

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): June 30, 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 5. Other Events

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On June 30, 2003, Ashland Inc. ("Ashland") announced that it has signed a definitive agreement to sell the net assets of its Electronic Chemicals business and certain related subsidiaries to Air Products. The transaction is valued at approximately \$300 million before tax, and Ashland's after-tax proceeds will be used primarily to reduce debt.

The Electronic Chemicals business has annual sales revenues of approximately \$200 million. Ashland expects the transaction to close within 60 days, with the gain on the sale being reflected in the September 2003 quarter. The results of the Electronic Chemicals business will be reclassified as discontinued operations in Ashland's June 2003 financial statements, with all prior periods restated. If Ashland had divested the Electronic Chemicals business at the beginning of its current fiscal year (October 1, 2002) and used the proceeds to repay short-term debt, Ashland's earnings for the first half of fiscal 2003 would have been reduced by 7 cents a share, assuming repayment of short-term debt at a before-tax cost of 1.75 percent.

The transaction is discussed in more detail in the press release attached hereto as Exhibit 99.1, which is incorporated herein by reference in its entirety.

Item 7. Financial Statements and Exhibits

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(c) Exhibits



SIGNATURES

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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.

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(Registrant)

Date: June 30, 2003

/s/ David L. Hausrath

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Name: David L. Hausrath  
Title: Vice President and  
General Counsel

EXHIBIT INDEX  
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99.1 Press Release dated June 30, 2003



FOR FURTHER INFORMATION:

Media Relations:	Investor Relations:
Margaret Thomson	Bill Henderson
(859) 815-3039	(859) 815-4454
mrthomson@ashland.com	wehenderson@ashland.com

FOR IMMEDIATE RELEASE

June 30, 2003

ASHLAND AGREES TO SELL ITS  
ELECTRONIC CHEMICALS  
BUSINESS GROUP TO AIR PRODUCTS

Covington, Ky. -- Ashland Inc. (NYSE:ASH) announced today it has signed a definitive agreement to sell the net assets of its Electronic Chemicals business and certain related subsidiaries to Air Products in a transaction valued at approximately \$300 million before tax. Ashland's after-tax proceeds will be used primarily to reduce debt.

"This transaction will be a win for all parties," said James J. O'Brien, Ashland Chairman and Chief Executive Officer, in announcing the agreement. "Air Products benefits through business expansion, and the outlook for the Electronic Chemicals business and employees is much stronger as part of an organization that is targeting growth in the semiconductor industry."

O'Brien added that the transaction furthers the profitability improvement plan he announced in October. "The sale of the Electronic Chemicals business reflects our strategy to optimize our business mix and focus greater attention on the remaining specialty chemical businesses and other transportation-related and construction operations where we can achieve strategic advantage. The transaction moves us significantly closer to our goal of reducing debt to 35 percent of total capital," O'Brien said. He confirmed the company expects to reach that target in fiscal 2004.

Ashland expects the transaction to close within 60 days. Both Ashland and Air Products expect a seamless transition with no disruption in customer service or supply. The agreement calls for Ashland to provide certain administrative services during the transition period. Air Products will assume operations at manufacturing and sales facilities upon closing. The closing is conditional upon a number of standard closing conditions, including several regulatory reviews.

Electronic Chemicals is a part of Ashland Specialty Chemical Company, a wholly owned division of Ashland Inc. With revenues of approximately \$200 million a year, Electronic Chemicals provides ultra pure chemicals and other products and services to the worldwide semiconductor industry. The business employs about 800 people and includes three U.S. manufacturing locations in Pueblo, Colo.; Easton, Pa.; and Dallas, Texas, as well as facilities in Italy, South Korea and Taiwan. It

-more-

also includes chemical management services on-site at customer locations, and full-service equipment parts cleaning, refurbishment and maintenance services handled through facilities in Gilbert and Tempe, Ariz., and Austin and Carrollton, Texas.

ABOUT ASHLAND

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

ABOUT AIR PRODUCTS

Air Products (NYSE:APD) serves customers in technology, energy,

healthcare and industrial markets worldwide with a unique portfolio of products, services and solutions, providing atmospheric gases, process and specialty gases, performance materials and chemical intermediates. The company is the largest global supplier of electronic materials, hydrogen, helium and select performance chemicals. Founded in 1940, Air Products is recognized for its innovative culture, operational excellence and commitment to safety and the environment. With annual revenues of \$5.4 billion and operations in over 30 countries, the company's 17,200 employees build lasting relationships with their customers and communities based on understanding, integrity and passion. For more information, visit [www.airproducts.com](http://www.airproducts.com).

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.