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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 1997

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________________ to _____________________

Commission File Number: 1-11806

Ethan Allen Interiors Inc.; Ethan Allen Inc.; Ethan Allen Finance Corporation;
Ethan Allen Manufacturing Corporation; Andover Wood Products Inc.
(Exact name of registrant as specified in its charter)

Delaware	06-1275288
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer ID No.)

Ethan Allen Drive, Danbury, Connecticut 06811
(Address of principal executive offices)

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

N/A
(Former name, former address and former fiscal year, if changed since last report)

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. [X] Yes [ ] No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. [ ] Yes [ ] No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

28,702,171 at December 31, 1997

ETHAN ALLEN INTERIORS INC.
AND SUBSIDIARY

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ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY
Consolidated Balance Sheets
(Dollars in thousands)

ASSETS	December 31, 1997 (unaudited)	June 30, 1997
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 47,823	$ 21,866
Short term investments	19,794	17,975
Accounts receivable, less allowances of $2,376 and $1,903 at December 31 and June 30, 1997, respectively	28,437	32,232
Notes receivable, current portion, less allowances of $21 and $74 at December 31 and June 30, 1997,respectively	430	1,056
Inventories (note 3)	108,802	107,525
Prepaid expenses and other current assets	10,851	6,724
Deferred income taxes	8,342	7,353
Total current assets	224,479	194,731
Property, plant and equipment, net	178,138	171,406
Notes receivable, net of current portion, less allowance of $400 and $145 at December 31 and June 30, 1997, respectively	2,044	2,725
Intangibles, net of amortization of $14,237 and $13,414 at December 31 and June 30, 1997, respectively	51,596	52,419
Deferred financing costs, net of amortization of $2,127 and $1,916 at December 31 and June 30, 1997, respectively	1,349	1,560
Other assets	4,728	4,943

Total assets	$ 462,334	$ 427,784
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt and capital lease obligations	$ 986	$ 1,119
Accounts payable	48,250	41,172
Accrued expenses	8,135	8,036
Accrued compensation and benefits	12,234	12,983
Total current liabilities	69,605	63,310
Long-term debt, less current maturities	63,962	64,066
Obligations under capital leases, less current maturities	2,014	2,700
Other long-term liabilities, principally long-term compensation and environmental	788	815
Deferred income taxes	31,552	31,459
Total liabilities	167,921	162,350
Commitments and contingencies (note 4)	--	--
Shareholders' equity:		
Class A common stock, par value $.01, 70,000,000 shares authorized, 29,547,519 and 29,465,400 shares issued at December 31 and June 30, 1997 respectively	295	294
Preferred stock, par value $.01, 1,055,000 shares authorized, no shares issued and outstanding at December 31 and June 30, 1997, respectively	--	--
Additional paid-in capital	260,091	257,684
	260,386	257,978
Less: Treasury stock (at cost) 845,348 and 700,032 shares at December 31 and June 30, 1997, respectively	(15,281)	(10,440)
	245,105	247,538
Retained Earnings	49,308	17,896
Total shareholders' equity	294,413	265,434
Total liabilities and shareholders' equity	$ 462,334	$ 427,784

</TABLE>

See accompanying notes to consolidated financial statements.

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY
Consolidated Statements of Income
(Unaudited)
(In thousands, except per share data)

	Three Months Ended December 31, 1997	Three Months Ended December 31, 1996	Six Months Ended December 31, 1997	Six Months Ended December 31, 1996
Net sales	$172,743	$138,330	$325,237	$270,685
Cost of sales	92,030	78,409	173,758	156,186
Gross profit	80,713	59,921	151,479	114,499
Operating expenses:				
Selling	26,567	18,875	52,894	38,035
General and administrative	22,033	19,396	42,512	38,412
Operating income	32,113	21,650	56,073	38,052

Interest and other miscellaneous income, net	1,014	295	1,802	344
Interest and related expense:				
Interest expense	1,390	1,420	2,794	3,011
Amortization of deferred financing costs	102	136	211	357
	1,492	1,556	3,005	3,368
Income before income taxes	31,635	20,389	54,870	35,028
Income tax expense	12,544	8,162	21,745	14,018
Net income	$ 19,091	$ 12,227	$ 33,125	$ 21,010
Per share data (note 7):				
Basic earnings per common share	$ 0.66	$ 0.42	$ 1.15	$ 0.73
Diluted earnings per common share	$ 0.65	$ 0.42	$ 1.13	$ 0.72
Dividend declared per common share	$ 0.03	$ 0.02	$ 0.06	$ 0.04
Weighted average common shares outstanding - basic	28,713	28,777	28,727	28,726
Weighted average common shares outstanding - diluted	29,380	29,243	29,338	29,255

See accompanying notes to consolidated financial statements.

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows
(Unaudited)
(Dollars in thousands)

<TABLE>
<CAPTION>

	Six Months Ended December 31, 1997	1996
<S>	<C>	<C>
Operating activities:		
Net income	$ 33,125	$ 21,010
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,115	8,855
Provision for deferred income taxes	(896)	544
Other non-cash charges	82	419
Change in:		
Accounts receivable	3,997	3,196
Inventories	(1,277)	6,988
Prepaid and other current assets	(4,127)	(99)
Other assets	(1,122)	68
Accounts payable	8,470	(2,163)
Accrued expenses	(525)	761
Other long-term liabilities	(27)	(183)
Net cash provided by operating activities	45,815	39,396

Investing activities:

Proceeds from the disposal of property, plant and equipment	780	110
Proceeds from the disposal of property held for sale	--	1,945
Capital expenditures	(13,446)	(9,753)
Payments received on long-term notes receivable	1,182	621
Disbursements made for long-term notes receivable	(77)	(727)
Redemptions of short term securities	10,476	--
Investments in short term securities	(12,295)	--
Net cash used by investing activities	(13,380)	(7,804)
Financing activities:		
Payments on revolving credit facility	--	(21,500)
Borrowings on revolving credit facility	--	14,500
Other long-term borrowings	111	440
Redemption of Senior Notes	(139)	(9,384)
Payments on long-term debt, including current maturities ..	(76)	(77)
Payments under capital leases	(821)	(1,039)
Issuance of capital stock	1,015	611
Payments to acquire treasury stock	(4,842)	(235)
Increase in deferred financing costs	--	(173)
Payment of dividends	(1,726)	(575)
Net cash used by financing activities	(6,478)	(17,432)
Net increase in cash and cash equivalents	25,957	14,160
Cash and cash equivalents at beginning of period	21,866	9,078
Cash and cash equivalents at end of period	$ 47,823	$ 23,238

</TABLE>

See accompanying notes to consolidated financial statements.

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY
Consolidated Statements of Shareholders' Equity
Six Months Ended December 31, 1997
(Unaudited)
(Dollars in thousands)

<TABLE>
<CAPTION>

<S>	Common Stock <C>	Additional Paid-in Capital <C>	Treasury Stock <C>	Retained Earnings <C>	Total <C>
Balance at June 30, 1997	$ 294	$ 257,684	$ (10,440)	$ 17,896	$ 265,434
Issuance of common stock ..	1	1,015	--	--	1,016
Purchase of 145,316 shares of treasury stock	--	--	(4,841)	--	(4,841)
Tax benefit associated with the exercise of employee options and warrants	--	1,392	--	--	1,392
Dividends declared	--	--	--	(1,713)	(1,713)
Net income	--	--	--	33,125	33,125
Balance at December 31, 1997	$ 295	$ 260,091	$ (15,281)	$ 49,308	$ 294,413

</TABLE>

See accompanying notes to consolidated financial statements.

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Unaudited)

(1) Basis of Presentation

Ethan Allen Interiors Inc. (the "Company") is a Delaware corporation incorporated on May 25, 1989. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Ethan Allen Inc. ("Ethan Allen") and Ethan Allen's subsidiaries. All of Ethan Allen's capital stock is owned by the Company. The Company has no other assets or operating results other than those associated with its investment in Ethan Allen.

(2) Interim Financial Presentation

All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

In the opinion of the Company, all adjustments, consisting only of normal recurring accruals necessary for fair presentation, have been included in the financial statements. The results of operations for the three and six months ended December 31, 1997 are not necessarily indicative of results for the fiscal year.

(3) Inventories

Inventories at December 31 and June 30, 1997 are summarized as follows (dollars in thousands):

	December 31, 1997	June 30, 1997
Retail merchandise	$ 35,207	$ 34,478
Finished products	28,800	32,665
Work in process	14,824	13,333
Raw materials	29,971	27,049
	$108,802	$107,525

(4) Contingencies

The Company has been named as a potentially responsible party ("PRP") for the cleanup of four sites currently listed or proposed for inclusion on the National Priorities List ("NPL") under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). Numerous other parties have been identified as PRP's at these sites. Liability under CERCLA may be joint and several. The Company has total reserves of $500,000 applicable to these sites, which the Company believes is sufficient to cover any resulting liability. With respect to all of these sites, the Company believes that it is not a major contributor based on the very small volume of waste generated by the Company in relation to total volume at the site. The Company has concluded its involvement with one site and has settled as a de-minimis party. For two of the sites, the remedial investigation is ongoing. A volume based allocation of responsibility among the parties has been prepared. With respect to the fourth site, a consent decree to finally resolve the matter with the EPA has been signed. The Company believes there may be some delay in resolution due to objections of a non-signatory to the consent decree.

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(5) Wholly-Owned Subsidiary

The Company owns all of the outstanding stock of Ethan Allen, has no material assets other than its ownership of Ethan Allen stock, and conducts all significant operating transactions through Ethan Allen. The Company has guaranteed Ethan Allen's obligations under the Credit Agreement and Senior Notes and has pledged all the outstanding capital stock of Ethan Allen to secure its guarantee under its Credit Agreement.

The condensed balance sheets of Ethan Allen as of December 31 and June 30, 1997 are as follows (dollars in thousands):

	December 31, 1997	June 30, 1997
Assets		
Current assets	$224,430	$194,704
Non-current assets	255,926	244,880
Total assets	$480,356	$439,584
Liabilities		
Current liabilities	$ 68,687	$ 62,398
Non-current liabilities	98,316	99,040
Total liabilities	$167,003	$161,438

A summary of Ethan Allen's operating activity for the three and six months ended December 31, 1997 and 1996, is as follows (dollars in thousands):

<TABLE>
<CAPTION>

<S>	Three Months Ended December 31, 1997 <C>	1996 <C>	Six Months Ended December 31, 1997 <C>	1996 <C>
Net sales	$172,743	$138,330	$325,237	$270,685
Gross profit	80,713	59,921	151,479	114,499
Operating income	32,134	21,668	56,114	38,088
Interest expense	1,390	1,420	2,794	3,011
Amortization of deferred financing costs	102	136	211	357
Income before income tax expense	31,656	20,407	54,911	35,063
Net income	19,112	12,245	33,166	21,045

</TABLE>

6) Business Reorganization

The Company implemented a business reorganization ("Reorganization") effective July 1, 1995, which permitted the separation of manufacturing operations from distribution and store operations. The Company believes that the separation of manufacturing operations from distribution and

store operations will provide for improved measures of performance, including profitability of operations and return on assets, by allowing the Company to more easily allocate income, expenses and assets to the separate operations of the Company's business. The Reorganization consisted principally of the following elements: (i) the contribution of Ethan Allen's manufacturing equipment to Ethan Allen Manufacturing Corporation ("EAMC"), which is a newly formed, wholly-owned subsidiary of Ethan Allen (ii) the execution of operating lease arrangements between EAMC and Ethan Allen for real property used in manufacturing operations (iii) the contribution by Ethan Allen of certain of Ethan Allen's trademarks and service marks, design patents and related assets to Ethan Allen Finance Corporation ("EAFC") which is a newly formed, wholly-owned subsidiary of Ethan Allen, (iv) the full and unconditional guarantee on a senior unsecured basis of Ethan Allen's obligations under Ethan Allen's Credit Agreement and 8-3/4% Senior Notes Indenture by each of EAMC and EAFC and Andover Wood Products Inc. ("Andover", the existing wholly-owned subsidiary of the Company) (collectively, "Guarantor Subsidiaries"), (v) the amendment of the Company's existing guarantee of Ethan Allen's obligations under the 8-3/4% Senior Notes Indenture to include a guarantee of each Guarantor Subsidiary's obligations under its Subsidiary Guarantee, (vi) the execution of a management agreement and a service mark licensing agreement and a trademark licensing agreement between EAMC and EAFC, (vii) the execution of a management agreement between Ethan Allen and EAFC and (viii) the execution of a manufacturing agreement between Ethan Allen and EAMC. Ethan Allen continues to own its headquarters building in Danbury, Connecticut, the real property associated with EAMC's manufacturing operations and the assets and liabilities associated with the Ethan Allen-owned retail operations and Ethan Allen's distribution, service and home delivery operations.

The summarized historical combined balance sheet information for EAMC, EAFC, and Andover (the "Guarantor Subsidiaries") at December 31 and June 30, 1997 is as follows (dollars in thousands):

Assets	December 31, 1997	June 30, 1997
Current assets	$111,304	$ 85,355
Non-current assets	170,700	168,540
Total assets	$282,004	$253,895
Liabilities		
Current liabilities	$ 33,197	$ 28,160
Non-current liabilities	16,893	16,893
Total liabilities	$ 50,090	$ 45,053

Summarized historical combined operating activity for the three and six months ended December 31, 1997 and 1996 is as follow (dollars in thousands):

<TABLE>
<CAPTION>

	Three Months Ended December 31, 1997	Three Months Ended December 31, 1996	Six Months Ended December 31, 1997	Six Months Ended December 31, 1996
<S>	<C>	<C>	<C>	<C>
Net Sales	$100,675	$ 84,769	$195,371	$162,182
Gross Profit	22,380	16,176	45,031	31,856
Operating income	17,761	11,519	36,096	22,808
Income before income taxes	18,833	12,630	38,219	25,017

Net income	11,375	7,641	23,084	15,135

</TABLE>

The summarized historical financial information for the Guarantor Subsidiaries above, has been derived from the financial statements of the Company.

7) Earnings per Share

During the quarter ended December 31, 1997, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 128 " Earnings Per Share", which requires a dual presentation of basic and diluted earnings per share. All prior period earnings per share data has been restated to conform with SFAS No. 128. The computation of basic and diluted earnings per share is presented below, in thousands, except per share data:

<TABLE>
<CAPTION>

	Three Months Ended December 31,		Six Months Ended December 31,	
	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>
Net income available to shareholders	$19,091	$12,227	$33,125	$21,010
Weighted average common shares outstanding - basic	28,713	28,777	28,727	28,726
Net effect of potential common stock	667	466	611	529
Weighted average common shares outstanding - diluted	29,380	29,243	29,338	29,255
Earnings per share - basic	$ 0.66	$ 0.42	$ 1.15	$ 0.73
Earnings per share - diluted	$ 0.65	$ 0.42	$ 1.13	$ 0.72

</TABLE>

8) Subsequent Event

On January 27, 1998, the Company announced that Ethan Allen had called all of its outstanding 8-3/4% Senior Notes due 2001 for redemption on March 15, 1998. Approximately $52.4 million principal amount of the Senior Notes is outstanding at December 31, 1997.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Ethan Allen's revenues are comprised of wholesale sales to dealer-owned stores and retail sales of Ethan Allen-owned stores as follows (dollars in millions):

	Three Months Ended December 31, 1997	Three Months Ended December 31, 1996	Six Months Ended December 31, 1997	Six Months Ended December 31, 1996
Revenues:				
Net wholesale sales to dealer-owned stores	$106.9	$ 88.4	$202.0	$174.5
Net retail sales of Ethan Allen-owned stores	61.2	44.2	113.7	84.4
Other revenues	4.6	5.7	9.5	11.8
Total	$172.7	$138.3	$325.2	$270.7

Three Months Ended December 31, 1997 Compared to Three Months Ended December 31, 1996

Sales for the three months ended December 31, 1997 increased by $34.4 million, or 24.9%, over the corresponding period in the prior year to $172.7 million. Net sales by Ethan Allen-owned stores increased $17.0 million or 38.5% to $61.2 million and net sales to dealer-owned stores increased $18.5 million or 20.9% to $106.9 million. Sales growth has resulted from increased sales from relocated and new stores, 3.5% wholesale price increase effective January 1, 1997, new product offerings, an increase in annual sales events from six events per year to eight events per year and expanded national television advertising. At December 31, 1997, there were 306 total stores, of which 241 were dealer-owned, as compared to 290 total stores, of which 232 were dealer-owned at December 31, 1996.

The increase in retail sales by Ethan Allen-owned stores is attributable to a 22.0%, or $9.6 million increase in comparable store sales, and sales generated by newly opened or acquired stores of $7.7 million, partially offset by closed stores, which generated $.3 million less in sales in the three months ended December 31, 1997 as compared to the three months ended December 31, 1996.

Comparable stores are stores that, if newly opened, have been open for at least 15 months. Ethan Allen's retail business is principally special order and minimal net sales are generated during the first three months of operations of newly opened stores. Stores acquired from dealers by Ethan Allen are included in comparable store sales in their thirteenth full month of Ethan Allen-owned operations.

Gross profit for the three months ended December 31, 1997 increased by $20.8 million, or 34.7% from the three months ended December 31, 1996 to $80.7 million. This increase is attributable to higher sales volume combined with an increase in gross margin from 43.3% in the three months ended December 31, 1996 to 46.7% in the three months ended December 31, 1997. Gross margins have been favorably impacted by the increased sales volume, the benefit of the 3.5% wholesale price increase, greater manufacturing efficiencies, and improvements in manufacturing technology.

Selling, general and administrative expenses increased $10.3 million from $38.3 million, or 27.7% of net sales, in the three months ended December 31, 1996 to $48.6 million, or 28.1% of net sales, in the three months ended December 31, 1997. This increase is principally attributable to an increase in the operating expenses of Ethan Allen-owned stores of $5.6 million due to higher sales volumes and the addition of new stores. The remaining increase can be principally attributed to a $3.5 million increase in television advertising costs due to the Company's expanded television presence.

Operating income for the three months ended December 31, 1997 was $32.1 million (18.6% of sales), an increase of $10.5 million as compared to the three months ended December 31, 1996. Wholesale operating income was $27.6 million for the three months ended December 31, 1997, reflecting an increase of $8.6 million as compared to the prior year period. This increase is attributable to higher sales volumes and increased gross margins. Retail operating income was $4.2 million for the three months ended December 31, 1997, an increase of $1.3 million from the prior year.

Interest expense, including the amortization of deferred financing costs, for the three months ended December 31, 1997 decreased by $0.1 million to

$1.5 million from $1.6 million in the three months ended December 31, 1996. The lower expense reflects the lower debt balances outstanding.

Income tax expense of $12.5 million or an effective tax rate of 39.6% was recorded for the three months ended December 31, 1997, as compared to $8.2 million or an effective tax rate of 40.0% in the prior year quarter.

For the three months ended December 31, 1997, the Company recorded net income of $19.1 million, compared to net income for the three months ended December 31, 1996 of $12.2 million.

Six Months Ended December 31, 1997 Compared to Six Months Ended December 31, 1996

Sales for the six months ended December 31, 1997 increased by $54.5 million, or 20.2%, over the six months ended December 31, 1996 to $325.2 million. Net retail sales by Ethan Allen-owned stores increased by 34.7% to $113.7 million and sales to dealer-owned stores increased by 15.8% to $202.0 million. The increase in sales to dealer-owned stores has resulted from increased sales from relocated and new stores, a 3.5% wholesale price increase, newer product offerings, expanded national television advertising, and an increase in annual sales events from six per year to eight per year.

The increase in retail sales by Ethan Allen-owned stores is attributable to a 20.4% or $16.8 million increase in comparable store sales, and sales generated by newly opened or acquired stores of $13.6 million, partially offset by closed stores which generated $1.1 million less in sales in the six months ended December 31, 1997 as compared to the six months ended December 31, 1996.

Gross profit for the six months ended December 31, 1997 increased by $37.0 million from the six months ended December 31, 1996 to $151.5 million. This increase is attributable to higher sales volume and an improvement in gross margin from 42.3% in the six months ended December 31, 1996 to 46.6% in the six months ended December 31, 1997. The gross margin percentage improved due to greater manufacturing efficiencies,the benefit of the 3.5% wholesale price increase, and improvements in manufacturing technology.

Selling, general and administrative expenses increased $19.0 million from $76.4 million, or 28.2% of net sales, in the six months ended December 31, 1996 to $95.4 million, or 29.3% of net sales, in the six months ended December 31, 1997. This increase is attributable principally to an increase in operating expenses in the Company's retail division of $9.5 million due to higher sales

volumes and the addition of new stores. The remaining increase is attributable to an increase in television advertising costs due to the expanded presence.

Operating income for the six months ended December 31, 1997 was $56.1 million (17.2% of sales), an increase of $18.0 million, as compared to the six months ended December 31, 1996. Wholesale operating income was $50.2 million for the six months ended December 31, 1997, an increase of $15.8 million as compared to the six months ended December 31, 1996. This increase is attributable to higher sales volumes and an improved gross margin. Retail operating income was $6.7 million for the six months ended December 31, 1997. This represents a $2.5 million increase from the six months ended December 31, 1996. This increase is attributable to higher sales volumes and the addition of new stores partially offset by higher operating expenses due to the higher sales volumes.

Interest expense, including the amortization of deferred financing costs, for the six months ended December 31, 1997 decreased by $.4 million to $3.0 million, from $3.4 million in the prior year period, due to lower debt balances outstanding.

Income tax expense of $21.7 million or an effective tax rate of 39.6%, was recorded for the six months ended December 31, 1997, as compared to $14.0 million or an effective rate of 40.0% in the prior year period.

For the six months ended December 31, 1997, the Company recorded net income of $33.1 million, compared to net income for the six months ended December 31, 1996 of $21.0 million.

Financial Condition and Liquidity

Principal sources of liquidity are cash flow from operations and additional borrowing capacity under the revolving credit facility. Net cash provided by operating activities totaled $45.8 million for the six months ended December 31, 1997, as compared to $39.4 million in the six months ended December 31, 1996. Net income for the six months ended December 31, 1997 was $12.1 million higher than the net income reported for the six months ended December 31, 1996. For the six months ended December 31, 1997, inventories increased $1.3 million to $108.8 million as compared to a $7.0 million reduction in the prior year period. Additionally, accounts payable increased $8.5 million in the six months ended December 31, 1997 as compared to a $2.2 million reduction in accounts payable in the prior year period. At December 31, 1997, the Company had working capital of $154.9 million and a current ratio of 3.23 to 1.

During the six months ended December 31, 1997, capital spending totaled $13.4 million as compared to $9.8 million in the six months ended December 31, 1996. Capital expenditures in fiscal 1998 are anticipated to be approximately $27.0 million. The Company anticipates that cash from operations will be sufficient to fund this level of capital expenditures. The current level of anticipated capital spending, which is attributable primarily to manufacturing efficiency improvements and new store openings, is expected to continue for the foreseeable future.

Total debt outstanding at December 31, 1997 is $67.0 million. At December 31, 1997, there are no outstanding revolving loans under the Credit Agreement. Trade and standby letters of credit of $12.6 million were outstanding as of December 31, 1997. Other debt includes $52.4 million of outstanding Senior Notes which have a final maturity in 2001, with no scheduled amortization prior to final maturity. The Senior Notes may not be redeemed at the option of the Company until March 15, 1998. The Company does not anticipate that any Senior Notes will be repaid prior to this date at the earliest; however, the Company may from time to time, either directly or through agents, repurchase its Senior Notes in the open market, through negotiated purchases or otherwise, at prices and on terms satisfactory to the Company. During the six months ended December 31, 1997, $.1 million principal amount was repurchased. On January 27, 1998, the Company announced that Ethan Allen Inc. had called all of its outstanding 8-3/4% Senior Notes due 2001 for redemption on March 15, 1998. The Company may also, from time to time, either directly or through agents, repurchase its common stock in the open market through negotiated purchases or otherwise, at prices and on terms satisfactory to the Company. Depending on market prices and other conditions relevant to the Company, such purchases may be discontinued at any time. During the six months ended December 31, 1997, the Company purchased 145,316 shares of its stock on the open market at an average price of $33.32 per share.

As of December 31, 1997, aggregate scheduled maturities of long-term debt for each of the next five fiscal years are $.4 million, $.2 million, $52.6 million, $.2 million and $.2 million, respectively. Management believes that its cash flow from operations, together with its other available sources of liquidity, will be adequate to make all required payments of principal and interest on its debt, to permit anticipated capital expenditures and to fund working capital and other cash requirements.

PART II. OTHER INFORMATION

Item 1. - Legal Proceedings

There has been no change to matters discussed in Business-Legal Proceedings in the Company's Form 10-K as filed with the Securities and Exchange Commission on September 30, 1997.

Item 2. - Changes in Securities

There has been no change to matters discussed in Description and Ownership of Capital Stock in the Company's Form 10-K as filed with the Securities and Exchange Commission on September 30, 1997.

Item 6. - Exhibits and Reports on Form 8-K

27 EDGAR Financial Data Schedule

SIGNATURES

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

ETHAN ALLEN INTERIORS INC.
(Registrant)

DATE: 2/13/98

BY: /s/ M. Farooq Kathwari
M. Farooq Kathwari
Chairman of the Board
President and Chief
Executive Officer
(Principal Executive Officer)

DATE: 2/13/98

BY: /s/ Edward P. Schade
Edward P. Schade
Vice President &
Treasurer
(Principal Financial Officer)

DATE: 2/13/98

BY: /s/ Gerardo Burdo
Gerardo Burdo
Corporate Controller
(Principal Accounting Officer)

<TABLE> <S> <C>

<ARTICLE> 5
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This schedule contains summary financial information extracted from the consolidated financial statements of Ethan Allen Interiors, Inc. for the quarter ended December 31, 1997 and is qualified in its entirety by reference to such financial statements.
</LEGEND>
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<EPS-DILUTED>	0.65 <F13>

<FN>
<F1> Not applicable. All figures for Ethan Allen Interiors, Inc. are in U.S. dollars.
<F2> Figure for receivables is net of allowances for doubtful accounts of $2,376.
<F3> Includes prepaid expenses of $10,851.
<F4> Includes goodwill of $8,924 (net of amortization).
<F5> Includes current portion of long-term debt of $986 as of December 31, 1997.
<F6> Includes long-term debt of $63,962 (net of the current portion of long-term debt) and capitalized leases of $2,014 (net of the current portion of capitalized leases). As of December 31, 1997 outstanding long-term debt of Ethan Allen on a consolidated basis consisted of (i) 8.75% senior notes of $52,404, (ii) 9.75% mortgage note of $1,534 (net of current portion), (iii) industrial revenue bonds of $8,455, and (iv) other of $1,569 (net of current portion). For a description of the terms of Ethan Allen's long-term debt, see Footnote 7 to Ethan Allen's fiscal 1997 Consolidated Financial Statements.
<F7> As of December 31, 1997, Ethan Allen had no shares of preferred stock, $.01 par value per share, outstanding. For a description of Ethan Allen's preferred stock as of June 30, 1997, see Ethan Allen's fiscal 1997 Consolidated Statement of Stockholders' Equity and Footnote 9 to Ethan Allen's fiscal 1997 Notes to Consolidated Financial Statements.
<F8> As of December 31, 1997, Ethan Allen had 29,547,519 shares of common stock, $.01 par value per share, issued. For a description of Ethan Allen's common stock as of June 30, 1997, see Ethan Allen's fiscal 1997 Consolidated Statement of Stockholders' Equity and Footnote 9 of Ethan Allen's fiscal 1997 Consolidated Financial Statements.
<F9> Consists of $260,091 of additional paid in capital, $49,308 of retained

earnings, and ($15,281) of treasury stock.
<F10> In the quarter ended December 31, 1997, Ethan Allen's revenues were derived from sales generated by its wholesale and retail operations.
<F11> Consists of $1,390 of interest expense and $102 of amortization of deferred costs during the quarter ended December 31, 1997.
<F12> Basic earnings per share for the quarter end December 31, 1997, was $0.66. For information on Ethan Allen's earnings per share, see Ethan Allen's Consolidated Financial Statements for the quarter ended December 31, 1997.
<F13> Diluted earnings per share for the quarter ended December 31, 1997, were $0.65.
</FN>

</TABLE>