

ABSTRACT

Dananjoyo, Radyan. (2001). **“Evaluation of Financial Performance at PT INDOSAT Tbk. in the Period of 1996-1999”**. Yogyakarta: Management Department. International Program. Faculty of Economics. Universitas Islam Indonesia.

In the economic globalization era, there is a tight competition between one company with others. One of the tight industry competitions is the industry of telecommunication. To win the competition in the telecommunication industry, the company should have an ability to manage their financial performance. One of companies that has a good ability to manage their financial performance is PT INDOSAT Tbk.

Financial performance is very important for the investor and financial manager to make a business decision in the future. The result of company's financial performance evaluation can be used to forecast the company's future development.

The researcher tried to measure the financial performance from one telecommunication company in Indonesia. The object of the research was financial performance of PT INDOSAT Tbk. from 1996 to 1999. The analysis of financial performance was based on ratio analysis such as Liquidity Ratio, Debt Ratio, Profitability Ratio, and Activity Ratio. The researcher also used Du Pont analysis to measure Return on Equity (ROE) and Return on Investment (ROI) from PT INDOSAT Tbk. in the period of 1996-1999. This measurement is expected to be able to help the investor in Stock Exchange, so that they have accurate information about the financial performance of PT INDOSAT Tbk. The evaluation of financial performance also helps the financial manager to make an appropriate decision in determining the company's strategy to face the tight competition in the telecommunication industry.

According to the research finding, PT INDOSAT Tbk has high ability to manage their financial condition. Finally, the researcher suggests that the company should maintain their financial performance and the company also should increase the financial performance in the future.