

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): April 22, 2003

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

Kentucky
(State or other jurisdiction of incorporation)

1-2918
(Commission File Number)

61-0122250
(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

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated April 22, 2003

Item 9. Regulation FD Disclosure

On April 22, 2003, Ashland Inc. reported its fiscal 2003 second quarter results, which are discussed in more detail in the press release attached hereto as Exhibit 99.1. The information, furnished under "Item 9. Regulation FD Disclosure," is intended to be furnished under "Item 12. Results of Operations and Financial Condition," in accordance with Securities and Exchange Commission Release No. 33-8216.

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: April 22, 2003

/s/ J. Marvin Quin

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

EXHIBIT INDEX

99.1 Press Release dated April 22, 2003

FOR FURTHER INFORMATION:

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FOR IMMEDIATE RELEASE
April 22, 2003

ASHLAND INC. ANNOUNCES MARCH QUARTER RESULTS

Covington, Ky. - The following was issued today by Ashland Inc. (NYSE:ASH):

FISCAL 2003: SECOND QUARTER HIGHLIGHTS

- o Ashland reports net loss due to a sluggish economy and seasonality of businesses
- o Road construction operations report large operating loss, reflecting the harsh winter and higher energy prices
- o Operating profits from refining and marketing up from prior-year quarter
- o Specialty Chemical down; Distribution results improve
- o Solid performance from Valvoline

In millions except earnings per share	Quarter ended March 31 2003	Quarter ended March 31 2002	Six months ended March 31 2003	Six months ended March 31 2002
Operating income (loss)	\$ (21)	\$ (1)	\$ 16	\$ 97
Income (loss) from continuing operations	\$ (34)	\$ (21)	\$ (32)	\$ 17
Net income (loss)	\$ (39)	\$ (21)	\$ (131)	\$ 5
Diluted earnings (loss) per share:				
Income (loss) from continuing operations	\$ (.50)	\$ (.31)	\$ (.46)	\$.24
Net income (loss)	\$ (.57)	\$ (.31)	\$ (1.91)	\$.08

Ashland Inc. today reported a net loss of \$39 million, or 57 cents a share, for the quarter ended March 31, the second quarter of the company's 2003 fiscal year. Ashland had a loss from continuing operations of \$34 million, or 50 cents a share, for the March 2003 quarter. These results compared to a loss of \$21 million, or 31 cents a share, for the same quarter last year. Results from continuing operations in the quarter a year ago included an \$18 million after-tax, non-cash gain, equal to 25 cents a share, to adjust the carrying value of Marathon

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Ashland Petroleum (MAP) inventories to the lower of cost or market value. (Ashland owns 38 percent of MAP, a petroleum refining and marketing joint venture with Marathon Oil Corporation.) An after-tax charge of \$5 million, equal to 7 cents a share, is reflected in discontinued operations in the March 2003 quarter for future asbestos liabilities less probable insurance recoveries. Overall activity related to asbestos litigation remained consistent with previously established reserves. Additional quarterly charges are being recognized to maintain reserves at a level adequate to cover future payments over a rolling 10-year period.

For the six months ended March 31, 2003, Ashland reported a net loss of \$131 million, or \$1.91 a share, compared to net income of \$5 million, or 8 cents a share for the same period last year. Ashland had a loss from continuing operations of \$32 million, or 46 cents a share, for the 2003 period, compared to income of \$17 million, or 24 cents a share, for the 2002 period. An after-tax charge of \$99 million, equal to \$1.45 a share, associated with estimated future asbestos liabilities less probable insurance recoveries, is reflected in discontinued operations for the 2003 period.

"Normal seasonality makes the March quarter our most difficult earnings period," said James J. O'Brien, Ashland Inc. chairman and chief executive officer. "This quarter has been even tougher than usual because of volatile crude oil markets, a harsh winter and continued economic weakness."

REVIEW OF OPERATIONS

Commenting on operations, O'Brien noted that results from refining and marketing improved over the quarter last year due to stronger margins and wider differentials between sweet and sour crude oil prices. These improvements were partially offset by a 10% drop in refinery throughputs due to planned and unplanned maintenance at MAP refineries, as well as higher maintenance and natural gas costs.

APAC reported an operating loss of \$57 million, compared with a loss of \$14 million in last year's quarter. APAC continues to suffer from adverse construction weather and high hydrocarbon costs. Asphaltic mix and aggregate production were down 11% and 10%, respectively, compared to the same period last year. Operating expenses included higher costs for liquid asphalt and the fuels used to operate plants and equipment. APAC also continues to incur implementation costs associated with its business process re-design initiative, Project PASS.

"We typically experience a slowdown in the second quarter, but this year has been markedly slower," O'Brien explained. "Heavier than normal precipitation in the December quarter continued through most of the March period, while temperatures have been colder than usual in about half of our operating area. These factors severely limited paving

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operations and the sale of construction materials." During the quarter, APAC won more than 400 job awards of more than \$100,000 each, raising its backlog to a record \$1.8 billion.

Looking forward, APAC's ability to achieve its previously announced target of 10% return on investment in fiscal 2004 is subject to a number of factors, including: successfully achieving internally generated cost savings - which are on track, adequate governmental funding of highway construction programs, normal weather conditions and reasonable energy costs.

Results from Ashland's chemical businesses were mixed. Operating income from Ashland Specialty Chemical was \$8 million, down from \$18 million earned during the March quarter of last year. Sales per shipping day increased by 8%, despite weak industrial output. However, rising raw material prices were the primary factor contributing to the decline in profits. The composite polymers, maleic anhydride, and specialty polymers and adhesives businesses were hardest hit by the rising costs, necessitating price increases that went into effect April 1, 2003.

Ashland Distribution had operating income of \$7 million in the quarter, compared to a \$4 million operating loss a year ago. "Margins have been under some pressure as a result of hydrocarbon-driven cost increases for chemicals and plastics," O'Brien said. "However, sales per shipping day increased by 13% compared to the same period last year, which indicates that we're doing a better job of satisfying our customers. While we are pleased with this progress, Ashland Distribution's sales levels have not yet returned to their historical peak."

Valvoline continued to perform well. Operating income was \$18 million in the March quarter compared to \$17 million in the same period last year. Overall sales revenues increased 10% over last year's quarter. The improvement reflects higher branded lubricant sales volumes and improved international sales. Additionally, an increase in the average ticket price from Valvoline Instant Oil Change contributed to its record March quarter earnings. The most significant contributor to Valvoline's profits is continued success in the premium products category. While our total U.S. branded lubricant volumes were up 6% this quarter, premium product volumes were up 25%.

OUTLOOK

"In summary, the March quarter was disappointing. However, we are optimistic about the second half of our fiscal year, when we typically earn most of our income," O'Brien said. "We know our work is cut out for us. To a large extent, our earnings are dependent on three factors: the weather in APAC's operating area, refining and marketing margins, and the health of the U.S. economy. While we cannot predict the weather, we're seeing encouraging signs in refining and marketing, and the domestic economy appears to be recovering.

"Our goal is to become a top quartile performer within each of the industries in which we operate, and we are moving aggressively to take necessary actions to achieve that goal. As

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these actions are fully implemented, we expect them to result in greater profitability for the corporation." O'Brien added that the company is making good progress in the way it goes to market, serves customers and operates its businesses.

Today at 11:00 a.m. (EDT), Ashland will provide a live audio webcast of its quarterly conference call with securities analysts. The webcast will be accessible through Ashland's Investor Relations website, www.ashland.com/investors. Following the live event, an archived version of the webcast will be available on the Ashland website. Minimum requirements to listen to the webcast include the free Windows MediaPlayer software and a 28.8 Kbps connection to the Internet.

Ashland Inc. (NYSE:ASH) is a Fortune 500 company providing products, services, and customer solutions throughout the world. Our businesses include road construction, specialty chemicals, lubricants, car-care products, chemical and plastics distribution and transportation fuels. Through the dedication of our employees, we are "The Who In How Things Work(TM)." Find us at www.ashland.com.

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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, with respect to Ashland's operating performance, earnings, and scope and effect of asbestos liabilities. These estimates are based upon a number of assumptions, including those mentioned within this news release. Such estimates are also 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). Although Ashland believes its expectations are based on reasonable assumptions, it cannot assure the expectations reflected herein will be achieved. This forward-looking information may prove to be inaccurate and actual results may differ significantly from those anticipated if one or more of the underlying assumptions or expectations proves to be inaccurate or is unrealized or if other unexpected conditions or events occur. Other factors and risks affecting Ashland are contained in Ashland's Form 10-K for the fiscal year ended Sept. 30, 2002, as amended. 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 release.

(R)Registered trademark, Ashland Inc.

(TM)Trademark, Ashland Inc.

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

	Three months ended March 31		Six months ended March 31	
	2003	2002	2003	2002
REVENUES				
Sales and operating revenues	\$ 1,692	\$ 1,598	\$ 3,479	\$ 3,410
Equity income	29	9	64	61
Other income	15	18	38	37
	1,736	1,625	3,581	3,508
COSTS AND EXPENSES				
Cost of sales and operating expenses	1,402	1,290	2,852	2,755
Selling, general and administrative expenses	300	282	604	550
Depreciation, depletion and amortization	55	54	109	106
	1,757	1,626	3,565	3,411
OPERATING INCOME (LOSS)				
Net interest and other financial costs	(21)	(1)	16	97
	(32)	(34)	(65)	(70)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES				
Income taxes	(53)	(35)	(49)	27
	19	14	17	(10)
INCOME (LOSS) FROM CONTINUING OPERATIONS				
Results from discontinued operations (net of income taxes)	(34)	(21)	(32)	17
	(5)	-	(99)	-
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE				
Cumulative effect of accounting change (net of income taxes)	(39)	(21)	(131)	17
	-	-	-	(12)
NET INCOME (LOSS)				
	\$ (39)	\$ (21)	\$ (131)	\$ 5
DILUTED EARNINGS (LOSS) PER SHARE				
Income (loss) from continuing operations	\$ (.50)	\$ (.31)	\$ (.46)	\$.24
Results from discontinued operations	(.07)	-	(1.45)	-
Cumulative effect of accounting change	-	-	-	(.16)
	(.57)	(.31)	(1.91)	.08
AVERAGE COMMON SHARES AND ASSUMED CONVERSIONS				
	68	69	68	70
SALES AND OPERATING REVENUES				
APAC	\$ 374	\$ 424	\$ 932	\$ 1,105
Ashland Distribution	712	621	1,348	1,205
Ashland Specialty Chemical	326	300	659	612
Valvoline	301	273	582	528
Intersegment sales	(21)	(20)	(42)	(40)
	\$ 1,692	\$ 1,598	\$ 3,479	\$ 3,410
OPERATING INCOME (LOSS)				
APAC	\$ (57)	\$ (14)	\$ (56)	\$ 22
Ashland Distribution	7	(4)	15	5
Ashland Specialty Chemical	8	18	26	34
Valvoline	18	17	32	28
Refining and Marketing (a)	21	-	45	45
Corporate	(18)	(18)	(46)	(37)
	\$ (21)	\$ (1)	\$ 16	\$ 97

(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.

(b) Includes Ashland's share of income (\$29 million pretax, \$18 million after tax, \$.25 per share) from adjustments to MAP's inventory market valuation (IMV) reserve. The reserve reflects the excess of the LIFO cost of MAP's crude oil and refined product inventories over their net realizable values.

Ashland Inc. and Consolidated Subsidiaries
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In millions - unaudited)

	March 31	
	2003	2002
ASSETS		
Current assets		
Cash and cash equivalents	\$ 106	\$ 156
Accounts receivable	1,061	992
Inventories	509	475
Deferred income taxes	89	121
Other current assets	146	91
	-----	-----
	1,911	1,835
Investments and other assets		
Investment in Marathon Ashland Petroleum LLC (MAP)	2,315	2,328
Goodwill	525	515
Asbestos insurance receivable (noncurrent portion)	394	170
Other noncurrent assets	358	388
	-----	-----
	3,592	3,401
Property, plant and equipment		
Cost	3,128	3,063
Accumulated depreciation, depletion and amortization	(1,758)	(1,639)
	-----	-----
	1,370	1,424
	-----	-----
	\$ 6,873	\$ 6,660
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Debt due within one year	\$ 243	\$ 241
Trade and other payables	1,260	1,104
Income taxes	16	96
	-----	-----
	1,519	1,441
Noncurrent liabilities		
Long-term debt (less current portion)	1,568	1,625
Employee benefit obligations	480	448
Deferred income taxes	181	226
Reserves of captive insurance companies	186	183
Asbestos litigation reserve (noncurrent portion)	530	157
Other long-term liabilities and deferred credits	353	377
	-----	-----
	3,298	3,016
Common stockholders' equity	2,056	2,203
	-----	-----
	\$ 6,873	\$ 6,660
	=====	=====

Ashland Inc. and Consolidated Subsidiaries
 STATEMENTS OF CONSOLIDATED CASH FLOWS
 (In millions - unaudited)

	Six months ended March 31	
	2003	2002
CASH FLOWS FROM OPERATIONS		
Income (loss) from continuing operations	\$ (32)	\$ 17
Expense (income) not affecting cash		
Depreciation, depletion and amortization (a)	109	106
Deferred income taxes	22	(79)
Equity income from affiliates	(64)	(61)
Distributions from equity affiliates	98	119
Change in operating assets and liabilities (b)	(21)	(92)
	-----	-----
	112	10
CASH FLOWS FROM FINANCING		
Proceeds from issuance of common stock	1	11
Repayment of long-term debt	(161)	(55)
Increase in short-term debt	165	50
Dividends paid	(37)	(38)
	-----	-----
	(32)	(32)
CASH FLOWS FROM INVESTMENT		
Additions to property, plant and equipment (a)	(55)	(92)
Purchase of operations - net of cash acquired	(5)	(8)
Proceeds from sale of operations	6	-
Other - net	(6)	20
	-----	-----
	(60)	(80)
CASH PROVIDED (USED) BY CONTINUING OPERATIONS		
Cash provided (used) by discontinued operations	20	(102)
	(4)	22
	-----	-----
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 16	\$ (80)
	=====	=====
DEPRECIATION, DEPLETION AND AMORTIZATION		
APAC	\$ 55	\$ 56
Ashland Distribution	10	10
Ashland Specialty Chemical	26	24
Valvoline	13	11
Corporate	5	5
	-----	-----
	\$ 109	\$ 106
	=====	=====
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		
APAC	\$ 22	\$ 57
Ashland Distribution	3	7
Ashland Specialty Chemical	17	14
Valvoline	7	11
Corporate	6	3
	-----	-----
	\$ 55	\$ 92
	=====	=====

(a) Excludes amounts related to equity affiliates. Ashland's 38 percent share of MAP's DD&A was \$69 million in 2003 and \$68 million in 2002, and its share of MAP's capital expenditures was \$166 million in 2003 and \$111 million in 2002.

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

Ashland Inc. and Consolidated Subsidiaries
 OPERATING INFORMATION BY INDUSTRY SEGMENT
 (Unaudited)

	Three months ended March 31		Six months ended March 31	
	2003	2002	2003	2002
APAC				
Construction backlog at March 31 (millions) (a)			\$ 1,800	\$ 1,658
Hot-mix asphalt production (million tons)	4.1	4.6	11.2	13.9
Aggregate production (million tons)	5.3	5.9	12.4	13.8
Ready-mix concrete production (million cubic yards)	0.4	0.4	0.9	1.0
ASHLAND DISTRIBUTION (b)				
Sales per shipping day (millions)	\$ 11.3	\$ 10.0	\$ 10.8	\$ 9.7
Gross profit as a percent of sales	15.6%	15.9%	15.8%	16.2%
ASHLAND SPECIALTY CHEMICAL (b)				
Sales per shipping day (millions)	\$ 5.2	\$ 4.8	\$ 5.3	\$ 4.9
Gross profit as a percent of sales	33.3%	36.2%	33.9%	35.3%
VALVOLINE				
Lubricant sales (million gallons)	48.6	48.6	92.9	91.8
Premium lubricants (percent of U.S. branded volumes)	18.7%	15.6%	17.8%	14.8%
REFINING AND MARKETING (c)				
Refinery runs (thousand barrels per day)				
Crude oil refined	853	891	842	908
Other charge and blend stocks	96	160	130	168
Refined product yields (thousand barrels per day)				
Gasoline	483	591	525	604
Distillates	257	278	268	293
Asphalt	66	65	65	68
Other	143	123	115	117
Total	949	1,057	973	1,082
Refining and wholesale marketing margin (per barrel) (d)	\$ 1.71	\$ 0.68	\$ 1.82	\$ 1.74
Speedway SuperAmerica (SSA)				
Gasoline and distillate sales (million gallons)	829	852	1,726	1,768
Gross margin - gasoline and distillates (per gallon)	\$.1166	\$.0827	\$.1085	\$.0989

(a) Includes APAC's proportionate share of the backlog of unconsolidated joint ventures.

(b) Sales are defined as sales and operating revenues. Gross profit is defined as sales and operating revenues, less cost of sales and operating expenses, and depreciation and amortization relative to manufacturing assets.

(c) Amounts represent 100% of MAP's operations, in which Ashland owns a 38% interest.

(d) Sales revenue less cost of refinery inputs, purchased products and manufacturing expenses, including depreciation.

