SSH COMMUNICATIONS SECURITY CORP

FINANCIAL RESULTS
January 1 – March 31, 2008

WELCOME!

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Agenda

- Business Review - Arto Vainio
- Financial report 1Q/2008 - Mika Peuranen

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1st Quarter Business Review

Arto Vainio
CEO
SSH Communications Security Corp

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1Q highlights

- Net Sales 1.9 MEUR
  - Sales year to year -28%
- EBIT -0.8 MEUR
  - EBIT change - 0.8 MEUR
- Net profit -0.6 MEUR
  - Profit change -0.7 MEUR

- No significant license deliveries in Q1
  - Largest delivery to a leading US retail chain, 0.1 MEUR

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SSH Tectia overview

- We deliver data security solutions for large organizations
  - Securing file transfer and data in transit
  - Centrally managed solution for very large scale deployments
  - Cross-platform security for all essential enterprise OS platforms
- Evolving legislation and standards drive the demand
  - PCI standards by credit card industry, SOX regulations for listed companies, Basel 2 for financial services, HIPAA for health services
- SSH Tectia upgrades the data security without costly and complex changes of the IT infrastructure
  - A system level product with versatile expansion potential
- Multi-year frame agreements, multi-year maintenance revenue

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SSH Tectia sales cases

- New regulations and cost of operating data security drives customers to commercially supported platforms
  - Projects often triggered by SOX or PCI audits
  - SSH Tectia helps customers comply with the regulations
  - Customers choose us for solution value and long-term support
- US leading the trend, Europe and Asia in the next phase
  - Aiming to diversify our customer base – from banks and governments to other large enterprises and public sector
- Projects procured and deployed in several phases

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Future foundation sound

- Target customers in active evaluation and preparation of new projects in all markets
  - Good portfolio of mature, well-developed sales cases
  - Good portfolio of agreements for expansions and up-selling
- New products and applications expand our available market
  - Security solutions for IBM mainframes
  - Enhanced file transfer applications
- Expanding market coverage by partnering
  - Wider coverage: geographic, customer segment & vertical
- However, short term uncertainty factors in the US and financial sector markets

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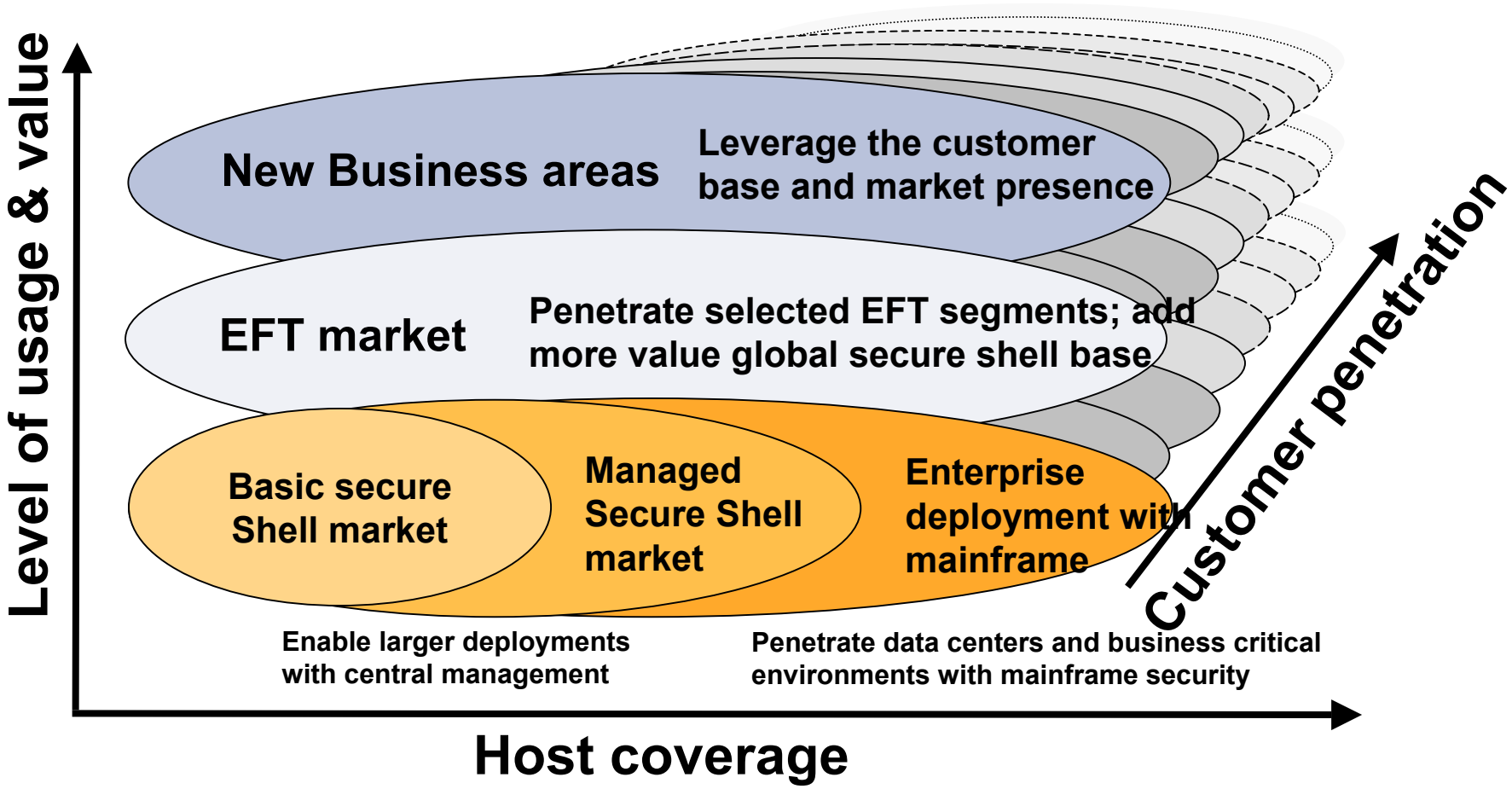
SSH Tectia Solution Strategy



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FINANCIALS
January 1 – March 31, 2008

Mika Peuranen
CFO
SSH Communications Security Corp

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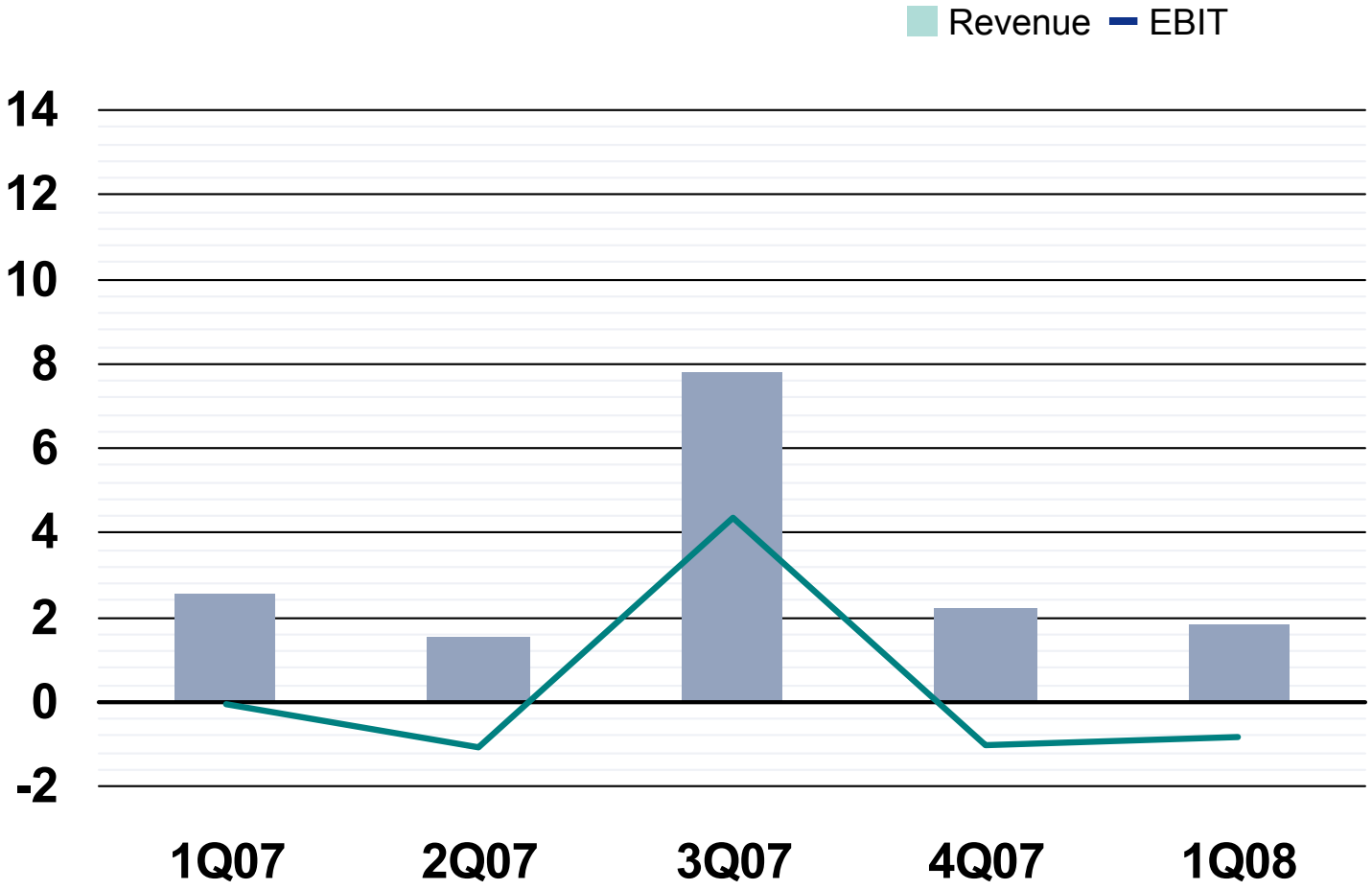
Revenue and EBIT by quarter



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Financial Highlights 1Q08

- Net sales EUR 1.9 million (EUR 2.6 million in Q1/2007)
- Operating loss EUR -0.8 million (EUR 0.0 in Q1/2007)
- During the first quarter revenue decreased -28.0 % compared to the last year's first quarter
- Fixed costs increased by 3 % from Q1/2007
- Strong balance sheet and financial position
  - **Equity ratio 93.7 % (93.7 %)**

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Key Financials 1Q08

EUR 1000	1Q08	% of sales	1Q07	% of sales
Revenues	1 854		2 575	
Purchasing and Production Costs	6	0.3 %	7	0.3 %
Gross Margin	1 848	99.7 %	2 568	99.7 %
Research and Development	1 016	54.8 %	898	34.9 %
Sales and Marketing	1 261	68.0 %	1 302	50.6 %
Administration	469	25.3 %	473	18.4 %
Other Operating Income	49	2.7 %	66	2.6 %
EBIT	-849	-45.8 %	-39	-1.5 %
Financial Income and Expenses	211		164	
Profit before taxes	-638	-34.4 %	125	4.8%
Personnel	82		79	

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Quarterly Financials 4Q06–1Q08

EUR 1000	1Q08	4Q07	3Q07	2Q07	1Q07	4Q06	2007
Revenues	1 854	2 239	7 788	1 524	2 575	3 329	14 126
Gross Margin	1 848	2 226	7 780	1 518	2 568	3 321	14 092
Research and Development	1 016	1 058	827	896	898	933	3 679
Sales and Marketing	1 261	1 519	2 312	1 350	1 302	1 562	6 478
Administration	469	721	339	389	473	425	1 927
Other Operating Income	49	28	28	27	66	106	148
EBIT	-849	-1 044	4 329	-1 090	-39	506	2 156
Personnel	82	83	84	80	79	80	83
SSH Tectia revenues*	1 854	2 239	7 788	1 524	2 575	3 329	14 126

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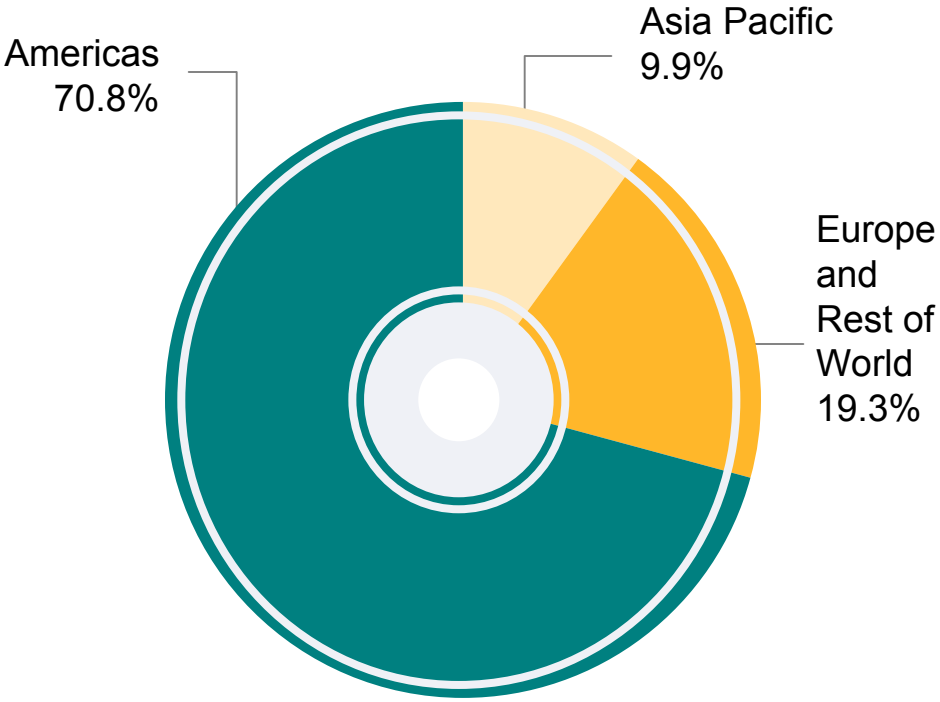
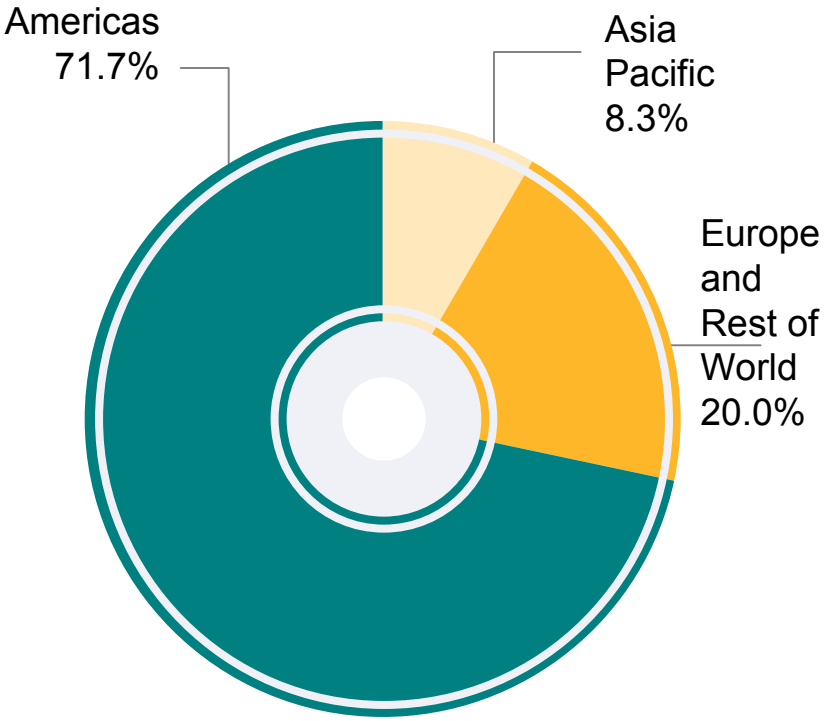
Net Sales by Market in 1Q08



1Q08 EUR 1.9 million



1Q07 EUR 2.6 million

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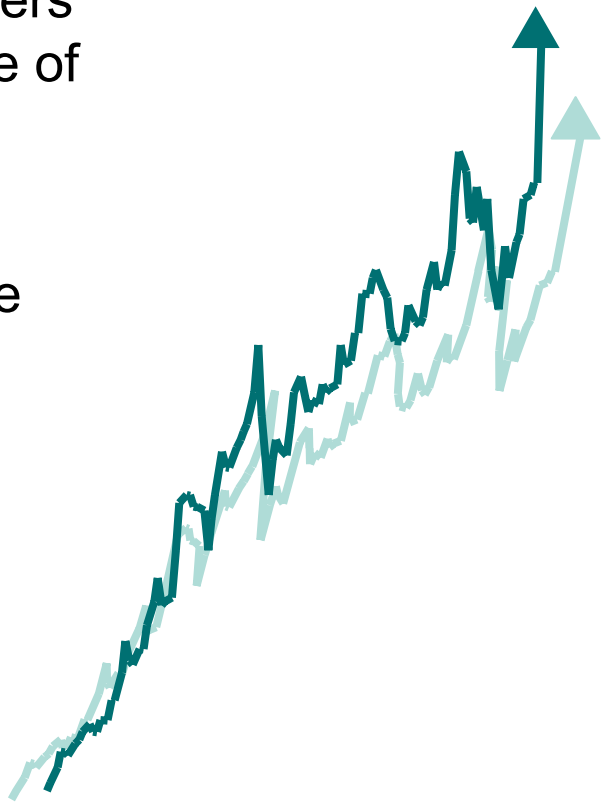
Outlook for 2008

- Due to the large size of individual orders orders and uncertainty of timing, significant variance of revenue per quarter may occur

- In spite of the 1st quarter negative results, the company expects the full year results to be profitable



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THANK YOU!

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