

Giant Interactive Group Inc.
Form 6-K
May 19, 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 May 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

	Page
<u>Signature</u>	3
<u>Exhibit 99.1 2008 First Quarter Results Presentation dated May 16, 2008</u>	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: May 19, 2008

Table of Contents

HK000NN7
2008 First Quarter Results
Presentation
May 16, 2008
2008 First Quarter Results

Presentation
May 16, 2008

Table of Contents

©
2008 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 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. 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 first quarter of 2008 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 RMB7.012, which was the noon buying rate as of March 31, 2008 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
Giant Interactive Group
A Leading Online Game Developer & Operator
©

Table of Contents

©

2008 Giant Interactive Group, Inc. All Rights Reserved

4

Giant: NYSE Listed

Giant: NYSE Listed

Shanghai, China

Headquarters:

Over 4,000

including 3,000+ liaison

personnel

Employees:

www.ga-me.com

Investor Information:

About Giant:

Approximately 240M

Outstanding Shares:

US\$3.9B

May 15, 2008

Market Cap:

GA

Ticker:

November 1, 2007

NYSE IPO:

Table of Contents

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

Table of Contents

©
2008 Giant Interactive Group, Inc. All Rights Reserved
6
Completed Rollout of Expansion Pack Neighboring Friends
Giant Online commenced Open Beta, PCU of 237K on March 28,

2008

King of Kings III undergoing Engineering Testing

1

1

3

3

4

4

ZT Online reached PCU of over 1.5 million

2

2

Q1 2008 Business Highlights

Q1 2008 Business Highlights

Empire of Sports commenced European Private Launch

5

5

6

6

Expanded sales and marketing network

Table of Contents

©
2008 Giant Interactive Group, Inc. All Rights Reserved
7
800,000
1,000,000

1,200,000

1,400,000

1,600,000

1,800,000

Q4/07

Q1/08

Q1 2008

1.64 Million PCU

Q1 2008 R&D

Focus

Q1 2008 R&D

Focus

January 2008

Congee

boosts

Exp

points

2x Exp points

after server

maintenance

Take over

enemy train

station,

teammates

respawn

there for

30min

Foot race

for lovers

Car insurance

from four

insurance

companies for

each country

Destroy

enemy

train

station

and

recover

computer

chip

Golden

Egg for

sale to

multiply

virtual

currency

Boss

invasions

with
rewards
Chat Box
radar and
guide
Increase
Exp points
for missions
Higher
rank
limit for
roles
Mining
quests
for
items
Skill
books
available
for free
Capture
enemy
power
sources
to
increase
train
speed
Lower level players
can request
apprenticeship from
higher level players
Valentine s
Day
lottery to
receive real
flowers sent
to significant
other
Dance
battle to
the
death
Outfits can be
upgraded to give
players speed
New
motorcycle
parts to
upgrade

performance
PK with
allies
now
punished
like
teamkill
Cross shard
secret chat
More support for
commanders
Eight foreign
country invasion
More skill books
for free
Chinese New
Year lottery
Q4 2007
983,000 PCU
February 2008
March 2008
Year of the Rat
treasure
More Exp
points for
car quests
Join war to
earn badges
New map
Lottery in
every new
shard post
open beta
PCU for Online Games¹
Horse carriage
race
Virtual red envelopes for Chinese
New Year, free costumes
Introduce naval
battles
Raise max
level to 170
1
Online games include *ZT Online*, *ZT Online PTP*
and *Giant Online*.
Complete roll
out of ZT
Online:
Neighboring
Friends

Lock car
quest
colors
Continuous Enhancements During Q1 2008

Table of Contents

8
Expanded Marketing Penetration in Q1 '08
?
Over
530
liaison
offices
?
Over
3,000
dedicated
liaison
personnel
?
Over
270
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
Q1 2008 Marketing and Distribution
Network
Q1 2008 Marketing and Distribution
Network
Maximize
Maximize
Player
Player
Awareness
Awareness
and
and
Game
Game
Recognition
Recognition
to
to
Improve
Improve
Penetration
Penetration

Table of Contents

©
2008 Giant Interactive Group, Inc. All Rights Reserved
9
325
309

305
295
320
0
50
100
150
200
250
300
350
400
1Q07
2Q07
3Q07
4Q07
1Q08
1,405
1,447
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
Key Quarterly Operating Metrics
Key Quarterly Operating Metrics
Average Revenue per User (ARPU)
Active Paying Accounts (APA)
Peak Concurrent Users (PCU)
Average Concurrent Users (ACU)
512
450
546
481
515
0
100

200
300
400
500
600
1Q07
2Q07
3Q07
4Q07
1Q08
1,073
888
983
1,646
874
0
200
400
600
800
1,000
1,200
1,400
1,600
1Q07
2Q07
3Q07
4Q07
1Q08

Q407 figures onward include *ZT Online*, *ZT Online PTP*
and *Giant Online*; before Q407, all figures are *ZT Online*
only

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
59.6
48.6

54.1
67.3
41.7
0
10
20
30
40
50
60
70
80
1Q07
2Q07
3Q07
4Q07
1Q08
Profitable Growth and High Margins
Profitable Growth and High Margins
Net Revenue
Net Income
45.8
32.6
48.3
38.7
34.7
0
10
20
30
40
50
60
1Q07
2Q07
3Q07
4Q07
1Q08
Net Income Margin
Gross Profit Margin
85.70%
89.60%
88.80%
89.20%
91.20%
80%
85%
90%
95%
1Q07

2Q07
3Q07
4Q07
1Q08
76.80%
71.40%
71.60%
71.80%
78.20%
65%
70%
75%
80%
1Q07
2Q07
3Q07
4Q07
1Q08

Table of Contents

©
2008 Giant Interactive Group, Inc. All Rights Reserved
12
Q1 2008 Key Financial Highlights
Q1 2008 Key Financial Highlights

0.20
48.3
45.8
14.2
60.0
7.2
67.3
Q1 2008
US\$
1.38
338.7
321.0
99.8
420.8
50.8
471.6
Q1 2008
RMB
11.6%
36.5%
29.7%
139.5%
45.5%
81.5%
48.7%
Y-o-Y%
(0.3%)
1.39
1.24
Basic EPS
1.5%
333.8
248.1
Net Income
15.1%
278.9
247.6
Income from Operations
6.3%
93.9
41.7
Operating Expenses
12.9%
372.8
289.2
Gross Profit
(18.1%)
62.0
28.0
Cost of Services

8.5%

434.8

317.2

Total Net Revenue

Q-o-Q %

Q4 2007

RMB

Q1 2007

RMB

(In millions, except EPS data)

Table of Contents

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

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
909.3
738.0
171.3
171.3
909.3
877.1
832.1
March 31,
2008
US\$
6,376.1
5,175.1
1,201.0
1,201.0
6,376.1
6,150.2
5,835.0
March 31,
2008
RMB
504.4
Shareholders
Equity
795.0
Total Liability and Shareholders
Equity
290.6
Total Liabilities
274.7
Current Liabilities
795.0
Total Assets
735.4
Current Assets
205.0
Cash
March 31,
2007
RMB
(In millions)