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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): December 3, 2012

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 December 3, 2012, the Registrant issued the press release attached hereto as Exhibit 99.1 announcing the declaration by the Board of Directors of (i) the normal quarterly cash dividend of \$0.09 per share and (ii) a special cash dividend of \$1.00 per share, both to be paid on December 28, 2012, to all shareholders of record as of December 14, 2012.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release dated December 3, 2012.

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: December 3, 2012



Sun Hydraulics Corporation Board Approves Year-End Special Dividend of \$1.00 per Share and Declares Quarterly Cash Dividend of \$0.09 per Share

SARASOTA, FL - (Marketwire - December 03, 2012) - Sun Hydraulics Corporation (NASDAQ: SNHY) announces that its Board of Directors has elected to authorize a special cash dividend in the amount of \$1.00 per share, payable on December 28, 2012, to shareholders of record as of December 14, 2012. In declaring the special dividend, the Board cited the Company's strong cash position and market expectations as reasons for its decision. The Board also declared its normal quarterly dividend of \$0.09 per share payable on December 28, 2012, to shareholders of record as of December 14, 2012. In anticipation of expected tax law changes in 2013, the payment date for both dividends is December 28.

"Given Sun's excellent balance sheet and strong cash position, coupled with the likelihood of impending changes to tax law regarding dividends, the Board determined it is appropriate to return some cash to shareholders," said Dr. Ferdinand Megerlin, Sun's Chairman. "In our considerations, we concluded this special dividend does not in any way compromise Sun's ability to carry on with the normal running of its business."

Allen Carlson, Sun's CEO and president, commented, "Management agrees with the Board in its decision; this is the right thing to do at this time. After payment of the dividend, which will come from our cash balance, we will remain in a strong, debt-free financial position. We will continue to do the things necessary to grow our business, including expansion, funding our normal capex and taking advantage of M&A opportunities."

Sun Hydraulics advises all shareholders to familiarize themselves with rules regarding dividends, payment dates and ex-dividend dates. See the following website for more information <http://www.sec.gov/answers/dividen.htm>.

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.

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