

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning <u>10/01/2009</u> and ending <u>09/30/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>ASHLAND HERCULES PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>	
	1c Effective date of plan	<u>01/01/1913</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>ASHLAND INC</u> <u>P O BOX 14000</u> <u>3499 BLAZER PARKWAY</u> <u>LEXINGTON, KY 40512</u>	2b Employer Identification Number (EIN) <u>20-0865835</u>	2c Sponsor's telephone number <u>859-357-7777</u>	2d Business code (see instructions) <u>424600</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>07/15/2011</u>	<u>RONALD GRIFFITH</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ASHLAND INC P O BOX 14000 3499 BLAZER PARKWAY LEXINGTON, KY 40512	3b Administrator's EIN 20-0865835 3c Administrator's telephone number 859-357-7777
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year	5	58092
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	5766
b Retired or separated participants receiving benefits.....	6b	20771
c Other retired or separated participants entitled to future benefits.....	6c	27008
d Subtotal. Add lines 6a , 6b , and 6c	6d	53545
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3331
f Total. Add lines 6d and 6e	6f	56876
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 10/01/2009 and ending 09/30/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>ASHLAND HERCULES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>ASHLAND INC</u>	D Employer Identification Number (EIN) <u>20-0865835</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>10</u> Day <u>01</u> Year <u>2009</u>
2	Assets:
a	Market value 2a <u>2267282850</u>
b	Actuarial value 2b <u>2385032866</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>23498</u> <u>1430094109</u>
b	For terminated vested participants 3b <u>25922</u> <u>555218031</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>48782909</u>
(2)	Vested benefits 3c(2) <u>528709120</u>
(3)	Total active 3c(3) <u>8672</u> <u>577492029</u>
d	Total 3d <u>58092</u> <u>2562804169</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.82</u> %
6	Target normal cost 6 <u>39271372</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary <u>GARY D. DICKSON</u>	Date <u>11-03764</u>
Type or print name of actuary <u>MERCER</u>	Most recent enrollment number <u>513-632-2600</u>
Firm name <u>525 VINE STREET</u> <u>SUITE 1600</u> <u>CINCINNATI, OH 45202-3124</u>	Telephone number (including area code)
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	442907489	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	56177059	0
9	Amount remaining (Item 7 minus item 8).....	386730430	0
10	Interest on item 9 using prior year's actual return of <u>9.57</u> %	36992591	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>8.21</u> %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	88933491	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	334789530	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	80.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	102.94 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
11/03/2009	100000000				
			Totals ►	18(b)	100000000 18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 99395741
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd (3) 3rd (4) 4th
0	0 0 0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	39271372
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	358792583	62105849
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	101377221
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1981480	0
36 Additional cash requirement (item 34 minus item 35).....	36	99395741
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	99395741
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 10/01/2009 and ending 09/30/2010		
A Name of plan ASHLAND HERCULES PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ASHLAND INC	D Employer Identification Number (EIN) 20-0865835	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
MASON CAPITAL MANAGEMENT	110 EAST 59TH STREET NEW YORK, NY 10022

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
DAVIDSON KEMPNER ADVISERS INC	
13-3594751	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
OMEGA ADVISORS INC	
13-3628307	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
SAMLYN CAPITAL LLC	
20-5854094	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BROOKSIDE CAPITAL LLC

111 HUNTINGTON AVENUE
BOSTON, MA 02199

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BNY MELLON

25-6078093

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

TACONIC CAPITAL ADVISORS LP

20-5826144

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

INDUS CAPITAL PARTNERS LLC

1622 67TH STREET
28TH FLOOR
NEW YORK, NY 10019

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

IVORY INVESTMENTS MANAGEMENT LP

51-0446153

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PA LLC

20-1961352

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

SILVER CREEK LOW VOL STRATEGIES

98-0476270

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DEUTSCHE ASSET MGMT UK LIM

ONE APPOLD STREET
LONDON EC2A 2UU UK

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BRIDGEWATER ASSOCIATES LP

ONE GLENDINNING PLACE
WESTPORT, CT 06880

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

WOODBINE CAPITAL ADVISORS LP

499 PARK AVENUE
NEW YORK, NY 10022

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

REGIMENT CAPITAL MANAGEMENT LLC

04-3411614

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

REGIMENT CAPITAL MANAGEMENT LLC

04-3411614

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OCH ZIFF CAPITAL MANAGEMENT GROUP

9 WEST 57TH STREET
39TH FLOOR
NEW YORK, NY 10019

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BASSO CAPITAL MANAGEMENT LP

20-0406508

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

STEADFAST FINANCIAL

03-0481537

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

ETON PARK CAPITAL MANAGEMENT LP

11-3719116

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

ETON PARK ASSOCIATES LP

04-3796209

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

UBS O'CONNOR LLC

06-1569842

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

HIGHBRIDGE CAPITAL MANAGEMENT LLC

20-1901985

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

AURELIUS CAPITAL MANAGEMENT LP

535 MADISON AVENUE
22ND FLOOR
NEW YORK, NY 10022

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIR TREE INC

13-3745261

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIR TREE LLC

20-2556936

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

GRAMERCY LLC

20 DAYTON AVENUE
GREENWICH, CT 06830

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BLUECREST CAPITAL MANAGEMENT LLP

98-0607511

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

HEALTHCOR MANAGEMENT LP

CARNEGIE HALL TOWER
152 WEST 57TH STREET
NEW YORK, NY 10019

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

MARSHALL WACE NORTH AMERICA LP

47-0943020

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BREXAN HOWARD CAPITAL MGMT LP

4TH FLOOR ONE ESPLANADE
ST HELIER JERSEY, CHANNEL ISLANDS JE2 SQA UC

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

COLUMBIA MANAGEMENT INVEST

41-1533211

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PARTNER FUND MANAGEMENT LP

ONE MARKET STREET
SUITE 2200 STEUART TOWER
SAN FRANCISCO, CA 94105

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OWL CREEK ASSET MANAGEMENT LP

13-4177075

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

LUXOR CAPITAL GROUP LP

20-1394199

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DAVIDSON KEMPNER CAPITAL MANAGEMENT

13-4021240

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

WOODBINE CAPITAL LLC
499 PARK AVENUE
NEW YORK, NY 10022

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PACIFIC INVESTMENT MANAGEMENT

33-0629048

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	990315	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

WESTERN ASSET MANAGEMENT

95-2705767

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	809904	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18	CUSTODIAL	630474	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

STANDISH

25-1890416

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	503395	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

NISA INVESTMENT ADVISORS

48-1140940

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	426228	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

ALBOURNE AMERICA

91-2164625

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	CONSULTANT	315301	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MELLON CAP MGMT CORP

25-1442864

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGER	270511	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

JOHNSON INTL

13-3257590

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMNET MANAGER	265940	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

ASHLAND INC

20-0865835

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	SERVICE PROVIDER	229811	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

ACS HR SOLUTIONS

20-2185976

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	SERVICE PROVIDER	183659	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MERCER HR CONSULTING LLC

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARY	167970	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

BLACKROCK INST TRUST COMP

94-3112180

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 24 28 34 50 51	INVESTMENT MANAGER	149977	Yes ☒ No ☐	Yes ☒ No ☐	31	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

BLOOBERG FINANCE LP

06-1818168

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	SERVICE PROVIDER	44644	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

BLUE AND CO LLC

35-1178661

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDIT	38965	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MORISON COGEN

23-1406493

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDIT	31808	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARY	31646	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

EVERCORE TRUST COMPANY

26-4691954

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65 29	TRUST OF COMP STK CONTR	29820	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

ZEPHYR ASSOCAITES

88-0316430

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
65	SERVICE PROVIDER	15904	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
BLACKROCK INS TRUST COMP	35 36	31
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ASHLAND INC 20-0865835	NON-MONETARY COMPENSATION SUCH AS MEALS, GIFTS AND/OR ENTERTAINMENT.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	MORISON COGEN	b EIN:	23-1406493
c Position:	AUDIT		
d Address:	150 MONUMENT ROAD SUITE 500 BALA CYNWYD, PA 19004	e Telephone:	267-440-3000
Explanation: TWO PLANS WERE MERGED AND THEY WERE EACH AUDITED BY DIFFERENT FIRMS. THE DECISION WAS MADE TO RETAIN BLUE & CO.			

a Name:	TOWERS WATSON	b EIN:	23-1159360
c Position:	AUDIT		
d Address:	1205 WESTLAKES DRIVE SUITE 270 BERWYN, PA 19312	e Telephone:	610-232-0400
Explanation: TWO PLANS WERE MERGED AND THEY WERE EACH AUDITED BY DIFFERENT FIRMS. THE DECISION WAS MADE TO RETAIN BLUE & CO.			

a Name:	STEPHEN A GAGEL	b EIN:	13-2834414
c Position:	ACTUARY		
d Address:	462 SOUTH FOURTH STREET SUITE 1500 LOUISVILLE, KY 40202	e Telephone:	502-561-4500
Explanation: CHANGE OF INTERNAL RESPONSIBILITIES.			

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	
Explanation:			

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	
Explanation:			

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2009 or fiscal plan year beginning 10/01/2009 and ending 09/30/2010					
A Name of plan ASHLAND HERCULES PENSION PLAN				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 ASHLAND INC				D Employer Identification Number (EIN) 20-0865835	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: ASHLAND INC MASTER PENSION TRUST					
b Name of sponsor of entity listed in (a): ASHLAND INC.					
c EIN-PN 20-0865835-103		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2466662682	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
For calendar plan year 2009 or fiscal plan year beginning <u>10/01/2009</u> and ending <u>09/30/2010</u>		
A Name of plan <u>ASHLAND HERCULES PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ASHLAND INC</u>	D Employer Identification Number (EIN) <u>20-0865835</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)	25866261	
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1535605	
	(2) U.S. Government securities	1c(2)	134196086	
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)	194596425	
	(B) All other	1c(3)(B)	355041507	
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)	86418	
	(B) Common	1c(4)(B)	142631	
	(5) Partnership/joint venture interests	1c(5)	48934697	
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)	533473030	
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	976314281	2466662682
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2270186941	2466662682

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	30126139	
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	30126139	

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2240060802	2466662682
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)	100000000	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		100000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	4123596	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		4123596
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	1452	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1452
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-9641989	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-9641989
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		289182885
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		383665944

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	183590751	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		183590751
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	1004783	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	4188843	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5193626
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		188784377

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		194881567
l Transfers of assets:			
(1) To this plan.....	2l(1)		4498264
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BLUE & CO, LLC

(2) EIN: 35-1178661

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 10/01/2009 and ending 09/30/2010

A Name of plan <u>ASHLAND HERCULES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ASHLAND INC</u>	D Employer Identification Number (EIN) <u>20-0865835</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☒ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



Blue & Co., LLC / 301 East Main Street, Suite 1100 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Ashland Hercules Pension Plan

We were engaged to audit the accompanying financial statements of the Ashland Hercules Pension Plan (the Plan) as of September 30, 2010 and 2009, and for the year and nine months ended September 30, 2010 and 2009, respectively, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information as of and for the year and nine months ended September 30, 2010 and 2009, respectively, summarized in Notes 3 and 4 which was certified by the trustee of the Plan, Mellon Trust of New England, N.A., except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of September 30, 2010 and 2009, and for the year and nine months then ended, respectively that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Blue & Co., LLC

July 14, 2011

Schedule SB, Line 26 — Schedule of Active Participant Data**Hercules**

Attained age	Years of credited service										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	
< 25	1 *	3 *									4 *
25 - 29		7 *	18 *								25 *
30 - 34		10 *	36 76,850	15 *							61 *
35 - 39		23 69,913	42 71,115	53 76,869	9 *	2 *					129 *
40 - 44		11 *	50 83,659	46 78,442	34 109,035	23 88,572	6 *				170 *
45 - 49		12 *	45 89,254	34 84,969	55 85,797	64 98,016	60 90,220	5 *			275 *
50 – 54		8 *	15 *	17 *	45 76,614	67 99,611	122 94,909	105 77,903	10 *		389 *
55 – 59	1 *	4 *	17 *	17 *	16 *	34 86,064	68 91,632	98 84,315	101 79,850	14 *	370 *
60 - 64		1 *	6 *	5 *	4 *	16 *	23 86,782	25 96,284	27 75,822	26 78,059	133 *
65 - 69			2 *	1 *		2 *	4 *	1 *	3 *	5 *	18 *
70+			1 *		1 *		1 *				3 *
Total	2 *	79 *	232 *	188 *	164 *	208 *	284 *	234 *	141 *	45 *	1,577 *

*Omitted due to confidentiality.

In each cell, the top number is the count of active participants for each age/service combination. The bottom number is the average compensation for each age/service combination.

Schedule SB, Line 26 — Schedule of Active Participant Data**Affiliates**

Attained age	Years of credited service									40 & Up	Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39		
< 25		63	5								68
		40,341	*								*
		2,891	*								*
25 - 29		282	53	7							342
		45,650	53,034	*							*
		3,478	9,001	*							*
30 - 34		238	146	156	17						557
		53,054	62,914	43,438	*						*
		4,542	14,297	10,550	*						*
35 - 39		221	174	279	142	18					834
		64,813	60,795	50,879	60,186	*					*
		6,381	16,623	15,882	8,891						*
40 - 44		175	132	246	253	176	16				998
		64,763	65,562	57,437	61,883	64,835	*				*
		6,278	20,185	23,584	5,305	1,664	*				*
45 - 49		164	122	224	227	323	163	32			1,255
		60,630	71,393	63,256	64,495	69,466	68,356	61,952			66,155
		6,962	23,433	31,295	7,786	686	1,056	1,244			10,527
50 - 54		108	89	157	176	246	242	259	39		1,316
		65,170	64,310	57,445	54,803	65,882	72,528	63,316	61,717		64,216
		7,803	29,175	35,381	10,160	1,102	709	867	2,048		8,761
55 - 59		56	66	109	132	157	138	255	176	7	1,098
		54,505	65,266	48,834	54,613	60,576	68,983	76,346	66,519	*	*
		6,624	34,449	40,954	16,428	1,203	903	1,056	146		*
60 - 64		20	43	63	63	89	53	81	71	48	531
		66,513	55,398	45,045	51,726	65,965	57,657	73,697	69,494	59,154	61,165
		9,848	33,656	40,158	12,284	700		2,381	1,549	289	10,032
65 – 69		2	5	19	14	10	9	12	4	8	83
		*	*	*	*	*	*	*	*	*	*
		*	*	*	*		*		*		*
70+			1	3	4	3		3		1	15
			*	*	*	*		*		*	*
			*					*			*
Total		1,329	836	1,263	1,028	1,022	621	642	290	64	7,095
		*	*	*	*	*	*	*	*	*	*
		*	*	*	*	*	*	*	*	*	*

*Omitted due to confidentiality.

Schedule SB, Line 26 — Schedule of Active Participant Data

In each cell, the top number is the count of active participants for each age/service combination. The middle number is the average compensation for each age/service combination. The bottom number is the average cash balance amount for each age/service combination.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial assumptions

Discount rate elections	Full yield curve with a four month look-back	
Mortality elections		
▪ Healthy and disabled participants	2009 PPA separate static annuitant and nonannuitant mortality tables	
Other economic assumptions		
▪ Salary increases	3.75% per annum	
▪ Cash Balance Interest Credit	5.00% compounded annually	
▪ LESOP Stock Appreciation	6.15% increase from market price on valuation date compounded annually	
▪ LESOP Share Price	Market price as of valuation date of \$43.22	
Demographic assumptions		
Withdrawal – Affiliates	During first 5 years of service:	
	Years of Service at <u>Beginning of Year</u>	Turnover <u>Rate</u>
	1	0.22
	2	0.20
	3	0.18
	4	0.16
	After five or more years of service:	
	<u>Age</u>	<u>Turnover Rate*</u>
	22	0.160
	27	0.160
	32	0.140
	37	0.105
	42	0.070
	47	0.060
	52	0.055
	57	0.050
	62	0.045
	* Rates linearly interpolated between above ages	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Withdrawal – Hercules

Experience rates – sample rates as follows:

<u>Age</u>	<u>Turnover Rate</u>
20	0.250
25	0.150
30	0.150
35	0.100
40	0.100
45	0.100
50	0.050
55	0.000
60	0.000

Disability incidence

None for Affiliates; experience rates for Hercules

<u>Age</u>	<u>Disability Rate</u>
20	0.0012
30	0.0012
35	0.0013
40	0.0015
45	0.0020
50	0.0038
55	0.0068
60	0.0138

Retirement Age – Affiliates

<u>Retirement Rate</u>			
<u>Age</u>	<u>Active on 6/30/03 with 10+ yrs of svc</u>	<u>Active on 6/30/03 but under 10 yrs of svc</u>	<u>Hired or rehired after 6/30/03</u>
55 – 61	0.10*	0.06	0.03
62	0.50	0.35	0.20
63 – 64	0.30	0.20	.015
65+	1.00	1.00	1.00

* If meets rule of 80 prior to age 55 then 0.10 rate
will be applied at each age up to age 55

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Retirement Age – Hercules

<u>Age</u>	<u>Retirement Rate</u>
55	0.10
56	0.05
57	0.05
58	0.05
59	0.05
60	0.05
61	0.05
62	0.30
63	0.20
64	0.20
65	1.00

Benefit commencement age for current and future vested deferred Affiliates: Age 65, except Tanner (age 62) and RGA participants (age 55)

Hercules: Early retirement date

<u>Spouse assumptions</u>	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	80%	80% Affiliates; 50% Hercules
▪ Spouse age difference	3 years younger	3 years older
Form of payment		
▪ Active retirements	Grandfathered Affiliates participants and Hercules not eligible for 51% lump sum: 100% single life annuity RGA participants and Hercules eligible for 51% lump sum: 100% of available lump sum	
▪ Future deaths	Grandfathered participants and all Hercules: 100% single life annuity RGA participants: 100% lump sum	
▪ Current and future vested deferred	Grandfathered participants and Hercules: 100% single life annuity RGA participants: 100% lump sum	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial methods****Asset methods**

We used financial data submitted by the Company as of October 1, 2009 without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method used is the average asset value described in Treasury Regulations Section 1.430(g)-1(c)(2) and IRS Notice 2009-22.

Regulations regarding plan mergers and changes in plan year have not yet been provided. In determining the average value of assets as of October 1, 2009, the following procedures have been used. For the Ashland Affiliates assets, the measurement dates used were October 1, 2007, October 1, 2008, and October 1, 2009. For the Hercules assets, the measurement dates used were January 1, 2008, January 1, 2009, and October 1, 2009. The applicable cashflows between measurement dates were combined and the average value was determined accordingly. These procedures may be subject to adjustment once regulations are promulgated.

Participant methods

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all eligible employees as of the valuation date.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.
- **Disabled participants:** Participants who become disabled before retirement have been valued assuming that they will remain disabled until normal retirement.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Minimum funding method**

Target liability for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **accrued liability** is the present value of benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual normal costs, and the plan's **funding target liability** is the sum of the accrued liabilities for all participants under the plan.

Schedule SB, Line 32 — Schedule of Amortization Bases

The shortfall amortization charge is the sum of the shortfall base amortization for each plan year covered under PPA. Although a shortfall base can be negative, the combined shortfall amortization charge cannot be negative.

Charge	Amortization period		Balances		Beginning of year payment
	Date created	Years left	Initial	Outstanding	
Shortfall Loss	10/01/2008	6	\$ 148,323,025	\$ 132,822,416	\$ 24,808,118
Shortfall Loss	10/01/2009	7	225,970,167	225,970,167	37,297,731
Total				\$ 358,792,583	\$ 62,105,849

Schedule SB, Line 24 — Change in Actuarial Assumptions

- Salary increase assumption modified to eliminate 2 year select period used last year to reflect impact of one-year pay freeze and two-week unpaid furlough
- LESOP share price updated from 9/30/2008 market price of \$29.24 to 9/30/2009 market price of \$43.22

Schedule SB, Line 19 – Discounted Employer Contributions

Date	Amount contributed	Plan year	Applicable effective interest rate	Discounted value of October 1, 2009
11/03/2009	\$ 100,000,000	2009	6.82%	\$ 99,395,741
Total	\$ 100,000,000			\$ 99,395,741

Schedule SB, Line 2 – Assets

On September 30, 2009 the Ashland Inc. and Affiliates Pension Plan ("Plan A") was merged into the Pension Plan of Hercules Incorporated ("Plan B").

Line 2 reflects the assets of The Ashland Hercules Pension Plan. Assets for both plans as of 10/1/2009 are shown below.

		Plan A	Plan B	Merged Plan
2a	Market Value of Assets	\$ 976,314,281	\$ 1,290,968,569	\$ 2,267,282,850
2b	Actuarial Value of Assets			\$ 2,385,032,866

Schedule SB, Line 3 – Funding Target/Participant Count Breakdown

On September 30, 2009 the Ashland Inc. and Affiliates Pension Plan ("Plan A") was merged into the Pension Plan of Hercules Incorporated ("Plan B").

Line 3 reflects the funding target and participant count for The Ashland Hercules Pension Plan. The funding target and participant count for both plans as of 10/1/2009 are shown below.

	(1) Number of Participants			(2) Funding Target		
	Plan A	Plan B	Merged Plan	Plan A	Plan B	Merged Plan
3a	10,958	12,540	23,498	\$ 621,282,636	\$ 808,811,473	\$ 1,430,094,109
3b	13,399	12,523	25,922	239,516,993	315,701,038	555,218,031
3c(1)				26,340,540	22,442,369	48,782,909
3c(2)				333,170,521	195,538,599	528,709,120
3c	7,095	1,577	8,672	359,511,061	217,980,968	577,492,029
3d	31,452	26,640	58,092	\$ 1,220,310,690	\$ 1,342,493,479	\$ 2,562,804,169

Schedule SB, Line 6 – Target Normal Cost

On September 30, 2009 the Ashland Inc. and Affiliates Pension Plan ("Plan A") was merged into the Pension Plan of Hercules Incorporated ("Plan B").

Line 6 reflects the target normal cost of The Ashland Hercules Pension Plan. The target normal cost for both plans as of 10/1/2009 are shown below.

	(1) Plan A	(2) Plan B	(4) Merged Plan
Target normal cost	\$ 25,394,748	\$ 9,876,624	\$ 35,271,372
Expected Expenses			4,000,000
Total			\$ 39,271,372

Schedule SB, Line 7 – Explanation of Discrepancy in Prior Year Funding Standard Carryover Balance or Prefunding Balance

Carryover Balance as of 10/1/2008 shown was transferred from the Ashland Inc. and Affiliates Pension Plan, EIN 51-0023450, PN 001 which was merged into the Pension Plan of Hercules Incorporated, EIN 20-0865835, PN 102 on September 30, 2009.

Carryover Balance calculations were prepared using a good faith interpretation of the law under PPA and using actuarial principles established prior to the passage of PPA. Judgments and decisions were made by the actuary in the preparation of this filing given the lack of guidance regarding short-plan years and plan mergers. While we expect guidance to be issued eventually, government mandated filing deadlines preclude waiting for that guidance. The overriding principle used in the preparation of this filing is that the credit balance (carry over balance and prefunding balance) at the end of the year for the merged plan is equal to the sum of the credit balances for the separate plans as if they have operated the full year without merging. Other interpretations could have been used that would have also represented good faith interpretations of PPA.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 61.

Retirement Rates for Ashland Affiliates actives as of 6/30/2003 with 10+ years of service on that date

(1) Age	(2) Number of Lives	(3) Probability of Retirement	(4) Expected Number of Retirees	(5) = (1) x (3)
55	1,000,000	10%	100,000	5,500,000
56	900,000	10%	90,000	5,040,000
57	810,000	10%	81,000	4,617,000
58	729,000	10%	72,900	4,228,200
59	656,100	10%	65,610	3,870,990
60	590,490	10%	59,049	3,542,940
61	531,441	10%	53,144	3,241,784
62	478,297	50%	239,149	14,827,238
63	239,148	30%	71,744	4,519,872
64	167,404	30%	50,221	3,214,144
65	117,183	100%	117,183	7,616,895
			1,000,000	60,219,063
Wtd. Avg. Retirement Age = sum of column (5) ÷ sum of column (4) =				60.22

Retirement Rates for Ashland Affiliates actives on 6/30/2003 with less than 10 years of service on that date

(1) Age	(2) Number of Lives	(3) Probability of Retirement	(4) Expected Number of Retirees	(5) = (1) x (3)
55	1,000,000	6%	60,000	3,300,000
56	940,000	6%	56,400	3,158,400
57	883,600	6%	53,016	3,021,912
58	830,584	6%	49,835	2,890,430
59	780,749	6%	46,845	2,763,855
60	733,904	6%	44,034	2,642,040
61	689,870	6%	41,392	2,524,912
62	648,478	35%	226,967	14,071,954
63	421,511	20%	84,302	5,311,026
64	337,209	20%	67,442	4,316,288
65	269,767	100%	269,767	17,534,855
			1,000,000	61,535,672
Wtd. Avg. Retirement Age = sum of column (5) ÷ sum of column (4) =				61.54

Schedule SB, Line 22 — Description of Weighted Average Retirement Age**Retirement Rates for Ashland Affiliates members hired after 6/30/2003**

(1)	(2)	(3)	(4)	(5)
Age	Number of Lives	Probability of Retirement	Expected Number of Retirees	= (1) x (3)
55	1,000,000	3%	30,000	1,650,000
56	970,000	3%	29,100	1,629,600
57	940,900	3%	28,227	1,608,939
58	912,673	3%	27,380	1,588,040
59	885,293	3%	26,559	1,566,981
60	858,734	3%	25,762	1,545,720
61	832,972	3%	24,989	1,524,329
62	807,983	20%	161,597	10,019,014
63	646,386	15%	96,958	6,108,354
64	549,428	15%	82,414	5,274,496
65	467,014	100%	467,014	30,355,910
			1,000,000	62,871,383

Wtd. Avg. Retirement Age = sum of column (5) ÷ sum of column (4) =

62.87

Retirement Rates for Hercules members

(1)	(2)	(3)	(4)	(5)
Age	Number of Lives	Probability of Retirement	Expected Number of Retirees	= (1) x (3)
55	1,000,000	10%	100,000	5,500,000
56	970,000	5%	45,000	2,520,000
57	940,900	5%	42,750	2,436,750
58	912,673	5%	40,613	2,355,525
59	885,293	5%	38,582	2,276,331
60	858,734	5%	36,653	2,199,167
61	832,972	5%	34,820	2,124,029
62	807,983	30%	198,475	12,305,438
63	646,386	20%	92,622	5,835,159
64	549,428	20%	74,097	4,742,225
65	467,014	100%	296,389	19,265,288
			1,000,000	61,559,912

Wtd. Avg. Retirement Age = sum of column (5) ÷ sum of column (4) =

61.56

Overall Weighted Average Retirement Age for Entire Plan = 62

Schedule SB, Part V — Summary of Plan Provisions

Plan provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- Plan amendments: Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- IRC Section 415(b): The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- Benefit restrictions: Benefit restrictions (if applicable) are ignored in this valuation.

Summary of major plan provisions – Affiliates member

Following is a summary of the major plan provisions as applicable for Affiliates plan members used to determine the plan's financial position. It should not be used in determining plan benefits.

<i>Effective Date</i>	Original effective date – March 1, 1951; Restated effective July 1, 2003; last amended effective September 30, 2008 (Amendment No. 8).
<i>Eligibility Requirements for Participation</i>	One year of service and age 21.
<i>Employee Contributions</i>	None.
<i>Employer Contributions</i>	Entire cost of the Plan.
<i>Normal Retirement Date</i>	First day of the month following 65th birthday.
<i>Early Retirement Date</i>	Eligible for early retirement if either: (a) Age 55, or (b) Age plus years of vesting service equal to 80 or more
<i>Normal Retirement Benefit</i>	For members with 10 or more years of service on July 1, 2003 (referred to as Annuity Participants): Greatest of (a) and (b) offset by annuity purchased as of October 1, 1986 and the benefit attributable to 50% of the LESOP balance (a) (i) Prior to 4/1/1976 – Benefit accrued to 3/31/1976 in accordance with terms of plan in effect on that date (ii) Beginning 4/1/1976 through 9/30/1989 - 1.50% of annual compensation under \$12,000 plus 2.25% of annual compensation over \$12,000. (iii) Beginning 10/1/1989 – no further accruals under this formula. (b) 1.08% of final 3-year average compensation up to \$10,700 plus 1.50% of such average compensation in excess of \$10,700 multiplied by years of credited service (maximum of 35).

Schedule SB, Part V — Summary of Plan Provisions

For Members with less than 10 years of service on July 1, 2003 (referred to as RGA participants), cash balance benefit formula defined as follows:

- (a) Opening Balance – Present value of accrued benefit as of 6/30/2003 (present value based on 5.5% interest and GATT 2003 mortality)
- (b) Interest Credits – Average of United States Treasury Constant Maturity Rates for August preceding the beginning of the plan year plus 1%.
- (c) Contribution Credits – As determined from the following table:

<u>Age + Continuous Service at End of Plan Year</u>	<u>Contribution Credit</u>
Less than 30	3%
30 – 39	4%
40 – 49	5%
50 – 59	6%
60 – 69	7%
70 – 79	9%
80 or more	11%

- (d) Additional transition credits for those age 45 or older on 6/30/2003 in accordance with the following table:

<u>Age on June 30, 2003</u>	<u>Transition Credit Percentage</u>
45 to 49	3%
50 to 54	4%
55 and Over	5%

Early Retirement Benefit

Annuity Participants receive a percentage of their accrued benefit as specified in the following table:

Schedule SB, Part V — Summary of Plan Provisions

	<u>Retirement Age</u>	<u>Percentage of Accrued Benefit</u>
	50	46%
	51	51%
	52	56%
	53	62%
	54	68%
	55	75%
	56	80%
	57	84%
	58	88%
	59	91%
	60	94%
	61	97%
	62 or older	100%
	RGA Participants receive an early retirement benefit equal to the value of their RGA account less any LESOP offset.	
<i>Deferred Retirement Benefit</i>	Participants working past their Normal Retirement Date shall continue to accrue benefits up to their actual date of retirement.	
<i>Form of Pension</i>	Joint and 50% Survivor annuity in amount actuarially equivalent to single life annuity for accrued pension, if married. Otherwise, life annuity. Other annuity options are available on an actuarially equivalent basis (joint and survivor with 100%, 66-2/3% or 50% continuation to named beneficiary, life with 10 years guaranteed as well as single life annuity with no guarantee). A lump sum option is also available for RGA Participants.	
<i>Termination Benefits</i>		
(i) <i>Termination with less than five years of Vesting Service</i>	No benefits payable.	
(ii) <i>Termination with five or more years of Vesting Service</i>	100% vested.	

Schedule SB, Part V — Summary of Plan Provisions

<i>Death Benefits</i>	<p>Prior to retirement:</p> <ul style="list-style-type: none">• Annuity Participants - A member is eligible if vested and survived by a spouse. His spouse will receive a survivor annuity equal to 50% of the pension the Member would have received had he retired under the qualified Joint and Survivor option on his date of death.• RGA Participants – Value of their RGA account reduced by any LESOP offset <p>Post-retirement: In accordance with annuity form elected by Member.</p>
<i>Disability Benefits</i>	<p>If a member becomes totally and permanently disabled, benefits continue to accrue until Normal Retirement Date. Future service benefits after disability will accrue based on the member's compensation rate on October 1 of the year prior to his disability.</p>
<i>Changes since prior valuation</i>	<p>Maximum salary recognized under this plan pursuant to Code Section 401(a)(17) increased from \$225,000 to \$230,000.</p>

Schedule SB, Part V — Summary of Plan Provisions**Plan Provisions – Hercules Members**

Following is a summary of the major plan provisions as applicable for Hercules plan members used to determine the plan's financial position. It should not be used in determining plan benefits.

Represented Employees of Heritage Hercules

Effective date and plan year	Original plan: 1913 Restated plan: January 1, 2005
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
▪ Participation	All regular full-time represented employees.
▪ Employee contributions	None
▪ Credited service	Continuous service from most recent date of hire.
▪ Pensionable earnings	Salary and wages including overtime, holidays, vacations, commissions and nonoccupational and temporary occupational disability benefits.
▪ Final average earnings	Average of highest five years' earnings during the last ten years of service, limited as required by the Tax Reform Act of 1986.
▪ Social security earnings base	Twelve times the 35-year average monthly compensation used under the Social Security Act to calculate a maximum unreduced primary Social Security benefit in the calendar year prior to the year in which retirement or termination occurs.
▪ Normal retirement date	First of the month following attainment of age 65.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement																	
▪ Eligibility	Normal retirement date.																
▪ Benefit	<p>i) Except as noted below: 1.15% of final average earnings up to the Social Security earnings base plus 1.35% of final average earnings in excess of such base multiplied by years of service.</p> <p>ii) Bacchus wage employees:</p> <ul style="list-style-type: none"> – From October 1, 1997 — \$33.75 per month for each year of service. – At no time shall the benefit be less than the benefit as described in (i) above, with earnings frozen as of October 31, 1986 <p>iii) McGregor wage employees:</p> <ul style="list-style-type: none"> – From September 15, 1994 — \$23.00 per month for each year of service. – At no time shall the benefit be less than the benefit as described in (i) above, with both earnings and service frozen as of July 31, 1989. – McGregor employees age 55 and older as of July 1, 1989 will receive the benefit as described in (i) above. <p>iv) Hattiesburg, Jefferson, MCW, Gibbstown, Savannah, Parlin Powerhouse, and Milwaukee employees:</p> <ul style="list-style-type: none"> – The benefits available to non-represented participants covered by this plan. All employees who were represented participants in this plan on the effective date maintain rights to the benefits determined in accordance with their representation immediately preceding the effective date. <table> <tr> <th>Location</th><th>Effective Date</th></tr> <tr> <td>Hattiesburg</td><td>January 1, 1995</td></tr> <tr> <td>Jefferson</td><td>January 1, 1995</td></tr> <tr> <td>MCW</td><td>July 1, 1996</td></tr> <tr> <td>Gibbstown</td><td>October 1, 1996</td></tr> <tr> <td>Savannah</td><td>July 1, 1998</td></tr> <tr> <td>Parlin Powerhouse</td><td>July 1, 1998</td></tr> <tr> <td>Milwaukee</td><td>November 11, 2000</td></tr> </table>	Location	Effective Date	Hattiesburg	January 1, 1995	Jefferson	January 1, 1995	MCW	July 1, 1996	Gibbstown	October 1, 1996	Savannah	July 1, 1998	Parlin Powerhouse	July 1, 1998	Milwaukee	November 11, 2000
Location	Effective Date																
Hattiesburg	January 1, 1995																
Jefferson	January 1, 1995																
MCW	July 1, 1996																
Gibbstown	October 1, 1996																
Savannah	July 1, 1998																
Parlin Powerhouse	July 1, 1998																
Milwaukee	November 11, 2000																

Schedule SB, Part V — Summary of Plan Provisions**Early retirement**

▪ Eligibility

- i) Unreduced Benefits: Eligibility for unreduced early retirement is as follows:

Age	Service
55	35
56	32
57	29
58	26
59	23
60	20
61	18
62	16
63	14
64	12

- ii) Reduced Benefits: Eligibility for reduced early retirement benefits is age 50 and 10 years of service (except in cases of dishonesty, misconduct, etc.).

▪ Benefit

- i) Unreduced Benefits: As described in normal retirement benefits.
- ii) Reduced Benefits: Actuarial reduction from the earliest date that the employee would have been eligible for unreduced benefits.

▪ 1997 Special Limited Retirement Incentive Program

- i) Eligibility: Employees assigned to specific U.S. locations defined by Hercules.
- ii) Effective Date: Elections were made by location, after which all elections and rights to elect expire:
- | Location | Effective Date |
|-----------------|-----------------------|
| MCW | May 1, 1997 |
| Hopewell | May 1, 1997 |
| Parlin | June 1, 1997 |
- iii) Prospective Monthly Benefit: Benefits will be calculated for a participant as described in normal retirement benefits by adding three years of age and Credited Service to each participant who so elects. A special dismissal package could also be elected.
- iv) Benefit Payment Provision: For purposes of calculating any postretirement form of payment, the participant's actual age at retirement shall be used.

Schedule SB, Part V — Summary of Plan Provisions

Deferred vested	
▪ Eligibility	<ul style="list-style-type: none"> i) Five years of service where one year of vesting service is granted by any anniversary computation period in which an employee receives compensation for any six months. ii) Prior disability pensioner whose disability has terminated and who has not been offered suitable work. iii) Attainment of age 65.
▪ Benefit	<ul style="list-style-type: none"> i) For employees receiving Social Security disability benefits, benefit as described in normal retirement benefits. ii) For employees who fail to qualify or remain qualified for Social Security disability benefits, 1.15% of final average earnings multiplied by years of service or any other pension payable under this plan.
Disability	
▪ Eligibility	Ten years of service and unable to perform the employee's normal work.
▪ Benefit	Same as deferred vested benefits.
Pre-retirement death	
▪ Eligibility	Spousal or nonspousal beneficiaries of active participants who are vested and who have elected this coverage; also, spousal beneficiaries of vested terminated participants who have elected this coverage.
▪ Benefit	Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant had elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date). In addition, active employees who are eligible for retirement benefit may elect the 100% contingent annuity option.

Schedule SB, Part V — Summary of Plan Provisions

▪ Cost of benefit	All benefits under the plan reduced as follows: i) 50% contingent annuity option — See table below. There is no charge for active employees at the Hopewell and Parlin locations who elect this coverage for spousal beneficiaries.														
	<div>Charge per month of coverage</div> <table><thead><tr><th>Age at coverage</th><th>For active employees</th><th>Coverage for vested terminated employees</th></tr></thead><tbody><tr><td>Up to age 44</td><td>.00083%</td><td>.00833%</td></tr><tr><td>45 to 50</td><td>.00833</td><td>.02083</td></tr><tr><td>50 and over</td><td>.04167</td><td>.04167</td></tr></tbody></table>			Age at coverage	For active employees	Coverage for vested terminated employees	Up to age 44	.00083%	.00833%	45 to 50	.00833	.02083	50 and over	.04167	.04167
Age at coverage	For active employees	Coverage for vested terminated employees													
Up to age 44	.00083%	.00833%													
45 to 50	.00833	.02083													
50 and over	.04167	.04167													
	ii) 100% contingent annuity option—.075% for each month option is in effect.														
Postretirement death	None except as elected by optional forms of benefits.														
Postponed retirement															
▪ Eligibility	Employee option.														
▪ Benefit	Benefit as described in normal retirement benefits based on earnings and service at actual retirement date.														
Form of benefits															
▪ Automatic form for unmarried participants	Life annuity.														
▪ Automatic form for married participants	50% joint and survivor annuity, actuarially reduced.														
▪ Optional forms	50%, 75% and 100% contingent annuities; also, Bacchus wage, Jefferson, Hattiesburg, Gibbstown, Milwaukee, Savannah, Parlin Powerhouse, and MCW employees and employees at the Parlin location may select a 51% lump sum combined with a 49% annuity.														
Benefits for former CPD employees (now Hexcel)	Accrued benefit as of July 1, 1996 based on service and benefit level in effect on that date, increased by 4.25% for each year employee remains employed by Hexcel, with a minimum of five years applied.														

Schedule SB, Part V — Summary of Plan Provisions***Non-Represented Employees of Heritage Hercules***

Effective date and plan year	Original plan: January 1, 2005
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
▪ Participation	Any person not represented by a union, who is employed either at a location at which the Predecessor Plan was in effect or at a location to which this Plan has been extended by the Board. For represented employees participating in Schedule D (the career average pay formula) and for all non-represented employees, individuals hired on or after January 1, 2005 will not become participants in this plan.
▪ Employee contributions	None
▪ Vesting service	At least six months of Earnings are required for one year of vesting service. Prior service under Hercules Incorporated's Pension Plan is included.
▪ Credited service	Each month in which Earnings are accrued. The total months of Credited Service divided by 12 are the years of Credited Service, whether or not consecutive. Prior service under Hercules Incorporated's Pension Plan is included. For former employees of SP Microwave, Inc., no Credited Service is granted prior to January 1, 1968.
▪ Pensionable earnings	Salary or wages including overtime, holidays, vacations, commissions, sales incentives, MICP bonuses and nonoccupational and temporary occupational disability benefits paid to an employee up to the first day of the calendar month following date of retirement or termination.
▪ Final average earnings	Average monthly earnings for the highest five consecutive years during the last ten years of service, limited as required by the Tax Reform Act of 1986. Effective January 1, 2005, the averaging period of five years extends one additional month for each month that the individual is employed beyond January 1, 2005. (Note that the extended averaging period does not apply to the represented employees at MCW).

Schedule SB, Part V — Summary of Plan Provisions

▪ Social security integration point	One-half of the Social Security tax base in effect for 12 months immediately prior to the effective date of retirement or termination month.
▪ Normal retirement date	First day of the month following attainment of age 65.
Normal retirement	
▪ Eligibility	Normal retirement date
▪ Benefit	<ul style="list-style-type: none"> i) <u>Prospective Monthly Benefit</u>: 1.20% of Final Average Earnings up to the Social Security Integration Point plus 1.60% of Final Average Earnings in excess of such integration point multiplied by years and months of Credited Service. ii) <u>Predecessor Plan</u>: All participants who participated in the Predecessor Plan in effect on December 31, 1984 maintain rights to the benefits determined in accordance with such Plan. iii) <u>Former Employees of SP Microwave, Inc.</u>: The minimum benefit under this plan is the benefit accrued as of June 30, 1987 under the SP Microwave, Inc. Plan. iv) <u>Former Employees of Aqualon Company Pension Plan (Kenedy)</u>: The minimum benefit under this plan is the accrued benefit as of December 31, 1992 under the Aqualon Company Pension Plan (Kenedy).
Early retirement	
▪ Eligibility	<ul style="list-style-type: none"> i) <u>Unreduced Benefits</u>: Eligibility: Attainment of age 60 and completion of ten years of Service. ii) <u>Reduced Benefits</u>: Attainment of age 55 and completion of ten years of Service.
▪ Benefit	<ul style="list-style-type: none"> i) <u>Unreduced Benefits</u>: As described in normal retirement benefits (a), (b) and (c). ii) <u>Reduced Benefits</u>: As described in normal retirement benefits (a), but reduced for each month by which the date of retirement precedes age 60, minimum of benefit based on Predecessor Plan. The reduction is equal to 150% divided by an individual's Service for each year prior to age 60. The maximum annual reduction is 5%.

Schedule SB, Part V — Summary of Plan Provisions

<ul style="list-style-type: none"> ▪ 1994 Special Limited Retirement Incentive Program 	<ol style="list-style-type: none"> 1. <u>Eligibility:</u> Salaried employees of Hercules Incorporated not represented by a union who, as of February 28, 1994, are at least age 50 with ten or more years of Credited Service, who are not otherwise excluded, and who are employed or assigned to the specific U.S. locations defined by Hercules. 2. <u>Effective date:</u> Elections must be made between January 17, 1994 and February 28, 1994, after which all elections and rights to elect expire. 3. <u>Prospective monthly benefits:</u> Benefits will be calculated for a participant as described in normal retirement benefit (a) by adding three years of age and Credited Service to each participant who so elects. 4. <u>Benefit payment provision:</u> Benefits may be paid in a lump sum calculated in accordance with the existing plan provisions, and applicable to all or a portion of the above benefit. However, for purposes of calculating the 51% lump sum benefit option and any postretirement form of payment, the participant's actual age at retirement shall be used.
<ul style="list-style-type: none"> ▪ 1995 Special Limited Retirement Incentive Program 	<p><u>Eligibility:</u> Salaried employees of Hercules Incorporated not represented by a union, who are not otherwise excluded, and who are employed or assigned to the specific U.S. locations defined by Hercules.</p> <p><u>Effective date:</u> Elections were made early in the first quarter of 1995, after which all elections and rights to elect expire.</p> <p><u>Prospective monthly benefits:</u> Benefits will be calculated for a participant as described in normal retirement benefit (a) by adding three years of age and Credited Service to each participant who so elects. An additional benefit equal to two months of earnings was paid as a lump sum.</p> <p><u>Benefit payment provision:</u> Benefits may be paid in a lump sum calculated in accordance with the existing plan provisions and applicable to all or a portion of the above benefit. However, for purposes of calculating the 51% lump sum benefit option and any postretirement form of payment, the participant's actual age at retirement shall be used.</p>

Schedule SB, Part V — Summary of Plan Provisions

<ul style="list-style-type: none"> 1997 Special Limited Retirement Incentive Program 	<p><u>Eligibility:</u> Employees assigned to specific U.S. locations defined by Hercules.</p> <p><u>Effective date:</u> Elections were made by location, after which all elections and rights to elect expire:</p> <table data-bbox="792 447 1211 701"> <thead> <tr> <th>Location</th><th>Effective Date</th></tr> </thead> <tbody> <tr> <td>Brunswick</td><td>January 1, 1997</td></tr> <tr> <td>Oxford</td><td>January 1, 1997</td></tr> <tr> <td>MCW</td><td>May 1, 1997</td></tr> <tr> <td>Hopewell</td><td>May 1, 1997</td></tr> <tr> <td>Parlin</td><td>June 1, 1997</td></tr> </tbody> </table> <p><u>Prospective monthly benefits:</u> Benefits will be calculated for a participant as described in normal retirement benefit (a) by adding three years of age and Credited Service to each participant who so elects. For MCW, Hopewell and Parlin, a special dismissal package could also be elected.</p> <p><u>Benefit payment provision:</u> Benefits may be paid in a lump sum calculated in accordance with the existing plan provisions, and applicable to all or part of the above benefit. However, for purposes of calculating the 51% lump sum benefit option and any postretirement form of payment, the participant's actual age at retirement shall be used.</p>	Location	Effective Date	Brunswick	January 1, 1997	Oxford	January 1, 1997	MCW	May 1, 1997	Hopewell	May 1, 1997	Parlin	June 1, 1997
Location	Effective Date												
Brunswick	January 1, 1997												
Oxford	January 1, 1997												
MCW	May 1, 1997												
Hopewell	May 1, 1997												
Parlin	June 1, 1997												
<ul style="list-style-type: none"> FiberVisions Special Limited Retirement Incentive Program 	<p><u>Eligibility:</u> Employees of the FiberVisions Joint Venture.</p> <p><u>Effective date:</u> Elections were made by November 1, 1997, after which all elections and rights to elect expire.</p> <p><u>Prospective monthly benefit:</u> Benefits will be calculated for a participant as described in normal retirement benefit (a) by adding three years of age and Credited Service to each participant who so elects.</p> <p><u>Benefit payment provision:</u> Benefits may be paid in a lump sum calculated in accordance with the existing plan provisions, and applicable to all or part of the above benefit. However, for purposes of calculating the 51% lump sum benefit option and any postretirement form of payment, the participant's actual age at retirement shall be used.</p>												
<ul style="list-style-type: none"> 2000 Special Limited Retirement Incentive Program for Hopewell 	<p>Benefits will be calculated for an eligible participant as described in normal retirement benefit (a) by adding five years of age and Credit Service to each eligible participant who so elects the open window.</p>												

Schedule SB, Part V — Summary of Plan Provisions

Deferred vested														
▪ Eligibility	Five years of vesting service.													
▪ Benefit	As described in normal retirement (a), (b) and (c). A participant may elect to receive payment of a vested benefit as early as age 55 by proper application. The benefit that would have been payable at age 65 will be actuarially reduced as described in the plan.													
Disability														
▪ Eligibility	Not applicable													
▪ Benefit	None (continued service credit while receiving benefits under Company long-term disability plan).													
Pre-retirement death														
▪ Eligibility	Spousal or nonspousal beneficiaries of active participants who are vested and who have elected this coverage; also, spousal beneficiaries of vested terminated participants who have elected this coverage.													
▪ Benefit	Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date). In addition, active employees who are eligible for retirement benefits may elect the 100% contingent annuity option.													
▪ Cost of benefit	All benefits under the plan reduced as follows: i) 50% contingent annuity option — See table below. There is no charge for active employees at the Hopewell and Parlin locations who elect this coverage for spousal beneficiaries.													
	<div><div>Charge per month of coverage</div><table><tr><th>Age at coverage</th><th>For active employees</th><th>Coverage for vested terminated employees</th></tr><tr><td>Up to age 44</td><td>.00083%</td><td>.00833%</td></tr><tr><td>45 to 50</td><td>.00833</td><td>.02083</td></tr><tr><td>50 and over</td><td>.04167</td><td>.04167</td></tr></table></div>		Age at coverage	For active employees	Coverage for vested terminated employees	Up to age 44	.00083%	.00833%	45 to 50	.00833	.02083	50 and over	.04167	.04167
Age at coverage	For active employees	Coverage for vested terminated employees												
Up to age 44	.00083%	.00833%												
45 to 50	.00833	.02083												
50 and over	.04167	.04167												
	ii) 100% <u>contingent</u> annuity option—.0333% for each month option is in effect.													

Schedule SB, Part V — Summary of Plan Provisions

Postretirement Death	None except as elected by optional forms of benefits.
Postponed retirement	
▪ Eligibility	Employee option.
▪ Benefit	Benefit as described in normal retirement benefit (a), (b) and (c) based on earnings and service at actual retirement date.
Form of benefits	
▪ Automatic form for unmarried participants	Life annuity.
▪ Automatic form for married participants	50% joint and survivor annuity, actuarially reduced.
▪ Optional forms	50%, 75% and 100% joint and survivor annuities, 51% lump sum combined with a 49% annuity. As of January 1, 2005, the 51% lump sum is only applicable to benefits earned through the end of 2004.
July 1, 1993 Pension Adjustment	For all pensioners and beneficiaries receiving benefits pursuant to a joint and survivor option who were receiving benefits as of April 1, 1993 (and in addition, all 1992 curtailed employees who were retirement eligible, even if they are not in payment status as of April 1, 1993) the pension benefits were increased as follows: 0.125% per month of retirement from January 1, 1985 through December 31, 1992. Minimum increase was equal to the greater of (i) \$20 per month of retirement or (ii) 3% of the pension benefit being paid. The increase is not payable to individuals (or beneficiaries) in pay status who started to receive benefits from status as vested terminated participants with a right to a deferred benefit.
Benefits for former E&PD employees (now MacDermid)	Accrued benefit as of January 1, 1996 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by MacDermid.
Benefits for former CPD employees (now Hexcel)	Accrued benefit as of July 1, 1996 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by Hexcel, with a maximum of five years applied.

Schedule SB, Part V — Summary of Plan Provisions

**Benefits for employees of
the FiberVisions Joint
Venture**

Accrued benefit as of July 1, 1997 based on Credited Service and Final Average Earnings at that date, increased by 4.25% for each year the employee remains employed by FiberVisions, with a maximum of five years applied.

Schedule SB, Part V — Summary of Plan Provisions***Heritage BetzDearborn Employees***

Key provisions	<ul style="list-style-type: none"> Averaging period for pay of three years extends one additional month for each month that the individual is employed beyond January 1, 2005. The 51% lump sum provision is available to new retirees based on benefits earned through the end of 2004. Employees hired on or after January 1, 2005 do not become participants in the plan.
Effective date and plan year	Original plan: January 1, 1953. Merged into Hercules Pension Plan January 1, 1999. Restated plan: January 1, 2002
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
Definitions	
Covered employees	
<ul style="list-style-type: none"> Participation 	January 1 or July following attainment of age 21 and completion of one year of service.
<ul style="list-style-type: none"> Employee contributions 	None
<ul style="list-style-type: none"> Credited service 	Each year in which a participant completes 1,000 hours. Effective January 1, 2005, each month in which earnings are accrued.
<ul style="list-style-type: none"> Pensionable earnings 	Salary or wages including shift premium, overtime, incentive, commissions, bonuses, holidays, vacations and nonoccupational and temporary occupational disability benefits paid to an employee up to the first day of the calendar month following date of retirement or termination.
<ul style="list-style-type: none"> Final average earnings 	Average annual earnings for the highest three consecutive years excluding those years in which the participant did not complete a year of service. Effective January 1, 2005, average monthly earnings for each year of service from the later of January 1, 2002 or date of hire.
<ul style="list-style-type: none"> Covered Compensation 	35-year average of Social Security wage bases ending with the year the participant attains Social Security Retirement Age.

Schedule SB, Part V — Summary of Plan Provisions

▪ Social security integration point	One-half of the Social Security tax base in effect for 12 months immediately prior to the effective date of retirement or termination month.
▪ Normal retirement date	First day of the calendar month following attainment of age 65 and completion of five years of participation..
Normal retirement	
▪ Eligibility	Attain age 65 with five years of participation.
▪ Benefit	<p>i) 1.2% of Final Average Earnings multiplied by Credited Service up to a maximum of 35 years.</p> <p>ii) 0.6% of Final Average Earnings exceeding Covered Compensation multiplied by Credited Service up to a maximum of 35 years.</p> <p>iii) W.R. Grace Benefit</p> <p>Effective January 1, 2005: (i) – (ii):</p> <p>i) 1.20% of Final Average Earnings up to the Social Security Integration Point plus 1.60% of Final Average Earnings in excess of such integration point multiplied by years and months of Credited Service.</p> <p>ii) W.R. Grace Benefit</p>
Early Retirement (Prior to January 1, 2005)	
▪ Eligibility	Attainment of age 55 and completion of ten years of service.
▪ Benefit	As described normal retirement benefit, but reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.
Rule-of-85 early retirement	
▪ Eligibility	Attainment of age 55 and age plus service equals at least 85 years; also, certain individuals who terminate by October 2000 are deemed to have satisfied Rule of 85.
▪ Benefit	As described in normal retirement benefit, but (i) is reduced 1/240 for each month commencement precedes age 60, and in (ii) is reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.

Schedule SB, Part V — Summary of Plan Provisions

Early Retirement (effective January 1, 2005)	
▪ Eligibility	i) <u>Unreduced</u> : Attainment of age 60 and completion of ten years of Service. ii) <u>Reduced</u> : Attainment of age 55 and completion of ten years of Service.
▪ Benefit	i) <u>Unreduced</u> : As described in normal retirement benefit with no adjustment. ii) <u>Reduced</u> : As described normal retirement benefit, but reduced for each month by which the date of retirement precedes age 60. The reduction is equal to 150% divided by an individual's Service for each year prior to age 60. The maximum annual reduction is 5%.
Rule-of-85 Minimum	
▪ Eligibility	Attainment of age 55 and age plus service equals at least 85 years; also, certain individuals who terminate by October 2000 are deemed to have satisfied Rule of 85.
▪ Benefit	As described normal retirement benefit using earnings and service as of December 31, 2004, but (i) is reduced 1/240 for each month commencement precedes age 60, and in (ii) is reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes Normal Retirement Date.
Deferred vested	
▪ Eligibility	Five years of participation.
▪ Benefit	As described in normal retirement benefit.
Disability	
▪ Eligibility	Not applicable
▪ Benefit	None (continued service credit while receiving benefits under Company long-term disability plan).

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
▪ Eligibility	Spousal beneficiaries of active participants who are vested; also, spousal beneficiaries of vested terminated participants.
▪ Benefit prior to early retirement	Benefit that would have been payable to beneficiary under the 50% contingent annuity option if the participant elected retirement on his date of death (or if the participant had terminated employment on his date of death and commenced benefits on the earliest possible date).
Postretirement	None except as elected by optional forms of benefits.
Postponed retirement	
▪ Eligibility	Employee option.
▪ Benefit	As described normal retirement benefit based on earnings and service at actual retirement date.
Form of benefits	
▪ Automatic form for unmarried participants	Life annuity.
▪ Automatic form for married participants	50% joint and survivor annuity, actuarially reduced.
▪ Optional forms	50%, 75% and 100% joint and survivor annuities and a 5-year certain and continuous annuity. A 51% lump sum combined with 49% annuity is available on the benefits earned through the end of 2004.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 61.

Retirement Rates for Ashland Affiliates actives as of 6/30/2003 with 10+ years of service on that date

(1) Age	(2) Number of Lives	(3) Probability of Retirement	(4) Expected Number of Retirees	(5) = (1) x (3)
55	1,000,000	10%	100,000	5,500,000
56	900,000	10%	90,000	5,040,000
57	810,000	10%	81,000	4,617,000
58	729,000	10%	72,900	4,228,200
59	656,100	10%	65,610	3,870,990
60	590,490	10%	59,049	3,542,940
61	531,441	10%	53,144	3,241,784
62	478,297	50%	239,149	14,827,238
63	239,148	30%	71,744	4,519,872
64	167,404	30%	50,221	3,214,144
65	117,183	100%	117,183	7,616,895
			1,000,000	60,219,063
Wtd. Avg. Retirement Age = sum of column (5) ÷ sum of column (4) =				60.22

Retirement Rates for Ashland Affiliates actives on 6/30/2003 with less than 10 years of service on that date

(1) Age	(2) Number of Lives	(3) Probability of Retirement	(4) Expected Number of Retirees	(5) = (1) x (3)
55	1,000,000	6%	60,000	3,300,000
56	940,000	6%	56,400	3,158,400
57	883,600	6%	53,016	3,021,912
58	830,584	6%	49,835	2,890,430
59	780,749	6%	46,845	2,763,855
60	733,904	6%	44,034	2,642,040
61	689,870	6%	41,392	2,524,912
62	648,478	35%	226,967	14,071,954
63	421,511	20%	84,302	5,311,026
64	337,209	20%	67,442	4,316,288
65	269,767	100%	269,767	17,534,855
			1,000,000	61,535,672
Wtd. Avg. Retirement Age = sum of column (5) ÷ sum of column (4) =				61.54

Schedule SB, Line 22 — Description of Weighted Average Retirement Age**Retirement Rates for Ashland Affiliates members hired after 6/30/2003**

(1)	(2)	(3)	(4)	(5)
Age	Number of Lives	Probability of Retirement	Expected Number of Retirees	= (1) x (3)
55	1,000,000	3%	30,000	1,650,000
56	970,000	3%	29,100	1,629,600
57	940,900	3%	28,227	1,608,939
58	912,673	3%	27,380	1,588,040
59	885,293	3%	26,559	1,566,981
60	858,734	3%	25,762	1,545,720
61	832,972	3%	24,989	1,524,329
62	807,983	20%	161,597	10,019,014
63	646,386	15%	96,958	6,108,354
64	549,428	15%	82,414	5,274,496
65	467,014	100%	467,014	30,355,910
			1,000,000	62,871,383

Wtd. Avg. Retirement Age = sum of column (5) ÷ sum of column (4) =

62.87

Retirement Rates for Hercules members

(1)	(2)	(3)	(4)	(5)
Age	Number of Lives	Probability of Retirement	Expected Number of Retirees	= (1) x (3)
55	1,000,000	10%	100,000	5,500,000
56	970,000	5%	45,000	2,520,000
57	940,900	5%	42,750	2,436,750
58	912,673	5%	40,613	2,355,525
59	885,293	5%	38,582	2,276,331
60	858,734	5%	36,653	2,199,167
61	832,972	5%	34,820	2,124,029
62	807,983	30%	198,475	12,305,438
63	646,386	20%	92,622	5,835,159
64	549,428	20%	74,097	4,742,225
65	467,014	100%	296,389	19,265,288
			1,000,000	61,559,912

Wtd. Avg. Retirement Age = sum of column (5) ÷ sum of column (4) =

61.56

Overall Weighted Average Retirement Age for Entire Plan = 62

Ashland Hercules Pension Plan

Financial Statements

*Year ended September 30, 2010 and
Nine months ended September 30, 2009
with Independent Auditor's Report*

Ashland Hercules Pension Plan

Financial Statements

Year ended September 30, 2010 and
nine month period ended September 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Ashland Hercules Pension Plan

We were engaged to audit the accompanying financial statements of the Ashland Hercules Pension Plan (the Plan) as of September 30, 2010 and 2009, and for the year and nine months ended September 30, 2010 and 2009, respectively, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information as of and for the year and nine months ended September 30, 2010 and 2009, respectively, summarized in Notes 3 and 4 which was certified by the trustee of the Plan, Mellon Trust of New England, N.A., except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of September 30, 2010 and 2009, and for the year and nine months then ended, respectively that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Blue & Co., LLC

July 14, 2011

Ashland Hercules Pension Plan

Statements of Net Assets Available for Benefits

	September 30	
Assets	2010	2009
Investments, at fair value		
Cash & cash equivalents	\$ -	\$ 1,535,605
U.S. government securities	-	134,196,086
Corporate debt instruments	-	549,637,932
Corporate stock	-	229,049
Guaranteed investment contract	-	850,100
Common/collective trusts	-	533,473,030
Other investments	-	26,371,949
Partnership/joint venture interests	-	48,934,697
Participating units in the Ashland Inc. Pension Trust	2,466,662,682	976,314,281
Total investments	2,466,662,682	2,271,542,729
Receivables	-	25,866,261
Total assets	2,466,662,682	2,297,408,990
Liabilities		
Payables	-	30,126,139
Total liabilities	-	30,126,139
Net assets available for benefits	\$ 2,466,662,682	\$ 2,267,282,851

See accompanying notes.

Ashland Hercules Pension Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended September 30 2010	Nine Months Ended September 30 2009
Additions:		
Net appreciation of fair value of investments	\$ -	\$ 113,855,656
Plan interest in the Ashland Inc. Pension Trust	289,182,885	-
Interest, dividend, and other income	4,125,048	31,478,832
Employer contributions	100,000,000	-
Total additions	393,307,933	145,334,488
Deductions:		
Net depreciation of fair value of investments	9,641,989	-
Benefits paid to participants	183,590,751	86,591,166
Administrative and other investment expenses	5,193,626	3,305,041
Total deductions	198,426,366	89,896,207
Transfers:		
From Ashland Inc. Leveraged Employee Stock Ownership Plan	4,498,264	-
From Ashland Inc. & Affiliates Pension Plan	-	976,314,281
Net increase	199,379,831	1,031,752,562
Net assets available for benefits, beginning of period	2,267,282,851	1,235,530,289
Net assets available for benefits, end of period	\$ 2,466,662,682	\$ 2,267,282,851

See accompanying notes.

Ashland Hercules Pension Plan

Notes to Financial Statements

September 30, 2010 and 2009

1. Description of Plan

The following brief description of the Ashland Hercules Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is a non-contributory defined benefit pension plan covering most U.S. employees of Ashland Inc. (the Company). The Plan is subject to the current provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Company and maintained by bank Trustees.

Effective October 1, 2009, the Plan was amended to change the plan name from the Pension Plan for Hercules Incorporated to the Ashland Hercules Pension Plan. Concurrently, the Plan's year-end changed from December 31, to September 30, 2009. This new fiscal year is consistent with Ashland Inc.'s fiscal year-end.

Additionally, on September 30, 2009, Ashland Inc. & Affiliates Pension Plan (the "AIA Plan") was merged into the Plan pursuant to the terms of an Instrument of Merger. Thus the AIA Plan assets became part of the assets of the Plan and the Plan assumed all liabilities of the AIA Plan. Pursuant to the Instrument of Merger, the terms and provisions of the AIA Plan prior to the merger remain in place as part of the terms and provisions of the Plan until further amended. The transfer was reflected in the accompanying 2009 financial statements as "Fund transfers from Ashland Inc. & Affiliates Pension Plan." Changes in net assets for the AIA Plan were not included in the Plan's statement of changes in net assets for the nine month period ended September 30, 2009 since the Plan assumed the assets and liabilities of the plan at the end of business on September 30, 2009 pursuant to the Instrument of Merger.

Pension Benefits

Schedule A

Represents wage employees with five or more years of service that are fully vested and entitled to monthly pension benefits beginning at normal retirement age (65) equal to 1.15% of their average monthly earnings for the highest five consecutive calendar years during the last ten calendar years of service (limited to the average Social Security earnings base) multiplied by the years and months of credited service. For earnings in excess of the average Social Security earnings base, the multiplication factor increases from 1.15% to 1.35%, but the earnings will not exceed the maximum limits under section 401(a) (17) of the Internal Revenue Code (the IRC).

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

1. Description of Plan (continued)

Schedule A (continued)

The Plan permits a participant to elect unreduced early retirement at ages 55 through 64 if the participant meets the minimum years of credited service requirements as detailed in the Plan agreement. A participant who reaches age 50 and has at least 10 years of credited service may elect reduced early retirement benefits. The amount of the reduced benefit will be computed in the same manner as a normal retirement pension except that it will be actuarially reduced for each month from the date of early retirement to the month of eligibility for unreduced early retirement.

Schedule B

Generally, salaried, non-represented wage, and certain represented wage employees who participate in accordance with collective bargaining agreements, who were employed by the Company as of December 31, 2004, with five or more years of service are fully vested and entitled to monthly pension benefits beginning at normal retirement age (65) equal to 1.2% of their average monthly earnings (limited to the Social Security integration point, which is one-half of the Social Security tax base divided by twelve) for the highest five consecutive years during the last ten years of service multiplied by the years and months of credited service. For earnings in excess of the Social Security integration point, the multiplication factor increases from 1.2% to 1.6%, but the earnings will not exceed the maximum limits under section 401(a) (17) of the IRC. The Plan permits a participant to elect unreduced early retirement at age 60 if the participant meets a minimum of ten years of credited service. A participant who reaches age 55 and has at least ten years of credited service may elect reduced early retirement benefits. The amount of the reduced benefit will be computed as follows: the reduction percentage is based on years of service formula limited to a maximum of .417% per month. In 2005, this plan was amended to provide for future accruals based on career average earnings (see Schedule D below).

Schedule C

On January 1, 1999, former employees of BetzDearborn Inc. became participants (BetzDearborn Participants) in the Plan. Generally, former BetzDearborn salaried and wage employees with five or more years of service are fully vested and entitled to minimum monthly pension benefits based on their accrued service beginning at normal retirement age (65) equal to the "Basic Benefit" plus the "Excess Benefit," reduced by any "W. R. Grace Benefit," as follows:

Basic Benefit: 1.2% of final average compensation (the average of the highest consecutive three years' compensation up to the maximum limits under section 401(a)(17) multiplied by years of service up to a maximum of 35 years.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Schedule C (continued)

Excess Benefit: 0.6% of final average compensation in excess of covered compensation, multiplied by years of service up to a maximum of 35 years.

W. R. Grace Benefit: the vested accrued pension benefit earned as an employee of the Dearborn division of W. R. Grace & Co.

The Plan permits a BetzDearborn Participant to elect reduced early retirement benefits at the age of 55 if the participant meets a minimum of ten years of service. The amount of the reduced benefit will be computed in the same manner as a normal retirement pension except that it will be reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months the early retirement date (commencement) precedes the normal retirement date. If a participant elects the reduced early retirement benefit and his age plus service equals at least 85 years, then the amount of the reduced benefit will be computed in the same manner as a normal retirement pension except that the basic benefit will be unreduced for each of the first 60 months and reduced 1/240 for each month commencement precedes 60 months. The excess benefit will be reduced 1/180 for each of the first 60 months and 1/300 for each of the next 60 months commencement precedes normal retirement date. In 2005, this plan was amended to provide for future accruals based on career average earnings (see Schedule D below).

Schedule D

Generally, salaried, non-represented wage, and certain represented wage employees who participate in accordance with collective bargaining agreements, who were employed by the Company as of December 31, 2004, with five or more years of service are fully vested and entitled to monthly pension benefits beginning at normal retirement age (65) equal to 1.2% of their average monthly earnings (limited to the Social Security integration point, which is one-half of the Social Security tax base divided by twelve) for their final average earnings multiplied by the years and months of credited service. For earnings in excess of the Social Security integration point, the multiplication factor increases from 1.2% to 1.6%, but the earnings will not exceed the maximum limits under section 401(a) (17) of the IRC. Final average earnings is the highest consecutive number of years of earnings determined by the sum of (1) the period from 1/1/05 until termination and (2) five years or three years depending on previous participation in Schedule B or C, respectively. The Plan permits a participant to elect unreduced early retirement at age 60 if the participant meets a minimum of ten years of credited service. A participant who reaches age 55 and has at least ten years of credited service may elect reduced early retirement benefits. The amount of the reduced benefit will be computed as follows: the reduction percentage is based on years of service formula limited to a maximum of .417% per month.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

AIA Plan

The AIA Plan is a non-contributory defined benefit pension plan established as of October 1, 1986, to provide defined pension benefits on and after that date to eligible employees (or their beneficiaries) of the Company and various subsidiaries meeting certain age and employment requirements. Benefits earned by those employees through September 30, 1986, under previous plans were covered through the purchase of nonparticipating annuities.

Effective July 1, 2003, the AIA Plan was amended and restated. The amendment and restatement changed the benefit formula for participants that were employees with less than 10 years of service on June 30, 2003. The new formula also applied to new hires who became eligible for the AIA Plan after June 30, 2003. Participants who terminated before June 30, 2003 and who are rehired after that date and again participate in the AIA Plan will have their benefits accrued from the time they again actively participate in the Plan calculated under the new formula. The new formula is a cash balance plan design referred to as the Retirement Growth Account.

Participants in the Retirement Growth Account formula receive contribution credits as a percentage of base pay. Interest credits are allocated to each Retirement Growth Account. Participants who have both a benefit in the Ashland Inc. Leveraged Employee Stock Ownership Plan (LESOP) and in the Retirement Growth Account have their Retirement Growth Accounts reduced by one-half of the value in their LESOP accounts, unless they elect to transfer one-half of their LESOP accounts to the Plan.

Benefits under the AIA Plan that are not under the Retirement Growth Account formula are based on an employee's years of service and compensation for periods up to ten years before retirement. For certain covered employees, such benefits are expected to come in part from one-half of their accounts in the LESOP.

The AIA Plan provided for 100% vesting after an employee satisfies the early retirement requirements or completes five years of service, including service through September 30, 1986, under the previous plans. The Plan has been amended effective September 30, 2008, so that employees with at least 1 hour of service after September 30, 2008 must complete at least three years of continuous service under the Plan in order to have a non-forfeitable benefit.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Death Benefits

Upon completing age and service requirements for pension eligibility, a participant may make an election to provide a pension benefit for a designated beneficiary in the event the participant dies prior to retirement. The beneficiary's benefit shall be computed based on the participant's service and earnings accrued to the date of death and then reduced in accordance with the Plan provisions based on the payment option elected. Other death benefits are described in the Plan document.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Valuation of Investments

The Plan's investments are stated at fair value. For purposes of determining the fair value of investments held by the Plan: securities listed on a national exchange are valued on the basis of year-end closing sales price; units of participation in common/collective trusts are valued on a per unit basis as presented in the trust's financial statements. Investments in registered investment companies and partnerships and joint ventures, are valued at the net asset value of shares held by the Plan at year-end. Income and expenses are translated at rates prevailing when accrued or incurred.

Purchases and sales of securities are reflected on a trade date basis. Gains or losses on sales of securities are based on average cost. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of its investments which consists of realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Master Trust

Effective with the merger of the AIA Plan into the Plan on September 30, 2009, a portion of the Plan's investments were held in a master trust which was established for the investment of assets of two Company sponsored pension benefit plans. The assets of the Ashland Inc. Pension Trust (the Trust) are held by Mellon Trust of New England, N.A. (the "Trustee") who allocates earnings from Trust investments to participating plans based on each plan's participation in separate investment pools within the Trust. During the year ended September 30, 2010 the Plan completed the transfer of all investments into the Trust.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Master Trust (continued)

The fair value of the Plan's interest in the Trust is based on the beginning of the year value of its interest in the Trust plus actual contributions, transfers and allocated investment income less actual distributions and allocated administrative expenses (see Note 4). Investments in the Trust include cash and cash equivalents, U.S. government obligations, government agency obligations (U.S. government, non-U.S. government (foreign), and municipal bonds), corporate debt instruments, corporate stocks, partnership/joint venture interest, and common/collective trusts. Cash and cash equivalents are stated at cost, which approximates fair value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the plan year; investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the latest reported bid price. Government agency obligations and corporate debt instruments and stocks that do not have a quoted value are valued based on prices obtained from the Trustee's vendors. Depending on the situation or trading volume, the vendors may use a trade price or evaluated price. Participation units in common collective trusts are valued using the net asset values per share as of the valuation date provided by the investments' custodians. The value of the participation units in partnership/joint ventures are determined based on the net asset value per share reported on the latest statements received from the partnership/joint venture.

Accumulated Plan Benefits

Accumulated plan benefits (see Note 6) are those estimated future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions for services rendered by the employees to the valuation date.

Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of deceased employees, and active employees or their beneficiaries. Benefits payable under all circumstances are included to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of these accumulated plan benefits, as determined by the Plan's actuary, is the result from applying actuarial assumptions to reflect the time value of money (through discounts for interest) and the probability of payment between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations were as follows:

Discount rate	5.80% per year, compounded annually (8.38% prior year)
Long-term rate of return on plan assets for ASC 715	8.25% per year, compounded annually (8.25% prior year)

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Accumulated Plan Benefits (continued)

Mortality	2009 PPA separate static annuitant and non-annuitant mortality tables (2008 PPA separate static annuitant and non-annuitant mortality tables)
Inflation	2.75% per year increase in IRC Section 415 and 401(a)(17) limitations (2.75% per year increase prior year).

Benefit Payments

Benefit payments to participants are recorded upon distribution.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Date of Management's Review

The Plan evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through July 14, 2011, which is the date the financial statements were available to be issued.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

3. Investments

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Mellon Trust of New England, N.A., the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of September 30, 2010 and 2009, the related investment activity reflected in the statements of changes in net assets available for benefits for the year and nine months ended September 30, 2010 and 2009, respectively, and Notes 3 and 4.

Ashland Hercules Pension Plan

Notes to Financial Statements (continued)

3. Investments (continued)

In developing its investment strategy, the plan sponsor considered the following factors for its pension plans: the nature and relative size of the liabilities, the allocation of such liabilities between active and retired members, net cash flows and funded position. The plan sponsor also considers the investment horizon, expected capital market return, and the benefits of investment diversification.

During the the year ended September 30, 2010 and the nine months ended September 30, 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated/(depreciated) in value by (\$9,641,989) and \$113,855,656 respectively, as follows:

	2010	2009
Cash & cash equivalents	\$ (1,088,417)	\$ 26,615
U.S. government securities	(337,751)	(46,257,604)
Corporate debt instruments	(293,825)	71,599,546
Corporate stock	(76,860)	526,381
Partnership/joint venture interests	(1,259,553)	12,039,965
Common/collective trusts	(7,118,197)	77,305,340
Other investments	532,614	(1,384,587)
	<u>\$ (9,641,989)</u>	<u>\$ 113,855,656</u>

The following table presents investments that represented 5 percent or more of the Plan's net assets available for benefits at September 30:

	2010	2009
Participating units in the Ashland Inc. Pension Trust	\$ 2,466,662,682	\$ 976,314,281
Barclays Global Investment Long Term Credit Bond Index Fund	-	456,128,824
All other investments less than 5%	-	839,099,624
	<u>\$ 2,466,662,682</u>	<u>\$ 2,271,542,729</u>

Derivative financial instruments are used to hedge risk caused by fluctuations in foreign currencies and interest rates. The Plan may enter into forward exchange contracts to hedge foreign currency exposure. Other derivative financial instruments used in the Plan include future and interest rate swap contracts. The amount and duration of the exposure, market volatility, and economic trends are taken into consideration in making decisions regarding hedging. The counterparties to foreign currency contracts are major financial institutions. The Plan is exposed to credit loss in the event of counterparty nonperformance; however, such nonperformance is not anticipated and no material loss would be expected from such non-performance.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

3. Investments (continued)

The fair value of these derivative contracts and related appreciation (depreciation) are included in other investments in the Statements of Net Assets Available for Benefits and in net appreciation (depreciation) of fair value of investments in the Statements of Changes in Net Assets Available for Benefits of the Plan.

The following presents a summary of the open derivative contracts as of September 30:

	2010		2009	
	Contracts	Fair Value	Contracts	Fair Value
Eurodollar futures	-	-	1	40,000
U.S. Treasury note and bond futures	-	-	6	21,000

For the year ended September 30, 2010 and the nine months ended September 30, 2009, the Plan realized net trading losses on future and swap contracts of approximately \$17,000 and \$1,523,000, respectively. Gains and losses (realized and unrealized) included in changes in net assets available for benefits, are reported in net appreciation (depreciation) in fair value of other investments.

The Plan may lend its securities to approved broker dealers at the discretion of the Trustees. The Plan receives compensation for lending its securities in the form of fees or a portion of income from investment of the collateral. The Plan also continues to receive investment income on securities loaned. Security loans are required to be collateralized to at least 102% of the fair value of securities loaned. However, in the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings. The Plan had no securities on loan to broker dealers at September 30, 2010. The fair value of securities of the Plan on loan to broker dealers at September 30, 2009, was approximately \$77,547,000 for which the Plan had received collateral of approximately \$79,251,000.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

4. Interest in Ashland Inc. Pension Trust

At September 30, 2010 and 2009 the Plan's interest in the net assets of the Trust was approximately 99.4% and 98.6%, respectively. The following table presents the assets including investments and liabilities of the Trust at September 30:

	<u>2010</u>	<u>2009</u>
Investments at fair value as determined by quoted market prices		
Interest bearing cash	\$ 91,624,793	\$ 33,353,117
Common/collective trusts	-	-
U.S. government securities	97,770,391	154,100,719
Corporate stock	456	-
Other	5,211,894	2,918,751
	<u>194,607,534</u>	<u>190,372,587</u>
Investments at estimated fair value		
Common/collective trusts	162,749,491	276,560,843
Government agency obligations:		
U.S. government agencies	54,523,168	56,103,367
Municipal bonds	113,620,411	36,437,708
Non-U.S. government securities	35,253,525	3,585,181
Corporate stock	206,840	-
Corporate debt instruments	832,785,434	277,079,049
Partnership/joint venture interest	1,085,228,204	167,427,683
Other	50,139,817	40,478,530
	<u>2,334,506,890</u>	<u>857,672,361</u>
Total investments	<u>2,529,114,424</u>	<u>1,048,044,948</u>
Receivables	<u>144,894,133</u>	<u>167,871,577</u>
Total assets	<u>2,674,008,557</u>	<u>1,215,916,525</u>
Payables	<u>(192,561,972)</u>	<u>(225,398,381)</u>
Net assets	<u>\$ 2,481,446,585</u>	<u>\$ 990,518,144</u>

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

4. Interest in Ashland Inc. Pension Trust (continued)

The following table presents the net appreciation (depreciation) in investments (including gains and losses on investments bought and sold, as well as held during the year) and investment income in the Trust for the years ended September 30:

	<u>2010</u>	<u>2009</u>
Net appreciation (depreciation) in fair value of investments:		
Interest bearing cash	\$ 645,577	\$ 35,497
U.S. government securities	12,374,370	5,650,716
Government agency obligations	5,029,262	2,763,061
Corporate debt instruments	97,538,569	46,942,061
Corporate stock	53,673,790	47,500
Partnership/joint venture interest	65,142,066	(5,018,413)
Common/collective trust	70,366,701	(57,547,145)
Other investments	15,412,066	(4,312,890)
	<u>320,182,401</u>	<u>(11,439,613)</u>
Investment income:		
Interest	67,506,188	28,548,635
Dividends	416,017	1,501,940
Other	(253,826)	(101,541)
	<u>(253,826)</u>	<u>(101,541)</u>
Total	<u>\$ 387,850,780</u>	<u>\$ 18,509,421</u>

The Trust, through the activities of certain of its investment managers, uses derivative financial instruments in connection with its normal trading activities in an effort to improve investment return or control risk. Derivative financial instruments generally are viewed as a more cost effective and efficient means of providing liquidity than owning the underlying security. They can also provide unique risk/return structures for the Trust. The derivative financial instruments used in the Trust include futures contracts, options, and interest rate and credit default swaps which expose the Trust to favorable and unfavorable effects of market risk. The Trust does not take on any leverage at the Trust level, and futures positions are covered by short-term marketable securities.

Futures contracts provide for the delivery or purchase of financial instruments on a specified future date at a specified price or yield. The Trust purchases futures contracts principally for exposure to fixed income securities, which generally are settled in the market prior to delivery of the underlying securities. Additionally, the Trust issues options which obligate the Trust to either buy or sell the underlying fixed income instruments at a specific price if the options are exercised. The Trust receives a premium upon issuance of the options.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

4. Interest in Ashland Inc. Pension Trust (continued)

The Trust is exposed to risks from unfavorable changes in interest rates or market values of the securities underlying the futures and option contracts. Changes in interest rates on outstanding futures contracts are settled on a daily basis thereby minimizing the Trust's exposure to credit loss. The Trust is also exposed to credit risk in the event of non-performance by the counterparties to the futures and options contracts. The Trust does not anticipate non-performance by the counterparties and generally does not require counterparty collateral.

The fair value of these derivative contracts and related appreciation (depreciation) are included in Other investments in the tables above. The following table presents a summary of the open derivative contracts as of September 30:

	2010		2009	
	Contracts	Fair Value	Contracts	Fair Value
Interest rate futures	-	\$ -	4	\$ 791,214
Eurodollar futures	4	(7,688)	2	402,274
International bond futures	1	(1,256)	-	-
S & P 500 eurodollar futures	1	2,913,150	1	1,723,075
U.S. treasury note futures	2	(222,180)	1	2,188
Foreign currency options	2	(4,523)	-	-
Interest rate swaps	35	(99,233)	17	29,574
Credit default swaps	36	(857,902)	38	(4,033,387)

For the years ended September 30, 2010 and 2009, the Trust realized a net trading gain (loss) on future, option and swap contracts of approximately \$12,100,000 and \$600,000, respectively. Gains and losses (realized and unrealized) are included in changes in net assets available for benefits reported as investment gain/ (loss) from the Trust.

5. Fair Value of Investments

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, summarized below:

Level 1 – Quoted prices in active markets for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

5. Fair Value of Investments (continued)

Level 2 – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and input derived from observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for investments measured at fair value:

Interest bearing cash – The carrying value of cash approximates fair value and is classified within Level 1 of the fair value hierarchy.

U.S. government securities – U.S. Treasury and U.S. Government securities are valued based on quoted market prices that are readily and regularly available and are classified within Level 1 of the fair value hierarchy.

U.S. government agencies, municipal bonds, non-U.S. government securities and corporate debt instruments – Values are based on quoted prices in markets that are not active or for which significant inputs are observable either directly or indirectly and are classified within Level 2 of the fair value hierarchy.

Corporate stocks – Values are determined based on quoted market prices, which are traded on an exchange and in an active market when available and classified as Level 1 of the fair value hierarchy. Others are valued based on quoted prices in markets that are not active or for which significant inputs are observable either directly or indirectly and are classified within Level 2 of the fair value hierarchy.

Partnership and joint venture interests – Values are determined based on net asset value per share as reported periodically on statements received from the partnership/joint venture.

Common/collective trusts – Values are based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income (loss) less actual distributions and allocated administrative expenses. Quoted market prices are used to value investments in the trust. The fair value of certain other investments for which quoted market prices are not available are valued based on inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

Ashland Hercules Pension Plan

Notes to Financial Statements (continued)

5. Fair Value of Investments (continued)

Short sales, written options, and other investments - Values are determined based on quoted market prices, which are traded on an exchange and in an active market when available and classified as Level 1 of the fair value hierarchy. For those investments which are not traded on an open exchange values are based on quoted prices in markets that are not active or for which significant inputs are observable either directly or indirectly and are classified within Level 2 of the fair value hierarchy. Certain other investments are valued at amortized cost which approximates fair value and are classified within Level 3 of the fair value hierarchy.

As of September 30, 2010, the Plan held no investments outside it's interest in the Trust. The following table sets forth by level, within the fair value hierarchy, the Plan's investment assets at fair value at September 30, 2009 and does not include the plan's interest in the Trust because that information is presented in a separate table below as of September 30, 2009:

	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 1,195,604	\$ 340,001	\$ -	\$ 1,535,605
Common/collective trusts	-	-	533,473,030	533,473,030
U.S. government securities	125,660,741	8,535,345	-	134,196,086
Corporate stock	211,848	-	17,201	229,049
Corporate debt instruments	-	549,637,932	-	549,637,932
Partnership/joint venture interest	-	-	48,934,697	48,934,697
Other	60,555	26,311,394	850,100	27,222,049
Total investments	<u>\$ 127,128,748</u>	<u>\$ 584,824,672</u>	<u>\$ 583,275,028</u>	<u>\$ 1,295,228,448</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 investment assets for the year ended September 30, 2010.

	Level 3 Assets				
	Corporate Stock	Partnership/joint venture interests	Common / collective trusts	Other investments	Total
Balance, beginning of period	\$ 17,201	\$ 48,934,697	\$ 533,473,030	\$ 850,100	\$ 583,275,028
Realized gains (losses)	-	(75,786)	-	-	(75,786)
Unrealized gains (losses)	(4,848)	(9,270,988)	(49,590,261)	-	(58,866,097)
Transfers	-	(39,587,923)	(113)	-	(39,588,036)
Purchases, sales issuances and settlements, net	(12,353)	-	(483,882,656)	(850,100)	(484,745,109)
Balance, end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Ashland Hercules Pension Plan

Notes to Financial Statements (continued)

5. Fair Value of Investments (continued)

The following table sets forth a summary of changes in the fair value of the Plan's level 3 investment assets for the nine months ended September 30, 2009.

	Level 3 Assets				Total
	Corporate Stock	Partnership/joint venture interests	Common / collective trusts	Other investments	
Balance, beginning of period	\$ -	\$ 37,123,827	\$ 500,892,548	\$ 1,069,937	\$ 539,086,312
Realized gains (losses)	-	551,917	(8,795,613)	-	(8,243,696)
Unrealized gains (losses)	2,527	11,488,048	86,073,359	-	97,563,934
Purchases, sales issuances and settlements, net	14,674	(229,095)	(44,697,264)	(219,837)	(45,131,522)
Balance, end of period	<u>\$ 17,201</u>	<u>\$ 48,934,697</u>	<u>\$ 533,473,030</u>	<u>\$ 850,100</u>	<u>\$ 583,275,028</u>

The investments of the Trust are also recorded at fair value in accordance with ASC 820. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Trust's investments at fair value as of September 30, 2010:

	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 91,624,793	\$ -	\$ -	\$ 91,624,793
Common/collective trusts	-	66,091	162,683,400	162,749,491
U.S. government securities	97,770,391	-	-	97,770,391
U.S. government agencies	-	54,523,168	-	54,523,168
Municipal bonds	-	113,620,411	-	113,620,411
Non-U.S. government securities	-	35,253,525	-	35,253,525
Corporate stock	456	206,840	-	207,296
Corporate debt instruments	-	832,785,434	-	832,785,434
Partnership/joint venture interest	-	-	1,085,228,204	1,085,228,204
Other	5,211,894	(464,768)	50,604,585	55,351,711
Total investments	<u>\$ 194,607,534</u>	<u>\$ 1,035,990,701</u>	<u>\$ 1,298,516,189</u>	<u>\$ 2,529,114,424</u>

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

5. Fair Value of Investments (continued)

The following table sets forth by level, within the fair value hierarchy, the Trust's investments at fair value as of September 30, 2009:

	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 33,353,117	\$ -	\$ -	\$ 33,353,117
Common/collective trusts	-	-	276,560,843	276,560,843
U.S. government securities	154,100,719	-	-	154,100,719
U.S. government agencies	-	56,103,367	-	56,103,367
Municipal bonds	-	36,437,708	-	36,437,708
Non-U.S. government securities	-	3,585,181	-	3,585,181
Corporate stock	-	-	-	-
Corporate debt instruments	-	277,079,049	-	277,079,049
Partnership/joint venture interest	-	-	167,427,683	167,427,683
Other	2,918,751	(8,047,915)	48,526,445	43,397,281
Total investments	<u>\$ 190,372,587</u>	<u>\$ 365,157,390</u>	<u>\$ 492,514,971</u>	<u>\$ 1,048,044,948</u>

Changes in the fair value of the Trust's Level 3 investments during the year ended September 30, 2010 were as follows:

	Level 3 Assets			
	Partnership/joint venture interests	Common / collective trusts	Other investments	Total
Balance, beginning of period	\$ 167,067,683	\$ 276,560,843	\$ 48,526,445	\$ 492,154,971
Realized gains (losses)	11,028,285	110,527,434	-	121,555,719
Unrealized gains (losses)	58,022,038	(43,709,197)	2,078,140	16,390,981
Transfers	430,764,620	100,105,113	-	530,869,733
Purchases, sales issuances and settlements, net	418,345,578	(280,800,793)	-	137,544,785
Balance, end of period	<u>\$ 1,085,228,204</u>	<u>\$ 162,683,400</u>	<u>\$ 50,604,585</u>	<u>\$ 1,298,516,189</u>

Changes in the fair value of the Trust's Level 3 investments during the year ended September 30, 2009 were as follows:

	Level 3 Assets			
	Partnership/joint venture interests	Common / collective trusts	Other investments	Total
Balance, beginning of period	\$ 120,151,077	\$ 394,332,544	\$ 42,680,142	\$ 557,163,763
Realized gains (losses)	(8,514,885)	(160,898,394)	-	(169,413,279)
Unrealized gains (losses)	(4,249,336)	104,183,836	5,846,303	105,780,803
Purchases, sales issuances and settlements, net	59,680,827	(61,057,143)	-	(1,376,316)
Balance, end of period	<u>\$ 167,067,683</u>	<u>\$ 276,560,843</u>	<u>\$ 48,526,445</u>	<u>\$ 492,154,971</u>

Ashland Hercules Pension Plan

Notes to Financial Statements (continued)

6. Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is shown below as of the beginning of each plan year.

	<u>October, 1 2009</u>	<u>January 1, 2009</u>
Vested benefits:		
Participants currently receiving payments	\$ 1,524,554,346	\$ 707,558,947
Other participants	1,260,188,506	452,383,760
	<u>2,784,742,852</u>	<u>1,159,942,707</u>
Non-vested benefits:	<u>45,010,065</u>	<u>22,532,760</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 2,829,752,917</u>	<u>\$ 1,182,475,467</u>

The changes in the actuarial present value of accumulated plan benefits from the previous valuation date were as follows:

Actuarial present value of accumulated plan benefits at January 1, 2009	\$ 1,182,475,467
Increase (decrease) during the period attributable to:	
Benefits accumulated	(23,288,459)
Interest due to decrease in discount period	95,463,274
Benefits paid	(86,591,166)
Other changes (plan merger)	1,369,397,303
Change in actuarial assumptions and gains/losses	<u>292,296,498</u>
Actuarial present value of accumulated plan benefits at October 1, 2009	<u>\$ 2,829,752,917</u>

Subsequent to the plan year ended September 30, 2010, the Plan has been amended to reflect various changes in plan provisions. The actuarial present value of accumulated plan benefits at October 1, 2009 does not reflect this amendment.

7. Funding Policy and Plan Termination

The Plan meets the Employee Retirement Income Security Act of 1974 (ERISA) minimum funding requirements. Ashland seeks a long run funding level of 100% on a projected benefit obligation basis, but recognizes that year-to-year funding levels may vary widely.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

7. Funding Policy and Plan Termination (continued)

The Company has the right to discontinue its contributions and to terminate the Plan at any time. In the event of termination, the net assets of the Plan shall be first used to pay expenses of administration, and then to provide benefits to participants in accordance with Section 4044 of ERISA, generally to provide the following benefits in the order indicated:

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
2. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a United States government agency) up to the applicable limitations (discussed below).
3. All other vested benefits (that is, vested benefits not insured by the PBGC).
4. All nonvested benefits.

Any residual assets remaining after all liabilities are satisfied would be returned to the Company.

If the Plan's net assets are inadequate, the PBGC generally guarantees the payment of vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations during 2010 and 2009, that ceiling is \$4,500 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether a particular participant's accumulated plan benefits will be paid should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

Ashland Hercules Pension Plan

Notes to Financial Statements (continued)

8. Tax Status of Plan

On March 8, 2003, the United States Treasury Department advised the Company that the Plan as amended through January 28, 2002, is tax exempt under 401(a) of the IRC. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently operating in compliance with the applicable requirements of the IRC. Accordingly, no provision for Federal income taxes is required.

9. Related Party Transactions

Among the Plan investments are investments sponsored by the Plan custodian, Mellon Bank, and therefore qualify as party in interest transactions. Fees paid by the Plan for investment services were approximately \$114,000 and \$532,000 year ended September 30, 2010 and the nine months ended September 30, 2009, respectively.

During the year ended September 30, 2010, the Company contributed 2,974,420 shares of Ashland Inc. common stock to the plan valued at \$100,000,000 on the date of the contribution. All shares received were sold during the year and the Trust realized a gain of \$51,321,015.

10. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risk such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Ashland Hercules Pension Plan
Notes to Financial Statements (continued)

11. Commitments

As of September 30, 2010 and 2009, the Trust had subscription agreements to invest \$122,500,000 in various private equity funds. Capital calls to date total \$116,550,000. Capital calls during the years ended September 30, 2010 and 2009 totaled \$1,050,000 and \$37,613,329, respectively.

12. Subsequent Events

Effective January 1, 2011, the Plan was amended affecting Non-Grandfathered employees who participated in the Plan's Retirement Growth Account. A Non-Grandfathered employee is defined as an employee who was hired on or after July, 1 1993. Beginning January 1, 2011, Non-Grandfathered employees will no longer receive contribution and transition credits in their Retirement Growth Accounts. However, they will continue to receive interest credits as long as they have a Retirement Growth Account in the Plan. Starting January 1, 2011, eligible Non-Grandfathered employees will begin earning new company base and transition contributions in the Ashland Inc. Employee Savings Plan.