

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-11806

Ethan Allen Interiors Inc.; Ethan Allen Inc.; Ethan Allen Finance Corporation;
Ethan Allen Manufacturing Corporation; Andover Woods Products Inc.

(Exact name of registrant as specified in its charter)

Delaware

06-1275288

(State or other jurisdiction of incorporation (I.R.S. Employer ID No.)
or organization)

Ethan Allen Drive, Danbury, Connecticut 06811

(Address of principal executive offices)

(203) 743-8000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since
last report)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and
reports required to be filed by Sections 12, 13 or 15(d) of the Securities
Exchange Act of 1934 subsequent to the distribution of securities under a
plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes
of common stock, as of the latest practicable date.

14,376,205 at September 30, 1996

ETHAN ALLEN INTERIORS INC.
AND SUBSIDIARIES

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ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY
Consolidated Balance Sheets
(Dollars in thousands)

ASSETS	September 30, 1996 (unaudited)	June 30, 1996
-----	-----	-----
<S>	<C>	<C>
Current assets:		
Cash	\$ 11,565	\$ 9,078
Accounts receivable, less allowances of \$2,510 and \$2,564 at September 30 and June 30, 1996, respectively	35,949	33,984
Notes receivable, current portion, less allowances of \$328 and \$314 at September 30 and June 30, 1996, respectively	1,253	1,314
Inventories (note 3)	102,024	107,224
Prepaid expenses and other current assets	8,516	7,377
Deferred income taxes	8,325	9,305
	-----	-----
Total current assets	167,632	168,282
	-----	-----
Property, plant and equipment, net	161,727	159,634
Property, plant and equipment held for sale (note 4)	1,095	4,233
Notes receivable, net of current portion, less allowance of \$178 and \$97 at September 30 and June 30, 1996, respectively	2,452	2,561
Intangibles, net of amortization of \$12,181 and \$11,768 at September 30 and June 30, 1996, respectively	53,652	54,065
Deferred financing costs, net of amortization of \$1,597 and \$1,426 at September 30 and June 30, 1996, respectively	1,710	1,877
Other assets	4,905	5,329
	-----	-----
Total assets	\$393,173	\$395,981
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		

Current liabilities:		
Current maturities of long-term debt and capital lease obligations	\$ 2,091	\$ 2,498
Accounts payable	42,945	36,742
Accrued expenses	4,933	6,956
Accrued compensation and benefits	12,813	12,939
	-----	-----
Total current liabilities	62,782	59,135

Long-term debt, less current maturities	65,350	79,929
Obligations under capital leases, less current maturities	2,849	2,752
Other long-term liabilities, principally long-term compensation, environmental and legal reserves	922	1,036
Deferred income taxes	32,316	32,836
Total liabilities	164,219	175,688
Commitments and contingencies (note 5)	-	-
Shareholders' equity:		
Class A common stock, par value \$.01, 35,000,000 shares authorized, 14,632,722 and 14,568,731 shares issued at September 30 and June 30, 1996, respectively	146	146
Preferred stock, par value \$.01, 1,055,000 shares authorized, no shares issued and outstanding at September 30 and June 30, 1996, respectively	-	-
Additional paid-in capital	254,960	254,971
	255,106	255,117
Less: Notes receivable from officer and employees	(33)	(51)
Treasury stock (at cost) 261,138 and 256,480 shares at September 30 and June 30, 1996, respectively	(5,496)	(5,371)
	249,577	249,695
Accumulated deficit	(20,623)	(29,402)
Total shareholders' equity	228,954	220,293
Total liabilities and shareholders' equity	\$393,173	\$395,981

See accompanying notes to consolidated financial statements.

<CAPTION>

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY
Consolidated Statements of Operations
(Unaudited)
(Dollars in thousands, except per share data)

	Three Months Ended September 30,	
	1996	1995
<S>	<C>	<C>
Net sales	\$132,355	\$116,941
Cost of sales	77,777	71,470
Gross profit	54,578	45,471
Operating expenses:		
Selling	19,160	17,769
General and administrative	19,016	17,816
Operating income	16,402	9,886
Interest and other miscellaneous income, net	49	303
Interest expense	1,591	2,553
Amortization of deferred financing costs	221	109
Income before income taxes	14,639	7,527
Income tax expense	5,856	3,027
Net income	\$ 8,783	\$ 4,500
Per share data:		
Net income per common share	\$ 0.60	\$ 0.31
Dividends declared	\$ 0.04	\$ -
Weighted average common shares outstanding (in thousands)	14,639	14,599

See accompanying notes to consolidated financial statements.

<CAPTION>

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY
 Consolidated Statements of Cash Flows
 (Unaudited)
 (Dollars in thousands)

	Three Months Ended September 30,	
	1996	1995
<S>	<C>	<C>
Operating activities:		
Net income	\$ 8,783	\$ 4,500
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,570	4,396
Provision for deferred income taxes	752	116
Other non-cash charges	360	(73)
Change in:		
Accounts receivable	(1,871)	(4,896)
Inventories	5,200	5,989
Prepaid and other current assets	(1,139)	(2,335)
Other assets	153	48
Accounts payable	6,203	6,369
Accrued expenses	(2,012)	(2,415)
Other long-term liabilities	(114)	(16)
	-----	-----
Net cash provided by operating activities	20,885	11,683
	-----	-----
Investing activities:		
Proceeds from the disposal of property, plant and equipment	331	96
Proceeds from the disposal of property, plant and equipment held for sale	1,724	-
Capital expenditures	(5,055)	(3,130)
Payments received on long-term notes receivable	371	395
Disbursements made for long-term notes receivable	(277)	(400)
	-----	-----
Net cash used by investing activities	(2,906)	(3,039)
	-----	-----
Financing activities:		
Payments on revolving credit facility	(21,000)	(23,500)
Borrowings on revolving credit facility	14,500	15,500
Other long-term borrowings	440	-
Redemption of Senior Notes	(8,425)	-
Payments on long-term debt, including current maturities	(36)	(19)
Issuance of common stock	226	105
Payments under capital leases	(493)	(457)
Increase in deferred financing costs	(4)	(88)
Payments to acquire treasury stock	(125)	-
Payments of dividends	(575)	-
	-----	-----
Net cash used by financing activities	(15,492)	(8,459)
	-----	-----
Net increase in cash	2,487	185
Cash at beginning of period	9,078	7,546
	-----	-----
Cash at end of period	\$ 11,565	\$ 7,731
	=====	=====

See accompanying notes to consolidated financial statements.

<CAPTION>

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY
 Consolidated Statements of Shareholders' Equity
 Three Months Ended September 30, 1996
 (Unaudited)
 (Dollars in thousands)

	Common Stock	Additional Paid-in Capital	Notes Receivable	Treasury Stock	Accumulated Deficit	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at June 30, 1996	\$ 146	\$254,971	\$ (51)	\$ (5,371)	\$ (29,402)	\$220,293
Issuance of common stock	-	226	-	-	-	226

Payments received on notes receivable	-	-	18	-	-	18
Increase in management warrants	-	47	-	-	-	47
Purchase of 4,658 shares of treasury stock	-	-	-	(125)	-	(125)
Tax benefit associated with the exercise of employee options and warrants	-	292	-	-	-	292
Dividends declared	-	(576)	-	-	-	(576)
Foreign currency adjustment	-	-	-	-	(4)	(4)
Net income	-	-	-	-	8,783	8,783
Balance at September 30, 1996	\$ 146	\$254,960	\$ (33)	\$ (5,496)	\$ (20,623)	\$228,954
	=====	=====	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

</TABLE>

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Unaudited)

(1) Basis of Presentation

Ethan Allen Interiors Inc. (the "Company") is a Delaware corporation incorporated on May 25, 1989. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Ethan Allen Inc. ("Ethan Allen") and Ethan Allen's subsidiaries. All intercompany accounts and transactions have been eliminated in the consolidated financial statements. All of Ethan Allen's capital stock is owned by the Company. The Company has no other assets or operating results other than those associated with its investment in Ethan Allen.

(2) Interim Financial Presentation

All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

In the opinion of the Company, all adjustments, consisting only of normal recurring accruals necessary for fair presentation, have been included in the financial statements. The results of operations for the three months ended September 30, 1996, are not necessarily indicative of results for the fiscal year.

(3) Inventories

Inventories at September 30 and June 30, 1996 are summarized as follows (dollars in thousands):

	September 30, 1996	June 30, 1996
	-----	-----
Retail merchandise	\$ 28,240	\$ 28,695
Finished products	33,646	39,146
Work in process	12,656	12,803
Raw materials	27,482	26,580
	-----	-----
	\$102,024	\$107,224
	=====	=====

(4) Plant, Property and Equipment Held for Sale

Property and plants held for resale are recorded at lower of cost or net realizable values. As of July 1, 1996, the Company adopted FAS 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets To Be Disposed Of." The adoption of this standard did not have a material impact on the Company's financial position or its results of operations.

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Unaudited)

(5) Contingencies

The Company has been named as a potentially responsible party ("PRP") for the cleanup of four sites currently listed or proposed for inclusion on the National Priorities List ("NPL") under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). Numerous other parties have been identified as PRP at these sites. The Company believes its share of waste contributed to these sites is small in relation to the total; however, liability under "CERCLA" may be joint and several. The Company has total reserves of \$500,000 applicable to these sites. With respect to all of these sites, the Company believes that it is not a major contributor based on the very small volume of waste generated by the Company in relation to the total volume at the site. For three of the sites, the site assessment is at a very early stage and there has been no allocation of responsibility among the parties. Environmental assessment activity with respect to these sites is expected to continue over the next few years. With respect to the fourth site, final allocation is in the process of being negotiated.

(6) Wholly-Owned Subsidiary

The Company owns all of the outstanding stock of Ethan Allen, has no material assets other than its ownership of Ethan Allen stock, and conducts all significant operating transactions through Ethan Allen. The Company has guaranteed Ethan Allen's obligation under the Credit Agreement and the Senior Notes and has pledged all the outstanding capital stock of Ethan Allen to secure its guarantee under its Credit Agreement.

The condensed balance sheets of Ethan Allen as of September 30 and June 30, 1996 are as follows (dollars in thousands):

	September 30, 1996	June 30, 1996
	-----	-----
Assets		

Current assets	\$167,591	\$168,261
Non-current assets	229,637	231,163
	-----	-----
Total assets	\$397,228	\$399,424
	=====	=====
Liabilities		

Current liabilities	\$ 62,160	\$ 58,517
Non-current liabilities	101,437	116,553
	-----	-----
Total liabilities	\$163,597	\$175,070
	=====	=====

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Unaudited)

A summary of Ethan Allen's operating activity for the three months ended September 30, 1996 and 1995 is as follows (dollars in thousands):

	Three Months	
	Ended September 30,	
	1996	1995
	-----	-----
Net sales	\$132,355	\$116,941
Gross profit	54,578	45,471
Operating income	16,420	9,915
Interest expense	1,591	2,553
Amortization of deferred financing costs	221	109
Income before income tax expense	14,656	7,554
Net income	8,800	4,527

(7) Business Reorganization

The Company implemented a business reorganization ("Reorganization") effective July 1, 1995, which permitted a separation of manufacturing operations from distribution and store operations. This has given the Company additional flexibility to permit it to reduce its

aggregate state corporate income tax liability by allocating income to the operations responsible for generating such income thereby reducing the Company's effective tax rate. The Company believes that the separation of manufacturing operations from distribution and store operations will also provide for improved measures of performance, including profitability of operations and return on assets, by allowing the Company to more easily allocate income, expenses and assets to the separate operations of the Company's business. The Reorganization consists principally of the following elements: (i) the contribution of Ethan Allen's manufacturing equipment to Ethan Allen Manufacturing Corporation ("EAMC"), which is a wholly-owned subsidiary of the Company (ii) the execution of operating lease arrangements between EAMC and Ethan Allen for real property used in manufacturing operations (iii) the contribution by Ethan Allen of certain of Ethan Allen's trademarks and service marks, design patents and related assets to Ethan Allen Finance Corporation ("EAFC") which is a wholly-owned subsidiary of Ethan Allen, (iv) the full and unconditional guarantee on a senior unsecured basis of Ethan Allen's obligations under Ethan Allen's Credit Agreement and 8-3/4% Senior Notes due 2001 by each of EAMC and EAFC and Andover Woods Products Inc. ("Andover", an existing wholly-owned subsidiary of the Company) (collectively, "Guarantor Subsidiaries"), (v) the amendment of the Company's existing guarantee of Ethan Allen's obligations under the Senior Notes and the Indenture to include a guarantee of each Guarantor Subsidiary's obligations under its subsidiary

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Unaudited)

guarantee, (vi) the execution of a management agreement and a service mark licensing agreement and a trademark licensing agreement between EAMC and EAFC, (vii) the execution of a management agreement between Ethan Allen and EAFC and (viii) the execution of a manufacturing agreement between Ethan Allen and EAMC. Ethan Allen continues to own its headquarters building in Danbury, Connecticut, the real property associated with EAMC's manufacturing operations and the assets and liabilities associated with the Ethan Allen-owned retail operations and Ethan Allen's distribution, service and home delivery operations.

The summarized historical combined balance sheet information for the Guarantor Subsidiaries at September 30, 1996 and at June 30, 1996 is as follows (dollars in thousands):

Assets	September 30, 1996	June 30, 1996
-----	-----	-----
Current assets	\$ 54,953	\$ 46,394
Non-current assets	165,443	164,602
	-----	-----
Total assets	\$220,396	\$210,996
	=====	=====
Liabilities		
Current liabilities	\$ 23,252	\$ 21,346
Non-current liabilities	17,939	17,939
	-----	-----
Total liabilities	\$ 41,191	\$ 39,285
	=====	=====

Summarized historical combined operating activity for the three months ended September 30, 1996 and 1995 is as follows (dollars in thousands):

	Three Months Ended September 30,	
	1996	1995
	-----	-----
Net sales	\$ 77,413	\$ 67,965
Gross profit	15,680	10,756
Operating income	11,289	6,863
Income before interest expense and income taxes	12,407	7,951
Income before income taxes	12,387	7,883
Net income	7,494	4,769

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Unaudited)

The summarized historical financial information for the Guarantor Subsidiaries above, has been derived from the financial statements of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Ethan Allen's revenues are comprised of wholesale sales to dealer-owned stores and retail sales of Ethan Allen-owned stores as follows (dollars in millions):

	Three Months Ended September 30,	
	1996	1995
Revenues:		
Net wholesale sales to dealer-owned stores	\$ 86.1	\$ 77.8
Net retail sales of Ethan Allen-owned stores	40.2	34.8
Other revenues	6.0	4.3
	-----	-----
Total	\$132.3	\$116.9
	=====	=====

Three Months Ended September 30, 1996 Compared to Three Months Ended September 30, 1995

Sales for the three months ended September 30, 1996 increased by \$15.4 million, or 13.2%, over the corresponding period in the prior year to \$132.3 million. Net sales to dealer-owned stores increased by \$8.3 million, or 10.7% to \$86.1 million, and net retail sales by Ethan Allen-owned stores increased by \$5.4 million, or 15.5% to \$40.2 million. Sales growth has resulted from newer product offerings, a coordinated advertising program, 95% brand awareness, and growth in international sales. In addition, sales growth can be attributed to the strengthening of the Company's existing retail base through relocations and store renovations. At September 30, 1996, there were 288 total stores, of which 231 were dealer-owned, as compared to 296 total stores, of which 236 were dealer-owned at September 30, 1995. The net decrease in the number of stores is primarily due to the closing of 14 smaller, under-performing stores in Japan, which were replaced by 3 larger, high-volume stores in fiscal 1996.

The increase in retail sales by Ethan Allen-owned stores is attributable to a 12.5%, or \$4.1 million, increase in comparable store sales, and an increase in sales generated by newly opened or acquired stores of \$2.0 million, partially offset by closed stores, which generated \$.7 million less in sales in the three months ended September 30, 1996, as compared to the three months ended September 30, 1995.

Comparable stores are stores that, if newly opened, have been open for at least 15 months. Ethan Allen's retail business is principally special order and minimal net sales are generated during the first three months of operations of newly opened stores. Stores acquired from dealers by Ethan Allen are included in comparable store sales in their thirteenth full month of Ethan Allen-owned operations.

Gross profit for the three months ended September 30, 1996 increased by \$9.1 million from the three months ended September 30, 1995 to \$54.6 million. This increase is attributable to higher sales volumes, combined with an increase in gross margin to 41.2% in the three months ended September 30, 1996 from 38.9% in the three months ended September 30, 1995. Gross margins have been favorably impacted by greater manufacturing efficiencies, the full benefit of recent price increases and a higher proportionate percentage of retail sales to total sales, partially offset by an increase in lumber and other raw material costs and higher employee benefit costs.

Selling, general and administrative expenses increased \$2.6 million from \$35.6 million, or 30.4% of net sales, in the three months ended September 30, 1995 to \$38.2 million, or 28.8% of net sales, in the three months ended September 30, 1996. This increase is attributable principally to an increase in operating expenses of the Company's retail division of \$1.3 million due to higher sales volumes. Wholesale operating expenses also increased due to higher sales volumes and increased employee benefit

costs.

Operating income for the three months ended September 30, 1996 was \$16.4 million, an increase of \$6.5 million as compared to the three months ended September 30, 1995. Wholesale operating income was \$15.3 million for the three months ended September 30, 1996, reflecting an increase of \$5.7 million as compared to the prior year quarter. This increase is attributable to higher sales volumes and increased gross margins. Retail operating income was \$1.3 million in the three months ended September 30, 1996, as compared to break-even in the corresponding period in the prior year. The higher retail sales volumes and improved gross margin were partially offset by higher operating expenses primarily due to the higher sales volumes.

Interest expense, including amortization of deferred financing costs, for the three months ended September 30, 1996 decreased by \$.9 million to \$1.8 million from \$2.7 million in the three months ended September 30, 1995, due to lower debt balances outstanding.

Income tax expense of \$5.9 million, or an effective tax rate of 40.0%, was recorded for the three months ended September 30, 1996, as compared to \$3.0 million, or an effective tax rate of 40.2%, in the prior year quarter.

For the three months ended September 30, 1996, the Company recorded net income of \$8.8 million compared to net income for the three months ended September 30, 1995 of \$4.5 million.

Financial Condition and Liquidity

Principal sources of liquidity are cash flow from operations and additional borrowing capacity under the revolving credit facility. Net cash provided by operating activities totaled \$20.9 million this quarter as compared to \$11.7 million in the three months ended September 30, 1995. The increase is principally due to a \$4.3 million increase in net income, a \$1.9 million increase in accounts receivable in the three months ended September 30, 1996, as compared to a \$4.9 million increase in the three months ended September 30, 1995, and a \$1.1 million increase in prepaid and other current assets in the three months ended September 30, 1996, as compared to a \$2.3 million increase in the prior year quarter. At September 30, 1996, the Company had working capital of \$104.8 million and a current ratio of 2.67 to 1.

During the three months ended September 30, 1996, capital spending totaled \$5.1 million as compared to \$3.1 million in the three months ended September 30, 1995. Capital expenditures in fiscal 1996 are anticipated to be approximately \$18.0 million. The Company anticipates that cash from operations will be sufficient to fund this level of capital expenditures. The increased level of anticipated capital spending, which is attributable primarily to manufacturing efficiency improvements and scheduled new store openings, is expected to continue for the foreseeable future.

Total debt outstanding at September 30, 1995 is \$70.3 million. The Company's balance under its revolving credit facility at September 30, 1996 was \$.5 million. Trade and standby letters of credit of \$13.3 million were also outstanding as of September 30, 1996. Other debt includes \$53.6 million of outstanding Senior Notes which have a final maturity in 2001, with no scheduled amortization prior to final maturity. The Senior Notes may not be redeemed at the option of the Company until March 15, 1998. Therefore, the Company does not anticipate that any Senior Notes will be repaid for at least two years; however, the Company may from time to time, either directly or through agents, repurchase its Senior Notes in the open market, through negotiated purchases or otherwise, at prices and on terms satisfactory to the Company. During the quarter ended September 30, 1996,

During the fiscal year ended June 30, 1996, the Company closed on loan commitments in the aggregate amount of approximately \$1.4 million related to the modernization of its Beecher Falls manufacturing facility. Loans made pursuant to these commitments will bear interest at rates of 3 to 8% and will have maturities of 7 to 30 years. The loans will have a first and second lien in respect of equipment financed by such loans and a first and second mortgage interest in respect of a building, the construction of which was financed by such loans. Interest and principal on such loans will be paid monthly, commencing July 26, 1996, and October 15, 1996. As of June 30, 1996, the Company received \$500,000 of loan proceeds which was included in long term debt at year end. During the quarter ended September 30, 1996, loan proceeds in the amount of \$440,000 were received and are included in long term debt at September 30, 1996.

As of September 30, 1995, aggregate scheduled maturities of long-term debt for each of the next five fiscal years are \$.1 million, \$.4 million, \$.7 million, \$62.2 million and \$.2 million, respectively. Management believes that its cash flow from operations, together with its other

available sources of liquidity, will be adequate to make all required payments of principal and interest on its debt, to permit anticipated capital expenditures and to fund working capital and other cash requirements.

The Company may also, from time to time, either directly or through agents, repurchase its common stock in the open market through negotiated purchases or otherwise, at prices and on terms satisfactory to the Company. During the quarter ended September 30, 1996, 4,658 shares were purchased at an average price of \$26.76 per share. Depending on market prices and other conditions relevant to the Company, such purchases may be discontinued at any time.

PART II. OTHER INFORMATION

Item 1. - Legal Proceedings

There has been no change to matters discussed in Business-Legal Proceedings in Company's Form 10-K as filed with the Securities and Exchange Commission on September 27, 1996.

Item 2. - Changes in Securities

There has been no change to matters discussed in Description and Ownership of Capital Stock in the Company's Form 10-K as filed with the Securities and Exchange Commission on September 27, 1996.

Item 6. - Exhibits and Reports on Form 8-K

- (a) 11. - Statement re Computation of Per Share Earnings
- (b) 27. - Financial Data Schedule

SIGNATURES

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

ETHAN ALLEN INTERIORS INC.

(Registrant)

DATE: 11/14/96

BY: /s/ M. Farooq Kathwari
M. Farooq Kathwari
Chairman of the Board
President and Chief
Executive Officer
(Principal Executive Officer)

DATE: 11/14/96

BY: /s/ Edward P. Schade
Edward P. Schade
Vice President &
Treasurer
(Principal Financial Officer)

DATE: 11/14/96

BY: /s/ Gerardo Burdo
Gerardo Burdo
Corporate Controller
(Principal Accounting Officer)

INDEX TO EXHIBITS

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ETHAN ALLEN INTERIORS INC.
Computation of Per Share Earnings

	Three Months Ended September 30,	
	1996	1995
	-----	-----
Primary Earnings Per Share:		

Average number of shares outstanding	14,344,000	14,434,000
Shares repurchased under treasury method	(522,000)	(579,000)
Net effect of common stock equivalents	817,000	744,000
	-----	-----
Average number of shares - primary	14,639,000	14,599,000
Net income	\$ 8,783,000	\$ 4,500,000
	=====	=====
Per Share Data		

Net income per common share	\$ 0.60	\$ 0.31
	=====	=====

Earnings Per Common Share:

Earnings per common share are computed by dividing net earnings by the weighted average number of shares of common stock and common stock equivalents outstanding during each period. The Company has issued stock options and warrants which are the Company's only common stock equivalents.

Fully Diluted Earnings Per Share:

Fully diluted earnings per share is within 3% of primary earnings per share for all periods presented.

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

This schedule contains summary financial information extracted from the consolidated financial statements of Ethan Allen Interiors, Inc. for the quarter ended September 30, 1996 and is qualified in its entirety by reference to such financial statements.

</LEGEND>

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<COMMON>	146<F10>
<OTHER-SE>	228,808<F11>
<TOTAL-LIABILITY-AND-EQUITY>	228,954
<SALES>	132,355
<TOTAL-REVENUES>	132,355<F12>
<CGS>	77,777
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<INCOME-PRETAX>	14,639
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<INCOME-CONTINUING>	8,783
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<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	8,783
<EPS-PRIMARY>	.60<F14>
<EPS-DILUTED>	.60<F15>

<FN>

<F4> Figure for receivables is net of allowances for doubtful accounts of \$2,510.

<F5> Includes prepaid expenses of \$8,516.

<F6> Includes goodwill of \$9,278 (net of amortization).

<F7> Includes current portion of long-term debt of \$2,091 as of September 30, 1996.

<F8> Includes long-term debt of \$65,350 (net of the current portion of long-term debt) and capitalized leases of \$2,849 (net of the current portion of capitalized leases). As of September 30, 1996 outstanding long-term debt of Ethan Allen on a consolidated basis consisted of (i) revolving credit facility of \$500, (ii) 8.75% senior notes of \$53,575, (iii) 9.75% mortgage note of \$1,580 (net of current portion), (iv) industrial revenue bonds of \$8,455, and (v) other of \$1,240 (net of current portion). For a description of the terms of Ethan Allen's long-term debt, see Footnote 8 to Ethan Allen's fiscal 1996 Consolidated Financial Statements.

<F9> As of September 30, 1996, Ethan Allen had no shares of preferred stock outstanding.

<F10> As of September 30, 1996, Ethan Allen had 14,632,722 shares of common stock, \$.01 par value per share, issued. For a description of Ethan Allen's common stock as of June 30, 1996, see Ethan Allen's fiscal 1996 Consolidated Statement of Stockholders' Equity and Footnote 10 of Ethan Allen's fiscal 1996 Consolidated Financial Statements.

<F11> Consists of \$254,960 of additional paid in capital, \$(20,623) of retained earnings, (\$33) of notes receivable from officers and employees and (\$5,496) of treasury stock.

<F12> In the quarter ended September 30, 1996, Ethan Allen's revenues were

derived from sales generated by its wholesale and retail operations.

<F13> Consists of \$1,591 of interest expense and \$221 of amortization of deferred costs during fiscal 1996.

<F14> Earnings per share for the quarter ended September 30, 1996, were \$0.60. For information on Ethan Allen's earnings per share, see Ethan Allen's Consolidated Financial Statements for the quarter ended September 30, 1996.

<F15> Earnings per share on a fully diluted basis for the quarter ended September 30, 1996, were \$0.60.
</FN>

</TABLE>