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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): July 26, 2016

ASHLAND INC.
(Exact name of registrant as specified in its charter)

Kentucky
(State or other jurisdiction of incorporation)

1-32532	20-0865835
(Commission File Number)	(I.R.S. Employer Identification No.)

50 E. RiverCenter Boulevard
P.O. Box 391
Covington, Kentucky 41012-0391
Registrant's telephone number, including area code (859) 815-3333

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[X] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

<u>Item 2.02</u>. <u>Results of Operations and Financial Condition</u>

On July 26, 2016, Ashland Inc. ("Ashland") announced preliminary third quarter results, which are discussed in more detail in the news release (the "News Release") attached to this Current Report on Form 8-K ("Form 8-K") as Exhibit 99.1, which is incorporated herein by reference into this Item 2.02.

<u>Item 7.01.</u> <u>Regulation FD Disclosure</u>

On July 26, 2016, Ashland will make available the News Release, a slide presentation and prepared remarks on the "Investor Center" section of Ashland's website located at http://investor.ashland.com. A copy of the slide presentation and the prepared remarks are attached to this Form 8-K as Exhibits 99.2 and 99.3, respectively, and are incorporated herein by reference solely for purposes of this Item 7.01 disclosure.

<u>Item 9.01</u>. <u>Financial Statements and Exhibits</u>

(d)	Exhibits
99.1	News Release dated July 26, 2016.
99.2	Slide Presentation dated July 26, 2016.
99.3	Prepared Remarks dated July 26, 2016.

In connection with the disclosures set forth in Items 2.02 and 7.01 above, the information in this Form 8-K, including the exhibits attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in this Form 8-K, including the exhibits, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing. This Form 8-K will not be deemed an admission as to the materiality of any information in this Form 8-K that is required to be disclosed solely by Regulation FD.

Non-solicitation

A registration statement relating to the securities of Ashland Global Holdings Inc. in connection with the reorganization of Ashland under a new holding company has been filed with the SEC but has not yet become effective. The securities subject to such registration statement may not be sold, nor may offers to buy such securities be accepted, before the time the registration statement becomes effective. This Form 8-K shall not constitute an offer to sell or a solicitation of an offer to buy such securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

Additional Information and Where to Find It

In connection with the reorganization, Ashland filed with the SEC the Ashland Global Holdings Inc. registration statement (the "Ashland Global Registration Statement") that includes a proxy statement of Ashland Inc. that also constitutes a prospectus of Ashland Global Holdings Inc. with respect to the securities of Ashland Global Holdings Inc. (the Ashland Global Registration Statement has not yet been declared effective). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS, AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN, OR WILL CONTAIN, IMPORTANT INFORMATION ABOUT ASHLAND INC., ASHLAND GLOBAL HOLDINGS INC. AND THE REORGANIZATION. A definitive proxy statement will be sent to shareholders of Ashland Inc. seeking approval of the reorganization after the Ashland Global Registration Statement is declared effective. The proxy statement/prospectus and other documents relating to the reorganization can be obtained free of charge from the SEC website at www.sec.gov.

Participants in Solicitation

This communication is not a solicitation of a proxy from any investor or shareholder. However, Ashland Inc., Ashland Global Holdings Inc. and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the reorganization under the rules of the SEC. Information regarding Ashland Inc.'s directors and executive officers may be found in its definitive proxy statement relating to its 2016 Annual Meeting of Shareholders filed with the SEC on December 4, 2015 and in the proxy statement/prospectus included in the Ashland Global Registration Statement. Information regarding Ashland Global Holdings Inc.'s directors and executive officers may be found in the proxy statement/prospectus included in the Ashland Global Registration Statement. These documents can be obtained free of charge from the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASHLAND INC.
(Registrant)

July 26, 2016

/s/ J. Kevin Willis
J. Kevin Willis
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

99.1	News Release dated July 26, 2016.
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99.3	Prepared Remarks dated July 26, 2016.

News Release

July 26, 2016

Ashland Inc. reports preliminary financial results for third quarter of fiscal 2016

- *Earnings from continuing operations equal $97 million, or $1.55 per diluted share, a decrease of 16 percent from a year ago*
- *Adjusted earnings from continuing operations total $122 million, or $1.95 per diluted share, up 2 percent from a year ago*
- *Net income equals $71 million, a decrease of $36 million from a year ago*
- *Adjusted EBITDA totals $294 million and adjusted EBITDA margin was 22.8 percent, a 160-basis-point increase from a year ago*

COVINGTON, Ky. – Ashland Inc. (NYSE: ASH), a global leader in differentiated specialty chemicals and, through Valvoline, a premium consumer-branded lubricant supplier, today announced preliminary[(1)] financial results for the fiscal third quarter ended June 30, 2016.

Quarterly Highlights

(in millions except per-share amounts)	Quarter Ended June 30	
	2016	2015
Operating income	$ 175	$ 196
Key items*	31	11
Adjusted operating income*	$ 206	$ 207
Adjusted EBITDA*	$ 294	$ 290
Diluted earnings per share (EPS)		
From net income	$ 1.13	$ 1.56
From continuing operations	$ 1.55	$ 1.68
Key items*	0.40	0.23
Adjusted EPS from continuing operations*	$ 1.95	$ 1.91
Cash flows provided (used) by operating activities from continuing operations	$ 185	$ (255)
Free cash flow*	107	184

* See Tables 5, 6 and 7 for Ashland definitions and U.S. GAAP reconciliations.

For the quarter ended June 30, 2016, Ashland reported income from continuing operations of $97 million, or $1.55 per diluted share, on sales of nearly $1.3 billion. These results included four key items that together reduced income from continuing operations by approximately $25 million, net of tax, or $0.40 per diluted share. For the year-ago quarter, Ashland reported income from continuing operations of $115 million, or $1.68 per diluted share, on sales of nearly $1.4 billion. There were three key items in the year-ago quarter that, on a combined basis, reduced income from continuing operations by $16 million after tax, or $0.23 per diluted share. (Please refer to Table 5 of the accompanying financial statements for details of key items.) For the remainder of this news release, financial results have been adjusted to exclude the effect of key items in both the current and prior-year quarters.

On an adjusted basis, Ashland's income from continuing operations in the third quarter of fiscal 2016 was $122 million, or $1.95 per diluted share, versus $131 million, or $1.91 per diluted share, for the year-ago quarter.

During the third quarter:

- Both Ashland Performance Materials (APM) and Valvoline reported sales and earnings results that were consistent with the outlook provided in late April. Ashland Specialty Ingredients (ASI) reported sales or volume growth in five key end markets and strong gross margins while maintaining good cost discipline. These results were offset by weakness in emerging regions, particularly China and Latin America.
- As expected, headwinds from currency, weak energy markets and exited product lines receded significantly. The year-over-year impact of these headwinds reduced sales by approximately $40 million in the third quarter, with divestitures accounting for more than half of that figure. By comparison, the year-over-year headwinds impact in the second quarter was $60 million.
- Net income totaled $71 million, a decrease of $36 million from a year ago.
- Adjusted EBITDA rose 1 percent, to $294 million, while adjusted EBITDA margin increased 160 basis points, to 22.8 percent.

"Ashland's performance in the third quarter reflected continued progress in executing our strategic plans as we prepare to separate into two independent, publicly held companies," said William A. Wulfsohn, Ashland chairman and chief executive officer.

"Our first priority this year has been to drive the operational and strategic gains needed to meet our financial expectations. During the quarter, the overall performance at both APM and Valvoline were in line with our expectations. Within APM, composites posted another quarter of year-over-year margin expansion as pricing adjustments more than offset the impact of rising raw-material costs. Valvoline achieved its eleventh straight quarter of year-over-year EBITDA growth driven by higher volumes, improved channel and product mix, and good same-store sales growth at Valvoline Instant Oil Change℠ (VIOC).

"Within ASI, the team made good progress on a number of strategic fronts, reporting sales or volume growth in pharmaceutical, hair care, nutrition, coatings and adhesives end markets. In addition, we continued to accelerate the innovation pipeline, particularly within hybrid chemistries where we believe we have a significant competitive advantage.

At the same time, ASI maintained strong gross margins and demonstrated good costdiscipline. While the combination of lower-than-expected personal-care volumes in China and Latin America, and the related impact on manufacturing costs, contributed to ASI's earnings coming in below our outlook for the quarter, ASI's overall year-over-year EBITDA trend continued to improve on a sequential basis," Wulfsohn explained.

He said the second core priority has been effectively converting earnings to cash. During the first nine months of fiscal 2016, Ashland generated $435 million of operating cash flow from continuing operations, compared to a use of cash of $159 million in the first nine months of fiscal 2015. For the first nine months of fiscal 2016, Ashland generated free cash flow of $254 million, compared to $194 million for the same period a year ago.

Ashland's third priority has been the effective allocation of capital, such as through the recently completed offering by a Valvoline subsidiary of $375 million aggregate principal amount of 5.500% senior notes due 2024. The proceeds have been used to repay borrowings under Ashland's senior unsecured credit facilities.

The company's fourth priority has been to complete the planned separation into two independent, publicly traded companies: Ashland Global Holdings Inc., composed of Ashland Specialty Ingredients and Ashland Performance Materials, and Valvoline Inc., composed of Ashland's Valvoline business segment. As described in a series of recent announcements and also outlined later in this news release, Ashland has passed a number of notable milestones on its way toward a planned separation.

Reportable Segment Performance
To aid understanding of Ashland's ongoing business performance, the results of Ashland's reportable segments are described below on an adjusted basis and EBITDA, or adjusted EBITDA, is reconciled to operating income in Table 7 of this news release.

ASI reported sales or volume growth in five key end markets, strong gross margins and cost discipline, offset by weakness in some oral- and skin-care markets in emerging regions, particularly China and Latin America. Sales totaled $552 million, down 5 percent, with headwinds from weak energy markets and the company's decision to divest or exit certain non-core product lines representing more than half of the decline. On a sequential basis, sales grew 4 percent, reflecting normal seasonality patterns and the receding headwinds. Adjusted EBITDA totaled $128 million and adjusted EBITDA margin remained healthy at 23.2 percent.

Within Consumer Specialties, sales declined 3 percent, on both an as-reported and currency-adjusted basis, versus the prior year. As expected, foreign currency translation had a negligible impact on the year-over-year results. Within pharmaceuticals, we continue to see good penetration of our controlled-release technologies with Ashland's excipients customers. Our nutrition product line returned to growth due to new business gains in some emerging regions. Within hair care, ASI has strengthened its market position through leading-edge technology introductions and continued product innovation. These results were offset by weakness in oral- and skin-care end markets in China and Latin America.

Within Industrial Specialties, sales declined 7 percent. The previously mentioned headwinds from energy and divested product lines represented nearly all of this decline. As expected, the commercial team drove business gains in the developed regions, offset by further weakness in emerging regions. Within the core architectural coatings end market, ASI began to see the results from recent new business wins from several large customers in North America and Asia, driven by new technologies and applications. Energy sales declined versus the prior year, though the overall impact was less than in previous quarters, consistent with the expectation that ASI would begin lapping the energy headwind during the third quarter. Within Adhesives, recent product introductions helped generate continued growth.

Looking ahead to ASI's fiscal fourth quarter, we have forecast continued weakness in emerging regions. Sales are expected to be in the range of approximately $520-$540 million. Growth of our high-value-add categories of products sold into higher-margin core growth end markets should lead to another strong margin performance, with expected EBITDA margins of 24-24.5 percent.

APM's third-quarter results were consistent with the outlook provided in late April. Sales totaled $238 million, down 14 percent from prior year. EBITDA rose 11 percent, to $30 million, while adjusted EBITDA margin finished at 12.6 percent, up 290 basis points from a year ago. Composites posted another quarter of year-over-year margin expansion as pricing adjustments more than offset the impact of rising raw-material costs during the quarter. Volumes were generally soft across all regions. In Europe, volumes eased when compared to strong year-ago results for products used in residential construction markets. Slowing industrial growth in emerging regions – particularly China and Brazil – was reflected in lower volumes in these regions. Overall, Composites sales declined 11 percent for the quarter. The majority of this decline was due to lower pricing reflecting reduced raw-material costs when compared to the prior-year period. Within I&S, overall results were generally consistent with our prior outlook that butanediol (BDO) margins would decline, reflecting more aggressive pricing in the marketplace. Overall I&S volumes and sales declined by 3 percent and 21 percent, respectively, when compared to the prior year.

For the fourth quarter, we expect APM's sales to be in the range of $220-$240 million, roughly in line with normal seasonality trends. We expect another quarter of solid margin performance within Composites to be offset by I&S pricing and volumes that remain well below prior-year levels. In addition, due to lower demand, APM has decided to pull forward a planned manufacturing plant turnaround that was previously scheduled for the first quarter of fiscal 2017. We expect APM's EBITDA margin to be in the range of approximately 9-10 percent for the fourth quarter.

Valvoline reported strong third-quarter earnings with EBITDA rising 3 percent, to $119 million, due to increased promotional activity in the prior year. This marks the eleventh consecutive quarter of year-over-year EBITDA growth as Valvoline continued to execute its strategy of investing in higher-return opportunities within its core lubricants product lines. Results were driven by solid overall lubricant volume growth with particular strength among Do-It-For-Me (DIFM) customers, including both those served through installers and those served by VIOC. In total, lubricant volume grew by 3 percent and EBITDA margin increased by 110 basis points, to 23.8 percent, when compared to the prior year. At VIOC, same-store sales rose nearly 7 percent at company-owned sites. At the end of the third quarter, VIOC had a total of 1,055 company-owned and franchised stores within its network, a gain of 116 stores versus a year ago after including the acquisition of 89 Oil Can Henry's stores earlier this year. Within Valvoline's international channel, volume grew 6 percent, driven by continued strong execution of channel-building efforts. Valvoline's overall sales mix continued to improve, with U.S. premium branded lubricant sales volume increasing to 45.3 percent, a 450-basis-point increase from the prior year and a 70-basis-point gain from the second quarter of fiscal 2016.

Due to securities law restrictions associated with the planned separation, we are not providing a fourth-quarter outlook for the Valvoline business segment.

Ashland's effective tax rate for the June 2016 quarter, after adjusting for key items, was 28 percent. For the fiscal fourth quarter, we expect the adjusted effective tax rate to be approximately 28 percent.

Update on Separation
Over the past several months, Ashland has achieved several milestones in its plan to separate into two independent, publicly traded companies.

Earlier this month, Ashland announced that a Valvoline subsidiary entered into a new delayed-draw credit agreement for senior secured bank facilities. The agreement provides for $1.325 billion in financing. As previously noted, Ashland also announced that a Valvoline subsidiary had closed an offering of $375 million aggregate principal amount of 5.500% senior notes due 2024. Ashland has used the net proceeds from the notes offering to repay borrowings under its senior unsecured credit facilities.

"Our teams have made tremendous progress over the past 10 months in preparing to stand up two great companies – each with the opportunity to customize its operations and invest its capital according to the specific global needs of the business. That work is continuing and we remain on track for separation," Wulfsohn said.

Path Forward
"We are pleased with the performance of Valvoline. We are also pleased with the progress we have made in a number of ASI's end markets, our margin management and our strong cost control within the chemicals group. At the same time, we are taking actions to drive growth across all of ASI's end markets. We have on-boarded two new senior commercial leaders and have established dedicated leadership positions for the pharmaceutical and personal care end markets. Furthermore, to better leverage our scale, we have consolidated our global technical resources under the newly created position of chief technology officer. These moves are consistent with our ongoing strategic focus on enhancing our commercial excellence and increasing the impact of new product introductions," he said.

"Finally, we believe the separation into two companies will enable the chemicals group to drive incremental cost savings in excess of $25 million over the next 18-24 months. These savings are expected to be driven largely by a redesign of our IT support infrastructure, the implementation of an enhanced global supply chain system, and the expansion of our global business service center in India."

He continued: "Looking forward, in the near term, given the weakness in some emerging regions, we are taking a cautious approach to our outlook for ASI and APM for the fiscal fourth quarter. That said, we remain confident that our talented team, which is aligned around a clear strategy to leverage our technological innovation and applications expertise, combined with the aggressive actions we are taking, will drive profitable growth and create significant shareholder value."

“In conclusion, we remain confident and excited that we are well on our way toward creating two great, independent companies,” Wulfsohn said.

Conference Call Webcast

Ashland will host a live webcast of its third-quarter conference call with securities analysts at 9 a.m. EDT Wednesday, July 27, 2016. The webcast and supporting materials will be accessible through Ashland’s website at http://investor.ashland.com. Following the live event, an archived version of the webcast and supporting materials will be available for 12 months.

Use of Non-GAAP Measures

This news release includes certain non-GAAP (Generally Accepted Accounting Principles) measures. Such measurements are not prepared in accordance with GAAP and should not be construed as an alternative to reported results determined in accordance with GAAP. Management believes the use of EBITDA and Adjusted EBITDA measures assists investors in understanding the ongoing operating performance by presenting comparable financial results between periods. Ashland believes that by removing the impact of depreciation and amortization and excluding certain non-cash charges, amounts spent on interest and taxes and certain other charges that are highly variable from year to year, EBITDA and Adjusted EBITDA provide Ashland’s investors with performance measures that reflect the impact to operations from trends in changes in sales, margin and operating expenses, providing a perspective not immediately apparent from net income and operating income. The adjustments Ashland makes to derive the non-GAAP measures of EBITDA and Adjusted EBITDA exclude items which may cause short-term fluctuations in net income and operating income and which Ashland does not consider to be the fundamental attributes or primary drivers of its business. EBITDA and Adjusted EBITDA provide disclosure on the same basis as that used by Ashland’s management to evaluate financial performance on a consolidated and reportable segment basis and provide consistency in our financial reporting, facilitate internal and external comparisons of Ashland’s historical operating performance and its business units and provide continuity to investors for comparability purposes.

The free cash flow metric enables Ashland to provide a better indication of the ongoing cash being generated that is ultimately available for both debt and equity holders as well as other investment opportunities. Unlike cash flow provided by operating activities, free cash flow includes the impact of capital expenditures from continuing operations, providing a more complete picture of cash generation. Free cash flow has certain limitations, including that it does not reflect adjustment for certain non-discretionary cash flows such as mandatory debt repayments. The amount of mandatory versus discretionary expenditures can vary significantly between periods.

The non-GAAP information provided may not be consistent with the methodologies used by other companies. All non-GAAP amounts have been reconciled with reported GAAP results in Tables 5, 6 and 7 of the financial statements provided with this news release.

About Ashland

Ashland Inc. (NYSE: ASH) is a global leader in providing specialty chemical solutions to customers in a wide range of consumer and industrial markets, including adhesives, architectural coatings, automotive, construction, energy, food and beverage, personal care and pharmaceutical. Through our three business units – Ashland Specialty Ingredients, Ashland Performance Materials and Valvoline – we use good chemistry to make great things happen for customers in more than 100 countries. Visit ashland.com to learn more.

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Forward-Looking Statements

This news release contains forward-looking statements. Ashland has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “objectives,” “may,” “will,” “should,” “plans” and “intends” and the negative of these words or other comparable terminology. These forward-looking statements include statements relating to status of the separation process, the plan to pursue an IPO of up to 20 percent of the common stock of Valvoline and the expected completion of the separation through the subsequent distribution of Valvoline common stock, the anticipated timing of completion of the planned IPO and subsequent distribution of the remaining Valvoline common stock, the plan to reorganize under a new public holding company to be called Ashland Global Holdings Inc. and Ashland’s and Valvoline’s ability to pursue their long-term strategies. In addition, Ashland may from time to time make forward-looking statements in its annual report, quarterly reports and other filings with the 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, including the proposed separation of its specialty chemicals and Valvoline businesses, the proposed IPO of its Valvoline business, the expected timetable for completing the IPO and the separation, the proposal to reorganize under a new holding company, the future financial and operating performance of each company, strategic and competitive advantages of each company, the leadership of each company, and future opportunities for each company, as well as 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: the possibility that the proposed IPO, new holding company reorganization or separation will not be consummated within the anticipated time period or at all, including as the result of regulatory, market or other factors or the failure to obtain shareholder approval of the new holding company reorganization; the potential for disruption to Ashland’s business in connection with the proposed IPO, new holding company reorganization or separation; the potential that the new Ashland and Valvoline do not realize all of the expected benefits of the proposed IPO, new holding company reorganization or separation or obtain the expected credit ratings following the proposed IPO, new holding company reorganization or separation; 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); 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 and its Form 10-Q for the quarterly period ended March 31, 2016 (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 http://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 news release whether as a result of new information, future event or otherwise. Information on Ashland’s website is not incorporated into or a part of this news release.

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(1) Preliminary Results

Financial results are preliminary until Ashland’s Form 10-Q is filed with the SEC.

SM Service mark, Ashland or its subsidiaries, registered in various countries.
™ Trademark, Ashland or its subsidiaries, registered in various countries.

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Ashland Inc. and Consolidated Subsidiaries Table 1

STATEMENTS OF CONSOLIDATED INCOME

(In millions except per share data - preliminary and unaudited)

	Three months ended June 30		Nine months ended June 30	
	2016	**2015**	**2016**	**2015**
Sales	$ 1,290	$ 1,367	$ 3,700	$ 4,107
Cost of sales	854	939	2,449	2,845
GROSS PROFIT	436	428	1,251	1,262
Selling, general and administrative expense	244	216	726	645
Research and development expense	25	24	75	74
Equity and other income	8	8	23	16
OPERATING INCOME	175	196	473	559
Net interest and other financing expense	40	54	125	136
Net gain (loss) on divestitures	3	-	3	(118)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	138	142	351	305
Income tax expense	41	27	76	55
INCOME FROM CONTINUING OPERATIONS	97	115	275	250
Income (loss) from discontinued operations (net of taxes)	(26)	(8)	(28)	113
NET INCOME	$ 71	$ 107	$ 247	$ 363
DILUTED EARNINGS PER SHARE				
Income from continuing operations	$ 1.55	$ 1.68	$ 4.31	$ 3.61
Income (loss) from discontinued operations	(0.42)	(0.12)	(0.44)	1.63
Net income	$ 1.13	$ 1.56	$ 3.87	$ 5.24
AVERAGE COMMON SHARES AND ASSUMED CONVERSIONS	63	68	64	69
SALES				
Specialty Ingredients	$ 552	$ 579	$ 1,557	$ 1,722
Performance Materials	238	278	708	902
Valvoline	500	510	1,435	1,483
	$ 1,290	$ 1,367	$ 3,700	$ 4,107
OPERATING INCOME (LOSS)				
Specialty Ingredients	$ 66	$ 75	$ 169	$ 200
Performance Materials	16	13	59	68
Valvoline	109	107	306	273
Unallocated and other	(16)	1	(61)	18
	$ 175	$ 196	$ 473	$ 559

Ashland Inc. and Consolidated Subsidiaries

Table 2

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions - preliminary and unaudited)

	June 30 2016	September 30 2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,215	$ 1,257
Accounts receivable	908	961
Inventories	677	706
Other assets	111	169
Total current assets	2,911	3,093
Noncurrent assets		
Property, plant and equipment		
Cost	4,228	4,144
Accumulated depreciation	2,058	1,962
Net property, plant and equipment	2,170	2,182
Goodwill	2,567	2,486
Intangibles	1,086	1,142
Restricted investments	292	285
Asbestos insurance receivable	197	180
Equity and other unconsolidated investments	62	65
Deferred income taxes	213	212
Other assets	414	409
Total noncurrent assets	7,001	6,961
Total assets	$ 9,912	$ 10,054
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term debt	$ 716	$ 326
Current portion of long-term debt	55	55
Trade and other payables	477	573
Accrued expenses and other liabilities	423	488
Total current liabilities	1,671	1,442
Noncurrent liabilities		
Long-term debt	3,316	3,348
Employee benefit obligations	989	1,076
Asbestos litigation reserve	696	661
Deferred income taxes	85	85
Other liabilities	421	405
Total noncurrent liabilities	5,507	5,575
Stockholders' equity	2,734	3,037
Total liabilities and stockholders' equity	$ 9,912	$ 10,054

Ashland Inc. and Consolidated Subsidiaries Table 3

STATEMENTS OF CONSOLIDATED CASH FLOWS

(In millions - preliminary and unaudited)

	Three months ended June 30		Nine months ended June 30	
	2016	**2015**	**2016**	**2015**
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS				
Net income	$ 71	$ 107	$ 247	$ 363
Loss (income) from discontinued operations (net of taxes)	26	8	28	(113)
Adjustments to reconcile income from continuing operations to cash flows from operating activities				
Depreciation and amortization	86	85	254	255
Debt issuance cost amortization	3	10	9	17
Deferred income taxes	(1)	(4)	-	(16)
Equity income from affiliates	(4)	(4)	(12)	(12)
Distributions from equity affiliates	3	8	11	18
Stock based compensation expense	7	7	23	22
Loss on early retirement of debt	-	8	-	8
Gain on available-for-sale securities	(2)	(1)	(6)	(1)
Net loss (gain) on divestitures	(3)	-	(3)	118
Impairment of equity investment	-	-	-	14
Pension contributions	(9)	(563)	(24)	(592)
Losses on pension and other postretirement plan remeasurements	-	-	23	9
Change in operating assets and liabilities (a)	8	84	(115)	(249)
Total cash provided (used) by operating activities from continuing operations	185	(255)	435	(159)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES FROM CONTINUING OPERATIONS				
Additions to property, plant and equipment	(78)	(61)	(181)	(147)
Proceeds from disposal of property, plant and equipment	-	1	3	2
Purchase of operations - net of cash acquired	(4)	(5)	(70)	(5)
Proceeds from sale of operations or equity investments	3	27	15	133
Funds restricted for specific transactions	(4)	-	(4)	(320)
Reimbursements from restricted investments	1	-	24	-
Proceeds from sales of available-for-sale securities	-	315	4	315
Purchases of available-for-sale securities	-	(315)	(4)	(315)
Proceeds from the settlement of derivative instruments	1	17	8	17
Payments from the settlement of derivative instruments	(2)	(5)	(2)	(5)
Total cash used by investing activities from continuing operations	(83)	(26)	(207)	(325)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS				
Proceeds from issuance of long-term debt	-	1,100	-	1,100
Repayment of long-term debt	(14)	(559)	(50)	(559)
Premium on long-term debt repayment	-	(8)	-	(8)
Proceeds (repayment) from short-term debt	21	(2)	389	(98)
Repurchase of common stock	-	-	(500)	(397)
Debt issuance costs	(1)	(9)	(2)	(9)
Cash dividends paid	(24)	(26)	(72)	(72)
Excess tax benefits related to share-based payments	1	2	1	9
Total cash provided (used) by financing activities from continuing operations	(17)	498	(234)	(34)
CASH PROVIDED (USED) BY CONTINUING OPERATIONS	85	217	(6)	(518)
Cash provided (used) by discontinued operations				
Operating cash flows	(11)	(16)	(30)	261
Investing cash flows	-	9	-	19
Effect of currency exchange rate changes on cash and cash equivalents	5	(8)	(6)	(42)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	79	202	(42)	(280)
Cash and cash equivalents - beginning of period	1,136	911	1,257	1,393
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 1,215	$ 1,113	$ 1,215	$ 1,113
DEPRECIATION AND AMORTIZATION				
Specialty Ingredients	$ 61	$ 62	$ 184	$ 183
Performance Materials	14	14	40	44
Valvoline	10	9	29	28
Unallocated and other	1	-	1	-
	$ 86	$ 85	$ 254	$ 255
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT				
Specialty Ingredients	$ 45	$ 43	$ 121	$ 95
Performance Materials	9	7	18	16
Valvoline	17	8	32	26
Unallocated and other	7	3	10	10
	$ 78	$ 61	$ 181	$ 147

(a) Excludes changes resulting from operations acquired or sold.

Ashland Inc. and Consolidated Subsidiaries

Table 4

INFORMATION BY INDUSTRY SEGMENT

(In millions - preliminary and unaudited)

	Three months ended June 30		Nine months ended June 30	
	2016	**2015**	**2016**	**2015**
SPECIALTY INGREDIENTS				
Sales per shipping day	$ 8.6	$ 9.0	$ 8.2	$ 9.1
Metric tons sold (thousands)	81.8	83.6	227.8	246.2
Gross profit as a percent of sales (a)	33.2%	32.8%	33.6%	32.4%
PERFORMANCE MATERIALS				
Sales per shipping day	$ 3.7	$ 4.3	$ 3.7	$ 4.8
Metric tons sold (thousands)	114.6	118.2	337.1	366.0
Gross profit as a percent of sales (a)	19.4%	16.2%	20.7%	18.6%
VALVOLINE				
Lubricant sales (gallons)	45.8	44.4	130.0	123.9
Premium lubricants (percent of U.S. branded volumes)	45.3%	40.8%	44.4%	40.0%
Gross profit as a percent of sales (a)	39.7%	37.0%	39.4%	35.5%

(a) Gross profit as a percent of sales is defined as sales, less cost of sales divided by sales.

Ashland Inc. and Consolidated Subsidiaries

Table 5

RECONCILIATION OF NON-GAAP DATA - INCOME (LOSS) FROM CONTINUING OPERATIONS

(In millions - preliminary and unaudited)

	Three Months Ended June 30, 2016				
	Specialty Ingredients	Performance Materials	Valvoline	Unallocated & Other	Total
OPERATING INCOME (LOSS)					
Separation and restructuring costs	$ (4)	$ -	$ -	$ (28)	$ (32)
Environmental reserve adjustment	(2)	-	-	(13)	(15)
Customer claim adjustment	5	-	-	-	5
Legacy benefit for former directors	-	-	-	11	11
All other operating income	67	16	109	14	206
Operating income (loss)	66	16	109	(16)	175
NET INTEREST AND OTHER FINANCING EXPENSE				40	40
NET GAIN ON DIVESTITURES				3	3
INCOME TAX EXPENSE (BENEFIT)					
Key items				(6)	(6)
All other income tax expense				47	47
				41	41
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 66	$ 16	$ 109	$ (94)	$ 97

	Three Months Ended June 30, 2015				
	Specialty Ingredients	Performance Materials	Valvoline	Unallocated & Other	Total
OPERATING INCOME					
Restructuring	$ (2)	$ -	$ -	$ -	$ (2)
Environmental reserve adjustment	-	-	-	(9)	(9)
All other operating income	77	13	107	10	207
Operating income	75	13	107	1	196
NET INTEREST AND OTHER FINANCING EXPENSE					
Premiums, accelerated amortization and other debt refinancing costs				14	14
All other interest and other financing expense				40	40
				54	54
INCOME TAX EXPENSE (BENEFIT)					
Key items				(9)	(9)
All other income tax expense				36	36
				27	27
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 75	$ 13	$ 107	$ (80)	$ 115

Ashland Inc. and Consolidated Subsidiaries

Table 6

RECONCILIATION OF NON-GAAP DATA - FREE CASH FLOW

(In millions - preliminary and unaudited)

	Three months ended June 30		Nine months ended June 30	
Free cash flow (a)	**2016**	**2015**	**2016**	**2015**
Total cash flows provided (used) by operating activities from continuing operations	$ 185	$ (255)	$ 435	$ (159)
Adjustments:				
Additions to property, plant and equipment	(78)	(61)	(181)	(147)
Discretionary contribution to pension plans	-	500	-	500
Free cash flows	$ 107	$ 184	$ 254	$ 194

(a) Free cash flow is defined as cash flows provided by operating activities less additions to property, plant and equipment and other items Ashland has deemed non operational (if applicable).

Ashland Inc. and Consolidated Subsidiaries Table 7

RECONCILIATION OF NON-GAAP DATA - ADJUSTED EBITDA

(In millions - preliminary and unaudited)

	Three months ended June 30	
Adjusted EBITDA - Ashland Inc.	**2016**	**2015**
Net income	$ 71	$ 107
Income tax expense	41	27
Net interest and other financing expense	40	54
Depreciation and amortization (a)	85	83
EBITDA	237	271
Loss from discontinued operations (net of taxes)	26	8
Operating key items (see Table 5)	31	11
Adjusted EBITDA	$ 294	$ 290
Adjusted EBITDA - Specialty Ingredients		
Operating income	$ 66	$ 75
Add:		
Depreciation and amortization	61	60
Key items (see Table 5)	1	2
Adjusted EBITDA	$ 128	$ 137
Adjusted EBITDA - Performance Materials		
Operating income	$ 16	$ 13
Add:		
Depreciation and amortization	14	14
Key items (see Table 5)	-	-
Adjusted EBITDA	$ 30	$ 27
Adjusted EBITDA - Valvoline		
Operating income	$ 109	$ 107
Add:		
Depreciation and amortization	10	9
Key items (see Table 5)	-	-
Adjusted EBITDA	$ 119	$ 116

(a) Depreciation and amortization excludes accelerated depreciation of $1 million for Unallocated and other and $2 million for Specialty Ingredients for the three months ended June 30, 2016 and 2015, respectively, which are included as key items within this table.

Third-Quarter Fiscal 2016 Earnings

July 26, 2016

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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," "objectives," "may," "will," "should," "plans" and "intends" and the negative of these words or other comparable terminology. These forward-looking statements include statements relating to status of the separation process, the plan to pursue an IPO of up to 20 percent of the common stock of Valvoline and the expected completion of the separation through the subsequent distribution of Valvoline common stock, the anticipated timing of completion of the planned IPO and subsequent distribution of the remaining Valvoline common stock, the plan to reorganize under a new public holding company to be called Ashland Global Holdings Inc., and Ashland's and Valvoline's ability to pursue their long-term strategies. In addition, Ashland may from time to time make forward-looking statements in its annual report, 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, including the proposed separation of its specialty chemicals and Valvoline businesses, the proposed IPO of its Valvoline business, the expected timetable for completing the IPO and the separation, the proposal to reorganize under a new public holding company, the future financial and operating performance of each company, strategic and competitive advantages of each company, the leadership of each company, and future opportunities for each company, as well as 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: the possibility that the proposed IPO, new holding company reorganization or separation will not be consummated within the anticipated time period or at all, including as the result of regulatory, market or other factors or the failure to obtain shareholder approval of the new holding company reorganization; the potential for disruption to Ashland's business in connection with the proposed IPO, new holding company reorganization or separation; the potential that the new Ashland and Valvoline do not realize all of the expected benefits of the proposed IPO, new holding company reorganization or separation or obtain the expected credit ratings following the proposed IPO, new holding company reorganization or separation; 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); 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 and its Form 10-Q for the quarterly period ended March 31, 2016 (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 http://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. This presentation does not constitute an offer to sell or the solicitation of an offer to buy securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

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.

Non-solicitation

A registration statement relating to the securities of Ashland Global Holdings Inc. in connection with the reorganization of Ashland under a new holding company has been filed with the SEC but has not yet become effective. The securities subject to such registration statement may not be sold, nor may offers to buy such securities be accepted, before the time the registration statement becomes effective. This presentation shall not constitute an offer to sell or a solicitation of an offer to buy such securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

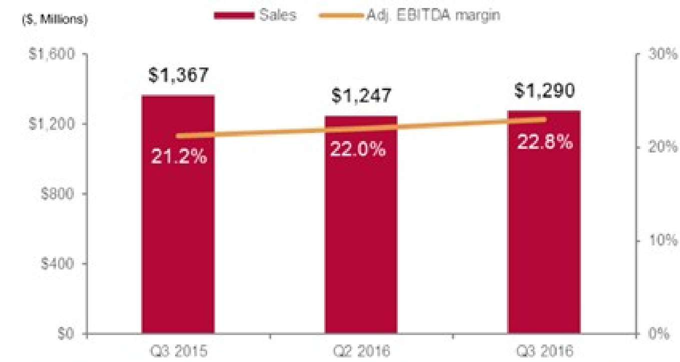
Additional Information and Where to Find It

In connection with the reorganization, Ashland filed with the SEC the Ashland Global Holdings Inc. registration statement (the "Ashland Global Registration Statement") that includes a proxy statement of Ashland Inc. that also constitutes a prospectus of Ashland Global Holdings Inc. with respect to the securities of Ashland Global Holdings Inc. (the Ashland Global Registration Statement has not yet been declared effective). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS, AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN, OR WILL CONTAIN, IMPORTANT INFORMATION ABOUT ASHLAND INC., ASHLAND GLOBAL HOLDINGS INC. AND THE REORGANIZATION. A definitive proxy statement will be sent to shareholders of Ashland Inc. seeking approval of the reorganization after the Ashland Global Registration Statement is declared effective. The proxy statement/prospectus and other documents relating to the reorganization can be obtained free of charge from the SEC website at www.sec.gov.

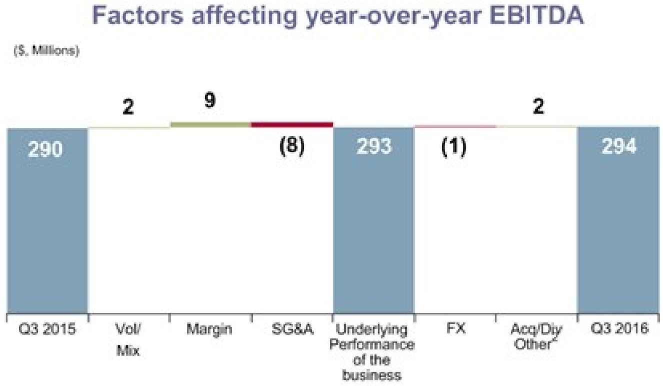
Participants in Solicitation

This presentation is not a solicitation of a proxy from any investor or shareholder. However, Ashland Inc., Ashland Global Holdings Inc. and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the reorganization under the rules of the SEC. Information regarding Ashland Inc.'s directors and executive officers may be found in its definitive proxy statement relating to its 2016 Annual Meeting of Shareholders filed with the SEC on December 4, 2015 and in the proxy statement/prospectus included in the Ashland Global Registration Statement. Information regarding Ashland Global Holdings Inc.'s directors and executive officers may be found in the proxy statement/prospectus included in the Ashland Global Registration Statement. These documents can be obtained free of charge from the SEC.

Fiscal Third Quarter 2016
Highlights[1]



Adj. EPS	$1.91	$1.83	$1.95



- Reported earnings from continuing operations of $1.55 per diluted share
- **Adjusted earnings increased 2%** to $1.95 vs. $1.91 per diluted share in prior year
  - First quarter of adjusted EPS growth in fiscal year 2016
- **Adjusted EBITDA increased 1%** to $294 million vs. $290 million in prior year
  - As expected, headwinds from currency, energy end market and divestitures continued to recede and represented an approximate $40 million headwind
  - First quarter of adjusted EBITDA growth in fiscal year 2016
  - Adjusted EBITDA margin of 22.8%

[1] Ashland's earnings releases dated July 26, 2016, and April 26, 2016, available on Ashland's website at http://investor.ashland.com, reconcile adjusted amounts to amounts reported under GAAP.

[2] Acquisitions include OCH International, Inc. Divestitures includes biocides, redispersible powders (RDP) and Valvoline car care product lines exited during prior four quarters.

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Fiscal Third Quarter – Continuing Operations

Key Items Affecting Income

($ in millions, except EPS) Preliminary	Operating Income				Total		
2016	Ashland Specialty Ingredients	Ashland Performance Materials	Valvoline	Unallocated and Other	Pre-tax	After-tax	Earnings per Share
Separation and restructuring costs	$ (4)			$ (28)	$ (32)	$ (27)	$ (0.43)
Legacy environmental reserve	(2)			(13)	(15)	(10)	(0.16)
Customer claim adjustment	5				5	5	0.08
Legacy benefit for former Directors				11	11	7	0.11
Total	$ (1)			$ (30)	$ (31)	$ (25)	$ (0.40)
2015							
Restructuring	$ (2)				$ (2)	$ (2)	$ (0.03)
Legacy environmental reserve				$ (9)	(9)	(5)	(0.07)
Debt refinancing costs					(14)	(9)	(0.13)
Total	$ (2)			$ (9)	$ (25)	$ (16)	$ (0.23)

- Excluding intangible amortization, adjusted EPS would have been 22 cents higher, or $2.17

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Adjusted Results Summary[1]

($ in millions) Preliminary	Fiscal Third Quarter Three months ended Jun. 30, 2016	2015	Change	Three months ended Mar. 31, 2016	Change
Sales	$ 1,290	$ 1,367	(6) %	$ 1,247	3 %
Gross profit as a percent of sales	33.7 %	31.5 %	220 bp	34.9 %	(120) bp
Selling, general and admin./R&D costs	$ 236	$ 231	2 %	$ 248	(5) %
Operating income	$ 206	$ 207	(0) %	$ 193	7 %
Operating income as a percent of sales	16.0 %	15.1 %	90 bp	15.5 %	50 bp
Depreciation and amortization	$ 85	$ 83	2 %	$ 83	2 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 294	$ 290	1 %	$ 274	7 %
EBITDA as a percent of sales	22.8 %	21.2 %	160 bp	22.0 %	80 bp

- As expected, headwinds receded further; currency, energy end markets and divestitures[2] were ~$40 million headwind to sales
- Adjusted EBITDA of $294 million represents both year-over-year and sequential growth

[1] Ashland's earnings releases dated July 26, 2016, and April 26, 2016, available on Ashland's website at http://investor.ashland.com, reconcile adjusted amounts to amounts reported under GAAP.

[2] Divestitures includes biocides, redispersible powders (RDP) and Valvoline car care product line exited during prior four quarters.

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Ashland Specialty Ingredients

Adjusted Results Summary[1]

($ in millions) Preliminary	Fiscal Third Quarter Three months ended Jun. 30,			Three months ended Mar. 31,	
	2016	2015	Change	2016	Change
Metric tons sold (in thousands) - Actives basis	81.8	83.6	(2) %	77.3	6 %
Sales	$ 552	$ 579	(5) %	$ 529	4 %
Gross profit as a percent of sales	33.0 %	33.1 %	(10) bp	35.1 %	(210) bp
Selling, general and admin./R&D costs	$ 115	$ 115	- %	$ 117	(2) %
Operating income	$ 67	$ 77	(13) %	$ 67	- %
Operating income as a percent of sales	12.1 %	13.3 %	(120) bp	12.7 %	(60) bp
Depreciation and amortization	$ 61	$ 60	2 %	$ 60	2 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 128	$ 137	(7) %	$ 127	1 %
EBITDA as a percent of sales	23.2 %	23.7 %	(50) bp	24.0 %	(80) bp

- Sales or volume growth in numerous core growth and niche end markets
- Overall results did not meet the outlook presented at the beginning of the quarter due to weakness in emerging regions

[1] Ashland's earnings releases dated July 26, 2016, and April 26, 2016, available on Ashland's website at http://investor.ashland.com, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Performance Materials

Adjusted Results Summary[1]

($ in millions) Preliminary	Fiscal Third Quarter Three months ended Jun. 30,			Three months ended Mar. 31,	
	2016	2015	Change	2016	Change
Metric tons sold (in thousands)	114.6	118.2	(3) %	116.3	(1) %
Sales	$ 238	$ 278	(14) %	$ 239	(0) %
Gross profit as a percent of sales	19.4 %	16.2 %	320 bp	20.6 %	(120) bp
Selling, general and admin./R&D costs	$ 32	$ 33	(3) %	$ 31	3 %
Operating income	$ 16	$ 13	23 %	$ 20	(20) %
Operating income as a percent of sales	6.7 %	4.7 %	200 bp	8.4 %	(170) bp
Depreciation and amortization	$ 14	$ 14	- %	$ 13	8 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 30	$ 27	11 %	$ 33	(9) %
EBITDA as a percent of sales	12.6 %	9.7 %	290 bp	13.8 %	(120) bp

- Solid composites margins reflecting pricing discipline
- Generally soft volumes across all global regions
- As expected, weak volumes and margins within I&S

[1] Ashland's earnings releases dated July 26, 2016, and April 26, 2016, available on Ashland's website at http://investor.ashland.com, reconcile adjusted amounts to amounts reported under GAAP.

Results Summary[1]

($ in millions) Preliminary	Fiscal Third Quarter Three months ended Jun. 30,			Three months ended Mar. 31,	
	2016	2015	Change	2016	Change
Lubricant gallons (in millions)	45.8	44.4	3 %	43.7	5 %
Sales	$ 500	$ 510	(2) %	$ 479	4 %
Gross profit as a percent of sales	39.7 %	37.0 %	270 bp	40.0 %	(30) bp
Selling, general and admin./R&D costs	$ 95	$ 88	8 %	$ 92	3 %
Operating income	$ 109	$ 107	2 %	$ 105	4 %
Operating income as a percent of sales	21.8 %	21.0 %	80 bp	21.9 %	(10) bp
Depreciation and amortization	$ 10	$ 9	11 %	$ 10	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 119	$ 116	3 %	$ 115	3 %
EBITDA as a percent of sales	23.8 %	22.7 %	110 bp	24.0 %	(20) bp

- Continued execution against strategic objectives leading to the eleventh consecutive quarter of year-over-year earnings growth
- VIOC added 116 stores over the past year – including 89 from the acquisition of Oil Can Henry's – bringing the total to 1,055 stores at the end of June

[1] Ashland's earnings releases dated July 26, 2016, and April 26, 2016, available on Ashland's website at http://investor.ashland.com, reconcile adjusted amounts to amounts reported under GAAP.

Corporate Items

- Adjusted corporate operating income of $14 million
- Net interest expense of $40 million
  - FY 2016 expectation of approximately $165-$175 million
- Adjusted effective tax rate of 28%
  - FY 2016 expectation at the upper end of the 25%-26% range
- Trade Working Capital[1] for the quarter was 19.2% of sales
- Capital expenditures totaled $78 million
  - FY 2016 expectation now at the lower end of $320-$340 million range
- Operating cash flow of $185 million; free cash flow[2] of $107 million
  - FY 2016 expectation for operating cash flow of $580-$600 million
  - FY 2016 expectation for free cash flow[2] now $260-$280 million

[1] Trade Working Capital defined as trade 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.

Separation Update

Significant Milestones Achieved

✓Amendment to Ashland’s senior unsecured credit agreement

✓New $1.325 billion five-year Valvoline credit agreement

- $450 million revolver
- $875 million term loan

✓New 5.5% Valvoline senior bond offering due 2024

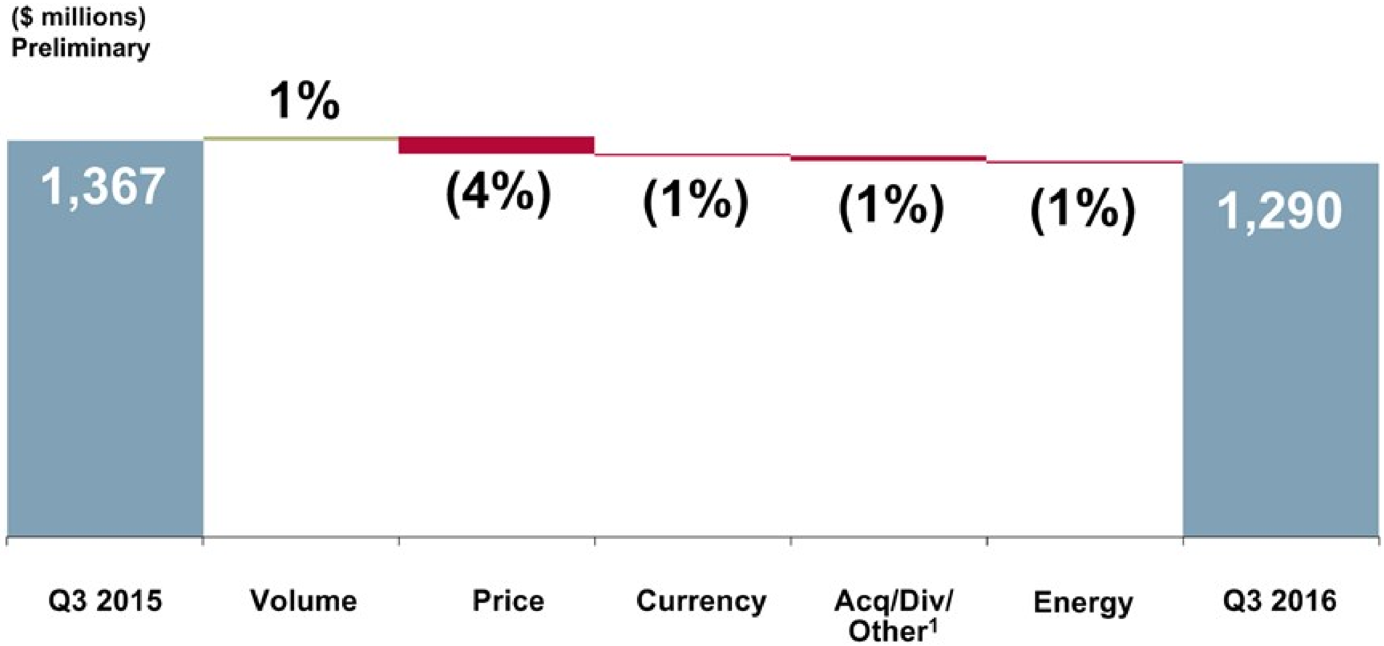
- $375 million aggregate principal amount

✓Ashland to use debt proceeds to reduce Ashland debt by approximately $1 billion

Appendix A:
Bridges

Ashland Q3 FY 2015 vs. Q3 FY 2016

Revenue Bridge



- Headwinds from currency, energy markets and divestitures represented ~$40 million headwind to overall sales
- Raw material pass through was primary driver to lower overall pricing

[1] Acquisitions include OCH International, Inc. Divestitures includes biocides, redispersible powders (RDP) and Valvoline car care product lines exited during prior four quarters.

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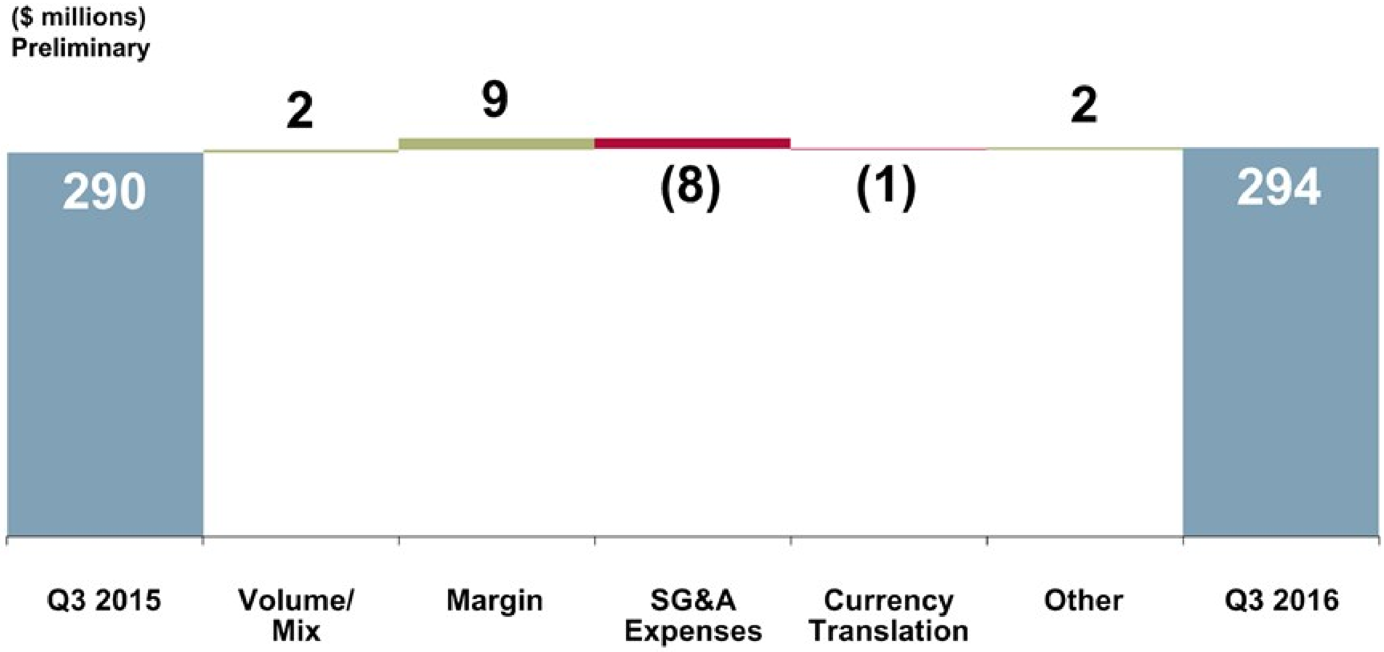
Ashland Q3 FY 2015 vs. Q3 FY 2016

Adjusted EBITDA Bridge



- First quarter of year-over-year EBITDA growth in fiscal year 2016
- Excluding impact of the energy market, volume/mix contributed $4 million to year-over-year growth

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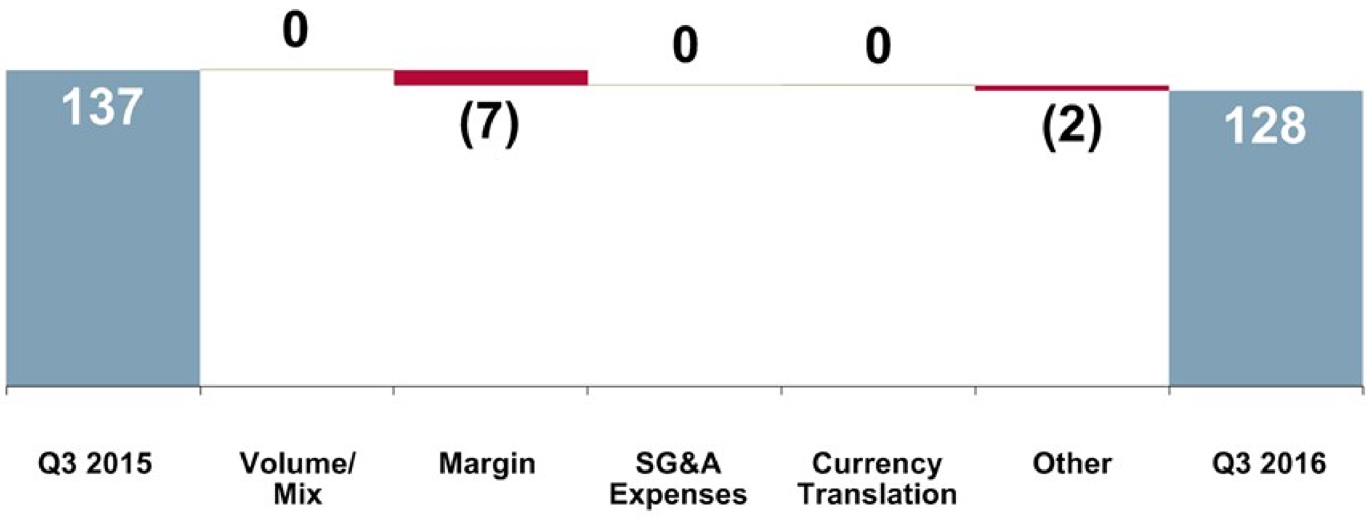
Ashland Specialty Ingredients
Adjusted EBITDA Bridge

($ millions)
Preliminary

Q3 FY 2015 versus Q3 FY 2016



- Excluding impact of the energy market, vol/mix was a positive $2 million
- Raw material pass through was the primary driver to lower pricing
- Disciplined SG&A cost management

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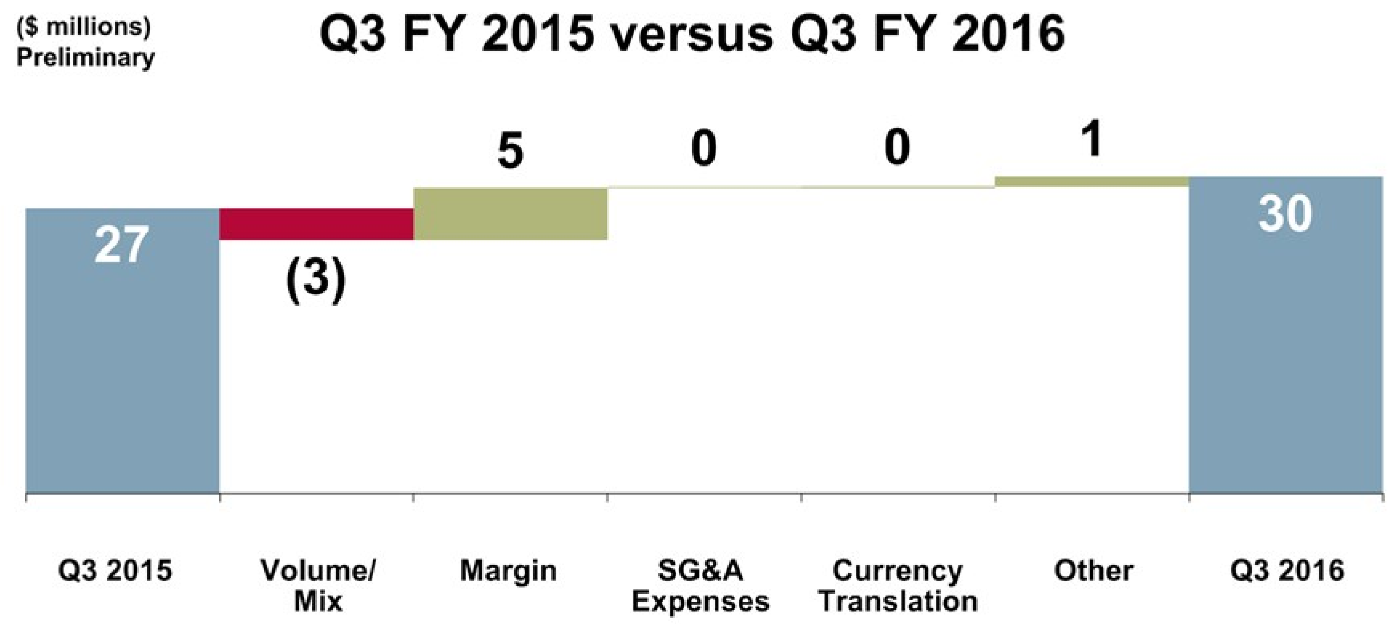
Ashland Performance Materials

Adjusted EBITDA Bridge



- Composites volumes soft but margins remain solid
- I&S saw continued weak volumes and pricing, however turnaround costs in the prior-year quarter more than offset the impact of lower prices
- Disciplined SG&A cost management

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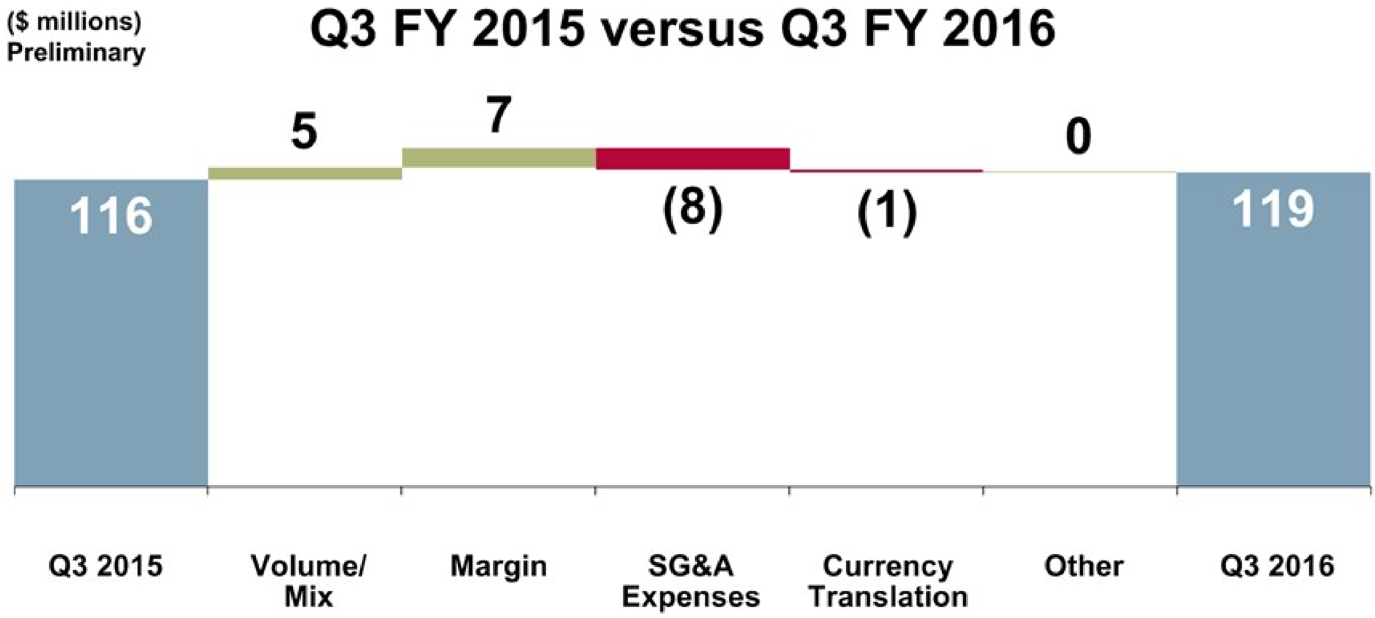
Valvoline

Adjusted EBITDA Bridge



- Strong DIFM results, lower input costs, disciplined margin management and good volume/mix key to EBITDA growth
- Investments in promotions, advertising and digital technology upgrades contributed to SG&A growth

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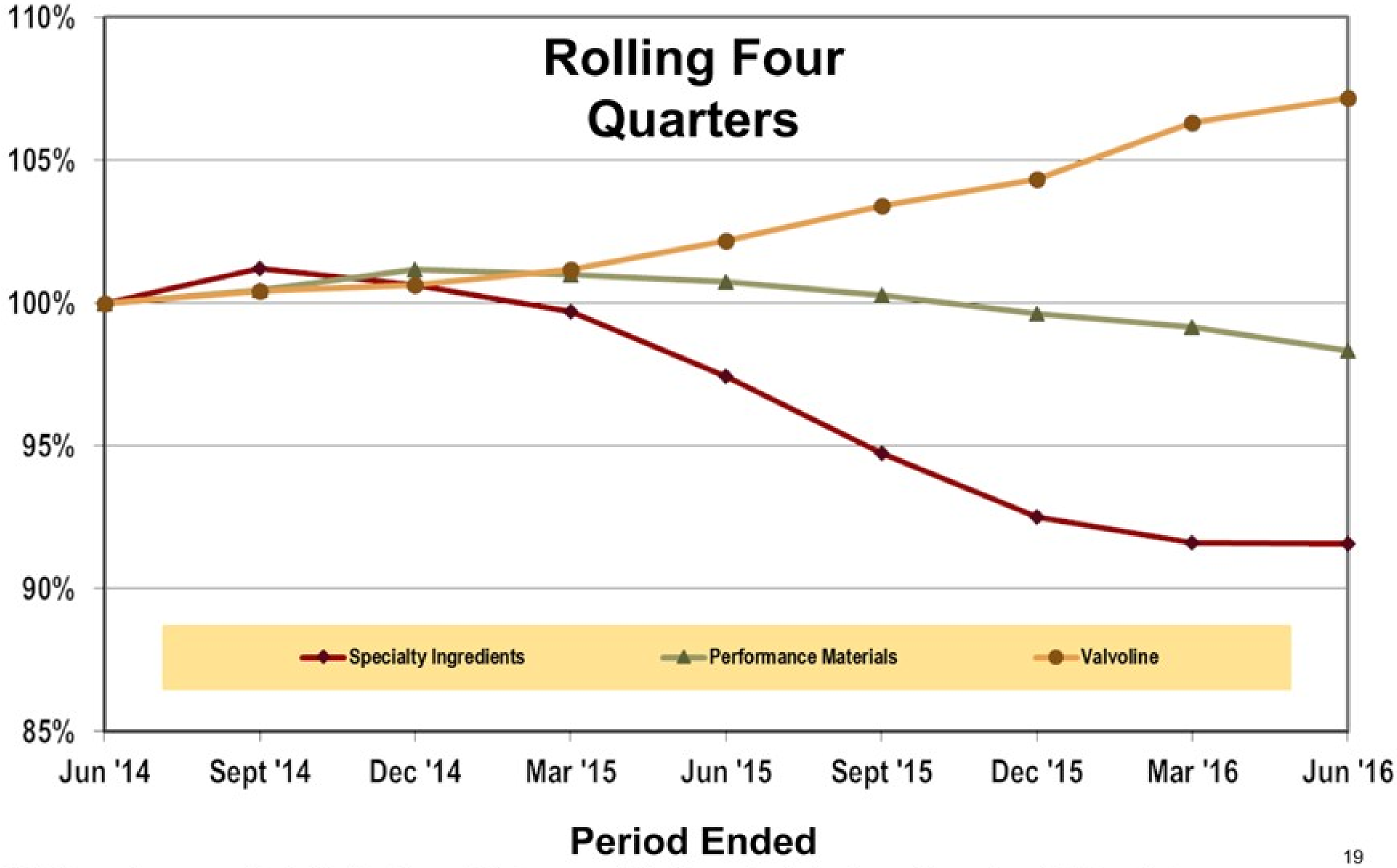
Appendix B: Volume Trends and Liquidity and Net Debt

Normalized Volume Trends[1]



[1] Excludes volumes associated with divestitures of elastomers and biocides and exited redispersible powders (RDP) product line for all periods. Includes volumes associated with OCH International, Inc.

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Liquidity and Net Debt

($ in millions)

Liquidity		At June 30, 2016
Cash	$	1,215
Available revolver and A/R facility capacity		648
Liquidity	$	1,863

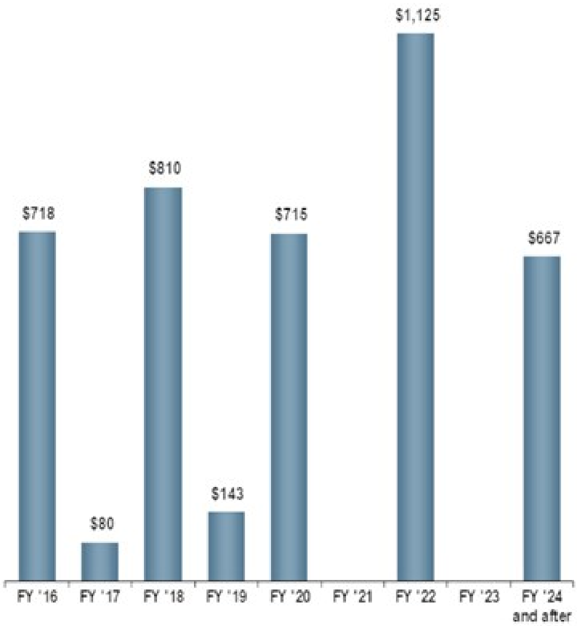
Debt	Expiration	Interest Rate	Moody's	S&P		At June 30, 2016
4.750% senior notes, par $1,125 million	08/2022	4.750%	Ba1	BB	$	1,121
Term Loan A	06/2020[1]	L+175	Ba1	BB		1,045
3.875% senior notes, par $700 million	04/2018	3.875%	Ba1	BB		700
6.875% senior notes, par $375 million	05/2043	6.875%	Ba1	BB		376
A/R facility drawn[2]	03/2017	L+65				195
6.5% debentures, par $282 million	06/2029	6.50%	Ba2	B+		139
Revolver drawn[3]	06/2020	L+175	Ba1	BB		500
Other debt		Various				11
Total debt			Ba1/ Stable	BB/ Negative	$	4,087
Cash					$	1,215
Net debt (cash)					$	2,872

[1] The Term Loan has an amortizing principal, starting in 2015, with complete repayment in 2020.

[2] AR securitization facility with maximum borrowing capacity of $250 million; June 30 capacity of $218 million

[3] $1.2 billion facility, including ~$75 million used for letters of credit

Scheduled Debt Repayments by Fiscal Year



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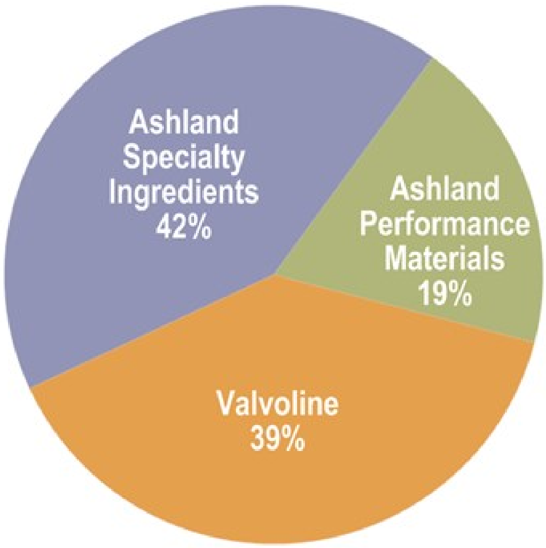
Appendix C:
Business Profiles
12 Months Ended June 30, 2016

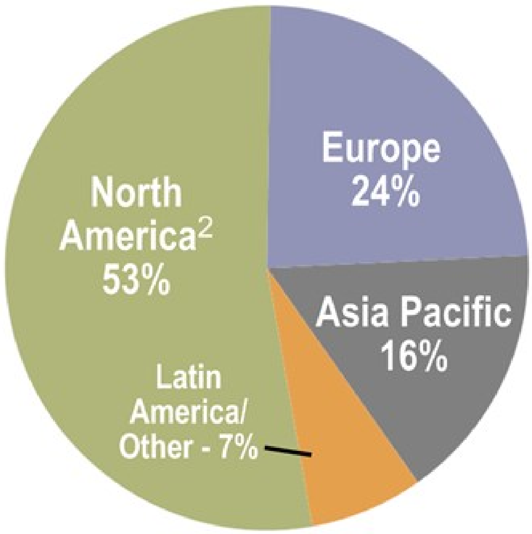
Corporate Profile

Sales[1] - $5.0 Billion

By business unit



By geography



[1] For 12 months ended June 30, 2016.

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

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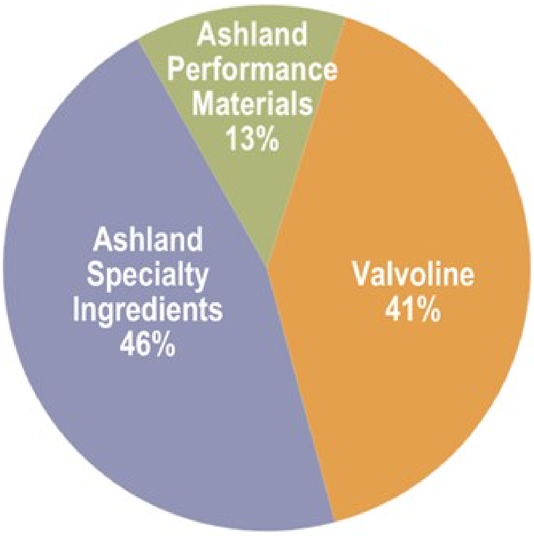
Corporate Profile

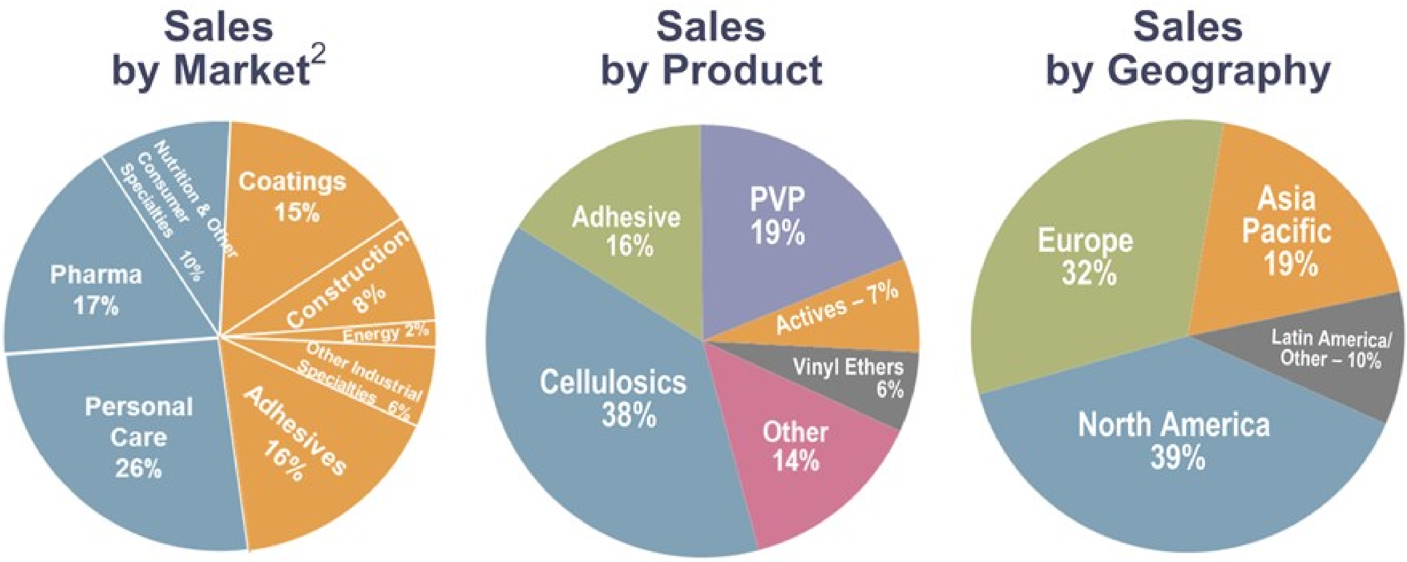
Adjusted EBITDA[1] - $1.1 Billion



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 June 30, 2016. See Appendix D for reconciliation to amounts reported under GAAP.

Ashland Specialty Ingredients: A global leader of cellulose ethers, vinyl pyrrolidones and biofunctionals



For 12 Months Ended June 30, 2016
Sales: $2.1 billion
Adjusted EBITDA: $478 million[1]
Adjusted EBITDA Margin: 22.8%[1]

1 See Appendix D for reconciliation to amounts reported under GAAP.
2 Within the Sales by Market chart above, Industrial Specialties are presented in orange and Consumer Specialties are presented in blue.

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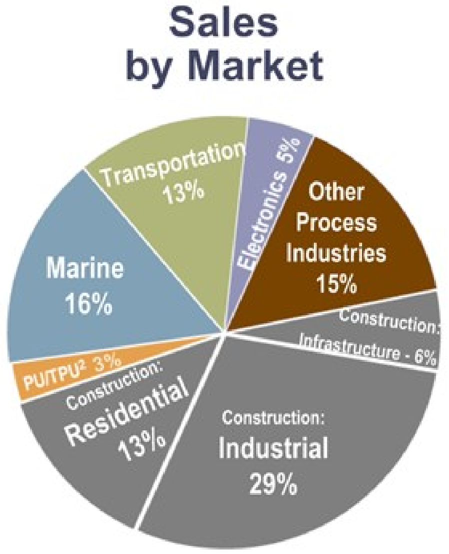
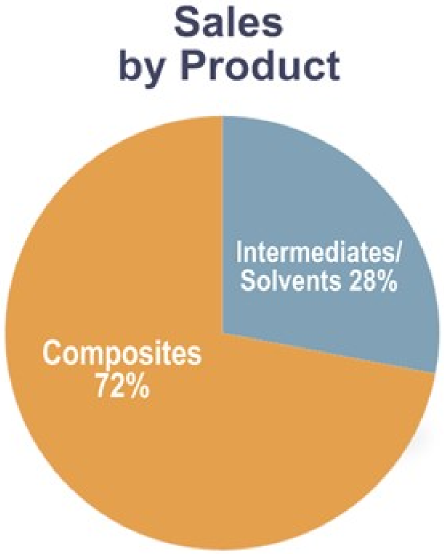
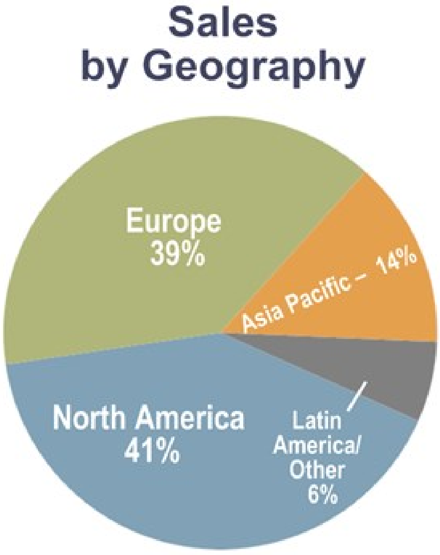
Ashland Performance Materials

Global leader in unsaturated polyester resins and vinyl ester resins







For 12 Months Ended June 30, 2016

Sales: $1.0 billion

EBITDA: $133 million[1]

EBITDA Margin: 13.8%[1]

[1] See Appendix D for reconciliation to amounts reported under GAAP.
[2] PU/TPU stands for Polyurethane and Thermoplastic Polyurethane.

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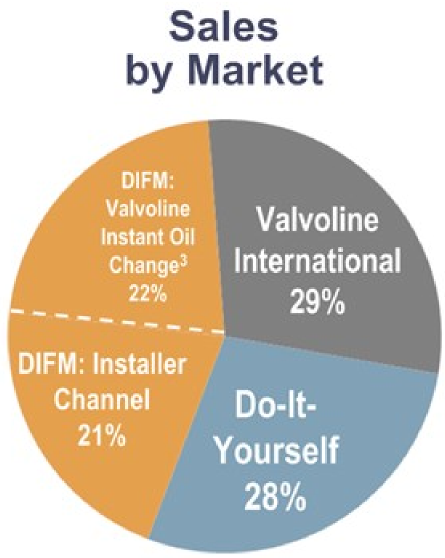
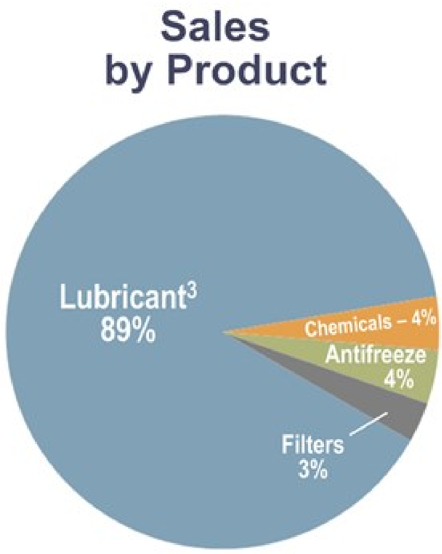
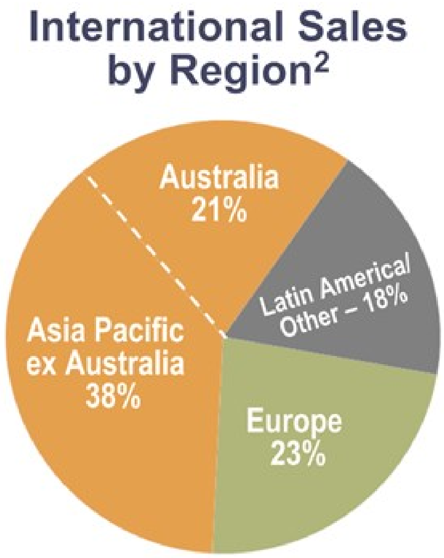
Valvoline: A leading worldwide producer and distributor of premium-branded lubricants and automotive chemicals







For 12 Months Ended June 30, 2016

Sales: $1.9 billion

EBITDA: $432 million[1]

EBITDA Margin: 22.5%[1]

1 See Appendix D for reconciliation to amounts reported under GAAP.
2 Includes nonconsolidated joint ventures.
3 Includes Oil Can Henry's sales starting February 1, 2016.

Appendix D: Non-GAAP Reconciliation

Reconciliation of Non-GAAP Data

for 12 Months Ended June 30, 2016

($ millions, except percentages)

Sales[1]	Q3 16	Q2 16	Q1 16	Q4 15	Total
Specialty Ingredients	552	529	476	540	2,097
Performance Materials	238	239	231	256	964
Valvoline	500	479	456	484	1,919
Total	1,290	1,247	1,163	1,280	4,980

Adjusted EBITDA[1]	Q3 16	Q2 16	Q1 16	Q4 15	Total	Adjusted EBITDA Margin
Specialty Ingredients	128	127	94	129	478	22.8%
Performance Materials	30	33	37	33	133	13.8%
Valvoline	119	115	101	97	432	22.5%
Unallocated	17	(1)	15	6	37	
Total	294	274	247	265	1,080	

[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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With good chemistry great things happen.™

Third Quarter Fiscal 2016 Earnings Prepared Comments

Ashland released results for the quarter ended June 30, 2016, at approximately 5 p.m. EDT today. These results are preliminary until we file our Form 10-Q with the Securities and Exchange Commission (SEC). A copy of the news release, a slide presentation and these prepared remarks have been furnished to the SEC in a Form 8-K. These prepared remarks should be read in conjunction with the slides and earnings release.

We will host a conference call and webcast on Wednesday, July 27, 2016, at 9 a.m. EDT to discuss these results.

Slide 2: Forward Looking Statements, Regulation G: Adjusted Results

As shown on Slide 2, our remarks include forward-looking statements, as such term is defined under U.S. securities law.

We believe any such statements are based on reasonable assumptions, but cannot assure that such expectations will be achieved.

Please also note that we will be discussing adjusted results in this presentation. We believe this enhances understanding of our performance by more accurately reflecting our ongoing business.

Slide 3: Non-solicitation, Additional Information and Where to Find It, Participants in Solicitation

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Slide 4: Highlights

Ashland's performance in the third quarter reflected continued progress in executing our strategic plans as we prepare to separate into two publicly held companies. The chemicals group reported continued growth in several key end markets, solid gross margins and good selling, general and administrative (SG&A) cost discipline. However, overall results for the chemicals group fell below our outlook at the beginning of the quarter as growth rates across some end markets did not materialize as expected. Valvoline reported another strong quarter delivering growth in both lubricant volume and earnings.

As expected, Ashland's third-quarter results also reflect further receding of headwinds from foreign exchange (FX), weak energy markets and the company's decision to divest or exit certain non-core product lines. In total, sales declined by approximately 6 percent from the prior year to $1.29 billion with the aforementioned headwinds representing approximately two-thirds of the decline. The year-over-year effect on sales fell from $60 million in the second quarter of fiscal 2016 to approximately $40 million in the third quarter as the headwinds receded further. Ashland expects to fully lap the impact of FX translation and weak energy markets in the fiscal fourth quarter; divestitures of non-core product lines are expected to represent only a modest headwind to fourth-quarter sales.

Ashland generated adjusted EBITDA of $294 million in the quarter, up 1 percent when compared to the prior year. Adjusted EBITDA margin increased 160-basis-points to 22.8 percent.

Ashland reported GAAP earnings of $1.55 per diluted share from continuing operations. After adjusting for key items, earnings per diluted share from continuing operations were $1.95 versus $1.91 in the year-ago period, reflecting a 2 percent increase. This marks Ashland's first quarter of year-over-year adjusted EPS growth in fiscal year 2016, reflecting the expected improved comparisons for the second half of the year.

Slide 5: Key Items Affecting Income

In total, four key items had a net unfavorable impact on EPS from continuing operations of $0.40 in the third quarter. These items were as follows:

- $27 million after-tax charge composed of i.) costs related to the Valvoline separation, and ii.) restructuring charges related to the exit from a toller agreement and at a manufacturing plant;
- $10 million after-tax charge related to adjustments made to environmental reserves during the quarter;
- $5 million favorable after-tax adjustment associated with a customer claim;
- $7 million after-tax gain related to the modification of a legacy benefit for former Directors.

The year-ago quarter included three key items with a net unfavorable impact on EPS from continuing operations of $0.23.

Slide 6: Adjusted Results Summary

Ashland’s sales totaled $1.29 billion for the quarter, down $77 million or 6 percent when compared to the prior year, with the combined impact of headwinds from foreign currency translation (-$7 million) and divestitures and exited product lines (-$27 million) accounting for nearly one-half of that decline. While energy sales declined versus the prior year, the impact on total sales of approximately (-$7 million) was substantially less than in previous quarters, consistent with the expectation that ASI would begin lapping the impact from weak energy markets during the third quarter. Sales also declined year-over-year due to pricing adjustments related primarily to lower raw material costs, which offset overall gains in volumes and product mix. On a sequential basis, sales increased by 3 percent, reflecting normal seasonal patterns and receding headwinds. Business mix continues to be favorable due to growth in our higher-margin businesses, contributing to overall gross margin improvement.

The average value of the Euro during the quarter was $1.13 compared to $1.11 in the prior-year quarter.

Ashland’s adjusted EBITDA totaled $294 million for the quarter, an increase of 1 percent compared to the prior year. This marks the first quarter of year-over-year adjusted EBITDA growth in fiscal 2016. On a sequential basis, adjusted EBITDA grew by 7 percent. Adjusted EBITDA margin expanded by 160 basis points over the prior-year period to 22.8 percent. Overall business mix, disciplined pricing amid a favorable raw material cost environment and good cost execution drove the solid margin performance.

Slide 7: Ashland Specialty Ingredients – Adjusted Results Summary

Ashland Specialty Ingredients (ASI) Third-Quarter Performance Summary
ASI reported sales or volume growth in five key end markets, strong gross margins and good SG&A cost discipline, offset by weakness in demand in emerging regions, particularly China and Latin America. Sales totaled $552 million, down 5 percent, with the impact from weak energy markets and the company's decision to divest or exit certain non-core product lines representing 3 percentage points of the decline. On a sequential basis, sales grew 4 percent, reflecting normal seasonality patterns and the receding headwinds. Adjusted EBITDA totaled $128 million and adjusted EBITDA margin remained healthy at 23.2 percent.

Within Consumer Specialties, sales declined 3 percent, on both as as-reported and currency-adjusted basis, versus the prior year. As expected, foreign currency translation had a negligible impact on the year-over-year results. Growth in pharma, nutrition and hair care was more than offset by lower sales and volumes in some personal care markets, especially in emerging regions.

Within Industrial Specialties, sales declined 7 percent. The previously mentioned headwinds from energy and divested product lines represented 6 percentage points of this decline. As expected, the commercial team drove business gains in the developed regions, offset by further weakness in emerging regions. Within the core architectural coatings end market, ASI began to see the results from recent new business wins from several large customers in North America and Asia, driven by new technologies and applications. Energy sales declined versus the prior year, though the overall impact was less than in previous quarters, consistent with the expectation that ASI would begin lapping the energy headwind during the third quarter. Adhesives continued the growth trend that began in the second quarter.

Outlook
For the fiscal fourth quarter, we have forecast continued weakness in emerging regions. Sales are expected to be in the range of approximately $520 to $540 million. Growth of our high-value-add categories of products sold into higher margin core growth end markets should lead to another quarter of strong EBITDA margins of 24 – 24.5%.

Slide 8: Ashland Performance Materials – Adjusted Results Summary

Ashland Performance Materials (APM) Third-Quarter Performance Summary

APM reported overall results during the third quarter that were consistent with the outlook provided at the beginning of the quarter. While volumes were generally soft within composites across all regions, overall margins were solid, reflecting successful pricing adjustments amid moderate increases in raw material costs during the quarter. This performance was offset by continued weak results within Intermediates & Solvents (I&S) where butanediol (BDO) volumes and pricing impacted sales and earnings. However, turnaround costs in the prior-year quarter at APM's I&S manufacturing facilities more than offset the impact of lower prices. Combined, these factors led to an 11 percent year-over-year increase in EBITDA to $30 million.

Composites posted another quarter of year-over-year margin expansion as pricing adjustments more than offset the impact of rising raw material costs. Volumes were generally soft across all regions. Volumes in Europe declined when compared to the strong prior-year sales of products used in residential construction markets. Slowing industrial growth in emerging regions – particularly China and Brazil – was reflected in lower volumes in these regions. Overall composites sales declined 11 percent for the quarter. The majority of this decline was due to lower pricing reflecting reduced raw-material costs when compared to the prior-year period.

Within I&S, overall results were generally consistent with our prior expectation that BDO margins would decline further in the third quarter reflecting more aggressive pricing in the marketplace. Overall I&S volumes and sales declined by 3 percent and 21 percent, respectively, when compared to the prior year. In mid-June, Ashland announced BDO price increases for North American and Latin American customers effective July 1st which have begun to generate some traction early in the fiscal fourth quarter.

Outlook

For the fourth quarter, we expect APM's sales to be in the range of $220 to $240 million. We expect another quarter of solid margin performance within composites to be offset by I&S pricing and volumes that remain well below prior-year levels. In addition, due to lower demand the company has decided to pull forward a planned manufacturing plant turnaround that was previously scheduled for the first quarter of fiscal 2017. We expect EBITDA margin to be in the range of approximately 9-10 percent for the fourth quarter.

Slide 9: Valvoline – Adjusted Results Summary

Valvoline Third-Quarter Performance Summary

Valvoline reported strong third-quarter earnings with EBITDA rising 3 percent, to $119 million, versus the prior year. This marks the eleventh consecutive quarter of year-over-year EBITDA growth as Valvoline continued to execute its strategy of investing in higher-return opportunities within its core lubricants business. Results were driven by solid overall lubricant volume growth with particular strength among our Do-It-For-Me (DIFM) customers including both those served through installers and those served by Valvoline Instant Oil Change[SM] (VIOC). In total, lubricant volume grew by 3 percent and EBITDA margin increased by 110 basis points when compared to the prior year.

At VIOC, same-store sales at company-owned sites grew by 7 percent led by a nearly 6 percent increase in average oil changes per day (OCPD). Average ticket grew 1 percent when compared to the prior year reflecting a 2 percent increase in premium oil changes and higher earnings from non-lube products and services. Over the past year, VIOC added 116 stores, bringing the total to 1,055 stores at the end of June. This increase includes the 89 stores acquired through the Oil Can Henry's acquisition which closed on February 1st. The acquisition expanded Valvoline's geographic footprint into the Pacific Northwest of the US which is an attractive growth market. In addition, VIOC opened an additional 27 stores over the past year, of which 7 are company-owned and 20 are franchises.

Volume to customers serving the DIY market declined by 3 percent when compared to the strong year-ago period. This is primarily driven by timing of promotions that shifted between the fiscal 3rd and 2nd quarter. Year to date, volumes sold to DIY customers have increased 1 percent due to an 8 percent increase in branded volume sales.

Within Valvoline's international channel, volume grew 6 percent when compared to the prior year driven by continued strong execution of our channel-building efforts. Foreign currency had a negative impact of $5 million to Valvoline's overall sales and $1 million to Valvoline's overall earnings in the third quarter.

Overall sales mix continued to improve, with U.S. premium-branded lubricant sales volume increasing to 45.3 percent during the quarter, a 450-basis-point increase from the prior year and a 70-basis-point increase from the second quarter of fiscal 2016.

Selling, general and administrative (SG&A) expenses totaled $95 million for the quarter compared to $88 million during the prior year. The increase was due primarily to promotional and advertising activity, employee costs and expenditures related to digital infrastructure upgrades.

In response to recent increases in base oil costs, Valvoline communicated price increases to the market during the third quarter. In addition, certain DIFM customer accounts adjust prices in accordance with index-based raw material pricing.

Outlook

Due to securities laws restrictions associated with the planned separation, we are not providing a fourth-quarter outlook for the Valvoline business segment.

Slide 10: Fiscal Third Quarter 2016 – Corporate Items

During the third quarter, Ashland generated adjusted corporate operating income of $14 million. We continue to expect adjusted corporate operating income in fiscal year 2016 of approximately $40-$50 million.

In the quarter, net interest expense was $40 million. We now expect full-year interest expense of approximately $165-$175 million in 2016.

Excluding key items, the effective tax rate for the quarter was 28 percent. For the fiscal fourth quarter, we expect the adjusted effective tax rate to be approximately 28 percent. For fiscal year 2016, we expect the adjusted tax rate to be at the upper end of the 25 – 26 percent range.

Trade working capital for the quarter was 19.2 percent of sales. We continue to expect trade working capital as a percent of sales to be in the range of 19-20 percent in 2016.

Capital expenditures were $78 million in the quarter. For 2016, we now expect capital expenditures to be at the lower end of the $320-$340 million range. This reflects the company's proactive decision to slow down capital spending at ASI due to the broader current business environment.

Operating cash flow during the quarter was $185 million. Free cash flow during the quarter was $107 million. We expect operating cash flow for the full year to be in the range of $580-$600 million. We now expect free cash flow for the full year to be in the range of $260-$280 million. The new range reflects lower expected earnings in fiscal year 2016, the timing of separation-related payments and the timing of an environmental-related payment, partially offset by improved working capital management.

Ashland's liquidity position remains very strong. At the quarter end, Ashland had approximately $1.9 billion of available liquidity, including $1.2 billion in cash. Nearly all of this cash is held outside the U.S.

For EPS purposes, we expect weighted average diluted share count to be approximately 63 million shares for the fourth fiscal quarter.

SM Service mark, Ashland or its subsidiaries, registered in various countries

Slide 11: Separation Update

Over the past several months, Ashland achieved significant milestones in its plan to separate into two independent, publicly-traded companies.

In early July, Ashland announced an amendment to its senior unsecured credit agreement. The amendment includes, among other things, the requirement to use net proceeds from the new Valvoline credit agreement and senior bond offering to repay its existing term loan A and/or permanently reduce its existing revolving credit commitments under the senior unsecured credit agreement in the aggregate amount of up to $1 billion.

Also in early July, Ashland announced that a Valvoline subsidiary entered into a new delayed-draw credit agreement for senior secured bank facilities. The agreement provides for $1.325 billion in financing, consisting of a five-year senior secured revolving credit facility in the amount of $450 million, which includes a $100 million letter of credit sublimit, and a five-year senior secured term loan facility in the aggregate principle amount of $875 million.

Additionally in early July, Ashland announced the pricing of a senior bond offering by a Valvoline subsidiary of $375 million aggregate principal amount of 5.5% senior notes due 2024. In accordance with the aforementioned amendment to its existing credit agreement, Ashland used the net proceeds from the offering to repay borrowings under its senior unsecured credit facilities.

End of Prepared Remarks