This research aims to compare the financial performance of state owned enterprises in Indonesia before and after privatization. Financial performance is measured by financial ratios based on KEP-100/MBU/2002 such as: return on equity (ROE), return on investment (ROI), cash ratio, current ratio, collection period, inventory turnover, total asset turnover and owner’s equity to total asset ratio.

The population of this research is non financial industry of state-owned enterprises which are privatized from 2002 to 2012 through Initial Public Offering (IPO) using purposive sampling method. The sample on this research are 8 state-owned enterprises with the interval of 2 years before and 2 years after privatization.

The statistic instrument used in this research is paired sample t-test to compare financial performance before and after privatization. The result of this research shows that there are significant differences in return on equity (ROE), cash ratio, current ratio, dan total asset turnover of the state-owned enterprises before and after privatization. Whereas there are no differences in return on investment (ROI), collection period, inventory turnover, dan equity to total asset ratio of the state-owned enterprises before and after privatization.

Keywords: Privatization, Financial Performance, Financial Ratio.