## PRICE COMPARISON

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<th>UNITS</th>
<th>2016</th>
<th>2017</th>
<th>∆ (US¢)</th>
<th>∆ (%)</th>
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<tr>
<td></td>
<td>DEC</td>
<td>JAN</td>
<td>FEB</td>
<td>MAR</td>
<td>APR</td>
</tr>
<tr>
<td>Euro Brent</td>
<td>US$/L</td>
<td>0.29</td>
<td>0.34</td>
<td>0.35</td>
<td>0.35</td>
</tr>
<tr>
<td>Singapore Jet Kerosene</td>
<td>US$/L</td>
<td>0.35</td>
<td>0.40</td>
<td>0.41</td>
<td>0.41</td>
</tr>
<tr>
<td>Garuda Indonesia Group</td>
<td>US$/L</td>
<td>0.45</td>
<td>0.51</td>
<td>0.52</td>
<td>0.53</td>
</tr>
<tr>
<td>Pertamina</td>
<td>US$/L</td>
<td>0.47</td>
<td>0.56</td>
<td>0.58</td>
<td>0.58</td>
</tr>
</tbody>
</table>

### 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.
Highest Price of Singapore Jet Kerosene (Dec 2, 2014) - US$86.15/BBL.  
Highest Price of Euro Brent (Dec 1, 2014) - US$72.22/BBL.  
Lowest Price of Singapore Jet Kerosene (Jan 21, 2016) - US$37.66/BBL.  
Lowest Price of Euro Brent (Jan 20, 2016) - US$26.39/BBL.  

INDEX | UNITS | DEC-17 | Δ 1-MONTHS | Δ 3-MONTHS | Δ 6-MONTHS | Δ 12-MONTHS
--- | --- | --- | --- | --- | --- | ---
Singapore Jet Kerosene | US$/BBL. | 72.40 | 66.95 | 8.14 | 62.70 | 59.30 | 56.38 | 28.41
Euro Brent | US$/BBL. | 62.58 | 57.62 | 8.61 | 51.37 | 50.08 | 24.96 | 46.44 | 34.75

**FUEL HEDGING**

Garuda Indonesia has hedged 4.35 million bbl. or equivalent 29% of the estimated of total fuel consumption in 2017 which 2.45 million bbl. already due within 2017. Specifically, 16% has been hedged from 2017 fuel consumption, which mostly covers fuel consumption of second half on 2017, with 9% of the hedged amount at the effective price below 2017 budget price. The other 1.9 million bbl. will due in 2018. Therefore Garuda Indonesia only executes 58% of the amount that eligible to be a hedge in accordance with Garuda Indonesia’s Fuel Hedging Policy for 2017.

It can be concluded that oil price 2017 closes on bullish price. One of contributing factors is refinery maintenance has not peaked in US, Europe, and the Middle East while the amount of demand has risen sharply from October until December 2017. To mitigate the increase in oil prices, Garuda Indonesia decided not to execute any transactions along December 2017. Nevertheless, Garuda Indonesia keeps assessing the price movements throughout 2018 to determine the right time to execute subsequent transactions.

**FX HEDGING**

The strengthening of global currencies and pressure on USD give the positive impact on IDR along December 2017. Therefore, to maintain Garuda Indonesia’s cash flow along December 2017, FX transactions is better done with the instrument of value today.

Within the period of December 2017, the company utilizes both the value today and short-term period forward in order to capture the short-term trend of either when IDR depreciates or appreciates.

At the end of the month in accordance with Bank Indonesia regulation, Garuda Indonesia decide to enter call option transactions in order to protect Garuda Indonesia’s book value against the translation risk of USD/IDR movement. However, Garuda Indonesia decides to not execute the transaction by taking current cash flow and USD/IDR movement into account.