

RAYONIER INC
Form 10-Q
August 07, 2015
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-6780

RAYONIER INC.

Incorporated in the State of North Carolina

I.R.S. Employer Identification No. 13-2607329

225 WATER STREET, SUITE 1400

JACKSONVILLE, FL 32202

(Principal Executive Office)

Telephone Number: (904) 357-9100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

As of July 31, 2015, there were outstanding 125,941,960 Common Shares of the registrant.



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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RAYONIER INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF (LOSS) INCOME

AND COMPREHENSIVE (LOSS) INCOME

(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
SALES	\$115,801	\$163,145	\$256,106	\$306,332
Costs and Expenses				
Cost of sales	103,689	123,096	210,923	238,995
Selling and general expenses	12,727	13,861	23,626	27,098
Other operating income, net (Note 17)	(7,138)	(11,389)	(12,713)	(11,764)
	109,278	125,568	221,836	254,329
OPERATING INCOME	6,523	37,577	34,270	52,003
Interest expense	(8,483)	(15,612)	(17,027)	(26,286)
Interest income and miscellaneous expense, net	(1,196)	(4,385)	(2,691)	(5,397)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(3,156)	17,580	14,552	20,320
Income tax benefit (expense)	296	(13,556)	768	(5,961)
(LOSS) INCOME FROM CONTINUING OPERATIONS DISCONTINUED OPERATIONS, NET (Note 2)	(2,860)	4,024	15,320	14,359
Income from discontinued operations, net of income tax expense of \$0, \$5,966, \$0 and \$21,231	—	12,084	—	43,092
NET (LOSS) INCOME	(2,860)	16,108	15,320	57,451
Less: Net loss attributable to noncontrolling interest	(1,324)	(245)	(891)	(328)
NET (LOSS) INCOME ATTRIBUTABLE TO RAYONIER INC.	(1,536)	16,353	16,211	57,779
OTHER COMPREHENSIVE (LOSS) INCOME				
Foreign currency translation adjustment, net of income tax expense of \$732, \$0, \$1,074 and \$0	(25,395)	3,517	(39,717)	21,320
New Zealand joint venture cash flow hedges, net of income tax benefit (expense) of \$1,133, \$401, \$1,501 and (\$100)	(2,917)	(920)	(3,863)	791
Amortization of pension and postretirement plans, net of income tax expense of \$179, \$35,944, \$337 and \$36,875	743	58,873	1,524	60,970
Total other comprehensive (loss) income	(27,569)	61,470	(42,056)	83,081
COMPREHENSIVE (LOSS) INCOME	(30,429)	77,578	(26,736)	140,532
Less: Comprehensive (loss) income attributable to noncontrolling interest	(9,731)	297	(13,522)	5,722
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO RAYONIER INC.	(\$20,698)	\$77,281	(\$13,214)	\$134,810
(LOSS) EARNINGS PER COMMON SHARE (Note 3)				
BASIC (LOSS) EARNINGS PER SHARE ATTRIBUTABLE TO RAYONIER INC.				
Continuing Operations	(\$0.01)	\$0.03	\$0.13	\$0.12

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Discontinued Operations	—	0.10	—	0.34
Net (Loss) Income	(\$0.01)	\$0.13	\$0.13	\$0.46
DILUTED (LOSS) EARNINGS PER SHARE				
ATTRIBUTABLE TO RAYONIER INC.				
Continuing Operations	(\$0.01)	\$0.03	\$0.13	\$0.11
Discontinued Operations	—	0.09	—	0.33