

## ABSTRACT

*The revenue growth slightly compared to the previous year, the company guided to think aloud in allocating capital budget effectively for infrastructure development. The aim is to increasing company net profit. Then measure the value added of the company in generating profitability of companies that pay attention to contributions from employees, community, government, and environment, not only from direct stakeholders.*

*The research aims to know how the company' financial performance measured using income statement approach and value added statement and whether there is a significant difference of financial performance on telecommunication subsector companies listed on Indonesia Stock Exchange (IDX) period 2011-2014 using income statement approach and value added statement. This research using ROA, ROE, NPM, and LBAP ratio as variables.*

*This research is descriptive research belongs to the comparative. The population used in this study is Telecommunication Subsector Companies listed on Indonesia Stock Exchange (IDX) period 2011-2014 with the selection of the sample using the method of purposive sampling. The analysis method of this research uses descriptive statistics analysis and hypothesis testing using paired samples t-test. The data used in this research is secondary data.*

*The results of this research indicates that the company' financial performance measured using income statement approach and value added statement indicates a less good performance and there is a significant difference between the ratio of ROA, ROE, NPM, and LBAP using income statement approach and value added statement on telecommunication subsector companies listed on Indonesia Stock Exchange (IDX) period 2011-2014.*

*Keyword : Financial Performance, Financial Ratio, Income Statement Approach, Value Added Statement*