

**- For Immediate Release -**

## **Northern Digital Inc. Announces Strategic Alliance with Mednetix AG**

### **Venture Will Develop and Market Magnetic-Based Spatial Measurement Product**

WATERLOO, July 14 / -- Northern Digital Inc. (NDI) today announced that it has formed a strategic alliance with Mednetix AG of Switzerland. Finalized last December, the joint development and licensing agreement is a cooperative arrangement between Mednetix and NDI for the joint development of magnetic spatial measurement products. The venture will be directed toward the further development and commercialization of technology pioneered by Mednetix's two founders. Under the agreement, the two companies will jointly perform research, development and product commercialization activities resulting in the manufacture and sale of product in the year 2000. The agreement also provides for the ongoing advancement and augmentation of both the products and the base technology.

"This is an exciting time for both Mednetix and for our company. The magnetic system's non-line-of-sight measurement capabilities will add an entirely new dimension to NDI's product offerings," said David Crouch, President of Northern Digital. Mr. Crouch explained that, "Northern Digital's users will now have access to a variety of solutions from the same supplier. This innovative technology enables our customers to further develop their existing applications as well as seize upon a vast array of new ones."

Northern Digital, established in 1981, has an advanced technological base in spatial measurement systems. "This strategic alliance will effectively apply NDI's unique expertise and abilities in research, design, commercialization and sale," says Crouch. He adds that, "Combining the know-how of Mednetix and NDI will bring about the 'critical mass' of manufacturing, engineering and resources needed to provide the marketplace with a superior magnetic measurement product."

Northern Digital Inc., headquartered in Waterloo, Ontario, Canada, is the world's leading provider of advanced spatial measurement technology for such diverse applications as aerospace, robotics, human motion measurement, and the computer assisted medical device market. Its Internet address is <http://www.ndigital.com>. Mednetix AG, located in Villigen, Switzerland, was recently incorporated by Stefan Kirsch and Christian Schilling to commercially develop a magnetic-based spatial measurement technique derived from their research activities at Switzerland's Paul Scherrer Institut. Mednetix is on the Internet at <http://www.mednetix.ch>.