

**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) August 27, 2007

**LSB INDUSTRIES, INC.**

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**Delaware**

(Exact name of registrant as specified in its charter)

**1-7677**

**73-1015226**

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(State or other jurisdiction  
of incorporation)

(Commission File  
Number)

(IRS Employer  
Identification No.)

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**16 South Pennsylvania, Oklahoma City, Oklahoma**

**73107**

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(Address of principal executive offices)

(Zip Code)

**Registrant's telephone number, including area code**

**(405) 235-4546**

**Not applicable**

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(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))

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**Section 8 – Other Events**

Item 8.01 Other Events.

On August 27, 2007, LSB Industries, Inc. (“LSB”) completed the redemption of all of its outstanding \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 (“\$3.25 Preferred”). The redemption price was \$50.00 per share of \$3.25 Preferred, plus \$26.25 per share in accrued and unpaid dividends pro-rata to the date of redemption. A total of 25,820 shares of \$3.25 Preferred were redeemed for an aggregate redemption price, including accrued and unpaid dividends, of approximately \$1,969,000.

Prior to the redemption, holders of the \$3.25 Preferred converted 167,475 shares of \$3.25 Preferred into 724,993 shares of common stock, based on the conversion rate of 4.329 shares of common for each share of \$3.25 Preferred. Pursuant to the terms of the \$3.25 Preferred, holders converting shares of \$3.25 Preferred were not entitled to any accrued and unpaid dividends as to the shares of \$3.25 Preferred converted.

As of August 27, 2007, no shares of \$3.25 Preferred remain outstanding.

**Section 9 – Financial Statements and Exhibits**

Item 9.01 Financial Statements and Exhibits.

- (c) Exhibits.

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: August 30, 2007

LSB INDUSTRIES, INC.

By: /s/ Jim D. Jones  
Jim D. Jones  
Senior Vice President,  
Corporate Controller and Treasurer  
(Principal Accounting 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.

**FOR IMMEDIATE RELEASE**

**LSB INDUSTRIES, INC. ANNOUNCES COMPLETION OF  
REDEMPTION OF ALL OUTSTANDING \$3.25 CONVERTIBLE EXCHANGEABLE CLASS C PREFERRED STOCK**

Oklahoma City, Oklahoma – August 27, 2007 - LSB Industries, Inc. (“LSB” or the “Company”), (AMEX: LXU), today announced the completion of redemption of all of its outstanding \$3.25 Convertible Exchangeable Class C Preferred Stock (“\$3.25 Preferred”). Under the redemption, as announced by LSB on July 12, 2007, holders of the 193,295 outstanding shares of \$3.25 Preferred would receive \$50.00 per share plus \$26.25 in accrued and unpaid dividends. The holders also had the right to convert each share of \$3.25 Preferred into 4.329 shares of LSB common stock, and, as stated in the Redemption Notice, pursuant to the terms of the \$3.25 Preferred, a holder that elects to convert shares of \$3.25 Preferred would not be entitled to receive any accrued and unpaid dividends on those shares of \$3.25 Preferred that are converted. As of August 27, 2007, a total of 167,475 shares of \$3.25 Preferred were converted into 724,993 shares of LSB common stock, and 25,820 shares of \$3.25 Preferred were redeemed by LSB for approximately \$1,969,000, leaving no shares of \$3.25 Preferred outstanding.

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 Industries is included in the Russell 2000 Index and the Russell 3000 Index.

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