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NATUZZI S P A  
Form 6-K  
June 01, 2005

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 May 2005

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

(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

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-\_\_\_\_.)

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)

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Date: 31st May 2005

By: /s/ GIUSEPPE DESANTIS

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Giuseppe Desantis

### Natuzzi Announces First Quarter 2005 Financial Results

SANTERAMO IN COLLE, Bari, Italy--(BUSINESS WIRE)--May 31, 2005--

- Net sales decreased 13.1 percent over first quarter 2004
- Net losses of EUR 3.5 million versus net earnings of EUR 9.4 million reported in first quarter 2004
- Cash flow from operations at EUR 8.7 million

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 announces the approval of the financial results for the first quarter ended March 31, 2005.

#### NET SALES

Natuzzi's first-quarter 2005 net sales decreased 13.1 percent to EUR 166.6 million, or \$ 218.4 million, as compared to EUR 191.8 million, or \$ 240.0 million, reported in the first quarter 2004. Over the same comparable period, seats sold decreased 13.1 percent.

In the first quarter of 2005, net upholstery sales were EUR 146.4 million, or \$ 192.0 million, 13.6 percent down from EUR 169.5 million reported in last year's first quarter. Other sales (principally living-room accessories and raw materials produced by the Company and sold to third parties) decreased 9.4 percent to EUR 20.2 million, or \$ 26.5 million.

In the first three months of 2005, upholstery sales in the Americas decreased by 24.7 percent on a quarter-on-quarter basis to EUR 59.9 million, or \$ 78.5 million. In Europe upholstery sales were EUR 76.7 million, or \$ 100.6 million, down 4.5 percent from EUR 80.3 million, or \$ 100.5 million reported in the first quarter of 2004. In the Rest of the World upholstery net sales were up 1.0 percent to EUR 9.8, or \$ 12.8 million.

In the first quarter 2005, total net sales to Divani & Divani by Natuzzi, Natuzzi and Kingdom of Leather Stores increased 7.9 percent to EUR 30.0 million, or \$ 39.3 million, compared to the last year's first quarter. During the same quarter four new stores were opened: one in Italy, one in France and two in Spain, thus bringing the total number of stores to 271, of which 139 in Italy and 132 in the rest of the world. As of March 31, 2004 there were 253 stores worldwide.

In the first quarter of 2005, leather-upholstered furniture sales decreased 12.8 percent to EUR 120.4 million, or \$ 157.9 million, and fabric-upholstered sales by 17.5 percent over last year's quarter to EUR 26.0 million, or \$ 34.1 million.

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First quarter 2005 net sales of Natuzzi-branded upholstery were EUR 105.6 million, or \$ 138.5 million, representing a 17.9 percent decrease from EUR 128.6 million reported in last year's first quarter. Net sales of Italsofa upholstery were substantially flat at EUR 40.8 million, or \$ 53.5 million.

Pasquale Natuzzi, Chairman and Chief Executive Officer, commented: "The overall scenario in which the Company is operating is still characterized by the same mix of unfavorable factors that have negatively impacted our sales and order flow over the past months: furniture demand softening in all major markets and aggressive price competition deriving from low-cost countries located in Eastern Europe and from China that is even more competitive compared to the Italian production thanks to the fixed currency rate with the US Dollar".

### GROSS PROFIT & OPERATING INCOME

In the first quarter of 2005, Gross profit decreased by 19.0 percent to EUR 55.1 million, or \$ 72.2 million, from EUR 68.0 million, or \$ 85.1 million, reported in the prior year first quarter. Gross profit margin decreased to 33.1 percent from 35.5 percent achieved in first quarter 2004.

In the first quarter 2005 the Group reported a net operating loss of EUR 1.1, or \$ 1.4 million loss, whereas in the same period last year the Company recorded a net operating income of EUR 13.8 million, or \$ 17.3 million.

### FOREX & TAXES

In the first quarter of 2005 Natuzzi reported a foreign exchange loss of EUR 1.5 million, or \$ 2.0 million loss, increasing from a net foreign exchange loss of EUR 0.4 million reported in the previous year's first quarter.

Income taxes for the first quarter 2005 were EUR 1.0 million, or \$ 1.3 million. During the same period last year income taxes were EUR 4.0 million, or \$ 5.0 million.

### NET INCOME & EARNINGS PER SHARE

In the first-quarter 2005 the Company reported net losses of EUR 3.5 million, or \$ 4.6 million net losses, decreasing from net earnings of EUR 9.4 million, or \$ 11.8 million, reported in the same period last year. Losses per share (ADR) were EUR 0.06, or \$ 0.08, from EUR 0.17 or \$ 0.21 earnings per share reported in the first quarter 2004.

Pasquale Natuzzi said, "In the first quarter 2005 the Company reported net losses because of the adverse market and economic conditions restraining the effectiveness of our marketing investments and the limited impact of the price increases made in US to offset the devaluation against the Euro".

### CASH FLOW

In the first quarter of 2005 the Company generated EUR 8.7 million of cash flow from operations, or \$11.4 million, a 24.3 percent decrease from EUR 11.5 million, or \$ 14.4 million, generated in the first three months of 2004 On a per ADR basis, net operating

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cash flow was EUR 0.16, or \$ 0.21.

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### OUTLOOK

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Concluded Mr. Natuzzi: "In the past months, the furniture demand has been weakening together with a progressive shift of the consumers' preference towards the promotional products. As a consequence, year-to-date order flow of the Natuzzi products manufactured in Italy has decreased by a double digit percentage versus the same period of 2004, while, over the same periods, orders for our promotional brand Italsofa manufactured abroad have grown at a single digit rate.

In light of this, we expect unit sales in 2005 to decrease between 10 and 15 percent versus 2004, while net results should break even in 2005 and achieve in 2006 a net profit margin in the region of 3 percent as a result of the reorganization plan approved recently by the Board".

### CONVERSION RATES

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The first quarter 2005 and 2004 dollar figures presented in this announcement were converted at an average noon buying rate of \$ 1.3112 per EUR and \$ 1.2513 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 137 stores, which it licenses to qualified furniture dealers. Outside Italy, the Company sells to various furniture retailers, as well as through 135 licensed Divani & Divani by Natuzzi, Natuzzi Stores and 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.

### Forward-Looking Statements

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

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events.

NATUZZI S.p.A. AND SUBSIDIARIES

Unaudited Consolidated Statement of Earnings  
for the first quarter ended March 31, 2005 and 2004 on the  
basis of Italian GAAP

(Expressed in millions of EUR except per share data)

	1st Quarter	%	1st Quarter	%	%
	2005	Sales	2004	Sales	Change
Upholstery net sales	146.4		169.5		-13.6%
Other sales	20.2		22.3		-9.4%
Net Sales	166.6	100%	191.8	100%	-13.1%
Purchases	(79.0)		(86.0)		-8.1%
Labor	(28.2)		(27.7)		1.8%
Third-party Manufacturers	(6.6)		(8.5)		-22.4%
Manufacturing Costs	(8.1)		(7.5)		8.0%
Inventories, net	10.4		5.9		76.3%
Cost of Sales	(111.5)		(123.8)		-9.9%
Gross Profit	55.1	33.1%	68.0	35.5%	-19.0%
Selling Expenses	(46.0)		(44.7)		3.0%
General and Administrative Expenses	(10.2)		(9.5)		6.9%
Operating Income (Loss)	(1.1)	-0.7%	13.8	7.2%	-108.0%
Interest Income, net	0.1		0.0		
Foreign Exchange, net	(1.5)		(0.4)		
Other Income, net	0.0		0.1		
Earnings (Losses) before taxes and minority interest	(2.5)		13.5		-118.5%
Income taxes	(1.0)		(4.0)		-75.0%
Earnings (Losses) before minority interest	(3.5)		9.5		-136.8%
Minority Interest	0.0		0.1		
Net Earnings (Losses)	(3.5)	-2.1%	9.4	4.9%	-137.2%
Earnings (Losses) per Share	(0.06)		0.17		-137.2%

Average Number of Shares

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Outstanding 54,681,628 54,681,628

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

	1st Quarter 2005	1st Quarter 2004
Net Sales	218.4	240.0
Gross Profit	72.2	85.1
Operating Income (Loss)	(1.4)	17.3
Net Earnings (Losses)	(4.6)	11.8
Earnings (Losses) per Share in U.S. dollars		
	(0.08)	0.21
Average exchange rate (U.S. dollar per Euro)		
	1.3112	1.2513

### GEOGRAPHIC BREAKDOWN

	Sales (Expressed in millions of EUR)			Seat Units		
	1st Quarter	1st Quarter	%	1st Quarter	1st Quarter	%
	2005	2004	Change	2005	2004	Change
Americas	59.9	79.5	-24.7%	348,355	450,283	-22.6%
% of total	40.9%	46.9%		49.5%	55.6%	
Europe	76.7	80.3	-4.5%	314,272	316,488	-0.7%
% of total	52.4%	47.4%		44.6%	39.1%	
Rest of world	9.8	9.7	1.0%	41,447	43,352	-4.4%
% of total	6.7%	5.7%		5.9%	5.4%	
<b>TOTAL</b>	<b>146.4</b>	<b>169.5</b>	<b>-13.6%</b>	<b>704,074</b>	<b>810,123</b>	<b>-13.1%</b>

### BREAKDOWN BY COVERING

	Sales (Expressed in millions of EUR)			Seat Units		
	1st Quarter	1st Quarter	%	1st Quarter	1st Quarter	%
	2005	2004	Change	2005	2004	Change
Leather	120.4	138.0	-12.8%	539,511	613,075	-12.0%
% of total	82.2%	81.4%		76.6%	75.7%	
Fabric	26.0	31.5	-17.5%	164,563	197,048	-16.5%
% of total	17.8%	18.6%		23.4%	24.3%	
<b>TOTAL</b>	<b>146.4</b>	<b>169.5</b>	<b>-13.6%</b>	<b>704,074</b>	<b>810,123</b>	<b>-13.1%</b>

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BREAKDOWN BY BRAND

	Sales (Expressed in millions of EUR)			Seat Units		
	1st Quarter	1st Quarter	% Change	1st Quarter	1st Quarter	% Change
	2005	2004		2005	2004	
Natuzzi	105.6	128.6	-17.9%	418,676	529,634	-20.9%
% of total	72.1%	75.9%		59.5%	65.4%	
Italsofa	40.8	40.9	-0.2%	285,398	280,489	1.8%
% of total	27.9%	24.1%		40.5%	34.6%	
TOTAL	146.4	169.5	-13.6%	704,074	810,123	-13.1%

NATUZZI S.p.A. AND SUBSIDIARIES  
Unaudited Consolidated Balance Sheet  
as of March 31, 2005 and December 31, 2004  
(Expressed in millions of EUR)

	March 31, 2005	December 31, 2004
Current Assets:		
Cash and cash equivalents	88.9	87.3
Marketable debt securities	0.0	0.0
Trade receivables, net	136.7	137.6
Other receivables	37.7	41.2
Inventories	123.0	112.6
Unrealized foreign exchange gain	0.7	7.1
Prepaid expenses and accrued income	4.2	2.4
Deferred income taxes	0.9	1.2
Total current assets	392.1	389.4
Non-Current Assets:		
Net property, plant and equipment	274.1	272.0
Treasury shares	0.0	0.0
Other assets	10.8	11.2
Deferred income taxes	0.6	0.6
Total Assets	677.6	673.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	6.3	5.6
Current portion of long-term debt	0.1	0.6
Accounts payable-trade	88.2	83.7
Accounts payable-shareholders for dividends	0.6	0.6
Accounts payable-other	21.8	19.7
Allowance for unrealized foreign exchange losses	0.0	0.0
Income taxes	2.1	2.5
Salaries, wages and related liabilities	18.9	18.7
Total current liabilities	138.0	131.4

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Long-Term Liabilities:		
Employees' termination indemnity	30.3	29.6
Long-term debt	5.1	5.0
Deferred income taxes	0.4	0.4
Deferred income for capital grants	12.3	12.5
Other liabilities	6.1	5.4
Minority Interest	0.9	0.9
Shareholders' Equity:		
Share capital	54.7	54.7
Reserves	42.3	42.3
Additional paid-in capital	8.3	8.3
Retained earnings	379.2	382.7
Total shareholders' equity	484.5	488.0
Total Liabilities and Shareholders' Equity	677.6	673.2

NATUZZI S.p.A. AND SUBSIDIARIES  
 Unaudited Consolidated Statements of Cash Flows  
 as of March 31, 2005 and 2004  
 (Expressed in millions of EUR)

	March 31 2005	March 31 2004
Cash flows from operating activities:		
Net earnings	(3.5)	9.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	6.9	6.7
Employees' leaving entitlement	0.7	0.3
Deferred income taxes	0.3	(2.3)
Minority interest	0.0	0.1
(Gain) loss on disposal of assets	0.1	0.0
Change in provision for unrealized foreign exchange (losses) / gain	6.4	5.9
Gain on disposal of business	0.0	0.0
Impairment losses	0.0	0.0
Change in assets and liabilities:		
Receivables, net	0.9	(9.6)
Inventories	(10.4)	(5.9)
Prepaid expenses and accrued income	(1.8)	(1.8)
Other assets	3.4	7.1
Accounts payable	4.5	2.3
Income taxes	(0.5)	(1.5)
Salaries, wages and related liabilities	0.2	(0.6)
Other liabilities	1.5	1.4
Total adjustments	12.2	2.1
Net cash provided by operating activities	8.7	11.5
Cash flows from investing activities:		
Property, plant and equipment:		
Additions	(8.4)	(8.7)



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Disposals	0.0	6.6	
Government grants received	0.0	0.0	
Marketable debt securities:			
Purchases	0.0	0.0	
Proceeds from maturities	0.0	0.0	
Proceeds from sales	0.0	0.0	
Purchase of business, net of cash acquired	0.0	(0.1)	
Purchase of minority interest	0.0	(0.0)	
Disposal of business	0.0		
	-----	-----	
Net cash used in investing activities	(8.4)	(2.2)	
Cash flows from financing activities:			
Long term debt:			
Proceeds	0.0	0.0	
Repayments	(0.3)	(0.5)	
Short-term borrowings	0.8	1.8	
Exercise of stock options	0.0	0.0	
Treasury shares	0.0	0.0	
Dividends paid	0.0	0.0	
Dividends paid to minority shareholders	(0.1)	0.0	
	-----	-----	
Net cash used in financing activities	0.4	1.3	
	-----	-----	
Effect of translation adjustments on cash	0.9	0.3	
	-----	-----	
Increase (decrease) in cash and cash equivalents	1.6	10.9	
Cash and cash equivalents, beginning of the year	87.3	63.6	
Cash and cash equivalents, end of the period	88.9	74.5	

Natuzzi S.p.A.

FIRST QUARTER 2005

FINANCIAL RESULTS TELECONFERENCE

Senior management will review first-quarter 2005 financial results.  
The review will be followed by a question and answer session.

Pasquale Natuzzi  
Chairman of the Board and Chief Executive Officer

Nicola Dell'Edera  
Finance Director

and

Fred Starr  
President and Chief Executive Officer of Natuzzi Americas Inc.

Wednesday, June 1, 2001  
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 15:00 Italian time on June 13, 2005.

CONTACT: Natuzzi S.p.A.

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