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ENNIS, INC.  
Form 11-K  
June 25, 2004

FORM 11-K

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

(MARK ONE)

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

For the Calendar year ended December 31, 2003

- ( ) 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 1-5807  
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- 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

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ENNIS, INC. 401(k) PLAN

Financial Statements and Supplemental Schedule  
(Modified Cash Basis)

December 31, 2003 and 2002

ENNIS, INC. 401(k) PLAN

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## Report of Independent Certified Public Accountants

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 Business Forms, Inc. 401(k) Plan (the "Plan") as of December 31, 2003 and 2002, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2003. 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 generally accepted in the United States of America. 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 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 Business Forms, Inc. 401(k) Plan as of December 31, 2003 and 2002, and the changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2003 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, 2003, 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 2003 financial statements and, in our opinion, is fairly stated in all

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material respects in relation to the 2003 financial statements taken as a whole.

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

Dallas, Texas  
June 2, 2004

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ENNIS INC. 401(k) PLAN

Statements of Net Assets Available for Benefits  
(Modified Cash Basis)

December 31, 2003 and 2002

	2003	2002
	----	----
Assets:		
Investments, at fair value		
Investments held by Trustee	\$ 21,497,246	\$ 13,080,750
Participant loans	1,052,044	620,122
	-----	-----
Net assets available for benefits	\$ 22,549,290	\$ 13,700,872
	=====	=====

See accompanying notes.

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ENNIS, INC. 401(k) PLAN

Statement of Changes in Net Assets Available for Benefits  
(Modified Cash Basis)

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Year ended December 31, 2003

Additions to net assets attributed to:	
Employee contributions	\$ 1,686,921
Rollover contributions	78,347
Rollover contributions from Calibrated Forms Company, Inc. 401(k) Plan	3,823,745
In-kind contributions	583,710
Employer matching contributions	85,804
Employer profit sharing contributions	400,000
Investment income (loss):	
Interest and dividends	112,373
Net appreciation in fair value of investments	3,307,263
	-----
Net additions	10,078,163
	-----
Deductions from net assets attributed to:	
Administrative expenses	79,775
Benefits paid and withdrawals	1,149,970
	-----
Total deductions	1,229,745
	-----
Net increase	8,848,418
Net assets available for benefits at beginning of year	13,700,872
	-----
Net assets available for benefits at end of year	\$ 22,549,290
	=====

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

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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 50% employer matching contributions or discretionary employer contributions not to exceed \$1,000 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 2003, the Company made a profit sharing contribution of \$400,000 on behalf of the former employees of Northstar Computer Forms, Inc. in accordance with their 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 contribution, 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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(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 requires 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 2%.

## 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. 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.

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(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, 2003 and 2002 were comprised of the following:

	2003 -----	2002 -----
Wells Fargo Treasury Plus Money Market	\$ 3,353,786	* \$ 2,706,147 *
Pimco Total Fund	1,233,109	* 634,816
Janus Balanced Fund	1,469,894	* 1,051,303 *
Wells Fargo LifePath 2010 Fund	232,428	116,003
Wells Fargo LifePath 2020 Fund	587,208	468,357
Wells Fargo LifePath 2030 Fund	1,787,144	* 1,515,361 *
Wells Fargo LifePath 2040 Fund	219,589	140,261
Aim Basic Value Fund	780,252	113,451
Wells Fargo Index Fund	1,564,453	* 633,455
Goldman Sachs Capital Growth Fund	2,391,527	* 1,629,072 *
Wells Fargo Large Company Growth Fund	723,984	431,423
Janus Twenty Fund	220,972	158,059
Invesco Dynamics Fund	3,823,384	* 2,203,075 *
Invesco Small Capital Growth Fund	821,090	371,700
Janus Worldwide Fund	-	294,955
Templeton World Fund	768,347	-
Ennis Business Forms, Inc. Common Stock	1,520,079	* 613,312
Participant loans	1,052,044	620,122
	-----	-----
	\$ 22,549,290	\$ 13,700,872
	=====	=====
Total investments		

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

During 2003, the Plan's investments (including investments



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bought, sold and held during the year) appreciated (depreciated) in value as follows:

Registered investment companies	\$ 2,977,511
Common stock	329,752
	-----
	\$ 3,307,263
	=====

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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. In-Kind Contributions

During the 2003 Plan year, the Company terminated its Employee Stock Ownership Plan and approximately 50,300 shares of the Company's stock was contributed to the Plan.

#### 7. Plan Amendments

Effective July 31, 2003, the Plan was amended to merge the net assets (approximately \$3,800,000) of Calibrated Forms Company, Inc. 401(k) Plan into the Plan.

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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, 2003

(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
	-----	-----	-----
*	Wells Fargo Fund	Wells Fargo Treasury Plus Money Market	\$ 3,353,786
	Pimco Funds	Pimco Total Fund	1,233,109
	Janus Funds	Janus Balanced Fund	1,469,894
		Wells Fargo LifePath 2010 Fund	232,428
*	Wells Fargo Fund	Wells Fargo LifePath 2020 Fund	587,208
*	Wells Fargo Fund	Wells Fargo LifePath 2030 Fund	1,787,144
*	Wells Fargo Fund	Wells Fargo LifePath 2040 Fund	219,589
	Aim Family of Funds	Aim Basic Value Fund	780,252
*	Wells Fargo Fund	Wells Fargo Index Fund	1,564,453
	Goldman Sachs Asset Management	Goldman Sachs Capital Growth Fund	2,391,527
		Wells Fargo Large Company Growth Fund	723,984
*	Wells Fargo Fund	Janus Twenty Fund	220,972
*	Janus Funds		
*	INVESCO Family of Funds	Invesco Dynamics Fund	3,823,384

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* INVESCO Family of Funds	Invesco Small Capital Growth Fund	821,090
Templeton Fund	Templeton World Fund	768,347
* Ennis Business Forms, Inc.	Ennis Business Forms, Inc. Common Stock	1,520,079
	Loans with interest rates ranging from 6.00% to 11.5%	1,052,044
		-----
Total investments		\$ 22,549,290
		=====

\* 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 25, 2004

/s/Harve Cathey

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 Harve Cathey,  
 Vice President - Finance and  
 CFO, Secretary, Principal  
 Financial and Accounting Officer  
 Ennis, Inc.