



## Hansen Natural Corporation Reports Record Financial Results For 2005 Year

### - Net Income Triples; Net Sales up 93%-

Corona, CA - March 9, 2006 - Hansen Natural Corporation (NASDAQ:HANS) today announced record sales and profits for the year and fourth quarter ended December 31, 2005.

For the 2005 year, gross sales rose 85.4 percent to \$415.4 million from \$224.1 million in 2004. Net sales for 2005 increased 93.5 percent to \$348.9 million from \$180.3 million in the prior year. Operating income grew 205.3 percent in 2005 to \$103.4 million from \$33.9 million a year ago. Net income advanced 207.9 percent to \$62.8 million, or \$2.59 per diluted share, from \$20.4 million, or \$0.86 per diluted share, a year ago.

Rodney C. Sacks, chairman and chief executive officer, said the record sales and profits for 2005 were primarily attributable to substantially increased sales volumes of the company's Monster Energy® drinks and, to a lesser extent, of Lost® energy drinks and Joker Mad Energy™ drinks. Increased sales volumes of apple juice and apple juice blends also contributed to the record sales. He added that the increase in sales was partially offset by decreased sales volumes primarily of Hansen's® Natural Sodas, Hansen's energy drinks, Energade® and Smoothies in cans.

Gross profit as a percentage of net sales for the year rose to 52.3 percent from 46.3 percent in 2004, primarily due to increased sales of higher margin Monster Energy™ and Lost® energy drinks. Selling, general and administrative expenses as a percentage of net sales were lower than in the previous year.

For the 2005 fourth quarter, gross sales rose 83.9 percent to \$113.6 million from \$61.8 million a year earlier. Net sales increased 94.7 percent to \$98.0 million from \$50.3 million in 2004. Operating income increased to \$29.8 million from \$11.9 million a year ago. Net income increased to \$18.4 million, or \$0.75 per diluted share, from \$7.3 million, or \$0.31 per diluted share, in the comparable period in 2004.

The increase in net income for the fourth quarter compared with the prior year period was primarily attributable to the substantial increase in sales volumes of Monster Energy™ drinks.

Sacks also said that sales of Monster Energy™ "Khaos" energy drinks was encouraging. Hansen Natural Corporation markets and distributes Hansen's® Natural Sodas, Signature Sodas, fruit juice Smoothies, Energy drinks, Energade® energy sports drinks, E20 Energy Water®, Sparkling Lemonades and Orangeades, multi-vitamin juice drinks in aseptic packaging, Junior Juice® juice, iced teas, lemonades and juice cocktails, apple juice, cider and juice blends, Blue Sky® brand carbonated beverages, Monster Energy™ brand energy drinks, Lost® Energy™ brand energy drinks, Joker Mad Energy™ and Rumba™ brand energy drinks and Fizzit™ brand Powdered drink mixes. Hansen's can be found on the Web at [www.hansens.com](http://www.hansens.com).

\* 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 Generally Accepted Accounting Principles ("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 the Company's internal reporting requirements.

Certain statements made in this announcement may constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding the expectations of management with respect to revenues and profitability. Management cautions that these statements are qualified by their terms/or important factors, many of which are outside of the control of the company, that could cause actual results and events to differ materially from the statements made herein, including, but not limited to, the following: Changes in consumer preferences, changes in demand that are weather related, particularly in areas outside of California, competitive pricing pressures, activities and strategies of competitors, changes in the price and/or availability of raw materials for the company's products, the availability of production and/or suitable facilities, the marketing efforts of the distributors of the company's products, most of which distribute products that are competitive with the products of the company, the introduction of new products, as well as unilateral decisions that may be made by grocery chain stores, specialty chain stores, club stores and other customers to discontinue carrying all or any of the company's products that they are carrying at any time and other risks detailed from time to time in the Company's reports filed with the Securities and Exchange Commission. The Company's actual results could differ materially from those contained in the forward looking statements. The Company assures no obligation to update any forward looking statements.

**HANSEN NATURAL CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME**  
**FOR THE THREE- AND TWELVE-MONTHS ENDED DECEMBER 31, 2005 AND 2004**  
**(Unaudited)**

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
GROSS SALES*	\$113,570,741	\$ 61,760,023	\$415,417,282	\$224,097,875
LESS: Promotional and other allowances**	<u>15,560,656</u>	<u>11,422,691</u>	<u>66,530,916</u>	<u>43,756,740</u>
NET SALES	98,010,085	50,337,332	348,886,366	180,341,135
COST OF SALES	<u>46,066,902</u>	<u>25,346,905</u>	<u>166,343,118</u>	<u>96,874,750</u>
GROSS PROFIT	51,943,183	24,990,427	182,543,248	83,466,385
OPERATING EXPENSES:				
Selling, general and administrative	22,127,457	13,063,306	79,029,837	49,507,137
Amortization of trademarks	<u>26,010</u>	<u>14,403</u>	<u>70,102</u>	<u>73,046</u>
Total operating expenses	<u>22,153,467</u>	<u>13,077,709</u>	<u>79,099,939</u>	<u>49,580,183</u>
OPERATING INCOME	29,789,716	11,912,718	103,443,309	33,886,202
NONOPERATING INCOME (EXPENSE)				
Interest and financing expense	(12,522)	(9,793)	(76,531)	(41,988)
Interest income	<u>668,948</u>	<u>88,940</u>	<u>1,427,803</u>	<u>93,983</u>
Net nonoperating income	656,426	79,147	1,351,272	51,995
INCOME BEFORE PROVISION FOR INCOME TAXES	30,446,142	11,991,865	104,794,581	33,938,197
PROVISION FOR INCOME TAXES	<u>12,005,945</u>	<u>4,665,139</u>	<u>42,018,605</u>	<u>13,551,393</u>
NET INCOME	<u>\$ 18,440,197</u>	<u>\$ 7,326,726</u>	<u>\$ 62,775,976</u>	<u>\$ 20,386,804</u>
NET INCOME PER COMMON SHARE:				
Basic	<u>\$ 0.83</u>	<u>\$ 0.34</u>	<u>\$ 2.85</u>	<u>\$ 0.96</u>
Diluted	<u>\$ 0.75</u>	<u>\$ 0.31</u>	<u>\$ 2.59</u>	<u>\$ 0.86</u>
NUMBER OF COMMON SHARES USED IN PER SHARE COMPUTATIONS:				
Basic	<u>22,194,187</u>	<u>21,783,698</u>	<u>22,055,983</u>	<u>21,333,784</u>
Diluted	<u>24,550,459</u>	<u>23,911,188</u>	<u>24,272,235</u>	<u>23,619,880</u>

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\*\*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 the marketing activities of the Company.

**HANSEN NATURAL CORPORATION AND SUBSIDIARIES**  
**CONDENSED BALANCE SHEETS**  
**AS OF DECEMBER 31, 2005 AND 2004 (Unaudited)**

<u>ASSETS</u>	<u>2005</u>	<u>2004</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 61,654,284	\$ 3,676,119
Short-term investments	11,860,665	17,300,000
Accounts receivable, net	28,751,588	12,650,055
Inventories	31,399,628	22,406,054
Prepaid expenses and other current assets	477,237	638,967
Prepaid income taxes	637,794	
Deferred income tax asset	5,505,264	3,708,942
Total current assets	<u>140,286,460</u>	<u>60,380,137</u>
PROPERTY AND EQUIPMENT, net	3,742,958	2,964,064
INTANGIBLE AND OTHER ASSETS:		
Trademarks, net	19,103,049	18,351,804
Deposits and other assets	757,215	326,312
Total intangible and other assets	<u>19,860,264</u>	<u>18,678,116</u>
	<u>\$ 163,889,682</u>	<u>\$ 82,022,317</u>
 <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 26,613,663	\$ 14,542,753
Accrued liabilities	2,481,703	1,582,968
Accrued compensation	3,346,243	1,831,627
Current portion of long-term debt	515,221	437,366
Income taxes payable	-	346,449
Total current liabilities	<u>32,956,830</u>	<u>18,741,163</u>
LONG-TERM DEBT, less current portion	10,123	146,486
DEFERRED INCOME TAX LIABILITY	5,413,880	4,563,439
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY:		
Common stock - \$0.005 par value; 30,000,000 shares authorized; 22,607,128 shares issued, 22,193,606 outstanding in 2005; 22,239,728 shares issued, 21,826,206 outstanding in 2004	113,036	111,198
Additional paid-in capital	19,917,748	15,757,942
Retained earnings	106,292,610	43,516,634
Common stock in treasury, at cost; 413,522 shares in 2005 and 2004	(814,545)	(814,545)
Total shareholders' equity	<u>125,508,849</u>	<u>58,571,229</u>
	<u>\$ 163,889,682</u>	<u>\$ 82,022,317</u>

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