Adam Sand Declaration
Exhibit 11
Mercury Interactive Reports 1st Quarter Results

Announces Revenue of $90.5 million and Pro Forma EPS of $0.14

Sunnyvale, CA – April 11, 2002 – Mercury Interactive Corporation (Nasdaq: MERQ), the leader in enterprise testing and performance management solutions, today reported results for the first quarter ended March 31, 2002.

Revenue for the first quarter of 2002 was $90.5 million, compared to $90.7 million in the first quarter of 2001. Pro forma net income for the first quarter of 2002, excluding non-operating items, was $12.1 million or $0.14 per share on a diluted basis, compared to net income of $16.1 million or $0.16 per share on a diluted basis for the first quarter of 2001.

"Mercury Interactive's business during the first quarter was very strong across all products and geographies," said Amnon Landan, chairman, CEO and president of Mercury Interactive. "In a challenging spending environment, customers are turning to Mercury Interactive to reduce costs and improve effectiveness of IT operations and business processes."

For the first quarter, net income was $15.2 million or $0.17 per share on a diluted basis. This includes amortization of $1.0 million associated with the Freshwater Software acquisition, a reversal of $0.5 million in restructuring charges and an extraordinary gain of $3.0 million, net of $1.6 million of taxes, associated with the early retirement of debt.

During the first quarter, Mercury Interactive paid approximately $24.9 million, including accrued interest, to retire $29.8 million face amount of its convertible subordinated notes.

Mercury Interactive (www.mercuryinteractive.com) is the leading provider of enterprise testing, production tuning and performance management solutions. The company's automated software and managed services help companies deliver and maintain high-performance applications. Customers worldwide use Mercury Interactive solutions across their application and technology infrastructures to minimize hardware and operational expenses, protect revenue streams and enhance their competitive positions.

Mercury Interactive is headquartered in Sunnyvale, California with offices in more than 20 countries. The company's common stock trades on the Nasdaq National Market under the symbol MERQ.

The statements concerning Mercury Interactive's future business prospects and product and service offerings contained in this press release are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Numerous important factors affect Mercury Interactive's operating results and could cause Mercury Interactive's actual results to differ materially from forecasts and estimates or from any other forward-looking statements made by, or on behalf of, Mercury Interactive. These factors include, but are not limited to, the following: 1) the effect of continued weak economic factors on the overall demand for software and services which could result in decreased revenues or lower revenue growth rates and increased uncertainty as to our expected revenues in future periods; 2) Mercury Interactive has historically received a substantial portion of its orders at the end of the quarter and an order shortfall occurs at the end of a quarter it could negatively impact the company's operating results for that quarter; 3) the dependence of Mercury Interactive's financial growth on the continued success and acceptance of its existing and new software products and services and the ability to increase international sales; 4) intense competition for Mercury Interactive's products and services; and 5) the additional risks and important factors described in Mercury Interactive's SEC reports, including the Annual Report to Stockholders on Form 10-K for the fiscal year ended December 31, 2001 and other filings with the SEC.

Editor's Note

Tables Attached: Pro Forma Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets

Mercury Interactive is a registered trademark. Freshwater Software is a registered trademark of our wholly owned subsidiary, Freshwater Software, Inc. Product and company names are used herein for identification purposes only, and may be trademarks of their respective companies.

Mercury Interactive
1325 Borregas Avenue, Sunnyvale, CA 94089
Tel: (408) 822-5200
Fax: (408) 822-5300

MERCURY INTERACTIVE CORPORATION
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data) (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>License fees</td>
<td>$44,721</td>
<td>$54,907</td>
</tr>
<tr>
<td>Subscription fees</td>
<td>11,279</td>
<td>6,293</td>
</tr>
<tr>
<td>Service fees</td>
<td>34,500</td>
<td>29,500</td>
</tr>
<tr>
<td>Total revenue</td>
<td>90,500</td>
<td>90,700</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing and selling</td>
<td>47,710</td>
<td>47,716</td>
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<tr>
<td>Cost of revenue</td>
<td>13,264</td>
<td>13,756</td>
</tr>
<tr>
<td>Research and development</td>
<td>9,528</td>
<td>9,309</td>
</tr>
<tr>
<td>General and administrative</td>
<td>6,461</td>
<td>5,017</td>
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<tr>
<td>Total operating expenses</td>
<td>76,963</td>
<td>75,798</td>
</tr>
<tr>
<td>Income from operations</td>
<td>13,537</td>
<td>14,902</td>
</tr>
<tr>
<td>Other income, net</td>
<td>1,557</td>
<td>5,264</td>
</tr>
</tbody>
</table>

The above Pro Forma Condensed Consolidated Statements of Operations for the three months ended March 31, 2002 have been adjusted to present the Company’s operating results excluding non-operating items. Amortization of intangible assets of $639, restructuring, integration and other related charges of $(537), amortization of unearned stock-based compensation of $364, and an extraordinary gain on early retirement of debt of $2,972, net of $1,601 of taxes, for the three months ended March 31, 2002 have been excluded.

<table>
<thead>
<tr>
<th>Item</th>
<th>March 31, 2002</th>
<th>December 31, 2001</th>
</tr>
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<tbody>
<tr>
<td>Income before provision for income taxes</td>
<td>15,094</td>
<td>20,196</td>
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<tr>
<td>Provision for income taxes</td>
<td>3,019</td>
<td>4,037</td>
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<tr>
<td>Net income</td>
<td>$12,075</td>
<td>$16,149</td>
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<tr>
<td>Net income per share (basic)</td>
<td>$ 0.15</td>
<td>$ 0.20</td>
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<tr>
<td>Net income per share (diluted)</td>
<td>$ 0.14</td>
<td>$ 0.19</td>
</tr>
<tr>
<td>Weighted average common shares (basic)</td>
<td>83,223</td>
<td>81,408</td>
</tr>
<tr>
<td>Weighted average common shares and equivalents (diluted)</td>
<td>89,409</td>
<td>90,941</td>
</tr>
</tbody>
</table>

MERCURY INTERACTIVE CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except per share data)
(unaudited)

| Revenue:                                                                 | 2002           | 2001           |
| License fees                                                            | $44,721        | $54,907        |
| Subscription fees                                                       | 11,279         | 6,293          |
| Service fees                                                            | 34,500         | 29,500         |
| Total revenue                                                           | 90,500         | 90,700         |
| Operating expenses:                                                     |               |                |
| Marketing and selling                                                   | 47,710         | 47,716         |
| Cost of revenue                                                        | 13,264         | 13,756         |
| Research and development, net                                          | 9,528          | 9,309          |
| General and administrative                                             | 6,461          | 5,017          |
| Amortization of unearned stock-based compensation                      | 364            | -              |
| Restructuring, integration and other related charges                   | (537)          | -              |
| Amortization of intangible assets                                      | 639            | -              |
| Total operating expenses                                               | 77,429         | 75,798         |
| Income from operations                                                 | 13,071         | 14,902         |
| Other income, net                                                      | 1,557          | 5,284          |
| Income before provision for income taxes                               | 14,628         | 20,186         |
| Provision for income taxes                                             | 2,440          | 4,037          |
| Net income before extraordinary item                                   | 12,188         | 16,149         |
| Extraordinary item - gain on early retirement of debt, net of taxes    | 2,972          | -              |
| Net income                                                             | $15,160        | $16,149        |
| Basic net income per share:                                            |               |                |
| Net income before extraordinary item                                   | $ 0.15         | $ 0.20         |
| Extraordinary item - gain on early retirement of debt, net of taxes    | $ 0.03         | -              |
| Net income                                                             | $ 0.18         | $ 0.20         |
| Diluted net income per share:                                          |               |                |
| Net income (loss) before extraordinary item                            | $ 0.14         | $ 0.18         |
| Extraordinary item - gain on early retirement of debt, net of taxes    | $ 0.03         | -              |
| Net income                                                             | $ 0.17         | $ 0.18         |
| Weighted average common shares (basic)                                 | 83,223         | 81,408         |
| Weighted average common shares and equivalents (diluted)               | 89,409         | 90,941         |

Pro forma net income and net income per diluted share before non-operating items for the three months ended March 31, 2002 was $12,075 and $0.14, respectively. For further detail see attached Pro Forma Condensed Consolidated Statements of Operations.

MERCURY INTERACTIVE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

<p>| ASSETS                                                                 | March 31, 2002 | December 31, 2001 |
|                                                                      |               |                  |
| Current assets:                                                       |               |                  |
| Cash and short-term investments                                      | $427,633      | $427,781         |
| Trade accounts receivable, net                                       | 53,951        | 66,529           |
| Prepaid expenses and other assets                                    | 33,062        | 30,945           |
| Total current assets                                                 | 514,646       | 525,255          |</p>
<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
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<tbody>
<tr>
<td>Long-term investments</td>
<td>156,748</td>
<td>161,091</td>
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<tr>
<td>Property and equipment, net</td>
<td>91,706</td>
<td>93,375</td>
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<tr>
<td>Goodwill and other intangible assets, net</td>
<td>116,543</td>
<td>117,843</td>
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<tr>
<td>Restricted cash</td>
<td>13,059</td>
<td>-</td>
</tr>
<tr>
<td>Other assets, net</td>
<td>29,111</td>
<td>30,061</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>562,671</td>
<td>562,360</td>
</tr>
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<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$10,999</td>
<td>$12,420</td>
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<tr>
<td>Accrued liabilities</td>
<td>52,036</td>
<td>58,131</td>
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<tr>
<td>Income taxes payable</td>
<td>35,704</td>
<td>32,630</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>97,098</td>
<td>92,619</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>195,837</td>
<td>195,800</td>
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<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convertible subordinated notes</td>
<td>347,680</td>
<td>377,480</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>543,517</td>
<td>573,280</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>167</td>
<td>166</td>
</tr>
<tr>
<td>Capital in excess of par value</td>
<td>242,447</td>
<td>232,750</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(16,082)</td>
<td>(16,082)</td>
</tr>
<tr>
<td>Notes receivable from issuance of stock</td>
<td>(12,054)</td>
<td>(11,164)</td>
</tr>
<tr>
<td>Unearned stock-based compensation</td>
<td>(2,993)</td>
<td>(4,795)</td>
</tr>
<tr>
<td>Accumulated comprehensive loss</td>
<td>(1,484)</td>
<td>(2,265)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>170,896</td>
<td>155,735</td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td>380,896</td>
<td>354,345</td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td>$924,413</td>
<td>$927,625</td>
</tr>
</tbody>
</table>

**Investor Relations Contacts**
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Mercury Interactive  
(408) 822-5369

**Public Relations Contacts**
Sue Ann Murray  
Mercury Interactive  
(408) 822-5290

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Adam Sand Declaration
Exhibit 12
Mercury Interactive Reports Second Quarter Results

Announces Revenue of $94.0 million and Pro Forma EPS of $0.15

Sunnyvale, CA – July 18, 2002 – Mercury Interactive Corporation (Nasdaq: MERQ), the leading provider of enterprise testing and performance management software, today reported results for the second quarter ended June 30, 2002.

Revenue for the second quarter of 2002 was $94.0 million, compared to $96.0 million in the second quarter of 2001. On a pro forma basis, net income for the second quarter of 2002, excluding non-operating items, was $13.3 million or $0.15 per share on a diluted basis, compared to net income of $16.2 million or $0.18 per share on a diluted basis for the second quarter of 2001.

For the six months ended June 30, 2002, revenue was $184.5 million compared to $186.7 million for the same period in 2001. On a pro forma basis, net income in this period was $25.4 million or $0.28 per share on a diluted basis, compared to net income of $32.3 million or $0.35 per share on a diluted basis for the same period in 2001.

"Mercury Interactive's strong second quarter results underscore the importance companies place on the quality, reliability and performance of their applications and infrastructure," said Amnon Landan, chairman, CEO and president of Mercury Interactive. "Our testing, tuning and performance management solutions help IT professionals optimize the return from their technology investments, mitigate risk and minimize capital and operational expenses as they deliver solutions to achieve their business goals."

For the second quarter of 2002, net income was $18.0 million or $0.20 per share on a diluted basis. This includes amortization of $0.9 million associated with the Freshwater Software acquisition and a gain of $4.6 million, net of $2.4 million of taxes, associated with the early retirement of debt. Net income for the six months ended June 30, 2002 was $33.2 million or $0.37 diluted earnings per share.

For the first time Mercury Interactive has included a statement of cash flows with the attached financial tables. Cash generated from operations for the second quarter of 2002 was $35.5 million compared to $36.3 million in the second quarter of 2001.

During the second quarter, Mercury Interactive paid approximately $41.0 million, including accrued interest, to retire $47.7 million face amount of its convertible subordinated notes. This brings the total face amount of convertible subordinated notes retired to $200.0 million.

Mercury Interactive will host a conference call today at 2:00pm Pacific Time to discuss second quarter results. Information regarding the conference call and webcast is available at www.mercuryinteractive.com/company.

About Mercury Interactive

Mercury Interactive (www.mercuryinteractive.com) delivers a complete, integrated family of enterprise testing, production tuning and performance management solutions that enable customers to optimize business processes and maximize business results. Customers worldwide use Mercury Interactive solutions across their application and technology infrastructures to measure, optimize and manage at every level of the business process and each stage of the application lifecycle to ensure key business objectives are met or exceeded.

Mercury Interactive is headquartered in Sunnyvale, California, with offices in more than 25 countries. The company's common stock trades on the Nasdaq National Market under the symbol MERQ.

The statements concerning Mercury Interactive's future business prospects and product and service offerings contained in this press release are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Numerous important factors affect Mercury Interactive's operating results and could cause Mercury Interactive's actual results to differ materially from forecasts and estimates or from any other forward-looking statements made by, or on behalf of, Mercury Interactive. These factors include, but are not limited to, the following: 1) the effect of continued weak economic factors on the overall demand for software and services which could result in decreased revenues or lower revenue growth rates and increased uncertainty as to our expected revenues in future periods; 2) Mercury Interactive has historically received a substantial portion of its orders at the end of the quarter and if an order shortfall occurs at the end of a quarter it could negatively impact the company's operating results for that quarter; 3) the dependence of Mercury Interactive's financial growth on the continued success and acceptance of its existing and new software products and services and the ability to increase international sales; 4) intense competition for Mercury Interactive's products and services; and 5) the additional risks and important factors described in Mercury Interactive's SEC reports, including the Annual Report to Shareholders on Form 10-K for the fiscal year ended December 31, 2001 and other filings with the SEC.

Editor's Note


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Investor Relations Contacts

Anne Marie McCauley
Adam Sand Declaration
Exhibit 13
Press Release

Mercury Interactive Reports Third Quarter Results

Announces Revenue of $97.9 million and Pro Forma EPS of $0.16

Sunnyvale, CA – October 17, 2002 – Mercury Interactive Corporation (Nasdaq: MERQ), the leading provider of software and services that optimize business processes, today reported results for the third quarter ended September 30, 2002.

Revenue for the third quarter of 2002 was $97.9 million, an increase of 16 percent over the $84.0 million reported in the third quarter of 2001. Pro forma net income for the third quarter of 2002, which excludes amortization of goodwill and other intangible assets and amortization of unearned stock-based compensation, was $14.2 million. This represents an increase of 44 percent compared to pro forma net income of $9.8 million in the third quarter of 2001. Pro forma diluted earnings per share were $0.16, up 45 percent from $0.11 per share for the third quarter of 2001.

For the nine months ended September 30, 2002, revenue was $282.4 million, an increase of four percent over the $270.7 million for the same period in 2001. Pro forma net income in this period was $39.9 million, a decrease of six percent compared to $42.1 million for the same period in 2001. Pro forma diluted earnings per share were $0.45, down four percent from $0.47 per share for the same period in 2001.

For the third quarter of 2002, net income was $13.3 million or $0.15 per share on a diluted basis. This includes amortization of $0.9 million associated with the Freshwater Software acquisition. Net income for the nine months ended September 30, 2002 was $46.5 million or $0.52 diluted earnings per share.

Cash generated from operations for the third quarter of 2002 was $28.0 million compared to $7.7 million in the third quarter of 2001.

"Mercury Interactive's strong third quarter performance is a result of our ability to address customers' needs and the new IT reality," said Amnon Landan, chairman, CEO and president of Mercury Interactive Corporation. "Our Business Technology Optimization (BTO) solutions enable our customers to optimize the quality of their applications and infrastructure, eliminate technology waste and better align IT with the business."

Mercury Interactive will host a conference call today at 2:00pm Pacific Time to discuss third quarter results. Information regarding the conference call and webcast is available at www.mercuryinteractive.com/investor/pressreleases.

About Mercury Interactive

Mercury Interactive, the global leader in business technology optimization (BTO), delivers Optane™, a suite of integrated products for enterprise testing, production tuning and performance management, that enables customers to optimize business processes and maximize business results. Customers worldwide, including 75% of the Fortune 500, use Mercury Interactive solutions across their application and technology infrastructures to continuously measure, maximize and manage performance at every level of the business process and each stage of the application lifecycle to improve quality, reduce costs, and align IT with business goals.

Founded in 1989, Mercury Interactive is headquartered in Sunnyvale, California, with offices in more than 25 countries. Further information is available at www.mercuryinteractive.com or by phone at U.S. +1.408.822.5200. The company's common stock trades on the Nasdaq National Market under the symbol MERQ.

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# # #

Editor's Note

* View complete Press Release including Financial Tables. (156) KB PDF

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Investor Relations Contacts
Anne Marie McCauley
Mercury Interactive
Adam Sand Declaration
Exhibit 14
Mercury Interactive Announces Preliminary Record Fourth Quarter Revenue Exceeds Revenue and Earnings Projections


Mercury Interactive anticipates total revenue for the fourth quarter to be between $116.0 million and $118.0 million. License and subscription revenue is expected to be between $73.0 million and $75.0 million, with license revenue in a range of $58.0 million to $59.5 million and subscription revenue in a range of $15.0 million to $15.5 million. Based on this estimated revenue, operating margin is expected to be between 22 percent and 23 percent and pro forma diluted earnings per share between $0.25 and $0.27. Results for the fourth quarter are expected to include a write-off of approximately $5.0 million in connection with investments in non-consolidated companies. Including the write-off, diluted earnings per share on a GAAP basis are expected to be between $0.20 and $0.22. Deferred revenue is anticipated to increase in excess of $25.0 million.

Mercury Interactive cautions that these results are preliminary, based on the information currently available, and are subject to the final closing of its books and customary accounting procedures and adjustments. Mercury Interactive will report final fourth quarter and year-end 2002 results on January 22, 2003.

"Mercury Interactive's record fourth quarter revenue is the highest in the history of the company and marks the first time we have exceeded $100 million in quarterly revenue," said Amnon Landan, chairman, CEO and president of Mercury Interactive. "Our business was strong across all products and geographies."

Conference Call Information
Mercury Interactive will host a brief conference call today, January 6, 2003 at 2:00 p.m. Pacific Time to discuss the preliminary record fourth quarter revenue. The conference call will be available via dial-in at 800-479-9001 (domestic) or 719-457-2618 or via webcast at www.mercuryinteractive.com/company/c. A replay of the call will be available at 888-203-1112 or 719-457-0820 or via the web site listed above. The confirmation code for the conference call and the replay is 572936.

About Mercury Interactive
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# # #

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Investor Relations Contacts
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Mercury Interactive
(408) 822-5359

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Adam Sand Declaration
Exhibit 15
Mercury Interactive Reports Fourth Quarter and 2002 Results

Sunnyvale, CA – January 22, 2003 – Mercury Interactive Corporation (Nasdaq: MERQ), the global leader in business technology optimization, today reported results for the fourth quarter and year ended December 31, 2002.

Revenue for the fourth quarter of 2002 was $117.8 million, an increase of 30 percent over the $90.3 million reported in the fourth quarter of 2001. On a GAAP basis, net income for the fourth quarter of 2002 was $18.8 million, or $0.21 diluted earnings per share. This includes amortization of $0.7 million associated with the Freshwater Software acquisition and the write-off of $4.9 million in investments in non-consolidated companies. Pro forma net income for the fourth quarter of 2002, which excludes the items mentioned above, was $23.4 million. This represents an increase of 50 percent compared to pro forma net income of $12.1 million in the fourth quarter of 2001. Pro forma diluted earnings per share were $0.27, up 93 percent from $0.14 per share for the fourth quarter of 2001.

For the year ended December 31, 2002, revenue was $400.1 million, an increase of 11 percent over the $361.0 million for 2001. On a GAAP basis, net income for the year ended December 31, 2002 was $65.2 million, or $0.74 diluted earnings per share. This includes amortization of $3.5 million, the write-off of $4.9 million in investments in non-consolidated companies, a reversal of $5.5 million in restructuring charges and a gain on early retirement of debt of $11.6 million. Pro forma net income for the year ended December 31, 2002 was $68.9 million, an increase of 16 percent compared to $54.3 million for 2001. Pro forma diluted earnings per share were $0.72, up 18 percent from $0.61 per share for 2001.

Cash generated from operations for the fourth quarter of 2002 was $41.2 million compared to $29.4 million in the fourth quarter of 2001. Cash generated from operations for the year ended December 31, 2002 was $132.2 million compared to $83.1 million for 2001. Deferred revenue for the fourth quarter of 2002 increased $32.7 million from the prior quarter to $159.4 million.

“Our strong fourth quarter performance demonstrates the viability of our strategy and ability to execute successfully in a challenging environment,” said Amnon Landan, chairman, CEO and president of Mercury Interactive Corporation. “2002 was a transformational year for Mercury Interactive. We have adapted to the changing IT agenda by initiating our Business Technology Optimization (BTO) strategy to optimize quality and align IT with business objectives and by executing on our business objectives across the board.”

Mercury Interactive will host a conference call today at 2:00pm Pacific Time to discuss fourth quarter and 2002 results. Information regarding the conference call and webcast is available at www.mercuryinteractive.com/company/fr.

About Mercury Interactive
Mercury Interactive, the global leader in business technology optimization (BTO), delivers Optane™, a suite of integrated products for enterprise testing, production tuning and performance management, that enables customers to optimize business processes and maximize business results. Customers worldwide use Mercury Interactive solutions across their application and technology infrastructures to continuously measure, maximize and manage performance at every level of the business process and each stage of the application lifecycle to improve quality, reduce costs, and align IT with business goals.

Founded in 1989, Mercury Interactive is headquartered in Sunnyvale, California, with offices in more than 25 countries. Further information is available at www.mercuryinteractive.com or by phone at U.S. +1-408-822-5200.

The statements concerning Mercury Interactive’s future business prospects and product and service offerings contained in this press release are “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Numerous important factors affect Mercury Interactive’s operating results and could cause Mercury Interactive’s actual results to differ materially from forecasts and estimates or from any other forward-looking statements made by, or on behalf of, Mercury Interactive. These factors include, but are not limited to, the following: 1) the effect of continued weak economic factors on the overall demand for software and services which could result in decreased revenues or lower revenue growth rates and increased uncertainty as to our expected revenues in future periods; 2) Mercury Interactive has historically received a substantial portion of its orders at the end of the quarter and if an order shortfall occurs at the end of a quarter it could negatively impact the company’s operating results for that quarter; 3) the dependence of Mercury Interactive’s financial growth on the continued success and acceptance of its existing and new software products and services, and the success of its Business Technology Optimization (BTO) strategy; 4) the ability to increase sales through our indirect channels as well as international sales; 5) intense competition for Mercury Interactive’s products and services; and 6) the additional risks and important factors described in Mercury Interactive’s SEC reports, including the Annual Report to Stockholders on Form 10-K for the fiscal year ended December 31, 2001, its most recent quarterly reports on Form 10-Q and other filings with the SEC.

Editor’s Note

View complete Press Release including Financial Tables, (189 KB) PDF

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Exhibit 16
Mercury Interactive Reports First Quarter Results

Anounces Revenue of $110.4 million, GAAP EPS of $0.20, Cash from operations of $53.2 million

Sunnyvale, CA – April 16, 2003 – Mercury Interactive Corporation (NASDAQ: MERQ), the global leader in business technology optimization (BTO), today reported results for the first quarter ended March 31, 2003.

Revenue for the first quarter of 2003 was $110.4 million, an increase of 22 percent over the $90.5 million reported in the first quarter of 2002. On a GAAP basis, net income for the first quarter of 2003 was $18.1 million, an increase of 20 percent over the $15.2 million in the comparable quarter last year. Net income for the first quarter of 2003 includes amortization of unearned stock-based compensation and intangibles of $0.6 million associated with the Freshwater Software acquisition. Net income for the first quarter of 2002 included a gain of $4.6 million associated with the early refinancing of debt (or $0.03 per fully diluted share), a reversal of $0.5 million in restructuring charges and amortization of $1.0 million associated with the Freshwater Software acquisition. Diluted earnings per share for the first quarter of 2003 were $0.20, an increase of 18 percent over the $0.17 diluted earnings per share in the comparable quarter last year.

Deferred revenue for the first quarter of 2003 increased $21.8 million from the fourth quarter of 2002 to $181.2 million. Cash generated from operations for the first quarter of 2003 was $53.2 million compared to $27.5 million in the first quarter of 2002.

"Mercury Interactive's solid first quarter results, despite a difficult IT spending environment, demonstrate the value of our application delivery and management solutions, the viability of our business model and the ability of our team to execute," said Amnon Landan, chairman, CEO and president of Mercury Interactive Corporation. "We attribute these results to the emergence of Business Technology Optimization (BTO) as a strategic agenda for IT executives, as they strive to apply quality management principles to IT in order to optimize performance, reduce costs and align business and IT objectives."

Financial Outlook

The following financial outlook is provided on a GAAP basis and is based on information as of April 16, 2003. GAAP earnings per share guidance includes ongoing operating expenses and recurring amortization expenses of approximately $0.6 million per quarter associated with the Freshwater acquisition.

Management initiates the following guidance for the quarter ending June 30, 2003:

- Revenue is expected to be in the range of $110 million and $117 million.
- Operating margin is expected to be in the range of 17% and 20%.
- Diluted earnings per share is expected to be in the range of $0.16 and $0.22.

Consistent with prior guidance provided, management offers the following guidance for the full fiscal year ending December 31, 2003:

- Revenue is expected to be in the range of $460 million and $500 million.
- Operating margin is expected to be in the range of 18% and 20%.
- Diluted earnings per share is expected to be in the range of $0.82 and $0.97.

About Mercury Interactive

Mercury Interactive, the global leader in business technology optimization (BTO), delivers Optane, a suite of integrated products for enterprise testing, production tuning and performance management, that enables customers to optimize business processes and maximize business results. Customers worldwide use Mercury Interactive solutions across their application and technology infrastructures to continuously measure, maximize and manage performance at every level of the business process and each stage of the application lifecycle to improve quality, reduce costs, and align IT with business goals.

Founded in 1989, Mercury Interactive is headquartered in Sunnyvale, California, with offices in more than 25 countries. Further information is available at www.mercurynnteractive.com or by phone at U.S. +1.408.822.5200.

Quarterly Conference Call

Mercury Interactive will host a conference call to discuss first quarter results at 2:00 p.m. Pacific Daylight Time today. A live Webcast of the conference call, together with supplemental financial information, can be accessed through the company's Investor Relations Web site at http://mercuryinteractive.com/company/. In addition, an archive of the Webcast can be accessed through the same link. An audio replay of the call will be available until midnight on April 22, 2003. The audio replay can be accessed by calling 888-203-1112 or 719-457-0820, conference call code: 158045.

Forward Looking Statements

This press release contains "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties concerning Mercury Interactive's expected financial performance (as described in the Financial Outlook section and quotations from management in this press release), as well as Mercury Interactive's future business prospects and product and service offerings. Mercury Interactive's actual results may differ materially from the results predicted or from any other forward-looking statements made by, or on behalf of, Mercury Interactive and reported results should not be considered as an indication of future performance. The potential risks and uncertainties include, among other things: 1) the effect of continued weak economic factors on the overall demand for software and services which could result in decreased revenues or lower revenue growth rates and increased uncertainty as to our expected revenues in future periods; 2) Mercury Interactive has historically received a substantial portion of its orders at the end of the quarter and if an order shortfall occurs at the end of a quarter it could negatively impact the company's operating results for that quarter; 3) the effect of the timing of the recognition of revenue from products sold under subscription and term licenses; 4) the dependence of Mercury Interactive's financial growth on the continued success and acceptance of its existing and new software products and services, and the success of its Business Technology Optimization (BTO) strategy; 5) the impairment of the value of investments in non-consolidated companies; 6) the ability to increase sales through our indirect channels as
well as international sales; 7) intense competition for Mercury Interactive's products and services; and 8) the additional risks and important factors described
in Mercury Interactive's SEC reports, including the Annual Report to Stockholders on Form 10-K for the fiscal year ended December 31, 2002, which are
available at the SEC's website at www.sec.gov. Additional information will also be set forth in Mercury Interactive's Quarterly Report on Form 10-Q for the
three month period ended March 31, 2003, which will be filed with the SEC in the second quarter of 2003. All of the information in this press release is as of
April 16, 2003, and Mercury Interactive undertakes no duty to update this information.

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Editor's Note

Tables Attached: Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of
Cash Flows

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foreign countries. Other product and company names are used herein for identification purposes only, and may be trademarks of their respective companies.

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Exhibit 17

Revenue for the second quarter of 2003 was $118.1 million, an increase of 26 percent compared to $94.0 million reported in the second quarter of 2002. Revenue for the first six months of 2003 was $228.4 million, an increase of 24 percent compared to $184.5 million for the same period in 2002.

Deferred revenue for the second quarter of 2003 increased $12.7 million from the first quarter of 2003 to $194.0 million. Cash generated from operations for the second quarter of 2003 was $38.2 million compared to $35.5 million in the second quarter of 2002.

GAAP Results
Net income for the second quarter of 2003 was $16.9 million, or $0.19 per diluted share, compared to $18.0 million, or $0.20 per diluted share, for the same period a year ago. Net income for the first six months of 2003 was $35.1 million, or $0.39 per diluted share, compared to $33.2 million, or $0.38 per diluted share, for the same period a year ago.

Non-GAAP Results
Net income for the second quarter of 2003 was $19.8 million, or $0.22 per diluted share, compared to $18.0 million, or $0.15 per diluted share, for the same period a year ago. Net income for the first six months of 2003 was $38.6 million, or $0.43 per diluted share, compared to $25.4 million, or $0.29 per diluted share, for the same period a year ago. Non-GAAP results, as presented in the attached reconciliation table, exclude the following recurring items: expenses from acquisition and restructuring related charges, amortization of unearned stock-based compensation and intangible assets, gain on early retirement of debt, as well as related income tax provisions or benefits.

"During the second quarter, Mercury Interactive achieved strong financial results as well as announced two strategic acquisitions and raised $500 million in a convertible notes offering," said Amnon Landan, chairman, CEO and president of Mercury Interactive Corporation. "Our business model is working and we continue to take share in the expanding BTO market."

Product revenue (license + subscription): $70.5 million, 23% increase over year ago period
Application delivery (Testing) product revenue: $54.5 million, 17% increase over year ago period
Application management (APM) product revenue: $16.0 million, 53% increase over year ago period
Operating margins: 16% GAAP, 19% Non-GAAP (see attached reconciliation table)
Raised $500 million through issuance of zero coupon senior convertible notes due 2008
Cash and investments balance: $1.2 billion
Days sales outstanding (DSO): 64 days
Acquired Performant to deliver and manage J2EE applications
Signed definitive agreement to acquire Kintana and expand Optane offerings by adding IT governance product suite

Financial Outlook
The following financial outlook is provided based on information as of July 16, 2003.

Management initiates the following guidance, which does not take into account the pending Kintana acquisition, for the quarter ending September 30, 2003:

Revenue is expected to be in the range of $118 million to $125 million
GAAP diluted earnings per share is expected to be in the range of $0.17 to $0.23
Non-GAAP diluted earnings per share is expected to be in the range of $0.19 to $0.25
Net increase in deferred revenue is expected to be in the range of $10 to $20 million
Cash flow from operations is expected to be in the range of $35 to $45 million

Non-GAAP guidance is adjusted from GAAP guidance by excluding recurring milestone payments associated with the Performant product integration program of approximately $0.9 million and amortization expenses of approximately $0.9 million associated with the Freshwater and Performant acquisitions.

Management offers the following guidance, which does not take into account the pending Kintana acquisition, for the full fiscal year ending December 31, 2003:

Revenue is expected to be in the range of $480 million to $500 million
GAAP diluted earnings per share is expected to be in the range of $0.82 to $0.92
Non-GAAP diluted earnings per share is expected to be in the range of $0.90 to $1.00
Non-GAAP guidance is adjusted from GAAP guidance by excluding recurring milestone payments associated with the Performant product integration program of approximately $2.7 million, amortization expenses of approximately $3.3 million associated with the Freshwater and Performant acquisitions, and a one-time charge of $1.3 million for the Performant in-process research and development.

We expect that the Kintana acquisition will close in the third quarter of 2003. This will result in one-time charges for in-process research and development and severance of approximately $8 to $9 million, or $0.08 to $0.09 per share, in the third quarter. Further, the resulting quarterly amortization charges of approximately $3 to $4 million, or $0.03 to $0.04 per share, which will be pro-rated in the third quarter. We expect the effect of the acquisition will be neutral to non-GAAP diluted earnings per share in the third quarter of 2003 and accreting by $0.01 to $0.02 to non-GAAP diluted earnings per share for the full year 2003.

Quarterly Conference Call
Mercury Interactive will host a conference call to discuss second quarter results at 8:30 a.m. Eastern Daylight Time today. A live Webcast of the conference call, together with supplemental financial information, can be accessed through the company’s investor relations Web site at www.mercuryinteractive.com/ir. In addition, an archive of the Webcast can be accessed through the same link. An audio replay of the call will be available until midnight on July 22, 2003. The audio replay can be accessed by calling 888-203-1112 or 719-457-0820, conference call code: 545329.

About Mercury Interactive
Mercury Interactive, the global leader in business technology optimization (BTO), delivers Optane, a suite of integrated products for enterprise testing, production tuning and performance management, that enables customers to optimize business processes and maximize business results. Customers worldwide use Mercury Interactive solutions across their application and technology infrastructures to continuously measure, maximize and manage performance at every level of the business process and each stage of the application lifecycle to improve quality, reduce costs, and align IT with business goals.

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Forward Looking Statements
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Non-GAAP Financial Information
Mercury Interactive provides non-GAAP net income and earnings per share data as additional information for its operating results. These measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. Mercury Interactive’s management believes these non-GAAP measures are useful to investors because this supplemental information facilitates comparisons to prior periods. Management uses these non-GAAP measures to evaluate its financial results, develop budgets and manage expenditures. Investors are encouraged to review the reconciliation of these non-GAAP financial measures to the comparable GAAP results, which is attached to this press release.

Editor's Note
Tables Attached: Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Cash Flows, Table of Reconciliations from GAAP to Non-GAAP.

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Mercury Interactive Reports Record Revenue of $126 Million

Net Increase in Deferred Revenue: $32.1 million
Earnings Per Share: $(0.08) GAAP; $0.23 Non-GAAP

Sunnyvale, CA – October 22, 2003 – Mercury Interactive Corporation (NASDAQ: MERQ), the global leader in business technology optimization (BTO), today reported results for the third quarter ended September 30, 2003.

Revenue for the third quarter of 2003 was $126.1 million, an increase of 29 percent compared to $97.9 million reported in the third quarter of 2002. Revenue for the first nine months of 2003 was $354.5 million, an increase of 26 percent compared to $282.4 million for the same period in 2002.

Deferred revenue for the third quarter of 2003 increased by $32.1 million from the second quarter of 2003 to $226.0 million. Cash generated from operations for the third quarter of 2003 was $22.2 million compared to $28.0 million in the third quarter of 2002. Net cash generated from operations in the third quarter of 2003 was reduced by $8.0 million of prepaid royalties for the previously announced license of technology from Motive Communications, Inc.

GAAP Results
Net loss for the third quarter of 2003 was $6.7 million, or $0.08 per basic share, compared to a profit of $13.3 million, or $0.15 per diluted share, for the same period a year ago. GAAP results for the third quarter include acquisition related charges of $12.7 million, or $0.13 per diluted share, related to the completion of the Kintana acquisition, as well as $16.9 million, or $0.18 per diluted share, of non-cash impairment charges relating to real-estate consolidation. Net income for the first nine months of 2003 was $28.4 million, or $0.31 per diluted share, compared to $46.5 million, or $0.53 per diluted share, for the same period a year ago.

Non-GAAP Results
Net income for the third quarter of 2003 was $21.3 million, or $0.23 per diluted share, compared to $14.2 million, or $0.16 per diluted share, for the same period a year ago. Non-GAAP earnings per share is calculated using fully diluted shares of 94.0 million. Net income for the first nine months of 2003 was $60.0 million, or $0.66 per diluted share, compared to $39.6 million, or $0.45 per diluted share, for the same period a year ago. Non-GAAP results, as presented in the attached reconciliation table, exclude the following recurring items: expenses from acquisition and restructuring related charges, asset impairment charges related to real estate, gain on early retirement of debt, stock-based compensation and amortization of intangible assets, as well as related income tax provisions or benefits.

On August 15, 2003, Mercury completed its previously announced acquisition of Kintana, Inc. for approximately $225.0 million in cash and stock. GAAP financial results for the quarter include an in-process R&D write-off and acquisition related expenses totaling $12.7 million. In connection with the acquisition of Kintana, and to optimize the work environment for employees and customers, the company intends to move to a new headquarters campus in Mountain View, CA. Accordingly, third quarter GAAP results also include a non-cash charge of $16.9 million to reflect the impairment of a portion of the existing Sunnyvale facilities.

"In the third quarter Mercury had record revenues, strong deferred revenues, and a record number of large transactions, reflecting the adoption of Business Technology Optimization by our customers," said Amnon Landan, chairman, CEO and president of Mercury Interactive Corporation.

Q3 2003 Highlights

- Acceleration of business model with term licenses representing a record 46 percent of new product orders
- Strong net increase in deferred revenue of $32.1 million, generated principally from term licenses
- Record of eight transactions over $1 million
- Record application management results in both new orders and revenue
- Largest technology launch in Mercury’s history: BTO Technology Blueprint and Mercury Optimization Centers

Financial Outlook

The following financial outlook is provided based on information as of October 22, 2003. Management initiates the following guidance for the quarter ending December 31, 2003:

- Term licenses are expected to be in the range of 43 percent to 47 percent of new product orders
- Revenue is expected to be in the range of $140.0 million to $148.0 million
- Net increase in deferred revenue is expected to be in the range of $35.0 million to $45.0 million
- GAAP diluted earnings per share is expected to be in the range of $0.16 to $0.22
- Non-GAAP diluted earnings per share is expected to be in the range of $0.23 to $0.27
- Cash flow from operations is expected to be in the range of $40.0 million to $55.0 million

Non-GAAP guidance is adjusted from GAAP guidance by excluding recurring acquisition and restructuring related charges and stock-based compensation and amortization of intangible assets of approximately $5.0 million.

Management Change

Chief Operating Officer Ken Klein is leaving the company at the end of the year to pursue outside interests. "Ken helped to build Mercury from a startup to a leading enterprise software company," said Amnon Landan, chairman, CEO and president of Mercury Interactive Corporation. "I’d like to thank Ken for twelve years of great service and wish him success in his new endeavors."
Quarterly Conference Call
Mercury Interactive will host a conference call to discuss third quarter results at 2:00 p.m. Pacific Daylight Time today. A live Webcast of the conference call, together with supplemental financial information, can be accessed through the company's Investor Relations Web site at http://www.mercuryinteractive.com/. In addition, an archive of the Webcast can be accessed through the same link. An audio replay of the call will be available until midnight on October 28, 2003. The audio replay can be accessed by calling 888-203-1112 or 719-457-0820, conference call code: 778907.

About Mercury Interactive
Mercury Interactive, the global leader in business technology optimization (BTO), is committed to helping customers optimize the business value of information technology. Founded in 1989, Mercury Interactive conducts business worldwide and is one of the fastest growing enterprise software companies today. Mercury Interactive provides software and services to govern the priorities, people and practices of IT, deliver and manage applications; and integrate IT strategy and execution.

Customers worldwide rely on Mercury Interactive offerings to improve quality and performance of applications and manage IT costs, risk and compliance. Mercury Interactive BTO offerings are complemented by technologies and services from global business partners. For more information, visit www.mercuryinteractive.com.

Forward Looking Statements
This press release contains "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties concerning Mercury Interactive's expected financial performance, as well Mercury Interactive's future business prospects and product and service offerings. Mercury Interactive's actual results may differ materially from the results predicted or from any other forward-looking statements made by, or on behalf of, Mercury Interactive and reported results should not be considered as an indication of future performance. The potential risks and uncertainties include, among other things: 1) the mix of perpetual and term licenses and the effect of the timing of the recognition of revenue from products sold under term licenses; 2) Mercury Interactive has historically received a substantial portion of its orders at the end of the quarter and if an order shortfall occurs at the end of a quarter it could negatively impact the company's operating results for that quarter; 3) the dependence of Mercury Interactive's financial growth on the continued success and acceptance of its existing and new software products and services, and the success of its BTO strategy; 4) uncertainties related to the integration of Kintana's products and services, employees and operations; 5) the ability to attract and retain key personnel; 6) intense competition for Mercury Interactive's products and services; and 7) the additional risks and important factors described in Mercury Interactive's SEC reports, including the Annual Report to Stockholders on Form 10-K for the fiscal year ended December 31, 2002 and the Form 10-Q for the quarter ended June 30, 2003, which are available at the SEC's website at www.sec.gov. Additional information will also be set forth in Mercury Interactive's Quarterly Report on Form 10-Q for the three month period ended September 30, 2003, which will be filed with the SEC in the fourth quarter of 2003. All of the information in this press release is as of October 22, 2003, and Mercury Interactive undertakes no duty to update this information.

Non-GAAP Financial Information
Mercury Interactive provides non-GAAP net income and earnings per share data as additional information for its operating results. These measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. Mercury Interactive's management believes these non-GAAP measures are useful to investors because this supplemental information facilitates comparisons to prior periods. Management uses these non-GAAP measures to evaluate its financial results, develop budgets and manage expenditures. Investors are encouraged to review the reconciliation of these non-GAAP financial measures to the comparable GAAP results, which is attached to this press release.

Editor's Note
Tables Attached: Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Cash Flows, Table of Reconciliations from GAAP to Non-GAAP.

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Exhibit 19
Press Release

Mercury Interactive Reports Fourth Quarter and 2003 Results

• Record Revenue of $152.0 million for the quarter and $506.5 million for 2003
• Net Increase in Deferred Revenue: $54.6 million for the quarter and $121.2 million for 2003
• Earnings Per Share for the quarter: $0.14 GAAP; $0.27 Non-GAAP
• Earnings Per Share for the year ended 2003: $0.45 GAAP; $0.93 Non-GAAP

Sunnyvale, CA – January 21, 2004 – Mercury Interactive Corporation (NASDAQ: MERQ), the global leader in business technology optimization (BTO), today reported results for the fourth quarter and year ended December 31, 2003.

Revenue for the fourth quarter of 2003 was $152.0 million, an increase of 29 percent compared to $117.8 million reported in the fourth quarter of 2002. For the year ended December 31, 2003 revenue was $506.5 million, an increase of 27 percent compared to $400.1 million reported for the year ended December 31, 2002.

Deferred revenue for the fourth quarter of 2003 increased by $54.6 million from the third quarter of 2003 to $280.6 million. Cash generated from operations for the fourth quarter of 2003 was $66.9 million compared to $40.9 million in the fourth quarter of 2002.

GAAP Results
Net income for the fourth quarter of 2003 was $13.1 million, or $0.14 per diluted share, compared to $18.8 million, or $0.21 per diluted share, for the same period a year ago. GAAP results for the fourth quarter include an executive severance charge of $8.8 million, stock-based compensation and amortization of intangible assets of $4.2 million, restructuring, integration and other related charges of $1.1 million and net loss on investments in non-consolidated companies of $2.2 million. For the year ended December 31, 2003, net income was $41.5 million, or $0.45 per diluted share compared to $65.2 million, or $0.74 per diluted share, for the year ended December 31, 2002. The results for the year ended 2003 include an executive severance charge of $6.6 million, $16.9 million of non-cash impairment charges related to real estate consolidation, stock-based compensation and amortization of intangible assets of $8.4 million, acquisition, restructuring, integration and other related charges of $15.4 million and net loss on investments in non-consolidated companies of $2.2 million.

Non-GAAP Results
Net income for the fourth quarter of 2003 was $26.2 million, or $0.27 per diluted share, compared to $23.4 million, or $0.27 per diluted share, for the same period a year ago. Non-GAAP earnings per share for the fourth quarter of 2003 are calculated using fully diluted shares of 97.0 million. Net income for the year ended December 31, 2003 was $56.1 million, or $0.53 per diluted share, compared to $62.9 million, or $0.72 per diluted share, for the year ended December 31, 2002. Non-GAAP results for 2003, as presented in the attached reconciliation table, exclude the following recurring items: acquisition, restructuring, integration and other related charges, asset impairment charges related to real estate, gain on early retirement of debt, stock-based compensation and amortization of intangible assets, net loss on investments in non-consolidated companies as well as related income tax provisions or benefits. Also excluded is a non-recurring charge associated with executive severance.

"The fourth quarter capped off an impressive year of growth for Mercury with record revenues, record deferred revenue growth, and record cash flow from operations," said Amnon Landan, chairman and CEO at Mercury Interactive Corporation. "Our customers are adopting the new Mercury Optimization Centers as they take an enterprise approach to Business Technology Optimization."

Q4 2003 Highlights

• Record 19 transactions greater than $1.0 million in the fourth quarter
• Record 51% of new product orders as term licenses
• Record net increases in deferred revenue of $54.6 million, principally from term licenses
• Record results in Application Management and Application Delivery new orders and revenue
• IT governance (formerly Kintana) orders exceeded management expectations

Financial Outlook
The following financial outlook is provided based on information as of January 21, 2004. Management provides the following guidance for the quarter ending March 31, 2004:

• New order growth is expected to be in the range of 22 percent to 27 percent
• Term licenses are expected to be in the range of 45 percent to 50 percent of new product orders
• Revenue is expected to be in the range of $145.0 million to $155.0 million
• Net increase in deferred revenue is expected to be in the range of $10.0 million to $20.0 million
• GAAP diluted earnings per share is expected to be in a range of $0.12 to $0.16
• Non-GAAP diluted earnings per share is expected to be in the range of $0.17 to $0.23
• Cash flow from operations is expected to be in the range of $50.0 million to $60.0 million

Non-GAAP guidance is adjusted from GAAP guidance by excluding recurring acquisition, restructuring, integration and other related charges and stock-based compensation and amortization of intangible assets of approximately $5.1 million.

Quarterly Conference Call
Mercury will host a conference call to discuss fourth quarter and year-end results at 2:00 p.m. Pacific Time today. A live Webcast of the conference call, together with supplemental financial information, can be accessed through the company's Investor Relations Web site at http://www.mercuryinteractive.com. In addition, an archive of the Webcast can be accessed through the same link. An audio replay of the call will be available until midnight on January 27, 2004. The audio replay can be accessed by calling 888-203-1112 or 719-457-0820, conference call code: 708793.
About Mercury
Mercury Interactive, the global leader in business technology optimization (BTO), is committed to helping customers optimize the business value of information technology. Founded in 1989, Mercury conducts business worldwide and is one of the fastest growing enterprise software companies today. Mercury provides software and services to govern the priorities, people and practices of IT; deliver and manage applications; and integrate IT strategy and execution.

Customers worldwide rely on Mercury Optimization Centers to improve quality and performance of applications and manage IT costs, risk and compliance. Mercury BTO offerings are complemented by technologies and services from global business partners. For more information, visit www.mercuryinteractive.com.

Forward Looking Statements
This press release contains "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties concerning Mercury Interactive's expected financial performance, as well Mercury Interactive's future business prospects and product and service offerings. Mercury Interactive's actual results may differ materially from the results predicted or from any other forward-looking statements made by, or on behalf of, Mercury Interactive and reported results should not be considered as an indication of future performance. The potential risks and uncertainties include, among other things: 1) the mix of perpetual and term licenses and the effect of the timing of the recognition of revenue from products sold under term licenses; 2) Mercury Interactive has historically received a substantial portion of its orders at the end of the quarter and if an order shortfall occurs at the end of a quarter it could negatively impact the company's operating results for that quarter; 3) the dependence of Mercury Interactive's financial growth on the continued success and acceptance of its existing and new software products and services, and the success of its BTO strategy; 4) uncertainties related to the integration of Kintana's products and services; and 7) the additional risks and important factors described in Mercury Interactive's SEC reports, including the Annual Report to Stockholders on Form 10-K for the fiscal year ended December 31, 2002 and the Form 10-Q for the quarter ended September 30, 2003, which are available at the SEC's website at www.sec.gov. All of the information in this press release is as of January 21, 2004, and Mercury Interactive undertakes no duty to update this information.

Non-GAAP Financial Information
Mercury Interactive provides non-GAAP net income and earnings per share data as additional information for its operating results. These measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. Mercury Interactive's management believes these non-GAAP measures are useful to investors because this supplemental information facilitates comparisons to prior periods. Management uses these non-GAAP measures to evaluate its financial results, develop budgets and manage expenditures. Investors are encouraged to review the reconciliation of these non-GAAP financial measures to the comparable GAAP results, which is attached to this press release.

Editor's Note
Tables Attached: Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Cash Flows, Table of Reconciliations from GAAP to Non-GAAP.

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Exhibit 20
Mercury Interactive Reports First Quarter Results

- Revenue of $156.8 million; Increase of 42% versus Q1 2003
- Net Increase in Deferred Revenue of $20.5 million
- Earnings Per Share: $0.19 GAAP; $0.24 Non-GAAP

Sunnyvale, CA – April 22, 2004 – Mercury Interactive Corporation (NASDAQ: MERQ), the global leader in business technology optimization (BTO), today reported results for the first quarter ended March 31, 2004.

Revenue for the first quarter of 2004 was $156.8 million, an increase of 42 percent compared to $110.4 million reported in the first quarter of 2003.

Deferred revenue for the first quarter of 2004 increased by $20.5 million from the fourth quarter of 2003 to $301.1 million. Cash generated from operations for the first quarter of 2004 was $64.5 million compared to $53.2 million in the first quarter of 2003.

**GAAP Results**
Net income for the first quarter of 2004 was $18.9 million, or $0.19 per diluted share, compared to $18.1 million, or $0.20 per diluted share, for the same period a year ago. GAAP results for the first quarter include stock-based compensation and amortization of intangible assets of $4.1 million, integration and other related charges of $1.0 million and net loss on investments in non-consolidated companies of $0.1 million.

**NON-GAAP RESULTS**
Net income for the first quarter of 2004 was $23.8 million, or $0.24 per diluted share, compared to $18.8 million, or $0.21 per diluted share, for the same period a year ago. Non-GAAP results, as presented in the attached reconciliation table, exclude the following recurring items: integration and other related charges, stock-based compensation, amortization of intangible assets, net loss on investments in non-consolidated companies as well as related income tax provisions.

"Mercury's results in the first quarter were very strong, with growth in new orders of over 30 percent," said Amnon Landau, chairman and CEO at Mercury. "This growth is driven by the continued adoption of our BTO solutions by our global customers."

**Q1 2004 Highlights**
- Record results in IT Governance (formerly Kintana) with revenues of $17.0 million
- Accenture selected Mercury IT Governance Center for internal use throughout their global outsourcing and systems integration practices
- Continued momentum across Application Delivery (AD) and Application Management (AM) AD year-over-year order growth exceeds 30%
- AM year-over-year order growth exceeds 40%
- 11 transactions exceeding $1.0 million
- Cash flow from operations of $64.5 million

**Financial Outlook**
The following financial outlook is provided based on information as of April 22, 2004. Management provides the following guidance for the quarter ending June 30, 2004:

- New order growth is expected to be in the range of 25 percent to 35 percent
- Revenue is expected to be in the range of $165.0 million to $170.0 million
- Net increase in deferred revenue is expected to be in the range of $10.0 million to $20.0 million
- Non-GAAP operating margin expected to be in the range of 15 to 17 percent
- GAAP diluted earnings per share is expected to be in a range of $0.09 to $0.16
- Non-GAAP diluted earnings per share is expected to be in the range of $0.21 to $0.26
- Cash flow from operations is expected to be in the range of $40.0 million to $50.0 million

Non-GAAP guidance is adjusted from GAAP guidance by excluding recurring integration and other related charges, stock-based compensation, amortization of intangible assets, and facilities impairment charges related to the move to our new campus.

**Quarterly Conference Call**
Mercury will host a conference call to discuss first quarter results at 2:00 p.m. Pacific Time today. A live Webcast of the conference call, together with supplemental financial information, can be accessed through the company's Investor Relations Web site at http://www.mercuryinteractive.com. In addition, an archive of the Webcast can be accessed through the same link. An audio replay of the call will be available until midnight on April 29, 2004. The audio replay can be accessed by calling 888-203-1112 or 719-457-0820, conference call code: 421926.

**About Mercury**
Mercury Interactive, the global leader in business technology optimization (BTO), is committed to helping customers optimize the business value of information technology (IT). Founded in 1989, Mercury conducts business worldwide and is one of the fastest growing enterprise software companies today. Mercury provides software and services to govern the priorities, people and practices of IT; deliver and manage enterprise applications; and integrate IT strategy and execution.

Customers worldwide rely on Mercury Optimization Centers to improve quality and performance of applications and manage IT costs, risk, and compliance. Mercury BTO offerings are complemented by technologies and services from global business partners. For more information, visit...
Effective April 30, 2004, Mercury’s corporate headquarters will move to 379 North Whisman Road, Mountain View, California 94043. The telephone and fax numbers at that location will be (650) 603-5200 and (650) 603-5300, respectively.

Forward Looking Statements
This press release contains "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties concerning Mercury Interactive’s expected financial performance, as well Mercury Interactive’s future business prospects and product and service offerings. Mercury Interactive’s actual results may differ materially from the results predicted or from any other forward-looking statements made by, or on behalf of, Mercury Interactive and reported results should not be considered as an indication of future performance. The potential risks and uncertainties include, among other things: 1) the mix of perpetual and term licenses and the effect of the timing of the recognition of revenue from products sold under term licenses; 2) Mercury Interactive has historically received a substantial portion of its orders at the end of the quarter and if an order shortfall occurs at the end of a quarter it could negatively impact the company’s operating results for that quarter; 3) the dependence of Mercury Interactive’s financial growth on the continued success and acceptance of its existing and new software products and services, and the success of its BTO strategy; 4) uncertainties related to the integration of products and services, employees and operations as a result of acquisitions; 5) the ability to attract and retain key personnel; 6) intense competition for Mercury Interactive’s products and services; and 7) the additional risks and important factors described in Mercury Interactive’s SEC reports, including the Annual Report to Stockholders on Form 10-K for the fiscal year ended December 31, 2003, which is available at the SEC’s website at www.sec.gov. All of the information in this press release is as of April 22, 2004, and Mercury Interactive undertakes no duty to update this information.

Non-GAAP Financial Information
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View complete Press Release including Financial Tables. (240 KB) PDF

Editor's Note
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Exhibit 21
Press Release

Mercury Interactive Reports Second Quarter Results

- Revenue $159.0 million; Increase of 35% versus Q2 2003
- Net Increase in Deferred Revenue of $26.2 million
- Earnings Per Share: $0.12 GAAP; $0.22 Non-GAAP
- Cash Flows from Operations: $41.1 million

Revenue for the second quarter of 2004 was $159.0 million, an increase of 35 percent compared to $118.1 million reported in the second quarter of 2003.

Deferred revenue for the second quarter of 2004 increased by $26.2 million from the first quarter of 2004 to $327.3 million. Cash generated from operations for the second quarter of 2004 was $41.1 million compared to $38.2 million in the second quarter of 2003.

GAAP Results
Net income for the second quarter of 2004 was $11.6 million, or $0.12 per diluted share, compared to $16.9 million, or $0.19 per diluted share, for the same period a year ago. GAAP results for the second quarter include stock-based compensation and amortization of intangible assets of $3.9 million, integration and other related charges of $1.1 million, net gain on investments of $0.4 million and a non-cash asset impairment charge of $9.2 million related to Mercury’s move to its new headquarters.

NON-GAAP RESULTS
Net income for the second quarter of 2004 was $22.0 million, or $0.22 per diluted share, compared to $19.8 million, or $0.22 per diluted share, for the same period a year ago. Non-GAAP results, as presented in the attached reconciliation table, exclude the following recurring items: stock-based compensation, amortization of intangible assets, integration and other related charges, net gain on investments and non-cash asset impairment charges related to facilities.

“This was our fourth consecutive quarter of year over year new order growth exceeding 30 percent,” said Amnon Landan, chairman and CEO at Mercury. “This is a testament to customers increasing investment in Mercury’s BTO offerings and our continued execution.”

Q2 2004 Highlights
- Solid performance across all businesses and all geographies
- 15 transactions greater than $1.0 million
- Signed definitive agreement to acquire Appilog and extend Mercury’s leadership in Application Management and BTO

Financial Outlook
The following financial outlook is provided based on information as of July 21, 2004. Management provides the following guidance for the quarter ending September 30, 2004:

- Revenue is expected to be in the range of $160 million to $170 million
- Net increase in deferred revenue is expected to be in the range of $20 million to $30 million
- Non-GAAP operating margin is expected to be in the range of 15 percent to 17 percent
- GAAP diluted earnings per share is expected to be in the range of $0.16 to $0.21
- Non-GAAP diluted earnings per share is expected to be in the range of $0.22 to $0.27
- Cash flows from operations is expected to be in the range of $40 million to $50 million

Management provides the following guidance for the fiscal year ending December 31, 2004:

- New order growth is expected to be in the range of 25 percent to 30 percent
- Revenue is expected to be in the range of $665 million to $685 million
- Non-GAAP operating margin is expected to be in the range of 17 percent to 20 percent
- GAAP diluted earnings per share is expected to be in the range of $0.76 to $0.85
- Non-GAAP diluted earnings per share is expected to be in the range of $1.04 to $1.12
- Cash flows from operations is expected to be in the range of $220 million to $240 million

On July 1, 2004, Mercury completed its previously announced acquisition of Appilog. This will result in one-time charges for in-process research and development of approximately $0.8 million to $1.0 million, in the third quarter. Further, there will be recurring quarterly amortization charges in the range of approximately $0.5 million to $0.6 million.

Non-GAAP guidance is adjusted from GAAP guidance by excluding one-time charges for in-process research and development, recurring integration and other related charges, stock-based compensation, amortization of intangible assets and non-cash impairment charges related to real estate.

Quarterly Conference Call
Mercury will host a conference call to discuss second quarter results at 5:30 a.m. Pacific Time today. A live Webcast of the conference call, together with supplemental financial information, can be accessed through the company’s investor Relations Web site at http://www.mercury.com/cr. In addition, an archive
of the Webcast can be accessed through the same link. An audio replay of the call will be available until midnight on July 27, 2004. The audio replay can be accessed by calling 888-203-1112 or 719-457-0820, conference call code: 649411

About Mercury
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Forward Looking Statements
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Non-GAAP Financial Information
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View Mercury Reports, Second Quarter Results, (77 KB) PDF

Editor’s Note
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Exhibit 22
Mercury Interactive Corporation Reports Third Quarter Results

Revenue $165.4 million; increase of 31% versus Q2 2003
Net Increase in Deferred Revenue of $19.3 million
Earnings Per Share: $0.21 GAAP; $0.27 Non-GAAP
Cash Flows from Operations: $43.3 million

Mountain View, CA – October 20, 2004 – Mercury Interactive Corporation (NASDAQ: MERQ), the global leader in business technology optimization (BTO), today reported results for the third quarter ended September 30, 2004.

Revenue for the third quarter of 2004 was $165.4 million, an increase of 31 percent compared to $126.1 million reported in the third quarter of 2003.

Deferred revenue for the third quarter of 2004 increased by $19.3 million from the second quarter of 2004 to $346.6 million. Cash generated from operations for the third quarter of 2004 was $43.3 million compared to $22.2 million in the third quarter of 2003.

GAAP Results
Net income for the third quarter of 2004 was $19.0 million, or $0.21 per diluted share, compared to a net loss of $6.7 million, or $0.08 per diluted share, for the same period a year ago.

GAAP results for the third quarter include stock-based compensation and amortization of intangible assets of $4.2 million, integration and other related charges of $1.0 million, a one-time non-cash charge for in-process research and development of $0.9 million, and a net loss on investments of $0.5 million.

Non-GAAP Results
Net income for the third quarter of 2004 was $24.4 million, or $0.27 per diluted share, compared to $21.3 million, or $0.23 per diluted share, for the same period a year ago. Non-GAAP results, as presented in the attached reconciliation table, exclude the following recurring and non-recurring items: stock-based compensation and amortization of intangible assets, integration and other related charges, in-process research and development, a net loss on investments, and a non-cash excess facilities charge.

On July 1, 2004, Mercury completed its previously announced acquisition of Applogic for $51.5 million in cash as well as assuming all of Applogic’s outstanding options. This acquisition resulted in a one-time charge for in-process research and development of $0.9 million and amortization of intangible assets of $0.5 million, both of which are included in the previously mentioned GAAP results.

“We are very pleased with our strong results this quarter,” said Amnon Landan, chairman and CEO at Mercury. “Mercury is in a large and growing market, customers are increasing their investments in our BTO offerings, and we continue to execute.”

Stock Buyback
On July 28, 2004, Mercury announced that its board of directors had approved a new program to repurchase up to $400 million of the company’s common stock over the next two years. The specific timing and amount of repurchases will vary based on market conditions, securities law limitations and other factors. As of September 30, 2004, 9,675,000 shares had been repurchased for $332.2 million, with an average all-in cost per share of $34.33.

Financial Outlook
The following financial outlook is provided based on information as of October 20, 2004, and Management assumes no duty to update this guidance. Management provides the following guidance for the fourth quarter and full year ending December 31, 2004:

- Revenue for the fourth quarter is expected to be in the range of $185 million to $195 million.
- Net income for the fourth quarter is expected to be in the range of $40 million to $50 million.
- Non-GAAP operating margin is reestimated for the full year to be in the range of 17 percent to 20 percent.
- GAAP diluted earnings per share for the fourth quarter is expected to be in the range of $0.26 to $0.34.
- Non-GAAP diluted earnings per share for the fourth quarter is expected to be in the range of $0.32 to $0.38. This excludes approximately $300,000 of integration and other related charges and $4.0 million of stock-based compensation and amortization of intangibles.
- Fully diluted shares are expected to be in the range of 87.5 to 89.5 million for the fourth quarter and 93 to 95 million for the full year.
- Cash flows from operations for the fourth quarter is expected to be in the range of $60 million to $70 million.

Non-GAAP guidance is adjusted from GAAP guidance by excluding the following recurring and non-recurring items: stock-based compensation and amortization of intangible assets, integration and other related charges, in-process research and development, a net loss on investments and a non-cash excess facilities charge.

Based on the recent issuance of EITF 04-08, “The Effect of Contingently Convertible Debt on Diluted Earnings per Share,” beginning in the fourth quarter of 2004 we will include 9,673,050 shares in our fourth quarter and full year weighted average share calculation. Our fourth quarter 2004 earnings per share guidance will be affected by this increase in shares on a GAAP and non-GAAP basis of $0.03 to $0.04. Our full year 2004 earnings per share guidance will be affected by this increase in shares on a GAAP basis of $0.07 to $0.08 and on a non-GAAP basis of $0.10 to $0.11.

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be accessed by calling (888) 203-1112 or (719) 457-0820, conference call code: 828480.

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View Mercury Reports Third Quarter Results. (62 KB) PDF

Editor’s Note
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