

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 8-K

Current Report  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 22, 2003

ETHAN ALLEN INTERIORS INC.  
(Exact name of registrant as specified in its charter)

DELAWARE	1-11692	06-1275288
----- (State or other jurisdiction of incorporation)	----- (Commission File Number)	----- (I.R.S. Employer Identification No.)

ETHAN ALLEN DRIVE DANBURY, CT	06811
----- (Address of principal executive offices)	----- (Zip Code)

Registrant's telephone number, including area code: (203) 743-8000

NOT APPLICABLE

-----  
(Former name or former address, if changed since last report)

INFORMATION TO BE INCLUDED IN REPORT

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits

EXHIBIT	DESCRIPTION
-----	-----
99.1	Press release dated April 22, 2003
99.2	Reconciliation of unaudited, non-GAAP financial information disclosed in April 22, 2003 conference call to the most directly comparable GAAP financial measure

ITEM 9. REGULATION FD DISCLOSURE (PURSUANT TO ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION)

In accordance with SEC Release No. 33-8216, the following information, intended to be furnished under Item 12, "Results of Operations and Financial Condition", is instead furnished under Item 9, "Regulation FD Disclosure". The information in this Form 8-K and the Exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Exchange Act of 1933, except as shall be expressly set forth by specific reference in such filing.

On April 22, 2003, Ethan Allen Interiors Inc. ("Ethan Allen" or the "Company") issued a press release setting forth its operating results for the three and nine months ended March 31, 2003. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

Also on April 22, 2003, Ethan Allen conducted a conference call during

which certain unaudited, non-GAAP financial information related to the Company's operations for the three and nine months ended March 31, 2003 was disclosed. This information is set forth in the attached Exhibit 99.2.

Exhibit 99.2 includes references to the Company's (i) consolidated operating profit, (ii) wholesale operating profit, (iii) net income, (iv) earnings per share, and (v) earnings before interest, taxes, depreciation and amortization ("EBITDA"), all excluding the effects of a restructuring and impairment charge recorded during the three months ended March 31, 2003 as a result of the Company's decision to consolidate three manufacturing facilities. A reconciliation of these financial measures to the most directly comparable GAAP financial measure is also provided in the Exhibit.

Management believes that excluding items which are deemed to be non-recurring in nature from financial measures such as operating profit, wholesale operating profit, net income, and earnings per share, allows investors to more easily compare and evaluate the Company's financial performance relative to prior periods and industry comparables. These adjusted measures also aid investors in understanding the operating results of the Company absent such non-recurring or unusual events.

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Management considers EBITDA an important indicator of the operational strength and performance of its business, including the ability of the Company to pay interest, service debt and fund capital expenditures. Given the nature of the Company's operations, including the tangible assets necessary to carry out its production and distribution activities, depreciation and amortization represent Ethan Allen's largest non-cash charge. As these non-cash charges do not affect our ability to service debt or make capital expenditures, it is important to consider EBITDA in addition to, but not as a substitute for, operating income, net income and other measures of financial performance reported in accordance with generally accepted accounting principles, including cash flow measures such as operating cash flow. Further, EBITDA is one measure used to determine our compliance with the Company's existing credit facilities.

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#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ETHAN ALLEN INTERIORS INC.

Date: April 22, 2003

By: /S/ M. FAROOQ KATHWARI

-----  
M. Farooq Kathwari  
Chairman, Chief Executive Officer  
and Director

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#### EXHIBIT INDEX

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FOR IMMEDIATE RELEASE

CONTACT: Peg Lupton  
Ethan Allen Interiors Inc.  
(203) 743-8234

## ETHAN ALLEN REPORTS THIRD QUARTER SALES AND EARNINGS

DANBURY, CONN., April 22, 2003 -- Ethan Allen Interiors Inc. (NYSE:ETH) today reported sales and earnings for the three and nine months ended March 31, 2003.

As previously announced in February 2003, the Company recorded a pre-tax restructuring and impairment charge of \$13.2 million (or \$0.22 per share) during its third quarter ended March 31, 2003. The charge relates to the consolidation of three of the Company's smaller manufacturing facilities.

For the third quarter ended March 31, 2003, earnings per share, including the restructuring and impairment charge, amounted to \$0.30 on net income of \$11.7 million, as compared to \$0.58 and \$23.0 million, respectively, in the prior year third quarter. Excluding the impact of the restructuring and impairment charge, earnings per share for the quarter amounted to \$0.52 and net income totaled \$19.9 million.

For the nine months ended March 31, 2003, earnings per share, including the restructuring and impairment charge, amounted to \$1.42 on net income of \$54.8 million, as compared to \$1.52 and \$60.9 million, respectively, in the prior year comparable period. Excluding the impact of the restructuring and impairment charge, earnings per share for the nine month period increased 7.2% to \$1.63 and net income increased 3.5% to \$63.0 million.

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Net delivered sales for the third quarter ended March 31, 2003 decreased 1.5% to \$224.6 million from \$227.9 million in the prior year comparable period. Third quarter delivered sales for the Company's Retail division increased 9.9% to \$127.3 million from \$115.8 million in the prior year, and written sales increased 4.4% over that same period. Comparable Ethan Allen store delivered sales and written sales for the quarter decreased 4.3% and 9.2%, respectively, as compared to the prior year.

Net delivered sales for the nine months ended March 31, 2003 increased by 2.0% to \$670.8 million from \$657.5 million in the prior year comparable period. Nine month delivered sales for the Company's Retail division increased 16.7% to \$387.1 million from \$331.6 million in the prior year, and written sales increased 17.2% over that same period. Comparable Ethan Allen store delivered sales and written sales for the nine month period decreased 3.7% and 3.2%, respectively, as compared to the prior year.

Farooq Kathwari, Chairman and CEO, commented, "Despite the difficult economic conditions, we are pleased that we have maintained healthy margins, earnings and cash flow. Our strong focus on maximizing operating efficiencies while maintaining high quality standards continues to enable us to increase shareholder value. During the quarter and fiscal year to date, the Company repurchased \$19.4 million and \$41.8 million, respectively, of its stock in the open market. We also initiated the consolidation of three manufacturing facilities with the intention of further improving production efficiencies and related margins. At the same time, our efforts to provide our customers with excellence in service and value also continue. Last week, we introduced the new "Tuscany" line to consumers and the Ethan Allen Kids line will be marketed in July. Both will offer the consumer innovative and stylish alternatives at excellent values."

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Commenting on expected future business results, Mr. Kathwari stated, "As we had previously indicated, the geo-political situation has negatively impacted consumer confidence during the last several months. We are positioned to perform well as the economy and consumer confidence improves. As in the past, we plan to periodically update our outlook."

Ethan Allen Interiors Inc. is a leading manufacturer and retailer of quality home furnishings. The Company sells a full range of furniture products and decorative accessories through an exclusive network of 312 retail locations in the United States and abroad, of which 120 are Company-owned. Ethan Allen has 14 manufacturing facilities, which include 3 sawmills, located throughout the United States.

The Company will conduct a Conference Call at 11:00 AM Eastern time on Tuesday, April 22nd to be broadcast live over the Internet linked through the Company's website at [www.ethanallen.com](http://www.ethanallen.com).

The information contained in this press release should be read in conjunction with the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2002 and other reports filed with the Securities and Exchange Commission, including the Company's Report of Form 10-K for the year ended June 30, 2002. Management's discussion in this release contains forward-looking statements relating to future results of the Company. These forward-looking statements are subject to various assumptions, risk and uncertainties, and accordingly, actual results could differ materially from those contemplated by the forward-looking statements.

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ETHAN ALLEN INTERIORS INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
UNAUDITED  
(In thousands, except per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net sales \$657,499	\$224,574	\$227,917	\$670,816	
Cost of sales 351,714	112,624	119,481	336,347	
---	-----	-----	-----	-----
Gross profit 305,785	111,950	108,436	334,469	
Operating expenses:				
Selling 120,185	45,257	41,461	132,022	
General and administrative 89,857	34,632	30,973	101,348	
Restructuring and impairment charge -	13,223	-	13,223	
---	-----	-----	-----	-----
Total operating expenses 210,042	93,112	72,434	246,593	
---	-----	-----	-----	-----
Operating income 95,743	18,838	36,002	87,876	
Interest and other miscellaneous income 2,621	58	1,063	799	
Interest and other related financing costs 462	130	137	507	
---	-----	-----	-----	-----
Income before income tax expense 97,902	18,766	36,928	88,168	
Income tax expense 37,007	7,094	13,959	33,328	
---	-----	-----	-----	-----
Net income 60,895	\$ 11,672	\$ 22,969	\$ 54,840	\$
=====	=====	=====	=====	
Net income per basic share 1.57	\$ 0.31	\$ 0.59	\$ 1.45	\$
=====	=====	=====	=====	
Basic weighted average shares outstanding 38,879	37,560	38,734	37,771	
Net income per diluted share 1.52	\$ 0.30	\$ 0.58	\$ 1.42	\$
=====	=====	=====	=====	
Diluted weighted average shares outstanding 39,983	38,546	39,898	38,751	
RECONCILIATION OF GAAP TO NON-GAAP INFORMATION:				
Net income 60,895	\$ 11,672	\$ 22,969	\$ 54,840	\$
Add: Restructuring and impairment charge, net of related tax effect -	8,225	-	8,225	
---	-----	-----	-----	-----

Net income (excluding restructuring and impairment charge) 60,895	\$ 19,897	\$ 22,969	\$ 63,065	\$
=====	=====	=====	=====	
Net income per basic share (excluding restructuring and impairment charge) 1.57	\$ 0.53	\$ 0.59	\$ 1.67	\$
=====	=====	=====	=====	
Basic weighted average shares outstanding 38,879	37,560	38,734	37,771	
Net income per diluted share (excluding restructuring and impairment charge) 1.52	\$ 0.52	\$ 0.58	\$ 1.63	\$
=====	=====	=====	=====	
Diluted weighted average shares outstanding 39,983	38,546	39,898	38,751	

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ETHAN ALLEN INTERIORS INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands)

	March 31, 2003 (UNAUDITED)	June 30, 2002
<S>	<C>	<C>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 60,187	\$ 75,688
Accounts receivable, net	29,430	32,845
Inventories, net	196,093	174,147
Prepaid expenses and other current assets	47,201	36,076
	-----	-----
Total current assets	332,911	318,756
Property, plant, and equipment, net	294,483	293,626
Intangible assets, net	78,353	69,708
Other assets	5,238	6,665
	-----	-----
Total Assets	\$ 710,985	\$ 688,755
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt and capital lease obligations	\$ 187	\$ 107
Customer deposits	55,094	42,966
Accounts payable	28,977	38,027
Accrued expenses and other current liabilities	54,922	48,028
	-----	-----
Total current liabilities	139,180	129,128
Long-term debt	10,134	9,214
Other long-term liabilities	3,042	2,066
Deferred income taxes	40,578	37,158
Total shareholders' equity	518,051	511,189
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 710,985	\$ 688,755
	=====	=====

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EXHIBIT 99.2

(in thousands, except per share amounts)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	MARCH 31,		MARCH 31,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
NET INCOME/EARNINGS PER SHARE				
-----				
Net income	\$ 11,672	\$ 22,969	\$ 54,840	\$ 60,895
Add: restructuring and impairment charge, net of related tax effect	8,225	--	8,225	--
	-----	-----	-----	-----
Net income (excluding restructuring and impairment charge)	\$ 19,897	\$ 22,969	\$ 63,065	\$ 60,895
	=====	=====	=====	=====
Net income per basic share	\$ 0.31	\$ 0.59	\$ 1.45	\$ 1.57
	=====	=====	=====	=====
Net income per basic share (excluding restructuring and impairment charge)	\$ 0.53	\$ 0.59	\$ 1.67	\$ 1.57
	=====	=====	=====	=====
Basic weighted average shares outstanding	37,560	38,734	37,771	38,879
Net income per diluted share	\$ 0.30	\$ 0.58	\$ 1.42	\$ 1.52
	=====	=====	=====	=====
Net income per diluted share (excluding restructuring and impairment charge)	\$ 0.52	\$ 0.58	\$ 1.63	\$ 1.52
	=====	=====	=====	=====
Diluted weighted average shares outstanding	38,546	39,898	38,751	39,983
CONSOLIDATED OPERATING INCOME/OPERATING MARGIN				
-----				
Operating income	\$ 18,838	\$ 36,002	\$ 87,876	\$ 95,743
Add: restructuring and impairment charge	13,223	--	13,223	--
	-----	-----	-----	-----
Operating income (excluding restructuring and impairment charge)	\$ 32,061	\$ 36,002	\$101,099	\$ 95,743
	=====	=====	=====	=====
Net sales	\$224,574	\$227,917	\$670,816	\$657,499
	=====	=====	=====	=====
Operating margin	8.4%	15.8%	13.1%	14.6%
	=====	=====	=====	=====
Operating margin (excluding restructuring and impairment charge)	14.3%	15.8%	15.1%	14.6%
	=====	=====	=====	=====
WHOLESALE OPERATING INCOME/OPERATING MARGIN				
-----				
Wholesale operating income	\$ 20,949	\$ 32,295	\$ 77,838	\$ 80,032
Add: restructuring and impairment charge	13,223	--	13,223	--
	-----	-----	-----	-----
Wholesale operating income (excluding restructuring and impairment charge)	\$ 34,172	\$ 32,295	\$ 91,061	\$ 80,032
	=====	=====	=====	=====
Wholesale net sales	\$173,890	\$172,389	\$490,098	\$485,479
	=====	=====	=====	=====
Wholesale operating margin	12.0%	18.7%	15.9%	16.5%
	=====	=====	=====	=====
Wholesale operating margin (excluding restructuring and impairment charge)	19.7%	18.7%	18.6%	16.5%
	=====	=====	=====	=====
EBITDA				
-----				
Net income	\$ 11,672	\$ 22,969		



Add: interest expense	95	101
Add: income tax expense	7,094	13,959
Add: depreciation and amortization	5,494	4,816
	-----	-----
EBITDA	\$ 24,355	\$ 41,845
	=====	=====
Net sales	\$224,574	\$227,917
	=====	=====
EBITDA as % of net sales	10.8%	18.4%
	=====	=====
EBITDA	\$ 24,355	\$ 41,845
Add: restructuring and impairment charge	13,223	--
	-----	-----
EBITDA (excluding restructuring and impairment charge)	\$ 37,578	\$ 41,845
	=====	=====
Net sales	\$224,574	\$227,917
	=====	=====
EBITDA as % of net sales	16.7%	18.4%
	=====	=====

</TABLE>