

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

## **NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION ANNOUNCES FISCAL YEAR 2005 RESULTS**

LINO LAKES, Minnesota, November 16, 2005 - Northern Technologies International Corporation (AMEX: NTI) announced today its operating results for its fiscal year ended August 31, 2005.

The Company's total worldwide sales, including its international joint ventures, increased to \$72,112,378 during fiscal 2005 as compared to \$57,724,639 in fiscal 2004.

Total joint venture net sales increased 29.6% to \$57,167,054 during fiscal 2005 as compared to \$44,121,671 during fiscal 2004. Additionally, the Company recognized increased fee income from technical and support services in fiscal 2005 as compared to fiscal 2004 as a result of the increase in total joint venture net sales.

Total North American net sales increased 6.3% to \$14,816,672 during fiscal 2005 as compared to \$13,942,271 in fiscal 2004 primarily as a result of the increase in net sales of the Company's React-NTI subsidiary to its existing customers in North America.

The Company's working capital was \$2,697,693 at August 31, 2005, including \$327,458 in cash and cash equivalents.

The Company elected not to pay a dividend in fiscal 2006 in order to preserve cash and make investments in future operations.

### **About Northern Technologies International Corporation**

The Company focuses on developing, marketing and selling proprietary environmentally responsible materials science based products and technical services in over 50 countries worldwide via a network of joint ventures. In fiscal 2005, the Company's primary revenues derived from the sales of ZERUST® rust and corrosion inhibiting packaging products and services to the automotive, electronics, electrical, mechanical, military and retail consumer markets. During this same period, the Company also received revenues from sales of proprietary new technologies including anti-abrasion ink additives, as well as bio-based sintered metal mold release agents, bio-solvents, bio-emollients, bio-cleaners, bio-lubricants and fully bio-degradable plastic packaging. In a concerted effort to extend the Company's proprietary technologies, the Company engages in extensive scientific research and development programs in the areas of material science and corrosion protection.

## NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARY

	2005	2004 (Restated)
NORTH AMERICAN OPERATIONS:		
Net sales	\$ 14,816,672	\$ 13,942,271
Cost of sales	8,967,155	7,801,807
Gross profit	5,849,517	6,140,464
Operating expense	5,839,069	6,201,976
NORTH AMERICAN OPERATING INCOME (LOSS)	10,448	(61,512)
INCOME FROM ALL CORPORATE JOINT VENTURES AND HOLDING COMPANIES		
	1,128,315	1,103,749
INTEREST INCOME	96,282	63,734
INTEREST EXPENSE	(36,090)	-
MINORITY INTEREST	10,326	119,344
INCOME BEFORE INCOME TAX (BENEFIT) EXPENSE	1,209,281	1,225,315
INCOME TAX EXPENSE (BENEFIT)	16,000	189,000
NET INCOME	\$ 1,193,281	\$ 1,036,315
NET INCOME PER COMMON SHARE:	\$ 0.33	\$ 0.29
WEIGHTED AVERAGE COMMON SHARES ASSUMED OUTSTANDING:		
Basic	3,584,085	3,610,949

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

	August 31, 2005	August 31, 2004
Current assets	\$22,949,103	\$19,560,576
Total assets	30,345,208	25,726,996
Current liabilities	11,263,369	7,332,920
Noncurrent liabilities	2,273,927	2,393,543
Joint ventures' equity	16,806,617	16,000,580
Northern Technologies International Corporation's share of Corporate Joint Ventures' equity	\$8,622,361	\$7,343,932
	August 31, 2005	August 31, 2004
Net sales	\$57,167,054	\$44,121,671
Gross profit	26,503,607	21,298,915
Net income	3,714,290	2,958,018
Northern Technologies International Corporation's share of equity in income of Corporate Joint Ventures	\$1,968,777	\$1,521,074

For more information, please contact:

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