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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): July 21, 2006

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

Connecticut	001-07698	06-0236700
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I.R.S. Employer Identification No.)

60 Round Hill Road, Fairfield, Connecticut	06824
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (203) 254-6060

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 21, 2006, Acme United Corporation (the "Company") issued a press release announcing its financial results for the three and six months ended June 30, 2006. A copy of the press release is attached as Exhibit 99.1 to this current report.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

Exhibit Number	Description
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99.1	Press release dated July 21, 2006.

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 hereunto duly authorized.

ACME UNITED CORPORATION

By /s/ WALTER C. JOHNSEN

Walter C. Johnsen
President and
Chief Executive Officer

Dated: July 21, 2006

By /s/ PAUL G. DRISCOLL

Paul G. Driscoll
Vice President and
Chief Financial Officer

Dated: July 21, 2006

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press release dated July 21, 2006.

CONTACT: Paul G. Driscoll
Acme United Corporation
60 Round Hill Road Fairfield, CT 06824
Phone: (203) 254-6060 FAX: (203) 254-6521

FOR IMMEDIATE RELEASE July 21, 2006

ACME UNITED CORPORATION REPORTS 14% SALES GROWTH

FAIRFIELD, CONN. - July 21, 2006 - Acme United Corporation (AMEX:ACU) today announced that net sales for the quarter ended June 30, 2006 were \$17.0 million, compared to \$14.9 million in the comparable period of 2005, an increase of 14%. Net sales for the six months ended June 30, 2006 were \$29.2 million, compared to \$25.5 million in the same period in 2005, an increase of 15% (14% at constant currency).

Net income was \$1,506,000 or \$.40 per diluted share for the second quarter ended June 30, 2006 compared, to \$1,314,000 or \$.34 per diluted share for the comparable period last year, an increase of 15% in net income and 18% in diluted earnings per share. Net income for the six months ended June 30, 2006 was \$2,265,000, or \$.61 per diluted share compared to \$1,964,000, or \$.52 per diluted share in the comparable period last year, a 15% increase in net income and 18% in diluted earnings per share.

Net sales for the six months ended June 30, 2006 in the U.S. segment increased 15% as the result of sales initiatives with several major retailers and superstores. Sales in Europe and Canada increased by 12% in U.S. dollars and 8% in local currency. This sales growth was principally driven by new sales to a large pan-European superstore and an expanded product line with a major European retailer.

Gross margins were 43.7% in the second quarter of 2006 versus 45.2% in the comparable period last year. For the first six months of 2006 gross margins were 44.4% compared to 45.5% in the same period in 2005. The lower margins in 2006 were primarily the result of one time expenses associated with filling large orders on an expedited basis for the new business in Europe. These expenses lay the foundation for future revenues to large multinational customers in Europe.

(1)

Walter C. Johnsen, President and CEO said, "Acme United had an excellent quarter. We reported the highest quarterly sales and earnings in the Company's history. We expanded our distribution channels, developed new products and continued to gain market share. Acme has been selected for a second consecutive year by Fortune Small Business as one of the top 100 fastest growing public companies in the U.S."

The Company's bank debt on June 30, 2006 was \$10.2 million compared to \$5.0 million on June 30, 2005. The increase in bank debt during the twelve month period was used to buy additional inventory of \$3.8 million, repurchase \$1.4 million of Acme stock, demolish a former manufacturing site for \$1.5 million and make dividend payments to shareholders of \$.4 million. Based on anticipated cash flow, the debt level is expected to decline during the second half of the year.

ACME UNITED CORPORATION is a leading worldwide supplier of innovative cutting, measuring and safety products to the school, home, office and industrial markets.

Forward-looking statements in this earnings release, include without limitation, statements related to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources. 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 (iii) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

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ACME UNITED CORPORATION
CONSOLIDATED STATEMENT OF INCOME
SECOND QUARTER REPORT 2006

Amounts in \$000's except per share data	Quarter Ended June 30, 2006 (Unaudited)	Quarter Ended June 30, 2005 (Unaudited)
Net sales	\$ 16,984	\$ 14,904
Gross profit	7,428	6,731
Selling, general, and administrative expenses	4,995	4,577
Interest expense	130	43
Other (income) expense	(38)	97
Pre-tax income	2,341	2,014
Income tax expense	835	700
Net income	1,506	1,314
Earnings per share basic	0.43	0.37
Earnings per share diluted	0.40	0.34

Amounts in \$000's except per share data	Six Months Ended June 30, 2006 (Unaudited)	Six Months Ended June 30, 2005 (Unaudited)
Net sales	\$ 29,241	\$ 25,487
Gross profit	12,980	11,592
Selling, general, and administrative expenses	9,254	8,296
Interest expense	255	56
Other (income) expense	(114)	146
Pre-tax income	3,585	3,094
Income tax expense	1,320	1,130
Net income	2,265	1,964
Earnings per share basic	0.65	0.56
Earnings per share diluted	0.61	0.52

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ACME UNITED CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
SECOND QUARTER REPORT 2006
(Unaudited)

Amounts in \$000's	June 30, 2006	June 30, 2005
Assets:		
Current assets:		
Cash	\$ 1,053	\$ 602
Accounts receivable, net	14,960	12,625
Inventories	14,990	11,141
Prepaid and other current assets	1,222	818
Total current assets	32,225	25,186
Property and equipment, net	2,566	2,203
Other assets	1,591	809
Total assets	\$ 36,382	\$ 28,198

Liabilities and stockholders' equity:

Current liabilities		
Accounts payable	3,715	3,770
Other current liabilities	4,768	4,559
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Total current liabilities	8,483	8,329
Long-term debt	10,256	5,022
Other non current liabilities	1,084	541
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Total stockholders' equity	19,823	13,892
	16,559	14,306
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Total liabilities and stockholders' equity	\$ 36,382	\$ 28,198
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