

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest  
Event Reported): May 9, 2001

SUN HYDRAULICS CORPORATION

-----  
(Exact name of registrant as specified in its charter)

Florida	0-21835	59-2754337
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1500 West University Parkway Sarasota, Florida	34243
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(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 941-362-1200

ITEM 5. OTHER EVENTS.

PRESS RELEASE

On May 9, 2001, the Registrant issued the press release attached hereto as Exhibit 99.1 announcing results for the quarter ended March 31, 2001.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

None.

(b) Pro Forma Financial Information.

None.

(c) Exhibits.

<TABLE>	
<CAPTION>	
Exhibit Number	Exhibit Description
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<S>	<C>
99.1	Press Release of the Registrant dated May 9, 2001.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

SUN HYDRAULICS CORPORATION

By: /s/ Richard J. Dobbyn

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Richard J. Dobbyn  
Chief Financial Officer (Principal  
Financial and Accounting Officer)

Dated: May 9, 2001

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EXHIBIT INDEX

<TABLE>	
<CAPTION>	
Exhibit Number	Exhibit Description
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<S>	<C>
99.1	Press Release of the Registrant dated May 9, 2001.

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EXHIBIT 99.1

FOR RELEASE: Immediately

Contact:

Richard K. Arter            Investor Relations            941-362-1200  
Richard J. Dobbyn        Chief Financial Officer        941-362-1200

SUN HYDRAULICS FIRST QUARTER NET INCOME INCREASES 21%

SARASOTA, FLA, May 9, 2001 - Sun Hydraulics Corporation (NASDAQ: SNHY) today announced that net income for the first quarter ended March 31, 2001, was \$1.0 million, an increase of 20.7% compared to the first quarter of 2000. The increase in net income was achieved despite a 6.2% decrease in net sales. Gross profit as a percent of sales for the first quarter improved to 28.0%, compared to 25.1% for the same period one year ago. Both basic and diluted earnings per share for the first quarter of 2001 were \$0.16, compared to \$0.13 for the first quarter of 2000.

"Domestically, we performed well in comparison to other U.S. hydraulics companies and our international locations also continued to do well. First quarter orders increased 17.2% over the previous quarter," said Sun Hydraulics President, Allen Carlson. "We were able to turn a significant portion of the order increase into shipments in the current quarter which helped to increase profits.

"The first quarter order increase was the result of a strong January and February. In March and April incoming order rates decreased to levels experienced in the fourth quarter of last year," Carlson continued. "Capacity utilization in the United States manufacturing sector is at the lowest levels we have seen since 1991. At current incoming order rates, we expect second quarter shipments will be 10% to 15% below first quarter levels.

"Despite the weakness in our markets, we continue to invest for growth and operational improvements," Carlson said. "This summer we will begin expansion of our United Kingdom operation, essentially doubling the manufacturing space at this facility. Our European business continues to increase and this investment will help us to meet future growth."

Sun Hydraulics Corporation is a leading designer and manufacturer of high performance screw-in hydraulic cartridge valves and manifolds for worldwide industrial and mobile markets. For more information about Sun, please visit our website at [www.sunhydraulics.com](http://www.sunhydraulics.com).

Sun Hydraulics Corporation will broadcast its 1st quarter 2001 financial results conference call with analysts live over the Internet at 2:30 P.M. E.D.T., today, May 9, 2001. To listen, go to <http://investor.sunhydraulics.com/medialist.cfm>.

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FORWARD-LOOKING INFORMATION

Certain oral statements made by management from time to time and certain statements contained herein that are not historical facts are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and, because such statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements, including those in Management's Discussion and Analysis of Financial Condition and Results of Operations are statements regarding the intent, belief or current expectations, estimates or projections of the Company, its Directors or its Officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company's strategies regarding growth, including its intention to develop new products; (ii) the Company's financing plans; (iii) trends affecting the Company's financial condition or results of operations; (iv) the Company's ability to continue to control costs and to meet its liquidity and other financing needs; (v) the declaration and payment of dividends; and (vi) the Company's ability to respond to changes in customer demand domestically and internationally, including as a

result of standardization. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that the anticipated results will occur.

Important factors that could cause the actual results to differ materially from those in the forward-looking statements include, among other items, (i) the economic cyclicality of the capital goods industry in general and the hydraulic valve and manifold industry in particular, which directly affect customer orders, lead times and sales volume; (ii) conditions in the capital markets, including the interest rate environment and the availability of capital; (iii) changes in the competitive marketplace that could affect the Company's revenue and/or cost bases, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; (iv) changes in technology or customer requirements, such as standardization of the cavity into which screw-in cartridge valves must fit, which could render the Company's products or technologies noncompetitive or obsolete; (v) new product introductions, product sales mix and the geographic mix of sales nationally and internationally; and (vi) changes relating to the Company's international sales, including changes in regulatory requirements or tariffs, trade or currency restrictions, fluctuations in exchange rates, and tax and collection issues. Further information relating to factors that could cause actual results to differ from those anticipated is included but not limited to information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-Q for the quarter ended March 31, 2001, and under the heading "Business" and particularly under the subheading, "Business Risk Factors" in the Company's Form 10-K for the year ended December 30, 2000. The Company disclaims any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

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SUN HYDRAULICS CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED	
	MARCH 31, 2001 (UNAUDITED)	APRIL 1, 2000 (UNAUDITED)
<S>	<C>	<C>
NET SALES	\$18,979	\$ 20,233
Cost of sales	13,663	15,150
	-----	
GROSS PROFIT	5,316	5,083
Selling, engineering and administrative expenses	3,457	3,644
	-----	
OPERATING INCOME	1,859	1,439
Interest expense	270	290
Miscellaneous expense (income)	3	(53)
	-----	
INCOME BEFORE INCOME TAXES		1,586
		1,202
Income tax provision	552	345
	-----	
NET INCOME	\$ 1,034	\$ 857
	=====	
BASIC NET INCOME PER COMMON SHARE		\$ 0.16
		\$ 0.13

WEIGHTED AVERAGE SHARES OUTSTANDING	6,385	6,385
DILUTED NET INCOME PER COMMON SHARE	\$ 0.16	\$ 0.13
WEIGHTED AVERAGE DILUTED SHARES OUTSTANDING	6,585	6,589

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SUN HYDRAULICS CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS)

<TABLE>  
<CAPTION>

	MARCH 31, 2001 (UNAUDITED)	DECEMBER 30, 2000 (UNAUDITED)	
	<C>	<C>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,856	\$ 2,698	
Accounts receivable, net of allowance for doubtful accounts of \$174 and \$163	7,442	6,112	
Inventories	8,983	9,033	
Taxes receivable	--	--	
Other current assets	663	536	
	-----		
Total current assets	19,944	18,379	
Property, plant and equipment, net	44,596	44,984	
Other assets	975	1,011	
	-----		
<b>TOTAL ASSETS</b>	<b>\$65,515</b>	<b>\$64,374</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 1,838	\$ 1,787	
Accrued expenses and other liabilities	1,811	1,585	
Long-term debt due within one year	1,848	1,779	
Dividends payable	255	255	
Taxes payable	593	315	
	-----		
Total current liabilities	6,345	5,721	
Long-term debt due after one year	10,131	10,233	
Deferred income taxes	4,096	4,106	
Other noncurrent liabilities	465	478	
	-----		
Total liabilities	21,037	20,538	
Shareholders' equity:			
Preferred stock	--	--	
Common stock	6	6	
Capital in excess of par value	24,486	24,486	
Retained earnings	19,852	19,073	
Accumulated other comprehensive income		134	271
	-----		
Total shareholders' equity	44,478	43,836	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$65,515</b>	<b>\$64,374</b>	

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The accompanying Notes to the Consolidated Financial Statements are an integral part of these financial statements.

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