



NAREIT's REITWeek: 2018 Investor Conference | June 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**

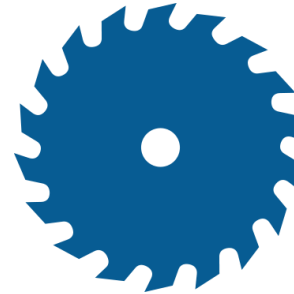


~335
employees

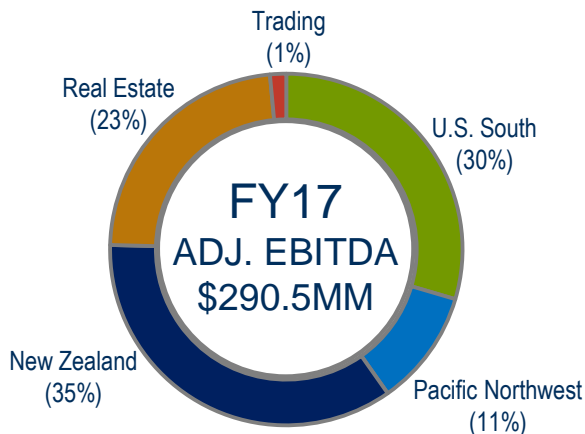
Value-added
Real Estate
Platform



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 Investment Thesis

WHY TIMBER?

- Strong historical returns with relatively low volatility
- Low correlation with other asset classes
- Proven inflation hedge

WHY NOW?

- Housing starts near historical “inflection point” for higher sawtimber pricing
- Significant lumber capacity additions in U.S. South
- China timber supply deficit fueling export market growth

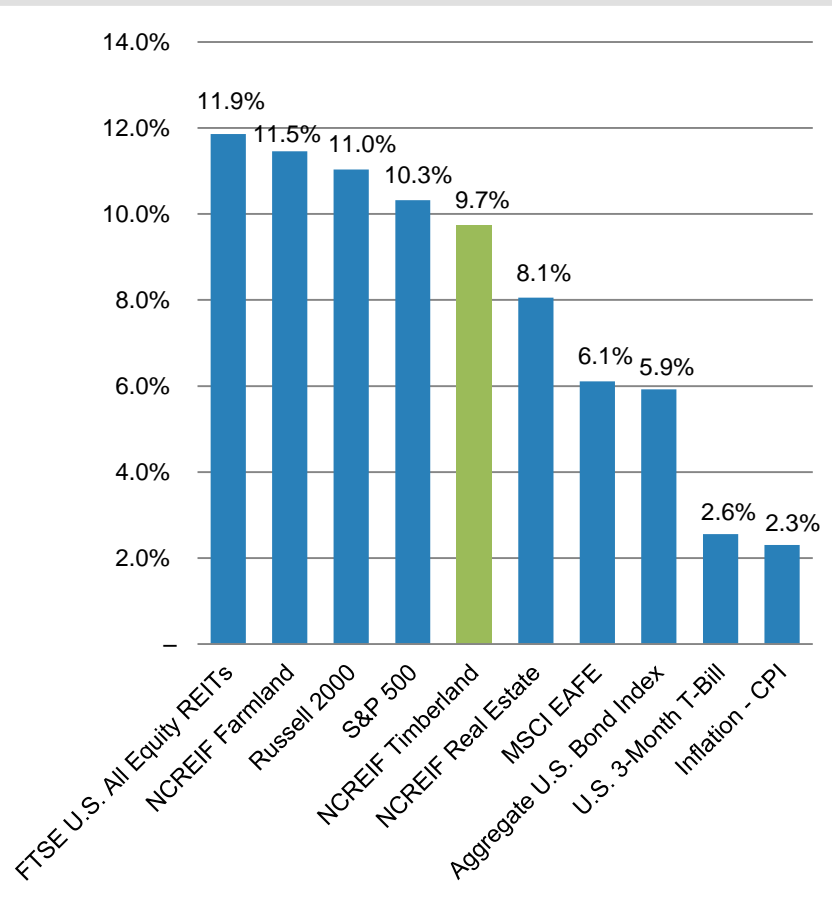
WHY RAYONIER?

- Pure-play timber REIT with diverse and well-located portfolio
- Concentrated in strongest U.S. South markets
- Unique exposure to China export markets
- Value-added real estate business augments core timber returns

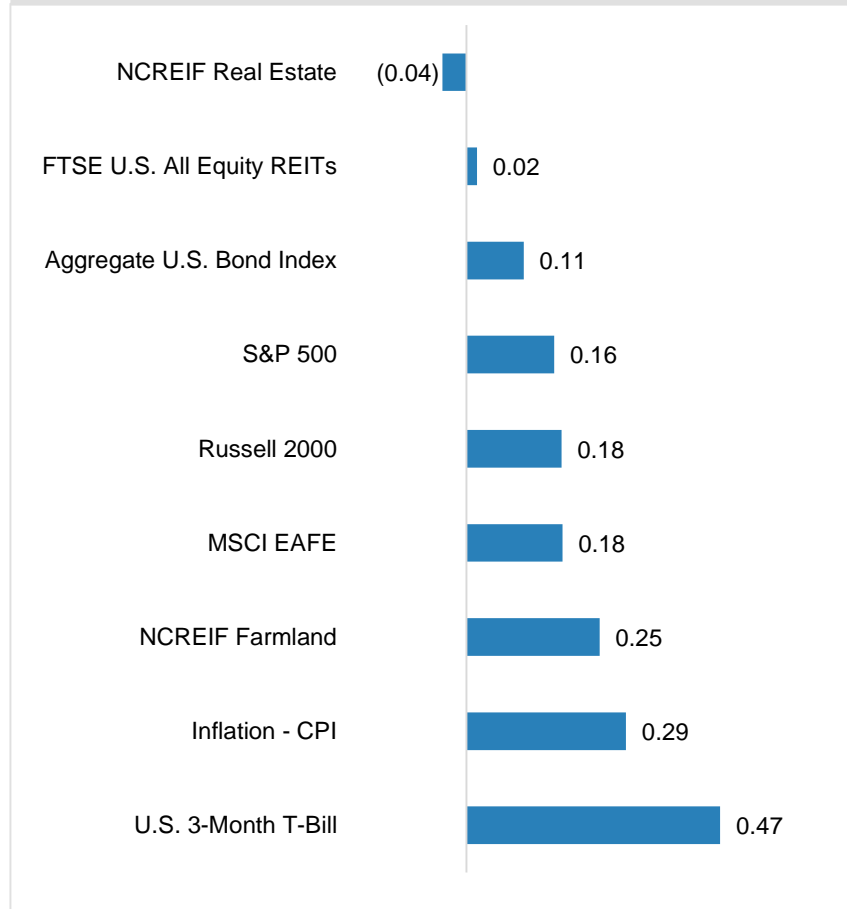
- 1 Why Timber?
- 2 Why Now?
- 3 Why RYN?

Historical Returns / Correlation by Asset Class

Annualized Total Returns (1991 – 2017)



Correlation (1991 – 2017)

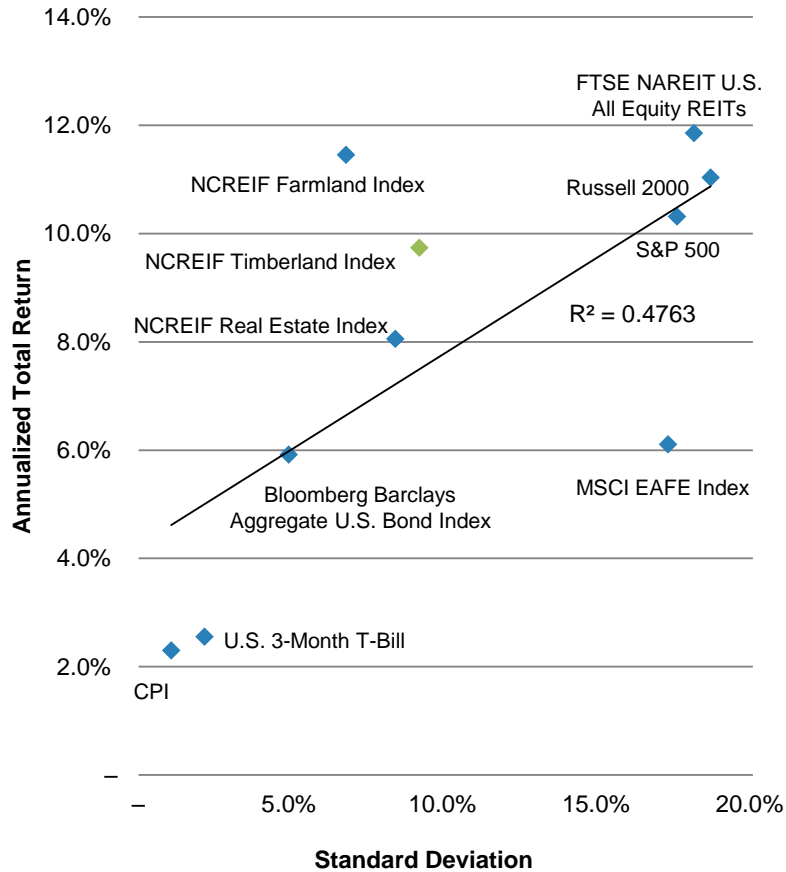


Timberland investment has consistently provided durable total returns with low correlation to the broader market and alternatives.

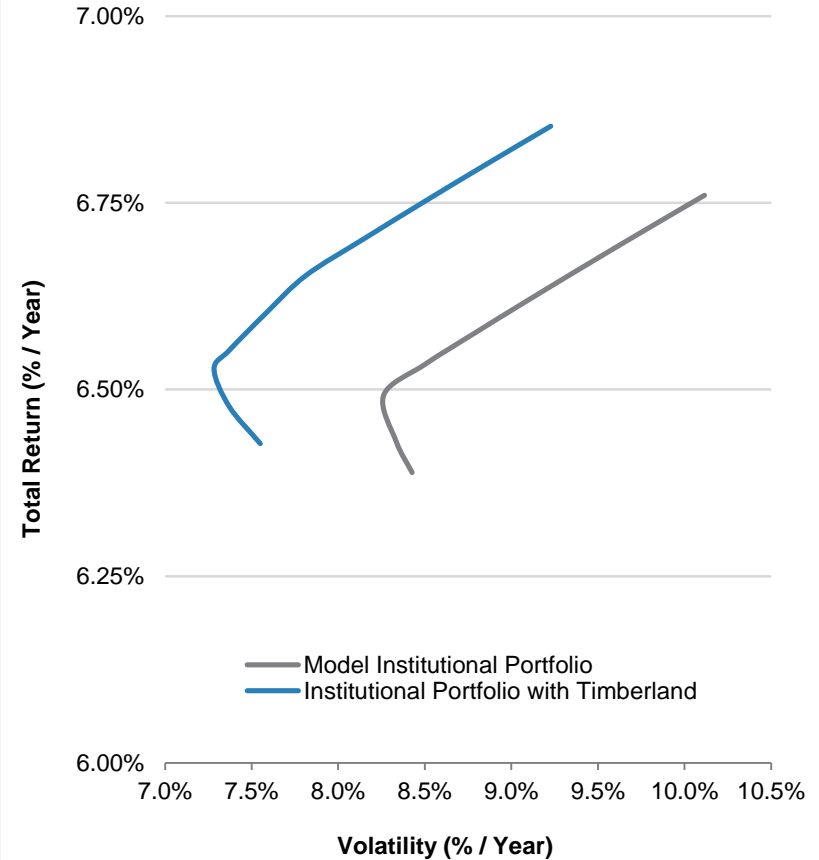
- 1 Why Timber?
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Timberland Risk vs. Return

Timberland Exhibits Low Volatility Historically



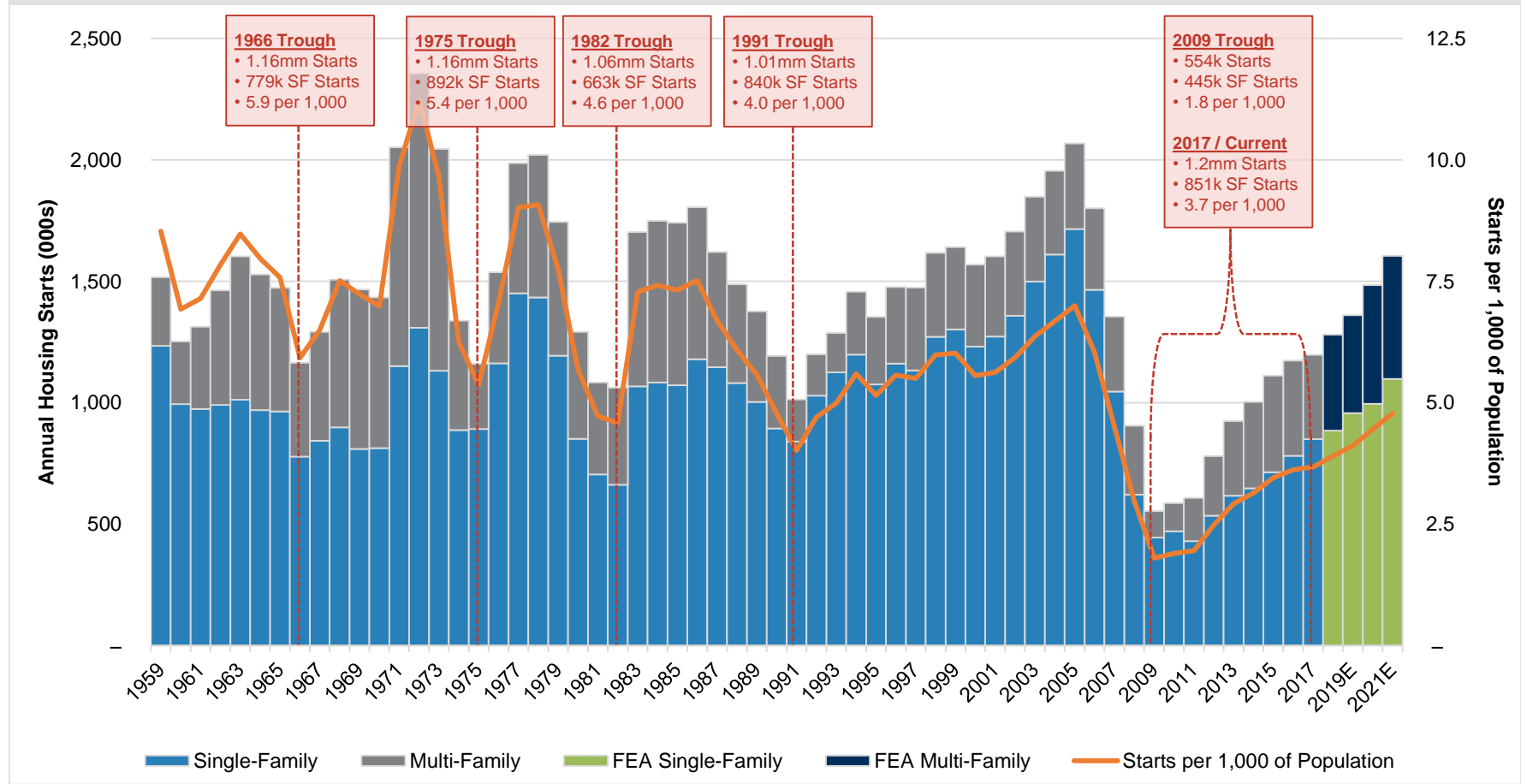
Illustrative Risk Efficient Frontiers



Timberland has historically achieved strong relative returns while exhibiting materially lower volatility, thus reducing portfolio risk.

Housing Starts Poised to Move Higher, Led by Single-Family

Historical and Projected Annual Housing Starts



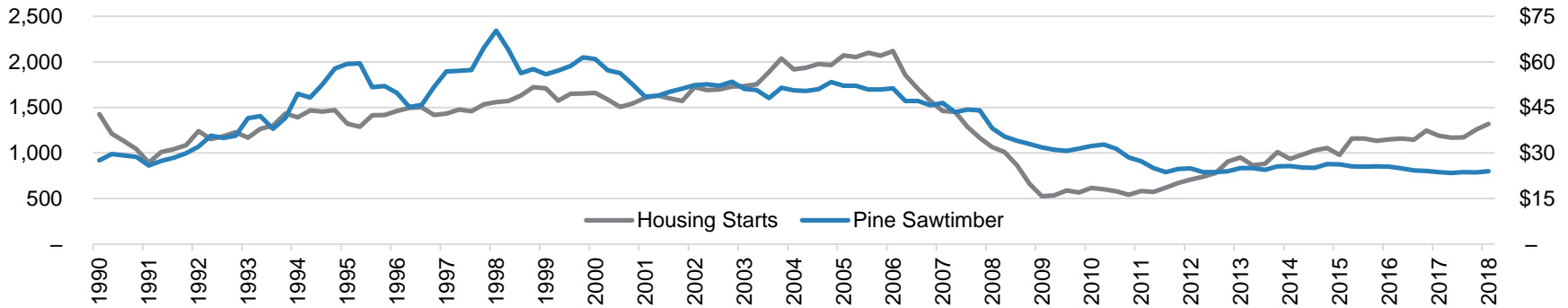
Forest Economic Advisors projects that annual housing starts will reach 1.6 million by 2021, led by single family construction.

Housing Starts Are Key Driver of Sawtimber Pricing

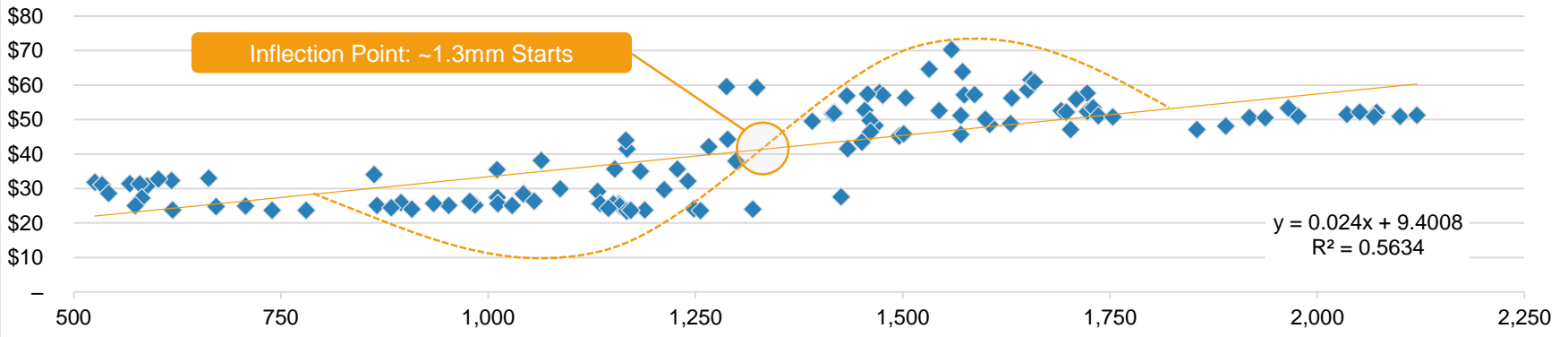
- 1 Why Timber?
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Annual Housing Starts vs. Real Pine Sawtimber Prices

(starts in 000s / US\$ per ton)



Annual Housing Starts vs. Real Pine Sawtimber Prices – Regression Analysis

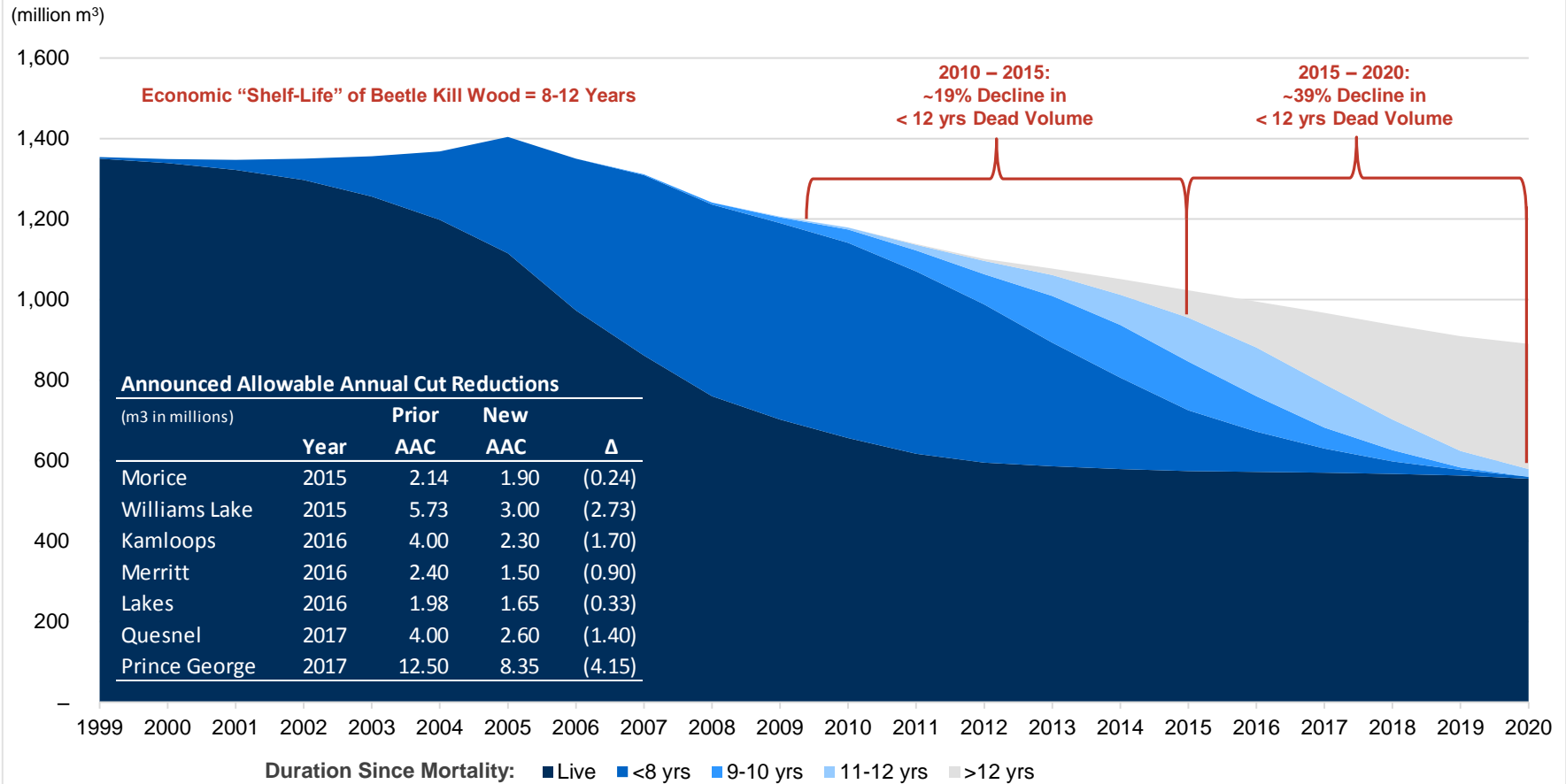


U.S. South sawtimber pricing has historically trended in line with residential construction, with a discernible inflection point at ~1.3 million starts.

- 1 Why Timber?
- 2 Why Now?
- 3 Why RYN?

Availability of Viable B.C. Timber Is Expected to Decline Rapidly

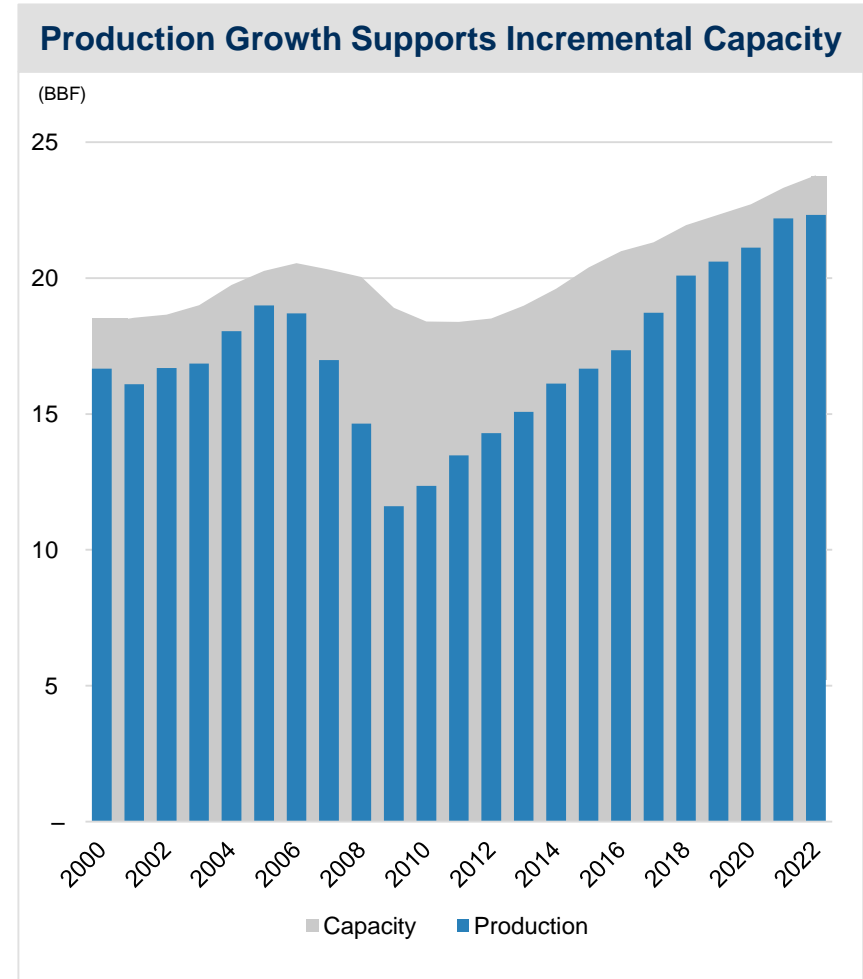
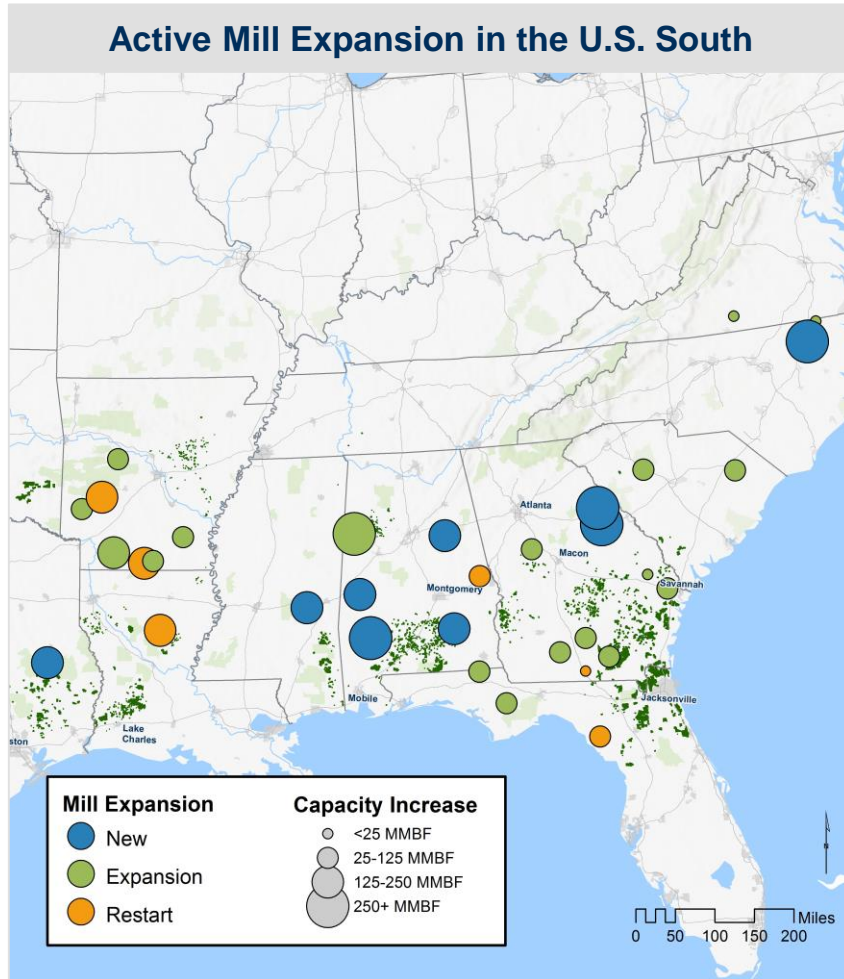
Inventory of Available Live and Dead Lodgepole Pine by Years Since Attack



The mountain pine beetle epidemic is expected to significantly constrain the availability of economically viable pine inventory in B.C. for many decades.

Lumber Capacity in the U.S. South Continues to Expand

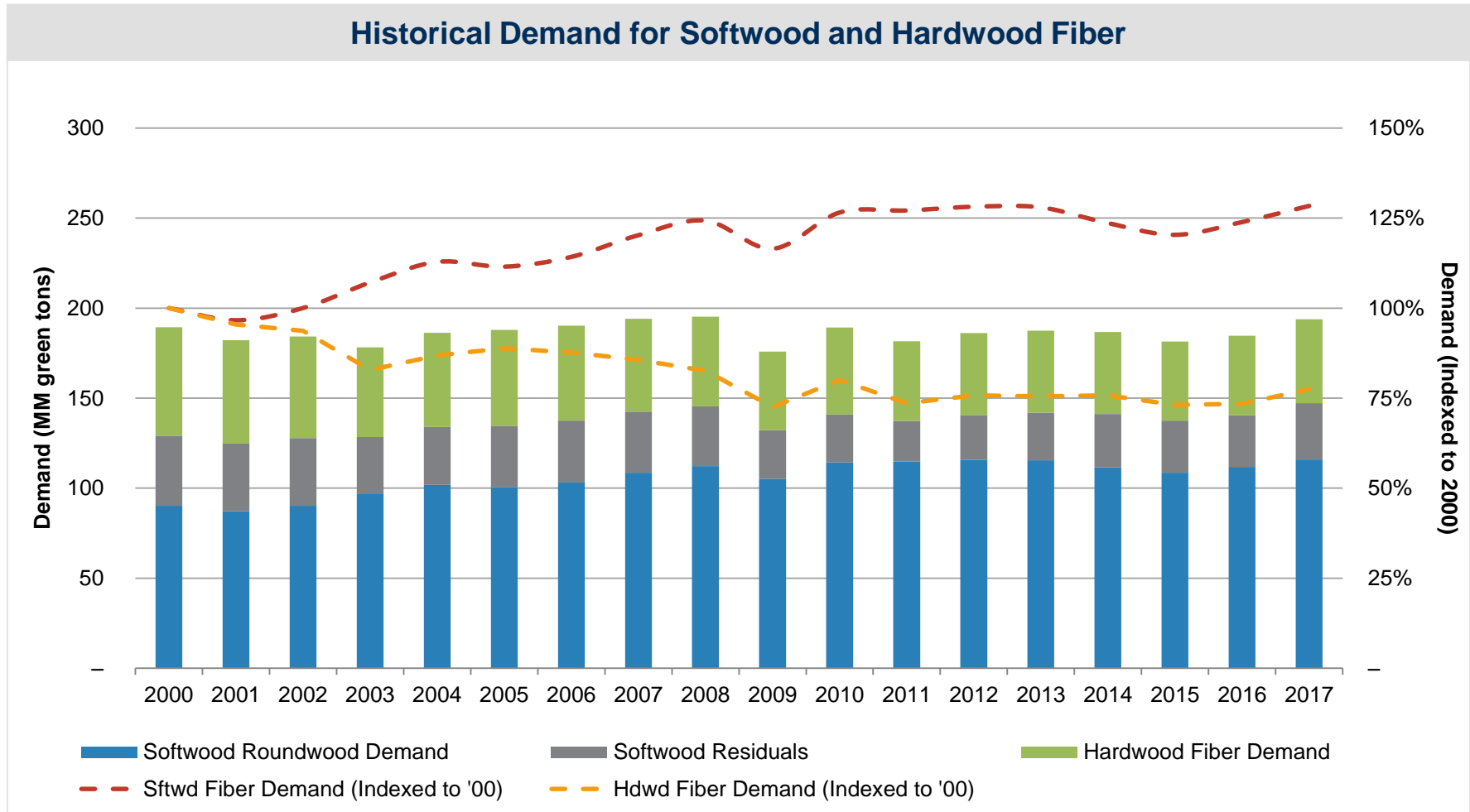
- 1 Why Timber?
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Lumber production and capacity in the U.S. South is expected to grow significantly over the next five years.

Softwood Pulpwood Demand Growth Has Been Strong

- 1 Why Timber?
- 2 Why Now?
- 3 Why RYN?

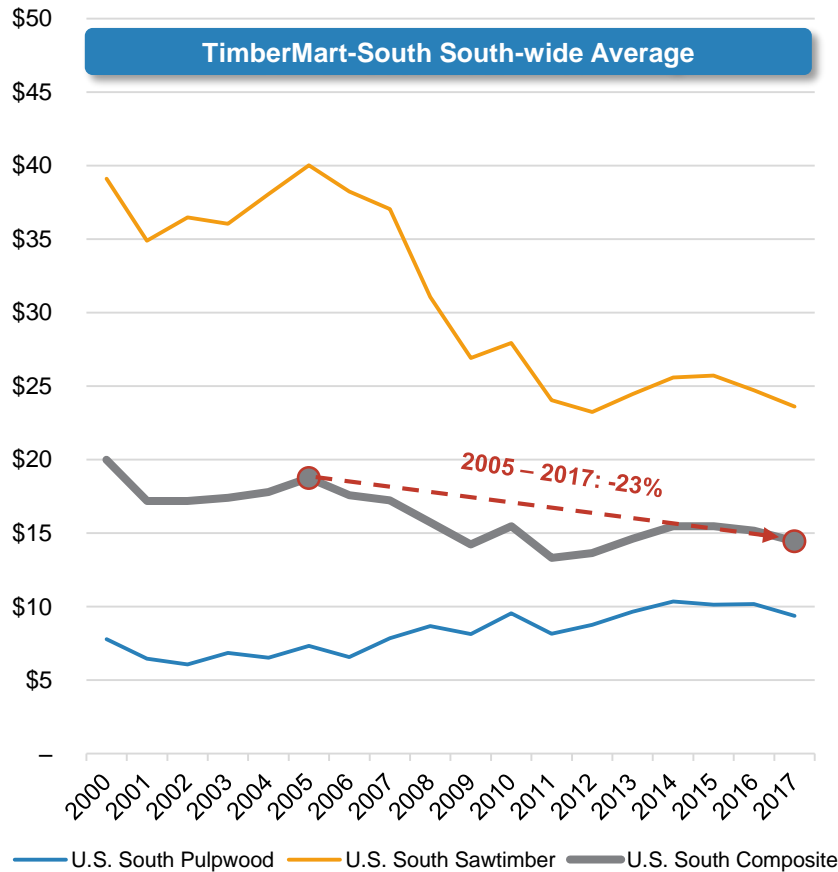


U.S. South growth in demand for softwood pulpwood has remained strong and is poised to accelerate on expanding OSB capacity investments.

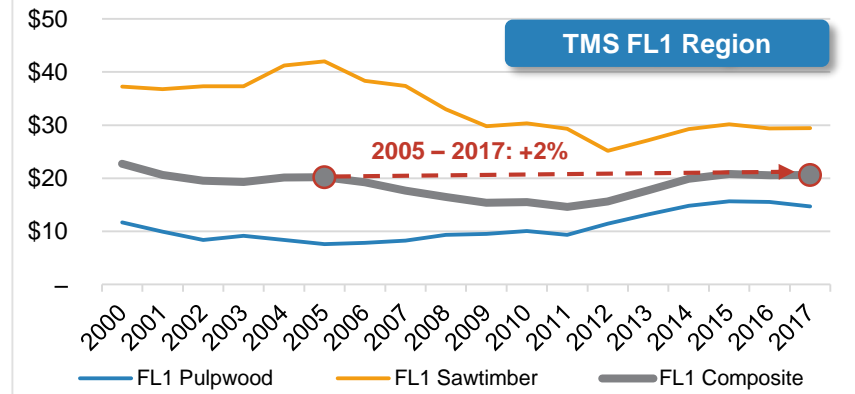
- 1 Why Timber?
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Pulpwood Supports Composite Prices in Strong Markets

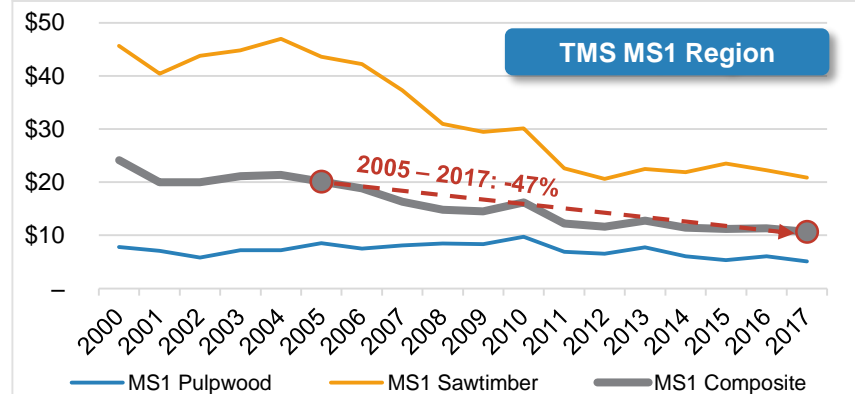
U.S. South-wide Average Stumpage Pricing



Strong Markets Support Composite Pricing



Weaker Markets Hinder Composite Pricing



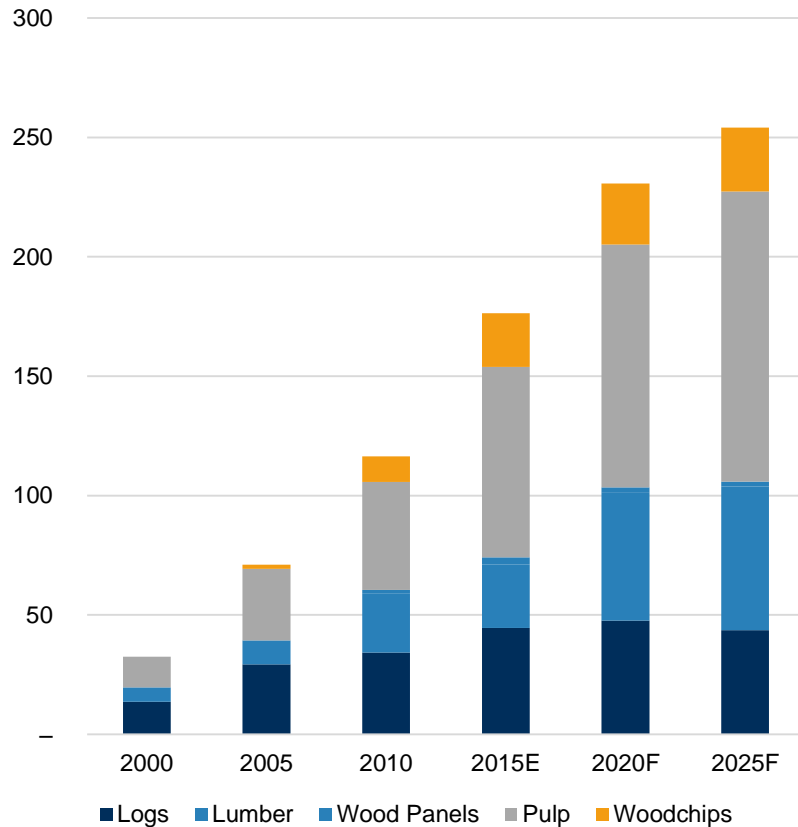
As sawtimber pricing has eroded in the U.S. South, increased pulpwood pricing has offset the overall composite price decline in strong markets where Rayonier focuses its ownership.

China's Large Timber Supply Deficit Growing

- 1 Why Timber?
- 2 Why Now?
- 3 Why RYN?

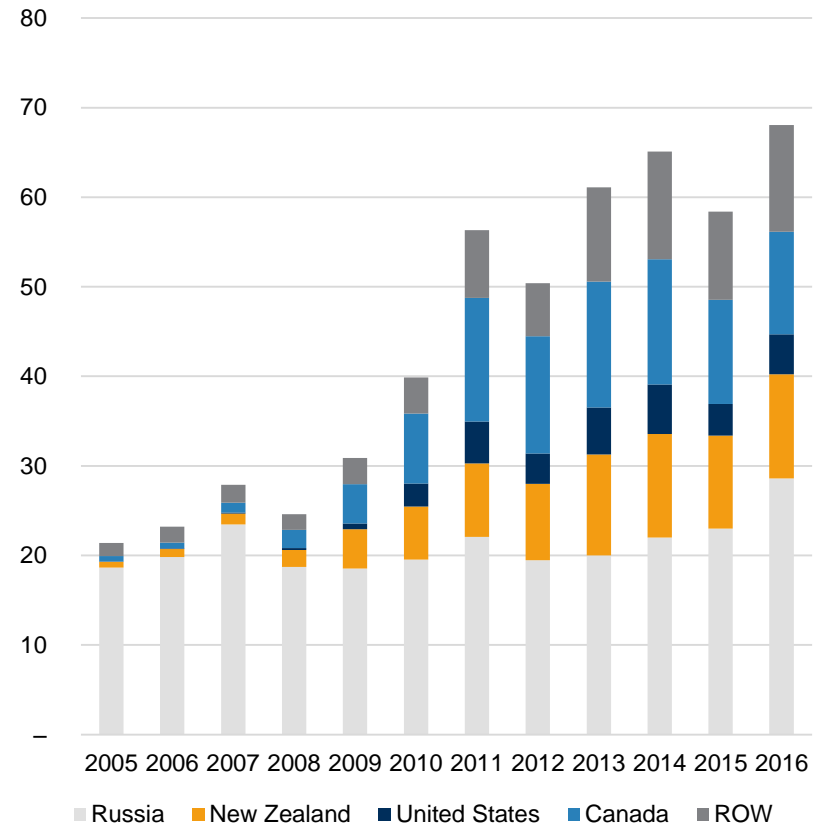
China Total Timber Supply Deficit

(million m³ RWE)



China Softwood Log and Lumber Imports

(million m³ RWE)

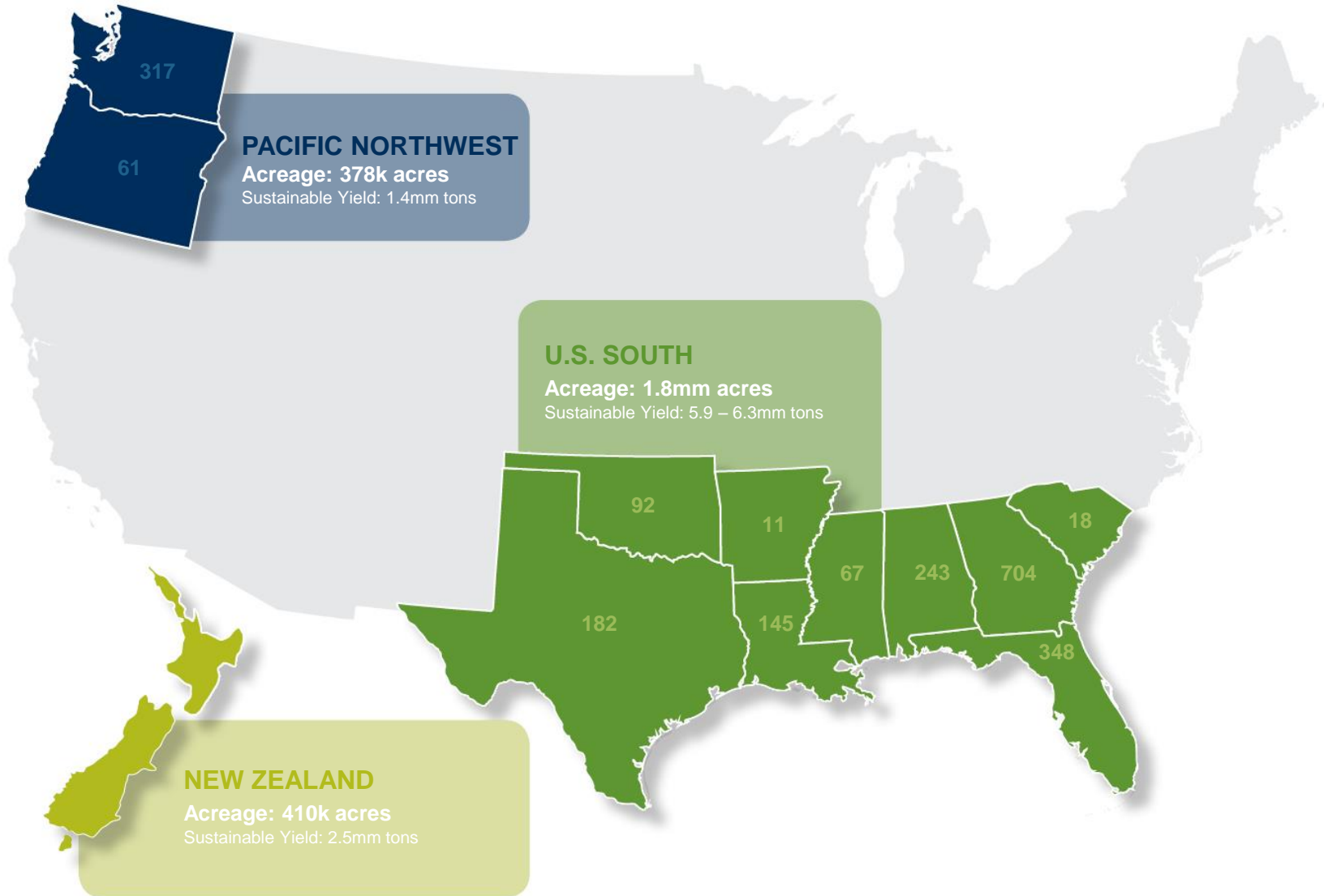


Softwood log and lumber imports to China are expected to remain strong given its growing timber supply deficit.

Highly Productive, Geographically Diversified Timberlands

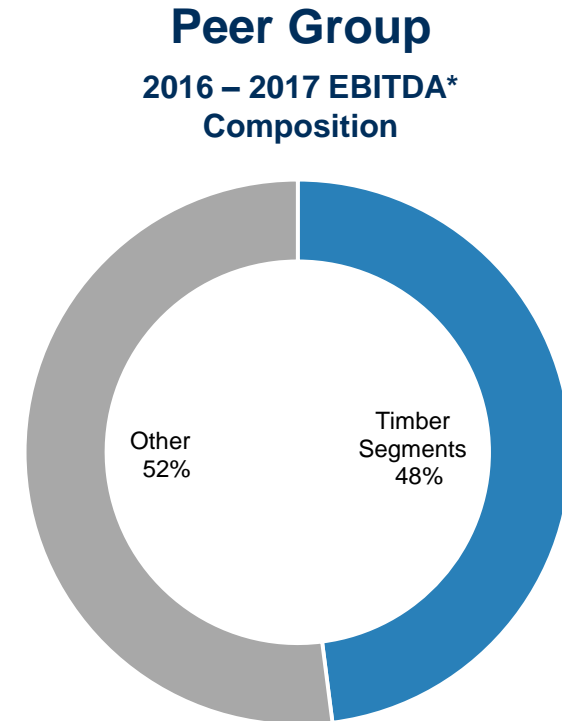
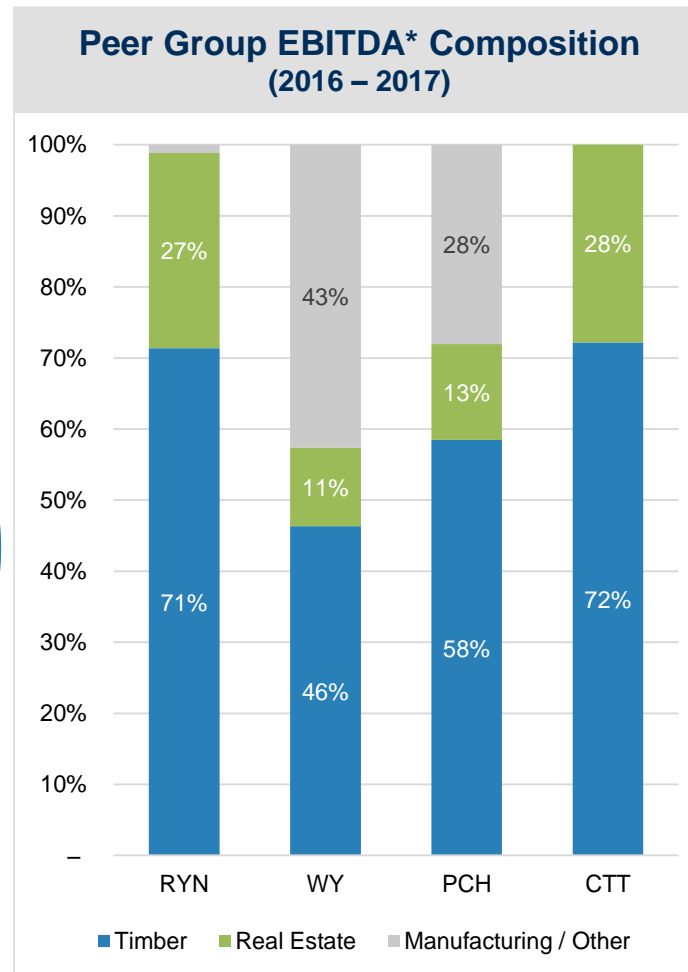
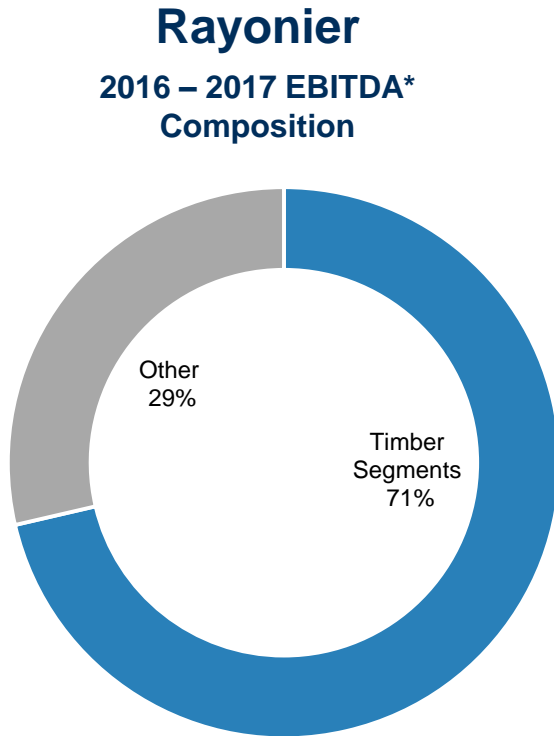
- 1 Why Timber?
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2.6 MILLION TOTAL ACRES



Rayonier is the Leading “Pure Play” Timber REIT

- 1 Why Timber?
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- 3 Why RYN?



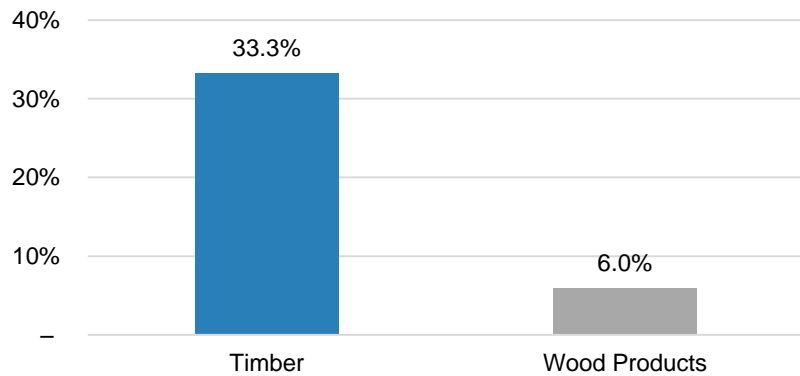
Over the last two years, Rayonier has generated 71% of its EBITDA* from timber operations (versus 48% for the peer group).

Timberland vs. Wood Products Volatility

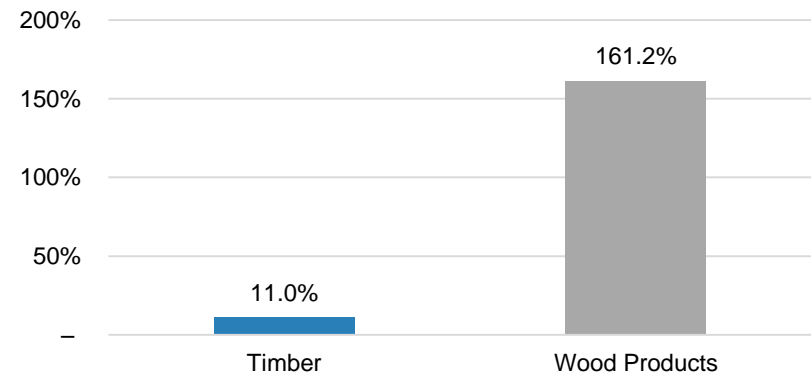
Historical Timber vs. Wood Products Segment EBITDA* Margins (1)



Average EBITDA* Margin (2004 – 2017)



Margin Volatility / Coefficient of Variation (2)



Timberland operations generally yield high EBITDA* margins with very low volatility relative to wood products manufacturing.

(1) Based on aggregate U.S. timber segments EBITDA margin versus aggregate manufacturing segments EBITDA margin of Timber REIT peer group, including Rayonier, Weyerhaeuser, legacy Plum Creek and Potlatch.

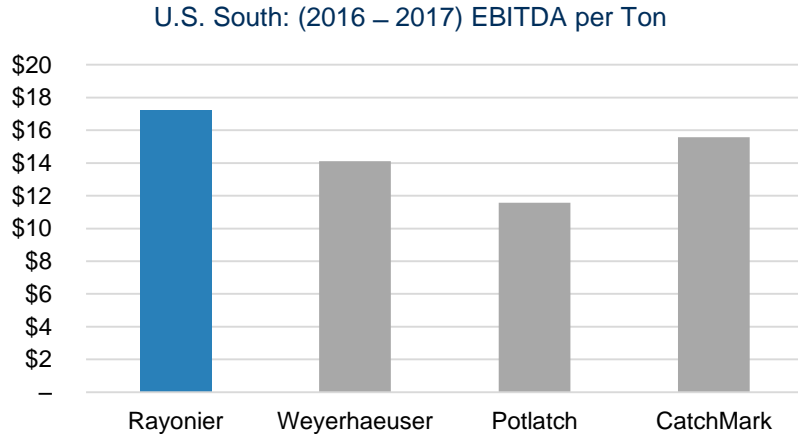
(2) Calculated as ratio of standard deviation to average.

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

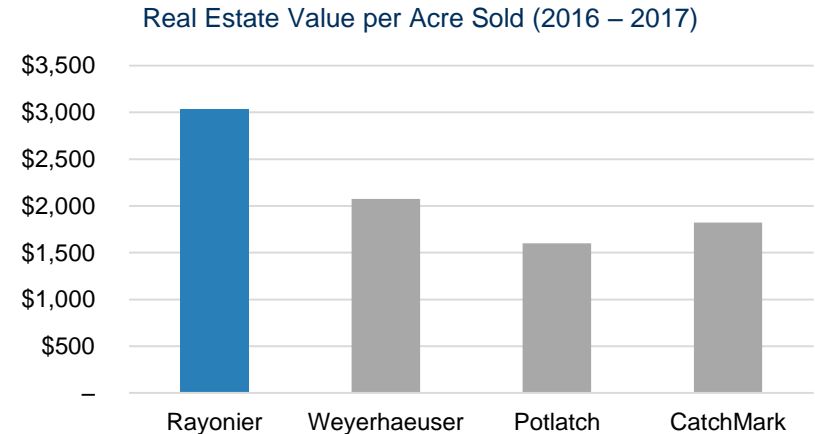
Rayonier Portfolio Highlights

- 1 Why Timber?
- 2 Why Now?
- 3 Why RYN?

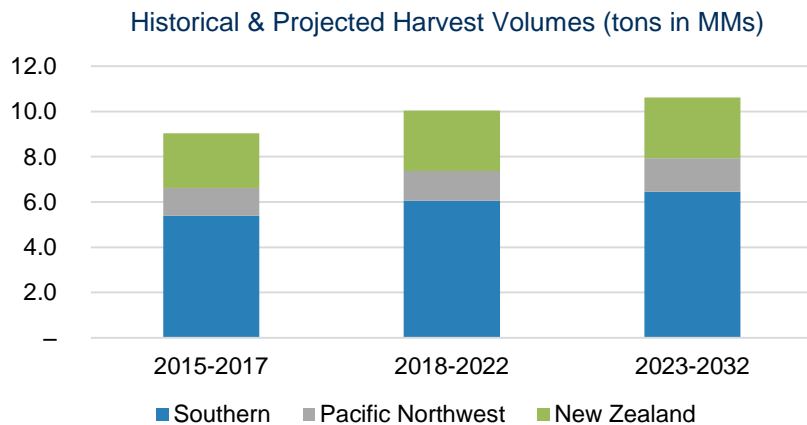
Sector-Leading U.S. South EBITDA per Ton



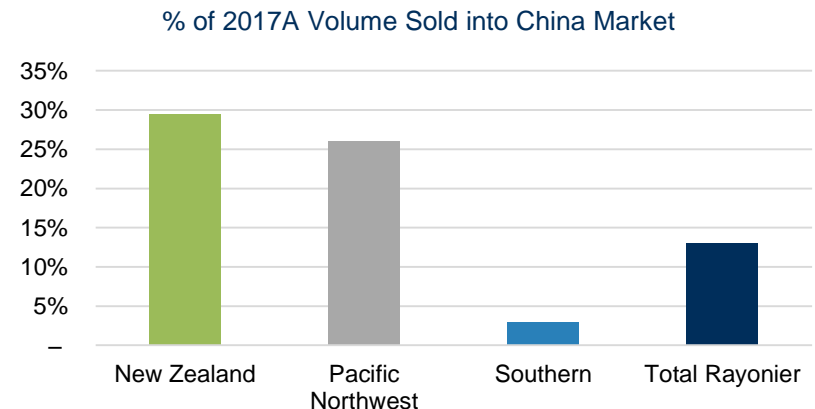
Sector-Leading HBU Value Realizations



Improving Harvest Profile (1)

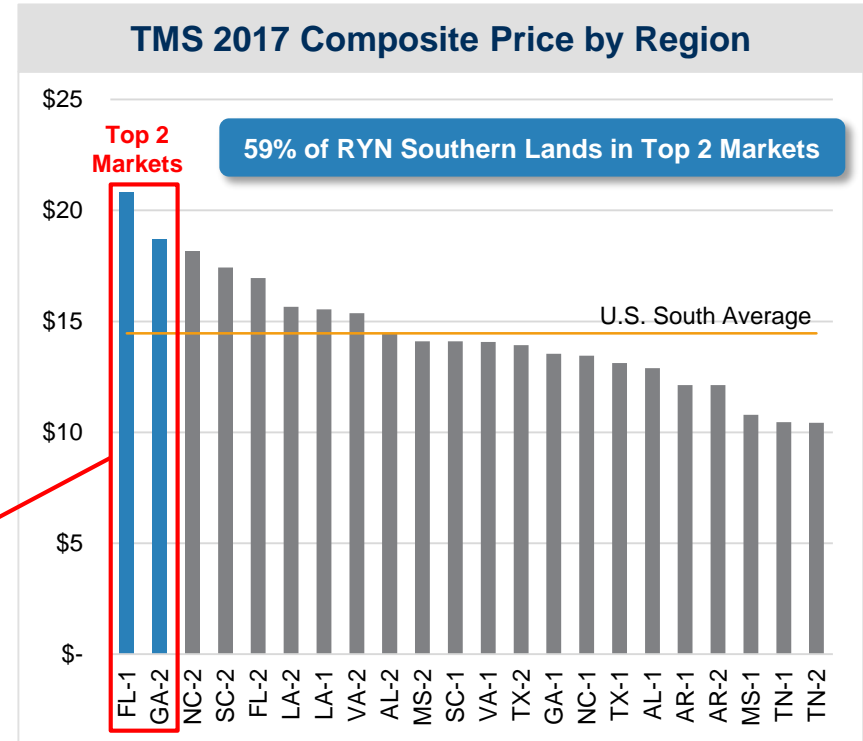
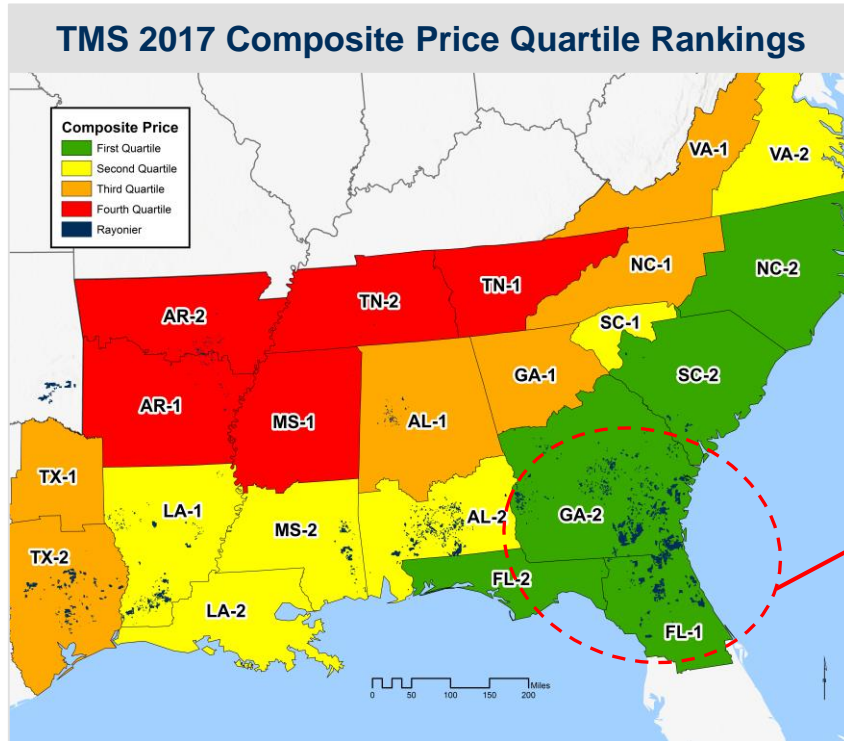


Unique Exposure to China Export Market



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

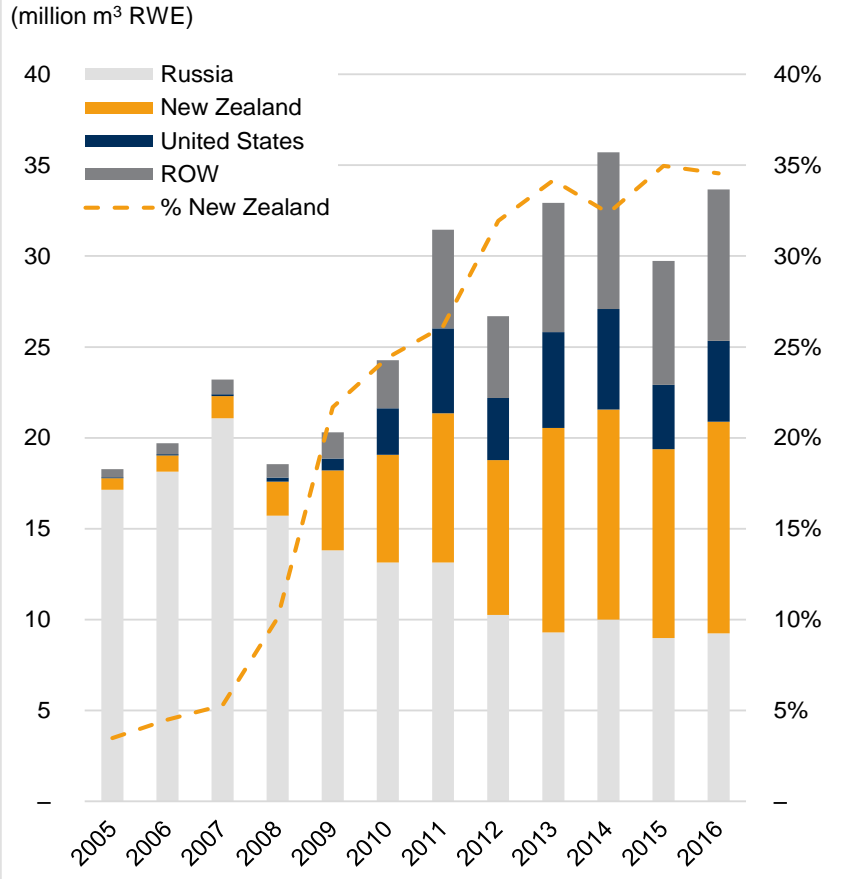


Approximately 59% of Rayonier's Southern timberlands are located in the top two markets (ranked by TimberMart-South composite stumpage pricing).

NZ Segment Benefiting from China Market Growth

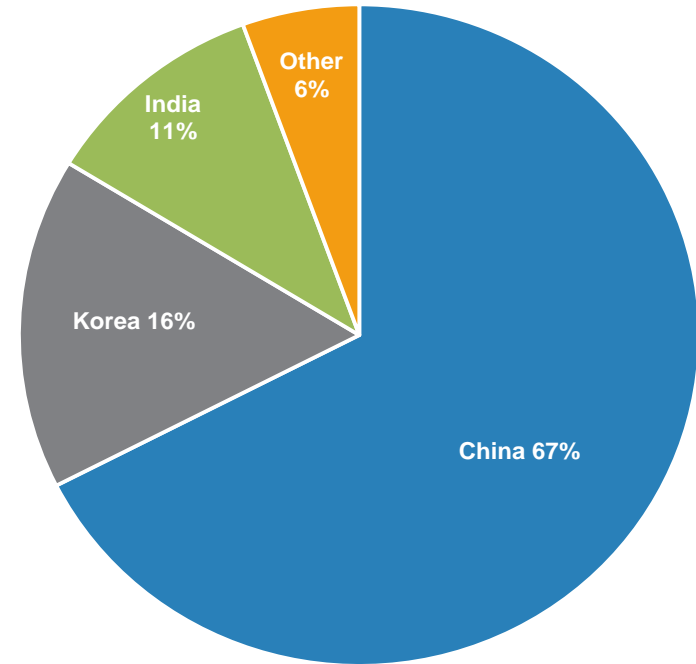
- 1 Why Timber?
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China Log Import Volumes by Origin



Source: RISI. RWE defined as roundwood equivalent.

RMF Export Volume by Destination

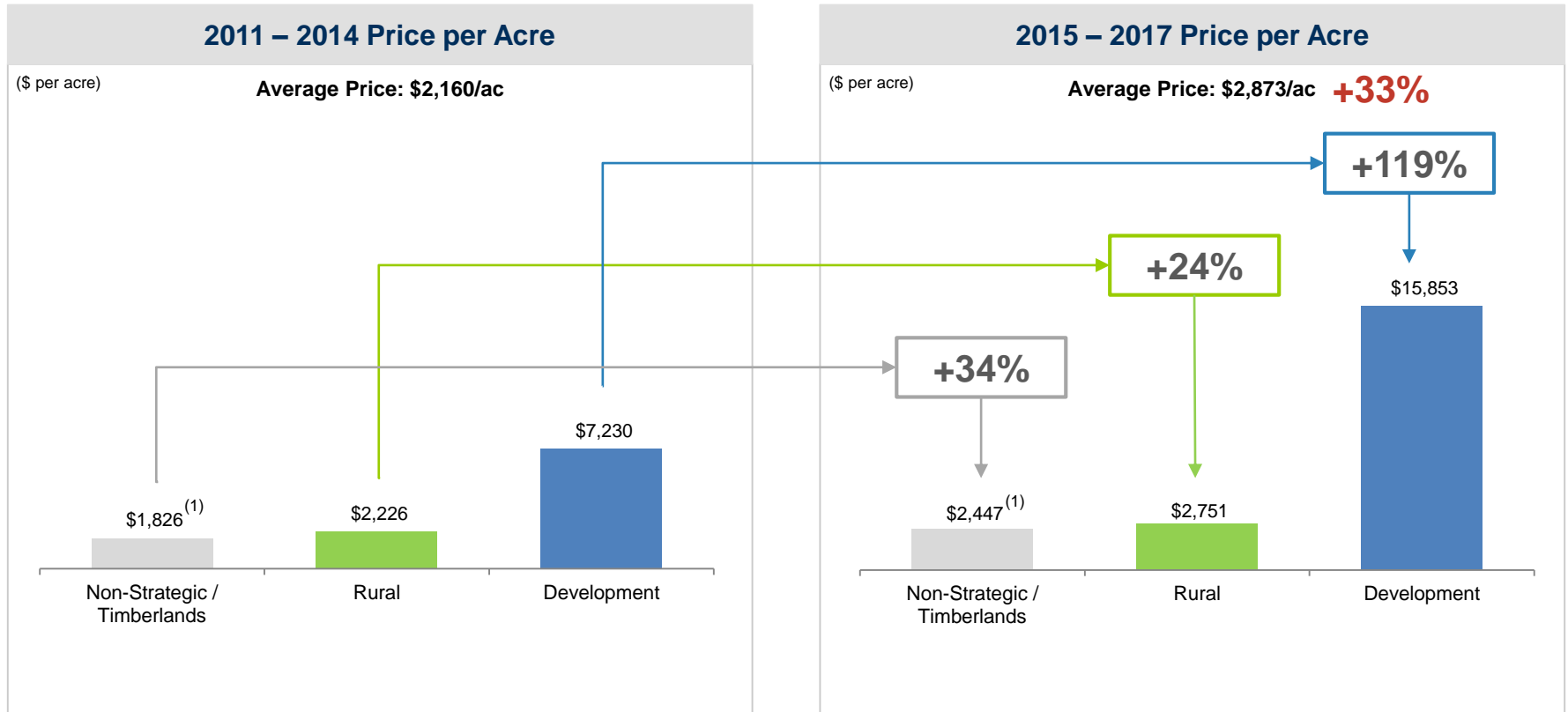


Note: Includes trading volume.

In 2017, Rayonier-Matariki (“RMF”) exported ~49% of its harvest volume, and ~67% of RMF’s total exports (including Trading volume) went to China.

Focused Real Estate Strategy Showing Results

- 1 Why Timber?
- 2 Why Now?
- 3 Why RYN?



Rayonier has realized stronger pricing on real estate than its timber REIT peers. Excluding Large Dispositions, Rayonier's real estate sales are heavily focused on HBU properties.



Note: Price per acre based on weighted average sales price over the periods shown.
(1) Acres sold and price per acre for NS / Timberlands only, excludes large dispositions.

Prudent Capital Structure and Financial Policy

- 1 Why Timber?
- 2 Why Now?
- 3 Why RYN?

Credit Highlights & Ratio Targets

Current Credit Ratings

- S&P: BBB- / Stable
- Moody's: Baa3 / Stable

Credit Highlights

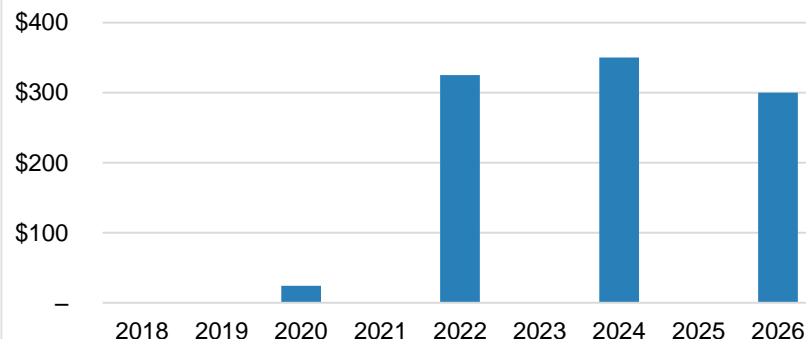
- Strong Adj. EBITDA* margins
- High EBITDA-to-FCF conversion
- Significant asset coverage
- 3.3% weighted avg. cost of debt / 95% fixed

Credit Ratio Targets

- Committed to maintaining an investment grade credit profile
- Target credit metrics include:
 - Net Debt / Adj. EBITDA*: ~4.5x
 - Net Debt / Asset Value: < 30%

Capitalization & Maturity Profile

(\$ in millions)	3/31/2018
Total Debt	\$999.0
(-) Cash ⁽¹⁾	(92.8)
Net Debt	\$906.2
Credit Data	
2017 Adjusted EBITDA*	\$290.5
2017 Interest Expense	\$34.1
Credit Statistics	
Net Debt / Adjusted EBITDA*	3.1x
Adj. EBITDA* / Interest Expense	8.5x
Net Debt / Enterprise Value ⁽²⁾	17%

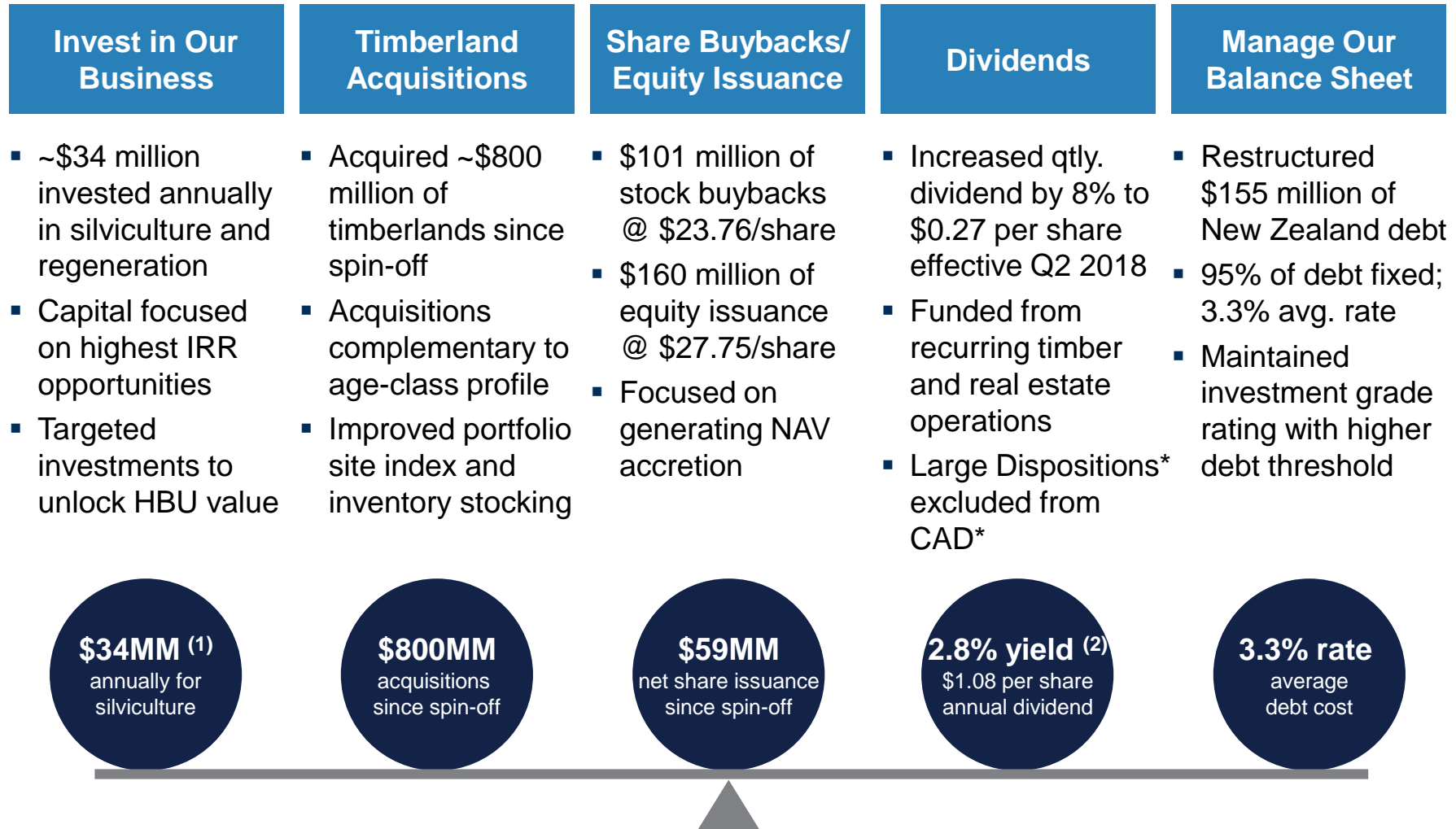


Rayonier has a strong, investment grade credit profile with significant asset coverage.



(1) Excludes \$84.4 million of restricted cash held by LKE intermediaries as of 3/31/2018.
 (2) Enterprise value based on market capitalization plus net debt as of 3/31/2018.
 * Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

Nimble Approach to Capital Allocation



(1) Represents average annual investment in silviculture and replanting from 2013 – 2017.
 (2) Based on share price of \$38.87 as of 5/31/2018 and annualized dividend of \$1.08 per share.
 * Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

Appendix

Definitions of Non-GAAP Measures and Pro Forma Items

Pro Forma Sales is defined as revenue adjusted for Large Dispositions. Rayonier believes that this non-GAAP financial measure provides investors with useful information to evaluate our core business operations because it excludes specific items that are not indicative of ongoing operating results.

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 less depreciation, depletion, amortization and specific items that are not indicative of ongoing operating results. 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 common stock dividends, distributions to the New Zealand minority shareholder, repurchase of the Company's common shares, debt reduction, strategic acquisitions and real estate development investments. CAD is not necessarily indicative of the CAD that may be generated in future periods.

Costs related to shareholder litigation is defined expenses incurred as a result of the securities litigation and the shareholder derivative demands. 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 Net Debt

	Q1 2018
(\$ in millions)	
Long-term debt, net of deferred financing costs	\$996.1
Deferred financing costs	2.9
Total Debt	\$999.0
Cash and cash equivalents	(92.8)
Net Debt	\$906.2

Reconciliation of Net Income to Adjusted EBITDA

(\$ in millions)	Q1 2018	2017	2016
Net income	\$42.7	\$161.5	\$217.8
Interest, net, continuing operations	7.6	32.2	33.0
Income tax expense (benefit), continuing operations	6.9	21.8	5.0
Depreciation, depletion and amortization	34.5	127.6	115.1
Non-cash cost of land and improved development	1.6	13.7	11.7
Costs related to shareholder litigation ⁽¹⁾	-	0.7	2.2
Gain on foreign currency derivatives ⁽¹⁾	-	-	(1.2)
Large Dispositions ⁽¹⁾	-	(67.0)	(143.9)
Costs related to the spin-off of Performance Fibers ⁽¹⁾	-	-	-
Internal review and restatement costs ⁽¹⁾	-	-	-
Gain on Consolidation of New Zealand JV ⁽¹⁾	-	-	-
Net income from discontinued operations ⁽¹⁾	-	-	-
Adjusted EBITDA ⁽¹⁾	\$93.4	\$290.5	\$239.7

(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
Q1 2018							
Operating Income	\$12.2	\$4.7	\$16.0	\$28.1	\$0.1	(\$4.0)	\$57.1
Non-operating income	-	-	0.1	-	-	0.1	0.2
Depreciation, depletion & amortization	16.0	9.5	5.7	3.1	-	0.3	34.5
Non-cash cost of land and real estate sold	-	-	-	1.6	-	-	1.6
Adjusted EBITDA ⁽¹⁾	\$28.2	\$14.2	\$21.8	\$32.7	\$0.1	(\$3.7)	\$93.4
2017							
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 ⁽¹⁾	-	-	-	-	-	0.7	0.7
Large Dispositions ⁽¹⁾	-	-	-	(67.0)	-	-	(67.0)
Adjusted EBITDA ⁽¹⁾	\$91.6	\$33.1	\$109.0	\$71.6	\$4.6	(\$19.4)	\$290.5
2016							
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 ⁽¹⁾	-	-	-	-	-	2.2	2.2
Gain on foreign currency derivatives ⁽¹⁾	-	-	-	-	-	(1.2)	(1.2)
Large Dispositions ⁽¹⁾	-	-	-	(143.9)	-	-	(143.9)
Adjusted EBITDA ⁽¹⁾	\$92.9	\$21.2	\$58.3	\$84.7	\$2.0	(\$19.4)	\$239.7

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