



FOR IMMEDIATE RELEASE
Friday, March 7, 2008

SMTC Expands Enclosures Division Into Mexico

New Metal Fabrication on SMTC Mexico Campus to Address Market Demand for Low-cost Enclosure and Sub-systems Manufacturing

TORONTO, March 7, 2008 - SMTC Corporation (Nasdaq: SMTX) (TSX: SMX), a global electronics manufacturing services (EMS) provider, announced today the expansion of its Enclosure Division operations into Mexico with the addition of a dedicated precision metal fabrication facility on its Chihuahua Mexico campus.

Currently SMTC Mexico (Chihuahua) is a medium to high mix, medium to high volume facility servicing OEMs requiring low cost North American manufacturing. Manufacturing services include assembly, testing, box build, final product integration, and worldwide customer logistics. The new precision metal fabrication facility in Mexico now offers low cost Enclosure Systems manufacturing capabilities including precision sheet metal fabrication, electromechanical assembly, system integration and test.

“The expansion in Mexico offers our customers the advantage of end-to-end, vertically integrated, low integration cost manufacturing. This positions us to now include precision metal fabrication in meeting the requirements of customers with medium to large system integration requirements”, said John Caldwell, President and CEO for SMTC. “We expect a strong demand for this additional low cost North American capacity.”

The expansion in Mexico includes a dedicated metal fabrication operation that will bring the SMTC Mexico campus to more than 225,000 square feet of manufacturing capacity.

The Company’s enclosures operation in Franklin, Massachusetts will continue to be the center of excellence and provide New Production Introduction and volume manufacturing. The Franklin facility will also oversee the seamless transfer of technology and production to Mexico using the SMTC “Copy Exact” methodology. Every SMTC facility employs the same manufacturing equipment and software systems and follows the same standardized processes. Copy Exact helps customers reach their cost and volume targets faster.

About SMTC Corporation: SMTC Corporation, founded in 1985, is a mid-size provider of end-to-end electronics manufacturing services (EMS) including PCBA production, systems integration and comprehensive testing services, enclosure fabrication, as well as product design, sustaining engineering and supply chain management services. SMTC facilities span a broad footprint in the United States, Canada, and Mexico, and a partnering relationship in China, with over 1300 full time employees. SMTC services extend over the entire electronic product life cycle from the development and introduction of new products through to the growth, maturity and end-of-life phases. SMTC offers fully integrated contract manufacturing services with a distinctive approach to global original equipment manufacturers (OEMs) and emerging technology companies primarily within industrial, computing and communication market segments.

SMTC is a public company incorporated in Delaware with its shares traded on the Nasdaq National Market System under the symbol SMTX and on the Toronto Stock Exchange under the symbol SMX. For further information on SMTC Corporation, please visit our website at www.smtc.com (<http://www.smtc.com/>)

Note for Investors: The statements contained in this release that are not purely historical are forward-looking statements which involve risk and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. These statements may be identified by their use of forward-looking terminology such as "believes", "expect", "may", "should", "would", "will", "intends", "plans", "estimates", "anticipates" and similar words, and include, but are not limited to, statements regarding the expectations, intentions or strategies of SMTC Corporation. For these statements, we claim the protection of the safe harbor for forward-looking statements provisions contained in the Private Securities Litigation Reform Act of 1995. Risks and uncertainties that may cause future results to differ from forward-looking statements include the challenges of managing quickly expanding operations and integrating acquired companies, fluctuations in demand for customers' products and changes in customers' product sources, competition in the EMS industry, component shortages, and others discussed in the Company's most recent filings with securities regulators in the United States and Canada. The forward-looking statements contained in this release are made as of the date hereof and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ materially from those projected in the forward-looking statements.

For further information:

Jane Todd,

Senior Vice President, Finance and Chief Financial Officer,

(905) 413-1300,

Email: jane.todd@smtc.com