

ASHLAND INC.  
Form 3  
April 18, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 * |         |          | 2. Date of Event Requiring Statement | 3. Issuer Name <b>and</b> Ticker or Trading Symbol                              |  |
| Â HARBERT MANAGEMENT CORP                 |         |          | (Month/Day/Year)                     | ASHLAND INC. [ASH]  |  |
| (Last)                                    | (First) | (Middle) | 04/08/2008                           | 4. Relationship of Reporting Person(s) to Issuer                                | 5. If Amendment, Date Original Filed(Month/Day/Year)                             |
| ONE RIVERCHASE PARKWAY SOUTH,Â            |         |          |                                      | (Check all applicable)  |  |
| (Street)                                  |         |          |                                      | <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line)                       |
| BIRMINGHAM,Â ALÂ 35244                    |         |          |                                      | <input type="checkbox"/> Officer (give title below)                             | <input type="checkbox"/> Other (specify below)                                   |
| (City)                                    | (State) | (Zip)    |                                      |   | <input type="checkbox"/> Form filed by One Reporting Person                      |
|   |         |          |                                      |   | <input checked="" type="checkbox"/> Form filed by More than One Reporting Person |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5)       |
|---------------------------------|---|--|---|
| Common Stock                    | 5,871,426 <u>(1)</u> <u>(2)</u>                       | I  | By Harbinger Capital Partners Master Fund I, Ltd.           |
| Common Stock                    | 1,273,574 <u>(3)</u>                                  | I  | By Harbinger Capital Partners Special Situations Fund, L.P. |

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

SEC 1473 (7-02)

**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.**

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

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| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |                    | 3. Title and Amount of<br>Securities Underlying<br>Derivative Security<br>(Instr. 4) |                                     | 4. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 5. Ownership<br>Form of<br>Derivative<br>Security:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 5) | 6. Nature of Indirect<br>Beneficial Ownership<br>(Instr. 5)          |
|---|--|--------------------|--|-------------------------------------|--|--|--|
|   | Date<br>Exercisable  | Expiration<br>Date | Title  | Amount or<br>Number of<br>Shares    |  |  |  |
| Equity Swap                                   | Â (4)(5)   | Â (4)(5)           | Common<br>Stock  | 43,333 <sup>(1)</sup><br><u>(2)</u> | \$ <u>(4)</u> <u>(5)</u>   | I  | By Harbinger<br>Capital Partners<br>Master Fund I,<br>Ltd.           |
| Equity Swap                                   | Â (4)(5)   | Â (4)(5)           | Common<br>Stock  | 66,934 <sup>(1)</sup><br><u>(2)</u> | \$ <u>(4)</u> <u>(5)</u>   | I  | By Harbinger<br>Capital Partners<br>Master Fund I,<br>Ltd.           |
| Equity Swap                                   | Â (4)(5)   | Â (4)(5)           | Common<br>Stock  | 86,333 <sup>(1)</sup><br><u>(2)</u> | \$ <u>(4)</u> <u>(5)</u>   | I  | By Harbinger<br>Capital Partners<br>Master Fund I,<br>Ltd.           |
| Equity Swap                                   | Â (4)(5)   | Â (4)(5)           | Common<br>Stock  | 85,134 <sup>(1)</sup><br><u>(2)</u> | \$ <u>(4)</u> <u>(5)</u>   | I  | By Harbinger<br>Capital Partners<br>Master Fund I,<br>Ltd.           |
| Equity Swap                                   | Â (4)(5)   | Â (4)(5)           | Common<br>Stock  | 166,666<br><u>(1)</u> <u>(2)</u>    | \$ <u>(4)</u> <u>(5)</u>   | I  | By Harbinger<br>Capital Partners<br>Master Fund I,<br>Ltd.           |
| Equity Swap                                   | Â (4)(5)   | Â (4)(5)           | Common<br>Stock  | 166,667<br><u>(1)</u> <u>(2)</u>    | \$ <u>(4)</u> <u>(5)</u>   | I  | By Harbinger<br>Capital Partners<br>Master Fund I,<br>Ltd.           |
| Equity Swap                                   | Â (4)(5)   | Â (4)(5)           | Common<br>Stock  | 65,200 <sup>(1)</sup><br><u>(2)</u> | \$ <u>(4)</u> <u>(5)</u>   | I  | By Harbinger<br>Capital Partners<br>Master Fund I,<br>Ltd.           |
| Equity Swap                                   | Â (4)(5)   | Â (4)(5)           | Common<br>Stock  | 96,867 <sup>(1)</sup><br><u>(2)</u> | \$ <u>(4)</u> <u>(5)</u>   | I  | By Harbinger<br>Capital Partners<br>Master Fund I,<br>Ltd.           |
| Equity Swap                                   | Â (6)(7)   | Â (6)(7)           | Common<br>Stock  | 21,667 <sup>(3)</sup><br><u>(7)</u> | \$ <u>(6)</u> <u>(7)</u>   | I  | By Harbinger<br>Capital Partners<br>Special Situations<br>Fund, L.P. |
| Equity Swap                                   | Â (6)(7)   | Â (6)(7)           | Common<br>Stock  | 33,466 <sup>(3)</sup><br><u>(7)</u> | \$ <u>(6)</u> <u>(7)</u>   | I  | By Harbinger<br>Capital Partners                                     |

|             |          |          |              |            |            |   |  |
|-------------|----------|----------|--------------|------------|------------|---|--|
| Equity Swap | Â (6)(7) | Â (6)(7) | Common Stock | 43,167 (3) | \$ (6) (7) | I | Special Situations Fund, L.P.<br>By Harbinger Capital Partners Special Situations Fund, L.P. |
| Equity Swap | Â (6)(7) | Â (6)(7) | Common Stock | 42,566 (3) | \$ (6) (7) | I | By Harbinger Capital Partners Special Situations Fund, L.P.                                  |
| Equity Swap | Â (6)(7) | Â (6)(7) | Common Stock | 83,334 (3) | \$ (6) (7) | I | By Harbinger Capital Partners Special Situations Fund, L.P.                                  |
| Equity Swap | Â (6)(7) | Â (6)(7) | Common Stock | 83,333 (3) | \$ (6) (7) | I | By Harbinger Capital Partners Special Situations Fund, L.P.                                  |
| Equity Swap | Â (6)(7) | Â (6)(7) | Common Stock | 32,600 (3) | \$ (6) (7) | I | By Harbinger Capital Partners Special Situations Fund, L.P.                                  |
| Equity Swap | Â (6)(7) | Â (6)(7) | Common Stock | 48,433 (3) | \$ (6) (7) | I | By Harbinger Capital Partners Special Situations Fund, L.P.                                  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| HARBERT MANAGEMENT CORP<br>ONE RIVERCHASE PARKWAY SOUTH<br>BIRMINGHAM, AL 35244 | Â             | Â X       | Â       | Â     |
| FALCONE PHILIP<br>555 MADISON AVE<br>16TH FLOOR<br>NEW YORK, NY 10022           | Â             | Â X       | Â       | Â     |
| HARBERT RAYMOND J<br>ONE RIVERCHASE PARKWAY SOUTH<br>BIRMINGHAM, AL 35244       | Â             | Â X       | Â       | Â     |
| LUCE MICHAEL D<br>ONE RIVERCHASE PARKWAY SOUTH<br>BIRMINGHAM, AL 35244          | Â             | Â X       | Â       | Â     |

## Signatures

|  |            |
|--|------------|
| Harbert Management Corporation, By: /s/ William R.<br>Lucas, Jr. | 04/18/2008 |
| **Signature of Reporting Person                                  | Date       |
| /s/ Philip Falcone   | 04/18/2008 |
| **Signature of Reporting Person                                  | Date       |
| /s/ Raymond J. Harbert   | 04/18/2008 |
| **Signature of Reporting Person                                  | Date       |
| /s/ Michael D. Luce  | 04/18/2008 |
| **Signature of Reporting Person                                  | Date       |

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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) These securities are owned by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund").

These securities may be deemed to be beneficially owned by 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"), Harbert Management Corporation ("HMC"), Philip Falcone, a shareholder of HMC and the portfolio manager of the Master Fund, Raymond J.

- (2) Harbert, a shareholder of HMC, and Michael D. Luce, a shareholder of HMC. Each such Reporting Person 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.

These securities are owned by Harbinger Capital Partners Special Situations Fund, L.P. (the "Special Situations Fund"). These securities may be deemed to be beneficially owned by HMC, Philip Falcone, Raymond J. Harbert and Michael Luce. HMC wholly owns the managing member of the Special Situations Fund's general partner. 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. Each such Reporting Person 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.

- (4) The Master Fund entered into eight equity swap transactions with Deutsche Bank ("DB") effective on December 28, 2007, December 31, 2007, January 2, 2008, January 3, 2008, January 10, 2008, January 11, 2008, January 14, 2008 and January 15, 2008, respectively, under which DB agreed to pay the Master Fund an amount equal to the total return of 43,333, 66,934, 86,333, 85,134, 166,666, 166,667, 65,200 and 96,867 notional shares, respectively, above or below an initial reference price of US\$47.0944, US\$47.5309, US\$47.3103, US\$46.4377, US\$45.3348, US\$45.0690, US\$45.2211 and US\$45.0517, respectively, per share upon close-out of any transaction.

- (5) The equity swap transactions contemplate interim payments of appreciation or depreciation of the shares, and the Master Fund is entitled to the equivalent of the dividends on the shares. All balances will be cash settled, and neither party shall acquire any ownership interest, voting or similar rights, or dispositive power over any share under the equity swap transactions. Subject to certain conditions, each equity swap transaction may be terminated by either party in whole or in part.

- (6) The Special Situations Fund entered into eight equity swap transactions with DB effective on December 28, 2007, December 31, 2007, January 2, 2008, January 3, 2008, January 10, 2008, January 11, 2008, January 14, 2008 and January 15, 2008, respectively, under which DB agreed to pay the Special Situations Fund an amount equal to the total return of 21,667, 33,466, 43,167, 42,566, 83,334, 83,333, 32,600 and 48,433 notional shares, respectively, above or below an initial reference price of US\$47.0944, US\$47.5309, US\$47.3103, US\$46.4377, US\$45.3348, US\$45.0690, US\$45.2211 and US\$45.0517, respectively, per share upon close-out of any transaction.

- (7) The equity swap transactions contemplate interim payments of appreciation or depreciation of the shares, and the Special Situations Fund is entitled to the equivalent of the dividends on the shares. All balances will be cash settled, and neither party shall acquire any ownership interest, voting or similar rights, or dispositive power over any share under the equity swap transactions. Subject to certain conditions, each equity swap transaction may be terminated by either party in whole or in part.

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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