

First-Quarter Fiscal 2013 Earnings

January 29, 2013



® Registered trademark, Ashland or its subsidiaries, registered in various countries
™ Trademark, Ashland or its subsidiaries, registered in various countries

ASHLAND®

With good chemistry great things happen.™

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In addition, Ashland may from time to time make forward-looking statements in its 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, 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), 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.

Fiscal First Quarter 2013

Highlights¹

- Reported EPS from continuing operations of \$1.27
 - Adjusted EPS of \$1.12 versus \$1.20 in Q1 2012
- Sales of \$1.9 billion
 - Seasonally weakest quarter
- Adjusted EBITDA of \$268 million
 - 11% decrease from Q1 2012
- Specialty Ingredients affected by guar and soft demand
 - Loss of \$31 million on straight-guar
 - Reduced demand in Energy, Coatings and Construction
- Consumer Markets EBITDA up 34% over prior year

¹ Ashland's first-quarter earnings release dated Jan. 29, 2013, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

Fiscal First 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								
Insurance Settlement	\$ 22					\$ 22	\$ 13	\$ 0.16
Restructuring and integration			\$ (2)		\$ (7)	(9)	(5)	\$ (0.06)
Tax adjustments							4	\$ 0.05
Total	\$ 22	\$ -	\$ (2)	\$ -	\$ (7)	\$ 13	\$ 12	\$ 0.15
2012								
Severance					\$ (28)	\$ (28)	\$ (19)	\$ (0.24)
ISP inventory step-up	\$ (25)					(25)	(16)	(0.20)
Total	\$ (25)	\$ -	\$ -	\$ -	\$ (28)	\$ (53)	\$ (35)	\$ (0.44)

- Intangible amortization expense in December 2012 quarter of \$29 million
 - Excluding intangible amortization, adjusted EPS would have been 25 cents higher, or \$1.37

Adjusted Results Summary¹

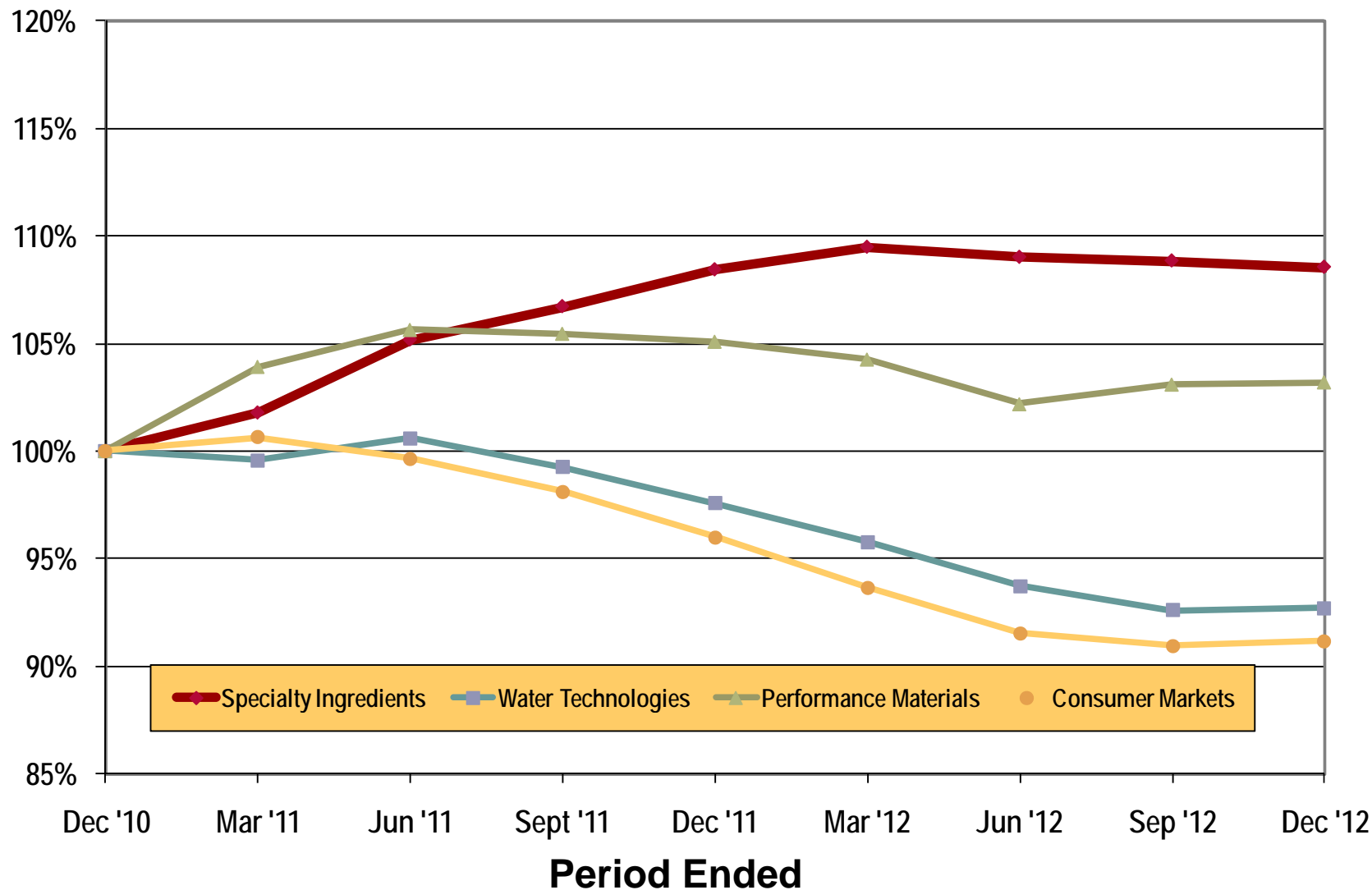
(\$ in millions) Preliminary	Fiscal First Quarter			Three months ended	
	Three months ended Dec. 31,			Sept. 30,	
	2012	2011	Change	2012	Change
Sales	\$ 1,869	\$ 1,930	(3) %	\$ 2,056	(9) %
Gross profit as a percent of sales	27.6 %	28.3 %	(70) bp	29.5 %	(190) bp
Selling, general and admin./R&D costs	\$ 368	\$ 364	1 %	\$ 376	(2) %
Operating income	\$ 163	\$ 197	(17) %	\$ 246	(34) %
Operating income as a percent of sales	8.7 %	10.2 %	(150) bp	12.0 %	(330) bp
Depreciation and amortization	\$ 105	\$ 104	1 %	\$ 104	1 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 268	\$ 301	(11) %	\$ 349	(23) %
EBITDA as a percent of sales	14.3 %	15.6 %	(130) bp	17.0 %	(270) bp

- Adjusting for currency, divestitures and joint ventures, sales were flat year-over-year
- Excluding the effects of straight-guar, normalized GP% of 29.3%

¹ Ashland's earnings releases dated Jan. 29, 2013, and Oct. 30, 2012, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Normalized Volume Trends¹

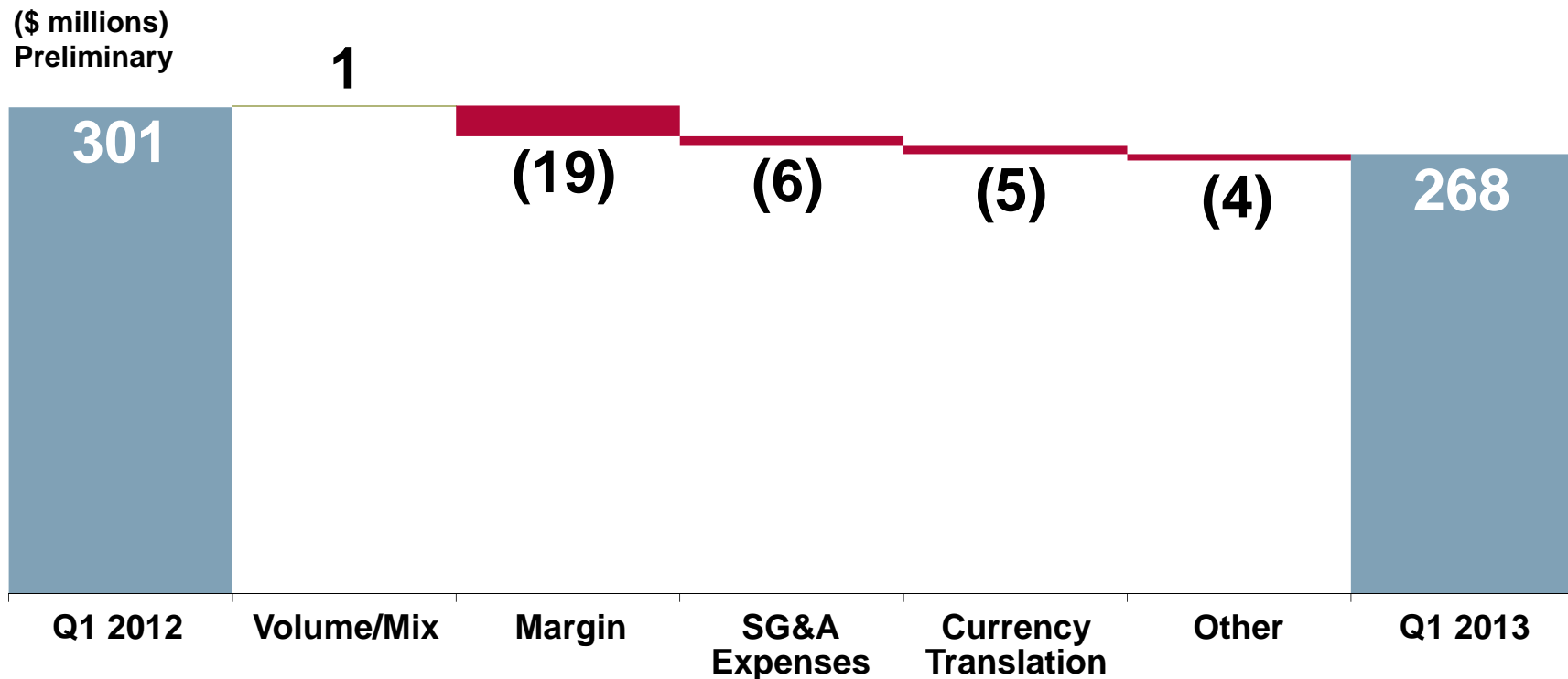
Rolling Four Quarters



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.

Q1 FY 2012 vs. Q1 FY 2013

Adjusted EBITDA Bridge



- Gross margin impact from Specialty Ingredients largest contributor to decline in EBITDA
- Stronger dollar had a \$5 million negative effect on EBITDA

Liquidity and Net Debt

(\$ in millions)

	At Dec. 31, 2012
Liquidity	
Cash	\$ 488
Available revolver and A/R facility capacity	929
Liquidity	\$ 1,417

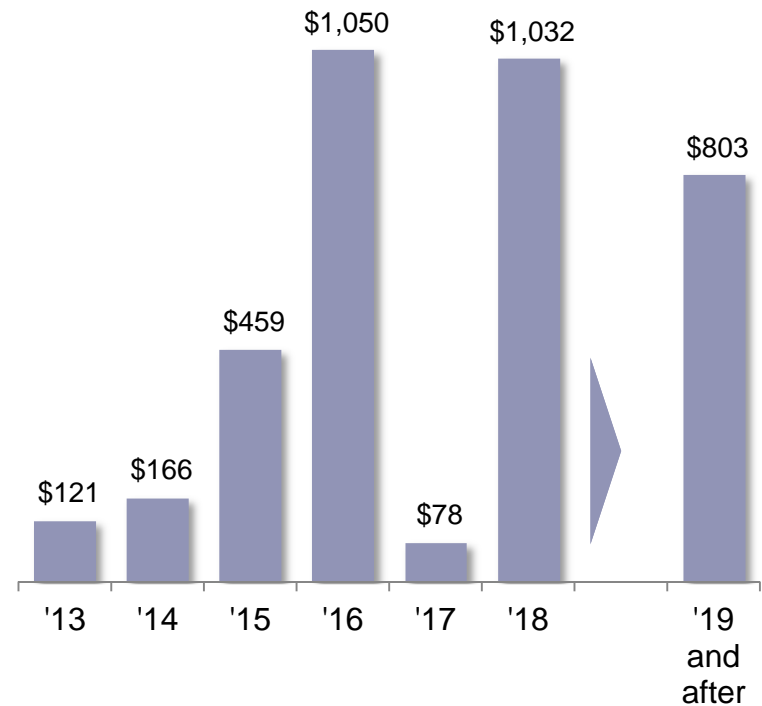
Debt	Expiration	Interest		Moody's	S&P	At Dec. 31, 2012	
		Rate					
Term Loan A	08/2016	L+200		Baa3	BB+	\$	1,406
Term Loan B	08/2018	L/Floor+275		Baa3	BB+		1,032
4.75% senior notes, par \$500 million	08/2022	4.75%		Ba2	BB-		500
A/R facility drawn ¹	08/2015	L+75					300
6.5% debentures, par \$282 million	06/2029	6.50%		Ba2	B+		130
9.125% senior notes ² , par \$78 million	06/2017	9.125%		Baa3	BB+		76
Other debt		Various					109
Revolver drawn ³	08/2016	L+200		Baa3	BB+		-
Total debt				Ba1/ Stable	BB/ Stable	\$	3,553
Cash						\$	488
Net debt (cash)						\$	3,065

¹ AR securitization facility with maximum borrowing capacity of \$350 million; Dec. 31 capacity of \$324 million

² Callable June 2013

³ \$1 billion facility, including ~\$95 million used for letters of credit

Scheduled Debt Repayments by Fiscal Year



Ashland Specialty Ingredients

Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal First Quarter			Three months ended	
	Three months ended Dec. 31,			Sept. 30,	
	2012	2011	Change	2012	Change
Metric tons sold (in thousands) - Actives basis	88.9	90.0	(1) %	96.6	(8) %
Sales	\$ 622	\$ 628	(1) %	\$ 734	(15) %
Gross profit as a percent of sales	27.5 %	33.4 %	(590) bp	34.0 %	(650) bp
Selling, general and admin./R&D costs	\$ 121	\$ 115	5 %	\$ 127	(5) %
Operating income	\$ 50	\$ 96	(48) %	\$ 128	(61) %
Operating income as a percent of sales	8.0 %	15.3 %	(730) bp	17.4 %	(940) bp
Depreciation and amortization	\$ 66	\$ 64	3 %	\$ 65	2 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 116	\$ 160	(28) %	\$ 193	(40) %
EBITDA as a percent of sales	18.6 %	25.5 %	(690) bp	26.3 %	(770) bp

- Year-over-year volume declines driven by Energy, Coatings and Construction
- \$31 million loss on straight-guar negatively affected the quarter
- Weak December among emerging markets' customers

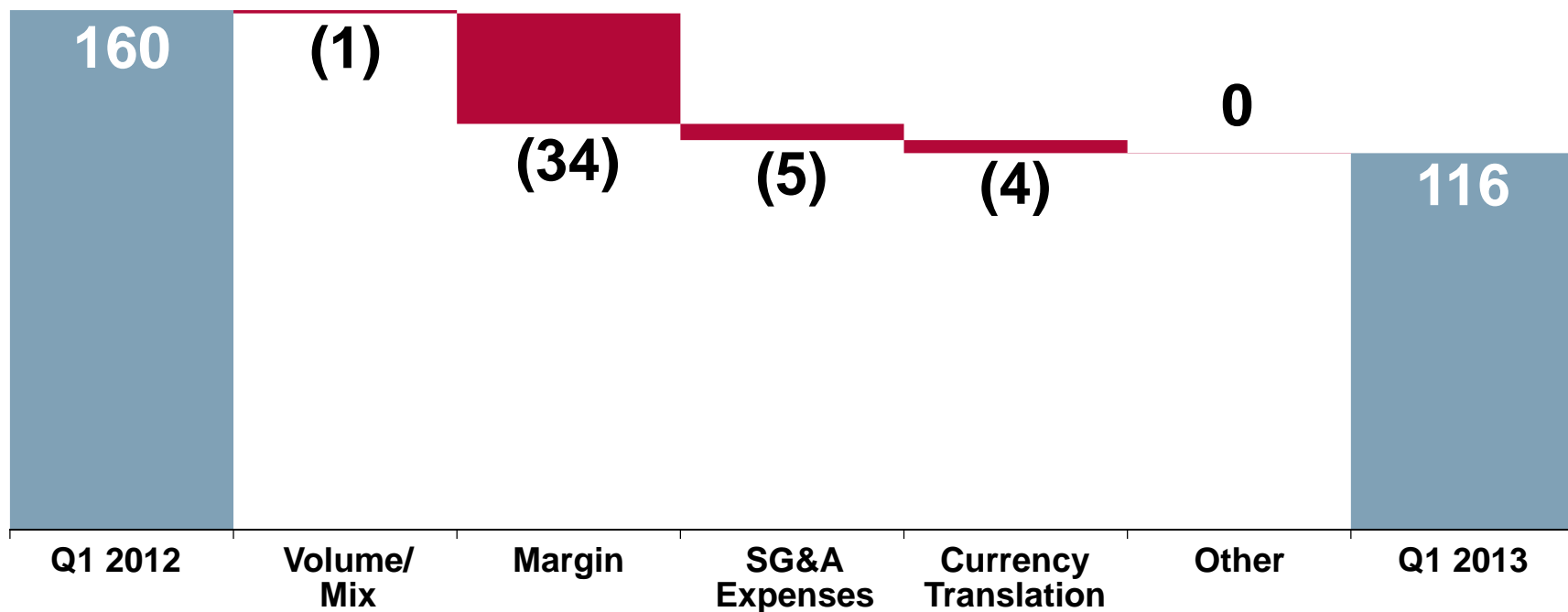
¹ Ashland's earnings releases dated Jan. 29, 2013 and Oct 30, 2012, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Specialty Ingredients

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q1 FY 2012 versus Q1 FY 2013



- Margin decline due to straight-guar loss
- Improved business mix offset volume declines

Ashland Specialty Ingredients

Guar

- Straight-guar loss of \$31 million during the quarter
- Expect remaining inventories to be sold during Q2
- Actions taken to mitigate risk in straight guar
 - Improved supply and commercial agreements
 - Strengthened supply chain processes
 - Reduced inventory levels from 3 months to 1 month
- Dynamics differ by end-product
 - Large volume declines in more commoditized “straight guar”
 - Higher technology “derivatized guar” doing well

Ashland Specialty Ingredients

Business Outlook

- Continue to execute strategic growth strategies
 - Market Segmentation (Pharma & Nutrition, Personal Care and Coatings)
 - Strategic Accounts
 - New Product Introductions
 - Emerging Regions
- Near term challenges
 - Demand weakness in emerging markets and Europe
 - Reduced profitability in intermediates and solvents

Ashland Water Technologies

Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal First Quarter			Three months ended	
	Three months ended Dec. 31,			Sept. 30,	
	2012	2011	Change	2012	Change
Sales	\$ 421	\$ 449	(6) %	\$ 431	(2) %
Gross profit as a percent of sales	33.3 %	30.8 %	250 bp	32.3 %	100 bp
Selling, general and admin./R&D costs	\$ 125	\$ 117	7 %	\$ 126	(1) %
Operating income	\$ 17	\$ 21	(19) %	\$ 15	13 %
Operating income as a percent of sales	4.0 %	4.7 %	(70) bp	3.5 %	50 bp
Depreciation and amortization	\$ 17	\$ 19	(11) %	\$ 18	(6) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 34	\$ 40	(15) %	\$ 33	3 %
EBITDA as a percent of sales	8.1 %	8.9 %	(80) bp	7.7 %	40 bp

- Gross profit improved 250 basis points versus prior year
- Performance generally consistent with September quarter

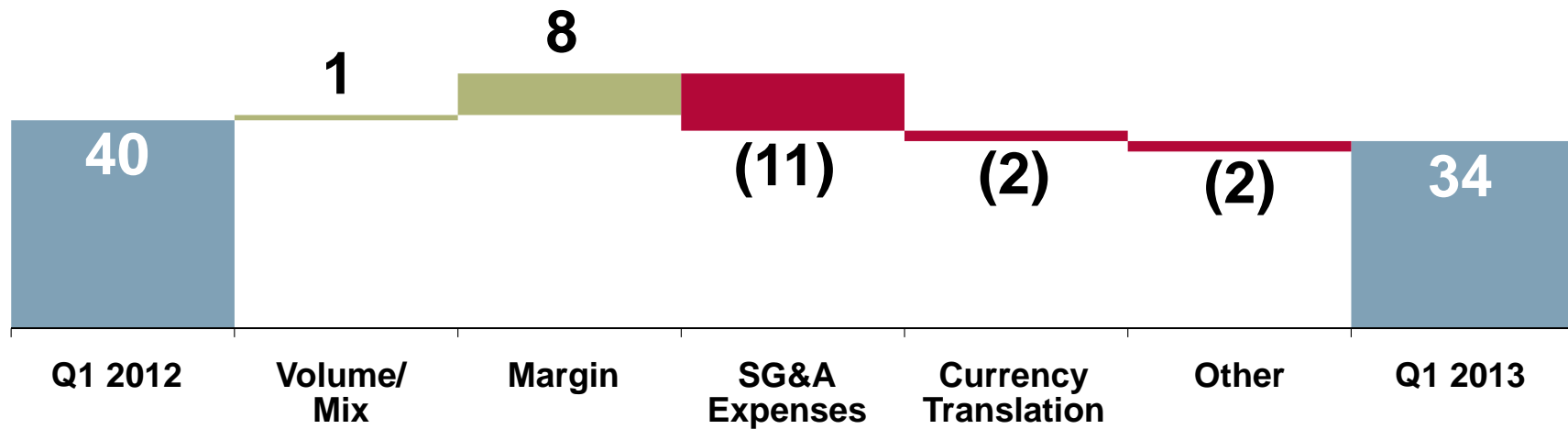
¹ Ashland's earnings releases dated Jan. 29, 2013 and Oct. 30, 2012, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Water Technologies

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q1 FY 2012 versus Q1 FY 2013



- Volumes up slightly, excluding divestitures
- Margin improvement more than offset by SG&A

Ashland Performance Materials Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal First Quarter			Three months ended	
	Three months ended Dec. 31,			Sept. 30,	
	2012	2011	Change	2012	Change
Metric tons sold (in thousands)	124.6	137.4	(9) %	132.6	(6) %
Sales	\$ 345	\$ 378	(9) %	\$ 369	(7) %
Gross profit as a percent of sales	15.7 %	19.2 %	(350) bp	16.3 %	(60) bp
Selling, general and admin./R&D costs	\$ 44	\$ 45	(2) %	\$ 44	- %
Operating income	\$ 15	\$ 33	(55) %	\$ 19	(21) %
Operating income as a percent of sales	4.3 %	8.7 %	(440) bp	5.1 %	(80) bp
Depreciation and amortization	\$ 13	\$ 12	8 %	\$ 12	8 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 28	\$ 45	(38) %	\$ 31	(10) %
EBITDA as a percent of sales	8.1 %	11.9 %	(380) bp	8.4 %	(30) bp

- Excluding the divested PVAc business, volumes were flat versus Q1 2012
- GP% decline primarily due to lower elastomer margins

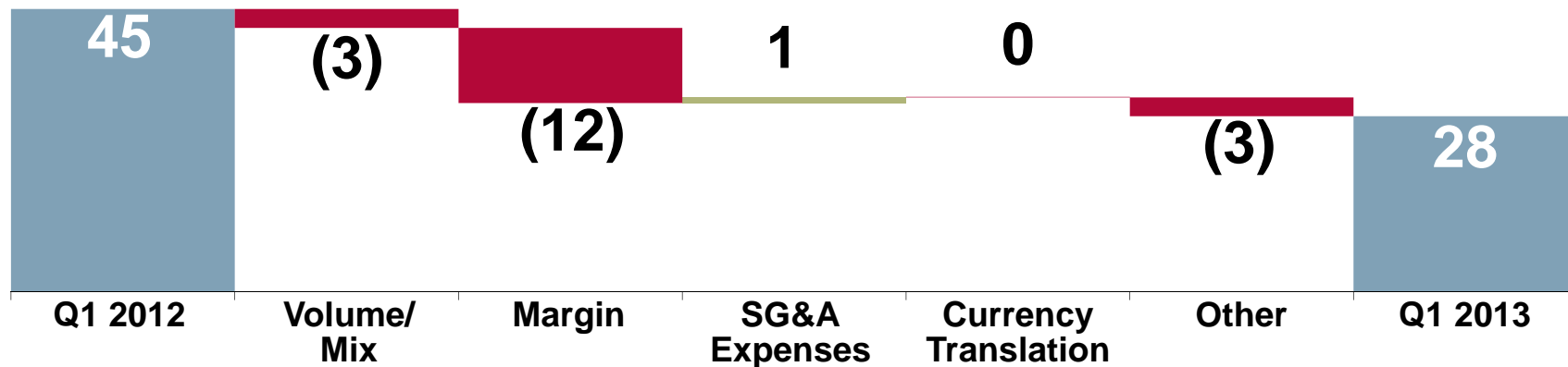
¹ Ashland's earnings releases dated Jan. 29, 2013 and Oct. 30, 2012, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Performance Materials

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q1 FY 2012 versus Q1 FY 2013



- Elastomers accounts for nearly all margin decrease
- Effects of ASK Chemicals joint venture and divested PVAc business captured in Other

Ashland Consumer Markets Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal First Quarter			Three months ended	
	Three months ended Dec. 31,			Sept. 30,	
	2012	2011	Change	2012	Change
Lubricant gallons (in millions)	37.1	36.7	1 %	40.5	(8) %
Sales	\$ 481	\$ 475	1 %	\$ 522	(8) %
Gross profit as a percent of sales	30.1 %	25.3 %	480 bp	29.7 %	40 bp
Selling, general and admin./R&D costs	\$ 85	\$ 79	8 %	\$ 87	(2) %
Operating income	\$ 66	\$ 47	40 %	\$ 74	(11) %
Operating income as a percent of sales	13.7 %	9.9 %	380 bp	14.2 %	(50) bp
Depreciation and amortization	\$ 9	\$ 9	- %	\$ 9	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 75	\$ 56	34 %	\$ 83	(10) %
EBITDA as a percent of sales	15.6 %	11.8 %	380 bp	15.9 %	(30) bp

- Year-over-year volume increase largely due to strength in international markets
- Maintained more normalized EBITDA margins during the quarter

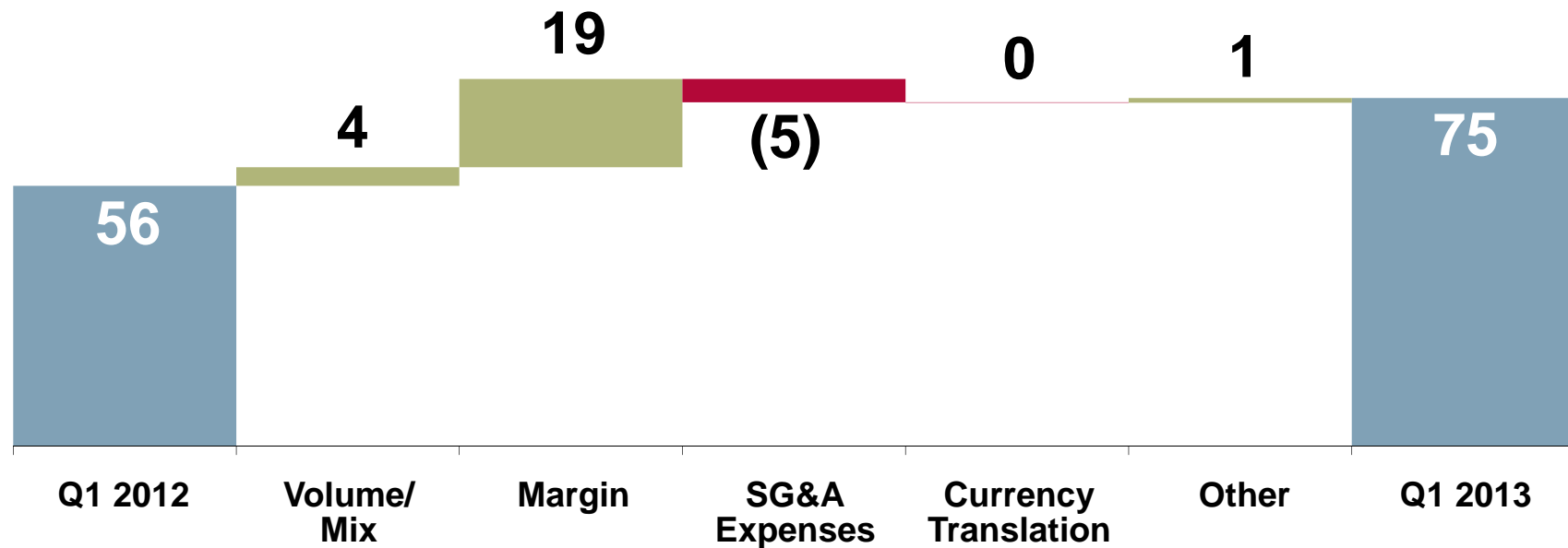
¹ Ashland's earnings releases dated Jan. 29, 2013 and Oct. 30, 2012, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Consumer Markets

Adjusted EBITDA Bridge

(\$ millions)
Preliminary

Q1 FY 2012 versus Q1 FY 2013



- Volume increase due to strong International market channel
- Margin expansion driven by lower raw material costs

Fiscal First Quarter 2013

Corporate Items

- Capital expenditures of \$51 million
 - 2013 forecast of \$385 million
- Net interest expense of \$44 million
- Effective tax rate of 24%
 - Fiscal 2013 expectations remain 26% - 28%
- Trade working capital¹ of 17.3% of annualized sales
- Free cash flow² generation of \$30 million

¹ Represents working capital associated with our commercial units.

² Definition of free cash flow is operating cash less capital expenditures.

Fiscal First Quarter 2013

Performance Summary

- Reduced demand in key segments affected performance
 - Particularly weak demand in December for ASI
 - Straight-guar loss greater than anticipated
- As compared with December 2011 quarter
 - Sales of \$1.9 billion, down 3%
 - EBITDA of \$268 million, down 11%
- Free cash flow generation of \$30 million
 - Compares to a use of cash of \$133 million in Q1 2012

Outlook

- Cautiously optimistic for March quarter
 - January order patterns encouraging
- Straight-guar inventory issue is behind us
- Remain committed to fiscal 2013 objectives and 2014 financial targets

ASHLAND®

With good chemistry great things happen.™

ASHLAND.

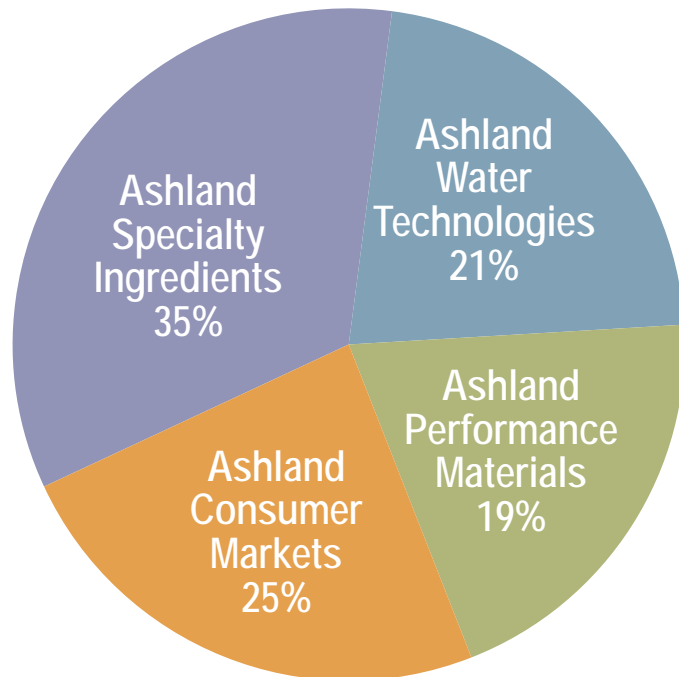


Appendix A:
Business Profiles
12 Months Ended December 31, 2012

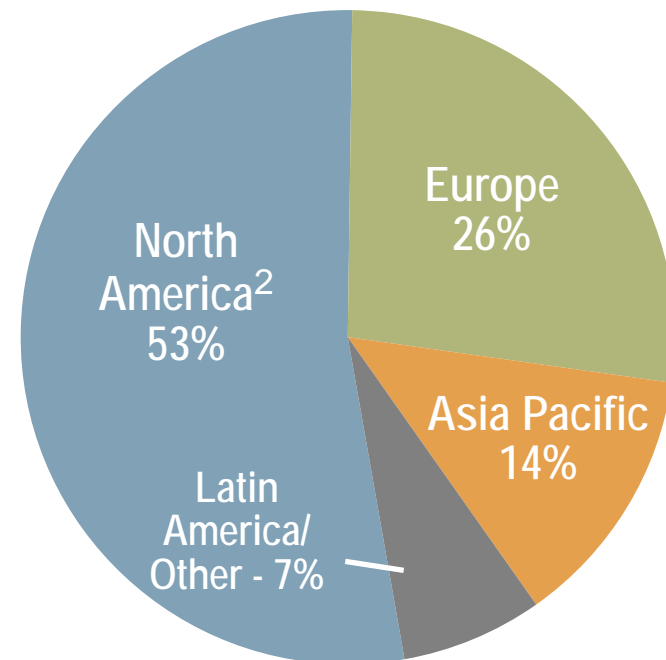
Corporate Profile

Sales¹ - \$8.1 Billion

By commercial unit



By geography

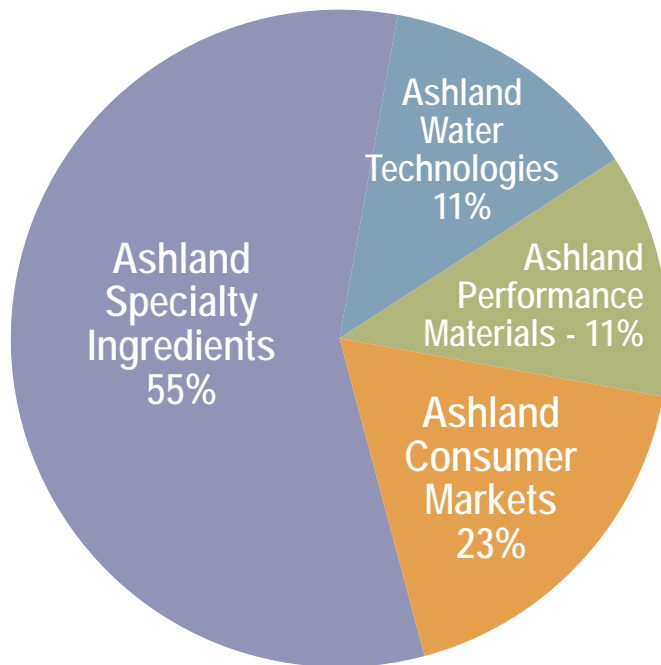


¹ For 12 months ended December 31, 2012

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

Corporate Profile

Adjusted EBITDA¹ - \$1.3 Billion



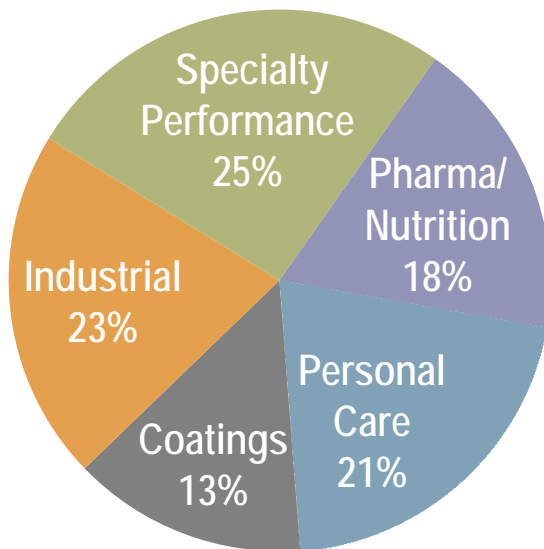
NYSE Ticker Symbol:	ASH
Total Employees:	~15,000
Outside North America	~40%
Number of Countries in Which Ashland Has Sales:	More than 100

¹ For 12 months ended December 31, 2012. See Appendix B for reconciliation to amounts reported under GAAP.

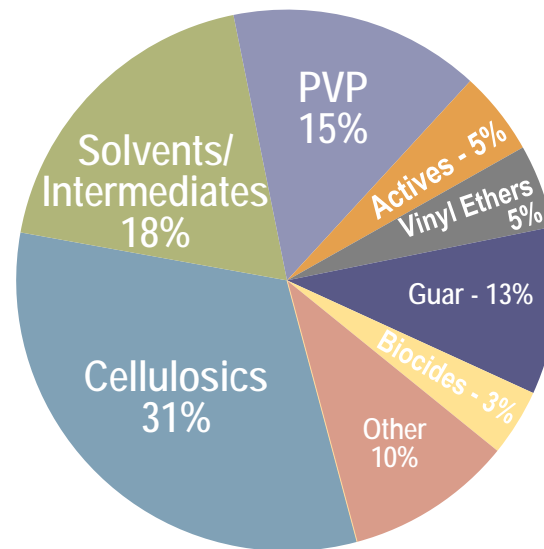
Ashland Specialty Ingredients

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

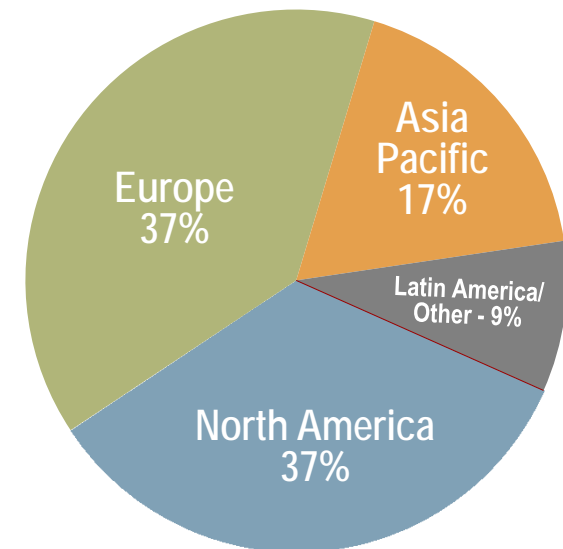
**Sales
by Market**



**Sales
by Product**



**Sales
by Geography**



For 12 Months Ended December 31, 2012

Sales: \$2.9 billion

Adjusted EBITDA: \$719 million¹

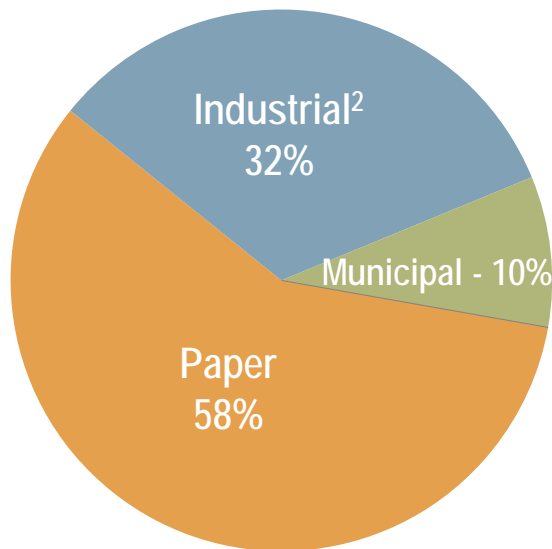
Adjusted EBITDA Margin: 25.0%¹

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

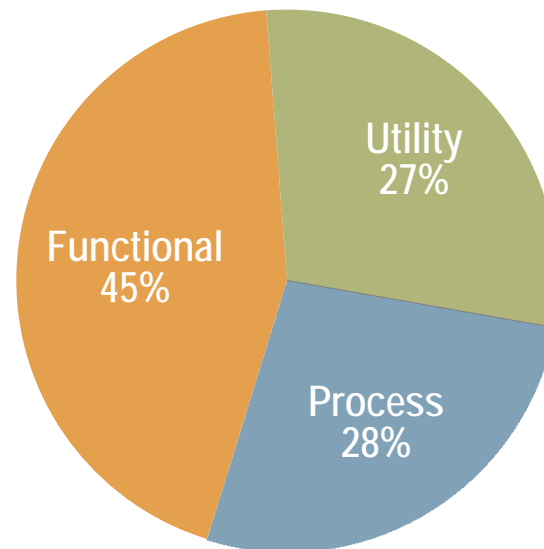
Ashland Water Technologies

Providing specialty chemicals and services to water-intensive industries

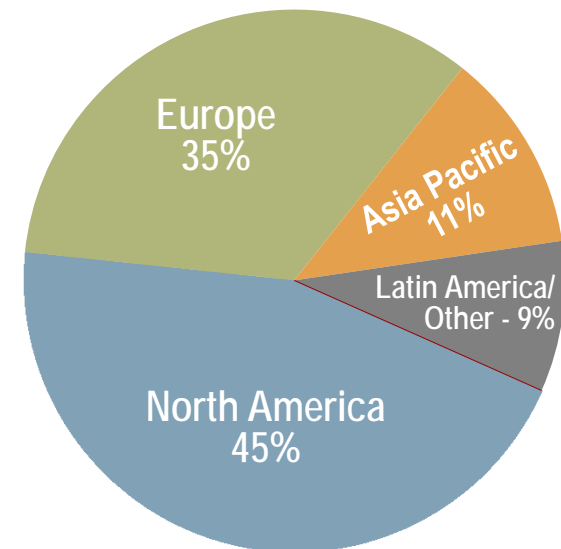
Sales
by Market



Sales
by Product



Sales
by Geography



For 12 Months Ended December 31, 2012

Sales: \$1.7 billion

Adjusted EBITDA: \$143 million¹

Adjusted EBITDA Margin: 8.4%¹

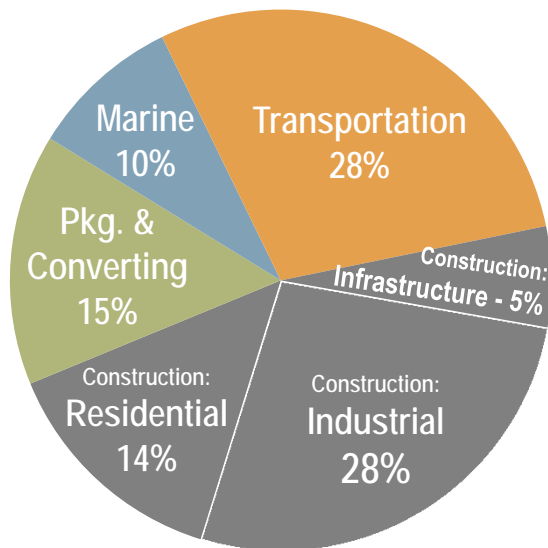
¹ See Appendix B for reconciliation to amounts reported under GAAP.

² Includes Pulp markets.

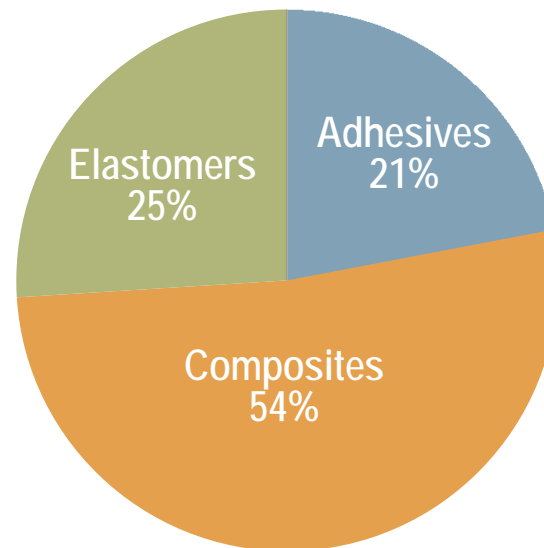
Ashland Performance Materials

Global leader in composite resins, specialty adhesives and elastomers

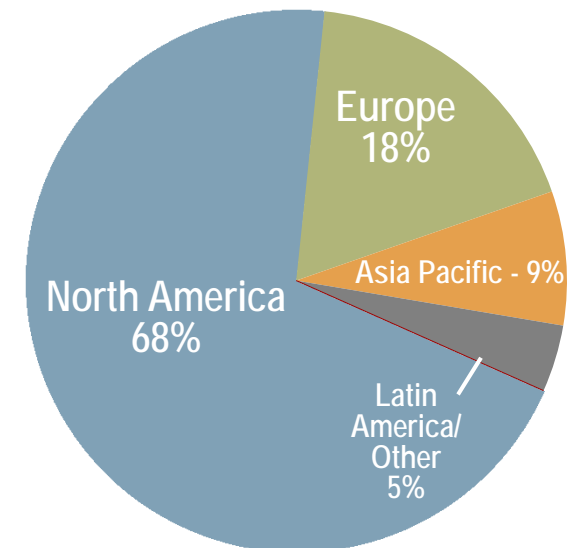
**Sales
by Market**



**Sales
by Product**



**Sales
by Geography**



For 12 Months Ended December 31, 2012

Sales: \$1.5 billion

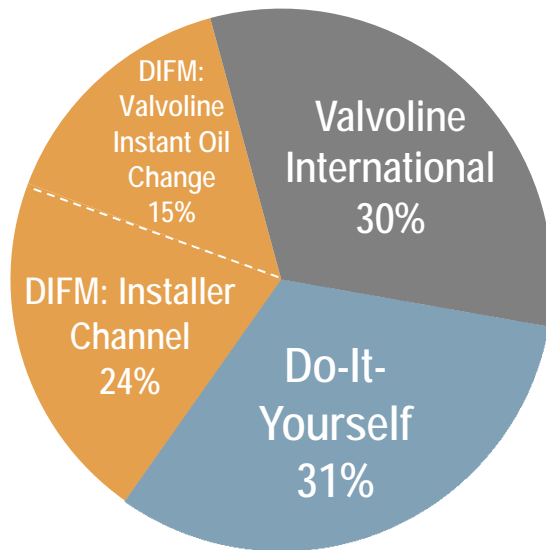
Adjusted EBITDA¹: \$143 million

Adjusted EBITDA Margin¹: 9.4%

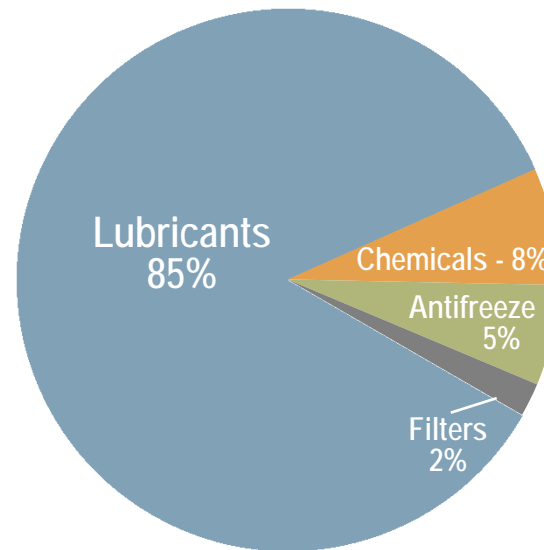
¹ See Appendix B for reconciliation to amounts reported under GAAP.

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

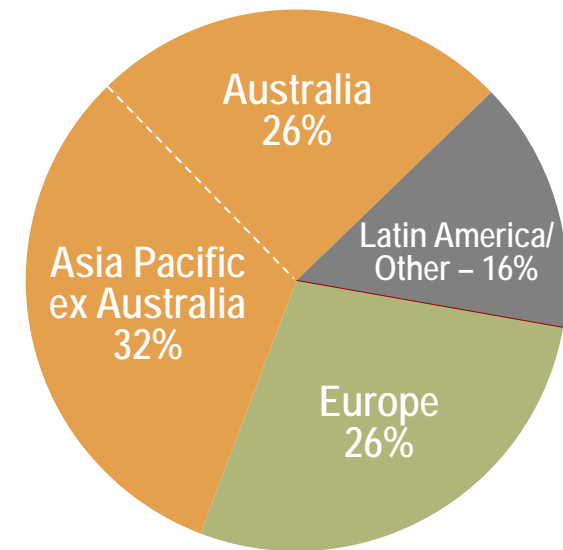
Sales by Market



Sales by Product



International Sales by Region²



For 12 Months Ended December 31, 2012

Sales: \$2.0 billion¹
EBITDA: \$292 million¹
EBITDA Margin: 14.3%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 December 31, 2012

(\$ millions, except percentages)

Sales	Q1 13	Q4 12	Q3 12	Q2 12	Total	
Specialty Ingredients	622	734	793	723	2,872	
Water Technologies	421	431	427	428	1,707	
Performance Materials	345	369	404	408	1,526	
Consumer Markets	481	522	517	520	2,040	
Total	1,869	2,056	2,141	2,079	8,145	
						Adjusted
						EBITDA
Adjusted EBITDA ¹	Q1 13	Q4 12	Q3 12	Q2 12	Total	Margin
Specialty Ingredients	116	193	224	186	719	25.0%
Water Technologies	34	33	37	39	143	8.4%
Performance Materials	28	31	49	35	143	9.4%
Consumer Markets	75	83	68	66	292	14.3%
Unallocated	15	9	3	3	30	
Total	268	349	381	329	1,327	

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.

ASHLAND®

With good chemistry great things happen.™

ASHLAND.