

OMB APPROVAL	
OMB Number:	3235-0060
Expires:	April 30, 2009
Estimated average burden hours per response....	38.0

**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): October 11, 2008

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 October 14, 2008, Registrant issued a press release announcing the death of Robert E. Koski, founder 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 October 14, 2008.

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: October 14, 2008

Sun Hydraulics Announces Death of Robert E. Koski, Founder and Chairman Emeritus

SARASOTA, FLA, October 14, 2008—It is with deepest regrets that Sun Hydraulics Corporation (NASDAQ: SNHY) reports that the founder of Sun, Bob Koski, died on October 11, 2008, at his home in Sarasota. Bob was 79 at the time of his death.

A graduate of Dartmouth College (Class of '51), Bob moved to Sarasota, FL in 1967 while working for Fluid Controls, Inc., one of the first hydraulic cartridge valve manufacturing companies. In 1970, along with John Allen, Bob founded Sun Hydraulics in Sarasota. Since then, Sun has grown to become a multi-national, publicly held corporation with operations in the United States, England, Germany, France, Korea, China and India; the Company's headquarters remain in Sarasota.



Bob Koski

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

The John & Mabel Ringling Museum of Art
5401 Bayshore Road
Sarasota, FL 34243

Marie Selby Botanical Gardens
811 South Palm Avenue
Sarasota, FL 34236

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Investor Relations
941-362-1200

Tricia L. Fulton
Chief Financial Officer
941-362-1200

Bob Koski has long been recognized as an innovative leader in industry. A past Chairman of the National Fluid Power Association, Bob was also an American Society of Mechanical Engineers' fellow and instrumental in forming the Society's Fluid Power Systems and Technology Division to advance the role of fluid power in engineering education.

Bob was an avid student of organizations and a pioneer in the development of 'horizontal management', which he attributed as the primary reason for Sun's ongoing success. In his original handwritten business plan for Sun Hydraulics, Bob wrote that "... the ultimate quality of a Corporation is largely determined by the character of its employees who are attracted into employment & develop because of the Corporation's environment."

In remembering Bob Koski, Allen Carlson, only the third president in the Company's history, said, "Everyone at Sun, in fact everyone in our industry, is deeply saddened by Bob's passing. His contribution to the growth of the hydraulics industry cannot be underestimated. Locally, he was a great benefactor to the community and a champion for doing the right thing, even in difficult circumstances. We will all miss him, but will sustain Bob's legacy by continuing to advance the principles which he embodied every day of his life; treat people fairly and develop creative solutions to help them solve their problems."

All the employees of Sun Hydraulics extend their deepest sympathy to Bob's family.

A Celebration of Life will be held on November 2, 2008, at 4 p.m., at the Asolo Theater, 5555 N. Tamiami Trail, Sarasota, FL.

Per the family's wishes, memorial donations can be made to:

The Asolo Theater
5555 N. Tamiami Trail
Sarasota, FL 34243