



First-Quarter Fiscal 2015 Earnings Conference Call

January 27, 2015



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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 negative of these words or other comparable terminology. In addition, Ashland may from time to time make forward-looking statements in its Annual Report to shareholders, quarterly reports and other 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 impact of acquisitions and/or divestitures Ashland has made or may make (including the possibility that Ashland may not realize the anticipated benefits from such transactions), 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 contained in “Use of estimates, risks and uncertainties” in Note A of Notes to Consolidated Financial Statements and in Item 1A in its most recent Form 10-K 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. Unless legally required, Ashland undertakes no obligation to update any forward-looking statements made in this presentation whether as a result of new information, future events or otherwise.

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 reportable 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 First Quarter 2015

Executive Summary of Financial Results¹



- Reported EPS from continuing operations of \$0.57
 - Adjusted earnings of \$1.46 vs. \$1.12 per share in prior year
- Sales of \$1.4 billion, down 3% from year-ago period
 - Normalized for currency and divestitures, sales would have increased 1%
- Achieved ~\$175 million in run-rate savings from global restructuring
- Adjusted EBITDA of \$262 million, up 11% over prior year
- Completed sale of elastomers for \$120 million
- Completed 10b5-1 share repurchase program
 - Purchased \$127 million of Ashland stock

Ashland Specialty Ingredients

Adjusted Results Summary¹



(\$ in millions) Preliminary	Fiscal First Quarter			Three months ended	
	Three months ended Dec. 31,			Sept. 30,	
	2014	2013	Change	2014	Change
Metric tons sold (in thousands) - Actives basis	79.9	81.7	(2) %	91.1	(12) %
Sales	\$ 561	\$ 581	(3) %	\$ 635	(12) %
Gross profit as a percent of sales	32.7 %	30.9 %	180 bp	32.8 %	(10) bp
Selling, general and admin./R&D costs	\$ 124	\$ 130	(5) %	\$ 125	(1) %
Operating income	\$ 60	\$ 51	18 %	\$ 84	(29) %
Operating income as a percent of sales	10.7 %	8.8 %	190 bp	13.2 %	(250) bp
Depreciation and amortization	\$ 59	\$ 60	(2) %	\$ 63	(6) %
Earnings before interest, taxes, depreciation					
and amortization (EBITDA)	\$ 119	\$ 111	7 %	\$ 147	(19) %
EBITDA as a percent of sales	21.2 %	19.1 %	210 bp	23.1 %	(190) bp

- Year-over-year sales decline primarily driven by FX and guar
- Improved product mix more than offset FX headwind, leading to 210 basis point improvement in EBITDA margin

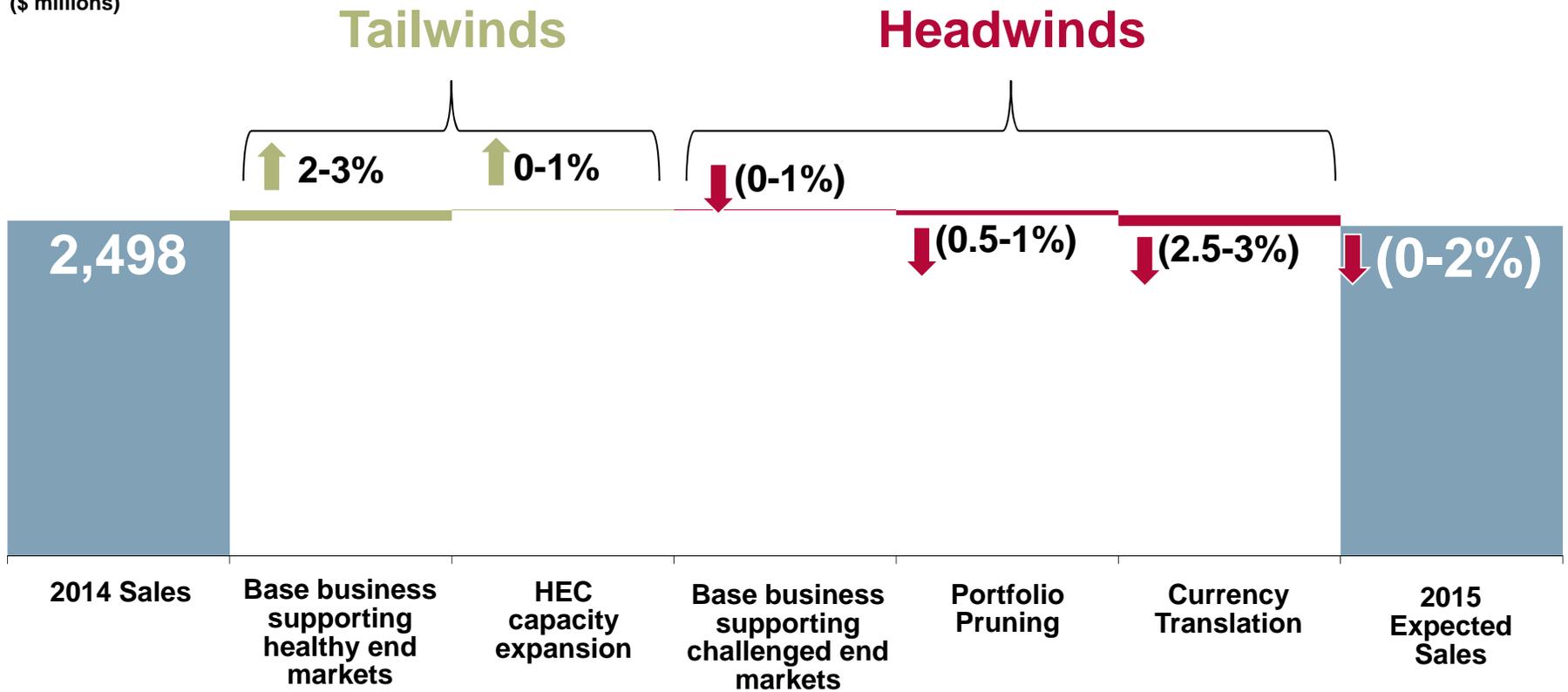
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¹ Ashland's earnings releases dated Jan. 26, 2015 and Nov. 5, 2014 and 8-K dated July 3, 2014; available on Ashland's website at <http://investor.ashland.com>; reconcile adjusted amounts to amounts reported under GAAP.



Near-term opportunities/challenges

(\$ millions)



2014 EBITDA Margin: 21.2%



2015 Expected EBITDA Margin: +175-200 bps

Ashland Performance Materials Adjusted Results Summary¹



(\$ in millions) Preliminary	Fiscal First Quarter Three months ended Dec. 31,			Three months ended Sept. 30,	
	2014	2013	Change	2014	Change
Metric tons sold (in thousands)	129.5	137.9	(6) %	145.1	(11) %
Sales	\$ 338	\$ 365	(7) %	\$ 383	(12) %
Gross profit as a percent of sales	17.3 %	13.4 %	390 bp	13.6 %	370 bp
Selling, general and admin./R&D costs	\$ 36	\$ 41	(12) %	\$ 41	(12) %
Operating income	\$ 25	\$ 14	79 %	\$ 13	92 %
Operating income as a percent of sales	7.4 %	3.8 %	360 bp	3.4 %	400 bp
Depreciation and amortization	\$ 17	\$ 19	(11) %	\$ 18	(6) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 42	\$ 33	27 %	\$ 31	35 %
EBITDA as a percent of sales	12.4 %	9.0 %	340 bp	8.1 %	430 bp

- Excluding elastomers, year-over-year volumes grew 3%
- Composites volumes and margin drove segment earnings growth

¹ Ashland's earnings releases dated Jan. 26, 2015 and Nov. 5, 2014 and 8-K dated July 3, 2014; available on Ashland's website at <http://investor.ashland.com>; reconcile adjusted amounts to amounts reported under GAAP.

Ashland Performance Materials

Business Update



- Strategic actions taken to improve the business
 - Sale of elastomers
 - Continued plant rationalization
- Composites market strengthening
 - Macro tailwinds
 - Strong US economy and recovery in China
 - Lower inputs benefitting near term
- Butanediol market remains challenged
 - Chinese capacity continues to hit the market, pressuring prices
 - Lower crude has reduced feedstock costs, but not enough to offset supply/demand imbalance
 - Working to improve geographic and product mix

Valvoline Results Summary¹



(\$ in millions) Preliminary	Fiscal First Quarter Three months ended Dec. 31,			Three months ended Sept. 30,	
	2014	2013	Change	2014	Change
Lubricant gallons (in millions)	38.9	38.6	1 %	41.5	(6) %
Sales	\$ 492	\$ 486	1 %	\$ 520	(5) %
Gross profit as a percent of sales	33.3 %	31.2 %	210 bp	31.1 %	220 bp
Selling, general and admin./R&D costs	\$ 87	\$ 89	(2) %	\$ 89	(2) %
Operating income	\$ 83	\$ 75	11 %	\$ 77	8 %
Operating income as a percent of sales	16.9 %	15.4 %	150 bp	14.8 %	210 bp
Depreciation and amortization	\$ 9	\$ 8	13 %	\$ 10	(10) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 92	\$ 83	11 %	\$ 87	6 %
EBITDA as a percent of sales	18.7 %	17.1 %	160 bp	16.7 %	200 bp

- Lower input costs, combined with continued mix improvement drove another quarter of solid performance
- Excluding \$6 million benefit from arbitration ruling in prior year period, EBITDA grew 20 percent

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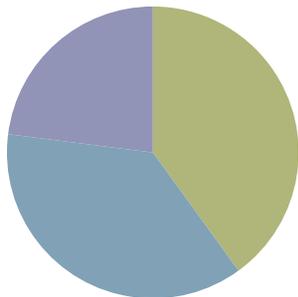
¹ Ashland's earnings releases dated Jan. 26, 2015 and Nov. 5, 2014 and 8-K dated July 3, 2014; available on Ashland's website at <http://investor.ashland.com>; reconcile adjusted amounts to amounts reported under GAAP.

Valvoline Pricing Dynamics



Recent base oil decreases provide short-term price lag benefit

U.S. Lubricants Volume



- Market Based
- Index Based
- PL / Other

Pricing dynamics and base oil changes vary across int'l regions, impacted by currency and other market-based factors

New pricing strategies have reduced lag periods, significantly improving Valvoline's earnings stability

Market Based

Index Based

Private Label/Other

Channels	Price Change Drivers	Average Lag
<ul style="list-style-type: none"> - <i>DIY / Installer</i> 	<ul style="list-style-type: none"> - <i>Major base oil changes</i> - <i>Competitive changes</i> - <i>Retail pricing</i> - <i>Valvoline brand strength</i> 	<ul style="list-style-type: none"> - <i>60 – 120 days</i>
<ul style="list-style-type: none"> - <i>Installer (national/regional accounts)</i> - <i>VIOC Franchisees</i> 	<ul style="list-style-type: none"> - <i>Posted base oil indices</i> 	<ul style="list-style-type: none"> - <i>45 days</i>
<ul style="list-style-type: none"> - <i>DIY / Warehouse Distributor</i> - <i>OEM</i> - <i>Other</i> 	<ul style="list-style-type: none"> - <i>Major base oil changes</i> 	<ul style="list-style-type: none"> - <i>30 days</i>



Performance Summary

2015 off to a good start with earnings and growth across each of the three businesses....

- Good growth in the highest margin areas of the business
- Strong cost execution, led by restructuring program
- Raw material tailwinds / FX headwinds
- Continued active management of the portfolio and returning capital to shareholders

Creating value for our shareholders



Appendix: Non-GAAP Reconciliations

Reconciliation of Non-GAAP Data

for 12 Months Ended December 31, 2014



(\$ millions, except percentages)

Sales ¹	Q1 15	Q4 14	Q3 14	Q2 14	Total	
Specialty Ingredients	561	635	653	629	2,478	
Performance Materials	338	383	420	413	1,554	
Valvoline	492	520	532	503	2,047	
Total	1,391	1,538	1,605	1,545	6,079	
						Adjusted EBITDA
Adjusted EBITDA ¹	Q1 15	Q4 14	Q3 14	Q2 14	Total	Margin
Specialty Ingredients	119	147	142	130	538	21.7%
Performance Materials	42	31	53	49	175	11.3%
Valvoline	92	87	99	90	368	18.0%
Unallocated	9	7	4	3	23	
Total	262	272	298	272	1,104	

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 certain financial filings with the SEC and posted on Ashland's website for each reportable segment.

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