

Third-Quarter Fiscal 2014 Earnings

July 31, 2014

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Ashland has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “may,” “will,” “should” and “intends” and the 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 sale transactions involving Ashland Water Technologies and the ASK joint venture and the potential sale transaction involving the elastomers division (including the possibility that the transactions may not occur or that, if a transaction does occur, Ashland may not realize the anticipated benefits from such transaction), the global restructuring program (including the possibility that Ashland may not realize the anticipated revenue and earnings growth, cost reductions and other expected benefits from the program), Ashland’s ability to generate sufficient cash to finance its stock repurchase plans, severe weather, natural disasters and legal proceedings and claims (including environmental and asbestos matters). Various risks and uncertainties may cause actual results to differ materially from those stated, projected or implied by any forward-looking statements, including, without limitation, risks and uncertainties affecting Ashland that are 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. Unless legally required, Ashland undertakes no obligation to update any forward-looking statements made in this presentation whether as a result of new information, future events or otherwise.

Regulation G: Adjusted Results

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

Highlights¹

- Earnings from continuing operations of \$0.90 per share
 - Adjusted EPS of \$1.63 vs. \$1.31 in prior year
- Volumes increased 3% vs. prior year
- Sales of \$1.6 billion, down 1% from prior year
 - Excluding guar and Intermediates & Solvents (I&S), sales rose 2%
- Adjusted EBITDA of \$298 million
 - Up 9% from prior year
- Global restructuring gains momentum
 - Achieved more than \$80 million in annualized run-rate savings through third quarter

¹ Ashland's third-quarter earnings release dated July 31, 2014, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Stock Buyback Update

- Sale of Ashland Water Technologies for \$1.8 billion in cash expected to be completed later today
 - After-tax proceeds of ~\$1.4 billion, primarily to be used for share buyback
- Repurchased ~\$80 million of shares
 - More than 760,000 shares to be retired in Q4
- To initiate \$1.0 billion in share repurchase programs
 - \$750 million accelerated share repurchase program
 - \$250 million 10b5-1 program

¹ Ashland's third-quarter earnings release dated July 31, 2014, 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							
2014	Ashland Specialty Ingredients	Ashland Performance Materials	Valvoline	Unallocated and Other	Pretax	Aftertax	Earnings per Share
Legacy environmental reserves	\$ (1)			\$ (12)	\$ (13)	\$ (8)	\$ (0.10)
Restructuring and integration		\$ (9)		\$ (22)	(31)	(23)	(0.29)
ASK impairment		\$ (4)			(4)	(2)	(0.02)
Foreign tax indemnification receivable				\$ (5)	(5)	(5)	(0.07)
Losses on pension & OPEB remeasurement				\$ (16)	(16)	(12)	(0.15)
Tax adjustments					-	(8)	(0.10)
Total	\$ (1)	\$ (13)		\$ (55)	\$ (69)	\$ (58)	\$ (0.73)
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)

- Intangible amortization expense in June 2014 quarter of \$22 million
 - Excluding intangible amortization, adjusted EPS would have been 21 cents higher, or \$1.84

Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter			Three months ended	
	Three months ended June 30,			Mar. 31,	
	2014	2013	Change	2014	Change
Sales	\$ 1,605	\$ 1,624	(1) %	\$ 1,545	4 %
Gross profit as a percent of sales	28.4 %	26.6 %	180 bp	28.1 %	30 bp
Selling, general and admin./R&D costs	\$ 255	\$ 260	(2) %	\$ 263	(3) %
Operating income	\$ 212	\$ 185	15 %	\$ 183	16 %
Operating income as a percent of sales	13.2 %	11.4 %	180 bp	11.8 %	140 bp
Depreciation and amortization	\$ 89	\$ 89	- %	\$ 88	1 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 298	\$ 273	9 %	\$ 272	10 %
EBITDA as a percent of sales	18.6 %	16.8 %	180 bp	17.6 %	100 bp

- Higher profitability in each commercial unit drove improved results
- Improved operating performance and cost savings led to EBITDA growth

¹ Ashland's earnings releases dated July 31 and April 30, 2014 and 8-K dated July 3, 2014;

available on Ashland's website at <http://investor.ashland.com>; reconcile adjusted amounts to amounts reported under GAAP.

Ashland Specialty Ingredients Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,			Three months ended Mar. 31,	
	2014	2013	Change	2014	Change
Metric tons sold (in thousands) - Actives basis	95.0	90.7	5 %	87.4	9 %
Sales	\$ 653	\$ 673	(3) %	\$ 629	4 %
Gross profit as a percent of sales	31.5 %	30.2 %	130 bp	32.6 %	(110) bp
Selling, general and admin./R&D costs	\$ 124	\$ 129	(4) %	\$ 134	(7) %
Operating income	\$ 81	\$ 74	9 %	\$ 70	16 %
Operating income as a percent of sales	12.4 %	11.0 %	140 bp	11.1 %	130 bp
Depreciation and amortization	\$ 61	\$ 61	- %	\$ 60	2 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 142	\$ 135	5 %	\$ 130	9 %
EBITDA as a percent of sales	21.7 %	20.1 %	160 bp	20.7 %	100 bp

- Volume rose 5% versus prior year; up 9% sequentially
- EBITDA margin approaching 22%, driven by better execution

¹ Ashland's earnings releases dated July 31 and April 30, 2014 and 8-K dated July 3, 2014; available on Ashland's website at <http://investor.ashland.com>; reconcile adjusted amounts to amounts reported under GAAP.

Ashland Performance Materials Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,			Three months ended Mar. 31,	
	2014	2013	Change	2014	Change
Metric tons sold (in thousands)	154.7	155.4	- %	153.4	1 %
Sales	\$ 420	\$ 438	(4) %	\$ 413	2 %
Gross profit as a percent of sales	17.1 %	13.0 %	410 bp	15.7 %	140 bp
Selling, general and admin./R&D costs	\$ 41	\$ 39	5 %	\$ 40	3 %
Operating income	\$ 35	\$ 22	59 %	\$ 31	13 %
Operating income as a percent of sales	8.3 %	5.0 %	330 bp	7.5 %	80 bp
Depreciation and amortization	\$ 18	\$ 18	- %	\$ 18	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 53	\$ 40	33 %	\$ 49	8 %
EBITDA as a percent of sales	12.6 %	9.1 %	350 bp	11.9 %	70 bp

- Prior year included \$17 million lower of cost or market adjustment within elastomers
- Results negatively affected by lower I&S pricing and volumes

¹ Ashland's earnings releases dated July 31 and April 30, 2014 and 8-K dated July 3, 2014; available on Ashland's website at <http://investor.ashland.com>; reconcile adjusted amounts to amounts reported under GAAP.

Valvoline Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,			Three months ended Mar. 31,	
	2014	2013	Change	2014	Change
Lubricant gallons (in millions)	42.8	41.3	4 %	39.6	8 %
Sales	\$ 532	\$ 513	4 %	\$ 503	6 %
Gross profit as a percent of sales	32.7 %	32.4 %	30 bp	32.1 %	60 bp
Selling, general and admin./R&D costs	\$ 91	\$ 96	(5) %	\$ 86	6 %
Operating income	\$ 90	\$ 77	17 %	\$ 81	11 %
Operating income as a percent of sales	16.9 %	15.0 %	190 bp	16.1 %	80 bp
Depreciation and amortization	\$ 9	\$ 9	- %	\$ 9	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 99	\$ 86	15 %	\$ 90	10 %
EBITDA as a percent of sales	18.6 %	16.8 %	180 bp	17.9 %	70 bp

- Volume gains led by strong international performance
- Mix improvement and reduced SG&A spend primary drivers to EBITDA growth

¹ Ashland's earnings releases dated July 31 and April 30, 2014 and 8-K dated July 3, 2014; available on Ashland's website at <http://investor.ashland.com>; reconcile adjusted amounts to amounts reported under GAAP.

Ashland Water Technologies Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,			Three months ended Mar. 31,	
	2014	2013	Change	2014	Change
Sales	\$ 441	\$ 435	1 %	\$ 431	2 %
Gross profit as a percent of sales	34.6 %	33.9 %	70 bp	33.6 %	100 bp
Selling, general and admin./R&D costs	\$ 124	\$ 126	(2) %	\$ 123	1 %
Operating income	\$ 29	\$ 23	26 %	\$ 24	21 %
Operating income as a percent of sales	6.6 %	5.3 %	130 bp	5.6 %	100 bp
Depreciation and amortization	\$ 19	\$ 18	6 %	\$ 18	6 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 48	\$ 41	17 %	\$ 42	14 %
EBITDA as a percent of sales	10.9 %	9.4 %	150 bp	9.7 %	120 bp

- Results reflect AWT business as historically reported and are provided for comparative purposes only

¹ Ashland's earnings releases dated July 31 and April 30, 2014 and 8-K dated July 3, 2014; available on Ashland's website at <http://investor.ashland.com>; reconcile adjusted amounts to amounts reported under GAAP.

Fiscal Third Quarter 2014

Corporate Items

- Capital expenditures totaled \$56 million in third quarter
 - Full-year forecast remains at \$245 million
- Effective tax rate of 23%
 - Expected full-year rate remains at approximately 21%
 - Q4 rate expected to be 26-27%
- Trade Working Capital¹ remains ahead of target
 - 17.5% versus target of 17.7%
- Free cash flow² generation of \$155 million
 - Year-to-date free cash flow of \$252 million
 - Full-year free cash flow estimate of \$300-\$350 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.

Global Restructuring Program Update

- Approximately \$80 million in annualized costs savings achieved through the third quarter
 - Continue to expect more than half of run-rate savings by end of FY14
 - Estimated book costs remain \$140-\$160 million; estimated cash costs remain \$120-\$140 million
- Objectives completed to date:
 - Over half of planned job eliminations completed
 - Supply chain integration completed
 - Reorganized ASI and APM now reported; historical results for prior two years released in early July
 - Transition services agreement reached with CD&R
 - Covers roughly half of stranded costs from AWT transaction

Efficient operating model to drive growth and improved financial performance

Creating Shareholder Value

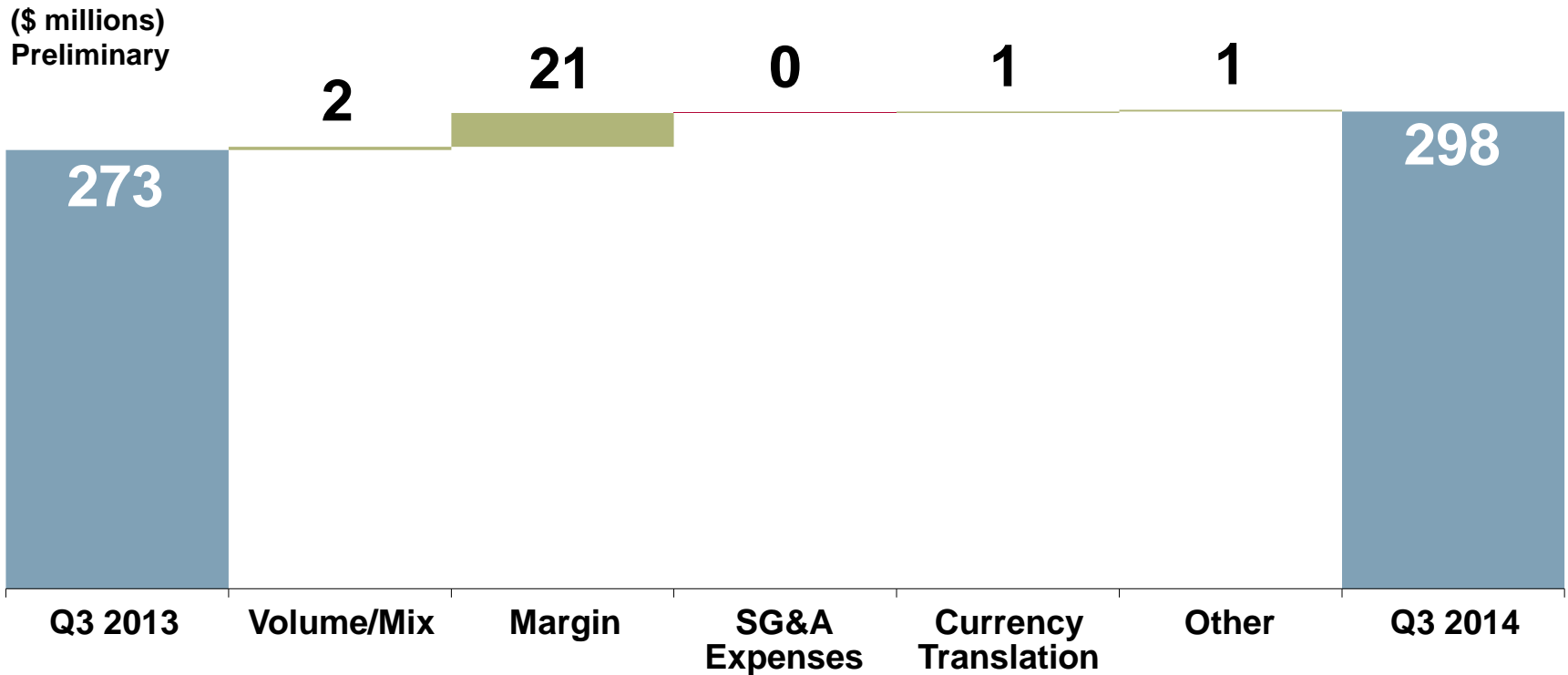
- Strong underlying catalysts support share price appreciation
 - ASI growth and margin expansion
 - Continued strong operating performance leading to earnings growth
 - Global restructuring program leading to \$200 million in cost savings
 - ASH overall margin target exceeding 20%, placing among top-quartile of peers
- Remain committed to \$1.35 billion share buyback program as shares remain undervalued
- AWT transaction after-tax proceeds of ~\$1.4 billion, primarily to be used for share buyback
 - \$750 million accelerated share repurchase program
 - \$250 million 10b5-1 program

Continue taking steps to becoming the world's best specialty chemicals company



Appendix A: EBITDA Bridges

Ashland Q3 FY 2013 vs. Q3 FY 2014 Adjusted EBITDA Bridge



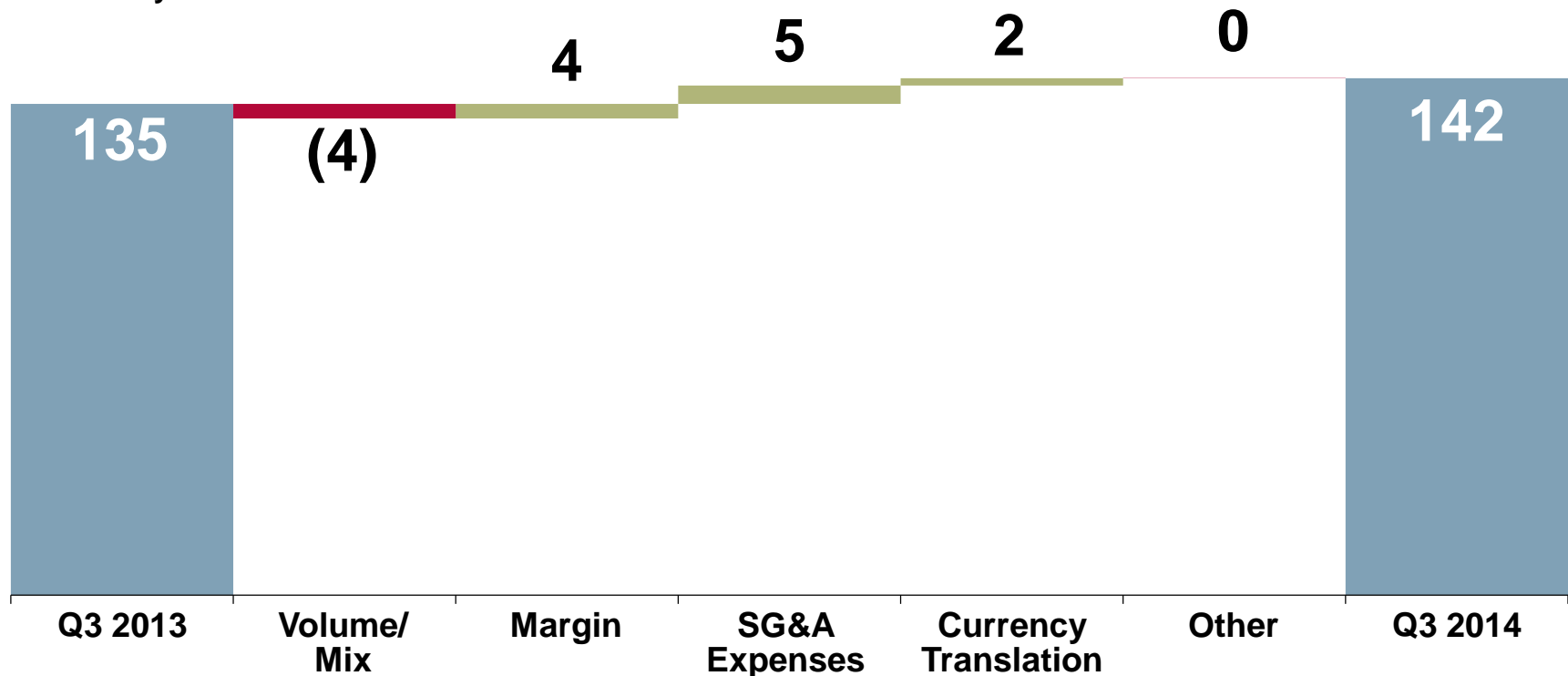
- Stronger volumes and improved margins contributed \$23 million to EBITDA

Ashland Specialty Ingredients

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q3 FY 2013 versus Q3 FY 2014



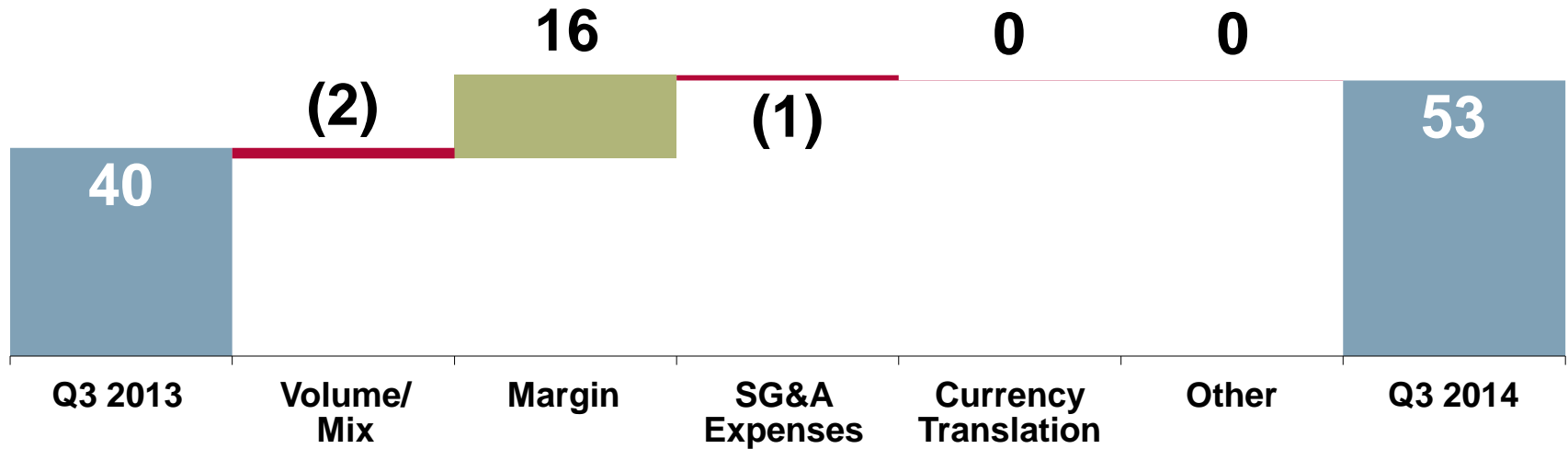
- Improved operating performance drove margin improvement
- Benefits from global restructuring contributed to SG&A reduction of \$5 million

Ashland Performance Materials

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q3 FY 2013 versus Q3 FY 2014

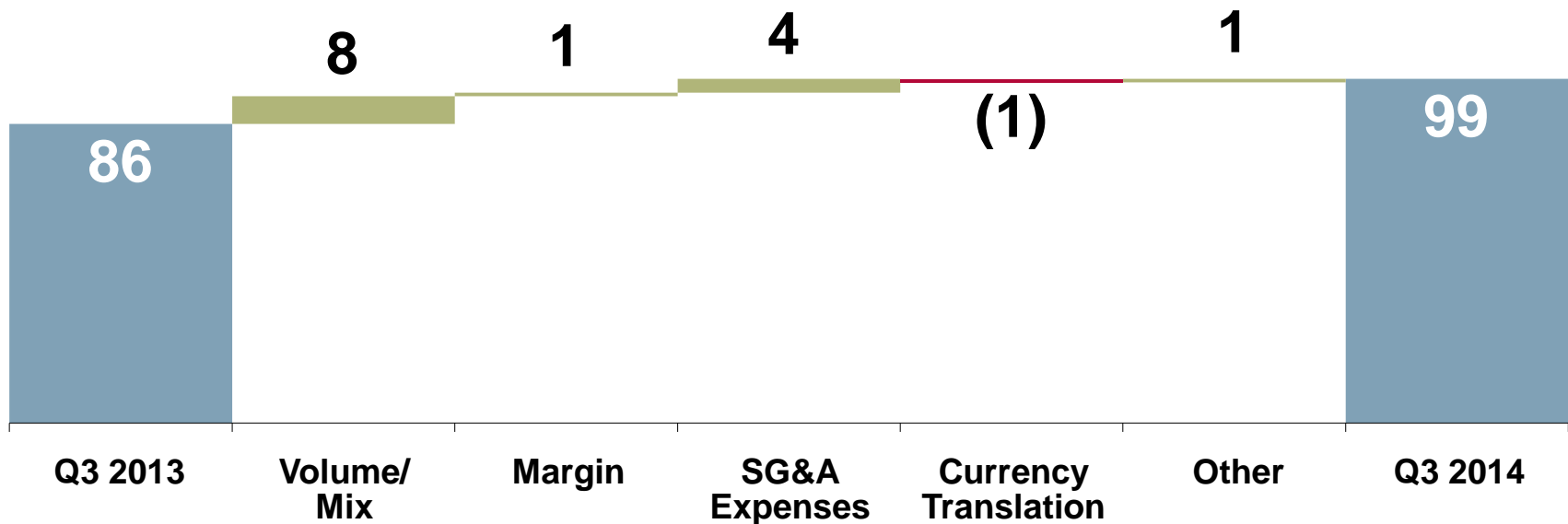


- Margin improvement due to prior year lower of cost or market charge within elastomers

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q3 FY 2013 versus Q3 FY 2014



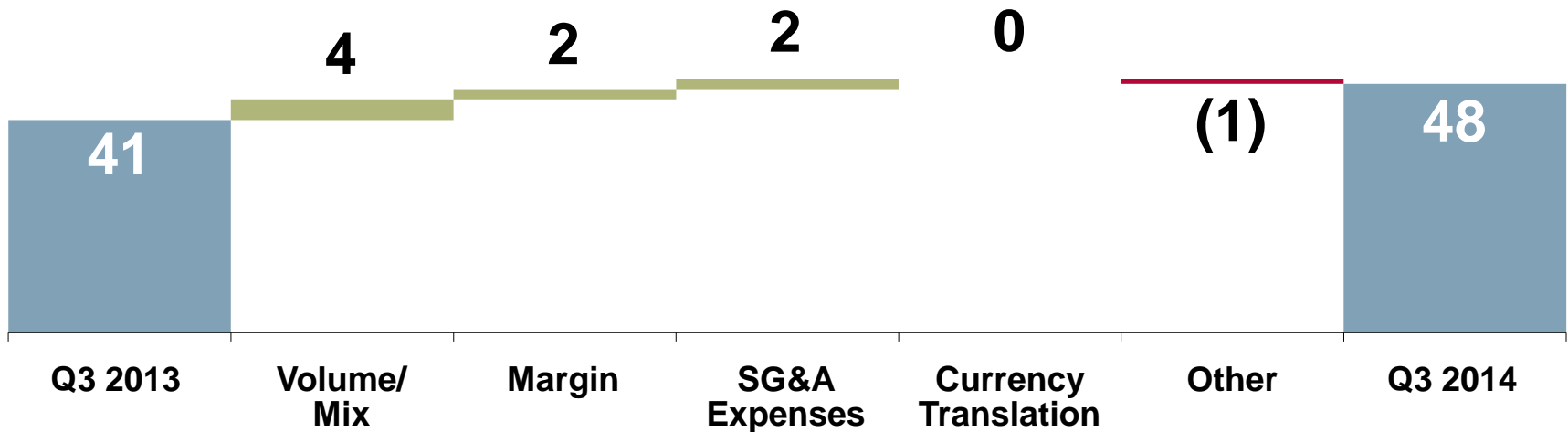
- Strong volume, continued mix upgrade and efficient SG&A spend were key tailwinds to quarter
- Foreign exchange presented modest headwind to EBITDA

Ashland Water Technologies

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q3 FY 2013 versus Q3 FY 2014

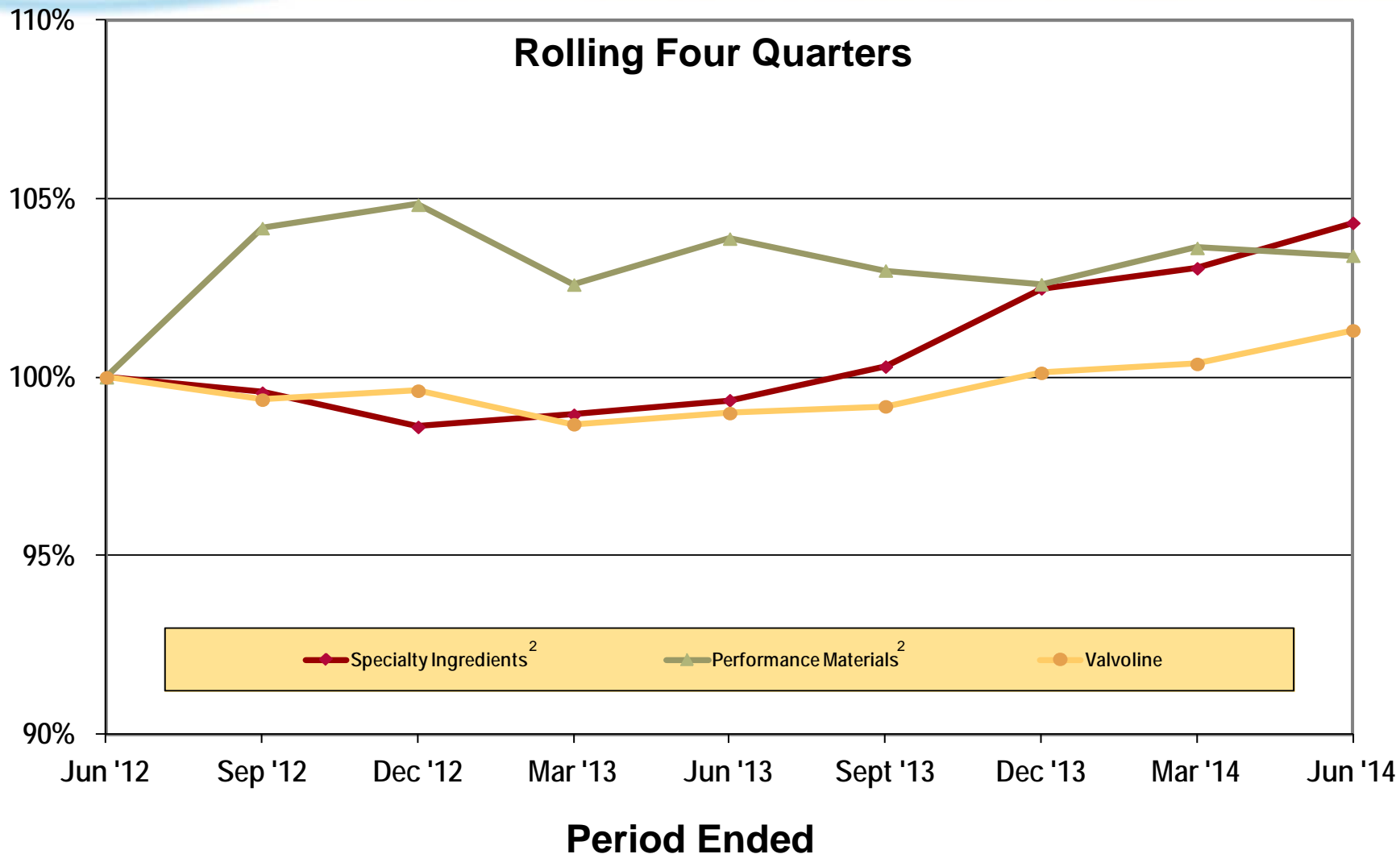


- Results reflect AWT business as historically reported and are provided for comparative purposes only



Appendix B: Volume Trends and Liquidity and Net Debt

Normalized Volume Trends¹



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.

² ASI and APM reflect reorganization of adhesives and intermediates and solvents for all periods.

Liquidity and Net Debt

(\$ in millions)

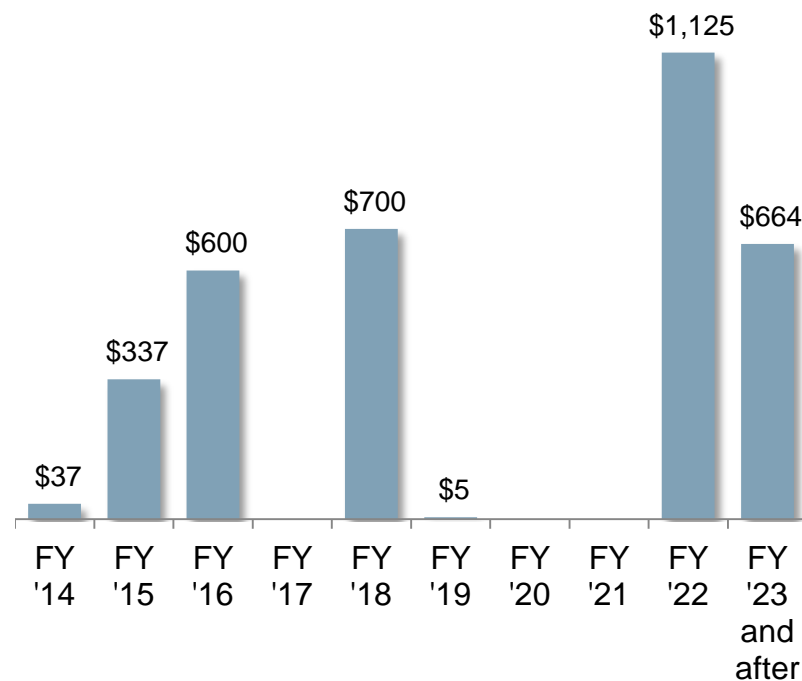
Liquidity	At June 30, 2014
Cash	\$ 570
Available revolver and A/R facility capacity	1,167
Liquidity	\$ 1,737

Debt	Expiration	Interest Rate	Moody's	S&P	At June 30, 2014
4.750% senior notes, par \$1,125 million	08/2022	4.75%	Ba1	BB	\$ 1,120
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			310
6.5% debentures, par \$282 million	06/2029	6.500%	Ba2	B+	133
Revolver drawn ²	03/2018	L+175	Ba1	BB	-
Other debt		Various			76
Total debt			Ba1/ Stable	BB/ Stable	\$ 3,315
Cash					\$ 570
Net debt (cash)					\$ 2,745

¹ AR securitization facility with total borrowing capacity of \$350 million as of June 30, 2014

² \$1.2 billion facility, including ~\$73 million for letters of credit

Scheduled Debt Repayments by Fiscal Year



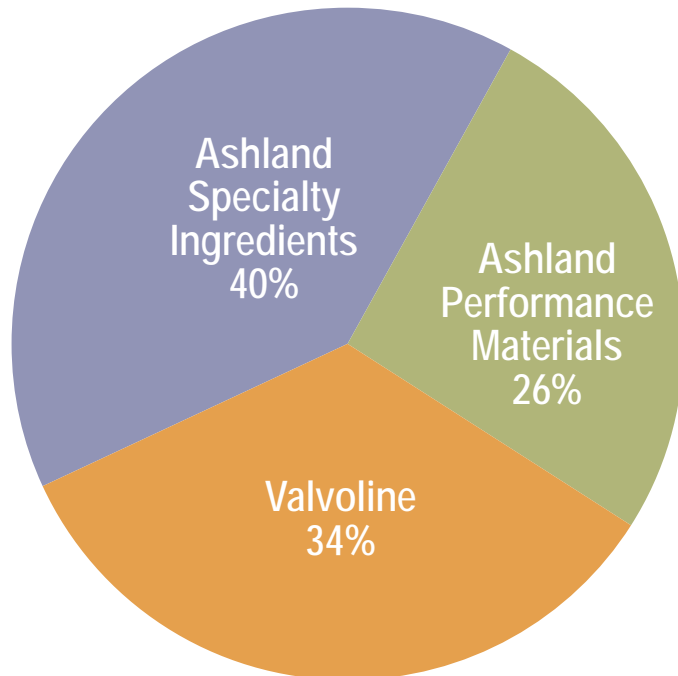


**Appendix C:
Business Profiles
12 Months Ended June 30, 2014**

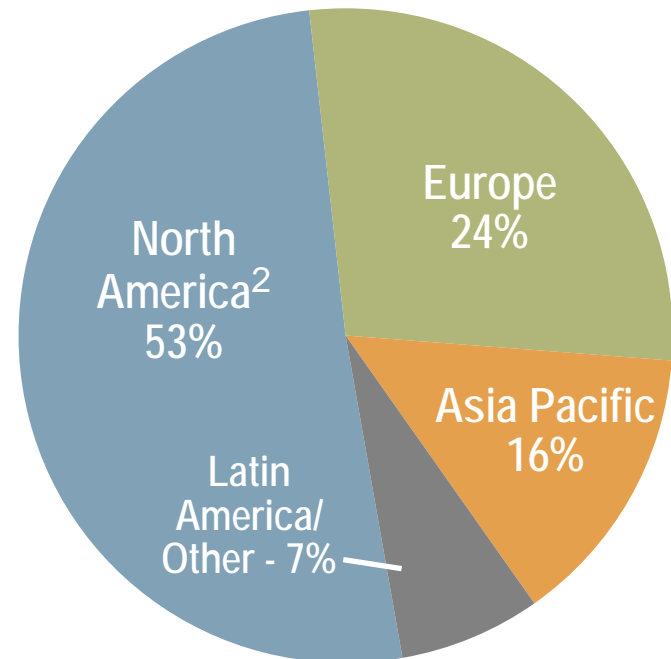
Corporate Profile

Sales¹ - \$6.1 Billion

By commercial unit



By geography

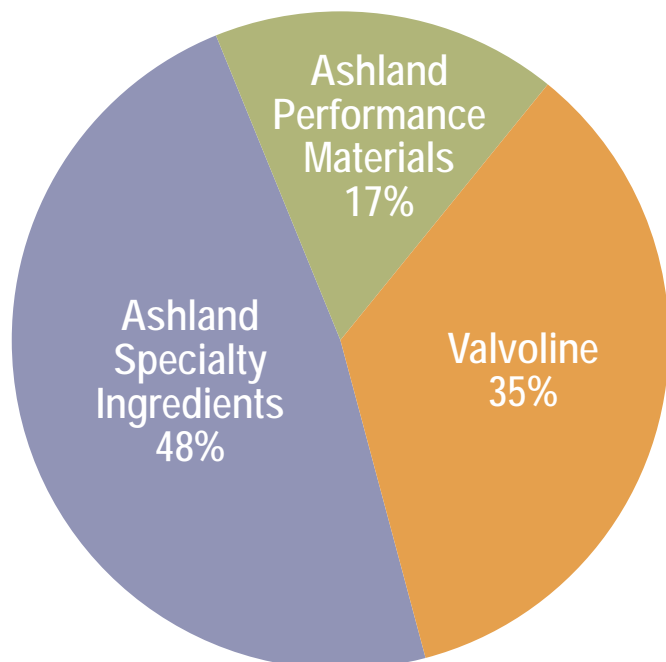


¹ For 12 months ended June 30, 2014.

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

Corporate Profile

Adjusted EBITDA¹ - \$1.1 Billion



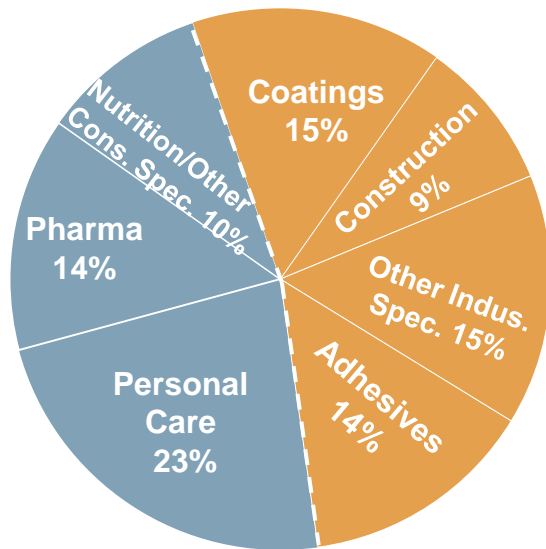
NYSE Ticker Symbol:	ASH
Total Employees:	~11,000
Outside North America	~30%
Number of Countries in Which Ashland Has Sales:	More than 100

¹ For 12 months ended June 30, 2014. See Appendix D for reconciliation to amounts reported under GAAP.

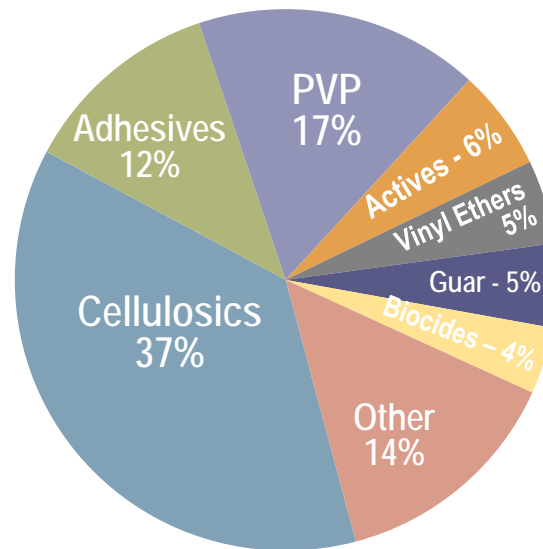
Ashland Specialty Ingredients

A global leader of cellulose ethers and vinyl pyrrolidones

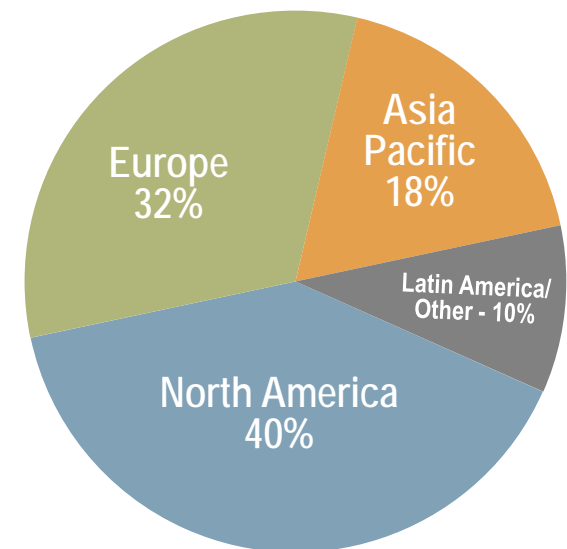
Sales by Market²



Sales by Product



Sales by Geography



For 12 Months Ended June 30, 2014

Sales: \$2.4 billion

Adjusted EBITDA: \$500 million¹

Adjusted EBITDA Margin: 20.4%¹

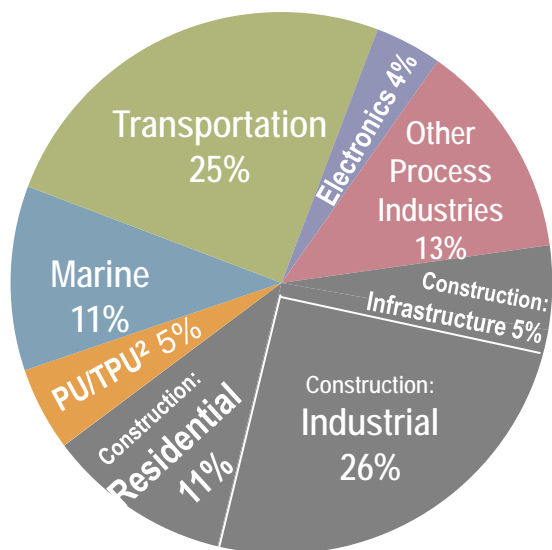
¹ See Appendix D for reconciliation to amounts reported under GAAP.

² Within the Sales by Market chart above, Industrial Specialties are presented in orange and Consumer Specialties are presented in blue.

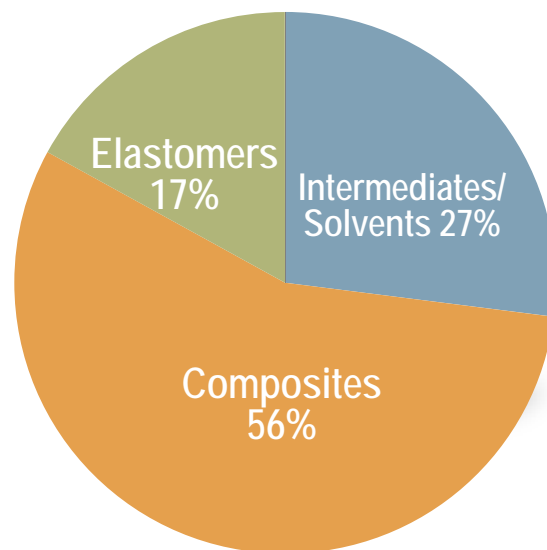
Ashland Performance Materials

Global leader in unsaturated polyester resins and vinyl ester resins

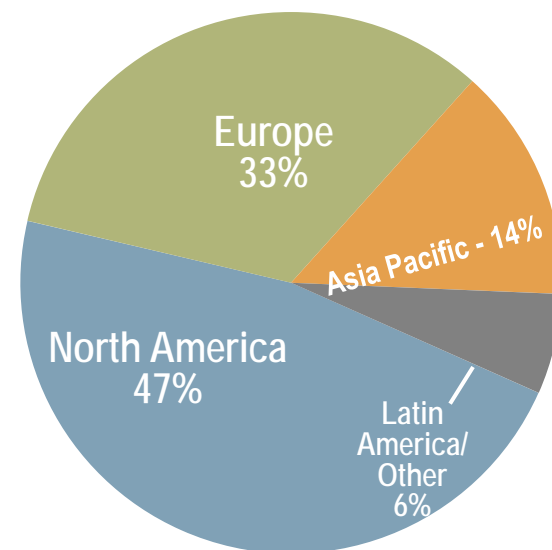
Sales by Market



Sales by Product



Sales by Geography



For 12 Months Ended June 30, 2014

Sales: \$1.6 billion

Adjusted EBITDA: \$179 million¹

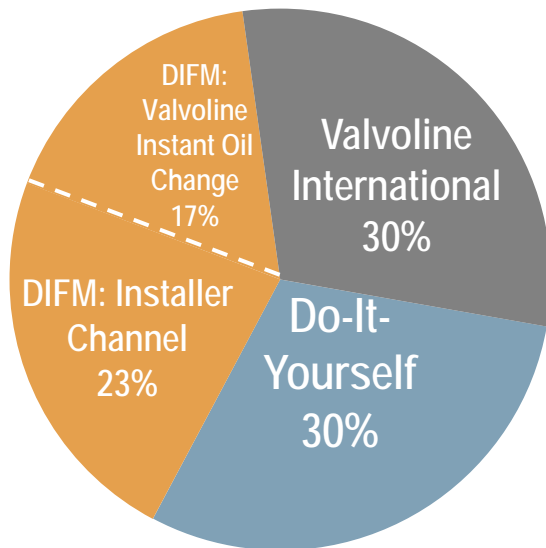
Adjusted EBITDA Margin: 11.4%¹

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

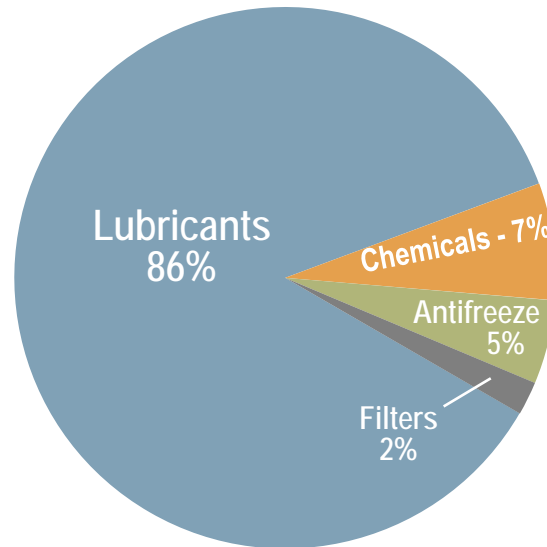
² PU/TPU stands for Polyurethane and Thermoplastic Polyurethane.

Valvoline: A leading worldwide producer and distributor of premium-branded automotive, commercial and industrial lubricants, automotive chemicals and car-care products

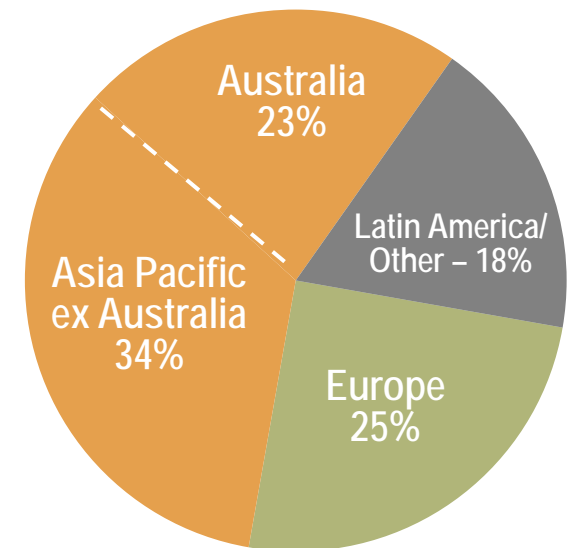
Sales by Market



Sales by Product



International Sales by Region²



For 12 Months Ended June 30, 2014

Sales: \$2.0 billion¹
EBITDA: \$355 million¹
EBITDA Margin: 17.5%¹

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

² Includes nonconsolidated joint ventures.



Appendix D: Reclassifications and Regulation G Reconciliations

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for 12 Months Ended June 30, 2014

(\$ millions, except percentages)

Sales ¹	Q3 14	Q2 14	Q1 14	Q4 13	Total	
Specialty Ingredients	653	629	581	585	2,448	
Performance Materials	420	413	365	377	1,575	
Valvoline	532	503	486	508	2,029	
Total	1,605	1,545	1,432	1,470	6,052	
						Adjusted EBITDA
Adjusted EBITDA ¹	Q3 14	Q2 14	Q1 14	Q4 13	Total	Margin
Specialty Ingredients	142	130	111	117	500	20.4%
Performance Materials	53	49	33	44	179	11.4%
Valvoline	99	90	83	83	355	17.5%
Unallocated	4	3	9	8	24	
Total	298	272	236	252	1,058	

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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