

ENNIS, INC.
Form 11-K
June 29, 2006

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 11-K
Annual Report of Ennis, Inc. 401 (K) Plan
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

þ **Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934 (*No Fee Required*)
For the Calendar Year Ended December 31, 2005**

OR

o **Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934 (*No Fee
Required*)**

**For the transition period from to
Commission files number 1-5842**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Ennis, Inc. 401 (k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Ennis, Inc.

2441 Presidential Parkway

Midlothian, TX 76065

(972) 775-9801

ENNIS, INC. 401(k) PLAN
Financial Statements and Supplemental Schedule
(Modified Cash Basis)
December 31, 2005 and 2004
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Report of Independent Registered Public Accounting Firm

To the Participants and Administrator
Ennis, Inc. 401(k) Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the Ennis, Inc. 401(k) Plan (the Plan) as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2005. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, the financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits (modified cash basis) of the Ennis, Inc. 401(k) Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2005 in conformity with the modified cash basis of accounting described in Note 2.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) (modified cash basis) as of December 31, 2005, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the 2005 financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2005 financial statements taken as a whole.

/s/ Travis, Wolff & Company, L.L.P.

Dallas, Texas

June 13, 2006

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ENNIS INC. 401(k) PLAN
Statements of Net Assets Available for Benefits
(Modified Cash Basis)
December 31, 2005 and 2004

| | 2005 | 2004 |
|-----------------------------------|---------------|---------------|
| Assets: | | |
| Investments, at fair value | | |
| Investments held by Trustee | \$ 29,099,198 | \$ 24,405,181 |
| Participant loans | 1,453,794 | 1,096,210 |
| Net assets available for benefits | \$ 30,552,992 | \$ 25,501,391 |

See accompanying notes.

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ENNIS, INC. 401(k) PLAN
 Statement of Changes in Net Assets Available for Benefits
 (Modified Cash Basis)
 Year ended December 31, 2005

| | |
|--|---------------|
| Additions to net assets attributed to: | |
| Employee contributions | \$ 1,966,083 |
| Employer matching contributions | 131,707 |
| Employer discretionary or profit sharing contributions | 370,281 |
| Rollover contributions | 51,461 |
| Transfer in from merged plan | 3,467,878 |
| Investment income (loss): | |
| Interest and dividends | 215,324 |
| Net appreciation in fair value of investments | 993,350 |
| | |
| Net additions | 7,196,084 |
| | |
| Deductions from net assets attributed to: | |
| Administrative expenses | (69,906) |
| Benefits paid and withdrawals | (2,064,452) |
| Corrective distribution | (10,125) |
| | |
| Total deductions | (2,144,483) |
| | |
| Net increase | 5,051,601 |
| Net assets available for benefits at beginning of year | 25,501,391 |
| | |
| Net assets available for benefits at end of year | \$ 30,552,992 |

See accompanying notes.

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ENNIS, INC. 401(k) PLAN
Notes to Financial Statements
(Modified Cash Basis)

1. Description of the Plan

The following description of the Ennis, Inc. (the Company) 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

(a) General

The Plan was formed February 1, 1994 and is a defined contribution plan covering substantially all employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code (IRC). In addition, the financial Statements have been prepared in compliance with ERISA.

(b) Eligibility

Employees age 18 and older of the Company are eligible to participate in the Plan after completing 60 days of service, as defined by the Plan.

(c) Contributions

Participants may make voluntary contributions to the Plan ranging from 1% to 100% of eligible pay subject to the Internal Revenue Service (IRS) annual limitations. The Plan allows rollovers of distributions from other qualified plans. The Plan provides for employer matching contributions or discretionary employer contributions for certain employees not enrolled in the Pension Plan for Employees of the Company. Eligibility for employer contributions depends on the participant s employment location.

During 2005, the Company declared a profit sharing contribution of \$370,281 on behalf of the former employees of Northstar Computer Forms, Inc. in accordance with its original plan. The Northstar Computer Forms, Inc. 401(k) Profit Sharing Plan was merged into the Plan on February 1, 2001.

(d) Participant Accounts

Each participant s account is credited with the participant s contribution, any employer contributions, and the allocation of the Plan earnings. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant s interest in his or her account.

(e) Vesting

Participants are immediately vested in their contributions plus actual earnings thereon and qualified employer-matching contributions. Profit sharing contributions vest over a period of five years.

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ENNIS, INC. 401(k) PLAN
Notes to Financial Statements (continued)
(Modified Cash Basis)

1. Description of the Plan Continued

(f) Loans

Under provisions of the Plan, participants may borrow up to 50% of their total account balance up to a maximum of \$50,000. Loan repayments are made in equal installments through payroll deductions generally over a term not to exceed five years. All loans are considered a directed investment from the participant's Plan account with all payments of principal and interest credited to the participant's account. A maximum number of two outstanding loans are allowed per individual. The minimum loan is \$1,000 and there is a \$75 set-up fee payable for each loan. The interest rate is determined based on the prime rate as determined by the Plan's trustee plus 1%.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting and present the net assets available for benefits and changes in those net assets. Consequently, certain additions and the related assets are recognized when received rather than when earned and certain deductions are recognized when paid rather than when the obligation is incurred. Investments are adjusted to fair value for presentation in the accompanying financial statements. Purchases and sales are recorded on a trade-date basis. The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

(b) Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(c) Investments

Investments in registered investment companies are valued at published market prices, which represent the net asset value of the shares held by the Plan at year-end. Investments in pooled separate accounts are reported to the Plan by ING National Trust, which represents fair value. Units of common collective trusts are valued based on the fair value of the underlying assets of the trust as determined by the trust sponsor. Common stock is valued at the quoted market price on the last business day of the year. Money market funds are valued at cost, which approximates market value. Participant loans are valued at cost, which approximates fair value.

(d) Benefits paid to Participants

Benefits paid to participants are recorded as a reduction of net assets available for benefits when paid.

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ENNIS, INC. 401(k) PLAN
Notes to Financial Statements (continued)
(Modified Cash Basis)

3. Investments

Participants may direct the allocation of amounts deferred to the available investment funds. Provisions of the Plan allow participant contributions in 5% increments to be vested in any of the available funds.

The Plan's investments, at fair value, at December 31, 2005 and 2004 were comprised of the following:

| | 2005 | | | 2004 | |
|--|----------------------|---|--|----------------------|---|
| Ennis, Inc. Common Stock | \$ 2,222,172 | * | Ennis, Inc. Common Stock | \$ 2,393,114 | * |
| ING Oppendhimer Global Portfolio | 1,209,972 | | Wells Fargo Treasury Plus Money Market | 3,667,800 | * |
| ING VP Index Plus Mid-Cap | 3,933,542 | * | Janus Investments Balanced Fund | 1,653,324 | * |
| Lord Abbett Sm-Cap Value Fund | 256,325 | | Wells Fargo LifePath 2010 Fund | 303,567 | |
| T. Rowe Price Mid-Cap Value Fund | 64,732 | | Wells Fargo LifePath 2020 Fund | 760,735 | |
| UBS U.S. Small Cap Growth Fund | 763,365 | | Wells Fargo LifePath 2030 Fund | 1,930,629 | * |
| Fidelity VIP Contrafund Portfolio | 4,705,514 | * | Wells Fargo LifePath 2040 Fund | 293,457 | |
| The Growth Fund of America | 1,289,400 | | Wells Fargo Index Fund | 1,685,030 | * |
| VVIF-Diversified Value Portfolio | 1,078,309 | | Goldman Sachs Capital Growth Fund | 2,562,147 | * |
| American Balanced Fund | 96,588 | | Wells Fargo Large Company Growth Fund | 745,585 | |
| The Income Fund of America | 1,872,817 | * | Janus Twenty Fund | 469,671 | |
| ING VP Strategic Alloc Balance Portfolio | 787,193 | | AIM Dynamics Fund | 3,986,330 | * |
| ING VP Strategic Alloc Growth Portfolio | 2,038,790 | * | AIM Small Company Growth Fund | 893,198 | |
| ING VP Strategic Alloc Income Portfolio | 341,714 | | Pimco Total Return Fund | 1,143,048 | |
| ING PIMCO Total Return Portfolio | 1,277,576 | | AIM Basic Value Fund | 908,410 | |
| ING Fixed Account | 7,161,189 | * | Templeton World Fund | 1,009,136 | |
| Participant Loans | 1,453,794 | | Participant loans | 1,096,210 | |
| Total investments | \$ 30,552,992 | | Total Investments | \$ 25,501,391 | |

* Represents 5% or more of the net assets available for benefits

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During 2005, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

| | |
|-----------------------------------|--------------|
| Pooled separate accounts | \$ 1,050,366 |
| Common stock | (57,016) |
| 2005 Plan investment appreciation | \$ 993,350 |

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ENNIS, INC. 401(k) PLAN
Notes to Financial Statements (continued)
(Modified Cash Basis)

4. Plan Termination

Although the Company has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

5. Tax Status of Plan

The Plan has obtained its latest determination letter dated September 27, 2002 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan administrator and the Plan's management believe that the Plan is currently being operated within the applicable IRS rules and regulations.

6. Plan Merger

On October 1, 2005, the Royal Business Forms, Inc. Employee Profit Sharing Plan was merged into the Plan. From that point forward, the changes in net assets are included in the Plan's statement of changes in net assets. There was \$3,467,878 transferred into the Plan.

7. Subsequent Event

Effective January 1, 2006, the Crabar/GBF, Inc. 401(k) Plan adopted the Plan. Effective January 1, 2006, the A&G 401(k) Plan and all investments held by the Alsyle Plan were transferred to the Plan.

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SUPPLEMENTAL SCHEDULE

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SUPPLEMENTAL SCHEDULE
 ENNIS, INC. 401(k) PLAN
 Schedule H, Line 4i Schedule of Assets (Held at End of Year)
 (Modified Cash Basis)
 EIN: 75-0256410
 Plan#: 011
 December 31, 2005

| (a) | (b) Identity of issuer, borrower, lessor or similar party | (c) Description of investments including maturity date, rate of interest collateral, par, or maturity value | (e) Current value |
|-----|--|---|-------------------------|
| * | Ennis, Inc | Ennis, Inc Common Stock | \$ 2,222,172 |
| * | ING Life Ins and Annuity Co (ILIAC) | ING Oppendhimer Global Portfolio | 1,209,972 |
| * | ING Investments, LLC | ING VP Index Plus Mid-Cap Portfolio | 3,933,542 |
| | Lord, Abnett & Co, LLC | Lord Abnett Sm-Cap Value Fund | 256,325 |
| | T. Rowe Price Associates, Inc. | T. Rowe Price Mid-Cap Value Fund | 64,732 |
| | UBS Global Asset Mgmt (Americas) Inc. | UBS U.S. Small Cap Growth Fund | 763,365 |
| | Fidelity Management & Research Co (FMR) | Fidelity VIP Contrafund Portfolio | 4,705,514 |
| | Capital Research and Mgmt Co | The Growth Fund of America | 1,289,400 |
| | Barrow, Hanley, Mewhinney & Strauss, Inc. | VVIF-Diversified Value Portfolio | 1,078,309 |
| | Capital Research and Management Co | American Balanced Fund | 96,588 |
| | Capital Research and Management Co | The Income Fund of America | 1,872,817 |
| * | ING Investments, LLC | ING VP Strategic Alloc Balance Portfolio | 787,193 |
| * | ING Investments, LLC | ING VP Strategic Alloc Growth Portfolio | 2,038,790 |
| * | ING Investments, LLC | ING VP Strategic Alloc Income Portfolio | 341,714 |
| | Pacific Investment Mgmt Co LLC (PIMCO) | ING PIMCO Total Return Portfolio | 1,277,576 |
| * | ING Life Ins and Annuity Co (ILIAC) | ING Fixed Account | 7,161,189 |
| * | Participant loans | Loans with interest rates ranging from 6.00% to 11.50% | 1,453,794 |
| | | Total investments | \$ 30,552,992 |

* Indicates party-in-interest to the Plan.

Column (d) cost is not required since all investments are directed by participants.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ENNIS, INC. 401(k) PLAN

Date: June 29, 2006 /s/ Richard L. Travis, Jr.

Richard L. Travis, Jr.
Vice President Finance and CFO,
Secretary, Principal Financial and
Accounting Officer
Ennis, Inc.