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

Form 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2011 Commission File Number 0-18761

HANSEN NATURAL CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	39-1679918 (I.R.S. Employer Identification No.)

550 Monica Circle, Suite 201
Corona, California 92880
(Address of principal executive offices) (Zip code)

(951) 739 – 6200
(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 __

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes X No __

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer x	Accelerated filer o
Non-accelerated filer o (Do not check if smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the Registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

Yes ___ No X

The Registrant had 88,599,051 shares of common stock, par value $0.005 per share, outstanding as of July 27, 2011.

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES
JUNE 30, 2011

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PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

HANSEN NATURAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2011 AND DECEMBER 31, 2010
(In Thousands, Except Par Value) (Unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 418,197	$ 354,842
Short-term investments	281,218	244,649
Trade accounts receivable, net	161,626	101,222
Distributor receivables	673	413
Inventories	156,778	153,241
Prepaid expenses and other current assets	18,623	17,022
Prepaid income taxes	248	9,992
Deferred income taxes	16,772	16,772
Total current assets	1,054,135	898,153
INVESTMENTS	30,202	44,189
PROPERTY AND EQUIPMENT, net	40,931	34,551
DEFERRED INCOME TAXES	57,545	58,475
INTANGIBLES, net	46,677	43,316
OTHER ASSETS	4,080	3,447
Total Assets	$ 1,233,570	$ 1,082,131
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 102,263	$ 85,674
Accrued liabilities	32,700	23,811
Deferred revenue	11,050	10,140

Accrued distributor terminations	13	407
Accrued compensation	5,785	7,603
Current portion of debt	1,255	274
Income taxes payable	8,784	925
Total current liabilities	161,850	128,834
DEFERRED REVENUE	121,376	124,899
COMMITMENTS AND CONTINGENCIES (Note 9)		
STOCKHOLDERS' EQUITY:		
Common stock - $0.005 par value; 120,000 shares authorized; 99,079 shares issued and 88,620 outstanding as of June 30, 2011; 98,731 shares issued and 88,980 outstanding as of December 31, 2010	495	494
Additional paid-in capital	206,833	187,040
Retained earnings	1,021,716	882,425
Accumulated other comprehensive income	2,004	281
Common stock in treasury, at cost; 10,459 shares and 9,751 shares as of June 30, 2011 and December 31, 2010, respectively	(280,704)	(241,842)
Total stockholders' equity	950,344	828,398
Total Liabilities and Stockholders' Equity	$ 1,233,570	$ 1,082,131

See accompanying notes to condensed consolidated financial statements.

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE- AND SIX-MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands, Except Per Share Amounts) (Unaudited)

	Three-Months Ended June 30,		Six-Months Ended June 30,	
	2011	2010	2011	2010
NET SALES	$ 462,145	$ 365,701	$ 818,564	$ 603,812
COST OF SALES	217,924	172,351	388,806	285,907
GROSS PROFIT	244,221	193,350	429,758	317,905
OPERATING EXPENSES	111,739	83,674	208,822	157,443
OPERATING INCOME	132,482	109,676	220,936	160,462
OTHER INCOME:				
Interest and other income, net	624	1,034	627	1,443
Loss on investments and put options, net (Note 3)	(350)	(713)	(51)	(137)
Total other income	274	321	576	1,306
INCOME BEFORE PROVISION FOR INCOME TAXES	132,756	109,997	221,512	161,768
PROVISION FOR INCOME TAXES	48,508	46,159	82,221	65,367
NET INCOME	$ 84,248	$ 63,838	$ 139,291	$ 96,401
NET INCOME PER COMMON SHARE:				
Basic	$ 0.95	$ 0.72	$ 1.57	$ 1.09
Diluted	$ 0.90	$ 0.69	$ 1.49	$ 1.04
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK AND COMMON STOCK EQUIVALENTS:				
Basic	88,475	88,587	88,701	88,467
Diluted	93,604	92,969	93,642	92,983

See accompanying notes to condensed consolidated financial statements.

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTHS ENDED JUNE 30, 2011 AND 2010

(In Thousands) (Unaudited)

	Six-Months Ended June 30, 2011	Six-Months Ended June 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 139,291	$ 96,401
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of trademark	24	24
Depreciation and other amortization	7,671	5,450
(Gain) loss on disposal of property and equipment	(108)	155
Stock-based compensation	7,894	8,513
Gain on put options	(323)	(4,100)
Loss on investments, net	374	4,238
Deferred income taxes	-	2,584
Tax benefit from exercise of stock options	(1,144)	(6,644)
Provision for doubtful accounts	53	1,265
Effect on cash of changes in operating assets and liabilities:		
Accounts receivable	(61,262)	(25,336)
Distributor receivables	(260)	783
Inventories	(2,452)	(32,757)
Prepaid expenses and other current assets	(2,851)	(3,805)
Prepaid income taxes	9,737	-
Accounts payable	14,943	40,231
Accrued liabilities	8,162	20,480
Accrued distributor terminations	(393)	(424)
Accrued compensation	(1,807)	(1,636)
Income taxes payable	9,028	25,176
Deferred revenue	(2,611)	(3,875)
Net cash provided by operating activities	123,966	126,723
CASH FLOWS FROM INVESTING ACTIVITIES:		
Maturities of held-to-maturity investments	182,317	59,987
Sales of available-for-sale investments	22,657	8,500
Sales of trading investments	14,600	600
Purchases of held-to-maturity investments	(228,249)	(89,969)
Purchases of available-for-sale investments	(11,874)	-
Purchases of property and equipment	(12,311)	(4,384)
Proceeds from sale of property and equipment	289	47
Additions to intangibles	(3,385)	(6,264)
Decrease in other assets	1,025	335
Net cash used in investing activities	(34,931)	(31,148)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	(696)	(239)
Tax benefit from exercise of stock options	1,144	6,644
Issuance of common stock	11,308	5,021
Purchases of common stock held in treasury	(38,862)	(23,540)
Net cash used in financing activities	(27,106)	(12,114)
Effect of exchange rate changes on cash and cash equivalents	1,426	(1,899)
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,355	81,562
CASH AND CASH EQUIVALENTS, beginning of period	354,842	328,349
CASH AND CASH EQUIVALENTS, end of period	$ 418,197	$ 409,911
SUPPLEMENTAL INFORMATION:		
Cash paid during the period for:		
Interest	$ 31	$ 6
Income taxes	$ 63,415	$ 37,579

HANSEN NATURAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands) (Unaudited) (Continued)

SUPPLEMENTAL DISCLOSURE OF NON-CASH ITEMS

The Company entered into capital leases for the acquisition of promotional vehicles of $1.8 million and $0.2 million for the six-months ended June 30, 2011 and 2010, respectively.

See accompanying notes to condensed consolidated financial statements.

HANSEN NATURAL CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular Dollars in Thousands, Except Per Share Amounts) (Unaudited)

1. BASIS OF PRESENTATION

Reference is made to the Notes to Consolidated Financial Statements, in Hansen Natural Corporation and Subsidiaries (“Hansen” or the “Company”) Annual Report on Form 10-K for the year ended December 31, 2010 (“Form 10-K”) for a summary of significant accounting policies utilized by the Company and its consolidated subsidiaries and other disclosures, which should be read in conjunction with this Quarterly Report on Form 10-Q ("Form 10-Q").

(Tabular Dollars in Thousands, Except Per Share Amounts) (Unaudited)

The Company's condensed consolidated financial statements included in this Form 10-Q have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and Securities and Exchange Commission ("SEC") rules and regulations applicable to interim financial reporting. They do not include all the information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP. The information set forth in these interim condensed consolidated financial statements for the three- and six-months ended June 30, 2011 and 2010 is unaudited and reflects all adjustments, which include only normal recurring adjustments and which in the opinion of management are necessary to make the interim condensed consolidated financial statements not misleading. Results of operations for periods covered by this report may not necessarily be indicative of results of operations for the full year.

The preparation of financial statements in conformity with GAAP necessarily requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-05, "Presentation of Comprehensive Income." ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in stockholders' equity and requires an entity to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement or in two separate but consecutive statements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011. The Company is currently evaluating the effect of this update on its financial position, results of operations and liquidity.

In May 2011, the FASB issued ASU No. 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS." This pronouncement was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards ("IFRS"). ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for level 3 fair value measurements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011. The Company is currently evaluating the effect of this update on its financial position, results of operations and liquidity.

3. INVESTMENTS

The following table summarizes the Company's investments at:

June 30, 2011	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value	Continuous Unrealized Loss Position less than 12 Months	Continuous Unrealized Loss Position greater than 12 Months
Held to Maturity						
Short-term:						
U.S. Treasuries	$ 60,859	$ 9	$ -	$ 60,868	$ -	$ -
Certificates of deposit	19,530	-	-	19,530	-	-
Corporate bonds	2,042	-	-	2,042	-	-
Municipal securities	83,186	-	24	83,162	24	-
U.S. government agency securities	44,794	-	5	44,789	5	-
Available-for-sale						
Short-term:						
Variable rate demand notes	45,373	-	-	45,373	-	-
Long-term:						
Auction rate securities	3,320	-	-	3,320	-	-
Total	$ 259,104	$ 9	$ 29	259,084	$ 29	$ -
Trading						
Short-term:						
Auction rate securities				25,434		
Long-term:						
Auction rate securities				26,882		
Total				$ 311,400		

December 31, 2010	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value	Continuous Unrealized Loss Position	Continuous Unrealized Loss Position

					less than 12 Months	greater than 12 Months
Held to Maturity						
Short-term:						
U.S. Treasuries	$ 66,521	$ -	$ 2	$ 66,519	$ 2	$ -
Certificates of deposit	7,004	-	-	7,004	-	-
Municipal securities	71,266	-	15	71,251	15	-
U.S. government agency securities	19,688	-	8	19,680	8	-
Available-for-sale						
Short-term:						
Variable rate demand notes	56,107	-	-	56,107	-	-
Long-term:						
Auction rate securities	27,790	-	2,408	25,382	-	2,408
Total	$ 248,376	$ -	$ 2,433	245,943	$ 25	$ 2,408
Trading						
Short-term:						
Auction rate securities				24,063		
Long-term:						
Auction rate securities				18,807		
Total				$ 288,813		

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During the six-months ended June 30, 2011 and the year ended December 31, 2010, realized gains and/or losses recognized on the sale of investments were not significant.

All of the Company's investments at June 30, 2011 and December 31, 2010 in U.S. Treasuries, certificates of deposit, corporate bonds, municipal securities, U.S. government agency securities and variable rate demand notes ("VRDNs" - see Note 4) carry investment grade or better credit ratings. The majority of the Company's investments at June 30, 2011 and December 31, 2010 in municipal, educational or other public body securities with an auction reset feature ("auction rate securities"- see Note 4) also carry investment grade or better credit ratings.

The following table summarizes the underlying contractual maturities of the Company's investments at:

	June 30, 2011		December 31, 2010	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Less than 1 year:				
U.S. Treasuries	$ 60,859	$ 60,868	$ 66,521	$ 66,519
Certificates of deposit	19,530	19,530	7,004	7,004
Corporate bonds	2,042	2,042	-	-
Municipal securities	83,186	83,162	71,266	71,251
U.S. government agency securities	44,794	44,789	19,688	19,680
Due 1 - 10 years:				
Variable rate demand notes	6,175	6,175	3,001	3,001
Due 11 - 20 years:				
Variable rate demand notes	12,801	12,801	11,002	11,002
Auction rate securities	9,786	9,786	10,305	9,819
Due 21 - 30 years:				
Variable rate demand notes	19,221	19,221	30,426	30,426
Auction rate securities	40,249	40,249	48,779	46,857
Due 31 - 40 years:				
Variable rate demand notes	7,176	7,176	11,678	11,678
Auction rate securities	5,601	5,601	11,576	11,576
Total	$ 311,420	$ 311,400	$ 291,246	$ 288,813

4. FAIR VALUE OF CERTAIN FINANCIAL ASSETS AND LIABILITIES

Accounting Standards Codification ("ASC") 820 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The three levels of inputs required by the standard that the Company uses to measure fair value are summarized below.

- **Level 1:** Quoted prices in active markets for identical assets or liabilities.

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(Tabular Dollars in Thousands, Except Per Share Amounts) (Unaudited)

- **Level 2:** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

- **Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

ASC 820 requires the use of observable market inputs (quoted market prices) when measuring fair value and requires a Level 1 quoted price to be used to measure fair value whenever possible.

The following tables present the fair value of the Company's financial assets recorded at fair value on a recurring basis, segregated among the appropriate levels within the fair value hierarchy at:

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June 30, 2011	Level 1	Level 2	Level 3	Total
Cash	$ 52,088	$ -	$ -	$ 52,088
Money market funds	321,065	-	-	321,065
U.S. Treasuries	65,859	-	-	65,859
Certificates of deposit	-	50,559	-	50,559
Corporate bonds	-	2,042	-	2,042
Municipal securities	-	92,201	-	92,201
U.S. government agency securities	-	44,794	-	44,794
Variable rate demand notes	-	45,373	-	45,373
Auction rate securities	-	-	55,636	55,636
Put options related to auction rate securities	-	-	4,091	4,091
Total	$ 439,012	$ 234,969	$ 59,727	$ 733,708
Amounts included in:				
Cash and cash equivalents	$ 378,153	$ 40,044	$ -	$ 418,197
Short-term investments	60,859	194,925	25,434	281,218
Investments	-	-	30,202	30,202
Prepaid expenses and other current assets	-	-	1,632	1,632
Other assets	-	-	2,459	2,459
Total	$ 439,012	$ 234,969	$ 59,727	$ 733,708

December 31, 2010	Level 1	Level 2	Level 3	Total
Cash	$ 50,202	$ -	$ -	$ 50,202
Money market funds	242,001	-	-	242,001
U.S. Treasuries	85,521	-	-	85,521
Certificates of deposit	-	40,010	-	40,010
Municipal securities	-	81,899	-	81,899
U.S. government agency securities	-	19,688	-	19,688
Variable rate demand notes	-	56,107	-	56,107
Auction rate securities	-	-	68,252	68,252
Put option related to auction rate securities	-	-	3,768	3,768
Total	$ 377,724	$ 197,704	$ 72,020	$ 647,448
Amounts included in:				
Cash and cash equivalents	$ 311,202	$ 43,640	$ -	$ 354,842
Short-term investments	66,522	154,064	24,063	244,649
Investments	-	-	44,189	44,189
Prepaid expenses and other current assets	-	-	2,983	2,983
Other assets	-	-	785	785
Total	$ 377,724	$ 197,704	$ 72,020	$ 647,448

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A large portion of the Company's short-term investments are classified within Level 1 or Level 2 of the fair value hierarchy as they are valued using quoted market prices, market prices for similar securities, or alternative pricing sources with reasonable levels of price transparency. The types of instruments valued, based on quoted market prices in active markets, include the Company's investment in money market funds and U.S. Treasuries. The types of instruments valued based on other observable inputs include the Company's certificates of deposit, corporate bonds, municipal securities, U.S. government agency securities and VRDNs. Such instruments are classified within Level 2 of the fair value hierarchy. VRDNs are floating rate municipal bonds with embedded put options that allow the bondholder to sell the security at par plus accrued interest. All of the put options are secured by a pledged liquidity source. While they are classified as marketable investment securities, the put option allows the VRDNs to be liquidated at par on a same day, or generally, on a seven day settlement basis.

The following table provides a summary of changes in fair value of the Company's Level 3 financial assets as of June 30, 2011:

	Auction Rate Securities	Put Options
Balance at December 31, 2010	$ 68,252	$ 3,768
Transfers to Level 3	-	-
Recognized gain included in income	278	20
Unrealized gain included in other comprehensive income	164	-
Settlements	(1,050)	-
Balance at March 31, 2011	$ 67,644	$ 3,788
Transfers to Level 3	-	-
Recognized (loss) gain included in income	(652)	303
Unrealized gain included in other comprehensive income	2,244	-
Settlements	(13,600)	-
Balance at June 30, 2011	$ 55,636	$ 4,091

The Company's Level 3 assets are comprised of auction rate securities and put options. A large portion of these auction rate securities carry an investment grade or better credit rating and are additionally backed by various federal agencies and/or monoline insurance companies. The applicable interest rate is reset at pre-determined intervals, usually every 7 to 35 days. Liquidity for these auction rate securities was typically provided by an auction process which allowed holders to sell their notes at periodic auctions. During the six-months ended June 30, 2011 and the years ended December 31, 2010, 2009 and 2008, the auctions for these auction rate securities failed. The auction failures have been attributable to inadequate buyers and/or buying demand and/or the lack of support from financial advisors and sponsors. In the event that there is a failed auction, the indenture governing the security in some cases requires the issuer to pay interest at a default rate that may be above market rates for similar instruments. The securities for which auctions have failed will continue to accrue and/or pay interest at their pre-determined rates and be auctioned every 7 to 35 days until their respective auction succeeds, the issuer calls the securities, they mature or the

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular Dollars in Thousands, Except Per Share Amounts) (Unaudited)

Company is able to sell the securities to third parties. As a result, the Company's ability to liquidate and fully recover the carrying value of its auction rate securities in the near term may be limited. Consequently, these securities, except those that the Company intends to sell prior to June 30, 2012 as a result of the agreements described below or those that were redeemed at par after June 30, 2011 and December 31, 2010, are classified as long-term investments in the accompanying condensed consolidated balance sheets.

In June 2011, the Company entered into an agreement (the "2011 ARS Agreement"), related to $24.5 million of par value auction rate securities (the "2011 ARS Securities"). Under the 2011 ARS Agreement, the Company has the right to sell the 2011 ARS Securities including all accrued but unpaid interest (the "2011 Put Option") as follows: (i) on or after July 1, 2013, up to $1.0 million aggregate par value; (ii) on or after October 1, 2013, up to an additional $1.0 million aggregate par value; and (iii) in quarterly installments thereafter with full sale rights available on or after April 1, 2016. The 2011 ARS Securities will continue to accrue interest until redeemed through the 2011 Put Option, or as determined by the auction process or the terms outlined in the prospectus of the respective 2011 ARS Securities when the auction process fails. Under the 2011 ARS Agreement, the Company has the obligation, should it receive written notification from the put issuer, to sell the 2011 ARS Securities at par including all accrued but unpaid interest.

In March 2010, the Company entered into an agreement (the “2010 ARS Agreement”), related to $54.2 million of par value auction rate securities (the “2010 ARS Securities”). Under the 2010 ARS Agreement, the Company has the right, but not the obligation, to sell the 2010 ARS Securities including all accrued but unpaid interest (the “2010 Put Option”) as follows: (i) on or after March 22, 2011, up to $13.6 million aggregate par value; and (ii) semi-annual or annual installments thereafter with full sale rights available on or after March 22, 2013. The 2010 ARS Securities will continue to accrue interest until redeemed through the 2010 Put Option, or as determined by the auction process or the terms outlined in the prospectus of the respective 2010 ARS Securities when the auction process fails. During the six-months ended June 30, 2011, $13.6 million of par value 2010 ARS Securities were redeemed through the exercise of the 2010 Put Option and $1.0 million of par value 2010 ARS Securities were redeemed at par through normal market channels ($7.4 million of par value 2010 ARS Securities were redeemed at par through normal market channels during the year ended December 31, 2010).

The 2011 ARS Agreement and the 2010 ARS Agreement (collectively the “ARS Agreements”) represent firm commitments in accordance with ASC 815, which defines a firm commitment with an unrelated party, binding on both parties and usually legally enforceable, with the following characteristics: (i) the commitment specifies all significant terms, including the quantity to be exchanged, the fixed price, and the timing of the transaction; and (ii) the commitment includes a disincentive for nonperformance that is sufficiently large to make performance probable. The enforceability of the ARS Agreements results in the 2010 Put Option and the 2011 Put Option (collectively the “Put Options”), which are recognized as separate freestanding assets and are accounted for separately from the Company’s auction rate securities. The Put Options do not meet the definition of derivative instruments under ASC 815. Therefore, the Company elected the fair value option under ASC 825-10 in accounting for the Put Options. As of June 30, 2011, the Company recorded $4.1 million as the fair market value of the Put Options ($1.6 million current

portion included in prepaid expenses and other current assets and $2.5 million long-term portion included in other assets) in the condensed consolidated balance sheet, with a corresponding gain of $0.3 million recorded in other income in the condensed consolidated statement of income for both the three- and six-months ended June 30, 2011 (a $3.8 million gain was previously recognized through earnings during the year ended December 31, 2010). The valuation of the Put Options utilized a mark-to-model approach which included estimates for interest rates, timing and amount of cash flows, adjusted for any bearer risk associated with the put issuer’s ability to repurchase the 2010 ARS Securities and the 2011 ARS Securities in installments as indicated above beginning March 22, 2011 and July 1, 2013, respectively, as well as the expected holding periods for the Put Options. These assumptions are typically volatile and subject to change as the underlying data sources and market conditions evolve. The Put Options will continue to be adjusted on each balance sheet date based on their then fair values, with any changes in fair values recorded in earnings.

At June 30, 2011, the Company held auction rate securities with a face value of $65.0 million (amortized cost basis of $55.6 million). A Level 3 valuation was performed on the Company’s auction rate securities as of June 30, 2011 resulting in a fair value of $3.3 million for the Company’s available-for-sale auction rate securities (after a $5.0 million impairment) and $52.3 million for the Company’s trading auction rate securities (after a $4.4 million impairment), which are included in short-term and long-term investments. This valuation utilized a mark-to-model approach which included estimates for interest rates, timing and amount of cash flows, credit and liquidity premiums, as well as expected holding periods for the auction rate securities. These assumptions are typically volatile and subject to change as the underlying data sources and market conditions evolve.

ASC 320-10-35 indicates that an other-than-temporary impairment must be recognized through earnings if an investor has the intent to sell the debt security or if it is more likely than not that the investor will be required to sell the debt security before recovery of its amortized cost basis. However, even if an investor does not expect to sell a debt security, it must compare the present value of cash flows expected to be collected from the security with the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis of the security, the entire amortized cost basis of the security will not be recovered (that is, a “Credit Loss” exists), and an other-than-temporary impairment shall be considered to have occurred. In the event of a Credit Loss and absent the intent or requirement to sell a debt security before recovery of its amortized cost, only the amount associated with the Credit Loss is recognized as a loss in the income statement. The amount of loss relating to other factors is recorded in accumulated other comprehensive income (loss). ASC 320-10-35 also requires additional disclosures regarding the calculation of the Credit Loss and the factors considered in reaching a conclusion that an investment is not other-than-temporarily impaired.

In connection with the 2011 ARS Agreement, during the second fiscal quarter of 2011, the Company reclassified $24.5 million of auction rate securities from available-for-sale to trading in accordance with ASC 320, as the Company has the ability and intent to exercise the related 2011 Put Option beginning July 1, 2013. In connection with the 2010 ARS Agreement, during the first fiscal quarter of 2010, the Company reclassified $54.2 million of auction rate securities from available-for-sale to trading in accordance with ASC 320, as the Company had the ability and intent to exercise the related 2010 Put Option beginning March 22, 2011.

(Tabular Dollars in Thousands, Except Per Share Amounts) (Unaudited)

The Company recognized a net gain (loss) through earnings on its trading securities of ($0.7) million and $0.3 million during the three-months ended June 30, 2011 and 2010, respectively. The Company recognized a net gain (loss) through earnings on its trading securities of ($0.4) million and ($4.6) million during the six-months ended June 30, 2011 and 2010, respectively.

The Company determined that the $5.0 million impairment of its available-for-sale auction rate securities at June 30, 2011 was deemed other-than-temporary. The other-than-temporary impairment was deemed Credit Loss related. The Company recorded no additional other-than-temporary impairment during the three- and six-months ended June 30, 2011 ($0.6 million, $3.9 million and $0.5 million were previously deemed other-than-temporary Credit Loss related and were charged through earnings for the years ended December 31, 2010, 2009 and 2008, respectively). The factors evaluated to differentiate between temporary impairment and other-than-temporary impairment included the projected future cash flows, credit ratings actions, and assessment of the credit quality of the underlying collateral, as well as the other factors included in the valuation model for debt securities described above.

The net effect of (i) the acquisition of the 2011 Put Option during the second fiscal quarter of 2011; (ii) the revaluation of the Put Options as of June 30, 2011; (iii) the transfer from available-for-sale to trading of the 2011 ARS Securities during the second fiscal quarter of 2011; (iv) the revaluation of the Company's trading auction rate securities as of June 30, 2011; (v) the redemption at par of certain 2010 ARS Securities, including those redeemed through the exercise of the 2010 Put Option; and (vi) a recognized gain resulting from the redemption at par of a previously other-than-temporary impaired security during the first fiscal quarter of 2011, resulted in a (loss) of ($0.3) million and ($0.1) million included in other income for the three- and six-months ended June 30, 2011, respectively. The net effect of (i) the acquisition of the 2010 Put Option during the first fiscal quarter of 2010; (ii) the revaluation of the 2010 Put Option as of June 30, 2010; (iii) the transfer from available-for-sale to trading of the 2010 ARS Securities during the first fiscal quarter of 2010; (iv) the revaluation of trading 2010 ARS Securities as of June 30, 2010; and (v) a recognized gain resulting from the redemption at par of a previously other-than-temporary impaired security during the first fiscal quarter of 2010, resulted in a (loss) of ($0.7) million and ($0.1) million included in other income for the three- and six-months ended June 30, 2010, respectively.

The Company holds additional auction rate securities that do not have a related put option. These auction rate securities continue to be classified as available-for-sale securities. The Company intends to retain its investment in the issuers until the earlier of the anticipated recovery in market value or maturity.

Based on the Company's ability to access cash and cash equivalents and other short-term investments and based on the Company's expected operating cash flows, the Company does not anticipate that the current lack of liquidity of its auction rate securities will have a material adverse effect on its liquidity or working capital. If uncertainties in the credit and capital markets continue, or uncertainties in the expected performance of the issuers of the Put Options arise, or there are rating downgrades on the auction rate securities held by the Company, the Company may be required to recognize additional impairments on these investments.

5. INVENTORIES

Inventories consist of the following at:

	June 30, 2011	December 31, 2010
Raw materials	$ 54,978	$ 61,010
Finished goods	101,800	92,231
	$ 156,778	$ 153,241

6. PROPERTY AND EQUIPMENT, Net

(Tabular Dollars in Thousands, Except Per Share Amounts) (Unaudited)

Property and equipment consist of the following at:

	June 30, 2011	December 31, 2010
Land	$ 3,076	$ 3,076
Leasehold improvements	2,015	1,998
Furniture and fixtures	2,017	1,959
Office and computer equipment	6,162	5,541
Computer software	9,103	8,428
Equipment	27,500	20,150
Vehicles	20,055	15,696
	69,928	56,848
Less: accumulated depreciation and amortization	(28,997)	(22,297)
	$ 40,931	$ 34,551

7. INTANGIBLES, Net

Intangibles consist of the following at:

	June 30, 2011	December 31, 2010
Amortizing intangibles	$ 1,047	$ 1,047
Accumulated amortization	(476)	(452)
	571	595
Non-amortizing intangibles	46,106	42,721
	$ 46,677	$ 43,316

All amortizing intangibles have been assigned an estimated useful life and such intangibles are amortized on a straight-line basis over the number of years that approximate their respective useful lives ranging from one to 25 years (weighted-average life of 20 years). Amortization expense was $0.01 million for both the three-months ended June 30, 2011 and 2010. Amortization expense was $0.02 million for both the six-months ended June 30, 2011 and 2010.

8. DISTRIBUTION AGREEMENTS

Amounts received pursuant to distribution agreements entered into with certain distributors have been accounted for as deferred revenue in the accompanying condensed consolidated balance sheets and are recognized as revenue ratably over the anticipated life of the respective distribution agreement, generally 20 years. Revenue recognized was $2.1 million and $1.9 million for the three-months ended June 30, 2011 and 2010, respectively. Revenue recognized was $3.9 million and $3.7 million for the six-months ended June 30, 2011 and 2010, respectively.

9. COMMITMENTS AND CONTINGENCIES

The Company has purchase commitments aggregating approximately $18.1 million, which represent commitments made by the Company and its subsidiaries to various suppliers of raw materials for the manufacturing and packaging of its products. These obligations will be paid over the next 12 months.

The Company has contractual obligations aggregating approximately $52.5 million, which are related primarily to sponsorships and other marketing activities. These obligations will be paid over the next five years.

The Company has operating lease commitments aggregating approximately $19.7 million, which are related primarily to warehouse and office space. The vast majority of these obligations will be paid over the next five years.

Litigation – In September 2006, Christopher Chavez purporting to act on behalf of himself and a certain class of consumers filed an action in the Superior Court of the State of California, County of San Francisco, against the Company and its subsidiaries for unfair business practices, false advertising, violation of California Consumers Legal Remedies Act ("CLRA"), fraud, deceit and/or misrepresentation alleging that the Company misleadingly labels its Blue Sky beverages as manufactured and canned/bottled wholly in Santa Fe, New Mexico. Defendants removed this Superior Court action to the United States District Court for the Northern District of California (the "District Court") under the Class Action Fairness Act and filed motions for dismissal or transfer. On June 11, 2007, the District Court granted the Company's motion to dismiss Chavez's complaint with prejudice. On June 23, 2009, the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") filed a memorandum opinion reversing the decision of the District Court and remanded the case to the District Court for further proceedings. The Company filed a motion to dismiss the CLRA claims; the plaintiff filed a motion for a decision on a preemption issue; and the plaintiff filed a motion for class certification. On June 18, 2010, the District Court entered an order certifying the class, ruled that there was no preemption by federal law, and denied the Company's motion to dismiss. The class that the District Court certified initially consists of all persons who purchased any beverage bearing the Blue Sky mark or brand in the United States at any time between May 16, 2002 and June 30, 2006. On September 9, 2010, the District Court approved the form of the class notice

and its distribution plan; and set an opt-out date of December 10, 2010, and a trial date for March, 2011. On September 28, 2010, the Company filed a Request for Leave to file a motion for reconsideration of the order certifying the class action. On November 11, 2010, the Company filed two dispositive motions: a motion to decertify the class and a motion for summary judgment. The plaintiff filed his motion for partial summary judgment. The District Court took all motions under submission without oral argument. On January 31, 2011, the case was reassigned to Judge Jeffrey S. White. The District Court has subsequently vacated all pending hearing dates and has taken the pending motions under submission without oral argument. The Company believes it has meritorious defenses to all the allegations and plans a vigorous defense. The Company believes that any possible litigation losses, if awarded, would not have a material adverse effect on the Company's financial position or results of operations.

On August 28, 2008, the Company initiated an action against Oppenheimer Holdings Inc., Oppenheimer & Co. Inc., and Oppenheimer Asset Management Inc., in the United States District Court, Central District of California, for violations of federal securities laws and the Investment Advisers Act of 1940, as amended, arising out of the Company's purchase of auction rate securities. The Company stipulated to arbitration before the Financial Industry Regulatory Authority ("FINRA"), which commenced on June 21, 2011. The Company and the defendants entered into an agreement on terms acceptable to the Company, and as a consequence, the arbitration proceeding before FINRA and the lawsuit initiated by the Company in the United States District Court were subsequently dismissed with prejudice, and the parties have released all of their claims against each other.

In May 2009, Avraham Wellman, purporting to act on behalf of himself and a class of consumers in Canada, filed a putative class action in the Ontario Superior Court of Justice, in the City of Toronto, Ontario, Canada, against the Company and its former Canadian distributor, Pepsi-Cola Canada Ltd., as defendants. The plaintiff alleges that the defendants misleadingly packaged and labeled Monster Energy® products in Canada by not including sufficiently specific statements with respect to contra-indications and/or adverse reactions associated with the consumption of the energy drink products. The plaintiff's claims against the defendants are for negligence, unjust enrichment, and making misleading/false representations in violation of the Competition Act (Canada), the Food and Drugs Act (Canada) and the Consumer Protection Act, 2002 (Ontario). The plaintiff claims general damages on behalf of the putative class in the amount of CDN$20 million, together with punitive damages of CDN$5 million, plus legal costs and interest. The plaintiff's certification motion materials have not yet been filed. The Company believes that any such damages, if awarded, would not have a material adverse effect on the Company's financial position or results of operations. In accordance with class action practices in Ontario, the Company will not file an answer to the complaint until after the determination of the certification motion. The Company believes that the plaintiff's complaint is without merit and plans a vigorous defense.

In addition to the above matters, the Company is subject to litigation from time to time in the normal course of business, including claims from terminated distributors. Although it is not possible to predict the outcome of such litigation, based on the facts known to the Company and after consultation with counsel, management believes that such litigation in the aggregate will likely not have a material adverse effect on the Company's financial position or results of operations.

Securities Litigation — On September 11, 2008, a federal securities class action complaint styled *Cunha v. Hansen Natural Corp., et al*. was filed in the United States District Court for the Central District of California (the "District Court"). On September 17, 2008, a second federal securities class action complaint styled *Brown v. Hansen Natural Corp., et al.* was also filed in the District Court.

On July 14, 2009, the District Court entered an order consolidating the actions and appointing lead counsel and the Structural Ironworkers Local Union #1 Pension Fund as lead plaintiff. On August 28, 2009, lead plaintiff filed a Consolidated

Complaint for Violations of Federal Securities Laws (the "Consolidated Class Action Complaint"). The Consolidated Class Action Complaint purported to be brought on behalf of a class of purchasers of the Company's stock during the period November 9, 2006 through November 8, 2007 (the "Class Period"). It named as defendants the Company, Rodney C. Sacks, Hilton H. Schlosberg, and Thomas J. Kelly. Plaintiff principally alleged that, during the Class Period, the defendants made false and misleading statements relating to the Company's distribution coordination agreements with Anheuser-Busch, Inc. ("AB") and its sales of "Allied" energy drink lines, and engaged in sales of shares in the Company on the basis of material non-public information. Plaintiff also alleged that the Company's financial statements for the second quarter of 2007 did not include certain promotional expenses. The Consolidated Class Action Complaint alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and sought an unspecified amount of damages.

On November 16, 2009, the defendants filed their motion to dismiss the Consolidated Class Action Complaint pursuant to Federal Rules of Civil Procedure 12(b)(6) and 9(b), as well as the Private Securities Litigation Reform Act. On July 12, 2010, following a hearing, the District Court granted the defendants' motion to dismiss the Consolidated Class Action Complaint, with leave to amend, on the grounds, among others, that it failed to specify which statements Plaintiff claimed were false or misleading, failed adequately to allege that certain statements were actionable or false or misleading, and failed adequately to demonstrate that defendants acted with scienter.

On August 27, 2010, Plaintiff filed a Consolidated Amended Class Action Complaint for Violations of Federal Securities Laws (the "Amended Class Action Complaint"). While similar in many respects to the Consolidated Class Action Complaint, the Amended Class Action Complaint drops certain of the allegations set forth in the Consolidated Class Action Complaint and makes certain new allegations, including that the Company engaged in "channel stuffing" during the Class Period that rendered false or misleading the Company's reported sales results and certain other statements made by the defendants. In addition, it no longer names Thomas J. Kelly as a defendant. The Amended Class Action Complaint continues to allege violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder, and seeks an unspecified amount of damages.

Defendants filed a motion to dismiss the Amended Class Action Complaint on November 8, 2010. At a hearing on defendants' motion to dismiss the Amended Class Action Complaint held on May 12, 2011, the District Court issued a tentative ruling that would grant the motion to dismiss as to certain of Plaintiff's claims, but would deny the motion to dismiss with regard to the majority of Plaintiff's claims. The District Court has not, however, issued a final ruling. The District Court held an additional hearing on the motion to dismiss on May 25, 2011, and has received supplemental submissions from the parties. Defendants' motion to dismiss remains *sub judice*.

The Amended Class Action Complaint seeks an unspecified amount of damages. As a result, the amount or range of reasonably possible litigation losses to which the Company is exposed cannot be estimated.

Derivative Litigation — On October 15, 2008, a derivative complaint was filed in the United States District Court for the Central District of California (the "District Court"), styled *Merckel v. Sacks, et al*. On November 17, 2008, a second derivative complaint styled *Dislevy v. Sacks, et al*. was also filed in the District Court. The derivative suits were each brought, purportedly on behalf of the Company, by a shareholder of the Company who made no prior demand on the Company's Board of Directors.

On June 29, 2009, the District Court entered an order consolidating the Merckel and Dislevy actions. On July 13, 2009, the District Court entered an order re-styling the consolidated actions as In re *Hansen Derivative Shareholder Litigation*, appointing Raymond Merckel as lead plaintiff and appointing lead counsel, and establishing a schedule for the filing of a consolidated amended complaint and for defendants' response to such complaint.

On October 13, 2009, a purported Consolidated Shareholder Derivative Complaint (the "Consolidated Derivative Complaint") was filed. The Consolidated Derivative Complaint named as defendants certain current and former officers, directors, and employees of the Company, including Rodney C. Sacks, Hilton H. Schlosberg, Harold C. Taber, Jr., Benjamin M. Polk, Norman C. Epstein, Mark S. Vidergauz, Sydney Selati, Thomas J. Kelly, Mark J. Hall, and Kirk S. Blower, as well as Hilrod Holdings, L.P. The Company was named as a nominal defendant. The factual allegations of the Consolidated Derivative Complaint were similar to those set forth in the Consolidated Class Action Complaint described above. Plaintiff alleged that, from November 2006 to the present, the defendants caused the Company to issue false and misleading statements concerning its business prospects and failed to properly disclose problems related to its non-Monster energy drinks, the prospects for the Anheuser-Busch distribution relationship, and alleged "inventory loading" that affected the Company's results for the second quarter of 2007. Plaintiff further alleged that while the Company's shares were purportedly artificially inflated because of those improper statements, certain of the defendants sold Company stock while in possession of material non-public information. The Consolidated Derivative Complaint asserted various causes of action, including breach of fiduciary duty, aiding and abetting breach of fiduciary duty, violation of Cal. Corp. Code §§ 25402 and 25403 for insider selling, and unjust enrichment. The suit sought an unspecified amount of damages to be paid to the Company and adoption of corporate governance reforms, among other things.

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On January 8, 2010, the Company filed its motion to dismiss the Consolidated Derivative Complaint pursuant to Federal Rules of Civil Procedure 12(b)(6) and 23.1. On March 2, 2010, plaintiff's counsel filed a motion to amend the Consolidated Derivative Complaint pursuant to Rule 15(a)(2) for the purpose of replacing Mr. Merckel as lead plaintiff with another shareholder of the Company, Anastasia Brueckheimer. Following a hearing on July 12, 2010, the District Court (i) permitted Ms. Brueckheimer to intervene in the Derivative Litigation as lead plaintiff and to file a Verified Complaint in Intervention (the "Complaint in Intervention") similar in all material respects to the Consolidated Derivative Complaint; and (ii) dismissed the Complaint in Intervention, with leave to amend, on the ground that Plaintiff's allegations of demand futility were insufficient to excuse the failure to make a pre-suit demand on the Company's Board of Directors.

On October 1, 2010, Ms. Brueckheimer filed a Verified Amended Consolidated Shareholder Derivative Complaint (the "Amended Derivative Complaint"). While the Amended Derivative Complaint asserts the same causes of action and contains many of the same substantive allegations as the Consolidated Derivative Complaint, it also advances new allegations about "channel stuffing," which are substantially similar to the allegations pled in the Amended Class Action Complaint.

The Company filed a motion to dismiss the Amended Derivative Complaint on December 20, 2010, on the ground that Plaintiff had again failed adequately to allege demand futility. Following a hearing on the Company's motion to dismiss the Amended Derivative Complaint held on May 12, 2011, the District Court dismissed the Amended Derivative Complaint, with prejudice, on this ground. On July 10, 2011, Ms. Brueckheimer filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit. As currently scheduled, Plaintiff's opening brief on appeal is due on November 21, 2011, defendants' brief in opposition is due on December 21, 2011 and Plaintiff's reply brief, if any, is due on January 4, 2012.

Although the ultimate outcome of these matters cannot be determined with certainty, the Company believes that the allegations in the Amended Class Action Complaint and the Amended Derivative Complaint are without merit. The Company intends to vigorously defend against these lawsuits.

The Amended Derivative Complaint names the Company as a nominal defendant and seeks an unspecified amount of damages on behalf of the Company against the various defendants named therein.

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HANSEN NATURAL CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular Dollars in Thousands, Except Per Share Amounts) (Unaudited)

10. COMPREHENSIVE INCOME

The components of comprehensive income are as follows:

	Three-Months Ended June 30,		Six-Months Ended June 30,	
	2011	2010	2011	2010
Net income, as reported	$ 84,248	$ 63,838	$ 139,291	$ 96,401
Other comprehensive income (loss):				
Change in unrealized loss on available-for-sale securities, net of tax	1,377	331	1,478	3,149
Foreign currency translation adjustments	(483)	(2,352)	245	(2,667)
Comprehensive income	$ 85,142	$ 61,817	$ 141,014	$ 96,883

The components of accumulated other comprehensive income are as follows:

	June 30, 2011	December 31, 2010
Accumulated net unrealized loss on available-for-sale securities, net of tax benefit of $1.0 million as of December 31, 2010	$ -	$ (1,478)
Foreign currency translation adjustments	2,004	1,759
Total accumulated other comprehensive income	$ 2,004	$ 281

11. TREASURY STOCK PURCHASE

On March 11, 2010, the Company's Board of Directors authorized the repurchase of up to $200.0 million of the Company's common stock. During the six-months ended June 30, 2011 the Company purchased 0.7 million shares of common stock at an average purchase price of $54.88 per share for a total amount of $38.9 million, which the Company holds in treasury. During the six-months ended June 30, 2010, the Company purchased 0.6 million shares of common stock at an average purchase price of $37.68 per share for a total amount of $23.5 million, which the Company holds in treasury. As of June 30, 2011, approximately $137.6 million remained available under the plan for the repurchase of the Company's common stock.

12. STOCK-BASED COMPENSATION

The Company has two stock-based compensation plans under which shares were available for grant at June 30, 2011: the Hansen Natural Corporation 2011 Omnibus Incentive Plan (the "2011 Omnibus Incentive Plan") and the 2009 Hansen Natural Corporation Stock Incentive Plan for Non-Employee Directors (the "2009 Directors Plan"). The 2011 Omnibus Incentive Plan was approved by the Board of Directors on February 25, 2011, and ratified by the stockholders of the Company at the

annual meeting of stockholders held on May 19, 2011. The 2011 Omnibus Incentive Plan replaced the Hansen Natural Corporation Amended and Restated 2001 Stock Option Plan (the "2001 Option Plan").

The 2011 Omnibus Incentive Plan permits the granting of options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based awards up to an aggregate of 7,250,000 shares of the common stock of the Company to employees or consultants of the Company and its subsidiaries. Shares authorized under the 2011 Omnibus Incentive Plan are reduced by 2.16 shares for each share granted or issued with respect to a Full Value Award. A Full Value Award is an award other than an incentive stock option, a non-qualified stock option, or a stock appreciation right, which is settled by the issuance of shares. Options granted under the 2011 Omnibus Incentive Plan may be incentive stock options under Section 422 of the Internal Revenue Code, as amended, or non-qualified stock options. The Compensation Committee of the Board of Directors (the "Compensation Committee") has sole and exclusive authority to grant stock awards to all employees who are not new hires and to all new hires who are subject to Section 16 of the Exchange Act. The Compensation Committee and the Executive Committee of the Board of Directors (the "Executive Committee") each independently has the authority to grant stock awards to new hires who are not Section 16 employees. Awards granted by the Executive Committee are not subject to approval or ratification by the Board or the Compensation Committee. Options granted under the 2011 Omnibus Incentive Plan generally vest over a five-year period from the grant date and are generally exercisable up to 10 years after the grant date. As of June 30, 2011, 56,800 shares of the Company's common stock have been granted, net of cancellations, and 7,193,200 shares of the Company's common stock remain available for grant under the 2011 Omnibus Incentive Plan.

The Company recorded $4.1 million and $3.5 million of compensation expense relating to outstanding options, restricted stock awards, stock appreciation rights and restricted stock units (restricted stock units were granted to non-employee directors under the 2009 Directors Plan) during the three-months ended June 30, 2011 and 2010, respectively. The Company recorded $7.9 million and $8.5 million of compensation expense relating to outstanding options, restricted stock awards, stock appreciation rights and restricted stock units (granted to non-employee directors under the 2009 Directors Plan) during the six-months ended June 30, 2011 and 2010, respectively.

Stock Options

Under the Company's stock-based compensation plans, all stock options granted as of June 30, 2011 were granted at prices based on the fair value of the Company's common stock on the date of grant. The Company records compensation expense for employee stock options based on the estimated fair value of the options on the date of grant using the Black-Scholes-Merton option pricing formula with the assumptions included in the table below. The Company records compensation expense for non-employee stock options based on the estimated fair value of the options as of the earlier of (1) the date at which a commitment for performance by the non-employee to earn the stock option is reached or (2) the date at which the non-employee's performance is complete, using the Black-Scholes-Merton option pricing formula with the assumptions included in the table below. The Company uses historical data to determine the exercise behavior, volatility and forfeiture rate of the options.

The following weighted-average assumptions were used to estimate the fair value of options granted during:

	Three-Months Ended June 30,		Six-Months Ended June 30,	
	2011	2010	2011	2010
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %
Expected volatility	53.6 %	58.7 %	54.8 %	59.2 %
Risk-free interest rate	1.7 %	2.2 %	1.9 %	2.3 %
Expected term	5.8 Years	5.7 Years	6.0 Years	5.7 Years

Expected Volatility: The Company uses historical volatility as it provides a reasonable estimate of the expected volatility. Historical volatility is based on the most recent volatility of the stock price over a period of time equivalent to the expected term of the option.

Risk-Free Interest Rate: The risk-free interest rate is based on the U.S. Treasury zero coupon yield curve in effect at the time of grant for the expected term of the option.

Expected Term: The Company's expected term represents the weighted-average period that the Company's stock options are expected to be outstanding. The expected term is based on expected time to post-vesting exercise of options by employees. The Company uses historical exercise patterns of previously granted options to derive employee behavioral patterns used to forecast expected exercise patterns.

The following table summarizes the Company's activities with respect to stock options as follows:

Options	Number of Shares (In Thousands)	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance at January 1, 2011	9,749	$ 17.18	5.2	$ 342,241
Granted 01/01/11 - 03/31/11	59	$ 57.61		
Granted 04/01/11 - 06/30/11	52	$ 70.00		
Exercised	(324)	$ 34.95		
Cancelled or forfeited	(41)	$ 37.00		
Outstanding at June 30, 2011	9,495	$ 17.02	4.7	$ 606,950
Vested and expected to vest in the future at June 30, 2011	9,101	$ 16.05	4.5	$ 590,630
Exercisable at June 30, 2011	7,113	$ 9.90	3.5	$ 505,376

The weighted-average grant-date fair value of options granted during the three-months ended June 30, 2011 and 2010 was $35.55 per share and $21.85 per share, respectively. The weighted-average grant-date fair value of options granted during the six-months ended June 30, 2011 and 2010 was $33.13 per share and $21.91 per share, respectively. The total intrinsic value of options exercised during the three-months ended June 30, 2011 and 2010 was $7.0 million and $0.5 million, respectively. The total intrinsic value of options exercised during the six-months ended June 30, 2011 and 2010 was $9.5 million and $21.3 million, respectively.

Cash received from option exercises under all plans for the three-months ended June 30, 2011 and 2010 was approximately $7.1 million and $0.5 million, respectively. Cash received from option exercises under all plans for the six-months ended June 30, 2011 and 2010 was approximately $11.3 million and $5.0 million, respectively. The excess tax benefit realized for tax deductions from non-qualified stock option exercises and disqualifying dispositions of incentive stock options for the three-months ended June 30, 2011 and 2010 was $1.0 million and $0.1 million, respectively. The excess tax benefit realized for tax deductions from non-qualified stock option exercises and disqualifying dispositions of incentive stock options for the six-months ended June 30, 2011 and 2010 was $1.1 million and $6.6 million, respectively.

At June 30, 2011, there was $45.1 million of total unrecognized compensation expense related to non-vested options and stock appreciation rights granted to both employees and non-employees under the Company's share-based payment plans. That cost is expected to be recognized over a weighted-average period of 3.0 years.

Restricted Stock Awards and Restricted Stock Units

Stock-based compensation cost for restricted stock awards and restricted stock units is measured based on the closing fair market value of the Company's common stock at the date of grant. In the event that the Company has the option and intent to settle a restricted stock unit in cash, the award is classified as a liability and revalued at each balance sheet date. Total cash paid to settle restricted stock unit liabilities and the increase in the liabilities for future cash settlements during the six-months ended June 30, 2011 and 2010 were not material.

The following table summarizes the Company's activities with respect to non-vested restricted stock awards and non-vested restricted stock units as follows:

	Number of Shares (in thousands)		Weighted Average Fair Value
Non-vested at January 1, 2011	6	$	38.40
Granted	28	$	71.76
Vested	(8)	$	69.66
Forfeited/cancelled	-	$	-
Non-vested at June 30, 2011	26	$	71.72

At June 30, 2011, total unrecognized compensation expense relating to non-vested restricted stock awards and non-vested restricted stock units was $1.9 million, which is expected to be recognized over a weighted-average period of 2.2 years.

13. INCOME TAXES

The following is a roll-forward of the Company's total gross unrecognized tax benefits, not including interest and penalties, for the six-months ended June 30, 2011:

		Gross Unrealized Tax Benefits
Balance at December 31, 2010	$	465
Additions for tax positions related to the current year		-
Additions for tax positions related to the prior year		190
Decreases related to settlement with taxing authority		-
Balance at June 30, 2011	$	655

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes in the Company's condensed consolidated financial statements. As of June 30, 2011, the Company had accrued approximately $0.4 million in interest and penalties related to unrecognized tax benefits. It is expected that the amount of unrecognized tax benefits will not change significantly within the next 12 months.

On February 10, 2011, the Internal Revenue Service began its examination of the Company's U.S. federal income tax return for the years ended December 31, 2009 and 2008. The year ended December 31, 2007 remains open for examination. The Company is also currently under examination by certain state jurisdictions.

The Company is subject to U.S. federal income tax as well as to income tax in multiple state and foreign jurisdictions. State income tax returns are subject to examination for the 2006 through 2009 tax years.

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14. EARNINGS PER SHARE

A reconciliation of the weighted-average shares used in the basic and diluted earnings per common share computations is presented below:

	Three-Months Ended June 30,		Six-Months Ended June 30,	
	2011	2010	2011	2010
Weighted-average shares outstanding:				
Basic	88,475	88,587	88,701	88,467
Dilutive securities	5,129	4,382	4,941	4,516
Diluted	93,604	92,969	93,642	92,983

For the three-months ended June 30, 2011 and 2010, options outstanding totaling 0.3 million and 2.0 million shares, respectively, were excluded from the calculations as their effect would have been antidilutive. For the six-months ended June 30, 2011 and 2010, options outstanding totaling 0.3 million and 2.0 million shares, respectively, were excluded from the calculations as their effect would have been antidilutive.

15. SEGMENT INFORMATION

The Company has two reportable segments, namely Direct Store Delivery ("DSD"), whose principal products comprise energy drinks, and Warehouse ("Warehouse"), whose principal products comprise juice based and soda beverages. The DSD segment develops, markets and sells products primarily through an exclusive distributor network, whereas the Warehouse segment develops, markets and sells products primarily direct to retailers. Corporate and unallocated amounts that do not relate to the DSD or Warehouse segments have been allocated to "Corporate & Unallocated."

The net revenues derived from the DSD and Warehouse segments and other financial information related thereto are as follows:

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	Three-Months Ended June 30, 2011			
	DSD	Warehouse	Corporate and Unallocated	Total
Net sales	$ 436,656	$ 25,489	$ -	$ 462,145
Contribution margin	150,456	1,403	-	151,859
Corporate and unallocated expenses	-	-	(19,377)	(19,377)
Operating income				132,482
Other income (expense)	(21)	-	295	274
Income before provision for income taxes				132,756
Depreciation and amortization	3,072	20	999	4,091
Trademark amortization	-	11	1	12

	Three-Months Ended June 30, 2010			
	DSD	Warehouse	Corporate and Unallocated	Total
Net sales	$ 341,292	$ 24,409	$ -	$ 365,701
Contribution margin	129,394	1,832	-	131,226
Corporate and unallocated expenses	-	-	(21,550)	(21,550)
Operating income				109,676
Other income (expense)	(4)	-	325	321
Income before provision for income taxes				109,997
Depreciation and amortization	1,565	12	1,232	2,809
Trademark amortization	-	11	1	12

Revenue is derived from sales to external customers. Operating expenses that pertain to each segment are allocated to the appropriate segment.

Corporate and unallocated expenses were $19.4 million for the three-months ended June 30, 2011 and included $12.3 million of payroll costs, of which $4.1 million was attributable to stock-based compensation expense (see Note 12, "Stock-Based Compensation"), $3.4 million attributable to professional service expenses, including accounting and legal costs, and $3.7 million of other operating expenses. Corporate and unallocated expenses were $21.5 million for the three-months ended June 30, 2010 and included $11.7 million of payroll costs, of which $3.5 million was attributable to stock-based compensation expense (see Note 12, "Stock-Based Compensation"), $4.8 million attributable to professional service expenses, including accounting and legal costs, $1.2 million of depreciation, $1.3 million of bad debt expense and $2.5 million of other operating expenses. Certain items, including operating assets and income taxes, are not allocated to individual segments and therefore are not presented above.

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On October 2, 2010, The Coca-Cola Company ("TCCC") completed its acquisition of the North American business operations of Coca-Cola Enterprises, Inc. ("CCE"), through a merger with a wholly owned subsidiary of TCCC. The surviving wholly owned subsidiary was subsequently renamed Coca-Cola Refreshments ("CCR"), and currently distributes certain of the Company's products in those portions of the United States in which CCE previously distributed certain of the Company's products. Concurrently with this acquisition, a new entity, which retained the name Coca-Cola Enterprises, Inc. ("New CCE") was formed which is currently the Company's distributor in Great Britain, France, Belgium, the Netherlands, Luxembourg, Monaco and Sweden (added during the first quarter of 2011).

CCR, a customer of the DSD segment, accounted for approximately 30% of the Company's net sales for the three-months ended June 30, 2011. CCE, a customer of the DSD segment, accounted for approximately 35% of the Company's net sales for the three-months ended June 30, 2010.

Net sales to customers outside the United States amounted to $78.1 million and $52.5 million for the three-months ended June 30, 2011 and 2010, respectively. Such sales were approximately 16.9% and 14.4% of net sales for the three-months ended June 30, 2011 and 2010, respectively.

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The net revenues derived from the DSD and Warehouse segments and other financial information related thereto are as follows:

	Six-Months Ended June 30, 2011			
	DSD	Warehouse	Corporate and Unallocated	Total
Net sales	$ 771,378	$ 47,186	$ -	$ 818,564
Contribution margin	260,531	1,063	-	261,594
Corporate and unallocated expenses	-	-	(40,658)	(40,658)
Operating income				220,936
Other income (expense)	(8)	-	584	576
Income before provision for income taxes				221,512
Depreciation and amortization	5,617	37	2,017	7,671
Trademark amortization	-	22	2	24

	Six-Months Ended June 30, 2010			
	DSD	Warehouse	Corporate and Unallocated	Total
Net sales	$ 558,446	$ 45,366	$ -	$ 603,812
Contribution margin	202,449	2,098	-	204,547
Corporate and unallocated expenses	-	-	(44,085)	(44,085)
Operating income				160,462
Other income (expense)	55	-	1,251	1,306
Income before provision for income taxes				161,768
Depreciation and amortization	3,029	23	2,398	5,450
Trademark amortization	-	22	2	24

Revenue is derived from sales to external customers. Operating expenses that pertain to each segment are allocated to the appropriate segment.

Corporate and unallocated expenses were $40.7 million for the six-months ended June 30, 2011 and included $25.0 million of payroll costs, of which $7.9 million was attributable to stock-based compensation expense (see Note 12, "Stock-Based Compensation"), $8.6 million attributable to professional service expenses, including accounting and legal costs, and $7.1 million of other operating expenses. Corporate and unallocated expenses were $44.1 million for the six-months ended June 30, 2010 and included $24.6 million of payroll costs, of which $8.5 million was attributable to stock-based compensation expense (see Note 12, "Stock-Based Compensation"), $10.3 million attributable to professional service expenses, including accounting and legal costs, $2.4 million of depreciation, $1.3 million of bad debt expense and $5.5 million of other operating expenses. Certain items, including operating assets and income taxes, are not allocated to individual segments and therefore are not presented above.

(Tabular Dollars in Thousands, Except Per Share Amounts) (Unaudited)

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CCR, a customer of the DSD segment, accounted for approximately 29% of the Company's net sales for the six-months ended June 30, 2011. CCE, a customer of the DSD segment, accounted for approximately 36% of the Company's net sales for the six-months ended June 30, 2010.

Net sales to customers outside the United States amounted to $133.5 million and $81.9 million for the six-months ended June 30, 2011 and 2010, respectively. Such sales were approximately 16.3% and 13.6% of net sales for the six-months ended June 30, 2011 and 2010, respectively.

The Company's net sales by product line were as follows:

	Three-Months Ended June 30,		Six-Months Ended June 30,	
	2011	2010	2011	2010
Energy drinks	$ 425,060	$ 332,769	$ 752,702	$ 543,719
Non-carbonated (primarily juice based beverages and Peace Tea™ iced teas)	25,534	20,634	44,478	37,756
Carbonated (primarily soda beverages)	8,616	9,934	15,885	17,701
Other	2,935	2,364	5,499	4,636
	$ 462,145	$ 365,701	$ 818,564	$ 603,812

16. RELATED PARTY TRANSACTIONS

A director of the Company is a former partner in a law firm (the director resigned from the law firm effective July 10, 2011) that serves as counsel to the Company. Expenses incurred in connection with services rendered by such firm to the Company during the three-months ended June 30, 2011 and 2010 were $2.1 million and $1.2 million, respectively. Expenses incurred in connection with services rendered by such firm to the Company during the six-months ended June 30, 2011 and 2010 were $3.3 million and $2.5 million, respectively.

Two directors and officers of the Company and their families are principal owners of a company that provides promotional materials to the Company. Expenses incurred with such company in connection with promotional materials purchased during the three-months ended June 30, 2011 and 2010 were $0.2 million and $0.2 million, respectively. Expenses incurred with such company in connection with promotional materials purchased during the six-months ended June 30, 2011 and 2010 were $0.4 million and $0.3 million, respectively.

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

Our Business

Overview

We develop, market, sell and distribute "alternative" beverage category beverages primarily under the following brand names: Monster Energy®, Java Monster®, X-Presso Monster™, Monster Energy® Extra Strength Nitrous Technology™, Monster Rehab™, Peace Tea®, Hansen's®, Hansen's Natural Sodas®, Junior Juice®, Blue Sky®, Vidration®, Worx Energy™, Admiral® and Hubert's™.

We have two reportable segments, namely Direct Store Delivery ("DSD"), whose principal products comprise energy drinks, and Warehouse ("Warehouse"), whose principal products comprise juice based and soda beverages. The DSD segment develops, markets and sells products primarily through an exclusive distributor network, whereas the Warehouse segment develops, markets and sells products primarily direct to retailers.

Our Monster Energy® brand energy drinks include Monster Energy® energy drinks, lo-carb Monster Energy® energy drinks, Monster Energy® Assault® energy drinks, Monster Energy® Khaos® energy drinks, Monster Energy® M-80® energy drinks (named "RIPPER" in certain countries), Monster Energy® Heavy Metal™ energy drinks, Monster Energy® MIXXD™ energy drinks, Monster Energy® Absolutely Zero energy drinks, Monster Energy® Import and Import Light energy drinks, Monster Energy® Dub Edition energy drinks, Monster Rehab™ energy drinks, Monster Energy® M3 Super Concentrate energy drinks, Monster Energy® Extra Strength Nitrous Technology™ energy drinks in four variants, our non-carbonated dairy based coffee + energy drinks namely Java Monster® Kona Blend, Java Monster® Loca Moca®, Java Monster® Mean Bean®, Java Monster® Vanilla Light, Java Monster® Irish Blend®, Java Monster® Toffee as well as X-Presso Monster™ Hammer and X-Presso Monster™ Midnite coffee energy drinks.

During the six-months ended June 30, 2011, we continued to expand our existing product lines and flavors and further developed our markets. In particular, we continued to focus on developing and marketing beverages that fall within the category generally described as the "alternative" beverage category, with particular emphasis on energy type drinks. During the six-months ended June 30, 2011, we introduced the following products:

- Monster Rehab™ energy drink, a non-carbonated rehydration energy drink (February 2011).
- Peace Tea™ "Caddy Shack", a non-carbonated tea + lemonade drink (February 2011).

Our gross sales* of $527.5 million for the three-months ended June 30, 2011 represented record sales for our second fiscal quarter. A substantial portion of our gross sales are derived from our Monster Energy® brand energy drinks. Gross sales of our Monster Energy® brand energy drinks were $484.4 million for the three-months ended June 30, 2011, an increase of $105.9 million, or 94.3% of our overall increase in gross sales for the 2011 second quarter. Any decrease in gross sales of our Monster Energy® brand energy drinks could have a significant adverse effect on our future revenues and net income. Competitive pressure in the energy drink category could adversely affect our operating results.

**Gross sales – see definition below.*

Our gross sales of $685.9 million for the six-months ended June 30, 2010 were impacted by advance purchases made by our customers in the 2009 fourth quarter due to our announcement of a new per case marketing contribution program for our Monster Energy® distributors commencing January 1, 2010, as well as to avoid potential interruptions in product supply due to our announcement to transition our North American operations to the SAP enterprise resource planning system commencing January 2010 (the "Advance Purchases"). We previously estimated that gross sales for the three-months ended December 31, 2009 were increased by approximately 4% to 6% as a result of the Advance Purchases. We did not limit the amount of our customers' purchases during the fourth quarter of 2009.

Our DSD segment represented 94.5% and 93.3% of our consolidated net sales for the three-months ended June 30, 2011 and 2010, respectively. Our Warehouse segment represented 5.5% and 6.7% of our consolidated net sales for the three-months ended June 30, 2011 and 2010, respectively. Our DSD segment represented 94.2% and 92.5% of our consolidated net sales for the six-months ended June 30, 2011 and 2010, respectively. Our Warehouse segment represented 5.8% and 7.5% of our consolidated net sales for the six-months ended June 30, 2011 and 2010, respectively.

Our sales and marketing strategy for all our beverages is to focus our efforts on developing brand awareness through image enhancing programs and product sampling. We use our branded vehicles and other promotional vehicles at events where we offer samples of our products to consumers. We utilize "push-pull" methods to achieve maximum shelf and display space exposure in sales outlets (including advertising, in-store promotions and in-store placement of point-of-sale materials, racks, coolers and barrel coolers) to achieve maximum demand from consumers for our products. We also utilize prize promotions, price promotions, competitions, endorsements from selected public and extreme sports figures, personality endorsements (including from television and other well known sports personalities), coupons, sampling and sponsorship of selected causes, events, athletes and teams. In-store posters, outdoor posters, print, radio and television advertising, together with price promotions and coupons, may also be used to promote our brands.

We believe that one of the keys to success in the beverage industry is differentiation, making our brands and products visually distinctive from other beverages on the shelves of retailers. We review our products and packaging on an ongoing basis and, where practical, endeavor to make them different, better and unique. The labels and graphics for many of our products are redesigned from time to time to maximize their visibility and identification, wherever they may be placed in stores, and we will continue to reevaluate the same from time to time.

All of our beverage products are manufactured by various third party bottlers and co-packers situated throughout the United States and abroad, under separate arrangements with each party.

Our growth strategy includes expanding our international business. Gross sales to customers outside the United States amounted to $102.6 million and $66.6 million for the three-months ended June 30, 2011 and 2010, respectively. Such sales were approximately 19.4% and 16.0% of gross sales for the three-months ended June 30, 2011 and 2010, respectively. Gross sales to customers outside the United States amounted to $175.4 million and $104.4 million for the six-months ended June 30, 2011 and

2010, respectively. Such sales were approximately 18.7% and 15.2% of gross sales for the six-months ended June 30, 2011 and 2010, respectively.

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Our customers are primarily full service beverage distributors, retail grocery and specialty chains, wholesalers, club stores, drug chains, mass merchandisers, convenience chains, health food distributors and food service customers. Gross sales to our various customer types for the three- and six-months ended June 30, 2011 and 2010 are reflected below. Such information reflects sales made by us directly to the customer types concerned, which include our full service beverage distributors. Such full service beverage distributors in turn sell certain of our products to the customer types listed below. We do not have complete details of such full service distributors' sales of our products to their respective customers and therefore limit our description of our customer types to include our sales to such full service distributors without reference to their sales to their own customers.

	Three-Months Ended June 30,		Six-Months Ended June 30,	
	2011	2010	2011	2010
Full service distributors	64%	64%	65%	64%
Club stores, drug chains & mass merchandisers	10%	13%	10%	12%
Outside the U.S.	19%	16%	19%	15%
Retail grocery, specialty chains and wholesalers	4%	5%	4%	6%
Other	3%	2%	2%	3%

On October 2, 2010, The Coca-Cola Company ("TCCC") completed its acquisition of the North American business operations of Coca-Cola Enterprises, Inc. ("CCE"), through a merger with a wholly owned subsidiary of TCCC. The surviving wholly owned subsidiary was subsequently renamed Coca-Cola Refreshments USA, Inc. ("CCR"), and currently distributes certain of our products in those portions of the United States in which CCE previously distributed certain of our products. Concurrently with this acquisition, a new entity, which retained the name Coca-Cola Enterprises, Inc. ("New CCE") was formed, which currently distributes certain of our products in Great Britain, France, Belgium, the Netherlands, Luxembourg, Monaco and Sweden (added during the first quarter of 2011).

Our customers include CCR (formerly known as CCE), New CCE, Coca-Cola Refreshments Canada, Ltd. (formerly known as Coca-Cola Bottling Company), CCBCC Operations, LLC, United Bottling Contracts Company, LLC and other Coca-Cola Company independent bottlers (collectively, the "TCCC North American Bottlers"), Wal-Mart, Inc. (including Sam's Club), select Anheuser-Busch, Inc. ("AB") distributors (the "AB Distributors"), certain bottlers of the Coca-Cola Hellenic group ("Coca-Cola Hellenic"), Kalil Bottling Group, Trader Joe's, John Lenore & Company, Swire Coca-Cola, Costco, SUPERVALU INC, The Kroger Co. and Safeway, Inc. A decision by any large customer to decrease amounts purchased from us or to cease carrying our products could have a material negative effect on our financial condition and consolidated results of operations. CCR accounted for approximately 30% and 29% of our net sales for the three- and six-months ended June 30, 2011, respectively. CCE accounted for approximately 35% and 36% our net sales for the three- and six-months ended June 30, 2010, respectively.

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Results of Operations

The following table sets forth key statistics for the three- and six-months ended June 30, 2011 and 2010, respectively. (In thousands, except per share amounts)

	Three-Months Ended June 30,		Percentage Change	Six-Months Ended June 30,		Percentage Change
	2011	2010	11 vs. 10	2011	2010	11 vs. 10
Gross sales, net of discounts & returns *	$ 527,519	$ 415,297	27.0%	$ 935,112	$ 685,864	36.3%
Less: Promotional and other allowances**	65,374	49,596	31.8%	116,548	82,052	42.0%
Net sales	462,145	365,701	26.4%	818,564	603,812	35.6%
Cost of sales	217,924	172,351	26.4%	388,806	285,907	36.0%
Gross profit***	244,221	193,350	26.3%	429,758	317,905	35.2%
Gross profit margin as a percentage of net sales	52.8%	52.9%		52.5%	52.6%	
Operating expenses	111,739	83,674	33.5%	208,822	157,443	32.6%
Operating expenses as a percentage of net sales	24.2%	22.9%		25.5%	26.1%	
Operating income	132,482	109,676	20.8%	220,936	160,462	37.7%
Operating income as a percentage of net sales	28.7%	30.0%		27.0%	26.6%	
Other income:						
Interest and other income, net	624	1,034	(39.7%)	627	1,443	(56.5%)
Loss on investments and put options, net	(350)	(713)	(50.9%)	(51)	(137)	(62.8%)
Total other income	274	321	(14.6%)	576	1,306	(55.9%)
Income before provision for income taxes	132,756	109,997	20.7%	221,512	161,768	36.9%
Provision for income taxes	48,508	46,159	5.1%	82,221	65,367	25.8%
Net income	$ 84,248	$ 63,838	32.0%	$ 139,291	$ 96,401	44.5%

Net income as a percentage of net sales	18.2%	17.5%		17.0%	16.0%	
Net income per common share:						
Basic	$0.95	$0.72	32.1%	$1.57	$1.09	44.1%
Diluted	$0.90	$0.69	31.1%	$1.49	$1.04	43.5%
Case sales (in thousands) (in 192-ounce case equivalents)	44,272	35,861	23.5%	78,954	60,066	31.4%

***** *Gross sales, although used internally by management as an indicator of operating performance, should not be considered as an alternative to net sales, which is determined in accordance with GAAP, and should not be used alone as an indicator of operating performance in place of net sales. Additionally, gross sales may not be comparable to similarly titled measures used by other companies as gross sales has been defined by our internal reporting requirements. However, gross sales is used by management to monitor operating performance including sales performance of particular products, salesperson performance, product growth or declines and our overall performance. The use of gross sales allows evaluation of sales performance before the effect of any promotional items, which can*

mask certain performance issues. Management believes the presentation of gross sales allows a more comprehensive presentation of our operating performance. Gross sales may not be realized in the form of cash receipts as promotional payments and allowances may be deducted from payments received from customers.

****** *Although the expenditures described in this line item are determined in accordance with GAAP and meet GAAP requirements, the disclosure thereof does not conform with GAAP presentation requirements. Additionally, the presentation of promotional and other allowances may not be comparable to similar items presented by other companies. The presentation of promotional and other allowances facilitates an evaluation of the impact thereof on the determination of net sales and illustrates the spending levels incurred to secure such sales. Promotional and other allowances constitute a material portion of our marketing activities.*

**** Gross profit may not be comparable to that of other entities since some entities include all costs associated with their distribution process in cost of sales, whereas others exclude certain costs and instead include such costs within another line item such as operating expenses. We include out-bound freight and warehouse costs in operating expenses.*

Results of Operations for the Three-Months Ended June 30, 2011 Compared to the Three-Months Ended June 30, 2010

*Gross Sales.** Gross sales were $527.5 million for the three-months ended June 30, 2011, an increase of approximately $112.2 million, or 27.0% higher than gross sales of $415.3 million for the three-months ended June 30, 2010. The increase in the gross sales of our Monster Energy® brand energy drinks represented approximately $105.9 million, or 94.3%, of the overall increase in gross sales. Gross sales of our Monster Energy® brand energy drinks increased primarily due to increased sales by volume as a result of increased consumer demand in both our existing domestic and international markets as well as our expansion into new international markets. Pricing changes did not have a material impact on the increase in gross sales. No other individual product line contributed either a material increase or decrease to gross sales for the three-months ended June 30, 2011. Promotional and other allowances were $65.4 million for the three-months ended June 30, 2011, an increase of $15.8 million, or 31.8% higher than promotional and other allowances of $49.6 million for the three-months ended June 30, 2010. Promotional and other allowances as a percentage of gross sales increased to 12.4% from 11.9% for the three-months ended June 30, 2011 and 2010, respectively. As a result, the percentage increase in gross sales for the three-months ended June 30, 2011 was slightly higher than the percentage increase in net sales.

**Gross sales – see definition above.*

Net Sales. Net sales were $462.1 million for the three-months ended June 30, 2011, an increase of approximately $96.4 million, or 26.4% higher than net sales of $365.7 million for the three-months ended June 30, 2010. The increase in the net sales of our Monster Energy® brand energy drinks represented approximately $89.1 million, or 92.4%, of the overall increase in net sales. Net sales of our Monster Energy® brand energy drinks increased primarily due to increased sales by volume as a result of increased consumer demand in both our existing domestic and international markets as well as our expansion into new international markets. Pricing changes did not have a material impact on the increase in net sales. No other individual product line contributed either a material increase or decrease to net sales for the three-months ended June 30, 2011.

Case sales, in 192-ounce case equivalents, were 44.3 million cases for the three-months ended June 30, 2011, an increase of approximately 8.4 million cases or 23.5% higher than case sales of 35.9 million cases for the three-months ended June 30, 2010. The overall average net sales per case increased to $10.44 for the three-months ended June 30, 2011, which was 2.4% higher than the

average net sales per case of $10.20 for the three-months ended June 30, 2010. The increase in the average net sales per case was attributable to an increase in the proportion of case sales derived from higher priced products, primarily our Monster Energy® brand energy drinks.

Net sales for the DSD segment were $436.7 million for the three-months ended June 30, 2011, an increase of approximately $95.4 million, or 27.9% higher than net sales of $341.3 million for the three-months ended June 30, 2010. The increase in the net sales of our Monster Energy® brand energy drinks represented approximately $89.1 million, or 93.5%, of the overall increase in net sales for the DSD segment. Net sales for the DSD segment of our Monster Energy® brand energy drinks increased primarily due to increased sales by volume as a result of increased consumer demand in both our existing domestic and international markets as well as our expansion into new international markets. Pricing changes did not have a material impact on the increase in net sales for the DSD segment. No other individual product line contributed either a material increase or decrease to net sales for the DSD segment for the three-months ended June 30, 2011.

Net sales for the Warehouse segment were $25.5 million for the three-months ended June 30, 2011, an increase of approximately $1.1 million, or 4.4% higher than net sales of $24.4 million for the three-months ended June 30, 2010. The increase in net sales for the Warehouse segment was primarily attributable to sales of Hubert's™ Lemonades (introduced in August 2010) and increased sales by volume of apple juice and juice blends.

*Gross Profit.**** Gross profit was $244.2 million for the three-months ended June 30, 2011, an increase of approximately $50.9 million, or 26.3% higher than the gross profit of $193.4 million for the three-months ended June 30, 2010. Gross profit as a percentage of net sales decreased slightly to 52.8% for the three-months ended June 30, 2011 from 52.9% for the three-months ended June 30, 2010. The increase in gross profit dollars was primarily the result of the $105.9 million increase in gross sales of our Monster Energy® brand energy drinks.

****Gross profit – see definition above.*

Operating Expenses. Total operating expenses were $111.7 million for the three-months ended June 30, 2011, an increase of approximately $28.1 million, or 33.5% higher than total operating expenses of $83.7 million for the three-months ended June 30, 2010. The increase in operating expenses was partially attributable to increased expenditures of $4.8 million for sponsorships and endorsements, increased expenditures of $4.7 million for advertising, increased payroll expenses of $3.4 million, increased expenditures of $3.4 million for allocated trade development, increased out-bound freight and warehouse costs of $2.9 million, increased expenditures of $2.2 million for promotional items, increased expenditures of $2.2 million for merchandise displays, increased expenditures of $1.7 million for samples, increased expenditures of $1.5 million for commissions and increased expenditures of $1.3 million for other operating expenses. Operating expenses for the three-months ended June 30, 2011 were reduced by $1.6 million related to a legal settlement and $1.0 million related to insurance reimbursements. Total operating expenses as a percentage of net sales was 24.2% for the three-months ended June 30, 2011, compared to 22.9% for the three-months ended June 30, 2010. The increase in total operating expenses as a percentage of net sales was primarily attributable to higher selling and marketing expenses as a percentage of net sales.

Contribution Margin. Contribution margin for the DSD segment was $150.5 million for the three-months ended June 30, 2011, an increase of approximately $21.1 million, or 16.3% higher than the contribution margin of $129.4 million for the three-months ended June 30, 2010. The increase in the contribution margin for the DSD segment was primarily the result of the $89.1 million increase in net sales of our Monster Energy® brand energy drinks. Contribution margin for the Warehouse segment was $1.4 million for the three-months ended June 30, 2011, approximately $0.4 million lower than the contribution margin of $1.8 million for the three-months ended June 30, 2010. The decrease in the contribution margin for the Warehouse segment was primarily attributable to increased cost of goods.

Operating Income. Operating income was $132.5 million for the three-months ended June 30, 2011, an increase of approximately $22.8 million, or 20.8% higher than operating income of $109.7 million for the three-months ended June 30, 2010. Operating income as a percentage of net sales decreased to 28.7% for the three-months ended June 30, 2011 from 30.0% for the three-months ended June 30, 2010. The increase in operating income was primarily due to an increase in gross profit of $50.9 million, partially offset by a $28.1 million increase in operating expenses. The decrease in operating income as a percentage of net sales was primarily due to an increase in operating expenses as a percentage of net sales. Operating income was negatively affected by combined operating losses of $5.7 million and $4.4 million for the three-months ended June 30, 2011 and 2010, respectively, in relation to our new and existing markets in Europe, the Middle East, Africa, Australia and Brazil.

Other Income. Other income was $0.3 million for both the three-months ended June 30, 2011 and 2010.

Provision for Income Taxes. Provision for income taxes was $48.5 million for the three-months ended June 30, 2011, an increase of $2.3 million or 5.1% higher than the provision for income taxes of $46.2 million for the three-months ended June 30, 2010. The effective combined federal, state and foreign tax rate decreased to 36.5% from 42.0% for the three-months ended June 30, 2011 and 2010, respectively. The decrease in the effective tax rate was primarily the result of a lower effective combined state tax rate, an increase in the tax benefits from the exercise of stock options and the establishment of a full valuation allowance against the deferred tax assets of a foreign subsidiary established during the second fiscal quarter of 2010.

Net Income. Net income was $84.2 million for the three-months ended June 30, 2011, an increase of $20.4 million or 32.0% higher than net income of $63.8 million for the three-months ended June 30, 2010. The increase in net income was primarily attributable to an increase in gross profit of $50.9 million. The increase in net income was partially offset by an increase in operating expenses of $28.1 million and an increase in the provision for income taxes of $2.3 million.

Results of Operations for the Six-Months Ended June 30, 2011 Compared to the Six-Months Ended June 30, 2010

*Gross Sales.** Gross sales were $935.1 million for the six-months ended June 30, 2011, an increase of approximately $249.2 million, or 36.3% higher than gross sales of $685.9 million for the six-months ended June 30, 2010. The increase in the gross sales of our Monster Energy® brand energy drinks represented approximately $239.3 million, or 96.0%, of the overall increase in gross sales. Gross sales of our Monster Energy® brand energy drinks increased primarily due to increased sales by volume as a result of increased consumer demand in both our existing domestic and

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international markets as well as our expansion into new international markets. Pricing changes did not have a material impact on the increase in gross sales. No other individual product line contributed either a material increase or decrease to gross sales for the six-months ended June 30, 2011. Promotional and other allowances were $116.5 million for the six-months ended June 30, 2011, an increase of $34.5 million, or 42.0% higher than promotional and other allowances of $82.1 million for the six-months ended June 30, 2010. Promotional and other allowances as a percentage of gross sales increased to 12.5% from 12.0% for the six-months ended June 30, 2011 and 2010, respectively. As a result, the percentage increase in gross sales for the six-months ended June 30, 2011 was slightly higher than the percentage increase in net sales.

**Gross sales – see definition above.*

Net Sales. Net sales were $818.6 million for the six-months ended June 30, 2011, an increase of approximately $214.8 million, or 35.6% higher than net sales of $603.8 million for the six-months ended June 30, 2010. The increase in net sales of our Monster Energy® brand energy drinks represented approximately $204.8 million, or 95.4%, of the overall increase in net sales. Net sales of our Monster Energy® brand energy drinks increased primarily due to increased sales by volume as a result of increased consumer demand in both our existing domestic and international markets as well as our expansion into new international markets. Pricing changes did not have a material impact on the increase in net sales. No other individual product line contributed either a material increase or decrease to net sales for the six-months ended June 30, 2011.

Case sales, in 192-ounce case equivalents, were 79.0 million cases for the six-months ended June 30, 2011, an increase of approximately 18.9 million cases or 31.4% higher than case sales of 60.1 million cases for the six-months ended June 30, 2010. The overall average net sales per case increased to $10.37 for the six-months ended June 30, 2011, which was 3.1% higher than the average net sales per case of $10.05 for the six-months ended June 30, 2010. The increase in the average net sales per case was attributable to an increase in the proportion of case sales derived from higher priced products, primarily our Monster Energy® brand energy drinks.

Net sales for the DSD segment were $771.4 million for the six-months ended June 30, 2011, an increase of approximately $212.9 million, or 38.1% higher than net sales of $558.4 million for the six-months ended June 30, 2010. The increase in the net sales of our Monster Energy® brand energy drinks represented approximately $204.8 million, or 96.2%, of the overall increase in net sales for the DSD segment. Net sales for the DSD segment of our Monster Energy® brand energy drinks increased primarily due to increased sales by volume as a result of increased consumer demand in both our existing domestic and international markets as well as our expansion into new international markets. Pricing changes did not have a material impact on the increase in net sales for the DSD segment. No other individual product line contributed either a material increase or decrease to net sales for the DSD segment for the six-months ended June 30, 2011.

Net sales for the Warehouse segment were $47.2 million for the six-months ended June 30, 2011, an increase of approximately $1.8 million, or 4.0% higher than net sales of $45.4 million for the six-months ended June 30, 2010. The increase in net sales for the Warehouse segment was primarily attributable to sales of Hubert's™ Lemonades (introduced in August 2010) and to increased sales by volume of aseptic juices, apple juice and juice blends. The increase in net sales was partially offset by decreased sales by volume of our Hansen's Natural Sodas®.

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*Gross Profit.**** Gross profit was $429.8 million for the six-months ended June 30, 2011, an increase of approximately $111.9 million, or 35.2% higher than the gross profit of $317.9 million for the six-months ended June 30, 2010. Gross profit as a percentage of net sales decreased slightly to 52.5% for the six-months ended June 30, 2011 from 52.6% for the six-months ended June 30, 2010. The increase in gross profit dollars was primarily the result of the $239.3 million increase in gross sales of our Monster Energy® brand energy drinks.

****Gross profit – see definition above.*

Operating Expenses. Total operating expenses were $208.8 million for the six-months ended June 30, 2011, an increase of approximately $51.4 million, or 32.6% higher than total operating expenses of $157.4 million for the six-months ended June 30, 2010. The increase in operating expenses was partially attributable to increased expenditures of $8.8 million for advertising, increased expenditures of $8.0 million for sponsorships and endorsements, increased expenditures of $5.8 million for allocated trade development, increased out-bound freight and warehouse costs of $5.8 million, increased expenditures of $4.8 million for commissions, increased expenditures of $4.7 million for merchandise displays, increased payroll expenses of $4.5 million, increased expenditures for promotional items of $3.1 million, increased expenditures of $2.8 million for samples and increased expenditures of $3.1 million for other operating expenses. Total operating expenses as a percentage of net sales was 25.5% for the six-months ended June 30, 2011, compared to 26.1% for the six-months ended June 30, 2010. The decrease in total operating expenses as a percentage of net sales was primarily attributable to lower distribution, payroll and general and administrative expenses as a percentage of net sales. The decrease in total operating expenses as a percentage of net sales was partially offset by higher selling and marketing expenses as a percentage of net sales.

Contribution Margin. Contribution margin for the DSD segment was $260.5 million for the six-months ended June 30, 2011, an increase of approximately $58.1 million, or 28.7% higher than the contribution margin of $202.4 million for the six-months ended June 30, 2010. The increase in the contribution margin for the DSD segment was primarily the result of the $204.8 million increase in net sales of our Monster Energy® brand energy drinks. Contribution margin for the Warehouse segment was $1.1 million for the six-months ended June 30, 2011, approximately $1.0 million lower than the contribution margin of $2.1 million for the six-months ended June 30, 2010. The decrease in the contribution margin for the Warehouse segment was primarily attributable to increased cost of goods.

Operating Income. Operating income was $220.9 million for the six-months ended June 30, 2011, an increase of approximately $60.5 million, or 37.7% higher than operating income of $160.5 million for the six-months ended June 30, 2010. Operating income as a percentage of net sales increased to 27.0% for the six-months ended June 30, 2011 from 26.6% for the six-months ended June 30, 2010. The increase in operating income was primarily due to an increase in gross profit of $111.9 million, partially offset by a $51.4 million increase in operating expenses. The increase in operating income as a percentage of net sales was primarily due to a decrease in operating expenses as a percentage of net sales. Operating income was negatively affected by combined operating losses of $8.8 million and $8.3 million for the six-months ended June 30, 2011 and 2010, respectively, in relation to our new and existing markets in Europe, the Middle East, Africa, Australia and Brazil.

Other Income. Other income was $0.6 million for the six-months ended June 30, 2011, a decrease of $0.7 million from $1.3 million for the six-months ended June 30, 2010. This decrease was primarily attributable to an increase of $1.4 million in foreign currency losses.

Provision for Income Taxes. Provision for income taxes was $82.2 million for the six-months ended June 30, 2011, an increase of $16.9 million or 25.8% higher than the provision for income taxes of $65.4 million for the six-months ended June 30, 2010. The effective combined federal, state and foreign tax rate decreased to 37.1% from 40.4% for the six-months ended June 30, 2011 and 2010, respectively. The decrease in the effective tax rate was primarily the result of a lower effective combined state tax rate, an increase in the tax benefits from the exercise of stock options and the establishment of a full valuation allowance against the deferred tax assets of a foreign subsidiary established during the second fiscal quarter of 2010.

Net Income. Net income was $139.3 million for the six-months ended June 30, 2011, an increase of $42.9 million or 44.5% higher than net income of $96.4 million for the six-months ended June 30, 2010. The increase in net income was primarily attributable to an increase in gross profit of $111.9 million. The increase in net income was partially offset by an increase in operating expenses of $51.4 million and an increase in the provision for income taxes of $16.9 million.

Liquidity and Capital Resources

Cash flows provided by operating activities – Net cash provided by operating activities was $124.0 million for the six-months ended June 30, 2011, as compared with net cash provided by operating activities of $126.7 million for the six-months ended June 30, 2010. For the six-months ended June 30, 2011, cash provided by operating activities was primarily attributable to net income earned of $139.3 million and adjustments for certain non-cash expenses consisting of $7.9 million of stock-based compensation and $7.7 million of depreciation and other amortization. For the six-months ended June 30, 2011, cash provided by operations also increased due to a $14.9 million increase in accounts payable, a $9.7 million decrease in prepaid income taxes, a $9.0 million increase in income taxes payable and an $8.2 million increase in accrued liabilities. For the six-months ended June 30, 2011, cash provided by operating activities was reduced due to a $61.3 million increase in accounts receivable, a $2.9 million increase in prepaid expenses and other current assets, a $2.6 million decrease in deferred revenue, a $2.5 million increase in inventory and a $1.8 million decrease in accrued compensation. For the six-months ended June 30, 2010, cash provided by operating activities was primarily attributable to net income earned of $96.4 million and adjustments for certain non-cash expenses consisting of $8.5 million of stock-based compensation, $5.5 million of depreciation and other amortization, a $4.2 million impairment on investments and a $2.6 million increase in deferred income taxes. For the six-months ended June 30, 2010, cash provided by operations also increased due to a $40.2 million increase in accounts payable, a $25.2 million increase in income taxes payable and a $20.5 million increase in accrued liabilities. For the six-months ended June 30, 2010, cash provided by operating activities was reduced due to a $32.8 million increase in inventory, a $25.3 million increase in accounts receivable, a $6.6 million increase in tax benefit from exercise of stock options, a $4.1 million gain on the 2010 Put Option, a $3.9 million decrease in deferred revenue, a $3.8 million increase in prepaid expenses and other current assets, and a $1.6 million decrease in accrued compensation.

Cash flows used in investing activities – Net cash used in investing activities was $34.9 million for the six-months ended June 30, 2011, as compared to net cash used in investing activities of $31.1 million for the six-months ended June 30, 2010. For the six-months ended June 30, 2011, cash used in investing activities was primarily attributable to purchases of held-to-maturity investments, purchases of available-for-sale investments, purchases of property and equipment and additions to intangibles. For the six-months ended June 30, 2010 cash used in investing activities was primarily attributable to purchases of held-to-maturity investments, additions to intangibles and purchases of property and equipment. For both the six-months ended June 30, 2011 and 2010, cash provided by investing activities was primarily attributable to maturities of held-to-maturity investments and available-for-sale investments. For both the six-months ended June 30, 2011 and 2010, cash used in investing activities included the acquisitions of fixed assets consisting of vans and promotional vehicles, coolers and other equipment to support our marketing and promotional activities, production equipment, furniture and fixtures, office and computer equipment, computer software, and equipment used for sales and administrative activities, as well as certain leasehold improvements. We expect to continue to use a portion of our cash in excess of our requirements for operations for purchasing short-term and long-term investments, and for other corporate purposes, including, the acquisition of capital equipment, specifically, vans, trucks and promotional vehicles, coolers, other promotional equipment, merchandise displays, warehousing racks as well as items of production equipment required to produce certain of our existing and/or new products. From time to time, we may also consider the purchase of real estate related to our beverage business and the acquisition of compatible businesses as a use of cash in excess of our requirements for operations.

Cash flows used in financing activities – Net cash used in financing activities was $27.1 million for the six-months ended June 30, 2011, as compared to net cash used in financing activities of $12.1 million for the six-months ended June 30, 2010. For the six-months ended June 30, 2011 cash used in financing activities was primarily attributable to $38.9 million of purchases of common stock. For the six-months ended June 30, 2011 cash provided by financing activities was primarily attributable to $11.3 million received from the issuance of common stock in connection with the exercise of certain stock options. For the six-months ended June 30, 2010, cash used in financing activities was primarily attributable to $23.5 million of purchases of common stock. For the six-months ended June 30, 2010, cash provided by financing activities was primarily attributable to a $6.6 million excess tax benefit in connection with the exercise of certain stock options and proceeds of $5.0 million received from the issuance of common stock in connection with the exercise of certain stock options.

Purchases of inventories, increases in accounts receivable and other assets, acquisition of property and equipment, acquisition and maintenance of trademarks, payments of accounts payable, income taxes payable and purchases of our common stock are expected to remain our principal recurring uses of cash.

Cash and cash equivalents, short-term and long-term investments – At June 30, 2011, we had $418.2 million in cash and cash equivalents and $311.4 million in short-term and long-term investments. We have historically invested these amounts in U.S. Treasury bills, U.S. government agency securities and municipal securities (which may have an auction reset feature), corporate notes and bonds, commercial paper and money market funds meeting certain criteria. Our risk management policies emphasize credit quality (primarily based on short-term ratings by nationally recognized statistical organizations) in selecting and maintaining our investments. We regularly assess market risk of our investments and believe our current policies and investment practices adequately limit those risks. However, certain of these investments are subject to general credit, liquidity, market and interest rate risks. These market risks associated with our investment portfolio may have an adverse effect on our future results of operations, liquidity and financial condition.

Our long-term investments are comprised of auction rate securities. A large portion of these notes carry an investment grade or better credit rating and are additionally backed by various federal agencies and/or monoline insurance companies. The applicable interest rate is reset at pre-determined intervals, usually every 7 to 35 days. Liquidity for these auction rate securities was typically provided by an auction process which allowed holders to sell their notes at periodic auctions. During the six-months ended June 30, 2011 and the years ended December 31, 2010, 2009 and 2008, the auctions for these auction rate securities failed, and there is no assurance that future auctions will succeed. The auction failures have been attributable to inadequate buyers and/or buying demand and/or the lack of support from financial advisors and sponsors. In the event that there is a failed auction, the indenture governing the security in some cases requires the issuer to pay interest at a default rate that may be above market rates for similar instruments. The securities for which auctions have failed will continue to accrue and/or pay interest at their pre-determined default rates and be auctioned every 7 to 35 days until their respective auction succeeds, the issuer calls the securities, they mature or we are able to sell the securities to third parties. As a result, our ability to liquidate and fully recover the carrying value of our auction rate securities in the near term may be limited.

In June 2011, we entered into an agreement (the "2011 ARS Agreement"), related to $24.5 million of par value auction rate securities (the "2011 ARS Securities"). Under the 2011 ARS Agreement, we have the right to sell the 2011 ARS Securities including all accrued but unpaid interest (the "2011 Put Option") as follows: (i) on or after July 1, 2013, up to $1.0 million aggregate par value; (ii) on or after October 1, 2013, up to an additional $1.0 million aggregate par value; and (iii) in quarterly installments thereafter with full sale rights available on or after April 1, 2016. The 2011 ARS Securities will continue to accrue interest until redeemed through the 2011 Put Option, or as determined by the auction process or the terms outlined in the prospectus of the respective 2011 ARS Securities when the auction process fails. Under the 2011 ARS Agreement, we have the obligation, should we receive written notification from the put issuer, to sell the 2011 ARS Securities at par including all accrued but unpaid interest.

In March 2010, we entered into an agreement (the "2010 ARS Agreement"), related to $54.2 million of par value auction rate securities (the "2010 ARS Securities"). Under the 2010 ARS Agreement, we have the right, but not the obligation, to sell the 2010 ARS Securities including all accrued but unpaid interest (the "2010 Put Option") as follows: (i) on or after March 22, 2011, up to $13.6 million aggregate par value; and (ii) semi-annual or annual installments thereafter with full sale rights available on or after March 22, 2013. The 2010 ARS Securities will continue to accrue interest until redeemed through the 2010 Put Option, or as determined by the auction process or the terms outlined in the prospectus of the respective 2010 ARS Securities when the auction process fails. During the six-months ended June 30, 2011, $13.6 million of par value 2010 ARS Securities were redeemed through the exercise of the 2010 Put Option and $1.0 million of par value 2010 ARS Securities were redeemed at par through normal market channels ($7.4 million of par value 2010 ARS Securities were redeemed at par through normal market channels during the year ended December 31, 2010).

The 2011 ARS Agreement and the 2010 ARS Agreement (collectively the "ARS Agreements") represent firm commitments in accordance with Accounting Standards Codification ("ASC") 815, which defines a firm commitment with an unrelated party, binding on both parties and usually legally enforceable, with the following characteristics: (i) the commitment specifies all significant terms, including the

quantity to be exchanged, the fixed price, and the timing of the transaction; and (ii) the commitment includes a disincentive for nonperformance that is sufficiently large to make performance probable. The enforceability of the ARS Agreements result in the 2010 Put Option and the 2011 Put Option (collectively the "Put Options"), which are recognized as separate freestanding assets and are accounted for separately from our auction rate securities. The Put Options do not meet the definition of derivative instruments under ASC 815. Therefore, we elected the fair value option under ASC 825-10 in accounting for the Put Options. As of June 30, 2011, we recorded $4.1 million as the fair market value of the Put Options ($1.6 million current portion included in prepaid expenses and other current assets and $2.5 million long-term portion included in other assets) in the condensed consolidated balance sheet, with a corresponding gain of $0.3 million recorded in other income in the condensed consolidated statement of income for both the three- and six-months ended June 30, 2011 (a $3.8 million gain was previously recognized through earnings during the year ended December 31, 2010). The valuation of the Put Options utilized a mark-to-model approach which included estimates for interest rates, timing and amount of cash flows, adjusted for any bearer risk associated with the put issuer's ability to repurchase the 2010 ARS Securities and the 2011 ARS Securities in installments as indicated above beginning March 22, 2011 and July 1, 2013, respectively, as well as the expected holding periods for the Put Options. These assumptions are typically volatile and subject to change as the underlying data sources and market conditions evolve. The Put Options will continue to be adjusted on each balance sheet date based on their then fair values, with any changes in fair values recorded in earnings.

At June 30, 2011, we held auction rate securities with a face value of $65.0 million (amortized cost basis of $55.6 million). A Level 3 valuation was performed on our auction rate securities as of June 30, 2011 resulting in a fair value of $3.3 million for our available-for-sale auction rate securities (after a $5.0 million impairment) and $52.3 million for our trading auction rate securities (after a $4.4 million impairment), which are included in short-term and long-term investments. This valuation utilized a mark-to-model approach which included estimates for interest rates, timing and amount of cash flows, credit and liquidity premiums, as well as expected holding periods for the auction rate securities. These assumptions are typically volatile and subject to change as the underlying data sources and market conditions evolve.

ASC 320-10-35 indicates that an other-than-temporary impairment must be recognized through earnings if an investor has the intent to sell the debt security or if it is more likely than not that the investor will be required to sell the debt security before recovery of its amortized cost basis. However, even if an investor does not expect to sell a debt security, it must compare the present value of cash flows expected to be collected from the security with the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis of the security, the entire amortized cost basis of the security will not be recovered (that is, a "Credit Loss" exists), and an other-than-temporary impairment shall be considered to have occurred. In the event of a Credit Loss and absent the intent or requirement to sell a debt security before recovery of its amortized cost, only the amount associated with the Credit Loss is recognized as a loss in the income statement. The amount of loss relating to other factors is recorded in accumulated other comprehensive income (loss). ASC 320-10-35 also requires additional disclosures regarding the calculation of the Credit Loss and the factors considered in reaching a conclusion that an investment is not other-than-temporarily impaired.

In connection with the 2011 ARS Agreement, during the second fiscal quarter of 2011, we reclassified $24.5 million of auction rate securities from available-for-sale to trading in accordance with ASC 320, as we have the ability and intent to exercise the related 2011 Put Option beginning July 1, 2013. In connection with the 2010 ARS Agreement, during the first fiscal quarter of 2010, we reclassified $54.2 million of auction rate securities from available-for-sale to trading in accordance with ASC 320, as we have the ability and intent to exercise the related 2010 Put Option beginning March 22, 2011.

We recognized a net gain (loss) through earnings on our trading securities of ($0.7) million and $0.3 million during the three-months ended June 30, 2011 and 2010, respectively. We recognized a net gain (loss) through earnings on our trading securities of ($0.4) million and ($4.6) million during the six-months ended June 30, 2011 and 2010, respectively.

We determined that the $5.0 million impairment of our available-for-sale auction rate securities at June 30, 2011, was deemed other-than-temporary. The other-than-temporary impairment was deemed Credit Loss related. We recorded no additional other-than-temporary impairment during the three- and six-months ended June 30, 2011 ($0.6 million, $3.9 million and $0.5 million were previously deemed other-than-temporary Credit Loss related and were charged through earnings for the years ended December 31, 2010, 2009 and 2008, respectively). The factors evaluated to differentiate between temporary impairment and other-than-temporary impairment included the projected future cash flows, credit ratings actions, and assessment of the credit quality of the underlying collateral, as well as the other factors included in the valuation model for debt securities described above.

The net effect of (i) the acquisition of the 2011 Put Option during the second fiscal quarter of 2011; (ii) the revaluation of the Put Options as of June 30, 2011; (iii) the transfer from available-for-sale to trading of the 2011 ARS Securities during the second fiscal quarter of 2011; (iv) the revaluation of our trading auction rate securities as of June 30, 2011; (v) the redemption at par of certain 2010 ARS Securities, including those redeemed through the exercise of the 2010 Put Option; and (vi) a recognized gain resulting from the redemption at par of a previously other-than-temporary impaired security during the first fiscal quarter of 2011, resulted in a (loss) of ($0.3) million and ($0.1) million included in other income for the three- and six-months ended June 30, 2011, respectively. The net effect of (i) the acquisition of the 2010 Put Option during the first fiscal quarter of 2010; (ii) the revaluation of the 2010 Put Option as of June 30, 2010; (iii) the transfer from available-for-sale to trading of the 2010 ARS Securities during the first fiscal quarter of 2010; (iv) the revaluation of trading 2010 ARS Securities as of June 30, 2010; and (v) a recognized gain resulting from the redemption at par of a previously other-than-temporary impaired security during the first fiscal quarter of 2010, resulted in a (loss) of ($0.7) million and ($0.1) million included in other income for the three- and six-months ended June 30, 2010, respectively.

We hold additional auction rate securities that do not have a related put option. These auction rate securities continue to be classified as available-for-sale securities. We intend to retain our investment in the issuers until the earlier of the anticipated recovery in market value or maturity.

Based on our ability to access cash and cash equivalents and other short-term investments and based on our expected operating cash flows, we do not anticipate that the current lack of liquidity of our auction rate securities will have a material adverse effect on our liquidity or working capital. If uncertainties in the credit and capital markets continue, or uncertainties in the expected performance of the issuers of the Put Options arise, or there are rating downgrades on the auction rate securities held by us, we may be required to recognize additional impairments on these investments.

Debt and other obligations – We have a credit facility with Comerica Bank ("Comerica") consisting of a revolving line of credit of up to $10.0 million of non-collateralized debt. The revolving line of credit is effective through June 1, 2012. Interest on borrowings under the line of credit is based on Comerica's base (prime) rate minus up to 1.5%, or varying London Interbank Offered Rates up to 180 days, plus an additional percentage of up to 1.75%, depending upon certain financial ratios maintained by us. We had no outstanding borrowings on this line of credit at June 30, 2011. Letters of credit issued on our behalf, totaling $0.3 million under this credit facility, were outstanding as of June 30, 2011 and December 31, 2010.

At June 30, 2011, we were in compliance with the terms of our line of credit, which contain certain financial covenants, including certain financial ratios. If any event of default shall occur for any reason, whether voluntary or involuntary, Comerica may declare all or any portion outstanding on the line of credit immediately due and payable, exercise rights and remedies available, including instituting legal proceedings.

We believe that cash available from operations, including our cash resources and the revolving line of credit, will be sufficient for our working capital needs, including purchase commitments for raw materials and inventory, increases in accounts receivable, payments of tax liabilities, expansion and development needs, purchases of shares of our common stock, as well as any purchases of capital assets or equipment, through at least the next 12 months. Based on our current plans, at this time we estimate that capital expenditures are likely to be less than $30.0 million through June 2012. However, future business opportunities may cause a change in this estimate.

The following represents a summary of the Company's contractual obligations and related scheduled maturities as of June 30, 2011:

	Payments due by period (in thousands)				
Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual Obligations	$ 52,548	$ 35,125	$ 13,498	$ 3,925	$ -
Capital Leases	1,293	1,262	23	8	-
Operating Leases	19,679	3,899	10,078	4,893	809
Purchase Commitments	18,128	18,128	-	-	-
	$ 91,648	$ 58,414	$ 23,599	$ 8,826	$ 809

Contractual obligations include our obligations related to sponsorships and other commitments.

Purchase commitments include obligations incurred by us and our subsidiaries to various suppliers for raw materials used in the manufacturing and packaging of our products. These obligations vary in terms.

In addition to the above purchase obligations, approximately $0.6 million of recognized tax benefits have been recorded as liabilities as of June 30, 2011, and we are uncertain as to if or when such amounts may be settled. Related to the unrecognized tax benefits not included in the table above, we have also recorded a liability for potential penalties and interest of $0.4 million as of June 30, 2011.

Sales

The table set forth below discloses selected quarterly data regarding sales for the three- and six-months ended June 30, 2011 and 2010, respectively. Data from any one or more quarters or periods is not necessarily indicative of annual results or continuing trends.

Sales of beverages are expressed in unit case volume. A "unit case" means a unit of measurement equal to 192 U.S. fluid ounces of finished beverage (24 eight-ounce servings) or concentrate sold that will yield 192 U.S. fluid ounces of finished beverage. Unit case volume means the number of unit cases (or unit case equivalents) of beverages directly or indirectly sold by us.

Our quarterly results of operations reflect seasonal trends that are primarily the result of increased demand in the warmer months of the year. It has been our experience that beverage sales tend to be lower during the first and fourth quarters of each fiscal year. Because the primary historical market for our products is California, which has a year-long temperate climate, the effect of seasonal fluctuations on quarterly results may have been somewhat mitigated; however, such fluctuations may be more pronounced as the distribution of our products has expanded outside of California. Our experience with our energy drink products suggests that they are less seasonal than traditional beverages. As the percentage of our sales that are represented by such products continues to increase, seasonal fluctuations will be further mitigated. Quarterly fluctuations may also be affected by other factors including the introduction of new products, the opening of new markets, particularly internationally, where temperature fluctuations may be more pronounced, the addition of new bottlers and distributors, changes in the mix of the sales of our finished products and changes in and/or increased advertising and promotional expenses.

(In thousands, except average net sales per case)	Three-Months Ended June 30,		Six-Months Ended June 30,	
	2011	2010	2011	2010
Net sales	$ 462,145	$ 365,701	$ 818,564	$ 603,812
Case sales (192-ounce case equivalents)	44,272	35,861	78,954	60,066
Average net sales per case	$ 10.44	$ 10.20	$ 10.37	$ 10.05

See Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Our Business" for additional information related to the increase in sales.

Critical Accounting Policies

Changes to our critical accounting policies are discussed in "Recently Issued Accounting Pronouncements" discussed below. There have been no other material changes to our critical accounting policies from the information provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", included in our Form 10-K for the fiscal year ended December 31, 2010.

Recent Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-05, "Presentation of Comprehensive Income." ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in stockholders' equity and requires an entity to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement or in two separate but consecutive statements. This pronouncement is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Company is currently evaluating the effect of this update on its financial position, results of operations and liquidity.

In May 2011, the FASB issued ASU No. 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS." This pronouncement was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards ("IFRS"). ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for level 3 fair value measurements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011. The Company is currently evaluating the effect of this update on its financial position, results of operations and liquidity.

Inflation

We do not believe that inflation had a significant impact on our results of operations for the periods presented.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of the Company. Certain statements made in this report may constitute forward-looking statements (within the meaning of Section 27.A of the Securities Act of 1933, as amended, and Section 21.E of the Securities Exchange Act of 1934, as amended) (the "Exchange Act") regarding the expectations of management with respect to revenues, profitability, adequacy of funds from operations and our existing credit facility, among other things. All statements containing a projection of revenues, income (loss), earnings (loss) per share, capital expenditures, dividends, capital structure or other financial items, a statement of management's plans and objectives for future operations, or a statement of future economic performance contained in management's discussion and analysis of financial condition and results of operations, including statements related to new products, volume growth and statements encompassing general optimism about future operating results and non-historical information, are forward-looking statements within the meaning of the Act. Without limiting the foregoing, the words "believes," "thinks," "anticipates," "plans," "expects," and similar expressions are intended to identify forward-looking statements.

Management cautions that these statements are qualified by their terms and/or important factors, many of which are outside our control, involve a number of risks, uncertainties and other factors, that could cause actual results and events to differ materially from the statements made including, but not limited to, the following:

- The current uncertainty and volatility in the national and global economy;
- The impact of lower disposable incomes of our consumers, as a result of the current state of the economy, the continuing high levels of unemployment and high gasoline prices;
- The impact of the acquisition of CCE's North American business by TCCC;
- Disruption in distribution or sales and/or decline in sales due to the termination and/or appointment of existing and/or new domestic and/or international distributors;
- The impact of the acquisition of AB by InBev;
- Lack of anticipated demand for our products in international markets;
- Unfavorable international regulations, including taxation requirements, tariffs or trade restrictions;
- Losses arising from our operations outside the United States;
- Our ability to manage legal and regulatory requirements in foreign jurisdictions, potential difficulties in staffing and managing foreign operations, potentially higher incidence of fraud or corruption and credit risk of foreign customers and distributors;
- Our ability to effectively manage our inventories and/or our accounts receivables;

- Our foreign currency exchange rate risk with respect to our sales, expenses, profits, assets and liabilities denominated in currencies other than the U.S. dollar continues to increase as we do not use derivative financial instruments to reduce our net exposure to currency fluctuations;
- Any proceedings which may be brought against us by the Securities and Exchange Commission (the "SEC') or other governmental agencies;
- The outcome of the shareholder derivative actions and shareholder securities litigation filed against us and/or certain of our officers and directors, and the possibility of other private litigation;
- The outcome of future auctions of auction rate securities and/or our ability to recover payment thereunder or from our Put Options;
- Our ability to address any significant deficiencies or material weakness in our internal control over financial reporting;
- Our ability to generate sufficient cash flows to support capital expansion plans and general operating activities;
- Decreased demand for our products resulting from changes in consumer preferences or from decreased consumer discretionary spending power;
- Changes in demand that are weather related, particularly in areas outside of California;
- Competitive products and pricing pressures and our ability to gain or maintain our share of sales in the marketplace as a result of actions by competitors;
- Our ability to introduce new products;
- An inability to achieve volume growth through product and packaging initiatives;

- Our ability to sustain the current level of sales and/or increase the sales of our Monster Energy® brand energy drinks and/or our Java Monster® line of non-carbonated dairy based coffee + energy drinks and/or our Monster Energy® Extra Strength Nitrous Technology™ drinks and/or our Peace Tea® iced teas and/or our Monster Rehab™ energy drinks and/or our Worx Energy™ energy shots;
- The impact of criticism of our energy drink products and/or the energy drink market generally and/or legislation enacted, whether as a result of such criticism or otherwise that limits or otherwise restricts the sale of energy drinks to minors and/or persons below a specified age and/or the venues in which energy drinks can be sold;
- Our ability to comply with existing foreign, national, state and local laws and regulations and/or any changes therein, including changes in accounting standards, taxation requirements (including tax rate changes, new tax laws, new and/or increased excise and/or sales and/or other taxes on our products and revised tax law interpretations) and environmental laws, as well as the Federal Food, Drug and Cosmetic Act, the Dietary Supplement Health and Education Act, and regulations made thereunder or in connection therewith, as well as changes in any other food and drug laws, especially those that may affect the way in which our products are marketed, and/or labeled, and/or sold, including the contents thereof, as well as laws and regulations or rules made or enforced by the Food and Drug Administration, and/or the Bureau of Alcohol, Tobacco and Firearms and Explosives, and/or the Federal Trade Commission and/or certain state regulatory agencies and/or any other countries in which we decide to sell our products;
- Changes in the cost, quality and availability of containers, packaging materials, raw materials and juice concentrates, and the ability to obtain and/or maintain favorable supply arrangements and relationships and procure timely and/or adequate production of all or any of our products;
- Our ability to pass on to our customers all or a portion of the increasing costs of fuel and/or raw materials and/or ingredients and/or commodities affecting our business;
- Our ability to achieve both domestic and international forecasts, which may be based on projected volumes and sales of many product types and/or new products, certain of which are more profitable than others; there can be no assurance that we will achieve projected levels or mixes of product sales;
- Our ability to penetrate new domestic and/or international markets;
- Our ability to gain approval or mitigate the delay in securing approval for the sale of our products in various countries;
- Economic or political instability in one or more of our international markets;
- Our ability to secure and/or retain competent and/or effective distributors internationally;
- The sales and/or marketing efforts of distributors of our products, most of which distribute products that are competitive with our products;
- Unilateral decisions by distributors, convenience chains, grocery chains, specialty chain stores, club stores and other customers to discontinue carrying all or any of our products that they are carrying at any time and/or restrict the range of our products they carry and/or devote less resources to the sale of our products;
- The terms and/or availability of our credit facility and the actions of our creditors;
- The costs and/or effectiveness of our advertising, marketing and promotional programs;
- Changes in product category consumption;
- Unforeseen economic and political changes;
- Possible recalls of our products and/or defective production;
- Our ability to make suitable arrangements for the co-packing of any of our products and/or the timely replacement of discontinued co-packing arrangements;
- Our ability to make suitable arrangements for the procurement of non-defective raw materials;
- Our inability to protect and/or the loss of our intellectual property rights and/or our inability to use our trademarks and/or trade names or designs in certain countries;

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· Volatility of stock prices which may restrict stock sales or other opportunities;
· Provisions in our organizational documents and/or control by insiders which may prevent changes in control even if such changes would be beneficial to other stockholders;
· The ability of our bottlers and contract packers to manufacture our products;
· Exposure to significant liabilities due to litigation, legal or regulatory proceedings;
· Any disruption in and/or lack of effectiveness of our information technology systems could disrupt our business, negatively impact customer relationships and negatively impact our operations and abilities to operate efficiently and measure performance;
· Recruitment and retention of senior management and other key employees.

The foregoing list of important factors and other risks detailed from time to time in our reports filed with the SEC is not exhaustive. See the section entitled "Risk Factors" in our Form 10-K for the fiscal year ended December 31, 2010, for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. Those factors and the other risk factors described therein are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, our actual results could be materially different from the results described or anticipated by our forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections and may be better or worse than anticipated. Given these uncertainties, you should not rely on forward-looking statements. Forward-looking statements represent our estimates and assumptions only as of the date that they were made. We expressly disclaim any duty to provide updates to forward-looking statements, and the estimates and assumptions associated with them, after the date of this report, in order to reflect changes in circumstances or expectations or the occurrence of unanticipated events except to the extent required by applicable securities laws.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, our financial position is routinely subject to a variety of risks. The principal market risks (i.e., the risk of loss arising from adverse changes in market rates and prices) to which we are exposed are fluctuations in energy and fuel prices, commodity prices affecting the costs of aluminum cans, juice concentrates and other raw materials (including, but not limited to, increases in the price of aluminum for cans, resin for PET plastic bottles, as well as apple juice concentrate and other juice concentrates, cane sugar and other sweeteners, glucose, sucrose and milk and cream, all of which are used in some or many of our products) and limited availability of certain raw materials. We are also subject to market risks with respect to the cost of commodities because our ability to recover increased costs through higher pricing is limited by the competitive environment in which we operate. In addition, we are subject to other risks associated with the business environment in which we operate, including the collectability of accounts receivable and inventory realization.

We do not use derivative financial instruments to protect ourselves from fluctuations in interest rates and do not hedge against fluctuations in commodity prices. We do not use hedging agreements or alternative instruments to manage the risks associated with securing sufficient ingredients or raw materials.

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Our gross sales to customers outside of the United States were approximately 19% of consolidated gross sales for both the three- and six-months ended June 30, 2011. Our growth strategy includes expanding our international business. As a result, we are subject to risks from changes in foreign currency exchange rates. These changes result in cumulative translation adjustments, which are included in accumulated other comprehensive income. We do not consider the potential loss resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates as of June 30, 2011 to be significant. For the three- and six-months ended June 30, 2011, we did not use derivative financial instruments to reduce our net exposure to currency fluctuations.

We are primarily exposed to market risks from fluctuations in interest rates and the effects of those fluctuations on the market values of our short-term and long-term investments. Certain of our short-term and long-term investments are subject to interest rate risk because these investments generally include a fixed interest rate. As a result, the market values of these investments are affected by changes in prevailing interest rates. We do not consider the potential loss resulting from a hypothetical 10% adverse change in interest rates earned on our investments as of June 30, 2011 to be significant.

At June 30, 2011, we had $418.2 million in cash and cash equivalents and $311.4 million in short-term and long-term investments including U.S. treasuries, certificates of deposit, corporate bonds, municipal securities, U.S. government agency securities, variable rate demand notes and municipal securities (which may have an auction reset feature). Certain of these investments are subject to general credit, liquidity, market and interest rate risks. At the current time, we are not increasing our investments in auction rate securities.

In June 2011, we entered into the 2011 ARS Agreement, related to $24.5 million of par value auction rate securities. Under the 2011 ARS Agreement, we have the right to sell the 2011 ARS Securities including all accrued but unpaid interest as follows: (i) on or after July 1, 2013, up to $1.0 million aggregate par value; (ii) on or after October 1, 2013, up to an additional $1.0 million aggregate par value; and (iii) in quarterly installments thereafter with full sale rights available on or after April 1, 2016. The 2011 ARS Securities will continue to accrue interest until redeemed through the 2011 Put Option, or as determined by the auction process or the terms outlined in the prospectus of the respective 2011 ARS Securities when the auction process fails. Under the 2011 ARS Agreement, we have the obligation, should we receive written notification from the put issuer, to sell the 2011 ARS Securities at par including all accrued but unpaid interest.

In March 2010, we entered into the 2010 ARS Agreement, related to $54.2 million of par value auction rate securities. Under the 2010 ARS Agreement, we have the right, but not the obligation, to sell the 2010 ARS Securities including all accrued but unpaid interest as follows: (i) on or after March 22, 2011, up to $13.6 million aggregate par value; and (ii) semi-annual or annual installments thereafter with full sale rights available on or after March 22, 2013. The 2010 ARS Securities will continue to accrue interest until redeemed through the 2010 Put Option, or as determined by the auction process or the terms outlined in the prospectus of the 2010 ARS Securities when the auction process fails.

As of June 30, 2011, we recorded $4.1 million as the fair market value of the Put Options ($1.6 million current portion included in prepaid expenses and other current assets and $2.5 million long-term portion included in other assets) in the condensed consolidated balance sheet, with a corresponding gain of $0.3 million recorded in other income in the condensed consolidated statements of income for the six-months ended June 30, 2011 (a $3.8 million gain was previously recognized through earnings during the year ended December 31, 2010).

In connection with the 2011 ARS Agreement, during the second fiscal quarter of 2011, we reclassified $24.5 million of auction rate securities from available-for-sale to trading, as we have the ability and intent to exercise the related 2011 Put Option beginning July 1, 2013. In connection with the 2010 ARS Agreement, during the first fiscal quarter of 2010, we reclassified $54.2 million of auction rate securities from available-for-sale to trading, as we had the ability and intent to exercise the related 2010 Put Option beginning March 22, 2011.

We recognized a net (loss) on trading securities of ($0.4) million and ($4.6) million through earnings during the six-months ended June 30, 2011 and 2010, respectively.

During the six-months ended June 30, 2011, $1.0 million of par value 2010 ARS Securities were redeemed at par through normal market channels ($7.4 million of par value 2010 ARS Securities were redeemed at par through normal market channels during the year ended December 31, 2010). During the six-months ended June 30, 2011, $13.6 million of par value 2010 ARS Securities were redeemed through the exercise of the 2010 Put Option.

The applicable interest rate on our auction rate securities is reset at pre-determined intervals, usually every 7 to 35 days. Liquidity for auction rate securities was typically provided by an auction process which allowed holders to sell their notes. During the six-months ended June 30, 2011 and the years ended December 31, 2010, 2009 and 2008, the auctions for these auction rate securities failed. Based on an assessment of fair value as of June 30, 2011, we determined that there was a decline in fair value of our available-for-sale auction rate securities of $5.0 million. We determined that the $5.0 million decline in fair value of our auction rate securities at June 30, 2011, was deemed other-than-temporary. We recorded no additional other-than-temporary impairment through earnings during the six-months ended June 30, 2011 ($0.6 million, $3.9 million and $0.5 million were previously deemed other-than-temporary Credit Loss related and were charged through earnings for the years ended December 31, 2010, 2009 and 2008, respectively). There is no assurance that future auctions of any auction rate securities in our investment portfolio will succeed. These market risks associated with our investment portfolio may have an adverse effect on our future results of operations, liquidity and financial condition. See Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources”, for additional information on our auction rate securities.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures – Under the supervision and with the participation of the Company’s management, including our Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13(a)-15(e) and 15(d)-15(e) of the Exchange Act) as of the end of the period covered by this report. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures are adequate and effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (2) is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting – There were no changes in the Company's internal controls over financial reporting during the quarter ended June 30, 2011, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In September 2006, Christopher Chavez purporting to act on behalf of himself and a certain class of consumers filed an action in the Superior Court of the State of California, County of San Francisco, against the Company and its subsidiaries for unfair business practices, false advertising, violation of California Consumers Legal Remedies Act ("CLRA"), fraud, deceit and/or misrepresentation alleging that the Company misleadingly labels its Blue Sky beverages as manufactured and canned/bottled wholly in Santa Fe, New Mexico. Defendants removed this Superior Court action to the United States District Court for the Northern District of California (the "District Court") under the Class Action Fairness Act and filed motions for dismissal or transfer. On June 11, 2007, the District Court granted the Company's motion to dismiss Chavez's complaint with prejudice. On June 23, 2009, the United States Court of Appeals for the Ninth Circuit ("Ninth Circuit") filed a memorandum opinion reversing the decision of the District Court and remanded the case to the District Court for further proceedings. The Company filed a motion to dismiss the CLRA claims; the plaintiff filed a motion for a decision on a preemption issue; and the plaintiff filed a motion for class certification. On June 18, 2010, the District Court entered an order certifying the class, ruled that there was no preemption by federal law, and denied the Company's motion to dismiss. The class that the District Court certified initially consists of all persons who purchased any beverage bearing the Blue Sky mark or brand in the United States at any time between May 16, 2002 and June 30, 2006. On September 9, 2010, the District Court approved the form of the class notice and its distribution plan; and set an opt-out date of December 10, 2010, and a trial date for March, 2011. On September 28, 2010, the Company filed a Request for Leave to file a motion for reconsideration of the order certifying the class action. On November 11, 2010, the Company filed two dispositive motions: a motion to decertify the class and a motion for summary judgment. The plaintiff filed his motion for partial summary judgment. The District Court took all motions under submission without oral argument. On January 31, 2011, the case was reassigned to Judge Jeffrey S. White. The District Court has subsequently vacated all pending hearing dates and has taken the pending motions under submission without oral argument. The Company believes it has meritorious defenses to all the allegations and plans a vigorous defense. The Company believes that any possible litigation losses, if awarded, would not have a material adverse effect on the Company's financial position or results of operations.

On August 28, 2008, the Company initiated an action against Oppenheimer Holdings Inc., Oppenheimer & Co. Inc., and Oppenheimer Asset Management Inc., in the United States District Court, Central District of California, for violations of federal securities laws and the Investment Advisers Act of 1940, as amended, arising out of the Company's purchase of auction rate securities. The Company stipulated to arbitration before the Financial Industry Regulatory Authority ("FINRA"), which commenced on June 21, 2011. The Company and the defendants entered into an agreement on terms acceptable to the Company, and as a consequence, the arbitration proceeding before FINRA and the lawsuit initiated by the Company in the United States District Court were subsequently dismissed with prejudice, and the parties have released all of their claims against each other.

In May 2009, Avraham Wellman, purporting to act on behalf of himself and a class of consumers in Canada, filed a putative class action in the Ontario Superior Court of Justice, in the City of Toronto, Ontario, Canada, against the Company and its former Canadian distributor, Pepsi-Cola Canada Ltd., as defendants. The plaintiff alleges that the defendants misleadingly packaged and labeled Monster Energy® products in Canada by not including sufficiently specific statements with respect to contra-indications and/or adverse reactions associated with the consumption of the energy drink products. The plaintiff's claims against the defendants are for negligence, unjust enrichment, and making misleading/false representations in violation of the Competition Act (Canada), the Food and Drugs Act (Canada) and the Consumer Protection Act, 2002 (Ontario). The plaintiff claims general damages on behalf of the putative class in the amount of CDN$20 million, together with punitive damages of CDN$5 million, plus legal costs and interest. The plaintiff's certification motion materials have not yet been filed. The Company believes that any such damages, if awarded, would not have a material adverse effect on the Company's financial position or results of operations. In accordance with class action practices in Ontario, the Company will not file an answer to the complaint until after the determination of the certification motion. The Company believes that the plaintiff's complaint is without merit and plans a vigorous defense.

In addition to the above matters, the Company is subject to litigation from time to time in the normal course of business, including claims from terminated distributors. Although it is not possible to predict the outcome of such litigation, based on the facts known to the Company and after consultation with counsel, management believes that such litigation in the aggregate will likely not have a material adverse effect on the Company's financial position or results of operations.

Securities Litigation — On September 11, 2008, a federal securities class action complaint styled *Cunha v. Hansen Natural Corp., et al*. was filed in the United States District Court for the Central District of California (the "District Court"). On September 17, 2008, a second federal securities class action complaint styled *Brown v. Hansen Natural Corp., et al.* was also filed in the District Court.

On July 14, 2009, the District Court entered an order consolidating the actions and appointing lead counsel and the Structural Ironworkers Local Union #1 Pension Fund as lead plaintiff. On August 28, 2009, lead plaintiff filed a Consolidated Complaint for Violations of Federal Securities Laws (the "Consolidated Class Action Complaint"). The Consolidated Class Action Complaint purported to be brought on behalf of a class of purchasers of the Company's stock during the period November 9, 2006 through November 8, 2007 (the "Class Period"). It named as defendants the Company, Rodney C. Sacks, Hilton H. Schlosberg, and Thomas J. Kelly. Plaintiff principally alleged that, during the Class Period, the defendants made false and misleading statements relating to the Company's distribution coordination agreements with Anheuser-Busch, Inc. ("AB") and its sales of "Allied" energy drink lines, and engaged in sales of shares in the Company on the basis of material non-public information. Plaintiff also alleged that the Company's financial statements for the second quarter of 2007 did not include certain promotional expenses. The Consolidated Class Action Complaint alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and sought an unspecified amount of damages.

On November 16, 2009, the defendants filed their motion to dismiss the Consolidated Class Action Complaint pursuant to Federal Rules of Civil Procedure 12(b)(6) and 9(b), as well as the Private Securities Litigation Reform Act. On July 12, 2010, following a hearing, the District Court granted the defendants' motion to dismiss the Consolidated Class Action Complaint, with leave to amend, on the grounds, among others, that it failed to specify which statements Plaintiff claimed were false or misleading, failed adequately to allege that certain statements were actionable or false or misleading, and failed adequately to demonstrate that defendants acted with scienter.

On August 27, 2010, Plaintiff filed a Consolidated Amended Class Action Complaint for Violations of Federal Securities Laws (the "Amended Class Action Complaint"). While similar in many respects to the Consolidated Class Action Complaint, the Amended Class Action Complaint drops certain of the allegations set forth in the Consolidated Class Action Complaint and makes certain new allegations, including that the Company engaged in "channel stuffing" during the Class Period that rendered false or misleading the Company's reported sales results and certain other statements made by the defendants. In addition, it no longer names Thomas J. Kelly as a defendant. The Amended Class Action Complaint continues to allege violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder, and seeks an unspecified amount of damages.

Defendants filed a motion to dismiss the Amended Class Action Complaint on November 8, 2010. At a hearing on defendants' motion to dismiss the Amended Class Action Complaint held on May 12, 2011, the District Court issued a tentative ruling that would grant the motion to dismiss as to certain of Plaintiff's claims, but would deny the motion to dismiss with regard to the majority of Plaintiff's claims. The District Court has not, however, issued a final ruling. The District Court held an additional hearing on the motion to dismiss on May 25, 2011, and has received supplemental submissions from the parties. Defendants' motion to dismiss remains *sub judice*.

The Amended Class Action Complaint seeks an unspecified amount of damages. As a result, the amount or range of reasonably possible litigation losses to which the Company is exposed cannot be estimated.

Derivative Litigation — On October 15, 2008, a derivative complaint was filed in the United States District Court for the Central District of California (the "District Court"), styled *Merckel v. Sacks, et al*. On November 17, 2008, a second derivative complaint styled *Dislevy v. Sacks, et al*. was also filed in the District Court. The derivative suits were each brought, purportedly on behalf of the Company, by a shareholder of the Company who made no prior demand on the Company's Board of Directors.

On June 29, 2009, the District Court entered an order consolidating the Merckel and Dislevy actions. On July 13, 2009, the District Court entered an order re-styling the consolidated actions as In re *Hansen Derivative Shareholder Litigation*, appointing Raymond Merckel as lead plaintiff and appointing lead counsel, and establishing a schedule for the filing of a consolidated amended complaint and for defendants' response to such complaint.

On October 13, 2009, a purported Consolidated Shareholder Derivative Complaint (the "Consolidated Derivative Complaint") was filed. The Consolidated Derivative Complaint named as defendants certain current and former officers, directors, and employees of the Company, including Rodney C. Sacks, Hilton H. Schlosberg, Harold C. Taber, Jr., Benjamin M. Polk, Norman C. Epstein, Mark S. Vidergauz, Sydney Selati, Thomas J. Kelly, Mark J. Hall, and Kirk S. Blower, as well as Hilrod Holdings, L.P. The Company was named as a nominal defendant. The factual allegations of the Consolidated Derivative Complaint were similar to those set forth in the Consolidated Class Action Complaint described above. Plaintiff alleged that, from November 2006 to the present, the defendants caused the Company to issue false and misleading statements concerning its business prospects and failed to properly disclose problems related to its non-Monster energy drinks, the prospects for the Anheuser-Busch distribution relationship, and alleged "inventory loading" that affected the Company's results for the second quarter of 2007. Plaintiff further alleged that while the Company's shares were purportedly artificially inflated because of those improper statements, certain of the defendants sold Company stock while in possession of material non-public information. The Consolidated Derivative Complaint asserted various causes of action, including breach of fiduciary duty, aiding and abetting breach of fiduciary duty, violation of Cal. Corp. Code §§ 25402 and 25403 for insider selling, and unjust enrichment. The suit sought an unspecified amount of damages to be paid to the Company and adoption of corporate governance reforms, among other things.

On January 8, 2010, the Company filed its motion to dismiss the Consolidated Derivative Complaint pursuant to Federal Rules of Civil Procedure 12(b)(6) and 23.1. On March 2, 2010, plaintiff's counsel filed a motion to amend the Consolidated Derivative Complaint pursuant to Rule 15(a)(2) for the purpose of replacing Mr. Merckel as lead plaintiff with another shareholder of the Company, Anastasia Brueckheimer. Following a hearing on July 12, 2010, the District Court (i) permitted Ms. Brueckheimer to intervene in the Derivative Litigation as lead plaintiff and to file a Verified Complaint in Intervention (the "Complaint in Intervention") similar in all material respects to the Consolidated Derivative Complaint; and (ii) dismissed the Complaint in Intervention, with leave to amend, on the ground that Plaintiff's allegations of demand futility were insufficient to excuse the failure to make a pre-suit demand on the Company's Board of Directors.

On October 1, 2010, Ms. Brueckheimer filed a Verified Amended Consolidated Shareholder Derivative Complaint (the "Amended Derivative Complaint"). While the Amended Derivative Complaint asserts the same causes of action and contains many of the same substantive allegations as the Consolidated Derivative Complaint, it also advances new allegations about "channel stuffing," which are substantially similar to the allegations pled in the Amended Class Action Complaint.

The Company filed a motion to dismiss the Amended Derivative Complaint on December 20, 2010, on the ground that Plaintiff had again failed adequately to allege demand futility. Following a hearing on the Company's motion to dismiss the Amended Derivative Complaint held on May 12, 2011, the District Court dismissed the Amended Derivative Complaint, with prejudice, on this ground. On July 10, 2011, Ms. Brueckheimer filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit. As currently scheduled, Plaintiff's opening brief on appeal is due on November 21, 2011, defendants' brief in opposition is due on December 21, 2011 and Plaintiff's reply brief, if any, is due on January 4, 2012.

Although the ultimate outcome of these matters cannot be determined with certainty, the Company believes that the allegations in the Amended Class Action Complaint and the Amended Derivative Complaint are without merit. The Company intends to vigorously defend against these lawsuits.

The Amended Derivative Complaint names the Company as a nominal defendant and seeks an unspecified amount of damages on behalf of the Company against the various defendants named therein.

ITEM 1A. RISK FACTORS

Our Risk Factors are discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010. There have been no material changes with respect to the risk factors disclosed in our Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. RESERVED

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

10.1*	Form of Restricted Stock Agreement
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2*	Certification by Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from Hansen Natural Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2011 and December 31, 2010, (ii) Condensed Consolidated Statements of Income for the three- and six-months ended June 30, 2011 and June 30, 2010, (iii) Condensed Consolidated Statements of Cash Flows for the six-months ended June 30, 2011 and June 30, 2010, and (iv) the Notes to Condensed Consolidated Financial Statements.

*** Filed herewith**

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.

HANSEN NATURAL CORPORATION
Registrant

Date: August 9, 2011

/s/ RODNEY C. SACKS
Rodney C. Sacks
Chairman of the Board of Directors
and Chief Executive Officer

FORM OF RESTRICTED STOCK AGREEMENT

This Restricted Stock Agreement ("Agreement"), is made as of _______ (the "Grant Date"), by and between Hansen Natural Corporation, a Delaware corporation (the "Company"), and ______ ("Participant").

Preliminary Recitals

A. Participant is an employee of the Company or its Subsidiaries.

B. Pursuant to the Hansen Natural Corporation 2011 Omnibus Incentive Plan (the "Plan"), the Company desires to grant Participant Shares of Restricted Stock subject to the terms and conditions of the Plan and subject further to the terms and conditions set forth below.

C. Capitalized terms not otherwise defined in this Agreement shall have the meaning given to them in the Plan.

NOW, THEREFORE, the Company and Participant agree as follows:

1. Grant of Restricted Stock. The Company hereby grants to the Participant, subject to the terms and conditions set forth herein and in the Plan, _______ Shares of Restricted Stock. The Restricted Period (as such term is described in Section 2 below) for the Shares of Restricted Stock shall lapse and the Restricted Stock shall become nonforfeitable in accordance with Section 2 hereof.

2. Restricted Period. Subject to the Participant's continued employment with the Company or its Subsidiaries, the Restricted Period with respect to the Shares of Restricted Stock shall lapse with respect to the number of Shares of Restricted Stock listed in column A from and after the Lapse Date listed in column B,

Column "A"	**Column "B"**
Number of Shares of Restricted Stock	Lapse Date

3. Termination of Employment. In the event that the Participant's employment terminates for any reason, the Shares of Restricted Stock, to the extent that the applicable Restricted Period has not lapsed, shall be forfeited without the payment of consideration.

4. Nontransferability. Except as permitted by the Plan, prior to the lapse of the Restricted Period, the Shares of Restricted Stock shall not be transferable other than by will or by the laws of descent and distribution.

5. Adjustments. Subject to Section 12.2 of the Plan, in the event of any change in the outstanding Shares after the Grant Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination, combination or transaction or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares other than regular cash dividends or any transaction similar to the foregoing, the Committee in its sole discretion and without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable, as to the number and/or kinds of shares or other securities subject to this Agreement, if any. Any adjustment under this clause 6 shall be made by the Committee, whose determination as to what adjustments shall be made, if any, and the extent thereof, will be final, binding and conclusive. No fractional Shares of Restricted Stock will be issued under this Agreement resulting from any such adjustment.

6. Rights as a Stockholder. The Participant shall have the right to vote the Shares of Restricted Stock for which the Restricted Period has not lapsed. All distributions or other payments, if any, received by the Participant with respect to the Shares of Restricted Stock, including, without limitation, as a result of any merger, sale, dividend, stock split, stock distribution, a combination of shares, or other similar transactions shall be subject to the restrictions set forth in this Agreement.

7. No Right to Continue Employment. This Agreement shall not confer upon Participant any right with respect to continuance of employment with the Company or its Subsidiaries nor shall it interfere in any way with the right of the Company or its Subsidiaries to terminate the Participant's employment at any time.

8. Compliance With Law and Regulation. This Agreement and the obligation of the Company hereunder shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required.

9. Notices. Any notice hereunder to the Company shall be addressed to it at its office at 550 Monica Circle, Suite 201, Corona, California 92880, Attention: Rodney C. Sacks with a copy to Laurence M. Moss, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, and any notice hereunder to Participant shall be addressed to him at ________, subject to the right of either party to designate at any time hereafter in writing some other address.

10. Amendment. No modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless in writing specifically referring hereto, and signed by both parties.

11. Tax Withholding Requirements. The Company shall have the right to require Participant to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements related to any payment or benefit under this Agreement and to take such other action as may be necessary in the opinion of the Board to satisfy all obligations for the payment of such withholding taxes.

12. Governing Law. This Agreement shall be construed according to the laws of the State of Delaware and all provisions hereof shall be administered according to and its validity shall be determined under, the laws of such State, except where preempted by federal laws.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Hansen Natural Corporation has caused this Agreement to be executed by a duly authorized officer and Participant has executed this Agreement both as of the day and year first above written.

HANSEN NATURAL CORPORATION

_______________________________ By: _______________________________
Hilton H. Schlosberg

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14(a) OR 15D-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Rodney Sacks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hansen Natural Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2011

/s/Rodney C. Sacks

Rodney C. Sacks
Chairman of the Board of Directors
and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13A-14(a) OR 15D-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Hilton Schlosberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hansen Natural Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2011

/s/ Hilton H. Schlosberg
Hilton H. Schlosberg
Vice Chairman of the Board of Directors, President, Chief Operating Officer, Chief Financial Officer and Secretary

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Hansen Natural Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2011 as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Rodney C. Sacks, Chairman of the Board of Directors and Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2011

/s/ Rodney C. Sacks
Rodney C. Sacks
Chairman of the Board of Directors
and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Hansen Natural Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2011 as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Hilton H. Schlosberg, Vice Chairman of the Board of Directors, President, Chief Operating Officer, Chief Financial Officer and Secretary of the Company, certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2011

/s/ Hilton H. Schlosberg
Hilton H. Schlosberg
Vice Chairman of the Board of Directors, President, Chief Operating Officer, Chief Financial Officer and Secretary