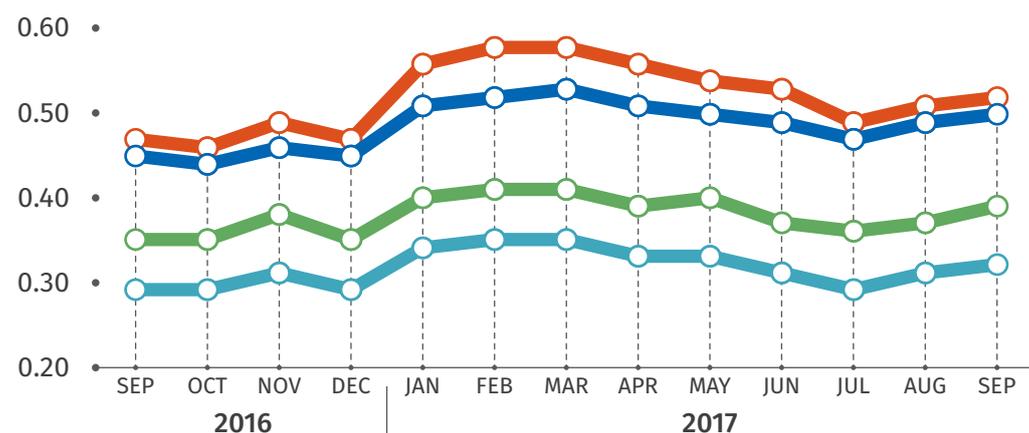


Hedging Disclosure

September 2017

PRICE COMPARISON

Source: Bloomberg, September 2017



Pertamina

HIGHEST 0.58 MAR-17
LOWEST 0.46 OCT-16

Garuda Indonesia Group

HIGHEST 0.53 MAR-17
LOWEST 0.44 OCT-16

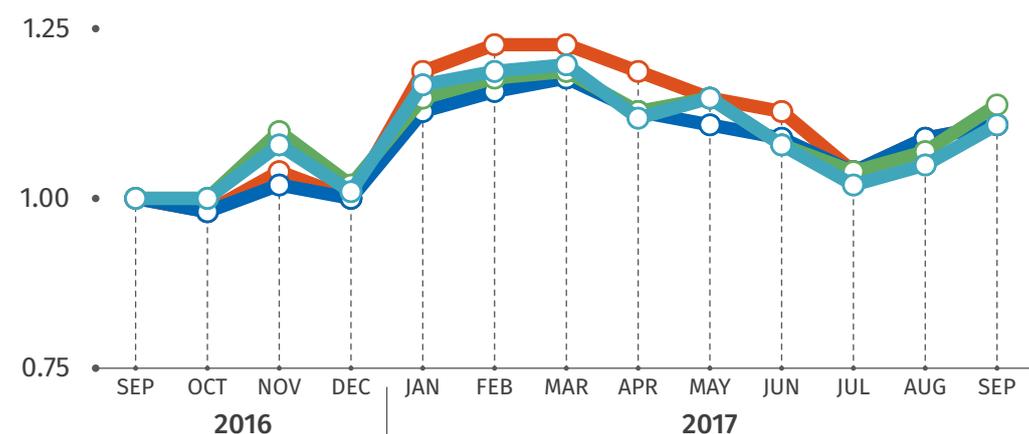
Singapore Jet Kerosene

HIGHEST 0.41 MAR-17
LOWEST 0.35 SEP-16

Euro Brent

HIGHEST 0.35 MAR-17
LOWEST 0.29 SEP-16

| INDEX | UNITS | 2016 | | | | | 2017 | | | | | | | |
|------------------------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
| Euro Brent | US\$/L | 0.29 | 0.29 | 0.31 | 0.29 | 0.34 | 0.35 | 0.35 | 0.33 | 0.33 | 0.31 | 0.29 | 0.31 | 0.32 |
| Singapore Jet Kerosene | US\$/L | 0.35 | 0.35 | 0.38 | 0.35 | 0.40 | 0.41 | 0.41 | 0.39 | 0.40 | 0.37 | 0.36 | 0.37 | 0.39 |
| Garuda Indonesia Group | US\$/L | 0.45 | 0.44 | 0.46 | 0.45 | 0.51 | 0.52 | 0.53 | 0.51 | 0.50 | 0.49 | 0.47 | 0.49 | 0.50 |
| Pertamina | US\$/L | 0.47 | 0.46 | 0.49 | 0.47 | 0.56 | 0.58 | 0.58 | 0.56 | 0.54 | 0.53 | 0.49 | 0.51 | 0.52 |



Pertamina

1-YEAR % CHANGE ▲ 10.64%

Garuda Indonesia Group

1-YEAR % CHANGE ▲ 11.11%

Singapore Jet Kerosene

1-YEAR % CHANGE ▲ 13.73%

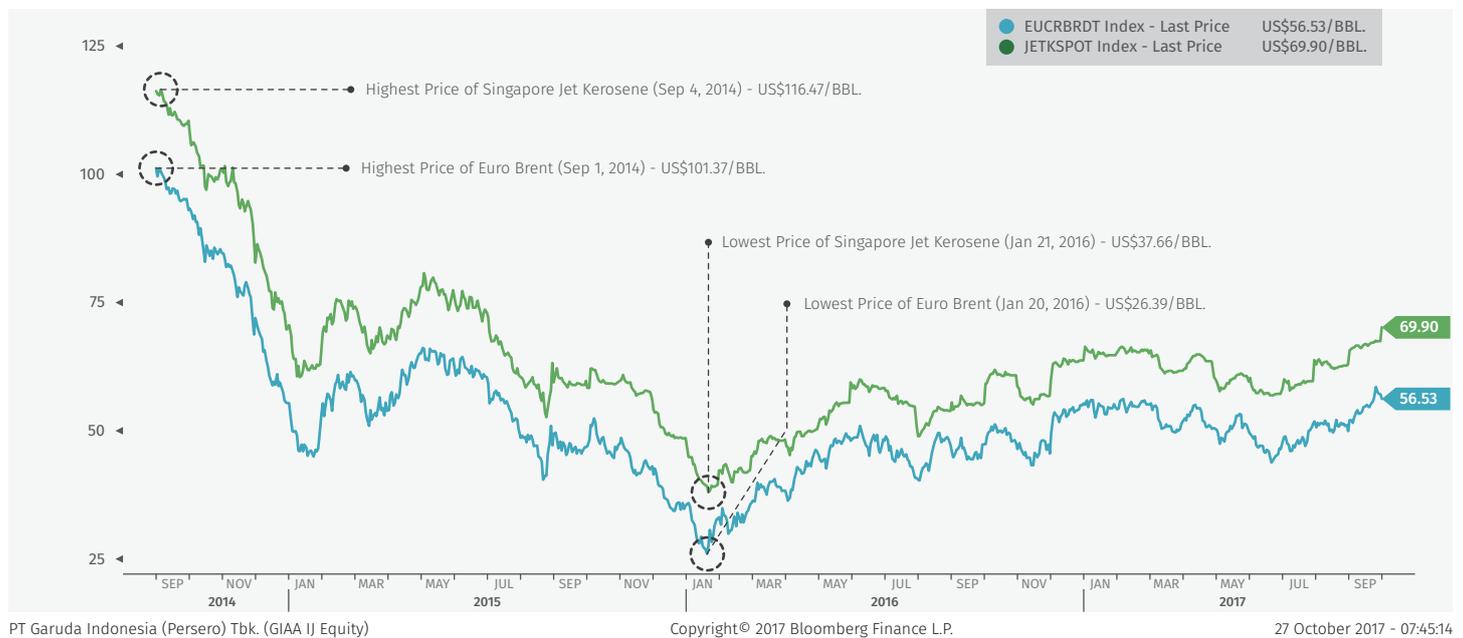
Euro Brent

1-YEAR % CHANGE ▲ 11.24%

| PERIODE | PERTAMINA | | VS. EURO BRENT | | VS. SINGAPORE JET KEROSENE | | |
|---------------------------|-----------|--------|----------------|-------|----------------------------|---------|-------|
| | US\$/L | US\$/L | Δ (US¢) | Δ (%) | US\$/L | Δ (US¢) | Δ (%) |
| September 2017 | 0.52 | 0.32 | 19.69 | 60.94 | 0.39 | 12.56 | 31.86 |
| Average Year to Date 2017 | 0.54 | 0.33 | 21.44 | 65.62 | 0.39 | 14.90 | 38.00 |
| Average 2016 | 0.46 | 0.28 | 17.56 | 62.68 | 0.33 | 12.20 | 36.55 |

Notes:

"Pertamina" is the average value of domestic in to plane fuel prices paid to Pertamina, meanwhile "Garuda Indonesia 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. |
| Singapore Jet Kerosene | US\$/BBL. | 62.70 | 59.13 | 6.04 | 59.30 | 5.73 | 65.39 | (4.11) | 55.13 | 13.73 |
| Euro Brent | US\$/BBL. | 51.37 | 48.69 | 5.50 | 50.08 | 2.58 | 55.49 | (7.42) | 46.18 | 11.24 |

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. The target of market fuel price along 2017 is 44.27 US\$/liter, which fuel hedging activities through the swap will be conducted to maintain the average uplifting price at 54.27 US\$/liter. Throughout September 2017, US refineries ran at well below capacity during the slow process of recovery from the hurricane, which had remained stubbornly high over much of the summer, falling well below levels seen at the same time last year. However, disruptions to oil production were short-lived and so unused crude flowed into inventories which grew high volatility towards last September's levels.

Going forward, within the second half and approaching the end of 2017, Garuda Indonesia is confident that the existing hedged volumes will be enough to cover the risk of volatility and higher oil price during the period. Due to high volatility along September 2017, there is no new executed hedging transaction by Garuda Indonesia. Therefore Garuda Indonesia has hedged 4.15 million bbl. in total which 2.45 million bbl. will be due within 2017. Specifically, 16% has been hedged from 2017 fuel consumption, which mostly covers fuel consumption of second half on 2017, with 9% of the hedged amount at the effective price below 2017's budget price.

Meanwhile, the percentage of 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 need of USD coming from the USD expense leads Garuda Indonesia to engage with cash flow hedge. Monitoring towards the movement of IDR against USD will be decisive on which hedging instrument will be executed to mitigate the exchange rate. As the fulfillment of Bank of Indonesia's regulation (PBI 16/21) at the end of September 2017, forward and option transaction has been executed by taking into account the need to set the maximum tolerance of the USD/IDR level given the future market volatility and risk at that time.

The amount of transaction is to meet the requirement coming from both liquidity and hedging ratio in accordance with PBI 16/21. Hence, there will be no violation to meet the regulation set by the policymaker. The transaction to fulfill PBI 16/21 adds another FX transaction conducted by Garuda Indonesia.

The Inflation rate along September 2017 can be considered as a mild one since it remains within Bank of Indonesia's target which around 3% - 5%, the movement of USD/IDR that was relatively stable particularly during the first half of September 2017 making an FX value today remain as preferable instrument along September 2017 to cover Garuda Indonesia's cash flow.