

Second-Quarter Fiscal 2014 Earnings

April 30, 2014

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Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Ashland has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “may,” “will,” “should” and “intends” and the negatives of these words or other comparable terminology. In addition, Ashland may from time to time make forward-looking statements in its filings with the Securities and Exchange Commission (SEC), news releases and other written and oral communications. These forward-looking statements are based on Ashland’s expectations and assumptions, as of the date such statements are made, regarding Ashland’s future operating performance and financial condition, the economy and other future events or circumstances. Ashland’s expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: Ashland’s substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Ashland’s future cash flows, results of operations, financial condition and its ability to repay debt), the sale transaction involving Ashland Water Technologies and the ASK joint venture and the potential sale transaction involving the elastomers division (including the possibility that the transactions may not occur or that, if a transaction does occur, Ashland may not realize the anticipated benefits from such transaction), the global restructuring program (including the possibility that Ashland may not realize the anticipated revenue and earnings growth, cost reductions and other expected benefits from the program), Ashland’s ability to generate sufficient cash to finance its stock repurchase plans, severe weather, natural disasters and legal proceedings and claims (including environmental and asbestos matters). Various risks and uncertainties may cause actual results to differ materially from those stated, projected or implied by any forward-looking statements, including, without limitation, risks and uncertainties affecting Ashland that are described in its most recent Form 10-K (including Item 1A Risk Factors) filed with the SEC, which is available on Ashland’s website at <http://investor.ashland.com> or on the SEC’s website at www.sec.gov. Ashland believes its expectations and assumptions are reasonable, but there can be no assurance that the expectations reflected herein will be achieved. Ashland undertakes no obligation to subsequently update any forward-looking statements made in this presentation or otherwise except as required by securities or other applicable law.

Regulation G: Adjusted Results

The information presented herein regarding certain unaudited adjusted results does not conform to generally accepted accounting principles in the United States (U.S. GAAP) and should not be construed as an alternative to the reported results determined in accordance with U.S. GAAP. Ashland has included this non-GAAP information to assist in understanding the operating performance of the company and its reporting segments. The non-GAAP information provided may not be consistent with the methodologies used by other companies. All non-GAAP information related to previous Ashland filings with the SEC has been reconciled with reported U.S. GAAP results.

Fiscal Second Quarter 2014 Highlights¹

- Announced pending sale of Ashland Water Technologies for \$1.8 billion in cash
 - Now reported as discontinued operations in current and prior periods
- Reported EPS from continuing operations of (\$0.78)
 - Adjusted EPS of \$1.53, flat with prior year
 - Excludes \$0.21 per share from discontinued operations
- Sales of \$1.5 billion, flat with prior year
- Adjusted EBITDA of \$272 million
 - Down 6% from prior year
 - Up 15% sequentially
- Significant progress made on global restructuring
 - Approximately \$200 million total identified savings
 - Reserve of \$87 million booked in Q2

¹ Ashland's second-quarter earnings release dated April 30, 2014, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Items Affecting Adjusted EPS

• Adjusted EPS from continuing operations	\$1.53
• AWT Operating income and stranded costs	+\$0.33
• Assumes a 25% tax rate	
• Lower tax rate, primarily due to AWT divestiture	-\$0.08
• Discrete tax items	-\$0.10
• MAP tax benefit	-\$0.03

Fiscal Second Quarter – Continuing Operations

Key Items Affecting Income

2014	Operating Income				Total		
	Ashland Specialty Ingredients	Ashland Performance Materials	Ashland Consumer Markets	Unallocated and Other	Pretax	Aftertax	Earnings per Share
In Process R&D	\$ (9)				\$ (9)	\$ (6)	\$ (0.07)
Restructuring		\$ (20)		\$ (67)	(87)	(61)	(0.78)
ASK impairment		\$ (46)			(46)	(29)	(0.37)
Losses on pension plan remeasurement				\$ (105)	(105)	(70)	(0.89)
Tax adjustments					-	(15)	(0.20)
Total	\$ (9)	\$ (66)		\$ (172)	\$ (247)	\$ (181)	\$ (2.31)
2013							
In Process R&D	\$ (4)				\$ (4)	\$ (2)	\$ (0.03)
Restructuring and integration				\$ (6)	(6)	(3)	(0.04)
Interest rate swaps termination					(52)	(34)	(0.43)
Accelerated debt issuance and other					(47)	(32)	(0.39)
Tax adjustments and assessments				(2)	(2)	(3)	(0.03)
Total	\$ (4)	\$ -		\$ (8)	\$ (111)	\$ (74)	\$ (0.92)

- Intangible amortization expense in March 2014 quarter of \$22 million
 - Excluding intangible amortization, adjusted EPS would have been 22 cents higher, or \$1.75

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Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Second Quarter Three months ended Mar. 31,			Three months ended Dec. 31,	
	2014	2013	Change	2013	Change
Sales	\$ 1,545	\$ 1,550	(0) %	\$ 1,432	8 %
Gross profit as a percent of sales	28.1 %	27.5 %	60 bp	26.8 %	130 bp
Selling, general and admin./R&D costs	\$ 263	\$ 246	7 %	\$ 263	- %
Operating income	\$ 183	\$ 196	(7) %	\$ 143	28 %
Operating income as a percent of sales	11.8 %	12.6 %	(80) bp	10.0 %	180 bp
Depreciation and amortization	\$ 88	\$ 87	1 %	\$ 88	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 272	\$ 290	(6) %	\$ 236	15 %
EBITDA as a percent of sales	17.6 %	18.7 %	(110) bp	16.5 %	110 bp

- Sales flat with prior year
- Strong sequential improvement in sales and EBITDA

¹ Ashland's second-quarter earnings release dated April 30, 2014, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Ashland Specialty Ingredients Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Second Quarter Three months ended Mar. 31,			Three months ended Dec. 31,	
	2014	2013	Change	2013	Change
Metric tons sold (in thousands) - Actives basis	103.8	100.7	3 %	91.2	14 %
Sales	\$ 662	\$ 682	(3) %	\$ 599	11 %
Gross profit as a percent of sales	30.2 %	30.5 %	(30) bp	28.3 %	190 bp
Selling, general and admin./R&D costs	\$ 128	\$ 119	8 %	\$ 125	2 %
Operating income	\$ 70	\$ 91	(23) %	\$ 45	56 %
Operating income as a percent of sales	10.6 %	13.3 %	(270) bp	7.5 %	310 bp
Depreciation and amortization	\$ 66	\$ 65	2 %	\$ 65	2 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 136	\$ 156	(13) %	\$ 110	24 %
EBITDA as a percent of sales	20.5 %	22.9 %	(240) bp	18.4 %	210 bp

- Volume up 3% versus prior year; up 14% sequentially
- EBITDA margin of 20.5%
 - Up 210 basis points from December quarter

¹ Ashland's second-quarter earnings release dated April 30, 2014, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Ashland Performance Materials Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Second Quarter Three months ended Mar. 31,			Three months ended Dec. 31,	
	2014	2013	Change	2013	Change
Metric tons sold (in thousands)	136.9	131.5	4 %	127.6	7 %
Sales	\$ 380	\$ 374	2 %	\$ 347	10 %
Gross profit as a percent of sales	18.3 %	14.6 %	370 bp	17.3 %	100 bp
Selling, general and admin./R&D costs	\$ 45	\$ 41	10 %	\$ 46	(2) %
Operating income	\$ 31	\$ 21	48 %	\$ 20	55 %
Operating income as a percent of sales	8.2 %	5.6 %	260 bp	5.8 %	240 bp
Depreciation and amortization	\$ 12	\$ 12	- %	\$ 14	(14) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 43	\$ 33	30 %	\$ 34	26 %
EBITDA as a percent of sales	11.3 %	8.8 %	250 bp	9.8 %	150 bp

- Strong volume gains in both adhesives and composites and improved performance from elastomers
- GP% increase due to core volumes and margin, elastomers improvement

¹ Ashland's second-quarter earnings release dated April 30, 2014, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Ashland Consumer Markets (Valvoline) Results Summary¹

(\$ in millions) Preliminary	Fiscal Second Quarter Three months ended Mar. 31,			Three months ended Dec. 31,	
	2014	2013	Change	2013	Change
Lubricant gallons (in millions)	39.6	39.2	1 %	38.6	3 %
Sales	\$ 503	\$ 494	2 %	\$ 486	3 %
Gross profit as a percent of sales	32.1 %	31.9 %	20 bp	31.2 %	90 bp
Selling, general and admin./R&D costs	\$ 86	\$ 85	1 %	\$ 89	(3) %
Operating income	\$ 81	\$ 79	3 %	\$ 75	8 %
Operating income as a percent of sales	16.1 %	16.0 %	10 bp	15.4 %	70 bp
Depreciation and amortization	\$ 9	\$ 9	- %	\$ 8	13 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 90	\$ 88	2 %	\$ 83	8 %
EBITDA as a percent of sales	17.9 %	17.8 %	10 bp	17.1 %	80 bp

- Record second quarter in operating income
- Margin improvement versus prior year due to mix and lower input costs

¹ Ashland's second-quarter earnings release dated April 30, 2014, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Ashland Water Technologies Divestiture Update

- Expect to close by end of fiscal year
 - Subject to regulatory approvals and customary closing conditions
- Transition Services Agreement (TSA) being finalized
- Total stranded costs from divestiture are roughly \$75 million
 - Will be removed as part of the global restructuring program

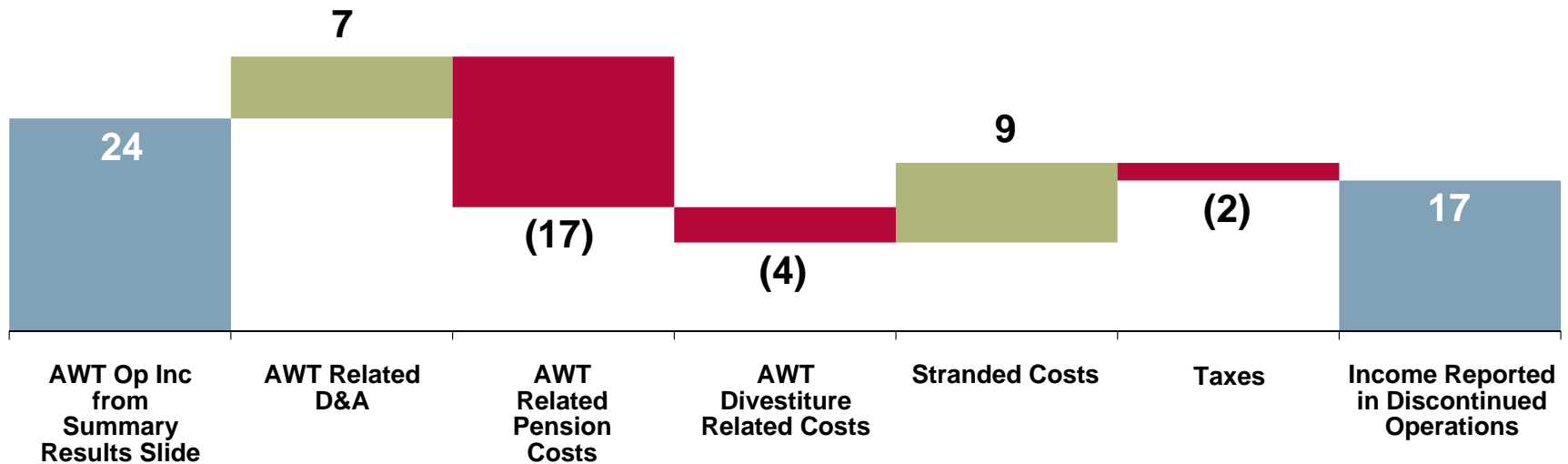
Ashland Water Technologies Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Second Quarter			Three months ended	
	Three months ended Mar. 31,			Dec. 31,	
	2014	2013	Change	2013	Change
Sales	\$ 431	\$ 424	2 %	\$ 436	(1) %
Gross profit as a percent of sales	33.6 %	33.3 %	30 bp	34.4 %	(80) bp
Selling, general and admin./R&D costs	\$ 123	\$ 122	1 %	\$ 125	(2) %
Operating income	\$ 24	\$ 21	14 %	\$ 27	(11) %
Operating income as a percent of sales	5.6 %	5.0 %	60 bp	6.2 %	(60) bp
Depreciation and amortization	\$ 18	\$ 18	- %	\$ 18	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 42	\$ 39	8 %	\$ 45	(7) %
EBITDA as a percent of sales	9.7 %	9.2 %	50 bp	10.3 %	(60) bp

- Results reflect AWT business as historically reported and are provided for comparative purposes only

¹ Ashland's second-quarter earnings release dated April 30, 2014, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Accounting Effects of AWT Divestiture



- Ashland Water Technologies contributes \$17 million to discontinued operations

Fiscal Second Quarter 2014

Corporate Items

- Capital Expenditures of \$51 million
 - Full year forecast reduced to \$245 million
- Effective tax rate of 15.4%
 - Expected full year rate now at 21%
- Trade Working Capital¹ remains ahead of target
 - 17.6% versus target of 17.7%
- Free cash flow² generation of \$124 million
 - Including AWT related transaction costs, FY14 FCF estimate of \$450-\$475 million
 - Includes AWT cash for full year
 - On continuing operations basis, full year free cash flow estimate of \$275-\$300 million
 - Excludes \$40-\$50 million of restructuring cash costs, but includes \$75 million of stranded costs

¹ Trade Working Capital defined as accounts receivables plus inventories minus trade accounts payables; calculated on a 13 month rolling basis.

² Definition of free cash flow: operating cash less capital expenditures and other items Ashland has deemed non-operational.

Global Restructuring Program Update

- Approximately \$200 million of cost reductions identified
 - Expect to achieve more than half of run-rate savings by end of FY14
 - Book costs: \$140-\$160 million, Cash costs: \$120-\$140 million
- Accomplishments to date:
 - Identified approximately 800 job eliminations by end of calendar 2014
 - Integrated most of the supply chain into the commercial units
 - Moved adhesives into ASI and intermediates & solvents into Performance Materials
- Near-term objectives:
 - Analysis to continue for future office consolidation
 - Movement of positions to low-cost regional centers of excellence

Efficient operating model to drive growth and improved financial performance

Cost Savings Plan

Estimated Global Restructuring Benefits

(\$ in millions)

Adjusted EBITDA:	Target	
	Annual Benefit	Date to Achieve
Ashland Specialty Ingredients	\$ 75	Q215
Ashland Performance Materials	20	Q115
Ashland Consumer Markets (Valvoline)	30	Q115
Corporate/Stranded Costs	75	Q415
Total	\$ 200	Q216

- Identified ~\$200 million in cost reductions
- Expect more than half to be in place by end of FY14
- Substantially all expected to be captured by Q2 FY15
 - Remainder by early FY16

- Excluding AWT, cost savings should lead to SG&A % of sales at ~15%
- Strict cost control to remain at this level
 - Optimize operating leverage

Expected Impact to SG&A from Cost Savings

(\$ in millions)		SG&A	Sales	SG&A % of Sales
	2013	1,466	7,813	19%
Less:	Ashland Water Technologies	-495	-1,726	
Add:	Stranded Costs from AWT	75		
	Ashland excl. AWT	1,046	6,087	17%
Add:	\$60MM for merit/IC	60		
	New Baseline	1,106	6,087	18%
Less:	Cost Savings	-200		
	Adjusted 2013	906	6,087	~15%

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Margin Profile Expectations

Operating Segment	TTM Adjusted EBITDA %	Expected Margin Expansion From:		Performance Drivers	Normalized EBITDA %
		Cost Savings (in bps)	Performance (in bps)		
Specialty Ingredients	20.3%	275 - 300	175 - 250	Growth through new technology focused on regional needs; enhanced customer service leading to improved value	25 - 27 %
Performance Materials	9.1%	100 - 125	0 - 25	New application development leading to volume growth; mix improvement; efficient use and optimization of assets; offset by I&S headwind	8 - 11 %
Valvoline	17.0%	125 - 150	50 - 100	Continued volume increases in target high-growth international markets; additions to VIOC store count; continued mix upgrade	18 - 19 %

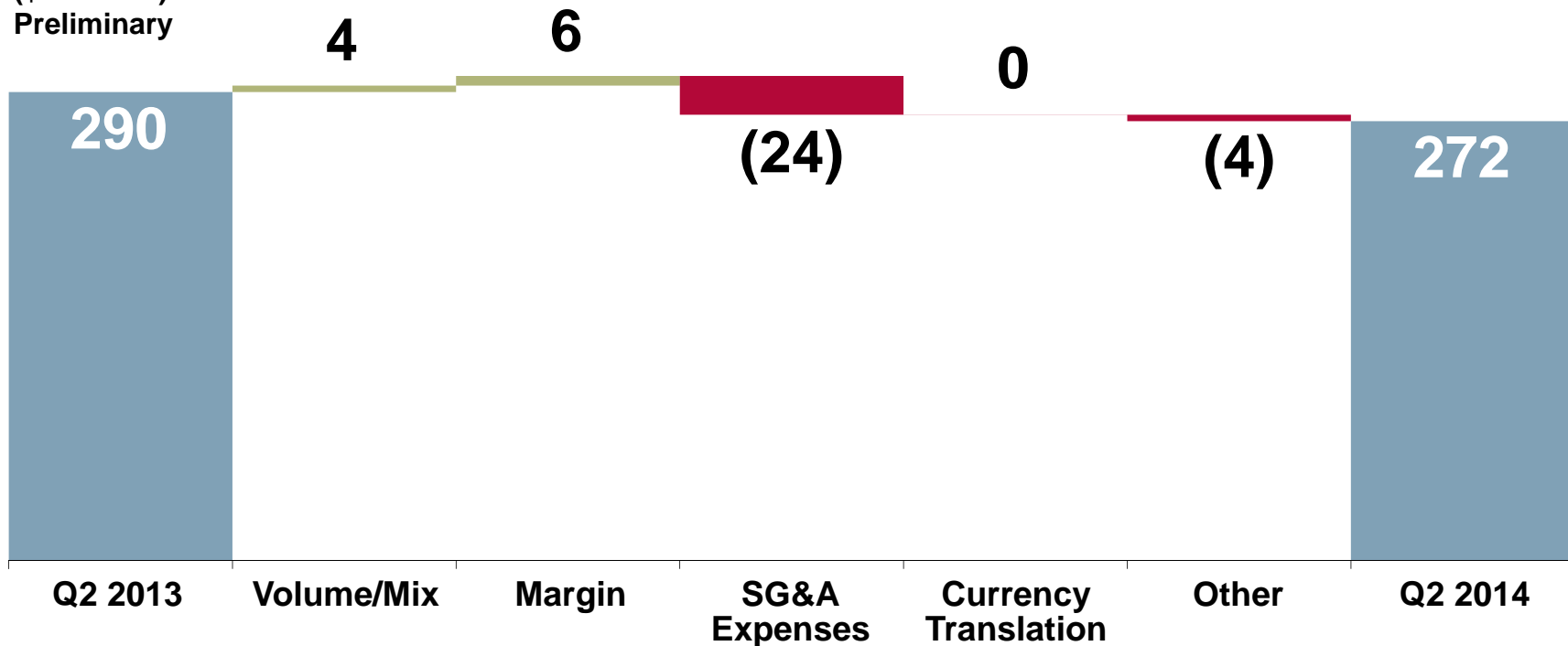
Cost savings and improved execution should lead to ~20% EBITDA margin



Appendix A: EBITDA Bridges

Ashland Q2 FY 2013 vs. Q2 FY 2014 Adjusted EBITDA Bridge

(\$ millions)
Preliminary

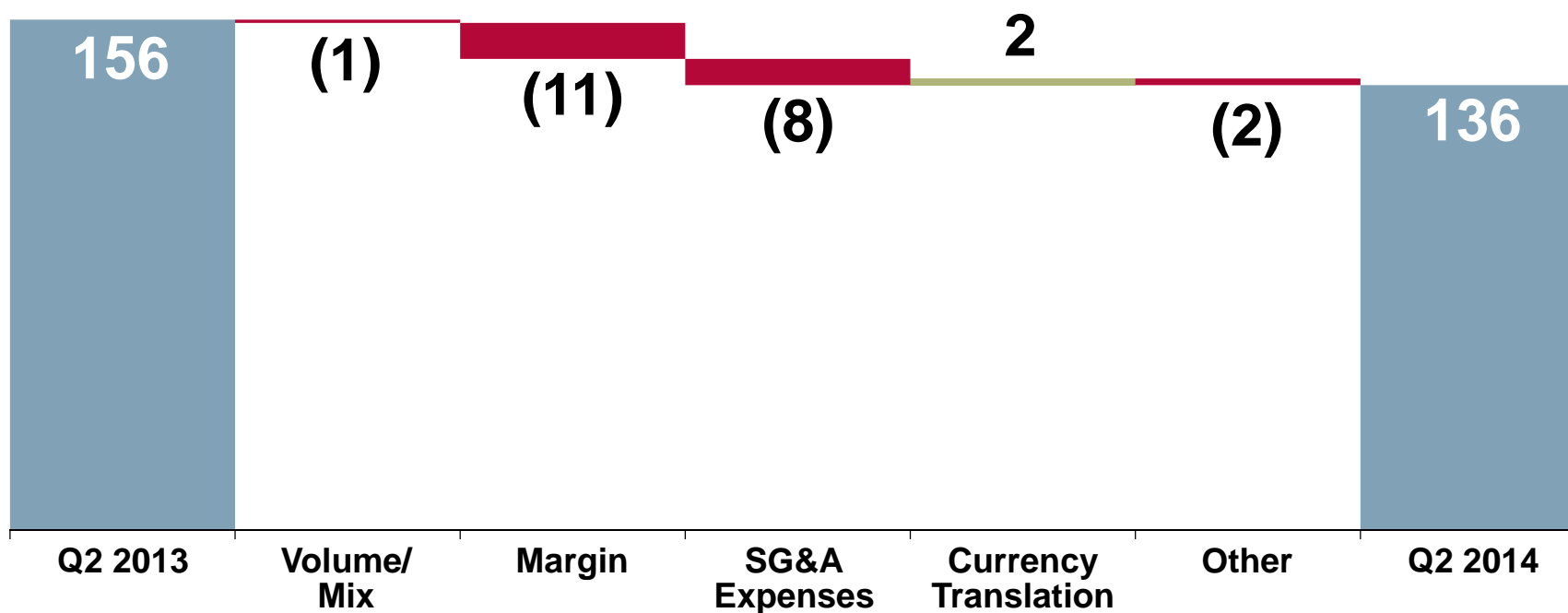


- Stronger volumes and improved margins contributed \$10 million to EBITDA
- Higher SG&A costs were a \$24 million headwind

Ashland Specialty Ingredients Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q2 FY 2013 versus Q2 FY 2014



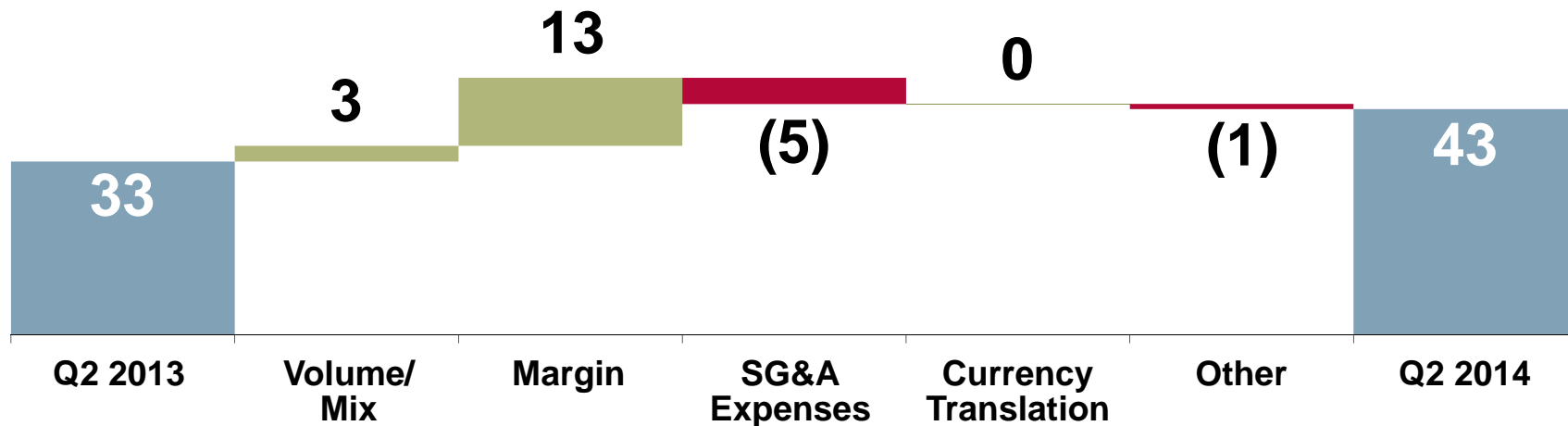
- I&S pricing and higher costs offset favorable guar input costs
- SG&A increase primarily due to increased performance based compensation

Ashland Performance Materials

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q2 FY 2013 versus Q2 FY 2014

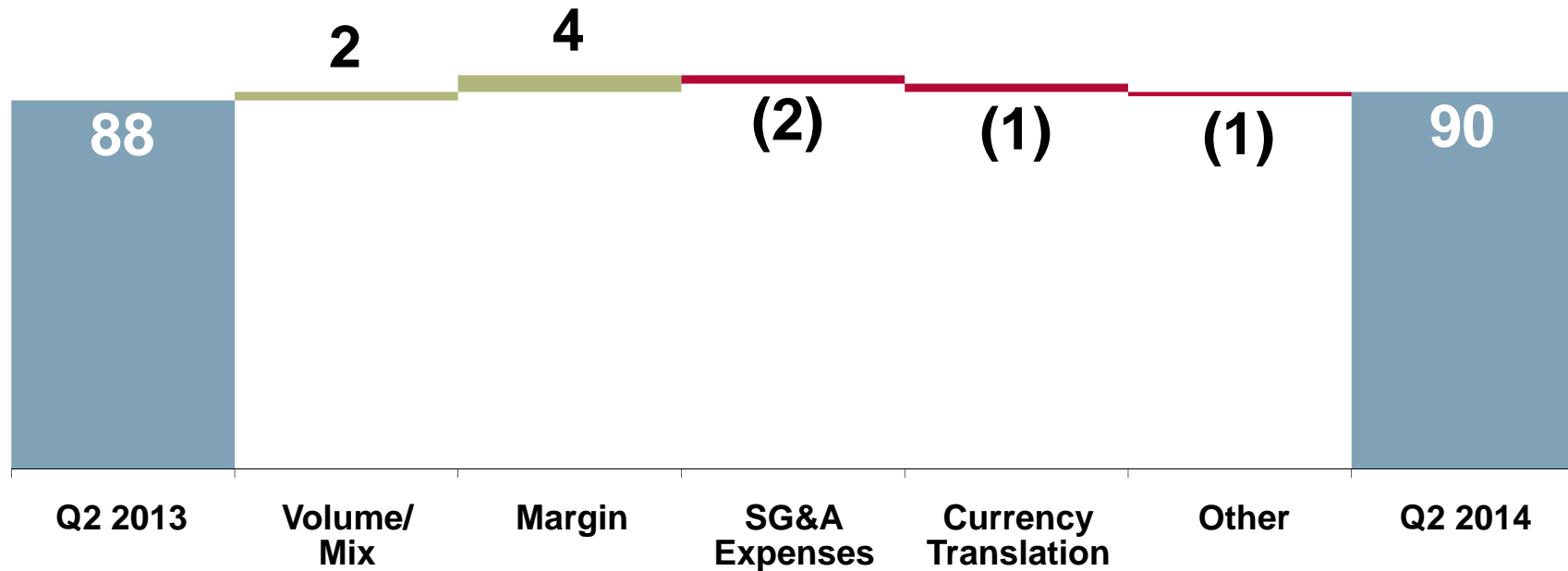


- Strong volumes and improved performance from Elastomers led to year-over-year EBITDA gain
- SG&A increase primarily due to increased performance based compensation

Ashland Consumer Markets (Valvoline) Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q2 FY 2013 versus Q2 FY 2014

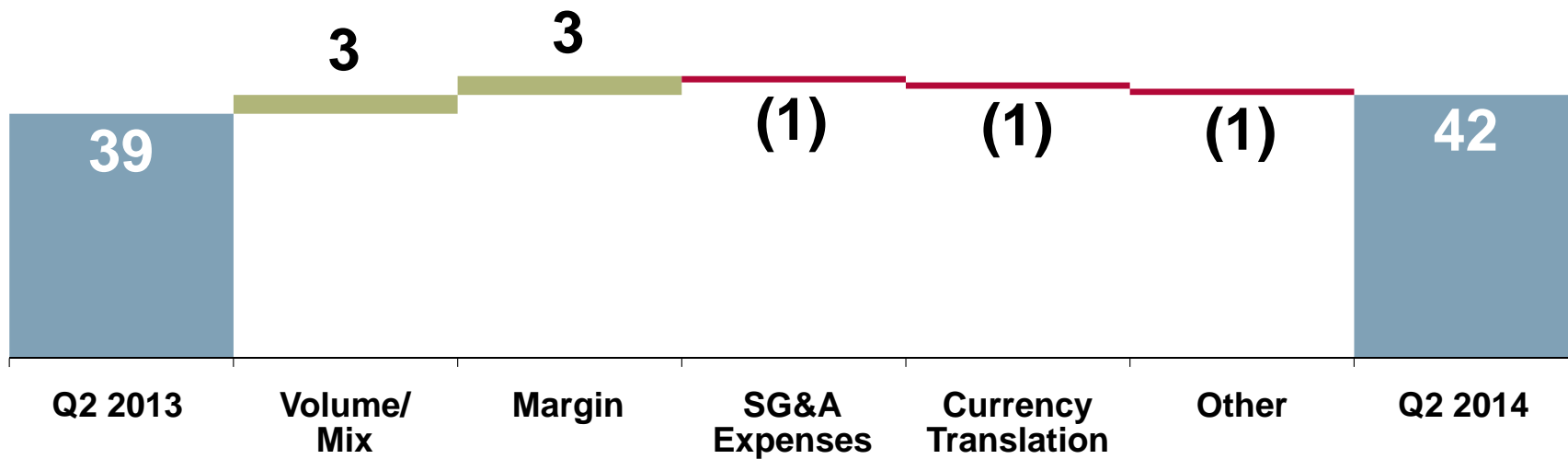


- Continued mix upgrade and better pricing through several channels, key tailwinds to quarter
- Foreign exchange presented modest headwind to EBITDA

Ashland Water Technologies Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q2 FY 2013 versus Q2 FY 2014



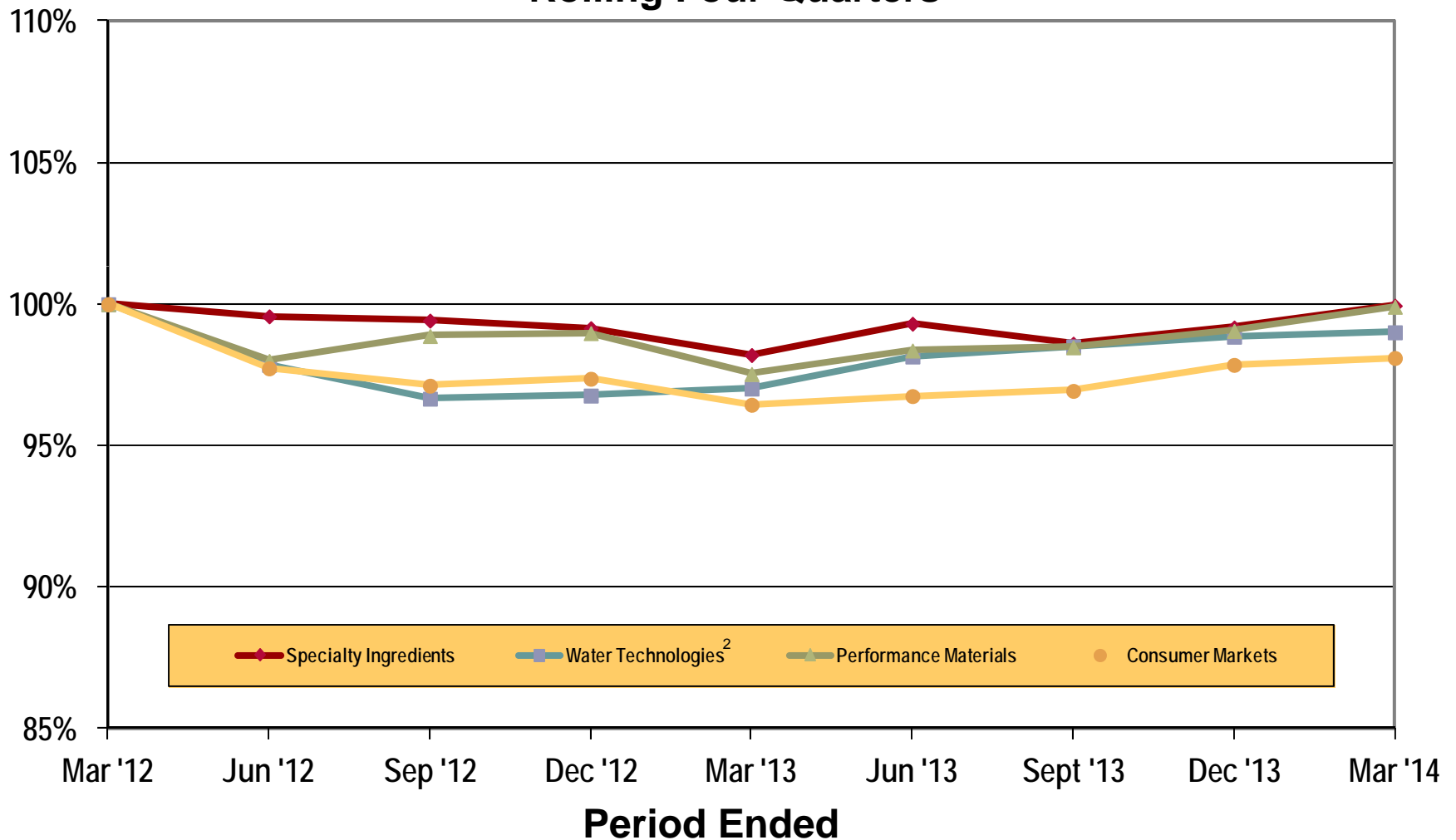
- Results reflect AWT business as historically reported and are provided for comparative purposes only



Appendix B: Volume Trends and Liquidity and Net Debt

Normalized Volume Trends¹

Rolling Four Quarters



¹ Excludes volumes associated with Casting Solutions and divested Pinova, Synlubes, and PVAc businesses for all periods. Includes volumes associated with ISP and Ara Quimica for all periods.

² Water Technologies included for comparative purposes only.

Liquidity and Net Debt

(\$ in millions)

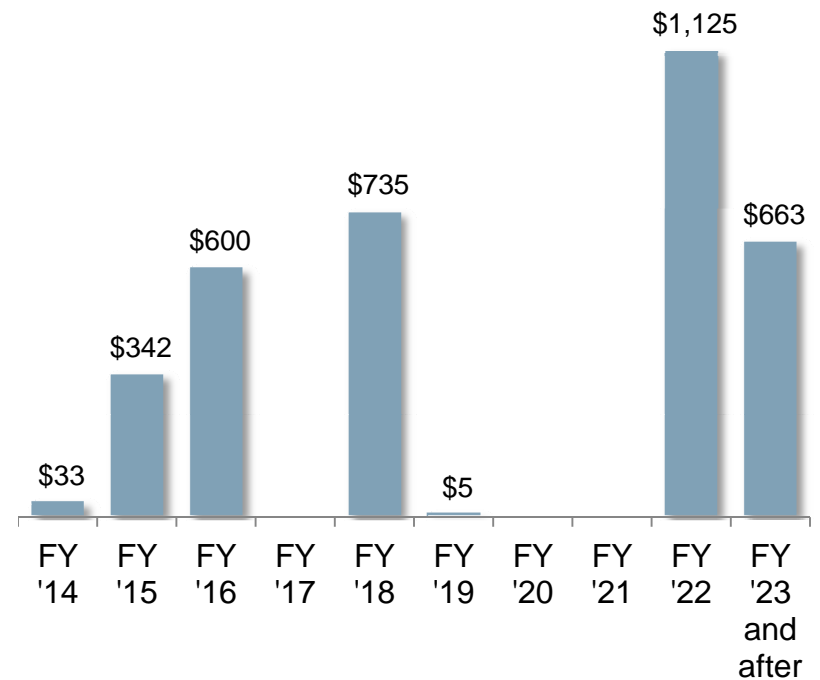
Liquidity	At March 31, 2014
Cash	\$ 491
Available revolver and A/R facility capacity	1,109
Liquidity	\$ 1,600

Debt	Expiration	Interest Rate	Moody's	S&P	At March 31, 2014
4.750% senior notes, par \$1,125 million	08/2022	4.75%	Ba1	BB	\$ 1,120
3.875% senior notes, par \$700 million	04/2018	3.875%	Ba1	BB	700
3.000% senior notes, par \$600 million	03/2016	3.000%	Ba1	BB	600
6.875% senior notes, par \$375 million	05/2043	6.875%	Ba1	BB	376
A/R facility drawn ¹	08/2015	L+75			325
6.5% debentures, par \$282 million	06/2029	6.500%	Ba2	B+	133
Revolver drawn ²	03/2018	L+175	Ba1	BB	35
Other debt		Various			61
Total debt			Ba1/ Stable	BB/ Stable	\$ 3,350
Cash					\$ 491
Net debt (cash)					\$ 2,859

¹ AR securitization facility with maximum borrowing capacity of \$350 million; March 31 capacity of \$350 million

² \$1.2 billion facility, including ~\$81 million for letters of credit

Scheduled Debt Repayments by Fiscal Year



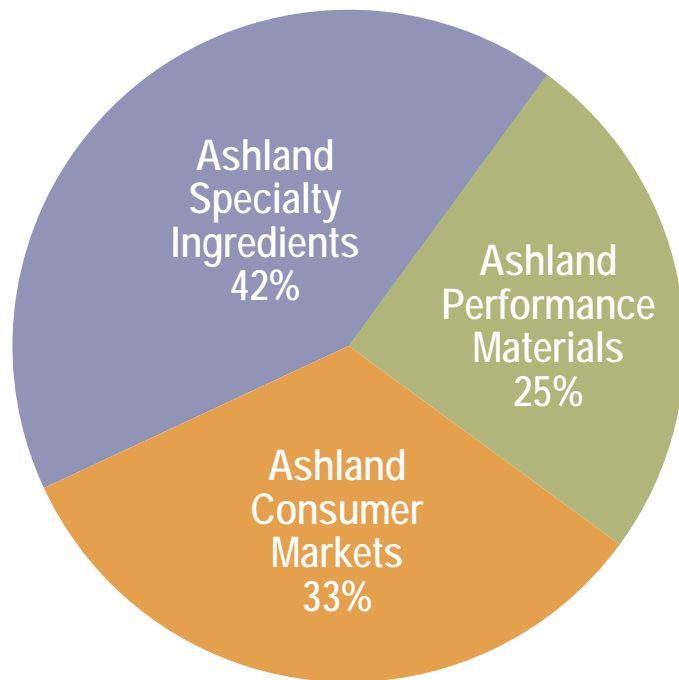


Appendix C:
Business Profiles
12 Months Ended March 31, 2014

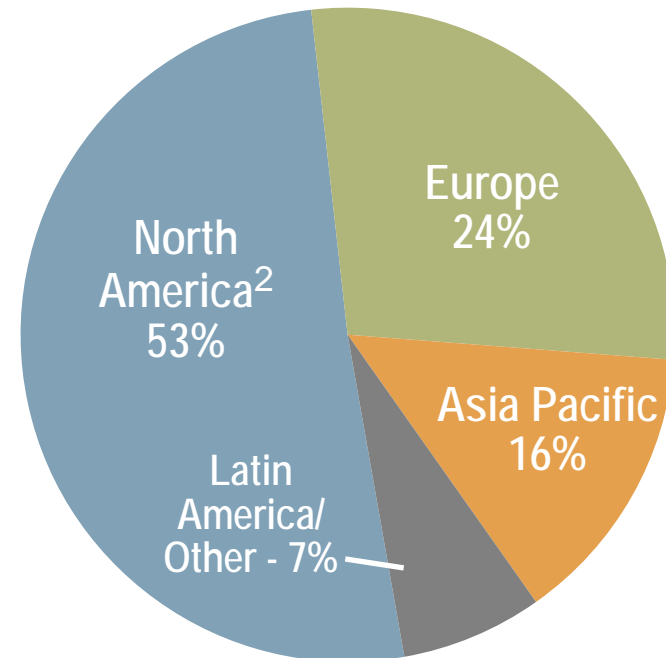
Corporate Profile

Sales¹ - \$6.1 Billion

By commercial unit



By geography

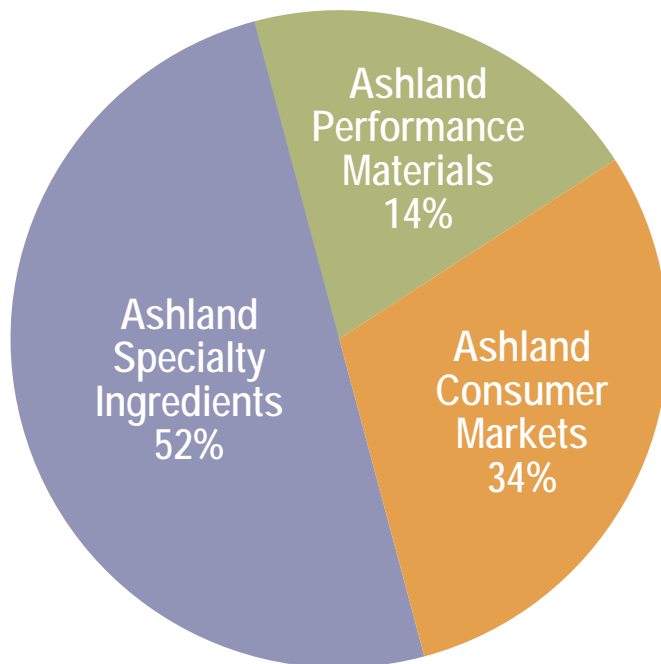


¹ For 12 months ended March 31, 2014.

² Ashland includes only U.S. and Canada in its North America designation.

Corporate Profile

Adjusted EBITDA¹ - \$1.0 Billion



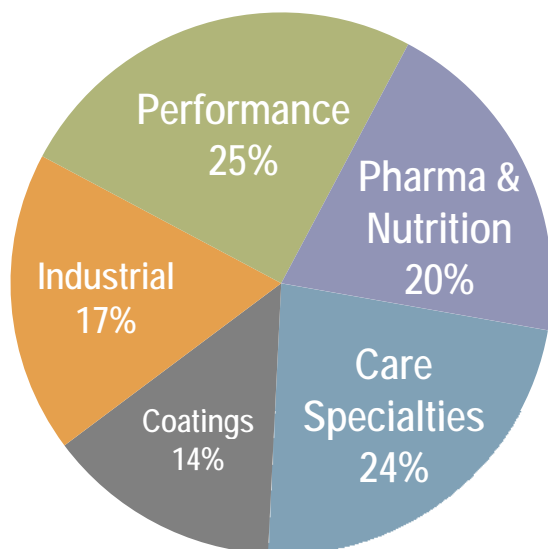
NYSE Ticker Symbol:	ASH
Total Employees:	~11,000
Outside North America	~30%
Number of Countries in Which Ashland Has Sales:	More than 100

¹ For 12 months ended March 31, 2014. See Appendix D for reconciliation to amounts reported under GAAP.

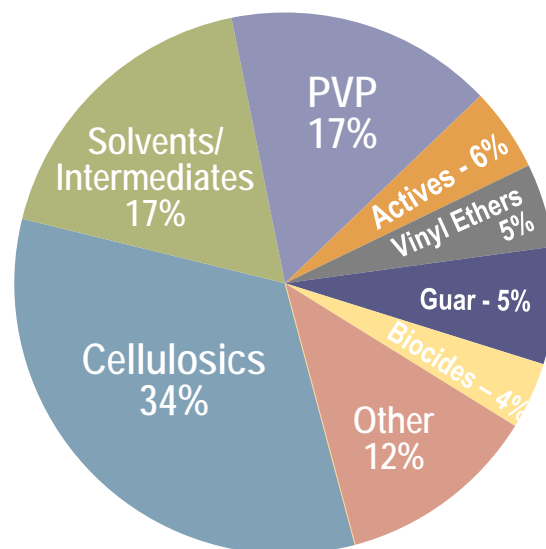
Ashland Specialty Ingredients

A global leader in water-soluble and film-forming polymers

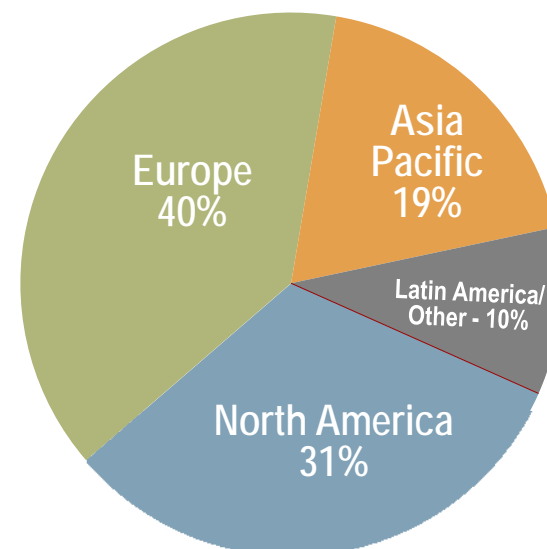
**Sales
by Market**



**Sales
by Product**



**Sales
by Geography**



For 12 Months Ended March 31, 2014

Sales: \$2.6 billion

Adjusted EBITDA: \$523 million¹

Adjusted EBITDA Margin: 20.3%¹

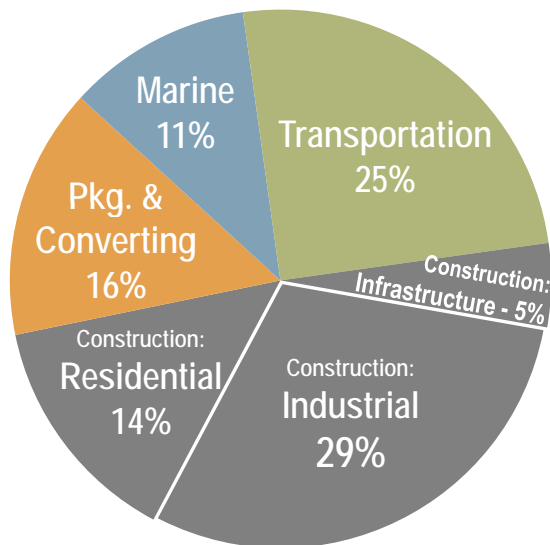
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¹ See Appendix D for reconciliation to amounts reported under GAAP.

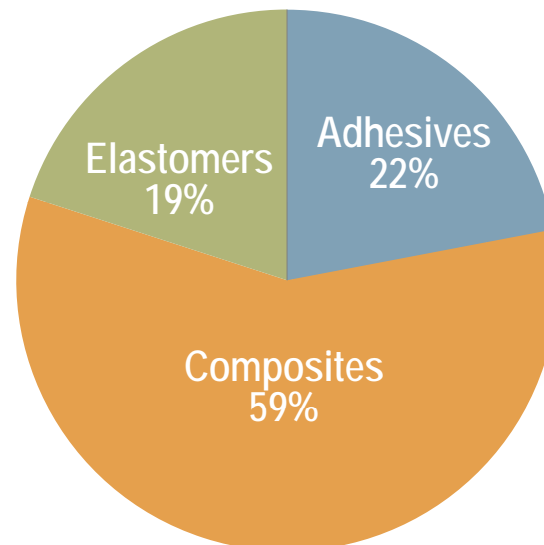
Ashland Performance Materials

Global leader in composite resins, specialty adhesives and elastomers

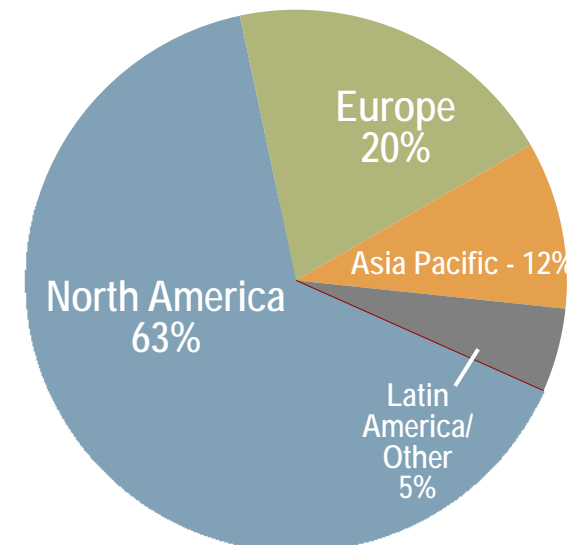
Sales by Market



Sales by Product



Sales by Geography



For 12 Months Ended March 31, 2014

Sales: \$1.5 billion

Adjusted EBITDA: \$136 million¹

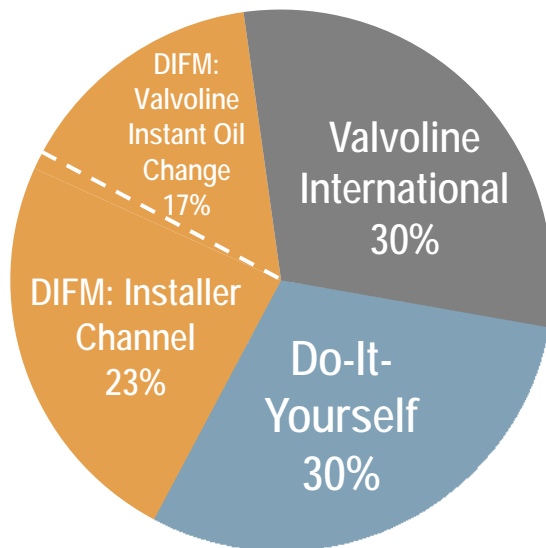
Adjusted EBITDA Margin: 9.1%¹

¹ See Appendix D for reconciliation to amounts reported under GAAP.

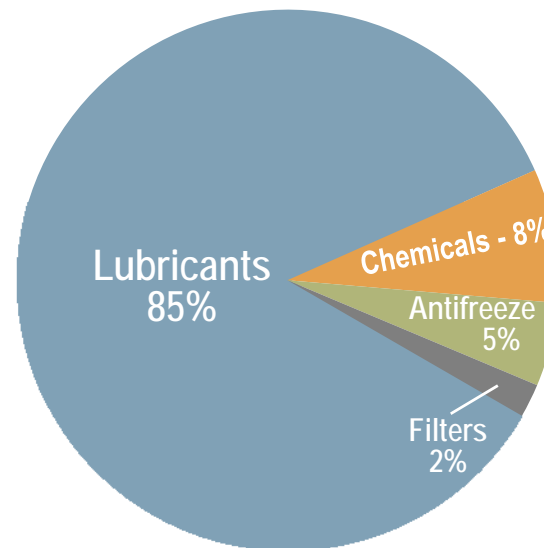
Ashland Consumer Markets (Valvoline):

A leading worldwide marketer of premium-branded automotive lubricants and chemicals

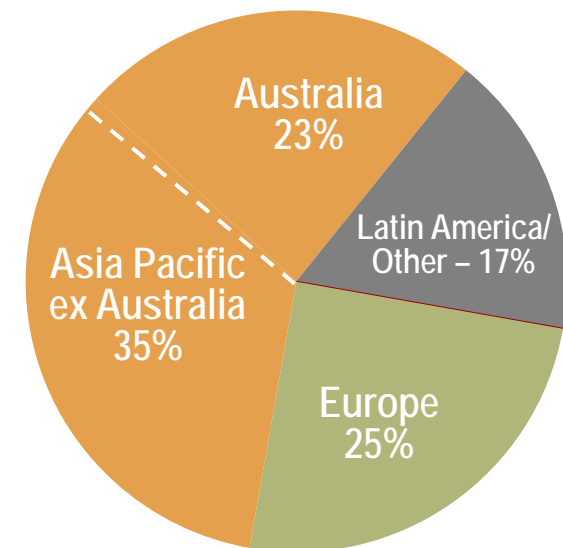
Sales by Market



Sales by Product



International Sales by Region²



For 12 Months Ended March 31, 2014

Sales: \$2.0 billion¹
EBITDA: \$342 million¹
EBITDA Margin: 17.0%¹

¹ See Appendix D for reconciliation to amounts reported under GAAP.

² Includes nonconsolidated joint ventures.



Appendix D: Reclassifications and Regulation G Reconciliations

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for 12 Months Ended March 31, 2014

(\$ millions, except percentages)

Sales ¹	Q2 14	Q1 14	Q4 13	Q3 13	Total	
Specialty Ingredients	662	599	596	716	2,573	
Performance Materials	380	347	366	395	1,488	
Consumer Markets	503	486	508	513	2,010	
Total	1,545	1,432	1,470	1,624	6,071	
						Adjusted EBITDA
Adjusted EBITDA ¹	Q2 14	Q1 14	Q4 13	Q3 13	Total	Margin
Specialty Ingredients	136	110	132	145	523	20.3%
Performance Materials	43	34	29	30	136	9.1%
Consumer Markets	90	83	83	86	342	17.0%
Unallocated	3	9	8	12	32	
Total	272	236	252	273	1,033	

¹ Quarterly totals may not sum to actual results due to quarterly rounding conventions. Calculation of adjusted EBITDA for each quarter has been reconciled within each quarterly earnings release filed with the SEC and posted on Ashland's website.

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