

XYRATEX LTD
Form SC 13D/A
January 14, 2013

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

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
§ 240.13d-2(a)

(Amendment No. 5)1

Xyratex Ltd

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share
(Title of Class of Securities)

G98268108
(CUSIP Number)

VADIM PERELMAN
BAKER STREET CAPITAL MANAGEMENT, LLC
12400 Wilshire Blvd, Suite 940
Los Angeles, CA 90025
(310) 246-0345

STEVE WOLOSKY, ESQ.
OLSHAN FROME WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300

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

January 14, 2013
(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 § 240.13d-7 for other parties to whom copies are to be sent.

1 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).

CUSIP NO. G98268108

1 NAME OF REPORTING PERSON

BAKER STREET CAPITAL L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

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 BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		6,191,879
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		6,191,879
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,191,879

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

22.9%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. G98268108

1 NAME OF REPORTING PERSON

BAKER STREET CAPITAL MANAGEMENT, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

CALIFORNIA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		6,191,879
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		6,191,879
	10	SHARED DISPOSITIVE POWER

- 0 -

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

22.9%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. G98268108

1 NAME OF REPORTING PERSON

VADIM PERELMAN

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		6,191,879
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		6,191,879
	10	SHARED DISPOSITIVE POWER

- 0 -

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

22.9%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. G98268108

The following constitutes Amendment No. 5 to the Schedule 13D filed by the undersigned (the “Amendment No. 5”). This Amendment No. 5 amends the Schedule 13D as specifically set forth herein.

Item 4. Purpose of Transaction.

Item 4 is hereby amended and restated to read as follows:

On January 14, 2013, Baker Street delivered a letter to the Board of Directors of the Issuer (the “Board”). In the letter, Baker Street stated its belief that the Issuer’s current market price is dramatically lower than its intrinsic value. Baker Street believes this valuation discrepancy is largely due to the flawed strategy of reinvesting substantial profits from the Issuer’s mature core businesses in loss-making and unproven HPC and Cloud initiatives. Baker Street stressed that a fair and thorough review of all strategic alternatives available to the Issuer should be undertaken by a significantly reconfigured Board to maximize shareholder value. The letter highlighted the need for urgent Board change and stated that Baker Street has identified three highly-qualified independent candidates that it believes should be immediately added to the Board. Baker Street concluded that it hopes to work constructively with the Board and management to explore ways to unlock value at the Issuer for the benefit of all shareholders. The full text of the letter is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby amended to add the following:

On January 4, 2013, BSC LP purchased back from counterparties put options referencing an aggregate of 72,300 Shares at an exercise price of \$10.00 per Share, if such rights were exercised prior to or on June 22, 2013. As previously reported, such put options had been sold by BSC LP on November 16, 2012.

Item 7. Material to be Filed as Exhibits.

Item 7 is amended to add the following exhibit:

99.1 Letter to the Board of Directors of Xyratex Ltd dated January 14, 2013.

CUSIP NO. G98268108

SIGNATURES

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

Dated: January 14, 2013

BAKER STREET CAPITAL L.P.

By: Baker Street Capital Management, LLC
General Partner

By: /s/ Vadim Perelman
Name: Vadim Perelman
Title: Managing Member

BAKER STREET CAPITAL MANAGEMENT, LLC

By: /s/ Vadim Perelman
Name: Vadim Perelman
Title: Managing Member

/s/ Vadim Perelman
VADIM PERELMAN

