



Callaway Golf Has Record Year in Global Counterfeit Crackdowns

CARLSBAD, Calif.--(BUSINESS WIRE)--Jan. 26, 2004--Callaway Golf (NYSE: ELY) set Company records in 2003 in the successful global pursuit of counterfeiters, knockoff artists and other violators of Callaway Golf patents, copyrights and trademarks.

Using the civil courts and a wide variety of local, national and international law enforcement agencies, Callaway Golf conducted enforcement actions in 11 countries resulting in the seizure or forfeiture of more than 37,000 counterfeit or infringing golf clubs, components, shirts, bags and other items. In all, the Company recovered more than \$1 million in cash from businesses that had sold golf clubs or components that infringed Callaway Golf's intellectual property. In an enforcement breakthrough, the Company also supported law enforcement in obtaining a criminal conviction of a U.S.-based seller of counterfeits on eBay after an investigation that led authorities back to a supplier in China.

"We hope this list of enforcement successes sends a message, loud and clear, to those who think they can get away with stealing our intellectual property -- we will pursue them and prosecute them," said Steve McCracken, Senior Executive Vice President and Chief Legal Officer of Callaway Golf. "Callaway Golf is known worldwide for making premium products with superior performance attributes, and we owe it to our customers and consumers to protect them from imposters."

The Callaway Golf 2003 enforcement effort spanned the globe, resulting in successful operations in the United States, Japan, Thailand, People's Republic of China, Taiwan, Hong Kong, Denmark, Spain, Australia, Canada and the United Kingdom. Assists came from a variety of law enforcement agencies, including the U.S. Department of Homeland Security, which seized many sets of counterfeit "Callaway Golf" clubs imported from China into Anchorage, Alaska, as well as Customs authorities in Spain, who seized 200 knock-offs of the Odyssey(R) White Hot(R) 2-Ball Putter.

In New York State, a Callaway Golf investigation of counterfeit golf club sales on eBay.com resulted in the successful criminal prosecution of an Erie County, New York resident and the subsequent raid of a factory in China. To avoid a more serious charge related to his sales, William Meyers of Clarence Center, NY, pleaded guilty to misdemeanor attempted counterfeiting. The counterfeit clubs Mr. Meyers offered were tracked to Joyheart Golf Appliance Co. Ltd. in Xiamen City, China. Supported by Callaway Golf investigators and attorneys, Chinese authorities raided Joyheart in an operation that netted over 700 counterfeit "Callaway" golf clubs and components.

The Company also devoted considerable resources around the world to protecting its best-selling Odyssey White Hot 2-Ball Putter. In March 2003, faced with legal action, Japan-based golf club sellers Kabushiki Kaisha Maruzen ("K.K. Maruzen") and Kabushiki Kaisha Seima ("K.K. Seima") ceased the sale of their "White Shot New Wave Twin Ball" putter, a copy of the Odyssey White Hot 2-Ball Putter. In November 2003, International Golf Warehouse of Orlando, Florida, agreed to injunctions prohibiting it from selling 2-Ball knock-offs, forfeited its extensive inventory of illegal Callaway Golf copies, and paid Callaway Golf an undisclosed amount of money.

Callaway Golf continued its efforts to detect and stop Internet sellers of counterfeit golf clubs, shutting down more than 650 auctions of counterfeits and illegal copies on several major Internet auction sites, including eBay.com.

In another notable effort to protect its intellectual property, Callaway Golf led the golf industry by obtaining 102 new U.S. patents and 130 trademark registrations worldwide. Callaway Golf believes that the number of U.S. patents issued to the Company is the largest number of U.S. patents issued in 2003 in the golf industry and is second only to Qualcomm among companies headquartered in San Diego County.

Callaway Golf Company makes and sells Big Bertha(R) Metal Woods and Irons, including ERC(R) Fusion(R) Drivers, Great Big Bertha(R) II Titanium Drivers and Fairway Woods, Great Big Bertha II 415 Titanium Drivers, Big Bertha Titanium Drivers and Big Bertha Stainless Steel Fairway Woods, Hawk Eye(R) VFT(R) Tungsten Injected(TM) Titanium Irons, Big Bertha Stainless Steel Irons, Steelhead X-16(R) and Steelhead X-16 Pro Series Stainless Steel Irons, Callaway Golf Forged+ Wedges and Callaway Golf Forged Wedges. Callaway Golf Company also makes and sells Odyssey(R) Putter, including White Hot(R), TriHot(R), DFX(R) and Dual Force(R) Putter. Callaway Golf Company makes and sells the Callaway Golf(R) HX(R) Tour balls, HX Blue and HX Red balls, Big Bertha(TM) Blue and Big Bertha Red balls, and the Warbird(TM) balls. Callaway Golf also owns and operates The Top-Flite Golf Company, a wholly owned subsidiary that includes the Top-Flite(R), Strata(R) and Ben Hogan(R) brands. For more information about Callaway Golf Company, please visit our websites at www.callawaygolf.com, www.topflite.com and www.odysseygolf.com.

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