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WOMENS GOLF UNLIMITED INC  
Form 10-Q  
August 14, 2001

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended June 30, 2001.

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 0-14146

WOMEN'S GOLF UNLIMITED, INC.

-----  
(Exact Name of Registrant as Specified in its Charter)

New Jersey

22-2388568

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(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

18 Gloria Lane, Fairfield, NJ

07004

-----

-----

(Address of Principal Executive Office)

(Zip Code)

(973) 227-7783

-----  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO  
-- ---

On June 30, 2001, 3,223,039 shares of common stock, \$.01 par value, were issued and outstanding.

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WOMEN'S GOLF UNLIMITED, INC.

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(Formerly known as S2 Golf Inc.)  
FORM 10-Q

For Quarterly Period Ended JUNE 30, 2001

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.  
(FORMERLY KNOWN AS S2 GOLF INC.)  
BALANCE SHEETS  
AS OF JUNE 30, 2001 (UNAUDITED)  
AND DECEMBER 31, 2000 (AUDITED)

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	June 30, 2001 ----	December 31, 2000 ----
ASSETS		
Current Assets		
Cash	\$ 6,422	\$ 9,886
Accounts Receivable - Net	4,520,298	3,567,768
Inventories	5,043,534	4,046,122
Prepaid Expenses	268,386	205,982
Deferred Income Taxes	226,000	214,000
	-----	-----
Total Current Assets	10,064,640	8,043,758
Plant and Equipment - Net	167,678	195,907
Non-Current Deferred Income Taxes	0	6,000
Goodwill	5,133,011	5,307,919
Other Assets - Net	118,533	125,056
	-----	-----
Total Assets	\$15,483,862	\$13,678,640
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current Portion Long Term-Debt	\$ 1,307,242	\$ 1,447,189
Short -Term Borrowings	4,485,146	3,460,828
Accounts Payable	1,764,912	936,614
Accrued Expenses	507,857	442,335
Other Current Liabilities	55,771	83,847
	-----	-----
Total Current Liabilities	8,120,928	6,370,813
Long-Term Liabilities		
Long-Term Debt, less current portion	350,000	509,847
Other Long-Term Liabilities	6,036	2,258
Non-Current Deferred Income Taxes	1,000	0
	-----	-----
Total Liabilities	8,477,964	6,882,918
	-----	-----
Shareholders' Equity		
Common Stock, \$.01 Par; 12,000,000 Shares		
Authorized: 3,223,039 & 3,223,039 Issued		
& Outstanding at June 30, 2001 and		
December 31, 2000, respectively	32,231	32,231
Additional Paid-in Capital	6,347,757	6,347,757
Retained Earnings	625,910	415,734
	-----	-----
Total Shareholders' Equity	7,005,898	6,795,722
	-----	-----
Total Liabilities and Shareholders' Equity	\$15,483,862	\$13,678,640
	=====	=====

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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.  
(FORMERLY KNOWN AS S2 GOLF INC.)  
STATEMENTS OF OPERATIONS  
FOR THE THREE MONTHS ENDED  
JUNE 30, 2001 AND JUNE 30, 2000  
(UNAUDITED)

	June 30, 2001 ----	June 30, 2000 ----
Net Sales	\$ 5,402,339	\$ 3,927,376
Cost of Goods Sold	3,055,164	2,473,059
	-----	-----
Gross Profit	2,347,175	1,454,317
	-----	-----
Operating Expenses:		
Selling	1,413,268	561,055
General & Administrative	741,158	375,863
	-----	-----
Total Operating Expenses	2,154,426	936,918
	-----	-----
Operating Income	192,749	517,399
	-----	-----
Other (Income) Expense		
Interest	140,144	36,608
Other	(100,993)	46
	-----	-----
	39,151	36,654
	-----	-----
Income Before Income Taxes	153,598	480,745
	-----	-----
Provision for Income Taxes	117,350	192,040
	-----	-----
Net Income	\$ 36,248	\$ 288,705
	=====	=====
Earnings per Common Share - Basic	\$ 0.01	\$ 0.13
	=====	=====
- Diluted	\$ 0.01	\$ 0.13
	=====	=====

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Weighted Average Number of Common Shares Outstanding -			
	Basic	3,223,039	2,220,113
	Diluted	3,323,713	2,280,906

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.  
(FORMERLY KNOWN AS S2 GOLF INC.)  
STATEMENTS OF OPERATIONS  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2001 AND JUNE 30, 2000  
(UNAUDITED)

	June 30, 2001 ----	June 30, 2000 ----
Net Sales	\$ 9,923,934	\$ 6,792,046
Cost of Goods Sold	5,705,055	4,386,886
Gross Profit	----- 4,218,879	----- 2,405,160
Operating Expenses:		
Selling	2,236,901	994,189
General & Administrative	1,402,617	682,016
Total Operating Expenses	----- 3,639,518	----- 1,676,205

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Operating Income	579,361	728,955
	-----	-----
Other (Income) Expense		
Interest	249,914	57,299
Other	(141,452)	46
	-----	-----
	108,462	57,345
	-----	-----
Income Before Income Taxes	470,899	671,610
Provision for Income Taxes	260,723	268,868
	-----	-----
Net Income	\$ 210,176	\$ 402,742
	=====	=====
Earnings per Common Share - Basic	\$ 0.06	\$ 0.18
	=====	=====
- Diluted	\$ 0.06	\$ 0.18
	=====	=====
Weighted Average Number of Common Shares Outstanding -		
Basic	3,223,039	2,220,113
Diluted	3,324,768	2,275,221

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.  
(FORMERLY KNOWN AS S2 GOLF INC.)  
STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2001 AND JUNE 30, 2000  
(UNAUDITED)

	June 30, 2001	June 30, 2000
	-----	-----
OPERATING ACTIVITIES		
Net Income	\$ 210,176	\$ 402,742
Adjustments to Reconcile Net Income to Net Cash Provided		

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By (Used In) Operating Activities:		
Depreciation	54,168	31,564
Amortization	182,826	
Deferred Income Taxes	(6,000)	(15,900)
Allowance for Doubtful Accounts	156,111	
Changes in Assets and Liabilities:		
Accounts Receivable	(1,108,641)	(783,554)
Inventories	(997,412)	(332,181)
Prepaid Expenses	(62,404)	17,519
Other Assets	6,523	0
Accounts Payable	828,298	265,012
Accrued Expenses	65,522	456,609
Other Current and Non-Current Liabilities	(23,298)	(29,980)
	-----	-----
NET CASH PROVIDED BY (USED IN) OPERATIONS	(694,131)	11,831
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES		
Purchase of Equipment	(33,857)	(48,694)
	-----	-----
FINANCING ACTIVITIES		
Repayments of Long-Term Debt	(299,794)	0
Proceeds from Revolving Line of Credit, Net	1,024,318	36,863
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	724,524	36,863
	-----	-----
DECREASE IN CASH	(3,464)	0
CASH - BEGINNING OF PERIOD	9,886	150
	-----	-----
CASH - END OF PERIOD	\$ 6,422	\$ 150
	=====	=====
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash Paid During the Period for:		
Interest	\$ 249,914	\$ 57,299
	=====	=====
Income Taxes	\$ 133,840	\$ 0
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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The accompanying unaudited financial statements of Women's Golf Unlimited, Inc., formerly S2 Golf Inc., (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting. In the opinion of management, all material adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2001 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2001. The unaudited financial statements and related notes are presented as permitted by Form 10-Q and do not contain certain information included in the Company's annual financial statements and notes thereto. For further information, refer to the Company's annual financial statements and notes thereto included in the Company's annual consolidated report on Form 10-K for the fiscal year ended December 31, 2000.

### 1) EARNINGS PER SHARE

Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if stock options or other contracts to issue common stock were exercised and resulted in the issuance of common stock that then shared in the earnings of the Company. Diluted EPS is computed using the treasury stock method when the effect of common stock equivalents would be dilutive. The only reconciling item between the denominator used to calculate basic EPS and the denominator used to calculate diluted EPS is the dilutive effect of stock options issued to employees of the Company and other parties. The Company has issued no other potentially dilutive common stock equivalents.

### 2) NEW ACCOUNTING PRONOUNCEMENT

In July 2001, the Financial Accounting Standard Board ("FASB") issued SFAS No.'s 141 and 142, "Business Combinations" and "Goodwill and Other Intangibles". FASB 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method. Under FASB 142, effective the first quarter of the year ending December 31, 2002, goodwill is no longer subject to amortization over its estimated useful life. Rather, goodwill is subject to at least an annual assessment for impairment applying a fair-value based test. Additionally, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented or exchanged, regardless of the acquirer's intent to do so. The Company is in the process of determining the impact of these pronouncements on its financial position and results of operations.

### INVENTORIES

Inventories are valued at the lower of cost, determined on the basis of the first-in, first-out method, or market. Inventories at June 30, 2001 and December 31, 2000 consisted of the following components:

	6/30/01 -----	12/31/00 -----
Raw Materials	\$4,287,004	\$3,404,600
Finished Goods	756,530	641,522
	-----	-----
	\$5,043,534	\$4,046,122
	=====	=====



## SHORT TERM BORROWINGS

The Company has a secured revolving line of credit allowing a maximum credit limit of \$8,000,000, less 50% of the aggregate face amount of all outstanding letters of credit, and subject to various borrowing bases through September 30, 2003. The availability of funds under this line of credit varies as it is based, in part, on a borrowing base of 80% of eligible accounts receivable and 60% of qualified inventory. Substantially all of the Company's assets are used as collateral for the credit line. Interest rates are at prime plus one-quarter percent, paid monthly; the interest rate was 7.00% as of June 30, 2001 and 9.75% as of December 31, 2000. The Company's availability on the line of credit, as of June 30, 2001, was approximately \$ 1,076,000.

The credit facility contains certain covenants, which, among other items, require the maintenance of certain financial ratios including tangible net worth and working capital. Any event of default under the credit facility permits the lender to cease making additional loans thereunder. The Company was in compliance with all covenants and conditions of the facility as of June 30, 2001.

## QUARTERLY ENDS

The Company reports its interim financial statements as of the Friday closest to month-end of the quarter. Therefore, the interim quarters for fiscal 2001 will end on March 30, 2001, June 30, 2001, and September 28, 2001. The Company reports its year-end financial statements as of December 31.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

## RESULTS OF OPERATIONS

Net Sales for the three-month and six-month periods ended June 30, 2001 were \$5,402,339 and \$9,923,934 respectively, compared to \$3,927,376 and \$6,792,046 for the same periods in 2000. Management attributes this 46.1% increase in sales over the same period in the prior year primarily due to the acquisitions of the Nancy Lopez and Lady Fairway product lines. These acquisitions accounted for \$3,576,000 of the \$ 3,131,888 increase, offset by a decline of \$ 442,112 in the Square Two brand. The primary reason for the decline in the Square Two brand was a softening of demand for the men's clubs. The Square Two women's clubs increased 3%.

Gross profit as a percentage of sales for the three-month and six-month periods ended June 30, 2001 was 43.4% and 42.5% respectively, as compared to 37.0% and 35.4% for the same periods in 2000. Management attributes this increase to the higher margin sales of the NancyLopezGolf brand and the Lady Fairway brand along with lower component pricing for the Square Two brand.

Selling expenses for the three-month and six-month periods ended June 30, 2001 were \$1,413,268 and \$2,236,901, compared to \$561,055 and \$994,189 for the same periods in 2000. This is the result of increased expenses of approximately \$236,000 due to Lady Fairway acquisition, as well as increased television advertising, PGA show expense, and commissions. In addition, the company incurred player endorsements during the six-month period ended June 30, 2001 that did not exist in the six-month period ended June 30, 2000, which was approximately \$ 100,000.

General and Administrative expenses for the three-month and six-month periods

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ended June 30, 2001 were \$741,158 and \$1,402,617 respectively, compared to \$375,863 and \$682,016 for the same periods in 2000. This is due primarily to increased expenses of approximately \$ 419,000 due to Lady Fairway acquisition as well as increased salaries and wages, public company expense, professional and legal fees and Amortization of Goodwill for both NancyLopezGolf and Lady Fairway.

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Interest expense for the three-month and six-month periods ended June 30, 2001 was \$140,144 and \$249,914 respectively, compared to \$ 36,608 and \$57,299 for the same periods in 2000. The average loan balance for the six-month period ended June 30, 2001 was \$5,209,820 compared to an average loan balance of \$1,333,438 for the six-month period ended June 30, 2000. The increase in the average outstanding balance resulted mainly from the NancyLopezGolf acquisition, as well as increased inventory. The NancyLopezGolf acquisition, which occurred on July 31, 2000, was a cash purchase of approximately \$ 3,645,000 after post-closing adjustments, which the Company funded with a term loan of \$ 900,000 and the existing line of credit. Interest expense for the six-month period ended June 30, 2001 also includes \$50,000 projected interest expense on the Promissory Note with a maturity date of December 31, 2001 that the Company issued in connection with the Lady Fairway acquisition.

Other (Income)/Expense for the three-month and six-month periods ended June 30, 2001 was \$100,993 and \$ 141,452 respectively, compared to \$0 and an expense of \$46 for the same periods in 2000. This increase is due royalty income from international distributors.

The provision for income taxes was \$260,723 for the six-month period ended June 30, 2001 compared to \$268,868 for the same six-month period in 2000.

The Company's net income for the three-month and six-month periods ended June 30, 2001 was \$36,248 and \$210,176 respectively, compared to \$288,705 and \$402,742 for the same periods in 2000. This decrease was the result of a 46.1% increase in net revenue, gross margins improving to 42.5%, offset by increased selling, general and administrative, interest and other expense due to the Nancy Lopez and Lady Fairway acquisition.

### FINANCIAL CONDITION AND LIQUIDITY

The Company's working capital increased by \$270,767 for the six-month period ended June 30, 2001. Current assets increased by \$2,020,882, offset by an increase in current liabilities of \$1,750,115. Accounts receivable increased by approximately \$953,000, inventory increased by approximately \$997,000, for the six-month period ended June 30, 2001, which was typical for the Company due to the cyclical nature of the Golf Industry. In addition, Prepaid expenses increased approximately \$62,000. The Company's short-term borrowing increased by approximately \$1,024,000, which was a result of increased inventory. In addition, accounts payable increased by approximately \$828,000 for the six-month period ended June 30, 2001.

Cash used by operations was \$694,131 for the six-month period ended June 30, 2001, compared to cash provided of \$ 11,831 for the same period ended June 30, 2000. Cash provided by financing activities totaled \$724,524 for the six-month period ended June 30, 2001 and \$36,863 for the same six-month period in 2000. During the six-month period ended June 30, 2001 cash used for the payment of equipment purchased was \$33,857. Interest charges on short and long-term

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borrowings were \$249,914.

PART II. OTHER INFORMATION

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) The exhibits listed on the attached Exhibit Index are filed as part of this report.

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 thereunto duly authorized.

WOMEN'S GOLF UNLIMITED, INC.

08/14/2001

/s/ Douglas A. Buffington

-----  
Dated

-----  
By:  
Douglas A. Buffington

President and Chief  
Operating Officer

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT* -----
3.1	Amended and Second Restated Certificate of Incorporation of the registrant dated June 1991 (incorporated by reference to Exhibit 3.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1991).
3.2	Amended and Restated By-laws of the registrant dated December 6, 1991 (incorporated by reference to Exhibit 3.2 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1991).
3.3	Certificate of Amendment to the Amended and Second Restated Certificate of Incorporation of the registrant dated June 1991 (incorporated by reference to Exhibit 99.0 to the registrant's Current Report on form 8-K reporting on June 19, 1991).
4.1	Common Stock Purchase Warrant in favor of Wesmar Partners dated February 28, 1988 (incorporated by reference to Exhibit 4.4 of the registrant's Registration Statement No. 33-37371 on Form S-3).
4.2	Common Stock Purchase Warrant in favor of Wesmar Partners dated February 28, 1988 (incorporated by reference to Exhibit 4.5 of the registrant's Registration Statement No. 33-37371 on Form S-3).

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- 4.5 of the registrant's Registration Statement No. 33-37371 on Form S-3).
- 4.3 Stock Option Agreement between the registrant and Wesmar Partners dated February 29, 1995 (incorporated by reference to Exhibit 4.6 of the registrant's Registration Statement No. 33-37371 on Form S-3).
- 10.0 Loan and Security Agreement between the registrant and Midlantic Bank, National Association (incorporated by reference to Exhibit 99 of the registrant's Current Report on Form 8-K for the year ended December 31, 1996).
- 10.1 First Amendment to Loan and Security Agreement between the registrant and Midlantic Bank, National Association dated April 9, 1996 (incorporated by reference to Exhibit 10.1 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.2 Second Amendment to Loan and Security Agreement between registrant and PNC Bank, National Association (incorporated by reference to Exhibit 10.2 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.3 Fourth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association dated July 31, 2000 (incorporated by reference to Exhibit 10.14 to the registrant's Registration Statement No. 33-37371 on Form S-4).
- 10.4 Fifth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association dated March 3, 2001 (incorporated by reference to Exhibit 10.4 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).

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EXHIBIT  
NUMBER

DESCRIPTION OF EXHIBIT\*

- | EXHIBIT<br>NUMBER<br>----- | DESCRIPTION OF EXHIBIT*<br>-----  |
|----------------------------|---|
| 10.5                       | Lease Agreement between the registrant and 12 Gloria Lane Limited Partnership dated June 1, 1995 (incorporated by reference to Exhibit 10.6 of the registrant's Registration Statement No. 33-37371 on Form S-3).   |
| 10.6                       | Modification of Lease Agreement between the registrant and 12 Gloria Lane Industrial Park, Inc. dated June 1, 1995 (incorporated by reference to Exhibit 10.2 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1995).   |
| 10.7                       | Lease Modification, Extension, Assignment, Assumption and Consent among Joel Levy as Seller and the registrant under Unrecorded Land Trust Agreement dated as of November 29, 1999, Ladies Professional Golf Association S2 Golf Acquisition Corp., as dated as of December 29, 2000 (incorporated by reference to Exhibit 10.7 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000). |
| 10.8                       | Amended and Restated Licensing Agreement between Ladies Professional Golf Association and the registrant dated December 31, 1999 (incorporated by reference to Exhibit 10.2 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1999).   |
| 10.9                       | Endorsement Agreement between the registrant and Kathy Whitworth dated October 13, 1999 (incorporated by reference to Exhibit 10.13 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1999).   |
| 10.10                      | Licensing Agreement between Nancy Lopez Enterprises, Inc. and the registrant made as of October 13, 1999 (incorporated by reference to Exhibit 10.10 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1999).  |

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- 10.11 License Agreement between the registrant and Raymond Lanctot Ltee/Ltd. dated June 28, Exhibit 10.12 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2000.
- 10.12 Asset Purchase Agreement among the registrant, APGC Holdings Company, LLC and The Arnold Company, dated July 31, 2000 (incorporated by reference to Exhibit 2.0 to the registrant's Current Report on Form 10-K for the year ended December 31, 2000).
- 10.13 Agreement and Plan of Reorganization, dated as of June 22, 2000, among the registrant, Golf Equipment Company, Inc., James E. Jones and Brian Christopher (incorporated by reference to Exhibit 10.13 to the registrant's Registration Statement No. 333-47908 on Form S-4).
- 10.14 1992 Stock Plan for Independent Directors of S2 Golf Inc. dated December 29, 1992 (incorporated by reference to Exhibit 10.11 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.15\*\* 1998 Employee Stock Plan of the registrant (incorporated by reference to Exhibit 10.15 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).

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EXHIBIT  
NUMBER  
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DESCRIPTION OF EXHIBIT\*  
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- 10.16\*\* Agreement between the registrant and Randy A. Hamill dated January 2, 1997 (incorporated by reference to Exhibit 10.16 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.17\*\* Employment Agreement between the registrant and Douglas A. Buffington, made April 3, 2001 (incorporated by reference to Exhibit 10.17 of the registrant's Quarterly Report on Form 10-Q for the quarter ended March 30, 2001).
- 10.18\*\* Consulting Services Agreement between the registrant and MR & Associates made as of December 1, 2000 (incorporated by reference to Exhibit 10.18 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.19\*\* Employment Agreement among the registrant, S2 Golf Acquisition Corp. and James E. Jones dated July 31, 2000 (incorporated by reference to Exhibit 10.19 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.20 Agreement and Plan of Merger between the registrant and S2 Golf Acquisition Corp. dated July 31, 2000 (incorporated by reference to Exhibit 10.20 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).

\* In the case of incorporation by reference to documents filed by the registrant under the Act, the file number under the Act is 0-14146.

\*\* Management contract or management compensatory plan or arrangement.