
**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) March 10, 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))
-
-

Item 7.01. Regulation FD Disclosure.

On March 11, 2014, at the 26th Annual ROTH Conference in Dana Point, California, U.S. Auto Parts Network, Inc. (the "Company") will be speaking and meeting with certain analysts, 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:

Exhibit

<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.

Dated: March 10, 2014

U.S. AUTO PARTS NETWORK, INC.

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



Investor Presentation

March 11, 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



Performance & Accessories



Body Parts



Revenue* **41%**

19%

40%

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

\$15B

\$15B

*Represents USAP online mix
 **Source: AAI Factbook Research

Online Market is Vibrant and Growing

Aftermarket e-Commerce Overview



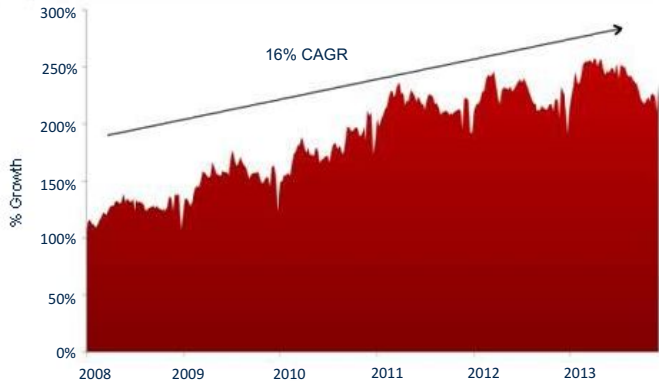
- Online sales of automotive parts and accessories continue to grow
 - Google has experienced a 6 year compound annual growth rate (“CAGR”) of 16% in queries for automotive parts
 - Mobile year over year queries increased 50% and 80% for cellphones and tablets, respectively, for September 2013 YTD

eBay Parts Sales Continue to Increase



Source: eBay filings, press releases

Google Queries for Parts Growing



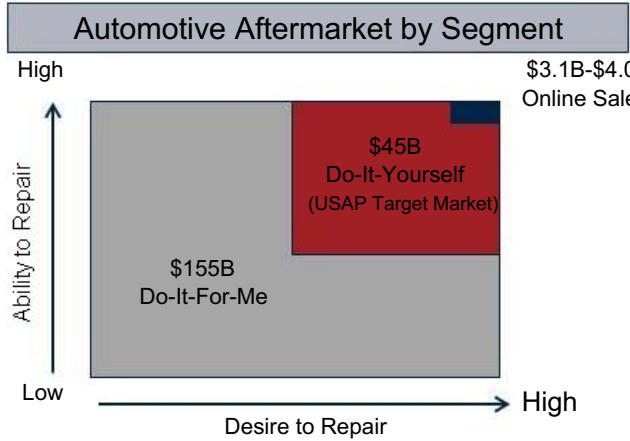
Source: Google

Size and Penetration of Online Automotive Parts

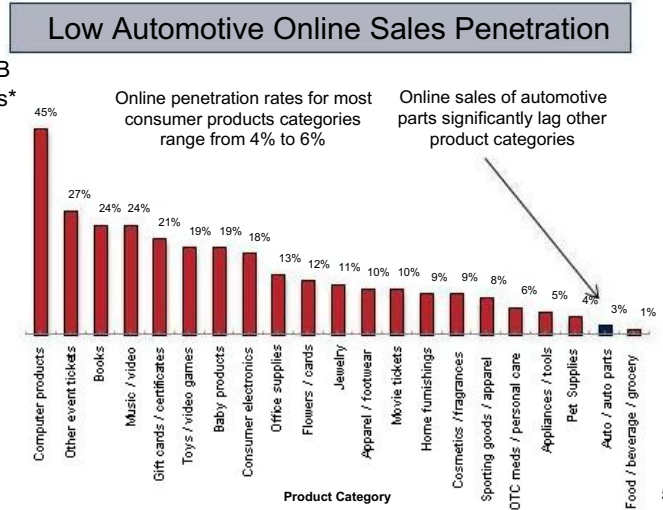
Aftermarket e-Commerce Overview



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



Source: Morgan Stanley and Forrester Research

Changes to Our Business

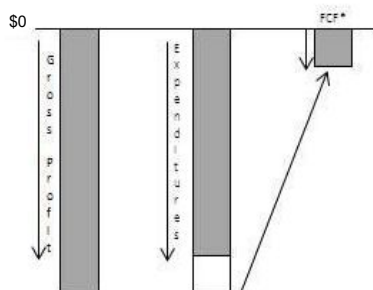


2012 - 2013

- 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

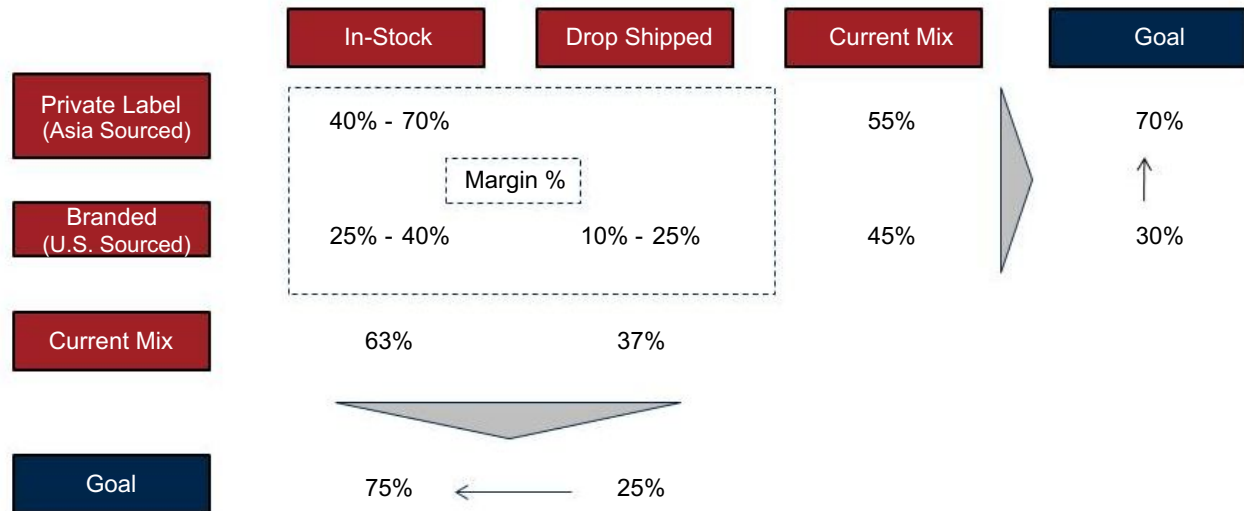
- Over 50% of product sales directly sourced from Asia
- Transition away from lower margin stock ship branded product while expanding private label mix
- Broad assortment
 - Over 40,000 private label SKUs
 - Over 1.5M branded SKUs

Marketing

- Over 10 million unique monthly visitors to our websites
- Unique visitors more than two times higher than any other auto parts retailer
- \$7 customer acquisition cost ("CAC")

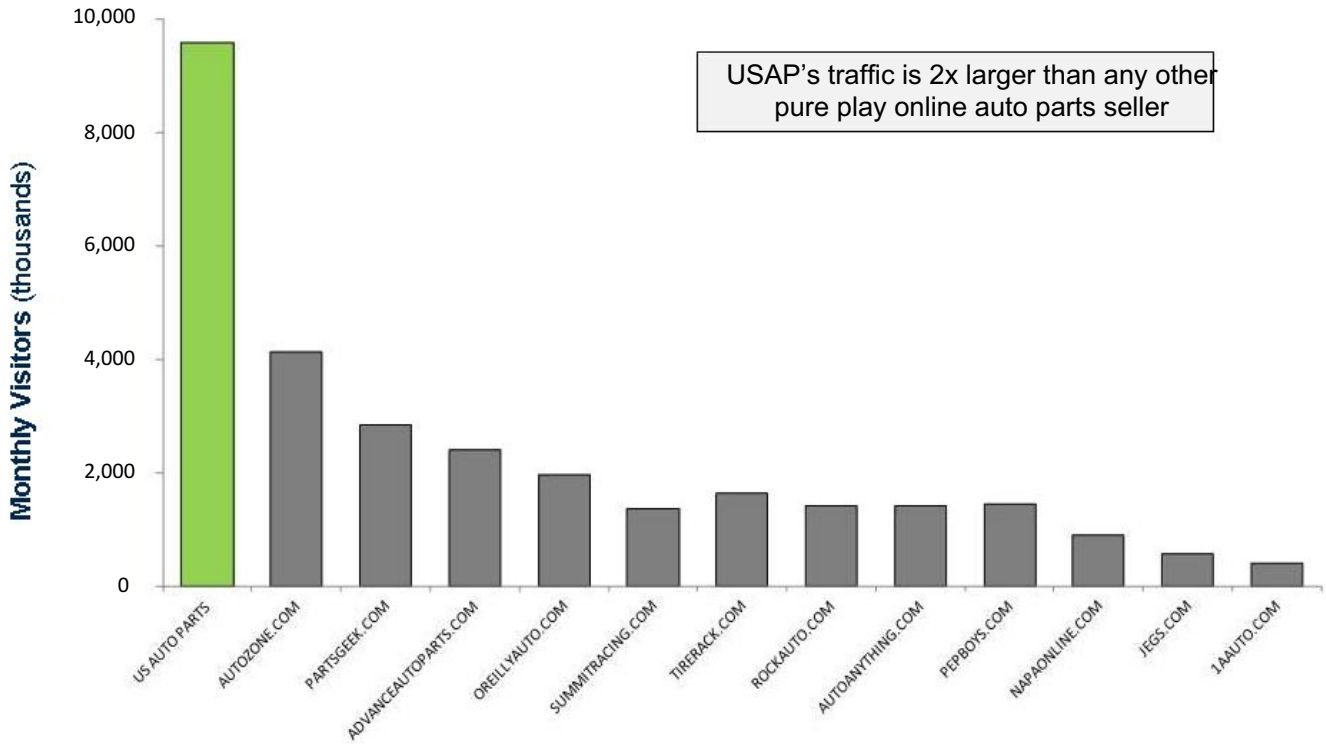
USAP's Supply Chain Creates Pricing Advantage

- 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 December 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

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

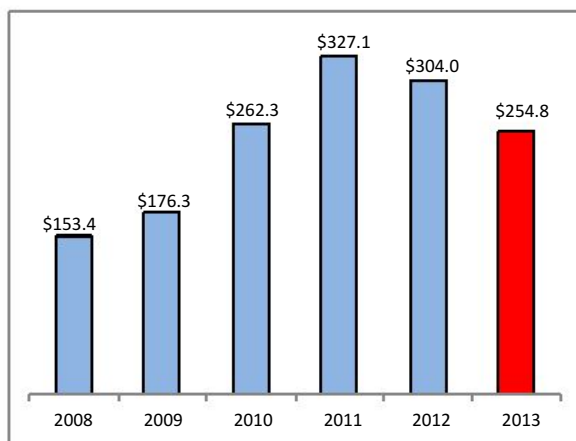
Up to \$131 saved off dealer price, that's 35% savings!

9 Shops Found

	<p>Sosa Auto Diagnostics</p> <p><small>yelp: (4) AutoMD (1)</small></p> <p>620 Broadway Brooklyn, NY 4.6 miles away View Shop Details</p>		<p>\$393</p> <p><small>View Quote</small></p>	<p style="background-color: #f4a460; color: white; padding: 5px; border-radius: 3px;">Request Appointment</p> <p style="font-size: x-small;">Pay at shop after work is completed</p>
	<p>Bismillah Auto Center</p> <p><small>AutoMD (1)</small></p> <p>10 Malcolm Boulevard Brooklyn, NY 4.5 miles away View Shop Details</p>		<p>\$377</p> <p><small>View Quote</small></p>	<p style="background-color: #f4a460; color: white; padding: 5px; border-radius: 3px;">Request Appointment</p> <p style="font-size: x-small;">Pay at shop after work is completed</p>
	<p>Robel and Sons Auto Repair</p> <p><small>AutoMD (1)</small></p> <p>30 Bartlett Street Brooklyn, NY 4.8 miles away View Shop Details</p>		<p>\$377</p> <p><small>View Quote</small></p>	<p style="background-color: #f4a460; color: white; padding: 5px; border-radius: 3px;">Request Appointment</p> <p style="font-size: x-small;">Pay at shop after work is completed</p>
	<p>Prela Enterprises, Inc.</p> <p><small>yelp: (10)</small></p> <p>42-42 Francis Lewis Boulevard Bayside, NY 9.1 miles away View Shop Details</p>		<p>\$491</p> <p><small>View Quote</small></p>	<p style="background-color: #f4a460; color: white; padding: 5px; border-radius: 3px;">Request Appointment</p> <p style="font-size: x-small;">Pay at shop after work is completed</p>
	<p>Yellowbird Auto Diagnostic Center, Inc.</p> <p><small>yelp: (15)</small></p> <p>20-229th Street Astoria, NY</p>		<p>\$379</p> <p><small>View Quote</small></p>	<p style="background-color: #f4a460; color: white; padding: 5px; border-radius: 3px;">Request Appointment</p> <p style="font-size: x-small;">Pay at shop after work is completed</p>

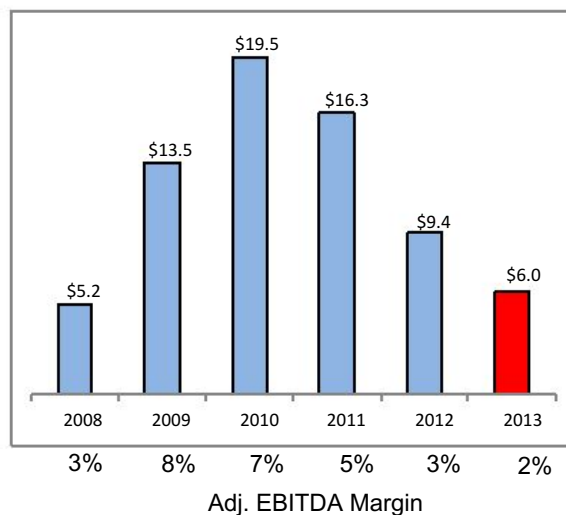
Consolidated Sales ¹

(\$ In Millions)



Consolidated Adjusted EBITDA ²

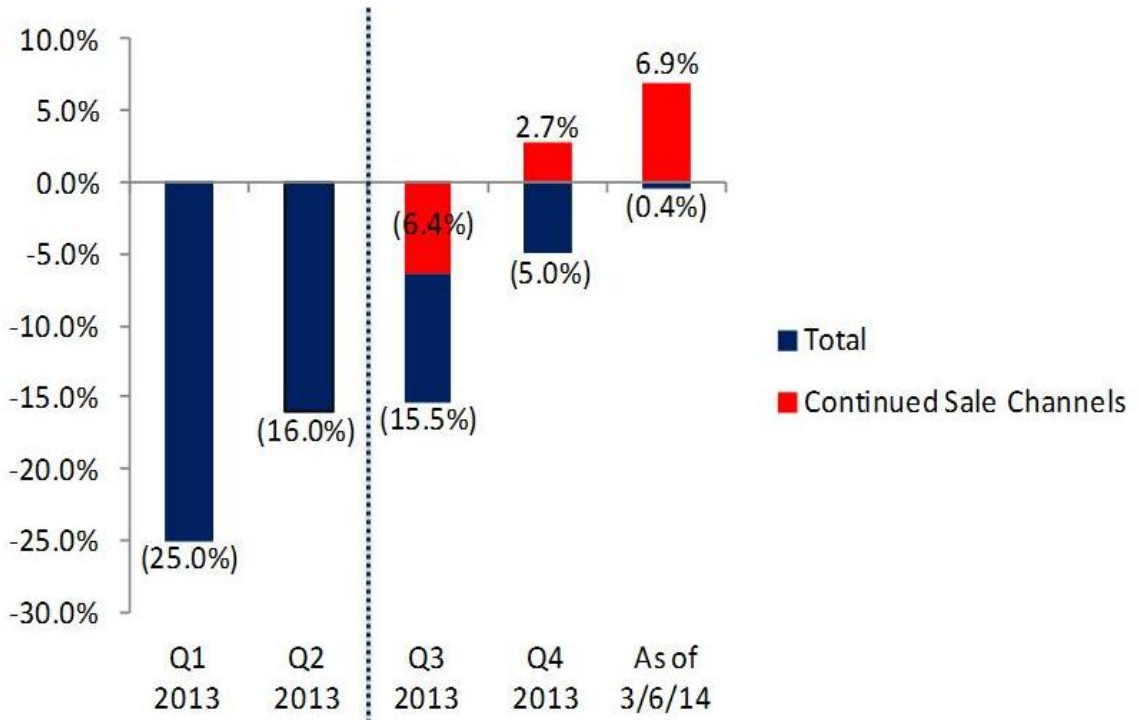
(\$ In Millions)



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 2013, 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 2013 respectively. There were no restructuring or other one time charges in 2008.

Recent Revenue Trends



Completed the retirement of a number of websites by the end of 2Q '13

Adjusted EBITDA

(Non-GAAP Financial Measure – in thousands)



	Thirteen Weeks Ended		Fifty-Two Weeks Ended	
	December 28 2013	December 29 2012	December 28 2013	December 29 2012
Net loss	\$ (1,325)	\$ (30,783)	\$ (15,634)	\$ (35,978)
Interest expense, net	276	274	972	774
Income tax provision	(48)	(1,230)	43	(937)
Amortization of intangible assets	82	177	381	1,189
Depreciation and amortization expense	<u>2,439</u>	<u>3,671</u>	<u>12,175</u>	<u>15,204</u>
EBITDA	1,424	(27,891)	(2,063)	(19,748)
Impairment loss on goodwill	-	18,854	-	18,854
Impairment loss on property and equipment	-	1,960	4,832	1,960
Impairment loss on intangible assets	-	5,613	1,245	5,613
Shared-based compensation expense	198	265	1,263	1,673
Loss on debt extinguishment	-	-	-	360
Legal costs related to intellectual property	-	67	-	67
Restructuring costs	-	-	<u>723</u>	<u>640</u>
Adjusted EBITDA	<u>\$ 1,622</u>	<u>\$ (1,132)</u>	<u>\$ 6,000</u>	<u>\$ 9,419</u>

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



	Thirteen Weeks Ended		Fifty-two Weeks Ended	
	December 28	December 29	December 28	December 29
	2013	2012	2013	2012
Net sales	\$ 59,735	\$ 62,848	\$ 254,753	\$ 304,017
Cost of sales ⁽¹⁾	42,260	45,072	180,620	212,379
Gross profit	17,475	17,776	74,133	91,638
Operating expenses:				
Marketing	9,284	12,079	41,045	51,416
General and administrative	3,941	4,347	17,567	19,857
Fulfillment	4,112	5,023	18,702	22,265
Technology	1,093	1,448	5,128	6,274
Amortization of intangible assets	82	177	381	1,189
Impairment loss on goodwill	-	18,854	-	18,854
Impairment loss on property and equipment	-	1,960	4,832	1,960
Impairment loss on intangible assets	-	5,613	1,245	5,613
Total operating expenses	18,512	49,501	88,900	127,428
Loss from operations	(1,037)	(31,725)	(14,767)	(35,790)
Other income (expense):				
Other income (expense), net	(66)	(14)	148	20
Interest expense	(270)	(274)	(972)	(785)
Loss on debt extinguishment	-	-	-	(360)
Total other expense, net	(336)	(288)	(824)	(1,125)
Loss before income tax provision	(1,373)	(32,013)	(15,591)	(36,915)
Income tax provision	(48)	(1,230)	43	(937)
Net loss	(1,325)	(30,783)	(15,634)	(35,978)
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	24	(4)	55	31
Unrealized gains on investments	3	(4)	7	26
Total other comprehensive income	27	(8)	62	57
Comprehensive loss	\$ (1,298)	\$ (30,791)	\$ (15,572)	\$ (35,921)
Basic and diluted net loss per share	\$ (0.04)	\$ (0.99)	\$ (0.48)	\$ (1.17)
Shares used in computation of basic and diluted net loss per share	33,308	31,128	32,697	30,818

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

Consolidated Balance Sheets

(In Thousands, Except Par and Per Share Liquidation Value)



	December 28 2013	December 29 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 818	\$ 1,030
Short-term investments	47	110
Accounts receivable, net of allowances of \$213 and \$221 at December 28, 2013 and December 29, 2012, respectively	5,029	7,431
Inventory	36,986	42,727
Deferred income taxes	-	39
Other current assets	3,234	4,176
Total current assets	46,114	55,513
Property and equipment, net	19,663	28,559
Intangible assets, net	1,601	3,227
Other non-current assets	1,804	1,578
Total assets	\$ 69,182	\$ 88,877
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 19,669	\$ 28,025
Accrued expenses	5,959	10,485
Revolving loan payable	6,774	16,222
Current portion of capital leases payable	269	70
Other current liabilities	3,682	4,738
Total current liabilities	36,353	59,540
Capital leases payable, net of current portion	9,502	70
Deferred income taxes	335	314
Other non-current liabilities	2,126	1,309
Total liabilities	48,316	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 December 28, 2013 and December 29, 2012, respectively	4	-
Common stock, \$0.001 par value; 100,000 shares authorized; 33,352 shares and 31,128 shares issued and outstanding at December 28, 2013 and December 29, 2012, respectively	33	31
Additional paid-in capital	168,693	159,781
Common stock dividend distributable	60	-
Accumulated other comprehensive income	446	384
Accumulated deficit	(148,370)	(132,552)
Total stockholders' equity	20,866	27,644
Total liabilities and equity	\$ 69,182	\$ 88,877



Thank You