

NATUZZI S P A  
Form 20-F  
April 30, 2012

**Natuzzi S.p.A**

Annual Report on Form 20-F

2011

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 20-F**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Fiscal Year Ended: December 31, 2011

Commission file number: 001-11854

**NATUZZI S.p.A.**

(Exact name of Registrant as specified in its charter)

Republic of Italy

(Jurisdiction of incorporation or organization)

Via Iazzitiello 47, 70029, Santeramo in Colle, Bari, Italy

(Address of principal executive offices)

Mrs. Silvia Di Rosa

Tel. +39 335 78 64 209

sdirosa@natuzzi.com

Via Iazzitiello 47, 70029 Santeramo in Colle, Bari, Italy

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

| <b>Title of each class</b>                                       | <b>Name of each exchange on which registered</b>   |
|--|--|
| American Depositary Shares, each representing one Ordinary Share | New York Stock Exchange<br>New York Stock Exchange |
| Ordinary Shares, with a par value of 1.00 each                   | (for listing purposes only)                        |

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Securities registered or to be registered pursuant to Section 12(g) of the Act:

**None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

**None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

As of December 31, 2011 **54,853,045 Ordinary Shares**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  IFRS  Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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**PRESENTATION OF FINANCIAL INFORMATION**

In this annual report, references to euro are to the euro and references to U.S. dollars, dollars, U.S.\$ or \$ are to United States dollars.

Amounts stated in U.S. dollars, unless otherwise indicated, have been translated from the euro amount by converting the euro amounts into U.S. dollars at the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the Noon Buying Rate) for euros on December 31, 2011 of U.S.\$ 1.2973. The foreign currency conversions in this annual report should not be taken as representations that the foreign currency amounts actually represent the equivalent U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated.

The Consolidated Financial Statements included in Item 18 of this annual report are prepared in conformity with accounting principles established by the Italian Accounting Profession ( Italian GAAP ). These principles vary in certain significant respects from generally accepted accounting principles in the United States ( U.S. GAAP ). See Note 29 to the Consolidated Financial Statements included in Item 18 of this annual report. All discussions in this annual report are in relation to Italian GAAP, unless otherwise indicated.

In this annual report, the term seat is used as a unit of measurement. A sofa consists of three seats; an armchair consists of one seat.

The terms Natuzzi, Company, Group, we, us, and our, unless otherwise indicated or as the context may otherwise require, mean Natuzzi and its consolidated subsidiaries.

**FORWARD-LOOKING INFORMATION**

The Company makes forward-looking statements in this annual report. Statements that are not historical facts, including statements about the Group's beliefs and expectations, are forward-looking statements. Words such as believe, expect, intend, plan and anticipate and similar expressions are intended to identify forward-looking statements but are not exclusive means of identifying such statements. These statements are based on management's current plans, estimates and projections, and therefore readers should not place undue reliance on them. Forward-looking statements speak only as of the dates they were made, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Projections and targets included in this annual report are intended to describe our current targets and goals, and not as a prediction of future performance or results. The attainment of such projections and targets is subject to a number of risks and uncertainties described in the paragraph below and elsewhere in this annual report. See Item 3. Key Information Risk Factors.

Forward-looking statements involve inherent risks and uncertainties, as well as other factors that may be beyond our control. The Company cautions readers that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: effects on the Group from competition with other furniture producers, material changes in consumer demand or preferences, significant economic developments in the Group's primary markets, significant changes in labor, material and other costs affecting the construction of new plants, significant changes in the costs of principal raw materials, significant exchange rate movements or changes in the Group's legal and regulatory environment, including developments related to the Italian Government's investment incentive or similar programs. The Company cautions readers that the foregoing list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and events.

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**Selected Financial Data**

The following table sets forth selected consolidated financial data for the periods indicated and is qualified by reference to, and should be read in conjunction with, the Consolidated Financial Statements and the notes thereto included in Item 18 of this annual report and the information presented under "Operating and Financial Review and Prospects" included in Item 5 of this annual report. The statement of operations and balance sheet data presented below have been derived from the Consolidated Financial Statements.

The Consolidated Financial Statements, from which the selected consolidated financial data set forth below has been derived, were prepared in accordance with Italian GAAP, which differ in certain respects from U.S. GAAP. For a discussion of the principal differences between Italian GAAP and U.S. GAAP as they relate to the Group's consolidated net loss and shareholders' equity, see Note 29 to the Consolidated Financial Statements included in Item 18 of this annual report.

|   | Year Ended At December 31,  |         |         |         |         |         |
|---|---|---------|---------|---------|---------|---------|
|   | 2011<br>(millions of<br>dollars,<br>except per<br>Ordinary<br>Share) <sup>(1)</sup> | 2011    | 2010    | 2009    | 2008    | 2007    |
| <b>Statement of Operations Data:</b>                            |   |         |         |         |         |         |
| <i>Amounts in accordance with Italian GAAP :</i>                |   |         |         |         |         |         |
| Net sales:  |   |         |         |         |         |         |
| Leather- and fabric-upholstered furniture                       | \$ 595.5  | 425.3   | 460.5   | 450.6   | 587.8   | 563.5   |
| Other(2)  | 85.4  | 61.0    | 58.1    | 64.8    | 78.2    | 70.9    |
| Total net sales   | 680.9   | 486.3   | 518.6   | 515.4   | 666.0   | 634.4   |
| Cost of sales   | (456.6)   | (326.1) | (321.5) | (329.8) | (478.8) | (460.6) |
| Gross profit  | 224.3   | 160.2   | 197.1   | 185.6   | 187.2   | 173.8   |
| Selling expenses  | (202.0)   | (144.3) | (154.3) | (149.6) | (172.3) | (173.9) |
| General and administrative expenses                             | (60.6)  | (43.3)  | (42.4)  | (46.6)  | (49.9)  | (49.0)  |
| Operating income (loss)   | (38.4)  | (27.4)  | 0.4     | (10.6)  | (35.0)  | (49.1)  |
| <i>Operating income (loss) per Ordinary Share</i>               | (0.70)  | (0.50)  | 0.01    | (0.19)  | (0.64)  | (0.90)  |
| Other income (expense), Net (3) (4) (5)                         | 24.2  | 17.3    | (4.4)   | 3.1     | (25.8)  | (2.6)   |
| Income (loss) before taxes and minority interests               | (14.1)  | (10.1)  | (4.0)   | (7.5)   | (60.8)  | (51.7)  |
| Income taxes  | (12.5)  | (8.9)   | (7.0)   | (9.8)   | (1.5)   | (11.4)  |
| Income (loss) before non-controlling interests                  | (26.6)  | (19.0)  | (11.0)  | (17.3)  | (62.3)  | (63.1)  |
| Non-controlling interest  | 1.0   | 0.7     | 0.1     | 0.4     | (0.4)   | (0.5)   |
| Net income (loss)   | (27.6)  | (19.7)  | (11.1)  | (17.7)  | (61.9)  | (62.6)  |
| <i>Net income (loss) per Ordinary Share</i>                     | (0.50)  | (0.36)  | (0.20)  | (0.32)  | (1.13)  | (1.14)  |
| <i>Dividends declared per share</i>                             |   |         |         |         |         |         |
| <i>Amounts in accordance with U.S. GAAP:</i>                    |   |         |         |         |         |         |
| Net sales   | \$ 683.7  | 488.3   | 510.8   | 506.0   | 670.1   | 635.9   |
| Operating income (loss)   | (36.4)  | (26.0)  | 0.4     | (14.2)  | (40.0)  | (46.4)  |
| <i>Operating income (loss) per Ordinary Share</i>               | (0.66)  | (0.47)  | 0.01    | (0.26)  | (0.73)  | (0.85)  |
| Net income (loss)   | (18.3)  | (13.1)  | (8.9)   | (25.9)  | (55.7)  | (60.0)  |
| <i>Net income (loss) per Ordinary Share (basic and diluted)</i> | (0.33)  | (0.24)  |         |         |         |         |