SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the Quarterly Period Ended: February 29, 2000	Commission File Number 1-11038

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	41-0857886
(State of Incorporation)	(I.R.S. Employer Identification Number)

6680 N. Highway 49, Lino Lakes, MN 55014
(Address of principal executive offices)

(651) 784-1250
(Registrant's telephone number)

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 X NO ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of March 31, 2000
Common Stock, $.02 par value	3,870,835

"This document consists of 12 pages. One exhibit is being filed."

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	FEBRUARY 29, 2000	AUGUST 31, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,241,727	$ 2,750,209
Receivables:		
Trade, less allowance for doubtful accounts of $33,000 and $27,000, respectively	1,459,204	1,704,536
Corporate joint ventures	434,525	473,553
Inventories	1,132,557	1,013,525
Prepaid expenses and other	50,876	37,008
Deferred income taxes	170,000	170,000
Total current assets	6,488,889	6,148,831
PROPERTY AND EQUIPMENT, net	1,192,568	1,115,229
OTHER ASSETS:		
Investments in corporate joint ventures	3,281,476	3,424,623
Investment in European holding company	247,253	247,253
Deferred income taxes	210,000	210,000
Other	376,404	315,662

	4,115,133	4,197,538
	$ 11,796,590	$ 11,461,598
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 183,230	$ 149,328
Income taxes	23,581	307,188
Accrued liabilities:		
Payroll and related benefits	148,230	54,182
Other	240,173	166,610
Total current liabilities	595,214	677,308
DEFERRED GROSS PROFIT	60,000	60,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, no par value, authorized 10,000 shares, none issued Common stock, $.02 par value per share; authorized 10,000,000 shares; issued and outstanding 3,870,168 and 3,865,103, respectively	77,403	77,302
Additional paid-in capital	4,634,218	4,613,806
Retained earnings	7,009,513	6,481,550
Accumulated other comprehensive loss	(449,951)	(318,561)
	11,271,183	10,854,097
Notes and related interest receivable from purchase of common stock	(129,807)	(129,807)
Total stockholders' equity	11,141,376	10,724,290
	$ 11,796,590	$ 11,461,598

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	FEBRUARY 29, 2000	FEBRUARY 28, 1999	FEBRUARY 29, 2000	FEBRUARY 28, 1999
SALES	$ 2,693,682	$ 2,005,873	$ 5,525,546	$ 4,161,268
COST OF GOODS SOLD	1,347,685	978,486	2,696,205	2,048,189
GROSS PROFIT	1,345,997	1,027,387	2,829,341	2,113,079
OPERATING EXPENSES:				
Selling	459,431	383,363	910,840	724,994
General and administrative	517,309	322,981	1,197,107	835,609
Research, engineering, and technical support	201,043	160,019	316,216	262,498
	1,177,783	866,363	2,424,163	1,823,101
OPERATING INCOME	168,214	161,024	405,178	289,978
CORPORATE JOINT VENTURES AND EUROPEAN HOLDING COMPANY:				
Equity in income of corporate joint ventures and European holding company	112,045	3,866	271,362	181,669
Fees for technical assistance to corporate joint ventures	583,942	566,682	1,280,514	1,161,395
Corporate joint venture expense	(190,426)	(171,221)	(354,405)	(311,070)
	505,561	399,327	1,197,471	1,031,994
INTEREST INCOME	20,424	19,927	55,341	35,949
INCOME BEFORE INCOME TAXES	694,199	580,278	1,657,990	1,357,921
INCOME TAXES	220,000	205,000	510,000	425,000
NET INCOME	$ 474,199	$ 375,278	$ 1,147,990	$ 932,921
NET INCOME PER COMMON SHARE:				
Basic	$ .12	$ .10	$ .30	$ .24
Diluted	$ .12	$ .10	$ .30	$ .24
WEIGHTED AVERAGE COMMON SHARES ASSUMED OUTSTANDING:				
Basic	3,870,127	3,871,863	3,868,752	3,864,093
Diluted	3,890,481	3,911,779	3,880,699	3,886,120

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	SIX MONTHS ENDED	
	FEBRUARY 29, 2000	FEBRUARY 28, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,147,990	$ 932,921
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	76,165	68,950
Equity income of corporate joint ventures and European holding company	(271,362)	(181,669)
Dividends received from corporate joint ventures	373,119	10,292
Change in current assets and liabilities:		
Receivables:		
Trade	245,332	(290,269)
Joint ventures	39,028	(99,635)
Income taxes	--	(102,047)
Inventories	(119,032)	176,893
Prepaid expenses and other	(21,260)	126,207
Accounts payable	33,902	(77,671)
Income taxes	(283,607)	(66,416)
Accrued liabilities	167,611	15,586
Total adjustments	239,896	(419,779)
Net cash provided by operating activities	1,387,886	513,142
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in corporate joint ventures	(90,000)	(522,660)
Additions to property	(153,504)	(218,131)
Increase in other assets	(53,350)	--
Net cash used in investing activities	(296,854)	(740,791)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	20,831	95,573
Repurchase of common stock	(1,413)	(68,900)
Dividends paid	(618,932)	(581,104)
Net cash used in financing activities	(599,514)	(554,431)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	491,518	(782,080)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,750,209	2,200,490
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 3,241,727	$ 1,418,410

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. INTERIM FINANCIAL INFORMATION

In the opinion of management, the accompanying unaudited financial statements contain all necessary adjustments, which are of a normal recurring nature, to present fairly the financial position of Northern Technologies International Corporation and Subsidiaries as of February 29, 2000 and February 28, 1999, the results of operations for the three and six months ended February 29, 2000 and February 28, 1999, and the cash flows for the six months ended February 29, 2000 and February 28, 1999, in conformity with generally accepted accounting principles.

These financial statements should be read in conjunction with the financial statements and related notes as of and for the year ended August 31, 1999 contained in the Company's filing on Form 10-KSB dated November 19, 1999 and with Management's Discussion and Analysis of Financial Condition and Results of Operations appearing on pages 7 through 9 of this quarterly report.

2. COMPREHENSIVE INCOME

The Company's total comprehensive income was as follows:

	Three Months Ended		Six Months Ended	
	February 29, 2000	February 28, 1999	February 29, 2000	February 28, 1999
Net income	$ 474,199	$ 375,278	$ 1,147,990	$ 932,921
Other comprehensive (loss) income	(106,233)	(58,048)	(131,390)	59,217
Total comprehensive income	$ 367,966	$ 317,230	$ 1,016,600	$ 992,138

3. INVENTORIES

Inventories consist of the following:

	February 29, 2000	August 31, 1999
Production materials	$ 230,280	$ 218,701
Work in process	25,901	24,753
Finished goods	876,376	770,071
	$ 1,132,557	$ 1,013,525

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	February 29, 2000	August 31, 1999
Land	$ 246,097	$ 246,097
Buildings and improvements	1,152,997	1,100,757
Machinery and equipment	1,065,416	964,152
	2,464,510	2,311,006
Less accumulated depreciation	1,271,942	1,195,777
	$ 1,192,568	$ 1,115,229

5. INVESTMENTS IN CORPORATE JOINT VENTURES

During the six months ended February 29, 2000, the Company invested an additional $90,000 in existing foreign joint ventures.

6. STOCKHOLDERS' EQUITY

During the six months ended February 29, 2000, the Company purchased and retired 157 shares of common stock for $1,413.

In November 1999, the Company declared a cash dividend of $.16 per share payable on December 17, 1999 to shareholders of record on December 3, 1999.

During the six months ended February 29, 2000, stock options for the purchase of 5,222 shares of the Company's common stock were exercised at prices between $3.00 and $6.25 per share.

7. NET INCOME PER SHARE

Basic net income per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted net income per share assumes the exercise of stock options using the treasury stock method, if dilutive.

8. COMMITMENTS AND CONTINGENCIES

A subsidiary of the Company owns a one-third ownership interest in a limited liability company, which owns and operates a rental property building. The Company has guaranteed a performance obligation of the limited liability company valued at $319,275.

The Company's subsidiary has entered into a lease for office and warehouse space requiring monthly payments of $13,194 per month, subject to annual CPI index escalation, through November 2014.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

GENERAL - The Company conducts all foreign transactions based on the U.S. dollar, except for its investments in foreign joint ventures. The exchange rate differential relating to investments in foreign joint ventures is accounted for under the requirements of SFAS No. 52.

SALES - Net sales increased by $687,809 or 34% during the second quarter of 2000 from those of the second quarter of 1999. Net sales increased by $1,364,278 or 33% during the six months ended February 29, 2000 compared to the six months ended February 28, 1999. These changes in sales are due to an increase in demand and selling prices for materials science based industrial packaging products. There has been no introduction of new products or entry into any particular new markets.

COST OF SALES - Cost of goods sold as a percentage of net sales was 50% and 49% for the second quarter of 2000 and 1999, respectively. The cost of goods sold percentage of net sales was 49% for the six months ended February 29, 2000 and February 28, 1999. Variations are due primarily to the mix of product sales.

OPERATING EXPENSES - As a percentage of net sales, total operating expenses were 44% in the second quarter of fiscal 2000 and 43% in the second quarter of fiscal 1999. Operating expenses were 44% of net sales for the six months ended February 29, 2000 and for the six months ended February 28, 1999.

Operating expense classification percentages of net sales were as follows:

	Three Months Ended		Six Months Ended	
	February 29, 2000	February 28, 1999	February 29, 2000	February 28, 1999
Selling expense	17%	19%	16%	18%
General and administrative	19	16	22	20
Research, engineering, and technical support	8	8	6	6

Selling expenses increased during the second quarter of fiscal 2000 as compared to the same period in fiscal 1999 due primarily to increases in salaries and related expenses and product promotion expenses. These same factors account for the increase in the selling expense for the six months ended February 29, 2000 over the same period in fiscal 1999. Selling expenses as a percentage of net sales decreased for the quarter and six months ended February 29, 2000 as compared to the same periods in fiscal 1999 due to the increase in sales in fiscal 2000 offsetting the increase in fiscal 2000 selling expenses.

General and administrative expenses increased during the second quarter of fiscal 2000 as compared to the same period in fiscal 1999 due primarily to increases in professional fees, travel, and expenses related to a new facility. These same factors account for the increase in the general and administrative expenses for the six months ended February 29, 2000 over the same period in fiscal 1999. General and administrative expenses as a percentage of net sales increased for the three and six months ended February 29, 2000, as compared to the same periods in fiscal 1999 due to the increase in sales in fiscal 2000 not fully offsetting the increase in fiscal 2000 general and administrative expenses.

Research, engineering, and technical support expenses increased during the second quarter of fiscal 2000 as compared to the same period in fiscal 1999 due primarily to an increase in independent consulting services for product development and travel. These same factors account for the increase in research, engineering, and technical support expenses for the six months ended February 29, 2000 over the same period in fiscal 1999. Such expenses as a percentage of sales were substantially unchanged for the quarter and six months ended February 29, 2000 as compared to the same period in fiscal 1999.

CORPORATE JOINT VENTURES AND EUROPEAN HOLDING COMPANY - Net earnings from corporate joint ventures and European holding company were $505,561 and $1,197,471 for the three and six months ended February 29, 2000, respectively, compared to $399,327 and $1,031,994 for the three and the six months ended February 28, 1999. This net increase is due to increased sales volume at certain of the Company's joint ventures.

INCOME TAXES - Income tax expense for the three and six months ended February 29, 2000 and February 28, 1999 was calculated based on management's estimate of the Company's annual effective income tax rate. The Company's effective income tax rate for fiscal 2000 and 1999 is lower than the statutory rate primarily due to the Company's equity in income of corporate joint ventures and European holding company being recognized based on after tax earnings of these entities. To the extent joint ventures' undistributed earnings are distributed to the Company, they do not result in any material additional income tax liability after the application of foreign tax credits.

LIQUIDITY AND CAPITAL RESOURCES

At February 29, 2000, the Company's working capital was $5,893,675, including $3,241,727 in cash and cash equivalents, compared to working capital of $5,471,523 including cash and cash equivalents of $2,750,209 as of August 31, 1999.

Net cash provided from operations has been sufficient to meet liquidity requirements, capital expenditures, research and development cost, and expansion of operations of the Company's joint ventures. Cash flows from operations for the six months ended February 29, 2000 and February 28, 1999 was $1,387,886 and $513,142, respectively. The net cash flow from operations for the six months ended February 29, 2000 resulted principally from net income, corporate joint venture dividends, and a decrease in accounts receivable offset by equity income of corporate joint ventures and European holding company and income tax payments. The net cash flow from operations for the six months ended February 28, 1999 resulted principally from net income and a decrease in inventories offset by equity in income of corporate joint ventures and European holding company and an increase in receivables.

Net cash used in investing activities for the six months ended February 29, 2000 was $296,854 which resulted from investments in corporate joint ventures, additions to property and an increase in other assets. Net cash used in investing activities for the six months ended February 28, 1999 was $740,791 which resulted from additional investments in existing corporate joint ventures and additions to property.

Net cash used in financing activities for the six months ended February 29, 2000 resulted from the payment of dividends to stockholders of $618,932 and the repurchase of common stock of $1,413 offset by proceeds of $20,831 from the exercise of stock options. Net cash used in financing activities for the six months ended February 28, 1999 was $554,431 which resulted from the payment of dividends to stockholders of $581,104 and the repurchase of common stock of $68,900 offset by proceeds from the exercise of stock options of $95,573.

The Company expects to meet future liquidity requirements with its existing cash and cash equivalents and from cash flows of future operating earnings and distributions of earnings and technical assistance fees from the corporate joint venture investments.

The Company has no long-term debt and no material capital lease commitments at February 29, 2000.

The Company has no postretirement benefit plan and does not anticipate establishing any postretirement benefit program.

IMPACT OF YEAR 2000

Computer programs have historically been written to abbreviate dates by using two digits instead of four digits to identify a particular year. The so-called "year-2000 problem" or "millennium bug" is the inability of computer software or hardware (collectively, Systems) to recognize or properly process dates ending in "00" and dates after the year 2000.

As of April 10, 2000, the Company has not experienced and does not anticipate any adverse effects on the Company's systems and operations as a result of year-2000 issues. Further, as of April 10, 2000, the Company has not experienced any operating problems or product failures as a result of year-2000 issues with its vendors, service providers, or customers.

EURO CURRENCY ISSUE

On January 1, 1999, eleven of the fifteen member countries of the European Union established fixed conversion rates between their respective existing currencies and the Euro and to adopt the Euro as their common legal currency on that date (the Euro Conversion). Following the Euro Conversion, however, the previously existing currencies of the participating countries are scheduled to remain legal tender in the participating countries between January 1, 1999 and January 2002. During this transition period, public and private parties may pay for goods and services using either the Euro or the previously existing currencies. Beginning January 1, 2002, the participating countries will issue new Euro-denominated bills and coins for use in cash transactions. No later than July 1, 2002, the participating countries will withdraw all bills and coins denominated in the previously existing currencies making Euro Conversion complete.

The Company and the corporate joint ventures have been evaluating the potential impact the Euro Conversion and the Euro currency may have on their results of operations, liquidity, or financial condition. The Company has determined that expected costs for compliance will not be material to its results of operations, liquidity, financial condition, or capital expenditures. Significant noncompliance by the Company's corporate joint ventures and their customers or suppliers could adversely impact the Company's results of operations, liquidity, or financial condition. Accordingly, until the Company completes its assessment of the Euro Conversion impact, there can be no assurance that the Euro Conversion will not have a material impact on the overall business operations of the Company.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

None

ITEM 2 - CHANGES IN SECURITIES

None

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of Stockholders of the Company (Annual Meeting) was held on February 18, 2000. The following matters were voted on and approved by the Company's stockholders at the Annual Meeting. The tabulation of votes with respect to each of the following matters voted on at the Annual Meeting is set forth as follows:

1. ELECTION OF DIRECTORS:

	For	Against	Abstain
Sidney Dworkin	3,379,008	9,485	35,738
Vincent J. Graziano	3,385,208	3,285	35,738
Gerhard Hahn	3,385,208	3,285	35,738
Dr. Donald A. Kubik	3,385,208	3,285	35,738
Richard G. Lareau	3,379,008	9,485	35,738
Philip M. Lynch	3,385,208	3,285	35,738
Haruhiko Rikuta	3,385,208	3,285	35,738
Dr. Milan R. Vukcevich	3,385,208	3,285	35,738

2. ADOPTION OF THE COMPANY'S 2000 STOCK INCENTIVE PLAN

The approval and adoption of the Company's 2000 Stock Incentive Plan was ratified. Total votes cast:

For	2,590,555
Against	102,968
Abstain	730,708

3. APPOINTMENT OF DELOITTE & TOUCHE LLP AS INDEPENDENT AUDITORS

The appointment of Deloitte & Touche LLP as independent auditors of the Company for the fiscal year ending August 31, 2000 was ratified. Total votes cast:

For	3,373,370
Against	12,023
Abstain	38,838

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

27 Financial Data Schedule

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

April 13, 2000

/s/ Matjaz Korosec

Matjaz Korosec
Treasurer

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6-MOS
AUG-31-2000
FEB-29-2000
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