



**Raymond James 39<sup>th</sup> Annual Institutional Investors Conference | March 2018**

# 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, 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" 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; 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; 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," 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 At A Glance



2.6  
million  
acres



\$1.6 billion of  
timberlands acquired **since 2011**

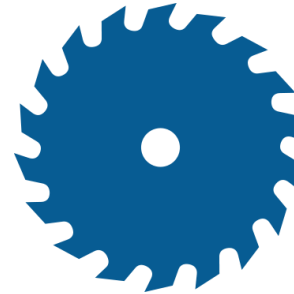


~335  
employees

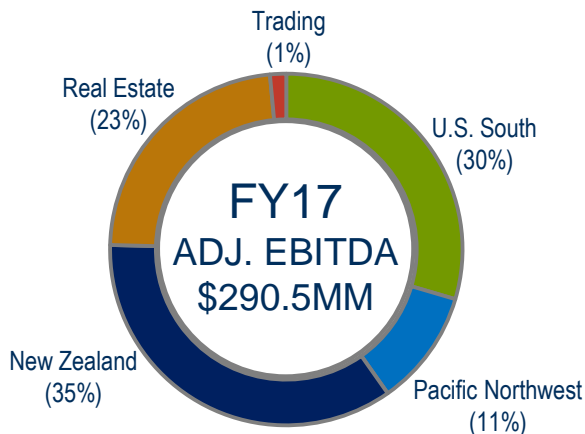
Value-added  
Real Estate  
Platform



Sustainable  
yield of  
~10 million  
tons  
annually



Established  
in 1926



100%  
certified



SFI-00023



The mark of  
responsible forestry

**Mission:**

Provide industry-leading returns  
through intensive asset management  
and effective capital allocation



# Rayonier's Strategic Priorities

## MANAGE FOR LONG-TERM VALUE

- Design harvest strategy to achieve long-term, sustainable yield
- Balance biological growth, harvest cash flow and responsible stewardship

## ACQUIRE HIGH-QUALITY TIMBERLANDS

- Pursue acquisitions that improve portfolio quality and sustainable yield
- Maintain disciplined approach to acquisitions, minimize HBU speculation

## OPTIMIZE PORTFOLIO VALUE

- Opportunistically monetize lands where premium valuations can be achieved
- Pursue value creation activities on select properties to enhance long-term value

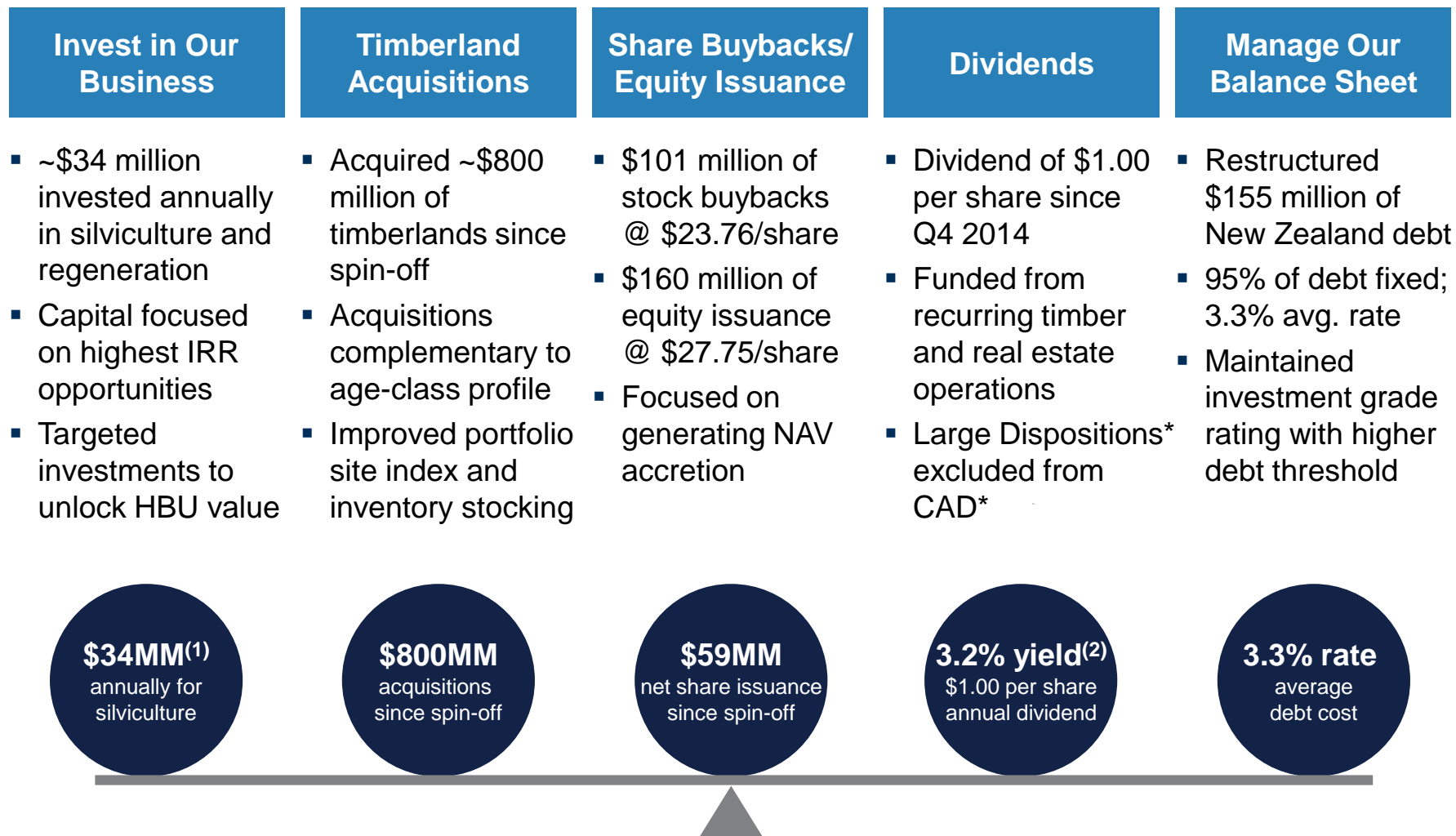
## FOCUS ON QUALITY OF EARNINGS

- Focus on harvest operations and rural land sales to support dividends
- De-emphasize sale of “non-strategic” timberlands to augment cash flow

## ENHANCE DISCLOSURE

- Establish Rayonier as industry leader in transparent disclosure
- Provide investors with meaningful information about timberland portfolio

# Nimble Approach to Capital Allocation



(1) Represents average annual investment in silviculture and replanting from 2013-2017.

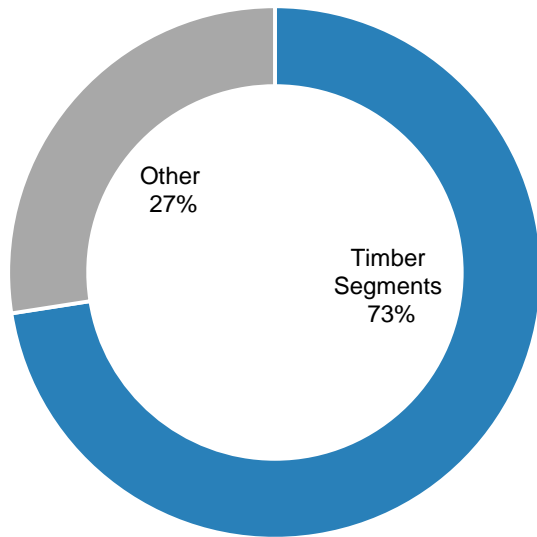
(2) Based on share price of \$31.63 as of 12/29/2017.

\* Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

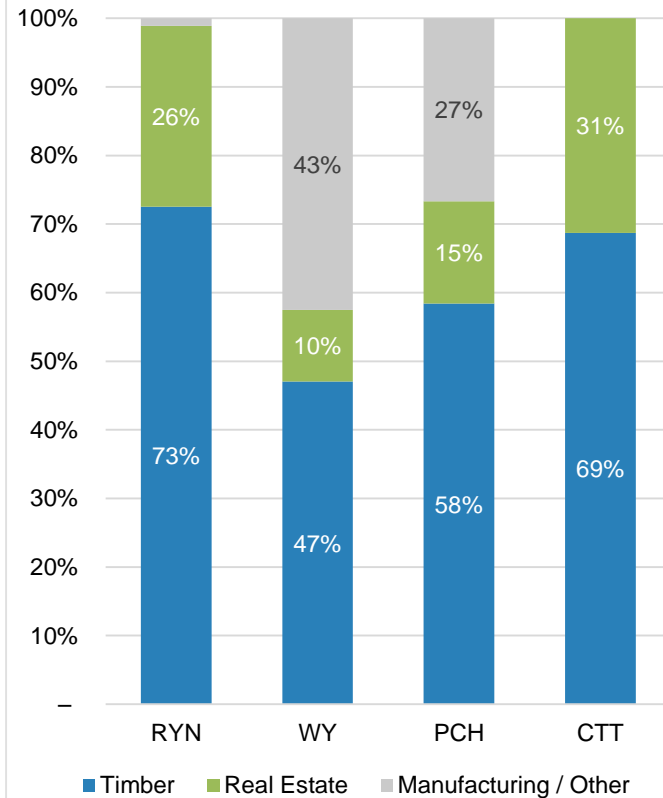
# Rayonier is the Leading “Pure Play” Timber REIT

## Rayonier

2016 – Q3 2017 EBITDA\*  
Composition

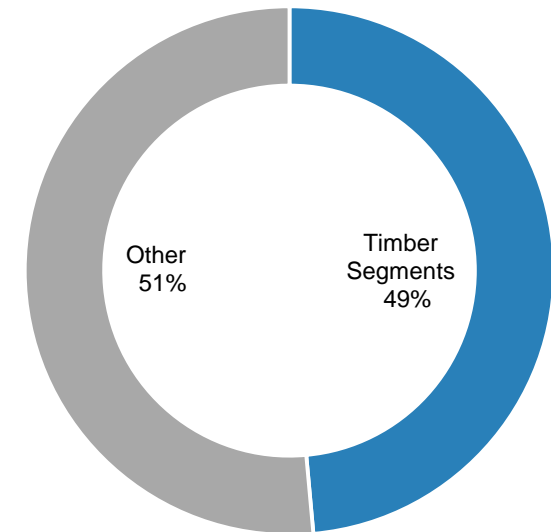


Peer Group EBITDA\* Composition  
(2016 – Q3 2017 YTD)



## Peer Group

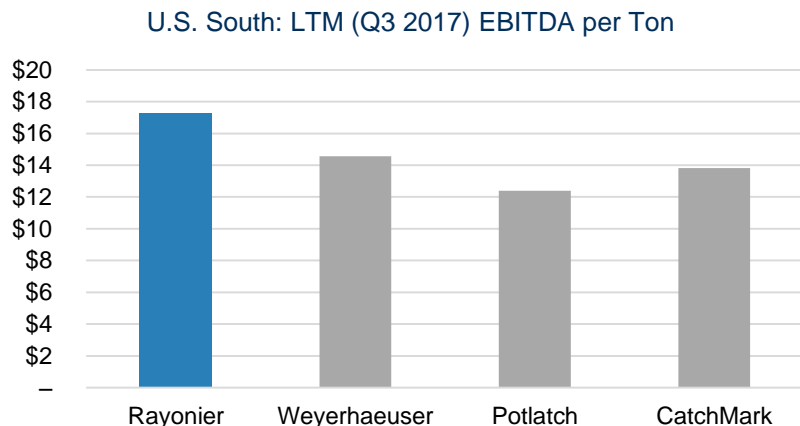
2016 – Q3 2017 EBITDA\*  
Composition



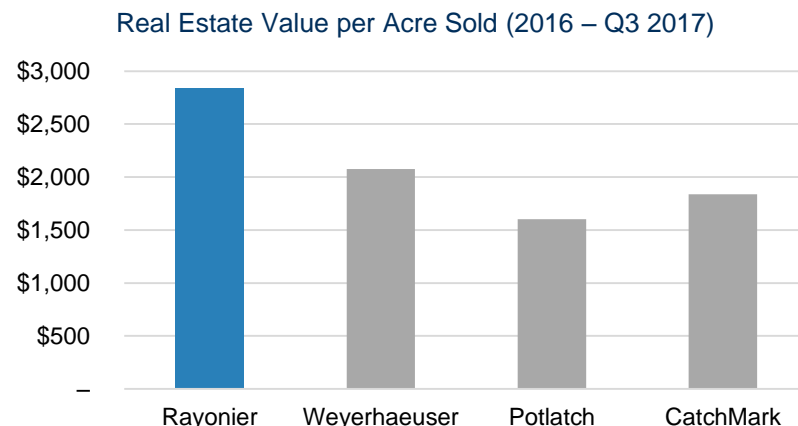
**Over the last two years, Rayonier has generated 73% of its EBITDA\* from timber operations (versus 49% for the peer group).**

# Rayonier Portfolio Highlights

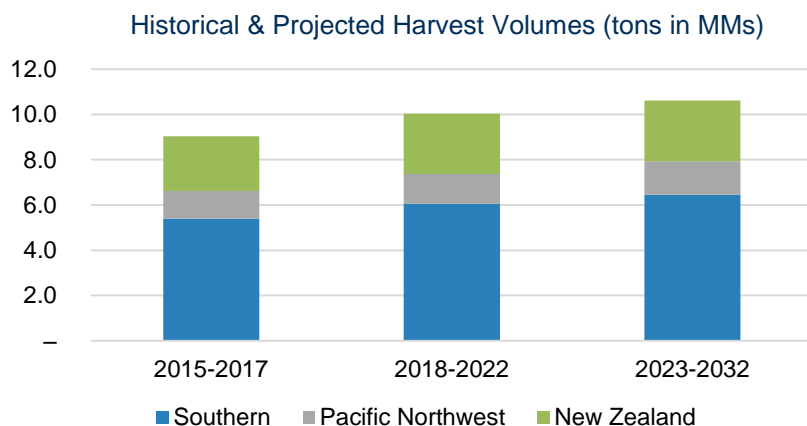
## Sector-Leading U.S. South EBITDA per Ton



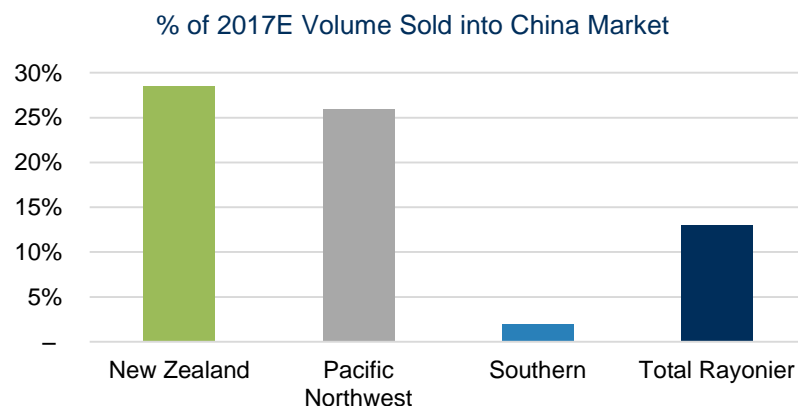
## Sector-Leading HBU Value Realizations



## Improving Harvest Profile (1)

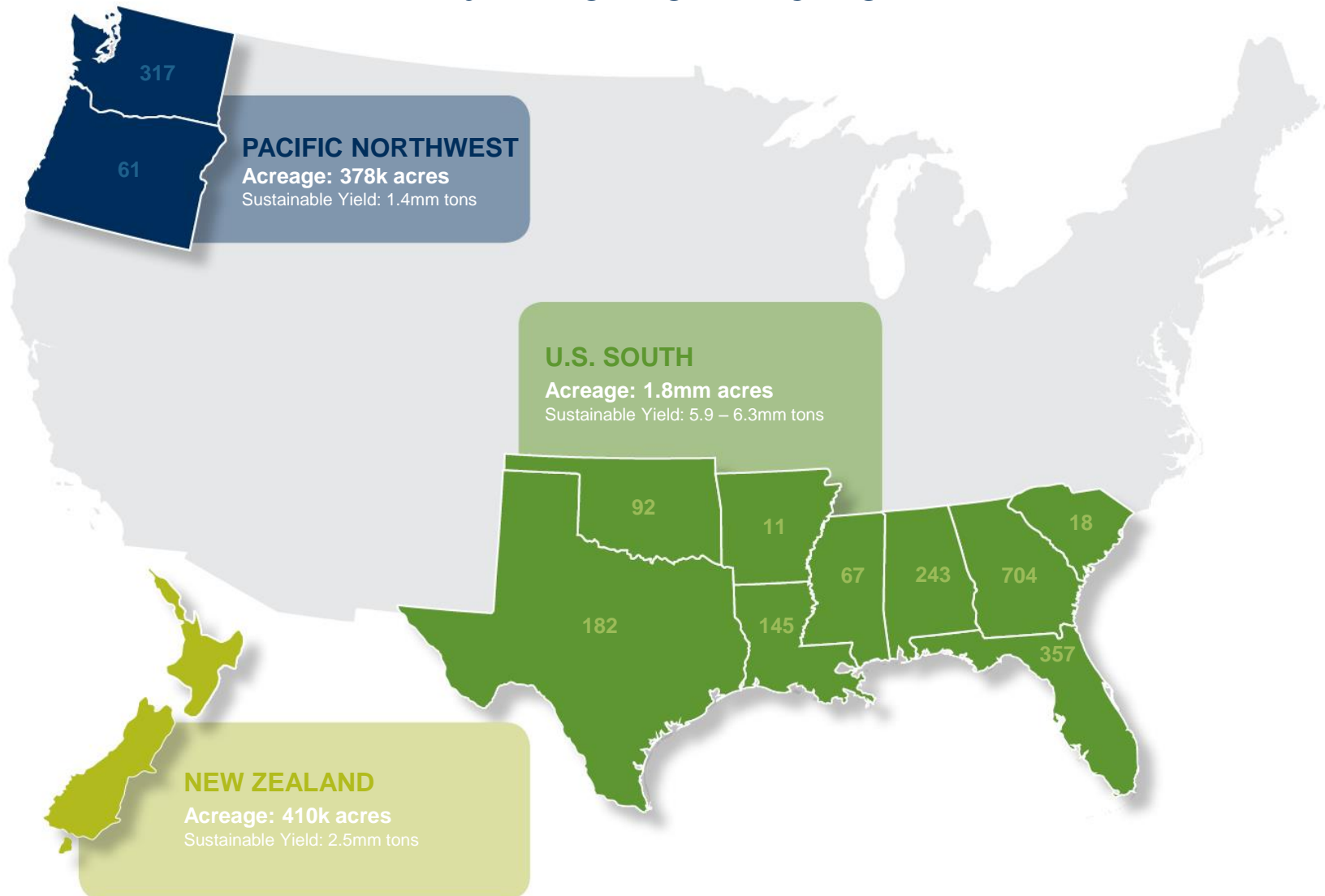


## Unique Exposure to China Export Market



# Highly Productive, Geographically Diversified Timberlands

2.6 MILLION TOTAL ACRES



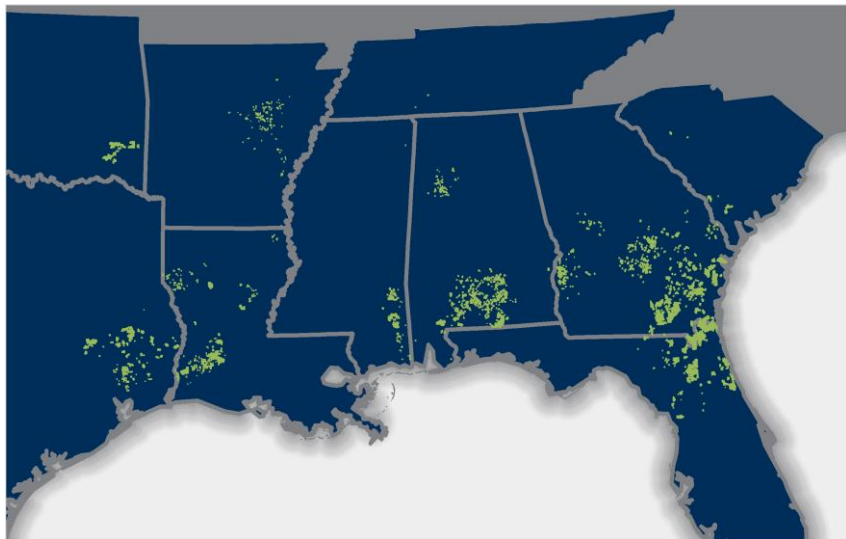
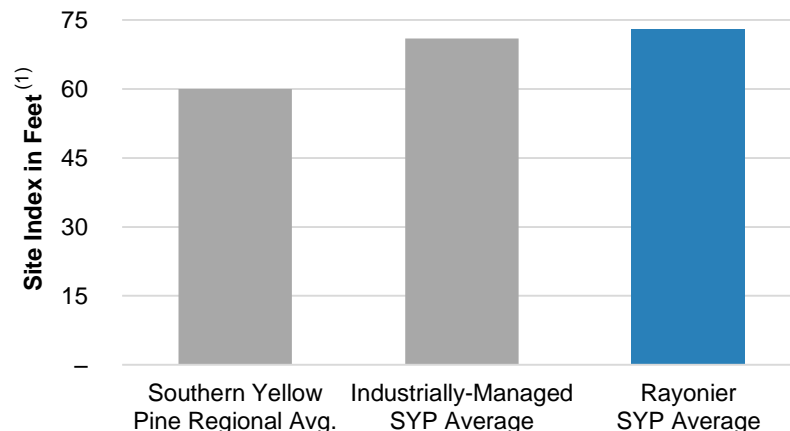


# Southern Timber – Portfolio Overview

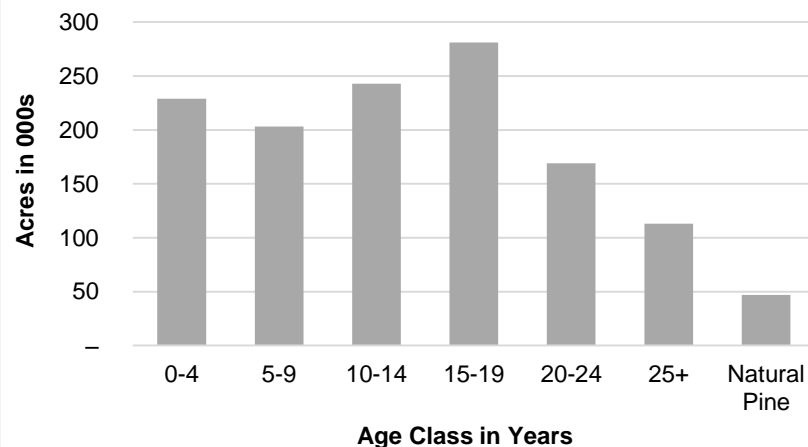
## Highlights / Location

- Acreage: 1.8 million acres
- Sustainable Yield: 5.9 – 6.3 million tons
- Planted / Plantable: 68%
- Average Site Index: 73 feet at age 25<sup>(1)</sup>
- 2017 EBITDA\*: \$92 million
- Sustainable Forestry Initiative Certification

## Strong Productivity Characteristics



## Balanced Age Class Profile<sup>(2)</sup>



Source: U.S. Dept. of Agriculture, Society of American Foresters Journal of Forestry.

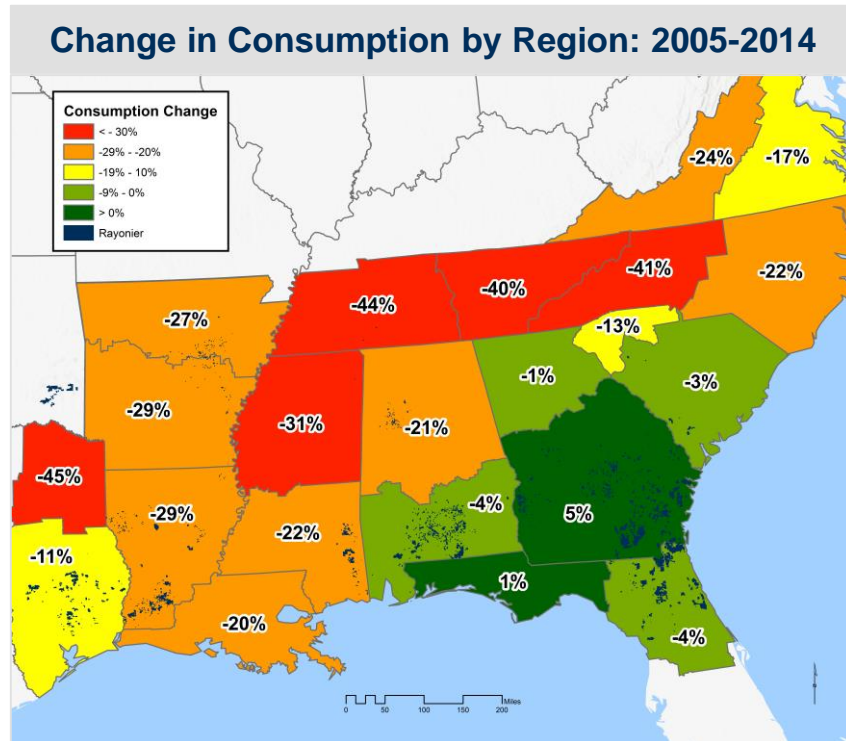
(1) Site index reflects the average height of the dominant and codominant trees at a base age of 25 (U.S. South).

(2) Age class profile as of 12/31/2017 per 2017 10-K.

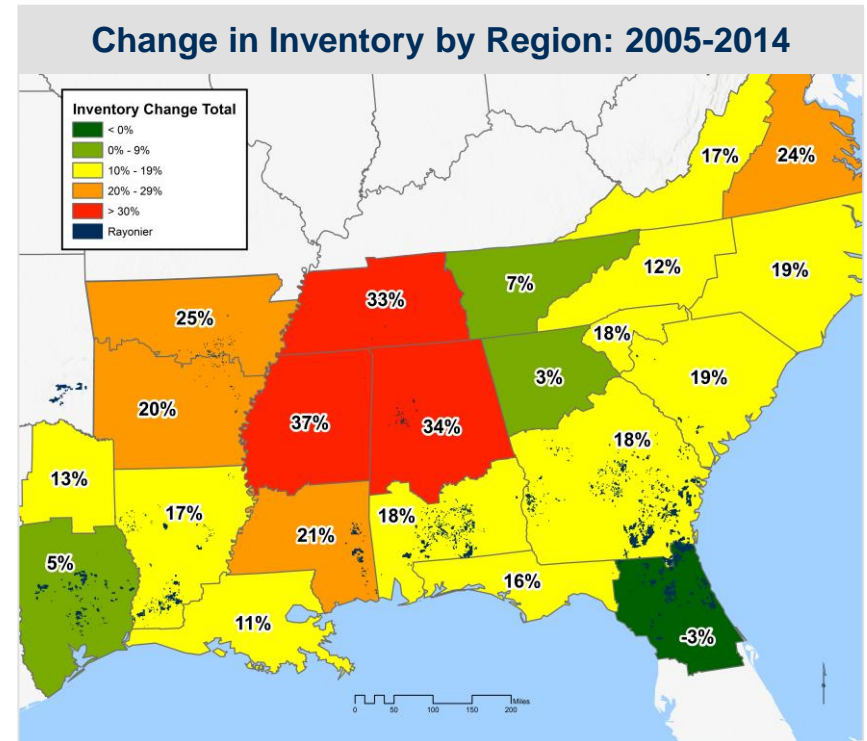
\* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

# Consumption & Inventory Changes Vary Across U.S. South

- Recession-induced demand declines have led to large drops in consumption for most areas
- Differences in consumption declines have caused regional market performance to vary
- Timberland portfolio performance will be influenced by geographic distribution



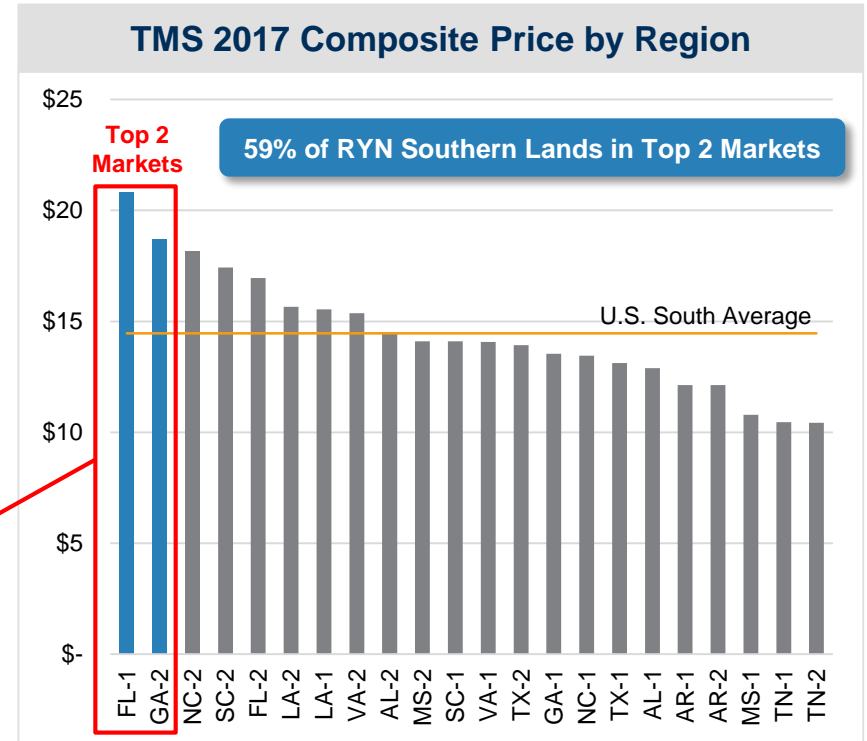
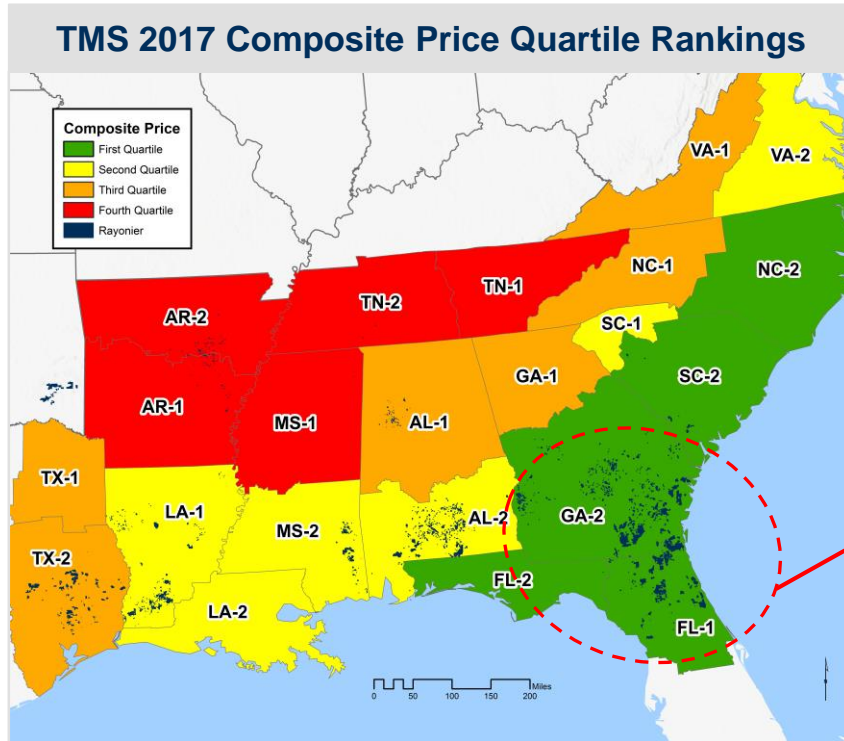
Source: USDA FIA Timber Product Output; University of Georgia, Wood Demand Report; Rayonier estimates.



Source: USDA FIA data; Rayonier analysis.

# RYN Concentrated 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



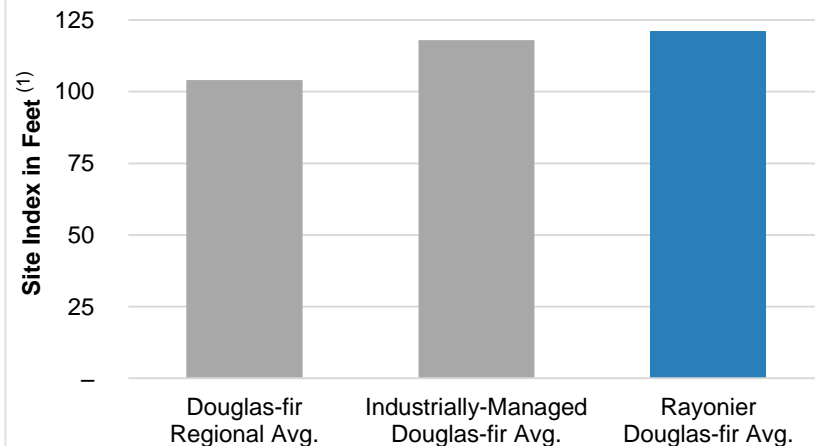
Approximately 59% of Rayonier's Southern timberlands are located in the top two markets (ranked by TimberMart-South composite stumpage pricing).

# Pacific Northwest Timber – Portfolio Overview

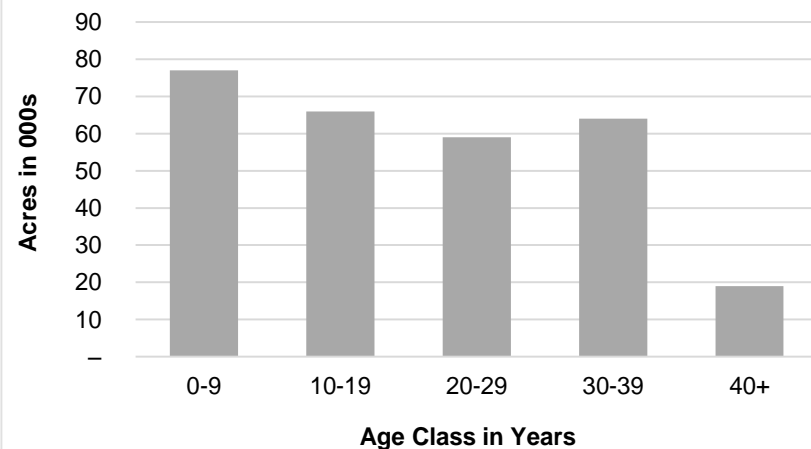
## Highlights / Location

- Acreage: 378,000 acres
- Sustainable Yield: 1.4 million tons
- Planted / Plantable: 77%
- Average Site Index: 109 feet at age 50<sup>(1)</sup>
- 2017 EBITDA\*: \$33 million
- Sustainable Forestry Initiative Certification

## Strong Productivity Characteristics



## Improving Age Class Profile<sup>(2)</sup>



Source: U.S. Dept. of Agriculture, Society of American Foresters Journal of Forestry.

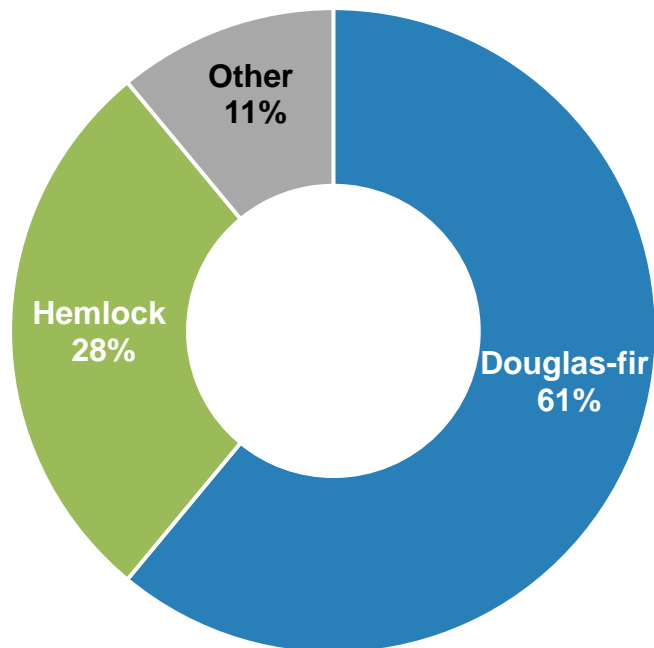
(1) Site index reflects the average height of the dominant and codominant trees at a base age of 50 (Pacific Northwest).

(2) Age class profile as of 12/31/2017 per 2017 10-K.

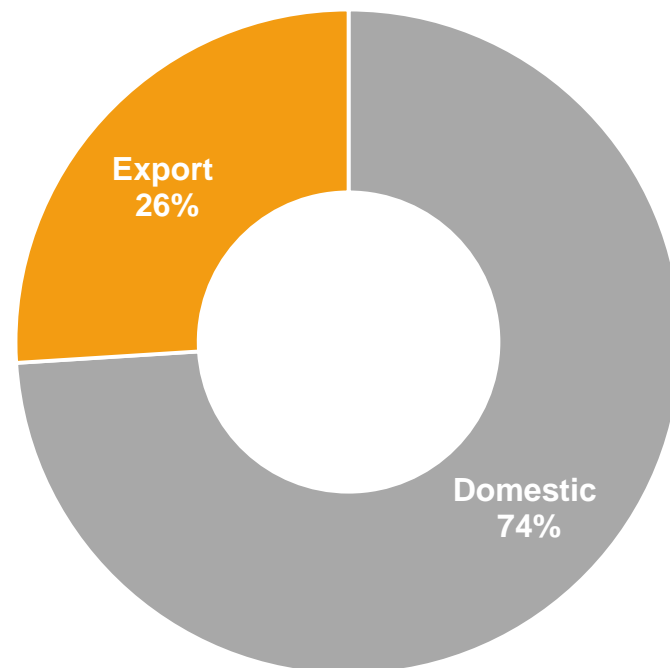
\* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

# Diverse Species and End Markets

Pacific Northwest Inventory by Species (2017)



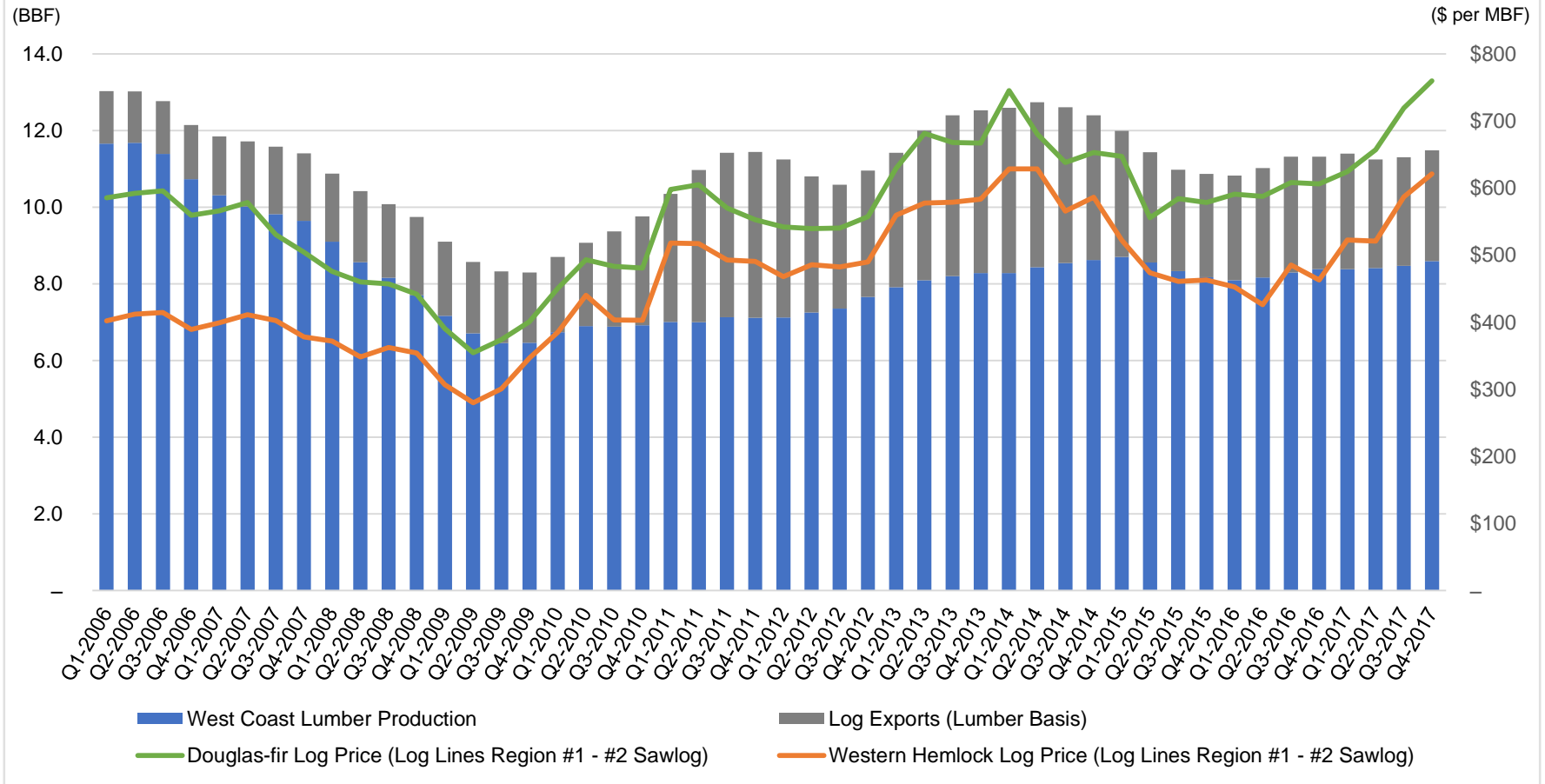
Volume by Destination (2017)



Rayonier's Pacific Northwest portfolio provides diversity of products and end-markets.

# Pacific Northwest Demand and Pricing Have Recovered

## Pacific Northwest Log Demand & Pricing



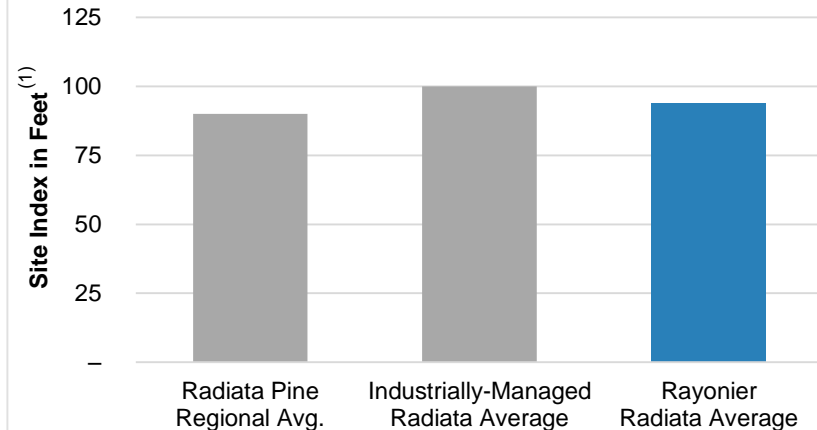
**Pacific Northwest log prices have recovered to above pre-recession levels driven by increased export and domestic demand.**

# New Zealand Timber – Portfolio Overview

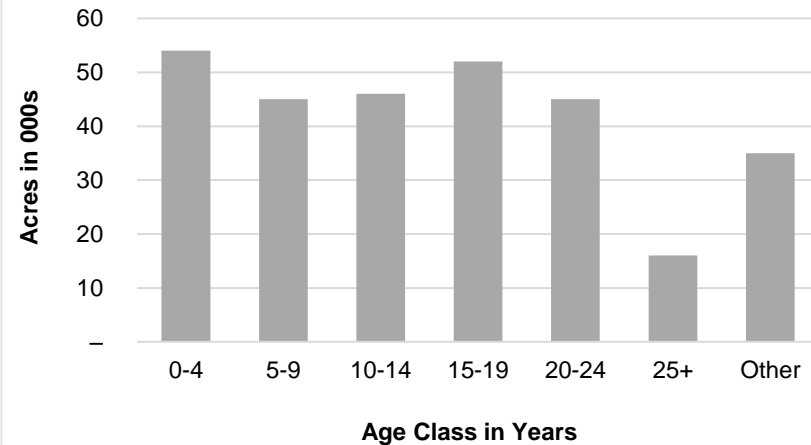
## Highlights / Location

- Acreage: 410,000 acres
- Sustainable Yield: 2.5 million tons
- Planted / Plantable: 71%
- Average Site Index: 94 feet at age 20<sup>(1)</sup>
- 2017 EBITDA\*: \$109 million
- Forest Stewardship Council Certification

## Strong Productivity Characteristics



## Balanced Age Class Profile (Radiata)<sup>(2)</sup>



Source: NZ Ministry for Primary Industries, New Zealand Journal of Forestry.

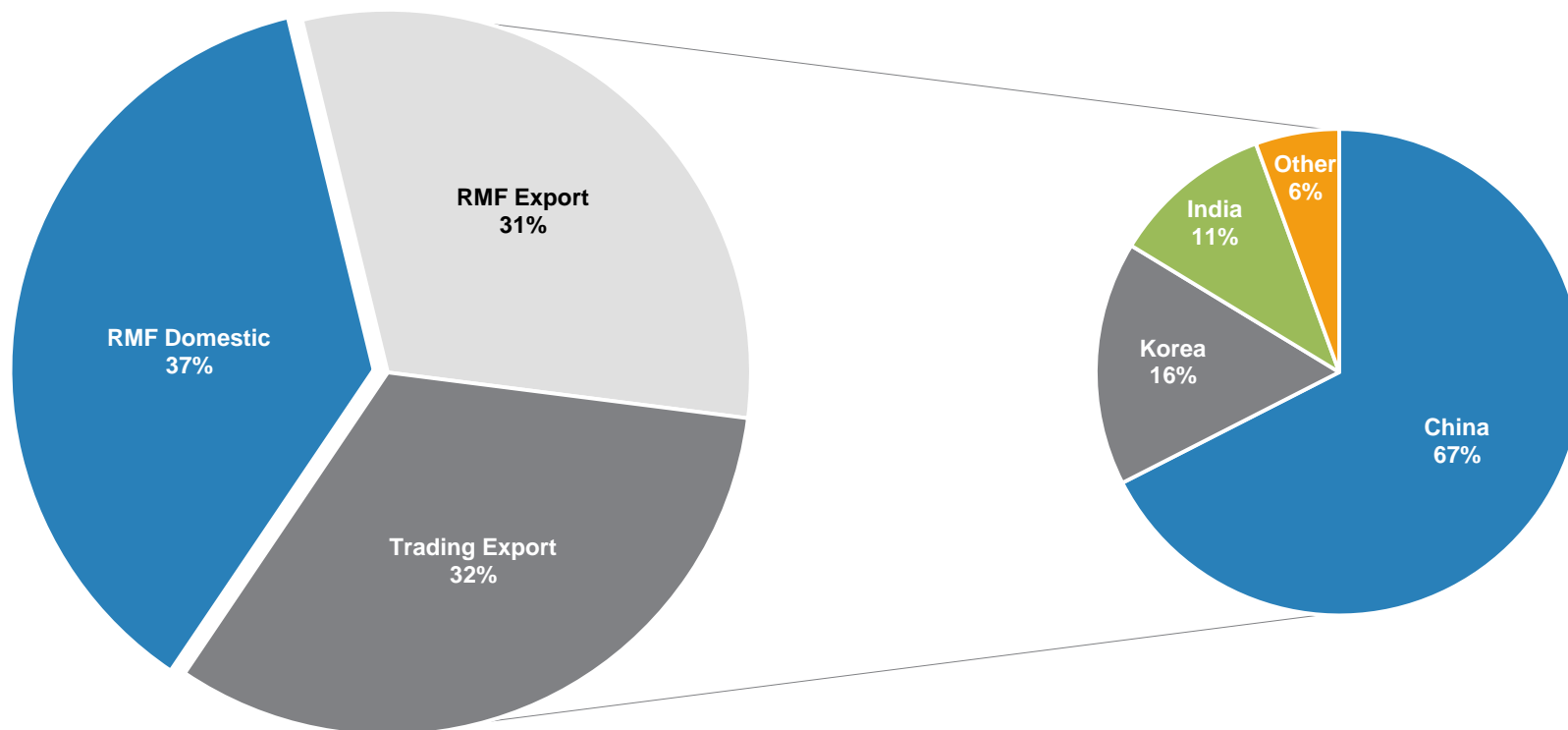
(1) Site index reflects the average height of the dominant and codominant trees at a base age of 20 (New Zealand).

(2) Age class profile as of 12/31/17 per 2017 10-K.

\* Non-GAAP measure (see Appendix for definitions and RYN reconciliations).

# Diversified Mix of Domestic & Export Markets






Volume by Market Destination (2017)




Over 60% of the New Zealand segment's volume (including Trading volume) is sold into export markets, with China being the largest source of demand.



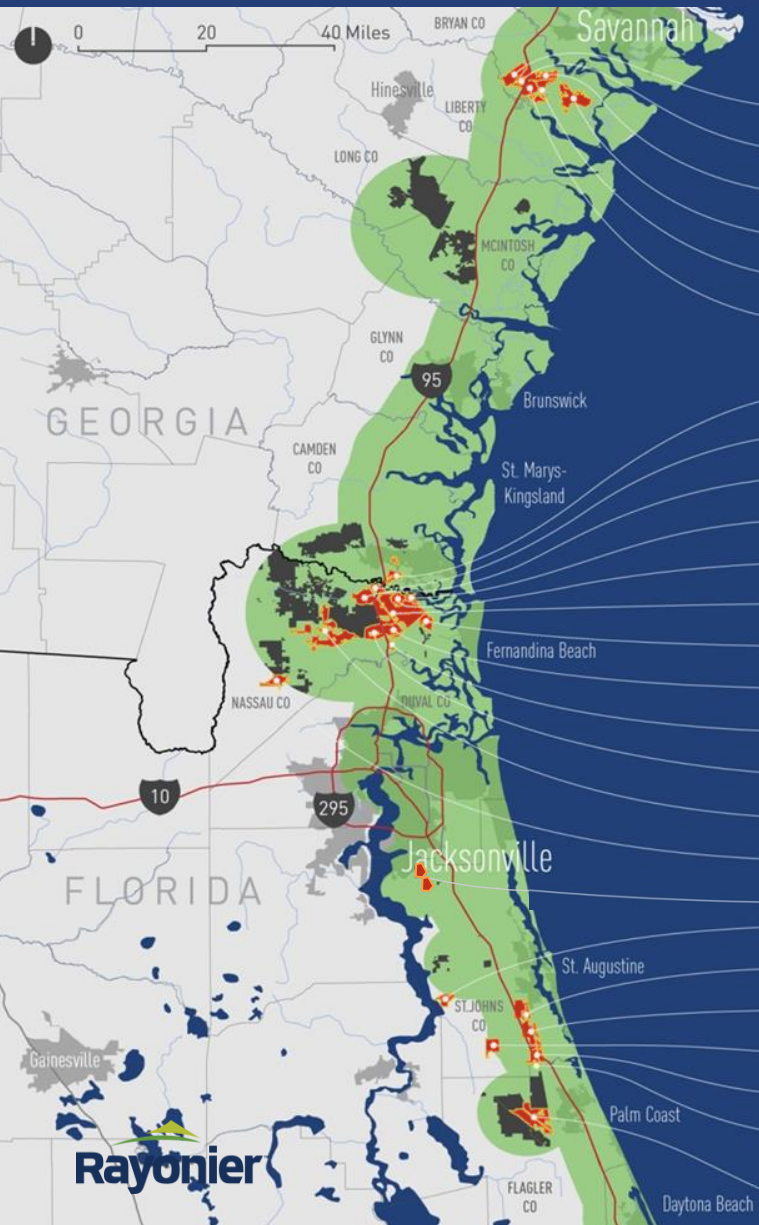
# Real Estate strategy: optimize value & create optionality

Timberlands		Real Estate		
 <p><b>Large Dispositions</b></p>	 <p><b>Non-Strategic / Timberlands</b></p>	 <p><b>Rural Places + Properties</b></p>	 <p><b>Unimproved Development</b></p>	 <p><b>Improved Development</b></p>
<p><b>Strategic sales of timberland</b></p> <ul style="list-style-type: none"> <li>Opportunistic-only for capital allocation</li> <li>Upgrade portfolio</li> <li>Excluded from Adj. EBITDA and pro-forma financials</li> </ul>	<p><b>Sale of non-strategic and timberland assets</b></p> <ul style="list-style-type: none"> <li>Timberland: capture a financial premium</li> <li>Non-Strategic: monetize and repurpose “dead-capital”</li> </ul>	<p><b>Sale of rural properties</b></p> <ul style="list-style-type: none"> <li>Stable and recurring source of cash flows</li> <li>Build a pipeline of enhanced rural properties in higher potential markets</li> </ul>	<p><b>Sale of properties with development rights</b></p> <ul style="list-style-type: none"> <li>Invest in securing development rights</li> <li>Build a pipeline of entitled properties in higher potential markets</li> </ul>	<p><b>Sale of developed land parcels</b></p> <ul style="list-style-type: none"> <li>Invest in infrastructure and amenities</li> <li>Enhance value and create optionality of adjacent RYN properties</li> </ul>
<p><b>Timberland value</b></p>	<p><b>Timberland premium</b></p>	<p><b>HBU premium + ROI</b></p>	<p><b>HBU premium + ROI</b></p>	<p><b>HBU premium + ROI + optionality</b></p>
<p>Opportunistic</p>	<p>Reduce reliance</p>	<p>Grow moderately</p>	<p>Grow in select markets</p>	<p>Grow in <u>very</u> select markets</p>

<p><b>Land Resources</b></p>	 <p><b>Sale of access to use properties / extract resources</b></p>	<ul style="list-style-type: none"> <li>Maximize and grow annual gross margin/ac</li> <li>Build diverse portfolio of cash flows</li> <li>Develop new business growth</li> </ul>	<p><b>Annual gross margin per acre</b></p>	<p>Grow moderately</p>
------------------------------	--	--	--	------------------------

# I-95 Coastal Corridor: active portfolio management

as of 10/31/2017



- Rayonier planning areas
- Other Rayonier properties
- Active projects (Improved)
- Active projects (Unimproved)
- Under evaluation
- Optimize timberland value

- PLANNING NODES**
- BRYAN COUNTY – US 17
- BELFAST Commerce Park**
- RICHMOND HILL 1
- KILKENNY
- RICHMOND HILL 2
- BELFAST Mixed Use**
- ST MARYS / EXIT 1 GA
- EAST NASSAU NORTHERN
- WEST NASSAU 3
- ST MARYS BLUFF'S
- EAST NASSAU Residential / Hospitality**
- EAST NASSAU REMAINDER
- CHESTER RD.**
- WILDLIGHT**
- EAST NASSAU SOUTHERN
- WEST NASSAU 1
- WEST NASSAU 2
- CRAWFORD DIAMOND
- NORTH ST. JOHNS**
- DEEP CREEK
- PEDRO MENENDEZ
- SOUTH ST. JOHNS
- WITWORTH
- I-95 / US1 INTERCHANGE
- PELLICER CREEK
- NEOGA LAKES

**Georgia Low County**  
(Savannah, Richmond Hill, Bryan County)

**Florida Low County**  
(St. Mary's, Nassau County)

Recent transactions

• Wildlight	1.5 ac		\$318,100/ac
• North St. Johns	215 ac		\$27,100/ac
• Richmond Hill 1	8.8 ac		\$91,400/ac
• Crawford Diamond	1,311 ac		\$10,000/ac
• Deep Creek	1,994 ac		\$3,200/ac

# 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, costs related to shareholder litigation, the gain on foreign currency derivatives, Large Dispositions, internal review and restatement costs, costs related to spin-off of the Performance Fibers business, the gain related to the consolidation of the New Zealand JV and discontinued operations. 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** by segment is calculated as operating income before depreciation, depletion, amortization and specific items that are not indicative of ongoing operating results. EBITDA by segment for Rayonier is equal to Adjusted EBITDA.

**Last twelve months (LTM) Adjusted EBITDA** is a non-GAAP financial measure that Rayonier believes provides investors with useful information to evaluate the Company's ability to service its debt. For purposes of this calculation LTM Adjusted EBITDA is used as an indicator of the Company's performance over the most recent twelve months and debt net of cash is presented as an indicator of Rayonier's current leverage.

**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.

**Costs related to shareholder litigation** is defined as expenses incurred as a result of the securities litigation, the shareholder derivative demands and the Securities and Exchange Commission investigation. See Note 10 — *Contingencies of Item 8* — Financial Statements and Supplementary Data in the Company's most recent Annual Report on Form 10-K. In addition, these costs include the costs associated with the Company's response to a subpoena it received from the SEC in November 2014. In July 2016, the Division of Enforcement of the SEC notified the Company that it had concluded its investigation into the Company.

**Gain on foreign currency derivatives** is the gain resulting from the foreign exchange derivatives the Company used to mitigate the risk of fluctuations in foreign exchange rates while awaiting the capital contribution to the New Zealand JV.

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

# Reconciliation of Q3 2017 LTM Adjusted EBITDA

(\$ in millions)	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Total
Net income	\$50.5	\$35.1	\$30.8	\$28.8	\$145.2
Interest, net	8.2	7.9	8.2	8.1	\$32.4
Income tax expense	2.8	6.3	7.5	3.0	\$19.6
Depreciation, depletion and amortization	31.5	30.8	37.1	28.7	\$128.1
Non-cash cost of land and improved development	1.6	4.5	2.8	1.3	\$10.2
Costs related to shareholder litigation <sup>(1)</sup>	-	0.7	-	-	\$0.7
Large Dispositions <sup>(1)</sup>	(42.6)	(28.2)	-	-	(\$70.8)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$52.0</b>	<b>\$57.1</b>	<b>\$86.4</b>	<b>\$69.9</b>	<b>\$265.4</b>

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

# Reconciliation of Operating Income (Loss) to Adjusted EBITDA by Segment

(\$ in millions)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>Q3 2017 LTM</b>							
Operating Income	\$43.2	(\$4.4)	\$68.0	\$106.6	\$3.9	(\$20.4)	\$196.9
Depreciation, depletion & amortization	49.7	34.0	35.6	8.2	-	0.6	128.1
Non-cash cost of land and real estate sold	-	-	0.1	10.1	-	-	10.2
Non-operating income	-	-	0.3	-	-	-	0.3
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	0.7	0.7
Large Dispositions <sup>(1)</sup>	-	-	-	(70.8)	-	-	(70.8)
Adjusted EBITDA <sup>(1)</sup>	\$92.9	\$29.6	\$104.0	\$54.1	\$3.9	(\$19.1)	\$265.4
<b>Q3 2017 YTD</b>							
Operating Income	\$35.0	(\$1.3)	\$56.3	\$57.3	\$3.4	(\$15.3)	\$135.4
Depreciation, depletion & amortization	37.1	23.8	29.3	5.9	-	0.5	96.6
Non-cash cost of land and real estate sold	-	-	0.1	8.5	-	-	8.6
Non-operating income	-	-	0.3	-	-	-	0.3
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	0.7	0.7
Large Dispositions <sup>(1)</sup>	-	-	-	(28.2)	-	-	(28.2)
Adjusted EBITDA <sup>(1)</sup>	\$72.1	\$22.5	\$86.0	\$43.5	\$3.4	(\$14.1)	\$213.4
<b>2017</b>							
Operating Income	\$42.2	\$1.1	\$72.5	\$116.0	\$4.6	(\$20.9)	\$215.5
Depreciation, depletion & amortization	49.4	32.0	36.4	9.0	-	0.8	127.6
Non-cash cost of land and real estate sold	-	-	0.1	13.6	-	-	13.7
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	0.7	0.7
Large Dispositions <sup>(1)</sup>	-	-	-	(67.0)	-	-	(67.0)
Adjusted EBITDA <sup>(1)</sup>	\$91.6	\$33.1	\$109.0	\$71.6	\$4.6	(\$19.4)	\$290.5

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

# Reconciliation of Operating Income (Loss) to Adjusted EBITDA by Segment

(\$ in millions)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>2016</b>							
Operating Income	\$43.1	(\$4.0)	\$33.1	\$202.4	\$2.0	(\$20.8)	\$255.8
Depreciation, depletion & amortization	49.8	25.2	23.4	16.3	-	0.4	115.1
Non-cash cost of land and real estate sold	-	-	1.8	9.9	-	-	11.7
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	2.2	2.2
Gain on foreign currency derivatives <sup>(1)</sup>	-	-	-	-	-	(1.2)	(1.2)
Large Dispositions <sup>(1)</sup>	-	-	-	(143.9)	-	-	(143.9)
Adjusted EBITDA <sup>(1)</sup>	\$92.9	\$21.2	\$58.3	\$84.7	\$2.0	(\$19.4)	\$239.7
<b>2015</b>							
Operating Income	\$46.7	\$6.9	\$2.8	\$44.3	\$1.2	(\$24.1)	\$77.8
Non-operating expense	-	-	-	-	-	(0.1)	(0.1)
Depreciation, depletion & amortization	54.3	14.8	29.7	14.5	-	0.4	113.7
Non-cash cost of land and real estate sold	-	-	0.5	12.0	-	-	12.5
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	4.1	4.1
Adjusted EBITDA <sup>(1)</sup>	\$101.0	\$21.7	\$33.0	\$70.8	\$1.2	(\$19.7)	\$208.0
<b>2014</b>							
Operating Income	\$45.7	\$29.5	\$9.5	\$47.5	\$1.7	(\$35.6)	\$98.3
Depreciation, depletion & amortization	52.2	21.3	32.2	13.4	-	0.9	120.0
Non-cash cost of land and real estate sold	-	-	4.3	8.9	-	-	13.2
Large Dispositions <sup>(1)</sup>	-	-	-	(21.4)	-	-	(21.4)
Internal review and restatement costs <sup>(1)</sup>	-	-	-	-	-	3.4	3.4
Adjusted EBITDA <sup>(1)</sup>	\$97.9	\$50.8	\$46.0	\$48.4	\$1.7	(\$31.3)	\$213.5

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

# Reconciliation of Operating Income (Loss) to Adjusted EBITDA by Segment

(\$ in millions)	Southern Timber	Pacific Northwest Timber	New Zealand Timber	Real Estate	Trading	Corporate and Other	Total
<b>2013</b>							
Operating Income	\$37.8	\$32.7	\$10.6	\$55.9	\$1.8	(\$30.1)	\$108.7
Depreciation, depletion & amortization	49.4	21.4	27.7	17.4	-	1.0	116.9
Non-cash cost of land and real estate sold	-	-	-	10.2	-	-	10.2
Large Dispositions <sup>(1)</sup>	-	-	-	(25.7)	-	-	(25.7)
Gain on Consolidation of New Zealand JV <sup>(1)</sup>	-	-	-	-	-	(16.2)	(16.2)
Adjusted EBITDA <sup>(1)</sup>	\$87.2	\$54.1	\$38.3	\$57.8	\$1.8	(\$45.3)	\$193.9
<b>2012</b>							
Operating Income	\$23.4	\$20.6	\$2.0	\$32.0	(\$0.1)	(\$45.8)	\$32.1
Depreciation, depletion & amortization	52.7	22.2	0.2	8.1	-	1.4	84.6
Non-cash cost of land and real estate sold	-	-	-	4.7	-	-	4.7
Adjusted EBITDA <sup>(1)</sup>	\$76.1	\$42.8	\$2.2	\$44.8	(\$0.1)	(\$44.4)	\$121.4

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