

ETHAN ALLEN INTERIORS INC
Form 10-Q
May 11, 2009
[Table of Contents](#)

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 March 31, 2009

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: 1-11692

Ethan Allen Interiors Inc.

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(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

06-1275288

(I.R.S. Employer Identification No.)

Ethan Allen Drive, Danbury, Connecticut

(Address of principal executive offices)

06811

(Zip Code)

(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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files); Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

At March 31, 2009, there were 28,953,929 shares of Class A Common Stock, par value \$.01, outstanding.

Table of Contents

TABLE OF CONTENTS

Item		Page
	<u>Part I - Financial Information</u>	
<u>1.</u>	<u>Financial Statements as of March 31, 2009 (unaudited) and June 30, 2008 and for the three and nine months ended March 31, 2009 and 2008 (unaudited)</u>	
	<u>Consolidated Balance Sheets</u>	2
	<u>Consolidated Statements of Operations</u>	3
	<u>Consolidated Statements of Cash Flows</u>	4
	<u>Consolidated Statements of Shareholders' Equity</u>	5
	<u>Notes to Consolidated Financial Statements</u>	6
<u>2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
<u>3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	35
<u>4.</u>	<u>Controls and Procedures</u>	36
	<u>Part II - Other Information</u>	
<u>1.</u>	<u>Legal Proceedings</u>	36
<u>1A.</u>	<u>Risk Factors</u>	36
<u>2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
<u>3.</u>	<u>Defaults Upon Senior Securities</u>	37
<u>4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>	38
<u>5.</u>	<u>Other Information</u>	38
<u>6.</u>	<u>Exhibits</u>	38
	<u>Signatures</u>	39

Table of Contents**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements****ETHAN ALLEN INTERIORS INC. AND SUBSIDIARIES****Consolidated Balance Sheets**

(In thousands, except share data)

	March 31, 2009 (unaudited)	June 30, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 51,159	\$ 74,376
Accounts receivable, less allowance for doubtful accounts of \$1,589 at March 31, 2009 and \$2,535 at June 30, 2008	10,434	12,672
Inventories (note 4)	174,310	186,265
Prepaid expenses and other current assets	28,425	32,860
Deferred income taxes	4,865	4,005
Total current assets	269,193	310,178
Property, plant and equipment, net	347,744	350,432
Goodwill and other intangible assets (notes 6 and 7)	45,156	96,823
Other assets	3,945	4,540
Total assets	\$ 666,038	\$ 761,973
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt (note 8)	\$ 42	\$ 41
Customer deposits	31,200	47,297
Accounts payable	19,621	26,444
Accrued compensation and benefits	33,358	32,568
Accrued expenses and other current liabilities (note 5)	26,949	29,152
Total current liabilities	111,170	135,502
Long-term debt (note 8)	203,077	202,988
Other long-term liabilities	21,059	20,383
Deferred income taxes	6,579	27,327
Total liabilities	341,885	386,200
Shareholders' equity:		
Class A common stock, par value \$.01, 150,000,000 shares authorized; 48,334,870 shares issued at March 31, 2009 and 48,251,780 shares issued at June 30, 2008	483	482
Class B common stock, par value \$.01, 600,000 shares authorized; no shares issued and outstanding at March 31, 2009 and June 30, 2008		
Preferred stock, par value \$.01, 1,055,000 shares authorized; no shares issued and outstanding at March 31, 2009 and June 30, 2008		
Additional paid-in capital	356,084	354,725
	356,567	355,207
Less: Treasury stock (at cost), 19,380,941 shares at March 31, 2009 and 19,565,901 shares at June 30, 2008	(583,220)	(588,783)
Retained earnings	550,123	606,648

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Accumulated other comprehensive income (note 12)	683	2,701
Total shareholders' equity	324,153	375,773
Total liabilities and shareholders' equity	\$ 666,038	\$ 761,973

See accompanying notes to consolidated financial statements.

Table of Contents

ETHAN ALLEN INTERIORS INC. AND SUBSIDIARIES

Consolidated Statements of Operations (Unaudited)

(In thousands, except per share data)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2009	2008	2009	2008
Net sales	\$ 140,221	\$ 235,901	\$ 535,620	\$ 744,138
Cost of sales	74,171	110,714	255,828	346,041
Gross profit	66,050	125,187	279,742	