



Callaway Golf and Perfect Putter Company Resolve Putter Dispute with Acquisition of Patents

CARLSBAD, Calif.--(BUSINESS WIRE)--Jan. 7, 2005--Callaway Golf Company (NYSE:ELY) and the founders of Perfect Putter Company announced that Callaway Golf(R) will be purchasing four U.S. patents from Perfect Putter, thereby resolving a legal dispute pending between the parties. The patents relate to certain putter designs, including a unique method of orienting the shaft in relation to the putter head. The lawsuit, which will now be dismissed by the parties with no admission of any wrongdoing, was filed in November 2002 by Perfect Putter and its owners.

The lawsuit had alleged that Callaway Golf had failed to complete the acquisition of Perfect Putter based upon discussions that occurred in 1997. Although the existence of an earlier agreement was disputed, the suit provided an opportunity for the parties to discuss Callaway Golf's continuing interest in the putter patents. Ultimately the parties were able to agree on a purchase of the putter patents by Callaway Golf, clearing the way for further agreement on the dismissal of the entire lawsuit. Although the terms are confidential, all parties are satisfied with the resolution.

When first filed in November 2002, the lawsuit had also claimed that Callaway Golf had misappropriated Perfect Putter's trade secrets and incorporated them into new products, including the best selling Odyssey(R) White Hot(R) 2-Ball Putter. That claim was voluntarily dismissed by plaintiffs in October 2004 when discovery demonstrated that Callaway Golf did not use any information from Perfect Putter.

In a joint statement, the parties said: "We are pleased that Callaway Golf has completed the acquisition of the Perfect Putter designs. Whether these patents will assist in the development of new products remains to be seen, but the potential opportunity for use of these rights should be greater now that they are owned by the market leader in putters."

Callaway Golf Company makes and sells Big Bertha(R) Metal Woods, Irons and Hybrids including Heavenwood(R) Hybrids, ERC(R) Fusion(R) Drivers and Fairway Woods, Great Big Bertha II 415 Titanium Drivers, Big Bertha Titanium 454 Drivers and Big Bertha Stainless Steel Fairway Woods, Big Bertha Heavenwood(R) Hybrids, Big Bertha Stainless Steel Irons, X-18(TM) and X-18 Pro Series Irons, the Game Enjoyment System(TM) of GES(TM) Golf Clubs, Callaway Golf Forged+ Wedges, and Callaway Golf Tour Blue(TM) Putters. Callaway Golf Company also makes and sells Odyssey(R) Putters, including White Steel(R), White Hot(R), TriHot(R), DFX(R), Dual Force(R) and 2-Ball Putters. Callaway Golf Company makes and sells the Callaway Golf(R) HX(R) Tour Balls, HX Blue and HX Red Balls, HX Hot 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 and Bettinardi Putters. For more information about Callaway Golf Company, please visit our websites at www.callawaygolf.com, www.topflite.com and www.odysseygolf.com.

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