



Callaway Golf Responds to The USGA's Reversal On Driver COR Proposal

CARLSBAD, Calif., Aug 6, 2002 (BW SportsWire) -- Callaway Golf Company (NYSE:ELY) today expressed disappointment with the final ruling of the United States Golf Association (USGA) and Royal and Ancient Golf Club of St. Andrews, Scotland, (R&A) on the limiting of coefficient of restitution (COR) in driving clubs. The USGA had in May proposed jointly with the R&A to allow the use of high-COR drivers, except on the professional tours and in national Open Championships, for a period of five years beginning January 1, 2003.

Reversing its proposal, the USGA ruled today that its COR limit of .830 will remain in place for all golfers in the United States who wish to post a score for handicap purposes. The R&A, which previously had no limits on COR for either professionals or amateurs, will impose the .830 COR limit in its Open Championship and recommend its adoption by the major professional tours outside the U.S. beginning January 1, 2003. Amateur golfers in areas ruled by the R&A will have no limitations on COR until 2008.

"We are disappointed, but not surprised, with the USGA's decision not to go forward with the proposed compromise that it announced less than three months ago," said Ron Drapeau, President and CEO of Callaway Golf. "The USGA has been rigid in not allowing golfers in the U.S. to enjoy high COR drivers since it broke ranks with the R&A in 1998 and imposed the 0.830 limit. Despite data collected outside the U.S. -- where high COR drivers have been in use by amateurs and professionals for several years -- that show no harm to the game, the USGA has held firm to its arbitrary and unilaterally established COR limit.

"So, while Callaway Golf supported the proposed compromise both publicly and privately in the hope that things might change, we have planned our business to be prepared for this contingency. In addition to our leading market share of current conforming drivers, we have a new USGA-conforming driver in development that was released to some of our staff professionals at the Buick Open in Flint, Michigan, this week. We plan to bring that product to market after we complete a short testing program with our pros."

Mr. Drapeau added that Callaway Golf will take back any ERC(R) II Driver purchased by consumers during the Company's recent promotion and replace it with any new driver from Callaway Golf's current product line, including the Big Bertha C4(TM) Driver, the Hawk Eye(R) VFT(R) Titanium Driver and the Steelhead(TM) III Driver, no questions asked. Consumers may also keep the free dozen Callaway Golf HX(R) 2-piece Golf Balls they received as part of the ERC II promotion.

In addition to the Company's plans to bring to market in the U.S. a new USGA-conforming driver, Mr. Drapeau said the Company will proceed with plans to bring high COR drivers to consumers outside the United States.

"We have new products prepared for introduction outside the U.S. that will take full advantage of the absence of a COR restriction in R&A jurisdictions," Mr. Drapeau said. "I have personally tested this new driver, and I am very excited about it."

He continued, "Until we launch our new products, we will continue to offer our fine lineup of current drivers at prices that are lower than they have ever been for such superb technology. We regret that the USGA has acted in this manner, but we all need to go forward. Callaway Golf will continue to lead through all this, and we will continue to bring the best technology to American golfers that the USGA will allow. But I must say that it is very disappointing to me, personally as the CEO of an American company that my best products cannot be used by American golfers for handicap purposes. The real loser here is the American golfer who will not benefit from the additional enjoyment of the

game these products bring."

Callaway Golf Company makes and sells Big Bertha(R) Metal Woods and Irons, including Big Bertha C4(TM) Compression Cured Carbon Composite Drivers, Big Bertha ERC(R) II Forged Titanium Drivers, Big Bertha ERC Forged Titanium Fairway Woods, Big Bertha Hawk Eye(R) VFT(R) and Big Bertha Hawk Eye VFT Pro Series Titanium Drivers and Fairway Woods, Big Bertha Steelhead(TM) III Stainless Steel Drivers and Fairway Woods, Hawk Eye VFT Tungsten Injected(TM) Titanium Irons, Big Bertha Stainless Steel Irons, Steelhead X-14(R) and Steelhead X-14 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), 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(TM) 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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