

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)**

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 §240.14a-12

ETHAN ALLEN INTERIORS INC.

(Name of Registrant as Specified In Its Charter)

(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 Rules 14a-6(i)(1) 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:

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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:

ETHAN ALLEN®

November 4, 2015

Ethan Allen Investor Presentation

Executive Summary

ICONIC BRAND – We differentiate ourselves from our competitors by leveraging our strong brand equity in creative and compelling ways that remind consumers of our tremendous range of home furnishing products, professional interior designer services, extraordinary craftsmanship, and extensive custom options.

INTEGRATED VERTICAL MODEL, POSITIONED TO GROW – Since the Great Recession, the Company has refined its vertical structure with: an expanded North American manufacturing and logistics footprint; a strengthened retail network of 144 company-operated and 155 independently operated Design Centers; additional investments in technology, including improvements to our website; and through the accelerated introduction of new product offerings.

THE IMPACT OF REINVENTION – As an 82-year-young company, we understand that reinvention and remaining relevant go hand in hand with long-term thinking and value creation. Short term, building two new plants and then changing 70% of our products in a short period of time has impacted our top-line growth and valuation; however, our rapid repositioning allows us increased opportunity to accelerate growth and enhance long-term shareholder value.

STRONG OPERATING PERFORMANCE – Although our major transformation strategy is underway, we have been maintaining our leading operational performance. Ethan Allen has a long, consistent record of applying its excess cash flow to provide regular dividends, special dividends, and capital returns through share repurchases.

STRONG CORPORATE GOVERNANCE / THE RIGHT BOARD AND MANAGEMENT – Strong corporate governance is good for our profitability, our talented and committed team, and our stockholders. As a group, we embrace our Leadership Principles, which define our commitment to excellence. They are points of the compass that guide us to achieve our full potential, both as individuals within the company and as stewards in the industry and for our stockholders. Shepherding the Company through change requires a strong Board and Management Team that understands our vertically integrated business and growth trajectory. In addition, our CEO is the Company's largest stockholder, and his interests are completely aligned with all other stockholders.

Ethan Allen Investor Presentation

- Company Overview
- Transformation Strategies – Positioned to Grow
- Strong Financial Profile
- Review of Financial Opportunities
- Effective Corporate Governance
- Setting the Record Straight
- Summary Conclusions

Company Overview

FINANCIAL HIGHLIGHTS					
	2015	2014	2013	2012	2011
Statement of Operations Data					
NET SALES	\$754,600	\$746,659	\$729,083	\$729,373	\$678,960
GROSS PROFIT	\$411,163	\$406,496	\$398,349	\$390,288	\$349,460
OPERATING INCOME	\$65,934	\$69,636	\$60,437	\$49,697	\$31,933
NET INCOME	\$37,142	\$42,931	\$32,478	\$49,694	\$29,250
Per Share Data					
NET INCOME PER DILUTED SHARE	\$1.27	\$1.47	\$1.11	\$1.71	\$1.01
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	29,182	29,276	29,239	29,109	28,966
Balance Sheet Data					
CASH AND SECURITIES (A)	\$86,390	\$135,836	\$103,563	\$104,142	\$107,819
WORKING CAPITAL	\$129,705	\$169,582	\$127,631	\$131,715	\$113,912
CURRENT RATIO	1.92 to 1	2.25 to 1	1.96 to 1	1.87 to 1	1.74 to 1
TOTAL ASSETS	\$607,308	\$654,434	\$617,285	\$644,788	\$628,325
TOTAL DEBT, INCLUDING CAPITAL LEASE OBLIGATIONS	\$77,568	\$130,912	\$131,289	\$154,500	\$165,032
SHAREHOLDERS' EQUITY	\$370,258	\$67,215	\$34,150	\$321,668	\$281,687
DEBT AS % OF EQUITY	20.9%	35.6%	39.3%	48.0%	58.6%
DEBT AS % OF CAPITAL	17.3%	26.3%	28.2%	32.4%	36.9%
Cash Returned to Shareholders					
DIVIDENDS PAID	\$13,348	\$11,297	\$22,220	\$8,062	\$5,754
COST OF SHARES REPURCHASED	\$16,470	—	—	\$1,350	\$2,787
NUMBER OF SHARES REPURCHASED	645,831	—	—	79,293	204,286

Amounts in thousands, except share data. Fiscal years ended June 30.
 (A) Includes cash and cash equivalents, marketable securities, and restricted cash and investments.

Ethan Allen (NYSE:ETH) is a vertically integrated, leading interior design company and a manufacturer, wholesaler, and retailer of quality home furnishings.

- The Company offers complimentary interior design service to its clients and sells a full range of furniture products and decorative accessories through ethanallen.com and an international network of Design Centers.
- Approximately 80% of furniture products sold by Ethan Allen are customized to match clients' unique preferences, from upholstery fabrics and trims to hand-applied gilding on select furniture styles.
- Management believes it offers its client base a unique combination of professional interior design services, customizable product offerings, superior quality, and attractive price points that are unique in the industry, all to the benefit of the Company's stakeholders, suppliers, employees, and stockholders.

300	Design Centers:
	145 Company-owned & 155 Licensees
1,500	Interior Designers in North America
5,000+	Interior Design Affiliates
8	Manufacturing Plants
2	National Distribution Centers
29	Retail Home Delivery Service Centers

RESULTS FOR FY2016 FIRST QUARTER ENDED SEPTEMBER 30, 2015

- Sales of \$190.4 million. Previous year \$190.7 million
- Total cash and securities of \$94.8 million compared to \$86.4 million at prior fiscal year end
- Paid dividends of \$4.0 million, an increase of 38% over the prior year quarter
- Gross margin of 55.0% in both current and prior year periods
- GAAP & adjusted operating income of \$20.9 million, 11.0% of sales; Previous year GAAP operating income \$20.5 million, 10.7% of sales; adjusted operating income \$21.9 million, 11.5% of sales
- GAAP and adjusted earnings per diluted share (EPS) of \$0.46; Previous year GAAP EPS of \$0.41, adjusted EPS \$0.44
- Retail comparable written orders decrease by 9.8% and total written orders decrease by 9.3%
- EBITDA \$25.7 million, 13.5% of sales; previous year EBITDA \$25.2 million, 13.2% of sales; adjusted EBITDA \$26.6 million, 14.0% of sales

October 2015 Written Orders

- Total written orders in Company's Retail Division for the month of October increased 33.9% and comparable written orders increased 32.3%, compared to the previous year October
- Record written orders for the month of October 2015 exceeds strong written prior year month of October, and exceeded any prior October
- October written orders reflect:
 - The ability to write orders at rate in excess of \$1 billion with the strength and reach of the Ethan Allen interior design network; 1,500 in-house interior design associates operating from our 200 Design Centers in North America, of which 144 are operated by the Company
 - The strength of the Company's marketing programs; September direct mail included a strong 76-page magazine and October and November magazines were 100-pages mailed to wider demographic base
 - The strength of our website and digital marketing in getting our message out. The October monthly sales driver was our in-store only 'Start Something Beautiful' event for the last two weeks of the month and featured 30% off any single item. This extra 10% or 15% off the current sale pricing was advertised only through our website and digital email marketing generating strong sales and traffic to the design centers

Home Furnishings Industry Overview

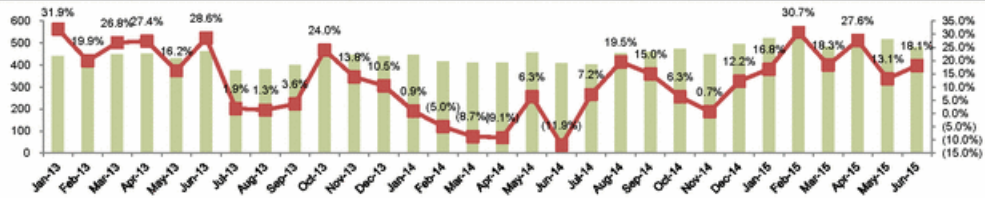
- Home Furnishing market is a stable and growing \$200+ billion industry, expected to grow at a compounded annual growth rate 4.6% through 2021
- Key drivers include: consumers' spending and return to housing market, increasing housing churn, increasing home prices and improving jobs growth

Furniture, Home Furnishing and Housewares Stores market (\$bn) and growth rate



Source: Plunkett Research

New home sales (000s) and YOY change



Source: U.S. Census Bureau

Source: HFN, U.S. Census Bureau, and J.P. Morgan estimates

Transformation Strategies

The Board and Management's Growth Strategy for the Company coming out of the Great Recession – The Path to Exceeding \$1 Billion in Sales

- Enhance competitive differentiation
 - Emphasize product customization and North American artisanship
 - Maintain our vertically integrated model versus switching to an importer and more commodity based selling model.
 - Rebuild our manufacturing – Expand within North America by building new manufacturing in Mexico and Honduras - A Five-Year Task
 - Design, manufacture and launch new product programs

- Refresh and expand our product offerings to appeal to a broad customer base
 - Classic designs with a modern attitude to maintain unique product positioned at the mid to upper level of the market.
 - Appeal to a broad demographic base in terms of style and fashion
 - Expanding into additional product categories with focus on reaching children and millennials
 - Develop new merchandising programs that effectively utilize our rebuilt manufacturing capabilities

Transformation Strategies

The Board and Management's Growth Strategy for the Company coming out of the Great Recession – The Path to Exceeding \$1 Billion in Sales

- Develop a more effective and targeted retail network
 - Renovate, relocate and add new design centers to increase traffic and enhance the projection of the brand
 - Remodel/renovate design centers to accommodate the new products
 - Reposition retail footprint from legacy locations to lifestyle centers
 - Accelerate International expansion through licensees
 - Continued strengthening of our interior design associates
- Aggressively expand and increase our marketing efforts once products and design centers are refreshed and capacity is in place to support growth
 - Increase advertising and promotions to increase traffic

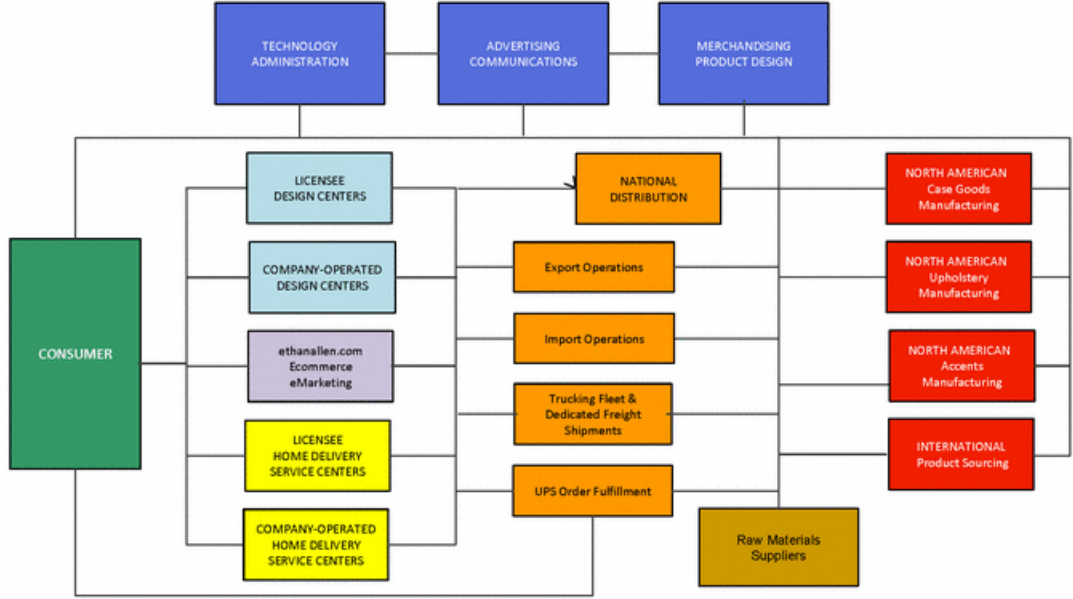
Transformation Strategies

The Board and Management's Growth Strategy for the Company coming out of the Great Recession – The Path to Exceeding \$1 Billion in Sales

- Expand digital commerce to reach wider demographic
 - Move to new cloud platform for website
 - Update Website to serve dual purpose
 - Inspirational to drive traffic to Design Centers and our 1,500 Interior Designers
 - More effective Ecommerce platform
 - Implement on-line merchandising strategy and expand digital marketing to increase on-line business

- Strengthen financial structure
 - Stabilize and maintain tight fiscal controls during transformation
 - Utilize Company's financial strength and operating leverage to enhance shareholder returns through dividends and share repurchases

Vertically Integrated Business Model Requires a Strong and Diversified Board and Management Team



Vertically integrated structure from design to delivery provides a superior customer experience: relevant product design, consistent quality, control of the buying experience, and tight financial and operating controls

Strengthened Vertically Integrated Structure From Design through Delivery

Manufacturing
& Sourcing

Case Goods Manufacturing - Upholstery Manufacturing - Accents Manufacturing Offshore Sourcing - Logistics

- 70% of furniture products manufactured by Ethan Allen
- 80% of furniture products are custom made-to-order and can be delivered to the customer within 4-6 weeks
- 20% of furniture products are available for immediate delivery and additional in-stock products being added for expanding ecommerce channel
- Our competitors primarily operate a commodity-oriented, high-inventory offshore import model
- The Company exports North American manufactured products to our Chinese retail outlets

In the midst of the Great Recession, when many furniture manufacturers went bankrupt, closed their American manufacturing or ramped up importing standardized product from offshore, the Company made the strategic decision to maintain our differentiated North American vertically integrated, customized competitive model. Our operating structure means we can offer our clients customized products, while maintaining relatively low inventories and average shipment time from our plants of approximately 4 weeks.

Strengthened Vertically Integrated Structure from Design through Delivery

Manufacturing & Sourcing

Manufacturing and Logistics Footprint



Own and operate 8 manufacturing facilities in the U.S. (6), Mexico (1), and Honduras (1)

Manufacture and/or assemble approximately 70% of our furniture products in our own North American plants

Uniform manufacturing standard focused on environmental and social responsibility

Full control of product from manufacturing facilities to end user via:

2 distribution centers strategically located on the East Coast and in the Midwest

29 retail Service Centers located across the country

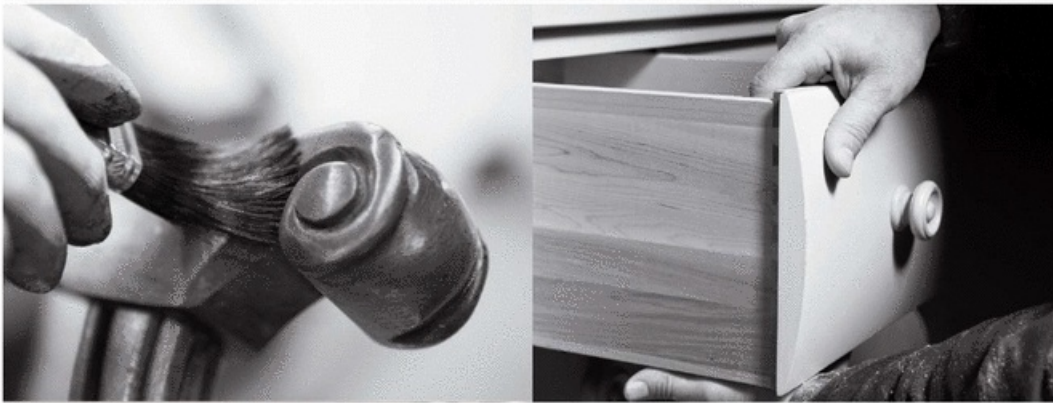
North American Manufacturing=Competitive Advantage
Custom made-to-order products shipped from our plants in about 4 weeks.

Quality Craftsmanship: A Cornerstone of the Brand

Manufacturing
& Sourcing

- Much of our furniture is built by hand, one piece at a time, in our own North American workshops
- Most frames are hand-assembled and stitching is guided by hand
- We select international partners as committed to quality as we are
- All case goods frames are made with premium lumber and veneers
- Best-in-class construction techniques, including mortise and tenon joinery and four-corner glued dovetail joinery on drawers

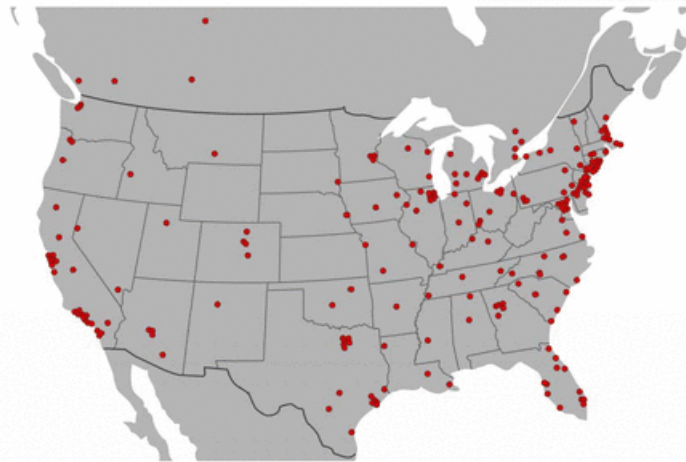
Commitment to high construction standards



Expanded and Repositioned Retail Network North American Design Centers

Retail

- In the past 5 years, opened 25 company-operated stores, including 14 relocations, and 79 independently operated stores, including 23 relocations
- Relocating to Design Centers with smaller footprints, reflecting changes in consumer patterns
 - Average Design Center opened in last 3 years is ~10,000 sq. ft. vs. ~16,000 sq. ft.
- Targeting 40 new potential U.S. markets, with 7 currently under construction
- In past 5 years, Ethan Allen and independent operators have opened 70 stores outside North America, primarily relocations, in China, Europe, and the Middle East



133 locations

Classic Design



52 locations

Neoclassical Design



23 locations

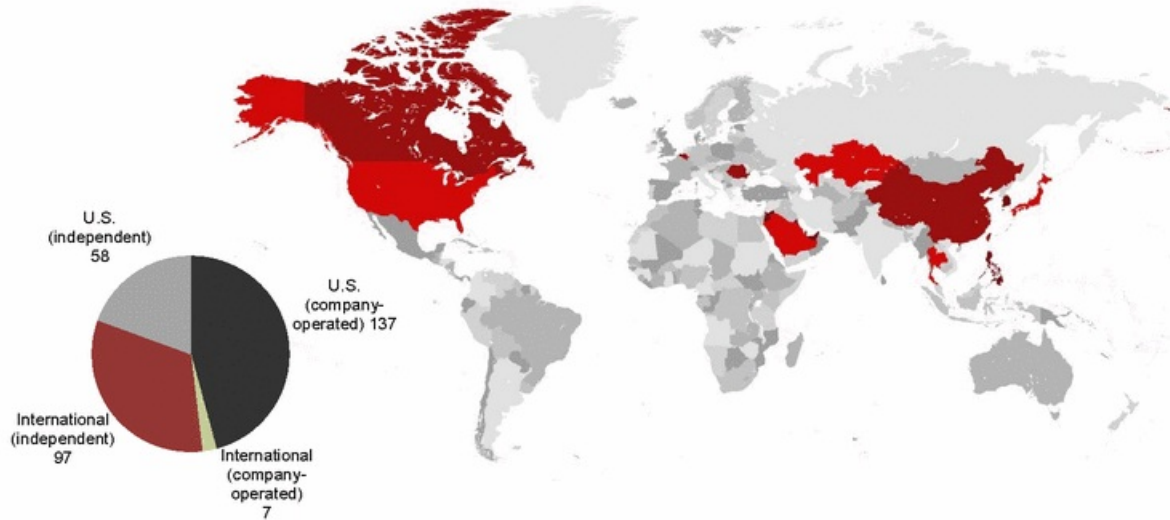
Lifestyle Design



Innovative Global Home Furnishings Provider

Retail

- From its roots as a manufacturer of high-quality home furnishings, Ethan Allen has matched its superior craftsmanship with over 1,500 interior designers and 300 Design Centers around the world
- Vertically integrated from concept through delivery, affording clients a value equation of style, quality, and price that is unique in the industry



Leading Interior Design Company Strengthening Interior Design Network

Retail

- Leading interior design enterprise with 1,500 interior designers in North America
- Added entrepreneurial interior designers – 60% with entrepreneurial backgrounds
- Our interior designers directly interact with customers developing long-term client relationships and drive sales by leveraging the Company's marketing and product programs together with their professional interior design service
- Expanded Interior Design Affiliate Program (IDA) with over 5,000 members
- Our network of interior designers provide opportunity to substantially increase business with existing retail network currently in place



Transformation Strategies – New Offerings

Competitive Differentiation

- Complimentary Design Service
 - Design Centers staffed with professional designers, offering highly personalized, complimentary service from room planning to color selection
- Diversity of Style
 - Ethan Allen draws inspiration from an array of cultural influences to create uniquely American furnishings in a variety of styles
- Customization
 - Commitment to client's personal style, including fabric and finish selection, trims and tapes, custom art, and soft goods
- Superior Craftsmanship
 - All furnishings are constructed with care, one design element at a time.

Unique product value



Ethan Allen leverages its vertically integrated platform and professional designers to create unique products and value for its clients.

Transformation Strategies - New Offerings

From Fall 2014 to Spring 2016, Ethan Allen has been refreshing about 70% of its product offerings; we have completed Phases I, II and III through Fall of 2015. About 80% of our furniture products are customizable to match our clients' unique style preferences.

Phase I: Introduced Fall 2014

- Introduced Casual Classics
- Introduction focused on relaxed finishes and comfort with relevant products for how people live today



Phase II: Introduced Spring/Summer 2015

- Launched Romantic Classics with unique, stand-alone, timeless pieces
- New finishes, the injection of color and great forms create more fashion looks for the home; manufacturing centered around company's U.S. workshops



Transformation Strategies - New Offerings

Phase III: In-Process Fall 2015

- Romantic Classics with influences inspired by European designs
- Taking inspiration from the classics and modernizing them for today's living; continued focus on U.S. manufacturing



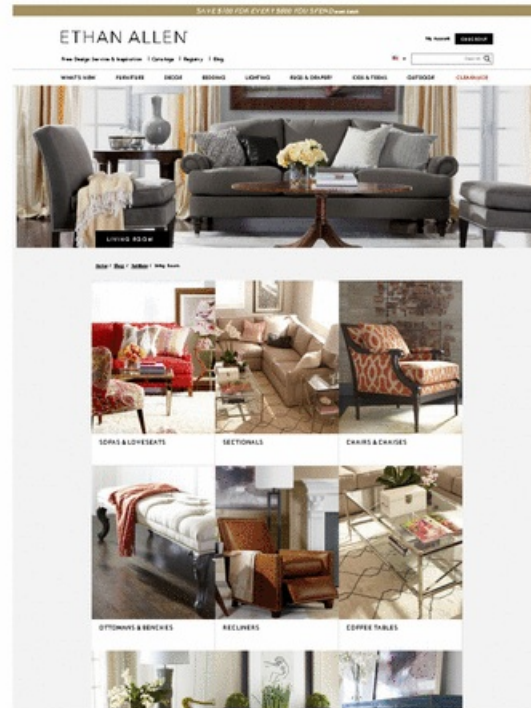
Phase IV: Implementing Spring 2016

- Casual Classics influenced by American designs
- Comfortable and affordable furniture and décor for relaxed lifestyles

Coming Soon!

Transformation Strategies –Technology & Ecommerce

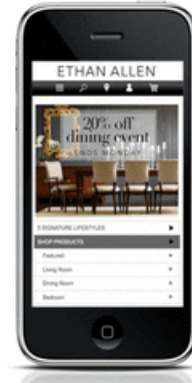
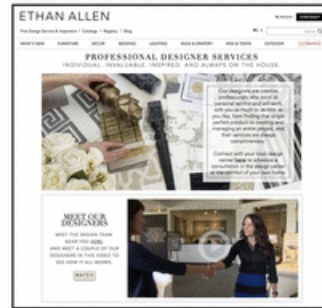
- A key part of our repositioning has been to add technology throughout our business to create a dynamic omni-channel environment. This includes investing in our technological infrastructure—including digital, retail, manufacturing, finance, operations, warehousing, and logistics platforms—to seamlessly link information across our vertically integrated company.



Transformation Strategies –Technology & Ecommerce

Ethan Allen's Digital Strategy Objectives

- Provide a rich branding experience for the consumer while introducing them to our interior design services and expansive product offerings that reflect today's focus on fashion for the home.
- Drive traffic to our expansive brick-and-mortar network.
 - With 200+ Design Centers in North America, about 70% of our target demographic is within easy driving distance an Ethan Allen Design Center.
 - Clients who come into a Design Center and experience our personal design service have higher average tickets and are more likely to return.
 - 90% of clients who visit Design Centers have been on our website.
- Increasing ecommerce sales through our website redesign.
 - Targeting both new and younger demographics, with a "buy it now" attitude
 - We have streamlined the online custom offerings to make the buying process quick and easy.
 - This creates an opportunity for incremental online sales that do not cannibalize the brick-and-mortar interior design service sales.



Transformation Strategies - Accelerating Marketing Efforts

In 2015, with our new merchandise now in place, Ethan Allen has been accelerating its marketing efforts

- Launched *Muses*, a 328-page Coffee Table Book
- Sent Out About 30 Million Direct Mail Marketing Magazines
- Expanded Digital and Television Campaigns
- Social Media/Grassroots Marketing
- Design Center Projection

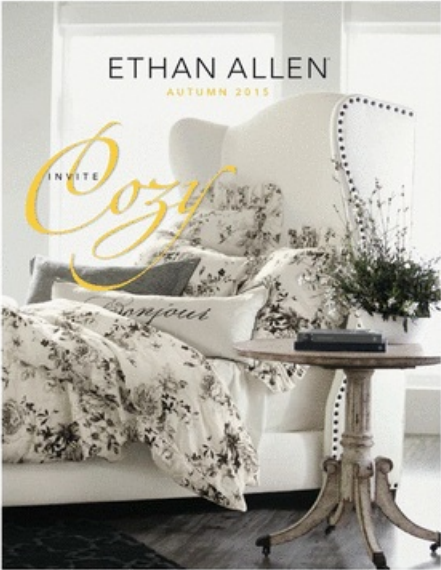


Transformation Strategies - Accelerating Marketing Efforts

Direct Mail - Fall Issue, September
76 pages

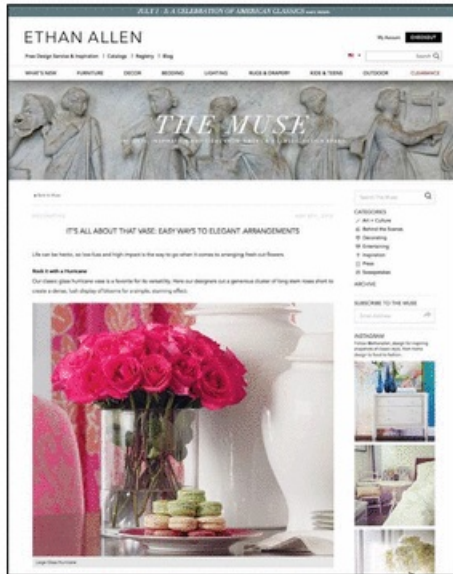


Direct Mail - Fall Issue, October
100 pages



Transformation Strategies - Accelerating Marketing Efforts

Social Media Focus - The Muse blog, Facebook, Pinterest, Houzz, Twitter, Instagram, Google+, and YouTube



Transformation Strategies – Positive Views From Analysts of Strategy & Performance

"We believe management has done an excellent job with the new product designs, which are still classic yet have a modern flair." "We believe it will be a bumpy road for the next several quarters and that FY/17 will likely be the turning point for the company." - Barrington Research, September 17, 2015

*"We still believe that after completing phase three of its new product launch, **Ethan Allen will be better positioned to grow in CY 2016 and beyond.** Our constructive thesis is underpinned by Ethan Allen's vertically-integrated operating model and leading in-home interior design capabilities." - Raymond James, October 20, 2015*

*"Investments will create near-term margin headwinds for a couple more quarters but **we see a brighter future ahead.**" – Dougherty & Company, January 29, 2015*

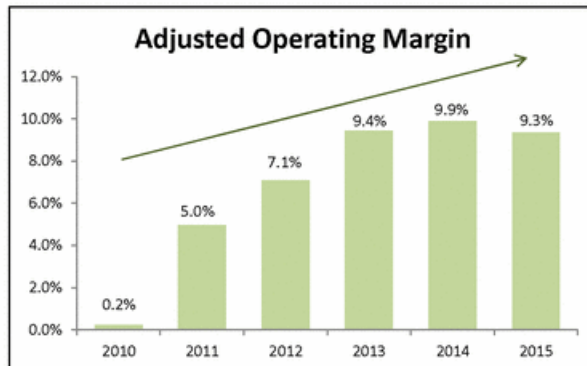
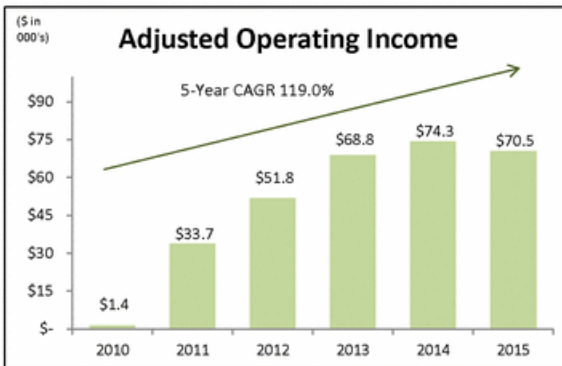
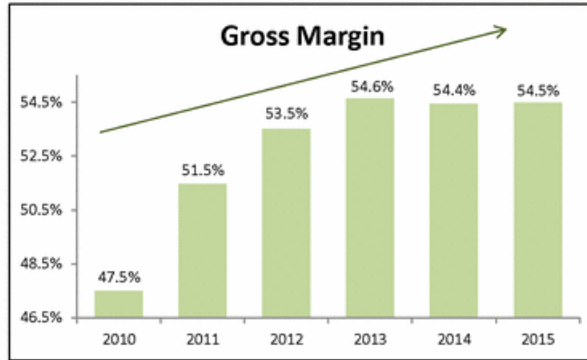
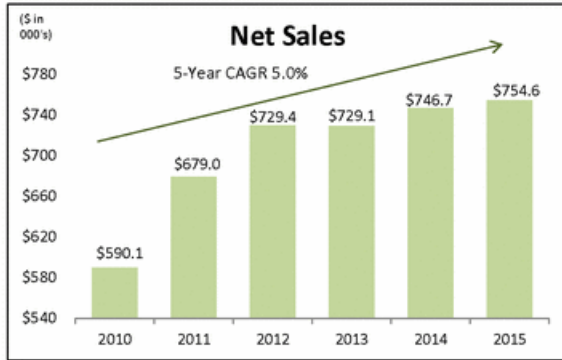
*"Preparing to Phase out of Transition; **we believe the Next Classics transition is on track** and an important part of the strength cited in the month of June, we believe the transition impact could last another six months" - Nomura, July 28, 2015*

*"Although transition-associated margin headwinds will persist a bit longer, **we are confident that after completing phase 3 of its new product launch (October/November 2015), Ethan Allen will be well positioned for long-term growth.** So, our positive investment thesis remains, underpinned by Ethan Allen's vertically-integrated operating model and its leading in-home interior design capabilities. Even with near-term choppy results, ETH's current valuation offers a compelling risk/reward scenario, in our view." – Raymond James, July 29, 2015*

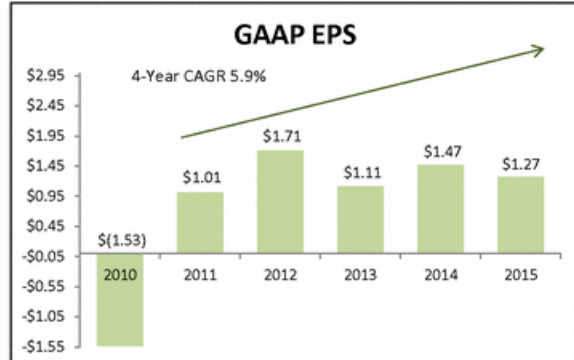
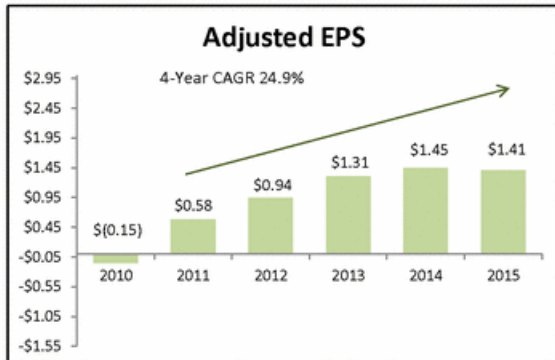
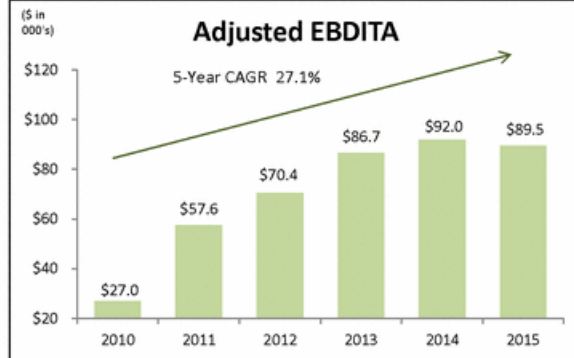
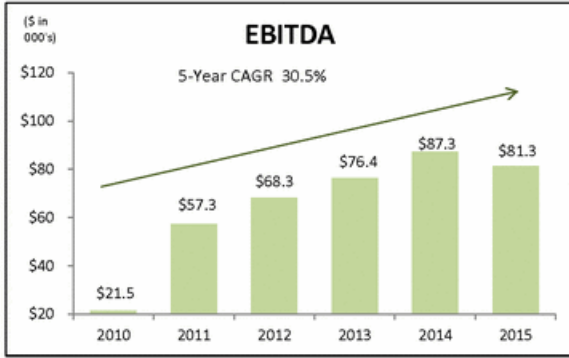
Strong Financial Profile

- Strong Balance Sheet and Sound Fiscal Controls Allowed the Company to Weather the Great Recession
- Post Great Recession-Rebuilt Operating Performance Rapidly Despite Major Rebuilding and Repositioning of Vertically Integrated Enterprise
- Managed Cash While Executing Transformational Strategies
- Resumed Share Repurchases
- Maintained and Increased Dividends
- Issued Special Dividend
- Repositioned to Increase Leverage on Balance Sheet
- Fiscal 2015 and 2016 - Major Transformation Positions the Company for Accelerated Growth

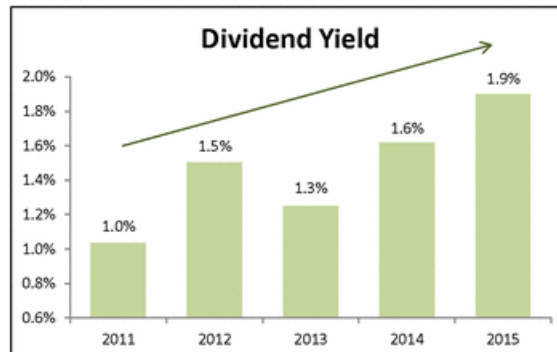
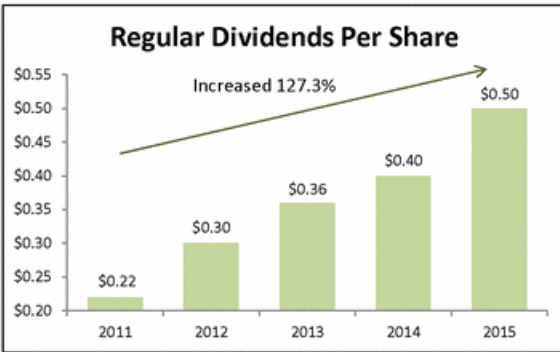
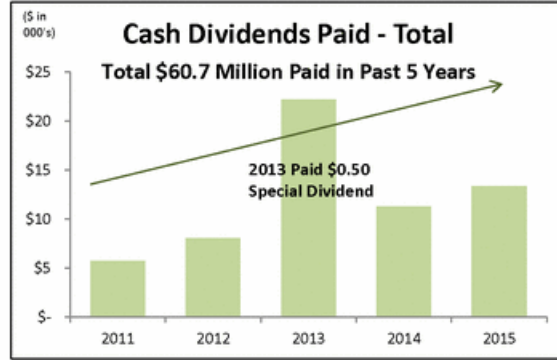
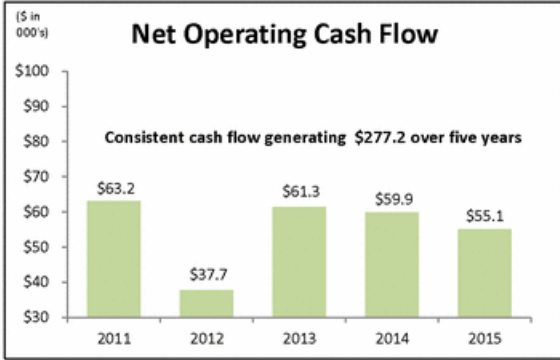
Financial Profile - Superior Performance



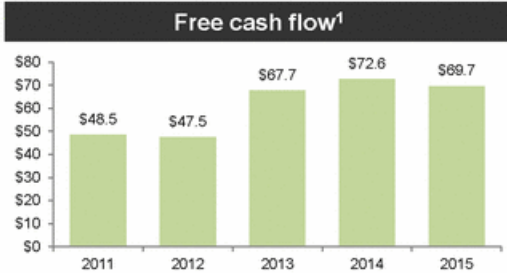
Financial Profile - Superior Performance



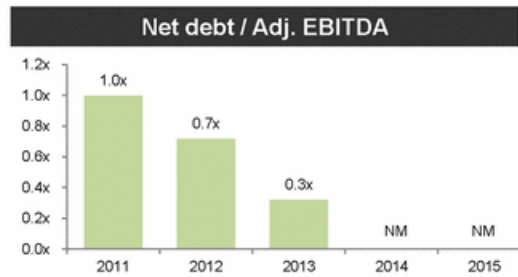
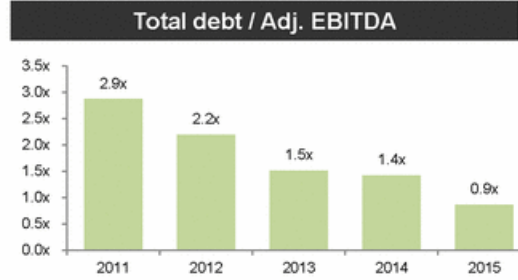
Financial Profile - Superior Performance



Financial Profile - Superior Performance



¹ Free cash flow defined as Adj. EBITDA minus capital expenditures



Review of Financial Opportunities

Disciplined Capital Structure and Assets Enabled Us To Survive the Great Recession, When Many of Our Competitors Did Not.

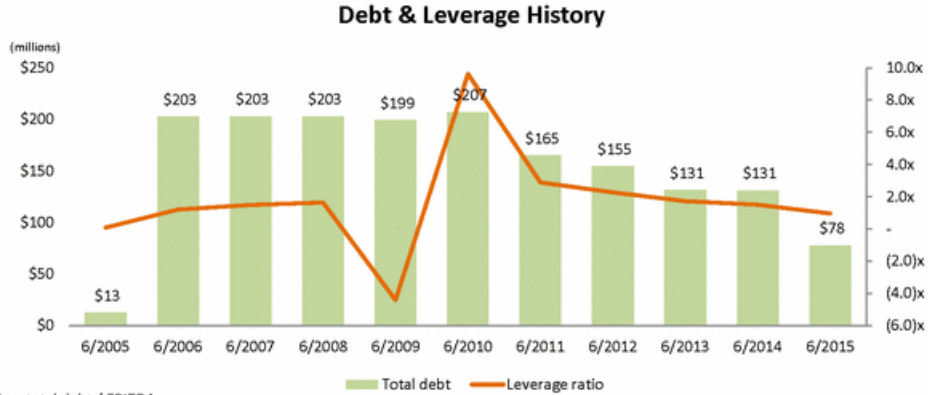
- Ethan Allen strategy of owning select real estate assets while maintaining a disciplined capital strategy ensured that Ethan Allen survived the Great Recession that devastated much of the cyclical furniture industry and led to the bankruptcy and demise of several major furniture industry competitors and very severe losses for surviving competitors
- Companies and brands that filed for protection under bankruptcy laws included Furniture Brands (Broyhill, Lane, Drexel, Thomasville), Robb & Stucky, Mastercraft, RoomStore, Bombay Company, Jennifer Convertibles, Z Gallerie, and Simmons
- Other competitors such as Pier 1, La-Z-Boy, and Bassett dropped more than 90% of their market values during the Great Recession.
- While Ethan Allen was very stressed by the Great Recession, we had the assets, resources, and management to weather it and then rebuild from it.

Review of Financial Opportunities

Consistent Financial Performance and Debt Strategies

Prudent Capital and Debt Management

- Paid down \$210.4m of debt during the past 5 fiscal years
- Improved total leverage from fiscal 2010 of 9.6x to 1.0x in fiscal 2015
- Improved net leverage from fiscal 2010 of 4.9x to -0.1x in fiscal 2015:



Review of Financial Opportunities - Real Estate Strategies

Retail Real Estate:

- 53 Design Centers owned after selling and repositioning 38 properties, realizing about \$67.2m in net sale proceeds
- 17 Design Centers subject to land leases
- 74 Design Centers leased from third parties
- Current average size of 16,000 sq. ft.
- Average size of 23 new locations opened in last three years is 10,500 sq. ft. (22 leased, 1 owned)



Manufacturing and Distribution Real Estate:

- 8 manufacturing facilities and 2 national distribution centers owned after consolidating and selling 20 facilities, realizing about \$10.5m in net sale proceeds.
- Ethan Allen currently has 29 retail service centers: 3 owned, 11 leased and 3PL service providers utilized for 15.



Review of Financial Opportunities - Real Estate Strategies

- Transitioning Real Estate as Core Part of Our Strategy.
Strategic repositioning requires flexibility to continue selling and repositioning existing Design Centers:
 - From larger legacy Design Centers, averaging about 16,000 sq. ft., to smaller locations, averaging 10,500 sq. ft.
 - From suburban destination locations to more urban lifestyle center locations
 - From owned or long-term store leases to shorter 5-10 year term leases
- Financial Engineering Real Estate Adds Large Financial Cost and Risk. Sale/leaseback or REIT financial engineering is not right for Ethan Allen:
 - Imposes substantial, new, long-term lease costs, significantly eroding future profits and cash flows
 - Risks cost-control efficiencies in cyclical markets
 - Unlike borrowings against real estate, a lease cannot be paid off early

Review of Financial Opportunities - Real Estate Strategies

- Capital Structure Permits Our Real Estate Strategy.
New proposed \$250 million debt financing leverages owned properties:
 - Utilizing owned properties as collateral permits strategic repositioning of real estate footprint
 - Financially engineered sale-leaseback type transactions would significantly restrict Ethan Allen in continuing our strategic repositioning of our retail footprint
- Real Estate Asset Values and Financings. Ethan Allen believes that it is monetizing its real estate for the benefit of capital returns our stockholders and for consistency with the flexibility required for our repositioning strategies. Real Estate used as collateral for debt allows debt to be repaid, and then real estate can be collateralized again for future debt issuances.

Review of Financial Opportunities

The proposed \$250m senior term credit facility, along with the \$115m senior asset-based facility provides Ethan Allen with significant financial flexibility to execute its strategic plan, including providing a substantial capital return to stockholders, without imprudently leveraging Ethan Allen in a cyclical industry. Ethan Allen also expects to maintain average cash liquidity of about \$190 million, consistent with fiscal prudence as well as credit agreement requirements and rating agency expectations.

Pro forma capitalization (\$mm)

As of September 30, 2015	Amount	Adj.	Pro forma	% Cap	xAdj. EBITDA
Cash, equiv. & marketable securities ³	\$95.00		\$95.00		
\$115mm RC due 2019	40	-40	-	-%	-x
\$35mm TL A due 2019	34.4	-34.4	-	-%	-x
New \$250mm long-term debt	-	250	250	24.38%	2.79x
Capital leases & other debt	2.3		2.3	0.22%	0.03x
Total debt	\$76.70		\$252.30	24.60%	2.82x
Adj. leverage (3.0x) ¹	\$161.65		\$337.25		2.86x
Net leverage	(\$18.30)		\$157.30		1.76x
Market equity as of 10/30/15 ²	\$773.14		\$773.14	75.40%	8.64x
Total capitalization	\$873.50		\$1,025.44	100.00%	11.46x
Enterprise value	\$778.50		\$930.44		10.40x
Adj. EBITDA	\$89.50		\$89.50		

¹ Defined as (total debt + 3.0x rent expense) / Adj. EBITDAR; rent expense of \$28.3mm per FY 2015 10-K

² Based on share price of \$27.21 and 28.4mm shares outstanding

³ As of September 30, 2015

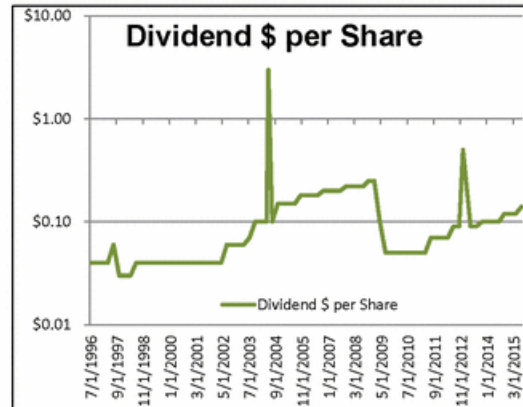
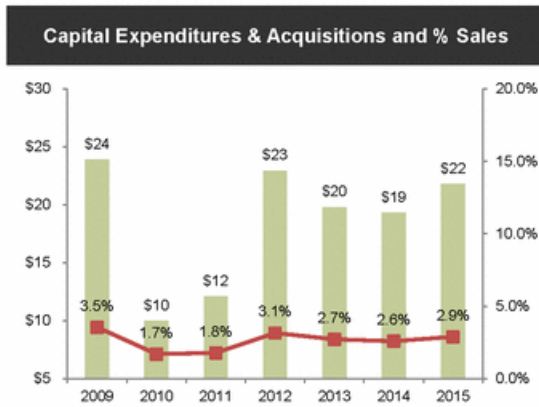
Review of Financial Opportunities

Proposed \$250m Debt. Ethan Allen is evaluating a \$250m debt financing, subject to market conditions.

- Secured by substantially all of Ethan Allen real estate and other intangible assets
- Refinance our outstanding indebtedness and be layered along with our \$115 million asset-based lending facility
- Pro forma for this transaction, Ethan Allen would be prudently leveraged with ability to pay down debt
- Pro forma impact on EPS would be an incremental increase in net interest cost of \$8 million, or \$0.18 per share

Review of Financial Opportunities

Ethan Allen Capital Return Strategies-In the past 5 fiscal years, Ethan Allen has used internally generated cash to repurchase shares (\$20.6m), pay dividends (\$60.7m), make store acquisitions and support capital expenditures (\$96.3m), and make substantial debt repayments (\$210.4m). Ethan Allen has a long and consistent record of applying excess cash flow to provide common stock dividends, special dividends, and capital returns:

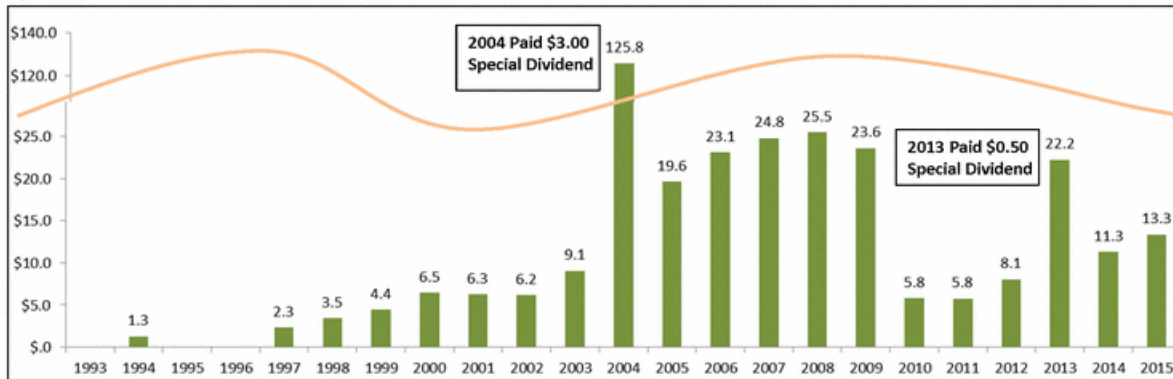


Focus on Shareholder Returns

- Long and consistent history of returning value to stockholders, including payments of Regular and Special Dividends
- Total Dividends Paid \$348.4 million

(millions)	Last 5 Fiscal Years	Since Going Public
Capital expenditures	\$ 96.3	\$ 740.2
Debt repaid	\$ 210.4	\$ 390.9
	\$ 388.0	\$ 2,028.6

(millions) **Annual Dividends Paid**

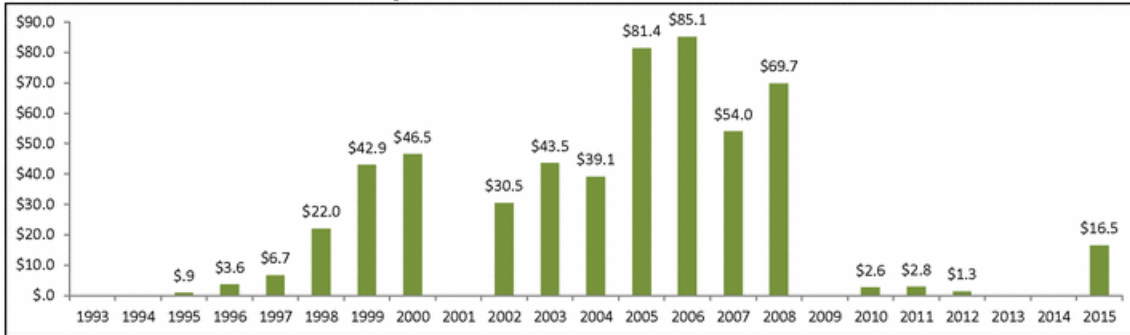


Focus on Shareholder Returns

- Long and consistent history of returning value to stockholders, including frequent Share Repurchases
- Total Share Repurchases \$549.2 million

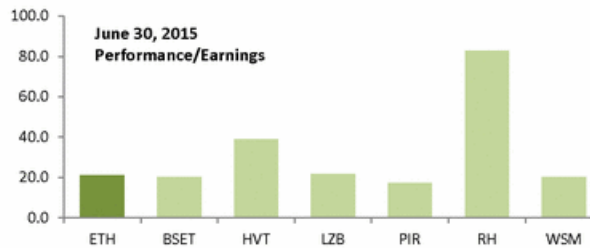
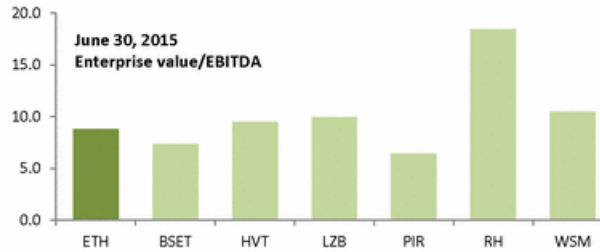
(millions)	
Total shares issued	46.7
Shares outstanding 6/30/05	34.5
Shares outstanding 6/30/15	28.4
Cumulative share repurchases	18.3
	39.2%

(\$ thousands) **Annual Share Repurchases**



Focus on Shareholder Returns

- Leveraging our strong operational performance to generate excess cash, which is returned to stockholders through special and ordinary dividends and stock buybacks.
- Share price valuation metrics have remained consistently on par with our furniture peers during major transformation.
- Positioned for the opportunity of trading at an expanded market premium as the transformation is completed.

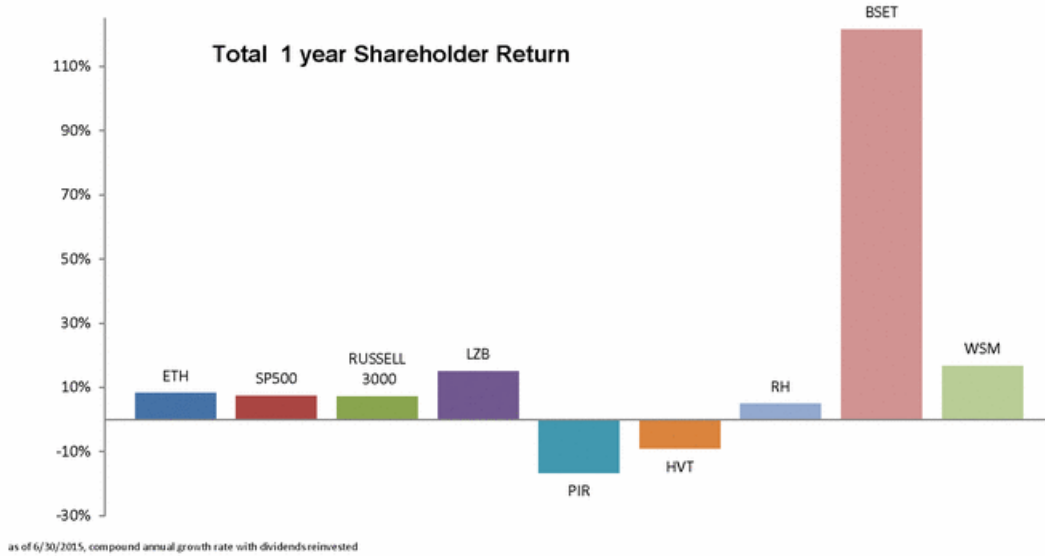


Source Worldscope

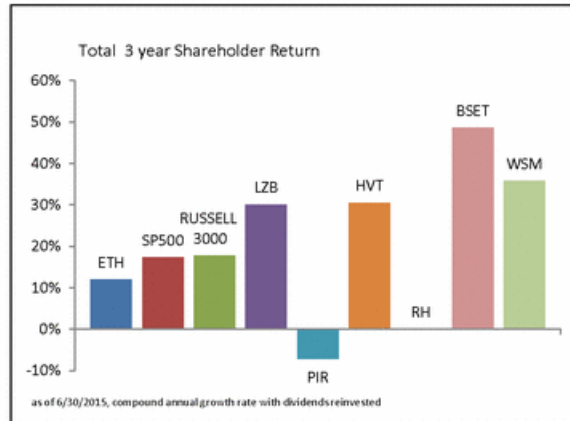
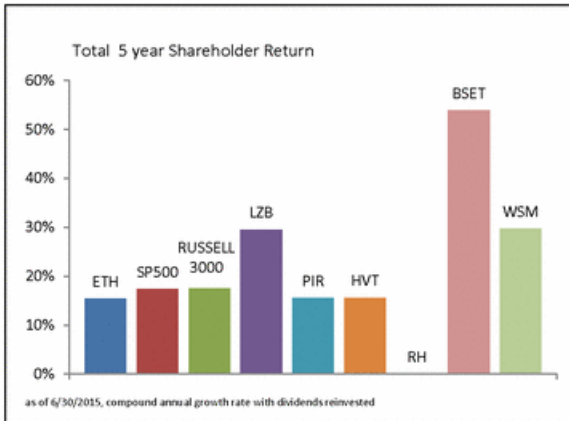
Shareholder Returns

Total Shareholder Return

- Strong returns with opportunity for accelerated growth.
- New debt financing provides opportunity for increased shareholder returns.

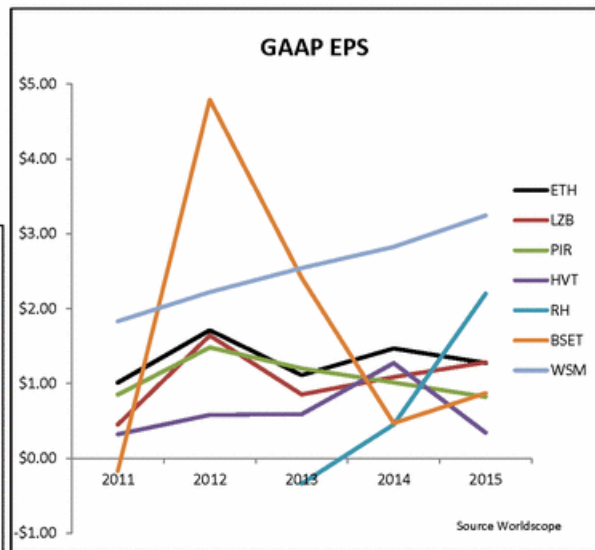
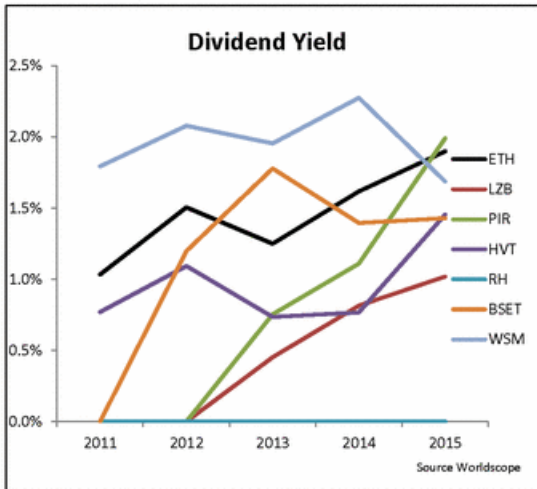


Shareholder Returns



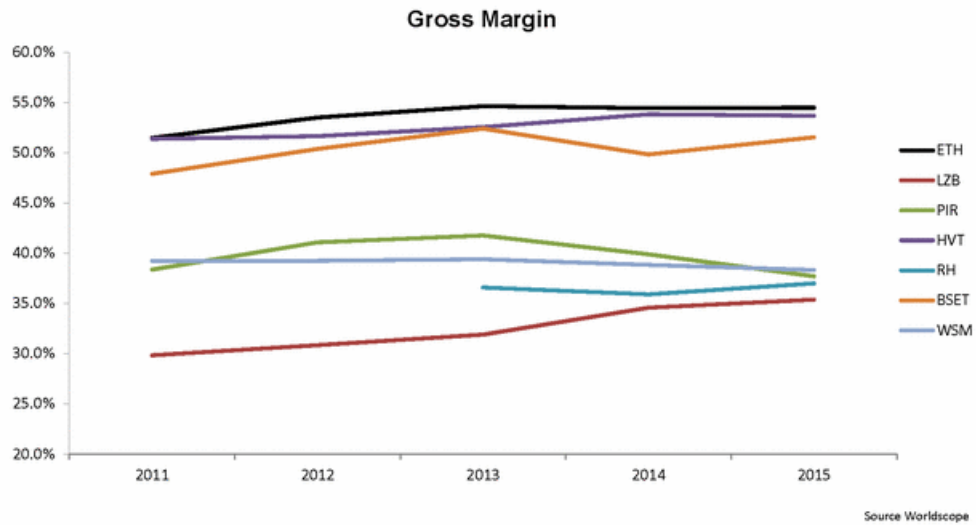
Superior Operating Performance-Post Great Recession

Ethan Allen Maintains Consistently Stronger EPS and Dividend Yields Than Our Furniture Peers. Ethan Allen's vertical integration provides greater operating leverage than our furniture peers.



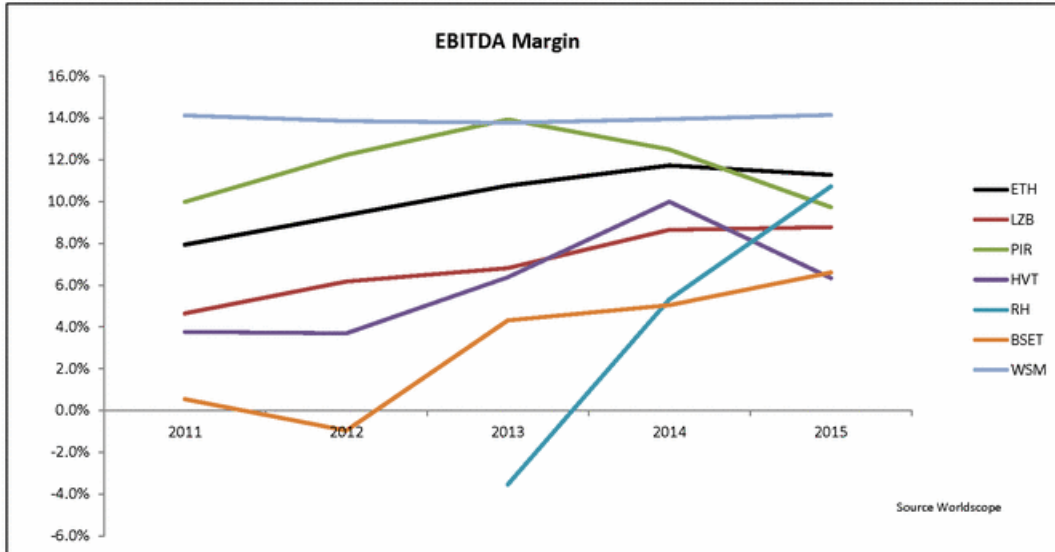
Superior Operating Performance-Post Great Recession

Ethan Allen Maintains Consistently Higher Gross Margins Than Our Furniture Peers. Ethan Allen's vertical integration, with a strong manufacturing and retail base, enables Ethan Allen to maintain consistently higher gross margins than our furniture peers.



Superior Operating Performance-Post Great Recession

Ethan Allen Maintains Consistently Higher EBITDA Margins Than Our Furniture Peers. Ethan Allen's merchandising and vertical integration structure, along with prudent financial management, enables Ethan Allen to maintain a consistently higher EBITDA margin than our furniture peers.



Opportunity for Increased Shareholder Returns

(\$, millions except per share)

	Opportunity Scenarios					
	"Peak" F2006	F2015	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Net sales	1,066.4	754.6	800	900	1,066	1,200
Gross margin	50.7%	54.5%	55.0%	55.5%	56.0%	56.5%
Operating expenses	394.1	340.7	354	385	437	478
<i>% of NS</i>	37.0%	45.1%	44.3%	42.8%	41.0%	39.9%
Operating income	146.9	70.5	86	114	160	200
<i>% of NS</i>	13.8%	9.3%	10.7%	12.7%	15.0%	16.6%
Net interest & other	4.6	5.6	3	3	3	3
Pretax income	142.3	64.9	83	111	157	197
Net income	88.3	41.2	53	70	100	125
Diluted EPS	\$ 2.59	\$ 1.41	\$ 1.83	\$ 2.45	\$ 3.46	\$ 4.34
Wtd avg shares	34.1	29.2	28.8	28.8	28.8	28.8

Assumptions: FY2015 reflects adjusted results, excluding one-time nonrecurring charges. Opportunity scenarios exclude one-off special adjustments and are normalized annual opportunities; quarterly results are affected by many factors including seasonality. The Opportunity Scenarios are not intended to be projections but rather hypothetical outcomes that show the sensitivity of results to certain variables. Actual results will depend on external macroeconomic conditions and other factors, including future decisions by the company and the risk factors disclosed in the company's SEC filings.

Good Corporate Governance

We Continue to Implement Important Corporate Changes

- Implemented Non-Binding Vote on Executive Compensation – 2011
- Eliminated Shareholder Rights Plan – 2012
- At the 2013 Annual Meeting, implemented an number of significant changes:
 - Appointed Lead Director
 - Eliminated classified board terms
 - Approved the recoupment/clawback of executive compensation in certain circumstances.
 - Imposed a number of restrictions on Board and Management stock ownership – ownership and holding requirements, no hedging/pledging, no director loans
 - Management options cannot be repriced
 - Implemented additional restrictions on Board tenure and other Board appointments
- 5 of the Company's 6 independent directors have joined the Board since 2010
 - Dr. Schmotter joined the Board as a new member in 2010, Mr. Dooner in 2011, Mr. Carlson in 2013, and Mr. Esposito and Ms. Stacom in 2015
- At 2015 Annual Meeting, vote on eliminating the requirement that Business Combinations be approved by a majority of the Continuing Directors

Good Corporate Governance

- **Independent Board.** All members of our Board are independent directors, with exception of our Chairman of the Board who is also the Chief Executive Officer
- **Independent Board Committees.** All members of our Committees are independent directors
- **Independent Executive Sessions.** Required
- **Committee Authority to Retain Independent Advisors.** All fees and expenses paid by the Company
- **Audit Committee Policies and Procedures**
- **Audit Committee Financial Expert.** All members of Audit Committee are financial experts
- **No Stockholder Rights Plan (poison pill).** Was allowed to expire on May 31, 2012
- **No Cumulative Voting**
- **Eliminated Classified Board.** Eliminated at the 2013 Annual Meeting
- **Annual Advisory Vote on Executive Compensation.** In place since 2011

Published Governance Guidelines. On our website at ethanallen.com/governance.

Good Corporate Governance Independent and Engaged Board

Skilled, Diversified and Engaged Board. Best practices in good governance.

- Refreshed Board:
 - 83% (5 of 6) of independent directors new in past five years.
 - 50% (3 of 6) of independent directors new in past three years.
 - 33% (2 of 6) of independent directors new in past one year.
- Directors received +93% of “For” voting support at 2014 annual stockholder meeting.
- In fiscal year 2015, there was 100% attendance by each director at each of the four regularly scheduled Board of Directors meetings, five regularly scheduled Audit Committee meetings, two regularly scheduled Compensation Committee meetings, and two regularly scheduled Nominations Committee meetings.

Good Corporate Governance Executive Compensation Initiatives

Strong Say on Pay Support. At our 2014 Annual Meeting of Stockholders, 95% of our stockholders voted in support of Ethan Allen management in a "Say On Pay" vote.

Background of 2015 Employment Agreement

- The Compensation Committee recognized that the substantial debt financing that provides capital returns for stockholders would subject the Company to higher financial demands and a debt placement process that the Compensation Committee believed would require a clear long-term commitment of the Chief Executive Officer
- The Chief Executive Officer voluntarily capped his compensation in fiscal 2013, 2014 and 2015

Emphasis on Performance-Based Incentives For CEO – Reflects Alignment With Stockholders and CEO's Confidence In Future Performance

- In September 2015, Ethan Allen entered into a new employment and incentive package with its Chief Executive Officer, which provides for 70% performance-based and "at risk" incentives and long-term performance stock awards based on Ethan Allen achieving future adjusted operating income and adjusted operating income per share targets established by the Board.
- Ethan Allen believes that this strong compensation emphasis on future performance, to a meaningful degree exceeding many of its peers, demonstrates a very strong alignment with our long-term stockholders' and is a statement of confidence in Ethan Allen's future by our Chief Executive Officer.

Sandell

Proxy Contest Observations

Ethan Allen has been Engaged with Sandell, with over 23 Interactions.

Ethan Allen Has Maintained Communication with Sandell. Ethan Allen invited Sandell to attend our annual investor conference, which they choose not to attend. Ethan Allen advised Sandell of the Board's plans to appoint a leading retail or e-commerce executive to the Board of Directors. The Company offered to hold scheduled periodic business sessions with them—and invite other major stockholders—to explore important topics of direction for Ethan Allen.

Sandell Does Not Demonstrate Understanding of our Business Model. Prior to our first meeting, Sandell had never visited one of our Design Centers or manufacturing plants to understand our facilities or their locale. They do not understand our vertically integrated business model nor our competitive model.

Concede Or "We'll take over the Company" Ethan Allen was given ultimatum to concede to Sandell despite their offering board nominees who would not provide additional value – they did not have manufacturing experience, marketing experience, or operating experience. Their entire focus was that we either sell the Company or that Mr. Kathwari take it private with Sandell as a partner.

Sandell has presented no credible plan or analysis to create value for all stockholders.

Setting the Record Straight

Sandell Claim	Fact
Ethan Allen should monetize its real estate through a sale-leaseback or other alternatives and return the proceeds to stockholders	<ul style="list-style-type: none"> • Ethan Allen has effectively managed its real estate assets. Realized 67.2 million in net sale proceeds by selling 38 properties • The Company needs to maintain flexibility to manage its assets, a sale-leaseback the reduces that flexibility • The proposed \$250 million debt facility will be collateralized by real estate assets
The Company's stock price performance has lagged behind its peer group	<ul style="list-style-type: none"> • The Company's stock price has traded in line with its peers and the Russell 3000 for index the past five years, including the past 12 months. • On a multiple basis, Ethan Allen currently trades in line with its peers • The company expects to trade at a premium based on its leading operational performance as the increased revenue results from its current repositioning efforts are realized
Farooq Kathwari is an "Imperial CEO"	<ul style="list-style-type: none"> • The Company has six independent directors and five of the six have joined the Board in the past five years • There is a Lead Director in place • CEO is a hands-on CEO of a vertically integrated operating company. • Mr. Kathwari is the Company's largest stockholder and his interests and compensation are completely aligned with all stockholders

Setting the Record Straight

Sandell Claim	Fact
The Company has poor Corporate Governance Policies	<ul style="list-style-type: none"> • No classified Board terms
	<ul style="list-style-type: none"> • Independent Committees of the Board with established policies
	<ul style="list-style-type: none"> • No Stockholders Rights Plan
	<ul style="list-style-type: none"> • No cumulative voting
	<ul style="list-style-type: none"> • Board and management stock ownership requirements with holding periods and trade restrictions • Eliminating requirement that Business Combinations be approved by majority of Continuing Directors at the 2015 Annual Stockholder Meeting
Mr. Kathwari's compensation is not aligned with performance	<ul style="list-style-type: none"> • Recently approved Compensation package includes strong performance-based incentives with about 70% "at risk"
	<ul style="list-style-type: none"> • Includes no increase in total compensation
	<ul style="list-style-type: none"> • Long-term incentives are tied to achieving future adjusted operating income targets
	<ul style="list-style-type: none"> • Long-term compensation plan with Mr. Kathwari is important to: employee relations; maintaining continuity during the current repositioning; entering the debt market; and for proper alignment with stockholder interests

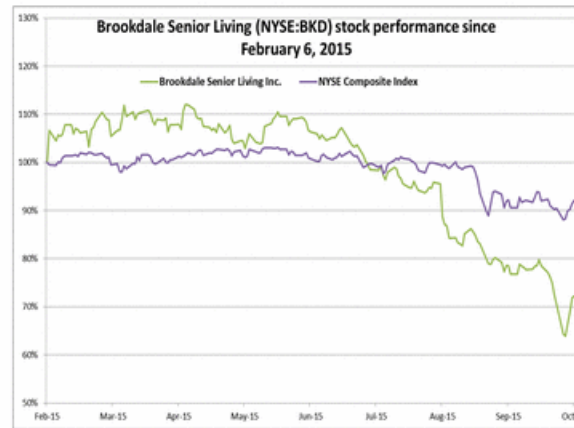
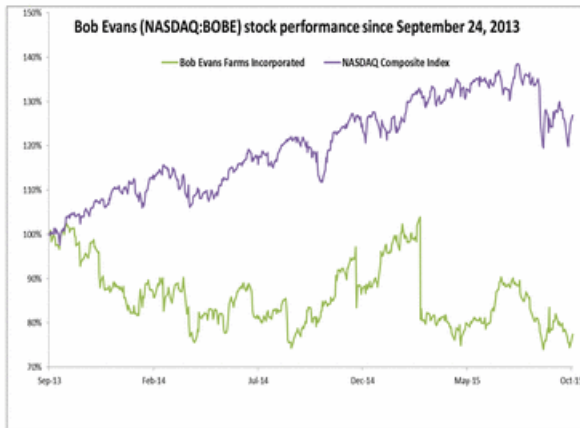
Setting the Record Straight

Sandell Claim	Fact
<p>Ethan Allen is falling behind its competitors in the use of its website for ecommerce opportunities</p>	<ul style="list-style-type: none"> • 80% of the Company's furniture products are custom made to order and require a more hands-on approach to client interaction
	<ul style="list-style-type: none"> • 90% of all clients access product and Company information online, before coming into a Design Center
	<ul style="list-style-type: none"> • 70% of our demographic base lives within driving distance of our over 200 North American Design Centers
	<ul style="list-style-type: none"> • Our Web strategy is designed to complement the personal service of our interior designers and generate online sales
	<ul style="list-style-type: none"> • Online transactions are up 30% and conversion rates are up 22% in fiscal 2015
<p>Special dividends are not in the interest of stockholders, and the Company should do a share repurchase</p>	<ul style="list-style-type: none"> • Ethan Allen has returned \$897.6 million to stockholders through special and regular dividends and share repurchases
	<ul style="list-style-type: none"> • Dividends are quicker and more certain return than share repurchases and reward long-term stockholders
	<ul style="list-style-type: none"> • Dividends do not impact market liquidity and share float. The Company has repurchased 40% of its outstanding shares since going public; further significant reductions may impact market liquidity
	<ul style="list-style-type: none"> • The Company expects to continue to pay regular dividends and effect share repurchases through its announced 2.5 million share open market program

Sandell

Sandell has not brought value to others with its real estate strategies. Ethan Allen questions whether the Sandell managers are appropriate long-term stewards for stockholders. Bob Evans and Brookdale Senior Living stock performance has dropped significantly since Sandell announced their holdings and later becoming part of their boards.

Sandell is not providing value to their targeted companies and has no track record of benefiting the long-term interests of Ethan Allen stockholders.



Sandell

Ethan Allen Is Long Term, Sandell is Short Term.

Sandell reports annual holdings turnover excess of 100%.¹

1. Source Thomson One

Sum of (d\$)000 Holding	ReportingDate -				
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015
AAOPIA INC	\$21,348	\$21,842			
ACCOLYS INC	\$11,368				
ACCOM INC					\$29,422
ALLERGAN INC			\$23,972	\$18,339	
ALLY FINL INC		\$2,432	\$3,702		
ALTIMA CORP					\$14,756
AMERICAN AIRL GROUP INC		\$2,630		\$576	
American Eagle Energy Corp			\$6,392	\$929	\$269
AMERICAN REALTY CAPITAL PROPERTIES INC	\$208	\$141			\$14,144
ANAV INC					\$3,442
APACHE CORP			\$800	\$400	
ARLISA NETWORKS					\$29,236
ARROWOOD REALTY PRIME INC	\$15,799	\$13,291	\$10,449	\$11,875	\$11,179
ARLAND INC NEW	\$19,987	\$18,836	\$12,821	\$18,458	\$21,389
ARUNUPHARMACEUTICALS INC				\$22,883	
AVANIS PHARMACEUTICALS INC				\$1,871	\$14,642
BEAM INC		\$14,122			
BERRY PLASTICS GROUP INC		\$24,122			
BLOCK H & R INC		\$22,006	\$21,389	\$29,747	
BOB EVANS FARMS INC	\$81,247	\$86,239	\$91,271	\$114,989	\$98,989
BROADCOM CORP - CL A					\$29,423
BROOKDALE SENIOR LIVING INC			\$14,249	\$82,654	\$95,757
CATAMARAN CORP					\$16,517
CHEMUR ENERGY PARTNERS LP					\$18,638
CI Group Inc					\$38,446
CIY NATIONAL CORP					\$726
COLLAR LINK INC	\$16	\$19			\$782
COMPUTER SCIENCES CORP					\$39,735
COMPUWARE CORP	\$88,342	\$82,040	\$74,139		
CONICAL TECHNOLOGIES INC					\$18,987
CONYENT CORP		\$5,452	\$541	\$2,818	
CLUBST PHARMACEUTICALS INC					\$5,891
CLARUS MEDIA INC-CL A					\$16,157
DEALSTRACK TECHNOLOGIES INC					\$22,806
DELIK US-HOLDINGS INC					\$8,686
DIRICTV		\$1,879	\$47,438	\$41,737	\$42,248
DOMSTAR CORP					\$29,799
DREXEL-BRAND GROUP INC			\$18,806	\$20,819	\$18,331
ENERGY TRANSFER EQUITY LP					\$96
EQUINIX INC	\$43,429	\$17,756			\$14,344
ETHAN ALLEN INTERIORS					\$41,344
FAMILY DOLLAR STORES			\$48,240	\$38,183	\$54,195
FIDELITY NATIONAL FINANCIAL	\$21,884				\$1,248
FUSION-IO INC					\$9,332
GENERAL MILLS CO	\$25,867	\$26,106	\$32,488	\$28,663	
GOULARD LTD-BRASILADA					\$28,862
HILLBURTON CO	\$1,243	\$1,450			
HEALTH INSURANCE HOLDINGS INC					\$21,977
HEUTE GLOBAL HOLDINGS INC	\$21,155	\$21,067			
HOLLOGIC INC	\$27,188	\$26,134	\$17,841		
HOSPIRA				\$25,880	\$27,781

Sum of (d\$)000 Holding	ReportingDate -					
	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
HOSPIRA					\$25,880	\$27,781
MEDCON CITY BANCORP INC	\$30,171	\$3,503	\$3,641	\$4,791	\$3,735	\$36,368
INTERNATIONAL PAPER CO					\$16,370	
IRON MINE INC	\$11,685	\$7,866				
FRANKS TR				\$66,987	\$99,807	\$80,390
ROY ENPRENE CORP				\$48,181	\$38,530	\$39,935
KAPSTONE PAPER AND PACKAGING					\$21,879	
KyPharma Biopharmaceuticals						\$13,444
LAURENZA HOLDINGS INC						\$39,912
LENS WEARHOUSE INC	\$23,843	\$28,444	\$38,128	\$15,079		\$16,205
MERITOR INC	\$41,073	\$65,640	\$43,928	\$50,901	\$21,024	\$39,439
MOTORCAR PARTS OF AMERICA						\$15,738
MERCK INC INC	\$8,499					
MELAN INC						\$14,515
NATIONAL DRUGGELL VARET INC		\$405	\$406			
CEL STY INTL INC	\$36,196	\$20,896				\$13,108
COMBIOK INC						\$773
CONVIARE INC						\$23,031
PARTNER LTD						\$23,036
PROFITCO INC						\$1,001
PROTECTIVE LIFE CORP				\$3,991	\$18,641	
CRP RESOURCES INC	\$24,582	\$26,790	\$20,548	\$17,440	\$15,648	\$12,102
REMY INTERNATIONAL INC						\$20,029
REO AUTO-MINING LTD						\$8,056
REVERED TECHNOLOGY INC				\$6,534	\$12,370	\$34,024
SAFEWAY INC	\$3,371					
SCHLUMBERGER LTD	\$1,538	\$4,137				
SEARS ROEBUCK CORP	\$12,964					
SENECA CORP				\$9,125	\$30,083	
SHIRE INC						\$38,366
SIEMENS ENERGY CORP				\$3,798	\$22,719	\$23,367
SEVEN BAY PETROLEUM CORP				\$2,283		\$27,407
SPDR Trust Series I	\$66,875	\$69,989	\$70,655		\$103,215	\$36,406
SUNCOKE ENERGY PARTNERS LP						\$101
SUNEDISON INC	\$37,275	\$28,842	\$28,078	\$34,076	\$34,076	\$127
SUNFARM INC				\$29,210	\$33,493	\$24,594
TALFMAN ENERGY INC				\$4,137	\$20,938	
TRICO SOFTWARE INC						\$29,967
TORRENT FUEL CORP	\$17,835			\$17,000	\$18,642	
TUMT TUMT						\$13,299
TRANS CANADA CORP						\$36,749
TRAVELPORT WORLDWIDE LTD				\$823	\$18,454	\$11,172
TRW AUTOMOTIVE HOLDINGS CORP				\$3,159	\$26,549	\$27,116
TY TELECOM INC						\$33,806
VERTEON CORP	\$49,030	\$47,000	\$40,096	\$50,470		
VENUSTREAM CORP				\$7,223	\$32,866	\$33,578
VIMCO INC						\$20,240
VIC WORLDWIDE INC						\$14,427
Grand Total	\$741,429	\$688,116	\$1,048,092	\$1,108,788	\$1,133,116	\$1,084,447
Percent change from previous quarter		-9.9%	16.1%	6.0%	0.7%	-7.3%

Source - SEC 13-f filings; Sandell Asset Management Corp, Sandell Investment Services, LLC

Company has Skilled & Relevant Board. Sandell Nominees are not additive and do not have the critical experience in key areas.

	Furniture Industry Experience	CEO Level Experience	Public Board Experience	Experience managing a vertically integrated business	Operating Experience	Retail Experience	E-Commerce Experience	Finance Experience	Real Estate Experience	Marketing Expertise
Ethan Allen Board Nominees										
M. Farooq Kathwari	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
James B Carlson		Yes	Yes					Yes		
Clinton A. Clark	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes
John J. Dooner, Jr.,		Yes	Yes	Yes	Yes		Yes	Yes		Yes
Domenick J. Esposito		Yes			Yes			Yes		
James W. Schmotter		Yes	Yes		Yes			Yes		Yes
Tara I. Stacom		Yes			Yes			Yes	Yes	Yes
Sandell Board Nominees										
Edward Glickman			Yes		Yes			Yes	Yes	
Kathy Herbert			Yes		Yes	Yes				
Richard Mansouri								Yes		
Annelise Osborne								Yes	Yes	
Ken Pilot	Yes	Yes			Yes	Yes		Yes		Yes
Alex Wolf			Yes					Yes		

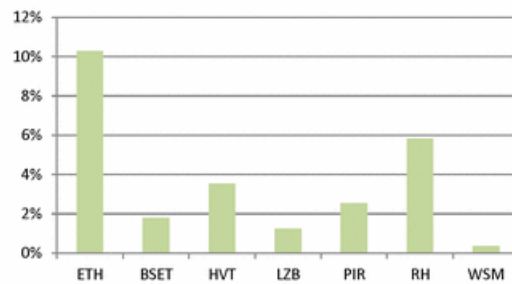
Farooq Kathwari Home Furnishings Industry Leader



- Chairman, President and CEO of the Company since 1988
- Has extensive experience and knowledge of the history of the Company and the furniture industry as well as extensive experience in growing and managing a business
- Possesses insight into retailing, marketing, manufacturing, and strategic planning from experience with the Company as well as his broad experience with both for-profit and not-for-profit organizations, which has given him perspectives from other industries valuable to his service to the Company

As the Company's largest stockholder, the Chairman & CEO's interests are directly aligned with stockholders' interests and is the best long-term partner for stockholders.

CEO Stock Ownership: % of Outstanding Shares
EXCLUDING STOCK OPTIONS



JAMES B. CARLSON LEADER IN THE LEGAL AND FINANCIAL INDUSTRIES
CHAIRMAN OF THE COMPENSATION COMMITTEE AND A MEMBER OF THE AUDIT COMMITTEE



- Independent Director of the Company since June 10, 2013
- Currently a partner in the law firm Mayer Brown LLP. Past Partner-in-Charge of the firm's New York Office and served as the firm's Global Practice Leader
- Adjunct Professor at the New York University School of Law and Stern School of Business teaching: Securities and Capital Markets Regulation; Derivatives and Changing Regulation; and Microfinance and Access to Finance for the Global Poor
- Mr. Carlson brings extensive knowledge of corporate and financial strategies and is a highly regarded member of the legal and business communities

CLINTON A. CLARK LEADER IN RETAIL AND CONSUMER INDUSTRIES
CHAIRMAN OF THE AUDIT COMMITTEE



- Independent Director of the Company since June 30, 1989
- Former Chairman, President and Chief Executive Officer of Long John Silver's Restaurants, Inc., Former President and Chief Executive Officer of The Children's Place, a retail children's apparel chain he founded in 1968
- Mr. Clark's vast experience managing publicly traded companies, serving on public company boards, and his experience as an executive has provided the Company with a wealth of knowledge in strategic planning, corporate finance, compensation, and sales and marketing in consumer-related industries

JOHN J. DOONER, JR. LEADER IN MARKETING AND STRATEGIC COMMUNICATIONS
MEMBER OF THE COMPENSATION AND NOMINATIONS COMMITTEES



- Independent Director of the Company since January 26, 2011.
- Currently Chairman Emeritus of McCann Worldgroup, a company he formed in 1997, Former Chief Executive Officer of McCann Worldgroup, one of the world's largest marketing communications organizations
- Former Chief Executive Officer of McCann-Erickson Worldwide; Recently established The Dooner Group, a marketing communication consultancy
- Mr. Dooner's CEO level experience at top global advertising agencies gives the company strategic guidance with the direction of all marketing, advertising, and communication activities

DOMENICK J. ESPOSITO LEADER IN THE ACCOUNTING PROFESSION
MEMBER OF THE AUDIT COMMITTEE



- Currently a partner of the CPA firm CohnReznick LLP serving as the National Practice and Growth Director and prior to that was their Chief Operating Officer; Former Vice Chairman of BDO; Former Chief Executive Officer of Grant Thornton
- Former Member of the NASDAQ Listing and Qualifications Committee to the Board of Directors and recently served on the NASDAQ Listing and Qualifications Panel.
- Mr. Esposito's vast experience in financial leadership positions, specifically with risk management and capital strategies, provides senior leadership and strategic skills to the Company

DR. JAMES W. SCHMOTTER LEADER IN HIGHER EDUCATION ADMINISTRATION
LEAD DIRECTOR, CHAIRMAN OF NOMINATIONS COMMITTEE, MEMBER OF AUDIT COMMITTEE



- Director of the Company since April 20, 2010
- President Emeritus of Western Connecticut State University, an institution he led eleven years as president; Former Dean of Western Michigan University's Haworth College of Business and the College of Business and Economics at Lehigh University; Former Chairman of the Board of Trustees of the Graduate Management Admission Council; Founding Vice Chair of the Board of the MBA Enterprise Corps
- His strong leadership and educational and governmental background provides key insight and experience in strategic planning and international/global issues to the Company

TARA I. STACOM LEADER IN REAL ESTATE AND FINANCIAL INDUSTRIES



- Director of the Company since September 29, 2015
- Currently Executive Vice Chairman at Cushman & Wakefield, a worldwide commercial real estate firm; Currently serves on the Board of Trustees at Lehigh University; Currently a director of the Realty Foundation of New York and a member of the Real Estate Board of New York, serving on its Ethics Committee
- Honored with the Real Estate Board of New York's highest achievement: the 2011 Most Ingenious Deal of the Year (Henry Hart Rice Award), for the leasing of One World Trade Center
- Ms. Stacom's background provides the company with extensive knowledge of commercial real estate and finance

Strong Management Team Led by Veteran CEO

The Company's management team is comprised of individuals with vast industry knowledge and a proven track record, critical in a vertically integrated enterprise. The Company is led by Farooq Kathwari, Chairman, President and CEO who is surrounded by a cadre of experienced consumer, manufacturing, logistics, and retail industry veterans. The average industry experience of all our management is approximately 15 years, and it's about 25 years for our Vice Presidents.

Pamela Bemus Vice President, Retail Division (19 years)	David R. Burton Vice President, Retail Division (11 years)	Don Garrett Vice President, Case Goods Manufacturing (40 years)	Craig Stout Vice President, Case Goods Merchandising (41 years)
John S. Bedford II Vice President, Corporate Controller (7 years)	Bridget DePasquale Vice President, Marketing Services (17 years)	Daniel M. Grow Sr. Vice President, Business Development (6 years)	Clifford Thorn Vice President, Upholstery Manufacturing (41 years)
Cynthia Bero Vice President, Retail Division (23 years)	John Durkott Vice President, Retail Division (2 years + 31 years as Ethan Allen licensee)	Eric D. Koster Vice President, General Counsel and Secretary (2 years)	Robin van Puyenbroeck Vice President, Business Development (1 year)
Kathy Bliss Vice President, Retail Division (14 years)	Amy Franks Vice President, Retail Division (18 years)	Tracy Paccione Vice President, Merchandising (18 years)	Corey Whitely Executive Vice President, Administration, Chief Financial Officer & Treasurer (27 years)

(Years = Years of Service)

Ethan Allen Investor Presentation

Executive Summary

ICONIC BRAND – We differentiate ourselves from our competitors by leveraging our strong brand equity in creative and compelling ways that remind consumers of our tremendous range of home furnishing products, professional interior designer services, extraordinary craftsmanship, and extensive custom options.

INTEGRATED VERTICAL MODEL, POSITIONED TO GROW – Since the Great Recession, the Company has refined its vertical structure with: an expanded North American manufacturing and logistics footprint; a strengthened retail network of 144 company-operated and 155 independently operated Design Centers; additional investments in technology, including improvements to our website; and through the accelerated introduction of new product offerings.

THE IMPACT OF REINVENTION – As an 82-year-young company, we understand that reinvention and remaining relevant go hand in hand with long-term thinking and value creation. Short term, building two new plants and then changing 70% of our products in a short period of time has impacted our top-line growth and valuation; however, our rapid repositioning allows us increased opportunity to accelerate growth and enhance long-term shareholder value.

STRONG OPERATING PERFORMANCE – Although our major transformation strategy is underway, we have been maintaining our leading operational performance. Ethan Allen has a long, consistent record of applying its excess cash flow to provide regular dividends, special dividends, and capital returns through share repurchases.

STRONG CORPORATE GOVERNANCE / THE RIGHT BOARD AND MANAGEMENT – Strong corporate governance is good for our profitability, our talented and committed team, and our stockholders. As a group, we embrace our Leadership Principles, which define our commitment to excellence. They are points of the compass that guide us to achieve our full potential, both as individuals within the company and as stewards in the industry and for our stockholders. Shepherding the Company through change requires a strong Board and Management Team that understands our vertically integrated business and growth trajectory. In addition, our CEO is the Company's largest stockholder, and his interests are completely aligned with all other stockholders.

Disclaimers (Non-GAAP, Forward Looking, Safe Harbor)

This presentation refers to certain non-GAAP information, which excludes the effects of restructuring, impairment, transition costs, and certain other items recorded during the periods presented. Reconciliations of this non-GAAP information to the most directly comparable GAAP measure are available in the addendum of this presentation and on our website, ethanallen.com.

This presentation and related discussions should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2015 (the "2015 Form 10-K") and other reports filed with the Securities and Exchange Commission. This press release and related discussions contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements about such matters as: our capital structure; future or targeted operational and financial performance; liquidity, capital and debt levels; strategic plans; transformation initiatives; the pending proxy contest, the impacts thereof and other possible changes in the composition of the Company's board of directors; stock repurchase and dividend plans; our intent to secure debt or other forms of financing; demand for our products; our position in markets we serve; and regional and global economic and industry market conditions and changes therein. Such forward-looking statements reflect management's current expectations concerning future events and results of the Company, and are subject to various assumptions, risks and uncertainties including specifically, and without limitation, those set forth in Part I, Item 1A "Risk Factors" of the 2015 Form 10-K. Accordingly, actual future events or results could differ materially from those contemplated by the forward-looking statements. The Company assumes no obligation to update or provide revision to any forward-looking statement at any time for any reason.

Important Additional Information

The Company and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the Company's stockholders in respect of the 2015 annual meeting. Ethan Allen has filed with the U.S. Securities and Exchange Commission a definitive proxy statement and an accompanying white proxy card in connection with the 2015 annual meeting (the "2015 proxy materials"). The 2015 proxy materials contain important information about the Company, its directors and executive officers, the 2015 annual meeting and related matters. Stockholders are strongly urged to read the 2015 proxy materials, any amendments and supplements thereto, and the accompanying white proxy card carefully. Stockholders will be able to obtain free copies of the 2015 proxy materials and other documents filed with the SEC by the Company through the web site maintained by the SEC at www.sec.gov and on the company's web site at http://www.ethanallen.com/en_us/investor-relations1.html. Information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, are set forth in the 2015 proxy materials..

Non-GAAP reconciliation

	2015	2014	2013	2012	2011	2010	2006
Operating income	\$ 65.9	\$ 69.6	\$ 60.4	\$ 49.7	\$ 31.9	\$ (11.7)	142.7
Special items	4.6	4.7	8.4	2.1	1.8	13.1	4.2
Adjusted Operating income	\$ 70.5	\$ 74.3	\$ 68.8	\$ 51.8	\$ 33.7	\$ 1.4	146.9
Operating Margin	8.7%	9.3%	8.3%	6.8%	4.7%	-2.0%	13.4%
Special items	0.6%	0.6%	1.1%	0.3%	0.3%	2.2%	0.4%
Adjusted Operating Margin	9.3%	9.9%	9.4%	7.1%	5.0%	0.2%	13.8%
EPS	\$ 1.27	\$ 1.47	\$ 1.11	\$ 1.71	\$ 1.01	\$ (1.53)	2.51
Special items	0.14	(0.02)	0.20	(0.77)	(0.43)	1.38	0.08
Adjusted EPS	\$ 1.41	\$ 1.45	\$ 1.31	\$ 0.94	\$ 0.58	\$ (0.15)	2.59
Net income	\$ 37.1	\$ 42.9	\$ 32.5	\$ 49.7	\$ 29.3	\$ (44.3)	85.7
Interest expense, net	5.5	7.0	8.2	8.5	10.1	10.9	9.1
Income tax expense	19.5	19.5	17.7	(8.5)	(2.9)	25.5	52.4
Depreciation and amortization	19.1	17.9	18.0	18.6	20.8	29.4	21.6
EBITDA	81.3	87.3	76.4	68.3	57.3	21.5	168.8
Special items	8.2	4.7	10.3	2.1	0.3	5.5	4.2
Adjusted EBDITA	\$ 89.5	\$ 92.0	\$ 86.7	\$ 70.4	\$ 57.6	\$ 27.0	173.0

Return on Equity = current fiscal year net income / average of current and prior fiscal year-end shareholders' equity

Return on Assets = (current fiscal year net income less after tax interest expense) / average of current and prior fiscal year-end total assets

Return on Invested Capital = (current fiscal year net income less after-tax interest expense) / average of current and prior fiscal year-end totals of debt plus equity.

Special items consist of restructuring, transition charges and certain other items.