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NATUZZI S P A
Form 6-K
September 12, 2007

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 September 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
Second Quarter and First Half 2007 Financial Results

SECOND QUARTER 2007 FINANCIAL HIGHLIGHTS

-- TOTAL NET REVENUES DOWN BY 17.0% AT EUR 162.4 MILLION AND
SEATS SOLD DOWN BY 20.6% OVER 2Q06

-- OPERATING LOSS OF EUR 9.2 MILLION, VERSUS OPERATING INCOME OF

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EUR 12.1 MILLION IN 2Q06

-- NET LOSSES AT EUR 4.2 MILLION VERSUS NET EARNINGS OF EUR 9.9 MILLION IN 2Q06

SANTERAMO IN COLLE, Bari, Italy--(BUSINESS WIRE)--Sept. 12, 2007--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 second quarter and first half ended on June 30, 2007.

NET SALES

During the second quarter of 2007, total net sales were at EUR 162.4 million, decreasing by 17.0 percent from EUR 195.6 million reported in second quarter 2006. During the same period, units sold were down 20.6 percent. Considering the first half of 2007, total net sales were at EUR 316.2 million, down by 17.6 percent as compared to EUR 383.8 million reported in the first semester of last year, and units sold were down 18.9 percent. The decrease in total net sales was mainly attributable to a negative business environment especially in the US market as well as to a challenging period-over-period comparison base. During the first half of 2007, total order flow was down high-single digit versus the same period of last year.

During the quarter ended on June 30, 2007, upholstery net sales decreased by 18.0 percent at EUR 144.9 million, from EUR 176.7 million in the second quarter of 2006. Other sales (principally living room accessories and raw materials produced by the Group and sold to third parties) decreased by 7.4 percent over the second quarter of 2006 at EUR 17.5 million.

In the second quarter 2007, total net sales decreased, on a quarter-over-quarter basis, by 21.6 percent in the Americas at EUR 49.4 million, by 16.4 percent in Europe at EUR 85.9 million, and by 12.7 percent at EUR 9.6 million in the Rest of the World.

During the second quarter 2007, total net sales to our chain Divani & Divani by Natuzzi Stores and Natuzzi Stores were at EUR 33.2 million, down 14.0 percent as compared to the same period of 2006. During the same quarter three new stores were opened (1 in UK, 1 in Finland and 1 Russia), while six stores were closed (5 in Greece and 1 in China), thus bringing the total number of stores at 280 as of June 30, 2007. At the same date, there were 484 Natuzzi Galleries.

In the second quarter 2007 leather-upholstered furniture decreased over the same quarter of last year by 17.7 percent at EUR 126.6 million and fabric-upholstered furniture by 20.1 percent at EUR 18.3 million.

Total net sales for the Natuzzi branded products during the second quarter 2007 were at EUR 96.1 million, or 66.3 percent of upholstery net sales, down 16.0 percent from EUR 114.4 million reported last year. During the same period, sales for Italsofa products decreased by 21.7 percent at EUR 48.8 million from EUR 62.3 million reported in the second quarter of 2006.

GROSS & OPERATING RESULTS

For the three months ended on June 30, 2007, Group's gross profit

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was EUR 45.2 million, down from EUR 70.7 million reported in second quarter 2006. As a percentage of sales, gross margin decreased to 27.8 percent from 36.1 percent reported in second quarter 2006.

During the same period, the Group reported a net operating loss of EUR 9.2 million, versus an operating income of EUR 12.1 million reported one year ago.

FOREX AND TAXES

For the three-month period ended on June 30, 2007, the Group reported a net foreign exchange gain of EUR 0.6 million as compared to a net foreign exchange loss of EUR 1.1 million reported for last year's comparable period.

During the same quarter, the Group reported a deferred tax asset for EUR 2.2 million, versus income taxes of EUR 2.3 million for the second quarter of 2006.

NET RESULT AND GROUP EARNINGS PER COMPANY'S SHARE

During the quarter ended on June 30, 2007, the Group reported net losses of EUR 4.2 million (or EUR 0.08 losses per share), versus Group's net earnings of EUR 9.9 million (or EUR 0.18 earnings per share) in the second quarter of 2006.

Considering the first six months of 2007, the Group reported net losses of EUR 9.0 million (or EUR 0.16 losses per share), versus net earnings of EUR 16.7 million (or EUR 0.31 earnings per share) reported for the first semester of 2006.

CASH FLOW

During the six-month period ended on June 30, 2007, Group's operations used EUR 11.7 million of cash flow.

Ernesto Greco, Chief Executive Officer of the Group, commented "The quarterly Group's performance reflects, as also confirmed by most of the major market players, the continued challenging business conditions, particularly evident in the U.S. where aggressive pricing competition and lower consumer confidence are still dominant factors. Furthermore, top line was also affected by the penalizing period-over-period comparison base.

As far as the margins are concerned, persisting unfavorable Euro exchange rates against major currencies, U.S. dollar in particular, fixed costs not absorbed by adequate sale volumes, and the price increase in raw material, have all contributed to determine the quarterly reduction in the gross margin. The reduction in production working time planned in June 07 didn't bring any saving in the second quarter yet.

Order flow during the second quarter was still down high-single digit with respect to the same period of last year, even if at a lower pace than what recorded at the beginning of the year. Although such difficult business conditions, we have been registering, due to our marketing efforts, some positive signs from the market over the last weeks: as a matter of fact, third quarter to-date order flow is currently up high-single digit rate over the same period of last year.

We are, nevertheless, aware that the retail environment is still challenging, so the Group should remain committed in putting in place

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all the necessary initiatives like the reorganization of our retail activities and the completion of the restructuring process of the Group's operations so to reach a cost structure consistent with current production level as well as a new business model more coherent with the new business environment".

SECOND QUARTER 2007 TELECONFERENCE

Pasquale Natuzzi, Chairman of the Board, Ernesto Greco, Chief Executive Officer, 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 September 13, 2007.

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 123 stores, and 1 Natuzzi Store. Outside Italy, the Group sells to various furniture retailers, as well as through 158 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 Group 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 June 30, 2007 and 2006 on the basis of Italian GAAP
(Expressed in millions of EUR except per share data)

Percent of

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	Three months ended on % Over			Sales	
	30-Jun-07	30-Jun-06	(Under)	30-Jun-07	30-Jun-06
Upholstery net sales	144.9	176.7	(18.0)%	89.2%	90.3%
Other sales	17.5	18.9	(7.4)%	10.8%	9.7%
Total Net Sales	162.4	195.6	(17.0)%	100.0%	100.0%
Purchases	(71.9)	(84.1)	14.5%	(44.3)%	(43.0)%
Labor	(26.6)	(29.0)	8.3%	(16.4)%	(14.8)%
Third-party Manufacturers	(3.8)	(6.1)	37.7%	(2.3)%	(3.1)%
Manufacturing Costs	(11.0)	(8.3)	(32.5)%	(6.8)%	(4.2)%
Inventories, net	(3.9)	2.6	(250.0)%	(2.4)%	1.3%
Cost of Sales	(117.2)	(124.9)	6.2%	(72.2)%	(63.9)%
Gross Profit	45.2	70.7	(36.1)%	27.8%	36.1%
Selling Expenses	(42.3)	(47.9)	11.7%	(26.0)%	(24.5)%
General and Administrative Expenses	(12.1)	(10.7)	(13.1)%	(7.5)%	(5.5)%
Operating Income (Loss)	(9.2)	12.1	(176.0)%	(5.7)%	6.2%
Interest Income, net	0.3	0.2		0.2%	0.1%
Foreign Exchange, net	0.6	(1.1)		0.4%	(0.6)%
Other Income, net	1.8	1.0		1.1%	0.5%
Earnings (Losses) before taxes and minority interest	(6.5)	12.2	(153.3)%	(4.0)%	6.2%
Income taxes	2.2	(2.3)		1.4%	(1.2)%
Earnings (Losses) before minority interest	(4.3)	9.9	(143.4)%	(2.6)%	5.1%
Minority Interest	(0.1)	0.0		(0.1)%	0.0%
Net Earnings (Losses)	(4.2)	9.9	(142.4)%	(2.6)%	5.1%
Earnings (Losses) Per Share	(0.08)	0.18			
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	
		June 30, 2007	June 30, 2006
Total Net Sales		219.0	246.0
Gross Profit		60.9	88.9
Operating Income (Loss)		(12.4)	15.2
Net Earnings (Losses)		(5.7)	12.5
Earnings (Losses) per Share		(0.11)	0.23
Average exchange rate (U.S. dollar per Euro)		1.3484	1.2576

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NATUZZI S.P.A. AND SUBSIDIARIES
Unaudited Consolidated Statement of Earnings
for six months ended June 30, 2007 and 2006 on the basis of Italian
GAAP

(Expressed in millions of EUR except per share data)

	Six months ended on		% Over	Percent of	
	30-Jun-07	30-Jun-06	(Under)	Sales 30-Jun-07	30-Jun-06
Upholstery net sales	281.0	344.1	(18.3)%	88.9%	89.7%
Other sales	35.2	39.7	(11.2)%	11.1%	10.3%
Total Net Sales	316.2	383.8	(17.6)%	100.0%	100.0%
Purchases	(158.8)	(163.1)	2.6%	(50.2)%	(42.5)%
Labor	(51.4)	(56.1)	8.4%	(16.3)%	(14.6)%
Third-party					
Manufacturers	(7.7)	(11.7)	34.0%	(2.4)%	(3.0)%
Manufacturing Costs	(19.1)	(16.2)	(17.9)%	(6.0)%	(4.2)%
Inventories, net	12.9	(1.4)	1020.1%	4.1%	(0.4)%
Cost of Sales	(224.1)	(248.5)	9.8%	(70.9)%	(64.7)%
Gross Profit	92.1	135.3	(31.9)%	29.1%	35.3%
Selling Expenses	(85.7)	(94.4)	9.2%	(27.1)%	(24.6)%
General and					
Administrative					
Expenses	(23.5)	(19.9)	(18.1)%	(7.4)%	(5.2)%
Operating Income					
(Loss)	(17.1)	21.0	(181.4)%	(5.4)%	5.5%
Interest Income, net	0.9	0.5		0.3%	0.1%
Foreign Exchange, net	1.0	(1.6)		0.3%	(0.4)%
Other Income, net	2.8	3.2		0.9%	0.8%
Earnings (Losses)					
before taxes and					
minority interest	(12.4)	23.1	(153.7)%	(3.9)%	6.0%
Income taxes	3.3	(6.3)		1.0%	(1.6)%
Earnings (Losses)					
before minority					
interest	(9.1)	16.8	(154.2)%	(2.9)%	4.4%
Minority Interest	(0.1)	0.1		(0.0)%	0.0%
Net Earnings (Losses)	(9.0)	16.7	(153.9)%	(2.8)%	4.4%
Earnings (Losses) Per					
Share	(0.16)	0.31			
Average Number of					
Shares Outstanding*	54,824,227	54,738,538			

(*) Net of shares repurchased

Key Figures in U.S. dollars

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(millions)	Six months ended on	
	June 30, 2007	June 30, 2006
Total Net Sales	420.6	472.4
Gross Profit	122.5	166.5
Operating Income		
(Loss)	(22.7)	25.8
Net Earnings (Losses)	(12.0)	20.6
Earnings (Losses) per Share	(0.22)	0.38
Average exchange rate (U.S. dollar per Euro)	1.3300	1.2309

GEOGRAPHIC BREAKDOWN

	Sales*			Seat Units		
	Three months		% Over (Under)	Three months		% Over (Under)
	ended on 30-Jun- 07	ended on 30-Jun- 06		ended on 30-Jun- 07	ended on 30-Jun- 06	
====	=====	=====		=====	=====	=====
Americas	49.4	63.0	(21.6%)	286,402	353,328	(18.9%)
% of total	34.1%	35.7%		45.0%	44.1%	
Europe	85.9	102.7	(16.4%)	311,475	401,773	(22.5%)
% of total	59.3%	58.1%		48.9%	50.1%	
Rest of the world	9.6	11.0	(12.7%)	38,522	46,298	(16.8%)
% of total	6.6%	6.2%		6.1%	5.8%	
TOTAL	144.9	176.7	(18.0%)	636,399	801,399	(20.6%)

* Expressed in millions of EUR

BREAKDOWN BY COVERING

	Sales*			Seat Units		
	Three months		% Over (Under)	Three months		% Over (Under)
	ended on 30-Jun- 07	ended on 30-Jun- 06		ended on 30-Jun- 07	ended on 30-Jun- 06	
====	=====	=====		=====	=====	=====
Leather	126.6	153.8	(17.7%)	549,118	677,656	(19.0%)
% of total	87.4%	87.0%		86.3%	84.6%	
Fabric	18.3	22.9	(20.1%)	87,281	123,743	(29.5%)
% of total	12.6%	13.0%		13.7%	15.4%	
Total	144.9	176.7	(18.0%)	636,399	801,399	(20.6%)

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* (Expressed in millions of EUR)

BREAKDOWN BY BRAND

	Sales*			Seat Units		
	Three months			Three months		
	ended on	% Over		ended on	% Over	
	30-Jun-07	30-Jun-06	(Under)	30-Jun-07	30-Jun-06	(Under)
====	=====	=====		=====	=====	
Natuzzi	96.1	114.4	(16.0%)	325,701	403,978	(19.4%)
% of total	66.3%	64.7%		51.2%	50.4%	
Italsofa	48.8	62.3	(21.7%)	310,698	397,421	(21.8%)
% of total	33.7%	35.3%		48.8%	49.6%	
TOTAL	144.9	176.7	(18.0%)	636,399	801,399	(20.6%)
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GEOGRAPHIC BREAKDOWN

	Sales*			Seat Units		
	Six months			Six months		
	ended on	% Over		ended on	% Over	
	30-Jun-07	30-Jun-06	(Under)	30-Jun-07	30-Jun-06	(Under)
=====	=====	=====		=====	=====	
Americas	95.8	126.8	(24.4%)	545,154	678,250	(19.6%)
% of total	34.1%	36.9%		43.4%	43.8%	
Europe	165.5	195.6	(15.4%)	631,559	780,932	(19.1%)
% of total	58.9%	56.8%		50.3%	50.4%	
Rest of the world	19.7	21.7	(9.2%)	79,787	89,369	(10.7%)
% of total	7.0%	6.3%		6.3%	5.8%	
TOTAL	281.0	344.1	(18.3%)	1,256,500	1,548,551	(18.9%)
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* (Expressed in millions of EUR)

BREAKDOWN BY COVERING

	Sales*			Seat Units		
	Six months			Six months		
	ended on	% Over		ended on	% Over	
	30-Jun-07	30-Jun-06	(Under)	30-Jun-07	30-Jun-06	(Under)
=====	=====	=====		=====	=====	
Leather	246.7	297.2	(17.0%)	1,084,874	1,291,199	(16.0%)
% of total	87.8%	86.4%		86.3%	83.4%	
Fabric	34.3	46.9	(26.9%)	171,626	257,352	(33.3%)
% of total	12.2%	13.6%		13.7%	16.6%	
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Total	281.0	344.1	(18.3%)	1,256,500	1,548,551	(18.9%)
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* (Expressed in millions of EUR)

BREAKDOWN BY BRAND

		Sales*			Seat Units		
		Six months ended on		% Over	Six months ended on	% Over	
		30-Jun-07	30-Jun-06	(Under)	30-Jun-07	30-Jun-06	(Under)
Natuzzi		177.1	223.5	(20.8%)	611,050	791,073	(22.8%)
	% of total	63.0%	65.0%		48.6%	51.1%	
Italsofa		103.9	120.6	(13.8%)	645,450	757,478	(14.8%)
	% of total	37.0%	35.0%		51.4%	48.9%	
TOTAL		281.0	344.1	(18.3%)	1,256,500	1,548,551	(18.9%)

NATUZZI S.P.A. AND SUBSIDIARIES

Unaudited Consolidated Balance Sheet as of
June 30, 2007 and December 31, 2006 (Expressed in
millions of EUR)

	30-Jun-07	31-Dec-06
ASSETS		
Current Assets:		
Cash and cash equivalents	112.0	128.1
Marketable debt securities	0.0	0.0
Trade receivables, net	117.1	119.3
Other receivables	41.9	44.7
Inventories	113.2	100.3
Unrealized foreign exchange gains	2.2	5.5
Prepaid expenses and accrued income	4.0	2.0
Deferred income taxes	13.0	7.5
Total current assets	403.4	407.4
Non-Current Assets:		
Net property, plant and equipment	249.1	246.3
Treasury shares	0.0	0.0
Other assets	18.5	18.7
Deferred income taxes	2.3	2.3
TOTAL ASSETS	673.3	674.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	11.0	3.8
Current portion of long-term debt	0.3	0.3
Accounts payable-trade	76.9	79.5
Accounts payable-other	23.6	22.5
Accounts payable shareholders for dividends	0.6	0.6

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Unrealized foreign exchange losses	0.0	0.0
Income taxes	1.3	4.6
Salaries, wages and related liabilities	22.3	21.7
Total current liabilities	136.0	133.0

Long-Term Liabilities:		
Employees' leaving entitlement	35.7	35.3
Long-term debt	2.2	2.4
Deferred income taxes	0.0	0.0
Deferred income for capital grants	13.4	14.1
Other liabilities	9.2	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	370.9	373.5
Total shareholders' equity	476.3	478.8

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	673.3	674.7

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

	30- Jun- 07	30- Jun- 06

Cash flows from operating activities:		
Net earnings (losses)	(9.0)	16.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14.8	15.3
Employees' leaving entitlement	0.4	1.2
Deferred income taxes	(5.5)	(1.7)
Minority interest	(0.1)	0.1
(Gain) loss on disposal of assets	0.0	0.2
Unrealized foreign exchange (losses) / gain	3.2	(7.2)
Deferred income for capital grants	(0.5)	(0.6)
Change in assets and liabilities:		
Receivables, net	2.2	1.1
Inventories	(12.9)	1.4
Prepaid expenses and accrued income	(2.0)	(1.4)
Other assets	2.8	1.4
Accounts payable	(2.6)	3.8
Income taxes	(3.3)	1.3
Salaries, wages and related liabilities	0.7	3.6
Other liabilities	0.1	0.4
Total adjustments	(2.7)	18.9
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(11.7)	35.6

Cash flows from investing activities:

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Property, plant and equipment:		
Additions	(13.0)	(6.9)
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	0.0	(3.1)
Disposal of business	0.0	0.0
NET CASH USED BY INVESTING ACTIVITIES	(12.6)	(9.8)

Cash flows from financing activities:		
Long term debt:		
Proceeds	0.0	0.0
Repayments	(0.3)	(0.3)
Short-term borrowings	7.2	(1.5)
Dividends paid to shareholders	0.0	0.0
Dividends paid to minority shareholders	0.0	0.0
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	6.9	(1.8)

Effect of translation adjustments on cash	1.3	(1.0)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16.1)	23.0

Cash and cash equivalents, beginning of the year	128.1	89.7
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	112.0	112.7

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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: September 12, 2007

By: /s/ FILIPPO SIMONETTI

Filippo Simonetti