



**Fourth Quarter 2014
Financial Presentation Materials**

Safe Harbor

Certain statements in this document regarding anticipated financial, business, legal or other outcomes including business and market conditions, outlook and other similar statements relating to Rayonier Advanced Materials' 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," "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 we believe 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. Although we believe that the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties.

Such risks and uncertainties include, but are not limited to: competitive pressures in the markets in which we operate; customer concentration and cellulose specialties product prices; raw material and energy prices; international operations; changes in global economic conditions, including currency; the Chinese dumping duties currently in effect for commodity viscose pulps; litigation with the Altamaha Riverkeeper relating to our permitted Jesup, Georgia effluent discharge; the effect of current and future environmental laws and regulations; the potential impact of future tobacco-related restrictions; potential for additional pension contributions; labor relations with the unions representing our hourly employees; the effect of weather and other natural conditions; transportation-related costs and availability; the failure to attract and retain key personnel; the failure to develop new ideas and protect our intellectual property; uncertainties related to the availability of additional financing to us in the future and the terms of such financing; product liability claims; our inability to make or effectively integrate future acquisitions and engage in certain other corporate transactions; any failure to realize expected benefits from our separation from Rayonier Inc.; our debt obligations; and uncertainties relating to general economic, political, business, industry, regulatory and market conditions.

Other important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements that may have been made in this document are described or will be described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K. Rayonier Advanced Materials assumes no obligation to update these statements except as is required by law.

Financial Highlights

(\$ Millions – Except EPS)

<u>Profitability</u>	<u>Quarter Ended</u>			<u>Full Year</u>	
	<u>4Q 2014</u>	<u>3Q 2014</u>	<u>4Q 2013</u>	<u>2014</u>	<u>2013</u>
Sales	\$ 248	\$ 254	\$ 282	\$ 958	\$ 1,047
Operating income	(28)	42	70	63	289
Pro forma operating income*	47	46	73	181	295
Net (loss) income	(23)	19	51	32	220
Pro forma net income*	26	22	53	106	205
Diluted Earnings Per Share**:					
Net (loss) income	(0.55)	0.46	1.20	0.75	5.21
Pro forma net income*	0.61	0.53	1.25	2.51	4.86

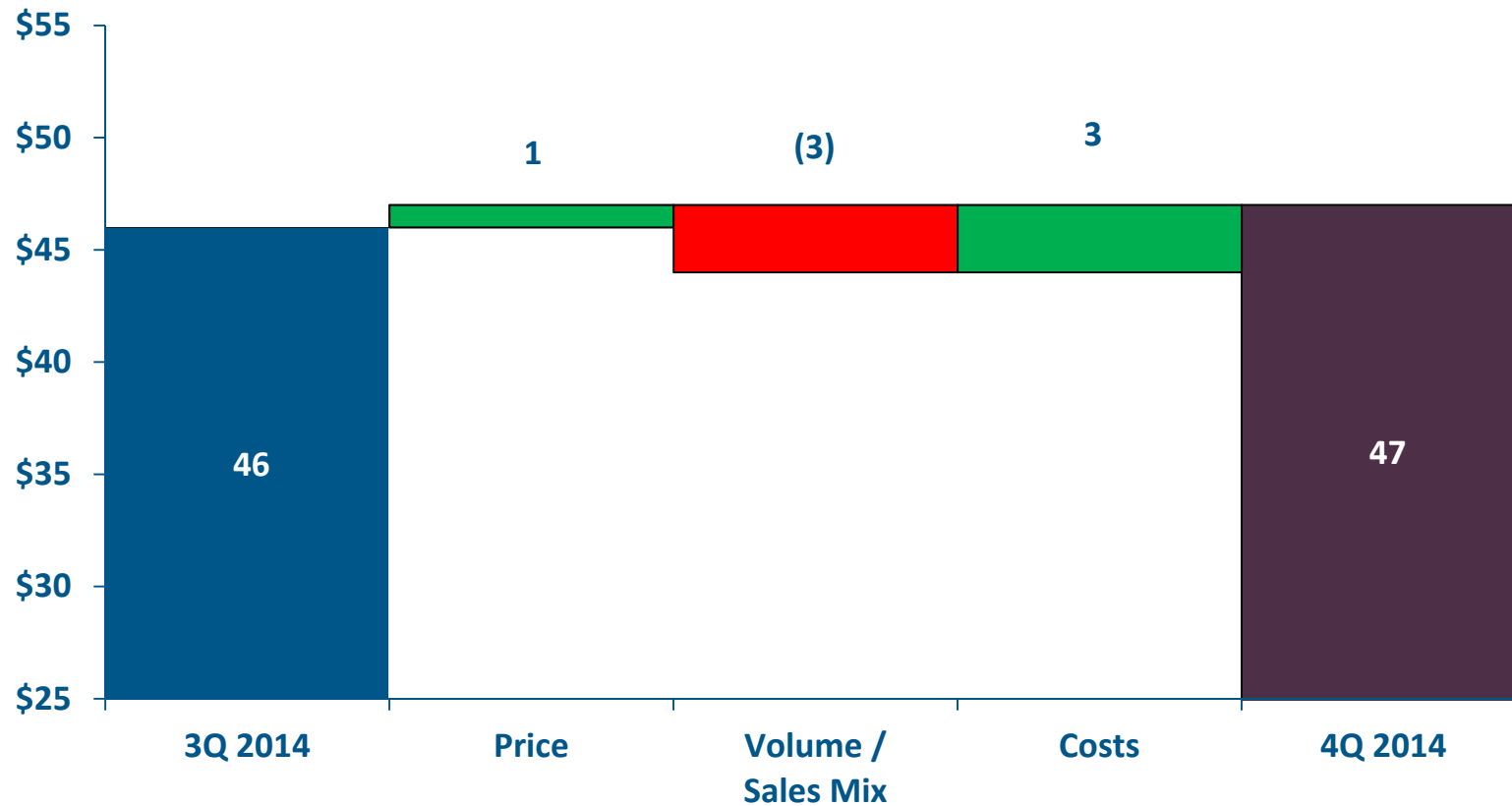
* Non-GAAP measures (see pages 13-15 for definitions and reconciliations).

** For comparative purposes shares at separation assumed outstanding for prior periods.



Pro Forma Operating Income 3Q 2014 to 4Q 2014

(\$ Millions)

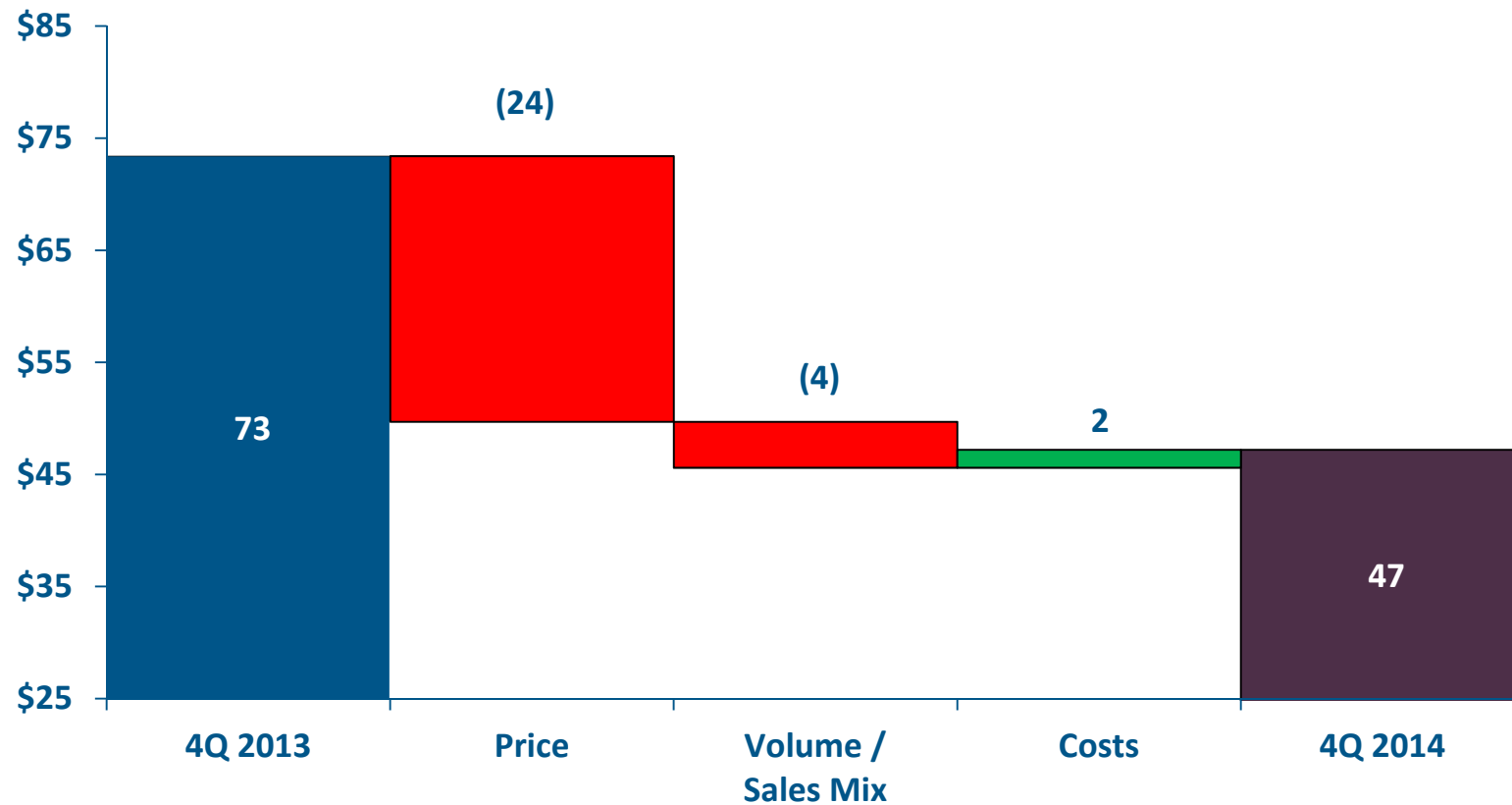


Price variance is calculated for all products. Volume variance is calculated on a contribution margin basis.



Pro Forma Operating Income 4Q 2013 to 4Q 2014

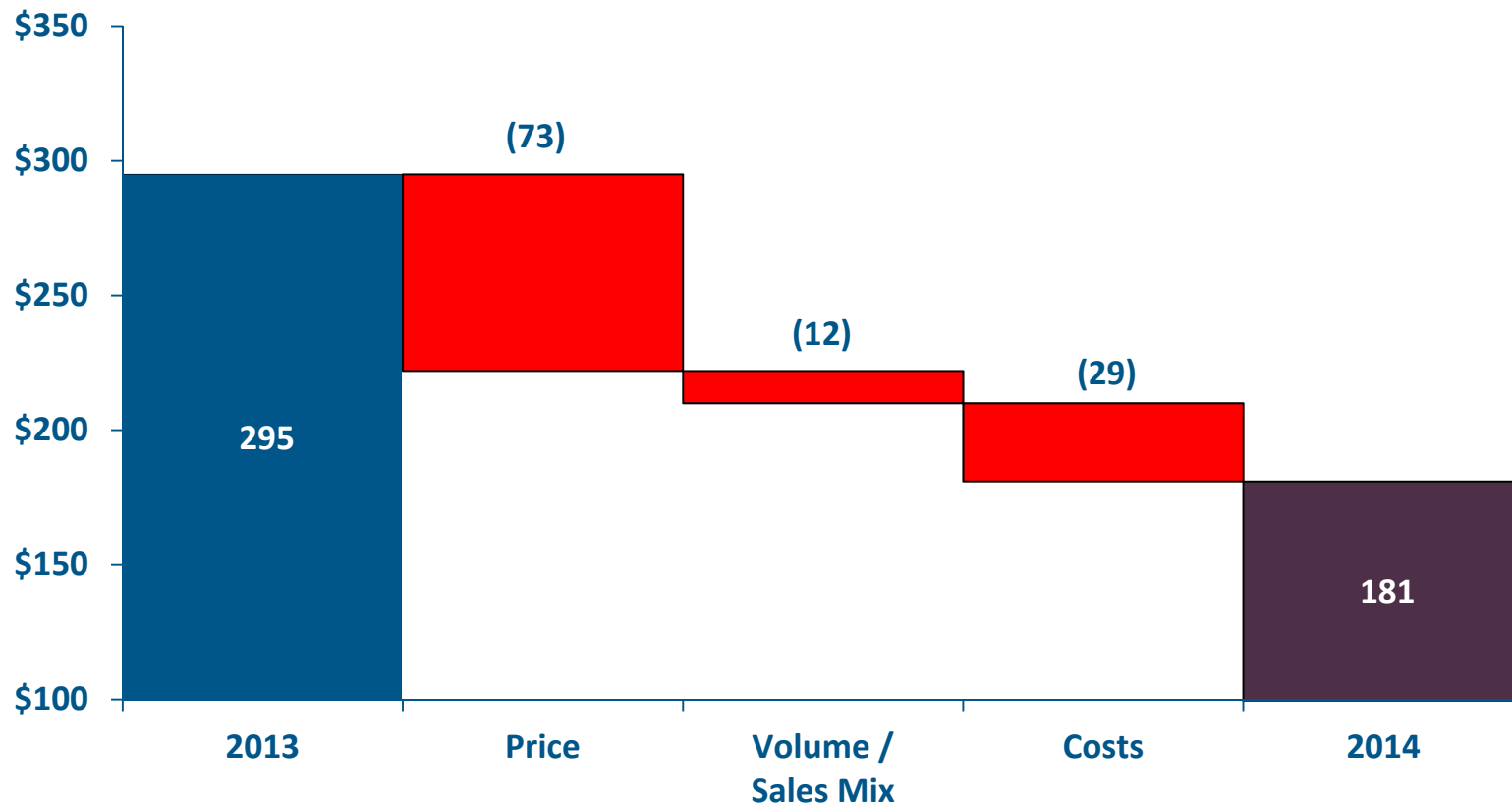
(\$ Millions)



Price variance is calculated for all products. Volume variance is calculated on a contribution margin basis.

Pro Forma Operating Income 2013 to 2014

(\$ Millions)



Price variance is calculated for all products. Volume variance is calculated on a contribution margin basis.

Capital Resources and Liquidity

(\$ Millions)

	Years Ended December 31,	
	2014	2013
Cash Provided by Operating Activities	\$ 188	\$ 258
Cash Used for Investing Activities	(90)	(251)
Cash Used for Financing Activities	(31)	(7)
EBITDA*	149	363
Pro forma EBITDA*	267	369
Segment EBITDA*	291	386
Adjusted Free Cash Flow * - Full Year	113	143
Adjusted Free Cash Flow * - Second Half	61	116
Debt	\$ 946	\$ -
Cash	66	-
Net Debt	880	-
Available liquidity *	288	-

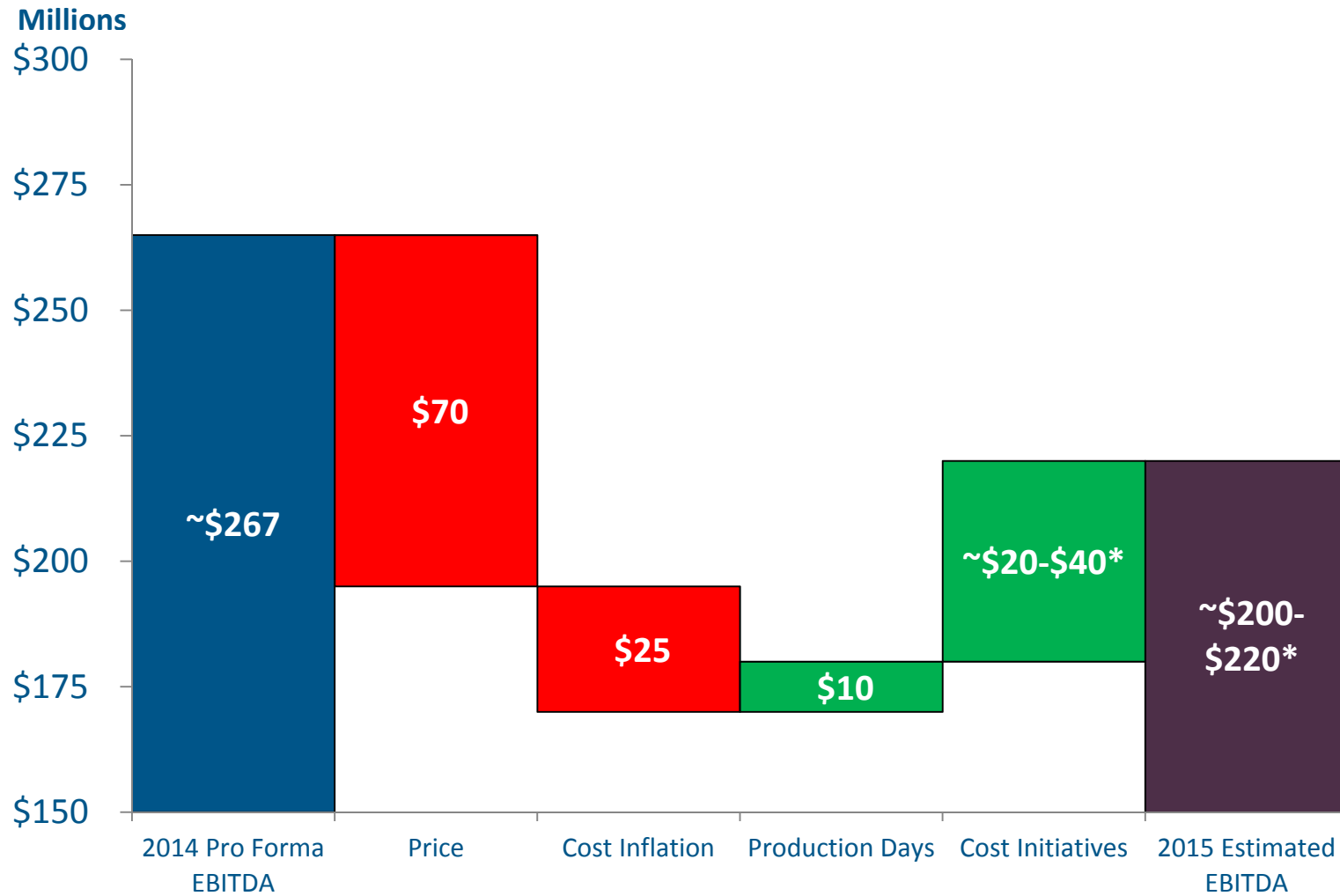
* Non-GAAP measures (see pages 13-15 for definitions and reconciliations).



2015 Full Year Guidance

- CS volumes comparable with 2014 / 2013 levels
- CS Prices 7-8% below 2014 average prices
- Commodity sales volumes higher than 2014
- Estimated EBITDA of \$200 - \$220 million

2014 Pro Forma vs. 2015 Estimated EBITDA



*Value range dependent on timing of achieving initiatives.



Capital Allocation Strategies for 2015

- Reduce debt / increase financial flexibility
- Invest in our business
- Fund modest dividend

2015 Focus and Initiatives

- **Reduce costs and enhance profitability**
 - **Efficient and reliable operations**
 - **Discipline of continuous improvement**
 - **Focus on working capital**
- **Asset optimization**
 - **Review and match assets to market conditions**
 - **Drive incremental sales and profits from our assets, specifically co-products**
- **Protect and grow market position**
 - **Drive products and services that provide customer value**
 - **Grow business in underserved segments**
 - **Re-invigorate culture of new product innovation**



Appendix

Definitions of Non-GAAP Measures

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is a non-GAAP measure used by our Chief Operating Decision Maker, existing stockholders and potential stockholders to measure how the Company is performing relative to the assets under management.

Pro Forma EBITDA is defined as EBITDA (as defined above) before one-time separation and legal costs, environmental reserve and impairment adjustments, and insurance settlement.

Segment EBITDA is defined as EBITDA (as defined above) before corporate overhead costs, one-time separation and legal costs, environmental reserve and impairment adjustments, and insurance settlement.

Adjusted Free Cash Flow is defined as cash provided by operating activities adjusted for capital expenditures excluding strategic capital and subsequent tax benefits to exchange the AFMC for the CBPC. Adjusted Free Cash Flow is a non-GAAP measure of cash generated during a period that is available for dividend distribution, repurchase of the Company's common shares, debt reduction and strategic acquisitions. Adjusted Cash Flow is not necessarily indicative of the Adjusted Free Cash Flow that may be generated in future periods.

Pro Forma Operating Income is defined as operating income adjusted for one-time separation and legal costs, environmental reserve and impairment adjustments, and insurance settlement.

Pro Forma Net Income is defined as net income adjusted (net of tax) for one-time separation and legal costs, environmental reserve and impairment adjustments, and insurance settlement and for tax benefits from the reversal of reserve related to the taxability of the CBPC and subsequent tax benefits to exchange the AFMC for the CBPC.

Available liquidity is defined as the funds available under the revolving credit facility and term loans, adjusted for cash on hand and outstanding letters of credit.

Pro Forma EBITDA Margin Percentage is defined as the pro forma EBITDA divided by sales.

Reconciliation of Non-GAAP Measures

	Years Ended December 31,	
	2014	2013
EBITDA Reconciliation		
Net Income	\$ 32	\$ 220
Depreciation & amortization	86	74
Interest, net	22	-
Income tax expense	9	69
EBITDA	\$ 149	\$ 363
One-time separation and legal costs	44	6
Environmental reserve and impairment adjustments	77	-
Insurance settlement	(3)	-
Pro Forma EBITDA	\$ 267	\$ 369
Corporate costs	24	17
Segment EBITDA	\$ 291	\$ 386
Adjusted Free Cash Flow Reconciliation		
Cash flow from operations	\$ 188	\$ 258
Capital expenditures*	(75)	(96)
Tax benefit due to AFMC / CBPC	-	(19)
Adjusted Free Cash Flow	\$ 113	\$ 143

* Capital expenditures exclude strategic capital. For the year ended December 31, 2014, strategic capital totaled \$13 million for the purchase of timber deeds and \$2 million for land purchased. For the year ended December 31, 2013, strategic capital totaled \$141 million for the Jesup plant cellulose specialties expansion.



Reconciliation of Reported to Pro Forma Earnings

(\$ Millions, except per share amounts)

	Three Months Ended					
	December 31, 2014		September 27, 2014		December 31, 2013	
	\$	EPS	\$	EPS	\$	EPS
Operating (loss) income	\$ (28)		\$ 42		\$ 70	
One-time separation and legal costs	2		3		3	
Environmental reserve amd impairment adjustments	76		1		-	
Insurance settlement	(3)		-		-	
Pro forma operating income	<u>\$ 47</u>		<u>\$ 46</u>		<u>\$ 73</u>	
Net (loss) income	\$ (23)	\$ (0.55)	\$ 19	\$ 0.46	\$ 51	\$ 1.20
One-time separation and legal costs	2	0.04	2	0.04	2	0.05
Environmental reserve amd impairment adjustments	49	1.17	1	0.03	-	-
Insurance settlement	(2)	(0.05)	-	-	-	-
Pro forma net income	<u>\$ 26</u>	<u>\$ 0.61</u>	<u>\$ 22</u>	<u>\$ 0.53</u>	<u>\$ 53</u>	<u>\$ 1.25</u>

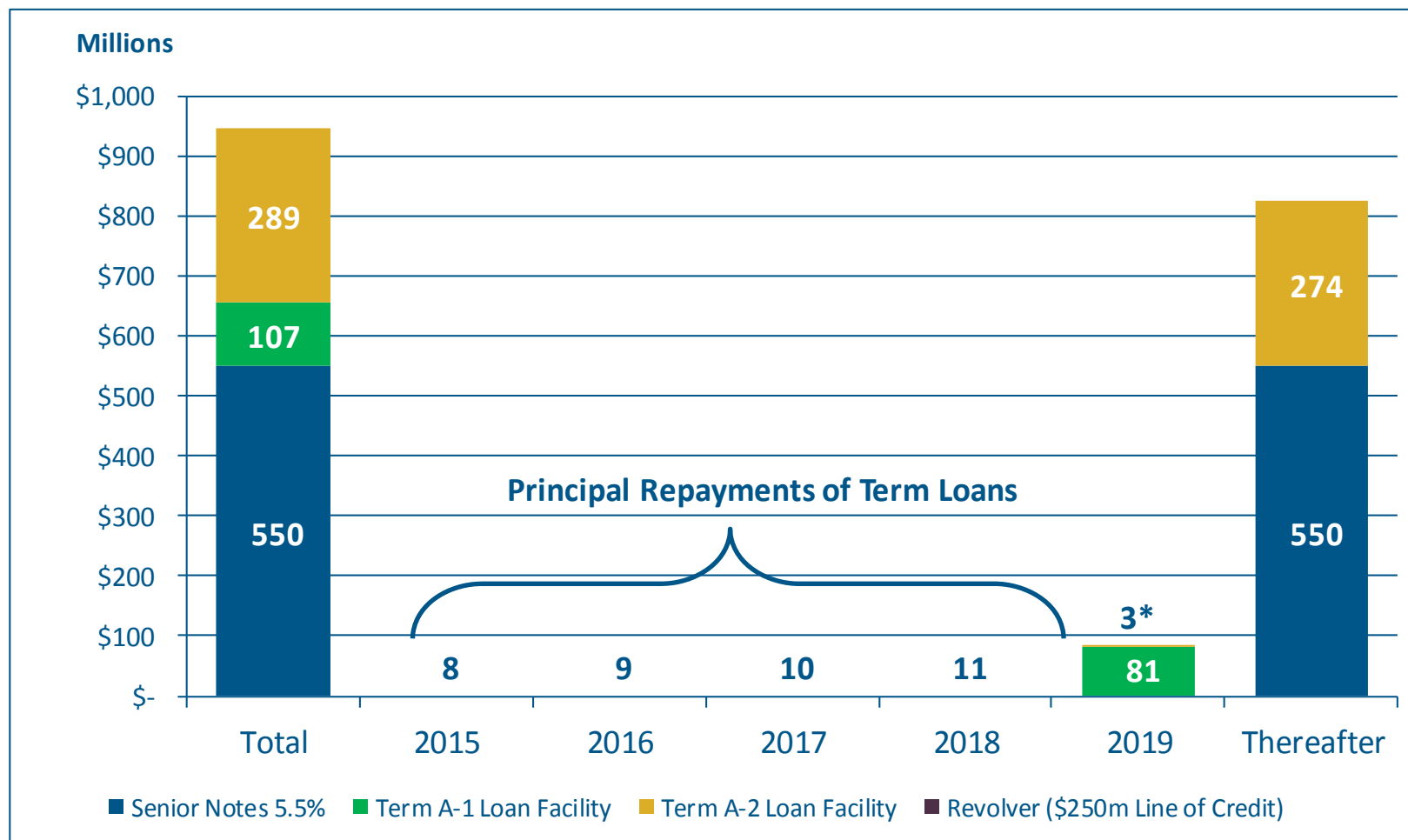
	Years Ended			
	December 31, 2014		December 31, 2013	
	\$	EPS	\$	EPS
Operating income	\$ 63		\$ 289	
One-time separation and legal costs	44		6	
Environmental reserve amd impairment adjustments	77		-	
Insurance settlement	(3)		-	
Pro forma operating income	<u>\$ 181</u>		<u>\$ 295</u>	
Net income	\$ 32	\$ 0.75	\$ 220	\$ 5.21
One-time separation and legal costs	31	0.73	4	0.10
Environmental reserve amd impairment adjustments	50	1.19	-	-
Insurance settlement	(2)	(0.05)	-	-
Reversal of reserve related to taxability of CBPC	(5)	(0.11)	-	-
Tax benefit due to exchange of AFMC for CBPC	-	-	(19)	(0.45)
Pro forma net income	<u>\$ 106</u>	<u>\$ 2.51</u>	<u>\$ 205</u>	<u>\$ 4.86</u>



Selected Financial and Operating Information

	Three Months Ended			Years Ended	
	December 31, 2014	September 27, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Sales Volume, thousands of metric tons					
Cellulose specialties	123	129	128	479	486
Commodity products	46	39	40	148	156
Total	169	168	168	627	642
Sales Price, \$ per metric ton					
Cellulose specialties	\$ 1,735	\$ 1,727	\$ 1,940	\$ 1,762	\$ 1,913
Commodity products	\$ 691	\$ 711	\$ 743	\$ 692	\$ 684

Debt Maturity Schedule



* \$3 million of Term A-2 paid in 2019

Environmental Liabilities

	Activity (in millions)			
	September 27, 2014 Liability	Expenditures	Increase (Reduction) to Liabilities	December 31, 2014 Liability
Augusta, Georgia	\$ 17.8	\$ (0.4)	\$ 4.8	\$ 22.2
Spartanburg, South Carolina	15.6	(0.3)	3.7	19.0
East Point, Georgia	13.3	(0.2)	2.5	15.6
Baldwin, Florida	12.0	(0.4)	12.9	24.5
Other SWP Sites	18.8	(1.2)	4.2	21.8
Total SWP	77.5	(2.5)	28.1	103.1
Port Angeles, Washington	7.8	(0.7)	32.8	39.9
All other sites	6.4	(0.3)	7.6	13.7
TOTAL	\$ 91.7	\$ (3.5)	\$ 68.5	\$ 156.7