

October 16, 2002

First Atlantic Capital Acquires Majority Interest in Golfsmith

First Atlantic Capital, Ltd., a private investment firm specializing in acquiring and growing mid-size companies, today announced that it has acquired a majority interest in Golfsmith International, Inc., a leading supplier of golf equipment and related accessories. Golfsmith is one of the world's largest multi-channel, specialty retailers of golf equipment. The purchase price was not disclosed.

Golfsmith's experienced senior management team will continue to lead the Company. In connection with the acquisition, Jim Thompson, Golfsmith's Senior Vice President of Merchandising and Retail Operations, has been named President and Chief Executive Officer of Golfsmith. The Company's founders, Carl and Franklin Paul, will have a substantial ownership position, Board representation and will focus on managing the components division of the business. Charles Shaw, Managing Director of First Atlantic, will be the Chairman of Golfsmith.

First Atlantic acquired the majority interest in Golfsmith through its most recent private equity fund, Atlantic Equity Partners III, L.P. ("AEP III"). The acquisition represents the fourth investment by AEP III. The Company will use the equity infusion to accelerate the opening of new stores and to expand its catalog and internet distribution businesses.

Founded in 1967 and headquartered in Austin, Texas, Golfsmith offers equipment from leading manufacturers, including Callaway®, Cobra®, Footjoy®, Nike®, Ping®, Taylor Made® and Titleist®. The Company also markets golf clubs, club components and accessories under its Golfsmith®, Harvey Penick®, Lynx®, Snake Eyes® and Killer Bee® brands. Golfsmith's equipment and accessories are available in its 24 superstores throughout the United States and Canada and through the Golfsmith Accessory Catalog and the Golfsmith Clubmaking Catalog, as well as on the internet at www.golfsmith.com.

"We are delighted to be making a controlling investment in a leading supplier to the golf industry, which continues to demonstrate consistent growth," said Roberto Buaron, First Atlantic's Chairman and Chief Executive Officer. "With this acquisition, we will continue our strategy of taking an active role in growing our portfolio companies in partnership with management through strategic add-on acquisitions, improvements in operating performance, and appropriate changes in business strategy. Golfsmith is a perfect fit with our approach and we intend to build on the Company's existing retail expansion strategy, while growing the catalog and online business."

Noel Wilens, Principal of First Atlantic, said, "With this investment, we have acquired not only a leading company, but also an exceptionally experienced and talented management team that has been a pioneer in the golf equipment business."

"We are excited to become part of First Atlantic's strong portfolio of companies," said Mr. Thompson. "We believe they can provide the operating experience necessary to further expand our existing product lines and distribution channels, as we increase our customer base."

Wachovia Securities acted as financial advisor for Golfsmith.

Golfsmith International, Inc. (www.golfsmith.com) is a diversified, global leader in the golf industry with more than 1,000 employees and 24 retail superstores throughout the United States and Canada. Golfsmith also operates wholly owned manufacturing and distribution centers in the United Kingdom and Canada. Through its clubmaker and accessories catalogs and online store, the Company offers a wide range of Golfsmith and other pro-line equipment and apparel to consumers and businesses throughout the world. Golfsmith also conducts year-round training programs for clubmakers and hosts the Harvey Penick Golf Academy, which has taught Mr. Penick's renowned golf techniques to more than 16,000 golfers.

First Atlantic Capital, Ltd. is a New York City-based private equity investment firm specializing in acquiring and growing both private and publicly owned middle-market companies, as well as subsidiaries and divisions of large corporations. Since its inception in 1989, First Atlantic has consistently generated superior long-term investment returns for its investors and management partners. First Atlantic has major investments in the packaging, food and beverage, aerospace manufacturing, traffic management and office supply industries. For additional information, please visit our website at www.firstatlanticcapital.com.