

SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the registrant [X]

Filed by a party other than the registrant []

Check the appropriate box:

- [] Preliminary proxy statement [] Confidential, for Use of the Commission
 [X] Definitive proxy statement Only (as permitted by Rule 14a-6(e)(2))
 [] Definitive additional materials
 [] Soliciting material pursuant to
Rule 14a-11(c) or Rule 14a-12

SUN HYDRAULICS CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

- [X] No filing fee required
 [] Fee computed on table below per Exchange Act Rule 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[] Fee paid previously with preliminary materials

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date filed:

April 27, 2000

Dear Shareholder:

You are cordially invited to attend the 2000 Annual Meeting of Shareholders of Sun Hydraulics Corporation. The meeting will be held Saturday, May 13, 2000, at 10:00 a.m., Eastern Daylight Savings Time, at the Company's manufacturing facility located at 701 Tallevast Road, Sarasota, Florida 34243. A tour of the plant and refreshments will follow the meeting.

The Notice of the meeting and the Proxy Statement on the following pages cover the formal business of the meeting, which includes the election of Directors and a proposal to ratify the appointment of the Company's independent certified public accountants. We also will report on the progress of the Company and comment on matters of current interest.

It is important that your shares be represented at the meeting. We ask that you promptly sign, date and return the enclosed proxy card in the envelope provided, even if you plan to attend the meeting. Returning your proxy card to us will not prevent you from voting in person at the meeting if you are present and choose to do so.

If your shares are held in street name by a bank, brokerage or other nominee, it will supply you with a proxy to be returned to it. It is important that you return the form to the nominee as quickly as possible so that the nominee may vote your shares. You may not vote your shares in person at the Meeting unless you obtain a power of attorney or legal proxy from your nominee authorizing you to vote the shares, and you present this power of attorney or proxy at the Meeting.

The Board of Directors and management look forward to greeting you personally at the meeting.

Sincerely,

/s/ Robert E. Koski

ROBERT E. KOSKI
Chairman of the Board

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
SATURDAY, MAY 13, 2000

Notice hereby is given that the Annual Meeting of Shareholders of Sun Hydraulics Corporation, a Florida corporation, will be held on Saturday, May 13, 2000, at 10:00 a.m., Eastern Daylight Savings Time, at the Company's manufacturing facility, located at 701 Tallevast Road, Sarasota, Florida, 34243, for the following purposes:

1. To elect three Directors to serve until the Annual Meeting in 2003 and one Director to serve until the Annual Meeting in 2002, and until their successors are elected and qualified or until their

earlier resignation, removal from office or death;

2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent certified public accountants for the year 2000; and
3. To transact such other business as properly may come before the Meeting or any adjournment thereof.

Your attention is directed to the Proxy Statement accompanying this Notice for a more complete description of the matters to be acted upon at the Meeting. The 1999 Annual Report of the Company is enclosed. Shareholders of record at the close of business on March 31, 2000, are entitled to receive notice of and to vote at the Meeting and any adjournment thereof.

All shareholders are cordially invited to attend the Meeting. Whether or not you expect to attend, please sign and return the enclosed Proxy promptly in the envelope provided to assure the presence of a quorum. You may revoke your Proxy and vote in person at the Meeting if you desire. If your shares are held in street name by a brokerage, your broker will supply you with a proxy to be returned to the brokerage. It is important that you return the form to the brokerage as quickly as possible so that the brokerage may vote your shares. You may not vote your shares in person at the Meeting unless you obtain a power of attorney or legal proxy from your broker authorizing you to vote the shares, and you present this power of attorney or proxy at the Meeting.

By order of the Board of Directors,

/s/ Gregory C. Yadley

GREGORY C. YADLEY
Secretary

Sarasota, Florida
April 27, 2000

SUN HYDRAULICS CORPORATION
1500 WEST UNIVERSITY PARKWAY
SARASOTA, FLORIDA 34243

PROXY STATEMENT

This Proxy Statement is furnished by the Board of Directors and Management of Sun Hydraulics Corporation (the "Company") in connection with the solicitation of proxies to be voted at the Company's 2000 Annual Meeting of Shareholders, which will be held on Saturday, May 13, 2000, at 10:00 a.m., Eastern Daylight Savings Time, at the Company's manufacturing facility, located at 701 Tallevast Road, Sarasota, Florida 34243 (the "Meeting").

Any proxy delivered pursuant to this solicitation may be revoked, at the option of the person executing the proxy, at any time before it is exercised by delivering a signed revocation to the Company, by submitting a later-dated proxy, or by attending the Meeting in person and casting a ballot. If proxies are signed and returned without voting instructions, the shares represented by the proxies will be voted as recommended by the Board of Directors.

The cost of soliciting proxies will be borne by the Company. In addition to the use of the mails, proxies may be solicited personally or by telephone by regular employees of the Company. The Company does not expect to pay any compensation for the solicitation of proxies, but may reimburse brokers and other persons holding stock in their names, or in the names of nominees, for their expense in sending proxy materials to their principals and obtaining their proxies. The approximate date on which this Proxy Statement and enclosed form of proxy first has been mailed to shareholders is April 27, 2000.

The close of business on March 31, 2000, has been designated as the record date for the determination of shareholders entitled to receive notice of

and to vote at the Meeting. As of March 31, 2000, 6,384,948 shares of the Company's Common Stock, par value \$.001 per share, were issued and outstanding. Each shareholder will be entitled to one vote for each share of Common Stock registered in his or her name on the books of the Company on the close of business on March 31, 2000, on all matters that come before the Meeting. Directors shall be elected by a plurality of the shares represented, in person or by proxy, and voting at the Meeting. For all other matters, the affirmative vote of the holders of a majority of the shares represented, in person or by proxy, and voting at the Meeting will be required to take action at the Meeting. Abstentions will be counted toward the number of shares represented at the Meeting. Broker non-votes will be disregarded.

ELECTION OF DIRECTORS

The Board of Directors of the Company currently consists of seven members. The Board is divided into three classes of Directors serving staggered three-year terms. Directors hold their positions until the annual meeting of shareholders in the year in which their term expires, and until their respective successors are elected and qualified or until their earlier resignation, removal from office or death.

The term of office of three of the Company's current seven Directors, Messrs. Robert E. Koski, John S. Kahler and James G. March, will expire at the 2000 Annual Meeting. The Board of Directors unanimously recommends that you vote "FOR" the reelection of Robert E. Koski and John S. Kahler to serve until the Company's annual meeting in 2003, and until their respective successors shall be duly elected and qualified

or until their earlier resignation, removal from office or death. Dr. March has informed the Board that he does not wish to be nominated for another term. To replace Dr. March, the Board of Directors unanimously recommends that you vote "FOR" the election of Allen J. Carlson to serve until the Company's annual meeting in 2003, and until his successor shall be duly elected and qualified or until his earlier resignation, removal from office or death.

The Board of Directors has also determined that the number of seats on the Board of Directors shall be increased to eight and unanimously recommends that you vote "FOR" the election of Christine L. Koski to fill the newly-created Board seat and serve until the Company's annual meeting in 2002, and until her successor shall be duly elected and qualified or until her earlier resignation, removal from office or death. See "Management-Directors and Executive Officers" and "Certain Transactions" for further information on Mr. Carlson and Ms. Koski.

Shareholders may vote for up to four nominees. The affirmative vote of a majority of the shares represented at the Meeting and entitled to vote thereon will be required for the election of Directors. Shareholders may not vote cumulatively in the election of Directors. Broker non-votes will be disregarded. In the event any of the nominees should be unable to serve, which is not anticipated, the proxy committee, which consists of Taco van Tijn and Clyde G. Nixon, will vote for such other person or persons for the office of Director as the Board of Directors may recommend.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and ages of the Company's Directors, nominees for Director, and executive officers and the positions they hold with the Company. Executive officers serve at the pleasure of the Board of Directors. See "Anticipated Changes in Executive Management" below for a discussion of certain changes in the Company's executive management that are expected to occur prior to the Meeting.

NAME	AGE	POSITION
Robert E. Koski	71	Chairman of the Board of Directors (term expiring in 2000), Nominee for Director (term expiring in 2003) and a member of the Compensation Committee

Allen J. Carlson	49	Vice President, Nominee for Director (term expiring in 2003)
Jeffrey Cooper	59	Engineering Manager
Richard J. Dobbyn	56	Chief Financial Officer
Peter G. Robson	55	General Manager, Sun Hydraulics Limited
John S. Kahler	60	Director (term expiring in 2000), Nominee for Director (term expiring in 2003) and a member of the Audit Committee
Christine L. Koski	42	Nominee for Director (term expiring in 2002)
Ferdinand E. Megerlin	61	Director (term expiring in 2001) and a member of the Compensation Committee

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NAME	AGE	POSITION
Clyde G. Nixon	64	President, Chief Executive Officer and Director (term expiring in 2001)
Taco van Tijn	76	Director (term expiring in 2002) and a member of the Audit Committee
David N. Wormley	60	Director (term expiring in 2002) and a member of the Compensation Committee

ROBERT E. KOSKI is a co-founder of the Company and has served as its Chairman of the Board since it began operations in 1970. He was also its President and Chief Executive Officer from that time until November 1988. He is a graduate of Dartmouth College and past Chairman of the Board of the National Fluid Power Association. Mr. Koski has over 38 years experience in the fluid power industry, and has served as Chairman of the Fluid Power Systems and Technology Division of the American Society of Mechanical Engineers, and as a member of the Board of Directors of the National Association of Manufacturers.

ALLEN J. CARLSON joined the Company in March 1996, and was named Vice President in January 2000. From October 1977 to March 1996, Mr. Carlson held various engineering, marketing and management positions for Vickers Incorporated, a wholly-owned subsidiary of Trinova Corporation. He is a graduate of the Milwaukee School of Engineering and the Advanced Management Program at the Harvard Business School. Mr. Carlson has over 29 years experience in the fluid power industry.

JEFFREY COOPER joined the Company in December 1990, as an engineer and has been Engineering Manager since September 1991. From August 1987, to December 1990, he was Engineering Manager, Mobile Valves, of Vickers, Incorporated, a wholly-owned subsidiary of Trinova Corporation, and from September 1979 to August 1986, he served as Vice President of Engineering for Double A Products Company. Mr. Cooper is an engineering graduate of Willesden College of Technology, London, England. Mr. Cooper has over 31 years experience in the fluid power industry.

RICHARD J. DOBBYN joined the Company in October 1995, and was named Chief Financial Officer in July 1996. From June 1995 to October 1995, Mr. Dobbyn served as the Controller of Protek Electronics. From July 1994 to June 1995, he served as the Fiscal Director of a non-profit child care agency. From September 1984 to July 1994, Mr. Dobbyn was Senior Vice President-Finance and Administration for Lorai Data Systems, formerly Fairchild Weston Systems, a Schlumberger company. Mr. Dobbyn is a Certified Public Accountant and a graduate of Boston College.

JOHN S. KAHLER is the President, CEO, and a Director of Cincinnati Incorporated. Mr. Kahler has served in various management positions with Cincinnati Incorporated since 1989. He is a graduate of Carnegie-Mellon University and the Harvard Business School.

CHRISTINE L. KOSKI since 1980 held various positions in sales, product management, purchasing, sales management and international marketing with Celanese Ltd. or its former affiliates, including Hoechst AG and Hoechst Celanese Chemical Group Ltd. From April 1996 through March 2000, Ms. Koski was Global Marketing Manager - Acrylates of Celanese Ltd.; from April 1995 through April 1996, she was Marketing Manager - Acetaldehyde & NPG of Hoechst AG. Ms. Koski currently is pursuing an MBA degree from Southern Methodist University.

FERDINAND E. MEGERLIN is Chairman and Joint Managing Director of Linde Lift Truck Corporation's Industrial Trucks and Hydraulics Division in Aschaffenburg, Germany. He is also

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Chairman of Linde's U.S. subsidiaries Linde Hydraulics Corp., Canfield, Ohio, and Linde Lift Truck Corp., Sommerville, South Carolina. Within VDMA, Germany's association for mechanical and plant engineering, Dr. Megerlin serves as Vice Chairman of the German Fluid Power Association. He is a mechanical engineer and received his Dr.-Ing. degree from the Technical University of Karlsruhe, Germany, and his PhD from TH Aachen, Germany. Dr. Megerlin has over 28 years of experience in the fluid power industry.

CLYDE G. NIXON joined the Company in January 1988, and was named its President and Chief Executive Officer in November 1988. From September 1985, to January 1988, he served as Vice President of Cross & Trecker Corporation and was President of Warner & Swasey Company, its wholly-owned subsidiary. From 1964 to 1985, he served in various management capacities with Brown & Sharpe Manufacturing Corporation, most recently as Vice President of its fluid power division and President of Double A Products Company, its wholly-owned subsidiary. Mr. Nixon is a graduate of Cornell University and the Harvard Business School, and is past Chairman of the Board of the National Fluid Power Association. Mr. Nixon has over 32 years experience in the fluid power industry.

PETER G. ROBSON has served as a Director of Sun Hydraulics Limited, Coventry, England, since May 1993, and has been employed by the Company as the General Manager of its United Kingdom operations since 1982. Mr. Robson is a Chartered Engineer and a graduate of Coventry University. Mr. Robson has over 33 years experience in the fluid power industry.

TACO VAN TIJN is an attorney (solicitor), who has practiced law in London, England, since May 1977. Since June 1998, he has been a consultant with Rooks Rider. Mr. van Tijn has been a Director of the Company since February 1989, and the principal statutory officer of Sun Hydraulik Holdings Limited since January 1991.

DAVID N. WORMLEY is the Dean of the Engineering School at Pennsylvania State University, where he has taught since 1992. He previously was a member of the engineering faculty at the Massachusetts Institute of Technology. Dr. Wormley has served as a Director of the Company since December 1992. He is an engineer and earned his Ph.D. from the Massachusetts Institute of Technology.

No family relationships exist between any of the Company's Directors and executive officers, except that Mr. Koski and Dr. March, who is retiring from the Board following the Meeting, are step-brothers. Further, Ms. Koski, a nominee for Director, is the daughter of Robert E. Koski.

The Board of Directors has Audit and Compensation Committees. The Company does not have a Nominating Committee; instead, the entire Board of Directors functions as a Nominating Committee.

The Audit Committee was appointed in February 1997 and held two meetings in 1999. The functions of the Audit Committee are to recommend annually to the Board of Directors the appointment of the independent public accountants of the Company, to discuss and review the scope of and the fees for the prospective annual audit with the independent public accountants, to review the results thereof with the independent public accountants, to review and approve non-audit services of the independent public accountants, to review compliance with existing major accounting and financial policies of the Company, to review the adequacy of the financial organization of the Company, to review management's procedures and policies relative to the adequacy of the

Company's internal accounting controls, to review compliance with federal and state laws relating to accounting practices and to review and approve (with the concurrence of a majority of the disinterested Directors of the Company) transactions, if any, with affiliated parties.

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A Compensation Committee was formed in December 1996 to review, approve and recommend to the Board of Directors the terms and conditions of all employee benefit plans or changes thereto, to administer the Company's stock option plans and carry out the responsibilities required by the rules of the Securities and Exchange Commission. The full Board of Directors carried out the responsibilities of the Compensation Committee directly during 1999.

The Board of Directors held four meetings during 1999. Each Director attended all of the meetings of the Board and of each committee of which he was a member in 1999. Directors who are not officers of the Company are paid \$2,500 for attendance at each meeting of the Board of Directors, as well as each meeting of each Board committee on which they serve when the committee meeting is not held within one day of a meeting of the Board of Directors. Directors also are reimbursed for their expenses incurred in connection with their attendance at such meetings.

ANTICIPATED CHANGES IN EXECUTIVE MANAGEMENT

The next meeting of the Board of Directors will be held on May 12, 2000, the day prior to the Meeting. At that time, it is anticipated that Robert E. Koski, co-founder of the Company, will resign as Chairman and become Chairman Emeritus of the Company, with no executive responsibilities. Further, it is contemplated that the Board of Directors will elect Clyde G. Nixon, the Company's current President and Chief Executive Officer, as Chairman, and that Mr. Nixon will step down as President and Chief Executive Officer. Finally, it is anticipated that Allen J. Carlson, the Company's Vice President, will be elected by the Board of Directors as President and Chief Executive Officer. The Board of Directors previously has discussed these changes and the Directors informally have agreed to take action at the May 12 meeting to implement the executive management transition.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of March 31, 2000, information as to the beneficial ownership of the Company's Common Stock by (i) each person or entity known by the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (ii) each Director, (iii) Each Named Executive Officer of the Company, and (iv) all Directors and executive officers of the Company as a group.

<TABLE>
<CAPTION>

NAME AND ADDRESS OF BENEFICIAL OWNER (1)	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (2)	PERCENT OF BENEFICIAL OWNERSHIP (2)	CLASS
<S>	<C>	<C>	
Robert E. Koski(3)(4)(5).....	2,618,920	41.0	
Beverly Koski(3)(4)(5).....	2,618,920	41.0	
Christine L. Koski(3)..... 3525 Turtle Creek Boulevard #19B Dallas, Texas 75219	2,397,838	37.6	
Robert C. Koski(3)(5)..... 315 Sycamore Street Decatur, Georgia 30030	2,375,543	37.2	
Thomas L. Koski(3)..... Six New Street East Norwalk, Connecticut 06855	2,333,543	36.5	
Koski Family Limited Partnership..... 3525 Turtle Creek Boulevard #19B Dallas, Texas 75219	2,333,543	36.5	

</TABLE>

<TABLE>
<CAPTION>

NAME AND ADDRESS OF BENEFICIAL OWNER (1)	AMOUNT AND NATURE OF	PERCENT OF	CLASS
-----	-----	-----	
<S>	<C>	<C>	
Royce & Associates, Inc.(6)..... Royce Management Company Charles M. Royce 1414 Avenue of the Americas New York, NY 10019	590,200	9.2	
Bradley S. Ferrell(7)..... 5924 Cranbrook Way, #101 Naples, Florida 34112	459,642	7.2	
Robert S. and Ann R. Ferrell(8)..... 5924 Cranbrook Way, #101 Naples, Florida 34112	322,537	5.1	
Clyde G. Nixon(9).....	228,618	3.5	
Peter G. Robson(10).....	89,574	1.4	
Jeffrey Cooper(10).....	73,369	1.1	
Richard J. Dobbyn(11).....	33,500	*	
Allen J. Carlson(12).....	18,500	*	
Taco van Tijn(13).....	8,920	*	
David N. Wormley(14).....	3,940	*	
John S. Kahler(15).....	3,200	*	
Ferdinand E. Megerlin.....	0	-	
All Directors and Executive Officers as a Group (10 persons).....	3,078,541	48.2	

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- (1) Unless otherwise indicated, the address of each of the persons listed who own more than 5% of the Company's Common Stock is 1500 West University Parkway, Sarasota, Florida 34243.
 - (2) This column sets forth shares of the Company's Common Stock which are deemed to be "beneficially owned" by the persons named in the table under Rule 13d-3 of the Securities and Exchange Commission. Except as otherwise indicated, the persons listed have sole voting and investment power with respect to all shares of Common Stock owned by them, except to the extent such power may be shared with a spouse.
 - (3) Includes 2,333,543 shares owned by the Koski Family Limited Partnership, over which Christine L. Koski, Robert C. Koski, Thomas L. Koski, Robert E. Koski and Beverly Koski share voting and investment power as the general partners in the Partnership. Christine L. Koski, Robert C. Koski and Thomas L. Koski are the adult children of Robert E. Koski and Beverly Koski.
 - (4) Includes 141,215 shares owned by Beverly Koski and 117,162 shares owned by Robert E. Koski. Beverly Koski is the spouse of Robert E. Koski.
 - (5) Includes 27,000 shares owned by the Koski Family Foundation, Inc., over which Robert E. Koski, Beverly Koski and Robert C. Koski share voting and investment power.
 - (6) According to Amendment No. 1 to the Schedule 13G, filed February 9, 2000, by Royce & Associates, Inc. ("Royce") and Royce Management Company ("RMC"), registered investment advisors, and Charles M. Royce, Royce has sole voting and investment power with respect to 578,400 shares, and RMC has sole voting and investment power with respect to 11,800 shares. According to the Schedule 13G, Charles M. Royce may be deemed to be a controlling person of Royce and RMC, and as such may be deemed to beneficially own the shares beneficially owned by Royce and RMC. According to the Schedule 13G, Mr. Royce does not own any shares outside of Royce

and RMC, and disclaims beneficial ownership of the shares held by Royce and RMC.

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- (7) Includes 38,205 shares owned by Mr. Ferrell, over which Mr. Ferrell has sole voting and investment power, and 421,437 shares beneficially owned by Mr. Ferrell in his capacity as trustee of various trusts, over which Mr. Ferrell has shared voting and investment power.
- (8) Includes 4,500 shares owned by the Robert S. Ferrell Trust, of which Robert S. Ferrell is the sole trustee, 186,125 shares owned by Bradley S. Ferrell, Trustee of Robert S. Ferrell Flint Trust, dated 06/16/98, 6000 shares owned by the Ann R. Ferrell Trust, of which Ann R. Ferrell is the sole trustee, 125,312 shares owned by Bradley S. Ferrell, Trustee of Ann R. Ferrell Flint Trust dated 06/16/98, and 600 shares owned individually by Ann R. Ferrell. Robert S. Ferrell is the spouse of Ann R. Ferrell.
- (9) Includes 136,869 shares subject to currently exercisable options and 49,522 shares in the Joan Nixon Trust.
- (10) Represents shares subject to currently exercisable options.
- (11) Includes 32,000 shares subject to currently exercisable options.
- (12) Includes 18,000 shares subject to currently exercisable options.
- (13) Includes 3,920 shares subject to currently exercisable options.
- (14) Includes 2,940 shares subject to currently exercisable options.
- (15) Includes 2,200 shares owned in trust, of which Mr. Kahler's spouse is the trustee and beneficiary.

DIRECTOR AND EXECUTIVE COMPENSATION

SUMMARY COMPENSATION

The following table is a summary of the compensation paid or accrued by the Company for the last three fiscal years for services in all capacities to the Company's Chief Executive Officer and the four most highly compensated executive officers who earned more than \$100,000 from the Company in 1999 under the rules of the Securities and Exchange Commission (the "Named Executive Officers").

<TABLE>

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NAME AND PRINCIPAL POSITION	YEAR	LONG TERM COMPENSATION		OTHER ANNUAL COMPENSATION
		AWARDS--SECURITIES UNDERLYING SALARY	OPTIONS/SARs (#)	
Robert E. Koski, Chairman of the Board of Directors	1999	\$106,000	---	\$ 7,860(3)
	1998	106,000	---	14,045
	1997	106,000	---	20,175
Clyde G. Nixon, President and Chief Executive Officer	1999	205,200	---	\$11,703(4)
	1998	191,300	---	17,084
	1997	180,000	58,781(1)	22,927
Jeffrey Cooper Engineering Manager	1999	133,100	---	\$ 7,246
	1998	126,525	---	11,683
	1997	121,000	27,100(1)	13,567
Allen J. Carlson Vice President	1999	122,000	---	\$ 2,850
	1998	110,350	---	2,466

	1997	112,203	---	7,911
	----	-----	-----	-----
Richard J. Dobbyn	1999	118,000		\$ 4,228
Chief Financial Officer	1998	107,575		5,773
	1997	97,000	35,000(1)	7,054
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</TABLE>

1 Represents incentive stock options granted on January 9, 1997, the date of the Company's initial public offering, at an exercise price equal to the public offering price.

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(2) Except as otherwise noted, reflects primarily contributions made by the Company on behalf of the employee to the Company's 401(k) plan and excess life insurance premiums.

(3) Includes dues of \$1,500.

(4) Includes dues of \$750.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

The Company did not grant any stock options or stock appreciation rights to any named executive officer during fiscal 1999.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR END OPTION VALUES

<TABLE>
<CAPTION>

NAME	SHARES ACQUIRED		NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS/SARs AT FISCAL YEAR-END(#)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS/SARs AT FISCAL YEAR-END (\$)	EXERCISABLE/ UNEXERCISABLE(1)
	ON EXERCISE (#)	REALIZED (\$)	UNEXERCISABLE	EXERCISABLE/ UNEXERCISABLE	EXERCISABLE/ UNEXERCISABLE	
(A)	(B)	(C)	(D)	(E)		
<S>	<C>	<C>	<C>	<C>	<C>	
Robert E. Koski		---	--	0/0	0/0	
Clyde G. Nixon		---	--	126,343/27,203	\$ 469,087/0	
Jeffrey Cooper		---	--	64,749/26,840	\$ 149,853/0	
Allen J. Carlson		---	--	16,000/8,000	0/0	
Richard J. Dobbyn		---	--	25,000/22,000	0/0	

</TABLE>

(1) Based upon the December 31, 1999, closing stock price of \$6.50 per share, as reported on the Nasdaq National Market.

The information contained in the following sections "Report of Board of Directors Acting as Compensation Committee" and "Performance Graph" are not deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934.

REPORT OF BOARD OF DIRECTORS ACTING AS COMPENSATION COMMITTEE

The following report was prepared by the Board of Directors, acting as the Company's Compensation Committee:

The goals of the Company's compensation program are to attract, retain, motivate and reward highly qualified management personnel and to provide them with long-term career opportunities. The Company's compensation philosophy is to provide its executives with a competitive total compensation package which motivates superior job performance, the achievement of the Company's business objectives, and the enhancement of shareholder value. Compensation of the Company's Named Executive Officers will be reviewed annually by the Board of Directors and the Compensation Committee. Changes proposed for these employees will be evaluated and approved by the Compensation Committee on an individual basis.

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The Company's general approach to compensating Named Executive Officers is to pay cash salaries which generally are competitive within ranges of salaries paid to executives of other manufacturing companies, although the Company does not attempt to meet salary levels of such companies. Instead, the Committee sets overall compensation at a level it believes to be fair, based upon a subjective analysis of the individual executive's experience and past and potential contributions to the Company. The Company, historically, has not paid performance-based bonuses. To assist in determining appropriate overall compensation, the Company intends in the future to review information regarding revenues, income, and executive compensation for other public manufacturing companies.

Stock option grants to Named Executive Officers and other key employees of the Company, including the Chief Executive Officer, will be made at the discretion of the Compensation Committee pursuant to the Company's 1996 Stock Option Plan (the "Stock Option Plan"). Factors and criteria to be used by the Compensation Committee in the award of stock options will include individual responsibilities, individual performance and direct and indirect contributions to the profitability of the Company. The benefits derived from each stock option granted under the Stock Option Plan are directly attributable to a future increase in the value of the Company's Common Stock.

Section 162(m) of the Internal Revenue Code limits the tax deduction to \$1 million for compensation paid to a corporation's key executive officers unless certain requirements are met. One of the requirements imposed under regulations promulgated by the Internal Revenue Service is that the corporation's compensation committee be comprised solely of "disinterested directors." Not all of the Directors serving on the Company's Compensation Committee are disinterested under those regulations. However, given the Company's compensation program and historic compensation levels, the Company does not believe the limitation on deductibility will have a material effect on the Company. The Company intends to monitor the effect of the Section 162(m) regulations and take steps in the future as might be appropriate.

Robert E. Koski and Clyde G. Nixon abstain from all determinations by the Board of Directors acting as the Compensation Committee as they relate to their respective compensation as Chairman of the Board and as Chief Executive Officer and President, respectively.

BOARD OF DIRECTORS

John S. Kahler	Robert E. Koski	James G. March
Ferdinand E. Megerlin	Clyde G. Nixon	Taco Van Tijn
David N. Wormley		

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION IN COMPENSATION DECISIONS

The Board of Directors determined the compensation, including salary and bonus, of the Executive Officers of the Company for the fiscal year ended January 1, 2000, and the initial compensation for the current fiscal year through the date hereof. In the future, the Compensation Committee of the Board of Directors, comprised of Robert E. Koski, Ferdinand E. Megerlin, and David N.

Wormley, will determine the compensation of the Company's Executive Officers. Mr. Koski is Chairman of the Company's Board of Directors.

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PERFORMANCE GRAPH

The following graph compares cumulative total return among Sun Hydraulics Corporation, the Nasdaq Stock Market Index (U.S.) and a peer group from January 9, 1997, to December 31, 1999, assuming \$100 invested in each on January 9, 1997, the date of the initial public offering of the Company's Common Stock. Total return assumes reinvestment of any dividends for all companies considered within the comparison. The stock price performance shown on the graph above is not necessarily indicative of future price performance. Companies in the peer group are Commercial Intertech Corp., Denison International plc, Moog Inc., The Oilgear Company and Sauer, Inc. Sauer, Inc. began reporting as a publicly-held company in 1998.

{PERFORMANCE GRAPH}

<TABLE>
<CAPTION>

	1/9/97	6/30/97	12/31/97	6/30/98	12/31/98	6/30/99	12/31/99
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Sun Hydraulics Corporation		\$100	\$123	\$128	\$171	\$ 90	\$ 98 \$ 72
Peer Group	\$100	\$116	\$147	\$149	\$108	\$123	\$ 99
Nasdaq Stock Market (U.S.)	\$100	\$109	\$119	\$143	\$168	\$206	\$303

Note: The stock price performance shown on the graph above is not necessarily indicative of future price performance.

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CERTAIN TRANSACTIONS

During fiscal 1999, neither the Company nor either of its subsidiaries entered into or proposed to enter into any transactions with a value in excess of \$60,000 with any director, or executive officer, or security holder known to own of record or beneficially more than 5% of the Company's common stock. Further, no director or executive officer had a business relationship with or was indebted to the Company or either of its subsidiaries reportable under the rules of the Securities and Exchange Commission during fiscal 1999. Future transactions, if any, with affiliated parties will be approved by a majority of the Company's disinterested Directors and the Audit Committee and will be on terms no less favorable to the Company than those that could be obtained from unaffiliated parties.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's Directors, officers and holders of more than 10% of the Company's Common Stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of Common Stock and any other equity securities of the Company. To the Company's knowledge, based solely upon a review of the forms, reports and certificates filed with the Company by such persons, all of them complied with the Section 16(a) filing requirements in 1999 except Robert E. Koski, who filed two late reports covering five purchases; James G. March, who filed one late report covering three purchases, and Allen J. Carlson whose Form 3 report was filed late.

RATIFICATION OF APPOINTMENT OF

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Company has engaged the firm of PricewaterhouseCoopers LLP, independent certified public accountants, to report upon the financial statements included in the Annual Report submitted herewith. A representative from said firm will be in attendance at the Meeting, will have the opportunity to make a statement if desired, and will be available to respond to any questions from those in attendance. The Company has appointed PricewaterhouseCoopers LLP to report upon its 2000 financial statements, subject to ratification of such appointment by the shareholders at the Meeting. Shareholder ratification of the Company's independent certified public accountants is not required by the Company's Bylaws or otherwise. The Board of Directors has elected to seek such ratification as a matter of good corporate practice and unanimously recommends that you vote "FOR" such ratification. Abstentions will be counted toward the number of shares represented at the Meeting. Broker non-votes will be disregarded. If the shareholders do not ratify this appointment, other certified public accountants will be considered by the Board of Directors upon recommendation of the Audit Committee.

OTHER BUSINESS

Management of the Company does not know of any other business that may be presented at the Meeting. If any matter not described herein should be presented for shareholder action at the Meeting, the persons named in the enclosed Proxy will vote the shares represented thereby in accordance with their best judgment.

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SHAREHOLDER PROPOSALS FOR THE 2001 PROXY STATEMENT
AND PRESENTATION AT THE 2001 ANNUAL MEETING

Under SEC Rule 14a-8, in order for a shareholder proposal to be included in the Company's Proxy Statement for the 2001 Annual Meeting, and under the Company's Bylaws, for a matter to be considered at such meeting (other than the election of Directors), the shareholder proposal, together with certain other information specified in the Bylaws, must be submitted no later than December 22, 2000. To be timely, shareholder nominations for Directors must be received, together with certain other information specified in the Bylaws, at least 60 days, but not more than 90 days, prior to the meeting. The 2001 Annual Meeting is scheduled for May 19, 2001. Shareholder proposals and Director nominations should be submitted in writing to Gregory C. Yadley, Secretary, at 1500 West University Parkway, Sarasota, Florida 34243. A copy of the Company's Bylaws will be provided upon request in writing to the Secretary.

By Order of the Board of Directors,

/s/ Gregory C. Yadley

GREGORY C. YADLEY
Secretary

Dated: April 27, 2000

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SUN HYDRAULICS CORPORATION
1500 WEST UNIVERSITY PARKWAY
SARASOTA, FL 34243

PROXY FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 13, 2000.
THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

The undersigned, having received notice of the Annual Meeting of Shareholders of Sun Hydraulics Corporation to be held at 10:00 a.m., Eastern Daylight Savings Time, on Saturday, May 13, 2000, hereby designates and appoints Robert E. Koski and Clyde G. Nixon, and each of them with authority to act without the other, as attorneys and proxies for the undersigned, with full power

