SSH COMMUNICATIONS SECURITY CORP STOCK EXCHANGE RELEASE, July 23, 2008, at 9:00 a.m.

SSH INTERIM REPORT FOR JANUARY 1 – JUNE 30, 2008

- Net sales for January-June totaled EUR 4.4 million, up by +8 percent year on year (EUR 4.1 million in Q1-Q2/2007).
- Second-quarter net sales reached EUR 2.6 million, up by +68 percent on a year earlier (EUR 1.5 million in Q2/2007).
- Operating loss for January–June amounted to EUR -1.0 million (a loss of –1.1 million in Q1-Q2/2007), loss EUR -0.6 million (-0.8 million). Second-quarter operating loss was EUR –0.1 million and net profit was EUR 0.0 million.
- The company signed four significant license agreements during the period. The largest order, value about EUR 0.6 million, came from a US public sector contractor.

KEY FIGURES

	4-6/ 2008	4-6/ 2007	1-6/ 2008	1-6/ 2007	1-12/ 2007
Net sales (MEUR)	2.6	1.5	4.4	4.1	14.1
Net sales, change %	67.9	-34.3	7.7	-5.9	49.4
Operating profit/loss (MEUR)	-0.1	-1.1	-1.0	-1.1	2.2
% of net sales	-5.8	-71.5	-22.6	-27.6	15.3
Operating profit/loss, change %	85.7	-277.1	11.0	-20.4	343.4
Profit/loss before taxes (MEUR)	0.0	-0.9	-0.6	-0.8	3.0
% of net sales	0.4	-58.9	-14.2	-18.8	21.5
Number of employees at period end	80	80	80	80	83
Earnings per share (EUR)			-0.02	-0.03	0.11
Shareholders' equity per share (EUR)			0.56	0.60	0.73

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 4.4 million (EUR 4.1 million), up by +7.7 percent, year on year. Net sales for the second quarter totaled EUR 2.6 million, an increase of +67.9 percent compared to the corresponding quarter for year 2007.

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 to euro

weakened approximately 15 percent compared to the same period a year ago. At constant currency, net sales would have increased 19 percent compared to the January-June period and 86 percent compared to the second quarter of year 2007.

RESULTS AND EXPENSES

Operating loss for January–June amounted to EUR –1.0 million (Q1-Q2/2007: a loss of EUR –1.1 million), with net loss totaling EUR –0.6 million (a loss of EUR –0.8 million). Operating loss for the second quarter totaled EUR –0.1 million (a loss of EUR –1.1 million), with net profit amounting to EUR 0,0 million (a loss of EUR –0.9 million).

Research and development expenses for the report period totaled EUR 2.0 million (EUR 1.8 million), while sales and marketing expenses amounted EUR 2.5 million (EUR 2.7 million) and administrative expenses EUR 0.9 million (EUR 0.9 million).

BALANCE SHEET AND FINANCIAL POSITION

The financial position of SSH remained at a healthy level during the report period, which also included a distribution of EUR 4.3 million to the shareholders. The consolidated balance sheet total on June 30, 2008 stood at EUR 19.3 million (EUR 19.6 million), of which liquid assets accounted for EUR 16.4 million (EUR 17.6 million), or 85.1 percent of the balance sheet total. The company’s interest bearing liabilities, EUR 0.2 million, comprised lease finance commitments. On June 30, 2008, gearing, or the ratio of net liabilities to shareholders’ equity, was –102.4 percent (-102.9) and the equity ratio stood at 91.2 percent (93.5).

The reported gross capital expenditure for the period totaled EUR 0.0 million (EUR 0.1 million), plus lease financed commitments EUR 0.2 million (0.0). The reported financial income consisted mainly of interest on fixed-term deposits. Financial income and expenses totalled EUR 0.4 million (EUR 0.4 million).

During January-June, SSH reported a negative cash flow of EUR –1.6 million from business operations, and investments showed a positive cash flow of EUR +6.1 million. Cash flow from financing totaled EUR –4.3 million. Cash flow from operations, investments and financing resulted in the company showing a positive total cash flow of EUR 0.3 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 world-leading market for developing and deploying new data security policies and practices is the USA.

Regulations that currently influence the demand of our products are, for instance, the Sarbanes-Oxley Act (SOX), HIPAA, as well as the PCI DSS data security 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.

SSH is confident that legislative reforms in developed countries, global data security standards, as well as many industry and company level data security development programs will continue to drive demand favorably for SSH Tectia. In the short term, however, demand in the US and financial services sectors contain uncertainty.

SALES PERFORMANCE
SSH'S NET SALES

EUR million	4-6/ 2008	1-3/ 2008	10-12/ 2007	7-9/ 2007	4-6/ 2007	1-12/ 2007
BY SEGMENT						
AMER	1.8	1.3	1.5	7.3	1.0	11.6
APAC	0.1	0.2	0.2	0.2	0.2	0.8
EROW	0.7	0.5	0.6	0.3	0.3	1.8
SSH Group total	2.6	1.9	2.2	7.8	1.5	14.1
BY OPERATION						
License sales	1.5	0.7	1.1	6.8	0.6	10.1
Maintenance	1.1	1.1	1.1	1.0	0.9	4.0
Total	2.6	1.9	2.2	7.8	1.5	14.1

The Americas, the Asia Pacific region, and the 'Europe and Rest of the World' market area accounted for 69 percent (68 percent), 5 percent (11 percent) and 26 percent (21 percent) of reported net sales, respectively.

During the report period, SSH concluded four new license agreements that were worth more than EUR 100,000. The ten largest customers accounted for 40 percent of reported net sales, with the largest single customer accounting for approximately 11 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 2.0 million (EUR 1.8 million), the equivalent of 45.6 percent of net sales (43.8 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. The number of employees remained at the same level as in the previous year.

At the end of the period, 51.2 percent of the employees worked in R&D, 36.3 percent in sales and marketing, and 12.5 percent in corporate administration.

BOARD AND AUDITORS

The Annual General Meeting (AGM) on March 27, 2008 re-elected Tomi Laamanen, Timo Ritakallio and Tatu Ylönen to SSH Communications Security Corp.'s Board of Directors. New board members, Pyry Lautsuo and Juha Mikkonen were elected to the board. Tomi Laamanen continues 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 2,335,381 (valued at EUR 3,377,572). The highest quotation was EUR 1.69 and the lowest EUR 1.15. The trade-weighted average share price for the period was EUR 1.45, and the share closed at EUR 1.17 (June 27, 2008).

During the report period, the ownership structure of the company did not change essentially. Tatu Ylönen holds, directly and through his company, Tatu Ylönen Oy, 51.6 percent of the company's shares,

Assetman Oy holds 14.7 % and Tero Kivinen holds 5.2 percent. More information about the shareholding can be obtained from the company´s web site.

During the report period, the Group decided to have the Japanese subsidiary SSH Communications Security K.K go into voluntary liquidation. This is a fully owned subsidiary of SSH. This arrangement is a part of the re-structuring of company's Asian sales organization, with a goal to sharpen the geographical sales focus, to increase the role of resellers and to decrease costs.

SHARE CAPITAL AND BOARD AUTHORIZATIONS

The company’s registered share capital on June 30, 2008 was EUR 856,448.34, consisting of 28,548,278 shares. During the report period, SSH increased its share capital twice, based on subscription to the new shares under SSH’s stock-option plan. In total, 750 new SSH shares were subscribed under the I/1999 stock option plan, 1,416 shares under the I/2003 stock option plan and 10,000 shares under the II/2003 stock option plan respectively. With these subscriptions the company's share capital was increased by EUR 364.98.

The Annual General Meeting 27 March 2008 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 30 June 2009, at the latest. The Board has not exercised this authorization.

The Annual General Meeting also authorized the Board of Directors to decide on dividend distribution and/or on distribution of assets from the invested unrestricted equity fund. By virtue of the authorization, the distributed assets can be a maximum of 0.15 euro per share and EUR 4,350,000.00 in total. The authorization is valid until 31 December 2008. Further, the Board of Directors was authorized to lower the subscription price of shares that can be subscribed on the grounds of the stock option plans released by the Company between years 2000 and 2003, at an amount which equates the distribution of assets. On 2 April 2008, after the end of the report period, the Board of Directors decided to distribute 0.15 euro per share from the invested unrestricted equity fund to the shareholders, and to lower the subscription price of the 2000 - 2003 stock option plans by the same amount. The date of payment was 15 April, 2008.

CORPORATE GOVERNANCE

The company complies with the corporate governance recommendations for

listed companies issued by the OMX Nordic Exchange Helsinki, 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).

PROSPECTS

The US dollar exchange rate and speculations about the US economy contain some factors of uncertainty that are hard to estimate. Our active sales prospect base is at a high level, especially in the US markets. However, time needed for completing the sales has grown longer.

In spite of the 1st half loss, the company estimates that it still has chances to make a profitable full year.

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

INCOME STATEMENT

EUR million	4-6/ 2008	4-6/ 2007	1-6/ 2008	1-6/ 2007	1-12/ 2007
Net sales	2.6	1.5	4.4	4.1	14.1
Purchasing and production costs	0.0	0.0	0.0	0.0	0.0
Gross profit	2.6	1.5	4.4	4.1	14.1
Other operating income	0.0	0.0	0.1	0.1	0.1
Expenses					
Product development	-1.0	-0.9	-2.0	-1.8	-3.7
Sales and marketing	-1.3	-1.3	-2.6	-2.7	-6.5
Administration	-0.4	-0.4	-0.9	-0.9	-5.3
				4.1	14.1
Operating profit/loss	-0.1	-1.1	-1.0	0.0	0.0
Financial income and expenses	0.2	0.2	0.4	0.4	0.9
Profit/loss before taxes	0.0	-0.9	-0.6	-0.8	3.0
Taxes	0.0	0.0	0.0	0.0	0.0
Net profit/loss for the period	0.0	-0.9	-0.6	-0.8	3.0

EARNINGS PER SHARE	1-6/ 2008	1-6/ 2007	1-12/ 2007
Earnings per share (EUR)	-0.02	-0.03	0.11

Earnings per share, diluted (EUR)	-0.02	-0.03	0.11

BALANCE SHEET

EUR million	6/30/ 2008	6/30/ 2007	12/31/ 2007
ASSETS			
Fixed and other non-current assets			
Tangible assets	0.4	0.1	0.1
Intangible assets	0.0	0.2	0.1
Deferred tax assets	0.2	0.2	0.2
Total fixed and other non-current assets	0.7	0.6	0.5
Inventories and current assets			
Short-term receivables	2.2	1.4	3.0
Short-term investments	14.5	15.3	20.3
Cash and cash equivalents	1.9	2.3	1.7
Total inventories and current assets	18.6	19.1	25.1
Total assets	19.3	19.6	25.5
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	15.9	17.1	20.8
Long-term liabilities			
Provisions	0.2	0.0	0.2
Long-term financial liabilities	0.2	0.0	0.0
Total long-term liabilities	0.4	0.0	0.2
Short-term liabilities	3.0	2.5	4.5
Total liabilities and shareholders' equity	19.3	19.6	25.5

CASH FLOW STATEMENT

EUR million	1-6/ 2008	1-6/ 2007	1-12/ 2007
Cash flow from business operations	-1.6	0.7	5.1
Cash flow from investments	6.1	-0.1	-5.0
Cash flow from financing	-4.3	0.0	0.0
Increase(+) / decrease (-) in liquid assets	0.3	0.6	0.1

Liquid assets at period start	1.7	1.7	1.7
Adjustment for translation difference	-0.1	0.0	-0.1
Liquid assets at period end	1.7	2.3	1.7

STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY

EUR million	Share Capital	Share Premium	Fair value reserves	Translation diff.	Unrestricted equity funds and retained earnings	Total
Shareholders' equity Jan. 1, 2007	0.9	11.5	0.1	-0.8	6.3	18.0
Change	0.0	0.0	0.0	0.0	-0.8	
Shareholders' equity Jun. 30, 2007	0.9	11.5	0.1	-0.9	5.5	17.1
Change	0.0	0.0	0.0	-0.3	3.8	
Shareholders´ equity Dec. 31, 2007	0.9	11.5	0.1	-1.1	9.4	20.8
Change	0.0	0.0	0.0	0.0	-4.3	
Net profit					-0.7	
Shareholders' equity Jun. 30, 2008	0.9	11.5	0.1	-1.0	4.5	15.9

NET SALES BY SEGMENT

EUR million	4-6/ 2008	4-6/ 2007	1-6/ 2008	1-6/ 2007	1-12/ 2007
AMER	1.8	1.0	3.1	2.8	11.5
APAC	0.1	0.2	0.4	0.4	0.8
EROW	0.7	0.3	0.9	0.9	1.8
SSH Group total	2.6	1.5	4.4	4.1	14.1

OPERATING PROFIT/LOSS BY SEGMENT

EUR million	4-6/ 2008	4-6/ 2007	1-6/ 2008	1-6/ 2007	1-12/ 2007
AMER	1.0	0.3	1.5	1.4	7.6
APAC	0.1	0.1	0.2	0.2	0.3

EROW	0.3	-0.1	0.4	0.0	-0.1
Common Group expenses*	-1.5	-1.4	-3.1	-2.7	-5.6
SSH Group total	-0.1	-1.1	-1.0	-1.1	2.2

* 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/ 2008	1-6/ 2007	1-12/ 2007
Net sales (MEUR)	4.4	4.1	14.1
Operating profit/loss (MEUR)	-1.0	-1.1	2.2
Operating profit/loss, as % of net sales	-22.6	-27.6	15.3
Profit/loss before extraordinary items and taxes (MEUR)	-0.6	-0.8	3.0
Profit/loss before extraordinary items and taxes, as % of net sales	-14.2	-18.8	21.5
Profit/loss before taxes (MEUR)	-0.6	-0.8	3.0
Profit/loss before taxes, as % of net sales	-14.2	-18.8	21.5
Return on investment (%)	-6.1	-8.5	15.1
Return on equity (%)	-6.9	-8.8	15.6
Interest-bearing net liabilities (MEUR)	-16.3	-17.6	-22.0
Equity ratio (%)	91.2	93.5	91.4
Gearing (%)	-102.4	-102.9	-105.8
Gross capital expenditure (MEUR)	0.0	0.1	0.1
% of net sales	0.0	1.2	0.8
R&D expenses (MEUR)	2.0	1.8	3.7
% of net sales	45.6	43.8	26.0
Personnel, period average	80	80	81
Personnel, period end	80	80	83

PER-SHARE DATA

	1-6/ 2008	1-6/ 2007	1-12/ 2007
Earnings per share, undiluted (EUR)	-0.02	-0.03	0.11
Earnings per share, diluted (EUR)	-0.02	-0.03	0.11
Equity per share (EUR)	0.56	0.60	0.73
No. of shares at period end (thousands)	28 548	28 444	28 536
Share performance (EUR)			
Average price	1.45	1.49	1.63
Low	1.15	1.15	1.12
High	1.69	1.75	2.39
Share price, period end	1.17	1.19	1.61

Market capitalization, period end (MEUR)	33.4	33.8	45.9
Volume of shares traded (in millions)	2.3	8.1	15.0
Volume of shares traded, as % of total	8.2	28.5	52.6
Value of shares traded, in millions of euros	3.4	12.1	24.5
Price-to-earnings ratio (P/E)			15.1

CONTINGENT LIABILITIES

EUR million	6/30 2008	6/30 2007	12/31 2007
Rental liabilities	0.0	0.2	0.1
Leasing commitments outside the balance sheet			
Maturing within 1 year	0.7	0.7	0.7
Maturing between 1 and 5 years	0.8	0.9	1.1
Currency derivatives (not included in hedge accounting)			
Fair value	0.0	0.0	0.0
Nominal value	0.0	0.4	0.0

This interim report has been compiled observing IAS 34 (Interim Financial Reporting) accounting standard. The same accounting principles have been used in the financial statements for 2007. These data are based on unaudited figures.

DISCLAIMER

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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 23, 2008, starting at 11:00 a.m.

SSH Communications Security Corp will release its next interim report and financial statements for January 1–September 30, 2008 on 22 October 2008. Further information will be available on the company's website in due course.

Helsinki, on July 23, 2008

SSH COMMUNICATIONS SECURITY CORP

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