

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

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SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 3)\*

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MagnaChip Semiconductor Corporation

(Name of Issuer)

---

Common Stock

(Title of Class of Securities)

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55933J203

(CUSIP Number)

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Pleasant Lake Partners LLC  
110 Greene Street, Suite 604  
New York, NY 10012  
Tel. No.: 212-554-0680

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(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

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July 8, 2015

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [ ]

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1 Names of Reporting Persons.

Pleasant Lake Partners LLC

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2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

---

3 SEC Use Only

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4 Source of Funds (See Instructions):  
AF

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5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e):

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6 Citizenship or Place of Organization.  
Delaware

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Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power
	0	
	8	Shared Voting Power
	3,387,487 shares	
	9	Sole Dispositive Power
	0	
	10	Shared Dispositive Power
	3,387,487 shares	

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11 Aggregate Amount Beneficially Owned by Each Reporting Person  
3,387,487 shares

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12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

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13 Percent of Class Represented by Amount in Row (11)  
9.95%

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14 Type of Reporting Person (See Instructions)  
OO (Limited Liability Company)

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1 Names of Reporting Persons.

PLP MM LLC

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2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

---

3 SEC Use Only

---

4 Source of Funds (See Instructions):  
AF

---

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e):

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6 Citizenship or Place of Organization.  
Delaware

---

7 Sole Voting Power  
0

---

Number of Shares Beneficially Owned by Each Reporting Person With  
8 Shared Voting Power  
3,387,487 shares

---

9 Sole Dispositive Power  
0

---

10 Shared Dispositive Power  
3,387,487 shares

---

11 Aggregate Amount Beneficially Owned by Each Reporting Person  
3,387,487 shares

---

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

---

13 Percent of Class Represented by Amount in Row (11)  
9.95%

---

14 Type of Reporting Person (See Instructions)  
OO (Limited Liability Company)

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1 Names of Reporting Persons.

Pleasant Lake Onshore GP LLC

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2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

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3 SEC Use Only

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4 Source of Funds (See Instructions):

AF

---

5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e):

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6 Citizenship or Place of Organization.

Delaware

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Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power
	0	
	8	Shared Voting Power
	3,387,487 shares	
	9	Sole Dispositive Power
	0	
	10	Shared Dispositive Power
	3,387,487 shares	

---

11 Aggregate Amount Beneficially Owned by Each Reporting Person

3,387,487 shares

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12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

---

13 Percent of Class Represented by Amount in Row (11)

9.95%

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14 Type of Reporting Person (See Instructions)

OO (Limited Liability Company)

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1 Names of Reporting Persons.  
Pleasant Lake Offshore Master Fund L.P.

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2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

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3 SEC Use Only

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4 Source of Funds (See Instructions):  
WC

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5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e):

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6 Citizenship or Place of Organization.  
Cayman Islands

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Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power
	0	
	8	Shared Voting Power
	3,387,487 shares	
	9	Sole Dispositive Power
	0	
	10	Shared Dispositive Power
	3,387,487 shares	

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11 Aggregate Amount Beneficially Owned by Each Reporting Person  
3,387,487 shares

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12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

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13 Percent of Class Represented by Amount in Row (11)  
9.95%

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14 Type of Reporting Person (See Instructions)  
PN (Limited Partnership)

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1 Names of Reporting Persons.

Jonathan Lennon

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2 Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

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3 SEC Use Only

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4 Source of Funds (See Instructions):  
AF

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5 Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e):

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6 Citizenship or Place of Organization.  
United States

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Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power
	0	
	8	Shared Voting Power
	3,387,487 shares	
	9	Sole Dispositive Power
	0	
	10	Shared Dispositive Power
	3,387,487 shares	

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11 Aggregate Amount Beneficially Owned by Each Reporting Person  
3,387,487 shares

---

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

---

13 Percent of Class Represented by Amount in Row (11)  
9.95%

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14 Type of Reporting Person (See Instructions)  
IN

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**AMENDMENT NO. 3 TO SCHEDULE 13D**

This Amendment No. 3 to Schedule 13D (this "Amendment") relates to shares of Common Stock, par value \$0.01 per share (the "Common Stock"), of MagnaChip Semiconductor Corporation, a Delaware corporation (the "Issuer"), c/o MagnaChip Semiconductor S.A., 1, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg. This Amendment is being filed by each of the Reporting Persons to amend the Schedule 13D, as amended (the "Schedule 13D"), which was originally filed on June 9, 2015 and amended on June 29, 2015 and July 2, 2015. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meanings as set forth in the Schedule 13D.

This Amendment is being filed to supplement Items 4, 5 and 7 of the Schedule 13D as set forth below.

**Item 4. Purpose of Transaction**

Item 4 is hereby amended to add the following:

On July 8, 2015, Pleasant Lake Partners LLC ("Pleasant Lake") delivered a letter to the Issuer, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference. In the letter, Pleasant Lake expresses its belief that the market price of the Issuer's Common Stock does not reflect the intrinsic value of the Issuer and requests that the Issuer's Board take action to maximize shareholder value. Pleasant Lake is prepared to work constructively with the Board to assist it in these efforts.

**Item 5. Interest in Securities of the Issuer**

Item 5 is hereby amended as follows:

(a) and (b) See Items 7-11 of the cover pages to this Amendment. The shares of Common Stock reported herein as being beneficially owned by the Reporting Persons include 3,254,687 shares and options to acquire 132,800 shares held for the account of the Master Fund.

(c) On July 2, 2015, private accounts with respect to which the Reporting Persons have direct or indirect investment control purchased 13,700 shares of Common Stock at a purchase price of \$7.31 per share in an open market transaction. On July 8, 2015, private accounts with respect to which the Reporting Persons have direct or indirect investment control purchased 10,400 shares of Common Stock at a purchase price of \$7.23 per share in an open market transaction.

(d) Not applicable.

(e) Not applicable.

**Item 7. Material to Be Filed as Exhibits**

Item 7 is hereby amended to add the following exhibit:

99.1 Letter from Pleasant Lake to the Issuer, dated July 8, 2015.

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**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: July 8, 2015

**PLEASANT LAKE PARTNERS LLC**

By: PLP MM LLC  
its Managing Member  
By: /s/ Jonathan Lennon

By: /s/ Jonathan Lennon  
Jonathan Lennon, Manager

**PLP MM LLC**

By: /s/ Jonathan Lennon  
Jonathan Lennon, Manager

**PLEASANT LAKE ONSHORE GP LLC**

By: /s/ Jonathan Lennon  
Jonathan Lennon, Manager

**PLEASANT LAKE OFFSHORE MASTER FUND L.P.**

By: Pleasant Lake Onshore GP LLC  
its General Partner

By: /s/ Jonathan Lennon  
Jonathan Lennon, Manager

**JONATHAN LENNON**

By: /s/ Jonathan Lennon  
Jonathan Lennon, Individually

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July 08, 2015

Magnachip Semiconductor Corporation  
60 South Market Street, Suite 750  
San Jose, CA 95113  
Attn: Douglas Norby, Chairman

Dear Doug,

As you know, funds managed by Pleasant Lake Partners ("PLP") are one of the largest shareholders of Magnachip with a 9.95% stake in the Company (though as we've expressed to you, PLP likely would be a larger shareholder if not for the Company's adoption of a poison pill). We appreciate the conversations we've had with you in which we've shared our thoughts on the Company and its prospects. As outside, public investors, our conversations with you necessarily must be largely a one-way street; however, we are pleased to hear you affirm that your role and duty as Chairman of the Board is to maximize shareholder value, in whichever manner that may occur.

We appreciate that you and the Board have been working diligently to get the Company through its restatement. But now that the Company's financials are current, we believe this Board needs to redouble its efforts and be proactive in unlocking and enhancing shareholder value. At \$7.18 per share, we do not believe that the market is valuing Magnachip anywhere close to its standalone intrinsic value. Nor are we alone in this belief. We have heard from many other large shareholders and the consistent message is that Magnachip is significantly undervalued.

We are including a presentation that summarizes our own research and views on the Company. PLP invested in Magnachip because we believe that the Company has valuable assets and IP, which are, increasingly, becoming strategically important as analog fab capacity remains tight across the industry and as semiconductor consolidation reaches record levels.

In light of the above, as well as the Company's significant underperformance since its IPO, we ask that the Board take all necessary steps to maximize shareholder value and that it do so now. As large shareholders, as well as fiduciaries to our own investors, we are prepared to work with you constructively to help you deliver shareholder value for the benefit of all Magnachip shareholders.

Sincerely,

/s/ Jonathan Lennon  
Managing Member  
Pleasant Lake Partners LLC

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## Executive Summary

- **We believe Magnachip ("MX") is a strategically attractive business with strong secular and cyclical dynamics**
  - Analog and foundry businesses have inherently high barriers to entry
  - There has been tight capacity, as well as a favorable pricing environment, in the analog chip market
  - Core end markets provide a solid foundation of demand while nascent end markets like Internet of Things ("IoT") and automobiles are driving a multi-year tailwind for MX's products, based on our diligence
  - Slowing of Moore's Law may make analog fabs increasingly attractive assets
- **In our view, MX is significantly undervalued relative to its normalized earnings power and asset value**
  - We believe the current stock price reflects negative sentiment, transitory business problems and accounting & geographic complexity, and is not indicative of its underlying asset value, let alone strategic value
  - We estimate standalone earnings power for MX is ~\$125mm of EBITDA, ~\$1.75 of EPS and ~\$1.85 of FCF
  - However, standalone earnings power likely understates true value of MX's assets
  - Peer valuations and second-hand equipment costs imply a value for MX's fabs of \$23-37 / share
  - MX's chip design business and IP could be separated and monetized for additional shareholder value

**We ask that the Board take the necessary steps to achieve this potential and maximize shareholder value**

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## Background

- Through 2012, Magnachip demonstrated solid results <sup>1</sup>:

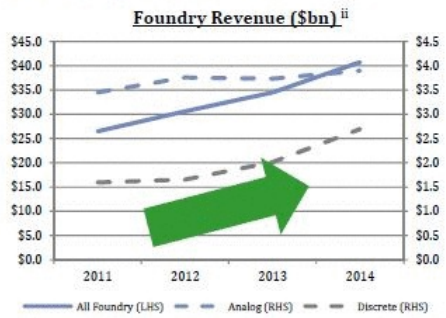
	2011	2012
Revenue	743.1	807.3
Gross profit	199.5	243.2
% margin	26.9%	30.1%
Capacity utilization	85%	91%
Adjusted EBITDA	108.3	124.3
% margin	14.6%	15.4%
Adjusted Net Income	32.2	64.5
Per share	\$0.83	\$1.72
<b>Valuation</b>		
Stock Px, on July 1, 2015		\$7.40
<b>P / E, on 2012 earnings</b>		<b>4.3x</b>
TEV, on July 1, 2015		397
<b>EV / EBITDA, on 2012 earnings</b>		<b>3.2x</b>

- So what has happened since then....



## Industry Results

- Since 2012, semiconductor industry performance (and valuation) has been improving, particularly for the foundry and analog sub-sectors:





## Industry Results

- But the improvement in industry economics and valuation didn't translate to MX...why?



According to our research, there are three key reasons:

- Restatement impact (turmoil after executive departures, one-time costs, inventory putback)
- Misguided strategy
- Poor execution on customer acquisition

Our research indicates MX has **high quality analog fabs, processes and technology**. We believe the above issues are transitory and not reflective of the intrinsic or strategic **value of MX's assets**



## Valuation – Standalone Earnings Power

- We estimate that normalized standalone earnings power for MX is significant <sup>vii</sup>:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Normalized</u>
Revenue	743.1	807.3	734.2	698.2	800.0
Gross profit	199.5	243.2	155.1	152.9	260.0
% margin	26.9%	30.1%	21.1%	21.9%	32.5%
Capacity utilization	85%	91%	87%	78%	95%
Adjusted EBITDA	108.3	124.3	20.0	8.5	124.2
% margin	14.6%	15.4%	2.7%	1.2%	15.5%
Adjusted Net Income	32.2	64.5	(31.5)	(38.1)	60.8
Per share	\$0.83	\$1.72	(\$0.89)	(\$1.12)	\$1.73

- Which, based on peer multiples, translates into a materially higher price for the standalone entity <sup>viii</sup>:

<u>Valuation</u>	
Peer P / E	16.1x
<b>Price Target</b>	<b>\$27.84</b>
Peer EV / EBITDA	8.5x
<b>Price Target</b>	<b>\$25.64</b>

- However, in our view, standalone earnings likely underestimates the total fair value of the company...



Valuation – Asset Value

- Based on pure-play foundry comps, we estimate MX’s fabs are worth **~\$30 / share**
- Capex budgets for public foundries range from \$10-13k per unit of capacity (8-in WSPM), which would translate to a **\$23-37 stock price** for MX<sup>ix</sup>
- However, we believe valuing MX as a pure-play foundry (i.e., based only on capacity) understates its true value because it ignores the value of its IP portfolio, which MX utilizes to design its own chips

**MX Value per Share based on Market Value of its Capacity**

Comp	TEV per WSPM, \$000's [1]	MX capacity, 000's WSPM	Implied MX TEV	Net debt	Equity Val	Pension	Equity Val, Post Pnsn	MX Share Price		Up / (Down) % [2]	
								Per Share	Post Pnsn	Pre Pnsn	Post Pnsn
Analog Dongbu	12.5	115	1,440	134	1,306	144	1,161	\$36.30	\$32.28	391%	336%
Analog Hua Hong	8.0	115	920	134	786	144	642	\$21.85	\$17.84	195%	141%
Analog Towerjazz	9.8	115	1,125	134	991	144	847	\$27.55	\$23.53	272%	218%
Analog Vanguard	12.4	115	1,425	134	1,291	144	1,147	\$35.89	\$31.87	385%	331%
Hybrid SMIC	20.3	115	2,341	134	2,207	144	2,063	\$61.35	\$57.33	729%	675%
Hybrid UMC	10.1	115	1,161	134	1,028	144	883	\$28.56	\$24.55	286%	232%
Mostly Digital TSMC	66.6	115	7,665	134	7,532	144	7,387	\$209.35	\$205.34	2729%	2675%
Median, Analog	11.1							\$31.72	\$27.70	329%	274%
Median, ex TSMC	11.2							\$32.23	\$28.21	335%	281%
Average, ex TSMC	12.2							\$35.25	\$31.23	376%	322%
MX, PF, pre pension	3.5	115	400	134	266	n/a	266	\$7.40	n/a	0%	n/a
MX, PF, post pension	4.7	115	544	134	411	144	266	n/a	\$7.40	n/a	0%

[1] Based on 8" equivalent WSPM as of 12/31/14, and TEV as of 07/01/14  
 [2] Based on MX stock price of \$7.40, as of 07/01/14





## Valuation – China Impact

- We believe Chinese demand for semiconductor assets is both in its infancy and accelerating
  - China accounts for 45% of global semiconductor demand, yet due to its lack of domestic infrastructure, the country must import 90% of these chips
  - In order to grow its domestic semiconductor industry, China’s national economic policy calls for the government to invest up to CNY 1 trillion (\$170bn) over the next 5-10 years <sup>x</sup>
  - This policy was kick-started in October 2014 with the announcement of a \$20bn government-seeded investment vehicle (the China Integrated Circuit Industry Investment Fund, or “CICIIF”) that will be used to acquire semiconductor assets <sup>xi, xii</sup>
  - Even prior to the creation of the CICIIF, Chinese appetite for semiconductor assets has been healthy, with \$8bn of acquisitions in the past two years alone <sup>xiii</sup>
-



## Appendix

**Recent Chinese Semiconductor Acquisitions**<sup>xiv</sup>

Date	Company (Ticker)	Semi Sub-Sector	Acquirer	Equity Value (per share)
05/28/15	NXP's RF Power business (n/a)	RF	Jianguang Asset Management	\$1.8bn (n/a)
03/12/15	Integrated Silicon (ISSI)	Specialty DRAM/SRAM	SummitView Capital, Hua Capital Management, eTown MemTek & Huaqing Jiye Investment Management	\$0.7bn (\$23.00/sh)
11/06/14	STATS ChipPac (STAT SP)	Packaging, assembly and test	JCET, SMIC & CICIIF	\$0.8bn (\$0.35/sh)
08/14/14	OmniVision (OVTI)	Image sensors	Hua Capital Management, CITIC Capital & CITIC Securities	\$1.9bn (\$29.75/sh)
03/10/14	Montage Tech (MONT)	Analog and mixed signal	PDSTI & China Electronics Corporation	\$0.7bn (\$22.60/sh)
11/07/13	RDA Microelectronics (RDA)	Wireless SoC and RF	Tsinghua Unigroup	\$0.9bn (\$3.08/sh)
06/20/13	Spreadtrum (SPRD)	Cellular SoC	Tsinghua Unigroup	\$1.5bn (\$10.33/sh)



## Endnotes

- i. Magnachip 2013 10-K; Adjusted EBITDA and Net Income are non-GAAP numbers provided by the company; Capacity utilization is based on management commentary from Magnachip's 4Q11 and 4Q12 earnings calls; TEV based on Magnachip's stock price on July 1, 2015 and share count and net debt figures from the 1Q15 10-Q
  - ii. IHS data and PLP analysis
  - iii. Semiconductor Industry Association ("SIA") and PLP analysis; such information does not constitute a reliable independent basis for investment advice and does not represent SIA's opinion as to the value of any security or the advisability of investing in, purchasing or selling any security
  - iv. Bloomberg
  - v. Magnachip 2014 10-K and PLP analysis
  - vi. Bloomberg
  - vii. Magnachip 2013 and 2014 10-K and PLP analysis; such estimates are subject to change and does not constitute a reliable independent basis for investment advice
  - viii. Peer valuations based on Bloomberg estimates; P/E and EV/EBITDA multiples are based on blended peer multiples using Analog IDM and Foundry peers, based on Magnachip's two business segments, Standard Products Group and Semiconductor Manufacturing Services, respectively; Analog IDM peers used are: Fairchild Semiconductor International Inc., Atmel Corp., ON Semiconductor Corp., Maxim Integrated Products Inc., Microchip Technology Inc., Linear Technology Corp., Infineon Technologies AG, Analog Devices Inc., Texas Instruments Inc.; Foundry peers used are: Dongbu HiTek Co. Ltd., Tower Semiconductor Ltd., Vanguard International Semiconductor Corp., Hua Hong Semiconductor Ltd., Semiconductor Manufacturing International Corp., United Microelectronics Corp., Taiwan Semiconductor Manufacturing Company Ltd.
  - ix. Hua Hong Semiconductor IPO Prospectus, United Microelectronics 1Q15 earnings call and PLP analysis
  - x. McKinsey & Company, "Semiconductors in China: Brave new world or same old story?"; August 2014
  - xi. <http://www.usito.org/news/mit-announces-formation-national-ic-investment-fund>
  - xii. EE Times, "Can China Buy Its Way Into Global IC Industry", September 4, 2014 ([www.eetimes.com/document.asp?doc\\_id=1323760](http://www.eetimes.com/document.asp?doc_id=1323760))
  - xiii. Company filings and PLP analysis
  - xiv. Company filings
-



## Important Disclosures

*Certain information reflected in this presentation is derived from Magnachip's public filings, reported results, and third party sources. While Pleasant Lake Partners ("Pleasant Lake" or "PLP") has no reason to believe such information to be inaccurate, PLP has not and in general is not in the position to be able to verify such information, and readers should take that into account when evaluating this information. Certain other information is based on PLP's analysis of available information and represents PLP's views as to valuation, potential future performance and other measures. While PLP believes such information and analysis to be reasonable as of the date of this presentation, actual results or performance may differ materially from those reflected in this presentation. In addition, to the extent any information or assumptions used in such analysis change or are incomplete or inaccurate or inappropriate, it will impact PLP's analysis and conclusions.*

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