

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No.)*

Ethan Allen Interiors Inc.
(Name of Issuer)

Common Stock, \$0.01 par value
(Title of Class of Securities)

297602104
(CUSIP Number)

Marc Weingarten, Esq.
Eleazer Klein, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 12, 2015
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box. []

(Page 1 of 27 Pages)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSONS Castlerigg Master Investments Ltd.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION British Virgin Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 1,074,894 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 1,074,894 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 1,074,894 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 3.8%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSONS Castlerigg International Limited	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION British Virgin Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 1,074,894 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 1,074,894 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 1,074,894 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 3.8%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSONS Castlerigg International Holdings Limited	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION British Virgin Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 1,074,894 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 1,074,894 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 1,074,894 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 3.8%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSONS Castlerigg Offshore Holdings, Ltd.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 1,074,894 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 1,074,894 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 1,074,894 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 3.8%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSONS Castlerigg Active Investment Fund, Ltd.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION British Virgin Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 278,970 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 278,970 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 278,970 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 1.0%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSONS Castlerigg Active Investment Intermediate Fund, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION British Virgin Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 278,970 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 278,970 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 278,970 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 1.0%	
14	TYPE OF REPORTING PERSON PN	

1	NAME OF REPORTING PERSONS Castlerigg Active Investment Master Fund, Ltd.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION British Virgin Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 278,970 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 278,970 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 278,970 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 1.0%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSONS Merrill Lynch Investment Solutions SICAV (on behalf of Merrill Lynch Investment Solutions – Castlerigg Equity Event and Arbitrage UCITS Fund)	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Luxembourg	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 193,898 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 193,898 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 193,898 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 0.7%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSONS Castlerigg Equity Event and Arbitrage Fund	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 16,092 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 16,092 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 16,092 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 0.1%	
14	TYPE OF REPORTING PERSON IV	

1	NAME OF REPORTING PERSONS Sandell Investment Services, L.L.C.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 193,898 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 193,898 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 193,898 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 0.7%	
14	TYPE OF REPORTING PERSON CO; IA	

1	NAME OF REPORTING PERSONS Pulteney Street Partners, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 8,404 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 8,404 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 8,404 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 0.0%	
14	TYPE OF REPORTING PERSON PN	

1	NAME OF REPORTING PERSONS Sandell Asset Management Corp.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 1,378,360 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 1,378,360 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 1,378,360 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 4.9%	
14	TYPE OF REPORTING PERSON CO; IA	

1	NAME OF REPORTING PERSONS Thomas E. Sandell	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Sweden	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 1,572,258 shares of Common Stock
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 1,572,258 shares of Common Stock
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 1,572,258 shares of Common Stock	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 5.5%	
14	TYPE OF REPORTING PERSON IN	

Item 1. SECURITY AND ISSUER

This statement relates to the shares of common stock, par value \$0.01 per share (the “Common Stock”), of Ethan Allen Interiors Inc., a Delaware corporation (the “Issuer”). The Issuer’s principal executive offices are located at Ethan Allen Drive, Danbury, CT 06811.

Item 2. IDENTITY AND BACKGROUND

(a) This statement is filed by (i) Castlerigg Master Investments, Ltd., a British Virgin Islands company (“Castlerigg Master Investment”); (ii) Castlerigg International Limited, a British Virgin Islands company (“Castlerigg International”); (iii) Castlerigg International Holdings Limited, a British Virgin Islands company (“Castlerigg Holdings”); (iv) Castlerigg Offshore Holdings, Ltd., a Cayman Islands exempted company (“Castlerigg Offshore Holdings”); (v) Castlerigg Active Investment Fund, Ltd., a British Virgin Islands company (“CAI Fund”); (vi) Castlerigg Active Investment Intermediate Fund, L.P., a British Virgin Islands limited partnership (“CAI Intermediate”); (vii) Castlerigg Active Investment Master Fund, Ltd., a British Virgin Islands company (“CAI Master”); (viii) Merrill Lynch Investment Solutions SICAV, a société d’investissement à capital variable organized under the laws of the Grand-Duchy of Luxembourg (“MLIS”); (ix) Castlerigg Equity Event and Arbitrage Fund (“CEEAF”), a series of ALTMFX Trust, an investment company registered under section 8 of the Investment Company Act of 1940, as amended; (x) Sandell Investment Services, L.L.C., a Delaware limited liability company (“SIS”); (xi) Pulteney Street Partners, L.P., a Delaware limited partnership (“Pulteney Partners”); (xii) Sandell Asset Management Corp., a Cayman Islands exempted company (“SAMC”); and (xiii) Thomas E. Sandell, a citizen of Sweden, who serves as Chief Executive Officer of SAMC (“Mr. Sandell” and together with Castlerigg Master Investment, Castlerigg International, Castlerigg Holdings, Castlerigg Offshore Holdings, CAI Fund, CAI Intermediate, CAI Master, MLIS, CEEAF, SIS, Pulteney Partners and SAMC, the “Reporting Persons”).

(b) The principal business address of Castlerigg Master Investment, Castlerigg International, Castlerigg Holdings, CAI Fund, CAI Intermediate and CAI Master is c/o Maples Corporate Services (BVI) Limited, P.O. Box 173, Kingston Chambers, Road Town, Tortola, British Virgin Islands. The principal business address of Castlerigg Offshore Holdings is c/o Maples Fund Services (Cayman) Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal business address of MLIS is c/o State Street Bank Luxembourg S.A., 49 avenue J. F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The principal business address of Pulteney Partners is 527 Madison Avenue, 6th Floor, New York, NY 10022. The principal business address of CEEAF is c/o Atlantic Fund Services, Three Canal Plaza, Suite 600 Portland, Maine 04101. The principal business address of SIS, SAMC and Mr. Sandell is 540 Madison Ave., 36th Floor, New York, New York 10022.

(c) The principal business of SIS and SAMC is to provide investment management and advisory services to private individuals, institutions and funds. The principal business of Castlerigg Master Investment, Castlerigg International, Castlerigg Holdings, Castlerigg Offshore Holdings, CAI Fund, CAI Intermediate, CAI Master, MLIS, CEEAF and Pulteney Partners is to invest in securities. The principal business of Mr. Sandell is to serve as Chief Executive Officer of SAMC and as Managing Member of SIS.

(d) None of the Reporting Persons nor any of the individuals set forth in Schedule A attached hereto has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons nor any of the individuals set forth in Schedule A attached hereto has, during the last five years, 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) Each of Castlerigg Master Investment, Castlerigg International, Castlerigg Holdings, CAI Fund, CAI Intermediate and CAI Master is a company formed under the laws of the British Virgin Islands. Each of Castlerigg Offshore Holdings and SAMC is a Cayman Islands exempted company. MLIS is an open-ended investment company, organized as a société d'investissement à capital variable under the laws of the Grand-Duchy of Luxembourg. CEEAF is a series of ALTMFX Trust, a Delaware statutory trust. Pulteney Partners is a Delaware limited partnership. SIS is a limited liability company incorporated in Delaware. Mr. Sandell is a citizen of Sweden.

The name, citizenship, present principal occupation or employment and business address of each director and executive officer, general partner or managing member, as applicable, of Castlerigg Master Investment, Castlerigg International, Castlerigg Holdings, Castlerigg Offshore Holdings, CAI Fund, CAI Intermediate, CAI Master, MLIS, SIS, Pulteney Partners and SAMC is set forth in Schedule A attached hereto. To the best of the Reporting Persons' knowledge, except as set forth in this statement on Schedule 13D, none of such entities or individuals owns any shares of Common Stock

Item 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The Reporting Persons used a total of approximately \$43,673,000 (including brokerage commissions) in the aggregate to acquire the shares of Common Stock reported in this Schedule 13D.

Funds for the purchase of the Common Stock reported herein as beneficially held by the Reporting Persons were derived from (i) available working capital of Castlerigg Master Investment, for the shares of Common Stock held directly by it, (ii) available working capital of CAI Master, for the shares of Common Stock held directly by it, (iii) available working capital of MLIS, for the shares of Common Stock held directly by it, (iv) available working capital of CEEAF, for the shares of Common Stock held directly by it, (v) available working capital of Pulteney Partners, for the shares of Common Stock held directly by it, and (vi) margin borrowings described in the following sentence, for the shares of Common Stock held directly by Castlerigg Master Investment, CAI Master, MLIS and Pulteney Partners. Such Common Stock is or may be held from time to time by the Reporting Persons in margin accounts established by certain of the Reporting Persons with their respective brokers or banks and a portion of the purchase price for the Common Stock may be obtained through margin borrowing. Securities positions which may be held in the margin accounts, including the Common Stock, may be pledged as collateral security for the repayment of debit balances in the margin accounts.

Item 4. PURPOSE OF TRANSACTION

The Reporting Persons purchased the shares of Common Stock reported in this Schedule 13D because they believe that the Issuer's stock is trading at a discount to its intrinsic value. The Reporting Persons believe that the Issuer should retain an investment banking firm to explore financial alternatives available to the Issuer to enhance shareholder value, including a recapitalization and a monetization of the Issuer's real estate holdings or a sale to a private equity firm or other suitable buyer. The Reporting Persons are considering nominating a slate of director candidates to stand for election at the Issuer's 2015 annual meeting of shareholders, which the Issuer has indicated it will hold on November 24, 2015. The Reporting Persons have had and expect to continue to have discussions with the Issuer's management and board of directors ("Board"), other shareholders of the Issuer and other third parties regarding these matters. Representatives of the Reporting Persons may also from time to time engage in discussions with the Issuer's management and Board, other shareholders of the Issuer, and other relevant parties relating to the Issuer's business, operations, strategy, governance, future plans and related matters.

On August 14, 2015, SAMC sent a letter to Farooq Kathwari, Chairman and CEO of the Issuer, and issued a press release disclosing the letter (the "August 14 Press Release"), in which SAMC stated its belief that the Issuer's stock is trading at a discount to its intrinsic value and that the Issuer has underperformed its publicly-traded peers. In the August 14 Press Release, SAMC described the alternatives set forth above which it believes are available to the Issuer to enhance shareholder value. The foregoing summary of the August 14 Press Release is qualified in its entirety by reference to the full text of the August 14 Press Release, a copy of which is attached hereto as Exhibit 2 and is incorporated by reference herein.

Except as set forth herein or such as would occur upon completion of any of the actions discussed herein, the Reporting Persons have no present plan or proposal that would relate to or result in any of the matters set forth in subparagraphs (a)–(j) of Item 4 of Schedule 13D. The Reporting Persons intend to review their investment in the Issuer on a continuing basis. Depending on various factors including, without limitation, the Issuer's financial position and strategic direction, actions taken by the Board, price levels of the Common Stock, other investment opportunities available to the Reporting Persons, conditions in the securities market and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, purchasing additional shares of Common Stock and/or other securities of the Issuer (collectively, "Securities"), disposing of any or all of their Securities, in the open market or otherwise, at any time and from time to time, and engaging in any hedging or similar transactions with respect to the Securities. The Reporting Persons reserve the right to change their intention with respect to any and all matters referred to in this Item 4 of this Schedule 13D.

Item 5. INTEREST IN SECURITIES OF THE ISSUER

(a) – (b) The aggregate number and percentage of shares of Common Stock to which this Schedule 13D relates is 1,572,258 shares of Common Stock, constituting approximately 5.5% of the Issuer's currently outstanding Common Stock. The percentage of shares of Common Stock reported herein are based upon the 28,407,119 shares of Common Stock outstanding as of July 31, 2015, as reported in the Issuer's Annual Report on Form 10-K, filed with the SEC on August 12, 2015.

The information required by Items 5(a) – (b) is set forth in rows 7 – 13 of the cover page for each of the Reporting Persons and is incorporated herein by reference. By virtue of investment management agreements with Castlerigg Master Investment, CAI Master and Pulteney Partners and an advisory agreement with CEEAF, SAMC has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the shares of Common Stock beneficially owned by Castlerigg Master Investment, CAI Master, CEEAF and Pulteney Partners. By virtue of an investment management agreement with MLIS, SIS has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the shares of Common Stock beneficially owned by MLIS. By virtue of his direct and indirect control of SAMC and SIS, Mr. Sandell is deemed to have shared voting power and shared dispositive power with respect to all Common Stock as to which SAMC and SIS have voting power or dispositive power.

(c) Information concerning transactions in the Common Stock effected by the Reporting Persons during the past sixty days is set forth in Schedule B hereto and is incorporated herein by reference. Unless otherwise indicated, all of such transactions were effected in the open market.

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

(e) Not applicable.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

The Reporting Persons are parties to an agreement with respect to the joint filing of this Schedule 13D and any amendments thereto. A copy of such agreement is attached as Exhibit 1 and is incorporated by reference herein.

Other than such joint filing agreement, the Reporting Persons have no contracts, arrangements, understandings or relationships with any persons with respect to securities of the Issuer.

Item 7. EXHIBITS

<u>Exhibit</u>	<u>Description</u>
1	August 14 Press Release
2	Joint Filing Agreement, dated August 18, 2015.

SIGNATURES

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

Date: August 18, 2015

CASTLERIGG MASTER INVESTMENTS LTD.

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell
Name: Thomas E. Sandell
Title: Chief Executive Officer

CASTLERIGG INTERNATIONAL LIMITED

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell
Name: Thomas E. Sandell
Title: Chief Executive Officer

CASTLERIGG INTERNATIONAL HOLDINGS LIMITED

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell
Name: Thomas E. Sandell
Title: Chief Executive Officer

CASTLERIGG OFFSHORE HOLDINGS, LTD.

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell

Name: Thomas E. Sandell

Title: Chief Executive Officer

CASTLERIGG ACTIVE INVESTMENT FUND, LTD.

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell

Name: Thomas E. Sandell

Title: Chief Executive Officer

**CASTLERIGG ACTIVE INVESTMENT INTERMEDIATE
FUND, LTD.**

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell

Name: Thomas E. Sandell

Title: Chief Executive Officer

CASTLERIGG ACTIVE INVESTMENT MASTER FUND, LTD.

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell

Name: Thomas E. Sandell

Title: Chief Executive Officer

MERRILL LYNCH INVESTMENT SOLUTIONS SICAV, an umbrella fund with segregated liability between sub-funds, acting for and on behalf of Merrill Lynch Investment Solutions – Castlerigg Equity Event and Arbitrage UCITS Fund

By: Sandell Investment Services, L.L.C., as Investment Manager

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ALTMFX TRUST, an open-end, management investment company, acting for and on behalf of Castlerigg Equity Event and Arbitrage Fund

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell
Name: Thomas E. Sandell
Title: Chief Executive Officer

PULTENEY STREET PARTNERS, LP

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell
Name: Thomas E. Sandell
Title: Chief Executive Officer

SANDELL ASSET MANAGEMENT CORP.

By: /s/ Thomas E. Sandell
Name: Thomas E. Sandell
Title: Chief Executive Officer

SANDELL INVESTMENT SERVICES, L.L.C.

By: /s/ Thomas E. Sandell
Name: Thomas E. Sandell
Title: Managing Member

/s/ Thomas E. Sandell
Thomas E. Sandell

Directors and Executive Officers of Certain Reporting PersonsCASTLERIGG MASTER INVESTMENT, CASTLERIGG INTERNATIONAL AND CASTLERIGG HOLDINGS

The following sets forth the name, position, principal occupation, business address and citizenship of each director of each of Castlerigg Master Investment, Castlerigg International and Castlerigg Holdings.

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Principal Occupation</u>	<u>Business Address</u>
Sandell Director Services, LLC	Director	Delaware	Fund director	540 Madison Ave., 36th Floor, New York, New York 10022
Daniel Mignon	Director	Switzerland	Principal, Alpstar Capital SA	7. Av. De Tournay, 1292 Chambesy
Hilmi A. Ünver	Director	Belgium	Partner, Notz Stucki Asset Managers	98 rue de Saint-Jean, CP 5240, CH 1211, Geneve 11

CASTLERIGG OFFSHORE HOLDINGS

The following sets forth the name, position, principal occupation, business address and citizenship of each director of Castlerigg Offshore Holdings.

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Principal Occupation</u>	<u>Business Address</u>
Thomas E. Sandell	Director	Sweden	Chief Executive Officer of SAMC	540 Madison Ave., 36th Floor, New York, New York 10022
Adam Hoffman	Director	United States	Legal Counsel of SAMC	540 Madison Ave., 36th Floor, New York, New York 10022

CAI INTERMEDIATE

The following sets forth the name, position, business address and citizenship of the general partner of each of CAI Intermediate. The managing member of Sandell Advisors, L.L.C. is Thomas E. Sandell.

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Business Address</u>
Sandell Advisors, L.L.C.	General Partner	Delaware	540 Madison Ave., 36th Floor, New York, New York 10022

The following sets forth the name, position, principal occupation, business address and citizenship of each director of each of CAI Fund and CAI Master.

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Principal Occupation</u>	<u>Business Address</u>
Sandell Director Services, LLC	Director	Delaware	Fund Director	540 Madison Ave., 36th Floor, New York, New York 10022
Shreyas Gupta	Senior Managing Director	United States	Portfolio Manager at SAMC	540 Madison Ave., 36th Floor, New York, New York 10022

MLIS

The following sets forth the name, position, principal occupation, business address and citizenship of each director and dirigeant of MLIS.

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Principal Occupation</u>	<u>Business Address</u>
Jean-Claude Wolter	Director	Luxembourg	Honorary Lawyer	11B Boulevard Joseph II, L-1840 Luxembourg
Jocelyn Kiefe	Director	France	Director	Fund Solutions Group, Merrill Capital Markets (France) S.A.S., 112 avenue Kléber, 75116 Paris, France
Paul Guillaume	Director	Luxembourg	Managing Partner	Altra Partners S.A., 370, Route de Longwy, L-1940, Luxembourg
Raymond Blokland	Director	Netherlands	Managing Director	Merrill Lynch International, 33 rue du Puits Romain , L-8070 Bertrange, Luxembourg
Paul Holmes	Director	United Kingdom	Head of Distribution of Fund Solutions Group	Merrill Lynch International, 2 King Edward Street, London EC1A 1HQ, UK
Miriam Muller	Director	Ireland	Head of Product Development of Fund Solutions Group	Merrill Lynch International, 2 King Edward Street, London EC1A 1HQ, UK
Bertram Welsch	Dirigeant	Germany	Director	Caso Asset Management S.A., European Bank & Business Centre, 6B, route de Treves, L-2633 Senningerberg, Luxembourg
Thomas Nummer	Dirigeant	Germany	Managing Director	Carne Global Financial Services Luxembourg S.à.r.l, European Bank and Business Centre, 6B route de Trèves – L-2633 Senningerberg, Luxembourg

The following sets forth the name, position, citizenship and business address of the general partner of Pulteney Partners. The managing member of Pulteney Street, G.P., LLC is Sean McCooley, a United States citizen.

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Business Address</u>
Pulteney Street, G.P., LLC	General Partner	Delaware	527 Madison Avenue, 6 th Floor, New York, NY 10022

SIS

The following sets forth the name, position, citizenship, principal occupation and business address of the sole managing member of SIS.

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Principal Occupation</u>	<u>Business Address</u>
Thomas E. Sandell	Director	Sweden	Chief Executive Officer of SAMC	540 Madison Ave., 36th Floor, New York, New York 10022

SAMC

The following sets forth the name, position, principal occupation, business address and citizenship of each director and executive officer of SAMC.

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Principal Occupation</u>	<u>Business Address</u>
Thomas E. Sandell	Director and Chief Executive Officer	Sweden	Chief Executive Officer of SAMC	540 Madison Ave., 36th Floor, New York, New York 10022
Daniel Mignon	Director	Switzerland	Principal, Alpstar Capital SA	7. Av. De Tournay, 1292 Chambesey
Adam Hoffman	Chief Compliance Officer	United States	Legal Counsel at SAMC	540 Madison Ave., 36th Floor, New York, New York 10022
Daniel Borenstein	Chief Financial Officer	United States	Chief Financial Officer of SAMC	540 Madison Ave., 36th Floor, New York, New York 10022
Alejandro Mazier	Senior Managing Director	United States	Senior Managing Director at SAMC	540 Madison Ave., 36th Floor, New York, New York 10022
Shreyas Gupta	Senior Managing Director	United States	Portfolio Manager at SAMC	540 Madison Ave., 36th Floor, New York, New York 10022

**TRANSACTIONS IN THE ISSUER'S SHARES OF COMMON STOCK
BY THE REPORTING PERSONS**

This Schedule sets forth information with respect to each transaction in shares of Common Stock that were effectuated by the Reporting Persons in the last 60 days. Unless otherwise indicated, all transactions were effectuated in the open market through a broker and all prices include brokerage commissions.

CAI Master

<u>Trade Date</u>	<u>Shares Purchased (Sold)</u>	<u>Price Per Share (\$)</u>
6/17/15	(1,000)	28.05
6/17/15	1,000	28.05
7/13/15	4,300	29.16
7/14/15	8,760	29.65
7/15/15	1,420	29.76
7/29/15	46,331	30.07
7/30/15	22,480	30.58
7/31/15	9,419	30.40
8/3/15	10,220	29.87
8/4/15	11,400	29.81
8/5/15	13,145	30.39
8/6/15	16,100	29.98
8/7/15	11,160	30.15
8/10/15	24,405	30.93
8/12/15	16,270	30.43
8/13/15	16,230	31.03

Castlerigg Master Investment

<u>Trade Date</u>	<u>Shares Purchased (Sold)</u>	<u>Price Per Share (\$)</u>
06/17/15	98,836	26.56
07/13/15	27,537	29.16
07/14/15	56,088	29.65
07/15/15	9,130	29.76
07/29/15	6,780	30.07
07/30/15	3,290	30.58
07/31/15	1,380	30.40
08/03/15	1,490	29.87
08/04/15	1,670	29.81
08/05/15	1,920	30.39
08/06/15	2,350	29.98
08/07/15	1,630	30.15
08/10/15	3,570	30.93
08/12/15	62,693	30.43
08/13/15	62,540	31.03

MLIS

<u>Trade Date</u>	<u>Shares Purchased (Sold)</u>	<u>Price Per Share (\$)</u>
07/13/15	6,570	29.16
07/13/15	-1,500	28.67
07/14/15	13,370	29.65
07/15/15	2,180	29.76
07/29/15	5,830	30.07
07/30/15	2,830	30.58
07/31/15	1,180	30.40
08/03/15	1,290	29.87
08/04/15	1,430	29.81
08/05/15	1,650	30.39
08/06/15	2,030	29.98
08/07/15	1,410	30.15
08/10/15	3,070	30.93
08/12/15	11,310	30.43
08/13/15	11,283	31.03

Pulteney Partners

<u>Trade Date</u>	<u>Shares Purchased (Sold)</u>	<u>Price Per Share (\$)</u>
07/13/15	290	29.16
07/14/15	580	29.65
07/15/15	90	29.76



SANDELL SENDS LETTER TO CHAIRMAN AND CEO OF ETHAN ALLEN INTERIORS INC.

Sees Value of \$41 per Share in either Recapitalization or Sale, Over 30% Above Current Price

Sandell Prepared to Nominate Slate of Directors for October 15 Annual Meeting

Prospective Purchasers of Ethan Allen Shares Encouraged to Pursue Settlement of Purchases on a "T+1" Basis; Sandell Believes August 17 is Record Date for Upcoming Annual Meeting

New York (August 14, 2015) - Sandell Asset Management Corp. ("Sandell"), the beneficial owner of approximately 1.6 million shares, or 5.5%, of Ethan Allen Interiors Inc. ("Ethan Allen" or the "Company") (NYSE:ETH), today sent a letter to Farooq Kathwari, the Chairman and CEO of Ethan Allen.

In the letter, Sandell notes its belief that the Company's stock is trading at a significant discount to its intrinsic value, which Sandell believes is approximately \$41 per share, or over 30% above where the stock is currently trading. Sandell believes that a combination of sub-optimal fiscal policies and inefficient allocation of shareholder capital has contributed to the significant discount in the shares, as Ethan Allen has underperformed its publicly-traded peers by 119% over the last 10 years. Sandell believes that the Company's extensive portfolio of real estate assets may be worth approximately \$450 million, or about \$16 per share, and that the Company has the ability to greatly enhance shareholder value through either a recapitalization and a monetization of its real estate holdings, or through a sale to a private equity firm. Sandell believes that either path would result in a value of at least \$41 per share delivered to shareholders.

Ethan Allen on August 12 responded to Sandell's overtures to the Company by manipulating the corporate franchise and advancing the date of its 2015 Annual Meeting of Shareholders (the "Annual Meeting") to October 15, more than one month in advance of the previously expected November 17 date as set forth in the Company's last proxy statement. This new advanced date was "publicly announced" by the Company on page 19 of its recently-filed 10-K. Sandell is prepared to nominate a slate of Director candidates to stand for election at the Company's 2015 Annual Meeting, although it hopes to re-engage with the Company to reach an amicable resolution and avoid a proxy contest.

Sandell believes that August 17 is the record date for the upcoming Annual Meeting, and reminds shareholders that any shares held in margin accounts that may be loaned by a broker will need to be moved into a cash account in advance of the record date if shareholders want to vote their shares. Also, any prospective purchasers of Ethan Allen shares prior to August 17 are encouraged to pursue settlement of purchases on a "T+1" basis if shareholders want to vote such shares.

The text of the letter is as follows:

August 14, 2015

Mr. Farooq Kathwari
Chairman, CEO and President
Ethan Allen Interiors Inc.
Ethan Allen Drive
Danbury, CT 06811

Dear Farooq:

As you know, we are significant shareholders of Ethan Allen Interiors Inc. ("Ethan Allen" or the "Company") and currently own approximately 1.6 million shares, or 5.5%, of the Company. We appreciate the dialogue that my colleague Richard Mansouri and I have had with you and the Company's CFO Corey Whitely over the last few months. It should be clear to you that our firm strongly believes in the significant value associated with the assets that constitute Ethan Allen, not least of which is the Company's iconic brand name, which connotes home furnishings of un-paralleled quality. Unfortunately, what should also be clear to you is that the Company's stock price is significantly below Ethan Allen's true intrinsic value, which we believe is approximately \$41 per share, or over 30% higher than its current price.

It is also unfortunate that, while you have led Ethan Allen for close to 30 years and have built a unique business of substance, shareholders have suffered extended and material underperformance due in large part to what we believe to be the Company's sub-optimal fiscal policies and inefficient allocation of shareholder capital over the last several years. Indeed, Ethan Allen serves as an abject example of the ill effects that can befall shareholders invested in a company that does not earn an appropriate return on its capital. The following chart shows in stark detail the underperformance that shareholders have been subjected to:

Ethan Allen Total Shareholder Return (TSR) Compared to:				
	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Proxy Peers	-10.6%	-62.3%	-125.2%	-118.6%
S&P 500	3.6%	-21.7%	-5.2%	-109.2%
Russell 2000	3.6%	-19.9%	-6.1%	-114.8%

Source: Bloomberg (as of 7/8/15, the day prior to media reports of private equity interest). Proxy peers include BSET, HVT, HNI, KNL, LZB, MLHR, PIR, RL, SCS, SCSS, TPX, TIF, WSM.

As you can see, Ethan Allen has underperformed its peers over each time period, with 10-year underperformance versus its peers a staggering 119%. Moreover, Ethan Allen's current stock price is actually below where it was in August of 2005, indicating that shareholders have witnessed negative absolute price performance over 10 years in addition to suffering a wide gap in relative performance. Perhaps because of this staggering underperformance, the Company chose to take what we believe was the outrageous step of advancing the date of its 2015 Annual Meeting. Specifically, we find buried in the Company's recently-filed 10-K that Ethan Allen intends to hold its 2015 Annual Meeting of Shareholders (the "Annual Meeting") on October 15, more than one month in advance of the previously expected November 17 date as set forth in the Company's last proxy statement. We have little doubt that the Company was seeking to catch shareholders unaware, as the nomination window for submitting shareholder proposals and nominations for directors is tied to the date of its Annual Meeting.

Clearly, the capital tied up in the Company's vast portfolio of real estate assets has been a drag on shareholder returns. You in fact provide damning commentary when you stated in a press release dated April 14, 2015: "Since going public, the company has invested in capital expenditures of \$747.9 million including investments in retail and manufacturing properties and acquisitions." We note that the market value of Ethan Allen today is not meaningfully higher than the aggregate \$747.9 million that you have expended over the last 22 years since going public in 1993. Had the Company earned an appropriate rate of return on this invested capital over the years, the market value of the Company would be far greater than what it is today. Sadly, the Company has still shown no indication that it intends to tap into the exceedingly robust market for both retail and industrial real estate properties in order to unlock this capital that has been trapped on its balance sheet.

We believe that Ethan's Allen's sizable stable of properties, which includes: 53 wholly-owned retail design centers; 17 retail design centers subject to ground leases; its corporate headquarters building and 18.0 acre campus; its 200 room Hotel and Conference Center; and its eight wholly-owned manufacturing facilities, as well as various ancillary properties, is worth approximately \$450 million, or about \$16 per share, little of which we believe is reflected in Ethan Allen's current stock price. To put this in perspective, the value of the Company's real estate is over 50% of Ethan Allen's entire market value. Furthermore, we believe based upon input from numerous finance and real estate experts that there are many interested parties and several ways to help the Company unlock this value, ranging from a series of sale-leaseback transactions to the creation of a tax-efficient REIT through an OpCo-PropCo structure.

Along with the trapped capital associated with the Company's extensive real estate holdings is the Company's highly-inefficient balance sheet. As of June 30, 2015, Ethan Allen actually had negative net debt. That the Company continues to operate with net leverage below zero while Ethan Allen's stock trades at a price below where it was 10 years ago reflects an astonishingly unsophisticated fiscal policy that we believe is at odds with the fundamental precepts of modern corporate finance, a policy which is even more troubling when one considers that prevailing interest rates remain close to historical lows. And while we have no doubt you will seek to trumpet the Company's history of returning capital to shareholders ("Since going public" appears to be your favored yardstick for measuring Company history, even though that spans a period of 22 years), recent action by Ethan Allen paints an entirely different picture. To illustrate, we note that in Fiscal 2012 the Company purchased a mere 79,000 shares, or less than 0.3% of total shares outstanding, and in Fiscal 2013 and 2014, the Company did not repurchase any shares at all. Only very, very recently did the Company step up its repurchase activity (542,000 shares repurchased in 4Q Fiscal 2015) and only after a dramatic fall in stock price following Ethan Allen's 3Q Fiscal 2015 earnings disappointment.

We are not suggesting that you alone are responsible for what we believe to be the Company's misguided fiscal policies and underperformance; the entire Board of Directors must shoulder this blame. In this regard, we note that while you are the longest-standing Director, having been appointed to the Board 27 years ago, there are three other Directors who have been on the Board for more than 10 years, namely: Frank Wisner (14 years); Kristin Gamble (23 years) and Clinton Clark (26 years). So many long-tenured directors can lead to a dangerous level of complacency which we believe has been manifest at Ethan Allen.

Fortunately, the Company has within its control the ability to take steps to greatly enhance shareholder value. There are multiple alternatives available to the Company, though they can be generalized as two discrete paths that we believe Ethan Allen should consider, namely: (1) a recapitalization and monetization of its extensive real estate holdings and (2) a sale to a private equity firm. We believe it is imperative that the Company announce the retention of an impartial, nationally-recognized investment banking firm as soon as possible in order to aid the Company in the exploration of these alternatives.

The first path would contemplate a recapitalization through the incurrence of a reasonable amount of debt (Net Debt equal to 2.5x Pro-Forma EBITDA) coupled with the tax-efficient monetization of the Company's real estate holdings, possibly by way of an OpCo-PropCo structure. In such a scenario, Ethan Allen could repurchase a meaningful number of shares, possibly by way of a Dutch tender, and subsequently issue by way of a special dividend additional cash and/or shares of a real estate PropCo. Were the Company to pursue such a tax-efficient recapitalization, we believe shareholders could receive total consideration of at least \$41 per share. As a show of good faith, we would be prepared to sign an agreement seeking to maintain our existing percentage equity ownership (at minimum) pro-forma for the repurchase of shares in a Dutch tender, as we firmly believe that the pursuit of such a recapitalization would lead to the creation of significant future equity value and we would like to maintain a meaningful equity investment in the Company.

Should Ethan Allen instead seek to pursue a sale to a private equity firm, we have no doubt that there would be a "line out the door" of interested parties seeking to acquire the Company. Indeed, we are aware of multiple private equity professionals who have expressed interest in pursuing an acquisition of Ethan Allen. The unique characteristics of the Company, such as Ethan Allen's exceptional brand name recognition, its robust free cash flow, its minimal core capital spending requirements, and its unlevered balance sheet and extensive real estate holdings make Ethan Allen an ideal, and in fact almost prototypical, LBO candidate.

What is perhaps most compelling is the fact that you are intimately familiar with the process of consummating an acquisition of Ethan Allen. As we have discussed with you on multiple occasions, you were directly responsible for spearheading the LBO of Ethan Allen in 1989 when a consortium led by management took the Company private. Today's environment is much, much more hospitable to financing acquisitions than it was in 1989. We note that Ethan Allen had to pay an interest rate of 18.17% before refinancing bonds associated with the Company's acquisition in 1989 whereas today we believe a private equity sponsor could easily procure bank financing at an interest rate in the vicinity of 4% to 5%. We believe that a purchase of Ethan Allen at \$38 per share should generate an IRR of 20% annually to a private equity sponsor, which is a remarkably attractive return profile, while a purchase at \$41 per share should still generate an IRR greater than 15% annually, a benchmark threshold for many sponsors.

As a final note, please understand that unlike many chief executives of publicly-traded companies that we have encountered, we hold you in higher regard for the meaningful amount of stock that you personally own. It is our hope that we can engage in immediate dialogue in order to devise a solution that will result in a dramatic enhancement of shareholder value. Notwithstanding the Company's apparent underhanded attempt to subvert the nomination process by advancing the date of the 2015 Annual Meeting, we are prepared to nominate a slate of Director candidates to stand for election at the Company's 2015 Annual Meeting, though we hope that it will not be necessary to engage in a contentious proxy battle in order to achieve the goal of enhanced shareholder value that we could easily accomplish by working together.

Sincerely,

Thomas E. Sandell
Chief Executive Officer

cc: The Board of Directors

About Sandell Asset Management Corp.

Sandell Asset Management Corp. is a leading private, alternative asset management firm specializing in global corporate event-driven, multi-strategy investing with a strong focus on equity special situations and credit opportunities. Sandell Asset Management Corp. was founded in 1998 by Thomas E. Sandell and has offices in New York and London, including a global staff of investment professionals, traders and infrastructure specialists.

Contact:

Sandell Asset Management Corp.

Adam Hoffman, 212-603-5814

Okapi Partners LLC

Bruce Goldfarb, 212-297-0722 or Chuck Garske, 212-297-0724

Sloane & Company

Elliot Sloane, 212-446-1860 or Dan Zacchei, 212-446-1882

SANDELL ASSET MANAGEMENT CORP., CASTLERIGG MASTER INVESTMENTS LTD., CASTLERIGG INTERNATIONAL LIMITED, CASTLERIGG INTERNATIONAL HOLDINGS LIMITED, CASTLERIGG OFFSHORE HOLDINGS, LTD., CASTLERIGG ACTIVE INVESTMENT FUND, LTD., CASTLERIGG ACTIVE INVESTMENT INTERMEDIATE FUND, L.P., CASTLERIGG ACTIVE INVESTMENT MASTER FUND, LTD., CASTLERIGG EQUITY EVENT AND ARBITRAGE FUND, PULTENEY STREET PARTNERS, L.P., THOMAS E. SANDELL (COLLECTIVELY, THE "PARTICIPANTS"), INTEND TO FILE WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") A DEFINITIVE PROXY STATEMENT AND ACCOMPANYING FORM OF PROXY CARD TO BE USED IN CONNECTION WITH THE SOLICITATION OF PROXIES FROM THE STOCKHOLDERS OF ETHAN ALLEN INTERIORS INC. (THE "COMPANY") IN CONNECTION WITH THE COMPANY'S 2015 ANNUAL MEETING OF STOCKHOLDERS. ALL STOCKHOLDERS OF

THE COMPANY ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES BY THE PARTICIPANTS WHEN THEY BECOME AVAILABLE, AS THEY WILL CONTAIN IMPORTANT INFORMATION, INCLUDING ADDITIONAL INFORMATION RELATED TO THE PARTICIPANTS. WHEN COMPLETED, THE DEFINITIVE PROXY STATEMENT AND AN ACCOMPANYING PROXY CARD WILL BE FURNISHED TO SOME OR ALL OF THE COMPANY'S STOCKHOLDERS AND WILL BE, ALONG WITH OTHER RELEVANT DOCUMENTS, AVAILABLE AT NO CHARGE ON THE SEC'S WEBSITE AT [HTTP://WWW.SEC.GOV/](http://www.sec.gov/).

INFORMATION ABOUT THE PARTICIPANTS AND A DESCRIPTION OF THEIR DIRECT OR INDIRECT INTERESTS BY SECURITY HOLDINGS WILL BE CONTAINED IN AN EXHIBIT TO THE SCHEDULE 14A TO BE FILED BY SANDELL ASSET MANAGEMENT CORP. WITH THE SEC ON AUGUST 14, 2015. THIS DOCUMENT CAN BE OBTAINED FREE OF CHARGE FROM THE SOURCES INDICATED ABOVE.

Joint Filing Agreement

PURSUANT TO RULE 13d-1(k)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13D is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13D may be filed on behalf of each of the undersigned without the necessity of filing additional joint filing agreements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained herein and therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows that such information is inaccurate.

Dated: August 18, 2015.

CASTLERIGG MASTER INVESTMENTS LTD.

By: Sandell Asset Management Corp., as Investment Manager

By: /s/ Thomas E. Sandell

Name: Thomas E. Sandell

Title: Chief Executive Officer

CASTLERIGG INTERNATIONAL LIMITED

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By: /s/ Thomas E. Sandell

Name: Thomas E. Sandell

Title: Chief Executive Officer

CASTLERIGG INTERNATIONAL HOLDINGS LIMITED

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Name: Thomas E. Sandell
Title: Chief Executive Officer

SANDELL INVESTMENT SERVICES, L.L.C.

By: /s/ Thomas E. Sandell
Name: Thomas E. Sandell
Title: Managing Member

/s/ Thomas E. Sandell
Thomas E. Sandell