

ASHLAND INC.

Form 4

September 19, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
*See* Instruction  
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

OMB  
Number: 3235-0287  
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2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**WATERS FRANK L**

(Last) (First) (Middle)

**5200 BLAZER PARKWAY**

(Street)

**DUBLIN, OH 43017**

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
**ASHLAND INC. [ASH]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**09/15/2006**

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_X\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)

Vice President

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_X\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       |                                         |                                                             |                                      | (A)<br>or<br>(D)                                                           | 158 <sup>(1)</sup>                                                                                                 | D                                                                    |                                                                   |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 1,866 <sup>(2)</sup>                                                                                               | I                                                                    | 401(k)                                                            |
| Common<br>Stock                       |                                         |                                                             |                                      |                                                                            | 814 <sup>(3)</sup>                                                                                                 | I                                                                    | LESOP                                                             |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of  
information contained in this form are not  
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SEC 1474  
(9-02)

number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. Price<br>of<br>Derivative<br>Security<br>(Instr. 5) |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code V (A) (D)                       |                                                                                                                    | Date<br>Exercisable Expiration<br>Date                         | Title                                                               | Amount<br>or<br>Number<br>of<br>Shares                 |
| Common<br>Stock<br>Units                            | \$ 0 <u>(4)</u>                                                    | 09/15/2006                              |                                                             | J <u>(5)</u>                         | 102                                                                                                                | <u>(5)</u> <u>(5)</u>                                          | Common<br>Stock                                                     | 102 \$ 63.3                                            |

## Reporting Owners

| Reporting Owner Name / Address                            | Relationships |           |                |       |
|-----------------------------------------------------------|---------------|-----------|----------------|-------|
|                                                           | Director      | 10% Owner | Officer        | Other |
| WATERS FRANK L<br>5200 BLAZER PARKWAY<br>DUBLIN, OH 43017 |               |           | Vice President |       |

## Signatures

David B. Mattingly,  
Attorney-in-Fact

09/19/2006

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (5) Common Stock Units acquired pursuant to Ashland's Deferred Compensation Plan as of 9-15-06, and exempt under Rule 16b-3(d). (One (1) Common Stock Unit in the Deferred Compensation Plan is the equivalent of one (1) share of Ashland Common Stock.)
- (4) 1-for-1
- (3) Shares accrued under Ashland's Leveraged Employee Stock Ownership Plan as of 9-15-2006.
- (1) 29 of these shares are held in Ashland's Open Enrollment Dividend Reinvestment and Stock Purchase Plan as of 9-15-06.
- (2) Based on Employee Savings Plan information as of 9-15-2006, the latest date for which such information is reasonably available.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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