

SSH COMMUNICATIONS SECURITY CORP STOCK EXCHANGE RELEASE
July 25, 2007, at 9:00 a.m.

SSH INTERIM REPORT FOR JANUARY 1 - JUNE 30, 2007

- Net sales for January-June totaled EUR 4.1 million, down by 6 percent year on year (EUR 4.4 million in Q1-Q2/2006).
- Second-quarter net sales came to EUR 1.5 million, down by 34 percent on a year earlier (EUR 2.3 million in Q2/2006).
- Operating loss for January-June amounted to EUR -1.1 million (a loss of -0.9 million in Q1-Q2/2006), loss EUR -0.8 million (-0.5 million). Second-quarter operating loss was EUR -1.1 million and net loss was EUR -0.9 million.
- After the reporting period, the company signed its largest ever agreement with one of world's largest corporations headquartered in the US. The total value of the agreement is about EUR 4.5 million, of which licenses are about EUR 4 million and annual maintenance is about EUR 0.5 million. Invoicing has been agreed to the 3rd quarter of 2007 after the final acceptance of the delivery.

KEY FIGURES

	4-6/ 2007	4-6/ 2006	1-6/ 2007	1-6/ 2006	1-12/ 2006
Net sales (MEUR)	1.5	2.3	4.1	4.4	9.5
Net sales, change %	-34.3	89.6	-5.9	54.4	1.7
Operating profit/loss (MEUR)	-1.1	-0.3	-1.1	-0.9	-0.9
% of net sales	-71.5	-12.5	-27.6	-21.5	-9.4
Operating profit/loss, change %	-277.1	82.5	-20.4	73.2	66.5
Profit/loss before taxes (MEUR)	-0.9	-0.2	-0.8	-0.5	-0.2
% of net sales	-58.9	-8.0	-18.8	-12.6	-2.0
Number of employees at period end	80	85	80	85	80
Earnings per share (EUR)			-0.03	-0.02	-0.01
Shareholders' equity per share (EUR)			0.60	0.88	0.63

SSH Communications Security is a world-leading provider of enterprise security solutions and end-to-end communications security, and the original developer of the Secure Shell protocol. The company's SSH Tectia solution addresses the most critical needs of large enterprises, financial institutions and government agencies.

NET SALES

Consolidated net sales for January-June totaled EUR 4.1 million (EUR 4.4 million), down by -5.9% percent, year on year. Net sales for the

second quarter totaled EUR 1.5 million, a decrease of -34.3% compared to the corresponding quarter for year 2006.

For a system-level IT product, such as SSH Tectia, the sales process is often long. With major customers, the timing of large orders will cause fluctuations in sales from quarter to quarter.

The majority of SSH's invoicing is based on the U.S. dollar. During the report period, the U.S. dollar's average exchange rate was approximately 8 percent weaker than during the same period a year ago.

RESULTS AND EXPENSES

Operating loss for January-June amounted to EUR -1.1 million (Q1-Q2/2006: a loss of EUR -0.9 million), with net loss totaling EUR -0.8 million (a loss of EUR -0.5 million). Operating loss for the second quarter totaled EUR -1.1 million (a loss of EUR -0.3 million), with net loss amounting to EUR -0.9 million (a loss of EUR -0.2 million).

The fixed costs remained at the same level as in January-June, 2006. Research and development expenses for the report period totaled EUR 1.8 million (EUR 1.7 million), while sales and marketing expenses came to EUR 2.7 million (EUR 2.9 million) and administrative expenses EUR 0.9 million (EUR 0.8 million).

BALANCE SHEET AND FINANCIAL POSITION

The financial position of SSH remained at a healthy level during the report period. The consolidated balance sheet total on June 30, 2007 stood at EUR 19.6 million (EUR 27.6 million), of which liquid assets accounted for EUR 17.6 million (EUR 23.9 million), or 89.8 percent of the balance sheet total. The company has no interest bearing liabilities. On June 30, 2007, gearing, or the ratio of net liabilities to shareholders' equity, was -102.9 (-96.4) and the equity ratio stood at 93.5 percent (95.2 percent).

The reported gross capital expenditure for the period totaled EUR 0.1 million (EUR 0.1 million). Reported financial income came mainly from capital gains on fund shares. Financial income and expenses totaled EUR +0.4 million, compared with EUR +0.4 million a year ago.

During January-June, SSH reported a positive cash flow of EUR 0.7 million from business operations, whereas investments showed a negative cash flow of EUR -0.1 million. Cash flow from financing totaled EUR 0.0 million. Cash flow from operations, investments and financing resulted in the company showing a positive total cash flow of EUR 0.6 million during the period.

MARKET DEVELOPMENTS

Large enterprise, financial, and public sector organizations have a growing need for improved data security in several ways. New and existing data security risks, continuously evolving regulations, and

increasing security standards and models continue to create new needs, to which we can respond with our versatile product offerings.

The demand for products and services for securing corporate-internal information security has continued growing in the large North American corporations, especially in recent months for securing file transfers to IBM mainframes. A similar demand growth trend is expected to spread in the next phase to the largest European and Asian enterprises.

Regulations that currently influence the demand of our products are, for instance, the Sarbanes-Oxley Act (SOX), HIPAA, as well as the PCI standards of the major credit card companies. These regulations cause data security audits, which drive our customers to implement security upgrade programs for their IT infrastructure against internal and external threats.

The new tighter data security regulations are now causing customers to re-assess the risks and hidden costs of deploying non-commercial software for security, driving many customers to start and/or increase phase-by-phase migration programs to deploy fully commercially supported products, such as SSH Tectia.

SSH is confident that legislative reforms, new data security standards, as well as many industry and company level data security development programs will continue to drive demand favorably for SSH Tectia.

SALES PERFORMANCE

SSH'S NET SALES

EUR million	4-6/ 2007	1-3/ 2007	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-12/ 2006
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BY SEGMENT

AMER	1.0	1.8	2.0	1.1	1.4	5.7
APAC	0.2	0.2	0.2	0.3	0.3	0.9
EROW	0.3	0.5	1.2	0.4	0.6	2.8
SSH Group total	1.5	2.6	3.3	1.8	2.3	9.5

BY OPERATION

License sales	0.6	1.6	2.4	0.8	1.4	5.8
Maintenance	0.9	0.9	0.9	0.9	0.9	3.6
Total	1.5	2.6	3.3	1.8	2.3	9.5

The Americas, the Asia Pacific region, and the 'Europe and Rest of the World' market area accounted for 68 percent (60 percent), 11 percent (11 percent) and 21 percent (29 percent) of reported net sales, respectively.

During the report period, SSH concluded one new license agreement that was worth more than EUR 100,000. The ten largest customers accounted for 41 percent of reported net sales, with the largest single customer accounting for approximately 21 percent.

PRODUCTS AND MARKETING

During the report period, SSH focused its sales and marketing efforts on large enterprises, financial institutions, and government agencies in the USA, Europe, and Asia, in line with its long-term strategy. The company continued also developing its partner network in the same focus markets.

The marketing focus was on the company's new Tectia security solutions of IBM mainframe environment and SSH Tectia's enhanced file transfer applications for large internal enterprise networks. The company continued the development of the new third generation architecture-based products. The company also made further development of the productisation to provide higher value, new features and expanded uses, as well as enabling easier purchasing for the customers.

New applications, support of all essential enterprise OS platforms including IBM mainframes, versatile integration capabilities, and centralized management have made SSH Tectia the most extensive integrated end-to-end communications security solution in the market.

RESEARCH AND DEVELOPMENT

Research and development expenses for January-June totaled EUR 1.8 million (EUR 1.7 million), the equivalent of 43.8 percent of net sales (38.8 percent). During the report period SSH didn't capitalize any research and development expenses.

HUMAN RESOURCES AND ORGANIZATION

At the end of June, the Group had 80 employees on its payroll, down by 5 from the previous year, a decrease of -5.9 percent.

At the end of the period, 48.8 percent of the employees worked in R&D, 38.8 percent in sales and marketing, and 12.5 percent in corporate administration.

BOARD AND AUDITORS

The Annual General Meeting (AGM) on March 29, 2007 re-elected Tapio Kallioja, Tomi Laamanen, Timo Ritakallio and Tatu Ylönen to SSH Communications Security Corp.'s Board of Directors, with Laamanen re-elected as chairman.

The AGM again elected to have PricewaterhouseCoopers Oy, authorized public accountants, as the company's auditor, with Henrik Sormunen, authorized public accountant, acting as the principal auditor.

SHARES, SHAREHOLDING AND CHANGES IN GROUP STRUCTURE

The reported trading volume of SSH Communications Security Corp. shares totaled 8,118,462 (valued at EUR 12,129,155.60). The highest quotation was EUR 1.75 and the lowest EUR 1.15. The trade-weighted average share price for the period was EUR 1.49, and the share closed at EUR 1.19 (June 29, 2007).

In February SSH Communications Security Corp received a notification in accordance with the Securities Market Act 2:9, according to which the total of Assetman Oy's shares in SSH Communications Security Corp has on February 13, 2007 risen above one tenth part (1/10) of the total of all shares and related voting rights. Assetman OY held 10.6 percent of the company's shares at the end of the period. There were no other substantial changes in SSH Communications Security Corp.'s shareholding during the report period. Tatu Ylönen holds, directly and through his company, Tatu Ylönen Oy, 53.1 percent of the company's shares, and Tero Kivinen holds 5.7 percent. More information about the shareholding can be obtained from the company's Web site.

There were no changes in the group structure during the period.

SHARE CAPITAL AND BOARD AUTHORIZATIONS

The company's registered share capital on June 30, 2007 was EUR 853,331.85, consisting of 28,444,395 shares. During the report period, SSH increased its share capital once, based on subscription to the new shares under SSH's stock-option plan. In total, 20,500 new SSH shares were subscribed to under the I/2003 stock-option plan. With these subscriptions the company's share capital was increased by EUR 615.00.

On March 29, 2007, the Annual General Meeting decided, in accordance with the proposal made by the Board of Directors to authorize the Board of Directors to decide on issuing the maximum of 5.500.000 shares in one or more new share issues or on issuing special rights to share subscription as defined in the Finnish Companies Act Chapter 10, section 1, with or without subscription rights to shareholders. This authorization is effective until the next Annual General Meeting, but will expire June 30, 2008, at the latest. The Board has not exercised this authorization.

CORPORATE GOVERNANCE

The company complies with the corporate governance recommendations for listed companies issued by the Helsinki Stock Exchange, the Central Chamber of Commerce of Finland, and the Confederation of Finnish Industry and Employers. More information on corporate governance is available on the company's Web site (www.ssh.com).

EVENTS AFTER THE REPORTING PERIOD

In July, the company signed its largest ever agreement with one of world's largest corporations headquartered in the US. The total value of the agreement is about EUR 4.5 million, of which licenses are about

EUR 4 million and annual maintenance is about EUR 0.5 million. Invoicing has been agreed to the 3rd quarter of 2007 after the final acceptance of the delivery.

PROSPECTS

The large EUR 4.5 million licensing and support agreement signed in July significantly increases our confidence in our near-term growth prospects. The company's strong backlog of agreements and tenders provides a solid basis for substantial growth of the full year revenue. In 2007, SSH aims to be a profitable company.

Our target markets are in different network security adoption phases according to geography and industry, enabling a good long-term growth base for our company. We are set both technically and in timing to a good position to utilize the trends and regulations of internal enterprise data security, spreading from the USA and creating growing demand for our products also in Europe and Asia. In the same way, we can leverage the experience we have gained in the finance and government sectors, when the new practices and requirements spread to other industries.

We believe in a phased diversification of our customer base so that parallel to strong finance sector customers, for instance, we will see new major customers in the retail, pharmaceutical, and high technology sectors. Continuously expanding use of the products will also generate growing software maintenance revenue for us.

Due to the large size of individual orders and depending on timing of customer projects, variation of the quarterly revenue may occur.

INCOME STATEMENT

EUR million	4-6/ 2007	4-6/ 2006	1-6/ 2007	1-6/ 2006	1-12/ 2006
Net sales	1.5	2.3	4.1	4.4	9.5
Purchasing and production costs	0.0	0.0	0.0	0.0	-0.1
Gross profit	1.5	2.3	4.1	4.3	9.4
Other operating income	0.0	0.1	0.1	0.1	0.4
Expenses					
Product development	-0.9	-0.8	-1.8	-1.7	-3.4
Sales and marketing	-1.3	-1.5	-2.7	-2.9	-5.7
Administration	-0.4	-0.4	-0.9	-0.8	-1.6
Operating profit/loss	-1.1	-0.3	-1.1	-0.9	-0.9
Financial income and expenses	0.2	0.1	0.4	0.4	0.7
Profit/loss before taxes	-0.9	-0.2	-0.8	-0.5	-0.2
Taxes	0.0	0.0	0.0	0.0	0.0

Net profit/loss for the period	-0.9	-0.2	-0.8	-0.5	-0.2
EARNINGS PER SHARE					
	1-6/ 2007	1-6/ 2006	1-12/ 2006		
Earnings per share (EUR)	-0.03	-0.02	-0.01		
Earnings per share, diluted (EUR)	-0.03	-0.02	-0.01		
BALANCE SHEET					
EUR million	6/30/ 2007	6/30/ 2006	12/31/ 2006		
ASSETS					
Fixed and other non-current assets					
Tangible assets	0.1	0.1	0.1		
Intangible assets	0.2	0.4	0.3		
Deferred tax assets	0.2	0.2	0.2		
Total fixed and other non-current assets	0.6	0.8	0.7		
Inventories and current assets					
Short-term receivables	1.4	2.9	3.9		
Short-term investments	15.3	22.5	15.0		
Cash and cash equivalents	2.3	1.4	1.7		
Total inventories and current assets	19.1	26.8	20.7		
Total assets	19.6	27.6	21.3		
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity	17.1	24.7	18.0		
Long-term liabilities					
Provisions	0.0	0.1	0.0		
Long-term financial liabilities	0.0	0.0	0.0		
Total long-term liabilities	0.0	0.1	0.1		
Short-term liabilities	2.5	2.8	3.3		
Total liabilities and shareholders' equity	19.6	27.6	21.3		
CASH FLOW STATEMENT					

EUR million	1-6/ 2007	1-6/ 2006	1-12/ 2006
Cash flow from business operations	0.7	1.2	0.9
Cash flow from investments	-0.1	-1.3	6.5
Cash flow from financing	0.0	0.0	-7.0
Increase(+) / decrease (-) in liquid assets	0.6	-0.1	0.4
Liquid assets at period start	1.7	1.4	1.4
Adjustment for translation difference	0.0	-0.1	-0.1
Liquid assets at period end	2.3	1.4	1.7

STATEMENT ON CHANGES IN
SHAREHOLDERS' EQUITY

EUR million	Share Capi- tal	Share Premi- um	Fair value reser- ves	Trans- lation diff.	Unrest- ricted equity funds	Retain- ed Ear- nings	Total
Shareholders' equity							
Jan. 1, 2006	0.8	24.4	0.2	-0.7	0.0	0.6	25.4
Change	0.0	0.0	-0.1	-0.1		-0.5	
Shareholders' equity							
Jun. 30, 2006	0.8	24.5	0.2	-0.8	0.0	0.1	24.7
Change	0.0	-13.0	0.0	0.0	5.9	0.3	
Shareholders' equity							
Dec. 31, 2006	0.9	11.5	0.1	-0.8	5.9	0.4	18.0
Change	0.0	0.0	0.0	-0.1	0.0		
Net profit						-0.8	
Shareholders' equity							
Jun. 30, 2007	0.9	11.5	0.1	-0.9	5.9	-0.4	17.1

NET SALES BY SEGMENT

EUR million	4-6/ 2007	4-6/ 2006	1-6/ 2007	1-6/ 2006	1-12/ 2006
AMER	1.0	1.4	2.8	2.7	5.7
APAC	0.2	0.3	0.4	0.5	0.9
EROW	0.3	0.6	0.9	1.2	2.8
SSH Group total	1.5	2.3	4.1	4.4	9.5

OPERATING PROFIT/LOSS

BY SEGMENT

EUR million	4-6/ 2007	4-6/ 2006	1-6/ 2007	1-6/ 2006	1-12/ 2006
AMER	0.3	0.7	1.4	1.3	2.9
APAC	0.1	0.1	0.2	0.2	0.4
EROW	-0.1	0.0	0.0	0.1	0.6
Common Group expenses*	-1.4	-1.2	-2.7	-2.6	-4.8
SSH Group total	-1.1	-0.3	-1.1	-0.9	-0.9

* Common Group expenses include Group administration expenses (e.g., management and finance) and product management and R&D expenses for corporate headquarters.

KEY FIGURES AND RATIOS

	1-6/ 2007	1-6/ 2006	1-12/ 2006
Net sales (MEUR)	4.1	4.4	9.5
Operating profit/loss (MEUR)	-1.1	-0.9	-0.9
Operating profit/loss, as % of net sales	-27.6	-21.5	-9.4
Profit/loss before extraordinary items and taxes (MEUR)	-0.8	-0.5	-0.2
Profit/loss before extraordinary items and taxes, as % of net sales	-18.8	-12.6	-2.0
Profit/loss before taxes (MEUR)	-0.8	-0.5	-0.2
Profit/loss before taxes, as % of net sales	-18.8	-12.6	-2.0
Return on investment (%)	-8.5	-4.2	-0.8
Return on equity (%)	-8.8	-4.4	-1.0
Interest-bearing net liabilities (MEUR)	-17.6	-23.9	-16.7
Equity ratio (%)	93.5	95.2	92.4
Gearing (%)	-102.9	-96.4	-93.0
Gross capital expenditure (MEUR)	0.1	0.1	0.1
% of net sales	1.2	2.1	1.2
R&D expenses (MEUR)	1.8	1.7	3.4
% of net sales	43.8	38.8	35.5
Personnel, period average	80	81	81
Personnel, period end	80	85	80

PER-SHARE DATA

	1-6/ 2007	1-6/ 2006	1-12/ 2006
Earnings per share, undiluted (EUR)	-0.03	-0.02	-0.01
Earnings per share, diluted (EUR)	-0.03	-0.02	-0.01
Equity per share (EUR)	0.60	0.88	0.63
No. of shares at period end	28 444	28 293	28 424

(thousands)

Share performance (EUR)

Average price	1.49	1.71	1.43
Low	1.15	1.24	0.88
High	1.75	2.40	2.40
Share price, period end	1.19	1.70	1.15
Market capitalization, period end (MEUR)	33.8	48.1	32.7
Volume of shares traded (in millions)	8.1	7.6	13.9
Volume of shares traded, as % of total	28.5	26.8	48.8
Value of shares traded, in millions of euros	12.1	13.0	19.9
Price-to-earnings ratio (P/E)	-	-	-

CONTINGENT LIABILITIES

EUR million	6/30 2007	6/30 2006	12/31 2006
Rental liabilities	0.2	0.2	0.2
Leasing commitments outside the balance sheet			
Maturing within 1 year	0.7	0.9	0.8
Maturing between 1 and 5 years	0.9	1.6	1.3
Currency derivatives (not included in hedge accounting)			
Fair value	0.0	0.0	-0.0
Nominal value	0.4	0.0	0.7

FINANCIAL REPORTING

The company will hold a briefing on its interim report for equity analysts and the media in Hotel Scandic Simonkenttä's Lönnka-cabinet, 1st floor, address Simonkatu 9, 00100 Helsinki on Wednesday, July 25, 2007, starting at 11:00 a.m.

SSH Communications Security Corp will release its next interim report and financial statements for January 1-September 30, 2007 on 24 October 2007. Further information will be available on the company's website in due course.

Helsinki, on July 25, 2007

SSH COMMUNICATIONS SECURITY CORP

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