

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0287
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * ROBSON PETER G		2. Issuer Name and Ticker or Trading Symbol SUN HYDRAULICS CORP [SNHY]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director _____ 10% Owner _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ GENERAL MGR, SUN HYD LTD (UK)	
(Last) (First) (Middle) 1500 W UNIVERSITY PARKWAY		3. Date of Earliest Transaction (Month/Day/Year) 10/15/2006			
(Street) SARASOTA, FL 34243		4. If Amendment, Date Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	
(City) (State) (Zip)		Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned			

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/15/2006		M		809.7166	A	\$ 21	809.7166	D	
Common Stock	10/15/2006		D		809.7166	D	\$ 21	0	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Phantom Shares (1)	\$ 0 (1)	10/15/2006		M		809.7166		(1)	(1)	Common Stock	(1)	809.7165	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROBSON PETER G 1500 W UNIVERSITY PARKWAY SARASOTA, FL 34243			GENERAL MGR, SUN HYD LTD (UK)	

Signatures

Paul R. Lynch, as Attorney-in-Fact for PETER G. ROBSON		10/18/2006
<small>**Signature of Reporting Person</small>		<small>Date</small>

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Each phantom share represents the value of a share of the Registrant's common stock. The grant vests in three equal installments of 809.7165 phantom shares, the first on October 15, 2005, the second on October 15, 2006, and the third on October 15, 2007. On each of such dates, so long as Mr. Robson is then employed by the Registrant or one of its subsidiaries, the Registrant will pay to Mr. Robson an amount equal to the closing bid price for a share of the Registrant's common stock on such date multiplied by the number of phantom shares vesting on such date, converted at the then current exchange rate into the currency in which Mr. Robson is paid (British pounds), less any required tax withholding. The vested phantom shares will be cancelled upon such payment. There are no specific performance goals or business criteria that must be met for Mr. Robson to receive such payment. All unvested performance shares will be cancelled upon the termination of Mr. Robson's employment.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.