

## ***ABSTRACT***

*The aim of this study was to examine the role of ownership structure in financial distress. Researches about financial distress were mostly focusing in accounting ratio and cash flow. Nevertheless, ownership structure may also influence financial distress.*

*This study used quantitative method on annual reports and financial statements of manufactures listed in Indonesia Stock Exchange during 5 years period from 2005 until 2009 and is analyzed using logistic regression. Three hundred and thirty companies were collected using purposive sampling method in this study.*

*Result of this study showed that managerial ownership structure and outside blockholder ownership structure have a significant effect in financial distress. In the other hand, institutional ownership structure has no significant effect to financial distress.*

*Keywords: financial distress, managerial ownership structure, outside blockholder structure, institutional ownership structure*