



# NEWSrelease

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**FOR IMMEDIATE RELEASE**  
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## **SMTC Announces Strategic Relationship with Thales** SMTC Selected to Manufacture Critical Systems for Rail Communications Product Lines

**TORONTO – May 6, 2008** -- SMTC Corporation (Nasdaq: SMTX, TSX: SMX) (“SMTC”), a global electronics manufacturing services provider, announced today a new strategic outsourcing relationship with Thales Rail Signaling Solutions Inc.

SMTC commenced manufacturing activities for Thales Rail Signaling Solutions, a provider of train control, signaling, interlocking, control center and integrated rail communications technology to urban rail and main line rail operators worldwide. SMTC was selected by Thales to manufacture various rack and enclosure systems and provide PCBA services to support their advanced, automated communications-based train control systems for urban transport.

“After careful evaluation of many EMS providers, Thales is pleased to select SMTC as a manufacturing partner,” says Adrian Abramovici, Vice President Industry Operations and Assurance. “SMTC applies proven quality programs, processes and metrics essential for Thales RSS products used in highly sensitive applications. We’re confident SMTC has the capabilities, capacity and structure to help reduce our time to market and deliver a distinct competitive advantage.”

“We’re delighted to provide Thales with innovative manufacturing solutions responsive to the dynamics of their marketplace,” says John Caldwell, President and Chief Executive Officer, SMTC Corporation. “SMTC combines strong performance with a partnership approach that delivers tangible, bottom line benefits to our customers. We’re committed to providing Thales outstanding manufacturing services as part of an overall focus to drive improved performance of their outsourcing strategy and enhanced profitability for their organization.”

Rack and enclosure products will be manufactured at SMTC’s facility in Franklin, Massachusetts. PCBA services will be provided by SMTC’s facility in Markham, Ontario.

**About SMTC:** 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, Mexico, and China, with more than 1500 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) (<http://www.smtc.com/>)

**About Thales:**

Thales is a leading international electronics and systems group, addressing defense, aerospace and security markets worldwide. Thales's leading-edge technology is supported by 22,000 R&D engineers who offer a capability unmatched in Europe to develop and deploy field-proven mission-critical information systems. To this end, the group's civil and military businesses develop in parallel and share a common base of technologies to serve a single objective: the security of people, property and nations. The group builds its growth on its unique multi-domestic strategy based on trusted partnerships with national customers and market players, while leveraging its global expertise to support local technology and industrial development. Thales employs 68,000 people in 50 countries with 2007 revenues of €12.3 billion.

Improving the Quality of Service and Security in the Transport Sector: Thales provides solutions for three main transportation segments: rail signaling, integrated communication and supervision systems and ticketing. Thales offers a comprehensive range of integrated, modular solutions for the safe transportation of people and goods covering all forms of transport: from bus, metro, tramway and regional train networks to mainline (high-speed) links and road transport.

**Note for Investors:** The statements contained in this release that are not purely historical, including our expectations regarding continued revenue and earnings growth in 2007, 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.

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