

ASHLAND INC.
Form 10-Q
May 05, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-32532

ASHLAND INC.

(a Kentucky corporation)
I.R.S. No. 20-0865835

50 E. RiverCenter Boulevard
P.O. Box 391
Covington, Kentucky 41012-0391
Telephone Number (859) 815-3333

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Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting
Company
(Do not check if a smaller reporting company.)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

At March 31, 2010, there were 78,502,620 shares of Registrant's Common Stock outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ASHLAND INC. AND CONSOLIDATED
SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME

(In millions except per share data - unaudited)	Three months ended		Six months ended	
	March 31 2010	2009	March 31 2010	2009 (e)
SALES	\$2,248	\$1,990	\$4,268	\$3,956
COSTS AND EXPENSES				
Cost of sales (a)	1,738	1,531	3,272	3,172
Selling, general and administrative expenses (a)	354	329	688	646
Research and development expenses (b)	20	23	40	50
	2,112	1,883	4,000	3,868
EQUITY AND OTHER INCOME	15	5	29	17
OPERATING INCOME (LOSS)	151	112	297	105
Net interest and other financing expense (c)	(103)	(54)	(145)	(82)
Net loss on divestitures	(5)	(1)	(5)	-
Other income and expenses (d)	-	-	1	(86)
INCOME (LOSS) FROM CONTINUING OPERATIONS				
BEFORE INCOME TAXES	43	57	148	(63)
Income tax expense - Note J	23	9	53	8
INCOME (LOSS) FROM CONTINUING OPERATIONS	20	48	95	(71)
Income from discontinued operations (net of income taxes) - Note E	2	-	13	-
NET INCOME (LOSS)	\$22	\$48	\$108	\$(71)
BASIC EARNINGS PER SHARE - Note K				
Income (loss) from continuing operations	\$.25	\$.65	\$1.23	\$(1.00)
Income from discontinued operations	.03	-	.17	-
Net income (loss)	\$.28	\$.65	\$1.40	\$(1.00)
DILUTED EARNINGS PER SHARE - Note K				
Income (loss) from continuing operations	\$.25	\$.65	\$1.21	\$(1.00)
Income from discontinued operations	.02	-	.16	-
Net income (loss)	\$.27	\$.65	\$1.37	\$(1.00)
DIVIDENDS PAID PER COMMON SHARE	\$.075	\$.075	\$.15	\$.15