

NATUZZI S P A
Form 6-K
September 19, 2014
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, 2014** 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:
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 the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes No

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

Natuzzi: Second Quarter and First Half 2014 Consolidated Financial Results

Implementation of Transformation Plan Proceeding

- ***Growth Strategy Confirmed: High Single Digit Growth in Order Flow Year-to-Date Vs. Same Period 2013***
- ***First Half 2014 Upholstery Net Sales Down 6.1% Vs. Previous Year, Mainly Due to Production Delays at the Italian and Chinese Plants and to Unfavorable Currency Movements, Despite Recovering Almost 10 Percentage Points in the Second Quarter 2014; Improving Sales Trend Continuing in the Third Quarter 2014 to-Date***
- ***Long-Term Goals Envisaged by the 2014-2016 Transformation Plan Confirmed by Management***

SANTERAMO IN COLLE, Italy--(BUSINESS WIRE)--September 19, 2014--The Board of Directors of Natuzzi S.p.A. (NYSE:NTZ) (“Natuzzi” or the “Company”) has approved its consolidated financial results for the second quarter and first half of 2014.

After the meeting of the Board of Directors, the Chief Executive Officer, Pasquale Natuzzi, commented:

“First semester results deliver two important messages about the progress of the 2014-2016 Transformation Plan: they confirm the validity of our overall marketing and distribution strategy, while highlighting the need to implement certain corrective measures within the Group’s industrial operations which may result in slower implementation of the Plan than originally envisaged.

Notwithstanding encouraging high single-digit growth in year-to-date order flow, the performance of our industrial plants has fallen short of our expectations. Production delays in China and inefficiencies at the Italian plants – together with unfavorable currency movements that have affected our sales by 3.3% - have contributed to a decline in the Company’s turnover to €211.1 million, a decrease of 6.1% compared to the first six months of 2013.

At the same time, we highlight a significant recovery in our sales during the second quarter of 2014. In fact, on a quarterly basis, second quarter turnover was down 1.2% (or up 1.7% at constant exchange rates), a 10% improvement from the 11.2% reduction reported in the first quarter of the year.

All of the above has negatively affected our industrial margin, which declined to 27.1% in the first half of 2014 compared to 29.2% in the first half of 2013.

The strengthening of the Euro against the US dollar, which led to a €1.6 million decline in first half operating results, and the increase in the cost of leather, which led to a €4 million increase in the cost of goods sold, also contributed to an operating loss of €20.4 million for the first half of 2014 (compared to an operating loss of €14.3 million for the first half of 2013). In this regard, we expect the recent weakening of the Euro against the US dollar and the increase in our price list since May to offset the increase in leather cost in the following quarters.

The execution of the other restructuring projects included in the 2014-2016 Transformation Plan is continuing on schedule, and we are further strengthening the Group's management team, including through two recent appointments within our commercial operations (Americas and Western Europe), and three new managers responsible for HR and Organization, Italian Operations and Quality, respectively.

In light of encouraging order flow, continuing improvements in our operations and the on-time execution of the other projects in the Transformation Plan, I believe we can confirm the long-term goals as reflected in the Plan.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements set forth in this press release constitute forward-looking statements within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements involve risks and uncertainties that could cause Natuzzi's actual results to differ materially from those stated or implied by such forward-looking statements. More information about the potential factors that could affect the Company's business and financial results is included in Natuzzi's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 20-F for the year ended December 31, 2013. Natuzzi undertakes no obligation to update any of the forward-looking statements after the date of this press release.

About Natuzzi S.p.A.

Founded in 1959 by Pasquale Natuzzi, Natuzzi S.p.A. designs, manufactures and sells a broad collection of couches, armchairs, home furniture and home accessories. With consolidated revenues of €449.1 million in 2013, Natuzzi is Italy's largest furniture house and the player with the greatest global reach in its sector, with eight manufacturing plants, twelve commercial offices and more than 1,200 points of sale worldwide. Ethics and social responsibility, innovation, industrial know-how and integrated management of its value chain represent the points of strength that have made the Natuzzi Group a market leader and established Natuzzi as the most recognized furniture brand in the world among consumers of luxury goods. Natuzzi S.p.A. has been listed on the New York Stock Exchange since May 1993. The Company is ISO 9001 and 14001 certified.

Natuzzi S.p.A. and Subsidiaries**Unaudited Consolidated Profit & Loss for the second quarter of 2014 & 2013 on the basis of Italian GAAP***(expressed in millions Euro, except per share amounts)*

	Three months ended on		Change	Percentage of Sales	
	30-Jun-14	30-Jun-13	%	30-Jun-14	30-Jun-13
Upholstery net sales	100.3	102.7	-2.4%	89.0%	90.1%
Other sales	12.4	11.3	9.2%	11.0%	9.9%
Total Net Sales	112.7	114.1	-1.2%	100.0%	100.0%
Consumption (*)	(52.0)	(53.7)	-3.1%	-46.2%	-47.1%
Labor	(24.9)	(20.3)	22.8%	-22.1%	-17.8%
Industrial Costs	(6.6)	(6.6)	1.3%	-5.9%	-5.8%
<i>of which: Depreciation, Amortization</i>	<i>(2.0)</i>	<i>(2.3)</i>	<i>-12.6%</i>	<i>-1.8%</i>	<i>-2.0%</i>
Cost of Sales	(83.6)	(80.5)	3.8%	-74.2%	-70.6%
Industrial Margin	29.1	33.5	-13.2%	25.8%	29.4%
Selling Expenses	(16.6)	(16.1)	2.8%	-14.7%	-14.1%
<i>Transportation</i>	<i>(11.0)</i>	<i>(11.4)</i>	<i>-3.7%</i>	<i>-9.8%</i>	<i>-10.0%</i>
<i>Commissions</i>	<i>(2.2)</i>	<i>(2.3)</i>	<i>-6.4%</i>	<i>-1.9%</i>	<i>-2.0%</i>
<i>Advertising</i>	<i>(3.4)</i>	<i>(2.4)</i>	<i>43.4%</i>	<i>-3.0%</i>	<i>-2.1%</i>
Other Selling and G&A	(23.5)	(24.8)	-5.1%	-20.9%	-21.7%
<i>of which: Depreciation, Amortization</i>	<i>(0.9)</i>	<i>(1.8)</i>	<i>-49.1%</i>	<i>-0.8%</i>	<i>-1.6%</i>
EBITDA	(8.0)	(3.3)		-7.1%	-2.9%
EBIT	(11.0)	(7.4)		-9.7%	-6.5%
Interest Income/(Costs), Net	(0.2)	(0.1)			
Foreign Exchange, Net	0.3	(2.7)			
Other Income/(Cost), Net	(3.6)	(1.8)			
Earning before Income Taxes	(14.5)	(11.9)		-12.8%	-10.5%
Current taxes	(0.3)	(2.1)		-0.3%	-1.8%
Net Result	(14.8)	(14.0)		-13.1%	-12.3%

Minority interest	(0.0)	(0.2)		
Net Group Result	(14.8)	(14.2)	-13.1%	-12.4%
Net Group Result per Share	(0.27)	(0.26)		

Key Figures in U.S. dollars <i>(millions)</i>	Three months ended on		Change	Percentage of Sales	
	30-Jun-14	30-Jun-13	%	30-Jun-14	30-Jun-13
Total Net Sales	154.5	156.4	-1.2%	100.0%	100.0%
Industrial Margin	39.9	46.0	-13.2%	25.8%	29.4%
EBIT	(15.1)	(10.1)		-9.7%	-6.5%
Net Group Result	(20.2)	(19.5)		-13.1%	-12.4%
Net Group Result per Share	(0.37)	(0.35)			
Average exchange rate (U.S.\$ per 1€)	1.3715				

() Purchases plus beginning stock minus final stock and leather processing*

UPHOLSTERY NET SALES BREAKDOWN**GEOGRAPHIC BREAKDOWN**

AREA	NET SALES (in €, million)					NET SALES (in seats sold)				
	Three months ended on					Three months ended on				
	30-Jun-14	%	30-Jun-13	%	delta	30-Jun-14	%	30-Jun-13	%	delta
Americas	39.7	39.6%	44.7	43.5%	-11.1%	196,369	48.1%	221,111	50.0%	-24.7%
Natuzzi	24.9	24.8%	27.6	26.9%	-9.9%	97,814	24.0%	119,074	23.9%	20.2%
Private label	14.9	14.8%	17.1	16.6%	-13.0%	98,555	24.1%	102,037	26.1%	-22.0%
EMEA	48.3	48.2%	45.8	44.6%	5.4%	168,780	41.3%	166,543	39.9%	4.4%
Natuzzi	38.5	38.4%	36.5	35.6%	5.4%	105,668	25.9%	109,359	27.6%	-11.7%
Private label	9.8	9.8%	9.3	9.1%	5.4%	63,113	15.5%	57,185	12.3%	25.2%
Asia-Pacific	12.3	12.2%	12.2	11.9%	0.5%	43,213	10.6%	45,143	10.0%	0.6%
Natuzzi	11.7	11.6%	10.8	10.5%	8.0%	38,535	9.4%	35,356	8.8%	6.5%
Private label	0.6	0.6%	1.4	1.4%	-57.0%	4,678	1.1%	9,787	1.2%	-62.5%
TOTAL	100.3	100.0%	102.7	100.0%	-2.4%	408,361	100.0%	432,796	100.0%	-6.4%

BREAKDOWN BY BRAND

BRAND	NET SALES (in €, million)					NET SALES (in seats sold)				
	Three months ended on					Three months ended on				
	30-Jun-14	%	30-Jun-13	%	delta	30-Jun-14	%	30-Jun-13	%	delta
Natuzzi	75.0	74.8%	74.9	72.9%	0.1%	242,016	59.3%	263,788	59.3%	0.0%
Private label	25.3	25.2%	27.8	27.1%	-9.1%	166,345	40.7%	169,009	38.7%	2.0%