

Edgar Filing: NATUZZI S P A - Form 6-K

NATUZZI S P A
Form 6-K
November 14, 2007

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 2007

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- .)

Natuzzi S.P.A. (NYSE: NTZ) Announces Consolidated
Third Quarter 2007 Financial Results

SANTERAMO IN COLLE, Bari, Italy--(BUSINESS WIRE)--Nov. 14, 2007--

Edgar Filing: NATUZZI S P A - Form 6-K

Third Quarter 2007 Financial Highlights

- Total Net Sales Down by 10.9% at EUR 141.3 Million and Seats Sold Down by 13.5% over 3Q06
- Operating Loss of EUR 11.0 Million, versus Operating Loss of EUR 1.1 Million in 3Q06
- Net Losses at EUR 14.1 Million versus Net Earnings of EUR 0.8 Million in 3Q06

The Board of Directors of Natuzzi S.p.A. (NYSE: NTZ) ('Natuzzi' or 'the Group'), the world's leading manufacturer of leather-upholstered furniture, today presented the consolidated financial statements for the third quarter 2007.

NET SALES

Natuzzi third quarter 2007 net sales were at EUR 141.3 million, down 10.9 percent from EUR 158.5 million in third quarter 2006. During the first nine months of 2007, total net sales decreased by 15.7 percent at EUR 457.5 million from EUR 542.4 million reported for the same comparable period of 2006.

In the third quarter 2007, upholstery net sales were at EUR 125.3 million, decreasing by 11.8 percent with respect to EUR 142.0 million in third quarter 2006. During the same period, the Group sold 594,888 seats, or 13.5 percent less than the same comparable period of 2006.

Other sales (principally living room accessories and raw material produced by the Group and sold to third parties) decreased 3.0 percent to EUR 16.0 million over third quarter 2006.

During the quarter ended September 30, 2007 net sales in the Americas decreased by 19.0 percent at EUR 48.7 million from EUR 60.1 million in third quarter 2006, by 6.1 percent in Europe at EUR 64.6 million and by 8.4 percent in the rest of the world at EUR 12.0 million.

In the third quarter of 2007, 11 new Natuzzi Stores were opened (2 in France, 2 in UK, 2 in the Netherlands, and 1 in Germany, Russia, Romania, Poland and China), whereas 1 store was closed in Hungary, thus bringing the total number of Natuzzi Stores to 290 as of September 30, 2007. As of the same date, there were 486 Natuzzi Galleries worldwide.

Quarterly leather-upholstery net sales were at EUR 113.3 million, down 8.2 percent from EUR 123.4 million in third quarter of 2006 and fabric-upholstery net sales were at EUR 12.0 million down by 35.5 percent from EUR 18.6 million reported one year ago.

Total sales for Natuzzi branded products decreased by 17.9 percent at EUR 68.8 million, and sales for Italsofa products by 2.9 percent at EUR 56.5 million, respectively from EUR 83.8 million and EUR 58.2 million reported one year ago.

GROSS & OPERATING RESULTS

For the quarter ended September 30, 2007, the Group reported a gross profit of EUR 38.6 million, down from EUR 51.1 million of last year comparable period. Gross profit as a percent of sales for the third quarter 2007 decreased at 27.3 percent from 32.2 percent in

Edgar Filing: NATUZZI S P A - Form 6-K

third quarter 2006.

The Group reported for the third quarter of 2007 an operating loss of EUR 11.0 million as compared to an operating loss of EUR 1.1 million reported one year ago.

FOREX AND TAXES

During the third quarter of 2007 the Group reported a net foreign exchange loss of EUR 5.9 million, as compared to a net foreign exchange loss of EUR 0.4 million in last year third quarter.

In the same period, the Group reported a deferred tax asset for EUR 1.9 million.

NET RESULT AND GROUP EARNINGS PER COMPANY'S SHARE

For the quarter ended on September 30, 2007, the Group reported net losses of EUR 14.1 million (or EUR 0.26 losses per share), versus Group's net earnings of EUR 0.8 million (or EUR 0.01 earnings per share) reported for third quarter of 2006.

Considering the first nine months of 2007, the Group reported net losses of EUR 23.1 million (or EUR 0.42 losses per share), versus net earnings of EUR 17.5 million (or EUR 0.32 earnings per share) reported for the same comparable period of 2006.

Pasquale Natuzzi, Chief Executive Officer and Chairman, thus commented "The furnishings sector still continues to suffer from widespread weak business conditions in most of major markets, particularly noteworthy the US, where sluggish economic activity and concerns about credit situation have dampened the demand for discretionary spending.

The persisting unfavorable level of Euro exchange rates against major currencies, U.S. dollar first of all, marketing investments not completely absorbed by current production volumes, the strong revaluation of the Brazilian currency against USD which has negatively affected the competitiveness of our manufacturing operations in the South American country, and the upward pressure in the raw material market, have all contributed to the quarterly unsatisfactory results.

Although such a challenging business scenario, we registered an encouraging recovery in the order flow in the third quarter, thus reducing the negative gap on a year-to-date basis to a low-digit decrease".

Mr. Natuzzi concluded: "We remain committed to invest in the repositioning of the Natuzzi brand and reorganization of our sales activities and we continue to be focused on the current restructuring process of our operations, so to regain competitiveness and profitability in the medium term".

THIRD QUARTER 2007 TELECONFERENCE

Pasquale Natuzzi, Chief Executive Officer and Chairman, Filippo Simonetti, Chief Financial Officer, and Nicola Dell'Edera, Finance Director, will discuss financial results, followed by a question and answer session, in a teleconference at 10:00 a.m. New York time (3:00 p.m. London time - 4:00 p.m. Italian time) on Thursday November 15, 2007.

Edgar Filing: NATUZZI S P A - Form 6-K

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.

Since 1990, Natuzzi has sold its furnishings in Italy through the popular Divani & Divani by Natuzzi chain of 124 stores, and 1 Natuzzi Store. Outside Italy, the Company sells to various furniture retailers, as well as through 165 licensed Divani & Divani by Natuzzi and Natuzzi 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 Group'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 Group's filings with the Securities and Exchange Commission, particularly in the Group's annual report on Form 20-F. Forward looking statements speak as of the date they were made, and the Group 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 quarters ended on
September 30, 2007 and 2006 on the basis of Italian GAAP
(Expressed in millions of EUR except per share data)

	Three months ended on		% Over	Percent of Sales	
	30-Sep-07	30-Sep-06	(Under)	30-Sep-07	30-Sep-06
Upholstery net sales	125.3	142.0	(11.8)%	88.7%	89.6%
Other sales	16.0	16.5	(3.0)%	11.3%	10.4%
Total Net Sales	141.3	158.5	(10.9)%	100.0%	100.0%
Purchases	(65.0)	(69.4)	6.3%	(46.0)%	(43.9)%
Labor	(21.9)	(24.0)	8.8%	(15.5)%	(15.1)%
Third-party					
Manufacturers	(3.3)	(3.6)	8.3%	(2.3)%	(2.3)%
Manufacturing Costs	(9.9)	(8.5)	(16.5)%	(7.0)%	(5.2)%
Inventories, net	(2.6)	(1.9)	(36.8)%	(1.8)%	(1.2)%
Cost of Sales	(102.7)	(107.4)	4.4%	(72.7)%	(67.8)%

Edgar Filing: NATUZZI S P A - Form 6-K

Gross Profit	38.6	51.1	(24.5)%	27.3%	32.2%
Selling Expenses	(38.3)	(42.9)	10.7%	(27.1)%	(27.1)%
General and Administrative Expenses	(11.3)	(9.3)	(21.5)%	(8.0)%	(5.9)%
Operating Income (Loss)	(11.0)	(1.1)		(7.8)%	(0.7)%
Interest Income, net	0.4	0.3		0.3%	0.2%
Foreign Exchange, net	(5.9)	(0.4)		(4.2)%	(0.3)%
Other Income, net	0.4	1.7		0.3%	1.1%
Earnings (Losses) before taxes and minority interest	(16.1)	0.5		(11.4)%	0.3%
Income taxes	1.9	0.2		1.3%	0.1%
Earnings (Losses) before minority interest	(14.2)	0.7		(10.0)%	0.4%
Minority Interest	(0.1)	(0.1)		(0.1)%	(0.1)%
Net Earnings (Losses)	(14.1)	0.8		(10.0)%	0.5%
Earnings (Losses) Per Share	(0.26)	0.01			
Average Number of Shares Outstanding*	54,824,227	54,738,538			

(*) Net of shares repurchased

Key Figures in U.S. dollars (millions)	Three months ended on	
	September 30, 2007	September 30, 2006
Total Net Sales	194.2	202.0
Gross Profit	53.1	65.1
Operating Income (Loss)	(15.1)	(1.4)
Net Earnings (Losses)	(19.4)	1.0
Earnings (Losses) per Share	(0.36)	0.01
Average exchange rate (U.S. dollar per Euro)	1.3746	1.2742

NATUZZI S.P.A. AND SUBSIDIARIES
 Unaudited Consolidated Statement of Earnings
 for the nine-month period ended September 30, 2007 and 2006 on the
 basis of Italian GAAP
 (Expressed in millions of EUR except per share data)

Nine months ended on % Over Percent of Sales

Edgar Filing: NATUZZI S P A - Form 6-K

	30-Sep-07	30-Sep-06	(Under)	30-Sep-07	30-Sep-06
Upholstery net sales	406.3	486.1	(16.4)%	88.8%	89.6%
Other sales	51.2	56.3	(9.1)%	11.2%	10.4%
Total Net Sales	457.5	542.4	(15.7)%	100.0%	100.0%
Purchases	(223.7)	(231.8)	3.5%	(48.9)%	(42.9)%
Labor	(73.3)	(80.2)	8.6%	(16.0)%	(14.8)%
Third-party					
Manufacturers	(11.1)	(15.4)	27.9%	(2.4)%	(2.8)%
Manufacturing Costs	(29.0)	(25.3)	(14.6)%	(6.3)%	(4.5)%
Inventories, net	10.2	(3.3)	409.1%	2.2%	(0.6)%
Cost of Sales	(326.9)	(356.0)	8.2%	(71.5)%	(65.6)%
Gross Profit	130.6	186.4	(29.9)%	28.5%	34.4%
Selling Expenses	(123.9)	(137.3)	9.8%	(27.1)%	(25.3)%
General and					
Administrative					
Expenses	(34.9)	(29.2)	(19.5)%	(7.6)%	(5.4)%
Operating Income					
(Loss)	(28.2)	19.9		(6.2)%	3.7%
Interest Income, net	1.2	0.8		0.3%	0.1%
Foreign Exchange, net	(4.8)	(2.0)		(1.0)%	(0.4)%
Other Income, net	3.3	4.9		0.7%	0.9%
Earnings (Losses)					
before taxes and					
minority interest	(28.5)	23.6		(6.2)%	4.4%
Income taxes	5.2	(6.1)		1.1%	(1.1)%
Earnings (Losses)					
before minority					
interest	(23.3)	17.5		(5.1)%	3.2%
Minority Interest	(0.2)	0.0		0.0%	0.0%
Net Earnings (Losses)	(23.1)	17.5		(5.0)%	3.2%
Earnings (Losses) Per					
Share	(0.42)	0.32			
Average Number of					
Shares Outstanding*	54,824,227	54,738,538			

(*) Net of shares repurchased

Key Figures in U.S.
dollars (millions)

	Nine months ended on	
	September	September
	30, 2007	30, 2006
Total Net Sales	615.2	675.6
Gross Profit	175.6	232.2
Operating Income		
(Loss)	(37.9)	24.8
Net Earnings (Losses)	(31.1)	21.8
Earnings (Losses) per		
Share	(0.56)	0.40

Edgar Filing: NATUZZI S P A - Form 6-K

Average exchange rate
(U.S. dollar per
Euro)

1.3447

1.2455

GEOGRAPHIC BREAKDOWN

	Sales*			Seat Units		
	Three months ended		% Over (Under)	Three months ended		% Over (Under)
	on 30-Sep-07	30-Sep-06		on 30-Sep-07	30-Sep-06	
Americas	48.7	60.1	(19.0%)	287,502	357,752	(19.6%)
% of total	38.9%	42.3%		48.3%	52.0%	
Europe	64.6	68.8	(6.1%)	257,271	274,427	(6.3%)
% of total	51.5%	48.5%		43.3%	39.9%	
Rest of the world	12.0	13.1	(8.4%)	50,115	55,392	(9.5%)
% of total	9.6%	9.2%		8.4%	8.1%	
TOTAL	125.3	142.0	(11.8%)	594,888	687,571	(13.5%)

* Expressed in millions of EUR

BREAKDOWN BY COVERING

	Sales*			Seat Units		
	Three months ended		% Over (Under)	Three months ended		% Over (Under)
	on 30-Sep-07	30-Sep-06		on 30-Sep-07	30-Sep-06	
Leather	113.3	123.4	(8.2%)	533,974	582,950	(8.4%)
% of total	90.4%	86.9%		89.8%	84.8%	
Fabric	12.0	18.6	(35.5%)	60,914	104,621	(41.8%)
% of total	9.6%	13.1%		10.2%	15.2%	
Total	125.3	142.0	(11.8%)	594,888	687,571	(13.5%)

* Expressed in millions of
EUR

BREAKDOWN BY BRAND

	Sales*			Seat Units		
	Three months ended		% Over (Under)	Three months ended		% Over (Under)
	on 30-Sep-07	30-Sep-06		on 30-Sep-07	30-Sep-06	
Natuzzi	68.8	83.8	(17.9%)	242,219	316,702	(23.5%)
% of total	54.9%	59.0%		40.7%	46.1%	
Italsofa	56.5	58.2	(2.9%)	352,669	370,869	(4.9%)
% of total	45.1%	41.0%		59.3%	53.9%	
TOTAL	125.3	142.0	(11.8%)	594,888	687,571	(13.5%)

Edgar Filing: NATUZZI S P A - Form 6-K

GEOGRAPHIC BREAKDOWN

	Sales*			Seat Units		
	Nine months ended on 30-Sep-07	% Over 30-Sep-06	% Over (Under)	Nine months ended on 30-Sep-07	% Over 30-Sep-06	% Over (Under)
Americas	144.1	186.9	(22.9%)	832,657	1,036,001	(19.6%)
% of total	35.5%	38.4%		45.0%	46.3%	
Europe	230.2	264.4	(12.9%)	888,829	1,055,359	(15.8%)
% of total	56.6%	54.4%		48.0%	47.2%	
Rest of the world	32.0	34.8	(8.0%)	129,902	144,761	(10.3%)
% of total	7.9%	7.2%		7.0%	6.5%	
TOTAL	406.3	486.1	(16.4%)	1,851,388	2,236,121	(17.2%)

* Expressed in millions of EUR

BREAKDOWN BY COVERING

	Sales*			Seat Units		
	Nine months ended on 30-Sep-07	% Over 30-Sep-06	% Over (Under)	Nine months ended on 30-Sep-07	% Over 30-Sep-06	% Over (Under)
Leather	360.0	420.6	(14.4%)	1,618,848	1,874,148	(13.6%)
% of total	88.6%	86.5%		87.4%	83.8%	
Fabric	46.3	65.5	(29.3%)	232,540	361,973	(35.8%)
% of total	11.4%	13.5%		12.6%	16.2%	
Total	406.3	486.1	(16.4%)	1,851,388	2,236,121	(17.2%)

* Expressed in millions of EUR

BREAKDOWN BY BRAND

	Sales*			Seat Units		
	Nine months ended on 30-Sep-07	% Over 30-Sep-06	% Over (Under)	Nine months ended on 30-Sep-07	% Over 30-Sep-06	% Over (Under)
Natuzzi	244.6	307.3	(20.4%)	853,269	1,107,774	(23.0%)
% of total	60.2%	63.2%		46.1%	49.5%	
Italsofa	161.7	178.8	(9.6%)	998,119	1,128,347	(11.5%)
% of total	39.8%	36.8%		53.9%	50.5%	

Edgar Filing: NATUZZI S P A - Form 6-K

TOTAL 406.3 486.1 (16.4%) 1,851,388 2,236,121 (17.2%)

* Expressed in millions of EUR

NATUZZI S.P.A. AND SUBSIDIARIES
Unaudited Consolidated Balance Sheet as of
September 30, 2007 and December 31, 2006
(Expressed in millions of EUR)

	30-Sep-07	31-Dec-06

ASSETS		
Current Assets:		
Cash and cash equivalents	97.7	128.1
Marketable debt securities	0.0	0.0
Trade receivables, net	102.0	119.3
Other receivables	41.5	44.7
Inventories	110.6	100.3
Unrealized foreign exchange gains	0.0	5.5
Prepaid expenses and accrued income	2.3	2.0
Deferred income taxes	16.0	7.5
Total current assets	370.1	407.4

Non-Current Assets:		
Net property, plant and equipment	243.1	246.3
Treasury shares	0.0	0.0
Other assets	18.2	18.7
Deferred income taxes	2.3	2.3

TOTAL ASSETS	633.7	674.7

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	4.6	3.8
Current portion of long-term debt	0.3	0.3
Accounts payable-trade	66.7	79.5
Accounts payable-other	25.7	22.5
Accounts payable shareholders for dividends	0.6	0.6
Unrealized foreign exchange losses	0.3	0.0
Income taxes	0.8	4.6
Salaries, wages and related liabilities	20.7	21.7
Total current liabilities	119.7	133.0

Long-Term Liabilities:		
Employees' leaving entitlement	33.3	35.3
Long-term debt	2.1	2.4
Deferred income taxes	0.0	0.0
Deferred income for capital grants	13.3	14.1
Other liabilities	9.1	10.5

Minority Interest	0.5	0.6

Shareholders' Equity:		
Share capital	54.8	54.7
Reserves	42.3	42.3
Additional paid-in capital	8.3	8.3
Retained earnings	350.3	373.5
Total shareholders' equity	455.7	478.8

Edgar Filing: NATUZZI S P A - Form 6-K

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY 633.7 674.7

NATUZZI S.P.A. AND SUBSIDIARIES
 Unaudited Consolidated Statement of Cash Flows
 as of September 30, 2007 and 2006
 (Expressed in millions of EUR)

	30- Sep- 07	30- Sep- 06
Cash flows from operating activities:		
Net earnings (losses)	(23.1)	17.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22.4	23.1
Employees' leaving entitlement	(1.9)	1.8
Deferred income taxes	(8.5)	(2.3)
Minority interest	(0.2)	0.0
(Gain) loss on disposal of assets	0.1	0.4
Unrealized foreign exchange (losses) / gain	5.8	(6.6)
Deferred income for capital grants	(0.8)	(0.8)
Change in assets and liabilities:		
Receivables, net	17.3	13.1
Inventories	(10.2)	3.5
Prepaid expenses and accrued income	(0.4)	(0.1)
Other assets	3.2	4.2
Accounts payable	(12.9)	(2.9)
Income taxes	(3.8)	1.0
Salaries, wages and related liabilities	(1.0)	(1.0)
Other liabilities	2.9	2.7
Total adjustments	12.0	36.1
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(11.1)	53.6
Cash flows from investing activities:		
Property, plant and equipment:		
Additions	(19.2)	(11.8)
Disposals	0.4	0.2
Government grants received	0.0	0.0
Marketable debt securities:		
Proceeds from sales	0.0	0.0
Purchase of business, net of cash acquired	(0.1)	(3.1)
Disposal of business	0.0	0.0
NET CASH USED BY INVESTING ACTIVITIES	(18.9)	(14.7)
Cash flows from financing activities:		
Long term debt:		
Proceeds	0.0	0.0
Repayments	(0.3)	(0.6)
Short-term borrowings	0.8	(3.6)
Dividends paid to shareholders	0.0	0.0
Dividends paid to minority shareholders	0.0	0.0
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	0.5	(4.2)
Effect of translation adjustments on cash	(0.9)	(0.7)

Edgar Filing: NATUZZI S P A - Form 6-K

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(30.4)	34.0

Cash and cash equivalents, beginning of the year	128.1	89.7
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	97.7	123.7

CONTACT: Natuzzi S.p.A.
Investor Relations Dept.
Tel.: +39-080-8820-812
Fax: +39-080-8820-241
E-mail: investor_relations@natuzzi.com
or
Corporate Press Office
Tel.: +39-080-8820-124
Fax: +39-080-8820-508
E-mail: relazioni.esterne@natuzzi.com
or
www.natuzzi.com

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: November 14, 2007

By: /s/ FILIPPO SIMONETTI

Filippo Simonetti