



2005 ANNUAL REPORT

innovation from within™



CORPORATE PROFILE

Knapé & Vogt Manufacturing Company brings more than a century of experience to the design, manufacturing and distribution of functional hardware, storage related components, and ergonomic products for original equipment manufacturers, specialty distributors, office furniture dealers, hardware chains and major home centers throughout the country.

Major product categories include KV® brand drawer slides; wall-attached shelving units and specialty hardware products; KV® brand kitchen, closet and bath storage products; and idea@WORK® brand keyboard systems and other ergonomic office products.

"At Knapé & Vogt™, innovation is second nature..."



idea@WORK® products on display at our new showroom located within the Merchandise Mart in downtown Chicago.



FINANCIAL HIGHLIGHTS

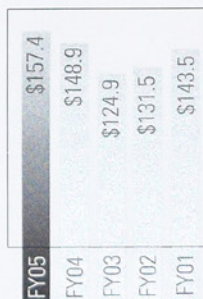


For the Year Ending:	July 2, 2005	July 3, 2004	June 28, 2003
Net Sales	\$157,365,965	\$148,940,674	\$124,874,939
Operating Income	\$5,496,350	\$7,159,602	\$3,820,126
Impairment and Restructure	\$2,270,021	-	\$271,325
Net Income	\$3,080,272	\$3,734,932	\$2,230,899
Earnings Per Share – Diluted	\$0.68	\$0.83	\$0.49
Year End Stock Price	\$11.95	\$12.98	\$10.47
Dividends Paid	\$2,853,768	\$2,849,192	\$2,847,316

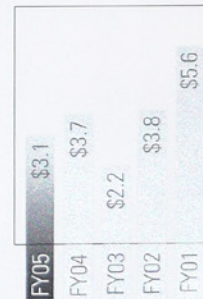
Fiscal 2005 Accomplishments

- Cumulative sales growth of 12.3% from fiscal 2003
- Grew new product sales to \$31.1 million
- Opened two product showrooms in Chicago
- Launched shop.kv.com website
- Consolidated the wire operations into the Grand Rapids facility; with an estimated payback period of less than two years

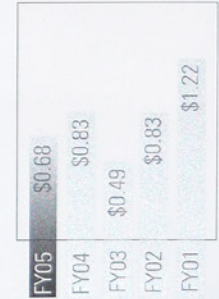
Net Sales
(in millions)



Net Income
(in millions)



Earnings Per Share
(in dollars)



Ferrari™. Gucci™. And now, Virtü™. The luxury kitchen and bath market demanded premium organization products, and Knapé & Vogt™ responded with the Virtü™ Closet Collection. Italian-designed and fully customizable, the frames, baskets, racks, shelving, valéts and hampers are the first of their kind in North America.

Closet Panel System provided by Windquest Companies.

Divine Design: Oven-cured nickel powder coating sealed with a clear varnish ensures decades of beautiful service for our Virtü™ Kitchen, Bath and Closet products.



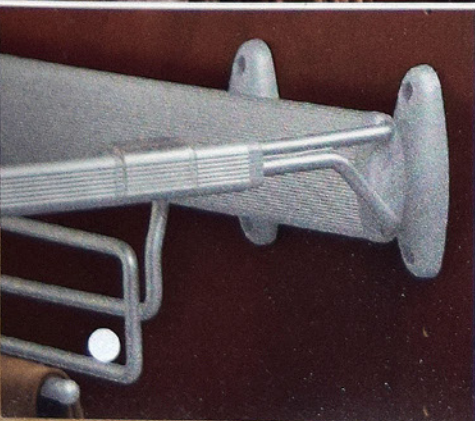





FELLOW
SHAREHOLDERS

Innovation: Our History is our Future



At Knapé & Vogt™, innovation is second nature, first on our minds and deeply imbedded within our Company's heritage. During the past year, our quest for product innovation has taken us down several new and exciting paths. We explored ways to bring our ergonomics expertise to the products for the home and office. We've enhanced and expanded our storage and organizational product lines to favor upscale homeowners and the designers and cabinetmakers who serve them. Not content to be limited to just our own concepts, we searched the world for closet components and kitchen and bath accessories that would fit seamlessly with our current offerings and found them in Italy. Introduced as the Virtú™ Closet Collection, our Italian-designed closet system is a fully customizable set of wire baskets, trays, shelves and racks that are sized to fit American homes. With the breadth of our expanded home storage accessories and organizational products, we have the solutions that designers and customers are seeking for their new home or renovation projects.



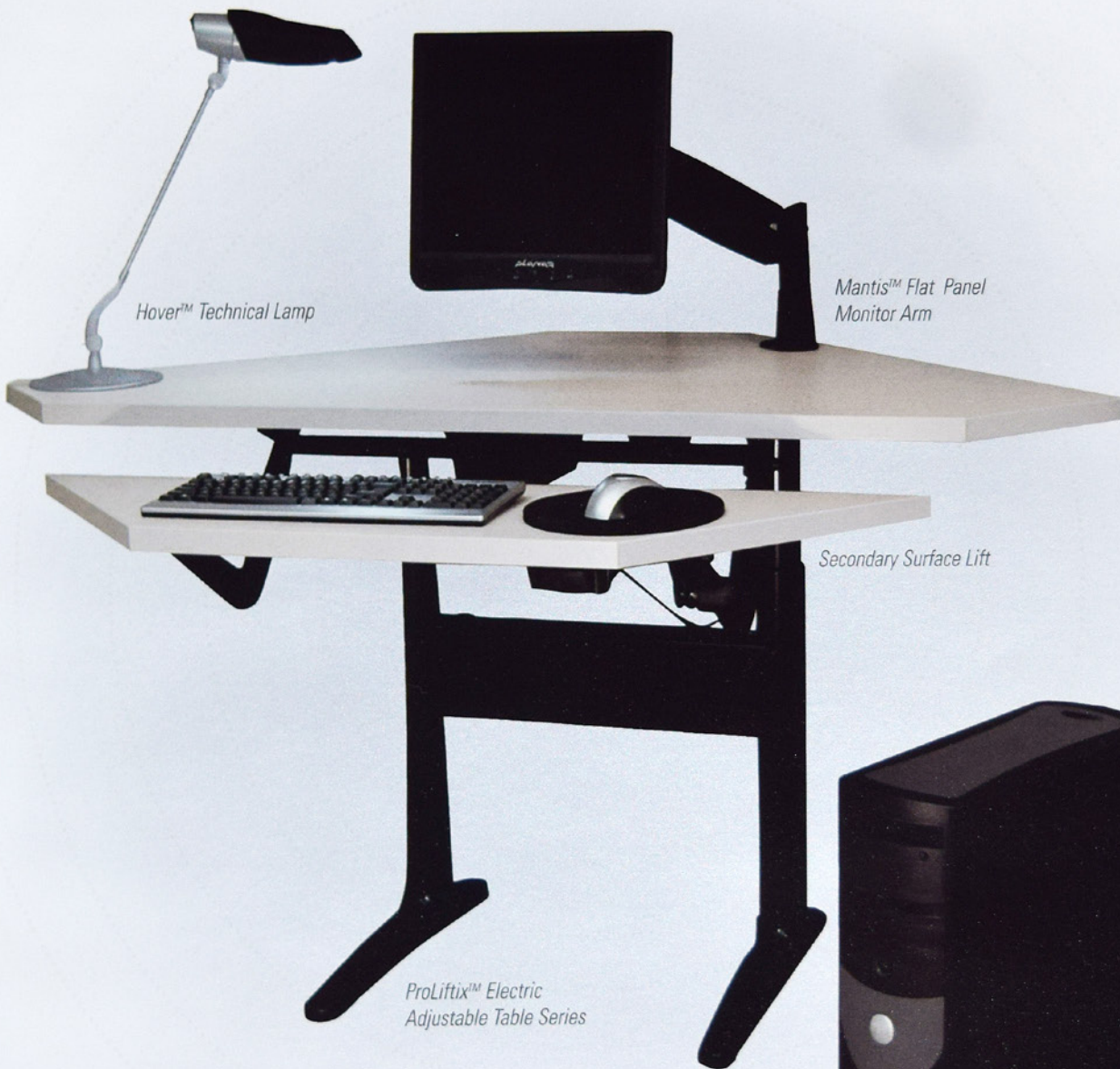
In our Business Products channels, we realized that office employees are customizing their workspace, making it more comfortable and productive. We launched a new line, Proxi™ Worktools, and enhanced the line of height adjustable tables to address this market trend. The Proxi™ line is a versatile rail system with numerous accessories that offers four different mounting options, which can be configured in a variety of ways. It improves the functionality of an individual's workspace, thus increasing the ability to meet their job demands. The line of height adjustable tables received a number of aesthetic design changes, including a cast aluminum foot and a quieter, faster motor for the electric tables. Both lines were well received by both our OEM and idea@WORK® customers during NeoCon in June.



Far Left (top to bottom): KV® Virtú™ Closet Components: Wood Hamper, Valet, Pant Rack, Adjustable Frame. Top Right (left to right): KV® Virtú™ Kitchen & Bath Products: Pull-Out Tray, Three-tiered Base Cabinet Pull-Out, Plate Rack Basket, Tall Basket, Utensil Organizer Basket.



When combined or used separately, *idea@WORK*® products provide both ergonomic comfort as well as innovative design (below).



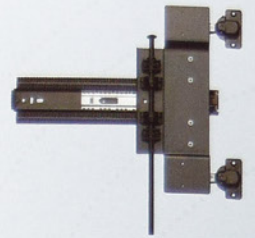
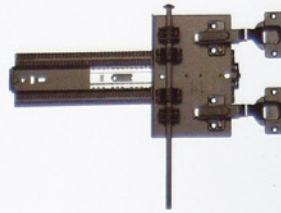
Hover™ Technical Lamp

Mantis™ Flat Panel Monitor Arm

Secondary Surface Lift

ProLiftix™ Electric Adjustable Table Series

Roameo™ CPU Holder



While sharing many of the same innovations as our classic 8080 model, KV's 8070 Pivot Door Slide also boasts a "no-fuss" installation and improved follower strip placement for added flexibility and ease of installation.

Our classic 8080 Pivot Door Slide is still an industry leader, equipped with KV® precision ball bearing slides. The 8080 is the ideal choice for a wide variety of applications.

Created specifically for oversized door applications, the 8090 4X4 Series features an innovative rack and pinion design that is capable of handling doors weighing up to 75 pounds.

The KV® 4X4 Series Full Overlay Kit allows for a full overlay on doors up to ¾" thick without compromising the performance features of the pocket door hardware.

"The result of this innovation was clear in our financial results."

Knape & Vogt™ offers a full array of drawer slides, hinges and cabinet hardware, perfect for custom cabinetry applications.





Innovation has also led us to reach out to a broader spectrum of customers and introduce them to the quality and performance that the KV® name has represented for over a century. This year, we opened two showrooms in the world-famous Chicago Merchandise Mart. The KV® Product Gallery is one of 25 LuxeHome™ boutiques located on the first floor of The Mart and is a showcase for our upscale kitchen, bath, closet, shelving and home office products. With its array of showrooms and products, LuxeHome™ is a one-stop shopping experience for residential space designers and the consumers they serve. The idea@WORK® Showroom located on the tenth floor, which opened its doors during the annual NeoCon World's Trade Fair in June 2005, is the ideal venue to display our prototype designs and comprehensive ergonomic office product line.

From a marketing perspective, the quest to introduce the KV® name directly into consumers' homes resulted in the launch of the shop.kv.com website. There, potential customers can view many of our products and purchase them at ease from their own homes. We believe the KV® website, along with the KV® Product Gallery in Chicago, are key components to creating better awareness of KV® and the multitude of products that we offer.

We also took a step forward in customer service with the introduction of a new interactive software application that allows our customer service personnel to communicate directly with customers viewing our website. This software will allow a customer visiting our website to initiate contact with a customer service representative. He or she can talk live with a KV® representative and if desired, the representative can take over the customers' cursor and help navigate through the KV® website.

The result of this innovation was clear in our financial results. Our net sales reached \$157.4 million and grew 5.7% in fiscal 2005. We introduced several new products/product groups resulting in new product sales of \$31.1 million.

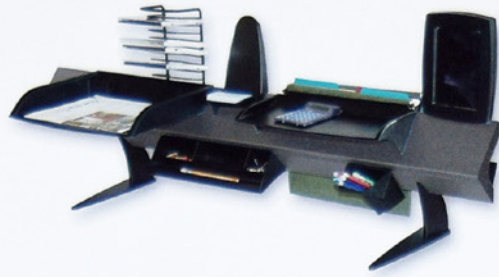
(above, left to right): Short Center-mount Pantry Roll-Out, Wood & Wire Slide-Out Baskets, Chrome & Platinum Waste and Recycling Management, Maple Pan Racks.

(below): Double Pantry System with Mounting Panel and Double Upper Door System.





USBug Wire Management System



Proxi™ EZ-Personal Worktools



Stellaris™ Flat Panel Monitor System

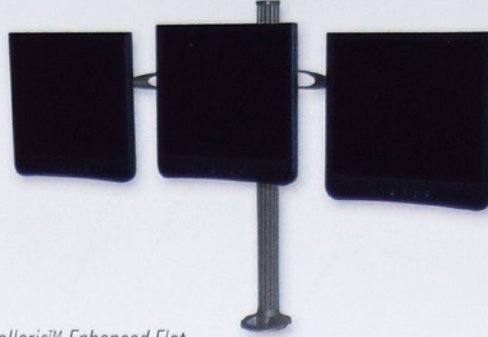
"...we challenged ourselves to maintain or grow production levels..."



NeoCon, an ergonomic conference and trade show held annually at Chicago's Merchandise Mart, drew many visitors to Knap & Vogt™'s two showrooms, the KV® Product Gallery on the first floor, and the idea@WORK® Showroom on the tenth floor. During NeoCon, the KV® Product Gallery (left) was outfitted with several examples of KV®'s ergonomic office accessories, including height-adjustable work surfaces, monitor arms and keyboard trays.



*Polaris™ Arm Lever-Free
Keyboard Mechanism*



*Stellaris™ Enhanced Flat
Panel Monitor System*

Success requires our entire organization to focus on innovation, not only in marketing and customer service, but also manufacturing. Utilizing the concepts of lean manufacturing, we challenged ourselves to maintain or grow production levels and yet reduce the manufacturing space required in our Grand Rapids facility. We met this challenge and opened up available manufacturing square footage that allowed us to relocate our kitchen and bath storage accessory production from the Muncie facility to our main manufacturing site in Grand Rapids. We estimate that this consolidation will trim over \$1.5 million pre-tax from our manufacturing costs in future years.

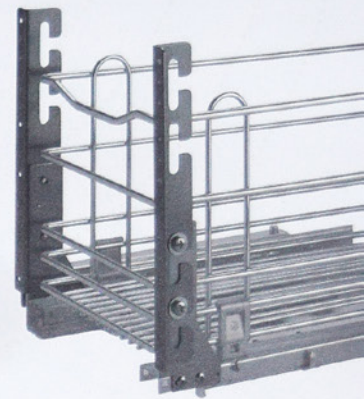
Our focus on low-cost production continues with strategic overseas alliances in Asia. While we are at peak levels of production in Grand Rapids, production in Asia allows us to fulfill the incremental business KV® has earned over the past couple of years. In addition, we are moving closer to establishing our own manufacturing facility in Vietnam and plan to be in operation before the end of fiscal 2006.

While we utilize overseas production for certain cost sensitive products, we want our shareholders to understand that we still firmly believe in "Made in the U.S.A." We continue to invest in our Grand Rapids facility and see the production of innovative, complex products in that plant as a key to our future success. Further, a number of our customers desire products "Made in the U.S.A." and rely on our ability to manufacture those products domestically; we won't disappoint them.

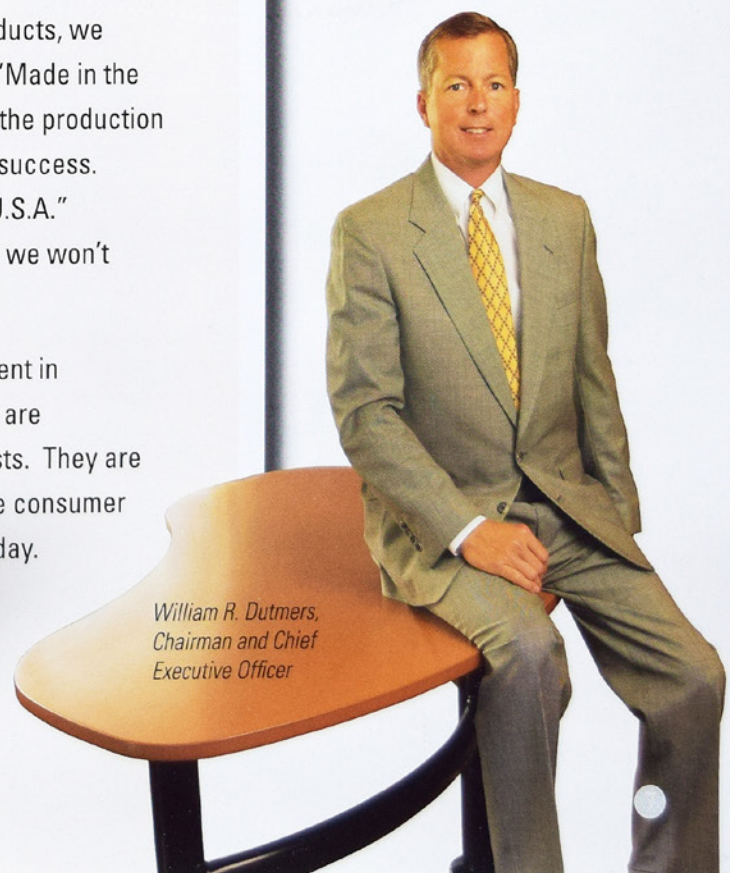
After more than a century in business, we understand that investment in innovation and the KV® brand is critical to our success. Customers are challenging us to bring fresh ideas to the market at competitive costs. They are looking for products that enhance functionality and a brand that the consumer trusts. We look forward to meeting this challenge each and every day.

Sincerely,

*William R. Dutmers
Chairman and Chief Executive Officer*



*Detail of Tall Steel Door-Mount
Brackets from the Virtu™
Kitchen & Bath Collection.*



*William R. Dutmers,
Chairman and Chief
Executive Officer*

INVESTOR INFORMATION

Knape & Vogt Manufacturing Company and Subsidiaries

Corporate Headquarters

Knape & Vogt Manufacturing Company
2700 Oak Industrial Drive, N.E.
Grand Rapids, MI 49505-6083
(616) 459-3311

Additional Financial Information

The Company does not print and mail quarterly reports to shareholders. The quarterly earnings release, additional copies of this annual report, and the Company's Form 10-K filed with the Securities and Exchange Commission are available upon written request, or may be found at www.kv.com.

Legal Services

Knape & Vogt Manufacturing Company
2700 Oak Industrial Drive, N.E.
Grand Rapids, MI 49505-6083

Internet Address

The Knape & Vogt™ home page is located at www.kv.com. This is your entry point for information about the Company, including company news, details on products and investor information.

Annual Shareholders Meeting

Shareholders are cordially invited to attend Knape & Vogt™'s annual shareholders' meeting to be held at 11:30 a.m. on Friday, October 21, 2005, at the Jarecki & Lacks Center, Room 141, Aquinas College, 159 Woodward Lane, SE, Grand Rapids, Michigan.

Fiscal 2006 Quarter-end Dates

The Company's fiscal year ends on the Saturday nearest June 30.
First Quarter – October 1, 2005
Second Quarter – December 31, 2005
Third Quarter – April 1, 2006
Fourth Quarter – July 1, 2006

Transfer Agent

Computershare Investor Services, LLC serves as the transfer agent for the Company. Inquiries relating to stock transfers, changes of ownership, lost or stolen stock certificates, changes of address and dividend payments should be addressed to:

Computershare Investor Services, LLC
P.O. Box A3504
Chicago, IL 60690-3504
Telephone: (312) 588-4991

Quarterly Dividend Dates

The Company expects to pay dividends on the following schedule in fiscal 2006.

Record Date

August 26, 2005
November 25, 2004
February 24, 2006
May 26, 2006

Computershare BYDS Plan

The Computershare BYDS Plan provides a convenient method to acquire shares of Knape & Vogt™ stock through both the direct purchase of shares and the reinvestment of quarterly dividends. Shareholders may purchase shares by investing cash as often as once a month in an amount of \$100 or more. Participation is voluntary, and all fees associated with stock purchases under this plan are paid by the Company.

To receive an information booklet and enrollment form, please contact the Company's stock transfer agent.

Independent Accountants

Deloitte & Touche LLP, Grand Rapids, Michigan

Corporate Counsel

Varnum, Riddering, Schmidt & Howlett, Grand Rapids, Michigan

Equal Opportunity Employer

Knape & Vogt™ is an equal employment opportunity employer and to that end, does not unlawfully discriminate against individuals with regards to their race, color, national origin, religion, sex, age or disability.



Knape & Vogt™ takes its product innovations – like the Virtu™ Closet Collection – to more than 100 major trade exhibits each year, including the Kitchen and Bath Industry Show last May in Las Vegas.

DIRECTORS AND OPERATING COMMITTEE

Knape & Vogt Manufacturing Company and Subsidiaries

BOARD OF DIRECTORS

William R. Dutmers

*Chairman and Chief Executive Officer,
Knape & Vogt Manufacturing Company*

John E. Fallon

Private Investor

Thomas A. Hilborn

Vice President, Continental Structural Plastics

Richard S. Knape

Private Investor

Robert J. Knape

*Senior Project Manager and Corporate Secretary,
Knape & Vogt Manufacturing Company*

Michael J. Kregor

Vice President National Sales, Griffith Laboratories

Gregory Lambert

*Vice President of Administration and Chief Financial
Officer, National Heritage Academies*

Christopher Norman

Retired Executive Officer, Herman Miller, Inc.

EXECUTIVE MANAGEMENT TEAM

William R. Dutmers

Chief Executive Officer

Leslie J. Cummings

Vice President of Finance and Treasurer

Timothy Graber

Senior Director of Engineering

John J. Master

Vice President, Business Development Office Products

Andrew F. Marzolf

Senior Director of Human Resources

Daniel Pickett

Vice President, Home and Commercial Products

Raymond N. Watson

President of Operations



KV KNAPE & VOGT



KV

KNAPE & VOGT MANUFACTURING COMPANY

2700 Oak Industrial Dr. NE, Grand Rapids, MI 49505
P 800.253.1561 | F 616.459.3467 | www.kv.com

The image shows a modern office space viewed through a glass partition. The office features a curved white desk with a brown office chair, a laptop, and a small vase. The background includes a white wall with a framed picture, a window with blinds, and several pendant lights hanging from the ceiling. The overall atmosphere is professional and contemporary.