
**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 28, 2010

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))
-
-

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 28, 2010, 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, 2010. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

On April 28, 2010, 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, 2010 and March 31, 2009 will be disclosed. This information is set forth in the attached Exhibit 99.1.

Exhibit 99.1 includes 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 unusual income tax impacts, and the effects of restructuring, impairment, and transition charges recorded during fiscal 2010 as a result of the Company’s decision to consolidate facilities and convert case goods to a custom manufactured product, and during fiscal 2009 as a result of the Company's decisions to consolidate retail facilities. 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 28, 2010

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 28, 2010

By: /s/ David R. Callen
David R. Callen
*Vice President, Finance and
Treasurer*

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated April 28, 2010

Ethan Allen Reports Results for Quarter Ended March 31, 2010

DANBURY, Conn.--(BUSINESS WIRE)--April 28, 2010--Ethan Allen Interiors Inc. ("Ethan Allen" or the "Company") (NYSE:ETH) today reported operating results for the three and nine months ended March 31, 2010.

Three Months Ended March 31, 2010

Net delivered sales for the quarter ended March 31, 2010 were \$147.3 million, up 5.0% from the prior year quarter. The Company's Retail division delivered net sales of \$107.1 million, increased 3.7% and the Wholesale division delivered net sales of \$96.6 million, increased 9.7% from the prior year quarter. Total orders booked for the Retail division increased 18.6% while comparable design center orders were 23.7% higher than the prior year quarter.

The reported loss in the quarter was \$0.9 million or a diluted loss per share of \$0.03 compared with a loss the prior year quarter of \$48.7 million or \$1.69 per diluted share. Excluding restructuring, impairments, transition charges, and unusual income tax impacts in both periods, the current quarter loss was \$1.5 million or \$0.05 per diluted share compared to \$13.4 million loss or \$0.46 per diluted share the prior year quarter.

Nine Months Ended March 31, 2010

For the nine months ended March 31, 2010, net delivered sales totaled \$426.8 million as compared to \$535.6 million the prior year to date. Net delivered sales for the Company's Retail division were \$317.4 million versus \$406.4 million the prior year. Wholesale net sales were \$262.4 million versus \$318.2 million the prior year.

The year to date loss as reported was \$17.8 million or \$0.61 per diluted share. This compares to the reported loss the prior year to date of \$35.8 million or \$1.24 per diluted share. Excluding restructuring, impairments, transition charges, and unusual income tax impacts in both periods, the diluted loss per share was \$0.31 in the current year to date compared to \$0.06 the prior year comparable period.

Farooq Kathwari, Chairman, President and CEO commented, "I am pleased that consolidated booked orders during the quarter ended March 31, 2010 totaled approximately \$176 million and reflect a 20% increase from the depressed booked orders from the prior year quarter. Our backlogs at both retail and wholesale have substantially increased to more normal levels. The increase in orders reflects an improvement in consumer confidence and is due to the many initiatives we have taken including offering special savings from our everyday best prices. We are also pleased that during the last six months, we have added nearly 300 associates in our manufacturing and retail operations as we increase our capacity to meet the improved demand."

Mr. Kathwari continued, "The 'Great Recession' has provided us an opportunity to examine every aspect of our business and undertake major improvements to all aspects of our vertically integrated structure. We have also focused on improving our liquidity. Our total cash, investments, and restricted cash at March 31, 2010 was \$85 million; an increase of 61% since June 30, 2009."

Mr. Kathwari further stated, "While we are gratified with the increase in booked orders during the quarter, the major progress in our initiatives, and the positive news of consumer confidence, we remain cautious as the improvement in the economy is still at an early stage with many uncertainties on the horizon."

Analyst Conference Call

The Company will conduct a Conference Call at 11:00 AM (Eastern) on Wednesday, April 28th. 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 280 Design Centers in the United States and abroad. Ethan Allen owns and operates seven manufacturing facilities in North America, including five manufacturing plants and one sawmill in the United States and one manufacturing plant in Mexico. 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/A for the year ended June 30, 2009 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.

Ethan Allen Interiors Inc.
Condensed Consolidated Income Statements
Unaudited

(in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	03/31/10	03/31/09	03/31/10	03/31/09
Net sales	\$ 147,258	\$ 140,221	\$ 426,750	\$ 535,620
Cost of sales	75,231	74,171	227,390	255,828
Gross profit	72,027	66,050	199,360	279,792
Operating expenses:				
Selling	37,321	42,251	109,541	146,274
General and administrative	37,129	42,781	112,024	131,806
Restructuring and impairment charge	400	55,725	1,989	54,121
Total operating expenses	74,850	140,757	223,554	332,201
Operating income (loss)	(2,823)	(74,707)	(24,194)	(52,409)
Interest and other miscellaneous income	894	806	2,711	3,019
Interest expense and other related financing costs	2,979	2,985	8,938	8,818
Income (loss) before income taxes	(4,908)	(76,886)	(30,421)	(58,208)
Income tax expense (benefit)	(4,053)	(28,212)	(12,649)	(22,444)
Net income (loss)	\$ (855)	\$ (48,674)	\$ (17,772)	\$ (35,764)
Basic earnings per common share:				
Net income (loss) per basic share	\$ (0.03)	\$ (1.69)	\$ (0.61)	\$ (1.24)
Basic weighted average shares outstanding	29,016	28,861	28,953	28,768
Diluted earnings per common share:				
Net income (loss) per diluted share	\$ (0.03)	\$ (1.69)	\$ (0.61)	\$ (1.24)
Diluted weighted average shares outstanding	29,016	28,861	28,953	28,768

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

	March 31, 2010	June 30, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 71,925	\$ 52,960
Marketable securities	2,023	-
Accounts receivable, net	15,725	13,086
Inventories	140,369	156,519
Prepaid expenses & other current assets	12,163	21,060
Deferred income taxes	16,442	8,077
Total current assets	258,647	251,702
Property, plant and equipment, net	310,578	333,599
Intangible assets, net	45,128	45,128
Restricted cash and investments	11,300	-
Other assets	18,733	16,056
Total Assets	\$ 644,386	\$ 646,485
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term debt	43	42
Customer deposits	49,278	31,691
Accounts payable	23,862	22,199
Accrued expenses & other current liabilities	55,642	58,531
Total current liabilities	128,825	112,463
Long-term debt	203,194	203,106
Other long-term liabilities	23,817	24,993
Total liabilities	355,836	340,562
Shareholders' equity	288,550	305,923
Total Liabilities and Shareholders' Equity	\$ 644,386	\$ 646,485

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

Selected Consolidated Financial Data:

	Three Months Ended		Nine Months Ended	
	03/31/10	03/31/09	03/31/10	03/31/09
Net sales	\$ 147.3	\$ 140.2	\$ 426.8	\$ 535.6
Gross margin	48.9%	47.1%	46.7%	52.2%
Operating margin	-1.9%	-53.3%	-5.7%	-9.8%
Operating margin (ex restructuring, impairment & transition charges)	-0.2%	-13.5%	-1.8%	0.3%
Net income (loss)	(\$0.9)	(\$48.7)	(\$17.8)	(\$35.8)
Net income (loss) (ex restructuring, impairment & transition charges)	(\$1.5)	(\$13.4)	(\$8.8)	(\$1.6)
Operating cash flow	\$ 12.8	(\$1.9)	\$ 33.6	\$ 13.8
Capital expenditures	\$ 2.3	\$ 4.3	\$ 7.6	\$ 20.5
Acquisitions	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.7
Treasury stock repurchases (settlement date basis)	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
EBITDA	\$ 3.4	(\$67.7)	\$ 1.7	(\$31.1)
EBITDA as % of net sales	2.3%	-48.3%	0.4%	-5.8%
EBITDA (ex restructuring, impairment and transition charges)	\$ 5.9	(\$12.0)	\$ 11.5	\$ 23.0
EBITDA as % of net sales (ex restructuring, impairment and transition charges)	4.0%	-8.5%	2.7%	4.3%

Selected Financial Data by Business Segment:

	Three Months Ended		Nine Months Ended	
	03/31/10	03/31/09	03/31/10	03/31/09
<i>Retail</i>				
Net sales	\$ 107.1	\$ 103.3	\$ 317.4	\$ 406.4
Operating margin	-9.7%	-69.6%	-9.9%	-19.2%
Operating margin (ex restructuring, impairment & transition charges)	-9.3%	-21.0%	-9.2%	-7.4%
<i>Wholesale</i>				
Net sales	\$ 96.6	\$ 88.1	\$ 262.4	\$ 318.2
Operating margin	7.0%	-6.9%	1.2%	4.5%
Operating margin (ex restructuring, impairment & transition charges)	9.2%	-0.7%	6.6%	6.4%

Ethan Allen Interiors Inc.
GAAP Reconciliation
Three and Nine Months Ended March 31, 2010 and 2009
Unaudited
(in thousands, except per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2010	2009	2010	2009
<u>Net Income / Earnings Per Share</u>				
Net income (loss)	\$ (855)	\$ (48,674)	\$ (17,772)	\$ (35,764)
Add: restructuring, impairment and transition charges (credit), net of related tax effect	1,591	35,278	10,478	34,156
Unusual income tax impacts	(2,261)	-	(1,545)	-
Net income (loss) (excluding restructuring impairment and transition charges)	<u>\$ (1,525)</u>	<u>\$ (13,396)</u>	<u>\$ (8,839)</u>	<u>\$ (1,608)</u>
Earnings (loss) per basic share	<u>\$ (0.03)</u>	<u>\$ (1.69)</u>	<u>\$ (0.61)</u>	<u>\$ (1.24)</u>
Earnings (loss) per basic share (excluding restructuring, impairment and transition charges (credit))	<u>\$ (0.05)</u>	<u>\$ (0.46)</u>	<u>\$ (0.31)</u>	<u>\$ (0.06)</u>
Basic weighted average shares outstanding	29,016	28,861	28,953	28,768
Earnings (loss) per diluted share	<u>\$ (0.03)</u>	<u>\$ (1.69)</u>	<u>\$ (0.61)</u>	<u>\$ (1.24)</u>
Earnings (loss) per diluted share (excluding restructuring, impairment and transition charges (credit))	<u>\$ (0.05)</u>	<u>\$ (0.46)</u>	<u>\$ (0.31)</u>	<u>\$ (0.06)</u>
Diluted weighted average shares outstanding	29,016	28,861	28,953	28,768
<u>Consolidated Operating Income / Operating Margin</u>				
Operating income (loss)	\$ (2,823)	\$ (74,707)	\$ (24,194)	\$ (52,409)
Add: restructuring, impairment and transition charges (credit)	2,506	55,725	16,501	54,121
Operating income (loss) (excluding restructuring, impairment and transition charges)	<u>\$ (317)</u>	<u>\$ (18,982)</u>	<u>\$ (7,693)</u>	<u>\$ 1,712</u>
Net sales	<u>\$ 147,258</u>	<u>\$ 140,221</u>	<u>\$ 426,750</u>	<u>\$ 535,620</u>
Operating margin	<u>-1.9%</u>	<u>-53.3%</u>	<u>-5.7%</u>	<u>-9.8%</u>
Operating margin (excluding restructuring, impairment and transition charges)	<u>-0.2%</u>	<u>-13.5%</u>	<u>-1.8%</u>	<u>0.3%</u>
<u>Wholesale Operating Income / Operating Margin</u>				
Wholesale operating income (loss)	\$ 6,737	\$ (6,068)	\$ 3,099	\$ 14,396
Add: restructuring, impairment and transition charges (credit)	2,108	5,473	14,287	5,881
Wholesale operating income (excluding restructuring, impairment and transition charges)	<u>\$ 8,845</u>	<u>\$ (595)</u>	<u>\$ 17,386</u>	<u>\$ 20,277</u>
Wholesale net sales	<u>\$ 96,594</u>	<u>\$ 88,072</u>	<u>\$ 262,374</u>	<u>\$ 318,215</u>
Wholesale operating margin	<u>7.0%</u>	<u>-6.9%</u>	<u>1.2%</u>	<u>4.5%</u>
Wholesale operating margin (excluding restructuring, impairment and transition charges)	<u>9.2%</u>	<u>-0.7%</u>	<u>6.6%</u>	<u>6.4%</u>
<u>Retail Operating Income / Operating Margin</u>				
Retail operating income (loss)	\$ (10,366)	\$ (71,920)	\$ (31,507)	\$ (78,156)
Add: restructuring, impairment and transition charges (credit)	398	50,252	2,214	48,240
Retail operating income (loss) (excluding restructuring, impairment and transition charges (credit))	<u>\$ (9,968)</u>	<u>\$ (21,668)</u>	<u>\$ (29,293)</u>	<u>\$ (29,916)</u>
Retail net sales	<u>\$ 107,113</u>	<u>\$ 103,305</u>	<u>\$ 317,386</u>	<u>\$ 406,358</u>
Retail operating margin	<u>-9.7%</u>	<u>-69.6%</u>	<u>-9.9%</u>	<u>-19.2%</u>
Retail operating margin (excluding restructuring, impairment and transition charges)	<u>-9.3%</u>	<u>-21.0%</u>	<u>-9.2%</u>	<u>-7.4%</u>

Ethan Allen Interiors Inc.
GAAP Reconciliation
Three and Nine Months Ended March 31, 2010 and 2009
Unaudited
(in thousands, except per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2010	2009	2010	2009
EBITDA				
Net income (loss)	\$ (855)	\$ (48,674)	\$ (17,772)	\$ (35,764)
Add: interest expense (income), net	2,745	2,704	8,242	7,777
Add: income tax expense (benefit)	(4,053)	(28,212)	(12,649)	(22,444)
Add: depreciation and amortization (including accelerated depreciation)	5,519	6,477	23,849	19,285
EBITDA	<u>\$ 3,356</u>	<u>\$ (67,705)</u>	<u>\$ 1,670</u>	<u>\$ (31,146)</u>
Net sales	<u>\$ 147,258</u>	<u>\$ 140,221</u>	<u>\$ 426,750</u>	<u>\$ 535,620</u>
EBITDA as % of net sales	<u>2.3%</u>	<u>-48.3%</u>	<u>0.4%</u>	<u>-5.8%</u>
EBITDA	\$ 3,356	\$ (67,705)	\$ 1,670	\$ (31,146)
Add: restructuring, impairment and transition charges (credit)	2,506	55,725	9,871	54,121
Adjusted EBITDA	<u>\$ 5,862</u>	<u>\$ (11,980)</u>	<u>\$ 11,541</u>	<u>\$ 22,975</u>
Net sales	<u>\$ 147,258</u>	<u>\$ 140,221</u>	<u>\$ 426,750</u>	<u>\$ 535,620</u>
Adjusted EBITDA as % of net sales	<u>4.0%</u>	<u>-8.5%</u>	<u>2.7%</u>	<u>4.3%</u>

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