

Company Registration No. 6394100

**Monster Energy Europe Limited
(formerly Monster Energy UK Limited)**

Report and Financial Statements

31 December 2010

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MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

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MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr Guy Carling (Managing Director)
Mr Norman Epstein
Mr Rodney Sacks
Mr Hilton Schlosberg

SECRETARY

Mr Norman Epstein

REGISTERED OFFICE

Unit 30, Riverside Way
Uxbridge
Middlesex
UB8 2YF
United Kingdom

BANKERS

Barclays Commercial Bank
Multi National Corporate Centre
1 Churchill Place
London E14 5HP
United Kingdom

SOLICITORS

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London EC4R 9HA
United Kingdom

AUDITOR

Deloitte LLP
Chartered Accountants & Statutory Auditor
St Albans

MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year has been the marketing of energy drinks across Europe, Middle East and Africa

The business has achieved its goals in 2010 involving rapid expansion and investment in support of group activities This will continue in 2011 as we enter new markets in Europe and other territories During the year the company incorporated branches in Austria, Czech Republic, Germany, Hungary, Italy, Poland, Romania, Slovak Republic, Sweden, Switzerland and Ukraine The directors anticipate the continuation of this mode as the group continues to expand into further new markets

In the opinion of the directors, the key performance indicator of the Company is turnover In the year to 31 December 2010, the company's turnover increased from £10,793,611 in 2009 to £22,678,884 in 2010 in line with the planned expansion

As at 31 December 2010, the company had a net liability of £72,271 (2009 net asset of £155,958) and cash at bank and in hand of £538,600 (2009 £952,326)

DIVIDENDS AND TRANSFERS TO RESERVES

Full details of the results for the year are set out in the profit and loss account on page 6

DIRECTORS

The directors of the company during the year were as follows

Mr Guy Carling
Mr Norman Epstein
Mr Rodney Sacks
Mr Hilton Schlosberg

The Company Secretary of the company throughout the year was Mr Norman Epstein

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company This is achieved through formal and informal meetings

GOING CONCERN

The directors view the company as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors

The directors do not consider the net current liability position an issue that would raise concerns regarding the company's sustainability The company has obtained a written confirmation from its intermediate parent company guaranteeing that it will provide financial support to the company for a period of at least 12 months from the date of approving these financial statements when required The company continues to receive a high level of commitment to the growth of the Monster Energy brand across Europe and other territories from its intermediate parent Hansen Beverage Company and its ultimate parent Hansen Natural Corporation, both incorporated in the USA The directors consider that the intermediate parent company has adequate liquidity and assets to support the company in the foreseeable future and where necessary will make funds available to meet the company's obligations as they fall due

PRINCIPAL RISKS AND UNCERTAINTIES

The company is not directly exposed to price, competition and credit risks as the principal activity during the year has been the provision of marketing services to a group company

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations, the company uses long term financial support from its immediate parent company, which continues to provide a high level of commitment

MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

DIRECTORS' REPORT

There is exposure to the financial risk of changes in foreign currency exchange rates on inter-company funding and transactions in foreign currency. The company does not operate a hedging policy with the support of its parent company.

AUDITOR

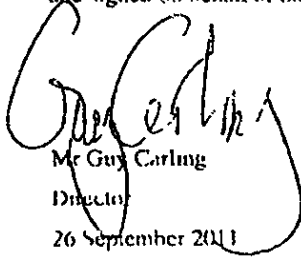
Each of the persons who is a director at the date of approval of this report confirms that

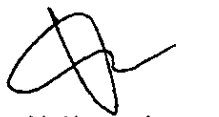
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


Mr Guy Carling
Director
26 September 2011


Mr Norman Epstein
Director
26 September 2011

MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENTS AUDITORS' REPORT TO THE MEMBERS OF MONSTER ENERGY EUROPE LIMITED (formerly MONSTER ENERGY UK LIMITED)

We have audited the financial statements of Monster Energy Europe Limited (formerly Monster Energy UK Limited) for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006,

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Robert Knight (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

27 September 2011

MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2010

	Note	2010 £	2009 £
TURNOVER	2	22,678,884	10,793,611
Administrative expenses		(23,081,951)	(10,786,899)
OPERATING (LOSS) / PROFIT		<u>(403,067)</u>	<u>6,712</u>
Interest receivable and similar income	5	82,443	1,755,162
Interest payable and similar charges	6	(655,412)	-
		<u>(572,969)</u>	<u>1,755,162</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(976,036)	1,761,874
Tax credit/ (charge) on profit/ (loss) on ordinary activities	7	52,560	244,363
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	<u>(923,476)</u>	<u>2,006,237</u>

All amounts relate to continuing activities

There are no recognised gains and losses for the current year other than those passing through the profit and loss account. Accordingly, a statement of total recognised gains and losses has not been presented.

MONSTER ENERGY EUROPE LIMITED
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BALANCE SHEET
As at 31 December 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	3,132,215	1,519,939
Investments	9	90,950	-
		<u>3,223,165</u>	<u>1,519,939</u>
CURRENT ASSETS			
Debtors	10	19,143,101	12,770,391
Cash at bank and in hand		538,600	952,326
		<u>19,681,701</u>	<u>13,722,717</u>
CREDITORS: amounts falling due within one year	12	<u>(22,977,137)</u>	<u>(15,086,698)</u>
NET CURRENT LIABILITIES		<u>(3,295,436)</u>	<u>(1,363,981)</u>
NET (LIABILITIES) / ASSETS		<u>(72,271)</u>	<u>155,958</u>
CAPITAL AND RESERVES			
Called up share capital	13	500,000	500,000
Profit and loss account	14	(572,271)	(344,042)
		<u>(72,271)</u>	<u>155,958</u>
SHAREHOLDERS' (DEFICIT) / FUNDS		<u>(72,271)</u>	<u>155,958</u>

These financial statements of Monster Energy Europe Limited, registered number 6394100, were approved by the Board of Directors on 26 September 2011

Signed on behalf of the Board of Directors


Mr Guy Carling
Director

MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The financial statements contain information about Monster Energy Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent undertaking, Hansen Natural Corporation, NASDAQ listed company incorporated in the USA.

Going concern

The directors view the company as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors. The directors do not consider the net liability position an issue that would raise concerns regarding the company's sustainability. The company continues to receive a high level of commitment to the growth of the Monster Energy brand across Europe from its intermediate parent Hansen Beverage Company and its ultimate parent Hansen Natural Corporation, both incorporated in the USA. The directors consider that the intermediate parent company has adequate liquidity and assets to support the company in the foreseeable future and where necessary will make funds available to meet the company's obligations as they fall due.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets when the asset to which it relates to is first brought into use in the production or supply of services or for administrative purposes on a continuing basis in the company's activities.

The periods of depreciation are as follows:

Leasehold improvements	Over lease term
Motor vehicles	Over 4 years
Office and computer equipment	Over 3 – 5 years

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets are not discounted.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term, even if the payments are not made on such basis.

Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

1. ACCOUNTING POLICIES (CONTINUED)

Share options

Certain employees of the company have been granted Hansen Natural Corporation share options under the Hansen Natural Corporation share option plan. The company has applied the requirements of FRS 20 Share-based Payment. The fair value of options granted is calculated at the date the grant is made and is charged to the profit and loss account over the vesting period of the options. The value of the options granted is credited directly to reserves.

Cash flow statement

Under the provisions of Financial Reporting Standard No 1 (Revised), the company is exempt from the requirement to prepare a cash flow statement since its ultimate parent company prepares consolidated accounts including the results of the company, which include a cash flow statement and are available to the public.

2. TURNOVER

Turnover represents amounts derived from the provision of services which fall within the company's ordinary activities after deduction of Value Added Tax. Turnover represents recharges for marketing services performed across Europe and other territories for another group company.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2010 £	2009 £
Directors' remuneration		
Emoluments	<u>253,149</u>	<u>226,927</u>
Remuneration of the highest paid director		
Emoluments	<u>253,149</u>	<u>226,927</u>
Other directors are remunerated by other group Companies. The amount separable and allocated to their services to the Company is £nil (2009: £nil).		
Employee information (including directors)		
Wages and salaries	4,821,359	2,624,259
Social security costs	648,896	288,226
Share-based payments	695,247	404,830
	<u>6,165,502</u>	<u>3,317,315</u>
Average number of persons employed	<u>No. 211</u>	<u>No. 44</u>

MONSTER ENERGY EUROPE LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2010 £	2009 £
This is stated after charging:		
Auditors' remuneration		
Audit fees	25,000	16,000
Non-audit fees Taxation	18,989	5,000
Depreciation	574,336	270,988
Loss on sale of fixed asset	2,261	-
Rentals under operating leases		
Land and buildings	197,764	180,797
Foreign exchange loss / (gain)	561,030	(1,754,499)
Share-based payments	695,247	404,830
	<u>695,247</u>	<u>404,830</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Bank interest	218	663
Foreign exchange gain on foreign currency borrowing	-	1,754,499
Interest receivable from group undertakings	82,225	-
	<u>82,443</u>	<u>1,755,162</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Foreign exchange loss on foreign currency borrowing	561,030	-
Interest payable from group undertakings	94,382	-
	<u>655,412</u>	<u>-</u>

MONSTER ENERGY EUROPE LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

7. TAX (CREDIT)/ CHARGE ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

	2010	2009
	£	£
Current tax		
UK Corporation tax (28%)	-	208
Prior year adjustment	-	(171,544)
	<u>-</u>	<u>(171,336)</u>
Deferred tax		
Deferred tax (note 11)	(52,560)	(73,027)
	<u>(52,560)</u>	<u>(73,027)</u>
Total tax on (loss) / profit on ordinary activities	<u>(52,560)</u>	<u>(244,363)</u>

Factors affecting tax charge for the current year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below

	2010	2009
	£	£
(Loss) / profit on ordinary activities before tax	<u>(976,036)</u>	<u>1,761,874</u>
Tax at 28% (2009 28%) thereon	(273,290)	493,325
Effects of:		
- Expenses not deductible for tax purposes	264,181	153,425
- Capital allowances in excess of depreciation	(51,327)	(78,670)
- Movement in short term timing differences	(8,970)	(22,400)
- Foreign exchange gains not deductible for tax purposes	-	(517,455)
- Prior year adjustment	-	(171,544)
- Other adjustments	-	(28,017)
- Creation of loss	69,406	-
	<u>-</u>	<u>(171,336)</u>
Current tax (credit)/ charge for the year	<u>-</u>	<u>(171,336)</u>

MONSTER ENERGY EUROPE LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Motor Vehicles	Office & Computer Equipment	Assets under construction	Total
	£	£	£	£	£
Cost					
At 1 January 2010	134,323	1,329,975	428,787	-	1,893,085
Additions	27,340	1,372,224	461,922	562,626	2,424,112
Disposals	-	(31,959)	-	-	(31,959)
Transfer to subsidiary undertaking	-	(278,076)	-	-	(278,076)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	161,663	2,392,164	890,709	562,626	4,007,162
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2010	3,749	244,171	125,226	-	373,146
Charge for the year	15,313	370,243	188,780	-	574,336
Disposals	-	(19,698)	-	-	(19,698)
Transfer to subsidiary undertaking	-	(52,837)	-	-	(52,837)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	19,062	541,879	341,006	-	874,947
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2010	142,601	1,850,285	576,703	562,626	3,132,215
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2009	130,574	1,085,804	303,561	-	1,519,939
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MONSTER ENERGY EUROPE LIMITED
(formerly MONSTER ENERGY UK LIMITED)

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

9. FIXED ASSET INVESTMENTS

Investments in subsidiary undertakings	2010 £	2009 £
At 1 January 2010	-	-
Additions	90,950	-
At 31 December 2010	<u>90,950</u>	<u>-</u>

Principal investment

The company have investments in the following subsidiary undertakings

Subsidiary undertakings	Country of incorporation	Principal activity	Date of acquisition	Fair value of consideration	Holding
Monster Energy France	France	Marketing of Monster Energy	30 03 2009	£1	100%
Monster Energy Ukraine LLC	Ukraine	Marketing of Monster Energy	28 10 2010	£60,955	99%
Monster Energy Austria GmbH	Austria	Marketing of Monster Energy	01 12 2010	£29,995	100%

10. DEBTORS

	2010 £	2009 £
Amounts owed by group undertaking	17,552,520	12,110,285
Prepayments	254,871	215,250
Other debtors	1,191,168	352,874
Deferred tax asset (Note 11)	144,542	91,982
	<u>19,143,101</u>	<u>12,770,391</u>

MONSTER ENERGY EUROPE LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

11. DEFERRED TAX ASSET

	2010 £	2009 £
At 1 January	91,982	18,955
Profit and loss account	52,560	73,027
	<u>144,542</u>	<u>91,982</u>
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	(95,302)	(98,470)
Short term timing differences	75,604	5,600
Tax losses available	164,240	184,852
	<u>144,542</u>	<u>91,982</u>
At 31 December	<u>144,542</u>	<u>91,982</u>

12. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	1,841,732	820,544
Amounts owed to group undertaking	19,087,179	13,688,802
Taxation and social security	180,976	-
Other creditors	51,596	-
Accruals and deferred income	1,815,446	577,144
Corporation tax	208	208
	<u>22,977,137</u>	<u>15,086,698</u>

13. SHARE CAPITAL

	2010 £	2009 £
Authorised		
500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Called up, allotted and fully paid		
500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

MONSTER ENERGY EUROPE LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/ (DEFICIT) AND RESERVES

	Share Capital	Profit and Loss account	Share- holders' (deficit)/ funds	Share- holders' (deficit)/ funds
	2010	2010	2010	2009
	£	£	£	£
Opening balance	500,000	(344,042)	155,958	(2,255,109)
(Loss) / profit for the year	-	(923,476)	(923,476)	2,006,237
Share-based payments	-	695,247	695,247	404,830
	<u>500,000</u>	<u>(572,271)</u>	<u>(72,271)</u>	<u>155,958</u>

15. OPERATING LEASES

At 31 December 2010 the Company was committed to making the following payments during the next year in respect of non-cancellable operating leases

	2010	2009
	Land and Buildings £	Land and Buildings £
Leases which expire		
Within one year	52,523	3,333
Between one and five years	49,960	260
After five years	112,700	112,700
	<u>112,700</u>	<u>112,700</u>

MONSTER ENERGY EUROPE LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

16. SHARE BASED PAYMENTS

Equity settled share option plan

Certain employees of the Company have been granted Hansen Natural Corporation share options under the Hansen Natural Corporation Amended and Restated 2001 Stock Option Plan. This plan provided for a grant price equal to the quoted price of Hansen Natural Corporation shares at the date of grant. The vesting period is five years. These options are exercisable at such time and in such amounts as determined by the Compensation Committee of the Board of Directors of Hansen Natural Corporation up to a ten-year period after their date of grant.

If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of the Hansen Natural Corporation share options granted to Monster Energy Europe Limited employees during the year ended 31 December 2010 are outstanding are as follows:

	2010		2009	
	Options	Weighted average exercise price US \$	Options	Weighted average exercise price US \$
Outstanding at beginning of year	208,500	37.31	157,000	37.51
Granted during the year	150,000	44.71	79,000	35.86
Forfeited during the year	(22,000)	31.98	(27,500)	35.46
Exercised during the year	(9,600)	33.29	-	-
Outstanding at the end of the year	<u>326,900</u>	<u>42.25</u>	<u>208,500</u>	<u>37.15</u>
Exercisable at the end of the year	<u>66,900</u>	<u>39.96</u>	<u>39,200</u>	<u>40.23</u>

The weighted average exercise price has been expressed in US dollars, as that is the currency in which the options strike price has been granted.

The options outstanding at 31 December 2010 had a weighted average exercise price of \$44.71 (2009 \$37.15) and a weighted average remaining contractual life of 8.55 years (2009 8.40 years). In the year to 31 December 2010 options were granted on a number of dates. The aggregate of the estimated fair values of the options granted on those dates is \$3,655,975 (2009 \$1,722,149).

The inputs into the Black-Scholes-Merton Options Pricing Formula are as follows:

	2010	2009
Weighted average share price (US \$)	24.37	20.56
Weighted average exercise price (US \$)	44.71	36.97
Expected volatility	58.20%	63.70%
Expected life (years)	5.84	5.62
Risk free rate	2.00%	2.17%
Expected dividend yield	0.00%	0.0%

Expected volatility was determined by calculating the historical volatility of Hansen Natural Corporation share price over the previous 6 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The company recognised a total expense of £695,247 (2009 £404,830) related to equity-settled share based payment transactions in the year.

MONSTER ENERGY EUROPE LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 December 2010

17. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in Financial Reporting Standard 8 relating to the disclosures of transactions with group companies

The Company's ultimate parent company and controlling party and the parent company of the smallest and largest group in which the company is a member, for which consolidated accounts are prepared, is Hansen Natural Corporation, a NASDAQ listed company incorporated in the USA. Copies of the Group Financial Statements of Hansen Natural Corporation are available from Hansens.com

At 31 December 2010, 500,000 ordinary shares of £1 each in Monster Energy Europe Limited were transferred from Hansen Beverage Company to Monster Energy Limited