



Cash Payments to Callaway Golf Exceed \$1 Million in Knockoff Case

CARLSBAD, Calif.--(BUSINESS WIRE)--July 31, 2003--Callaway Golf Company (NYSE: ELY) announced today that it has received an additional \$800,000 in cash settlements from a group of defendants charged with selling "Big Easy" golf clubs, bringing total cash settlements in the case to over \$1 million. In addition, the settling defendants have forfeited inventory with a retail value estimated at approximately \$1 million, released the balance of a seized bank account, and agreed to an injunction prohibiting them from infringing Callaway Golf's patent and trademark rights in the future.

The recent settlement was with Jimmy Lin, Wendy Peng, Shirley Lin, Wayne Chang, USA Besco and Newport Golf, importers and sellers of "Big Easy" golf clubs. Callaway Golf and licensed law enforcement officials had raided Newport Golf in Anaheim, California, in May of 2002, seizing golf club heads and other components, as well as business records and bank accounts. The case is scheduled for trial in January of 2004 against two remaining defendants. Callaway Golf is the owner of the well-known Big Bertha trademark.

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.

CONTACT:

Callaway Golf Company, Carlsbad
Larry Dorman or Steve McCracken, 760-931-1771

SOURCE: Callaway Golf Company