



**REITWeek 2017: NAREIT's Investor Forum** | June 2017

# Safe Harbor Statement

**Forward-Looking Statements** - Certain statements in this presentation regarding anticipated financial outcomes including Rayonier's earnings guidance, if any, business and market conditions, outlook, expected dividend rate, Rayonier's business strategies, including expected harvest schedules, timberland acquisitions, sales of non-strategic timberlands, the anticipated benefits of Rayonier's business strategies, and other similar statements relating to Rayonier's future events, developments or financial or operational performance or results, are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are identified by the use of words such as "may," "will," "should," "expect," "estimate," "believe," "intend," "project," "anticipate" and other similar language. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. While management believes that these forward-looking statements are reasonable when made, forward-looking statements are not guarantees of future performance or events and undue reliance should not be placed on these statements.

The following important factors, among others, could cause actual results or events to differ materially from those expressed in forward-looking statements that may have been made in this document: the cyclical and competitive nature of the industries in which we operate; fluctuations in demand for, or supply of, our forest products and real estate offerings; entry of new competitors into our markets; changes in global economic conditions and world events; fluctuations in demand for our products in Asia, and especially China; various lawsuits relating to matters arising out of our previously announced internal review and restatement of our consolidated financial statements; the uncertainties of potential impacts of climate-related initiatives; the cost and availability of third party logging and trucking services; the geographic concentration of a significant portion of our timberland; our ability to identify, finance and complete timberland acquisitions; changes in environmental laws and regulations regarding timber harvesting, delineation of wetlands, and endangered species, that may restrict or adversely impact our ability to conduct our business, or increase the cost of doing so; adverse weather conditions, natural disasters and other catastrophic events such as hurricanes, wind storms and wildfires, which can adversely affect our timberlands and the production, distribution and availability of our products; interest rate and currency movements; our capacity to incur additional debt; changes in tariffs, taxes or treaties relating to the import and export of our products or those of our competitors; changes in key management and personnel; our ability to meet all necessary legal requirements to continue to qualify as a real estate investment trust ("REIT") and changes in tax laws that could adversely affect beneficial tax treatment; the cyclical nature of the real estate business generally; a delayed or weak recovery in the housing market; the lengthy, uncertain and costly process associated with the ownership, entitlement and development of real estate, especially in Florida, which also may be affected by changes in law, policy and political factors beyond our control; unexpected delays in the entry into or closing of real estate transactions; changes in environmental laws and regulations that may restrict or adversely impact our ability to sell or develop properties; the timing of construction and availability of public infrastructure; and the availability of financing for real estate development and mortgage loans.

For additional factors that could impact future results, please see Item 1A - Risk Factors in the Company's most recent Annual Report on Form 10-K and similar discussion included in other reports that we subsequently file with the Securities and Exchange Commission ("SEC"). Forward-looking statements are only as of the date they are made, and the Company undertakes no duty to update its forward-looking statements except as required by law. You are advised, however, to review any further disclosures we make on related subjects in our subsequent reports filed with the SEC.

**Non-GAAP Financial Measures** - To supplement Rayonier's financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Rayonier uses certain non-GAAP measures, including "cash available for distribution," "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.

# 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 \$1.5 billion of high-quality timberlands acquired since January 2011
- Investing in advanced genetics to yield long-term volume growth

## Attractive Real Estate Platform

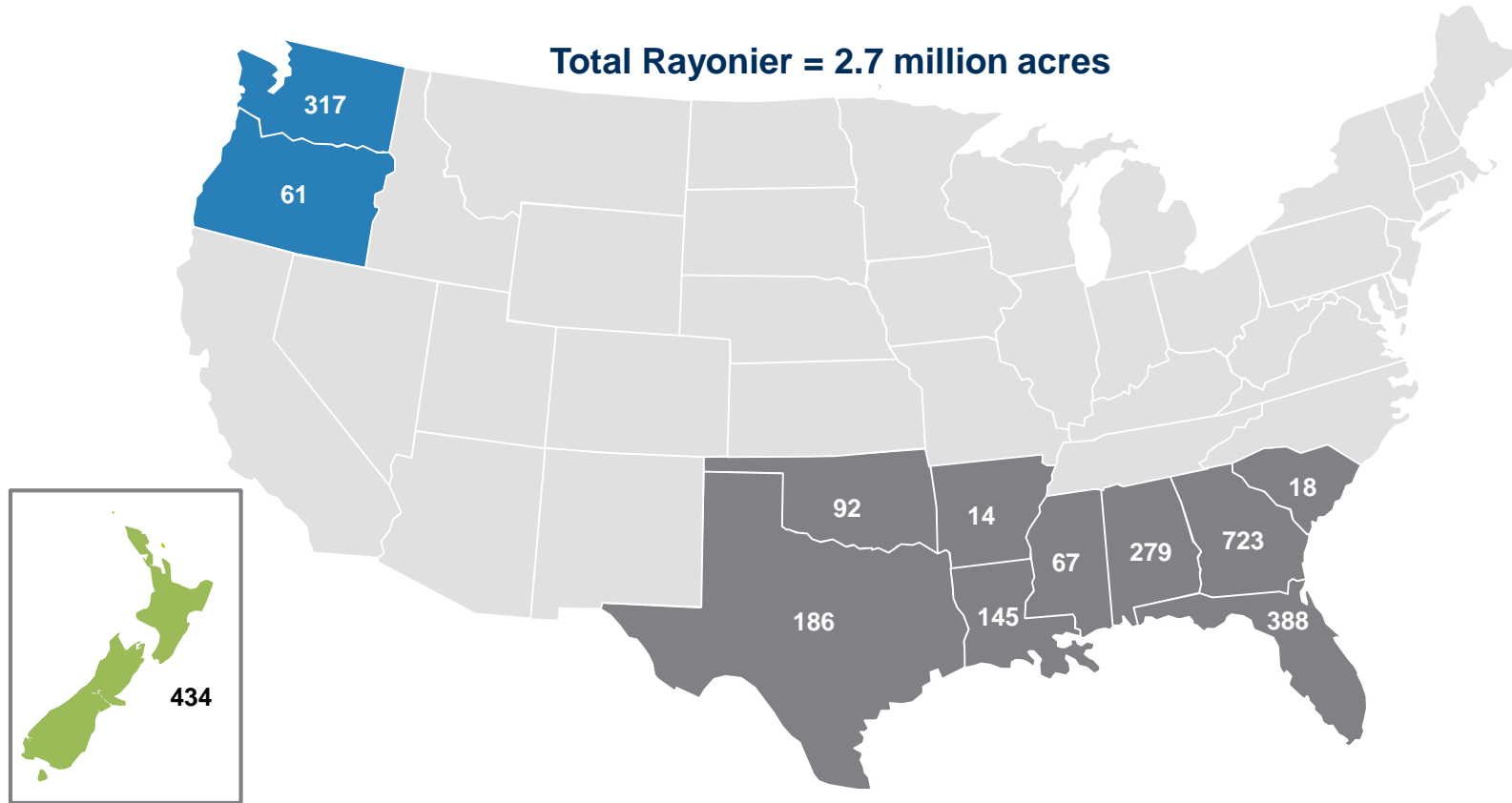
- Attractive HBU opportunities across U.S. South, including Florida and Georgia coastal corridor
- Stable and recurring base of annual rural land sales
- Two active development projects underway – Wildlight (mixed-use) and Belfast Commerce (industrial)

## Strong Capital Structure

- Net debt to enterprise value of 19% at end of Q1 2017
- Favorable financing facilities and access to capital
- Active portfolio management and nimble capital allocation strategy

# Highly Productive, Geographically Diversified Timberlands

Total Rayonier = 2.7 million acres



Pacific Northwest

378,000 acres – Washington & Oregon; access to export markets

U.S. South

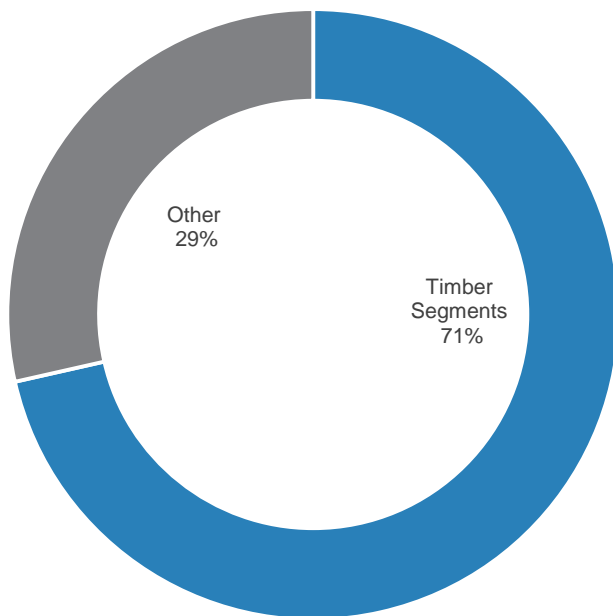
1.9 million acres – sawlog and pulpwood; Florida & Georgia coastal corridor HBU

New Zealand

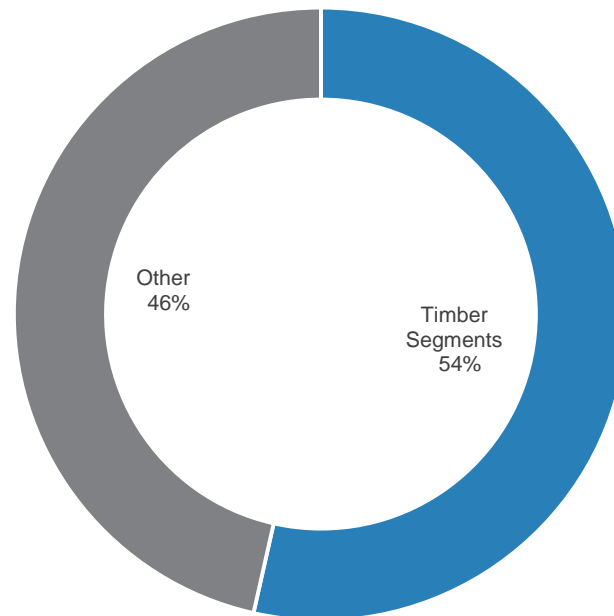
434,000 acres – manage and own ~77% of joint venture

# Leading “Pure-Play” Timberland REIT

Rayonier – EBITDA\* Composition (2014-16)



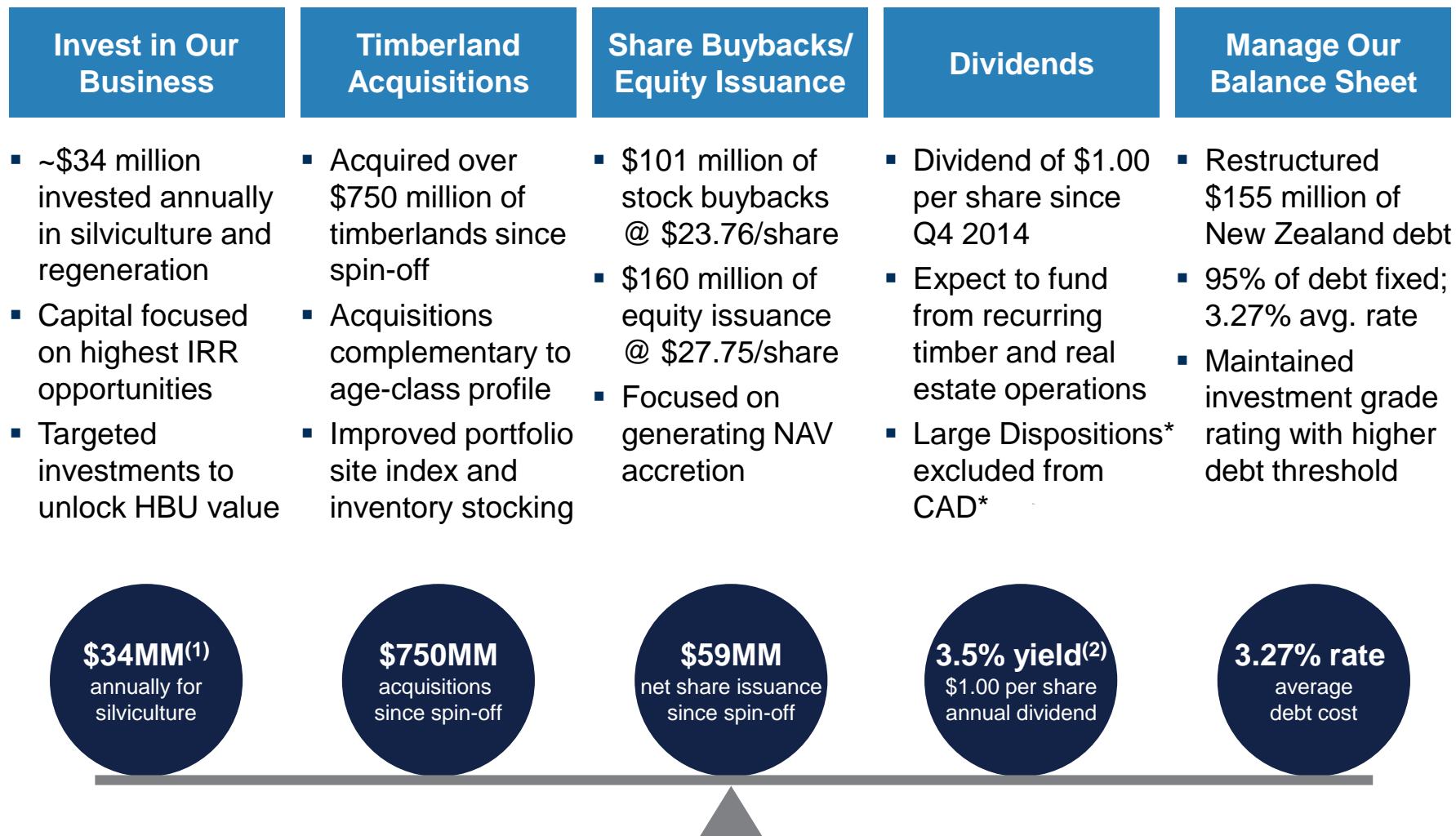
Peer Group – EBITDA\* Composition (2014-16)



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



# Nimble Approach to Capital Allocation



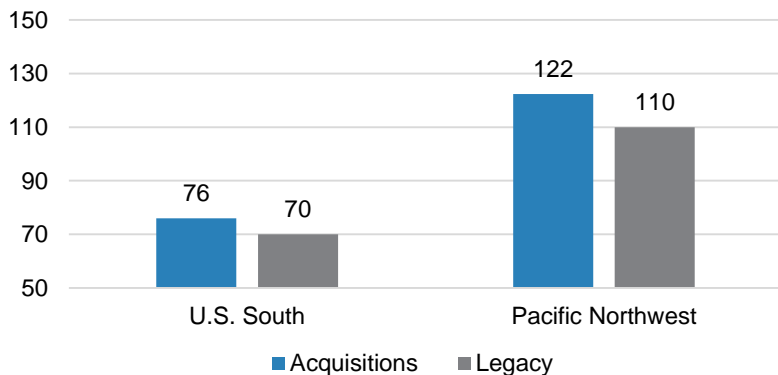
(1) Represents average annual investment in silviculture and replanting from 2013-2016.

(2) Based on share price of \$28.34 as of 3/31/2017.

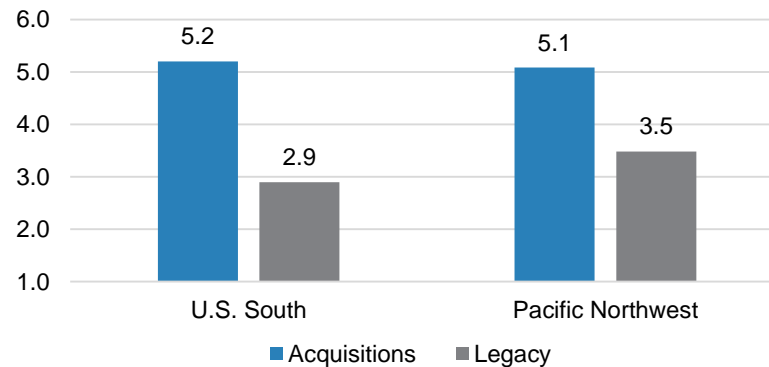
\* Non-GAAP measure or pro forma item (see Appendix for definitions and reconciliations).

# Disciplined Acquisition Process = Improved Portfolio

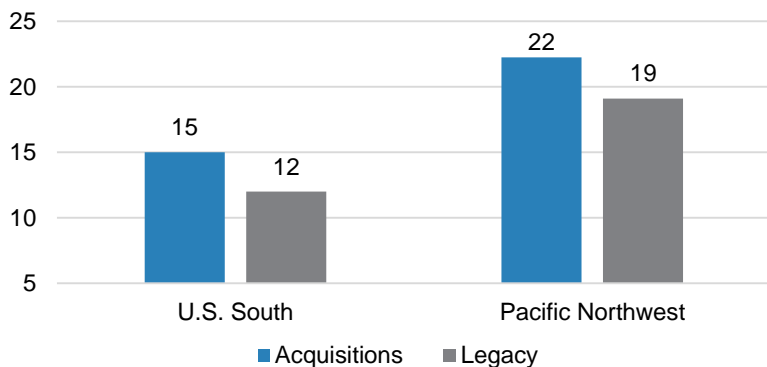
## Productivity – Site Index (1)



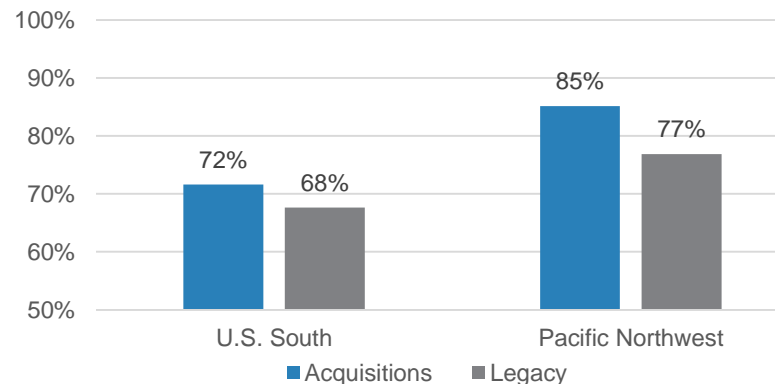
## Harvest Rate – Tons per Acre per Year (2)



## Weighted Average Plantation Age



## Commercial Forest Area – % Productive (3)



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

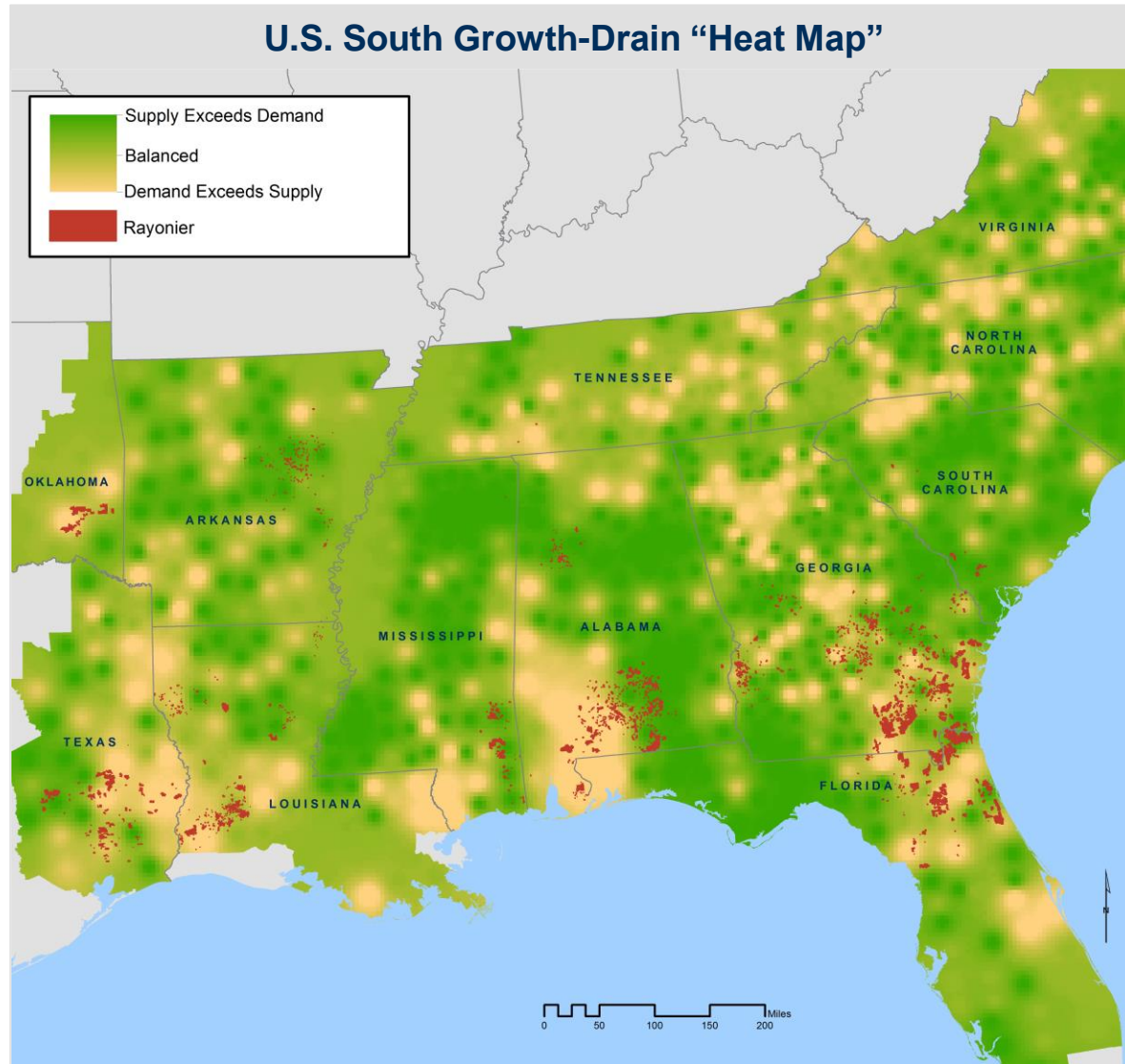
Note: Comparison charts reflect data for U.S. legacy per 2014 10-K and acquisitions from 2014 to March 31, 2017 pro forma recent acquisition of 95,100 acres in the U.S. South.

(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.

# Favorable Supply / Demand Dynamics in RYN Markets



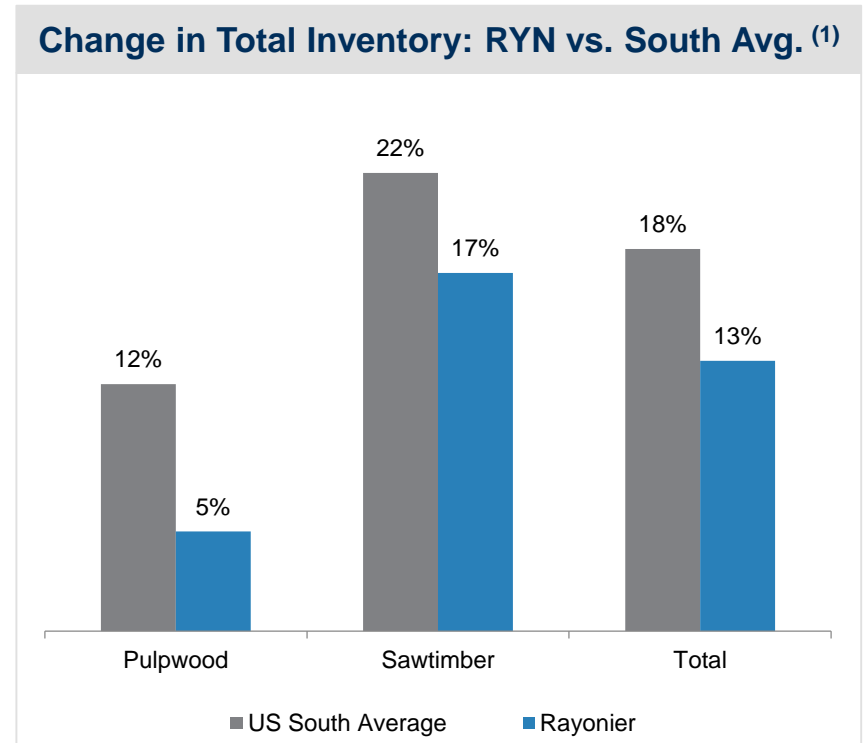
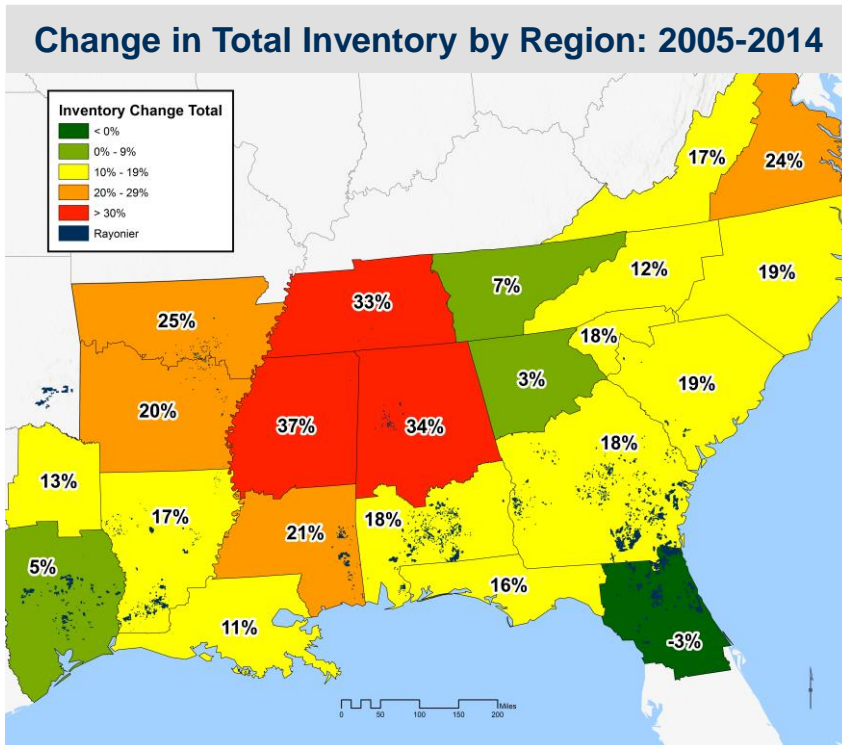
## Key Observations

- Local market supply / demand dynamics determine price
- Logs typically travel less than 100 miles
- Supply / demand conditions vary widely across the region
- Tensioned markets yield better timber pricing



# Total Inventory has Grown Significantly

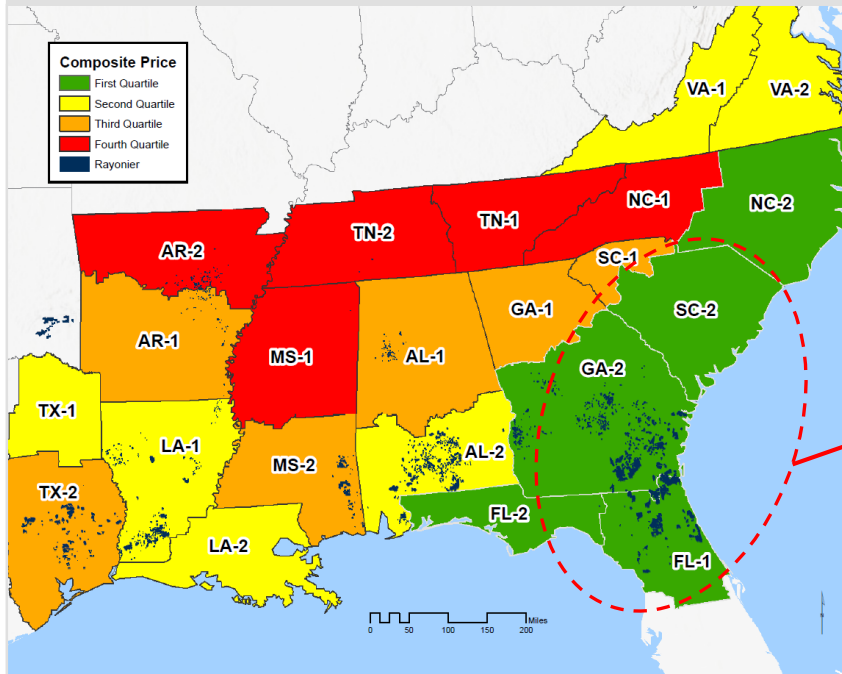
- Since 2005, many regions have gained inventory beyond levels experienced historically
- Inventory growth in these areas will take years to slow and will require new outlets for timber products
- Timberland portfolio performance will be influenced by geographic distribution in the South



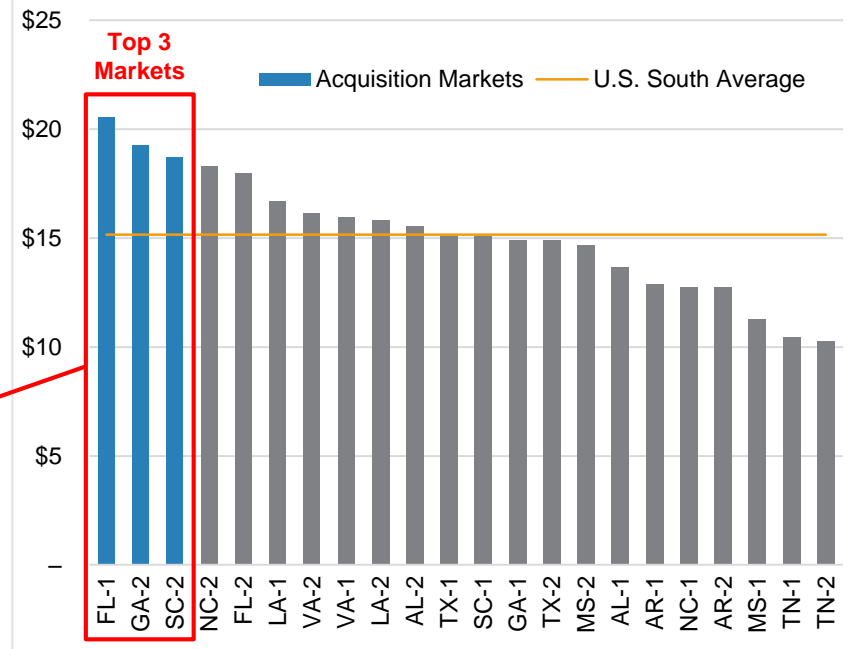
# Acquisitions Located in Strongest U.S. South Markets

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

## TMS 2016 Composite Price Quartile Rankings



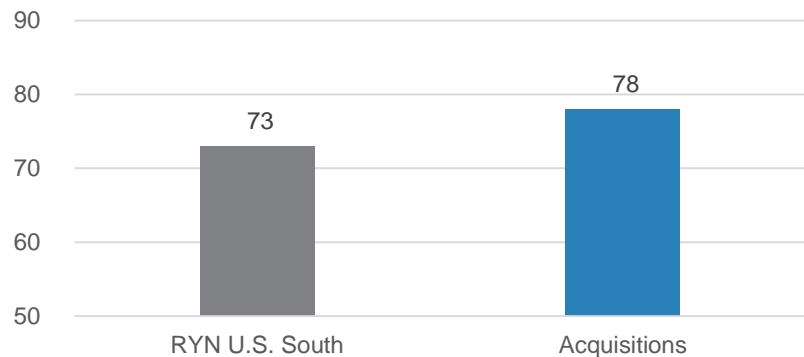
## TMS 2016 Composite Price by Region



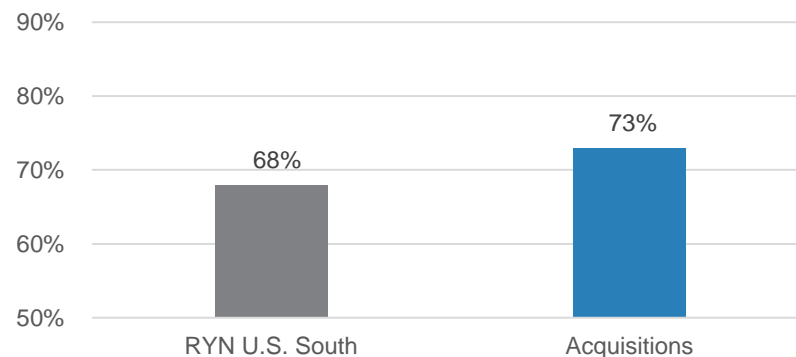
The Acquisitions are located in the top three U.S. South timber markets, ranked by Timber Mart-South average composite stumpage price by region.

# Acquisitions Upgrade Quality of U.S. South Portfolio

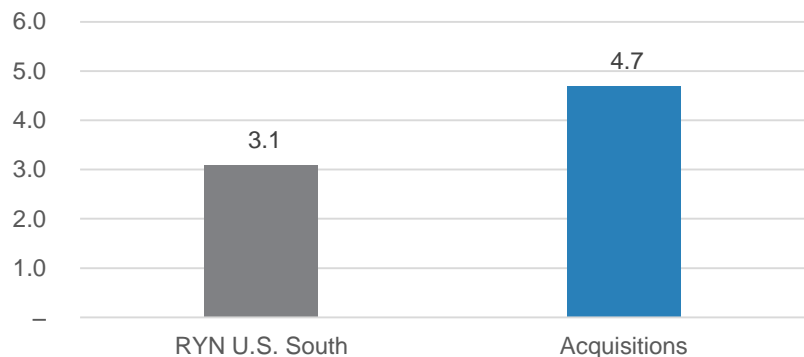
## Productivity – Site Index (1)



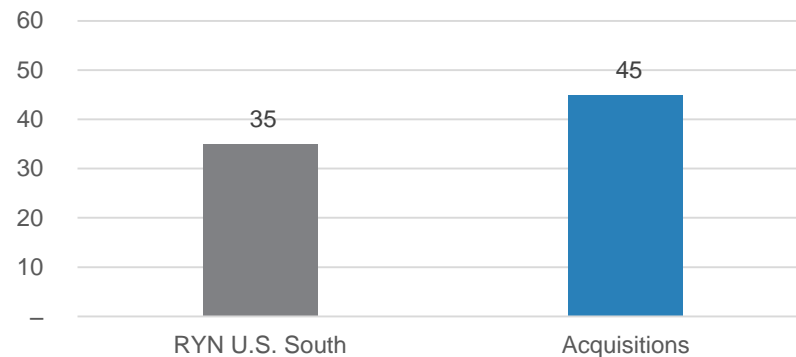
## Commercial Forest Area – % Plantable (2)



## Harvest Rate – Tons per Acre per Year (3)



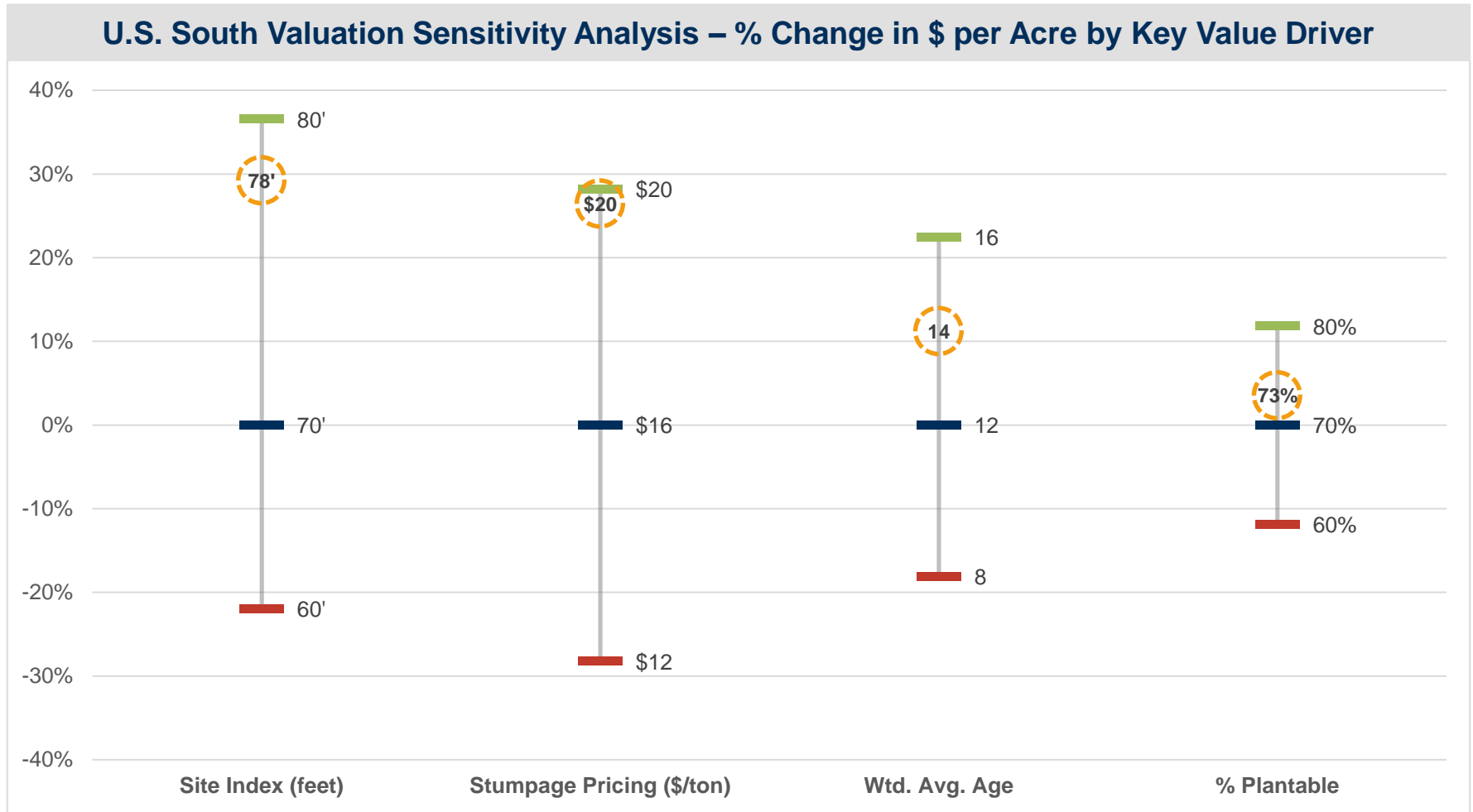
## Inventory Stocking – Tons per Acre



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

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

# Key Value Drivers – Acquisitions Scorecard



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

# 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.**