

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)

March 16, 2017

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 obligation 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))

RAYONIER INC.
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ITEM 8.01. OTHER EVENTS

On March 16, 2017, Rayonier Inc. (the “Company”) issued a press release announcing the commencement, subject to market and other conditions, of an underwritten public offering (the “Offering”) of 5,000,000 shares of the Company’s common shares, no par value (the “Common Shares”), pursuant to an effective shelf registration statement on Form S-3, as amended by Post-Effective Amendment No. 1 thereto (File No. 333-203733), previously filed with the Securities and Exchange Commission. In connection with the Offering, the Company also intends to grant the underwriters a 30-day option to purchase up to an additional 750,000 Common Shares from the Company. A copy of the press release announcing the Offering is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On March 16, 2017, the Company announced that it had entered into three transactions with separate sellers, pursuant to which it agreed to purchase approximately 95,100 acres of high-quality industrial timberlands located in Florida, Georgia, and South Carolina for an aggregate purchase price of approximately \$217 million (the “Acquisitions”), in each case, subject to customary closing conditions. The Acquisitions are expected to close in the second quarter of 2017. The Company expects to finance the Acquisitions, in part, with the net proceeds of the Offering. A copy of the press release announcing the Acquisitions and an investor presentation posted to the Company’s website are attached hereto as Exhibits 99.2 and 99.3, respectively, and are incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

The following are filed as Exhibits to this Report.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press release dated March 16, 2017
99.2	Press release dated March 16, 2017
99.3	Investor presentation dated March 2017

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/ MARK MCHUGH

Mark McHugh

Senior Vice President and
Chief Financial Officer

March 16, 2017

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	LOCATION
99.1	Press release dated March 16, 2017	Filed herewith.
99.2	Press release dated March 16, 2017	Filed herewith.
99.3	Investor presentation dated March 2017	Filed herewith.



RAYONIER ANNOUNCES PROPOSED OFFERING OF ITS COMMON SHARES

JACKSONVILLE, FL — March 16, 2017 — Rayonier Inc. (NYSE:RYN) announced today that it has commenced an underwritten public offering, subject to market and other conditions, of 5,000,000 common shares. In addition, the company expects to grant the underwriters an option for a period of 30 days to purchase up to an additional 750,000 common shares.

The company intends to use the net proceeds from the offering, including any net proceeds from the underwriters' exercise of the option to purchase additional shares, to finance a portion of the company's acquisition of approximately 95,100 acres of high-quality industrial timberlands in Florida, Georgia and South Carolina, through three transactions with separate sellers (the "Acquisitions"), and the remainder, if any, for general corporate purposes.

Morgan Stanley and Raymond James are acting as the book-running managers and representatives of the underwriters for the offering.

A shelf registration statement relating to the securities being offered was filed with the Securities and Exchange Commission (the "SEC") and is effective. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities described herein, nor shall there be any sale of the securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offering is being made only by means of a prospectus and the related prospectus supplement. A preliminary prospectus supplement and accompanying prospectus relating to the offering have been filed with the SEC and are available free of charge on the SEC's website at <http://www.sec.gov>. Copies of the preliminary prospectus supplement and the accompanying prospectus relating to these securities may also be obtained from Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, NY 10014, or Raymond James & Associates, Inc., Attention: Equity Syndicate, 880 Carillon Parkway, St. Petersburg, FL 33716, via telephone: (800) 248-8863 or via email: prospectus@raymondjames.com.

About Rayonier

Rayonier is a leading timberland real estate investment trust with assets located in some of the most productive softwood timber growing regions in the United States and New Zealand. As of December 31, 2016, Rayonier owned, leased or managed approximately 2.7 million acres of timberlands located in the U.S. South (1.85 million acres), U.S. Pacific Northwest (378,000 acres) and New Zealand (433,000 acres). More information is available at www.rayonier.com.

Forward-Looking Statements

This press release contains forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995 and other federal securities laws, related to our current expectations and beliefs as to our ability to complete the offering, the gross proceeds and uses of those proceeds, and other future events, including the expected closing date. 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. The reader is cautioned not to rely on these forward-looking statements. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Rayonier. Risks and uncertainties include our ability to identify, finance and complete timberland acquisitions, including the Acquisitions; our ability to achieve anticipated

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financial outcomes; current and future business and market conditions; our outlook, expected dividend rate and the implementation of the company's business strategies and other similar outcomes relating to the company's future events, developments or financial or operational performance or results; and risks detailed in the preliminary prospectus supplement related to the offering and shelf registration statement. Additional factors are described in Item 1A - Risk Factors in the company's most recent Annual Report on Form 10-K and similar discussions included in other reports that we subsequently file with the SEC. 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 reports filed with the SEC.

Contacts:

Investors

Mark McHugh, 904-357-3757

or

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Rayonier Announces Acquisitions in U.S. South Coastal Atlantic Markets

JACKSONVILLE, Fla., March 16, 2017 - Rayonier Inc. (NYSE:RYN) today announced that the company has entered into three transactions with separate sellers to acquire approximately 95,100 acres of high-quality industrial timberlands located in Florida, Georgia and South Carolina for an aggregate purchase price of approximately \$217 million, or \$2,280 per acre (the "Acquisitions"). The Acquisitions are comprised of highly productive timberlands located in some of the strongest timber markets in the U.S. South, primarily along the I-95 coastal corridor near Savannah, GA.

Key attributes of the Acquisitions include the following:

- Strong timber markets - located in the top three U.S. South timber markets based on average composite stumpage price by region⁽¹⁾
- Diverse customer base - very competitive wood market with multiple pulpwood, grade and export customers
- Highly productive timberlands - 78' site index; 73% plantable; sustainable yield* of approximately 450,000 tons (or 4.7 tons per acre per year on the acquired lands)
- Well-stocked timber inventory - 4.3 million tons of merchantable timber inventory* (or 45 tons per acre); average plantation age of 14 years
- Complementary to existing Rayonier landholdings - increases Rayonier's ownership in U.S. South Coastal Atlantic markets by approximately 15%
- Primarily fee simple ownership - 89% fee simple ownership and 11% leased lands
- Accretive to cash flow - targeting an annual increase in Adjusted EBITDA** and Cash Available for Distribution (CAD)** of approximately \$13 million and \$10 million, respectively, over the medium-term

Rayonier expects to finance the Acquisitions with cash on hand and the proceeds of a follow-on offering of Rayonier common shares, which the company also announced today.

"The Acquisitions announced today are representative of Rayonier's commitment to disciplined capital allocation and active portfolio management," said David Nunes, President and CEO. "These Acquisitions are comprised of highly productive properties that meaningfully bolster Rayonier's footprint in our strongest U.S. South markets. We expect these Acquisitions to generate a strong cash yield from timber harvest operations, which will thereby improve our overall cash flow profile, increase the percentage of our Adjusted EBITDA generated from timber segments, and enhance our 'pure-play' timber REIT focus," concluded Nunes.

(1) Based on Timber Mart-South weighted average composite stumpage price by region assuming product mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.

* References to "merchantable timber inventory" and "sustainable yield" are as defined in our most recent Annual Report on Form 10-K.

** "Adjusted EBITDA" and "Cash Available for Distribution" (or "CAD") are non-GAAP financial measures. See "Non-GAAP Financial Measures" below. These targets are based on assumptions and are subject to significant uncertainties, many of which are outside of the company's control. While management believes these targets and the underlying assumptions are reasonable, they are not guarantees of future performance. Actual results will vary, and those variations may be material. Please consult the Forward-Looking Statements discussion below for some of the factors that may cause variations. Nothing herein is a representation by any person that these targets will be achieved, and the company undertakes no duty to update its targets.

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About Rayonier

Rayonier is a leading timberland real estate investment trust with assets located in some of the most productive softwood timber growing regions in the United States and New Zealand. As of December 31, 2016, Rayonier owned, leased or managed approximately 2.7 million acres of timberlands located in the U.S. South (1.85 million acres), U.S. Pacific Northwest (378,000 acres) and New Zealand (433,000 acres). More information is available at www.rayonier.com.

Non-GAAP Financial Measures

We include in this press release certain financial measures, including Adjusted EBITDA and CAD, which are not defined by generally accepted accounting principles in the United States ("GAAP") and should not be considered as alternatives to net income, cash provided by operating activities, or any other financial performance measure derived in accordance with GAAP. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land and real estate sold, costs related to shareholder litigation, gain on foreign currency derivatives, costs related to the spin-off of the Performance Fibers business, internal review and restatement costs, large dispositions and discontinued operations. We define CAD as cash provided by operating activities adjusted for capital spending (excluding timberland acquisitions), large dispositions, cash provided by discontinued operations and working capital and other balance sheet changes. In compliance with Securities and Exchange Commission ("SEC") requirements for non-GAAP measures, we reduce CAD by mandatory debt repayments which results in the measure entitled "Adjusted CAD." We have not provided a reconciliation of these forward-looking non-GAAP financial measures to the most comparable GAAP measures because Adjusted EBITDA and CAD exclude the impact of certain items described above and management cannot estimate the impact these items will have on Adjusted EBITDA or CAD on a forward-looking basis without unreasonable effort. We believe that the probable significance of providing these forward-looking non-GAAP financial measures without a reconciliation to net income and cash provided by operating activities, as applicable, is that investors and analysts will have certain information that we believe is useful and meaningful regarding the Acquisitions, but will not have that information on a GAAP basis. As a result, investors and analysts may be unable to accurately compare the expected impact of the Acquisitions to our historical results or the results or expected results of other companies who may have treated such matters differently. Management believes that, given the inherent uncertainty of forward-looking statements, investors and analysts will be able to understand and appropriately take into account the limitations in the information we have provided. Investors are cautioned that we cannot predict the occurrence, timing or amount of all non-GAAP items that we exclude from Adjusted EBITDA or CAD. Accordingly, the actual effect of these items, when determined, could potentially be significant to the calculation of Adjusted EBITDA or CAD over the medium-term.

Forward-Looking Statements

This press release contains forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995 and other federal securities laws, related to, among other things, targets for incremental adjusted EBITDA and CAD resulting from the Acquisitions, the expected timing of the Acquisitions, the expected benefits of the Acquisitions, the expected sources of funding for the Acquisitions and the company's inventories and sustainable yield, which involve, among other things, uncertainties inherent in business, inventory estimation and harvest scheduling. These forward-looking statements are identified by the use of words such as "may," "will," "should," "expect," "estimate," "believe," "intend," "project," "anticipate," "target" 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. These statements are based on beliefs and assumptions of management, which in turn are based on currently available information. In particular, targets for incremental Adjusted EBITDA and CAD from the Acquisitions are based on a range of assumptions, including the price realized and cost associated with harvesting acquired timber, the harvest yield of each timberland acquired and estimates of merchantable timber inventories, growth rates and end-product yields. These assumptions could prove inaccurate.

The reader is cautioned not to rely on these forward-looking statements. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could be very materially from the expectations and projections of Rayonier. Risks and uncertainties include when and whether the required regulatory approvals in connection with the Acquisitions will be obtained, when and whether the closing conditions related to the Acquisitions will be satisfied, when and whether the Acquisitions will close and the risks associated with such types of acquisitions generally, anticipated financial outcomes, significant business, economic, regulatory and competitive uncertainties, market conditions, outlook, expected dividend rate and the implementation of the company's business strategies and other similar outcomes relating to the company's future events, developments or financial or operational performance or results. For additional factors that could impact future results, please see Item 1A - Risk Factors in the company's most recent Annual Report on Form 10-K and similar discussions included in other reports that we subsequently file with the SEC. 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 reports filed with the SEC.

Rayonier Contacts:

Investors

Mark McHugh, 904-357-3757

or

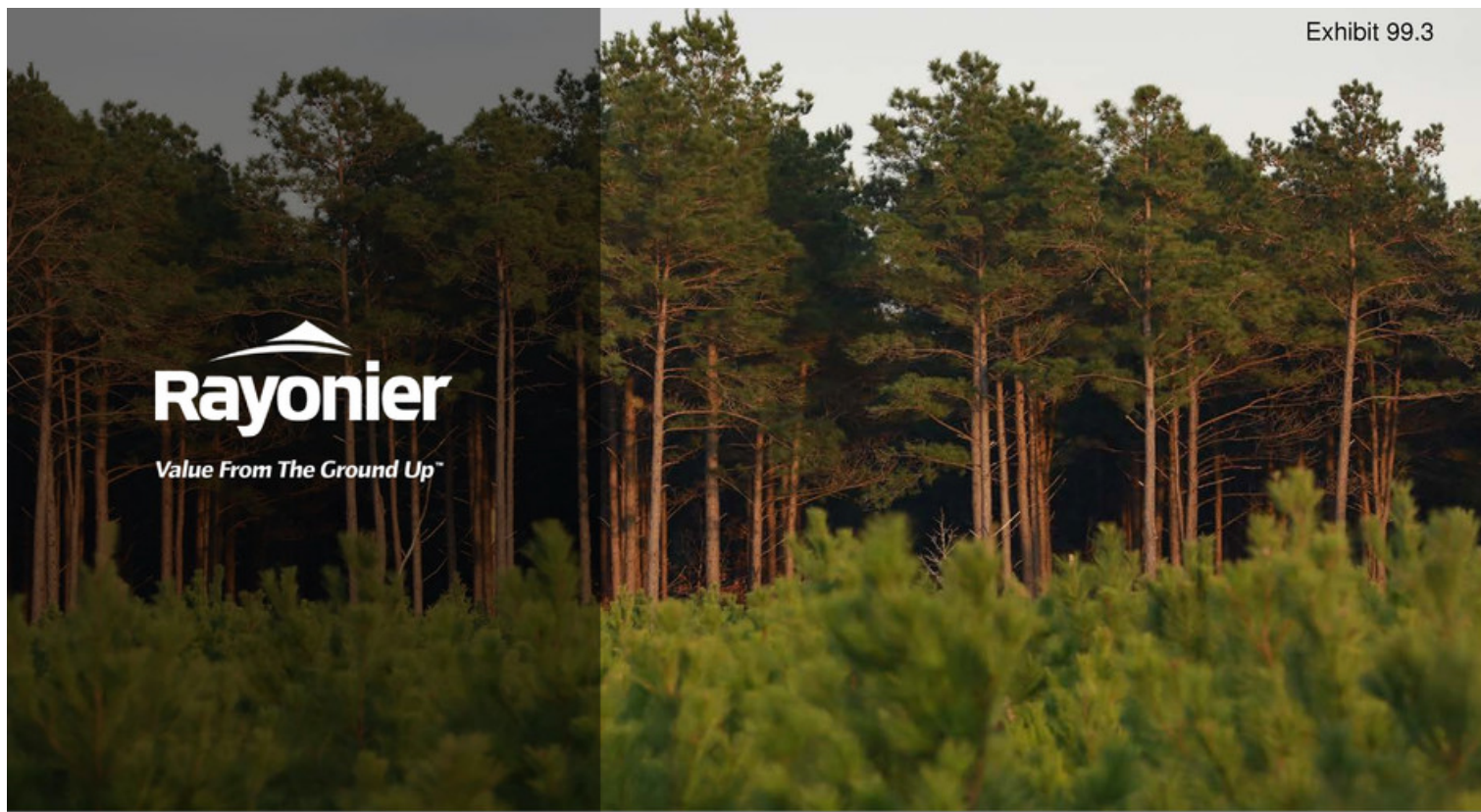
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U.S. South Acquisitions | March 2017

Safe Harbor Statement

Forward-Looking Statements - Certain statements in this presentation regarding anticipated financial outcomes including Rayonier's earnings guidance, if any, business and market conditions, outlook, expected dividend rate, Rayonier's business strategies, including expected harvest schedules, timberland acquisitions, Rayonier's targets for incremental Adjusted EBITDA and Cash Available for Distribution (CAD) from timberland acquisitions, sales of non-strategic timberlands, the anticipated benefits of Rayonier's business strategies, 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," "target" 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. These statements are based on beliefs and assumptions of management, which in turn are based on currently available information. In particular, Rayonier's targets for incremental Adjusted EBITDA and CAD from timberland acquisitions are based on a range of assumptions, including the price realized and cost associated with harvesting acquired timber, the harvest yield of the timberlands acquired and estimates of merchantable timber inventories, growth rates and end-product yields. These assumptions could prove inaccurate.

The forward-looking statements also involve significant business, economic, regulatory and competitive uncertainties, many of which are outside of our control. In addition, 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; fluctuations in demand for our products in Asia, and especially China; various lawsuits relating to matters arising out of our previously announced internal review and restatement of our consolidated financial statements; the uncertainties of potential impacts of climate-related initiatives; the cost and availability of third party logging and trucking services; the geographic concentration of a significant portion of our timberland; our ability to identify, finance and complete timberland acquisitions, including the Acquisitions; changes in environmental laws and regulations regarding 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; interest rate and currency movements; our capacity to incur additional debt; changes in tariffs, taxes or treaties relating to the import and export of our products or those of our competitors; 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 changes in tax laws that could adversely affect beneficial tax treatment; the cyclical nature of the real estate business generally; 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; unexpected delays in the entry into or closing of real estate transactions; changes in environmental laws and regulations that may restrict or adversely impact our ability to sell or develop properties; the timing of construction and availability of public infrastructure; and the availability of financing for real estate development and mortgage loans.

For additional factors that could impact future results, please see Item 1A - Risk Factors in the Company's most recent Annual Report on Form 10-K and similar discussion included in other reports that we subsequently file with the Securities and Exchange Commission ("SEC"). 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 reports filed with the SEC.

Non-GAAP Financial Measures - To supplement Rayonier's financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Rayonier uses certain non-GAAP measures, including "cash available for distribution" (or "CAD") and "Adjusted EBITDA," which are defined and further explained in this communication. Reconciliation of such measures to the nearest GAAP measures can also be found in this communication. Rayonier's definitions of these non-GAAP measures may differ from similarly titled measures used by others. These non-GAAP measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP.

Rayonier has not provided a reconciliation of certain forward-looking non-GAAP financial measures to the most comparable GAAP measures because Adjusted EBITDA and CAD exclude the impact of certain items defined in this communication and management cannot estimate the impact these items will have on Adjusted EBITDA or CAD on a forward-looking basis without unreasonable effort. Rayonier believes that the probable significance of providing these forward-looking non-GAAP financial measures without a reconciliation to net income and cash provided by operating activities, as applicable, is that investors and analysts will have certain information that Rayonier believes is useful and meaningful regarding the Acquisitions, but will not have that information on a GAAP basis. As a result, investors and analysts may be unable to accurately compare the expected impact of the Acquisitions to historical results or the results or expected results of other companies who may have treated such matters differently. Management believes that, given the inherent uncertainty of forward-looking statements, investors and analysts will be able to understand and appropriately take into account the limitations in the information provided. Investors are cautioned that Rayonier cannot predict the occurrence, timing or amount of all non-GAAP items excluded from Adjusted EBITDA or CAD. Accordingly, the actual effect of these items, when determined could potentially be significant to the calculation of Adjusted EBITDA or CAD.



Overview of Transactions

The Acquisitions

- Rayonier has entered into three transactions with separate sellers to acquire a total of ~95,100 acres located in Florida, Georgia and South Carolina for \$217 million, or \$2,280 per acre (the "Acquisitions")⁽¹⁾
- The Acquisitions are comprised of highly productive timberlands located in some of the strongest timber markets in the U.S. South, primarily along the I-95 coastal corridor near Savannah, GA

Key Acquisition Highlights

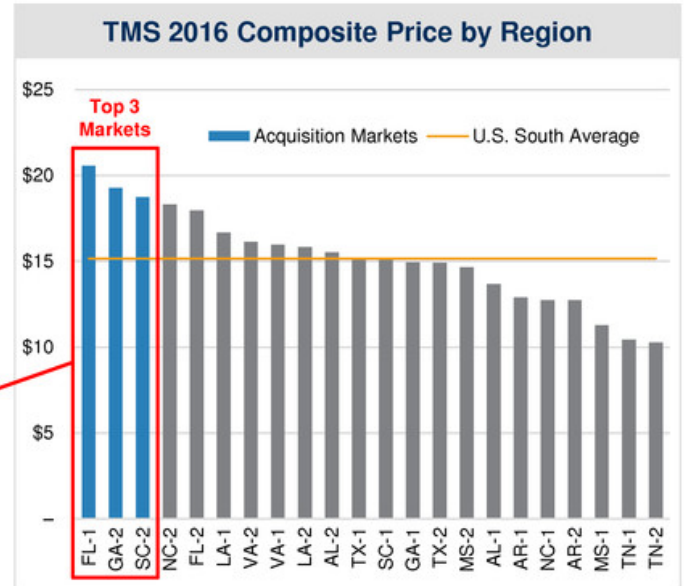
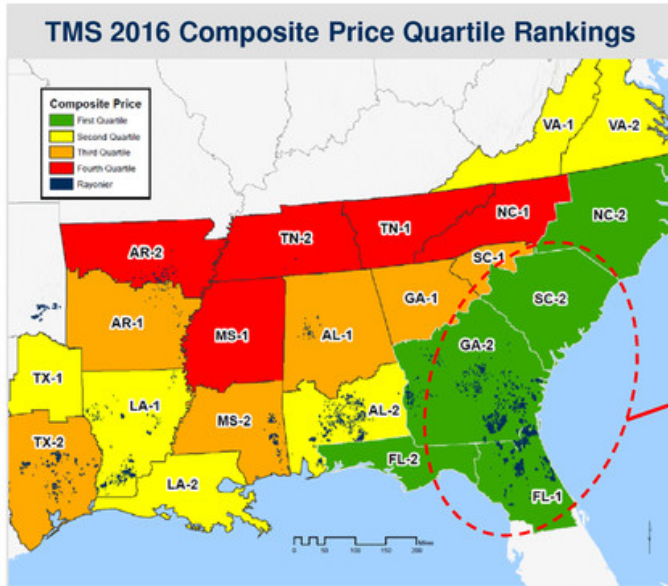
Strong markets	– located in the top three Timber Mart-South regional markets ⁽²⁾
Diverse customer base	– competitive wood basket with multiple pulpwood, grade and export customers
Highly productive lands	– 78' site index / 73% plantable / sustainable yield ⁽³⁾ of 450k tons
Well-stocked inventory	– 45 tons per acre of merchantable timber ⁽³⁾ / avg. plantation age of 14 years
Complementary footprint	– increases Rayonier's Coastal Atlantic market ownership by +15%
Cash flow accretive	– target of ~\$13mm EBITDA* / ~\$10mm CAD* annually over medium term ⁽⁴⁾

- * Non-GAAP measure (see Appendix for definition).
- (1) Acquisitions are subject to customary closing conditions; expected to close in Q2 2017.
- (2) Based on Timber Mart-South weighted average composite stumpage price by region assuming product mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.
- (3) References to "merchantable timber inventory" and "sustainable yield" are as defined in our most recent Annual Report on Form 10-K.
- (4) These targets are based on our assumptions and are subject to significant uncertainties, many of which are outside of our control. While management believes that these targets and the underlying assumptions are reasonable, they are not guarantees of future performance. Actual results will vary and those variations may be material. Please consult the Safe Harbor Statement on page 1 for a discussion of some of the factors that may cause variations. Nothing herein is a representation by any person that these targets will be achieved, and the Company undertakes no duty to update its targets.



Acquisitions Located in Strongest U.S. South Markets

- Supply / demand dynamics are highly localized, as logs generally travel less than 100 miles
- Timber consumption vs. inventory growth remains much more tensioned in Coastal Atlantic markets

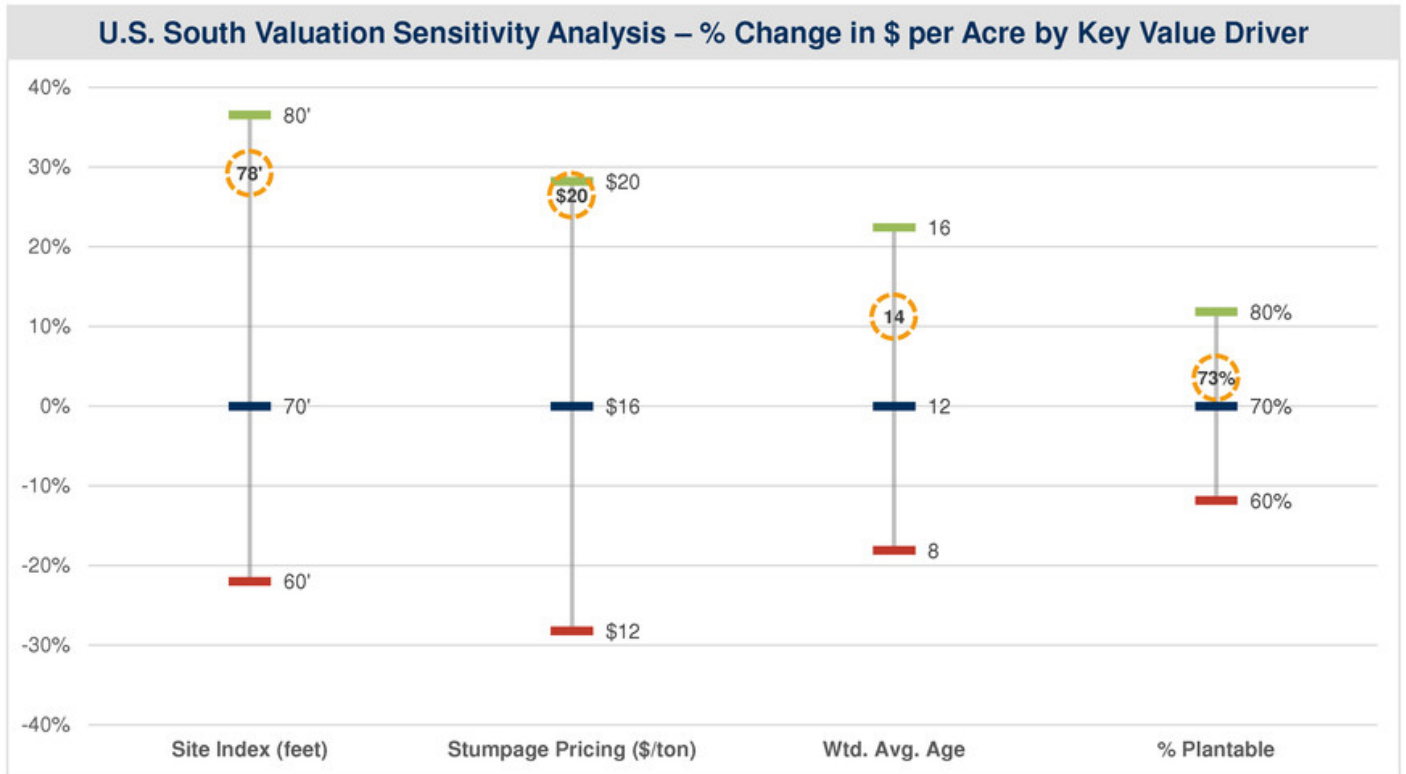


The Acquisitions are located in the top three U.S. South timber markets, ranked by Timber Mart-South average composite stumpage price by region.



Source: Timber Mart-South.
 Note: Composite stumpage price by region calculated based on assumed mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.

Key Value Drivers – Acquisitions Scorecard

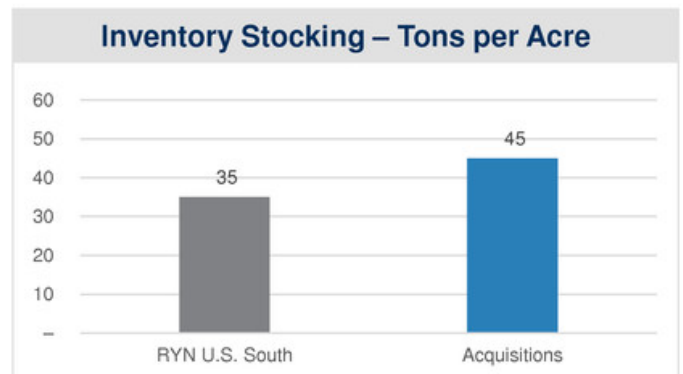
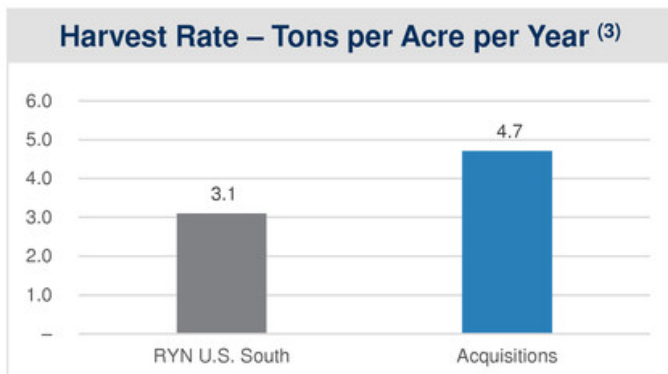
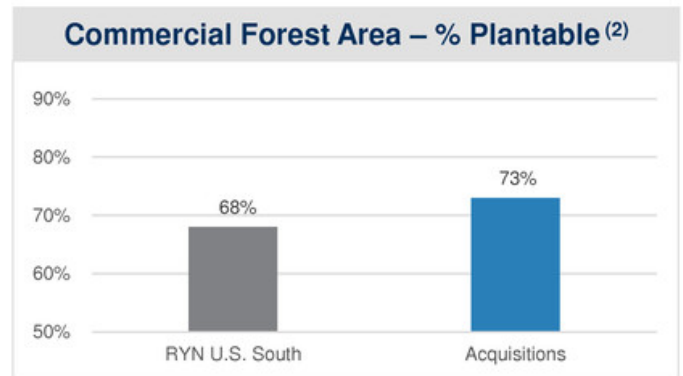
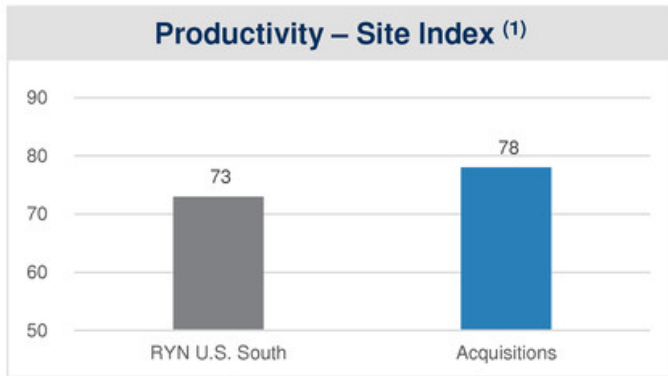


The Acquisitions are comprised of well stocked, highly productive properties in some of the strongest timber markets in the U.S. South, which drives the relatively high value per acre.



Note: Blue bars represent estimated "average" quality industrial timberlands in the U.S. South. Green / red bars represent valuation sensitivity per acre for above / below average metrics for each value driver. Orange circles represent key metrics for the Acquisitions.

Acquisitions Upgrade Quality of U.S. South Portfolio



The Acquisitions will improve the overall quality of Rayonier’s U.S. South portfolio and will add meaningful scale in our strongest timber markets.

Note: Comparison charts reflect data for the Acquisitions versus Rayonier’s U.S. South portfolio as of 9/30/2016 or 12/31/2016 (as applicable) based on our most recent Form 10-K.
 (1) Site index base age = 25 years for U.S. South.
 (2) Includes land classified as natural plantable.
 (3) Harvest rate for RYN U.S. South assumes sustainable yield of 5.5 to 5.8 million tons (per 2016 10-K). Harvest rate for acquisitions based on forecasted long-term sustainable yield.

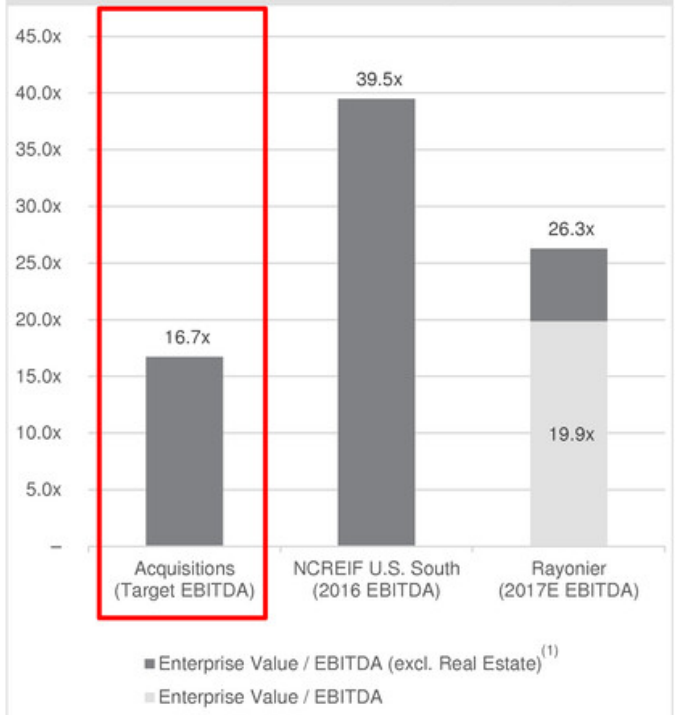
Rayonier Investor Relations | March 2017 **5**

Acquisitions vs. NCREIF vs. RYN EBITDA* Multiples

Key Observations

- Acquisitions expected to generate target EBITDA of \$13 million due to strong productivity attributes and merchantable timber inventory stocking
 - Target EBITDA is comprised of timber harvest and non-timber income and does not assume any contribution from Real Estate sales
- Acquisitions purchase price of \$217 million represents multiple of 16.7x target EBITDA
- Multiple on Acquisitions compares favorably to NCREIF U.S. South index implied multiples:
 - 2016 EBITDA multiple of 39.5x
 - 25-year average EBITDA multiple of 36.1x
- Multiple on Acquisitions compares favorably to Rayonier Enterprise Value to Adjusted EBITDA trading multiples:
 - EV to 2017E Adjusted EBITDA of 19.9x
 - EV to 2017E Adjusted EBITDA (excl. Real Estate segment Adjusted EBITDA) of 26.3x

Enterprise Value / EBITDA Multiple Comparison



The Acquisitions compare favorably on an EV / EBITDA multiple basis versus the implied multiple of the NCREIF index as well as Rayonier's current trading multiples.



* Non-GAAP measure (see Appendix for definition).
 Source: Multiple for Acquisitions based on purchase price and target EBITDA. Multiple for NCREIF U.S. South Timberland Index based on 2016 average index value and EBITDA. Multiples for RYN based on Enterprise Value and midpoint of 2017 Adj. EBITDA guidance per 2016 Financial Supplement. See Appendix for detailed calculations.
 (1) Enterprise Value to EBITDA (excluding Real Estate) is designed to capture implied trading multiple of Timber Segments EBITDA for comparison purposes.

Appendix

Definitions of Non-GAAP Measures and Pro Forma Items

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, depletion, amortization, the non-cash cost of land and improved development and Large Dispositions. Adjusted EBITDA is a non-GAAP measure that management uses to make strategic decisions about the business and that investors can use to evaluate the operational performance of the assets under management. It removes the impact of specific items that management believes do not directly reflect the core business operations on an ongoing basis.

EBITDA and/or EBITDA by segment is calculated as operating income plus depreciation, depletion and amortization. EBITDA and/or EBITDA by segment for Rayonier is equal to Adjusted EBITDA.

Cash Available for Distribution (CAD) is defined as cash provided by operating activities adjusted for capital spending (excluding timberland acquisitions and spending on the Rayonier office building) and working capital and other balance sheet changes. CAD is a non-GAAP measure that management uses to measure 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.

Large Dispositions are defined as transactions involving the sale of timberland that exceed \$20 million in size and do not have any identified HBU premium relative to timberland value.

Reconciliation of Net Income to Adjusted EBITDA

(\$ in millions)

	2017 Guidance Range		
Net income	\$72.5	–	\$78.5
(–) Net income attributable to non-controlling interest	(6.5)	–	(7.0)
Net income attributable to Rayonier Inc.	\$66.0	–	\$71.5
(–) Large Dispositions ⁽¹⁾	(27.0)	–	(27.0)
Pro forma net income	\$39.0	–	\$44.5
(+) Interest, net	33.0	–	33.2
(+) Income tax expense	10.5	–	11.3
(+) Depreciation, depletion and amortization	116.0	–	124.0
(+) Non-cash cost of land and improved development	15.0	–	20.0
(+) Net income attributable to non-controlling interest	6.5	–	7.0
Adjusted EBITDA ⁽¹⁾	\$220.0	–	\$240.0

(1) Non-GAAP measure or pro forma item (see Appendix for definitions).

Enterprise Value / EBITDA* Multiple Calculations

(\$ in millions, except per share amounts)

	Rayonier	NCREIF U.S. South	Acquisitions
Adjusted EBITDA⁽¹⁾	2017 Guidance	2016 Actual	Target EBITDA
Timber Segment(s)	\$191	\$432	\$13
Real Estate	56	–	–
(–) Corporate / Other	(17)	–	–
Total Adjusted EBITDA	\$230	\$432	\$13
(–) Real Estate Adjusted EBITDA	(56)	–	–
Adj. EBITDA (excl. Real Estate)	\$174	\$432	\$13
Valuation			
Share Price @ 3/15/2017	\$28.86	NA	NA
Shares Outstanding (MMs) ⁽²⁾	123.0	NA	NA
Equity Market Capitalization	\$3,548	–	–
(+) Net Debt ⁽³⁾	905	–	–
(+) Pension Liabilities	32	–	–
(+/-) Other Adjustments ⁽⁴⁾	85	–	–
Enterprise Value⁽⁵⁾	\$4,570	\$17,064	\$217
EV / EBITDA Multiples			
Enterprise Value / EBITDA	19.9x	39.5x	16.7x
Enterprise Value / EBITDA (excl. Real Estate)	26.3x	39.5x	16.7x

* Non-GAAP measure (see Appendix for definition).

(1) Rayonier based on midpoint of 2017 guidance per 2016 Financial Supplement. NCREIF index based on 2016 actual results. Acquisitions based on medium-term target EBITDA.

(2) Shares outstanding for Rayonier as of 2/17/17 per most recent report on Form 10-K.

(3) Net debt for Rayonier calculated as total debt less cash and equivalents (including \$71.2 million of restricted cash held by LKE intermediary).

(4) Other Adjustments for Rayonier includes book value of non-controlling interest.

(5) Enterprise Value ("EV") for NCREIF index based on 2016 average U.S. South index valuation. EV for Acquisitions based on total purchase price.

