

| OMB APPROVAL             |           |
|--------------------------|-----------|
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| hours per response:      | 0.5       |

**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

|   |  |  |   |  |  |  |  |  |
|---|--|--|---|--|--|--|--|--|
| 1. Name and Address of Reporting Person*<br><u>Avenue Special Situations Fund IV LP</u><br>_____<br>(Last) (First) (Middle)<br><u>C/O AVENUE CAPITAL MANAGEMENT II, L.P.</u><br><u>399 PARK AVENUE, 6TH FLOOR</u><br>_____<br>(Street)<br><u>NEW YORK NY 10022</u><br>_____<br>(City) (State) (Zip) |  |  | 2. Issuer Name and Ticker or Trading Symbol<br><u>MAGNACHIP SEMICONDUCTOR Corp [</u><br><u>MX ]</u>   |  |  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner<br>Officer (give title below) Other (specify below) |  |  |
|   |  |  | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>03/16/2011</u>   |  |  |  |  |  |
|   |  |  | 4. If Amendment, Date of Original Filed (Month/Day/Year)  |  |  |  |  |  |
|   |  |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br>Form filed by One Reporting Person<br><input checked="" type="checkbox"/> 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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|---------|---|--|--|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price   |   |  |  |
| Common Stock, \$0.01 par value  | 03/10/2011                           |  | A                              |   | 8,648,373   | A          | (1)     | 8,648,373 <sup>(1)(2)</sup>   | D <sup>(3)</sup>   |  |
| Common Stock, \$0.01 par value  | 03/10/2011                           |  | A                              |   | 10,844,551  | A          | (1)     | 10,844,551 <sup>(1)(2)</sup>  | D <sup>(4)</sup>   |  |
| Common Stock, \$0.01 par value  | 03/16/2011                           |  | S                              |   | 2,121,415   | D          | \$13.02 | 6,526,958 <sup>(2)</sup>  | D <sup>(5)</sup>   |  |
| Common Stock, \$0.01 par value  | 03/16/2011                           |  | S                              |   | 2,660,130   | D          | \$13.02 | 8,184,421 <sup>(2)</sup>  | D <sup>(6)</sup>   |  |

**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 | Title   | Amount or Number of Shares |  |  |   |  |
| Warrants                                   | \$15.76  | 03/10/2011                           |  | A                              |   | 158,910 <sup>(1)(2)</sup>  |     | 03/10/2011   | 11/09/2014      | Common Stock, \$0.01 par value  | 158,910                    | (1)  | 158,910  | D <sup>(7)</sup>  |  |
| Warrants                                   | \$15.76  | 03/10/2011                           |  | A                              |   | 272,715 <sup>(1)(2)</sup>  |     | 03/10/2011   | 11/09/2014      | Common Stock, \$0.01 par value  | 272,715                    | (1)  | 272,715  | D <sup>(8)</sup>  |  |

1. Name and Address of Reporting Person\*  
Avenue Special Situations Fund IV LP  
 \_\_\_\_\_  
 (Last) (First) (Middle)  
C/O AVENUE CAPITAL MANAGEMENT II, L.P.  
399 PARK AVENUE, 6TH FLOOR  
 \_\_\_\_\_  
 (Street)  
NEW YORK NY 10022  
 \_\_\_\_\_  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
Avenue Capital Partners IV, LLC  
 \_\_\_\_\_  
 (Last) (First) (Middle)  
C/O AVENUE CAPITAL MANAGEMENT II, L.P.  
399 PARK AVENUE, 6TH FLOOR  
 \_\_\_\_\_  
 (Street)  
NEW YORK NY 10022  
 \_\_\_\_\_  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*

[GL Partners IV, LLC](#)

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399 PARK AVENUE, 6TH FLOOR

(Street)

NEW YORK NY 10022

(City)

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(Zip)

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[Avenue Special Situations Fund V LP](#)

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[Avenue Capital Partners V, LLC](#)

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1. Name and Address of Reporting Person\*

[Avenue Capital Management II, L.P.](#)

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399 PARK AVENUE, 6TH FLOOR

(Street)

NEW YORK NY 10022

(City)

(State)

(Zip)

1. Name and Address of Reporting Person\*

[Avenue Capital Management II GenPar, LLC](#)

(Last) (First) (Middle)

C/O AVENUE CAPITAL MANAGEMENT II, L.P.  
399 PARK AVENUE, 6TH FLOOR

(Street)

NEW YORK NY 10022

(City)

(State)

(Zip)

1. Name and Address of Reporting Person\*

## LASRY MARC

|  |         |          |
|--|---------|----------|
| (Last)                                 | (First) | (Middle) |
| C/O AVENUE CAPITAL MANAGEMENT II, L.P. |         |          |
| 399 PARK AVENUE, 6TH FLOOR             |         |          |
| (Street)                               |         |          |
| NEW YORK                               | NY      | 10022    |
| (City)                                 | (State) | (Zip)    |

### Explanation of Responses:

1. The persons reporting on this Form 4 (the "Reporting Persons") originally acquired common units and warrants exercisable to purchase common units in connection with the reorganization of MagnaChip Semiconductor LLC, which converted into MagnaChip Semiconductor Corporation (the "Issuer"). The conversion, which is exempt under Rule 16b-7, resulted in the Reporting Persons receiving shares of Common Stock, par value \$0.01 (the "Common Stock"), and the warrants exercisable to purchase shares of Common Stock. The acquisition was approved in advance in accordance with Rule 16b-3.
2. The filing of this Form 4 shall not be construed as an admission that Avenue Capital Partners IV, LLC ("Capital Partners IV"), GL Partners IV, LLC ("GL Partners IV"), Avenue Capital Partners V, LLC ("Capital Partners V"), GL Partners V, LLC ("GL Partners V"), Avenue Capital Management II, L.P. ("Avenue Capital Management"), Avenue Capital Management II GenPar, LLC ("Avenue Capital Management GenPar") or Marc Lasry (collectively, the "Controlling Persons") is or was for the purposes of Section 16(a) of the Securities Exchange Act of 1934, as amended, or otherwise the beneficial owner of any of the Common Stock of the Issuer directly held by Avenue Special Situations Fund IV, L.P. ("Fund IV") and Avenue Special Situations Fund V, L.P. ("Fund V"). Pursuant to Rule 16a-1, the Controlling Persons disclaim such beneficial ownership except to the extent of their pecuniary interest therein.
3. Fund IV received directly 8,648,373 shares of Common Stock of the Issuer as a result of the conversion. Capital Partners IV serves as the general partner of Fund IV, and GL Partners IV serves as the managing member of Capital Partners IV. Each of Capital Partners IV and GL Partners IV holds indirectly the 8,648,373 shares of Common Stock of the Issuer held directly by Fund IV. Capital Partners IV has a direct performance-based allocation from Fund IV and GL Partners IV, as the managing member of Capital Partners IV, has an indirect interest in such allocation. Mr. Lasry owns an interest in Capital Partners IV and GL Partners IV and receives a portion of the profits allocation related to Fund IV.
4. Fund V received directly 10,844,551 shares of Common Stock of the Issuer as a result of the conversion. Capital Partners V serves as the general partner of Fund V, and GL Partners V serves as the managing member of Capital Partners V. Each of Capital Partners V and GL Partners V holds indirectly the 10,844,551 shares of Common Stock of the Issuer held directly by Fund V. Capital Partners V has a direct performance-based allocation from Fund V and GL Partners V, as the managing member of Capital Partners V, has an indirect interest in such allocation. Mr. Lasry owns an interest in Capital Partners V and GL Partners V and receives a portion of the profits allocation related to Fund V.
5. Fund IV holds directly 6,526,958 shares of Common Stock of the Issuer. Capital Partners IV serves as the general partner of Fund IV, and GL Partners IV serves as the managing member of Capital Partners IV. Each of Capital Partners IV and GL Partners IV holds indirectly the 6,526,958 shares of Common Stock of the Issuer held directly by Fund IV. Capital Partners IV has a direct performance-based allocation from Fund IV and GL Partners IV, as the managing member of Capital Partners IV, has an indirect interest in such allocation. Mr. Lasry owns an interest in Capital Partners IV and GL Partners IV and receives a portion of the profits allocation related to Fund IV.
6. Fund V holds directly 8,184,421 shares of Common Stock of the Issuer. Capital Partners V serves as the general partner of Fund V, and GL Partners V serves as the managing member of Capital Partners V. Each of Capital Partners V and GL Partners V holds indirectly the 8,184,421 shares of Common Stock of the Issuer held directly by Fund V. Capital Partners V has a direct performance-based allocation from Fund V and GL Partners V, as the managing member of Capital Partners V, has an indirect interest in such allocation. Mr. Lasry owns an interest in Capital Partners V and GL Partners V and receives a portion of the profits allocation related to Fund V.
7. Fund IV received directly 158,910 warrants exercisable to purchase shares of Common Stock of the Issuer as a result of the conversion. Capital Partners IV serves as the general partner of Fund IV, and GL Partners IV serves as the managing member of Capital Partners IV. Each of Capital Partners IV and GL Partners IV holds indirectly the 158,910 warrants exercisable to purchase shares of Common Stock of the Issuer held directly by Fund IV. Capital Partners IV has a direct performance-based allocation from Fund IV and GL Partners IV, as the managing member of Capital Partners IV, has an indirect interest in such allocation. Mr. Lasry owns an interest in Capital Partners IV and GL Partners IV and receives a portion of the profits allocation related to Fund IV.
8. Fund V received directly 272,715 warrants exercisable to purchase shares of Common Stock of the Issuer as a result of the conversion. Capital Partners V serves as the general partner of Fund V, and GL Partners V serves as the managing member of Capital Partners V. Each of Capital Partners V and GL Partners V holds indirectly the 272,715 warrants exercisable to purchase shares of Common Stock of the Issuer held directly by Fund V. Capital Partners V has a direct performance-based allocation from Fund V and GL Partners V, as the managing member of Capital Partners V, has an indirect interest in such allocation. Mr. Lasry owns an interest in Capital Partners V and GL Partners V and receives a portion of the profits allocation related to Fund V.

### Remarks:

This Form 4 is being filed by the Reporting Persons jointly with an additional Form 4 dated as of the same date with respect to the Common Stock and warrants of the Issuer filed by Avenue Investments, L.P., Avenue CDP Global Opportunities Fund, L.P., Avenue International Master, L.P., Avenue International, Ltd., Avenue International Master GenPar, Ltd., Avenue Partners, LLC and Marc Lasry due to the limitations on the number of Reporting Persons able to file a single Form 4.

[Avenue Special Situations Fund IV, L.P. By: Avenue Capital Partners IV, LLC, its General Partner, By: GL Partners IV, LLC, its Managing Member, By: /s/ Eric Ross, attorney-in-fact for Marc Lasry, Managing Member Avenue Capital Partners IV, LLC By: GL Partners IV, LLC, its Managing Member, By: /s/ Eric Ross, attorney-in-fact for Marc Lasry, Managing Member](#) 03/17/2011

[GL Partners IV, LLC By: /s/ Eric Ross, attorney-in-fact for Marc Lasry, Managing Member](#) 03/17/2011

[Avenue Special Situations Fund V, L.P. By: Avenue Capital Partners V, LLC, its General Partner, By: GL Partners V, LLC, its Managing Member, By: /s/ Eric Ross, attorney-in-fact for Marc Lasry, Managing Member](#) 03/17/2011

[Avenue Capital Partners V, LLC By: GL Partners V, LLC, its Managing Member, By: /s/ Eric Ross, attorney-in-fact for Marc Lasry, Managing Member](#) 03/17/2011

[GL Partners V, LLC By: /s/ Eric Ross, attorney-in-fact for Marc Lasry, Managing Member](#) 03/17/2011

[Avenue Capital Management II, L.P. By: Avenue Capital Management II GenPar, LLC, its General Partner, By: /s/ Eric Ross, attorney-in-fact for Marc Lasry, Managing Member](#) 03/17/2011

[Avenue Capital Management II](#) 03/17/2011

GenPar, LLC By: /s/ Eric Ross,  
attorney-in-fact for Marc Lasry,  
Managing Member

/s/ Eric Ross, attorney-in-fact for 03/17/2011  
Marc Lasry

\*\* 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.**