



Callaway Golf Acquires Stock of FrogTrader, Inc.

CARLSBAD, Calif.--(BUSINESS WIRE)--July 8, 2004--Callaway Golf Company (NYSE:ELY) announced today it has acquired all of the stock of FrogTrader, Inc., which had operated under the name Trade Up Commerce. FrogTrader has partnered with Callaway Golf and its participating retailers for the past two years to develop the industry-leading Trade In! Trade Up!(R) program. FrogTrader is an e-commerce company that develops certified pre-owned golf club purchase and sale programs to buy and sell used and refurbished golf clubs.

Under the Trade In! Trade Up! program, Callaway Golf consumers receive trade-in allowances on their previously owned Callaway Golf clubs toward the purchase of new Callaway Golf clubs. The previously owned products are either kept and sold by the participating retailers or are sent to Callaway Golf Pre-Owned where they are marketed in the direct channel. The option to trade in used clubs has become very popular with consumers looking to upgrade their Callaway Golf equipment, and the ability to purchase used Callaway Golf clubs on line has become a less expensive alternative for consumers seeking to purchase Callaway Golf products.

"The introduction of Callaway Golf's unique Trade In! Trade Up! program has provided incremental sales to our participating retailers and at the same time given an opportunity to an additional segment of consumers to have access to previously owned Callaway Golf technology at extremely attractive prices," said Ron Drapeau, Chairman and CEO of Callaway Golf. "The closer affiliation will better position Callaway Golf to stimulate purchases of new clubs by growing the Trade In! Trade Up! program, and also will allow Callaway Golf to better manage the distribution of its pre-owned golf clubs and the Callaway Golf brand."

"The emergence of the Internet as an efficient method of offering pre-owned Callaway Golf products to an expanded consumer base has both enlarged the Callaway Golf consumer base and grown the Callaway Golf value chain for participating Callaway Golf retailers," said Patrice Hutin, President and COO of Callaway Golf. "This vehicle works hand in hand with existing brick and mortar retailers in support of growing the Callaway Golf brand as well as their own businesses."

FrogTrader's operations will remain in Austin, Tex., and its management team will remain intact.

Callaway Golf Company makes and sells Big Bertha(R) Metal Woods and Irons, including ERC(R) Fusion(R) Drivers and Fairway Woods, 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, Game Enjoyment System(TM) (GES(TM)), Callaway Golf Forged+ Wedges and Callaway Golf Forged Wedges, and Callaway Golf Tour Blue(TM) Putters. Callaway Golf Company also makes and sells Odyssey(R) Putters, including White Hot(R), TriHot(R), DFX(R) and Dual Force(R) Putters. 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.

CONTACT:

Callaway Golf Company
Larry Dorman or Patrice Hutin, 760-931-1771

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