

**Northern Technologies International Corporation**  
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**FOR IMMEDIATE RELEASE**

**NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION  
ANNOUNCES INCREASES IN FISCAL YEAR 2007 THIRD QUARTER  
SALES AND EARNINGS**

CIRCLE PINES, Minnesota, July 12, 2007 - Northern Technologies International Corporation (AMEX: NTI) announced today an increase in operating results for the three and nine months ended May 31, 2007.

NTIC's net income for the nine months ended May 31, 2007 increased 32.7% or \$509,551 to \$2,066,227 and \$0.56 per share compared to \$1,556,676 and \$0.43 per share for the nine months ended May 31, 2006.

NTI's total worldwide sales from its international joint ventures increased 15.6% to \$59,265,028 during the nine months ended May 31, 2007 as compared to \$51,278,645 during the same period in fiscal 2006.

The Company's net sales increased 2.0% and 3.3% during the three and nine months ended May 31, 2007 as compared to the same periods in fiscal 2006 primarily as a result of the increase of React-NTI products to new and existing customers in North America offset by a slight decrease in net sales of Zerust® products. Net sales of Zerust® products decreased \$35,933 to \$8,833,283 for the nine months ended May 31, 2007 as compared to the same period in fiscal 2006. Net sales of React-NTI products increased \$446,307 to \$4,076,784 for the nine months ended May 31, 2007 as compared to the same period in fiscal 2006.

NTIC's working capital was \$3,253,245 at May 31, 2007, including \$536,246 in cash and cash equivalents.

**NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARY**

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>May 31, 2007</u>	<u>May 31, 2006</u>	<u>May 31, 2007</u>	<u>May 31, 2006</u>
NORTH AMERICAN OPERATIONS:				
Sales	\$4,407,798	\$4,320,371	\$12,910,067	\$12,499,693
Cost of goods sold	<u>2,876,012</u>	<u>2,759,360</u>	<u>8,280,131</u>	<u>7,803,716</u>
Gross profit	<u>1,531,786</u>	<u>1,561,011</u>	<u>4,629,936</u>	<u>4,695,977</u>
Operating expenses:	<u>1,542,059</u>	<u>1,575,723</u>	<u>4,878,810</u>	<u>4,546,808</u>
NORTH AMERICAN OPERATING (LOSS) INCOME	(10,273)	(14,712)	(248,874)	149,169
INCOME FROM ALL CORPORATE JOINT VENTURES AND HOLDING COMPANIES	755,558	721,335	2,073,994	1,714,180
INTEREST INCOME	667	2,129	2,368	30,108

INTEREST EXPENSE	(41,139)	(19,886)	(131,503)	(55,392)
OTHER INCOME	6,281	-	14,655	-
GAIN ON SALE OF ASSETS	100	-	726,295	-
MINORITY INTEREST INCOME (EXPENSE)	7,606	(903)	292	(8,389)
INCOME BEFORE INCOME TAX EXPENSE	718,800	687,963	2,437,227	1,829,676
INCOME TAX EXPENSE (BENEFIT)	91,000	(30,000)	371,000	273,000
NET INCOME	\$627,800	\$717,963	\$2,066,227	\$1,556,676
NET INCOME PER COMMON SHARE:				
Basic	\$0.17	\$0.20	\$0.56	\$0.43
Diluted	\$0.17	\$0.20	\$0.56	\$0.43
WEIGHTED AVERAGE COMMON SHARES ASSUMED OUTSTANDING:				
Basic	3,679,016	3,610,993	3,674,635	3,599,677
Diluted	3,708,626	3,638,795	3,707,772	3,625,061

Composite financial information from the audited and unaudited financial statements of the Company's joint ventures carried on the equity basis is summarized as follows:

	May 31, 2007	August 31, 2006
Current assets	\$36,481,058	\$33,954,156
Total assets	42,967,257	39,030,247
Current liabilities	13,733,953	14,323,903
Non-current liabilities	3,522,544	1,496,557
Joint ventures' equity	25,710,645	23,209,788
Northern Technologies International Corporation's share of Corporate Joint Ventures' equity	\$12,804,366	\$10,772,102
	Nine Months Ended	
	May 31, 2007	May 31, 2006
Net sales	\$59,265,028	\$51,278,645
Gross profit	28,705,348	23,901,140
Net income	4,903,342	4,351,355
Northern Technologies International Corporation's share of equity in income of Corporate Joint Ventures	\$2,384,020	\$2,117,612

### About Northern Technologies International Corporation

The Company focuses on developing, marketing and selling proprietary environmentally responsible materials science based products and technical services in over 50 countries worldwide via a network of joint ventures. In fiscal 2007, the Company's primary revenues derived from the sales of Zerust® rust and corrosion inhibiting packaging products and services to the automotive, electronics, electrical, mechanical, military and retail consumer markets. During this same period, the Company also received revenues from sales of proprietary new technologies including anti-abrasion ink additives, as well as bio-based sintered metal mold release agents, bio-solvents, bio-emollients, bio-cleaners, bio-lubricants and

fully bio-degradable plastic packaging. In a concerted effort to extend the Company's proprietary technologies, the Company engages in extensive scientific research and development programs in the areas of material science and corrosion protection.

For more information, please contact Matthew Wolsfeld, CFO, Northern Technologies International Corporation, (763) 225-6600.