

LSB INDUSTRIES, INC. REPORTS RESULTS FOR THE 2010 FIRST QUARTER

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OKLAHOMA CITY, Oklahoma...May 6, 2010... LSB Industries, Inc. (NYSE: LXU) announced today results for the first quarter ended March 31, 2010. These results include \$6.0 million of losses and start up expenses related to the chemical plant in Pryor, Oklahoma ("Pryor Facility").

First Quarter 2010 Results Compared to First Quarter 2009:

- Net sales were \$130.4 million compared to \$150.2 million;
- Operating income was \$4.4 million compared to \$19.4 million;
- Net income was \$1.7 million compared to \$11.7 million;
- Net income applicable to common shareholders was \$1.4 million compared to \$11.4 million;
- Diluted earnings per common share were \$.07 compared to \$.51.

Discussion of First Quarter of 2010:

For the 2010 first quarter, the decline in net sales was primarily attributable to our Climate Control Business due to the continued weakness in commercial and institutional construction in the markets they serve.

Operating income declined \$15.0 million, including \$3.5 million in our Climate Control Business and \$10.8 million in our Chemical Business.

The decline in Climate Control's operating income was primarily attributable to a \$4.0 million or an 18% reduction in gross profit due primarily to a 26% reduction in net sales. The decline in Chemical's operating income was attributable to a number of variances, including: LSB Industries, Inc. News Release Page 2 May 6, 2010

2010

Increase/(Decrease)

vs. 2009

(in millions)

- Gross profit – agricultural products \$ (3.4)
- Gains from precious metals recoveries (2.1)
- Higher margins in 2009 on firm sales commitments contracted at earlier dates and higher prices (1.7)
- Timing of planned major maintenance (1.3)
- Embedded loss on firm sales commitments – Pryor Facility (0.8)
- Reduced losses – natural gas and ammonia contracts 0.8
- Other 0.5

Decrease in gross profit (8.0)

- Increase in start up expenses – Pryor Facility

(\$5.2 million in 2010 vs. \$2.0 million in 2009) (3.2)

- Insurance recoveries and other 0.4

Decrease in operating income \$ (10.8)

Consolidated pre-tax income in the first quarter of 2009 benefited from a \$1.3 million gain from the extinguishment of debt as a result of acquiring \$5.7 million of our 2007 Debentures at discounts to face value.

Climate Control Business:

Net sales for the Climate Control Business for the first quarter 2010 totaled \$53.7 million, a 26% decrease from the first quarter of 2009 due primarily to reduced commercial and institutional construction activity.

Despite the decline in sales, Climate Control's gross margin as a percent of sales was 34.3% compared to 31.1% in the first quarter of 2009 with the improvement primarily related to product mix, i.e., a proportionately higher content of residential product sales and efficiency improvements in our large air handler, coil manufacturing and engineering and construction services businesses.

Bookings of new product orders during the first quarter of 2010 were \$54.2 million compared to \$54.9 million in the first quarter of 2009 and \$48.5 million for the fourth quarter of 2009. While new product orders for commercial products were down 8% from the same period one year earlier, there was a 30% increase in orders for residential products, consisting of geothermal heat pumps ("GHP"). At March 31, 2010, the backlog of confirmed customer product orders was \$36.0 million compared to \$32.2 million at December 31, 2009.

Chemical Business:

Net sales for the Chemical Business for the first quarter 2010, were \$74.9 million, compared to \$74.5 million for 2009.

In terms of tons shipped, sales of industrial chemical products increased, while sales of agricultural and mining products were lower. The effect of lower volume of mining products shipped was partially offset by reimbursement of fixed costs and profit for tons not taken pursuant to contractual arrangements with LSB Industries, Inc. News Release Page 3 May 6, 2010

our largest mining customer. Sales of fertilizer grade ammonium nitrate in the first quarter of 2010 were

significantly lower than in the first quarter of 2009, due to a late start of the spring fertilizer season, partly as a result of cold and wet weather conditions. The lower volume of fertilizer grade ammonium nitrate, coupled with higher ammonia raw material input costs, resulted in lower agricultural gross margins.

In connection with the Pryor Facility project, during January 2010, we began production of anhydrous ammonia, but at production rates lower than our targeted rates. In the first quarter, we began production of UAN on a limited basis. However, the start up of the UAN plant has encountered delays, including extended lead times to refurbish certain major equipment items, resulting in significant increases in our previous estimates of the start up costs. For the first quarter of 2010, we incurred approximately \$6.0 million of expenses, primarily consisting of start up costs. We continue to fund the start up of the Pryor Facility from our available cash on hand and working capital. Although we have produced UAN on a limited basis through April 2010, we have continued to encounter mechanical issues that are delaying the production of UAN at a meaningful sustained rate. We are continuing to produce and sell anhydrous ammonia, which is the initial feedstock for the production of UAN, while we are activating the UAN plant. During April 2010 we sold 10,000 tons of anhydrous ammonia at current market prices.

CEO's Remarks:

Jack Golsen, LSB's Board Chairman and CEO stated: "Due to current economic conditions, especially in the commercial

construction sector, overall sales in our Climate Control Business have declined. There have been some bright spots including orders for GHP products for the residential market which were up 30% in the current first quarter compared to one year earlier and sales of our "other" HVAC products, rose 18%. We are also heartened by the upward trend of our backlog since 2009 year-end."

He continued, "With respect to our Chemical Business, although the spring agricultural season got off to a late start due to poor weather, fertilizer demand was strong in April and the fundamentals appear to be favorable for the current growing season. We also have noted a considerable improvement in industrial acid sales and, to a much lesser degree, some resurgence in demand for mining products."

Discussing LSB's financial condition, Mr. Golsen noted, "During the first quarter, we continued to maintain strong cash and liquidity positions and a debt-to-equity ratio of less than .7 to 1. While we look forward to an economic recovery, we will continue to invest in the areas that we believe have a long-term strategic growth potential for LSB."

Conference Call

LSB's management will host a conference call covering the first quarter results on Thursday, May 6, 2010 at 5:15 pm ET/4:15 pm CT to discuss these results and recent corporate developments. Participating in the call will be CEO, Jack E. Golsen; President and COO, Barry H. Golsen; and Executive Vice President and CFO, Tony M. Shelby. Interested parties may participate in the call by dialing 706-679-3079. Please call in ten minutes before the conference is scheduled to begin and ask for the LSB conference call.

To listen to a webcast of the call, please go to the Company's website at www.lsb-okc.com at least 15 minutes before the conference call to download and install any necessary audio software. If you are unable to listen live, the conference call webcast will be archived on the Company's website. We suggest listeners use Microsoft Explorer as their web browser. LSB Industries, Inc. News Release Page 4 May 6, 2010

LSB Industries, Inc.

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.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. These forward-looking statements generally are identifiable by use of the words "believe," "expects," "intends," "anticipates," "plans to," "estimates," "projects" or similar expressions, and such forward-looking statements include, with respect to our Chemical Business, the fundamentals appear to be favorable for the current growing season, and we will continue to invest in the areas that we believe have a long-term strategic growth potential for LSB. Investors are cautioned that such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from the forward-looking statements as a result of various factors, including, but not limited to, general economic conditions, effect of the recession on the commercial and residential construction industry, acceptance by the market of our geothermal heat pump products, acceptance of our technology, changes to federal legislation or adverse regulations, available working capital, ability to install necessary equipment and renovations at the Pryor facility in a timely manner, ability to finance our investments, and other factors set forth under "A Special Note Regarding Forward-Looking Statements" contained in the Form 10-K for year ended December 31, 2009 and the Form 10-Q for the three months ended March 31, 2010, for a discussion of a variety of factors which could cause the future outcome to differ materially from the forward-looking statements contained in this letter.

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See Accompanying Tables

[For full release including financial tables](#)