

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

April 21, 2005
Date of Report (Date of earliest event reported)

CALLAWAY GOLF COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE	1-10962	95-3797580
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2180 RUTHERFORD ROAD, CARLSBAD, CALIFORNIA	92008-7328
(Address of principal executive offices)	(Zip Code)

(760) 931-1771

Registrant's telephone number, including area code

NOT APPLICABLE

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.*

On April 21, 2005, Callaway Golf Company issued a press release captioned "Callaway Golf Announces First Quarter Results." A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

Item 9.01 Financial Statements and Exhibits.*

(c) Exhibits.

The following exhibit is being furnished herewith:

Exhibit 99.1 Press Release, dated April 21, 2005, captioned
"Callaway Golf Announces First Quarter Results."

* The information furnished under Item 2.02 and Item 9.01 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 registration statement or other filing under

the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

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.

CALLAWAY GOLF COMPANY

Date: April 21, 2005

By: /s/ Bradley J. Holiday

Name: Bradley J. Holiday

Title: Senior Executive Vice President
and Chief Financial Officer

Exhibit Index

Exhibit Number

Description

99.1

Press release, dated April 21, 2005, captioned "Callaway Golf
Announces First Quarter Results."

Callaway Golf Announces First Quarter Results

CARLSBAD, Calif.--(BUSINESS WIRE)--April 21, 2005--Callaway Golf Company (NYSE:ELY) today released its consolidated financial results for the quarter ended March 31, 2005, announcing consolidated net sales for the quarter of \$299.9 million, net income of \$18.4 million, and diluted earnings per share of \$0.27 on 68.6 million shares. Reported net income and earnings per share include after tax charges of \$2.3 million and \$0.03, respectively, associated with the integration of the Top-Flite operations acquired in late 2003. On a pro forma basis, which excludes these charges, the Company would have had net income of \$20.7 million and diluted earnings per share of \$0.30. Reported net sales, net income and diluted earnings per share for the same quarter in 2004 (which included after tax integration charges of \$3.2 million or \$0.05 per share) were \$363.8 million, \$40.5 million and \$0.59, respectively.

"Our first quarter results are in line with the preliminary estimates we provided in early April," said William C. Baker, Chairman and CEO. "Staggered product launches and closely monitoring retail inventory have allowed us to achieve our reported sales and profit levels without overloading the retail channel."

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

BUSINESS OUTLOOK

"Sales in the first quarter were solid and retail inventories are at the appropriate levels," said Bradley J. Holiday, Senior Executive Vice President and Chief Financial Officer. "We will continue to ship our current products into the market based upon demand generated by the opening of the true golf season in most of our markets, and have additional new product launches planned for later in the year, including the launch of the Callaway Golf X-Tour Irons and increased shipments of the Ben Hogan drivers and fairway woods during the second quarter."

The Company will be holding a conference call at 2:00 p.m. PDT today. 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 and will remain available through 9:00 P.M. PDT on April 28, 2005. The replay may be accessed through the Internet at www.callawaygolf.com or by telephone by calling (800) 642-1687 for calls originating within the United States or (706) 645-9291 for International calls. The replay pass code is 5523396.

Disclaimer: Statements used in this press release that relate to future plans, events, financial results, performance or prospects, including statements under the Business Outlook Section of the press release relating to future demand for the Company's products, retail inventory levels, new product launches and future shipments, 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 delays, difficulties or unanticipated costs in integrating the Top-Flite Golf and Callaway Golf assets, brands and businesses, the maintenance of good vendor relationships, 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 rule changes or other actions taken by the USGA or other golf association that could have an adverse impact upon demand for the Company's products, a decrease in participation levels in golf 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, 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, as well as in the supplemental financial information attached to this release.

Regulation G: The Company's 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 charges associated with the integration of the Callaway Golf Company and Top-Flite Golf Company operations. 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 additional useful information concerning the Company's operating performance. The Company has provided reconciling information in the text of this press release.

Callaway Golf Company manufactures and sells golf clubs and golf balls, and sells golf accessories, under the Callaway Golf(R), Top-Flite(R), Odyssey(R) and Ben Hogan(R) brands. For more information visit www.callawaygolf.com.

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

	March 31, 2005	December 31, 2004
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 27,869	\$ 31,657
Accounts receivable, net	227,789	105,153
Inventories, net	172,492	181,230
Deferred taxes	41,383	32,959
Income taxes receivable	--	28,697
Other current assets	13,982	14,036
	-----	-----
Total current assets	483,515	393,732
Property, plant and equipment, net	134,274	135,865
Intangible assets, net	178,463	179,636
Deferred taxes	7,520	9,837
Other assets	18,241	16,667
	-----	-----
	\$822,013	\$735,737
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 93,658	\$ 75,501
Accrued employee compensation and benefits	22,549	20,215
Accrued warranty expense	12,902	12,043
Line of credit	59,500	13,000
Income taxes payable	5,232	--
Other current liabilities	28	39
	-----	-----
Total current liabilities	193,869	120,798
Long-term liabilities	27,380	28,622
Shareholders' equity	600,764	586,317
	-----	-----
	\$822,013	\$735,737
	=====	=====

Callaway Golf Company
Statements of Operations
(In thousands, except per share data)
(Unaudited)

Quarter Ended
March 31,

	2005	2004		
Net sales	\$299,857	100%	\$363,786	100%
Cost of sales	167,251	56%	197,595	54%
Gross profit	132,606	44%	166,191	46%
Operating expenses:				
Selling expenses	75,745	25%	71,195	20%
General and administrative expenses	19,085	6%	22,861	6%
Research and development expenses	6,240	2%	8,109	2%
Total operating expenses	101,070	34%	102,165	28%
Income from operations	31,536	11%	64,026	18%
Other (expense) income, net	(1,181)		271	
Income before income taxes	30,355	10%	64,297	18%
Provision for income taxes	11,995		23,752	
Net income	\$ 18,360	6%	\$ 40,545	11%
Earnings per common share:				
Basic	\$ 0.27		\$ 0.60	
Diluted	\$ 0.27		\$ 0.59	
Weighted-average shares outstanding:				
Basic	68,181		67,285	
Diluted	68,624		68,365	

Callaway Golf Company
Consolidated Condensed Statements of Cash Flows
(In thousands)
(Unaudited)

	Quarter Ended March 31,	
	2005	2004
Cash flows from operating activities:		
Net income	\$ 18,360	\$ 40,545
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	12,186	13,812
Non-cash compensation	1,479	2
Loss (gain) on disposal of long-lived assets	210	(106)
Tax benefit from exercise of stock options	41	996
Net non-cash foreign currency hedging losses	--	1,764
Deferred taxes	(589)	754
Changes in assets and liabilities, net	(73,067)	(142,543)
Net cash used in operating activities	(41,380)	(84,776)
Cash flows from investing activities:		
Capital expenditures	(10,198)	(2,622)
Proceeds from sale of capital assets	3	271
Net cash used in investing activities	(10,195)	(2,351)
Cash flows from financing activities:		
Proceeds from financing arrangements	102,000	106,487
Payments on financing arrangements	(55,500)	(53,900)
Issuance of Common Stock	2,053	8,874
Net cash provided by financing activities	48,553	61,461
Effect of exchange rate changes on cash and cash equivalents	(766)	(741)
Net decrease in cash and cash equivalents	(3,788)	(26,407)
Cash and cash equivalents at beginning of period	31,657	47,340
Cash and cash equivalents at end of period	\$ 27,869	\$ 20,933

Callaway Golf Company
Consolidated Net Sales and Operating Segment Information
(In thousands)
(Unaudited)

Net Sales by Product Category

	Quarter Ended March 31,		Growth/(Decline)	
	2005	2004	Dollars	Percent
Net sales:				
Woods	\$ 65,464	\$123,797	\$(58,333)	-47%
Irons	107,948	96,505	11,443	12%
Putters	31,848	37,277	(5,429)	-15%
Golf balls	59,033	72,096	(13,063)	-18%
Accessories and other	35,564	34,111	1,453	4%
	<u>\$299,857</u>	<u>\$363,786</u>	<u>\$(63,929)</u>	<u>-18%</u>

Net Sales by Region

	Quarter Ended March 31,		Growth/(Decline)	
	2005	2004	Dollars	Percent
Net sales:				
United States	\$185,101	\$217,642	\$(32,541)	-15%
Europe	48,909	67,213	(18,304)	-27%
Japan	24,852	31,705	(6,853)	-22%
Rest of Asia	14,665	15,981	(1,316)	-8%
Other foreign countries	26,330	31,245	(4,915)	-16%
	<u>\$299,857</u>	<u>\$363,786</u>	<u>\$(63,929)</u>	<u>-18%</u>

Operating Segment Information

	Quarter Ended March 31,		Growth/(Decline)	
	2005	2004	Dollars	Percent
Net sales:				
Golf clubs	\$240,824	\$291,690	\$(50,866)	-17%
Golf balls	59,033	72,096	(13,063)	-18%
	<u>\$299,857</u>	<u>\$363,786</u>	<u>\$(63,929)</u>	<u>-18%</u>
Income (loss) before income taxes:				
Golf clubs (2)	\$40,379	\$78,843	\$(38,464)	-49%
Golf balls (2)	1,726	(1,647)	3,373	205%
Reconciling items (1)	(11,750)	(12,899)	1,149	9%
	<u>\$30,355</u>	<u>\$64,297</u>	<u>\$(33,942)</u>	<u>-53%</u>

(1) Represents corporate general and administrative expenses and other income (expense) not utilized by management in determining segment profitability.

(2) Prior period amounts have been reclassified to conform with current period presentation

Quarter Ended March 31,

2005

	Pro Forma Callaway Golf	Integration Charges	Total as Reported
Net sales	\$299,857	\$ -	\$299,857
Gross profit	135,689	(3,083)	132,606
% of sales	45%	n/a	44%
Operating expenses	100,326	744	101,070
Income (loss) from operations	35,363	(3,827)	31,536
Other income (expense), net	(1,181)	-	(1,181)
Income (loss) before income taxes	34,182	(3,827)	30,355
Provision for income taxes	13,449	(1,454)	11,995
Net income (loss)	\$ 20,733	\$ (2,373)	\$ 18,360
Diluted earnings (loss) per share:	\$ 0.30	\$ (0.03)	\$ 0.27
Weighted-average shares outstanding:	68,624	68,624	68,624

Quarter Ended March 31,

2004

	Pro Forma Callaway Golf	Integration Charges	Total as Reported
Net sales	\$363,786	\$ -	\$363,786
Gross profit	169,661	(3,470)	166,191
% of sales	47%	n/a	46%
Operating expenses	100,527	1,638	102,165
Income (loss) from operations	69,134	(5,108)	64,026
Other income (expense), net	271	-	271
Income (loss) before income taxes	69,405	(5,108)	64,297
Provision for income taxes	25,639	(1,887)	23,752
Net income (loss)	\$ 43,766	\$ (3,221)	\$ 40,545
Diluted earnings (loss) per share:	\$ 0.64	\$ (0.05)	\$ 0.59
Weighted-average shares outstanding:	68,365	68,365	68,365

CONTACT: Callaway Golf Company
Brad Holiday or Larry Dorman, 760-931-1771