UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2009

o 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: 001-11038

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

Delaware	**41-0857886**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

4201 Woodland Rd
Circle Pines, Minnesota 55014
(Address of principal executive offices)

(763) 225-6600
(Registrant's telephone number including area code)

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 o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer (Do not check if a smaller reporting company) o	Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO x

As of April 14, 2009, 3,754,597 shares of common stock of the registrant were outstanding. .

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
FORM 10-Q
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This quarterly report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created by those sections. For more information, see "Part I. Financial Information – Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation– Forward-Looking Statements."

As used in this report, references to "NTIC," the "Company," "we," "our" or "us," unless the context otherwise requires, refer to Northern Technologies International Corporation, its wholly owned subsidiaries – NTI Facilities, Inc. and Northern Technologies Holding Company, LLC, and its majority-owned subsidiary – React-NTI, LLC, all of which are consolidated on NTIC's financial statements.

All trademarks, trade names or service marks referred to in this report are the property of their respective owners.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS AS OF FEBRUARY 28, 2009 (UNAUDITED) AND AUGUST 31, 2008 (AUDITED)

	February 28, 2009	August 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 244,245	$ 260,460
Receivables:		
Trade excluding corporate joint ventures, less allowance for doubtful accounts of $30,000 at February 28, 2009 and $10,000 at August 31, 2008	1,167,209	1,962,222
Trade corporate joint ventures	1,164,817	530,609
Technical and other services, corporate joint ventures	1,886,516	3,065,738
Income taxes	676,887	28,961
Inventories	2,461,722	2,725,466
Prepaid expenses	273,017	179,766
Deferred income taxes	183,300	183,300
Total current assets	8,057,713	8,936,522
PROPERTY AND EQUIPMENT, net	3,730,474	3,754,565
OTHER ASSETS:		
Investments in corporate joint ventures:		
Industrial chemical	12,436,328	15,676,876
Industrial non-chemical	273,010	339,471
Deferred income taxes	837,300	837,300

Notes receivable	140,000	140,000
Industrial patents and trademarks, net	925,530	1,015,321
Goodwill	—	304,000
Other	55,139	325,557
	14,667,307	18,638,525
	$ 26,455,494	$ 31,329,612
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Bank overdrafts	$ —	$ 1,039,757
Borrowings made on line of credit	599,000	86,000
Current portion of note payable	33,678	31,556
Accounts payable	627,205	1,251,522
Accrued liabilities:		
Payroll and related benefits	320,378	1,102,992
Deferred joint venture royalties	288,000	288,000
Other	284,239	195,324
Total current liabilities	2,152,500	3,995,151
NOTE PAYABLE, NET OF CURRENT PORTION	1,162,807	1,179,972
MINORITY INTEREST	—	3,398
STOCKHOLDERS' EQUITY:		
Preferred stock, no par value; authorized 10,000 shares; none issued and outstanding	—	—
Common stock, $0.02 par value per share; authorized 10,000,000 shares; issued and outstanding 3,750,970 and 3,729,457, respectively	74,986	74,556
Additional paid-in capital	5,547,948	5,271,417
Retained earnings	17,172,133	18,672,938
Accumulated other comprehensive income	345,120	2,132,180
Total stockholders' equity	23,140,187	26,151,091
	$ 26,455,494	$ 31,329,612

See notes to consolidated financial statements.

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NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES -CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
THREE AND SIX MONTHS ENDED FEBRUARY 28, 2009 AND FEBRUARY 29, 2008

	Three Months Ended		Six Months Ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
NORTH AMERICAN OPERATIONS:				
Sales	$ 1,734,170	$ 2,762,856	$ 5,005,114	$ 6,248,441
Cost of goods sold	1,155,436	1,609,954	3,448,403	3,703,645
Gross profit	578,734	1,152,902	1,556,711	2,544,796
Operating expenses:				
Selling	575,796	754,302	1,346,366	1,613,946
General and administrative	644,524	894,525	1,585,962	1,842,822
Lab and technical support	31,395	53,616	37,462	110,744
Loss on impairment	554,000	0	554,000	0
	1,805,715	1,702,443	3,523,790	3,567,512
NORTH AMERICAN OPERATING LOSS	(1,226,981)	(549,541)	(1,967,079)	(1,022,716)
CORPORATE JOINT VENTURES AND HOLDING COMPANIES:				
Equity in income of industrial chemical corporate joint ventures and holding companies	23,026	880,777	678,558	1,953,811
Equity in loss of industrial non-chemical corporate joint ventures and holding companies	(24,054)	(67,603)	(20,820)	(85,955)
Gain on sale of industrial chemical corporate joint venture	—	172,767	—	172,767
Fees for technical support and other services provided to corporate joint ventures	617,850	1,626,632	1,938,569	3,020,427
Expenses incurred in support of corporate joint ventures and new technologies	(1,317,028)	(1,185,509)	(2,495,062)	(2,424,684)
(LOSS) INCOME FROM ALL CORPORATE JOINT VENTURES AND HOLDING COMPANIES	(700,206)	1,427,064	101,245	2,636,366
INTEREST INCOME	874	424	1,319	919
INTEREST EXPENSE	(42,440)	(40,592)	(74,338)	(72,115)
OTHER INCOME	6,824	6,825	13,650	14,757

GAIN ON SALE OF ASSETS	0	4,001	0	5,530
MINORITY INTEREST	(5,772)	507	3,398	22,145
(LOSS) INCOME BEFORE INCOME TAX EXPENSE	(1,967,691)	848,690	(1,921,805)	1,584,886
INCOME TAX (BENEFIT) EXPENSE	(454,000)	189,000	(421,000)	267,000
NET (LOSS) INCOME	$ (1,513,691)	$ 659,690	$ (1,500,805)	$ 1,317,886
NET (LOSS) INCOME PER COMMON SHARE:				
Basic	$ (0.41)	$ 0.18	$ (0.40)	$ 0.36
Diluted	$ (0.41)	$ 0.18	$ (0.40)	$ 0.35
WEIGHTED AVERAGE COMMON SHARES ASSUMED OUTSTANDING:				
Basic	3,750,970	3,720,522	3,743,124	3,694,588
Diluted	3,750,970	3,753,747	3,743,124	3,732,175

See notes to consolidated financial statements.

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NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES - - CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
SIX MONTHS ENDED FEBRUARY 28, 2009 and FEBRUARY 29, 2008

	Six Months Ended	
	February 28, 2009	February 29, 2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (1,500,805)	$ 1,317,886
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Expensing of fair value of stock options vested	50,000	47,602
Change in allowance for doubtful accounts	20,000	—
Depreciation expense	193,295	162,369
Amortization expense	73,101	72,468
Loss on asset impairment	554,000	—
Loss (gain) on disposal of assets	46,302	(5,530)
Minority interest expense	(3,398)	(22,145)
Equity in income from corporate joint ventures:		
Industrial chemical	(678,558)	(1,953,811)
Industrial non-chemical	20,820	85,955
Gain on sale of industrial chemical corporate joint venture	—	(172,767)
Deferred joint venture royalties	—	48,000
Change in current assets and liabilities:		
Receivables:		
Trade excluding corporate joint ventures	775,013	7,044
Trade corporate joint ventures	(634,208)	142,787
Technical and other services receivables, corporate joint ventures	1,179,222	(590,111)
Income taxes	(647,926)	29,755
Inventories	263,744	(140,279)
Prepaid expenses and other assets	(82,251)	(118,727)
Income taxes payable	—	31,386
Accounts payable	(624,317)	(458,364)
Accrued liabilities	(466,738)	311,054
Net cash used in operating activities	(1,462,704)	(1,205,428)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of assets	—	6,201
Investment in corporate joint ventures	—	(87,950)
Dividends received from corporate joint ventures	2,177,687	1,470,508
Proceeds from sale of industrial chemical corporate joint ventures	—	364,000
Loans made	—	(140,000)
Additions to property and equipment	(169,204)	(164,704)
Additions to industrial patents	(20,194)	(57,382)
Net cash provided by investing activities	1,988,289	1,390,673
CASH FLOWS FROM FINANCING ACTIVITIES:		
Bank overdrafts	(1,039,757)	—
Net borrowings made on line of credit	513,000	—
Repayment of note payable	(15,043)	(14,083)
Proceeds from employee stock purchase plan	—	45,500
Net cash (used in) provided by financing activities	(541,800)	31,417
NET DECREASE IN CASH AND CASH EQUIVALENTS	(16,215)	216,662

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		260,460		244,499
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$	244,245	$	461,161

See notes to consolidated financial statements.

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NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. INTERIM FINANCIAL INFORMATION

In the opinion of management, the accompanying unaudited consolidated financial statements contain all necessary adjustments, which are of a normal recurring nature, and present fairly the consolidated financial position of Northern Technologies International Corporation and its subsidiaries (the "Company") as of February 28, 2009 and the results of their operations for the three and six months ended February 28, 2009 and February 29, 2008 and their cash flows for the six months ended February 28, 2009 and February 29, 2008, in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

These consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's annual report on Form 10-K for the fiscal year ended August 31, 2008 and with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section appearing in this report. Operating results for the three and six months ended February 28, 2009 are not necessarily indicative of the results that may be expected for the full fiscal year ending August 31, 2009.

2. INVENTORIES

Inventories consisted of the following:

		February 28, 2009		August 31, 2008
Production materials	$	973,936	$	1,039,549
Finished goods		1,487,786		1,685,917
	$	2,461,722	$	2,725,466

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

		February 28, 2009		August 31, 2008
Land	$	310,365	$	310,365
Buildings and improvements		3,081,903		3,031,103
Machinery and equipment		1,726,974		1,608,570
		5,119,242		4,950,038
Less accumulated depreciation		(1,388,768)		(1,195,473)
	$	3,730,474	$	3,754,565

3. INDUSTRIAL PATENTS AND TRADEMARKS, NET

Industrial patents and trademarks consisted of the following:

		February 28, 2009		August 31, 2008
Patents and trademarks	$	1,410,887	$	1,580,172
Less accumulated amortization		(485,357)		(564,851)
	$	925,530	$	1,015,321

Patent and trademark costs are amortized over seven years once a patent or trademark is filed and approved. Amortization expense related to patents and trademarks was $29,721 and $41,464 for the three months ended February 28, 2009 and February 29, 2008, respectively and $63,683 and $72,468 for the six months ended February 28, 2009 and February 29, 2008, respectively.

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5. DISSOLUTION OF REACT, INC. BUSINESS

As previously disclosed, almost all historical sales by React-NTI included in the Company's consolidated statement of operations were derived from sales by React Inc., a 100% owned subsidiary of React-NTI, of proprietary ink additives to one customer. During fourth quarter of fiscal 2007, this customer notified React Inc. that no future orders would be placed after current orders were received. As a result, the Company anticipates no additional sales of proprietary ink additives. Concurrent to the decline of its ink additive sales, React-NTI continued to develop and pursue additional sales through a patented sintered metal mold release agent sold under the brand name SERAVAT™ and renewable resource-based personal care chemical additive under the brand name Farona™. In fiscal 2009, the Company implemented several cost control and cash preservation measures. These measures included elimination of further product and market development related to these products.

As a result of these changes, management determined that the fair value of the React-NTI reporting unit was less than the carrying value. As a result, a loss on impairment of goodwill and intangible assets of $554,000 was recorded for the three months ended February 28, 2009 to appropriately reflect the fair value of such assets. In addition, during the three months ended February 28, 2009, the Company derecognized previously recorded trade payables of $320,000 as a result of negotiations between the Company and its vendor. This amount is recorded in general and administrative expenses in the Company's consolidated statement of operations. At February 28, 2009, the remaining net book value of the assets and liabilities of React-NTI and its subsidiaries approximates $0.

6. GOODWILL

The Company applies Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," which sets forth financial and reporting standards for the acquisition of intangible assets, other than those acquired in a business combination, and for goodwill and other intangible assets subsequent to their acquisition. This accounting standard requires that goodwill no longer be amortized but tested for impairment on a periodic basis.

The changes in the carrying amount of the Company's goodwill for the periods presented are as follows:

Carrying amount at August 31, 2008:	$	304,000
Impairment charge (see Note 5):	$	(304,000)
Carrying amount at February 28, 2009:	$	0

7. INVESTMENTS IN CORPORATE JOINT VENTURES

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:

	February 28, 2009	August 31, 2008
Current assets	$ 39,183,863	$ 51,847,643
Total assets	45,916,089	58,958,102
Current liabilities	14,057,899	20,424,810
Noncurrent liabilities	4,578,635	4,756,650
Joint ventures' equity	27,279,555	33,776,642
Northern Technologies International Corporation's share of corporate joint ventures' equity	$ 12,709,338	$ 16,016,347

	Six Months Ended	
	February 28, 2009	February 29, 2008
Net sales	$ 32,476,685	$ 49,091,121
Gross profit	15,006,248	22,542,934
Net income	1,065,614	3,259,635
Northern Technologies International Corporation's share of equity in income of corporate joint ventures	$ 657,732	$ 1,867,856

The financial statements of the Company's foreign joint ventures are prepared using accounting principles accepted in the joint ventures' countries of domicile. Amounts related to foreign joint ventures reported in the above tables and the accompanying financial statements have been adjusted to approximate US GAAP in all material respects.

During the six months ended February 29, 2008, the Company invested $87,950 in a non-industrial chemical joint venture in Thailand in addition to $143,000 previously invested in December 2006. The Company has a 50% ownership interest in the Thailand joint venture. The entity had no operations prior to the Company's investment in December 2006. The total capitalization by both owners of the joint venture was $461,900 as of February 29, 2008. No additional contributions have been made to the joint venture as of February 28, 2009.

7. STOCKHOLDERS' EQUITY

During the six months ended February 28, 2009, the Company did not purchase or retire any shares of its common stock and no stock options to purchase shares of the Company's common stock were exercised. The Company granted stock bonuses under the Northern Technologies International Corporation 2007 Stock Incentive Plan for an aggregate of 21,513 shares of its common stock to various employees during the six months ended February 28, 2009. The fair value of the shares of the Company's common stock as of the date of grant of the stock bonuses was $226,961, based on the closing sale price of a share of the Company's common stock on that date.

During the six months ended February 29, 2008, the Company did not purchase or retire any shares of its common stock and no stock options to purchase shares of the Company's common stock were exercised. The Company granted stock bonuses under the Northern Technologies International Corporation 2007 Stock Incentive Plan for an aggregate of 33,595 shares of its common stock to various employees during the six months ended February 29, 2008. The fair value of the shares of the Company's common stock as of the date of grant of the stock bonuses was $334,270, based on the closing sale price of a share of the Company's common stock on that date.

8. TOTAL COMPREHENSIVE (LOSS) INCOME

The Company's total comprehensive (loss) income was as follows:

	Three Months Ended		Six Months Ended	
	February 29, 2008	February 29, 2008	February 29, 2008	February 29, 2008
Net (loss) income	$ (1,513,691)	$ 659,690	$ (1,500,805)	$ 1,317,886
Other comprehensive (loss) income — foreign currency	(208,102)	431,014	(1,787,060)	1,312,799

translation adjustment				
Total comprehensive (loss) income	$ (1,721,793)	$ 1,090,704	$ (3,287,865)	$ 2,630,685

9. NET (LOSS) INCOME PER COMMON SHARE

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

Options to purchase shares of common stock of 149,472 and 0 were excluded from the computation of common share equivalents as of February 28, 2009 and February 29, 2008, respectively, as the Company reported losses for the three and six months ended February 28, 2009.

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10. STOCK-BASED COMPENSATION

The Northern Technologies International Corporation 2007 Stock Incentive Plan (the "2007 Plan") provides for the grant of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, stock unit awards, performance awards and stock bonuses to eligible recipients to enable the Company and its subsidiaries to attract and retain qualified individuals through opportunities for equity participation in the Company, and to reward those individuals who contribute to the achievement of the Company's economic objectives. Up to a total of 400,000 shares of the Company's common stock has been reserved for issuance under the 2007 Plan, subject to adjustment as provided in the 2007 Plan. Options granted under the 2007 Plan generally have a term of five years and become exercisable over a three- or four-year period beginning on the one-year anniversary date of the grant. Options are granted at per share exercise prices equal to the market value of the Company's common stock on the date of grant. To date, only stock options and stock bonuses have been granted under the 2007 Plan.

The Northern Technologies International Corporation Employee Stock Purchase Plan (the "ESPP") allows eligible employees of the Company to acquire shares of the Company's common stock on favorable terms through payroll deductions. The maximum number of shares of common stock of the Company available for issuance under the ESPP is 100,000 shares, subject to adjustment as provided in the ESPP. The ESPP provides for six-month offering periods beginning on September 1 and March 1 of each year. The purchase price of the shares is 90% of the lower of the fair market value of common stock at the beginning or end of the offering period. This discount may not exceed the maximum discount rate permitted for plans of this type under Section 423 of the Internal Revenue Code of 1986, as amended. The ESPP is compensatory for financial reporting purposes.

The Company granted options to purchase 30,000 and 37,140 shares of its common stock during the six months ended February 28, 2009 and February 29, 2008, respectively. The fair value of option grants is determined at date of grant, using the Black-Scholes option pricing model with the assumptions listed below. Based on these valuations, the Company recognized compensation expense of $50,000 and $47,602 during the six months ended February 28, 2009 and February 29, 2008, respectively, related to the options that vested during such time period. The stock-based expense recorded reduced after-tax net income per share by $0.01 for the six months ended February 28, 2009 and February 29, 2008. As of February 28, 2009, the total compensation cost for non-vested options not yet recognized in the Company's statements of operations was $188,592, net of estimated forfeitures. Additional stock-based compensation expense of $50,248 is expected through the remainder of fiscal year 2009, and expense of $90,424 and $47,837 is expected to be recognized during fiscal 2010 and 2011, respectively. Future option grants will impact the compensation expense recognized.

The fair value of each option grant is estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions and results for the grants:

	February 28, 2009	February 29, 2008
Dividend yield	2.00%	2.00%
Expected volatility	46.7%	42.0%
Expected life of option	5 years	5 years
Average risk-free interest rate	2.88%	3.84%

The weighted average fair value of options granted during the three and six months ended February 28, 2009 and February 29, 2008 was $4.78 and $3.84, respectively.

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11. GEOGRAPHIC AND SEGMENT INFORMATION

Net sales by geographic location as a percentage of total consolidated net sales for the three and six months ended February 28, 2009 and February 29, 2008 were as follows:

	Three Months Ended		Six Months Ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
Inside the U.S.A. to unaffiliated customers	74.0%	75.9%	81.7%	75.9%
Outside the U.S.A. to:				
Corporate joint ventures in which the Company is a shareholder directly and indirectly	21.2	13.5	14.2	14.7
Unaffiliated customers	4.8	10.6	4.1	9.4
	100.0%	100.0%	100.0%	100.0%

The following table sets forth the Company's net sales for the three and six months ended February 28, 2009 and February 29, 2008 by segment:

	Three Months Ended		Six Months Ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
ZERUST® sales	$ 1,727,845	$ 2,694,850	$ 4,512,380	$ 5,860,290
Natur-Tec™ sales	2,692	39,024	485,009	102,708
React-NTI sales	3,633	28,982	7,725	37,284
React Inc. sales	—	—	—	248,160
Total North American net sales	$ 1,734,170	$ 2,762,856	$ 5,005,114	$ 6,248,441

The following table sets forth the Company's direct cost of sales for the three and six months ended February 28, 2009 and February 29, 2008 by segment:

	Three Months Ended				Six Months Ended			
	February 28, 2009	% of Cost of Sales*	February 29, 2008	% of Cost of Sales*	February 28, 2009	% of Cost of Sales*	February 29, 2008	% of Cost of Sales*
Direct cost of sales								
ZERUST® cost of sales	$ 918,107	53.1%	$ 1,337,494	49.6%	$ 2,512,303	55.7%	$ 2,886,049	49.6%
Natur-Tec™ cost of sales	1,977	73.4%	35,880	91.9%	401,165	82.7%	86,354	84.1%
React-NTI cost of sales	1,733	47.7%	14,115	48.7%	4,120	53.3%	18,953	50.8%
React Inc. cost of sales	—	—	—	—	—	—	209,880	84.6%
Indirect cost of sales	233,619	—	222,465	—	530,815	—	502,409	—
Total North American net cost of sales	$ 1,155,436		$ 1,609,954		$ 3,448, 403		$ 3,703,645	

* The percent of cost of sales is calculated by dividing the direct cost of sales for each individual segment category by the net sales for each segment category.

The Company's management utilizes product net sales and direct cost of sales for each product in reviewing the financial performance of a product type. Further allocation of Company expenses or assets, aside from amounts presented in the tables above, is not utilized in evaluating product performance, nor does such allocation occur for internal financial reporting.

12. COMMITMENTS AND CONTINGENCIES

On July 25, 2008, the Company's Board of Directors, upon recommendation of the Compensation Committee, approved the material terms of an annual bonus plan for the Company's executive officers and certain employees for the fiscal year ending August 31, 2009, the purpose of which is to align the interests of the Company, its executive officers and stockholders by providing an incentive for the achievement of key corporate and individual performance measures that are critical to the success of the Company and linking a significant portion of each executive officer's annual compensation to the achievement of such measures. The following is a brief summary of the material terms approved by the Board:

- The total amount available under the bonus plan will be up to 25% of NTIC's earnings before interest, taxes and other income (EBITOI);

- The total amount available under the bonus plan will be $0 if EBITOI, as adjusted to take into account amounts to be paid under the bonus plan, fall below 70% of target EBITOI; and

- The payment of bonuses under the plan will be purely discretionary and will be paid to executive officer participants in both cash and stock, the exact amount and percentages of which will be determined by NTIC's Board of Directors, upon recommendation of the Compensation Committee.

No management bonus was made or accrued as of February 28, 2009. There was a $554,173 management bonus accrual as of February 29, 2008.

In April 2007, REACT-NTI, LLC ("React LLC"), an entity that is 75% owned by the Company, was served with a summons and complaint that was filed by Shamrock Technologies, Inc. ("Shamrock") in state court in New York, which was subsequently removed to the Federal District Court for the Southern District of New York. The lawsuit sought payment from React LLC of commissions in the approximate amount of $314,500 owed by React LLC under a license agreement between React LLC and Shamrock. The complaint alleged breach of the license agreement by React LLC and sought damages in an unspecified amount for such breach as well as damages of approximately $300,000 for the alleged failure of React LLC to purchase from Shamrock certain inventory manufactured for sale to a customer. Shamrock further claimed lost profits with respect to sales made by REACT LLC that were manufactured by parties other than Shamrock. React LLC denied all of the claims of breach of the license agreement by it and believed that damages caused by Shamrock's breach of the license agreement and tortious conduct exceeded any amounts owing to Shamrock. React LLC formally responded to the complaint after removal by moving to dismiss or stay because of Shamrock's failure to comply with alternative dispute resolution procedures contained in the license agreement. By court order, the matter was stayed so that the parties could attempt mediation. The parties mediated for one day and were unsuccessful in resolving the matter. The parties proceeded with discovery, exchanging answers to interrogatories and documents, and the parties also obtained documents by subpoena from third parties. With more complete information, the parties decided to dismiss their respective claims without prejudice and return to mediation. A mediation session was held on December 4, 2008, and the parties continued to negotiate through the mediator via telephone and email thereafter. The mediator ultimately determined that the parties were at an impasse, and the parties have had no further communication. Because the mediation and negotiation process did not result in a final settlement, there can be no permanent assurance at the present time that the matter will not result in a material adverse effect on the Company's business, financial condition or results of operations at some point in the future.

The Company is involved in various other legal actions arising in the normal course of business. Management is of the opinion that any judgment or settlement resulting from these pending or threatened actions would not have a material adverse effect on the Company's business, financial condition or results of operations.

In June 2007, the U.S. Internal Revenue Service concluded its audit of the Company's U.S. federal income tax returns for fiscal 2004 and 2005. During the course of such audit, the IRS took the position that the Company failed to withhold and assessed against the Company approximately $505,000 of payroll taxes and individual income taxes on travel and other expense reimbursements made to Philip M. Lynch, the Company's former Chairman of the Board and Chief Executive Officer, and commissions payments made to Inter Alia Holding Co. under that certain former Manufacturer's Representative Agreement between the Company and Inter Alia, which agreement has since been terminated. Inter Alia beneficially owns approximately 22.7% of the Company's outstanding common stock. G. Patrick Lynch, the Company's current President and Chief Executive Officer, and three other members of the Lynch family, are shareholders of Inter Alia. The Company disagreed with the IRS' position and appealed the matter. In February 2009, the IRS reversed its position and concluded its audit of the Company's U.S. federal income tax returns for fiscal 2004 and 2005.

13. STATEMENTS OF CASH FLOWS

The Company did not declare or pay any cash dividends during fiscal 2008 and as of April 14, 2009, had not declared or paid any cash dividends during fiscal 2009.

The Company issued 21,513 and 33,595 shares of common stock as stock bonuses under its stock incentive plans to various employees to satisfy $226,961 and $334,270 of accrued payroll liability during the six months ended February 28, 2009 and February 29, 2008, respectively.

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

This Management's Discussion and Analysis provides material historical and prospective disclosures intended to enable investors and other users to assess NTIC's financial condition and results of operations. Statements that are not historical are forward-looking and involve risks and uncertainties discussed under the headings "Forward-Looking Statements" and "Risk Factors" appearing elsewhere in this report. The following discussion of the results of the operations and financial condition of NTIC should be read in conjunction with NTIC's consolidated financial statements and the related notes thereto included under Part I, Item 1 entitled "Financial Statements" of this report.

General Overview

Northern Technologies International Corporation develops and markets proprietary environmentally beneficial products and technical services either directly or via a network of joint ventures and independent distributors in over 50 countries. NTIC's primary business is corrosion prevention. However, NTIC has three emerging businesses that have all generated revenue or are expected to generate revenues in the near future (1) a product line of compounds and finished products based on a portfolio of proprietary bio-plastic technologies marketed under the Natur-Tec™ brand; (2) technology and equipment that convert plastic waste into diesel, gasoline and heavy fractions, which is exclusively licensed from Zbigniew Tokarz, the inventor of the technology and sold through its joint venture Polymer Energy, LLC in North America and Asia; and (3) corrosion prevention technology used in the oil and gas industry, which NTIC sells both directly and through joint ventures.

NTIC participates, either directly or indirectly through holding companies, in 29 corporate joint venture arrangements in North America, South America, Europe, Asia and the Middle East. Each of these joint ventures generally manufactures and markets finished products in the geographic territory to which it is assigned. While most of NTIC's joint ventures currently sell rust and corrosion inhibiting products and custom packaging systems, NTIC also has joint ventures that manufacture, market and sell NTIC's Natur-Tec™ products, the Polymer Energy technology and equipment that converts plastic waste into diesel, gasoline, and heavy fractions, and its corrosion prevention technology used in the oil and gas industry. NTIC categorizes its joint ventures into two principal areas: industrial chemical and non-industrial chemical. The profits of NTIC's corporate joint ventures are shared by the respective corporate joint venture owners in accordance with their respective ownership percentages. NTIC typically owns 50% of its joint venture entities and thus does not control the decisions of these entities regarding whether to pay dividends or how much to pay in dividends in any given year.

NTIC has been selling its proprietary ZERUST® and EXCOR® rust and corrosion inhibiting products and services to the automotive, electronics, electrical, mechanical, military and retail consumer markets for over 30 years. NTIC also offers worldwide on-site technical consulting for rust and corrosion prevention issues. In North America, NTIC markets its technical services and ZERUST® products principally to industrial users by a direct sales force and a network of independent distributors. NTIC's technical service consultants work directly with the end users of NTIC's products to analyze their specific needs and develop systems to meet their technical requirements.

In addition to ZERUST® products and services, NTIC develops and in the beginning of fiscal 2008 launched a portfolio of bio-based and/ or biodegradable (compostable) polymer resin compounds and finished products under the Natur-Tec™ brand. These products are intended to reduce NTIC's customers' carbon footprint and provide environmentally sound disposal options. In recent years, a combination of market drivers, such as higher petroleum prices, a desire to reduce dependence on foreign oil, increased environmental awareness at the consumer level and regulations banning the use of traditional, petroleum-based plastics, have led to interest in sustainable, renewable resource-based and compostable alternatives to traditional plastics. Natur-Tec™ bio-based and/ or biodegradable plastics are manufactured using NTIC's patented and/or proprietary technologies and are intended to replace conventional petroleum-based plastics. The Natur-Tec™ bioplastics portfolio includes flexible film, foam, rigid injection molded materials and engineered plastics. Natur-Tec™ biodegradable and compostable finished products

include shopping and grocery bags, lawn and leaf bags, can liners, pet waste collection bags, cutlery, packaging foam and coated paper products and are engineered to be fully biodegradable in a composting environment. Unlike competing plastic products claiming to be "degradable" or "oxo-degradable" that only break down into smaller plastic fragments, Natur-Tec™ products are designed to completely biodegrade within 180 days in accordance with the ASTM D6400 standard for compostable plastics and are certified 100 percent biodegradable and compostable by the Biodegradable Products Institute.

NTIC's Polymer Energy LLC joint venture licenses the technology from Zbigniew Tokarz, the inventor of the technology and markets and sells a system that uses catalytic pyrolysis to efficiently convert plastic waste (primarily polyolefins) into hydrocarbons (primarily a mix of diesel, gasoline, and heavy fractions,). Each unit can process up to ten tons of plastic waste per day, and the modular design allows for easily scalable capacity. The Polymer Energy™ process can handle plastic that is contaminated with other types of waste such as metals, glass, dirt and water and the system can tolerate up to 25% of other waste in the input waste stream. The output crude oil mix is high-grade and can be further processed in a refinery or used as an input for co-generation of electricity. NTIC, through Polymer Energy LLC, a joint venture in which NTIC has a 62.5% interest has an exclusive license to market the technology in countries in Asia and North America as per the current JV agreement.

In January 2009, NTIC announced the signing of a multi-year contract between NTIC's Brazilian joint venture (Zerust Prevencao de Corrosao S.A.) and Petroleo Brasileiro S.A. (Petrobras) to install and service proprietary corrosion protection technologies on the roofs of an initial set of aboveground oil storage tanks at the

Petrobras REDUC refinery in Rio de Janeiro, Brazil. At the end of March 2009, NTIC announced that it has signed multiple research and development contracts with Petrobras' research and development group at the Leopoldo Américo Miguez de Mello Research & Development Center (CENPES) pursuant to which the parties will undertake a 20-month Petrobras funded effort to explore, understand and resolve bottom plate corrosion issues in aboveground storage tanks. A second 12-month Petrobras sponsored project also has started aimed at field trials of certain pipeline protection technologies. These initiatives are designed to help mitigate corrosion for critical oil and gas industry infrastructure. The projects are directly between NTIC and Petrobras and will primarily be supported by NTIC's R&D facilities in Beachwood, Ohio. Any new intellectual property generated will be jointly owned by NTIC and Petrobras with NTIC having access to commercialization rights. In addition, NTIC is pursuing opportunities to market NTIC's technology to other potential customers in the oil and gas industry across several countries through its joint venture partners and other strategic partners. NTIC believes the sale of its new ZERUST® products to customers in the oil and gas industry will involve a long sales cycle, likely including a one- to two-year trial period with each customer and a slow integration process thereafter.

Financial Overview

Like many companies, NTIC's operating results have been adversely affected by worldwide economic conditions, particularly adverse conditions affecting the worldwide automobile industry. One of the primary markets for NTIC's rust and corrosion inhibiting products has been the automotive industry. While the automotive industry until recently had been growing worldwide, it has in the short term been contracting significantly, and is not expected to improve in the short to medium term, especially in light of the current worldwide economic conditions affecting that industry. In particular, the U.S. auto industry furloughs in the beginning of calendar 2009 adversely affected sales of NTIC's ZERUST® products during NTIC's second fiscal quarter 2009. In response to such conditions, NTIC implemented several cost reduction measures, which had some effect on NTIC's operating results for its second fiscal quarter 2009, but are expected to have a greater impact on NTIC's results of operations going forward, beginning in its third fiscal quarter 2009. While NTIC recognized a net loss during its three and six months ended February 28, 2009, due in part to loss on impairment of $554,000 relating to the React-NTI, LLC business, NTIC believes its operating results from its ZERUST® business will improve during third fiscal quarter 2009.

NTIC's North American consolidated net sales decreased 19.9% during the six months ended February 28, 2009 compared to the six months ended February 29, 2008 primarily as a result of decreased demand for NTIC's ZERUST® products and the elimination of the React Inc. sales, partially offset by sales of NTIC's new Natur-Tec™ products. During the six months ended February 28, 2009, 90.2% of NTIC's consolidated net sales were derived from sales of ZERUST® and EXCOR® rust and corrosion inhibiting packaging products and services. Net sales of ZERUST®

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products decreased 23.0% to $4,512,380 during the six months ended February 28, 2009 compared to $5,860,290 during the six months ended February 29, 2008.

During the six months ended February 28, 2009, 9.7% of NTIC's North American consolidated net sales were derived from the sales of Natur-Tec™ products compared to 1.6% during the six months ended February 29, 2008. Net sales of Nature-Tec™ products increased 372.2% to $485,009 during the six months ended February 28, 2009 compared to $102,708 during the six months ended February 29, 2008. NTIC believes that its Natur-Tec™ business during second fiscal quarter 2009 was adversely affected by the U.S. economic recession which NTIC believes adversely affected the ability of its principal Natur-Tec™ distributor to purchase and distribute Natur-Tec™ products from NTIC during second fiscal quarter 2009. NTIC believes that NTIC's Natur-Tec™ sales will not increase significantly until the end of the third or beginning of NTIC's fourth fiscal quarter 2009 primarily as a result of this significant customer.

As previously disclosed, almost all historical sales by React-NTI included in NTIC's consolidated statement of operations were derived from sales by React Inc., a 100% owned subsidiary of React-NTI, of proprietary ink additives to one customer. During fourth quarter of fiscal 2007, this customer notified React Inc. that no future orders would be placed after current orders were received. As a result, NTIC anticipates no additional sales of proprietary ink additives. Concurrent with the decline of its ink additive sales, React-NTI continued to develop and pursue additional sales through a patented sintered metal mold release agent sold under the brand name SERAVAT™ and renewable resource-based personal care chemical additive under the brand name Farona™. In fiscal 2009, NTIC implemented several cost control and cash preservation measures. These measures included elimination of further product and market development related to these products.

As a result of these changes, management determined that the fair value of the React-NTI reporting unit was less than the carrying value. As a result, a loss on impairment of goodwill and long-lived assets of $554,000 was recorded for the three months ended February 28, 2009 to appropriately reflect the fair value of such assets. In addition, during the three months ended February 28, 2009, NTIC derecognized previously recorded trade payables of $320,000 as a result of negotiations between NTIC and its vendor. This amount is recorded in general and administrative expenses in NTIC's consolidated statement of operations. At February 28, 2009, the remaining net book value of the assets and liabilities of React-NTI and its subsidiaries approximates $0.

Cost of goods sold as a percentage of net sales increased to 68.9% in the six months ended February 28, 2009 as compared to 59.3% for the six months ended February 29, 2008 primarily as a result of the significant increase of Natur-Tec™ products sales as a percentage of total sales during the six months ended February 28, 2009 compared to the six months ended February 29, 2008, which sales are sold at lower margins than NTIC's ZERUST® products.

In December 2008 and January 2009, NTIC implemented a number of cost cutting measures to help counter the negative impact of the current worldwide economic crisis, especially with respect to its effect on the worldwide automotive industry. NTIC reduced the base salaries of its executive and other officers by approximately 15% on average, by 10% for all other employees and suspended NTIC's matching of 401(k) contributions. NTIC also implemented a hiring freeze and laid off 16% of its work force. Furthermore, significant cost concessions were requested and obtained from all of NTIC's major vendors and service providers. NTIC enacted other expense control measures across all of its departments with the objective to conserve cash and reduce expenses while protecting the essential sales and marketing efforts of each business. Beginning in March 2009, NTIC expects to realize an approximate 30% reduction in its overall expenses as a result of these cost cutting measures.

Total net sales of all of NTIC's joint ventures decreased 33.9% to $32,476,685 during the six months ended February 28, 2009 compared to $49,091,121 during the six months ended February 29, 2008 primarily as a result of decreased demand for ZERUST® products due to the global economic slowdown and, to a lesser extent, the foreign currency exchange rate of the U.S. dollar compared to other currencies in which NTIC's joint ventures conduct business. As a result of the decrease in total net sales of NTIC's joint ventures, NTIC recognized a 35.8% decrease in fee income for technical and support services and its equity in income of corporate joint ventures and holding companies decreased 64.8% to $657,732 during the six months ended February 28, 2009 compared to $1,867,856 during the six months ended February 29, 2008. NTIC incurs direct expenses related to its corporate joint ventures and holding companies. Such expenses include product and business development, consulting, travel, technical and marketing services to existing joint ventures, legal fees incurred in the establishment of new joint ventures, registration and promotion and

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legal defense of worldwide trademarks, and legal fees incurred in connection with the filing of patent applications. NTIC incurred $2,495,062 in direct joint venture expenses during the six months ended February 28, 2009 compared to $2,424,684 during the six months ended February 29, 2008, an increase of 2.9%. NTIC's total income from its corporate joint ventures and holding companies decreased 96.2% to $101,245 for the six months ended February 28, 2009 compared to income of $2,636,366 for the six months ended February 29, 2008 primarily as a result of the adverse worldwide economic situation.

NTIC spent $1,417,295 in the six months ended February 28, 2009 and $1,201,361 in the six months ended February 29, 2008 in connection with its research and development activities. NTIC anticipates that it will spend between $2,800,000 and $3,000,000 in total during fiscal 2009 on research and development activities related to its new technologies. These expenses are accounted for in the "Expenses incurred in support of corporate joint ventures" section of NTIC's consolidated statements of operations.

NTIC's net income amounted to a loss of ($1,500,805), or a loss of ($0.40) per diluted common share, for the six months ended February 28, 2009 compared to income of $1,317,866, or $0.35 per diluted common share, for the six months ended February 29, 2008. This decrease was primarily the result of the decreased demand of NTIC's ZERUST® products in the United States and internationally due to the global economic recession, and to a lesser extent, the $554,000 loss on impairment relating to React-NTI.

NTIC's working capital was $5,905,213 at February 28, 2009, including $244,245 in cash and cash equivalents. As of February 28, 2009, NTIC had $599,000 of borrowings under its $2,300,000 demand line of credit. As of February 28, 2009, an additional $600,000 was committed under the demand line of credit to cover a letter of credit.

NTIC expects to meet its future liquidity requirements during at least the next 12 months by using its existing cash and cash equivalents, forecasted cash flows from future operations, distributions of earnings and technical assistance fees to NTIC from its joint venture investments and funds available through existing or anticipated financing arrangements. In order to take advantage of new product market opportunities to expand its business and increase its revenues, NTIC may decide to finance such opportunities by borrowing under its line of credit or raising additional financing through the issuance of debt or equity securities.

Results of Operations

The following table sets forth NTIC's results of operations for the three months ended February 28, 2009 and February 29, 2008.

	February 28, 2009	% of Net Sales	February 29, 2008	% of Net Sales	$ Change	% Change
Net sales	$ 1,734,170	100.0%	$ 2,762,856	100.0%	$ (1,028,686)	(37.2)%
Cost of goods sold	1,155,436	66.6%	1,609,954	58.3%	(454,518)	(28.2)%
Selling expenses	575,796	33.2%	754,302	27.3%	(178,506)	(23.7)%
General and administrative expenses	644,524	37.2%	894,525	32.4%	(250,001)	(27.9)%
Lab and technical support expenses	31,395	1.8%	53,616	1.9%	(22,221)	(41.4)%
Loss on impairment	$ 554,000	32.0%	$ 0	0%	$ 554,000	—

The following table sets forth NTIC's results of operations for the six months ended February 28, 2009 and February 29, 2008.

	Six Months Ended February 28, 2009	% of Net Sales	Six Months Ended February 29, 2008	% of Net Sales	$ Change	% Change
Net sales	$ 5,005,114	100.0%	$ 6,248,441	100.0%	$ (1,243,327)	(19.9)%
Cost of goods sold	3,448,403	68.9%	3,703,645	59.3%	(255,242)	(6.9)%
Selling expenses	1,346,366	26.9%	1,613,946	25.8%	(267,580)	(16.6)%
General and administrative expenses	1,585,962	31.7%	1,842,822	29.5%	(256,860)	(13.9)%
Lab and technical support expenses	37,462	0.8%	110,744	1.8%	(73,282)	(66.2)%
Loss on impairment	$ 554,000	32.0%	$ 0	0%	$ 554,000	—

Net Sales. NTIC's net sales originating in the United States decreased 37.2% and 19.9% during the three and six months ended February 28, 2009, respectively, compared to the same respective periods in fiscal 2008 primarily as a

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result of decreased demand for NTIC's ZERUST® products as a result of the U.S. economic recession and, to a lesser extent, the loss of the principal customer of React Inc., partially offset by sales of NTIC's new Natur-Tec™ products.

The following table sets forth NTIC's net sales for the three months ended February 28, 2009 and February 29, 2008 by segment:

	February 28, 2009	February 29, 2008	$ Change	% Change
ZERUST® sales	$ 1,727,845	$ 2,694,850	$ (967,005)	(35.9)%
Natur-Tec™ sales	2,692	39,024	(36,331)	(93.1)%
React-NTI sales	3,633	28,982	(25,349)	(87.5)%
React Inc. sales	0	0	—	—
Total North American net sales	$ 1,734,170	$ 2,762,856	$ (1,028,685)	(37.2)%

The following table sets forth NTIC's net sales for the six months ended February 28, 2009 and February 29, 2008 by segment:

	February 28, 2009	February 29, 2008	$ Change	% Change
ZERUST® sales	$ 4,512,380	$ 5,860,290	$ (1,347,909)	(23.0)%
Natur-Tec™ sales	485,009	102,708	382,301	372.2%
React-NTI sales	7,725	37,284	(29,559)	(79.3)%
React Inc. sales	0	248,160	(248,160)	(100)%
Total North American net sales	$ 5,005,114	$ 6,248,441	$ (1,243,327)	(19.9)%

Cost of Goods Sold. Cost of goods sold decreased 28.2% and 6.9% for the three months and six months ended February 28, 2009, respectively, compared to the same respective periods in fiscal 2008 primarily as a result of the significant decrease in sales of NTIC's ZERUST® products and the loss of the principal customer of React Inc. Cost of sales as a percentage of net sales increased to 66.6% and 68.9% for the three and six months ended February 28, 2009, respectively, compared to 65.3% and 59.3% in the same respective periods in fiscal 2008 primarily as a result of smaller profit margins realized by sales of NTIC's Natur-Tec™ products compared to sales of NTIC's ZERUST® products.

Selling Expenses. NTIC's selling expenses decreased 23.7% for the three months ended February 28, 2009 compared to the same period in fiscal 2008 due to decreases in (i) salaries of $35,000, (ii) consulting expense of $31,000, (iii) travel related expenses of $30,000 and (iv) commissions of $39,000. NTIC's selling expenses decreased 16.6% for the six months ended February 28, 2009 compared the same period in fiscal 2008 due to decreases in (i) salaries of $100,000, (ii) consulting expense of $60,000, (iii) commissions of $55,000 and (iv) travel related expenses of $80,000. Selling expenses as a percentage of net sales increased to 33.2% and 26.9% during the three and six months ended February 28, 2009, respectively, from 27.3% and 25.8% during the same respective periods in fiscal 2008, due to the decrease in net sales.

General and Administrative Expenses. NTIC's general and administrative expenses decreased by 27.9% during the three months ended February 28, 2009 compared to the same period in fiscal 2008 due to decreases in (i) audit and tax expense of $40,000 and (ii) general expenses associated with React-NTI of $60,000. Additionally, during the three months ended February 28, 2009, NTIC derecognized previously recorded trade payables of $320,000 as a result of negotiations between NTIC and its vendor. NTIC's general and administrative expenses decreased by 6.2% during the six months ended February 28, 2009 compared to the same period in fiscal 2008 due to decreases in (i) audit and tax expense of $66,000 and (ii) general expenses associated with React-NTI of $60,000. As a percentage of net sales, general and administrative expenses increased to 37.2% and 31.7% during the three and six months ended February 28, 2009, respectively, from 32.4% and 29.5% during the same respective periods in fiscal 2008, due to the decrease in net sales. NTIC includes expenses in general and administrative expenses that provide benefit to the various joint ventures in addition to providing benefit to NTIC's North American operations, including specifically, expenses associated with information technology, general insurance, executive and non-executive salary, bonus and benefits, building expenses, audit and tax and directors fees.

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Lab and Technical Support Expenses. NTIC's lab and technical support expenses decreased by 41.4% and 66.2% during the three and six months ended February 28, 2009, respectively, compared to the same respective periods in fiscal 2008 primarily as a result of a change in the allocation of these expenses to sales activities. As a percentage of net sales, lab and technical support expenses were relatively immaterial during the three and six months ended February 28, 2009 as well as during the same respective periods in fiscal 2008.

International Corporate Joint Ventures and Holding Companies. Net sales of NTIC's corporate joint ventures for the three and six months ended February 28, 2009 and the same respective periods in fiscal 2008, excluding React-NTI LLC, were as follows:

	Three Months Ended		Six Months Ended	
	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
Industrial chemical	$ 11,147,616	$ 24,850,908	$ 31,990,432	$ 48,477,356
Non-industrial chemical	219,483	296,098	486,253	613,765
Total	$ 11,367,099	$ 25,147,006	$ 32,476,685	$ 49,091,121

NTIC receives fees for technical and other support services it provides to its corporate joint ventures based on the revenues of the individual corporate joint ventures. NTIC recognized fee income for such support of $617,850 and $1,938,569 in the three and six months ended February 28, 2009, respectively, compared to $1,626,632 and $3,020,427 during the same respective periods in fiscal 2008, a decrease of 62.0% and 35.8%, respectively. The decrease in fees for technical and other support to its corporate joint ventures was due to the decrease in revenues from the corporate joint ventures as a whole, as well as the foreign currency exchange rate of the U.S. dollar compared to other currencies in which NTIC's joint ventures conduct business.

NTIC sponsors a worldwide corporate joint venture conference approximately every three to four years in which all of its corporate joint ventures are invited to participate. NTIC defers a portion of its technical and other support fees received from its corporate joint ventures in each accounting period leading up to the next conference, reflecting that NTIC has not fully earned the payments received during that period. The next corporate joint venture conference is scheduled to be held in the summer of 2010. There was no deferred income recorded within other accrued liabilities during the three and six months ended February 28, 2009 related to this future conference; however, $288,000 has been accrued over the past three fiscal years. The costs associated with these joint venture conferences are offset against the deferral as incurred, generally in the period in which the conference is held and immediately before.

NTIC incurred direct expenses related to its corporate joint ventures and the holding companies and new technologies of $1,317,028 and $2,495,062 during the three and six months ended February 28, 2009, respectively, compared to $1,185,509 and $2,424,684 during the same respective periods in fiscal 2008, an increase of 41.9% and 18.0%, respectively. These increases were primarily attributable to the $400,000 of impairment expenses associated with React-NTI and React Inc. that was recognized in the three months ended February 28, 2009.

NTIC had equity in (loss) income of corporate joint ventures and holding companies of ($1,028) and $657,738 during the three and six months ended February 28, 2009, respectively, compared to $813,174 and $1,867,856 during the same respective periods in fiscal 2008. These decreases were due primarily to the decrease in sales from NTIC's corporate joint ventures as a whole due to the global economic recession, as well as the foreign currency exchange rate of the U.S. dollar compared to other currencies in which NTIC's joint ventures conduct business.

Interest Income. NTIC's interest income increased slightly to $874 and $1,319 during the three and six months ended February 28, 2009, respectively, compared to $424 and $919 for the same respective periods in fiscal 2008 due to higher average invested cash balances during the most recent periods.

Interest Expense. NTIC's interest expense increased slightly to $42,440 and $74,338 during the three and six months ended February 28, 2009, respectively, compared to $40,952 and $72,115 for the same respective periods in fiscal 2008 due to higher average outstanding debt levels during the most recent periods.

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(Loss) Income Before Income Tax Expense. (Loss) income before income tax expense decreased to ($1,967,690) and ($1,921,805) during the three and six months ended February 28, 2009, respectively, compared to $848,690 and $1,584,886 for the same respective periods in fiscal 2008.

Income Tax (Benefit) Expense. Income tax (benefit) expense decreased to ($454,000) and ($421,000) during the three and six months ended February 28, 2009, respectively, compared to $189,000 and $267,000 in the same respective periods in fiscal 2008. Income tax (benefit) expense was calculated based on management's estimate of NTIC's annual effective income tax rate. NTIC's annual effective income tax rate during the three and six months ended February 28, 2009 and February 29, 2008 was lower than the statutory rate primarily due to NTIC's equity in income of corporate joint ventures being recognized based on after-tax earnings of these entities. To the extent joint ventures' undistributed earnings are distributed to NTIC, it is not expected to result in any material additional income tax liability after the application of foreign tax credits.

Liquidity and Capital Resources

Sources of Cash and Working Capital. As of February 28, 2009, NTIC's working capital was $5,905,213, including $244,245 in cash and cash equivalents, compared to working capital of $4,941,371, including $260,460 in cash and cash equivalents, as of August 31, 2008.

On April 10, 2008, NTIC entered into a Promissory Note Modification Agreement with National City Bank pursuant to which NTIC's demand line of credit was increased to $2,300,000 and its $1,500,000 revolving credit facility was terminated. Advances made under the demand line of credit will be made at the sole discretion of National City Bank and will be due and payable on demand. Outstanding amounts under the demand line of credit bear interest at an annual rate based on LIBOR plus 2.25%. As of February 28, 2009, the interest rate was 2.61%. Interest is payable in arrears on the 15th day of each month and on demand. As of February 28, 2009, NTIC had $599,000 in borrowings under its $2,300,000 demand line of credit. As of February 28, 2009, an additional $600,000 was committed under the demand line of credit to cover a letter of credit.

NTIC believes that a combination of its existing cash and cash equivalents, forecasted cash flows from future operations, anticipated distributions of earnings and technical assistance fees to NTIC from its joint venture investments and funds available through existing or anticipated financing arrangements, will continue to be adequate to fund its existing operations, capital expenditures, debt repayments and any stock repurchases for at least the next 12 months. In an effort to increase net sales, NTIC continues to spend resources in furtherance of its emerging businesses – its biodegradable and compostable plastics products marketed under the Natur-Tec™ brand, its technology and machinery that converts plastic waste into diesel, gasoline and heavy fractions and the application of its corrosion inhibiting technology into the oil and gas industry. During fiscal 2009, NTIC expects to invest additional research and development and marketing efforts and resources into these emerging businesses, product lines and markets. In order to take advantage of such new product and market opportunities to expand its business and increase its revenues, NTIC may decide to finance such opportunities by borrowing under its line of credit or raising additional financing through the issuance of debt or equity securities. There is no assurance that any financing transaction will be available on terms acceptable to NTIC or at all, or that any financing transaction will not be dilutive to NTIC's current stockholders.

Uses of Cash and Cash Flows. Cash flows used in operating activities for the six months ended February 28, 2009 was $1,462,704, which resulted principally from NTIC's net loss, equity income of corporate joint ventures, increases in joint venture trade receivables, income tax receivables, prepaid expenses and decreases in accounts payable and accrued liabilities, partially offset by decreases in trade receivables excluding joint ventures and inventories, the loss on the impairment of assets and depreciation expense. Cash flows used in operating activities for the six months ended February 29, 2008 was $1,205,428, which resulted principally from the equity income of corporate joint ventures, increases in technical and other services receivables, inventories and prepaid expenses and decreases in accounts payable, partially offset by net income, depreciation and amortization expense, decreases in trade receivables and increases in accrued liabilities.

Net cash provided by investing activities for the six months ended February 28, 2009 was $1,988,289, which was comprised of dividends received from corporate joint ventures, decrease in other assets and disposal of industrial

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patents, partially offset by additions to property and equipment and investments in patents. Net cash provided by investing activities for the six months ended February 29, 2008 was $1,390,673, which was comprised of dividends received from corporate joint ventures and the sale of a joint venture, partially offset by additions to property and equipment, loans made and investment in joint ventures.

Net cash used in financing activities for the six months ended February 28, 2009 was $541,800, which resulted primarily from bank overdrafts and principal payments on the bank loan for NTIC's corporate headquarters building, partially offset by borrowings made under the demand line of credit. Net cash provided by financing activities for the six months ended February 29, 2008 was $31,417, which resulted primarily from proceeds from the employee stock purchase plan, partially offset by principal payments on the bank loan for NTIC's corporate headquarters building.

Capital Expenditures and Commitments. NTIC had no material lease commitments as of February 28, 2009, except for a lease agreement entered into by NTI Facilities, Inc., a subsidiary of NTIC, for approximately 17,000 square feet of office, manufacturing, laboratory and warehouse space in Beachwood, Ohio, requiring monthly payments of $17,500, which are adjusted annually according to the annual consumer price index, through November 2014.

To finance the purchase of the real estate and building for NTIC's current corporate headquarters, in September 2006, NTIC obtained a secured term loan in the principal amount of $1,275,000. The term loan matures on May 1, 2011, bears interest at a fixed rate of 8.01% and is payable in 59 monthly installments equal to approximately $10,776 (inclusive of principal and interest) commencing June 1, 2006. All of the remaining unpaid principal and accrued interest is due and payable on the May 1, 2011 maturity date. The loan is secured by a first lien on the real estate and building.

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

Off-Balance Sheet Arrangements

NTIC does not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet financial arrangements. As such, NTIC is not materially exposed to any financing, liquidity, market or credit risk that could arise if NTIC had engaged in such arrangements.

In fiscal 1999, a subsidiary of NTIC, NTI Facilities, Inc., acquired a one-third ownership of Omni-Northern Ltd., which owns and operates a rental property located at 23205 Mercantile Road, Beachwood, Ohio. The property has an approximate value of $2,205,000, based upon the cash-to-mortgage acquisition price of the property paid in fiscal 2000. NTIC has guaranteed up to $329,082 of Omni-Northern Ltd.'s $1,903,571 mortgage obligation with National City Bank, Cleveland, Ohio. The building is fully leased at present.

Inflation and Seasonality

Inflation in the U.S. and abroad historically has had little effect on NTIC. NTIC's business has not historically been seasonal.

Market Risk

NTIC is exposed to some market risk stemming from changes in foreign currency exchange rates, commodity prices and interest rates.

Because the functional currency of NTIC's foreign operations and investments in its foreign corporate joint ventures and holding companies is the applicable local currency, NTIC is exposed to foreign currency exchange rate risk arising from transactions in the normal course of business. NTIC's principal exchange rate exposure is with the Euro, the Japanese yen, Korean won and the English pound against the U.S. dollar. NTIC's fees for technical support and other services and dividend distributions from these foreign entities are paid in foreign currencies and thus fluctuations in foreign currency exchange rates could result in declines in NTIC's reported net income. Since NTIC's investments in its corporate joint ventures and holding companies are accounted for using the equity method, any changes in foreign

currency exchange rates would be reflected as a foreign currency translation adjustment and would not change NTIC's equity in income of joint ventures and holding companies reflected in its consolidated statements of income. NTIC does not hedge against its foreign currency exchange rate risk.

Some raw materials used in NTIC's products are exposed to commodity price changes. The primary commodity price exposures are with a variety of plastic resins.

NTIC's demand line of credit bears interest at a rate based on LIBOR and thus may subject NTIC to some market risk on interest rates. As of February 28, 2009, NTIC had $599,000 of borrowings under its $2,300,000 demand line of credit. As of February 28, 2009, an additional $600,000 was committed under the demand line of credit to cover a letter of credit.

Critical Accounting Policies and Estimates

There have been no material changes to NTIC's critical accounting policies and estimates from the information provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", included in NTIC's annual report on Form 10-K for the fiscal year ended August 31, 2008.

Recent Accounting Pronouncements

See Note 2 NTIC's annual report on Form 10-K for the fiscal year ended August 31, 2008 for a discussion of recent accounting pronouncements.

Forward-Looking Statements

This quarterly report on Form 10-Q contains not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are subject to the safe harbor created by those sections. In addition, NTIC or others on NTIC's behalf may make forward-looking statements from time to time in oral presentations, including telephone conferences and/or web casts open to the public, in press releases or reports, on NTIC's Internet web site or otherwise. All statements other than statements of historical facts included in this report or expressed by NTIC orally from time to time that address activities, events or developments that NTIC expects, believes or anticipates will or may occur in the future are forward-looking statements including, in particular, the statements about NTIC's plans, objectives, strategies, the outcome of contingencies such as legal proceedings, and prospects regarding, among other things, NTIC's financial condition, results of operations and business. NTIC has identified some of these forward-looking statements in this report with words like "believe," "may," "could," "would," "might," "forecast," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate" "outlook" or "continue" or the negative of these words or other words and terms of similar meaning. These forward-looking statements may be contained in the notes to NTIC's consolidated financial statements and elsewhere in this report, including under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Forward-looking statements are based on current expectations about future events affecting NTIC and are subject to uncertainties and factors that affect all businesses operating in a global market as well as matters specific to NTIC. These uncertainties and factors are difficult to predict and many of them are beyond NTIC's control. The following are some of the uncertainties and factors known to us that could cause NTIC's actual results to differ materially from what NTIC has anticipated in its forward-looking statements:

- The effect of current worldwide economic conditions on NTIC's business;
- The effect of the significant downturn in the U.S. and worldwide automotive industry on NTIC's business;
- NTIC's dependence on the success of its joint ventures and technical fees and dividend distributions that NTIC receives from them;

- NTIC's relationships with its joint ventures and its ability to maintain those relationships;
- Risks associated with NTIC's international operations and exposure to fluctuations in foreign currency exchange rates;
- Fluctuations in the cost and availability of raw materials, including resins and other commodities;
- NTIC's investments in research and development efforts and its need for additional capital to support such efforts;
- Acceptance of NTIC's existing and new products;
- Increased competition;
- The economic success of NTIC's three emerging new businesses;
- NTIC's reliance upon and its relationships with its distributors, independent sales representatives and corporate joint ventures;
- NTIC's reliance upon suppliers;
- The costs and effects of complying with changes in tax, fiscal, government and other regulatory policies, including rules relating to environmental, health and safety matters;
- The costs and effects of outstanding litigation;
- Unforeseen product quality or other problems in the development, production and usage of new and existing products;
- Loss of or changes in executive management or key employees;
- Ability of management to manage around unplanned events;
- NTIC's reliance on its intellectual property rights and the absence of infringement of the intellectual property rights of others; and
- NTIC's reliance upon its management information systems.

For more information regarding these and other uncertainties and factors that could cause NTIC's actual results to differ materially from what NTIC has anticipated in its forward-looking statements or otherwise could materially adversely affect its business, financial condition or operating results, see NTIC's annual report on Form 10-K for the fiscal year ended August 31, 2008 under the heading "Part I – Item 1A. Risk Factors."

All forward-looking statements included in this report are expressly qualified in their entirety by the foregoing cautionary statements. We wish to caution readers not to place undue reliance on any forward-looking statement that speaks only as of the date made and to recognize that forward-looking statements are predictions of future results, which may not occur as anticipated. Actual results could differ materially from those anticipated in the forward-looking statements and from historical results, due to the uncertainties and factors described above, as well as others that we may consider immaterial or do not anticipate at this time. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. Our expectations reflected in our forward-looking statements can be affected by inaccurate assumptions we might make or by known or unknown uncertainties and factors, including those described above. The risks and uncertainties described above are not exclusive and further information concerning us and our business, including factors that potentially could materially affect our financial results or condition, may emerge from time to time. We assume no obligation to update, amend or clarify forward-looking statements to reflect actual results or changes in factors or assumptions

affecting such forward-looking statements. We advise you, however, to consult any further disclosures we make on related subjects in our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K we file with or furnish to the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This Item 3 is inapplicable to NTIC as a smaller reporting company and has been omitted pursuant to Item 305(e) of SEC Regulation S-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

NTIC maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to reasonably ensure that information required to be disclosed by NTIC in the reports it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to NTIC's management, including NTIC's principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating NTIC's disclosure controls and procedures, NTIC recognizes that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives and NTIC necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. NTIC's management evaluated, with the participation of its Chief Executive Officer and its Chief Financial Officer, the effectiveness of the design and operation of NTIC's disclosure controls and procedures as of the end of the period covered in this report. Based on that evaluation, NTIC's Chief Executive Officer and Chief Financial Officer concluded that NTIC's disclosure controls and procedures were effective as of the end of such period to provide reasonable assurance that information required to be disclosed in NTIC's Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that material information relating to NTIC and its consolidated subsidiaries is made known to management, including NTIC's Chief Executive Officer and Chief Financial Officer, particularly during the period when NTIC's periodic reports are being prepared.

NTIC's management is aware, however, that there is a lack of segregation of certain duties due to the small number of employees of NTIC dealing with general administrative and financial matters. However, NTIC's management has decided that considering the employees involved and the control procedures in place, risks associated with such lack of segregation are insignificant and the potential benefits of adding employees to clearly segregate such duties do not at this time justify the expenses associated with such increases.

Changes in Internal Control over Financial Reporting

There was no change in NTIC's internal control over financial reporting that occurred during the quarter ended February 28, 2009 that has materially affected, or is reasonably likely to materially affect NTIC's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

A description of NTIC's legal proceedings in Note 12 of its consolidated financial statements included within this report is incorporated herein by reference.

ITEM 1A. RISK FACTORS

This Item 1A is inapplicable to NTIC as a smaller reporting company.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Equity Securities

During the three months ended February 28, 2009, NTIC did not issue any shares of its common stock or other equity securities of NTIC that were not registered under the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

During the three months ended February 28, 2009, NTIC did not purchase any shares of its common stock or other equity securities of NTIC.

On November 13, 2003, the Board of Directors of NTIC authorized Matthew Wolsfeld, Chief Financial Officer of NTIC, to repurchase on behalf of NTIC, up to 100,000 shares of NTIC's common stock from time to time in accordance with applicable rules governing issuer stock repurchases. Since being authorized, NTIC has not repurchased and retired any shares of its common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

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

(a) The Annual Meeting of Stockholders of NTIC was held on January 29, 2009.

(b) The results of the stockholder votes were as follows:

	For	Against/ Withheld	Abstain	Broker Non-Vote
1. Election of Directors				
Pierre Chenu	3,067,231	26,305	0	0
Tilman B. Frank, M.D.	3,064,954	28,582	0	0
Soo-Keong Koh	3,064,940	28,596	0	0
Donald A. Kubik, Ph.D.	3,067,231	26,305	0	0
Sunggyu Lee, Ph.D.	3,066,217	27,319	0	0
G. Patrick Lynch	3,072,898	20,637	0	0
Mark M. Mayers	3,064,831	28,705	0	0
Ramani Narayan, Ph.D.	3,063,216	30,320	0	0
Mark J. Stone	3,062,939	30,597	0	0
2. Amend Certificate of Incorporation to Eliminate Liability of Directors	2,963,847	119,054	10,633	0
3. Amend Certificate of Incorporation to Create Blank Check Preferred Stock	1,204,741	203,798	1,380	1,683,617
4. Ratification of Appointment of Virchow Krause & Company LLP as Independent Registered Public Accounting Firm	3,069,182	12,338	12,015	0

ITEM 5. OTHER INFORMATION

Not applicable.

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ITEM 6. EXHIBITS

The following exhibits are being filed or furnished with this quarterly report on Form 10-Q:

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Northern Technologies International Corporation (filed herewith)
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)

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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

Date: April 14, 2009

Matthew C. Wolsfeld, CPA
Chief Financial Officer
(Principal Financial and Accounting Officer and Duly Authorized to Sign on Behalf of the Registrant)

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NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
QUARTERLY REPORT ON FORM 10-Q

EXHIBIT INDEX

Exhibit No.	Description	Method of Filing
3.1	Restated Certificate of Incorporation of Northern Technologies International Corporation	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith

Exhibit 3.1

RESTATED CERTIFICATE OF INCORPORATION OF

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

(Pursuant to Section 245 of the General Corporation Law of the State of Delaware)

Northern Technologies International Corporation, a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law"),

DOES HEREBY CERTIFY:

FIRST: That the name of this corporation is Northern Technologies International Corporation (the "Corporation") and that the Corporation was originally incorporated pursuant to the General Corporation Law on October 12, 1977 under the name Northern Instruments Corporation.

SECOND: That the Corporation's Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Corporation's Certificate of Incorporation as theretofore amended or supplemented, and there is no discrepancy between those provisions in the Corporation's Certificate of Incorporation and the provisions of the Corporation's Restated Certificate of Incorporation.

THIRD: That the Board of Directors duly adopted resolutions approving the restatement and integration of the Corporation's Certificate of Incorporation pursuant to Section 245 of the General Corporation Law, declaring said restatement and integration to be advisable and in the best interests of the Corporation and its stockholders, which resolution setting forth the proposed restatement and integrations is as follows:

RESOLVED, that the Certificate of Incorporation of the Corporation be restated and integrated in its entirety as follows:

ARTICLE I.

The name of this Corporation is Northern Technologies International Corporation.

ARTICLE II.

The address of its registered office in the State of Delaware is 1209 Orange Street, Corporation Trust Center, in the City of Wilmington, County of New Castle, 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III.

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV.

The Corporation shall have the authority to issue Ten Million Ten Thousand (10,010,000) shares of stock divided into Ten Million (10,000,000) shares of Two Cent ($.02) par value common stock and Ten Thousand (10,000) shares of no par value preferred stock.

ARTICLE V.

Election of directors need not be by written ballot.

ARTICLE VI.

The Corporation shall be managed by the Board of Directors, which shall exercise all powers conferred under the law of the State of Delaware, including without limitation the power:

(a) To hold meetings, to have one or more offices and to keep the books of the Corporation, except as otherwise expressly provided by law, at such places, whether within or without the State of Delaware, as may from time to time be designated by the Board.

(b) To adopt, amend or repeal bylaws of the Corporation, subject to the reserved power of the stockholders to adopt, amend or repeal bylaws.

(c) To fix and determine from time to time an amount to be set apart out of any funds of the Corporation available for dividends a reserve or reserves for working capital or any other proper purpose or to abolish any such reserve or reserves.

ARTICLE VII.

Each director and officer, past or present, of the Corporation, and their respective heirs, administrators and executors, shall be indemnified by the Corporation in accordance with, and to the fullest extent provided by, the provisions of the Delaware General Corporation Laws as they may from time to time be amended.

ARTICLE VIII.

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE IX.

No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such a director as a director, except to the extent provided by applicable law (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the General Corporation Law of Delaware, or (iv) for any transaction from which such director derived an improper personal benefit, or (v) for any act or omission occurring prior to January 29, 2009. If the General Corporation Law of Delaware is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of Delaware as so amended. No amendment to or repeal of this Article IX shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been executed by a duly authorized officer of this Corporation on this 29th day of January, 2009.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

Matthew C. Wolsfeld
Its: Chief Financial Officer and Corporate Secretary

CERTIFICATION PURSUANT TO SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, G. Patrick Lynch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Northern Technologies International Corporation;

2. 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;

3. 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;

4. 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles;

   (c) 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

   (d) 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

5. 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 function):

   (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.

Date: April 14, 2009

Patrick Lynch

G. Patrick Lynch,
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew C. Wolsfeld, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Northern Technologies International Corporation;

2. 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;

3. 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;

4. 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the reparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles;

   (c) 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

   (d) 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

5. 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 function):

   (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.

Date: April 14, 2009

Matthew C. Wolsfeld, CPA
Chief Financial Officer and Corporate Secretary

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

In connection with the Quarterly Report of Northern Technologies International Corporation (the "Company") on Form 10-Q for the period ending February 28, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, G. Patrick Lynch, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Patrick Lynch

G. Patrick. Lynch
President and Chief Executive Officer
(principal executive officer)

Circle Pines, Minnesota
April 14, 2009

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

In connection with the Quarterly Report of Northern Technologies International Corporation (the “Company”) on Form 10-Q for the period ending February 28, 2009 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Matthew C. Wolsfeld, Chief Financial Officer and Corporate Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Matthew C. Wolsfeld, CPA
Chief Financial Officer and Corporate Secretary
(principal financial officer and principal accounting officer)

Circle Pines, Minnesota
April 14, 2009