NATUZZI S P A
Form 20-F/A
September 15, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F/A
(Amendment No. 1)
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended: December 31, 2010
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:

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

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, 2010 **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 o No þ

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 o No þ

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 þ No o

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 o No o Not Applicable þ

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 o Accelerated filer þ Non-accelerated filer o

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

U.S. GAAP o IFRS o Other þ

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.

o Item 17 þ 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 o No þ

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Explanatory Note

This Annual Report on Form 20-F/A (Form 20-F/A) is being filed by Natuzzi S.p.A. (the Registrant) as Amendment No. 1 to the Registrant s Annual Report on Form 20-F for the fiscal year ended December 31, 2010 (Original Form 20-F).

This Form 20-F/A is filed in its entirety and corrects a typographical error contained in Exhibit 13.1 (*Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*) to the Original Form 20-F. The Original Form 20-F referenced an incorrect fiscal year end date of December 31, 2009. The Form 20-F/A now correctly references the correct fiscal year end date of December 31, 2010. This Form 20-F/A also includes updated certification signatures and certification dates of the CEO and CFO in Exhibit 13.1 to reflect the date of this Form 20-F/A.

In addition, this Form 20-F/A includes updated certification signatures and certification dates of the CEO and CFO in Exhibits 12.1 and 12.2, respectively, (*Certification Pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*) to reflect the date of this Form 20-F/A.

This Form 20-F/A makes no changes whatsoever to the financial statements of the Registrant or to the forepart of the Original Form 20-F as originally filed. Other than what is described above, this Form 20-F/A does not amend, update or restate the information in any other item of the Original Form 20-F as originally filed on June 30, 2011 or reflect any events that have occurred after the original filing of the Original Form 20-F on June 30, 2011.

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Presentation Of Financial Information

In this annual report, references to or euro are to the euro and references to U.S. dollars, dollars, U.S.$ or 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 June 24, 2011 of U.S. $1.4189. 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 26 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 require, mean Natuzzi S.p.A. and its consolidated subsidiaries.

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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 26 to the Consolidated Financial Statements included in Item 18 of this annual report.

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	Year Ended At December 31,					
	2010	2010	2009	2008	2007	2006
	(millions of dollars, except per Ordinary Share)(1)	(millions of euro, except per Ordinary Share)				
Statement of Operations Data:						
Amounts in accordance with Italian GAAP:						
Net sales:						
Leather- and fabric-upholstered furniture	$ 608.6	460.5	450.6	587.8	563.5	660.2
Other(2)	76.8	58.1	64.8	78.2	70.9	75.2
Total net sales	685.4	518.6	515.4	666.0	634.4	735.4
Cost of sales	(424.9)	(321.5)	(329.8)	(478.8)	(460.6)	(490.5)
Gross profit	260.5	197.1	185.6	187.2	173.8	244.9
Selling expenses	(203.9)	(154.3)	(149.6)	(172.3)	(173.9)	(186.2)
General and administrative expenses	(56.0)	(42.4)	(46.6)	(49.9)	(49.0)	(42.2)
Operating income (loss)	0.6	0.4	(10.6)	(35.0)	(49.1)	16.5
Operating income (loss) per Ordinary Share	*0.01*	*0.01*	*(0.02)*	*(0.64)*	*(0.90)*	*0.30*
Other income (expense), Net (3) (4) (5)	(5.8)	(4.4)	3.1	(25.8)	(2.6)	2.8
Income (loss) before taxes and minority interests	(5.2)	(4.0)	(7.5)	(60.8)	(51.7)	19.3
Income taxes	(9.3)	(7.0)	(9.8)	(1.5)	(11.4)	(7.1)
Income (loss) before non-controlling interests	(14.5)	(11.0)	(17.3)	(62.3)	(63.1)	12.2
Non-controlling interest	0.1	0.1	0.4	(0.4)	(0.5)	(0.1)
Net income (loss)	(14.6)	(11.1)	(17.7)	(61.9)	(62.6)	12.3
Net income (loss) per Ordinary Share	*$ (0.27)*	*(0.20)*	*(0.32)*	*(1.13)*	*(1.14)*	*0.23*
Dividends declared per share						

Amounts in accordance with U.S. GAAP:							
Net sales		675.1	510.8	506.0	670.1	635.9	736.8
Operating income (loss)		0.6	0.4	(14.2)	(40.0)	(46.4)	22.7
Operating income (loss) per Ordinary Share		*0.01*	*0.01*	*(0.26)*	*(0.73)*	*(0.85)*	*0.41*
Net income (loss)		(12.3)	(9.3)	(25.7)	(55.7)	(60.0)	14.5
Net income (loss) per Ordinary Share (basic and diluted)	*$*	*(0.22)*	*(0.17)*	*(0.47)*	*(1.02)*	*(1.09)*	*0.26*
Weighted average number of Ordinary Shares Outstanding		*54,853,045*	*54,853,045*	*54,853,045*	*54,850,643*	*54,817,086*	*54,733,796*
Balance Sheet Data:							
Amounts in accordance with Italian GAAP:							
Current assets	$	396.2	298.6	301.9	318.5	364.1	407.3
Total assets		668.6	503.9	508.6	543.8	617.5	674.7
Current liabilities		143.0	107.8	116.8	136.3	146.0	133.0
Long-term debt		18.0	13.6	5.9	3.3	2.1	2.4
Non-controlling interest		2.8	2.1	1.9	0.8	0.1	0.6
Shareholders equity attributable to Natuzzi S.p.A. and Subsidiaries(6)		428.7	323.1	325.0	345.2	411.6	478.9
Net Asset		431.5	325.2	326.9	346.0	411.7	479.5
Amounts in accordance with U.S. GAAP:							
Total assets	$	674.7	508.5	521.1	560.5	627.5	674.9
Shareholders equity attributable to Natuzzi S.p.A. and Subsidiaries	$	422.3	318.3	327.6	353.3	408.5	468.4
Net Asset	$	425.1	320.4	329.5	354.1	408.6	469.0

1) Income Statement amounts are converted from euros into U.S. dollars by using the average Federal Reserve Bank of New York euro exchange rate for 2010 of U.S. $1.3216 per 1 euro. Balance Sheet amounts are converted from euros into U.S. dollars using the Federal Reserve Bank of New York Noon Buying Rate of U.S. $1.3269 per 1 euro as of December 31, 2010. Source: Bloomberg (USCFEURO Index).

2) Sales included under Other principally consist of sales of polyurethane foam and leather to third parties and sales of living room accessories.

3)

Other income (expense), net is principally affected by gains and losses, as well as interest income and expenses, resulting from measures adopted by the Group in an effort to reduce its exposure to exchange rate risks. See Item 5. Operating and Financial Review and Prospects Results of Operations 2010 Compared to 2009, Item 11. Quantitative and Qualitative Disclosures about Market Risk and Notes 3, 23 and 24 to the Consolidated Financial Statements included in Item 18 of this annual report.

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4) Other income (expense), net, in 2006 was negatively affected by the provisions for contingent liabilities.

5) Other income (expense), net in 2008 was negatively affected by the impairment losses of long-lived assets, a one-time employee termination benefit and the provision for contingent liabilities. See Note 23 to the Consolidated Financial Statements included in Item 18 of this annual report.

6) Share capital as of December 31, 2010, 2009, 2008, 2007 and 2006 amounted to 54.9 million, 54.9 million, 54.9 million, 54.8 million and 54.7 million, respectively. Shareholder s Equity represents the Total Equity attributable to Natuzzi S.p.A and its subsidiaries.

Exchange Rates

The following table sets forth, for each of the periods indicated, the Federal Reserve Bank of New York Noon Buying Rate for the euro expressed in U.S. dollars per euro.

Year:	**Average(1)**	**At Period End**
2006	1.2661	1.3197
2007	1.3797	1.4603
2008	1.4695	1.3919
2009	1.3955	1.4332
2010	1.3216	1.3269

Month ending:	**High**	**Low**
31-Dec-10	1.3395	1.3089
31-Jan-11	1.3715	1.2944
28-Feb-11	1.3794	1.3474
31-Mar-11	1.4212	1.3813
30-Apr-11	1.4821	1.4211
31-May-11	1.4875	1.4015

(1) The average of the Noon Buying Rates for the relevant period, calculated using the average of the Noon Buying Rates on the last business day of each month during the period. Source: Federal Reserve Statistical Release on Foreign Exchange Rates Historical Rates for Euro Area; Bloomberg (USCFEURO Index)

The effective Noon Buying Rate on June 24, 2011 was U.S. $1.4189 to 1 euro.

Risk Factors

Investing in the Company s ADSs involves certain risks. You should carefully consider each of the following risks and all of the information included in this annual report.

The Group has a recent history of losses; the Group s future profitability and financial condition depend on its ability to continue to successfully restructure its operations The Group reported net losses in 2010 (11.1 million), 2009 (17.7 million), 2008 (61.9 million) and 2007 (62.6 million), and an operating income of 0.4 million in 2010 after three years of operating losses (10.6 million in 2009, 35.0 million in 2008 and 49.1 million in 2007). In addition, the Group s net sales have declined from 735.4 million in 2006 to 518.6 million in 2010.

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The Group attributes these negative results to a difficult macroeconomic environment affecting the furniture industry as a whole, and in particular the Group was faced with the following factors in 2010:

- price competition from low-cost manufacturers;
- continuing sluggishness of major economies, with particular reference to those in Europe;
- a sharp increase in shipping costs and raw material; and
- continuing unfavorable currency conditions.

The Company is currently working on a long-term business plan (the L-T Plan) whose main goal is to set forth the operational and financial guidelines for the next few years, along with the corresponding actions to be taken in order to recover market share and profitability at the Group level.

The Group s future operating and financial performance and business prospects will depend in large part on the successful implementation of the L-T Plan, which will address the financial and economic uncertainties facing the Group as well as the savings and efficiencies to be realized based on the restructuring of the Group s operations.

If the L-T Plan is not successfully implemented, there could be a material adverse effect on the Group s financial condition, results of operations and business prospects.

The recent worldwide economic downturn over the past few years has impacted the Group s business and could continue to significantly impact our operations, sales, earnings and liquidity in the foreseeable future Economic conditions deteriorated significantly in the United States and worldwide in late 2008 and general economic conditions did not fully recover in 2009. During 2010, the global economy started to show, on the whole, small signs of recovery, although the pace of recovery waned in the last months of 2010, and there were considerable differences in the rate of economic recovery (if any) among regions. In fact, growth in 2010 turned out to be robust in major emerging markets, such as China and India, whereas economic conditions remained sluggish in mature markets, in particular such as those in Europe, which continued to be affected by the sovereign debt crisis of some Eurozone countries, primarily Greece, but also involving Portugal, Ireland and Spain. Prospects for full economic recovery still remain uncertain, especially in the so-called western economies, where private consumption is negatively impacted by a general weakness in the job market, continuing vulnerability in the real-estate sector, high levels of public indebtedness in most developed countries, and a decreasing level of savings among families. Lastly, the recent social and political tensions in the Middle East and Northern Africa have added a further level of uncertainty on the supply-side, and, consequently, on the purchasing power of private consumers.

These persistently negative conditions have resulted in a decline in our sales and earnings over the past few years and could continue to impact our sales and earnings in the future. Sales of residential furniture are impacted by downturns in the general economy primarily due to decreased discretionary spending by consumers. The general level of consumer spending is affected by a number of factors, including, among others, general economic conditions, inflation, and consumer confidence, all of which are generally beyond our control. Consumer purchases of residential furniture decline during periods of economic downturn, when disposable income is lower. The economic downturn also impacts retailers, our primary customers, and may result in the inability of our customers to pay the amounts owed to us. In addition, if our retail customers are unable to sell our products or are unable to access credit, they may experience financial difficulties leading to bankruptcies, liquidations, and other unfavorable events. If any of these events occur, or if unfavorable economic conditions continue to challenge the consumer environment, our future sales, earnings, and liquidity would likely be adversely impacted.

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The Group s operations have benefited in 2010 and in previous years from a temporary work force reduction program that, if not continued, may have an impact on the Group s future performance Due to the persistently difficult business environment that has negatively affected the Group s order flow over the past few years, in October 2010 the Company renewed the agreement with the Italian trade unions pursuant to which it was entitled to benefit from the *Cassa Integrazione Guadagni Straordinaria* (or CIGS), an Italian temporary lay-off program, for a one-year period that will expire in October 2011. There is no guarantee that the Group will be able to renew this lay-off program upon the expiration of its one year term and, if such lay-off program is not renewed, the future performance of the Group may be impacted. For more information see Item 6. Directors, Senior Management and Employees .

A failure to offer a wide range of products at different price-points could result in a decrease in our future earnings The Group has been trying for the past few years to widen its price-point offerings in order to attract a wider base of consumers. The potential inability of the Group in achieving this goal may negatively affect the Group s ability to generate future earnings.

Our growth strategy includes, in part, the development of new stores each year. If we and our dealers are not able to open new stores or effectively manage the growth of these stores, our ability to grow and our profitability could be adversely affected Our ability and the ability of our dealers to identify and open new stores in desirable locations and operate such stores profitably is an important factor in our ability to grow successfully. We have in the past and will likely continue to purchase or otherwise assume operation of company-brand stores from independent dealers to the extent that such stores are considered strategic for the promotion of the Natuzzi Brand. Increased demands on our operational, managerial, and administrative resources could cause us to operate our business, including our existing and new stores, less effectively, which in turn could cause deterioration in our profitability.

Demand for furniture is cyclical and may fall in the future Historically, the furniture industry has been cyclical, fluctuating with economic cycles, and sensitive to general economic conditions, housing starts, interest rate levels, credit availability and other factors that affect consumer spending habits. Due to the discretionary nature of most furniture purchases and the fact that they often represent a significant expenditure to the average consumer, such purchases may be deferred during times of economic uncertainty such as those being experienced in some of our markets, such as the United States and, particularly, Europe.

In 2010, the Group derived 35.7% of its leather and fabric-upholstered furniture net sales from the Americas, 51.7% from Europe and 12.6% from the rest of the world. A prolonged economic slowdown in the United States and Europe may have a material adverse effect on the Group s results of operations.

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The Group operates principally in a niche area of the furniture market The Group is a leader in the production of leather-upholstered furniture, with 93.6% of net sales of upholstered furniture in 2010 derived from the sale of leather-upholstered furniture. Consumers have the choice of purchasing upholstered furniture in a wide variety of styles and materials, and consumer preferences may change. There can be no assurance that the current market for leather-upholstered furniture will not decrease.

The furniture market is highly competitive The Group operates in a highly competitive industry that includes a large number of manufacturers. No single company has a dominant position in the industry. Competition is generally based on product quality, brand name recognition, price and service.

The Group principally competes in the upholstered furniture sub-segment of the furniture market. In Europe, the upholstered furniture market is highly fragmented. In the United States, the upholstered furniture market includes a number of relatively large companies, some of which are larger and have greater financial resources than the Group. Some of the Group s competitors offer extensively advertised, well-recognized branded products.

Competition has increased significantly in recent years as foreign producers from countries with lower manufacturing costs have begun to play an important role in the upholstered furniture market. Such manufacturers are often able to offer their products at lower prices, which increases price competition in the industry. In particular, manufacturers in China, Eastern Europe and South America have increased competition in the lower-priced segment of the market. As a result of the actions and strength of the Group s competitors and the inherent fragmentation in some markets in which it competes, the Group is continually subject to the risk of losing market share, which may lower its sales and profits. Market competition may also force the Group to reduce prices and margins, thereby reducing its cash flows.

The highly competitive nature of the industry means that we are constantly at risk of losing market share, which would likely result in a loss of future sales and earnings. In addition, due to high levels of competition, it may not be possible for us to raise the prices of our products in response to inflationary pressures or increasing costs, which could result in a decrease in our profit margins.

Fluctuations in currency exchange rates have adversely affected and may adversely affect the Group s results The Group conducts a substantial part of its business outside of the euro zone. An increase in the value of the euro relative to other currencies used in the countries in which the Group operates will reduce the relative value of the revenues from its operations in those countries, and therefore may adversely affect its operating results or financial position, which are reported in euro. In addition to this risk, the Group is subject to currency exchange rate risk to the extent that its costs are denominated in currencies other than those in which it earns revenues. In 2010, a significant portion of the Group s net sales, but only approximately 40% of its costs, were denominated in currencies other than the euro. The Group is therefore exposed to the risk that fluctuations in currency exchange rates may adversely affect its results, as has been the case in recent years. For more information, see Item 11, Quantitative and Qualitative Disclosures about Market Risk.

The Group faces risks associated with its international operations The Group is exposed to risks that arise from its international operations, including changes in governmental regulations, tariffs or taxes and other trade barriers, price, wage and exchange controls, political, social, and economic instability in the countries where the Group operates, inflation and interest rate fluctuations. Any of these factors could have a material adverse effect on the Group s results.

The price of the Group s principal raw material is difficult to predict Leather is used in approximately 87.4% of the Group s upholstered furniture production, and the acquisition of cattle hides represents approximately 20.0% of total cost of goods sold. The dynamics of the raw hides market are dependent on the consumption of beef, the levels of worldwide slaughtering, worldwide weather conditions and the level of demand in a number of different sectors, including footwear, automotive, furniture and clothing.

Introduction of a new integrated management system At the end of 2008, the Group adopted a new Enterprise Resource Planning system entitled SAP for its operations worldwide with the aim of enabling Management to achieve better control over the Company through:

- improved quality, reliability and timeliness of information;
- improved integration and visibility of information stemming from different management functions and countries; and
- optimization and global management of corporate processes.

The overall estimated investment for the project is about 10.6 million. The adoption of the new SAP system, which will replace the existing accounting and management systems, poses several challenges relating to, among other things, training of personnel, communication of new rules and procedures, changes in corporate culture, migration of data, and the potential instability of the new system. In order to mitigate the impact of such critical issues, the Company decided to implement the new SAP system on a step-by-step basis, both geographically and in terms of processes. In relation to each step of the project, the Company has set up a contingency plan in order to ensure business continuity. However, there can be no assurance that the new SAP system will be successfully implemented and failure to do so could have a material adverse effect on the Group s operations.

In 2010, the implementation of the project proceeded according to the original plan. The implementation for production materials purchases and warehouse management took place in Romania and China which are the first countries that have been fully integrated with the new system. Additionally, the implementation of the SAP system in 2010 has involved our Demand Planning process as well. The implementation of the SAP system has involved a change in the management culture of the Company. This new culture is being implemented to create a more productive working environment and to better prepare for the transition to the new technological platform. We continue to proceed with the rollout of the SAP system with the appropriate contingency plans in place in order to avoid future problems.

The Group s past results and operations have significantly benefited from government incentive programs, which may not be available in the future Historically, the Group derived significant benefits from the Italian Government s investment incentive programs for under-industrialized regions in Southern Italy, including tax benefits, subsidized loans and capital grants. See Item 4. Information on the Company Incentive Programs and Tax Benefits. In recent years, the Italian Parliament replaced these incentive programs with an investment incentive program for all under-industrialized regions in Italy, which is currently being implemented by the Group through grants, research and development benefits. There are no indications at this time that the Italian Government will implement new initiatives to support companies located in under-industrialized regions in Italy. Therefore, there can be no assurance that the Group will continue to be eligible for such grants, benefits or tax credits for its current or future investments in Italy.

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In recent years, the Group has opened manufacturing operations in China, Brazil and Romania and has been granted tax benefits and export incentives by the relevant governmental authorities in those countries. During the course of 2010, part of these tax benefits and export incentives were reduced or expired. There can be no assurance that the Group will continue to be eligible for such tax benefits or export incentives for its current or future investments.

The Group is dependent on qualified personnel The Group s ability to maintain its competitive position will depend to some considerable degree upon the personal commitment of its founder, chairman and CEO, Mr. Pasquale Natuzzi, as well as its ability to continue to attract and maintain highly qualified managerial, manufacturing and sales and marketing personnel. There can be no assurance that the loss of key personnel would not have a material adverse effect on the Group s results of operations.

Investors may face difficulties in protecting their rights as shareholders or holders of ADSs The Company is incorporated under the laws of the Republic of Italy. As a result, the rights and obligations of its shareholders and certain rights and obligations of holders of its ADSs are governed by Italian law and the Company s *Statuto* (or By-laws). These rights and obligations are different from those that apply to U.S. corporations. Furthermore, under Italian law, holders of ADSs have no right to vote the shares underlying their ADSs; however, pursuant to the Deposit Agreement, ADS holders do have the right to give instructions to The Bank of New York Mellon, the ADS depositary, as to how they wish such shares to be voted. For these reasons, the Company s ADS holders may find it more difficult to protect their interests against actions of the Company s management, Board of Directors or shareholders than they would if they were shareholders of a company incorporated in the United States.

One shareholder has a controlling stake of the company Mr. Pasquale Natuzzi, who founded the Company and is currently Chief Executive Officer and Chairman of the Board of Directors, beneficially owns 29,358,089 Ordinary Shares, representing 53.5% of the Ordinary Shares outstanding (58.7% of the Ordinary Shares outstanding if the Ordinary Shares owned by members of Mr. Natuzzi s immediate family (the Natuzzi Family) are aggregated). As a result, Mr. Natuzzi has the ability to exert significant influence over our corporate affairs and to control align="left" valign="top" width="15%" style="BORDER-BOTTOM: black 2px solid; BORDER-LEFT: black 0.75pt solid">
SHARED VOTING POWER

-0-

9

SOLE DISPOSITIVE POWER

45,000

10

SHARED DISPOSITIVE POWER

-0-

11

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

45,000

12

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

o

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

Less than 1%**

14

TYPE OF REPORTING PERSON

OO

*Consists of 25,000 shares of Common Stock and 20,000 warrants to purchase Common Stock which are currently exercisable.

**This calculation is based on 5,105,114 shares of Common Stock of the Issuer outstanding as of February 12, 2014, as reported in the Issuer's quarterly report on Form 10-Q for the quarter ended December 31, 2013, and deems shares underlying 80,000 warrants held by Reporting Persons collectively to be outstanding.

8

1	NAME OF REPORTING PERSONS David West		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) x (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS AF		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		o
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States of America		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 45,000*	
	8	SHARED VOTING POWER -0-	
	9	SOLE DISPOSITIVE POWER 45,000	
	10	SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 45,000		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%**		
14	TYPE OF REPORTING PERSON IN		

*Consists of 25,000 shares of Common Stock and 20,000 warrants to purchase Common Stock which are currently exercisable.

**This calculation is based on 5,105,114 shares of Common Stock of the Issuer outstanding as of February 12, 2014, as reported in the Issuer's quarterly report on Form 10-Q for the quarter ended December 31, 2013, and deems shares underlying 80,000 warrants held by Reporting Persons collectively to be outstanding.

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1	NAME OF REPORTING PERSONS The Kropp 2010 Family Trust		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) x (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		o
6	CITIZENSHIP OR PLACE OF ORGANIZATION Texas		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 20,000*	
	8	SHARED VOTING POWER -0-	
	9	SOLE DISPOSITIVE POWER 20,000	
	10	SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 20,000		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%**		
14	TYPE OF REPORTING PERSON OO		

*Consists of 12,000 shares of Common Stock and 8,000 warrants to purchase Common Stock which are currently exercisable.

**This calculation is based on 5,105,114 shares of Common Stock of the Issuer outstanding as of February 12, 2014, as reported in the Issuer's quarterly report on Form 10-Q for the quarter ended December 31, 2013, and deems shares underlying 80,000 warrants held by Reporting Persons collectively to be outstanding.

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1	NAME OF REPORTING PERSONS James H. Kropp		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) x (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS AF		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		o
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States of America		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 20,000*	
	8	SHARED VOTING POWER -0-	
	9	SOLE DISPOSITIVE POWER 20,000	
	10	SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 20,000		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%**		
14	TYPE OF REPORTING PERSON IN		

*Consists of 12,000 shares of Common Stock and 8,000 warrants to purchase Common Stock which are currently exercisable.

**This calculation is based on 5,105,114 shares of Common Stock of the Issuer outstanding as of February 12, 2014, as reported in the Issuer's quarterly report on Form 10-Q for the quarter ended December 31, 2013, and deems shares underlying 80,000 warrants held by Reporting Persons collectively to be outstanding.

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The following constitutes the Schedule 13D (the “Schedule 13D”) filed by the undersigned.

Item 1. Security and Issuer.

The class of equity securities to which this Schedule 13D relates is common stock, par value $.001 per share (the “Common Stock”), of Good Times Restaurants Inc. (the “Issuer”), a Nevada corporation. The principal executive office of the Issuer is located at 601 Corporate Circle, Golden, Colorado 80401.

Item 2. Identity and Background.

(a) This Schedule 13D is being filed pursuant to Rule 13d-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on behalf of Rest Redux, LLC, a Texas member-managed limited liability company (“Redux”), REIT Redux, LP, a Delaware limited partnership (controlling member of Redux), REIT Redux GP, LLC, a Delaware limited liability company (REIT Redux, LP’s general partner), Robert Stetson (President of REIT Redux GP, LLC), the David Martin West Asset Trust, David West (trustee of the David Martin West Asset Trust), B.T. Interest Ltd., Lonnie B. Whatley III (manager of B.T. Interest), The Kropp 2010 Family Trust and James H. Kropp (trustee of The Kropp 2010 Family Trust).

REIT Redux, LP, REIT Redux GP, LLC, and Robert Stetson may be deemed, pursuant to Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the “Act”), to be the beneficial owners of all shares of Common Stock held by Redux. David West may be deemed to be the beneficial owner of all shares of Common Stock held by the David Martin West Asset Trust (the “West Trust”). Lonnie B. Whatley III may be deemed to be the beneficial owner of all shares of Common Stock held by B.T. Interest Ltd. (“B.T. Interest”). James H. Kropp may be deemed to be the beneficial owner of all shares of Common Stock held by The Kropp 2010 Family Trust (the “Kropp Trust”).

The Reporting Persons are filing this Statement jointly, as they may be considered a “group” under Section 13(d)(3) of the Act. However, neither the fact of this filing nor anything contained herein shall be deemed to be an admission by the Reporting Persons that such a group exists.

(b) The address of the principal business and the principal office of each of the Reporting Persons is as follows:

1. Redux, REIT Redux, LP, REIT Redux GP, LLC, the Kropp Trust, and James H. Kropp:

14901 Quorum Drive
Suite 900
Dallas, Texas 75254

2. Robert Stetson:

6125 Luther Ln. #380
Dallas, Texas 75225

3. West Trust and David West:

16475 Dallas Parkway
Suite 155
Addison, Texas 75001

4. B.T. Interest and Lonnie B. Whatley III

3428 Stanford Avenue
Dallas, Texas 75225

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(c) Redux, REIT Redux, LP, REIT Redux GP, LLC, Robert Stetson, the Kropp Trust, and James H. Kropp are principally engaged in the business of acquiring, holding, managing, voting and disposing of various public and private investments. The West Trust and David West are principally engaged in real estate and investments. B.T. Interest and Lonnie B. Whatley III are principally engaged in real estate, oil and gas, and banking investments. Mr. Stetson also serves as Chief Executive Officer of USRP and as Chief Financial Officer of Sholand LLC. Mr. Kropp is the Chief Financial Officer of Microproperties LLC.

Mr. Stetson is a director of the Issuer.

(d) During the last five years, none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, none of the Reporting Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Robert Stetson, David West, Lonnie B. Whatley III, and James H. Kropp are all citizens of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration.

The purchase of Common Stock by Redux was made in a privately negotiated transaction, as more fully described in Item 6. The total amount of funds used for the purchase of Common Stock held by Redux was $1,525,000.00. All such shares of Common Stock were paid for using working capital of Redux. Neither REIT Redux LP nor REIT Redux GP, LLC own shares of Common Stock directly but each of which may be deemed to beneficially own the shares held directly by Redux,

All shares of Common Stock held directly by Robert Stetson, the West Trust, B.T. Interest and the Kropp Trust were acquired through either the purchase of Common Stock from the Issuer in a 2013 capital raise by the Issuer or through the exercise of warrants acquired as warrant coverage in connection therewith. The foregoing Reporting Persons also hold additional warrants to purchase Common Stock originally acquired by an affiliated entity as warrant coverage in such 2013 capital raise. The total amount of funds used by the foregoing Reporting Persons for the purchase of Common Stock held by each was as follows: $120,000 (Stetson), $62,500 (West Trust), $75,000 (B.T. Interest) and $30,000 (Kropp Trust). All such shares of Common Stock were paid for using the working capital or personal or family investment capital of such Reporting Persons. Robert Stetson may also be deemed to beneficially own the shares of Common Stock held directly by Redux. None of David West, Lonnie Whatley III nor James H. Kropp (who may be deemed to beneficially own the shares held by the West Trust, B.T. Interest and the Kropp Trust, respectively) holds shares of Common Stock directly.

Item 4. Purpose of the Transaction.

The Reporting Persons purchased the Common Stock based on the belief that such securities, at current market prices, were undervalued and represented an attractive investment opportunity. Depending upon overall market conditions, other investment opportunities, and the availability of Common Stock at desirable prices, the Reporting Persons may endeavor to increase their position in the Issuer through, among other things, the purchase of Common Stock in open market or private transactions on such terms and at such times as the Reporting Persons deem advisable.

The Reporting Persons may, from time to time, evaluate various alternatives that they might consider in order to influence the performance of the Issuer and the activities of the Board of Directors of the Issuer. Depending on various factors, the Reporting Persons may take such actions as they deem appropriate including, without limitation, engaging in discussions with management and the Board of Directors, communicating with other stockholders seeking additional Board representation, making proposals to the Company concerning the capitalization, operations and/or strategy of the Company, purchasing additional Common Stock or securities of the Issuer or selling or hedging some or all of their Common Stock or other securities or changing their intention with respect to any and all matters referred to in this Item 4.

Except as set forth herein or such as would occur upon completion of any of the actions discussed above, no Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D.

As described under Item 6, Rest Redux LLC and another purchaser, Hoak Public Equities, L.P., separately purchased shares of Common Stock pursuant to a Purchase Agreement (as defined in Item 6) and are parties to a Registration Rights Agreement (as defined in Item 6) with the Issuer in respect of the shares of Common Stock held by such purchasers. The Reporting Persons expressly disclaim any membership in a group with, and beneficial ownership of any securities beneficially owned by, Hoak Public Equities, L.P. and its affiliates or any other person, other than as reported herein.

Item 5. Interest in Securities of the Issuer.

(a) The aggregate percentage of shares of Common Stock reported to be owned by the Reporting Persons in based on 5,105,114 shares of Common Stock of the Issuer outstanding as of February 12, 2014, as reported in the Issuer's quarterly report on Form 10-Q for the quarter ended December 31, 2013.

As of the filing date of this Schedule 13D, Redux beneficially owned 500,000 shares of Common Stock, representing 9.6% of the issued and outstanding Common Stock of the Issuer. Each of REIT Redux LP, REIT Redux GP, LLC and Robert Stetson may also be deemed to beneficially own the shares owned directly by Redux.

As of the filing date of this Schedule 13D, Mr. Stetson also beneficially owned 80,000 shares of Common Stock, consisting of (a) 48,000 shares of Common Stock and (b) warrants to purchase 32,000 shares of Common Stock. In total, Mr. Stetson may be deemed to beneficially own 580,000 shares of Common Stock, or 11.2% of the issued and outstanding Common Stock of the Issuer.

As of the filing date of this Schedule 13D, the West Trust beneficially owned 45,000 shares of Common Stock, consisting of (a) 25,000 shares of Common Stock and (b) warrants to purchase 20,000 shares of Common Stock, or together less than 1% of the issued and outstanding Common Stock of the Issuer. David West may also be deemed to beneficially own the shares of Common Stock owned directly by the West Trust.

As of the filing date of this Schedule 13D, B.T. Interest beneficially owned 50,000 shares of Common Stock, consisting of (a) 30,000 shares of Common Stock and (b) warrants to purchase 20,000 shares of Common Stock, or together less than 1% of the issued and outstanding Common Stock of the Issuer. Lonnie Whatley III may also be deemed to beneficially own the shares of Common Stock owned directly by B.T. Interest.

As of the filing date of this Schedule 13D, the Kropp Trust beneficially owned 20,000 shares of Common Stock, consisting of (a) 12,000 shares of Common Stock and (b) warrants to purchase 8,000 shares of Common Stock, or together less than 1% of the issued and outstanding Common Stock of the Issuer. James H. Kropp may also be deemed to beneficially own the shares of Common Stock owned directly by the Kropp Trust.

(b) By virtue of his position as President of REIT Redux GP, LLC, Robert Stetson may be deemed to have the sole power to vote or direct the vote and dispose of the shares of Common Stock beneficially owned by Redux, as reported in Item 5(a) of this Schedule 13D, as well as the shares of Common Stock held directly by Mr. Stetson. By virtue of their respective roles with the Reporting Persons, David West, Lonnie Whatley III and James H. Kropp may be deemed to have the sole power to vote or direct the vote and dispose of the shares of Common Stock beneficially owned by the West Trust, B.T. Interest and the Kropp Trust, respectively, as reported in Item 5(a) of this Schedule 13D.

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(c) As described under Item 6, Redux purchased 500,000 shares of Common Stock at a price of $3.05 in a privately negotiated transaction on May 2, 2014. On May 9, 2014, each of Mr. Stetson, the West Trust, B.T. Interest and the Kropp Trust took an assignment from an affiliated entity (pro-rata to their respective interests in such entity) of warrants to purchase the following number of shares of Common Stock: 32,000, 20,000, 20,000 and 8,800 shares of Common Stock, respectively. The other transactions effected by the Reporting Persons in the Common Stock during the past 60 days are set forth on Schedule A. All such other transactions occurred pursuant to the exercise of warrants to purchase shares of Common Stock held by such Reporting Persons.

(d) No other person is known to the Reporting Persons to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Stock covered by this Schedule 13D.

(e) Inapplicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

On May 2, 2014, Redux purchased five hundred thousand (500,000) shares of Common Stock from Small Island Investments Ltd. ("SII") at a price of $3.05 per share pursuant to a Purchase Agreement executed contemporaneously therewith between Redux, Small Island Investments Ltd. ("SII"), the Issuer and Hoak Public Equities, L.P. (the "Purchase Agreement"). SII is a controlled affiliate of David Dobbin, who is Chairman of the Issuer. Hoak Public Equities, L.P. also purchased 500,000 shares of Common Stock pursuant to the Purchase Agreement.

Pursuant to the Purchase Agreement, the Issuer agreed to enter, and concurrently entered, into a Registration Rights Agreement (the "Registration Rights Agreement") with Redux and Hoak Public Equities, L.P. pursuant to which the purchasers were granted certain demand and piggyback registration rights in respect of the shares of Common Stock held by them, including the Common Stock purchased pursuant to the Purchase Agreement.

The foregoing descriptions of the Purchase Agreement and the Registration Rights Agreement are not complete and are qualified in their entirety by reference to the full text thereof, copies of which are filed as exhibits hereto and are incorporated herein by reference.

Concurrently with the closing of the purchase of shares of Common Stock under the Purchase Agreement and in connection with his appointment to the Issuer's Board of Directors, Robert Stetson, an affiliate of Redux, entered into a standstill agreement (the "Standstill Agreement") with the Issuer. Pursuant to the Standstill Agreement, Mr. Stetson agreed that he and his affiliates, without the consent of the Board of Directors of the Company, would not (1) acquire shares of capital stock of the Company which would increase his direct or indirect ownership to more than 1,500,000 shares or (2) participate in or encourage, directly or indirectly, any transaction intended to result in a change of control of the Company, defined as change in majority of the members of its Board of Directors. The foregoing restriction terminates upon the earlier of September 30, 2015 or the date Mr. Stetson ceases to be a member of the Board of Directors of the Issuer. Mr. Stetson's appointment to the Board of Directors of the Issuer was formally approved on May 7, 2014.

The foregoing description of the Standstill Agreement is not complete and is qualified in its entirety by reference to the full text thereof, a copy of which is filed as an exhibit hereto and is incorporated herein by reference.

Item 7. Material to Be Filed as Exhibits.

99.1	Purchase Agreement dated May 2, 2014 between., Rest Redux LLC, Hoak Public Equities, L.P, Good Times Restaurants, Inc. and Small Island Investments, Ltd.
99.2	Registration Rights Agreement dated May 2, 2014 between Hoak Public Equities, L.P., Rest Redux LLC and Good Times Restaurants, Inc.
99.3	Agreement dated May 2, 2014 between Robert Stetson and Good Times Restaurants, Inc.
99.4	Joint Filing Agreement dated May 12, 2014 by and among Rest Redux, LLC, REIT Redux, LP, REIT Redux GP, LLC, Robert Stetson, the David Martin West Asset Trust, David West, B.T. Interest Ltd., Lonnie B. Whatley III, The Kropp 2010 Family Trust and James H. Kropp.

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SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Dated:May 12, 2014

REST Redux, LLC

By: REIT Redux GP, LLC, Member

By: _/s/ Robert Stetson________________
Robert Stetson
President

REIT Redux, LP

By: REIT Redux GP, LLC, its general partner

By: _/s/ Robert Stetson________________
Robert Stetson
President

REIT Redux GP, LLC

By: _/s/ Robert Stetson________________
Robert Stetson
President

Robert Stetson

By: _/s/ Robert Stetson________________
Robert Stetson

David Martin West Asset Trust

By: _/s/ David West _______________ _
David West
Trustee

David West

By: _/s/ David West _______________ _
David West

B.T. Interest, Ltd.

By: _/s/ Lonnie B. Whatley III_________ _
Lonnie B. Whatley
Manager

Lonnie B. Whatley III

By: _/s/ Lonnie B. Whatley III_________ _
Lonnie B. Whatley III

The Kropp 2010 Family Trust

By: _/s/ James H. Kropp ______
James H. Kropp
Trustee

James H. Kropp

By: _/s/ James H. Kropp ______
James H. Kropp

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SCHEDULE A

Transactions in the Shares of Common Stock During the Past Sixty Days

Date	Purchaser	Number of Shares Purchased	Price Per Share
May 6, 2014	Robert Stetson	16,000	$2.50
May 6, 2014	David Martin West Asset Trust	10,000	$2.50
May 6, 2014	B.T. Interest, Ltd.	10,000	$2.50
May 6, 2014	The Kropp 2010 Family Trust	4,000	$2.50

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