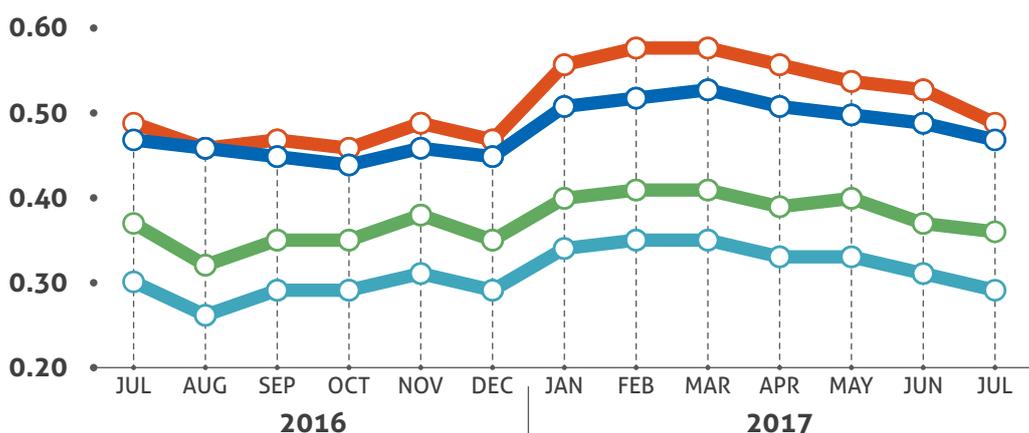


Hedging Disclosure

July 2017

PRICE COMPARISON

Source: Bloomberg, July 2017



PERTAMINA

HIGHEST 0.58 MAR-17
LOWEST 0.46 AUG-16

GA GROUP

HIGHEST 0.53 MAR-17
LOWEST 0.44 OCT-16

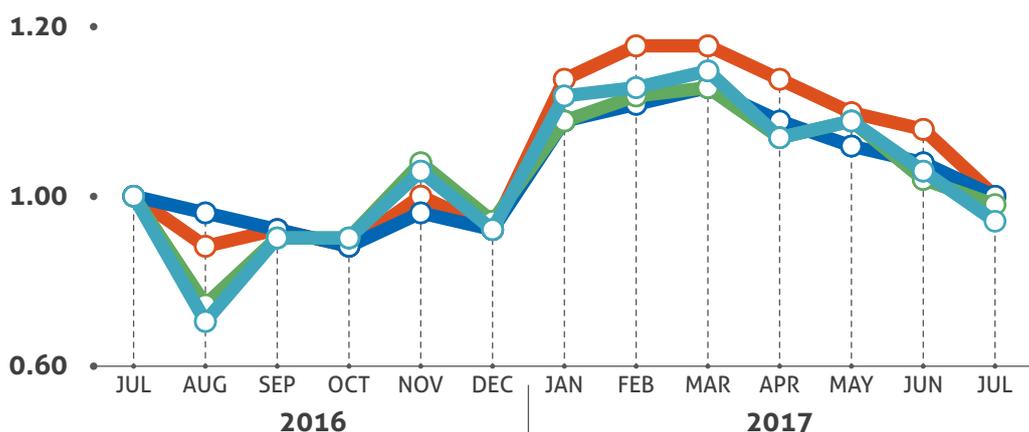
SIN JET KEROSENE

HIGHEST 0.41 MAR-17
LOWEST 0.32 AUG-16

EURO BRENT

HIGHEST 0.35 MAR-17
LOWEST 0.26 AUG-16

INDEX	UNITS	2016												2017		
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL		
EURO BRENT	US\$/L	0.30	0.26	0.29	0.29	0.31	0.29	0.34	0.35	0.35	0.33	0.33	0.31	0.29		
SIN JET KEROSENE	US\$/L	0.37	0.32	0.35	0.35	0.38	0.35	0.40	0.41	0.41	0.39	0.40	0.37	0.36		
GA GROUP	US\$/L	0.47	0.46	0.45	0.44	0.46	0.45	0.51	0.52	0.53	0.51	0.50	0.49	0.47		
PERTAMINA	US\$/L	0.49	0.46	0.47	0.46	0.49	0.47	0.56	0.58	0.58	0.56	0.54	0.53	0.49		



PERTAMINA

1-YEAR % CHANGE 0.00%

GA GROUP

1-YEAR % CHANGE 0.00%

SIN JET KEROSENE

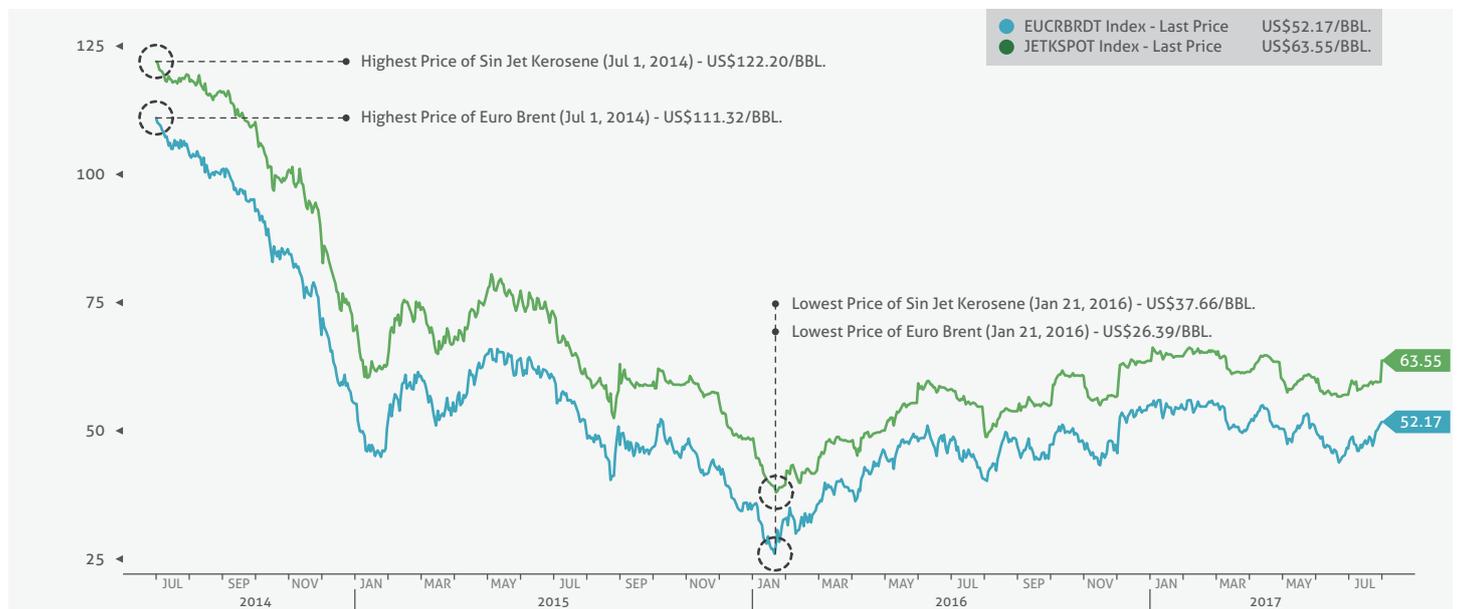
1-YEAR % CHANGE -1.33%

EURO BRENT

1-YEAR % CHANGE -3.16%

PERIODE	PERTAMINA US\$/L	VS. EURO BRENT		VS. SIN JET KEROSENE			
		US\$/L	Δ (US¢)	Δ (%)	US\$/L	Δ (US¢)	Δ (%)
JULY 2017	0.49	0.29	19.51	66.14	0.36	12.97	35.98
AVERAGE YTD 2017	0.55	0.32	22.42	69.14	0.39	16.07	41.44
AVERAGE 2016	0.46	0.28	17.56	62.69	0.33	12.20	36.55

Notes:
"Pertamina" is the average value of domestic in to plane fuel prices paid to Pertamina, meanwhile "GA Group" is the average value of domestic and international in to plane fuel prices paid to suppliers. And due to Pertamina's one-month late price adjustments, Euro Brent and Sin Jet Kerosene prices used are adjusted one-month behind.



INDEX	UNITS	JUL-17		Δ 1-MONTHS		Δ 3-MONTHS		Δ 6-MONTHS		Δ 12-MONTHS	
		AVERAGE	AVERAGE	% CHG.							
SIN JET KEROSENE	US\$/BBL.	57.29	59.30	(3.39)	62.21	(7.91)	63.27	(9.45)	58.06	(1.33)	
EURO BRENT	US\$/BBL.	46.89	50.08	(6.37)	51.93	(9.71)	54.07	(13.27)	48.42	(3.16)	

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. Based on current market condition, oil producers may have climbed their productions level even though OPEC’s cutbacks are having some success as a recent report shows a decline in global inventories level. However, stockpiles are still at the considerably high level and there is also an indication of growing U.S output and signs of lower demand from China stoked. Going forward, in-line with our renewed hedging policy which allows a transaction to be conducted for the longer maturity period beyond a fiscal year or maximum 12 months, the company may be able to lock-in price factor for a further period while the price is at its bearish moment.

Up to July 2017, the company has hedged 3.8 million bbl. in total which 2.45 million bbl. will be due within 2017. At this point, 16% of 2017 fuel consumption, mostly within the second half of 2017, has been hedged at the effective price 9% below the 2017 budget price while the percentage fuel consumption within the first half of 2018 has been hedged with the level of the effective price is lower than the effective hedging price in 2017 (different by 0.3 US\$/liter).

Throughout an uncertainty which occurred in the fuel market, the company is confident that any exposures coming from the further movement of fuel price has been well-managed and mitigated by not get into the market. It is reflected by the movement of Jet Fuel that reach the highest point on July 2017 (Jet Fuel Volatility per July 2017; 2%) compared with two previous months (Jet Fuel Volatility per May 2017; 1.6% and Jet Fuel Volatility per June 2017; 1.5%).

FX HEDGING

Regarding the FX hedging program, 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 will still engage in cash flow hedge. 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 July 2017, the company earns the benefit from previous FX Hedging Transaction as IDR was depreciated up 13,400 USD/IDR within the first couple weeks. Afterward, IDR has appreciated again. Hence it is preferable for the company to buy USD with value today. Furthermore, the company still also monitor the non-USD items in the asset and liability and assess their impact on the movement of USD/IDR.