

Update

Equities - Germany

March 21th, 2014



Ming Le Sports AG

Rating: **Under Review**

Risk: **Very High**

Current Price: EUR 2.00

NEW Price Target: Under Review
Old Price Target: EUR 13.75

Sector: Retail

Reuters Code: ML2.F
Bloomberg Code: ML2 GR

Internet Page: www.mingle-sportswear.de
Fiscal Year Ending: December

Trading Data

Price High/Low 52w: EUR 6.52 - 1.50
Market Capitalisation: EUR 18.2m
Shares Outstanding: 30.2m
Free Float: 68.5%

Price Graph



Financial Calendar

April 2014 Release of Q1 2014

Date and Time of Prices
March 21, 2014 10:00 (CET)

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Please take a note of the Disclaimer and other information on Page 3

Stock falls strongly - Rating and Target price under review

Today the stock price of Ming Le Sports AG fell roughly 50%.

The company has announced why its auditor Warth & Klein Grant Thornton has stepped down from auditing 2013 annual accounts.

Reasons are as follows:

Four of the 26 customers and two of the 44 suppliers of Mingle China had been identified, which the business licenses had been marked as either cancelled or suspended in the commercial register. In response to these findings, Grant Thornton checked the respective bank accounts of the customers and suppliers concerned and could not verify that the bank accounts were existing or operating at the time of check.

Additionally, Grant Thornton states that existing documentation was insufficient evidence for the existence of the said revenues and trade receivables, neither for the trade payables.

Grant Thornton has asked the Management Board of Ming Le Sports AG to provide further proofs and allow further checks in this respect. The Management Board and Grant Thornton could not agree on Ming Le Sports AG allowing further checks and giving further proofs.

Until this issue is solved, we see us not able to either rate of value the company.

Consequently we put the Rating as well as the target price under review.

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Summary of VEM's recommendations over the last 12 month concerning the securities of the company being subject of this analysis

Date of publication	Share Price at this date	Recommendation	New Fair Value (at date of publication)
17.01.2014	EUR 5.11	Buy	EUR 13.75

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Company	Disclosure
Ming Le Sports AG	3 - 5 - 9 - 10 - 11 - 13

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Details of material sources of information:

This financial analysis is based on public available information (Company presentations, Annual Reports, Quarterly Reports, Press Information, prospectus, ad-hoc announcements etc.). Moreover, management interviews for more detailed information about the current business development were held with the company.

Summary of the valuation methods and principles applied in the preparation of the financial analysis:

The valuations underlying the ratings of the securities analysed by VEM are based on generally accepted and widely used methods of fundamental valuation, such as DCF model, Peer group comparison, NAV valuation and - where applicable - a Sum-of-the-parts model.

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- BUY: The expected return (composed of the projected change of the share price and the anticipated dividend yield) is at least + 10 %.
 HOLD: The expected return (composed of the projected change of the share price and the anticipated dividend yield) ranges from - 10 % and + 10 %.
 SELL: The expected return (composed of the projected change of the share price and the anticipated dividend yield) is worse than - 10 %.

For further important details concerning the valuation methods applied in the preparation of this analysis, the meaning of the specific investment recommendation (including the recommended investment period, the risks associated with the investment and the sensitivity of the valuation parameters) please see the Section "Valuation" in this analysis.

Quarterly summary:

VEM is evaluating its ratings on a quarterly basis. The evaluation for the last quarter compares VEM's recommendations "Buy", "Hold", and "Sell" in total with VEM's recommendations "Buy", "Hold", and "Sell" for companies to which VEM has delivered significant investment banking services during the last 12 month. To view this evaluation, please visit www.vem-aktienbank.de.

Additional important information:

Date of first publication of this analysis by VEM: March 21th 2014

Date and Time of relevant Share Price (see first page)

A schedule for an update of this Analysis is not appointed yet. VEM reserves the right to update any individual analysis without prior notice.