

MARGIOTTA CHARLES
Form 4
December 14, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MARGIOTTA CHARLES

2. Issuer Name and Ticker or Trading Symbol
RAYONIER INC [RYN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
50 N. LAURA STREET, SUITE 1900

3. Date of Earliest Transaction (Month/Day/Year)
12/12/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SR VP, BUS DEV

(Street)
JACKSONVILLE, FL 32202

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Shares | 12/12/2005 | | M | | 5,031 | A | \$ 17.06 |
| Common Shares | 12/12/2005 | | S | | 200 | D | \$ 41.11 |
| Common Shares | 12/12/2005 | | S | | 300 | D | \$ 41.04 |
| Common Shares | 12/12/2005 | | S | | 300 | D | \$ 41.12 |
| Common Shares | 12/12/2005 | | S | | 500 | D | \$ 41.08 |

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| | | | | | | | | |
|---------------|------------|---|-------|---|----------|-----------|---|-------------------------|
| Common Shares | 12/12/2005 | S | 500 | D | \$ 41.05 | 48,906 | D | |
| Common Shares | 12/12/2005 | S | 631 | D | \$ 41.06 | 48,275 | D | |
| Common Shares | 12/12/2005 | S | 1,000 | D | \$ 41.03 | 47,275 | D | |
| Common Shares | 12/12/2005 | S | 1,600 | D | \$ 41.02 | 45,675 | D | |
| Common Shares | | | | | | 14,530.41 | I | In Trust ⁽²⁾ |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|----------------------------|
| Employee Stock Option | \$ 17.06 ⁽³⁾ | 12/12/2005 | | M | 5,031 ⁽³⁾ | 01/04/2002 01/06/2009 | Common Shares | 5,031 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| MARGIOTTA CHARLES 50 N. LAURA STREET SUITE 1900 JACKSONVILLE, FL 32202 | | | SR VP, BUS DEV | |

Signatures

By: Joshua H. DeRienzi,
Attorney-in-Fact

12/14/2005

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Adjusted to reflect a 3-for-2 stock split effective 10/17/2005.
- (2) Shares are held in the Rayonier Investment and Savings Plan for this person's account.
- (3) This option was previously reported as having 3,354 remaining options at an exercise price of \$25.59 per share, but was adjusted to reflect the stock split on 10/17/2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.