

LSB INDUSTRIES INC
Form 10-Q
August 06, 2008
LSB Industries, Inc.

Form 10-Q (6-30-2008)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from
_____ to _____

Commission file number 1-7677

LSB Industries, Inc.
Exact name of Registrant as specified in its charter

Delaware 73-1015226
State or other jurisdiction of I.R.S. Employer Identification No.
incorporation or organization

16 South Pennsylvania Avenue, Oklahoma City, Oklahoma 73107
Address of principal executive offices (Zip Code)

(405) 235-4546
Registrant's telephone number, including area code

None
Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of shares outstanding of the Registrant's voting common stock, as of August 1, 2008 was 21,245,492 shares, excluding 3,648,518 shares held as treasury stock.

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Part 1
FINANCIAL INFORMATION
Item 1. Financial Statements

LSB INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Information at June 30, 2008 is unaudited)

	June 30, 2008	December 31, 2007	
(In Thousands)			
Assets			
Current assets:			
Cash and cash equivalents	\$ 48,524	\$ 58,224	
Restricted cash	31	203	
Accounts receivable, net	95,540	70,577	
Inventories:			
Finished goods	39,558	28,177	
Work in process	2,947	3,569	
Raw materials	26,272	25,130	
Total inventories	68,777	56,876	
Supplies, prepaid items and other:			
Deferred rent expense	433	-	
Prepaid insurance	1,523	3,350	
Precious metals	14,093	10,935	
Supplies	4,228	3,849	
Other	2,385	1,464	
Total supplies, prepaid items and other	22,662	19,598	
Deferred income taxes	6,190	10,030	
Total current assets	241,724	215,508	
Property, plant and equipment, net	89,230	79,692	
Other assets:			
Debt issuance and other debt-related costs, net	4,942	4,639	
Investment in affiliate	3,608	3,426	
Goodwill	1,724	1,724	
Other, net	2,655	2,565	
Total other assets	12,929	12,354	
	\$ 343,883	\$ 307,554	

(Continued on following page)

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LSB INDUSTRIES, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS (continued)
 (Information at June 30, 2008 is unaudited)

	June 30, 2008	December 31, 2007
(In Thousands)		
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 51,508	\$ 39,060
Short-term financing and drafts payable	131	919
Accrued and other liabilities	34,366	38,942
Current portion of long-term debt	912	1,043
Total current liabilities	86,917	79,964
Long-term debt	120,676	121,064
Noncurrent accrued and other liabilities:		
Deferred income taxes	5,675	5,330
Other	7,547	6,913
	13,222	12,243

Contingencies (Note 10)