

# Second-Quarter Fiscal 2013 Earnings

April 24, 2013



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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”, “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), 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](http://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 Second Quarter 2013

# Highlights<sup>1</sup>

- Reported EPS from continuing operations of \$0.68
  - Adjusted EPS of \$1.78 versus \$1.52 in Q2 2012
- Sales of \$2.0 billion, down 5% versus Q2 2012
- Adjusted EBITDA of \$339 million, 3% increase from Q2 2012
- Successfully completed debt refinancing
  - Book interest expense for the year remains unchanged
- Generated free cash flow of \$144 million

<sup>1</sup> Ashland's second-quarter earnings release dated Apr. 24, 2013, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

# Fiscal Second Quarter – Continuing Operations

## Key Items Affecting Income

| Preliminary<br>2013                 | Operating Income                    |                                    |                                     |                                |                             | Total           |                |                       |
|-------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|--------------------------------|-----------------------------|-----------------|----------------|-----------------------|
|                                     | Ashland<br>Specialty<br>Ingredients | Ashland<br>Water Tech-<br>nologies | Ashland<br>Performance<br>Materials | Ashland<br>Consumer<br>Markets | Unallocated<br>and<br>Other | Pretax          | Aftertax       | Earnings<br>per Share |
| In process R&D                      | \$ (4)                              |                                    |                                     |                                |                             | \$ (4)          | \$ (2)         | \$ (0.03)             |
| Restructuring and integration       |                                     | \$ (11)                            |                                     |                                | \$ (6)                      | (17)            | \$ (11)        | \$ (0.13)             |
| Interest rate swaps termination     |                                     |                                    |                                     |                                |                             | (52)            | \$ (34)        | \$ (0.43)             |
| Accelerated debt issuance and other |                                     |                                    |                                     |                                |                             | (47)            | \$ (32)        | \$ (0.39)             |
| Tax adjustments and assessments     |                                     |                                    |                                     |                                | (2)                         | (2)             | \$ (9)         | \$ (0.12)             |
| <b>Total</b>                        | <b>\$ (4)</b>                       | <b>\$ (11)</b>                     | <b>\$ -</b>                         | <b>\$ -</b>                    | <b>\$ (8)</b>               | <b>\$ (122)</b> | <b>\$ (88)</b> | <b>\$ (1.10)</b>      |
| <b>2012</b>                         |                                     |                                    |                                     |                                |                             |                 |                |                       |
| ISP inventory step-up               | \$ (4)                              |                                    |                                     |                                |                             | \$ (4)          | \$ (3)         | \$ (0.03)             |
| Integration and cost restructuring  |                                     | \$ 2                               |                                     |                                | \$ (24)                     | (22)            | (12)           | (0.16)                |
| Discontinued planned facility       |                                     |                                    |                                     |                                | (16)                        | (16)            | (16)           | (0.20)                |
| <b>Total</b>                        | <b>\$ (4)</b>                       | <b>\$ 2</b>                        |                                     |                                | <b>\$ (40)</b>              | <b>\$ (42)</b>  | <b>\$ (31)</b> | <b>\$ (0.39)</b>      |

- Intangible amortization expense in March 2013 quarter of \$29 million
  - Excluding intangible amortization, adjusted EPS would have been 25 cents higher, or \$2.03

# Adjusted Results Summary<sup>1</sup>

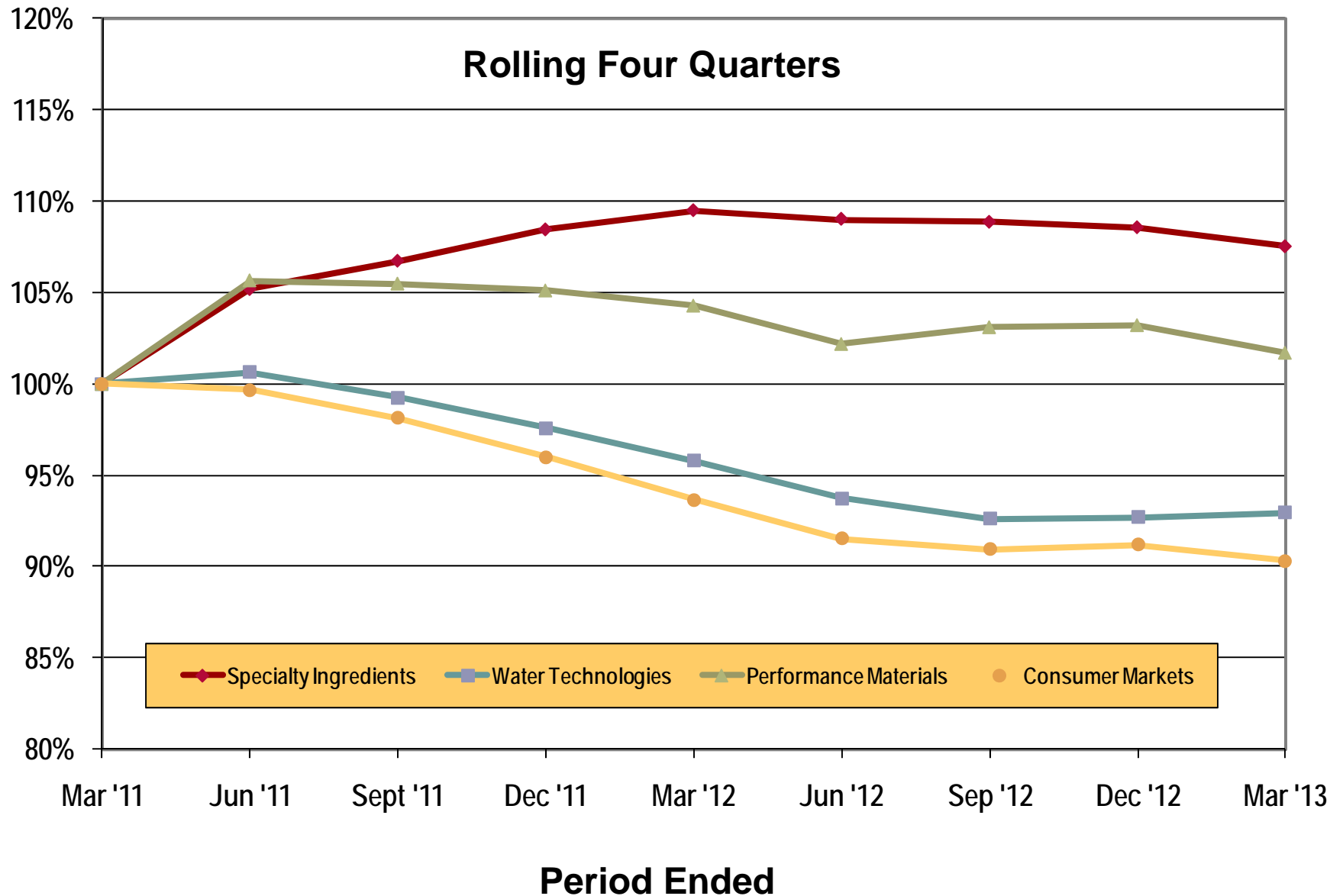
| (\$ in millions)<br>Preliminary   | Fiscal Second Quarter<br>Three months ended Mar. 31, |          |        | Three months ended<br>Dec. 31, |        |
|---|--|----------|--------|--------------------------------|--------|
|   | 2013   | 2012     | Change | 2012                           | Change |
| Sales   | \$ 1,974   | \$ 2,079 | (5) %  | \$ 1,869                       | 6 %    |
| Gross profit as a percent of sales  | 28.8 %   | 27.9 %   | 90 bp  | 27.6 %                         | 120 bp |
| Selling, general and admin./R&D costs   | \$ 358   | \$ 374   | (4) %  | \$ 368                         | (3) %  |
| Operating income  | \$ 228   | \$ 221   | 3 %    | \$ 163                         | 40 %   |
| Operating income as a percent of sales  | 11.6 %   | 10.6 %   | 100 bp | 8.7 %                          | 290 bp |
| Depreciation and amortization   | \$ 104   | \$ 107   | (3) %  | \$ 105                         | (1) %  |
| Earnings before interest, taxes, depreciation<br>and amortization (EBITDA) <sup>2</sup> | \$ 339   | \$ 329   | 3 %    | \$ 268                         | 26 %   |
| EBITDA as a percent of sales  | 17.2 %   | 15.8 %   | 140 bp | 14.3 %                         | 290 bp |

- Sales increased 6% sequentially
- Operating income up 3% vs. prior year quarter

<sup>1</sup> Ashland's earnings releases dated Apr. 24, 2013, and Jan. 29, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

<sup>2</sup> Includes a \$7 million dollar gain on acquisitions and divestitures in the March 2013 quarter.

# Normalized Volume Trends<sup>1</sup>

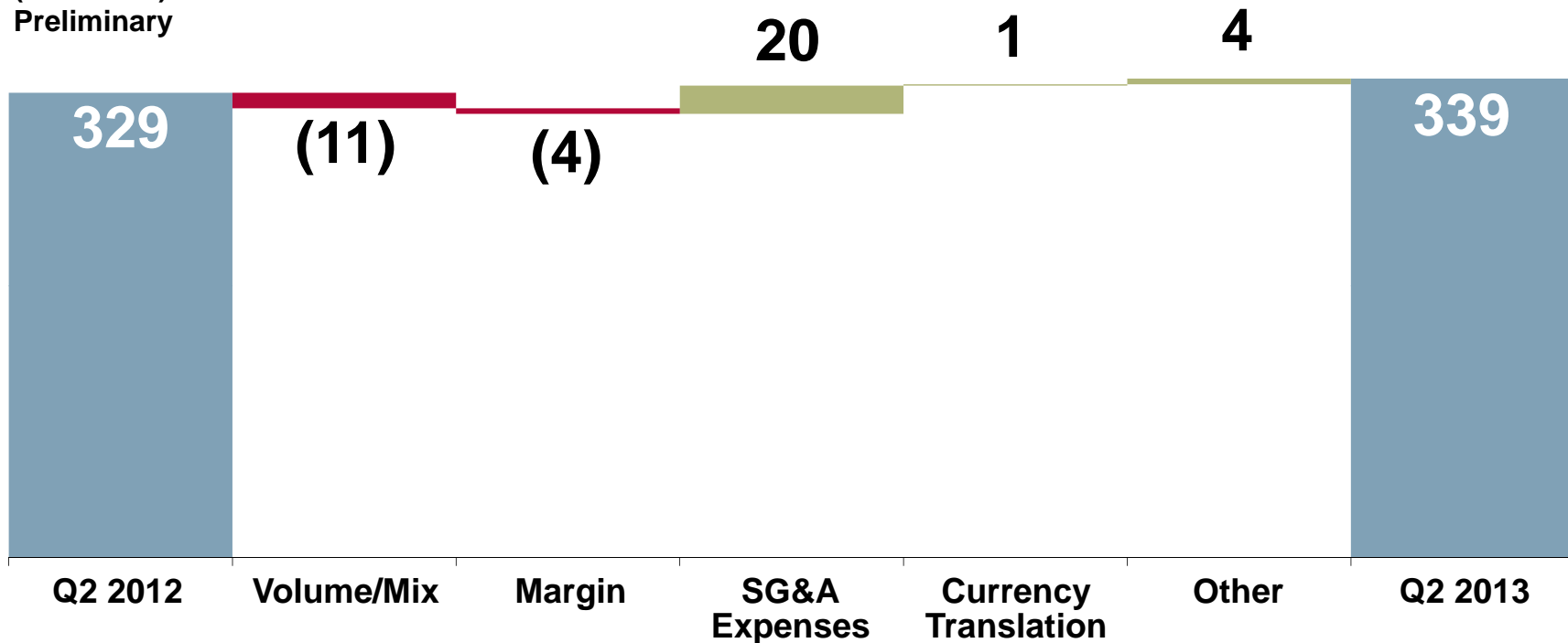


<sup>1</sup> Excludes volumes associated with Casting Solutions and divested Pinova, Synlubes, and PVAc businesses for all periods. Includes volumes associated with ISP and Ara Quimica for all periods.

Q2 FY 2012 vs. Q2 FY 2013

# Adjusted EBITDA Bridge

(\$ millions)  
Preliminary



- Reduced SG&A had \$19 million positive effect on EBITDA
- Lower volumes in commodity lines was largest headwind

# Liquidity and Net Debt

(\$ in millions)

| Liquidity                                    | At March 31,<br>2013 |
|--|----------------------|
| Cash   | \$ 468               |
| Available revolver and A/R facility capacity | 1,024                |
| <b>Liquidity</b>                             | <b>\$ 1,492</b>      |

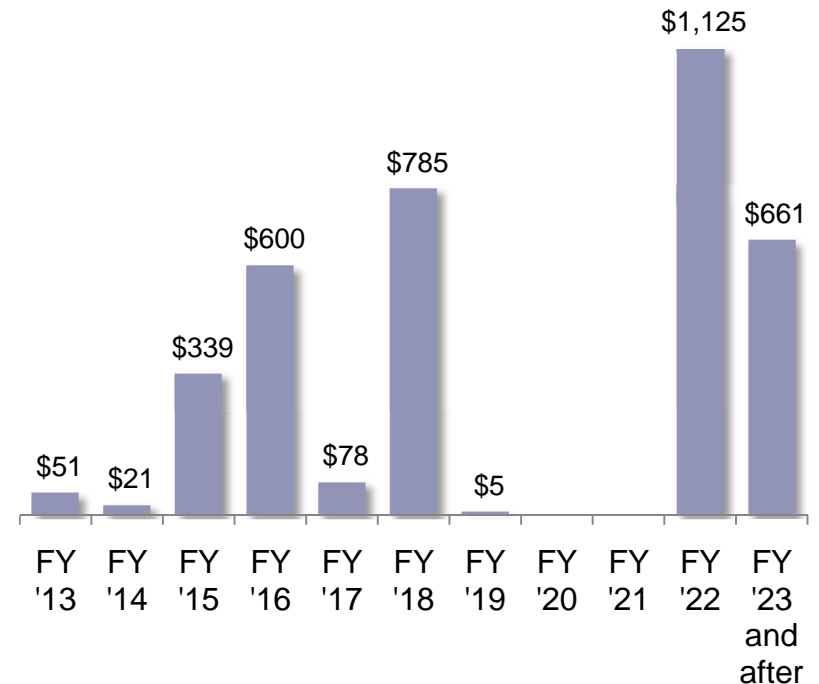
| Debt   | Expiration | Interest<br>Rate | Moody's                | S&P                   | At March 31,<br>2013 |
|--|------------|------------------|------------------------|-----------------------|----------------------|
| 4.750% senior notes,<br>par \$1,125 million            | 08/2022    | 4.75%            | Ba1                    | BB                    | \$ 1,119             |
| 3.875% senior notes,<br>par \$700 million              | 04/2018    | 3.875%           | Ba1                    | BB                    | 700                  |
| 3.000% senior notes,<br>par \$600 million              | 03/2016    | 3.000%           | Ba1                    | BB                    | 600                  |
| 6.875% senior notes,<br>par \$375 million              | 05/2043    | 6.875%           | Ba1                    | BB                    | 376                  |
| A/R facility drawn <sup>1</sup>                        | 08/2015    | L+75             |                        |                       | 331                  |
| 6.5% debentures,<br>par \$282 million                  | 06/2029    | 6.500%           | Ba2                    | B+                    | 130                  |
| Revolver drawn <sup>2</sup>                            | 03/2018    | L+175            | Ba1                    | BB                    | 85                   |
| 9.125% senior notes <sup>3</sup> ,<br>par \$78 million | 06/2017    | 9.125%           | Ba1                    | BB                    | 76                   |
| Other debt   |            | Various          |                        |                       | 92                   |
| <b>Total debt</b>                                      |            |                  | <b>Ba1/<br/>Stable</b> | <b>BB/<br/>Stable</b> | <b>\$ 3,509</b>      |
| Cash   |            |                  |                        |                       | \$ 468               |
| <b>Net debt (cash)</b>                                 |            |                  |                        |                       | <b>\$ 3,041</b>      |

<sup>1</sup> AR securitization facility with maximum borrowing capacity of \$350 million; Mar. 31 capacity of \$331 million

<sup>2</sup> \$1.2 billion facility, used ~\$91 million for letters of credit

<sup>3</sup> Callable June 2013

## Scheduled Debt Repayments by Fiscal Year





## Ashland Specialty Ingredients

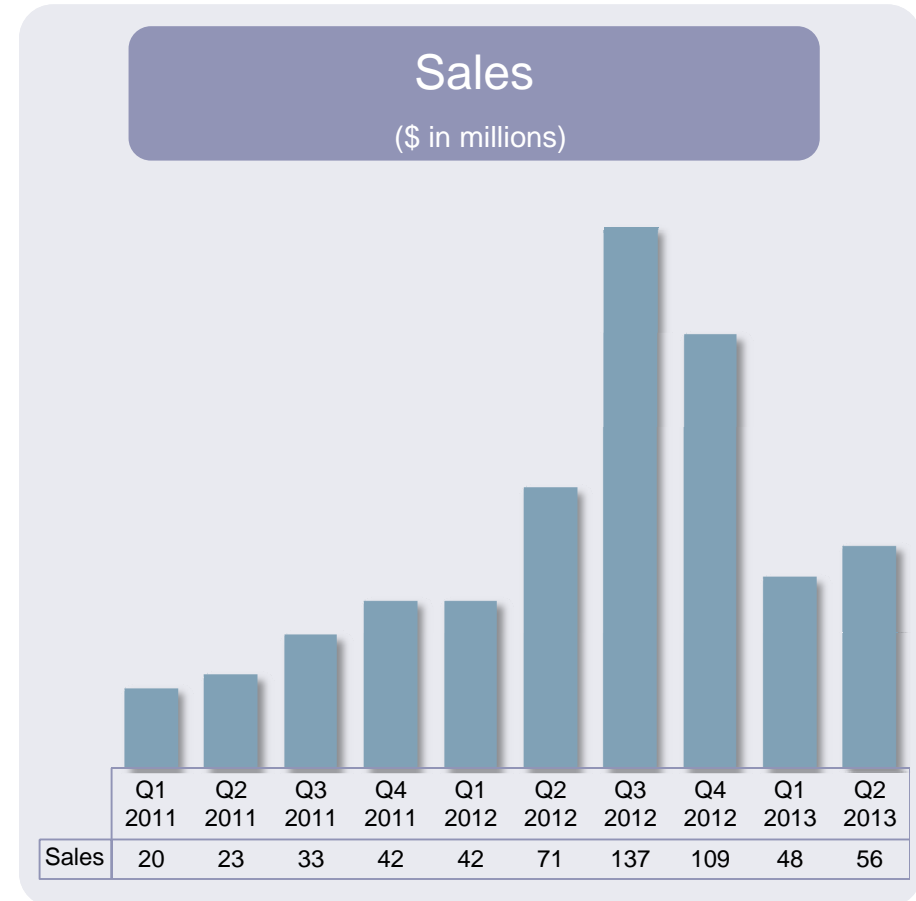
# Guar

- Straight-guar
  - Sold all inventory related to Q1 write-down at no margin
  - Weak volumes during quarter due to slow hydraulic fracturing market
  - Energy market expected to pick up in 2<sup>nd</sup> half, but selectively participating
- Derivatized Guar
  - Volume and sales declined during the quarter, related to energy market
  - Expect demand to remain soft in near-term, returning to normal levels in latter part of the year

# Ashland Specialty Ingredients

## Guar Sales

- Guar contributed significantly to 2012 performance
  - Sales up more than 200% versus 2011
- Going forward, guar sales should reflect Q3 – Q4 2011



Excluding guar, Specialty Ingredients grew sales by 4% and gross profit by 8% in 2012 versus 2011

# Ashland Specialty Ingredients Adjusted Results Summary<sup>1</sup>

| (\$ in millions)<br>Preliminary  | Fiscal Second Quarter       |        |          | Three months ended |        |
|--|-----------------------------|--------|----------|--------------------|--------|
|  | Three months ended Mar. 31, |        |          | Dec. 31,           |        |
|  | 2013                        | 2012   | Change   | 2012               | Change |
| Metric tons sold (in thousands) - Actives basis                            | 100.7                       | 104.6  | (4) %    | 88.9               | 13 %   |
| Sales  | \$ 682                      | \$ 723 | (6) %    | \$ 622             | 10 %   |
| Gross profit as a percent of sales   | 30.5 %                      | 33.5 % | (300) bp | 27.5 %             | 300 bp |
| Selling, general and admin./R&D costs                                      | \$ 119                      | \$ 123 | (3) %    | \$ 121             | (2) %  |
| Operating income   | \$ 91                       | \$ 119 | (24) %   | \$ 50              | 82 %   |
| Operating income as a percent of sales                                     | 13.3 %                      | 16.5 % | (320) bp | 8.0 %              | 530 bp |
| Depreciation and amortization  | \$ 65                       | \$ 67  | (3) %    | \$ 66              | (2) %  |
| Earnings before interest, taxes, depreciation<br>and amortization (EBITDA) | \$ 156                      | \$ 186 | (16) %   | \$ 116             | 34 %   |
| EBITDA as a percent of sales   | 22.9 %                      | 25.7 % | (280) bp | 18.6 %             | 430 bp |

- Volumes up 1% when excluding guar and Intermediates and Solvents
- Gross profit percent roughly flat with prior year, excluding effects of guar

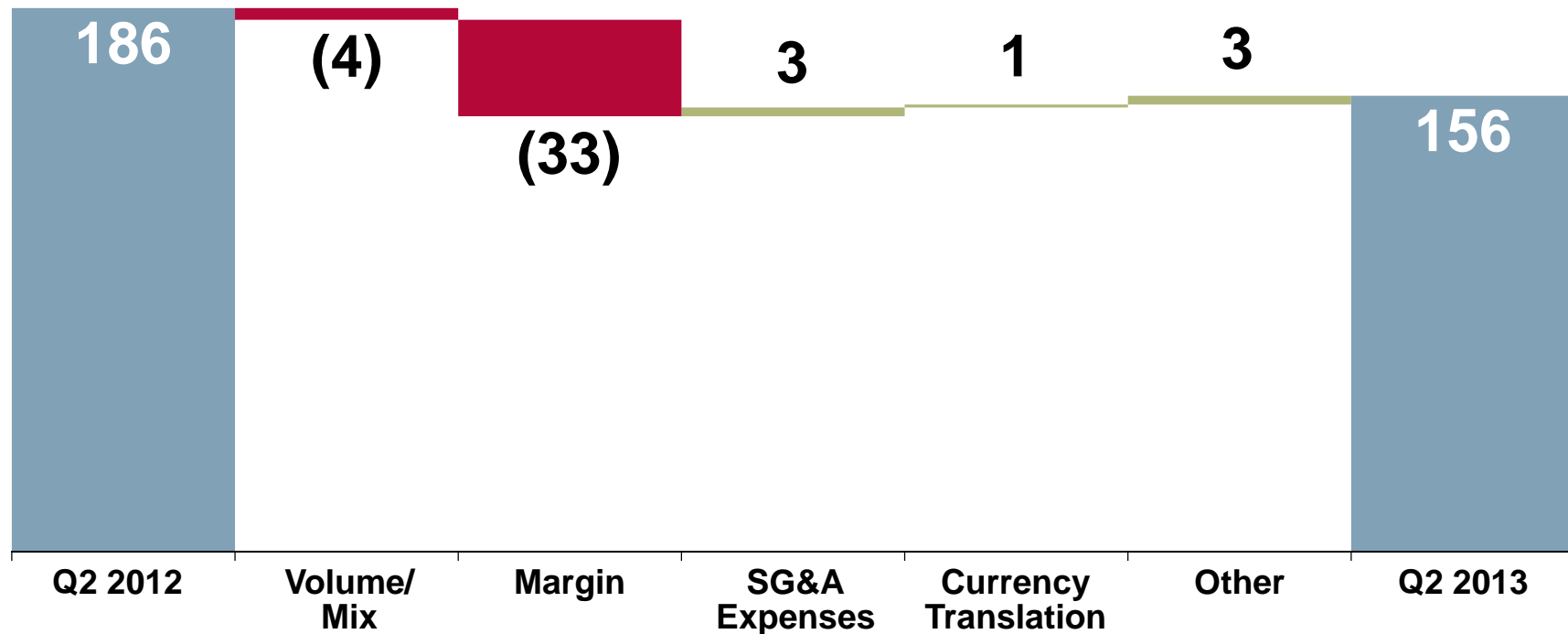
<sup>1</sup> Ashland's earnings releases dated April 24, 2013, and Jan. 29, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

# Ashland Specialty Ingredients

## Adjusted EBITDA Bridge

(\$ millions)  
Preliminary

### Q2 FY 2012 versus Q2 FY 2013



- Margin decline primarily due to straight guar
- Volume/mix negatively affected by guar and Intermediates and Solvents

## Ashland Specialty Ingredients

# Business Overview and Outlook

- Demand growth in North America offset by weakness elsewhere
- Sales growth in Pharmaceutical and non-guar Energy
- Personal Care affected by Western Europe
  - Excluding Western Europe, sales up 6%
- Coatings and Construction affected by weakness in Western Europe and Latin America
- Near-term challenges & opportunities
  - Continued demand weakness from Western Europe
  - Reduced profitability in Intermediates and Solvents
  - Expect seasonal improvement in demand and rebound in Emerging Markets

# Ashland Water Technologies Adjusted Results Summary<sup>1</sup>

| (\$ in millions)<br>Preliminary  | Fiscal Second Quarter       |        |        | Three months ended |        |
|--|-----------------------------|--------|--------|--------------------|--------|
|  | Three months ended Mar. 31, |        |        | Dec. 31,           |        |
|  | 2013                        | 2012   | Change | 2012               | Change |
| Sales  | \$ 424                      | \$ 428 | (1) %  | \$ 421             | 1 %    |
| Gross profit as a percent of sales   | 33.3 %                      | 32.1 % | 120 bp | 33.3 %             | - bp   |
| Selling, general and admin./R&D costs                                      | \$ 122                      | \$ 120 | 2 %    | \$ 125             | (2) %  |
| Operating income   | \$ 21                       | \$ 21  | - %    | \$ 17              | 24 %   |
| Operating income as a percent of sales                                     | 5.0 %                       | 4.9 %  | 10 bp  | 4.0 %              | 100 bp |
| Depreciation and amortization  | \$ 18                       | \$ 18  | - %    | \$ 17              | 6 %    |
| Earnings before interest, taxes, depreciation<br>and amortization (EBITDA) | \$ 39                       | \$ 39  | - %    | \$ 34              | 15 %   |
| EBITDA as a percent of sales   | 9.2 %                       | 9.1 %  | 10 bp  | 8.1 %              | 110 bp |

- Gross profit improved 120 basis points versus prior year
- Performance generally consistent with prior-year quarter

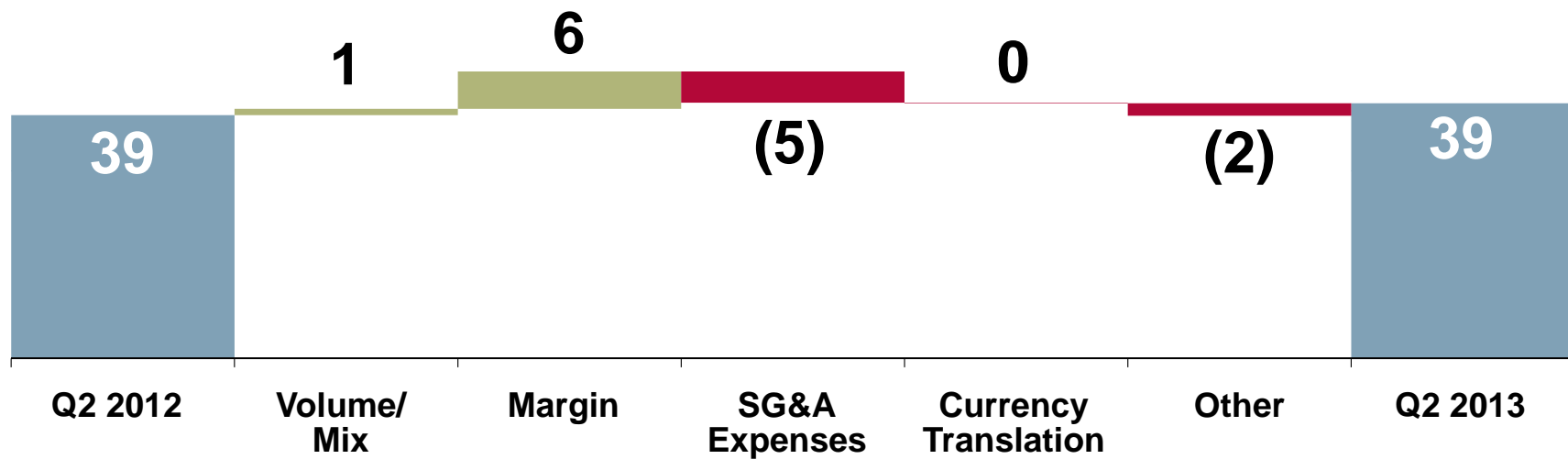
<sup>1</sup> Ashland's earnings releases dated April 24, 2013, and Jan. 29, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

# Ashland Water Technologies

## Adjusted EBITDA Bridge

(\$ millions)  
Preliminary

### Q2 FY 2012 versus Q2 FY 2013



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

# Ashland Water Technologies

## Strategic Actions

### Simplify the Organization

#### Pulp and Paper - \$1.2B

**Leadership position in process and functional chemicals**

- **Tissue and Towel**
- **Packaging**
- **Printing and Writing**
- **Pulp**

#### Industrial Water - \$0.6B

**Improving our position in a growing industry**

- **Utility Water**
- **Municipal waste-water**

- Two distinct global commercial organizations
  - Reduces complexity and leads to focused strategies
  - Aligns organizations with customers and market opportunity
  - Enables reduction of \$20 million in SG&A expenses
- Focused on sales growth and improving market penetration
- Bringing in new talent for marketing expertise, geographic growth and execution



# Ashland Water Technologies

## Strategic Actions (continued)

Improve Execution

### Consistent Process

- Multi regional marketing
- Selling process
- Pricing management
- Contract administration
- Channel management
- Corporate customer focus
- Sales and operations planning

- Improved customer retention
- Better execution at the customer level
- Faster market penetration of new products

### Innovation

- Rich pipeline of innovative platforms
  - New products in Launch mode:
    - Bioguard – Packaging
    - Optifilm – Printing and Writing
    - Microbial control – Ashland Water Technologies
    - Monitoring and diagnosis – Industrial Water
- Strong R&D portfolio

Combined actions will lead to profitable growth

# Ashland Performance Materials Adjusted Results Summary<sup>1</sup>

| (\$ in millions)<br>Preliminary  | Fiscal Second Quarter       |        |        | Three months ended |          |
|--|-----------------------------|--------|--------|--------------------|----------|
|  | Three months ended Mar. 31, |        |        | Dec. 31,           |          |
|  | 2013                        | 2012   | Change | 2012               | Change   |
| Metric tons sold (in thousands)  | 131.5                       | 140.5  | (6) %  | 124.6              | 6 %      |
| Sales  | \$ 374                      | \$ 408 | (8) %  | \$ 345             | 8 %      |
| Gross profit as a percent of sales   | 14.6 %                      | 14.6 % | - bp   | 15.7 %             | (110) bp |
| Selling, general and admin./R&D costs                                      | \$ 41                       | \$ 43  | (5) %  | \$ 44              | (7) %    |
| Operating income   | \$ 21                       | \$ 22  | (5) %  | \$ 15              | 40 %     |
| Operating income as a percent of sales                                     | 5.6 %                       | 5.4 %  | 20 bp  | 4.3 %              | 130 bp   |
| Depreciation and amortization  | \$ 12                       | \$ 13  | (8) %  | \$ 13              | (8) %    |
| Earnings before interest, taxes, depreciation<br>and amortization (EBITDA) | \$ 33                       | \$ 35  | (6) %  | \$ 28              | 18 %     |
| EBITDA as a percent of sales   | 8.8 %                       | 8.6 %  | 20 bp  | 8.1 %              | 70 bp    |

- Volume declined 6% vs. prior year due to elastomers volumes
- Sequential GP% decline primarily due to lower elastomers margins

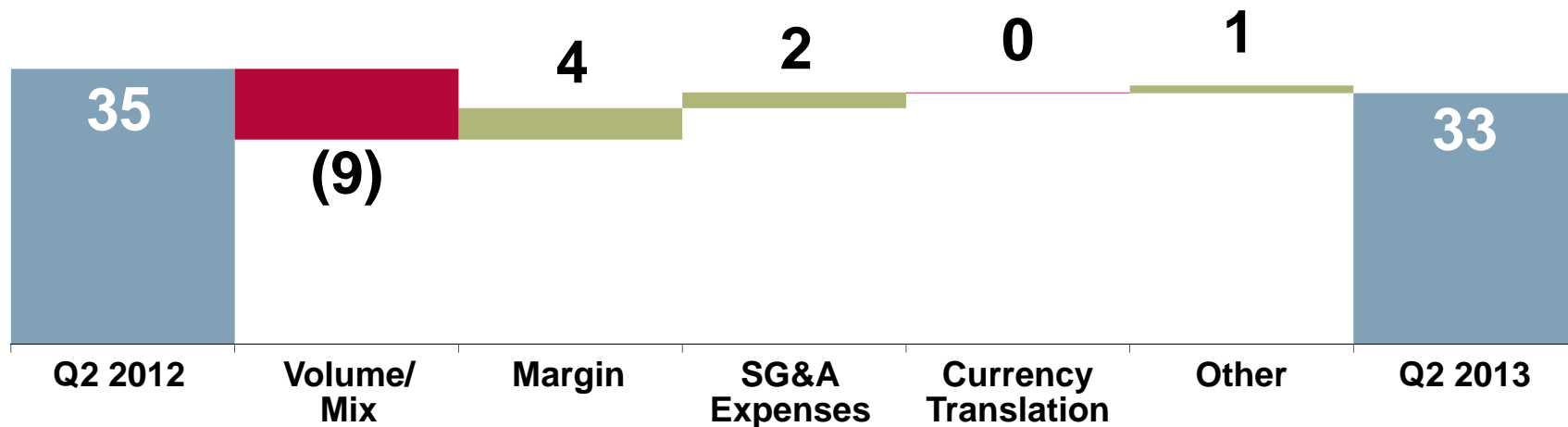
<sup>1</sup> Ashland's earnings releases dated April 24, 2013 and Jan. 29, 2013, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

# Ashland Performance Materials

## Adjusted EBITDA Bridge

(\$ millions)  
Preliminary

### Q2 FY 2012 versus Q2 FY 2013



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

# Ashland Consumer Markets Adjusted Results Summary<sup>1</sup>

| (\$ in millions)<br>Preliminary  | Fiscal Second Quarter<br>Three months ended Mar. 31, |        |        | Three months ended<br>Dec. 31, |        |
|--|--|--------|--------|--------------------------------|--------|
|  | 2013   | 2012   | Change | 2012                           | Change |
| Lubricant gallons (in millions)  | 39.2   | 40.7   | (4) %  | 37.1                           | 6 %    |
| Sales  | \$ 494   | \$ 520 | (5) %  | \$ 481                         | 3 %    |
| Gross profit as a percent of sales   | 31.9 %   | 26.4 % | 550 bp | 30.1 %                         | 180 bp |
| Selling, general and admin./R&D costs                                      | \$ 85  | \$ 85  | - %    | \$ 85                          | - %    |
| Operating income   | \$ 79  | \$ 57  | 39 %   | \$ 66                          | 20 %   |
| Operating income as a percent of sales                                     | 16.0 %   | 11.0 % | 500 bp | 13.7 %                         | 230 bp |
| Depreciation and amortization  | \$ 9   | \$ 9   | - %    | \$ 9                           | - %    |
| Earnings before interest, taxes, depreciation<br>and amortization (EBITDA) | \$ 88  | \$ 66  | 33 %   | \$ 75                          | 17 %   |
| EBITDA as a percent of sales   | 17.8 %   | 12.7 % | 510 bp | 15.6 %                         | 220 bp |

- Year-over-year volume decline concentrated in Do-It-Yourself
- Sequential margin improvement due to lower raw-material costs

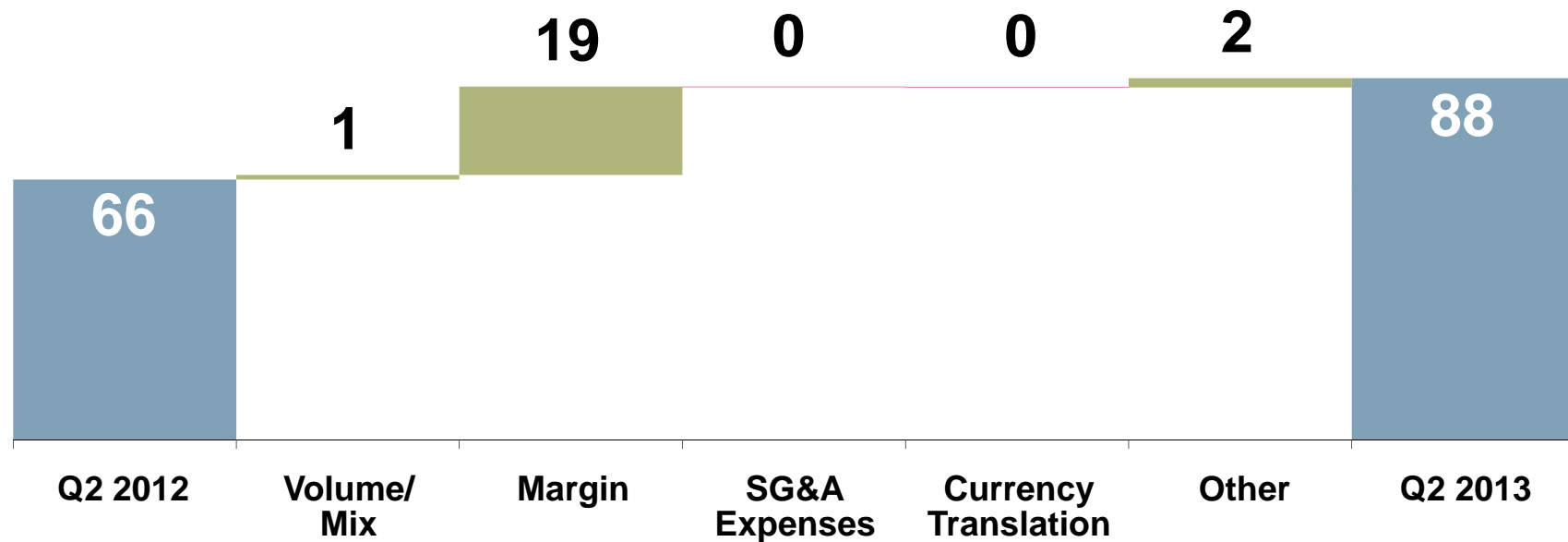
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# Ashland Consumer Markets

## Adjusted EBITDA Bridge

(\$ millions)  
Preliminary

### Q2 FY 2012 versus Q2 FY 2013



- Margin expansion driven by lower raw-material costs
- Strong international volumes offset by Do-It-Yourself

## Fiscal Second Quarter 2013

# Corporate Items

- Capital expenditures of \$66 million
  - 2013 forecast adjusted to \$340 million
- Adjusted net interest expense of \$46 million
- Effective tax rate of 24%
  - Now expect effective tax rate of 25% - 27% for FY 2013
- Trade working capital<sup>1</sup> of 17.7% of annualized sales
- Free cash flow<sup>2</sup> generation of \$144 million

<sup>1</sup> Represents working capital associated with our commercial units.

<sup>2</sup> Definition of free cash flow is operating cash less capital expenditures, adjusted for interest rate swap terminations.

Fiscal Second Quarter 2013

# Performance Summary

- Mixed results in the second quarter
- Sequential improvement in Specialty Ingredients
- Consumer Markets had record second quarter for operating income
- As compared with March 2012 quarter
  - Sales of \$2.0 billion, down 5%
  - EBITDA of \$339 million, up 3%
- Strong free cash flow generation, now expect to exceed \$400 million for fiscal 2013

# Outlook

- Near term
  - Sequential improvement expected in seasonally strongest June quarter
  - Continue focus on free cash flow generation, progressing toward capital structure target
- Longer term
  - Significant hurdles to achieving 2014 targets
    - Regional economic challenges
  - Now unlikely we'll reach 2014 targets of \$9.50 - \$10.50 EPS or EBITDA of \$1.7 billion



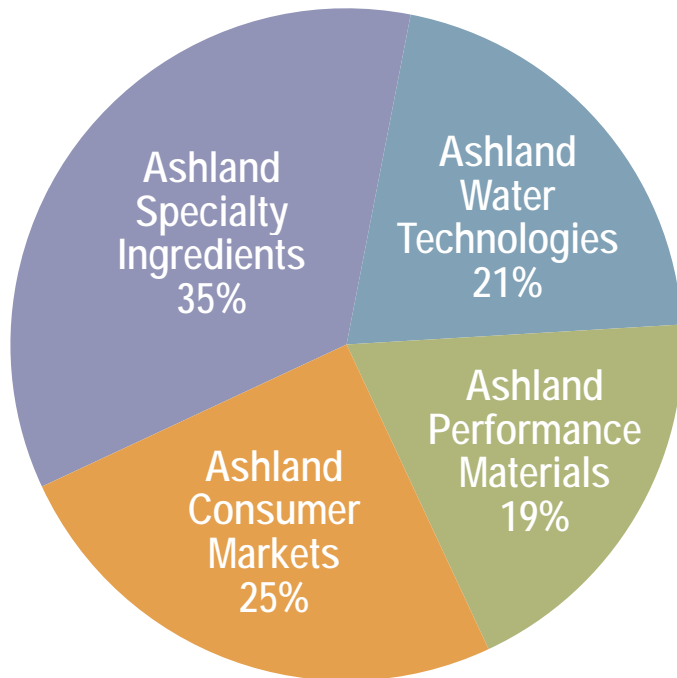


**Appendix A:**  
**Business Profiles**  
**12 Months Ended March 31, 2013**

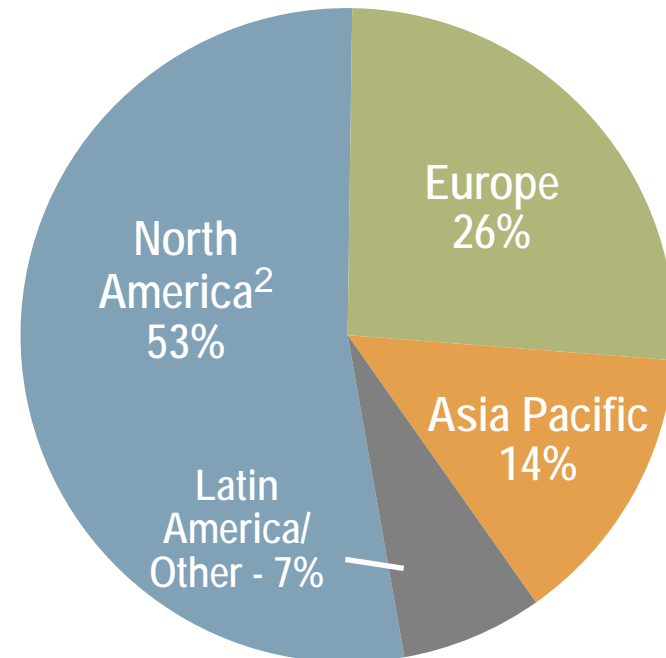
# Corporate Profile

Sales<sup>1</sup> - \$8.0 Billion

By commercial unit



By geography

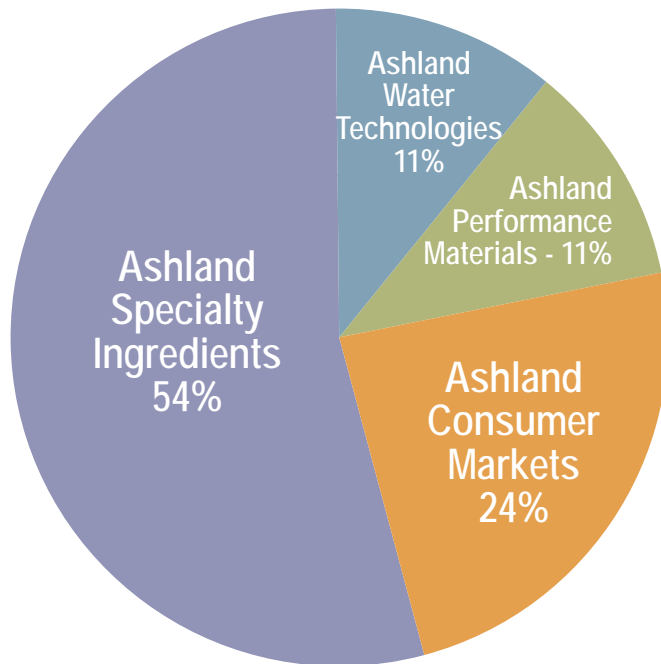


<sup>1</sup> For 12 months ended March 31, 2013.

<sup>2</sup> Ashland includes only U.S. and Canada in its North America designation.

# Corporate Profile

Adjusted EBITDA<sup>1</sup> - \$1.3 Billion



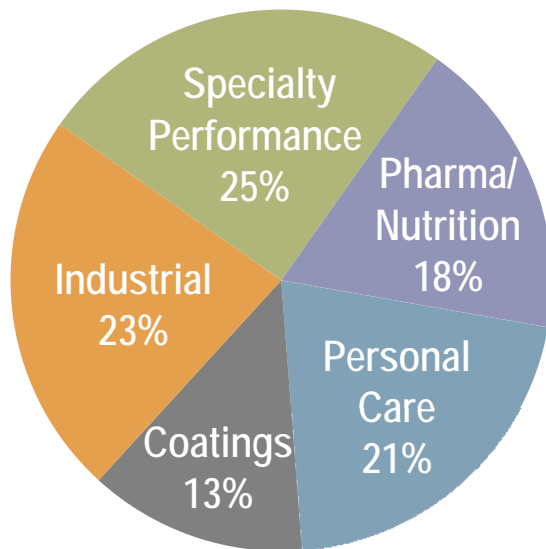
|   |               |
|---|---------------|
| NYSE Ticker Symbol:                             | ASH           |
| Total Employees:                                | ~15,000       |
| Outside North America                           | ~40%          |
| Number of Countries in Which Ashland Has Sales: | More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

<sup>1</sup> For 12 months ended March 31, 2013. See Appendix B for reconciliation to amounts reported under GAAP.

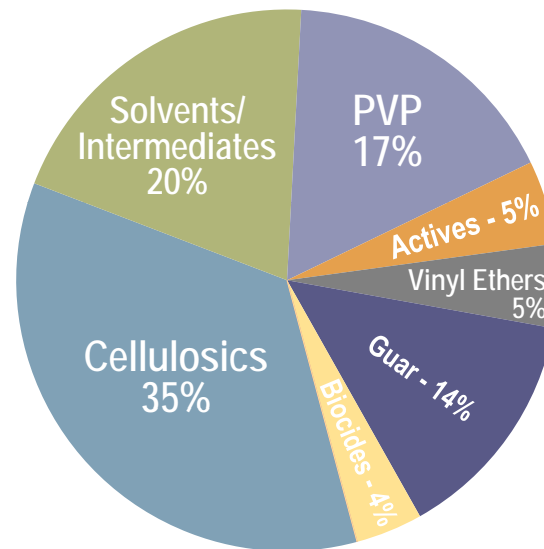
# Ashland Specialty Ingredients

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

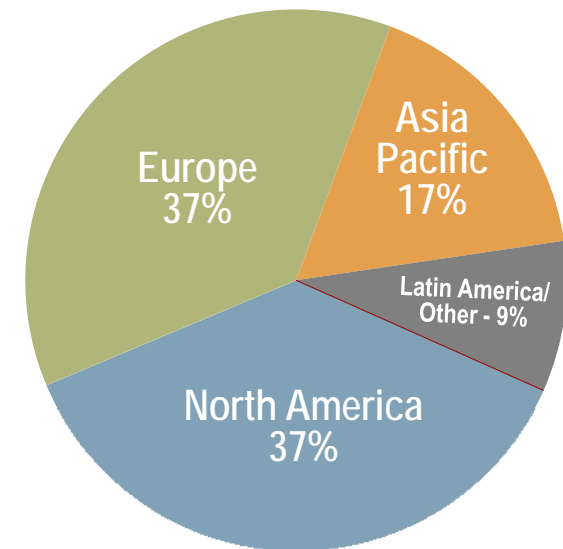
**Sales  
by Market**



**Sales  
by Product**



**Sales  
by Geography**



**For 12 Months Ended March 31, 2013**

**Sales: \$2.8 billion**

**Adjusted EBITDA: \$689 million<sup>1</sup>**

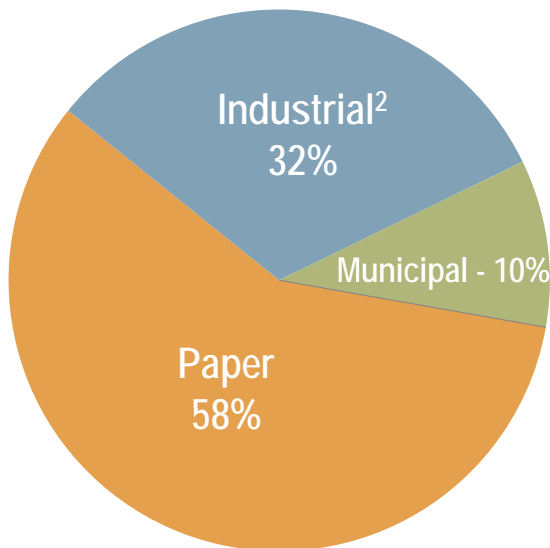
**Adjusted EBITDA Margin: 24.3%<sup>1</sup>**

<sup>1</sup> See Appendix B for reconciliation to amounts reported under GAAP.

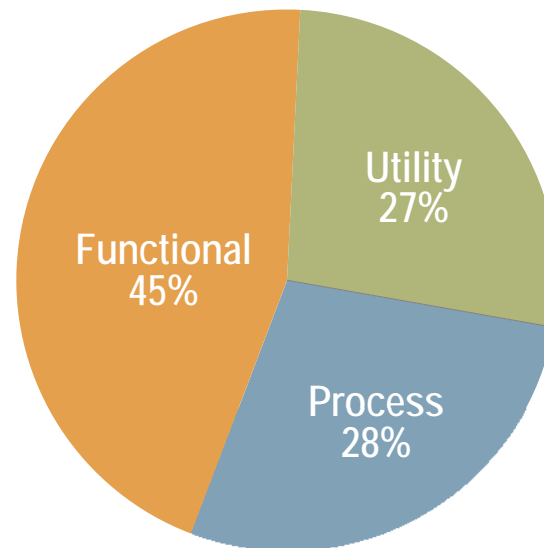
# Ashland Water Technologies

Providing specialty chemicals and services to water-intensive industries

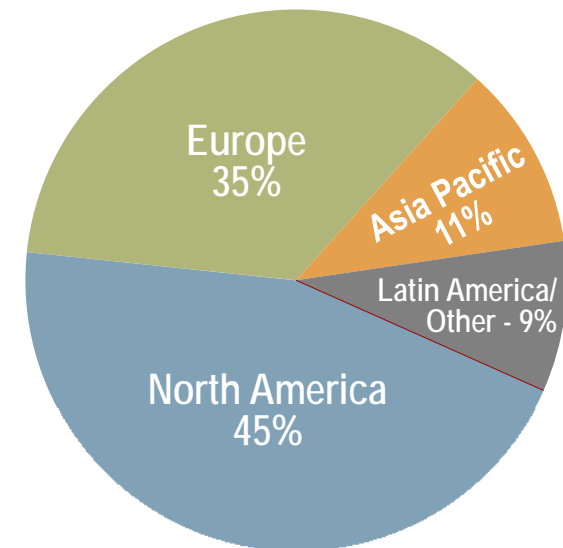
Sales  
by Market



Sales  
by Product



Sales  
by Geography



**For 12 Months Ended March 31, 2013**

**Sales: \$1.7 billion**

**Adjusted EBITDA: \$143 million<sup>1</sup>**

**Adjusted EBITDA Margin: 8.4%<sup>1</sup>**

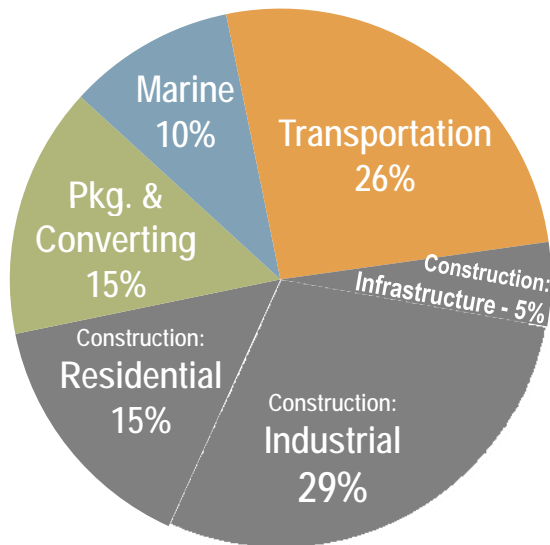
<sup>1</sup> See Appendix B for reconciliation to amounts reported under GAAP.

<sup>2</sup> Includes Pulp markets.

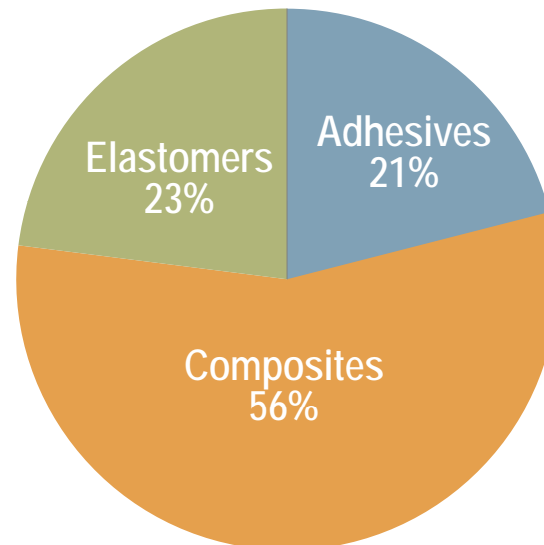
# Ashland Performance Materials

Global leader in composite resins, specialty adhesives and elastomers

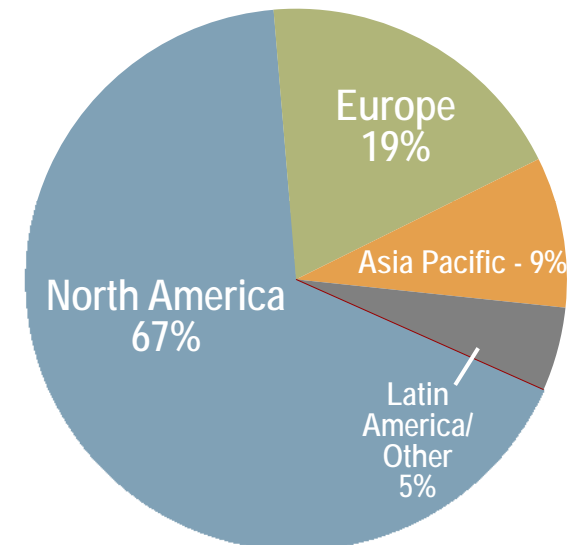
Sales  
by Market



Sales  
by Product



Sales  
by Geography



**For 12 Months Ended March 31, 2013**

**Sales: \$1.5 billion**

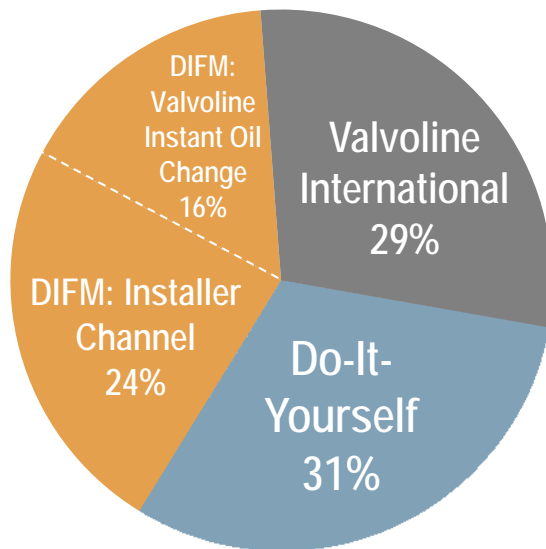
**Adjusted EBITDA: \$141 million<sup>1</sup>**

**Adjusted EBITDA Margin: 9.5%<sup>1</sup>**

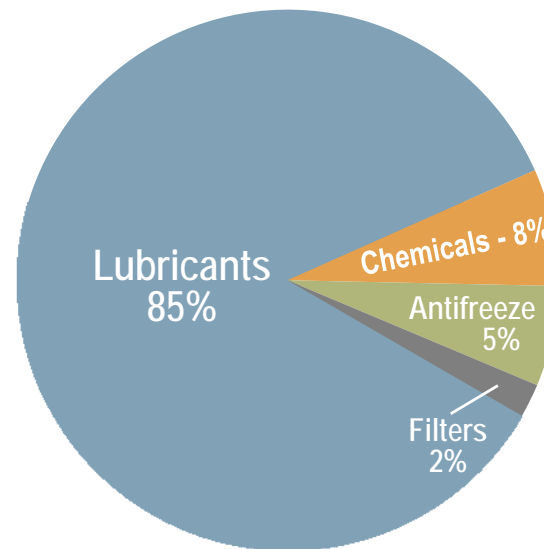
<sup>1</sup> See Appendix B for reconciliation to amounts reported under GAAP.

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

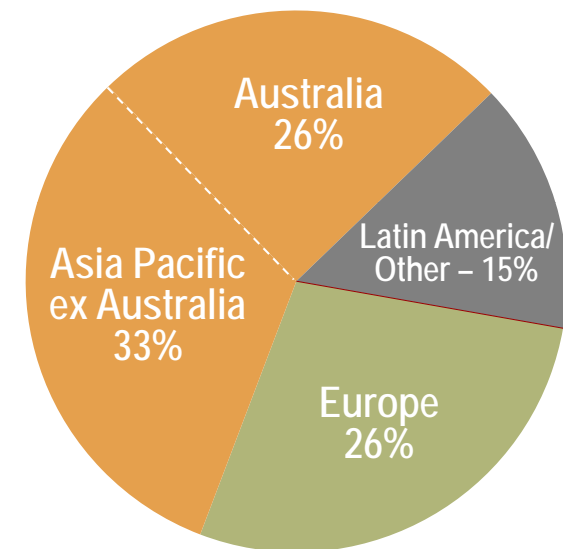
**Sales by Market**



**Sales by Product**



**International Sales by Region<sup>2</sup>**



**For 12 Months Ended March 31, 2013**

**Sales: \$2.0 billion<sup>1</sup>**  
**EBITDA: \$314 million<sup>1</sup>**  
**EBITDA Margin: 15.6%<sup>1</sup>**

<sup>1</sup> See Appendix B for reconciliation to amounts reported under GAAP.

<sup>2</sup> 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 March 31, 2013

(\$ millions, except percentages)

| Sales                 | Q2 13        | Q1 13        | Q4 12        | Q3 12        | Total        |                 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| Specialty Ingredients | 682          | 622          | 734          | 793          | 2,831        |                 |
| Water Technologies    | 424          | 421          | 431          | 427          | 1,703        |                 |
| Performance Materials | 374          | 345          | 369          | 404          | 1,492        |                 |
| Consumer Markets      | 494          | 481          | 522          | 517          | 2,014        |                 |
| <b>Total</b>          | <b>1,974</b> | <b>1,869</b> | <b>2,056</b> | <b>2,141</b> | <b>8,040</b> |                 |
|                       |              |              |              |              |              | Adjusted EBITDA |
| Adjusted EBITDA       | Q2 13        | Q1 13        | Q4 12        | Q3 12        | Total        | Margin          |
| Specialty Ingredients | 156          | 116          | 193          | 224          | 689          | 24.3%           |
| Water Technologies    | 39           | 34           | 33           | 37           | 143          | 8.4%            |
| Performance Materials | 33           | 28           | 31           | 49           | 141          | 9.5%            |
| Consumer Markets      | 88           | 75           | 83           | 68           | 314          | 15.6%           |
| Unallocated           | 23           | 15           | 9            | 3            | 50           |                 |
| <b>Total</b>          | <b>339</b>   | <b>268</b>   | <b>349</b>   | <b>381</b>   | <b>1,337</b> |                 |

<sup>1</sup> 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.™

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