

WARD MICHAEL J
Form 4
August 18, 2005

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 *
WARD MICHAEL J

(Last) (First) (Middle)

CSX TRANSPORTATION, 500
WATER STREET

(Street)

JACKSONVILLE, FL 32202

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
08/17/2005

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)

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 (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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount (A) or Price (D) | | |
| Common Stock | 08/17/2005 | | M | | 3,032 A \$ 38.56 | 3,032 | D |
| Common Stock | 08/17/2005 | | M | | 3,032 A \$ 22.45 | 6,064 | D |
| Common Stock | 08/17/2005 | | S | | 6,064 D \$ 60.79 | 0 | D |

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

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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 (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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|-------------------------------|
| Stock Options (Right to buy) | \$ 22.45 | 08/17/2005 | | M ⁽¹⁾ | 3,032 ₍₂₎ | 07/30/2003 02/28/2013 | Common Stock | 3,032 |
| Stock Options (Right to buy) | \$ 38.56 | 08/17/2005 | | M ⁽¹⁾ | 3,032 ₍₂₎ | 07/31/2002 02/29/2012 | Common Stock | 3,032 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| WARD MICHAEL J CSX TRANSPORTATION 500 WATER STREET JACKSONVILLE, FL 32202 | X | | | |

Signatures

Jami K. Suver,
Attorney-in-Fact

08/18/2005

__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).

- (1) Stock options (represents a right to buy Ashland Common Stock) under Ashland's Amended and Restated Incentive Plan. The stock option includes a tax withholding feature pursuant to the plan.
- (2) Reflects the automatic adjustment to both the number of stock options and the exercise price of the options to preserve the intrinsic value of the options pursuant to the terms of Ashland's Amended and Restated Incentive Plan.

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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