

ABSTRACT

ANALYSIS OF COMPANY VALUATION AND SYSTEMATIC RISK OF PT BAKRIE TELECOM TBK (THE STUDY OF ACQUISITION PLAN TO PT BAKRIE TELECOM TBK BY PT TELEKOMUNIKASI INDONESIA TBK IN 2010)

By

Fanditius

In June 2010, news announced that PT Telekomunikasi Indonesia Tbk planned to acquire PT Bakrie Telecom Tbk with the price was about Rp8 trillion. In another word, PT Telekomunikasi Indonesia Tbk will acquire stocks of PT Bakrie Telecom Tbk with premium of 50%-90% from its normal daily market price. The acquisition plan was astonishing because of the expensive price that must be paid by PT Telekomunikasi Indonesia Tbk whereas financial performance of PT Bakrie Telecom Tbk from 2005 through second quarter of 2010 wasn't really good. That bad financial performance is addressed by the total liabilities of PT Bakrie Telecom Tbk that kept increasing meanwhile the profitability from 2005 through second quarter of 2010 did decrease.

The goal of this research is to address and inform about the company value and systematic risk (β) of BTEL before acquisition will be run.

The method to calculate company value is DCF Method. The cash flow, which is recognized in this DCF Method, is free cash flow. Meanwhile, the systematic risk will be estimated by using CAPM. The research horizon is from first quarter of 2005 through second quarter 2010.

The result of the research addresses that the company value of PT Bakrie Telecom Tbk is Rp2,566,816,633,392 (Two Trillion and Five Hundred Sixty Six Billion and Eight Hundred Sixteen Million and Six Hundred Thirty Three Thousand and Three Hundred Ninety Two Rupiah). Meanwhile, the systematic risk (β) of PT Bakrie Telecom Tbk is 0.561.

Key Words : company value, systematic risk and PT Bakrie Telecom Tbk