

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
OMB Number:	3235-0362
Estimated average burden hours per response:	1.0

- Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
- Form 3 Holdings Reported.
- Form 4 Transactions Reported.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>TEPPER MICHAEL DAWE</u> (Last) (First) (Middle) <u>16 SOUTH PENNSYLVANIA AVENUE</u> (Street) <u>OKLAHOMA OK 73107</u> (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 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Sr. VP - Int'l Operations</u>
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <u>12/31/2007</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	02/27/2007		G ⁽¹⁾	38,177	D	\$0	2,000	D	
Common Stock	02/27/2007		G ⁽¹⁾	38,177	A	\$0	29,455 ⁽²⁾	I	By Trust ⁽³⁾

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)
					(A)	(D)	Date Exercisable	Expiration Date					
Nonqualified Stock Option ⁽⁴⁾	\$1.25						07/08/1999	07/08/2009	Common Stock	50,000	50,000 ⁽⁴⁾	D	
Incentive Stock Option ⁽⁴⁾	\$1.25						07/08/1999	07/08/2009	Common Stock	50,000	50,000 ⁽⁴⁾	D	
Incentive Stock Option ⁽⁴⁾	\$2.73						11/29/2001	11/29/2011	Common Stock	10,000	10,000 ⁽⁴⁾	D	

Explanation of Responses:

- These shares were contributed by the reporting person to the reporting person's revocable trust on February 27, 2007. Please see footnote (3) for a description of the reporting person's revocable trust.
- Since the reporting person's contribution of 38,177 shares of the Issuer's common stock to his revocable trust on February 27, 2007, as described herein, the reporting person has sold in total 8,722 shares of the Issuer's common stock from his revocable trust in three separate transactions of 3,000 shares, 2,000 shares and 3,722 shares, respectively. These transactions were reported in the reporting person's Form 4 filings, filed with the SEC on May 14, 2007 and December 17, 2007.
- These shares are held by the reporting person's revocable trust, of which the reporting person is the trustee and exercises investment and dispositive control over the trust's portfolio securities.
- Incentive Stock Options ("ISO") and Nonqualified Stock Options ("NQSO") granted by the Issuer to the reporting person. All ISOs and NQSOs held by the reporting person are currently exercisable. As of the date of this report, the total number of shares underlying the ISOs and NQSOs held by the reporting person is 110,000.

Michael Dawe Tepper 02/07/2008

** 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.