



3280 Whipple Road, Union City, CA 94587 USA
Phone: +1 (510) 675-6200 Fax: +1 (510) 675-6300
ARBN 090 106 844

The Companies Section
The Australian Stock Exchange Limited
530 Collins Street
MELBOURNE VIC 3000

**STOCK EXCHANGE ANNOUNCEMENT
22 March 2004**

**Axon Instruments Announces Definitive Agreement to
be Acquired by Molecular Devices**

Union City, California 22 March 2004. Axon Instruments, Inc. (ASX : AXN) advises that the company has entered into a definitive agreement with Molecular Devices Corporation (Nasdaq : MDCC) a manufacturer of high-performance bioanalytical instruments based in Sunnyvale, California. Under the agreement, which is subject to the approval of both Axon Instruments and Molecular Devices shareholders, the entire issued capital of Axon Instruments will be acquired by Molecular Devices.

The terms of the definitive agreement place a valuation on Axon Instruments of effectively US\$140 million consisting of approximately US\$70 million in cash and approximately US\$70 million in Molecular Devices common stock, based on its current average stock prices.

Completion of the transaction is subject to customary closing conditions required in the United States. These include approval of the transaction by the shareholders of both Axon Instruments and of Molecular Devices, Hart-Scott-Rodino (anti-trust grounds) clearance and the effectiveness of a registration statement with the US Securities & Exchange Commission. It is anticipated that an Axon shareholder meeting to approve the transaction will be held in the 2nd quarter of 2004 and, subject to satisfaction of all conditions, the transaction is expected to be completed prior to 30 June 2004.

Key Features of the Transaction

The key features of the agreement with Molecular Devices are as follows:

- The total consideration to be paid to Axon Instruments' shareholders and option holders (other than options issued under Axon Instruments' employee option plans) will comprise approximately US\$70 million in cash and approximately US\$70 million in newly issued Molecular Devices' shares.
- Today's value of the effective offer price per Axon Instruments share is approximately US\$0.2718 (50% in cash and 50% in shares). The transaction is denominated in US\$ as both companies are US based corporations.
- Based on the exchange rate on 19 March 2004 of A\$1 equal to US\$0.7516, today's value of the effective offer price equates to A\$0.362 per Axon Instruments' share.
- Axon Instruments' shareholders (CUFS holders) will receive for each Axon share:
 - a) US\$0.1359 in cash (to a total of approximately US\$70 million for all shares); and
 - b) 0.00734 Molecular Devices shares [Stock Conversion Ratio] (to a total of approximately US\$70 million in newly issued Molecular Devices' shares for all shares).
- The Molecular Devices Stock Conversion Ratio was calculated utilizing US\$18.52 price per Molecular Devices share being the average price for the 10 trading days up to and including Thursday 18 March, 2004.
- The holders of Axon Instruments' unlisted options (non-employee options) will receive for each option held (net of the option exercise price) :
 - a) US\$0.06074 in cash, and
 - b) 0.00328 in Molecular Devices shares.
- Newly issued Molecular Devices shares will rank equally with all existing Molecular Devices shares and will be listed on Nasdaq upon issuance.

Under the terms of agreements entered into with Molecular Devices, key holders of approximately 29% of Axon Instruments shares have formally agreed to vote for the acquisition. Under US Corporations Law, 50.1% approval is required from shareholders of Axon Instruments and the approval of the holders of a majority of the shares of Molecular Devices common stock present in person or represented by proxy and entitled to vote at the special meeting of Molecular Devices shareholders is required for approval of the issuance of Molecular Devices shares in the acquisition.

The transaction price equates to a premium of 36.5% to the last trading price of Axon Instruments' shares, based on the closing share price of Axon Instruments' shares of A\$0.265 on Friday, 19 March, 2004 (the last trading day prior to signing the agreement).

Dr. Alan Finkel, Chief Executive Officer of Axon Instruments, said: "Molecular Devices' technological expertise, market presence, and excellent reputation makes it an ideal partner for Axon. This combination would enhance the visibility of Axon's products and accelerate the development of innovative new products, particularly in the areas of imaging and ion channel screening."

After the closing of the transaction, it is anticipated that Dr. Finkel will become Vice President and Chief Technology Officer of Molecular Devices, reporting to Dr. Joseph Keegan, who will remain President and Chief Executive Officer of Molecular Devices. As previously announced, Geoffrey Powell will retire from the position of President of Axon Instruments after the closing of the transaction.

A copy of the Molecular Devices press release relating to this acquisition is attached.

Conference Call Replay

A taped replay of the conference call held by Molecular Devices relating to the transaction will be available through April 2, 2004. The replay dial-in numbers are 888-203-1112 (US domestic) and 719-457-0820 (international) and the access code for the replay is 583884. Investors can also access a live web-cast of the call through a link posted on the investor page on Molecular Devices' website (www.moleculardevices.com). A replay of the web-cast will remain at this location through April 2, 2004.

About Axon Instruments, Inc.

Axon Instruments, Inc., (www.axon.com) produces a broad spectrum of instrumentation and software for cellular neurosciences, genomics, and cell-based screening. In cellular neurosciences and genomics, Axon is widely recognized as one of the world's pre-eminent manufacturers of drug discovery instrumentation. The company's goal is to produce a range of superior yet affordable instrument and software systems for drug discovery aimed at the pharmaceutical industry, biotechnology companies, and academic researchers. Founded in 1983 and located in Union City, California and Melbourne, Australia, Axon Instruments is a California corporation listed on the Australian Stock Exchange (symbol: AXN.AX).

About Molecular Devices Corporation

Molecular Devices Corporation is a leading developer of high-performance, bioanalytical measurement systems that accelerate and improve drug discovery and other life sciences research. Molecular Devices' systems and consumables enable pharmaceutical and biotechnology companies to leverage advances in genomics and combinatorial chemistry by facilitating the high-throughput and cost-effective identification and evaluation of drug technologies that integrate its expertise in engineering, molecular and cell biology, and chemistry. Molecular Devices enables its customers to improve research productivity and effectiveness, which ultimately accelerates the complex process of discovering and developing new drugs.

For more information:

Website: www.axon.com

David Kenley (Company Secretary) Telephone: +61 3 9860 5700