

Fourth-Quarter Fiscal 2014 Earnings Conference Call

November 6, 2014

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Regulation G: Adjusted Results

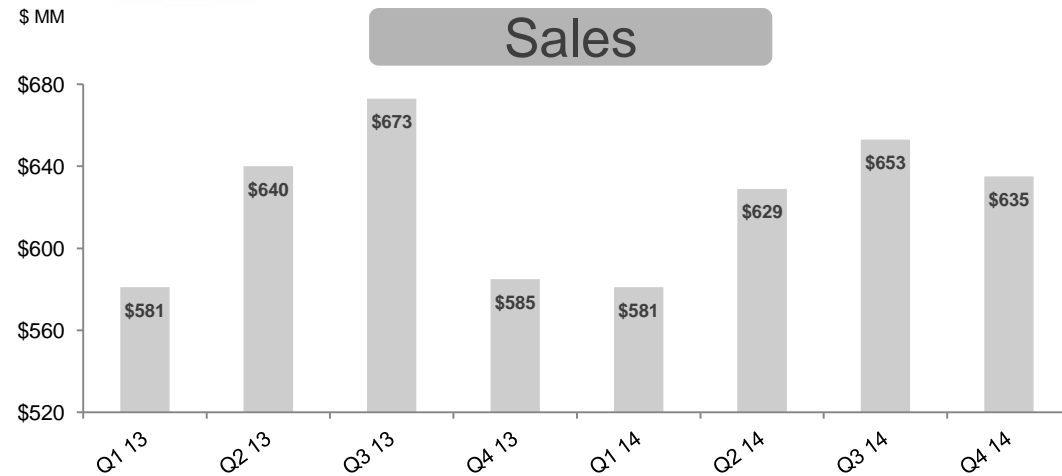
The information presented herein regarding certain unaudited adjusted results does not conform to generally accepted accounting principles in the United States (U.S. GAAP) and should not be construed as an alternative to the reported results determined in accordance with U.S. GAAP. Ashland has included 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.

Executive Summary of Financial Results¹

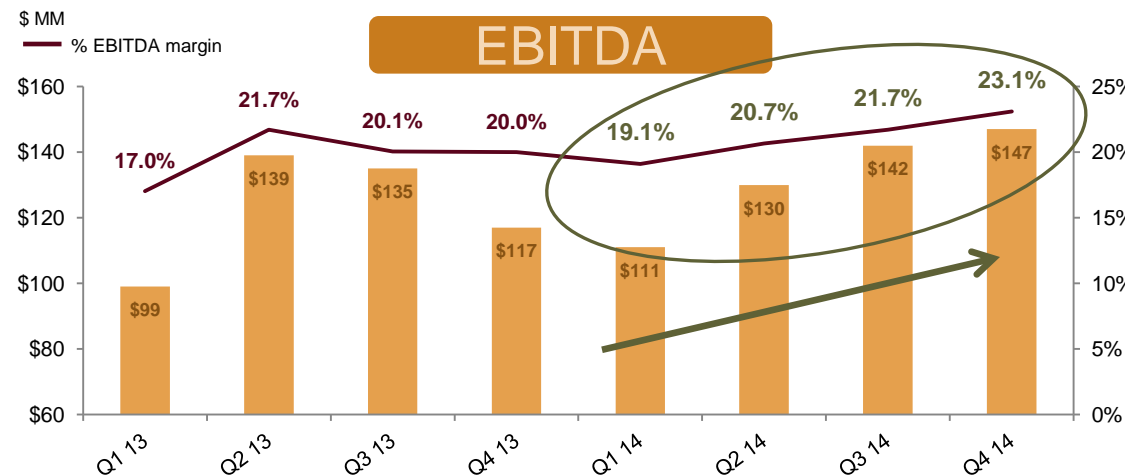
- Loss of \$0.35 per share from continuing operations
 - Includes an actuarial loss on pension
- Adjusted earnings of \$1.42 vs. \$1.29 per share in prior year
- Volumes increased 3% year over year
- Sales of \$1.5 billion, up 5% from year-ago period
- Adjusted EBITDA of \$272 million, up 8 percent over prior year
- Achieved more than half of targeted \$200 million in annualized run-rate cost savings through fourth quarter
- Retired approximately 8.9 million shares under current share repurchase authorization

¹ Ashland's fourth-quarter earnings release dated Nov. 5, 2014, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Ashland Specialty Ingredients Progress Through 2014



- Sales returned to normal seasonal patterns in 2014
 - Year-over-year volume growth above GDP
 - Growth accelerated throughout the year
 - Sales growth muted by impact of high guar prices in 2013



- EBITDA growth accelerating over past four quarters
 - Global restructuring has improved operating model and reduced SG&A cost
 - Supply chain improvements have improved service levels and lowered mfg. costs
 - Upgrading business mix leading to higher margins

Significant performance improvement by focusing on the core

Ashland Specialty Ingredients Looking Ahead to 2015

Accomplishments in 2014:

Business Redesign

Step 1

- Increase customer intimacy
- Reduce complexity
- Simplify management structure and increase spans of control
- Increase levels of accountability
- Regional focus

Deliver SG&A cost savings and reduce complexity

Supply Chain Improvements

Step 2

- Improve processes within planning, inventory management and logistics
- Optimize manufacturing process capability
- Asset management

Higher levels of customer service and lower mfg. costs

Objectives for 2015:

Segment Strategies

Step 3

- Focus profitable growth in core end markets
- Capture key macro trends in emerging markets
- Balance innovation portfolio

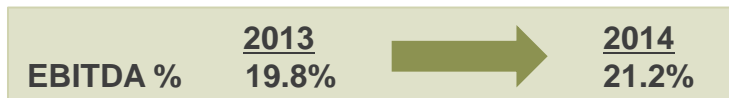
Faster growth in key segments and geographies

Business Optimization

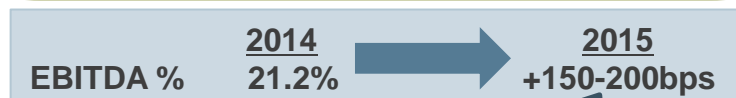
Step 4

- Relentless focus and prioritization
- Working capital efficiency
- Capex discipline
- Optimize product and business portfolio

Focus and execution drive growth and profitability



Improved operating efficiencies drove 140bps increase to EBITDA margin



Optimizing the business, leveraging the highest growth opportunities, expected to drive 150-200bps increase to EBITDA margin in 2015

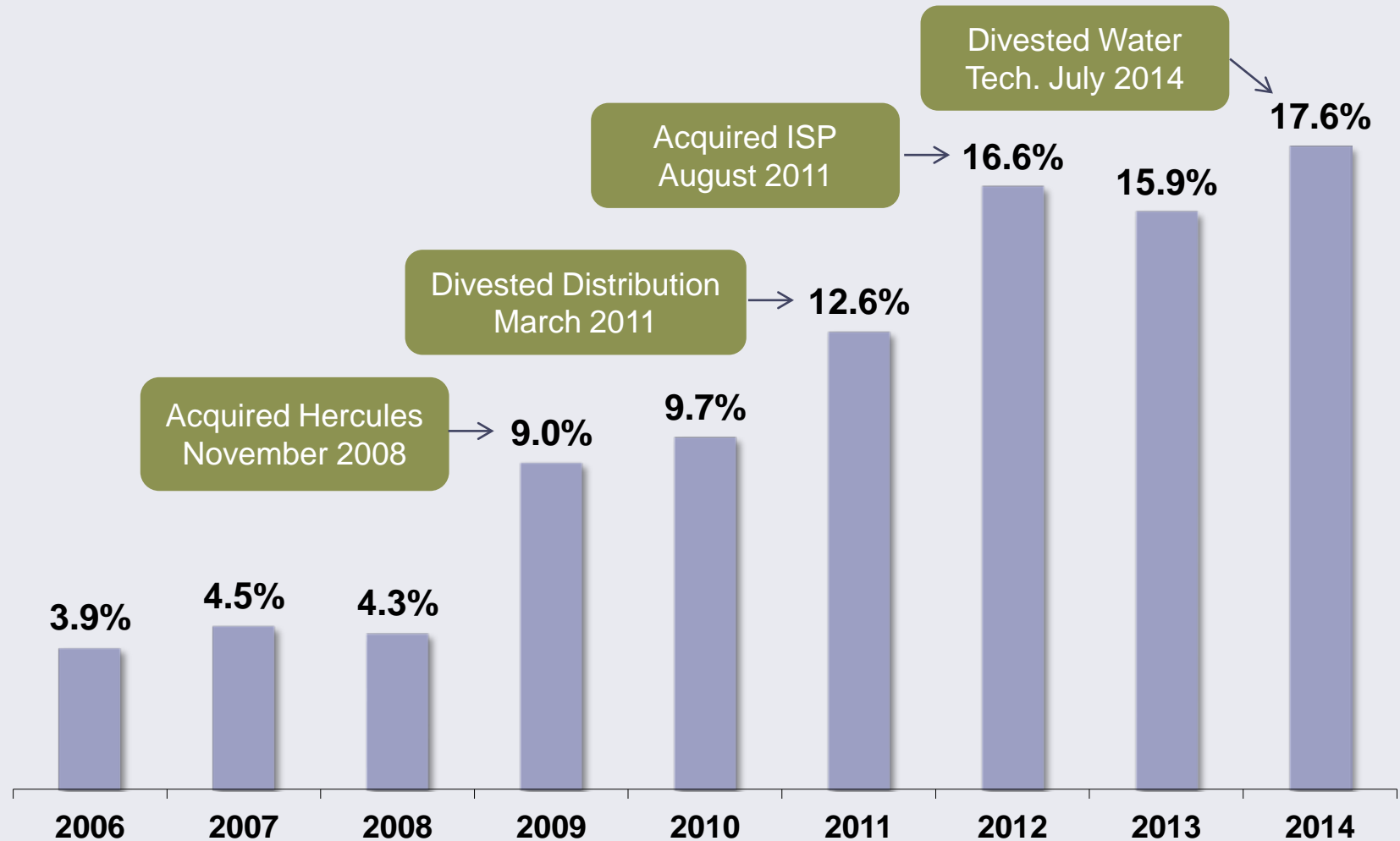
Performance Summary

Solid performance across Ashland, each unit hitting near-term targets

- Specialty Ingredients posted sales and earnings gains ahead of expectations
 - Good growth across all regions
 - EBITDA margin exceeding 23%
- Performance Materials
 - Volume and sales growth, offset by BDO pricing and I&S plant shutdown
- Valvoline continuing to execute well across the business, achieving record fourth segment earnings
 - Revenue and margin growth in VIOC; continued mix upgrade
- Significant return of capital to shareholders in Q4

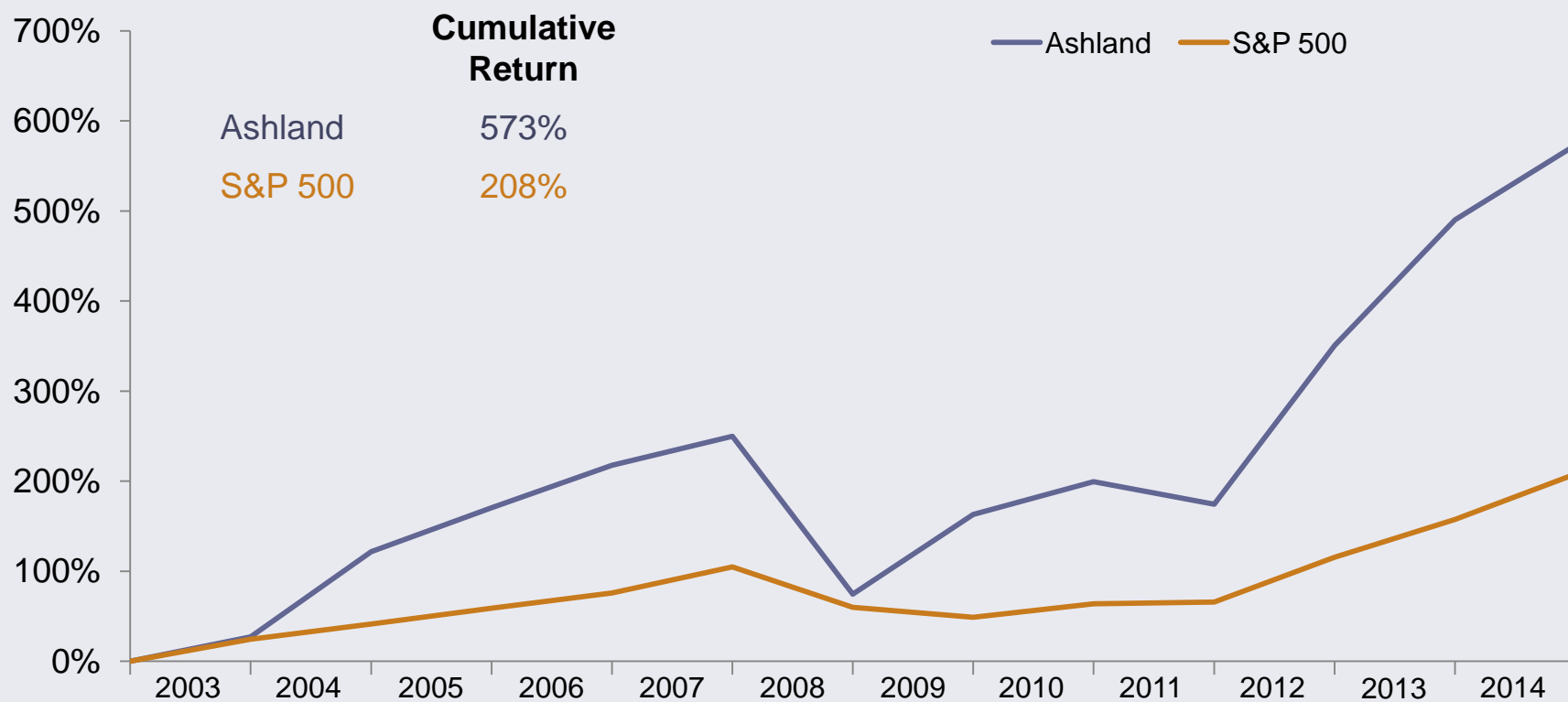
Established firm foundation for growth in 2014, significant improvements to operating model

Strategic Decisions Have Dramatically Expanded EBITDA Margin¹



¹ 2006 through 2014 EBITDA margins as reported in the fiscal year noted and not adjusted for future transactions. EBITDA presented herein has been adjusted for certain key items.

Total Shareholder Returns¹



Corporate transformation has been rewarding

Share Price Levers

Growth

- Expect ASH sales growth to be GDP+ to 1.5x GDP
- Expect operating income to grow by 8% – 10%

Margins

- Self help to increase adjusted EBITDA margins to ~20%
- Volume gains and pricing expected to further improve margin profile

Free Cash Flow

- Generated approx. \$900 million in FCF past three years
- Expect to generate over \$1.2 billion from 2015 – 2017, an increase of 30+%

Value¹

	Top Tier	Chemicals	Ashland ²
P/E	21.4x	17.6x	16.0x
EV/EBITDA	11.4x	9.9x	8.6x

Significant opportunities for share-price expansion

¹ As of Nov. 4, 2014. Top Tier includes ECL, FMC, PPG, GRA. Chemicals group also includes ALB, CE, CYT, DD, DOW, EMN, FOE, FUL, ROC, and POL. Multiples represent median values based on 2015 Factset consensus.

² P/E accounts for shares retired as part of share repurchase authorization program. EV/EBITDA reflects 9/30 net debt position.



Appendix: Reclassifications and Regulation G Reconciliations

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for 12 Months Ended September 30, 2014

(\$ millions, except percentages)

Sales ¹	Q4 14	Q3 14	Q2 14	Q1 14	Total	
Specialty Ingredients	635	653	629	581	2,498	
Performance Materials	383	420	413	365	1,582	
Valvoline	520	532	503	486	2,041	
Total	1,538	1,605	1,545	1,432	6,121	
						Adjusted EBITDA
Adjusted EBITDA ¹	Q4 14	Q3 14	Q2 14	Q1 14	Total	Margin
Specialty Ingredients	147	142	130	111	529	21.2%
Performance Materials	31	53	49	33	166	10.5%
Valvoline	87	99	90	83	360	17.6%
Unallocated	7	4	3	9	23	
Total	272	298	272	236	1,078	

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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