



Ashland Inc. Lays Out Three-Year Growth Strategy at Analyst Day in New York City

With Transformation into Specialty Chemicals Now Complete, Ashland Focused on Delivering Top-Line Sales Growth and Earnings Expansion

COVINGTON, Ky. - Ashland Inc. (NYSE: ASH - News), a global leader in specialty chemical solutions for consumer and industrial markets, today outlined its three-year growth strategy at a conference for analysts and investors in New York City. The company's senior management team also shared several key financial targets, including sales and earnings per share, for fiscal 2014.

"Ashland today is a fundamentally different company than we were several years ago," said James J. O'Brien, Ashland chairman and chief executive officer. "Since 2004, we have completely transformed our business portfolio by divesting most of our cyclical businesses and focusing on higher-margin, faster-growing segments comprising specialty ingredients, water technologies, performance materials and consumer markets. With Ashland's transformation now complete, we are focused on driving top-line growth and earnings expansion through organic volume growth, margin expansion, cost efficiencies and strategic capital allocation."

Among the financial targets the company has established for fiscal 2014:

- Earnings before interest, taxes, depreciation and amortization (EBITDA¹) of \$1.7 billion, up from a pro forma \$1.2 billion in fiscal 2011;
- EBITDA margin of 17-18 percent, up from pro forma 14.2 percent in fiscal 2011;
- Estimated earnings per share from continuing operations in the \$9.50 - \$10.50 range, up from adjusted earnings per share of \$3.90² in fiscal 2011; and
- Annual capital expenditures of approximately \$350 million, up from \$201 million in 2011.

Supporting that projected sales and earnings growth will be a broader focus on innovation and new technology across each of the company's four business units: Ashland Specialty Ingredients (ASI), Ashland Water Technologies (AWT), Ashland Performance Materials (APM) and Ashland Consumer Markets (ACM). For example, Specialty Ingredients, which accounts for just over 30 percent of Ashland's pro forma annual sales but more than half of the company's pro forma EBITDA, sees particularly attractive growth opportunities in the pharmaceutical, personal care and coatings markets. ASI's array of products includes ingredients that help whiten teeth and protect skin from sun damage, to coatings that eliminate paint spatter. O'Brien said Water Technologies, the global No. 1 in specialty chemicals and services for the pulp and paper industries, is taking aim at industrial markets such as mining, pulp and food and beverage, which together comprise a \$25 billion market opportunity. Performance Materials, which provides resins, specialty adhesives and elastomers to various markets, is targeting growth in areas such as wind energy and mining. For example, APM supplies resins used in making longer, lighter blades for wind turbines. Consumer Markets, which primarily provides vehicle lubricants under the Valvoline™ brand name, is targeting continued international growth, new product launches such as its successful NextGen™ motor oil and system-wide growth of its Valvoline Instant Oil Change™ quick-lube chain.

Ashland's reinvention, and its impact on the company's financial performance, has been dramatic. In 2004, approximately 88 percent of Ashland's sales came from North America. Today nearly half of the company's sales come from outside the United States, with approximately 20 percent coming from high-growth, emerging markets such as Asia Pacific and Latin America. Ashland's strategic focus on specialty chemicals has helped fuel a dramatic improvement in operating margins, with pro forma EBITDA roughly doubling from \$600 million in 2004 to \$1.2 billion in fiscal 2011.

"This is an exciting time for Ashland and our 15,000 employees around the world," said O'Brien. "Working together, we have dramatically reshaped the company and positioned it for long-term success. I believe we have the right teams and strategy in place to drive sustainable sales and earnings growth across our portfolio of businesses in the years ahead. Now it is time to execute our plan and deliver the performance that all of us expect."

Analyst Day Webcast Replay

Ashland's investor day was attended by more than 100 analysts and portfolio managers and was webcast. A replay of the

webcast, along with supporting materials, will be available within 24 hours of the live event through the Ashland website at <http://investor.ashland.com>. Copies of the presentations may also be requested by sending an email to investor_relations@ashland.com or by calling (859) 815-4454.

Use of Non-GAAP³ 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 - News) 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 www.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: the possibility that the benefits anticipated from the acquisition of International Specialty Products Inc. (ISP) will not be fully realized, the substantial indebtedness Ashland has incurred to finance the acquisition of ISP (including the possibility that such debt 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) and Forms 10-Q filed with the SEC, which are available on Ashland's website at <http://investor.ashland.com> or on the SEC's website at 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.

¹ EBITDA previously reported has been adjusted for certain key items.

² Adjusted earnings per share, including amended treatment of pension.

³ Generally accepted accounting principles (U.S.)

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