

ABSTRACT

This research purposed to determine the effect of profitability, cash flow, sales growth, leverage and market to book ratio towards dividend payout ratio.

This research used 102 samples of companies listed that paid dividend in BEI on period 2005-2008. The measured by linear regression with SPSS program. In collection data, this research analyzed secondary data obtained from ICMD (Indonesia Capital Market Directory) and Indonesian Stock Exchange.

Analysis result showed that : profitability, cash flow, sales growth and market to book ratio have significant effect towards dividend payout ratio and leverage have not significant effect towards dividend payout ratio. Profitability, cash flow and market to book ratio have a positif relationship towards dividend payout ratio and sales growth have negatif relationship toward dividend payout ratio.

This research did not study about factors from market characteristic because to study about firm characteristic, this research need to study more than a market and to find the data still difficult. For the further research, if there is a easier way to find information about factors from firm characteristic, the factors form market characteristic should be include for better result.

Keywords: of profitability, cash flow, sales growth, leverage, market to book ratio, dividend payout ratio.