

For Immediate Release

NDI ACQUIRES LOCALIZER BUSINESS UNIT – CREATES NEW EUROPEAN OPERATIONS

WATERLOO, CANADA – February 27, 2001: Northern Digital Inc. (NDI) announced today the acquisition of the optical localizer business unit from Rohwedder Visotech GmbH (RWV) of Markdorf, Germany. This purchase significantly strengthens NDI's position in the worldwide localization business – providing critical components for image-guided neuro, spine and orthopaedic surgery.

NDI also announced that the newly acquired operations will serve as NDI's European Sales and Marketing office, and will operate under the name of NDI Europe GmbH.

David Crouch, President of NDI said, "Completing this transaction is very positive for NDI and our customers. In addition to strengthening our technology position, it allows NDI to establish a European Sales and Marketing office to serve our large and growing European customer base. It also enhances our overall capabilities through the addition of key personnel."

Mr. Crouch expects the new office will be fully operational by March 12, 2001. Crouch went on to say, "Our priority is to ensure that our customers are well looked after and that we are providing leadership in spatial measurement technology. Not only does this initiative enhance our support for our European customers, but the addition of key resources permits NDI to better serve our markets in North America and Asia."

A major aspect of this agreement involves the transfer of key components of RWV's technology, know-how and intellectual property. These elements will be incorporated into NDI's developments in order to provide the company's customers with significant advancements to its existing innovative solutions.

About NDI Europe GmbH

The new NDI Europe GmbH office is based in Markdorf, Germany and will be initially staffed by two employees dedicated to the marketing and support of NDI's products that have significant application in the medical field. Plans are underway to grow the office to support other NDI product lines and customer segments.

About Northern Digital

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, computer assisted surgery, robotics and human motion measurement.

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