

SSH COMMUNICATIONS SECURITY CORP STOCK EXCHANGE RELEASE, October 24, 2007, at 9:00 a.m.

SSH INTERIM REPORT FOR JANUARY 1 - SEPTEMBER 30, 2007

- Net sales for January-September totaled EUR 11.9 million, up 94.0 percent year on year (EUR 6.1 million in Q1-Q3/2006).
- Third-quarter net sales came to EUR 7.8 million, up 339.9 percent on a year earlier (EUR 1.8 million in Q3/2006).
- Operating profit for January-September amounted to EUR 3.2 million (a loss of -1.4 million in Q1-Q3/2006), profit EUR 3.8 million (-0.9 million). Third-quarter operating profit was EUR 4.3 million and net profit was EUR 4.6 million.
- Two most significant 3rd quarter orders came from US retail chains. The total value of the largest order was about EUR 4.5 million, of which licenses EUR 4 million and annual maintenance EUR 0.5 million.
- The diversification of company's customer base was developing favorably. The five largest new customers of the 3rd quarter came from two large retail chains, large system integrator, large public sector organization, and one of the world's largest car manufacturers.

KEY FIGURES

	7-9/ 2007	7-9/ 2006	1-9/ 2007	1-9/ 2006	1-12/ 2006
Net sales (MEUR)	7.8	1.8	11.9	6.1	9.5
Net sales, change %	339.9	-24.9	94.0	18.3	1.7
Operating profit/loss (MEUR)	4.3	-0.5	3.2	-1.4	-0.9
% of net sales	55.6	-27.6	26.9	-23.3	-9.4
Operating profit/loss, change %	987.0	-166.8	324.3	61.3	66.5
Profit/loss before taxes (MEUR)	4.6	-0.4	3.8	-0.9	-0.2
% of net sales	58.9	-20.4	32.1	-14.8	-2.0
Number of employees at period end	84	78	84	78	80
Earnings per share (EUR)			0.13	-0.03	-0.01
Shareholders' equity per share (EUR)			0.76	0.61	0.63

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-September totaled EUR 11.9 million (EUR 6.1 million), up by 94.0 % percent, year on year. Net sales for

the third quarter totaled EUR 7.8 million, an increase of 339.9 % compared to the corresponding quarter for year 2006.

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

RESULTS AND EXPENSES

Operating profit for January-September amounted to EUR 3.2 million (Q1-Q3/2006: a loss of EUR -1.4 million), with net profit totaling EUR 3.8 million (a loss of EUR -0.9 million). Operating profit for the third quarter totaled EUR 4.3 million (a loss of EUR -0.5 million), with net profit amounting to EUR 4.6 million (a loss of EUR -0.4 million).

Research and development expenses for the report period totaled EUR 2.6 million (EUR 2.4 million). Sales and marketing expenses came to EUR 5.0 million (EUR 4.1 million). The difference was caused by increased marketing activities and sales growth linked expenses. Administrative expenses were EUR 1.2 million (EUR 1.2 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 September 30, 2007 stood at EUR 25.2 million (EUR 19.7 million), of which liquid assets accounted for EUR 20.9 million (EUR 16.8 million), or 83.0 percent of the balance sheet total. The company has no interest bearing liabilities. On September 30, 2007, gearing, or the ratio of net liabilities to shareholders' equity, was -96.7 (-96.7) and the equity ratio stood at 93.5 percent (94.0 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 +0.6 million, compared to EUR +0.5 million a year ago.

During January-September, SSH reported a positive cash flow of EUR 3.9 million from business operations, whereas investments showed a cash flow of EUR -0.2 million. Cash flow from financing was EUR 0.0 million. Cash flow from operations, investments and financing resulted in the company showing a positive total cash flow of EUR 3.7 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.

Demand for products that secure internal information transfers in large listed enterprises and public sector organizations has continued growing in USA. A similar demand growth trend is expected to spread in the next phase to the largest European and Asian enterprises.

Regulations that currently influence the demand of our company's products are, for instance, the Sarbanes-Oxley Act (SOX), the PCI standards of the major credit card companies, as well as HIPAA for the patient data in the health care industry. 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, 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	7-9/ 2007	4-6/ 2007	1-3/ 2007	10-12/ 2006	7-9/ 2006	1-12/ 2006
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BY SEGMENT

AMER	7.3	1.0	1.8	2.0	1.1	5.7
APAC	0.2	0.2	0.2	0.2	0.3	0.9
EROW	0.3	0.3	0.5	1.2	0.4	2.8
SSH Group total	7.8	1.5	2.6	3.3	1.8	9.5

BY OPERATION

License sales	6.8	0.6	1.6	2.4	0.8	5.8
Maintenance	1.0	0.9	0.9	0.9	0.9	3.6
Total	7.8	1.5	2.6	3.3	1.8	9.5

The Americas, the Asia Pacific region, and the 'Europe and Rest of the World' market area accounted for 85 percent (62 percent), 5 percent (12 percent) and 10 percent (26 percent) of reported net sales, respectively.

During the report period, SSH concluded six new license agreements that were worth more than EUR 100,000. The ten largest customers accounted for 68 percent of reported net sales, with the largest single customer accounting for approximately 34 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 and highest performance integrated end-to-end communications security solution in the market.

RESEARCH AND DEVELOPMENT

Research and development expenses for January-September totaled EUR 2.6 million (EUR 2.4 million), the equivalent of 22.1 percent of net sales (39.8 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 84 employees on its payroll, up by 6 from the previous year, an increase of 7.7 percent.

At the end of the period, 50.0 percent of the employees worked in R&D, 38.1 percent in sales and marketing, and 11.9 percent in corporate administration.

BOARD AND AUDITORS

The Annual General Meeting (AGM) on March 29, 2007 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 11,796,009 (valued at EUR 17,963,737.46). The highest quotation was EUR 2.00 and the lowest EUR 1.12. The trade-weighted average share price for the period was EUR 1.51, and the share closed at EUR 1.92 (September 28, 2007).

In February 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 shares in SSH Communications Security Corp has on February 13, 2007 risen above one tenth part (1/10) of the total of all shares and related voting rights. Assetman OY held 12.6 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 holds, directly and through his company, Tatu Ylönen Oy, 53.0 percent of the company's shares, and Tero Kivinen holds 5.7 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 September 30, 2007 was EUR 855,206.85, consisting of 28,506,895 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, 2,500 new SSH shares were subscribed to under the I/1999 stock-option plan and 80,500 shares under the I/2003 stock-option plan, respectively. With these subscriptions the company's share capital was increased by EUR 2,490.00.

On March 29, 2007, the Annual General Meeting 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 June 30, 2008, at the latest. The Board has not exercised this authorization.

CORPORATE GOVERNANCE

The company complies with the corporate governance recommendations for listed companies issued by the Helsinki Stock Exchange, 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

New data security regulations and risks continue driving our customers in all target markets to long-term development programs for the security of the IT infrastructure. We have received significant new orders this year, diversifying our customer base and expanding the ways the customers use our products. Large, successful deliveries of our software products have reinforced our reference base both

technically and commercially. These and many other positive factors make us expect good sales results also in the near term.

The US dollar exchange rate and speculations about the US economy contain some factors of uncertainty that are hard to estimate. However, as can be seen from our 3rd quarter results, the company's sales and profitability have had no impact. Our active sales prospect base is at a historically high level, especially in the US markets.

The most important near future challenge of the company is the growth of the European and Asian sales. On geographical and industry basis target markets that are in different network security adoption phases can provide a good long-term growth scenario for the company. We trust us to be in a good position to utilize the trends and regulations of internal enterprise data security, spreading from the USA and creating growing demand for our products also in Europe and Asia.

Thanks to the significant growth of sales the full year results will be clearly profitable.

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

INCOME STATEMENT

EUR million	7-9/ 2007	7-9/ 2006	1-9/ 2007	1-9/ 2006	1-12/ 2006
Net sales	7.8	1.8	11.9	6.1	9.5
Purchasing and production costs	0.0	0.0	0.0	0.0	-0.1
Gross profit	7.8	1.8	11.9	6.1	9.4
Other operating income	0.0	0.1	0.1	0.3	0.4
Expenses					
Product development	-0.8	-0.7	-2.6	-2.4	-3.4
Sales and marketing	-2.3	-1.2	-5.0	-4.1	-5.7
Administration	-0.3	-0.4	-1.2	-1.2	-1.6
Operating profit/loss	4.3	-0.5	3.2	-1.4	-0.9
Financial income and expenses	0.3	0.1	0.6	0.5	0.7
Profit/loss before taxes	4.6	-0.4	3.8	-0.9	-0.2
Taxes	0.0	0.0	0.0	0.0	0.0
Net profit/loss for the period	4.6	-0.4	3.8	-0.9	-0.2

EARNINGS PER SHARE	1-9/ 2007	1-9/ 2006	1-12/ 2006
Earnings per share (EUR)	0.13	-0.03	-0.01
Earnings per share, diluted (EUR)	0.13	-0.03	-0.01

BALANCE SHEET

EUR million	9/30/ 2007	9/30/ 2006	12/31/ 2006
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ASSETS

Fixed and other non-current assets

Tangible assets	0.1	0.1	0.1
Intangible assets	0.1	0.4	0.3
Deferred tax assets	0.2	0.2	0.2
Total fixed and other non-current assets	0.5	0.7	0.7

Inventories and current assets

Short-term receivables	3.7	2.2	3.9
Short-term investments	15.5	14.8	15.0
Cash and cash equivalents	5.4	1.9	1.7
Total inventories and current assets	24.7	19.0	20.7

Total assets	25.2	19.7	21.3
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LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity	21.6	17.3	18.0
Long-term liabilities			
Provisions	0.0	0.1	0.0
Long-term financial liabilities	0.0	0.0	0.0
Total long-term liabilities	0.0	0.1	0.1

Short-term liabilities	3.6	2.3	3.3
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Total liabilities and shareholders' equity	25.2	19.7	21.3
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CASH FLOW STATEMENT

EUR million	1-9/ 2007	1-9/ 2006	1-12/ 2006
Cash flow from business operations	3.9	1.0	0.9
Cash flow from investments	-0.2	6.6	6.5
Cash flow from financing	0.0	-7.1	-7.0

Change in liquid assets	3.7	0.5	0.4
Liquid assets at period start	1.7	1.4	1.4
Adjustment for translation difference	-0.1	-0.1	-0.1
Liquid assets at period end	5.4	1.9	1.7

STATEMENT ON CHANGES IN
SHAREHOLDERS' EQUITY

EUR million	Share Capi- tal	Share Preni- um	Fair value reser- ves	Trans- lation diff.	Unrest- ricted equity funds	Retain- ed Ear- nings	Total
Shareholders' equity							
Jan. 1, 2006	0.8	24.4	0.2	-0.7	0.0	0.6	25.4
Change	0.0	-13.0	-0.1	-0.1	0.0	5.0	
Shareholders' equity							
Sep. 30, 2006	0.8	11.5	0.2	-0.8	0.0	5.6	17.3
Change	0.0	0.0	0.0	0.0	5.9	-5.2	
Shareholders' equity							
Dec. 31, 2006	0.9	11.5	0.1	-0.8	5.9	0.4	18.0
Change	0.0	0.0	0.0	-0.2	0.0		
Net profit						3.8	
Shareholders' equity							
Sep. 30, 2007	0.9	11.5	0.1	-1.0	5.9	4.2	21.6

NET SALES BY SEGMENT

EUR million	7-9/ 2007	7-9/ 2006	1-9/ 2007	1-9/ 2006	1-12/ 2006
AMER	7.3	1.1	10.1	3.8	5.7
APAC	0.2	0.3	0.6	0.8	0.9
EROW	0.3	0.4	1.2	1.6	2.8
SSH Group total	7.8	1.8	11.9	6.1	9.5

OPERATING PROFIT/LOSS
BY SEGMENT

EUR million	7-9/ 2007	7-9/ 2006	1-9/ 2007	1-9/ 2006	1-12/ 2006
AMER	5.6	0.4	7.0	1.7	2.9
APAC	0.0	0.1	0.3	0.4	0.4

EROW	0.0	-0.1	-0.1	0.0	0.6
Common Group expenses*	-1.3	-1.0	-4.0	-3.5	-4.8
SSH Group total	4.3	-0.5	3.2	-1.4	-0.9

* 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

	1-9/ 2007	1-9/ 2006	1-12/ 2006
Net sales (MEUR)	11.9	6.1	9.5
Operating profit/loss (MEUR)	3.2	-1.4	-0.9
Operating profit/loss, as % of net sales	26.9	-23.3	-9.4
Profit/loss before extraordinary items and taxes (MEUR)	3.8	-0.9	-0.2
Profit/loss before extraordinary items and taxes, as % of net sales	32.1	-14.8	-2.0
Profit/loss before taxes (MEUR)	3.8	-0.9	-0.2
Profit/loss before taxes, as % of net sales	32.1	-14.8	-2.0
Return on investment (%)			-0.8
Return on equity (%)			-1.0
Interest-bearing net liabilities (MEUR)	-20.9	-16.7	-16.7
Equity ratio (%)	93.5	94.0	92.4
Gearing (%)	-96.7	-96.7	-93.0
Gross capital expenditure (MEUR)	0.1	0.1	0.1
% of net sales	0.7	1.2	1.2
R&D expenses (MEUR)	2.6	2.4	3.4
% of net sales	22.1	39.8	35.5
Personnel, period average	81	81	81
Personnel, period end	84	78	80

PER-SHARE DATA

	1-9/ 2007	1-9/ 2006	1-12/ 2006
Earnings per share, undiluted (EUR)	0.13	-0.03	-0.01
Earnings per share, diluted (EUR)	0.13	-0.03	-0.01
Equity per share (EUR)	0.76	0.61	0.63
No. of shares at period end (thousands)	28 507	28 293	28 424
Share performance (EUR)			
Average price	1.51	1.67	1.43
Low	1.12	1.20	0.88
High	2.00	2.40	2.40
Share price, period end	1.92	1.25	1.15

Market capitalization, period end (MEUR)	54.7	35.4	32.7
Volume of shares traded (in millions)	11.8	9.0	13.9
Volume of shares traded, as % of total	41.4	31.7	48.8
Value of shares traded, in millions of euros	18.0	15.0	19.9
Price-to-earnings ratio (P/E)	10.8	-	-

CONTINGENT LIABILITIES

EUR million	9/30 2007	9/30 2006	12/31 2006
Rental liabilities	0.0	0.2	0.2
Leasing commitments outside the balance sheet			
Maturing within 1 year	0.6	0.9	0.8
Maturing between 1 and 5 years	0.8	1.4	1.3
Currency derivatives (not included in hedge accounting)			
Fair value	0.0	0.0	-0.0
Nominal value	1.8	0.3	0.7

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 2006. 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 Seurahuone's Keltainen huone-cabinet, 2nd floor, address Kaivokatu 12, 00100 Helsinki on Wednesday, October 24, 2007, starting at 11:00 a.m.

SSH Communications Security Corp will release its next interim report and financial statements for January 1-December 31, 2007 in February 2008. Further information will be available on the company's website in due course.

Helsinki, on October 24, 2007

SSH COMMUNICATIONS SECURITY CORP

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