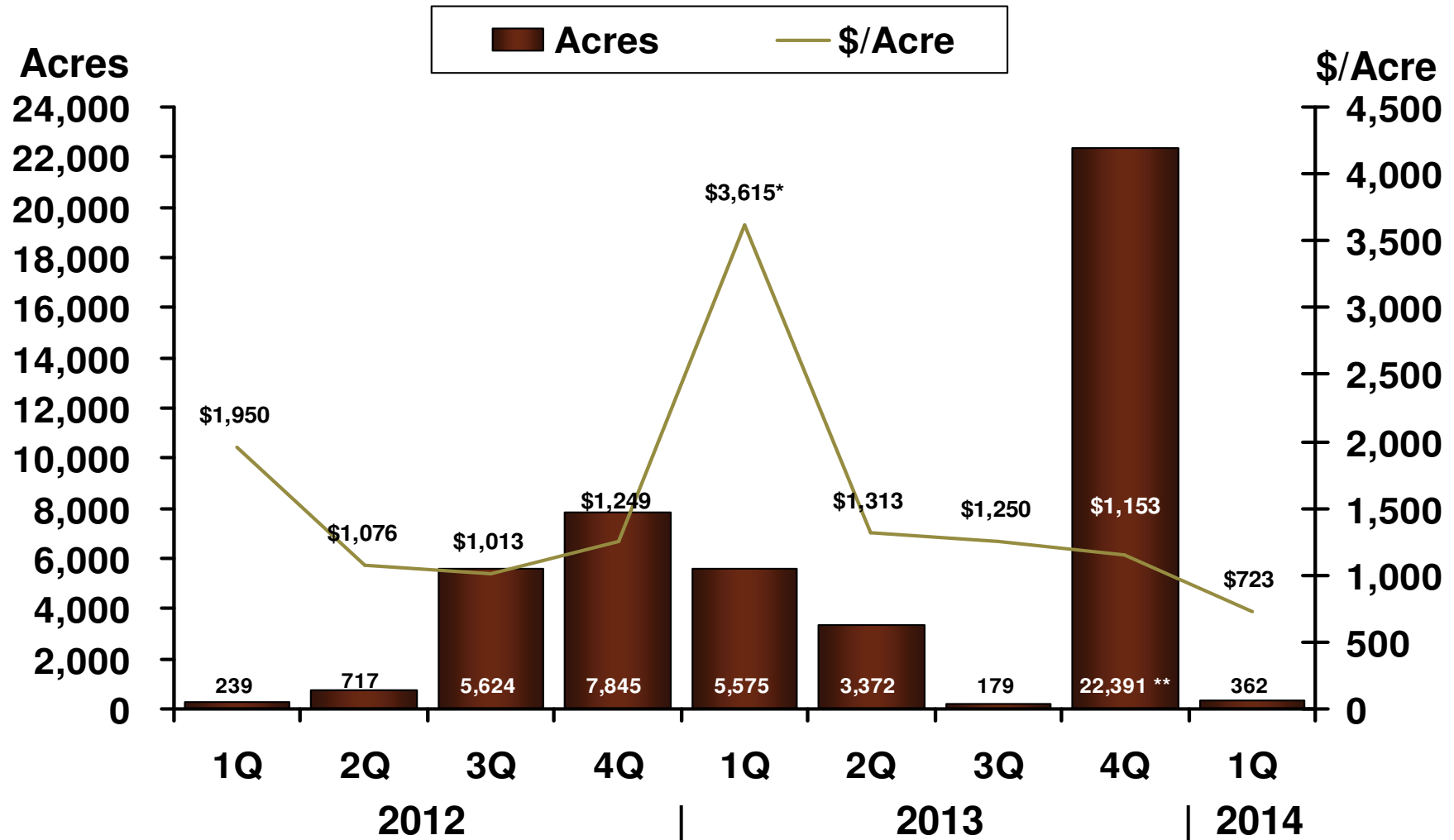
** First quarter 2013 includes a sale of 4 acres for a roadway infrastructure project for \$242k per acre.

*** Third quarter 2013 includes a 4,500 acre sale in which Rayonier retained timber harvest rights. Including the value of the timber harvest rights, third quarter 2013 Rural dollars per acre would be approximately \$2,060.

**** Fourth quarter 2013 includes a 45 acre sale in the Belfast Commerce Center for \$35k per acre.



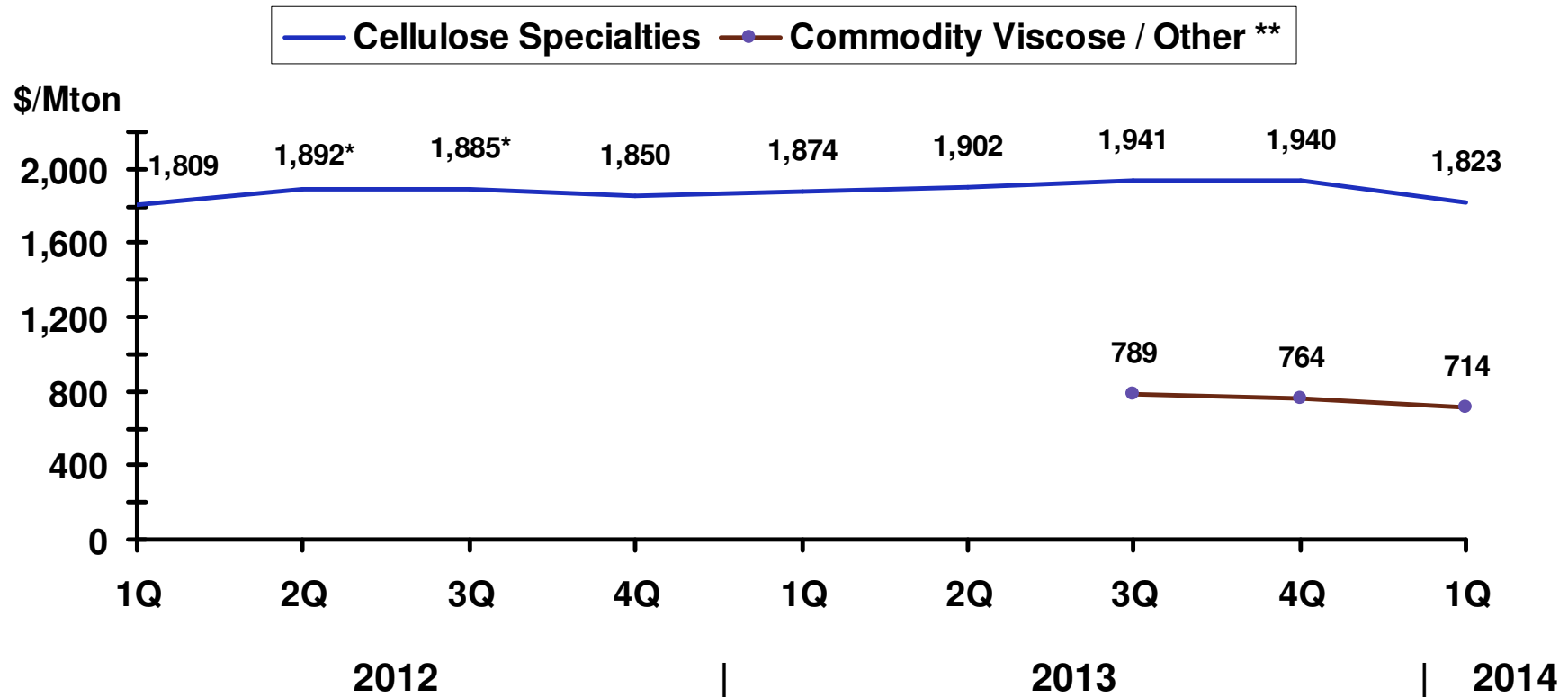
Non-Strategic Timberland Acres – Sales



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

** Excludes the \$57.3M sale of New York timberland holdings (128k acres at \$447 per acre).

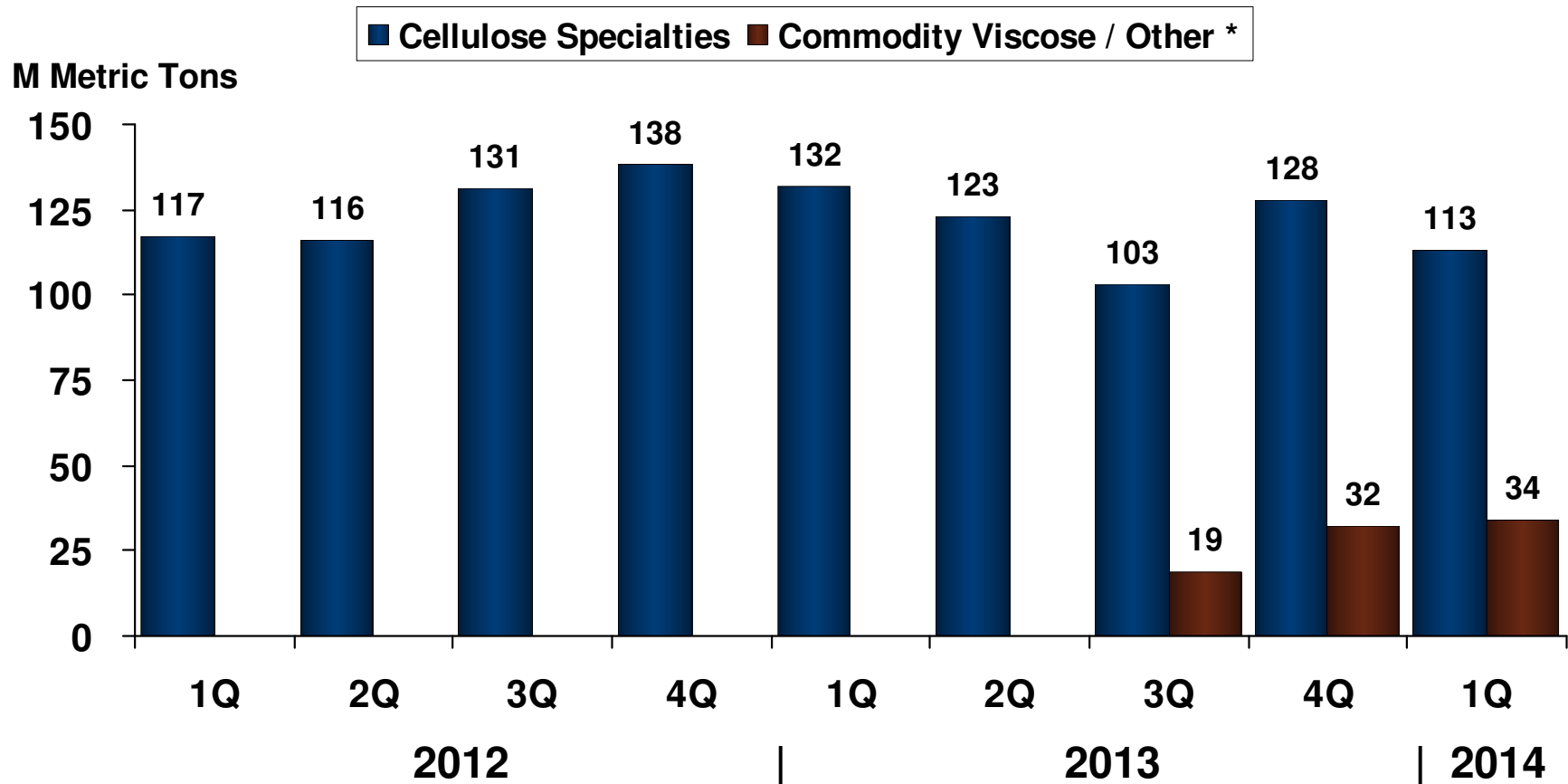
Performance Fibers Net Selling Prices



* Prices were higher in the second and third quarters of 2012 due to sales mix.

** Initial production from the Jesup mill Cellulose Specialties Expansion project will be viscose and other commodity grades with a multi-year transition to a dedicated cellulose specialties supplier after customer qualification and end use market growth.

Performance Fibers Sales Volumes



* Initial production from the Jesup mill Cellulose Specialties Expansion project will be viscose and other commodity grades with a multi-year transition to all cellulose specialties after customer qualification and end use market growth.



Financial Summary

(\$ Millions)

	Rayonier Advanced Materials (Performance Fibers)		Rayonier		
	2013	2014 Guidance	2013	Segment	2014 Guidance
Sales	1,042	Comparable	669		↑ 5 - 8%
Operating Income*	311	↓ ~ 25%	81	Forest Resources	↑ 30 - 35%
			56	Real Estate	Comparable
EBITDA*	386	↓ ~ 15%	180	Forest Resources	↑ 15 - 20%
			73	Real Estate	Comparable
CapEx	96	75 - 80	63		65 - 70
DD&A	75	85 - 90	116		115 - 120

* Excludes corporate expenses. After the separation, normalized corporate expenses are expected to be \$20M for Rayonier and \$25M for Rayonier Advanced Materials.

Note: 2014 guidance percentage ranges exclude the impact of the 2013 sale of New York timberlands (sales \$57M, operating income \$3M)

Appendix



Definitions of Non-GAAP Measures

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

Pro forma EBITDA is defined as earnings before interest, taxes, depreciation, depletion and amortization, excluding discontinued operations and separation costs related to the Performance Fibers spinoff. Pro forma EBITDA is a non-GAAP measure used by our Chief Operating Decision Maker, existing shareholders and potential shareholders to measure how the Company is performing relative to the assets under management.

Cash Available for Distribution (CAD) is defined as cash provided by operating activities adjusted for capital spending, 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.

Pro forma Net Income is defined as net income attributable to Rayonier Inc. adjusted for separation costs related to the Performance Fibers spinoff and discontinued operations.

Pro forma EBITDA by Segment

(\$ Millions)

	Forest Resources	Real Estate	Performance Fibers	Other Operations	Corporate and other	Total
Three Months Ended						
March 31, 2014						
Operating income	\$ 28	\$ 1	\$ 49	\$ -	\$ (13)	\$ 65
Depreciation, depletion & amortization	25	1	21	-	-	47
EBITDA	53	2	70	-	(13)	112
Separation costs	-	-	-	-	3	3
Pro forma EBITDA	<u>\$ 53</u>	<u>\$ 2</u>	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ 115</u>
December 31, 2013						
Operating income	\$ 24	\$ 25	\$ 78	\$ -	\$ (14)	\$ 113
Depreciation, depletion & amortization	26	9	23	-	1	59
Income from discontinued operations	-	-	-	-	(4)	(4)
EBITDA	50	34	101	-	(17)	168
Income from discontinued operations	-	-	-	-	4	4
Separation costs	-	-	-	-	2	2
Pro forma EBITDA	<u>\$ 50</u>	<u>\$ 34</u>	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ (11)</u>	<u>\$ 174</u>
March 31, 2013						
Operating income	\$ 13	\$ 17	\$ 92	\$ -	\$ (7)	\$ 115
Depreciation, depletion & amortization	17	4	15	-	1	37
Income from discontinued operations	-	-	-	-	67	67
EBITDA	30	21	107	-	61	219
Income from discontinued operations	-	-	-	-	(67)	(67)
Depreciation, depletion & amortization from discontinued operations	-	-	-	-	(1)	(1)
Pro forma EBITDA	<u>\$ 30</u>	<u>\$ 21</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ 151</u>

Reconciliation of Reported to Pro forma Earnings

(\$ Millions, except per share amounts)

	Three Months Ended					
	March 31, 2014		December 31, 2013		March 31, 2013	
	\$	EPS	\$	EPS	\$	EPS
Operating income	\$ 65		\$ 113		\$ 115	
Separation costs	3		2		-	
Pro forma operating income	<u>\$ 68</u>		<u>\$ 115</u>		<u>\$ 115</u>	
Net income attributable to Rayonier Inc.	\$ 43	\$ 0.34	\$ 80	\$ 0.62	\$ 148	\$ 1.13
Separation costs, net	3	0.02	1	0.01	-	-
Discontinued operations, net	<u>-</u>	<u>-</u>	<u>2</u>	<u>0.02</u>	<u>(45)</u>	<u>(0.34)</u>
Pro forma net income	<u>\$ 46</u>	<u>\$ 0.36</u>	<u>\$ 83</u>	<u>\$ 0.65</u>	<u>\$ 103</u>	<u>\$ 0.79</u>

Forest Resources Supplemental Financial Data

(\$ Millions)

	Three Months Ended		
	March 31, 2014	December 31, 2013	March 31, 2013
Forest Resources			
Sales			
Atlantic	\$ 22	\$ 17	\$ 17
Gulf States	12	14	12
Northern	33	27	25
New Zealand *	38	47	3
Total	<u>\$ 105</u>	<u>\$ 105</u>	<u>\$ 57</u>
Operating income			
Atlantic	\$ 8	\$ 8	\$ 5
Gulf States	3	5	2
Northern	14	9	5
New Zealand / Other *	3	2	1
Total	<u>\$ 28</u>	<u>\$ 24</u>	<u>\$ 13</u>

* The three months ended March 31, 2014 and December 31, 2013 include sales and operating income from the consolidation of the New Zealand joint venture.

Selected Operating Information

	Three Months Ended		
	March 31, 2014	December 31, 2013	March 31, 2013
Forest Resources			
Sales Volume, in thousands of short green tons			
Atlantic	836	732	868
Gulf States	438	549	410
Northern	543	496	455
New Zealand			
Domestic	309	395	-
Export	150	216	-
Total	2,276	2,388	1,733
Real Estate			
Acres sold			
HBU Development	27	71	86
HBU Rural	1,733	4,273	1,175
Non-Strategic Timberlands*	362	22,391	5,575
Total	2,122	26,735	6,836
Performance Fibers			
Sales Volume, in thousands of metric tons			
Cellulose specialties	113	128	132
Viscose / other **	34	32	-
Absorbent materials	16	8	56
Total	163	168	188

* The three months ended December 31, 2013 excludes the sale of 128k acres of New York timberland holdings.

** Beginning in the 3rd quarter 2013, viscose/other is being produced as a result of the CSE project transition.

Income Tax Analysis

(\$ Millions)

	Three Months Ended			
	March 31, 2014		March 31, 2013	
Income tax expense at federal statutory rate	\$ 18	35.0%	\$ 38	35.0%
REIT income not subject to tax	(8)	(14.9)	(11)	(10.1)
Manufacturing deduction	(1)	(2.1)	(2)	(2.2)
Other	-	(0.1)	-	(0.7)
Income tax expense before discrete items	9	17.9%	25	23.4%
AFMC for CBPC exchange	-	-	(19)	(17.5)
Other	(1)	(2.7)	(2)	(1.8)
Income tax expense as reported	<u>\$ 8</u>	<u>15.2%</u>	<u>\$ 4</u>	<u>4.1%</u>

Market Price and Dividend History

	High	Low	Dividends
2014			
First Quarter	\$ 47.29	\$ 40.81	\$ 0.49
2013			
Fourth Quarter	\$ 58.84	\$ 39.49	\$ 0.49
Third Quarter	\$ 59.87	\$ 53.84	\$ 0.49
Second Quarter	\$ 60.62	\$ 51.04	\$ 0.44
First Quarter	\$ 59.72	\$ 52.17	\$ 0.44
2012			
Fourth Quarter	\$ 51.86	\$ 47.45	\$ 0.44
Third Quarter	\$ 51.87	\$ 44.82	\$ 0.44
Second Quarter	\$ 46.04	\$ 41.33	\$ 0.40
First Quarter	\$ 47.56	\$ 43.38	\$ 0.40