ASHLAND®

Fourth-Quarter Fiscal 2009 Earnings

October 28, 2009

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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 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based upon a number of assumptions, including those mentioned within this presentation. Performance estimates are also based upon 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, and cost of raw materials; legal proceedings and claims (including environmental and asbestos matters); and weather. These risks and uncertainties may cause actual operating results to differ materially from those stated, projected or implied. Other risks and uncertainties include the possibility that the benefits anticipated from Ashland's acquisition of Hercules will not be fully realized; Ashland's substantial indebtedness may impair its financial condition; the restrictive covenants under the debt instruments may hinder the successful operation of Ashland's business; future cash flow may be insufficient to repay the debt; and other risks that are described in filings made by Ashland with the Securities and Exchange Commission (the "SEC"). Although Ashland believes its expectations are based on reasonable assumptions, it cannot assure the expectations reflected herein will be achieved. This forward-looking information may prove to be inaccurate and actual results may differ significantly from those anticipated if one or more of the underlying assumptions or expectations proves to be inaccurate or is unrealized or if other unexpected conditions or events occur. Other factors, uncertainties and risks affecting Ashland are contained in Ashland's periodic filings made with the SEC, including its Form 10-K for the fiscal year ended Sept. 30, 2008, and Forms 10-Q for the quarters ended Dec. 31, 2008, and March 31 and June 30, 2009, which are available on Ashland's Investor Relations website at http://investor.ashland.com or the SEC's website at www.sec.gov. Ashland undertakes no obligation to subsequently update or revise the forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation.

Regulation G: Adjusted Pro Forma Results

The information presented herein regarding adjusted pro forma results does not conform to generally accepted accounting principles (GAAP) and should not be construed as an alternative to the reported results determined in accordance with GAAP. Management has included this non-GAAP information to assist in understanding the operating performance of the company and its 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 has been reconciled with reported GAAP results. Certain prior period adjusted pro forma results could not be reconciled to previous GAAP statements filed by Ashland since it relied upon pro forma information from Hercules.

The unaudited adjusted pro forma results are presented for informational purposes only and do not reflect future events that may occur or any operating efficiencies or inefficiencies that may result from the acquisition of Hercules Incorporated. Certain significant and identifiable cost allocation, reporting and accounting policy differences have been reflected in these adjusted pro forma results. However, these adjusted pro forma results do not purport to identify all these differences. Therefore, the unaudited adjusted pro forma results are not necessarily indicative of results that would have been achieved had the businesses been combined during the period presented or the results that Ashland will experience in the future. In addition, the preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions can be significantly different depending on changes to conform to Ashland policy.

Fiscal Fourth Quarter 2009
Highlights[1]

- Increased adjusted pro forma EBITDA to $224 million, up 37 percent over Q4 FY '08
  - Record fourth-quarter EBITDA for Ashland Consumer Markets (Valvoline) and Ashland Hercules Water Technologies
- Reported EPS from continuing operations of $1.30 per share
  - Adjusted EPS of 96 cents per share
- Generated free cash flow[2] of $305 million
  - Produced $128 million from reductions from trade working capital
  - Additional $140+ million net proceeds from sale of Drew Marine and China HQ building
- Reduced gross debt to $1.6 billion
- Achieved run-rate cost reductions of $355 million
- Volume improving sequentially despite seasonality

[1] Refer to Ashland's fourth-quarter earnings release dated Oct. 28, 2009, for a reconciliation of adjusted pro forma amounts to amounts reported under GAAP. This earnings release can be found on Ashland's website at http://investor.ashland.com.

[2] Free cash flow is defined as Cash Flows Provided by Operating Activities from Continuing Operations less Additions to Property, Plant and Equipment less Cash Dividends Paid.

Fiscal Fourth Quarter

Key Items Affecting Income[1]

($ millions, except EPS) Preliminary 2009	Ashland Aqualon Functional Ingredients	Ashland Hercules Water Tech-nologies	Ashand Performance Materials	Ashand Consumer Markets (Valvoline)	Ashland Distribution	Unallocated and Other	Pretax Total	Aftertax Earnings per Share
Items affecting operating income								
Severance and accelerated depreciation	$ (9)	$ (2)	$ (8)	$ -	$ (1)	$ (3)	$ (23)	$ (0.20)
Insurance reserve adjustment	-	3	4	3	4	-	14	0.12
Other expenses								
Accelerated debt amortization resulting from early term loan retirement	-	-	-	-	-	-	(9)	(0.08)
Gain on sale of Drew Marine	-	-	-	-	-	-	56	0.50
Total	$ (9)	$ 1	$ (4)	$ 3	$ 3	$ (3)	$ 38	$ 0.34
2008								
Items affecting operating income								
Severance and accelerated depreciation	$ -	$ (3)	$ (4)	$ -	$ -	$ -	$ (7)	$ (0.07)
Insurance reserve adjustment	-	-	-	-	-	11	11	0.11
Total	$ -	$ (3)	$ (4)	$ -	$ -	$ 11	$ 4	$ 0.04

[1] All segment-level data reflect pretax amounts.

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Fiscal Fourth Quarter 2009

Adjusted Pro Forma EBITDA

($ in millions) Preliminary	Three months ended Sept. 30, 2009	2008	Change
Sales and operating revenue	$ 2,113	$ 2,822	(25) %
Gross profit as a percent of sales	24.4 %	17.6 %	680 bp
Selling, general and admin./R&D costs	$ 383	$ 436	(12) %
Operating income	$ 142	$ 80	78 %
Operating income as a percent of sales	6.7 %	2.8 %	390 bp
Depreciation and amortization	$ 82	$ 83	(1) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 224	$ 163	37 %
EBITDA as a percent of sales	10.6 %	5.8 %	480 bp

NOTE: Refer to Ashland's fourth-quarter earnings release dated Oct. 28, 2009, for a reconciliation of these adjusted pro forma amounts to amounts reported under GAAP. This earnings release can be found on Ashland's website at http://investor.ashland.com.

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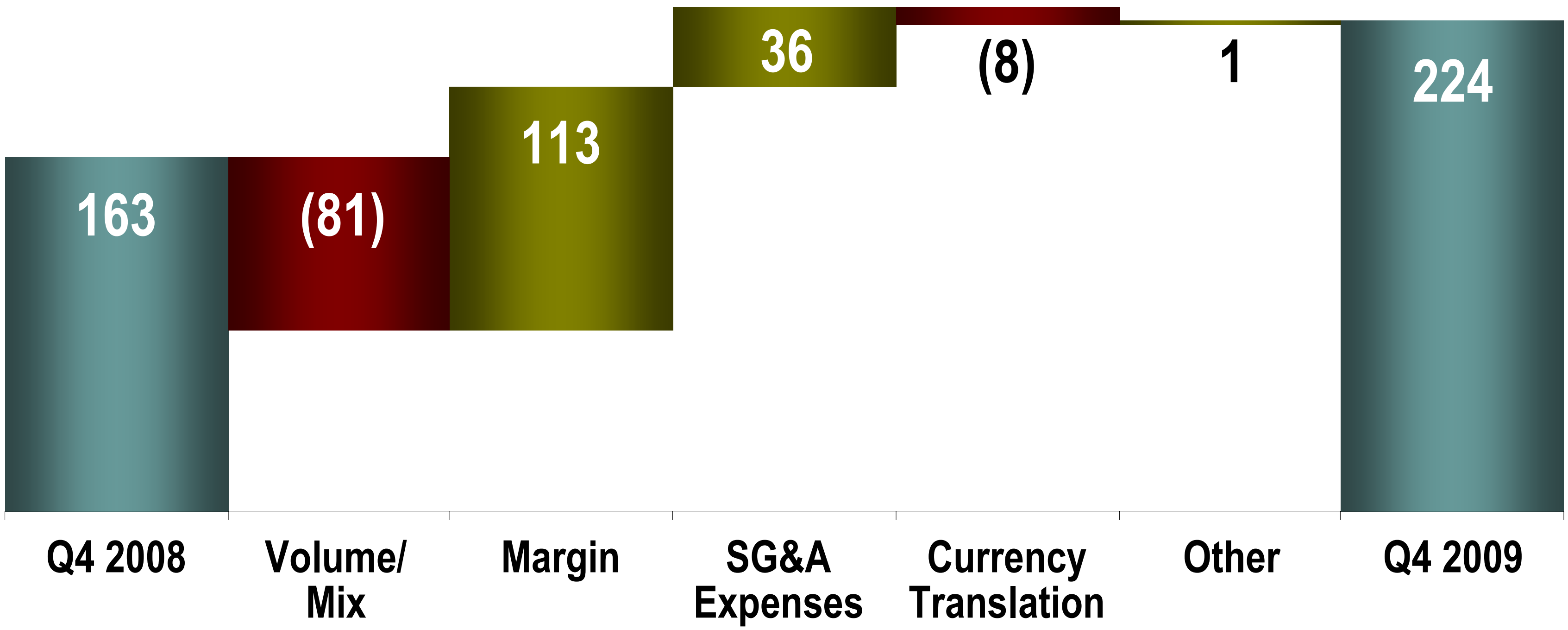
Q4 FY 2008 vs. Q4 FY 2009

Factors Impacting Adjusted Pro Forma EBITDA

($ millions)
Preliminary



- Volume reductions from 3 percent in Consumer Markets to 25 percent in Ashland Performance Materials, but improved sequentially
- Pricing discipline and selling-, general- and administrative-expense reductions more than offset volume declines
- No furlough savings in the fourth quarter

Fiscal Fourth Quarter 2009

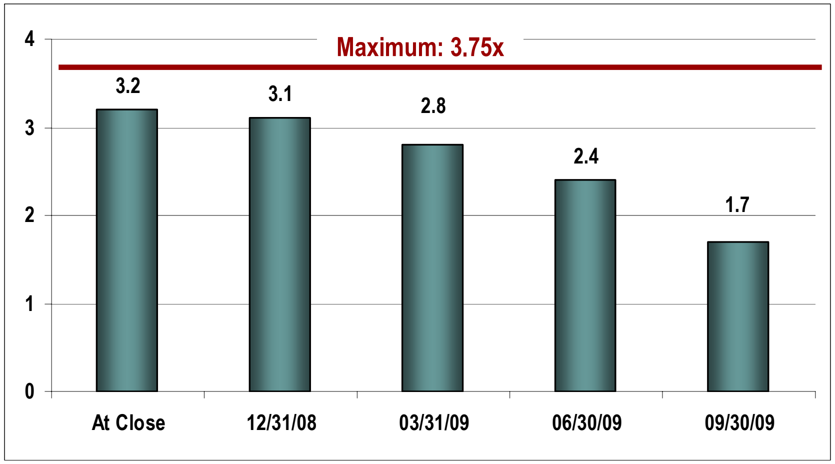
Cash Flows Statement

($ millions) Preliminary	Three months ended Sept. 30, 2009	12 months ended Sept. 30, 2009
Cash flows from operating activities		
Net income	$ 93	$ 71
Depreciation and amortization	85	329
Debt-issuance cost amortization	17	52
Changes in operating assets and liabilities[1]	254	461
Other	(71)	114
	378	1,027
Cash flows from investing activities		
Additions to property, plant and equipment	(67)	(174)
Sales and maturities of available-for-sale securities	18	73
Purchase of operations, net of cash acquired	-	(2,080)
Other	149	66
	100	(2,115)
Cash flows from financing activities		
Cash dividends paid	(6)	(22)
Repayment of debt	(380)	(1,881)
Proceeds from issuance of long-term debt	-	2,628
Debt-issuance costs	-	(162)
Other	7	10
	(379)	573
Other adjustments	(3)	(19)
Change in cash and cash equivalents	$ 96	$ (534)

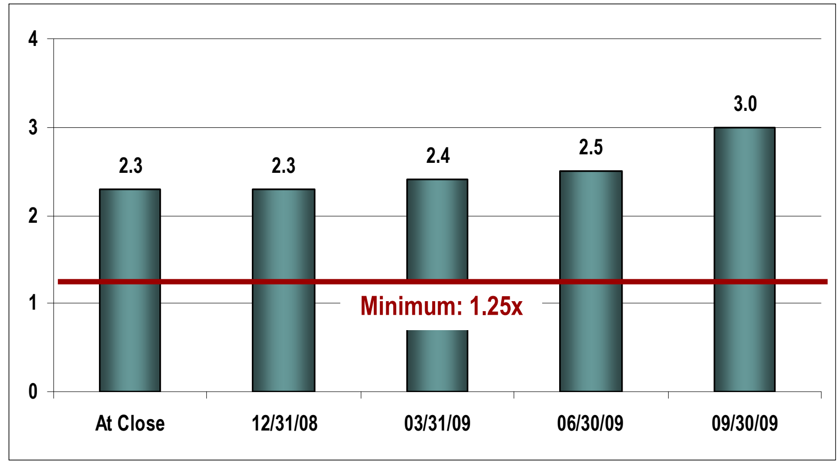
[1] Excludes changes resulting from operations acquired or sold.

Debt Financial Covenant Calculations[1]

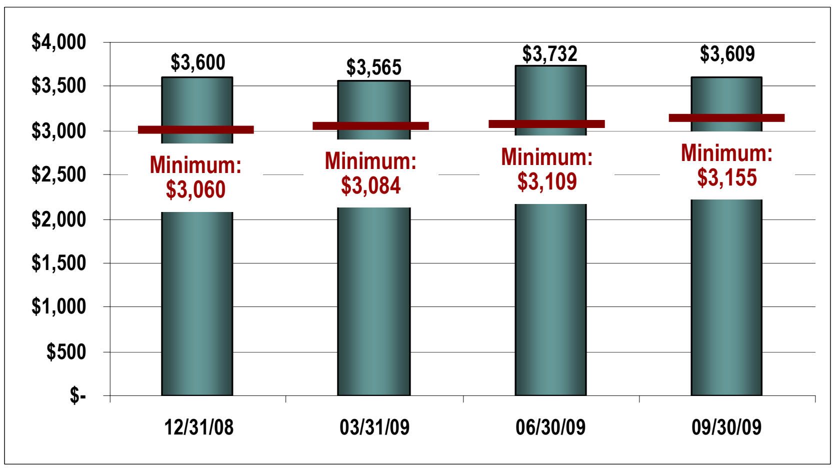
Debt-to-EBITDA



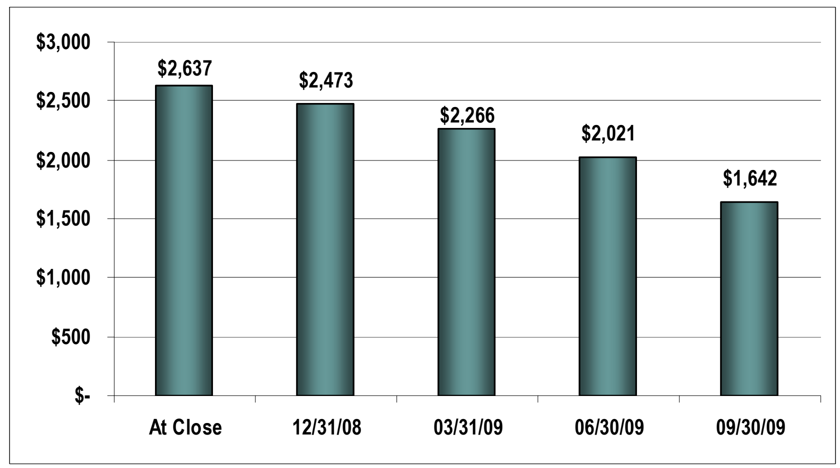
Fixed Charge Coverage Ratio



Net Worth (in millions)



Total Debt (in millions)



[1] All numbers adjusted to reflect terminology and calculation methodology governing Ashland's Senior Secured Credit Facility ("Credit Agreement"), as disclosed in an 8-K filing on Nov. 21, 2008, as amended.

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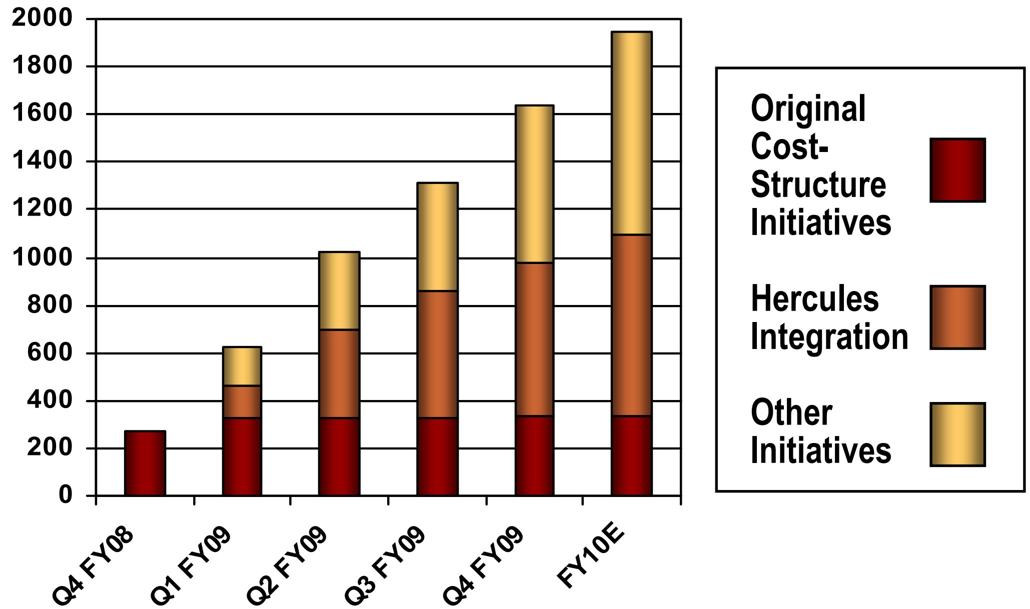
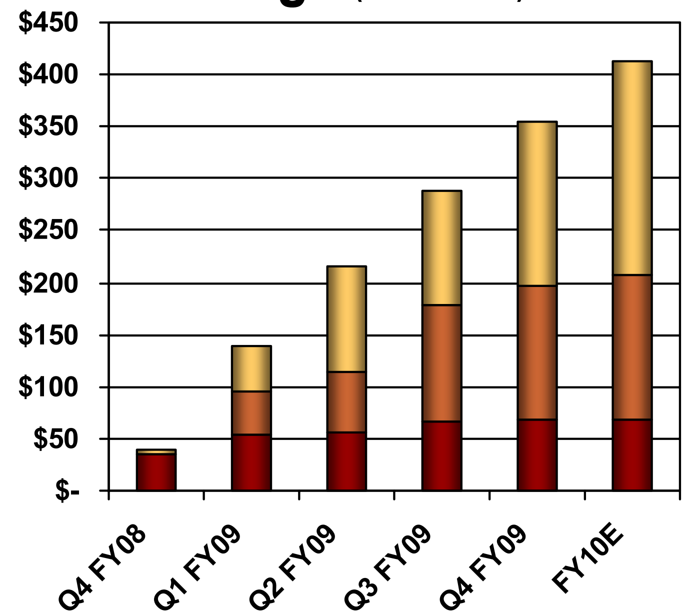
Fiscal Fourth Quarter 2009
Cost-Reduction Program Update

- **Achieved run-rate cost reductions of $355 million**
  - **$84 million achieved in Q4, including $51 million of selling, general and administrative expenses**

Cumulative Headcount Reductions



Annualized Run-rate Savings (in millions)



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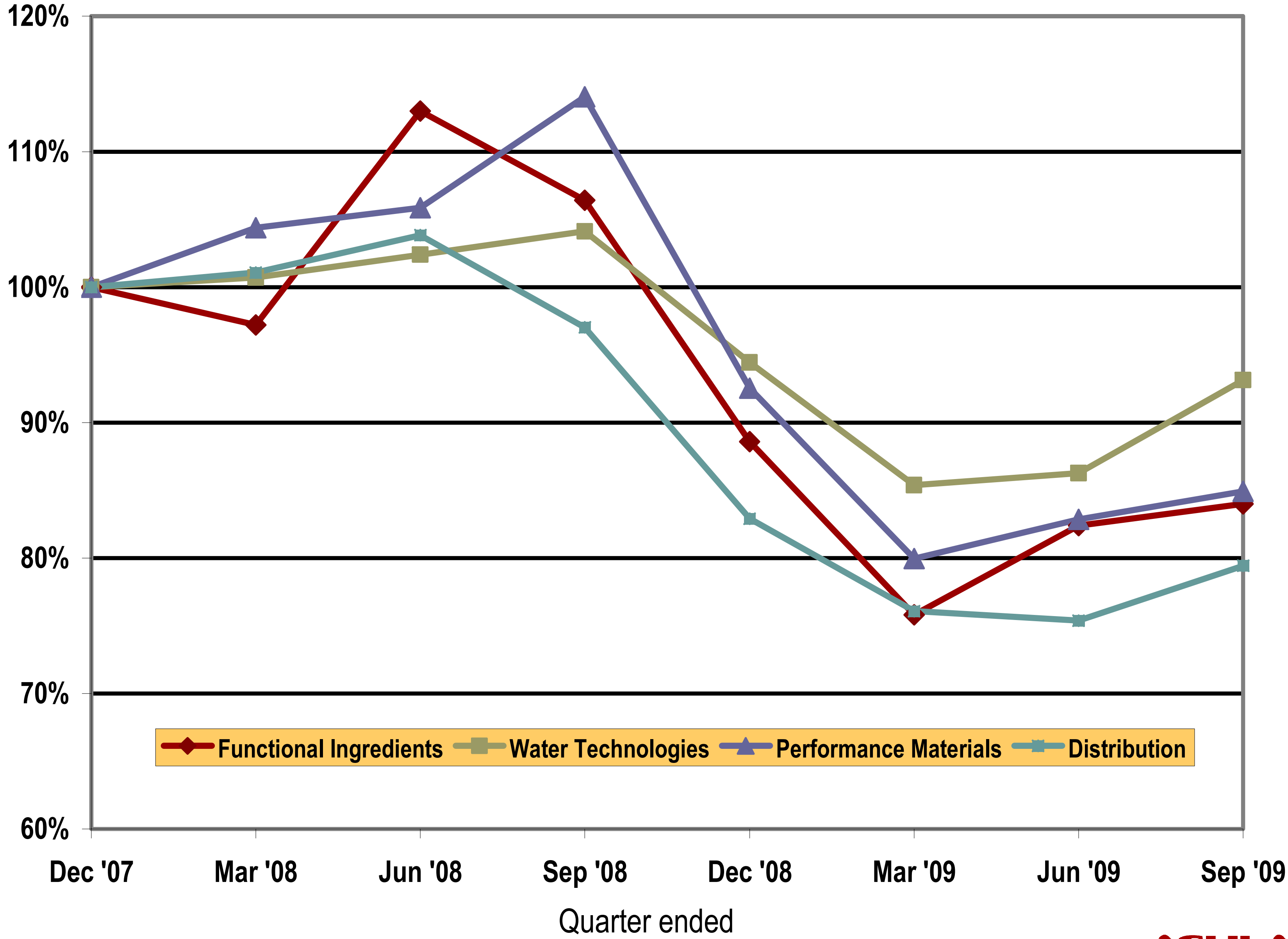
Recent Volume Trends



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Ashland Consumer Markets (Valvoline)

Adjusted Pro Forma Results Summary

($ in millions) Preliminary Fiscal Fourth Quarter	Three months ended Sept. 30, 2009	Three months ended Sept. 30, 2008	Change	Three months ended June 30, 2009	Change
Lubricant gallons	42.4	43.5	(3) %	45.7	(7) %
Sales and operating revenue	$ 414	$ 454	(9) %	$ 441	(6) %
Gross profit as a percent of sales	35.5 %	19.2 %	1,630 bp	37.5 %	(200) bp
Selling, general and admin./R&D costs	$ 83	$ 78	6 %	$ 76	9 %
Operating income	$ 69	$ 13	431 %	$ 95	(27) %
Operating income as a percent of sales	16.7 %	2.9 %	1,380 bp	21.5 %	(480) bp
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 79	$ 22	259 %	$ 103	(23) %
EBITDA as a percent of sales	19.1 %	4.8 %	1,430 bp	23.4 %	(430) bp

NOTE: Refer to Ashland's earnings releases, dated Oct. 28 and July 24, 2009, for a reconciliation of these adjusted pro forma amounts to amounts reported under GAAP. These earnings releases can be found on Ashland's website at http://investor.ashland.com.

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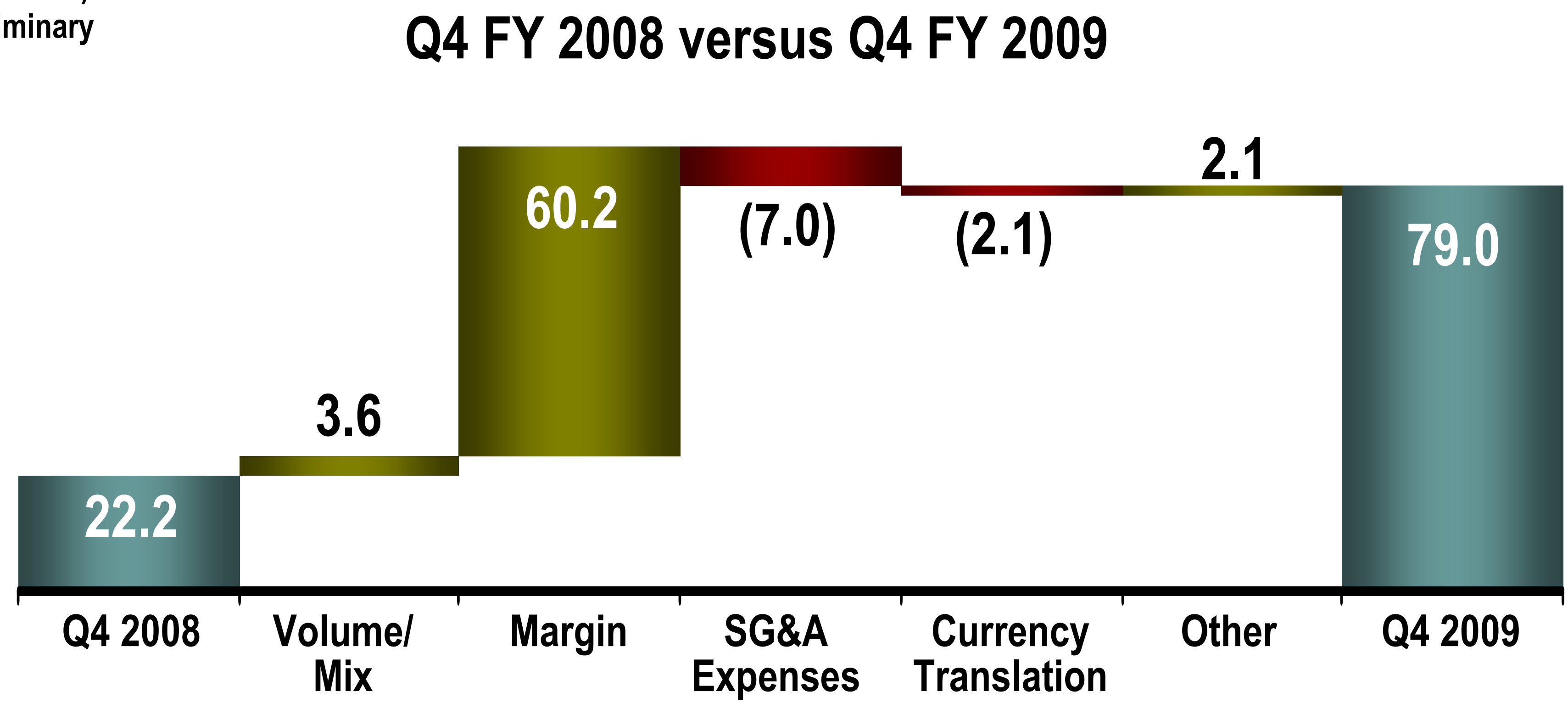
Ashland Consumer Markets (Valvoline)

Factors Impacting EBITDA

($ millions)
Preliminary



- **Margin improvement driven by effective price management, lower raw materials costs, cost-savings initiatives and improved mix**
- **Valvoline Instant Oil Change® grew oil changes 5 percent and average ticket 3 percent**

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Ashland Consumer Markets (Valvoline)

Business Trends and Initiatives

Market Channel	Highlights
Do-It-Yourself (DIY)	• Solid share growth in fiscal 2009 – Valvoline Engine Guarantee℠ loyalty program – Hispanic and youth initiatives • Lubricant category consumption up in Q4
Do-It-For-Me (DIFM): Valvoline Instant Oil Change®	• Same-store sales grew 8 percent in 2009 • Continue to drive car count and ticket through operational improvements • Franchise growth
DIFM: Installer channel	• Soft market demand in 2009 • Success in growing national account business • Solution-based selling / family of brands
Valvoline International, including global commercial and industrial markets	• Represents approximately 20 percent of Consumer Markets' sales • Volumes negatively impacted by recession in first half; stabilized in second half • Record operating income in fiscal 2009 • Both short- and long-term growth opportunities

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Ashland Consumer Markets (Valvoline)

Factors Influencing Margins

- Continued focus on cost savings: approximately $30 million in 2009
- Volume, share and mix improvement in Do-It-Yourself business
- Growth in Valvoline Instant Oil Change
- Dynamic cost-pricing environment
- U.S. private-label business expected to negatively impact overall gross profit by approximately 1 percent of sales

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Ashland Consumer Markets (Valvoline)
Outlook

- **Well-positioned for continued success**
- **Valvoline Engine Guarantee^{SM} loyalty program**
- **Strength of the Valvoline® brand**

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Ashland Aqualon Functional Ingredients

Adjusted Pro Forma Results Summary

($ in millions) Preliminary Fiscal Fourth Quarter	Three months ended Sept. 30, 2009	Three months ended Sept. 30, 2008	Change	Three months ended June 30, 2009	Change
Metric tons sold (000s)	42.0	53.2	(21) %	41.2	2 %
Sales and operating revenue	$ 237	$ 289	(18) %	$ 233	2 %
Gross profit as a percent of sales	35.6 %	32.5 %	310 bp	27.6 %	800 bp
Selling, general and admin./R&D costs	$ 53	$ 52	2 %	$ 39	36 %
Operating income	$ 31	$ 43	(28) %	$ 24	29 %
Operating income as a percent of sales	13.1 %	14.9 %	(180) bp	10.3 %	280 bp
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 56	$ 67	(16) %	$ 50	12 %
EBITDA as a percent of sales	23.6 %	23.2 %	40 bp	21.5 %	210 bp

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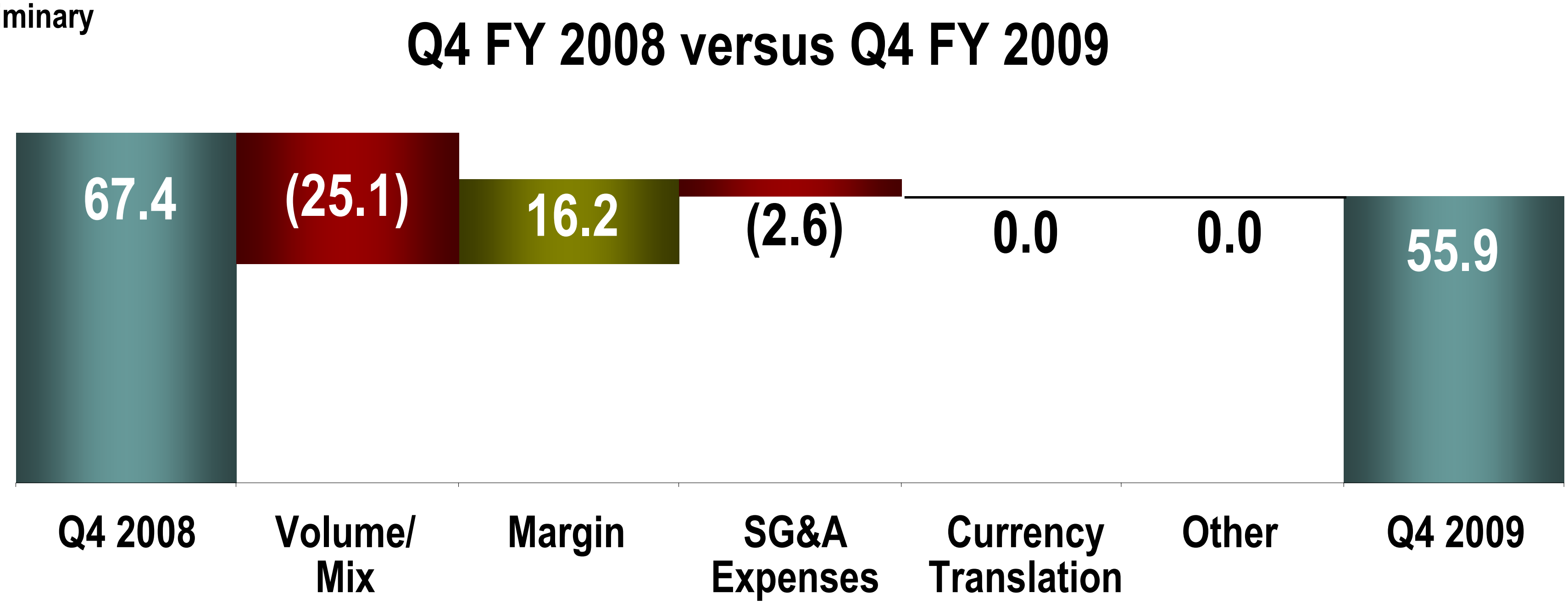
Ashland Aqualon Functional Ingredients

Factors Impacting Adjusted Pro Forma EBITDA

($ millions)
Preliminary



- **Volume declines primarily in construction and energy & specialties markets**
- **Margin improvement due to favorable raw material and energy costs**

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Ashland Hercules Water Technologies

Adjusted Pro Forma Results Summary

($ in millions) Preliminary Fiscal Fourth Quarter	Three months ended Sept. 30, 2009	2008	Change	Three months ended June 30, 2009	Change
Sales and operating revenue	$ 465	$ 543	(14) %	$ 436	7 %
Gross profit as a percent of sales	36.7 %	29.1 %	760 bp	34.7 %	200 bp
Selling, general and admin./R&D costs	$ 132	$ 152	(13) %	$ 120	10 %
Operating income	$ 39	$ 6	550 %	$ 31	26 %
Operating income as a percent of sales	8.4 %	1.1 %	730 bp	7.1 %	130 bp
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 66	$ 35	89 %	$ 56	18 %
EBITDA as a percent of sales	14.2 %	6.4 %	780 bp	12.8 %	140 bp

- Sold Drew Marine business effective Aug. 31, 2009
  - Q4 2009 includes only two months of results versus three months in Q4 2008

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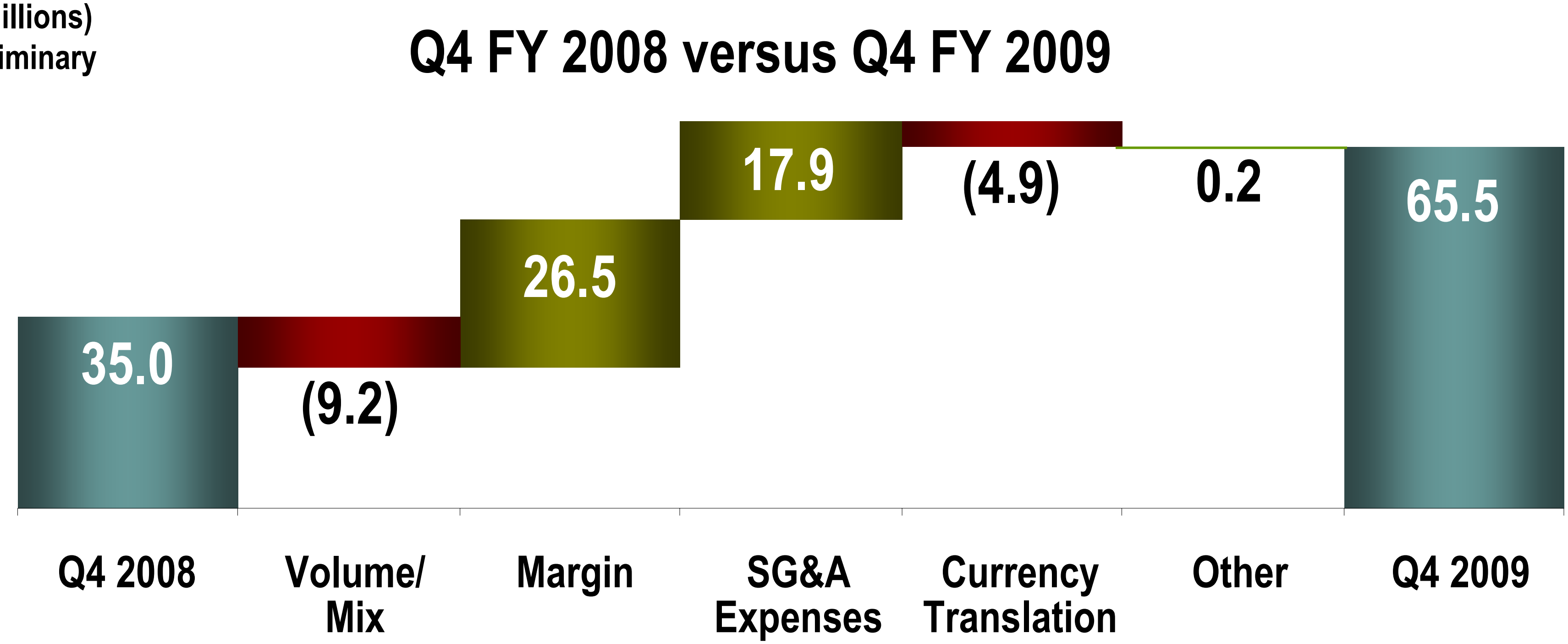
Ashland Hercules Water Technologies

Factors Impacting Adjusted Pro Forma EBITDA

($ millions)
Preliminary



- Weaker volumes versus prior-year quarter, but up sequentially
- Gross profit percentage improved significantly
- Improvements in selling, general and administrative expenses due to integration activities and reduced travel expenses

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Ashland Performance Materials

Adjusted Pro Forma Results Summary

($ in millions) Preliminary Fiscal Fourth Quarter	Three months ended Sept. 30, 2009	Three months ended Sept. 30, 2008	Three months ended Sept. 30, Change	Three months ended June 30, 2009	Three months ended June 30, Change
Pounds/day	3.9	5.2	(25) %	3.8	3 %
Sales and operating revenue	$ 268	$ 427	(37) %	$ 256	5 %
Gross profit as a percent of sales	17.5 %	14.8 %	270 bp	20.3 %	(280) bp
Selling, general and admin./R&D costs	$ 51	$ 62	(18) %	$ 47	9 %
Operating income (loss)	$ (1)	$ 6	(117) %	$ 8	(113) %
Operating income (loss) as a percent of sales	(0.4) %	1.4 %	(180) bp	3.1 %	(350) bp
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 12	$ 20	(40) %	$ 20	(40) %
EBITDA as a percent of sales	4.5 %	4.7 %	(20) bp	7.8 %	(330) bp

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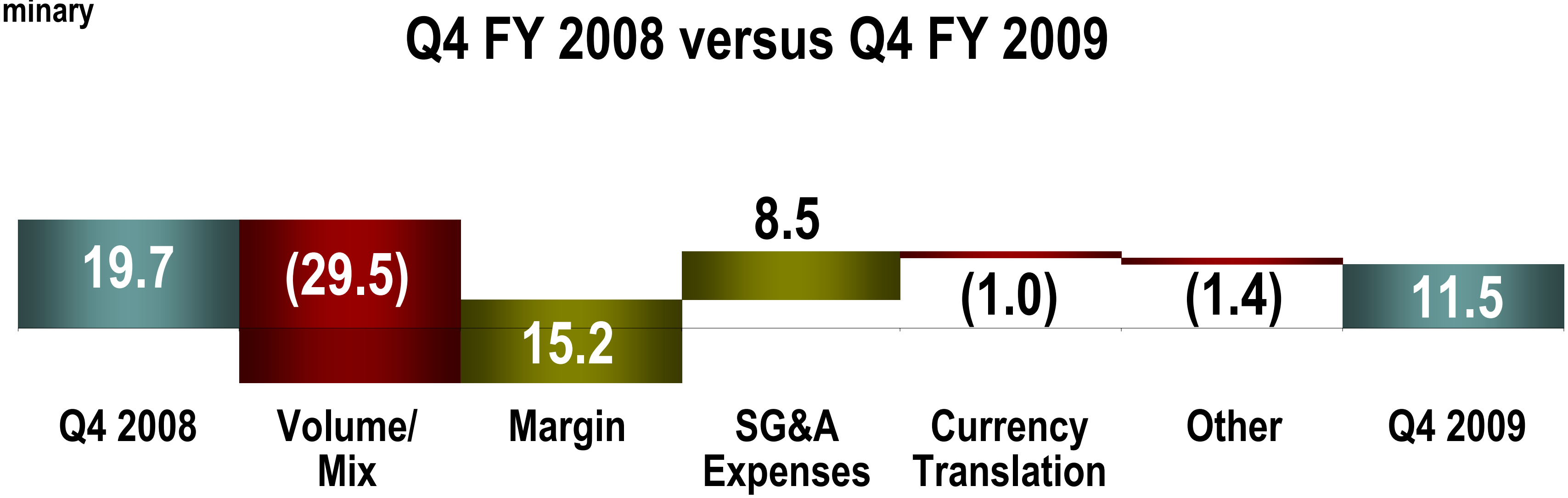
Ashland Performance Materials

Factors Impacting Adjusted Pro Forma EBITDA

($ millions)
Preliminary



- Continued weakness in North American and European markets, although improved versus Q3
- Margin improvement approximately 59 percent manufacturing cost reductions, with the remainder raw materials
- Selling, general and administrative expenses lower than prior-year quarter largely due to 2008/2009 reductions in force

Ashland Distribution

Adjusted Pro Forma Results Summary

($ in millions) Preliminary Fiscal Fourth Quarter	Three months ended Sept. 30, 2009	Three months ended Sept. 30, 2008	Change	Three months ended June 30, 2009	Change
Pounds/day	14.9	18.2	(18) %	14.1	6 %
Sales and operating revenue	$ 771	$ 1,151	(33) %	$ 698	10 %
Gross profit as a percent of sales	8.8 %	8.1 %	70 bp	10.1 %	(130) bp
Selling, general and admin./R&D costs	$ 63	$ 82	(23) %	$ 66	(5) %
Operating income	$ 5	$ 13	(62) %	$ 6	(17) %
Operating income as a percent of sales	0.6 %	1.1 %	(50) bp	0.9 %	(30) bp
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 12	$ 20	(40) %	$ 13	(8) %
EBITDA as a percent of sales	1.6 %	1.7 %	(10) bp	1.9 %	(30) bp

NOTE: Refer to Ashland's earnings releases, dated Oct. 28 and July 24, 2009, for a reconciliation of these adjusted pro forma amounts to amounts reported under GAAP. These earnings releases can be found on Ashland's website at http://investor.ashland.com.

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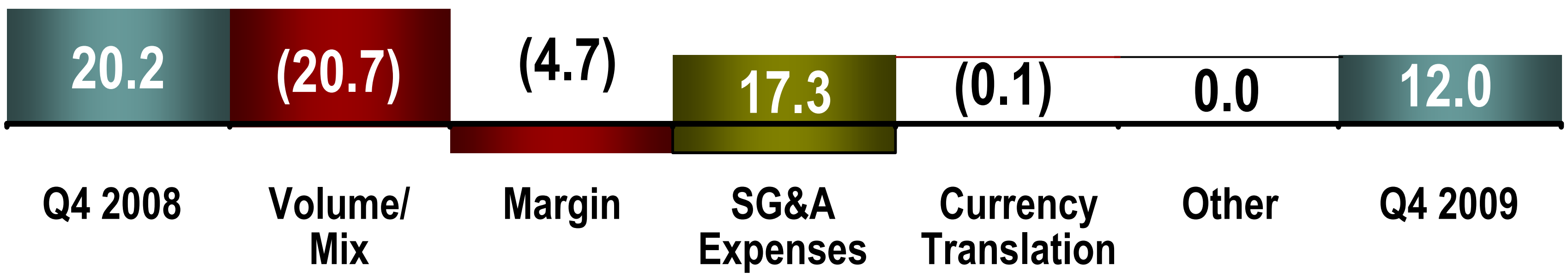
Ashland Distribution

Factors Impacting EBITDA

($ millions)
Preliminary

Q4 FY 2008 versus Q4 FY 2009



- Volumes declined less than 15 percent in plastics and chemicals on a comparable basis

Corporate Items for FY 2010

- Pension expense
  - Additional $15 million in expense vs. fiscal 2009
  - $40 million in cash funding requirements in 2010
- Interest expense
  - Cash: $140 million
    - Blended interest rate of 8.8 percent
  - Book: $175 million
    - Includes $35 million of debt-issuance-cost and other interest amortization
- Tax rate: Low 30s
- Working capital
  - Flat to slight improvement as a percent of sales
- Capital expenditures: $200 million

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2009 Accomplishments

- Cash from operations of $1 billion
  - Improvements in working capital management
- Reduced debt by $1 billion
  - One to two years ahead of schedule
- Significant cost reductions
  - $355 million of $400 million cost-reduction initiatives achieved
- Successful integration of Hercules
  - Strong performance from Water Technologies
  - Cost-reduction targets achieved
- Improved business models, pricing processes and margin management
- Record results from Consumer Markets

Summary

- Created a significant specialty chemicals company
  - Strong No. 1 or No. 2 positions in most of the markets in which we participate
- Continued strong cash flow generation
- Reduced cost structure to prepare organization for operating leverage as volumes return
  - $400 million of cost reductions, roughly 2/3 permanent
  - Likely disproportionate benefit from economic recovery

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Appendix

Fiscal Fourth Quarter 2009

Financial Results (As reported)

($ in millions) Preliminary	Three months ended Sept. 30, 2009	2008	Change
Sales and operating revenue	$ 2,113	$ 2,216	(5) %
Cost of sales	1,601	1,898	(16)
Gross profit	$ 512	$ 318	61 %
Gross profit as a percent of sales	24.2 %	14.4 %	980 bp
Selling, general & admin./R&D costs	$ 388	$ 310	25 %
SG&A as a percent of sales	18.4 %	14.0 %	440 bp
Equity and other income	$ 9	$ 20	(55) %
Operating income	$ 133	$ 28	375 %
Operating income as a percent of sales	6.3 %	1.3 %	500 bp
Depreciation and amortization	$ 85	$ 40	113 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 218	$ 68	221 %
EBITDA as a percent of sales	10.3 %	3.1 %	720 bp

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