

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): September 7, 2005

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(b) under the Exchange Act (17 CFR 240.14a-12(b))
- 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))

INFORMATION TO BE INCLUDED IN REPORT

SECTION 2 – FINANCIAL INFORMATION

Item 2.05 Costs Associated with Exit or Disposal Activities

On September 7, 2005, Ethan Allen Interiors Inc. (“Ethan Allen” or the “Company”) issued a press release announcing a plan to convert its Dublin, Virginia case goods manufacturing facility into a regional distribution center. In connection with this initiative, the Company will permanently cease production at the Dublin location and consolidate the distribution operations of its existing Old Fort, North Carolina location into the new, larger facility. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

The decision impacts approximately 325 employees, of which the Company expects approximately 75 to remain employed by Ethan Allen in new positions. The net reduction in headcount is anticipated to occur throughout the second quarter of fiscal 2006. The Company will record a pre-tax restructuring and impairment charge of approximately \$4.0 to \$5.0 million (\$2.5 to \$3.1 million, after-tax) for costs associated with this initiative, of which approximately \$1.5 million will result in future cash expenditures relating to employee severance and benefits and other plant exit costs, and approximately \$2.5 to \$3.5 million, which is non-cash in nature, relating to fixed asset impairment charges, primarily for real property and machinery and equipment.

Item 2.06 Material Impairments

The information set forth above in Item 2.05 is hereby incorporated into Item 2.06 by reference.

SECTION 7 – REGULATION FD

Item 7.01 Regulation FD Disclosure

The information set forth above in Item 2.05 is hereby incorporated into Item 7.01 by reference.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

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<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated September 7, 2005

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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: September 7, 2005

By: /s/ M. Farooq Kathwari

M. Farooq Kathwari
*Chairman, President and
Chief Executive Officer*

FOR IMMEDIATE RELEASE

Ethan Allen Interiors Inc.
Investor/Media Contact: Peg Lupton
(203) 743-8234

Ethan Allen Announces Plan to Convert Existing Manufacturing Facility into Regional Distribution Center

DANBURY, Conn., September 7, 2005 — Ethan Allen Interiors Inc. (NYSE:ETH) (“Ethan Allen” or the “Company”) today announced a plan to convert one of its existing manufacturing facilities into a large, regional distribution center.

The plant, which is currently involved in the production of wood case goods furniture, is located in Dublin, Virginia. In connection with this initiative, the Company will permanently cease production at the Dublin location and consolidate the distribution operations of its existing Old Fort, North Carolina location into the new, larger facility. The decision impacts approximately 325 employees, of which the Company expects approximately 75 to remain employed by Ethan Allen in new positions. The Dublin facility, which totals approximately 570,000 square feet, was purchased by the Company in October 2000. Since that time, approximately 450,000 square feet of the facility’s available space has been used for manufacturing activities. Most of the production from the plant will be absorbed by Ethan Allen’s remaining manufacturing facilities.

Farooq Kathwari, Chairman and CEO, commented, “We sincerely regret the impact that this decision will have on many of our employees. We believe, however, that this action will strengthen our logistical capabilities and improve the Company’s remaining U.S. manufacturing operations.”

Ethan Allen has 11 remaining plant locations, including 5 wood case goods plants, 5 upholstery plants, and 1 accessory assembling plant. These facilities total nearly 3.5 million square feet and employ approximately 3,700 people.

The Company will record a pre-tax restructuring and impairment charge of approximately \$4.0 to \$5.0 million (\$2.5 to \$3.1 million, after-tax), or \$0.07 to \$0.09 per share, the majority of which will be non-cash in nature. Most of the earnings impact is expected to occur in the Company’s first fiscal quarter ended September 30, 2005.

Ethan Allen Interiors Inc., a leading manufacturer and retailer of quality home furnishings, sells a full range of products through an exclusive network of more than 300 stores located in the United States, Canada, Mexico, and overseas. The Company is vertically integrated with manufacturing facilities and sawmills located throughout the United States.

The discussions set forth in this press release should be read in conjunction with the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2005. Management’s discussion in this release contains forward-looking statements relating to future results of the Company. These forward-looking statements are subject to various assumptions, risk and uncertainties, and accordingly, actual results could differ materially from those contemplated by the forward-looking statements. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities.