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): July 18, 2013

LSB INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-7677	73-1015226
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

16 South Pennsylvania Avenue, 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 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

On July 18, 2013, LSB Industries, Inc. (the “Company” or “we”) issued a press release pursuant to Rule 135c under the Securities Act of 1933, as amended (the “Securities Act”), announcing the Company’s intention to offer and sell, in a private placement to eligible purchasers, $400 million in aggregate principal amount of senior unsecured notes due 2021 (the “Notes”), subject to market and other conditions. In connection with the private offering the Company intends to disclose certain information to prospective investors in the form of an Investor Presentation. Pursuant to Regulation FD, the Company is furnishing the Investor Presentation as Exhibit 99.2 to this Current Report of Form 8-K, which lists or discusses, among other things, certain additional disclosures about the Company not previously disclosed and is attached hereto and incorporated herein by reference.

The foregoing is qualified by reference to the press release that is attached as Exhibit 99.1 to this Current Report on Form 8-K, which is incorporated herein by reference. The information contained in this Current Report on Form 8-K, including the exhibits hereto, is neither an offer to sell nor a solicitation of an offer to purchase any of the securities to be offered. The securities to be offered will not be registered under the Securities Act or applicable state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

In connection with the private offering of the Notes, the Company is disclosing the following, most of which is included in Exhibit 99.2:

- The backlog of the Climate Control Business was approximately $52.6 million and $59.0 million as of May 31 and April 30, 2013, respectively.
- We have identified several strategic initiatives which we believe will drive increased sales growth and profitability. We also intend to further develop relationships with large industrial customers in our Chemical business, which we believe will create opportunities to drive increased product demand, particularly given the contracted nature of that segment of our business.
- Thirteen customers (including their affiliates), primarily relating to the Chemical Business, accounted for approximately 37% of our total net receivables at March 31, 2013.
- Climate Control Business’ products sales should outgrow broader markets.

- During the first half of 2013, certain of our chemical facilities continued to have planned and unplanned downtime as a result of certain maintenance and equipment issues. As an example, after the Pryor facility resumed operations in April 2013, certain of its operations were out of production periodically during May, June and July 2013 for equipment repairs or maintenance.
- We are currently building an ammonia plant at our El Dorado, Arkansas facility which will allow us to further reduce our cost position by using natural gas as the primary feedstock at that facility, which currently uses purchased ammonia as its feedstock. Given the potential for significant cost savings at the El Dorado facility, we currently estimate we will achieve a five-year payback period on the approximately $250.0 million investment in the ammonia plant.
- During the later part of the second quarter of 2013 we negotiated an oral global agreement in principle with the EPA/DOJ to settle certain issues relating to the Clean Air Act. Settlement of this matter is subject to the parties entering into definitive settlement agreements and consent decrees and such being finalized after the notice and comment period. The proposed oral agreement in principle provides, among other things, the following: all of our Chemical Business' nitric acid plants are to achieve certain emission rates within a certain time period for each plant. In order to achieve these emission rates, six of our Chemical Business' eight nitric acid plants will require additional pollution control technology equipment to achieve the emission rates agreed upon. We have already completed necessary modifications at two of our Chemical Business' existing nitric acid plants. The cost of the necessary pollution control equipment is estimated to range from $2.0 million to $3.0 million for each of the remaining six nitric acid plants; our Chemical Business will provide a reforestation mitigation project that is unrelated to our emissions or activities and will not be located at one of our plant sites, which we estimate will cost approximately $150,000; and a civil penalty to be paid by our Chemical Business in the amount of $725,000.
- By letter dated April 19, 2013, the Oklahoma Department of Environmental Quality ("ODEQ") identified 14 issues of alleged non-compliance and concern from the evaluation relating to federal and state air quality regulations. On July 2, 2013, a settlement was reached to resolve the allegations of the April 19, 2013, letter. Three of the violations were already resolved through the global settlement with the EPA/DOJ discussed above, and ODEQ agreed to resolve the remaining 11 violations for $100,000 (which amount is included in the $725,000 civil penalty discussed above), with the settlement being addressed as an addition to the global settlement discussed above.
- We renewed one of our union agreements in July 2013 for a term of five years, and we expect to negotiate renewals in connection with two additional agreements which expire in October 2013 and November 2013.
- Each of the named executive officers of the Company received a bonus in 2013 based on results for 2012 performance in the amount of $150,000, except such bonus for David M. Shear was $140,000 and for Steven J. Golsen was $112,000.

- The Company expects to receive significant proceeds in connection with its insurance claims relating to its claims involving the El Dorado and Cherokee facilities, and has received from its insurance company approximately $65 million to date.
- During April 2013, an explosion and fire occurred at the West Fertilizer Co. ("West Fertilizer"), located in West, Texas, causing death, bodily injury and substantial property damage. West Fertilizer is not owned or controlled by the Company, but West Fertilizer had been a customer of El Dorado Chemical Company ("EDC"), purchasing ammonium nitrate from EDC from time to time. The Company and EDC have received letters from counsel purporting to represent subrogated insurance carriers, personal injury claimants and persons who suffered property damages informing them that their clients are conducting investigations into the cause of the explosion and fire to determine, among other things, whether ammonium nitrate manufactured by EDC and supplied to West Fertilizer was stored at West Fertilizer at the time of the explosion and, if so, whether such ammonium nitrate may have been one of the contributing factors of the explosion. Other manufacturers of ammonium nitrate also supplied ammonium nitrate to West Fertilizer. The lawsuits that have been filed as of the date hereof name West Fertilizer and another supplier of ammonium nitrate as defendants, but neither EDC nor the Company have been named in any of these suits. At this time, EDC does not believe that its product was in storage at West Fertilizer at the time of the explosion. Furthermore, EDC does not believe that its product would have been a contributing factor in the explosion even if it had been stored at West Fertilizer at the time of the explosion. EDC has retained a firm specializing in cause and origin investigations, with particular experience with fertilizer facilities, to assist it in its own investigation. The Company and EDC have placed its liability insurance carrier on notice of this matter, which policies have aggregate limits of general liability totaling approximately $100 million, with a self-insured retention of $250,000.

The information contained in this Item 7.01 and Item 9.01 of this Form 8-K and the Exhibits attached hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall it be deemed incorporated by reference in any filing under the Securities Act, except as shall be expressly set forth by specific reference to this Item 7.01 or Item 9.01 in such filing.

Some of the statements contained in this report and the exhibit attached hereto contain certain forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Statements that include the words such as "strategy," "experts," "believes," "estimates," "intends," "projects," "goals," "targets," and similar statements identify forward-looking statements. Forward-looking statements may also include, but not be limited to, statements as to commencement of the Notes offering and certain statements as noted under "Safe Harbor Statement" in the Investor Presentation attached as Exhibit 99.2. You should not rely on forward-looking statements because actual results or events may differ materially from those indicated by these forward-looking statements as a result of a number of important facts as listed under "Risk Factors" and in "Special Note Regarding Forward-Looking Statements" contained in our Form 10-K for year ended December 31, 2012, and Form 10-Q for quarter ended March 31, 2013.

Section 9 - Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

The information contained in the accompanying Exhibits 99.1 and 99.2 shall not be deemed filed for purposes of Section 18 of the Exchange Act or incorporated by reference in any filing under the Exchange Act or the Securities Act, except as shall be expressly set forth by specific reference to such Exhibit 99.1or 99.2 in such filing.

(d) Exhibits.

99.1	Press release dated July 18, 2013.
99.2	Investor Presentation dated July 2013.

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: July 18, 2013

LSB INDUSTRIES, INC.

By: /s/ Jack E. Golsen

Jack E. Golsen, Chief Executive Officer

Exhibit 99.1

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

Investor Relations Contact:
Fred Buonocore (212) 836-9607
Linda Latman (212) 836-9609
The Equity Group Inc.

FOR IMMEDIATE RELEASE

LSB INDUSTRIES, INC. ANNOUNCES PROPOSED PRIVATE OFFERING OF SENIOR NOTES

Oklahoma City, Oklahoma – July 18, 2013 – LSB Industries, Inc. (NYSE: LXU) ("LSB") today announced that it intends to offer, subject to market and other conditions, $400 million in aggregate principal amount of senior unsecured notes due 2021 (the "Notes") for sale in a private placement to eligible purchasers.

LSB intends to use the net proceeds from this offering to (a) repay the $67.2 million unpaid principal balance and the prepayment penalty of its secured term loan, plus all accrued and unpaid interest due thereon; and (b) for general corporate purposes, which LSB expects to include, among other things, the construction of an ammonia plant, nitric acid plant, and concentrator at its chemical facility in El Dorado, Arkansas; improvement of reliability, mechanical integrity, and safety at all of its chemical facilities; and the development of its acquired natural gas leaseholds during the next three years. Pending application of proceeds in accordance with clause (b), the net proceeds of this offering will be invested in investments with highly rated money market funds, U.S. government securities, treasury bills and/or short-term commercial paper.

This press release is neither an offer to sell nor a solicitation of an offer to buy the Notes or any other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. The Notes and the guarantees thereof have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements under the Securities Act and applicable state securities laws. The Notes are expected to be offered and sold only to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside of the United States pursuant to Regulation S under the Securities Act. This press release is being issued in accordance with Rule 135c under the Securities Act.

Forward-Looking Statements

Certain matters contained in this press release include "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical fact, included in this press release, including regarding the offering of the Notes and the expected use of proceeds from such offering, may constitute forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause actual results to differ include, but are not limited to, (i) LSB's business plans may change as circumstances warrant and the offering of the Notes may not ultimately be completed because of general market conditions or other factors or (ii) any of the factors discussed from time to time in each of our documents and reports filed with the Securities Exchange Commission.

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LSB Industries, Inc.

Investor Presentation

July 2013

Safe Harbor Statement

This presentation and the comments being made today contain certain forward-looking statements. All statements other than statements of historical fact are forward-looking statements within the meaning of the Federal securities law. Statements that include the words such as "strategy," "expects," "continues," "plans," "anticipates," "believes," "estimates," "intends," "projects," "goals," "targets" and other similar statements of a forward-looking nature, identify forward-looking statements, including, but not limited to all references to McGraw-Hill forecasts.

The forward-looking statements include, but are not limited to, the following statements: market share; modest growth of the U.S. economy; the outlook for the commercial institutional sector and single-family sector of the construction market and for industrial markets that use our chemical products; sales growth of the Climate Control Business and the resulting upside potential; customer demand for our products; shipment of backlog; cost of new nitric acid plants and when such plants will be constructed and become operational; expected production volumes at our Chemical Business facilities; committed and planned capital spending and funding of the same; ability to pass to our customers the majority of any cost increases in the form of higher prices; sufficient sources for materials and components including anhydrous ammonia; our geothermal heat pumps ("GHPs") use a form of renewable energy and, under certain conditions, can reduce energy costs and provide homeowners and businesses who install GHP's with tax credits and related benefits; our GHPs and other energy efficient products, including those still in development, allow us to benefit from strong expected growth trends in the green building market; our cash needs and funding of the same through working capital, internally generated cash flows, third-party financing and insurance proceeds; compliance by El Dorado Chemical Company's ("EDC") facility located in El Dorado, Arkansas (the "El Dorado Facility") of the terms of its permits, including future limits; in conjunction with our long-term compliance plan, EDC's ability to participate in a wastewater pipeline project for disposal of wastewater that the city of El Dorado, Arkansas will construct and own which should also resolve EDC's dissolved mineral issue once it is operational; our ability to negotiate a settlement with the United States Environmental Protection Agency for alleged violations involving the Clean Air Act at our chemical facilities; reduction in operating income within our chemical facilities due to damaged facilities; capital costs and other expenses relating to environmental and health laws including for regulatory and compliance issues and enforcement and remediation liabilities; costs and timing of a planned major maintenance activity during 2013 for our chemical facilities; internally generated cash flows and liquidity could be affected by declines in sales volume, changes in the production efficiency of our facilities, and timing of insurance proceeds; accounting estimates and assumptions utilized as of December 31, 2012 and March 31, 2013 could change in the near term; our insurance bonds expire or fail to be renewed in 2013; the amount of advanced manufacturing energy credits to be utilized to partially offset our federal tax liability; depreciation, depletion and amortization expected to increase in 2013; we currently intend to fund any stock repurchase from our available working capital; expenditures relating to our process safety management, reliability and mechanical integrity programs and expansion of such programs enhancing overall reliability and allowing us to more quickly identify potential problems before they occur and minimize the risk of unplanned downtime; LEAN initiatives will drive and enhance profitability; the cost disadvantage of producing products from purchased ammonia, compared to products directly produced from natural gas, will continue to be significant for the medium and long-term; recovery under our property and business interruption insurance due to damages at various of our chemical facilities; construction of a new ammonia plant at the El Dorado Facility will reduce our production costs, enhance reliability, provide us with additional capacity, and position us to continue to realize strong cash flow; ability to meet all financial covenant requirements under our wholly-owned subsidiary's, ThermaClime, L.L.C.(which owns a substantial portion of the companies comprising the Climate Control Business and Chemical Business), and certain of its wholly-owned subsidiaries' secured revolving credit facility dated as of November 5, 2007, as amended from time to time, of which the issuer is a guarantor; diversity of end markets and targeted mix of sales volumes for our products will continue to lessen the cyclicality of our financial performance; our ability to maintain existing market positions in our core products and to expand our market share in other product categories; our highly flexible production techniques position us well for an eventual recovery in our markets; difficulty of replicating our distribution network; our strategic initiatives will drive increased sales growth and profitability; our ability to further develop relationships with large industrial customers in our Chemical Business; continue to develop products and renovation and retrofit applications; ammonia converter sustaining higher production rates; cumulative negative effect to our second quarter 2013 operating income; anticipated second quarter 2013 operating income and diluted earnings per share; renewal of our union agreements; and all forward-looking statements described in "Special Note Regarding Forward-Looking Statements" contained in our Annual Report on Form 10-K for the year ended December 31, 2012, and in "Special Note Regarding Forward-Looking Statements" contained in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.

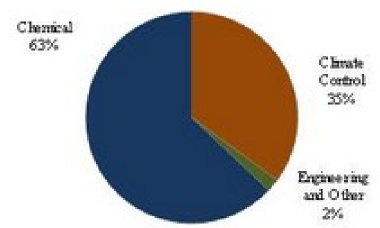
You should not rely on forward-looking statements because actual events or results may differ materially from those indicated by these forward-looking statements as a result of a number of important factors. We incorporate the risks and uncertainties "Risk Factors " contained in our Annual Report on Form 10-K for the year ended December 31, 2012. We undertake no duty to update the information contained in this presentation.

Company Overview

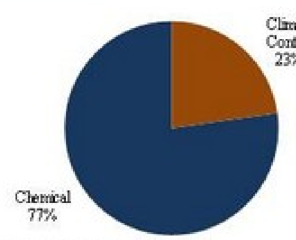
Business Overview

- **Diversified industrial manufacturer of chemical and HVAC products sold into a wide range of end markets**
- **Founded in 1968 and headquartered in Oklahoma City, OK; publicly traded (NYSE: LXU)**
- **Chemical business operates 4 production facilities**
  - El Dorado Chemical Company ("EDC") (Arkansas)
  - Cherokee Nitrogen Company (Alabama)
  - Pryor Chemical Company (Oklahoma)
  - EDN LP ("Baytown") (Texas)
- **Climate Control business operates 7 facilities located in Oklahoma City (over 1 million square feet)**
- **Financial Snapshot:**
  - LTM 3/31/13 Net Sales of $719.5 million
  - LTM 3/31/13 Consolidated Adjusted EBITDA of $201.9 million

2012 Net Sales by Business Segment



2012 Consolidated EBITDA by Business Segment

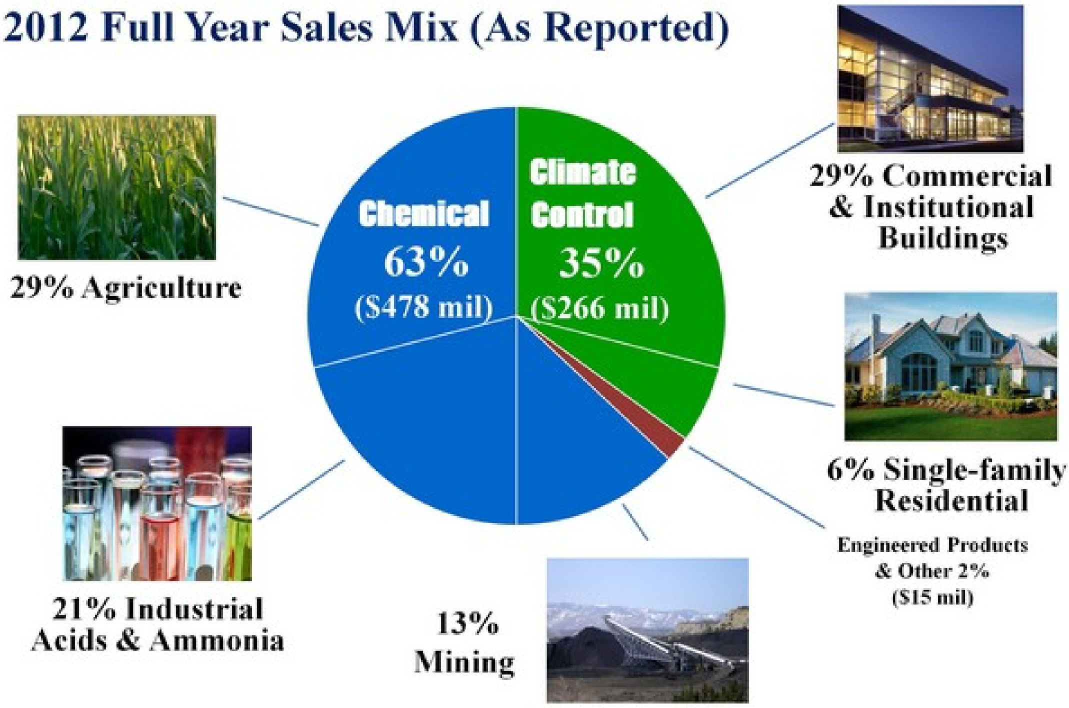


Note: Excludes unallocated corporate expenses

LSB operates a well-diversified business with differentiated market positions across two distinct business segments

Diversified Sources of Revenue

2012 Full Year Sales Mix (As Reported)



Key Credit Considerations

Strategically Located Chemical Facilities, Long-Standing Customers, Unique Business Model

Chemical End Markets

UAN, AN and NH3 fertilizers

AN and AN solutions for mining industry

Nitric acid for industrial uses

Strong Market Positions Across Footprint

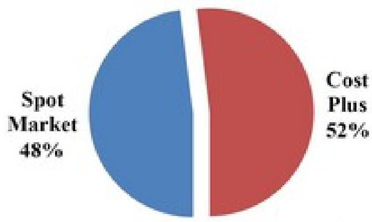
- ✓ **Strong regional market positions serving the Corn Belt and South Central U.S.**
  - Multiple distribution channels
  - Located on major rail transport routes (single haul rail and river access at Cherokee)
  - Access to ammonia pipeline at EDC
- ✓ **Average relationship of over 15 years with top 5 customers – includes several blue-chip customers**
- ✓ **Reduced commodity exposure through cost plus agreements (feedstock and production costs plus profit component)**
- ✓ **Demand stability provided by certain minimum quantity and/or take-or-pay arrangements**
- ✓ **Planned capital expenditures to reduce production costs, increase capacity and reliability**

Product offering applicable across a broad range of end markets

Advantaged and Improving Raw Material Cost Position

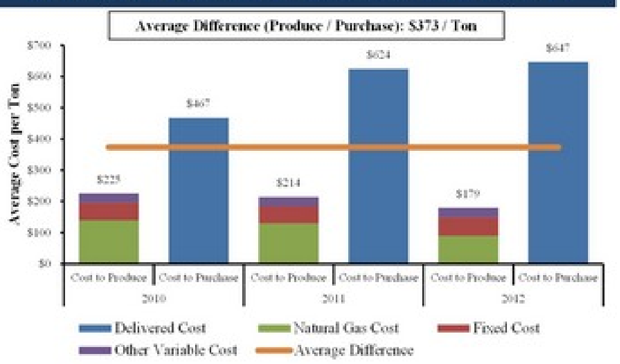
- **Strategic focus on management of input cost volatility through pricing agreements**
  - 52% of 2012 Chemical net sales were under cost plus contracts
- **Capitalizing on favorable pricing environment for natural gas**
  - Cherokee and Pryor facilities use natural gas as feedstock
  - Constructing an ammonia plant at EDC to facilitate the use of natural gas
  - Baytown facility has 100% pass through of all costs
- **Meaningful cost savings as EDC moves from ammonia purchaser to producer**
- **Recent purchase of working interest in natural gas properties provides a hedge**
  - Hedges against potential rising prices on ~20% of current requirements

Contracts Provide Cost Advantage



2012 Chemical Net Sales (As Reported): $478 million

Ammonia Production Offers Attractive Economics

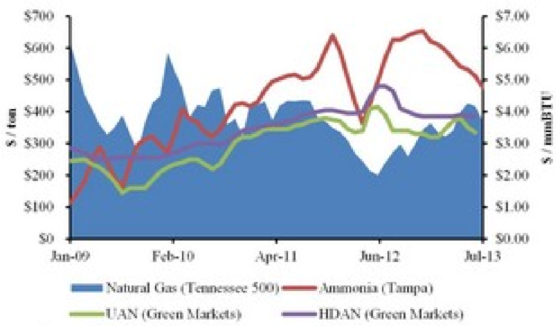


Attractive Industry Fundamentals: Chemicals

- **Industry dynamics support high margins for U.S. nitrogen fertilizer producers**
  - Favorable demand environment
  - Tight stock-to-use ratios for corn and wheat and high expected crop returns
  - U.S. is the largest exporter of coarse grains
  - Low natural gas prices
- **Robust outlook**
- **Steady outlook for industrial chemicals**

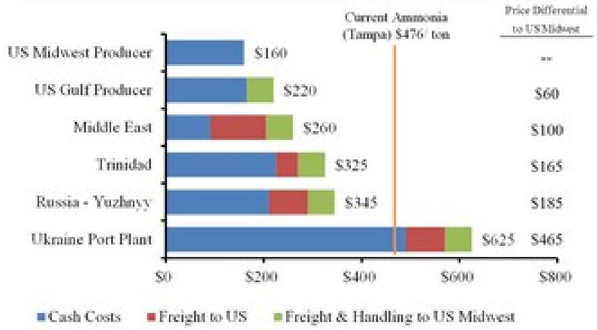
- **U.S. is a Low Cost Producer of Nitrogen**
- Shale gas in the U.S. has positioned domestic producers with a low cost advantage
- Imports supply ~50% of U.S. nitrogen consumption
  - It would require ~12 – 14 new nitrogen facilities to displace all U.S. imports

Commodity Prices: Feedstocks and End Products



Source: Green Markets

Delivered Ammonia Cost Forecast ($/ton)



Source: Blue Johnson, Fertecon, Green Markets

Demonstrated Market Leadership in Core Climate Control Products

Leading Market Share in Key Products

✓ **Leading market share in core HVAC products**
- Estimated 40% share in water source and geothermal heat pumps
- Estimated 30% share in hydronic fan coils
- Anticipated robust growth of air handler and chiller businesses

✓ **Industry leader in geothermal HVAC technology**
- Technological innovations
- Extensive product lines

✓ **Differentiated business model**
- Broad and deep product set
- Ability to customize

✓ **Well developed distribution network is difficult to replicate**

Climate Control Products

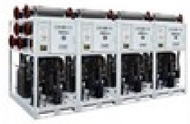
Heat pumps

Hydronic fan coils

Large custom air handlers

Modular air-cooled chillers

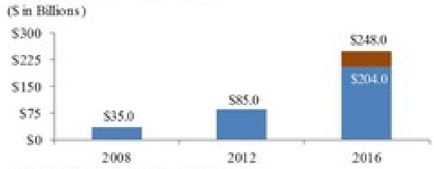
Modular water-cooled chillers



Strategic focus on product specialization, customized products and improved technologies

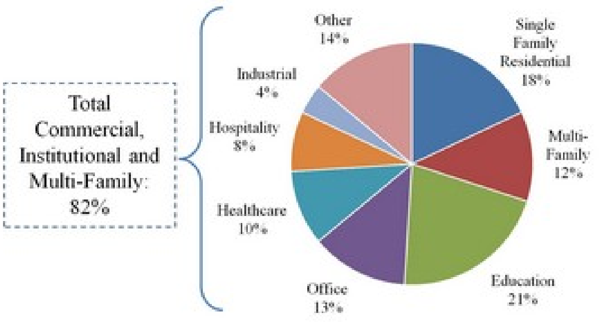
Attractive Industry Fundamentals: Climate Control

- **Construction markets are poised for a recovery to pre-recession levels**
- Climate Control's product sales should outgrow broader markets
  - Driven by high energy efficiency characteristics
  - Green building market expected to grow ~25%+ CAGR from '12 – '16E



Source: 2013 Dodge Construction Green Outlook

Climate Control 2012 End Market Mix



Significant Upside as Industry Drivers Return to Levels At / Near Historical Norms

New Commercial / Institutional / Multi-Family

Source: U.S. Census Bureau, McGraw-Hill Construction Market Forecasting Service, Q2 2013

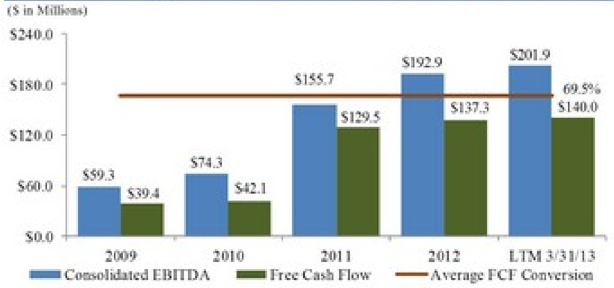
Single Family Residential New Construction

Strong Free Cash Flow and Conservative Debt Profile

Proven Ability to Generate Free Cash Flow

- **History of consistent free cash flow generation**, which has been used to invest in operations
- **Efficient operating model** has allowed LSB to achieve ~70% average cash flow conversion since 2009
  - Defined as Free Cash Flow / Consolidated EBITDA
- Focus on near-term capital investment to fund operational initiatives to enhance efficiency / capacity

Strong Free Cash Flow[1] Conversion



[1] Defined as Consolidated EBITDA less maintenance and other capital expenditures

Note: 2012 and LTM period are Consolidated Adjusted EBITDA

Note: Excludes insurance proceeds of $7.3MM in 2012 and $10.8MM in LTM period

Well-Capitalized with a Strong Balance Sheet

- **Conservative leverage profile: 0.5x**
  - Based on LTM Consolidated Adjusted EBITDA
- **Over $110 million[2] in liquidity** (Revolver availability + cash on hand)
- Public market cap of $717 million as of 7/17/13
- Debt to total cap of 12.8% as of 7/17/13

[2] Assumes $50 million of availability under the ABL Revolver

Conservative Management of Debt

Note: $35.0MM of debt incurred in February 2013 in relation to purchase of natural gas working interest

Experienced and Invested Management Team

Experienced Management Team with over 30 years of average experience with the Company

- CEO Jack Golsen founded LSB Industries in 1969 and is a major shareholder
- Management has deep knowledge of the Company's operations and proven track record of executing on initiatives and driving growth and profitability

Management Overview

Name	Position	Years of Service
Jack Golsen	Board Chairman, Chief Executive Officer	45
Barry Golsen	Board Vice Chairman, President and Chief Operating Officer	35
Tony Shelby	Executive Vice President, Finance and Chief Financial Officer	45
David Goss	Executive Vice President, Operations	45
Brian Lewis	Executive Vice President, General Manager, Chemical Business	22
Steve Golsen	Chief Operating Officer, Climate Control Business	36
Jim Jones	Senior Vice President, Treasurer	37
David Shear	Senior Vice President, General Counsel	24
Heidi Brown	Vice President, Managing Counsel	24
Mike Adams	Vice President, Controller	37
Kristy Carver	Vice President, Corporate Taxation	5
Harold Rieker	Vice President, Principal Accounting Officer	14

Management Team maintains an approximate 18% ownership stake in the Company

- Underscores Management's dedication to LSB and serves to align interests with the Company's investors

Business Segments Overview

Chemical Markets and Products

Market	Select Products	Uses
Agriculture (46% of 2012 Chemical Segment Net Sales)	Urea Ammonium Nitrate (UAN)	Fertilizer for corn and other crops with high nitrogen demand
	Ammonium Nitrate (AN)	Primary nitrogen component in NPK fertilizer blends
	Fertilizer Blends	Special application for agri-business products
	Anhydrous Ammonia	High nitrogen content fertilizer primarily used for corn
Industrial Acids and Ammonia (34% of 2012 Chemical Segment Net Sales)	Nitric Acid Commercial Blends	Semi-conductor industry, manufacture of nylon and polyurethane intermediates, ammonium nitrate production
	Anhydrous Ammonia	Air emission abatement in power plants, water treatment, refrigerants, metals processing and a variety of industrial uses
	Sulfuric Acid	Pulp and paper manufacturing, alum, water treatment, metals processing, vanadium processing, other industrial uses
	Diesel Exhaust Fluid	Exhaust stream additive to reduce NO_X emissions from diesel vehicles
Mining (20% of 2012 Chemical Segment Net Sales)	Ammonium Nitrate Solutions	Specialty emulsions for mining applications, other misc. uses
	Low Density Ammonium Nitrate Prills (solids)	Surface mining, quarries, construction

Key Relationships with Blue-Chip Customer Base

- Major customers consist of large industrial producers, agricultural distributors, farmers and ranchers
- Top 5 chemical customers accounted for 48% of Chemical Business net sales in 2012 and have been customers for over 15 years on average
- Majority of chemical products sold under cost plus, take-or-pay or other pricing arrangements
  - Industrial and Mining (54% of 2012 Chemical Business net sales) – primarily sold under contracts, allowing LSB to capture a base profit margin regardless of volume
  - Agricultural (46% of 2012 Chemical Business net sales) – primarily sold at spot prices

Top 5 Customers (12/31/12)

Customer	Product	% of Chemical Sales	Years
Customer #1	AN	14.4%	12
Customer #2	Nitric Acid	14.1%	16
Customer #3	UAN	8.6%	10
Customer #4	Nitric Acid	6.7%	15+
Customer #5	AN Solution	4.5%	25+
		Average	15.6

Key Customers

ORICA MINING CHEMICALS

BAYER

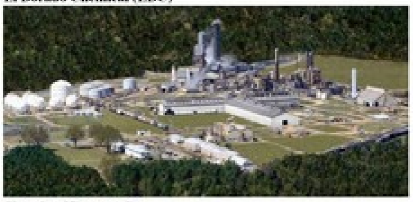
Airgas. You'll find it with us.™

KOCH INDUSTRIES INC

YARA

Nelson Brothers, Inc.

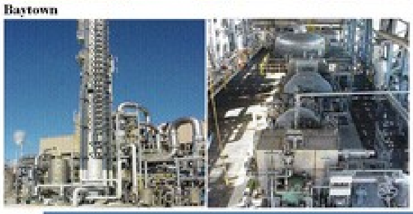
El Dorado Chemical (EDC)



Cherokee Nitrogen Co.

Pryor Chemical Co.

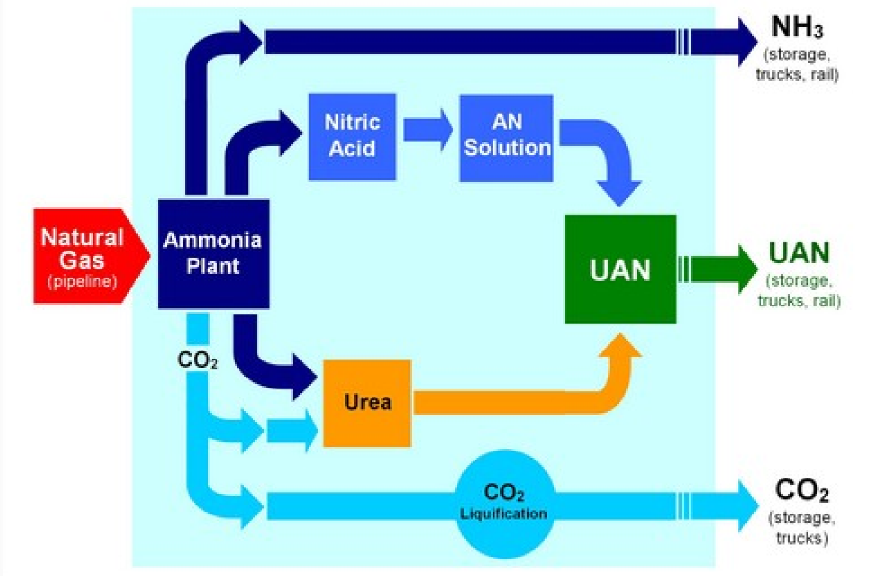
Baytown



Chemical Facilities

	Facility	El Dorado Chemical (EDC)	Cherokee Nitrogen Company	Pryor Chemical Company	Baytown
	Location	El Dorado, AR	Cherokee, AL	Pryor, OK	Baytown, TX
	Plant Area (acres) Site Area (acres)	150 1,400	160 1,300	47 104	2 Bayer site
	Feedstock	ammonia	natural gas	natural gas	ammonia
Agricultural Products	UAN		x	x	
	High Density AN	x			
	Ammonia		x	x	
	Urea		x	x	
Industrial & Mining Products	Nitric Acid	x	x	x	x
	Concentrated Nitric Acid	x			
	Sulfuric Acid	x			
	Mixed Acid	x			
	Carbon Dioxide		x	x	
	Ammonia		x	x	
	DEF		x		
	Low Density AN	x			
	AN solutions	x	x		
	Transportation to Market	truck, rail	truck, rail, pipeline, barge	truck, rail	truck, pipeline

Typical Facility Process Flow (Pryor)



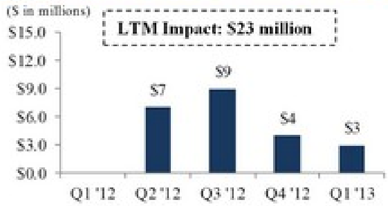
- Pryor facility process flow is typical of plants with natural gas feedstock

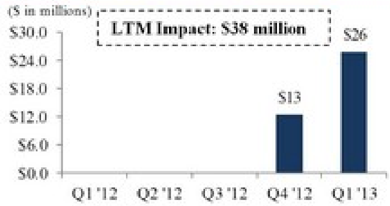
Products are marketable at every intermediate and final stage of production

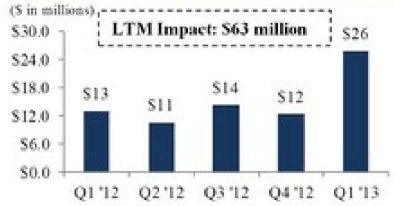
Recent Events

	EDC (Arkansas)	Cherokee (Alabama)	Pryor (Oklahoma)
Recent Events	▪ Operated since inception (1980's) with consistent operating history ▪ May '12 – Current: capacity reduced due to event which destroyed one nitric acid plant	▪ Operated since acquisition (1990's) with consistent operating history ▪ Nov. '12 – early May '13: no ammonia or UAN production due to pipe rupture	▪ Facility started up in Q4 2010 after being shuttered for 10+ years ▪ Feb. – Jul. '12: no UAN production due to damaged urea reactor ▪ Nov. '12 – Apr. '13: no ammonia production due to major process improvement and maintenance
Current Status	▪ All plants operable except destroyed nitric acid plant ▪ At 80% nitric acid capacity / 100% sulfuric acid capacity ▪ Weatherly 65% nitric acid plant and concentrator (2015 completion) ▪ Ammonia plant (2015 completion)	▪ Repairs completed in May '13 ▪ Facility now running at 100% of pre-incident capacity	▪ Upgrades and repairs completed in Apr. '13 ▪ Debottlenecking successful ▪ Facility now running at near design rates (1st time in history) ▪ New digital controls provide early detection – reduce future downtime

Financial Impact







Facility Reliability Improvement

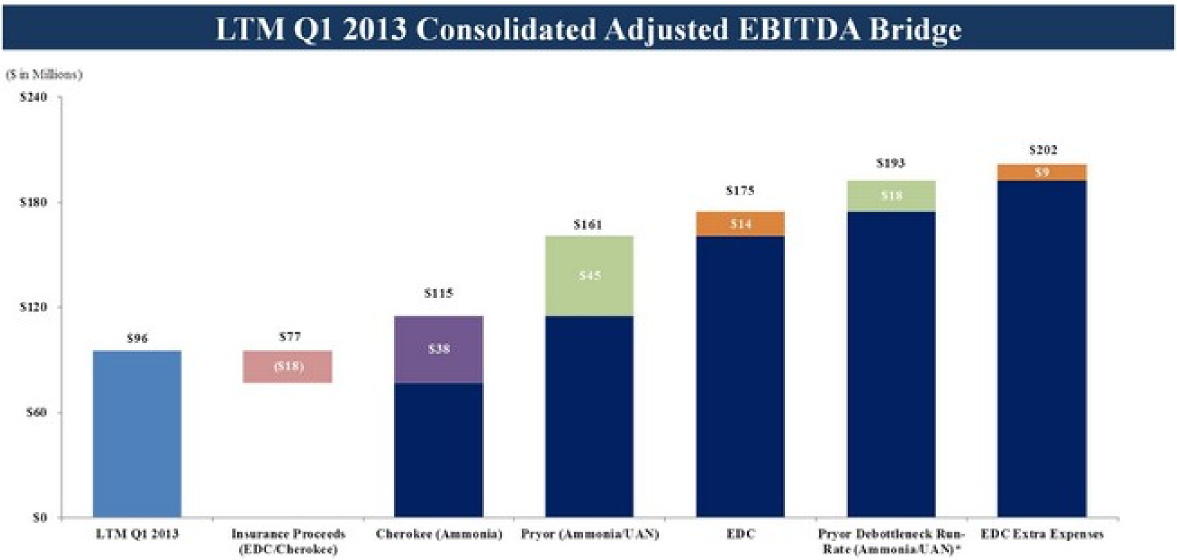
Key Components of Existing Program

- Facility focused safety and reliability programs and personnel
- Annual third party Process Safety Management ("PSM") program audits
- Computerized Maintenance Management ("CMMS") systems at three facilities
- Critical spares for selected pieces of equipment

Key Components of Improved Program

- Appointment of a Corporate Risk Manager dedicated to safety & reliability
- Engaging specialized outside experts and consultants in developing:
  - A corporate driven risk strategy for all facilities to use to reduce risk and better mitigate potential consequences
  - Corporate PMI programs to ensure more intensive and consistent evaluation of both new and existing equipment and spare parts
  - Expanded automation systems for control and safety
- Expanded critical spare parts inventory
- Hiring additional corporate and on-site facility engineering and operational personnel

LTM Q1 2013 Consolidated Adjusted EBITDA Bridge



*Includes extra expenses of $0.6 MM

Climate Control Market and Products

Market	Products	Uses
Geothermal & Water Source Heat Pumps (61% of 2012 Climate Segment Net Sales)	Water Source Heat Pumps	Heating and cooling for commercial/institutional markets as well as single family residential new construction renovation and replacements
	Geothermal Heat Pumps	Heating and cooling for commercial/institutional markets as well as single family residential new construction renovation and replacements
Hydronic Fan Coils (21% of 2012 Climate Segment Net Sales)	Hydronic Fan Coils	Heating and cooling for commercial/institutional markets as well as single family residential new construction renovation and replacements
Other HVAC Products (18% of 2012 Climate Segment Net Sales)	Large Custom Air Handlers	Commercial, institutional and industrial uses
	Modular Chillers	Commercial, institutional and industrial uses

Significant Installed Base of Climate Control Products


Millennium Towers, NYC


Bellagio, Las Vegas

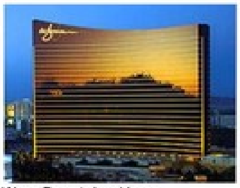

Statue of Liberty


MGM Grand, Las Vegas


Trump Tower, NYC


World Financial Center, NYC

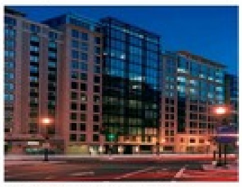

Chicago Hilton and Towers

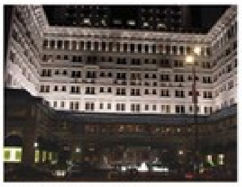

Wynn Resort, Las Vegas


Disney's Grand Floridian, Orlando


Atlantis, Bahamas


Rowes Wharf, Boston


Alta Condos, Washington DC


Peninsula, Hong Kong


Ritz Carlton, Pasadena, CA


Rockefeller Center, NYC

Thousands of premier installations and over 4 million units

Key Customers and Distribution Networks

- Climate Control business sells its products to mechanical contractors, original equipment manufacturers ("OEMs") and distributors
- Serves entire construction food chain: owners, architects, mechanical engineers, general contractors and mechanical contractors
- OEM's purchase from LSB and resell under their own brand name (22% of 2012 Climate Control net sales)
  - The Company's top OEM customer accounted for 18% of 2012 Climate Control net sales
- LSB has historically enjoyed a healthy backlog of orders, with backlog of over $57.3 million as of 3/31/13 - a 21% increase over Q1 2012 backlog levels
  - Continued strength through May with $19.4 million in new orders and backlog of $52.6 million

Top 5 Customers (12/31/12)

Customer	% of Climate Control Sales	Years
Customer #1	18.3%	35+
Customer #2	2.9%	8
Customer #3	2.9%	23
Customer #4	1.9%	5
Customer #5	1.3%	12
	Average	**16.6**

Key Customers

Carrier
GIL-BAR INDUSTRIES
JMP James M. Pleasants Company
HABEGGER THE HABEGGER CORPORATION
HEAT CONTROLLER, INC.

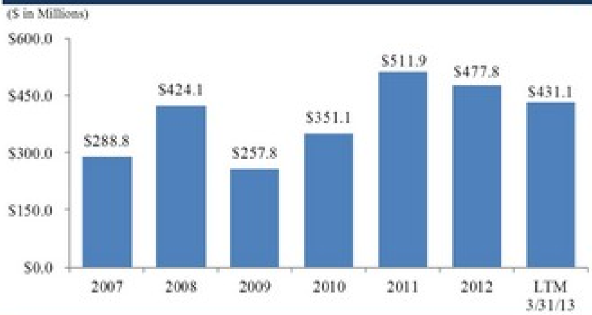
Key Distribution Channels

- Commercial
  - ~233 commercial representative firms with 352 locations
  - ~1,900+ sales engineers
- Residential (geothermal)
  - ~700 residential distributor locations
  - ~4,600 residential contractor-dealers
- OEM Distribution Channels

Financial Overview

Chemical Historical Financial Performance

Net Sales



- Chemical Business net sales supported by increases in selling prices of ammonia, UAN and other nitrogen-based products driven by robust demand
- Chemical Business net sales decrease in 2012 into the LTM period was result of unplanned downtime at 3 facilities

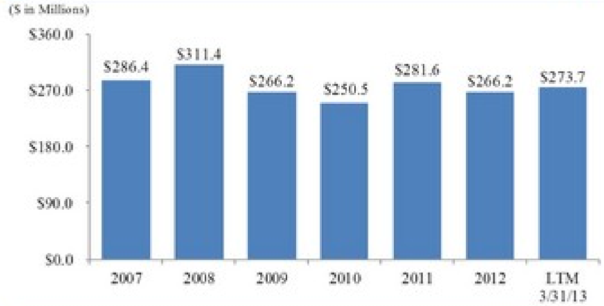
Chemical Business EBITDA

- Chemical Business EBITDA has risen steadily on an adjusted basis due to higher sales prices and lower costs
- CAGR of 31.0% since 2007
- 2008-2010 Chemical Business EBITDA impacted by Pryor facility start-up costs and limited production

Note: Excludes insurance proceeds of $7.3MM in 2012 and $10.8MM in LTM period

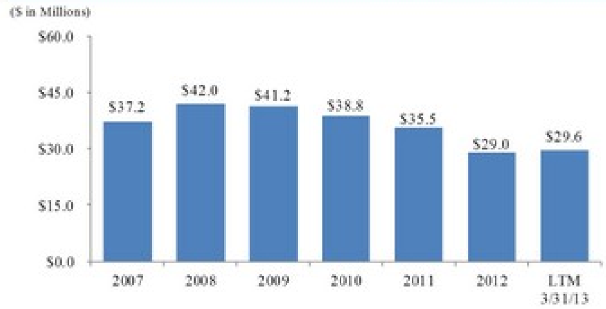
Climate Control Historical Financial Performance

Net Sales



- Climate Control Business net sales, although lower than pre-recession levels, have remained steady through the construction downturn
- Product concentration in commercial/ institutional construction has mitigated impact of single family construction downturn

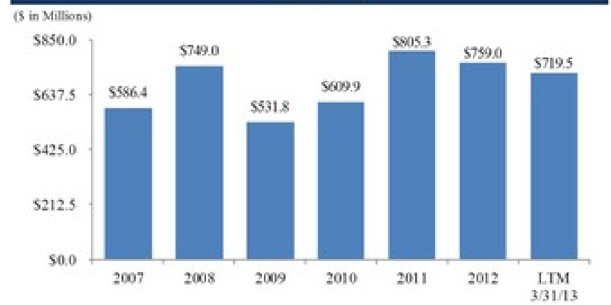
Climate Control Business EBITDA



- Climate Control Business EBITDA has been healthy in spite of slow construction markets
- Mix shift to lower margin products reduced profitability from 2010 - 2012
- Slight increase in SG&A as a percentage of sales in 2012

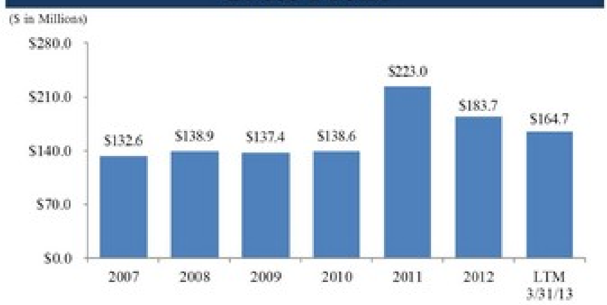
Consolidated Historical Financial Performance

Net Sales



Note: Consolidated financials include Engineering and Other

Gross Profit



Note: Consolidated financials include unallocated corporate expenditures

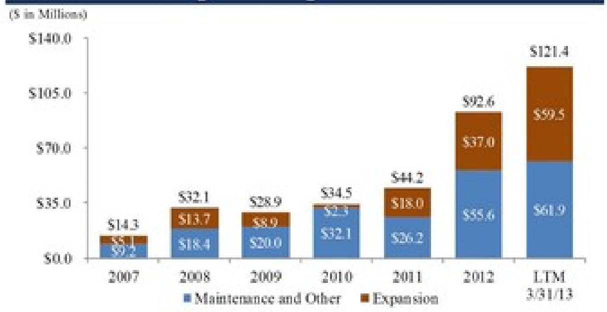
Note: Excludes insurance proceeds of $7.3MM in 2012 and $10.8MM in LTM period

Consolidated EBITDA

Note: Consolidated financials include unallocated corporate expenditures

Note: Excludes insurance proceeds of $7.3MM in 2012 and $10.8MM in LTM period

Capital Expenditures



Note: Consolidated financials include unallocated corporate expenditures

Second Quarter Performance Update

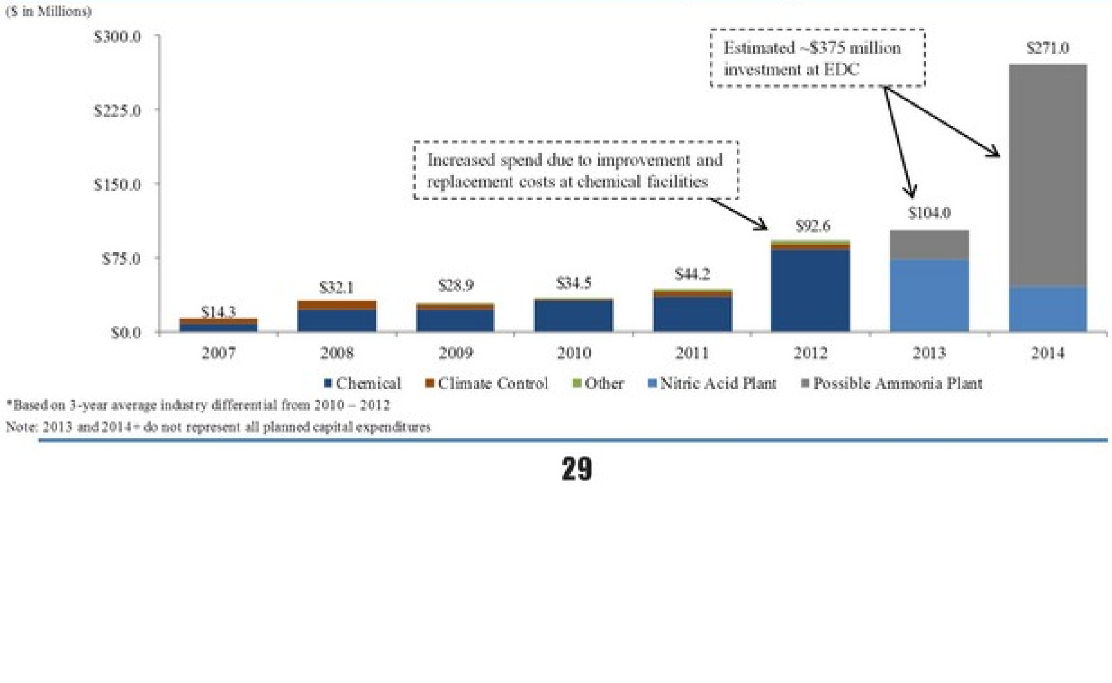
Preliminary Q2 Operating Results

- On July 10, 2013, LSB provided an update on operations during the second quarter of 2013 along with selected expected operating results for the period
- The Company expects Q2 2013 operating income in a range of $9.0 million - $12.0 million
  - Operating income for Q2 2012 was $42.3 million
- Operating performance during the quarter was impacted by the previously disclosed downtime at the Pryor and Cherokee facilities during April 2013, as well as the reduced production capacity at the El Dorado facility
  - LSB also experienced further downtime at the ammonia plant at its Pryor facility during May and June to address certain mechanical issues which led to 30 days of cumulative unplanned downtime
- The Pryor facility has since resumed production and is now running at near design rates
- As a result of the these incidents, along with related high maintenance and repair costs, management estimates the cumulative negative effect to Q2 2013 operating income to be approximately $22 - $24 million
  - The negative effect consists of lost absorption and gross margins, based on current market conditions and including business interruption insurance recoveries of recognized of approximately $3.4 million
  - This compares to an approximately $18 million cumulative negative on operating income experienced in Q2 2012 as a result of downtime experienced at the Pryor and El Dorado facilities

Capital Investment Will Enhance Performance

- **Currently pursuing select capital investments with a focus on reducing cost, enhancing reliability and increasing capacity / efficiency**
  - New converter and other investments at Pryor allowing production at near-design rates - complete
  - New nitric acid plant at EDC increases capacity and facility reliability – targeting 2015 completion
  - Ammonia plant at EDC moves it from ammonia to natural gas feedstock – targeting 2015 completion
- **Bulk of ammonia capacity will offset existing consumption (~$370 / ton* savings as a producer)**
- **Compelling business case: Estimated 5-year payback on planned ammonia plant investment at EDC**

Historical and Select Planned Capital Expenditures



*Based on 3-year average industry differential from 2010 – 2012

Note: 2013 and 2014+ do not represent all planned capital expenditures

Appendix

Consolidated EBITDA Reconciliation

Consolidated EBITDA and Consolidated Adjusted EBITDA Reconciliation

($ in Millions)	2010	2011	2012	Q1 3/31/12	Q1 3/31/13	LTM 3/31/13
LSB Industries Consolidated						
Net income (loss)	$29.6	$83.8	$58.6	$14.3	($0.1)	$44.2
Plus:						
Interest expense	7.4	6.7	4.2	1.1	0.7	3.8
Depreciation, depletion and amortization of PP&E	17.3	18.8	20.7	5.0	6.6	22.2
Amortization of other assets	0.7	0.4	0.3	0.1	0.1	0.3
Interest included in amortization	(0.6)	(0.4)	(0.3)	(0.1)	(0.1)	(0.3)
Provisions for income taxes	19.8	46.2	33.6	7.8	(0.7)	25.0
Loss from discontinued operations	0.1	0.1	0.2	0.0	-	0.2
Consolidated EBITDA	**$74.3**	**$155.7**	**$117.3**	**$28.3**	**$6.5**	**$95.5**
Plus:						
El Dorado Facility Downtime Adjustment	-	-	20.0	-	3.1	23.1
Cherokee Facility Downtime Adjustment	-	-	12.5	-	25.8	38.4
Pryor Facility Downtime Adjustment	-	-	50.4	13.1	25.8	63.1
El Dorado Facility Insurance Proceeds	-	-	(7.3)	-	(0.7)	(8.0)
Cherokee Facility Insurance Proceeds	-	-	-	-	(10.1)	(10.1)
Consolidated Adjusted EBITDA	**$74.3**	**$155.7**	**$192.9**	**$41.4**	**$50.4**	**$201.9**

Consolidated EBITDA Build-up

($ in Millions)	2010	2011	2012	Q1 3/31/12	Q1 3/31/13	LTM 3/31/13
Consolidated EBITDA Reconciliation						
Chemical Business EBITDA	$45.0	$131.2	$98.5	$24.3	$1.6	$75.7
Climate Control Business EBITDA	$38.8	$35.5	$29.0	$6.6	$7.2	$29.6
Unallocated Corporated Expenses EBITDA	(9.5)	(11.0)	(10.1)	(2.6)	(2.4)	(9.8)
Consolidated EBITDA	**$74.3**	**$155.7**	**$117.3**	**$28.3**	**$6.5**	**$95.5**

Business Level EBITDA Reconciliation

Business Level EBITDA and Adjusted EBITDA Reconciliation

($ in Millions)	2010	2011	2012	Q1 3/31/12	Q1 3/31/13	LTM 3/31/13
Chemical Business						
Operating income	$31.9	$116.5	$82.1	$20.3	($3.8)	$57.9
Plus:						
Non-operating income	0.0	0.0	0.0	-	-	0.0
Depreciation, depletion and amortization of PP&E	13.2	14.7	16.4	4.0	5.4	17.8
Depreciation of allocated assets	(0.1)	-	-	-	-	-
Chemical Business EBITDA	**$45.0**	**$131.2**	**$98.5**	**$24.3**	**$1.6**	**$75.7**
Plus:						
El Dorado Facility Downtime Adjustment	-	-	20.0	-	3.1	23.1
Cherokee Facility Downtime Adjustment	-	-	12.5	-	25.8	38.4
Pryor Facility Downtime Adjustment	-	-	50.4	13.1	25.8	63.1
El Dorado Facility Insurance Proceeds	-	-	(7.3)	-	(0.7)	(8.0)
Cherokee Facility Insurance Proceeds	-	-	-	-	(10.1)	(10.1)
Chemical Business Adjusted EBITDA	**$45.0**	**$131.2**	**$174.1**	**$37.4**	**$45.5**	**$182.1**
Climate Control Business						
Operating income	$35.3	$32.8	$25.8	$5.8	$6.4	$26.4
Plus:						
Non-operating income	0.0	0.0	0.0	-	-	0.0
Equity in earnings of affiliates	1.0	0.5	0.7	0.2	0.2	0.7
Depreciation, depletion and amortization of PP&E	4.0	3.9	4.3	1.0	1.1	4.3
Depreciation of allocated assets	(1.6)	(1.6)	(1.8)	(0.4)	(0.4)	(1.8)
Climate Control Business EBITDA	**$38.8**	**$35.5**	**$29.0**	**$6.6**	**$7.2**	**$29.6**
Unallocated Corporate Expenses						
Operating income	($11.4)	($12.8)	($12.3)	($3.1)	($2.8)	($12.0)
Plus:						
Non-operating income	0.0	(0.0)	0.3	0.0	(0.0)	0.3
Depreciation, depletion and amortization of PP&E	2.5	2.3	2.2	0.5	0.6	2.2
Interest expense included in amortization	(0.6)	(0.4)	(0.3)	(0.1)	(0.1)	(0.3)
Loss (gain) on extinguishment of debt	(0.0)	(0.1)	-	-	-	-
Unallocated Corporate Expenses EBITDA	**($9.5)**	**($11.0)**	**($10.1)**	**($2.6)**	**($2.4)**	**($9.8)**

Free Cash Flow Reconciliation

Free Cash Flow Reconciliation

($ in Millions)	2009	2010	2011	2012	Cumulative
Free Cash Flow Reconciliation					
Consolidated EBITDA	$59.3	$74.3	$155.7	$117.3	$406.6
Maintenance and Other Capital Expenditures	(20.0)	(32.1)	(26.2)	(55.6)	(133.9)
Free Cash Flow	$39.4	$42.1	$129.5	$61.7	$272.7

Capital Expenditures

($ in Millions)	2009	2010	2011	2012	Cumulative
Capital Expenditures Reconciliation					
Maintenance and Other	$20.0	$32.1	$26.2	$55.6	$133.9
Expansion	8.9	2.3	18.0	37.0	66.3
Total Capital Expenditures	$28.9	$34.5	$44.2	$92.6	$200.2

Overview of Recent Indebtedness

ABL Revolver Amendment Overview

- On July 3, 2013 ThermaClime, a wholly owned subsidiary of LSB, entered into the eighth amendment to its existing senior secured revolving credit facility (the "ABL Revolver")
- Committed amount of the ABL Revolver will increase from $50 million to $100 million (subject to the amount of eligible collateral)
- Maturity extended from April 13, 2017 to April 13, 2018
- Inventory sub-line will increase from $35 million to $60 million
- Up to $15 million permitted in Letters of Credit
- Minimum Fixed Charge Coverage Ratio of 1.10 to 1.00 if excess availability is less than $12.5 million
- Modifications to negative covenants including indebtedness, liens and restricted payments
- As of March 31, 2013, availability under the amended ABL Revolver would have been approximately $75.7 million

Other Indebtedness

- On July 3, 2013 Chemical Properties L.L.C., a subsidiary within our Chemical Business entered into a loan (the "Secured Equipment Note") with a lender in the principal amount of $5.0 million and bearing interest at the rate of 4.5% per annum. The loan is payable in monthly installments of approximately $52,000 with a payment at maturity of approximately $2.8 million

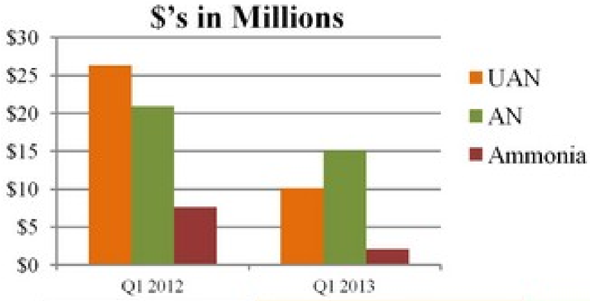
Insurance Coverage and Recovery Proceeds

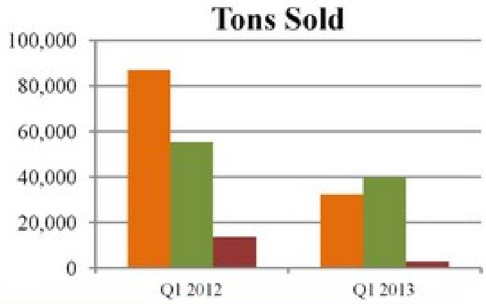
Insurance Coverage Overview

- LSB filed certain claims under its business interruption ("BI") and property damage ("PD") insurance related to the recent events at EDC and Cherokee
  - Company is not pursuing insurance coverage for downtime events at Pryor which related to process upgrade and maintenance
- The Company expects to receive significant insurance proceeds in 2H 2013
  - $65MM in recoveries advanced to date
- Management believes the estimates are conservative
  - Insurance carriers are investigating under a reservation of rights
- LSB is not dependent on insurance recovery to fund planned investment, however the cash proceeds do provide a potential offset to planned capital expenditures

Chemical Key Product Sales

Agricultural





Changes from 2012 to 2013	UAN		AN		Ammonia	
	$'s	Tons	$'s	Tons	$'s	Tons
First Quarter	-62%	-63%	-28%	-28%	-73%	-78%

- UAN and Ammonia tons sold decreased in Q1 2013 vs. Q1 2012 as a result of downtime at Cherokee and Pryor.
- AN sales decreased in Q1 2013 vs. Q1 2012 due to varied seasonality. The 2012 spring planting season began unusually early, whereas the 2013 season began late.

Additional Disclosures

- We have identified several strategic initiatives which we believe will drive increased sales growth and profitability. We also intend to further develop relationships with large industrial customers in our Chemical business, which we believe will create opportunities to drive increased product demand, particularly given the contracted nature of that segment of our business.
- The Pryor facility experienced limited downtime in July 2013 for equipment repairs and maintenance.
- During the later part of the second quarter of 2013 we negotiated an oral global agreement in principle with the EPA/DOJ to settle certain issues relating to the Clean Air Act. Settlement of this matter is subject to the parties entering into definitive settlement agreements and consent decrees and such being finalized after the notice and comment period. The proposed oral agreement in principle provides, among other things, the following: all of our Chemical Business' nitric acid plants are to achieve certain emission rates within a certain time period for each plant. In order to achieve these emission rates, six of our Chemical Business' eight nitric acid plants will require additional pollution control technology equipment to achieve the emission rates agreed upon. We have already completed necessary modifications at two of our Chemical Business' existing nitric acid plants. The cost of the necessary pollution control equipment is estimated to range from $2.0 million to $3.0 million for each of the remaining six nitric acid plants; our Chemical Business will provide a reforestation mitigation project that is unrelated to our emissions or activities and will not be located at one of our plant sites, which we estimate will cost approximately $150,000; and a civil penalty to be paid by our Chemical Business in the amount of $725,000.
- By letter dated April 19, 2013, the Oklahoma Department of Environmental Quality ("ODEQ") identified 14 issues of alleged non-compliance and concern from the evaluation relating to federal and state air quality regulations. On July 2, 2013, a settlement was reached to resolve the allegations of the April 19, 2013 letter. Three of the violations were already resolved through the global settlement with the EPA/DOJ discussed above, and ODEQ agreed to resolve the remaining 11 violations for $100,000 (which amount is included in the $725,000 civil penalty discussed above), with the settlement being addressed as an addition to the global settlement discussed above.

Additional Disclosures (continued)

- We renewed one of our union agreements in July 2013 for a term of five years, and we expect to negotiate renewals in connection with two additional agreements which expire in October 2013 and November 2013.
- Each of the named executive officers received a bonus in 2013 based on results for 2012 performance in the amount of $150,000, except such bonus for David M. Shear was $140,000 and for Steven J. Golsen was $112,000.
- During April 2013, an explosion and fire occurred at the West Fertilizer Co. ("West Fertilizer"), located in West, Texas, causing death, bodily injury and substantial property damage. West Fertilizer is not owned or controlled by the Company, but West Fertilizer had been a customer of EDC, purchasing ammonium nitrate from EDC from time to time. The Company and EDC have received letters from counsel purporting to represent subrogated insurance carriers, personal injury claimants and persons who suffered property damages informing them that their clients are conducting investigations into the cause of the explosion and fire to determine, among other things, whether ammonium nitrate manufactured by EDC and supplied to West Fertilizer was stored at West Fertilizer at the time of the explosion and, if so, whether such ammonium nitrate may have been one of the contributing factors of the explosion. Other manufacturers of ammonium nitrate also supplied ammonium nitrate to West Fertilizer. The lawsuits that have been filed as of the date hereof name West Fertilizer and another supplier of ammonium nitrate as defendants, but neither EDC nor LSB have been named in any of these suits. At this time, EDC does not believe that its product was in storage at West Fertilizer at the time of the explosion. Furthermore, EDC does not believe that its product would have been a contributing factor in the explosion even if it had been stored at West Fertilizer at the time of the explosion. EDC has retained a firm specializing in cause and origin investigations, with particular experience with fertilizer facilities, to assist it in its own investigation. The Company and EDC have placed its liability insurance carrier on notice of this matter, which policies have aggregate limits of general liability totaling approximately $100 million, with a self-insured retention of $250,000.

LSB Industries, Inc.