

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

-----  
FORM 10-Q  
-----

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

For the quarterly period ended September 30, 2002

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 Q4823

ACME UNITED CORPORATION  
(Exact name of registrant as specified in its charter)  
-----

CONNECTICUT  
-----

(State or other jurisdiction of  
incorporation or organization)

1931 BLACK ROCK TURNPIKE, Fairfield, Connecticut  
-----

(Address of principal executive offices)

06-0236700  
-----

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

06825  
-----

(Zip Code)

Registrant's telephone number, including area code: (203) 332-7330

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

Registrant had 3,397,251 shares outstanding as of October 15, 2002 of its \$2.50 par value Common Stock.

(1)

ACME UNITED CORPORATION

	Page ----
Part I-- FINANCIAL INFORMATION	
Item 1. Financial Statements (Unaudited)	
Condensed Consolidated Balance Sheets.....	3
Condensed Consolidated Statements of Operations and Comprehensive Income.....	5
Condensed Consolidated Statements of Cash Flows.....	6
Notes to Condensed Consolidated Financial Statements.....	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	9
Part II -- OTHER INFORMATION	
Item 1. Legal Proceedings.....	12
Item 2. Changes in Securities.....	12
Item 3. Defaults Upon Senior Securities.....	12
Item 4. Submission of Matters to a Vote of Security Holders.....	12
Item 5. Other Information.....	12
Item 6. Exhibits and Reports on Form 8-K.....	12

(2)

## PART I. FINANCIAL INFORMATION

## ACME UNITED CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

(all amounts in thousands, except per share data)

	September 30 2002	December 31 2001
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 594	\$ 172
Accounts receivable, less allowance	7,927	6,439
Inventories:		
Finished goods	4,712	6,554
Work in process	449	404
Raw materials and supplies	1,431	1,845
	-----	-----
	6,592	8,803
Prepaid expenses and other current assets	747	807
Deferred income taxes	241	241
	-----	-----
Total current assets	16,101	16,462
	-----	-----
Property, plant and equipment:		
Land	187	170
Buildings	2,215	2,072
Machinery and equipment	6,048	5,610
	-----	-----
	8,450	7,852
Less accumulated depreciation	6,010	5,594
	-----	-----
	2,440	2,258
Other assets	1,295	1,296
Goodwill	89	157
	-----	-----
Total assets	\$ 19,925	\$ 20,173
	=====	=====

See notes to condensed consolidated financial statements.

(3)

## ACME UNITED CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS - continued  
(UNAUDITED)

(all amounts in thousands, except per share data)

	September 30 2002	December 31 2001
	-----	-----
LIABILITIES		
Current liabilities:		
Notes payable	\$ 448	\$ 464
Accounts payable	1,457	2,038
Other accrued liabilities	1,945	2,821
Current portion of long-term debt	2,578	2,377
	-----	-----

Total current liabilities	6,428	7,700
Long-term debt, less current portion	3,635	2,875
Deferred income taxes	258	521
Other	241	405
	-----	-----
Total liabilities	10,562	11,501
STOCKHOLDERS' EQUITY		
Common stock, par value \$2.50: authorized 8,000,000 shares; issued 3,613,312 shares, including treasury stock	9,033	9,033
Treasury stock, at cost 216,061 shares in 2002 and 203,261 shares in 2001	(985)	(937)
Additional paid-in capital	2,038	2,038
Retained earnings	748	129
Accumulated other comprehensive loss:		
Translation adjustment	(1,424)	(1,470)
Derivative financial instrument losses	(47)	(121)
	-----	-----
Total stockholders' equity	9,363	8,672
	-----	-----
Total liabilities and stockholders' equity	\$ 19,925	\$ 20,173
	=====	=====

See notes to condensed consolidated financial statements.

(4)

ACME UNITED CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
AND COMPREHENSIVE INCOME  
(UNAUDITED)

(all amounts in thousands of dollars, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2002	2001	2002	2001
	-----	-----	-----	-----
Net sales	\$ 7,867	\$ 8,265	\$ 24,020	\$ 25,070
Costs and expenses:				
Cost of goods sold:				
Before inventory write-off related to restructuring	5,204	5,543	15,843	17,233
Inventory write-off related to restructuring	-	-	206	-
	-----	-----	-----	-----
	5,204	5,543	16,049	17,233
Selling, general and administrative expenses	2,688	2,085	7,023	6,174
Restructuring charges	-	-	349	-
	-----	-----	-----	-----
	7,892	7,628	23,421	23,407
Income (loss) before non operating items	(25)	637	599	1,663
Non operating items:				
Interest expense	180	211	487	621
Other (income)expense	(101)	8	(221)	(95)
	-----	-----	-----	-----
	79	219	266	526
Income before income taxes	(104)	418	333	1,137
Income tax (benefit) expense	(374)	13	(286)	37
	-----	-----	-----	-----
Net income	270	405	619	1,100
Other comprehensive (expense) income -				
Foreign currency translation	130	(30)	46	(77)
Cumulative effect of change in accounting for derivative financial instruments	-	-	-	(104)
Change in fair value of derivative financial instrument less deferred income taxes of \$13 and \$42 for the three and nine month periods ended September 30, 2002	29	(52)	74	(103)
Unrealized gain on available-for-sale marketable equity security	-	(274)	-	-
	-----	-----	-----	-----
Comprehensive income	\$ 429	\$ 49	\$ 739	\$ 816
	=====	=====	=====	=====
Basic earnings per share	\$ 0.08	\$ 0.12	\$ 0.18	\$ 0.31
	=====	=====	=====	=====
Diluted earnings per share	\$ 0.08	\$ 0.11	\$ 0.17	\$ 0.30
	=====	=====	=====	=====
Weighted average number of common shares outstanding- denominator used for basic per share computations	3,402	3,490	3,406	3,502
Weighted average number of dilutive stock options outstanding	161	114	184	109
	-----	-----	-----	-----

Denominator used for diluted per share computations	3,563	3,604	3,590	3,611
	=====	=====	=====	=====

See notes to condensed consolidated financial statements

(5)

ACME UNITED CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)  
(all amounts in thousands of dollars)

	Nine Months Ended September 30	
	2002	2001
	-----	-----
Operating Activities:		
Net income	\$ 619	\$ 1,100
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation	348	505
Amortization	93	101
Deferred income taxes	(276)	-
Gain on sale of marketable equity securities	-	(475)
Non-cash restructuring charges	300	-
Gain on sale of property, plant, and equipment	(37)	-
Loss on disposals of property, plant, and equipment	-	334
Changes in operating assets and liabilities:		
Accounts receivable	(1,504)	(2,846)
Inventories	2,005	1,325
Prepaid expenses and other current assets	60	(383)
Other assets	(31)	(50)
Accounts payable	(596)	144
Other accrued liabilities	(1,030)	(113)
Total adjustments	(668)	(1,458)
Net cash used by operating activities	(49)	(358)
	-----	-----
Investing Activities:		
Capital expenditures	(465)	(202)
Proceeds from the sales of property, plant, and equipment	37	140
Proceeds from sale of marketable equity securities	-	475
Net cash (used) provided by investing activities	(429)	413
	-----	-----
Financing Activities:		
Net short-term borrowings	971	886
Payments of long-term debt	(9)	(59)
Debt issuance costs	(60)	(27)
Purchase of 12,800 Common Shares in 2002 and 55,200 Common Shares in 2001 for treasury	(48)	(161)
Net cash provided by financing activities	854	639
	-----	-----
Effect of exchange rate changes	46	(77)
Net change in cash and cash equivalents	422	617
Cash and cash equivalents at beginning of period	172	22
	-----	-----
Cash and cash equivalents at end of period	\$ 594	\$ 639
	=====	=====

See notes to condensed consolidated financial statements

(6)

(UNAUDITED)

Note 1 -- Basis of Presentation

In the opinion of management, the accompanying condensed consolidated financial statements include all adjustments necessary to present fairly the financial position, results of operations and cash flows. However, the financial statements do not include all of the disclosures normally required by accounting principles generally accepted in the United States of America or those normally made in the Company's annual report on Form 10-K. Please refer to the Company's annual report on Form 10-K for the year ended December 31, 2001 for such disclosures. The condensed consolidated balance sheet as of December 31, 2001 was derived from the audited consolidated balance sheet as of that date. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

The Company has reclassified certain amounts in prior periods to conform to the current presentation.

Note 2 -- Contingencies

The Company has been involved in certain environmental and other matters. Additionally, the Company has been involved in numerous legal actions relating to the use of certain latex products, which the Company distributes, but does not manufacture. The Company is one of many defendants. The Company has been released from the majority of the lawsuits. While two lawsuits remain, they are still in preliminary stages and it has not been determined whether the Company's products were involved. Based on information available, the Company believes there will not be a material adverse impact on financial position, results of operations, or liquidity, from these matters, either individually or in aggregate.

Note 3 -- Restructuring Charges

Through the third quarter of 2002, approximately \$555,000 was charged against earnings as a result of certain strategic and operating changes initiated by the Company's management related to liquidating Acme United Limited (AUL), a subsidiary located in the United Kingdom. The restructuring charges consisted of a write-down of inventory of \$206,000, accounting and legal costs of \$95,000, lease cancellation costs of \$90,000, a write-off of goodwill of \$69,000, severance costs of \$55,000, other closing costs of \$22,000, a write-off of uncollectible account receivable of \$9,000 and write-offs of equipment of \$9,000. Approximately \$36,000 remained in accrued restructuring charges at September 30, 2002 primarily related to accounting and legal costs. During the first nine months of 2002, the Company terminated five employees in the UK and paid severance costs related to those terminations of \$55,000. There will be no further terminations or severance costs related to the restructuring. Also, approximately \$59,000 of accounting and legal costs have been paid.

Note 4 -- Change in Accounting Estimate

The Company changed its estimated effective income tax rate in the third quarter as a result of a reduction in the anticipated annual taxable income in the US. As a result, the Company recorded a benefit for the change in estimate of approximately \$395,000 (\$.12 a share) in the third quarter. The income tax benefit is primarily due to income tax benefits in the US attributed to the liquidation of AUL.

Note 5 -- Debt

On August 2, 2002, the Company entered into a new revolving loan agreement with Wachovia Bank, N.A.. This agreement allows for borrowings up to a maximum of \$10,000,000 based on a formula, which applies specific percentages to balances of accounts receivable and inventory. Interest is payable monthly and is charged at the LIBOR rate plus 1.75 percent. All outstanding borrowings are due on July 31, 2005. The Company also transferred its interest rate swap agreement, which fixes the effective interest rate at 7.18 percent for \$3,500,000 of debt under the agreement. The swap agreement expires January 19, 2003.

(7)

Note 6 -- New Accounting Standards

As of January 1, 2002, the Company adopted Financial Accounting Standards Board

Statement No. 142, Goodwill and Other Intangible Assets (FAS 142) and as such no longer amortizes goodwill but rather tests it annually for impairment. There was no impairment of goodwill at January 1, 2002. Had Statement No. 142 been in effect as of the beginning of 2001, amortization expense for the three and nine month periods ended September 30, 2001 would have been reduced by \$7,000 and \$21,000, respectively, increasing net income by the same amount.

As of January 1, 2002, the Company also adopted the Emerging Issues Task Force consensus No. 00-25, Vendor Income Statement Characterization of Consideration Paid to a Reseller of a Vendor's Products (EITF 00-25). As such, the Company recognizes consideration paid to a reseller of its product as a reduction of the selling price of its products and, therefore, reduces revenue in the Company's statement of operations. The adoption of EITF 00-25 had no effect on net income. Selling, general and administrative expenses for the three and nine month periods ended September 30, 2001 have been reclassified to conform to the new classification resulting in a \$749,000 and \$2,536,000 decrease of selling, general and administrative expenses and net sales for these respective periods.

As of January 1, 2001, the Company adopted Financial Accounting Standards Board Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, which was issued in June 1998 and its amendments Statements 137, Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133, and 138, Accounting for Derivative Instruments and Certain Hedging Activities, issued in June 1999 and June 2000, respectively (collectively referred to as Statement 133).

As a result of adopting Statement 133, the Company recognizes all derivative financial instruments, such as interest rate swap contracts and foreign exchange contracts, in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivative financial instruments are either recognized periodically in income or in shareholders' equity as a component of comprehensive income depending on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or cash flow hedge. Generally, changes in fair values of derivatives accounted for as fair value hedges are recorded in income along with the portions of the changes in the fair values of the hedged items that relate to the hedged risk(s). Changes in fair values of derivatives accounted for as cash flow hedges, to the extent they are effective as hedges, are recorded in other comprehensive income net of deferred taxes. Changes in fair value of derivatives used as hedges of the net investment in foreign operations are reported in other comprehensive income as part of the cumulative translation adjustment. Changes in fair values of derivatives not qualifying as hedges are reported in income.

The adoption of Statement 133, resulted in a cumulative effect of an accounting change of \$104,277 decrease to other comprehensive income.

(8)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Three and Nine Months Ended September 30, 2002

Results of Operations

Special Event

During the second quarter of 2002, the Company initiated liquidation procedures for Acme United Limited (AUL), a subsidiary located in the United Kingdom. For the year ended December 31, 2001, AUL recorded a net loss of \$495,000 on net sales of \$2.0 million, representing a sales decline of approximately \$1.2 million or 38% from the prior year. Through September 2002, AUL recorded a net loss of approximately \$222,000 before one time restructuring charges of \$555,000. The restructuring charges are comprised mainly of severance, lease termination costs, and inventory write-offs.

Net Sales

Traditionally, the Company's sales are stronger in the second and third quarters, and weaker in the first and fourth quarters of the fiscal year due to the seasonal nature of the business specific to the back-to-school season.

Consolidated net sales for the quarter ended September 30, 2002 were \$7,867,000 compared with \$8,265,000 for 2001, a 5% decrease. Net sales for the first nine months of 2002 were \$24,020,000 compared with \$25,070,000 for 2001, a 4% decrease. The sales decrease was mainly driven by a sales decline of 55% in the United Kingdom as the business was liquidated. Domestic sales were 1% higher in the first nine months of 2002 compared with the same period in 2001.

#### Gross Profit

The gross profit for the third quarter of 2002 was \$2,663,000 (33.9% of net sales) compared to \$2,722,000 (32.9% of net sales) for the third quarter of 2001. Gross profit for the first nine months of 2002 was 33.2% of net sales compared to 31.3% in the same period of 2001. Excluding the inventory write-down associated with the AUL liquidation gross profit was 34.0% of net sales for the first nine months of 2002. The introduction of new products and improved operating efficiencies in the USA were the main reasons for the improved gross margins.

#### Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the third quarter of 2002 were \$2,688,000 (34.2% of net sales) compared with \$2,085,000 (25.6% of net sales) for the same period of 2001, an increase of \$603,000. Major contributors to the spending increase were market research, new product development, fees in connection with the new global debt facility and one-time personnel expenses. SG&A expenses were 29.2% of net sales for the first nine months of 2002 versus 24.6% in the comparable period of 2001. The increase is primarily attributable to the same issues mentioned for the third quarter of 2002.

#### Interest Expense

Interest expense for the first nine months of 2002 was \$487,000, compared with \$621,000 for 2001, a \$134,000 decrease. This is mainly attributable to the decline in debt. Total debt declined to \$6.6 million at September 30, 2002 compared to \$8.3 million at September 30, 2001.

#### Income Taxes

The Company changed its estimated effective income tax rate in the third quarter as a result of a reduction in the anticipated annual taxable income in the US. As a result, the Company recorded a benefit for the change in estimate of approximately \$395,000 (\$.12 a share) in the third quarter. The income tax benefit is primarily due to income tax benefits in the US attributed to the liquidation of AUL.

(9)

#### Net Income

Net income for the third quarter of 2002 was \$270,000, or 8 cents per share (diluted), compared to a net income of \$405,000, or 11 cents per share (diluted) for the same period of 2001. Net income for the first nine months of 2002 was \$619,000, or 17 cents per share (diluted), compared to a net income of \$1,100,000, or 30 cents per share (diluted) for the same period of 2001.

(10)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS-Continued

For the Nine Months Ended September 30, 2002

#### Financial Condition

#### Liquidity and Capital Resources

The Company's working capital, current ratio and long-term debt to equity ratio follow:

September 30, 2002	December 31, 2001
-----	-----

Working capital.....	\$9,673,000	\$8,762,000
Current ratio.....	2.51 to 1	2.14 to 1
Long term debt to equity ratio.....	.39	.33

During the first nine months of 2002, total debt increased by \$962,000 compared to total debt at December 31, 2001 principally as a result of net additional short-term borrowings to fund higher accounts receivable due to seasonal sales volume.

On August 2, 2002, the Company entered into a new revolving loan agreement with Wachovia Bank, N.A. This agreement allows for borrowings up to a maximum of \$10,000,000 based on a formula, which applies specific percentages to balances of accounts receivable and inventory. Interest is payable monthly and is charged at the LIBOR rate plus 1.75 percent. All outstanding borrowings are due on July 31, 2005. The Company also transferred its interest rate swap agreement to Wachovia Bank, N.A., which fixes the effective interest rate to 7.18 percent for \$3.5 million of debt through January 19, 2003.

Cash expected to be generated from operating activities, together with funds available under its existing loan agreement, are expected, under current conditions, to be sufficient to finance the Company's planned operations over the next twelve months. Over that same period, the Company does not expect to make significant investments in plant, property, and equipment.

#### Safe Harbor for Forward-looking Statements

Forward-looking statements in this report, including without limitation, statements related to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties including without limitation the following: (i) the Company's plans, strategies, objectives, expectations and intentions are subject to change at any time at the discretion of the Company; (ii) the Company's plans and results of operations will be affected by the Company's ability to manage its growth and inventory; and (iii) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

(11)

#### PART II. OTHER INFORMATION

##### Item 1 -- Legal Proceedings

None.

##### Item 2 -- Changes in Securities

None.

##### Item 3 -- Defaults Upon Senior Securities

None.

##### Item 4 -- Submission of Matters to a Vote of Security Holders

None.

##### Item 5 -- Other Information

None.

##### Item 6 -- Exhibits and Reports on Form 8-K

Exhibit 99.1 and 99.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.



(12)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ACME UNITED CORPORATION

By /s/ WALTER C. JOHNSEN  
-----  
Walter C. Johnsen  
President and  
Chief Executive Officer

Dated: October 23, 2002

By /s/ PAUL G. DRISCOLL  
-----  
Paul G. Driscoll  
Vice President and  
Chief Financial Officer

Dated: October 23, 2002

(13)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, WALTER C. JOHNSEN, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acme United Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being reported;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to filing date of this quarterly report September 30, 2002; and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of September 30, 2002;
5. The registrant's other certifying officers and I have disclosed, based on

our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By           /s/ WALTER C. JOHNSEN            
-----  
          Walter C. Johnsen  
          President and  
          Chief Executive Officer

Dated: October 23, 2002

(14)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, PAUL G. DRISCOLL, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acme United Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being reported;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date 90 days prior to filing date of this quarterly report September 30, 2002; and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of September 30, 2002;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have

identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

By /s/ PAUL G. DRISCOLL  
-----  
Paul G. Driscoll  
Vice President and  
Chief Financial Officer

Dated: October 23, 2002

(15)

Exhibit 99.1

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of Acme United Corporation (the "Company") hereby certifies to my knowledge that the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2002 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of section 13(a) or 15(b), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be a part of the Report or "filed" for any purpose whatsoever.

By /s/ WALTER C. JOHNSEN  
-----  
Walter C. Johnsen  
President and  
Chief Executive Officer

Dated: October 23, 2002

(16)

Exhibit 99.2

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of Acme United Corporation (the "Company") hereby certifies to my knowledge that the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2002 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of section 13(a) or 15(b), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be a part of the Report or "filed" for any purpose whatsoever.

By            /s/ PAUL G. DRISCOLL  
-----  
             Paul G. Driscoll  
             Vice President and  
             Chief Financial Officer

Dated: October 23, 2002