

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		
ONE RIVERCHASE PARKWAY SOUTH,Â			4. Relationship of Reporting Person(s) to Issuer		5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)		
BIRMINGHAM,Â ALÂ 35244			<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below)		6. Individual or Joint/Group Filing(Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person
(City)	(State)	(Zip)			

**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)

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

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1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date <small>(Month/Day/Year)</small>		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 (4)(5)	Â (4)(5)	Common Stock	43,333 <sup>(1)</sup> <u>(2)</u>	\$ <u>(4)</u> <u>(5)</u>	I	By Harbinger Capital Partners Master Fund I, Ltd.
Equity Swap	Â (4)(5)	Â (4)(5)	Common Stock	66,934 <sup>(1)</sup> <u>(2)</u>	\$ <u>(4)</u> <u>(5)</u>	I	By Harbinger Capital Partners Master Fund I, Ltd.
Equity Swap	Â (4)(5)	Â (4)(5)	Common Stock	86,333 <sup>(1)</sup> <u>(2)</u>	\$ <u>(4)</u> <u>(5)</u>	I	By Harbinger Capital Partners Master Fund I, Ltd.
Equity Swap	Â (4)(5)	Â (4)(5)	Common Stock	85,134 <sup>(1)</sup> <u>(2)</u>	\$ <u>(4)</u> <u>(5)</u>	I	By Harbinger Capital Partners Master Fund I, Ltd.
Equity Swap	Â (4)(5)	Â (4)(5)	Common Stock	166,666 <u>(1)</u> <u>(2)</u>	\$ <u>(4)</u> <u>(5)</u>	I	By Harbinger Capital Partners Master Fund I, Ltd.
Equity Swap	Â (4)(5)	Â (4)(5)	Common Stock	166,667 <u>(1)</u> <u>(2)</u>	\$ <u>(4)</u> <u>(5)</u>	I	By Harbinger Capital Partners Master Fund I, Ltd.
Equity Swap	Â (4)(5)	Â (4)(5)	Common Stock	65,200 <sup>(1)</sup> <u>(2)</u>	\$ <u>(4)</u> <u>(5)</u>	I	By Harbinger Capital Partners Master Fund I, Ltd.
Equity Swap	Â (4)(5)	Â (4)(5)	Common Stock	96,867 <sup>(1)</sup> <u>(2)</u>	\$ <u>(4)</u> <u>(5)</u>	I	By Harbinger Capital Partners Master Fund I, Ltd.
Equity Swap	Â (6)(7)	Â (6)(7)	Common Stock	21,667 <sup>(3)</sup> <u>(7)</u>	\$ <u>(6)</u> <u>(7)</u>	I	By Harbinger Capital Partners Special Situations Fund, L.P.
Equity Swap	Â (6)(7)	Â (6)(7)	Common Stock	33,466 <sup>(3)</sup> <u>(7)</u>	\$ <u>(6)</u> <u>(7)</u>	I	By Harbinger Capital Partners

Equity Swap	Â (6)(7)	Â (6)(7)	Common Stock	43,167 (3)	\$ (6) (7)	I	Special Situations Fund, L.P. 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 ONE RIVERCHASE PARKWAY SOUTH BIRMINGHAM, AL 35244	Â	Â X	Â	Â
FALCONE PHILIP 555 MADISON AVE 16TH FLOOR NEW YORK, NY 10022	Â	Â X	Â	Â
HARBERT RAYMOND J ONE RIVERCHASE PARKWAY SOUTH BIRMINGHAM, AL 35244	Â	Â X	Â	Â
LUCE MICHAEL D ONE RIVERCHASE PARKWAY SOUTH BIRMINGHAM, AL 35244	Â	Â X	Â	Â

## Signatures

Harbert Management Corporation, By: /s/ William R. 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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