

ASHLAND INC.  
Form 4  
September 12, 2008

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

OMB APPROVAL

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**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)  
09/10/2008

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 Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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)**

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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. Pr Deriv Secur (Instr	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Equity Swap	(8)	09/10/2008 <sup>(9)</sup>		J	55,667 <sup>(9)</sup>	(8)(9)	(8)(9)	Common Stock	0
Equity Swap	(8)	09/10/2008 <sup>(9)</sup>		J	65,200 <sup>(9)</sup>	(8)(9)	(8)(9)	Common Stock	0
Equity Swap	(8)	09/10/2008 <sup>(9)</sup>		J	36,133 <sup>(9)</sup>	(8)(9)	(8)(9)	Common Stock	60,734
Equity Swap	(8)	09/11/2008 <sup>(9)</sup>		J	60,734 <sup>(9)</sup>	(8)(9)	(8)(9)	Common Stock	0
Equity Swap	(11)	09/10/2008 <sup>(12)</sup>		J	27,833 <sup>(12)</sup>	(11)(12)	(11)(12)	Common Stock	0
Equity Swap	(11)	09/10/2008 <sup>(12)</sup>		J	32,600 <sup>(12)</sup>	(11)(12)	(11)(12)	Common Stock	0
Equity Swap	(11)	09/10/2008 <sup>(12)</sup>		J	18,067 <sup>(12)</sup>	(11)(12)	(11)(12)	Common Stock	30,366
Equity Swap	(11)	09/11/2008 <sup>(12)</sup>		J	30,366 <sup>(12)</sup>	(11)(12)	(11)(12)	Common Stock	0

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD. C/O INTERNATIONAL FUND SERVICES LIMITED THIRD FL, BISHOP'S SQUARE REDMOND'S HILL DUBLIN, L2 00000		X		* See Remarks
HARBINGER CAPITAL PARTNERS OFFSHORE MANAGER, L.L.C. 2100 THIRD AVENUE NORTH SUITE 600 BIRMINGHAM, AL 35203		X		* See Remarks
HMC INVESTORS, L.L.C. 2100 THIRD AVENUE NORTH SUITE 600		X		* See Remarks

BIRMINGHAM, AL 35203

HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS  
FUND, L.P.

555 MADISON AVENUE  
16TH FLOOR  
NEW YORK, NY 10022

X

\* See  
Remarks

HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS GP,  
LLC

555 MADISON AVENUE  
16TH FLOOR  
NEW YORK, NY 10022

X

\* See  
Remarks

HMC - NEW YORK, INC.

555 MADISON AVENUE  
16TH FLOOR  
NEW YORK, NY 10022

X

\* See  
Remarks

HARBERT MANAGEMENT CORP

2100 THIRD AVENUE NORTH  
SUITE 600  
BIRMINGHAM, AL 35203

X

\* See  
Remarks

FALCONE PHILIP

555 MADISON AVE  
16TH FLOOR  
NEW YORK, NY 10022

X

\* See  
Remarks

HARBERT RAYMOND J

2100 THIRD AVENUE NORTH  
SUITE 600  
BIRMINGHAM, AL 35203

X

\* See  
Remarks

LUCE MICHAEL D

2100 THIRD AVENUE NORTH  
SUITE 600  
BIRMINGHAM, AL 35203

X

\* See  
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.

09/12/2008

\*\*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.

09/12/2008

\*\*Signature of Reporting Person

Date

HMC Investors, L.L.C.(+), By: /s/ William R. Lucas, Jr.

09/12/2008

\*\*Signature of Reporting Person

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

09/12/2008

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R. Lucas, Jr.

__Signature of Reporting Person	Date
Harbinger Capital Partners Special Situations GP, LLC(+), By: HMC-New York, Inc., Managing Member, By: /s/ William R. Lucas, Jr.	09/12/2008
__Signature of Reporting Person	Date
HMC-New York, Inc.(+), By: /s/ William R. Lucas, Jr.	09/12/2008
__Signature of Reporting Person	Date
Harbert Management Corporation(+), By: /s/ William R. Lucas, Jr.	09/12/2008
__Signature of Reporting Person	Date
/s/ Philip Falcone(+)	09/12/2008
__Signature of Reporting Person	Date
/s/ Raymond J. Harbert(+)	09/12/2008
__Signature of Reporting Person	Date
/s/ Michael D. Luce(+)	09/12/2008
__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).
- 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.
- (1) These securities are owned by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund"), which is a Reporting Person.
  - (2) 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.
  - (3) 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.
  - (4) These securities are owned by Harbinger Capital Partners Special Situations Fund, L.P. (the "Special Situations Fund"), which is a Reporting Person.
  - (5) 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.
  - (6) 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.
  - (7)

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- (8) 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.
- (9) On September 10, 2008 and September 11, 2008, the Master Fund closed out certain equity swap transactions with DB in the amount of 157,000 and 60,734 notional shares, respectively, at a price of US\$38.18 and US\$37.72, respectively.
- The equity swap transactions do not contemplate interim payments of appreciation or depreciation of the shares, and the Master Fund is not entitled to any dividends on the shares or equivalent thereof. 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. Each equity swap transaction may be closed out by the Master Fund at any time.
- (10) 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.
- (11) On September 10, 2008 and September 11, 2008, the Special Situations Fund closed out certain equity swap transactions with DB in the amount of 78,500 and 30,366 notional shares, respectively, at a price of US\$38.18 and US\$37.72, respectively.
- The equity swap transactions do not contemplate interim payments of appreciation or depreciation of the shares, and the Special Situations Fund is not entitled to any dividends on the shares or equivalent thereof. 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. Each equity swap transaction may be closed out by the Special Situations Fund at any time.
- (12) The equity swap transactions do not contemplate interim payments of appreciation or depreciation of the shares, and the Special Situations Fund is not entitled to any dividends on the shares or equivalent thereof. 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. Each equity swap transaction may be closed out by the Special Situations Fund at any time.
- (13)

### 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.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.