



January 27, 2005

Ashland Inc. Holds 81st Annual Shareholders Meeting

COVINGTON, Ky., Jan. 27 /PRNewswire-FirstCall/ -- Shareholders of Ashland Inc. (NYSE: ASH) met today in Covington, Ky., to take action on two items of business at the 81st annual shareholders meeting.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040113/ASHLANDLOGO>)

The election of three directors was approved by the shareholders. Re-elected to the Ashland Inc. board are: Bernadine P. Healy, Kathleen Ligocki, and James J. O'Brien. All three were elected to serve a three-year term until the 2008 annual meeting.

The shareholders also ratified Ernst & Young as independent auditors for the company's fiscal year 2005.

In brief comments to shareholders in attendance, James J. O'Brien, Ashland Inc. chairman and chief executive officer, discussed the company's fiscal 2004 performance as well as progress-to-date in fiscal 2005. "Execution drove results in 2004," he said. "It was a year of extraordinary progress, and the hard work, drive and dedication of our employees has made Ashland much stronger and better prepared for the future."

In other corporate news, Ashland Inc. and plaintiff, Central Laborers' Pension Fund, have reached a settlement in the shareholder derivative lawsuit brought in August 2002 against certain current and former directors and officers of Ashland. The settlement agreement is subject to approval by the Kenton County Circuit Court in Kentucky.

In settling the action, Ashland has agreed to make certain modifications to its corporate governance policies and procedures relevant to the standard for determining director independence and requiring that two-thirds of the company's Board be comprised of only independent directors. Further, Ashland has agreed to solicit from its major shareholders director candidates and to nominate a qualified candidate for election to the Board.

Ashland Inc. senior vice president, general counsel and secretary David L. Hausrath said, "While we vigorously dispute the allegations in the lawsuit, we are pleased to have reached a tentative settlement that is both beneficial to Ashland's shareholders and avoids protracted court action and any resulting distraction to our businesses. The agreement improves Ashland's excellent corporate governance principles and reinforces the Board's and management's commitment to continue to enhance shareholder value."

Ashland Inc. (NYSE: ASH) is a Fortune 500 transportation construction, chemical and petroleum company providing products, services and customer solutions throughout the world. To learn more about Ashland, visit <http://www.ashland.com> .

SOURCE Ashland Inc.

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(ASH)

CO: Ashland Inc.; Central Laborers' Pension Fund

ST: Kentucky

IN: OIL CHM CST

SU: PER ACC LAW

AM-CM

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Statements in this press release regarding Ashland's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.