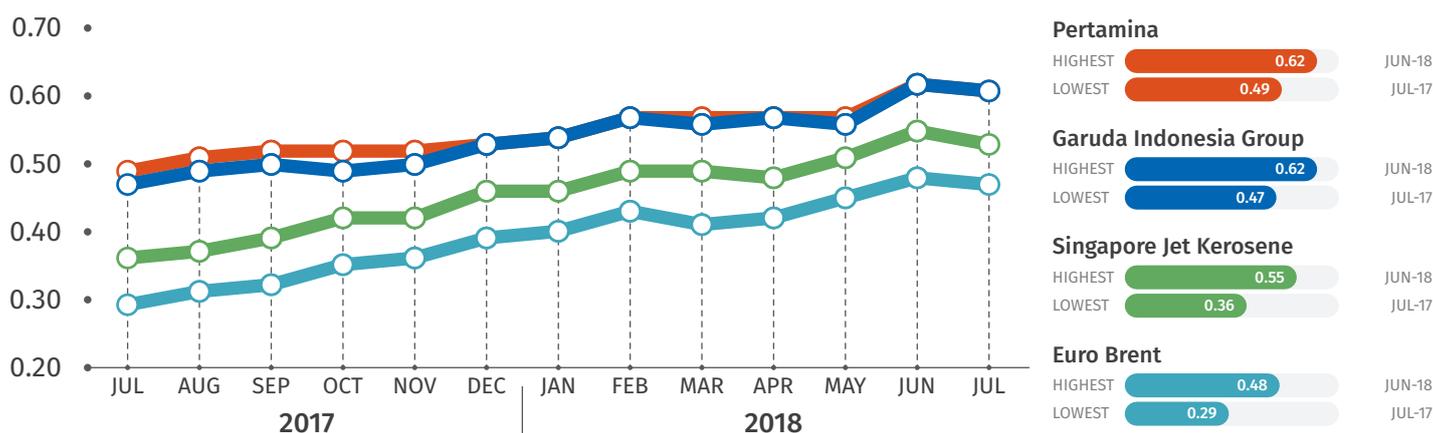


Hedging Disclosure

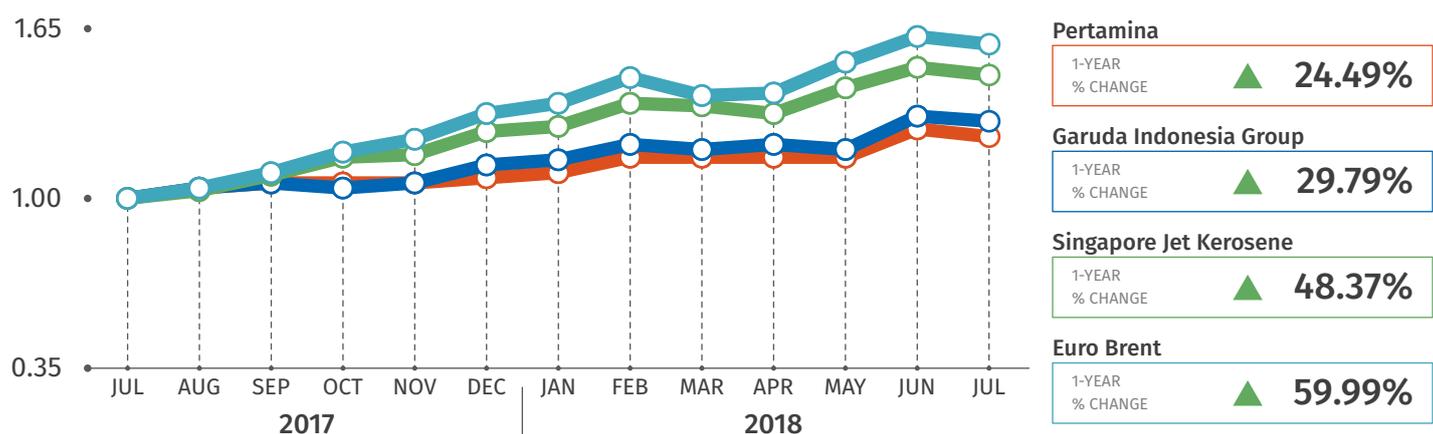
July 2018

PRICE COMPARISON

Source: Bloomberg, July 2018



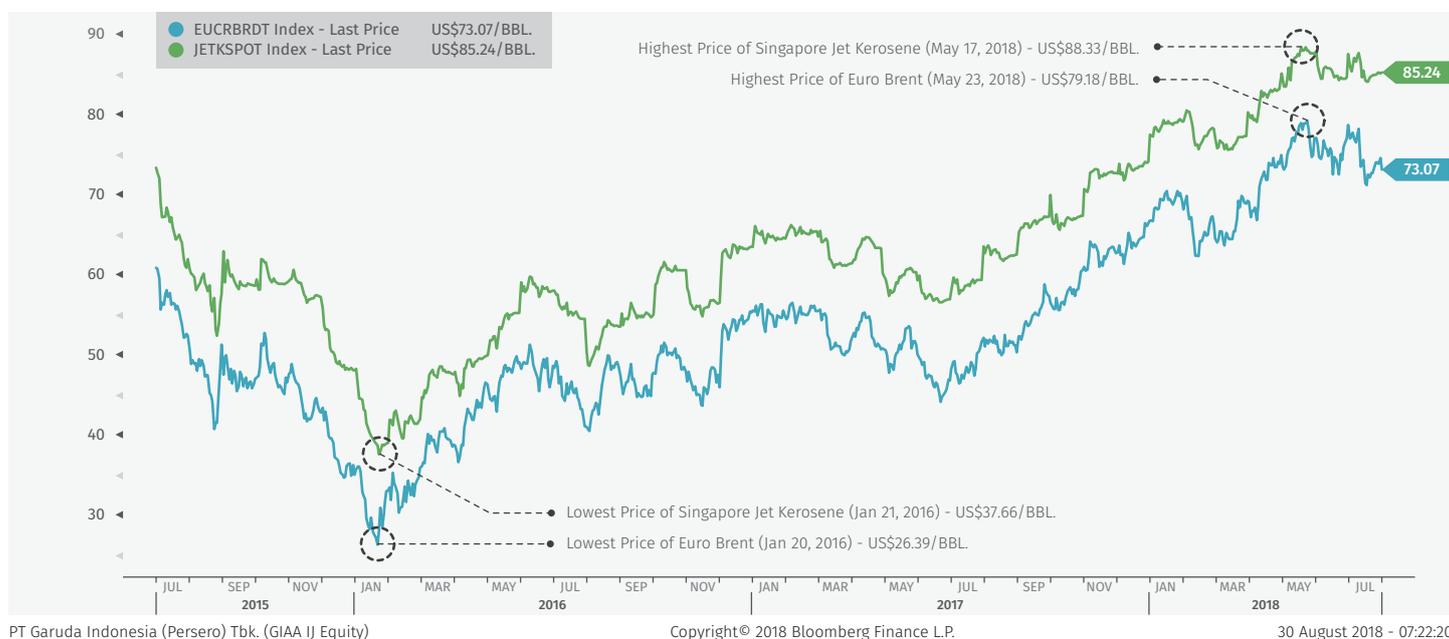
INDEX	UNITS	2017												2018		
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL		
Euro Brent	US\$/L	0.29	0.31	0.32	0.35	0.36	0.39	0.40	0.43	0.41	0.42	0.45	0.48	0.47		
Singapore Jet Kerosene	US\$/L	0.36	0.37	0.39	0.42	0.42	0.46	0.46	0.49	0.49	0.48	0.51	0.55	0.53		
Garuda Indonesia Group	US\$/L	0.47	0.49	0.50	0.49	0.50	0.53	0.54	0.57	0.56	0.57	0.56	0.62	0.61		
Pertamina	US\$/L	0.49	0.51	0.52	0.52	0.52	0.53	0.54	0.57	0.57	0.57	0.57	0.62	0.61		



PERIODE	PERTAMINA		VS. EURO BRENT		VS. SINGAPORE JET KEROSENE		
	US\$/L	US\$/L	Δ (US¢)	Δ (%)	US\$/L	Δ (US¢)	Δ (%)
July 2018	0.61	0.47	13.81	29.27	0.53	7.54	14.10
Average YTD July 2018	0.58	0.45	13.08	29.22	0.51	6.48	12.62
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	JUL-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.	85.00		86.65	(1.90)	76.41	11.25	73.48	15.68	57.29	48.37
Euro Brent	US\$/BBL.	75.02		76.63	(2.10)	66.17	13.37	64.21	16.84	46.89	59.99

FUEL HEDGING

In July 2018, some of the supply disruptions that arose at the end of June 2018 dissipated. However, severe supply risk the market would face if a significant amount of spare Saudi Arabian production capacity is used to compensate Iranian production lost to US sanctions. Therefore the uncertainty along July 2018 was so great added by limited pipeline capacity that is hampering the delivery of extra crude to market.

In the last week of July 2018, Brent was traded around 73.7 USD/bbl which recent upward trend seems having been broken with estimated additional on crude stocks +2.9Mb for distillates according to API report. However, no sharp correction on distillates price because consumers from airline industry still be the main consumers which impact the rose of a premium price.

With the great of uncertainty in July 2018, Garuda Indonesia decided to not entering the market by executing a hedging transaction. Therefore, as per July 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.

No change in the fundamental situation of the oil market is expected to give Garuda Indonesia an opportunity to add more volume to be hedged to cover longer tenor in the future transaction. Historically, there will be a downward period along summer which benefits price on the market before it will increase afterward.

FX HEDGING

USD was moved on a bullish range against a global currency with index closed higher by 0.22% at the end of July 2018. Fears of a trade war are increasing as the US implemented first tariffs on import from China. Given this uncertainty that leads to the relatively higher cost of hedging, Garuda Indonesia decides to not enter the market by using the forward instrument.

In addition to market optimism regarding further FED rate hike specifically within the second semester of 2018 Garuda Indonesia opting to engage in cross-currency interest rate swap transactions in total 1.8 billion IDR to prevent higher USD interest level in the future which was won by Bank Mandiri and CIMB Niaga.