

Callaway Golf Full Year 2015 EPS Calculation Example

** The calculation below has been provided for illustrative purposes only and does not reflect the Company's estimates of actual earnings per share, interest/fees or weighted average shares outstanding.*

1st Step is to calculate Basic EPS:	
Net Income (Loss)	
<i>Basic Weighted Average Shares Outstanding</i>	78,000,000
<i>Basic EPS</i>	

2nd Step is to calculate EPS including dilutive effect of options and restricted stock:	
Net Income	
<i>Diluted Weighted Average Shares Outstanding (WASO)</i>	79,500,000
<i>Diluted EPS (1st Step)</i>	

3rd Step is to calculate EPS including the convertible debt:	
Net Income	
<i>Add back Interest and fees on convertible debt</i>	5,000,000
<i>Net Income plus convertible interest and fees</i>	5,000,000
<i>Diluted Weighted Average Shares Outstanding</i>	79,500,000
<i>Convertible debt (if converted)</i>	15,000,000
<i>Diluted WASO including convertible shares</i>	94,500,000
<i>Diluted EPS (2nd Step)</i>	\$ 0.0529

4th Step is to select the lowest EPS calculation	\$ 0.0529
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Note: Basic EPS is used in periods when a net loss is reported.