SSH COMMUNICATIONS SECURITY CORP STOCK EXCHANGE RELEASE
July 26, 2006, at 9:00 a.m.

SSH INTERIM REPORT FOR JANUARY 1 – JUNE 30, 2006

- Net sales for January-June totaled EUR 4.4 million, up 54.4 percent year on year (EUR 2.8 million in Q1-Q2/2005).
- Second-quarter net sales came to EUR 2.3 million, up 89.6% on a year earlier (EUR 1.2 million in Q2/2005).
- Operating loss for January–June amounted to EUR -0.9 million (a loss of -3.5 million in Q1-Q2/2005), loss EUR -0.5 million (-3.1 million). Second-quarter operating loss was EUR -0.3 million and net loss was EUR -0.2 million.
- During the second quarter three major banks and a very large retail chain chose SSH Tectia for wide deployment and concluded multi-year frame agreements with SSH.
- Thanks to growth in tenders, new customers, and new products, SSH expects 2006 sales and results to be better than those of the previous year.

KEY FIGURES

	4-6/ 2006	4-6/ 2005	1-6/ 2006	1-6/ 2005	1-12/ 2005
Net sales (MEUR)	2.3	1.2	4.4	2.8	9.3
Net sales, change %	89.6	-52.1	54.4	-33.1	13.0
Operating profit/loss (MEUR)	-0.3	-1.6	-0.9	-3.5	-2.6
% of net sales	-12.5	-134.8	-21.5	-124.2	-28.5
Operating profit/loss, change %	82.5	2.3	73.2	7.9	58.7
Profit/loss before extraordinary items and taxes (MEUR)	-0.2	-1.2	-0.5	-3.1	-2.0
% of net sales	-8.0	-100.8	-12.6	-109.4	-21.8
Number of employees at period end	85	81	85	81	75
Earnings per share (EUR)			-0.02	-0.11	-0.07
Shareholders' equity per share (EUR)			0.88	0.86	0.90

NET SALES

Consolidated net sales for January-June totaled EUR 4.4 million (EUR 2.8 million), up by 54.4% percent, year on year. Net sales for the second quarter totaled EUR 2.3 million, an increase of 89.6% compared to the corresponding quarter for year 2005.

During the report period, SSH continued the systematic implementation of its strategy based on the SSH Tectia solution. SSH Tectia is a data security solution primarily aimed at large enterprises, financial institutions, and government agencies, with almost all of its sales reported for the period stemming from these customer categories.

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 4 percent weaker than during the same period a year ago.

RESULTS AND EXPENSES

Operating loss for January–June amounted to EUR –0.9 million (Q1-Q2/2005: a loss of EUR –3.5 million), with net loss totaling EUR –0.5 million (a loss of EUR –3.1 million). Operating loss for the second quarter totaled EUR –0.3 million (a loss of EUR –1.6 million), with net loss amounting to EUR –0.2 million (a loss of EUR –1.2 million).

SSH's fixed costs reported for the period continued their year-on-year decline, as evidenced by the reduction of approximately EUR 1.0 million in fixed costs from the January–June 2005 level. Payroll costs were cut by 13 percent and other operating expenses by 19 percent.

Research and development expenses for the report period totaled EUR 1.7 million (EUR 1.9 million), while sales and marketing expenses came to EUR 2.9 million (EUR 3.5 million) and administrative expenses EUR 0.8 million (EUR 1.1 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, 2006 stood at EUR 27.6 million (EUR 26.3 million), of which liquid assets accounted for EUR 23.9 million (EUR 23.3 million), or 86.5 percent of the balance sheet total. The company has no long-term liabilities.

On June 30, 2006, gearing, or the ratio of net liabilities to shareholders' equity, was –96.4 (-95.8) and the equity ratio stood at 95.2 percent (94.9 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 1.2 million from business operations, whereas investments showed a negative cash flow of EUR -1.3 million. Cash flow from financing was zero. Cash flow from operations, investments and financing resulted in the company showing a negative total cash flow of EUR -0.1 million during the period.

MARKET DEVELOPMENTS

Legislative reforms concerning data confidentiality and secure data communication continue causing positive near- and long-term effects in the markets of our products in the United States, Japan and Europe. Customers are facing an ever greater challenge in information security management due to deperimeterization, or the gradual disappearance of boundaries between companies' internal and external information networks. Large enterprises continue finding it more difficult to protect their networks and businesses from sophisticated worms and backdoor-based network attacks, while at the same time the legislation, industry & inter-company agreements are enforcing much higher liabilities for data security and risk management.

The SSH Tectia solution's features and management capabilities align well with these trends and can help the customers to cope with these rising requirements now and in future.

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

In SSH's main market area, North America, rules in Section 404 of the Sarbanes-Oxley Act in the U.S. continue to impact SSH's target customers' data security plans and investment budgets. Other important regulations that impact the demand for SSH's products are the Gramm-Leach-Bliley Act for customer financial data security, HIPAA for patient health record security, as well as the PCI standards of the major credit card organizations for card holder data security.

In North America, a growing number of major enterprise and government customers are evaluating SSH Tectia for the product's new uses, such as secure access and file transfers to IBM Mainframe environments using the new Tectia for z/OS products, enhanced file transfer applications as well as security of enterprise applications.

In Europe Germany, the U.K., and the Nordic countries continue to be the most promising market areas, and Japan respectively in Asia.

During January-June, the competitive landscape in the company's markets continued to develop favorably for SSH Tectia. The new tighter data security regulations caused customers to re-assess the risks and hidden costs of their OpenSSH-based deployments, giving many customers good new reasons to start and/or increase phase-by-phase migration programs to deploy fully commercially supported products, such as SSH Tectia.

SALES PERFORMANCE
SSH'S NET SALES

EUR million	4-6/ 2006	1-3/ 2006	10-12/ 2005	7-9/ 2005	4-6/ 2005	1-12/ 2005
BY SEGMENT						
AMER	1.4	1.2	3.3	1.8	0.8	6.8
APAC	0.3	0.2	0.1	0.2	0.1	0.7
EROW	0.7	0.6	0.7	0.3	0.3	1.8
SSH Group total	2.3	2.0	4.1	2.4	1.2	9.3
SSH TECTIA BUSINESS						
Net sales / license Sales	1.4	1.2	3.5	1.7	0.8	6.9
Net sales / maintenance	0.9	0.9	0.6	0.7	0.5	2.4
SSH Tectia total	2.3	2.0	4.1	2.4	1.2	9.3

The active sales case base has grown significantly compared to the corresponding period a year ago.

The sales process for a system-level IT product for major customers is a long one. In line with its strategy, SSH aims at a major increase in the average size of contracts. With the sales processes with major customers being particularly slow, coupled with substantial growth occurring in the size of future contracts, the future is likely to see major fluctuations in sales from quarter to quarter.

The Americas, the Asia Pacific region, and the 'Europe and Rest of the World' market area accounted for 59.5 percent (60.0 percent), 11.2 percent (10.6 percent) and 29.3 percent (29.4 percent) of reported net sales, respectively.

During the report period, SSH concluded a number of new customer agreements, five of which were each worth more than EUR 100,000. The ten largest customers accounted for 29

percent of reported net sales, with the largest single customer accounting for approximately 5 percent.

During the reporting period the largest single customer in revenue was one of the world's biggest banks, which continued deploying SSH Tectia for its global enterprise IT infrastructure.

PRODUCTS AND MARKETING

During the report period, SSH focused its sales and marketing efforts on large enterprises, financial institutions, and government agencies in the U.S., Europe, and Asia, in line with its long-term strategy. The company strengthened its sales organization by reinforcing its partner network complementing the SSH Tectia solution.

As several new regulations and related data security audits continue to solidify our customers' plans and requirements, SSH has been able to develop and execute several specific marketing and product programs to satisfy the needs of the growing demand. Successfully validated new product deployments by our largest US customers have also generated good responses from target customers in Germany and the U.K, and other markets.

The company's new Tectia Secure Shell product for the IBM mainframe environment made SSH Tectia the most extensive integrated Secure Shell-based solution on the market.

RESEARCH AND DEVELOPMENT

Research and development expenses for January-June totaled EUR 1.7 million (EUR 1.9 million), the equivalent of 38.8 percent of net sales (66.1 percent).

At the end of June, the company held 11 patents, and 12 were pending.

HUMAN RESOURCES AND ORGANIZATION

At the end of June, the Group had 85 employees on its payroll, up 4 from the previous year, an increase of 4.9 percent.

At the end of the period, 44.7 percent of the employees worked in R&D, 40.0 percent in sales and marketing, and 15.3 percent in corporate administration.

BOARD AND AUDITORS

The Annual General Meeting (AGM) on March 21, 2006, 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 7,571,711 (valued at EUR 13,004,325.47); i.e. 26.76 percent of the shares changed hands. The highest quotation was EUR 2.40 and the lowest EUR 1.24. The trade-weighted average share price for the period was EUR 1.71, and the share closed at EUR 1.70 (June 30, 2006).

SSH Communications Security Corp has received a notification in accordance with the Securities Market Act 2:9, according to which the total of Assetman Oy's (business code 0748885-4) shares in SSH Communications Security Corp has on March 17, 2006 risen above one twentieth part (1/20) of the total of all shares and related voting rights. There were no other substantial changes in SSH Communications Security Corp.'s shareholding during the report period. Tatu Ylönen and Tero Kivinen are the largest shareholders. The former holds, directly and through his company, Tatu Ylönen Oy, 53.4 percent of the company's shares, and Kivinen holds 6.6 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, 2006 was EUR 848,794.38, consisting of 28,293,146 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, 5,000 new SSH shares were subscribed to under the I/1999 stock-option plan and 19,333 shares under the I/2003 stock-option plan, respectively. With these subscriptions the company's share capital was increased by EUR 729.99.

The SSH Annual General Meeting of March 21, 2006 authorized the Board of Directors to decide by March 21, 2007, to increase the share capital through a rights issue and/or convertible bonds and/or issue share options, in such a way that the resultant share capital may increase by a maximum of EUR 165,000. The Board has not yet exercised this authorization.

The SSH Annual General Meeting also approved the proposal of the Board of Directors for the reduction of the share premium fund and the partial distribution of the amount to the shareholders. The reduction will come into effect on the day of the authorization by the National Board of Patents and Registration. After the permission has been received, the Board of Directors is authorized to decide on the record date of the distribution of the assets and the date of the payment.

CORPORATE GOVERNANCE

The company complies with the corporate governance recommendations for listed companies issued by HEX Ltd., 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

The Finnish National Board of Patents and Registrations granted and registered on July 14, 2006 its permission pursuant to the Companies Act Section 6 (5) for the implementation of the decision of the Annual Shareholders Meeting on March 21, 2006 regarding the decrease of the company's share premium fund of capital to the shareholders. After the permission was registered, SSH Communications Security Corp's Board of Directors in its meeting confirmed the schedule. The record date was set to July 19, 2006 and the payment date July 21, 2006. The amount distributed was EUR 0.25 per share, totaling EUR 7,073,286.50.

PROSPECTS

Thanks to growth in tenders, new customers, and new products, SSH expects 2006 sales and results to be better than those of the previous year.

The large orders during the 2nd half of 2005 validated the suitability of SSH Tectia for the most demanding target customers. Within the 1st half of 2006 five more Fortune Global Top 500 class enterprises signed multi-year frame

agreements to begin using SSH Tectia broadly for their network infrastructure security. These customers will be placing additional orders in the coming quarters as they continue to expand their use of SSH Tectia.

Our backlog of active large sales cases is now remarkably larger than year ago. Reinforced by the large number of active customer evaluations underway of our IBM Mainframe and other new 2005 products introduced in 2005, good growth prospects continue to us in 2006. As new regulations and risks continue driving our customers to increase their investments for better data security, we expect to see continued growth of the demand in all markets. We also believe that the trends driving our North American customers to increase their investments in internal data security will gradually spread in phases to our target customer base in Germany, the U.K. and Japan.

Due to the large size of individual orders and uncertainty of timing, the actual quarterly revenue may vary substantially, although the growth of the sales prospect base partially can help compensate the impact of single large orders within a quarter.

INCOME STATEMENT

EUR million	4-6/ 2006	4-6/ 2005	1-6/ 2006	1-6/ 2005	1-12/ 2005
Net sales	2.3	1.2	4.4	2.8	9.3
Purchasing and production costs	0.0	0.0	0.0	0.0	-0.1
Gross profit	2.3	1.2	4.3	2.8	9.2
Other operating income	0.1	0.1	0.1	0.1	0.2
Expenses					
Product development	-0.8	-0.9	-1.7	-1.9	-3.4
Sales and marketing	-1.5	-1.6	-2.9	-3.5	-6.7
Administration	-0.4	-0.5	-0.8	-1.1	-1.9
Operating profit/loss	-0.3	-1.6	-0.9	-3.5	-2.6
Financial income and expenses	0.1	0.4	0.4	0.4	0.6
Profit/loss before taxes	-0.2	-1.2	-0.5	-3.1	-2.0
a Taxes	0.0	0.0	0.0	0.0	0.0
Net profit/loss for the period	-0.2	-1.2	-0.5	-3.1	-2.0

a) Taxes are proportionate to the net profit for the period, and no deferred tax assets are recorded for the accrued loss.

EARNINGS PER SHARE	1-6/ 2006	1-6/ 2005	1-12/ 2005
Earnings per share (EUR)	-0.02	-0.11	-0.07
Earnings per share, diluted (EUR)	-0.02	-0.11	-0.07

BALANCE SHEET EUR million	6/30/ 2006	6/30/ 2005	12/31/ 2005
ASSETS			
Fixed and other non-current assets			
Tangible assets	0.1	0.3	0.2
Intangible assets	0.4	0.7	0.6
Deferred tax assets	0.2	0.2	0.2
Total fixed and other non-current assets	0.8	1.3	1.0
Inventories and current assets			
Short-term receivables	2.9	1.8	5.6
Short-term investments	22.5	22.3	21.1
Cash and cash equivalents	1.4	1.0	1.4
Total inventories and current assets	26.8	25.1	28.1
Total assets	27.6	26.3	29.1
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	24.7	24.2	25.4
Long-term liabilities			
Provisions	0.1	0.1	0.1
Long-term financial liabilities	0.0	0.1	0.0
Total long-term liabilities	0.1	0.2	0.2
Short-term liabilities	2.8	1.9	3.5
Total liabilities and shareholders' equity	27.6	26.3	29.1

CASH FLOW STATEMENT

EUR million	1-6/ 2006	1-6/ 2005	1-12/ 2005
Cash flow from business operations	1.2	-2.5	-3.5
Cash flow from investments	-1.3	10.9	10.9
Cash flow from financing	0.0	-8.4	-8.4
Increase(+) / decrease (-) in liquid assets	-0.1	0.0	-1.0
Liquid assets at period start	1.4	2.4	2.4
Adjustment for translation difference	-0.1	0.1	0.1
Liquid assets at period end	1.4	2.5	1.4

STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY

EUR million	Share capital	Issue premium fund	Fair value and other reserves	Translation difference	Retained earnings	Total
Shareholders' equity Jan. 1, 2005	0.8	24.4	15.1	-0.8	-4.2	35.4
Change	0.0	0.0	0.0	0.1	-11.3	
Shareholders' equity Jun. 30, 2005	0.8	24.4	15.1	-0.7	-15.5	24.2
Change	0.0	0.0	0.2	0.0	1.1	
Shareholders' equity Dec. 31, 2005	0.8	24.4	15.3	-0.7	-14.4	25.4
Change	0.0	0.0	-0.1	-0.1		
Net loss					-0.5	
Shareholders' equity Jun. 30, 2006	0.8	24.4	15.2	-0.8	-14.9	24.7

NET SALES BY SEGMENT

EUR million	4-6/ 2006	4-6/ 2005	1-6/ 2006	1-6/ 2005	1-12/ 2005
AMER	1.4	0.8	2.7	1.7	6.8
APAC	0.3	0.1	0.5	0.3	0.7
EROW	0.6	0.3	1.2	0.8	1.8

SSH Group total	2.3	1.2	4.4	2.8	9.3

OPERATING PROFIT/LOSS
BY SEGMENT

EUR million	4-6/ 2006	4-6/ 2005	1-6/ 2006	1-6/ 2005	1-12/ 2005
AMER	0.7	0.1	1.3	0.3	3.5
APAC	0.1	-0.1	0.2	0.0	0.2
EROW	0.0	-0.4	0.1	-0.7	-0.8
Common Group expenses*	-1.1	-1.2	-2.5	-3.1	-5.5
SSH Group total	-0.3	-1.6	-0.9	-3.5	-2.6

* 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/ 2006	1-6/ 2005	1-12/ 2005
Net sales (MEUR)	4.4	2.8	9.3
Operating profit/loss (MEUR)	-0.9	-3.5	-2.6
Operating profit/loss, as % of net sales	-21.5	-124.2	-28.5
Profit/loss before extraordinary items and taxes (MEUR)	-0.5	-3.1	-2.0
Profit/loss before extraordinary items and taxes, as % of net sales	-12.6	-109.4	-21.8
Profit/loss before taxes (MEUR)	-0.5	-3.1	-2.0
Profit/loss before taxes, as % of net sales	-12.6	-109.4	-21.8
Return on investment (%)			-6.4
Return on equity (%)			-6.6
Interest-bearing net liabilities (MEUR)	-23.9	-23.2	-22.5
Equity ratio (%)	95.2	94.9	92.8
Gearing (%)	-96.4	-95.8	-88.4
Gross capital expenditure (MEUR)	0.1	0.1	0.1
% of net sales	1.4	2.3	1.0
R&D expenses (MEUR)	1.7	1.9	3.4
% of net sales	38.8	66.1	36.8
Personnel, period average	81	89	83
Personnel, period end	85	81	75

PER-SHARE DATA

	1-6/ 2006	1-6/ 2005	1-12/ 2005
Earnings per share, undiluted	-0.02	-0.11	-0.07

(EUR)			
Earnings per share, diluted (EUR)	-0.02	-0.11	-0.07
Equity per share (EUR)	0.88	0.86	0.90
No. of shares at period end (thousands)	28 293	28 111	28 269
Share performance (EUR)			
Average price	1.71	1.37	1.23
Low	1.24	1.00	0.91
High	2.40	1.78	1.78
Share price, period end	1.70	1.07	1.23
Market capitalization, period end (MEUR)	48.1	30.1	34.8
Volume of shares traded (in millions)	7.6	6.0	11.4
Volume of shares traded, as % of total	26.8	21.2	40.5
Value of shares traded, in millions of euros	13.0	8.2	14.0
Price-to-earnings ratio (P/E)			-17.1

CONTINGENT LIABILITIES

EUR million	06/30 2006	06/30 2005	12/31 2005
Rental liabilities	0.2	0.2	0.2
Leasing liabilities	0.2	0.1	0.1
Other contingent liabilities	0.6	0.7	0.7
Currency derivatives (not included in hedge accounting)			
Fair value	0.0	0.0	0.0
Nominal value	0.0	0.0	6.0

This interim report has been compiled observing IAS 34 (Interim Financial Reporting) accounting standard. The same accounting principles have been used in the interim report as in the financial statement for 2005. These data are based on unaudited figures.

FINANCIAL REPORTING

The company will hold a briefing on its interim report for equity analysts and the media in Hotel Scandic Simonkenttä´s Lönkka-cabinet, 1st floor, address Simonkatu 9, 00100 Helsinki on Wednesday, July 26, 2006, starting at 11:00 a.m.

SSH Communications Security Corp will release its next interim report and financial statements for July 1–September 30, 2006 on 18 October 2006. Further information will be available on the company’s Web site (http://www.ssh.com).

Helsinki, on July 26, 2006

SSH COMMUNICATIONS SECURITY CORP

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