

APPLICA INC
Form SC 14D9/A
January 17, 2007

(e)(14), Exhibit (e)(16) and Exhibit (e)(17) to this Statement are incorporated herein by reference, and include the information on the following pages and with the following headings from the annual meeting proxy statement and the Harbinger merger proxy statement:

The Applica board based its determination to recommend that Applica's shareholders reject the revised NACCO offer and not tender their shares in the revised NACCO offer on the following reasons:

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The No Adverse Change Condition does not exclude effects arising out of the announcement or pendency of a potential transaction with NACCO. The Applica board believes that the announcement of a potential transaction with NACCO may result in a substantial loss of key employees and other adverse effects on Applica's business. Although it is impossible to assess whether such adverse effects will occur, such potential risks have not yet been identified as risks to consummation of the Harbinger merger. If such an adverse impact did occur after the announcement of a potential transaction with NACCO, NACCO could assert that the No Adverse Change Condition was not satisfied and, as a result, not consummate the revised NACCO offer. Applica requested that NACCO revise the No Adverse Change Condition such that adverse changes resulting from the transaction itself cannot be asserted to avoid completion of the NACCO offer. NACCO indicated a willingness to make certain changes in this condition in the context of a merger agreement, but indicated that it would require a reasonable level of specificity with respect to the exclusions. Material adverse

Harbinger is offering \$0.20 more per share than NACCO. In addition, Applica believes that, subject to receipt of shareholder approval, substantially all conditions precedent to the consummation of the Harbinger merger have been satisfied or will be satisfied at closing and the merger with Harbinger will be completed not later than one business day after the shareholder meeting. On the other hand, NACCO is offering a lower per share purchase price, and the Applica board is considerably less confident that certain conditions to the NACCO offer can be satisfied. Applica has communicated its concerns regarding consummation certainty to NACCO. NACCO, however, has refused to adequately address these concerns, particularly the Minimum Condition, after being given numerous opportunities to do so. This presents, in the Applica board's view, an unacceptable risk that NACCO's offer cannot be completed. To avoid the increasing risk of harm to Applica's business and the attendant risks to the completion of a sale of Applica, and to maximize

