

Third-Quarter Fiscal 2014 Earnings Conference Call

August 1, 2014

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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,” “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.

Executive Summary of Financial Results¹

- Announced closing of AWT sale for \$1.8 billion in cash
 - After-tax proceeds of \$1.4 billion, primarily to be used for share buyback
- Adjusted EPS from continuing operations of \$1.63 versus \$1.31 in Q3 2013
 - 24% increase in earnings
- Sales of \$1.6 billion, down 1% from prior year
- Adjusted EBITDA of \$298 million
 - Increase of 9% from prior year and sequentially
- ~760,000 shares to be delivered in Q4 as part of repurchase program
- Launching \$1.0 billion in share repurchase programs
 - \$750 million accelerated share repurchase (ASR)
 - \$250 million 10b5-1

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.

Vision for ASI – Strategic Intent

End-market diversification and technology leadership across numerous platforms will lead to GDP+ growth rates and 25%+ EBITDA margins

Two Growth Sectors, Seven Key Markets

Consumer Specialties

Industrial Specialties

Pharma

Personal Care

Nutrition

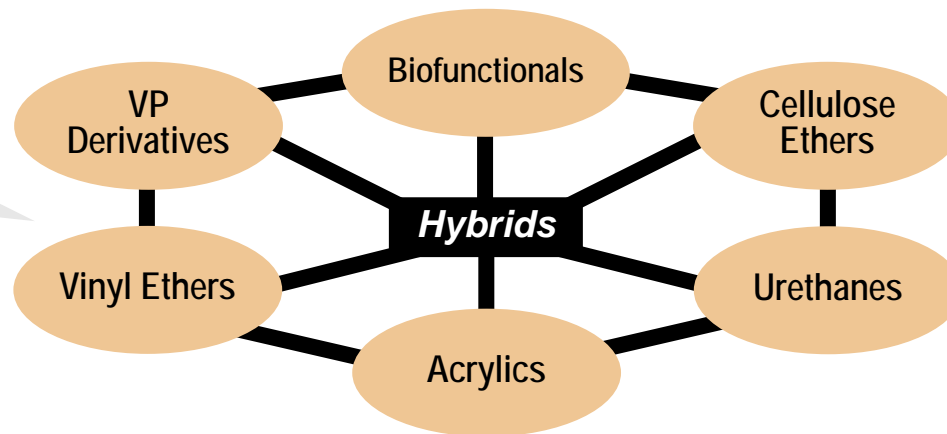
Coatings

Construction

Adhesives

Energy

Built on six platform technologies:



Customer Intimacy
Market-driven Innovation
Formulation/Application Expertise
Operational Efficiency and Effectiveness

With a business model driven by:

ASHLAND.

Steps to Achieve Vision

Achieving our vision will require four major step changes in improvement



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

Plans developed, execution under way

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

Plans in development

Performance Summary

Strong overall performance, good trajectory moving forward

- Specialty Ingredients continues to hit near-term targets
 - Operational performance improving
 - Realizing benefits from restructuring program
 - EBITDA margin nearing 22%
- Performance Materials
 - Good performance in each line of business
 - Volume gains in composites and elastomers
- Valvoline executing well across the business
 - Growth in premium lubricants
 - Unit growth in international channel
 - Revenue and margin growth in VIOC
- Overall execution strengthening our businesses

Creating Shareholder Value

- Sale of Ashland Water Technologies now complete; net proceeds of \$1.4 billion
- Completed a review of Valvoline separation, supported by outside advisors
- Board has determined there will be no significant change to Ashland's portfolio of businesses at this time
- Strong underlying catalysts support share price appreciation
 - ASI growth and margin expansion
 - Global restructuring program leading to \$200 million in cost savings
 - Continued strong operating performance leading to earnings growth
 - ASH overall margins at 20%, placing us among top-quartile of peers
- Remain committed to \$1.35 billion share buyback program as shares remain undervalued
 - To initiate \$750 million accelerated share repurchase program
 - \$250 million 10b5-1 program established

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



Appendix: 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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