



LSB Issues Statement Regarding Director Nominations

March 10, 2015

LSB Believes There is Merit to Pursuing Value Creating Alternatives Once LSB's Operating and Capital Plan for the Chemical Business is Implemented

Strategic Committee to Assist Management in Execution of Operating Plan

OKLAHOMA CITY, Okla.--(BUSINESS WIRE)--Mar. 10, 2015-- LSB Industries, Inc. (NYSE:LXU) ("LSB or the Company"), a manufacturer of chemical products for the agricultural, mining and industrial markets and a leading manufacturer of commercial and residential climate control products, today confirmed that Starboard Value LP ("Starboard") submitted a notice of nomination of five director candidates to stand for election to LSB's Board of Directors at the Company's 2015 Annual Meeting of Shareholders. Three directors will stand for election at the 2015 Annual Meeting. The Board's Nominating and Corporate Governance Committee will review the proposed nominees in accordance with the Company's corporate governance practices. LSB issued the following statement:

LSB is committed to acting in the best interests of all LSB shareholders and welcomes the views and opinions of any shareholders with the goal of enhancing value for all shareholders.

As previously announced, LSB formed a Strategic Committee comprised of four independent directors, two of whom were appointed to the Board in 2014 in connection with an agreement with Starboard. The Strategic Committee's mandate included a thorough evaluation of potential strategic alternatives for the Company with the assistance of independent financial, legal, and tax advisors. In particular, the Strategic Committee considered separating the Climate Control Business through a spinoff, selling the Climate Control Business, placing some or all of the Company's Chemical Business into a Master Limited Partnership ("MLP") structure, and continuing to execute the Company's strategic plan.

As announced on March 2, 2015, the Strategic Committee and Board determined that a potential spin or sale of the Company's Climate Control assets from the Chemical Business may be a step for consideration once the expansion projects at the Company's El Dorado Chemical facility are complete in early 2016, and that optionality for pursuit of an MLP going forward should be preserved. The Strategic Committee has committed to reevaluate this alternative over the next 12 to 18 months and is focusing its near-term attention on providing oversight and additional recommendations, as appropriate, to the LSB management team to assist in the execution of the Company's operating plan, with a particular emphasis on completing the expansion projects at the El Dorado facility. The Company noted that the Strategic Committee and the Company's financial advisors met with Starboard, reviewed materials prepared by Starboard and carefully considered Starboard's input, in arriving at its determination.

The Company also noted that it has engaged in settlement discussions with Starboard with the goal of achieving a mutually agreeable resolution, including offering Starboard additional Board representation. Unfortunately, Starboard has, to date, rejected the proposals the Company has made.

The LSB Board of Directors is comprised of 10 highly qualified and experienced directors, eight of whom are independent and five of whom were appointed in the last 24 months. The three newest directors, two of whom were suggested by Starboard and appointed pursuant to a 2014 agreement with Starboard, have been active participants on the Board over the last year.

LSB's Board members possess a diverse range of skills and experience critical to overseeing LSB's business, including chemical and HVAC operations, financial, manufacturing, marketing and engineering expertise.

The Company will present its recommendation with respect to the election of directors in its proxy statement to be filed with the Securities and Exchange Commission. The date of the 2015 Annual Meeting of Shareholders has not yet been scheduled.

Advisors

Credit Suisse is serving as financial adviser to LSB and Wachtell, Lipton, Rosen & Katz and Conner & Winters, LLP are acting as legal advisors.

About LSB Industries, Inc.

LSB is a manufacturing and marketing company. LSB's principal business activities consist of the manufacture and sale of chemical products for the agricultural, mining, and industrial markets, and the manufacture and sale of commercial and residential climate control products, such as water source and geothermal heat pumps, hydronic fan coils, modular chillers, large custom air handlers and make-up air units.

Forward-Looking Statements

This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by use of the words "believes", "expects", "intends", "anticipates", "plans to", "estimates", "projects", or similar expressions, including, without limitation, potential spin or sale of the Climate Control Business may be a step for consideration once expansion projects are completed in 2016; MLP going forward should be preserved. Actual results may differ materially from the forward-looking statements as a result of various future events, including without limitation, the various factors described in the "Special Note Regarding Forward-Looking Statements," and the "Risk Factors" contained in our most recent 10-K for the year ended December 31, 2014. These forward looking statements speak only as of the date of this press release, and LSB expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in LSB's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Important Additional Information

LSB, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from LSB stockholders in connection with the matters to be considered at LSB's 2015 Annual Meeting of Stockholders, including the election of directors. LSB intends to file a preliminary and definitive proxy statement and accompanying white proxy card with the U.S. Securities and Exchange Commission (the "SEC") in connection with any such solicitation of proxies from LSB stockholders. LSB STOCKHOLDERS ARE STRONGLY ENCOURAGED TO READ ANY SUCH PROXY STATEMENT AND OTHER PROXY MATERIALS AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Information regarding the ownership of LSB's directors and executive officers in LSB stock, restricted stock and options is included in their SEC filings on Forms 3, 4 and 5. More detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with the SEC in connection with LSB's 2015 Annual Meeting. Information can also be found in LSB's Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on March 2, 2015. Stockholders will be able to obtain any proxy statement, any amendments or supplements to the proxy statement and other documents filed by LSB with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at LSB's website at www.lsbindustries.com or by contacting David M. Shear, General Counsel & Secretary at (405) 235-4546.

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