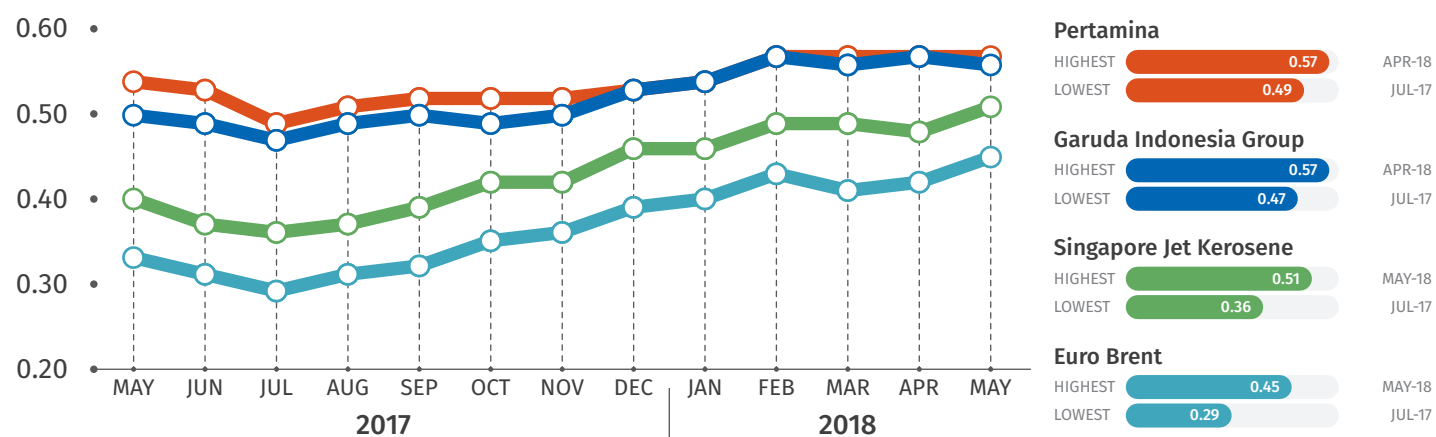


Hedging Disclosure

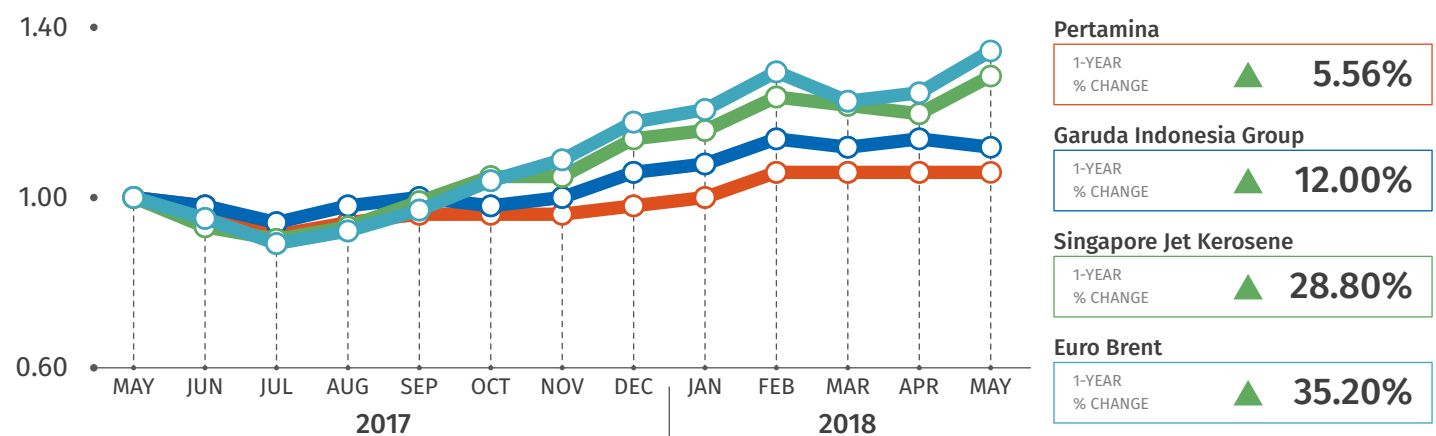
May 2018

PRICE COMPARISON

Source: Bloomberg, May 2018



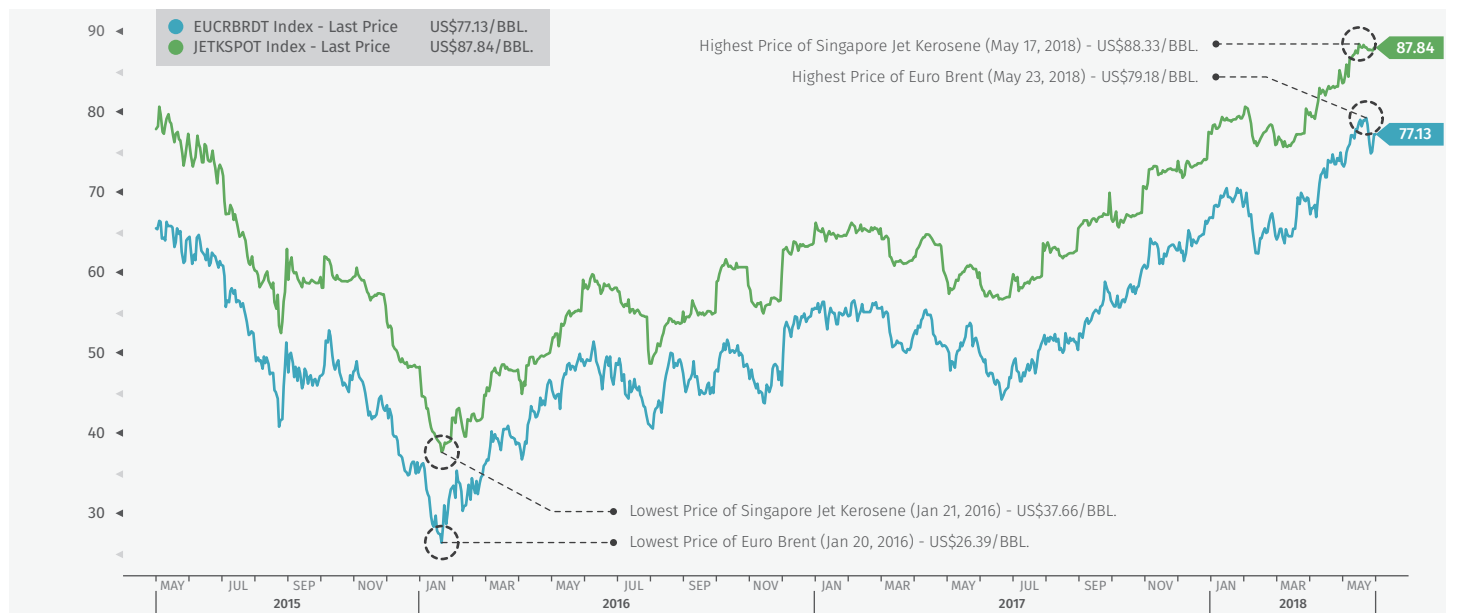
INDEX	UNITS	2017										2018				
		MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		
Euro Brent	US\$/L	0.33	0.31	0.29	0.31	0.32	0.35	0.36	0.39	0.40	0.43	0.41	0.42	0.45		
Singapore Jet Kerosene	US\$/L	0.40	0.37	0.36	0.37	0.39	0.42	0.42	0.46	0.46	0.49	0.49	0.48	0.51		
Garuda Indonesia Group	US\$/L	0.50	0.49	0.47	0.49	0.50	0.49	0.50	0.53	0.54	0.57	0.56	0.57	0.56		
Pertamina	US\$/L	0.54	0.53	0.49	0.51	0.52	0.52	0.52	0.53	0.54	0.57	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 (%)
May 2018	0.57	0.45	11.95	26.51	0.51	5.52	10.73
Average YTD May 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	MAY-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.	81.84	76.41	7.11	78.69	4.00	66.95	22.24	63.54	28.80
Euro Brent	US\$/BBL.	71.63	66.17	8.25	68.99	3.83	57.62	24.31	52.98	35.20

FUEL HEDGING

In May 2018, global oil supply only rose 276 thousand bbl. per day to 98.7 million bbl. per day compared to the growth in global demand which has not dropped significantly until the 2nd half of 2018, particularly due to colder weather in northern hemisphere. This led to Brent prices briefly touching 80 USD/bbl. during the second week of May 2018.

Afterward, it turned differently as OPEC crude supply edged up 50 thousand bbl. per day in May to 31.69 million bbl. per day, while Non-OPEC supply was projected to grow by 2.0 million bbl. per day in 2018. The bearish sentiment was also supported by statements from OPEC to increase the production quota at the OPEC meeting on June 2018.

The higher sentiment of Bearish within the last two weeks of May caused a correction on price. Given such condition, Garuda Indonesia decided to enter the market by executing hedging transaction for 360,000 bbl. and maximizing the tenor of 12-months. Therefore, as per May 2018, the hedged volumes of Garuda Indonesia was 4.66 million bbl. This amount consists of 4.28 million bbl. which equivalents to 27.44% ratio from the estimated total fuel consumption in 2018 with the average hedging price is at 45.63 US\$/liter or 72.55 USD/bbl. The other 380,000 bbl. will be due in 2019 with an average hedging price is at 50.61 US\$/liter or 80.47 USD/bbl.

OPEC meeting on June 22 is expected to be bearish given a positive possibility of increasing the amount of production in order to prevent oil price going higher. If that is the case, it will give an advantage for Garuda Indonesia to grab market timing by adding more volumes to be hedged.

FX HEDGING

In May 2018, USD rose against the global currency. US GDP growth around 4.5% compared with the previous quarter, annualized basis while inflation rate rebounded sharply. This gave a strong support of USD even though second Bank Indonesia rate hike was done in order to prevent further this appreciation of USD towards IDR.

As IDR remained within depreciation range, Garuda Indonesia decided to enter the market with forward as an instrument to fulfill the needs of USD. Size of the forward transaction along May 2018 was US\$65 million which was won by Bank Negara Indonesia.