

FORM 5

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

OMB APPROVAL	
OMB Number:	3235-0362
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- Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
- Form 3 Holdings Reported
- Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * KATHWARI M FAROOQ			2. Issuer Name and Ticker or Trading Symbol ETHAN ALLEN INTERIORS INC [ETH]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chairman, President, CEO		
(Last)	(First)	(Middle)	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 06/30/2006					
ETHAN ALLEN INTERIORS INC., ETHAN ALLEN DRIVE			4. If Amendment, Date Original Filed(Month/Day/Year) 08/11/2006			6. Individual or Joint/Group Reporting (check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
(Street) DANBURY, CT 06811								
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned					

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock							5,434	I	401(k)
Common Stock							15,364	I	held by Spouse
Common Stock							123,186 ⁽¹⁾	I	Irfan Kathwari Trust
Common Stock							1,921,841	D	
Common Stock							380,000 ⁽²⁾	I	Kathwari 2005 Grantor Retained Annuity Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. **Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.** SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Issuer's Fiscal Year (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option (right to buy)	\$ 21.1667						09/17/2000	09/17/2007	Common Stock	750,000		750,000	D	
Stock Option (right to buy)	\$ 27.5167						09/17/2000	09/17/2007	Common	750,000		1,500,000	D	

Stock Option (right to buy)	\$ 25						03/31/2004	03/31/2010	Common	50		1,500,050	D	
Stock Option (right to buy)	\$ 31.02						08/01/2005	08/01/2012	Common Stock	600,000		2,100,050	D	
Stock Option (right to buy)	\$ 35.53						08/01/2005	08/01/2013	Common Stock	400,000		2,500,050	D	
Stock Option (right to buy)	\$ 37.15						08/04/2005	08/01/2014	Common Stock	200,000		2,700,050	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KATHWARI M FAROOQ ETHAN ALLEN INTERIORS INC. ETHAN ALLEN DRIVE DANBURY, CT 06811	X	X	Chairman, President, CEO	

Signatures

Farooq Kathwari		10/26/2006
<small>Signature of Reporting Person</small>		<small>Date</small>

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Clarification of indirect ownership of Common Stock in Irfan Kathwari Foundation
- (2) Clarification of indirect ownership of Common Stock in Kathwari 2005 Grantor Retained Annuity Trust

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.