

ASHLAND INC.
Form S-3
November 03, 2009

As filed with the Securities and Exchange Commission on November 3, 2009
Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

ASHLAND INC.
(Exact Name of Registrant as Specified in Its Charter)

Kentucky
(State or Other Jurisdiction of
Incorporation or Organization)

20-0865835
(I.R.S. Employer
Identification Number)

50 E. RiverCenter Boulevard
P. O. Box 391
Covington, Kentucky 41012-0391
Telephone: (859) 815-3333
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive
Offices)

David L. Hausrath, Esq.
Senior Vice President and General Counsel
50 E. RiverCenter Boulevard
P. O. Box 391
Covington, Kentucky 41012-0391
Telephone: (859) 815-3333
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copy to:
Jeffrey J. Margulies, Esq.
Squire, Sanders & Dempsey L.L.P.
4900 Key Tower
127 Public Square
Cleveland, Ohio 44114-1304
Telephone: (216) 479-8500

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$0.01 par value	2,974,420 (1)	\$34.07 (2)	\$101,338,490 (2)	\$5,655 (2)

(1) Pursuant to Rule 416 under the Securities Act of 1933, the Registrant also is registering an indeterminate number of shares of common stock as may be issued from time to time as a result of stock splits, stock dividends or similar transactions.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) promulgated under the Securities Act of 1933, as amended, based on the average of the high and low

prices of the common stock reported on the New York Stock Exchange on October 30, 2009.

PROSPECTUS

ASHLAND INC.

COMMON STOCK

2,974,420 Shares

This prospectus relates to the resale, from time to time, of shares of common stock of \$0.01 par value of Ashland Inc. that we have contributed to the Ashland Hercules Pension Plan. The shares of common stock to which this prospectus relates are held by The Bank of New York Mellon, as trustee of the Ashland Inc. Defined Benefit Master Trust, the trust for the Ashland Hercules Pension Plan. This trustee is referred to in this prospectus as the Selling Shareholder. The shares of common stock will be sold only upon instructions from Evercore Trust Company, N.A., an independent third-party investment fiduciary appointed to manage these shares of common stock, which fiduciary will determine the time and manner of any sale of shares. See “Selling Shareholder.”

The shares of common stock to which this prospectus relates may be sold from time to time through public or private transactions on or off the New York Stock Exchange, or NYSE, at prevailing market prices or negotiated prices.

The proceeds from the sale of the shares of common stock to which this prospectus relates are solely for the account of the Selling Shareholder. We will not receive any of the proceeds from any such sales. See “Use of Proceeds.”

You should read this prospectus and any applicable prospectus supplement, including any documents incorporated by reference, carefully before you invest in our common stock.

Our common stock trades on the NYSE under the symbol “ASH.” On November 3, 2009, the last reported sale price of our common stock on the NYSE was \$34.70.

Our principal executive offices and headquarters are located at 50 E. RiverCenter Boulevard, Covington, Kentucky 41011-1678, and our telephone number is (859) 815-3333.

This investment involves risks. See “Risk Factors” beginning on page 1.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 3, 2009.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a “shelf” registration process. Under this shelf registration process, the Selling Shareholder may, from time to time, offer shares of our common stock in one or more offerings.

This prospectus provides you with a general description of our common stock. Some transactions in which the Selling Shareholder offers shares of our common stock under this registration statement may require that we provide a prospectus supplement that will contain additional information about the terms of that offering. The prospectus supplement may also add to, update or change information contained in this prospectus. To the extent information in this prospectus is inconsistent with information contained in a prospectus supplement, you should rely on the information in the prospectus supplement. We urge you to read this prospectus and any prospectus supplement, together with the additional information described below under the headings “Where You Can Find More Information”

and “Incorporation of Documents by Reference.”

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. We have not authorized anyone to provide you with different information. You should not assume that the information contained in this prospectus, any prospectus supplement or any document incorporated by reference is accurate as of any date other than the dates of those documents, as our business, financial condition and results of operations and prospects may have changed since those dates.

This prospectus and any prospectus supplement does not and will not constitute an offer to sell our common stock in any jurisdiction in which such offer or sale would be unlawful.

Unless the context would indicate otherwise, as used in this prospectus and any prospectus supplement, the terms “Ashland,” “we,” “us” or “our,” refer to Ashland Inc. and its consolidated subsidiaries.

RISK FACTORS

An investment in our common stock is subject to risks and uncertainties. You should carefully consider all of the information contained or incorporated by reference in this prospectus before deciding whether to purchase shares. In particular, you should carefully consider the risks and uncertainties included in the “Risk Factors” sections of our Annual Report on Form 10-K for the year ended September 30, 2008 and Quarterly Reports on Form 10-Q for the periods ended December 31, 2008 and June 30, 2009 and incorporated by reference into this prospectus, as well as those referred to below. Realization of any of these risks could have a material adverse effect on our business, financial condition, cash flows and results of operations or could materially affect the value or liquidity of our common stock and result in the loss of all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business operations, which also could result in the loss of all or part of your investment.

Risks Relating to Ownership of Our Common Stock

The market price and trading volume of our common stock may be volatile, which may make it difficult for you to resell your shares of common stock when you want or at prices you find attractive.

The market price of our common stock may fluctuate in response to the following factors, some of which are beyond our control:

- fluctuations in our operating results, including results that vary from expectations of management, analysts and investors;
- changes in investors’ and analysts’ perception of the business risks and conditions of our business;
- broader market fluctuations;
- general financial, economic and political conditions;
- regulatory changes affecting our industry generally or our business and operations;
- announcements of strategic developments, acquisitions, financings and other material events by us or our competitors;
- the sale of a substantial number of shares of our common stock held by existing security holders in the public market; and
- general conditions in the chemicals industry.

The stock markets in general have experienced extreme volatility that has at times been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock, make it difficult to predict the market price of our common stock in the future and cause the value of your investment to decline.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.

We are not restricted from and shareholder approval is not required to issue additional common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock except any shareholder approval required by the NYSE. Sales of a substantial number of shares of our common stock or other equity-related securities in the public market could depress the market price of our common stock. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock.

You may not receive dividends on the common stock.

Holders of our common stock are only entitled to receive such dividends as our Board of Directors may declare out of funds legally available for such payments. Our ability to make dividend payments on the common stock depends in part on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not be able to, or be permitted to, make distributions to us. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Although the Board has historically declared cash dividends on our common stock, it is not required to do so and may reduce or eliminate our common stock dividend in the future, including in the event that we do not receive distributions from our subsidiaries.

Our common stock is equity and is subordinate to our existing and future indebtedness and effectively subordinated to all the indebtedness claims against our subsidiaries.

Shares of our common stock are equity interests and do not constitute indebtedness. As such, shares of our common stock will rank junior to all of our indebtedness and to other non-equity claims against us and our assets available to satisfy claims against us, including in a liquidation. In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise, and thus your ability as a holder of the common stock to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, the common stock effectively is subordinated to all existing and future liabilities and obligations of our subsidiaries. As of September 30, 2009, we had approximately \$1.6 billion of outstanding long-term debt.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933 with respect to the common stock that may be offered and sold under this prospectus. This prospectus does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC, and further information about us is contained in the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete, and you should refer to the copy of the contract, agreement or other document filed as an exhibit to the registration statement for more complete information, as each statement is qualified in all respects by this reference.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy, at prescribed rates, these reports, proxy statements and other information filed at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information regarding the operation of the public reference room by calling 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information that we file electronically with the SEC at <http://www.sec.gov>, and these documents are also available through our website at www.ashland.com. Information contained on or linked to or from our website is not incorporated by reference in or a part of this prospectus. Our SEC filings and other information about us also are available through the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus documents that we have filed with the SEC. This permits us to disclose important information to you by referring you to those documents. Information incorporated by reference is an important part of this prospectus, and certain information that we file later with the SEC will automatically update and supersede the information contained and incorporated by reference in this prospectus. We are incorporating by reference the following documents:

- Our Annual Report on Form 10-K for the year ended September 30, 2008;
- Our Quarterly Reports on Form 10-Q for the quarters ended December 31, 2008, March 31, 2009 and June 30, 2009;
- Our Current Reports on Form 8-K filed with the SEC on November 14, 2008, November 19, 2008, November 20, 2008 (three), December 1, 2008, December 16, 2008, December 18, 2008, January 7, 2009, March 3, 2009, May 13, 2009 (under Item 8.01 only), May 26, 2009, June 1, 2009, June 23, 2009, and August 31, 2009;
- The description of our common stock contained in our registration statement on Form S-4 filed with the SEC on August 8, 2008, as amended, as modified by the Description of Capital Stock contained in this prospectus; and
- All documents filed by us with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and prior to the termination of the offering made pursuant to this prospectus and any applicable prospectus supplement.

Any statement contained in a document incorporated by reference in this prospectus or any applicable prospectus supplement shall be deemed to be modified or superseded for the purposes of this prospectus or the applicable prospectus supplement to the extent that a statement contained in this prospectus, in the applicable prospectus supplement or in any other subsequently filed document that is also incorporated by reference in this prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus or any applicable prospectus supplement.

We will provide without charge, upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus or any applicable prospectus supplement, other than exhibits to those documents unless the exhibits are specifically incorporated by reference in such documents. You may request a copy of these documents at the following addresses and telephone number:

Ashland Inc.
Investor Relations
50 E. RiverCenter Boulevard
P. O. Box 391
Covington, Kentucky 41012-0391
Telephone: (859) 815-4454
e-mail: investor_relations@ashland.com

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this prospectus and any prospectus supplement are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933. In some cases, you can identify forward-looking statements by terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” and similar expressions intended to identify forward-looking statements. Forward-looking statements are not historical facts, but instead represent only our expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict, which may include market, business, legal and operational uncertainties discussed elsewhere in this prospectus or a prospectus supplement, and which may be beyond our control. Factors that could affect our future results and financial condition are discussed in the “Management’s Discussion and Analysis,” “Risk Factors” and “Forward-Looking Statements” sections in each of our annual report on Form 10-K for the year ended September 30, 2008 and our interim quarterly reports on Form 10-Q for the quarters ended December 31, 2008, March 31, 2009 and June 30, 2009, which are incorporated by reference into this prospectus.

Our actual results and financial condition may differ, perhaps materially, from the anticipated results and financial condition in any forward-looking statements, and readers are cautioned not to place undue reliance on such statements.

Any forward-looking statement should be considered in light of these factors and reflects our belief only at the time the statement is made. We assume no obligation to update or revise any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting the forward-looking statements.

ASHLAND

Our company, founded in 1924 and headquartered in Covington, Kentucky, provides specialty chemical products, services and solutions and is a leading distributor of chemicals and plastics and a provider of automotive lubricants, car-care products and quick-lube services. We currently have sales in more than 100 countries and approximately 15,000 employees worldwide. We operate through five reportable segments: Ashland Aqualon Functional Ingredients, Ashland Hercules Water Technologies, Ashland Performance Materials, Ashland Consumer Markets (Valvoline), and Ashland Distribution.

During the past several years, we have been focused on the objective to create a dynamic, global specialty chemicals company. In that process, we have divested noncore businesses, redesigned business models, and acquired businesses in growth markets like water and adhesives to enhance our specialty chemicals offerings. On November 13, 2008, we completed our acquisition of Hercules Incorporated, or Hercules, a leading manufacturer and marketer of specialty chemicals and related services for a broad range of business, consumer and industrial applications. We believe this acquisition provides us with several strategic benefits, including the creation of a major, global specialty chemicals company with broad geographic reach, a focus on businesses that are leaders in their market segments and growth potential in specialty additives and functional ingredients, paper and water technologies and specialty resins.

Ashland Aqualon Functional Ingredients

Ashland Aqualon Functional Ingredients offers products that are primarily designed to modify the properties of aqueous systems. Most of Functional Ingredients' products are sold as key ingredients to other manufacturers where they are used as small-quantity additives to provide functionality such as thickening and rheology control; water retention; adhesive strength; binding power; film formation; protective colloid, suspending and emulsifying action; foam control; and pH stability. Functional Ingredients has a diversified, global customer base across nearly all of its businesses serving a broad range of applications within each business.

Functional Ingredients is comprised of the following businesses:

Regulated Industries — Regulated Industries' food applications include bakery, beverage, confectionary, dairy, meat, meat analogues and pet food, prepared foods and sauces, dressings and fillings. Personal care applications include cosmetics, hair care, oral care, skin care, wound care and household products. In the pharmaceutical industry, Regulated Industries' products are used for tablet binding, coatings, modified release and liquid and semi-liquid rheology control.

Coatings Additives —Coatings Additives offers a portfolio of complete rheology solutions for consistent, superior performance at very low use levels. For manufacturers of paints and other waterborne coatings products, these additives are crucial in controlling key product characteristics such as gloss, spatter, leveling and build, all of which are critical to delivering paints and coatings that fill specific market demand.

Construction — Construction's product applications include tile and adhesive cements, gypsum plasters, renders, joint compounds, concrete, external insulation systems, masonry and mortar cements and self-leveling compounds and provide a comprehensive array of functional properties including thickening, water retention, sag resistance, workability and consistency, adhesion, stabilization, pumping, rheological properties and strength.

Energy and Specialties Solutions — Energy and Specialties Solutions offers water-soluble solutions for a variety of applications in the oil and gas industries including completion and workover fluids, drill-in fluids, oil-well cementing slurries, sodium formate, solvent thickeners and stimulation and hydraulic fracturing. This business also provides high-performance products to the industrial specialties market including applications in adhesives and glues,

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agricultural products, ceramics, fire-fighting fluids, foundry, industrial cleaners, inks and printing, mining, paint removers, paper and paper coatings, suspension polymerization, tobacco and welding rods.

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Ashland Hercules Water Technologies

Ashland Hercules Water Technologies is a global service business delivering differentiated specialty chemical products to several industries including the paper, pulp, chemical, commercial and institutional, food and beverage, mining and municipal industries. Water Technologies is a leading global producer of papermaking chemicals for pulp and paper processing, tissues and towels, packaging, printing and writing papers, and virgin and deinked pulps. Its process, water treatment and functional chemistries are used to improve operational efficiencies, enhance product quality, protect plant assets and ensure environmental compliance.

Water Technologies is comprised of the following businesses:

Functional Chemistries — The Functional Chemistries business produces specialized chemicals for the paper industry that impart specific properties such as strength, liquid holdout and printability to the final paper or board. Product lines include sizing agents, wet/dry strength additives and very specific products such as crepe and release additives for tissue manufacturing.

Process Chemistries — The Process Chemistries business manufactures and sells a broad array of deposit control agents, defoamers, biocides and other process additives for markets including pulp and paper manufacturing, food processing, oil refining and chemical processing, general manufacturing and extraction/mining. This business's products are designed to deliver benefits such as enhanced operational efficiencies, system cleanliness, and superior performance in a wide variety of manufacturing operations globally.

Water Treatment Chemistries — The Water Treatment Chemistries business provides specialized chemicals and consulting services for the utility water treatment market, which includes boiler water, cooling water, fuel and waste streams. Programs include performance-based feed and control automation and remote system surveillance. These products and services help ensure that water meets desired specifications, and aid in asset preservation and longevity as well as odor control.

Ashland Performance Materials

Ashland Performance Materials is a worldwide manufacturer and supplier of specialty chemicals and customized services to the building and construction, transportation, metal casting, packaging and converting, and marine markets. It is a technology leader in unsaturated polyester and vinyl ester resins and gelcoats; high-performance adhesives and specialty resins; and metal casting consumables and design services.

Performance Materials is comprised of the following businesses:

Composites and Adhesives — The Composites and Adhesives business manufactures and sells a broad range of corrosion-resistant, fire-retardant, general-purpose and high-performance grades of unsaturated polyester and vinyl ester resins, gelcoats and low-profile additives for the reinforced plastics industry. Key markets include the transportation, construction, marine and infrastructure end markets. It also markets vinyl ester resins under the DERAKANE®, HETRON® and AROPOL® brand names.

The Composites and Adhesives business also manufactures and sells adhesive solutions to the packaging and converting, building and construction, and transportation markets and manufactures and markets specialty coatings and adhesive solutions across the printing industry. Key technologies and markets include: acrylic polymers for pressure-sensitive adhesives; polyvinyl acetate emulsions; urethane adhesives for flexible packaging applications; aqueous and radiation-curable adhesives and specialty coatings for the printing and converting applications; hot-melt adhesives for various packaging applications; emulsion polymer isocyanate adhesives for structural wood bonding; elastomeric polymer adhesives and butyl rubber roofing tapes for commercial roofing applications; acrylic,

polyurethane and epoxy structural adhesives for bonding fiberglass reinforced plastics, composites, thermoplastics and metals in automotive, marine, recreational and industrial applications; specialty phenolic resins for paper impregnation and friction material bonding.

Casting Solutions — Casting Solutions manufactures and sells metal casting chemicals worldwide, including sand-binding resin systems, refractory coatings, release agents, engineered sand additives and riser sleeves. This business also provides casting process modeling, core-making process modeling and rapid prototyping services. In June 2008, Ashland and Süd-Chemie AG signed a nonbinding memorandum of understanding to form a new, global 50-50 joint venture to serve the foundries and the metal casting industry. The joint venture would combine three businesses: Ashland's Casting Solutions business, the foundry-related businesses of Süd-Chemie, and Ashland-Südchemie-Kernfest GmbH, the existing European-based joint venture between Ashland and Süd-Chemie. As a result of global economic developments, the scope and other aspects of this project are being re-evaluated by Ashland and Süd-Chemie AG.

Ashland Consumer Markets

Ashland Consumer Markets markets premium packaged automotive lubricants, chemicals, appearance products, antifreeze and filters, with sales in more than 100 countries. Consumer Markets' Valvoline® trademark was federally registered in 1873 and is the oldest trademark for lubricating oil in the United States. Consumer Markets markets the following key brands of products and services to the private passenger car, light truck and heavy duty markets: Valvoline® lubricants; Valvoline Premium Blue® commercial lubricants; MaxLife® automotive products for vehicles with 75,000 or more miles; Valvoline Professional Series® automotive chemicals; Pyroil® automotive chemicals; Eagle One® automotive appearance products; Car Brite® automotive reconditioning products; Zerex® antifreeze; Tectyl® industrial products; and Valvoline Instant Oil Change® automotive services.

Consumer Markets is comprised of the following businesses:

Do It Yourself — The Do It Yourself business sells Valvoline and other branded products and private label products to consumers who perform their own auto maintenance. These products are sold through retail auto parts stores such as AutoZone and Advance Auto Parts, mass merchandisers such as Wal-Mart Stores, Inc., and warehouse distributors and their affiliated jobber stores such as NAPA and CARQUEST.

Installer Channels — The Installer Channels business sells branded products and services to installers (such as car dealers, general repair shops and quick lubes) and to auto auctions through a network of independent distributors and company-owned and operated "direct market" operations. This business also includes distribution to quick lubes branded "Valvoline Express Care®," which consists of 355 independently owned and operated stores.

Valvoline Instant Oil Change — The Valvoline Instant Oil Change® chain is the second largest competitor in the U.S. "fast oil change" service business, providing Consumer Markets with a significant presence in the installer channels segment of the passenger car and light truck motor oil market. As of September 30, 2009, 259 company-owned and 592 independently-owned and operated franchise Valvoline Instant Oil Change centers were operating in 40 states. These centers offer customers an innovative computer-based preventive maintenance tracking system that allows service technicians to make service recommendations based primarily on manufacturers' recommendations.

Commercial & Industrial — The Commercial & Industrial business sells branded products and services to on-highway fleets, construction companies and original equipment manufacturers (OEMs) through company-owned and operated "direct market" operations, national accounts and a network of distributors. This business also maintains a strategic alliance with Cummins Inc. to distribute heavy duty lubricants to the commercial market, as well as smaller alliances with other global OEMs.

Valvoline International — Outside of North America, Valvoline International markets Valvoline®, Eagle One®, Zerex® and other branded products through wholly-owned affiliates, joint ventures, licensees and independent distributors in more than 100 countries. Valvoline International operates joint ventures with Cummins in Argentina, Brazil, China and India. In addition, Valvoline International operates joint ventures with local entities in Ecuador, Thailand and Venezuela. Valvoline International markets products for both consumer and commercial vehicles and equipment and

is served by company-owned plants in the United States, Australia and the Netherlands and by toll manufacturers.

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Ashland Distribution

Ashland Distribution distributes chemicals, plastics and composite raw materials in North America and plastics in Europe and China. Distribution also provides environmental services, including hazardous and nonhazardous waste collection, recovery, recycling and disposal, in North America. Deliveries are made in North America through a network of owned, leased and third-party warehouses, as well as rail and tank terminals.

Distribution operates the following businesses:

Chemicals — The Chemicals business distributes specialty and industrial chemicals, additives and solvents to industrial users in North America as well as some export operations. Markets served include the paint and coatings, personal care, inks, adhesives, polymer, rubber, industrial and institutional compounding, automotive, appliance, oil and gas and paper industries.

Plastics — The Plastics business offers a broad range of thermoplastic resins, and specialized technical service to processors in North America as well as some export operations. Processors include injection molders, extruders, blow molders and rotational molders. This business provides plastic material transfer and packaging services and less-than-truckload quantities of packaged thermoplastics. It also markets a broad range of thermoplastics to processors in Europe.

Composites — The Composites business supplies mixed truckload and less-than-truckload quantities of polyester thermoset resins, fiberglass and other specialty reinforcements, catalysts and allied products to customers in the cast polymer, corrosion, marine, building and construction, and other specialty reinforced plastics industries through distribution facilities located throughout North America. It also offers Ashland's own line of resins and gelcoats, serving the fiber-reinforced plastics and cast-polymer industries.

Environmental Services — The Environmental Services business, working in cooperation with chemical waste service companies, provides customers, including major automobile manufacturers, with comprehensive, nationwide hazardous and nonhazardous waste collection, recovery, recycling and disposal services. These services are offered through a North American network of distribution centers, including several storage facilities that have been fully permitted by the United States Environmental Protection Agency.

USE OF PROCEEDS

The proceeds from any sales of the common stock to which this prospectus relates are solely for the account of the Selling Shareholder. We will not receive any of the proceeds from any such sales.

SELLING SHAREHOLDER

This prospectus covers the resale, from time to time, by the Selling Shareholder of shares of our common stock that we have contributed to the Ashland Hercules Pension Plan.

The Selling Shareholder may offer and sell, from time to time, all or any of the shares of common stock that are the subject of this prospectus and any applicable prospectus supplement, but it is under no obligation to offer or sell any of such shares. Because the Selling Shareholder may sell all, some or none of the shares of common stock to which this prospectus relates, and may acquire additional shares from us in the future, we cannot determine the number of shares of common stock that will be sold by the Selling Shareholder or the amount or percentage of shares of common stock that will be held by the Selling Shareholder upon termination of any particular offering.

The Selling Shareholder is the trustee of a tax-qualified trust that holds the assets of the Ashland Hercules Pension Plan. The shares of common stock are held in the custody of the trustee. We currently have ongoing banking relationships with affiliates of the trustee in the ordinary course of business and expect to continue to have similar relationships with the trustee in the future. The shares of common stock are held in a separate investment account at the trustee. Evercore Trust Company, N.A., an independent third-party investment fiduciary, has been appointed by our Board of Directors to instruct the trustee as to any disposition of shares of common stock held by the Selling Shareholder. Evercore has sole authority to manage the shares of common stock contributed by us to the Ashland Hercules Pension Plan, subject to general investment criteria established by us.

The shares offered by this prospectus are the only shares of our common stock owned by the Selling Shareholder as of November 3, 2009.

PLAN OF DISTRIBUTION

The Selling Shareholder may offer the shares from time to time, depending on market conditions and other factors, in one or more transactions on the New York Stock Exchange or any other national securities exchange or automated interdealer quotation system on which shares of our common stock are then listed, through negotiated transactions or otherwise. The shares may be sold at prices and on terms then prevailing, at prices related to the then-current market price or at negotiated prices. The shares may be offered in any manner permitted by law, including through brokers, dealers or agents, and directly to one or more purchasers. Sales of the shares may involve:

- block transactions in which the broker or dealer engaged will attempt to sell shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker or dealer as principal and resale by the broker or dealer for its account; or
- ordinary brokerage transactions and transactions in which a broker solicits purchasers.

Evercore, the independent, third-party investment fiduciary, and the Selling Shareholder will act independently of us with respect to the timing, manner and size of each sale.

The Selling Shareholder may, upon instructions from the independent, third-party investment fiduciary, effect such transactions by selling shares of common stock to or through broker-dealers. Such broker-dealers may receive

compensation in the form of discounts or commissions from the Selling Shareholder and may receive commissions from the purchasers of shares for whom they may act as agent in amounts to be negotiated. Such

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compensation may be received if the broker-dealer acts as either an agent or as a principal. The Selling Shareholder does not expect these discounts or commissions to exceed what is customary in the types of transactions involved. Any offering price, and any discounts or concessions allowed or reallocated or paid to dealers, may be changed from time to time.

The aggregate proceeds to the Selling Shareholder will be the sales price of the shares of common stock, less discounts and commissions, if any.

In offering the shares of common stock covered by this prospectus, the Selling Shareholder and any broker-dealers or agents who execute sales for the Selling Shareholder may be deemed to be “underwriters” within the meaning of the Securities Act of 1933, as amended, in connection with such sales. Any profits realized by the Selling Shareholder and the compensation of any broker-dealer or agent may be deemed to be underwriting discounts and commissions. We know of no existing arrangements between the Selling Shareholder and any broker-dealer or other agent relating to the sale or distribution of the shares of common stock. We have not engaged any broker-dealer or agent in connection with the distribution of the shares of common stock.

Broker-dealers and agents, and their respective affiliates, may be engaged in transactions with, or perform commercial or investment banking or other services for, us or our subsidiaries or affiliates, in the ordinary course of business.

All of the shares of common stock to which this prospectus relates will be listed on the New York Stock Exchange.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is a summary and is qualified in its entirety by reference to our articles of incorporation and by-laws, which are filed as exhibits to the registration statement of which this prospectus is a part, and by applicable law.

Our authorized capital consists of 200,000,000 shares of common stock, par value \$.01 per share, and 30,000,000 shares of cumulative preferred stock, no par value, in one or more series. At October 30, 2009, 74,915,769 shares of common stock were outstanding. At that date, no preferred shares of stock were outstanding.