ABSTRACT

This study was conducted to examine the effect of merger on the Operating Synergy, Financial Synergy, Financial Performance and Stock Return. The variables used are Sales growth, debt to equity ratio, Return on Equity and Return Stock of Smartfren period Q1 2007 to Q2 2013. It is expected that this study can be useful for the parties concerned, such as management companies, academics, investors, and for the development of financial theory. Sampling technique used is purposive sampling with criteria: (1) a company engaged in the business of Telecommunications; (2) Telecommunication Company merged in 2010. Data derived from the quarterly financial statements of companies and Indonesian Capital Market Directory. The analysis technique used is descriptive statistics, while the hypothesis test using Kolmogorov Smirnov test for normality test and paired t-test with a significance of 5%.

The results showed that the merger has no effect on all variables, with significance of all the variables above 0.05. Significant value of Sales Growth is 0.203> 0.05, significant value of Debt to Equity Ratio is 0.075> 0.05, significant value of Return On Equity 0.101> 0.05, and Stock Return significance 0, 9380.001> 0.05.

***Keywords**: Merger, Sales growth, Debt to Equity Ratio, Return On Equity, Stock Returns.*