



## **Northern Technologies International Corporation and ITC Limited Form Alliance to Jointly Develop and Commercialize New Biopolymer-Paper Products in India**

### **Agreement Between Indian Conglomerate and NTIC Creates Broad Opportunities to Develop and Commercialize Innovative Biopolymer-Paper Packaging Solutions for the Indian Market**

MINNEAPOLIS, May 31, 2011 (GLOBE NEWSWIRE) -- Northern Technologies International Corporation (Nasdaq:NTIC), a manufacturer of sustainable biobased and certified compostable bioplastic materials, announced that it has signed a memorandum of understanding with the Indian conglomerate ITC Limited (Bombay Stock Exchange: 500875) to jointly develop and commercialize biopolymer-paper products targeted at the burgeoning consumer goods packaging market in India.

The two companies will jointly developing solutions in the Indian market towards providing biodegradable/compostable products such as food service ware, food packaging, personal care product packaging and other fast-moving consumer goods packaging. The biopolymer materials will be manufactured by Harita-NTI, NTIC's Indian joint venture, for integration with paper manufactured by ITC's Paperboards and Specialty Papers Division (PSPD). Both companies will also collaboratively develop and promote joint branding and messaging for these products.

The existing market for flexible packaging in India is estimated at about \$2.8 billion and is expected to grow by at least 14-15% annually for the foreseeable future with the rapidly increasing demand for consumer packaged goods from India's growing middle class. At the same time, the use of conventional plastics such as polyethylene and polypropylene in flexible packaging is facing harsh political criticism due to environmental and waste-disposal concerns. Earlier this year, Indian authorities banned the use of non-biodegradable plastics in flexible packaging for certain high-volume applications. As a result, demand for paper and paperboard based flexible packaging is expected to grow rapidly.

"This alliance promises to bring significant benefits to both parties," said Mr. Vineet Dalal, Vice President and Director of Global Market Development for NTIC. "NTIC has internationally recognized expertise and patented technologies in the bioplastics space, while ITC is a technology leader in the paper and paperboards business with a dominant position in the Indian packaging market. The combination of these unique and complementary capabilities, has allowed us to develop an innovative biopolymer-paper hybrid technology platform."

"ITC, one of the few companies in the world to be Carbon Positive, Water Positive and Waste Recycling Positive, has always been proactive with key green initiatives such as the introduction of environment-friendly Elemental Chlorine Free (ECF) technology, and commitment to bring larger volumes of its products and more of its operations under credibly certified schemes such as FSC," said Mr. S. N. Venkataraman, Vice President- Marketing for ITC's Paperboards and Specialty Papers Division (PSPD). "Given the recent regulatory mandates banning the use of non-biodegradable plastics in packaging of certain high-volume consumer packaged goods, the innovative biopolymer-paper hybrid technology jointly developed with NTIC, provides ITC the ability to offer its customers an alternative portfolio of cost-effective, fully biobased and certified biodegradable packaging solutions."

#### **About Northern Technologies International Corporation (NTIC)**

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 Natur-Tec branded products are engineered using a proprietary and patented blend of biodegradable polymers and natural materials to create biobased (renewable resource based) and biodegradable plastics. These products do not contain any conventional plastics such as polyethylene, polypropylene or polystyrene. The exceptionally broad Natur-Tec bioplastics portfolio spans flexible film, extrusion coatings, foam, rigid injection molded materials and engineered plastics. By using Natur-Tec products as an alternative to conventional plastics, industry and consumers are able to reduce their carbon footprint and move towards a zero carbon or carbon neutral footprint. For more information on NTIC, visit [www.ntic.com](http://www.ntic.com), specifically for Natur-Tec, visit [www.natur-tec.com](http://www.natur-tec.com) or contact Matt Wolsfeld at (763) 225-6600 or [mwolsfeld@ntic.com](mailto:mwolsfeld@ntic.com)

The Northern Technologies International Corporation logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=5481>

#### **About ITC Limited**

ITC Limited is one of India's foremost private sector conglomerates with a market capitalization of over US \$ 31 billion and a turnover of nearly US \$ 7 billion. ITC has a diversified presence in businesses such as Consumer Goods, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business and Information Technology. The Consumer Goods portfolio includes Branded Packaged Foods, Branded Apparel, Personal Care, Stationery, Incense Sticks and Safety Matches. ITC's Paperboards and Specialty Papers Division (PSPD) is India's largest, technologically advanced and most eco-friendly, paper and paperboards business. The business caters to a wide spectrum of packaging, graphic, communication, writing, printing and specialty paper requirements through its four world-class manufacturing units, 6 sales offices and a network of more than 50 distributors in India, along with an international trade network of 15 distributors/agents. With a product range straddling all segments of packaging--from recycled and virgin paperboards to writing, printing and specialty grades of paper--ITC caters to a large customer base across industries and countries with more than 10% of its overall sales to international markets in Asia, Europe, USA and Oceania.

## Forward-Looking Statements

Statements contained in this press release that are not historical information are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. Such statements include NTIC's expectations regarding its future financial performance and other statements that can be identified by words such as "expect," "intend," "continue," "anticipate," "estimate," "potential," "will," "would," or words of similar meaning and any other statements that are not historical facts. Such forward-looking statements are based upon the current beliefs and expectations of NTIC's management and are inherently subject to risks and uncertainties that could cause actual results to differ materially from those projected or implied. Such potential risks and uncertainties include, but are not limited to, in no particular order: NTIC's dependence on the success of its joint ventures and 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; exposure to fluctuations in foreign currency exchange rates; the health of the U.S. and worldwide economies; the level of growth in NTIC's markets; NTIC's investments in research and development efforts; acceptance of existing and new products; increased competition; 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; and NTIC's reliance on its intellectual property rights and the absence of infringement of the intellectual property rights of others. More detailed information on these and additional factors which could affect NTIC's operating and financial results is described in NTIC's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. NTIC urges all interested parties to read these reports to gain a better understanding of the many business and other risks that the company faces. Additionally, NTIC undertakes no obligation to publicly release the results of any revisions to these forward-looking statements, which may be made to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

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