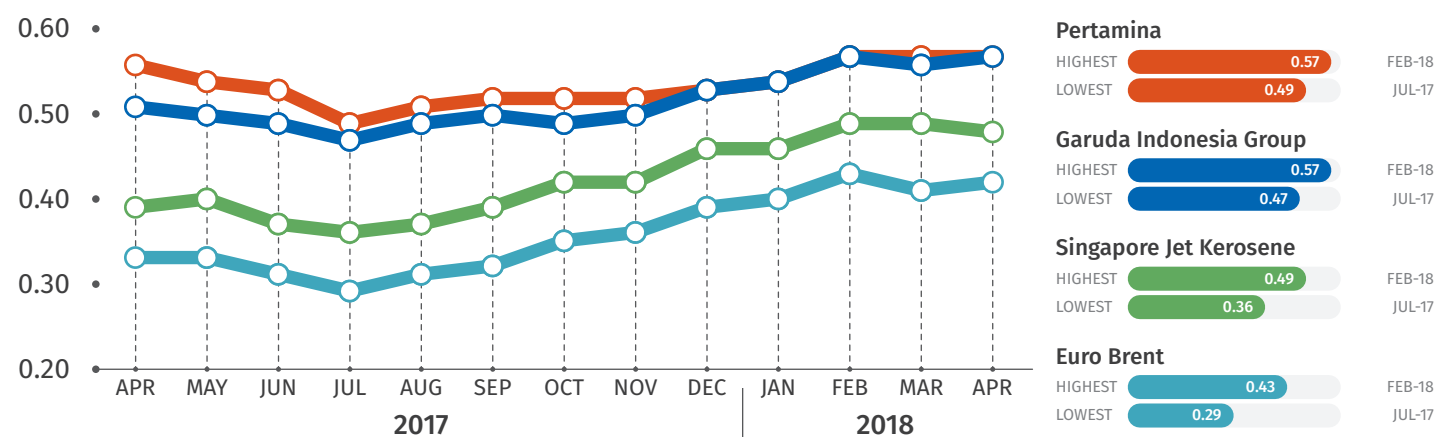


# Hedging Disclosure

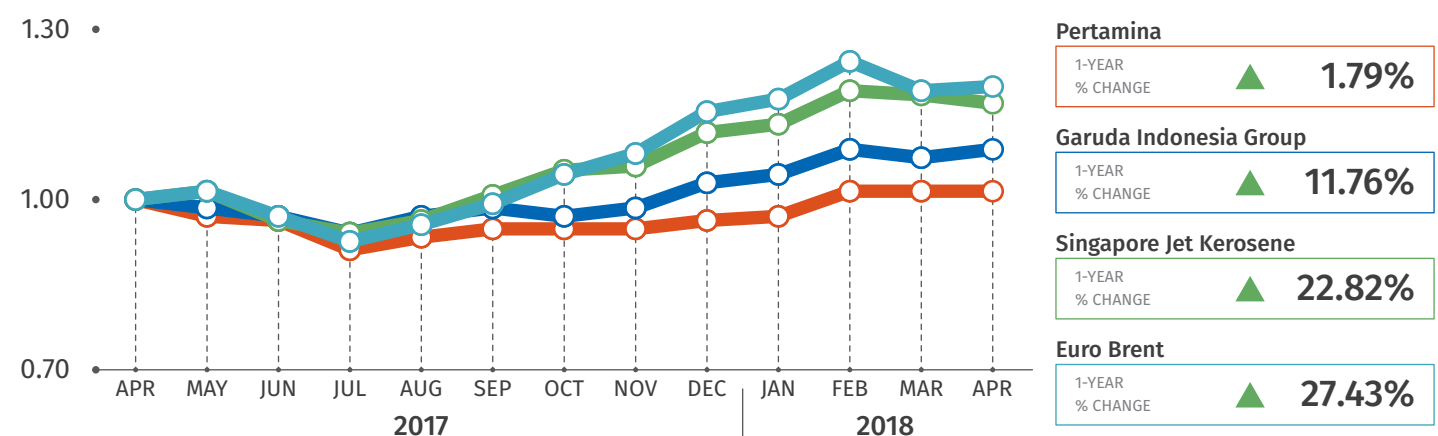
April 2018

## PRICE COMPARISON

Source: Bloomberg, April 2018



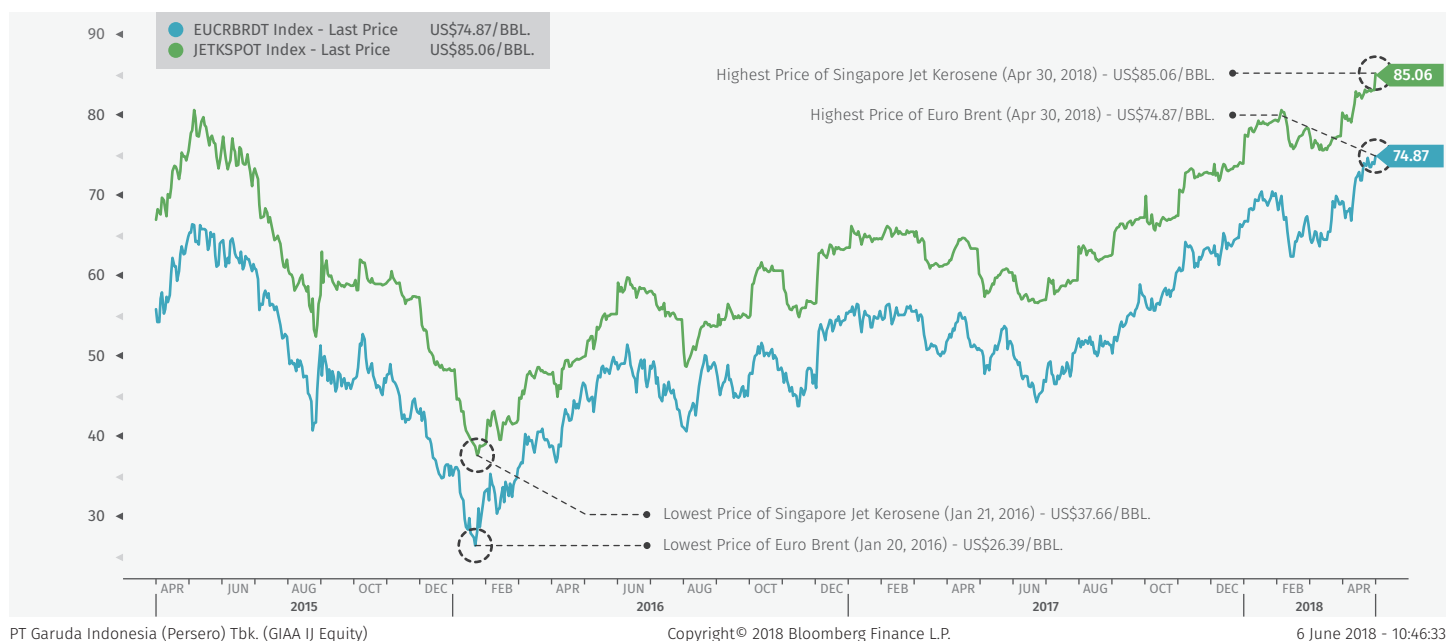
INDEX	UNITS	2017												2018			
		APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR			
Euro Brent	US\$/L	0.33	0.33	0.31	0.29	0.31	0.32	0.35	0.36	0.39	0.40	0.43	0.41	0.42			
Singapore Jet Kerosene	US\$/L	0.39	0.40	0.37	0.36	0.37	0.39	0.42	0.42	0.46	0.46	0.49	0.49	0.48			
Garuda Indonesia Group	US\$/L	0.51	0.50	0.49	0.47	0.49	0.50	0.49	0.50	0.53	0.54	0.57	0.56	0.57			
Pertamina	US\$/L	0.56	0.54	0.53	0.49	0.51	0.52	0.52	0.52	0.53	0.54	0.57	0.57	0.57			



PERIODE	PERTAMINA		VS. EURO BRENT		VS. SINGAPORE JET KEROSENE		
	US\$/L	US\$/L	Δ (US¢)	Δ (%)	US\$/L	Δ (US¢)	Δ (%)
April 2018	0.57	0.42	15.38	36.95	0.48	8.94	18.61
Average YTD April 2018	0.56	0.44	12.52	28.52	0.50	5.91	11.70
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	APR-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.	76.41		77.78	(1.77)	73.48	3.98	66.73	14.50	62.21	22.82
Euro Brent	US\$/BBL.	66.17		65.42	1.15	64.21	3.06	55.16	19.96	51.93	27.43

## FUEL HEDGING

Along April 2018, crude prices in the market had touched the new maximum. Main bullish factors were the tension towards Iranian situation and the compliance of OPEC and non-OPEC oil producers including Russia regarding their commitments for a supply cut at least until the end of 2018. US stock remained on rising, however, as seen by the gradual increase of exports numbers. From the demand side, according to IEA report, there would be a growth in demand for +1.5Mbd in 2018.

Garuda Indonesia saw the tension towards crude prices in the market as a critical reason for not entering into the market along April 2018. Therefore, in April 2018, the hedged volumes of Garuda Indonesia are still at 4.3 million bbl. This amount consists of 4.1 million bbls. which equivalents to 26.28% ratio from the estimated total fuel consumption in 2018 with average hedging price is at 45.19 US\$/liter or 71.85 USD/bbl. The other 200,000 bbls. will be due in first quarter of 2019 with an average hedging price at 46.01 US\$/liter or 73.16 USD/bbl.

In the upcoming month, the tension within US and Iran which not being eased is predicted as the main factor to hold price on the bullish range. However, Garuda Indonesia will continue to monitor market movement to execute the right time to enter the market.

## FX HEDGING

Along with April 2018, USD steadily shows its tension towards a global currency. At the end of April 2018, USD climbed as the FED meeting eyed and USD index closed higher by 0.66% to 92.449. Domestically USD/IDR move on appreciation range with just a bit of correction along the second week in April. The FED is already expected to hike its key rate for 3 or 4 times this year still predicted as the main role which gives tension on global currency towards USD include IDR.

Therefore, the forward instrument was used by Garuda Indonesia at the fourth week of April to fulfill the needs of USD. In total, the value of the forward transaction in April 2018 was thirty-five million USD. The transaction which won by BNI, CIMB, and Permata is expected to give an advantage for Garuda Indonesia's financial statement judging from the weakening trend on IDR towards USD.