

ABSTRACT

THE EFFECT OF ENVIRONMENTAL PERFORMANCE TOWARD STOCK PRICE (Study of Participants PROPER Company that List at BEI 2010-2012)

By

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The research purpose to prove empirically an effect of the environmental performance toward stock price with profitability and company size as a control variable. Measurement of environmental performance is achievement of PROPER companies participants.

This research using entire company participants PROPER which are listing 2010-2012 on Indonesian stock exchange (IDX). The research is using secondary data that obtained from *www.idx.co.id*, environmental ministry site *www.menlh.go.id*, Indonesian capital market directory (ICMD), and PIPM of Lampung. Sampling technique that used on this research is purposive sampling. Where as the sample quantity on this research is about 99 sample from 33 corporates and observation during 3 years. Hypothesis testing is done by using multiple linear regression analysis and paired sample t-test.

The result of analysis showed that there is positive influence between environmental performance toward stock price with profitability and company size as a control variable. The level of significance is 0,004. This thing is strengthened by different of CAR (*cumulative abnormal return*) point, before and after PROPER announcement.

Keywords: environmental performance, stock price, profitability and company size