

# INNER FEATURES

## Operational Result

DESEMBER 2018

### GROWTH INDICATOR

| Key Indicator       | YTD DEC 2018 | Change  |
|---------------------|--------------|---------|
| Passenger Carried   | 38,444,358   | 6.09%   |
| ASK (000)           | 64,458,149   | 3.92%   |
| RPK (000)           | 48,511,200   | 4.78%   |
| Frequencies         | 290,113      | 3.19%   |
| OTP                 | 87.80        | 1.40 pp |
| Cargo Carried (Ton) | 453,777      | 1.57%   |

### December 2018: The Group Prioritizes Margin Rather Than Volume In Peak Season

Garuda Indonesia Group (the Group) on boarded 3.24 million passenger in this period, or decreased by 2.56% YoY compares to the same period last year. In this high season, the Group prioritizes profitability in the Domestic Full Service Carrier (FSC) market, however Citilink platform still get both of volume and margin growth. The Group improves the top line due to tariff adjustment that already exercised in December. In detail data of passenger, the Domestic FSC decreased by 13.81% YoY compares the same period last year while the International FSC and Citilink increased the passenger carried by 8.86 % YoY and 9.80 % YoY consecutively compares the same period last year. Based on financial aspect, we identify the domestic platforms improved the passenger yield in a year on year comparison. In detail data, Domestic FSC and Citilink increased the passenger yield by 20.64% YoY and 19.83% YoY consecutively compares the same period last year. This data shows that ecosystem conditions of our domestic aviation market have been improved, which previously experienced prolonged price competition.

The Group's production of ASK increased by 2.04% YoY this year, most of this growth is contributed by International FSC and Citilink. The Group realizes that LCC Booming is still there, so that Citilink's production still dominates with the growth of capacity was 10.06% YoY. In addition, the production of International FSC increased by 8.82% YoY. In Domestic FSC market, the Group exercised capacity adjustment to be consolidated with in our members group. This is also one of our strategy to response LCC booming and generate higher revenues from this kind market.

Further, in the cargo business the Group also prioritizes margin over volume. In this period volume of cargo decreased by 4.82% YoY due to capacity adjustment in Domestic FSC and growing volume of passenger in Citilink, but International FSC still increased the volume cargo by 19.21% YoY. In addition, the average fare of cargo in this period also increased significantly.. The management plan to expand the cargo business by delivery new leased fleet and converted freighters to serve cargo flight in 2019. By having these gears, The Group has ability to boost revenue cargo by the utilization of Jakarta and Denpasar Hubs. Through this strategy we could upgrade our cargo business from "belly cargo" to be "freighter flight".

## In This Peak Period, Citilink Grabs Volume and Improves Pricing

In this period, Citilink embarks 1.30 million passengers from LCC service, or increased by 9.80% YoY compares the same period last year. The production (ASK) increased by 10.06% YoY and RPK increased higher with 11.65% YoY increases. This condition support Citilink to set the Seat Load Factor (SLF) improved by 1.16 bps to be 81.40% Citilink also adjust its tariff by increasing yield by 19.83% YoY compares the same period last year. This condition also support Citilink to improve their profitability by having high yield and volume in its operational performance.

## NEWS

### Indonesia Travel and Tourism Awards (ITTA) 2018

Garuda Indonesia get an award as “Indonesia Airline of the Year” at the event of Indonesia Travel and Tourism Awards (ITTA) 2018 that held in Hotel JW Marriot, Jakarta. This event aims to give appreciation to the tourism industry which has helped to develop tourism in Indonesia. Through this award, Mr. Didien Junaedy as Chair of the Tourism Industry Association hopes to inspire the tourism industry to continue to provide the best service for tourists in order to create a good image for the tourism industry in Indonesia.

### Garuda Indonesia ‘vintage’ flight experience

Garuda Indonesia is set to take passengers on what it calls the Garuda Indonesia Vintage Flight Experience from Dec. 7 to 17. The program is part of the airline’s new flight experience service concept, which provides various flight experiences for passengers.

The theme is Garuda Indonesia Classic Brand. “Through this service, we hope to provide distinct nuances to customers carrying out their year-end trips,” Garuda Indonesia service director Nicodemus P. Lampe said in a statement. A time travel experience of sorts, the airline will replicate elements of flying in the 1970s or 80s. For this purpose, the Boeing 737-800NG fleet will be branded with classic livery. The cabin crew will wear uniforms to match the era, created by famous Japanese designer Hanae Mori.

Passengers will be able to experience the Garuda Indonesia vintage flight on several routes in the period of Dec. 7 to 17, including: GA566 and GA569 (Jakarta – Balikpapan – Jakarta), GA304 and GA309 (Jakarta – Surabaya – Jakarta) and GA846 and GA847 (Jakarta – Singapore – Jakarta)

### Garuda Indonesia reopen Jakarta-London route

On Thursday, December 13th 2018, Garuda reopen its Jakarta-London, the route will be served by the operation of the Boeing 777-300ER dual class, consisted of economy and business classes and will be operating every Tuesday, Thursday and Saturday. The CEO of Garuda Indonesia Ari Askhara stated that the reopening of the Jakarta-London-Jakarta route is a part of the corporation’s commitment in strengthening international connectivity, especially from Jakarta to London’s Heathrow airport, through a dual class fleet configuration.

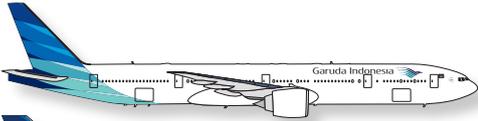
In line with the renewable business strategic commitment, the company will operate under the motto “Quick Wins Garuda Indonesia”, the reopening of the Jakarta-London return flight route certainly became a special achievement for Garuda Indonesia in line with its commitment to improve performance through aligning cost structure, which continues to show positive results,” he said

### Garuda Indonesia opens more routes from Kertajati airport

Garuda Indonesia open more routes from Kertajati International Airport in Majalengka, West Java. The opening of the new routes was in line with the airline’s commitment to support the government’s effort to improve connectivity, particularly from West Java to the other regions in the country. “The new routes are expected also to support the economic acceleration in the eastern part of West Java. Kertajati airport is surrounded by cities with various industries like Cirebon and Sumedang as well as Bandung, which is known as a shopping destination. The Kertajati-Tanjung Karang-Palembang route served by ATR 72-600 planes with a capacity of 70 passengers that flies three times in a week (Tuesday, Thursday and Saturday). Meanwhile, the Kertajati-Balikpapan-Tarakan route would be served by Bombardier CRJ1000 Nextgen with the capacity of 96 passengers and flies twice a week.



## FLEET STRUCTURE

|   | DEC 2017   | DEC 2018   |
|---|------------|------------|
|  Boeing 777-300ER             | 10         | 10         |
|  Boeing 747-200               | 2          | 2          |
|  Airbus A330-200              | 7          | 7          |
|  Airbus A330-300              | 17         | 17         |
| <b>WIDE BODY</b>  | <b>36</b>  | <b>36</b>  |
|  Boeing 737 MAX 8             | 1          | 1          |
|  Boeing 737-800NG             | 73         | 73         |
|  Bombardier CRJ1000 NextGen | 18         | 18         |
|  ATR72-600                  | 16         | 16         |
| <b>NARROW BODY</b>  | <b>108</b> | <b>108</b> |
| <b>GARUDA INDONESIA</b>   | <b>144</b> | <b>144</b> |
|  Airbus A320-200            | 45         | 43         |
|  Airbus A320-200 Neo        | 5          | 8          |
|  Boeing 737-300             | 5          | 5          |
|  Boeing 737-500             | 3          | 3          |
| <b>CITILINK</b>   | <b>58</b>  | <b>59</b>  |
| <b>TOTAL FLEETS</b>   | <b>202</b> | <b>203</b> |



## APPENDIX 1. MONTHLY OPERATING STATISTIC

| INDICATOR                     | DEC 2017    | DEC 2018     | CHG.     | YTD 2017      | YTD 2018      | CHG.    |
|-------------------------------|-------------|--------------|----------|---------------|---------------|---------|
| <b>GARUDA INDONESIA GROUP</b> |             |              |          |               |               |         |
| Passanger Carried*            | 3,329,609   | 3,244,464.00 | -2.56%   | 36,237,704    | 38,444,358    | 6.09%   |
| ASK (000)                     | 5,680,622   | 5,796,444.59 | 2.04%    | 62,025,246    | 64,458,149    | 3.92%   |
| RPK (000)                     | 4,300,270   | 4,328,845.26 | 0.66%    | 46,300,069    | 48,511,200    | 4.78%   |
| SLF (%)                       | 75.70       | 74.68        | -1.02 pp | 74.65         | 75.26         | 0.61 pp |
| Aircraft Utilization**        | 9:48        | 9:04         | -0:44    | 9:36          | 9:35          | -0:01   |
| Frequencies                   | 24,665      | 24,221       | -1.80%   | 281,135.00    | 290,113       | 3.19%   |
| OTP**                         | 74.50       | 84.50        | 10.00 pp | 86.40         | 87.80         | 1.40 pp |
| Fuel Burn (Liter)             | 194,291,686 | 192,915,711  | -0.71%   | 2,147,857,271 | 2,176,069,810 | 1.31%   |
| Block Hours                   | 54,751      | 53,057       | -3.09%   | 604,231       | 620,772       | 2.74%   |
| Cargo Carried (Ton)           | 41,348      | 39,356       | -4.82%   | 446,760       | 453,777       | 1.57%   |
| CLF (%)                       | 58.80       | 60.57        | 1.77 pp  | 59.40         | 59.86         | 0.46 pp |
| Passanger Yield (Usc)         | 7.11        | 7.67         | 7.88%    | 6.71          | 6.63          | -1.19%  |
| CASK (Usc)                    | 5.90        | 6.47         | 9.66%    | 5.87          | 6.10          | 3.92%   |
| CASK-excl Fuel (Usc)          | 4.10        | 4.23         | 3.17%    | 4.13          | 4.06          | -1.69%  |
| Fuel price (USD/Liter)        | 0.53        | 0.67         | 26.42%   | 0.50          | 0.60          | 20.04%  |

### Notes:

\* Number of passenger carried is calculated on the basis of origin/destination, regardless of the number of stage lengths undertaken.

\*\* All figures are for Garuda Indonesia and Citilink, except for aircraft utilization and on time performance are for mainbrand only.

### GARUDA INDONESIA (DOMESTIC)

|                       |           |           |          |            |            |         |
|-----------------------|-----------|-----------|----------|------------|------------|---------|
| Passanger Carried     | 1,726,225 | 1,487,885 | -13.81%  | 19,172,026 | 18,912,877 | -1.35%  |
| ASK (000)             | 1,963,555 | 1,736,835 | -11.55%  | 23,008,402 | 22,298,132 | -3.09%  |
| RPK (000)             | 1,527,209 | 1,279,879 | -16.19%  | 16,732,657 | 16,634,147 | -0.59%  |
| SLF (%)               | 77.78     | 73.69     | -4.09 pp | 72.72      | 74.60      | 1.88 pp |
| Passanger Yield (USc) | 8.39      | 10.62     | 26.58%   | 8.18       | 8.26       | 0.98%   |
| Cargo Carried (Ton)   | 22,710    | 19,825    | -12.71%  | 253,173    | 247,748    | -2.14%  |
| CASK (USc)            | 7.22      | 8.71      | 20.64%   | 6.99       | 7.40       | 5.87%   |
| CASK-excl Fuel (USc)  | 5.22      | 6.10      | 16.86%   | 5.01       | 5.16       | 2.99%   |

### GARUDA INDONESIA (INTERNATIONAL)

|                       |           |              |         |            |            |          |
|-----------------------|-----------|--------------|---------|------------|------------|----------|
| Passanger Carried     | 418,960   | 456,068      | 8.86%   | 4,790,904  | 4,700,708  | -1.88%   |
| ASK (000)             | 2,539,660 | 2,763,754.11 | 8.82%   | 26,743,392 | 27,791,400 | 3.92%    |
| RPK (000)             | 1,828,311 | 1,994,178.96 | 9.07%   | 19,775,757 | 19,976,081 | 1.01%    |
| SLF (%)               | 71.99     | 72.15        | 0.16 pp | 73.95      | 71.88      | -2.07 pp |
| Passanger Yield (USc) | 6.66      | 6.1          | -8.41%  | 6.23       | 6.07       | -2.57%   |
| Cargo Carried (Ton)   | 10,156    | 12,107       | 19.21%  | 117,820    | 121,562    | 3.18%    |
| CASK (USc)            | 5.32      | 5.75         | 8.08%   | 5.44       | 5.66       | 4.04%    |
| CASK-excl Fuel (USc)  | 3.69      | 3.67         | -0.54%  | 3.89       | 3.78       | -2.83%   |

### CITILINK

|                       |           |           |         |            |            |         |
|-----------------------|-----------|-----------|---------|------------|------------|---------|
| Passanger Carried     | 1,184,424 | 1,300,511 | 9.80%   | 12,274,774 | 14,830,773 | 20.82%  |
| ASK (000)             | 1,177,407 | 1,295,856 | 10.06%  | 12,273,453 | 14,368,617 | 17.07%  |
| RPK (000)             | 944,751   | 1,054,788 | 11.65%  | 9,791,655  | 11,900,972 | 21.54%  |
| SLF (%)               | 80.24     | 81.40     | 1.16 pp | 79.78      | 82.83      | 3.05 pp |
| Passanger Yield (USc) | 5.90      | 7.07      | 19.83%  | 5.19       | 5.29       | 1.93%   |
| Cargo Carried (Ton)   | 8,482     | 7,425     | -12.46% | 75,767     | 84,466     | 11.48%  |
| CASK (USc)            | 4.96      | 5         | 0.81%   | 4.71       | 4.94       | 4.88%   |
| CASK-excl Fuel (USc)  | 3.12      | 2.93      | -6.09%  | 2.99       | 2.91       | -2.68%  |