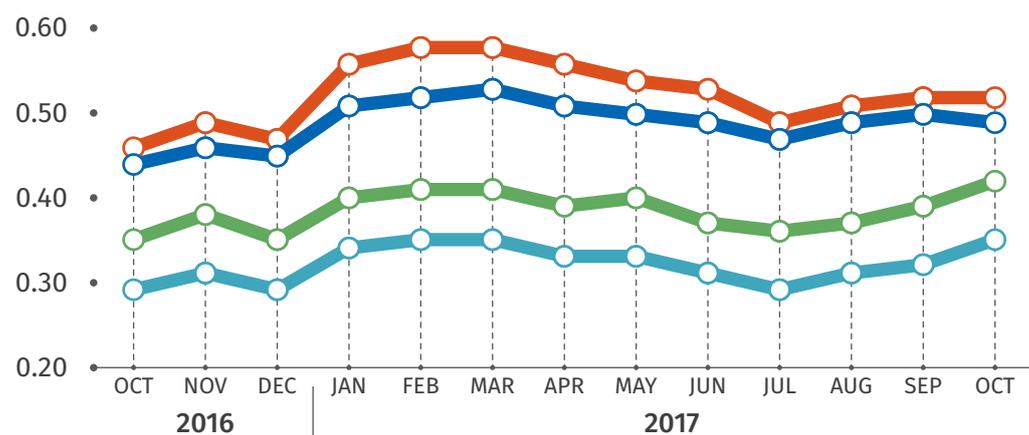


Hedging Disclosure

October 2017

PRICE COMPARISON

Source: Bloomberg, September 2017



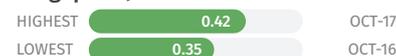
Pertamina



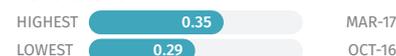
Garuda Indonesia Group



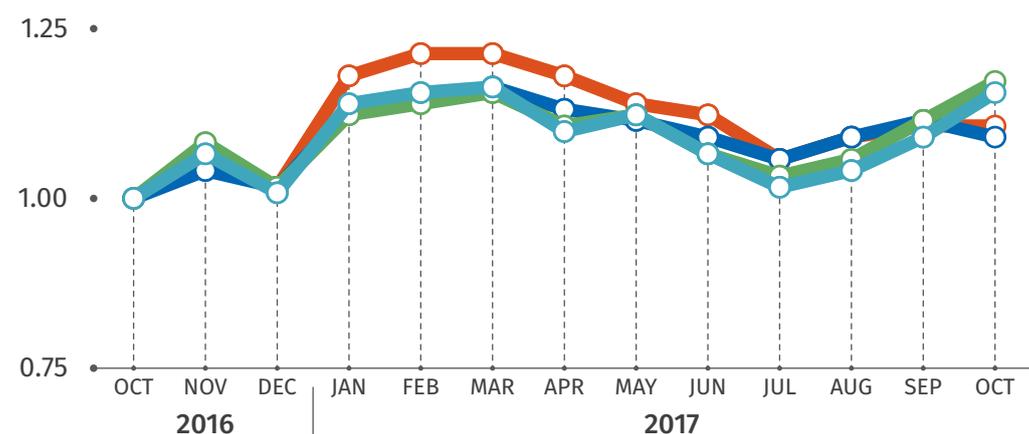
Singapore Jet Kerosene



Euro Brent



INDEX	UNITS	2016					2017							
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
Euro Brent	US\$/L	0.29	0.31	0.29	0.34	0.35	0.35	0.33	0.33	0.31	0.29	0.31	0.32	0.35
Singapore Jet Kerosene	US\$/L	0.35	0.38	0.35	0.40	0.41	0.41	0.39	0.40	0.37	0.36	0.37	0.39	0.42
Garuda Indonesia Group	US\$/L	0.44	0.46	0.45	0.51	0.52	0.53	0.51	0.50	0.49	0.47	0.49	0.50	0.49
Pertamina	US\$/L	0.46	0.49	0.47	0.56	0.58	0.58	0.56	0.54	0.53	0.49	0.51	0.52	0.52



Pertamina



Garuda Indonesia Group



Singapore Jet Kerosene



Euro Brent



PERIODE	PERTAMINA		VS. EURO BRENT		VS. SINGAPORE JET KEROSENE		
	US\$/L	US\$/L	Δ (US¢)	Δ (%)	US\$/L	Δ (US¢)	Δ (%)
October 2017	0.52	0.35	17.31	49.88	0.42	10.03	23.89
Average Year to Date 2017	0.54	0.33	20.87	63.19	0.40	14.40	36.45
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	OCT-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.	66.73	62.70	6.43	57.29	16.48	62.21	7.27	55.15	21.00
Euro Brent	US\$/BBL.	55.16	51.37	7.38	46.89	17.64	51.93	6.22	46.19	19.42

FUEL HEDGING

According to Garuda Indonesia hedging policy, it is allowed for the company to hedge with the proportion up to 50% or 7.5 million bbl. from fuel consumption along 2017 which estimated 15 million bbl. which cover fuel consumption from Garuda Indonesia and Citilink. Targeted market fuel price along 2017 is 44.27 US\$/liter and fuel hedging activities through the swap will be conducted to maintain the average uplifting price at 54.27 US\$/liter.

Looking at the outlook for the fuel as per October 17, the company have been aware that the US refineries are still recovering from hurricane Harvey with US supply growth raised +80 thousand bbl./day. As a result, there is an expectation that the supply may grow further giving a boost for the bearish market to be established in the short-term and hold the price at the current level. In addition to the case, after spiking on hurricane Harvey, world refining margins have dropped significantly since. On the other hand, 2017 forecast of demand growth dropping may cause a concern. This condition brings confidence for the company to look more on the market timing and focus on longer tenor, specifically for additional hedging volume in September and October 2018.

The company also transform its way in conducting fuel hedging by adopting Bloomberg's commodity electronic trading workflow (RFQC). This puts Garuda Indonesia as the very first airline in Asia Pacific to adopt RFQC and manages to do fuel hedge with real-time price quotes and bring more effective fuel hedging through minimizing operational risks which inherent with manual hedging transaction processes.

Thus as October 17, Garuda Indonesia has hedged 4.35 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 2018 fuel consumption has been hedged with the level of the effective price is lower than the effective hedging price in 2017 (different by 4.06 US\$/liter).

FX HEDGING

IDR depreciated throughout the last week in October as the impact of news that corporate tax cut by Trump from 35% to 20% which will not be implemented directly but gradually for upcoming 4 years. In this case, the sale of Government bond may become one of the tools to prevent further depreciation of IDR against USD.

Taking into account the market condition with the tendency of IDR depreciation is more likely, it is preferable for Garuda Indonesia to execute forward transaction to cover the need of USD which coming from USD expense of the company, Further, the company will still monitor the market movement to determine the use of either forward or today transaction regarding the need of USD.