
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 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) January 9, 2014


U.S. AUTO PARTS NETWORK, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33264
(Commission
File Number)

68-0623433
(IRS Employer
Identification No.)

16941 Keegan Avenue, Carson, CA 90746
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (310) 735-0553

N/A
(Former name or former address, if changed since last report)

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))
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Item 7.01. Regulation FD Disclosure.

On January 10, 2014, U.S. Auto Parts Network, Inc. (the “Company”) will be meeting with certain investors and others in one-on-one meetings regarding the Company. The information to be disclosed during these meetings is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits. The following exhibit is filed with this Current Report on Form 8-K:

<u>Exhibit</u> <u>No.</u>	<u>Description</u>
99.1	Presentation of U.S. Auto Parts Network, Inc.

SIGNATURES

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.

U.S. AUTO PARTS NETWORK, INC.

Dated: January 9, 2014

By: /s/ DAVID ROBSON

David Robson
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation of U.S. Auto Parts Network, Inc.

U.S. Auto Parts Network, Inc.

Leading online source for automotive aftermarket parts and repair information



JC Whitney
EVERYTHING AUTOMOTIVE

AutoMD[™]

AUTO PARTS
WAREHOUSE

Investor Presentation

January 10, 2014

This presentation may contain certain forward-looking statements and management may make additional forward-looking statements in response to your questions. These statements do not guarantee future performance and speak only as of the date hereof, and qualify for the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933. We refer all of you to the risk factors contained in US Auto Parts Annual Report on Form 10-K and quarterly reports on Form 10-Q filed with the Securities and Exchange Commission, for more detailed discussion on the factors that can cause actual results to differ materially from those projected in any forward-looking statements.

Broad Auto Parts Product Offering



Engine Parts



Revenue* **40%**

Overall Market** **\$50B**

Performance & Accessories



21%

\$15B

Body Parts



39%

\$15B

*Represents USAP online mix, **Source; AIA Factbook Research

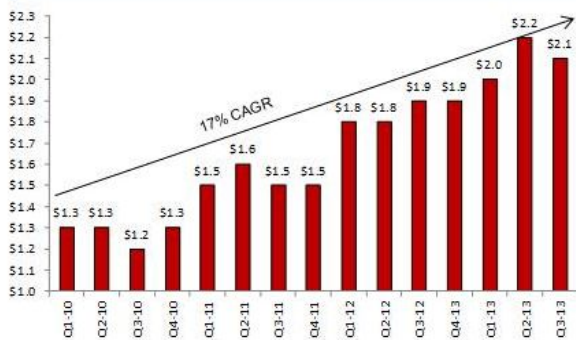
Online Market is Vibrant and Growing

Aftermarket e-Commerce Overview



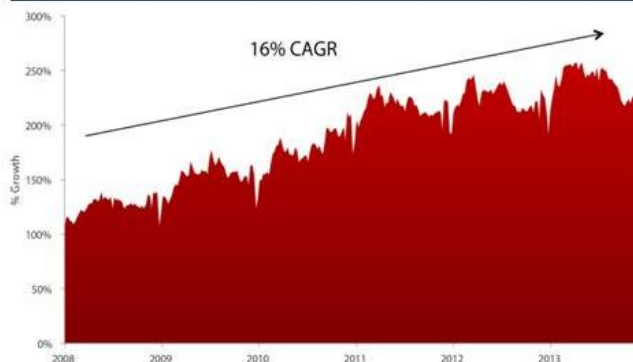
- Online sales of automotive parts and accessories continue to grow
 - Google has experienced a 6 year compound annual growth rate (“CAGR”) of 16% in queries for automotive parts
 - Mobile year over year queries increased 50% and 80% for cellphones and tablets, respectively, for September 2013 YTD

eBay Parts Sales Continue to Increase



Source: eBay filings, press releases

Google Queries for Parts Growing



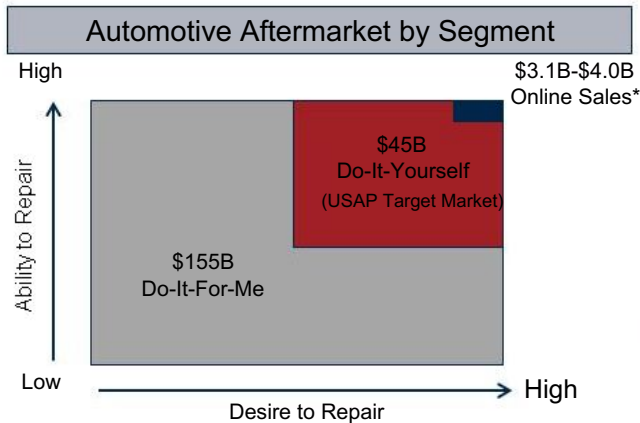
Source: Google

Size and Penetration of Online Automotive Parts

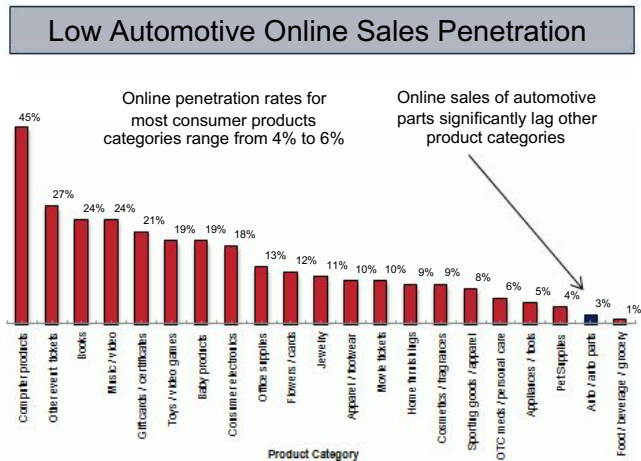
Aftermarket e-Commerce Overview



- Online penetration for auto parts has trailed penetration rates of other consumer product categories for two reasons:
 - 1) Auto parts are traditionally bought by demographics that have lower internet access rates
 - We believe consumer buying will shift from offline to online as mobile device penetration increases for these demographics
 - 2) Shopping for auto parts online can be difficult for consumers
 - The complexity required to buy an auto part online increases consumers concerns it will not fit their vehicle
 - Online retailers continue to make improvements to online shopping, reducing concerns and increasing conversion



Source: AAI
 Estimate based on AAI Fact book - \$85B in parts, \$70B in labor
 * Excludes eBay



Source: Morgan Stanley and Forrester Research

Changes to Our Business

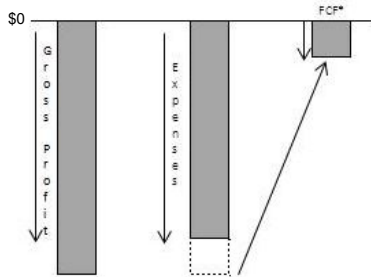


2012 - 2013

- Traffic and revenue declined resulting from search engine changes forcing us to consolidate websites →
- Gross margin compression from increased competition →
- Cost reductions could not be eliminated fast enough to keep up with gross profit dollar lost →

Go Forward

- Traffic is stabilizing and revenue from go forward sales channels has turned slightly positive
- Larger focus on Private Label business with healthier margins at competitive prices
- Cost reductions have now exceeded gross profit dollars lost from 2012 – 2013



* FCF is defined as Adjusted EBITDA less CAPX



USAP has two main competitive advantages

Product Assortment

- Over 50% of product sales directly sourced from Asia
- Transition away from lower margin stock ship branded product while expanding private label mix
- Broad assortment
 - Over 40,000 private label SKUs
 - Over 1.5M branded SKUs

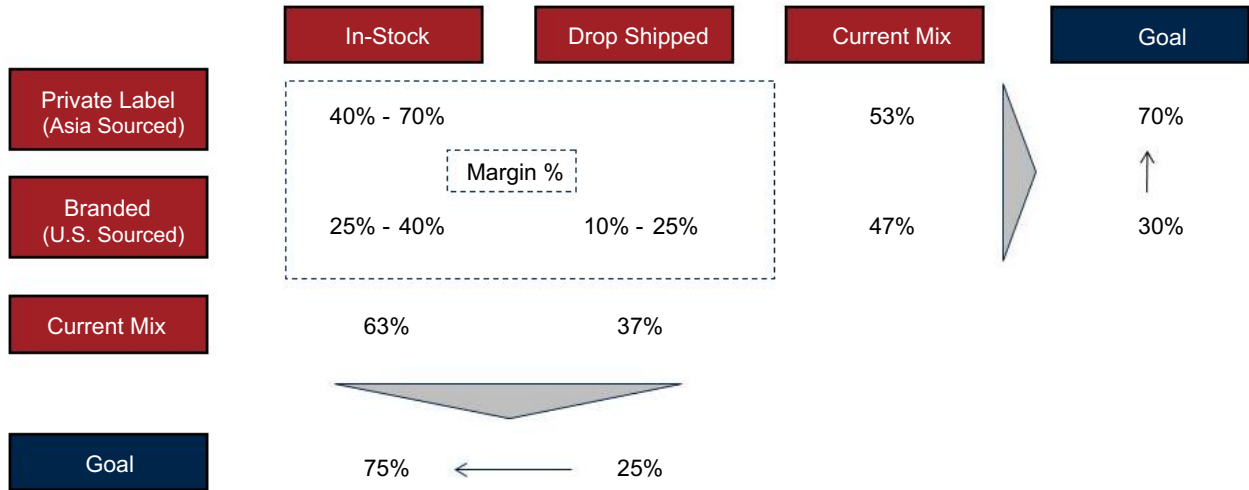
Marketing

- Over 10 million unique monthly visitors to our websites
- Unique visitors more than two times higher than any other auto parts retailer
- Less than a \$8 customer acquisition cost ("CAC")

USAP's Supply Chain Creates Pricing Advantage

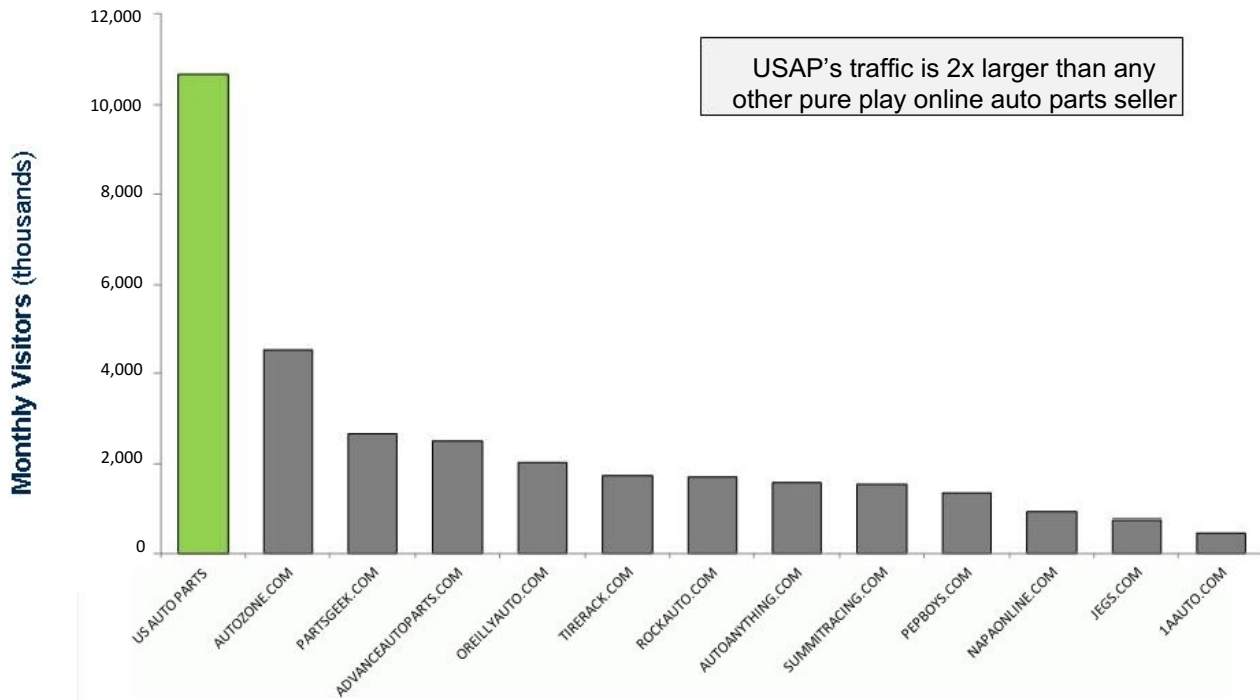


- USAP's ability to competitively price products while maintaining healthy margins is a function of the Company's ability to leverage its robust private label supply chain.
 - The Company is working to increase margins by shifting its product mix toward increased private label offerings - current margins range from 29% - 31%
 - The Company sources product directly from over 200 factories in Asia



US Auto Parts Dominant Reach- Largest Pure Play Internet Retailer

(some overlap of monthly visitors across websites)



USAP traffic includes traffic from USAP continued sales channels and WAG since the acquisition
Competitive sites' traffic based on Compete September 2013 reports

Incremental Flow Thru

Revenue	100%
Gross Margins	<u>29% - 31%</u>
Variable OPEX Costs	15%
Fixed Costs	<u>0%</u>
Incremental Flow Thru	14% - 16%

Financial Sensitivity



Our business model has significant cost leverage as revenues grow

	Base	10%	20%	30%	40%
Revenue	\$250	\$275	\$300	\$325	\$350
Gross Margin %	29.0% – 31.0%	29.0% – 31.0%	29.0% – 31.0%	29.0% – 31.0%	29.0% – 31.0%
Variable:					
Fulfillment	3.2%	3.2%	3.2%	3.2%	3.2%
Marketing	9.3%	9.3%	9.3%	9.3%	9.3%
Technology	0.7%	0.7%	0.7%	0.7%	0.7%
G&A	1.8%	1.8%	1.8%	1.8%	1.8%
Total Variable	14.9%	14.9%	14.9%	14.9%	14.9%
Fixed:					
Fulfillment	2.5%	2.2%	2.0%	1.9%	1.8%
Marketing	4.0%	3.6%	3.3%	3.0%	2.8%
Technology	1.2%	1.1%	1.0%	0.9%	0.9%
G&A	4.0%	3.6%	3.3%	3.1%	2.9%
Total Fixed	11.6%	10.6%	9.7%	9.0%	8.3%
Adjusted EBITDA %	2.4% – 4.4%	3.5% – 5.5%	4.4% – 6.4%	5.1% – 7.1%	5.8% – 7.8%
Adjusted EBITDA \$	\$6 – \$11	\$10 – \$15	\$13 – \$19	\$17 – \$23	\$20 – \$27

- Excludes stock based compensation, depreciation and amortization
- For every incremental year required to achieve growth levels, fixed expenses increase \$1.0M or 3%

Shifting the Power to You

2004 Toyota Camry LE 4 Cyl 2.4L ▼ Tracey ▼ Log Out ▼

AutoMD Insta-Quotes Diagnose How-To Guides Auto Answers Estimate Cost Find a Shop Follow Us f t

Compare Shops
By Distance and Price

3.9mi ↔ 11.2mi

\$377 ↔ \$491

Service

Alternator Replacement

Location Edit

Woodside, NY 11377

Select Part Brands

AC Delco ▼

Sort By:

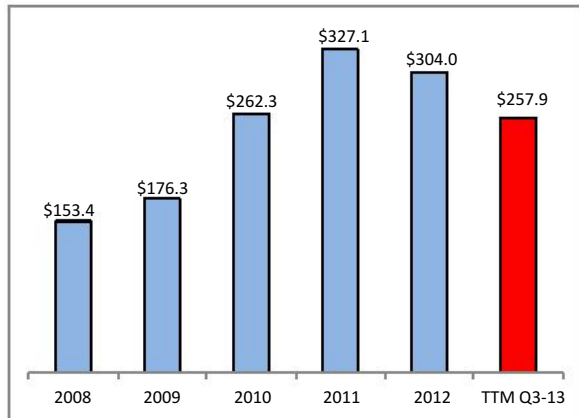
Rating: A ▼

9 Shops Found Up to \$131 saved off dealer price, that's 35% savings!

	<p>Sosa Auto Diagnostics</p> <p>yelp: ★★★★ (4) AutoMD ★★★★★ (1)</p> <p>620 Broadway Brooklyn, NY 4.6 miles away View Shop Details</p>		\$393 View Quote	<p>Request Appointment</p> <p style="font-size: 0.7em;">Pay at shop after work is completed</p>
	<p>Bismillah Auto Center</p> <p>AutoMD ★★★★★ (1)</p> <p>10 Malcolm Boulevard Brooklyn, NY 4.5 miles away View Shop Details</p>		\$377 View Quote	<p>Request Appointment</p> <p style="font-size: 0.7em;">Pay at shop after work is completed</p>
	<p>Robel and Sons Auto Repair</p> <p>AutoMD ★★★★★ (1)</p> <p>30 Bartlett Street Brooklyn, NY 4.8 miles away View Shop Details</p>		\$377 View Quote	<p>Request Appointment</p> <p style="font-size: 0.7em;">Pay at shop after work is completed</p>
	<p>Prela Enterprises, Inc.</p> <p>yelp: ★★★★ (10)</p> <p>42-42 Francis Lewis Boulevard Bayside, NY 9.1 miles away View Shop Details</p>		\$491 View Quote	<p>Request Appointment</p> <p style="font-size: 0.7em;">Pay at shop after work is completed</p>
	<p>Yellowbird Auto Diagnostic Center, Inc.</p> <p>yelp: ★★★★ (15)</p> <p>20-2 29th Street Astoria, NY</p>		\$379 View Quote	<p>Request Appointment</p> <p style="font-size: 0.7em;">Pay at shop after work is completed</p>

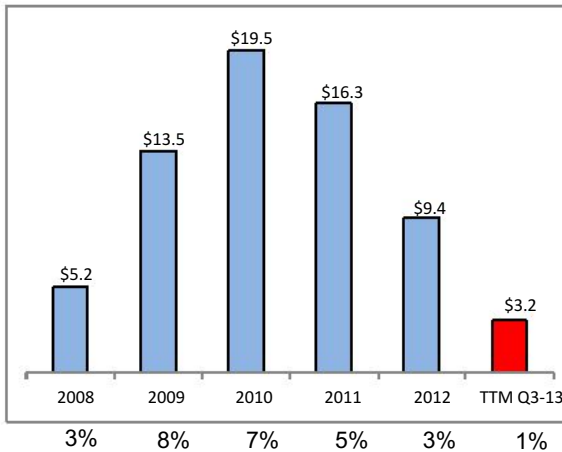
Consolidated Sales ¹

(\$ In Millions)



Consolidated Adjusted EBITDA ²

(\$ In Millions)



Adj. EBITDA Margin

1. JC Whitney was acquired in Aug 2010 adding revenue of \$39.1M in 2010 and \$83.4M in 2011. Amounts not separately disclosed after 2011.
 2. Non-GAAP financial measure EBITDA consists of net income before (a) interest expense, net; (b) income tax provisions; (c) amortization of intangible assets; (d) depreciation and amortization. Adjusted EBITDA excludes restructuring costs and other one time charges of \$0.4M, \$5.8M, \$8.0M, \$0.7M and \$0.8M in 2009, 2010, 2011, 2012 and TTM Q3-13, respectively, stock based compensation of \$2.9M, \$3.3M, \$2.7M, \$2.6M, \$1.7M and \$1.3M in 2008, 2009, 2010, 2011, 2012 and TTM Q3-13 respectively. There were no restructuring or other one time charges in 2008.

Adjusted EBITDA
 (Non-GAAP Financial Measure – in thousands)



	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28 2013	September 29 2012	September 28 2013	September 29 2012
Net loss	\$ (1,399)	\$ (2,711)	\$ (14,309)	\$ (5,195)
Interest expense, net	285	118	696	500
Income tax provision	1	41	91	293
Amortization of intangible assets	86	331	299	1,012
Depreciation and amortization expense	2,472	3,785	9,736	11,533
EBITDA	1,445	1,564	(3,487)	8,143
Share-based compensation expense	315	450	1,065	1,408
Impairment loss on property and equipment	-	-	4,832	-
Impairment loss on intangible assets	-	-	1,245	-
Loss on debt extinguishment	-	-	-	360
Restructuring costs	-	640	723	640
Adjusted EBITDA	\$ 1,760	\$ 2,654	\$ 4,378	\$ 10,551

Consolidated Statements of Comprehensive Operations
(Unaudited, in Thousands, Except Per Share Data)



	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28 2013	September 29 2012	September 28 2013	September 29 2012
Net sales	\$ 61,724	\$ 73,014	\$ 195,018	\$ 241,169
Cost of sales ⁽¹⁾	43,817	50,121	138,360	167,307
Gross profit	17,907	22,893	56,658	73,862
Operating expenses:				
Marketing	9,385	12,909	31,762	39,337
General and administrative	4,261	4,926	13,626	15,510
Fulfillment	4,217	5,685	14,589	17,242
Technology	1,204	1,590	4,035	4,826
Impairment loss on property and equipment	-	-	4,832	-
Impairment loss on intangible assets	-	-	1,245	-
Amortization of intangible assets	86	331	299	1,012
Total operating expenses	19,153	25,441	70,388	77,927
Loss from operations	(1,246)	(2,548)	(13,730)	(4,065)
Other income (expense):				
Other income (expense), net	135	(1)	214	34
Interest expense	(287)	(121)	(702)	(511)
Loss on debt extinguishment	-	-	-	(360)
Total other expense, net	(152)	(122)	(488)	(837)
Loss before income tax provision	(1,398)	(2,670)	(14,218)	(4,902)
Income tax provision	1	41	91	293
Net loss	(1,399)	(2,711)	(14,309)	(5,195)
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	6	11	31	35
Unrealized gains on investments	2	1	4	30
Total other comprehensive income	8	12	35	65
Comprehensive loss	\$ (1,391)	\$ (2,699)	\$ (14,274)	\$ (5,130)
Basic and diluted net loss per share	\$ (0.04)	\$ (0.09)	\$ (0.44)	\$ (0.17)
Shares used in computation of basic and diluted net loss per share	33,218	30,854	32,493	30,716

⁽¹⁾ Excludes depreciation and amortization expense which is included in marketing, general and administrative and fulfillment expense.

Consolidated Balance Sheets

(Unaudited in Thousands, Except Par and Per Share Liquidation Value)



	September 28 2013	December 29 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,099	\$ 1,030
Short-term investments	93	110
Accounts receivable, net of allowances of \$245 and \$221 at September 28, 2013 and December 29, 2012, respectively	5,044	7,431
Inventory	40,177	42,727
Deferred income taxes	54	39
Other current assets	3,716	4,176
Total current assets	50,183	55,513
Property and equipment, net	20,408	28,559
Intangible assets, net	1,683	3,227
Other non-current assets	1,472	1,578
Total assets	<u>\$ 73,746</u>	<u>\$ 88,877</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 20,505	\$ 28,025
Accrued expenses	6,820	10,485
Revolving loan payable	8,299	16,222
Current portion of capital leases payable	285	70
Other current liabilities	3,873	4,738
Total current liabilities	39,782	59,540
Capital leases payable, net of current portion	9,558	70
Deferred income taxes	437	314
Other non-current liabilities	2,175	1,309
Total liabilities	51,952	61,233
Commitments and contingencies		
Stockholders' equity:		
Series A convertible preferred stock, \$0.001 par value; \$1.45 per share liquidation value or aggregate of \$6,017; 4,150 shares authorized; 4,150 and 0 shares issued and outstanding at September 28, 2013 and December 29, 2012, respectively	4	-
Common stock, \$0.001 par value; 100,000 shares authorized; 33,219 shares and 31,128 shares issued and outstanding at September 28, 2013 and December 29, 2012, respectively	33	31
Additional paid-in capital	168,263	159,781
Common stock dividend distributable	60	-
Accumulated other comprehensive income	419	384
Accumulated deficit	(146,985)	(132,552)
Total stockholders' equity	21,794	27,644
Total liabilities and equity	<u>\$ 73,746</u>	<u>\$ 88,877</u>



Thank You