

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, 2004

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 001-07698

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

CONNECTICUT

06-0236700

(State or other jurisdiction
of incorporation or organization)

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

1931 BLACK ROCK TURNPIKE, Fairfield, Connecticut

06825

(Address of principal executive offices)

(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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

Registrant had 3,405,921 shares outstanding as of October 26, 2004 of its \$2.50 par value Common Stock.

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ACME UNITED CORPORATION

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Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

ACME UNITED CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(all amounts in thousands)

	September 30 2004 (unaudited)	December 31 2003 (audited)
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,599	\$ 1,391
Accounts receivable, less allowance	11,213	7,075
Inventories:		
Finished goods	7,292	7,252
Work in process	73	120
Raw materials and supplies	688	807
	-----	-----
	8,053	8,179
Prepaid expenses and other current assets	381	260
Deferred income taxes	266	286
	-----	-----
Total current assets	21,512	17,191
	-----	-----
Property, plant and equipment:		
Land	232	235
Buildings	2,652	2,644
Machinery and equipment	5,760	5,772
	-----	-----
	8,644	8,651
Less accumulated depreciation	6,432	6,266
	-----	-----
	2,212	2,385
Other assets	622	358
Goodwill	89	89
	-----	-----
Total assets	\$ 24,435	\$ 20,023
	=====	=====

See notes to condensed consolidated financial statements.

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ACME UNITED CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET (continued)
(all amounts in thousands)

	September 30 2004 (unaudited)	December 31 2003 (audited)
	-----	-----
LIABILITIES		
Current liabilities:		
Notes payable	\$ 118	\$ 141
Accounts payable	1,928	1,743
Other accrued liabilities	5,365	2,494

Current portion of long-term debt	1,000	2,035
Total current liabilities	8,411	6,413
Deferred income taxes	156	156
Long-term debt, less current portion	2,308	2,752
Other	545	524
Total liabilities	11,420	9,845

STOCKHOLDERS' EQUITY

Common stock, par value \$2.50: authorized 8,000,000 shares; issued - 3,840,012 shares in 2004 and 3,652,812 shares in 2003, including treasury stock	9,600	9,132
Treasury stock, at cost - 434,091 shares in 2004 and 387,261 shares in 2003	(1,857)	(1,622)
Additional paid-in capital	2,223	2,029
Retained earnings	4,355	2,010
Accumulated other comprehensive loss:		
Translation adjustment	(569)	(680)
Derivative financial instruments	(46)	-
Minimum pension liability	(691)	(691)
	(1,306)	(1,371)
Total stockholders' equity	13,015	10,178
Total liabilities and stockholders' equity	\$ 24,435	\$ 20,023

See notes to condensed consolidated financial statements.

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

(all amounts in thousands, except per share amounts)

	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
Net sales	\$ 11,595	\$ 9,538	\$ 32,460	\$ 26,869
Costs and expenses:				
Cost of goods sold	6,142	6,367	17,769	16,897
Selling, general and administrative expenses	3,739	2,648	10,288	7,853
	9,881	9,015	28,057	24,750
Income before non-operating items	1,714	523	4,403	2,119
Non-operating items:				
Interest expense	46	49	131	190
Other (income) expense	52	(91)	126	55
	98	(42)	257	245
Income before income taxes	1,616	565	4,146	1,874
Income tax expense	599	263	1,662	879
Net income	1,017	302	2,484	995
Other comprehensive (expense) income -				
Foreign currency translation	241	(8)	110	541
Change in fair value of derivative financial instrument less deferred income taxes of \$9 in 2003	(46)	-	(46)	17
Comprehensive income	\$ 1,212	\$ 294	\$ 2,548	\$ 1,553
Basic earnings per share	\$ 0.30	\$ 0.09	\$ 0.74	\$ 0.30
Diluted earnings per share	\$ 0.26	\$ 0.08	\$ 0.66	\$ 0.28
Weighted average number of common shares outstanding- denominator used for basic per share computations	3,400	3,282	3,352	3,330
Weighted average number of dilutive stock options outstanding	442	304	387	198
Denominator used for diluted per share computations	3,842	3,586	3,739	3,528

Dividends declared per share

\$ 0.02 \$ - \$ 0.04 \$ -
 =====

See notes to condensed consolidated financial statements

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

	Nine Months Ended June 30	
	2004	2003
	-----	-----
Operating Activities:		
Net income	\$ 2,484	\$ 995
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	352	309
Amortization	21	19
Deferred income taxes	20	685
Loss (gain) on disposal/sale of assets	34	(117)
Changes in operating assets and liabilities:		
Accounts receivable	(4,042)	(3,265)
Inventories	93	(1,289)
Prepaid expenses and other current assets	6	155
Other assets	39	70
Accounts payable	152	1,062
Other accrued liabilities	2,754	917
Total adjustments	(571)	(1,454)
Net cash provided (used) by operating activities	1,913	(459)
Investing Activities:		
Purchase of property, plant, and equipment	(330)	(209)
Purchase of patents and trademarks	(286)	(74)
Proceeds from sale of property, plant, and equipment	52	122
Net cash used by investing activities	(564)	(161)
Financing Activities:		
Net short-term (payments) borrowings	(977)	1,572
Payments of long-term debt	(497)	(296)
Proceeds from issuance of common stock	663	-
Distributions to shareholders	(71)	-
Purchase of 46,830 shares of common stock in 2004 and 118,200 shares of common stock in 2003 for treasury	(235)	(469)
Net cash (used) provided by financing activities	(1,117)	807
Effect of exchange rate changes	(24)	40
Net change in cash and cash equivalents	208	227
Cash and cash equivalents at beginning of period	1,391	598
Cash and cash equivalents at end of period	\$ 1,599	\$ 825
	=====	=====

See notes to condensed consolidated financial statements

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Notes to CONDENSED CONSOLIDATED Financial Statements
 (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. These adjustments are of a

normal, recurring nature. 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, 2003 for such disclosures. The condensed consolidated balance sheet as of December 31, 2003 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.

Note 2 -- Contingencies

In the June 30, 2004 10Q the Company reported that it was involved in a legal action that was in its preliminary stages. During the third quarter 2004 this proceeding was settled on terms satisfactory to management with no material effect on the Company.

The Company is involved from time to time in disputes and other litigations in the ordinary course of business including certain environmental and other matters. The Company presently believes that there will not be a material adverse impact on financial position, results of operations, or liquidity from these matters.

Note 3 -- Pension

Components of net periodic pension cost are as follows for the periods ended:

	Three Months Ended		Nine Months Ended	
	September 30 2004	September 30 2003	September 30 2004	September 30 2003
Components of net periodic benefit cost:				
Interest cost	\$ 49,727	\$ 55,316	\$ 149,180	\$ 165,949
Service cost	8,750	8,750	\$ 26,250	\$ 26,250
Expected return on plan assets	(64,281)	(61,531)	\$(192,844)	\$(184,593)
Amortization of prior service costs	2,194	2,194	\$ 6,582	\$ 6,582
Amortization of actuarial gain	12,399	20,172	\$ 37,196	\$ 60,515
	\$ 8,789	\$ 24,901	\$ 26,364	\$ 74,703

The Company previously disclosed in its financial statements for the year ended December 31, 2003 that it expected to contribute \$29,000 to its pension plan. As of September 30, 2004, no contributions have been made. The Company has recalculated the expected contribution and determined that contributions to its pension plan in 2004 are not required. Therefore, the Company does not intend to contribute to the pension plan in 2004.

Note 4 -- Accounting for Stock-Based Compensation

At September 30, 2004, the Company has one stock-based employee compensation plan. The Company has elected to adopt the disclosure only provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, and continues to measure costs for its employee stock compensation plans by using the accounting methods prescribed by APB Opinion No. 25, Accounting for Stock Issued to Employees, which allows that no compensation cost be recognized unless the exercise price of the options granted is less than the fair market value of the Company's stock at date of grant. Generally, no stock-based employee compensation cost is reflected in net income, as all options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. See Note 7 for shares exercised in 2004.

The following table illustrates the proforma effect on net income and earnings per share as if the Company had applied the fair value method under SFAS No. 123, Accounting for Stock Based Compensation, to stock-based employee compensation for the periods ended:

	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
Net income, as reported	\$ 1,017,289	\$ 302,132	\$ 2,484,404	\$ 994,964
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related income tax effects	17,655	16,839	56,149	67,609
Pro forma net income	\$ 999,634	\$ 285,293	\$ 2,428,255	\$ 927,355
Basic-as reported	\$ 0.30	\$ 0.09	\$ 0.74	\$ 0.30
Basic-pro forma	\$ 0.29	\$ 0.09	\$ 0.72	\$ 0.28
Diluted-as reported	\$ 0.26	\$ 0.08	\$ 0.66	\$ 0.28
Diluted-pro forma	\$ 0.26	\$ 0.08	\$ 0.65	\$ 0.26

Note 5 -- Litigation Settlement

As a result of significant developments in the first quarter of 2003 the Company's German subsidiary settled litigation for \$175,000. This amount exceeded previous accruals by \$153,000 and was charged to other expense.

Note 6 -- Income Taxes

In 2004 and 2003, consolidated income before income taxes includes losses of foreign subsidiaries with no income tax benefit, resulting in an effective consolidated income tax rate greater than the United States statutory rate.

Note 7 -- Capital Structure

During the first nine months of 2004, the Company issued 187,200 shares of common stock with proceeds of \$662,892 upon the exercise of outstanding stock options. The company also repurchased 46,830 shares of common stock for treasury. The shares were purchased at fair market value, with a total cost to the Company of \$235,598. During the first quarter, an additional \$31,225 of compensation expense was charged to operating results as a result of the Company's repurchase of 16,000 shares within six months of exercise of certain options by a terminated employee.

Note 8 -- Business Combination

On May 28, 2004, the Company purchased Clauss Cutlery, a division of Alco Industries, Inc.. The scissor and cutting business at Clauss is expected to generate approximately \$2.0 million in annual net revenues. The purchase price was the aggregate value of inventory, trademarks and brand names totaling \$446,754. Included in the purchase price is a stand-by letter of credit the Company issued in the amount of \$230,000 for a trademark from Alco Industries, Inc. that was renewed by the U.S. Patent and Trademark Office on July 13, 2004. The letter of credit was set-up to expire on May 28, 2005, if the trademark was not renewed. Since the trademark was renewed prior to the expiration date, Alco Industries, Inc. enforced the letter of credit and drew down the funds. Included in the accompanying Statement of Operations are the operations of the acquired business since the date of acquisition. In accordance with Regulation S-X, proforma information is not provided because of the immateriality of the transaction.

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Note 9 -- Impairment of Equipment

During the second quarter of 2004, the Company abandoned its ruler manufacturing equipment. In accordance with FASB 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the Company recorded an impairment loss of \$84,820, or \$0.02 a share, for the full amount of the assets at the time of abandonment.

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FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Three and Nine Months Ended September 30, 2004

Item 2. - Results of Operations

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, 2004 were \$11,595,000 compared with \$9,538,000 for 2003, a 22% increase. Net sales for the first nine months of 2004 were \$32,460,000 compared with \$26,869,000 for 2003, a 21% increase. Excluding the favorable effect of currency gains in Canada and Europe, net sales for the first nine months increased 19%. The sales increase was mainly driven by a 21% increase in the U.S. due to market share gains and new product launches. The new business in Hong Kong generated \$883,000 in the first nine months of 2004.

Gross Profit

The gross profit for the third quarter of 2004 was \$5,453,000 (47.0% of net sales) compared to \$3,171,000 (33.2% of net sales) for the third quarter of 2003. The gross profit in 2003 included approximately \$200,000 of costs associated with the closure of manufacturing in Germany. Gross margins for the third quarter of 2003 without this effect were 35.3%. Gross profit for the first nine months of 2004 was 45.3% of net sales compared to 37.1% in the same period of 2003. The introduction of new products coupled with positive impacts from product rationalization efforts in Europe 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 2004 were \$3,739,000 (32% of net sales) compared with \$2,648,000 (28% of net sales) for the same period of 2003, an increase of \$1,091,000. SG&A expenses were 32% of net sales for the first nine months of 2004 versus 29% in the comparable period of 2003. The majority of the increase in SG&A expenses in 2004 was selling related expenses, the new sourcing and quality control office in Hong Kong and the addition of sales and marketing personnel in North America and Europe.

Interest Expense

Interest expense for the first nine months of 2004 was \$131,000, compared with \$190,000 for 2003, a \$59,000 decrease. This is mainly attributable to the decline in debt.

Other Expense

Net other expense was \$126,000 in the first nine months of 2004 compared to \$55,000 in the first nine months of 2003.

Income Before Income Taxes

Income before income taxes was \$1,616,000 in the third quarter of 2004 compared with \$565,000 in the third quarter of 2003, an increase of \$1,051,000. Income before income taxes was \$4,146,000 for the first nine months of 2004 compared with \$1,874,000 in the first nine months of 2003, an improvement of \$2,272,000. Pretax income for North America and Asia increased by approximately \$2.1 million. The European operations had a slightly higher loss (exclusive of one time expenses of approximately \$300,000) in the first nine months of 2004 compared to 2003. Increased investment in sales and marketing efforts resulted in higher costs.

Income Taxes

The effective tax rate in the first nine months of 2004 was 40% compared to 46% in 2003, which was effected by the one time charge for the closing of manufacturing facilities in Germany. The improvement is principally due to the lower losses in Europe, for which the benefit cannot be utilized to offset earnings.

Net Income

Net income for the third quarter of 2004 was \$1,017,000, or 26 cents per share (diluted), compared to a net income of \$302,000, or 8 cents per share (diluted) for the same period of 2003. Net income for the first nine months of 2004 was \$2,484,000, or 66 cents per share (diluted), compared to a net income of \$995,000, or 28 cents per share (diluted) for the same period of 2003.

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

For the Three and Nine Months Ended September 30, 2004

Financial Condition

Liquidity and Capital Resources

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

	September 30, 2004	December 31, 2003
	-----	-----
Working capital.....	\$13,101,000	\$10,778,000
Current ratio.....	2.56 to 1	2.68 to 1
Long-term debt to equity ratio.....	17.7%	27.0%

During the first nine months of 2004, total debt decreased by \$1,479,000 compared to total debt at December 31, 2003 principally as a result of seasonal collection terms which mature during the later half of the third quarter.

During September 2004, the Company renewed its revolving loan agreement, which originally allowed for borrowings up to a maximum of \$10,000,000 based on a borrowing base formula, which applies specific percentages to balances of accounts receivable and inventory. The renewal modified several characteristics of the original agreement, the most significant of which are reducing the interest rate to LIBOR plus 1.50 percent, eliminating the borrowing base formula, allowing the company to borrow up to \$10,000,000, regardless of its inventory and receivable levels, and extending the maturity of the loan to June 30, 2007. As of September 30, 2004, \$3,161,613 was outstanding and \$6,838,387 was available for borrowing under this agreement. The estimated maturities of all long-term debt follow: 2005 - \$1,000,000, 2006 - \$1,600,000, 2007 - \$708,174.

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 property, plant, 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS-Continued
For the Three and Nine Months Ended September 30, 2004

Item 3. Quantitative and Qualitative Disclosure About Market Risk

There are no material changes in market risks since our most recent filing on Form 10-K for the year ended December 31, 2003.

Item 4. Controls and Procedures

(a) Evaluation of Internal Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the effectiveness of our disclosure controls and procedures, which included inquiries made to certain other of our employees. Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have each concluded that, as of September 30, 2004 our disclosure controls and procedures were effective and sufficient to ensure that we record, process, summarize and report information required to be disclosed by us in our periodic reports filed under the Securities and Exchange Commission's rules and forms.

(b) Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 2004, there were no changes in our internal control over financial reporting that materially affected, or was reasonably likely to materially affect, this control.

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PART II. OTHER INFORMATION

Item 1 -- Legal Proceedings

In the June 30, 2004 10Q the Company reported that it was involved in a legal action that was in its preliminary stages. During the third quarter 2004 this proceeding was settled on terms satisfactory to management with no material effect on the Company.

The Company is involved from time to time in disputes and other litigations in the ordinary course of business including certain environmental and other matters. The Company presently believes that there will not be a material adverse impact on financial position, results of operations, or liquidity from these matters.

Item 2 -- Issuer Purchases of Equity Securities

On July 23, 2003, the Company announced a stock repurchase program of 150,000 shares. The program does not have an expiration date. The following table discloses the shares repurchased under the program for the quarter ended September 30, 2004:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares that can be Purchased Under the Program
July 1 to July 31	-	-	-	-
August 1 to August 31	-	-	-	-

September 1 to September 30	-	-	-	-
Total	-	-	-	69,670

Item 3. --Defaults Upon Senior Securities

None

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

None

Item 5 -- Other Information

None.

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PART II. OTHER INFORMATION-Continued

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

(a) Documents filed as part of this report.

Exhibit 31.1 Certification of Walter C. Johnsen pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 31.2 Certification of Paul G. Driscoll pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit 32.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

On July 23, 2004 and October 21, 2004 Forms 8-K were filed by the Company reporting press releases issued by the Company on July 23, 2004 and October 22, 2004, respectively.

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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 26, 2004

By /s/ PAUL G. DRISCOLL

Paul G. Driscoll
Vice President and
Chief Financial Officer

Dated: October 26, 2004

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Exhibit 31.1

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:

I have reviewed this Quarterly Report on Form 10-Q of Acme United Corporation;

Based on my knowledge, this 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 report;

Based on my knowledge, the financial statements, and other financial information included in this 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 report;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
- (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ WALTER C. JOHNSEN

Walter C. Johnsen
President and

Chief Executive Officer

Dated: October 26, 2004

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Exhibit 31.2

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:

I have reviewed this Quarterly Report on Form 10-Q of Acme United Corporation;

Based on my knowledge, this 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 report;

Based on my knowledge, the financial statements, and other financial information included in this 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 report;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
- (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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

Dated: October 26, 2004

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, 2004 (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(d), 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 26, 2004

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Acme United Corporation and will be retained by Acme United Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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, 2004 (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(d), 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 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 26, 2004

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Acme United Corporation and will be retained by Acme United Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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