

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>MCCARTHY KENT C</u> (Last) (First) (Middle) 8201 MISSION ROAD SUITE 110 (Street) PRAIRIE KS 66208 VILLAGE (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 <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 01/06/2004	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/06/2004	01/06/2004	s ⁽¹⁾		47,500 ⁽¹⁾	D	\$6.1061 ⁽¹⁾	1,146,000 ⁽²⁾	I ⁽³⁾	See Footnote ⁽³⁾
Common Stock	01/07/2004	01/07/2004	s ⁽⁴⁾		35,000 ⁽⁴⁾	D	\$6.01 ⁽⁴⁾	1,111,000 ⁽⁵⁾	I ⁽⁶⁾	See Footnote ⁽⁶⁾

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)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

Explanation of Responses:

- Jayhawk Institutional Partners, L.P. sold 47,500 shares of Common Stock for \$6.1061 per share for an aggregate sale price of \$290,039.75. The reporting person owns, directly or indirectly, all of the membership interests of Jayhawk Capital Management, L.L.C., which is the general partner of Jayhawk Institutional Partners, L.P.
- Of this amount, the reporting person is the indirect beneficial owner of 975,000 shares of Common Stock directly owned by Jayhawk Institutional Partners, L.P. The reporting person is the direct beneficial owner of 171,000 shares of Common Stock.
- The reporting person is the indirect beneficial owner of 975,000 shares of Common Stock directly owned by Jayhawk Institutional Partners, L.P. The reporting person is the direct beneficial owner of 171,000 shares of Common Stock.
- Jayhawk Institutional Partners, L.P. sold 35,000 shares of Common Stock for \$6.01 per share for an aggregate sale price of \$210,350. The reporting person owns, directly or indirectly, all of the membership interests of Jayhawk Capital Management, L.L.C., which is the general partner of Jayhawk Institutional Partners, L.P.
- Of this amount, the reporting person is the indirect beneficial owner of 940,000 shares of Common Stock directly owned by Jayhawk Institutional Partners, L.P. The reporting person is the direct beneficial owner of 171,000 shares of Common Stock.
- The reporting person is the indirect beneficial owner of 940,000 shares of Common Stock directly owned by Jayhawk Institutional Partners, L.P. The reporting person is the direct beneficial owner of 171,000 shares of Common Stock.

/s/ Kent C. McCarthy

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.