

ABSTRACT

This research is conducting a financial performance of PT Telkom before and after implementing the cost optimization program using the Altman's Z-Score method period of 2008-2011. In this research, there are four ratios in terms of the Altman's Z-score method that X_1 (Working Capital / Total Assets), X_2 (Retained Earnings / Total Assets), X_3 (Earnings Before Interest and Taxes / Total Assets), and X_4 (Market Value of Equity / Book Value of Total Liabilities). This study finds that before and after the implementation of the cost optimization program period of 2008-2011, the financial performance of PT Telkom in the good condition. It can be seen from the calculation tends to increase the value of Altman's Z-Score which indicates that the financial performance of PT Telkom is in the green area (Non-Bankrupt) or healthy company. Finally, the cost optimization program implemented by PT Telkom is a good program to be continued because it showed the financial performance increasing every year.

Keyword: The Cost Optimization Program, Altman's Z-Score Methods