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MODEL OF BUMN PRIVATISATION THROUGH NEW COMMON STOCK AND ITS IMPLICATION TOWARDS FINANCIAL PERFORMANCE PERIOD 2005-2012

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ABSTRACT

Megginson, Nash, dan Randenborgh, 1994 confirmed that there had been an improved financial performance. The performance of BUMN was influenced by the basic model of privatization (Santoso, 2005). This research was intended to acknowledge and analyze; how was the model of privatization of State-Owned Enterprises (SOEs) in Indonesia?; what was the new common stock or divestment?; how was the price of stock of IPO in SOEs in Indonesia?; What were over-value or under-value?; and how was the financial performance (return on sales, return on equity) of SOEs in Indonesia pre-privatization and post-privatization? The research employed paired sample T Test of statistic analysis. It aimed to seek for the difference of the financial performance pre-privatization and post-privatization. The research showed that (1) All SOEs were privatized by issuing new stock; (2) four privatized SOEs experienced under-value, and the other one had over-value; (3) two SOEs had better financial performance at post-privatization compared to pre-privatization.

Keywords: IPO, privatization, over and undervalue, return on sales and return on equity.