
**UNITED STATES
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): September 19, 2005

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
(Address of principal executive offices)		(Zip Code)

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

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events

On September 19, 2005, the Registrant issued the press release attached hereto as Exhibit 99.1 announcing the doubling of its quarterly dividend and the declaration of a \$0.10 per share cash dividend on its common stock, payable on October 15, 2005, to shareholders of record as of September 30, 2005.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release of the Registrant dated September 19, 2005.

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

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

Dated: September 19, 2005

FOR RELEASE: Immediately

Contact:

Richard K. Arter
Richard J. Dobbyn

Investor Relations
Chief Financial Officer

941-362-1200
941-362-1200

Sun Hydraulics Doubles Dividend from \$0.05 to \$0.10 per share

SARASOTA, FLA, September 19, 2005 — The Board of Directors of Sun Hydraulics Corporation (NASDAQ: SNHY) has voted to increase the Company's regular quarterly dividend from \$0.05 to \$0.10 per common share. The dividend is payable on October 15, 2005, to shareholders of record as of September 30, 2005. As part of its decision to raise the dividend, Sun's Board recognized the company's strong financial performance, minimal level of debt and continuing year-over-year order growth.

Commenting on the decision, Clyde Nixon, Sun Hydraulics' Chairman, said, "Earnings are strong, the balance sheet is strong and our fiscal capacity will allow us to capitalize on potential marketplace opportunities and fund future growth. The increased dividend should be viewed as Sun's continuing commitment to provide shareholders with superior long-term growth and return on their investment."

Sun Hydraulics will release 2005 third quarter earnings on Tuesday, November 8, 2005, at approximately 11:00 a.m. E.T. The Company will host its quarterly conference call the following day, Wednesday, November 9, 2005, at 2:30 p.m. E.T. Further information on how to access the conference call via the Internet or via phone, will be published in mid October at the Investor Relations section of Sun's website, <http://investor.sunhydraulics.com>.

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.

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 cyclicalities 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 July 2, 2005, 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 25, 2004. 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.