



Callaway Golf Ball Company Introduces The New Callaway

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CARLSBAD, CA., February 4, 2000 – Callaway Golf Ball Company, a wholly owned subsidiary of Callaway Golf Company (NYSE:ELY) today announced the introduction of its highly-anticipated new golf balls, both named Callaway “Rule 35™”. The two new balls, which are the culmination of more than three years of research and development by Callaway Golf Ball Company scientists and engineers, come in two models – Firmfeel™ and Softfeel™. The Company believes that this clear and simple approach to selling will make it easier for golfers of all skill levels to choose the golf ball that suits them.

In keeping with its corporate philosophy, Callaway Golf once again has separated itself from the field by avoiding the conventional approach. Rather than focusing on distance, control, spin or durability, researchers at Callaway Golf Ball Company blended all those characteristics into one golf ball, providing “Complete Performance™” in two distinct “feels.” Everything about the presentation of the new Callaway Golf ball is different. The packaging – five-ball sleeves, 10-ball and, eventually, 20-ball packs – is unique. The name, “Rule 35”, plays off the 34 long standing, official rules governing golf play. Callaway suggests a new but unofficial “rule” – one that simply tells golfers “Enjoy the game.”

“While we know there is a lot of complex science that goes into making a golf ball, we don’t think there should be a lot of complexity to buying one,” said Ely Callaway, Founder, Chairman and CEO of Callaway Golf Company. “When we decided to create our own golf ball business from scratch, all of us knew that we would have to produce a ball that would be superior to and unlike others in the industry. We think we’ve done that. We also are certain that we have made the golfer’s choice clearer and simpler than it has been in recent years.”

The new Callaway “Rule 35” ball also features a fresh logo – a stylized letter C that is a rendering of the bottom of the cup. Block letters spell out “Callaway” in black with the logo in red on the Firmfeel ball, in blue on the Softfeel ball.

Chuck Yash, President of Callaway Golf and CEO of Callaway Golf Ball Company said, “Our basic aim in this process was to make a ball that reflects the parent company’s philosophy and vision of creating a ‘demonstrably superior and pleasingly different’ product. We also set out to cut through the ‘noise’ regarding the performance claims by most of the competitors’ products, and all of the techno-babble about various polymers and compressions and dimple patterns and claims regarding the “longest distance balls.”

“What we have in ‘Rule 35’ is a very clear message. If you prefer a firm feel, our Firmfeel ball has everything you need in performance. If you prefer a softer feel, our Softfeel ball is the choice. It’s that easy. We believe this simplicity of approach will change the way that golfers approach their golf ball purchase, and we’re very proud of what we have accomplished with the “Rule 35” golf ball.

Although the Callaway Golf Ball choices are simple, the task of creating them was not. Callaway Golf’s bold foray into the golf ball business began with the hiring of Mr. Yash in May of 1996. A 25-year veteran in the golf ball and golf club industries, Mr. Yash previously had been Vice President and General Manager of the golf division of Spalding before heading up the successful turnaround of Taylor Made Golf from April of 1992 through May of 1996.

When he arrived at Callaway Golf, Chuck Yash was given the job of building in parallel a staff of nearly 500 employees and a 225,000-square-foot golf ball manufacturing plant. During that period, his staff designed and built a prototype factory and an indoor testing range that is the most sophisticated and advanced in the golf industry. Also in Mr. Yash’s job authority and

responsibility was the freedom to find and purchase state-of-the-art production machinery from all over the world. Callaway Golf Ball Company would fashion yet-to-be-designed golf balls from tooling that featured what was believed to be the tightest tolerances ever achieved in the industry.

"This is the first time in the modern history of the industry, to our knowledge, that anyone has built a major production golf ball business from scratch," said Mr. Callaway. "After analyzing all our other options – which included buying an existing company, buying an existing plant or buying a golf ball from another manufacturer and merely stamping our name on it – we decided this was the best way to go in order to create a superior product now and for the future. Chuck Yash has accomplished something unprecedented here, and we are all very proud of this achievement."

The results of Mr. Yash's three years at the helm and the efforts of his team are evident in Callaway "Rule 35" golf balls. To arrive at the finished product, aerodynamic computer programs first used by Boeing and General Electric were modified and used by Callaway Golf Ball engineers to evaluate more than 300 dimple patterns and more than 1,000 variations of golf ball cores, boundary layers and cover materials. Callaway Golf will have spent approximately \$170 million on this creative project by the end of the launch.

Callaway "Rule 35" Firmfeel and Softfeel balls will be available at some outlets by the end of February. The manufacturer's suggested retail price is \$22 per five-ball sleeve, \$44 per 10-ball pack. The 20-ball pack is expected to be available in early summer. Expected production will gradually increase during the next six months.

For more information about Callaway Golf Ball Company, please visit the Company's website at www.callawaygolfball.com.

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For more information about Odyssey Golf, please visit the Company's website at www.odysseygolf.com.