



Fourth-Quarter Fiscal 2010 Earnings

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October 26, 2010

Forward-Looking Statements

This presentation 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 forward-looking statements are based upon a number of assumptions, including those mentioned within this presentation. Performance estimates are also based upon internal forecasts and analyses of current and future market conditions and trends (including the ability to recover raw-material cost increases through price increases); management plans and strategies; operating efficiencies and economic conditions; and legal proceedings and claims (including environmental and asbestos matters). Other risks and uncertainties include those that are described in filings made by Ashland with the Securities and Exchange Commission, including its most recent Forms 10-K and 10-Q, which are available on Ashland's website at <http://investor.ashland.com> or at www.sec.gov. Ashland believes its expectations are reasonable, but cannot assure they will be achieved. Forward-looking information may prove to be inaccurate, and actual results may differ significantly from those anticipated. Ashland is not obligated to subsequently update or revise the forward-looking statements made in this presentation.

Regulation G: Adjusted Results

The information presented herein regarding certain unaudited adjusted results does not conform to generally accepted accounting principles (GAAP) and should not be construed as an alternative to the reported results determined in accordance with GAAP. Management has included this non-GAAP information to assist in understanding the operating performance of the company and its segments. The non-GAAP information provided may not be consistent with the methodologies used by other companies. All non-GAAP information related to previous Ashland filings has been reconciled with reported GAAP results.

Fiscal Fourth Quarter 2010

Highlights¹

- Reported EPS from continuing operations of 91 cents
 - Adjusted EPS of \$1.05 versus 96 cents in September 2009 quarter
- Sales of \$2.4 billion, 13% increase over September 2009 quarter
- Adjusted EBITDA of \$201 million
- Generated \$102 million of free cash flow²
- Ashland Performance Materials and Ashland Distribution delivered strong sequential results despite typical seasonality
- Ashland Consumer Markets strengthened toward quarter-end as previously announced price increase gained traction
- Continued raw-material cost pressures affected Ashland Hercules Water Technologies and Ashland Aqualon Functional Ingredients unfavorably

¹ Ashland's fourth-quarter earnings release dated Oct. 26, 2010, available on Ashland's website at <http://investor.ashland.com>, reconciles adjusted amounts to amounts reported under GAAP.

² Free cash flow is defined as Cash Flows Provided by Operating Activities from Continuing Operations less Additions to Property, Plant and Equipment less Cash Dividends Paid.

Fiscal Fourth Quarter

Key Items Affecting Income

(\$ in millions, except EPS) Preliminary	Pretax						Aftertax	
	Ashland Aqualon Functional Ingredients	Ashland Hercules Water Tech- nologies	Ashand Performance Materials	Ashand Consumer Markets (Valvoline)	Ashland Distribu- tion	Unallo- cated and Other	Total	Earnings per Share
2010								
Severance and accelerated depreciation			\$ (17)		\$		\$ (15)	\$ (0.19)
Environmental remediation assessment					(6)		(4)	(0.05)
Tax adjustments related to previous acquisitions and divestitures							8	0.10
Total			\$ (17)		\$ (6)		\$ (11)	\$ (0.14)
2009								
Severance and accelerated depreciation	\$ (9)	\$ (2)	\$ (8)	\$	\$ (1)	\$ (3)	\$ (15)	\$ (0.20)
Insurance reserve adjustment		3	4	3	4		9	0.12
Accelerated debt amortization resulting from early term loan retirement							(6)	(0.08)
Gain on acquisitions and divestitures							38	0.50
Total	\$ (9)	\$ 1	\$ (4)	\$ 3	\$ 3	\$ (3)	\$ 26	\$ 0.34

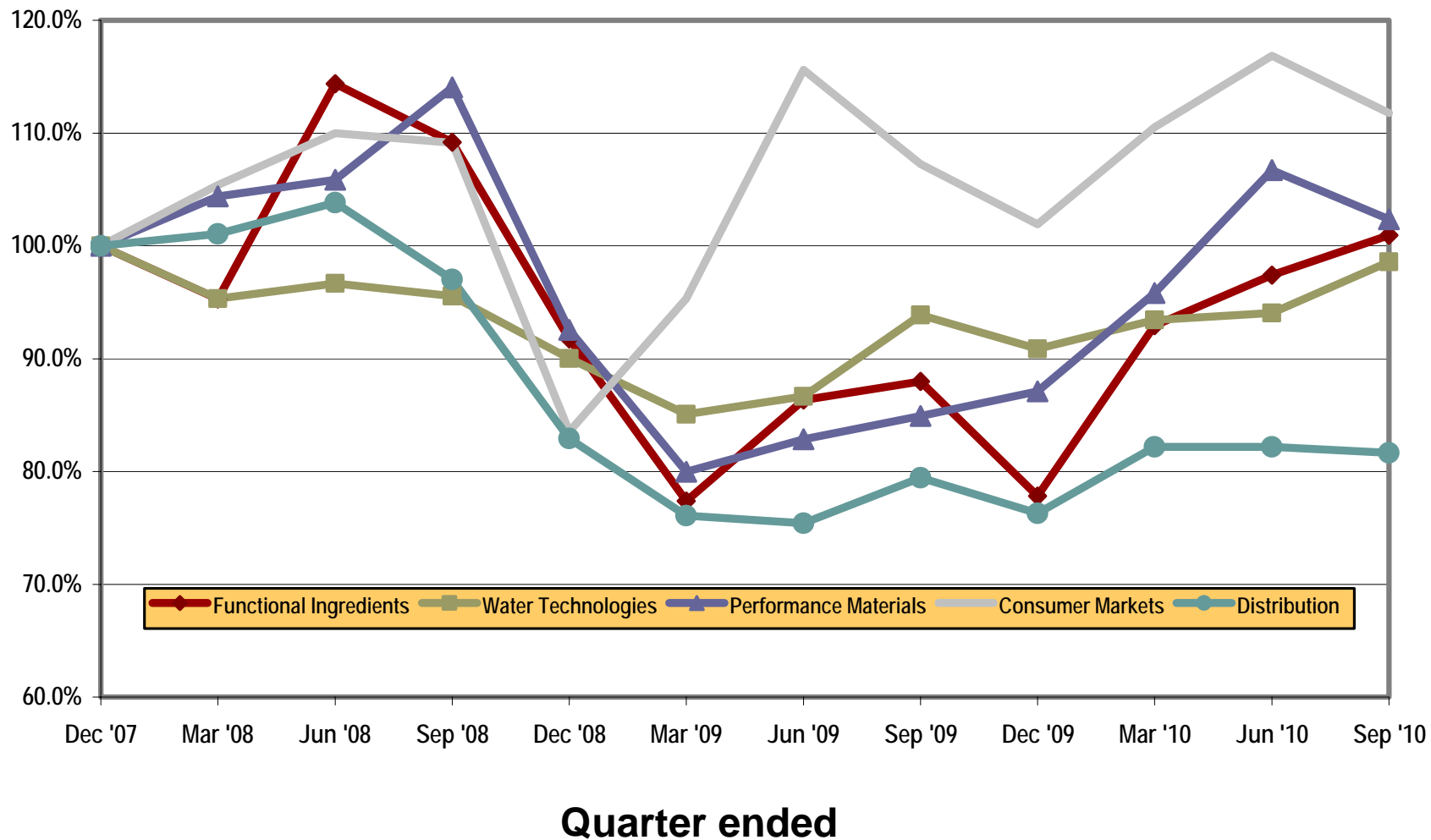
- Intangible amortization expense in fourth quarter
 - \$17 million in 2010 and \$22 million in 2009

Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Fourth Quarter			Three months ended	
	Three months ended Sept. 30,			June 30,	
	2010	2009	Change	2010	Change
Sales	\$ 2,382	\$ 2,113	13 %	\$ 2,362	1 %
Gross profit as a percent of sales	20.8 %	24.4 %	(360) bp	22.2 %	(140) bp
Selling, general and admin./R&D costs	\$ 377	\$ 383	(2) %	\$ 374	1 %
Operating income	\$ 129	\$ 142	(9) %	\$ 163	(21) %
Operating income as a percent of sales	5.4 %	6.7 %	(130) bp	6.9 %	(150) bp
Depreciation and amortization	\$ 72	\$ 82	(12) %	\$ 74	(3) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 201	\$ 224	(10) %	\$ 237	(15) %
EBITDA as a percent of sales	8.4 %	10.6 %	(220) bp	10.0 %	(160) bp

- Strong sales growth versus September 2009 quarter
- Margin compression in three of five commercial units primarily due to raw material inflation

Recent Volume Trends¹

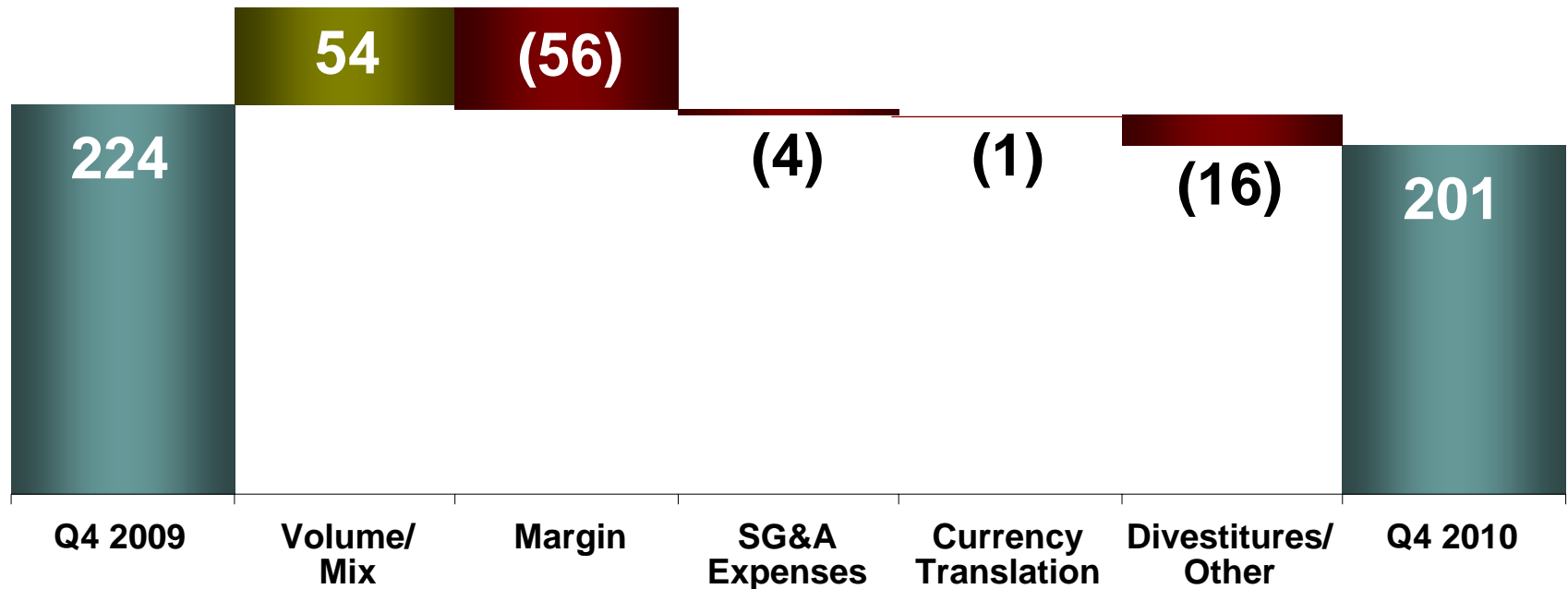


¹ Excludes divested Pinova and Drew Marine businesses and acquisition of Ara Quimica.

Q4 FY 2009 vs. Q4 FY 2010

Factors Impacting Adjusted EBITDA

(\$ millions)
Preliminary



- Significantly improved volume and mix effects in the quarter
- Rising raw material costs compressed margins
 - Offsetting price increases continue to be announced

Liquidity and Net Debt

(\$ in millions)

Liquidity		At Sept. 30, 2010
Cash		\$ 417
Available revolver capacity		428
Available A/R securitization		310
Liquidity		\$ 1,155

Debt	Expiration	Interest Rate	Moody's	S&P	At Sept. 30, 2010
Revolver drawn ¹	03/2014	L+250	Baa2	BBB	\$ -
A/R securitization ²	03/2013	CP/L+150			40
Term Loan A ³	03/2014	L+250	Baa2	BBB	293
9.125% senior notes ⁴ , par \$650 million	06/2017	9.125%	Ba1	BB	630
6.5% debentures, par \$282 million	06/2029	6.50%	Ba2	BB-	126
Other debt		Various			135
Total debt			Ba1/ Stable	BB+/ Positive	\$ 1,224
Cash (excludes auction rate securities ⁵)					\$ 417
Net debt					\$ 807

¹ \$550 million facility, including ~\$122 million used for letters of credit

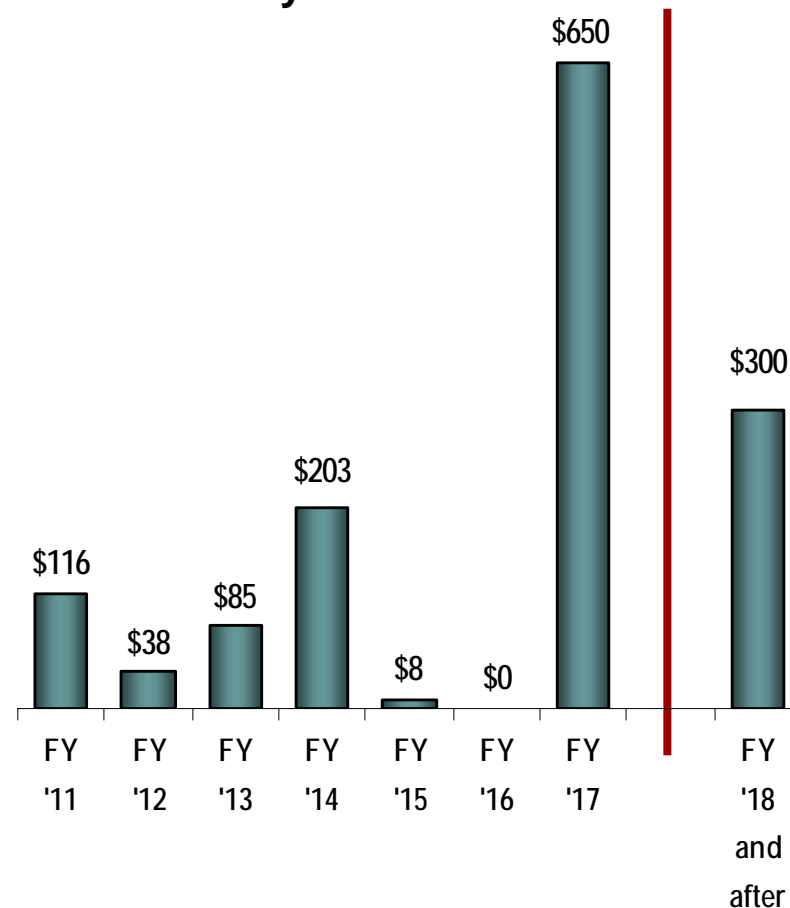
² \$350 million facility

³ \$300 million facility

⁴ Includes four-year, no-call provision.

⁵ Excludes auction rate securities with book value of \$22 million.

Scheduled Debt Repayments by Fiscal Year



Ashland Aqualon Functional Ingredients Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Fourth Quarter			Three months ended	
	Three months ended Sept. 30,			June 30,	
	2010	2009	Change	2010	Change
Metric tons sold (in thousands)	42.8	42.0	2 %	41.5	3 %
Sales	\$ 239	\$ 237	1 %	\$ 227	5 %
Gross profit as a percent of sales	28.7 %	35.6 %	(690) bp	37.6 %	(890) bp
Selling, general and admin./R&D costs	\$ 50	\$ 53	(6) %	\$ 52	(4) %
Operating income	\$ 19	\$ 31	(39) %	\$ 34	(44) %
Operating income as a percent of sales	7.9 %	13.1 %	(520) bp	15.0 %	(710) bp
Depreciation and amortization	\$ 24	\$ 25	(4) %	\$ 24	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 43	\$ 56	(23) %	\$ 58	(26) %
EBITDA as a percent of sales	18.0 %	23.6 %	(560) bp	25.6 %	(760) bp

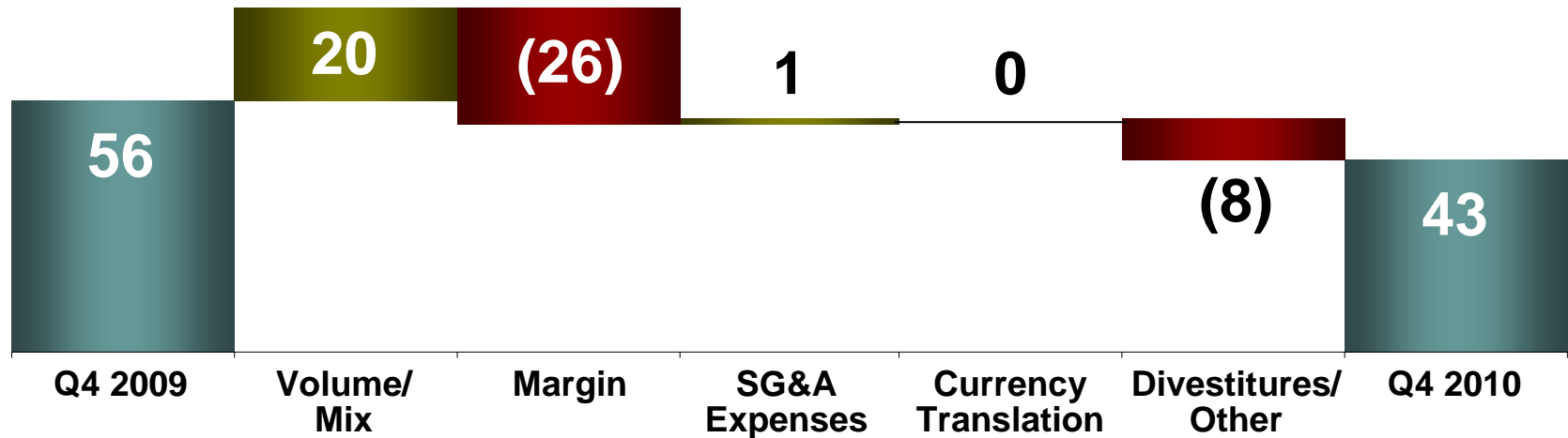
- Volume excluding divested Pinova business grew 15% over prior September quarter
- Gross profit decline primarily due to raw material inflation and freight
 - Expect decline to be transitory as pricing actions implemented

¹ Ashland's earnings releases, dated Oct. 26 and July 23, 2010, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Factors Impacting Adjusted EBITDA

(\$ millions)
Preliminary

Q4 FY 2009 versus Q4 FY 2010



- Strong gains in volume were not enough to offset margin pressures year over year

Capital Expansion Update

- Strong customer demand leading to sold-out positions in key product lines
- Nanjing, China, capital expansion should relieve capacity constraints in hydroxyethylcellulose (HEC)
 - 10,000 MT expansion
 - First customer sales by calendar year-end
- Seven other significant capital projects planned
 - Several already under way

Ashland Hercules Water Technologies

Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Fourth Quarter			Three months ended	
	Three months ended Sept. 30,			June 30,	
	2010	2009 ²	Change	2010	Change
Sales	\$ 462	\$ 465	(1) %	\$ 431	7 %
Gross profit as a percent of sales	31.7 %	36.7 %	(500) bp	33.7 %	(200) bp
Selling, general and admin./R&D costs	\$ 127	\$ 132	(4) %	\$ 120	6 %
Operating income	\$ 19	\$ 39	(51) %	\$ 26	(27) %
Operating income as a percent of sales	4.1 %	8.4 %	(430) bp	6.0 %	(190) bp
Depreciation and amortization	\$ 21	\$ 27	(22) %	\$ 22	(5) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 40	\$ 66	(39) %	\$ 48	(17) %
EBITDA as a percent of sales	8.7 %	14.2 %	(550) bp	11.1 %	(240) bp

- Selling price increases lagged raw-material cost escalation during quarter
- 5% to 15% North American price increases announced Oct. 21

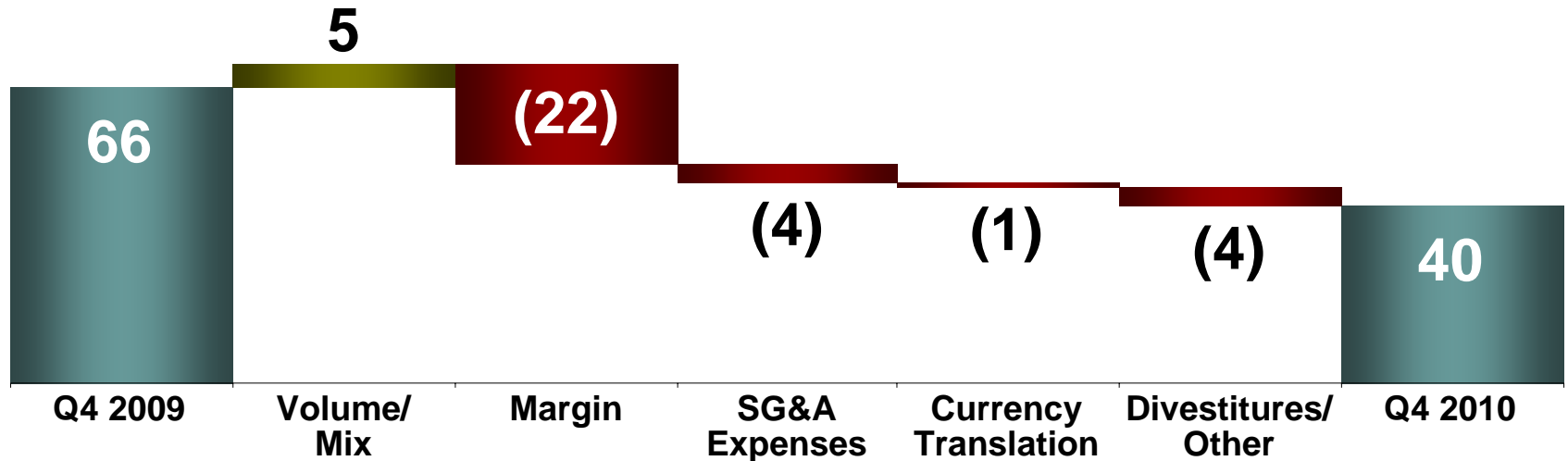
¹ Ashland's earnings releases, dated Oct. 26 and July 23, 2010, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

² 2009 data include Drew Marine sold in August 2009.

Factors Impacting Adjusted EBITDA

(\$ millions)
Preliminary

Q4 FY 2009 versus Q4 FY 2010



- Volume gains not enough to offset margin decline
- Continue to take pricing actions to offset margin pressure

Ashland Performance Materials

Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Fourth Quarter			Three months ended	
	Three months ended Sept. 30,			June 30,	
	2010	2009	Change	2010	Change
Pounds/day (in millions)	4.8	3.9	23 %	5.0	(4) %
Sales	\$ 353	\$ 268	32 %	\$ 357	(1) %
Gross profit as a percent of sales	17.6 %	17.5 %	10 bp	16.7 %	90 bp
Selling, general and admin./R&D costs	\$ 49	\$ 51	(4) %	\$ 51	(4) %
Operating income (loss)	\$ 15	\$ (1)	N. M.	\$ 12	25 %
Operating income (loss) as a percent of sales	4.2 %	(0.4) %	460 bp	3.4 %	80 bp
Depreciation and amortization	\$ 11	\$ 13	(15) %	\$ 12	(8) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 26	\$ 12	117 %	\$ 24	8 %
EBITDA as a percent of sales	7.4 %	4.5 %	290 bp	6.7 %	70 bp

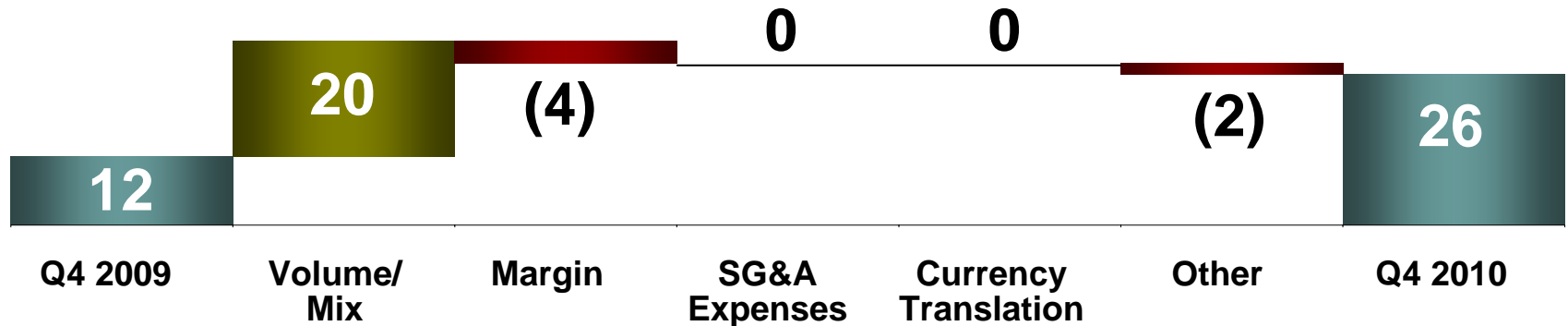
- Strong volume growth and margin recovery led to profitability gains over prior-year quarter

¹ Ashland's earnings releases, dated Oct. 26 and July 23, 2010, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Factors Impacting Adjusted EBITDA

(\$ millions)
Preliminary

Q4 FY 2009 versus Q4 FY 2010



- Strong growth in volumes and sales more than offset increased raw material costs
- Flat selling, general and administrative expense despite large volume gains clearly demonstrates operating leverage

Ashland Consumer Markets (Valvoline) Adjusted Results Summary¹

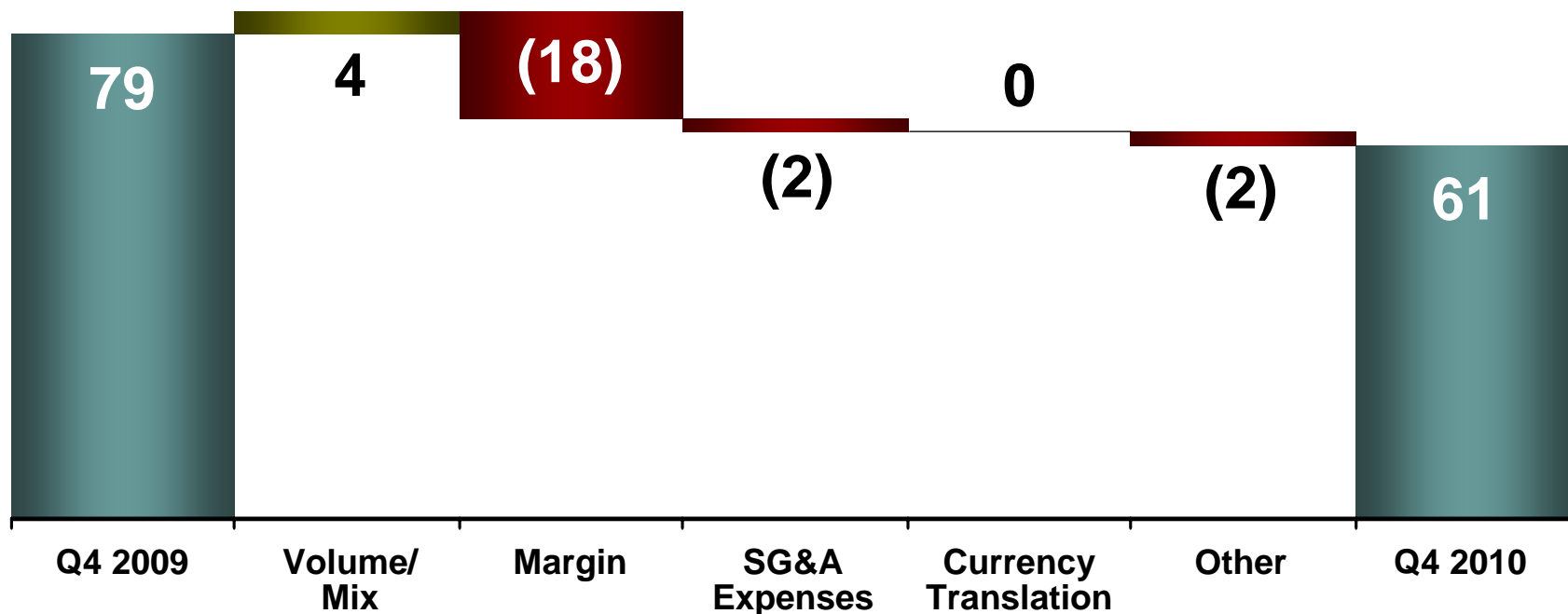
(\$ in millions) Preliminary	Fiscal Fourth Quarter			Three months ended	
	Three months ended Sept. 30,			June 30,	
	2010	2009	Change	2010	Change
Lubricant gallons (in millions)	44.2	42.4	4 %	46.2	(4) %
Sales	\$ 462	\$ 414	12 %	\$ 463	(0) %
Gross profit as a percent of sales	28.9 %	35.5 %	(660) bp	32.4 %	(350) bp
Selling, general and admin./R&D costs	\$ 85	\$ 83	2 %	\$ 82	4 %
Operating income	\$ 52	\$ 69	(25) %	\$ 73	(29) %
Operating income as a percent of sales	11.3 %	16.7 %	(540) bp	15.8 %	(450) bp
Depreciation and amortization	\$ 9	\$ 10	(10) %	\$ 9	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 61	\$ 79	(23) %	\$ 82	(26) %
EBITDA as a percent of sales	13.2 %	19.1 %	(590) bp	17.7 %	(450) bp

- Decline in profitability driven by raw-material cost increases
 - Previously announced price increases began to offset at quarter-end
- October margins running at approximately 31% to 32%

Factors Impacting Adjusted EBITDA

(\$ millions)
Preliminary

Q4 FY 2009 versus Q4 FY 2010



- Margin compression driven by raw-material cost increases
 - Previously announced price increase began to take effect at end of September 2010 quarter

Ashland Distribution

Adjusted Results Summary¹

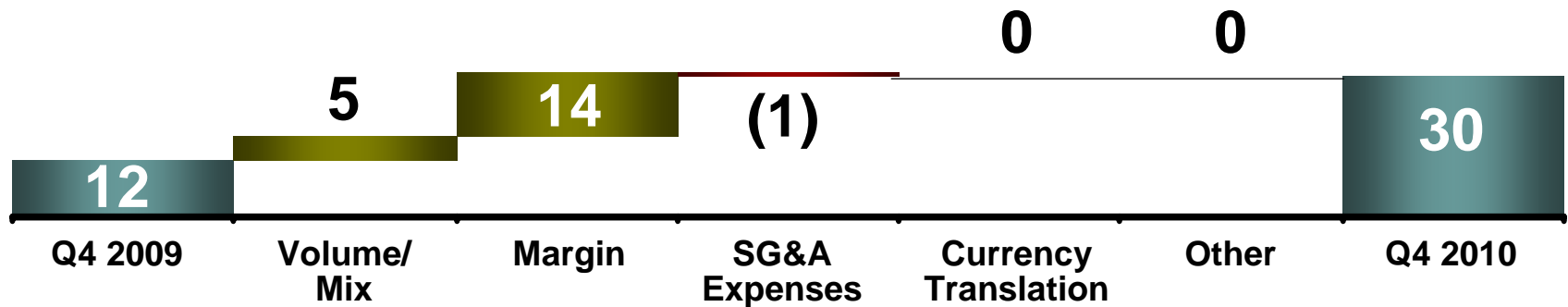
(\$ in millions) Preliminary	Fiscal Fourth Quarter Three months ended Sept. 30,			Three months ended June 30,	
	2010	2009	Change	2010	Change
Pounds/day (in millions)	15.3	14.9	3 %	15.4	(1) %
Sales	\$ 911	\$ 771	18 %	\$ 923	(1) %
Gross profit as a percent of sales	9.4 %	8.8 %	60 bp	9.0 %	40 bp
Selling, general and admin./R&D costs	\$ 64	\$ 63	2 %	\$ 67	(4) %
Operating income	\$ 23	\$ 5	360 %	\$ 17	35 %
Operating income as a percent of sales	2.5 %	0.6 %	190 bp	1.8 %	70 bp
Depreciation and amortization	\$ 7	\$ 7	- %	\$ 7	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 30	\$ 12	150 %	\$ 24	25 %
EBITDA as a percent of sales	3.3 %	1.6 %	170 bp	2.6 %	70 bp

- EBITDA more than doubled over prior-year quarter, reflecting benefits of ongoing pricing management

Factors Impacting Adjusted EBITDA

(\$ millions)
Preliminary

Q4 FY 2009 versus Q4 FY 2010



- Volumes versus the September 2009 quarter improved 13% in plastics and 9% in composites, but were down 2% in chemicals

Corporate Items for Fiscal Fourth Quarter

- Capital expenditures of \$106 million in quarter
 - FY 2010 total: \$206 million
- Student Loan Auction-Rate Securities
 - Sold \$32 million during September 2010 quarter
 - Book value of \$22 million remaining at quarter-end
- Interest expense of \$27 million
- Effective tax rate of 22% during the quarter
 - Excludes key items

Corporate Items for Fiscal Year 2011

- Capital expenditures forecast: \$230 million
- Pension expense
 - Additional \$5 million of expense vs. fiscal 2010
 - \$50 million in cash funding requirements for 2011
- Expected fiscal 2011 effective tax rate excluding discrete items: low- to mid-30% range
 - Cash tax rate of 15% to 20%
- Interest expense
 - Expect \$115 million to \$120 million of book interest expense
- Operating-segment trade working capital as a percent of sales of approximately 13%

Fourth Quarter Summary

- Strong year, but challenging fourth quarter
- Significant growth in both volumes and sales versus September 2009 quarter
 - 9% average volume gain
 - 13% sales increase
- Significant raw-material cost inflation affected three of five commercial units

Fiscal 2010 Accomplishments

- Accomplished last major milestone of Hercules integration
- Completed cost-reduction initiatives, resulting in more than \$425 million of annual savings
- Record results from Consumer Markets
- Signed agreement with Süd-Chemie to form global castings joint venture
- Strong cash generation
 - Produced free cash flow of \$276 million
 - Increased liquidity to \$1.2 billion
- Doubled dividend to 60 cents per share annually

2011 Outlook

- Ashland Aqualon Functional Ingredients
 - Expand capacity in key product lines
 - Continue to innovate and introduce new products
- Ashland Hercules Water Technologies
 - Take continued pricing actions
 - Leverage increased scale to accelerate performance in Growth markets
- Ashland Performance Materials
 - Highly leveraged to returning economy
 - Exploit technical advantages in higher growth/margin markets

2011 Outlook (cont.)

- Ashland Consumer Markets

- Maintain new level of profitability through pricing discipline
- Continue higher growth in international markets
- Drive premium mix
- Continue growth of Valvoline Instant Oil Change company-owned and franchised stores

- Ashland Distribution

- Emphasize specialty end of chemicals and plastics market
- Leverage industry-unique technical support capabilities through internal Ashland resources
- Build best-in-class product offering by aligning with globally leading suppliers

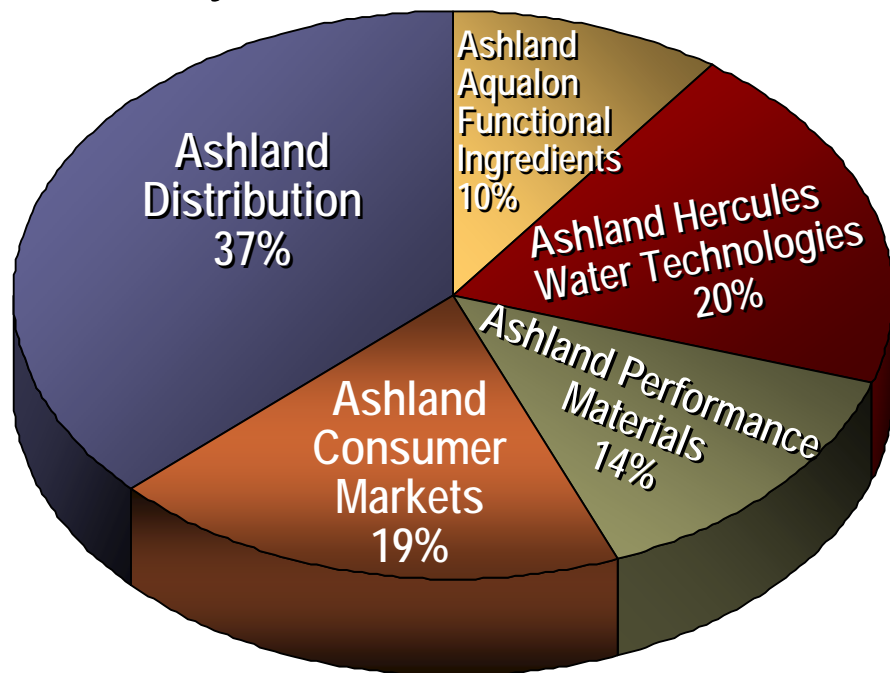


Appendix
Business Profiles
Fiscal Year Ended Sept. 30, 2010

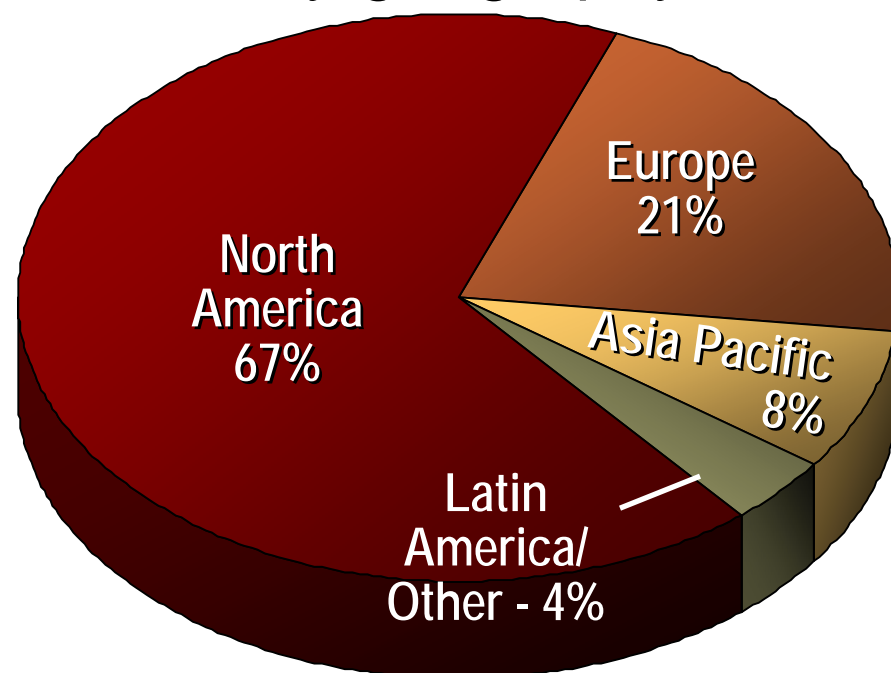
Corporate Profile

Sales¹: \$9.2 billion

By commercial unit



By geography

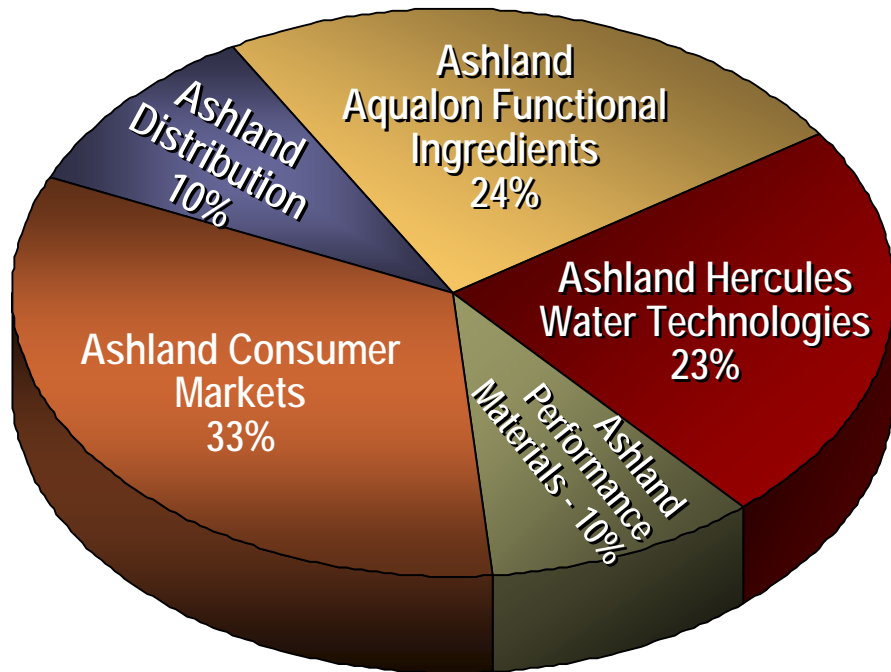


- 33% of total sales come from outside North America

¹ For fiscal year ended Sept. 30, 2010, including intersegment sales.

Corporate Profile

Adjusted EBITDA¹: \$887 million



NYSE Ticker Symbol:	ASH
Total Employees:	~14,500
Outside North America	35%
Number of Countries in Which Ashland Has Sales:	More than 100

- Approximately 25% of EBITDA comes from products derived from renewable materials

Ashland Aqualon Functional Ingredients

A global leader in managing rheology of aqueous systems

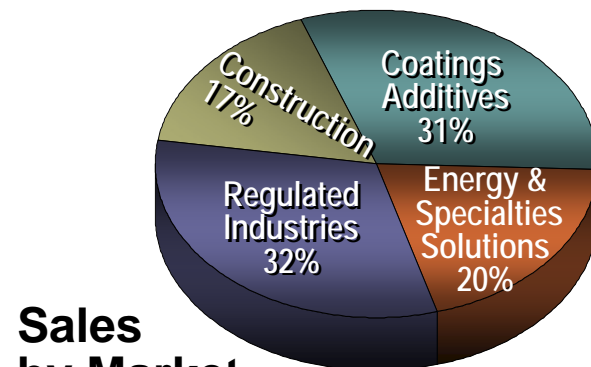
Fiscal Year Ended Sept. 30, 2010

Sales: \$0.9 billion

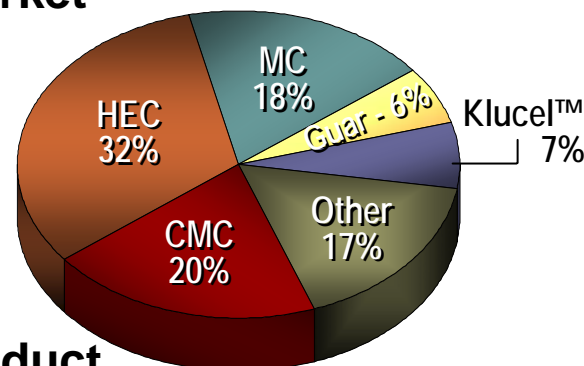
Adjusted EBITDA: \$214 million¹

Adjusted EBITDA Margin: 23.4%¹

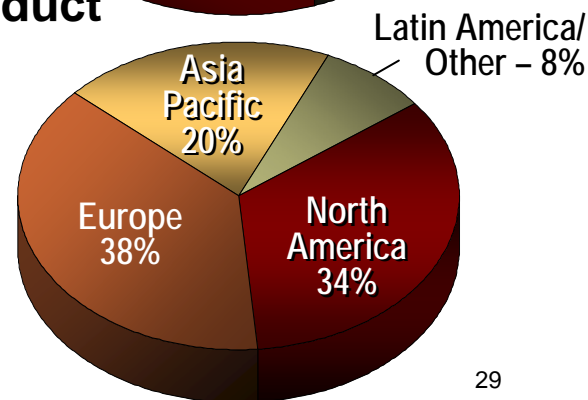
Business Overview	
Customers	<ul style="list-style-type: none"> • Diversified, global customer base
Products	<ul style="list-style-type: none"> • Broad product line based on renewable resources <ul style="list-style-type: none"> - Water-soluble polymers (cellulose ethers and guar derivatives)
Markets	<ul style="list-style-type: none"> • Regulated markets <ul style="list-style-type: none"> - Personal care - Pharmaceutical - Food • Water-based paints • Oilfield (chemicals and drilling muds) • Construction



Sales by Market



Sales by Product



Sales by Geography

¹ See Slide 34 for reconciliation to amounts reported under GAAP.

™ Trademark, Ashland or its subsidiaries, registered in various countries

Ashland Hercules Water Technologies

A major global supplier of process and functional chemicals

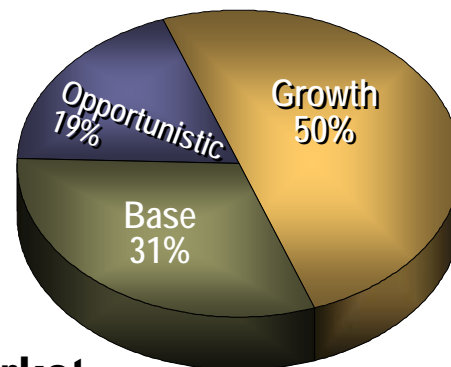
Fiscal Year Ended Sept. 30, 2010

Sales: \$1.8 billion

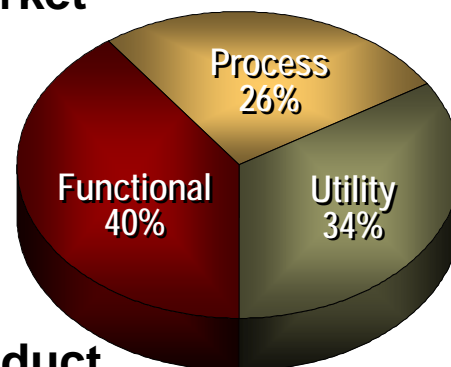
Adjusted EBITDA: \$202 million¹

Adjusted EBITDA Margin: 11.3%¹

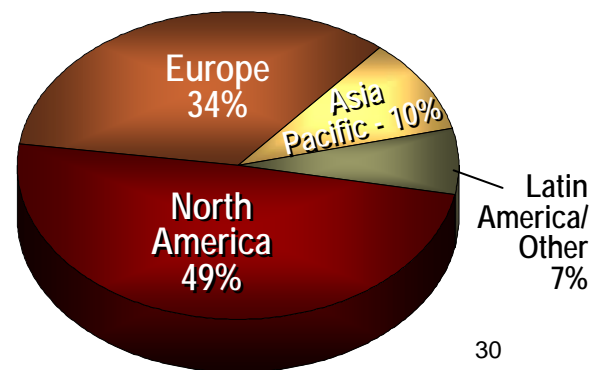
Business Overview	
Customers/ Markets	<ul style="list-style-type: none"> • Growth <ul style="list-style-type: none"> - Commercial and institutional - Food and beverage - Mining - Packaging - Tissue and towel - Pulp • Base <ul style="list-style-type: none"> - Printing and writing - Specialty chemicals - General manufacturing • Opportunistic <ul style="list-style-type: none"> - Lubricants - Municipal - Marine#/Other # Divested 08/31/09
Products/ Services	<ul style="list-style-type: none"> • Process chemicals: microbial and contaminant control, pulping aids, retention aids and defoamers • Utility water treatments • Functional chemicals: sizing/strength



Sales by Market



Sales by Product



Sales by Geography

30

ASHLAND.

¹ See Slide 34 for reconciliation to amounts reported under GAAP.

Ashland Performance Materials

A global leader in specialty chemicals

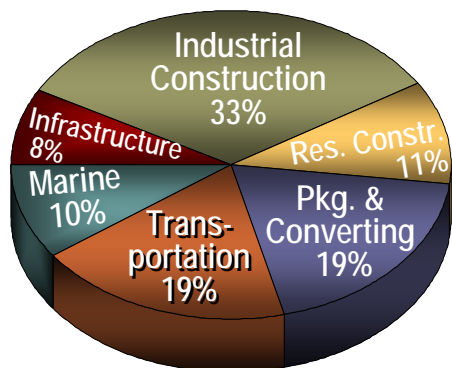
Fiscal Year Ended Sept. 30, 2010

Sales: \$1.3 billion

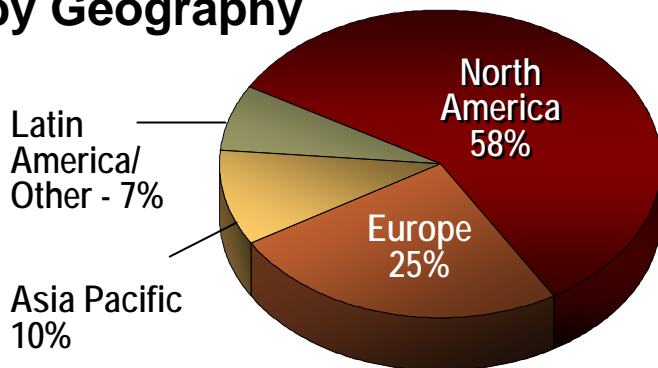
Adjusted EBITDA: \$87 million¹

Adjusted EBITDA Margin: 6.8%¹

Sales by Market



Sales by Geography



Business Overview

Customers

- Auto manufacturers; foundries; pipe and tank fabricators; packaging and converting; bathware, countertop and window lineal manufacturers; pipe relining contractors; boat builders; wide and narrow web printers

Products/Services

- Composites and Adhesives
 - Unsaturated polyester resins
 - Vinyl ester resins
 - Gelcoats
 - Pressure-sensitive adhesives
 - Structural adhesives
 - Specialty resins
- Casting Solutions
 - Foundry binder resins
 - Chemicals
 - Sleeves and filters
 - Design services

Markets

- Construction, packaging and converting, transportation and marine

¹ See Slide 34 for reconciliation to amounts reported under GAAP.

Ashland Consumer Markets: A leading worldwide marketer of premium-branded automotive lubricants and chemicals

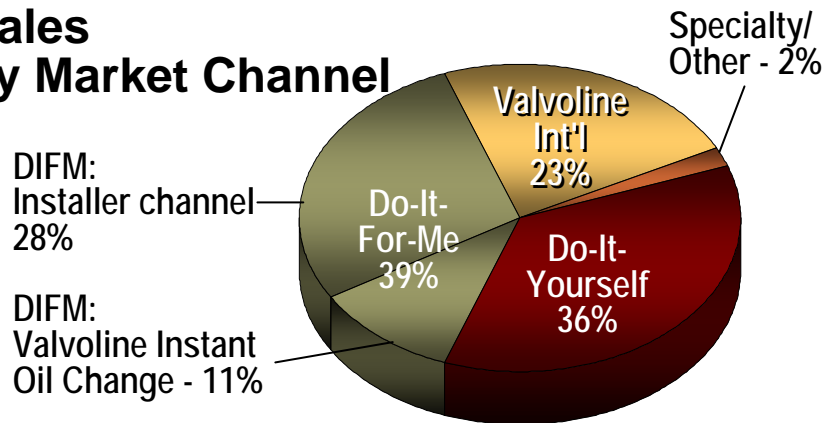
Fiscal Year Ended Sept. 30, 2010

Sales: \$1.8 billion

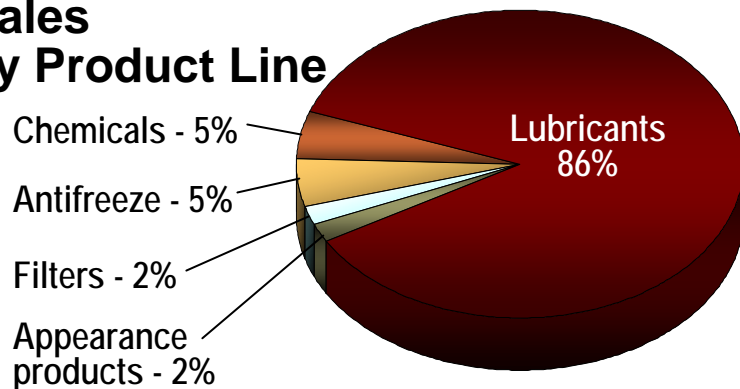
Adjusted EBITDA: \$298 million¹

Adjusted EBITDA Margin: 17.0%¹

Sales by Market Channel



Sales by Product Line



Business Overview

Customers

- Retail auto parts stores and mass merchandisers who sell to consumers
- Installers, such as car dealers and quick lubes; distributors
- Fleet owners; manufacturers and users of industrial and power generation equipment

Products/Services

- Valvoline™ lubricants and automotive chemicals
- MaxLife™ lubricants for high-mileage vehicles
- SynPower™ synthetic motor oil
- Eagle One™ and Car Brite™ appearance products
- Zerex™ antifreeze
- Valvoline Instant Oil Change™ (VIOC) service

Market Channels

- Do-It-Yourself (DIY)
- Do-It-For-Me (DIFM)
- Valvoline International

¹ See Slide 34 for reconciliation to amounts reported under GAAP.

™ Trademark, Ashland or its subsidiaries, registered in various countries

Ashland Distribution

A leading North American chemicals and plastics distributor

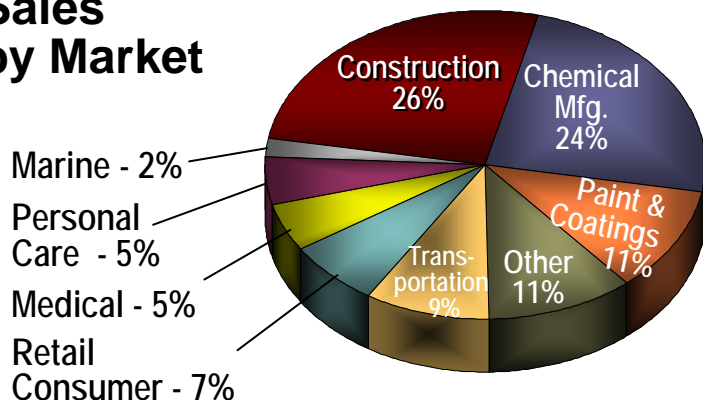
Fiscal Year Ended Sept. 30, 2010

Sales: \$3.4 billion

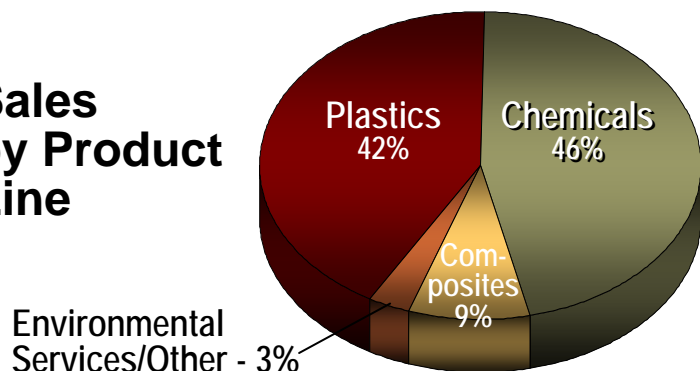
Adjusted EBITDA: \$89 million¹

Adjusted EBITDA Margin: 2.6%¹

Sales by Market



Sales by Product Line



Business Overview

Customers

- Diversified customer base in North America and Europe

Products/Services

- More than 28,000 packaged and bulk chemicals, solvents, plastics and additives
- Comprehensive, hazardous and nonhazardous waste-management solutions in North America

Markets

- Construction
- Chemical manufacturing
- Paint and coatings
- Transportation
- Retail consumer
- Medical
- Personal care
- Marine

¹ See Slide 34 for reconciliation to amounts reported under GAAP.

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for the 12 Months Ended Sept. 30, 2010¹

(\$ millions, except percentages)

Sales	Q4 10	Q3 10	Q2 10	Q1 10	Total
Functional Ingredients	239	227	240	210	915
Water Technologies	462	431	449	443	1,785
Performance Materials	353	357	304	271	1,286
Consumer Markets	462	463	430	400	1,755
Distribution	911	923	857	729	3,419
Total	2,427	2,401	2,280	2,053	9,160

Adjusted EBITDA	Q4 10	Q3 10	Q2 10	Q1 10	Total	EBITDA Margin
Functional Ingredients	43	58	58	54	214	23.4%
Water Technologies	40	48	52	63	202	11.3%
Performance Materials	26	24	18	21	87	6.8%
Consumer Markets	61	82	78	76	298	17.0%
Distribution	30	24	24	13	89	2.6%
Unallocated	1	1	(6)	(1)	(3)	
Total	201	237	224	226	887	

¹ Excludes intersegment sales of \$148 million. Calculation of adjusted EBITDA for each quarter has been reconciled within each quarterly earnings release filed with the SEC and posted on Ashland's website. Quarterly totals may not add to annual amounts due to rounding.

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