

**ANALYSIS OF FINANCIAL PERFORMANCE COMPANIES
(A Comparative Study of PT Mustika Ratu Tbk
and Industry Average in the Period 2003-2008)**

T H E S I S

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**MANAGEMENT DEPARTMENT
ECONOMICS FACULTY
THE STATE ISLAMIC UNIVERSITY
MAULANA MALIK IBRAHIM
MALANG
2010**

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and Industry Average in the Period 2003-2008)**

T H E S I S

Presented to
The State Islamic University of Malang
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LEGITIMATION SHEET

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Malang, 25th of March 2010

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APPROVAL SHEET

**ANALYSIS OF FINANCIAL PERFORMANCE COMPANIES
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DEDICATION

This thesis is only dedicated to

My beloved father and mother (Hamdani and Muchoyaroh),
my sister (Alin), my brother in law (Mukarrom), my nephew (Salma)

MOTTO

يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا تَدَايَنْتُمْ بِدَيْنٍ إِلَى أَجَلٍ مُسَمًّى فَاكْتُبُوهُ وَلْيَكْتُبَ بَيْنَكُمْ كَاتِبٌ



بِالْعَدْلِ وَلَا يَأْبَ كَاتِبٌ أَنْ يَكْتُبَ كَمَا عَلَّمَهُ اللَّهُ

"Ye who believe! When you deal with each other, in transactions involving future obligation in a fixed period of time, reduce them to writing let scribe write down faithfully as between the parties: let not the scribe refuse to write: as God has taught him. (QS. Al-Baqarah: 282)

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Malang, March 2010

Adib,

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ABSTRACT

Mawardi, Muhammad Adib. 2010. THESIS. *"Analysis of Financial Performance Companies (A Comparative Study of PT MustikaRatuTbk and Industry Average in the Period 2003-2009)"*.

Advisor : Indah Yuliana, SE. MM
Dra. Meinarni Susilowati, M.Ed

Keywords : Financial Statement, ratio analysis, Financial Performance

To measure the financial performance of the company there are many methods that can be used, one of them is the ratio analysis. This study aims to measure financial performance of Mustika Ratu Tbk and cosmetics industry average and household needs in 2003-2008 by using ratio analysis.

This research was conducted using a descriptive qualitative method that gives the picture if in the year 2003 until the year 2009 PT Mustika Ratu Tbk against the industry average has a better financial performance. This research is a case study. While this research uses the secondary data obtained from the corner of BEI University of Malang.

Based on calculations and analysis using performance measures (profitability ratio) is known that during the period 2003-2008 PT Mustika Ratu Tbk compared with an industry average has a smaller level value. This is caused by a number of smaller operating profit compared to sales.

The size of load management, PT Mustika Ratu Tbk has a value greater than the industry average at the end of the study period (2008). PT Mustika Ratu Tbk to increase 0.2 percent while the industry average decreased by 2.6 percent.

By using the size of the financial policy it is also known that PT Mustika Ratu Tbk has a good performance. Based on calculations using the liquidity ratio, it is proved that PT Mustika Ratu Tbk has substantial assets to repay its short term obligations. Average ratio of current assets to current liabilities at PT Mustika Ratu Tbk is 6.8 percent while the industry average was only 1.5 percent.

From the analysis has been carried out, overall it can be concluded that the amount of assets, liabilities, lack of capital is not an excuse for companies to withdraw the competition with other industries. It has been proved by PT Mustika Ratu Tbk, which has better performance than the industry average. Although this company has the assets, liabilities, and capital of the smallest compared to other companies.

ABSTRAK

Mawardi, Muhammad Adib. 2010. SKRIPSI. Judul: "Analisis Kinerja Keuangan Perusahaan (Studi Komparasi pada PT Mustika Ratu Tbk dan Rata-rata Industri Periode 2003-2008"

Pembimbing : Indah Yuliana, SE., MM
Dra. Meinarni Susilowati, M.Ed

Kata Kunci : Laporan Keuangan, Analisis rasio, Kinerja Keuangan

Untuk mengukur kinerja keuangan perusahaan terdapat banyak metode yang dapat digunakan, salah satunya adalah Analisis rasio. Penelitian ini bertujuan untuk mengukur kinerja keuangan PT. Mustika Ratu Tbk dan rata-rata industri kosmetik dan keperluan rumah tangga pada tahun 2003-2008 dengan menggunakan analisis rasio.

Penelitian ini dilakukan dengan menggunakan metode deskriptif kualitatif yang memberikan gambaran apakah pada tahun 2003 hingga tahun 2009 PT Mustika Ratu Tbk terhadap rata-rata industri memiliki kinerja keuangan yang lebih baik. Jenis penelitian ini adalah studi kasus. Sedangkan jenis data yang digunakan dalam penelitian ini adalah data sekunder yang diperoleh dari pojok BEI Universitas Muhammadiyah Malang.

Berdasarkan hasil perhitungan dan analisis yang dengan menggunakan ukuran kinerja (rasio profitabilitas) diketahui bahwa selama periode 2003-2008 PT Mustika ratu tbk dibandingkan dengan rata-rata industri memiliki tingkat nilai yang lebih kecil. Hal ini disebabkan oleh jumlah laba operasi yang lebih kecil dibandingkan penjualannya.

Sedangkan dengan ukuran manajemen beban, PT Mustika Ratu Tbk memiliki nilai yang lebih besar dibandingkan dengan rata-rata industri pada akhir periode penelitian (2008). PT Mustika ratu Tbk mencapai kenaikan 0.2 persen sedangkan rata-rata industri mengalami penurunan sebesar 2.6 persen.

Dengan menggunakan ukuran kebijakan keuangan juga diketahui bahwa PT Mustika ratu Tbk memiliki kinerja yang baik. Berdasarkan hasil perhitungan dengan menggunakan rasio likuiditas dibuktikan bahwa PT Mustika ratu Tbk memiliki aset yang cukup besar untuk melunasi kewajiban jangka pendeknya. Rata-rata perbandingan aktiva lancar terhadap hutang lancar pada PT Mustika Ratu Tbk adalah 6.8 persen sedangkan pada rata-rata industri hanya mencapai 1.5 persen.

Dari analisa yang telah dilakukan, secara keseluruhan dapat disimpulkan bahwa jumlah asset, kewajiban, modal yang kurang besar bukanlah alasan bagi perusahaan untuk mundur dalam persaingan dengan industri lain. Hal ini telah dibuktikan oleh PT Mustika Ratu Tbk

yang memiliki kinerja yang lebih baik dibandingkan rata-rata industri. Meskipun perusahaan ini memiliki aset, kewajiban, dan modal paling kecil dibandingkan perusahaan lain.

المستخلص

ماوردي، محمد اديب. البحث. "تحليل الأداء المال للشركات (دراسة مقارنة على PT Mustika Ratu Tbk ومقويطة الصناعة على الفترة 2003-2008)";

موجهين : إناده يولييانا، الماجستير

مينارني سةسيلوواتي، الماجستير

الكليمات الرعيةية: اليسانات المالية، اهيل النسبة، الأداء المالي

لقيام الأداء المالي للشركة وهناك العديد من الأساليب التي يمكن استخدامها ، واحدة منها هي تحليل نسبة. تهدف هذه الدراسة لقيام الأداء المالي للشركة PT Mustika Ratu Tbk وصناعة مستحضرات التجميل ومتوسط والأغراض المنزلية في العام 2003-2008 باستخدام تحليل النسب .

وقد أجريت هذه الدراسة باستخدام أسلوب النوعية والكيفية وإذا كان في العام 2003 وحتى عام 2009 للشركة PT Mustika Ratu Tbk ضد متوسط الصناعة والأداء المالي على نحو أفضل. هذا البحث دراسة الحالة. في حين أن هذا النوع من البيانات المستخدمة في هذا البحث هو الحصول على البيانات الثانوية من زاوية شركة الكهرباء البريطانية من جامعة مالانغ .

مبنية على حسابات وتحليلات باستخدام مقاييس الأداء (نسبة الربحية) ومن المعروف أنه خلال الفترة 2003-2008 ملكة للشركة PT Mustika Ratu Tbk مقارنة بمتوسط الصناعة لديها قيمة أصغر مستوى. ويتسبب هذا من قبل عدد من أصغر ربح التشغيل بالمقارنة مع المبيعات . في حين أن حجم تحميل الإدارة ، والشركة PT Mustika Ratu Tbk يحتوي على قيمة أكبر من متوسط الصناعة في نهاية فترة الدراسة (2008). PT Mustika Ratu Tbk لزيادة 0.2 في المئة في حين أن متوسط الصناعة بنسبة 2.6 في المئة .

باستخدام حجم السياسة المالية وكما هو معروف أن PT Mustika Ratu Tbk ولديها أداء جيد. مبنية على حسابات باستخدام نسبة السيولة يثبت أن PT Mustika Ratu Tbk لديها أصول كبيرة لسداد التزاماتها قصيرة الأجل. متوسط نسبة الأصول الجارية على الخصوم الجارية في PT Mustika Ratu Tbk هو 6.8 في المئة بينما كان متوسط الصناعة 1.5 في المئة فقط .

بعد اخذت هذا التحليل، عموما يمكن القول أن كمية الأصول والخصوم ، والافتقار إلى رأس المال ليست ذريعة للشركات للانسحاب من المنافسة مع الصناعات الأخرى. لقد ثبت من قبل PT Mustika Ratu Tbk، الذي أداء أفضل من متوسط الصناعة. على الرغم من أن هذه الشركة لديها الأصول والخصوم ، ورأس المال قليل بالمقارنة مع الشركات الأخرى.

CHAPTER I

INTRODUCTION

This chapter discusses about background the study, problem of the study, objectives of the study, scope and limitation.

1.1. Background of the study

Consumers and Households sector have a significant role to run economic movement of this country. The analysis done in the last six years (2003-2008) at these industries indicated positive growth despite the fact this country had many problems.

Recently, many problems have been faced by cosmetic industries. For example, the illegal products, counterfeit products, dangerous materials in cosmetic products, and regional as well as competition with China in many of products especially tonic products well known that they have the better quality.

In globalization era, all manufacture corporations in Indonesia try to do efforts producing their best quality goods with low cost as a way of winning competition at domestic and global markets. This situation will stimulate them to adapt the manufacture systems which accelerate the production process, such as by doing contractual relation with suppliers and investors (Trisnaeni, 2007:1).

The application of ASEAN-China Free Trade Association has made the actor of business worry. But, PT Mustika Ratu as a cosmetics and tonics producer is still optimistic, and even it prepared new strategies to counting the expansion of products from China.

PT Mustika Ratu Tbk has applied the innovation, renovation, and communication. It produces 36 new products that already to compete in market. Renovating the corporation that was funded by BRA Moorayati Soedibyo, itlaunched 63 product packages which increase the performance. Beside that, the advertisements have been made to introduce the product to customers.

PTMustika Ratu Tbk as one of manufactures in production and distribution sectors operated in Indonesia since 14 March 1978 has grown and developed for 31 years. As industry consumer products supplier that has significan role in Indonesia, Mustika Ratu is a brand producer that is well known by society. With it is varian products is like Mustika Ratu, Slimming tea, Kenanga, and many more.

As a firm that has gone public since 1995 and its stock listed in Indonesia Stock Exchange (IDX), Mustika Ratu has support its commitment to progress together with Indonesia. Performance of Mustika Ratu as Cosmetics and Household sector enterprise appeared by its net profit increased drastically from 2006 to 2008.

Beside that, the performance of PT Mustika Ratu Tbk can be compared with PT Unilever Indonesia that was performed the stable growth from 2003 to 2009. Although it once slightly decreased on 2004 but the falling is small and it has good development since 2005 until 2008.

Table 1.1
The Comparison of PT. Mustika Ratu's net profit growth
and the rate of industry in the Period 2003-2008

Period	MRAT	Prosentase pertumbuhan	TCID	Prosentase pertumbuhan	UNVR	Prosentase pertumbuhan
2003	10,878		62,496		1,296,711	
2004	13,15	20.88%	82,492	32.00%	1,468,445	13.24%
2005	8,51	-35.29%	92,865	12.57%	1,440,485	-1.90%
2006	9,096	6.89%	100,,118	7.81%	1,721,595	19.51%
2007	11,13	22.36%	111,232	11.10%	1,964,652	14.12%
2008	22,29	100.27%	114,854	3.26%	2,407,231	22.53%

Source: <http://www.idx.co.id>

Generally, Consumers and Households sector industry have a positif trend trading. It is marked by the increasing of net profit rate in Indonesia Stock Exchange at this sector. Moreover, between of these enterprises there is an interprise recorded increasing of net profit until 100,29 percent like Mustika Ratu Tbk. Surely, this condition had been ones of major purpose of all enterprises to maximize in their income.

Based on the upon data it was known that PT Mustiak Ratu Tbk (MRAT) has the highest growth value on net profit than PT Mandom Indonesia Tbk (TCID) and PT Unilever Indonesia Tbk (UNVR) in 2007 and

2008. It was amazing condition, if we look this at by the comparison of net profit on each company.

PT Mustika Ratu's net profit average was 13.34 percent on PT Mandom Indonesia Tbk and it was 0.73 percent on PT Unilever Indonesia Tbk. The interesting thing in this research is on the capacity of asset, liabilities, and capital on PT Mustika Ratu Tbk that has the smaller value than others. Although it has the smallest value on asset, liabilities, and capital, it could reach the highest growth on 2007 and 2008. It was reach 22.36 and 100.27 percent on 2007 and 2008.

In the analysis of financial failure, all included the variables has discriminatory character. The liquidity have the most important effect, nevertheless the profitability ratios lead to substantial differences between profit-making and loss enterprises (Karacaer, 2008:10).

In order to analyse the changes, the ratios to measure the performance of firm financial report will be used. Therefore, I was interested to make the thesis under the title **"Analysis of Financial Performance Companies (A Comparative Study of PT Mustika Ratu Tbk and Industry Average in the Period 2003-2008)"**.

1.2.Problem of the study

Based on the discussion,the proposed research problem is how is comparison of finance performance PT Mustika Ratu Tbk and rate industry in the period 2003-2008?

1.3.Objectives of the study

The study aims at providing descriptive knowledge on the financial performance at PT Mustika Ratu Tbk in the period 2003-2008 and rate of industry.

1.4.Scope and Limitation

To limit the object, the researcher makes the analysis of financial statement by using ratio analysis. Data that were used in this research include of financial statement of PT Mustika Ratu Tbk and rate of industry during seven periods (2003-2008).

CHAPTER II

REVIEW OF RELATED LITERATURE

This chapter presents about previous studies and theory of the study.

2.1. Previous Studies

Suryani (2006) in her research “Analisis Laporan Keuangan Untuk Menilai Kinerja Keuangan Perusahaan (Pada PT. Indofood Sukses Makmur, Tbk, Tahun 2000-2005). Showed that the financial performance based on liquidity was not quite good to pay the current liabilities, because the current ratio, quick ratio, and cash ratio inclined to fall down. The leverage ratio shows that the firm depended on loan. It means that the firm was not quite good to pay its loan. It was proofed by the debt ratio values which was quite high although the values was declining in recent six years, and the total of debt equity ratio fluctuated and increased, also long term debt to equity ratio and time interest earned ratio tended to will used. The total assets turnover tended to fluctuate and the values average day's inventory was fluctuate and tended to increase. It shows that financial performance was not quite good to efficiencies all of assets maximally. And the result of profitability was good on gross profit

margin, net profit margin, return on investment, and return on equity of all assets that its value disposed to falling.

Agustin (2007) in her research “Analisa Kinerja Keuangan Perusahaan Jasa Telekomunikasi Yang Go Publik Di Bursa Efek Jakarta Period tahun (2004-2006)” found out that, based on time series, the corporation of telecommunication service has quite a good condition in liquidity ratio. Based on activity ratio, it was fluctuated. Solvability and profitability in average they has good condition. However, at 2006 PT Exelcomindo Pratama in GPM has better condition than PT Bakrie Telecom Tbk, and other corporations not experience GPM. Cross sectional at 2004 and 2005 in liquidity, activity, and solvability in average they have good condition.

Purwati (2008) in her research “Analisis Laporan Keuangan Untuk Menilai Kinerja Keuangan Pada PT Texmaco Jaya Tbk” stated that in recent five years research period (2002-2006) liquidity, activity, leverage, profitability were not quite well in their development. It was caused the corporation has bad equity, because the current asset smaller than current liabilities. As the result, the corporation can pay its current liabilities with the current asset.

Mawardi (2010) in his research “Analysis of Financial Performace Companies (A Comparative Studi of PT Mustika Ratu Tbk and Industry Average in the Period 2003-2009) explained that profitability (assestment of performance) ratio at industrial average is better than PT Mustika Ratu

Tbk because it has higher value in sale, net operating profit and net profit. In term of its asset and invesment management (asset of operating efficiency) PT Mustika Ratu has a better condition than industry average because cost of good sold higher than investment. The values of leverage and liquidity ratio (asset of financial policy) tend to fall because the debt is lower than liabilities.

Table 2.1
The list of previous studies

No	Name of Researcher (Years)	Title	Objective of the Study	Analy-sis Me-thod	Result of Research
1	Lili Dwi Suryani (2006)	Analisis Laporan Keuangan Untuk Menilai Kinerja Keuangan Perusahaan (Pada PT. Indofood Sukses Makmur, Tbk, Tahun 2000-2005)	Knowing the financial performanc e at PT Indofood Sukses Makmur Tbk during six years (2000-2005)	Des-cribitive Quan-titative with <i>time series</i>	The financial performance based on liquidity was not quite good to pay the current liabilities, because the current ratio, quick ratio, and cash ratio inclined to fall down. The leverage ratio shows that the firm depended on loan. It means that the firm was not quite good to pay its loan. It was proofed by the debt ratio values which was quite high although the values was declining in recent six years, and the total of debt equity ratio fluctuated and increased, also long term debt to equity ratio and time interest earned ratio tended to will used. The total assets turnover tended to fluctuate and the values average day's inventory was fluctuate and tended to increase. It shows that financial performance was not quite good to efficiencies all of assets maximally.
2	Nurul Laili Agustin (2007)	Analisa Kinerja Keuangan	Knowing the financial performanc	Descrip-tive Quali-	based on time series, the corporation of telecommunication service

		Perusahaan Jasa Telekomun ikasi Yang Go Publik Di Bursa Efek Jakarta Period tahun (2004-2006)	e of the Telecommu nication service Corporation that was go public in Bursa Efek Jakarta during three years (2004- 2006)	tative	has quite a good condition in liquidity ratio. Based on activity ratio, it was fluctuated. Solvability and profitability in average they has good condition. However, at 2006 PT Exelcomindo Pratama in GPM has better condition than PT Bakrie Telecom Tbk, and other corporations not experience GPM. Cross sectional at 2004 and 2005 in liquidity, activity, and solvability in average they have good condition.
3	Wiwik Purwati (2008)	Analisis Laporan Keuangan Untuk Menilai Kinerja Keuangan Pada PT Texmaco Jaya Tbk	Measure financial performan- ce at PT Texmaco Jaya Tbk during five years (2002-2006)	Des- cribative Quali- tative	In recent five years research period (2002-2006) liquidity, activity, leverage, profitability were not quite well in their development. It was caused the corporation has bad equity, because the current asset smaller than current liabilities. As the result, the corporation can pay its current liabilities with the current asset.
4	Muhammad Adib Mawardi (2010)	Analysis of Financial Performan- ce Companies (Comparati ve Study at PT Mustika Ratu Tbk and Industry Avarage in the Period 2003-2008)	Measure financial performan- ce at PT Mustika Ratu Tbk and Industry Avarage during six years (2003-2008)	Des- cribative Qualita tive	profitability (asssestment of performance) ratio at industrial average is better than PT Mustika Ratu Tbk because it has higher value in sale, net operating profit and net profit. In term of its asset and invesment management (asssestment of operating efficiency) PT Mustika Ratu has a better condition than industry average because cost of good sold higher than investment. The values of leverage and liquidity ratio (asssestment of financial policy) tend to fall because the debt is lower than liabilities.

The Similarity shown from previous study and this research is in analyzing the financial performance by using the analysis of financial ratio method. The differences of this research with the previous researches are in the object of research, the calculation of financial ratio that used is more comprehensive, and it is used to compare of industry rate.

The previous study just use profitability, activity, liquidity, and leverage ratio, but this research use the performance measurement (profitability, growth, valuation), operating efficiency measurement (asset and investment management, expenses management), and financial policies measurement (leverage, liquidity).

2.2 Theory of the Study

The sub chapter will learn about financial report, analysis of financial report, analysis method, and financial ratio analysis.

A. Financial Report

a) Definition of Financial Report

Harahap (2002:7) defined that a financial report is a product or final result of accounting. Financial report will be information for the user as ingredient in making a decision. Beside information, the financial report can also be responsibilities or accountability. It describes the indicator of the success of companies in reaching their purpose.

According to Sundjaja and Barlian (2003:76), financial report is: “A report that describes the result and process of accounting used as communication mediator between financial data or company activities.

Islam posits the importance of financial report accounting. The explanation is given on this verse:

يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا تَدَايَيْتُمْ بِدَيْنٍ إِلَى أَجَلٍ مُسَمًّى فَاكْتُبُوهُ وَلْيَكْتُبَ بَيْنَكُمْ كَاتِبٌ بِالْعَدْلِ وَلَا يَأْبَ كَاتِبٌ أَنْ يَكْتُبَ كَمَا عَلَّمَهُ اللَّهُ فَلْيَكْتُبْ وَلْيَمْلَأِ الَّذِي عَلَيْهِ الْحَقُّ وَلْيَتَّقِ اللَّهَ رَبَّهُ وَلَا يَبْخَسْ مِنْهُ شَيْئًا فَإِنْ كَانَ الَّذِي عَلَيْهِ الْحَقُّ سَفِيهًا أَوْ ضَعِيفًا أَوْ لَا يَسْتَطِيعُ أَنْ يُمِلَّ هُوَ فَلْيَمْلَأْ وَلِيُّهُ بِالْعَدْلِ وَاسْتَشْهِدُوا شَهِيدَيْنِ مِنْ رَجَالِكُمْ فَإِنْ لَمْ يَكُونَا رَجُلَيْنِ فَرَجُلٌ وَامْرَأَتَانِ مِمَّنْ تَرْضَوْنَ مِنَ الشُّهَدَاءِ أَنْ تَضِلَّ إِحْدَاهُمَا فَتُذَكِّرَ إِحْدَاهُمَا الْأُخْرَى وَلَا يَأْبَ الشُّهَدَاءُ إِذَا مَا دُعُوا وَلَا تَسْأَمُوا أَنْ تَكْتُبُوهُ صَغِيرًا أَوْ كَبِيرًا إِلَى أَجَلِهِ ذَلِكُمْ أَقْسَطُ عِنْدَ اللَّهِ وَأَقْوَمُ لِلشَّهَادَةِ وَأَدْنَى أَلَّا تَرْتَابُوا إِلَّا أَنْ تَكُونَ تِجَارَةً حَاضِرَةً تُدِيرُونَهَا بَيْنَكُمْ فَلَيْسَ عَلَيْكُمْ جُنَاحٌ أَلَّا تَكْتُبُوهَا وَأَشْهِدُوا إِذَا تَبَايَعْتُمْ وَلَا يُضَارَّ كَاتِبٌ وَلَا شَهِيدٌ وَإِنْ تَفَعَّلُوا فَإِنَّهُ فُسُوقٌ بِكُمْ وَانْقُوا اللَّهَ وَيَعْلَمِ اللَّهُ وَاللَّهُ بِكُلِّ شَيْءٍ عَلِيمٌ (٢٨٢)

“Ye who believe! When you deal with each other, in transactions involving future obligation in a fixed period of time, reduce them to writing let scribe write down faithfully as between the parties: let not the scribe refuse to write: as God has taught him, so let him write. Let him who incurs the liability dictate, but let him fear his Lord God, ad not diminish aught of what he owes. If the party liable is mentality deficient, or weak, or unable himself to dictate, let his guardian dictate faithfully. And get two witnesses, out of your own men, if there are not two men, then a man and two women, such as you choose, for witnesses. So sthat if one of them errs, the other can remind her. The witnesses should not to refuse when they are called on (for evidence). Disdain not to reduce to writing (your contract) for a future period, wheter it be small or big: it is

juster in the sight of God, more suitable as evidence and more convenient to prevent doubts among yourselves, there is no blame on you if reduce it to writing. But take witnesses whenever you make a commercial contract; and let neither suffer harm. If you do (such harm), it would be wickedness in you. So fear God; for it is God that teaches you, and God is well acquainted with all thing.” (QS. Al-Baqarah 282)

At above verse explains the importance of *tibyan* on the writing (booking) of the financial report. “*Tibyan*” is provides the clear information and there are no details that were concealed for the client that require the data. Surely, it is still appropriate the parameter of law on the earlier period. The parameter consist of *amanah* (credible), honestly, *diqqah* (tidy and ideal), *tauqid* (has the accurate schedule) and fairness. The financial result of accounting of data on balance rooted in *tsiqqah* (credible) and it will become the benefit that can get the success by practicing the obvious and appropriate with the perimeters and official habit, and the rules of accounting (Sula, 2004:391).

The Prophet stated the importance of *tibyan* factor in social relation in common, as his statement:

حَدَّثَنَا سُلَيْمَانُ بْنُ حَرْبٍ حَدَّثَنَا شُعْبَةُ عَنْ قَتَادَةَ عَنْ صَالِحِ بْنِ أَبِي الْخَلِيلِ عَنْ عَبْدِ اللَّهِ بْنِ الْحَارِثِ رَفَعَهُ إِلَى حَكِيمِ بْنِ حِزَامٍ رَضِيَ اللَّهُ عَنْهُ قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ
الْبَيْعَانِ بِالْخِيَارِ مَا لَمْ يَتَفَرَّقَا أَوْ قَالَ حَتَّى يَتَفَرَّقَا فَإِنْ صَدَقَا وَبَيَّنَّا بُورُكَ لُهُمَا فِي بَيْعِهِمَا وَإِنْ
كُتِمَا وَكَذَّبَا مُحِقَّتْ بَيْعُهُ بَيْنَهُمَا

“Trading is conducting with the preference (*khiyar*) during the both of them still not leave-taking. If both of them were honest and the right, so

they will be blessed in their transaction (trading). If they hide and lie, the transaction will be unblessed." (HR Bukhari 1937)

There is no specific regulation that defines the level of *tibyan*, because each position has its own. But, the global or common perimeters may be used as follow:

- a. *La dharar wa la dhirar* (no dangerous to him and to other people). It means that the financial report does not suffer a financial lost to the client. The example of this statement is on arranging the financial report does not extending the counterfeit information. In a real condition, it was found the application of window dressing or delivering good information on financial statement but it is not the real condition on their financial position to ensure the investor. It is unpermitted in Islam because it harms the clients that properly they get more comprehensive information from the corporation.
- b. *La ifrath wa la tafrith* (not too large extent, not too smaller amount, and unforgotten in something). It means the financial report it has the appropriate information. Although each corporation has their own standard, to make the similarity of them is by using the standardization of Indonesian accounting (PSAK), and according to this regulation, the difference in reporting financial statement must be revised.

- c. *Daff'u dharar akbar bi dharar aqall* (dispatch the big loss with the smaller one). In the corporation, it was found a unpaid debt from the client. The corporation can make set apart hesitant debt to ensure their asset or financial statement to investors.

In banking, the practice of this principle is known the write off policy on non performing loan. The purpose of this policy is to ensure the real asset was owned by the bank at financial statement.

The definition of *diqqah* in theory is arranging of financial to avoid the mistake. Beside that, the financial statement should be arranged and announced as complete as possible in order to avoid the missing transaction that caused the deviation on account value.

Tauqid in arranging the financial statement is the accurate schedule in announcing the financial statement. The decision maker of the company can use the information as detail as possible. Nevertheless the related parties, they can use the information when they will make the transaction and investment on the companies.

The information will be used to evaluate the company performance on the past period so the manager can make the strategies to develop the company on the future.

b) The Purpose of Financial Report

The purpose of arranging financial report is to provide the information correlates with finance position, performance, or finance position exchange of firm that has many benefits for majority of users at economic decision.

According standard accounting of Indonesia (1999: paragraph 12-14), financial report has the following direction:

1. Financial report provides information correlated with the finance position, finance performance of the firm that has benefit to majority users and economic decision taking.
2. Financial report arranged to fulfill the collective need majority of users. However, the financial report does not provide all of information probably was needed by all users and the economic decision generally describes the role of situation on the past and obligated to provide non-finance information.
3. Financial report indicates whatever done by management or management responsibilities for using capital that reliable on it.

c) The Limitedness of Financial report

Financial report has the limits that should be respected by all of outsiders, (Sofyan, 2004:201). It covers:

1. Financial report has historical characteristic, the content of it such as the situation that happens on the past. Therefore, the financial report can not be considered as a present financial report, until it was not a just one information source in taking economic decision.
2. Financial report is the value of fundamental price or exchange value on the transaction; it was not at the present time.
3. Financial report has general characteristic, it was not aimed to fulfill the need of a certain party. Information was aimed to be used for all part. Therefore it should to respect all parts that have different importance.
4. The arranging process of financial report must use the prediction and judgment in the selections of alternative from the recent choices that all of it can be corrected although it causes the differences between profit number and assets.
5. Accounting which does not just contain the immaterial information. Thus the application of accounting principles on a fact or a certain position will be no if it will not make a material role to the feasibility of financial report.
6. Financial report has conservative characteristics in facing the uncertain condition, it may cause the uncertain conclusion

about judgment, I should choose the alternative that produce the smallest net profit or asset value.

7. Financial report was arranged by using technical terminations, and the users of report were assumed to understand technical language of accounting and characteristic of reported information.
8. Accounting was dominated quantitative. Information that has qualitative characteristic and facts that can not be quantitative was generally ignored.
9. Changes of money purchasing power surely exist but it was not described on financial report.

B. Analysis of Financial Report

a) Definition of Financial Report Analysis

Financial report analysis is a full judgment process in the frame building, evaluate the position of financial report and the result of firm operation at recent time or on the past, with the major purpose to determine the estimation and the most probably prediction about the condition and firm finance performance at the future. (Prastowo, 2003:53)

b) The Purpose and The Aim of Financial report Analysis

Financial report analysis was aimed to add information in the financial report. The purposes of financial report analysis as follows:
(Sofyan, 2004:195-197)

1. Giving wider information, deeper than ordinary financial report.
2. Digging hidden information from a financial report or the information behind the financial report (implicit).
3. Knowing the mistake in a financial report.
4. Digging up inconsistent things that have related to the financial report relevant with the information from outside of firm.
5. Knowing the relation of characteristics that will explain the models and theory in the field to predict the rate of increasing.
6. Giving the information needed by decision takers. The financial report includes:
 - a. Evaluating the firm achievement
 - b. Projecting the firm financial
 - c. Evaluating financial condition on the past and at the present from the financial position aspect, the result of firm trading, liquidity, activity, solvability, profitability, and indicator of capital market.

- d. Evaluating the development from time to time
 - e. Watching the composition of financial structure, and cash flow.
7. Determining the rating based on the certain well known criteria on the business.
 8. Comparing the firm situation with other firm at the past period or by using the standard industry or ideal standardization.
 9. Understanding the situation and finance condition in a firm, finance position, business result, financial structure, etc.
 10. Predicting the probably firm potential on the future.

C. Analysis Method

This sub chapter will learn about definition of financial report analysis, technique of financial report analysis.

a) Definition of Financial Report Analysis

Apsari (1987:84) explained two analysis methods used by financial report analysts, namely:

1. Horizontal analysis method (dynamic analysis method)

Horizontal analysis method is an analysis method done by comparing financial report from few periods or few times. It is for understanding the development.

2. Vertical Analysis Method (Static Analysis Method)

Vertical Analysis Method is an analysis method identifying one period of financial report by comparing a post with other post.

b) Technique of Financial Report Analysis

According to Munawir (2002: 36-37) some common techniques used in financial report analysis include:

1. Analysis of financial report comparison
2. Analysis of trend, position tendency, and firm development described on presentation.
3. Analysis of common size or the report with percentage from each component
4. Analysis of source and capital use.
5. Analysis of source and cash use
6. Analysis of financial ratio
7. Analysis of gross profit change

D. Financial Ratio Analysis

a) Definition of Financial Ratio Analysis

Harahap (2001:297) defines the financial ratio as the number that was gotten from comparison of result of a post financial report with other

post that have relevant correlation and significant meaning. The existence of financial report, according to Sartono (1997: 61) is the fundamental to evaluate and direct the firm operation performance; moreover the financial report was used as the framework of financial planning and controlling. At the same time, Munawir (2002:37) explained that analysis of ratio is an analysis method to know the relation of certain posts in the balance or profit loss individually or both.

The analysis ratio indicates the relation of chosen posts from the data of financial report. Ratio was a benefit guide to evaluate position, firm financial operation, comparison with the result on last years or other firms. The purpose of ratios is to illustrate the need of deeper investigation of Sectors (Simanora, 2000:522).

b) The Purpose Financial Report Analysis

Financial Report is a key to note down the activity of organization. According to Weston and Copeland (1995:24) the financial report has purposes:

1. Give the verbal communication that is well understood by the clients.
2. Illustrate the logical from the reverse correlation between financial reports.
3. Register the major financial principles.

4. Define the importance of cash flow in the future as the fundamental measurement of the present value of institution

According to Munawir (1993:69) the purpose of analysis of financial ratio is to know the liquidity, rentability, and solvability of the corporation.

c) Discovering the Correlation of Financial Analysis

a. Performance Measurement

1) Profitability Ratio

Cash flow is the result of the policies and decisions. By considering the historical data about the cash flow and profitability and emphasizing that both of them are the first step. In consequence, it needs a strategic analysis to make meaningful projection for the future.

a) Net operating income on sales

The ratio used by financial practitioners as a value driver, the key that influence the determining of a corporation. Net operating income focuses on the result and measures the interest expenses and tax expense.

b) Net Operating Income on Total Asset

The ratio commonly was said to be “a result of the total asset return.” It measures the effectiveness in using resources that done by the corporation. Sometimes, the ratio is called as the return of investment. The

administration should know the result of operation return on sources used by the segment.

According du Pont method, it can be emphasized that the result of return on investments is the result of interaction margin between income and the sales. Net operating income is a key player in analysis method that pioneered by du Punt. The basic correlation is on following formula:

$$\text{ROI} = \text{Profit margin} \times \text{turnover}$$

c) Net Operating Income on Total Equity

The ratio is measures the total of economic sources used by the corporation. But, the corporation supports their total asset with the fund sources that have no explicit equity, such as the loan, the wages, and other cost that should be paid. The sources of fund were called non-interest-bearing debt. The total asset minus the non-interest-bearing debt is total capital.

The total of equity is measured as equity of shareholders added with the interest expense debt. The detail of this is by reducing the securities (short term investment) from the interest expense debt until the total equity that was determined to give the measurement on the operating asset. The corporations illustrated the cash and notes as different posts, whereas the part of them joined both of them. Because it was difficult to reach the number of receivable notes, it may be related with the wider corporation strategies and it must be an operating asset.

d) Profit Margin on Sales

The ratio is influenced by the capital intensity on industry. The corporations that have the dense capital, such as steel, car, and chemistry, may have the lower turnover on sales in producing the return of capital or the same equity needed the higher result sales return.

e) Return on Equity

Return on equity measure the return of book value to owner of corporation. The ratio is a “final destination ratio” (bottom line ratio) on this definition.

f) The Level of Marginal Profitability

The five ratios above show the average correlation. If the asset or measurements that relates with the asset is a denominator, it illustrates the practice of traditional accounting measurement with historical costs. Especially, in food and beverage industries, its old machine (inventory) can be repaired so it has economic value as the new one. But, the tools that recommended such as that was noted in balance with the relatively low of the achievement price observed after the depreciation. Apparently, it can improve the measurement of profitability with an average relation.

Because of that, the both profitability ratios that were a final correlation they have marginally and incrementally relation. The use of incremental profit can reduce the partial weakness.

g) Marginal return on Equity

It is quite similar to the measurement of Marginal return on equity.

2) Ratio of Growth

Ratio of growth measures how the corporation makes the best of its performance to maintain economic position in industry. Data are reported on nominal numbers so the level of total development of real growth added to rise of the price level. The presentation is by using the nominal growth level. But, as the detailed section of intern analysis on Business Corporation, it should separate between the reality and changing factor on level price. The growth ratios consist of:

- a) sale
- b) net operating profit
- c) net profit
- d) earning per share
- e) Dividend per share

3) Valuation measurement

The valuation ratio is the most comprehensive performance measurement on corporation because it describes the role of composite return on earning and risk ratio.

1) Price on Earning Ratio

Market price on earning per share (also called price on earning ratio or P/E ratio). The ratio describes the influences fading each other and make the interpretation is more difficult to do. The higher of the risk caused by the higher of discount factor and the lower the price on earning ratio. The higher of corporation growth level is caused by the higher of price on earning ratio. Some people judge that the level of growth is difficult to endure with the result that the risk in growth level inclined to pull and push P/E ratio.

In the United State of America, P/E ratio of corporation is often related with average market such as Dow Jones number or Standard& Poor. The financial analysts often try to establish a consistent relation measured by the premium or discount on certain stock compared with Dow or S&P.

2) Market to Book Ratio

The ratio is to measure the values given by financial market to management or institution as a corporation that straightly grows.

Markets to book ratio describe the historical achievement price on building and property (physical asset corporation). A corporation that managed kindly with strong management, strong organization, and work efficiently must have the higher market value than the historical of physic book ratio.

b. Operating Efficiency Measurement

Measurement of operating efficiency is a category of ratio to analyze the performance. The performance has the equal important role in determining the successes in a corporation.

a) Asset and Investment Management

According to the tradition, the asset and investment management ratio is called ratio of activity or ratio of turnover. Whatever the term, the idea is rooted on how the effectiveness of corporation benefitting the investment and economic sources in its direction. Because of that, the attainment of profit sale needs the application of healthy investment. In the practice, it includes the comparison between sale and investment level in the approximation assets. The method connects the ideal relation between sale and investment assets.

a) Inventory Turnover

Inventory turnover is defined as the sale prime price divided on inventory.

b) Claim of loan Period

Average notes period is counted in two steps: (1) yearly sale divided into 365 to determine the average of daily sale, and (2) account of receivable divided with daily sale to get the sum of sale days that bounded the account of receivable.

The average notes period is a measurement of average notes period between sale date and pay date. In addition, account of receivable activity can be explained as the turnover or the percentage of sale.

c) Fixed Asset Turnover

The utilization of the asset is very important because the investment in factory and inventory has the big value and it has long duration. The mistake in investment can not be reversible, but the consequences may be stabilized.

d) Total Asset Turnover

Total asset turnover describes the efficiency of management investing in post asset.

e) Total Equity Inventory

Total Equity turnover is very important because total equity shows the part of total asset were financed by sources with the explicit costs.

f) Investing Level

The investment level is counted as the percentage of raising total equity in certain years from last year equity. Investment is defined as the change of total equity between two periods.

g) Cost Management

Two important things to reach the efficient operation is by managing the investment and the cost effectively. The topic of management is relatively ignored in the financial notes because the

corporations do not just provide the detail of their annual costs. The detail of cost was reputed as competitive and important information in the corporation. From the available cost, it can be taken the best conclusion.

h) Gross Profit Margin

Gross profit margin is an important measurement. The measurement influences the cost policies more details. It explains how many expenses were produced to the costs and administration, advertisement, marketing, research, development, and reaches the satisfactory on its final profitability.

i) Marketing and Administration Expenses on Sale

General and administrative expense usually revolves in 5 to 7 percent from the sale. The efficiency in distribution of goods at food sector will be revolving 10 until 15 percent from sale. The third category is advertisement and promotion expenses. The expenses may be relatively too high for the corporations at food industries in which the promotion of new product is very high, and to support the growth of sales, is highly demanded.

j) Labor Expense on Sale

The ratio is very important to analyze labor expense that influences the profitability massively.

k) The Level of Labor Growth

The change of labor percentage according to the basic yearly measurement is used to measure the operational growth. If it is compared with the investment level, it will give the definition about the substitution of capital, labor, or it will give the reverse. After merger or acquisition, it is very important to determine the change of profitability that fabricate through reducing the labors as it is measured by the ratio or it can give the compensation to the labor as it is measured through the ratio.

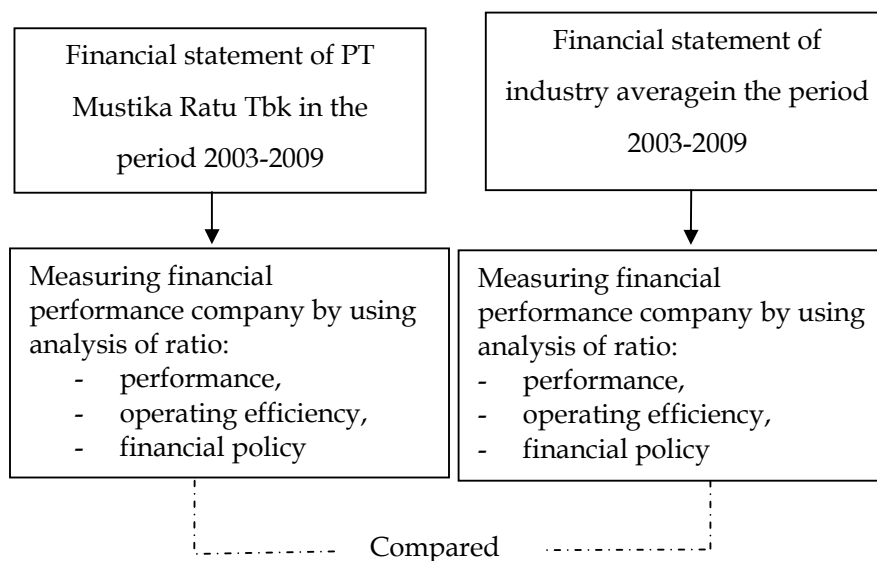
l) Retired Expenses on Labor

The ratio is measured as a total of pension expenses divided by the total of labor. The ratio is needed to define the policies on corporation on important aspects of labor management.

2.3 Theoretical Frame Work

To make easier comparison of the analysis of financial performance at PT Mustika Ratu Tbk with industri average, so it is done through to the following scheme:

Figure 2.1
Theoritical frame work



Instantly, the model above describes the financial statement of PT Mustika Ratu Tbk and other cosmetics companies can use to measure the financial performance on the companies. Determining the performance by using the draft of ratio analysis has two important things in its calculation. It can be on the performance, operating efficiency, and financial policies in of a company.

CHAPTER III

RESEARCH METHOD

3.1. Research Location

The location of the research is at Pojok Bursa Efek Indonesia (BEI) in Muhammadiyah University Malang which provides the documents, notes, and archives taken from the annual report at PT Mustika Ratu Tbk, PT Mandom Indonesia Tbk, and PT Unilever Indonesia Tbk.

3.2. Research Method

According the problems and objective of study above, the research use descriptive qualitative research to describe (explain), analyses and interpret the financial performance at PT Mustika Ratu Tbk. It chooses descriptive qualitative because it will describe and analyze financial statement through time series. Then the data will relate with the facts happen on the corporation. And it is used the charts to facilitate in understanding the result of research.

The period of research was conducted to collect the data of the company performance between 2003 until 2009. The period 2003-2009 is purposively selected to provide details about the condition of corporation that once decreased drastically in 2005 and getting good on furthermore

period. Moreover, PT Mustika Ratu Tbk showed the rising of profit significantly in the end of period 2007 and 2008.

3.3.Data and Type of Data

The data that taken in this research is used the type of secondary data that taken from Pojok Bursa Efek Indonesia (BEI) Muhammadiyah University Malang that formed on financial report. The data were taken from the location of research formed on documents, notes, and archives of annually financial report at PT Mustika Ratu Tbk, PT Mandom Indonesia Tbk, and PT Unilever Indonesia Tbk.

The secondary data were obtained by the researcher indirectly through the mediator. Generally, the secondary data as the proof, notes or historical that arranged in achieves published or unpublished. It contained the organization structure, labor, and financial report (Indriantoro, 1999:147).

3.4.Data Source

In arranging of the research, it was needed the supporting data that have good accuracy. In this research, the data that used is secondary data. Secondary data is data that was gotten by researcher indirectly through the mediator (from other part). According Bungin (2005:122) secondary data is a data that was obtained from the second source.

The data used in this research are taken from and collected from Bursa Efek Indonesia (BEI) corner, that formed in balance, income loss report, and other additional report from PT Mustika Ratu Tbk on 2003-2009 period. Beside that, the data was taken from articles, homepages, journals, bulletins, and other research that correlate and relevant to this research.

3.5.Data Collection

The collection of data on this research is includes:

a. Documentation

It is the collecting data of annual financial statement company in the period 2003-2008 at Bursa Efek Indonesia (BEI) corner in Muhammadiyah University of Malang.

b. Observation

It is the process of note the object without using the question and communication on the object. In this research, used the information from newspaper, and articles from relates homepage.

3.6.Data Analysis Model

A. Measuring the financial performance by using ratio analysis. The ratios used to measure the financial performance, including the ratios and the formulas of:

1) Performance measurement

a) Ratio of profitability

1. Ratio of net profit income on sale

$$\text{net operating income on sale} = \frac{\text{net operating income}}{\text{Sale}}$$

2. Ratio of net operating income on total asset

$$\text{net operating income on total asset} = \frac{\text{net operating income}}{\text{total asset}}$$

3. Ratio of net operating income on total equity

$$\text{net operating income on total equity} = \frac{\text{net operating income}}{\text{total equity}}$$

4. Ratio of net income on sale

$$\text{net income on sale} = \frac{\text{net income}}{\text{sale}}$$

5. Ratio of net income on equity

$$\text{net income on equity} = \frac{\text{net income}}{\text{equity}}$$

6. Ratio of net operating income change on total equity

$$\text{change} = \frac{\text{net operating income change}}{\text{total equity change}}$$

net operating income change

7. on total equity change

net profit change on equity change

$$\text{net profit change on equity change} = \frac{\text{net profit change}}{\text{equity change}}$$

b) Growth ratio

1. sale

2. net operating income

3. Net profit

4. Earning per share

5. Dividend per share

c) Valuation Measurement

1. Price on earning

$$\text{Price on earning} = \frac{\text{price}}{\text{earning}}$$

2. Market equity value on equity to book value

Market equity value on equity to book

$$\text{value} = \frac{\text{market equity value}}{\text{equity to book value}}$$

2) Operating Efficiency Measurement

a. Asset and investment management

1. Inventory turnover

$$\text{cost of sale on inventory} = \frac{\text{cost of sale}}{\text{inventory}}$$

2. claim of loan period

$$\text{claim of loan period} = \frac{\text{receivable}}{\text{sale per day}}$$

3. sale on fix asset

$$\text{sale on fix asset} = \frac{\text{sale}}{\text{fix asset}}$$

4. sale on total capital

$$\text{sale on total capital} = \frac{\text{sale}}{\text{total capital}}$$

5. sale on total asset

$$\text{sale on total asset} = \frac{\text{sale}}{\text{total asset}}$$

6. total equity change on total capital

$$\text{total equity change on total capital} = \frac{\text{total equity change}}{\text{total capital}}$$

b. Expenses Management

1. Gross profit on sale

$$\text{Gross profit on sale} = \frac{\text{gross profit}}{\text{sale}}$$

2. Marketing and administration expense on sale

Marketing and administration

$$\text{expense on sale} = \frac{\text{marketing} + \text{administration expense}}{\text{sale}}$$

3. Labor expense on sale

$$\text{Labor expense on sale} = \frac{\text{labour expense}}{\text{sale}}$$

4. Level of labor growth

Level of labor growth

$$= \frac{\text{total labour year } x - \text{total labour year } x - 1}{\text{total labour year } x - 1} \times 100\%$$

5. Research and development expenses on sale

Research and development expenses

$$\text{on sale} = \frac{\text{research} + \text{development expenses}}{\text{sale}}$$

3) Financial Policies Measurement

a. Leverage ratio

1. Total asset on equity of book value

Total asset on equity of book

$$\text{value} = \frac{\text{total asset}}{\text{equity of book value}}$$

2. debt interest expense on total equity

debt interest expense on total

$$\text{equity} = \frac{\text{debt interest expense}}{\text{total equity}}$$

3. (Earning before interest and tax (EBIT)) on interest expense

$$\text{EBIT on interest expense} = \frac{\text{EBIT}}{\text{interest expense}}$$

4. EBIT on operation fund

$$\text{EBIT on operation fund} = \frac{\text{EBIT}}{\text{operation fund}}$$

b. Liquidity ratio

1. Current asset on current liabilities

$$\text{Current asset on current liabilities} = \frac{\text{current asset}}{\text{current liabilities}}$$

2. Current asset without inventory on current liabilities

Current asset reduce inventory

$$\text{on current liabilities} = \frac{\text{current asset} - \text{inventory}}{\text{current liabilities}}$$

B. Compare the ratio with rate of industry

On this session will compare the ratio values at PT Mustika Ratu Tbk with the rate of ratio at the cosmetic and household industry. The method that will use is by accounting the rate of values at PT Mustika ratu Tbk, PT Mandom Tbk, and PT Unilever Indonesia Tbk.

CHAPTER IV

FINDINGS AND DISCUSSION

4.1.Exposure of Data Research

PT. Mustika Ratu was established in 1975. At first, it produced only 5 kinds herbal medicine, and traditional herbal cosmetics such as, Mangir, cold powder, and rose water. But the following year, more experienced employees and products were produced. In the year of 1978, products of Mustika Ratu was firstly distributed to stores through the beauty salons that were asked to be its agent. The distribution of its products began in Jakarta, Semarang, Surabaya, Bandung, and Medan. The demand increased until the 1980s, the company began to develop various types of traditional cosmetics.

Responding to increasing demand but limited employees, BRA Mooryati raised the funds for capital working. By using the funds, the establishment of PT Mustika Ratu legalized by the Minister of Health at 8 April 1981, Mr. dr. Soewardjono Soeryaningrat, with 150 employees. After receiving positive response from the state, Mustika Ratu tried to move to foreign countries. In the increasing of tight competition to penetrate international markets, Mustika Ratu exports its products to some countries. The largest markets of Mustika Ratu are Malaysia, Brunei and Singapore.

Apparently, the corporation started as a small home industry. Mustika Ratu developed into a large manufacturing company after many years. Perseverance and leadership by BRA Mooryati Soedibyo produced a successful family business in the field of health and beauty. We started this business from the field of herbs that have been widespread in beauty treatments businesses such as SPA.

In addition, this business has helped to reduce unemployment, with hiring around 3000 of labor. In other words, Mustika Ratu helped improve the standard of living of the Indonesian family 3000. Not only that, this business also became the pride of Indonesia as one of the top quality based ingredient products are made and generated from resources that they loved.

Vision

1. Mustika Ratu becomes a major company that introduces, develop and preserve traditional herbal medicine and cosmetics Indonesia to other countries.
2. Make Mustika Ratu had superior in quality and product innovation inherited the tradition of health care and beauty lady of the palace as a national heritage in Indonesia.

Mission

1. Achieve customer satisfaction by making of healthy and beauty care products customized on plenary and market tastes.
2. Produce quality products made from natural materials by applying technology to improve the quality, become the herbal medicine market leader and international cosmetics industry.

An Annual report of PT Mustika Ratu is arranged by the Audit Team Committee based on the results of reports that have responsibilities to the Board of Commissioners. The Audit Committee has responsibilities to oversight all activities related to accounting standards and principles of financial reporting. Policies and procedures intended to ensure that internal control systems management Company's have been going well. Through the meetings of the Audit Committee produce recommendations proposed by the Board of Commissioners. The results of the meeting are:

1. Study of the Financial Statements of the Company, both interim and annual financial and projections of annual reports.
2. Study of accounting systems and internal controlling (standard operating procedures) of the Company.
3. A review for the implementation of internal audit examinations, especially regarding the audit findings and implementation of audit recommendations.

4. Assessment of Public Accountant candidate selection recommended by the Board of Commissioners.
5. Review of the level compliance Company's on legislation in the field of Capital Market and other legislation relating to the Company's business activities.

The Company is engaged in the production of soaps, detergents, margarine, vegetable oils and foods made from milk, ice cream, snacks and beverages from the tea, and cosmetic products.

As approved in the Company's Annual General Meeting on June 13, 2000, which stated in notaries deed No. 82 made by the notary Singgih Susilo, S.H. dated June 14, 2000; the company also acts as the main distributor and provides marketing research services. This deed was approved by the Minister of Law and Legislation (formerly Minister of Justice) decision of the Republic of Indonesia with 18482HT.01.04-No.C-TH.2000. The Company started its commercial operations in 1933.

The Location of Company (office) is in Graha Mustika Ratu, Jl Gatot Subroto Kav. 74-75 Jakarta 8306754-59 (Hunting)/8306760. While the factory location is in Jl. Raya Bogor km. 26.4 Ciracas Jakarta (021) 871-1291 (hunting) (021) 871-0735.

Here are some programs that have been passed and awards received by PT Mustika Ratu Tbk during the years 2008 and 2009.

Vocational-Mustika Ratu programs include:

1. A golden brand (16-09-2008)

In 1991 along with the development, where consumers want things that more modern and practical, and the desire to enter into international markets, the idea of Dr. Mooryati Soedibyo BRA, the founder of PT Mustika Ratu, herbs and cosmetics company Indonesia-based Traditional recipes from the palace Surakarta to develop medicinal Sedet Saliro Mustika Ratu (herbal slimming in pill form) to a new format that is more modern and practical in the form of a tea bag and then given the name "Slimming Tea" is more modern, international and more communicative and direct to explain the benefits of the product in it.

Mustika Ratu Slimming Tea was launched in 2002 to market as the first herbal medicine in the form of slimming tea bags in Indonesia. And it was exported to Malaysia as the country's first goal.

In 1993 the state expanded the purpose to Singapore and Brunei Darussalam, next to Japan and Saudi Arabia (1995), Russia (1997), Turkey (2003), Suriname (2005) and Hong Kong (2006).

Because the local state regulations, especially Malaysia & Saudi Arabia is the product name Mustika Ratu Slimming Tea in the two countries changed their name Mustika Ratu Herbal Tea (1995)

Before going to Japan (1995), the product was performed on Pre-clinic Test Mustika Ratu Slimming Tea by the Institute of Immunology,

MD University of Tokyo Japan. These preclinical tests prove that Mustika Ratu Slimming Tea can reduce body fat tissue in 28 days.

Since then, the result of pre-clinic test in MD University of Tokyo has become the USP product advertising campaign Mustika Ratu Slimming Tea that can improve product performance and its benefits can be perceived by the consumer.

In 2006, as the market leader in the Slimming Tea category (83% Share Of Market) and support a vigorous advertising and more uniform distribution throughout the country Mustika Ratu Slimming Tea awarded an IBBA (Indonesian Best Brand Award) was the first for the category Slimming Tea. It also in this year Mustika Ratu Herbal Tea in Malaysia received an award as Best Herbal Slimming Tea from WATSON'S Health & Beauty Award 2006.

In addition to rejuvenating the product packaging in order to more fresh look with a more prominent BRAND, as well as efforts to maintain its position as market leader and to capture new customers, in October 2006, Mustika Ratu launched a new variant that is: Slimming Tea Honey and Lime Double Strength Where efficacious herbal formula These products are made in 2 times more and added honey and lemon juice so it was more fresh and delicious.

In 2007, market share increased to 84% with sales growth of 23%, and return Mustika Ratu Slimming Tea awarded IBBA (Indonesian Best Brand Award) for the second time.

In August 22, 2008 Mustika Ratu Slimming Tea GOLDEN IBBA awarded for Slimming Tea category for successfully getting IBBA for 3 consecutive years MARS Based on consumer surveys, Mustika Ratu Slimming Tea has the Highest Brand Value is a combination of Top of Mind Brand, Quality, Brand Used Most Often, Loyalty and Market Share.

2. Indonesian herbal medicine degree Resurrection (02-06-2008)

Jamu (herbal medicine) is the nation's cultural heritage which has been known to Indonesian society since ancient times. History proves that the medicinal herb native Indonesian is derived from natural ingredients, and is used as an effort to maintain health, treat disease, as well as a beauty boost. Utilization of herbal medicine in Indonesia has been started by the ancestors of the nation, since hundreds or even of thousands years ago.

Although technology and science was continue to evolve, the use of natural ingredients for healthy again ogled. Along with the trend back to the sweeping nature of the world community, the potential and prospects of Indonesian herbal medicine is very big, and able to contribute to foreign exchange for the country's economy. This is related to the potential of

natural raw materials owned by the Indonesian nation, which deserves to be grateful that this nation will be blessed with the wealth of biological diversity resources, even as the country was called Mega Bio-Diversity, number 2 (two) in the world after Brazil. \pm 30.000 from as many plant species, at least \pm 2000 species of medicinal. It is do not to mention yet the potential number of Human Resources (HR) in Indonesia.

It's time for Indonesia to develop and promote herbal medicine. Herbal medicine is not only a role in the generation of health care, but also a national asset. In addition to providing foreign exchange, herbal medicine industry provides vast employment opportunities, ranging from farmers, industrial workers, retailers, until the development of the informal sector. Herbal medicine business grew and became even form-based Creative Economy of biological resources. Creativity and product development of herbal medicine helped customize the look with consumer demand, ie not only as traditional medicines. But, it has become various standardized products such as medicinal, herbal fitofarmaka, products for health maintenance, disease prevention, and restoration of health, fitness, relaxation and beauty. The development of herbal medicine business also has potential to support the tourism sector.

Therefore, beginning with the commitment of the Joint Enterprise (GP) are realized in medicinal herbs declaration, Brand Indonesia, March 4 ago, has become a milestone that marks the beginning of Indonesian

Herbal Awakening in 2008. Taste the love of herbs as part of the natural wealth and heritage of the nation, has encouraged entrepreneurs to confirm medicinal herb native to Indonesia as a brand that needs to be maintained, preserved, and promoted widely to foreign countries.

As a follow up that commitment, then the GP herbal medicine cooperation with the Coordinating Ministry for People's Welfare and the Coordinating Ministry of Economic Affairs, held Indonesian herbal medicine Degree Rise, which will be held on Tuesday, May 27, 2008, at Bogor Palace, and attended by the President of the Republic of Indonesia, Susilo Bambang Yudhoyono. This activity aims to raise the potential and prospects of Indonesian herbal medicine. Some of the activities associated with the event, such as organizing exhibitions of Herbs, joint economic development of the people, playing video Indonesia Herbal Brands, and others.

With this activity is expected of all parties, ranging from the community, employers and government herb called to maintain and even improve the image of herbal medicine as a cultural heritage based industries. Indonesian medicinal resurrection is the starting point to living a healthy global society with the advanced aspects of local wisdom.

3. "Prada Prameswari" color trends 2009 Mustika Ratu (29-01-2009)

A Beautiful empress figure, graceful, wise, loved, and admired by families and communities to be dreams that are stored inside each woman. Radiant beauty that shines like an empress inspired Mustika Ratu to launch Mustika Ratu Color Trends 2009 "Prada Prameswari" (Empress Gold). Circuit Mustika Ratu Color Trends 2009 "Prada Prameswari" It contains natural ingredients that easily applied to the eyes and lips. Choice of colors elegant nobility, namely green tea, Soga (brown) and prada (gold) makes beautiful eye makeup fascinating. A wash of natural-colored lipstick blended with dark red lip shine makes lips look fresh and full of passion.

Eye Shadow collection are taken from the colors of the earth was soft, waterproof, and not easily fade. Paired with matching lipstick color Eye Shadow beautify lips with natural ingredients that moisturize and does not cause side effects such as dry lips, cracked or black. View Lip Shine with subtle glitter content will give a fresh effect on the lips, and the colors brighter lipstick. This product can be owned with affordable prices, 1 (one) set of Eye Shadow for Rp. 50.000, - (fifty thousand rupiahs), lipsticks for Rp. 30.000, - (thirty thousand dollars), and lip shine for Rp. 40.000, - (forty thousand rupiahs). Prada Makeup Application Prameswari can be applied in various occasions, such as Makeup Days (Daily Make

Up), Makeup Party (Party Make Up) and Glamorous Makeup (Sexy Make Up).

Unlike previous years, the launching of Color Trends in 2009 Mustika Ratu not only beautify the Indonesian women, but also tried to make Indonesian women have a strong charisma and appear confident as an empress. In the framework of motivation and inspiration to campaign for women are Indonesia, Mustika Ratu conducted a program to search for Indonesian heroine who has the image of the "Prada Prameswari". The woman meets a beautiful, graceful, wise, intelligent, loved and admired by families and communities. Public choice can provide a simple way, namely by filling out a form or access to the website-www.mustikaratu.com by writing the name and the reason for selecting leaders, then equipped himself with sending data and structural Color Trends 2009 purchase of Mustika Ratu. The deadline for delivery will be extended to the end of March 2009. Indonesian heroine who is elected will be announced in April 2009 coincided with the commemoration of Kartini Day.

Color Trend 2009 Introduction Mustika Ratu are held in the Media Gathering Prameswari Prada (29/1), by presenting the Duma Riris Silalahi, Brand Ambassador Color Trend 2009 Prameswari Mustika Ratu Prada Pendopo location Kemang, Jakarta.

4. A fabulous wedding & professional make-up packages (June 26, 2009)

Taman Sari Royal Heritage (TSRH) Spa, beauty treatment center and cultural-based health, launched a new menu that is "Professional Make up Packages". Presence of a new menu of spa is still under the auspices of a group of PT Mustika Ratu Tbk. This is one effort in providing added value to consumers, as well as satisfies the need for quality cosmetology salon owned by TSRH Spa.

Besides that, the appearance of the menu "Professional Make Up Packages" was motivated by growing demand as consumers of professional services Mustika Ratu Artistic Team which has proven results in supporting performance artists and presenters on several television stations and print media. Mustika Ratu Artistic Team has also been trusted to support major events such as the Electoral Princess Visits Indonesia& Miss Universe, Election Cover Girl, Panasonic Award, Abang None Jakarta, several events seminars, fashion shows, and wedding, as marriage among Sagita Wacik (Princess Ir.Jero wacik.SE) and Rahma Landy (Miss Indonesia Tourism 2006).

Therefore, through the ministry "Professional Make up Packages" offered at this spa salon TSRH, consumers may feel the service directly professional Make up Artist of the Artistic Team for Mustika Ratu makeup needs.

The professional makeup artist is using Moor's Professional Make-Up of Mustika Ratu, which not only serves to beautify the face with a

collection of Basic Make Up and a complete decorative, but also able to protect and nourish the skin with Amihope Laureyl Lisyne content, which is the formula that makes the skin look more gently, helping to overcome the signs of aging such as fine wrinkles and slow the aging process in skin.

Package offered to serve various needs, such as Wedding Make Up, Sexy Make Up, Photo Session, Video Shooting, Cocktail and Natural Make up Make up. Price range "Professional Make Up Packages" They range from Rp. 650,000 - Rp. 10,000,000. This service is only available at the Taman Sari Royal Heritage Spa Wahid Hasyim every Friday, Saturday, and Sunday at. 11:00 to 19:00 (outside of these hours by appointment).

The launching was done at the Taman Sari Royal Heritage Spa Wahid Hasyim (26.06), with the present share Bp. Zulfikar Lukman (Corporate Director of PT Mustika Ratu Tbk.), Annie Savitrie Baskoro (Director of the Taman Sari Royal Heritage Spa), Rahma Landy (Miss Indonesia Tourism 2006), Anggi Mahesti (Miss Indonesia Tourism 2008), Merry Halim (Finalist Miss Indonesia DKI Jakarta), and several other invited guests.

Activities of this new package launch is expected to be more widely introduced to the public that TSRH Spa not only provides health care and beauty with a unique and traditional concepts, but also has a salon that caters to the women to look beautiful and perfect.

Several awards obtained Mustika Ratu, such as:

1. Mooryati Soedibyo Achieve Award "Master of Herbs" from MURI (13-05-2008)

In order to commemorate one century of Indonesian Women Awakening, BRA Mooryati Soedibyo receive Charter Awards Women in Indonesia's record-World Record Museum of Indonesia (MURI) as the Master of Herbal, (12/5), in the Auditorium Ministry of Culture and Tourism, Jakarta. Awards are handed over directly by the Minister of Women Empowerment, Prof Dr Hatta Swasono Meutia.

Celebration of a century of national women's revival aims to demonstrate the role of women in Indonesia to support the development of the State. BRA Mooryati Soedibyo was selected as one figure that represents the success of women in development through their work to fill in society. The Founder of PT Mustika Ratu Tbk as one of the company's traditional herbal medicine and cosmetics, Indonesia, proving that women can contribute to the interests of the country.

Daughter, who inherited the palace gathering skills of natural materials to make herbal health and beauty care, has created real income and a role in public life. Herbal medicine as part of the natural wealth and cultural heritage, not just play the generation of health care, but also a national asset. Besides providing foreign exchange, herbal medicine industry provides jobs and increase incomes of thousands of farmers who

depend their lives by cultivating medicinal raw materials. He also participated actively strengthen the image of herbal medicine by conducting research and development of quality herbal products.

Business of traditional herbal medicine and cosmetics, he started it since 1975, has helped the government efforts in reducing unemployment, by hiring about 3,000 workers, in which the majority consists of women. This shows clear evidence of his concern for women's empowerment efforts as one of the nation's assets. In addition, in the political arena, Mooryati Soedibyo who also serves as a responsible member of DPD RI Religion, Health, Education and Women, participate actively participate in the fight for the rights of women.

MURI awards are aimed at achieving some of the women are expected to be a motivation and improve self-confidence of women that they can contribute to the interests of the country. Because, in the hands of women, will be born a generation that continues the development of our beloved country.

2. Mooryati Soedibyo Entrepreneurship Achieve Outstanding Award 2008 (08-09-2008)

Dr. BRA Mooryati Soedibyo, the founder of PT Mustika Ratu Tbk., Won Outstanding Entrepreneurship Award in the Asia Pacific Entrepreneurship Awards (APEA) 2008 Indonesia, Monday (25/8), in the Grand Ballroom, The Ritz Carlton Pacific Place, Jakarta. Awards

international scale provided by Enterprise Asia is the culmination of a rigorous selection granted to individuals based on several criteria of sustainable leadership of the registered business with a minimum of 3 years, has a cumulative turnover of not less than EUR 10 million within two years, continue to make investments, and realize the Corporate Social Responsibility. The Acceptance of the award was represented by the mother Princess Kuswisnuwardhani, MBA (Vice President Director of PT Mustika Ratu Tbk.)

APEA Awards 2008 aims to increase public awareness of the importance of Entrepreneurship, where it can stimulate the growth of the company's brand and, at the local and regional levels.

BRA Mooryati Soedibyo who pioneered the business of traditional herbal medicine and cosmetics Indonesia since 1975 has proved its role in supporting the country's economy. This business has helped the government efforts in reducing unemployment, which is by hiring about 3,000 workers. Herbal medicine as part of the natural wealth and cultural heritage, not just play the generation of health care, but also a national asset. In addition to providing foreign exchange, herbal medicine industry provides jobs and increase incomes of thousands of farmers who depend their lives by cultivating medicinal raw materials. He is also actively strengthening the image of indigenous medicinal and cosmetic Indonesia to conduct research and development of quality products.

Individual award recipients are expected to be role models to have shown good performance in communicating the vision, mission and strategy, and the spirit of entrepreneurship.

3. Star Mahaputra Adipradana for BRA. Mooryati Soedibyo (August 21, 2009)

BRA Mooryati Soedibyo received awards Mahaputra Medal of Honor sign Adipradana from President Susilo Bambang Yudhoyono at the StatePalace, on Saturday (August 15, 2009). President confers the honors for his devotion and his services are extraordinary against the state and nation of Indonesia.

BRA Mooryati Soedibyo, the founder of PT Mustika Ratu Tbk., Cosmetics companies and traditional herbal medicine of Indonesia, is one of the women who has shown their work in filling construction and provide clear evidence for the development of the nation. Business which he founded has helped to reduce unemployment, to recruit around 3000 labors, which means that participate in improving the standard of living of the Indonesian family 3000. This business is also the pride of Indonesia to produce quality product-based, are made, and resources generated from Indonesia. This business expanded to other countries that led to foreign countries, and positively contribute in maintaining the economic stability of this country.

In addition, he is also very active in the field of education and spread knowledge, both about women's empowerment, skills, economy and politics. Being real work and accomplishments during this he had led a badge of honor from the head of State of RI. On the other hand, BRA Mooryati Soedibyo was an inspiration for women to empower our potential, as well as participate in nation building and state.

4. Mustika Ratu Indonesia Achieve category Best Packaging Awards
2009 (24 November 2009)

In an effort to survive amid the global economic crisis this time, PT Mustika Ratu Tbk., Herbal medicine and cosmetics companies' traditional homeland, always taking steps to innovation and renovation based on customer needs. One implementation is to do a renovation on some product packaging. Changes in facial appearance are not only to improve the image and follow the latest developments, but also to facilitate and achieve consumer confidence.

The Company considered that the packaging is one factor that plays an important role in consumer purchasing decisions. Therefore, the company tries to present the product with packaging that is adjusted to the consumers needs.

4.2. Analysis of Research Data

a. Performance measures

1) Profitability Ratios

a) Net operating profit on sales

$$\text{Net operating profit on sales} = \frac{\text{net operating income}}{\text{Sale}}$$

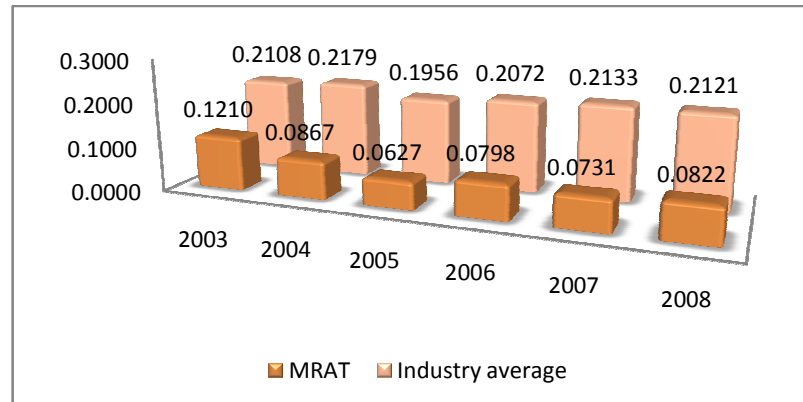
Table 4.1
The ratio of net operating income to sales
The PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	net operating income (in millions rupiah)	sales (in millions rupiah)	MRAT	Industry average
2003	27.801	229.778	0,1210	0,2108
2004	21.147	243.879	0,0867	0,2179
2005	13.048	208.097	0,0627	0,1956
2006	18.066	226.386	0,0798	0,2072
2007	18.435	252.122	0,0731	0,2133
2008	25.297	307.804	0,0822	0,2121

Source: Data processed

From Table 4.1 it can be concluded that the ratio of net operating profit at PT Mustika Ratu Tbk with sales showed fluctuating trend of diminishing. Shown in the table is that comparison value of net operating profit compared with a decrease sales continued from 2004 to 2007, and strengthened its presence back in 2008.

Figure 4.1
Comparison of net operating income to sales
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

From the description in figure 4.1 are observed that the trend ratio of net operating income to sales PT Mustika Ratu Tbk and industrial average tends to almost the same except the 2004 and 2007 which explained that PT Mustika Ratu Tbk tended to decrease compared with the industry average increasing.

This can be explained by changes in this ratio and the industry average is that both have almost the same policies related to the portion of sales and net operating income that was a change they tend to experience robust growth is almost the same.

b) net operating profit on total assets

$$\text{net operating profit on total assets} = \frac{\text{net operating income}}{\text{total asset}}$$

Table 4.2
The ratio of net operating income to total assets
at PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	Net operating profit (in millions rupiah)	Total asset (in millions rupiah)	MRAT	Industrial average
2003	27,801	275,179	0.1010	0.4647
2004	21,147	294,415	0.0718	0.4933
2005	13,048	290,646	0.0449	0.4643
2006	18,066	291,768	0.0619	0.4637
2007	18,435	315,997	0.0583	0.4624
2008	25,297	354,780	0.0713	0.4674

Source: Data processed

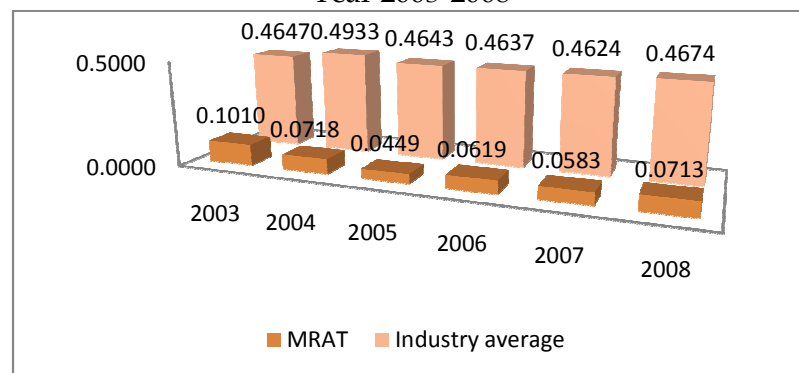
Based on data from Table 4.2 it can be seen that the trend of the ratio between net operating income to total assets at PT Mustika Ratu Tbk almost have the same as the trend at previous ratio (net operating profit ratio to sales). In 2004 and 2005 the ratios decreased and more growth fluctuate from 2006 until 2008.

The cause of the less growth of the value in this ratio is higher than the value of fixed assets with net operating profit growth. This indicates that the two things that the financing of PT Mustika Ratu Tbk by using assets to increase net operating income is still below, so the amount of operating profit to grow despite the less sales value tends to increase from

year to year. And it appears that the total value of these assets increased value from the period 2003 to 2008 period. And with the portion of the total assets of this well enough, still plays the company is to establish a policy to raise the value of net operating profit next.

While the industry average growth in this ratio tends to be stable, beginning in 2003 until 2008 the percentage growth of this ratio continues to be in the range of 46 percent.

Figure 4.2
Comparison of net operating income to total assets
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

From the explanation on picture above, it can be seen that the growth ratio of net operating income to total assets at PT Mustika Ratu Tbk tend to fluctuate and decline from 2003 to 2008 compared with a ratio value of this ratio on the average value of the industry continued to stable from year 2003 until the year 2008.

And from changes in the ratio can be concluded that the allocation of total assets funds in each company in their effort to increase the value of net operating income was stable from year to year.

c) Net operating profit on total equity

$$\text{net operating profit on total equity} = \frac{\text{net operating income}}{\text{total equity}}$$

Table 4.3
The ratio of net operating profit to total equity
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	Net operating income (in millions rupiah)	Total equity (in millions rupiah)	MRAT	Industry average
2003	27,801	232,336	0.1197	0.7102
2004	21,147	247,602	0.0854	0.7429
2005	13,048	255,624	0.0510	0.7521
2006	18,066	264,313	0.0684	0.8000
2007	18,435	279,559	0.0659	0.8085
2008	25,297	303,622	0.0833	0.8606

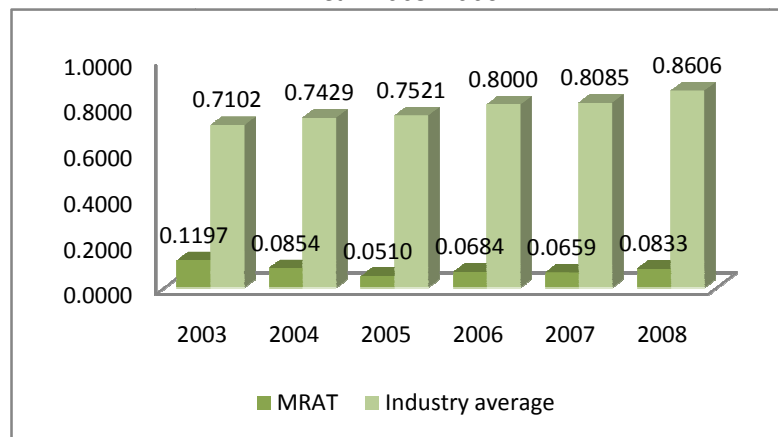
Source: Data processed

Comparison of net operating profit to total capital at PT Mustika Ratu Tbk also indicated that changes the calculation method is similar to the previous two ratios. From this ratio, it can also be concluded that the policy of PT Mustika Ratu Tbk to increase the amount of net operating income by total capital budget can be said almost nothing. This can be explained in table 4.3 which shows the value of net operating income

tends to fall compared to the total value of capital that increased from 2003 until 2008.

While the industry average growth of this ratio is increasing, this indicated that on average the industry portion of the total capital that is used to increase net operating income increased from 2003 until 2008.

Figure 4.3
Ratio of net operating profit to total capital
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

d) Net profit on sales

$$\text{net profit on sales} = \frac{\text{net income}}{\text{sale}}$$

Table 4.4
Comparison of net income to sales
the PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	Net income (in millions rupiah)	Sale (in millions rupiah)	MRAT	Industry average
2003	10,879	229,778	0.0473	0.1523
2004	13,150	243,879	0.0539	0.1560
2005	8,510	208,097	0.0409	0.1388
2006	9,096	226,386	0.0402	0.1463
2007	11,130	252,122	0.0441	0.1511
2008	22,290	307,804	0.0724	0.1486

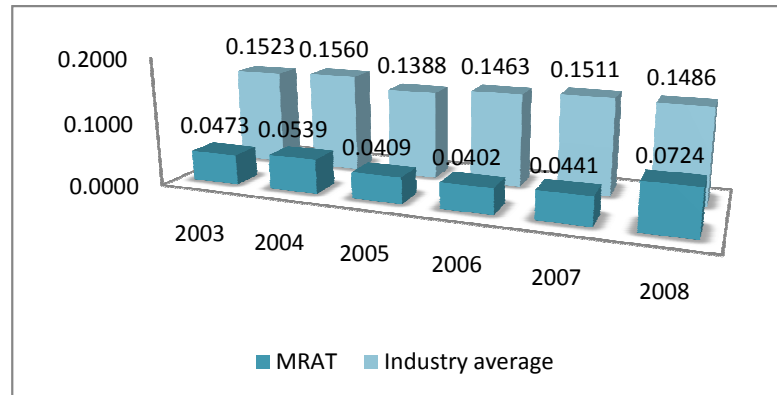
Source: Data processed

In 2004, PT Mustika Ratu Tbk showed significant growth from the previous year by 13.95 percent from the previous period. In 2003, net profit ratio of sales reached 4.73 percent in 2004 while its value increased at the level of 5.39 percent.

The next three years (2005-2007), the value of this ratio has decreased and the growth percentage is stable at 4 percent. While in 2008 the value of this ratio has grown very significantly positive for the 64.17 percent from the previous period to the level of 7.24 percent.

On the industrial average net operating income growth had increased in the year 2004 was 24.29 percent compared with the previous period. In 2004 the value of this ratio reached 15.60 percent while in the previous period value of this ratio reached 15.23 percent.

Figure 4.4
The ratio of net income to sales
the PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

From figure 4.4 can be explained the comparison of the net profit ratio of sales at PT Mustika Ratu Tbk with the industry average was looked much different between their values. On the average industry ratio this ratio reaches double digits, while none of the value of the ratio at PT Mustika Ratu Tbk more than two digits.

This can be indicated that the ratio between net profit at PT Mustika Ratu Tbk lacked a good value compared to the industry average. But in the last two years (2007-2008) growth is very good value when compared with the value of sales. While on the industry average ratio value of this ratio can be said fairly stable in the range of 14 percent despite suffered a significant decline in 2005.

e) net profit on equity

$$\text{net profit on equity} = \frac{\text{net income}}{\text{equity}}$$

Table 4.5
The ratio of net income to equity
the PT Mustika Ratu Tbk and the industry average
Year 2003-2008

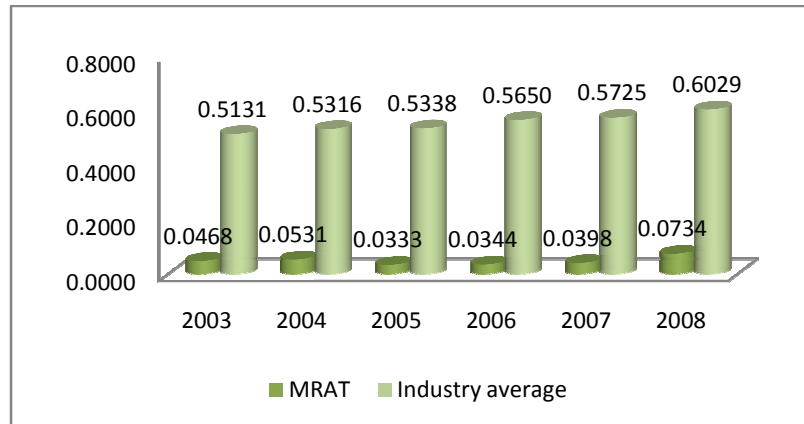
Year	Net income (in the millions rupiah)	Equity (in the millions rupiah)	MRAT	Industry average
2003	10,879	232,336	0.0468	0.5131
2004	13,150	247,602	0.0531	0.5316
2005	8,510	255,624	0.0333	0.5338
2006	9,096	264,313	0.0344	0.5650
2007	11,130	279,559	0.0398	0.5725
2008	22,290	303,622	0.0734	0.6029

Source: Data processed

Ratio of net profit value of the equity in the Table 4.5 has almost the same trend with the ratio of net income to sales. This indicates that the value of the net profit of PT Mustika Ratu Tbk on equity tend to have balanced growth in comparison to sales. However, on the growth rate has declined more sharply in the year 2005 until 2007.

The decrease ratio in the year 2005 to 2007 slowly improved after increasing net profit of only followed by a relative increase in equity slightly.

Figure 4.5
The ratio of net income to equity
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

From the figure 4.5 it is clear that the growth ratio of net income to equity in PT Mustika Ratu Tbk is relatively very small when compared to industry average. And in the year 2008 by achieving both the percentage ratio of 7.34 per cent level proves that the company was able to increase net profit in line with the rapidly substantial increase on average of a similar industry.

- f) Net operating income changes to total equity changes
- changes in net operating profit in

$$\text{change in total capital} = \frac{\text{net operating income change}}{\text{total equity change}}$$

Changes in net operating profit at PT Mustika Ratu Tbk tend to be at a negative value period 20,004 to 2005. Meanwhile, in the next period (2005 to 2008) the company shown net operating income increased quite rapidly, although in the year 2006 with 2007 amendments it was reached 2 digit numbers.

Table 4.6
The ratio of net operating profit changes to total equity changes
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Period	Net operating profit change (in millions rupiah)	Total Equity Change (in millions rupiah)	MRAT	Industry average
2003-2004	-6,654	15,266	-0.4359	2.1209
2004-2005	-8,099	8,022	-1.0096	-0.2151
2005-2006	5,018	8,689	0.5775	1.6579
2006-2007	369	15,246	0.0242	2.1312
2007-2008	6,862	24,063	0.2852	2.1450

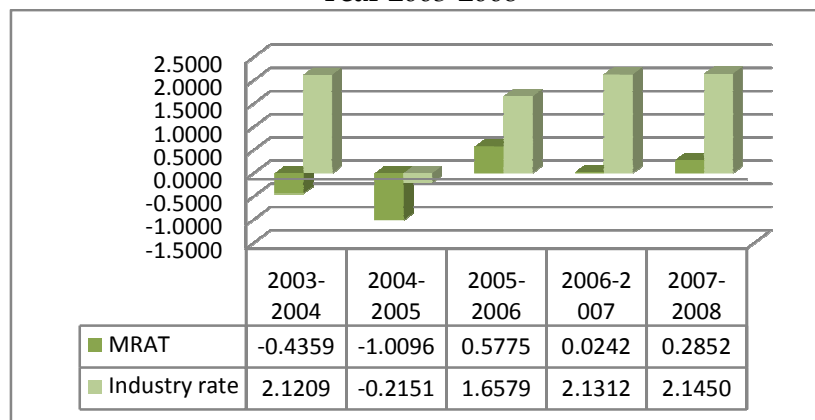
Source: Data processed

Based on the explanation of Figure 4.6, it seems clearly a significant decrease in the ratio compared to the industry average in 2003 until 2005. In the period 2003 to 2005, it can be observed that the decline in value of net operating profit at PT Mustika Ratu Tbk does not really affect the value of the industry average. However, the opponent conditions shown in the following period (2004 to 2005) it appears that both PT Mustika Ratu Tbk and the industry average both experienced negative growth in this ratio. Particularly, the ratio shows significant negative growth in PT

Mustika Ratu Tbk in net income changes value and changes in total equity.

Likewise, the industry average, its value was also significantly decreased in the period 2004 to 2005 due to the declining value of the change in net operating income of 4.61 percent followed by an increase in the total change in a relatively small capital of 45.49 percent.

Figure 4.6
The ratio of changes in net operating profit to changes in total capital
the PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

g) Change in net profit on changes in equity

change in net profit

$$\text{changes in equity} = \frac{\text{net profit change}}{\text{equity change}}$$

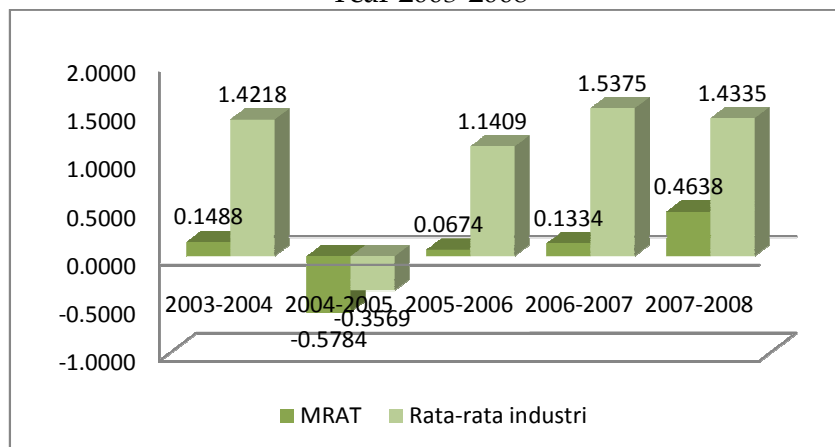
Table 4.7
The ratio of net income changes to changes in equity
the PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Period	Net income change (in million rupiah)	Change in equity (in million rupiah)	MRAT	Industry rate
2003-2004	2,271	15,266	0.1488	1.4218
2004-2005	-4,640	8,022	-0.5784	-0.3569
2005-2006	586	8,689	0.0674	1.1409
2006-2007	2,034	15,246	0.1334	1.5375
2007-2008	11,160	24,063	0.4638	1.4335

Source: Data processed

In Table 4.7 shows the ratio of net income and shareholder's equity changes quite well in its development. This is evident in the growth of this ratio from year to year. Although in the period 2004 until 2005, the performance of these companies has increased from the period 2005 to 2008.

Figure 4.7
The ratio of net income changes to changes in equity
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

Especially, in 2008 comparison of the ratio of net income changes in equity in PT Mustika Ratu Tbk showed a very rapid increase. This is proportional to the condition of turning an industry average decline of his condition even if only for 0.10 points.

2) Growth Ratio

a. Sales

Based on Table 4.8 it can be seen that the annual sales of PT Mustika Ratu Tbk and the industry average was obvious that its value tends to increase from 2003 until 2008. Especially at the industry average which increased in value every year. Even this sales growth reaches a very large change in the year 2008, when the average was able to record industry sales in the value of 5.708 billion compared to the year 2007 which only reached 4.605 billion in the value of the rupiah. This condition can be indicated that the growth of this industry on average quite well with increasing amount of their annual sales.

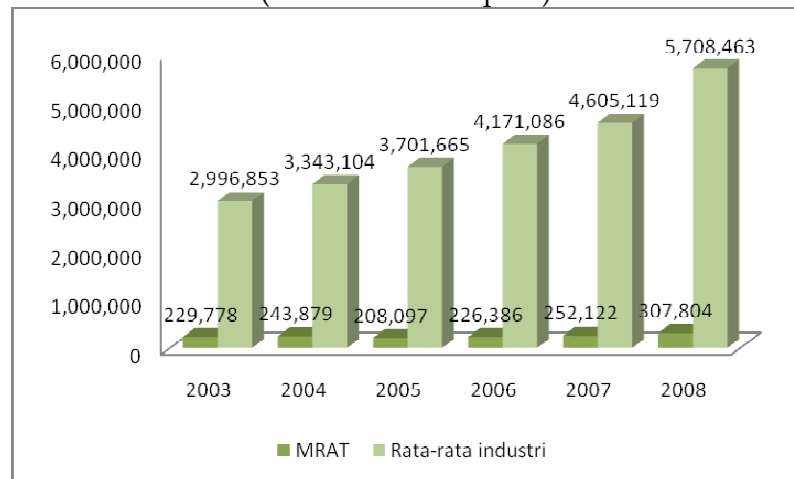
However, that should be observed is the development of PT Mustika Ratu Tbk whose value had declined sharply in 2005 and slowly improved and increased in the year 2006 until 2008.

Table 4.8
Sales at PT Mustika Ratu Tbk and the industry average
Year 2003-2008
(in millions of rupiah)

Year	MRAT	Industry rate
2003	229,778	2,996,853
2004	243,879	3,343,104
2005	208,097	3,701,665
2006	226,386	4,171,086
2007	252,122	4,605,119
2008	307,804	5,708,463

Source: Data processed

Figure 4.8
Ratio of Sales
PT Mustika Ratu Tbk and the industry average
Year 2003-2008
(in millions of rupiah)



Source: Data processed

From Figure 4.8, it can be seen a relatively small ratio between the value of sales at PT Mustika Ratu Tbk the industry average, where industry average can reach on around of 4 trillion compared with the

number of sales at PT Mustika Ratu Tbk which lie in the range of 200 billion.

b. Net Operating Profit

Net operating income as described in the previous ratio, the value of net operating profit at PT Mustika Ratu Tbk been steadily declining in 2004 and the year 2005. In 2006 the condition rise by 38.46 percent. This condition continues to increase in next year to record that PT Mustika Ratu has achieved an increase in net operating profit 2.22 percent. Even his condition improved in 2008 with a recorded a significant profit increase of 31.52 percent.

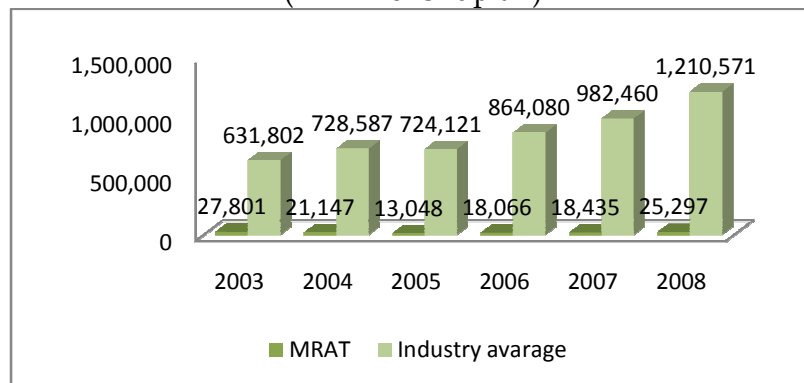
Table 4.9
The ratio of net operating income
PT Mustika Ratu Tbk and the industry average
Year 2003-2008
(in millions of rupiah)

Year	MRAT	Rata-rata industri
2003	27.801	631.802
2004	21.147	728.587
2005	13.048	724.121
2006	18.066	864.080
2007	18.435	982.460
2008	25.297	1.210.571

Source: Data processed

It is described in the figure 4.9 that the value net operating profit at PT Mustika Ratu Tbk tended to increase from year to year. Likewise with the industry average value increased from year to year, especially on year 2005-2008.

Figure 4.9
Comparison of net operating income
PT Mustika Ratu Tbk and the industry average
Year 2003-2008
(in millions rupiah)



Source: Data processed

c. Net Profit

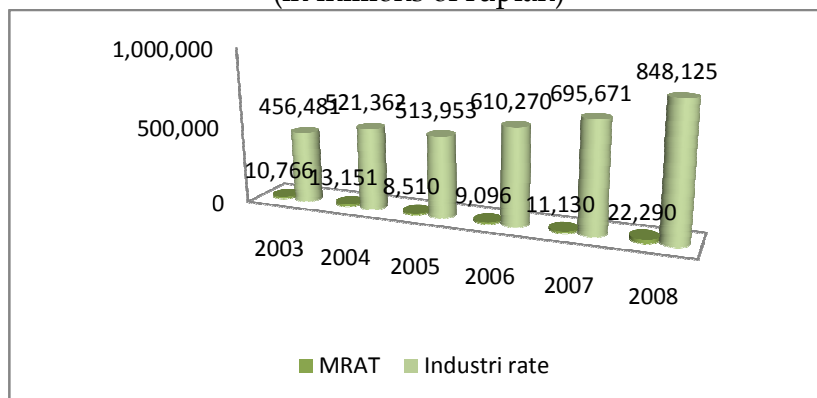
Table 4.10
The ratio of net profit
the PT Mustika Ratu Tbk and the industry average
Year 2003-2008
(in millions of rupiah)

Year	MRAT	Rata-rata industri
2003	10.766	456.481
2004	13.151	521.362
2005	8.510	513.953
2006	9.096	610.270
2007	11.130	695.671
2008	22.290	848.125

Source: Data processed

Based on the table 4.10, it is concluded that net profit ratio of PT Mustika Ratu Tbk continued to show positive growth starting in 2003 until 2008, although by 2005 the industry had experienced a decrease of 35.28 percent in number compared to 8.51 billion dollars with the previous period which could reach 13.15 dollars. The same conditions experienced by the average industry that continues to experience positive development from 2003 until 2008. In 2005 the average industry also experienced a decline in net profit large enough percentage of 35.28.

Figure 4.10
Ratio of net profit
the PT Mustika Ratu Tbk and the industry average
Year 2003-2008
(in millions of rupiah)



Source: Data processed

Based on the figure 4.10, it is also revealed that the differences in 4.10 that much between the net profits values of PT Mustika Ratu Tbk the industry average. The Table is shown that the PT Mustika Ratu Tbk only shows grades that are net earnings in the range of only tens of billion

compared with net profit net profit industry average which is on average 600 billion.

The comparison is very much a very natural to see the difference in the number of sales both described previously. This difference is certainly possible that a very large differences also in the net profit value.

d. Earnings per Share

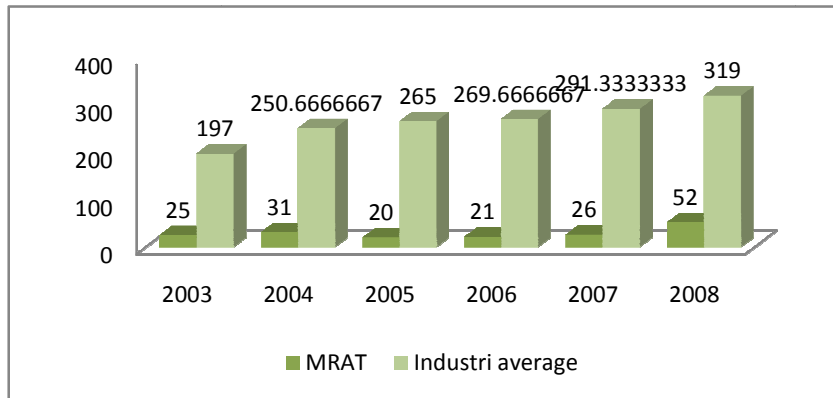
Table 4.11
The ratio of earnings per share
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	MRAT	Industry average
2003	25	197
2004	31	250,6666667
2005	20	265
2006	21	269,6666667
2007	26	291,3333333
2008	52	319

Source: Data processed

Based on the table 4.11, it can be seen that the ratio of earnings per share at PT Mustika Ratu Tbk has almost the same pattern with the ratio of net income. The comparison almost same between PT Mustika Ratu Tbk and industry average, the same both indicate a policy of PT Mustika Ratu Tbk the budgeted profit sharing at every level based on the increase in net income.

Figure 4.11
Ratio of earnings per share
the PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

While the industry average based on the picture it appears that the ratio of 4.11 has a quite different comparison with previous ratio (ratio of net income). This indicates that the average industry adopted a policy to remain 'take heart' of investors to increase profits distributed on each stock.

e. Dividend per Share

Table 4.12
Ratio of dividends per share
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	MRAT	Industry average
2003	0,00	98,33
2004	4,60	138,20
2005	0,00	133,33
2006	3,20	194,40
2007	0,00	179,00
2008	0,00	73,33

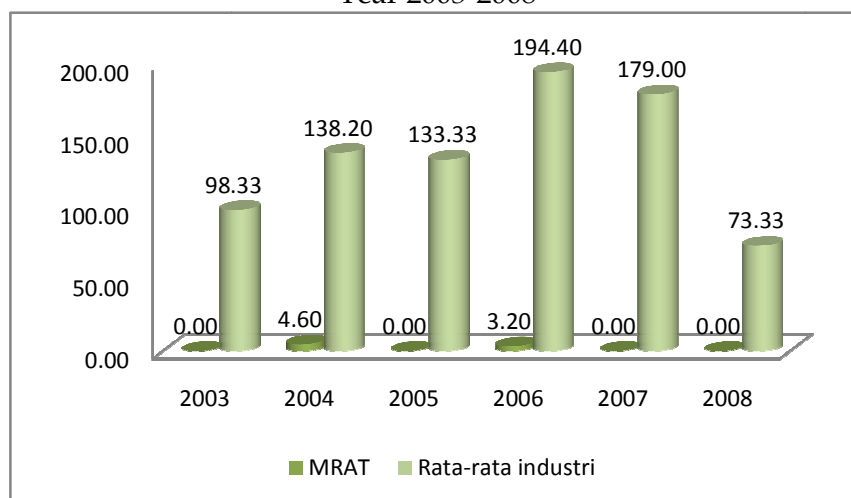
Source: Data processed

Not enough just by dividing the profit on each share, the average industry also distributed dividend per share to shareholders. At 4.12 table it appears that this dividend is fluctuating in value from 2003 until 2008.

PT Mustika Ratu Tbk did not budget the dividend to investors in 2003, 2005, 2007, and 2008. This might indicated that the PT Mustika Ratu Tbk implement efficiency funds to increase sales by reducing the portion of profits distributed to investors and increase the amount of retained earnings to this fund can be used as capital to increase the purchase of raw materials, production and sales, which ultimately can increase the amount of net profit.

This strategy is quite successful if the observed increase in net profit at PT Mustika Ratu Tbk from 2006 until 2008.

Figure 4.12
Ratio of dividends per share
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

Based on the picture in 4.12, it is explained that in 2006 the average share of industry big dividends in the year 2006. This is appropriate when compared to net income of conditions on the average for this industry increased sharply this year. Meanwhile, in the year 2008 conditions with drastic decline due to lack of budget at PT Mustika Ratu Tbk and PT Mandom Indonesia Tbk in the dividend even though on one side at PT Unilever Indonesia Tbk dividend is quite high this year it was 220 dollars.

3) Valuation Measurement

a. Price on earning

$$\text{Prices on earning} = \frac{\text{price}}{\text{earning}}$$

Table 4.13
The ratio of price to earnings
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

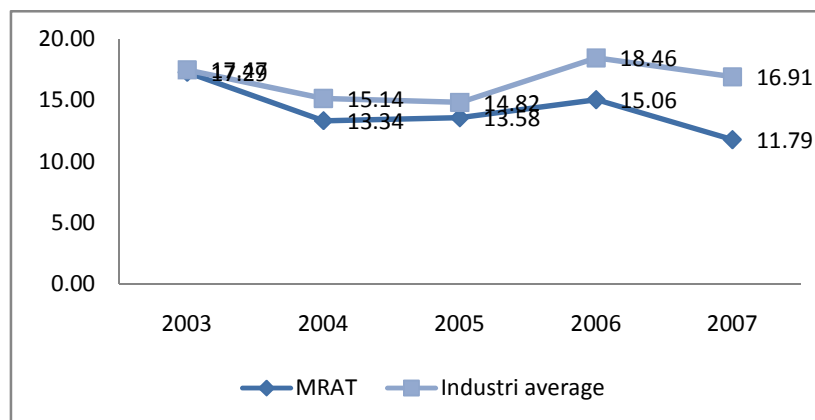
Years	MRAT	Industry average
2003	17,29	17,47
2004	13,34	15,14
2005	13,58	14,82
2006	15,06	18,46
2007	11,79	16,91

Source: Data processed

Based on the table 4.13, it can be seen that the ratio of PT Mustika Ratu Tbk experiencing declining growth. This was shown in to the collection price to earnings at the level of 17,29 in the year 2003 which followed the acquisition of the following year which fell sharply in the

year 2004 at the level of 13,34. Although in 2005 and 2006 growth has increased the level of 13.58 and 15.06. However, these gains back down in the year 2008 at the level of 11.79.

Figure 4.13
The ratio of price to earnings
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

Like the PT Mustika Ratu Tbk, the growth rate in industry average on table 4.13 can be seen that both are nearly the same growth. However, on the table PT Mustika Ratu Tbk still showed an increase in the ratio in 2005 compared with the industry average.

This ratio changes in PT Mustika Ratu Tbk shows that the company was implementing policies to increase profits. This in turn affects the sales decline, net operating income, net income and earnings per share of the company. The reverse is done by the industry average which has increased sales by reducing the selling price.

Although in the year 2005 was known that both showed a negative growth in net profit level. Each company has a policy to improve and maintain their income. However, this strategy based on the comparison table above, it is known that the industry average shows that the good policy in determining the price of their products.

Another case with PT Mustika Ratu Tbk implementing price increases high enough on some products as a strategy to improve and maintain their productivity. This is the opposite impact on the lower level of sales, net operating profit and net profit.

b. Market equity value on equity to book value

$$\text{Price to book value} = \frac{\text{market equity value}}{\text{equity to book value}}$$

Table 4.14
The ratio of equity market value to book value of equity
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

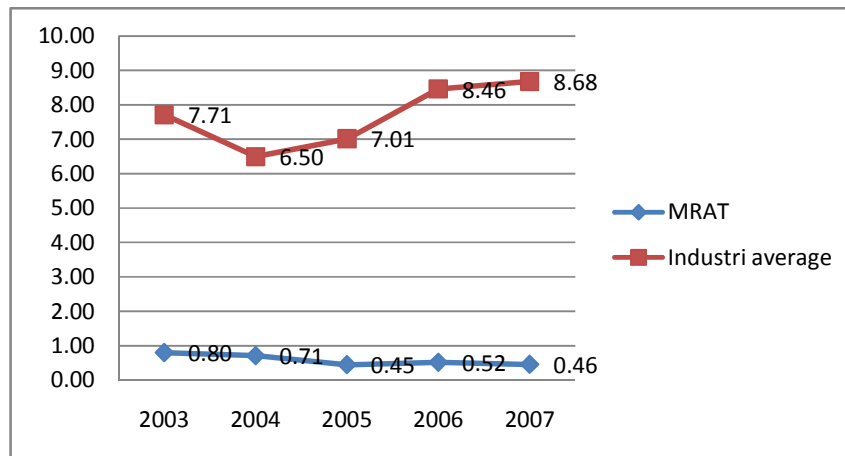
Year	MRAT	Industry average
2003	0,80	7,71
2004	0,71	6,50
2005	0,45	7,01
2006	0,52	8,46
2007	0,46	8,68

Source: Data processed

In 2003, it appeared the market value of equity of PT Mustika Ratu Tbk 0.80 shows the numbers. Although relatively small in value this value

can not be maintained by the company on the following year the value goes down even one time had strengthened in the year 2006.

Figure 4.14
The ratio of equity market value to book value of equity
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

Based pictures 4.14, it is clear enough that comparison between PT Mustika Ratu Tbk and the industry average. In the picture, was shown an increasing ratio in industry average. The conclusion to be drawn from these changes is the composition capital industry average to get an appreciation of investors. While in PT Mustika Ratu Tbk get the appreciation of equity, although it experienced the highest position in the period of study in 2003.

b. Operating Efficiency Measurement

1) Asset and Investment Management

a) cost of goods sold on inventory

$$\text{cost of goods sold on the stock} = \frac{\text{cost of sale}}{\text{inventory}}$$

Table 4.15
The ratio of cost of goods sold to inventory
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

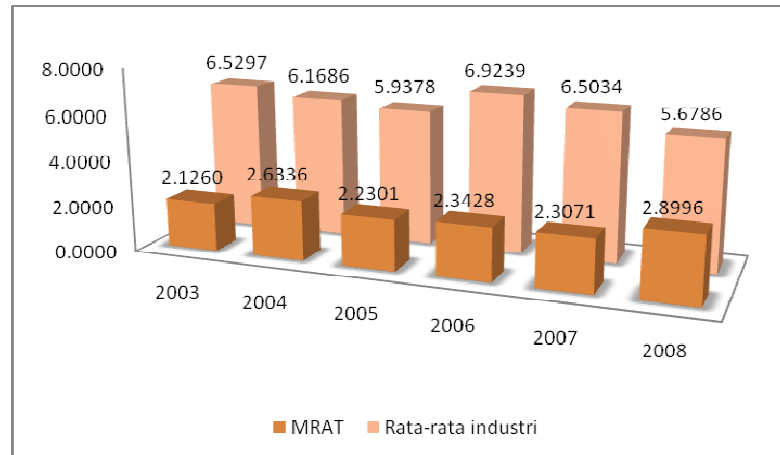
Year	Cost of good sold (in millions rupiah)	Inventory(in millions rupiah)	MRAT	Industry average
2003	98.813	46.479	2,1260	6,5297
2004	111.954	42.510	2,6336	6,1686
2005	93.234	41.808	2,2301	5,9378
2006	99.694	42.554	2,3428	6,9239
2007	111.987	48.540	2,3071	6,5034
2008	136.448	47.058	2,8996	5,6786

Source: Data processed

Based on the comparison of this ratio, it seems that PT Mustika Ratu Tbk more experienced positive growth in sales price increases. From table 4.15 were explained that in 2005 the value of cost of goods sold went down position followed by the value of inventories is also increasingly falling further down so that the ratio did not too growth down.

The opposite condition is shown by the industry average of value tends to fall. Although the year 2006 values can be strengthened sharply, but the next year its value tends to fall, and even experienced a sharp decline in 2008 from the previous period.

Figure 4.15
The ratio of cost of goods sold to inventory
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

It was shown in the picture ratio 4.15 PT Mustika Ratu Tbk with industry average is a better value than the industry average. The position of PT Mustika Ratu Tbk which has a smaller value indicates that the company was able to manage inventory as well as possible to increase the sales.

b) Claim of loan period

$$\text{Claim of loan} = \frac{\text{receivable}}{\text{sale per day}}$$

Table 4.16
The ratio of receivables to daily sales
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

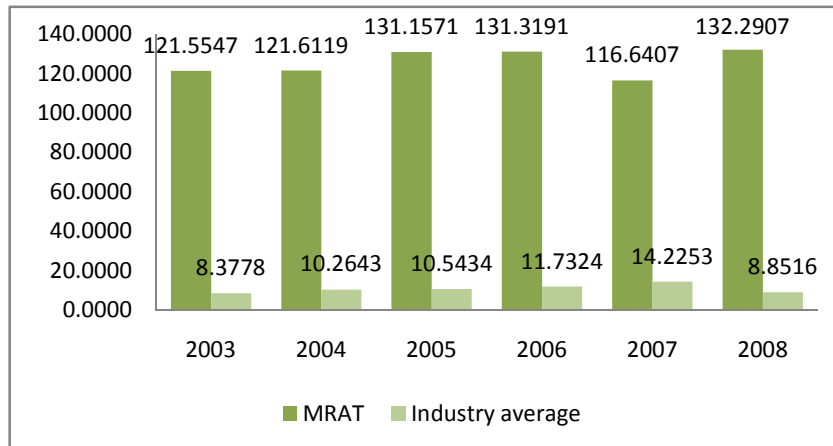
Year	Receivables (in million Rupiah)	Sales per day (in million Rupiah)	MRAT	Industry average
2003	77,585	638	121.5547	8.3778
2004	82,385	677	121.6119	10.2643
2005	75,815	578	131.1571	10.5434
2006	82,580	629	131.3191	11.7324
2007	81,688	700	116.6407	14.2253
2008	113,110	855	132.2907	8.8516

Source: Data processed

Overall value of accounts receivable to sales ratio on a daily Mustika Ratu Tbk PT increased in value every year. Except in the year 2007 this ratio had a significant decrease in the percentage level of 11.17 percent at 116.64.

Based on table 4.16 PT Mustika Ratu Tbk's receivable is decreased followed by an increase in the number of daily sales.

Figure 4.16
Ratio of receivables to daily sales
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

From the picture above, it can be seen that the average ratio of accounts receivable industry experience with average daily sales are relatively very small compared with the PT Mustika Ratu Tbk. And based on the comparison of both account, it can be concluded that the industry average has an average composition of highly liquid debt that is in the range of 11 days.

Conditions otherwise indicated by PT Mustika Ratu Tbk which have a very high debt average. Claim value of this debt average was more than 4 months, were in the range of 125 days. This is caused by the composition of a very large debt, especially in doubtful receivable or receivables not collectible.

c) sale of fixed assets

$$\text{sales of fixed assets} = \frac{\text{sale}}{\text{fix asset}}$$

Table 4.17
The ratio of sales of fixed assets
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

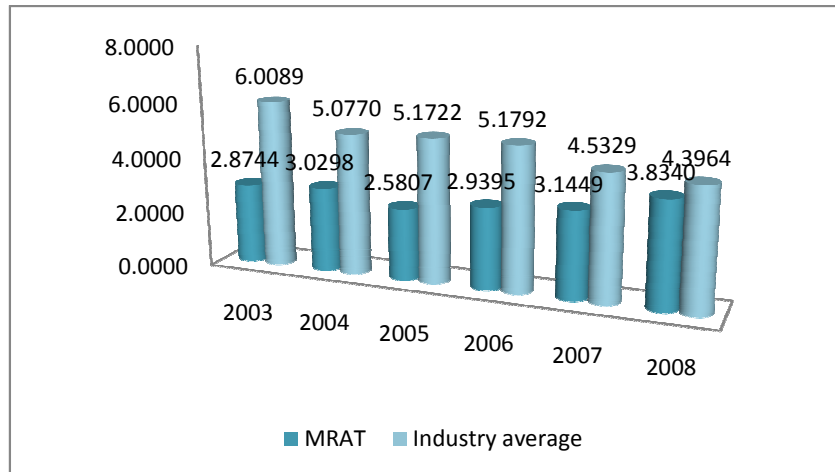
Year	Sale (in million Rupiah)	Fix asset (in million Rupiah)	MRAT	Industry average
2003	229.778	79.940	2,8744	6,0089
2004	243.879	80.493	3,0298	5,0770
2005	208.097	80.635	2,5807	5,1722
2006	226.386	77.015	2,9395	5,1792
2007	252.122	80.168	3,1449	4,5329
2008	307.804	80.282	3,8340	4,3964

Source: Data processed

Based on table 4.17, it was shown that the value of ratio at PT Mustika Ratu Tbk was rise rapid fairly in 2005 although the company had decreased quite drastically in sales also led to the decline of this ratio value.

While the industry average otherwise indicated on this ratio, since 2003 until the year 2008 it continued to decline. Although in the year 2006 increased a very small positive.

Figure 4.17
Ratio of sales to fixed assets
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

Generally, the growth of this ratio went down is because an increase in fixed assets greater than the increase in sales. Indications of this increase is most likely that the allocation of fixed assets to increase sales of the smaller from year to year. The case was different with PT Mustika Ratu Tbk whose its value is growing.

Based on this average, it means that there are possibilities on industry average allocating their fixed asset that to increase the number of sales as has been done by PT Mustika Ratu Tbk.

d) Sale in total capital

$$\text{Sales in total capital} = \frac{\text{sale}}{\text{total capital}}$$

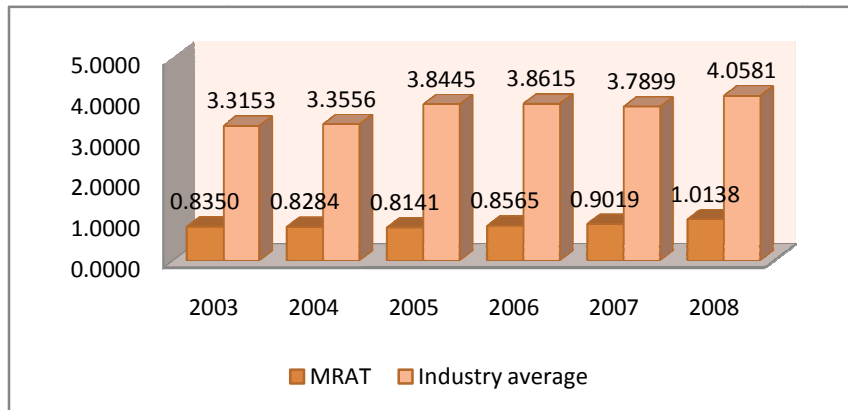
Table 4.18
The ratio of sales to total capital
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	Sales (in million Rupiah)	Total equity (in million Rupiah)	MRAT	Industry average
2003	229.778	275.179	0,8350	3,3153
2004	243.879	294.415	0,8284	3,3556
2005	208.097	255.624	0,8141	3,8445
2006	226.386	264.313	0,8565	3,8615
2007	252.122	279.559	0,9019	3,7899
2008	307.804	303.622	1,0138	4,0581

Source: Data processed

Based on the data in the table above, it shows that the value comparison of sales on total capital at PT Mustika Ratu Tbk showed increasing change. Although in 2005 the company had experienced a decline in sales gain 208 billion level which affects the falling value of this ratio. This may happen that company has done has allocatethe fixed assets large enough so that its value down in year 2005 on the value of 255 billion from the previous period taht reached 294 billion.

Figure 4.18
Ratio of sales to total equity
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

Industrial average also increased in value based on image observations that show trends figure 4.18 ratio were fluctuating growth to achieve the highest position in 2008 at the 4:05 from the previous year on 3,79.

Changes of increasing the PT Mustika Mustika Ratu Tbk and the industry average shows that the industry is quite good in allocating fixed assets to increase sales results. It is displayed with the efficiency of fixed asset growth is smaller than sales growth.

e) Sales in total assets

$$\text{Sales in total assets} = \frac{\text{sale}}{\text{total asset}}$$

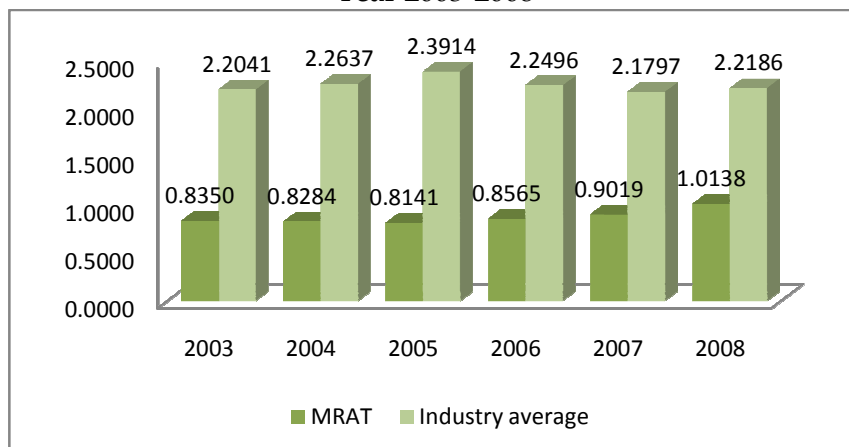
Table 4.19
The ratio of sales on total assets
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	Sales (in million Rupiah)	Total asset (in million Rupiah)	MRAT	Industry average
2003	229.778	275.179	0,8350	2,2041
2004	243.879	294.415	0,8284	2,2637
2005	208.097	255.624	0,8141	2,3914
2006	226.386	264.313	0,8565	2,2496
2007	252.122	279.559	0,9019	2,1797
2008	307.804	303.622	1,0138	2,2186

Source: Data processed

According to the table 4.19, it can be seen that the PT Mustika Ratu Tbk has the highest growth in this ratio. This is evidenced by increasing numbers compared to the amount of its assets.

Figure 4.19
Sales ratio of sales on total assets
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

Based on the figure 4.19 can be seen that on an average industrial growth in this ratio tends to fluctuate. This is caused by the growth in sales and total assets are not the same from year to year. As in the year 2005 changes or sales growth is very large compared to the total growth in assets that have an impact on increasing the ratio.

Another case is in the following year (2006 and 2008). The sales growth was smaller than total assets growth. This is caused by the growth of this ratio becomes increasingly falling.

When compared with PT Mustika Ratu Tbk, it was obvious that the industry average using the total assets less optimally to increase sales. While on the sales value increased from year to year. Based on this comparison is still possible for the average industry sales to increase sales by improving the allocation of funds obtained from the total assets.

f) total capital change in total capital

$$\text{Change in total capital in total capital} = \frac{\text{total equity change}}{\text{total capital}}$$

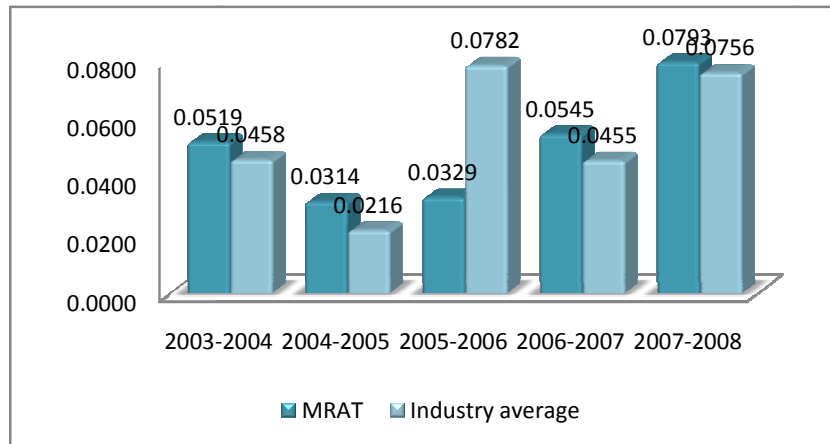
Table 4.20
The ratio of total capital change on total capital
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Period	Total capital change	Total capital	MRAT	Industry average
2003-2004	15.266	294.415	0,0519	0,0458
2004-2005	8.022	255.624	0,0314	0,0216
2005-2006	8.689	264.313	0,0329	0,0782
2006-2007	15.246	279.559	0,0545	0,0455
2007-2008	24.063	303.622	0,0793	0,0756

Source: Data processed

Table 4.20 explained that the ratio of the total change in total capital to total capital at PT Mustika Ratu Tbk indicates that the value went down in the period 2004 to 2006. The decrease was caused by a decrease in the total change drastically in the period 2005 and 2006 in the position of 8 billion and 8.6 billion dollars. These changes must be very sharp when compared to the total change in capital in the period 2003 to 2004 in the position of 15.3 billion rupiah.

Figure 4.20
Ratio of the total capital change on total capital
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

At an average industry each year based on the comparison with PT Mustika Ratu Tbk 4.20 in the table shows that the values tend to be smaller than PT Mustika Ratu Tbk. In the period 2005 to 2006 the average value of changes in the industry have a much greater cause to change a very large capital in the value of 84 billion from the previous period reached 20.4 billion for the change.

b. Expenses Management

1. Gross profit on sales

$$\text{Gross profit on sales} = \frac{\text{gross profit}}{\text{sale}}$$

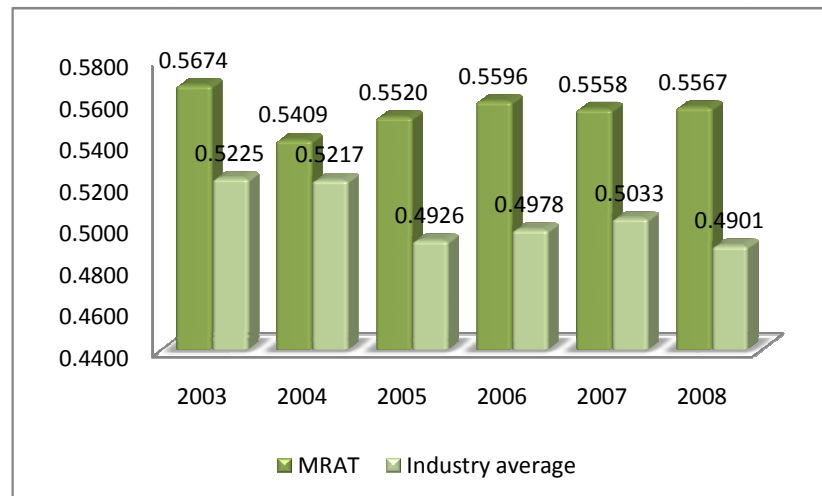
Table 4.21
The ratio of gross profit on sale
PT Mustika Ratu Tbk and industry average
year 2003-2008

Year	Gross profit	Sale	MRAT	Industry average
2003	130.365	229.778	0,5674	0,5225
2004	131.924	243.879	0,5409	0,5217
2005	114.862	208.097	0,5520	0,4926
2006	126.692	226.386	0,5596	0,4978
2007	140.135	252.122	0,5558	0,5033
2008	171.356	307.804	0,5567	0,4901

Source: Data processed

Based on table 4.21 explained that gross profit ratio on sale at PT Mustika Ratu Tbk tend to grow. Mainly on year 2005 until 2008 it was experienced small growth around 55 percent, after on the period it was fall on 54 percent.

Figure 4.21
The Ratio of gross profit on sale
PT Mustika Ratu Tbk and industry average
Year 2003-2008



Source: data processed

Based on the image 4.21 can be seen that the comparison between PT Mustika Ratu Tbk with the industry average in the ratio tended to be larger. This can be indicated that the share of gross profit on sales of PT Mustika Ratu Tbk average have a greater value than the industry average. The amount of gross profit which shows that the PT Mustika Ratu takes a higher profit on their products.

2. Marketing and administrative burden on sales

Marketing and administrative Expenses

$$\text{on sale} = \frac{\text{marketing} + \text{administration expense}}{\text{sale}}$$

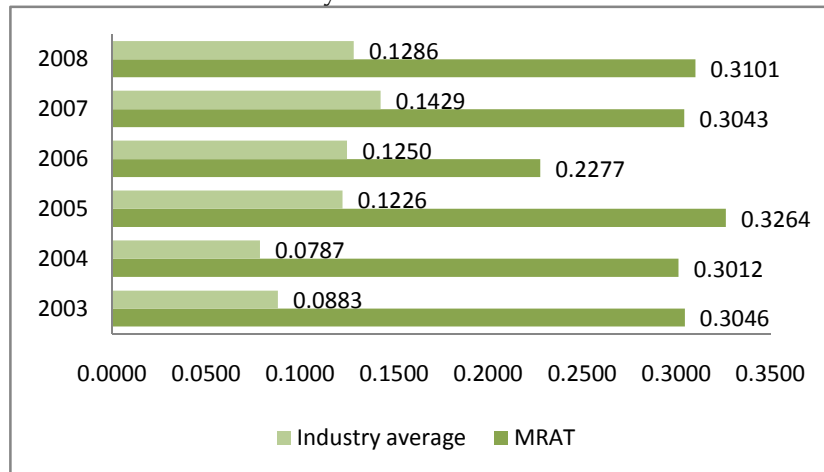
Table 4.22
The ratio of marketing and administrative expenses on sale
PT Mustika Ratu Tbk and the industry average
year 2003-2008

Year	Marketing expenses	Administration expenses	Sale	MRAT	Industry average
2003	38.098	31.884	229.778	0,3046	0,0883
2004	43.498	29.969	243.879	0,3012	0,0787
2005	43.222	24.704	208.097	0,3264	0,1226
2006	27.909	23.648	226.386	0,2277	0,1250
2007	52.110	24.618	252.122	0,3043	0,1429
2008	65.960	29.498	307.804	0,3101	0,1286

Source: Data processed

PT Mustika Ratu Tbk also budgeted marketing and administrative costs are high enough to increase productivity. This was 4:22 in the table show that the average of the years 2003 to 2008 the company allocated 29.5 percent of sales as marketing and administrative costs.

Figure 4.22
Ratio of marketing and administrative expenses on sale
PT Mustika Ratu Tbk and the industry average
year 2003-2008



Source: Data processed

The opposite condition is shown by the industry average on this figure. The industry average in the period 2003 to 2008 only allocates an average cost of marketing and administration for 11.5 percent on total sales.

3. Employee growth rate

$$\text{Employee growth rate} = \frac{\text{total labour year } x - \text{total labour year } x - 1}{\text{total labour year } x - 1} \times 100\%$$

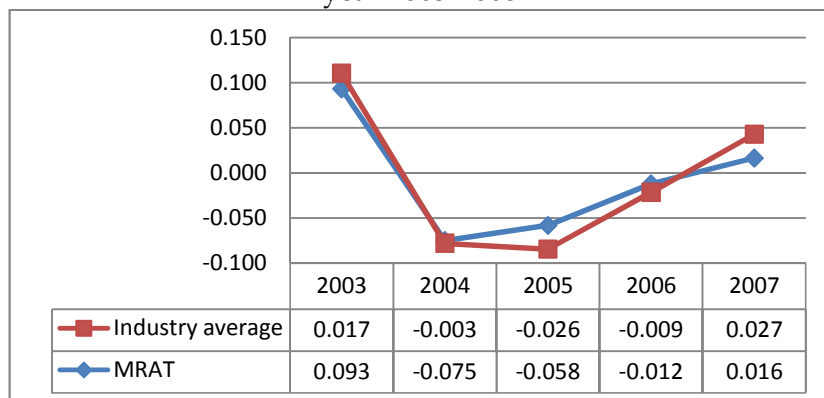
Table 4.23
The ratio of employee growth rate
PT Mustika Ratu Tbk and the industry average
year 2003-2008

Year	Total employee	MRAT	Industry average
2003	2.585		
2004	2.826	0,0932	0,0174
2005	2.614	-0,0750	-0,0027
2006	2.462	-0,0581	-0,0260
2007	2.432	-0,0122	-0,0092
2008	2.472	0,0164	0,0267

Source: Data processed

Based on the data in the table 4.23 can be seen that PT Mustika Ratu Tbk and industrial average had reduce the number of workers in the year 2005 until 2006. It is actually quite reasonable by comparison growing number of sales declined and as the basis for the efficiency of administrative burden that can increase the amount of net operating income and net income.

Figure 4.23
The ratio of employee growth rate
PT Mustika Ratu Tbk and the industry average
year 2003-2008



Source: Data processed

From figure 4.23 it was clear the in sharp decline in labor changes or employees in almost the same value. And positive growth in 2007 and 2008 as well due to improved revenue in this industry. While in 2006 the reduction of employees at the industry average was done in anticipation of the declining number of employees and sales. This proved quite effective in increasing the number of sales and net profit on average this industry.

4. Amount of labor to net income

$$\text{Amount of labor for employees} = \frac{\text{total labour}}{\text{sale}}$$

Table 4.24
The ratio of number of employees to net income
PT Mustika Ratu Tbk and the industry average
year 2003-2008

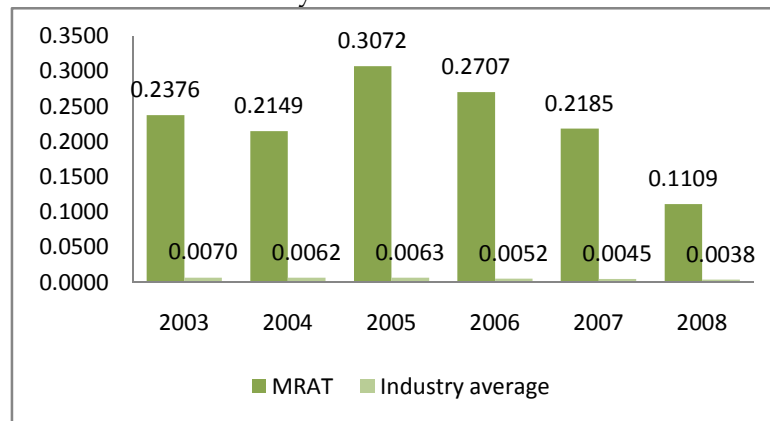
Year	Employee	Net income	MRAT	Industry average
2003	2.585	10.879	0,2376	0,0070
2004	2.826	13.150	0,2149	0,0062
2005	2.614	8.510	0,3072	0,0063
2006	2.462	9.096	0,2707	0,0052
2007	2.432	11.130	0,2185	0,0045
2008	2.472	22.290	0,1109	0,0038

Source: Data processed

Based on the comparison of data in the table can be seen that 4.24 PT Mustika Ratu Tbk and the industry average has a comparative labor ratio of net income to fluctuate. While if it was compared with the average industry, it value is huge. This indicates that PT Mustika Ratu Tbk has a

number of employees is very much of with net income earned and the number of employees who have industry average.

Figure 4.24
The ratio of employees to net income
PT Mustika Ratu Tbk and the industry average
year 2003-2008



Source: Data processed

PT Mustika Ratu has average employee 2,565 peoples in 2005 until the year 2008. While the industry average has an average number of employees 3202 people since 2003 until the year 2008.

c. Financial Policy Measurement

1. Leverage Ratio

a) Total assets at book value of equity

$$\text{Total assets at book value of equity} = \frac{\text{total asset}}{\text{equity of book value}}$$

Table 4.25
The ratio of total assets at book value of equity
PT Mustika Ratu Tbk and the industry average
year 2003-2007

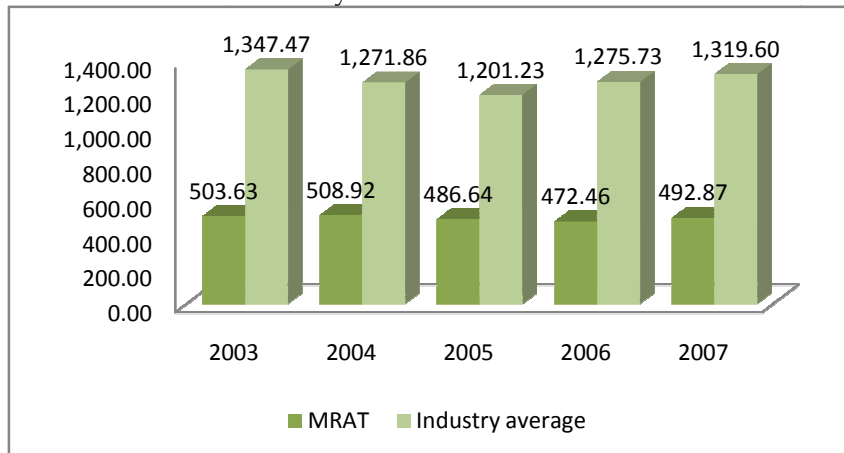
Year	Total asset	Book value	MRAT	Industry average
2003	275.179	546,39	503,63	1.347,47
2004	294.415	578,51	508,92	1.271,86
2005	290.646	597,25	486,64	1.201,23
2006	291.768	617,55	472,46	1.275,73
2007	315.997	641,14	492,87	1.319,60

Source: Data processed

Based on the comparison of the total value of assets and book value of 4:25 in the table can be seen that at this ratio of PT Mustika Ratu Tbk performance decline began in 2005 although the following year it began to show the improved changes. A similar condition was also experienced by the average industry decline starting in 2004 that his condition improved showing changes until the year 2007.

Growth in total assets tends to be smaller than the net book value indicates that the value of a good book on PT Mustika Ratu Tbk and the industry average is still too high. Equity book value is still too real to be indicated as the equity value is less interesting in itself because it will cause the investors consider too high value of the market price, so they will think again and again to choose a company that has a book value of equity is too high as an alternative investment.

Figure 4.25
The ratio of total assets to book value of equity
PT Mustika Ratu Tbk and the industry average
year 2003-2008



Source: Data processed

According the figure 4.25, it was shown that the growth ratio of total assets of book value to equity in PT Mustika Ratu Tbk was stable with little change from year to year. Likewise, the industry average although in 2004 and 2005 will decrease performance but her condition is stable can return in 2006 and 2007.

b) Debt interest Expense on the total capital

Debt interest expense on the total capital

$$= \frac{\text{debt interest expense}}{\text{total equity}}$$

Table 4.26
Loaded debt ratio to the total capital interest
PT Mustika Ratu Tbk and the industry average
year 2003-2008

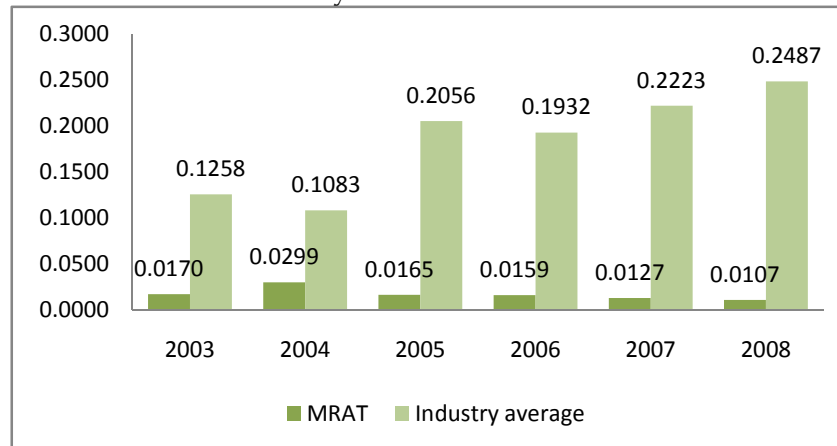
Year	Debt charged with the interest	Total capital	MRAT	Industry average
2003	3941	232336	0,0170	0,1258
2004	7411	247602	0,0299	0,1083
2005	4228	255624	0,0165	0,2056
2006	4207	264313	0,0159	0,1932
2007	4015	315998	0,0127	0,2223
2008	3784	354781	0,0107	0,2487

Source: Data processed

According to the table 4.26 can be seen that the value loaded debt ratio to the total capital interest in PT Mustika Ratu has a much improved performance. This is indicated by the small value of this ratio from year to year. The value of the smaller ratio caused by the small average interest on debt loaded companies followed total capital increases.

However, the industry average value indicates the performance level of diminishing. This is due to increasing debt value loaded this interest to the total capital. Debt to banks that has potential debt interest in the industry average was grown from 2003 until 2008.

Figure 4.26
Loaded debt ratio to the total capital interest
PT Mustika Ratu Tbk and the industry average
year 2003-2008



Source: Data processed

Financial performance of the industry average was more down when viewed by an increase in this ratio. And 4.26 in the image industry average can apply more credit application to third-party software solutions to reduce the debt value loaded the interest. Another solution is to increase the total capital budget.

Policies industrial average to lower levels of this ratio is to provide a portion of the funds ready to pay the interest any time if the loan from a third party has entered into a maturity.

c) Earnings before interest and tax on interest expense

Earnings before interest and tax

$$\text{on interest expense} = \frac{\text{EBIT}}{\text{interest expense}}$$

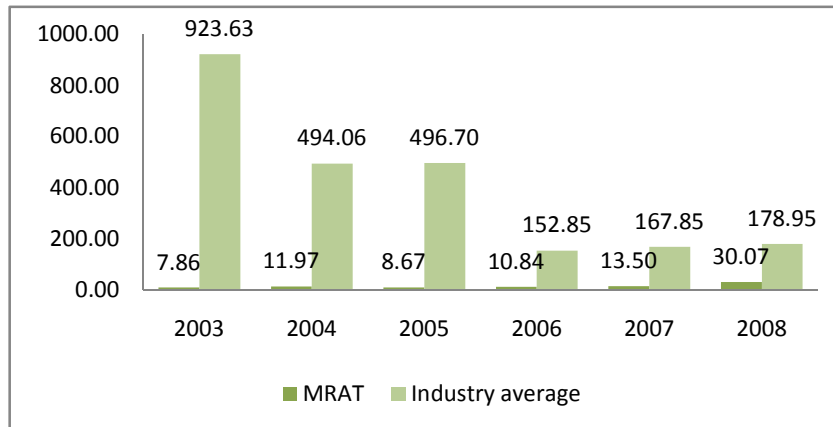
Table 4.27
The ratio of earnings before interest and taxes to interest expense
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

Year	EBIT	Interest expense	MRAT	Industry average
2003	15.237	1.938	7,86	923,63
2004	20.498	1.713	11,97	494,06
2005	11.266	1.299	8,67	496,70
2006	13.584	1.253	10,84	152,85
2007	14.953	1.108	13,50	167,85
2008	31.842	1.059	30,07	178,95

Source: Data processed

PT Mustika Ratu Tbk showed good performance in this ratio. 4:27 look at the table the value of this ratio had increased despite one-time down quite sharply in the year 2005. Companies can obtain a significant increase in EBIT in the year 2008. Not only that the company also has interest rates that smaller from year to year. This is what causes PT Mustika Ratu Tbk can eventually increase profits significantly in 2008 valued at 31.8 billion dollars from the previous year which can only make a profit worth 14.9 billion rupiah.

Figure 4.27
The ratio of earnings before interest and taxes to interest expense
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

The opposite conditions were experienced by the financial performance of the industry average was more down when viewed under the declining of this ratio. And 4.27 in the image industry average EBIT should increase as the solution to reduce the value of interest expense.

d) Earnings before interest and taxes to operations fund

Earnings before interest and taxes

$$\text{to operations fund} = \frac{\text{EBIT}}{\text{operation fund}}$$

Table 4.28
The ratio of earnings before interest and taxes to operationsfund
PT Mustika Ratu Tbk and the industry average
Year 2003-2007

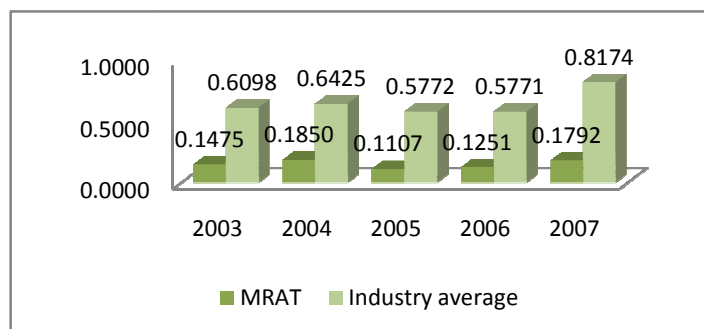
Year	EBIT	Operation fund	MRAT	Industry average
2003	15.237	103.326	0,1475	0,6098
2004	20.498	110.776	0,1850	0,6425
2005	11.266	101.814	0,1107	0,5772
2006	13.584	108.626	0,1251	0,5771
2007	14.953	83.461	0,1792	0,8174

Source: Data processed

Based on the ratio was 4.28 in the table can be seen that the value of this ratio at PT Mustika Ratu Tbk tend to fluctuate. In the year 2007 the company's financial performance is better with an increase in EBIT compared with the growth of operating funds that went down.

From the table, it can be concluded that PT Mustika Ratu Tbk has acquired an effective net income with operating profit efficiency is very small growth in value can be suppressed even in 2007.

Figure 4.28
The ratio of earnings before interest and taxes to fund operations
PT Mustika Ratu Tbk and the industry average
Year 2003-2007



Source: Data processed

Based on the figure 4.28 can be seen that industrial average also reached its best performance at the end of 2007. Where in this year the industry average as PT Mustika Ratu Tbk pressing operating funds to increase EBIT. And it is then impacted significantly on the ratio rose sharply in the year because motivated by the growing EBIT rise from the lower operating profit.

2. Liquidity Ratio

a) Current assets to current debt

$$\text{Current assets to current debt} = \frac{\text{current asset}}{\text{current liabilities}}$$

Table 4.29
The ratio of current assets to current liabilities
PT Mustika Ratu Tbk and the industry average
Year 2003-2008

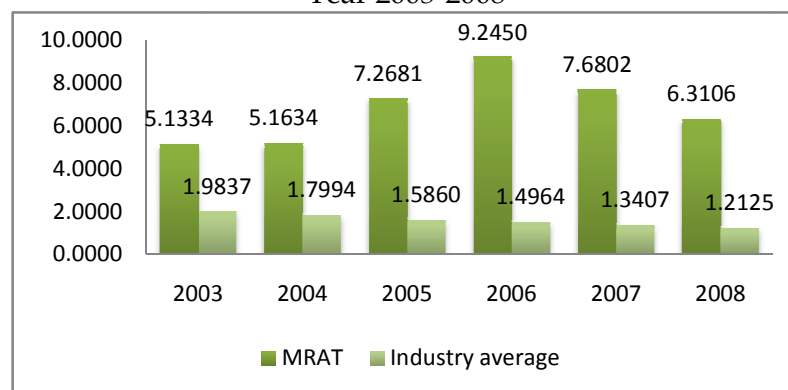
Year	Current asset	Current liabilities	MRAT	Industry average
2003	195.240	38.033	5,1334	1,9837
2004	213.921	41.430	5,1634	1,7994
2005	210.011	28.895	7,2681	1,5860
2006	214.753	23.229	9,2450	1,4964
2007	235.829	30.706	7,6802	1,3407
2008	274.498	43.498	6,3106	1,2125

Source: Data processed

According to the table of financial performance at figure 4.29, PT Mustika Ratu Tbk fluctuating changes from 2003 until 2008. Performance shows a good position in the year 2006 where the company already has a ratio of current assets to current liabilities of 9.25. In 2007 and 2008 the

company's performance went down due to the increasing number of more liabilities than current assets. Shown in this table that although the company has current assets which rose from 2007 to 2008, each for 235.8 and 274.5 billion rupiah. This increase was not proportional to the growth in current liabilities in the period reached 30.7 billion and 43.5 billion dollars.

Figure 4.29
The ratio of current assets to current liabilities
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

According to the table 4.29 can be seen that the trend of the ratio of current assets to current liabilities industrial average parabolic. Where on the four first research period (2003-2006) showed positive growth. Meanwhile, in the year 2007 until the year 2008 due to declining value of growth assets less current liabilities compared to the growth. In the period 2007 and 2008 assets reached 11.09 and 12.92 billion while the current liabilities reached 827.11 and 106.53 billion.

b) The current assets without inventories on the current debt

The current assets without inventories on

$$\text{the current debt} = \frac{\text{current asset} - \text{inventory}}{\text{current liabilities}}$$

Table 4.30

The ratio of current assets without inventories to liabilities
PT Mustika Ratu Tbk and the industry average
year 2003-2008

Year	Current asset	Inventory	Current liabilities	MRAT	Industry average
2003	195.240	46.479	38.033	3,9114	1,4693
2004	213.921	42.510	41.430	4,1374	1,2015
2005	210.011	41.808	28.895	5,8212	0,9816
2006	214.753	42.554	23.229	7,4131	1,0364
2007	235.829	48.540	30.706	6,0994	0,9085
2008	274.498	47.058	43.498	5,2287	0,7238

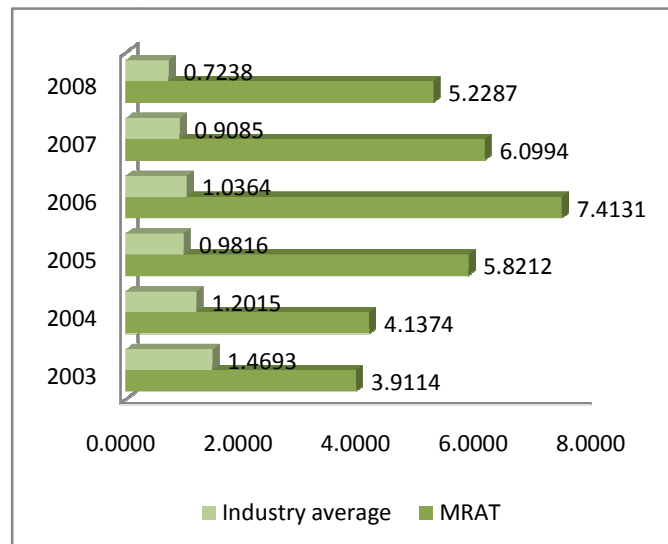
Source: Data processed

In the current asset ratio of no inventory to current liabilities at 4.30 table shows that growth of PT Mustika Ratu Tbk to manage the current liabilities from current assets without inventories account value decrease during the last two years, although had strengthened in the first four-year study period.

While the industry average shows the growth performance continues to decline from 2003 to 2008. Appeared on the table 4.20, PT Mustika Ratu Tbk had declining performance in 2004 and 2005 in the position of 1,2 and 0,9. This condition is lower than its position in 2003 that

reached 1,46. In the year 2006 the ratio of the industry average had gained due to the increase of current assets which reached 1.057 trilion.

Figure 4.30
The ratio of current assets without inventories to liabilities
PT Mustika Ratu Tbk and the industry average
Year 2003-2008



Source: Data processed

At figure 4.30 it appears that the value of the ratio of current assets without inventories of the obligation can be known clearly that PT Mustika Ratu Tbk has a value ratio greater than the industry average. This shows the position of PT Mustika Ratu Tbk better than the industry average based on the current asset value is very large compared to a smooth obligations. The value of current assets shows that the company enables to repay debt short-term easily.

4.2.Discussion

Ratio analysis is a method of measuring the financial performance of calculating changes in the position of a company. In the analysis of financial ratios, cash flow, debt, sales, cost of capital, profits, net profits owned by the company are also computed in which all things are then correlated with each variable in the financial statements that will be obtained by calculating the value of the company in describe the ability to pay debts short and long term, the company's ability to sell their products and the ability of the company in profit from sales and assets owned.

By taking the results of calculation of financial statements in the past, the company can assign a number of important cash flow as a foundation for measuring the present value of a business organization (Weston, Copeland, 1995:24)

Analysis of financial statement will indicate whether the company's management has had a positive financial value for the company as a result of activities that have been done during a certain period. This is consistent with the explanation Harahap (2005:195) analysis of the financial statements should be digging up information that appeared in the visible (explicit) of a financial report or the financial statements are invisible (implicit).

Based on the results of this study, it was found that the ratio of one owned by PT Mustika Ratu Tbk through the analysis of the profitability

ratios over the period trend studies have shown significant improvement, especially in the year 2008 that net profit worth 22.29 billion compared to the same period the previous year which can only be booked net profit of 11.13 billion.

Profitability ratio of performance measures in table 4.1 explains that the high value of the ratio in 2003 was caused by higher net operating income compared with the sales. So, it can be concluded that the step of PT Mustika Ratu Tbk quite effective in making policy determining their net operating income.

The opposite condition occurs in the next year PT Mustika Ratu Tbk less able to increase the portion of sales that have an impact on the falling value of this ratio. Although the year 2003 the sales value growth of up to 243,879 million compared to the previous period this only reached 229,778 million. However, it appears that the amount of operating expenses in 2004 also experienced an increase. This is what causes the decrease in the value of operating expenses in 2004.

While the ratio between net operating profit to sales at the industry average shows that this ratio had increased in 2004 compared with the previous year. The value of this ratio reached 21.08 percent in 2003 and 21.79 percent in 2004. Meanwhile, in the next four years the ratio values tend to fluctuate.

This supports the research of Agustin (2007:108) that the ratio of profitability is a concern of the company a benchmark for survival. While Weston and Copeland (1995:239) states that the ratio of net operating income to sales is widely used by practitioners as a determinant of value (value drivers) which is a key influence on a company's assessment.

Based on the review an average growth rate in table 4.8, it can be seen that the annual sales of PT Mustika Ratu Tbk and the industry average tend to increase in value from 2003 until 2008. Especially at the industry average which increased in value every year. In fact, this sales growth reaches a very large change in the year 2008, when the industry average is able to record sales of 5.708 billion in value compared to the year 2007 which only reached the value of 4.605 billion dollars. This condition can be indicated that the growth of this industry on average quite well with increasing amount of their annual sales.

This condition is balanced by increasing the value of net operating income net income, earnings per share at PT Mustika Ratu Tbk and the industry average. It can be proved by using this ratio that both PT Mustika Ratu Tbk and industrial average experienced a good growth in the last three years.

PT Mustika Ratu Tbk does not budgets dividend to investors in 2003, 2005, 2007, and 2008. This might indicated that the PT Mustika Ratu Tbk implement efficiency funds to increase sales by reducing the portion

of profits distributed to investors and increase the amount of retained earnings to this fund can be used as capital to increase the purchase of raw materials, production and sales, which ultimately can increase the amount of net profit. This strategy is quite successful if the observed increase in net profit at PT Mustika Ratu Tbk from 2006 until 2008.

To measure the actual growth of a company involves all existing accounts in the financial statements will provide an explanation for the growth of an account from one period to the next period. For that comparison is more comprehensive than one account to another account an increase in investigations of financial reporting. This is considering the main objective of a ratio is to highlight areas that require further investigation (Simanora, 2000:522).

. In the assessment measures, this ratio changes in PT Mustika Ratu Tbk in the period 2003 to 2008 shows that the company was implementing policies to increase the optimal profit by selling price increases. This in turn affects the increased sales, net operating income, net income and earnings per share of the company. The reverse is done by the industry average which has increased sales by reducing the selling price.

Although in 2005 it can be seen that the both showed negative growth in net profit level. Each company has a policy to improve and maintain their income. However, this strategy based on the comparison table above,

it is known that the industry average shows a good policy in determining the price of their products.

Another case with PT Mustika Ratu Tbk implementing price increases high enough on some products as a strategy to improve and maintain their productivity. This is the opposite impact on the lower level of sales, net operating profit and net profit in the year 2005.

By using measures of asset management and Investment Company in measuring efficiency, it appears that PT Mustika Ratu Tbk in masiv ratio values better than the industry average. This is due to the highly price ratio value of the supply on goods sold. This condition indicated that the PT Mustika Ratu Tbk can achieve more sales with up to leave a reserve supply is much less than the industry average.

However, if viewed from the conditions of daily accounts receivable to be less good condition for a period of relatively high billing from year to year, PT Mustika Ratu Tbk which have averaged a very high receivable. The value of this debt collection is averaged more than 4 months, average the range of 125 days. This is caused by the composition of a very large debt, especially in doubtful receivable or not collectible receivables.

While in carrying out the management, PT Mustika Ratu Tbk also has a better performance than the industry average. This condition is

evidenced by the high value of the gross profit ratio to sales is higher than the average value of the industry.

From table 4.21, it can be proved that the value of this ratio at PT Mustika Ratu Tbk tend to stable from 2003 until 2008, although never experienced a decrease in the year 2005. Conditions otherwise indicated by the average industry conditions tended to decline from 2003 to 2008.

Condition load management is getting better also shown by PT Mustika Ratu Tbk to manage the burden of administration and marketing from 2003 until 2008 the value was stable. Load efficiency is evident in the year 2006 (figure 4.22) where the company is able to suppress the lowest possible administrative burdens to marketing on the level of 22.8 percent.

While the management of marketing and administrative burdens on industry average score is less likely to improve during the period 2003 to 2008. This is indicated at the 4:22 drawing to explain the increasing value due to the high exchange rate, resulting in an increase in administrative and marketing costs.

The better the condition was shown in the ratio of growth to net income of employees on figure 4.24. Where the efficiency or reduction in the number of employees at PT Mustika Ratu Tbk and average good effect against the increase in net profit in the period 2006 to 2008. Both tend to the same trend that is increasing performance in the period 2006 to 2008. But, still can described that the number of employees who are too much in

2005 when PT Mustika Ratu Tbk net income decline worsened by conditions on salary to be received by the employee, in that year the company has done little reduction in the number of their employees.

Generally, leverage ratio can be seen that the financial performance of PT Mustika Ratu Tbk better than the industry average. It is in between proved by the low growth in the value of the debt ratio to the total loaded interest capital from 2003 until 2008. This indicates that PT Mustika Ratu Tbk has a large enough capital to pay off debt or debt interest loaded on a third party.

While the industry average ratio value was greater from 2003 to 2008. This indicates that the amount of capital to the industry average for the smaller debts to third parties. Policies that can be taken by the industry average to lower levels of this ratio is to provide a portion of the funds or capital funds sufficient for payment of debts to third parties with interest at the time of entering a maturity.

This condition supports previous research conducted by Agustin (2007:115) that the company's ability to meet obligations Liquidity Company must be balanced with the amount of assets owned.

Liquidity ratio indicates that the performance of PT Mustika Ratu Tbk also have better growth than the average industrial average in the period 2003 to 2008. This is evidenced in the table 4.30 which shows that the portion of current assets on current liabilities at PT Mustika Ratu Tbk

is higher than industry average causing PT Mustika Ratu Tbk be quite ready for pay their short term liabilities.

While based on research Purwati (2008) liquidity, activity, leverage, and profitability will get the bad value when companies have poor working capital and total assets less current than current liabilities.

From the discussion we know that the less of asset, liabilities, and capital were not the reason for the companies to be loser in the competition with other companies. But the real competition is it can realize the strategies that were made and get the better performance, expenses management, financial policies on the future.

In the perspective of Islamic sharia advocate explained that a person to always strive to improve productivity. This is in accordance with one verse in the Qur'an which states that a person would be getting what worked.

وَأَنْ لَّيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَىٰ. وَإِنْ سَعْيُهُ سَوْفَ يُرَىٰ

"The man can have nothing but he strives for. That (the fruit of) his striving will soon come in sight. (QS. An-Najm: 39-40)

This verse explains that the evaluation and effort is necessary for someone to be better based on experience that has done on the past and find a more optimal success in the future.

Similarly, the existence of analysis on the company's financial statements reflect the functioning of financial performance of companies in the past and as an ingredient in taking the company policy in the future.

Since the year 2003 until the year 2009 worry about the legality of the consumption of cosmetics by the authenticity of security products and substances contained in products used by consumers now. For the cosmetics industry often experience the challenge of this problem. Some cosmetic products contain nano particles are harmful to the skin of the user.

A number of world famous brands of cosmetics have been blamed by Australian environmental groups use women for rabbit experiments, especially the use of chemicals in the nano particles that can damage your health.

Although the cosmetics industry said the controversy over the use of nano particles is not widespread. But independent analyst of The Friends of the Earth's describing nano particles in cosmetics in the 21st century equivalent that use of powdered arsenic and found at random in 10 cosmetic products.

AS it was reported by the Sydney Morning Herald, the names of cosmetic products include Revlon, Clarins, L'Oreal, Yves Saint Laurent, Clinique, Lancome and Max Factor. Among these brands, only one of

Christian Dior products that explain the existence of nano particles in cosmetics label.

The national coordinator of Friends of the Earth's, which deals with issues of nanotechnology, Georgia Miller said, the results of research by the Australian Microscopy and Microanalysis Research Facility, showing the use of nano particles that are expanding will make people believe.

While 7 out of 10 cosmetic products are also known to perform 'high penetration' which ensures that nano particles can reach the superficial layers of the skin, enter the bloodstream and absorbed by the organs and tissues.

But the industry is represented by the Accord, denied the results of the study. Accord policy director, Craig Brock criticized the study as a result of the failure of the discovery of nano particles in cosmetics.

This is considered as testing cholesterol foods and then could not say how many percentages. These products are safe to use. Simple materials used do not penetrate only the outer layer of skin.

While Thomas Faunce of the AustralianNationalUniversity who served as the Australian Research Council (ARC), which examined issues of public health, associated with nanotechnology, researchers said the finding is significant. These findings indicate the importance of strengthening the obligations for labeling and safety data that must be strict requested from the manufacturer.

This study shows nano particles have the ability to damage living cells and should be committed to the principles of prudence in its application.

The impact of this issue that causes a particularly vivid in the year 2005 caused the number of sales on average cosmetics industry fell sharply. And the conditions surrounding the content of hazardous substances found in cosmetics are also continuing to occur in the year 2009. At this year BPOM had found a list of 70 dangerous cosmetics are forbidden to use.

CHAPTER V

CONCLUSSION AND SUGGESTION

5.1 Conclusion

Based on the results of this study, it was found that through the analysis of the profitability ratios over the period trend studies have shown significant improvement, especially in the year 2008 that net profit worth 22.29 billion compared to the same period the previous year which can only be booked net profit of 11.13 billion.

The opposite condition occurs in the next year PT Mustika Ratu Tbk less able to increase the portion of sales that have an impact on the falling value of this ratio. Although the year 2003 the sales value growth of up to 243,879 million compared to the previous period this only reached 229,778 million. However, it appears that the amount of operating expenses in 2004 also experienced an increase. This is what causes decrease in the value of operating expenses in 2004.

This condition is balanced by increasing the value of net operating income net income, earnings per share at PT Mustika Ratu Tbk and the industry average. It can be proved by using this ratio that both PT Mustika Ratu Tbk and industrial average experienced a good growth in the last three years.

In the assessment measures, this ratio changes in PT Mustika Ratu Tbk in the period 2003 to 2008 shows that the company was implementing policies to increase the optimal profit by selling price increases. This in turn affects the increased sales, net operating income, net income and earnings per share of the company. The reverse is done by the industry average which has increased sales by reducing the selling price.

Although in the year 2005 was known that the both showed negative growth in net profit level. Each company has a policy to improve and maintain their income. However, this strategy based on the comparison table above, it is known that the industry average shows a good policy in determining the price of their products.

By using measures of asset management and Investment Company in measuring efficiency, it appears that PT Mustika Ratu Tbk in masiv ratio values better than the industry average. This is due to price ratio value is higher than the value of goods sold. From this condition can be indicated that the PT Mustika Ratu Tbk can achieve more sales with up to leave a reserve supply is much less than the industry average.

However, if viewed from the conditions of daily accounts receivable to be less good condition for a period of relatively high billing from year to year. This is indicated by PT Mustika Ratu Tbk which has averaged very high receivables. The value of this debt collection averaged more than 4 months, were in the range of 125 days. This is caused by the

composition of a very large debt, especially in doubtful receivable or receivables not collectible.

While in carrying the burden of management, PT Mustika Ratu Tbk also has better performance than the industry average. This condition is evidenced by the high value of the gross profit ratio to sales is higher than the average value of the industry.

From table 4.21 can be proved that the value of this ratio at PT Mustika Ratu Tbk tend to stable from 2003 until 2008, although never experienced a decrease in the year 2005. Conditions otherwise indicated by the average industry conditions tended to decline from 2003 to 2008.

The better the condition was shown in the ratio of growth to net income employees in the figure 4.24. Where the efficiency or reduction in the number of employees at PT Mustika Ratu Tbk and average good effect against the increase in net profit in the period 2006 to 2008. Both tend to the same trend, namely an increase in performance menglami in the period 2006 to 2008. But, still can be described that the number of employees who are too much in 2005 when PT Mustika Ratu Tbk net income decline worsened by conditions on salary to be received by the employee, in that year the company has done little reduction in the number of employees.

Generally, leverage ratio can be seen that the financial performance of PT Mustika Ratu Tbk better than the industry average. It is in between

proved by the low growth in the value of the debt ratio to the total loaded interest capital from 2003 until 2008. This indicates that PT Mustika Ratu Tbk has a large enough capital to pay off debt or debt interest loaded on a third party.

While the industry average ratio value was greater from 2003 to 2008. This indicates that the amount of capital to the industry average for the smaller debts to third parties. Policies that can be taken by the industry average to lower levels of this ratio is to provide a portion of the funds or capital funds sufficient for payment of debts to third parties with interest at the time of entering a maturity.

Liquidity ratio indicates that the performance of PT Mustika Ratu Tbk also have better growth than the average industrial average in the period 2003 to 2008. This is evidenced in the table which shows that the 4:30 portion of the portion of current assets to current liabilities is much higher causing PT Mustika Ratu Tbk is quite ready for company in the short term debt pay compared to industry average kind.

5.2. Suggestion

As the Result of the research, some suggestions to investors, company, and next research is on below:

1. To investor and someone who will invest his asset, they should to notice the performance measurement, the internal and external condition of companies.
2. For companies, to use the financial measurement to evaluate their performance on the past as the ingredients to making decision.
3. The research is hoped will be useful and it can be the references to expanding next research. And the researcher hopes to the next researcher to expanding the sample and period of research.

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Location of Distributors

Daerah	Nama distributor dan alamat
Jakarta	<ol style="list-style-type: none"> 1. PT MRBI (cabang) - Ciaracas Jln. Raya Bogor Km, 26,4 Ciaracas Jakarta Timur Telp. (021) 8707885 Fax. (021) 8707885 2. PT. Dos Ni Roha - Jakarta Selatan Bpk. Edwin Kuntjoro Gedung Mugi Griya Lt. 6-7 Jln. MT. Haryono Kav. 10 Telp. (021) 8308494 Fax. (021) 8308393 3. PT. MRBI (Depo) - Bogor Perum Baranang Siang Indah Blok G.II No. 8 Bogor Telp. (0251) 310070 Fax. (0251) 310070 4. PT. Jalur Sutramas - Tangerang Jln. Hasyim Ashari No. 92, Komp. Alam Indah Poris, Tangerang Telp. (021) 5573835 Fax. (0262) 55743835 5. PT. MRBI (Depo) - Daan Mogot Jln. Manggis I No. 20 T. Duren Jakarta Barat Telp. (021) 5685562 Fax. (021) 5685562 6. PT. Jalur Sutramas - Bekasi Jln. Mustika Sari No. 96 Bekasi Telp. (021) 82606194 Fax. (021) 2603095 7. PT. Jalur Sutramas - Serang Jln. Ayip Usman No. 2 Kali Gandu Serang Telp. (0254) 209724 Fax. (0254) 205689
Jawa Barat	<ol style="list-style-type: none"> 1. PT. MRBI (Cabang) - Bandung Jln. Geger Kalong Girang 25 Bandung Telp. (022) 2011578 Fax. (022) 2012295. 2. UD. Duta Air Mentari - Cirebon Jln. Petrataan No. 64 Cirebon Telp. (0231) 204832 Fax. (0231) 210062 3. PT. Andalan Prima Indonesia - Sukabumi

	<p>Jln. Rara Sukaraja No. 188 Sukabumi Telp. (0266) 220723 Fax. (0266) - 220723</p> <p>4. CV. Murah Jaya - Tasikmalaya Jln. Sambong Jaya No. 70 Tasikmalaya Telp. (0265) 340305 Fax. (0265) - 340305</p>
Jawa Tengah	<p>1. PT. MRBI (Cabang) - Semarang Jln. Setia Budi 140 Semarang Telp. (024) 7479604 Fax. (024) 7475832.</p> <p>2. CV. Cakra Nusantara - Solo Jln. Raya Palur Tawangmangu No. 204 Jaten - Solo Telp. (0271) 821367 Fax. (0271) 821367</p> <p>3. CV. Tiara Mas - Yogyakarta Jadan RT. 4 RW. 13 Taman Tirta Kasihan Bantul Telp. (0281) 630117 Fax. (0281) 630117, (wartel) 622407</p> <p>4. PT. Batu Rusa - Kudus Jln. Madukoro Blok A / 16 Semarang Telp. (024) 7623333 Fax. (024) 7623333, (0291) 437955</p> <p>5. PT. Batu Rusa - Purwokerto Jln. Martadiredja I No. 415 Telp. (0281) 635745 Fax. (0281) 635745</p> <p>6. PT. Plambo Pratama JS - Pekalongan Jln. Dharma Bakti No. 2 Kel. Medono Telp. (0285) 427971 Fax. (0285) 427971</p> <p>7. PT. Plambo Pratama JS - Tegal Jln. Kapten Sudibyo No. 147 Telp. (0283) 340787 Fax. (0283) 340787</p>
Jawa Timur	<p>1. PT. Mustika Ratu BI - Surabaya Pergudangan Central Square Blok F-5 Jln. A Yani 41-43 Gedangan Sidoarjo Telp. (031) 8534622 Fax. (031) 8556500</p> <p>2. Depo MRBI - Jember dsk. Jln. Letjen Suprpto GangIA Blok E50 A Telp. (0331) 334633 Fax. (0331) 334633</p>

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Title of Thesis : Analysis of Financial Performance Companies
(A Comparative Study of PT Mustika Ratu Tbk and
Industry Average in the Period 2003-2008)

No	Date	Matter of consultation	Signature
1.	3 February 2010	Consulting the proposal	1.
2.	13 February 2010	Revise Chapter II	2.
3.	15 February 2010	Revise Chapter III	3.
4.	16 February 2010	ACC proposal	4.
5.	17 February 2010	Consulting translation proposal	5.
6.	19 February 2010	ACC proposal in english language	6.
7.	12 March 2010	Consulting Thesis in english language	7.
8.	22 March 2010	Consulting Chapter I, II, III, IV, V	8.
9.	24 March 2010	Revise Chapter IV, V	9.
10.	24 March 2010	Consulting thesis English language	10.
11.	25 March 2010	ACC Thesis	11.
12.	25 March 2010	ACC english Thesis	12.

Malang, 25 March 2010

Acknowledged by
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Appendix 4

CURRICULUM VITAE

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B. Formal Education History

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3. SMA 1 Blitar (2003-2006)

C. Non-Formal Education History

1. English Courses
2. PKPBA (UIN Malang)
3. SPSS Training (CLICT laboratory Faculty of Economics UIN Malang)

D. Organization Experience

1. Ma'had Sunan Ampel Al-Ali (2007-now)
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Similarly resume is made with care and be accountable.

Malang, March 24, 2010

Muhammad Adib Mawardi