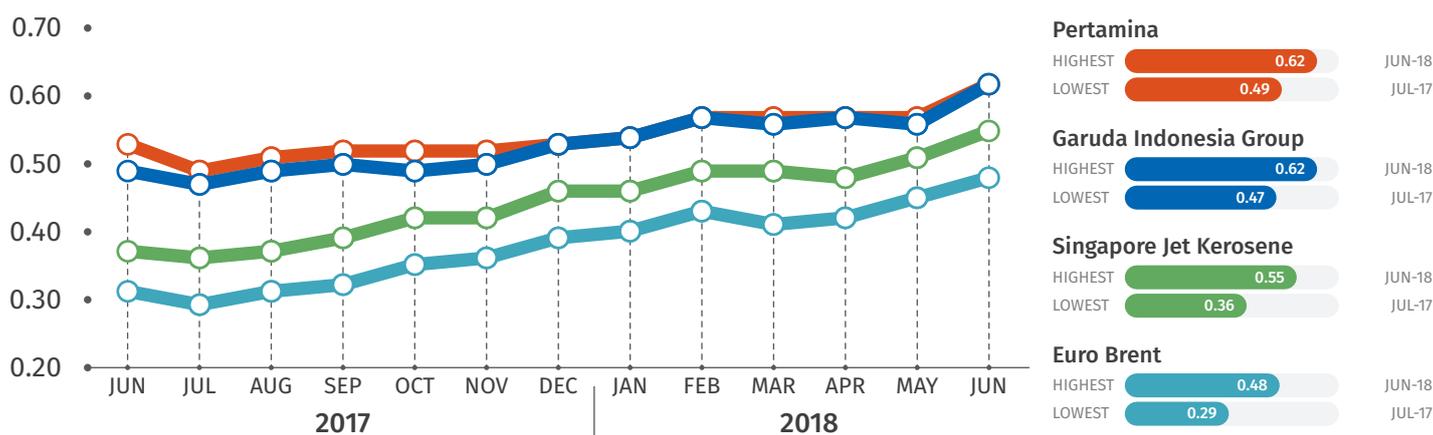


Hedging Disclosure

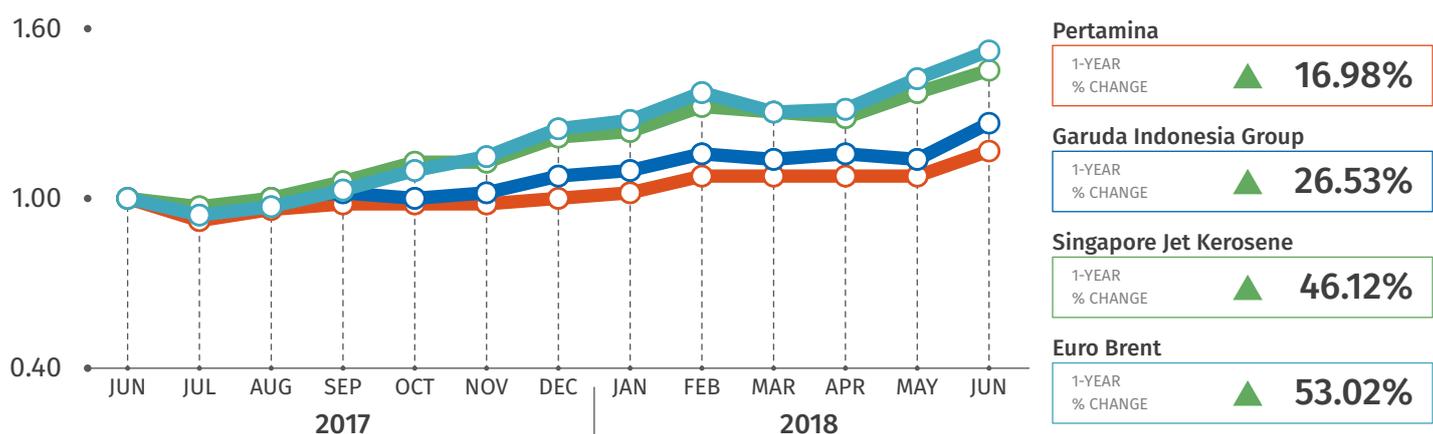
June 2018

PRICE COMPARISON

Source: Bloomberg, June 2018



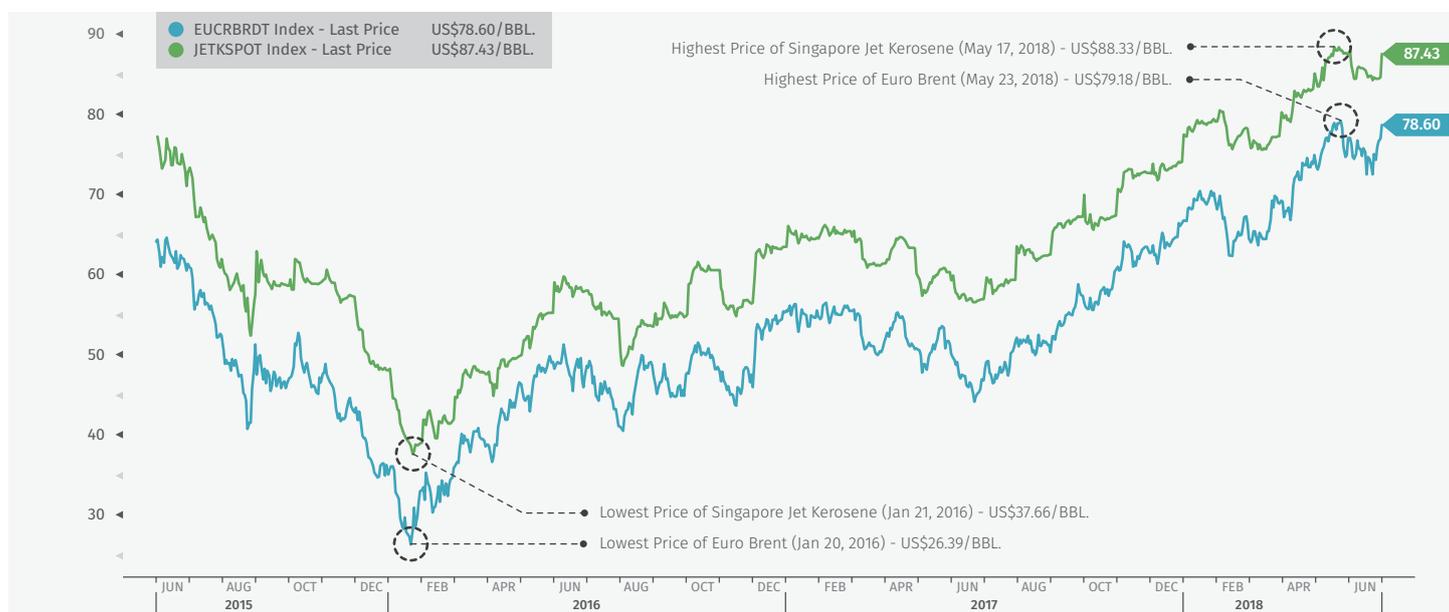
INDEX	UNITS	2017										2018				
		JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		
Euro Brent	US\$/L	0.31	0.29	0.31	0.32	0.35	0.36	0.39	0.40	0.43	0.41	0.42	0.45	0.48		
Singapore Jet Kerosene	US\$/L	0.37	0.36	0.37	0.39	0.42	0.42	0.46	0.46	0.49	0.49	0.48	0.51	0.55		
Garuda Indonesia Group	US\$/L	0.49	0.47	0.49	0.50	0.49	0.50	0.53	0.54	0.57	0.56	0.57	0.56	0.62		
Pertamina	US\$/L	0.53	0.49	0.51	0.52	0.52	0.52	0.53	0.54	0.57	0.57	0.57	0.57	0.62		



PERIODE	PERTAMINA		VS. EURO BRENT		VS. SINGAPORE JET KEROSENE		
	US\$/L	US\$/L	Δ (US¢)	Δ (%)	US\$/L	Δ (US¢)	Δ (%)
June 2018	0.62	0.48	13.80	28.63	0.55	7.50	13.76
Average YTD June 2018	0.57	0.44	12.90	29.03	0.51	6.35	12.45
Average 2017	0.54	0.34	19.50	57.06	0.41	13.10	32.30

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	JUN-18		Δ 1-MONTHS		Δ 3-MONTHS		Δ 6-MONTHS		Δ 12-MONTHS	
		Average	% Chg.	Average	% Chg.	Average	% Chg.	Average	% Chg.	Average	% Chg.
Singapore Jet Kerosene	US\$/BBL.	86.65	81.84	5.88	77.78	11.40	72.40	19.68	59.30	46.12	
Euro Brent	US\$/BBL.	76.63	71.63	6.98	65.42	17.14	62.58	22.45	50.08	53.02	

FUEL HEDGING

The oil price fell sharply within mid-June 2018 compare to the previous month. OPEC meeting which was held on June 22nd contributed as a bearish main factor besides a speculation that Saudi Arabia and Russia were pushing for an increase of as much as 1.5 million bbl./day. Therefore Brent touched 72.45 USD/bbl.

However, it was still unclear how many barrels would actually be added to the market due to disruptions, remaining constraints, and real spare capacities. One thing for sure, these conditions increased volatility, particularly within the last week of June 2018 and Brent re-jumped again to touch 79.7 USD/bbl. on June 29th.

Garuda Indonesia decided to take advantage from the bearish sentiment towards correction on oil price by executing hedging transaction for 630,000 bbl. with longer tenor to maximize the relatively flat curve of contango structure. Therefore, as per June 2018, the hedged volumes of Garuda Indonesia was 5.29 million bbl. This amount consists of 4.49 million bbl. which equivalents to 28.78% ratio from the estimated total fuel consumption in 2018 with the average hedging price is at 46.07 US\$/liter or 73.24 USD/bbl. The other 800,000 bbl. will be due in 2019 with an average hedging price is at 52.81 US\$/liter or 83.97 USD/bbl.

In the future, OPEC's decision to return to a strict compliance can stable the oil price and gives Garuda Indonesia an opportunity to add more volume to be hedged through prudent approach.

FX HEDGING

The Fed sounded a bit more optimistic about US economy and may proceed to four rate hike instead of three, thus bullish view on USD against global currencies, including IDR, stands along June 2018. In addition, the trade war between the US and China was unable to depreciate USD significantly.

Depreciation of USD/IDR along June 2018 became the main reason Garuda Indonesia opting to engage in forwarding transactions to fulfill the needs of USD in total US\$70 million which was won by ANZ, Standard Chartered, and Bank Mandiri. In addition, Garuda Indonesia entered the market with call spread as an instrument to comply PBI 16/21 on the last week of June 2018, the call spread transaction was won by CIMB, Bank Negara Indonesia, and Bank Rakyat Indonesia.