

Hedging Disclosure

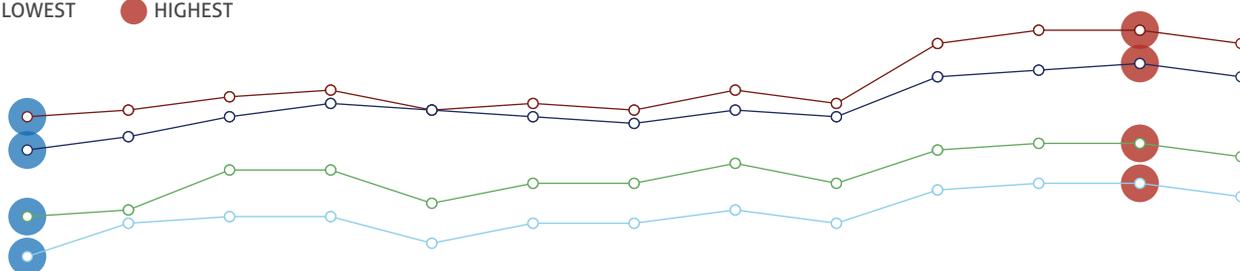
April 2017

FUEL PRICE COMPARISON

All data is presented in US\$/L, except stated otherwise

○ BRENT ○ SIN JETKERO ○ GA GROUP ○ PERTAMINA

● LOWEST ● HIGHEST



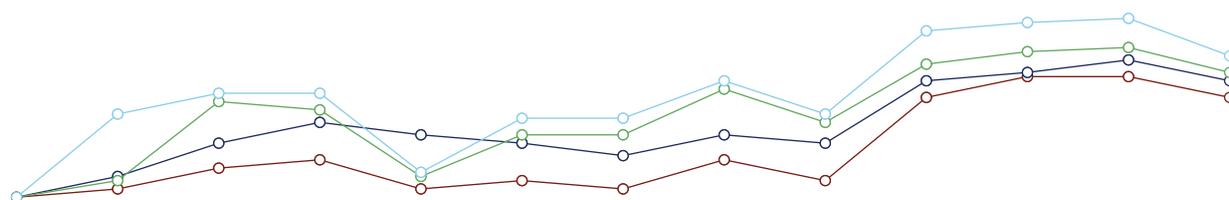
	2016								2017				
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
○ BRENT	0.24	0.29	0.30	0.30	0.26	0.29	0.29	0.31	0.29	0.34	0.35	0.35	0.33
○ SIN JETKERO	0.30	0.31	0.37	0.37	0.32	0.35	0.35	0.38	0.35	0.40	0.41	0.41	0.39
○ GA GROUP	0.40	0.42	0.45	0.47	0.46	0.45	0.44	0.46	0.45	0.51	0.52	0.53	0.51
○ PERTAMINA	0.45	0.46	0.48	0.49	0.46	0.47	0.46	0.49	0.47	0.56	0.58	0.58	0.56

Source: Bloomberg, April 2017

FUEL PRICE 1-YEAR GROWTH

(N=1 MOVEMENT)

○ BRENT 34.12% ○ SIN JETKERO 29.77% ○ GA GROUP 27.50% ○ PERTAMINA 24.44%



	2016								2017				
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR

PRICE GAP

(Pertamina vs. Brent vs. Sin JetKero)

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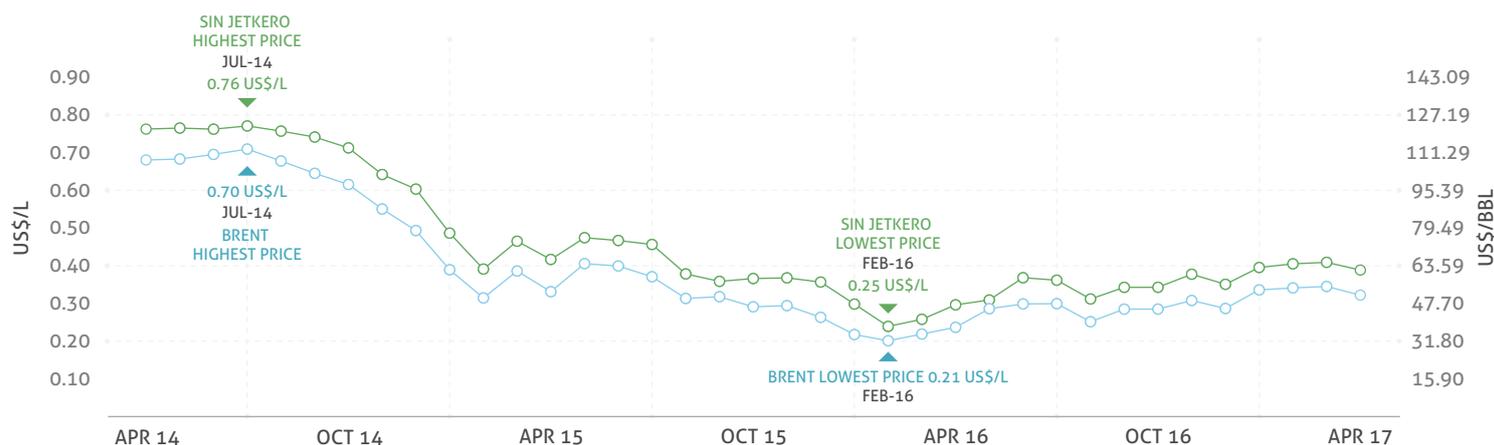
BRENT	GAP	PERTAMINA	GAP	SIN JETKERO
APR 2017				
0.33	23.34 USc (71.45%)	0.56	16.87 USc (43.12%)	0.39
AVERAGE 2016				
0.28	17.56 USc (62.69%)	0.46	12.20 USc (36.55%)	0.33

Note:

- Pertamina: The average of domestic in to plane fuel prices paid to Pertamina.
- GA Group: The average of domestic and international in to plane fuel prices paid to suppliers.
- Due to Pertamina's one-month late price adjustments, Brent and Sin JetKero prices used are adjusted one month behind.

HISTORICAL PRICE

○ BRENT ○ SIN JETKERO



Source: Bloomberg, April 2017

PRICE (US\$/BBL)	APR 17	Δ1 MONTH	Δ3 MONTHS	Δ6 MONTHS	Δ12 MONTHS
SIN JETKERO (Δ%)	62.21	65.39 (-4.86%)	63.27 (-1.67%)	55.14 (12.82%)	47.94 (29.77%)
BRENT (Δ%)	51.93	55.49 (-6.42%)	54.07 (-3.95%)	46.19 (12.43%)	38.72 (34.12%)

FUEL HEDGING

Garuda Indonesia is allowed to hedge for the proportion up to 50% or 7.5 million bbl. out of the estimated 15 million bbl. of total fuel consumption—totaling from all Garuda Indonesia and Citilink flights—as the 2017 fuel hedging policy. With the 2017 target of market fuel price at 44.27 US\$/liter, hence maintaining the average uplifting price at 54.27 US\$/liter, the company will conduct the fuel hedging activities through the swap. In addition, in order to grab more market opportunities as well as to give more certainty and mitigate more risks from the uncertainty of fuel price especially when the market has no stable situation yet due to OPEC compliance on the production cut and the rising of US Shale oil, the company is conducting a change in the fuel hedging policy which the company is now able to hedge for the period beyond a current fiscal year with the maximum contract of 12-month.

Up to April 2017, the company has hedged 2.8 million bbl. by which the 1.9 million bbl. will be due in 2017. At this point, 13% of 2017 fuel consumption, mostly within the second half of 2017, has been hedged at the effective price 6% below the 2017 budget price while the percentage fuel consumption within Q1-2018 has been hedged with the level of the effective price is pretty much the same as in 2017 (different by 0.11 US\$/liter). The company welcomes new counterparties for fuel hedging by engaging the working relationships with HSBC and Totsa, the subsidiary of Total Oil Company. With having more active counterparties, the company ensures that the price offered by each counterparty will be competitive and brings the benefit for the company itself.

FX HEDGING (US\$)

Regarding the FX hedging program, the company will still engage in cash flow hedge, in order to meet the needs of USD and the requirement of Peraturan Bank Indonesia No. 16/21/PBI/2014 imposed by Indonesian Central bank, and also value hedge, due to the exposure of the company's book value in USD. The company appreciates the new instrument imposed by the Indonesian Central Bank in the form of Call Spread and will consider the instrument to be potentially used for the company's FX hedging activities, besides Value Today, FX Spot and FX Forward. The trend of the IDR movement will determine the choice of the instrument as the company has always been monitoring the movement of IDR market by engaging in both fundamental and technical aspects.

Up to April 2017, the company entered into forward transactions, matured in the beginning of April 2017, with a total nominal of US\$58 Million. Towards the other transactions, the company currently still prefers purchasing USD with the Value Today rate amid the stable range of IDR movement. Moreover, the company still monitor the non-USD items in the asset and liability and assess their impact on the movement of USD/IDR. In that case, conducting the cross-currency swap transactions is one of the effort to mitigate exposures of the company's 2017 book value in USD. Moreover, this year, the company also urges the subsidiaries, such as Citilink, GMF and Garuda Angkasa to be more active as well in the hedging activities with the expectation that Garuda Group as a whole can minimize the exposure of book value in USD.