

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

1 Issuer's name <b>RAYONIER INC</b>		2 Issuer's employer identification number (EIN) <b>13-2607329</b>	
3 Name of contact for additional information <b>ED KIKER</b>	4 Telephone No. of contact <b>904-357-9186</b>	5 Email address of contact <b>ED.KIKER@RAYONIER.COM</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>225 WATER STREET, SUITE 1400</b>		7 City, town, or post office, state, and Zip code of contact <b>JACKSONVILLE, FL 32202</b>	
8 Date of action <b>JUNE 27, 2014</b>		9 Classification and description <b>COMMON STOCK DISTRIBUTION</b>	
10 CUSIP number <b>754907 103</b>	11 Serial number(s)	12 Ticker symbol <b>RYN</b>	13 Account number(s)

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Rayonier Inc. (RYN) distributed approximately 42,176,564 shares of common stock of Rayonier Advanced Materials Inc. (RYAM) after the New York Stock Exchange (NYSE) closing on June 27, 2014 to holders of RYN common stock. The record date for the distribution was 5 p.m. Eastern time on June 18, 2014. In the distribution, RYN shareholders received one share of RYAM common stock for every three shares of RYN stock held. RYN shareholders also received cash in lieu of any fractional share of RYAM. As a result of the distribution, RYAM became an independent, publicly traded company.**

**RYN CUSIP Number: 754907 103 Ticker Symbol: RYN**  
**RYAM CUSIP Number: 75508B 104 Ticker Symbol: RYAM**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Pursuant to Section 358 of the Internal Revenue Code, each RYN shareholder will need to allocate the tax basis in RYN shares immediately before the distribution between shares of RYN common stock and shares of RYAM common stock received in the distribution.**

**Based on the closing prices on June 30, 2014 (as described below), 73.35% of the pre-distribution tax basis in RYN shares should be allocated to RYN common stock and 26.65% should be allocated to RYAM common stock, including fractional shares, received in the distribution.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **For U.S. tax purposes, the allocation of tax basis between shares of RYN common stock and RYAM common stock is based on their relative fair market values (FMV) at the time of the distribution. There are many potential ways to determine the fair market value of RYN and RYAM common stock. One approach may be to use the closing prices of RYN and RYAM common stock on the NYSE on the trading day after the distribution. Such closing prices were \$35.55 for RYN and \$38.75 for RYAM on June 30, 2014. If this method is used, the pre-distribution tax basis in RYN shares would be allocated 73.35% to RYN shares and 26.65% to RYAM shares. See example below which assumes pre-distribution tax basis of \$10 per share in 300 shares of RYN common stock:**

	No. of Shares	NYSE Price at	Total FMV	Percentage of Total	Allocated Tax	
	After Distribution	Close on 6/30/14	at 6/30/14	FMV at 6/30/14	Basis	
<b>RYN Common Stock</b>	<b>300</b>	<b>\$35.55</b>	<b>\$10,665.00</b>	<b>73.35%</b>	<b>\$2,200.50</b>	<b>(73.35% of \$3,000)</b>
<b>RYAM Common Stock</b>	<b>100</b>	<b>\$38.75</b>	<b>\$3,875.00</b>	<b>26.65%</b>	<b>\$799.50</b>	<b>(26.65% of \$3,000)</b>
<b>Total</b>			<b>\$14,540.00</b>	<b>100.00%</b>	<b>\$3,000.00</b>	

