

**THE IMPACT OF FINANCIAL PERFORMANCE TO
TOTAL SHAREHOLDER RETURN
IN PT TELKOM INDONESIA (PERSERO) Tbk**

By

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis

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ABSTRACT

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The main purpose of this thesis is to study and to analyze the impact of financial performance to Total Shareholder Return (TSR) in PT Telkom Indonesia (Persero) Tbk (Telkom) by using shareholder value approach which concentrates on measuring financial returns to shareholders. Telkom's financial performance currently is measured based on accounting review (Revenue Growth, EBITDA Growth, and Net Income Growth) not yet based on value based financial performance (Economic Profit, Market Value Added and Created Shareholder Value). Based on multiple regression linear test there is no impact of accounting based measures of financial performance rather than value based measured of financial performance to TSR, it is recommended that Telkom must start to concern with value based measures of financial performance to influence TSR. The author realize there is agency problem that Government as Telkom's majority shareholder control the firm and Telkom's management must balance Government's interest and other shareholder's interest.

Keywords: Shareholder value approach, Total Shareholder Return, Growth, financial performance, agency problem.



DEDICATION

I dedicate this thesis to my beloved husband Justinus Wishnu Dewanto and my lovely daughter Natania Nalini Dewanto. And also to my mother Cecilia Gayanti Widadi who always encourage me to get higher education and warm up my home with her love and off course her delicious cuisines; my late father Stephanus Ukar Widjaja as my role model of diligent student who never ending study and always explore something new and my mother M.M. Asri Effendy who always pray for me.



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