SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 25, 2005

ASHLAND INC.
(Exact name of registrant as specified in its charter)

Kentucky
(State or other jurisdiction of incorporation)

1-2918	61-0122250
(Commission File Number)	(I.R.S. Employer Identification No.)

50 E. RiverCenter Boulevard, Covington, Kentucky	41012-0391
(Address of principal executive offices)	(Zip Code)
P.O. Box 391, Covington, Kentucky	41012-0391
(Mailing Address)	(Zip Code)

Registrant's telephone number, including area code (859) 815-3333

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On January 28, 2005, Ashland Inc. ("Ashland") announced that it has made a revision to its first quarter fiscal 2005 results issued on January 25, 2005. As a result, net income was reduced to $94 million, or $1.28 a share, for the December 2004 quarter rather than the previously reported $101 million, or $1.39 a share. Operating income was reduced to $180 million from $193 million. There is no cash flow impact from this correction of past accounting treatment.

Subsequent to Ashland's earnings release on January 25, 2005, Ashland was informed by its independent public accounting firm that the major public accounting firms had re-evaluated the appropriateness of historical accounting practices within the industry for certain insurance policies issued through an energy industry mutual insurance consortium. After completing its own review and discussions with its independent accountants, Ashland has concluded, based on this re-evaluation, that accounting standards require a shareholder of a mutual insurance company to record a liability for the estimated effect of past losses of the shareholder group on the individual shareholder's future insurance premiums. As a result, Ashland recorded a liability of approximately $7 million for the estimated effect on its future premiums, which increased the operating loss from corporate activities to $27 million, compared to the previously reported $20 million.

In addition, Marathon Ashland Petroleum LLC (MAP) recorded a liability of $15 million for the estimated effect on its future premiums, which was included in the earnings Marathon Oil Corporation reported on January 27, 2005. Ashland's 38-percent share of that liability reduced Ashland's equity income from MAP by approximately $6 million. This reduction decreased Ashland's Refining and Marketing operating income to $136 million, compared to the previously reported $142 million.

Ashland has not yet filed its quarterly report on Form 10-Q for the quarter ended December 31, 2004. Ashland's financial statements in the 10-Q will reflect the revised accounting treatment. No restatement of prior periods was required as the impact on such periods would not have been material.

A copy of Ashland's January 28, 2005 press release with respect to this matter is attached as Exhibit 99.1 and is incorporated by reference into this Item 2.02.

The information in this report, being furnished pursuant to Item 2.02 of Form 8-K, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and is not incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated January 28, 2005

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASHLAND INC.

(Registrant)

Date: January 28, 2005

/s/ J. Marvin Quin

Name: J. Marvin Quin
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

99.1	Press Release dated January 28, 2005

EXHIBIT 99.1

[GRAPHIC OMITTED][GRAPHIC OMITTED]

News Release

FOR ADDITIONAL INFORMATION:

Media Relations:	Investor Relations:
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jevitak@ashland.com	wehenderson@ashland.com

FOR IMMEDIATE RELEASE:
January 28, 2005

ASHLAND INC. REVISES FIRST QUARTER EARNINGS

COVINGTON, KY. - Ashland Inc. (NYSE: ASH) announced today that it has made a revision to its first quarter fiscal 2005 results issued on January 25, 2005. As a result, net income was reduced to $94 million, or $1.28 a share, for the December 2004 quarter rather than the previously reported $101 million, or $1.39 a share. Operating income was reduced to $180 million from $193 million. There is no cash flow impact from this correction of past accounting treatment.

Subsequent to Ashland's earnings release on January 25, 2005, Ashland was informed by its independent public accounting firm that the major public accounting firms had re-evaluated the appropriateness of historical accounting practices within the industry for certain insurance policies issued through an energy industry mutual insurance consortium. After completing its own review and discussions with its independent accountants, Ashland has concluded, based on this re-evaluation, that accounting standards require a shareholder of a mutual insurance company to record a liability for the estimated effect of past losses of the shareholder group on the individual shareholder's future insurance premiums. As a result, Ashland recorded a liability of approximately $7 million for the estimated effect on its future premiums, which increased the operating loss from corporate activities to $27 million, compared to the previously reported $20 million.

In addition, Marathon Ashland Petroleum LLC (MAP) recorded a liability of $15 million for the estimated effect on its future premiums, which was included in the earnings Marathon Oil Corporation reported on January 27, 2005. Ashland's 38-percent share of that liability reduced Ashland's equity income from MAP by approximately $6 million. This reduction decreased Ashland's Refining and Marketing operating income to $136 million, compared to the previously reported $142 million.

Ashland has not yet filed its quarterly report on Form 10-Q for the quarter ended December 31, 2004. Ashland's financial statements in the 10-Q will reflect the revised accounting treatment. No restatement of prior periods was required as the impact on such periods would not have been material. Attached are revised unaudited financial statements.

Ashland Inc. (NYSE:ASH) is a Fortune 500 transportation construction, chemicals and petroleum company providing products, services and customer solutions throughout the world. To learn more about Ashland, visit www.ashland.com.

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. These statements include those that refer to Ashland's operating performance, earnings and expectations about the MAP transaction. Although Ashland believes its expectations are based on reasonable assumptions, it cannot assure the expectations reflected herein will be achieved. These forward-looking statements are based upon internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, weather, operating efficiencies and economic conditions, such as prices, supply and demand, cost of raw materials, and legal proceedings and claims (including environmental and asbestos matters) and are subject to a number of risks, uncertainties, and assumptions that could cause actual results to differ materially from those we describe in the forward-looking statements. The risks, uncertainties, and assumptions include the possibility that Ashland will be unable to fully realize the benefits anticipated from the MAP transaction; the possibility the transaction may not close including as a result of failure to receive a favorable ruling from the Internal Revenue Service or failure of Ashland to obtain the approval of its shareholders; the possibility that Ashland may be required to modify some aspect of the transaction to obtain regulatory approvals; and other risks that are described from time to time in the Securities and Exchange Commission (SEC) reports of Ashland. Other factors and risks affecting Ashland are contained in Ashland's Form 10-K for the fiscal year ended Sept. 30, 2004, filed with the SEC and available on Ashland's Investor Relations website at www.ashland.com/investors or the SEC's website at www.sec.gov. Ashland undertakes no obligation to subsequently update or revise the forward-looking statements made in this news release to reflect events or circumstances after the date of this news release.

Ashland Inc. and Consolidated Subsidiaries
STATEMENTS OF CONSOLIDATED INCOME
(In millions except per share data - unaudited)

	Three months ended December 31	
	2004	2003
REVENUES		
Sales and operating revenues	$ 2,177	$ 1,936
Equity income	146	38
Other income	17	13
	2,340	1,987
COSTS AND EXPENSES		
Cost of sales and operating expenses	1,849	1,611
Selling, general and administrative expenses	311	284
	2,160	1,895
OPERATING INCOME	180	92
Net interest and other financial costs	(31)	(30)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	149	62
Income taxes	(55)	(23)
INCOME FROM CONTINUING OPERATIONS	94	39
Results from discontinued operations (net of income taxes)	-	(5)
NET INCOME	$ 94	$ 34
DILUTED EARNINGS PER SHARE		
Income from continuing operations	$ 1.28	$ .56
Results from discontinued operations	-	(.07)
Net income	$ 1.28	$ .49
AVERAGE COMMON SHARES AND ASSUMED CONVERSIONS	73	69
SALES AND OPERATING REVENUES		
APAC	$ 611	$ 650
Ashland Distribution	895	698
Ashland Specialty Chemical	400	322
Valvoline	309	290
Intersegment sales	(38)	(24)
	$ 2,177	$ 1,936
OPERATING INCOME		
APAC	$ 7	$ 30
Ashland Distribution	24	13
Ashland Specialty Chemical	22	23
Valvoline	18	20
Refining and Marketing (a)	136	26
Corporate	(27)	(20)
	$ 180	$ 92

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(a) Includes Ashland's equity income from Marathon Ashland Petroleum LLC (MAP), amortization related to Ashland's excess investment in MAP, and other activities associated with refining and marketing.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions - unaudited)

	December 31	
	2004	2003
ASSETS		
Current assets		
Cash and cash equivalents	$ 146	$ 201
Accounts receivable	1,212	1,045
Inventories	538	483
Deferred income taxes	95	110
Other current assets	106	103
	2,097	1,942
Investments and other assets		
Investment in Marathon Ashland Petroleum LLC (MAP)	2,856	2,335
Goodwill	567	527
Asbestos insurance receivable (noncurrent portion)	396	403
Other noncurrent assets	370	296
	4,189	3,561
Property, plant and equipment		
Cost	3,166	3,087
Accumulated depreciation, depletion and amortization	(1,889)	(1,809)
	1,277	1,278
	$ 7,563	$ 6,781
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Debt due within one year	$ 575	$ 145
Trade and other payables	1,197	1,123
Income taxes	69	56
	1,841	1,324
Noncurrent liabilities		
Long-term debt (less current portion)	1,087	1,429
Employee benefit obligations	438	399
Deferred income taxes	248	221
Reserves of captive insurance companies	177	173
Asbestos litigation reserve (noncurrent portion)	553	562
Other long-term liabilities and deferred credits	375	355
	2,878	3,139
Common stockholders' equity	2,844	2,318
	$ 7,563	$ 6,781

STATEMENTS OF CONSOLIDATED CASH FLOWS
(In millions - unaudited)

	Three months ended December 31	
	2004	2003
CASH FLOWS FROM OPERATIONS		
Income from continuing operations	$ 94	$ 39
Expense (income) not affecting cash		
Depreciation, depletion and amortization (a)	46	48
Deferred income taxes	17	21
Equity income from affiliates	(146)	(38)
Distributions from equity affiliates	1	148
Other items	2	-
Change in operating assets and liabilities (b)	(68)	(150)
	(54)	68
CASH FLOWS FROM FINANCING		
Proceeds from issuance of common stock	20	17
Repayment of long-term debt	(98)	(38)
Increase in short-term debt	211	-
Dividends paid	(20)	(19)
	113	(40)
CASH FLOWS FROM INVESTMENT		
Additions to property, plant and equipment (a)	(55)	(53)
Purchase of operations - net of cash acquired	(95)	-
Other - net	2	9
	(148)	(44)
CASH USED BY CONTINUING OPERATIONS	(89)	(16)
Cash used by discontinued operations	(8)	(6)
DECREASE IN CASH AND CASH EQUIVALENTS	$ (97)	$ (22)
DEPRECIATION, DEPLETION AND AMORTIZATION		
APAC	$ 22	$ 25
Ashland Distribution	4	4
Ashland Specialty Chemical	11	10
Valvoline	6	6
Corporate	3	3
	$ 46	$ 48
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		
APAC	$ 33	$ 5
Ashland Distribution	5	1
Ashland Specialty Chemical	11	10
Valvoline	5	3
Corporate	1	34
	$ 55	$ 53

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(a) Excludes amounts related to equity affiliates. Ashland's 38 percent share of MAP's DD&A was $41 million in 2004 and $37 million in 2003, and its share of MAP's capital expenditures was $138 million in 2004 and $109 million in 2003.

(b) Excludes changes resulting from operations acquired or sold.

OPERATING INFORMATION BY INDUSTRY SEGMENT
(Unaudited)

	Three months ended December 31	
	2004	2003
APAC		
Construction backlog at December 31 (millions) (a)	$ 1,730	$ 1,659
Net construction job revenues (millions) (b)	$ 344	$ 366
Hot-mix asphalt production (million tons)	7.8	8.4
Aggregate production (million tons)	7.8	6.8
ASHLAND DISTRIBUTION (c)		
Sales per shipping day (millions)	$ 14.4	$ 11.3
Gross profit as a percent of sales	9.6%	9.6%
ASHLAND SPECIALTY CHEMICAL (c)		
Sales per shipping day (millions)	$ 6.4	$ 5.2
Gross profit as a percent of sales	24.2%	29.8%
VALVOLINE		
Lubricant sales (million gallons)	41.1	43.7
Premium lubricants (percent of U.S. branded volumes)	21.8%	19.4%
REFINING AND MARKETING (d)		
Refinery runs (thousand barrels per day)		
Crude oil refined	975	899
Other charge and blend stocks	200	184
Refined product yields (thousand barrels per day)		
Gasoline	644	612
Distillates	328	296
Asphalt	81	68
Other	140	116
Total	1,193	1,092
Refined product sales (thousand barrels per day) (e)	1,414	1,355
Refining and wholesale marketing margin (per barrel) (f)	$ 4.03	$ 1.71
Speedway SuperAmerica (SSA)		
Retail outlets at December 31	1,669	1,775
Gasoline and distillate sales (million gallons)	793	806
Gross margin - gasoline and distillates (per gallon)	$ .1219	$ .1145
Merchandise sales (millions)	$ 581	$ 547
Merchandise margin (as a percent of sales)	24.9%	24.8%

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(a) Includes APAC's proportionate share of the backlog of unconsolidated joint ventures.
(b) Total construction job revenues, less subcontract costs.
(c) Sales are defined as sales and operating revenues. Gross profit is defined as sales and operating revenues, less cost of sales and operating expenses.
(d) Amounts represent 100% of MAP's operations, in which Ashland owns a 38% interest.
(e) Total average daily volume of all refined product sales to MAP's wholesale, branded and retail (SSA) customers.
(f) Sales revenue less cost of refinery inputs, purchased products and manufacturing expenses, including depreciation.