



Ashland and Sud-Chemie to Combine Global Business Activities in the Metal Casting Industry

COVINGTON, Ky. and MUNICH, Germany, June 18, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Ashland Inc. (NYSE: ASH) and Sud-Chemie AG today signed a nonbinding memorandum of understanding to form a new, global joint venture to serve foundries and the metal casting industry. When final agreements are reached, each parent company will hold a 50-percent share of the joint venture, which is planned to be headquartered in Venlo, The Netherlands.

Assets and employees would transfer to the new joint venture upon closing, anticipated by early calendar year 2009. The transaction is dependent upon the successful negotiation of definitive agreements, and closing will depend upon satisfactory completion of due diligence and a number of standard closing conditions, including regulatory review.

The new enterprise would combine three businesses: Ashland's Casting Solutions business group, the foundry-related businesses of Sud-Chemie, and Ashland-Sudchemie-Kernfest GmbH (ASK). Had it existed in 2007, this new company would have generated sales revenues of approximately U.S. \$1.1 billion or euro 700 million, with approximately 1,300 employees.

Having begun in 1970 with the formation of the existing ASK joint venture in Hilden, Germany, a highly-successful joint venture operating in Europe, the existing relationship between Sud-Chemie and Ashland would now be significantly expanded. The new organization would unite the foundry-related sales, marketing, technology and certain manufacturing operations of both parent companies with those of ASK.

Sud-Chemie and Ashland pursue a similar strategy aimed at providing solutions for the rising technological requirements of modern and worldwide expanding foundries and seeking international expansion, especially in developing countries. In combination, the complementary business positions should enjoy well-established channels to serve the European marketplace, the Americas and Asia, and should help to achieve high growth potential.

"When you consider the rapid industrialization occurring within key markets like China, Eastern Europe, Brazil and India, it is easy to recognize the strong growth opportunities that exist for the metal casting industry," said James J. O'Brien, Ashland's chairman and chief executive officer. "Combining these businesses should ultimately result in increased shareholder value and better opportunities for our customers and employees."

Dr. Gunter von Au, managing board chairman of Sud-Chemie AG, said: "Global competition is forcing us to create location networks in all important markets. By forming this new, globally active company, we shall be in a better position to satisfy our customers' wishes as these become increasingly more sophisticated and more closely aligned on an international scale. We are looking forward to an even closer cooperation between Ashland and Sud-Chemie in the future."

Dr. Hans Jurgen Wernicke, deputy chairman of the Sud-Chemie managing board, confirmed that, "Our ASK European joint venture forms a solid basis for the envisaged global cooperation of our companies in the foundry sector. We are confident that the amalgamation of our worldwide foundry activities will lead to a high level of service by combining our know-how, offering a broader product portfolio and enhanced system solutions."

Ashland Casting Solutions, a business group of Ashland Performance Materials, is a leader in supplying products, processes, services and technologies to the global metal casting marketplace.

Ashland Inc. (NYSE: ASH), a diversified, global chemical company, provides quality products, services and solutions to customers in more than 100 countries. A FORTUNE 500 company, it operates through four divisions: Ashland Performance Materials, Ashland Distribution, Valvoline and Ashland Water Technologies. To learn more about Ashland, visit www.ashland.com.

Sud-Chemie AG (www.sud-chemie.com) is a publicly quoted (Security Identification Number ISIN: DE0007292005; WKN: 729200) specialty chemicals company headquartered in Munich, Germany, and operating on a worldwide scale. Key markets served by its Adsorbents Division include the consumer-goods, packaging and foundry industries, as well as the paper and plastics industries and water treatment. Products manufactured by the Catalysts Division offer solutions for the chemicals, petrochemicals and refinery industries, for energy storage and hydrogen production as well as off-gas purification. The common denominator of all its products and innovations is the efficient and sparing use of natural resources to enhance the quality of life for humans and the environment. Sud-Chemie generated sales of about euro 1.1 billion in 2007, approximately 80 percent of these outside Germany. At the end of 2007, the group employed more than 5,000 people at its 75 sales and production sites worldwide.

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SOURCE Ashland Inc.

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