

"Big Easy" Knockoff Sellers Pay Callaway Golf; Court Date Set for Newport Golf and Jimmy Lin

CARLSBAD, Calif.--(BUSINESS WIRE)--May 30, 2003--Callaway Golf Company (NYSE: ELY) announced today that Shirley Tsou and GolfCo in Brea, California, as well as Alex Mowry and National Golf Liquidators of Oceanside and Anaheim, California, have agreed to a permanent injunction prohibiting them from selling "Big Easy" golf clubs or any other golf clubs that infringe Callaway Golf's intellectual property rights. In addition, these settling defendants will collectively pay Callaway Golf more than \$100,000 and will forfeit their inventories of infringing products. A lawsuit filed by Callaway Golf will now proceed to trial against the remaining defendants, including Jimmy Lin and Newport Golf of Anaheim, California.

The settlements with Tsou, GolfCo, Mowry and National Golf Liquidators resulted from a May 2002 court-ordered seizure of "Big Easy" and other knockoff golf clubs from Newport Golf in Anaheim, California. The May raid resulted in the seizure of 28,000 knockoff club heads and other components, as well as over 100,000 golf club medallions, extensive business records, and money kept in several bank accounts by Newport Golf and associated entities. As a result of the evidence seized during the raid, the Court entered a preliminary injunction confirming the seizures and preventing Newport Golf, Jimmy Lin and others from selling the clubs accused of violating Callaway Golf's intellectual property rights. The court has set a trial date in January 2004, at which time Callaway Golf will pursue further recoveries from Lin and Newport Golf.

"The people that distribute illegal copies of our golf clubs are taking unfair advantage of consumers, our retail customers, our employees and our shareholders," said Steve McCracken, Senior Executive Vice President and Chief Legal Officer of Callaway Golf. "We have settled this dispute with those people who were less involved and who have shown a willingness and desire to stop. On the other hand, we intend to pursue this case aggressively against Mr. Lin and his company, who we allege to be the main wrongdoers, seeking full recovery at trial."

Callaway Golf Company makes and sells Big Bertha(R) Metal Woods and Irons, including Great Big Bertha(R) II Titanium Drivers and Fairway Woods, Big Bertha Steelhead(R) III Stainless Steel Drivers and Fairway Woods, Hawk Eye(R) VFT(R) Tungsten Injected(TM) Titanium Irons, Big Bertha Stainless Steel Irons, Steelhead(R) X-16(TM) and Steelhead X-16 Pro Series Stainless Steel Irons, and Callaway Golf Forged Wedges. Callaway Golf Company also makes and sells Odyssey(R) Putters, including White Hot(R), TriHot(R), DFX(TM) and Dual Force(R) Putters. Callaway Golf Company makes and sells the Callaway Golf(R) HX(R) Blue and HX Red balls, the CTU 30(R) Blue and CTU 30 Red balls, the HX 2-Piece Blue and HX 2-Piece Red balls, the CB1(R) Blue and CB1 Red balls, and the Warbird(TM) golf balls. For more information about Callaway Golf Company, please visit our Web sites at www.callawaygolf.com and www.odysseygolf.com.

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SOURCE: Callaway Golf Company