SSH COMMUNICATIONS SECURITY CORP STOCK EXCHANGE RELEASE
FEBRUARY 4, 2009 AT 9:00 A.M.

SSH´S FINANCIAL STATEMENT BULLETIN, JANUARY 1 – DECEMBER 31, 2008

January-December

- Net sales totaled EUR 8.5 million, down by 40.0 % percent year on year (EUR 14.2 million in Q1-Q4/2007).
- Operating loss amounted to EUR –2.2 million (an operating profit of 2.2 million in Q1-Q4/2007), loss EUR –1.8 million (3.1 million).

October-December

- Net sales came to EUR 2.2 million, down by 0.6 percent on a year earlier (EUR 2.3 million in Q4/2007).
- Operating loss was EUR -0.8 million (-1.0 million) and net loss was EUR -0.7 million (-0.8 million).

In the fourth quarter operating profit contains 0.3 million one-time costs. The company's financial position remained healthy, with equity ratio 91.3% (91.3%)and liquid assets at the end of the period EUR 16.5 million (EUR 22.0 million).

KEY FIGURES

	10-12/ 2008	10-12/ 2007	1-12/ 2008	1-12/ 2007
Net sales (MEUR)	2.2	2.3	8.5	14.2
Net sales, change %	-0.6	-20.7	-40.0	58.1
Operating profit/loss (MEUR)	-0.8	-1.0	-2.2	2.2
% of net sales	-34.7	-45.3	-25.9	15.7
Operating profit/loss, change %	-23.8	1767.2	-199.2	262.8
Profit/loss before taxes (MEUR)	-0.7	-0.8	-1.5	3.1
% of net sales	-29.3	-33.6	-18.0	21.9
Number of employees at period end	73	83	73	83
Earnings per share (EUR)			-0.06	0.11
Shareholders' equity per share (EUR)			0.51	0.72
Return on equity, %			-10.2	16.3
Return on investment, %			7.4	16.9
Liquid assets			16.5	22.0
Gearing (%)			-111.9	-107.8
Equity ratio (%)			92.0	91.3

CEO's BUSINESS REVIEW

SSH Communications Security is a world-leading provider of enterprise security solutions and end-to-end communications security. SSH Tectia security solutions address the most critical needs of international enterprises including banking and finance, credit card companies, retailers, automotive industry, healthcare as well as public institutions and government agencies. The company operates in the Americas, Europe and the Asia Pacific region.

The focus market of SSH in 2008 was internal secure file transfer and related products, the size of which was evaluated to be ca 100 Million USD (IDC market analysis, 2008).

Especially in the second half the weakened global economy temporarily affected to the demand of SSH offering and transferred customers' investment decisions to the fiscal year 2009. SHH's offer book remained allthough at the planned level resulting to be more than twice of actualised revenues 2008. SSH did not loose any essential customer cases to its competitors. The operational effectiveness of SSH requires planned improvements to increase profitability.

The Americas, the 'Europe and Rest of the World' market area and the Asia Pacific region accounted for 68.5 percent (81.5 percent), 22.5 percent (12.8 percent) and 9.0 percent (5.7 percent) of reported net sales, respectively.

SALES PERFORMANCE
SSH NET SALES

EUR Million	10-12/ 2008	7-9/ 2008	4-6/ 2008	1-3/ 2008	1-12/ 2008	10-12/ 2007	1-12/ 2007
BY SEGMENT							
AMER	1,6	1,2	1,8	1,3	5,8	1,4	11,6
APAC	0,2	0,2	0,2	0,2	0,8	0,2	0,8
EROW	0,4	0,6	0,6	0,4	1,9	0,6	1,8
SSH Group Total	2,2	2,0	2,5	1,8	8,5	2,3	14,2
BY OPERATION							
License sales	1,0	0,8	1,5	0,7	4,0	1,1	10,1
Maintenance	1,2	1,1	1,0	1,1	4,5	1,1	4,1
Total	2,2	2,0	2,5	1,8	8,5	2,3	14,2

During the report period, SSH concluded 7 new license agreements that were worth more than EUR 100,000. The ten largest customers accounted for 34 percent of reported net sales, with the largest single customer accounting for approximately 7 percent.

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 security solutions of IBM mainframe environment and SSH Tectia's enhanced file transfer applications for large internal enterprise networks. The company also made further development of the productization to provide higher value, versatile use cases and new features, as well as enabling easier purchasing and deployment for the customers.

FUTURE OUTLOOK

SSH's vision is to be our customers' trusted business security partner with profitable growth. The company has set its strategic objectives to have global presence, in-depth customer intimacy, as well as innovative and high-quality security software and services. SSH is a business-value-driven security software company and preferred security partner in mission-critical enterprise networks for our customers.

As part of the strategy renewal, SSH has expanded its focus market from internal secure file transfer to managed file transfer including also secure data transfer between enterprises. The managed file transfer market (MFT) is estimated to be ca. 450 Million USD at the moment and it is expected to grow more than 21 percent per annum (Gartner market analysis, 2008).

The demand for our customers to develop and invest into internal data security continues at a strong level despite of the interim pressure to investment decisions caused by economical downturn. The large customer and maintenance base of SSH enables strengthening of the market position by launching new products to expanding customer market. SSH estimates growth in revenues and profitability in 2009.

NET SALES

Consolidated net sales for January-December totaled EUR 8.5 million (EUR 14.2 million), down by –40.0 % percent, year on year. Net sales for the fourth quarter totaled EUR 2.2 million, a decrease of 0.6 % compared to the corresponding quarter for 2007.

The majority of SSH's invoicing is U.S. dollar based. During the report period, the U.S. dollar's average exchange rate to euro weakened approximately 7.3 percent compared to the same period a year ago. At constant currency, net sales would have decreased -37 percent compared to the January-December period and -7 percent compared to the fourth quarter of 2007.

RESULTS AND EXPENSES

Operating loss for January–December amounted to EUR –2.2 million (Q1-Q4/2007: an operating profit of EUR 2.2 million), with net loss totaling EUR –1.8 million (a profit of EUR 3.1 million). Operating loss for the fourth quarter totaled EUR –0.8 million (a loss of EUR -1.0 million), with net loss amounting to EUR -0.7 million (a loss of EUR -0.8 million).

Research and development expenses for the report period totaled EUR 4.0 million (EUR 3.7 million), while sales and marketing expenses amounted EUR 5.0 million (EUR 6.5 million) and administrative expenses EUR 1.9 million (EUR 1.9 million).

The result of the reporting period is influenced by a EUR 0.2 million write-off of a deferred tax asset. In addition, reorganization in sales and management resulted EUR 0.3 million one-off costs in the fourth quarter.

During the reporting period, SSH Communications Security KK, fully owned subsidiary of SSH, was liquidated. The procedure incurred no material expenses as the charges were covered by a restructuring cost recorded in the previous financial year.

BALANCE SHEET AND FINANCIAL POSITION

The financial position of SSH remained at a healthy level during the report period, even after a EUR 4.3 million return of capital to the shareholders. The consolidated balance sheet total on December 31, 2008 stood at EUR 19.1 million (EUR 25.5 million), of which liquid assets accounted for EUR 16.5 million (EUR 22.0 million), or 86.2 percent of the balance sheet total. The company's interest bearing liabilities, EUR 0.2 million, comprised lease finance commitments. On December 31, 2008, gearing, or the ratio of net liabilities to shareholders' equity, was –112.8 percent (-107.8) and the equity ratio stood at 91.3 percent (91.3).

In August, permission was obtained to implement the decrease of share premium fund, decided by the Annual Shareholders Meeting on March 27, 2008. Share premium fund was decreased by transferring all assets from the fund to unrestricted equity fund.

The reported gross capital expenditure for the period totaled EUR 0.1 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 0.7 million (EUR 0.9 million).

During January-December, SSH reported a negative cash flow of EUR –2.0 million (EUR 4,8 million) from business operations, and investments showed a positive cash flow of EUR +6.5 million (EUR -4,8 million). Cash flow from financing totaled EUR –4.3 million (EUR 0,0 million), mainly consisting of capital returned to shareholders. Cash flow from operations, investments and financing resulted in the company showing a positive total cash flow of EUR 0.2 million (EUR 0,1 million) during the period.

CHANGE IN ACCOUNTING PRACTISE FOR RECORDING PROFITS FROM SALES (IAS8)

The accounting practice for recording of maintenance sales revenue was restated in September 2008, with all maintenance sales revenue being now periodised. Earlier, only significant sales items (exceeding EUR 5 000) were periodised over the lifetime of the maintenance period. The new practice is in accordance with IAS 8.

The change did not have material impact on net sales in January-December 2008 or in other periods. The change, however, reduces share capital and increases short-term liabilities. For consistency, comparison data has been restated as well. The impact of the restate is as follows:

RESTATE IMPACT
(MEUR)

	1-12/ 2007
Net sales	0.1
Operating profit/loss	0.1
Profit/loss before taxes	0.1
Earnings per share (EUR)	0.0
Shareholders' equity	-0.4
Long-term liabilities	0.0
Short-term liabilities	0.4
Total liabilities and shareholders' equity	0.0

Original and restated financials are presented at the end of this report.

RESEARCH AND DEVELOPMENT

Research and development expenses for January-December totaled EUR 4.0 million (EUR 3.7 million), the equivalent of 46.6 percent of net sales (25.9 percent). During the report period SSH did not capitalize any research and development expenses.

HUMAN RESOURCES AND ORGANIZATION

At the end of September, the Group had 73 employees on its payroll, down by 10 from the previous year, a decrease of 12.0 percent.

At the end of the period, 54.8 percent of the employees worked in R&D, 34.2 percent in sales and marketing, and 11.0 percent in corporate administration.

Arto Vainio was the CEO of the company until October 22, 2008. After that, CFO Mika Peuranen acted as CEO until the Board nominated Jari Mielonen (Ms. of Science in Economics and Business Administration) as CEO on November 17, 2008.

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 3,578,728 (valued at EUR 4,544,992). The highest quotation was EUR 1.69 and the lowest EUR 0.66. The trade-weighted average share price for the period was EUR 1.48, and the share closed at EUR 0.70 (December 30, 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, 52.8 percent of the company's shares, Assetman Oy holds 14.7 percent and Tero Kivinen 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. SSH Communications Security K.K is a fully owned subsidiary of SSH. This arrangement was part of the re-structuring of company's Asian sales organization. There were no other changes in the group structure during the report period.

SHARE CAPITAL AND BOARD AUTHORIZATIONS

The company’s registered share capital on December 31, 2008 was EUR 857,513.25, consisting of 28,583,775 shares. During the report period, SSH increased its share capital four times, 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, 35,413 shares under the I/2003 stock option plan and 11,500 shares under the II/2003 stock option plan respectively. With these subscriptions the company's share capital was increased by EUR 1,429.89.

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. According to the authorization, the Board of SSH decided upon a chargeable share issue directed to the CEO on 16 December 2008.The said share issue deviated from the shareholders’ pre-emptive right and offered to Jari Mielonen, CEO of the company, a subscription of in total 68,493 new shares. The subscription price is in total 50,000 euro, i.e. approximately 73 cents (0.73000 euro) per share.

According to the said Board decision, CEO Mielonen was granted 500,000 option rights which entitle him to subscribe to a maximum of 500,000 new SSH shares. The share subscription price is defined for the option rights so that it increases gradually from 1.35 euro to 1.56 euro, as defined in detail in the option scheme terms. Respectively, the subscription periods of the shares to be subscribed by virtue of the option rights begin in stages on 16 December 2009, on 16 December 2010, on 16 December 2011 and on 16 December 2012, and terminate for all option rights on 16 December 2013.

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 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 NASDAQ OMX 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).

DIVIDEND AND OTHER DISTRIBUTION OF ASSETS

SSH s Board of Directors will propose to the Annual General Meeting that no dividend be distributed. It is proposed that the loss of the financial year shall be entered to the shareholders equity in the profit/loss account. Further the Board of Directors shall propose to the Annual General Meeting that to the shareholders of the company would be distributed assets from the invested non-restricted equity fund. The entire proposal of the Board of Directors on distribution of assets will be issued as a separate announcement.

INCOME STATEMENT

EUR million	10-12/ 2008	10-12/ 2007	1-12/ 2008	1-12/ 2007
Net sales	2.2	2.3	8.5	14.2
Purchasing and production costs	0.0	0.0	0.0	0.0
Gross profit	2.2	2.2	8.5	14.2
Other operating income	0.0	0.0	0.2	0.1
Expenses				
Product development	-1.0	-1.1	-4.0	-3.7
Sales and marketing	-0.8	-1.5	-5.0	-6.5
Administration	-1.2	-0.5	-1.9	-1.9
Operating profit/loss	-0.8	-1.0	-2.2	2.2
Financial income and expenses	0.1	0.3	0.7	0.9
Profit/loss before taxes	-0.7	-0.8	-1.5	3.1
Taxes	0.0	0.0	-0.3	0.0
Net profit/loss for the period	-0.7	-0.8	-1.8	3.1

EARNINGS PER SHARE	1-12/ 2008	1-12/ 2007
Earnings per share (EUR)	-0.06	0.11
Earnings per share, diluted (EUR)	-0.06	0.11

BALANCE SHEET

EUR million	12/31/2008	12/31/2007
ASSETS		
Fixed and other non-current assets		
Tangible assets	0.3	0.1
Intangible assets	0.0	0.1
Deferred tax assets	0.0	0.2
Total fixed and other non-current assets	0.3	0.5
Inventories and current assets		
Short-term receivables	2.3	3.0
Short-term investments	14.5	20.3

Cash and cash equivalents	2.0	1.7
Total inventories and current assets	18.8	25.1
Total assets	19.1	25.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	14.5	20.4
Long-term liabilities		
Provisions	0.0	0.2
Long-term financial liabilities	0.1	0.0
Total long-term liabilities	0.1	0.2
Short-term liabilities	4.5	4.9
Total liabilities and shareholders' equity	19.1	25.5

CASH FLOW STATEMENT

EUR million	1-12/ 2008	1-12/ 2007
Cash flow from business operations	-2.0	4.8
Cash flow from investments	6.5	-4.8
Cash flow from financing	-4.3	0.0
Increase(+) / decrease (-) in liquid assets	0.2	0.1
Liquid assets at period start	1.7	1.7
Adjustment for translation difference	0.0	-0.1
Liquid assets at period end	2.0	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 and retained earnings	Total
Shareholders' equity Jan. 1, 2007	0.9	11.5	0.1	-0.8	5.8	17.5
Change	0.0	0.0	0.0	-0.2	3.1	
Shareholders' equity Dec. 31, 2007	0.9	11.5	0.1	-1.0	8.9	20.4
Shareholders´ equity Jan. 1, 2008	0.9	11.5	0.1	-1.0	8.9	20.4
Change	0.0	-11.5	0.0	0.2	7.3	

Net profit					-1.8	
Shareholders' equity Dec. 31, 2008	0.9	0.0	0.1	-0.9	14.4	14.5

NET SALES BY SEGMENT

EUR million	10-12/ 2008	10-12/ 2007	1-12/ 2008	1-12/ 2007
AMER	1.6	1.5	5.8	11.7
APAC	0.2	0.2	0.8	0.8
EROW	0.4	0.6	1.9	1.8
SSH Group total	2.2	2.4	8.5	14.3

OPERATING PROFIT/LOSS BY SEGMENT

EUR million	10-12/ 2008	10-12/ 2007	1-12/ 2008	1-12/ 2007
AMER	0.8	0.6	2.7	7.7
APAC	-0.1	0.0	0.4	0.1
EROW	0.3	0.0	1.1	0.5
Common Group expenses*	-1.8	-1.6	-6.4	-6.1
SSH Group total	-0.8	-0.9	-2.2	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

	1-12/ 2008	1-12/ 2007
Net sales (MEUR)	8.5	14.2
Operating profit/loss (MEUR)	-2.2	2.2
Operating profit/loss, as % of net sales	-25.9	15.7
Profit/loss before extraordinary items and taxes (MEUR)	-1.2	3.1
Profit/loss before extraordinary items and taxes, as % of net sales	-14.2	21.9
Profit/loss before taxes (MEUR)	-1.5	3.1
Profit/loss before taxes, as % of net sales	-18.0	21.9
Return on investment (%)	-7.4	16.9
Return on equity (%)	-10.2	16.3
Interest-bearing net liabilities (MEUR)	-16.4	-22.0
Equity ratio (%)	91.3	91.3
Gearing (%)	-112.8	-107.8
Gross capital expenditure (MEUR)	0.3	0.1
% of net sales	3.7	0.7
R&D expenses (MEUR)	4.0	3.7
% of net sales	46.6	25.9
Personnel, period average	78	81
Personnel, period end	73	83

PER-SHARE DATA

	1-12/ 2008	1-12/ 2007
Earnings per share, undiluted (EUR)	-0.06	0.11
Earnings per share, diluted (EUR)	-0.06	0.11

Equity per share (EUR)	0.51	0.72
No. of shares at period end (thousands)	28 584	28 536
Share performance (EUR)		
Average price	1.48	1.63
Low	0.66	1.12
High	1.69	2.39
Share price, period end	0.70	1.61
Market capitalization, period end (MEUR)	20.0	45.9
Volume of shares traded (in millions)	3.6	15.0
Volume of shares traded, as % of total	12.5	52.6
Value of shares traded, in millions of euros	4.5	24.5
Price-to-earnings ratio (P/E)	-11.2	14.6

CONTINGENT LIABILITIES

EUR million	12/31 2008	12/31 2007
Rental liabilities	0.0	0.1
Leasing commitments outside the balance sheet		
Maturing within 1 year	0.7	0.7
Maturing between 1 and 5 years	0.6	1.1

IMPACT OF THE CHANGE IN ACCOUNTING PRACTISE FOR RECORDING PROFITS FROM SALES (IAS8)TO GROUP'S FINANCIALS PER QUARTER

1-12/ 2007 (MEUR)	ORIGINAL VALUE	RESTATED VALUE	DIFFERENCE
Net sales (MEUR)	14.1	14.2	-0.1
Operating profit/loss	2.2	2.2	-0.1
Profit/loss before taxes	3.0	3.1	-0.1
Earnings per share (EUR)	0.0	0.0	0.0
Shareholders' equity	20.8	20.4	0.4
Long-term liabilities	0.2	0.2	0.0
Short-term liabilities	4.5	4.9	-0.4
Total liabilities and shareholders' equity	25.5	25.5	0.0

STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY

EUR million	Share Capital	Share Premium	Fair value reserves	Trans-lation differ-rence	Unrest-ricted equity funds and retained earnings	Total
Shareholders' equity 1.1.2007	0.9	11.5	0.1	-0.8	6.3	18.0
Shareholders' equity , restated 1.1.2007	0.9	11.5	0.1	-0.8	5.9	17.5
Shareholders' equity 31.12.2007	0.9	11.5	0.1	-1.1	9.4	20.8
Shareholders' equity , restated 31.12.2007	0.9	11.5	0.1	-1.1	8.9	20.4
Shareholders' equity 31.12.2008	0.9	0.0	0.1	-0.9	14.4	14.5

These data are based on unaudited figures.

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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 Marski, Tapiola-cabinet, address Mannerheimintie 10, 00100 Helsinki on Wednesday, February 4th 2009, starting at 11:00 a.m.

SSH Communications Security Corp will release its next interim report and financial statements for January 1–March 30, 2009 on April 22nd 2009. Further information will be available on the company's website in due course.

Helsinki, on February 4, 2009

SSH COMMUNICATIONS SECURITY CORP

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