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Sun Hydraulics and Sturman Industries Announce Licensing Agreement

SARASOTA, FL and WOODLAND PARK, CO -- (Marketwired) -- 11/10/14 -- Sun Hydraulics Corporation (NASDAQ: SNHY) and Sturman Industries, Inc. announce they have entered into a Technology License Agreement related to the use of Sturman's digital valve technology. Under the agreement, Sun will manufacture and sell valves which incorporate Sturman digital valve actuation technology into screw-in cartridge valves used in fluid power markets.

"By converging Sun's expertise in hydraulic cartridge valves with Sturman's expertise in drive electronics and efficient digital magnetics, we believe we can offer our customers unique beneficial solutions for their applications," commented Allen Carlson, Sun's CEO and President. "Customers are asking for products which are smaller in size, lighter in weight, use less power, are less expensive and operate faster. New electro-hydraulic cartridge valves under development as a result of Sun teaming up with Sturman will provide these features and create new markets for Sun."

"We are very happy to be partnering with Sun Hydraulics to bring Sturman's digital valve technology to Sun's customers," said Carol Sturman, President of Sturman Industries, Inc. "Under the agreement with Sun, Sturman will perform the research and development for select new valve products, while Sun will be responsible for production engineering, manufacture and commercialization of them. We're pleased to support Sun in bringing forward solutions that can benefit the hydraulics industry."

Concluding, Carlson added, "We look forward to bringing these exciting new products to market during 2015. We believe there are next generation applications in the mobile and industrial segments which can benefit from the use of digital valve technology."

About Sun

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.

About Sturman

Sturman is a leader in the design and implementation of superior process controls to modernize systems that do work. The designs integrate the advantages of miniaturization, flexibility and ultra-fast response by combining intelligent electronics and unique software strategies with digital latching magnetics, and often include the implementation of high power density micro-hydraulics. Sturman specializes in optimizing systems to meet demanding user and environmental needs for smart, efficient, clean and affordable

operation. Sturman works with organizations globally that wish to take advantage of Sturman's advanced technology. Applications have ranged from aerospace, industrial and commercial products, including water systems, pic-n-place machines, suspension and engine controls. Sturman is currently engaged in programs for commercialization of transformational engine controls that optimize the use of all fuels under all conditions.

FORWARD-LOOKING INFORMATION

Certain oral statements made by management from time to time and certain statements contained herein that are not historical facts are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and, because such statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements, including those in Management's Discussion and Analysis of Financial Condition and Results of Operations are statements regarding the intent, belief or current expectations, estimates or projections of the Company, its Directors or its Officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company's strategies regarding growth, including its intention to develop new products; (ii) the Company's financing plans; (iii) trends affecting the Company's financial condition or results of operations; (iv) the Company's ability to continue to control costs and to meet its liquidity and other financing needs; (v) the declaration and payment of dividends; and (vi) the Company's ability to respond to changes in customer demand domestically and internationally, including as a result of standardization. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that the anticipated results will occur.

Important factors that could cause the actual results to differ materially from those in the forward-looking statements include, among other items, (i) the economic cyclicality of the capital goods industry in general and the hydraulic valve and manifold industry in particular, which directly affect customer orders, lead times and sales volume; (ii) conditions in the capital markets, including the interest rate environment and the availability of capital; (iii) changes in the competitive marketplace that could affect the Company's revenue and/or cost bases, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; (iv) changes in technology or customer requirements, such as standardization of the cavity into which screw-in cartridge valves must fit, which could render the Company's products or technologies noncompetitive or obsolete; (v) new product introductions, product sales mix and the geographic mix of sales nationally and internationally; and (vi) changes relating to the Company's international sales, including changes in regulatory requirements or tariffs, trade or currency restrictions, fluctuations in exchange rates, and tax and collection issues. Further information relating to factors that could cause actual results to differ from those anticipated is included but not limited to information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-Q for the quarter ended June 28, 2014, and under the heading "Business" and particularly under the subheading, "Business Risk Factors" in the Company's Form 10-K for the year ended December 28, 2013. The Company disclaims any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

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