



Garuda Indonesia Restructuring, Performance & Strategy

UBS Global Transport Conference 2011



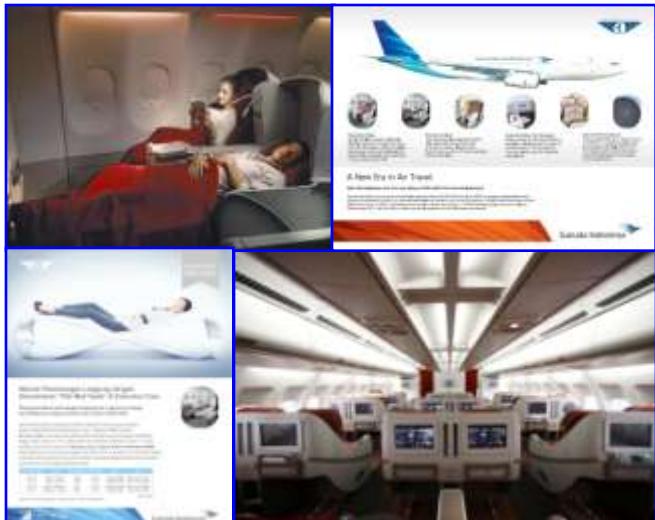
London, 12 September 2011

Contents

1. Company Overview
2. Restructuring and Transformation
3. Quantum Leap – 7 Strategies to Drive Growth
4. Business Results, Awards & Recognition

Garuda Indonesia Group

Garuda Indonesia (Main brand)



- Domestic
- International
- Planned Sub-100



Cargo



Citilink (LCC)



Hajj / Charter



Key Subsidiaries & Associated Companies

Hospitality and Tourism	MRO Services	IT Services	Global Distribution Systems	Ground Handling
 Aerowisata	 GMF AeroAsia	 Aero Systems	 Abacus	 Gapura Angkasa

Garuda Indonesia at a Glance

12.5 million
Passengers

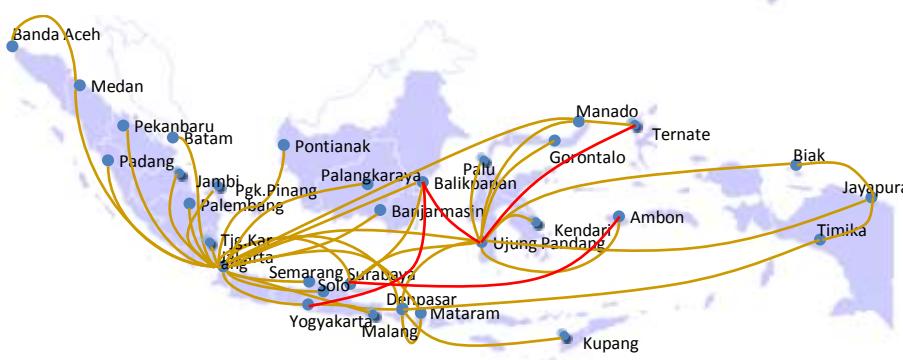
\$2.2 billion
Revenue

202k tonnes
Cargo

12%
Revenue CAGR

86 Aircraft
7.83 yrs Fleet Age

18%
EBITDAR Margin



31
Domestic
Destinations

17
International
Destinations

Note:

- Map not drawn to scale
- No of aircraft & no of destinations are per 30 June 2011.
- Other figures are per Dec 2010

Contents

1. Company Overview
2. Restructuring and Transformation
3. Quantum Leap – 7 Strategies to Drive Growth
4. Business Results, Awards & Recognition

Flying High

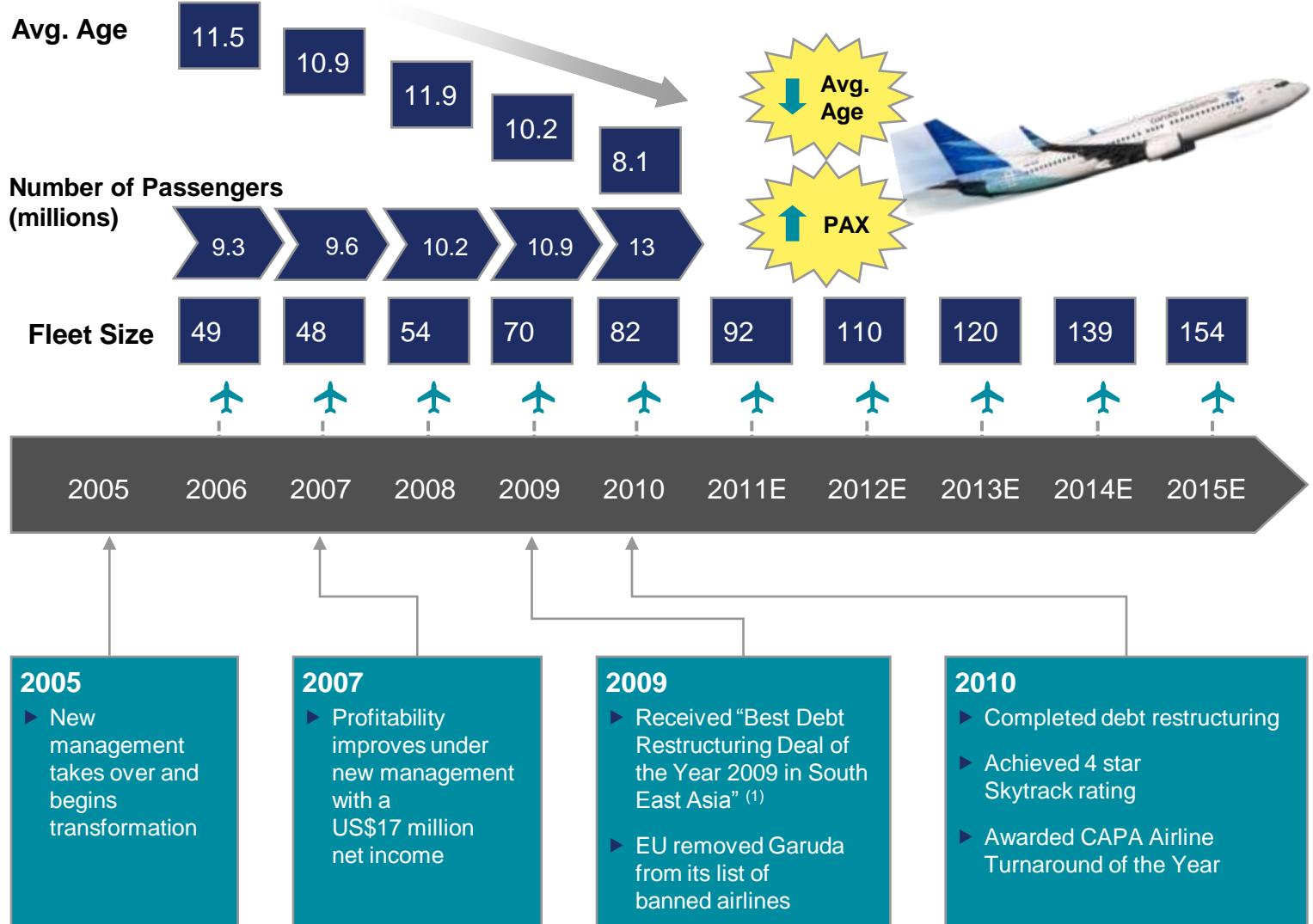
1949
► Established in 1949 with first aircraft, Dakota DC-3

1956
► First Haji pilgrims flight to Mecca

1970
► First subsidiary "AWS" added to the Group

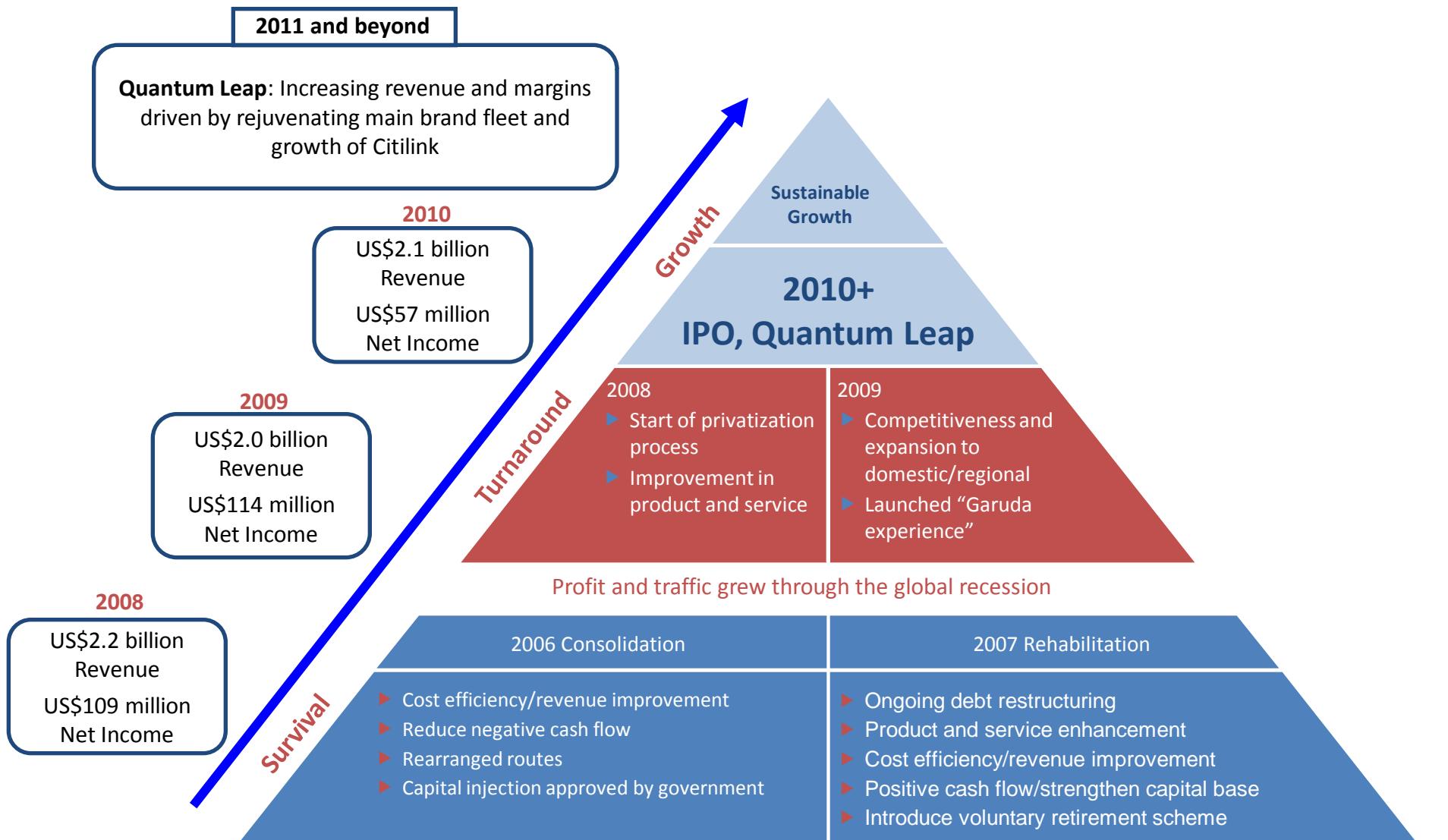
1980s
► Training center and aircraft maintenance center established
► Started restructuring initiatives

1990s
► Garuda Indonesia is ranked among the top 30 carriers in the world



Restructuring and Transformation

1st Journey



Milestone – Quantum Leap 2011 2015



Aiming to complete the 2nd journey in 2015

	2005	Growth	2010	Growth	2015	
Number of Aircraft	57	56%	89	73%	154	
Average age (year)	11.2	-28%	8.1	-59%	< 6	
Pax Carried	9.3 mio	34%	12.5 mio.	182%	35.2mio.	
Total Frequency/week	765	59%	1,219	90%	2,316	
Skytrax Rating	3 Star		4 Star		5 Star	

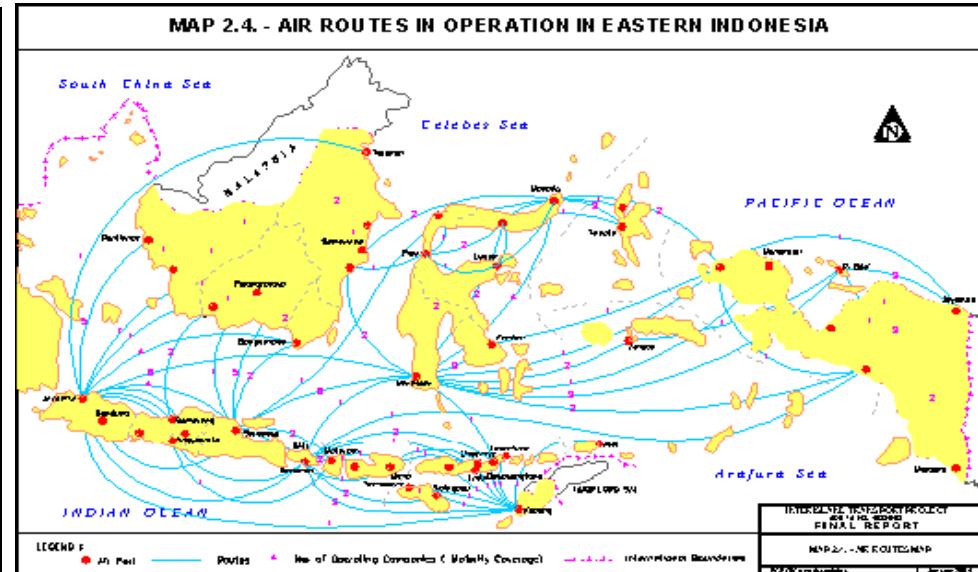
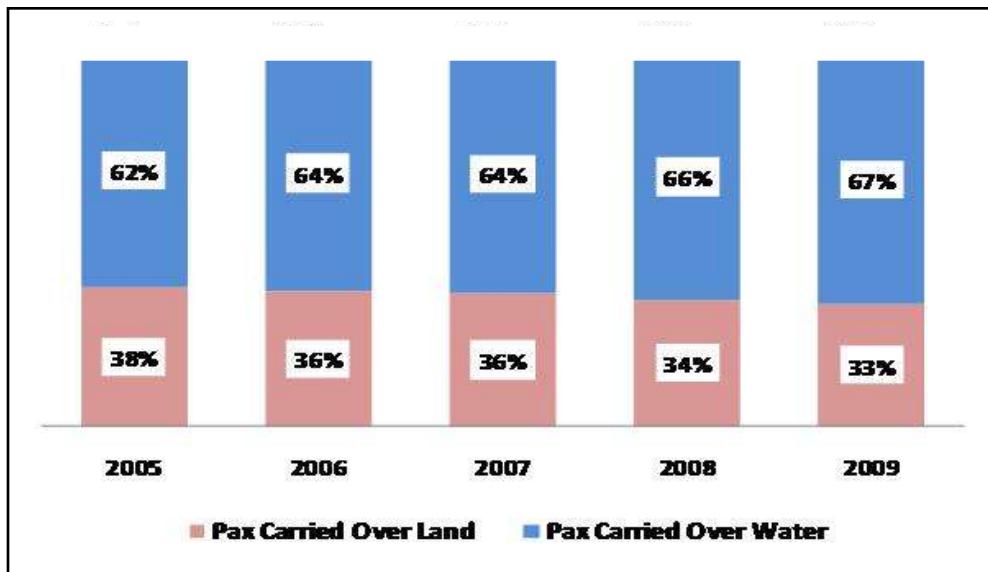
Contents

1. Company Overview
2. Restructuring and Transformation
3. Quantum Leap – 7 Strategies to Drive Growth
4. Business Results, Awards & Recognition

The Indonesian market offers enormous growth potential

- The market has been growing at 21% pa in recent years, far outstripping economic growth
- Indonesia's population of 220 million is distributed across a number of medium - large cities and high density provinces
- The current low propensity to travel (0.1 trips per capita), combined with a growing population and growing economic wealth will drive further traffic growth
 - The average number of trips per flyer is 8.9
- Geography ensures the continued importance of air travel. Over 60% of Garuda's existing traffic is "over water"
- Highly competitive prices mean that airlines will continue to take share from surface transport

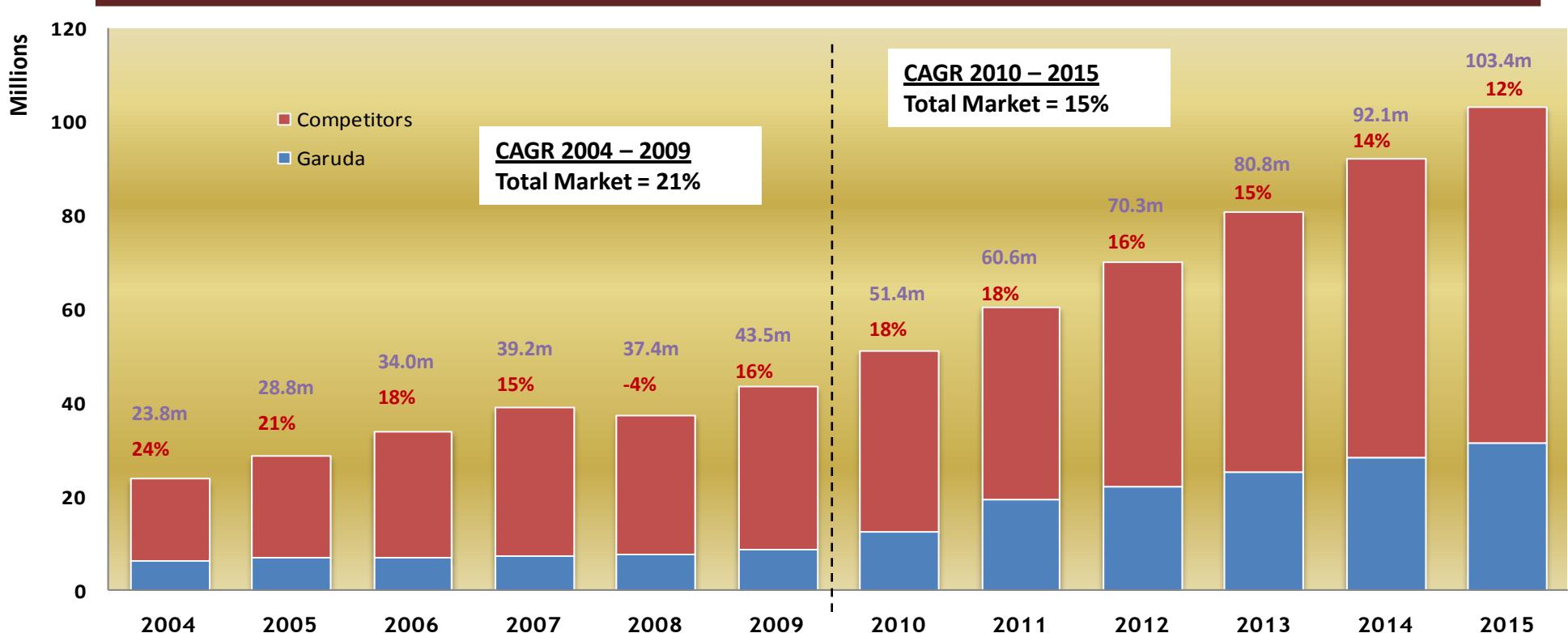
Domestic Landscape



- ❖ Indonesia is made up of 17,000 islands
- ❖ It is the largest archipelago in the world, stretching for more than 5,000 km, a distance greater than Los Angeles to New York
- ❖ Some are of considerable land mass
- ❖ Around two-third of Garuda pax are carried on journeys over water

- ❖ There are 220 airports in Indonesia, of which
 - A minimum of 37 airports are suitable for B737/A320 aircraft

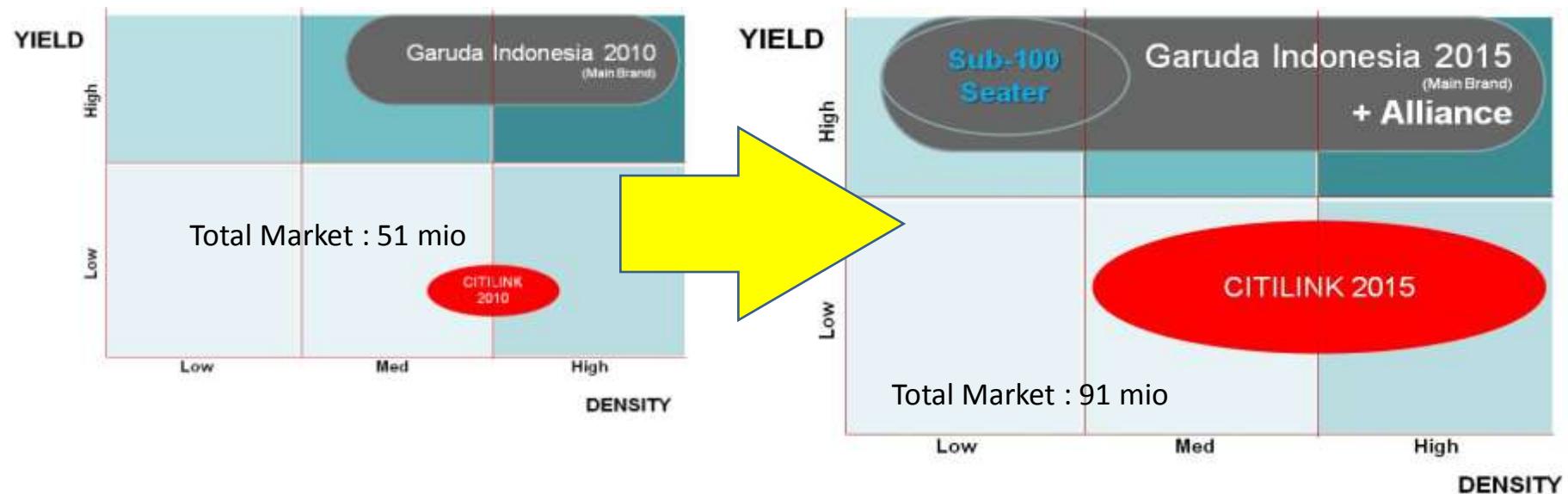
The Indonesia Domestic market size is predicted to be double in the next 5 years



- Real GDP has been growing at 5.7% pa for 2010 – 2015 . Air travel typically grows faster than GDP
- In high income economies the multiplier is typically 1.5 – 2.0 times
- In lower income economies, the multiplier is typically greater, given the historic lower propensity to fly. A multiplier of 3 – 4 times has been used for Indonesia
- To take the opportunity Garuda should serve all segment, the LCC and the Feeder

Strategic Segmentation

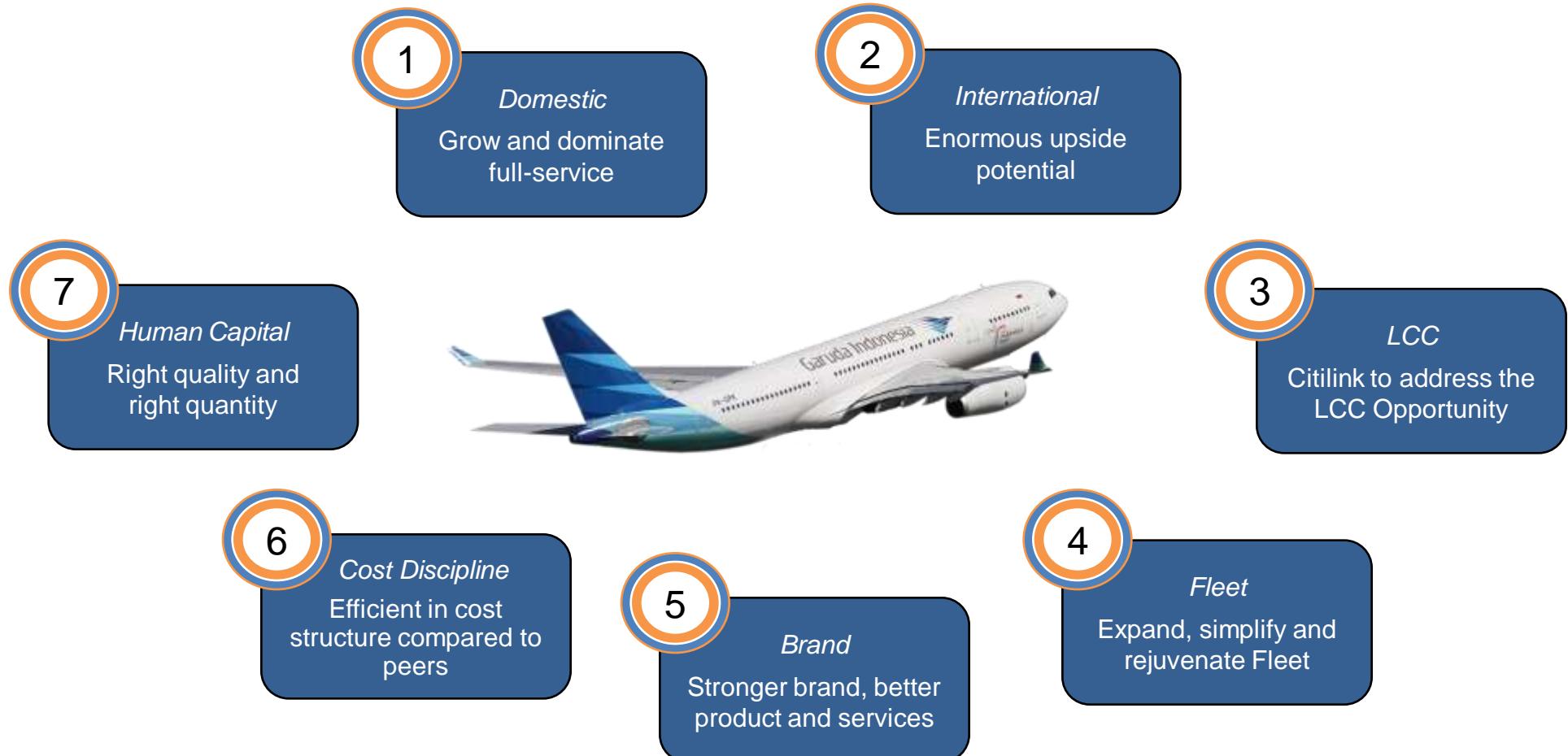
Garuda provides full service through Garuda Mainbrand, budget service through Low-cost carrier and niche high yield service through Sub-100. LCC to accommodate the price sensitive market and Sub-100 to build the feeder to/from low density routes



- Garuda will concentrate to serve High Yield market segment
- Citilink will focus on serving Low Yield-High Density segment
- S-100 seater will penetrate the Low Density market segment that high yield

Quantum Leap – 7 Strategies to Drive Growth

Management focuses on implementing the “Quantum Leap” with 7 main strategies to expand and dominate the Indonesian aviation market.



Contents

1. Company Overview
2. Restructuring and Transformation
3. Quantum Leap – 7 Strategies to Drive Growth
4. Business Results, Awards & Recognition

Financial & Operating Indicators

	1H-2010	1H-2011	Δ % YoY
Operational:			
Aircraft Utilization (Hours)	9:14	10:33	1:19
Frequencies	49,460	61,286	23.9
On Time Performance (%)	83	89	7.23
ASK ('000)	11,828,581	15,607,212	31.9
Passenger:			
Passenger Carried	5,527,488	7,858,142	42.2
RPK ('000)	8,023,859	11,469,129	42.9
Seat Load Factor (%)	67.8	73.5	8.4
Passenger Yield (US¢)	8.32	9.03	8.5
Financial:			
Revenue (IDR Billion)	7,756.7	11,215.0	44.6
EBITDAR (IDR Billion)	1,062.20	1,599.9	50.6
Average Fuel Price (US¢/L)	64.24	89.61	39.5

Notes: All figures include GA & Citilink, except aircraft Utilization and OTP are for GA Main Brand only

Latest Update - Financial & Operating Indicators

	July 2010	July 2011	Δ % YoY	YTD 2010	YTD 2011	Δ % YoY
Operational:						
Aircraft Utilization (Hours)	10:23	11:23	1:23	9:24	10:40	1:16
Frequencies	8,288	10,467	26.3	53,165	65,486	23.2
On Time Performance (%)	70.9	77.6	9.5	80.8	87.2	7.8
ASK ('000)	2,287,317	2,897,008	26.7	13,525,432	17,683,611	30.7
Passenger :						
Passenger Carried	1,159,749	1,512,324	30.4	6,228,786	8,639,738	38.7
RPK ('000)	1,859,714	2,406,887	29.4	9,495,533	13,260,042	39.6
Seat Load Factor (%)	81.3	83.1	2.2	70.21	74.98	6.8
Passenger Yield (US¢)	9.00	10.52	16.9	8.63	9.47	9.7
Financial:						
Revenue (IDR Billion)	1,741.4	2,452.9	40.9	8,885.6	12,992.1	46.2
EBITDAR (IDR Billion)	494.2	747.2	51.2	1,509.6	2,202.1	45.9
Average Fuel Price (US¢/L)	64.5	89.9	39.5	64.3	89.7	39.5

Notes: All figures for GA
Main Brand only

Awards and Accolades

Growing Number of Awards and Recognitions

International



2010
“4 Star
Airline”
Skytrax

2010
Airline
Turnaround
of the Year
**Centre for
Asia Pacific
Aviation
(CAPA)**

2010
World's
Most
Improved
Airline
Skytrax

Domestic



2008 - 2010
Best Corporate
Image
*IMAC and
Bloomberg
Businessweek*



2010
Indonesia's Most
Admired Company
*IMAC, Bloomberg
Businessweek*



2010
Indonesia's Greatest
Brand of the Decade
IMAC



2010
Indonesia
Aerospace Award
*Innovative Airline
of the Year*
Frost & Sullivan



2011
Indonesia Top
Brand Platinum
Award
*Marketing &
Frontier*



2011
Indonesia Most
Favorite Youth
Brand Award
*Marketeers & Mark
Plus Inc.*



2011
Call Center Award
*Marketeers & Mark
Plus Inc.*



2011
Top Brand Award
*Marketing &
Frontier*

Recognition by Passenger

Center for Asia Pacific Aviation (CAPA) survey Oct. 2010*)

- ▶ Ranked by CAPA in 2010 as **best service in Southeast Asia**. Survey was **based on ground service, in-flight service, food, comfort and value**.

1. Garuda Indonesia (Score: 8.48) (Skytrax: ★★★★★)

2. Bangkok Airways (8.40) (★★★★★)

3. Singapore Airlines (7.68) (★★★★★)

4. Thai Airways (7.32) (★★★★★)

5. Cathay Pacific (7.12) (★★★★★)

6. Malaysia Airlines (7.00) (★★★★★)

2000

- ▶ Average airline quality services

- ▶ Group of 150 airlines in the world



★★★★★

2010

- ▶ Quality performance across range of products and services

- ▶ Group of 24 airlines in the world after Skytrax award



★★★★★

2014

- ▶ The highest rating on Skytrax

- ▶ Will join select group of 5-star rated airlines in the world—current group consists of 6

*) url:<http://www.centreforaviation.com/news/2010/10/05/airline-service-quality-part-2-southeast-asia-sets-the-standard/page1>



Thank you