

## ***ABSTRACT***

*The aims of this study is to analyze the influence of firm characteristics on voluntary disclosure in annual report in Indonesia. Factors tested in this study are firm size, firm age, leverage, ownership dispersion, net profit margin, return on equity, liquidity, and proportion of independent board of commissioners.*

*Collecting data is using porposive sampling methode to the manufacturing companies that listed in Indonesian Stock Exchange during 2008-2010. The number of companies taken as samples in this study covers about 105 company annual reports. This study uses content analysis to measure the extent of voluntary disclosure in annual reports. There are 103 voluntary items to detect the extent of voluntary disclosure.*

*This research uses multiple regression that use to examine the influence of firm characteristics on voluntary disclosure in annual report. The result of this research showed those independent variables that have significant influence on extent of voluntary disclosure is firm size, leverage, and liquidity. However, firm age, ownership dispersion, net profit margin, return on equity, and proportion of independent board of commissioners do not show significant influence on the extent of voluntary disclosures. Furthermore, the result of content analysis shows that the extent of voluntary disclosure in company's annual reports is still low.*

*Keywords: annual report, voluntary disclosure, firm characteristics*