

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): April 27, 2011

MagnaChip Semiconductor Corporation

(Exact name of Registrant as specified in its charter)

Delaware
**(State or Other Jurisdiction
of Incorporation)**

001-34791
**(Commission
File Number)**

83-0406195
**(IRS Employer
Identification No.)**

**c/o MagnaChip Semiconductor S.A., 74, rue de Merl,
B.P. 709, L-2017 Luxembourg, Grand Duchy of Luxembourg**
(Address of Principal Executive Offices)

Not Applicable
(Zip Code)

Registrant's telephone number, including area code: (352) 45-62-62

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:

- 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))

Item 2.02. Results of Operations and Financial Condition.

Attached hereto as Exhibit 99.1 and incorporated by reference herein is financial information for MagnaChip Semiconductor Corporation and its consolidated subsidiaries for the first quarter ended March 31, 2011, as presented in a press release dated April 27, 2011.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.**

The following exhibits are furnished as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release for MagnaChip Semiconductor Corporation dated April 27, 2011, announcing the results for the first quarter ended March 31, 2011.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAGNACHIP SEMICONDUCTOR CORPORATION

Dated: April 27, 2011

By: /s/ Margaret Sakai

Margaret Sakai

Executive Vice President and Chief Financial Officer

Exhibit Index

Exhibit No. Description

99.1 Press release for MagnaChip Semiconductor Corporation dated April 27, 2011, announcing the results for the first quarter ended March 31, 2011.



Press Release

MagnaChip Reports First Quarter 2011 Financial Results

- Revenue of \$188 Million up Sequentially and Year-over-Year
- Power Solutions Revenue Grew 126% over Q1 2010
- Net Income \$22 Million or \$0.57 per diluted share

SEOUL, South Korea and CUPERTINO, Calif., April 27, 2011 -- MagnaChip Semiconductor Corporation (NYSE: MX) today announced financial results for the first quarter ended March 31, 2011.

Revenue for the first quarter of 2011 was \$187.9 million, a 4.7% increase compared to \$179.5 million for the first quarter of 2010, and a 0.6% increase compared to \$186.8 million for the fourth quarter of 2010.

Gross profit was \$56.5 million or 30.1%, as a percent of revenue, for the first quarter of 2011. This compares to gross profit of \$49.4 million or 27.5% for the first quarter of 2010 and \$60.4 million or 32.3% for the fourth quarter of 2010.

"I am very pleased with our performance in what is typically a seasonally down quarter for MagnaChip and the industry," said Sang Park, MagnaChip's Chairman and Chief Executive Officer. "Our Power Solutions business segment grew 11 percent sequentially and more than doubled over the same period last year. Our foundry business was down less than expected for this seasonally weaker quarter and our Display Solutions segment was up for the quarter. All indications point to 2011 being another solid year for growth in revenue and margin expansion for MagnaChip."

Net income, on a GAAP basis, for the first quarter of 2011 totaled \$22.5 million or \$0.57 per diluted share. This compares to net income of \$31.1 million or \$0.81 per diluted share for the first quarter of 2010 and net income of \$12.3 million or \$0.31 per diluted share for the fourth quarter of 2010.

Adjusted net income, a non-GAAP measurement, for the first quarter of 2011 totaled \$15.7 million or \$0.40 per diluted share compared to \$19.9 million or \$0.52 per diluted share for the first quarter of 2010 and \$17.4 million or \$0.44 per diluted share for the fourth quarter of 2010.

Management believes that non-GAAP financial measures, when viewed in conjunction with GAAP results, can provide a more meaningful understanding of the factors and trends affecting MagnaChip Semiconductor Corporation's business and operations. However, such non-GAAP financial measures have limitations and should not be considered as a substitute for net income or as a better indicator of our operating performance than measures that are presented in accordance with GAAP.

Combined cash balances (cash and cash equivalents plus short-term investments) totaled \$194.2 million at the end of the first quarter of 2011, an increase of \$22.0 million from the end of the prior quarter. Cash provided from operations totaled approximately \$19.2 million for the first quarter of 2011.

Revenue by Segment

In thousands of US dollars

	March 31, 2011	Three Months Ended December 31, 2010	March 31, 2010
Semiconductor Manufacturing Services	\$ 92,266	\$ 97,261	\$ 93,201
Display Solutions	74,464	70,581	76,730
Power Solutions	20,412	18,398	9,034
Other	779	532	520
Total Revenue	\$ 187,921	\$ 186,772	\$ 179,485

First Quarter and Recent Company Highlights

- Successfully completed our initial public offering and listing on the New York Stock Exchange on March 11, 2011.
- Signed a wafer foundry agreement with a major US provider of microcontroller and touch solutions.
- Launched a US-based power solutions design center in Cupertino, California, to expand our technology offerings.
- Introduced a cost-competitive copper wire bonding solution for foundry customers.

Business Outlook

For the second quarter of 2011, the company expects:

- Revenue to increase 5% to 9% on a sequential basis.
- Gross profit, as a percent of revenue, to increase 1.5% to 3.0% quarter-over-quarter.

Non-GAAP Metrics

Adjusted EBITDA excludes charges related to depreciation and amortization, interest expense, income tax expense (benefit), restructuring and impairment activities, inventory step-up, equity-based compensation, foreign currency (gain) loss, derivative valuation (gain) loss and special expense for the IPO employee incentive payment. Adjusted net income (loss) excludes charges related to restructuring and impairment, inventory step-up, equity-based compensation, amortization of intangible assets associated with continuing operations, foreign currency (gain) loss, derivative valuation (gain) loss and special expense for the IPO employee incentive payment. A reconciliation of GAAP results to non-GAAP results is included following the financial statements below.

About MagnaChip Semiconductor Corporation

Headquartered in South Korea, MagnaChip Semiconductor Corporation is a Korea-based designer and manufacturer of analog and mixed-signal semiconductor products for high-volume consumer applications. MagnaChip Semiconductor believes it has one of the broadest and deepest ranges of analog and mixed-signal semiconductor platforms in the industry, supported by its 30-year operating history, a large portfolio of registered and pending patents, and extensive engineering and manufacturing process expertise. For more information, please visit www.magnachip.com. Information on or accessible through, MagnaChip Semiconductor's website is not a part of, and is not incorporated into, this release.

Safe Harbor for Forward-Looking Statements

Information in this release regarding MagnaChip Semiconductor Corporation's forecasts, business outlook, expectations and beliefs are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. These statements include statements about our ability to capitalize on improving market dynamics and future operating and financial performance including second quarter 2011 revenue and gross profit. All forward-looking statements included in this release are based upon information available to MagnaChip Semiconductor as of the date of this release, which may change, and we assume no obligation to update any such forward-looking statements. These statements are not guarantees of future performance and actual results could differ materially from our current expectations. Factors that could cause or contribute to such differences include general economic conditions, the impact of competitive products and pricing, timely design acceptance by our customers, timely introduction of new products and technologies, ability to ramp new products into volume production, industry wide shifts in supply and demand for semiconductor products, industry and/or company overcapacity, effective and cost efficient utilization of manufacturing capacity, financial stability in foreign markets and the impact of foreign exchange rates, unanticipated costs and expenses or the inability to identify expenses which can be eliminated, compliance with U.S. and international trade and export laws and regulations by us and our distributors, and other risks detailed from time to time in MagnaChip Semiconductor Corporation's filings with the SEC, including our Form 10-K filed on March 18, 2011 and subsequent registration statements, amendments or other reports that we may file from time to time with the SEC and/or make available on our website. MagnaChip Semiconductor Corporation assumes no obligation and does not intend to update the forward-looking statements provided, whether as a result of new information, future events or otherwise.

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MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of US dollars, except share data)
(Unaudited)

	Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
Net sales	\$ 187,921	\$ 186,772	\$ 179,485
Cost of sales	<u>131,447</u>	<u>126,421</u>	<u>130,127</u>
Gross profit	56,474	60,351	49,358
Gross profit %	30.1%	32.3%	27.5%
Selling, general and administrative expenses	15,401	16,566	17,908
Research and development expenses	18,498	19,331	20,531
Restructuring and impairment charges	—	958	336
Special expense for IPO incentive	<u>12,146</u>	<u>—</u>	<u>—</u>
Operating income	10,429	23,496	10,583
Other income (expense)			
Interest expense, net	(7,111)	(6,981)	(2,049)
Foreign currency gain (loss), net	21,359	(19)	21,616
Other	<u>166</u>	<u>(16)</u>	<u>(52)</u>
	<u>14,414</u>	<u>(7,016)</u>	<u>19,515</u>
Income before income taxes	<u>24,843</u>	<u>16,480</u>	<u>30,098</u>
Income tax expense (benefits)	<u>2,375</u>	<u>4,209</u>	<u>(1,003)</u>
Net income	<u>\$ 22,468</u>	<u>\$ 12,271</u>	<u>\$ 31,101</u>
Earnings per common share :			
- Basic	\$ 0.59	\$ 0.32	\$ 0.82
- Diluted	<u>\$ 0.57</u>	<u>\$ 0.31</u>	<u>\$ 0.81</u>
Weighted average number of shares—Basic	38,332,750	37,898,912	37,805,445
Weighted average number of shares—Diluted	39,570,522	39,269,465	38,441,991

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA AND ADJUSTED NET INCOME
(In thousands of US dollars, except share data)
(Unaudited)

	Three Months Ended		
	March 31, 2011	December 31, 2010	March 31, 2010
Net income	\$ 22,468	\$ 12,271	\$ 31,101
Adjustments:			
Depreciation and amortization	13,903	14,063	15,477
Interest expense, net	7,111	6,981	2,049
Income tax expense	2,375	4,209	(1,003)
Restructuring and impairment charges	—	958	336
Inventory step-up	—	—	867
Equity-based compensation expense	641	1,167	1,473
Foreign currency (gain) loss, net	(21,359)	19	(21,616)
Derivative valuation (gain) loss, net	(158)	16	57
Special expense for IPO incentive	12,146	—	—
Adjusted EBITDA	<u>\$ 37,127</u>	<u>\$ 39,684</u>	<u>\$ 28,741</u>
Adjusted EBITDA per common share:			
- Basic	\$ 0.97	1.05	0.76
- Diluted	\$ 0.94	1.01	0.75
Net income	\$ 22,468	\$ 12,271	\$ 31,101
Adjustments:			
Restructuring and impairment charges	—	958	336
Inventory step-up	—	—	867
Equity based compensation expense	641	1,167	1,473
Amortization of intangibles	1,990	2,937	7,697
Foreign currency (gain) loss, net	(21,359)	19	(21,616)
Derivative valuation (gain) loss, net	(158)	16	57
Special expense for IPO incentive	12,146	—	—
Adjusted net income	<u>\$ 15,728</u>	<u>\$ 17,368</u>	<u>\$ 19,915</u>
Adjusted net income per common share:			
- Basic	\$ 0.41	\$ 0.46	\$ 0.53
- Diluted	\$ 0.40	\$ 0.44	\$ 0.52

We define Adjusted EBITDA as net income adjusted to exclude (i) depreciation and amortization (ii) interest expense, net, (iii) income tax expense, (iv) restructuring and impairment charges, (v) the increase in cost of sales resulting from the fresh-start accounting inventory step-up, (vi) equity-based compensation expense, (vii) foreign currency (gain) loss, net, (viii) derivative valuation (gain) loss, net and (ix) special expense for IPO incentive.

We present Adjusted Net Income as a further supplemental measure of our performance. We prepare Adjusted Net Income by adjusting net income to eliminate the impact of a number of non-cash expenses and other items that may be either one time or recurring that we do not consider to be indicative of our core ongoing operating performance. We believe that Adjusted Net Income is particularly useful because it reflects the impact of our asset base and capital structure on our operating performance. We define Adjusted Net Income as net income adjusted to exclude (i) restructuring and impairment charges, (ii) the increase in cost of sales resulting from the fresh-start accounting inventory step-up, (iii) equity-based compensation expense, (iv) amortization of intangibles, (v) foreign currency gain (loss), net, (vi) derivative valuation gain (loss), net and (vii) special expense for IPO incentive.

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of US dollars, except share data)
(Unaudited)

	March 31, 2011	December 31, 2010
Assets		
Current assets		
Cash and cash equivalents	\$ 194,179	\$ 172,172
Accounts receivable, net	131,020	119,054
Inventories, net	73,879	68,435
Other receivables	4,006	2,919
Prepaid expenses	11,082	8,207
Other current assets	<u>9,937</u>	<u>18,920</u>
Total current assets	<u>424,103</u>	<u>389,707</u>
Property, plant and equipment, net	179,240	179,012
Intangible assets, net	26,154	27,538
Long-term prepaid expenses	7,456	8,235
Other non-current assets	<u>21,357</u>	<u>21,252</u>
Total assets	<u>\$ 658,310</u>	<u>\$ 625,744</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 74,040	\$ 58,264
Other accounts payable	10,869	14,645
Accrued expenses	43,710	32,635
Current portion of capital lease obligation	5,850	5,557
Other current liabilities	<u>3,932</u>	<u>5,048</u>
Total current liabilities	138,401	116,149
Long-term borrowings	246,952	246,882
Obligation under capital lease	1,665	3,105
Accrued severance benefits, net	91,503	87,778
Other non-current liabilities	<u>7,902</u>	<u>8,979</u>
Total liabilities	<u>486,423</u>	<u>462,893</u>
Commitments and contingencies		
Stockholder' equity		
Common stock, \$0.01 par value, 150,000,000 shares authorized, 39,356,749 and 38,401,985 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively	394	384
Additional paid-in capital	97,812	95,585
Retained earnings	94,625	72,157
Accumulated other comprehensive loss	<u>(20,944)</u>	<u>(5,275)</u>
Total stockholders' equity	<u>171,887</u>	<u>162,851</u>
Total liabilities and stockholders' equity	<u>\$ 658,310</u>	<u>\$ 625,744</u>

MAGNACHIP SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of US dollars)
(Unaudited)

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>2011</u>	<u>March 31,</u> <u>2010</u>
Cash flows from operating activities		
Net income	\$ 22,468	\$ 31,101
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	13,903	15,477
Provision for severance benefits	2,854	3,166
Amortization of debt issuance costs	246	25
Gain on foreign currency translation, net	(23,684)	(23,478)
Gain on disposal of property, plant and equipment, net	—	(9)
Loss on disposal of intangible assets, net	4	2
Restructuring and impairment charges	—	336
Stock-based compensation	641	1,473
Cash used for reorganization items	—	1,579
Other	549	393
Changes in operating assets and liabilities		
Accounts receivable	(9,250)	(29,684)
Inventories	(3,467)	7,206
Other receivables	(1,041)	(1,238)
Other current assets	(1,449)	(3,659)
Deferred tax assets	548	264
Accounts payable	14,289	18,088
Other accounts payable	(1,348)	(1,612)
Accrued expenses	7,153	3,196
Other current liabilities	(1,518)	(2,107)
Long term other payable	184	(2,136)
Payment of severance benefits	(1,610)	(1,092)
Other	(256)	(788)
Net cash provided by operating activities before reorganization items	<u>19,216</u>	<u>16,503</u>
Cash used for reorganization items	—	(1,579)
Net cash provided by operating activities	<u>19,216</u>	<u>14,924</u>
Cash flows from investing activities		
Proceeds from disposal of plant, property and equipment	—	4
Purchase of plant, property and equipment	(6,779)	(891)
Payment for intellectual property registration	(165)	(152)
Decrease in short-term financial instruments	—	329
Collection of guarantee deposits	979	972
Payment of guarantee deposits	(1,004)	(56)
Other	(44)	33
Net cash provided by (used in) investing activities	<u>(7,013)</u>	<u>239</u>
Cash flows from financing activities		
Proceeds from issuance of common stock	11,425	—
Repayment of current portion of long-term debt	—	(154)
Repayment of obligation under capital lease	(1,562)	—
Net cash provided by (used in) financing activities	<u>9,863</u>	<u>(154)</u>
Effect of exchange rates on cash and cash equivalents	(59)	2,754
Net increase in cash and cash equivalents	<u>22,007</u>	<u>17,763</u>
Cash and cash equivalents		
Beginning of the period	<u>172,172</u>	<u>64,925</u>
End of the period	<u>\$ 194,179</u>	<u>\$ 82,688</u>