

## **ABSTRACT**

*The telecommunications industry is a technology-driven industry that is experiencing growth at any time and require substantial funds in order to stay abreast of technological innovations that exist. In each year, telecommunications companies must spend at least \$ 5 billion for spending purposes. This substantial funds would have to be accompanied by a high income. However, not all telecom companies can produce high profits. In this case, it is necessary to do research on the factors that affect the profitability of telecom companies.*

*Through this study, the variables to be studied as factors that can affect profitability is Inflation, Exchange Rate and BI Interest Rate. The measuring instrument of profitability used is Return On Asset (ROA). The data used in this research is secondary data in the financial statements of telecommunication companies listed on the BEI in 2010-2014. The data analysis technique used is regression panel data as well as using Test-T and Test-F to perform hypothesis testing.*

*These results indicate that the development of inflation, exchange rate and BI interest rates tend to rise despite fluctuation. Based on panel data regression test results, inflation, exchange rates and interest rates BI simultaneously no significant effect on the profitability of the company. Partially, both inflation, exchange rate and central bank interest rates had no significant effect. Independent variables consisting of inflation, exchange rate, and inflation can explain the dependent variable ROA of 10%, while the remaining 90% is explained by other variables not researched.*

*Therefore, for companies and further research in order to use other macroeconomic factors such as GDP and internal factors as the basis for the search for variables affecting profitability (ROA) company. Furthermore, the measurement of profitability is not limited to the ROA only, but can use other profitability ratios such as Net Profit Margin, and Return on Equity.*

*Keywords: Inflation, Exchange Rate, BI Interest Rate, ROA.*