



**Third 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; 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 Form 10 Registration Statement. 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>3Q 2014</u>	<u>2Q 2014</u>	<u>3Q 2013</u>
Sales	\$ 254	\$ 213	\$ 226
Operating income	42	6	59
Pro forma operating income*	46	43	59
Net income	19	5	40
Pro forma net income*	22	25	40
Diluted Earnings Per Share:			
Net income	0.46	0.11	0.95
Pro forma net income*	0.53	0.59	0.95
Average diluted shares (millions)**	42.2	42.2	42.2
EBITDA*	66	24	82
Pro forma EBITDA*	70	60	82
Segment EBITDA*	76	65	85

* Non-GAAP measures (see pages 12-14 for definitions and reconciliations).

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



Variance Analysis

(\$ Millions)

2Q 2014 to 3Q 2014		Pro Forma Operating Income*
2Q 2014		\$ 43
Variance		
- CS Price		(5)
- CS Volume		7
- Costs / Mix / Other		1
3Q 2014		\$ 46

3Q 2013 to 3Q 2014		Pro Forma Operating Income*	
	Quarter	Year-to-date	
3Q 2013	\$ 59	\$	221
Variance			
- CS Price	(26)		(47)
- CS Volume	20		(1)
- Costs / Mix / Other	(7)		(38)
3Q 2014	\$ 46	\$	135

* Non-GAAP measure (see page 14 for reconciliation).

Capital Resources and Liquidity

(\$ Millions)

	Nine Months Ended	
	9/27/2014	9/30/2013
Cash Provided by Operating Activities	\$ 128	\$ 189
Cash Used for Investing Activities	(76)	(220)
Cash (Used for) Provided by Financing Activities	(24)	31
EBITDA*	153	269
Pro forma EBITDA*	197	272
Segment EBITDA*	211	285
Adjusted Free Cash Flow *	68	88
	9/27/2014	12/31/2013
Debt	\$ 947	\$ -
Cash	28	-
Available liquidity *	252	-

* Non-GAAP measures (see pages 12-14 for definitions and reconciliations).

Reaffirming 2014 Full Year Guidance

- Full year cellulose specialties volume comparable
- Pro forma EBITDA of approximately \$265 million
(calculated as pro forma segment EBITDA of \$290 million less \$25 million of normalized corporate expenses)
- Improved 4th quarter prices due to sales mix
- Higher 4th quarter volumes

Current Market Challenges

- **Industry-wide Expansion of Capacity**
- **Weak Commodity Viscose Pricing**
- **Slower Growth in Demand**

Business Focus and Initiatives

Preserving and Enhancing Profitability

- Efficient and Reliable Operations
- Cost Reduction Initiatives
- Commodity Capacity

Protect and Grow Existing Cellulose Specialties Business

- Customer Productivity
- Extend Contracts
- Further Penetration into other Cellulose Specialties applications

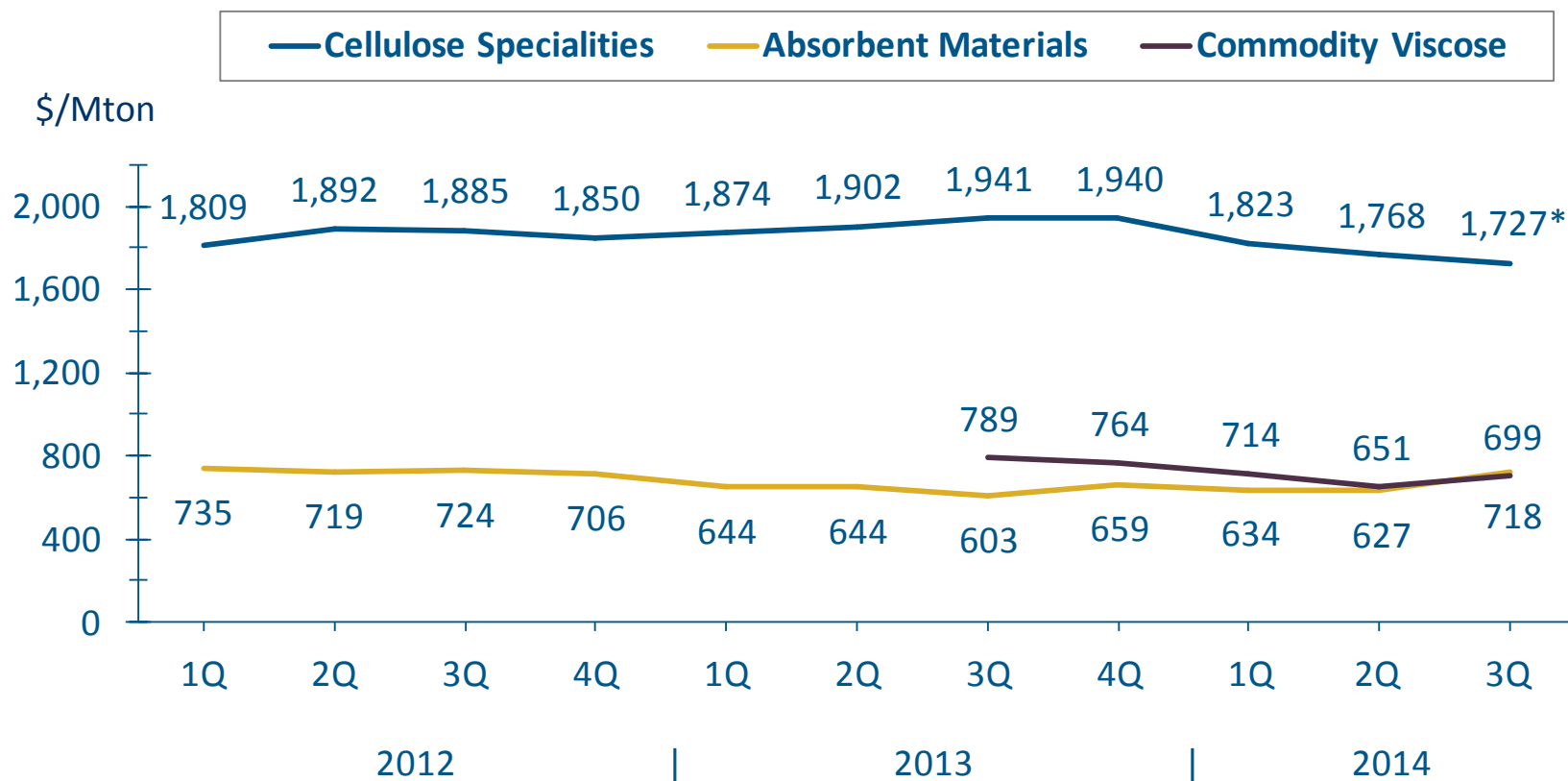
Growth External to Cellulose Specialties

- Leveraging Co-product Streams
- Acquisition Growth



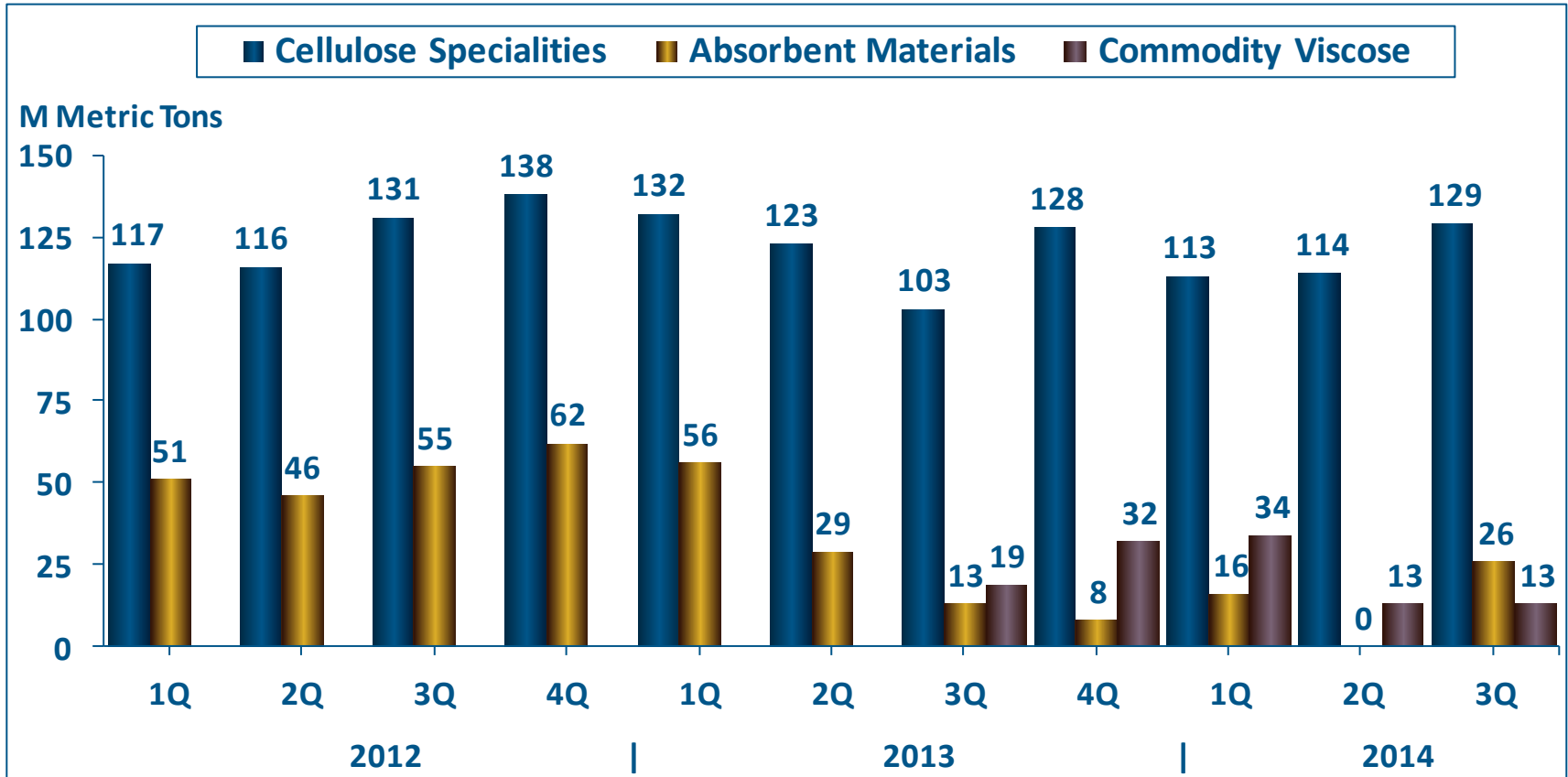
Appendix

Performance Fibers Net Selling Prices



* Price decline between Q2 2014 and Q3 2014 is due to product mix.

Performance Fibers Sales Volumes



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 and environmental reserve adjustments.

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

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 and environmental reserve adjustments.

Pro Forma Net Income is defined as net income adjusted for one-time separation and legal costs and environmental reserve adjustments (net of taxes) and for tax benefits from the reversal of reserve related to the taxability of the CBPC and the 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

	Nine Months Ended	
	September 27, 2014	September 30, 2013
EBITDA Reconciliation		
Net Income	\$ 55	\$ 169
Depreciation & amortization	62	51
Interest, net	12	(1)
Income tax expense	24	50
EBITDA	\$ 153	\$ 269
One-time separation and legal costs	42	3
Environmental reserve adjustment	2	-
Pro Forma EBITDA	\$ 197	\$ 272
Corporate costs	14	13
Segment EBITDA	\$ 211	\$ 285
Adjusted Free Cash Flow Reconciliation		
Cash flow from operations	\$ 128	\$ 189
Capital expenditures*	(60)	(82)
Tax benefit due to AFMC / CBPC	-	(19)
Adjusted Free Cash Flow	\$ 68	\$ 88

* Capital expenditures exclude strategic capital. For the nine months ended September 27, 2014, strategic capital totaled \$13 million for the purchase of timber deeds and \$2M for land purchased from Rayonier Inc. For the nine months ended September 30, 2013, strategic capital totaled \$137 million for the Jesup plant cellulose specialties expansion.



Reconciliation of Reported to Pro Forma Earnings

(\$ Millions, except per share amounts)

	Three Months Ended					
	September 27, 2014		June 28, 2014		September 30, 2013	
	\$	EPS	\$	EPS	\$	EPS
Operating income	\$ 42		\$ 6		\$ 59	
One-time separation and legal costs	3		37		-	
Environmental reserve adjustment	1		-		-	
Pro forma operating income	<u>\$ 46</u>		<u>\$ 43</u>		<u>\$ 59</u>	
Net income	\$ 19	\$ 0.46	\$ 5	\$ 0.11	\$ 40	\$ 0.95
One-time separation and legal costs	2	0.04	25	0.59	-	-
Environmental reserve adjustment	1	0.03	-	-	-	-
Reversal of reserve related to taxability of CBPC	-	-	(5)	(0.11)	-	-
Pro forma net income	<u>\$ 22</u>	<u>\$ 0.53</u>	<u>\$ 25</u>	<u>\$ 0.59</u>	<u>\$ 40</u>	<u>\$ 0.95</u>

	Nine Months Ended			
	September 27, 2014		September 30, 2013	
	\$	EPS	\$	EPS
Operating income	\$ 91		\$ 218	
One-time separation and legal costs	42		3	
Environmental reserve adjustment	2		-	
Pro forma operating income	<u>\$ 135</u>		<u>\$ 221</u>	
Net income	\$ 55	\$ 1.30	\$ 169	\$ 4.01
One-time separation and legal costs	29	0.68	2	0.05
Environmental reserve adjustment	1	0.03	-	-
Reversal of reserve related to the taxability of the CBPC	(5)	(0.11)	-	-
Tax benefit due to exchange of AFMC for CBPC	-	-	(19)	(0.45)
Pro forma net income	<u>\$ 80</u>	<u>\$ 1.90</u>	<u>\$ 152</u>	<u>\$ 3.61</u>

Selected Financial and Operating Information

	Three Months Ended			Nine Months Ended	
	September 27, 2014	June 28, 2014	September 30, 2013	September 27, 2014	September 30, 2013
Sales Volume, in thousands of metric tons					
Cellulose specialties	129	114	103	356	357
Absorbent materials	26	-	13	42	98
Commodity viscose and other	13	13	19	60	19
Total	<u>168</u>	<u>127</u>	<u>135</u>	<u>458</u>	<u>474</u>
Sales Price, \$ per metric ton					
Cellulose specialties	\$ 1,727	\$ 1,768	\$ 1,941	\$ 1,771	\$ 1,903
Absorbent materials	\$ 718	\$ 627	\$ 603	\$ 685	\$ 639
Commodity viscose and other	\$ 699	\$ 651	\$ 789	\$ 698	\$ 789

Debt Maturity Schedule

