

## **ABSTRACT**

*The purpose of this study is to compare four major industries in companies listed on the Indonesia stock exchange for 2015 to find out how far intellectual capital ability affect firm's value in each of the four major industries. This study also investigates the role of financial performance as an intervening variable between intellectual capital and firm's value*

*Using purposive sampling method, this research gets the number of samples as many as 247 companies listed on the Indonesia stock exchange in 2015 which then divided into 4 major industry sectors. Path analysis is used to know the mediation effect of financial performance. To measure the intellectual performance of firms using modified value-added intellectual coefficient, while the financial performance uses return on assets, and firm's value is measured by market capitalization.*

*Based on the results, intellectual capital gives a positive and significant effect on firm's value. The influence of financial performance also proven empirically through regression testing. The study also indicates that financial performance is able to mediate the influence of intellectual capital and firm's value. Further test results by testing per sector, manufacturing industry are the sector with the best intellectual capital performance related to its influence on financial performance and firm's value. It is confirmed that a company with a good intellectual performance will improve financial performance and the firm's value.*

**Keywords:** *Intellectual Capital, Financial Performance, Firm's Value*