



Acme United Corp. (ACU)

Update Report – August 23, 2012

Acme United Corporation is a worldwide supplier of cutting devices, measuring instruments and safety products for school, home, office, industrial and hardware use.

For the second quarter, ended June 30, 2012, Acme released its highest quarterly sales and earnings numbers ever. Net sales for the quarter reached \$27.6 million, while net income was \$2.06 million, an increase of 15% and 18% respectively compared with the second quarter last year.

The Company expects this trend to continue in the second half of 2012. Camillus knife sales will increase thanks to the Les Stroud survival knives and tools. The Westcott iPoint pencil sharpeners, Scissor Mouse and TrimAir paper trimmers continue to sell very well. And also the PhysiciansCare/Pac-Kit combination provides higher margins and broader distribution.

In June of 2012, Acme acquired certain assets of C-Thru Ruler Company, a well-known supplier of drafting, measuring, lettering and stencil products. In 2011, C-Thru's revenues were approximately \$2.5 million with gross profits reaching roughly \$1 million. The C-Thru business will be largely absorbed by existing staff and facilities within Acme United. As a result, the acquisition is expected to be immediately accretive for Acme United.

We estimate earnings to reach 3.39 million in 2012, or \$1.09 per share, an increase of 20% compared with fiscal year 2011. That number takes the organic growth as well as the earnings generated by C-Thru Ruler into account. We reiterate our buy recommendation for Acme United Corp. with a short term price target of \$14.72, which is almost 37% above today's stock price.



Acme United Corporation

✓ Camillus knives has received orders from several mass market retailers for its regular line of knives and the Les Stroud signature series. These knives are now on the shelves, which is an ideal timing because the fourth season of *Survivorman*, in which Les Stroud uses the new Camillus knives, is airing and because the hunting season is right around the corner. As a result, the Company expects Camillus to substantially increase its sales from \$1.5 million in the first half of 2012 to \$4.5 million in the second half of the year.

✓ Next to rising revenues and earnings, increased distribution and new product introductions, Acme United's growth story is also supported by a 7 cents quarterly dividend, which at today's share price is an annual yield of 2.6%. This is why Acme remains a safe investment, even at uncertain times.



The Company

Acme United Corporation is a supplier of cutting, measuring and safety products for the school, home, office, craft, hardware & industrial markets. Its principal products are scissors, shears, rulers, pencil sharpeners, first aid kits and related products.

Acme United's products are organized under six global brands: Westcott, C-Thru Ruler, Clauss, Camillus, PhysiciansCare and Pac-Kit. Both the number of products offered under these brands, as well as the number of stores and chains where these products are available, continue to grow.

The Company had record sales and earnings numbers in its second quarter, ending June 30, 2012. Several new products are lined up to enter stores in the second half of 2012.



The acquisition of C-Thru Ruler by Acme United in June of 2012 is expected to be immediately accretive for Acme United.

Acme United succeeds in re-inventing everyday products like scissors, knives and school and office items by applying new materials to them. For example, many of the Company's products have a titanium carbonitride coating, making the knives and scissors blades more than 3 times harder than stainless steel. Or scissors blades get a non-stick coating, making them useful in difficult environments like the floral area for cutting and trimming flowers and bushes, or in the arts and crafts area, where lots of glue and paste is used. Also, some school and

office products have Microban® antimicrobial protection added during the manufacturing process to prevent the growth of bacteria on the surface.

The Company's products are available at Staples, Office Depot, Office Max, United Stationers, SP Richards, W.B. Mason, Home Depot, Target, Wal-Mart, Walgreen, School Specialty, Grainger, McMaster Carr, Meijer, Fred Meyer, Zellers, Schlecker, WH Smith, and many other major chains.

Acme United also has been paying a quarterly dividend for many years and has increased the amount by 1 cent every 6 to 8 quarters. The last increase was in August of 2011 when the dividend went from 6 to 7 cents per share. This is an excellent way to show confidence in the business and the market. Additionally, it builds long term shareholder value.

Brands

Westcott, which began as a ruler company almost 140 years ago, sells between 60 and 80 million scissors, and 15 and 18 million rulers annually, making them the leading scissors brand in the United States and one of the leading ruler brands in North America.

Westcott is also known for the iPoint electric pencil sharpener. Its trendy design* and ease of use have made the iPoint a phenomenal success. In 2011, the sharpener's revenues reached about \$11 million, making it one of Acme United's best selling products.

* Both the original iPoint and its successor the iPoint Evolution won a GOOD DESIGN Award from the Chicago Athenaeum, Museum of Architecture and Design. This is one of the oldest and most prestigious design competitions worldwide. Each year, the Museum receives hundreds of submissions from the biggest and most famous brands like Apple, Hewlett Packard, BMW, Porsche, Microsoft, etc.

Clauss has its roots dating back to 1877 as a scissors, razors and kitchen knives manufacturer. Nowadays, Clauss offers a substantial line of quality cutting tools for professionals in the hardware & industrial, lawn & garden, food processing, sewing and housewares channels.

For example, the Clauss SpeedPak utility knife is a lightweight, ergonomic and innovative alternative for a regular utility knife. The SpeedPak features an interchangeable color coded cartridge system that allows the user to switch between four different blade

styles: utility, dubbed, serrated and hook. Each cartridge contains 10 replaceable titanium bonded blades, making them three times stronger than steel. And when a blade is dull, you simply push the button on the side of the SpeedPak, pull the blade out, retract the top button, and it automatically reloads another blade.

The SpeedPak sells well both in Europe and the U.S. It received an excellent 9.1 member rating from Handy Magazine and it was chosen as "Tool of the month" in a large hardware chain in the U.S. The Clauss utility knife is available through major industrial catalogues and at retailers like Lowe's and Home Depot.

Clauss also has two lines of gardening tools. The Enviro-Line is a family of lawn & garden products like pruners, snips, floral knives, spring assisted scissors, etc. The blades are titanium bonded and the packaging and handles of the tools are made from recycled materials.

The AirShoc line of professional lawn & garden tools includes loppers, hedge shears, branch saws and grass and garden shears as well as their respective replacement blades. The Titanium-Bonded Non-Stick blades prevent saps and adhesives from sticking to the blades. The tools also feature Microban antibacterial treated blades and grips to protect the user as well as the plants themselves. The AirShoc grips are engineered to reduce the impact and fatigue of cutting through branches, etc.

Due to stiff competition, it's been hard to get the gardening tools on the shelves of large chains, but they do get more traction in North America the past several months.

Camillus is one of the oldest knife manufacturers in the United States. Since its inception in 1876, it has been a synonym for the finest knives available. In 2007, Acme purchased the Camillus brand name and intellectual property rights and re-launched the brand at the 2009 National Hardware Show in Las Vegas. Since then, a host of new knives has been brought to the market made out of the finest materials, including a line with titanium carbonitride coated blades.

Late 2011, Acme United signed an agreement with Les Stroud, the star of the six-time Gemini-nominated hit TV series *Survivorman*, to co-design and promote a new line of Camillus survival knives and tools. The impact from Les Stroud was obvious at the 2012 Shot Show, where several new and existing customers immediately placed orders.

Although Camillus contributed about \$1.5 million in sales in Q2, the second half of 2012 is expected to be even much better mainly thanks to the Les Stroud product family, which is now shipping to several mass market retailers like WalMart and many major sporting goods chains like Cabellas, Academy Sports, Bass Pro.



Les Stroud, a.k.a. Survivorman, combines the essence of survival and innovative thinking with the best material and craftsmanship of Camillus knives. The result is the Les Stroud Signature Survival Knives.

Pac-Kit sells first aid kits, industrial stations and refills, emergency medical travel and recreational kits for the industrial, safety, transportation and marine markets. Although its products are somewhat similar to PhysiciansCare's, Pac-Kit is especially known for tailoring its products to meet user requirements and for rapid turnaround. Since Acme United acquired Pac-Kit in February of 2011, it's able to accommodate certain retailers' demands for specialized kits.

Also Pac-Kit has a long and vivid history dating back to the 19th century. Its early first aid kits were chosen by global explorers like Captain Robert Scott, Admiral Peary and Theodore Roosevelt on their expeditions.

PhysiciansCare offers a wide assortment of first aid kits, emergency and disaster kits, kit refills, hearing, eye, and head protection, and ergonomic supports and braces. PhysiciansCare also carries a successful branded line of over-the-counter

medications, including the active ingredients aspirin, acetaminophen and Ibuprofen, etc. PhysiciansCare's products are sold at Staples, Office Depot, United Stationers, Office Max, Corporate Express and many more.

Acme United owns and operates a U.S. Food and Drug Administration (FDA) facility in North Carolina through which these products are distributed.



PhysiciansCare has a successful branded line of over-the-counter medications including the active ingredients aspirin, acetaminophen, Ibuprofen, etc.

C-Thru Ruler Company was formed in 1939 in Hartford, CT by Jennie Zachs, who saw the need for transparent measuring tools like rulers, triangles, curves, and protractors. The Company developed a strong reputation in the school and craft markets for high quality measuring devices, and for specialized products for drafting, designing and drawing. Nowadays, C-Thru is a supplier of drafting, measuring, lettering and stencil products.

In June of 2012, Acme purchased the inventory, tooling, brands, and other intellectual property of C-Thru Ruler Company for approximately \$1.47 million. The acquisition is expected to be immediately accretive in 2012. (Also see C-Thru Ruler Acquisition below).

At this moment, C-Thru is treated as a separate brand, but it's very well possible that down the road its products are offered under the Westcott name because of the obvious synergies.

C-Thru Ruler Acquisition

Acme United's major event during the past quarter is undoubtedly its acquisition of certain assets of C-Thru Ruler Company, a well-known supplier of drafting, measuring, lettering and stencil products. In 2011, C-Thru's revenues were about \$2.5 million with gross profits reaching roughly \$1 million. As a

result, the acquisition is expected to be immediately accretive for Acme United.

Acme paid approximately \$1.47 million in an all cash transaction for the inventory, tooling, brands, and other intellectual property of C-Thru. However, it didn't buy the Déjà Views paper crafting and scrapbooking brand of C-Thru as that doesn't belong to Acme's core business.

C-Thru's products offer plenty of synergies with Acme's existing Westcott brand:

- The margins of both C-Thru and Westcott stand to improve thanks to cost savings from the combined purchasing power for raw materials. At the time of the acquisition, C-Thru's gross margins were approximately 40%. Additionally, C-Thru will benefit from Acme's existing manufacturing and sourcing capabilities in China;
- Because C-Thru was integrated in the already well established Westcott organization, the acquisition was largely absorbed by existing staff and facilities within Acme United. Only two employees were added to Acme's staff;
- Moreover, C-Thru's biggest customers are Michaels, A.C. Moore, Jo-Ann Fabric & Craft, Hobby Lobby, etc. These are all chains which only carry a small range of the Westcott product line, leaving room for expansion.

With C-Thru Ruler, Acme United adds another well known brand to its portfolio. Acme's management has an eye for acquiring relatively small companies that complement its current line of business. By adding the necessary capital, manpower and expertise, these smaller brands can really take off.

Pac-Kit, for example, increased its revenues from \$4.5 million to \$5.2 million, or up more than 15%, in the first 10 months after it was acquired by Acme United. In that same period, Pac-Kit's margins increased from around 27% to over 30% thanks to the increased buying power.

Knowing that C-Thru has a successful line of products and an existing customer base, and that only few extra costs were made to integrate the brand, we expect the acquisition to have an immediate positive impact on Acme's earnings in the coming quarters.

Financials

Second Quarter And Six Months 2012 Results

Acme United's second quarter, ended June 30, 2012 was very strong. In fact, it were the Company's highest quarterly sales and earnings numbers it ever achieved. Acme's brands Westcott, Clauss, Camillus, Physicians Care and Pac-Kit all contributed to the Company's success as each one had record quarterly sales.

Net sales for the quarter reached \$27.6 million, compared with \$24.0 million in the same period last year, or an increase of 15%. Net income for the second quarter of 2012 was \$2.06 million, or \$.66 per share, up 18% compared with \$1.74 million, or \$.56 per share, in the second quarter of 2011.

Amounts in \$000's	06/30/12	06/30/11
Net Sales	27,594	24,029
Cost of Goods Sold	17,773	15,346
S, G & A Expenses	6,743	6,223
Income From Operations	3,078	2,460
Pre-Tax Income	2,973	2,383
Income Tax Expense	912	640
Net Income	2,061	1,743
Diluted Shares Outstanding	3,144	3,117
Diluted Earnings Per Share	0.66	0.56
Most important income statement data for the quarters ending June 30, 2012 and June 30, 2011. Source: Company Filings		

Net sales for the six months ended June 30, 2012 were \$44.5 million, compared to \$38.4 million in the same period in 2011, an increase of 16% (17% in local currency). Net income for the six months ended June 30, 2012 was \$2,320,000, or \$.74 per diluted share, compared to \$1,863,000, or \$.60 per diluted share in the comparable period last year, a 25% increase in net income and 23% in diluted earnings per share.

Net sales for the second quarter of 2012 in the U.S. segment increased 22% compared to the same period in 2011 primarily due to increased sales of Camillus knives, iPoint pencil sharpeners, paper trimmers and first aid products. Net sales for the six months ended June 30, 2012 in the U.S. segment increased 21% compared to the same period in 2011.

Net sales in Canada for the three months ended June 30, 2012 were constant in U.S. dollars but increased 4% in local currency compared to the same period in 2011. Net sales for the six months ended June 30, 2012 in Canada decreased 4% in U.S. dollars and 1% in local currency compared to the same period in 2011.

Gross margins were 36% in the second quarters of both 2012 and 2011. Gross margins were 35% for the six months ended June 30, 2012 compared to 36% for the comparable period last year.

Schlecker Bankruptcy

The only imperfection during Acme United's second quarter was the decrease in net sales in Europe by 21% compared with the second quarter of last year, due to the bankruptcy of Schlecker. Schlecker is a German cosmetics, healthcare and household products chain with stores across Europe including Germany, Austria, Czech Republic, Luxembourg, Hungary, Poland, France, Spain and Italy. It's one of Acme's largest customers in Europe, mainly for manicure products.

The exact impact on Acme is still unclear as many of Schlecker's stores have already been taken over by other chains. The question remains if those chains will continue to buy products from Acme. In the worst case scenario, Acme will lose about \$200,000 in gross margins during the second half of 2012.

On the other hand, the loss of Schlecker as a customer opens up new possibilities for Acme United in Europe as it can now offer the products it sold to Schlecker to other mass market retailers like Aldi, Lidl and Norma, with which it already has good relationships.

Margins in China

During the second quarter conference call, Mr. Johnsen, Acme's Chairman and CEO, made some very interesting comments about margins in China, where almost all of the Company's products are manufactured. He said that raw material costs have somewhat stabilized in China and that the Chinese RMB has weakened compared with the US dollar, which is positive news for the Company's margins.

Acme is also working on productivity programs in China, which should lead to higher production numbers with the same capacity and workforce. At the same time, the Company is working on delivering

greater value and improved performance of its products for the same price.

Additionally, because the Chinese factories are less busy than they used to be, turnaround times on orders have decreased substantially from about 120 days in the past to around 80 days today.

Balance Sheet As Of June 30, 2012

Noteworthy in Acme's balance sheet is the increase in bank debt less cash. On June 30, 2012 that number was \$15.9 million compared to \$14.4 million on June 30, 2011. This is attributable to the rise in inventory of about \$3 million and the cost for the C-Thru acquisition of approximately \$1.5 million.

Additionally, during the 12 month period ended June 30, 2012, Acme purchased 40,560 shares of its common stock for treasury for a total of approximately \$400,000, paid approximately \$800,000 in dividends on its common stock and generated \$1.3 million in cash flow from operations less capital expenditures.

Amounts in \$000's	06/30/12	06/30/11
Cash and Cash Equivalents	7,141	4,234
Accounts Receivable	23,857	23,481
Inventories	26,681	23,575
Total Current Assets	59,535	52,588
Total Assets	69,154	61,064
Accounts Payable	9,968	8,210
Total Current Liabilities	15,580	13,355
Bank Debt**	23,005	18,601
Total Liabilities	39,715	33,539
Total Stockholder Equity	29,439	27,525
Most important balance sheet data for the periods ending June 30, 2012 and June 30, 2011. Source: Company Filings		

As of June 30, 2012 the Company had a current ratio of 3.82, a return on equity of 11.10 and working capital of \$43.95 million.

Growth Drivers

Westcott School & Office Products

Westcott continues to be Acme's most successful brand. The Westcott school and office products

family had record back to school sales during the second quarter. Especially the iPoint pencil sharpeners and TrimAir paper trimmers sold well.

The TrimAir Rotary and Guillotine paper trimmers are typical Westcott products. They were only introduced a few months ago, and already make a nice contribution to sales. The tools feature Titanium bonded blades, making them 10 times harder than stainless steel. As a result, the Guillotine trimmer can cut up to 30 sheets of copy paper at once.



The Trimair Rotary and Guillotine paper trimmers combine an eye-catching design with an outstanding performance. They both received a GOOD DESIGN award from the Chicago Athenaeum, Museum of Architecture and Design.

And Westcott continues to introduce new items. The Westcott Scissor Mouse, for example, is the size of a computer mouse, but is used to cut paper. There's a little tab under the tool that grabs and cuts the paper. Additionally, it has a measuring guide on the front. It's mainly used in arts and crafts markets to cut any lightweight papers. It's expected to contribute \$1.5 million to sales in 2012.

Camillus Knives

Late 2011, Acme United signed an agreement with Les Stroud, the star of the six-time Gemini-nominated hit TV series *Survivorman*, to co-design and promote a new line of Camillus survival knives and tools.

The Les Stroud signature series was introduced in January of 2012 at the SHOT Show in Las Vegas. It was a successful event as several new and existing customers visited the Camillus booth and immediately placed orders. Those orders are now being shipped so that the new knives and survival

tools will soon be available in stores throughout the United States and Canada.

This is an ideal timing, both because the fourth season of *Survivorman*, in which Les Stroud uses the new Camillus knives, is airing and because the hunting season is right around the corner.

As a result, the Company expects Camillus to substantially increase its sales during the second half of 2012. In the first six months of the year Camillus contributed about \$1.5 million in sales, while \$4.5 million is projected for the final six months.

Clauss Gardening Tools

The Clauss Enviro-Line and AirShoc line of lawn & garden tools were introduced in 2011 and have done quite well since with a few million dollars in sales. The award winning tools are available at several retailers like Sears Online and Home Hardware in Canada. Due to fierce competition however, they aren't yet available at major do-it-yourself chains like Home Depot or Lowe's.

This may change in the coming months however as the Company has new hopes it will be able to sell the lines to larger chains.



The entire Clauss AirShoc line won the prestigious IDEA design award in the 'Home Living' category. Pictured above: the AirShoc Titanium Non-Stick Branch Saw.

Recent Events

Expanded Loan Agreement with HSBC Bank

In April of this year, Acme United entered into a new loan agreement with HSBC Bank to replace its revolving loan with Wells Fargo Bank. The Company opted for a new loan facility with HSBC Bank especially because of the bank's international presence – HSBC has many branches in Asia as well as in Europe and in the U.S. – and its know-how of global markets.

The new five-year facility provides for borrowings up to \$30 million (an increase of \$10 million) at an interest rate of LIBOR plus 1.75% (a decrease of 25 basis points). At today's interest rates that means the Company will pay a little over 2 percent interest on its borrowings. The agreement expires on March 31, 2017.

	Old Loan Wells Fargo Bank	New Loan HSBC Bank
Amount	Max. \$20 million	Max. \$30 million
Interest Rate	LIBOR + 2%	LIBOR + 1.75%
Term	3 years	5 years

Comparison between the terms of the old loan agreement with Wells Fargo Bank and the new loan agreement with HSBC Bank.

This facility is intended to provide liquidity for growth, share repurchases, dividends, acquisitions, and other related business activities.

Outlook & Valuation

Acme's five brands Westcott, Clauss, Camillus, Physicians Care and Pac-Kit all contributed to the Company's success in the second quarter of 2012 as each one had record sales. The fact that all brands are doing well, is good news as it spreads the risk for the Company and its investors. If one brand, for example, performs a little weaker than expected, the other ones are there to make up for it.

Also for the second half of the year, the outlook is positive. Camillus knives is expected to do very good thanks to the Les Stroud survival knives and tools and several other new knives, which recently entered the market.

The Westcott iPoint pencil sharpeners, Scissor Mouse and TrimAir paper trimmers continue to sell

well. And the PhysiciansCare/Pac-Kit combination provides higher margins and broader distribution. Additionally, sales of the Clauss gardening tools may pick up in the coming months.

Also the recent C-Thru Ruler acquisition will contribute nicely to sales and earnings. Because the C-Thru organisation was largely absorbed by Acme's existing staff and facilities, margins are bound to increase. As a result, a couple of extra points per share will go to the bottom line.

Thanks to a new relatively cheap \$30 million loan agreement with HSBC Bank, Acme also has sufficient money available to fund its growth.

And finally, Acme United's growth story is also supported by a 7 cents quarterly dividend, which at today's share price is an annual yield of 2.6%. This is substantially higher than the interest rate you earn on a regular savings account or a 10-year bond and is part of the reason why Acme remains a safe investment, even at uncertain times.

Peer Comparison

Acme United competes with many other companies in each market and geographic area. For example, the major competitor in the cutting and gardening category is Fiskars Corporation, the major competitor in the measuring category is Helix International Ltd and the major competitor in the safety and first aid category is Johnson and Johnson.

Nevertheless, it's hard to identify a peer group of companies, because there's no other Company that's in exactly the same line of business as Acme United. Moreover, some of these other companies that engage in the Company's line-of-business do so through divisions or subsidiaries that are not publicly-traded.

For reason of comparison, we have placed the Company in the office supplies industry. The average P/E ratio for a Company in the office supplies industry is 13.50x, up slightly from 13.45x in our previous report.

Valuation

The Company sticks to its sales projection for fiscal year 2012, which it gave earlier this year, of between \$80 and \$85 million. Similar to our previous reports we'll use the average of the Company's projections, or \$82.5 million, as our sales estimate for 2012. With the global

economic uncertainty in mind, this is a fair number.

Our earnings projection for 2012 in our previous report was \$3.15 million, or \$1.02 per share. However, given the numbers for the first half of 2012, we increase that number. When we simply add up the earnings of the second half of 2011, which were \$948,000, and the earnings of the first half of 2012, we already reach \$3.27 million.

We now estimate earnings to reach \$3.39 million in 2012, or \$1.09 per share, an increase of 20% compared with fiscal year 2011. That number takes the organic growth as well as the earnings generated by C-Thru Ruler into account. At the same time, it takes the possible loss of Schlecker as a customer in Europe and the uncertain economic outlook into consideration.

Amounts in \$000's	2010	2011	2012E
Total Revenue	63,149	73,302	82,500
Net Income	2,573	2,811	3,385

Annual sales and earnings FY 2010 – 2012E. Source: Company Filings and Smallcaps.us estimates

Using the \$1.09 EPS projection for FY 2012 and applying the 13.50x P/E multiple from the peer group, we reach the following calculation: \$1.09 estimated EPS multiplied by 13.50 = \$14.72.

Based on our calculations, we reiterate our buy recommendation for Acme United Corp. with a short term price target of \$14.72, which is almost 37% above today's stock price.

Share Data & Ownership

As of August 7, 2012, there were 3,103,227 common shares outstanding. The principal owners of the Company's common stock are Walter Johnsen (12.1%), North Star Investment Management Corporation (10.2%), First Wilshire Securities Management (8.5%), Bard Associates Inc. (5.7%), Dimensional Fund Advisors (3.3%) and Brian Olschan (1.3%).

Management

➤ Walter Johnsen - Chairman and CEO

Mr. Johnsen has served as director since 1995 and as Chairman and Chief Executive Officer since November 30, 1995. Before joining the Company he was Vice Chairman and a principal of Marshall Products, Inc., a medical supply distributor.

➤ **Paul Driscoll - Vice President and CFO, Secretary and Treasurer**

Mr. Driscoll has served as Vice President and Chief Financial Officer, Secretary and Treasurer since October 2, 2002. Mr. Driscoll joined Acme as Director International Finance on March 19, 2001. From 1997 to 2001 he was employed by Ernest and Julio Gallo Winery including two years in Japan as Director of Finance and Operations. Prior to Gallo he served in several increasingly responsible positions

in Sterling Winthrop Inc. in New York City and Sanofi S.A. in France.

➤ **Brian Olschan - President and COO**

Mr. Olschan served as Senior Vice President of Sales and Marketing from September 10, 1996 until January 22, 1999. Effective January 23, 1999, he was promoted to President and Chief Operating Officer. From 1984 to 1996, he was employed by General Cable Corporation in various executive positions.

Annual Income Statement FY 2009 – 6M 2012

All numbers in thousands

PERIOD ENDING	FY 2009	FY 2010	FY 2011	6M 2012
Total Revenue	59,149	63,149	73,302	44,472
Cost of Revenue	37,075	39,784	46,977	28,707
Gross Profit	22,073	23,365	26,325	15,765
Operating Expenses				
Research & Development	-	-	-	-
Selling, General and Administrative	19,047	20,385	22,040	12,229
Non Recurring	-	-	-	-
Others	-	-	-	-
Total Operating Expenses	19,047	20,385	22,040	12,229
Operating Income or Loss	3,027	2,980	4,285	3,536
Income from Continuing Operations				
Total Other Income (Expenses) Net	581	232	(145)	(10)
Earnings Before Interest And Taxes	3,608	3,212	4,140	3,526
Interest Expense	155	301	404	193
Income Before Tax	3,453	2,911	4,544	3,333
Income Tax Expense	611	338	1,215	1,013
Minority Interest	-	-	-	-
Net Income From Continuing Ops	2,842	2,573	2,811	2,320
Non-recurring Events				
Discontinued Operations	-	-	-	-
Extraordinary Items	-	-	-	-
Effect Of Accounting Changes	-	-	-	-
Other Items	-	-	-	-
Net Income	2,842	2,573	2,811	2,320
Preferred Stock And Other Adjustments	-	-	-	-
Net Income Applicable To Common Shares	\$2,842	\$2,573	\$2,811	\$2,320

Annual Income Statement FY 2009 – 6M 2012. Source: Company Filings



Acme United Corporation

NYSE Amex: ACU

Company Headquarters

60 Round Hill Road
Fairfield, CT 06824
United States

Company Contact Information

Paul G. Driscoll, Chief Financial Officer
Phone: +1 203-254-6060
Fax: +1 203-254-6019

This Company Report is prepared and distributed by Smallcaps.us
editor@smallcaps.us

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