



Transcript of update interview with Mr. Walter C. Johnsen



Chairman and CEO of Acme United Corp.



**Acme United Corporation**

NYSE Amex: ACU

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**Walter C. Johnsen - Chairman and Chief Executive Officer.** 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.

**Smallcaps.us:** Hi everyone and thanks for being with us for another Smallcaps.us interview. We're pleased to have Mr. Walter Johnsen here today, the CEO of Acme United Corporation. As many of you know, Acme United designs and manufactures cutting, measuring, and safety products for use in various markets. We couldn't be happier to have Mr. Johnsen on the show again to give his perspective on the Company's third quarter, that ended September 30th. And to give us an update on other exciting events that surround the Company at the moment. Interested listeners can find Acme United on the New York Stock Exchange AMEX market under ticker symbol ACU. Walter, thanks for joining us again.

**Walter Johnsen:** Thank you very much Wim.

**Smallcaps.us:** I'm sure plenty of our listeners are eager to hear your thoughts on Acme United's third quarter. Actual results will be announced later this month, but can you give us a rough sketch of what we can expect?

**Walter Johnsen:** Acme United had a solid third quarter. Our revenues grew and our new products continued to make in-roads in particular our iPoint pencil sharper sold very well and our non sticks has performed quite nicely. Last year we spent about 460,000 less than budgeted remediating our Bridgeport property. So we brought that into earnings in the third quarter that won't happen again this year. But nevertheless I'm quite pleased with the quarter.

**Smallcaps.us:** That's interesting. In light of Acme United's current progress, what are the Company's international growth plans? I mean, the European business did really well in the second quarter, so will Acme be expanding its international presence?

**Walter Johnsen:** Yes we are laying the groundwork now for international growth next year. We had good sales performance in Europe in the third quarter, but that compared to very good performance last year in the second quarter as well. So the growth in that particular quarter was not extraordinary it was just normal growth. Asia, this year has done quite well so far. We've just hired an experienced sales person in Germany to assist in our mass-market sales and we're planning to add another person in Belgium. We're also recruiting sales and marketing executives in Hong Kong to drive more Asia Pacific sales. We think we've got the product depth, the price and the innovation so that we can sell much higher volumes internationally over the coming years.

**Smallcaps.us:** We heard that new tools and knives are set to enter stores sometime soon. Can you tell us about these products and how they might impact growth?

**Walter Johnsen:** Well there are a number of market tests with our Clauss scissors, utility knives and garden products. While I don't want to mention the retailers and distributors doing the test, we're excited about the prospects if they are successful. In particular, the garden launch and those are items like pruners, loppers and hedge shears are now in production and we're beginning shipping mostly the beginning next year, a little bit this year.

**Smallcaps.us:** Are there any investor conferences that Acme United will be attending in the next few months? And what can potential investors expect?

**Walter Johnsen:** We'll be attending the Singular Research Conference in Los Angeles on November 4<sup>th</sup> and perhaps another conference in December. I'm looking forward to speaking about our Company then and sharing

some of the enthusiasm that we have for the prospects going forward.

**Smallcaps.us:** With global currencies making headlines and an economy that's still contentious among analysts and forecasters, what are your thoughts on the general state of the economy at the moment?

**Walter Johnsen:** Well, the US economy certainly seems sluggish to us but it's not a disaster. I think we have to focus on delivering our innovative products and great values and adding new customers. It's not easy, but we have a lot to offer. Regarding the global economy, Europe in particular Germany and the surrounding countries on the continent seem to be doing quite well and we're seeing strength that is shown in our international numbers. In Asia, I would say that we're so new and our volumes are so small that almost anything is incremental growth and so of course we're getting it.

**Smallcaps.us:** It's no secret that for some time now you've been looking for a company to take over. Do you have an attractive takeover candidate on your radar screen at the moment?

**Walter Johnsen:** We've looked at many, many companies this year and in previous years. And most of that we have purchased such as Clauss and Camillus have been strategic and appropriately priced. That combination is difficult. We looked at quite a number of situations this year. And there is a possibility that one of them might fit. But at this stage I can't announce anything, nor are we close to something.

**Smallcaps.us:** Thanks for sharing that with us. Before we close, where should our listeners go on the web to get more information about Acme United?

**Walter Johnsen:** You should go to [www.acmeunited.com](http://www.acmeunited.com) and that should be helpful. But in a few months we'll be launching an entirely new website with the same address and hopefully that's even more useful.

**Smallcaps.us:** Well, that's great. Walter, it's been a pleasure to have you in again. We'll be anxiously awaiting those third quarter numbers, and we'd love to do this again to update our listeners on Acme United.

**Walter Johnsen:** Thanks very much.

## **Interview Feedback**

We welcome your questions and feedback regarding this interview at: <http://smallcaps.us/acme-united-interview-third-quarter-thoughts>

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