

Paul Boynton
Chairman, President
and CEO



REITWeek
June 12, 2012



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 financial and operational performance, 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," "anticipate" and other similar language. Forward-looking statements are not guarantees of future performance and undue reliance should not be placed on these statements.

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 effect of the current economic downturn, which continues to impact many areas of our economy, including the housing market, availability and cost of credit, and demand for our products and real estate; 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, particularly in our Performance Fibers business; changes in global economic conditions and world events, including political changes in particular regions or countries; the uncertainties of potential impacts of climate-related weather changes and legislative initiatives; changes in energy and raw material prices, particularly for our Performance Fibers and wood products businesses; impacts of the rising cost of fuel, including the cost and availability of transportation for our products, both domestically and internationally, and the cost and availability of third party logging and trucking services; unanticipated equipment maintenance and repair requirements at our manufacturing facilities; the geographic concentration of a significant portion of our timberland; our ability to identify, finance and complete timberland acquisitions; changes in environmental laws and regulations, including laws regarding air emissions and water discharges, remediation of contaminated sites, timber harvesting, delineation of wetlands, and endangered species, that may restrict or adversely impact our ability to conduct our business, or increase the cost of doing so; adverse weather conditions, natural disasters and other catastrophic events such as hurricanes, wind storms and wildfires, which can adversely affect our timberlands and the production, distribution and availability of our products and raw materials such as wood, energy and chemicals; interest rate and currency movements; our capacity to incur additional debt, and any decision we may make to do so; changes in tariffs, taxes or treaties relating to the import and export of our products or those of our competitors; the ability to complete like-kind exchanges of property; changes in key management and personnel; our ability to continue to qualify as a REIT and to fund distributions using cash generated through our taxable REIT subsidiaries and changes in tax laws that could 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; the current downturn in the housing market; the lengthy, uncertain and costly process associated with the ownership, entitlement and development of real estate, especially in Florida, which also may be affected by changes in law, policy and political factors beyond our control; the potential for legal challenges to entitlements and permits in connection with our properties; unexpected delays in the entry into or closing of real estate transactions; the existence of competing developers and communities in the markets in which we own property; the pace of development and the rate and timing of absorption of existing entitled property in the markets in which we own property; changes in the demographics affecting projected population growth and migration to the Southeastern U.S.; changes in environmental laws and regulations, including laws regarding water withdrawal and management and delineation of wetlands, that may restrict or adversely impact our ability to sell or develop properties; the cost of the development of property generally, including the cost of property taxes, labor and construction materials; the timing of construction and availability of public infrastructure; and the availability of financing for real estate development and mortgage loans.

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



Company profile

Segments

- Global forest products company with \$5.4 billion market cap*
 - Forest Resources
 - Real Estate
 - Performance Fibers

Revenue

- \$1.5 billion in revenues
- ~ 50+% of sales to customers outside of US in ~ 40 countries

Dividends

- Dividend of \$1.60/share yields ~3.6%*
- Dividend taxed at capital gains rate
- Dividend growth a key element of overall strategy

Tax Status

- Highly efficient REIT structure

Ratings

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

* Based on share price of \$44.09 on March 30, 2012

Investment grade timber REIT with diverse business mix

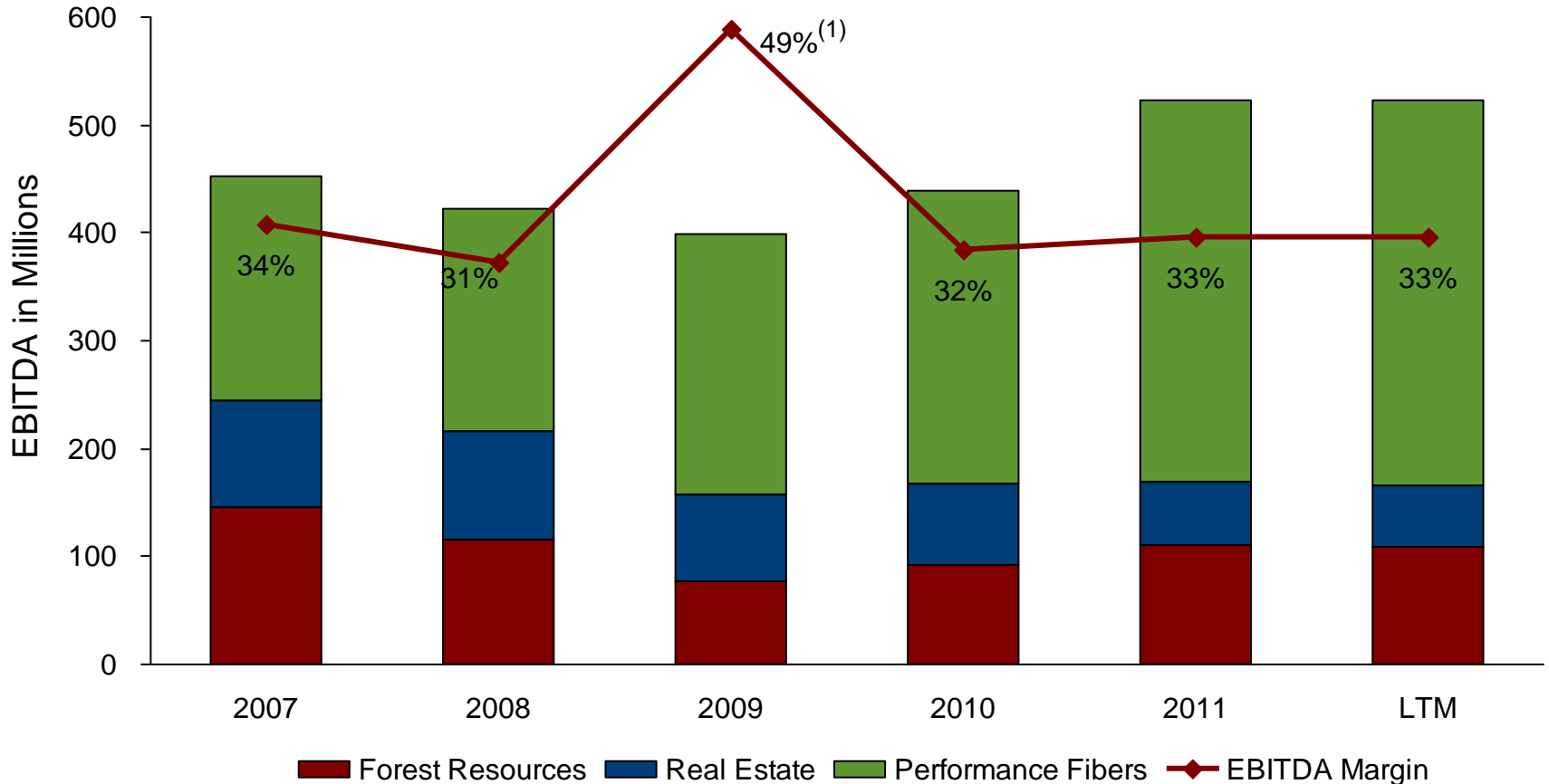


Three strong business units

Forest Resources	Real Estate	Performance Fibers
LTM EBITDA: \$109 million	LTM EBITDA: \$57 million	LTM EBITDA: \$357 million
<ul style="list-style-type: none">▪ Stumpage▪ Delivered log sales▪ Recreation and non-timber income	<ul style="list-style-type: none">▪ HBU Rural▪ HBU Development▪ Non-Strategic Timberlands	<ul style="list-style-type: none">▪ Cellulose Specialties▪ Absorbent Materials

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

Growing cash flow



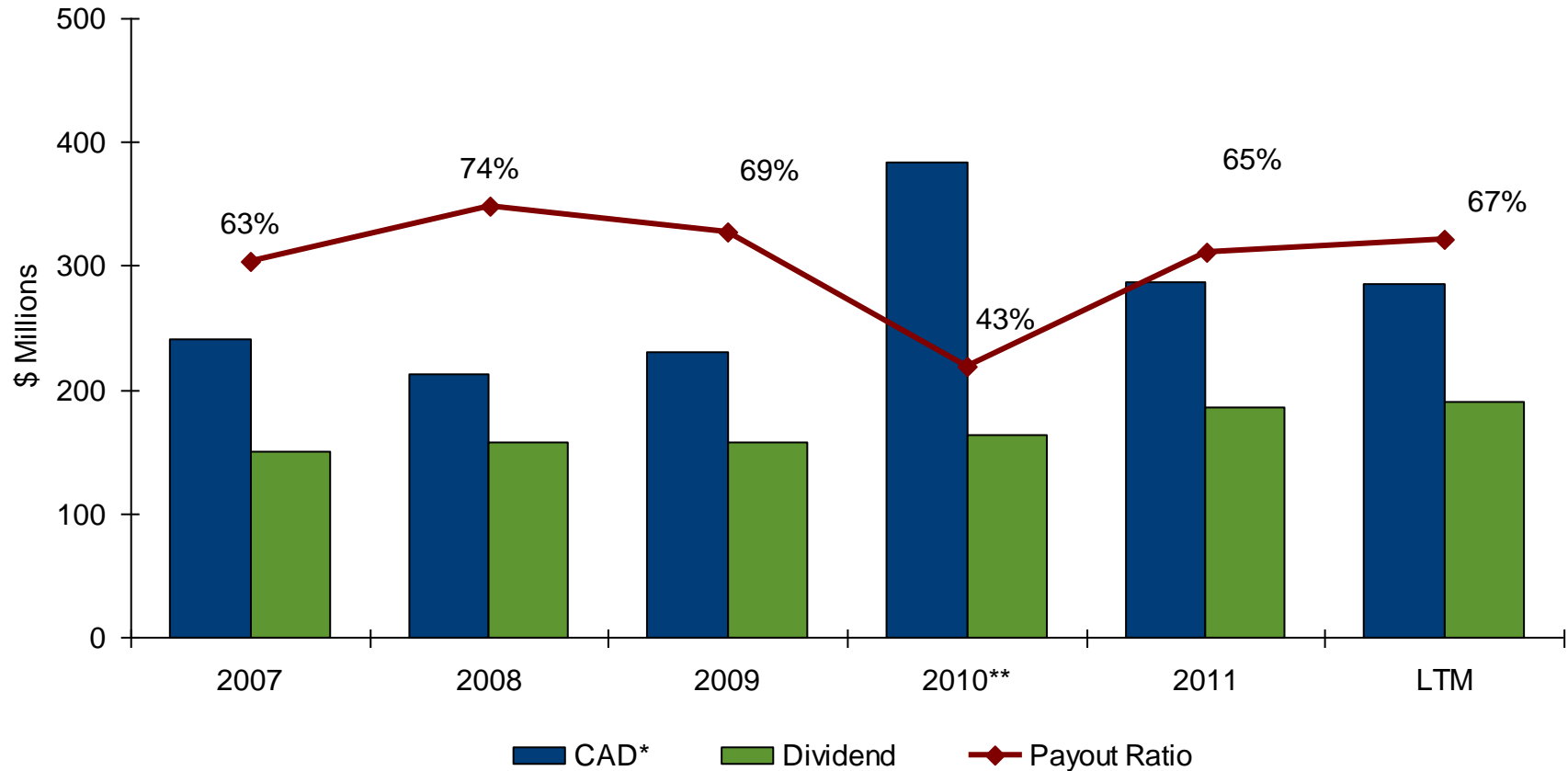
NOTE: EBITDA is a non-GAAP measure defined and reconciled in the Appendix. EBITDA margin represents total company EBITDA as a percentage of total revenue.

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

Focus on long term value creation



Cash flow strength supports dividend



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

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

Seven dividend increases in past 9 years, including 11% dividend increase in September, 2011



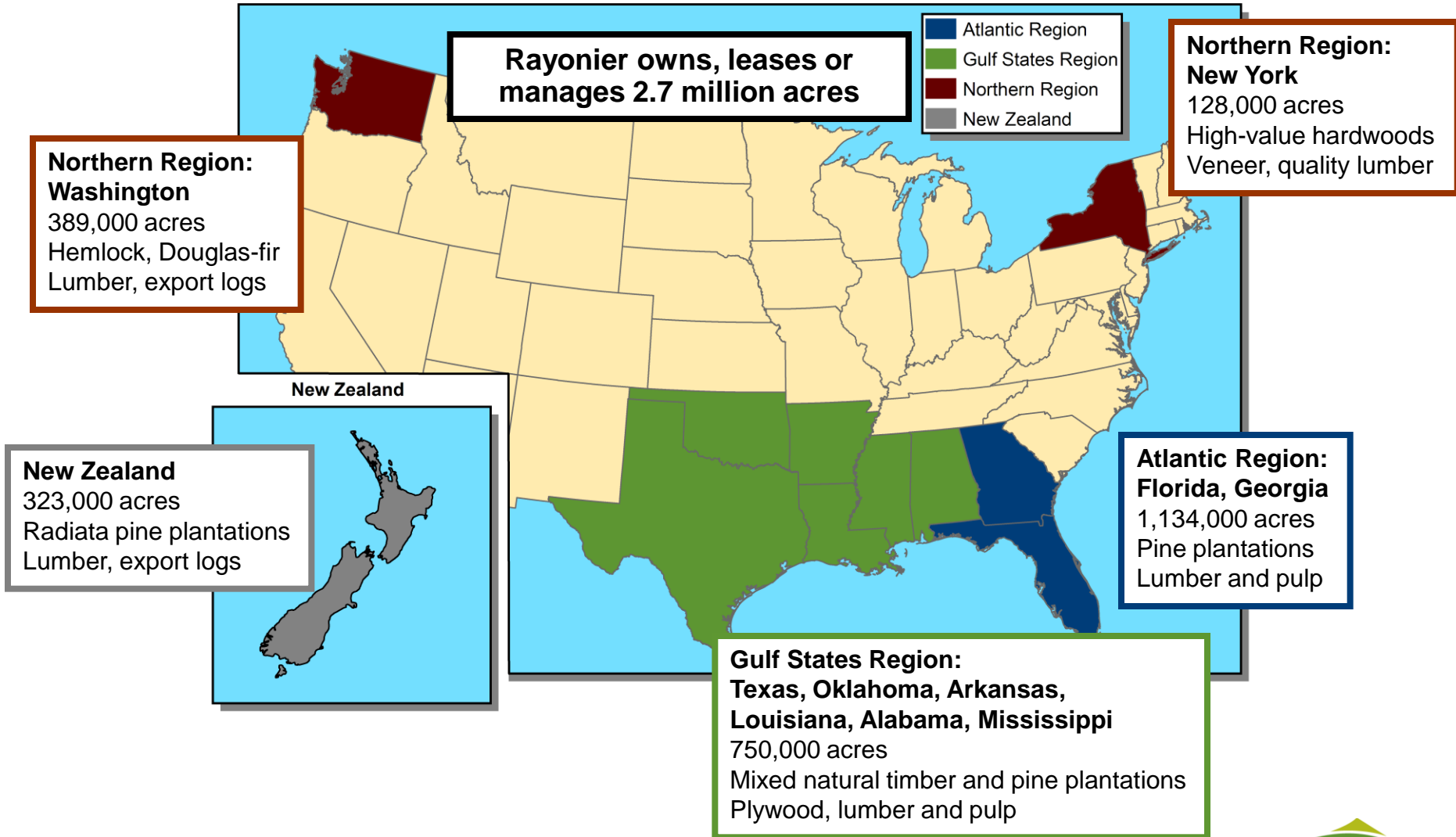
Strategy

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

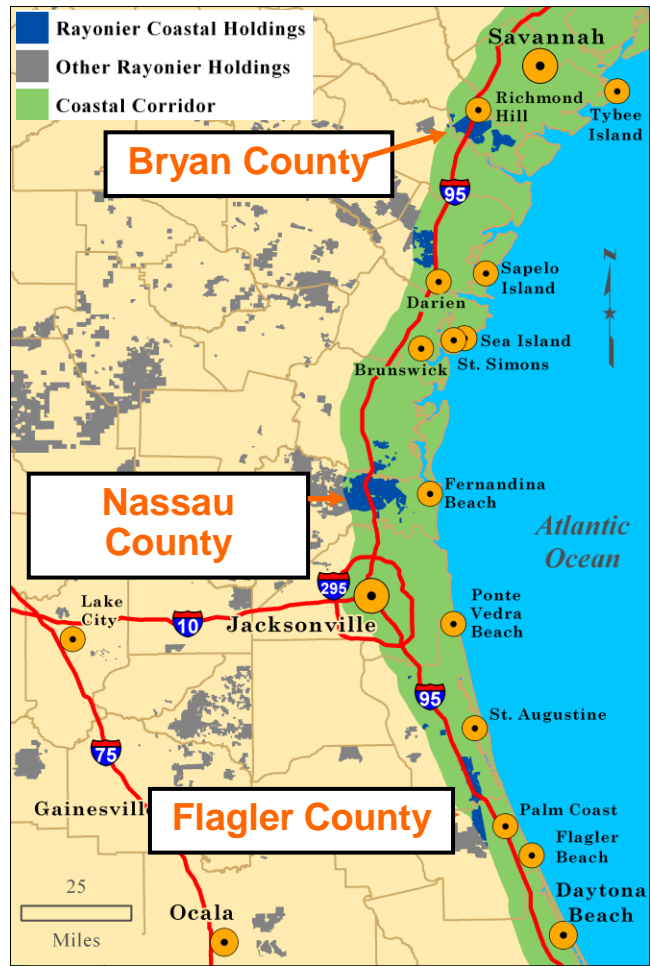
- Real Estate:
 - Monetize rural HBU through conservation, recreation and industrial sales
 - Entitle coastal corridor development land to enhance value
 - Divest non-strategic timberland

- Performance Fibers: Maintain global leadership position
 - Differentiate through purity, consistency and technical expertise
 - Focus on operational excellence to improve competitive cost position and reliability
 - Complete Cellulose Specialties Expansion (CSE) project at Jesup mill in mid 2013

Timber holdings reflect geographic and market diversity



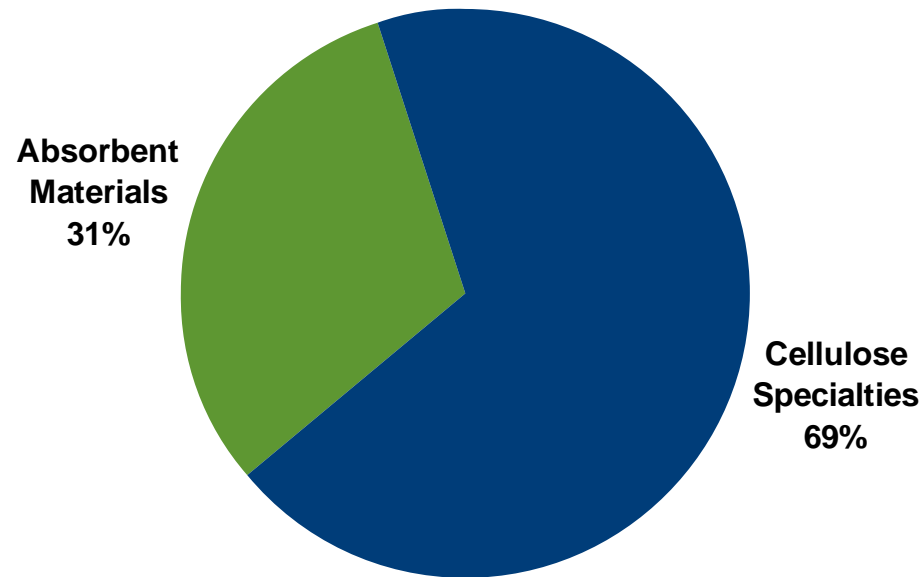
~200,000 HBU acres along Coastal Corridor



- Bryan County – 7,900 entitled acres
 - Industrial parcel along rail line and I-95 convenient to expanding port
- Nassau County/Jacksonville
 - 23,000 acres – six miles of scenic bluffs along St. Marys River
 - 2011 approvals received for commercial, industrial and residential uses
 - 1,800 acres of entitled industrial property
- Flagler County/Palm Coast – 6,300 entitled acres
 - Three natural lakes
 - 2011 approvals received for residential, commercial and industrial uses

Performance Fibers: Global leadership in Cellulose Specialties

- Leading producer of high value cellulose fibers
 - Jesup, GA 590,000 MT
 - Fernandina Beach, FL 155,000 MT
- Cellulose Specialties (CS)
 - Acetate, ethers and high-strength viscose
- Absorbent Materials (AM)
 - Fluff pulp for hygiene products
- CSE project to convert 260,000 tons of AM capacity to 190,000 tons of CS capacity
- Generated sales of \$1,020 million and EBITDA of \$357 million in the twelve months ended March 31, 2012

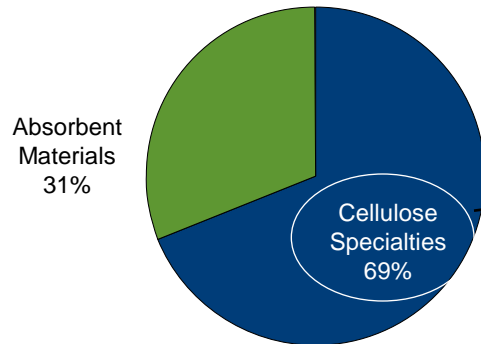


2011 Volume: 731,000 MT

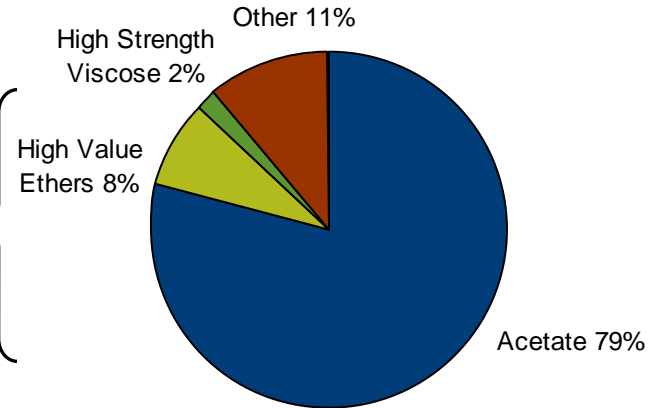
Note: EBITDA is a non-GAAP measure defined and reconciled in the Appendix.

World leader in Cellulose Specialties

**Rayonier Performance Fibers:
731,000 MT's (2011)**



**Rayonier Cellulose Specialties:
504,000 MT's (2011)**



Cellulose Specialties

Acetate



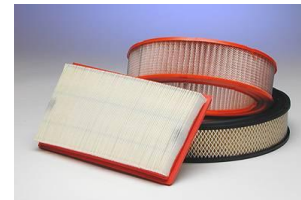
High Value Ethers



High Strength Viscose



Engineered Fibers

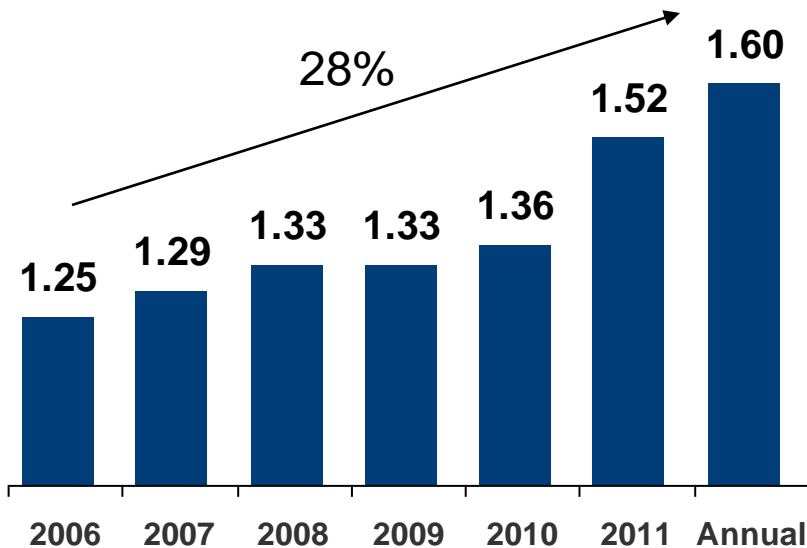


Absorbent Materials

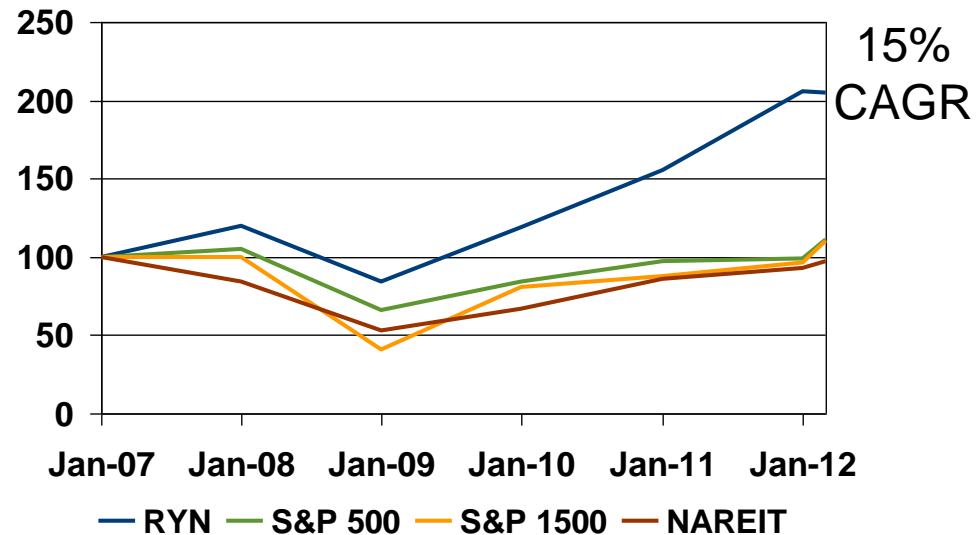


Market rewards strong execution, increased cash flow and steady dividend growth

Dividends Per Share
(post-split basis)



Total Shareholder Return*
Rayonier Compared to S&P 500, S&P 1500 Paper &
Forest Products Index and NAREIT Equity REIT Index
12/31/06 – 03/31/12



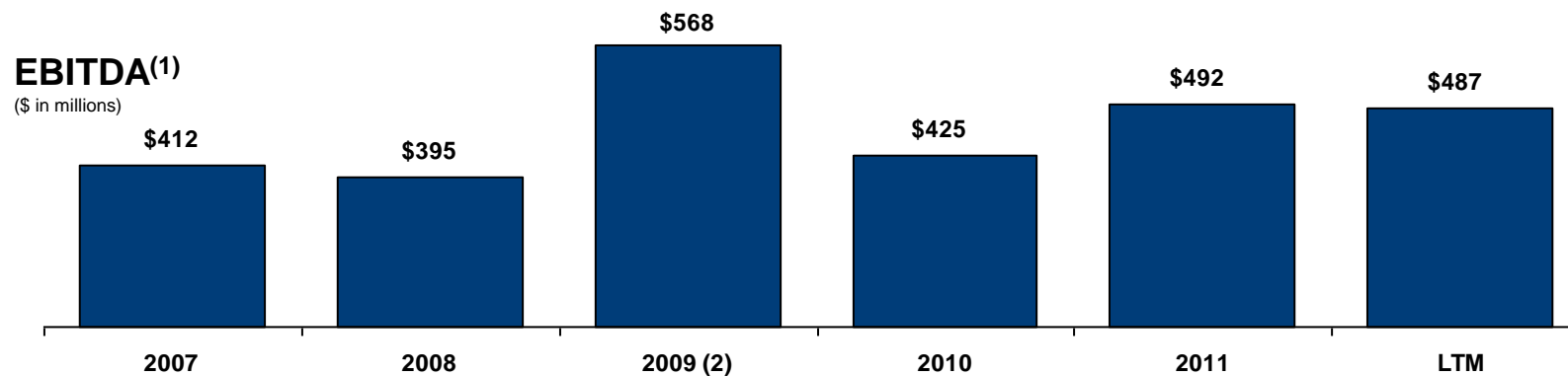
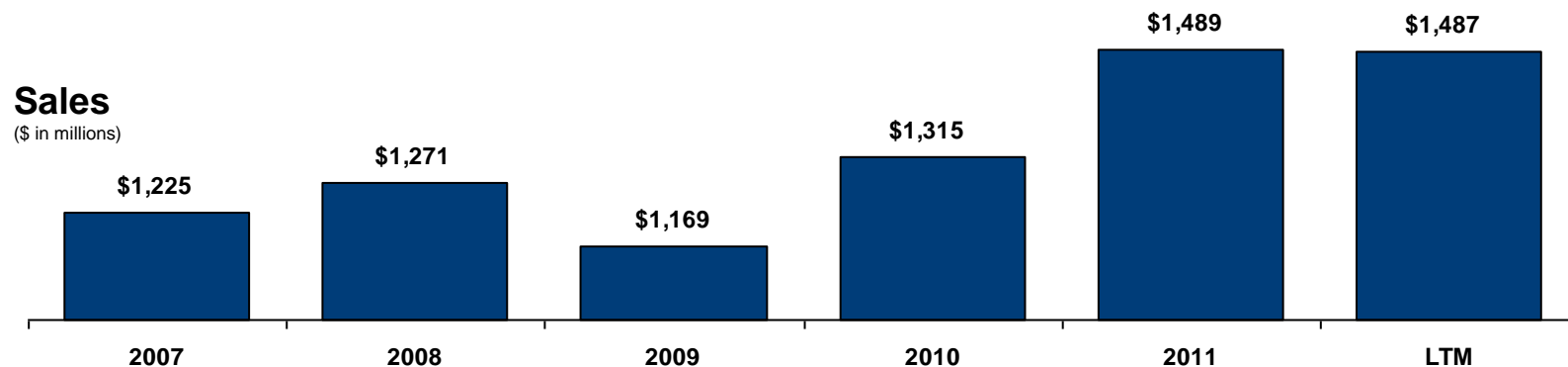
* Assumes re-investment of dividends



Appendix



Financial Overview – Sales and EBITDA



- (1) EBITDA is a non-GAAP measure defined and reconciled in the Appendix.
(2) 2009 EBITDA included \$205M related to the alternative fuel mixture credit.

Reconciliation of Non-GAAP Measures

(\$ in millions, except per share data)

	2007	2008	2009	2010 ⁽²⁾	2011	LTM
Cash Available for Distribution (CAD)						
Cash provided by operating activities	\$324	\$340	\$307	\$495	\$432	\$427
Capital expenditures ⁽¹⁾	(\$97)	(\$105)	(\$92)	(\$138)	(\$145)	(\$152)
Change in committed cash	\$17	(\$10)	\$17	\$12	(\$6)	–
Excess tax benefits on stock-based compensation	\$8	\$3	\$3	\$5	\$6	\$6
Other	(\$3)	(\$12)	(\$2)	\$10	–	\$5
Cash Available for Distribution	\$249	\$216	\$233	\$384	\$287	\$286
Shares outstanding ⁽³⁾	117.3	118.2	119.3	121.0	122.0	122.5
CAD per share	\$2.12	\$1.83	\$1.95	\$3.17	\$2.35	\$2.33

(1) Capital expenditures exclude strategic capital.

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

(3) Reflects the August 24, 2011 three-for-two stock split.

Reconciliation of Non-GAAP Measures (Cont'd)

(\$ in millions, except per share data)

	Forest Resources	Real Estate	Performance Fibers	Wood Products	Other	Corporate & Eliminations	Total
2007							
Operating income	\$60	\$93	\$141	(\$8)	(\$3)	(\$36)	\$247
Depreciation, depletion and amortization	86	5	68	6	–	–	165
EBITDA	\$146	\$98	\$209	(\$2)	(\$3)	(\$36)	\$412
2008							
Operating income	\$31	\$80	\$149	(\$7)	\$3	(\$30)	\$226
Depreciation, depletion and amortization	85	21	56	5	–	2	169
EBITDA	\$116	\$101	\$205	(\$2)	\$3	(\$28)	\$395

Reconciliation of Non-GAAP Measures (Cont'd)

(\$ in millions, except per share data)

	Forest Resources	Real Estate	Performance Fibers	Wood Products	Other	Corporate & Eliminations	Total
2009 (1)							
Operating income	\$7	\$56	\$184	(\$11)	(\$3)	\$177	\$410
Depreciation, depletion and amortization	70	24	58	5	–	1	158
EBITDA	\$77	\$80	\$242	(\$6)	(\$3)	\$178	\$568
2010							
Operating income	\$33	\$53	\$214	\$2	\$1	(\$21)	\$282
Depreciation, depletion and amortization	59	22	58	3	–	1	143
EBITDA	\$92	\$75	\$272	\$5	\$1	(\$20)	\$425

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

Reconciliation of Non-GAAP Measures (Cont'd)

(\$ in millions, except per share data)

	Forest Resources	Real Estate	Performance Fibers	Wood Products	Other	Corporate & Eliminations	Total
2011							
Operating income	\$47	\$47	\$298	(\$2)	\$1	(\$35)	\$356
Depreciation, depletion and amortization	63	12	56	3	–	2	136
EBITDA	\$110	\$59	\$354	\$1	\$1	(\$33)	\$492
LTM							
Operating income	\$44	\$46	\$303	(\$1)	(\$1)	(\$39)	\$352
Depreciation, depletion and amortization	65	11	54	3	–	2	135
EBITDA	\$109	\$57	\$357	\$2	(\$1)	(\$37)	\$487