

FALCONE PHILIP  
Form 4  
September 16, 2008

**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 \*  
HARBINGER CAPITAL  
PARTNERS MASTER FUND I,  
LTD.

(Last) (First) (Middle)

C/O INTERNATIONAL FUND  
SERVICES LIMITED, THIRD FL,  
BISHOP'S SQUARE REDMOND'S  
HILL

(Street)

DUBLIN, L2 00000

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/12/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

\* See Remarks

6. Individual or Joint/Group Filing(Check Applicable Line)

\_\_\_ Form filed by One Reporting Person  
\_X\_ 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  | (A) or (D)   | Price   |
| Common Stock                    | 09/12/2008                           |  | S                              |   | 175,000   | D  | \$ 38.46  |
| Common Stock                    | 09/12/2008                           |  | S                              |   | 22,444  | D  | \$ 38.55  |
| Common Stock                    | 09/12/2008                           |  | S                              |   | 7,980   | D  | \$ 38.54  |
| Common Stock                    | 09/12/2008                           |  | S                              |   | 17,500  | D  | \$ 38.59  |

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|              |            |   |         |   |          |           |  |
|--------------|------------|---|---------|---|----------|-----------|--|
| Common Stock | 09/12/2008 | S | 388,146 | D | \$ 33.8  | 5,260,356 | D <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup><br><u>(4)</u> |
| Common Stock | 09/12/2008 | S | 75,000  | D | \$ 38.46 | 2,279,834 | D <sup>(1)</sup> <sup>(5)</sup> <sup>(6)</sup><br><u>(7)</u> |
| Common Stock | 09/12/2008 | S | 11,221  | D | \$ 38.55 | 2,268,613 | D <sup>(1)</sup> <sup>(5)</sup> <sup>(6)</sup><br><u>(7)</u> |
| Common Stock | 09/12/2008 | S | 3,421   | D | \$ 38.54 | 2,265,192 | D <sup>(1)</sup> <sup>(5)</sup> <sup>(6)</sup><br><u>(7)</u> |
| Common Stock | 09/12/2008 | S | 7,500   | D | \$ 38.59 | 2,257,692 | D <sup>(1)</sup> <sup>(5)</sup> <sup>(6)</sup><br><u>(7)</u> |

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 required to respond unless the form displays a currently valid OMB control number.** SEC 1474 (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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Beneficially (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |               |
|---|---------------|-----------|---------|---------------|
|   | Director      | 10% Owner | Officer | Other         |
| HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.<br>C/O INTERNATIONAL FUND SERVICES LIMITED<br>THIRD FL, BISHOP'S SQUARE REDMOND'S HILL<br>DUBLIN, L2 00000 |               | X         |         | * See Remarks |
| HARBINGER CAPITAL PARTNERS OFFSHORE MANAGER,<br>L.L.C.  |               | X         |         | * See Remarks |

|   |   |                  |
|---|---|------------------|
| 2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203  |   |                  |
| HMC INVESTORS, L.L.C.<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203                                 | X | * See<br>Remarks |
| HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS<br>FUND, L.P.<br>555 MADISON AVENUE<br>16TH FLOOR<br>NEW YORK, NY 10022 | X | * See<br>Remarks |
| HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS GP,<br>LLC<br>555 MADISON AVENUE<br>16TH FLOOR<br>NEW YORK, NY 10022    | X | * See<br>Remarks |
| HMC - NEW YORK, INC.<br>555 MADISON AVENUE<br>16TH FLOOR<br>NEW YORK, NY 10022  | X | * See<br>Remarks |
| HARBERT MANAGEMENT CORP<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203                               | X | * See<br>Remarks |
| FALCONE PHILIP<br>555 MADISON AVE<br>16TH FLOOR<br>NEW YORK, NY 10022   | X | * See<br>Remarks |
| HARBERT RAYMOND J<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203                                     | X | * See<br>Remarks |
| LUCE MICHAEL D<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203  | X | * See<br>Remarks |

## Signatures

Harbinger Capital Partners Master Fund I, Ltd.(+), By: Harbinger Capital Partners Offshore Manager, L.L.C., By: HMC Investors, L.L.C., Managing Member, By: /s/ William R. Lucas, Jr.

09/16/2008

\_\_Signature of Reporting Person

Date

Harbinger Capital Partners Offshore Manager, L.L.C.(+), By: HMC Investors, L.L.C., Managing Member, By: /s/ William R. Lucas, Jr.

09/16/2008

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| <u>Signature of Reporting Person</u>   | Date       |
|--|------------|
| HMC Investors, L.L.C.(+), By: /s/ William R. Lucas, Jr.  | 09/16/2008 |
| <u>Signature of Reporting Person</u>   | Date       |
| Harbinger Capital Partners Special Situations Fund, L.P.(+), By: Harbinger Capital Partners Special Situations GP, LLC, By: HMC-New York, Inc., Managing Member, By: /s/ William R. Lucas, Jr. | 09/16/2008 |
| <u>Signature of Reporting Person</u>   | Date       |
| Harbinger Capital Partners Special Situations GP, LLC(+), By: HMC-New York, Inc., Managing Member, By: /s/ William R. Lucas, Jr.   | 09/16/2008 |
| <u>Signature of Reporting Person</u>   | Date       |
| HMC-New York, Inc.(+), By: /s/ William R. Lucas, Jr.   | 09/16/2008 |
| <u>Signature of Reporting Person</u>   | Date       |
| Harbert Management Corporation(+), By: /s/ William R. Lucas, Jr.   | 09/16/2008 |
| <u>Signature of Reporting Person</u>   | Date       |
| /s/ Philip Falcone(+)  | 09/16/2008 |
| <u>Signature of Reporting Person</u>   | Date       |
| /s/ Raymond J. Harbert(+)  | 09/16/2008 |
| <u>Signature of Reporting Person</u>   | Date       |
| /s/ Michael D. Luce(+)   | 09/16/2008 |
| <u>Signature of Reporting Person</u>   | 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).

(1) IMPORTANT NOTE: THE SECURITIES SET FORTH IN THIS REPORT ARE DIRECTLY BENEFICIALLY OWNED BY HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD. AND/OR HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P. (COLLECTIVELY, THE "FUNDS"). ALL OTHER REPORTING PERSONS ARE INCLUDED WITHIN THIS REPORT DUE TO THEIR AFFILIATION WITH ONE OR BOTH OF THE FUNDS.

(2) These securities are owned by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund"), which is a Reporting Person.

(3) These securities may be deemed to be indirectly beneficially owned by the following, each of whom is a Reporting Person: Harbinger Capital Partners Offshore Manager, L.L.C. ("Harbinger Management"), the investment manager of the Master Fund, HMC Investors, L.L.C., its managing member ("HMC Investors"), Philip Falcone, a member of HMC Investors and the portfolio manager of the Master Fund, Raymond J. Harbert, a member of HMC Investors, and Michael D. Luce, a member of HMC Investors.

(4) Each Reporting Person listed in Footnotes 2 and 3 disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

(5) These securities are owned by Harbinger Capital Partners Special Situations Fund, L.P. (the "Special Situations Fund"), which is a Reporting Person.

(6)

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These securities may be deemed to be indirectly beneficially owned by the following Reporting Persons: Harbinger Capital Partners Special Situations GP, LLC ("HCPSS"), HMC-New York, Inc. ("HMCNY"), Harbert Management Corporation ("HMC"), Philip Falcone, Raymond J. Harbert and Michael Luce. HCPSS is the general partner of the Special Situations Fund. HMCNY is the managing member of HCPSS. HMC wholly owns HMCNY. Philip Falcone is the portfolio manager of the Special Situations Fund and is a shareholder of HMC. Raymond J. Harbert and Michael D. Luce are shareholders of HMC.

- (7) Each Reporting Person listed in Footnotes 5 and 6 disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

### Remarks:

- (+) The Reporting Persons may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934, as amended. Each Reporting Person disclaims beneficial ownership of any securities deemed to be owned by the group that are not directly owned by the Reporting Person. This report shall not be deemed an admission that such Reporting Person is a member of a group or the beneficial owner of any securities not directly owned by such Reporting Person.

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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