



ABSTRACT

This research designed to evaluate financial performance dan value added PT Indofood Sukses Makmur, Tbk (ISM) as Acquire Company and PT London Sumatera Plantation, Tbk (Lonsum) as Target Company, before and after acquisition and predictors of acquisition and then will be find out the success level of acquisition shown by synergy and positive impact.

The Research done by evaluates financial performance of company as balance sheet, profit and loss and financial ratio, and evaluates Market Value Added (MVA) and Economic Value Added (EVA) to find out market reaction and value added for shareholder as impact of acquisition, data's research using Financial Report period of 2004-2006 to evaluate before acquisition and Financial Report Consolidated ISM and Lonsum period of 2007-2009 to evaluate after acquisition.

Base on evaluation after acquisition, Financial Performance ISM are ilikuid (*Current Ratio* <100%) as impact of short term loan increases wich used for acquisition fund, profitable (*Net Profit Margin*>0), solvable (*DSCR*>100%) and turnover of tradecycle slowdown, ISM MVA's increases from average IDR 3,6 Trillion to IDR 13,8 trillion and ISM EVA's increases from average negative IDR 153 billion to positive IDR 475 billion, for EOF division, EVA declines from average IDR 68,9 billion to negative IDR 1,2 trillion as impact of cost of debt and equity for acquisition are accounted on EOF division. Financial Performance Lonsum are likuid (*Current Ratio* <100%) profitable (*Net Profit Margin* >0), solvable (*DSCR*>100%) and turnover of tradecycle relatively same as before acquisition, Lonsum MVA's increases from average IDR 2,6 trillion to IDR 11,6 trillion and Lonsum EVA's increases from average IDR 130 billion to IDR 290 billion. Synergy's outcomes from this acquisition are Operating Synergy, shown by EOF division sales increases from average IDR 4,9 trillion to IDR 11,7 trillion and margin operating income increases from average 13% to 16%, and Financial Synergy, shown by declines cost of capital from 11,9% to 7,94%, and then succesfulness of ISM's acquisition to Lonsum supported by the complementary of business potency both of the companies.

Keywords : Evaluation, Acquisition, Financial Performance, Value Added,
Synergy