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**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): April 29, 2007

SUN HYDRAULICS CORPORATION

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

0-21835
(Commission File Number)

59-2754337
(IRS Employer
Identification No.)

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

34243
(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))

Item 8.01. Other Events.

On May 1, 2007, Registrant issued a press release announcing the death Clyde G. Nixon, Chairman and member of the board of directors of Sun Hydraulics Corporation. The full text of this press release is included as Exhibit 99.1 and incorporated by reference in this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release dated May 1, 2007.

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/ Tricia L. Fulton

Tricia L. Fulton
Chief Financial Officer (Principal
Financial and Accounting Officer)

Dated: May 2, 2007

FOR RELEASE: Immediately

Contact:

Richard K. Arter Investor Relations 941-362-1200
Tricia L. Fulton Chief Financial Officer 941-362-1200

Sun Hydraulics Announces Death of Clyde G. Nixon, Chairman of the Board

SARASOTA, FLA, May 1, 2007 – It is with deepest regrets that Sun Hydraulics Corporation (NASDAQ: SNHY) reports that Company Chairman Clyde Nixon died on April 29, 2007, in Sarasota, at the age of 72.

Clyde joined Sun in 1988, and served as its President and Chief Executive Officer from November 1988 until May 2000, at which time he was named Chairman of the Board. A graduate of Cornell University and the Harvard Business School, and Past Chairman of the Board of the National Fluid Power Association, he retired this year as an employee of Sun.

During Clyde's tenure at Sun, he used his extensive international experience to help Sun expand globally across Europe and the Asia/Pacific region. In 1997, Clyde led the effort to make Sun a public company, completing the initial public offering on January 9, 1997.

All employees extend our deepest sympathy to Clyde's family. We will miss his graciousness and wisdom.

A memorial service will be held on June 16, 2007, at 3 p.m., at The First Presbyterian Church, 2050 Oak Street, Sarasota, FL, 34237.

Per the family's wishes, in lieu of flowers, memorial contributions can be made to:

The University of South Florida Foundation
ATT: Michael Ayers
8350 N. Tamiami Trail
Sarasota, FL 34243

TideWell Hospice and Palliative Care
5955 Rand Boulevard
Sarasota, FL 34238

Or a charity of choice.