**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.