SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C. 20549

SCHEDULE 14D-9

Solicitation/Recommendation Statement
Under Section 14(d)(4)
of the Securities Exchange Act of 1934

Balance Bar Company
(Name of Subject Company)

Balance Bar Company
(Name of Persons Filing Statement)

Common Stock, par value $0.01 per share
(Title of Class of Securities)

057623100
(CUSIP Number of Class of Securities)

James A. Wolfe
President and Chief Executive Officer
Balance Bar Company
1015 Mark Avenue
Carpinteria, California 93013
(805) 566-0234

(Name, address and telephone
number of person authorized to
receive notices and communications on
behalf of the persons filing statement)

with a copy to:

Kent V. Graham
O'Melveny & Myers LLP
1999 Avenue of the Stars, Suite 700
Los Angeles, California 90067
(310) 553-6700

[_] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

[LOGO OF BALANCE BAR COMPANY]

1015 Mark Avenue
Carpinteria, California 93013
805-566-0234

January 28, 2000

To Our Stockholders:

I am pleased to inform you that Balance Bar Company (the "Company") has entered into an Agreement and Plan of Merger dated as of January 21, 2000 (the "Merger Agreement") providing for the acquisition of the Company by BB Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly-owned subsidiary of Kraft Foods, Inc., a Delaware corporation ("Parent"), which is a wholly-owned subsidiary of Philip Morris Companies Inc., a Virginia corporation. Pursuant to the Merger Agreement, Purchaser has today commenced a tender offer (the "Offer") to purchase all of the outstanding shares of the Company's Common Stock at a cash price of $19.40 per share. Following consummation of the Offer and subject to certain conditions, Purchaser will merge with and into the Company (the "Merger"). In the Merger, each share of the Company's Common Stock not acquired in the Offer will be converted into the right to receive $19.40 in cash. The Offer is currently scheduled to expire at 12:00 midnight, New York City time, on February 25, 2000.

Your Board of Directors has unanimously approved the Offer and the Merger and has determined that each of the Offer and the Merger is fair to, and in the best interests of, the stockholders of the Company, and unanimously recommends that stockholders accept the Offer and tender their shares of Common Stock pursuant to the Offer.

In separate agreements, I, Thomas R. Davidson and Richard G. Lamb have agreed with Parent to tender our shares of Common Stock, representing, in the aggregate, approximately 54% of the outstanding shares of Common Stock (approximately 51% of the shares of Common Stock on a fully diluted basis), into the Offer and otherwise to support the Merger.

Purchaser's Offer to Purchase and related materials, including a Letter of Transmittal to be used for tendering your shares, are enclosed with this letter. These documents set forth in detail the terms and conditions of the Offer and the Merger and provide instructions on how to tender your shares. I urge you to read the enclosed materials carefully.

Attached to this letter is a copy of the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Recommendation") filed with the Securities and Exchange Commission, which includes information regarding the factors considered by your Board of Directors in its deliberations, and certain other information regarding the Offer and the Merger. Included as Annex A to the Recommendation is a copy of the written opinion, dated January 21, 2000, of Salomon Smith Barney Inc., the Company's financial advisor, to the effect that, as of such date and based upon and subject to certain matters stated therein, the $19.40 per share cash consideration to be received in the Offer and the Merger by holders of shares (other than Parent and its affiliates) was fair, from a financial point of view, to such holders. You are urged to read such opinion carefully in its entirety.

On behalf of the Board of Directors, I thank you for your continued support.

/s/ James A. Wolfe

James A. Wolfe
President and Chief Executive Officer

Item 1. Subject Company Information

The name of the subject company is Balance Bar Company, a Delaware corporation (the "Company"), and the address of the principal executive offices of the Company is 1015 Mark Avenue, Carpinteria, California 93013. The telephone number of the principal executive offices of the Company is (805) 566-0234. The title of the class of equity securities to which this statement relates is the common stock, par value $0.01 per share, of the Company (the "Common Stock"). As of January 21, 2000, there were 12,646,276 shares of Common Stock outstanding.

Item 2. Identity and Background of Filing Person

(a) The name, address and telephone number of the Company, which is the person filing this Statement, are set forth in Item 1 above.

(b) This Statement relates to the tender offer by BB Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly-owned subsidiary of Kraft Foods, Inc., a Delaware corporation ("Parent"), which is a wholly-owned subsidiary of Philip Morris Companies Inc., a Virginia corporation ("Philip Morris"), disclosed in a Tender Offer Statement on Schedule TO (the "Schedule TO"), dated January 28, 2000 and filed with the Securities and Exchange Commission (the "Commission"), to purchase all outstanding shares of Common Stock at a price of $19.40 per share (the "Offer Price"), net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated January 28, 2000 (the "Offer to Purchase") and in the related Letter of Transmittal (the "Letter of Transmittal") (which, together with any amendments and supplements thereto, collectively constitute the "Offer") included in the Schedule TO.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of January 21, 2000 (the "Merger Agreement"), among Parent, Purchaser and the Company. The Merger Agreement provides that, among other things, as soon as practicable after consummation of the Offer and the satisfaction of the other conditions set forth in the Merger Agreement, and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware, Purchaser will be merged with and into the Company (the "Merger"), with the Company continuing as the surviving corporation (the "Surviving Corporation").

According to the Schedule TO, the address of the principal executive offices of Purchaser is Three Lakes Drive, Northfield, IL 60093, the address of the principal executive offices of Parent is Three Lakes Drive, Northfield, IL 60093 and the address of the principal executive offices of Philip Morris is 120 Park Avenue, New York, New York 10017. All information contained in this Statement or incorporated herein by reference concerning Purchaser, Parent, Philip Morris or their affiliates, or actions or events with respect to any of them, was provided by Purchaser, Parent or Philip Morris, respectively, and the Company assumes no responsibility therefor.

Item 3. Past Contacts, Transactions, Negotiations and Agreements

Conflicts of Interest

Certain contracts, agreements, arrangements or understandings and any actual or potential conflicts of interest between the Company or its affiliates and (1) the Company's executive officers, directors or affiliates, or (2) Parent, Purchaser, Philip Morris or their respective executive officers, directors or affiliates are described below. See also "Background of the Offer; Past Contacts, Transactions or Negotiations with the Company" in the Offer to Purchase for a description of certain such contracts, agreements, arrangements, understandings or conflicts of interest. For a description of the background of the transaction and recent contacts among Parent, Purchaser and the Company, see Item 4 below.

The Merger Agreement

The summary of the Merger Agreement contained in the Offer to Purchase is incorporated herein by reference. Such summary should be read in its entirety for a description of the terms and provisions of the Merger Agreement. In addition, some of the information set forth below summarizes certain portions of the

Merger Agreement which relate to arrangements between the Company, Parent and/or the Company's executive officers and directors. The summary of the Merger Agreement contained in the Offer to Purchase and the summary set forth below are qualified in their entirety by reference to the Merger Agreement, a copy of which is attached hereto as Exhibit 3 and is incorporated herein by reference.

Stock Options

The Merger Agreement provides that as of the effective time of the Merger, all outstanding options to purchase shares of Common Stock, whether or not then exercisable or vested, and all warrants, calls, and other rights to acquire shares of Common Stock, including securities convertible into or exchangeable for shares of Common Stock (collectively, "Equity Derivatives"), will be canceled, redeemed or repurchased by the Company, and each holder of Equity Derivatives will receive the aggregate consideration that such holder would have received pursuant to the Offer if the holder had tendered the shares underlying such Equity Derivatives, less the aggregate exercise or purchase price of such underlying shares (subject to any applicable withholding tax).

As of January 27, 2000, directors and executive officers of the Company held, in the aggregate, 884,042 options to purchase Common Stock (including unvested options that will be accelerated at the effective time of the Merger pursuant to the terms of (i) the Merger Agreement, and (ii) (A) the Company's 1993 Stock Incentive Plan filed as Exhibit 10 hereto and the Form of Employee Option Agreement thereunder filed as Exhibit 13 hereto, (B) the Company's 1997 Stock Incentive Plan filed as Exhibit 11 hereto and the Form of Employee Option Agreement thereunder filed as Exhibit 14 hereto, (C) the Company's 1998 Performance Award Plan filed as Exhibit 12 hereto and the Form of Employee Option Agreement thereunder filed as Exhibit 15 hereto and the Form of Nonqualified Stock Option Agreement thereunder filed as Exhibit 16 hereto, and (D) Nonstatutory Stock Option Agreements in the form filed as Exhibit 19 hereto, each of which is incorporated herein by reference (collectively, the "Stock Option Plans")), including 240,000 options held by Thomas J. Flahie, the Company's Chief Financial Officer ("Mr. Flahie"), 127,154 options held by James A. Wolfe, the Company's President and Chief Executive Officer ("Mr. Wolfe"), 45,288 options held by Richard G. Lamb, the Company's Executive Vice President and Secretary ("Mr. Lamb") and 21,000 options held by Thomas R. Davidson, the Company's Chairman of the Board ("Mr. Davidson").

Indemnification and Insurance

Pursuant to the Merger Agreement, Parent has agreed that after the effective time of the Merger, the Surviving Corporation will indemnify and hold harmless each present and former director or officer of the Company from liabilities for acts or omissions occurring at or prior to the effective time of the merger to the fullest extent required under applicable law and the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. In addition, the Merger Agreement provides that for six years after the effective time of the Merger, the Surviving Corporation will provide directors' and officers' liability insurance covering acts or omissions occurring prior to the effective time of the Merger with respect to those persons who are currently covered by the Company's directors' and officers' liability insurance policy on terms with respect to coverage and amounts no less favorable than those of such policy in effect as of the date of the Merger Agreement, provided that in satisfying this obligation the Surviving Corporation will not be obligated to pay more than 200% of the current annual premiums.

Pursuant to the power granted to the Company under its Amended and Restated Bylaws, the Company is a party to an indemnification agreement with each of its directors and executive officers, which provides that the indemnitee will be entitled to receive indemnification, including advancement of expenses, to the full extent permitted by applicable law and the Company's Amended and Restated Certificate of Incorporation for all expenses, judgments, fines, and penalties actually and reasonably incurred by the indemnitee in connection with the defense or settlement of any action brought against, threatened to be made against, or otherwise involving, the indemnitee by reason of the indemnitee's capacity as a director or executive officer of the Company.

The foregoing summary is qualified in its entirety by the provisions of the form of indemnification agreement filed as Exhibit 17 hereto, which is incorporated herein by reference.

Employment Arrangements

Parent and each of Mr. Flahie, Mr. Lamb, Mr. Wolfe and Mr. Davidson have discussed certain proposed employment, severance, consulting and non-competition arrangements, and have entered into an Organizational Transition Plan (the "Organizational Transition Plan") providing for the same. The proposed arrangement with Mr. Flahie contemplates his continued employment with the Company until at least the end of 2000, a base salary increase effective January 1, 2000 in an amount consistent with the percentage base salary increase previously granted to all other full-time employees of the Company, a six month severance benefit, a consulting agreement for the period from January 1, 2001 through December 31, 2002 providing for the payment of $1,000 per day plus per diem expenses at a minimum of ten days per year, participation in the Company's performance incentive plan for 2000, and a three year non-competition covenant. The proposed arrangement with Mr. Lamb contemplates his continued employment with the Company until at least October 1, 2000, a base salary increase effective January 1, 2000 in an amount consistent with the percentage base salary increase previously granted to all other full-time employees of the Company, a consulting agreement for the period from October 1, 2000 through December 31, 2002 providing for the payment of $1,000 per day plus per diem expenses at a minimum of three days per year in 2000 and a minimum of ten days per year in 2001 and 2002, participation in the Company's performance incentive plan for 2000, and a three year non-competition covenant. The proposed arrangement with Mr. Wolfe contemplates his continued employment with the Company until at least the end of 2000, a base salary increase effective January 1, 2000 in an amount consistent with the percentage base salary increase previously granted to all other full-time employees of the Company, a six month severance benefit, a consulting agreement for the period from January 1, 2001 through December 31, 2002 providing for the payment of $1,000 per day plus per diem expenses at a minimum of 10 days per year, participation in the Company's performance incentive plan for 2000, and a three-year non-competition covenant. The proposed arrangement with Mr. Davidson contemplates a three year non-competition covenant on the part of Mr. Davidson.

The Organizational Transition Plan also includes certain proposed employment, severance, and non-competition arrangements for ten to twelve as yet unspecified other senior-level employees of the Company. The proposed arrangements with such employees contemplate their continued employment with the Company until at least July 1, 2000, but no later than October 1, 2000, a six month severance benefit and a one-year non-competition covenant.

The foregoing summaries are qualified in their entirety by the provisions of the Organizational Transition Plan filed as Exhibit 18 hereto, which is incorporated herein by reference.

The Support Agreements

On January 21, 2000, Parent entered into Support Agreements (the "Support Agreements") with each of Messrs. Davidson, Lamb and Wolfe, and any entities controlled by Messrs. Davidson, Lamb and Wolfe (collectively, the "Principal Stockholders"), with respect to the 6,999,718 shares of Common Stock and options to purchase Common Stock owned by the Principal Stockholders, representing, in the aggregate, approximately 54% of the outstanding shares of Common Stock (approximately 51% of the shares of Common Stock on a fully diluted basis) (the "Tender Shares"). Pursuant to the Support Agreements, the Principal Stockholders agreed to tender and not withdraw their shares (or cause the record owner of such shares to validly tender), pursuant to and in accordance with the terms of the Offer, as soon as practicable after commencement of the Offer but in no event later than five business days after the date of commencement of the Offer. The Principal Stockholders further agreed that, until the Expiration Date (as defined below), at any meeting of the stockholders of the Company (or in any written consent in lieu thereof), they shall each: (1) vote the Tender Shares in favor of the Merger; (2) vote the Tender Shares against any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under

the Merger Agreement; and (3) vote the Tender Shares against any action or agreement (other than the Merger Agreement or the transactions contemplated thereby) that would impede, interfere with, delay, postpone or attempt to discourage the Merger or the Offer.

The term "Expiration Date" means the first to occur of: (1) the effective time of the Merger; (2) termination or withdrawal of the Offer by Parent or Purchaser; and (3) written notice of termination of the Support Agreement by Parent to the Seller.

In furtherance of such commitments, the Principal Stockholders also granted to Parent an irrevocable proxy to vote all Tender Shares with respect to all matters on which the Tender Shares are entitled to vote at all times from the execution of the Support Agreement through the Expiration Date. Each Principal Stockholder also agreed that, except as contemplated by the Support Agreement, he will not: (1) transfer or consent to any transfer of, any or all of the Tender Shares or any interest therein; (2) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all of the Tender Shares or any interest therein; (3) grant any proxy, power-of-attorney or other authorization in or with respect to the Tender Shares; (4) deposit the Tender Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Tender Shares; or (5) take any other action that would in any way restrict, limit or interfere with the performance of the Principal Stockholder's obligations under the Support Agreement or the transactions contemplated thereby or by the Merger Agreement or which would make any representation or warranty of the Principal Stockholder under the Support Agreement untrue or incorrect; provided that the Principal Stockholder may transfer the Tender Shares to one or more affiliates or one or more members of the Principal Stockholder's immediate family, or a trust, the sole beneficiaries of which are members of the Principal Stockholder's immediate family, if any such transferee agrees in writing (in form and substance reasonably satisfactory to Parent) to be bound by the terms of the Support Agreement.

Each Principal Stockholder also agreed that during the term of the Support Agreement, he will comply with the non-solicitation provisions of Sections 6.6(a)-(c) and 6.6.1 of the Merger Agreement as though such provisions by their terms applied to the Principal Stockholder and his affiliates and advisors. Each Principal Stockholder also waived any rights of appraisal or rights to dissent from the Merger that he may have. The Support Agreements also contained customary representations and warranties of the Principal Stockholder including representations relating to title and ownership of the Tender Shares, power to enter into the Support Agreement and noncontravention.

The foregoing summary is qualified in its entirety by reference to the form of the Support Agreements filed as Exhibit 4 hereto, which is incorporated herein by reference.

Confidentiality Agreement

On November 2, 1999, Parent and the Company entered into a Confidentiality Agreement (the "Confidentiality Agreement"). The Confidentiality Agreement provides that for three years following the date of the Confidentiality Agreement, Parent will keep confidential all information concerning the Company, subject to certain exceptions, and will use the confidential information for no purpose other than evaluating a possible transaction with the Company. The foregoing summary is qualified in its entirety by reference to the Confidentiality Agreement, a copy of which is filed as Exhibit 5 and is incorporated herein by reference.

Item 4. The Solicitation or Recommendation

(a) Recommendation

THE BOARD OF DIRECTORS OF THE COMPANY, AT A SPECIAL MEETING HELD ON JANUARY 20, 2000, UNANIMOUSLY APPROVED THE MERGER AGREEMENT, THE OFFER AND THE MERGER, AND DETERMINED THAT THE TERMS OF THE OFFER AND THE MERGER ARE FAIR TO, AND IN THE BEST INTERESTS OF, THE COMPANY'S STOCKHOLDERS, AND RECOMMENDED ACCEPTANCE OF THE OFFER AND APPROVAL AND ADOPTION OF THE MERGER AGREEMENT BY THE COMPANY'S STOCKHOLDERS.

A letter to stockholders communicating the Board of Directors' recommendation is filed as Exhibit 6 and is incorporated herein by reference.

(b) Background; Reasons for the Board's Recommendation

Background of the Offer

As part of its expanding business activities since its initial public offering in June 1998, the Company has either approached, or been approached by, numerous companies that might have an interest in a business relationship such as a joint venture, licensing agreement, distribution arrangement, or otherwise. In some cases interest in a possible acquisition of or investment in the Company was indicated but, except as noted below, none of those discussions proceeded beyond the preliminary stage. Until the developments described below, these matters had been monitored by the corporate development subcommittee of the Company's Board of Directors (the "Board"), which gave regular reports to the Board on these matters.

In September 1999, two of the Company's senior officers visited a number of major food companies in Europe, including Parent's European division, with respect to possible strategic business transactions, including possible foreign distribution of the Company's products. One of these companies indicated that it was not interested in that kind of an arrangement, but might be interested in acquiring the Company as a whole. This topic was discussed by the Company's senior officers, including the Principal Stockholders who own, in the aggregate, approximately 54% of the outstanding shares of Common Stock (approximately 51% of the shares of Common Stock on a fully diluted basis) and who have signed the Support Agreements. Although the Company and the Principal Stockholders had not at the time decided to take any formal steps with respect to seeking a sale of the Company, they indicated a willingness to discuss the possibility of such a transaction with this European company. During September and October 1999, the Company's senior officers, including the Principal Stockholders, met with various officers, employees and other representatives of this European company and provided various information about the Company. Also in early October 1999, a senior officer of Parent called Mr. Wolfe to express Parent's interest in exploring a business relationship with the Company.

On October 22, 1999, a special meeting of the Board was held for the purpose of informing the directors about the discussions with the European company and other parties and determining an appropriate course of action. This meeting was also attended by members of the Company's management and the Company's regular legal counsel, O'Melveny & Myers LLP ("O'Melveny & Myers"). At this meeting, management reviewed with the Board the history and content of the discussions with the European company and the interest other companies had expressed in having a business relationship with the Company. The Board discussed various strategic alternatives available to the Company, including continuing on the Company's present course as a stand-alone company, increasing the Company's emphasis on strategic alliances or joint ventures, and exploring the possible sale of the Company. The Board discussed the competitive environment in the Company's industry, and the strategic and competitive challenges and opportunities that these various alternatives might present. The Board expressed concern that even if the Company were successful in executing its business plans, there was a risk that the value of its common stock might not be reflected in higher trading prices for its stock. The Board also discussed recent acquisition activity in the food business, noting that several acquisitions had been consummated at attractive valuations.

At this meeting, the Board determined that it should explore the possibility of a sale of the Company. The Principal Stockholders concurred in that decision. The Board then discussed the appropriate process to follow in exploring a possible sale, and O'Melveny & Myers advised the Board as to its duties and responsibilities in that regard. The Board discussed the possible different approaches that might be followed, including pursuing discussions only with the European company that continued to express interest in the Company, broadening the discussions to other parties, and retaining a financial advisor to assist the Company with these matters. The Board concluded that it would be desirable to retain a financial advisor and decided to

schedule a meeting once a financial advisor was selected to discuss further an appropriate process to be undertaken by the Company. Two possible candidates were discussed, both of which were familiar with the Company and its industry. A working group of the Board was authorized to hold discussions with both firms and to recommend a candidate to the Board. Following this meeting, the two firms were interviewed. Salomon Smith Barney Inc. ("Salomon Smith Barney") was selected, subject to Board approval, as the Company's financial advisor.

On October 28, 1999, representatives of the Company and Parent met at the Company's headquarters in Carpinteria, California, to discuss their respective businesses.

On October 30, 1999, the Board held a special meeting, which also was attended by the Company's senior officers. The Board discussed the process of selecting a financial advisor and the capabilities of the two firms considered, and ratified the retention of Salomon Smith Barney. Salomon Smith Barney joined the meeting, and the Board discussed with senior officers and Salomon Smith Barney the process for soliciting third party indications of interest and the financial benchmarks that might be relevant in evaluating a sale of the Company. After discussion, the Board concluded that it would be desirable to authorize Salomon Smith Barney to contact an approved list of companies that might be interested in acquiring the Company. Interested parties would be required to sign a confidentiality agreement and then would be provided with information about the Company, including non-public information.

On November 6, 1999, a special meeting of the Board was held, attended by the Company's senior officers and the Company's legal and financial advisors. At this meeting, the Board received an update on the process and was informed that twenty-five parties, including Parent, had been contacted by this time, of which twenty-one parties had indicated interest in receiving information about the Company.

By early November 1999, most of the parties that had indicated interest in receiving information about the Company, including the Parent, had executed confidentiality agreements and received a preliminary confidential information package containing an overview of the Company. These companies were asked to submit written preliminary indications of interest by November 17, 1999.

The Board held a special meeting on November 18, 1999, attended by the Company's senior officers and the Company's legal and financial advisors, to receive an update on the process. At this meeting, the Board was informed that by this time seven parties, including Parent, had submitted preliminary indications of interest and that the European company had submitted a revised indication of interest. The Board also was informed that two additional parties had indicated that they would be submitting indications of interests in the near future. In all cases, the preliminary indications of interest were conditional on extensive additional due diligence to enable the parties to determine, among other things, the possible synergistic benefits that might be available in a combination with the Company. After discussion of the preliminary indications of interest received, the Company decided to invite into the second round of the bidding process seven parties that had indicated a willingness to increase their preliminary valuations subject to the results of their due diligence investigations. The Board instructed Salomon Smith Barney to inform the interested parties as to the factors that would be of particular importance to the Board with respect to final proposals, including the valuation of the Company and the timeliness and certainty of consummation of a transaction. Over the ensuing week, these parties met with the Company's senior officers and received additional Company data.

The Board held a special meeting on November 23, 1999, attended by the Company's senior officers and the Company's legal and financial advisors, to receive an update on the process. Because of the impending holidays, the Board decided to request final bids in early January 2000 and authorized Salomon Smith Barney to continue discussions with the interested parties.

In early December 1999, a letter detailing the procedures that were to be followed in submitting final bids together with a draft merger agreement that had been prepared by O'Melveny & Myers were distributed to the interested parties, specifying January 12, 2000 as the date for the submission of final bids. Over the ensuing weeks, additional due diligence information was supplied to the interested parties.

At special meetings of the Board held on January 3, 2000 and January 10, 2000, attended by the Company's senior officers and the Company's legal and financial advisors, the Board received updates on the status of the process, including reports as to the issues that had been raised by interested parties during the course of their due diligence. At the January 10, 2000 meeting, Salomon Smith Barney also reviewed with the Board various valuation methodologies that would be utilized in connection with its financial analysis of offers. Salomon Smith Barney informed the Board that despite a number of other competing transactions in the acquisition market, the Company continued to be viewed by a number of bidders as an attractive acquisition candidate.

Commencing on January 12, 2000, the Company received final proposals from six bidders, including Parent and the European company.

The Board held a special meeting on January 14, 2000, attended by the Company's senior officers and legal and financial advisors, to review the bids received. The Board determined to focus primarily on two bidders, including Parent, based on the valuations indicated in their proposals. Parent had submitted a proposal that stated that it was prepared to make a cash tender offer for all outstanding shares at $18.95 per share of Common Stock, subject to expeditious completion of specified items of due diligence, confirmation of mutually acceptable employment terms and conditions with certain of the Company's senior officers, execution of the Support Agreements, and other customary conditions. The second bidder had proposed a cash bid in the range of $250-$280 million (equivalent to approximately $18.07 to $20.24 per share of Common Stock on a fully diluted basis), and noted that to refine its valuation it would need to conduct additional financial and business due diligence.

The Board discussed the relative merits of the two bids, noting that the high end of the price range indicated by the second bidder was higher than Parent's bid, but that pursuing a transaction with the second bidder presented a risk of losing a potential transaction with Parent. The Board considered Parent's proposal to be attractive from the perspective of its valuation, certainty of consummation, and limited additional due diligence requirements. In this regard, the Board noted that the second bidder required substantially more due diligence than Parent, both in scope and duration. The Board also discussed with the Company's legal and financial advisors the marked comments to the draft merger agreement that accompanied Parent's bid. In light of the length of time the sale process had taken to date and the risks of further delay, the Board believed that it was in the best interests of the Company and its stockholders to complete the process. The Board decided to proceed promptly with Parent if the financial terms of its proposal could be improved, and if Parent were willing to move expeditiously with remaining due diligence and contract negotiations. The Board instructed the Company's legal and financial advisors to pursue discussions with Parent, but to continue discussions with other interested parties if negotiations with Parent faltered. Each Principal Stockholder indicated support for these decisions.

Over the course of the next several days, as instructed by the Board, Salomon Smith Barney held discussions with Parent and its financial advisor about its offer. On January 14, 2000, Parent's financial advisor indicated that Parent was willing to increase its purchase price to $19.45 per share of Common Stock, subject to its understanding that the Company would have a certain projected level of cash at the time of the closing of the Merger, and that Parent would, before commencing negotiations, receive assurances that the Principal Stockholders would sign the Support Agreements substantially in the form described under Item 3 above and that appropriate employment arrangements with senior officers could be negotiated. Following receipt of such assurances from the Company, O'Melveny & Myers then forwarded to Parent's counsel revised drafts of the Merger Agreement and related documents.

From January 15, 2000 to January 20, 2000, Parent finalized its due diligence review. Concurrently with this review, the Company, the Principal Stockholders, Parent, and their respective legal and financial advisors negotiated the final terms of the Merger Agreement, the Support Agreements, and related documents. Concurrently, Parent and certain of the Company's senior officers held discussions with respect to the Organizational Transition Plan described under Item 3 above.

In the afternoon of January 19, 2000, the Board held a special meeting to receive an update on the status of the discussions and negotiations with Parent. At that meeting, Salomon Smith Barney reviewed with the Board its financial analysis of Parent's offer, and O'Melveny & Myers reported on the status of the discussions with respect to the Merger Agreement and related documents (copies of which had been forwarded to the directors prior to the meeting). The Board instructed its advisors to attempt to resolve any remaining issues with Parent promptly and authorized Salomon Smith Barney to continue informal discussions with the second bidder.

On January 20, 2000, all due diligence issues were addressed in a manner acceptable to Parent and Parent indicated that it was prepared to enter into the Merger Agreement as it had been negotiated by the parties and their counsel. In the evening of January 20, 2000, the Board held a special meeting to receive an update on the status of the discussions and negotiations. O'Melveny & Myers indicated that it believed that the terms of the Merger Agreement and the related documents were satisfactory from a legal point of view and consistent with the directors' duties. Each of the Principal Stockholders indicated that he was prepared to sign a Support Agreement. Mr. Flahie reported that Parent had insisted on a reduction of $.05 per share in the proposed price to be paid per share, to reflect cash expenditures to be made by the Company prior to the closing of the Merger. Salomon Smith Barney indicated that there had been no material change in its overall conclusions with respect to its financial analysis as reviewed with the Board at its meeting on January 19, 2000, and rendered to the Board an oral opinion (which opinion was confirmed by delivery of a written opinion dated January 21, 2000, the date of execution of the Merger Agreement) as to the fairness, from a financial point of view, to the holders of shares of Common Stock (other than Parent and its affiliates) of the $19.40 per share cash consideration to be received in the Offer and the Merger.

After discussions, the Board unanimously voted to approve the Merger Agreement and the related documents and transactions, for the reasons described below. The Merger Agreement, the Support Agreements, and the Organizational Transition Plan were signed and delivered, and the parties issued a press release announcing the transaction on the morning of January 21, 2000.

Reasons for the Board's Recommendation

The Board has unanimously approved the Merger Agreement and the Offer, and recommends that stockholders tender their shares of Common Stock in the Offer. In reaching this determination, the Board consulted with the Company's senior officers and legal and financial advisors, and considered the following important factors that supported the Board's recommendations:

- The Board's knowledge of the Company's business and earnings prospects, its needs for funds to achieve future plans, near term and long term business risks, historical stock prices, management succession issues, the competitive business environment in which the Company operates, and business and valuation trends in the Company's industry.

- Developments in the Company's industry, including the entry of large food companies into the business either through the launch of new products or the acquisition of competitors of the Company. In addition, the Board considered the senior officers' view that the nutrition bar business is likely to require substantially increased capital and resources for advertising, marketing, and product development, which could pose a significant strategic and competitive challenge to the Company.

- The extensive sale process undertaken before the signing of the Merger Agreement, as described under "Background of the Offer."

- The per share price of $19.40 to be paid in the Offer and the Merger, which represents a premium of approximately 37% over the per share closing price of $14.125 on January 20, 2000, the last trading day before the date of the execution of the Merger Agreement, and approximately 204% over the closing price of $6.375 on October 22, 1999, the date when the Board initiated the sale process described under "Background of the Offer."

- The opinion of Salomon Smith Barney dated January 21, 2000 to the effect that, as of such date and based upon and subject to certain matters stated in such opinion, the $19.40 per share cash consideration to be received in the Offer and the Merger by holders of shares (other than Parent and its affiliates) was fair, from a financial point of view, to such holders. The full text of Salomon Smith Barney's written opinion dated January 21, 2000, which sets forth the assumptions made, matters considered and limitations on the review undertaken by Salomon Smith Barney, is attached hereto as Annex A and is incorporated herein by reference. Salomon Smith Barney's opinion is directed only to the fairness, from a financial point of view, of the $19.40 per share cash consideration to be received in the Offer and the Merger by holders of shares (other than Parent and its affiliates) and is not intended to constitute, and does not constitute, a recommendation as to whether any stockholder should tender shares pursuant to the Offer or as to any other matter relating to the Offer or the Merger. Holders of shares are urged to read such opinion carefully in its entirety.

- The Board's belief that Parent is a highly attractive, interested acquirer of the Company, with the ability to complete the Offer and the Merger promptly without a financing contingency.

- The terms and conditions of the Merger Agreement and the Support Agreements, including the limitations they pose on the Company's ability to seek alternative transactions with other parties.

- The fact that the Principal Stockholders were in favor of the transactions and willing to sign the Support Agreements.

- Possible alternatives to the Offer, including continuing to operate as an independent public company, increasing the Company's emphasis on strategic alliances or joint ventures, or continuing to seek a sale of the Company to another party, and the effect, benefits and risks, short term and long term, of such alternatives on the value of the Common Stock.

The foregoing discussion of the information and factors considered by the Board is not meant to be exhaustive, but summarizes the material factors considered by the Board. The Board did not quantify or attach any particular weight to the various factors, or determine that any particular factors were of primary importance. Rather, the Board made its determination that the Merger Agreement and the Offer are fair to, and in the best interests of, the Company and its stockholders based on the totality of the information presented to and considered by the Board. Individual members of the Board may have given different weight to these different factors.

(c) Intent to Tender

Pursuant to the Support Agreements described in Item 3 above, the Principal Stockholders have agreed to (i) tender all shares of Common Stock covered thereby into the Offer, (ii) vote such shares in favor of the Merger, (iii) vote such shares against any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement, and (iv) vote such shares against any action or agreement (other than the Merger Agreement or the transactions contemplated thereby) that would impede, interfere with, delay, postpone or attempt to discourage the Merger or the Offer. The shares that are the subject of the Support Agreement represent, in the aggregate, approximately 54% of the outstanding shares of Common Stock (approximately 51% of the shares of Common Stock on a fully diluted basis). See "The Support Agreements" under Item 3 above.

Item 5. Persons/Assets Retained, Employed, Compensated or Used

The Company has retained Salomon Smith Barney to act as its financial advisor in connection with the Offer and the Merger. Pursuant to the terms of Salomon Smith Barney's engagement, the Company has agreed to pay Salomon Smith Barney an aggregate financial advisory fee equal to 0.94% of the total consideration, including liabilities assumed, payable in the Offer and the Merger. The Company also has agreed to reimburse Salomon Smith Barney for reasonable travel and other out-of-pocket expenses, including the reasonable fees and disbursements of its legal counsel, and to indemnify Salomon Smith Barney and related parties against

certain liabilities, including liabilities under the federal securities laws, arising out of Salomon Smith Barney's engagement. In the ordinary course of business, Salomon Smith Barney and its affiliates (including Citigroup Inc. and its affiliates) may actively trade or hold the securities of the Company and affiliates of Parent for their own account or for the account of customers and, accordingly, may at any time hold a long or short position in such securities.

Neither the Company nor any person acting on its behalf has employed or retained or will compensate any other person to make solicitations or recommendations to stockholders on behalf of the Company with respect to the Offer or the Merger.

Item 6. Interest in Securities of the Subject Company

(a) Other than the Support Agreements, no transactions in the shares of Common Stock have been effected during the past 60 days by the Company or, to the best of the Company's knowledge, by any executive officer, director, affiliate or subsidiary of the Company, except as follows:

On December 22, 1999, Mr. Lamb gifted 5,454 shares of Common Stock to his children. On January 3, 1999, Mr. Wolfe gifted 2,900 shares of Common Stock to his children. On January 3, 2000, Mr. Lamb acquired 580,000 shares of Common Stock and Mr. Wolfe acquired 234,444 shares of Common Stock, in each instance pursuant to exercise of outstanding stock options previously granted under the Stock Option Plans. Such options were exercised at a price of $0.17 per share. On January 26, 2000, Patrick J. Lee, the Company's Senior Vice President of Sales and Marketing, sold 20,000 unrestricted shares of Common Stock in the public market at a price of $19.125 per share.

(b) To the best of the Company's knowledge, each of the Company's executive officers, directors and affiliates who own shares of Common Stock presently intend to tender such shares of Common Stock pursuant to the Offer, except for shares of Common Stock purchasable upon exercise of existing stock options to the extent such existing stock options will be cancelled in exchange for cash payments pursuant to the Merger Agreement as referenced in Item 3 above. Pursuant to the Support Agreements, the Principal Stockholders have agreed to (i) tender all shares of Common Stock covered thereby into the Offer, (ii) vote such shares in favor of the Merger, (iii) vote such shares against any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement, and (iv) vote such shares against any action or agreement (other than the Merger Agreement or the transactions contemplated thereby) that would impede, interfere with, delay, postpone or attempt to discourage the Merger or the Offer. The shares that are the subject of the Support Agreements represent, in the aggregate, approximately 54% of the outstanding shares of Common Stock (approximately 51% of the shares of Common Stock on a fully diluted basis). See "Support Agreements" under Item 3 above.

Item 7. Purposes of the Transaction and Plans or Proposals

(a) Except as indicated in Items 3 and 4 above, no negotiations are being undertaken or are underway by the Company in response to the Offer which relate to, or would result in, (i) an extraordinary transaction, such as a merger or reorganization, involving the Company or any subsidiary of the Company, (ii) a purchase, sale or transfer of a material amount of assets by the Company or any subsidiary of the Company, (iii) a tender offer for or other acquisition of securities by the Company, any of its subsidiaries, or any other person, or (iv) any material change in the present dividend rate or policy, or indebtedness or capitalization of the Company.

(b) Except as indicated in Items 3 and 4 above, there are no transactions, board resolutions, agreements in principle or signed contracts in response to the Offer which relate to or would result in one or more of the matters referred to in this Item 7.

Item 8. Additional Information

The information contained in all of the Exhibits referred to in Item 9 below is incorporated herein by reference.

Item 9. Exhibits

The following exhibits are filed herewith:

Exhibit 1 Offer to Purchase (incorporated by reference to Exhibit (a)(1) to the Schedule TO).*

Exhibit 2 Letter of Transmittal (incorporated by reference to Exhibit (a)(2) to the Schedule TO).*

Exhibit 3 Agreement and Plan of Merger, dated as of January 21, 2000, by and among the Company, Parent and Purchaser (incorporated by reference to Exhibit (d)(1) to the Schedule TO).

Exhibit 4 Form of the Support Agreements, dated as of January 21, 2000, between Parent and each of Thomas R. Davidson, James A. Wolfe and Richard G. Lamb (incorporated by reference to Exhibit (d)(2) to the Schedule TO).

Exhibit 5 Confidentiality Agreement, dated as of November 2, 1999, by and between Parent and the Company.

Exhibit 6 Letter to Stockholders of the Company, dated January 28, 2000.*

Exhibit 7 Opinion of Salomon Smith Barney Inc., dated January 21, 2000 (attached hereto as Annex A).*

Exhibit 8 Joint Press Release, dated January 21, 2000, issued by the Company and Parent (incorporated by reference to Exhibit (a)(7) to the Schedule TO).

Exhibit 9 Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws of the Company (incorporated by reference to Exhibits 3.1 and 3.2 to the Company's Registration Statement on Form 8-A12G filed with the Commission on April 8, 1998 (No. 000-24007)).

Exhibit 10 1993 Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1/A filed with the Commission on May 8, 1998 (No. 333-49651)).

Exhibit 11 1997 Stock Incentive Plan incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 filed with the Commission on April 8, 1998 (No. 333-49651)).

Exhibit 12 1998 Performance Award Plan (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1/A filed with the Commission on May 8, 1998 (No. 333-49651)).

Exhibit 13 Form of Employee Option Agreement under the Company's 1993 Stock Incentive Plan (which agreement is incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 filed with the Commission on April 8, 1998 (No. 333-49651)).

Exhibit 14 Form of Employee Option Agreement under the Company's 1997 Stock Incentive Plan (which agreement is incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1 filed with the Commission on April 8, 1998 (No. 333-49651)).

Exhibit 15 Form of Employee Option Agreement under the Company's 1998 Performance Award Plan (which agreement is incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1/A filed with the Commission on May 8, 1998 (No. 333-49651)).

Exhibit 16 Form of Nonqualified Stock Option Agreement under the Company's 1998 Performance Award Plan (which agreement is incorporated by reference to Exhibit A to Exhibit 10.6 to the Company's Registration Statement on Form S-1/A filed with the Commission on May 8, 1998 (No. 333-49651)).

Exhibit 17 Form of Indemnification Agreement between the Company and each of the directors and officers of the Company (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 filed with the Commission on April 8, 1998 (No. 333-49651)).

Exhibit 18 Organizational Transition Plan among Parent, the Company and certain senior executives of the Company. (The Company has requested confidential treatment for portions of this Exhibit.)

Exhibit 19 Form of Nonstatutory Stock Option Agreement.

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* Included in copies mailed to stockholders.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

BALANCE BAR COMPANY

James A. Wolfe
By: /s/_____
Name: James A. Wolfe
Title: President and Chief Executive Officer

Dated: January 28, 2000

[LETTERHEAD OF SALOMON SMITH BARNEY INC.]

ANNEX A

January 21, 2000

The Board of Directors
Balance Bar Company
1015 Mark Avenue
Carpinteria, California 93013

Members of the Board:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of the common stock of Balance Bar Company ("Balance Bar") of the consideration to be received by such holders pursuant to the terms and subject to the conditions set forth in the Agreement and Plan of Merger, dated as of January 21, 2000 (the "Merger Agreement"), among Kraft Foods, Inc. ("Kraft"), BB Acquisition, Inc., a wholly owned subsidiary of Kraft ("Sub"), and Balance Bar. As more fully described in the Merger Agreement, (i) Kraft will cause Sub to commence a tender offer to purchase all outstanding shares of the common stock, par value $0.01 per share, of Balance Bar (the "Balance Bar Common Stock") at a purchase price of $19.40 per share, net to the seller in cash (the "Cash Consideration" and, such tender offer, the "Tender Offer") and (ii) subsequent to the Tender Offer, Sub will be merged with and into Balance Bar (the "Merger" and, together with the Tender Offer, the "Transaction") and each outstanding share of Balance Bar Common Stock not previously tendered will be converted into the right to receive the Cash Consideration.

In arriving at our opinion, we reviewed the Merger Agreement and held discussions with certain senior officers, directors and other representatives and advisors of Balance Bar and certain senior officers and other representatives and advisors of Kraft concerning the business, operations and prospects of Balance Bar. We examined certain publicly available business and financial information relating to Balance Bar as well as certain financial forecasts and other information and data for Balance Bar which were provided to or otherwise discussed with us by the management of Balance Bar. We reviewed the financial terms of the Transaction as set forth in the Merger Agreement in relation to, among other things; current and historical market prices and trading volumes of Balance Bar Common Stock; the historical and projected earnings and other operating data of Balance Bar; and the capitalization and financial condition of Balance Bar. We considered, to the extent publicly available, the financial terms of certain other similar transactions recently effected which we considered relevant in evaluating the Transaction and analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations we considered relevant in evaluating those of Balance Bar. In connection with our engagement, we were requested to approach, and we held discussions with, third parties to solicit indications of interest in the possible acquisition of Balance Bar. In addition to the foregoing, we conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as we deemed appropriate in arriving at our opinion.

In rendering our opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or furnished to or otherwise reviewed by or discussed with us. With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with us, we have been advised by the management of Balance Bar that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Balance Bar as to the future financial performance of Balance Bar. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Balance Bar nor have we made any physical inspection of the properties

or assets of Balance Bar. We express no view as to, and our opinion does not address, the relative merits of the Transaction as compared to any alternative business strategies that might exist for Balance Bar or the effect of any other transaction in which Balance Bar might engage. Our opinion is necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing and disclosed to us, as of the date hereof.

Salomon Smith Barney Inc. has acted as financial advisor to Balance Bar in connection with the proposed Transaction and will receive a fee for such services, a significant portion of which is contingent upon the consummation of the Transaction. We also will receive a fee upon the delivery of this opinion. We have in the past provided services to affiliates of Kraft unrelated to the proposed Merger, for which services we have received compensation. In the ordinary course of our business, we and our affiliates may actively trade or hold the securities of Balance Bar and affiliates of Kraft for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with Balance Bar, Kraft and their respective affiliates.

Our advisory services and the opinion expressed herein are provided for the information of the Board of Directors of Balance Bar in its evaluation of the proposed Transaction, and our opinion is not intended to be and does not constitute a recommendation to any stockholder as to whether such stockholder should tender shares of Balance Bar Common Stock in the Tender Offer or how such stockholder should vote on any matters relating to the proposed Transaction.

Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Cash Consideration to be received in the Transaction by the holders of Balance Bar Common Stock (other than Kraft and its affiliates) is fair, from a financial point of view, to such holders.

Very truly yours,

/s/ SALOMON SMITH BARNEY INC.

SALOMON SMITH BARNEY INC.

EXHIBIT 5

November 2, 1999

Kraft
Three Lakes Drive
Northfield, IL 60093

Attention: Mr. William J. Eichar
Vice President - Mergers and Acquisitions

Ladies and Gentlemen:

In connection with your consideration of a possible acquisition by you of all or part of, or investment in, Balance Bar Company (the "Company") by way of merger, a sale of assets or stock, or otherwise (a "Transaction"), you have requested information concerning the Company. Salomon Smith Barney Inc. ("SSB") is acting as adviser to the Company.

As a condition to your being furnished with such information, including any Confidential Information Memorandum prepared by the Company, you agree to treat any information concerning the Company, its affiliates and subsidiaries that is furnished to you by or on behalf of the Company, whether furnished before or after the date of this letter, together with analyses, compilations, studies or other documents prepared by you or any of your directors, officers, employees, agents or advisers (including, without limitation, attorneys, accountants, consultants, bankers, financial advisers and any representatives of your advisers) (collectively referred to as the "Evaluation Material"), in accordance with the provisions of this agreement. The term "Evaluation Material" does not include information that (a) was or becomes generally available to the public other than as a result of a disclosure by you or your Representatives or (b) was or becomes available to you on a non-confidential basis from a source other than the Company or its advisers, provided that such source was not known by you to be bound by any agreement with the Company to keep such information confidential, or otherwise prohibited from transmitting the information to you by a contractual, legal or fiduciary obligation.

You hereby agree that the Evaluation Material will be used solely for the purpose of evaluating a possible Transaction between the Company and you, and that such information will be kept confidential by you and your Representatives, except to the extent that disclosure of such information (a) has been consented to in writing by the Company, (b) is required by law, regulation, supervisory authority or other applicable judicial or governmental order or (c) is made to your Representatives who need to know such information for the purpose of evaluating any such possible Transaction between the Company and you (it being understood that such Representatives shall have been advised of this agreement and shall have agreed to be bound by the provisions hereof). In any event, you shall be responsible for any breach of this agreement by any of your Representatives and you agree, at your sole expense, to take all reasonable measures (including but not limited to court

proceedings) to restrain your Representatives from prohibited or unauthorized disclosure or use of the Evaluation Material. You further agree that the Evaluation Material that is in written form shall not be copied or reproduced at any time without the prior written consent of the Company.

In addition, without the prior written consent of the Company, you will not, and will direct your Representatives not to, disclose to any person (a) that the Evaluation Material has been made available to you or your Representatives, (b) that discussions or negotiations are taking place concerning a possible Transaction between the Company and you or (c) any terms, conditions or other facts with respect to any such possible Transaction, including the status thereof.

In the event that you are requested or required by law, regulation, supervisory authority or other applicable judicial or governmental order to disclose any Evaluation Material, you will provide the Company with prompt written notice of such request or requirement so that the Company may seek an appropriate protective order. If, failing the entry of a protective order, you are, in the opinion of your counsel, compelled to disclose Evaluation Material, you may disclose that portion of the Evaluation Material that the Company's counsel advises that you are compelled to disclose and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to that portion of the Evaluation Material that is being disclosed. In any event, you will not oppose action by the Company to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Evaluation Material.

Until the earliest of (a) the execution by you of a definitive agreement regarding a Transaction with the Company, (b) an acquisition of the Company by a third party, or (c) three years from the date of this agreement, you agree not to initiate or maintain contact (except for those contacts made in the ordinary course of business) with any officer, director, employee, customer, supplier or vendor of the Company regarding the Company's business, operation, prospects or finances, except with the express permission of the Company. It is understood that SSB will arrange for appropriate contacts for due diligence purposes. All (i) communications regarding this transaction, (ii) requests for additional information, (iii) requests for facility tours or management meetings, and (iv) discussions or questions regarding procedures, will be submitted or directed to SSB.

You agree not to solicit for employment any of the current employees of the Company to whom you had been directly or indirectly introduced or otherwise had contact with as a result of your consideration of a Transaction so long as they are employed by the Company or solicit any customers, clients, or accounts of the Company, during the period in which there are discussions conducted pursuant hereto and for a period of one year thereafter, without the prior written consent of the Company.

In consideration of the Evaluation Material being furnished to you, you hereby further agree that, without the prior written consent of the Board of Directors of the Company, for a period of [three] years from the date hereof, neither you nor any of your affiliates (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended), acting alone or as part of a group, will (1) acquire or offer or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities or securities convertible into voting securities of the Company, (2) propose to enter into, directly or indirectly, any merger or business combination involving the Company or any of its subsidiaries, (3) otherwise seek to influence or control, in any manner whatsoever (including proxy solicitation or otherwise), the management or policies of the Company or (4) assist, advise or encourage (including by knowingly providing or arranging financing for that purpose) any other

person in doing any of the foregoing.

You hereby acknowledge that you are aware and that you will advise your Representatives that the federal and state securities laws prohibit any person who has material, non-public information about a company from purchasing or selling securities of such a company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

All Evaluation Material disclosed by the Company shall be and shall remain the property of the Company. Within five days after being so requested by the Company, you shall return or destroy all documents thereof furnished to you by the Company. Except to the extent a party is advised in writing by counsel such destruction is prohibited by law, you will also destroy all written material, memoranda, notes, copies, excerpts and other writings or recordings whatsoever prepared by you or your Representatives based upon, containing or otherwise reflecting any Evaluation Material. Any destruction of materials shall be confirmed by you in writing. Any Evaluation Material that is not returned or destroyed, including without limitation any oral Evaluation Material, shall remain subject to the confidentiality obligations set forth in this agreement.

You understand and acknowledge that any and all information contained in the Evaluation Material is being provided without any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material, on the part of the Company or SSB. You agree that none of the Company, SSB or any of their respective affiliates or representatives shall have any liability to you or any of your Representatives. It is understood that the scope of any representations and warranties to be given by the Company will be negotiated along with other terms and conditions in arriving at a mutually acceptable form of definitive agreement should discussions between you and the Company progress to such a point.

You agree that unless and until a definitive agreement regarding a Transaction between the Company and you has been executed, neither the Company nor you will be under any legal obligation of any kind whatsoever with respect to such a Transaction by virtue of this agreement except for the matters specifically agreed to herein. You further acknowledge and agree that the Company reserves the right, in its sole discretion, to reject any and all proposals made by you or any of your Representatives with regard to a Transaction between the Company and you, and to terminate discussions and negotiations with you at any time.

You understand that (a) the Company shall be free to conduct any process with respect to a possible Transaction as the Company in its sole discretion shall determine (including, without limitation, by negotiating with any prospective party and entering into a definitive written agreement without prior notice to you or any other person), (b) any procedures relating to such Transaction may be changed at any time without notice to you or any other person and (c) you shall not have any claim whatsoever against the Company or SSB or any of their respective directors, officers, stockholders, owners, affiliates, agents or representatives, arising out of or relating to any possible or actual Transaction (other than those as against parties to a definitive written agreement with you in accordance with the terms thereof).

It is understood and agreed that money damages would not be a sufficient remedy for any breach of this agreement and that the Company shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach and you further agree to waive any requirement for the security or posting of any bond in connection with such remedy. Such remedy

shall not be deemed to be the exclusive remedy for breach of this agreement but shall be in addition to all other remedies available at law or equity to the Company.

In the event of litigation relating to this agreement, if a court of competent jurisdiction determines in a final, non-appealable order that a party has breached this agreement, then such party shall be liable and pay to the non-breaching party the reasonable legal fees such non-breaching party has incurred in connection with such litigation, including any appeal therefrom.

This agreement is for the benefit of the Company and SSB and is governed by the laws of the State of New York without regard to conflict of laws principles. Any action brought in connection with this agreement shall be brought in the federal or state courts located in the City of New York, and the parties hereto hereby irrevocably consent to the jurisdiction of such courts. Your obligations under this agreement shall terminate three (3) years after the date hereof, except as otherwise explicitly stated above.

This agreement may not be amended except in writing signed by both parties hereto. No failure or delay by the Company in exercising any right hereunder or any partial exercise thereof shall operate as a waiver thereof or preclude any other or further exercise of any right hereunder. The invalidity or unenforceability of any provision of this agreement shall not affect the validity or enforceability of any other provisions of this agreement, which shall remain in full force and effect.

This agreement may be executed in counterparts. Please confirm that the foregoing is in accordance with your understanding of our agreement by signing and returning to us a copy of this letter.

Very truly yours,

SALOMON SMITH BARNEY INC.
on behalf of
BALANCE BAR COMPANY

By:

Accepted and agreed to as of
the date set forth above:

Kraft

By:

EXHIBIT 6

[LOGO OF BALANCE BAR COMPANY]

1015 Mark Avenue
Carpinteria, California 93013
805-566-0234

January 28, 2000

To Our Stockholders:

I am pleased to inform you that Balance Bar Company (the "Company") has entered into an Agreement and Plan of Merger dated as of January 21, 2000 (the "Merger Agreement") providing for the acquisition of the Company by BB Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly-owned subsidiary of Kraft Foods, Inc., a Delaware corporation ("Parent"), which is a wholly-owned subsidiary of Philip Morris Companies Inc., a Virginia corporation. Pursuant to the Merger Agreement, Purchaser has today commenced a tender offer (the "Offer") to purchase all of the outstanding shares of the Company's Common Stock at a cash price of $19.40 per share. Following consummation of the Offer and subject to certain conditions, Purchaser will merge with and into the Company (the "Merger"). In the Merger, each share of the Company's Common Stock not acquired in the Offer will be converted into the right to receive $19.40 in cash. The Offer is currently scheduled to expire at 12:00 midnight, New York City time, on February 25, 2000.

Your Board of Directors has unanimously approved the Offer and the Merger and has determined that each of the Offer and the Merger is fair to, and in the best interests of, the stockholders of the Company, and unanimously recommends that stockholders accept the Offer and tender their shares of Common Stock pursuant to the Offer.

In separate agreements, I, Thomas R. Davidson and Richard G. Lamb have agreed with Parent to tender our shares of Common Stock, representing, in the aggregate, approximately 54% of the outstanding shares of Common Stock (approximately 51% of the shares of Common Stock on a fully diluted basis), into the Offer and otherwise to support the Merger.

Purchaser's Offer to Purchase and related materials, including a Letter of Transmittal to be used for tendering your shares, are enclosed with this letter. These documents set forth in detail the terms and conditions of the Offer and the Merger and provide instructions on how to tender your shares. I urge you to read the enclosed materials carefully.

Attached to this letter is a copy of the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Recommendation") filed with the Securities and Exchange Commission, which includes information regarding the factors considered by your Board of Directors in its deliberations, and certain other information regarding the Offer and the Merger. Included as Annex A to the Recommendation is a copy of the written opinion, dated January 21, 2000, of Salomon Smith Barney Inc., the Company's financial advisor, to the effect that, as of such date and based upon and subject to certain matters stated therein, the $19.40 per share cash consideration to be received in the Offer and the Merger by holders of shares (other than Parent and its affiliates) was fair, from a financial point of view, to such holders. You are urged to read such opinion carefully in its entirety.

On behalf of the Board of Directors, I thank you for your continued support.

/s/ James A. Wolfe

James A. Wolfe
President and Chief Executive Officer

EXHIBIT 18

Certain information has been omitted
from this exhibit pursuant to a request
for confidential treatment.
Asterisks (*) indicate the location of
such omitted information.
A complete copy of this exhibit
has been filed separately with the
Securities and Exchange Commission.

Walenda
Organizational Transition Plan

Draft #2-This reflects discussion on 1/18/00 with
J. Wolfe, Bill Eichar, G. Conte and D. Owens
Changes are bolded, underlined and in italics
1/18/00

Over the next 3-6 months Kraft will be doing an assessment as to how best to integrate the business into Kraft. (*)

(*)

Objective:

Provide for an orderly and effective transition of Walenda (*) by retaining the Walenda workforce and keeping them focused on the business through the transition period.

Assumptions:

(*)

. Walenda employees salaries frozen according to 11/15/99 excel worksheet with the exception that the following employees would receive a 10% base salary increase effective 1/1/00: J. Wolfe, T. Flahie, R. LaRue, P. Lee, R. Lamb

. Within the guidelines provided, employees need to maintain performance standard and work until a release date designated by Kraft

. Non compete clause covers the business category of nutritional and dietary food bars and drink products

. All severance payments or consulting agreements for T. Flahie, J. Wolfe, R. Lamb are contingent upon the employee signing a separation agreement containing a non compete clause and appropriate release

. All severance payments to other employees are contingent upon them signing a separation agreement and appropriate release

. A separate 3 year non compete agreement would be signed by T. Davidson

Retention and Severance Programs:

Tom Flahie-CFO, VP Finance & Administration (The following provisions will apply to Tom Flahie only if Kraft moves Walenda out of Santa Barbara, California. If Kraft maintains operations in California we would explore continued employment status with Tom Flahie. The specifics of the position would be discussed at a later date.)

Transition Role:

. Deliver business plan

. Lead organization transition (*)

. Assist in handling external relationships

. Maintain organizational morale and focus

. Provide operational expertise and consulting services

Transition Terms:

. Actively employed on payroll until the end of 2000

. 6 months severance pay, benefit continuation, outplacement assistance

. Jan. 1, 2001-Dec. 31, 2002 consulting agreement; $1,000/day plus per diem expenses; minimum 10 days per year

. 3 year non compete

. Participation in performance incentive plan for 2000. Plan will pay 12 months incentive, on the basis of current Balance Bar annual incentive plan design, business objectives to be determined by Kraft.

. Sixty days notice if agreement is terminated by employee

Jim Wolfe-CEO/PRESIDENT

Transition Role:

. Deliver business plan

. Lead organization transition (*)

. Assist in handling external relationships

. Maintain organizational morale and focus

. Provide operational expertise and consulting services

Transition Terms:

. Actively employed on payroll until the end of 2000

. 6 months severance pay, benefit continuation, outplacement assistance

. Jan. 1, 2001-Dec. 31, 2002 consulting agreement; $1,000/day plus per diem expenses; minimum 10 days per year

. 3 year non compete

. Participation in performance incentive plan for 2000. Plan will pay 12 months incentive, on the basis of current Balance Bar annual incentive plan design, business objectives to be determined by Kraft.

. Sixty days notice if agreement is terminated by employee

Dick Lamb-EVP

Transition Role:

. Deliver business plan

. Lead organization transition (*)

. Assist in handling external relationships

. Maintain organizational morale and focus

. Provide operational expertise and consulting services

Transition Terms:

. Will remain on payroll at least until Oct. 1st 2000

. From Oct. 1st 2000 until Dec. 31st, 2002 consulting agreement; $1,000/day plus per diem expenses; minimum 3 days in 2000 and minimum 20 days in 2001 and 2002

. 3 year non compete

. Participation in performance incentive plan for 2000. Plan will pay 12 months incentive, on the basis of current Balance Bar annual incentive plan design, business objectives to be determined by Kraft.

. Sixty days notice of agreement is terminated by employee

Thomas R. Davidson-Chairman of the Board

Transition Terms:

. 3 year non compete

Director level employees (n=10-12, individuals to be approved by Kraft)

Transition Role:

. Deliver business plan

. Lead organization transition (*)

. Retain key staff members

. Maintain organizational morale and focus

. Provide operational expertise and consulting services

Transition Terms:

. (*)

. (*) months severance pay, benefit continuation, outplacement assistance

. 1 year non compete

. Participation in performance incentive plan for 2000. Plan will pay 12 months incentive, on the basis of current Balance Bar annual incentive plan design, business objectives to be determined by Kraft.

All remaining full time employees

Transition Terms:

. (*)

. (*) months severance pay, benefit continuation, outplacement assistance

. Participation in performance incentive plan for 2000. Plan will pay 12 months incentive, on the basis of current Balance Bar annual incentive plan design, business objectives to be determined by Kraft.

. Competent and ethical professional standards required.

EXHIBIT 19

BIO-ENGINEERED FOODS, INC.

NONSTATUTORY STOCK OPTION AGREEMENT

BIO-ENGINEERED FOODS, INC., a Delaware corporation (the "Company"), has granted to _____ (the "Optionee"), an option (the "Option") to purchase a total of _____ shares (the "Shares") of its common stock ("Common Stock"), at the price set forth below, and in all respects, subject to the terms and conditions set forth in this Agreement.

1. Nature of the Option. This Option is NOT intended to qualify as, and under no circumstances shall be deemed to be, an Incentive Stock Option as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. Exercise Price. The exercise price is $_____ for each share of Common Stock ("Exercise Price").

3. Exercise of Option. This Option shall be exercisable, cumulatively, _____ of the Shares subject to the Option, at any time after _____; _____ of the Shares subject to the Option, at any time after _____; and _____ of the Shares subject to the Option, at any time after _____. Subject to the foregoing, this Option may be exercised in whole or part. This Option may not be exercised for a fraction of a Share.

3.1 Method of Exercise.

3.1.1 This Option shall be exercisable by written notice which shall state the election to exercise the Option, the number of shares in respect of which the Option is being exercised, and such representations and agreements as the Company may deem to be necessary or appropriate under any applicable law or regulation. Such written notice shall be signed by the Optionee and shall be delivered in person or by certified mail to the Secretary of the Company. The written notice shall be accompanied by payment of the exercise price. This option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the exercise price.

3.1.2 No Shares will be issued pursuant to the exercise of an Option unless such issuance and such exercise shall comply with all relevant provisions of law and the requirements of any stock exchange upon which the Common Stock may then be listed. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Optionee on the date on which the Option is exercised with respect to such Shares.

3.2 Restrictions on Exercise. The Option may not be exercised if the issuance of such Shares upon such exercise or the method of payment of consideration for such Shares would constitute a violation of any applicable federal or state securities or other

law or regulation. The Company shall have no obligation to register or qualify the Option or such Shares for sale under any such law or regulation.

3.3 Exercisable only by Optionee; Exceptions. The Option shall not be exercisable during the lifetime of the Optionee by any person other than the Optionee. In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Sections 5, 6 and 7 below, subject to the limitation contained in Section 3.4.

3.4 Expiration of Option. The Option may not be exercised more than ten (10) years from the date of grant of this Option, and may be exercised during such term only in accordance with the terms of this Agreement. This Option shall terminate upon any material breach of the terms hereof by Optionee including, without limitation, any breach of the representations set forth in Section 12.

3.5 Method of Payment. Payment of the exercise price shall be by cash, check, or surrender of other shares of Common Stock of the Company having a fair market value on the date of exercise equal to the exercise price of the shares as to which the option is being exercised.

3.6 Acceleration.

3.6.1 A "Change in Control" for purposes of this Agreement shall mean (i) a single entity or group of affiliated entities acquires more than 50% of the stock of the Company issued and outstanding immediately prior to such acquisition; or (ii) shareholders approve the consummation of any merger of the Company or any sale or other disposition of all or substantially all of its assets, if the shareholders of the Company immediately before such transaction own, immediately after consummation of such transaction, equity securities (other than options and other rights to acquire equity securities) possessing less than 50% of the voting power of the surviving or acquiring corporation.

3.6.2 If a Change in Control has occurred or if the Board of Directors determines in good faith that a Change in Control is about to occur, the Board of Directors may determine that it is necessary or desirable to accelerate the exercisability of the Option granted hereunder. Upon such determination, the Board of Directors shall establish the date upon which all portions of such Option not theretofore exercisable shall become exercisable, the period of time (not in excess of 30 days) during which such Option may be exercised and the notice period required for exercise. The Board of Directors shall notify the Optionee of such date, exercise period and notice requirement.

3.6.3 Any portion of the Option subject to acceleration under this Section that is not exercised during the exercise period established by the Board of Directors pursuant to

Section 3.6.2 above shall be treated as if no Change in Control had occurred and shall be governed by their original terms. Nevertheless, by written notice to the Optionee, the Board of Directors may provide that any portion of the Option accelerated pursuant to this Section 3.6 shall expire at the end of the exercise period established by the Board of Directors pursuant to Section 3.6.2.

4. Optionee's Representations. In the event the Shares purchasable pursuant to the exercise of this Option have not been registered under the Securities Act of 1933, as amended, at the time this Option is exercised, Optionee shall, concurrently with the exercise of all or any portion of this Option, deliver to the Company an executed Restricted Stock Agreement in the form attached hereto as Exhibit A.

5. Termination of Status as an Employee. In the event of termination of Optionee's employment with the Company for any reason other than the disability or death of the Optionee, Optionee may, but only within ninety (90) days after the date of such termination (but in no event later than the date of expiration of the term of this Option as set forth in Section 3.4), exercise this Option to the extent that Optionee was entitled to exercise it at the date of such termination. To the extent that Optionee was not entitled to exercise this Option at the date of such termination, or if Optionee does not exercise this Option within the time specified herein, the Option shall terminate. Nothing contained in this Option shall confer upon the Optionee any right to continue in his relationship with the Company or shall interfere in any way with the rights of the Company, which are hereby reserved, to reduce the Optionee's compensation from the rate in existence on the date of grant or to terminate the Optionee's relationship with the Company for any reason.

6. Disability of Optionee. In the event of termination of Optionee's employment with the Company as a result of Optionee's disability (as defined in Section 22(e)(3) of the Code), Optionee may, but only within twelve (12) months from the date of such termination (but in no event later than the date of expiration of the term of this Option as set forth in Section 3.4) exercise this Option to the extent Optionee was entitled to exercise it at the date of such termination. To the extent that Optionee was not entitled to exercise the Option at the date of termination, or if Optionee does not exercise such Option within the time specified herein, the Option shall terminate.

7. Death of Optionee. In the event of death of Optionee during the term of this Option and while an employee of the Company and having been in continuous status as an employee since the date of grant of the Option, the Option may be exercised at any time within twelve (12) months following the date of death (but in no event later than the date of expiration of the term of this Option as set forth in Section 3.4), by Optionee's estate or by a person

who acquired the right to exercise the Option by bequest or inheritance, but only to the extent of the right to exercise that had accrued at the date of death.

8. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by Optionee. The terms of this Option shall be binding upon the executors, administrators, heirs and successors of the Optionee.

9. Optionee not a Shareholder. Neither the Optionee nor any other person entitled to exercise the Option shall have any of the rights or privileges of a shareholder of the Company with respect to any of the Shares until the date of issuance of a stock certificate for such Shares. Except as set forth in Section 10 below, no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued.

10. Adjustment of Exercise Price. If any of the following events shall occur at any time or from time to time prior to the exercise in full or expiration of the Option, the following adjustments shall be made in the Exercise Price.

10.1 Recapitalization. In case the Company effects a subdivision, combination, reclassification or other recapitalization of its outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, the Exercise Price in effect immediately after such subdivision, combination, reclassification or other recapitalization shall be proportionately decreased or increased, as the case may be.

10.2 Stock Dividends. If the Company shall declare a dividend on its Common Stock payable in stock or other securities of the Company, the Optionee shall, without additional cost, be entitled to receive upon the exercise of the Option, in addition to the Shares to which the Optionee is otherwise entitled upon such exercise, the number of shares of stock or other securities that the Optionee would have been entitled to receive if the Optionee had been a holder, on the record date of such dividend, of the number of Shares so purchased under the Option. No adjustments shall be made for dividends in cash or other property.

10.3 Number of Shares Adjusted. After any adjustment of the Exercise Price pursuant to Section 10, the number of Shares issuable at the new Exercise Price shall be adjusted to the number obtained by (i) multiplying the number of Shares issuable upon exercise of the Option immediately before such adjustment by the Exercise Price in effect immediately before such adjustment, and (ii) dividing the product so obtained by the new Exercise Price.

10.4 Calculation of Adjustments. The foregoing adjustments to the Exercise Price and the number of Shares shall be made in good faith by the Board of Directors of the Company, whose determination in that respect shall be final, binding and conclusive.

11. Merger.

11.1 Assumption. In the event of any merger, consolidation or purchase of substantially all shares of the Company where the holders of Common Stock are to receive stock or other securities of the surviving or acquiring company, the Option shall be assumed by, be binding upon and inure to the benefit of such surviving or acquiring company, and shall continue to be governed by, to the extent applicable, the terms and conditions of this Agreement.

11.2 Adjustment. After the consummation of a consolidation or merger of the Company with or into any other corporation, then the Optionee shall have the right to receive the kind and amount of shares of stock or other securities or property receivable upon such consolidation or merger by a holder of the number of shares of Common Stock issuable upon exercise of the Option immediately prior to such consolidation or merger.

12. Representations of Optionee. Optionee hereby represents and warrants that the employment of Optionee by the Company, and the execution, receipt and exercise of this Option by Option do not and will not conflict with, violate, breach or constitute a default under, or result in the acceleration of any obligation under (i) any provision of any contract, agreement, instrument, court order, arbitration award, judgment or decree to which Optionee is a party or by which he is bound, or (ii) any law, rule, regulation or other provision or restriction of any kind or character to which Optionee is subject.

13. General Provisions.

13.1 Amendments; Waivers. This Agreement may be amended only by agreement in writing of all parties. No waiver of any provision nor consent to any exception to the terms of this Agreement shall be effective unless in writing and signed by the party to be bound and then only to the specific purpose, extent and instance so provided.

13.2 Entire Agreement. This Agreement, together with Exhibit A, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties.

13.3 Governing Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

13.4 Attorney's Fees. In the event of any legal action for the breach of this Agreement or any dispute related to or arising from this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses incurred in such action. Attorneys' fees incurred in enforcing any judgment in respect of this Agreement are recoverable as a separate item. The preceding sentence is intended to be severable from the other provisions of this Agreement and to survive any judgment and, to the maximum extent permitted by law, shall not be deemed merged into any such judgment.

13.5 Receipt of Agreement. Each of the parties hereto acknowledges that she or it has read this Agreement in its entirety and does hereby acknowledge receipt of a fully executed copy. A fully executed copy shall be an original for all purposes, and is a duplicate original.

13.6 Notices. Any written notice required or permitted to be given shall be deemed delivered either when personally delivered or when mailed, registered or certified, postage prepaid with return receipt requested, if to Optionee, addressed to Optionee at the last residence address of Optionee as shown in the records of the Company, and if to the Company, addressed to the Chairman of the Board of the Company at the principal office of the Company.

13.7 Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable by any governmental entity, the remaining provisions of this Agreement to the extent permitted by law shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

Date of Grant: _____

BIO-ENGINEERED FOODS, INC.
a Delaware corporation

By:

James Wolfe, President

Employee/Director