SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

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

For the Quarterly Period Ended: November 30, 1999	Commission File Number 1-11038

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

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

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

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ___X___ NO _______

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

Class	Outstanding as of December 31, 1999
Common Stock, $.02 par value	3,870,325

"This document consists of 11 pages. No exhibits are being filed."

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	NOVEMBER 30, 1999	AUGUST 31, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,680,400	$ 2,750,209
Receivables:		
Trade, less allowance for doubtful accounts of $33,000 and $27,000, respectively	1,944,272	1,704,536
Corporate joint ventures	603,759	473,553
Income tax receivable	175,412	--
Inventories	1,073,371	1,013,525
Prepaid expenses and other	46,753	37,008
Deferred income taxes	170,000	170,000
Total current assets	6,693,967	6,148,831
PROPERTY AND EQUIPMENT, net	1,142,182	1,115,229
OTHER ASSETS:		
Investments in corporate joint ventures	3,246,234	3,424,623
Investment in European holding company	247,253	247,253
Deferred income taxes	210,000	210,000
Other	369,680	315,662

	4,073,167	4,197,538
	$ 11,909,316	$ 11,461,598
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 146,776	$ 149,328
Income taxes payable	--	307,188
Dividends payable	618,985	--
Accrued liabilities:		
Payroll and related benefits	80,690	54,182
Other	240,594	166,610
Total current liabilities	1,087,045	677,308
DEFERRED GROSS PROFIT	60,000	60,000
STOCKHOLDERS' EQUITY:		
Preferred stock, no par value, authorized 10,000 shares, none issued Common stock, $.02 par value per share; authorized 10,000,000 shares; issued and outstanding 3,868,325 and 3,865,103, respectively	77,367	77,302
Additional paid-in capital	4,622,073	4,613,806
Retained earnings	6,536,356	6,481,550
Accumulated other comprehensive loss	(343,718)	(318,561)
	10,892,078	10,854,097
Notes and related interest receivable from purchase of common stock	(129,807)	(129,807)
Total stockholders' equity	10,762,271	10,724,290
	$ 11,909,316	$ 11,461,598

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
THREE MONTHS ENDED NOVEMBER 30, 1999 AND 1998

	1999	1998
SALES	$ 2,831,864	$ 2,155,395
COST OF GOODS SOLD	1,348,520	1,069,703
GROSS PROFIT	1,483,344	1,085,692
OPERATING EXPENSES:		
Selling	451,409	341,631
General and administrative	679,798	512,628
Research, engineering, and technical support	115,173	102,479
	1,246,380	956,738
OPERATING INCOME	236,964	128,954
CORPORATE JOINT VENTURES AND EUROPEAN HOLDING COMPANY:		
Equity in income of corporate joint ventures and European holding company	159,317	177,803
Fees for technical assistance to corporate joint ventures	696,572	594,713
Corporate joint ventures expense	(163,979)	(139,849)
	691,910	632,667
INTEREST INCOME	34,917	16,022
INCOME BEFORE INCOME TAXES	963,791	777,643
INCOME TAXES	290,000	220,000
NET INCOME	$ 673,791	$ 557,643
NET INCOME PER SHARE:		
Basic	$ .17	$ .14
Diluted	$ .17	$ .14
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	3,867,379	3,856,408
Diluted	3,870,919	3,900,463

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED NOVEMBER 30, 1999 AND 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 673,791	$ 557,643
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	37,379	31,275
Equity in income of corporate joint ventures and European holding company	(159,317)	(177,803)
Dividends received from corporate joint ventures	362,549	--
Change in current assets and liabilities:		
Receivables:		
Trade	(239,736)	(147,811)
Corporate joint ventures	(130,206)	(194,409)
Income tax receivable	(175,412)	(20,363)
Inventories	(59,846)	137,782
Prepaid expenses and other	(7,102)	10,741
Accounts payable	(2,552)	(62,706)
Income taxes payable	(307,188)	(66,416)
Accrued liabilities	100,492	17,725
Total adjustments	(580,939)	(471,985)
Net cash provided by operating activities	92,852	85,658
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in corporate joint ventures	(50,000)	(20,509)
Additions to property	(64,332)	(31,231)
(Increase) decrease in other assets	(56,661)	13,409
Net cash used in investing activities	(170,993)	(38,331)
CASH FLOWS FROM FINANCING ACTIVITIES -		
Issuance of common stock	8,332	90,531
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(69,809)	137,858
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,750,209	2,200,490
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 2,680,400	$ 2,338,348

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
THREE MONTHS ENDED NOVEMBER 30, 1999 AND 1998

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, to present fairly the consolidated financial position of Northern Technologies International Corporation and Subsidiary as of November 30, 1999 and the results of its operations and its cash flows for the three months ended November 30, 1999 and 1998, in conformity with generally accepted accounting principles.

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

2. COMPREHENSIVE INCOME

The Company's total comprehensive incomes were as follows:

	Three Months Ended November 30 1999	Three Months Ended November 30 1998
Net income	$ 673,791	$ 557,643
Other comprehensive income (loss)	(25,157)	117,265
Total comprehensive income	$ 648,634	$ 674,908

3. INVENTORIES

Inventories consist of the following:

	November 30, 1999	August 31, 1999
Production materials	$ 264,550	$ 218,701
Work in process	34,581	24,753
Finished goods	774,240	770,071
	$ 1,073,371	$ 1,013,525

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	November 30, 1999	August 31, 1999
Land	$ 246,097	$ 246,097
Buildings and improvements	1,112,757	1,100,757
Machinery and equipment	1,016,484	964,152
	2,375,338	2,311,006
Less accumulated depreciation	1,233,156	1,195,777
	$ 1,142,182	$ 1,115,229

5. INVESTMENT IN CORPORATE JOINT VENTURES

During the three months ended November 30, 1999, the Company invested an additional $50,000 in an existing foreign joint venture.

6. STOCKHOLDERS' EQUITY

During the three months ended November 30, 1999, stock options for the purchase of 3,222 shares of the Company's common stock were exercised at prices between $3.00 and $6.25 per share.

7. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended November 30, 1999, the Company declared a cash dividend of $.16 per share payable on December 17, 1999 to shareholders of record on December 3, 1999.

During the three months ended November 30, 1998, the Company declared a cash dividend of $.15 per share payable on December 18, 1998 to shareholders of record on December 4, 1998.

8. INCOME PER SHARE

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

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

RESULTS OF OPERATIONS

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

SALES - Net sales increased by $676,469 during the first quarter of fiscal 2000 from those in the first quarter of fiscal 1999. This increase was due to increases in demand and selling prices for materials science based industrial packaging products.

COST OF SALES - Cost of goods sold as a percentage of net sales was 48% for the first quarter of fiscal 2000 compared to 50% for the first quarter of fiscal 1999. The variation is primarily due to the mix of product sales and the increase in selling prices.

OPERATING EXPENSES - As a percentage of sales, total operating expenses was 44% in the first quarters of fiscal 2000 and 1999.

Operating expense classification percentages of sales were as follows:

	Three Months Ended November 30	
	1999	1998
Selling	16%	16%
General and administrative	24%	24%
Research, engineering, and technical support	4%	4%

Selling expenses increased for the first three months of fiscal 2000 as compared to the same period in 1999 due primarily to increases in salaries and related expenses and product promotion. Such expenses, as a percentage of sales, were substantially unchanged for the first three months of fiscal 2000 as compared to the same period in fiscal 1999.

General and administrative expenses increased for the first three months of fiscal 2000 as compared to the same period in 1999 due primarily to increases in rent expense, consulting, and travel expense. Such expenses, as a percentage of sales, were substantially unchanged for the first three months of fiscal 2000 as compared to the same period in fiscal 1999.

Research, engineering and technical support expenses for the first three months of fiscal 2000 were higher than the comparable period in fiscal 1999 due primarily to increases in supplies and travel expense. Such expenses, as a percentage of sales, were substantially unchanged for the first three months of fiscal 2000 as compared to the same period in fiscal 1999.

CORPORATE JOINT VENTURES AND EUROPEAN HOLDING COMPANY - Net earnings from corporate joint ventures and European holding company increased in the first three months of fiscal 2000 to $691,910 from $632,667 in the first three months of fiscal 1999. This net increase is due to increased sales of the corporate joint ventures resulting in an increase in fees for technical assistance partially offset by higher travel and legal expenses incurred by the Company in its corporate joint ventures and in establishing new corporate joint ventures.

INCOME TAXES - Income tax expense for the three months ended November 30, 1999 and 1998 was calculated based upon management's estimate of the annual effective rates. The effective income tax rates for fiscal 2000 and 1999 is lower than the statutory rate primarily due to equity in income of joint ventures being recognized on an after tax basis for these entities. To the extent the joint ventures' undistributed earnings are distributed to the Company, it does not result in any material additional income tax liability after the application of foreign tax credits.

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 1999, the Company's working capital was $5,606,922, including $2,680,400 in cash and cash equivalents, compared to working capital of $5,471,523 including cash and cash equivalents of $2,750,209 as of August 31, 1999.

Net cash provided from past operations has been sufficient to meet liquidity requirements, capital expenditures, research and development costs and expansion of operations of the Company's joint ventures. Cash flows from operations for the three months ended November 30, 1999 was $92,852. The net cash flow from operations for the three months ended November 30, 1999 resulted principally from net income and dividends received from corporate joint ventures offset by equity income of corporate joint ventures and European holding company and increases in receivables and income tax payments. Cash flows from operations for the three months ended November 30, 1998 was $85,658. The net cash flow from operations for the three months ended November 30, 1998 was principally from net income and a decrease in inventories offset by equity in income of corporate joint ventures and European holding company and increases in receivables.

Cash used in investing activities for the three months ended November 30, 1999 was $170,993, which resulted principally from investments in corporate joint ventures, additions to property, and an investment in a corporation owning real estate. Cash used in investing activities for the three months ended November 30, 1998 was $38,331, which resulted from investments in corporate joint ventures and additions to property partially offset by decreases in other assets.

Cash provided by financing activities for the three months ended November 30, 1999 was $8,332, which resulted from payments received from the exercise of stock options. Cash provided by financing activities for the three months ended November 30, 1998 was $90,531, which resulted from payments received from the exercise of stock options.

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

The Company has no long-term debt and no material lease commitments at November 30, 1999.

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

IMPACT OF YEAR 2000

Computer programs have historically been written to abbreviate dates by using two digits instead of four digits to identify a particular year. The so-called "year-2000 problem" or "millennium bug" is the inability of computer software or hardware (collectively, Systems) to recognize or properly process dates ending in "00" and dates after the year 2000. Significant attention is being focused as the year 2000 approaches on updating or replacing such Systems in order to avoid System failures, miscalculations, or business interruptions that might otherwise result.

As of January 13, 2000, the Company has not experienced and does not anticipate any adverse effects on the Company's systems and operations as a result of year-2000 issues. Further, as of January 13, 2000, the Company has not experienced any operating problems or product failures as a result of year-2000 issues with its vendors, service providers, or customers.

EURO CURRENCY ISSUE

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

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

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES. SFAS No. 133 requires companies to record derivatives on the balance sheet as assets and liabilities, measured at fair value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. In July 1999, the FASB issued SFAS No. 137 delaying the effective date of SFAS No. 133 for one year to fiscal years beginning after June 15, 2000, with earlier adoption encouraged. The Company has not yet determined the effects SFAS No. 133 will have on its financial position or the results of its operations.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

None

ITEM 2 - CHANGES IN SECURITIES

None

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

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

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

None

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

January 13, 2000

/s/ Matjaz Korosec

Matjaz Korosec
Treasurer

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NOV-30-1999
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