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**FOR IMMEDIATE RELEASE**

**LSB INDUSTRIES, INC. REPORTS FIRST QUARTER RESULTS OF  
\$.46 PER COMMON SHARE COMPARED TO \$.28 IN 2007**

Oklahoma City, OK - May 6, 2008 - LSB Industries, Inc. (AMEX:LXU), today reported record results for the first quarter ended March 31, 2008.

**First Quarter 2008 Compared to First Quarter 2007**

- Net sales increased 9% to \$160.5 million from \$147.4 million;
- Operating income rose nearly 43% to \$19.3 million from \$13.5 million;
- Net income applicable to common stock was \$10.6 million compared to \$5.6 million after deducting dividends, dividend requirements and stock dividend on preferred stock of \$.3 million in 2008 and \$5.2 million in 2007;
- Net income was \$10.9 million for the current first quarter and \$10.8 million for the first quarter of 2007; the current first quarter includes a \$6.7 million provision for income taxes versus \$.3 million in the prior year's first quarter; and,
- Diluted income per common share rose to \$.46 per share from \$.28 per share.

**Business Overview**

LSB's Chairman & CEO, Jack E. Golsen, noted, "2008 started on a strong note. Both our Chemical and Climate Control businesses contributed to this record first quarter, but the stand-out performer for the period was Chemical, increasing its operating profit by 57% over the first quarter last year. Worthy of note, the net income in the 2008 quarter was after provisions for income taxes of \$6.7 million compared to \$.3 million in the 2007 quarter, making the quarterly profit comparison all the more impressive."

Discussing the Climate Control Business, Barry H. Golsen, President & COO, noted, "First quarter new orders rose 24% to \$70.1 million, compared to \$56.5 million in the first quarter one year earlier. We closed the quarter with a backlog of confirmed orders of approximately \$62.1 million compared to \$54.5 million at 2007 year-end. Benefiting from favorable raw materials hedging decisions, we achieved a nearly 10% increase in operating income despite the 7% comparable quarter sales decline which was in part due to last year's shipments of \$9.7 million of orders during the first quarter in connection with an overall initiative to reduce what had been excessive order backlogs."

(more)

Mr. Barry Golsen continued, “We were very pleased by the latest data from our industry’s leading trade association which indicates that our market share in heat pumps and fan coils continues to lead the industry. We will continue to seek ways to optimize profitability including hedging the rising market prices for copper, steel and aluminum which have increased approximately 25% since the beginning of the year, as well as aggressive cost reduction measures.”

Moving on to the Chemical Business, Mr. Barry Golsen stated, “The increase in Chemical sales reflects significantly higher selling prices for agricultural products as a result of increased global demand for fertilizer products. The higher selling prices more than offset the lower volume of agricultural products caused by weather conditions in our market areas. Additionally, selling prices of industrial acids increased due to the pass through of higher cost raw material feedstock.”

In his closing remarks, LSB’s Chairman noted, “As today’s release indicates, our balance sheet remains quite strong and during the first quarter, we repurchased 200,000 shares of our common stock at the weighted average price of \$17.10 per share. For the time being, we will likely defer additional purchases until a decision is reached about activating a portion of our now idled ammonia and urea chemical plant in Pryor, Oklahoma. The feasibility study is underway based on producing and marketing approximately 325,000 tons of UAN fertilizer per year. At present, we estimate that it would take about one year and cost between \$15 million to \$20 million to bring this plant on line. If approved, it is contemplated this project will be funded from our available cash on hand and working capital.

### **Conference Call**

LSB’s management will host a conference call covering the first quarter results on Tuesday, May 6, 2008 at 5:15 pm EDT/4:15 pm CDT to discuss these results and recent corporate developments. Participating in the call will be CEO, Jack E. Golsen; President and COO, Barry H. Golsen; Executive Vice President and CFO, Tony M. Shelby. Interested parties may participate in the call by dialing 706-679-3079. Please call in ten minutes before the conference is scheduled to begin and ask for the LSB conference call.

To listen to a webcast of the call, please go to the Company’s website at [www.lsb-okc.com](http://www.lsb-okc.com) at least 15 minutes before the conference call to download and install any necessary audio software. If you are unable to listen live, the conference call webcast will be archived on the Company’s website for 90 days. We suggest listeners use Microsoft Explorer as their web browser.

### **LSB Industries, Inc.**

LSB is a manufacturing, marketing and engineering company. LSB’s principal business activities consist of the manufacture and sale of commercial and residential climate control products, such as geothermal and water source heat pumps, hydronic fan coils, large custom air handlers, the manufacture and sale of chemical products for the mining, agricultural and industrial markets, and the provision of specialized engineering services and other activities. LSB is included in the Russell 2000 Index and the Russell 3000 Index. This press release contains certain statements which may constitute forward-looking statements within the meaning of the Private Securities Reform Act of 1996. Investors are cautioned that such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from the forward-looking statements as a result of various factors, including, but not limited to, general economic conditions and the “Risk Factors” contained in, and the other factors listed under the heading “Special Note Regarding Forward-Looking Statements” in, our 2007 Form 10-K, as amended by our 10-K/A Amendment No. 1.

**LSB Industries, Inc.**  
**Unaudited Financial Highlights**  
**Three Months Ended March 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
	(In Thousands, Except Per Share Amounts)	
Net sales	\$ 160,455	\$ 147,385
Cost of sales	<u>122,698</u>	<u>115,333</u>
Gross profit	37,757	32,052
Selling, general and administrative expense	18,764	18,301
Provisions for losses on accounts receivable	90	258
Other expense	181	24
Other income	<u>(610)</u>	<u>(54)</u>
Operating income	19,332	13,523
Interest expense	2,454	2,588
Non-operating other income, net	<u>(517)</u>	<u>(42)</u>
Income from continuing operations before provisions for income taxes and equity in earnings of affiliate	17,395	10,977
Provisions for income taxes	6,720	344
Equity in earnings of affiliate	<u>(232)</u>	<u>(215)</u>
Income from continuing operations	10,907	10,848
Net loss from discontinued operations	<u>-</u>	<u>29</u>
Net income	10,907	10,819
Dividends, dividend requirements and stock dividend on preferred stocks	<u>306</u>	<u>5,188</u>
Net income applicable to common stock	<u>\$ 10,601</u>	<u>\$ 5,631</u>
Weighted average common shares:		
Basic	<u>21,057</u>	<u>17,516</u>
Diluted	<u>24,992</u>	<u>20,976</u>
Income per common share:		
Basic	<u>\$ .50</u>	<u>\$ .32</u>
Diluted	<u>\$ .46</u>	<u>\$ .28</u>

(See accompanying notes)

**LSB Industries, Inc.**  
**Notes to Unaudited Financial Highlights**  
**Three Months Ended March 31, 2008 and 2007**  
**(unaudited)**

Note 1: Net income applicable to common stock is computed by adjusting net income by the amount of preferred stock dividends, dividend requirements and stock dividend. Basic income per common share is based upon net income applicable to common stock and the weighted average number of common shares outstanding during each period. Diluted income per share is based on net income applicable to common stock plus preferred stock dividends and dividend requirements on preferred stock assumed to be converted, if dilutive, and interest expense including amortization of debt issuance costs, net of income taxes, on convertible debt assumed to be converted, if dilutive, and the weighted average number of common shares and dilutive common equivalent shares outstanding and the assumed conversion of dilutive convertible securities outstanding.

During the three months ended March 31, 2007, \$3,000,000 of the 7% Convertible Senior Subordinated Debentures due 2011 (“2006 Debentures”), was converted into 423,749 shares of common stock. Subsequently during 2007, the remaining \$1.0 million of the 2006 Debentures was converted into 141,040 shares of common stock.

In addition, as a result of a tender offer completed on March 13, 2007, we issued 2,262,965 shares of our common stock for 305,807 shares of Series 2 preferred stock that were tendered. Also as a result of this tender offer, we effectively settled the dividends in arrears on the Series 2 preferred stock tendered. At March 31, 2008, there were no dividends in arrears.

Note 2: Provisions for income taxes are as follows:

	Three Months Ended March 31,	
	<u>2008</u>	<u>2007</u>
	(in thousands)	
Current - Federal and State	\$5,710	\$ 344
Deferred - Federal and State	<u>1,010</u>	<u>-</u>
Provisions for income taxes	<u>\$6,720</u>	<u>\$ 344</u>

In the first quarter of 2007, we had significant income tax net operating loss (“NOL”) carryforwards. In addition, we had valuation allowances in place against our deferred tax assets arising from the NOL carryforwards and other temporary differences. As a result, the provisions for federal and state income taxes were only \$344,000.

During 2008, we anticipate that we will utilize the remaining \$2.9 million of federal NOL carryforwards and recognize and pay federal income taxes at regular corporate rates.

Note 3: Information about the Company’s operations in different industry segments for the three months ended March 31, 2008 and 2007 is detailed on the following page.

**LSB INDUSTRIES, INC.**  
**Notes to Unaudited Financial Highlights (Continued)**  
**Three Months Ended March 31, 2008 and 2007**

	Three Months Ended March 31,	
	2008	2007
	(In Thousands)	
Net sales:		
Climate Control	\$ 66,323	\$ 71,305
Chemical	91,330	73,720
Other	2,802	2,360
	\$ 160,455	\$ 147,385
Gross profit: (1)		
Climate Control (2)	\$ 21,522	\$ 20,707
Chemical (3)	15,353	10,532
Other	882	813
	\$ 37,757	\$ 32,052
Operating income: (4)		
Climate Control (2)	\$ 9,327	\$ 8,508
Chemical (3)	12,125	7,710
General corporate expenses and other business operations, net (5)	(2,120)	(2,695)
	19,332	13,523
Interest expense	(2,454)	(2,588)
Non-operating other income, net:		
Climate Control	1	2
Chemical	4	28
Corporate and other business operations	512	12
Provisions for income taxes	(6,720)	(344)
Equity in earnings of affiliate-Climate Control	232	215
Income from continuing operations	\$ 10,907	\$ 10,848

**LSB INDUSTRIES, INC.**  
**Notes to Unaudited Financial Highlights (Continued)**  
**Three Months Ended March 31, 2008 and 2007**

- (1) Gross profit by industry segment represents net sales less cost of sales. Gross profit classified as “Other” relates to the sales of industrial machinery and related components.
- (2) During the first quarters of 2008 and 2007, we recognized gains of \$2,575,000 and \$133,000, respectively, on our exchange-traded futures contracts for copper. These gains contributed to an increase in gross profit and operating income.
- (3) During the first quarters of 2008 and 2007, the amounts expensed for precious metals, net of recoveries and gains, were \$2,460,000 and \$898,000, respectively. These net expenses contributed to a decrease in gross profit and operating income.
- (4) Our chief operating decision makers use operating income by industry segment for purposes of making decisions which include resource allocations and performance evaluations. Operating income by industry segment represents gross profit by industry segment less Selling, general and administration expense (“SG&A”) incurred by each industry segment plus other income and other expense earned/incurred by each industry segment before general corporate expenses and other business operations, net. General corporate expenses and other business operations, net, consist of unallocated portions of gross profit, SG&A, other income and other expense.
- (5) The amounts included are not allocated to our Climate Control and Chemical Businesses since these items are not included in the operating results reviewed by our chief operating decision makers for purposes of making decisions as discussed above.

**LSB Industries, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(Information at March 31, 2008 is unaudited)**

	<u>March 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
<i>(In Thousands)</i>		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 42,486	\$ 58,224
Restricted cash	31	203
Accounts receivable, net	82,888	70,577
Inventories:		
Finished goods	36,039	28,177
Work in process	2,438	3,569
Raw materials	23,940	25,130
Total inventories	<u>62,417</u>	<u>56,876</u>
Supplies, prepaid items and other:		
Deferred rent expense	2,014	-
Prepaid insurance	2,501	3,350
Precious metals	11,502	10,935
Supplies	3,988	3,849
Other	2,322	1,464
Total supplies, prepaid items and other	<u>22,327</u>	<u>19,598</u>
Deferred income taxes	8,590	10,030
Total current assets	<u>218,739</u>	<u>215,508</u>
Property, plant and equipment, net	82,374	79,692
Other assets:		
Debt issuance and other debt-related costs, net	4,278	4,639
Investment in affiliate	3,378	3,426
Goodwill	1,724	1,724
Other, net	2,671	2,565
Total other assets	<u>12,051</u>	<u>12,354</u>
	<u>\$ 313,164</u>	<u>\$ 307,554</u>

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**LSB Industries, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(Information at March 31, 2008 is unaudited) (continued)**

	<u>March 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
<i>(In Thousands)</i>		
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 38,831	\$ 39,060
Short-term financing and drafts payable	525	919
Accrued and other liabilities	37,456	38,942
Current portion of long-term debt	935	1,043
Total current liabilities	<u>77,747</u>	<u>79,964</u>
Long-term debt	120,895	121,064
Noncurrent accrued and other liabilities:		
Deferred income taxes	4,900	5,330
Other	7,014	6,913
	<u>11,914</u>	<u>12,243</u>
Contingencies	-	-
Stockholders' equity:		
Series B 12% cumulative, convertible preferred stock, \$100 par value; 20,000 shares issued and outstanding	2,000	2,000
Series D 6% cumulative, convertible Class C preferred stock, no par value; 1,000,000 shares issued	1,000	1,000
Common stock, \$.10 par value; 75,000,000 shares authorized, 24,590,810 shares issued (24,466,506 at December 31, 2007)	2,459	2,447
Capital in excess of par value	124,424	123,336
Accumulated other comprehensive loss	(366)	(411)
Accumulated deficit	(5,836)	(16,437)
	<u>123,681</u>	<u>111,935</u>
Less treasury stock at cost:		
Common stock, 3,648,518 shares (3,448,518 at December 31, 2007)	21,073	17,652
Total stockholders' equity	<u>102,608</u>	<u>94,283</u>
	<u>\$ 313,164</u>	<u>\$ 307,554</u>