UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the Quarterly Period Ended March 31, 2005   Commission file number 0-18761

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

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

1010 Railroad Street
Corona, California 92882
(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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No ___

The Registrant had 11,005,103 shares of common stock outstanding as of April 25, 2005.

HANSEN NATURAL CORPORATION AND SUBSIDIARIES
MARCH 31, 2005

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

	March 31, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 30,574,477	$ 20,976,119
Accounts receivable (net of allowance for doubtful accounts, sales returns and cash discounts of $1,652,951 in 2005 and $1,252,101 in 2004 and promotional allowances of $6,310,183 in 2005 and $6,269,744 in 2004)	20,167,901	12,650,055
Inventories, net	23,451,416	22,406,054
Prepaid expenses and other current assets	527,082	638,967
Deferred income tax asset	3,234,002	3,708,942
Total current assets	77,954,878	60,380,137
PROPERTY AND EQUIPMENT, net	2,798,547	2,964,064
INTANGIBLE AND OTHER ASSETS:		
Trademark license and trademarks (net of accumulated amortization of $233,510 in 2005 and $219,264 in 2004)	18,337,558	18,351,804
Deposits and other assets	736,977	326,312
Total intangible and other assets	19,074,535	18,678,116
	$ 99,827,960	$ 82,022,317
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 18,687,590	$ 14,542,753
Accrued liabilities	1,680,784	1,582,968
Accrued compensation	1,254,561	1,831,627
Current portion of long-term debt	355,009	437,366
Income taxes payable	5,017,170	346,449
Total current liabilities	26,995,952	18,741,163
LONG-TERM DEBT, less current portion	168,076	146,486
DEFERRED INCOME TAX LIABILITY	4,754,507	4,563,439
COMMITMENTS AND CONTINGENCIES (NOTE 7)	-	-
SHAREHOLDERS' EQUITY:		
Common stock - $0.005 par value; 30,000,000 shares authorized; 11,119,864 shares issued, 10,994,603 outstanding in 2005; 10,624,864 shares issued, 10,418,103 outstanding in 2004	56,007	55,599
Additional paid-in capital	16,307,454	15,813,541
Retained earnings	52,361,347	43,516,634
Common stock in treasury, at cost; 206,761 in 2005 and 2004	(814,545)	(814,545)
Total shareholders' equity	67,910,263	58,571,229
	$ 99,827,960	$ 82,022,317

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
GROSS SALES	$ 73,728,442	$ 38,740,927
LESS: Discounts, allowance and promotional payments	13,714,170	7,442,144
NET SALES	60,014,272	31,298,783
COST OF SALES	29,684,954	17,390,962
GROSS PROFIT	30,329,318	13,907,821
OPERATING EXPENSES:		
Selling, general and administrative	15,591,572	10,243,238
Amortization of trademark license and trademarks	14,246	20,096
Total operating expenses	15,605,818	10,263,334
OPERATING INCOME	14,723,500	3,644,487
NET NONOPERATING (INCOME) EXPENSE	(117,518)	10,614
INCOME BEFORE PROVISION FOR INCOME TAXES	14,841,018	3,633,873
PROVISION FOR INCOME TAXES	5,996,305	1,450,592
NET INCOME	$ 8,844,713	$ 2,183,281
NET INCOME PER COMMON SHARE:		
Basic	$ 0.81	$ 0.21
Diluted	$ 0.73	$ 0.19
NUMBER OF COMMON SHARES USED IN PER SHARE COMPUTATIONS:		
Basic	10,935,709	10,434,770
Diluted	12,060,833	11,463,633

See accompanying notes to condensed consolidated financial statements.

HANSEN NATURAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTHS ENDED MARCH 31, 2005 AND 2004 (Unaudited)

	March 31, 2005	March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 8,844,713	$ 2,183,281
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of trademark license and trademarks	14,246	20,096
Depreciation and other amortization	183,553	187,581
Loss/(Gain) on disposal of property and equipment	650	(4,461)
Deferred income taxes	666,008	86,633
Provision for doubtful accounts	45,742	
Effect on cash of changes in operating assets and liabilities:		
Accounts receivable	(7,563,588)	(4,099,740)
Inventories	(1,045,362)	362,677
Prepaid expenses and other current assets	111,885	(77,322)
Accounts payable	4,144,836	1,897,733
Accrued liabilities	97,816	575,677
Accrued compensation	(577,066)	(466,774)
Income taxes payable	4,670,721	1,353,178
Net cash provided by operating activities	9,594,154	2,018,559
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(364,256)	(308,180)
Proceeds from sale of property and equipment	78,339	15,073
Increase in trademark license and trademarks		(7,547)
Decrease/(increase) in deposits and other assets	38,225	(43,093)
Net cash used in investing activities	(247,692)	(343,747)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(242,425)	(57,956)
Issuance of common stock	494,321	99,480
Net cash provided by financing activities	251,896	41,524
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,598,358	1,716,336
CASH AND CASH EQUIVALENTS, beginning of year	20,976,119	1,098,785
CASH AND CASH EQUIVALENTS, end of period	$30,574,477	$ 2,815,121
SUPPLEMENTAL INFORMATION		
Cash paid during the year for:		
Interest	$ 12,641	$ 9,511
Income taxes	$ 659,576	$ 10,781

NON-CASH TRANSACTIONS

During the three-months ended March 31, 2005, the Company entered into capital leases of $181,659, for the acquisition of promotional vehicles and warehouse equipment.

See accompanying notes to condensed consolidated financial statements.

1. BASIS OF PRESENTATION

Reference is made to the Notes to Consolidated Financial Statements, in the Company's Form 10-K for the year ended December 31, 2004, for a summary of significant policies utilized by Hansen Natural Corporation ("Hansen" or "Company") and its wholly-owned subsidiaries, Hansen Beverage Company ("HBC") and Hard e Beverage Company ("HEB"), and other disclosures, which should be read in conjunction with this report. HBC owns all of the issued and outstanding common stock of Blue Sky Natural Beverage Co. and Hansen Junior Juice Company.

The Company's financial statements included in Form 10-Q have been prepared in accordance with GAAP and 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 accounting principles generally accepted in the United States of America. The information set forth in these interim condensed consolidated financial statements for the three-months ended March 31, 2005 and 2004 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 accounting principles generally accepted in the United States of America 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Refer to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2004 for more complete presentation.

Inventories - Inventories are valued at the lower of first-in, first-out (FIFO) cost or market value (net realizable value).

Property and Equipment - Property and equipment are stated at cost. Depreciation of furniture, office equipment, equipment and vehicles is based on their estimated useful lives (three to ten years) and is calculated using the straight-line method. Amortization of leasehold improvements is based on the lesser of their estimated useful lives or the terms of the related leases and is calculated using the straight-line method.

Trademark License and Trademarks - Trademark license and trademarks represents the Company's exclusive ownership of the Hansen's(r) trademark in connection with the manufacture, sale and distribution of beverages and water and non-beverage products. The Company also owns a number of other trademarks in the United States as well as in a number of countries around the world. The Company also owns the Blue Sky(r) trademark, which was acquired in September 2000, and the Junior Juice(r) trademark, which was acquired in May 2001. The Company amortizes its trademark license and trademarks with a finite life (as discussed below) over 1 to 25 years. Upon the adoption of Statement of Financial Accounting Standards ("SFAS") No. 142, the Company ceased the amortization of indefinite life assets. The following provides additional information concerning the Company's trademark licenses and trademarks as of March 31, 2005 and December 31, 2004:

	March 31, 2005	December 31, 2004
Amortizing trademark licenses and trademarks	$ 1,169,248	$ 1,169,248
Accumulated amortization	(233,510)	(219,264)
	935,738	949,984
Non-amortizing trademark licenses and trademarks	17,401,820	17,401,820
	$18,337,558	$ 18,351,804

All amortizing trademark licenses and trademarks have been assigned an estimated finite useful life, and are amortized on a straight-line basis over the number of years that approximate their respective useful lives ranging from 1 to 25 years (weighted average life of 23 years). The straight-line method of amortization allocates the cost of the trademark licenses and trademarks to earnings over the period of expected benefit. Total amortization expense during the three-months ended March 31, 2005 and 2004 was $14,246 and $20,096, respectively. As of March 31, 2005, future estimated amortization expense related to amortizing trademark licenses and trademarks through the year ending December 31, 2010 is:

2005 - Remainder	$41,513
2006	55,351
2007	55,351
2008	55,202
2009	55,202
2010	55,202

Revenue Recognition - The Company records revenue at the time the related products are shipped and title has passed. Management believes an adequate provision has been made for estimated returns, allowances and cash discounts based on the Company's historical experience, which are accounted for as a reduction of gross sales.

Advertising and Promotional Allowances - The Company accounts for advertising production costs by expensing such production costs the first time the related advertising takes place. Advertising expenses amounted to $3.5 million and $2.4 million for the three-months ended March 31, 2005 and 2004, respectively. Advertising expenses were included in selling, general and administrative expenses with the exception of coupon expenses, which were included as a reduction of gross sales. In addition, the Company supports its customers, including distributors, with promotional allowances, portion of which are utilized for marketing and indirect advertising by them. Portion of the promotional allowances payable to customers are based on the levels of sales to such customers and, in certain instances, the amount of such allowances are estimated by the Company. If actual promotional allowances when ultimately determined differ from such estimates, promotional allowances could, to the extent based on estimates, require adjustment. Such promotional allowances amounted to $10.8 million and $4.9 million for the three-months ended March 31, 2005 and 2004, respectively and are included as a reduction of gross sales.

Stock Based Compensation - The Company accounts for its stock option plans in accordance with Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations. Under APB Opinion No. 25, no compensation expense is recognized because the exercise price of the Company's employee stock options equals the market price of the underlying stock at the date of the grant. In December 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure. SFAS No. 148 amends SFAS No. 123, Accounting for Stock-based Compensation, and was effective immediately upon issuance. The Company follows the requirements of APB Opinion No. 25 and the disclosure-only provision of SFAS No. 123, as amended by SFAS No. 148. Had compensation cost for the Company's option plans been determined based on the fair value at the grant date for awards consistent with the provisions of SFAS No. 123, the Company's net income and net income per common share for the three-months ended March 31, 2005 and 2004 would have been reduced to the pro forma amounts indicated below:

	Three Months Ended March 31,	
	2005	2004
Net income, as reported	$ 8,844,713	$ 2,183,281
Less: Total stock based employee compensation expense determined under fair value based method of all awards, net of related tax effects	319,278	83,597
Net income, pro forma	$ 8,525,435	$ 2,099,684
Net income per common share, as reported - Basic	$ 0.81	$ 0.21
Net income per common share, as reported - Diluted	$ 0.73	$ 0.19
Net income per common share, pro forma - Basic	$ 0.78	$ 0.20
Net income per common share, pro forma - Diluted	$ 0.71	$ 0.18

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used:

	Dividend Yield	Expected Volatility	Risk-Free Interest Rate	Expected Lives
2005	0%	74%	4.4%	7 years
2004	0%	38%	4.0%	8 years

3. NEWLY ISSUED ACCOUNTING PRONOUNCEMENTS

In November 2004, FASB issued statement of Financial Accounting Standard No. 151, "Inventory Costs". The new Statement amends Accounting Research Bulletin No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material. This Statement requires that those items be recognized as current-period charges and requires that allocation of fixed production overheads to the cost of conversion be based on the normal capacity of the production facilities. This statement is effective for fiscal years beginning after June 15, 2005. The Company does not expect adoption of this statement to have a material impact on its financial condition or results of operations.

In December 2004, the FASB issued SFAS No. 153, Exchanges of Nonmonetary Assets - An Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions. This statement amends APB Opinion No. 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provision in SFAS No. 153 are effective for nonmonetary asset exchanges incurred during fiscal years beginning after June 15, 2005. The Company is currently evaluating the effect, if any, of adopting SFAS No. 153.

In December 2004, FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment. This Statement replaces FASB Statement No. 123 and supersedes APB Opinion No. 25. Statement No. 123(R) will require the fair value of all stock option awards issued to employees to be recorded as an expense over the related vesting period. The Statement also requires the recognition of compensation expense for the fair value of any unvested stock option awards outstanding at the date of adoption. This standard is effective for the Company as of January 1, 2006. Management has not completed their evaluation of the effect of these new rules on the Company's financial statements.

4. INVENTORIES

Inventories consist of the following at:

	March 31, 2005	December 31, 2004
Raw Materials	$ 9,782,458	$ 7,204,741
Finished Goods	14,590,890	16,157,000
	24,373,348	23,361,741
Less inventory reserves	(921,932)	(955,687)
	$ 23,451,416	$ 22,406,054

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at:

	March 31, 2005	December 31, 2004
Leasehold improvements	$ 338,832	$ 268,068
Furniture and office equipment	1,327,810	1,193,741
Equipment	1,596,667	1,488,571
Vehicles	1,262,355	2,359,264
	4,525,664	5,309,644
Less accumulated depreciation and amortization	(1,727,117)	(2,345,580)
	$ 2,798,547	$ 2,964,064

6. EARNINGS PER SHARE

A reconciliation of the weighted average shares used in the basic and diluted earnings per common share computations for the three months ended March 31, 2005 and 2004 is presented below:

	Three Months Ended March 31, 2005	2004
Weighted-average shares outstanding:		
Weighted-average shares outstanding - Basic	10,935,709	10,434,770
Dilutive securities	1,125,124	1,028,863
Weighted-average shares outstanding - Diluted	12,060,833	11,463,633

For the three months ended March 31, 2005, options outstanding totaling 435,000 shares were excluded from the calculations, as their effect would have been antidilutive. For the three months ended March 31, 2004, no options outstanding were excluded from the calculations.

7. COMMITMENTS & CONTINGENCIES

In March 2003, HBC entered into an advertising display agreement ("Monorail Agreement") with the Las Vegas Monorail Company ("LVMC") in terms of which HBC was granted the right, in consideration of the payment by HBC to LVMC of the sum of $1,000,000 per year, payable quarterly, to advertise and promote its products on a designated four car monorail vehicle as well as the right to sell certain of its products on all monorail stations for payment of additional consideration.

The initial term of the Monorail Agreement commenced in July 2004. The initial term of the Monorail Agreement ends on the first anniversary of its commencement date. However due to interruptions in the operations of the Monorail, it is likely that the commencement date of the initial term will by agreement be amended to January 1, 2005. Not less than 120 days before the expiration of the initial term and each renewal term, as the case may be, HBC has the right to renew the Monorail Agreement for a further one year term up to a maximum of nine additional one year terms and the LVMC has the right, notwithstanding such election by HBC, to terminate the Monorail Agreement at the expiration of the then current term.

In September 2004 Barrington Capital Corporation through an alleged successor in interest, Sandburg Financial Corporation (both entities with whom the Company has never had any dealings) served a Notice of Motion ("Motion") on the Company and each of its subsidiaries as well as on a number of other unrelated entities and individuals. The Motion seeks to amend a default judgement granted against a completely unconnected company, Hansen Foods, Inc., to add the Company and its subsidiary companies, as well as the other entities and individuals cited, as judgement debtors. The default judgement was entered on February 15, 1996, for $7,626,000 plus legal interest and attorneys' fees in the sum of $211,000 arising out of a breach of contract claim that allegedly occurred in the 1980's. Barrington Capital Corporation's/Sandburg Financial Corporation's claim is based on the misconceived and unsubstantiated theory that the Company and its subsidiaries are alter egos and/or successors of Hansen Foods, Inc. The Motion is based on demonstrably false allegations, misstated legal propositions and lacks any substantial supporting evidence. The Company and its subsidiaries intend to vigorously oppose the Motion and believe that the Motion is without any merit. The Company does not believe the Motion will have a material adverse effect on the financial condition of the Company.

The Company is subject to litigation from time to time in the normal course of business. 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 not likely have a material adverse effect on the Company's financial position or results of operations.

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's historical consolidated financial statements and notes thereto.

Critical Accounting Policies

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). GAAP requires the Company to make estimates and assumptions that affect the reported amounts in our consolidated financial statements including various allowances and reserves for accounts receivable and inventories, the estimated lives of long-lived assets and trademarks and trademark licenses as well as claims and contingencies arising out of litigation or other transactions that occur in the normal course of business. The following summarize the most significant accounting and reporting policies and practices of the Company:

Trademark License and Trademarks - Trademark license and trademarks primarily represent the Company's exclusive ownership of the Hansen's(r) trademark in connection with the manufacture, sale and distribution of beverages and water and non-beverage products. The Company also owns in its own right, a number of other trademarks in the United States as well as in a number of countries around the world. The Company also owns the Blue Sky(r) trademark, which was acquired in September 2000, and the Junior Juice(r) trademark, which was acquired in May 2001. During 2002, the Company adopted SFAS No. 142, Goodwill and Other Intangible Assets. Under the provisions on SFAS No. 142, the Company discontinued amortization on indefinite-lived trademark licenses and trademarks while continuing to amortize remaining trademark licenses and trademarks over one to 25 years.

In accordance with SFAS No. 142, we evaluate our trademark license and trademarks annually for impairment or earlier if there is an indication of impairment. If there is an indication of impairment of identified intangible assets not subject to amortization, management compares the estimated fair value with the carrying amount of the asset. An impairment loss is recognized to write down the intangible asset to its fair value if it is less than the carrying amount. The fair value is calculated using the income approach. However, preparation of estimated expected future cash flows is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions. Based on management's annual impairment analysis performed for the fourth quarter of 2004, the estimated fair values of trademark license and trademarks exceeded the carrying value.

Long-Lived Assets - Management regularly reviews property and equipment and other long-lived assets, including certain identifiable intangibles, for possible impairment. This review occurs annually, or more frequently if events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If there is indication of impairment of property and equipment or amortizable intangible assets, then management prepares an estimate of future cash flows (undiscounted and without interest charges) expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. The fair value is estimated at the present value of the future cash flows discounted at a rate commensurate with management's estimates of the business risks. No impairments were identified as of March 31, 2005.

Management believes that the accounting estimate related to impairment of its long lived assets, including its trademark license and trademarks, is a "critical accounting estimate" because: (1) it is highly susceptible to change from period to period because it requires company management to make assumptions about cash flows and discount rates; and (2) the impact that recognizing an impairment would have on the assets reported on our consolidated balance sheet, as well as net income, could be material. Management's assumptions about cash flows and discount rates require significant judgment because actual revenues and expenses have fluctuated in the past and are expected to continue to do so.

In estimating future revenues, we use internal budgets. Internal budgets are developed based on recent revenue data and future marketing plans for existing product lines and planned timing of future introductions of new products and their impact on our future cash flows.

Revenue Recognition - The Company records revenue at the time the related products are shipped and the risk of ownership and title has passed. Management believes an adequate provision against net sales has been made for estimated returns, allowances and cash discounts based on the Company's historical experience.

Advertising and Promotional Allowances - The Company accounts for advertising production costs by expensing such production costs the first time the related advertising takes place. In addition, the Company supports its customers, including distributors, with promotional allowances, portion of which are utilized for marketing and indirect advertising by them. Portion of the promotional allowances payable to customers are based on the levels of sales to such customers and, in certain instances, the amount of such allowances are estimated by the Company. If actual promotional allowances when ultimately determined differ from such estimates, promotional allowances could, to the extent based on estimates, require adjustment. During 2002, the Company adopted Emerging Issues Task Force ("EITF") No. 01-9, which requires certain sales promotions and customer allowances previously classified as selling, general and administrative expenses to be classified as a reduction of sales or as cost of goods sold. The Company presents advertising and promotional allowances in accordance with the provisions of EITF No. 01-9.

Accounts Receivable - The Company evaluates the collectibility of its trade accounts receivable based on a number of factors. In circumstances where the Company becomes aware of a specific customer's inability to meet its financial obligations to the Company, a specific reserve for bad debts is estimated and recorded which reduces the recognized receivable to the estimated amount the Company believes will ultimately be collected. In addition to specific customer identification of potential bad debts, bad debt charges are recorded based on the Company's recent past loss history and an overall assessment of past due trade accounts receivable outstanding.

Inventories - Inventories are stated at the lower of cost to purchase and/or manufacture the inventory or the current estimated market value of the inventory. The Company regularly reviews its inventory quantities on hand and records a provision for excess and obsolete inventory based primarily on the Company's estimated forecast of product demand and/or its ability to sell the product(s) concerned and production requirements. Demand for the Company's products can fluctuate significantly. Factors which could affect demand for the Company's products include unanticipated changes in consumer preferences, general market conditions or other factors, which may result in cancellations of advance orders or a reduction in the rate of reorders placed by customers and/or continued weakening of economic conditions. Additionally, management's estimates of future product demand may be inaccurate, which could result in an understated or overstated provision required for excess and obsolete inventory.

Income Taxes - Current income tax expense is the amount of income taxes expected to be payable for the current year. A deferred income tax asset or liability is established for the expected future consequences of temporary differences in the financial reporting and tax bases of assets and liabilities. The Company considers future taxable income and ongoing, prudent and feasible tax planning strategies in assessing the value of its deferred tax assets. If the Company determines that it is more likely than not that these assets will not be realized, the Company will reduce the value of these assets to their expected realizable value, thereby decreasing net income. Evaluating the value of these assets is necessarily based on the Company's judgment. If the Company subsequently determined that the deferred tax assets, which had been written down, would be realized in the future, the value of the deferred tax assets would be increased, thereby increasing net income in the period when that determination was made.

Our Business

Overview

We develop, market, sell and distribute, in the main, a wide range of branded beverages. The majority of our beverages fall within the growing "alternative" beverage category. The principal brand names under which our beverages are marketed are Hansen's(r), Monster Energy(tm), Blue Sky(r), Junior Juice(r), Lost(r) and Rumba(tm). We own all of our above-listed brand names other than Lost(r) which we produce, market, sell and distribute under an exclusive licensing arrangement with Lost International LLC.

Our company principally generates revenues, income and cash flows by developing, producing, marketing, selling and distributing finished beverage products. We generally sell these products to retailers as well as distributors.

We incur significant marketing expenditures to support our brands including advertising costs, sponsorship fees and special promotional events. We focus on developing brand awareness and trial through sampling both in stores and at events. Retailers and distributors receive rebates, promotions, point of sale materials, merchandise displays and coolers. We also use in-store promotions and in-store placement of point-of-sale materials and racks, prize promotions, price promotions, competitions, and sponsorship of, and endorsements from selected public and extreme sports figures and causes. Consumers receive coupons, discounts and promotional incentives. These marketing expenditures help to enhance distribution and availability of our products as well as awareness and increase consumer preference for our brands. Greater distribution and availability, awareness and preference promotes long term growth.

During the first quarter of 2005, we continued to expand our existing product lines and further develop our markets. In particular, we continue 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.

We believe that one of the keys to success in the beverage industry is differentiation, such as making Hansen's(r) 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 labels and graphics from time to time.

We again achieved record sales in the first quarter of 2005. The increase in gross and net sales in the first quarter of 2005 was primarily attributable to increased sales of products with relatively higher price points, including increased sales by volume of our Monster EnergyTM drinks and our low carbohydrate ("Lo-Carb") Monster EnergyTM drinks, as well as sales of our Monster EnergyTM "Assault" TM energy drinks which were introduced in September 2004 and Lost(r) Energy drinks which were introduced in January 2004, as well as sales of JokerTM energy drinks in 16-ounce cans which were introduced in January 2005, and increases in sales, primarily of Hansen's(r) apple juice and juice blends, as well as Hansen's(r) children's multi-vitamin juice drinks in aseptic packaging. The increase in net sales was also attributable, to a lesser extent, to sales of our RumbaTM energy juice, which was introduced in December 2004. The increase in gross and net sales was partially offset by lower sales of Natural Sodas, Hansen's(r) energy and functional drinks, Energade(r) energy sports drinks, E2O Energy Water(r) drinks and smoothies in cans. The increase in sales was also offset by an increase in total discounts, allowances and promotional payments to support the overall increase in the level of sales.

Gross profit for the three months ended March 31, 2005, as a percentage of net sales, was 50.5% which was higher than the 44.4% gross profit percentage achieved in the three months ended March 31, 2004. The increase in gross profit percentage was primarily due to a change in the Company's product mix due primarily to increased sales of certain product lines with higher gross margins.

During the three months ended March 31, 2005, sales shipped outside of California, represented 57.8% of our aggregate gross sales, as compared to approximately 51.3% of our aggregate sales in the three months ended March 31, 2004. Sales to distributors outside the United States, during the three months ended March 31, 2005, amounted to $678,000 compared to $340,000 in the three months ended March 31, 2004, accounting for approximately 1% of our net sales for each period respectively.

Our customers are typically retail grocery and specialty chains, wholesalers, club stores, drug, mass merchandisers, convenience chains, full service beverage distributors, health food distributors and food service customers. In the three months ended March 31, 2005, sales to retail grocery and specialty chains and wholesalers represented 23% of our revenues, sales to club stores, drug and mass merchandisers represented 11% of our revenues, sales to full service distributors represented 60% of our revenues, and sales to health food distributors represented 4% of our revenues. In the three months ended March 31, 2004, sales to retail grocery and specialty chains and wholesalers represented 26% of our revenues, sales to club stores, drug and mass merchandisers represented 17% of our revenues, sales to full service distributors represented 45% of our revenues, and sales to health food distributors represented 8% of our revenues. The above allocations reflect changes made by the Company to the categories historically reported.

In September 2000, HBC, through its wholly owned subsidiary Blue Sky, acquired the Blue Sky(r) Natural Soda business. The Blue Sky(r) Natural Soda brand is the leading natural soda in the health food trade. Blue Sky offers natural sodas, premium natural sodas with added ingredients such as Ginseng and anti-oxidant vitamins, organic sodas and seltzer waters in 12-ounce cans and a Blue Energy drink in 8.3-ounce cans and in 2004 introduced a new line of Blue Sky natural tea sodas in 12-ounce cans. In the first quarter of 2005 we introduced a new line of Blue Sky Lite natural sodas.

In May 2001, HBC, through its wholly owned subsidiary Junior Juice, acquired the Junior Juice(r) beverage business. The Junior Juice(r) product line is comprised of a line of 100% juices packed in 4.23-ounce aseptic packages and is targeted at toddlers.

In 2004, we introduced a carbonated Lost(r) Energy drink in 16-ounce cans, a carbonated Monster Energy(tm) "Assault"(tm) energy drink in 16-ounce cans, a new line of Blue Sky natural tea sodas in 12-ounce cans, Hansen's Energy Drinks in 16-ounce cans, Rumba(tm) Energy Juice in 15.5-once cans and also introduced a new line of lo-carb smoothies in 11.5-ounce cans. In the first quarter of 2005 we introduced Joker(tm) Energy Drinks in 16-ounce cans.

During the first quarter of 2005, we entered into several new distribution agreements for the sale of certain products in the ordinary course. We intend to continue building our national distributor network and sales force throughout the remainder of 2005 to support and grow the sales of our products.

A chain grocery store strike in Southern California, which commenced during the last quarter of 2003 and terminated in the first quarter of 2004, adversely affected sales of those of our products that were carried by the stores concerned during the comparable quarter of 2004. However, the drop in sales of such products was partially offset by increased sales of certain of those products that were carried by other retailers in Southern California.

During 2004, we concluded exclusive contracts with the State of California, Department of Health Services Women, Infant and Children Supplemental Nutrition Branch, to supply 100% Apple juice and 100% blended juice in 64-ounce PET plastic bottles. The contracts commenced on July 12, 2004.

We continue to incur expenditures in connection with the development and introduction of new products and flavors.

Results of Operations

The following table sets forth key statistics for the three-months ended March 31, 2005 and 2004, respectively.

	Three-Months Ended March 31,		Percentage Change
	2005	2004	05 vs. 04
Gross sales	$ 73,728,442	$ 38,740,927	90.3%
Less: Discounts, allowances and promotional payments	13,714,170	7,442,144	84.3%
Net sales	60,014,272	31,298,783	91.7%
Cost of sales	29,684,954	17,390,962	70.7%
Gross profit	30,329,318	13,907,821	118.1%
Gross profit margin	50.5%	44.4%	
Selling, general and administrative expenses	15,591,572	10,243,238	52.2%
Amortization of trademark license and trademarks	14,246	20,096	(29.1%)
Operating income	14,723,500	3,644,487	304.0%
Operating income as a percent of net sales	24.5%	11.6%	
Net nonoperating (income) expense	(117,518)	10,614	(1,207.2%)
Income before provision for income taxes	14,841,018	3,633,873	308.4%
Provision for income taxes	5,996,305	1,450,592	313.4%
Effective tax rate	40.4%	39.9%	
Net income	$ 8,844,713	$ 2,183,281	305.1%
Net income as a percent of net sales	14.7%	7.0%	
Net income per common share:			
Basic	$ 0.81	$ 0.21	285.7%
Diluted	$ 0.73	$ 0.19	284.2%

Results of Operations for the Three Months Ended March 31, 2005 Compared to the Three Months Ended March 31, 2004

Gross Sales. For the three-months ended March 31, 2004, gross sales were $73.7 million, an increase of $35.0 million or 90.3% higher than the $38.7 million gross sales for the three-months ended March 31, 2004. The increase in gross sales for the three-months ended March 31, 2005 was primarily attributable to increased sales volume of certain of our existing products as well as the introduction of new products, as discussed in "Net Sales" below.

Net Sales. For the three-months ended March 31, 2005, net sales were $60.0 million, an increase of $28.7 million or 91.7% higher than net sales of $31.3 million for the three-months ended March 31, 2004. The increase in net sales for the three-months ended March 31, 2005 was primarily attributable to increased sales of products with relatively higher price points, including increased sales by volume of our Monster EnergyTM drinks, and our low carbohydrate ("Lo-Carb") Monster EnergyTM drinks, as well as sales of our Monster EnergyTM "Assault"TM energy drinks which were introduced in September 2004, and Lost(r) Energy drinks which were introduced in January 2004, as well as sales of JokerTM energy drinks in 16-ounce cans which were introduced in January 2005, and increases in sales, primarily of Hansen's(r) apple juice and juice blends, as well as Hansen's(r) children's multi-vitamin juice drinks in aseptic packaging. The increase in net sales was also attributable, to a lesser extent, to sales of RumbaTM energy juice, which was introduced in December 2004. The increase in gross and net sales was partially offset by lower sales of Natural Sodas, Hansen's(r) energy and functional drinks, Energade(r) energy sports drinks, E2O Energy Water(r) drinks and smoothies in cans. The increase in sales was also offset by an increase in total discounts, allowances and promotional payments to support the overall increase in the level of sales.

Gross Profit. Gross profit was $30.3 million for the three-months ended March 31, 2005, an increase of $16.4 million or 118.1% higher than the gross profit for the three-months ended March 31, 2004 of $13.9 million. Gross profit as a percentage of net sales, increased to 50.5% for the three-months ended March 31, 2005 from 44.4% for the three-months ended March 31, 2004. Increases in gross sales volume contributed to an increase in gross profit while a change in the Company's product and customer mix and the related increase in the percentage of sales of higher margin products increased both gross profit and gross profit as a percentage of net sales.

Total Operating Expenses. Total operating expenses were $15.6 million for the three-months ended March 31, 2005, an increase of $5.3 million or 52.1% higher than total operating expenses of $10.3 million for the three-months ended March 31, 2004. Total operating expenses as a percentage of net sales decreased to 26.0% for the three-months ended March 31, 2005 as compared to 32.8% for the three-months ended March 31, 2004. The increase in total operating expenses was primarily attributable to increased selling, general and administrative expenses whereas the decrease in total operating expenses as a percentage of net sales was primarily attributable to a decrease in the percentage of selling, general and administrative expenses as a percentage of net sales.

Selling expenses were $9.0 million for the three-months ended March 31, 2005, an increase of $3.2 million or 56.1% higher than selling expenses of $5.8 million for the three-months ended March 31, 2004. Selling expenses as a percentage of net sales for the three-months ended March 31, 2005 were 15.0% which was lower than selling expenses as a percentage of net sales of 18.4% for the three-months ended March 31, 2004. The increase in selling expenses was primarily attributable to an increase in distribution and warehouse expenses, which increased by $1.6 million, increased expenditures for trade development activities with distributors, which increased by $0.7 million and increased expenditures for merchandise displays, point-of-sale materials and premiums, which increased by $0.4 million.

General and administrative expenses were $6.6 million for the three-months ended March 31, 2005, an increase of $2.1 million or 47.2% higher than general and administrative expenses of $4.5 million for the three-months ended March 31, 2004. General and administrative expenses as a percentage of net sales for the three-months ended March 31, 2005 were 11.0% which was lower than general and administrative expenses as a percentage of net sales of 14.3% for the three-months ended March 31, 2004. The increase in general and administrative expenses was primarily attributable to increased payroll expenses for administrative and support activities, which increased by $1.2 million, expenses incurred to maintain certain fixed assets, expenses related to the termination of certain distributor agreements, travel expenses, insurance costs and fees for legal and accounting services including services related to the implementation and testing required by the Sarbanes-Oxley Act of 2002, which increased by $0.6 million in total. The decrease in general and administrative expenses as a percentage of net sales was attributable to general and administrative expenses increasing at a lower rate than net sales for the three months ended March 31, 2005 as compared to the three months ended March 31, 2004.

Operating Income. Operating income was $14.7 million for the three-months ended March 31, 2005, an increase of $11.1 million or 304.0% higher than operating income of $3.6 million for the three-months ended March 31, 2004. Operating income as a percentage of net sales increased to 24.5% for the three-months ended March 31, 2005 from 11.6% for the three-months ended March 31, 2004. The increase in operating income and operating income as a percentage of net sales was attributable to higher gross profit as well as gross profit increasing at a higher rate than the increase in operating expenses for the three months ended March 31, 2005 as compared to the three months ended March 31, 2004.

Net Nonoperating Income/Expense. Net nonoperating income was $118,000 for the three-months ended March 31, 2005, an increase of $128,000 from net non-operating expense of $11,000 for the three-months ended March 31, 2004. The increase in net-operating income and decrease in net non-operating expense was primarily attributable to increased interest revenue earned on the Company's invested cash balances as well as decreased interest expense incurred on the Company's borrowings, which was primarily attributable to the decrease in outstanding loan balances.

Provision for Income Taxes. Provision for income taxes for the three-months ended March 31, 2005 was $6.0 million as compared to provision for income taxes of $1.5 million for the comparable period in 2004. The effective combined federal and state tax rate for the three-months ended March 31, 2005 was 40.4%, which was higher than the effective tax rate of 39.9% for the three-months ended March 31, 2004 due to the increase in income before provision for income taxes, to a level which resulted in an increase in the effective federal tax rate, which was partially offset by a decrease in state taxes due to the apportionment of sales and related state taxes to various states outside of California.

Net Income. Net income was $8.8 million for the three-months ended March 31, 2005, an increase of $6.7 million or 305.1% higher than net income of $2.2 million for the three-months ended March 31, 2004. The increase in net income was attributable to the increase in gross profit of $16.4 million and increase in nonoperating income of $128,000 which was partially offset by the increase in operating expenses of $5.3 million and an increase in provision for income taxes of $4.5 million.

Liquidity and Capital Resources

As at March 31, 2005, the Company had working capital of $51.0 million, as compared to working capital of $41.6 million as at December 31, 2004. Net cash provided by operating activities was $9.6 million for the three-months ended March 31, 2005 as compared to net cash provided by operating activities of $2.0 million in the comparable period in 2004. For the three-months ended March 31, 2005, cash provided by operating activities was attributable to net income earned after adjustments for the effect of certain non-cash expenses, primarily depreciation and other amortization as well as increases in accounts payable, income taxes payable, accrued liabilities and decreases in prepaid expenses and other current assets which was partially offset by increases in accounts receivable, inventories and deferred tax assets and decrease in accrued compensation. The increase in accounts receivable was attributable primarily to increased sales during the period. Purchases of inventories, increases in accounts receivable and other assets, acquisition of property and equipment, acquisition of trademark licenses and trademarks, repayment of our line of credit and payments of accounts payable and income taxes payable are expected to remain our principal recurring use of cash and working capital funds.

Net cash used in investing activities was $248,000 for the three-months ended March 31, 2005 as compared to net cash used in investing activities of $344,000 in the comparable period in 2004. In the three-months ended March 31, 2005, cash used in investing activities was primarily attributable to acquisitions of property and equipment which was partially offset by proceeds from the sale of property and equipment and a decrease in deposits and other assets. Management, from time to time, considers the acquisition of capital equipment, particularly, specific items of production equipment required to produce certain of our products, storage racks, merchandise display racks, vans and promotional vehicles, coolers and other promotional equipment and businesses compatible with the image of the Hansen's(r) brand, as well as the introduction of new product lines.

Net cash provided by financing activities was $252,000 for the three-months ended March 31, 2005 as compared to net cash used in financing activities of $42,000 for the comparable period in 2004. For the three-months ended March 31, 2005, cash provided by financing activities was primarily attributable to proceeds received from the issuance of common stock which was partially offset by principal payments of long-term debt.

HBC has a credit facility from Comerica Bank-California ("Comerica"), consisting of a revolving line of credit and a term loan. The utilization of the revolving line of credit by HBC was dependent upon certain levels of eligible accounts receivable and inventory from time to time. Such revolving line of credit and term loan are secured by substantially all of HBC's assets, including accounts receivable, inventory, trademarks, trademark licenses and certain equipment. The revolving line of credit remains in full force and effect through June 2006. Interest on borrowings under the line of credit is based on bank's base (prime) rate, less up to 1.5% or the LIBOR rate, plus an additional percentage of up to 1.75%, depending upon certain financial ratios of HBC from time to time. At March 31, 2005, HBC had no balances outstanding under the credit facility.

The terms of the Company's line of credit contain certain financial covenants including certain financial ratios. The Company was in compliance with its covenants at March 31, 2005.

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 to secured parties under the Uniform Commercial Code, institute legal proceedings to foreclose upon the lien and security interest granted or for the sale of any or all collateral.

Purchase obligations represent commitments made by the Company and its subsidiaries to various suppliers for raw materials used in the manufacturing and packaging of our products. These obligations vary in terms.

Other commitments represent our obligations under our agreement with the Las Vegas Monorail Company. See also "ITEM 1-NOTE 7, COMMITMENTS & CONTINGENCIES." The following represents a summary of the Company's contractual obligations and related scheduled maturities as of March 31, 2005:

	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual Obligations	$ 1,042,000	$ 1,042,000	$ -	$ -	$ -
Long-Term Debt Obligations	231,846	83,707	148,139		
Capital Lease Obligations	291,239	271,302	19,937		
Operating Lease Obligations	4,784,837	994,336	2,762,161	1,028,340	
Purchase Obligations	15,373,100	5,759,073	9,614,027		
	$ 21,723,022	$ 8,150,418	$ 12,544,264	$ 1,028,340	$ -

Management believes that cash available from operations, including 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, debt servicing, expansion and development needs, purchases of shares of our common stock, as well as any purchases of capital assets or equipment through March 31, 2006. Based on the Company's current plans, at this time the Company estimates that capital expenditures are likely to be less than $5 million during 2005. However, future business opportunities may cause a change in this estimate.

Sales

The table set forth below discloses selected quarterly data regarding sales for the first three-months of the past two years. 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 of the Company means number of unit cases (or unit case equivalents) of beverages directly or indirectly sold by the Company. Sales of food bars are expressed in actual cases. A case of food bars is defined as ninety 1.76-ounce bars.

The Company's quarterly results of operations reflect seasonal trends that management believes 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 Hansen's products is California which has a year-long temperate climate, the effect of seasonal fluctuations on quarterly results may have been mitigated; however such fluctuations may be more pronounced as the distribution of Hansen's products expands outside of California. The Company's experience with its energy drink products, although of short duration, suggests that they are less seasonal than traditional beverages. As the percentage of the Company's sales that are represented by such products increases, 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 where temperature fluctuations are more pronounced, the addition of new bottlers and distributors, changes in the mix of the sales of its finished products, soda concentrates and food products and increased advertising and promotional expenses.

	(In Thousands) Three-months ended March 31, 2005	2004
Case Sales	9,295	5,368
Net Sales	$60,014	$ 31,299

See ITEM 2, "Our Business" for additional information related to the increase in sales.

Forward Looking Statements

The Private Security Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral forward looking statements, including statements contained in this report and other filings with the Securities and Exchange Commission and in reports to shareholders and announcements. Certain statements made in this report, including certain statements made in management's discussion and analysis, may constitute forward looking statements (within the meaning of Section 27A of the Securities Act 1933 as amended and Section 21E of the Securities Exchange Act of 1934, as amended) regarding the expectations of management with respect to revenues, profitability, adequacy of funds from operations and the Company's existing credit facility, among other things. All statements which address operating performance, events or developments that management expects or anticipates will or may occur in the future including statements related to new products, volume growth, revenues, profitability, adequacy of funds from operations, and/or the Company's existing credit facility, earnings per share growth, statements expressing general optimism about future operating results and non-historical information, are forward looking statements within the meaning of the Act.

Management cautions that these statements are qualified by their terms and/or important factors, many of which are outside the control of the Company, 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:

* Company's 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;
* Changes in demand that are weather related, particularly in areas outside of California;
* Competitive products and pricing pressures and the Company's ability to gain or maintain its share of sales in the marketplace as a result of actions by competitors;

* The introduction of new products;
* An inability to achieve volume growth through product and packaging initiatives;
* Laws and regulations, and/or any changes therein, including changes in accounting standards, taxation requirements (including tax rate changes, new tax laws 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 the Company's 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/or Federal Trade Commission, and/or certain state regulatory agencies;
* Changes in the cost and availability of raw materials and the ability to maintain favorable supply arrangements and relationships and procure timely and/or adequate production of all or any of the Company's products;
* The Company's ability to achieve earnings 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 the Company will achieve projected levels or mixes of product sales;
* The Company's ability to penetrate new markets;
* The marketing efforts of distributors of the Company's products, most of which distribute products that are competitive with the products of the Company;
* Unilateral decisions by distributors, grocery chains, 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;
* The terms and/or availability of the Company's credit facility and the actions of its creditors;
* The effectiveness of the Company's advertising, marketing and promotional programs;
* Changes in product category consumption;
* Unforeseen economic and political changes;
* Possible recalls of the Company's products; and
* The Company's ability to make suitable arrangements for the co-packing of any of its products including, but not limited to, its energy and functional drinks in 8.3-ounce slim cans and 16-ounce cans, smoothies in 11.5-ounce cans, E2O Energy Water(r), Energade(r), Monster EnergyTM and Lost(r) energy drinks, RumbaTM energy juice, juices in 64-ounce PET plastic bottles and aseptic packaging, soy smoothies, sparkling orangeades and lemonades and apple cider in glass bottles and other products.

The foregoing list of important factors is not exhaustive.

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.

Inflation

The Company does not believe that inflation has a significant impact on the Company's results of operations for the periods presented.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISKS

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) which the Company is exposed to are fluctuations in commodity prices affecting the cost of raw materials and changes in interest rates of the Company's long term debt and the limited availability of certain raw materials such as sucralose. 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. We are also subject to other risks associated with the business environment in which we operate, including the collectability of accounts receivable.

At March 31, 2005, the majority of the Company's debt consisted of fixed rather than variable rate debt. The amount of variable rate debt fluctuates during the year based on the Company's cash requirements. If average interest rates were to increase one percent for the year ended March 31, 2005, the net impact on the Company's pre-tax earnings would have been insignificant.

ITEM 4. CONTROL 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, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures 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 material information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

There have been no significant changes in internal control over financial reporting that occurred during the fiscal period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is a party to various claims, complaints and other legal actions that have arisen in the normal course of business from time to time. The Company believes the outcome of these pending legal proceedings, in the aggregate, will not have a material adverse effect on the operations or financial position of the Company. See NOTE 7 to the financial statements, "COMMITMENTS AND CONTINGENCIES."

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - See Exhibit Index

31.1 Certification by CEO 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

31.2 Certification by CFO 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

32.1 Certification by CEO 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 CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of the Securities and 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: May 10, 2005

/s/ RODNEY C. SACKS

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

Date: May 10, 2005

/s/ HILTON H. SCHLOSBERG

Hilton H. Schlosberg
Vice Chairman of the Board of Directors,
President and Chief Financial 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 we 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 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: May 10, 2005

/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 March 31, 2005 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: May 10, 2005

/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 March 31, 2005 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: May 10, 2005

/s/ HILTON H. SCHLOSBERG

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

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 we 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: May 10, 2005

/s/ RODNEY C. SACKS

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