



Callaway Golf Responds To USGA Handicap Announcement

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CARLSBAD, CA, December 11, 2000, Callaway Golf Company (NYSE:ELY) Chairman and CEO Ely Callaway today responded to the United States Golf Association announcement of December 8, 2000, which stated that scores in rounds played with non-conforming golf clubs can not be posted for USGA handicap.

"The USGA's announcement of December 8, 2000 was disappointing," Mr. Callaway said. "I find it hard to understand why the USGA has chosen to go to such lengths to reaffirm that non-conforming drivers are not to be used in posting scores for handicap purposes. It is even harder for all of us at the Company to understand why the USGA would do this while ignoring other infractions of the 'Principles of the Rules of Golf' – such as the use of rangefinders, first-tee mulligans and 'gimme' putts – all of which are rules infractions that the USGA ignores for handicap purposes.

"It further confounds all of us that modern drivers like our ERC II Drivers – which are deemed by the USGA as being so good that they 'threaten the game' and which, therefore, would theoretically lower the user's handicap – are singled out as not being acceptable for handicap purposes."

Mr. Callaway continued, "For the record, we agree with the USGA that the ERC™ II Driver does not conform with the current USGA Rules regarding the design limitations on driver performance. We have, since the club's introduction on October 18, 2000, clearly marked and identified all ERC II Drivers for sale in the U.S. as non-conforming to USGA rules. While we believe the USGA rule in question to be outdated, outmoded, elitist and destructive to the ongoing health of the game, we clearly acknowledge the rule as it currently stands.

"And we would like to restate at this time that Callaway Golf makes the best drivers that do conform to USGA Rules – the Hawk Eye® VFT™ Driver, which also was introduced on October 18, 2000. With the VFT Driver we believe we meet the needs of the USGA and those who choose to strictly follow the rules of golf as published by the USGA."

Chuck Yash, Vice Chairman of the Board and Senior Executive Vice President in charge of the directing Callaway Golf's efforts to "Grow the Game" stated, "This action by the USGA will not have a healing effect on the divisions that have arisen in the game. Beginning in November of 1998, the USGA broke away from the Royal and Ancient Golf Club of St. Andrews, Scotland, and independently established new and different design limitations for drivers in the United States. These restrictions were intended to put the same "distance" limitations off the tee for all golfers, regardless of skill, age or gender. When the R&A – which makes the rules for golfers everywhere outside the U.S., Canada and Mexico – concluded earlier this year, after much careful scientific study, that no such driver distance restrictions should be imposed within R&A jurisdiction, the USGA stubbornly clung to its divisive and unnecessary restriction on drivers in the U.S."

Mr. Yash continued, "At Callaway Golf, we hope to grow the game. But golf in 2000 is in a no-growth condition in the U.S. Despite Tiger Woods' positive impact on TV ratings for golf, and the record number of new facilities being built, there has been no growth in the number of rounds played this year. We recognize the need to make golf more enjoyable for new and infrequent golfers. We believe that the small group of highly skilled golfers that comprises the USGA Executive Committee should take the millions of higher handicap golfers – men and women, old and young – more into account. Rather than focusing on ways to constrict the game – like placing more restrictions on the posting of handicaps – we should all be looking for ways to make the game more inclusive and more fun."

Callaway Golf Company makes and sells Big Bertha® Metal Woods and Irons, including Big Bertha ERC™ II Forged Titanium Drivers, Big Bertha Hawk Eye® VFT™ Titanium Drivers and Fairway Woods, Great Big Bertha® Hawk Eye Titanium Drivers and Fairway Woods, Big Bertha Steelhead Plus™ Stainless Steel Drivers and Fairway Woods, Hawk Eye Tungsten Injected™ Titanium Irons, Steelhead™ X-14® and Steelhead X-14 Pro Series Stainless Steel Irons, and Bobby Jones® and Carlsbad Series™ Putters. Callaway Golf Company also makes and sells Odyssey® Putters, including White Hot™, TriHot™, and Dual Force® Putters. Callaway Golf Ball Company, a wholly-owned subsidiary of Callaway Golf Company, makes and sells the Callaway Golf® Rule 35™ Firmfeel™ and Softfeel™ golf balls. For more information about Callaway Golf Company, please visit our Web sites at www.callawaygolf.com, www.callawaygolfball.com and www.odysseygolf.com.