



December 4, 2012

## **Ashland Inc. highlights growth opportunities and reaffirms overall fiscal 2014 financial targets at analyst day conference in New York City**

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COVINGTON, Ky. - Ashland Inc. (NYSE: ASH) today provided an in-depth look at the growth opportunities available within Ashland Specialty Ingredients, its largest and most profitable commercial unit, at a conference for analysts and investors in New York City. The company also reaffirmed its previously announced overall financial targets for fiscal 2014.

Since completing the acquisition of International Specialty Products (ISP) in August 2011, Ashland is "beginning to see the type of earnings power that we envisioned when we combined these two companies, with improved margins that better reflect our focus on specialty chemicals," said James O'Brien, Ashland chairman and chief executive officer.

With the addition of ISP's attractive market positions in personal care and pharmaceuticals, Ashland more than doubled the size of its Specialty Ingredients business. The company also tripled its team of research and development scientists, and quadrupled its patent portfolio. The acquisition expanded Ashland's ability to deliver industry-leading innovation in a number of important high-growth end markets, including personal care, pharmaceutical, food and beverage, and energy. Today Specialty Ingredients is Ashland's fastest-growing commercial unit, accounting for approximately 60 percent of its adjusted earnings before interest, taxes depreciation and amortization (adjusted EBITDA).

During the investor conference, John Panichella, group operating officer and president of Specialty Ingredients, outlined the commercial unit's growth strategy. It includes:

- Leveraging the broad product portfolio to drive growth through industry-leading market channels;
- Continuing to implement a "high-touch" sales and service model for top 40 strategic accounts;
- Investing in emerging regions, where demand is growing at much faster rates than more developed economies;
- Driving innovation through new-product development and customer collaboration;
- Pursuing adjacent technologies that contribute to the unit's core businesses and channels; and
- Selectively investing capital to achieve highest-rate returns, such as through capacity expansion and productivity improvements.

Also at the conference, Ashland reaffirmed its commitment to achieving the overall fiscal 2014 financial targets it laid out a year ago. These goals include increasing adjusted EBITDA to approximately \$1.7 billion and growing earnings per share from continuing operations to the range of \$9.50 - \$10.50 per share.

"Today we are squarely focused on driving top-line sales growth and earnings expansion through organic volume growth, margin expansion, cost efficiencies and strategic capital investment, including potential bolt-on acquisitions. Cash generation will be a particular focus, with that money being reinvested in our highest-return opportunities," O'Brien said. "We are off to a good start toward achieving our 2014 financial targets. Working together, we have dramatically reshaped the company and positioned it for long-term success. Now it is time to build on our momentum and establish a track record of performance that will define Ashland for years to come."

### **Analyst Day Webcast Replay**

Ashland's investor day was attended by more than 100 analysts and portfolio managers and was webcast. A copy of the slide presentation is available through Ashland's website at <http://investor.ashland.com>. A replay of the webcast will be available online within 24 hours of the conclusion of the live event.

### **Use of Non-GAAP Measures**

This news release includes certain non-GAAP measures. Such measurements are not prepared in accordance with GAAP and should not be construed as an alternative to reported results determined in accordance with GAAP. Management believes the use of such non-GAAP measures assists investors in understanding the ongoing operating performance of the company and its segments. The non-GAAP information provided may not be consistent with the methodologies used by other companies. For a reconciliation of these non-GAAP amounts to reported GAAP results, please see Ashland's previous filings.

### **About Ashland**

In more than 100 countries, the people of Ashland Inc. (NYSE: ASH) provide the specialty chemicals, technologies and insights to help customers create new and improved products for today and sustainable solutions for tomorrow. Our chemistry is at work every day in a wide variety of markets and applications, including architectural coatings, automotive, construction, energy, food and beverage, personal care, pharmaceutical, tissue and towel, and water treatment. Visit [ashland.com](http://ashland.com) to see the innovations we offer through our four commercial units - Ashland Specialty Ingredients, Ashland Water Technologies, Ashland Performance Materials and Ashland Consumer Markets.

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### Forward-Looking Statements

This news release 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](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 news release or otherwise except as required by securities or other applicable law.

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