

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

FORM 8-K

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

Date of report (Date of earliest event reported) January 26, 2007

LSB INDUSTRIES, INC.

Delaware

(Exact name of registrant as specified in its charter)

1-7677

73-1015226

(State or other jurisdiction
of incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

16 South Pennsylvania, Oklahoma City, Oklahoma

73107

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

(405) 235-4546

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 8 - Other Events

Item 8.01 Other Events.

On January 29, 2007, LSB Industries, Inc. (the "Company") issued a press release announcing that on January 26, 2007, the Board of Directors of the Company approved an exchange offer to exchange 7.4 shares of the Company's common stock for each share of its \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 (the "Series 2 Preferred") tendered in the exchange offer and the waiver of all rights to accrued and unpaid dividends on the Series 2 Preferred so tendered. When commenced, the exchange offer would be for 309,807 of the 499,102 outstanding shares of Series 2 Preferred. As described in the press release, the exchange offer for the shares of Series 2 Preferred has not commenced and will not commence until certain actions are taken by the Company. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

This report is not an offer or a solicitation of an offer to sell or exchange any security.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number

99.1

Description

Press Release, dated January 29, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 29, 2007

LSB INDUSTRIES, INC.

By: /s/ Tony M. Shelby
Tony M. Shelby,
Executive Vice President and
Chief Financial Officer

COMPANY CONTACT:
Tony M. Shelby, Chief Financial Officer
(405) 235-4546

Investor Relations Contact:
Linda Latman (212) 836-9609
Lena Cati (212) 836-9611

The Equity Group Inc.

F O R

I M M E D I A T E R E L E A S E

LSB INDUSTRIES, INC. ANNOUNCES BOARD APPROVAL OF EXCHANGE OFFER FOR ITS \$3.25 PREFERRED STOCK, SUBJECT TO CERTAIN CONDITIONS

Oklahoma City, Oklahoma . . . January 29, 2007 . . . LSB Industries, Inc. ("the Company"), (AMEX: LXU), today announced that its Board of Directors has approved an offer to exchange shares of its common stock for up to 309,807 of the 499,102 outstanding shares of its \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 (the "Series 2 Preferred"). The terms of the exchange offer would provide for the issuance by the Company of 7.4 shares of common stock in exchange for each share of Series 2 Preferred tendered in the exchange offer and the waiver of all rights to accrued and unpaid dividends on the Series 2 Preferred tendered. As of December 31, 2006, the accrued and unpaid dividend on the Series 2 Preferred was \$23.975 per share. The exchange offer described in this release has not commenced, and, as described below, the exchange offer will not commence until certain action is taken by the Company. When commenced, the exchange offer would be subject to numerous conditions that will be described in the tender offer documents to be completed. Once the exchange offer commences, neither the Company nor its Board of Directors will make any recommendation to holders of Series 2 Preferred as to whether to tender or refrain from tendering their shares in the exchange offer. As previously disclosed, the Company has entered into an agreement with Jayhawk Capital Management, L.L.C. and certain of its affiliates (collectively, "Jayhawk"). Under the agreement, Jayhawk has agreed to tender in the exchange offer 180,450 shares of the 346,662 shares of Series 2 Preferred owned by Jayhawk. In addition, as a condition to Jayhawk's obligation to tender such shares of Series 2 Preferred in the exchange offer, the agreement further provides that Jack E. Golsen (Chairman of the Board and CEO of the Company), his wife, children and certain entities controlled by them (the "Golsen Group") would exchange only 26,467 of the 49,550 shares of Series 2 Preferred beneficially owned by them. As a result, only 309,807 of the 499,102 shares of Series 2 Preferred currently outstanding would be eligible to participate in the exchange offer, with the remaining 189,295 being held by Jayhawk and the Golsen Group.

(more)

This release is neither an offer to purchase nor a solicitation of an offer to sell securities. The exchange offer for the shares of Series 2 Preferred described in this release has not commenced and is subject to completion of tender offer documents. When the exchange offer is commenced, the Company will mail tender offer documents to holders of the Series 2 Preferred and file a tender offer statement with the Securities and Exchange Commission ("SEC"). Such statement (including an offer to purchase, a related letter of transmittal and other offer documents) would contain important information with respect to the offer that should be read carefully before any decision is made with respect to any tender offer. Those materials would be made available to the Company's security holders at no expense to them. In addition, all of those materials (and all other offer documents filed with the SEC) would be available at no charge on the SEC's website (www.sec.gov).

LSB is a manufacturing, marketing, and engineering company with activities on a world wide basis. LSB's principal business activities consist of the manufacture and sale of commercial and residential climate control products, the manufacture and sale of chemical products for the mining, agricultural and industrial markets, the provision of specialized engineering services, and other activities.

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