

Giant Interactive Group Inc.  
Form 6-K  
February 26, 2008  
Table of Contents

## **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 February 2008**

**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

**Table of Contents**

Giant Interactive Group Inc.

Form 6-K

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>Signature</u></b>	<b>3</b>
Exhibit 99.1 2007 Fourth Quarter and Fiscal Year Results Presentation dated February 21, 2008	4

**Table of Contents**

**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: FEBRUARY 26, 2008

Table of Contents

HK000NN7  
2007 Fourth Quarter and Fiscal  
Year Results Presentation  
February 21, 2008

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
2  
Safe Harbor Statement and Currency  
Convenience Translation

#### Safe Harbor Statement

Statements in this slide presentation contain "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E 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 can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements and among others, include our continued efforts to successfully develop and launch our new games and expand our distribution and marketing network.

These forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside of our control. The financial information contained in this slide presentation should be read in conjunction with the consolidated financial statements and notes thereto included in our prospectus filed with the Securities and Exchange Commission on November 1, 2007, and is available on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov). For additional information on these and other important factors that could adversely affect our business, financial condition, results of operations and prospects, see "Risk Factors" beginning on page 12 of our prospectus. Our actual results of operations for the fourth quarter of 2007 are not necessarily indicative of our operating results for any future periods. Any projections in this slide presentation are based on limited information currently available to us, which is subject to change. Although such projections and the factors influencing them will likely change, we undertake no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or 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 to RMB7.2946, which was the noon buying rate as of December 31, 2007 in the City of New York for cable transfers in Renminbi per US dollar as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that the Renminbi or US dollar amounts referred to in this slide presentation could have been, or could be, converted into US dollars at such rate or at all.

**Table of Contents**

Giant Interactive Group  
A Leading Online Game Developer & Operator  
©  
2008 Giant Interactive Group, Inc. All Rights Reserved



**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
4  
Giant: NYSE Listed  
Giant: NYSE Listed

NYSE IPO on November 1, 2007

Ticker: GA

Market Cap: US\$2.7B

Post IPO Shares/ADRs Outstanding: 241.27M

About Giant:

Headquarters: Shanghai, China

Employees: Approximately 3500, including  
2,500 liaison personnel

Investor Information at: [www.giantig.com](http://www.giantig.com)

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
5  
A  
Leading

Developer  
and  
Operator  
of  
MMORPGs

in  
China

A  
Leading  
Developer  
and  
Operator

of  
MMORPGs  
in  
China

A leading online game developer and operator in China

151.8%

net  
revenues  
increase

over  
the  
fourth  
quarter

2006;

76.8%

net  
income  
margin

(1)

Uncompromising focus on game play

Strong product development and technology capabilities

Leverage deep understanding of the Chinese mass market  
and extensive marketing and distribution network

Strong

combination of experienced game development

talent and consumer market expertise

(1) For the quarter ended December 31, 2007

Experienced management team

Table of Contents

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
Operational Metrics &  
Business Updates  
Operational Metrics &

Business Updates

©

2008 Giant Interactive Group, Inc. All Rights Reserved

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
7  
Rollout of New ZT Online Expansion Pack Neighboring Friends  
Commenced Closed Beta Testing of Giant Online

King of Kings III Undergoing Engineering Testing

1

1

3

3

4

4

Entered Open Beta Testing of ZT PTP

2

2

Recent

Business

Highlights

Recent

Business

Highlights

Acquired Exclusive Licensing Rights to Empire of Sports

5

5

6

6

Announced and Completed Share Repurchase Program



**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
8  
Average Revenue per User (ARPU)  
Active Paying Accounts (APA)

Peak Concurrent Users (PCU)

Average Concurrent Users (ACU)

395  
481  
512  
51  
515  
450  
271  
163  
0  
100  
200  
300  
400  
500  
600  
700  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07  
2Q07  
3Q07  
4Q07  
320  
558  
755  
874  
1,073  
888  
983  
120  
0  
200  
400  
600  
800  
1,000  
1,200  
1,400  
1,600  
1,800  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07  
2Q07

3Q07  
4Q07  
Q407  
figures  
include  
ZT  
Online,  
ZT  
Online  
PTP  
and  
Giant  
Online  
Key  
Quarterly  
Operating  
Metrics  
Key  
Quarterly  
Operating  
Metrics  
305  
309  
295  
320  
220  
220  
117  
84  
0  
50  
100  
150  
200  
250  
300  
350  
400  
450  
500  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07  
2Q07  
3Q07  
4Q2007  
787  
986

1,248  
1,318  
1,405  
143  
602  
698  
0  
200  
400  
600  
800  
1,000  
1,200  
1,400  
1,600  
1,800  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07  
2Q07  
3Q07  
4Q2007

---

**Table of Contents**















9

Expanded Marketing Penetration in Q4

Over 500 liaison offices

Over 2500 dedicated liaison personnel

Over 200 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

Expanded advertising initiatives

Marketing and Distribution Network

Maximize

Player

Awareness

and

Game

Recognition

to

Improve

Penetration

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
Key Financial Highlights  
Key Financial Highlights  
©



**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
11  
22.7  
59.6

54.1  
9.2  
20.1  
41.7  
48.6  
1.6  
0  
10  
20  
30  
40  
50  
60  
70  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07  
2Q07  
3Q07  
4Q2007  
Profitable Growth and High Margins  
Profitable Growth and High Margins  
Net Revenue  
Net Income  
45.8  
11.3  
38.7  
-0.1  
34.7  
32.6  
15.1  
5.8  
-10  
0  
10  
20  
30  
40  
50  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07  
2Q07  
3Q07  
4Q2007  
Gross Profit Margin



Net Income Margin

92.4%

92.8%

85.3%

91.2%

89.6%

88.8%

85.7%

71.3%

1Q06

2Q06

3Q06

4Q06

1Q07

2Q07

3Q07

4Q2007

62.6%

74.9%

49.9%

78.2%

71.4%

71.6%

76.8%

-4.3%

1Q06

2Q06

3Q06

4Q06

1Q07

2Q07

3Q07

4Q2007

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
12  
2007 Key Financial Highlights  
2007 Key Financial Highlights

US\$  
US\$  
RMB  
RMB  
330.3%  
0.72  
5.25  
-  
3.6%  
0.18  
1.33  
Diluted EPS  
343.3%  
148.0  
1,079.8  
-  
3.7%  
38.2  
278.9  
Income from Operations  
272.4%  
208.6  
1,521.4  
7.3%  
59.4  
433.6  
Online Game  
N.A.  
0.8  
6.1  
4.5%  
0.2  
1.3  
Overseas Licensing  
1,136.3  
273.7  
1,353.5  
174.1  
1,527.5  
For The Year Ended  
December 31, 2007  
333.8  
93.9  
372.8  
62.0  
434.8  
For The Three Month  
Period Ended  
December 31, 2007  
45.8

12.9  
51.1  
8.5  
59.6  
155.8  
37.5  
185.5  
23.9  
209.4  
364.5%  
15.0%  
Net Income  
128.6%  
33.9%  
Operating Expenses  
272.5%  
3.6%  
Gross Profit  
285.2%  
36.5%  
Cost of Services  
273.9%  
7.3%  
Total Net Revenue  
Change  
From  
Previous  
Year  
Change  
From  
Previous  
Quarter  
(In millions, except EPS data)

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
13  
Solid Balance Sheet  
Solid Balance Sheet

1,040.2  
864.4  
175.8  
175.8  
1,040.2  
1,010.8  
1,000.1  
December 31,  
2007  
US\$  
7,587.7  
6,305.5  
1,282.2  
1,282.2  
7,587.7  
7,373.5  
7,295.5  
December 31,  
2007  
RMB  
249.9  
Shareholders  
Equity  
504.8  
Total Liability and Shareholders  
Equity  
254.9  
Total Liabilities  
238.9  
Current Liabilities  
504.8  
Total Assets  
466.7  
Current Assets  
451.4  
Cash  
December 31,  
2006  
RMB  
(In millions)

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
Business Outlook

©  
2008 Giant Interactive Group, Inc. All Rights Reserved

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
15  
Expand and Enhance Our Product Offerings  
Expand Our Player Base in China and Internationally



Strengthen Our Technology and Operational Platforms  
Continue to Attract and Retain Quality Development Talent  
Pursue Opportunities for Acquisitions, Strategic Joint Ventures  
and Opportunistic Investments

1  
1  
3  
3  
5  
5  
6  
6  
4  
4

Growth Strategies  
To Become the Largest Online Game Developer and Operator in Asia  
Enhance Interactive Community Features to Attract New  
Players and Increase Player Loyalty

2  
2

**Table of Contents**

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
Appendices

©  
2008 Giant Interactive Group, Inc. All Rights Reserved

Table of Contents

©  
2008 Giant Interactive Group, Inc. All Rights Reserved  
17  
History and Key Milestones  
Commenced  
operation through  
Shanghai Zhengtu

Network  
Commercially  
launched the first  
MMO game, ZT  
Online  
Established Offshore  
Company, Giant  
Interactive Group Inc.  
Commenced engineering  
testing for the second  
MMO game, Giant Online  
Peak Concurrent  
User of ZT Online  
reached one million  
Acquired the  
intellectual property  
rights of King of  
Kings III  
Commercially  
launch Giant  
Online  
Secured  
Exclusive  
License  
to  
Operate  
Empire of Sports  
2004  
2004  
January  
January  
2006  
2006  
September  
September  
2006  
2006  
May  
May  
2007  
2007  
May  
May