

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Securities and Exchange Commission
Washington, D.C. 20549

FORM 11-K

Annual Report
Pursuant to Section 15(d) of the
Securities Exchange Act of 1974

(Mark One):

- (X) Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 (No Fee Required)
- () Transition Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 (No Fee Required)
For the transition period from _____ to _____

Commission file Number 1-11806

A. Full title of plan and the address of plan, if different from that of the issuer named below:

THE ETHAN ALLEN PROFIT SHARING AND 401(k) RETIREMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal office:

ETHAN ALLEN INTERIORS INC.
ETHAN ALLEN DRIVE
DANBURY, CT 06811

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Financial Statements and Schedules

December 31, 1996 and 1995

(With Independent Auditors Report Thereon)

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Financial Statements and Schedules

December 31, 1996 and 1995

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* All other schedules have been omitted since they are not applicable.

Independent Auditors' Report

Plan Administrative Committee and Participants
The Ethan Allen Profit Sharing and 401(k) Retirement Plan:

We have audited the accompanying statements of net assets available for plan benefits, with fund information for the Ethan Allen Profit Sharing and 401(k) Retirement Plan (the "Plan") as of December 31, 1996 and 1995, and the related statement of changes in net assets available for plan benefits, with fund information for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits as of December 31, 1996 and 1995 and the changes in net assets available for plan benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of (1) assets held for investments purposes as of December 31, 1996 and (2) reportable transactions for the year ended December 31, 1996 are presented for purposes of additional analysis and are not required as part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974. The Fund Information in the statements of net assets available for plan benefits and the statement of changes in net assets available for plan benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for plan benefits for each fund. The supplemental schedules and the Fund Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 2, 1997

/s/ KPMG Peat Marwick, LLP

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Statement of Net Assets Available for Plan Benefits, With Fund Information

December 31, 1996

<TABLE>
<CAPTION>

20th Century		20th Century		20th Century		20th Century	
Strategic		Benham	Select	Ultra	International	Restricted	
Unrestricted	Allocation	Preservation	Investors	Investors	Equity	Ethan Allen	Ethan Allen
Conservative		Fund	Fund	Fund	Fund	Stock Fund	Stock
Fund	Fund						
--	----	----	----	----	----	-----	-----
<S>		<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Assets:							
Investments, at fair value	\$	--	12,169,271	10,482,690	3,017,927	7,672,051	2,291,395
1,012,126							
Investments, at contract value ..		20,290,969	--	--	--	--	--
--							
Participant loans		--	--	--	--	--	--
--							

Total investments		20,290,969	12,169,271	10,482,690	3,017,927	7,672,051	2,291,395
1,012,126							
Employer contributions receivable		270,114	253,146	238,572	68,514	--	38,122
27,203							
Employee contributions receivable		60,815	62,141	65,891	19,361	--	9,724
6,036							

Total assets		20,621,898	12,484,558	10,787,153	3,105,802	7,672,051	2,339,241
1,045,365							
Liabilities:							
Refunds payable for excess							
contributions		26,610	7,234	9,419	--	--	--
2,446							

Net assets available for							
plan benefits	\$	20,595,288	12,477,324	10,777,734	3,105,802	7,672,051	2,339,241
1,042,919							
=====							

</TABLE>

(Continued)

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Statement of Net Assets Available for Plan Benefits,
With Fund Information, Continued

December 31, 1996

<TABLE>
<CAPTION>

20th Century 20th Century

Total investments	23,455,732	10,671,053	6,956,346	7,571,644	2,484,553	4,431,807	1,623,604
1,725,406	58,920,145						
Employer contributions receivable	798,730	333,564	193,700	192,701	70,642	--	46,176
-- 1,635,513							
Employee contributions receivable	95,528	60,992	35,804	42,461	14,239	--	9,224
-- 258,248							

Net assets available for plan							
benefits	\$24,349,990	11,065,609	7,185,850	7,806,806	2,569,434	4,431,807	1,679,004
1,725,406	60,813,906						
	=====	=====	=====	=====	=====	=====	=====
=====							

</TABLE>

See accompanying notes to financial statements.

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Statement of Changes in Net Assets Available for Plan Benefits, With Fund
Information

Year ended December 31, 1996

<TABLE>
<CAPTION>

		20th	20th	20th	20th		
		Century	Century	Century	Century		
		Benham	Select	Balanced	Ultra	International	Restricted
Unrestricted	Strategic	Preservation	Investors	Investors	Investors	Equity	Ethan Allen
Allen	Allocation	Fund	Fund	Fund	Fund	Fund	Stock Fund
Fund	Conservative						Stock
Fund							
---	-----	-----	-----	-----	-----	-----	-----
<S>		<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Additions to net assets:							
Net appreciation/(depreciation)							
in fair value of investments							
		\$--	839,223	153,476	597,433	70,607	3,752,473
1,165,054	41,201						
Interest income							
		1,101,199	--	--	--	--	--
--							
Dividend income							
		--	1,144,198	40,963	599,785	310,231	8,275
2,711	23,036						

Net investment income (loss)							
		1,101,199	1,983,421	194,439	1,197,218	380,838	3,760,748
64,237							1,167,765

Contributions:							
Employer contributions							
		252,589	264,282	5,248	244,732	70,699	--
39,814	27,714						
Employee contributions							
		1,209,723	1,100,605	150,707	1,179,159	356,823	--
108,530							171,810

		1,462,312	1,364,887	155,955	1,423,891	427,522	--
211,624	136,244						

Total additions	2,563,511	3,348,308	350,394	2,621,109	808,360	3,760,748	1,379,389
200,481							
Deductions from net assets:							
Distributions to participants	(2,481,804)	(923,426)	(224,840)	(629,029)	(146,076)	(520,504)	(158,014)
(40,165)							
Administrative expenses	(17,236)	(6,077)	(817)	(1,981)	(176)	--	
(350) (1,417)							
Total deductions	(2,499,040)	(929,503)	(225,657)	(631,010)	(146,252)	(520,504)	(158,364)
(41,582)							
Net transfers between funds	(3,819,173)	(1,007,090)	(7,310,587)	980,829	(125,740)	--	(560,788)
884,020							
Net increase (decrease)	(3,754,702)	1,411,715	(7,185,850)	2,970,928	536,368	3,240,244	660,237
1,042,919							
Net assets available for plan benefits:							
Beginning of year	24,349,990	11,065,609	7,185,850	7,806,806	2,569,434	4,431,807	1,679,004
--							
End of year	\$ 20,595,288	12,477,324	--	10,777,734	3,105,802	7,672,051	2,339,241
1,042,919							

</TABLE>

(Continued)

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Statement of Changes in Net Assets Available for Plan Benefits,
With Fund Information, Continued

Year ended December 31, 1996

<TABLE>
<CAPTION>

Total	20th Century Strategic Allocation Moderate Fund	20th Century Strategic Allocation Aggressive Fund	Charles Schwab Personal Choice(R) Retirement Fund	20th Century Vista Investors Fund	20th Century Value Fund	Loan Fund
Net appreciation/(depreciation) in fair value of investments ... \$	383,518	126,088	(3,769)	(103,760)	50,689	--
7,072,233						
Interest income	--	--	--	--	--	--
180,625 1,281,824						
Dividend income	106,367	12,202	--	198,862	174,204	--
2,620,834						
Net investment income (loss) ...	489,885	138,290	(3,769)	95,102	224,893	
180,625 10,974,891						

Contributions:

Employer contributions	131,062	66,652	--	65,395	37,553	--
1,205,740						
Employee contributions	478,967	263,621	--	254,216	179,196	--
5,453,357						
-----	-----	-----	-----	-----	-----	-----
	610,029	330,273	--	319,611	216,749	-
- 6,659,097						
-----	-----	-----	-----	-----	-----	-----
Total additions	1,099,914	468,563	(3,769)	414,713	441,642	
180,625 17,633,988						
-----	-----	-----	-----	-----	-----	-----
Deductions from net assets:						
Distributions to participants	(394,652)	(38,672)	--	(16,538)	(9,576)	
(176,022) (5,759,318)						
Administrative expenses	(2,903)	(1,547)	--	(3)	(537)	--
(33,044)						
-----	-----	-----	-----	-----	-----	-----
Total deductions	(397,555)	(40,219)	--	(16,541)	(10,113)	
(176,022) (5,792,362)						
-----	-----	-----	-----	-----	-----	-----
Net transfers between funds	5,435,250	1,333,683	198,182	2,178,838	1,441,441	
371,135 --						
-----	-----	-----	-----	-----	-----	-----
Net increase (decrease)	6,137,609	1,762,027	194,413	2,577,010	1,872,970	
375,738 11,841,626						
-----	-----	-----	-----	-----	-----	-----
Net assets available for plan benefits:						
Beginning of year	--	--	--	--	--	--
1,725,406 60,813,906						
-----	-----	-----	-----	-----	-----	-----
End of year	\$ 6,137,609	1,762,027	194,413	2,577,010	1,872,970	
2,101,144 72,655,532						
=====	=====	=====	=====	=====	=====	=====

</TABLE>

See accompanying notes to financial statements.

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Statement of Changes in Net Assets Available for Plan Benefits,
With Fund Information

Year ended December 31, 1995

<TABLE>
<CAPTION>

Loan	Fund	Total	Capital	20th	20th	20th	20th	Ethan Allen	Ethan Allen
			Preservation	Century	Century	Century	Century	Restricted	Unrestricted
			Fund	Investors	Investors	Investors	Equity	Stock Fund	Stock Fund
			-----	-----	-----	-----	-----	-----	-----
<S>			<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>	<C>								

Additions to net assets:
Net appreciation/(depreciation)

in fair value of investments ...	\$--	638,649	626,901	1,462,066	259,979	(842,936)	(235,980)	
-- 1,908,679								
Interest income	1,264,405	--	--	--	--	--	--	
144,748 1,409,153								
Dividend income	--	1,296,692	569,214	357,534	2,306	--	--	
-- 2,225,746								

Net investment income (loss) ...	1,264,405	1,935,341	1,196,115	1,819,600	262,285	(842,936)	(235,980)	
144,748 5,543,578								

Contributions:								
Employer contributions	940,171	348,833	212,258	207,910	78,810	322,482	55,220	
-- 2,165,684								
Employee contributions	1,894,900	1,169,460	691,790	797,523	315,082	--	191,258	
-- 5,060,013								

	2,835,071	1,518,293	904,048	1,005,433	393,892	322,482	246,478	
-- 7,225,697								

Total additions	4,099,476	3,453,634	2,100,163	2,825,033	656,177	(520,454)	10,498	
144,748 12,769,275								

Deductions from net assets:								
Administrative expenses	(26,594)	(4,585)	(3,630)	(2,175)	(192)	--	(304)	-
- (37,480)								
Distributions to participants	(2,800,466)	(670,199)	(428,348)	(303,794)	(135,584)	(322,482)	(112,052)	
(143,446) (4,916,371)								

Total deductions	(2,827,060)	(674,784)	(431,978)	(305,969)	(135,776)	(322,482)	(112,356)	
(143,446) (4,953,851)								

Net transfers between funds	(421,728)	(399,859)	(41,024)	710,271	(428,610)	--	181,356	
399,594 --								

Net increase (decrease)	850,688	2,378,991	1,627,161	3,229,335	91,791	(842,936)	79,498	
400,896 7,815,424								

Net assets available for plan benefits:								
Beginning of year	23,499,302	8,686,618	5,558,689	4,577,471	2,477,643	5,274,743	1,599,506	
1,324,510 52,998,482								

End of year	\$24,349,990	11,065,609	7,185,850	7,806,806	2,569,434	4,431,807	1,679,004	
1,725,406 60,813,906								
=====								

</TABLE>

See accompanying notes to financial statements.

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Notes to Financial Statements

December 31, 1996 and 1995

(1) Plan Description

The Ethan Allen Profit Sharing and 401(k) Retirement Plan (the "Plan") is a defined contribution savings plan sponsored by Ethan Allen Interiors Inc. (the "Company").

The following brief description is provided for general information purposes only. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan was formed effective July 1, 1994 through the merger of the Retirement Program of Ethan Allen Inc. (the "Retirement Program") into the Ethan Allen 401(k) Employee Savings Plan (the "401(k) Plan"). As a result of the merger on July 1, 1994, all participant investments in the Retirement Program (except for the Ethan Allen Restricted stock which was transferred directly) were liquidated and the proceeds were transferred to the Plan and allocated to participant accounts at each participant's request.

The Plan is offered to substantially all employees of the Company who have completed both one year and 1,000 hours of service during the Plan year. The Plan is subject to the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions and Vesting

Participants may contribute from 1% to 15% of their compensation (as defined in the Plan) up to a limit of \$9,500 in 1996 (tax-deferred contribution) to the 401(k) portion of the plan. The Company may, at its discretion, make a matching contribution on behalf of each participant, provided the matching contribution does not exceed the lesser of (a) 50% of the participant's contribution or (b) \$400 per participant per plan year (\$200 in 1995). Participants may, in addition, contribute amounts in excess of their tax deferred contribution on an after-tax basis in the amount of 1% to 15% of their compensation.

Employer contributions, if any, to the profit sharing portion of the Plan, on behalf of each participant are determined by the Board of Directors of the Company at the close of each fiscal year and are limited to the lesser of (i) \$30,000 (or, if greater, 25% of the dollar limitation in effect under Section 415(b)(1)(A) of the Internal Revenue Code) or (ii) 25% of each participant's compensation for that Plan year, reduced by employee contributions and any other employer contributions to defined contribution plans of the Company. The Company declared profit sharing contributions of \$0 and \$328,421 for the Plan in 1996 and 1995, respectively. The actual contribution, if any, is made in the ensuing year.

Participant contributions and employer 401(k) contributions are 100% vested immediately. Effective July 1, 1996, profit sharing contributions are also 100% vested immediately and the profit sharing portion of the participant accounts of active employees became 100% vested (see note 7). Prior to that date, vesting of profit sharing contributions was subject to a vesting schedule based on credited years of service.

THE ETHAN ALLEN PROFIT SHARING AND 401(k) RETIREMENT PLAN

Notes to Financial Statements, Continued

(1), Continued

During 1996, certain participants contributed \$62,032 in excess of the allowable qualified contribution. The excess contribution amounts are reflected as a Plan liability at December 31, 1996. The excess contributions were refunded in 1997 within the penalty free deadline.

Investment of Funds

During 1996, the amounts contributed to the Plan were invested in one of the following commingled funds at the direction of the participants. A brief description of the funds are as follows:

Benham Preservation Fund - The Benham Preservation Fund, formerly known as the Capital Preservation Fund, invests primarily in benefit responsive guaranteed investment contracts issued by major financial institutions, including banks and life insurance companies. The Benham Preservation

Fund was created on July 31, 1996 by a transfer of cash and assets in-kind from Bankers Trust Pyramid Trust, the underlying assets of the Capital Preservation Fund, which was discontinued as of this date. The fund is managed by SEI Trust Company, Benham Management Corporation and Dwight Asset Management Company.

Twentieth Century Balanced Investors - Effective April 1, 1996, the Balanced Investors Fund is no longer an investment option. Participants who had invested in this fund were required to transfer their balance to other funds. If no fund was selected by the participant, the fund balances were transferred to the Strategic Allocation: Moderate Fund.

Twentieth Century Select Investors - The Select Investors Fund invests in common stocks considered by fund managers to have a better than average prospect for appreciation. In addition, 80% of the fund's stock investments must have a record of paying or have committed to paying regular dividends.

Twentieth Century Ultra Investors - The Ultra Investors Fund invests in small to medium-sized companies that show accelerating growth and earnings.

Twentieth Century International Equity Fund - The International Equity Fund invests in common stocks of foreign companies considered to have better than average prospects for appreciation.

Ethan Allen Restricted/Unrestricted Stock Funds - At December 31, 1996, the Plan held 199,274 restricted shares and 58,840 unrestricted shares of Ethan Allen Interiors Inc. common stock. At December 31, 1995, the Plan held 217,512 restricted shares and 79,675 unrestricted shares of Ethan Allen Interiors Inc. common stock. All of the restricted shares are subject to proxies granted to Mr. Kathwari, the Chairman of the Board of Directors, President and Chief Executive Officer of the Company, which expire on the earlier of Mr. Kathwari's termination of employment with the Company or March 22, 2003, and 180,915 of these shares are restricted from being sold by the

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Notes to Financial Statements, Continued

(1), Continued

Plan, other than to the Company, in accordance with applicable securities laws. Additionally, the Ethan Allen Restricted Stock Fund restricts participants from transferring their balances in this fund to other funds of the Plan. Effective July 1, 1996, withdrawing participants have the option of receiving a distribution from the Ethan Allen Restricted Stock Fund in shares of Ethan Allen Interiors Inc. stock or cash. Prior to that date all distributions were made in cash. No such restrictions exist on investments in the Unrestricted Stock Fund.

Ethan Allen Interiors Inc. common stock is publicly traded and had a readily ascertainable market value of \$38.50 per share at December 31, 1996. At June 2, 1997, the closing price of Ethan Allen Interiors Inc. common stock was \$52.875 per share.

The following investment funds became available as of April 1, 1996:

Twentieth Century Strategic Allocation: Conservative - The Strategic Allocation: Conservative Fund invests in a diversified portfolio of stocks, bonds and money market securities with an emphasis on quality bonds and money market securities over stocks. The Fund's targeted mix of assets is 45% bonds, 40% stocks, and 15% money market securities.

Twentieth Century Strategic Allocation: Moderate - The Strategic Allocation: Moderate Fund invests in a diversified

portfolio of stocks, bonds and money market securities. The Fund's targeted mix of assets is 60% stocks, 30% bonds and 10% money market securities.

Twentieth Century Strategic Allocation: Aggressive - The Strategic Allocation: Aggressive Fund invests in a diversified portfolio of stocks, bonds and money market securities. The Fund's targeted mix of assets is 75% stocks, 20% bonds and 5% money market securities.

Charles Schwab Personal Choice(R) Retirement - The Personal ChoiceAE Retirement Fund allows the investor to purchase mutual funds, stocks and bonds offered through Charles Schwab & Co., Inc. Participants must transfer a minimum of \$2,500 from their current plan balance to elect this option. Participants may transfer up to a maximum of 50% of their fully vested balance.

Twentieth Century Vista Investors - The Vista Investors Fund invests in common stocks of growing small- to medium-sized companies considered to have better than average prospects for appreciation.

Twentieth Century Value - The Value Fund invests primarily in equity securities of well established companies that appear to be undervalued at the time of purchase.

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Notes to Financial Statements, Continued

(1), Continued

Loans

The Loan Fund is a non-contributory fund used to account for and administer loans to participants. Each participant may apply to the Plan administrator for a loan against the vested 401(k) portion of that participant's account. The maximum amount which may be borrowed by the participant is limited to the lesser of (a) \$50,000 or (b) 50% of the vested 401(k) portion of such participant's account at the time of such loan. The term of these loans generally shall not exceed the earlier of five years or such participant's termination of service.

Loans are processed the first day of each month. The Plan administrator has determined that loans shall bear interest equal to the Prime Rate as of the preceding month's close plus 1%. The Prime Rate during 1996 and 1995 ranged from 8.25% to 8.50% and 8.50% to 9.00%, respectively.

Participants' Accounts

A separate account is maintained for each participant. Net investment income (loss) is allocated daily to each participant's account on a proportional basis according to account balances so that each account bears its proportionate share of income or loss. Employer profit sharing contributions and, prior to January 1, 1996, all profit sharing forfeitures by participants were allocated to each participant based on each participant's compensation to total compensation of all participants during the year. Effective January 1, 1996, all profit sharing forfeitures are no longer allocated to participants (see note 7). These funds are now used first to restore any prior forfeitures from terminated employees who are rehired within five years of termination, then to reduce the amount of the Company profit sharing contributions, Company match contributions, or administrative expenses paid by the Plan sponsor. In 1996 and 1995, administrative expenses, other than certain transaction fees borne by the participants, were paid by the Plan administrator.

Distributions and Withdrawals

Participants may elect to receive their benefits when they reach normal retirement age (65), or when they leave the Company. The Plan also provides death benefits to the designated beneficiary of eligible participants.

An employee may withdraw any or all of his after tax 401(k) contribution (\$250 minimum) at any time; early withdrawal of tax-deferred and Company 401(k) contributions may only be made by a participant upon attaining the age 59-1/2 or because of serious financial hardship, subject to limitations.

In no event shall distributions commence later than 60 days after the close of the Plan Year in which the latest of the following events occurs: the participant's attainment of age 65; the 10th anniversary of the date on which the participant began participating in the Plan; or the participant's termination date. These provisions notwithstanding, participants must commence distributions from the Plan within a year of attaining the age of 71.

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THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for plan benefits and the changes in those net assets.

Valuation of Investments Held in Trust

Under the terms of a trust agreement between Chase Manhattan Bank, N.A. (the "Trustee") and the Company, the Trustee administers a trust fund on behalf of the Plan. The value of the investments and changes therein of this trust have been reported to the Plan by the Trustee, as determined through the use of quoted market prices, except for the guaranteed investment contracts, which are valued at contract value.

Contract value equals the principal of investments in the Benham Preservation Fund plus accrued interest at the contract rate as reported by SEI Trust Company ("SEI"), the manager of the Benham Preservation Fund. SEI has established procedures to value the investment contracts of the Benham Preservation Fund in good faith. These procedures include a review of information provided by investment managers relating to each investment's contract value relative to its issuing entity's financial strength, current financial ratings, current interest rates, and a comparative review of similar investment vehicles. SEI also provides audited financial statements of the Benham Preservation Fund that coincide with the Plan's year end. In these financial statements, the contract value and fair value of the Benham Preservation Fund's assets are reported as equal.

Loans to participants are valued at face value which approximates fair value.

(3) Certain Significant Risks and Uncertainties

The preparation of financial statements requires the use of plan administrator estimates. Actual results may differ from those estimates.

(4) Obligation for Plan Benefits

Although the Plan is intended to be permanent, the Company expressly reserves the right to amend or terminate the Plan at any time. In the event that the Plan is terminated, participants are entitled to 100 percent of the net current value of their vested account.

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Notes to Financial Statements, Continued

(5) Investments

The following table presents the Plan's investments at December 31, 1996 and 1995. An asterisk denotes investments which represent 5% or more of the Plan's net assets at the end of the plan year.

<TABLE>
<CAPTION>

	December 31, 1996 ----	December 31, 1995 ----
<S>	<C>	<C>
Investments at fair value as determined by quoted market price:		
Cash equivalents	\$ 26,057	--
Mutual funds:		
Balanced Investors Fund	--	6,956,346*
20th Century Select Investors Fund	12,169,271*	10,671,053*
20th Century Ultra Investors Fund	10,482,690*	7,571,644*
20th Century International Equity Fund	3,017,927	2,484,553
20th Century Strategic Allocation: Conservative Fund	1,012,126	--
20th Century Strategic Allocation: Moderate Fund ...	5,977,304*	--
20th Century Strategic Allocation: Aggressive Fund .	1,681,730	--
20th Century Vista Investors Fund	2,496,070	--
20th Century Value Fund	1,832,753	--
	-----	-----
	38,669,871	27,683,596
Common Stock:		
Ethan Allen Interiors Inc. - Restricted	7,672,049*	4,431,807*
Ethan Allen Interiors Inc. - Unrestricted	2,265,340*	1,623,604*
	-----	-----
	9,937,389	6,055,411
	-----	-----
Other:		
Charles Schwab Personal ChoiceAERetirement Fund	194,413	--
	-----	-----
	48,827,730	33,739,007
Investments at contract value, as determined by issuer:		
Investment contracts:		
Benham Preservation Fund (formerly, the Capital Preservation Fund)	20,290,969*	23,455,732*
	-----	-----
Investments at face value, which approximates fair value:		
Participant loans	2,101,144	1,725,406
	-----	-----
Total investments	\$71,219,843	58,920,145
	=====	=====

</TABLE>

Net investment income (loss) reported on the Statements of Changes in Net Assets Available for Plan Benefits comprises interest income for the Benham Preservation Fund and appreciation or depreciation in the current redemption value of the investments in the other funds plus any dividends paid.

(6) Tax Status

The Company has received a determination letter from the Internal Revenue Service dated May 2, 1996 stating that the Plan is a qualified plan under Section 401(a) of the Internal Revenue Code and the corresponding trust is exempt from income tax under Section 501(a) of the Internal Revenue

Code. The Company believes that the Plan continues to be administered in accordance with the applicable sections of the Internal Revenue Code.

(7) Subsequent Events

Amendment to Plan

On June 2, 1997, an amendment to the Plan was adopted that changed the participants' vesting in profit sharing contributions retroactive to July 1, 1996 and the allocation of forfeitures retroactive to January 1, 1996 (see note 1).

Change in Recordkeeper and Investment Manager's Name

Effective January 1, 1997, Twentieth Century Services, Inc. (the Recordkeeper and Investment Manager) changed its name to American Century Services Corporation. All funds with "Twentieth Century" in their names were also changed accordingly.

Change in Company Matching Contribution

Effective January 1, 1997, the Company may, at its discretion, make a matching contribution on behalf of each participant, provided the matching contribution does not exceed the lesser of (a) 50% of the participant's contribution or (b) \$600 (previously \$400) per participant per plan year.

(8) Reconciliation of Financial Statements to Form 5500

Net assets available for plan benefits identified in the financial statements presented herein have not been reduced for participant benefits payable of \$30,774 and \$400,482 at December 31, 1996 and 1995, respectively. However, these amounts have been identified as a reduction to net assets available for plan benefits in the Form 5500 to be filed with the Internal Revenue Service.

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Notes to Financial Statements, Continued

(8), Continued

The following is a reconciliation of net assets available for benefits reported in these financial statements and on the Form 5500:

	December 31, 1996	December 31, 1995
Net assets available for benefits per the financial statements	\$ 72,655,532	60,813,906
Benefits payable to participants	(30,774)	(400,482)
	-----	-----
Net assets available for benefits per the Form 5500	\$ 72,624,758	60,413,424
	=====	=====

The following is a reconciliation of benefits paid to participants reported in these financial statements and on the Form 5500:

	Year ended December 31, 1996	Year ended December 31, 1995
	-----	-----
Benefits paid to participants per the financial statements	\$ 5,759,318	4,916,371
Add: Benefits payable to participants at December 31, 1996	30,774	400,482
Less: Benefits payable to participants at December 31, 1995	(400,482)	(643,254)

Benefits paid to participants per the		
Form 5500	\$ 5,389,610	4,673,599
	=====	=====

Benefits payable to participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to the Plan year-end, but not yet paid as of that date.

Schedule 2

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

Item 27a Schedule of Assets Held for Investment Purposes

December 31, 1996

<TABLE>
<CAPTION>

Fair value at Identity of issuer, borrower, December 31, lessor or similar party 1996	Description of investments				
	Shares	Maturity date	Rate of interest	Par or maturity value	Cost
-	-----	----	-----	-----	---
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Cash equivalents	--	--	Variable	\$-	\$
26,057 \$ 26,057					
Benham Preservation Fund	20,290,969	--	--	-	
20,290,969 20,290,969					
Twentieth Century Select Investors Fund	315,839	--	--	-	
11,911,087 12,169,271					
Twentieth Century Ultra Fund	373,182	--	--	-	
9,134,333 10,482,690					
Twentieth Century International Equity Fund	379,137	--	--	-	
2,936,697 3,017,927					
Restricted Common Stock Ethan Allen Interiors, Inc.	199,274	--	--	-	
2,953,004 7,672,049					
Unrestricted Common Stock Ethan Allen Interiors, Inc. ..	58,840	--	--	-	
1,352,938 2,265,340					
Twentieth Century Strategic Allocation Conservative Fund	195,769	--	--	-	
974,165 1,012,126					
Twentieth Century Strategic Allocation Moderate Fund ...	1,117,253	--	--	-	
5,621,950 5,977,304					
Twentieth Century Strategic Allocation Aggressive Fund .	308,574	--	--	-	
1,568,234 1,681,730					
Twentieth Century Vista Investors Fund	172,024	--	--	-	
2,603,444 2,496,070					
Twentieth Century Value Fund	278,111	--	--	-	
1,790,011 1,832,753					
Charles Schwab Personal ChoiceAERetirement Fund assets .	194,413	--	--	-	
194,413 194,413					
Participant Loans	--	--	Prime + 1%	-	
2,101,144 2,101,144					

 Total Investments
 \$63,458,446 \$71,219,843

=====
 </TABLE>

See accompanying independent auditors report.

Schedule 2

THE ETHAN ALLEN PROFIT SHARING AND
 401(k) RETIREMENT PLAN

Item 27d - Schedule of Reportable Transactions

Year Ended December 31, 1996

Party Involved - Chase Manhattan Bank

<TABLE>
 <CAPTION>

Description of assets Net gain/(loss)	Purchase price	Selling price	Lease rental	Expenses incurred	Cost of assets	Current value of assets on transaction date
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
Benham Preservation Fund						
Purchases	\$6,351,018	--	-	-	--	6,351,018
Sales	--	10,623,251	-	-	10,623,251	10,623,251
Twentieth Century Select Fund						
Purchases	3,723,182	--	-	-	--	3,723,182
Sales	--	4,209,278	-	-	4,154,489	4,209,278
54,789						
Twentieth Century Ultra Fund						
Purchases	5,167,813	--	-	-	--	5,167,813
Sales	--	3,458,861	-	-	2,981,624	3,458,861
477,237						
Twentieth Century Strategic Allocation: Moderate Fund						
Purchases	6,544,564	--	-	-	--	6,544,564
Sales	--	1,057,058	-	-	1,029,402	1,057,058
27,656						
Twentieth Century Vista Fund						
Purchases	3,393,325	--	-	-	--	3,393,325
Sales	--	992,384	-	-	988,823	992,384
3,561						
Twentieth Century Balanced Fund						
Purchases	509,583	--	-	-	--	509,583
Sales	--	7,660,071	-	-	6,976,091	7,660,071
683,980						

</TABLE>

See accompanying independent auditors report.

THE ETHAN ALLEN PROFIT SHARING AND
401(k) RETIREMENT PLAN

SIGNATURES

The Plan - Pursuant to the requirements of the Securities and Exchange Act of 1934, Ethan Allen Interiors Inc., as administrator of the Retirement Program of Ethan Allen Inc., has duly caused this annual report to be signed on its behalf by the undersigned hereto duly authorized.

THE ETHAN ALLEN PROFIT SHARING AND 401(k)
RETIREMENT PLAN

By Ethan Allen Interiors Inc.

Date: June 27, 1997

By (s) Edward P. Schade

Name: Edward P. Schade

Title: Vice President and Treasurer