

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 23, 2012

ETHAN ALLEN INTERIORS INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-11692
(Commission File Number)

06-1275288
(I.R.S. Employer Identification No.)

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

06811
(Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN REPORT

SECTION 2 – FINANCIAL INFORMATION

Item 2.02 Results of Operations and Financial Condition

The information contained within Item 2.02 of this Form 8-K and the Exhibits attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

On April 23, 2012, Ethan Allen Interiors Inc. (“Ethan Allen” or the “Company”) issued a press release which contained certain preliminary operating results for the quarter ended March 31, 2012. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

On April 24, 2012, Ethan Allen will conduct a conference call during which certain unaudited, non-GAAP financial information related to the Company’s operations for the three and nine months ended March 31, 2012 and March 31, 2011 will be disclosed.

Exhibit 99.1 includes references to the Company's (i) consolidated operating income/operating margin, (ii) wholesale operating income/operating margin, (iii) retail operating income/operating margin, (iv) net income, (v) earnings per share, and (vi) earnings before interest, taxes, depreciation and amortization (“EBITDA”), all excluding the effects of restructuring charges as a result of the Company’s previous decision to consolidate facilities, and also excluding certain transition costs and non-operating income adjustments in both fiscal 2012 and fiscal 2011. A reconciliation of these financial measures to the most directly comparable financial measure reported in accordance with generally accepted accounting principles (“GAAP”) is also provided in Exhibit 99.1.

Management believes that excluding items which are deemed to be non-recurring in nature from financial measures such as operating profit, wholesale operating profit, net income, and earnings per share, allows investors to more easily compare and evaluate the Company's financial performance relative to prior periods and industry comparables. These adjusted measures also aid investors in understanding the operating results of the Company absent such non-recurring or unusual events.

Management considers EBITDA an important indicator of the operational strength and performance of its business, including the ability of the Company to pay interest, service debt and fund capital expenditures. Given the nature of the Company's operations, including the tangible assets necessary to carry out its production and distribution activities, depreciation and amortization represent Ethan Allen's largest non-cash charges. As these non-cash charges do not affect the Company's ability to service debt or make capital expenditures, it is important to consider EBITDA in addition to, but not as a substitute for, operating income, net income and other measures of financial performance reported in accordance with GAAP, including cash flow measures such as operating cash flow.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated April 23, 2012

SIGNATURES

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

ETHAN ALLEN INTERIORS INC.

Date: April 23, 2012

By: /s/ David R. Callen
David R. Callen
Vice President Finance & Treasurer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated April 23, 2012

Ethan Allen Interiors Inc.
Investor / Media Contact:
David R. Callen
Vice President Finance & Treasurer
203-743-8305

**ETHAN ALLEN REPORTS RESULTS FOR QUARTER
ENDED MARCH 31, 2012**

DANBURY, CT., April 23, 2012 – Ethan Allen Interiors Inc. (“Ethan Allen”, the “Company”, “We”, or “Our”) (NYSE:ETH) reported that net sales for the third quarter ended March 31, 2012 increased by 8.0% to 175.9 million and excluding special items, diluted earnings per share increased to \$0.14 compared to \$0.07 in the previous year quarter.

Farooq Kathwari, Chairman and CEO commented, “During our third quarter ended March 31st with an 8% increase in sales, our adjusted net income per share doubled reflecting continued operating leverage from our vertically integrated structure. Our dividend was increased to \$0.09, an increase of 29%. Our Retail division’s written (booked) orders during the quarter increased 11% including comparable design center growth of 8%. Our written (booked) orders for our Retail Division were \$30 million greater than our shipments during the quarter.”

Mr. Kathwari further stated, “The recession has further accelerated our focus on major initiatives in all areas of our enterprise including a 60% change in our product offerings in less than one year. In addition, we continue to invest in acquiring talented interior design associates and management in our Retail division. While increasing our expenses, this investment provides an opportunity to grow our sales by enhancing our competitive advantage of providing complimentary interior design services.”

Three Months Ended March 31, 2012

Net sales for the quarter ended March 31, 2012 increased 8.0% over the prior year to \$175.9 million. The Company’s Retail division net sales increased 12.3% to \$131.4 million including comparable design center net sales growth of 9.4%. Net income for the quarter ended March 31, 2012 was \$27.5 million or \$0.94 per diluted share compared with the prior year of \$3.5 million or \$0.12 per diluted share. During the quarter the Company reversed deferred tax asset valuation allowances and certain other tax reserves resulting in \$23.9 million in non-cash tax benefits in the quarter. Excluding these benefits and other special items in both periods, net income for the quarter ended March 31, 2012 was \$4.0 million or \$0.14 per diluted share compared with \$2.0 million or \$0.07 per diluted share in the prior year period.

Nine Months Ended March 31, 2012

Net sales for the nine months ended March 31, 2012 increased 8.6% over the prior year to \$544.1 million. The Company’s Retail division net sales increased 12.6% to \$415.7 million including comparable design center net sales growth of 10.2%. Written orders booked during the nine month period by the Retail division were 11.5% greater than the prior year quarter including comparable design center order growth of 8.7%.

Net income for the nine months ended March 31, 2012 was \$42.4 million or \$1.46 per diluted share compared with the prior year of \$22.1 million or \$0.76 per diluted share. Excluding the non-cash tax benefits and other special items in both periods, net income for the nine months ended March 31, 2012 was \$19.7 million or \$0.68 per diluted share compared with \$10.8 million or \$0.37 per diluted share in the prior year period.

Mr. Kathwari concluded, "During the fourth quarter we will complete the launch of new products. In addition, we will launch in June "Ethan Allen Express", a new major initiative. The objective of this initiative is to expand our reach to more consumers. The program will consist of selected products with good price points and fast deliveries from our five lifestyles. Our plan is to strongly market this program during the next six months. As we stated in our previous press release, while recognizing the uncertain macro-economic conditions, we remain cautiously optimistic due to our many initiatives."

Analyst Conference Call

The Company will conduct a conference call at 11:00 AM (Eastern) on Tuesday, April 24th to discuss the financial results and its business initiatives. The live webcast and replay are accessible via the Company's website at <http://ethanallen.com/investors>.

About Ethan Allen

Ethan Allen Interiors Inc. is a leading interior design company and manufacturer and retailer of quality home furnishings. The company offers free interior design service to its clients and sells a full range of furniture products and decorative accessories through ethanallen.com and a network of approximately 300 Design Centers in the United States and abroad. Ethan Allen owns and operates eight manufacturing facilities including five manufacturing plants and one sawmill in the United States plus two plants in Mexico and Honduras. Approximately seventy percent of its products are made in its United States plants. For more information on Ethan Allen's products and services, visit ethanallen.com.

This press release should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 2011 (the "2011 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 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 2011 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.

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Ethan Allen Interiors Inc.
Selected Financial Information
Unaudited
(in thousands)

Selected Consolidated Financial Data:

	Three Months Ended		Nine Months Ended	
	03/31/12	03/31/11	03/31/12	03/31/11
Net sales	\$175.9	\$162.8	\$544.1	\$501.0
Gross margin	53.6%	51.0%	53.4%	51.0%
Operating margin	4.4%	2.9%	6.5%	4.1%
Operating margin (excluding special items*)	4.7%	3.0%	6.9%	4.3%
Net income	\$27.5	\$3.5	\$42.4	\$22.1
Net income (excluding special items* and unusual income tax effects)	\$4.0	\$2.0	\$19.7	\$10.8
Operating cash flow	\$16.9	\$37.8	\$27.8	\$40.6
Capital expenditures	\$8.4	\$1.8	\$19.8	\$5.7
Acquisitions	\$0.5	\$0.4	\$0.5	\$0.6
Treasury stock repurchases (settlement date basis)	\$0.0	\$0.0	\$0.8	\$5.4
EBITDA	\$12.3	\$10.8	\$49.4	\$41.3
EBITDA as % of net sales	7.0%	6.7%	9.1%	8.3%
EBITDA (excluding special items*)	\$12.8	\$10.9	\$51.6	\$40.9
EBITDA as % of net sales (excluding special items*)	7.3%	6.7%	9.5%	8.2%

Selected Financial Data by Business Segment:

	Three Months Ended		Nine Months Ended	
	03/31/12	03/31/11	03/31/12	03/31/11
<u>Retail</u>				
Net sales	\$131.4	\$117.0	\$415.7	\$369.1
Operating margin	-5.0%	-6.2%	-2.5%	-3.5%
Operating margin (excluding special items*)	-5.0%	-6.1%	-2.1%	-3.4%
<u>Wholesale</u>				
Net sales	\$121.0	\$104.1	\$344.1	\$312.5
Operating margin	15.0%	12.7%	14.4%	11.2%
Operating margin (excluding special items*)	15.4%	12.7%	14.4%	11.4%

* Special items consist of restructuring, impairment, transition charges and other certain items. Related tax effects are calculated using a normalized income tax rate.

Ethan Allen Interiors Inc.
Condensed Consolidated Income Statements
Unaudited
(in thousands)

	Three Months Ended		Nine Months Ended	
	03/31/12	03/31/11	03/31/12	03/31/11
Net sales	\$175,861	\$162,822	\$544,057	\$501,008
Cost of sales	81,586	79,753	253,678	245,697
Gross profit	94,275	83,069	290,379	255,311
Operating expenses:				
Selling	44,281	39,147	130,147	118,542
General and administrative	42,191	39,056	124,864	115,758
Restructuring and impairment charge	16	109	5	393
Total operating expenses	86,488	78,312	255,016	234,693
Operating income	7,787	4,757	35,363	20,618
Interest and other income	157	1,128	362	5,453
Interest expense	2,189	2,773	6,814	8,649
Income before income taxes	5,755	3,112	28,911	17,422
Income tax expense (benefit)	(21,793)	(406)	(13,484)	(4,653)
Net income	\$27,548	\$3,518	\$42,395	\$22,075
Basic earnings per common share:				
Net income per basic share	\$0.95	\$0.12	\$1.47	\$0.77
Basic weighted average shares outstanding	28,857	28,751	28,813	28,753
Diluted earnings per common share:				
Net income per diluted share	\$0.94	\$0.12	\$1.46	\$0.76
Diluted weighted average shares outstanding	29,236	28,987	29,085	28,953

Ethan Allen Interiors Inc.
Condensed Consolidated Balance Sheets
Unaudited
(in thousands)

	March 31, 2012	June 30, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 73,130	\$ 78,519
Marketable securities	11,259	12,909
Accounts receivable, net	17,571	15,036
Inventories	142,262	141,692
Prepaid expenses & other current assets	23,046	20,372
Deferred income taxes	1,163	-
Total current assets	<u>268,431</u>	<u>268,528</u>
Property, plant and equipment, net	297,211	294,853
Intangible assets, net	45,128	45,128
Restricted cash and investments	15,410	16,391
Other assets	7,251	3,425
Total Assets	<u>\$ 633,431</u>	<u>\$ 628,325</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term debt	192	19
Customer deposits	61,512	62,649
Accounts payable	26,655	26,958
Accrued expenses & other current liabilities	55,575	64,990
Total current liabilities	<u>143,934</u>	<u>154,616</u>
Long-term debt	154,058	165,013
Other long-term liabilities	17,719	18,975
Deferred income taxes	-	8,034
Total liabilities	<u>315,711</u>	<u>346,638</u>
Shareholders' equity	<u>317,720</u>	<u>281,687</u>
Total Liabilities and Shareholders' Equity	<u>\$ 633,431</u>	<u>\$ 628,325</u>

Ethan Allen Interiors Inc.
GAAP Reconciliation
Three and Nine Months Ended March 31, 2012 and 2011
Unaudited
(in thousands, except per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2012	2011	2012	2011
Net Income / Earnings Per Share				
Net income	\$ 27,548	\$ 3,518	\$ 42,395	\$ 22,075
Special items net of related tax effects *	327	69	1,375	(272)
Unusual income tax effects	(23,894)	(1,542)	(24,037)	(11,012)
Net income (excluding special items* and unusual income tax effects)	<u>\$ 3,981</u>	<u>\$ 2,045</u>	<u>\$ 19,733</u>	<u>\$ 10,791</u>
Basic weighted average shares outstanding	28,857	28,751	28,813	28,753
Earnings per basic share	<u>\$ 0.95</u>	<u>\$ 0.12</u>	<u>\$ 1.47</u>	<u>\$ 0.77</u>
Earnings per basic share (excluding special items* and unusual income tax effects)	<u>\$ 0.14</u>	<u>\$ 0.07</u>	<u>\$ 0.68</u>	<u>\$ 0.38</u>
Diluted weighted average shares outstanding	29,236	28,987	29,085	28,953
Earnings per diluted share	<u>\$ 0.94</u>	<u>\$ 0.12</u>	<u>\$ 1.46</u>	<u>\$ 0.76</u>
Earnings per diluted share (excluding special items* and unusual income tax effects)	<u>\$ 0.14</u>	<u>\$ 0.07</u>	<u>\$ 0.68</u>	<u>\$ 0.37</u>
Consolidated Operating Income / Operating Margin				
Operating income	\$ 7,787	\$ 4,757	\$ 35,363	\$ 20,618
Add: special items *	515	109	2,165	1,072
Operating income (excluding special items*)	<u>\$ 8,302</u>	<u>\$ 4,866</u>	<u>\$ 37,528</u>	<u>\$ 21,690</u>
Net sales	<u>\$ 175,861</u>	<u>\$ 162,822</u>	<u>\$ 544,057</u>	<u>\$ 501,008</u>
Operating margin	<u>4.4%</u>	<u>2.9%</u>	<u>6.5%</u>	<u>4.1%</u>
Operating margin (excluding special items*)	<u>4.7%</u>	<u>3.0%</u>	<u>6.9%</u>	<u>4.3%</u>
Wholesale Operating Income / Operating Margin				
Wholesale operating income	\$ 18,191	\$ 13,253	\$ 49,584	\$ 35,076
Add: special items	499	-	131	679
Wholesale operating income (excluding special items*)	<u>\$ 18,690</u>	<u>\$ 13,253</u>	<u>\$ 49,715</u>	<u>\$ 35,755</u>
Wholesale net sales	<u>\$ 121,044</u>	<u>\$ 104,119</u>	<u>\$ 344,069</u>	<u>\$ 312,467</u>
Wholesale operating margin	<u>15.0%</u>	<u>12.7%</u>	<u>14.4%</u>	<u>11.2%</u>
Wholesale operating margin (excluding special items*)	<u>15.4%</u>	<u>12.7%</u>	<u>14.4%</u>	<u>11.4%</u>
Retail Operating Income / Operating Margin				
Retail operating income (loss)	\$ (6,549)	\$ (7,271)	\$ (10,578)	\$ (12,767)
Add: special items	16	109	2,034	393
Retail operating income (loss) (excluding special items*)	<u>\$ (6,533)</u>	<u>\$ (7,162)</u>	<u>\$ (8,544)</u>	<u>\$ (12,374)</u>
Retail net sales	<u>\$ 131,402</u>	<u>\$ 117,029</u>	<u>\$ 415,687</u>	<u>\$ 369,066</u>
Retail operating margin	<u>-5.0%</u>	<u>-6.2%</u>	<u>-2.5%</u>	<u>-3.5%</u>
Retail operating margin (excluding special items*)	<u>-5.0%</u>	<u>-6.1%</u>	<u>-2.1%</u>	<u>-3.4%</u>

* Special items consist of restructuring, impairment, transition charges and certain other items.
Related tax effects are calculated using a normalized income tax rate.

Unaudited

(in thousands, except per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2012	2011	2012	2011
EBITDA				
Net income	\$ 27,548	\$ 3,518	\$ 42,395	\$ 22,075
Add: interest expense, net	2,037	2,527	6,419	7,807
Add: income tax expense (benefit)	(21,793)	(406)	(13,484)	(4,653)
Add: depreciation and amortization	4,510	5,191	14,092	16,120
EBITDA	\$ 12,302	\$ 10,830	\$ 49,422	\$ 41,349
Net sales	\$ 175,861	\$ 162,822	\$ 544,057	\$ 501,008
EBITDA as % of net sales	7.0%	6.7%	9.1%	8.3%
Adjusted EBITDA				
EBITDA	\$ 12,302	\$ 10,830	\$ 49,422	\$ 41,349
Add: special items*	515	109	2,165	(428)
Adjusted EBITDA	\$ 12,817	\$ 10,939	\$ 51,587	\$ 40,921
Net sales	\$ 175,861	\$ 162,822	\$ 544,057	\$ 501,008
Adjusted EBITDA as % of net sales	7.3%	6.7%	9.5%	8.2%

* Special items consist of restructuring, impairment, transition charges and certain other items.
Related tax effects are calculated using a normalized income tax rate.