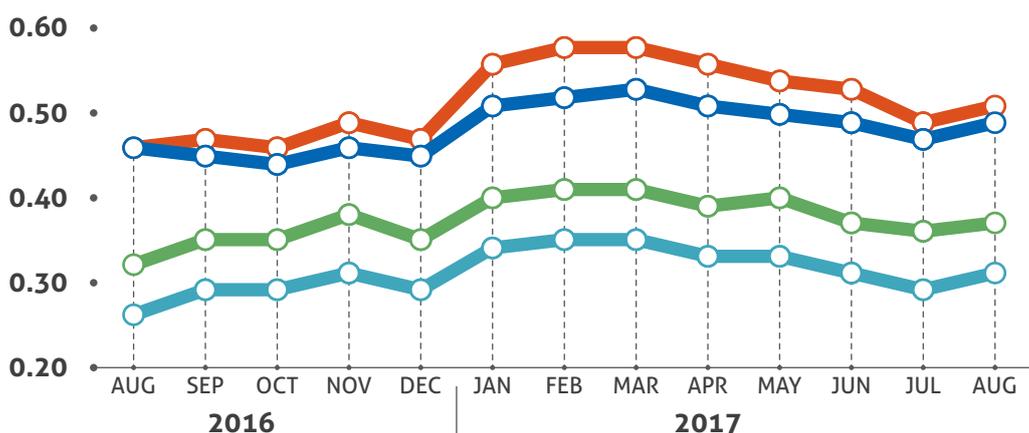


Hedging Disclosure

August 2017

PRICE COMPARISON

Source: Bloomberg, August 2017



PERTAMINA

HIGHEST 0.58 MAR-17
LOWEST 0.46 AUG-16

GA GROUP

HIGHEST 0.53 MAR-17
LOWEST 0.44 OCT-16

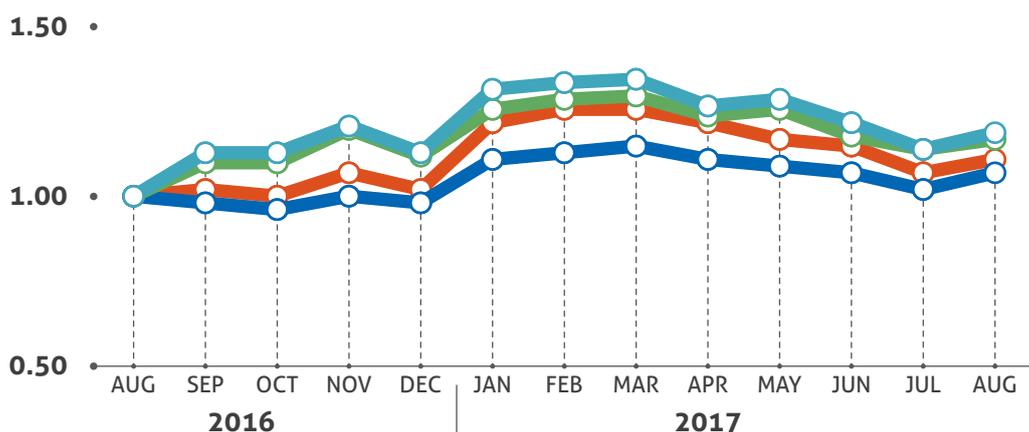
SIN JET KEROSENE

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



PERTAMINA

1-YEAR % CHANGE ▲ 10.87%

GA GROUP

1-YEAR % CHANGE ▲ 6.52%

SIN JET KEROSENE

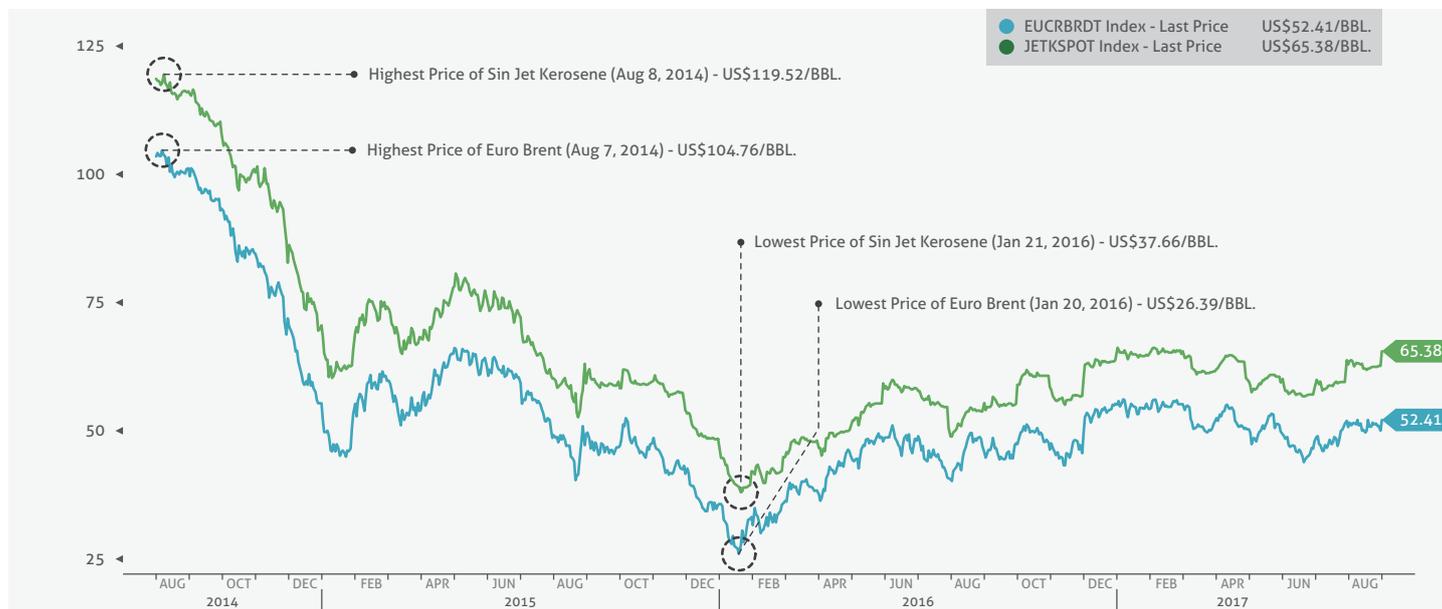
1-YEAR % CHANGE ▲ 17.46%

EURO BRENT

1-YEAR % CHANGE ▲ 18.73%

PERIODE	PERTAMINA	VS. EURO BRENT		VS. SIN JET KEROSENE			
	US\$/L	US\$/L	Δ (US¢)	Δ (%)	US\$/L	Δ (US¢)	Δ (%)
AUGUST 2017	0.51	0.31	20.37	66.53	0.37	13.81	37.13
AVERAGE YTD 2017	0.54	0.32	21.96	67.73	0.39	15.51	39.90
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	AUG-17	Δ 1-MONTHS		Δ 3-MONTHS		Δ 6-MONTHS		Δ 12-MONTHS	
		AVERAGE	AVERAGE	% CHG.	AVERAGE	% CHG.	AVERAGE	% CHG.	AVERAGE	% CHG.
SIN JET KEROSENE	US\$/BBL.	59.13	57.29	3.21	63.54	(6.94)	64.77	(8.71)	50.34	17.46
EURO BRENT	US\$/BBL.	48.69	46.89	3.84	52.98	(8.10)	54.89	(11.30)	41.01	18.73

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. Along August 2017, Brent forward curve has shifted from contango to backwardation for short-term maturities which signed rebalancing will be longer than expected and some bulls consider this backwardation market as a typical sign of a recovering market where demand is over-pacing supply. Nonetheless, this conclusion is primarily that markets have gone nowhere in the last 6 months and most of the uncertainties remain.

As a result, it is enough to justify the company to add some hedged volume by 350 thousand bbl. Hence by August 2017, the company has hedged 4.15 million bbl. in total which 2.45 million bbl. will be due within 2017. In detail, 16% has been hedged from 2017 fuel consumption, which mostly covers fuel consumption of second half on 2017, In addition, 9% has been hedged with the effective price below the budget price for 2017 budget price.

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).

FX HEDGING

The company's book value which being exposed with USD requires engagement in cash flow hedge. 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 August 2017, the company carefully monitored the FX market to determine the best position to enter the market as IDR was quite stable around 13,342 USD/IDR with a small amount of fluctuation which around 0.11%. At this case, it is preferable for the company to buy USD with value today instead of entering into a derivative transaction.

Furthermore, the company still also monitor the non-USD items in the asset and liability and assess the impact on the movement of USD/IDR towards the item. Judging from the movement of the last week of August, cross currency swap transaction has been exercised to keep company's book value not to be exposed to the movement of the USD/IDR. The nominal of the transaction was 1.59 billion IDR won by five listed counterparty which are Mandiri, ANZ, CIMB, Permata, and BRI.