

INNER FEATURES

Operational Result

SEPTEMBER 2018

GROWTH INDICATOR

| Key Indicator | YTD SEPT 2018 | Change |
|---------------------|---------------|---------|
| Passenger Carried | 28,947,593 | 7.90% |
| ASK (000) | 47,751,471 | 3.32% |
| RPK (000) | 36,093,273 | 4.20% |
| Frequencies | 217,864 | 4.31% |
| OTP | 89.70 | 2.40 pp |
| Cargo Carried (Ton) | 329,719 | 1.74% |

External Issues Including Natural Disasters Affect Operational Performance

In September 2018 Garuda Indonesia Group (Group) still maintain the traffic increased by 9.45% YoY to be 28.95 million passengers. This positive trend is supported by Citilink platform, in the other hand international platform contributed negative movement due to natural disaster issues in a couple months. International platform was mostly affected by this issues, with the decrease of passenger was 4.42% YoY. Unfortunately, all segments are failed to increase the passenger yield due to Rupiah depreciation in this quarter.

Based on the Group data, the production (ASK) increased by 0.85% YoY while the demand (RPK) increased by 6.33% YoY. It's a good condition when we set the production growth below the demand increases. The production increase is only supported by Citilink business, in contrassly GA domestic and international, both are exercising production adjustment due to Hajj period and natural disaster effects. Aligning with production, the aircraft utilization slightly decreased by 19 minutes. As the Group maintained production and demand, the Seat Load Factor (SLF) reached the level 92.20%.

From financial perspective, Rupiah depreciation affected the operation as all segments are failed to increased the passenger yield. When Rupiah depreciated 10.65% YoY, the Group's yield decreased by 4.85% YoY. Based on Rupiah currency, the Group's yield is already set to increase by around 3.95% YoY. Further, the unit cost of CASK and CASK Ex Fuel are increased by 6.86% YoY and 0.94% YoY due to fuel price hikes and production adjustment in this quarter. The fuel price increased by 24.00% YoY in this month.

Citilink and Its Positve Operational Performance

In this period, Citilink carried 1,4 million passenger or increased 28.04% YoY. The production increased by 12.65% YoY this month and demand increased by 26.48% YoY. Citilink set the production growth below the demand increases and support the SLF at level 90.43% or increased by 9.90 percentage point compared to same period last year was 80.53% YoY. Further, the Citilink's volume of cargo also improved with the increase 13.25% YoY. As mentioned in the first paragraph, all segments are failed to increase the passenger yield due to Rupiah depreciation in this quarter. Citilink's passenger yield decreased by 1.41% YoY. The positive thing that Citilink has in this month is it can control the unit cost of CASK Ex Fuel due to production increases. The unit cost of CASK increased by 7.96% YoY due to fuel price hikes and production increases in this quarter. In September 2018 Citilink has 60 fleets or increased by 3 fleets compared to the same period last year was 57 fleets

NEWS

Mr. Ari Askhara appointed as new CEO Garuda Indonesia destination

Garuda Indonesia held the extraordinary meeting of shareholders on September 12, 2018 and officially appointed new board of directors and commissioners. Mr. I Gusti Ngurah Askhara Danadiputra was appointed for the new CEO of Garuda Indonesia replacing Mr. Pahala Nugraha Mansury. In a press conference held after the meeting Mr Ari Askhara affirmed that the changes aimed to give the best to the company, as GIAA is currently undergoing hard times with the depreciation of the rupiah and unstable oil prices. Speaking on how to increase revenue, Mr Ari Askhara said Garuda needed to open new profitable routes, have one or two slots at Halim Perdanakusuma International Airport in Jakarta and close inefficient routes.

Japan Airlines and Garuda Indonesia to Codeshare

Garuda Indonesia and Japan Airlines has a comprehensive partnership agreement, signed on September 6th 2018. This two airlines will start offering codeshare routes between Japan and Indonesia. The new agreement notably will give Skyteam member Garuda additional services to the US via flights operated by Oneworld member Japan Airlines, with the airline placing its code on the Japanese carrier's flights between Tokyo Narita and New York and Los Angeles. Along with these US services, the two airlines will also place their codes on services between Japan and Indonesia, notably Japan Airlines' Tokyo Narita-Jakarta flights as well as Garuda's Jakarta-Tokyo Haneda service and its Denpasar (Bali)-Tokyo Narita flights.

For Garuda, the partnership with Japan Airlines is a sign of a commitment from us to develop the traffic, not only between Japan and Indonesia but also to the U.S. market. Both Garuda and JAL hope to benefit from rising air travel demand in Indonesia, and Japan, in recent years, has seen a boom in visitors from Indonesia. Japan has become one of the top overseas destinations for Indonesian tourists, with the number of visitors to Japan rising 30% on the year in 2017, to 350,000. Japan remains one of the largest sources of foreign visitors to Indonesia.

Garuda Indonesia Amsterdam Branch Office Wins BTMF Award for Best Airline Long Haul

On September 3rd, 2018, Garuda Indonesia won the Business Traveler & MICE Fair (BTMF) Award for Best Airline Long Haul -in Business Travel Category, and left fellow nominees Qatar Airways and Singapore Airlines empty handed. This event was held at the 10th annual Business Traveller & Mice Fair, A wonderful achievement in a challenging and competitive environment.



FLEET STRUCTURE

| | | SEPT 2017 ▼ | DEC 2017 ▼ | SEPT 2018 ▼ |
|--|----------------------------|-------------------|------------------|-------------------|
|  | Boeing 777-300ER | 10 | 10 | 10 |
|  | Boeing 747-400 | 2 | 2 | 2 |
|  | Airbus A330-200 | 7 | 7 | 7 |
|  | Airbus A330-300 | 17 | 17 | 17 |
| | WIDE BODY | 36 | 36 | 36 |
|  | Boeing 737 MAX 8 | 0 | 1 | 1 |
|  | Boeing 737-800NG | 73 | 73 | 73 |
|  | Bombardier CRJ1000 NextGen | 18 | 18 | 18 |
|  | ATR72-600 | 16 | 16 | 16 |
| | NARROW BODY | 107 | 108 | 108 |
| GARUDA INDONESIA | | 143 | 144 | 144 |
|  | Airbus A320-200 | 45 | 45 | 44 |
|  | Airbus A320-200 Neo | 4 | 5 | 8 |
|  | Boeing 737-300 | 5 | 5 | 5 |
|  | Boeing 737-500 | 3 | 3 | 3 |
| CITILINK | | 57 | 58 | 60 |
| | TOTAL FLEETS | 200 | 202 | 204 |



APPENDIX 1. MONTHLY OPERATING STATISTIC

| INDICATOR | SEPT 2017 | SEPT 2018 | CHG. | YTD 2017 | YTD 2018 | CHG. |
|-------------------------------|-------------|-------------|----------|---------------|---------------|----------|
| GARUDA INDONESIA GROUP | | | | | | |
| Pax Carried | 2,962,096 | 3,242,048 | 9.45% | 26,828,311 | 28,947,593 | 7.90% |
| ASK (000) | 4,682,660 | 4,722,540 | 0.85% | 46,216,255 | 47,751,471 | 3.32% |
| RPK (000) | 3,558,116 | 3,783,465 | 6.33% | 34,640,034 | 36,093,273 | 4.20% |
| SLF (%) | 75.98 | 80.12 | 4.14 pp | 74.95 | 75.59 | 0.64 pp |
| Aircraft Utilization* | 9:55 | 9:36 | -0:19 | 9:34 | 9:42 | 0:08 |
| Frequencies | 23,154 | 23,765 | 2.64% | 208,863 | 217,864 | 4.31% |
| OTP* | 90.10 | 92.20 | 2.10 pp | 87.30 | 89.70 | 2.40 pp |
| Fuel Burn (Liter) | 162,970,667 | 161,497,233 | -0.90% | 1,603,224,899 | 1,617,406,930 | 0.88% |
| Block Hours | 48,841 | 49,316 | 0.97% | 448,183 | 465,319 | 3.82% |
| Cargo Carried (Ton) | 35,060 | 35,042 | -0.05% | 324,088 | 329,719 | 1.74% |
| CLF (%) | 66.04 | 62.67 | -3.37 pp | 57.43 | 56.54 | -0.89 pp |
| Passanger Yield (Usc) | 6.79 | 6.46 | -4.86% | 6.69 | 6.49 | -2.99% |
| CASK (Usc) | 5.98 | 6.39 | 6.86% | 5.88 | 6.00 | 2.04% |
| CASK-excl Fuel (Usc) | 4.25 | 4.29 | 0.94% | 4.13 | 4.03 | -2.42% |
| Fuel Price (USD/Liter) | 0.50 | 0.62 | 24.00% | 0.50 | 0.58 | 16.00% |

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 | 1,540,932 | 1,535,147 | -0.38% | 14,172,498 | 14,274,744 | 0.72% |
| ASK (000) | 1,847,815 | 1,819,033 | -1.56% | 17,134,555 | 16,905,939 | -1.33% |
| RPK (000) | 1,341,998 | 1,376,570 | 2.58% | 12,315,613 | 12,567,980 | 2.05% |
| SLF (%) | 72.63 | 75.68 | 3.05 pp | 71.88 | 74.34 | 2.46 pp |
| Passanger Yield (US\$) | 8.32 | 7.98 | -4.09% | 8.14 | 7.90 | -2.95% |
| Cargo Carried (Ton) | 19,798 | 20,502 | 3.56% | 185,020 | 183,677 | -0.73% |
| CASK (US\$) | 6.96 | 7.47 | 7.33% | 6.99 | 7.15 | 2.29% |
| CASK-excl Fuel (US\$) | 5.04 | 5.20 | 3.17% | 4.99 | 4.99 | 0.00% |

GARUDA INDONESIA (INTERNATIONAL)

| | | | | | | |
|------------------------|-----------|-----------|---------|------------|------------|----------|
| Passanger Carried | 347,399 | 332,056 | -4.42% | 3,674,350 | 3,459,510 | -5.85% |
| ASK (000) | 1,754,908 | 1,686,965 | -3.87% | 20,143,748 | 20,140,625 | -0.02% |
| RPK (000) | 1,346,439 | 1,306,829 | -2.94% | 15,191,436 | 14,559,890 | -4.16% |
| SLF (%) | 76.72 | 77.47 | 0.75 pp | 75.42 | 72.29 | -3.13 pp |
| Passanger Yield (US\$) | 6.46 | 6.19 | -4.18% | 6.20 | 6.15 | -0.81% |
| Cargo Carried (Ton) | 8,898 | 7,333 | -17.59% | 85,527 | 81,988 | -4.14% |
| CASK (US\$) | 5.76 | 6.21 | 7.81% | 5.44 | 5.64 | 3.68% |
| CASK-excl Fuel (US\$) | 4.23 | 4.25 | 0.47% | 3.90 | 3.83 | -1.79% |

CITILINK

| | | | | | | |
|------------------------|-----------|-----------|---------|-----------|------------|---------|
| Passanger Carried | 1,073,765 | 1,374,845 | 28.04% | 8,981,463 | 11,213,339 | 24.85% |
| ASK (000) | 1,079,938 | 1,216,542 | 12.65% | 8,937,952 | 10,704,907 | 19.77% |
| RPK (000) | 869,679 | 1,100,067 | 26.49% | 7,132,985 | 8,965,404 | 25.69% |
| SLF (%) | 80.53 | 90.43 | 9.90 pp | 79.81 | 83.75 | 3.94 pp |
| Passanger Yield (US\$) | 4.95 | 4.88 | -1.41% | 5.21 | 5.05 | -3.07% |
| Cargo Carried (Ton) | 6,364 | 7,207 | 13.25% | 53,540 | 64,054 | 19.64% |
| CASK (US\$) | 4.65 | 5.02 | 7.96% | 4.71 | 4.87 | 3.40% |
| CASK-excl Fuel (US\$) | 2.94 | 2.96 | 0.68% | 3.01 | 2.87 | -4.65% |