

## Corporate Profile

Ashland Inc. is a diversified, global chemical company operating through four divisions: Ashland Performance Materials, Ashland Distribution, Valvoline and Ashland Water Technologies.

**Performance Materials** is a worldwide manufacturer and supplier of specialty chemicals and customized services to the building and construction, transportation, packaging and converting, marine and metal casting industries. It is a technology leader in unsaturated polyester and vinyl ester resins and gelcoats; high-performance adhesives and specialty resins; and metal casting consumables and design services.

**Distribution** distributes chemicals, plastics and resins in North America and plastics in Europe. It also provides environmental waste-management services in North America. Suppliers include many of the world's leading chemical, composites and plastics manufacturers. Ashland Distribution specializes in providing material transfer and packaging services and mixed-truckload and less-than-truckload quantities to customers in a wide range of industries.

**Valvoline** is a producer and marketer of premium packaged automotive lubricants, chemicals, appearance products, antifreeze and filters. In addition, Valvoline is engaged in the "quick lube" business through outlets operating under the Valvoline Instant Oil Change® name.

**Water Technologies** is a supplier of chemical and non-chemical water treatment solutions for industrial, municipal and commercial facilities. It provides industrial, commercial and institutional water treatments, wastewater treatment, paint and coating additives, and pulp and paper processing and mining chemistries. In addition, it provides boiler and cooling water treatments; fuel treatments; welding, refrigerant and sealing products; and fire fighting, safety and rescue products and services for the merchant marine industry.

Ashland's former **Refining and Marketing** operations consisted primarily of its 38-percent interest in Marathon Ashland Petroleum LLC (MAP). On June 30, 2005, Ashland transferred its interest in MAP and two other businesses to Marathon Oil Corporation.

Ashland's former **Ashland Paving And Construction, Inc.** (APAC) operations were sold on August 28, 2006, to Oldcastle Materials, Inc. for \$1.3 billion. Ashland returned most of the net sale proceeds to shareholders through a special dividend of \$10.20 per share, paid on October 25, 2006, and a share buyback program.

		Key Contacts	
Stock Price at September 30, 2008	\$29.24	James J. O'Brien, Chairman & CEO	(859) 815-3519
Common Shares Outstanding (millions)	63.0	Lamar M. Chambers, Senior VP & CFO	(859) 815-4341
Market Capitalization (millions)	\$1,843	Eric N. Boni, Director, Investor Relations e-mail: enboni@ashland.com	(859) 815-3527
Institutional Ownership (approximately)	80%	Regina A. Smith, Shareholder Services e-mail: rasmith@ashland.com	(859) 815-5180
Executive Officers and Directors and Benefit Plan Ownership (approximately)	10%	Investor Relations:	(859) 815-4454
Dividend Yield	3.8%	Fax:	(859) 815-5188
CUSIP	044209104		

Financial Information							
	2003	2004	2005	2006	2007	YTD-2008	Q4-2008
<b>Sales &amp; Operating Revenues</b> (\$, millions)							
Performance Materials	875	1,026	1,369	1,425	1,580	1,621	427
Distribution	2,810	3,199	3,810	4,070	4,031	4,374	1,151
Valvoline	1,235	1,297	1,326	1,409	1,525	1,662	454
Water Technologies	337	360	394	502	818	893	226
Intersegment Sales	(92)	(106)	(168)	(173)	(169)	(169)	(42)
	<u>5,165</u>	<u>5,776</u>	<u>6,731</u>	<u>7,233</u>	<u>7,785</u>	<u>8,381</u>	<u>2,216</u>
<b>Operating Income</b> (\$, millions)							
Performance Materials	(1)	42	88	112	89	52	2
Distribution	12	56	99	120	41	51	13
Valvoline	61	77	59	(21)	86	83	13
Water Technologies	3	14	11	14	16	10	(6)
Refining & Marketing	263	383	486	-	-	-	-
Unallocated & Other	(55)	(47)	(72)	(55)	(16)	17	6
	<u>283</u>	<u>525</u>	<u>671</u>	<u>170</u>	<u>216</u>	<u>213</u>	<u>28</u>

NOTE: For detailed financial information, see 5-year Operating and Net Income Summary posted to Ashland's Investor Relations website at [www.ashland.com/investors/](http://www.ashland.com/investors/). In accordance with generally accepted accounting principles, all financial and operating information has been restated to reflect APAC as a discontinued operation.

### Quarterly Financials\*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Operating Income</b> (\$, millions)						
1st Quarter December	26	54	167	46	58	46
2nd Quarter March	26	37	126	49	41	52
3rd Quarter June	114	242	357	47	91	87
4th Quarter September	<u>117</u>	<u>192</u>	<u>21</u>	<u>28</u>	<u>26</u>	<u>28</u>
	283	525	671	170	216	213
<b>Diluted Earnings Per Share from Continuing Operations</b> (\$)						
1st Quarter December	(0.08)	0.23	1.17	0.48	0.81	0.60
2nd Quarter March	(0.08)	0.07	0.79	0.68	0.49	1.13
3rd Quarter June	0.82	1.90	23.19**	0.59	1.35	1.03
4th Quarter September	<u>0.85</u>	<u>2.14</u>	<u>1.08</u>	<u>0.79</u>	<u>0.51</u>	<u>(0.01)</u>
	1.50	4.36	26.23	2.53	3.15	2.76

\* Quarterly amounts may not add to annual amounts due to rounding.

\*\* Includes a net gain of \$20.56 from the MAP Transaction and the repayment of most of Ashland's debt.

### Operating Information

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>YTD-2008</u>	<u>Q4-2008</u>
<b>Performance Materials</b>							
Sales per shipping day (\$, millions)	3.5	4.0	5.4	5.7	6.1	6.4	6.7
Pounds sold per shipping day (millions)	4.7	5.1	5.4	4.9	4.9	4.9	5.2
Gross profit as a % of sales	22.1	20.4	20.4	22.5	20.5	17.0	14.6
<b>Distribution</b>							
Sales per shipping day (\$, millions)	11.2	12.6	15.1	16.2	15.9	17.3	18.0
Pounds sold per shipping day (millions)	19.6	21.0	21.0	20.3	19.6	18.8	18.2
Gross profit as a % of sales	9.9	9.6	9.7	9.5	7.9	7.8	8.1
<b>Valvoline</b>							
Lubricant sales (million gallons)	193.5	191.6	175.4	168.7	167.1	169.2	43.5
Premium lubricants (% of U.S. branded volumes)	18.5	21.5	23.4	23.1	23.3	24.9	26.1
Gross profit as a % of sales	27.8	28.2	26.6	19.9	24.8	23.0	19.2
<b>Water Technologies</b>							
Sales per shipping day (\$, millions)	1.3	1.4	1.6	2.0	3.1	3.5	3.5
Gross profit as a % of sales	50.4	49.3	47.8	43.7	39.2	36.7	32.9

### Total Return to Shareholders for Periods Ended 09/30/08

