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NATUZZI S P A
Form 6-K
March 26, 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 March 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

(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- .)

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Natuzzi's Board of Directors Approves Fourth-Quarter and Full Year 2003 Financial Results

SANTERAMO IN COLLE, BARI, Italy--(BUSINESS WIRE)--March 25, 2004--

- Net sales increased 3.5% over fourth quarter 2002, but decreased 4.4% on a year-over-year basis
- Units sold grew 6.2% over the prior year's quarter and 1.0% year-over-year
- Net profit margin at 1.7% in the fourth quarter and 4.8% on a full-year basis
- 39 new stores and 256 galleries opened in 2003
- Annual dividend of EUR 0.14 per ADR or Ordinary Share proposed

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 fourth quarter and fiscal year ended December 31, 2003 and proposes annual dividend of EUR 0.14 per ADR or ordinary share.

NET SALES

Natuzzi's fourth-quarter 2003 net sales were EUR 209.6 million or \$ 249.4 million, up 3.5 percent from EUR 202.6 or \$ 202.7 in the prior year's quarter. In the same periods, seats sold increased 6.2%. In 2003 net sales decreased 4.4 percent over 2002 to EUR 769.6 million or \$ 870.9 million while seats sold increased 1.0%.

In fourth-quarter 2003, net upholstery sales decreased 0.4 percent to EUR 182.5 million or \$ 217.2 million compared to fourth-quarter 2002, while other sales (principally living-room accessories and raw materials produced by the Company and sold to third parties) increased 40.4 percent to EUR 27.1 million, or \$ 32.2 million.

In the last quarter of 2003, upholstery sales in the Americas decreased 6.6 percent to EUR 79.4 million, or \$ 94.5 million, as consequence of a higher conversion rate. In Europe, upholstery sales increased 2.9 percent to EUR 91.7, or \$ 109.1 million. In the Rest of the World upholstery sales increased 23.7 percent over fourth-quarter 2002 to EUR 11.4 million, or \$ 13.6 million.

Total net sales to Divani & Divani by Natuzzi and Natuzzi stores were substantially flat in the fourth-quarter at EUR 29.6 million, or \$ 35.2 million. During the quarter, a total of 19 new stores were opened in Italy, Australia, Switzerland, Spain and China. Net sales to the furniture chain Kingdom of Leather, acquired in May 2003, were EUR 1.8 million or \$ 2.3 million. As of December 31, 2003, the total number of stores was 137 in Italy and 109 abroad, while one year before they were 125 in Italy and 69 outside Italy.

In fourth-quarter 2003 leather-upholstered furniture sales were EUR 149.5 million, or \$ 177.9 million, while fabric-upholstered sales rose 12.6 percent over last year's quarter to EUR 33.0 million, or \$ 39.3 million.

Fourth-quarter 2003 net sales of Natuzzi-branded furniture were EUR 142.7 million, or \$ 169.8 million, down 4.8 percent versus last year's quarter. During the same period, net sales of Italsofa furniture were EUR 39.8 million, or \$ 47.4 million, up 19.2 percent compared to EUR 33.4 million, or \$ 33.4 million, reported in fourth-quarter 2002.

Pasquale Natuzzi, Chairman and Chief Executive Officer, commented:

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"The decrease in sales reported in 2003, compared to 2002, was due to the unfavorable translation effect caused by the strong appreciation of the Euro against the US Dollar and was only partially offset by a marginal increase in seats sold. In a market dominated by a fierce price competition, Italsofa, our promotional brand, continued its double digit growth, while Natuzzi, the brand addressing the medium-high end of the market, reported lower sales."

GROSS PROFIT & OPERATING INCOME

Gross profit in fourth-quarter 2003 decreased 0.8 percent to EUR 72.2 million, or \$ 85.9 million, compared to the same quarter in 2002. Over the same period, gross profit margin decreased to 34.4 percent from 35.9 percent.

Fourth-quarter 2003 operating income was EUR 10.4 million while the operating margin for each year comparable quarter was 5.0 percent and 9.8 percent, respectively.

FOREX & TAXES

In fourth quarter 2003 Natuzzi reported a foreign exchange loss of EUR 1.4 million, or \$ 1.7 million, versus a net forex gain of EUR 0.3 reported in fourth quarter 2002, and a tax credit of EUR 0.5 million, or \$ 0.6 million.

NET INCOME & EARNINGS PER SHARE

Fourth-quarter 2003 net income decreased 80.4 percent from last year's quarter to EUR 3.6 million, or \$ 4.3 million, while earnings per share (ADR) were EUR 0.07, or \$ 0.08. For the twelve-months ended December 31, 2003, net income decreased 59.2 percent to EUR 37.3 million, or \$ 42.2 million and earnings per share (ADR) were EUR 0.68, or \$ 0.77, from EUR 1.67, or \$ 1.58, reported in the prior year's comparable period.

Pasquale Natuzzi said, "In the fourth-quarter of 2003, the Company's profitability was affected by an extraordinary loss and the same factors reported in the previous three quarters: a strong appreciation of the Euro, higher investments in advertising and new store and gallery openings, and the persistent pricing pressure coming from low-cost countries."

CASH FLOW

Net cash flow from operations for the full year 2003 was EUR 39.1 million, or \$ 44.2 million from the EUR 101.1 million, or \$ 101.1 million, generated in 2002. On a per ADR basis, net operating cash flow was EUR 0.72, or \$ 0.81.

OUTLOOK

Concluded Mr. Natuzzi: "The uncertain global economic situation, the unfavorable outlook for the European currency and the competition coming from low cost countries, especially those whose currency is pegged to the US Dollar, represent a challenge for the furniture industry and the Company. In this scenario, we remain focused on strengthening the Natuzzi brand and on increasing our market share of the promotional segment of the market using Italsofa brand.

In light of the above, as well as encouraging order growth in the first eleven weeks of 2004 and planned improvements in operating efficiencies, we expect to deliver approximately a 5 percent year-over-year increase in seats sold and a net profit margin in the region of 5 percent."

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ANNUAL DIVIDEND

The Directors will propose an annual dividend of EUR 0.14 per ADR at the General Shareholders' Meeting to be held on April 29, 2004 (on first call) and if necessary on April 30, 2004 (on second call).

CONVERSION RATES

The fourth-quarter 2003 and 2002 dollar figures presented in this announcement were converted at an average noon buying rate of \$ 1.1900 per EUR and \$ 1.0003 per EUR, respectively. The 2003 and 2002 full-year figures were converted at an average noon buying rate of \$ 1.1316 per EUR and \$ 0.9459 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, 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 126 stores, which it licenses to qualified furniture dealers. Outside Italy, the Company sells to various furniture retailers, as well as through 70 licensed Divani & Divani by Natuzzi and Natuzzi branded 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 full year ended December 31, 2003 and 2002
on the basis of Italian GAAP
(expressed in millions of EUR except per share data)

Dec., 31 % Dec., 31 % %

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	2003	Sales	2002	Sales	Change
Upholstery net sales	674.0		734.7		-8.3%
Other sales	95.6		70.4		35.8%
Net Sales	769.6	100%	805.1	100%	-4.4%
Purchases	(355.9)		(338.5)		5.1%
Labor	(104.5)		(106.9)		-2.2%
Third-party Manufacturers	(32.8)		(38.6)		-15.0%
Manufacturing Costs	(29.0)		(29.6)		-2.0%
Inventories, net	13.4		(3.8)		-452.6%
Cost of Sales	(508.8)		(517.4)		-1.7%
Gross Profit	260.8	33.9%	287.7	35.7%	-9.4%
Selling Expenses	(179.3)		(145.4)		23.3%
General and Administrative Expenses	(39.2)		(40.5)		-3.2%
Operating Income	42.3	5.5%	101.8	12.6%	-58.4%
Interest Income, net	0.5		1.6		
Foreign Exchange, net	6.3		9.3		
Other Income, net	(3.1)		3.8		
Earnings before taxes and minority interest	46.0		116.5		-60.5%
Income taxes	(8.5)		(25.0)		-66.0%
Earnings before minority interest	37.5		91.5		-59.0%
Minority Interest	(0.2)		(0.1)		
Net Earnings	37.3	4.8%	91.4	11.4%	-59.2%
Earnings per Share	0.6821		1.6715		-59.2%
Average Number of Shares Outstandings(*)	54,681,628		54,681,628		

(*) Net of shares repurchased

1 EUR = 1,936.27 ITL

KEY FIGURES IN U.S. DOLLARS (millions)

Dec. 31, Dec. 31,

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	2003	2002
	-----	-----
Net Sales	870.9	761.5
Gross Profit	295.1	272.1
Operating Profit	47.9	96.3
Net Earnings	42.2	86.5
Earnings per Share in U.S. dollars	0.7718	1.5811
Average exchange rate (U.S. dollar per Euro)	1.1316	0.9459

NATUZZI S.p.A. AND SUBSIDIARIES
 Unaudited Consolidated Statement of Earnings
 for the fourth-quarter ended December 31, 2003 and 2002
 on the basis of Italian GAAP
 (expressed in millions of EUR except per share data)

	4th Quarter	%	4th Quarter	%	%
	-----	-----	-----	-----	-----
	2003	Sales	2002	Sales	Change
	-----	-----	-----	-----	-----
Upholstery net sales	182.5		183.3		-0.4%
Other sales	27.1		19.3		40.4%
	-----		-----		
Net Sales	209.6	100%	202.6	100%	3.5%
Purchases	(82.8)		(77.8)		6.4%
Labor	(27.0)		(25.2)		7.1%
Third-party Manufacturers	(8.4)		(9.6)		-12.5%
Manufacturing Costs	(7.7)		(7.6)		1.3%
Inventories, net	(11.5)		(9.6)		19.8%
	-----		-----		
Cost of Sales	(137.4)		(129.8)		5.9%
	-----		-----		
Gross Profit	72.2	34.4%	72.8	35.9%	-0.8%
Selling Expenses	(50.1)		(40.4)		24.0%
General and Administrative Expenses	(11.7)		(12.5)		-6.4%
	-----		-----		
Operating Income	10.4	5.0%	19.9	9.8%	-47.7%
Interest Income, net	(0.3)		0.7		
Foreign Exchange, net	(1.4)		0.3		
Other Income, net	(5.4)		2.9		
	-----		-----		
Earnings before taxes and minority interest	3.3		23.8		-86.1%
Income taxes	0.5		(5.4)		-109.3%
	-----		-----		
Earnings before minority					

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interest	3.8		18.4	-79.3%
Minority Interest	(0.2)		0.0	
	-----		-----	
Net Earnings	3.6	1.7%	18.4	9.1% -80.4%
	=====		=====	
Earnings per Share	0.0658		0.3365	-80.4%
	=====		=====	
Average Number of Shares				
Outstandings(*)	54,681,628		54,681,628	

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

KEY FIGURES IN U.S. DOLLARS (millions)

	4th Quarter 2003	4th Quarter 2002
	-----	-----
Net Sales	249.4	202.7
Gross Profit	85.9	72.8
Operating Profit	12.4	19.9
Net Earnings	4.3	18.4
Earnings per Share in U.S. dollars	0.083	0.3365
Average exchange rate (U.S. dollar per Euro)	1.1900	1.0003

GEOGRAPHIC BREAKDOWN

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	Dec., 31	Dec., 31	%	Dec., 31	Dec., 31	%
	2003	2002	Change	2003	2002	Change
	-----	-----	-----	-----	-----	-----
Americas	320.1	366.4	-12.6%	1,699,160	1,572,879	8.0%
% of total	47.5%	49.9%		55.5%	52.0%	
Europe	313.5	326.5	-4.0%	1,181,566	1,278,296	-7.6%
% of total	46.5%	44.4%		38.6%	42.2%	
Rest of world	40.4	41.8	-3.3%	178,109	176,483	0.9%
% of total	6.0%	5.7%		5.8%	5.8%	
TOTAL	674.0	734.7	-8.3%	3,058,835	3,027,658	1.0%
	-----	-----	-----	-----	-----	-----

BREAKDOWN BY COVERING

	Sales			Seat Units		
	(Expressed in millions of EUR)					
	Dec., 31	Dec., 31	%	Dec., 31	Dec., 31	%
	2003	2002	Change	2003	2002	Change
	-----	-----	-----	-----	-----	-----

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Leather	550.0	623.7	-11.8%	2,310,121	2,433,509	-5.1%
% of total	81.6%	84.9%		75.5%	80.4%	
Fabric	124.0	111.0	11.7%	748,714	594,149	26.0%
% of total	18.4%	15.1%		24.5%	19.6%	
TOTAL	674.0	734.7	-8.3%	3,058,835	3,027,658	1.0%

BREAKDOWN BY BRAND

	Sales (Expressed in millions of EUR)			Seat Units		
	Dec., 31	Dec., 31	%	Dec., 31	Dec., 31	%
	2003	2002	Change	2003	2002	Change
Natuzzi	533.0	609.4	-12.5%	2,126,404	2,313,186	-8.1%
% of total	79.1%	82.9%		69.5%	76.4%	
Italsofa	141.0	125.3	12.5%	932,431	714,472	30.5%
% of total	20.9%	17.1%		30.5%	23.6%	
TOTAL	674.0	734.7	-8.3%	3,058,835	3,027,658	1.0%

GEOGRAPHIC BREAKDOWN

	Sales (Expressed in millions of EUR)			Seat Units		
	4th Quarter	4th Quarter	%	4th Quarter	4th Quarter	%
	2003	2002	Change	2003	2002	Change
Americas	79.4	85.0	-6.6%	440,765	396,425	11.2%
% of total	43.5%	46.4%		52.6%	50.3%	
Europe	91.7	89.1	2.9%	346,299	352,006	-1.6%
% of total	50.2%	48.6%		41.4%	44.6%	
Rest of world	11.4	9.2	23.9%	50,304	40,357	24.6%
% of total	6.2%	5.0%		6.0%	5.1%	
TOTAL	182.5	183.3	-0.4%	837,368	788,788	6.2%

BREAKDOWN BY COVERING

	Sales (Expressed in millions of EUR)			Seat Units		
	4th Quarter	4th Quarter	%	4th Quarter	4th Quarter	%
	2003	2002	Change	2003	2002	Change
Leather	149.5	154.0	-2.9%	636,475	624,404	1.9%
% of total	81.9%	84.0%		76.0%	79.2%	
Fabric	33.0	29.3	12.6%	200,893	164,384	22.2%
% of total	18.1%	16.0%		24.0%	20.8%	

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TOTAL	182.5	183.3	-0.4%	837,368	788,788	6.2%
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BREAKDOWN BY BRAND

	4th Quarter	4th Quarter	% Change	4th Quarter	4th Quarter	% Change
	2003	2002		2003	2002	
Natuzzi	142.7	149.9	-4.8%	575	585	-1.7%
% of total	78.2%	81.8%		68.6%	74.1%	
Italsofa	39.8	33.4	19.2%	263	204	28.9%
% of total	21.8%	18.2%		31.4%	25.9%	
TOTAL	182.5	183.3	-0.4%	838	789	6.2%

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

	2003	2002
ASSETS		
Current Assets:		
Cash and cash equivalents	63.6	96.7
Marketable debt securities	0	0
Trade receivables, net	154.5	158.4
Other receivables	58.1	58.3
Inventories	97.5	84.1
Unrealized foreign exchange gain	6.3	2.0
Prepaid expenses and accrued income	2.1	1.3
Deferred income taxes	1.0	1.8
Total current assets	383.1	402.6
Non-Current Assets:		
Net property, plant and equipment	254.2	228.9
Treasury shares	37.8	37.8
Other assets	17.1	5.1
Deferred income taxes	0.2	0.1
Total Assets	692.4	674.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	4.8	0.2
Current portion of long-term debt	1.3	1.4
Accounts payable-trade	80.9	87.5
Accounts payable-shareholders for dividends	0.0	0.0
Accounts payable-other	17.8	15.7
Allowance for unrealized foreign exchange losses	0.0	0.0
Income taxes	4.3	9.2
Salaries, wages and related liabilities	16.1	14.7
Total current liabilities	125.2	128.7
Long-Term Liabilities:		
Employees' termination indemnity	27.6	25.6
Long-term debt	4.2	3.6
Deferred income taxes	0.4	0.4

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Deferred income for capital grants	13.4	14.2
Other liabilities	5.7	5.7
Minority Interest	0.9	0.5
Shareholders' Equity:		
Share capital	57.5	57.5
Reserves	80.2	73.1
Additional paid-in capital	8.3	8.3
Retained earnings	369.0	356.9
Total shareholders' equity	515.0	495.8
Total Liabilities and Shareholders' Equity	692.4	674.5
	=====	=====

NATUZZI S.p.A. AND SUBSIDIARIES
 Unaudited Consolidated Statements of Cash Flows
 as of December 31, 2003 and 2002
 (Expressed in millions of EUR)

	December, 31 2003	December, 31 2002
	-----	-----
Cash flows from operating activities:		
Net earnings	37.3	91.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	24.1	16.8
Employees' termination indemnity	2.0	3.3
Deferred income taxes	0.8	0.4
Minority interest	0.2	(0.1)
(Gain) loss on disposal of assets	4.8	0.0
Change in provision for unrealized foreign exchange (losses) / gain	(4.3)	(2.9)
Change in assets and liabilities:		
Receivables, net	4.8	(20.2)
Inventories	(7.6)	3.8
Prepaid expenses and accrued income	(0.9)	(0.3)
Other assets	3.3	(3.0)
Accounts payable	(9.2)	5.3
Income taxes	(4.9)	3.6
Salaries, wages and related liabilities	1.4	1.1
Other liabilities	(12.7)	1.9
	-----	-----
Total adjustments	1.8	9.7
	-----	-----
Net cash provided by operating activities	39.1	101.1
	-----	-----
Cash flows from investing activities:		
Property, plant and equipment:		
Additions	(49.9)	(71.6)
Disposals	0.2	0.6
Government grants received	3.1	10.0
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		

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acquired	(6.5)	0.0.
Purchase of minority interest	(0.0)	0.0.
	-----	-----
Net cash used in investing activities	(53.1)	(61.0)
	-----	-----
Cash flows from financing activities:		
Long term debt:		
Proceeds	1.9	2.1
Repayments	(1.7)	(1.4)
Short-term borrowings	2.7	(134.3)
Exercise of stock options	0.0	0.0
Treasury shares	0.0	0.0
Dividends paid	(18.0)	(15.7)
Dividends paid to minority shareholders	0.0	0.0
	-----	-----
Net cash used in financing activities	(15.1)	(149.3)
	-----	-----
Effect of translation adjustments on cash	(4.0)	(2.4)
	-----	-----
Increase (decrease) in cash and cash equivalents	(33.1)	(111.6)
Cash and cash equivalents, beginning of the year	96.7	208.3
	-----	-----
Cash and cash equivalents, end of the period	63.6	96.7
	=====	=====

Natuzzi S.p.A.
FOURTH-QUARTER AND FULL YEAR 2003
FINANCIAL RESULTS TELECONFERENCE

Senior management will review fourth-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

Giuseppe Desantis
Vice Chairman of the Board

Nicola Dell'Edera
Finance Director

and

Fred Starr
President and Chief Executive Officer, Natuzzi Americas

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Friday, March 26, 2004
10:00 a.m. (New York time)
3:00 p.m. (London time)
4:00 p.m. (Italian time)

The telephone numbers for the teleconference are:

1-888-428-4474 calling from US
+1-651-291-0561 calling from outside the US

Replay of this event will be available on our web-site
www.natuzzi.com starting from 3:00 p.m. Italian time on
March 29, 2004.

CONTACT: Investor Relations Dept.
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or:
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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: March 2004

By: /s/ GIUSEPPE DESANTIS

Giuseppe Desantis