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), 6057(b), 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

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 09/30/2012

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF ASHLAND CHEMICAL

1b Three-digit plan number (PN) ▶ 007

1c Effective date of plan 10/01/1955

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

ASHLAND INC

P O BOX 14000
LEXINGTON, KY 40512

3499 BLAZER PARKWAY
LEXINGTON, KY 40509

2b Employer Identification Number (EIN)
20-0865835

2c Sponsor's telephone number
859-357-7777

2d Business code (see instructions)
325100

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	Filed with authorized/valid electronic signature.	07/15/2013	JOSEPH LAKE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/15/2013	JOSEPH LAKE
	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
LEXINGTON, KY 40512

3b Administrator's EIN
20-0865835

3c Administrator's telephone number
859-357-7777

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**	471
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**	91
b	Retired or separated participants receiving benefits	**6b**	175
c	Other retired or separated participants entitled to future benefits	**6c**	162
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	428
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	49
f	Total. Add lines **6d** and **6e**	**6f**	477
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	0
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
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:
1D 1G 3D 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)	X	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)	X	Trust
(4)		General assets of the sponsor

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

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 09/30/2012

▶ **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
PENSION PLAN FOR HOURLY EMPLOYEES OF ASHLAND CHEMICAL

B Three-digit plan number (PN) ▶ 007

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
ASHLAND INC

D Employer Identification Number (EIN)
20-0865835

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 10 Day 01 Year 2011

2 Assets:

a	Market value	**2a**	18830386
b	Actuarial value	**2b**	18825779

3 Funding target/participant count breakdown:

			(1) Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	215	9579100
b	For terminated vested participants	**3b**	175	6478240
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		595644
	(2) Vested benefits	**3c(2)**		6858425
	(3) Total active	**3c(3)**	86	7454069
d	Total	**3d**	476	23511409

4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	

5	Effective interest rate	**5**	5.66 %
6	Target normal cost	**6**	322625

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

06/28/2013
Date

GARY D DICKSON
Type or print name of actuary

Most recent enrollment number

MERCER
Firm name

Telephone number (including area code)

525 VINE STREET
SUITE 1600
CINCINNATI, OH 45202-3124
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 [ ]

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 (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 10.66%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		512666
b	Interest on (a) using prior year's effective rate of 6.46 % except as otherwise provided (see instructions)		33118
c	Total available at beginning of current plan year to add to prefunding balance		545784
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	80.07 %
15	Adjusted funding target attainment percentage	15	80.07 %
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	82.80 %
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
01/13/2012	261169				
04/13/2012	261169				
07/13/2012	261169				
10/15/2012	261169				
06/14/2013	840215				
			Totals ► 18(b)	1884891	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 contributions 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	1772647

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	
2.27%	5.43%	6.34 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 4

22 Weighted average retirement age — **22**: 61

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	322625
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	4685630	1066609
b Waiver amortization installment		

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**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	1389234

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			

36 Additional cash requirement (line 34 minus line 35)	**36**	1389234
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	1772647

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	383413
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 09/30/2012

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF ASHLAND CHEMICAL

B Three-digit plan number (PN) ▶ 007

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)

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).. . . . . [X] 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

AURELIUS CAPITAL MGMT LP
535 MADISON AVE
22ND FLOOR
NEW YORK, NY 10022

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

BASSO CAPITAL MGMT LLP

20-0406508

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

BLUECREST CAPITAL MGMT LLP

98-0607511

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

BREVAN HOWARD CAPITAL MGMT LP
4TH FLOOR ONE ESPLANADE
ST HELIER JERSEY, CHANNEL ISLANDS JE2 3QA 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

BROOKSIDE CAPITAL LLC

04-3517074

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

COLUMBIA MGMT INVEST ADVISERS LLC

41-1533211

(b) Enter name and EIN or address of person who provided you disclosures 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

DAVIDSON KEMPNER CAPITAL MGMT LLC

13-4021240

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

ERIM LLP

9 CLOAK LANE 5TH FLOOR
LONDON ECR4 2RU UK

(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

ETON PARK CAPITAL MGMT LP

11-3719116

(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

FIR TREE INC

13-3745261

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

GRAMERCY FUNDS MANAGEMENT

20-0859356

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

HEALTHCOR MGMT LP

20-2893581

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

HELIOS ADVISORS LLC

46-0491123

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

HIGHBRIDGE CAPITAL MGMT LLC

20-1901985

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

INDUS CAPITAL PARTNERS LLC

888 SEVENTH AVENUE
26TH FLOOR
NEW YORK, NY 10019

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

IVORY INVESTMENT MGMT LP

51-0446153

(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

MARSHALL WACE NORTH AMERICA LP

47-0943020

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

MASON CAPITAL MGMT LLC

13-4121993

(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

OWL CREEK ASSET MGMT LP

13-4177075

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

OZ MANAGEMENT LP

13-3980578

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

PARTNER FUND MGMT LP

26-2000428

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

REGIMENT CAPITAL MGMT LLC

04-3411614

(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

SILVER CREEK CAPITAL MGMT LLC

91-1997788

(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

TACONIC CAPITAL ADVISORS LP

20-5826144

(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

WOODBINE CAPITAL ADVISORS LP

80-0185046

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

WOODBINE CAPITAL LLC

80-0185027

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

MARSHALL WACE LLP

98-0430284

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)

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	1052	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

ALBOURNE AMERICA LLC

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?
70	CONSULTANT	3542	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

(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	1286	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

BLACKROCK INTERNATIONAL LTD

06-1543710

(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 50 51	INVESTMENT MANAGER	1957	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

BLOOMBERG 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	416	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

BLUE & 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	AUDITOR	20400	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

BNY MELLON

25-6078093

(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	2552	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

JOHNSON INVESTMENT COUNSEL

31-1801770

(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	2881	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

MERCER US INC

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	68643	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

NISA INVESTMENT ADVISORS LLC

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 MANAGER	3603	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

PACIFIC INVESTMENT MGMT CO LLC

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 MANAGER	7698	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

PORTFOLIO ADVISORS LLC

06-1487853

(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	1367	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

STANDISH MELLON ASSET MGMT

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 MANAGER	4899	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

THE 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 99	CUSTODIAN	6483	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

WESTERN ASSET MGMT CO

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 MANAGER	2350	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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)

XEROX CORP

16-0468020

(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	366	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

(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?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

(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?
			Yes [ ] No [ ]	Yes [ ] No [ ]		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
(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 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.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(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:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 09/30/2012

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF ASHLAND CHEMICAL

B Three-digit plan number (PN) ▶ 007

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: AI DB MASTER PENSION TRUST

b Name of sponsor of entity listed in (a): ASHLAND INC

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)
20-0865835-103	M	20867022

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)

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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 09/30/2012

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF ASHLAND CHEMICAL

B Three-digit plan number (PN) ▶ 007

C Plan sponsor's name as shown on line 2a of Form 5500
ASHLAND INC

D Employer Identification Number (EIN)
20-0865835

Part I Asset and Liability Statement

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) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	821016	1101384
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(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)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	18014189	20867022
(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)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	18835205	21968406
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k		
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	18835205	21968406

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)	1884891	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1884891
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)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(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)		
(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)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(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)		2261443
(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		4146334
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	940698	
(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)		940698
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)	20400	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	52035	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		72435
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1013133
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		3133201
l Transfers of assets:			
(1) To this plan	2l(1)		
(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)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] 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.)	**4a**		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.)	**4b**		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.)	**4c**		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.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	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?	**4f**		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?	**4g**		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?	**4h**		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.)	**4i**		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.)	**4j**		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?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		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.	**4n**		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)

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

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 09/30/2012

A Name of plan
PENSION PLAN FOR HOURLY EMPLOYEES OF ASHLAND CHEMICAL

B Three-digit plan number (PN) ▶ 007

C Plan sponsor's name as shown on line 2a of Form 5500
ASHLAND INC

D Employer Identification Number (EIN)
20-0865835

Part I Distributions

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** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 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 (include any prior year accumulated funding deficiency not waived) **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 or other authority 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

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. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

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.

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**

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):

Pension Plan for Hourly Employees of Ashland Chemical Company

Financial Statements

Years ended September 30, 2012 and 2011
with Report of Independent Auditors

Pension Plan for Hourly Employees of Ashland Chemical Company

Financial Statements

Years ended September 30, 2012 and 2011

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Notes to Financial Statements 5

Supplemental Schedules*

* Supplemental schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

CPAs / ADVISORS

blue

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main 859.253.1100 *fax* 859.253.1384 *email* blue@blueandco.com

REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator
Pension Plan for Hourly Employees of Ashland Chemical Company

We were engaged to audit the accompanying financial statements of the Pension Plan for Hourly Employees of Ashland Chemical Company (the Plan) as of September 30, 2012 and 2011, and for the years ended September 30, 2012 and 2011 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 information summarized in Note 3, which was certified by The Bank of New York Mellon, the trustee of the Plan, 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 and for the years ended September 30, 2012 and 2011, 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 11, 2013

Pension Plan for Hourly Employees
of Ashland Chemical Company

Statements of Net Assets Available for Benefits

(in thousands)	September 30 2012	2011
Assets		
Investments, at fair value:		
Participating units in the Ashland Inc. Pension Trust	**$ 20,867**	$ 18,014
Contributions receivable	**1,101**	821
Net assets available for benefits	**$ 21,968**	$ 18,835

See accompanying notes to financial statements.

Pension Plan for Hourly Employees
of Ashland Chemical Company

Statements of Changes in Net Assets Available for Benefits

(in thousands)	Years Ended September 30 **2012**	2011
Additions:		
Plan interest in the Ashland Inc. Pension Trust investment income	**$ 2,261**	$ 817
Employer contributions	**1,885**	3,978
Total additions	**4,146**	4,795
Deductions:		
Benefits paid to participants	**941**	873
Administrative expenses	**72**	42
Total deductions	**1,013**	915
Net change in assets	**3,133**	3,880
Net assets available for benefits, beginning of year	**18,835**	14,955
Net assets available for benefits, end of year	**$ 21,968**	$ 18,835

See accompanying notes to financial statements.

Pension Plan for Hourly Employees
of Ashland Chemical Company
Notes to Financial Statements

September 30, 2012 and 2011

1. Description of the Plan

The following description of the Pension Plan for Hourly Employees of Ashland Chemical Company (the Plan) provides only general information. The information in this Note is not a Summary Plan Description or Plan document, as these terms are defined under the Employee Retirement Income Security Act of 1974 (ERISA). Instead, this information merely summarizes selected aspects of the Plan. Read the Summary Plan Description or the Plan document for more information about the Plan. The Plan document controls the terms of the Plan and supersedes any inconsistencies contained herein or in the Summary Plan Description. Ashland Inc. (Ashland or the Company), as Plan Administrator, retains all rights to determine, interpret and apply the Plan's terms to factual matters and matters of law. This retained discretionary authority is more particularly described in the Summary Plan Description and in the Plan document.

General

The Plan is a non-contributory defined benefit plan that covers eligible hourly wage employees at certain plants of Ashland Specialty Chemical Company (a division of Ashland). 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.

In July 2010, Ashland and Süd-Chemie AG (Süd-Chemie) signed an agreement for the formation of an expanded global joint venture serving the foundry chemical sector. The transaction closed on November 30, 2010 and combined three businesses: (i) Ashland's Casting Solutions business group, (ii) Süd-Chemie's Foundry-Products and Specialty Resins business unit, and (iii) Ashland-Südchemie-Kernfest GmbH (ASK), the then existing 50% owned European-based joint venture between Ashland and Süd-Chemie. As a result of the transaction, the Company has determined that the loss of active Plan participants caused the Plan to experience a partial termination. All active and affected Plan participants were appropriately vested in their accrued benefits in accordance with Section 411(d) of the Internal Revenue Code.

Benefits under the Plan are based on an employee's years of service. The Plan provides for 100 percent vesting of such benefits after an employee completes five years of service or satisfies the early retirement requirements.

Fees

Fees for administration, investment advice, actuarial and other third party services are paid by the Ashland Inc. Pension Trust (the Trust). The Trust is not charged for administrative services performed on its behalf by Ashland.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Master Trust

The Plan's investments are held in the Trust, a master trust fund for two Company sponsored pension benefit plans. The Bank of New York Mellon (the Trustee) allocates the earnings from Trust investments to participating plans based on each plan's participation in separate investment pools within the Trust.

2. Summary of Significant Accounting Policies (continued)

Master Trust (continued)
Accordingly, the Plan's investment gain or loss represents its allocable share of the Trust's investment income and appreciation (depreciation) in fair value of investments.

Investment Valuation
The Plan's investment in the Trust is reported at fair value. 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 3). Investments in the Trust include cash and cash equivalents, U.S. government obligations, government agency obligations (U.S. government, foreign government, and municipal bonds), debt instruments, corporate stocks, private equity and hedge funds, common/collective trusts, and insurance contracts. See Note 4 for a discussion of fair value measurements within the Trust.

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 Statements of Changes in Net Assets Available for Benefits the Plan's interest in the Ashland Inc. Pension Trust investment income.

Actuarial Present Value of Accumulated Plan Benefits
Accumulated plan benefits (see Note 5) 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	4.70% per year, compounded annually (5.07% in 2011)
Long-term rate of return on plan assets for Accounting Standards Codification (ASC) 715	8.25% per year, compounded annually (8.25% in 2011)
Retirement age assumptions	All employees are assumed to retire at age 65 except at certain locations where assumed rates of retirement are as follows:

2. Summary of Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits (continued)

Age	Calumet City, Drew, Kearney and Los Angeles	Cleveland East and West	Savannah, Bartow and Colton
55	10%	5%	3%
56	10%	6%	3%
57	10%	7%	3%
58	10%	8%	3%
59	10%	9%	3%
60	10%	10%	3%
61	10%	10%	3%
62	50%	50%	30%
63	30%	30%	20%
64	30%	30%	20%
65+	100%	100%	100%

Mortality: 2011 PPA separate static annuitant and non-annuitant mortality tables (2010 PPA separate static annuitant and non-annuitant mortality tables in 2011)

Inflation: 2.75% per year increase in IRC Section 415 and 401(a)(17) limitations (2.75% per year increase in 2011)

Turnover and mortality prior to retirement

Age	Turnover Rate
25	5.29%
30	5.07%
35	4.70%
40	3.50%
45	1.77%
50	0.40%
55	0.00%

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Benefit Payments
Benefit payments to participants are recorded upon distribution.

Use of Estimates
The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

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 11, 2013, which is the date the financial statements were available to be issued.

Reclassifications

Certain prior period data has been reclassified to conform to the current period presentation.

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, The Bank of New York Mellon, 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, 2012 and 2011, the related investment activity reflected in the Statements of Changes in Net Assets Available for Benefits for the years ended September 30, 2012 and 2011, respectively.

At September 30, 2012 and 2011, the Plan's interest in the net assets of the Trust was approximately 0.8% and 0.7%, respectively. As the Plan's only investment, the Plan's interest in the net assets of the Trust represents more than 5% of the Plan's net assets at September 30, 2012 and 2011. The following table presents the assets including investments, receivables and liabilities of the Trust at September 30:

3. Investments (continued)

(in thousands)	September 30 2012	2011
Investments at fair value as determined by quoted market prices		
Cash and cash equivalents	**$ 106,316**	$ 103,196
Government securities and obligations	**169,741**	135,617
Debt instruments	**850,607**	665,000
Corporate stocks	**168,812**	129
Common/collective trusts	**-**	4,147
	1,295,476	908,089
Investments at estimated fair value		
Government securities and obligations	**133,855**	230,913
Debt instruments	**114,306**	105,568
Corporate stocks	**19**	-
Private equity and hedge funds	**1,076,562**	1,024,257
Common/collective trusts	**-**	124,659
Insurance contracts	**483**	580
Other	**44,591**	48,048
	1,369,816	1,534,025
Total investments	**2,665,292**	2,442,114
Receivables	**193,852**	202,823
Total assets	**2,859,144**	2,644,937
Payables	**(212,738)**	(222,903)
Net assets	**$ 2,646,406**	$ 2,422,034

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:

3. Investments (continued)

(in thousands)	Years Ended September 30 **2012**	2011
Net appreciation (depreciation) in fair value of investments:		
Cash and cash equivalents	**$ 88**	$ 223
Government securities and obligations	**15,941**	32,177
Debt instruments	**141,026**	5,906
Corporate stocks	**(10,901)**	(106)
Private equity and hedge funds	**62,065**	21,671
Common/collective trusts	**16,759**	(12,443)
Other investments	**(3,456)**	(2,575)
	221,522	44,853
Investment income (loss):		
Interest	**68,475**	76,782
Dividends	**3,996**	2
Other	**(17)**	(1,788)
Total**	**$ 293,976**	$ 119,849

** The above total excludes investment related expenses of $5,575 thousand and $6,416 thousand for the years ended September 30, 2012 and 2011, respectively.

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.

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 nonperformance by the counterparties to the futures and options contracts. The Trust does not anticipate nonperformance by the counterparties and generally does not require counterparty collateral.

3. Investments (continued)

The fair value of these derivative contracts and related appreciation (depreciation), as noted below, are included in Government securities and obligations or Debt instruments in the tables above. The following table presents a summary of the open derivative contracts as of September 30:

	2012		2011	
	Contracts	Fair Value	Contracts	Fair Value
Derivative assets		(in thousands)		(in thousands)
Government securities and obligations:				
U.S. Treasury futures	3	$ 60	1	$ 2,020
Debt instruments:				
Eurodollar futures	-	-	2	242
International bond futures	-	-	1	13
Interest rate swaps	6	198	26	351
Credit default swaps	27	2,172	37	654
Derivative liabilities				
Government securities and obligations:				
U.S. Treasury futures obligations	8	$ (475)	4	$ (211)
Debt instruments:				
S&P 500 Index futures obligations	1	(3,971)	1	(3,998)
Interest rate swaps obligations	8	(1,050)	18	(13)
Credit default swaps obligations	11	(3,659)	15	(4,325)

For the years ended September 30, 2012 and 2011, the Trust realized a net trading loss on futures, options and swap contracts of approximately $58.2 million and $6.1 million, respectively. Gains and losses (realized and unrealized) are included in Statements of Changes in Net Assets Available for Benefits reported as investment income from the Trust.

4. Fair Value

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

Level 1 – Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities.

4. Fair Value (continued)

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date.

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:

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

Government securities and obligations, debt instruments and corporate stocks – U.S. Treasury, U.S. Government securities, certain debt instruments, and corporate stocks are valued based on quoted market prices that are readily and regularly available and are classified within 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. Certain investments have values that are determined using the net asset value per share or equivalent and are classified within Level 3 of the fair value hierarchy.

Private equity and hedge funds – The fair value of the investments in this class have been estimated using the net asset value per share or its equivalent of the investments.

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.

Insurance contracts and other investments – 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 investments have values that are determined using the discounted cash flows method and are classified within Level 3 of the fair value hierarchy.

As of September 30, 2012 and 2011, the Plan held no investments outside its interest in the Trust.

4. Fair Value (continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's investment assets at fair value as of September 30, 2012:

(in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 106,316	$ -	$ -	$ 106,316
Government securities and obligations:				
U.S. Treasury Bonds	137,415	-	-	137,415
U.S. government agencies	-	36,897	-	36,897
Local government obligations	-	94,656	-	94,656
Foreign government agency obligations	20,638	-	-	20,638
Other U.S. obligations (1)	12,163	2,302	-	14,465
Debt instruments:				
Corporate debt securities:				
Banking and finance	178,020	1,752	-	179,772
Consumer markets	142,602	-	-	142,602
Insurance	42,894	-	-	42,894
News / media	60,278	-	-	60,278
Private corporations	1,809	101,165	-	102,974
Utilities	279,048	764	-	279,812
Non-U.S. securities	8,695	4,261	-	12,956
Other	140,405	5,437	-	145,842
Other debt securities (2)	827	5,636	-	6,463
Corporate stock				
U.S. Corporate stock	16,953	-	-	16,953
Non-U.S. Corporate stock	151,859	-	19	151,878
Private equity and hedge funds:				
Directional hedge funds	-	-	235,929	235,929
Long/Short hedge funds	-	-	323,000	323,000
Relative Value hedge funds	-	-	195,208	195,208
Event Driven hedge funds	-	-	285,331	285,331
Private equity	-	-	37,094	37,094
Insurance contracts	-	483	-	483
Other	-	-	44,591	44,591
Total assets	1,299,922	253,353	1,121,172	2,674,447
Liabilities				
Government securities and obligations:				
Other U.S. obligations (1)	(475)	-	-	(475)
Debt instruments:				
Other debt securities (2)	(3,971)	(4,709)	-	(8,680)
Total liabilities	(4,446)	(4,709)	-	(9,155)
Total net investments	$ 1,295,476	$ 248,644	$ 1,121,172	$ 2,665,292

(1) Includes futures contracts.

(2) Includes futures and swap contracts.

4. Fair Value (continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's investment assets at fair value as of September 30, 2011:

(in thousands)	**Level 1** (3)	**Level 2** (3)	**Level 3**	**Total**
Assets				
Cash and cash equivalents	$ 103,196	$ -	$ -	$ 103,196
Government securities and obligations:				
U.S. Treasury Bonds	101,109	-	-	101,109
U.S. government agencies	1,027	40,306	-	41,333
Local government obligations	-	173,295	-	173,295
Foreign government agency obligations	31,672	1,790	-	33,462
Other U.S. obligations (1)	2,020	15,522	-	17,542
Debt instruments:				
Corporate debt securities:				
Banking and finance	144,432	7,078	-	151,510
Consumer markets	110,781	758	-	111,539
Insurance	33,132	3,894	-	37,026
News / media	43,813	-	-	43,813
Private corporations	-	79,301	-	79,301
Utilities	206,340	2,495	-	208,835
Non-U.S. securities	29,675	11,825	-	41,500
Other	100,583	1,073	-	101,656
Other debt securities (2)	243	3,483	-	3,726
Corporate stock	129	-	-	129
Private equity and hedge funds:				
Directional hedge funds	-	-	171,346	171,346
Long/Short hedge funds	-	-	306,469	306,469
Relative Value hedge funds	-	-	201,577	201,577
Event Driven hedge funds	-	-	251,417	251,417
Private equity	-	-	93,448	93,448
Common/collective trusts	4,147	124,659	-	128,806
Insurance contracts	-	580	-	580
Other	-	-	48,048	48,048
Total assets	912,299	466,059	1,072,305	2,450,663
Liabilities				
Government securities and obligations:				
Other U.S. obligations (1)	(211)	-	-	(211)
Debt instruments:				
Other debt securities (2)	(3,999)	(4,339)	-	(8,338)
Total liabilities	(4,210)	(4,339)	-	(8,549)
Total net investments	$ 908,089	$ 461,720	$ 1,072,305	$ 2,442,114

(1) Includes futures contracts.

(2) Includes futures, forward, option and swap contracts.

(3) The levels for certain investment assets have been reclassified based on additional information which became available in the current year regarding the valuations of these investments. As a result, $329,856 of investments previously classified as Level 1 have been reclassified as Level 2 to conform with the current period presentation.

4. Fair Value (continued)

Changes in the fair value of the Trust's Level 3 investments during the year ended September 30, 2012 were as follows:

	Level 3 Assets		
(in thousands)	Private equity and hedge	Other investments	Total
Balance, beginning of period	$ 1,024,257	$ 48,048	$ 1,072,305
Purchases	141,434	18	141,452
Sales	(151,440)	-	(151,440)
Realized gains	1,877	-	1,877
Change in unrealized gains (losses)	60,434	(3,456)	56,978
Balance, end of period	$ 1,076,562	$ 44,610	$ 1,121,172

Changes in the fair value of the Trust's Level 3 investments during the year ended September 30, 2011 were as follows:

	Level 3 Assets			
(in thousands)	Private equity and hedge	Common/ collective trusts	Other investments	Total
Balance, beginning of period	$ 1,085,228	$ 162,683	$ 50,605	$ 1,298,516
Purchases	141,013	-	-	141,013
Sales	(224,271)	(20,000)	-	(244,271)
Realized gains	10,791	2,589	-	13,380
Change in unrealized gains (losses)	11,496	(16,466)	(2,557)	(7,527)
Transfers to Level 2	-	(124,659)	-	(124,659)
Transfers to Level 1	-	(4,147)	-	(4,147)
Balance, end of period	$ 1,024,257	$ -	$ 48,048	$ 1,072,305

Transfers from Level 3 to Level 2 and Level 1 were made in 2011 because the current year fair values presented above have been determined based on the disaggregated underlying investment assets within the Common/collective trusts.

4. Fair Value (continued)

The following table summarizes the fair value, unfunded commitments and other provisions related to the private equity and hedge funds held by the Master Trust as of September 30, 2012:

(in thousands)	Fair Value	Contracts	Redemption Frequency (if currently eligible)	Redemption Notice Period
Directional hedge funds	$ 56,263	$ -	Daily	2 days
	94,135	-	Monthly	5 days
	67,209	-	Monthly	30-90 days
	18,322	-	None (a)	
Long/Short hedge funds	42,691	-	Monthly	30 days
	134,419	-	Quarterly	45-90 days
	18,738	-	Semi-annually	45 days
	70,428	-	Annually	30-90 days
	56,724	-	None (a)	
Relative Value hedge funds	105,910	-	Quarterly	45-90 days
	89,298	-	Annually	30-90 days
Event Driven hedge funds	170,533	-	Quarterly	45-90 days
	40,641	-	Semi-annually	60-90 days
	64,526	-	Annually	45-90 days
	9,631	-	None (a)	
Private equity	37,094	5,950	None (b)	
	$ 1,076,562	$ 5,950		

(a) The underlying investments in these hedge funds are in the process of liquidation.

(b) It is estimated that the underlying investments in these private equity instruments will be liquidated over the next 1 to 5 years.

4. Fair Value (continued)

The following table summarizes the fair value, unfunded commitments and other provisions related to the private equity and hedge funds held by the Master Trust as of September 30, 2011:

(in thousands)	Fair Value	Contracts	Redemption Frequency (if currently eligible)	Redemption Notice Period
Directional hedge funds	$ 50,017	$ -	Daily	2 days
	33,943	-	Monthly	5 days
	67,975	-	Monthly	30-90 days
	19,411	-	Quarterly	45-90 days
Long/Short hedge funds	16,568	-	Monthly	30 days
	27,612	-	Monthly	30-90 days
	187,941	-	Quarterly	45-90 days
	16,736	-	Semi-annually	45 days
	57,612	-	Annually	30-90 days
Relative Value hedge funds	19,870	-	Monthly	30-90 days
	97,786	-	Quarterly	45-90 days
	83,921	-	Annually	30-90 days
Event Driven hedge funds	131,061	-	Quarterly	45-90 days
	39,688	-	Semi-annually	60-90 days
	64,723	-	Annually	45-90 days
	15,945	-	None (a)	
Private equity	93,448	5,950	None (b)	
	$ 1,024,257	$ 5,950		

(a) It is estimated that the underlying investments in these Event Driven hedge funds will be liquidated over the next 1 to 2 years.

(b) It is estimated that the underlying investments in 56% of the Private equity instruments will be liquidated over the next year. The underlying investments in the remaining Private equity instruments will be liquidated over the next 1 to 5 years.

In developing an investment strategy for the Plan, Ashland has considered the following factors: the nature of the Plan's liabilities, the allocation of liabilities between active, deferred, and retired members, the funded status of the Plan, the applicable investment horizon, the respective size of the Plan, and historical and expected capital market returns. The Plan's assets are managed by outside investment managers, which are monitored against investment return benchmarks and Ashland's established investment strategy. Investment managers are selected based on an analysis of, among other things, their investment process, historical investment results, frequency of management turnover, cost structure and assets under management. Assets are periodically reallocated between investment managers to maintain an appropriate asset mix, diversification of investments and to optimize returns.

4. Fair Value (continued)

Investment decisions and review of investment performance for the Plan are made by the Investment and Administrative Oversight Committee (IAOC), which includes members of Ashland senior management. The IAOC meets on a quarterly basis.

5. Actuarial Present Value of Accumulated Plan Benefits

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

	October 1	
(in thousands)	**2011**	2010
Vested benefits:		
Participants currently receiving benefits	**$ 10,055**	$ 9,280
Other participants	**16,049**	14,899
	26,104	24,179
Nonvested benefits	**616**	788
Total actuarial present value of accumulated plan benefits	**$ 26,720**	$ 24,967

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

	(in thousands)
Actuarial present value of accumulated plan benefits at October 1, 2010	$ 24,967
Increase (decrease) during the plan year attributable to:	
Benefits accumulated and (gains) losses	(65)
Interest due to decrease in discount period	1,244
Benefits paid to participants	(873)
Change in actuarial assumptions	1,267
Change in plan provisions	180
Actuarial present value of accumulated plan benefits at October 1, 2011	$ 26,720

6. 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.

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:

6. Funding Policy and Plan Termination (continued)

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 2012 and 2011 that ceiling was $4,653 and $4,500 per month, respectively. 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.

7. Tax Status of the Plan

On October 5, 2011, the United States Treasury Department advised the Company that the Plan as amended through January 27, 2011, is tax exempt under 401(a) of the Internal Revenue Code (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.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of September 30, 2012 and 2011, there are no uncertain positions taken or expected to be

7. Tax Status of the Plan (continued)

taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for the plan years prior to 2009.

8. Risks and Uncertainties

The Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements 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 estimation 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.

9. Commitments

As of September 30, 2012 and 2011, the Trust had subscription agreements to invest in various private equity funds of $35.0 million and $72.5 million, respectively. Capital calls as of September 30, 2012 and 2011 totaled $29.1 million and $66.6 million, respectively. There were no capital calls during the years ended September 30, 2012 and 2011.

Schedule SB, Line 26 — Schedule of Active Participant Data

Attained Age	Years of credited service										
	Under 1	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Up**	**Total**
Under 25											
25-29											
30-34			1	1							**2**
35-39				1	1						**2**
40-44				1	3						**4**
45-49	1	1	3	5	7	4	3				**24**
50-54				2	2	4	1	1			**10**
55-59		2	2	5	3	1	4	2	3		**22**
60-64	1	2		2	3	2	2	4	2	1	**19**
65-69					1	1					**2**
70 & Up			1								**1**
Total	**2**	**5**	**7**	**17**	**20**	**12**	**10**	**7**	**5**	**1**	**86**

In each cell, the number is the count of active participants for each age/service combination.

Schedule SB, Line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization can be negative, the combined shortfall amortization charge cannot be less than $0.

	Amortization period				Beginning
	Date	Years	Balances		of year
Charge	created	left	Outstanding		payment
Shortfall Loss	10/01/2008	4	$ 4,135,807	$	1,069,021
Shortfall Gain	10/01/2009	5	$ (1,679,763)	$	(351,201)
Shortfall Gain	10/01/2010	6	$ (302,152)	$	(54,436)
Shortfall Loss	10/01/2011	7	$ 2,531,738	$	403,225
Total			**$ 4,685,633**	**$**	**1,066,609**

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

Actuarial assumptions

Discount rate sponsor elections	
▪ Segment rates or full yield curve	Segment
▪ Look-back months	4
▪ First 5 years	2.27%
▪ Next 15 years	5.43%
▪ Over 20 years	6.34%
Mortality sponsor elections	
▪ Healthy and disabled participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA
Other economic assumptions	
▪ Expected investment return	7.75% per year for years 2009 through 2011
▪ Expenses	$87,452 added to current year normal cost (prior year administrative expense)
Demographic assumptions	
Withdrawal	Age based turnover rates reflecting experience. Sample rates as follows:

Age	Withdrawal Rate
25	5.29%
30	5.07%
35	4.70%
40	3.50%
45	1.77%
50	0.40%
55	0.00%

Disability incidence	None

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

Retirement age — Based on rates as follows:

	Retirement Rate		
Attained age	**Calumet City, Drew, Kearney and Los Angeles**	**Cleveland East and West**	**Savannah, Bartow and Colton**
55	10%	5%	3%
56	10%	6%	3%
57	10%	7%	3%
58	10%	8%	3%
59	10%	9%	3%
60	10%	10%	3%
61	10%	10%	3%
62	50%	50%	30%
63	30%	30%	20%
64	30%	30%	20%
65 and above	100%	100%	100%

Benefit commencement age for

- Future vested deferred — 65
- Current vested deferred — 65

Form of payment	**Single life**	**J&S 75%**
▪ Active retirements	50%	50%
▪ Future vested deferred	50%	50%
▪ Future deaths	100%	0%
▪ Current vested deferred	100%	0%

Unpredictable contingent event assumptions — N/A

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

Actuarial methods

Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

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 employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **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:** The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

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

Minimum funding methods

The funding target 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:

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

Schedule SB, Part V — Summary of Plan Provisions

Plan provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated as of January 1, 2011 and amended through Amendment #2, are included in this valuation.

- **Most recent plan amendments included:** Amendment #2 is included because it was adopted by the valuation date and is effective by the end of the plan year.
- **Plan amendments excluded:** None
- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
  - *Plan amendments:* See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
  - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation assumes that actuarial increases for current participants over age 70 are immaterial and are not valued.
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy accruals.

Schedule SB, Part V — Summary of Plan Provisions

Summary of major plan provisions

Effective date and plan year	Original plan: October1, 1955 Restated plan: October 1, 1997 Plan year: October 1 to September 30
Most recent amendment	April 23, 2013 (Amendment No. 2 which implemented prior CBA changes)
Significant events since prior valuation	Amendment 2 was signed increasing the multipliers for Participants in Bartow and Calumet City divisions.
Definitions	
▪ Participation	First of the month following employment (not prior to July 29, 1979 for Ashtabula).
▪ Employee contributions	None
▪ Employer contributions	Entire cost of the Plan
Normal retirement	
▪ Eligibility	Age 65

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	Cleveland-West: $38.00 per month effective 3/1/2004 $39.00 per month effective 3/1/2005 $40.00 per month effective 3/1/2006 $42.00 per month effective 3/1/2007 $43.00 per month effective 3/1/2008 $44.00 per month effective 3/1/2009 Los Angeles: $42.00 per month effective 10/1/2004 $44.00 per month effective 10/1/2005 $45.00 per month effective 10/1/2006 $47.00 per month effective 10/1/2007 $49.00 per month effective 10/1/2008 $51.00 per month effective 10/1/2009 Cleveland-East: $38.00 per month effective 5/4/2003 $41.00 per month effective 5/2/2004 $45.00 per month effective 5/1/2005 $46.00 per month effective 5/1/2006 $47.00 per month effective 5/1/2007 $48.00 per month effective 5/1/2008 Calumet City: $42.00 per month effective 7/1/2004 $43.00 per month effective 7/1/2005 $44.00 per month effective 7/1/2006 $45.00 per month effective 7/1/2007 $46.00 per month effective 7/1/2008 $47.00 per month effective 7/1/2009 $48.00 per month effective 7/1/2010 $49.00 per month effective 7/1/2011 $50.00 per month effective 7/1/2012

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	Savannah, Georgia: $11.00 per month effective 10/1/1985 Neal, West Virginia: $36.00 per month effective 10/1/2002 $38.00 per month effective 10/1/2003 $40.00 per month effective 10/1/2004 $43.00 per month effective 10/1/2005 Ashtabula, Ohio: $24.00 per month effective 2/1/2000 Drew Kearny: $36.00 per month effective 12/15/2004 $37.00 per month effective 12/15/2006 $38.00 per month effective 12/15/2007 $41.00 per month effective 12/15/2008 Bartow: $33.00 per month effective 7/1/2004 $35.00 per month effective 7/1/2005 $37.00 per month effective 7/1/2006 $40.00 per month effective 7/1/2007 $42.00 per month effective 7/1/2008 $43.00 per month effective 7/1/2009 $46.00 per month effective 7/1/2010 $48.00 per month effective 7/1/2011 $49.00 per month effective 7/1/2012 Colton: $22.00 per month effective 7/1/1995
Early retirement	
▪ Eligibility	Age 55 for all divisions except: Ashtabula: Age 60 and 10 or more years of Credited Service.

Schedule SB, Part V — Summary of Plan Provisions

- Benefit

Savannah, Bartow, and Colton:

Accrued Retirement Benefit reduced 5% for each year retirement precedes age 65.

Ashtabula:

Accrued Retirement Benefit reduced by 1/2% for each month by which commencement of benefit precedes age 62.

Neal, Los Angeles, Calumet City and Drew Kearny:
Accrued Retirement Benefit reduced in accordance with the following table:

Age	Early Retirement Factor
55	75%
56	80
57	84
58	88
59	91
60	94
61	97
62-64	100

Cleveland West and Cleveland East:

Accrued Retirement Benefit reduced in accordance with the following table:

Age	Early Retirement Factor
55	50%
56	55
57	60
58	65
59	70
60	75
61	80
62-64	100

Schedule SB, Part V — Summary of Plan Provisions

Late retirement	
▪ Eligibility	Age past normal retirement eligibility.
▪ Benefit	Benefit as of Normal Retirement Date based upon service accrued and benefit level as of actual date of retirement.
Deferred vested	
▪ Eligibility	5 years of vesting service.
▪ Benefit	Accrued benefit at termination date payable on or after normal retirement date or an actuarially reduced benefit if participant elects to commence early.
Disability	
▪ Eligibility	Subject to the provisions of the applicable Appendix, total and permanent disability after 15 years of Service (5 years of service for Ashtabula).
▪ Benefit	Ashtabula, Calumet City, Neal, Bartow, and Colton: No disability benefit. Los Angeles, Drew, and Kearny: Normal retirement benefit. Cleveland West: Minimum of $350 and $19.00 per year of credited service. Cleveland East: Minimum of $380 and $18.00 per year of credited service.
Pre-retirement death	
▪ Eligibility	5 years vesting service.
▪ Benefit prior to early retirement	Spouse will receive a survivor annuity equal to 50% of the pension the Member would have received had the participant retired under the qualified Joint and Survivor option on his date of death. The benefit shall be actuarially reduced to reflect this coverage. There is no reduction for Ashtabula.
▪ Benefit after early but before normal retirement	In accordance with annuity form elected by Member.
▪ Benefit after normal retirement	In accordance with annuity form elected by Member.
Form of benefits	
▪ Automatic form for unmarried participants	Life annuity.

Schedule SB, Part V — Summary of Plan Provisions

▪ Automatic form for married participants	Joint and 75% Survivor annuity in amount actuarially equivalent, using 6% interest rate and GAM71 male mortality table, to single life annuity.
Miscellaneous	
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011, the limit is $195,000.
▪ Benefits not included in valuation	None.

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.	2011 This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 09/30/2012

▶ **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: Pension Plan for Hourly Employees of Ashland Chemical Company

B Three-digit plan number (PN) ▶ 007

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF: Ashland Inc.

D Employer Identification Number (EIN): 20-0865835

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1	Enter the valuation date: Month 10 Day 1 Year 2011			
2	Assets:			
	a Market value	2a		18,830,386
	b Actuarial value	2b		18,825,779
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	215	9,579,100
	b For terminated vested participants	3b	175	6,478,240
	c For active participants:			
	(1) Non-vested benefits	3c(1)		595,644
	(2) Vested benefits	3c(2)		6,858,425
	(3) Total active	3c(3)	86	7,454,069
	d Total	3d	476	23,511,409
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		5.66 %
6	Target normal cost	6		322,625

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

Gary D Dickson

Signature of actuary

6/28/13

Date

Gary Dickson

Type or print name of actuary

11-03764

Most recent enrollment number

Mercer

Firm name

(513) 632-2600

Telephone number (including area code)

525 Vine Street
Suite 1600
Cincinnati OH 45202-3124

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 [ ]