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COMMENCEMENT OF CONSENT SOLICITATION EXERCISE BY GARUDA INDONESIA GLOBAL SUKUK LIMITED IN RESPECT OF THE US\$500,000,000 TRUST CERTIFICATES DUE 2020 (THE "CERTIFICATES") (ISIN: XS1238157181)

Garuda Indonesia Global Sukuk Limited (the "**Trustee**") and PT Garuda Indonesia (Persero) Tbk (the "**Obligor**") wishes to announce that it has today commenced a consent solicitation exercise to seek approval, by way of extraordinary resolution, of the holders (the "**Certificateholders**") of the Certificates (the "**Consent Solicitation**") to, *inter alia*:

- (1) amend Condition 6(c)(i) to read that "Consolidated Total Equity shall not be less than U.S.\$500,000,000;"
- (2) amend Condition 6(c)(ii) to read that "the ratio of Consolidated Total Debt to Consolidated Total Equity shall not exceed 3 times;"
- (3) amend paragraph (d) of the definition of "Consolidated Total Debt" to delete and expressly exclude references to "indebtedness under a finance or capital lease;" and
- (4) irrevocably waive any Dissolution Event, Potential Dissolution Event or breach of the Terms and Conditions, the Declaration of Trust relating to the Non-Compliance Event,

all as further described in the consent solicitation memorandum dated 27 July 2017 (the "**Consent Solicitation Memorandum**") issued by the Trustee (the "**Proposal**"). Capitalised terms used but not defined herein shall, unless the context otherwise requires, have the meaning set out in the Consent Solicitation Statement.

As reflected in the unaudited consolidated financial statements of the Obligor for the six month period ended 30 June 2017 published on 27 July 2017, the Obligor recorded a net loss of US\$283.8 million, of which US\$138.3 million is attributable to the Tax Amnesty Program Expense and US\$145.5 million attributable to operations (as discussed in the Consent Solicitation Memorandum). Net losses relating to operations (excluding Tax Amnesty Program Expense) reduced from US\$99.1 million in the first quarter of 2017 to US\$46.4 million in the second quarter of 2017 as a result of operational performance improvement. Primarily as a result of the net losses recorded for the six month period ended 30 June 2017, the Obligor recorded Consolidated Total Equity of US\$717.7 million as at 30 June 2017.

Accordingly, as at the date of this announcement, the Obligor is not in compliance with its obligations under Condition 6(c)(i) (the "**Non-Compliance Event**"), which is a Potential Dissolution Event under the terms of the Declaration of Trust.

In addition to the waiver of the Non-Compliance Event, and in conjunction with the Obligor's plans to maintain financial covenant compliance across its capital structure and seek operating and financial flexibility to better meet economic challenges during the remaining tenor of the Certificates, the Proposal is aimed at amending the financial covenants of the Obligor in Condition 6(c) (*Financial Covenants*) of the Terms and Conditions, as described above and as more fully set in the Consent Solicitation Memorandum.

Further, the Obligor is subject to similar financial covenants as those provided for in Condition 6(c) in a number of its short-term and long-term loans (including secured loans).

Prior to the date of this announcement, the Obligor has initiated discussions with its lenders to seek similar waivers and modifications to those being solicited in the Proposal.

Accordingly, the Obligor requires a waiver of any cross-default event (which in turn, may constitute a further Dissolution Event or Potential Dissolution Event) up to and including 31 August 2017 (if the Extraordinary Resolution is passed at the Meeting convened on 18 August 2017; or five business days after an adjourned Meeting, if the Extraordinary Resolution is passed at such adjourned Meeting), which the Obligor believes will provide it with sufficient time to procure the necessary waivers from its other lenders, and thereby prevent any technical Dissolution Event or Potential Dissolution Event from occurring.

While the Obligor is confident that its lenders will agree to such waivers, there can be no assurance that such waivers will be forthcoming from its lenders.

In relation to the Non-Compliance Event (which is a Potential Dissolution Event under the terms of the Declaration of Trust), this announcement constitutes notice in writing to the Certificateholders in compliance with Clause 17.1.2 of the Declaration of Trust.

The Consent Solicitation will commence on 27 July 2017 and will expire on 16 August 2017, unless extended, re-opened or earlier terminated as provided in the Consent Solicitation Memorandum.

The Trustee is offering Certificateholders who vote in favour of the Proposal a Participation Fee of 0.6 per cent. of the outstanding principal amount of Certificates that are the subject of an Electronic Instruction in favour of the Extraordinary Resolution submitted on or before the Participation Fee Expiration Time, being 4:00 p.m. (Hong Kong time) on 11 August 2017 (10:00 a.m. (CEST) on 11 August 2017).

A notice convening the Meeting of the Holders, at 4:00 p.m. (Hong Kong time) on 18 August 2017, at the offices of Clifford Chance, 27/F Jardine House, One Connaught Place, Hong Kong, at which the Extraordinary Resolution to approve the Proposal and its implementation will be considered and, if thought fit, passed, has been published in accordance with the

Terms and Conditions and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). A copy of the form of the notice of Meeting is set out in "Annex 1" to the Consent Solicitation Memorandum.

Certificateholders are advised to read carefully the Consent Solicitation Memorandum for full details of, and information regarding participation in the Consent Solicitation. Australia and New Zealand Banking Group Limited and Standard Chartered Bank are acting as the Consent Solicitation Agents. D.F. King Limited is acting as Tabulation Agent.

Holders who need assistance with respect to the procedures for participating in the Consent Solicitation should contact the Tabulation Agent, the contact details for whom appear below. Any other questions relating to the Consent Solicitation should be addressed to the Consent Solicitation Agents, the contact details for whom appear below.

CONSENT SOLICITATION AGENTS

**Australia and New Zealand Banking
Group Limited**

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Telephone: +65 6681 8864
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Email: asiabondsyndicate@anz.com

Standard Chartered Bank

Marina Bay Financial Centre, Tower 1
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Level 20
Singapore 018981

Telephone: +65 6596 8807
Attention: Liability Management Group
Email: liability_management@sc.com

TABULATION AGENT

D.F. King Limited

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By Order of the Board

PT Garuda Indonesia (Persero) Tbk.

***DISCLAIMER:** This announcement must be read in conjunction with the Consent Solicitation Memorandum. This announcement and the Consent Solicitation Memorandum contain important information which must be read carefully before any decision is made with respect to the Consent Solicitation. If you are in any doubt as to the action you should take,*

you are recommended to seek your own financial and legal advice, including as to any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual whose Certificates are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Consent Solicitation. None of the Consent Solicitation Agents, the Tabulation Agent or The Hongkong and Shanghai Banking Corporation Limited (in its capacity as Delegate of the Trustee pursuant to the Declaration of Trust) makes any recommendation as to whether the Certificateholders should participate in the Consent Solicitation. This announcement does not constitute an offer to buy or a solicitation of an offer to sell the Certificates and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.