

**GIANT**

**2009 Second Quarter Results  
Presentation**  
August 19, 2009

# 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, 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 estimated total net revenues for the third quarter of 2009, the ability of ZT Online to attract players and extend its life cycle with the expansion pack introduced in July 2009, the continuing benefits of the reorganization of our R&D teams, our ability to successfully commercially launch our new games in the timeframe we propose or at all, including ZT Online Green Edition, King of Kings III, ZT Online II, Dragon Soul, The Golden Land, My Sweetie, XT Online, and Empire of Sports, our continued efforts to successfully operate and adjust features of our existing games, including introduction of expansion packs, the benefits of the Win@Giant game incubation program, the benefits of tightened cost controls and reduction in sales and marketing expenses, and our ability to continue to grow our business and build long-term shareholder value. 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. Our actual results and financial condition and other circumstances may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Among the factors that could cause our actual results to differ from what we currently anticipate may include failure by ZT Online gamers to resume in-game spending or continue in-game spending at historical levels, our ability to develop, purchase or license additional online games that are attractive to our players, our ability to develop and successfully launch expansion packs for our online games, our ability to adjust and enhance our online games to users' preferences to generate revenues, our dependence on one online game, which currently accounts for the majority of our historical net revenues, our ability to respond to competition, our ability to adjust to the current global economic crisis, our need to implement and maintain effective internal control over financial reporting, our limited operating history and unproven long-term potential of our online game business model, our uncertainties with respect to the PRC legal and regulatory environments and volatility in the markets we operate in. The financial information contained in this release should be read in conjunction with the consolidated financial statements and notes thereto included in our annual report on Form 20F for the fiscal year 2008, as filed with the Securities and Exchange Commission on June 19, 2009, 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 8 of our annual report for fiscal year 2008. Our actual results of operations for the second quarter 2009 are not necessarily indicative of our operating results for any future periods. Any projections in this release 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 press release. Such information speaks only as of the date of this release.

## 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 RMB6.8302, which was the noon buying rate as of June 30, 2009 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.



# Giant Interactive Group

A Leading Online Game Developer & Operator

# Giant: NYSE Listed



<b>NYSE IPO:</b>	<b>November 1, 2007</b>
<b>Ticker:</b>	<b>GA</b>
<b>Market Cap:</b>	<b>US\$1.8 Billion</b> <i>August 18, 2009</i>
<b>Fully Diluted Shares:</b>	<b>Approximately 234 Million</b>

## *About Giant:*

<b>Headquarters:</b>	<b>Shanghai, China</b>
<b>Employees:</b>	<b>Approximately 3,100</b> <b>including 1,600 liaison</b> <b>personnel</b>
<b>Investor Information:</b>	<b><a href="http://www.ga-me.com">www.ga-me.com</a></b>

**GA**  
**LISTED**  
**NYSE®**

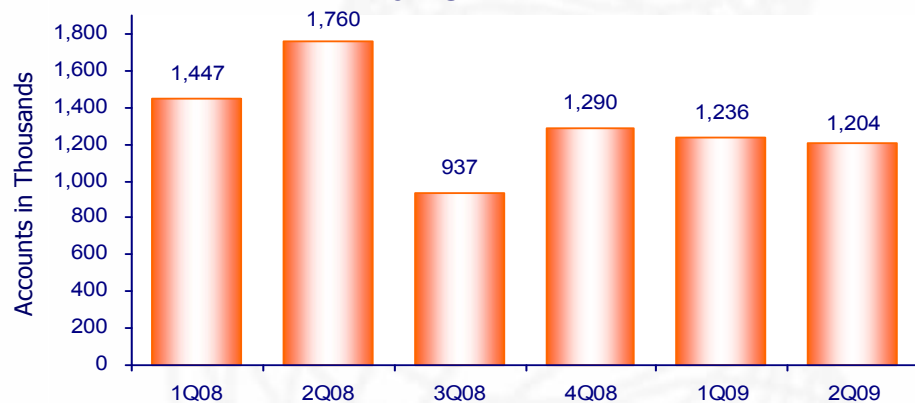


# Key Operational and Financial Highlights

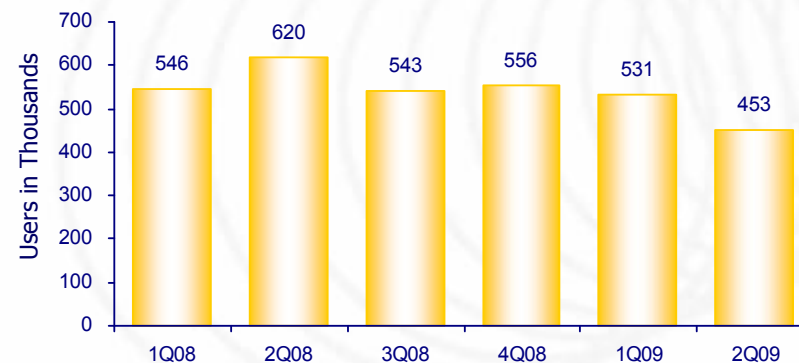
# Key Quarterly Operating Metrics



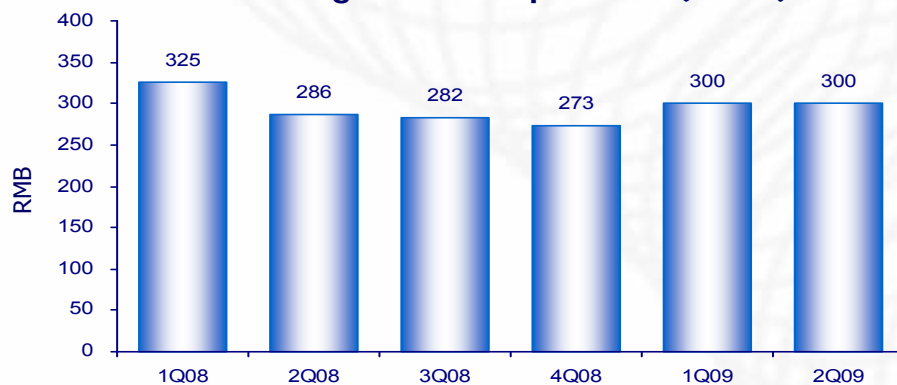
### Active Paying Accounts (APA)



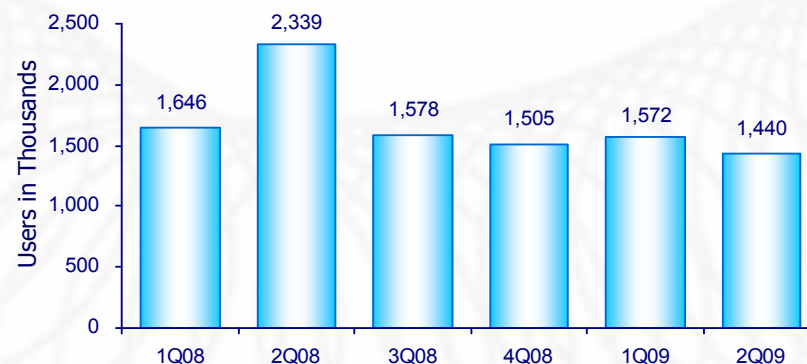
### Average Concurrent Users (ACU)



### Average Revenue per User (ARPU)



### Peak Concurrent Users (PCU)

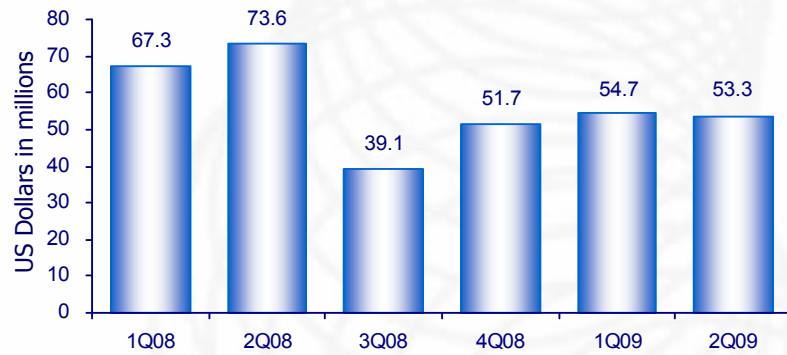


- 3Q08 and onwards figures include ZT Online, ZT Online PTP, ZT Online Classic Edition, and Giant Online
- Prior figures include ZT Online, ZT Online PTP and Giant Online

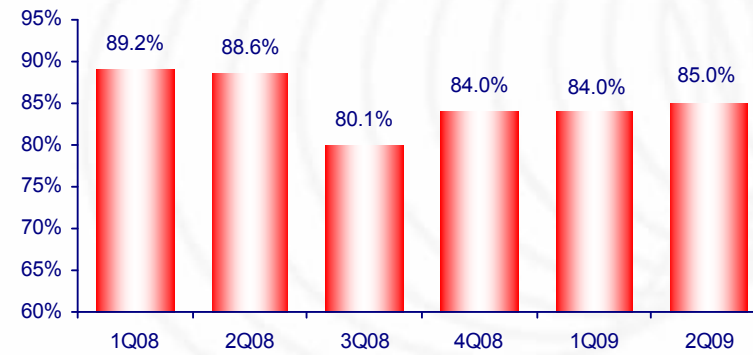
# Solid Profitability and High Margins



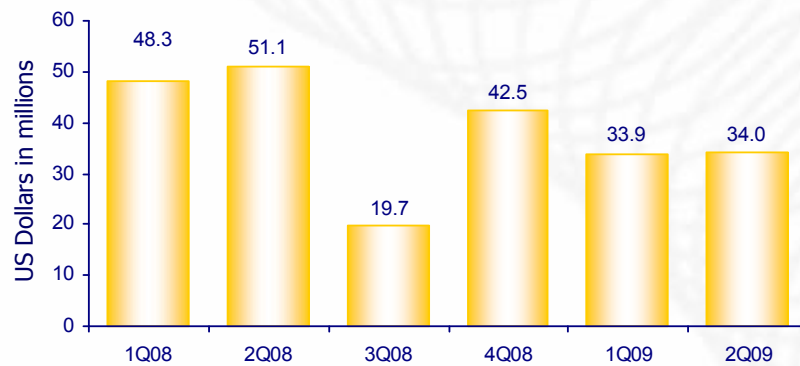
### Net Revenue



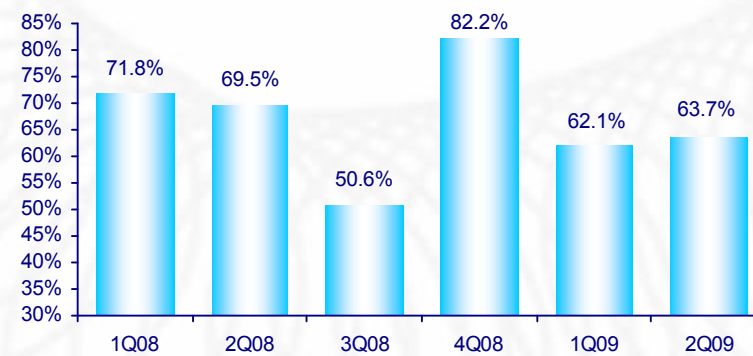
### Gross Profit Margin



### Net Income



### Net Income Margin



# Q2 2009 Key Financial Highlights



<i>(In millions, except EPS data)</i>	Q2 2009 US\$	Q2 2009 RMB	Q1 2009 RMB	Q-o-Q %	Q2 2008 RMB	Y-o-Y %	Margins
<b>Total Net Revenue</b>	53.3	364.1	373.5	-2.5%	504.8	-27.9%	
<b>Cost of Services</b>	8.0	54.5	59.6	-8.6%	57.8	-5.6%	
<b>Gross Profit</b>	45.3	309.5	313.9	-1.4%	447.0	-30.8%	85.0%
<b>Operating Expenses</b>	11.0	75.1	81.9	-8.3%	118.8	-36.8%	
<b>Income from Operations</b>	34.3	234.4	231.9	1.1%	328.2	-28.6%	64.4%
<b>Net Income Attributable to the Company's Shareholders</b>	34.0	231.9	231.9	0%	350.6	-33.9%	63.7%
<b>Basic EPS (RMB)</b>		1.03	1.03	0%	1.45	-29.0%	
<b>Diluted EPS (RMB)</b>		0.99	0.99	0%	1.40	-29.3%	
			Q1 2009 US\$	Q-o-Q %	Q2 2008 US\$	Y-o-Y %	
<b>Basic EPS (US\$)</b>	0.15		0.15	0%	0.21	-28.6%	
<b>Diluted EPS (US\$)</b>	0.15		0.15	0%	0.20	-25.0%	

# Strong Balance Sheet



*(In millions)*





	June 30, 2009 US\$	June 30, 2009 RMB	March 31, 2009 RMB	June 30, 2008 RMB
<b>Cash, Cash Equivalents and Short-Term Investments</b>	737.1	5,034.4	5,211.1	5,729.6
<b>Current Assets</b>	760.4	5,193.6	5,341.2	5,932.1
<b>Total Assets</b>	885.5	6,048.1	6,115.6	6,200.2
<b>Current Liabilities</b>	78.1	533.5	839.1	735.4
<b>Total Liabilities</b>	78.1	533.5	839.1	735.4
<b>Shareholders' Equity</b>	807.0	5,511.9	5,276.5	5,464.8
<b>Non-controlling Interest</b>	0.4	2.7	-	-
<b>Total Liability and Equity</b>	885.5	6,048.1	6,115.6	6,200.2



# Operational Updates








# Flagship Game Segmentation Strategy



Games	Game History and Milestones	Planned Initiatives
<b>ZT Online</b> 	<ul style="list-style-type: none"> <li>• Launched in January 2006</li> <li>• Self-developed Free-to-Play 2D MMORPG</li> <li>• Multiple expansion packs introduced since launch</li> <li>• Monetization restructuring in 3Q08</li> <li>• Now also available in Vietnam</li> </ul>	<p>“Parenthood Simulation” expansion pack began testing in July 2009 and to complete roll out in Sept 2009</p>
<b>ZT Online Classic</b> 	<ul style="list-style-type: none"> <li>• Open beta testing launched at end of 3Q08</li> <li>• Original ZT Online features but eliminated all promotional items</li> <li>• Designed to target former ZT Online players and enhance player loyalty</li> </ul>	<p>“Unparalleled Martial Arts” expansion pack to begin testing in Sept 2009</p>
<b>ZT Online Green</b> 	<ul style="list-style-type: none"> <li>• Original ZT Online gameplay with enhanced in-game economy benefiting lower spending and non-paying players for further in-game diversity</li> <li>• New maps, skills, items, and other game features</li> </ul>	<p>Testing to begin Oct 2009</p>
<b>ZT Online II</b> 	<ul style="list-style-type: none"> <li>• Sequel to ZT Online, brand new Free-To-Play 2D MMORPG</li> <li>• Revised economic system targeting lower spending gamers to attract more players</li> <li>• Basic game design completed with enhanced graphics, sound effects, # of professions, animation, etc.</li> </ul>	<p>Engineering testing to begin toward end of 2009</p>

# A Growing Product Portfolio



Games	Game History and Milestones	Planned Initiatives
 Giant Online	<ul style="list-style-type: none"> <li>Open beta testing launched at end of 1Q08</li> <li>Released a feature-set for exploration and pursuit of additional equipment in 2Q09</li> </ul>	Next military rank to be unlocked in 3Q09
 My Sweetie	<ul style="list-style-type: none"> <li>Part of our Win@Giant program from 1Q09</li> <li>2.5D free-to-play casual MMORPG involving virtual pets</li> </ul>	Currently under closed beta testing
 King of Kings III	<ul style="list-style-type: none"> <li>GA acquired rights to operate in China in 2007</li> <li>Limited closed beta testing in China in 1Q09</li> <li>Fine-tuning based on the feedback from 1<sup>st</sup> phase limited closed beta testing and 2<sup>nd</sup> phase limited closed beta testing in 3Q09</li> </ul>	Closed beta testing in 4Q09
 XT Online	<ul style="list-style-type: none"> <li>Part of our Win@Giant program from 2Q09</li> <li>2.5D ancient Chinese martial arts MMORPG</li> <li>Enriching content, artwork and various functions in 2Q09, now further fine-tuning</li> </ul>	Limited closed beta testing in 3Q09 and closed beta testing in 4Q09
 The Golden Land	<ul style="list-style-type: none"> <li>Our first self-developed webpage, with a medieval strategy theme</li> <li>Engineering testing began in 3Q09 and now further optimization</li> </ul>	Limited closed beta testing in 3Q09 and closed beta testing in 4Q09
 Dragon Soul	<ul style="list-style-type: none"> <li>3D ancient Chinese PK MMORPG</li> <li>Developed by our R&amp;D office in Chengdu, Sichuan</li> <li>Self-developed 3D engine</li> </ul>	Engineering testing in Q409
 Empire of Sports	<ul style="list-style-type: none"> <li>GA acquired rights to operate in China in early 2008</li> <li>Officially launched in Europe in December 08</li> <li>Commenced limited engineering testing in China in 2Q09</li> </ul>	Further localization for Chinese market

# Share Repurchase Program Update



**1**

As of June 30, 2009, Giant repurchased 16,517,985 ADSs, for total consideration of US\$106.9 million, out of the \$150 million share repurchase program. Giant did not repurchase any shares during second quarter 2009. This program is terminated.

**2**

In August 2009, the Board of Directors approved another share repurchase plan, authorizing the Company to repurchase up to US\$150.0 million of its ADSs.

# Q2 2009 Marketing and Distribution Network



## Enhanced Marketing Efficiency in Q2'09

- ▶ Over 390 liaison offices
- ▶ 1600 dedicated liaison personnel
- ▶ Over 290 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
- ▶ Streamline marketing and advertising costs to improve efficiency



**Maximize Player Awareness and Game Recognition to Improve Penetration**



# Business Outlook

# Growth Strategies

To Become the Largest Online Game Developer and Operator in Asia



**1**

**Player Segmentation Based on Game Features and Spending Preferences to Increase Player Loyalty and to Extend Game Lifecycles**

**2**

**Enhance Online Community and Expand Geographical Coverage to Grow Our Player Base**

**3**

**Pursue Opportunities for Acquisitions, Strategic Joint Ventures and Opportunistic Investments**

# Expanding into New Genres of Online Gaming



- Goal: capture gamers with a broader array of preferences
- Initiative: Utilize innovation and creativity derived from Win@Giant Incubation Program to bring games in new genres to market

## Existing Genres of Giant Games

**Hardcore,  
combat-centric  
PK MMORPGs**

*ZT Online  
and  
Giant Online*

## Expanding into new genres with the help of Win@Giant

**Hardcore, combat-centric PK MMORPGs**

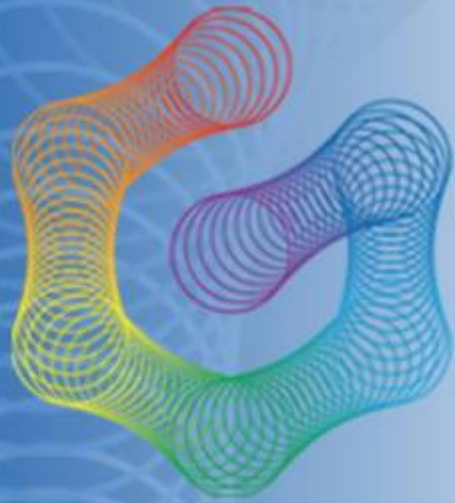
*ZT Online, Giant Online, King of Kings III, XT Online, ZT Online II, and Dragon Soul*

**Casual MMORPGs**

*My Sweetie and Empire of Sports*

**Web Games**

*The Golden Land*



# GIANT

**NYSE: GA**  
**Thank you**

[www.ga-me.com](http://www.ga-me.com)