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 24, 2005

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

Delaware	**1-11692**	**06-1275288**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

Ethan Allen Drive **Danbury, CT**	**06811**
(Address of principal executive offices)	(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))

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 October 24, 2005, Ethan Allen Interiors Inc. ("Ethan Allen" or the "Company") issued a press release setting forth its operating results for the three months ended September 30, 2005. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

Exhibits 99.1 and 99.2 include references to the Company's (i) consolidated operating profit, (ii) wholesale operating profit, (iii) net income, (iv) earnings per share, and (v) earnings before interest, taxes, depreciation and amortization ("EBITDA"), all excluding the effects of restructuring and impairment charges recorded during the three months ended September 30, 2005 as a result of the Company's announcement of its decision to convert one of its existing manufacturing facilities into a regional distribution center. 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 99.2.

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 charge. 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. Further, EBITDA is one measure used to determine compliance with the Company's existing credit facility.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit	Description
99.1	Press release dated October 24, 2005
99.2	Reconciliation of unaudited, non-GAAP financial information disclosed in October 24, 2005 press release and conference call to the most directly comparable GAAP financial measure

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: October 24, 2005

By: /s/ M. Farooq Kathwari
M. Farooq Kathwari
Chairman, President and
Chief Executive Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Press release dated October 24, 2005
99.2	Reconciliation of unaudited, non-GAAP financial information disclosed in October 24, 2005 press release and conference call to the most directly comparable GAAP financial measure

FOR IMMEDIATE RELEASE

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

**ETHAN ALLEN ANNOUNCES FIRST QUARTER RESULTS;
SALES INCREASE 9.1%**

Danbury, CT., October 24, 2005 – Ethan Allen Interiors Inc. (“Ethan Allen” or the “Company”) (NYSE: ETH) today reported sales and earnings for the first quarter ended September 30, 2005.

Net delivered sales for the first quarter ended September 30, 2005 increased 9.1% to $251.3 million from $230.3 million in the prior year quarter. Net delivered sales for the Company’s Retail division increased 11.8% to $158.4 million, while Wholesale sales increased 10.6% to $178.4 million during that same period. Comparable Ethan Allen store delivered sales increased 8.8% over the prior year quarter. During that same period, Retail division written sales increased 18.1% while comparable store written sales increased 15.4%

The Company previously announced, on September 7, 2005, the planned conversion of one of its existing manufacturing facilities into a regional distribution center. In connection with this announcement, the Company recorded a pre-tax restructuring and impairment charge of $4.2 million ($2.6 million, after-tax), or $0.08 per share, in the quarter ended September 30, 2005. In addition, on July 1, 2005, the Company was obligated to begin applying the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 123(R), *Share-Based Payment*, which require compensation costs related to share-based payment transactions, including employee stock options, to be recognized in the financial statements. As a result, the Company recorded additional compensation expense totaling $1.2 million ($0.7 million, after-tax), or $0.02 per share, during the quarter ended September 30, 2005.

For the first quarter ended September 30, 2005, earnings per share, which includes the aforementioned pre-tax restructuring and impairment charge, amounted to $0.49 on net income of $17.1 million. This compares to earnings per share and net income of $0.51 and $18.8 million, respectively, in the prior year comparable period. Excluding the impact of the restructuring and impairment charge, earnings per share for the current quarter amounted to $0.57 on net income of $19.7 million. In the current quarter, operating income, which includes the aforementioned restructuring and impairment charge, decreased 8.9% to $28.2 million, or 11.2% of net sales, from $31.0 million, or 13.4% of net sales, in the prior year period. Excluding the restructuring and impairment charge, operating income increased 4.8% to $32.4 million, or 12.9% of net sales.

During the current quarter, the Company utilized $36.8 million of available cash from operations to repurchase 1,140,000 shares of its common stock in the open market. As of September 30, 2005, the Company had a remaining authorization to repurchase an additional 860,000 shares.

Farooq Kathwari, Chairman and CEO, commented: “We are pleased with our results for the quarter. Despite the challenges facing the economy and our industry, sales increased 9.1% and earnings per share, excluding the restructuring and impairment charge, increased 11.8%. We generated nearly $46 million of operating cash, returning approximately $42 million to our shareholders through the repurchase of stock and the payment of quarterly dividends.”

Mr. Kathwari continued: “We believe that the structural changes implemented during the past three years have provided us with an opportunity to improve upon all aspects of our operations. In that time, we have undertaken important initiatives to enhance our product offerings, our manufacturing, sourcing and logistics activities, our retail network, including both our stores and our people, and our marketing efforts. These activities will enable us to further differentiate Ethan Allen and better position the Company for future growth.”

Commenting on business trends Mr. Kathwari stated: “While order trends remain encouraging, written business has slowed from the levels noted during the past three months. In addition, we remain cautiously aware of the threat of further increases in the cost of fuel and raw materials and the impact such events could have on consumer spending and profitability. Still, at this time, we believe that the current analyst estimates for both the fiscal second quarter ended December 31, 2005 and the fiscal year ended June 30, 2006 are within reach.”

Ethan Allen Interiors Inc. is a leading manufacturer and retailer of quality home furnishings. The Company sells a full range of furniture products and decorative accessories through an exclusive network of 311 retail stores in the United States and abroad, of which 129 are Company-owned. Ethan Allen has 11 manufacturing facilities, which include 2 sawmills, located throughout the United States.

The Company will conduct a Conference Call at 11:00 AM (Eastern) on Monday, October 24th. The live webcast and replay are accessible via the Company’s website at www.ethanallen.com/investors.

This press release should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended June 30, 2005 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. 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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EXHIBIT 99.1

**Ethan Allen Interiors Inc.
Selected Financial Information
Unaudited**
(In millions)

Selected Consolidated Financial Data:

	Three Months Ended	
	9/30/05	9/30/04
Net Sales	$ 251.3	$ 230.3
Gross Margin	50.4%	47.9%
Operating Margin	11.2%	13.4%
Operating Margin (ex restructuring & impairment charge)	12.9%	13.4%

Net Income	$ 17.1	$ 18.8
Net Income (ex restructuring & impairment charge)	$ 19.7	$ 18.8
Operating Cash Flow	$ 45.6	$ 37.4
Capital Expenditures	$ 4.8	$ 7.5
Treasury Stock Repurchases (settlement date basis)	$ 36.8	$ 18.6
EBITDA	$ 33.4	$ 36.3
EBITDA as % of Net Sales	13.3%	15.8%
EBITDA (ex restructuring & impairment charge)	$ 37.6	$ 36.3
EBITDA as % of Net Sales (ex restructuring & impairment charge)	15.0%	15.8%

Selected Financial Data by Business Segment:

Retail	Three Months Ended 9/30/05	Three Months Ended 9/30/04
Net Sales	$ 158.4	$ 141.7
Operating Margin	1.1%	2.1%

Wholesale	Three Months Ended 9/30/05	Three Months Ended 9/30/04
Net Sales	$ 178.4	$ 161.3
Operating Margin	16.7%	17.5%
Operating Margin (ex restructuring & impairment charge)	19.1%	17.5%

EXHIBIT 99.1

Ethan Allen Interiors Inc.
Condensed Consolidated Statements of Operations
Unaudited
(In thousands, except per share amounts)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004
Net sales	$ 251,314	$ 230,346
Cost of sales	124,774	119,964
Gross Profit	126,540	110,382
Operating Expenses:		
Selling	52,095	43,196
General and administrative	42,010	36,398
Restructuring and impairment charges	4,241	(167)
Total operating expenses	98,346	79,427
Operating Income	28,194	30,955
Interest and other miscellaneous income (expense)	42	(55)
Interest and other related financing costs	428	149
Income before income tax expense	27,808	30,751
Income tax expense	10,678	11,993
Net Income	$ 17,130	$ 18,758
Basic earnings per share:		
Net income per share	$ 0.50	$ 0.52
Basic weighted average shares outstanding	33,921	36,211
Diluted earnings per share:		
Net income per share	$ 0.49	$ 0.51
Diluted weighted average shares outstanding	34,628	37,098

EXHIBIT 99.1

Ethan Allen Interiors Inc.
Condensed Consolidated Balance Sheets

(In thousands)

	September 30, 2005 (unaudited)	June 30, 2005
Assets		
Current Assets:		
Cash and cash equivalents	$ 188,707	$ 3,448
Accounts receivable, net	26,358	28,019
Inventories	192,087	186,479
Prepaid expenses and other current assets	46,666	46,443
Total current assets	453,818	264,389
Property, plant, and equipment, net	271,540	275,211
Intangible assets, net	83,994	82,897
Other assets	7,577	5,889
Total Assets	$ 816,929	$ 628,386
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current maturities of long-term debt and capital lease obligations	$ 232	$ 240
Customer deposits	61,518	53,654
Accounts payable	37,150	19,352
Accrued expenses and other current liabilities	60,465	60,720
Total current liabilities	159,365	133,966
Long-term debt	202,656	12,270
Other long-term liabilities	12,296	12,445
Deferred income taxes	33,598	35,637
Total liabilities	407,915	194,318
Shareholders' equity	409,014	434,068
Total Liabilities and Shareholders' Equity	$ 816,929	$ 628,386

EXHIBIT 99.2

Ethan Allen Interiors Inc.
GAAP Reconciliation
Three Months Ended September 30, 2005 and 2004
(in thousands, except per share amounts)

	Three Months Ended September 30 2005		Three Months Ended September 30 2004	
Net Income / Earnings Per Share				
Net income	$	17,130	$	18,758
Add: restructuring and impairment charge, net of related tax effect		2,612		-
Net income (excluding restructuring and impairment charge)	$	19,742	$	18,758
Earnings per basic share	$	0.50	$	0.52
Earnings per basic share (excluding restructuring and impairment charge)	$	0.58	$	0.52
Basic weighted average shares outstanding		33,921		36,211
Earnings per diluted share	$	0.49	$	0.51
Earnings per diluted share (excluding restructuring and impairment charge)	$	0.57	$	0.51
Diluted weighted average shares outstanding		34,628		37,098
Consolidated Operating Income / Operating Margin				
Operating income	$	28,194	$	30,955
Add: restructuring and impairment charge		4,241		-
Operating income (excluding restructuring and impairment charge)	$	32,435	$	30,955
Net sales	$	251,314	$	230,346
Operating margin		11.2%		13.4%
Operating margin (excluding restructuring and impairment charge)		12.9%		13.4%
Wholesale Operating Income / Operating Margin				
Wholesale operating income	$	29,815	$	28,254
Add: restructuring and impairment charge		4,241		-
Wholesale operating income (excluding restructuring and impairment charge)	$	34,056	$	28,254
Wholesale net sales	$	178,426	$	161,315
Wholesale operating margin		16.7%		17.5%
Wholesale operating margin (excluding restructuring and impairment charge)		19.1%		17.5%
EBITDA				
Net income	$	17,130	$	18,758
Add: interest expense		247		122
Add: income tax expense		10,678		11,993
Add: depreciation and amortization		5,320		5,409
EBITDA	$	33,375	$	36,282
Net sales	$	251,314	$	230,346
EBITDA as % of net sales		13.3%		15.8%
EBITDA	$	33,375	$	36,282
Add: restructuring and impairment charge		4,241		-
EBITDA (excluding restructuring and impairment charge)	$	37,616	$	36,282

Net sales	$ 251,314	$ 230,346
EBITDA as % of net sales	15.0%	15.8%