

Third-Quarter Fiscal 2013 Earnings

July 25, 2013



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

Regulation G: Adjusted Results

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

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Fiscal Third Quarter 2013

Highlights¹

- Reported EPS from continuing operations of \$1.47
 - Adjusted EPS of \$1.66 versus \$2.04 in Q3 2012
 - Includes 16 cents per share after-tax effect of elastomers inventory write-down
- Sales of \$2.1 billion, down 4% versus Q3 2012
 - Excluding guar, sales were flat
 - Year-over-year volume increase in all four commercial units
- Adjusted EBITDA of \$325 million
- Quarterly dividend increased to \$0.34 per share
- Announced share buyback program of \$600 million
 - \$150 million fully executed during the quarter
- Generated free cash flow of \$184 million

¹ Ashland's third-quarter earnings release dated July 25, 2013, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Fiscal Third Quarter – Continuing Operations

Key Items Affecting Income

Preliminary	Operating Income					Total		
	Ashland Specialty Ingredients	Ashland Water Technologies	Ashland Performance Materials	Ashland Consumer Markets	Unallocated and Other	Pretax	Aftertax	Earnings per Share
2013								
Customer receivable claim	\$ 13					\$ 13	\$ 8	\$ 0.10
Restructuring and integration					\$ (7)	(7)	(5)	(0.06)
Legacy environmental reserves					\$ (16)	(16)	(10)	(0.12)
Senior notes retirement						(7)	(4)	(0.05)
Tax adjustments						-	(4)	(0.06)
Total	\$ 13				\$ (23)	\$ (17)	\$ (15)	\$ (0.19)
2012								
Integration and cost restructuring					\$ (3)	\$ (3)	\$ (2)	\$ (0.02)
Legacy environmental reserves					(8)	(8)	(4)	(0.06)
Net gain on business transfer to Rochester Midland						5	3	0.04
Total					\$ (11)	\$ (6)	\$ (3)	\$ (0.04)

- Intangible amortization expense in June 2013 quarter of \$29 million
 - Excluding intangible amortization, adjusted EPS would have been 25 cents higher, or \$1.91

Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,			Three months ended March 31,	
	2013	2012	Change	2013	Change
Sales	\$ 2,059	\$ 2,141	(4) %	\$ 1,974	4 %
Gross profit as a percent of sales	28.2 %	29.3 %	(110) bp	28.8 %	(60) bp
Selling, general and admin./R&D costs	\$ 375	\$ 368	2 %	\$ 358	5 %
Operating income	\$ 220	\$ 274	(20) %	\$ 228	(4) %
Operating income as a percent of sales	10.7 %	12.8 %	(210) bp	11.6 %	(90) bp
Depreciation and amortization	\$ 106	\$ 107	(1) %	\$ 104	2 %
Earnings before interest, taxes, depreciation and amortization (EBITDA) ²	\$ 325	\$ 381	(15) %	\$ 339	(4) %
EBITDA as a percent of sales	15.8 %	17.8 %	(200) bp	17.2 %	(140) bp

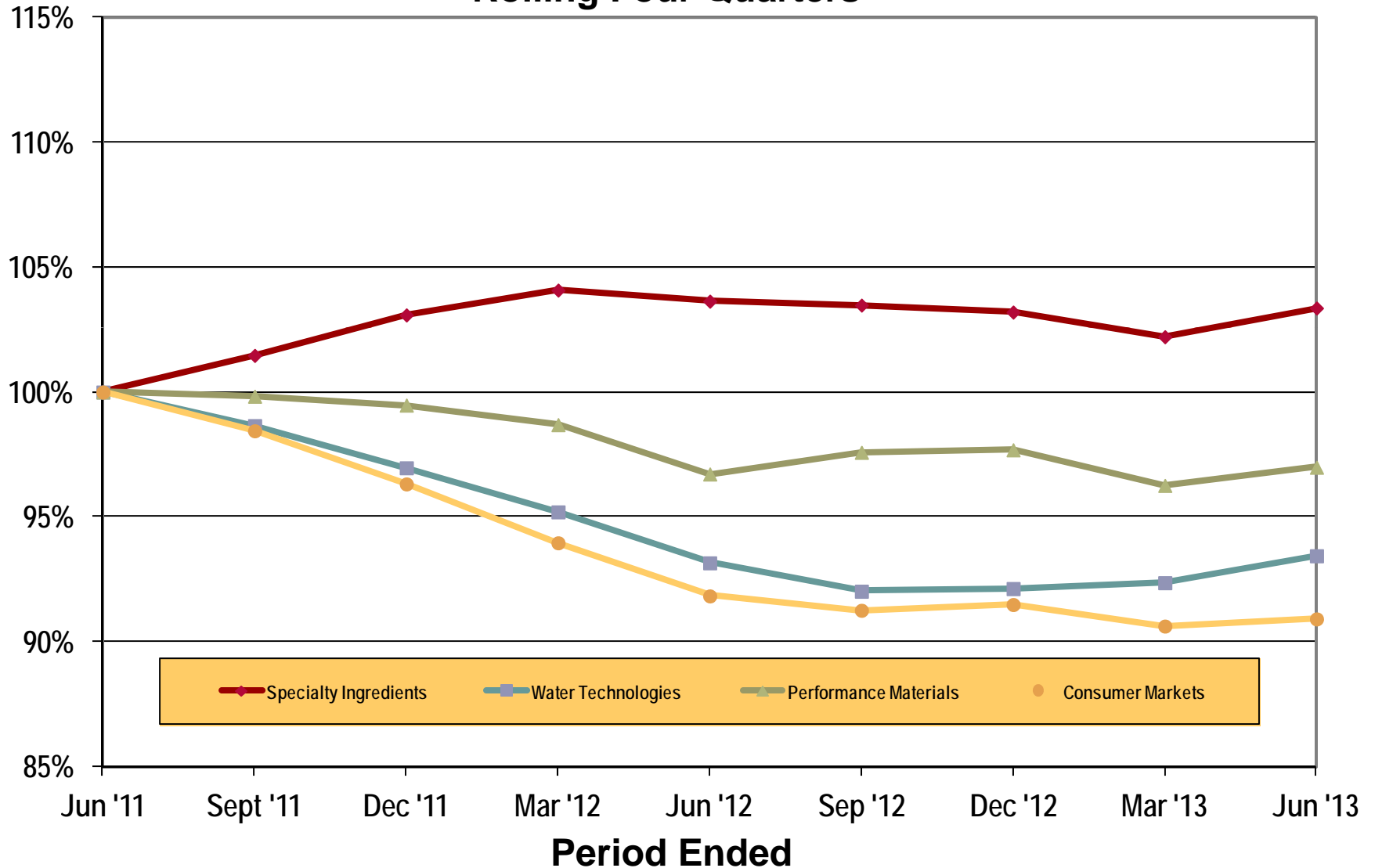
- Sales increased 4% sequentially
- Excluding guar and the elastomers write-down, EBITDA was up year-over-year

¹ Ashland's earnings releases dated July 25, 2013, and Apr. 24, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

² Includes a \$1 million dollar loss on acquisitions and divestitures in the June 2013 quarter.

Normalized Volume Trends¹

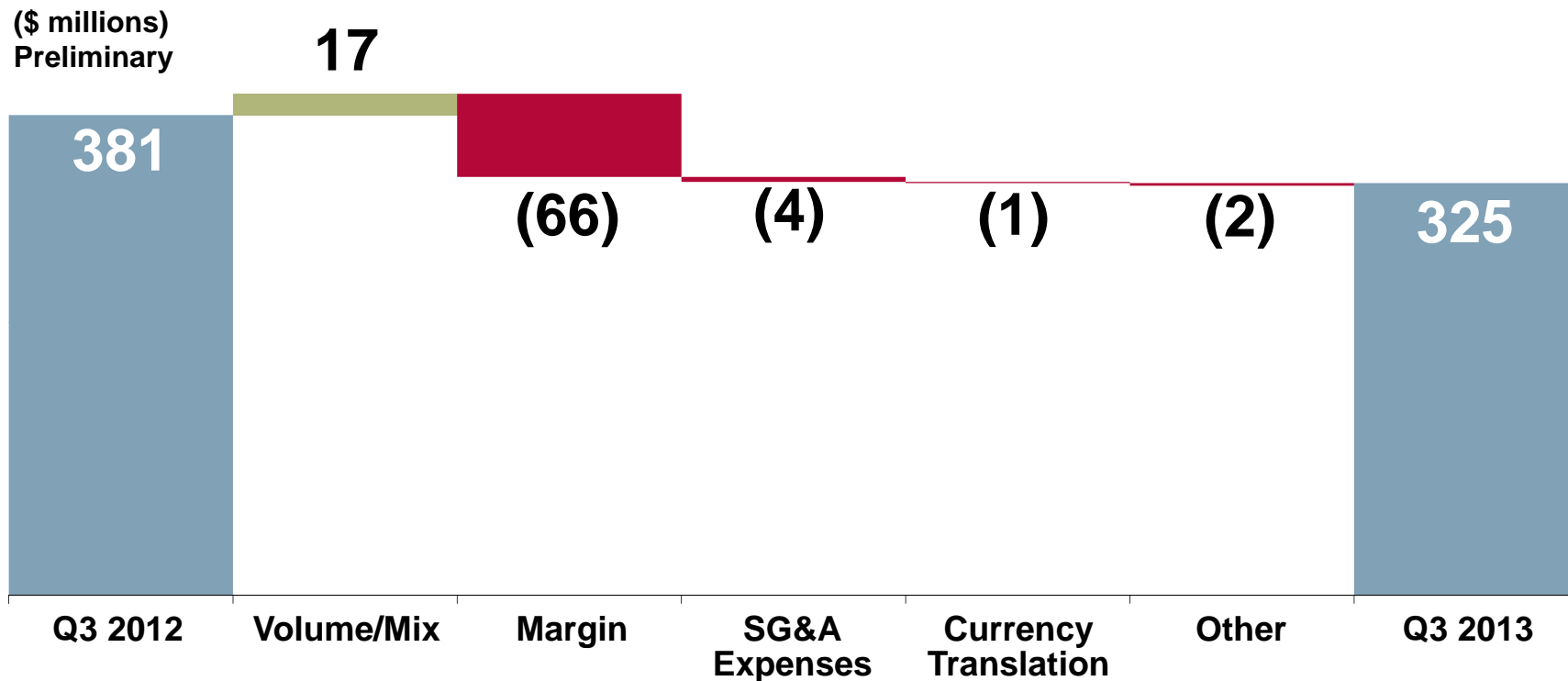
Rolling Four Quarters



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

Q3 FY 2012 vs. Q3 FY 2013

Adjusted EBITDA Bridge



- Strong volumes across all four commercial units had \$17 million positive effect on EBITDA
- Margin negatively affected by prior year guar and elastomers inventory write-down

Liquidity and Net Debt

(\$ in millions)

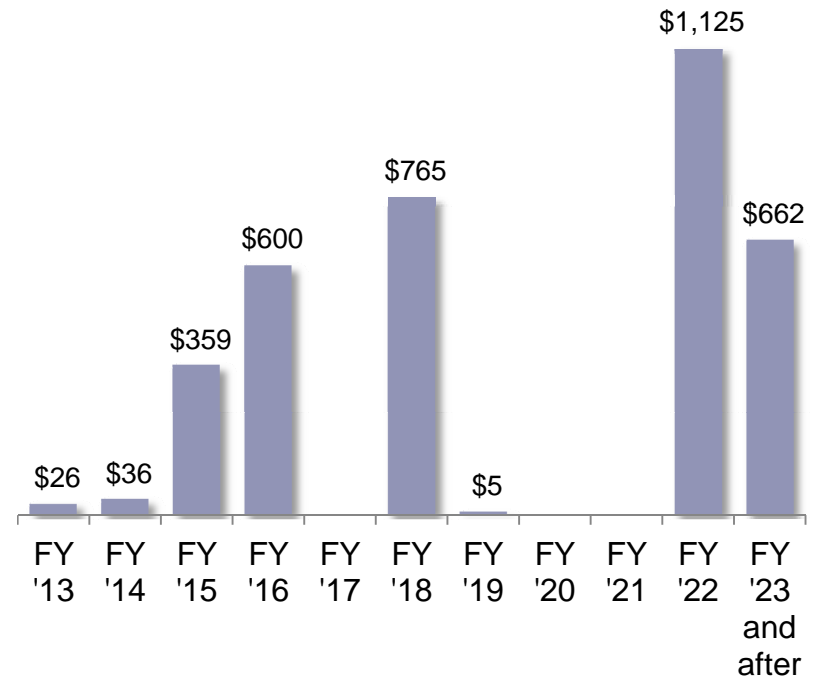
Liquidity	At June 30, 2013
Cash	\$ 377
Available revolver and A/R facility capacity	1,047
Liquidity	\$ 1,424

Debt	Expiration	Interest Rate	Moody's	S&P	At June 30, 2013
4.750% senior notes, par \$1,125 million	08/2022	4.75%	Ba1	BB	\$ 1,119
3.875% senior notes, par \$700 million	04/2018	3.875%	Ba1	BB	700
3.000% senior notes, par \$600 million	03/2016	3.000%	Ba1	BB	600
6.875% senior notes, par \$375 million	05/2043	6.875%	Ba1	BB	376
A/R facility drawn ¹	08/2015	L+75			350
6.5% debentures, par \$282 million	06/2029	6.500%	Ba2	B+	131
Revolver drawn ²	03/2018	L+175	Ba1	BB	65
Other debt		Various			81
Total debt			Ba1/ Stable	BB/ Stable	\$ 3,422
Cash					\$ 377
Net debt (cash)					\$ 3,045

¹ AR securitization facility with maximum borrowing capacity of \$350 million; June 30 capacity of \$350 million

² \$1.2 billion facility, including ~\$88 million for letters of credit

Scheduled Debt Repayments by Fiscal Year



Ashland Specialty Ingredients Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,			Three months ended March 31,	
	2013	2012	Change	2013	Change
Metric tons sold (in thousands) - Actives basis	108.7	104.3	4 %	100.7	8 %
Sales	\$ 716	\$ 793	(10) %	\$ 682	5 %
Gross profit as a percent of sales	28.5 %	34.7 %	(620) bp	30.5 %	(200) bp
Selling, general and admin./R&D costs	\$ 124	\$ 119	4 %	\$ 119	4 %
Operating income	\$ 79	\$ 156	(49) %	\$ 91	(13) %
Operating income as a percent of sales	11.0 %	19.7 %	(870) bp	13.3 %	(230) bp
Depreciation and amortization	\$ 66	\$ 68	(3) %	\$ 65	2 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 145	\$ 224	(35) %	\$ 156	(7) %
EBITDA as a percent of sales	20.3 %	28.2 %	(790) bp	22.9 %	(260) bp

- Volume up 4% versus prior year; Pharmaceutical and Care up 6% combined
- Gross profit decline due to guar and Intermediates and Solvents

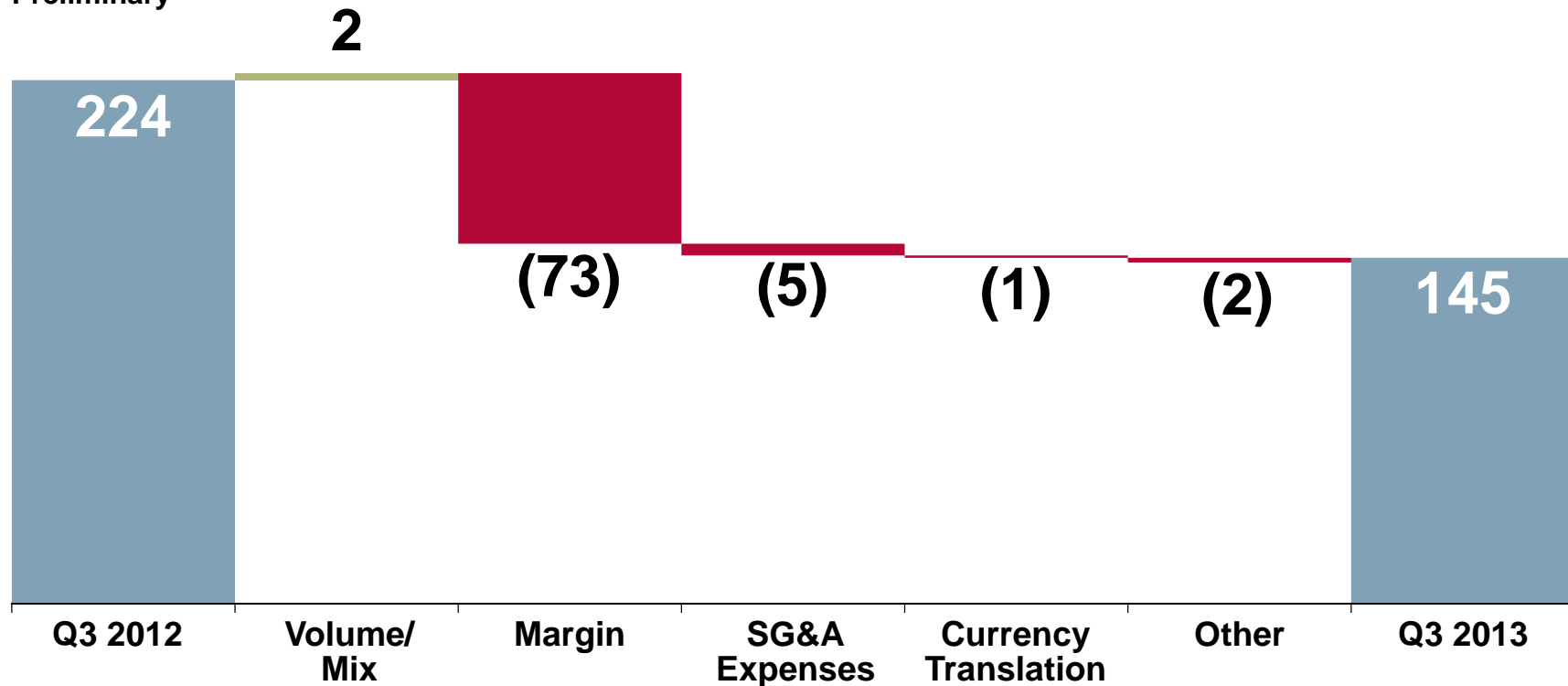
¹ Ashland's earnings releases dated July 25, 2013, and Apr. 24, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Specialty Ingredients

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q3 FY 2012 versus Q3 FY 2013



- Margin decline due to stronger prior year guar results
- Volume improvement partially offset by unfavorable business mix

Ashland Specialty Ingredients

Business Overview and Outlook

- Strong performance from Pharmaceutical and Personal Care businesses
 - Sales up 9% and 5%, respectively
- Coatings sales negatively affected by E/O force majeure
- Year-over-year, Industrial business was challenged but saw considerable improvement sequentially
 - Strong sequential volume and sales improvement in Construction, gross profit up 35% versus Q2
- Fiscal fourth quarter still a difficult comparison
- Volume growth in Construction expected to continue
- Coatings performance expected to continue improving
 - Inventory levels back to normal post E/O force majeure

Ashland Water Technologies Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter			Three months ended	
	Three months ended June 30,			March 31,	
	2013	2012	Change	2013	Change
Sales	\$ 435	\$ 427	2 %	\$ 424	3 %
Gross profit as a percent of sales	33.9 %	32.1 %	180 bp	33.3 %	60 bp
Selling, general and admin./R&D costs	\$ 126	\$ 119	6 %	\$ 122	3 %
Operating income	\$ 23	\$ 19	21 %	\$ 21	10 %
Operating income as a percent of sales	5.3 %	4.4 %	90 bp	5.0 %	30 bp
Depreciation and amortization	\$ 18	\$ 18	- %	\$ 18	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 41	\$ 37	11 %	\$ 39	5 %
EBITDA as a percent of sales	9.4 %	8.7 %	70 bp	9.2 %	20 bp

- Sales increased 2% versus prior year, driven by Pulp & Paper
- Operating income improved 21% versus prior year

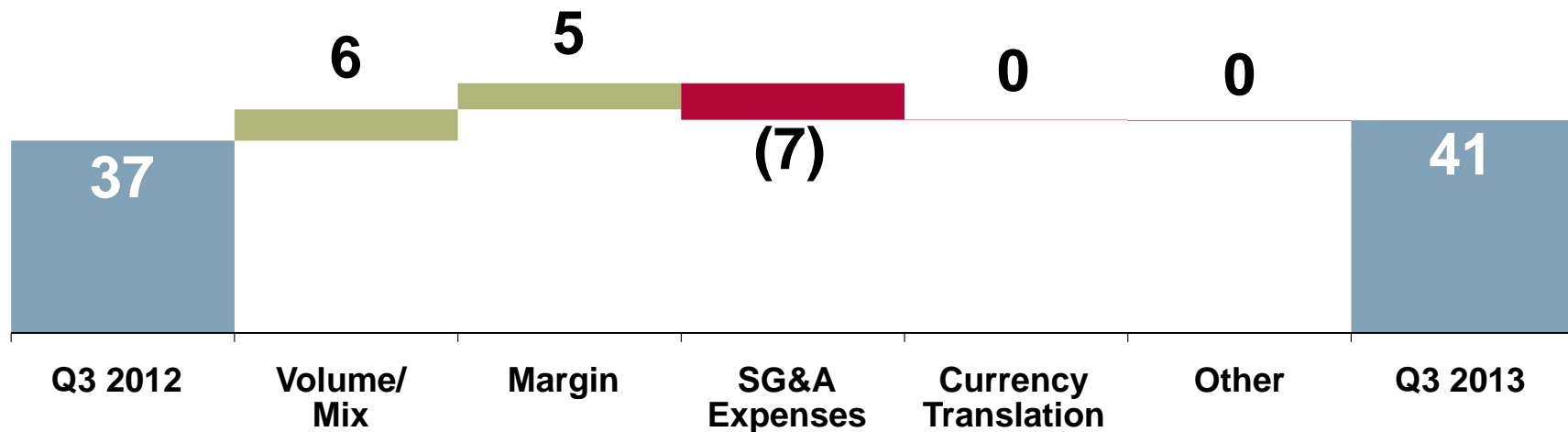
¹ Ashland's earnings releases dated July 25, 2013, and Apr. 24, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Water Technologies

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q3 FY 2012 versus Q3 FY 2013



- Volume up, driven by Pulp and Paper
- Margin improvement in both Pulp and Paper and Industrial Water

Ashland Performance Materials Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,			Three months ended March 31,	
	2013	2012	Change	2013	Change
Metric tons sold (in thousands)	137.9	133.4	3 %	131.5	5 %
Sales	\$ 395	\$ 404	(2) %	\$ 374	6 %
Gross profit as a percent of sales	14.2 %	18.1 %	(390) bp	14.6 %	(40) bp
Selling, general and admin./R&D costs	\$ 43	\$ 44	(2) %	\$ 41	5 %
Operating income	\$ 17	\$ 37	(54) %	\$ 21	(19) %
Operating income as a percent of sales	4.3 %	9.2 %	(490) bp	5.6 %	(130) bp
Depreciation and amortization	\$ 13	\$ 12	8 %	\$ 12	8 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 30	\$ 49	(39) %	\$ 33	(9) %
EBITDA as a percent of sales	7.6 %	12.1 %	(450) bp	8.8 %	(120) bp

- Volume increased 3% vs. prior year driven by Adhesives and Composites
- GP% decline due to elastomers write-down
 - Excluding write-down, GP% would have been 18.5%

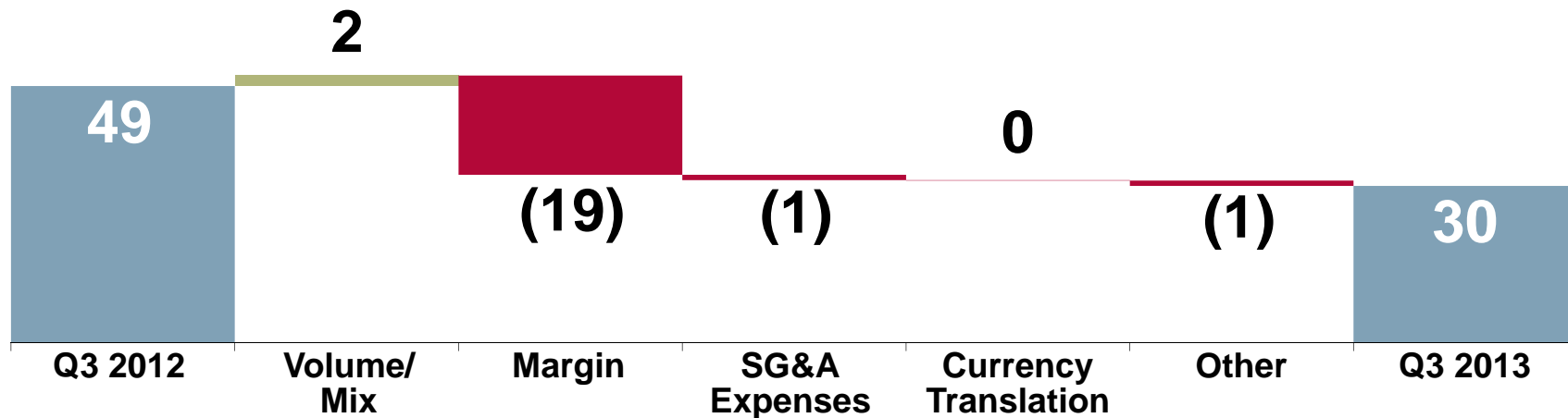
¹ Ashland's earnings releases dated July 25, 2013 and Apr, 24, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Performance Materials

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q3 FY 2012 versus Q3 FY 2013



- Majority of margin decline due to elastomers write-down, offsetting Adhesives and Composites margin improvement
- Effects of ASK Chemicals joint venture and divested PVAc business captured in Other

Ashland Consumer Markets Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,			Three months ended March 31,	
	2013	2012	Change	2013	Change
Lubricant gallons (in millions)	41.3	40.8	1 %	39.2	5 %
Sales	\$ 513	\$ 517	(1) %	\$ 494	4 %
Gross profit as a percent of sales	32.4 %	26.8 %	560 bp	31.9 %	50 bp
Selling, general and admin./R&D costs	\$ 96	\$ 86	12 %	\$ 85	13 %
Operating income	\$ 77	\$ 59	31 %	\$ 79	(3) %
Operating income as a percent of sales	15.0 %	11.4 %	360 bp	16.0 %	(100) bp
Depreciation and amortization	\$ 9	\$ 9	- %	\$ 9	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 86	\$ 68	26 %	\$ 88	(2) %
EBITDA as a percent of sales	16.8 %	13.2 %	360 bp	17.8 %	(100) bp

- Year-over-year volume increase driven by International business
- Sequential margin improvement due to favorable mix

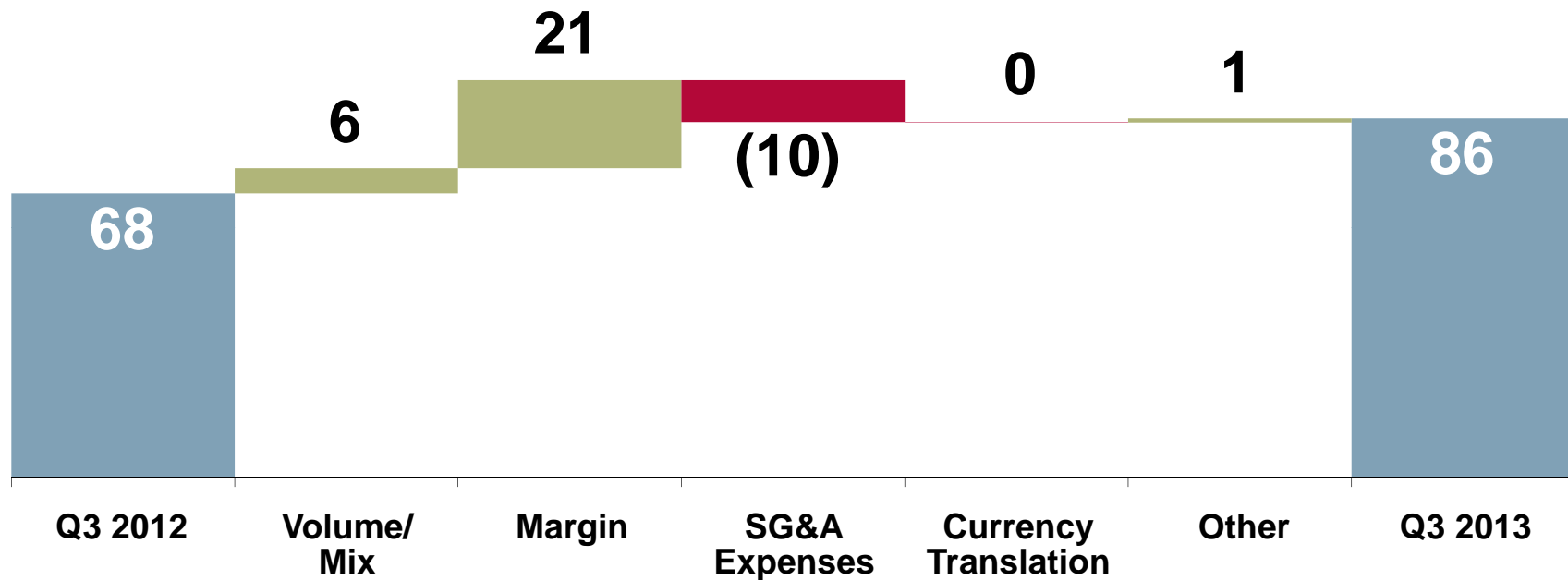
¹ Ashland's earnings releases dated July 25, 2013 and Apr. 24, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Consumer Markets

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q3 FY 2012 versus Q3 FY 2013



- Margin expansion driven by lower raw-material costs
- Volume increase led by International business

Fiscal Third Quarter 2013

Corporate Items

- Capital expenditures of \$71 million
 - 2013 forecast adjusted to \$320 million
- Adjusted net interest expense of \$44 million
- Effective tax rate¹ of 24%
 - Expect to be at low end of 25% – 27% range for FY 2013
- Trade working capital² of 16.7% of annualized sales
- Free cash flow³ generation of \$184 million

¹ Excludes Key Items.

² Represents working capital associated with our commercial units, as of June 30, 2013.

³ Definition of free cash flow is operating cash less capital expenditures.

Fiscal Third Quarter 2013

Performance Summary

- Despite two specific issues, overall good quarter
 - Guar presented a difficult comparison to prior year
 - Elastomers inventory write-down
- Volume improvement across all commercial units
 - Demand trends appear to be stabilizing in certain areas
- Several actions taken to create shareholder value
 - Redemption of remaining 9 1/8 notes
 - Over \$7 million dollars of annualized interest expense savings
 - Increased dividend by more than 50%
 - Authorized \$600 million share buy-back program, \$150 million executed to date
 - Purchased 1.7 million shares

Outlook

- Good momentum into fourth quarter
 - Improving demand trends positively affecting several businesses
- Final stage of ISP integration nearing completion
 - ERP global roll-out launched July 1st
- Continued focus on strong cash flow generation
- Elastomers sale process initiated
- Evaluating strategic alternatives for Water Technologies

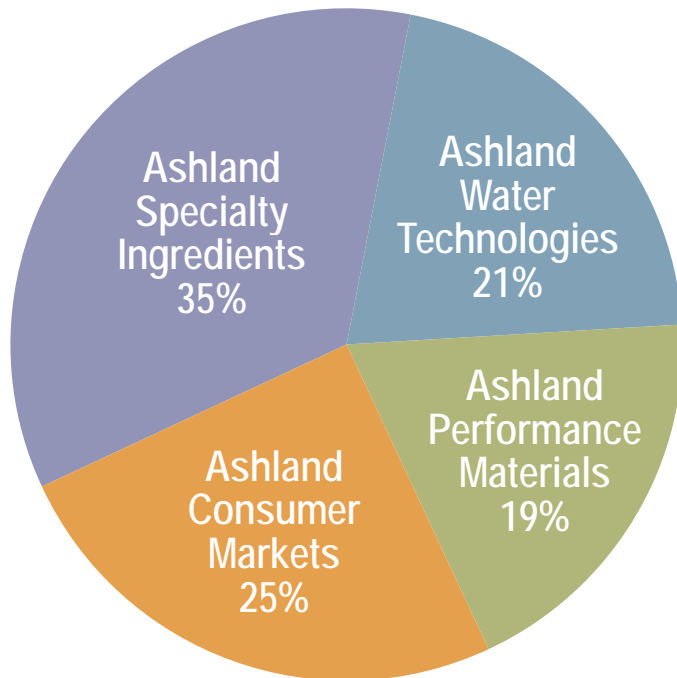


Appendix A:
Business Profiles
12 Months Ended June 30, 2013

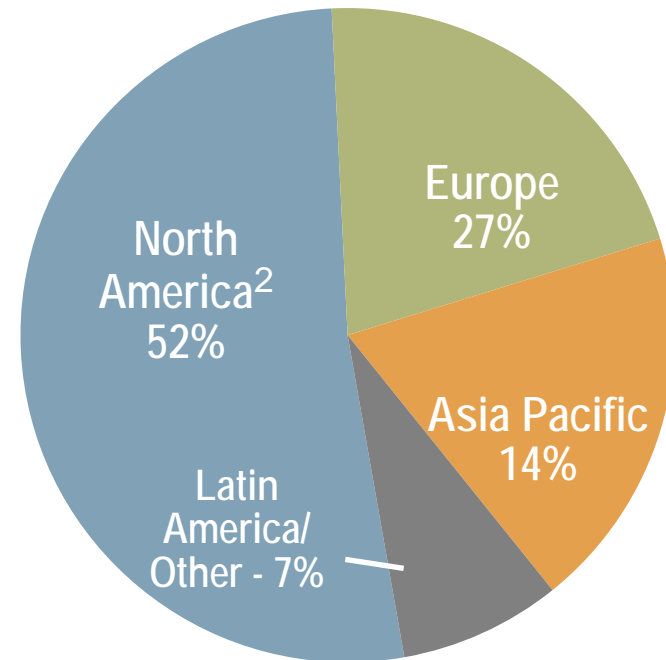
Corporate Profile

Sales¹ - \$8.0 Billion

By commercial unit



By geography

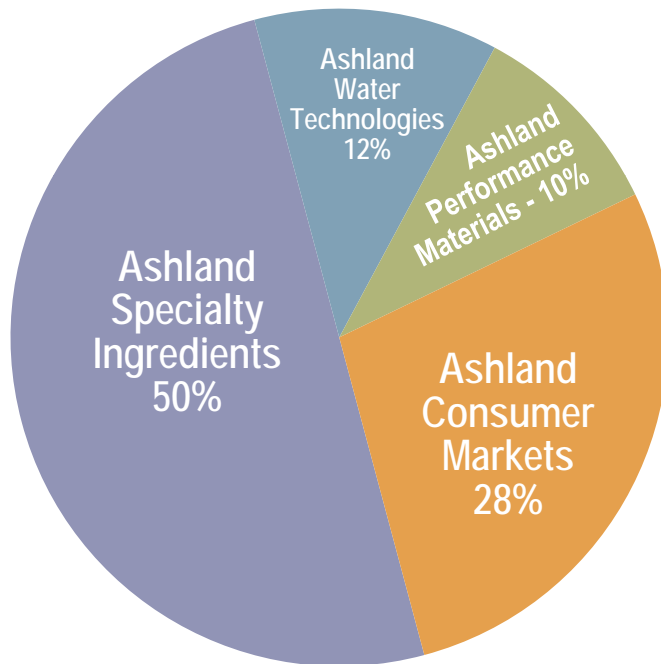


¹ For 12 months ended June 30, 2013.

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

Corporate Profile

Adjusted EBITDA¹ - \$1.3 Billion



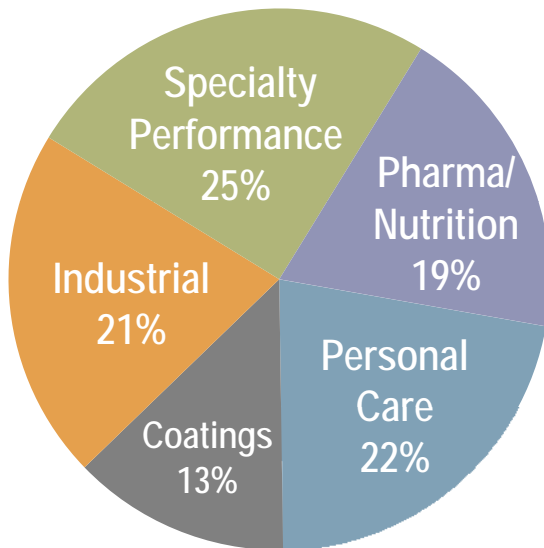
NYSE Ticker Symbol:	ASH
Total Employees:	~15,000
Outside North America	~40%
Number of Countries in Which Ashland Has Sales:	More than 100

¹ For 12 months ended June 30, 2013. See Appendix B for reconciliation to amounts reported under GAAP.

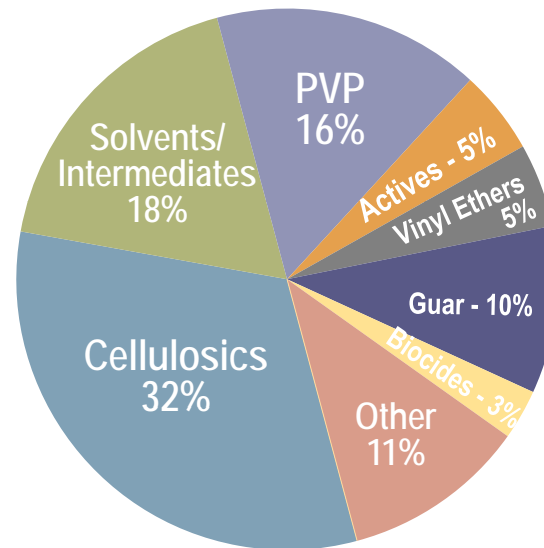
Ashland Specialty Ingredients

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

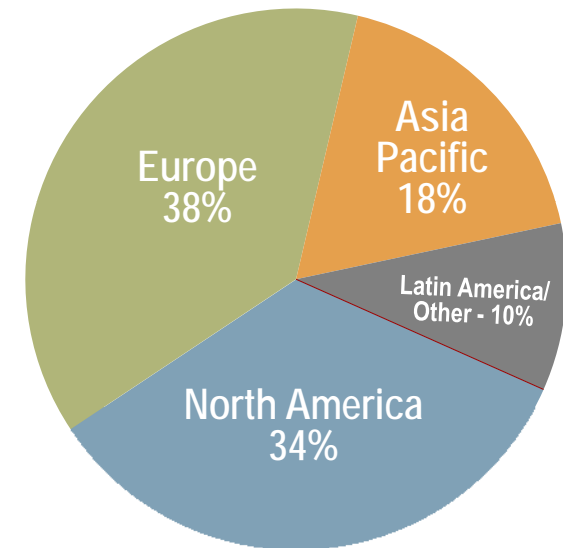
**Sales
by Market**



**Sales
by Product**



**Sales
by Geography**



For 12 Months Ended June 30, 2013

Sales: \$2.8 billion

Adjusted EBITDA: \$610 million¹

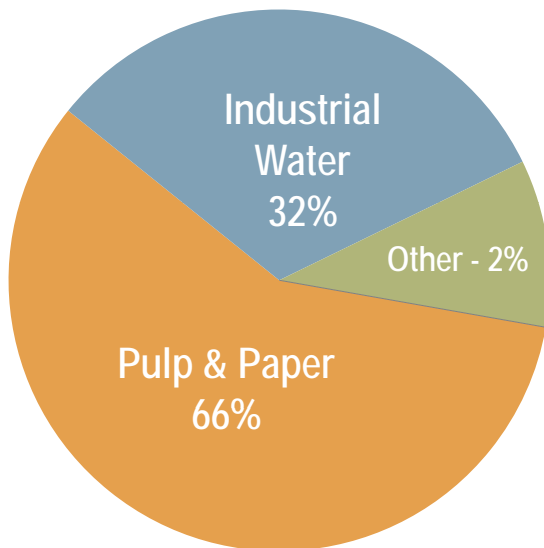
Adjusted EBITDA Margin: 22.1%¹

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

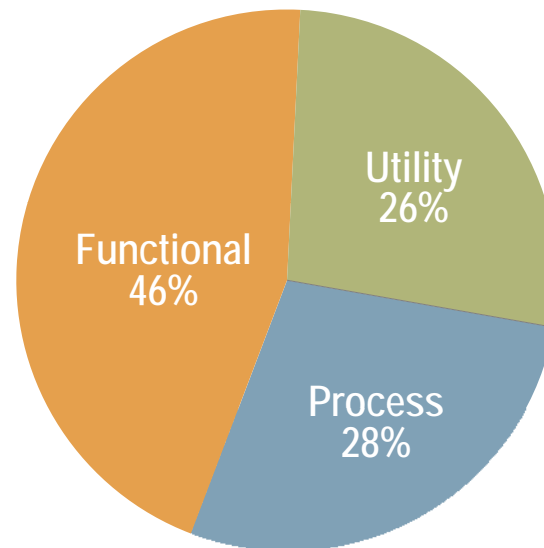
Ashland Water Technologies

Providing specialty chemicals and services to water-intensive industries

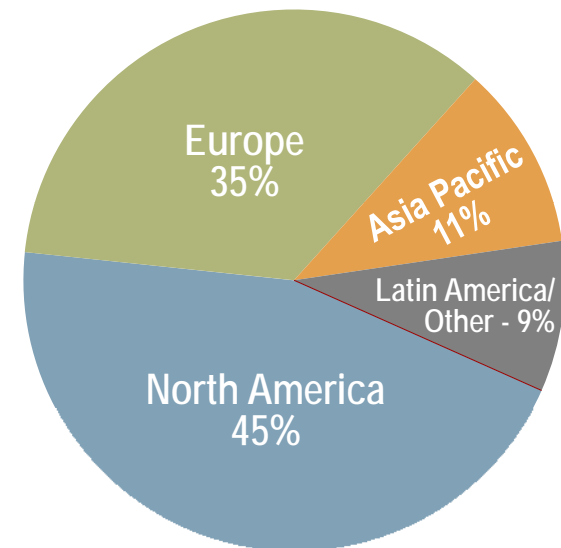
Sales
by Market



Sales
by Product



Sales
by Geography



For 12 Months Ended June 30, 2013

Sales: \$1.7 billion

Adjusted EBITDA: \$147 million¹

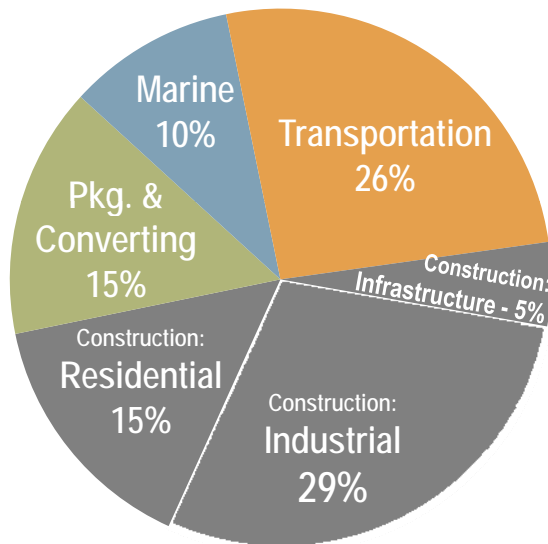
Adjusted EBITDA Margin: 8.6%¹

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

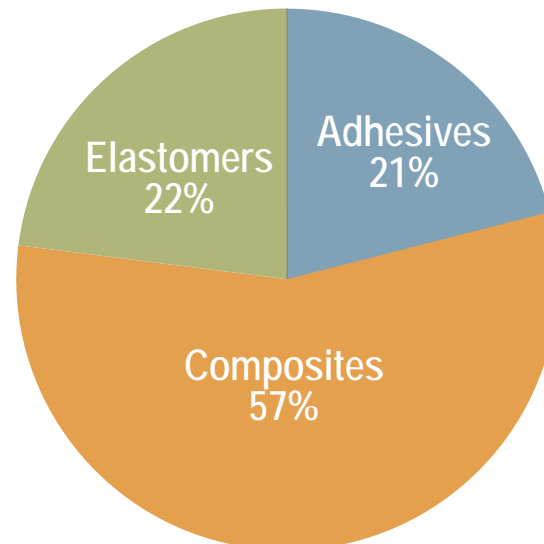
Ashland Performance Materials

Global leader in composite resins, specialty adhesives and elastomers

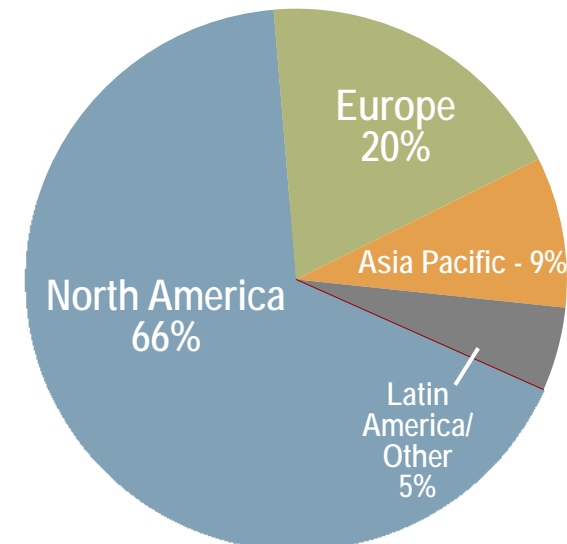
**Sales
by Market**



**Sales
by Product**



**Sales
by Geography**



For 12 Months Ended June 30, 2013

Sales: \$1.5 billion

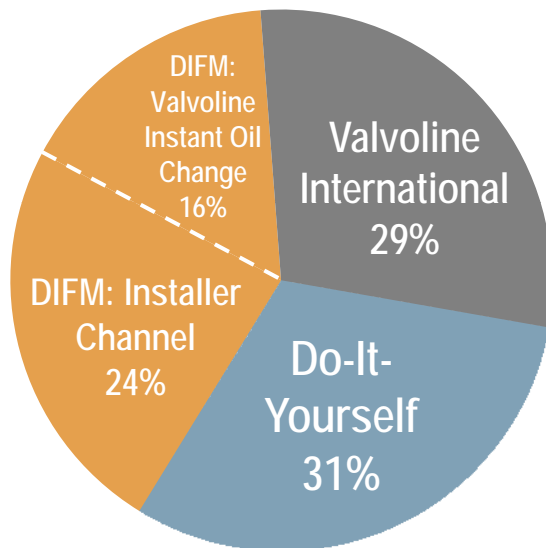
Adjusted EBITDA: \$122 million¹

Adjusted EBITDA Margin: 8.2%¹

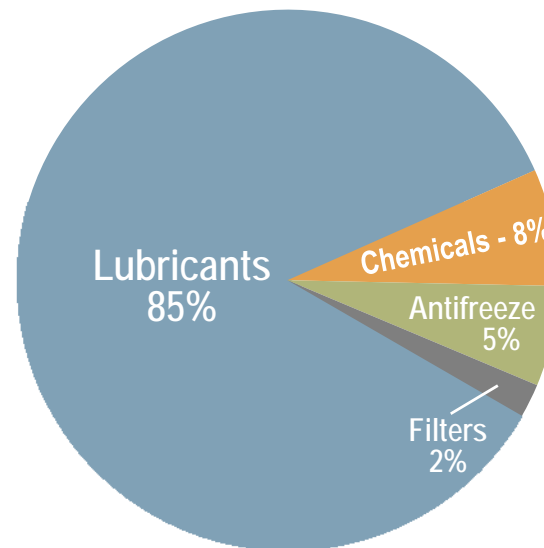
¹ See Appendix B for reconciliation to amounts reported under GAAP.

Ashland Consumer Markets: A leading worldwide marketer of premium-branded automotive lubricants and chemicals

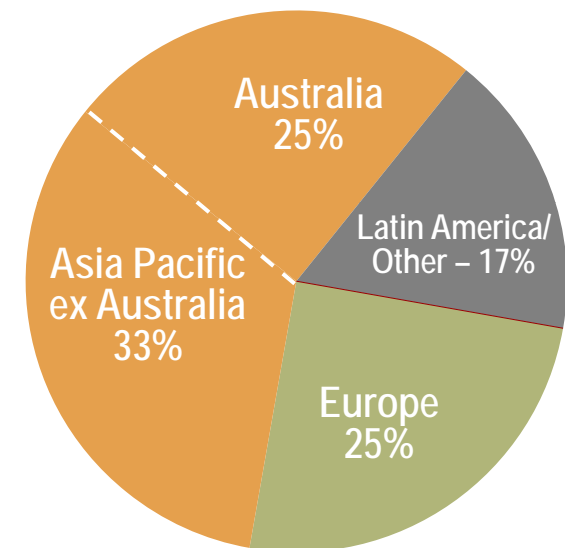
Sales by Market



Sales by Product



International Sales by Region²



For 12 Months Ended June 30, 2013

Sales: \$2.0 billion¹
EBITDA: \$332 million¹
EBITDA Margin: 16.5%¹

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

² Includes nonconsolidated joint ventures.



Appendix B: Reclassifications and Regulation G Reconciliations

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for 12 Months Ended June 30, 2013

(\$ millions, except percentages)

Sales	Q3 13	Q2 13	Q1 13	Q4 12	Total	
Specialty Ingredients	716	682	622	734	2,754	
Water Technologies	435	424	421	431	1,711	
Performance Materials	395	374	345	369	1,483	
Consumer Markets	513	494	481	522	2,010	
Total	2,059	1,974	1,869	2,056	7,958	
						Adjusted EBITDA
Adjusted EBITDA ¹	Q3 13	Q2 13	Q1 13	Q4 12	Total	Margin
Specialty Ingredients	145	156	116	193	610	22.1%
Water Technologies	41	39	34	33	147	8.6%
Performance Materials	30	33	28	31	122	8.2%
Consumer Markets	86	88	75	83	332	16.5%
Unallocated	23	23	15	9	70	
Total	325	339	268	349	1,281	

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

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With good chemistry great things happen.™

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