

## **ABSTRACT**

*In an ever increasing competitive environment, Pharmaceutical companies keep on expanding. Mergers and Acquisition (M&A) seems to be one of the preferred means of acquiring critical mass and economies of scale. This study intended to forecast whether the plan of M&A are acknowledge at company growth and if so, to establish an projection framework for managing it.*

*As an object of this study there are two companies in pharmaceutical industry which is still in a group of BUMN, PT. Kimia Farma Tbk. as an acquirer that plan to take over PT. Indofarma. In order to gain a deeper understanding of the planning on the M&A, this study is supported by the data publisher for the financial report both companies in 2010 and 2011, and for the projection is used the financial report in 2011 as a base year. This study discusses the production, operation, and financial performance of both companies before M&A, then the projection if that M&A are truly happen and in further about the benefit after implementing M&A.*

*Result indicated that positive effects could be expected of this M&A plan, and also optimization in production process, reducing cost in marketing and distribution, and some other post related to sales and general expenses, that all could improve the financial performance.*

**Keywords: Planning, Merger and Acquisition (M&A), Projection, Financial performance**