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NATUZZI S P A
Form 6-K
September 10, 2004

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 September 2004

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 Second Quarter and First Half 2004 Financial Results

SANTERAMO IN COLLE, Bari, Italy--(BUSINESS WIRE)--Sept. 8, 2004--Natuzzi S.p.A.:

Quarter's highlights:

-- Net profit margin increased to 6.3% from 5.9% reported in the second quarter 2003

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- Second quarter 2004 net sales flat over last year comparable period
- Units sold decreased 0.4% over the prior year's quarter

Natuzzi S.p.A.
SECOND QUARTER AND FIRST HALF 2004
FINANCIAL RESULTS TELECONFERENCE
Senior management will review second-quarter 2004 financial results.
The review will be followed by a question and answer session.

Pasquale Natuzzi
Chairman of the Board and Chief Executive Officer

Giuseppe Desantis
Vice Chairman of the Board

Nicola Dell'Edera
Finance Director

and

Fred Starr
President and Chief Executive Officer, Natuzzi Americas

Thursday, September 9, 2004
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
starting from 12:00 a.m. Italian time on September 10, 2004.

The Board of Directors of 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 second quarter and first half 2004.

NET SALES

Natuzzi's second quarter 2004 net sales were flat with respect to last year second quarter at EUR 202.6 million, or \$ 244.1 million. In the same period total seats sold decreased 0.4 percent. In the six-month period the Company increased net sales by 2.1 percent to EUR 394.4 million, or \$ 483.9 million, and total seats sold by 4.4 percent.

In the second quarter 2004 net upholstery sales increased 1.1 percent to EUR 181.1 million, or \$ 218.2 million, versus second quarter 2003. Other sales (principally living-room accessories and raw materials produced by the Company and sold to third parties) decreased 8.5 percent to EUR 21.5 million, or \$ 25.9 million.

Second quarter 2004 net upholstery sales in the Americas were EUR 76.6 million, or \$ 92.3 million, 3.6 percent less than the previous year's quarter. In Europe, net upholstery sales increased 0.8 percent to EUR 91.3 million, or \$ 110.0 million, while in the rest of the world upholstery sales increased 46.7 percent to EUR 13.2 million, or \$ 15.9 million.

In the second quarter of 2004, total net sales to our retail chains Divani & Divani by Natuzzi, Natuzzi stores and Kingdom of Leather increased 11.4 percent to EUR 31.4 million, or \$ 37.8 million. During the quarter 9 new stores were opened in Italy, Portugal, Slovenia, Spain, Israel, Denmark, and New

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Zealand, whereas 1 store was closed in U.K., bringing the total number of stores, including the Kingdom of Leather's stores, to 140 in Italy and 122 outside Italy as of June 30, 2004.

Leather-upholstered furniture sales increased 2.5 percent over the last year's quarter to EUR 150.7 million, or \$ 181.6 million. In the same period, fabric-upholstered furniture sales were EUR 30.4 million, or \$ 36.6 million, down 5.2 percent compared to the second quarter of 2003.

Second quarter 2004 net sales of Natuzzi-branded furniture decreased 2.1 percent to EUR 139.3 million, or \$ 167.8 million, compared to second quarter 2003, while net sales of Italsofa branded furniture increased 13.6 percent to EUR 41.8 million, or \$ 50.4 million.

Pasquale Natuzzi, Chairman and Chief Executive Officer, said "Unstable economic and currency conditions, together with the persistent pricing pressure affecting in particular the US market, generated a decrease in furniture demand, which at Company level turned into lower orders and flat sales during the entire second quarter".

GROSS PROFIT & OPERATING INCOME

Natuzzi's second quarter 2004 gross profit increased 13.1 percent to EUR 78.7 million, or \$ 94.8 million, compared to last year's quarter. Gross profit margin increased to 38.9 percent from 34.4.

Second quarter 2004 operating income and margin more than doubled quarter over quarter to EUR 16.8 million, or \$ 20.2 million, and 8.3 percent, respectively.

FOREX & TAXES

In the second quarter 2004, Natuzzi had a net foreign exchange gain of EUR 1.4 million, or \$ 1.6 million, versus EUR 4.1 million or \$ 4.7 million reported in last year's comparable period.

Income taxes for second quarter 2004 were EUR 5.7 million, or \$ 6.9 million, representing an effective tax rate of 31.0 percent. In the second quarter 2003, the effective tax rate was 17.9 percent.

NET INCOME & EARNINGS PER SHARE

In the second quarter 2004, net income increased 6.7 percent versus last year's quarter to EUR 12.7 million, or \$ 15.3 million, while earnings per share (ADR) were EUR 0.23, or \$ 0.28. In the first six months of 2004, net income decreased 17.2 percent to EUR 22.1 million, or \$ 27.1 million from EUR 26.7 million, or \$ 29.5 million, reported in the prior year's comparable period.

Pasquale Natuzzi commented "In the second quarter 2004, notwithstanding flat net sales, the Company increased the net profit margin thanks to the improvements achieved in our operations. Lower costs and higher operating efficiencies are primary goals in our mission to make high quality and well designed living room furniture at a competitive price."

CASH FLOW

In the first six months of 2004 net cash flow from operations increased 103.6 percent to EUR 45.6 million, or \$ 55.9 million, from EUR 22.4 million, or \$ 24.8 million, reported in the same period of 2003. On a per ADR basis, net operating cash flow was EUR 0.83, or \$ 1.02, compared to EUR 0.41 or \$ 0.45 in the first half of 2003.

OUTLOOK

Concluded Mr. Natuzzi: "The year-to-date order flow is still marginally negative when compared to the same period of 2003 due to the challenging competitive and economic scenario. However, we rely on the historically well performing fourth quarter to reverse this negative trend and achieve our goal of

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an annual increase in units sold of about 5 percent.

Assuming that the competitive, economic and currency scenario do not deteriorate any further, we confirm our forecast of a net profit margin in the region of 5 percent."

CONVERSION RATES

The second quarter 2004 and 2003 dollar figures presented in this announcement were converted at an average noon buying rate of \$ 1.2047 per EUR and \$ 1.1359 per EUR, respectively. The six months figures for 2004 and 2003 were converted at an average noon buying rate of \$ 1.2269 per EUR and \$ 1.1051 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 135 markets on 5 continents. Cutting-edge design, superior Italian craftsmanship, and advanced, 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 138 stores, which it licenses to qualified furniture dealers. Outside Italy, the Company sells to various furniture retailers, as well as through 125 licensed Divani & Divani by Natuzzi and Natuzzi stores, including the 12 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 second quarter ended June 30, 2004 and 2003 on the basis of
Italian GAAP

(Expressed in millions of EUR except per share data)

	2nd Quarter	% 2nd Quarter	%	%
	-----	-----	-----	-----
	2004	Sales	2003	Sales Change
	-----	-----	-----	-----
Upholstery net sales	181.1		179.1	1.1%
Other sales	21.5		23.5	-8.5%
	-----		-----	

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Net Sales	202.6	100%	202.6	100%	0.0%
Purchases	(84.1)		(105.1)		-20.0%
Labor	(26.3)		(27.1)		-3.0%
Third-party					
Manufacturers	(6.9)		(9.9)		-30.3%
Manufacturing Costs	(7.1)		(7.0)		1.4%
Inventories, net	0.5		16.1		-96.9%
	-----		-----		
Cost of Sales	(123.9)		(133.0)		-6.8%
	-----		-----		
Gross Profit	78.7	38.9%	69.6	34.4%	13.1%
Selling Expenses	(51.7)		(51.6)		0.2%
General and					
Administrative Expenses	(10.2)		(9.8)		4.1%
	-----		-----		
Operating Income	16.8	8.3%	8.2	4.0%	104.9%
Interest Income, net	(0.1)		0.2		
Foreign Exchange, net	1.4		4.1		
Other Income, net	0.3		2.0		
	-----		-----		
Earnings before taxes and					
minority interest	18.4		14.5		26.9%
Income taxes	(5.7)		(2.6)		119.2%
	-----		-----		
Earnings before minority					
interest	12.7		11.9		6.7%
Minority Interest	0.0		0.0		
Net Earnings	12.7	6.3%	11.9	5.9%	6.7%
	=====		=====		
Earnings per Share	0.23		0.22		
	=====		=====		
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)

	2nd Quarter 2004	2nd Quarter 2003
	-----	-----
Net Sales	244.1	230.1
Gross Profit	94.8	79.1
Operating Income	20.2	9.3
Net Earnings	15.3	13.5
Earnings per Share in U.S. dollars	0.28	0.25
Average exchange rate (U.S. dollar per Euro)	1.2047	1.1359

NATUZZI S.p.A. AND SUBSIDIARIES
Unaudited Consolidated Statement of Earnings

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for six months ended June 30, 2004 and 2003 on the basis of
Italian GAAP

(Expressed in millions of EUR except per share data)

	1st Half	%	1st Half	%	%
	2004	Sales	2003	Sales	Change
Upholstery net sales	350.6		343.7		2.0%
Other sales	43.8		42.4		3.3%
Net Sales	394.4	100%	386.1	100%	2.1%
Purchases	(170.1)		(189.4)		-10.2%
Labor	(53.9)		(54.1)		-0.4%
Third-party Manufacturers	(15.4)		(17.6)		-12.5%
Manufacturing Costs	(14.7)		(14.4)		2.1%
Inventories, net	6.4		17.4		-63.2%
Cost of Sales	(247.7)		(258.1)		-4.0%
Gross Profit	146.7	37.2%	128.0	33.1%	14.6%
Selling Expenses	(96.3)		(88.3)		9.1%
General and Administrative Expenses	(19.8)		(18.4)		7.6%
Operating Income	30.6	7.8%	21.3	5.5%	43.7%
Interest Income, net	(0.1)		0.6		
Foreign Exchange, net	0.9		10.1		
Other Income, net	0.4		1.2		
Earnings before taxes and minority interest	31.8		33.2		-4.2%
Income taxes	(9.7)		(6.5)		49.2%
Earnings before minority interest	22.1		26.7		-17.2%
Minority Interest	0.0		0.0		
Net Earnings	22.1	5.6%	26.7	6.9%	-17.2%
Earnings per Share	0.40		0.49		
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)

1st	1st
Half	Half
2004	2003

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Net Sales	483.9	426.7
Gross Profit	180.0	141.5
Operating Profit	37.5	23.5
Net Earnings	27.1	29.5
Earnings per Share in U.S. dollars	0.49	0.54
Average exchange rate (U.S. dollar per Euro)	1.2269	1.1051

GEOGRAPHIC BREAKDOWN

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	2nd Quarter	2nd Quarter	%	2nd Quarter	2nd Quarter	%
	2004	2003	Change	2004	2003	Change
Americas	76.6	79.5	-3.6%	415,666	442,418	-6.0%
% of total	42.3%	44.4%		51.8%	54.9%	
Europe	91.3	90.6	0.8%	334,894	320,225	4.6%
% of total	50.4%	50.6%		41.7%	39.7%	
Rest of world	13.2	9.0	46.7%	51,905	43,326	19.8%
% of total	7.3%	5.0%		6.5%	5.4%	
TOTAL	181.1	179.1	1.1%	802,465	805,969	-0.4%

BREAKDOWN BY COVERING

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	2nd Quarter	2nd Quarter	%	2nd Quarter	2nd Quarter	%
	2004	2003	Change	2004	2003	Change
Leather	150.7	147.1	2.5%	621,240	615,859	0.9%
% of total	83.2%	82.1%		77.4%	76.4%	
Fabric	30.4	32.0	-5.2%	181,225	190,110	-4.7%
% of total	16.8%	17.9%		22.6%	23.6%	
TOTAL	181.1	179.1	1.1%	802,465	805,969	-0.4%

BREAKDOWN BY BRAND

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	2nd Quarter	2nd Quarter	%	2nd Quarter	2nd Quarter	%
	2004	2003	Change	2004	2003	Change
Natuzzi	139.3	142.3	-2.1%	525,263	550,049	-4.5%
% of total	76.9%	79.5%		65.5%	68.2%	

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Italsofa		41.8	36.8	13.6%	277,202	255,920	8.3%
	% of total	23.1%	20.5%		34.5%	31.8%	
TOTAL		181.1	179.1	1.1%	802,465	805,969	-0.4%

GEOGRAPHIC BREAKDOWN

		Sales			Seat Units		
		(Expressed in millions of EUR)					
		1st Half	1st Half	%	1st Half	1st Half	%
		2004	2003	Change	2004	2003	Change
Americas		156.1	158.8	-1.7%	865,949	843,771	2.6%
	% of total	44.5%	46.2%		53.7%	54.6%	
Europe		171.6	167.3	2.6%	651,382	620,060	5.1%
	% of total	49.0%	48.7%		40.4%	40.1%	
Rest of world		22.9	17.6	30.1%	95,257	81,542	16.8%
	% of total	6.5%	5.1%		5.9%	5.3%	
TOTAL		350.6	343.7	2.0%	1,612,588	1,545,373	4.4%

BREAKDOWN BY COVERING

(Expressed in millions of EUR)							
		1st Half	1st Half	%	1st Half	1st Half	%
		2004	2003	Change	2004	2003	Change
		Leather		288.7	280.1	3.1%	1,234,315
	% of total	82.3%	81.5%		76.5%	75.2%	
Fabric		61.9	63.6	-2.7%	378,273	382,750	-1.2%
	% of total	17.7%	18.5%		23.5%	24.8%	
TOTAL		350.6	343.7	2.0%	1,612,588	1,545,373	4.4%

BREAKDOWN BY BRAND

(Expressed in millions of EUR)							
		1st Half	1st Half	%	1st Half	1st Half	%
		2004	2003	Change	2004	2003	Change
		Natuzzi		270.9	277.0	-2.2%	1,073,668
	% of total	77.3%	80.6%		66.6%	70.9%	
Italsofa		79.7	66.7	19.5%	538,920	450,471	19.6%
	% of total	22.7%	19.4%		33.4%	29.1%	
TOTAL		350.6	343.7	2.0%	1,612,588	1,545,373	4.4%

NATUZZI S.p.A. AND SUBSIDIARIES
 Unaudited Consolidated Balance Sheet
 as of June 30, 2004 and December 31, 2003
 (Expressed in millions of EUR)

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	June 30,	December 31,
	----- 2004	----- 2003
Current Assets:		
Cash and cash equivalents	97.9	63.6
Marketable debt securities	0.2	0
Trade receivables, net	148.9	154.5
Other receivables	47.3	58.1
Inventories	103.9	97.5
Unrealized foreign exchange gain	1.7	6.3
Prepaid expenses and accrued income	3.2	2.1
Deferred income taxes	4.2	1.0
Total current assets	407.3	383.1
	-----	-----
Non-Current Assets:		
Net property, plant and equipment	253.4	254.2
Treasury shares	0.0	37.8
Other assets	15.5	17.1
Deferred income taxes	0.2	0.2
	-----	-----
Total Assets	676.4	692.4
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	6.2	4.8
Current portion of long-term debt	0.7	1.3
Accounts payable-trade	77.5	80.9
Accounts payable-shareholders for dividends	8.2	0.6
Accounts payable-other	16.7	17.2
Allowance for unrealized foreign exchange losses	0.0	0.0
Income taxes	4.4	4.3
Salaries, wages and related liabilities	18.5	16.1
Total current liabilities	132.2	125.2
	-----	-----
Long-Term Liabilities:		
Employees' termination indemnity	28.5	27.6
Long-term debt	4.5	4.2
Deferred income taxes	0.4	0.4
Deferred income for capital grants	12.9	13.4
Other liabilities	5.3	5.7
Minority Interest	0.9	0.9
Shareholders' Equity:		
Share capital	54.7	57.5
Reserves	42.4	80.2
Additional paid-in capital	8.3	8.3
Retained earnings	386.3	369.0
Total shareholders' equity	491.7	515.0
	-----	-----
Total Liabilities and Shareholders' Equity	676.4	692.4
	=====	=====

NATUZZI S.p.A. AND SUBSIDIARIES
 Unaudited Consolidated Statements of Cash Flows
 as of June 30, 2004 and 2003
 (Expressed in millions of EUR)

June 30 June
 2004 30

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	2003	
	-----	-----
Cash flows from operating activities:		
Net earnings	22.1	26.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	14.7	10.7
Employees' termination indemnity	0.9	0.9
Deferred income taxes	(3.3)	0.7
Minority interest	0.1	0.0
(Gain) loss on disposal of assets	(0.1)	0.3
Change in provision for unrealized foreign exchange (losses) / gain	4.6	(12.5)
Change in assets and liabilities:		
Receivables, net	5.6	10.0
Inventories	(6.4)	(11.6)
Prepaid expenses and accrued income	(1.0)	(2.7)
Other assets	10.9	13.1
Accounts payable	(3.4)	(3.3)
Income taxes	0.1	(5.6)
Salaries, wages and related liabilities	2.4	4.3
Other liabilities	(1.6)	(8.8)
	-----	-----
Total adjustments	23.5	(4.3)
	-----	-----
Net cash provided by operating activities	45.6	22.4
	-----	-----
Cash flows from investing activities:		
Property, plant and equipment:		
Additions	(19.3)	(22.0)
Disposals	6.9	0.4
Government grants received	-	0.2
Marketable debt securities:		
Purchases	(0.2)	-
Proceeds from maturities	-	-
Proceeds from sales	-	-
Purchase of business, net of cash acquired	-	-
Purchase of minority interest	0.0	(4.3)
	-----	-----
Net cash used in investing activities	(12.6)	(25.7)
Cash flows from financing activities:		
Long term debt:		
Proceeds	0.4	-
Repayments	(0.7)	0.4
Short-term borrowings	1.4	0.3
Exercise of stock options	-	-
Treasury shares	-	-
Dividends paid	0.0	-
Dividends paid to minority shareholders	-	-
	-----	-----
Net cash used in financing activities	1.1	0.7
	-----	-----
Effect of translation adjustments on cash	0.2	(1.8)
	-----	-----
Increase (decrease) in cash and cash equivalents	34.3	(4.4)
Cash and cash equivalents, beginning of the year	63.6	96.7
Cash and cash equivalents, end of the period	97.9	92.3

CONTACT: Natuzzi S.p.A.
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Fax: +39-080-8820-508
E-mail: relazioni.esterne@natuzzi.com

CONFORMED

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: September 8, 2004

By: /s/ GIUSEPPE DESANTIS

Giuseppe Desantis