

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)

November 9, 2016

**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 obligations 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.  
TABLE OF CONTENTS

		<u>PAGE</u>
Item 7.01.	<a href="#">Regulation FD Disclosure</a>	1
Item 9.01.	<a href="#">Financial Statements and Exhibits</a>	3
	<a href="#">Signature</a>	4
	<a href="#">Exhibit Index</a>	5

**ITEM 7.01.**

**Regulation FD Disclosure**

On November 9, 2016, Rayonier Inc. (the “Company”) posted presentation materials on the investor relations section of the Company’s website at <http://phx.corporate-ir.net/phoenix.zhtml?c=91500&p=irol-irhome>. Members of the Company’s management may use all or portions of these materials from time to time during the fiscal year ending December 31, 2016 in meetings with or when making presentations to the investment community, current or potential stakeholders and others. The presentation materials are furnished herewith as Exhibit 99.1.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD. The information contained in the investor presentation is summary information that it is intended to be considered solely in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information presented in Item 7.01 of this Current Report on Form 8-K and Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, unless the Company specifically states that the information is to be considered “filed” under the Exchange Act or specifically incorporates it by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act.

*By filing this, 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 and 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, including political changes in particular regions or countries; 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 the 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, 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, 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; 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 tax treatment of our specific businesses or reduce the benefits associated with REIT status.*

*Specifically with respect to our Real Estate business, the following important factors, among others, could cause actual results to differ materially from those expressed in forward-looking statements that may have been made in this document: the cyclical nature of the real estate business generally, including fluctuations in demand for both entitled and unentitled property; a delayed or weak recovery in the housing market; the lengthy, uncertain and costly process associated with the ownership, entitlement and development of real estate, especially in Florida, which also may be affected by changes in law, policy and political factors beyond our control; the potential for legal challenges to entitlements and permits in connection with our properties; unexpected delays in the entry into or closing of real estate transactions; the existence of competing developers and communities in the markets in which we own property; the pace of development and the rate and timing of absorption of existing entitled property in the markets in which we own property; changes in the demographics affecting projected population growth and migration to the Southeastern U.S.; changes in environmental laws and regulations, including laws regarding water withdrawal and management and delineation*

[Table of Contents](#)

*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.*

*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 Securities and Exchange Commission (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.*

**ITEM 9.01.**

**Financial Statements and Exhibits.**

(d) Exhibits.

The following is filed as an Exhibit to this Report.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Investor Presentation, dated November 2016.

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/ APRIL TICE

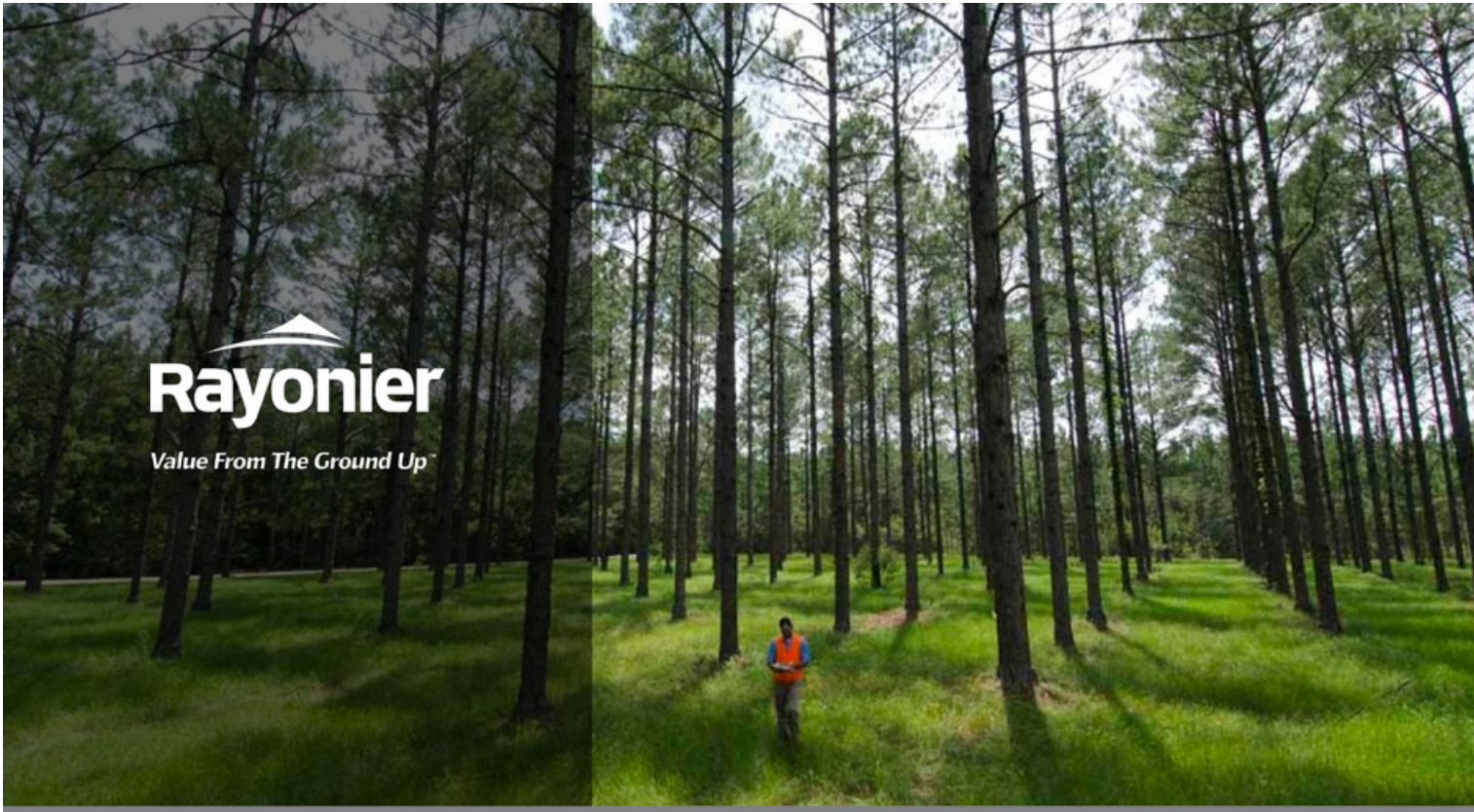
April Tice

Director, Financial Services and Corporate Controller

November 9, 2016

EXHIBIT INDEX

<b>EXHIBIT NO.</b>	<b>DESCRIPTION</b>	<b>LOCATION</b>
99.1	Investor Presentation, dated November 2016.	Furnished herewith.



**Investor Day** | November 2016

---



# 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 (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.

**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," "pro forma sales," "pro forma operating income," "pro forma net income," 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.



# Today's Presenters and Agenda

<b>Opening Remarks</b>	Dave Nunes   President & Chief Executive Officer
<b>New Zealand Timberlands</b>	Paul Nicholls   Managing Director, Rayonier NZ
<b>Southern &amp; Pacific Northwest</b>	Doug Long   Senior Vice President, U.S. Operations
<b>Value Maximization on Land Base</b>	Jim Gent   Director, Research & Silviculture Vernon Hiott   Manager, Business Development Jeff Lawrence   Director, Real Estate & Land Resources
<b>Portfolio Management</b>	Rhett Rogers   Director, Land Asset Management
<b>Real Estate</b>	Chris Corr   SVP, Real Estate & Public Affairs Charles Adams   VP Community Development
<b>Financial Overview</b>	Mark McHugh   SVP & Chief Financial Officer
<b>Closing Remarks, Q&amp;A</b>	Dave Nunes



## Opening Remarks

Dave Nunes | President & Chief Executive Officer



# Rayonier – Best-in-Class, Pure-Play Timber REIT

## Leading Pure-Play Timberland REIT

- Second-largest timber REIT with 2.7 million acres of high-quality timberland
- Geographic diversity – U.S. South, Pacific Northwest, New Zealand
- Timberlands strategically positioned in competitive fiber baskets
- Focus on recurring cash flow generation from timber harvest and HBU sales

## Growing Timberland Base

- Profitably growing timberland base through disciplined acquisition process
- Over \$1.3 billion of high-quality timberlands acquired since January 2011
- Investing in advanced genetics to yield long-term volume growth

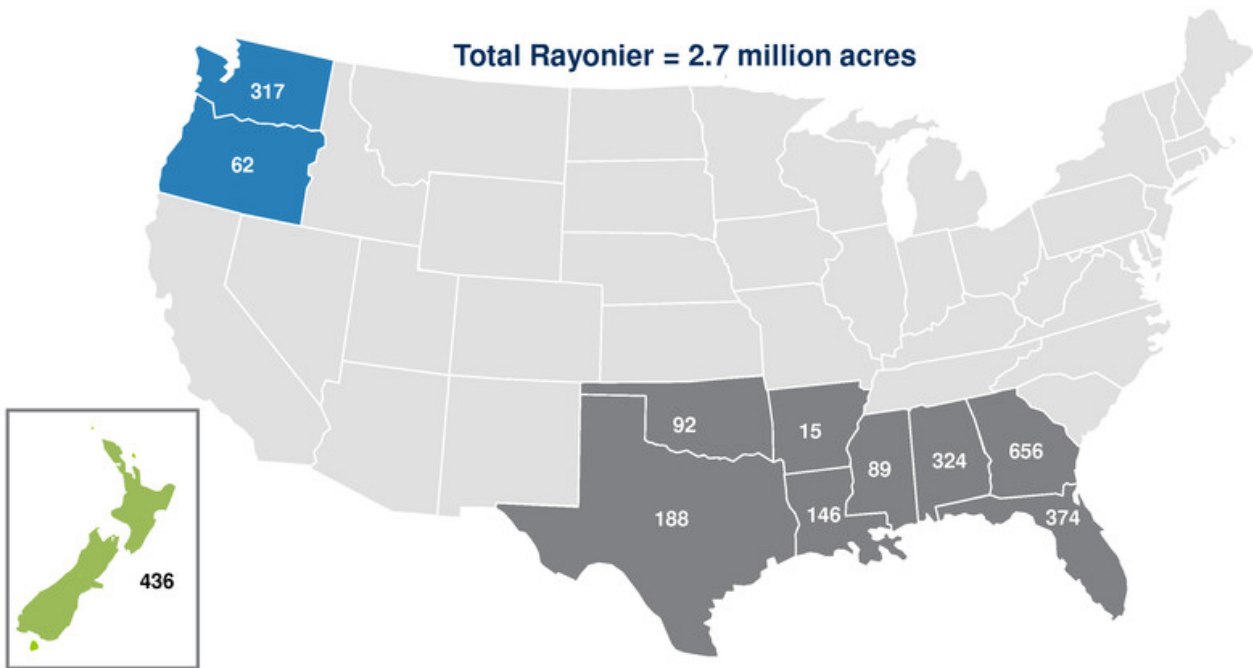
## Attractive Real Estate Platform

- Attractive HBU opportunities across U.S. South, including Florida and Georgia coastal corridor
- Stable and recurring base of annual rural land sales
- Two active development projects underway – Wildlight (mixed-use) and Belfast Commerce (industrial)

## Strong Capital Structure

- Net debt to enterprise value of 23% at end of Q3 2016
- Favorable financing facilities and access to capital
- Active portfolio management and nimble capital allocation strategy

# Highly Productive, Geographically Diversified Timberlands



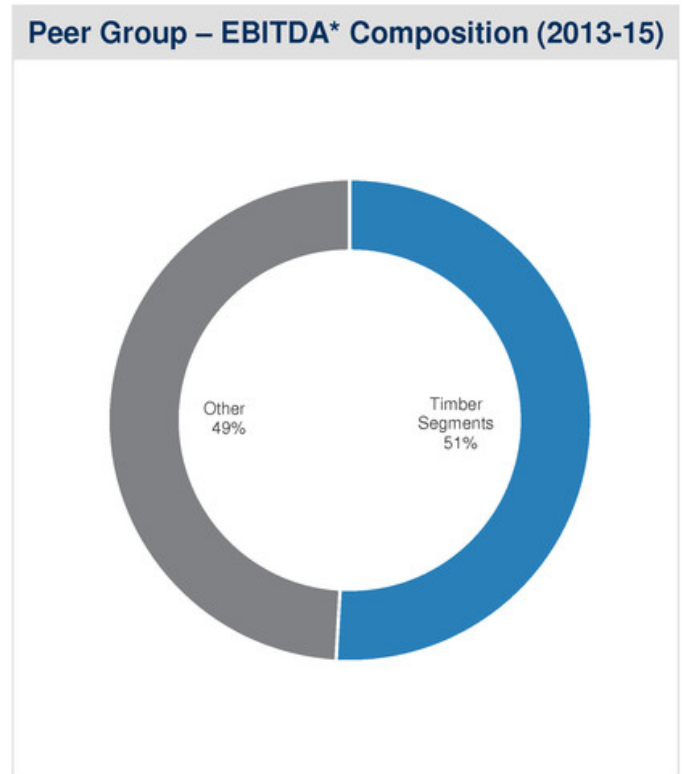
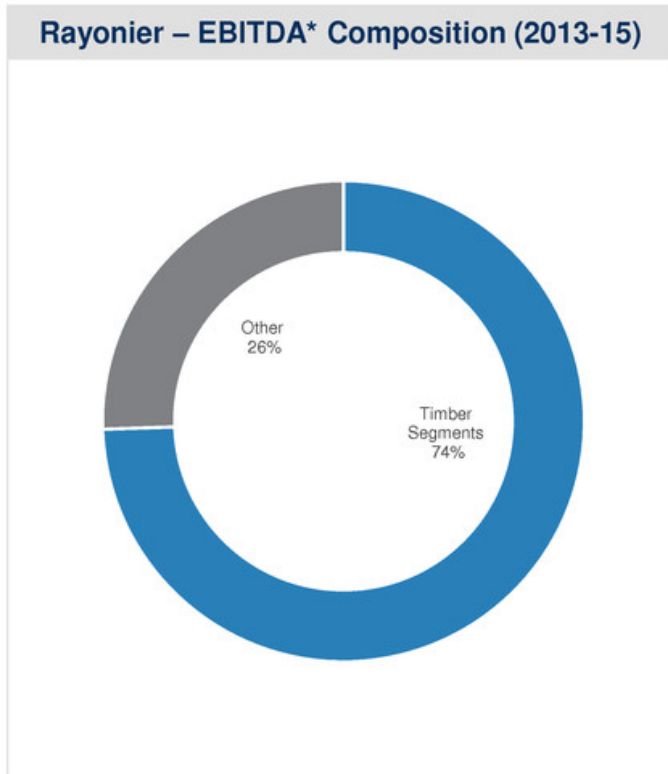
- Pacific Northwest** → 379,000 acres – Washington & Oregon; access to export markets
- U.S. South** → 1.9 million acres – sawlog and pulpwood; Florida & Georgia coastal corridor HBU
- New Zealand** → 436,000 acres – manage and own ~77% of joint venture



Note: Total acreage as of Q3 2016; does not reflect recently announced divestiture of 62,100 acres in Alabama and Mississippi.

Investor Day | November 2016

# Leading “Pure-Play” Timberland REIT



**Rayonier is a leading “pure-play” timberland REIT that generates the significant majority of its EBITDA\* from recurring timber harvest operations.**



Note: Timberland REIT Peer Group comprised of WY (legacy), PCL (legacy), PCH and CTT. Figures reflect aggregate Timberland REIT Peer Group 2013-2015 EBITDA excluding corporate expenses. Other includes real estate, manufacturing and other reported segments. WY (legacy) excludes divested Cellulose Fibers business.  
\* Non-GAAP measure or pro forma item (see Appendix for definitions and reconciliations).

# The Rayonier Roadmap to Success



## Mission Statement

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

## Vision

- Preferred timberland investment vehicle for institutional investors
- Best-in-class assets, operations, disclosure and transparency
- Preferred employer for forestry and land management professionals

## Strategy

- Long-term strategy focused on creating value from our timberlands and HBU portfolio

## Culture

- Working together as a team with empowered people and strong core values

## Capital Allocation

- Building long-term value per share through nimble capital allocation

As Rayonier nears the century mark, we are excited about our focused long-term strategy which, coupled with our strong culture, will chart the path to achieving our vision.

# 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

**Rayonier's goal is to provide an attractive, growing dividend funded from core, recurring cash flows in a tax-efficient REIT structure.**



# Our Culture Drives Long-term Shareholder Value Creation

## Safety First

Safety is our top priority and we continuously look for ways to operate safer

## Empower Employees

Push decisions down deeper into the organization and encourage employees to take ownership

## Teamwork & Collaboration

"One Rayonier" focus – working together, we can create value

## Core Values

Trust, integrity and accountability are core values of Rayonier



## Long-Term Focus

Manage our land and resources to maximize long-term value, not short-term profits

## Continuous Improvement

Committed to continuous improvement through the growth and development of our employees

## Transparency

Provide best-in-class disclosure and transparency, both internally and externally

## Courage to Challenge

Challenge employees to look for a better way and to speak up when they can make a difference

**Our people are the foundation of our success.**

# Nimble Approach to Capital Allocation

Invest in Our Business	Timberland Acquisitions	Share Buybacks	Dividends	Manage Our Balance Sheet
<ul style="list-style-type: none"> <li>~\$34 million invested annually in silviculture and regeneration</li> <li>Capital focused on highest IRR opportunities</li> <li>Targeted investments to unlock HBU value</li> </ul>	<ul style="list-style-type: none"> <li>Acquired over \$500 million of timberlands since spin-off</li> <li>Acquisitions complementary to age-class profile</li> <li>Improved portfolio site index and inventory stocking</li> </ul>	<ul style="list-style-type: none"> <li>\$101 million of stock buybacks @ \$23.76/share</li> <li>\$99 million remaining in repurchase authorization</li> <li>Focused on generating NAV accretion</li> </ul>	<ul style="list-style-type: none"> <li>Dividend of \$1.00 per share since Q4 2014</li> <li>Expect to fund from recurring timber and real estate operations</li> <li>Core timberland sales excluded from CAD*</li> </ul>	<ul style="list-style-type: none"> <li>Restructured \$155 million of New Zealand debt</li> <li>96% of debt fixed; 3.3% avg. rate</li> <li>Maintained investment grade rating with higher debt threshold</li> </ul>
<p><b>\$34MM<sup>(1)</sup></b> annually for silviculture</p>	<p><b>\$500MM</b> acquisitions since spin-off</p>	<p><b>\$101MM</b> share buybacks since spin-off</p>	<p><b>3.8% yield<sup>(2)</sup></b> \$1.00 per share annual dividend</p>	<p><b>3.3% rate</b> average debt cost</p>



(1) Represents average annual investment in silviculture and replanting from 2013-2015.

(2) Based on share price of \$25.99 as of 11/4/2016.

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

# Significant Milestones Since the Spin-Off

## Strategy

- Upgraded assets through active portfolio management
- Launch of community development business
- Changed the conversation around investor disclosure

## Culture

- New senior leadership team and Board of Directors
- Revamped incentive compensation system
- Right-sized the organization
- New office under construction

## Capital Allocation

- Pacific Northwest asset repositioning
- New Zealand recapitalization
- Lowered cost of debt and extended maturities
- Closed dividend funding gap

**We have made considerable progress in shaping our culture and pursuing strategic initiatives that further the progress towards achieving our vision.**

# Improving Supply / Demand Dynamics on Horizon

## U.S. Housing Market Recovery

- U.S. housing starts continue modest recovery following recession
- Recovery led by multi-family starts, which use one-third the lumber of single-family starts
- Shortage of labor and finished lots slowing the rate of recovery in single-family starts
- Housing starts expected to continue to grow at modest pace, reaching 1.5 million starts by end of decade

## Softwood Lumber Agreement Resolution

- One-year litigation moratorium expired in mid-October
- Two sides continue to discuss potential resolution
- Legal action expected to lead to tariffs in Q2 2017
- Combination of higher lumber prices and lower Canadian market share in U.S. expected to driver higher sawlog prices

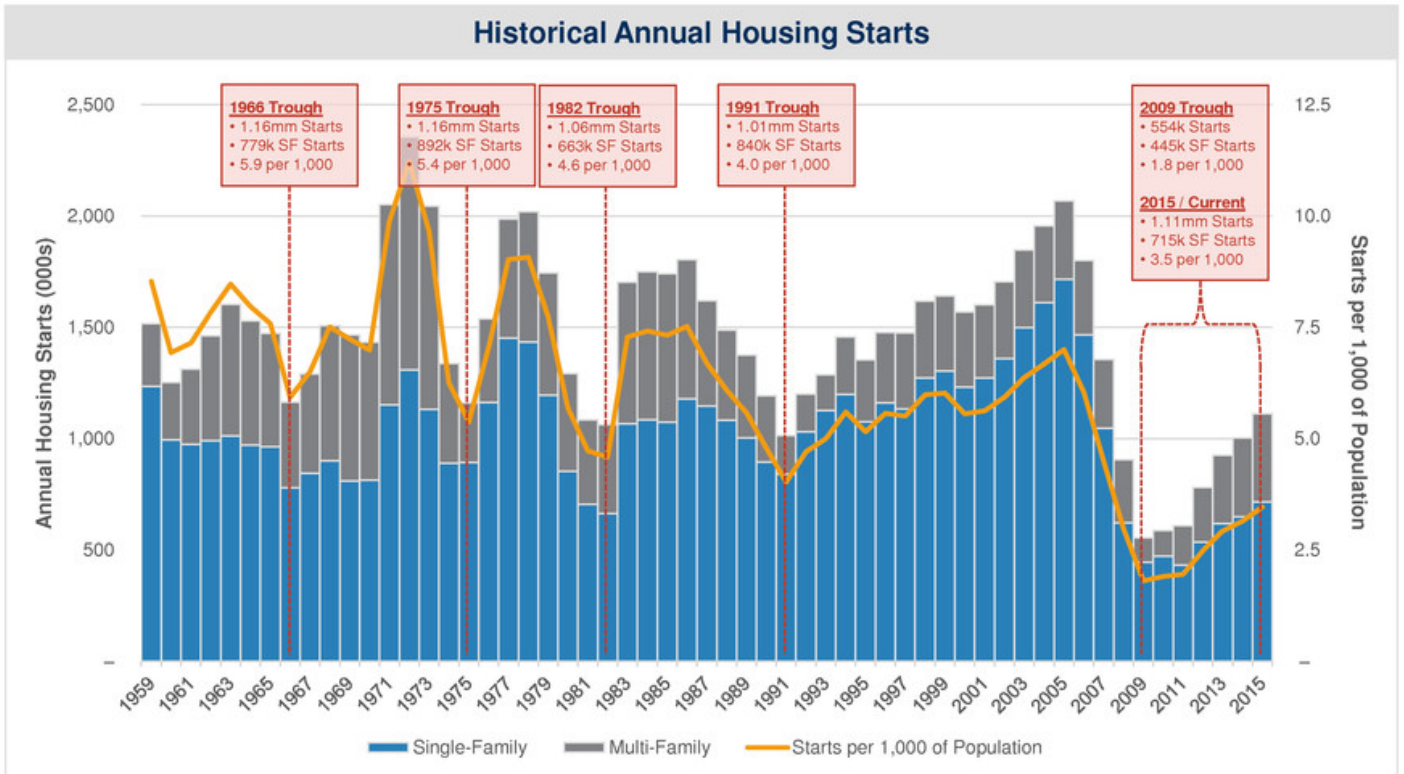
## Supply Reductions from Mountain Pine Beetle

- Mountain Pine Beetle epidemic has resulted in mortality of over 50% of lodgepole pine in interior British Columbia
- Timber generally has an economic shelf life of ~10 years once it has been killed by beetle
- Expected decline in economically viable pine inventory will be more pronounced over next five years

## Sustained Demand from China

- U.S. log exports to China were not present at the last peak in housing starts in 2005
- U.S. log exports to China resumed in late 2009 after many years of little to no volume
- Current levels of U.S. log exports to China are at lower levels than the peak in 2011, but still represent a substantial component of demand

# Residential Construction Improving, But Still Long Way to Go

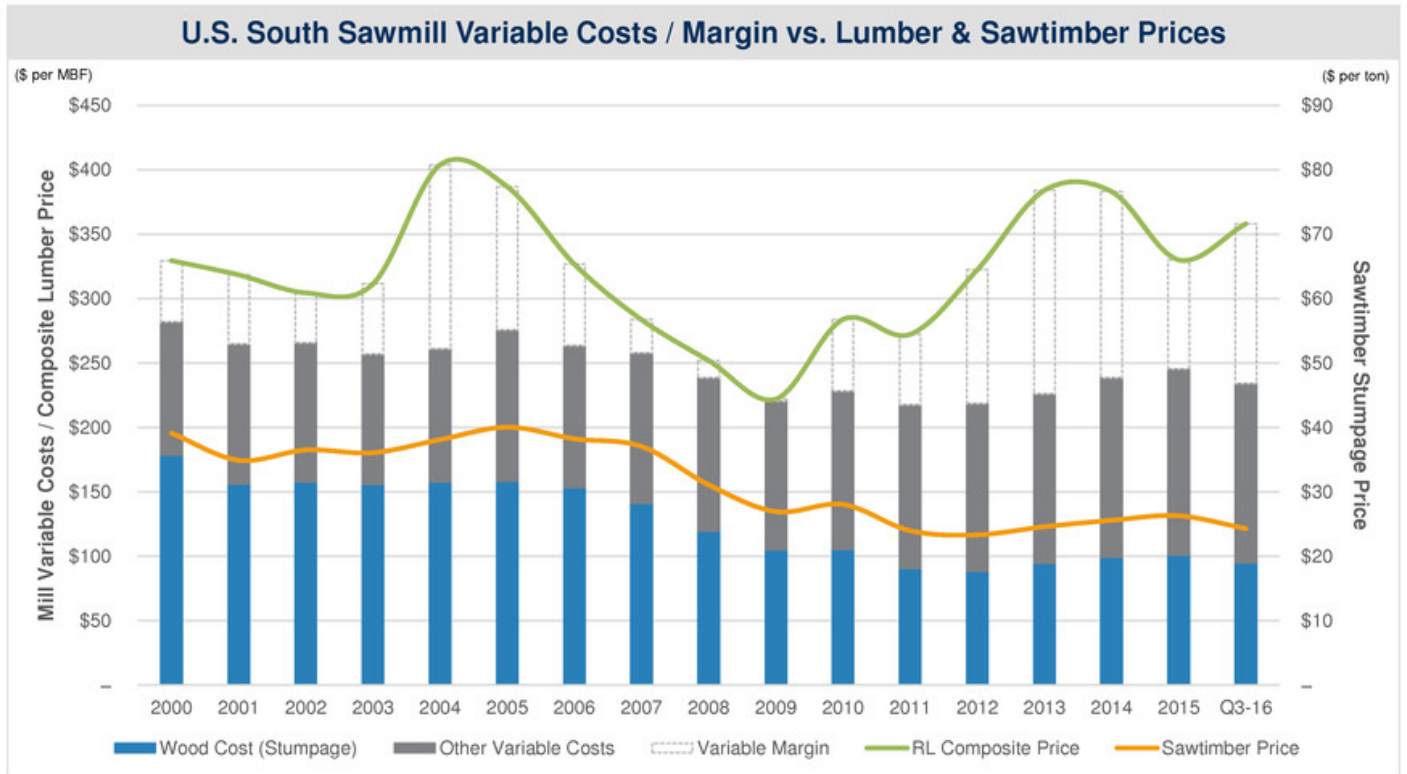


**While housing starts have improved significantly from 2009 lows, the current pace of construction remains at or below historical trough levels.**



Source: U.S. Census Bureau.

# Lumber Margins Have Recovered, Timber Poised To Follow



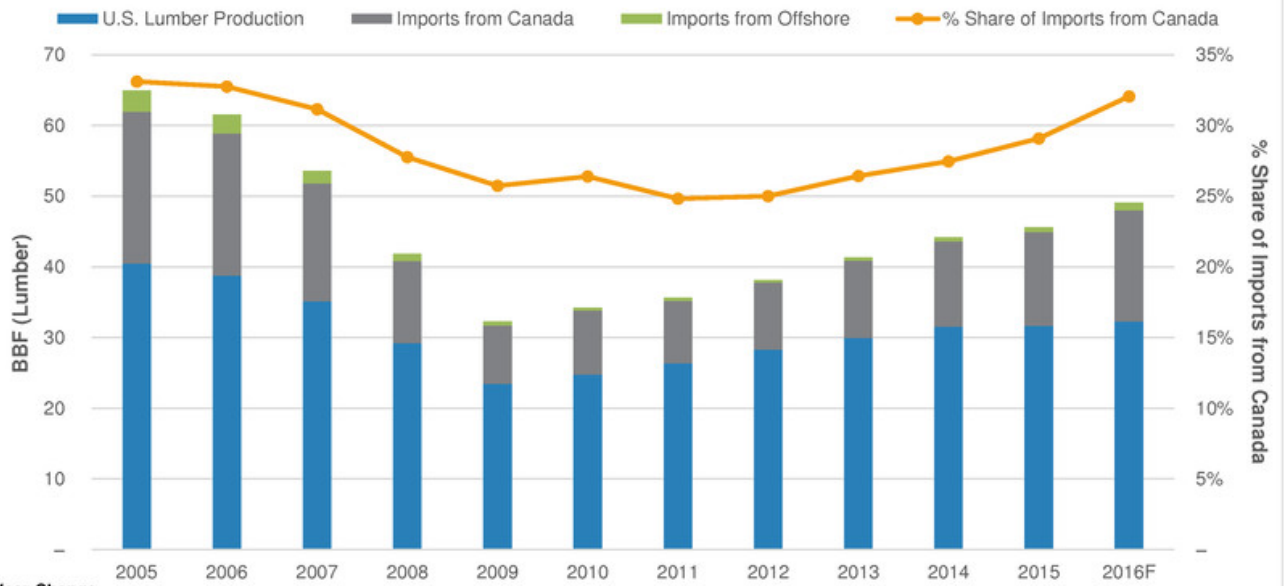
**While sawtimber prices have been relatively stagnant over the last year, increases in sawmill margins should accrue to timber suppliers over time.**



Source: Forest Economic Advisors, RISI, Random Lengths, Timber Mart-South and Rayonier analysis.

# Following SLA Expiration, Canadian Imports Have Surged

## Major Sources of U.S. Lumber Supply



### Year-over-Year Change

U.S. Production	-	(4%)	(9%)	(17%)	(20%)	6%	6%	7%	6%	5%	0%	2%
Canadian Imports	-	(6%)	(17%)	(30%)	(29%)	9%	(2%)	8%	15%	11%	9%	19%

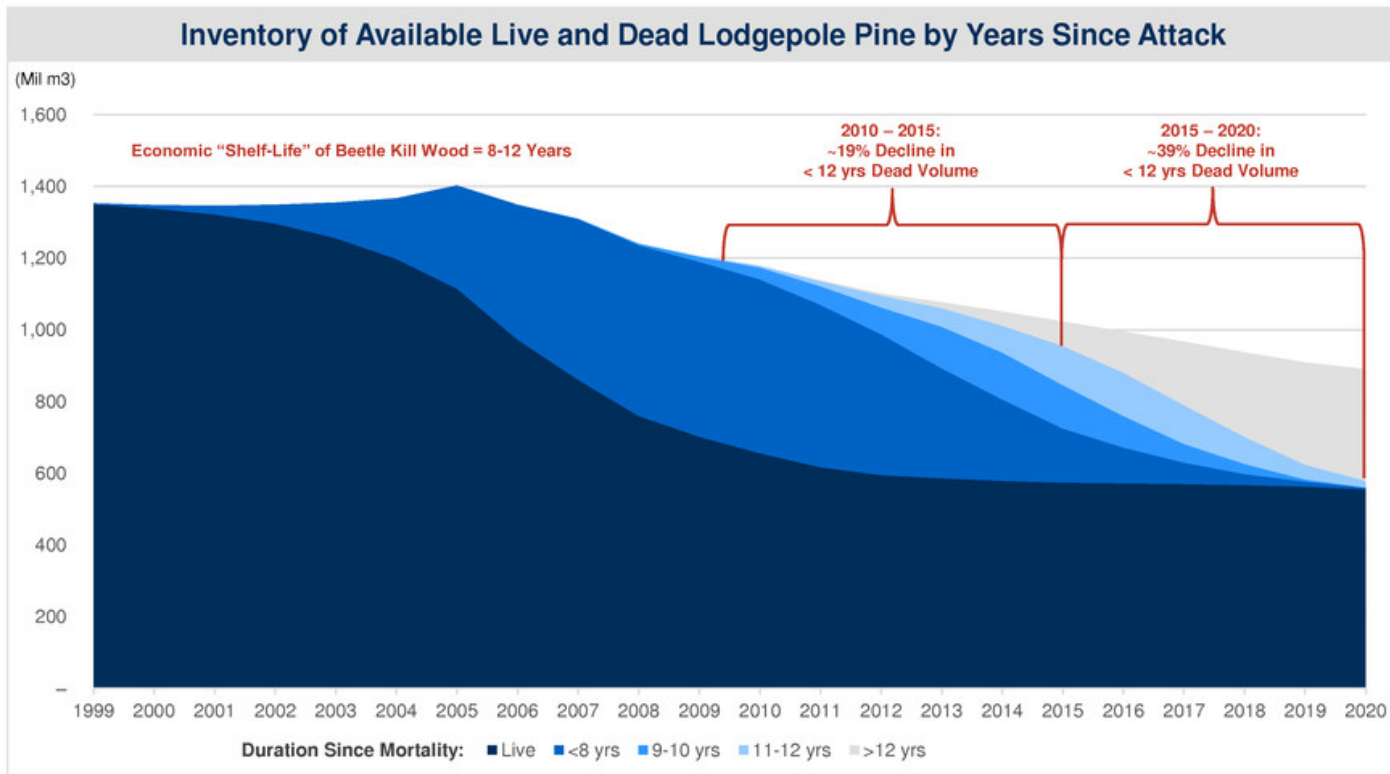
**Increased housing starts and corresponding increases in U.S. lumber consumption have largely been offset by increased imports from Canada following the SLA expiration.**



Source: Western Wood Products Association, Forest Economic Advisors.

Investor Day | November 2016

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



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

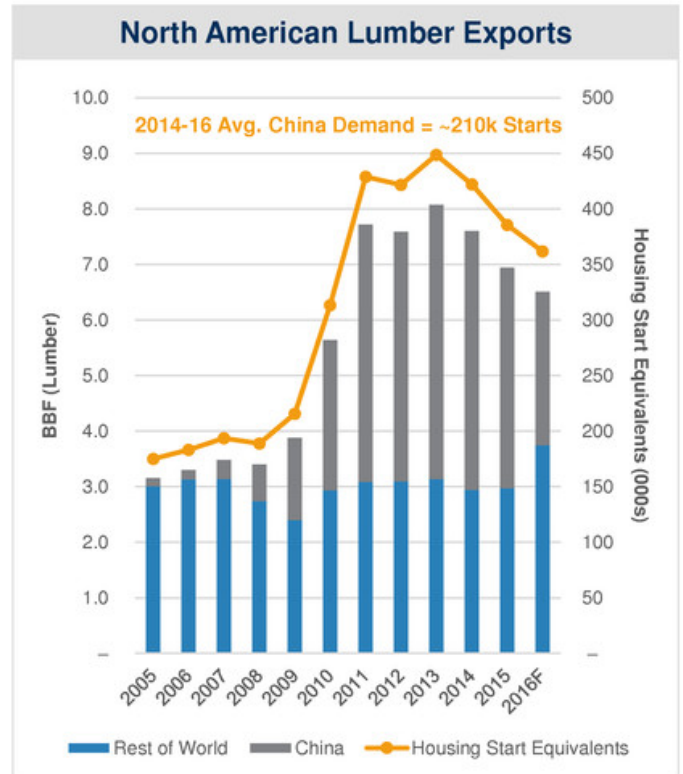
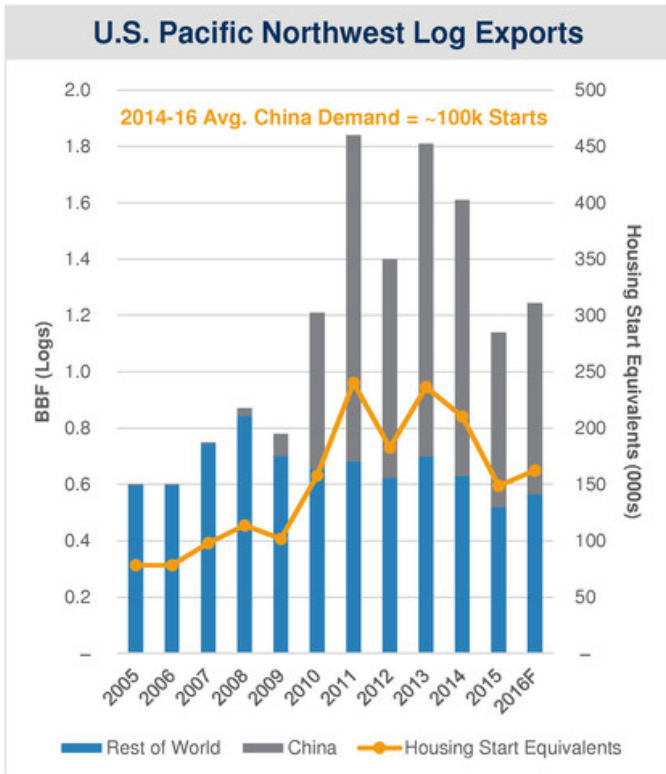


Source: B.C. Ministry of Forests, Forest Economic Advisors.

Investor Day | November 2016



# Log and Lumber Export Volume Has Surged



**China has driven substantial growth in log and lumber exports from North America over the last decade, with average annual demand over the last three years equivalent to roughly 310,000 single-family housing starts.**



Source: Forest Economic Advisors.  
 Note: Housing start equivalents calculated based on 18 MBF of lumber per single-family start and log-to-lumber recovery rate of 2.35.

## Review of Agenda for Investor Day

- **Overview of New Zealand JV**
- **Overview of Southern and Pacific Northwest timberlands**
- **Panel discussion on how we maximize value on our land base**
  - Applying advanced R&D to our land base
  - Utilizing market intelligence
  - Role of land resources in maximizing returns
- **Portfolio management strategy**
- **Unlocking the value of our Real Estate portfolio**
- **Financial overview and benchmarking**
- **Tour of local timberland operations and Wildlight mixed-use development project**



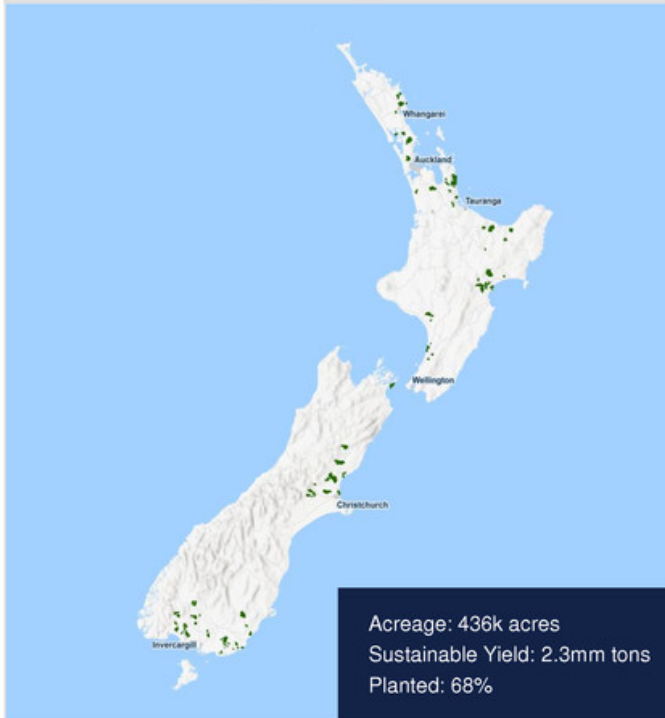
## **New Zealand Timberlands**

Paul Nicholls | Managing Director, Rayonier New Zealand

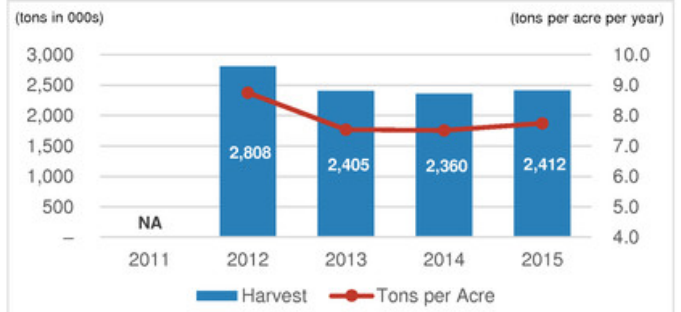


# New Zealand Timber – Segment Overview

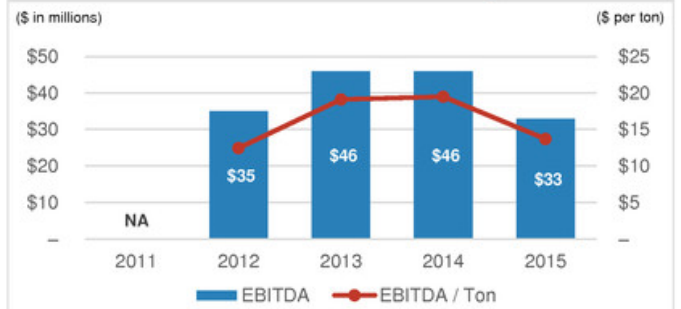
Map of Properties



Historical Harvest Volume / Rate of Harvest



Historical EBITDA\* / EBITDA per Ton



Rayonier's ~77%-owned joint venture in New Zealand provides geographic, species and market diversification.



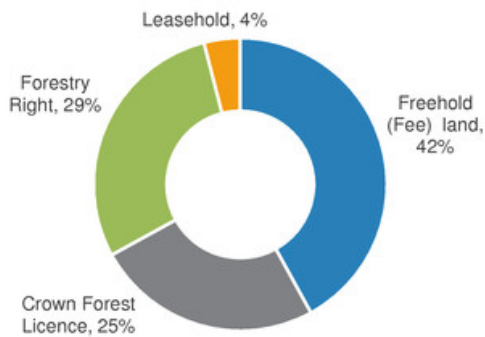
Note: New Zealand Timber was consolidated on April 4, 2013 when we acquired a majority interest in the New Zealand JV. Prior to the acquisition date, we accounted for our 26% interest in the New Zealand JV as an equity method investment. The 2013 and 2012 information shown here reflects full year results for the JV.  
\* Non-GAAP measure (see Appendix for definitions and reconciliations).

# Rayonier Matariki Forests (RMF) – Key Facts

## RMF Key Facts

- RMF is a JV between Rayonier & Phaunos Timber Fund; 77% Rayonier ownership
- 436,000 gross acres; 299,000 planted acres
- 3rd largest forest owner in NZ with 7% of plantation resource
- 90 staff, 6 locations; leadership team average 16 year tenure with RMF
- Harvest ~2.3 million tons per year, plus trading volume of ~1 million tons per year

## RMF Land Tenure

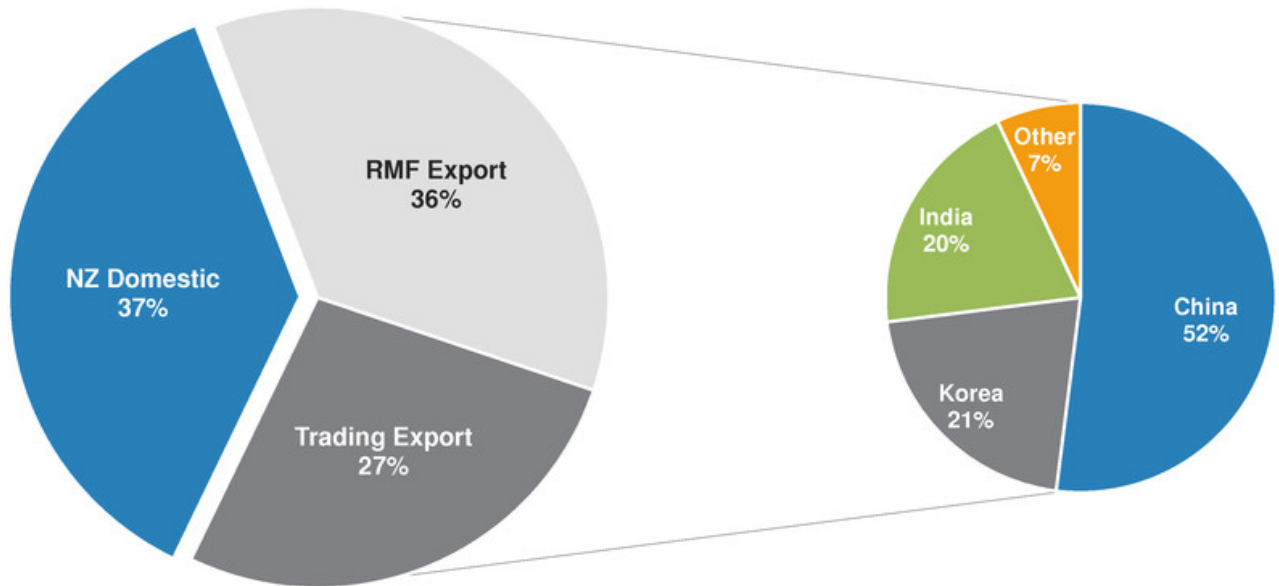


## Five Key Operating Units + Head Office



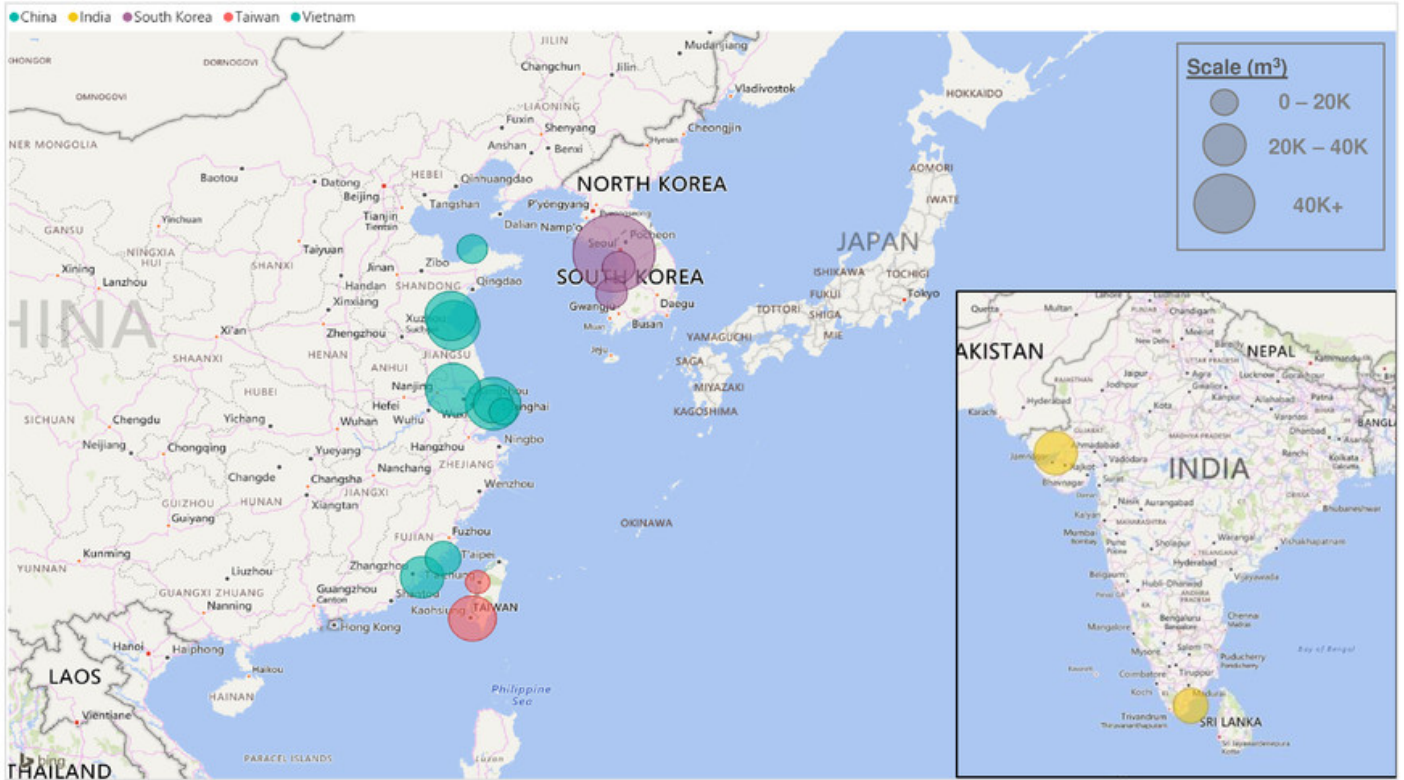
# Diversified Mix of Domestic & Export Markets

Volume by Market Destination (2016 YTD)



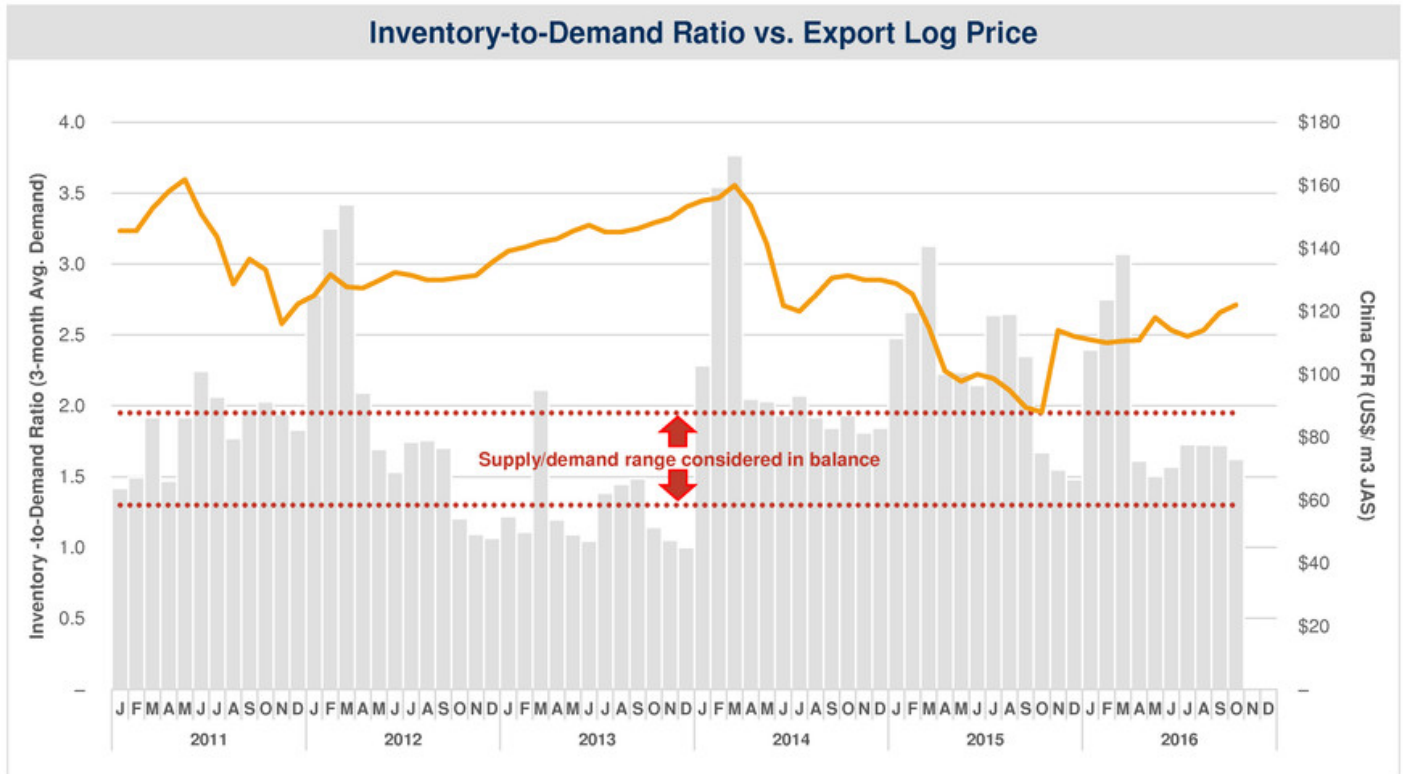
Over 60% of RMF's volume (including Trading volume) is sold into export markets, with China being the largest source of demand.

# RMF Key Export Delivery Ports



RMF ships to 16 export ports in China, Korea, India and Taiwan.

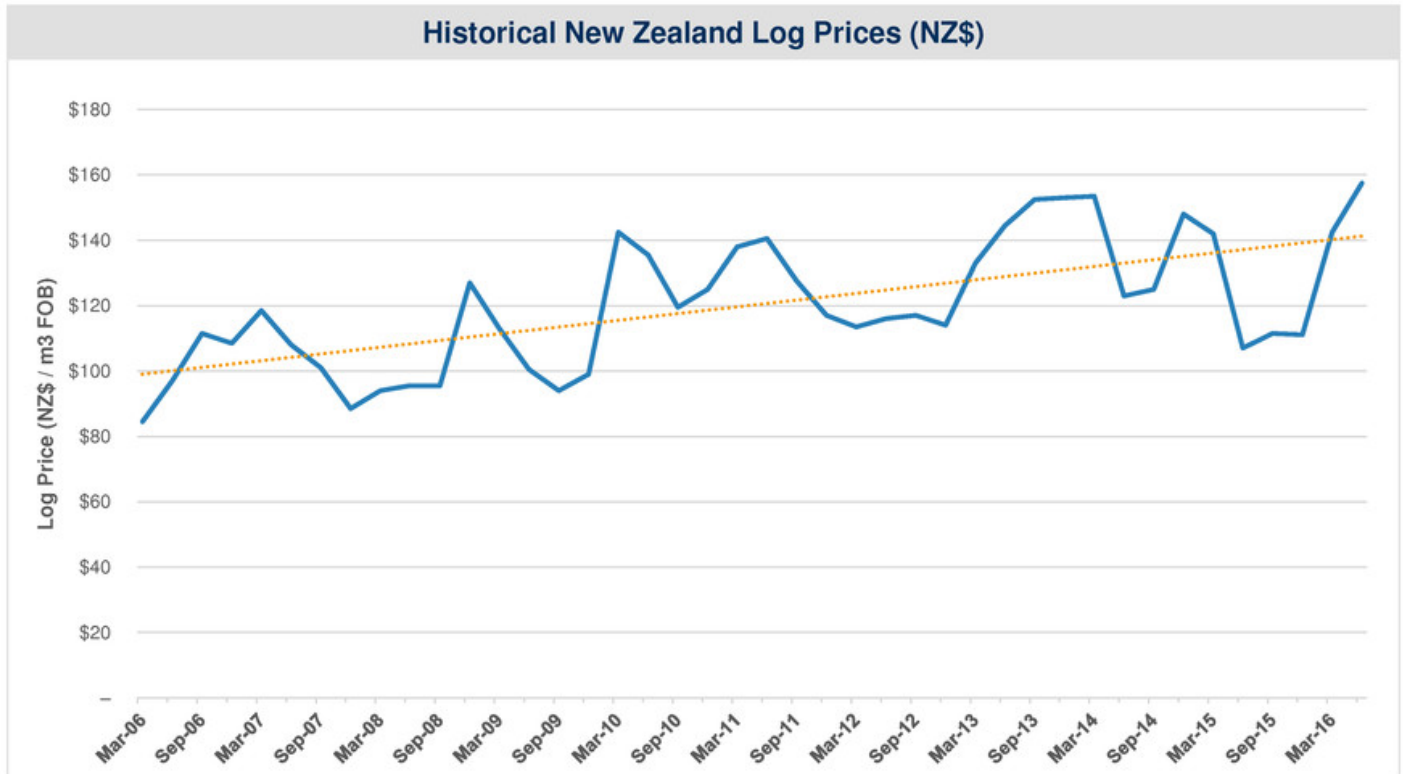
# Inventory Levels Drive Near-Term Price Fluctuations



**Export supply / demand is generally considered in balance when the ratio of port inventory to average monthly demand is between 1.3 and 2.0 times.**



# New Zealand Log Prices Trending Upward



Over the last 10 years, New Zealand log prices have been trending upward based primarily on growing export market demand.



Source: NZ Ministry of Primary Industries.

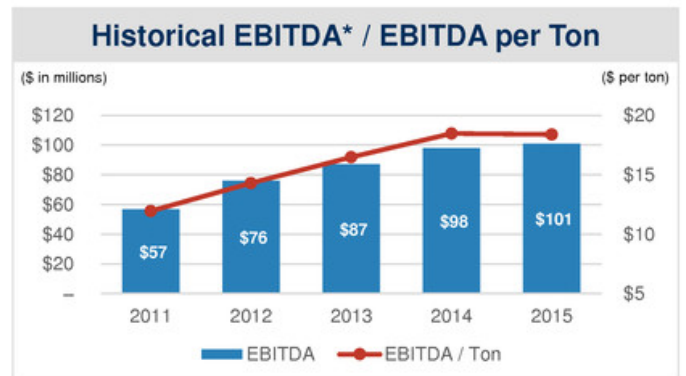
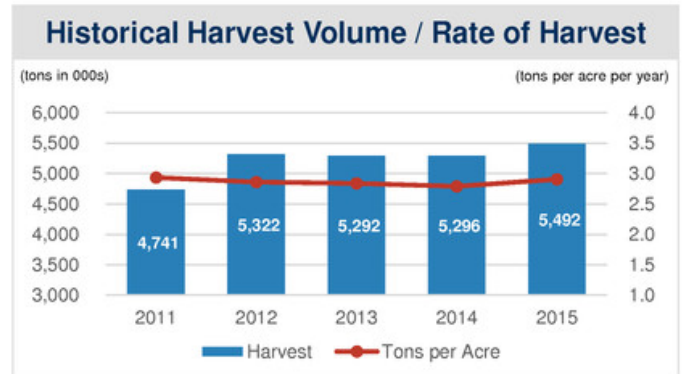
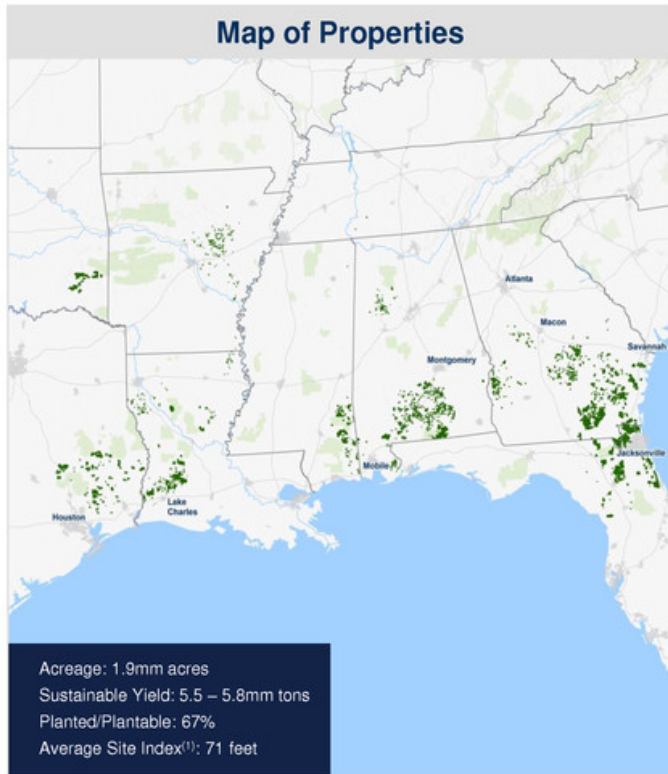


## Southern and Pacific Northwest Timberlands

Doug Long | Senior Vice President, U.S. Operations



# Southern Timber – Segment Overview

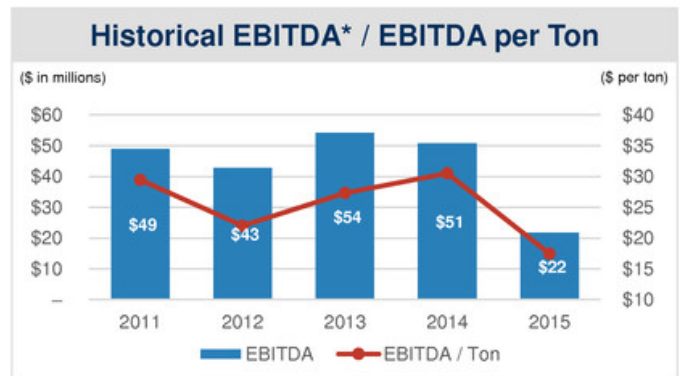
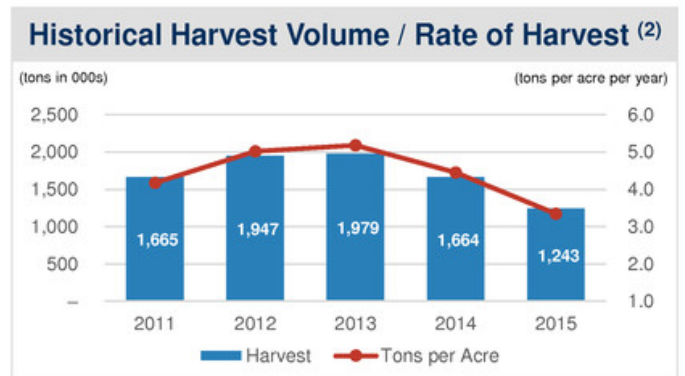
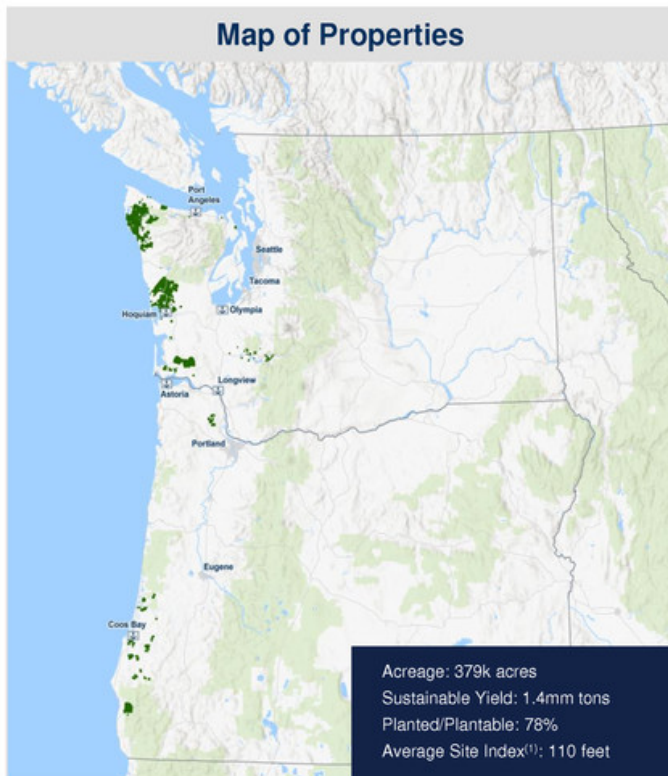


**Rayonier’s Southern Timber segment has nearly doubled its Adjusted EBITDA\* since 2011, driven by acquisitions and price gains in key markets.**



<sup>(1)</sup> Site index reflects the average height of the dominant and codominant trees at a base age of 25 (U.S. South).  
 \* Non-GAAP measure (see Appendix for definitions and reconciliations).

# Pacific Northwest Timber – Segment Overview



**Following the recently-announced portfolio repositioning, Rayonier expects to harvest roughly 1.3 million tons in the Pacific Northwest over the next five years.**



<sup>(1)</sup> Site index reflects the average height of the dominant and codominant trees at a base age of 50 (Pacific Northwest).  
<sup>(2)</sup> 2013 and prior results include volumes from New York timberlands.  
 \* Non-GAAP measure (see Appendix for definitions and reconciliations).

# U. S. Forest Resources

## USFR

- 6 Resource Units across 10 states
- 79 employees oversee 2.3mm acres
- 6 Resource Unit Leaders – combined 98 years with Rayonier



## Research & Silviculture Support

- 15 employees located in 4 states
- Responsible for implementing our capital investments in research & seedling production

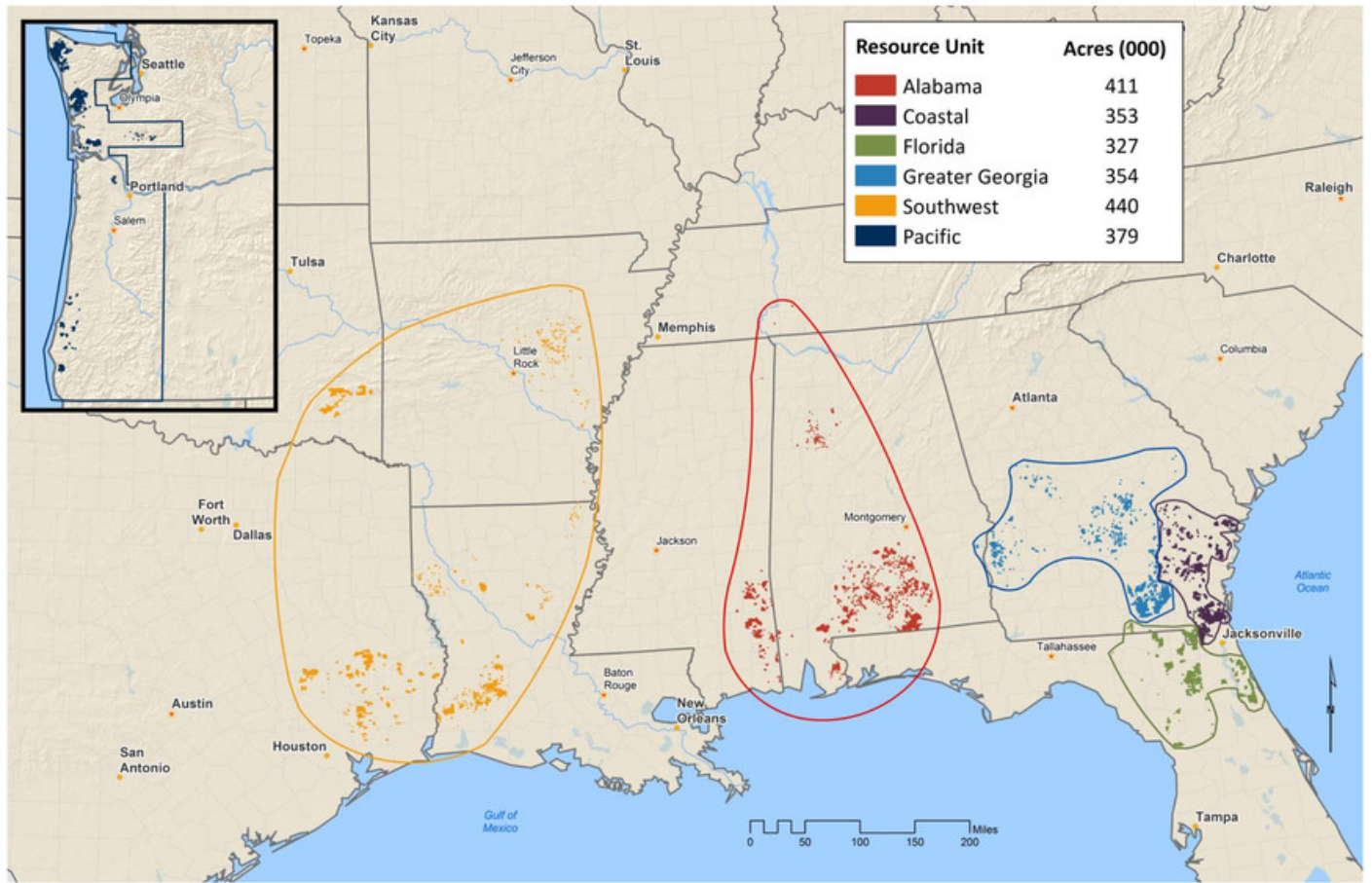
## Land Information Services

- 19 team members responsible for land records, geographic information systems, stand data and inventory

## Business Development

- Team of 2 responsible for market intelligence, customer recruitment, operational efficiencies and strategic projects

# Resource Unit Coverage Map



Note: Total acreage as of Q3 2016; does not reflect recently announced divestiture of 62,100 acres in Alabama and Mississippi.

Investor Day | November 2016

# Flexible Resource Management Structure to Unlock Value

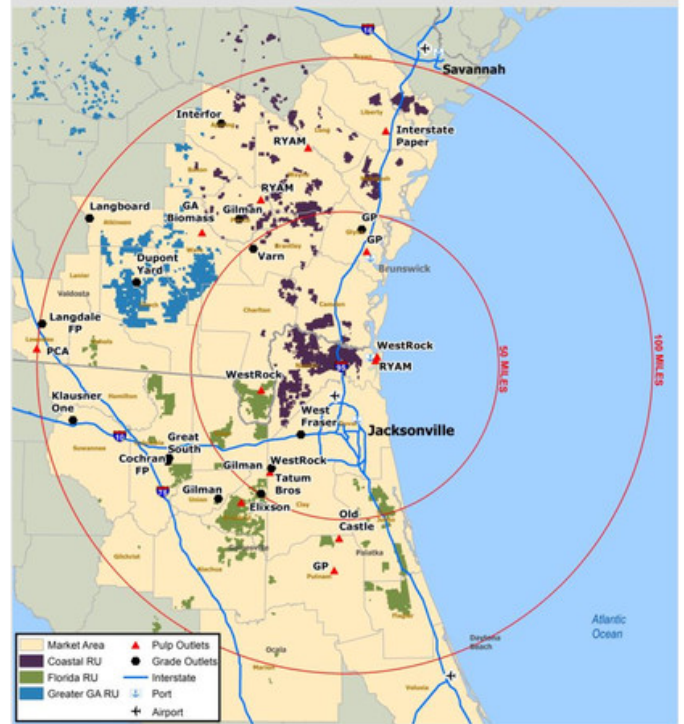


# Local Markets Require Customized Solutions

Flexible Structure to Meet Local Needs



Overlapping Sourcing Zones = Optionality



Resource Unit objectives and strategies are tailored to meet local stakeholder needs.



# What Makes Rayonier Different?





## Value Maximization on Land Base

Jim Gent | Director, Research & Silviculture  
Vernon Hiott | Manager, Business Development  
Jeff Lawrence | Director, Real Estate & Land Resources

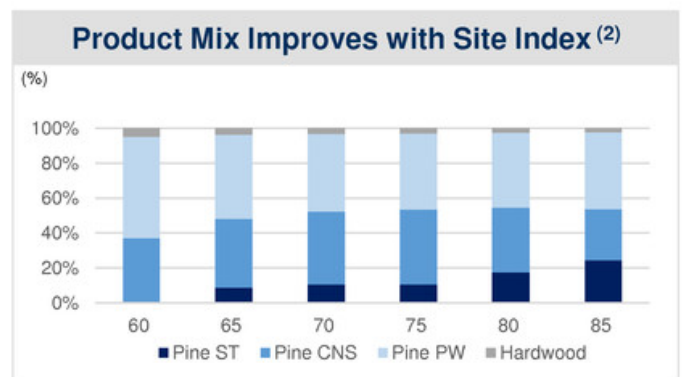
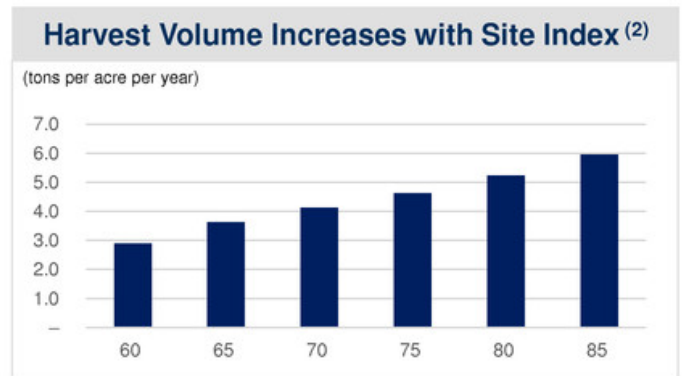
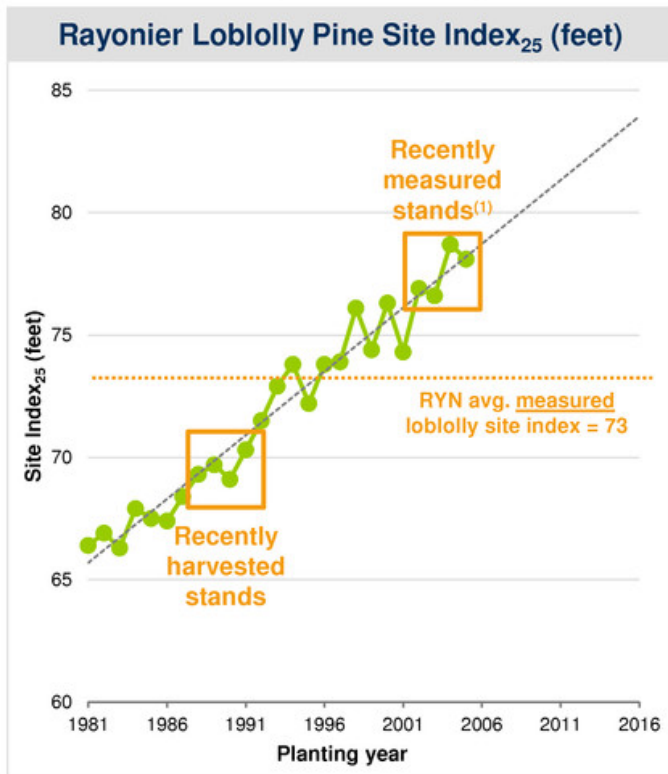




## Research & Silviculture

Jim Gent | Director, Research & Silviculture

# Productivity is a Key Driver of Timberland Value

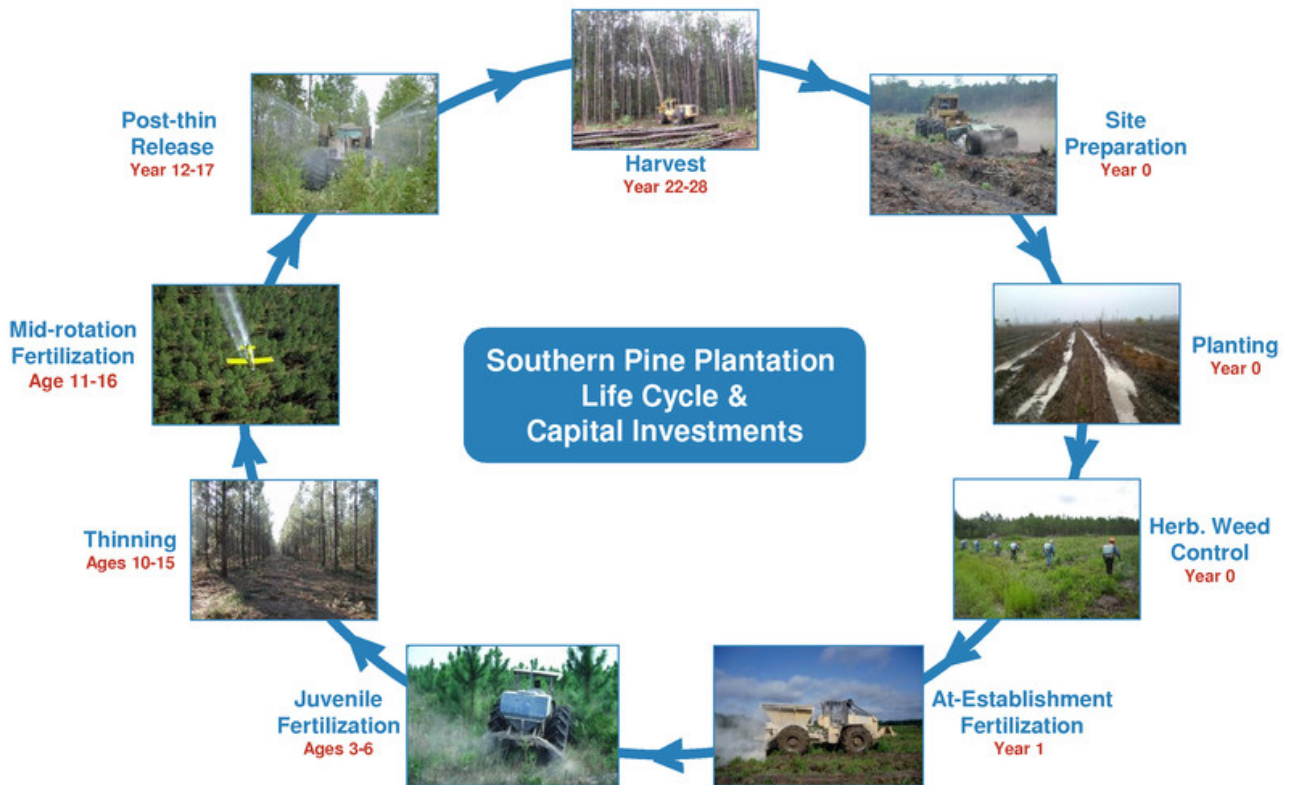


**Higher site index properties generate greater harvest yields and a more valuable product mix. Rayonier's site index has been steadily improving with each plantation year.**



(1) First physical site index measurement taken at age 11.  
 (2) Yield predictions based on PMRC (Plantation Management Research Cooperative) Technical Report 1996-1 (Yield Prediction and Growth Projection for Site-Prepared Loblolly Pine Plantations in the Carolinas, Georgia, Alabama and Florida). Assumes 70% pine plantation and 30% hardwoods and non-forested areas.

# Multiple Opportunities to Enhance Productivity



Site-specific prescriptions supported by guidelines grounded in science and financial analysis.

# Response to Silvicultural Treatments is Site Specific

Poorly Drained Soil



Dry Sandhill Soil

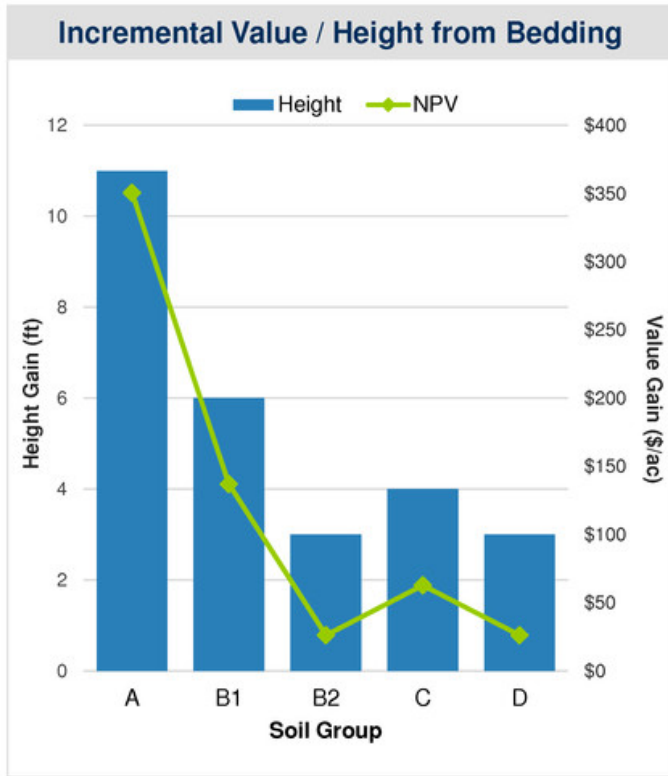


Large Variation in Soils Across Landscape



Soil type impacts silviculture prescription.

# Site Preparation – Bedding on Poorly Drained Soils



**Value gain from bedding varies significantly among different soil types.**

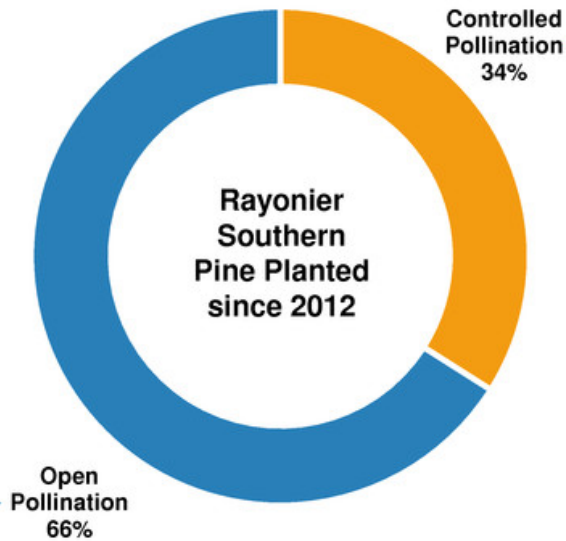


Source: Rayonier analysis.

# Tree Selection – Genetic Resources



- Wind-blown pollen source
- Known mother tree
- Half-sibling offspring
- Much better growth vs. non-improved stock
- Good financial returns

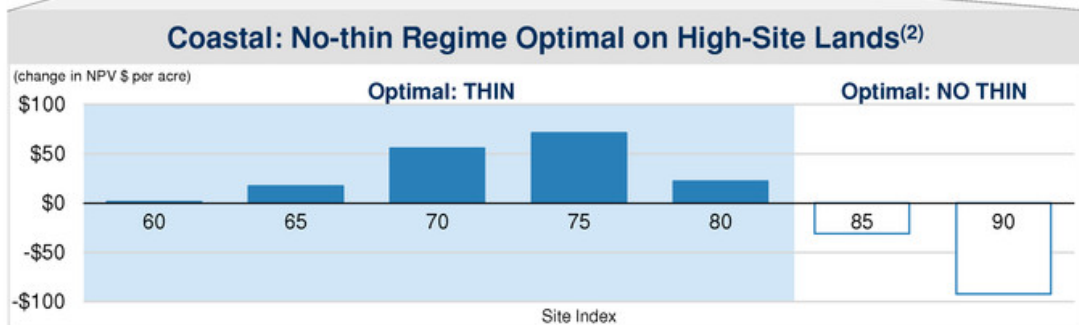
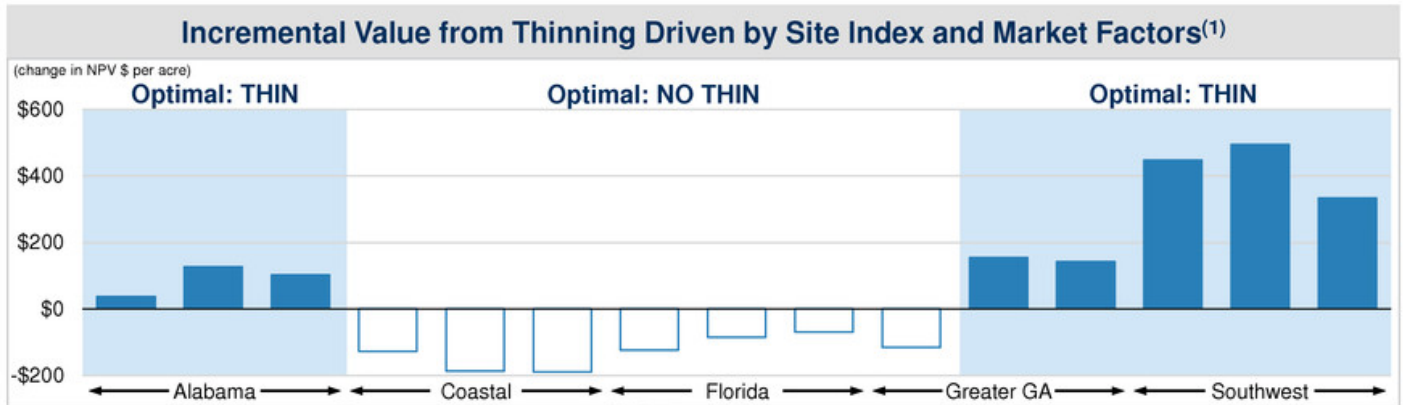


- Controlled pollen source
- Known parents
- Full-sibling offspring
- Better growth vs. open pollinated stock
- More expensive
- Better financial returns on high-site land

Optimized deployment of controlled pollination planting with strong focus on internal genetic breeding and testing.



# Optimum Harvest Regime – Loblolly Pine Thinning



**Rayonier only thins stands where positive value can be achieved. Ultimate thinning decisions based on site index and market-specific factors.**



(1) Based on actual Rayonier and university cooperative research site measurements.  
 (2) Sensitivity analysis based on growth/yield models representing average stand parameters for current planting prescriptions.

# Sharp Focus on Maximizing Financial Returns

## Maximize Growth Rate

- Complete competition control
- Frequent fertilization treatments



## Rayonier = Maximize Financial Return

- Functional competition control
- Periodic fertilization treatments



Site-specific prescriptions are made on the ground with a focus on maximizing the financial return from invested silvicultural capital.



# Market Intelligence

Vernon Hiott | Manager, Business Development

# Business Development Focus Areas

## Market Intelligence

- Economic analysis and reporting
- Timber supply and demand modeling
- Performance benchmarking

## Timber Demand Growth

- Understand market opportunities, potential solutions and customers, partners
- Develop relationships and plans for supporting new demand prospects
- Recruit and evaluate demand prospects

## Timber Marketing Effectiveness

- Understand customer value drivers and build relationships
- Develop strategic marketing plans
- Grow and support an industry-leading timber marketing team

## Process Improvement

- Develop and improve processes / standards to increase operational efficiency
- Provide operational support tools for decision making

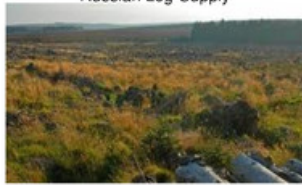
# Market Intelligence Relevant Topics



BC Mountain Pine Beetle



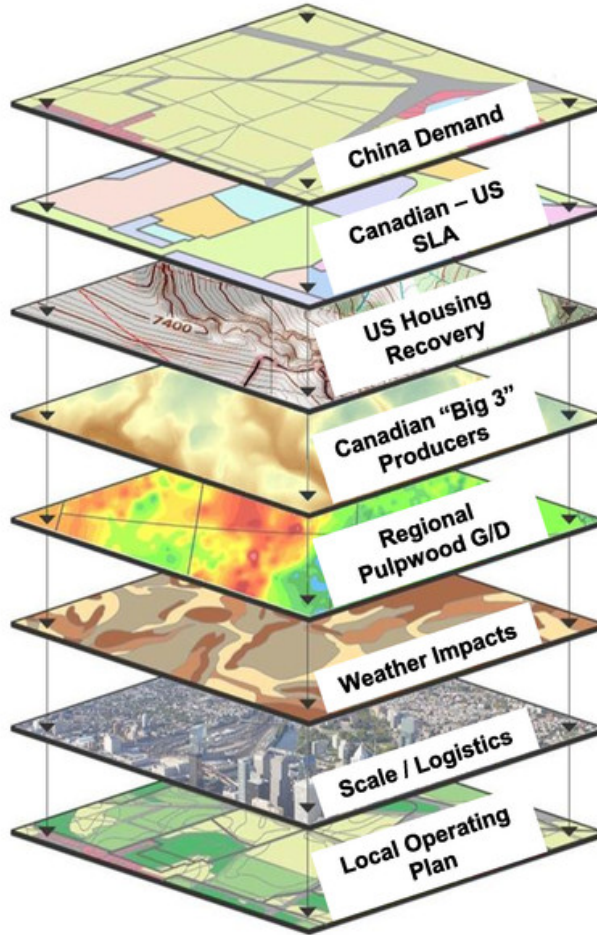
Eastern Canada AAC



Russian Log Supply



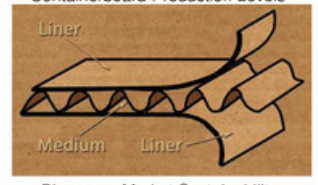
US Sawlog Inventories



Offshore Demand



US Housing Recovery



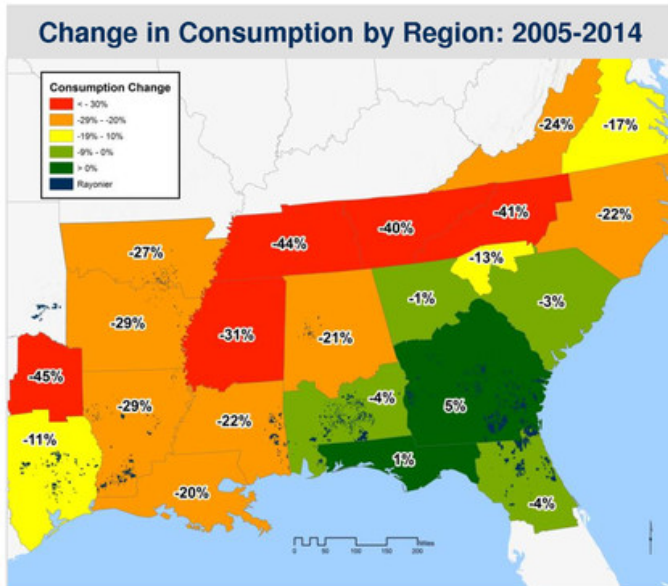
Containerboard Production Levels



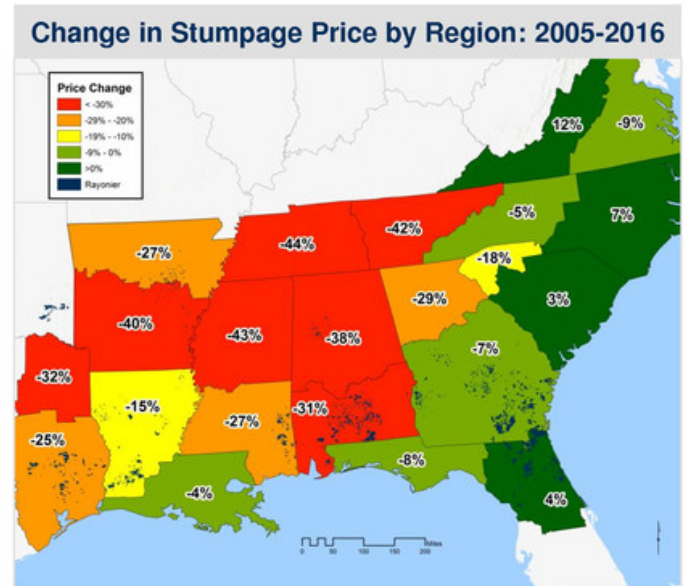
Bioenergy Market Sustainability

# Consumption & Price Changes Vary Across the South

- Recession-induced demand declines have led to large drops in consumption for most areas in the South
- As a result, timber product prices have fallen with few exceptions
- Differences in consumption declines have caused regional market performance to vary across the South



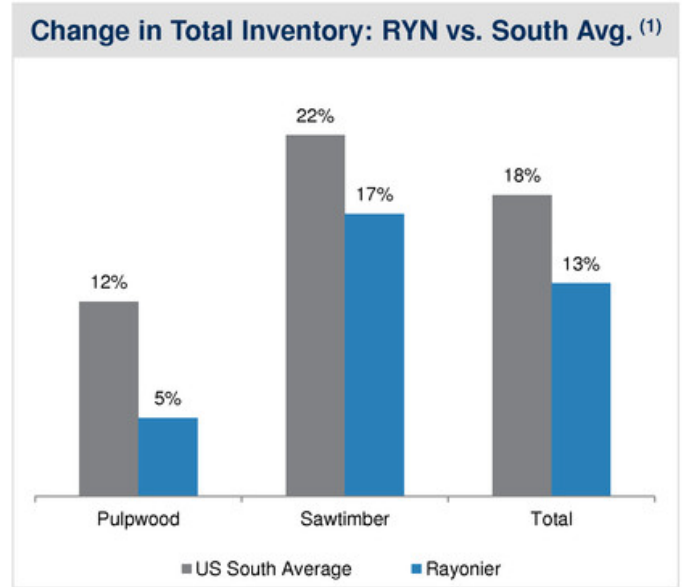
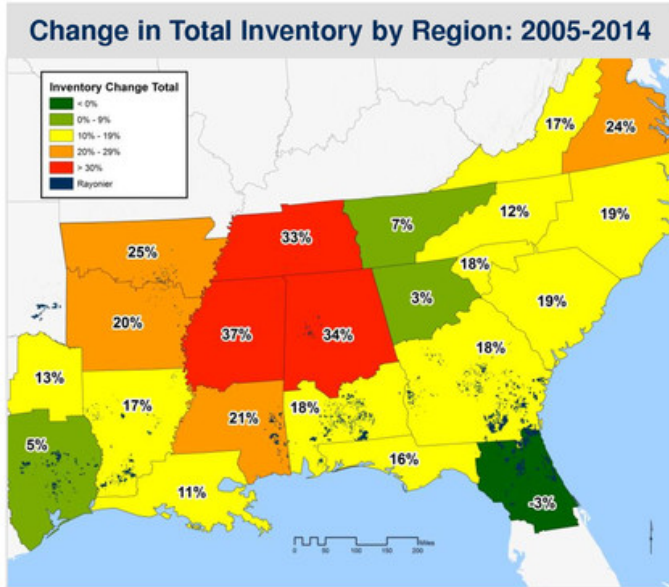
Source: USDA FIA Timber Product Output; University of Georgia, Wood Demand Report; Rayonier estimates.



Source: Timber Mart-South.  
Note: Assumes composite mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber comparing Timber Mart-South prices in Q3 2016 versus 2005 average.

# Total Inventory has Grown Significantly

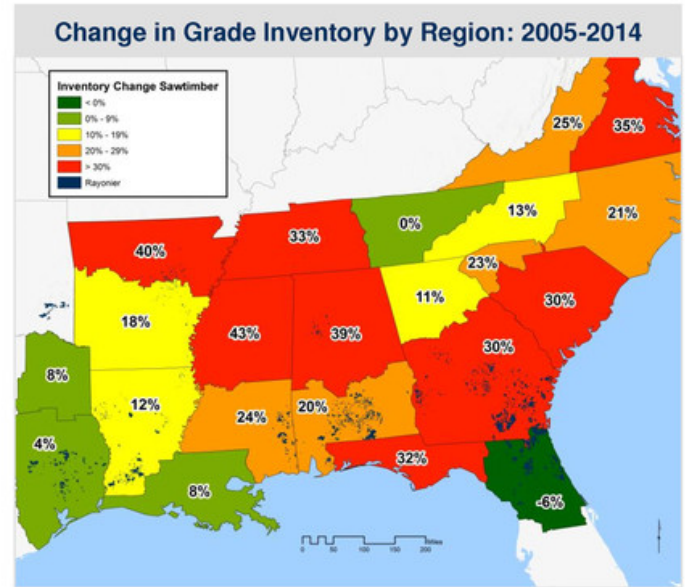
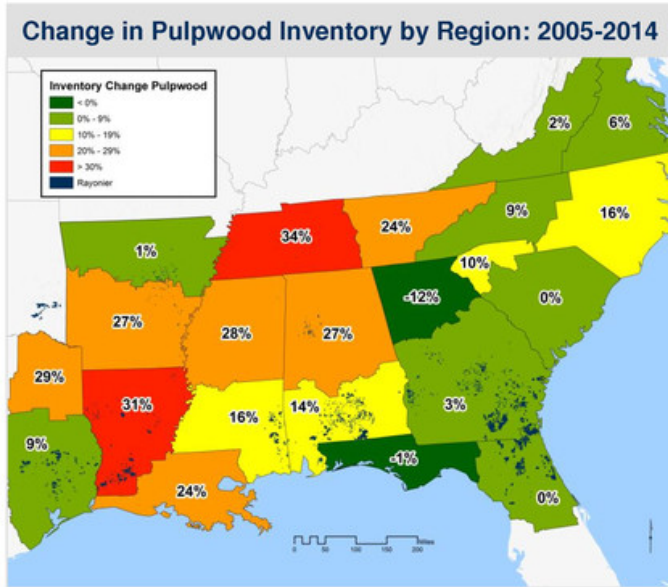
- Since 2005, many regions have gained inventory beyond levels experienced historically
- Inventory growth in these areas will take years to slow and will require new outlets for timber products
- Timberland portfolio performance will be influenced by geographic distribution in the South



Source: USDA FIA data; Rayonier analysis.  
 (1) Chart illustrates average U.S. South inventory growth by product category versus weighted average inventory growth in Rayonier markets.

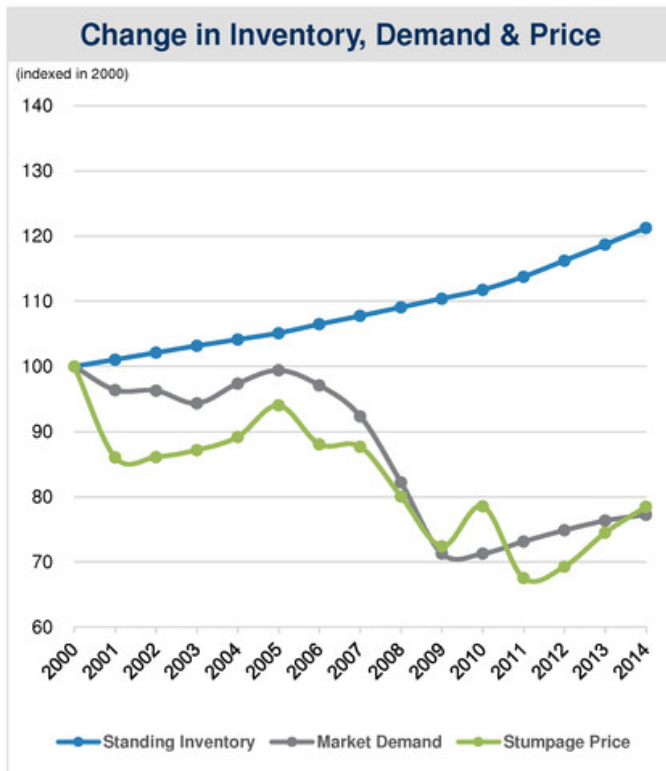
# Inventory Growth is Predominantly in Grade

- Pulpwood markets have generally remained stable or strengthened since 2005 driven by strong end-product demand and lower levels of sawmill residuals
- Grade volume is being stored on the stump in anticipation of stronger demand and higher prices
- In some cases, reduced supply of pulpwood volume has caused pulp outlets to consume small grade-size timber to meet mill needs





# U.S. South Timber Supply / Demand Dynamics



## Inventory:

- U.S. South inventory has grown more than 20% since 2000
- Continued weak demand has increased pace of inventory growth

## Demand:

- Demand increased with the U.S. housing market in 2004/2005
- Post-2005 demand fell to ~70% of the 2000 level
- Additional consumption from the pellet industry and some gains in operating rates have pushed demand to ~80% of 2000 level in recent years

## Price:

- Composite pricing has largely moved with the changes in demand

**As a whole, timber demand and pricing in the U.S. South have generally moved together while inventory has built to more than 20% above the level seen in 2000.**

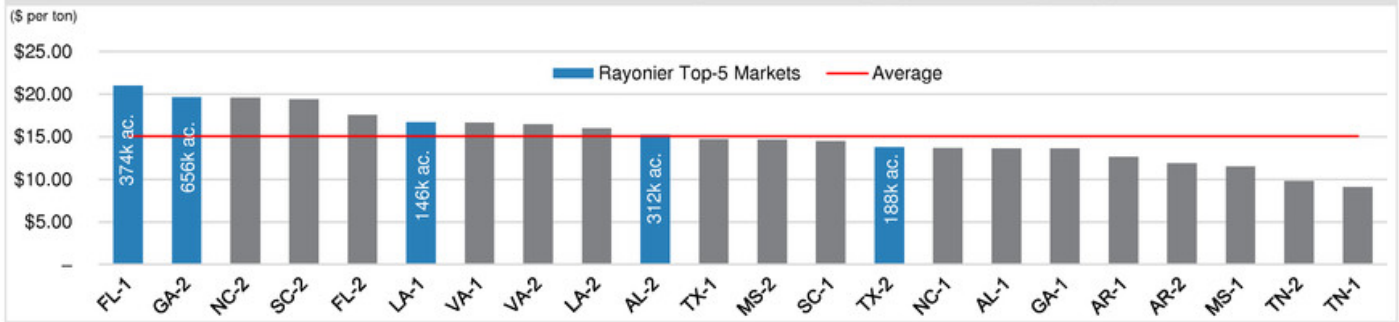


Source: Timber Mart-South; USDA FIA data; University of Georgia, Wood Demand Report; Rayonier Analysis.  
 Note: Stumpage price data assumes composite mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.

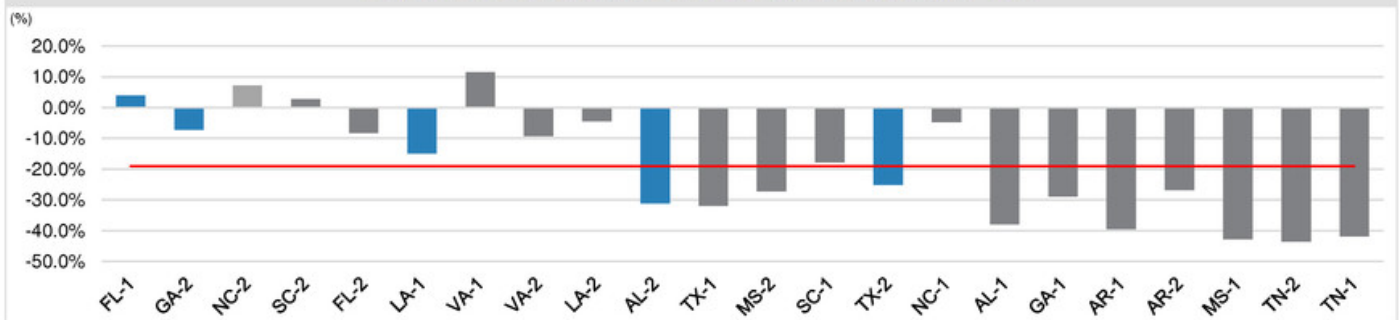
Investor Day | November 2016

# Regional Market Price Trends Vary Significantly

Timber Mart-South 3Q2016 Composite Stumpage Price by Region



3Q2016 Price Change versus 2005 Average Price

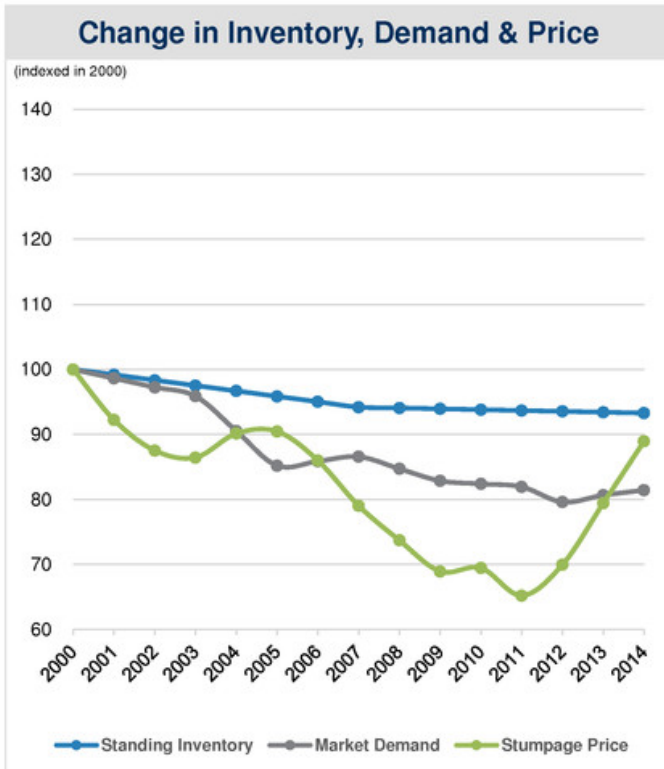


While timber demand and pricing has generally declined across the South, regional market supply, demand and pricing trends vary significantly.



Source: Timber Mart-South.  
 Note: Composite price by region calculated based on assumed mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.  
 Investor Day | November 2016

# Regional Market Example: Northeast Florida



## Inventory:

- State of decline since 2000
- Rate of decline has slowed post-2005

## Demand:

- Continued decline since 2003
- More recently, decline has slowed to ~80% of the level seen in 2000

## Price:

- Response associated with housing market peak in 2005
- Recent improvements are driven by competitive pulpwood markets

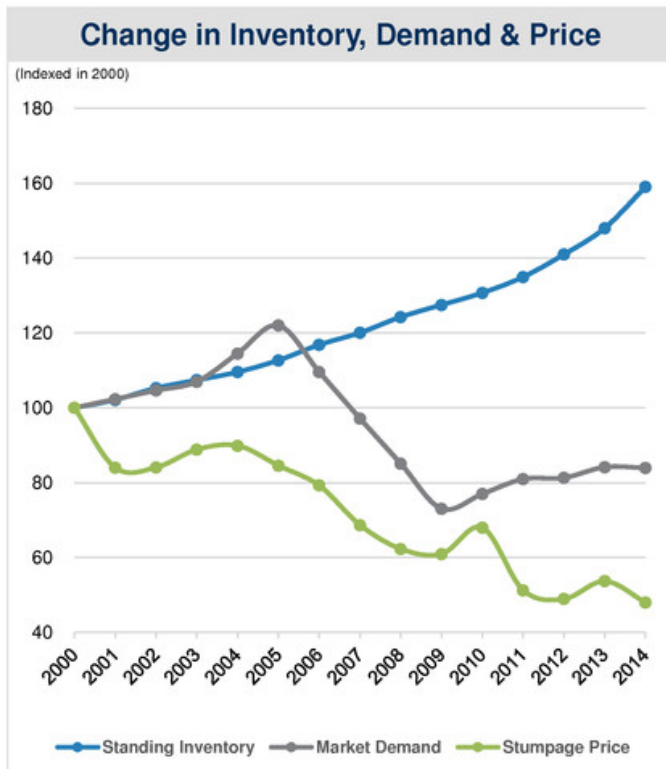
**In contrast to the broader U.S. South, the Northeast Florida market (FL-1) has lost inventory and experienced significant price gains.**



Source: Timber Mart-South; USDA FIA data; University of Georgia, Wood Demand Report; Rayonier Analysis.  
Note: Stumpage price data assumes composite mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.

Investor Day | November 2016

# Regional Market Example: Northern Mississippi



## Inventory:

- Built since 2000 and amplified by recession
- Current estimates are well in excess of the U.S. South average and the market's historical levels

## Demand:

- Levels flexed during the housing boom
- Recession impacts reduced demand comparable to the U.S. South
- Modest demand increases have occurred since the trough in 2009

## Price:

- Has continued to slide since 2004
- Recent prices are ~50% of 2000 levels

**Northern Mississippi (MS-1) has seen inventory building since 2000 in excess of the U.S. South average. Modest improvements in demand have not led to improved timber pricing.**



Source: Timber Mart-South; USDA FIA data; University of Georgia, Wood Demand Report; Rayonier Analysis.  
 Note: Stumpage price data assumes composite mix of 50% pulpwood, 30% chip-n-saw and 20% sawtimber.

# Key Implications of Understanding Regional Markets

## Capital Allocation

- Markets will not perform in the same way across the South
- Timber and timberland returns will vary significantly among these regional markets
- Investment decisions should be supported by local dynamics

## Land Management

- Regime decisions
- Harvest timing
- Silviculture investments

## Business Development

- Opportunities exist for new demand to enter the U.S. South with attractive timber product pricing
- Supply of grade material is capable of contributing significantly to the growing need for softwood forest products

**Regional timber market dynamics will result in differential demand growth and ultimately determine how land management decisions are made and investments perform.**

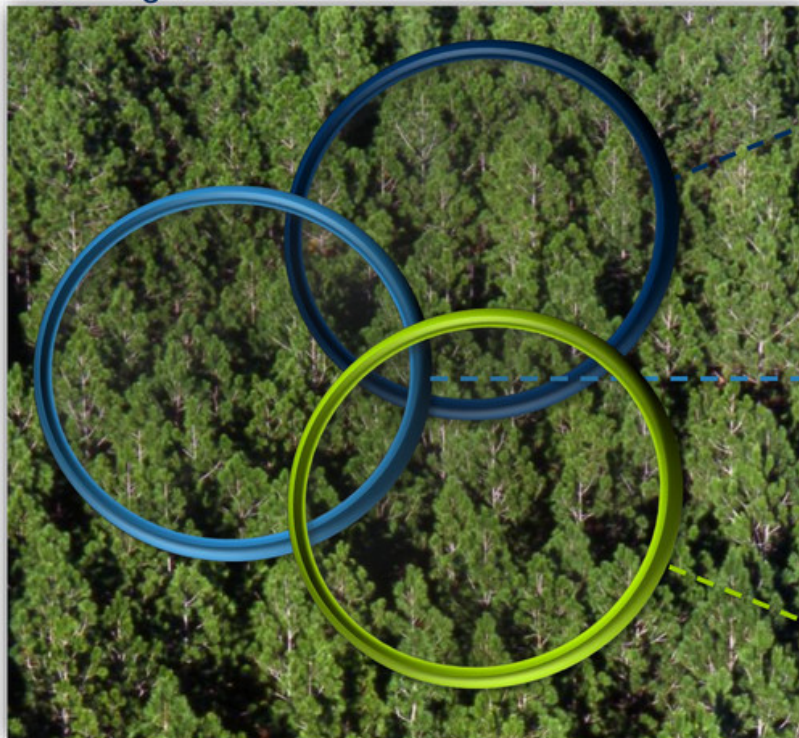


# Land Resources

Jeff Lawrence | Director, Real Estate & Land Resources

# Land Resources – Maximizing Non-Timber Income

Realizing the value between the trees



## Forest Resources

- ✓ Grow & sell timber
- ✓ Perpetual revenue stream
- ✓ Low capex

## Real Estate

- ✓ Create & sell HBU
- ✓ Building pipeline of value & optionality
- ✓ Opportunistic capex

## Land Resources

- ✓ Incremental use
- ✓ Enhance gross margin
- ✓ Negligible capex

Any given acre has multiple opportunities, depending on your focus.

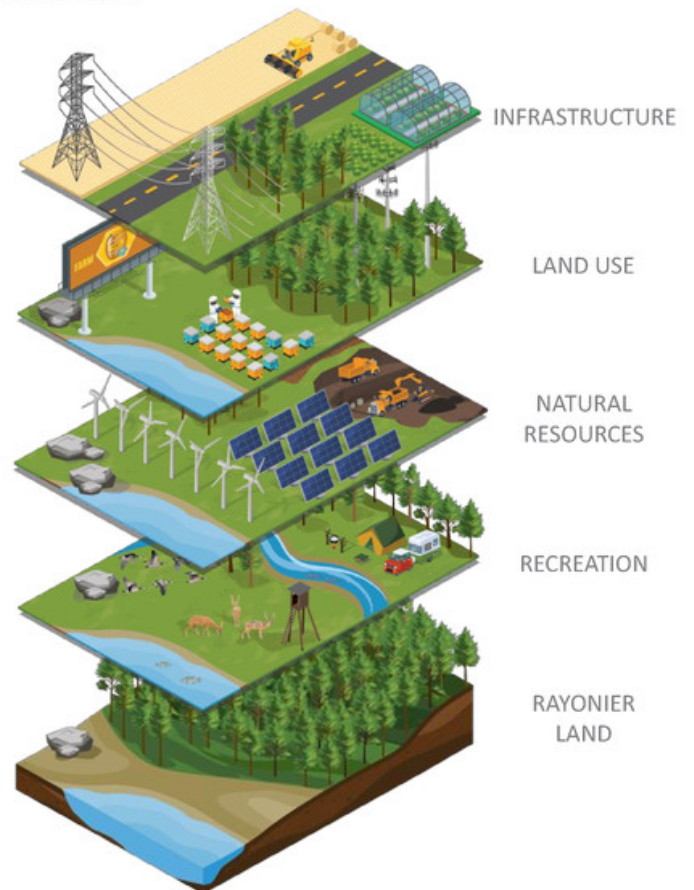
# Land Resources – Diverse Portfolio

## Opportunity Type

- Complementary to Timberlands
- Complementary to Real Estate
- Alternative use to Timberlands

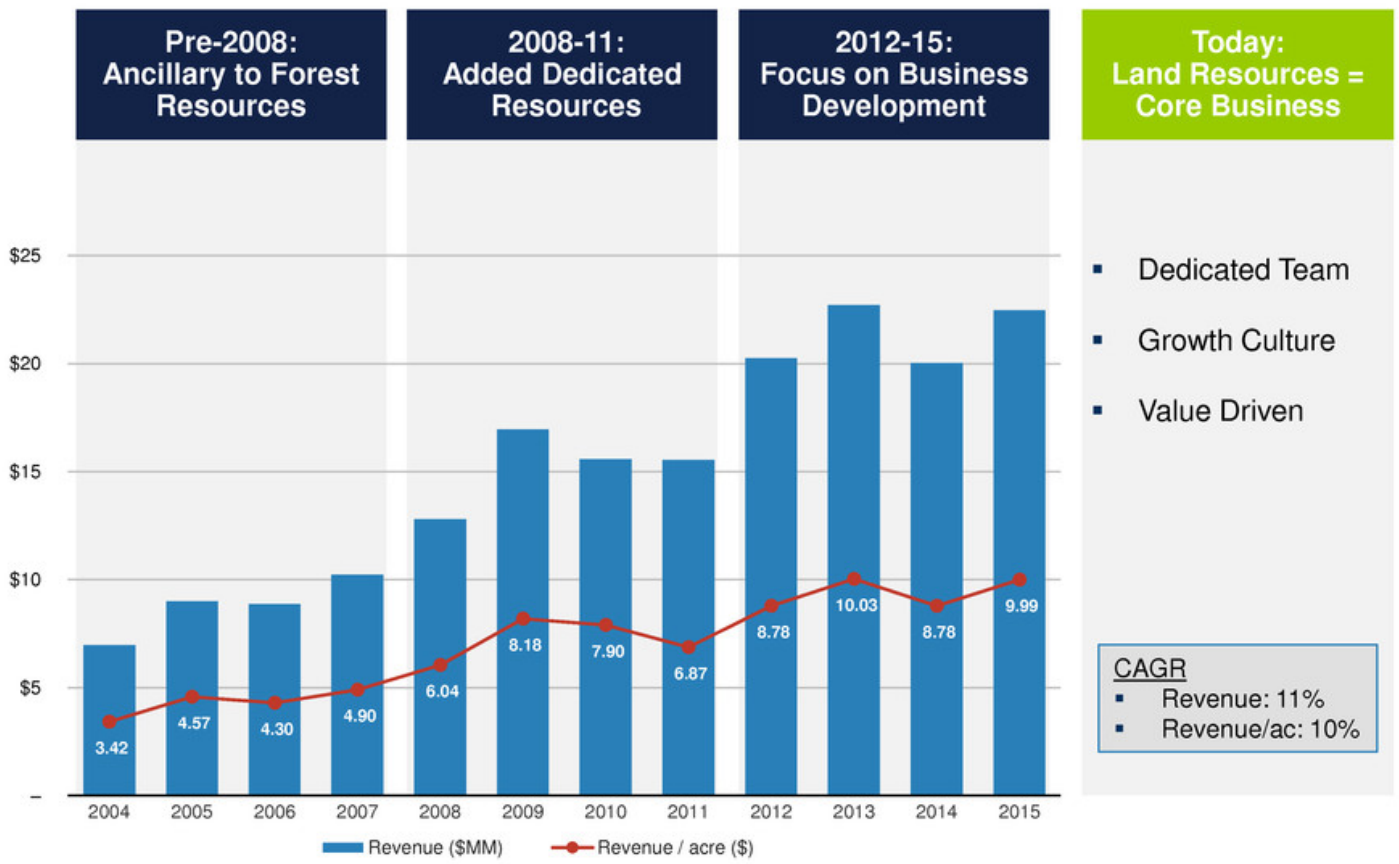
## Portfolio Approach

- Diversified cash flow
- Multiple geographies
- Different risk profiles





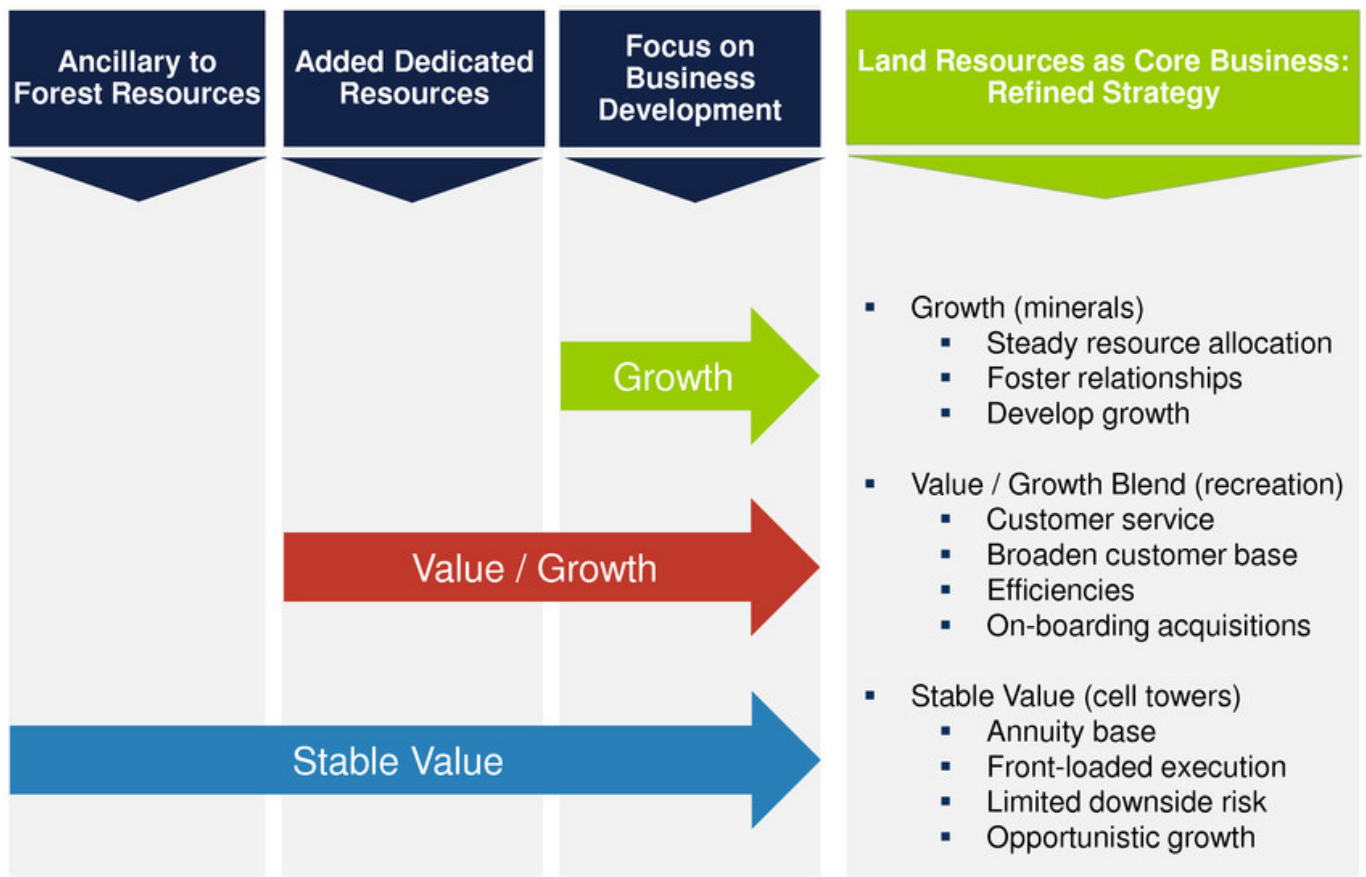
# Land Resources – Evolution of a Growth Culture



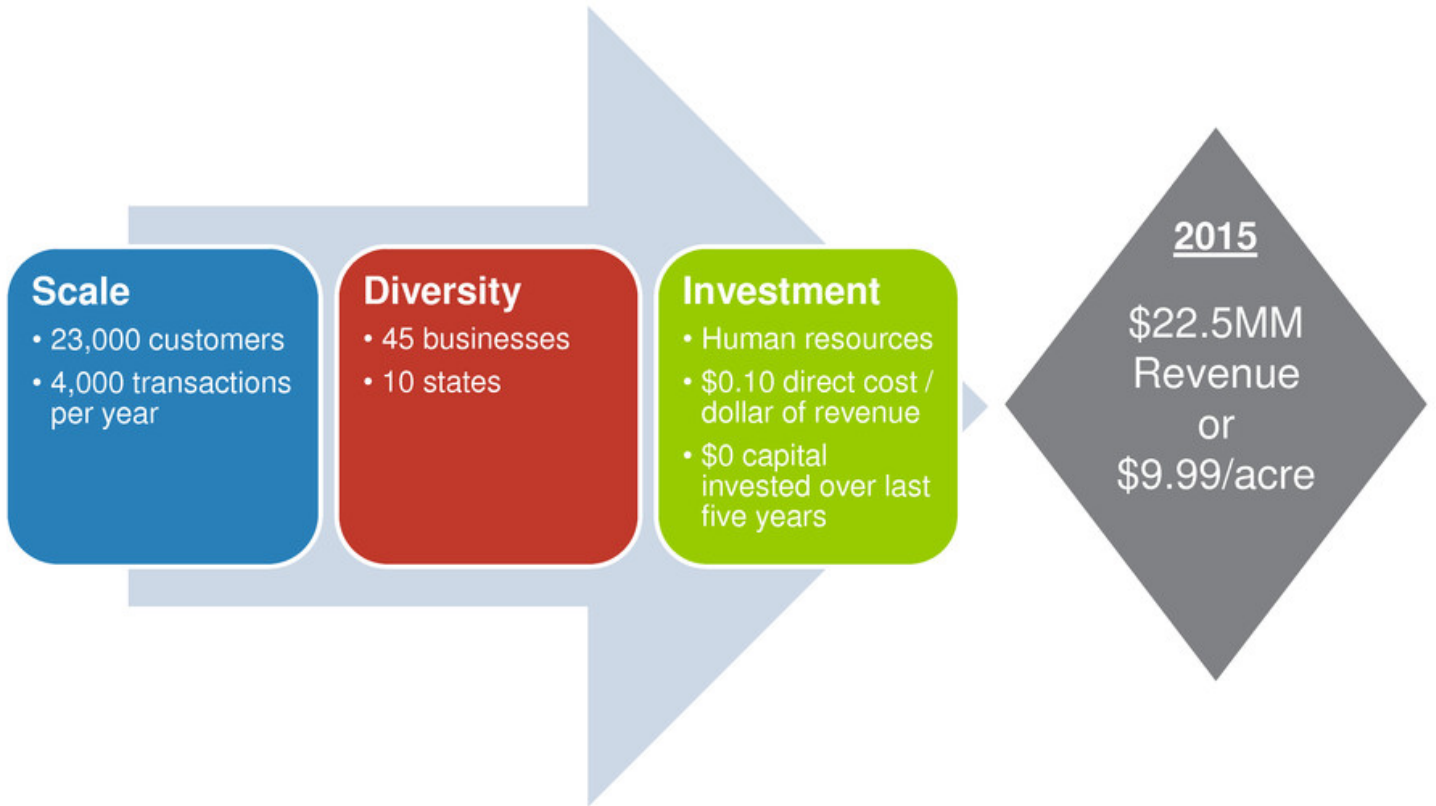
Notes: Excludes New Zealand.  
Reflects gross revenue contribution (i.e., before any cost allocation).

Investor Day | November 2016

# Land Resources – Evolution of Strategy



# Land Resources – Executing the Business



## Land Resources – Poised for the Future



**BREAK**



## Portfolio Management

Rhett Rogers | Director, Land Asset Management



# Creating Value Through Active Portfolio Management

## Leverage Expertise

- Team of experts able to evaluate complex deals
- Assumptions come from people closest to asset
- Collaborative decision process where each acquisition / disposition is debated

## Be Nimble

- Pursue bolt-on and large strategic acquisitions
- Use staged gating process to efficiently evaluate acquisitions
- Assess risk / reward on a case-by-case basis

## Focus on Right Opportunities

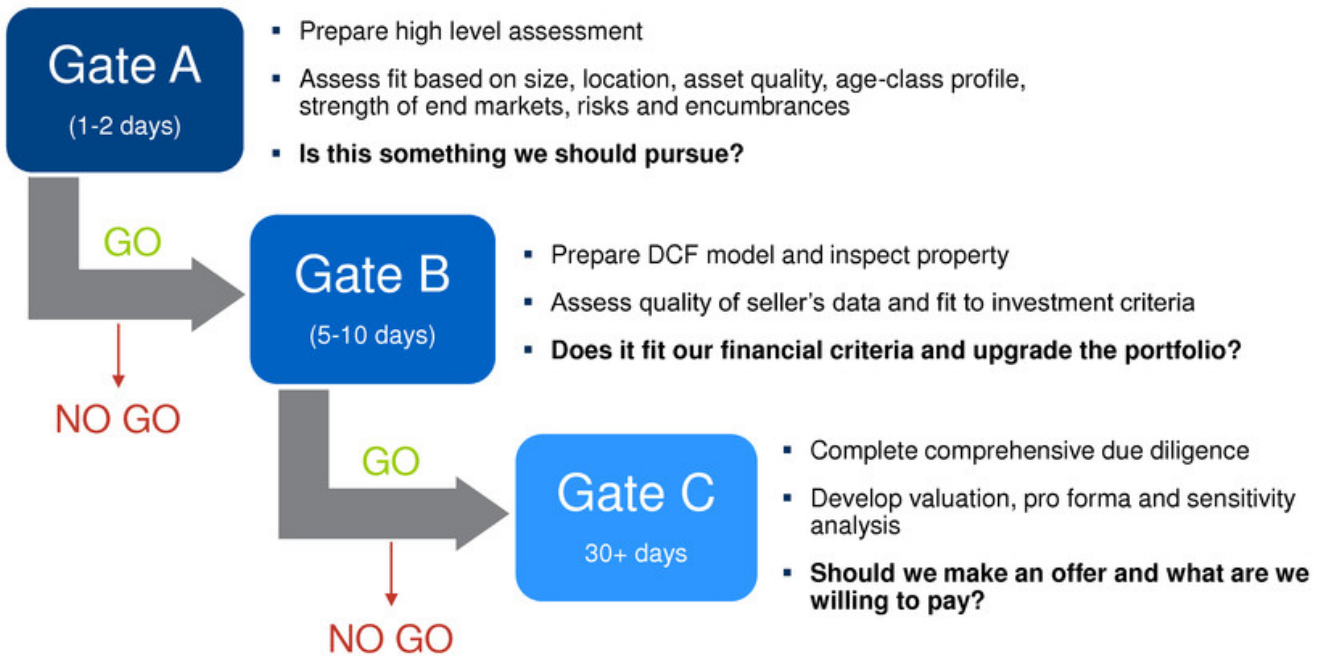
- Softwood regions with tensioned wood baskets
- Only enter new markets when sufficient scale is possible
- Leverage NAV analysis to understand portfolio at granular level

## Be Disciplined

- Don't pay for synergies
- Consider alternative uses of capital when determining value
- Sell when others are willing to pay more than intrinsic value

**Never satisfied with portfolio and processes – constantly monitoring, adapting and improving to create long-term value.**

# Staged Gating Process Streamlines Decision Making



Staged gating process gets company focused on right opportunities, ensures alignment, reduces due diligence expenses and provides for a transparent process to evaluate acquisitions.



# Focus On High-Quality Softwood Properties

## Location

- Timber end markets with favorable supply / demand tension
- Well-developed infrastructure, access to ports and other transportation hubs

## Asset Quality

- Softwood investments in regions with strong biological growth
- Complementary age-class distribution that improves sustainable harvest

## Optionality

- Fee simple ownership; avoid wood supply agreements
- Ability to market timber through delivered log or stumpage sales

## Value Creation

- Ability to enhance returns through intensive silviculture and genetics
- Properties with HBU and non-timber income upside potential

## Financial Profile

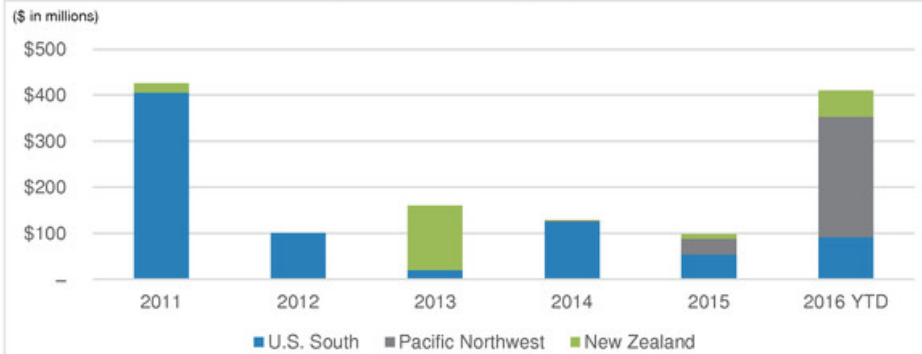
- Accretive to Cash Available for Distribution (CAD)\*
- Focus on acquisitions with returns in excess of our cost of capital

# Success Achieved Through Flexible Deal Sourcing

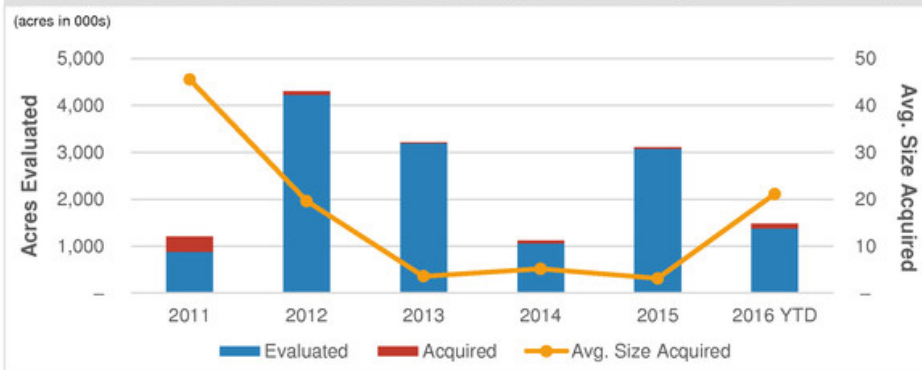
## Key Stats

- \$1.3 billion acquired
  - 61% U.S. South
  - 22% Pacific Northwest
  - 17% New Zealand
- Approximately 1/2 of value acquired through direct negotiations
- 50 transactions, 2.3 million acres evaluated on average per year
- 8 transactions, 100K acres acquired on average per year
- Average transaction size acquired = 13K acres

Rayonier Value Acquired by Geography (2011-2016YTD) <sup>(1)</sup>



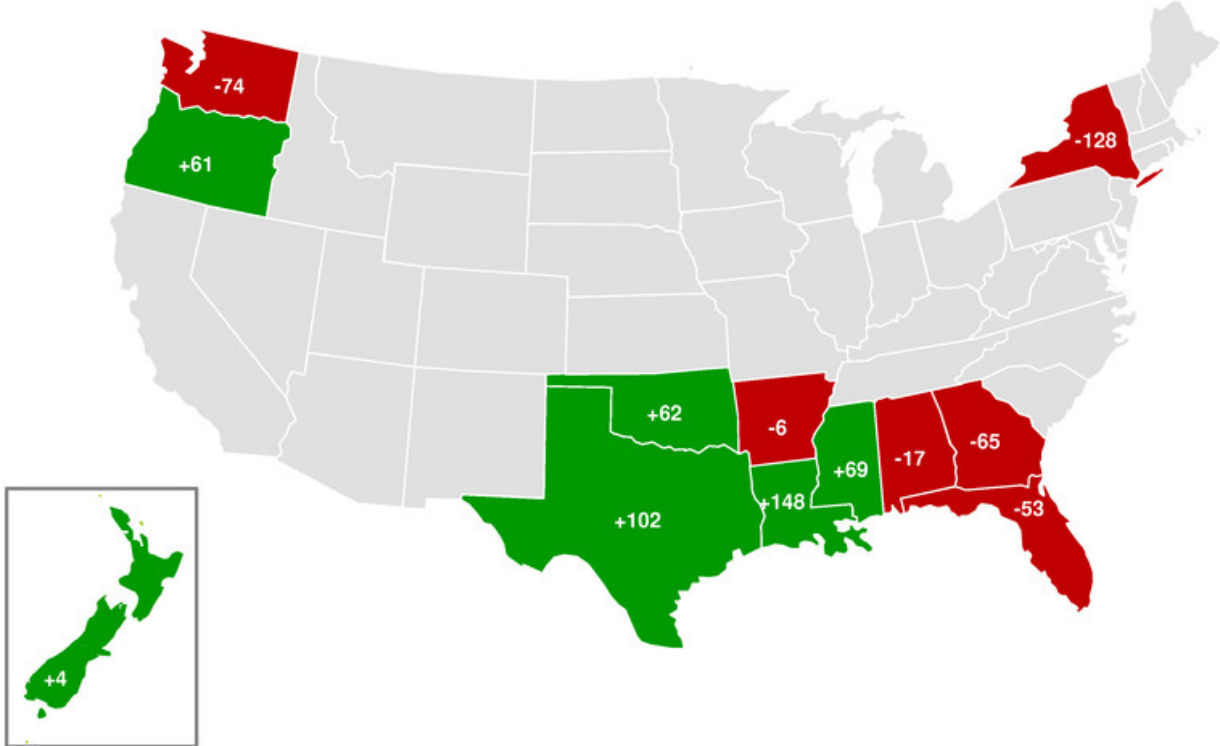
Acres Evaluated vs. Acquired & Avg. Deal Size (2011-2016YTD) <sup>(2)</sup>



<sup>(1)</sup> Value acquired includes acquisition of 39% interest in New Zealand JV for \$140 million in 2013 and acquisition of 12% interest in New Zealand JV for \$56 million in 2016.  
<sup>(2)</sup> Acres acquired exclude pro rata acres associated with acquisition of New Zealand JV equity interests in 2013 and 2016, respectively.

# \$1.3 Billion Acquired and \$680 Million Sold Since 2011

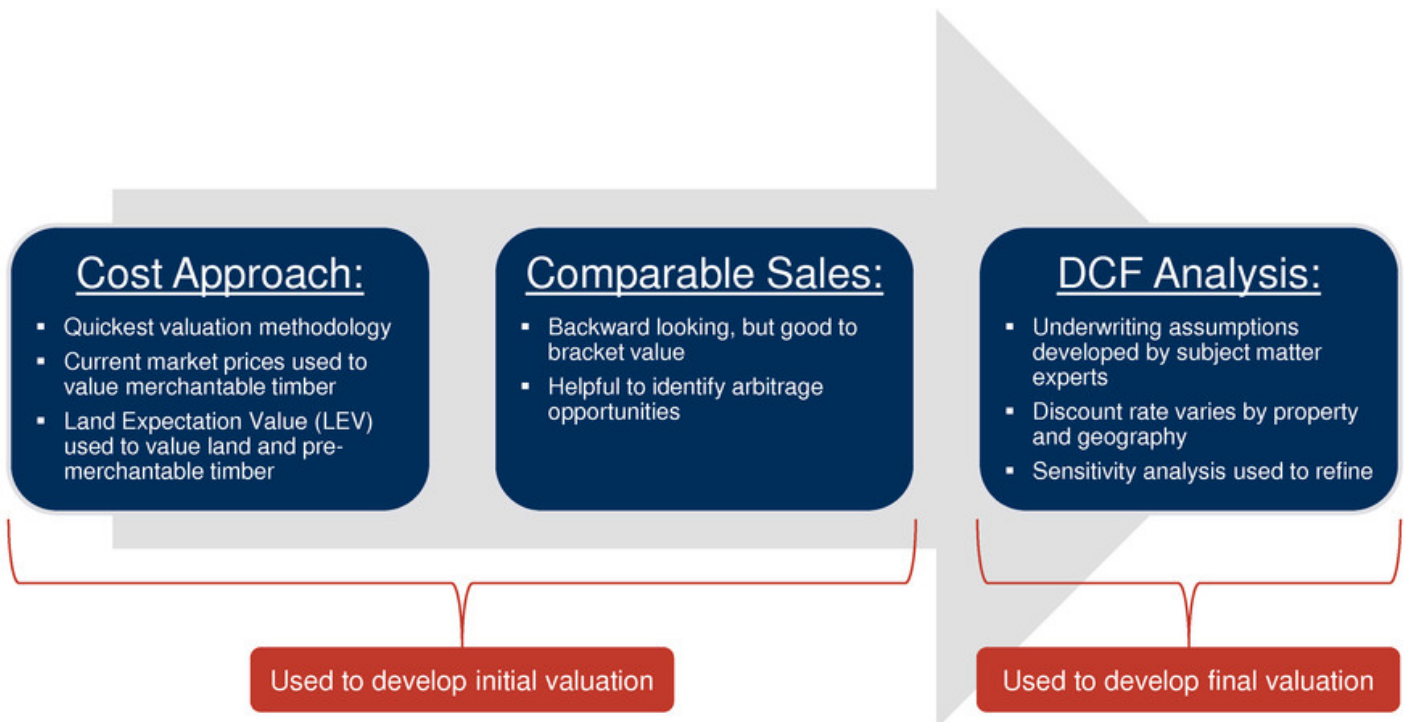
Change in Acres by Location Since January 2011 (000 Acres)



Note: Map reflects recently announced divestiture of 62,100 acres in Alabama and Mississippi.

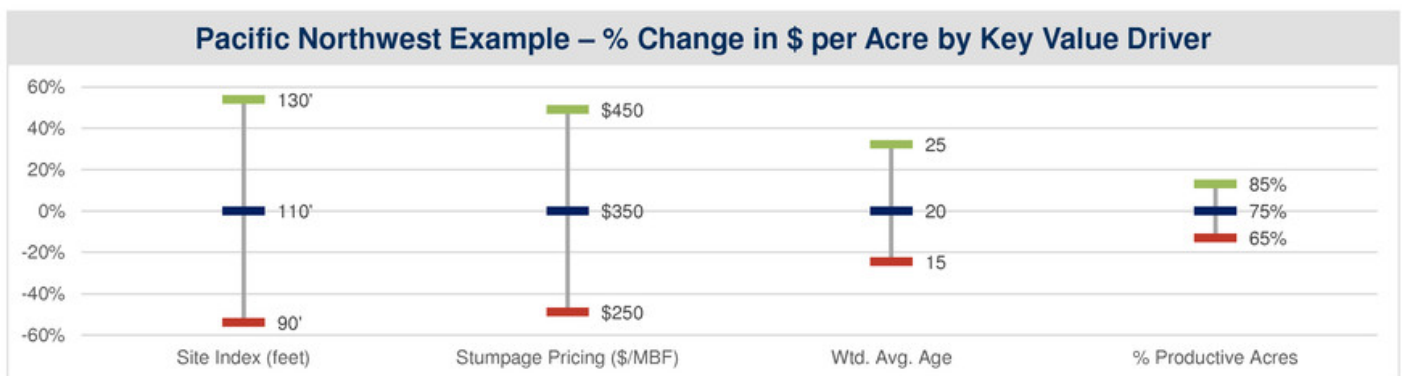
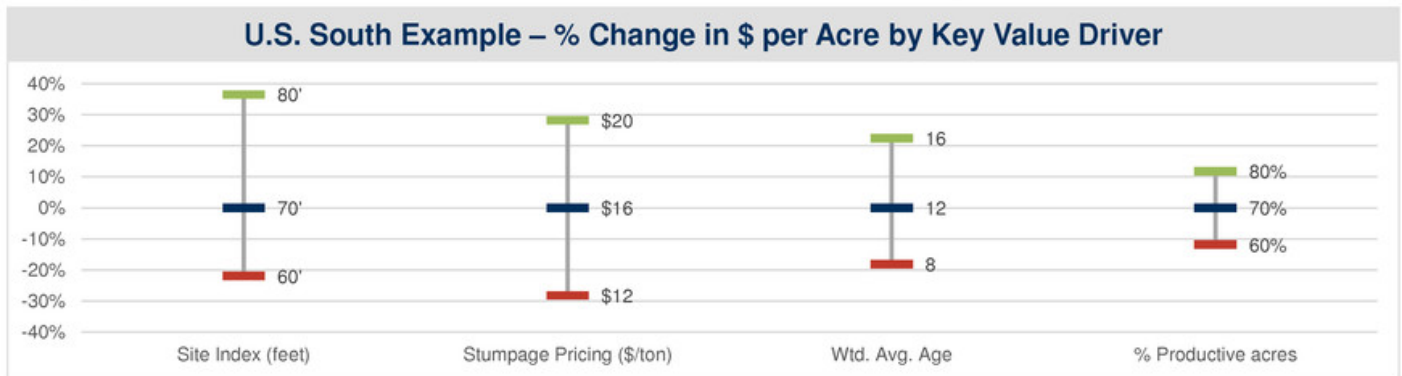
Investor Day | November 2016

# Portfolio Management Valuation Framework



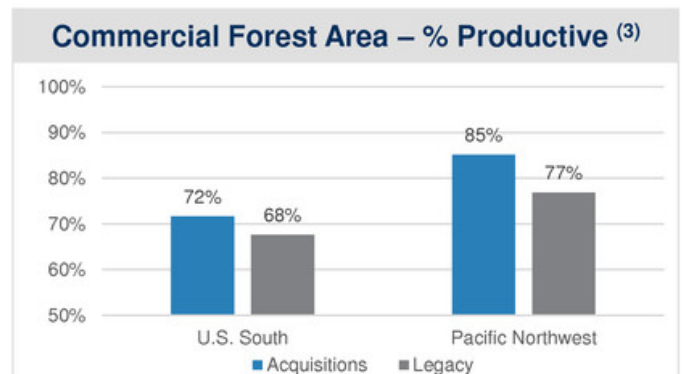
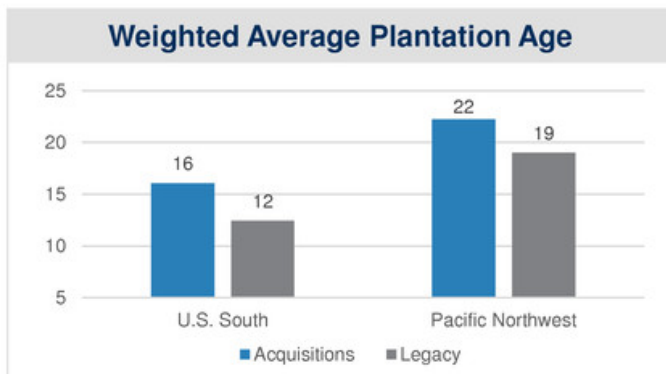
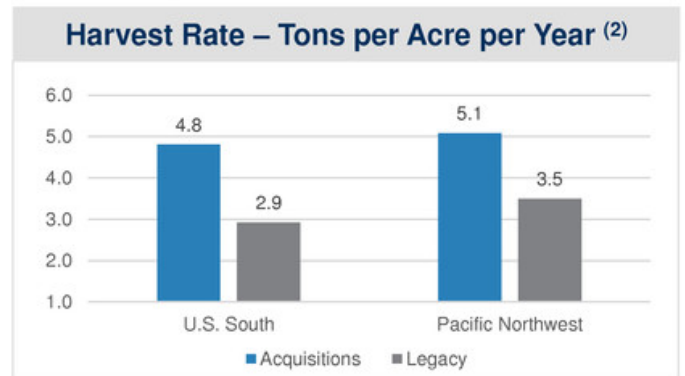
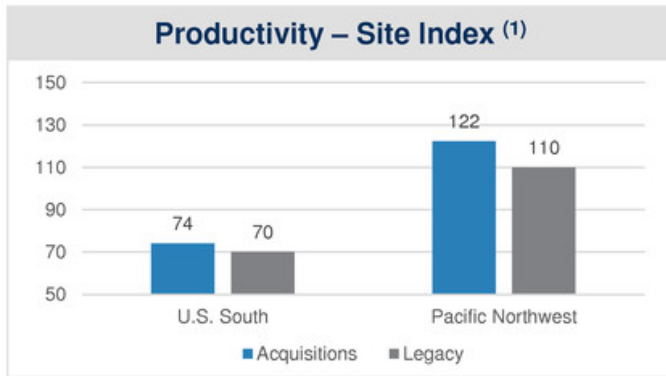
Rayonier employs a rigorous, multi-faceted valuation analysis in arriving at its bid / ask values for timberland acquisitions / dispositions.

# Key Drivers of Value – Illustrative Examples



**Timberland value per acre is significantly impacted by productivity (site index) and stumpage prices. Other major drivers of value include age-class distribution and % productive acres.**

# Disciplined Acquisition Process = Improved Portfolio



**Rayonier seeks to acquire property that improves quality of portfolio and produces strong recurring cash flow from sustainable harvest.**



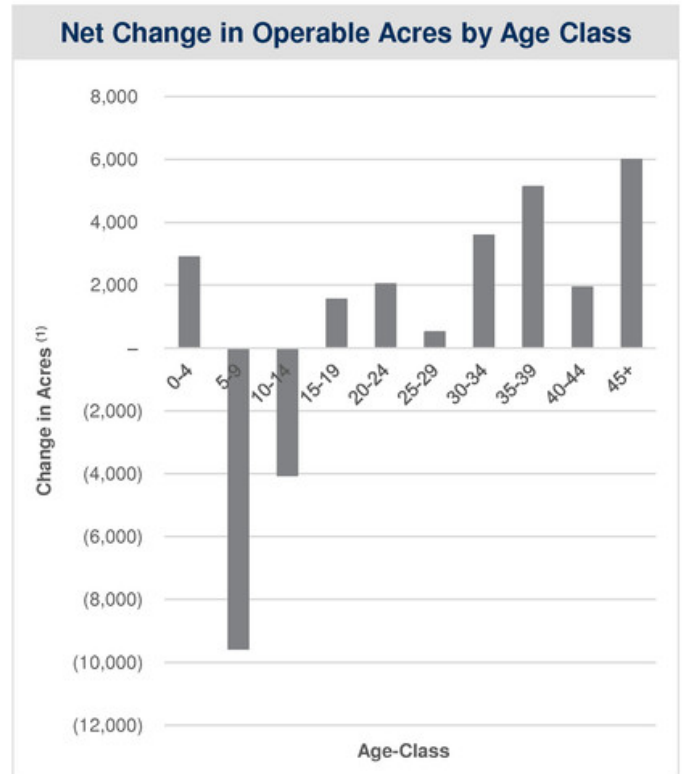
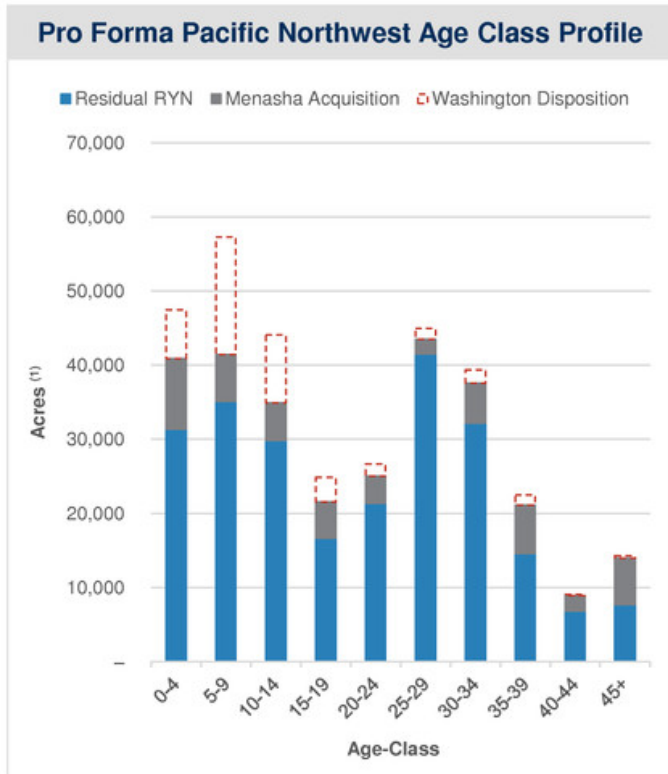
Note: Comparison charts reflect data for U.S. legacy per 2014 10-K and acquisitions from 2014 to 3Q 2016.  
 (1) Site index base age = 25 years for U.S. South and 50 years for Pacific Northwest.  
 (2) Harvest rate for RYN Legacy assumes sustainable yield of 5.4 to 5.7 million tons for Southern Timber and 1.3 million tons for Pacific Northwest Timber (per 2014 10-K). Harvest rate for acquisitions based on projected 10-year harvest.  
 (3) Includes land classified as natural plantable.

# Case Study – Menasha Acquisition & Washington Disposition



Rayonier enhanced its Pacific Northwest portfolio through the acquisition of approximately 61,000 acres of well-stocked, highly productive timberland in Oregon and Washington and the disposition of 55,000 acres of predominantly pre-merchantable timber in Washington.

# PNW Portfolio Repositioning Improves Age Class Profile



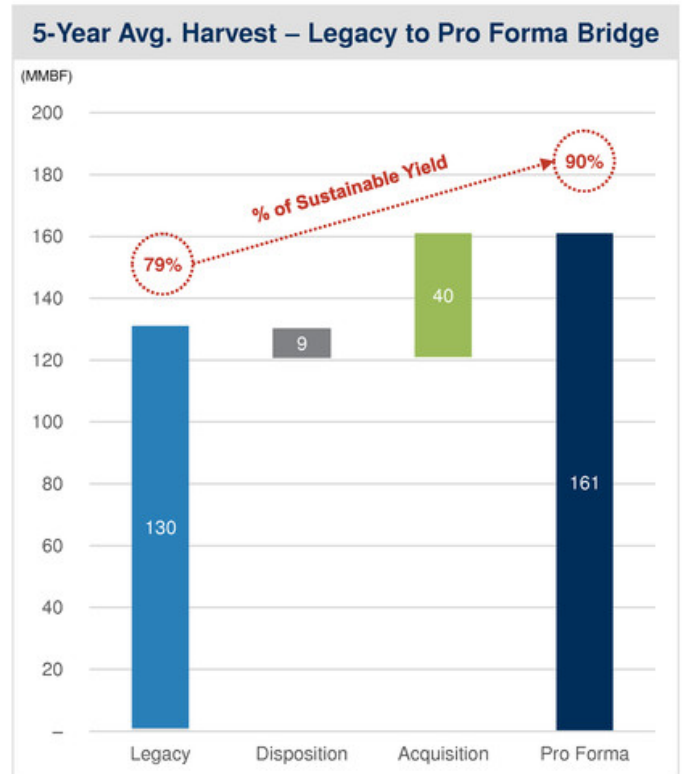
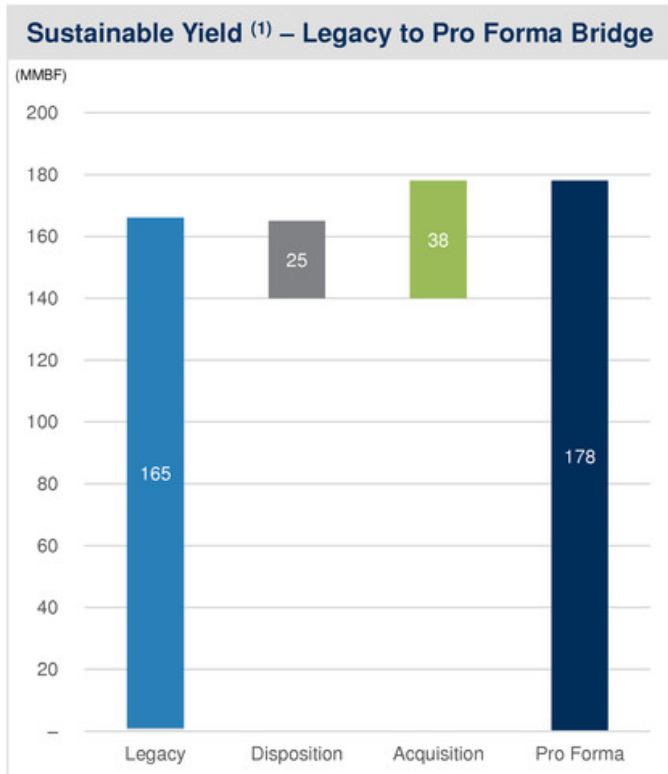
**As a result of the Menasha acquisition and the Washington disposition, Rayonier's Pacific Northwest age-class profile is significantly improved and more evenly distributed.**



(1) Acres exclude non-operable and non-commercial acres.



# Pacific Northwest Harvest Profile

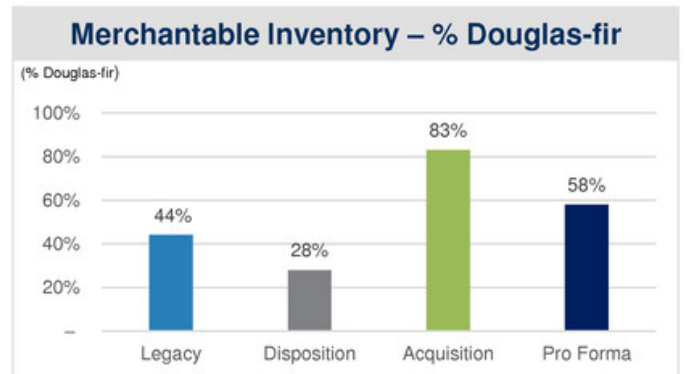
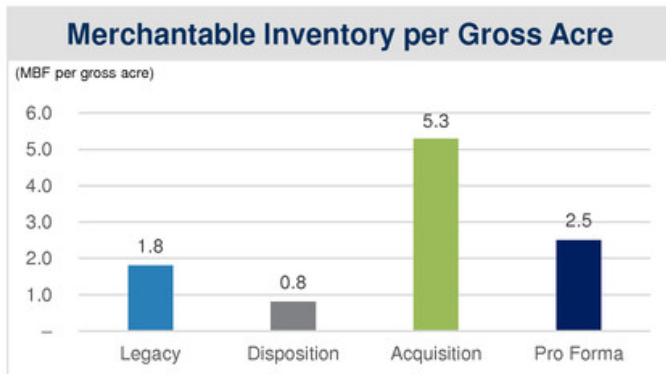
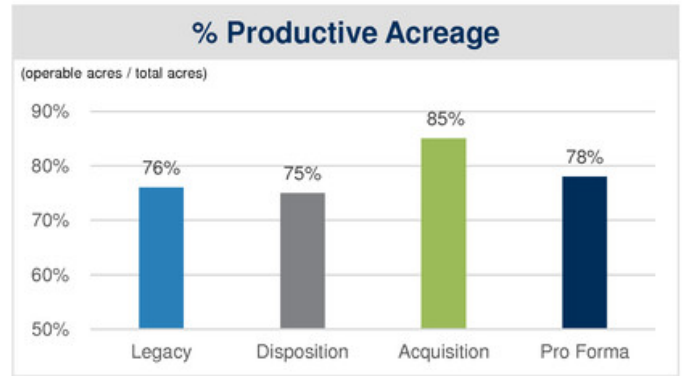
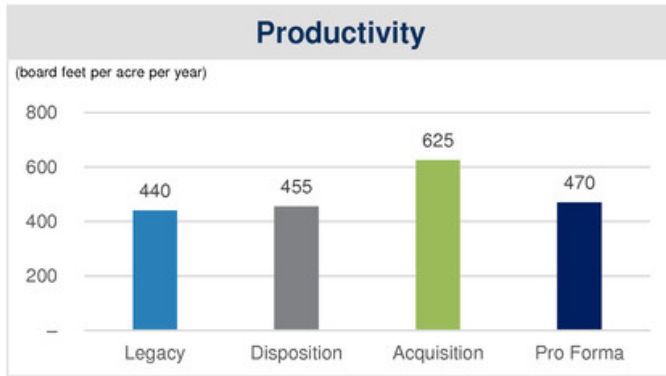


**Acquisition of well-stocked, productive timberland coupled with disposition of predominantly pre-merchantable timberland expected to increase both near-term harvest and long-term sustainable yield.**



<sup>(1)</sup> "Sustainable yield" is defined in the Company's latest report on Form 10-K.

# Net Impact = Higher Quality Portfolio, Improved Sustainable Harvest



**The net impact of the Menasha acquisition and Washington disposition is an improved timberland portfolio with more stable cash flow from sustainable timber harvest.**



(1) Productivity based on "sustainable yield," as defined in the Company's latest report on Form 10-K.



## Real Estate

Chris Corr | Senior Vice President, Real Estate & Public Affairs  
Charles Adams | Vice President, Community Development



# Post-spin Strategic Reboot

## Building culture

- Ownership and empowerment
- True transparency, industry leading
- **“One Rayonier” – collaboration drives value**

## Building strategy

- Portfolio-wide, asset and market specific
- Market-informed, granular analysis
- De-emphasize “non-strategic” timberland sales
- **Maximize opportunity and create optionality**

## Building capabilities

- Project management
- Marketing
- **Real Estate**







## Focus, disciplined execution

- Market + process driven
- Capex paced with sales
- Maintain flexibility
- **Just getting started**




Rayonier is now executing a disciplined and focused Real Estate strategy with the experience and capabilities required to create long term value.

# Strategic Framework: Maximize Opportunity and Create Optionality

Timberlands		Real Estate		
 <p><b>Large Dispositions</b></p> <p>Strategic sales of timberland</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>Timberland value</b></p> <p>Opportunistic</p>	 <p><b>Non-Strategic / Timberlands</b></p> <p>Sale of non-strategic and timberland assets</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>Timberland premium</b></p> <p>Reduce reliance</p>	 <p><b>Rural Places + Properties</b></p> <p>Sale of rural properties</p> <ul style="list-style-type: none"> <li>Grow and sustain recurring cash flows</li> <li>Build a pipeline of enhanced rural properties in higher potential markets</li> </ul> <p><b>HBU premium + ROI</b></p> <p>Grow moderately</p>	 <p><b>Unimproved Development</b></p> <p>Sale of properties with development rights</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>HBU premium + ROI</b></p> <p>Grow in select markets</p>	 <p><b>Improved Development</b></p> <p>Sale of developed land parcels</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>HBU premium + ROI + optionality</b></p> <p>Grow in <u>very</u> select markets</p>
<p><b>Land Resources</b></p>  <p>Sale of access to use properties / extract resources</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>	

# Making Progress and Just Getting Started: YTD<sup>(1)</sup> Highlights

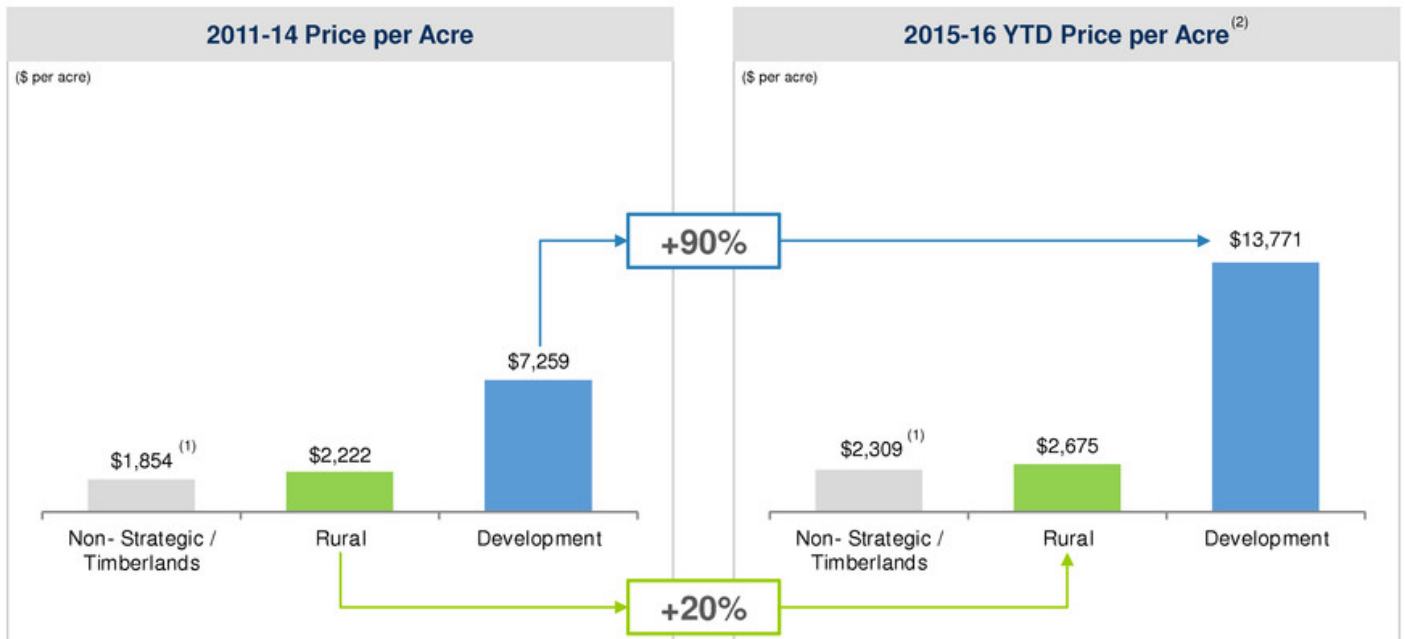
Timberlands		Real Estate		
 <p><b>Large Dispositions</b></p> <ul style="list-style-type: none"> <li>PNW: ~55,000 ac sold, ~61,000 ac acquired</li> <li>U.S. South: ~37,000 ac sold,<sup>(2)</sup> ~45,000 ac acquired</li> </ul>	 <p><b>Non-Strategic / Timberlands</b></p> <ul style="list-style-type: none"> <li>Non-Strategic: 8,631 ac sold for \$9.4MM (\$1,090/ac)</li> <li>Conservation / Timberland: 816 ac sold for \$5.3MM (\$6,495/ac)</li> <li>Townsend Bombing Range (GA)<sup>(3)</sup> 17,772 ac sold for \$48.3MM (\$2,720/ac)</li> </ul>	 <p><b>Rural Places + Properties</b></p> <ul style="list-style-type: none"> <li>Places:                             <ul style="list-style-type: none"> <li>63 lots enhanced</li> <li>185 lots under development</li> <li>9 lots (104 ac) sold for \$4,907/ac</li> </ul> </li> <li>Properties:                             <ul style="list-style-type: none"> <li>6,201 ac sold for \$17.1MM (\$2,762/ac)</li> </ul> </li> </ul>	 <p><b>Unimproved Development</b></p> <ul style="list-style-type: none"> <li>Sold 2 properties (121 ac) for \$2.2MM (\$18,302/ac)</li> <li>Secured land use entitlements for 1 property (86 ac)</li> <li>Advanced land use entitlements process for 3 properties (2,529 ac)</li> </ul>	 <p><b>Improved Development</b></p> <ul style="list-style-type: none"> <li>2 active projects:                             <ul style="list-style-type: none"> <li>FL: 261 net ac mixed-use</li> <li>GA: 970 net ac industrial (33 net ac sold in 2016)<sup>(4)</sup></li> </ul> </li> <li>2 projects under evaluation:                             <ul style="list-style-type: none"> <li>GA: ~370 net ac residential</li> <li>FL: TBD net ac resort residential</li> </ul> </li> </ul>

<p><b>Land Resources</b></p>		<ul style="list-style-type: none"> <li>3,000+ agreements closed across the U.S.</li> <li>Centralized strategy and objectives, integrated team</li> </ul>
------------------------------	--	--



(1) 2016YTD figures through 10/31/2016. (2) Portion of 62,100-acre sale announced Q32016 that closed in October 2016. (3) Sold under threat of condemnation. (4) 140 net acres sold project to date. Current project net acres are 830 ac = 970 ac - 140 ac.

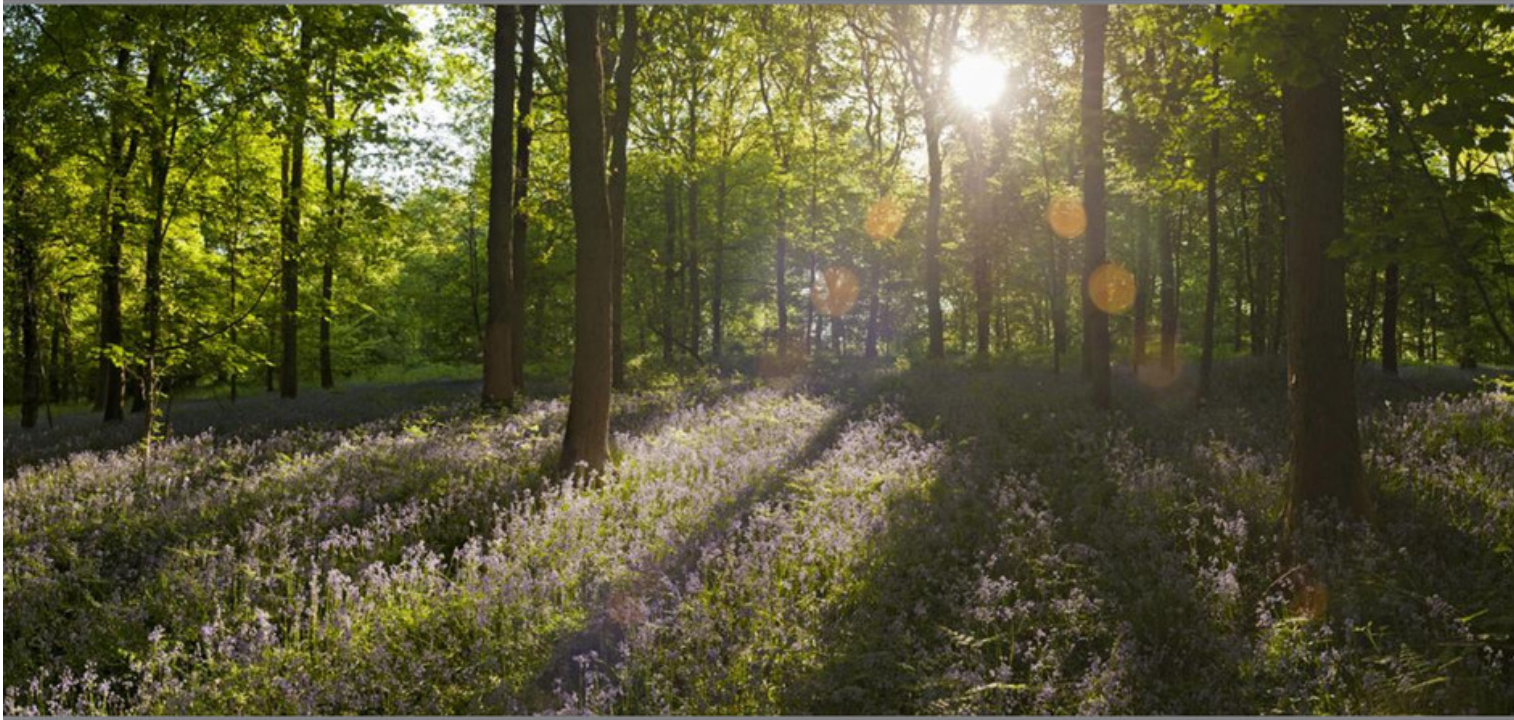
# Making Progress and Just Getting Started: Price Growth



**Rayonier has realized stronger pricing on real estate sales since 2015. Excluding “large dispositions” Rayonier’s real estate sales are focused on HBU properties.**



Note: Price per acre based on weighted average sales price over the periods shown.  
 (1) Price per acre for NS / Timberlands excludes Large Dispositions (see Appendix for definition).  
 (2) 2016YTD sales through 10/31/2016.



## Disciplined, Market and Asset Focused Strategy: Four Examples

- Rural Places | 1
- I-95 Coastal Corridor | 2
- Unimproved Development | 3
- Wildlight | 4

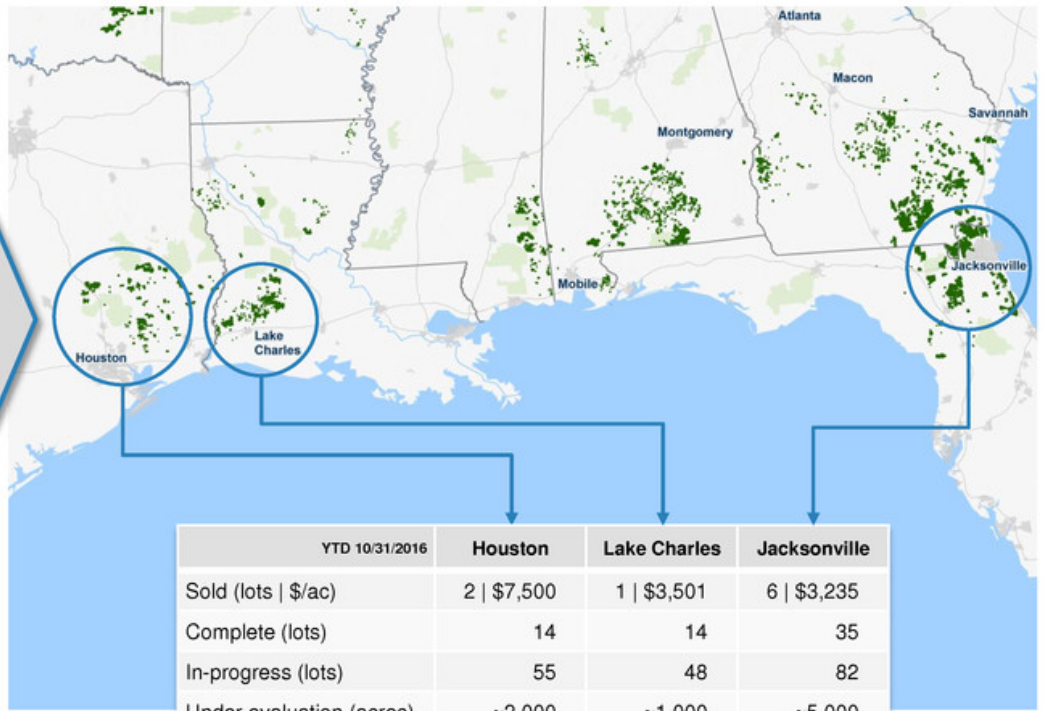




# Rural: Distinct Properties for Residential and Recreation

**Star Ridge (Polk Co. TX)**

14 lots from 10 to 47 Acres  
Pricing from \$6,250 - \$7,750/acre

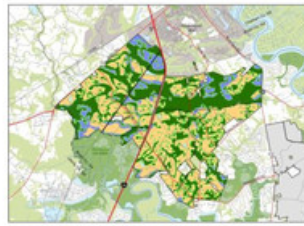
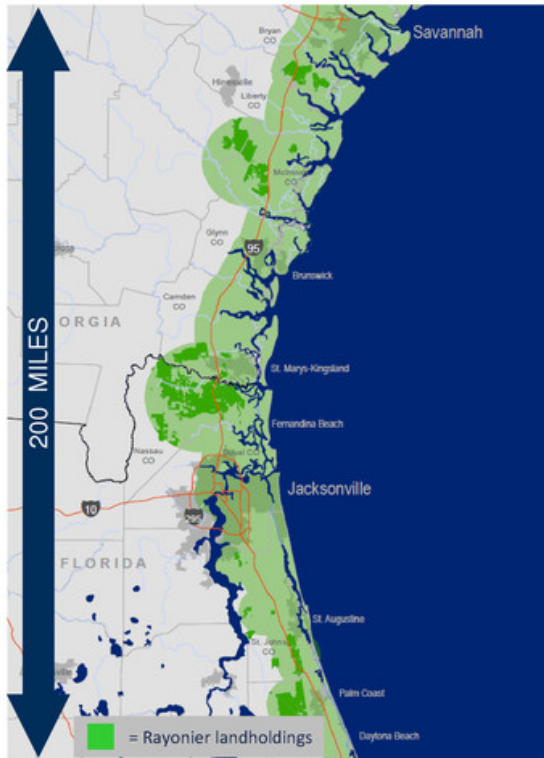


**Create a sustainable pipeline of market-ready properties across multiple markets and return an HBU premium by selling market-targeted, enhanced parcels to end users.**



Note: Figures shown in table above are 2016YTD through 10/31/2016.

# I-95 Coastal Corridor: Unlocking HBU Value

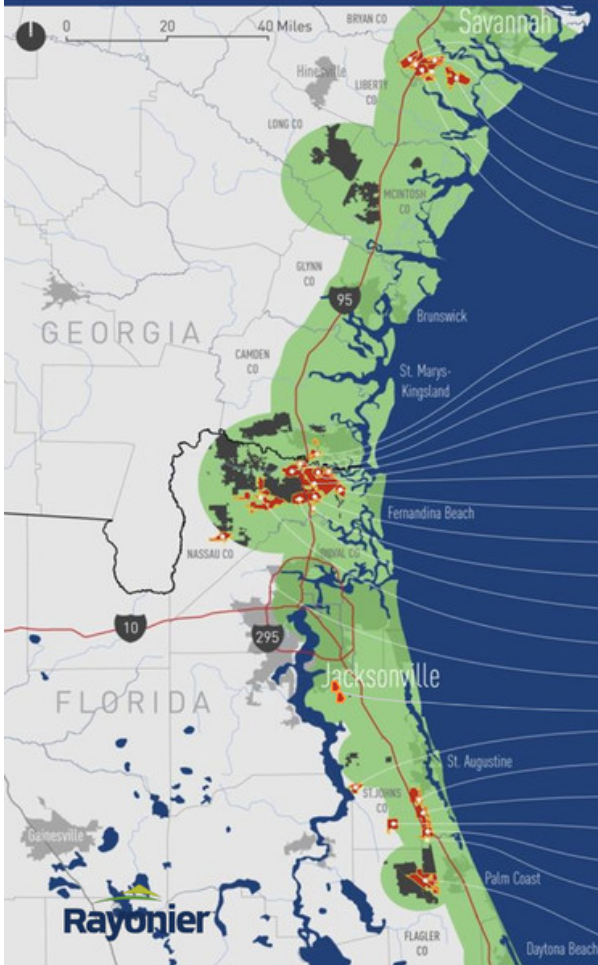


- Land Analysis
- Market Analysis
- Regulatory Analysis
- Identification of Planning Areas
- Case Studies / Scenarios
- Land Capacity Analysis
- Financial Modeling
- Market Catalyst Strategies

**In 2014 we undertook an extensive evaluation of ~200,000 acres in the I-95 Coastal Corridor stretching approx. 200 miles between Daytona Beach, FL and Savannah, GA.**

# I-95 Coastal Corridor: Active Portfolio Management

as of 10/31/2016



## PLANNING NODES

BRYAN COUNTY – US 17	2014/15/16
<b>BELFAST Commerce Park – 830 ACRES</b>	
RICHMOND HILL 1	2014/15
KILKENNY	2014/16
RICHMOND HILL 2	2014/15
<b>BELFAST Mixed Use</b>	
ST MARYS / EXIT 1 GA	2014/16
EAST NASSAU NORTHERN	2014
WEST NASSAU 3	2014
ST MARYS BLUFF'S	2014
<b>EAST NASSAU Residential / Hospitality</b>	
EAST NASSAU REMAINDER	2014
<b>CHESTER RD. – 1,202 ACRES</b>	
<b>WILDLIGHT – 261 ACRES</b>	
EAST NASSAU SOUTHERN	2014
WEST NASSAU 1	2014/15
WEST NASSAU 2	2014
CRAWFORD DIAMOND	2014/15/16
<b>NORTH ST. JOHNS – 1,670 ACRES</b>	
SOUTH ST. JOHNS 1	2014
PEDRO MENENDEZ	2014/16
ST. JOHNS COUNTY REMAINDER	2014/16
SOUTH ST. JOHNS 2	2014
I-95 / US1 INTERCHANGE	2014/16
PELLICER CREEK	2014/16
NEOGA LAKES	2014

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

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

Heritage Florida  
(St. Johns County)

Palm Coast Florida  
(Flagler County)

# Land Use Entitlements Pipeline <sup>(1)</sup>

## Entitlements complete (on the market)

<b>1,091</b> net acres	<b>972</b> residential units	<b>15.1</b> non-residential mmsqft	<b>Active projects (Improved)</b> <sup>(2)</sup>
------------------------------	------------------------------------	--	--

Wildlight	FL	res		com		ind	261 ac	972 u	0.6
Belfast Commerce	GA					ind	830 ac		14.5
<b>TOTAL</b>							<b>1,091 ac</b>	<b>972 u</b>	<b>15.1 MMSF</b>
<b>SOLD (LTM)</b>							<b>86 ac</b>		<b>0.6 MMSF</b>

<b>343</b> net acres	<b>336</b> residential units	<b>0.2</b> non-residential mmsqft	<b>Active projects (Unimproved)</b>
----------------------------	------------------------------------	---	---

North St. Johns Co #4	FL	res					257 ac	336 u	
North St. Johns Co #5	FL			com			86 ac		0.2
<b>TOTAL</b>							<b>343 ac</b>	<b>336 u</b>	<b>0.2 MMSF</b>
<b>SOLD (LTM)</b>							<b>121 ac</b>	<b>110 u</b>	

## Entitlements in-progress (market ready)

<b>2,529</b> gross acres	<b>3,143</b> residential units	<b>0.6</b> non-residential mmsqft	<b>Active projects (Unimproved)</b>
--------------------------------	--------------------------------------	---	---

East Nassau, Chester	FL	res		com			1,202 ac	1,875 u	0.1
North St. Johns Co #6	FL	res		com			551 ac	450 u	0.3
North St. Johns Co #7	FL	res		com			776 ac	818 u	0.2
<b>TOTAL</b>							<b>2,529 ac</b>	<b>3,143 u</b>	<b>0.6 MMSF</b>

## Entitlements complete (limited near-term market)

<b>52,340</b> gross acres	<b>83,600</b> residential units	<b>49.7</b> non-residential mmsqft	<b>Managed to optimize timber value</b>
---------------------------------	---------------------------------------	--	---

Belfast Residential	GA	res					2,360 ac	9,650 u	
Belfast Commerce	GA	res		com		ind	990 ac	950 u	3.2
Kilkenny	GA	res					3,340 ac	4,850 u	0.2
Kingsland	GA	res		com		ind	14,900 ac	40,000 u	23.0
Crawford Diamond	FL					ind	1,810 ac		10.5
E. Nassau, balance	FL	res		com		ind	22,530 ac	21,150 u	10.3
Neoga Lakes	FL	res		com		ind	6,410 ac	7,000 u	2.5
<b>TOTAL</b>							<b>52,340 ac</b>	<b>83,600 u</b>	<b>49.7 MMSF</b>

Create a sustainable pipeline of market-ready properties with HBU development rights and return an HBU premium through sales to developers and homebuilders.

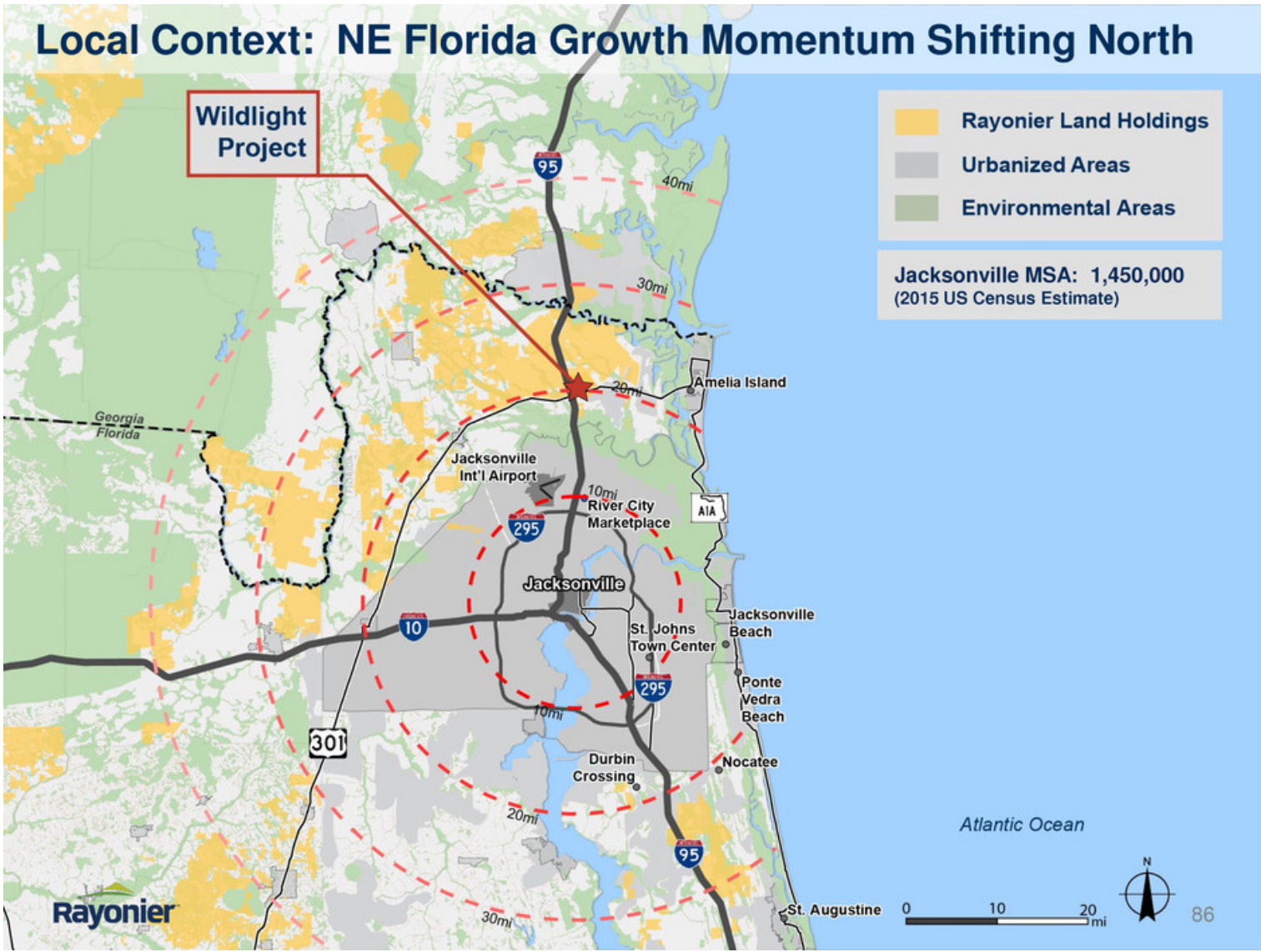


(1) Figures shown as of 10/31/2016.  
(2) Acres shown are net acres; all other acres shown are gross.

# Unimproved Development : St. Johns Co, FL

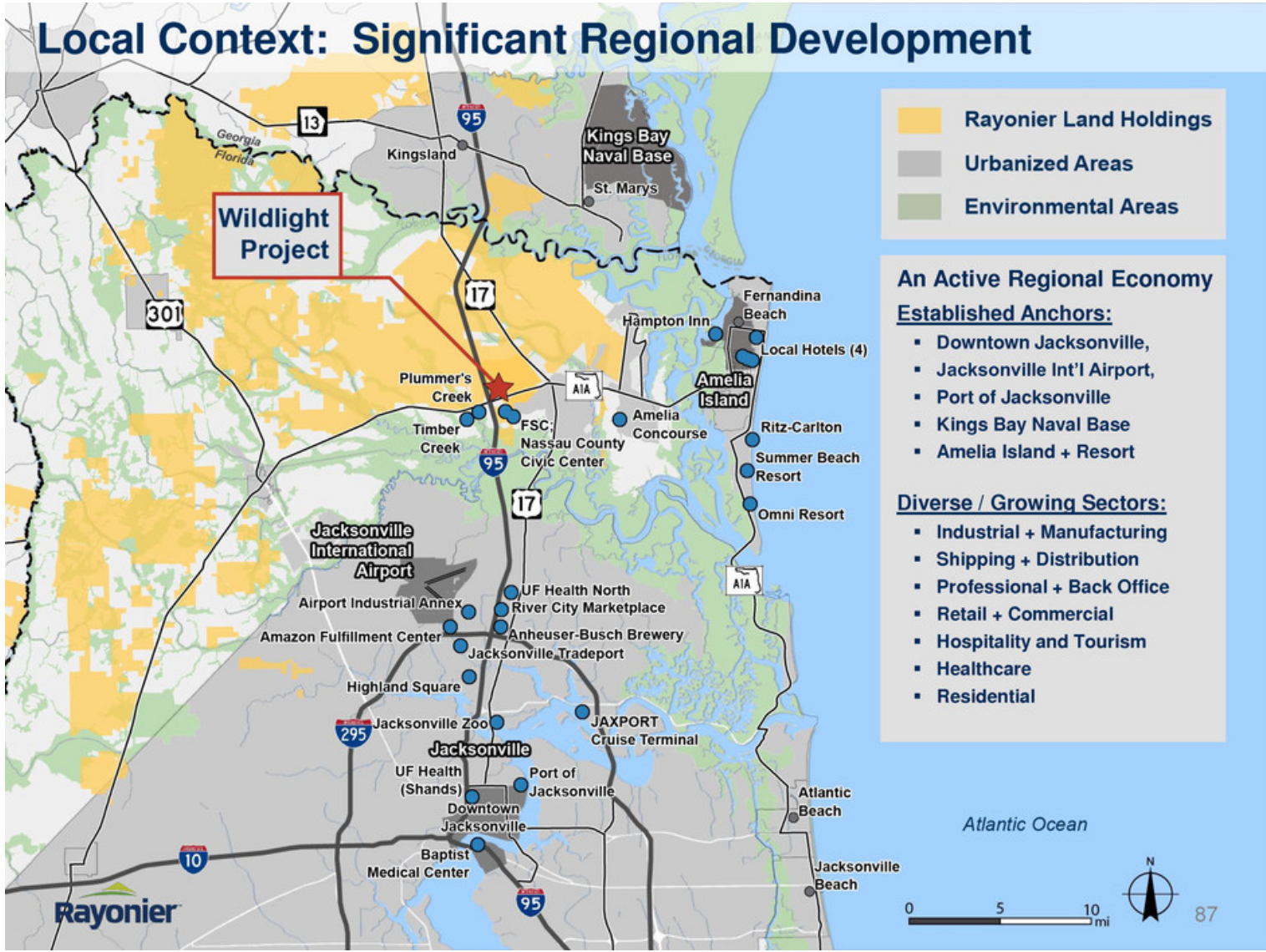


# Local Context: NE Florida Growth Momentum Shifting North

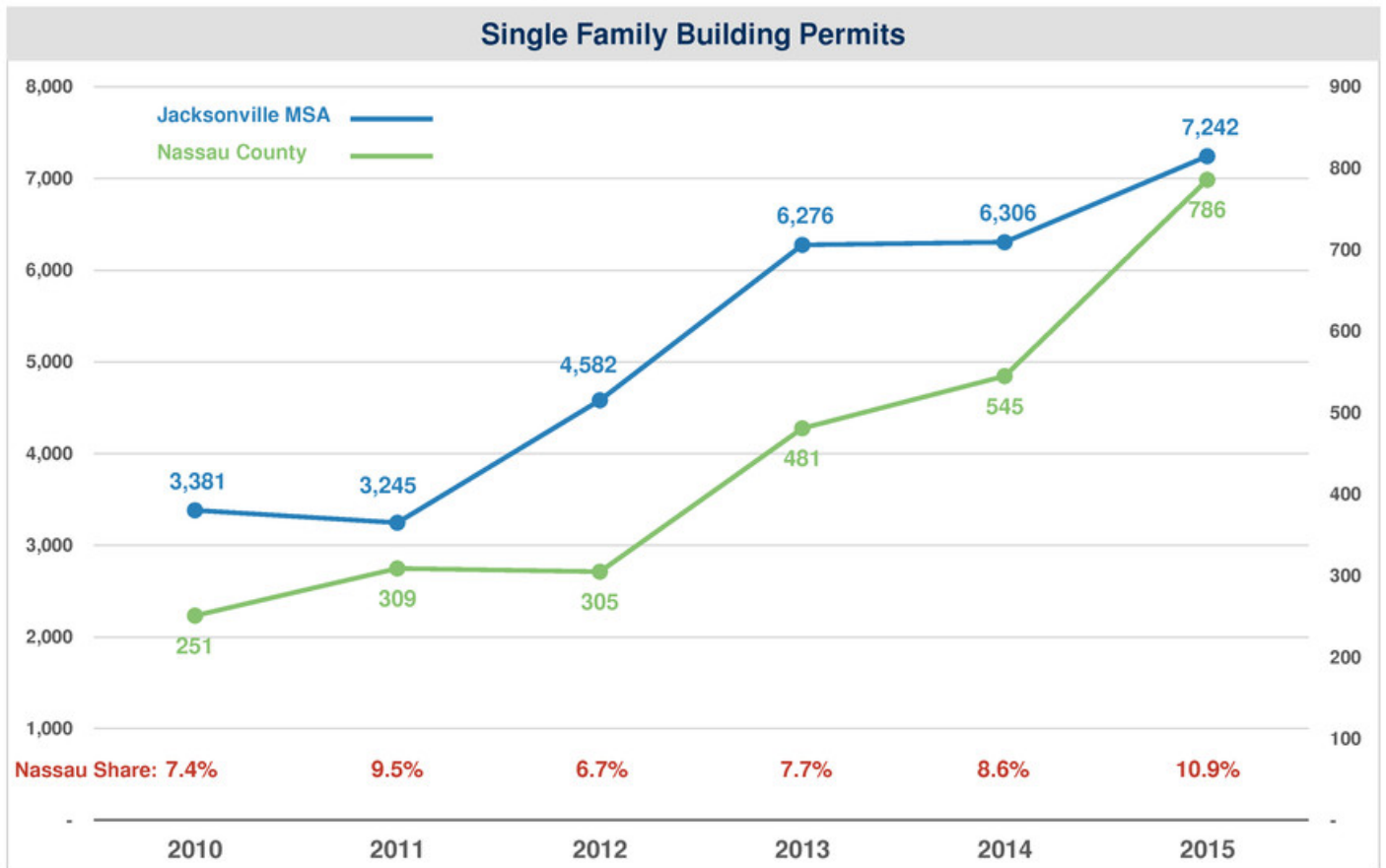


Rayonier

# Local Context: Significant Regional Development



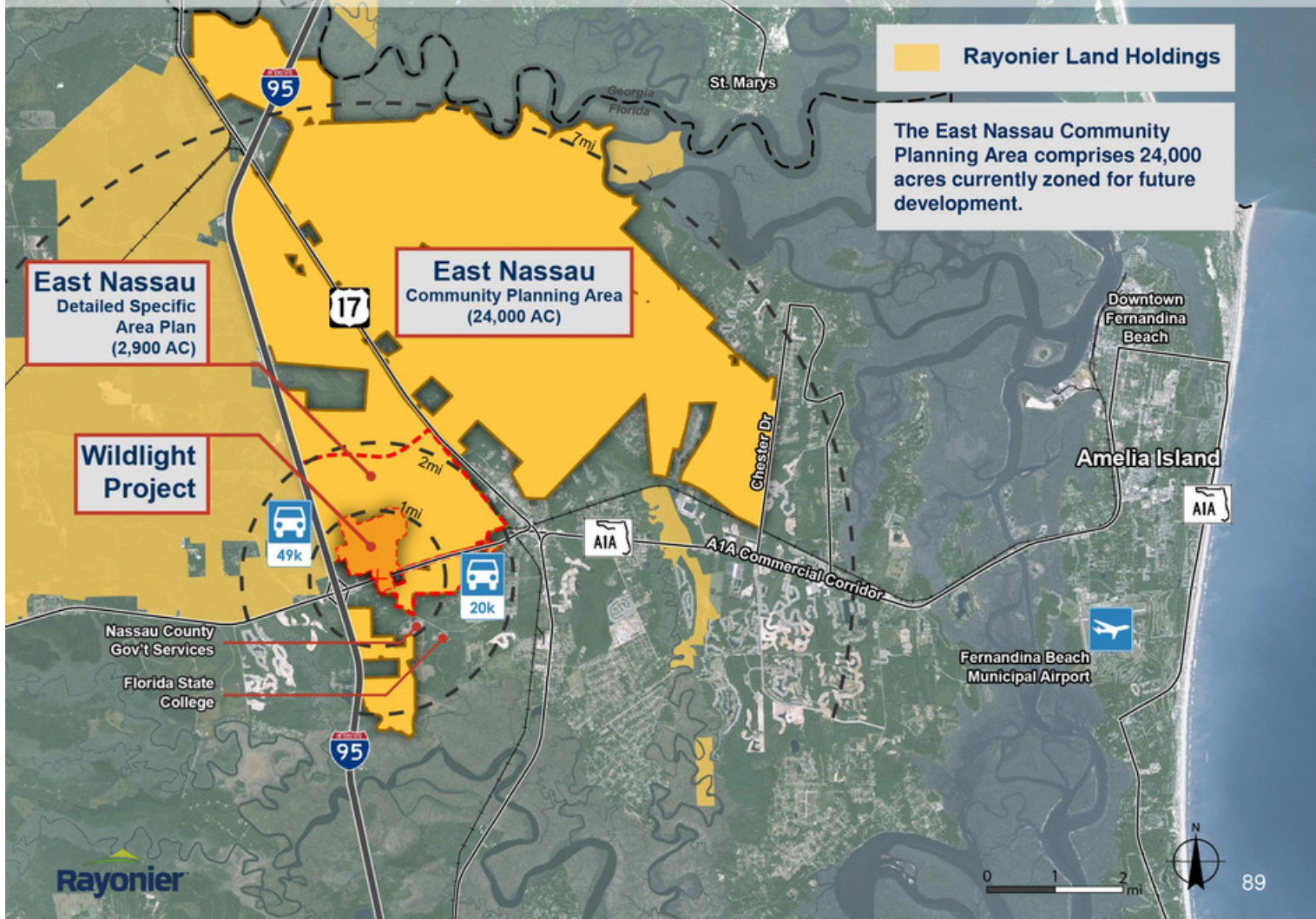
# Local Context: Growing Market



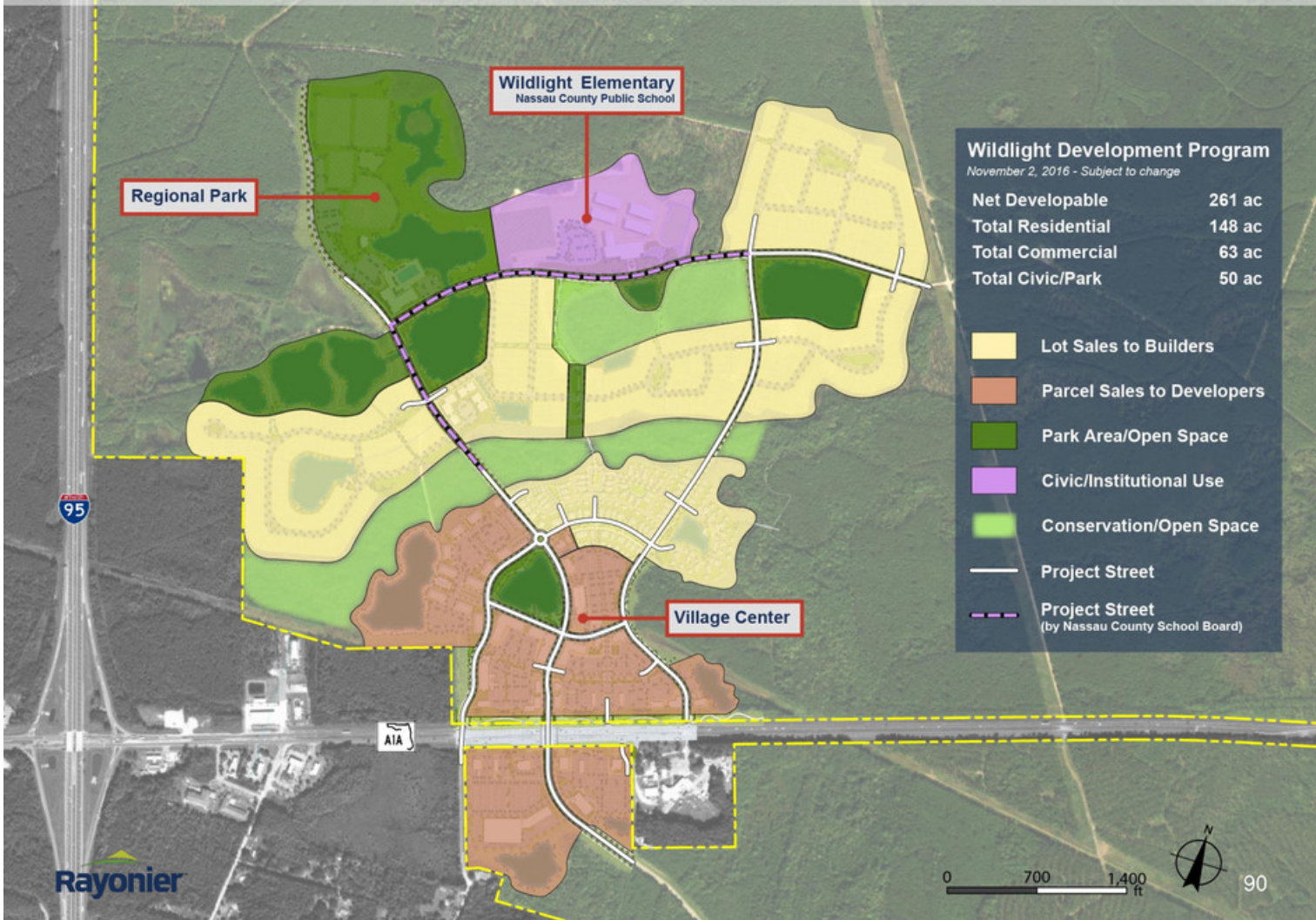
Source: U.S. Census.



# Site Location: ~24,000 Acres with Approved Zoning



# Wildlight Master Plan: Generalized Development Plan



# Wildlight Master Plan: A 10 Year Program





## Financial Overview

Mark McHugh | Senior Vice President & Chief Financial Officer



# Disclosure Philosophy

## Objective

Provide investors with detailed and transparent information to better understand our business and make informed investment decisions

### Segment Disclosure

- ✓ Key financial information and metrics
- ✓ Volumes and prices by major product category
- ✓ Non-timber income and major cost categories

### Asset Disclosure

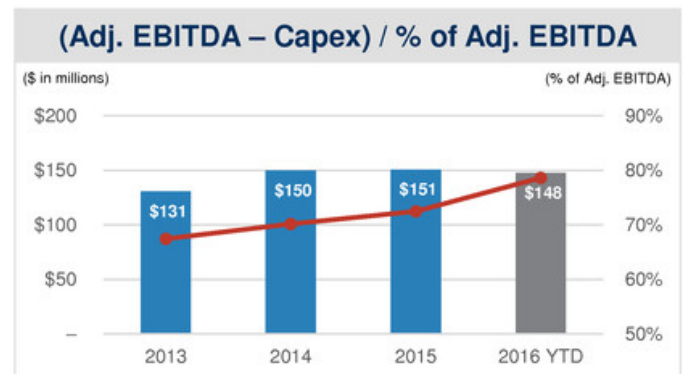
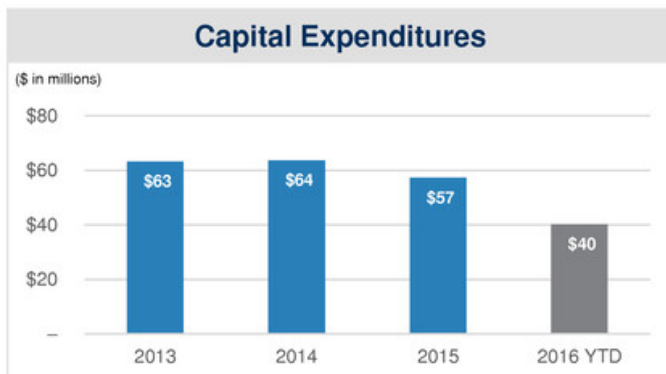
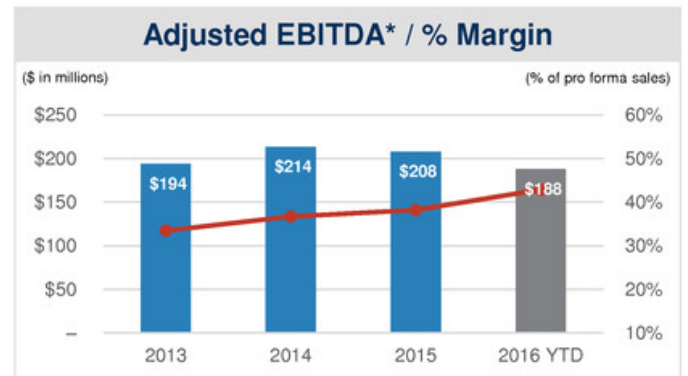
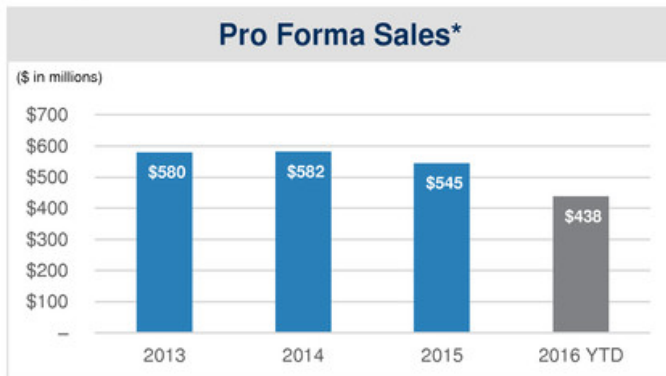
- ✓ Productivity – site index, % plantable, sustainable yield
- ✓ Detailed inventory and age-class data
- ✓ Qualitative information on key regional markets

### Transparency

- ✓ Provide information that is pertinent to investors
- ✓ Exclude Large Dispositions from Adjusted EBITDA
- ✓ Detailed disclosure on acquisitions and dispositions

Rayonier strives to provide best-in-class disclosure and transparency for our investors.

# Rayonier Financial Summary: 2013 – 2016 YTD (9/30)



**Rayonier has historically generated strong Adjusted EBITDA\* margins and high Adjusted EBITDA-to-free cash flow conversion.**



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

# Low-Cost Debt Structure & Attractive Maturity Profile

Debt Profile (\$ in millions)	Balance @ 9/30/2016	Interest Rate	Annual Interest	% Fixed	Years to Maturity <sup>(1)</sup>
Senior Notes due 2022	\$325.0	3.75%	\$12.2	100.0%	5.5
Term Loan due 2024 <sup>(2)</sup>	350.0	3.33%	11.7	100.0%	7.9
Incremental Term Loan due 2026 <sup>(3)</sup>	300.0	2.82%	8.5	100.0%	9.6
Mortgage Notes due 2017	31.8	4.35%	1.4	100.0%	0.8
Revolving Credit Facility due 2020 <sup>(4)</sup>	25.0	1.80%	0.8	–	3.8
Solid Waste Bond due 2020	15.0	2.10%	0.3	–	3.6
NZ Working Capital Facility due 2017	–	2.80%	–	–	1.0
NZ Shareholder Loan <sup>(5)</sup>	22.0	NA	NA	NA	NA
<b>Total / Weighted Avg.</b>	<b>\$1,068.8</b>	<b>3.25%</b>	<b>\$34.8</b>	<b>96.2%</b>	<b>7.2</b>

(1) As of 9/30/16; NZ working capital facility represents average maturity of two tranches; weighted average excludes NZ shareholder loan.

(2) Includes impact of interest rate sw aps and estimated patronage payments.

(3) Assumes \$200mm at 2.93% and \$100 million at 2.59%; includes impact of interest rate sw aps and estimated patronage payments.

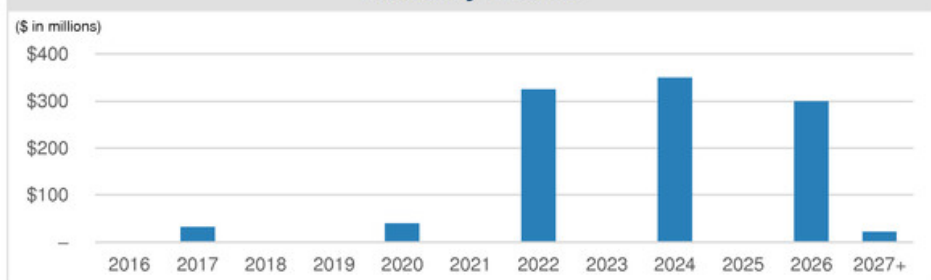
(4) Interest on revolver includes unused facility fee of 0.175%.

(5) Minority share of New Zealand shareholder loan; does not represent third-party indebtedness.

## Highlights

- Average rate of 3.25%
- 96% fixed-rate debt
- Average maturity of over 7 years

## Maturity Profile



## Highlights

- Well-staggered maturity profile
- Nearest significant maturity in 2022
- No significant stacked maturities

Rayonier has low-cost, primarily fixed-rate debt and a well-staggered maturity profile.

# Investment Grade Ratings & Strong Credit Metrics

## 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

### Credit Ratio Targets

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

## Capital Structure & Credit Statistics

9/30/2016

Senior Notes due 2022	\$325.0
Term Loan due 2024	350.0
Incremental Term Loan due 2026	300.0
Other Debt	93.8
<b>Total Debt</b>	<b>\$1,068.8</b>
(-) Cash	(110.0)
<b>Net Debt</b>	<b>\$958.7</b>

Shareholders' Equity	1,361.2
<b>Net Capitalization (book)</b>	<b>\$2,319.9</b>

### Credit Data

LTM Adjusted EBITDA*	\$235.4
Pro Forma Interest Expense*	34.8

### Credit Statistics

Net Debt / Adj. EBITDA	4.1x
Adj. EBITDA / Interest Expense	6.8x
Net Debt / Net Capitalization	41.3%
Net Debt / Enterprise Value <sup>(1)</sup>	22.7%

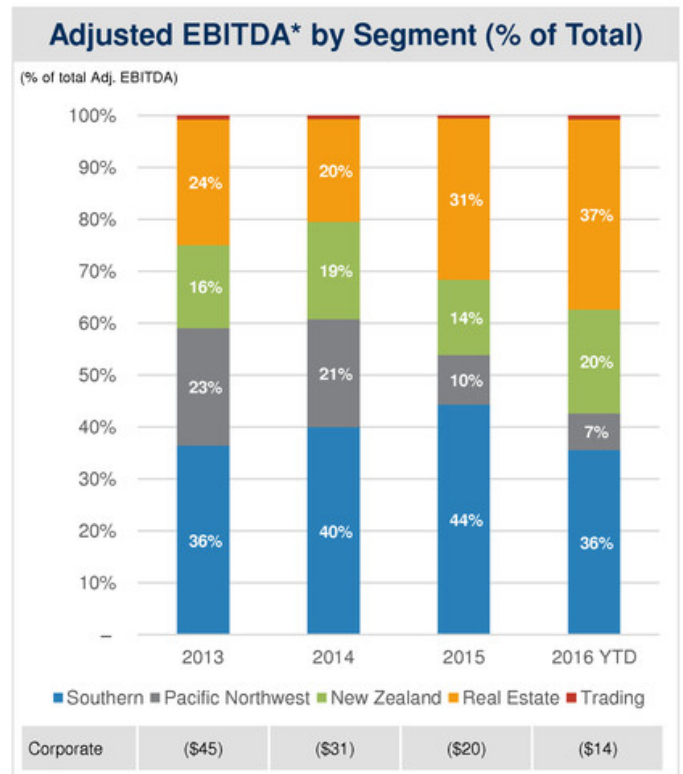
**Rayonier has a strong, investment grade credit profile with significant asset coverage.**



<sup>(1)</sup> Enterprise value based on market capitalization plus net debt as of 9/30/2016.  
\* Non-GAAP measure or pro forma item (see Appendix for definitions and reconciliations).



# Adjusted EBITDA\* by Segment: 2013 – 2016 YTD



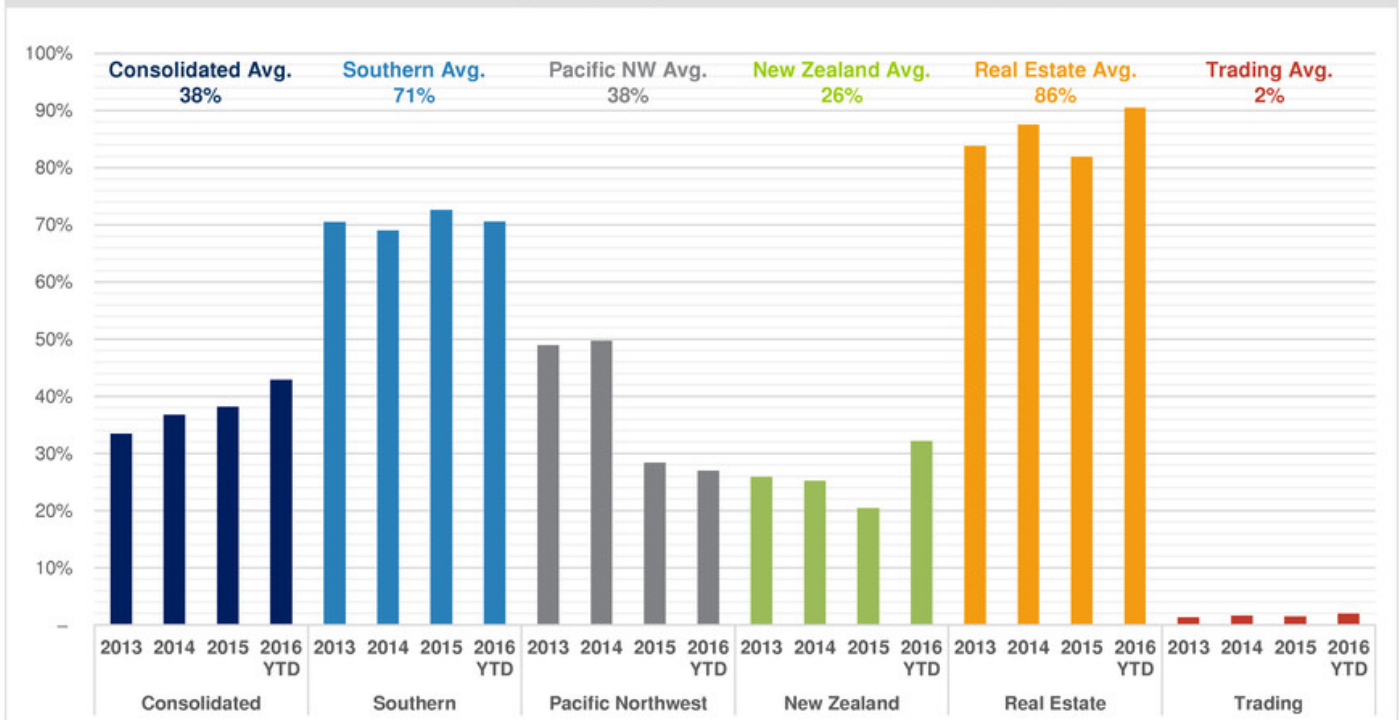
**Recent strength in the Real Estate and New Zealand Timber segments has offset harvest deferrals in the Pacific Northwest and Southern Timber segments.**



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

# EBITDA\* Margin Varies by Segment

EBITDA\* Margin by Segment: 2013 – 2016 YTD (9/30)



Rayonier's EBITDA\* margin varies considerably by segment due to different cost structures and marketing strategies (e.g., delivered vs. stumpage).

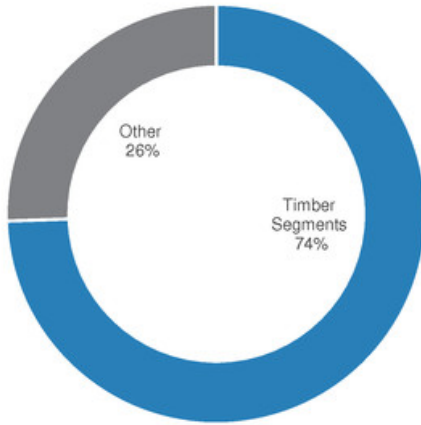


\* Non-GAAP measure or pro forma item (see Appendix for definitions and reconciliations).

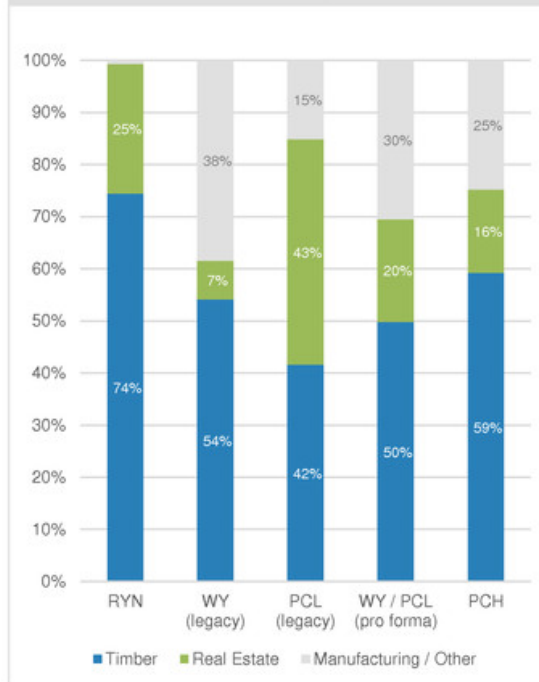
Investor Day | November 2016

# Rayonier is the Leading “Pure Play” Timber REIT

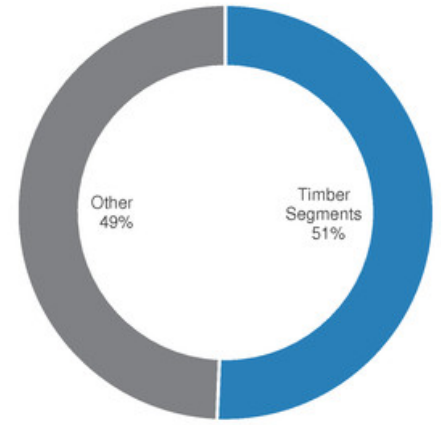
**Rayonier**  
2013-15 EBITDA\*  
Composition



**Peer Group EBITDA\* Composition**  
(2013-15 Average)



**Peer Group**  
2013-15 EBITDA\*  
Composition



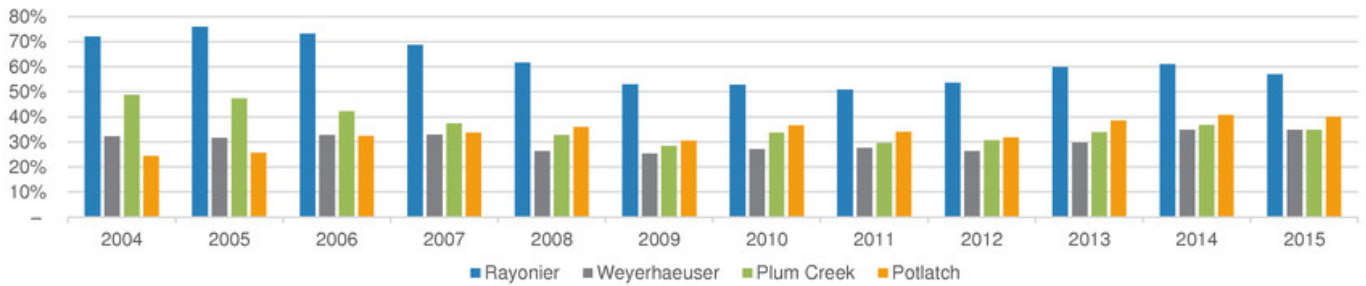
**Over the past three years, Rayonier has generated 74% of its EBITDA\* from timber operations (versus 51% for the peer group).**



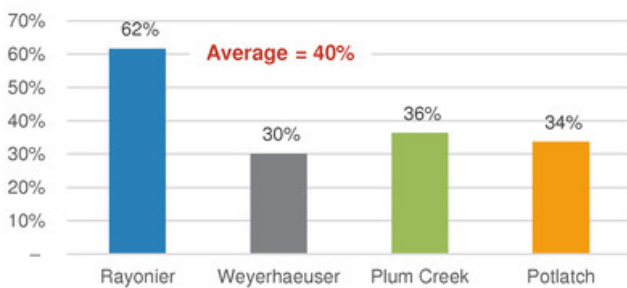
Note: Timberland REIT Peer Group comprised of WY (legacy), PCL (legacy), PCH and CTT. Figures reflect aggregate Timberland REIT Peer Group 2013-2015 EBITDA excluding corporate expenses. Other includes real estate, manufacturing and other reported segments. WY (legacy) excludes divested Cellulose Fibers business.  
\* Non-GAAP measure or pro forma item (see Appendix for definitions and reconciliations).

# Timberland EBITDA\* / Cash Flow Volatility Is Very Low

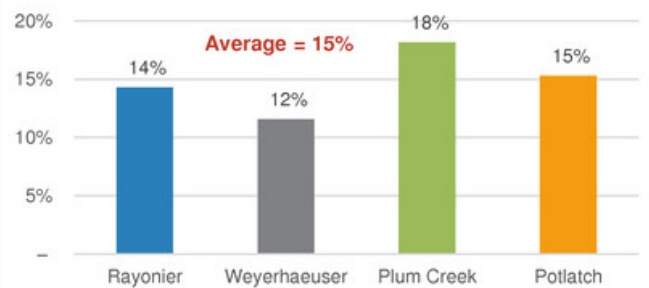
Historical U.S. Timberland Segment EBITDA\* Margins



Avg. Timberland EBITDA\* Margin (2004-15)



Margin Volatility / Coefficient of Variation (1)



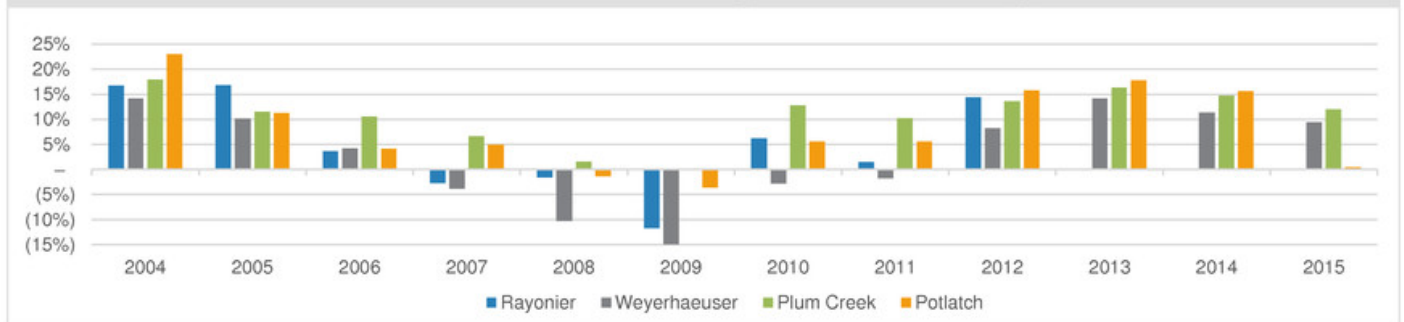
Timberland operations generally yield high EBITDA\* margins with very low volatility.



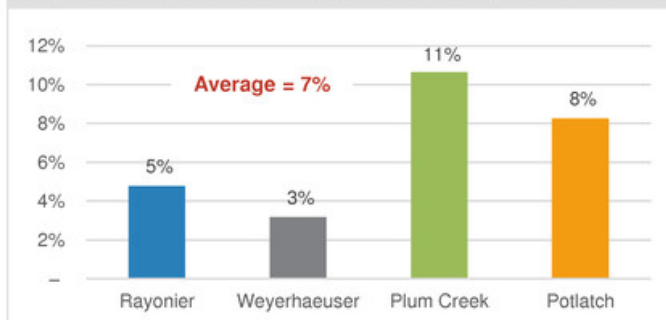
(1) Calculated as ratio of standard deviation to average.  
\* Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

# Manufacturing EBITDA\* / Cash Flow Volatility Is Very High

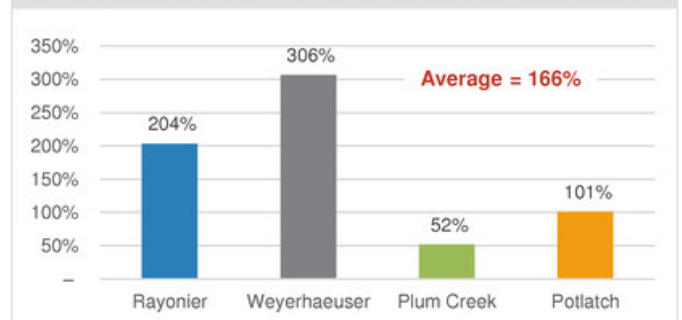
Historical Wood Products Segment EBITDA\* Margins



Avg. Wood Products EBITDA\* Margin (2004-15)



Margin Volatility / Coefficient of Variation (1)



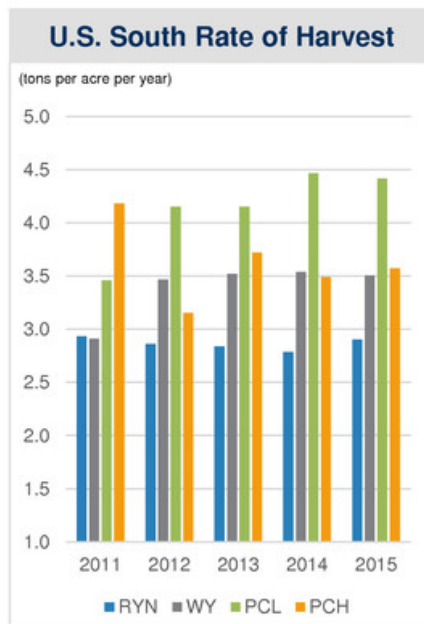
Wood products manufacturing generates much lower EBITDA\* margins and is highly volatile relative to timberlands.



Note: Rayonier Wood Products segment reflects legacy business divested in 2013.  
 (1) Calculated as ratio of standard deviation to average.  
 \* Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

# Rayonier Leads the Sector In U.S. South EBITDA\* / Ton

- EBITDA\* per ton best captures profitability per unit of sales
- EBITDA\* per acre can be misleading due to differential rates of harvest



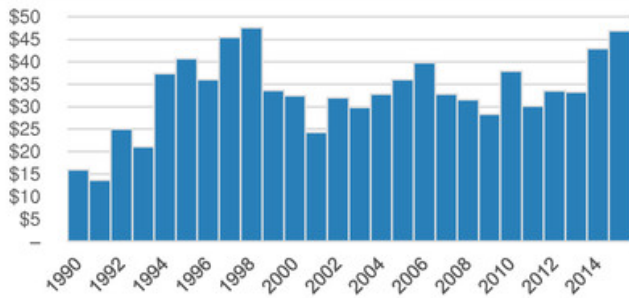
**Rayonier's sector-leading EBITDA\* per Ton has increased by over 50% in the last five years, while its rate of harvest has remained relatively stable.**



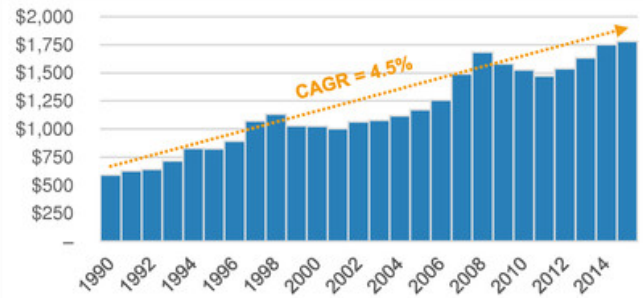
Source: WY EBITDA based on Sept-2016 Investor Presentation, excluding PCL contribution; PCH EBITDA based on data provided in Q2-2016 Earnings Supplement; PCL EBITDA based on historical public filings. Volume and acreage data for all peers based on historical public filings; assumes 1.22 tons per cubic meter for WY.  
 \* Non-GAAP measure or pro forma item (see Appendix for definitions and RYN reconciliations).

# U.S. South Historical Valuation Snapshot

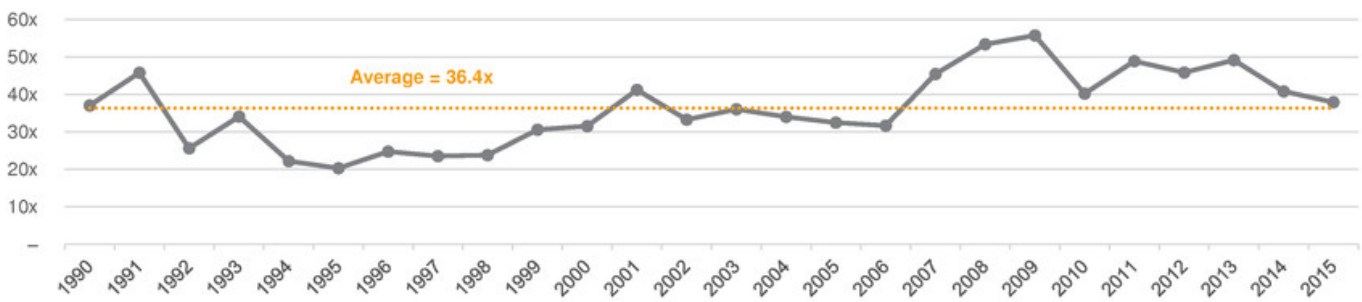
U.S. South EBITDA per Acre (NCREIF)



U.S. South Value per Acre (NCREIF)



U.S. South EBITDA Multiples (NCREIF)



U.S. South timberlands have traded at an average EBITDA multiple (excluding land sales) of ~36x over the last 25 years.

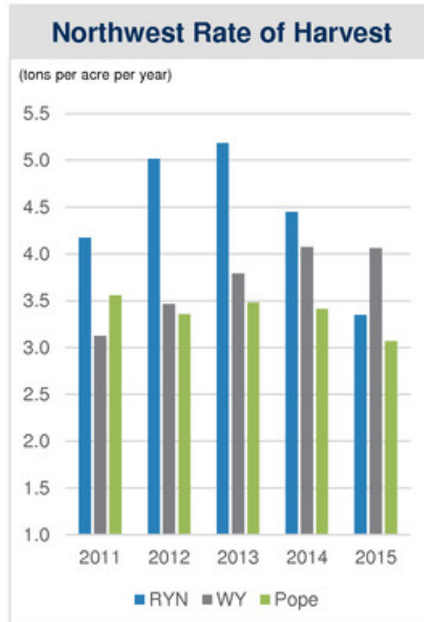


Source: National Council of Real Estate Investment Fiduciaries.

Investor Day | November 2016

# Rayonier's Northwest EBITDA\* / Ton Has Declined

- Following November 2014 announcements, Rayonier reduced its rate of harvest in the Northwest
- EBITDA\* per ton and EBITDA\* per acre have both declined as a result



**Rayonier's Northwest EBITDA\* per ton is below the peer group, due its the historical proportion of hemlock volume (vs. Douglas-fir) and, more recently, due to its reduced rate of harvest.**



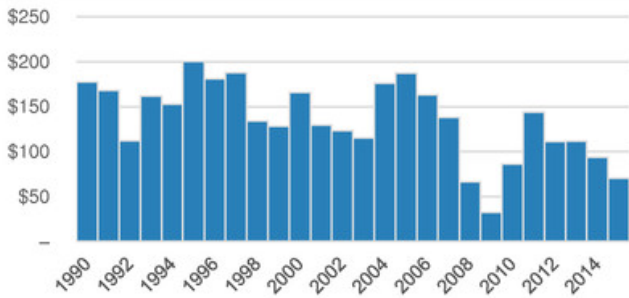
Source: WY EBITDA (not including PCL) based on June 2016 Investor Presentation; Pope EBITDA based on historical public filings. Volume and acreage data for all peers based on historical public filings; assumes 0.95 tons per cubic meter for WY and 8.0 tons per MBF for Pope.

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

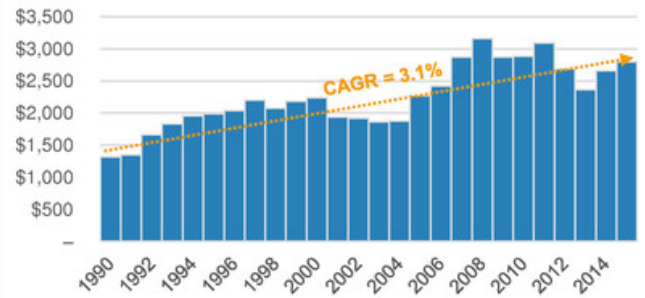


# Northwest Historical Valuation Snapshot

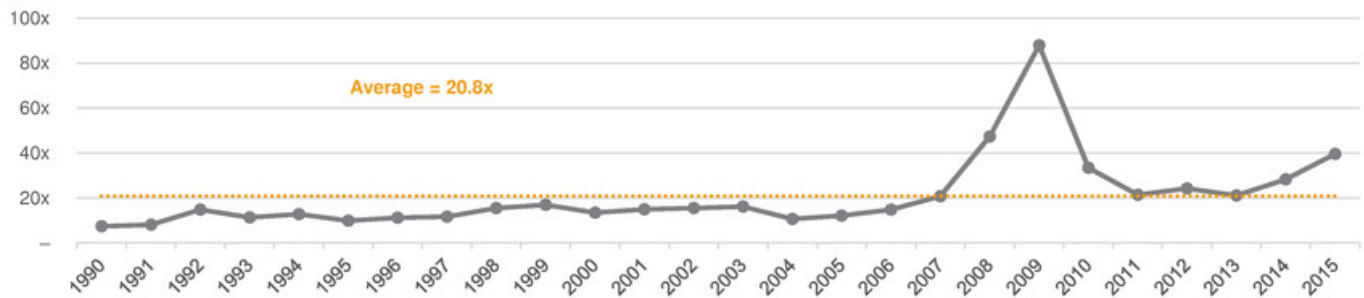
Northwest EBITDA per Acre (NCREIF)



Northwest Value per Acre (NCREIF) <sup>(1)</sup>



Northwest EBITDA Multiples (NCREIF)



Northwest timberlands have traded at an average EBITDA multiple (excluding land sales) of ~21x over the last 25 years, but have traded at higher multiples more recently.



Source: National Council of Real Estate Investment Fiduciaries.

(1) Value per acre negatively impacted in 2012 by addition of large portfolio of lower value acreage in Eastern Washington and Oregon.

# Financial Overview – Key Takeaways

## Disclosure

- Leading the industry with best-in-class disclosure
- Committed to transparent investor communications

## Portfolio Mix

- Pure-play focus mitigates exposure to volatile manufacturing operations
- Focused on growing cash flow from recurring timber and real estate operations

## Performance

- Leading the peer group in U.S. South EBITDA\* per ton
- Focused on continuous improvement and efficiency to grow cash flow

## Balance Sheet

- Low cost of debt with staggered maturity profile
- Strong / stable margins, high FCF conversion and significant asset coverage

## Valuation

- NAV approach necessitates deeper understanding of underlying asset values
  - \$/acre and EBITDA multiple-based metrics are overly simplistic for the asset
- Working with the investment community to upgrade disclosure and facilitate a more comprehensive understanding of timberland values



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

Investor Day | November 2016



## Closing Remarks and Q&A

Dave Nunes | President & Chief Executive Officer



# Rayonier Represents an Attractive Investment Opportunity

## Timber Asset Class Poised for Growth

- Steady improvement in housing starts projected over next few years
- Favorable supply dynamics relative to last peak in housing starts driven by decline in Canadian supply
- Demand from China that was not present during last housing start peak

## Rayonier Uniquely Positioned

- Geographic market diversification across strong timber markets in U.S. South, Pacific Northwest, and New Zealand
- Superior pricing in U.S. South based on tensioned wood baskets
- Advantageous real estate platform with projects underway in FL/GA coastal regions

## Strategies to Deliver Sustainable Results

- Higher proportion of cash flows from recurring timber harvest operations vs. peer group
- Dividend level established and supported without overreliance on sales of core timberlands
- Industry leader in transparent investor communications

## Discount to Underlying Asset Value

- Significant decline in share value following Q3 2014 earnings release and related announcements
- Currently trading at discount to estimated net asset value

# APPENDIX

# Biographies



**David L. Nunes | President and CEO**

**Service since: 2014**

Mr. Nunes has more than three decades of forest products industry experience. He has served in key leadership positions at several timber and real estate companies, including CEO and president, and has substantial background in the areas of timberland management and investments, marketing, strategic planning, mergers and acquisitions and capital planning.



**Mark McHugh | SVP and CFO**

**Service since: 2014**

Mr. McHugh has 16 years of experience in finance and capital markets focusing on the timberland and REIT sectors. Mark joined Rayonier from Raymond James, where he served as Managing Director in the firm's Real Estate Investment Banking group, responsible for the firm's timberland and agriculture sector coverage.



**Douglas M. Long | SVP, U.S. Operations**

**Service since: 1995**

Mr. Long joined Rayonier in 1995 as a GIS Forestry Analyst, and has held multiple positions of increasing responsibility within the forestry division. From 2003-2007, he was a Forest Services Manager and a Regional Manager in Rayonier's New Zealand operations. In 2007, he returned to the U.S., where he served as Southwest Resource Unit Leader.



**Christopher T. Corr | SVP, Real Estate and Public Affairs**

**Service since: 2013**

Mr. Corr joined Rayonier in 2013. Prior to joining, he served as Executive Vice President, Buildings and Places for AECOM, a global provider of technical and management support services, including real estate planning and development. Chris previously served as Executive Vice President and Chief Strategy Officer of The St. Joe Company. He was also an executive at The Walt Disney Company.



**Paul Nicholls | Managing Director, Rayonier NZ**

**Service since: 1993**

Mr. Nicholls has the overall responsibility for the management of the RMF assets and along with the development and implementation of the strategic direction of the business. He has 35 years' experience as forest industry expert in New Zealand and Australia. Paul has travelled extensively throughout Asia with a strong understanding of the key markets in China, Korea and India.

## Biographies (cont.)



### **Charles Adams | Vice President, Community Development**

**Service since: 2015**

Mr. Adams joined Rayonier in 2015 to lead the newly formed Community Development Division. He has over 25 years of real estate development, finance and management experience. Prior to joining Rayonier, he served as Managing Partner of Celebration Associates, LLC, a developer and advisor of key successful master-planned projects across the U.S., Mexico and Caribbean such as Baxter, NC.



### **Jim Gent, A.D. | Director, Research & Silviculture**

**Service since: 2006**

Dr. Gent joined Rayonier in 2006 as Manager, Forest Productivity and Technology. In 2010, he was named Manager, Research and Silvicultural support, with responsibility for directing Rayonier's silviculture and tree improvement initiatives, fertilization and weed control services, growth and yield analysis and regeneration activities. He was promoted to his current position in 2013.



### **Jeff Lawrence | Director, Real Estate & Land Resources**

**Service since: 1998**

Mr. Lawrence joined Rayonier as a Research Forester in 1998, and progressed through roles of increasing responsibility including, District Technical Forester and Land Utilization Manager, developing the early stages of the rural land sales program. In 2003, he was promoted to Land Projects Manager, and in 2005 was named Project Manager for TerraPointe Services (now Raydient). In 2012, Jeff was promoted to Senior Manager, Business Development, and was promoted to his current position in 2014.



### **Rhett Rogers | Director, Land Asset Management**

**Service since: 2001**

Mr. Rogers has 15 years of experience in forest operations, land sales, acquisitions, dispositions and strategic planning. He joined Rayonier in 2001 as a District Technical Forester, and has held numerous roles of increasing responsibility, most recently as Manager, Land Acquisitions. He was promoted to his current position in August 2014.



### **Vernon Hiott | Manager, Business Development**

**Service since: 2006**

Mr. Hiott joined Rayonier in 2006 as a Silvicultural Operations Forester overseeing fertilization and other forest activities across Rayonier properties in Alabama, Georgia and Florida. In 2007, he was promoted to Business Development Analyst, focusing on timberland transaction due diligence, strategic planning, timber market analysis and price forecasting. He was promoted to his current position in October 2011.



# 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, 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.

**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.

**Pro Forma Interest Expense** is calculated as Rayonier's current run rate of interest on outstanding indebtedness as of September 30, 2016, and assumes that the Company issues no additional debt. This estimate could vary widely depending upon future financing activities.

**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.

**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 any identified HBU premium relative to timberland value.



# Reconciliation of Net Debt and LTM Adjusted EBITDA

(\$ in millions)	2016 (9/30)
Current maturities of long-term debt	\$31.8
Long-term debt, net of deferred financing costs	1,033.3
Deferred financing costs	3.7
<b>Total Debt</b>	<b>\$1,068.8</b>
Cash and cash equivalents	(110.0)
<b>Net Debt</b>	<b>\$958.7</b>

(\$ in millions)	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q3 2016 LTM
Net income	\$9.4	\$15.1	\$111.6	\$40.6	\$176.7
Interest, net	5.8	8.7	7.7	8.3	30.5
Income tax expense (benefit)	0.5	(0.8)	2.3	0.8	2.8
Depreciation, depletion and amortization	27.9	29.3	22.4	32.0	111.6
Non-cash cost of land and improved development	3.0	4.1	1.7	4.3	13.1
Costs related to shareholder litigation <sup>(1)</sup>	1.0	0.4	0.6	1.2	3.2
Gain on foreign currency derivatives <sup>(1)</sup>	-	(1.2)	-	-	(1.2)
Large Dispositions <sup>(1)</sup>	-	-	(101.3)	-	(101.3)
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$47.6</b>	<b>\$55.6</b>	<b>\$45.0</b>	<b>\$87.2</b>	<b>\$235.4</b>
<b>Net Debt / Adjusted EBITDA <sup>(1)</sup></b>					<b>4.1x</b>

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

## Reconciliation of Net Income to Adjusted EBITDA

(\$ in millions)	2016 YTD (9/30)	2015	2014	2013
Net income	\$167	\$44	\$98	\$374
Interest, net	25	35	50	38
Income tax expense (benefit)	2	(1)	(10)	(36)
Depreciation, depletion and amortization	84	114	120	117
Non-cash cost of land and improved development	10	13	13	10
Costs related to shareholder litigation <sup>(1)</sup>	2	4	-	-
Gain on foreign currency derivatives <sup>(1)</sup>	(1)	-	-	-
Large Dispositions <sup>(1)</sup>	(101)	-	(21)	(26)
Cost related to spin-off of the Performance Fibers business <sup>(1)</sup>	-	-	4	-
Internal review and restatement costs <sup>(1)</sup>	-	-	3	-
Discontinued operations <sup>(1)</sup>	-	-	(43)	(268)
Gain on consolidation of New Zealand JV <sup>(1)</sup>	-	-	-	(16)
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$188</b>	<b>\$208</b>	<b>\$214</b>	<b>\$194</b>

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

# Reconciliation of Pro Forma Sales and 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 YTD (9/30)</b>							
Sales	\$102	\$52	\$126	\$211	\$76	-	\$568
Large Dispositions <sup>(1)</sup>	-	-	-	(130)	-	-	(130)
Pro Forma Sales <sup>(1)</sup>	\$102	\$52	\$126	\$81	\$76	-	\$438
Operating Income (Loss)	\$35	(\$1)	\$21	\$153	\$2	(\$16)	\$194
Depreciation, depletion & amortization	37	15	17	14	-	1	84
Non-cash cost of land and real estate sold	-	-	2	8	-	-	10
Gain on foreign currency derivatives <sup>(1)</sup>	-	-	-	-	-	(1)	(1)
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	2	2
Large Dispositions <sup>(1)</sup>	-	-	-	(101)	-	-	(101)
Adjusted EBITDA <sup>(1)</sup>	\$72	\$14	\$41	\$74	\$2	(\$14)	\$188
EBITDA Margin <sup>(2)</sup>	71%	27%	32%	91%	2%	-	43%
<b>2015</b>							
Sales	\$139	\$76	\$162	\$87	\$81	-	\$545
Large Dispositions <sup>(1)</sup>	-	-	-	-	-	-	-
Pro Forma Sales <sup>(1)</sup>	\$139	\$76	\$162	\$87	\$81	-	\$545
Operating Income	\$47	\$7	\$3	\$44	\$1	(\$24)	\$78
Depreciation, depletion & amortization	54	15	30	15	-	-	114
Non-cash cost of land and real estate sold	-	-	1	12	-	-	13
Costs related to shareholder litigation <sup>(1)</sup>	-	-	-	-	-	4	4
Adjusted EBITDA <sup>(1)</sup>	\$101	\$22	\$33	\$71	\$1	(\$20)	\$208
EBITDA Margin <sup>(2)</sup>	73%	29%	20%	81%	1%	-	38%

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

(2) EBITDA Margin is calculated as Adjusted EBITDA divided by Pro Forma Sales.

# Reconciliation of Pro Forma Sales and 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>2014</b>							
Sales	\$142	\$102	\$183	\$77	\$104	(\$4)	\$604
Large Dispositions <sup>(1)</sup>	-	-	-	(22)	-	-	(22)
Pro Forma Sales <sup>(1)</sup>	\$142	\$102	\$183	\$55	\$104	(\$4)	\$582
Operating Income	\$46	\$30	\$10	\$48	\$2	(\$36)	\$98
Depreciation, depletion & amortization	52	21	32	13	-	1	120
Non-cash cost of land and real estate sold	-	-	4	9	-	-	13
Large Dispositions <sup>(1)</sup>	-	-	-	(21)	-	-	(21)
Internal review and restatement costs <sup>(1)</sup>	-	-	-	-	-	3	3
Adjusted EBITDA <sup>(1)</sup>	\$98	\$51	\$46	\$48	\$2	(\$31)	\$214
EBITDA Margin <sup>(2)</sup>	69%	50%	25%	88%	2%	-	37%
<b>2013</b>							
Sales	\$124	\$111	\$148	\$149	\$132	(\$3)	\$660
Large Dispositions <sup>(1)</sup>	-	-	-	(80)	-	-	(80)
Pro Forma Sales <sup>(1)</sup>	\$124	\$111	\$148	\$69	\$132	(\$3)	\$580
Operating Income	\$38	\$33	\$11	\$56	\$2	(\$30)	\$109
Depreciation, depletion & amortization	49	21	28	17	-	1	117
Non-cash cost of land and real estate sold	-	-	-	10	-	-	10
Large Dispositions <sup>(1)</sup>	-	-	-	(26)	-	-	(26)
Gain related to consolidation of New Zealand JV <sup>(1)</sup>	-	-	-	-	-	(16)	(16)
Adjusted EBITDA <sup>(1)</sup>	\$87	\$54	\$38	\$58	\$2	(\$45)	\$194
EBITDA Margin <sup>(2)</sup>	70%	49%	26%	84%	1%	-	33%

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

(2) EBITDA Margin is calculated as Adjusted EBITDA divided by Pro Forma Sales.

## 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>2012</b>							
Operating Income	\$23	\$21	\$2	\$32	-	(\$46)	\$32
Depreciation, depletion & amortization	53	22	-	8	-	1	85
Non-cash cost of land and real estate sold	-	-	-	5	-	-	5
Adjusted EBITDA <sup>(1)</sup>	\$76	\$43	\$2	\$45	-	(\$44)	\$121
<b>2011</b>							
Operating Income	\$13	\$30	\$4	\$47	\$2	(\$41)	\$55
Depreciation, depletion & amortization	43	20	-	12	-	1	77
Non-cash cost of land and real estate sold	-	-	-	4	-	-	4
Large Dispositions <sup>(1)</sup>	-	-	-	(25)	-	-	(25)
Adjusted EBITDA <sup>(1)</sup>	\$57	\$49	\$4	\$39	\$2	(\$40)	\$111

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

