



NEWSrelease

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FOR IMMEDIATE RELEASE
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SMTC Announces Relationship with Kontron Canada Inc.

SMTC to provide low cost region manufacturing in Mexico and China

TORONTO – May 19, 2010 – SMTC Corporation (Nasdaq: SMTX, TSX: SMX) (“SMTC”), a global electronics manufacturing services provider, announced today a strategic relationship with Kontron Canada Inc.

Kontron Canada Inc is a leading-edge designer and manufacturer of high-end embedded computer technology (ECT) aimed at major OEMs and systems integrators in the communication, industrial equipment and medical devices markets. Kontron offers a diverse line of products that includes Compact PCI and ATCA/AMC processing platforms.

SMTC will provide Kontron with PCB and module level assembly manufacturing in its Chihuahua, Mexico and Dongguan, China facilities. SMTC’s location in Toronto will support Kontron’s design teams with early manufacturing involvement activities prior to transitioning product to SMTC’s low cost region production facilities. Qualification activities were finalized in the second half of 2009 with production commencing in Q1 2010 at both facilities.

“Kontron designs and manufactures innovative building blocks capable of supporting numerous applications for today’s networked infrastructure,” said Robert Courteau, General Manager Kontron Americas. “We help leading OEMs and systems integrators to significantly reduce their time-to-market to gain a competitive edge. SMTC offers Kontron the capabilities, capacity and structured approach critical to our ability to deliver competitive advantage to our customers.”

“We’re delighted to welcome Kontron as our newest customer in the computing industry sector,” said John Caldwell, President and Chief Executive Officer for SMTC. “Our computing customers rely on our people and manufacturing capabilities as they deliver mission critical solutions to their end customers. We look forward to a partnering with Kontron to deliver superior service and operational excellence.”

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 1000 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, communication, consumer and medical 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.

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