

BENCHMARK ELECTRONICS INC

Form SC 13D/A

March 31, 2005

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

SCHEDULE 13D/A

(Rule 13d-101)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(a) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(a)**

(Amendment No.2)*

Benchmark Electronics, Inc.

(Name of Issuer)

Common Stock, par value \$.10 per share

(Title of Class of Securities)

08160H101

(CUSIP Number)

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Jerome J. Lande
MMI Investments, L.P.
152 West 57th Street
New York, New York 10019
(212) 586-4333

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

March 30, 2005

(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 Sections 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 Section 240.13d-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).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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1. Names of Reporting Persons
MMI Investments, L.P.

I.R.S. Identification Nos. of above persons (entities only):
141810589

2. Check the Appropriate Box if a Member of a Group

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)
OO

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6. Citizenship or Place of Organization
Delaware

Number of
Shares

7. Sole Voting Power
2,740,100

Beneficially
Owned by
Each

8. Shared Voting Power

Reporting
Person With

9. Sole Dispositive Power
2,740,100

10. Shared Dispositive Power

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,740,100

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

o

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

6.6%

14. Type of Reporting Person

PN

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1. Names of Reporting Persons I.R.S. Identification Nos. of above persons (entities only):
MCM Management, LLC 141814578

2. Check the Appropriate Box if a Member of a Group

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)
AF

5. Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e)

6. Citizenship or Place of Organization
Delaware

Number of 7. Sole Voting Power
Shares 2,740,100

Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power

9. Sole Dispositive Power
2,740,100

10. Shared Dispositive Power

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,740,100

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

o

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

6.6%

14. Type of Reporting Person

OO

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ITEM 1. SECURITY AND ISSUER

This Amendment No. 2 to statement on Schedule 13D (this Statement) relates to the Common Stock, par value \$.10 per share (the Common Stock), of Benchmark Electronics, Inc., a Texas corporation (the Issuer or the Company) the principal executive offices of which are located at 3000 Technology Drive, Angleton, Texas 77515. This Amendment No. 2 amends and restates in full each of the items set forth below. Terms not defined in this Amendment No. 2 shall have the respective meanings given to such terms in the Schedule 13D as originally deemed filed on September 20, 2004 (Original Schedule 13D).

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The total purchase price of the 2,740,100 shares of Common Stock (the Shares) purchased by MMI Investments was \$77,087,452, all of which has been financed by incurring margin loans. These margin loans were obtained from Bear, Stearns & Co. Inc. and Merrill Lynch & Co. under customary terms and conditions. The entire principal amount of such margin loans remains outstanding as of the date of this Statement.

ITEM 4. PURPOSE OF TRANSACTION

MMI Investments purchased the Shares as part of its investment activities. The Reporting Persons intend to review and evaluate the investment by MMI Investments in the Common Stock of the Issuer on an ongoing basis and may, depending upon their evaluation of the business and prospects of the Issuer, or such other considerations as they may deem relevant, determine to increase, decrease or dispose of MMI Investments' holdings of Common Stock. As part of such review and evaluation, the Reporting Persons may communicate with the Issuer's management, directors and other shareholders, including as described in the following paragraph.

On March 30, 2005, MMI Investments submitted to the Board of Benchmark a cover letter and presentation, filed herewith as Exhibit 2, analyzing the Company's cash and liquidity position and discussing MMI Investments' views concerning the desirability of payment of a special cash dividend.

Other than as described in this Item 4, neither Reporting Person, nor, to the knowledge of each Reporting Person, any individuals listed on Schedule I, has any current plan or proposal that relates to or would result in any of the transactions or other matters specified in clauses (a) through (j) of Item 4 of Schedule 13D; provided that the Reporting Persons reserve the right to develop such plans or proposals.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a)-(b) Based on 41,654,694 shares of Common Stock outstanding as of March 9, 2005, as reported in the Issuer's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 filed with the SEC on March 16, 2005, the Shares owned by MMI Investments represent approximately 6.6% of the outstanding Common Stock. MMI Investments has the sole power to direct the vote and disposition of such Shares on the date of this Statement. However, by virtue of being the general partner of MMI Investments, MCM may be deemed to be the beneficial owner of the Shares owned by MMI Investments and to have sole power over the voting and disposition of such Shares as a result of its having the sole power to make voting and disposition decisions on behalf of MMI Investments with respect to such Shares.

Except for the Shares owned by MMI Investments, as of the date hereof, neither MCM nor, to MMI Investments and MCM's knowledge, any of the persons listed on Schedule I, owns any Common Stock of the Issuer or has any right to acquire, directly or indirectly, any beneficial ownership of other Common Stock of the Issuer.

(c) Except for the open market purchase of Common Stock by MMI Investments set forth in Schedule II attached hereto and incorporated herein by reference, there have been no transactions with respect to the Common Stock during the past 60 days by MMI Investments, MCM, or, to either Reporting Person's knowledge, any of the persons listed on Schedule I.

(d) No person other than MMI Investments is known to either Reporting Person to have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of, any of the Shares referred to in Item 5(a) above.

(e) Not applicable.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

See Exhibit Index appearing elsewhere herein, which is incorporated herein by reference.

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SIGNATURE

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

Pursuant to Rule 13d-1(k)(1)(iii) of Regulation 13D-G of the General Rules and Regulations of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the undersigned agree that the attached statement is filed on behalf of each of them.

Date: March 31, 2005

MMI INVESTMENTS, L.P.

By: MCM Management, LLC
General Partner

By: /s/ JEROME J. LANDE
Jerome J. Lande
Vice President

MCM MANAGEMENT, LLC

By: /s/ JEROME J. LANDE
Jerome J. Lande
Vice President

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SCHEDULE I

Name and Business Address

Position and Principal Occupation

John S. Dyson
152 West 57th Street
New York, New York 10019

Voting Member and Chairman of MCM;
Voting Member and Chairman of Millcap Advisors, LLC
(Millcap), a Delaware limited liability company
152 West 57th Street, New York, New York 10019

Clay B. Lifflander
152 West 57th Street
New York, New York 10019

Voting Member and President of MCM;
Voting Member and President of Millcap

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SCHEDULE II

OPEN MARKET PURCHASE BY MMI INVESTMENTS
DURING THE PAST 60 DAYS

<u>Trade Date</u>	<u>Number of Shares</u>	<u>Price/Share</u>
3/17/05	30,000	\$30.84

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EXHIBIT INDEX

<u>Number</u>	<u>Description</u>
1.	Joint Filing Agreement dated as of September 20, 2004, by and between MMI Investments and MCM (incorporated by reference to Exhibit 1 to the Original Schedule 13D)
2.	MMI Investments, L. P. Cover Letter and Presentation to the Board of Directors of Benchmark Electronics, Inc. Optimizing Shareholder Value

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