SSH COMMUNICATIONS SECURITY CORP STOCK EXCHANGE RELEASE, February 13, 2007, at 9:00 a.m.

SSH´S FINANCIAL STATEMENT BULLETIN, 1 JANUARY – 31 December 2006

- Net sales for 2006 totaled EUR 9.5 million, up 1.7 percent year on year (EUR 9.3 million in 2005).
- Operating loss for 2006 amounted to EUR –0.9 million (EUR -2.6 million in 2005), loss EUR -0.2 million (EUR -2.0 million).
- Fourth-quarter operating profit was EUR 0.5 million and net profit was EUR 0.7 million.
- The largest license orders were won from two leading finance sector companies and a US retail chain, among the largest in the world. The new retail sector customer has also issued a new significant expansion order of 0.9 MEUR in early 2007.

KEY FIGURES

	10-12/ 2006	10-12/ 2005	1-12/ 2006	1-12/ 2005
Net sales (MEUR)	3.3	4.1	9.5	9.3
Net sales, change %	-19.2	115.8	1.7	13.0
Operating profit/loss (MEUR)	0.5	1.0	-0.9	-2.6
% of net sales	15.2	25.3	-9.7	-28.5
Operating profit/loss, change %	-51.5	160.7	65.2	58.7
Profit/loss	0.7	1.0	-0.2	-2.0
% of net sales	20.4	24.8	-2.4	-21.7
Number of employees at period end	80	75	80	75
Earnings per share (EUR)			-0.01	-0.07
Shareholders' equity per share (EUR)			0.64	0.90

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 2006 totaled EUR 9.5 million (EUR 9.3 million), up by 1.7 percent, year on year. Net sales for the fourth quarter totaled EUR 3.3 million.

The majority of SSH's invoicing is based on the U.S. dollar. During the reporting period, the U.S. dollar's average exchange rate was approximately 0.9 percent weaker than during the same period for 2005.

RESULTS AND EXPENSES

Operating loss for 2006 amounted to EUR –0.9 million (2005: a loss of EUR –2.6 million), with net loss totaling EUR –0.2 million (a loss of EUR –2.0 million). Operating profit for the fourth quarter totaled EUR 0.5 million (a profit of EUR 1.0 million), with net profit amounting to EUR 0.7 million (a profit of EUR 1.0 million).

SSH's fixed costs reported for the period continued their year-on-year decline, as evidenced by the reduction of approximately EUR 1.4 million in fixed costs from the January–December 2005 level. Payroll costs were cut by 11 percent and other operating expenses by 13 percent.

Research and development expenses for the report period totaled EUR 3.4 million (EUR 3.4 million), while sales and marketing expenses came to EUR 5.7 million (EUR 6.7 million) and administrative expenses EUR 1.6 million (EUR 1.9 million).

BALANCE SHEET AND FINANCIAL POSITION

The financial position of SSH remained at a healthy level during the report period even after the EUR 7.1 million return of capital to the shareholders. The consolidated balance sheet total on December 31, 2006 stood at EUR 21.3 million (EUR 29.1 million), of which liquid assets accounted for EUR 16.7 million (EUR 22.5 million), or 78.3 percent of the balance sheet total. The company has no long-term liabilities.

On December 31, 2006, gearing, or the ratio of net liabilities to shareholders' equity, was –92.9 (-88.4) and the equity ratio stood at 92.5 percent (92.8 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 +0.7 million, compared to EUR +0.6 million a year ago.

During 2006, SSH reported a positive cash flow of EUR 0.9 million from business operations, and investments showed a cash flow of EUR 6.5 million. Cash flow from financing comprises the return of capital to the shareholders and totaled EUR -7.0 million. Cash flow from operations, investments and financing resulted in the company showing a positive total cash flow of EUR 0.4 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. New and existing data security risks, continuously evolving regulations, security standards and models continue to create new needs, to which we can respond with our versatile product offerings.

Such regulations include, for instance, the Sarbanes-Oxley Act (SOX), Gramm-Leach-Bliley Act, HIPAA, as well as the PCI standards of the major credit card companies. These regulations drive our customers to implement security upgrade projects in their IT infrastructure against internal and external threats. In practice this means audit rounds that trigger technical projects, with execution in phases over a long time.

The new tighter data security regulations now cause 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	10-12/ 2006	7-9/ 2006	4-6/ 2006	1-3/ 2006	1-12/ 2006	10-12/ 2005	1-12/ 2005
BY SEGMENT							
AMER	2.0	1.1	1.4	1.2	5.7	3.3	6.8
APAC	0.2	0.3	0.3	0.2	0.9	0.1	0.7
EROW	1.2	0.4	0.6	0.6	2.8	0.7	1.8
SSH Group total	3.3	1.8	2.3	2.0	9.5	4.1	9.3
BY OPERATION							
License Sales	2.4	0.8	1.4	1.2	5.8	3.5	6.9
Maintenance	0.9	0.9	0.9	0.9	3.6	0.6	2.4
Total	3.3	1.8	2.3	2.0	9.5	4.1	9.3

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 Americas, the Asia Pacific region, and the 'Europe and Rest of the World' market area accounted for 61 percent (73 percent), 10 percent (8 percent) and 30 percent (19 percent) of reported net sales, respectively.

During the report period, SSH concluded 8 new license agreements that were worth more than EUR 100,000 each. The ten largest customers accounted for 34 percent of reported net sales, with the largest single customer accounting for approximately 6 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 U.S., Europe, and Asia, in line with its long-term strategy. The company continued also developing its partner network in the same focus markets.

The main themes of marketing were the company's new Tectia product for the IBM mainframe environment, and the new expanded uses of SSH Tectia for secure, automated file transfers in large organization's internal 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-December totaled EUR 3.4 million (EUR 3.4 million), the equivalent of 35.6 percent of net sales (36.8 percent). No research and development expenses have been capitalized.

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

HUMAN RESOURCES AND ORGANIZATION

At the end of December the Group had 80 employees on its payroll, up by 5 persons from the previous year, an increase of 6.7 percent.

At the end of the period, 48.8 percent of the employees worked in R&D, 37.5 percent in sales and marketing, and 13.8 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 13,858,965 (valued at EUR 19,911,632.67). The highest quotation was EUR 2.40 and the lowest EUR 0.88. The trade-weighted

average share price for the period was EUR 1.43, and the share closed at EUR 1.15 (December 29, 2006).

In March 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 (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. Assetman OY held 6.3 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 and Tero Kivinen are the largest shareholders. The former holds, directly and through his company, Tatu Ylönen Oy, 53.1 percent of the company's shares, and Kivinen holds 6.5 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 December 31, 2006 was EUR 852,716.85, consisting of 28,423,895 shares. During the report period, SSH increased its share capital three times. In total, 9,250 new SSH shares were subscribed to under the I/1999 stock-option plan and 145,832 shares under the I/2003 stock-option plan, respectively. With these subscriptions the company's share capital was increased by EUR 4,652.46.

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 exercised this authorization.

The Annual General Meeting also authorized the decrease of the company's share premium fund and the partial distribution of the funds to the shareholders, as proposed by the Board of Directors. The payment date was July 21, 2006. The amount distributed was EUR 0.25 per share, totaling EUR 7,073,286.50.

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 BALANCE SHEET DATE

The company has won a significant additional order from a leading US retail chain. The value of the new order is 0.9 MEUR and it is based on the frame agreement signed at the end of the year.

PROSPECTS

As new data security regulations and risks continue driving our customers to increase their investments for better data security, we expect to see new and continued growth of the demand in all markets.

Our target markets are in different phases according to geography and industry, enabling a good growth base for our company. We are set both technically and in timing to a good position to utilize the trend 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.

Thanks to high volume of tenders, broad customer base, and new products, the company is in a good position to continue improving its financial results by growing sales and profitability. In 2007 SSH aims to be a profitable company.

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

PROPOSAL OF THE BOARD OF DIRECTORS CONCERNING MEASURES RELATING TO THE LOSS

The board of directors proposes 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.

INCOME STATEMENT

EUR million	10-12/ 2006	10-12/ 2005	1-12/ 2006	1-12/ 2005
Net sales	3.3	4.1	9.5	9.3
Purchasing and production costs	0.0	0.0	-0.1	-0.1
Gross profit	3.3	4.1	9.4	9.2
Other operating income	0.1	0.1	0.4	0.2
Expenses				
Product development	-0.9	-0.8	-3.4	-3.4
Sales and marketing	-1.6	-1.9	-5.7	-6.7

Administration	-0.4	-0.4	-1.6	-1.9
Operating profit/loss	0.5	1.0	-0.9	-2.6
Financial income and expenses	0.2	0.0	0.7	0.6
Profit/loss before taxes	0.7	1.0	-0.2	-2.0
Taxes	0.0	0.0	0.0	0.0
Net profit/loss for the period	0.7	1.0	-0.2	-2.0

EARNINGS PER SHARE	1-12/ 2006	1-12/ 2005
Earnings per share (EUR)	-0.01	-0.07
Earnings per share, diluted (EUR)	-0.01	-0.07

BALANCE SHEET EUR million	12/31/ 2006	12/31/ 2005
ASSETS		
Fixed and other non-current assets		
Tangible assets	0.1	0.2
Intangible assets	0.3	0.6
Deferred tax assets	0.3	0.2
Total fixed and other non-current assets	0.7	1.0
Inventories and current assets		
Short-term receivables	3.9	5.6
Short-term investments	15.0	21.1
Cash and cash equivalents	1.7	1.4
Total inventories and current assets	20.7	28.1
Total assets	21.3	29.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	18.0	25.4
Long-term liabilities		
Provisions	0.0	0.1
Long-term financial liabilities	0.0	0.0

Total long-term liabilities	0.1	0.2
Short-term liabilities	3.3	3.5
Total liabilities and shareholders' equity	21.3	29.1

CASH FLOW STATEMENT

EUR million	1-12/ 2006	1-12/ 2005
Cash flow from business operations	0.9	-3.5
Cash flow from investments	6.5	10.9
Cash flow from financing	-7.0	-8.4
Increase(+) / decrease (-) in liquid assets	0.4	-1.0
Liquid assets at period start	1.4	2.4
Adjustment for translation difference	-0.1	0.1
Liquid assets at period end	1.7	1.4

STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY

EUR million	Share capital	Issue premium fund	Fair value reserves	Translation difference	Retained earnings and free reserves	Total
Shareholders' equity Jan. 1, 2005	0.8	24.4	0.1	-0.8	10.8	35.4
Change	0.0	0.0	0.1	0.1	-10.2	
Shareholders' equity Dec. 31, 2005	0.8	24.4	0.2	-0.7	0.6	25.4
Shareholders´ equity Jan. 1, 2006	0.8	24.4	0.2	-0.7	0.6	25.4
Change	0.0	-13.0	-0.1	-0.1	5.9	
Net loss					-0.2	
Shareholders' equity Dec. 31, 2006	0.8	11.5	0.2	-0.8	6.3	18.0

NET SALES BY SEGMENT

EUR million	10-12/	10-12/	1-12/	1-12/

	2006	2005	2006	2005
AMER	2.0	3.3	5.7	6.8
APAC	0.2	0.1	0.9	0.7
EROW	1.2	0.7	2.8	1.8
SSH Group total	3.3	4.1	9.5	9.3

OPERATING PROFIT/LOSS
BY SEGMENT

EUR million	10-12/ 2006	10-12/ 2005	1-12/ 2006	1-12/ 2005
AMER	1.2	2.2	2.9	3.5
APAC	0.0	0.1	0.4	0.2
EROW	0.6	-0.1	0.6	-0.8
Common Group expenses*	-1.3	-1.2	-4.8	-5.5
SSH Group total	0.5	1.0	-0.9	-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

	1-12/ 2006	1-12/ 2005
Net sales (MEUR)	9.5	9.3
Operating profit/loss (MEUR)	-0.9	-2.6
Operating profit/loss, as % of net sales	-9.7	-28.5
Profit/loss before extraordinary items and taxes (MEUR)	-0.2	-2.0
Profit/loss before extraordinary items and taxes, as % of net sales	-2.4	-21.8
Profit/loss before taxes (MEUR)	-0.2	-2.0
Profit/loss before taxes, as % of net sales	-2.4	-21.8
Return on investment (%)	-1.0	-6.4
Return on equity (%)	-1.0	-6.6
Interest-bearing net liabilities (MEUR)	-16.7	-22.5
Equity ratio (%)	92.5	92.8
Gearing (%)	-92.9	-88.4
Gross capital expenditure (MEUR)	0.1	0.1
% of net sales	1.2	0.9
R&D expenses (MEUR)	3.4	3.4
% of net sales	35.6	36.8
Personnel, period average	81	83
Personnel, period end	80	75

PER-SHARE DATA

	1-12/	1-12/

	2006	2005
Earnings per share, undiluted (EUR)	-0.01	-0.07
Earnings per share, diluted (EUR)	-0.01	-0.07
Equity per share (EUR)	0.64	0.90
No. of shares at period end (thousands)	28 424	28 269
Share performance (EUR)		
Average price	1.43	1.23
Low	0.88	0.91
High	2.40	1.78
Share price, period end	1.15	1.23
Market capitalization, period end (MEUR)	32.7	34.8
Volume of shares traded (in millions)	13.9	11.4
Volume of shares traded, as % of total	48.8	40.5
Value of shares traded, in millions of euros	19.9	14.0
Price-to-earnings ratio (P/E)	-	-

CONTINGENT LIABILITIES

EUR million	12/31 2006	12/31 2005
Rental liabilities	0.2	0.2
Other contingent liabilities	0.0	0.7
Leasing commitments outside the balance sheet		
Maturing within 1 year	0.8	0.9
Maturing between 1 and 5 years	1.3	2.0
Currency derivatives (not included in hedge accounting)		
Fair value	-0.0	0.0
Nominal value	0.7	6.0

FINANCIAL REPORTING

The company will hold a briefing on its interim report for equity analysts and the media in Hotel Scandic Marski´s Neptun-cabinet, 2nd floor, address Mannerheimintie 10, 00100 Helsinki on Tuesday, February 13, 2007, starting at 11:00 a.m.

SSH Communications Security Corp will release its next interim report and financial statements for January 1–March 31, 2007 on April 25, 2007. Further information will be available on the company’s website in due course.

Helsinki, on February 13, 2007

SSH COMMUNICATIONS SECURITY CORP

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