

Giant Interactive Group Inc.  
Form 6-K  
March 05, 2009

## **Form 6-K**

# **UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington D.C. 20549**

**REPORT OF FOREIGN ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16 OF THE**

**SECURITIES EXCHANGE ACT OF 1934**

**For the month of March 2009**

**Commission File Number: 001-33759**

## **GIANT INTERACTIVE GROUP INC.**

**2/F No. 29 Building, 396 Guilin Road**

**Shanghai 200233**

**People's Republic of China**

**(Address of principal executive office)**

Edgar Filing: Giant Interactive Group Inc. - Form 6-K

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes  No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-N/A

Giant Interactive Group Inc.

Form 6-K

TABLE OF CONTENTS

	<b>Page</b>
<u>Signature</u>	3
Exhibit 99.1 2008 Fourth Quarter and Fiscal Year Results Presentation dated March 5, 2009	4

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Giant Interactive Group Inc.**

By: /s/ Eric He  
Name: Eric He  
Title: Chief Financial Officer

Date: March 5, 2009

HK000NN7  
2008 Fourth Quarter and Fiscal  
Year Results Presentation  
March 5, 2009  
2008 Fourth Quarter and Fiscal  
Year Results Presentation  
March 5, 2009

©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
2  
Safe Harbor Statement and Currency  
Convenience Translation  
Safe Harbor Statement and Currency  
Convenience Translation

#### Safe Harbor Statement

Statements in this release contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 27A of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, will, expects, anticipates, future, intends, plans, believes, estimates and similar statements and among other things, anticipated benefits as a result of our Win@Giant incubation program, our continued efforts to successfully operate and adjust our adjusted monetization structure for *ZT Online* and launch of *ZT Online* in Vietnam, our ability to successfully commercialize our products, our ability to represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside of our control. Other circumstances may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements because our actual results to differ from what we currently anticipate may include failure by *ZT Online* gamers to resume in-game purchases, our ability to develop, purchase and retain our players, our ability to develop and successfully launch expansion packs for our online games, our ability to adjust and enhance our revenues, our dependence on one online game, which currently accounts for the majority of our historical net revenues, our ability to navigate the current world economic crisis, our need to implement and maintain effective internal control over financial reporting, our limited history of our online game business model, our uncertainties with respect to the PRC legal and regulatory environments and volatility in the market. The information contained in this slide presentation should be read in conjunction with the consolidated financial statements and notes thereto included in our annual report for fiscal year 2007, as filed with the Securities and Exchange Commission on June 18, 2008, and is available on the Securities and Exchange Commission's website. For additional information on these and other important factors that could adversely affect our business, financial condition, results of operations, beginning on page 7 of our annual report for fiscal year 2007. Our actual results of operations for the third quarter of 2008 are not necessarily indicative of future periods. Any projections in this slide presentation are based on limited information currently available to us, which is subject to change. Factors influencing them will likely change, we undertake no obligation to update or revise these forward-looking statements, whether or not, otherwise, after the date of this slide presentation. Such information speaks only as of the date of this slide presentation.

#### Currency Convenience Translation

This slide presentation contains translations of certain Renminbi (RMB) amounts into US dollars (US\$) at the rate of US\$1.00 per RMB as of December 31, 2008 in the City of New York for cable transfers in Renminbi per US dollar as certified for customs purposes by the US Customs and Border Protection. The representation that the Renminbi or US dollar amounts referred to in this slide presentation could have been, or could be, converted into US dollars in the Empire of Sports

and our ability to continue to grow our business and build long-term shareholder value. These forward-looking statements are

Giant Interactive Group  
A Leading Online Game Developer & Operator  
Giant Interactive Group  
A Leading Online Game Developer & Operator  
©  
2009 Giant Interactive Group, Inc. All Rights Reserved









©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
4  
Giant: NYSE Listed  
Giant: NYSE Listed  
Shanghai, China  
Headquarters:

Over 3,500 including  
1,800 liaison personnel  
Employees:  
[www.ga-me.com](http://www.ga-me.com)  
About Giant:  
Approximately 226 Million  
Outstanding Shares:  
US\$1.5 Billion  
March 4, 2009  
Market Cap:  
GA  
Ticker:  
November 1, 2007  
NYSE IPO:  
Investor Information:

©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
Key Operational and  
Financial Highlights  
Key Operational and  
Financial Highlights  
©



©  
2009 Giant Interactive Group, Inc. All Rights Reserved

6  
Key Quarterly Operating Metrics  
Key Quarterly Operating Metrics  
Active Paying Accounts (APA)  
1,405



1,447  
937  
1,290  
1,760  
986  
1,248  
1,318  
0  
200  
400  
600  
800  
1,000  
1,200  
1,400  
1,600  
1,800  
1Q07  
2Q07  
3Q07  
4Q07  
1Q08  
2Q08  
3Q08  
4Q08  
282  
273  
286  
325  
309  
305  
295  
320  
0  
50  
100  
150  
200  
250  
300  
350  
400  
1Q07  
2Q07  
3Q07  
4Q07  
1Q08  
2Q08  
3Q08  
4Q08

Edgar Filing: Giant Interactive Group Inc. - Form 6-K

Average Revenue per User (ARPU)

3Q08 figures include *ZT Online*, *ZT Online PTP*, *ZT Online Classic Edition*, and *Giant Online*

4Q07

to

2Q08

figures

include

ZT

Before

4Q07,

all

figures

are

ZT

Online

only

Average Concurrent Users (ACU)

512

543

556

450

620

546

481

515

0

100

200

300

400

500

600

700

1Q07

2Q07

3Q07

4Q07

1Q08

2Q08

3Q08

4Q08

Peak Concurrent Users (PCU)

1,073

888

983

2,339

1,578

1,505

1,646

874

0  
500  
1,000  
1,500  
2,000  
2,500  
1Q07  
2Q07  
3Q07  
4Q07  
1Q08  
2Q08  
3Q08  
4Q08  
ZT  
Online  
PTP  
and  
Giant  
Online  
Online,

©  
2009 Giant Interactive Group, Inc. All Rights Reserved

7  
Strong Profitability and High Margins  
Strong Profitability and High Margins  
Net Income  
42.5

45.8  
19.7  
32.6  
51.1  
48.3  
38.7  
34.7  
0  
10  
20  
30  
40  
50  
60  
1Q07  
2Q07  
3Q07  
4Q07  
1Q08  
2Q08  
3Q08  
4Q08  
59.6  
51.7  
39.1  
48.6  
54.1  
67.3  
73.6  
41.7  
0  
10  
20  
30  
40  
50  
60  
70  
80  
1Q07  
2Q07  
3Q07  
4Q07  
1Q08  
2Q08  
3Q08  
4Q08  
Net Revenue  
Gross Profit Margin  
85.7%

84.0%  
91.2%  
88.6%  
89.2%  
88.8%  
89.6%  
80.1%  
60%  
65%  
70%  
75%  
80%  
85%  
90%  
95%  
1Q07  
2Q07  
3Q07  
4Q07  
1Q08  
2Q08  
3Q08  
4Q08  
Net Income Margin  
76.8%  
82.2%  
50.6%  
71.4%  
71.6%  
71.8%  
69.5%  
78.2%  
30%  
35%  
40%  
45%  
50%  
55%  
60%  
65%  
70%  
75%  
80%  
85%  
1Q07  
2Q07  
3Q07  
4Q07  
1Q08  
2Q08

3Q08  
4Q08

©  
2009 Giant Interactive Group, Inc. All Rights Reserved

8  
Q4 2008 Key Financial Highlights  
Q4 2008 Key Financial Highlights  
-5.3%  
0.19



125.0%  
0.08  
0.18  
Basic EPS (US\$)  
0.0%  
0.18  
125.0%  
0.08  
0.18  
Diluted EPS (US\$)  
Y-o-Y  
%  
Q4 2007  
US\$  
Q-o-Q  
%  
Q3 2008  
US\$  
-8.2%  
-9.4%  
-13.0%  
-23.4%  
-11.7%  
-20.5%  
-8.7%  
-18.8%  
Y-o-Y  
%  
1.39  
126.5%  
0.56  
1.26  
Basic EPS (RMB)  
0.54  
134.1  
105.2  
107.3  
212.5  
52.7  
265.2  
Q3 2008  
RMB  
42.5  
31.2  
12.1  
43.4  
8.3  
51.7  
Q4 2008  
US\$

1.23  
290.3  
213.6  
82.9  
296.5  
56.7  
353.1  
Q4 2008  
RMB  
1.33  
333.8  
278.9  
93.9  
372.8  
62.0  
434.8  
Q4 2007  
RMB  
128.1%  
Diluted EPS (RMB)  
82.2%  
116.5%  
Net Income  
60.5%  
103.0%  
Income from Operations  
-22.7%  
Operating Expenses  
84.0%  
39.5%  
Gross Profit  
7.6%  
Cost of Services  
33.2%  
Total Net Revenue  
Margins  
Q-o-Q  
%  
(In millions, except EPS data)

©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
9  
FY2008 Key Financial Highlights  
FY2008 Key Financial Highlights  
-8.1%  
0.74

0.68  
Basic EPS (US\$)  
-8.3%  
0.72  
0.66  
Diluted EPS (US\$)  
Y-o-Y  
%  
FY2007  
US\$  
FY2008  
RMB  
FY2008  
US\$  
-13.8%  
5.40  
4.65  
Basic EPS (RMB)  
5.25  
1,136.3  
1,079.8  
273.7  
1,353.5  
174.1  
1,527.5  
FY2007  
RMB  
162.9  
141.6  
59.8  
201.4  
31.9  
233.3  
FY2008  
US\$  
4.49  
1,113.6  
968.0  
408.8  
1,376.8  
217.9  
1,594.7  
FY2008  
RMB  
-14.5%  
Diluted EPS (RMB)  
69.8%  
-2.0%  
Net Income  
60.7%

-10.4%

Income from Operations

49.4%

Operating Expenses

86.3%

1.7%

Gross Profit

25.2%

Cost of Services

4.4%

Total Net Revenue

Margins

Y-o-Y

%

(In millions, except EPS data)

©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
10  
Balance Sheet  
Balance Sheet  
6,130.0  
5,459.3

670.7  
670.7  
6,130.0  
5,826.6  
5,236.3  
September  
30, 2008  
RMB  
878.3  
786.2  
92.1  
92.1  
878.2  
832.0  
741.5  
December  
31, 2008  
US\$  
6,002.4  
5,373.1  
629.3  
629.3  
6,002.4  
5,686.1  
5,068.1  
December  
31, 2008  
RMB  
6,305.5  
Shareholders  
Equity  
7,587.7  
Total Liability and Shareholders  
Equity  
1,282.2  
Total Liabilities  
1,282.2  
Current Liabilities  
7,587.7  
Total Assets  
7,373.5  
Current Assets  
7,295.5  
Cash, Cash Equivalents and Short-Term  
Investments  
December  
31, 2007  
RMB  
(In millions)

©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
Business Operation Updates  
Business Operation Updates  
©  
2009 Giant Interactive Group, Inc. All Rights Reserved



©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
12  
Recent Business Highlights  
Recent Business Highlights  
Continued  
optimizing

Giant  
Online  
features;  
official  
version  
expected  
in  
2009  
ZT  
Online  
players  
adapting  
to  
monetization  
adjustment  
with  
enhanced  
features;  
ZT  
Online  
gaining solid users base in Vietnam

Empire  
of  
Sports  
launched  
into  
closed  
beta  
testing  
( Prologue )

in  
Europe  
in

December 2008; limited closed beta testing in China expected at the end of 2Q09  
Launched Win@Giant incubation program to attract innovation and creativity for  
potential blockbuster pipeline games

1  
1  
3  
3  
4  
4  
2  
2  
5  
5

King  
of  
Kings  
III

continues

detailed

game

optimizations;

limited

closed

beta testing

in China expected at the end of 2Q09

6

6

As

of

December

31,

2008,

Giant

has

repurchased

14,947,200

ADSs

for

total

consideration of US\$97.7 million, out of the \$150 million share repurchase program

7

7

Cash dividend declared for FY2008 of US\$0.18 per share for shareholders of record date as of March 27, 2009 and estimated payment date of April 10, 2009

©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
13  
Enhancing Our Product Portfolio  
Enhancing Our Product Portfolio  
Limited closed beta testing in  
China to launch at the end of

2Q09

GA acquired rights to operate in China in **2007**

Currently being tailored and optimized for the Chinese market, core game design complete

King of Kings III

Beta testing in China to launch

at the end of **2Q09**

Sequel to ZT Online

Self-developed Free-To-Play 2D MMORPG

Enhanced graphics, sound effects,

# of professions, animation, etc.

ZT Online II

Official version to launch in

2009

Open beta testing launched at end of **Q108**

Frequent updates made based on player feedback

Giant Online

Limited closed beta testing in

China to launch at the end of

2Q09

GA acquired rights to operate in China in early **2008**

Officially

launched

in

Europe

in

December

2008

Currently being tailored and optimized for the Chinese market

Empire of Sports

New expansion pack to roll out

in **1H09**

Launched in January **2006**

Multiple expansion packs introduced since launch

ZT

Online

Classic

Edition

available

for

gamers

Monetization restructuring in **Q308**

Now also available in Vietnam

ZT Online

Planned Upcoming Initiatives

Game History and Milestones

Games

















14

Stabilizing Marketing Efforts in Q4 '08

Over 420 liaison offices

Over 1,800 dedicated liaison personnel

Over 280 distributors

116,500 retail outlets

Penetration of all large cities and almost all provinces  
in China

Focus on penetrating medium / small cities with  
continued Internet and on-site promotional events

Reduced advertising costs associated with the revised  
monetization features of *ZT Online*

Maximize

Maximize

Player

Player

Awareness

Awareness

and

and

Game

Game

Recognition

Recognition

to

to

Improve

Improve

Penetration

Penetration

Q4 2008 Marketing and Distribution

Network

Q4 2008 Marketing and Distribution

Network

©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
Business Outlook  
Business Outlook  
©  
2009 Giant Interactive Group, Inc. All Rights Reserved

©  
2009 Giant Interactive Group, Inc. All Rights Reserved  
16  
Player Segmentation Based on Game Features and Spending  
Preferences to Increase Player Loyalty and to Extend Game  
Lifecycles  
Enhance Online Community and Expand Geographical Coverage

to Grow Our Player Base

Pursue Opportunities for Acquisitions, Strategic Joint Ventures  
and Opportunistic Investments

1

1

2

2

3

3

Growth Strategies

Growth Strategies

To Become the Largest Online Game Developer and Operator in Asia

To Become the Largest Online Game Developer and Operator in Asia



HK000NN7  
NYSE: GA  
Thank you  
[www.ga-me.com](http://www.ga-me.com)  
NYSE: GA  
Thank you  
[www.ga-me.com](http://www.ga-me.com)