

CALLAWAY GOLF CO /CA
Form 8-K
February 21, 2007

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

Date of Report (Date of earliest event reported): February 15, 2007

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
(IRS Employer

Identification No.)

2180 Rutherford Road, Carlsbad, California
(Address of principal executive offices)

92008-7328
(Zip Code)

Registrant's telephone number, including area code: (760) 931-1771

NOT APPLICABLE

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

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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))
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SECTION 1 REGISTRANT'S BUSINESS AND OPERATIONS

Item 1.01 Entry into a Material Definitive Agreement.

As of February 15, 2007, Callaway Golf Company (the Company), Bank of America, N.A. (as Administrative Agent, Swing Line Lender and L/C Issuer), and certain other lenders party to the Company's November 5, 2004 Amended and Restated Credit Agreement (as amended, the Credit Agreement), entered into a Third Amendment to Amended and Restated Credit Agreement (the Third Amendment). Capitalized terms used and not otherwise defined herein have the meanings set forth in the Credit Agreement.

The material terms of the Third Amendment are as follows:

The Third Amendment reduces the commitment fee margins and interest rate margins applicable to Loans outstanding under the Credit Agreement.

The Third Amendment extends the Maturity Date of the Credit Agreement to February 15, 2012.

The Third Amendment provides for a release of all of the collateral with respect to the obligations under the Credit Agreement.

The Third Amendment makes less restrictive the following covenants: (i) the covenant limiting the ability of the Company and its Material Subsidiaries to make investments, including permitted acquisitions, (ii) the covenant limiting the ability of the Company and its Material Subsidiaries to dispose of assets outside the ordinary course of business, (iii) the covenant limiting the ability of the Company and its Material Subsidiaries to pay dividends, repurchase stock and make other Restricted Payments, (iv) the covenant limiting the ability of the Company and its Material Subsidiaries to incur indebtedness, (v) the covenant limiting the ability of the Company and its Material Subsidiaries to grant liens and (vi) the covenant limiting the ability of the Company and its Material Subsidiaries to enter into new lines of business.

The Third Amendment eliminates the financial covenant requiring the Company to maintain certain minimum levels of Consolidated Tangible Net Worth.

The Third Amendment makes certain other changes favorable to the Company to definitions and other provisions of the Credit Agreement.

The Credit Agreement provides for revolving loans of up to \$250.0 million; actual borrowing availability is effectively limited by the financial covenants contained therein. At February 15, 2007, the maximum amount that could be borrowed under the Credit Agreement was approximately \$215.9 million and approximately \$126.7 million of that amount was then outstanding, including \$1.7 million of issued Letters of Credit.

The description of the terms of the Third Amendment is qualified in its entirety by reference to the Third Amendment which is attached hereto as Exhibit 10.64 and incorporated in this Item 1.01 by reference.

SECTION 9 FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

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The following exhibits are being filed or furnished herewith:

| Exhibit No. | Description |
|--------------------|--|
| 10.64 | Third Amendment to Amended and Restated Credit Agreement dated as of February 15, 2007 by and among Callaway Golf Company, Bank of America, N.A. (as Administrative Agent, Swing Line Lender and L/C Issuer), and certain other lenders named therein. |

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.

CALLAWAY GOLF COMPANY

Dated: February 16, 2007

By: /s/ Bradley J. Holiday
Name: Bradley J. Holiday
Title: Senior Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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|--------------------|--|
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