January 23, 2012

Sun Hydraulics Announces Future Expansion Plans

SARASOTA, FL -- (MARKET WIRE) -- 01/23/12 -- Sun Hydraulics Corporation (NASDAQ: SNHY) announced that it, in conjunction with its builder Halfacre Construction, has applied for all permitting to begin site preparation for a planned expansion on property the Company owns at 803 Tallevast Road. The initial phase of the planned expansion, an infrastructure utility building that will serve both the existing 701 Tallevast facility and the planned new facility, was completed in November 2011. The new facility, when completed, will have 60,000 square feet of manufacturing and 16,000 square feet of office space to create capacity for future growth. The total investment, including the completed infrastructure utility building and site work, is estimated to be approximately $16 million.

"Our long-term goal is to continue to grow both our top and bottom lines by providing quality products with premium service levels," said Allen Carlson, Sun Hydraulics' president and CEO. "To ship increasing volume, we will rely on continued efficiency and productivity gains, but eventually will need to add capacity. We know where we will build the new facility and generally what it will look like. By completing site preparation work now, we put ourselves in position to begin construction, when we are ready, without delay, but no decision has been made regarding the timing of the start of the construction phase."

Continuing, Carlson added, "We have long anticipated that we would eventually need additional capacity and began acquiring land as far back as 1996, the time of our last expansion. We expect our 2011 financial results to be strong, achieving record levels on both the top and bottom line. The global macroeconomic indicators remain positive and we believe this is a good time to add infrastructure."

Sun Hydraulics will release its 4th quarter and year-end results on March 12, 2012, after market close, with the conference call with analysts scheduled for Tuesday morning, March 13, 2012, at 9:00 am ET.

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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Source: Sun Hydraulics Corporation