

**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): October 14, 2015

**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))

**Item 8.01. Other Events**

On October 14, 2015 the Company issued a press release discussing the independence of its Board of Directors and track record of performance and value creation. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

Exhibit 99.1 includes references to the Company's (i) consolidated operating income/operating margin, (ii) earnings per share, and (iii) earnings before interest, taxes, depreciation and amortization ("EBITDA"), all excluding the effects of restructuring charges as a result of the Company's previous decisions to consolidate facilities, and also excluding certain transition costs and non-operating income adjustments in fiscal 2010 through fiscal 2015. 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 income, operating margin, 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.

**Additional Information and Where to Find It**

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 PLANS TO FILE WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION A DEFINITIVE PROXY STATEMENT AND AN ACCOMPANYING PROXY CARD IN CONNECTION WITH THE 2015 ANNUAL MEETING (THE "2015 PROXY MATERIALS"). THE 2015 PROXY MATERIALS WILL 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 PROXY CARD CAREFULLY WHEN THEY ARE AVAILABLE. 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](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, WILL BE SET FORTH IN THE 2015 PROXY MATERIALS.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.**

See Index to Exhibits attached hereto.

**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 thereunto duly authorized.

**ETHAN ALLEN INTERIORS, INC.**

Date: October 14, 2015

By: /s/ Corey Whitely  
Corey Whitely  
*Executive –Vice President, Administration, Chief Financial Officer and Treasurer*

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press release dated October 14, 2015

**Ethan Allen Highlights Board Independence and Track Record of  
Performance and Value Creation**

DANBURY, CT (October 14, 2015) -- Ethan Allen Interiors Inc. (NYSE: ETH) ("Ethan Allen" or the "Company"), a leading interior design Company and manufacturer and retailer of quality home furnishings, today issued the following statement:

Ethan Allen's Board of Directors and management team are committed to acting in the best interest of all Ethan Allen shareholders and open to constructive ideas to create value.

We have held a number of meetings and discussions with Sandell Asset Management Corp. and its affiliates (together, "Sandell") since learning of its investment in Ethan Allen. We have engaged with Sandell and, after carefully considering its strategies, believe it has become apparent that Sandell's strategies would deprive shareholders of the significant value we expect to deliver through our successful on-going transformation strategy, targeted for completion in 2016.

Since 2010, Ethan Allen has delivered: net sales compound annual growth rate (CAGR) of five percent; adjusted operating income CAGR of 119 percent; adjusted earnings per share CAGR of 25 percent; and adjusted EBITDA CAGR of 27 percent. The Company has also delivered a return on assets of approximately seven percent and return on invested capital of approximately nine percent since 2010.

Over the same period, the Company has driven strong shareholder returns, including returning \$61 million to shareholders through dividends, reflecting a dividend per share that has increased by 127 percent, and repurchasing approximately \$20 million of common stock. Since 2010, the Company has maintained return on equity of approximately 10 percent. Ethan Allen also recently announced its intent to use its real estate assets as collateral to raise up to \$250 million in debt financing once market volatility stabilizes. The financing is expected to be utilized for general corporate needs and to further increase shareholder returns, including providing shareholders with a special dividend and/or share repurchase.

The Ethan Allen Board's nominees for election at the 2015 Annual Meeting of Stockholders includes seven directors, six of whom are independent other than Farooq Kathwari, the Company's Chairman and Chief Executive Officer and Ethan Allen's largest shareholder owning more than 11% of the Company's outstanding shares. In addition, the Board is annually elected and, of the six independent directors, five are new to the Board since 2010. In fact, Ethan Allen has added two new independent directors since July 2015, one of whom joined two weeks ago. Our highly-qualified independent Board has diverse experience, with backgrounds in marketing, finance and accounting, legal, international, real estate, and general management. Our Board is transparent, open-minded and engaged at both a strategic and operational level.

Ethan Allen's Board will continue to take action that it believes is in the best interests of all shareholders and best positions Ethan Allen to maintain its strong performance while it executes on its transformation plan to deliver long-term shareholder value.

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## **About Ethan Allen**

Ethan Allen Interiors Inc. (NYSE: ETH) is a leading interior design Company and manufacturer 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 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 one plant each in Mexico and Honduras. Approximately seventy percent of its products are made in its North American plants. For more information on Ethan Allen's products and services, visit ethanallen.com.

## **Forward Looking Statements**

This press release should also 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; stock repurchase and dividend plans; possible financing activities; demand for their products; our position in markets we serve; 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.

## **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 plans to file with the U.S. Securities and Exchange Commission a definitive proxy statement and an accompanying proxy card in connection with the 2015 annual meeting (the "2015 proxy materials"). The 2015 proxy materials will 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 proxy card carefully when they are available. 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](http://www.sec.gov) and on the company's web site at [http://www.ethanallen.com/en\\_us/investor-relations1.html](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, will be set forth in the 2015 proxy materials.

Ethan Allen Interiors Inc.  
Investor / Media Contact:  
Corey Whitely  
Executive Vice President, Administration  
Chief Financial Officer and Treasurer  
[cwhitely@ethanalleninc.com](mailto:cwhitely@ethanalleninc.com)

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*Non-GAAP reconciliation*

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

**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.