

ASHLAND INC.  
Form 4  
December 07, 2006

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**OBRIEN JAMES J /KY**

(Last) (First) (Middle)  
**50 E. RIVERCENTER BOULEVARD**  
  
(Street)

**COVINGTON, KY 41012-0391**

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
**12/06/2006**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Chief Executive Officer**

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount or Price   |  |   |
| Common Stock                    | 12/06/2006                           |  | M                              |   | 106,884 A \$ 23.87  | 112,224  | D   |
| Common Stock                    | 12/06/2006                           |  | S                              |   | 106,884 D \$ 66.5702  | 5,340  | D   |
| Common Stock                    | 12/06/2006                           |  | I <sup>(1)</sup>               |   | 1,051 D \$ 66.87  | 0  | I 401(K)  |
| Common Stock                    |                                      |  |                                |   |   | 3,871 <sup>(2)</sup>                                     | I LESOP   |

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

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(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |              |                      |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount Number Shares |
| Common Stock Units                         | \$ 0   | 12/06/2006                           |  | I <sup>(3)</sup>               | 11,213  | <u>(3)</u>   | <u>(3)</u>  | Common Stock | 11,213               |
| Stock Options (Right to buy)               | \$ 23.87   | 12/06/2006                           |  | M <sup>(4)</sup>               | 106,884   | 09/18/2004   | 10/18/2013  | Common Stock | 106,884              |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| OBRIEN JAMES J /KY<br>50 E. RIVERCENTER BOULEVARD<br>COVINGTON, KY 41012-0391 |               |           | Chief Executive Officer |       |

## Signatures

David B. Mattingly,  
Attorney-in-Fact

12/07/2006

\*\*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).
- (2) Shares accrued under Ashland's Leveraged Employee Stock Ownership Plan as of 12-6-2006.  
Employee stock option (represents a right to buy Ashland Common Stock) granted pursuant to Ashland's Stock Incentive Plan which
- (4) vests in three annual installments: 50% after the 1st year, the next 25% the 2nd year and the remaining 25% the 3rd year. The employee stock option includes a tax withholding feature pursuant to the plan.
- (3) Intraplan transfer in Ashland's Deferred Compensation Plan.
- (1) Intraplan transfer in Ashland's Employee Savings Plan.

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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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