

ASHLAND INC.  
Form 3  
May 27, 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 \*

Â HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.

(Last) (First) (Middle)

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

(Street)

DUBLIN, Â L2 Â 00000

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)  
05/22/2008

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

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer  Other  
(give title below) (specify below)  
\* See Remarks

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

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 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

D  $\frac{(1) (2) (3)}{(4)}$  Â

Common Stock

1,273,574

D  $\frac{(1) (5) (6)}{(7)}$  Â

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Equity Swap	Â (8)(9)	Â (8)(9)	Common Stock	43,333	\$ (8) (9)	D $\frac{(1)(2)(3)}{(4)}$	Â
Equity Swap	Â (8)(9)	Â (8)(9)	Common Stock	66,934	\$ (8) (9)	D $\frac{(1)(2)(3)}{(4)}$	Â
Equity Swap	Â (8)(9)	Â (8)(9)	Common Stock	86,333	\$ (8) (9)	D $\frac{(1)(2)(3)}{(4)}$	Â
Equity Swap	Â (8)(9)	Â (8)(9)	Common Stock	85,134	\$ (8) (9)	D $\frac{(1)(2)(3)}{(4)}$	Â
Equity Swap	Â (8)(9)	Â (8)(9)	Common Stock	166,666	\$ (8) (9)	D $\frac{(1)(2)(3)}{(4)}$	Â
Equity Swap	Â (8)(9)	Â (8)(9)	Common Stock	166,667	\$ (8) (9)	D $\frac{(1)(2)(3)}{(4)}$	Â
Equity Swap	Â (8)(9)	Â (8)(9)	Common Stock	65,200	\$ (8) (9)	D $\frac{(1)(2)(3)}{(4)}$	Â
Equity Swap	Â (8)(9)	Â (8)(9)	Common Stock	96,867	\$ (8) (9)	D $\frac{(1)(2)(3)}{(4)}$	Â
Equity Swap	Â (10)(11)	Â (10)(11)	Common Stock	21,667	\$ (10) (11)	D $\frac{(1)(5)(6)}{(7)}$	Â
Equity Swap	Â (10)(11)	Â (10)(11)	Common Stock	33,466	\$ (10) (11)	D $\frac{(1)(5)(6)}{(7)}$	Â
Equity Swap	Â (10)(11)	Â (10)(11)	Common Stock	43,167	\$ (10) (11)	D $\frac{(1)(5)(6)}{(7)}$	Â
Equity Swap	Â (10)(11)	Â (10)(11)	Common Stock	42,566	\$ (10) (11)	D $\frac{(1)(5)(6)}{(7)}$	Â
Equity Swap	Â (10)(11)	Â (10)(11)	Common Stock	83,334	\$ (10) (11)	D $\frac{(1)(5)(6)}{(7)}$	Â
Equity Swap	Â (10)(11)	Â (10)(11)	Common Stock	83,333	\$ (10) (11)	D $\frac{(1)(5)(6)}{(7)}$	Â
Equity Swap	Â (10)(11)	Â (10)(11)	Common Stock	32,600	\$ (10) (11)	D $\frac{(1)(5)(6)}{(7)}$	Â
Equity Swap	Â (10)(11)	Â (10)(11)	Common Stock	48,433	\$ (10) (11)	D $\frac{(1)(5)(6)}{(7)}$	Â

# 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, IRELAND 00000	â	â X	â	* See Remarks
HARBINGER CAPITAL PARTNERS OFFSHORE MANAGER, L.L.C. 2100 THIRD AVENUE NORTH SUITE 600 BIRMINGHAM, AL 35203	â	â X	â	* See Remarks
HMC INVESTORS, L.L.C. 2100 THIRD AVENUE NORTH SUITE 600 BIRMINGHAM, AL 35203	â	â X	â	* See Remarks
HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P. 555 MADISON AVENUE 16TH FLOOR NEW YORK, NY 10022	â	â X	â	* See Remarks
HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS GP, LLC 555 MADISON AVENUE 16TH FLOOR NEW YORK, NY 10022	â	â X	â	* See Remarks
HMC - NEW YORK, INC. 555 MADISON AVENUE 16TH FLOOR NEW YORK, NY 10022	â	â X	â	* 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. 05/27/2008

\*\*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. 05/27/2008

\*\*Signature of Reporting Person Date

HMC Investors, L.L.C., By: /s/ William R. Lucas, Jr. 05/27/2008

\*\*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 R. Lucas, Jr. 05/27/2008

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**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.	05/27/2008
**Signature of Reporting Person	Date
HMC-New York, Inc., By: /s/ William R. Lucas, Jr.	05/27/2008
**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) 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.
- 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. Philip Falcone, Raymond J. Harbert and Michael D. Luce previously reported their beneficial ownership on a Form 3 filed on April 18, 2008.
- (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.
- These securities may be deemed to be indirectly beneficially owned by the following, each of whom is a Reporting Person: 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. HMC, Philip Falcone, Raymond J. Harbert and Michael D. Luce previously reported their beneficial ownership on a Form 3 filed on April 18, 2008.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) 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
- (10)
- (11)

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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.

^

**Remarks:**

(+) ^ The ^ Reporting ^ Persons ^ may ^ be ^ deemed ^ to ^ be ^ members ^ of ^ a ^ "group" ^ for ^ purposes ^ of ^ the ^ S ^  
^ amended. ^ Each ^ Reporting ^ Person ^ disclaims ^ beneficial ^ ownership ^ of ^ any ^ securities ^ deemed ^ to ^ be ^ own ^  
^ directly ^ owned ^ by ^ the ^ Reporting ^ Person. ^ This ^ report ^ shall ^ not ^ be ^ deemed ^ an ^ admission ^ that ^ such ^  
^ of ^ a ^ group ^ or ^ the ^ beneficial ^ owner ^ of ^ any ^ securities ^ not ^ directly ^ owned ^ by ^ such ^ Reporting ^ Perso

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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