



Ashland Celebrates Grand Opening of Nanjing Hydroxyethylcellulose (HEC) Production Facility: Dedicates World-Class Plant to Serve Customers in China and Asia Pacific Region

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Ashland Inc. (NYSE: ASH) today celebrated the grand opening of its new Natrosol™ hydroxyethylcellulose (HEC) production facility in Nanjing. At \$90 million, the new facility represents Ashland's largest single investment in China and the Asia Pacific region. This world-class manufacturing plant is located within the Nanjing Chemical Industry Park, a modern, highly integrated chemical manufacturing complex, and it is supported by 115 employees.

The celebration was attended by officials from various levels within the Jiangsu provincial and Nanjing municipal governments. More than 300 people, including customers from around the world, suppliers and prominent members of the media gathered with Ashland's senior management team and plant employees to mark the occasion.

The new facility is Ashland's fourth HEC production facility, complementing manufacturing sites located in North America and Europe. After a 2-year construction process, which saw zero recordable incidents at the site, this 130,350 square-meter new facility successfully started producing HEC in early November. Natrosol™ HEC is a cellulosic polymer used as an additive in a wide variety of industrial and consumer products, including latex paints, paper coatings and personal care items such as shampoos and shower gels. With an initial annual capacity of 10,000 metric tons, the plant's infrastructure is designed for further expansion to meet the increasing market demand across Asia. The facility also includes an applications laboratory and technical training facilities.

"Planning for growth within our business takes time. In fact, it was over four years ago when we purchased land in Nanjing," said John Panichella, president, Ashland Aqualon Functional Ingredients, during the grand opening ceremony. "I am extremely pleased with the design and construction of the facility and particularly proud that we accomplished the design by leveraging internal resources from our other HEC plants. The production facility in Nanjing will be a great addition to our HEC network," he added.

"Thanks to the great support from the local government, and our manufacturing and process technology teams, this new facility reflects Ashland's commitment to maintaining the highest production standards for HEC products. It also reinforces our commitment to offer locally produced, state-of-the-art products and technical support to our customers in the region," said Dale MacDonald, vice president, Coating Additives, Ashland Aqualon Functional Ingredients.

Nandu Dhekne, vice president, Asia Pacific, Ashland Aqualon Functional Ingredients, spoke to those gathered during the appreciation luncheon following the grand opening ceremony. "Ashland's commitment to China is long-term. We will continue to bring the newest and most advanced technologies and products to China. Our zero-incident culture will be fully embraced in the daily operations here, and we will maintain our commitment to being a model of responsible corporate citizenship in the local community," he said.

Over the next few years, Ashland expects steady growth in the field of cellulose ethers driven by the need for more environmentally friendly and sustainable materials. As the world's leading producer of cellulose ethers, with many of its products derived from renewable and natural raw materials, Ashland is well positioned to meet this increasing market demand.

About Ashland Aqualon Functional Ingredients

Ashland Aqualon Functional Ingredients is a leading producer of hydrocolloids, primarily cellulose ethers, worldwide. It provides specialty additives and functional ingredients that manage the physical properties of aqueous and non-aqueous systems including rheology control, water retention, bonding strength, film formation, conditioning, deposition and stabilization. Many of its products — used in paint and coatings, construction, food, personal care, pharmaceuticals, oil and gas field production and specialty industries — are derived from renewable and natural raw materials.

About Ashland

In more than 100 countries, the people of Ashland Inc. (NYSE: ASH) 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, personal care, pharmaceutical, tissue and towel, and water treatment. Visit <http://www.ashland.com> to see the innovations we offer through our five commercial units — Ashland Aqualon Functional Ingredients, Ashland Hercules Water Technologies, Ashland Performance Materials, Ashland Consumer Markets (Valvoline) and Ashland Distribution. Ashland's Asia Pacific regional headquarters is located in Shanghai with approximately 2,400 employees in the region. In China, Ashland has

manufacturing facilities in Beijing, Tianjin, Shanghai, Nanjing, Changzhou, Kunshan and Jiangmen. In addition, Ashland has invested in three technical centers located in Shanghai and Nanjing.

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