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

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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): March 2, 2007

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

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Connecticut (State or other jurisdiction of incorporation or organization)	001-07698 (Commission file number)	06-0236700 (I.R.S. Employer Identification No.)
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60 Round Hill Road, Fairfield, Connecticut (Address of principal executive offices)	06824 (Zip Code)
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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 March 2, 2007, Acme United Corporation (the "Company") issued a press release announcing its financial results for the year ended December 31, 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 March 2, 2007.

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  
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              Walter C. Johnsen  
              President and  
              Chief Executive Officer

Dated:   March 2, 2007

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

Dated:   March 2, 2007

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press release dated March 2, 2007.

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CONTACT: Paul G. Driscoll  
Acme United Corporation  
60 Round Hill Road Fairfield, CT 06824  
Phone: (203) 254-6060 FAX: (203) 254-6521  
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FOR IMMEDIATE RELEASE March 2, 2007  
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ACME UNITED CORPORATION REPORTS RECORD ANNUAL NET SALES AND EARNINGS AND  
INCREASES DIVIDEND

FAIRFIELD, CT. - March 2, 2007 - Acme United Corporation (AMEX:ACU) today announced that net sales for the year ended December 31, 2006 were \$56.9 million compared to \$49.9 million in 2005, an increase of 14%. Net sales for 2006 in the U.S. segment increased 13% due to the sale of new products, principally our patented titanium bonded products and award winning iPoint electronic pencil sharpeners. International sales increased by 16%, and 10% in local currency compared to 2005. Net sales for the quarter ended December 31, 2006 were \$12.1 million, compared to \$11.1 million in the same period in 2005, an increase of 9%.

Net income for the year ended December 31, 2006 was \$3.9 million, or \$1.05 per diluted share, compared to \$2.9 million or \$.78 per diluted share, in 2005. Excluding a non-recurring charge of \$1.5 million recorded in the third quarter of 2005 which related to the demolition of some former manufacturing buildings, net income would have been \$3.9 million, or \$1.02 per diluted share, in 2005. Pro forma (non-GAAP) results are presented to provide additional information for comparisons to Acme's results from its ongoing core business in 2006 to 2005. For the fourth quarter ended December 31, 2006, net income was \$396,000, or \$.11 per diluted share, compared to \$773,000, or \$.21 per diluted share for the same period in 2005.

Net income for 2006 was reduced by losses in Europe of \$1.1 million compared to \$300,000 in 2005. The losses in Europe during the fourth quarter of 2006 were \$550,000 compared to \$100,000 in 2005. The Company has begun to improve the product and margin mix in Europe and reduce expenses. The fourth quarter of 2006 also reflects an increase in spending for new product development and market research, and the addition of sales and marketing personnel in the U.S.

(1)

Gross margins were 43.2% for 2006 compared to 44.8% in 2005. The decrease was partially due to increased sales of private brand initiatives, which typically provide commodity items at very competitive prices, particularly in Europe. There were also a number of promotional and initial set up expenses for new business in Europe that reduced margins.

The Company's bank debt less cash on December 31, 2006 was \$6.4 million compared to \$4.5 million on December 31, 2005. The increase in bank debt was primarily to finance the purchase of \$2.9 million of additional inventory to support sales growth, an increase in accounts receivables of \$1.5 million resulting mainly from higher sales, and the payment of previously accrued costs of \$1.5 million for the demolition of a former manufacturing site, partially offset by earnings.

Walter C. Johnsen, Chairman and CEO, said, "Acme United had a record year in revenues and earnings in 2006. We won the prestigious Good Design award for our iPoint Pencil Sharpener from the Chicago Athenaeum. Our European team rolled out a 12 country sales initiative. We continue to build our business in North America and Europe, and look forward to a very successful year in 2007."

The Board of Directors has approved a 33% increase in the quarterly dividend from \$.03 to \$.04 per share. The dividend is payable on April 27, 2007 to stockholders of record on the close of business on April 6, 2007.

ACME UNITED CORPORATION is a specialized supplier of cutting devices, measuring instruments, and safety products for school, home, office and industrial use.

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 (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  
CONDENSED CONSOLIDATED STATEMENT OF INCOME  
YEAR END REPORT 2006

Amounts in \$000's except per share data	Quarter Ended December 31, 2006 (Unaudited)	Quarter Ended December 31, 2005 (Unaudited)
Net sales	\$ 12,089	\$ 11,059
Gross profit	4,979	4,596
Selling, general, and administrative expenses	4,110	3,058
Other expense, net	51	205
Pre-tax income	818	1,333
Income tax expense	422	560
Net income	396	773
Shares outstanding - Basic	3,508	3,486
Shares outstanding - Diluted	3,726	3,752
Earnings per share - Basic	0.11	0.22
Earnings per share - Diluted	0.11	0.21

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ACME UNITED CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF INCOME  
YEAR END REPORT 2006

Amounts in \$000's except per share data	Year Ended December 31, 2006	Year Ended December 31, 2005
Net sales	\$ 56,863	\$ 49,946
Gross profit	24,583	22,355
Selling, general, and administrative expenses	17,870	15,512
Other expense, net	364	577
Non-recurring charge	-	1,500
Pre-tax income	6,349	4,766
Income tax expense	2,463	1,829
Net income	3,886	2,937
Shares outstanding - Basic	3,495	3,509
Shares outstanding - Diluted	3,712	3,789
Earnings per share - Basic	1.11	0.84
Earnings per share - Diluted	1.05	0.78
Reconciliation to reported Net Income (GAAP):		
Pre-tax income as reported (GAAP)	6,349	4,766
Non-recurring charge	-	1,500
Pre-tax income as adjusted	6,349	6,266
Income tax expense as adjusted	2,463	2,399
Net income as adjusted (Non-GAAP)	3,886	3,867
Earnings per share before non-recurring charge - Basic	1.11	1.10
Earnings per share before non-recurring charge - Diluted	1.05	1.02

(4)

ACME UNITED CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEET  
YEAR END REPORT 2006

Amounts in \$000's

	December 31, 2006	December 31, 2005
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Assets		
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Current assets:		
Cash	\$ 3,838	\$ 1,076
Accounts receivable, net	10,852	9,392
Inventories	15,677	12,530
Prepaid and other current assets	1,120	867
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Total current assets	31,487	23,865
Property and equipment, net	2,540	2,786
Other assets	994	1,543
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Total assets	\$ 35,021	\$ 28,194
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Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	2,358	2,174
Other current liabilities	3,564	5,356
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Total current liabilities	5,922	7,530
Long-term debt	10,226	5,587
Other non-current liabilities	742	1,012
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Total liabilities	16,890	14,129
Total stockholders' equity	18,131	14,065
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Total liabilities and stockholders' equity	\$ 35,021	\$ 28,194
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