

ETHAN ALLEN INTERIORS INC  
Form 8-K  
September 06, 2006

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**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 6, 2006

**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 6, 2006, Ethan Allen Interiors Inc. ( Ethan Allen or the Company ) issued a press release announcing a plan to close its Spruce Pine, North Carolina case goods manufacturing facility and convert its Atoka, Oklahoma upholstery manufacturing facility into a regional distribution center. In connection with this initiative, the Company will permanently cease production at both locations, allocating production among its remaining domestic manufacturing locations and selected offshore vendors. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

The decision impacts approximately 465 employees with the reduction in headcount anticipated to occur throughout the second and third quarters of fiscal 2007. The Company will record a pre-tax restructuring and impairment charge of approximately \$13.5 to \$14.5 million (\$8.4 to \$9.1 million, after-tax) for costs associated with this initiative, of which approximately \$3.7 million will result in future cash expenditures relating to employee severance and benefits and other plant exit costs, and approximately \$9.8 to \$10.8 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

<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated September 6, 2006

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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 6, 2006

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

SIGNATURES

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**EXHIBIT INDEX**

<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated September 6, 2006