

ASHLAND INC.
Form 4
February 06, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
MITCHELL SAMUEL J

(Last) (First) (Middle)
3475 DABNEY DRIVE
(Street)

LEXINGTON, KY 40509

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
02/02/2007

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)
Vice President

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 | | 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 | 02/02/2007 | | M | | 8,017 | A | \$ 19.75 | 8,233 | D | |
| Common Stock | 02/02/2007 | | M | | 12,000 | A | \$ 23.87 | 20,233 | D | |
| Common Stock | 02/02/2007 | | M | | 4,274 | A | \$ 25.54 | 24,507 | D | |
| Common Stock | 02/02/2007 | | M | | 2,137 | A | \$ 25.71 | 26,644 | D | |
| Common Stock | 02/02/2007 | | M | | 7,100 | A | \$ 32.28 | 33,744 | D | |

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| | | | | | | | | |
|--------------|------------|---|--------|---|------------|--------------------|---|--------|
| Common Stock | 02/02/2007 | M | 1,424 | A | \$ 33.69 | 35,168 | D | |
| Common Stock | 02/02/2007 | M | 1,424 | A | \$ 37.46 | 36,592 | D | |
| Common Stock | 02/02/2007 | S | 36,376 | D | \$ 69.4469 | 216 | D | |
| Common Stock | | | | | | 703 ⁽¹⁾ | I | 401(K) |

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

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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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Options (Right to buy) | \$ 19.75 | 02/02/2007 | | M ⁽²⁾ | 8,017 | 09/19/2003 10/19/2012 | Common Stock | 8,017 | |
| Stock Options (Right to buy) | \$ 23.87 | 02/02/2007 | | M ⁽²⁾ | 12,000 | 09/18/2004 10/18/2013 | Common Stock | 12,000 | |
| Stock Options (Right to buy) | \$ 25.54 | 02/02/2007 | | M ⁽²⁾ | 4,274 | 09/20/2002 10/20/2011 | Common Stock | 4,274 | |
| Stock Options (Right to buy) | \$ 25.71 | 02/02/2007 | | M ⁽²⁾ | 2,137 | 09/16/2000 10/16/2009 | Common Stock | 2,137 | |
| Stock Options | \$ 32.28 | 02/02/2007 | | M ⁽²⁾ | 7,100 | 01/30/2003 02/29/2012 | Common Stock | 7,100 | |

(Right to buy)

| | | | | | | | | |
|------------------------------|----------|------------|------------------|-------|------------|------------|--------------|-------|
| Stock Options (Right to buy) | \$ 33.69 | 02/02/2007 | M ⁽²⁾ | 1,424 | 09/17/1999 | 10/17/2008 | Common Stock | 1,424 |
|------------------------------|----------|------------|------------------|-------|------------|------------|--------------|-------|

| | | | | | | | | |
|------------------------------|----------|------------|------------------|-------|------------|------------|--------------|-------|
| Stock Options (Right to buy) | \$ 37.46 | 02/02/2007 | M ⁽²⁾ | 1,424 | 09/18/1998 | 10/18/2007 | Common Stock | 1,424 |
|------------------------------|----------|------------|------------------|-------|------------|------------|--------------|-------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| MITCHELL SAMUEL J 3475 DABNEY DRIVE LEXINGTON, KY 40509 | | | Vice President | |

Signatures

| | |
|---|------------|
| David B. Mattingly, Attorney-in-Fact | 02/06/2007 |
|---|------------|

 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) Employee stock option (represents a right to buy Ashland Common Stock) granted pursuant to Ashland's Stock Incentive Plan which 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.

(1) Based on Employee Savings Plan information as of 2-2-07, 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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