

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

Ethan Allen Interiors Inc.

(Name of Registrant as Specified In Its Charter)

**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 Event Driven and Arbitrage Fund
Thomas E. Sandell
Edward Glickman
Kathy Herbert
Richard Mansouri
Annelise Osborne
Ken Pilot
Alex Wolf**

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rule 14a-6(i)(4) and 0-11.
- 1) Title of each class of securities to which transaction applies:

 - 2) Aggregate number of securities to which transaction applies:

 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

 - 4) Proposed maximum aggregate value of transaction:

 - 5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:

- 2) Form, Schedule or Registration Statement No.:

- 3) Filing Party:

- 4) Date Filed:

On October 14, 2015, Sandell Asset Management Corp. (“SAMC”) issued a press release announcing that it filed a preliminary proxy statement in connection with its campaign to elect its slate of nominees to the board of directors (the “Board”) of Ethan Allen Interiors Inc. (the “Company”). In the press release, SAMC provided a link to discussion materials regarding the Company’s poor revenue performance (the “October 14 Presentation”). Copies of the press release and the October 14 Presentation are filed herewith as Exhibits 1 and 2, respectively.



SANDELL FILES PRELIMINARY PROXY STATEMENT FOR ETHAN ALLEN

Shareholder Seeks to Elect New, Highly-Qualified Board Members as Farooq Kathwari Rejects Attempts at Settlement Issues Presentation Highlighting Lackluster Revenue Growth Stemming from Stale, Entrenched Board and Outmoded Marketing Strategy

New York (October 14, 2015) - Sandell Asset Management Corp. ("Sandell"), a large shareholder of Ethan Allen Interiors Inc. ("Ethan Allen" or the "Company") (NYSE:ETH), has filed a preliminary proxy statement in connection with its campaign to elect its slate of new, highly-qualified candidates to the Board of Directors (the "Board") of Ethan Allen. This step was taken after Sandell's recent attempts to reach an amicable resolution with the Company that would have avoided the need for a contentious proxy battle were rejected by Farooq Kathwari, Ethan Allen's Chairman, CEO, and President. Tom Sandell, the CEO of Sandell Asset Management, issued the following statement:

"It is unfortunate that Farooq Kathwari has rejected the good faith attempts that we have made to seek an amicable resolution that would have greatly enhanced the Ethan Allen Board of Directors and better positioned the Company to deliver increased value to shareholders. Instead, Mr. Kathwari seems to be content with using the Company's stockholders' money to forestall our efforts to bring about much-needed change at Ethan Allen. While we were in fact willing to engage in further negotiations, it became painfully clear that Mr. Kathwari had no interest in pursuing meaningful change when he failed to even offer a counter-proposal.

"What was most distressing in our interaction with Mr. Kathwari was what we viewed to be his total disregard for the Company's stock price performance, even going so far as to say, "We run [Ethan Allen] like a private company."^[1] The fact of the matter is that the Company's stock price is lower now than it was 10 years ago and Ethan Allen shareholders have suffered years of poor performance versus its peers as well as the broader market. The stock price of Ethan Allen has underperformed its peers by 119% over the last 10 years. It seemed to us that Mr. Kathwari was in complete denial of the fact that the only metric by which investors measure value is a company's stock price.

^[1] October 5, 2015 conference call with Farooq Kathwari, Corey Whitely, Tom Sandell, and Richard Mansouri.

“Since we first publicly-voiced our concerns about Ethan Allen and the years of governance failings that we believe have contributed to the Company’s poor performance, we have heard from numerous members of the investment community, and the key concern that they have voiced to us relates to the Company’s inability to generate sustained revenue growth. We believe this can be traced to the Board’s stale and outmoded merchandising and marketing strategy that has failed to appeal to modern consumers against a retail backdrop of increasing online sales.

“Below is a link to some discussion materials that graphically depict how the Company has failed to increase revenue over the last several years versus its peers, and particularly its online efforts versus its two most-often cited competitors, namely Restoration Hardware and Williams-Sonoma (Pottery Barn). Some of the salient points illustrated include the following:

- Ethan Allen generated compound annual revenue growth of 2.7% over the last five years versus a 9.9% average of its peers
- Ethan Allen’s revenue increased a mere 11% in aggregate over the last five years
- Ethan Allen has an insignificant online presence, with e-commerce revenue estimated at between 2% and 5% of total revenue, versus peers such as Restoration Hardware and Williams-Sonoma, who each generate approximately 50% of their revenue from online and non-store sales
- Restoration Hardware’s revenue five years ago was not materially different from Ethan Allen, yet it was able to re-position the company for merchandising success and has seen its revenue increase 142% in aggregate over the last five years

The discussion materials referenced above are available at the following:
<http://www.redesignethanallen.com/content/uploads/2015/10/Oct14Presentation.pdf>

“We look forward to releasing additional material in the future that paints a more comprehensive picture of how we believe the Company’s stale and entrenched Board has been unable to add value and effectively serve as a counter-weight to the will of Mr. Kathwari, who we believe is the prototypical “Imperial CEO.” Shareholders are encouraged to access our website entitled “Redesign Ethan Allen,” which is available at www.RedesignEthanAllen.com, for more information.”

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.

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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 Event Driven and Arbitrage Fund, Thomas E. Sandell (collectively, "Sandell"), Edward Glickman, Kathy Herbert, Richard Mansouri, Annelise Osborne, Ken Pilot and Alex Wolf (collectively with Sandell, 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 website at <http://www.sec.gov/> and at our website at <http://www.RedesignEthanAllen.com>.

Information about the Participants and a description of their direct or indirect interests by security holdings will be contained in the preliminary proxy statement on Schedule 14A to be filed by Sandell Asset Management Corp. with the SEC on October 14, 2015. This document can be obtained free of charge from the sources indicated above.

Re-Design ETHAN ALLEN'

Discussion Materials: Poor Revenue Performance

October 2015

www.RedesignEthanAllen.com



SANDHELL
CASTLERIGG INVESTMENTS

Disclaimer

THIS PRESENTATION WITH RESPECT TO ETHAN ALLEN INTERIORS INC. ("ETHAN ALLEN" or "ETH" or THE "COMPANY") IS FOR GENERAL INFORMATIONAL PURPOSES ONLY. IT DOES NOT HAVE REGARD TO THE SPECIFIC INVESTMENT OBJECTIVE, FINANCIAL SITUATION, SUITABILITY OR PARTICULAR NEED OF ANY SPECIFIC PERSON WHO MAY RECEIVE THIS PRESENTATION, AND SHOULD NOT BE TAKEN AS ADVICE ON THE MERITS OF ANY INVESTMENT DECISION. THE VIEWS EXPRESSED HEREIN REPRESENT THE OPINIONS OF SANDELL ASSET MANAGEMENT CORP. ("SAMC"), AND ARE BASED ON PUBLICLY AVAILABLE INFORMATION AND SAMC ANALYSES. CERTAIN FINANCIAL INFORMATION AND DATA USED HEREIN HAVE BEEN DERIVED OR OBTAINED FROM FILINGS MADE WITH THE SEC BY THE COMPANIES OR OTHER COMPANIES CONSIDERED COMPARABLE, AND FROM OTHER THIRD PARTY REPORTS.

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Discussion Materials

- There are many issues plaguing Ethan Allen that we believe can be traced to one root cause, namely poor corporate governance that has enabled a stale and outmoded approach to business. One of the most cited concerns voiced to us relates to the Company's inability to evolve its merchandising and marketing strategy to appeal to modern consumers against a retail backdrop of increasing online sales
 - ◆ Central to Ethan Allen's underperformance is the Company's **inability to grow revenue** post the "Great Recession" of 2008-2009
 - The Company has dramatically underperformed its peers in terms of revenue growth, losing market share to much more progressive peers such as Restoration Hardware and Williams-Sonoma (Pottery Barn)
 - Ethan Allen's merchandising efforts have not been embraced by consumers, reflecting a Company whose retailing strategy has not evolved
 - The Company has an insignificant online presence, currently estimated at less than 5% of revenue, while its other peers such as Restoration Hardware and Williams-Sonoma generate approximately 50% of their revenue from non-store and online sales
 - The analytical community has been vocal and persistent in highlighting these issues



Discussion Materials

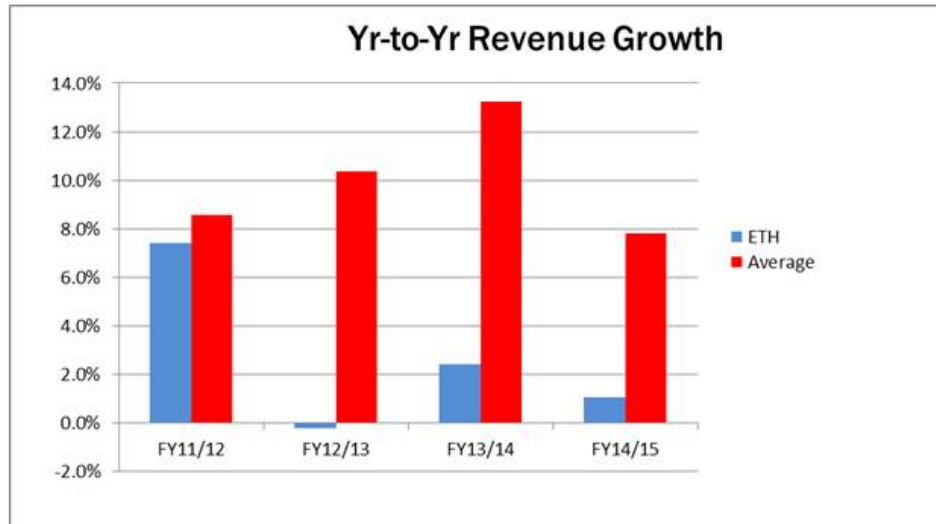
- The following illustrates the Company's lackluster performance in revenue generation over the last 5 years versus its peers

(\$ in millions)	Revenue					CAGR
	FY2010/ FY2011	FY2011/ FY2012	FY2012/ FY2013	FY2013/ FY2014	FY2014/ FY2015	
Ethan Allen	\$679.0	\$729.4	\$729.1	\$746.7	\$754.6	2.7%
% Growth		7.4%	0.0%	2.4%	1.1%	
Home Furnishing Peers						
Restoration Hardware	\$772.8	\$958.1	\$1,193.0	\$1,551.0	\$1,867.4	24.7%
% Growth		24.0%	24.5%	30.0%	20.4%	
Bassett Furniture	235.3	253.2	269.7	321.3	340.7	9.7%
% Growth		7.6%	6.5%	19.1%	6.0%	
Williams-Sonoma	3,504.2	3,720.9	4,042.9	4,387.9	4,698.7	7.6%
% Growth		6.2%	8.7%	8.5%	7.1%	
Pier 1 Imports	1,396.5	1,533.6	1,704.9	1,771.7	1,865.8	7.5%
% Growth		9.8%	11.2%	3.9%	5.3%	
Haverty Furniture	620.3	620.9	670.1	746.1	768.4	5.5%
% Growth		0.1%	7.9%	11.3%	3.0%	
La-Z-Boy	1,187.1	1,231.7	1,273.9	1,357.3	1,425.4	4.7%
% Growth		3.8%	3.4%	6.5%	5.0%	
Average % Growth		8.6%	10.4%	13.2%	7.8%	9.9%

Source: Bloomberg

Discussion Materials

- Ethan Allen has faltered after the “Great Recession” and has fallen dramatically behind the average of its peers over the last several years in terms of the key retailing operational metric of year-to-year revenue growth



Note: The averages denoted in the above graph refer to the average of the year-to-year revenue growth of the Company's home furnishing peers: Basset Furniture, Haverty Furniture, La-Z-Boy, Pier 1, Restoration Hardware, and Williams-Sonoma. Such peers were chosen to reflect comparable companies that are primarily involved in the sale of home furnishings as opposed to the sale of office furniture or bedding/mattresses.

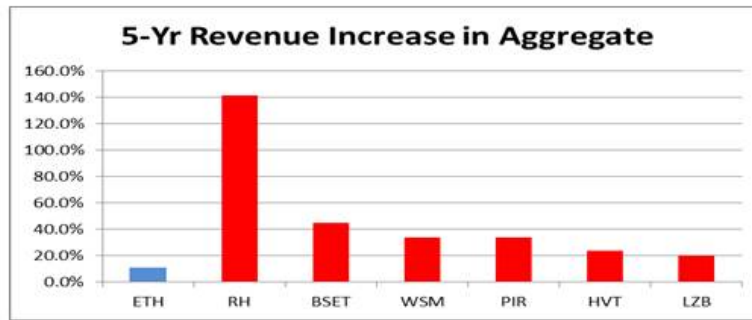
Source: Bloomberg

Discussion Materials

- Ethan Allen has witnessed compound annual revenue growth far below its peers over the last five years



- The following chart graphically illustrates how so many years of poor revenue performance results in effective stagnation, as Ethan Allen's revenue increased a mere 11% in aggregate over the last five years

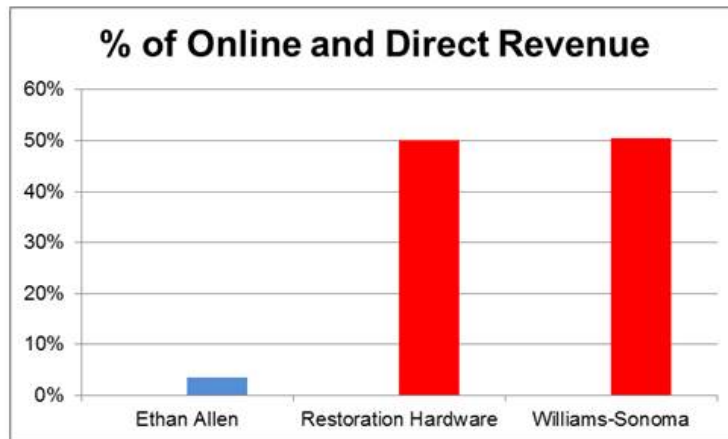


Source: Bloomberg



Discussion Materials

- Ethan Allen has failed miserably in its ability to generate e-commerce revenue and has an insignificant online presence



- More and more consumers are purchasing products on the internet and the great success that other companies have witnessed online is one explanation as to why Ethan Allen has struggled to grow revenue (*“Restoration Hardware (RH) and Williams Sonoma (WSM) are responsible for all the growth in the mid-high end furniture/accessory category”* – Gabelli, March 25, 2015)

Source: SEC filings and analyst estimates. Restoration Hardware’s 10-K notes that in Fiscal 2014, sales from products originating in its stores and its direct business each represented 50% of net revenue, while Williams-Sonoma’s 10-K indicates that e-commerce net revenue was 50.5% of total net revenue in Fiscal 2014. Ethan Allen’s e-commerce revenue is estimated at between 2% (Barington Research, 6/2/14) and 5% (Nomura, 7/16/14)

Discussion Materials

- The importance of online revenue is articulated in the following passage, which projects that 50% of all retail sales will take place online in the not-too-distant future

“The store is far from dead, but for most retailers, it’s gasping. While the majority of retail sales still occur at the physical store, online transactions are escalating, with purchases made via mobile, tablets, desktops and other connected devices projected to increase by 60% to \$125 billion annually by 2018, according to a recent report by Juniper Research¹. At this rate, the retail industry soon will be a world of 50:50. Fifty percent of retail sales taking place online, while the other half – a very significant reduction – will derive from brick-and-mortar. Sound implausible? While many take solace in reports which show on-line commerce under 10% of revenues, these reports include behemoth Wal-Mart, and may be presenting a misrepresentation of the reality of the escalation-particularly for specialty stores, brands and chain stores. 50:50 will happen. And retail CEO’s and their Boards must take note and actions on the dynamic shift, as this mix of revenue, changes the entire economic model of retail permanently. This is something much bigger than omni-channel.”

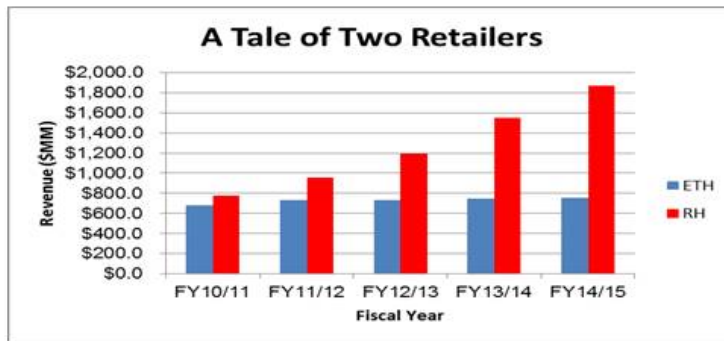
“Digital Disruption: How to Survive in a World of 50:50” by The O Alliance, 10/6/15

(1) “Juniper: Mobile and Online Transactions to Reach \$125 billion by 2018” in BizTechReports, 8/24/15



Discussion Materials

- Restoration Hardware's revenue five years ago was not materially different from Ethan Allen and it has subsequently grown revenue dramatically



- Restoration Hardware (RH) experienced the same "Great Recession" as Ethan Allen, yet was able to reinvent itself and re-position the Company for merchandising success. The following article from September of 2010, entitled "Restoration Hardware Reinvents Itself" discusses the path that Restoration Hardware embarked upon:

Niche retailer Restoration Hardware is launching a fall collection at its redesigned "gallery" stores.

"We've destroyed the previous iteration of ourselves, clearing the way to express our brand in a never-before-seen fashion," says Gary Friedman, chairman and co-chief executive officer. A statement about the relaunch is in a 56-page direct mail piece that went out in late August and is also on the company's redesigned Web site, which proclaims the retailer to be "reinvented, remodeled, reborn."

Friedman calls the gallery stores "a complete re-conceptualization of the shopping experience and an artful expression of home furnishings in a gallery setting" for "an entirely new" Restoration Hardware.

"Restoration Hardware Reinvents Itself" by Tanya Irwin in MediaPostNews, 9/10/10

Source: Bloomberg



Discussion Materials

- Note the following 2015 commentary regarding Restoration Hardware, which provides context for the dramatic revenue growth enjoyed by the company following its 2010 reinvention discussed on the previous page

*"It's hard to believe that **Restoration Hardware** once was a typical mall retailer with nearly 100 stores. After exiting most of its ordinary chain store formats and totally "white boarding" a re-entry strategy, the rebranded **RH** reintroduced itself in 2012 as a luxury home furnishings company. Today the high-end retailer and "disruptive brand" showcases its upscale, curated selections in revolutionary stand-alone galleries, including a former Museum of Natural History, Historic Post Office and other artistic venues...**RH's** intriguing Source Books, which replaced its monthly catalogs, and the brand's website serve as virtual extensions and compelling circular tours of **RH** lifestyle interiors.*

The strategy proved successful: From an uncertain future in 2008, RH net revenues in 1Q2015 alone experienced double-digit growth to \$422.4 million. These results "exceeded our outlook and increased 15% on top of a 22% increase last year," said Gary Friedman, RH Chairman and CEO, in a recent financial statement.^[1] Overall results further demonstrated "the disruptive nature of the RH brand and the power of our multi-channel business model." RH's seamless integration of stores, digital and Source Books creates a totally unique business model – one almost equally divided between the three.

The stores both inspire and astonish. Customers are encouraged to "showroom," take photos of inspirations and test the seating on a down-filled sofa. Highly-trained staff decorators and designers nimbly deploy touch screen tablets to aid purchase decisions, illustrate room layouts and check inventory in the distribution center and timing of special orders from suppliers. The entire supply chain and the stores are interconnected. There is no channel here – only Restoration Hardware – with nothing vanilla about it."

"Digital Disruption: How to Survive in a World of 50:50" by The O Alliance, 10/6/15

(1) Restoration Hardware's 1Q Fiscal 2015 earnings release



Discussion Materials

- The conclusion amongst the analytical community supports our belief that the Company's stale and complacent approach to merchandising is responsible for Ethan Allen's poor sales performance (emphasis added in the following commentary)

"Ethan Allen has been slow to change, in our view. The home furnishings industry is very competitive and many of Ethan Allen's peers have improved their product assortment and have significantly reduced delivery times by carrying in-stock product" – Barrington Research, June 2, 2014

"The company really hasn't participated in holiday gift giving purchases given its merchandise mix. In the past, it has missed sales opportunities due to lack of gift type merchandise, allowing competitors like Pottery Barn (WSM; MO Rate) and Crate and Barrel to take share" – Barrington Research, June 2, 2014

"Ethan Allen has arguably been caught flat-footed versus changing consumer purchasing tendencies" - Gabelli & Company, June 9, 2014

"The higher end consumer is doing relatively well yet Ethan Allen has grown its revenues only 2% in total over the last two years and most of that increase is simply due to owning more retail distribution versus real growth" – Stifel, July 24, 2014

"Restoration Hardware (RH) and Williams Sonoma (WSM) are responsible for all the growth in the mid-high end furniture/accessory category" – Gabelli, March 25, 2015

"We are less certain whether [Ethan Allen's] store locations, image/brand, and marketing can attract a sufficient number of new customers, particularly the millennials"– Stifel, September 16, 2015

"ETH is in a difficult competitive environment, with Restoration Hardware and Williams-Sonoma driving all the growth in the mid-high price segment" – Gabelli & Company, September 17, 2015



“We run it like a private company”

-- Farooq Kathwari

October 5, 2015 conference call with Farooq Kathwari, Corey Whitely, Tom Sandell, and Richard Mansouri



Discussion Materials

- We believe Ethan Allen desperately needs a new and improved Board who can bring fresh perspective and new ideas to the Company
- The following candidates nominated by Sandell together possess very relevant skills in many key functional areas, who we believe will be able to implement significant, value-creating change consistent with their fiduciary duties

Edward Glickman – Former President of Penn REIT

Kathy Herbert – Former EVP at Albertson's

Richard Mansouri – Managing Director at Sandell Asset Management

Annelise Osborne – SVP at Moody's Investor Service

Ken Pilot – Former President of ABC Carpet & Home

Alex Wolf– Former Managing Director at Cerberus Capital Management



Discussion Materials

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