

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

July 22, 2004
Date of Report (Date of Earliest Event Reported)

CALLAWAY GOLF COMPANY
(Exact Name of Registrant as Specified in its Charter)

DELAWARE (State or Other Jurisdiction of Incorporation)	1-10962 (Commission File Number)	95-3797580 (I.R.S. Employer Identification No.)
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2180 Rutherford Road
Carlsbad, CA 92008-7328
(Address of Principal Executive Offices)

(760) 931-1771
(Registrant's Telephone Number, Including Area Code)

Item 9. Regulation FD Disclosure.*

On July 22, 2004, Callaway Golf Company issued a press release captioned "Callaway Golf Announces Results for Second Quarter and First Six Months of 2004." A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

Item 12. Results of Operations and Financial Condition.*

On July 22, 2004, Callaway Golf Company issued a press release captioned "Callaway Golf Announces Results for Second Quarter and First Six Months of 2004." A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

* The information furnished under Item 9 and Item 12 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 22, 2004

CALLAWAY GOLF COMPANY

By: /s/ Bradley J. Holiday

Name: Bradley J. Holiday
Title: Senior Executive Vice President
and Chief Financial Officer

Exhibit Index

Exhibit Number

Description of Exhibit

99.1	Press release dated July 22, 2004, captioned "Callaway Golf Announces Results for Second Quarter and First Six Months of 2004."
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Callaway Golf Announces Results for Second Quarter and First Six Months of 2004

CARLSBAD, Calif.--(BUSINESS WIRE)--July 22, 2004--Callaway Golf Company (NYSE:ELY) today announced its financial results for the quarter ended June 30, 2004, reporting consolidated net sales of \$297.9 million, including \$2.0 million in net sales from the Company's newly acquired subsidiary, FrogTrader, Inc. Consolidated net income was \$13.7 million, and fully diluted earnings per share were \$0.20 on 68.4 million shares. Reported net income and earnings per share were reduced by \$6.7 million and \$0.10, respectively, due to charges associated with the integration of the Top-Flite operations acquired in late 2003. Excluding these charges, the Company's pro forma net income was \$20.4 million, and pro forma fully diluted earnings per share were \$0.30, compared with previous company guidance of between \$0.19 and \$0.23 and "analyst consensus" estimates of \$0.22 (both of which also exclude integration charges). Reported net sales, net income and fully diluted earnings per share for the same quarter in 2003 were \$242.1 million, \$34.1 million and \$0.52 on 66.1 million shares, respectively.

"Net income and earnings per share exceeded our earlier guidance in large part due to the delay of certain expenses expected in the second quarter," said Ron Drapeau, Chairman and CEO. "We also benefited from the inclusion of revenues and earnings from FrogTrader, Inc. Both of these items were planned for inclusion in the full year estimates previously provided."

For the six months ended June 30, 2004, the Company reported consolidated net sales of \$661.7 million, consolidated net income of \$54.3 million, and fully diluted earnings per share of \$0.79 on 68.4 million shares. Reported net income and earnings per share for the six-month period were reduced by \$9.9 million and \$0.15, respectively, due to charges associated with the integration of the Top-Flite operations acquired in late 2003. Excluding these charges, the Company's pro forma net income for the six-month period was \$64.2 million, and pro forma fully diluted earnings per share were \$0.94. Reported net sales, net income and fully diluted earnings per share for the same period in 2003 were \$513.8 million, \$76.6 million and \$1.16 on 66.0 million shares, respectively.

For more details, including pro forma reconciliations to assist in year-over-year comparison, please see the attached "Supplemental Financial Information."

Sales by product group were as follows:

2004 Sales By Product
(\$'s - millions)

	Second Quarter		Year-to-Date	
	Net Sales	% Change vs. 2003	Net Sales	% Change vs. 2003
Woods	\$75.5	(2%)	\$199.3	17%
Irons	87.0	1%	183.5	(2%)
Putters	29.2	(37%)	66.1	(27%)
Golf Balls	74.5	378%	146.6	401%
Accessories, other	31.7	82%	66.2	79%
	-----		-----	
Total	\$297.9	23%	\$661.7	29%
	=====		=====	

In accordance with the Company's usual dividend practice, the next dividend will be determined by the Board of Directors at its August meetings.

BUSINESS OUTLOOK

In light of SEC Regulations, the Company elects to provide certain forward-looking information in this press release. These statements are based on current information and expectations, and actual results may differ materially. The Company undertakes no obligation to update this information. Except as specifically noted, the Company's earnings estimates exclude any special charges or gains. See additional disclaimers below.

The Company is not changing its guidance for the full year even though its results for the second quarter exceeded expectations. As

noted above, the second quarter results were affected favorably by the timing of certain expenses, revenues and earnings. The Company still expects annual results for 2004 to be within the ranges provided in its previous guidance of June 15, 2004 (see the attached "Supplemental 2004 Forecast Information"). Estimated net sales for the year are expected to be between \$975 and \$990 million, with fully diluted earnings per share between \$0.15 and \$0.25, including estimated integration charges of approximately \$0.25 per share. This annual guidance includes expected total losses at Top-Flite of between \$0.10 and \$0.14 per share. Company gross profits including integration charges are expected to be in the 41% range (the 43% range excluding integration charges), again reflecting the impact of lower margin Top-Flite sales and expenses associated with new Callaway Golf sales programs planned for the second half of the year, including reduced pricing on some products. Third quarter net sales are projected to be about \$150-\$160 million with losses estimated at \$0.37-\$0.42 per share.

For additional details concerning the Company's current forecasts, please refer to the attachment "Supplemental 2004 Forecast Information" included at the end of this press release. Whether the Company hits, exceeds or misses these expectations will depend upon a number of factors, including business conditions in general, the competitive actions of other manufacturers, and the success of the Company's planned sales programs and other efforts.

The Company will be holding a conference call at 2:00 p.m. PDT on July 22, 2004, which will be hosted by Ronald A. Drapeau, Chairman and CEO, and Bradley J. Holiday, Senior Executive Vice President and Chief Financial Officer. The call will be broadcast live over the Internet and can be accessed at www.callawaygolf.com. To listen to the call, please go to the website at least 15 minutes before the call to register and for instructions on how to access the broadcast. A replay of the conference call will be available approximately two hours after the conclusion of the conference call. The replay may be accessed through the Internet at www.callawaygolf.com or by telephone by calling 1-800-642-1687 toll free for calls originating within the United States or 706-645-9291 for International calls. The replay pass code is 8739068 and the replay will be available through 5:00 p.m. PDT on July 29, 2004.

Disclaimers

Forward-Looking Statements: Statements used in this press release that relate to future plans, events, financial results or performance, including statements relating to the amount and timing of estimated sales, gross margins and earnings and other statements in the Business Outlook section of the press release, as well as the information contained in the Supplemental 2004 Forecast Information, are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. These statements are based upon current information and expectations. Actual results may differ materially from those anticipated as a result of certain risks and uncertainties, including but not limited to adverse market and economic conditions, market acceptance of current and future products, adverse weather conditions and seasonality, competitive pressures, fluctuations in foreign currency exchange rates, delays, difficulties or increased costs in the manufacturing of the Company's golf club or ball products, or in the procurement of materials or resources needed to manufacture the Company's golf club or ball products, any actions taken by the USGA or other golf association that could have an adverse impact upon demand for the Company's products, and the effect of terrorist activity or armed conflict on the economy generally, on the level of demand for the Company's products or on the Company's ability to manage its supply and delivery logistics in such an environment. For additional information concerning these and other risks and uncertainties, see Part I, Item 2 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004, as well as other risks and uncertainties detailed from time to time in the Company's reports on Forms 10-K, 10-Q and 8-K subsequently filed from time to time with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

"Analyst Consensus" Estimates: Analyst consensus estimates repeated in this press release are based upon the public reports of Thomson First Call and are provided for informational purposes only. The Company does not support, endorse or otherwise adopt the estimates of analysts, either individually or as a group. The use of an analyst consensus estimate in this release or otherwise does not suggest or imply that the Company believes that such estimate provides a

reasonable basis for evaluating, measuring or predicting the Company's performance.

Regulation G: The financial results reported in this press release have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). In addition to the GAAP results, the Company has also provided additional information concerning its results, which includes certain financial measures not prepared in accordance with GAAP. The non-GAAP financial measures included in this press release exclude the 2004 after-tax charges associated with the integration of the Top-Flite Golf business acquired in late 2003. They also report the results of the Callaway Golf and Top-Flite operations each on a stand-alone basis, although such operations are not reportable business segments. These non-GAAP financial measures should not be considered a substitute for any measure derived in accordance with GAAP. These non-GAAP financial measures may also be inconsistent with the manner in which similar measures are derived or used by other companies. Management believes that the presentation of such non-GAAP financial measures, when considered in conjunction with the most directly comparable GAAP financial measures, provides useful information to investors by permitting additional relevant period-to-period comparisons of the historical operations of the Callaway Golf business excluding the operations of the recently acquired Top-Flite Golf business, as well as information concerning operations notwithstanding the Top-Flite integration charges. For certain non-GAAP financial measures, the Company has provided Supplemental Financial Information as an attachment to this press release which reconciles those non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP. In other circumstances, the reconciling information is presented in the text of this press release.

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(R) balls. Callaway Golf also owns and operates The Top-Flite Golf Company, a wholly owned subsidiary that includes the Top-Flite(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.

Callaway Golf Company
Consolidated Condensed Statement of Operations
(In thousands, except per share data)
(Unaudited)

	Quarter Ended June 30,			
	2004		2003	
	-----	-----	-----	-----
Net sales	\$297,908	100%	\$242,077	100%
Cost of goods sold	170,072	57%	115,583	48%
	-----		-----	
Gross profit	127,836	43%	126,494	52%
Operating expenses:				
Selling	74,496	25%	53,164	22%
General and administrative	21,834	7%	14,629	6%
Research and development	7,559	3%	6,242	3%
	-----		-----	
Total operating expenses	103,889	35%	74,035	31%
Income from operations	23,947	8%	52,459	22%
Other income (expense), net	(1,592)		1,472	
	-----		-----	
Income before income taxes	22,355	8%	53,931	22%
Income tax provision	8,640		19,788	
	-----		-----	
Net income	\$13,715	5%	\$34,143	14%
	=====		=====	

Earnings per common share:				
Basic	\$0.20		\$0.52	
Diluted	\$0.20		\$0.52	
Weighted-average shares outstanding:				
Basic	67,788		65,804	
Diluted	68,368		66,146	
	Six Months Ended June 30,			
	----- 2004		2003 -----	
	-----		-----	
Net sales	\$661,694	100%	\$513,796	100%
Cost of goods sold	367,667	56%	249,465	49%
	-----		-----	
Gross profit	294,027	44%	264,331	51%
Operating expenses:				
Selling	145,691	22%	102,064	20%
General and administrative	44,695	7%	28,470	6%
Research and development	15,668	2%	12,914	3%
	-----		-----	
Total operating expenses	206,054	31%	143,448	28%
Income from operations	87,973	13%	120,883	24%
Other income (expense), net	(1,321)		288	
	-----		-----	
Income before income taxes	86,652	13%	121,171	24%
Income tax provision	32,392		44,550	
	-----		-----	
Net income	\$54,260	8%	\$76,621	15%
	=====		=====	
Earnings per common share:				
Basic	\$0.80		\$1.16	
Diluted	\$0.79		\$1.16	
Weighted-average shares outstanding:				
Basic	67,536		65,770	
Diluted	68,367		66,036	

Callaway Golf Company
Consolidated Condensed Balance Sheet
(In thousands)
(Unaudited)

	June 30 2004	Dec. 31, 2003
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$35,745	\$47,340
Accounts receivable, net	261,065	100,664
Inventories, net	154,561	185,389
Deferred taxes	36,304	36,707
Other current assets	14,045	13,362

Total current assets	501,720	383,462
Property, plant and equipment, net	145,271	164,763
Intangible assets, net	178,793	169,851
Deferred taxes	7,997	12,289
Other assets	16,826	18,201

	\$850,607	\$748,566
	=====	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$100,309	\$79,787
Accrued employee compensation and benefits	30,567	25,544
Accrued warranty expense	13,468	12,627
Income taxes payable	8,859	11,962
Line of credit	20,000	-
Other current liabilities	53	240

Total current liabilities	173,256	130,160
Long-term liabilities	28,811	29,023
Shareholders' equity	648,540	589,383

Callaway Golf Company
Supplemental 2004 Financial Information
(In thousands, except per share data)
(Unaudited)

	Quarter Ended June 30,				
	2004		2003(a)		
	Callaway Golf	Top-Flite Golf	Integration Charges	Total	Total
Net sales	\$227,485	\$70,423	\$ -	\$297,908	\$242,077
Gross profit	110,321	23,383	(5,868)	127,836	126,494
% of sales	48%	33%	n/a	43%	52%
Operating expenses	75,259	23,810	4,820	103,889	74,035
Income from operations	35,062	(427)	(10,688)	23,947	52,459
Other income (expense), net	(1,908)	316	-	(1,592)	1,472
Income before income taxes	33,154	(111)	(10,688)	22,355	53,931
Income tax provision	12,696	(38)	(4,018)	8,640	19,788
Net income	\$20,458	\$(73)	\$(6,670)	\$13,715	\$34,143
Diluted earnings per share	\$0.30	\$0.00	\$(0.10)	\$0.20	\$0.52
Weighted-average shares outstanding	68,368	68,368	68,368	68,368	66,146

	Six Months Ended June 30,				
	2004		2003(a)		
	Callaway Golf	Top-Flite Golf	Integration Charges	Total	Total
Net sales	\$524,769	\$136,925	\$ -	\$661,694	\$513,796
Gross profit	256,382	46,983	(9,338)	294,027	264,331
% of sales	49%	34%	n/a	44%	51%
Operating expenses	152,962	46,634	6,458	206,054	143,448
Income from operations	103,420	349	(15,796)	87,973	120,883
Other income (expense), net	(1,735)	414	-	(1,321)	288
Income before income taxes	101,685	763	(15,796)	86,652	121,171
Income tax provision	38,012	285	(5,905)	32,392	44,550
Net income	\$63,673	\$478	\$(9,891)	\$54,260	\$76,621
Diluted earnings per share	\$0.93	\$0.01	\$(0.15)	\$0.79	\$1.16
Weighted-average shares outstanding	68,367	68,367	68,367	68,367	66,036

(a) During the latter part of 2003, the Callaway Golf Company completed the acquisition of substantially all of the golf-related assets of the Top-Flite Golf Company. Therefore, the results reported for the periods ended June 30, 2003 are representative of the Callaway Golf and Odyssey brand operations and do not include Top-Flite Golf operating results and the related integration charges.

	Callaway Golf	Top- Flite	On-Going Operations	Integration	Total(a)
Net sales	\$772.5	\$210.0	\$982.5	\$0.0	\$975-\$990
Gross profit % of sales	348.8 45%	71.5 34%	420.3 43%	(15.2) N/A	405.1 41%
Operating expenses	281.6	85.2	366.8	12.9	379.7
Income from operations	67.2	(13.7)	53.5	(28.1)	25.4
Other income (expense), net	(2.4)	-	(2.4)	-	(2.4)
Income before income taxes	64.8	(13.7)	51.1	(28.1)	23.0
Net income	\$39.4	(\$8.3)	\$31.1	(\$17.1)	\$14.0
Diluted earnings per share	\$0.57	(\$0.12)	\$0.45	(\$0.25)	\$0.15 - \$0.25
Weighted average shares outstanding	68.5	68.5	68.5	68.5	68.5

(a) The Company's estimated results are based upon an estimated range for each line item shown in this chart. For purposes of illustration only, however, the Company has provided what is generally the mid-point of the estimated ranges, except with respect to Total Net Sales and Total Diluted Earnings Per Share. The Company's actual results for a line item may differ from the mid-point and still be within the Company's estimated range.

ESTIMATES ARE BASED UPON CURRENT INFORMATION AND EXPECTATIONS; ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THESE ESTIMATES AS A RESULT OF CERTAIN RISKS AND UNCERTAINTIES AS DESCRIBED IN THE ACCOMPANYING PRESS RELEASE AND DISCLAIMER.

CONTACT: Callaway Golf Company
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