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NATUZZI S P A  
Form 6-K  
November 14, 2003

CONFORMED

Securities and Exchange Commission  
Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer  
Pursuant To Rule 13a-16 Or 15d-16  
Of The  
Securities Exchange Act of 1934

For the month of November 2003

Commission File Number 1-11854

NATUZZI S.p.A.  
(Translation of Registrant's name into English)

Via Iazzitiello 47  
70029 Santeramo, Italy  
(Address of principal office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F  Form 40-F   
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(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes  No   
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(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82- .)

Natuzzi Announces Third Quarter 2003 Financial Results

SANTERAMO IN COLLE, Bari, Italy--(BUSINESS WIRE)--Nov. 12,  
2003--Natuzzi (NYSE: NTZ)--

-- Quarter's highlights:

-- Net sales increased 1.2% to EUR 173.9 million  
-- Unit sales up 1.7%  
-- Net profit margin declined from 10.4% to 4.0%

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Natuzzi S.p.A. (NYSE: NTZ) ('Natuzzi' or 'the Company'), the world's leading manufacturer of leather-upholstered furniture, today announced financial results for the third quarter ended September 30, 2003.

### NET SALES

In the third quarter of 2003, net sales increased 1.2 percent from EUR 171.9 million or \$ 169.2 million in the third quarter of 2002 to EUR 173.9 million or \$ 195.9 million. In the nine-month period, net sales decreased 7.1 percent to EUR 560.0 million or \$ 622.9 from EUR 602.5 million or \$ 558.8 million in the prior-year period.

Natuzzi's third quarter 2003 net upholstery sales were EUR 147.7 million or \$ 166.4 million, down 6.3 percent over the previous year's quarter and other sales (principally living-room accessories, raw materials and other) increased 83.2 percent to EUR 26.2 million or \$ 29.5 million.

Third quarter 2003 net upholstery sales decreased 2.2 percent in the Americas to EUR 81.9 million or \$ 92.3 million and decreased 13.1 percent in Europe to EUR 54.5 million or \$ 61.4 million. In the rest of the world, net upholstery sales increased 0.9 percent to EUR 11.3 million or \$ 12.7 million.

In the third quarter of 2003, total net sales to "Divani & Divani by Natuzzi", "Natuzzi Store" and "Kingdom of Leather" stores increased 32.1 percent to EUR 21.4 million, or \$ 24.1 million. During the quarter 12 new stores were opened in Italy, France, USA, United Kingdom, Switzerland and Malta bringing the total number of stores to 133 in Italy and 97 outside Italy.

Leather-upholstered furniture sales in the third quarter of 2003 decreased 11.3 percent from last year's quarter to EUR 120.4 million, or \$ 135.6 million. Fabric upholstered furniture sales were EUR 27.3 million, or \$ 30.8 million, up 25.2 percent compared to the third quarter 2002.

Sales of Natuzzi-branded furniture, which accounted for 76.6 percent of third quarter total net upholstery sales, were EUR 113.2 million, or \$ 127.5 million, down 11.7 percent compared to last year's quarter sales of EUR 128.2 million, or \$ 126.2 million. In the same period, net sales of Italsofa branded furniture increased 17.3 percent to EUR 34.5 million, or \$ 38.9 million, from EUR 29.4 million, or \$ 28.9 million.

Pasquale Natuzzi, Chairman and Chief Executive Officer, said "While unit sales increased 1.7 percent in the quarter compared to the same period of 2002, despite the weak economic conditions reported in Europe in the period, the appreciation of the Euro against the US dollar and other currencies in which we export had a negative effect on Natuzzi's upholstery sales performance."

### GROSS PROFIT & OPERATING INCOME

Third quarter 2003 gross profit was EUR 60.7 million, or \$ 68.4 million, up 5.4 percent over the last year's quarter. Over the same period, Natuzzi's gross profit margin increased to 34.9 percent from 33.5.

Natuzzi's third quarter 2003 operating income decreased 39.9 percent to EUR 10.7 million or \$ 12.1 million. Operating margins for each year's comparable quarter were 6.2 percent in 2003 and 10.4 percent in 2002.

### FOREX & TAXES

In the third quarter 2003, Natuzzi had a net foreign exchange loss of EUR 2.3 million, or \$ 2.6 million, versus a gain of EUR 3.2 million

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or \$ 3.1 million reported in the third quarter 2002.

Income taxes for third quarter 2003 were EUR 2.6 million, or \$ 2.9 million. The effective tax rate was 27.1 percent versus a 19.5 percent in the prior year's period.

### NET INCOME & EARNINGS PER SHARE

Third quarter 2003 net income was EUR 7.0 million or \$ 7.9 million, down 60.9 percent from EUR 17.9 million or \$ 17.6 million in the same period last year, while third quarter earnings per share (ADR) were EUR 0.13, or \$ 0.15. In the nine month period net income decreased 53.8 percent to EUR 33.7 million, or \$ 37.5 million, from EUR 73.0 million or \$ 67.7 million in the prior year's comparable period.

Pasquale Natuzzi commented "In third quarter 2003, the Company's profitability continued to be affected by the same factors reported in the previous two quarters: Strong appreciation of the Euro, higher advertising expenses, costs incurred to open new stores and galleries, and the persistent pressure on price coming from low cost countries."

### CASH FLOW

In the first nine months of 2003, net cash flow from operations totaled EUR 24.3 million or \$ 27.0 million, down 69.0 percent from EUR 78.4 million, or \$ 72.7 million generated in the comparable period in 2002. On a per ADR basis, nine months 2003 net operating cash flow was EUR 0.44, or \$ 0.49, compared to EUR 1.43 or \$ 1.33 in 2002.

### INVESTMENTS

In order to support the increasing demand of Italsofa, the Company is expanding production capacity in China and Brazil. Total investment in Brazil is almost EUR 15.0 million, including the recent acquisition of Minuano Nordeste, a company that benefits from local government subsidies for the development of manufacturing facilities. In China, Natuzzi expects to invest approximately EUR 20 million.

### OUTLOOK

Based on the results achieved in the first nine months of the year, the continuing investments in the Natuzzi brand strategy and the current cost structure, which will be rationalized in 2004, we expect to report unit sales that are about flat with last year's and a net profit margin of approximately 6% for the full year 2003.

### CONVERSION RATES

The third quarter 2003 and 2002 dollar figures presented in this announcement were converted at an average noon buying rate of \$ 1.1266 per EUR and \$ 0.9843 per EUR, respectively. The nine months figures for 2003 and 2002 were converted at an average noon buying rate of \$ 1.1124 per EUR and \$ 0.9274 per EUR, respectively.

### ABOUT NATUZZI S.P.A.

Founded in 1959 by Pasquale Natuzzi, Natuzzi S.p.A. designs and manufactures a broad collection of leather-upholstered residential furniture.

Italy's largest furniture manufacturer, Natuzzi is the global leader in the leather segment, exporting its innovative, high-quality sofas and armchairs to 123 markets on 5 continents. Cutting-edge design, superior Italian craftsmanship, and advanced,

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vertically-integrated manufacturing operations underpin the Company's market leadership.

Since 1990, Natuzzi has sold its furnishings in Italy through the popular Divani & Divani by Natuzzi chain of 132 stores, which it licenses to qualified furniture dealers. Outside Italy, the Company sells to various furniture retailers, as well as through 88 licensed Divani & Divani by Natuzzi and Natuzzi stores and 13 Kingdom of Leather stores.

Natuzzi S.p.A. was listed on the New York Stock Exchange on May 13, 1993. The Company is ISO 9001 and 14001 certified.

Statements in this press release other than statements of historical fact are "forward-looking statements". Forward-looking statements are based on management's current expectations and beliefs and therefore you should not place undue reliance on them. These statements are subject to a number of risks and uncertainties, including risks that may not be subject to the Company's control, that could cause actual results to differ materially from those contained in any forward-looking statement. These risks include, but are not limited to, fluctuations in exchange rates, economic and weather factors affecting consumer spending, competitive and regulatory environment, as well as other political, economical and technological factors, and other risks identified from time to time in the Company's filings with the Securities and Exchange Commission, particularly in the Company's annual report on Form 20-F. Forward looking statements speak as of the date they were made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events.

### NATUZZI S.p.A. AND SUBSIDIARIES

Unaudited Consolidated Statement of Earnings  
for the third quarter ended September 30, 2003 and 2002 on the  
basis of Italian GAAP  
(Expressed in millions of EUR except per share data)

	3rd Quarter		3rd Quarter		%
	2003	%	2002	%	Change
		Sales		Sales	
Upholstery net sales	147.7		157.6		-6.3%
Other sales	26.2		14.3		83.2%
Net Sales	173.9	100%	171.9	100%	1.2%
Purchases	(83.7)		(81.3)		3.0%
Labor	(23.4)		(23.2)		0.9%
Third-party Manufacturers	(6.8)		(7.9)		-13.9%
Manufacturing Costs	(6.8)		(7.2)		-5.6%
Inventories, net	7.5		5.3		41.5%
Cost of Sales	(113.2)		(114.3)		-1.0%
Gross Profit	60.7	34.9%	57.6	33.5%	5.4%
Selling Expenses	(40.9)		(31.2)		31.1%
General and Administrative Expenses	(9.1)		(8.6)		5.8%
Operating Income	10.7	6.2%	17.8	10.4%	-39.9%
Interest Income, net	0.1		0.5		
Foreign Exchange, net	(2.3)		3.2		

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Other Income, net	1.1		0.6		
Earnings before taxes and minority interest	9.6		22.1		-56.6%
Income taxes	(2.6)		(4.3)		-39.5%
Earnings before minority interest	7.0		17.8		-60.7%
Minority Interest	0.0		(0.1)		
Net Earnings	7.0	4.0%	17.9	10.4%	-60.9%
	=====		=====		
Earnings per Share	0.13		0.33		
	=====		=====		
Average Number of Shares Outstanding*	54,681,628		54,681,628		
(*) Net of shares repurchased			1 EUR = 1,936.27 ITL		

### KEY FIGURES IN U.S. DOLLARS (millions)

	3rd Quarter 2003	3rd Quarter 2002
	----	----
Net Sales	195.9	169.2
Gross Profit	68.4	56.7
Operating Profit	12.1	17.5
Net Earnings	7.9	17.6
Earnings per Share in U.S. dollars	0.15	0.32
Average exchange rate (U.S. dollar per Euro)	1.1266	0.9843

**NATUZZI S.p.A. AND SUBSIDIARIES**  
 Unaudited Consolidated Statement of Earnings  
 for nine months ended September 30, 2003 and 2002 on  
 the basis of Italian GAAP  
 (Expressed in millions of EUR except per share data)

	September 30 2003	%	September 30 2002	%	%
		Sales		Sales	Change
Upholstery net sales	491.5		551.5		-10.9%
Other sales	68.5		51.0		34.3%
Net Sales	560.0	100%	602.5	100%	-7.1%
Purchases	(273.1)		(260.7)		4.8%
Labor	(77.4)		(81.7)		-5.3%
Third-party Manufacturers	(24.5)		(29.0)		-15.5%
Manufacturing Costs	(21.3)		(22.0)		-3.2%
Inventories, net	24.9		5.8		329.3%
Cost of Sales	(371.4)		(387.6)		-4.2%

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Gross Profit	188.6	33.7%	214.9	35.7%	-12.2%
Selling Expenses	(129.2)		(105.0)		23.0%
General and Administrative Expenses	(27.5)		(28.1)		-2.1%
Operating Income	31.9	5.7%	81.8	13.6%	-61.0%
Interest Income, net	0.7		0.9		
Foreign Exchange, net	7.8		9.0		
Other Income, net	2.3		0.8		
Earnings before taxes and minority interest	42.7		92.5		-53.8%
Income taxes	(9.1)		(19.6)		-53.6%
Earnings before minority interest	33.6		72.9		-53.9%
Minority Interest	(0.1)		(0.1)		
Net Earnings	33.7	6.0%	73.0	12.1%	-53.8%
	=====		=====		
Earnings per Share	0.62		1.34		
	=====		=====		
Average Number of Shares Outstanding*	54,681,628		54,681,628		

(\* ) Net of shares repurchased 1 EUR = 1,936.27 ITL

### KEY FIGURES IN U.S. DOLLARS (millions)

	September 30 2003	September 30 2002
Net Sales	622.9	558.8
Gross Profit	209.8	199.3
Operating Profit	35.5	75.9
Net Earnings	37.5	67.7
Earnings per Share in U.S. dollars	0.69	1.24
Average exchange rate (U.S. dollar per Euro)	1.1124	0.9274

### GEOGRAPHIC BREAKDOWN

Sales			Seat Units		
(Expressed in millions of EUR)					
3rd Quarter 2003	3rd Quarter 2002	%	3rd Quarter 2003	3rd Quarter 2002	%
		Change			Change

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Americas	81.9	83.7	-2.2%	414,624	371,507	11.6%
% of total	55.5%	53.1%		61.3%	55.9%	
Europe	54.5	62.7	-13.1%	215,207	246,428	-12.7%
% of total	36.9%	39.8%		31.8%	37.0%	
Rest of world	11.3	11.2	0.9%	46,263	47,166	-1.9%
% of total	7.6%	7.1%		6.9%	7.1%	
<b>TOTAL</b>	<b>147.7</b>	<b>157.6</b>	<b>-6.3%</b>	<b>676,094</b>	<b>665,101</b>	<b>1.7%</b>

### BREAKDOWN BY COVERING

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	3rd Quarter 2003	3rd Quarter 2002	% Change	3rd Quarter 2003	3rd Quarter 2002	% Change
Leather	120.4	135.8	-11.3%	511,023	546,612	-6.5%
% of total	81.5%	86.2%		75.6%	82.2%	
Fabric	27.3	21.8	25.2%	165,071	118,489	39.3%
% of total	18.5%	13.8%		24.4%	17.8%	
<b>TOTAL</b>	<b>147.7</b>	<b>157.6</b>	<b>-6.3%</b>	<b>676,094</b>	<b>665,101</b>	<b>1.7%</b>

### BREAKDOWN BY BRAND

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	3rd Quarter 2003	3rd Quarter 2002	% Change	3rd Quarter 2003	3rd Quarter 2002	% Change
Natuzzi	113.2	128.2	-11.7%	457,045	490,912	-6.9%
% of total	76.6%	81.3%		67.6%	73.8%	
Italsofa	34.5	29.4	17.3%	219,049	174,189	25.8%
% of total	23.4%	18.7%		32.4%	26.2%	
<b>TOTAL</b>	<b>147.7</b>	<b>157.6</b>	<b>-6.3%</b>	<b>676,094</b>	<b>665,101</b>	<b>1.7%</b>

### GEOGRAPHIC BREAKDOWN

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	Sept. 30 2003	Sept. 30 2002	% Change	Sept. 30 2003	Sept. 30 2002	% Change
Americas	240.7	281.5	-14.5%	1,258,395	1,176,454	7.0%
% of total	49.0%	51.0%		56.6%	52.5%	
Europe	221.8	237.4	-6.6%	835,267	926,290	-9.8%
% of total	45.1%	43.1%		37.6%	41.4%	
Rest of world	29.0	32.6	-11.0%	127,805	136,126	-6.1%
% of total	5.9%	5.9%		5.8%	6.1%	
<b>TOTAL</b>	<b>491.5</b>	<b>551.5</b>	<b>-10.9%</b>	<b>2,221,467</b>	<b>2,238,870</b>	<b>-0.8%</b>

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BREAKDOWN BY COVERING

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	Sept. 30 2003	Sept. 30 2002	% Change	Sept. 30 2003	Sept. 30 2002	% Change
Leather	400.6	469.7	-14.7%	1,673,646	1,809,105	-7.5%
% of total	81.5%	85.2%		75.3%	80.8%	
Fabric	90.9	81.8	11.1%	547,821	429,765	27.5%
% of total	18.5%	14.8%		24.7%	19.2%	
TOTAL	491.5	551.5	-10.9%	2,221,467	2,238,870	-0.8%

BREAKDOWN BY BRAND

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	Sept. 30 2003	Sept. 30 2002	% Change	Sept.30 2003	Sept. 30 2002	% Change
Natuzzi	390.3	459.6	-15.1%	1,551,946	1,728,369	-10.2%
% of total	79.4%	83.3%		69.9%	77.2%	
Italsofa	101.2	91.9	10.1%	669,521	510,501	31.1%
% of total	20.6%	16.7%		30.1%	22.8%	
TOTAL	491.5	551.5	-10.9%	2,221,467	2,238,870	-0.8%

NATUZZI S.p.A. AND SUBSIDIARIES  
 Unaudited Consolidated Balance Sheet  
 as of September 30, 2003 and December 31, 2002  
 (Expressed in millions of EUR)

ASSETS	Sept. 30, 2003	Dec. 31, 2002
Current Assets:		
Cash and cash equivalents	68.2	96.7
Marketable debt securities	-	-
Trade receivables, net	134.6	158.4
Other receivables	51.8	58.3
Inventories	109.0	84.1
Unrealized foreign exchange gain	9.2	2.0
Prepaid expenses and accrued income	4.0	1.3
Deferred income taxes	1.0	1.8
Total current assets	377.8	402.6
Non-Current Assets:		
Net property, plant and equipment	253.6	228.9
Treasury shares	37.8	37.8



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Other assets	14.1	5.1
Deferred income taxes	0.1	0.1
	-----	-----
Total Assets	683.4	674.5
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	9.4	0.2
Current portion of long-term debt	2.9	1.4
Accounts payable-trade	69.3	87.5
Accounts payable-shareholders for dividends	-	-
Accounts payable-other	17.8	15.7
Allowance for unrealized foreign exchange losses	-	-
Income taxes	5.6	9.2
Salaries, wages and related liabilities	16.6	14.7
Total current liabilities	121.6	128.7
	-----	-----
Long-Term Liabilities:		
Employees' termination indemnity	27.4	25.6
Long-term debt	4.0	3.6
Deferred income taxes	0.4	0.4
Accrued expenses and deferred income	13.6	14.2
Other liabilities	4.5	5.7
Minority Interest	0.5	0.5
Shareholders' Equity:		
Share capital	57.5	57.5
Reserves	80.4	73.1
Additional paid-in capital	8.3	8.3
Retained earnings	365.2	356.9
Total shareholders' equity	511.4	495.8
	-----	-----
Total Liabilities and Shareholders' Equity	683.4	674.5
	=====	=====

NATUZZI S.p.A. AND SUBSIDIARIES  
 Unaudited Consolidated Statements of Cash Flows  
 as of September 30, 2003 and 2002  
 (Expressed in millions of EUR)

	Sept. 30,	Sept. 30,
	2003	2002
	-----	-----
Cash flows from operating activities:		
Net earnings	33.7	73.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	17.1	13.0
Employees' termination indemnity	1.8	2.6
Deferred income taxes	0.9	(0.2)
Minority interest	-	(0.1)
(Gain) loss on disposal of assets	0.2	-
Change in provision for unrealized foreign exchange (losses) / gain	(7.2)	(4.2)

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Change in assets and liabilities:		
Receivables, net	24.7	(8.4)
Inventories	(19.1)	(5.8)
Prepaid expenses and accrued income	(2.8)	(0.8)
Other assets	9.4	(4.2)
Accounts payable	(20.8)	(7.7)
Income taxes	(3.5)	7.3
Salaries, wages and related liabilities	1.8	3.0
Other liabilities	(11.9)	10.9
	-----	-----
Total adjustments	(9.4)	5.4
	-----	-----
Net cash provided by operating activities	24.3	78.4
	-----	-----
Cash flows from investing activities:		
Property, plant and equipment:		
Additions	(38.5)	(48.4)
Disposals	0.4	0.4
Government grants received	3.1	2.4
Marketable debt securities:		
Purchases	-	-
Proceeds from maturities	-	-
Proceeds from sales	-	-
Purchase of business, net of cash acquired	(4.3)	-
Purchase of minority interest	-	-
	-----	-----
Net cash used in investing activities	(39.3)	(45.6)
Cash flows from financing activities:		
Long term debt:		
Proceeds	1.0	-
Repayments	(1.6)	(1.3)
Short-term borrowings	7.3	(132.6)
Exercise of stock options	-	-
Treasury shares	-	-
Dividends paid	(18.0)	(15.7)
Dividends paid to minority shareholders	-	-
	-----	-----
Net cash used in financing activities	(11.3)	(149.6)
	-----	-----
Effect of translation adjustments on cash	(2.2)	(1.5)
	-----	-----
Increase (decrease) in cash and cash equivalents	(28.5)	(118.3)
Cash and cash equivalents, beginning of the year	96.7	208.2
Cash and cash equivalents, end of the period	68.2	89.9

Natuzzi S.p.A.

THIRD QUARTER 2003

FINANCIAL RESULTS TELECONFERENCE

Senior management will review third quarter 2003 financial results.

The review will be followed by a question and answer session.

Pasquale Natuzzi  
Chairman of the Board and Chief Executive Officer

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Giuseppe Desantis  
Vice Chairman of the Board

Nicola Dell'Edera  
Finance Director

and

Fred Starr  
President and Chief Executive Officer, Natuzzi Americas

Thursday, November 13, 2003  
10:00 a.m. (New York time)  
3:00 p.m. (London time)  
4:00 p.m. (Italian time)

Replay of this event will be available on our web-site

[www.natuzzi.com](http://www.natuzzi.com)

starting from 3:00 p.m. Italian time on November 14, 2003.

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### 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, thereunto duly authorized.

NATUZZI S.p.A.  
(Registrant)

Date: 12th November 2003

By: /s/ GIUSEPPE DESANTIS

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Giuseppe Desantis