

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

April 23, 2003
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 7. EXHIBITS.

(c) Exhibits:

The following exhibits are filed with this report on Form 8-K:

Exhibit No. -----	Description -----
99.1	Press release, dated April 23, 2003, captioned "Callaway Golf Exceeds Estimates With First Quarter Results; Estimates For The Year Remain Unchanged."

ITEM 9. REGULATION FD DISCLOSURE AND ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.*

The following information and the exhibit relating thereto are furnished pursuant to Item 9 and Item 12 of this Current Report on Form 8-K.

On April 23, 2003, Callaway Golf Company issued a press release announcing its financial results for the first quarter ended March 31, 2003. A copy of the press release is attached hereto as Exhibit 99.1.

*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.

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: April 23, 2003

CALLAWAY GOLF COMPANY

By: /S/ BRADLEY J. HOLIDAY

Bradley J. Holiday
Executive Vice President
and Chief Financial Officer

Exhibit Index

99.1 Press release, dated April 23, 2003, captioned "Callaway Golf Exceeds Estimates With First Quarter Results; Estimates For The Year Remain Unchanged."

Callaway Golf Exceeds Estimates with First Quarter Results; Estimates for the Year Remain Unchanged

CARLSBAD, Calif.--(BUSINESS WIRE)--April 23, 2003--Callaway Golf Company (NYSE:ELY) today announced its financial results for the first quarter ended March 31, 2003, announcing a 42% year-over-year increase in diluted earnings per share on a 6% increase in sales. The Company reported net sales of \$271.7 million, compared to \$256.7 million during the same quarter in 2002. Foreign currency exchange rates favorably impacted net sales for the first quarter by approximately \$11.9 million. Net income during the first quarter increased to \$42.5 million, versus \$30.7 million for the same quarter last year, an increase of 38%. Earnings per diluted share increased to \$0.64, compared to \$0.45 for the same quarter last year. Net sales achieved the target of \$270 million set by the Company in its previous guidance, and earnings per share exceeded the guidance of \$0.54 per share by \$0.10.

"We are pleased with our first quarter results," said Ron Drapeau, Chairman, President and CEO. "Despite problems in the key economies around the world, the outbreak of war in Iraq, and severe bad weather in much of the United States, our shipments were strong. We also managed expenses under prior year levels and benefited from favorable foreign currency exchange rates. We maintained our #1 market share position in the U.S. in woods, irons and putters. Moreover, we have been able to achieve some major successes on tour, with several weeks where our brand recaptured the #1 position in drivers overall on the world's major professional tours, and our Great Big Bertha II Pro Series Driver has often earned the distinction as the #1 driver model on the tours as a whole, and on the U.S. PGA Tour in particular. Callaway Golf golf balls continued as the #2 brand of golf balls in play on the major professional tours."

SALES BY PRODUCT AND REGION

First Quarter - 2003

	Net Sales (\$ Millions)	% Change vs 2002
Woods	\$92.9	(12%)
Irons	\$96.2	15%
Golf Balls	\$13.7	(39%)
Putters	\$44.9	75%
Accessories, Other	\$24.0	22%
TOTAL	\$271.7	6%
United States	\$149.3	(1%)
International	\$122.4	16%
TOTAL	\$271.7	6%

Brad Holiday, Executive Vice-President and Chief Financial Officer stated, "We are particularly pleased to report gross margins in the first quarter of 51%, compared with 50% for the first quarter last year. In addition, operating expenses for the quarter were reduced to 26% of net sales, versus 31% for the same quarter last year. Operating income increased 36%, and our balance sheet remains strong with a 21% increase in cash and 17% reduction in inventory versus last year."

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

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. The Company's earnings estimates exclude any special charges or gains. See further disclaimer below.

"While we are still targeting our previous estimates of annual net sales of approximately \$792 million and earnings of about \$0.88 per share, we would be remiss if we did not tell you that this year is anything but normal and that business will be anything but easy," reported Mr. Drapeau. "For one thing, we do not think that sales will

follow normal seasonal patterns where the second quarter tends to be very large and the fourth quarter very small. With our products well positioned at retail due to good sell-in during the first quarter, sales in the second quarter will be largely driven by consumer confidence. The war in Iraq will almost certainly continue to dampen consumer confidence in the U.S., our largest market, Europe and elsewhere in the second quarter. In addition, it currently appears that concerns over SARS could seriously impact business not only in Asia, but also in other countries, including Canada. These global issues may mean that some of the normal second quarter business may be impacted or delayed until the third or even the fourth quarters when things hopefully return more to normal and consumer confidence improves. We cannot predict how or if this shift in business will materialize, and therefore are not providing quarterly guidance. In this environment, we do not think that quarterly guidance is meaningful, nor do we think that investors should attempt to measure us based upon such volatile, short-term targets. Instead, we will continue to provide guidance for the year, with the caveat that quarterly results may likely vary in relative terms from previous years."

"Over the longer term we continue to target net sales growth, on average, in the low single digits overall, and growth in earnings per share in the low double digits," continued Mr. Drapeau. "Consistent with our strategic plan, 2003 continues to be a year where we will be funding investments and programs aimed at achieving this longer range growth expectation."

The Company will be holding a conference call at 2:00 p.m. PDT today, which will be hosted by Ronald A. Drapeau, Chairman, CEO and President, and Bradley J. Holiday, 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 (800) 642-1687 toll free for calls originating within the United States or (706) 645-9291 for International calls. The replay pass code is 9689911 and the replay will be available through 5:00 p.m. PDT, on Wednesday, April 30, 2003.

Disclaimer: Statements used in this press release that relate to future plans, events, financial results or performance, including statements relating to estimated sales and earnings and other statements in the Business Outlook section of the press release, 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, the effect of SARS in Asia and elsewhere around the world, 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 II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2002, 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.

Callaway Golf Company makes and sells Big Bertha(R) Metal Woods and Irons, including Great Big Bertha(R) II 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-16(TM) and Steelhead X-16 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), DFX(TM) 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(R) 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.

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

	Quarter Ended March 31,			
	2003		2002	
	-----	-----	-----	-----
Net sales	\$271,719	100%	\$256,708	100%
Cost of goods sold	133,882	49%	127,957	50%
Gross profit	137,837	51%	128,751	50%
Operating expenses:				
Selling	48,901	18%	57,299	22%
General and administrative	13,841	5%	13,420	5%
Research and development	6,672	2%	7,882	3%
Total operating expenses	69,414	26%	78,601	31%
Income from operations	68,423	25%	50,150	20%
Other income (expense), net	(1,184)		(382)	
Income before income taxes	67,239	25%	49,768	19%
Income tax provision	24,762		19,074	
Net income	\$42,477	16%	\$30,694	12%
	=====		=====	
Earnings per common share:				
Basic	\$0.65		\$0.46	
Diluted	\$0.64		\$0.45	
Weighted-average shares outstanding:				
Basic	65,736		67,345	
Diluted	65,926		68,619	

Callaway Golf Company
Consolidated Condensed Balance Sheet
(In thousands)

	March 31, 2003	December 31, 2002
	-----	-----
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$81,202	\$108,452
Accounts receivable, net	197,701	63,867
Inventories, net	122,631	151,760
Deferred taxes	34,962	34,519
Other current assets	9,325	10,429
Total current assets	445,821	369,027
Property, plant and equipment, net	158,988	167,340
Intangible assets, net	121,192	121,317
Other assets	21,331	22,161
	\$747,332	\$679,845
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued expenses	\$68,882	\$61,720
Accrued employee compensation and benefits	18,306	23,168
Accrued warranty expense	14,798	13,464
Note payable, current portion	2,391	3,160
Income taxes payable	33,150	7,649
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Total current liabilities	137,527	109,161
Long-term liabilities	27,011	27,297
Shareholders' equity	582,794	543,387
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	\$747,332	\$679,845
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CONTACT: Callaway Golf Company
Ron Drapeau, Brad Holiday or Larry Dorman, 760/931-1771