

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Form 3 Holdings Reported.

Form 4 Transactions Reported.

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0362
Estimated average burden hours per response:	1.0

1. Name and Address of Reporting Person* <u>SHELBY ANTONIO M</u> (Last) (First) (Middle) <u>16 SOUTH PENNSYLVANIA AVENUE</u> (Street) <u>OKLAHOMA OK 73107</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LSB INDUSTRIES INC [LXU]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Executive VP-Finance/CFO</u>
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <u>12/31/2003</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	12/22/2003		G4	1,500	D	\$0.00	148,578	D	

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 Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date					
Incentive Stock Option	\$4.875						06/27/2000	06/27/2006	Common Stock		0 ⁽¹⁾	D	
Incentive Stock Option	\$4.125						11/19/2000	11/19/2006	Common Stock		0 ⁽¹⁾	D	
Incentive Stock Option	\$1.25						07/08/2003	07/08/2009	Common Stock		0 ⁽¹⁾	D	
Incentive Stock Option	\$2.73						(1)	11/09/2011	Common Stock		0 ⁽¹⁾	D	
Nonqualified Stock Option	\$1.25						07/08/2003	07/08/2009	Common Stock		0 ⁽²⁾	D	
Class C Preferred	\$11.55						(3)	(3)	Common Stock		0 ⁽³⁾	D	

Explanation of Responses:

- LSB Industries, Inc. (the "Issuer") granted to Mr. Shelby a number of Incentive Stock Options ("ISOs") under the Issuer's Incentive Stock Option Plans. Each ISO is for a term of ten years from the date of grant. Each ISO vests at the end of years one through four in the following amounts: 20%, 20%, 30% and 30%. The ISOs are fully vested at the end of year four. An ISO for 15,000 shares of Common Stock, exercisable at \$2.73, was granted to Mr. Shelby on November 9, 2001. As of the date of this report, the total number of shares underlying the ISOs held by Mr. Shelby is 165,000.
- Nonqualified Stock Option ("NQSO") granted by the Issuer to Mr. Shelby under the Issuer's Non-Qualified Stock Option Agreement - 1999 (the "1999 Plan"), for the purchase of up to 35,000 shares of the Company's Common Stock at an option price of \$1.25 per share. The NQSO vests at the end of years one through four in the following amounts: 20%, 20%, 30%, and 30%. The NQSO is fully vested at the end of year four. The NQSO is for a term of ten years from the date of grant.
- Each share of the Company's \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2, is convertible at the option of the holder into 4.329 shares of the Company's Common Stock. Each share is convertible as long as such is outstanding.

Antonio M. Shelby 01/08/2004
 ** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.