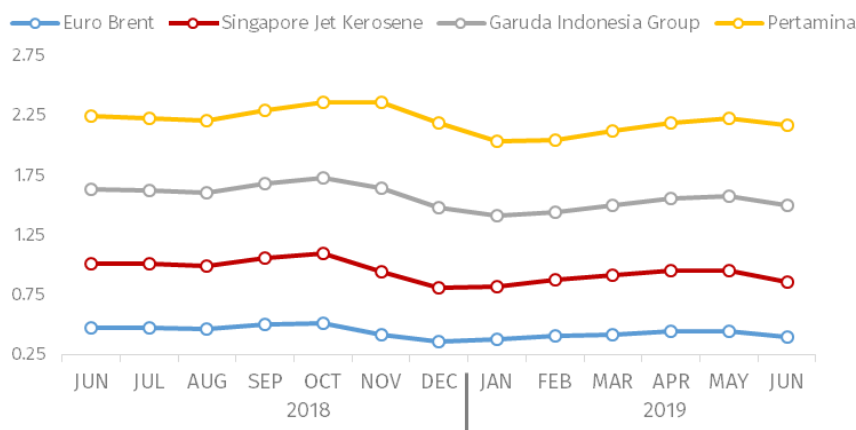


# Hedging Disclosure

June 2019

## PRICE COMPARISON



HIGHEST (Nov 2018) USD0.72  
LOWEST (Feb 2019) USD0.60

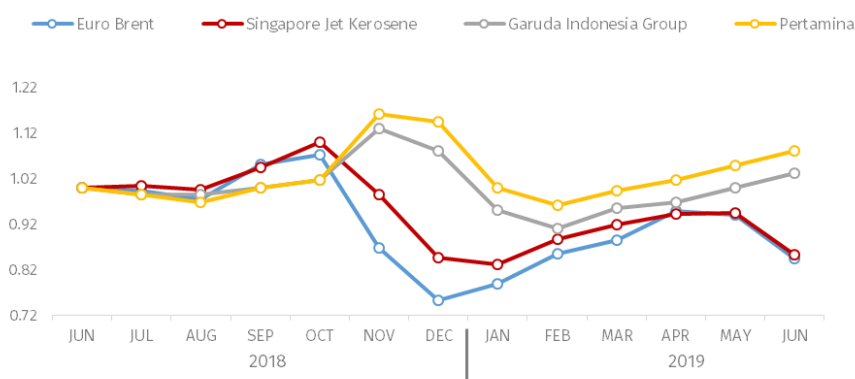
HIGHEST (Nov 2018) USD0.70  
LOWEST (Feb 2018) USD0.56

HIGHEST (Oct 2018) USD0.59  
LOWEST (Jan 2019) USD0.44

HIGHEST (Oct 2018) USD0.51  
LOWEST (Dec 2018) USD0.36

INDEX	UNITS	2018						2019						
		JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Euro Brent	US\$/L	0.47	0.47	0.46	0.50	0.51	0.41	0.36	0.37	0.40	0.42	0.45	0.44	0.40
Singapore Jet Kerosene	US\$/L	0.53	0.54	0.53	0.56	0.59	0.53	0.45	0.44	0.47	0.49	0.50	0.51	0.46
Garuda Indonesia Group	US\$/L	0.62	0.61	0.61	0.62	0.63	0.70	0.67	0.59	0.56	0.59	0.60	0.62	0.64
Pertamina	US\$/L	0.62	0.61	0.60	0.62	0.63	0.72	0.71	0.62	0.60	0.62	0.63	0.65	0.67

Source: Company Data & Bloomberg, June 2019



1 YEAR % CHANGE +8.06%

1 YEAR % CHANGE +3.23%

1 YEAR % CHANGE -14.77%

1 YEAR % CHANGE -15.63%

PERIODE	PERTAMINA		VS. BRENT		VS. SIN JET KEROSENE		
	US\$/L	US\$/L	Δ (US¢)	Δ (%)	US\$/L	Δ (US¢)	Δ (%)
June 2019	0.67	0.40	27.19	68.29	0.46	21.43	47.04
Average YTD June 2019	0.63	0.41	21.64	52.29	0.48	15.13	31.57
Average 2018	0.61	0.45	16.41	36.72	0.52	8.97	17.22

Source: Company Data & Bloomberg, June 2019

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.



INDEX	UNITS	Jun-19	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.	72.44	80.30	(9.78)	78.02	(7.15)	72.02	0.59	85.55	(14.77)
Euro Brent	US\$/BBL.	63.30	70.53	(10.26)	66.41	(4.69)	56.46	12.11	75.02	(15.63)

Source: Bloomberg, June 2019

### FUEL HEDGING

Prices had a tough weeks as trade tensions and fears of a slowdown in global economic and demand growth reached new heights. Brent crude futures tumbled below US\$60/bbl after a report showed US crude and fuel inventories ballooning by the most in a generation, feeding fears of a growing oversupply even as trade disputes threaten demand. Though increasing worries on global economic health have increased the bearish sentiment, the possibility of OPEC extending the supply cuts to the second half of the year and tensions in the Middle East supported prices.

Making use of the market timing, Garuda decided to hedge its Brent of total 1,4 million bbl for the period of Jul-Dec 2019 to match its Prepaid Swap Crack hedge last May. Therefore, the total hedged amount in 2019 per June was 4,56 million bbl with average hedge price of US\$84.76/bbl, compared to US\$87.7/bbl in May 2019.

As the geopolitical unrest in Middle East might cause violent snapbacks in prices and the global economic growth issue was well defined by the market, driving prices downward. Garuda will further closely monitor the market movement to give the right timing in adding more hedged volumes.

### FX HEDGING

Emerging-market currencies halted a three-week advance on heightened tensions in the Persian Gulf and doubts about a trade deal after President Donald Trump threatened to raise tariffs on China again. However, in mid-June 2019 the Indonesia's trade surplus and weakening USD index due to the imposed US sanction to Iran brought benefit to IDR. Portfolio inflows into emerging markets, including Indonesia, remained solid especially on the bonds side.

Due to market volatility, Garuda executed US\$15 million forward contract with BNI. Beside, to hedge its future cash flow for previous cross currency swap contracts, Garuda took advantage of market timing by entering DNDF in total US\$14.1 million with Bank Mandiri and Bank Permata. Lastly, to comply with PBI16/21, Garuda bought call option to buy US\$334 million at strike price with BNI, BRI, Bank Mandiri and CIMB Niaga.