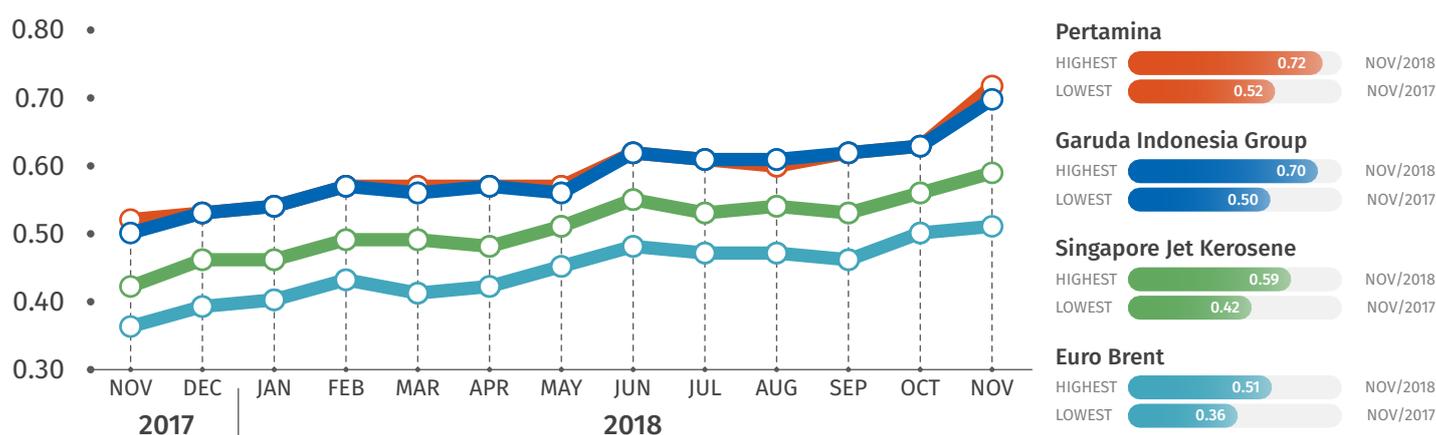


Hedging Disclosure

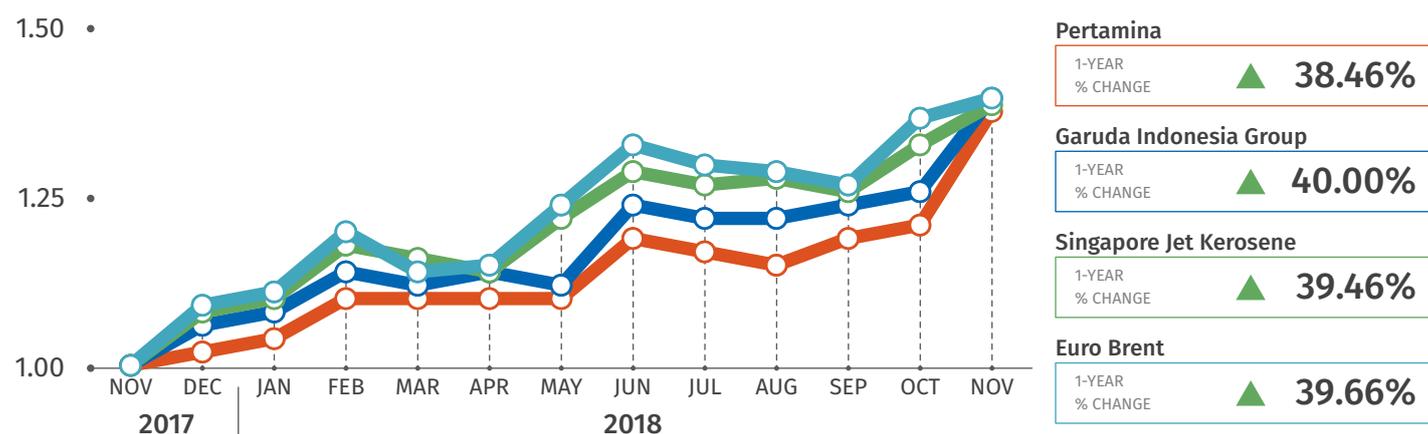
November 2018

PRICE COMPARISON

Source: Bloomberg, November 2018



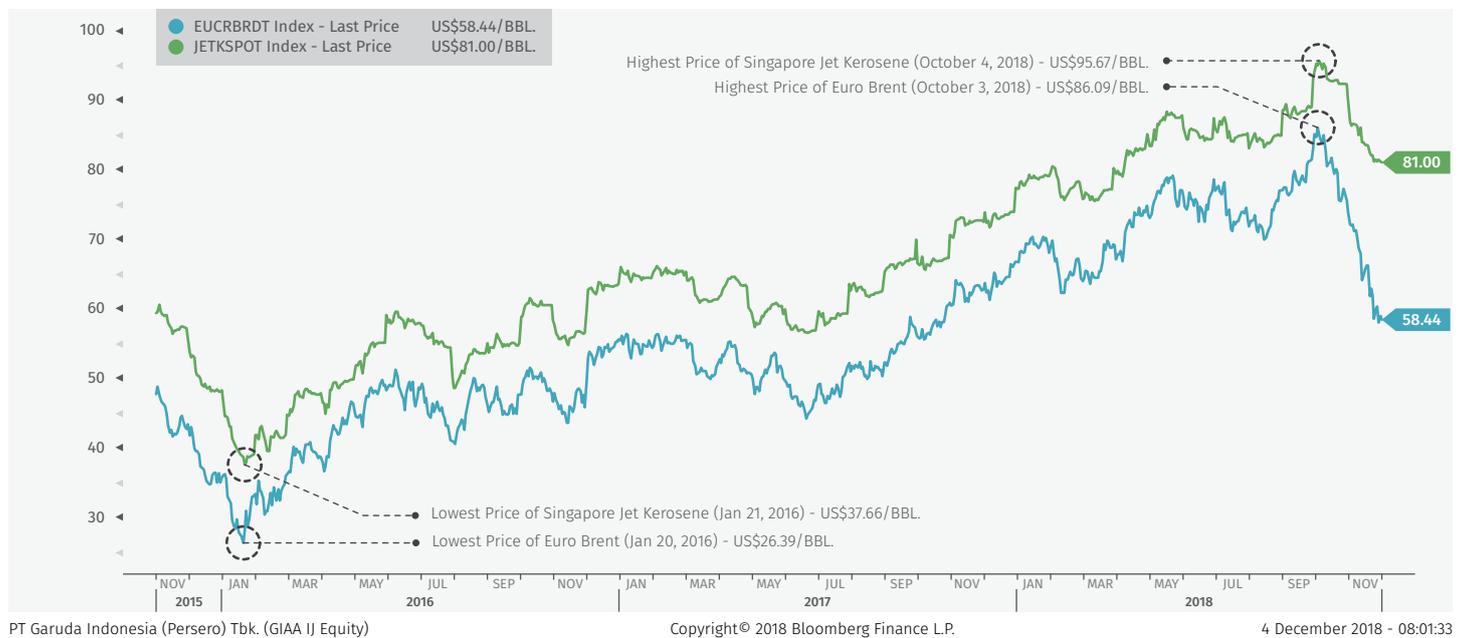
INDEX	UNITS	2017					2018							
		NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Euro Brent	US\$/L	0.36	0.39	0.40	0.43	0.41	0.42	0.45	0.48	0.47	0.47	0.46	0.50	0.51
Singapore Jet Kerosene	US\$/L	0.42	0.46	0.46	0.49	0.49	0.48	0.51	0.55	0.53	0.54	0.53	0.56	0.59
Garuda Indonesia Group	US\$/L	0.50	0.53	0.54	0.57	0.56	0.57	0.56	0.62	0.61	0.61	0.62	0.63	0.70
Pertamina	US\$/L	0.52	0.53	0.54	0.57	0.57	0.57	0.57	0.62	0.61	0.60	0.62	0.63	0.72



PERIODE	PERTAMINA		VS. EURO BRENT		VS. SINGAPORE JET KEROSENE		
	US\$/L	US\$/L	Δ (US¢)	Δ (%)	US\$/L	Δ (US¢)	Δ (%)
November 2018	0.72	0.51	21.39	42.25	0.59	13.27	22.60
Average YTD November 2018	0.60	0.46	14.67	32.23	0.53	7.45	14.14
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	NOV-18	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.	93.37	88.74	5.22	85.37	9.37	81.84	14.09	66.95	39.46
Euro Brent	US\$/BBL.	80.47	78.86	2.04	74.44	8.10	71.63	12.34	57.62	39.66

FUEL HEDGING

November 2018 forward curve had moved into contango on mid-November when Brent spot prices dropped below US\$70/bbl indicating higher supply on the spot market. It turned out to be true as the rapid decline might be put down to OPEC and its partners being overzealous in replacing lost Iranian barrels which means the market looks oversupplied going into 2019. For further boost a bearish market, US domestic production has set a new record according to the EIA, on mid-November which yearly average output in 2018 beating previous annual peak.

Garuda Indonesia decided to enter the market when Brent weakened to fresh lows with total 460,000 bbl to grab a market timing when the price hit its low level. Therefore the total hedged volume of Garuda Indonesia per November 2018 is 7.5 million bbl. This amount consists of 4.64 million bbl equivalent to a 31% ratio from estimated total fuel consumption with average hedge price in 2018 at 46.54 US\$/liter or 74 USD/bbl and other 2.86 million bbl to cover 2019.

In the future, oil demand growth is expected to be slow to support more on the bearish market. On the other hand, we need to take into account as well the possibility of a positive economic outlook as it may contribute greater demand until the end of 2018. This condition leads to uncertainty that will become a challenge for Garuda Indonesia to choose the right time, right instrument and right tenor to add more volume in the future.

FX HEDGING

Inflation expectations in the US were down by the wake of the fall of oil prices and more dovish comments coming from the FED members which led rate hike expectations revised sharply downwards. As a result, the exchange rate of USD against major currencies, including IDR, flattened in the market with negative sentiment. However, the G20 summit at the end of November 2018 had a positive impact on USD which trade war between US and China remained as the main highlight.

Particularly on the IDR, it continuously appreciated further against USD along November 2018 mostly supported by the decision of the Bank Indonesia to hike the benchmark rate amid the concern of the US-China trade war that fueled some risk aversion in Asian currencies.

As the volatility increased and further potential appreciation of IDR, Garuda Indonesia decided to enter the derivatives market by executing a cross currency swap transaction in total US\$26.04 million with Permata Bank as the winner. Through the transaction, Garuda aimed to mitigate the further risk of its book value, particularly on the liability side, coming from the appreciation of the IDR. Another strategy was also conducted within the mid of November through a forward transaction in total US\$10 million, won by BNI, to contain further rising volatility occurred within the period.