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: May 31, 2000	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 July 7, 2000
Common Stock, $.02 par value	3,849,180

"This document consists of 11 pages. One exhibit is being filed."

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	MAY 31, 2000	AUGUST 31, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,456,554	$ 2,750,209
Receivables:		
Trade, less allowance for doubtful accounts of $39,000 and $27,000, respectively	1,641,525	1,704,536
Corporate joint ventures	541,954	473,553
Inventories	1,123,010	1,013,525
Prepaid expenses and other	29,220	37,008
Deferred income taxes	170,000	170,000
Total current assets	6,962,263	6,148,831
PROPERTY AND EQUIPMENT, net	1,235,385	1,115,229

OTHER ASSETS:		
Investments in corporate joint ventures	3,159,767	3,424,623
Investment in European holding company	247,253	247,253
Deferred income taxes	210,000	210,000
Other	691,962	315,662
	4,308,982	4,197,538
	$ 12,506,630	$ 11,461,598
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 194,439	$ 149,328
Income taxes	48,495	307,188
Accrued liabilities:		
Payroll and related benefits	204,690	54,182
Other	204,553	166,610
Total current liabilities	652,177	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 3,858,768 and 3,865,103, respectively	77,175	77,302
Additional paid-in capital	4,614,240	4,613,806
Retained earnings	7,714,666	6,481,550
Accumulated other comprehensive loss	(481,821)	(318,561)
	11,924,260	10,854,097
Notes and related interest receivable from purchase of common stock	(129,807)	(129,807)
Total stockholders' equity	11,794,453	10,724,290
	$ 12,506,630	$ 11,461,598

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	THREE MONTHS ENDED MAY 31		NINE MONTHS ENDED MAY 31	
	2000	1999	2000	1999
SALES	$ 2,812,990	$ 2,442,319	$ 8,338,536	$ 6,603,587
COST OF GOODS SOLD	1,345,961	1,249,527	4,042,166	3,297,716
GROSS PROFIT	1,467,029	1,192,792	4,296,370	3,305,871
OPERATING EXPENSES:				
Selling	388,117	358,915	1,298,957	1,083,909
General and administrative	503,791	466,609	1,700,898	1,302,218
Research, engineering, and technical support	106,468	112,202	422,684	374,700
	998,376	937,726	3,422,539	2,760,827
OPERATING INCOME	468,653	255,066	873,831	545,044
CORPORATE JOINT VENTURES AND EUROPEAN HOLDING COMPANY:				
Equity in income of corporate joint ventures and European holding company	142,209	189,294	413,571	370,963
Fees for technical assistance to corporate joint ventures	698,139	651,975	1,978,653	1,813,370
Corporate joint venture expense	(214,101)	(206,416)	(568,506)	(517,486)
	626,247	634,853	1,823,718	1,666,847
INTEREST INCOME	27,846	17,155	83,187	53,104
INCOME BEFORE INCOME TAXES	1,122,746	907,074	2,780,736	2,264,995
INCOME TAXES	360,000	245,000	870,000	670,000
NET INCOME	$ 762,746	$ 662,074	$ 1,910,736	$ 1,594,995
NET INCOME PER COMMON SHARE:				
Basic	$ .20	$ .17	$ .49	$ .41
Diluted	$ .20	$ .17	$ .49	$ .41
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	3,865,524	3,863,446	3,867,668	3,863,875
Diluted	3,874,605	3,924,514	3,878,230	3,912,221

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	NINE MONTHS ENDED MAY 31	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,910,736	$ 1,594,995
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	117,013	112,280
Equity in income of corporate joint ventures and European holding company	(413,571)	(370,963)
Dividends received from corporate joint ventures	373,118	10,292
Common stock issued for services	--	20,625
Change in current assets and liabilities:		
Receivables:		
Trade	63,011	(354,289)
Corporate joint ventures	(68,401)	(245,585)
Inventories	(109,485)	158,296
Prepaid expenses and other	(6,315)	127,146
Accounts payable	45,111	(71,351)
Income taxes	(258,693)	23,489
Accrued liabilities	188,451	67,619
Total adjustments	(69,761)	(522,441)
Net cash provided by operating activities	1,840,975	1,072,554
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(237,169)	(252,586)
Investments in corporate joint ventures	(90,000)	(522,660)
Increase in other assets	(130,148)	--
Net cash used in investing activities	(457,317)	(775,246)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	25,000	98,838
Dividends paid	(618,932)	(581,104)
Repurchase of common stock	(83,381)	(79,119)
Net cash used in financing activities	(677,313)	(561,385)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	706,345	(264,077)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,750,209	2,200,490
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 3,456,554	$ 1,936,413

See notes to financial statements.

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. INTERIM FINANCIAL INFORMATION

In the opinion of management, the accompanying unaudited financial statements contain all necessary adjustments, which are of a normal recurring nature, to present fairly the financial position of Northern Technologies International Corporation and subsidiaries (the Company) as of May 31, 2000 and 1999, the results of operations for the three and nine months ended May 31, 2000 and 1999, and the cash flows for the nine months ended May 31, 2000 and 1999, 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 May 31		Nine Months Ended May 31	
	2000	1999	2000	1999
Net income	$ 762,746	$ 662,074	$1,910,736	$1,594,995
Other comprehensive loss	31,870	90,486	163,260	31,269
Total comprehensive income	$ 730,876	$ 571,588	$1,747,476	$1,563,726

3. INVENTORIES

Inventories consist of the following:

	May 31, 2000	August 31, 1999
Production materials	$ 260,655	$ 218,701
Work in process	27,827	24,753
Finished goods	834,528	770,071
	$1,123,010	$1,013,525

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	May 31, 2000	August 31, 1999
Land	$ 246,097	$ 246,097
Buildings and improvements	1,152,997	1,100,757
Machinery and equipment	1,131,698	964,152
	2,530,792	2,311,006
Less accumulated depreciation	1,295,407	1,195,777
	$1,235,385	$1,115,229

5. INVESTMENTS IN CORPORATE JOINT VENTURES

During the nine months ended May 31, 2000, the Company invested an additional $90,000 in existing joint ventures.

6. STOCKHOLDERS' EQUITY

During the nine months ended May 31, 2000, the Company purchased and retired 12,224 shares of common stock for $83,381.

In November 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 nine months ended May 31, 2000, stock options for the purchase of 5,889 shares of the Company's common stock were exercised at prices between $3.00 and $6.25 per share.

7. NET 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.

8. COMMITMENTS AND CONTINGENCIES

A subsidiary of the Company owns a one-third ownership interest in a limited liability company, which owns and operates a rental property building. The Company has guaranteed a performance obligation of the limited liability company valued at $319,275.

The Company's subsidiary has entered into a lease for office and warehouse space requiring monthly payments of $13,194 per month, subject to annual CPI index escalation, through November 2014.

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

RESULTS OF OPERATIONS

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

SALES - Net sales originating in the United States increased by $370,671 or 15% during the third quarter of fiscal 2000 as compared to the third quarter of fiscal 1999. Net sales originating in the United States increased by $1,734,949 or 26% during the nine months ended May 31, 2000 compared to the nine months ended May 31, 1999. These changes in sales are due to an increase in demand and selling prices for materials-science-based industrial packaging products. There has been no introduction of new products or entry into any particular new markets.

COST OF GOODS SOLD - Cost of goods sold as a percentage of net sales for the third quarter of fiscal 2000 was 48% compared to 51% for the third quarter of fiscal 1999. The cost of goods sold percentage of net sales was 48% for the nine months ended May 31, 2000 and 50% for the nine months ended May 31, 1999. Variations are due primarily to the mix of product sales and the increase in selling prices.

OPERATING EXPENSES - As a percentage of net sales, total operating expenses were 35% in the third quarter of fiscal 2000 and 38% in the third quarter of fiscal 1999. Operating expenses were 41% of net sales for the nine months ended May 31, 2000 and 42% for the nine months ended May 31, 1999.

Operating expense classification percentages of net sales were as follows:

	Three Months Ended May 31		Nine Months Ended May 31	
	2000	1999	2000	1999
Selling	14%	15%	16%	16%
General and administrative	18	19	20	20
Research, engineering, and technical support	3	4	5	6

Selling expenses increased during the three and nine months ended May 31, 2000 as compared to the same periods in fiscal 1999 due primarily to increases in salaries and related expenses and product promotion expenses. Selling expenses as a percentage of net sales decreased for the three months ended May 31, 2000 as compared to the same period in 1999 due to the increased level of net sales in fiscal 2000 offsetting the increase in fiscal 2000 selling expenses. Selling expenses as a percentage of net sales were largely unchanged for the nine months ended May 31, 2000 as comparable to the same period in fiscal 1999 due to the increased level of net sales in fiscal 2000 offsetting the increase in fiscal 2000 selling expenses.

General and administrative expenses increased during the third quarter of fiscal 2000 as compared to the same period in fiscal 1999 due primarily to increases in professional fees, consulting expenses, and expenses related to the new facility. The same factors account for the increase in general and administrative expenses during the nine months ended May 31, 2000 as compared to the same period in fiscal 1999. General and administrative expenses as a percentage of net sales decreased for the three months ended May 31, 2000, as compared to the same period in 1999, due to the increase in sales in fiscal 2000 offsetting the increase in fiscal 2000 general and administrative expenses. General and administrative expenses as a percentage of net sales were largely unchanged for the nine months ended May 31, 2000, as compared to the same period in 1999, due to the increased level of net sales in fiscal 2000 offsetting the increase in fiscal 2000 general and administrative expenses.

Research, engineering, and technical support expenses decreased during the third quarter of fiscal 2000 as compared to the same period in fiscal 1999 due primarily to a decrease in independent consulting services for product development. Research, engineering, and technical support expenses increased for the nine months ended May 31, 2000 over that same period in fiscal 1999 due primarily to increases in independent consulting services for product development and travel. Research, engineering, and technical support expenses as a percentage of net sales decreased for the three and nine months ended May 31, 2000 compared to the same periods in fiscal 1999 due to the increase in sales in fiscal 2000 offsetting the increase in fiscal 2000 research, engineering, and technical support expenses.

CORPORATE JOINT VENTURES AND EUROPEAN HOLDING COMPANY - Net earnings from corporate joint ventures and European holding company were $626,247 and $1,823,718 for the three and nine months ended May 31, 2000, respectively, compared to $634,853 and $1,666,847 for the three and the nine months ended May 31, 1999. The net decrease for the three months ended May 31, 1999 compared to the same period in fiscal 1999 is due primarily to the aggregated decreased sales volume of the Company's corporate joint ventures. The net increase for the nine months ended May 31, 2000 compared to the same period in fiscal 1999 is due primarily to the aggregate increased sales volume of the Company's corporate joint ventures.

INCOME TAXES - Income tax expense for the three and nine months ended May 31, 2000 and 1999 was calculated based on management's estimate of the Company's annual effective income tax rate. The Company's effective income tax rate for fiscal 2000 and 1999 is lower than the statutory rate primarily due to the Company's equity in income of corporate joint ventures and European holding company being recognized based on after-tax earnings of these entities. To the extent joint venture's 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 May 31, 2000, the Company's working capital was $6,310,086, including $3,456,554 in cash and cash equivalents, compared to working capital of $5,471,523 including $2,750,209 in cash and cash equivalents as of August 31, 1999.

Net cash provided from operations has been sufficient to meet liquidity requirements, capital expenditures, research and development cost, and expansion of operations of the Company's joint ventures. Cash flows from operations for the nine months ended May 31, 2000 and 1999 was $1,840,975 and $1,072,554, respectively. The net cash flow from operations for the nine months ended May 31, 2000 resulted principally from net income, dividends received from corporate joint ventures, and an increase in accrued liabilities, offset by equity income of corporate joint ventures and European holding company and the payment of income taxes. The net cash flow from operations for the nine months ended May 31, 1999 resulted principally from net income offset by equity income of corporate joint ventures and European holding company and increased trade and joint venture receivables.

Net cash used in investing activities for the nine months ended May 31, 2000 was $457,317 which resulted from investments in joint ventures, additions to property and equipment, and an increase in other assets. Net cash used in investing activities for the nine months ended May 31, 1999 was $775,246 which resulted from investments in joint ventures and additions to property and equipment.

Net cash used in financing activities for the nine months ended May 31, 2000 was $677,313 which resulted from the payment of dividends to stockholders of $618,932 and the repurchase of common stock of $83,381 offset by proceeds from the exercise of stock options of $25,000. Net cash used in financing activities for the nine months ended May 31, 1999 of $561,385 resulted from the payment of dividends to stockholders of $581,104 and the repurchase of common stock of $79,119 offset by proceeds of $98,838 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 capital lease commitments at May 31, 2000.

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

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 agreed 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 and the corporate joint ventures 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 operations of the Company.

RECENT 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. This Statement 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. To date, the Company believes the adoption of SFAS No. 133 will not have a significant impact 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

27 Financial Data Schedule

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

July 13, 2000

/s/ Matjaz Korosec

Matjaz Korosec
Treasurer

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SEP-01-1999
MAY-31-2000
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