DIMON INC
Form S-4/A
March 03, 2005
Table of Contents

As filed with the Securities and Exchange Commission on March 3, 2005

Registration No. 333-122166

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3

to

Form S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

DIMON Incorporated

(Exact name of registrant as specified in its charter)

Virginia	5159	54-1746567
(State of Incorporation)	(Primary Standard Industrial Classification Number)	(I.R.S. Employer Identification No.)

512 Bridge Street

Danville, Virginia 24541

(434) 792-7511

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

BRIAN J. HARKER

Chairman and Chief Executive Officer

DIMON Incorporated

512 Bridge Street

Danville, Virginia 24541

(434) 792-7511

(Name and address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

THURSTON R. MOORE, ESQ.	**DONALD R. REYNOLDS, ESQ.**
RANDALL S. PARKS, ESQ.	**ALEXANDER M. DONALDSON, ESQ.**
Hunton & Williams LLP	**Wyrick Robbins Yates & Ponton LLP**
951 East Byrd Street	**4101 Lake Boone Trail, Suite 300**
Richmond, Virginia 23219	**Raleigh, North Carolina 27607**
(804) 788-8200	**(919) 781-4000**
(804) 788-8218 (Fax)	**(919) 781-4865 (Fax)**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the proposed exchange offer described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

A MERGER PROPOSAL YOUR VOTE IS IMPORTANT

TO THE SHAREHOLDERS OF DIMON INCORPORATED AND STANDARD COMMERCIAL CORPORATION:

The boards of directors of DIMON Incorporated and Standard Commercial Corporation have each unanimously approved a merger of the two companies, with DIMON continuing as the surviving entity, to be called Alliance One International, Inc. We believe this merger will combine our two companies proven abilities in customer service, global agronomic programs, industry-leading processing capability, new product development, leaf supply and information technology advancements, while maintaining stability, agility, financial strength and a commitment to our core values. We ask for your support in voting for the merger proposal at our respective shareholders meetings.

As a result of the merger, each share of Standard common stock issued and outstanding as of the effective date of the merger shall be converted into, and become exchangeable for, three shares of DIMON common stock. DIMON shareholders will continue to own their existing shares. Upon completion of the merger, Standard will cease to exist. We anticipate that, as a result of the merger, DIMON will issue approximately 41.23 million shares to Standard s shareholders (which number may change according to the exact number of shares of Standard common stock outstanding as of the closing of the merger) and DIMON s current shareholders will own approximately 52% and Standard s shareholders will own approximately 48% of Alliance One s common stock immediately following the merger. Shares of DIMON common stock are currently listed on the New York Stock Exchange under the symbol DMN. We have applied to list on the NYSE the shares of DIMON common stock issuable to Standard shareholders in the merger and reserved the ticker symbol AOI for use by Alliance One after the merger.

DIMON and Standard are asking their respective shareholders to approve the merger. In addition, DIMON is asking its shareholders to approve various matters relating to the amendment and restatement of its articles of incorporation, the election of seven persons to the board of directors of Alliance One and other matters described herein. We cannot complete the merger unless the shareholders of each of DIMON and Standard approve the merger.

Whether or not you plan to attend your shareholders meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR all of the proposals. If you do not return your card, or if your shares are held in street name for you by a broker and you do not instruct your broker how to vote your shares, the effect will be a vote against the proposals.

We urge you to read carefully this joint proxy statement/prospectus, including the section describing risk factors on page 1, before voting your shares.

We enthusiastically support this merger of two great companies and join with all the other members of our respective boards of directors in recommending that you vote FOR each of the special meeting proposals.

Very truly yours,

Chairman of the Board of Directors	Chairman of the Board of Directors,
and Chief Executive Officer	President and Chief Executive Officer,
DIMON Incorporated	Standard Commercial Corporation

This joint proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale of these securities is not permitted. This joint proxy statement/prospectus does not constitute a solicitation of a proxy in any jurisdiction in which it is unlawful to make such a solicitation.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the common stock to be issued in connection with the merger or determined if this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated March [__], 2005,

and is first being mailed to shareholders on or about March [__], 2005.

Table of Contents

DIMON Incorporated

512 Bridge Street

Danville, Virginia 24541

(434) 792-7511

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Notice hereby is given that a special meeting of shareholders of DIMON Incorporated will be held at The Carrington Conference Center, 503 Bridge Street, Danville, Virginia 24541 on [______], April [__], 2005, at [______], EST, for the following purposes:

1. To approve the plan of merger, dated as of November 7, 2004, by and among DIMON Incorporated and Standard Commercial Corporation, the merger contemplated thereby and the issuance of shares of DIMON common stock pursuant thereto.

2. To change the name of DIMON Incorporated to Alliance One International, Inc. effective as of the closing of the merger;

3. To increase the number of authorized shares of DIMON common stock from 125 million to 250 million effective as of the closing of the merger;

4. To amend certain shareholder voting requirements described in detail in this joint proxy statement/prospectus, which changes will be reflected in the amended and restated articles of incorporation effective as of the closing of the merger;

5. To approve certain other amendments to DIMON s articles of incorporation described in detail in this joint proxy statement/prospectus which changes will be reflected in the amended and restated articles of incorporation effective as of the closing of the merger;

6. To elect seven directors of DIMON, each to serve as of the closing of the merger for the terms specified herein.

7. To act with respect to any other business that properly comes before the meeting or any adjournments or postponements thereof, including any decision to adjourn the special meeting, if necessary, to solicit additional proxies in favor of any of the proposals above or for other reasons.

Thursday, February 10, 2005, has been fixed as the record date for the determination of shareholders entitled to notice of, and to vote at, the DIMON special meeting or any adjournments or postponements of the DIMON special meeting. Only holders of record of DIMON common stock at the close of business on the record date are entitled to notice of, and to vote at, the DIMON special meeting.

The quorum requirement for holding the meeting and transacting business is a majority of the outstanding DIMON shares entitled to be voted. The shares may be present in person or represented by proxy at the meeting.

Approval of the plan of merger, including the issuance of shares of DIMON common stock to Standard shareholders pursuant thereto, and the amendment of certain shareholder voting requirements in DIMON s articles of incorporation require the affirmative vote of the holders of at least two-thirds of the outstanding shares of DIMON common stock entitled to vote at the DIMON special meeting. Approval of the proposal to elect the directors requires the affirmative vote of the holders of a plurality of the votes cast by the shares of DIMON common stock present at the meeting, assuming that a quorum is present. Approval of each of the other proposals at the DIMON special meeting requires the affirmative vote of the holders of a majority of the outstanding shares of DIMON common stock entitled to vote at the DIMON special meeting. The affirmative vote of the holders of at least a majority of the shares of DIMON common stock present at the DIMON special meeting is required to act on any other business that comes before the meeting or to approve any adjournment of the special meeting, including for purposes of soliciting additional proxies in favor of the proposals described above, whether or not a quorum is present.

Your vote is important. Whether or not you expect to attend in person, we urge you to vote your shares as promptly as possible by signing, dating and mailing the enclosed proxy card**.** Doing so will ensure your shares are represented and voted at the DIMON special meeting. A self-addressed, postage-paid envelope is enclosed for your convenience. You may revoke your proxy by following the procedures set forth in the accompanying joint proxy statement/prospectus.

THE DIMON BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE SPECIAL MEETING PROPOSALS, ALL OF WHICH ARE DESCRIBED IN DETAIL IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS.

By Order of the Board of Directors,

Thomas C. Parrish

Secretary

Danville, Virginia

March [__], 2005

Table of Contents

Standard Commercial Corporation

2201 Miller Road

Wilson, North Carolina 27893

(252) 291-5507

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that a special meeting of shareholders of Standard Commercial Corporation will be held at the Wilson County Agricultural Center Auditorium, 1806 South Goldsboro Street, Wilson, North Carolina on [______], April [__], 2005, at [______], EST, for the following purposes:

1. To approve the plan of merger, dated as of November 7, 2004, by and among DIMON Incorporated and Standard Commercial Corporation, and the merger contemplated thereby.

2. To act with respect to any other business that properly comes before the meeting or any adjournments or postponements thereof, including any decision to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the approval of the plan of merger or for other reasons.

Thursday, February 10, 2005, has been fixed as the record date for the determination of shareholders entitled to notice of, and to vote at, the Standard special meeting or any adjournments or postponements of the Standard special meeting. Only holders of record of common stock at the close of business on the record date are entitled to notice of, and to vote at, the Standard special meeting.

The quorum requirement for holding the meeting and transacting business is a majority of the outstanding Standard shares entitled to be voted. The shares may be present in person or represented by proxy at the meeting.

The affirmative vote of the holders of at least two-thirds of the outstanding shares of Standard common stock is required to approve the plan of merger. The affirmative vote of the holders of at least a majority of the shares present at the Standard special meeting is required to approve any adjournment of the meeting, including for purposes of soliciting additional proxies in favor of the proposals described above, whether or not a quorum is present.

Your vote is important. Whether or not you expect to attend in person, we urge you to vote your shares as promptly as possible by signing, dating and mailing the enclosed proxy card. Doing so will ensure your shares are represented and voted at the Standard special meeting. A self-addressed, postage-paid envelope is enclosed for your convenience. You may revoke your proxy by following the procedures set forth in the accompanying joint proxy statement/prospectus.

THE STANDARD BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PLAN OF MERGER, WHICH IS DESCRIBED IN DETAIL IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS.

By Order of the Board of Directors,

Henry C. Babb

Secretary

Wilson, North Carolina

March [__], 2005

Table of Contents

ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about DIMON and Standard from other documents that they have filed with the Securities and Exchange Commission, or SEC, and that have not been included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

DIMON Incorporated	Standard Commercial Corporation
512 Bridge Street	2201 Miller Road
Danville, Virginia 24541	Wilson, North Carolina 27893
(434) 792-7511	(252) 291-5507
Attn: Investor Relations	Attn: Investor Relations

Certain of the incorporated information in this joint proxy statement/prospectus is also available to investors via DIMON s website, www.dimon.com, and/or Standard s website, www.sccgroup.com. None of the information included in either DIMON s website or Standard s website is incorporated by reference in this joint proxy statement/prospectus. Also, please see Where You Can Find More Information on page 103.

If you would like to request documents, the applicable company must receive your request no later than March [__], 2005, in order for you to receive timely delivery of the documents in advance of the DIMON special meeting and the Standard special meeting. In addition, if you have any questions about the special meetings, the merger agreement or the proposed merger, you may contact:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Toll-Free: 800-322-2885

Call Collect: 212-929-5500

proxy@mackenziepartners.com

DIMON, and any logos related to DIMON, are trademarks of DIMON Incorporated or its subsidiaries and are registered in certain jurisdictions. Standard Commercial Corporation, and any logos related to Standard or its subsidiaries, are trademarks of Standard or its subsidiaries and are registered in certain jurisdictions. All other trademarks are owned by their respective owners.

Table of Contents

TABLE OF CONTENTS

	Page
QUESTIONS AND ANSWERS	Q-1
SUMMARY	S-1
The Companies	S-1
The Merger	S-2
Effect of Merger on Shareholders; Ownership of the Combined Company After the Merger	S-2
Exchange Ratio is Fixed and Will Not Be Adjusted in Response to Changes in Our Stock Prices	S-2
Treatment of Standard Stock Options	S-3
Listing of Common Stock of the Combined Company	S-3
Merger Generally Tax-Free	S-3
Dividend Policy	S-3
Recommendations of the DIMON and Standard Boards of Directors	S-3
Fairness Opinions From Our Financial Advisors	S-4
Lack of Appraisal or Dissenter s Rights	S-4
Directors and Management Following the Merger	S-4
Interests of Our Directors and Executive Officers in the Merger	S-5
Voting Agreements	S-5
Refinancing	S-6
Conditions to Completion of the Merger	S-6
Regulatory Approvals	S-7
No Solicitation; Restrictions on Alternative Transactions	S-7
Termination of the Merger Agreement; Fees Payable	S-7
Termination Fee; Fees and Expenses	S-8
The DIMON Special Meeting	S-8
The Standard Special Meeting	S-9
SUMMARY UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL DATA	S-10
SUMMARY SELECTED HISTORICAL FINANCIAL INFORMATION	S-11
COMPARATIVE PER SHARE INFORMATION	S-13
RISKS RELATING TO THE MERGER	1
INFORMATION REGARDING FORWARD-LOOKING STATEMENTS	5
DIMON PROPOSAL ONE AND STANDARD PROPOSAL ONE: THE MERGER	6
Effect of the Merger; What Standard Shareholders Will Receive in the Merger	6
Voting Agreements	6
Background of the Merger	7
DIMON s Reasons for the Merger; Recommendation of the Merger by the DIMON Board of Directors	12
Standard s Reasons for the Merger; Recommendation of the Merger by the Standard Board of Directors	15
Material U.S. Federal Income Tax Consequences of the Merger	18
Accounting Treatment	19
Regulatory Approvals	20
Refinancing	21
Exchange of Standard Stock Certificates	22
Restrictions on Sales of Shares by Affiliates	22
Stock Exchange Listing	23
Appraisal Rights	23

Table of Contents

	Page
Delisting and Deregistration of Standard Stock After the Merger	23
Board of Directors and Management After the Merger	23
THE MERGER AGREEMENT	24
Structure; Combined Company	24
Closing Matters	24
Treatment of Outstanding Stock Options and Other Equity Grants	24
Covenants	24
Governance of Alliance One	25
Shareholder Approval and Other Mutual Conditions to the Parties Obligations to Complete the Merger	25
Conditions to DIMON s Obligation to Complete the Merger	26
Conditions to Standard s Obligation to Complete the Merger	26
No Solicitation; Restrictions on Alternative Transactions	27
Termination Rights	27
Termination Fee; Fees and Expenses	28
Representations and Warranties	29
Director and Officer Indemnification and Insurance	29
Amendments and Waivers	30
UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL DATA	31
OPINIONS AND PRESENTATIONS OF FINANCIAL ADVISORS	40
Opinion of DIMON s Financial Advisor	40
Board Presentation of DIMON s Financial Advisor	42
Opinion of Standard s Financial Advisor	46
Board Presentation of Standard s Financial Advisor	49
DESCRIPTION OF ALLIANCE ONE CAPITAL STOCK	53
Authorized Capital Stock	53
Common Stock	53
Preferred Stock	53
Transfer Agent and Registrar	54
Preemptive and Preferred Rights	54
Anti-Takeover Provisions	54
Limitation of Liability and Indemnification Matters	56
COMPARISON OF SHAREHOLDER RIGHTS	57
Authorized Capital Stock	57
Special Meetings of Shareholders	57
Directors	58
Dividends and Other Distributions	58
Shareholder Nominations and Shareholder Proposals	59
Discharge of Director Duties; Exculpation and Indemnification	60
Mergers, Share Exchanges and Sales of Assets	61
Anti-Takeover Statutes	61
Amendments to Articles of Incorporation and Bylaws	62
Shareholders Rights of Dissent and Appraisal	63
INTERESTS OF CERTAIN PERSONS IN THE MERGER	64
Interests of DIMON s Directors and Officers in the Merger	64
Employment Agreement Between DIMON and Brian J. Harker	64
Change in Control Agreements With DIMON Officers	65
Amendment to DIMON s PEP and SERP Plans	66

Table of Contents

	Page
Interests of Standard s Directors and Officers in the Merger	66
Employment Agreement Between DIMON and Robert E. Harrison	67
Standard s Executive Employment Agreements	68
Change in Control Agreements With Standard s Executive Officers	68
Standard Stock Options and Stock Awards	69
Indemnification; Insurance	69
DIMON PROPOSAL TWO: THE NAME CHANGE	71
Proposal	71
Vote Required	71
Recommendation of the DIMON Board of Directors	71
DIMON PROPOSAL THREE: AN INCREASE IN THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK	71
Proposal	71
Vote Required	72
Recommendation of the DIMON Board of Directors	72
DIMON PROPOSAL FOUR: THE AMENDMENT OF CERTAIN SHAREHOLDER VOTING REQUIREMENTS	72
Proposal	72
Vote Required	72
Summary of the Amended Shareholder Voting Requirements	72
Rationale and Recommendation of the DIMON Board of Directors	73
DIMON PROPOSAL FIVE: ADDITIONAL AMENDMENTS TO THE ARTICLES OF INCORPORATION UNRELATED TO THE MERGER	74
Proposal	74
Vote Required	74
Summary of the Miscellaneous Amendments	74
Rationale and Recommendation of the DIMON Board of Directors	76
DIMON PROPOSAL SIX: ELECTION OF DIRECTORS	77
Vote Required	77
The Nominees	77
Continuing Directors	79
Board of Directors of the Combined Company	80
Biographies of DIMON Directors Not Nominated For Election to the Alliance One Board	81
Independence	81
Board Meetings	82
Board Committees	82
Governance Matters	84
Audit Matters	86
Executive Officers of Alliance One	89
Employment and Consulting Agreements and Certain Business Relationships	90
Stock Ownership	91
Section 16(a) Reporting Compliance	94
DIMON PROPOSAL SEVEN: OTHER BUSINESS, INCLUDING POSSIBLE ADJOURNMENT OF THE DIMON SPECIAL MEETING	94
STANDARD PROPOSAL TWO: OTHER BUSINESS, INCLUDING POSSIBLE ADJOURNMENT OF THE STANDARD SPECIAL MEETING	94

Table of Contents

	Page
THE DIMON INCORPORATED SPECIAL MEETING	95
Date, Time and Place of the Special Meeting	95
Purpose of the Special Meeting	95
Record Date for the Special Meeting	95
Votes Required	95
Attending the Special Meeting	96
Proxies	96
Solicitation of Proxies	97
THE STANDARD COMMERCIAL CORPORATION SPECIAL MEETING	98
Date, Time and Place of the Special Meeting	98
Purpose of the Special Meeting	98
Record Date for the Special Meeting	98
Votes Required	98
Attending the Special Meeting	99
Proxies	99
Solicitation of Proxies	100
LEGAL MATTERS	100
EXPERTS	101
SHAREHOLDER PROPOSALS	101
DIMON	101
Standard	102
WHERE YOU CAN FIND MORE INFORMATION	103
DIMON	103
Standard	104

Annex A - Agreement and Plan of Reorganization, dated November 7, 2004, between DIMON Incorporated and Standard Commercial Corporation
Annex B - Plan of Merger, dated November 7, 2004, between DIMON Incorporated and Standard Commercial Corporation
Annex C - Proposed Amended and Restated Articles of Incorporation of Alliance One International, Inc.
Annex D - Fairness Opinion of Peter J. Solomon Company, L.P., financial advisor to DIMON Incorporated
Annex E - Fairness Opinion of Matrix Private Equities, Inc., financial advisor to Standard Commercial Corporation

Table of Contents

QUESTIONS AND ANSWERS

Q: Why are the companies proposing the merger?

A: Each of DIMON and Standard believes that a combination of the two companies will create a stronger and more capable global company than either DIMON or Standard is likely to be alone. DIMON and Standard believe the merger will result in profitable growth and will build long term value in an evolving industry. DIMON and Standard believe there are a number of benefits to the merger, including:

- the creation of a stronger independent leaf tobacco merchant;
- anticipated annual pre-tax cost savings of more than $60 million;
- the implementation of DIMON s and Standard s expertise and capabilities across substantially larger operations;
- an improved ability to competitively source leaf tobacco;
- enhanced and expanded customer relationships; and
- the combination of our experienced management teams.

The merger also involves certain risks, which are described under Risks Relating to the Merger beginning on page 1. For more details on how the boards of directors of DIMON and Standard evaluated the potential benefits and risks of the merger, see DIMON Proposal One and Standard Proposal One: The Merger DIMON s Reasons for the Merger; Recommendation of the Merger by the DIMON Board of Directors beginning on page 12 and DIMON Proposal One and Standard Proposal One: The Merger Standard s Reasons for the Merger; Recommendation of the Merger by the Standard Board of Directors beginning on page 15.

Q: What shareholder approvals are needed?

A: *DIMON Shareholders:*

Under DIMON s articles of incorporation, the merger must be approved by the affirmative vote of the holders of at least two-thirds of the outstanding shares of DIMON common stock entitled to vote at the DIMON special meeting. Other approval requirements are described in more detail under The DIMON Incorporated Special Meeting Votes Required.

Standard Shareholders:

The Standard articles of incorporation require that the merger must be approved by the affirmative vote of the holders of at least two-thirds of the outstanding shares of Standard common stock entitled to vote at the Standard special meeting.

Q: When do you expect the merger to be completed?

A: The merger is expected to be completed as soon as possible after the special meetings and regulatory approvals, which we anticipate will be during April of 2005. However, due to the antitrust approvals that are required prior to closing (see DIMON Proposal One and Standard Proposal One: The Merger Regulatory Approvals at page 20), the closing date might occur later.

Q: Who can vote at the shareholders meetings?

A: Only holders of record of DIMON common stock as of the close of business on Thursday, February 10, 2005, will be entitled to notice of and to vote at the DIMON special meeting. Only holders of record of Standard common stock as of the close of business on Thursday, February 10, 2005, will be entitled to notice of and to vote at the Standard special meeting.

Table of Contents

Q: When and where are the shareholders meetings?

A: *DIMON Special Meeting:*

The special meeting of DIMON shareholders will be held at The Carrington Conference Center, 503 Bridge Street, Danville, Virginia 24541 on [______], April [__], 2005, at [______] EST.

Standard Special Meeting:

The special meeting of Standard shareholders will be held at the Wilson County Agricultural Center Auditorium, 1806 South Goldsboro Street, Wilson, North Carolina on [______], April [__], 2005, at [______], EST.

Q: How does my board of directors recommend that I vote?

A: *DIMON shareholders:*

The DIMON board of directors unanimously recommends that DIMON shareholders vote FOR each of the proposals presented at the DIMON special meeting. In considering this recommendation, you should also consider that certain members of DIMON s board of directors will directly benefit from the merger. Benefits to DIMON s directors and officers are described in detail under the heading Interests of Certain Persons in the Merger Interests of DIMON s Directors and Officers in the Merger.

Standard shareholders:

The Standard board of directors unanimously recommends that Standard shareholders vote FOR the approval of the plan of merger. In considering this recommendation, you should also consider that certain members of Standard s board of directors will directly benefit from the merger. Benefits to Standard s directors and officers are described in detail under the heading Interests of Certain Persons in the Merger Interests of Standard s Directors and Officers in the Merger.

Q: Why have you selected the name Alliance One International, Inc. for the combined company?

A: The combination of DIMON and Standard allows us to build upon each company s strengths and resources and to shape the intangible perceptions of who we are and how we are perceived in the market. We believe that our company name will be an important symbol of those strengths and what we wish to represent. Alliance describes a company that is professional, financially stable, responsive, innovative and future focused. These are perceptions that will impact our present and future customer base. These strengths will be combined into One strong organization that will be truly International in scope. The name Alliance One International is intended to symbolize the customer-focused culture we will create when we merge two great competitors to form one great alliance.

Q: What do I need to do now?

A: After carefully reading and considering the information contained or incorporated by reference in this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instructions and returning it or them in the enclosed postage-paid envelope, as soon as possible so that your shares will be represented at your company s shareholder meeting.

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares.

Table of Contents

Q: Can I vote my shares held in the DIMON 401(k) plan or the Standard 401(k) plan?

A: If you participate in DIMON s or Standard s 401(k) plan, you may vote your shares as if you owned them outside this plan by following the instructions for shareholders of record under What do I need to do now? above.

Q: Why is my vote important?

A: If you do not return your card, or if you do not instruct your broker how to vote any shares held for you in street name, the effect will be a vote against each of the proposals presented at the applicable special meeting. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR each of the proposals.

Q: Are shareholders entitled to dissenters or appraisal rights?

A: *DIMON shareholders:*

No. DIMON shareholders are not entitled to dissenters or appraisal rights under Virginia law in connection with the merger because DIMON common stock is listed on the New York Stock Exchange.

Standard shareholders:

No. Standard shareholders are not entitled to dissenters or appraisal rights under North Carolina law in connection with the merger because, as of the record date for the special meeting, Standard common stock and DIMON common stock were listed on the New York Stock Exchange, and in the merger holders of Standard common stock will receive shares of DIMON common stock, which will be listed on the New York Stock Exchange.

Q: Can I change my vote after I have delivered my proxy?

A: Yes. You can change your vote at any time before your proxy is voted at the DIMON special meeting or the Standard special meeting, as the case may be. You can do this in one of three ways. First, you can revoke your proxy. Second, you can submit a new proxy. If you choose either of these two methods, you must submit your notice of revocation or your new proxy to the secretary of DIMON or Standard, as appropriate, before the respective shareholders meeting. If your shares are held in an account at a brokerage firm or bank, you must contact your brokerage firm or bank to change your vote. Third, if you are a holder of record, you can attend the shareholders meeting and vote in person.

Q: Should I send in my stock certificates now?

A: *DIMON Shareholders:*

No. It will not be necessary for shareholders to exchange their existing stock certificates at any time because your shares of DIMON common stock will remain outstanding after the merger. Please do not send in your stock certificates with your proxy.

Standard Shareholders:

No. After the merger is completed, you will receive written instructions from the exchange agent on how to exchange your stock certificates for shares of DIMON common stock. Please do not send in your stock certificates with your proxy.

Q-3

Table of Contents

Q: Who can help answer my questions?

A: If you have any questions about the matters described in this joint proxy statement/prospectus or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, you should contact:

if you are a DIMON shareholder:

DIMON Incorporated

512 Bridge Street

Danville, Virginia 24541

(434) 792-7511

Attention: Investor Relations

if you are a Standard shareholder:

Standard Commercial Corporation

2201 Miller Road

Wilson, North Carolina 27893

(252) 291-5507

Attention: Investor Relations

or

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Toll-Free: 800-322-2885

Call Collect: 212-929-5500

proxy@mackenziepartners.com

You may also obtain additional information about DIMON and Standard from documents filed with the SEC by following the instructions in the section entitled Where You Can Find More Information on page 103.

Table of Contents

SUMMARY

This summary highlights material information from this joint proxy statement/prospectus related to the special meetings of the shareholders for each of DIMON Incorporated and Standard Commercial Corporation. It does not contain all of the information that you should consider before voting. You should carefully read this entire joint proxy statement/prospectus and the other documents incorporated herein by reference to which this joint proxy statement/prospectus refers you. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in Where You Can Find More Information beginning on page 103.

The Companies

Alliance One

After the completion of the merger between DIMON and Standard, Alliance One International, Inc. will be one of only two global independent leaf tobacco merchants, with substantially similar global market shares. We will have broad geographic processing capabilities, a diversified product offering and an established customer base, including all of the major consumer tobacco product manufacturers. We select, purchase, process, store, pack and ship tobacco grown in over 45 countries, serving manufacturers of cigarettes and other consumer tobacco products in over 90 countries around the world. On a pro forma basis for the twelve months ended March 31, 2004, we would have generated gross sales of approximately $1.89 billion.

DIMON

DIMON Incorporated is the second largest independent leaf tobacco merchant in the world, and ships tobacco to manufacturers of cigarettes and other consumer tobacco products. DIMON selects, purchases, processes, stores, packs, ships and, in certain developing markets, provides agronomy expertise and financing for growing leaf tobacco. DIMON s revenues are primarily comprised of sales of processed tobacco and fees charged for processing and related services to manufacturers of tobacco products around the world. DIMON does not manufacture cigarettes or other consumer tobacco products.

DIMON has developed an extensive international network through which it purchases, processes and sells tobacco. Presently, DIMON purchases tobacco in more than 40 countries, including the principal export markets of the United States, Brazil, Malawi and Turkey. DIMON operates tobacco processing facilities in 29 countries where it processes tobacco to meet each customer s specifications as to quality, yield, chemistry, particle size, moisture content and other characteristics. DIMON ships tobacco to manufacturers of cigarettes and other consumer tobacco products located in approximately 90 countries around the world. A majority of the shipments of tobacco are to factories of these manufacturers that are located outside the United States. For the twelve months ended March 31, 2004, DIMON had gross sales of approximately $1.15 billion.

DIMON s executive offices are located at 512 Bridge Street, Danville, Virginia 24541, and its telephone number at that location is (434) 792-7511. Its website address is www.dimon.com. Information on DIMON s website is not a part of this joint proxy statement/prospectus.

Standard

Founded in 1910, Standard Commercial Corporation is the third largest independent leaf tobacco merchant. Standard maintains an international network through which it purchases, processes, stores, sells and ships tobacco grown in over 30 countries. Standard services cigarette manufacturers from processing facilities strategically located in 17 countries throughout the world, including the principal export markets for flue-cured, burley and oriental tobacco: the United States, Brazil, Malawi and Turkey. Standard s revenues primarily comprise sales of processed tobacco and fees charged for processing and related services to manufacturers of

S-1

tobacco products. Standard s customers include all of the world s leading manufacturers of cigarettes and consumer tobacco products. These customers are located in approximately 85 countries throughout the world. For the twelve months ended March 31, 2004, Standard had gross sales of approximately $738.6 million. Standard does not manufacture cigarettes or other consumer tobacco products.

Standard has historically been engaged in purchasing, processing and selling various types of wool. However, in the last quarter of fiscal 2002, Standard began selling or closing its wool operations in an effort to focus on its core tobacco operations. Since then, Standard has sold or shut down all of its wool operations except those located in France and Germany. The operations of the processing mill in France were shut down in April 2004, and the remaining units are expected to be sold or terminated by March 31, 2005.

Standard s executive offices are located at 2201 Miller Road, Wilson, North Carolina 27893, and its telephone number at that location is (252) 291-5507. Its website address is www.sccgroup.com. Information on Standard s website is not a part of this joint proxy statement/prospectus.

The Merger

On November 7, 2004, DIMON and Standard entered into an Agreement and Plan of Reorganization, or merger agreement, providing for the merger of Standard with and into DIMON. Simultaneously with the closing of the merger, DIMON will change its name to Alliance One International, Inc.

Effect of Merger on Shareholders; Ownership of the Combined Company After the Merger

Holders of Standard common stock will receive three shares of DIMON common stock for each share of Standard common stock they own as of the effective time of the merger. This exchange ratio is fixed and will not change. Holders of DIMON common stock will keep their shares, which will remain outstanding and unchanged as shares of Alliance One following the merger. As a result of the merger, DIMON and Standard shareholders will own 52% and 48%, respectively, of the outstanding shares of the combined company immediately following the merger.

Exchange Ratio is Fixed and Will Not Be Adjusted in Response to Changes in Our Stock Prices (see page 6)

Because the exchange ratio of three-to-one is fixed and neither DIMON nor Standard has the right to terminate the merger agreement based on changes in either party s stock price, the market value of the DIMON common stock that Standard shareholders will receive in the merger might vary significantly from its current value.

The table below shows the closing prices of DIMON and Standard common stock, which trade on the New York Stock Exchange under the symbols DMN and STW , respectively, at the close of the regular trading session on November 5, 2004, the last trading day before our public announcement of the merger, and March [__], 2005, the most recent trading day for which that information was available prior to the mailing of this joint proxy statement/prospectus. The table also shows the pro forma equivalent per share value of Standard common stock calculated by multiplying the DIMON closing price by the exchange ratio of 3.0.

Date	DIMON Closing Price	Standard Closing Price	Pro Forma Equivalent Price
November 5, 2004	$ 6.22	$ 16.40	$ 18.66
March [__], 2005	$ [____]	$ [____]	$ [____]

Because the three-to-one exchange ratio is fixed and will not be adjusted as a result of changes in the market price of DIMON common stock, the implied value of the exchange ratio will fluctuate with the market price of

DIMON common stock. The merger agreement does not include a price-based termination right or provisions that would compensate for increases or decreases in the market price of DIMON common stock. You can obtain current market quotations for the shares of both companies from a newspaper, the Internet or your broker.

Treatment of Standard Stock Options (see page 24)

When the merger is completed, DIMON will assume each outstanding Standard employee stock option, and each option will be deemed to constitute an option to acquire three shares of Alliance One common stock for every Standard share that the holder of the option would have been entitled to receive if the holder had exercised the option in full immediately prior to the effective time of the merger. The exercise price per share for the assumed options will be the exercise price per share under the Standard stock options divided by three.

Listing of Common Stock of the Combined Company (see page 23)

It is a condition to the closing of the merger that shares of DIMON common stock to be issued to Standard shareholders in the merger be approved for listing on the New York Stock Exchange, subject to official notice of issuance, before the completion of the merger.

Merger Generally Tax-Free (see page 18)

The merger has been structured to qualify as a tax-free reorganization for U.S. federal income tax purposes, and it is a condition to our respective obligations to complete the merger that DIMON and Standard each receive a legal opinion to that effect as of the closing date. In addition, in connection with the initial filing of the registration statement of which this joint proxy statement/prospectus is a part, DIMON and Standard each received an opinion to the same effect, and those opinions are attached as exhibits to such registration statement. Provided the merger qualifies as a reorganization, holders of Standard common stock generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of their Standard common stock for DIMON common stock in the merger.

You should be aware that the U.S. federal income tax consequences to you of the merger depend upon your own situation. In addition, you might be subject to state, local or foreign tax laws that are not discussed in this joint proxy statement/prospectus. You should therefore consult with your own tax advisor for a full understanding of the tax consequences to you of the merger.

Dividend Policy

The merger agreement allows each of DIMON and Standard to continue to pay regular quarterly cash dividends to their respective shareholders at the same rate each has paid dividends over the prior year. Alliance One currently expects to continue to pay quarterly dividends on its common stock after completion of the merger in an amount equal to DIMON s current dividend of $0.075 per share per quarter, or $0.30 per share on an annualized basis.

The payment of dividends by DIMON or Standard before the merger is completed or by Alliance One after the merger is completed is subject to the discretion of each company s board of directors and will depend on business conditions and each company s compliance with debt agreements, achievement of anticipated cost savings, financial condition and earnings, regulatory considerations and other factors. We cannot assure you that Alliance One will be able to pay dividends at the current rate or at all after completion of the merger.

Recommendations of the DIMON and Standard Boards of Directors (see pages 12 and 15)

DIMON Shareholders: The DIMON board of directors has determined that the merger of Standard with and into DIMON is advisable and in the best interest of DIMON and its shareholders and unanimously recommends

that the DIMON shareholders vote FOR the approval of the plan of merger and for each of the other proposals presented at the special meeting. In considering this recommendation, you should also consider that certain members of DIMON s board of directors will directly benefit from the merger. Benefits to DIMON s directors and officers are described in detail under the heading Interests of Certain Persons in the Merger Interests of DIMON s Directors and Officers in the Merger.

Standard Shareholders: The Standard board of directors has determined that the merger of Standard with and into DIMON is advisable and in the best interest of Standard and its shareholders and unanimously recommends that the Standard shareholders vote FOR the approval of the plan of merger. In considering this recommendation, you should also consider that certain members of Standard s board of directors will directly benefit from the merger. Benefits to Standard s directors and officers are described in detail under the heading Interests of Certain Persons in the Merger Interests of Standard s Directors and Officers in the Merger.

Factors Considered by Our Boards: In determining whether to approve the merger, our boards of directors each consulted with our respective senior managements and legal and financial advisors, and considered the respective strategic, financial and other considerations referred to under DIMON Proposal One and Standard Proposal One: The Merger DIMON s Reasons for the Merger; Recommendation of the Merger by the DIMON Board of Directors beginning on page 12 and DIMON Proposal One and Standard Proposal One: The Merger Standard s Reasons for the Merger; Recommendation of the Merger by the Standard Board of Directors beginning on page 15.

Fairness Opinions From Our Financial Advisors (see pages 40 and 46)

Opinion of DIMON s Financial Advisor: On November 6, 2004, DIMON s financial advisor, Peter J. Solomon Company, L.P., or PJSC, provided its opinion to the DIMON board of directors that, as of that date, and subject to the qualifications and assumptions set forth in its opinion and based on the considerations set forth in such opinion, the exchange ratio in the merger is fair from a financial point of view to DIMON. The full text of PJSC s opinion is attached as Annex D to this joint proxy statement/prospectus. DIMON urges its shareholders to read that opinion in its entirety.

Opinion of Standard s Financial Advisor: On November 5, 2004, Standard s financial advisor, Matrix Private Equities, Inc., provided its opinion to the Standard board of directors that, as of that date, and subject to the qualifications and assumptions set forth in its opinion and based on the considerations referred to in its opinion, the exchange ratio in the merger is fair, from a financial point of view, to Standard s common shareholders. The full text of Matrix s opinion is attached as Annex E to this joint proxy statement/prospectus. Standard urges its shareholders to read that opinion in its entirety.

Lack of Appraisal or Dissenter s Rights (see page 23)

The shareholders of DIMON and Standard are not entitled to appraisal or dissenter s rights in connection with the merger.

Directors and Management Following the Merger (see page 23)

Following the merger, the board of directors of Alliance One will consist of 13 directors. The board will include Brian J. Harker, currently the Chairman and Chief Executive Officer of DIMON, and six current independent directors of DIMON. The board will also include Robert E. (Pete) Harrison, currently the Chairman, Chief Executive Officer and President of Standard, and five current directors of Standard. Other than Messrs. Harker and Harrison, none of the directors will be employees of the combined company. Directors who serve on the combined company s board of directors are expected to be compensated for their services in that capacity in accordance with DIMON s existing director compensation policy.

Following the merger, Mr. Harker will continue to serve as Chairman and Chief Executive Officer of Alliance One and Mr. Harrison will become President and Chief Operating Officer of Alliance One. The parties anticipate that as of March 31, 2007 (or, if earlier, when Mr. Harker ceases for any reason to serve in the position of Chief Executive Officer), Mr. Harrison will become Chief Executive Officer of Alliance One. Mr. Harker will continue to serve as Chairman of the Alliance One board of directors through the 2007 annual meeting of shareholders. In addition, the parties have agreed to appoint the following members of senior management from each company to the senior management positions indicated.

James A. Cooley, Executive Vice President Chief Financial Officer

Steven B. Daniels, Executive Vice President Operations

Henry C. Babb, Senior Vice President, Chief Legal Officer and Secretary

Michael K. McDaniel, Senior Vice President Human Resources

We have not yet identified who will serve as Executive Vice President Sales for the combined company.

Additional information on the directors and officers of Alliance One immediately following the completion of the merger appears under the heading DIMON Proposal Six: Election of Directors.

Interests of Our Directors and Executive Officers in the Merger (see pages 64 and 66)

Some of the directors and executive officers of DIMON and Standard may have interests in the merger that are different from, or are in addition to, the interests of shareholders of DIMON and Standard. These interests include:

rights of Standard s Chairman and Chief Executive Officer, Mr. Harrison, under an employment agreement with DIMON for a term of employment to commence upon the completion of the merger;

rights of DIMON s Chairman and Chief Executive Officer, Mr. Harker, under an employment agreement with DIMON for a two-year term of employment to commence upon the completion of the merger;

rights of DIMON and Standard executive officers under amendments to employment agreements and change in control agreements;

rights of DIMON and Standard executive officers under stock-based benefit programs and awards;

rights of Standard officers and directors to continued indemnification and insurance coverage by DIMON after the merger for acts or omissions occurring prior to the merger; and

compensation of persons designated by DIMON and Standard to serve on the combined company s board of directors under DIMON s existing director compensation policy.

Our boards of directors were aware of these interests when deciding to approve the merger.

Voting Agreements (see page 6)

The following shareholders of Standard have signed agreements pursuant to which they have agreed to vote shares beneficially owned, directly or indirectly, by them in favor of the merger:

Robert E. Harrison, Chairman, President, Chief Executive Officer and director;

William A. Ziegler, director;

William S. Sheridan, director

B. Clyde Preslar, director;

Mark W. Kehaya, director;

Robert A. Sheets, Executive Vice President Finance, Chief Financial Officer and director;

Alfred F. Rehm, Jr., Executive Vice President Global Sales and Customer Relations;

Henry C. Babb, Senior Vice President Public Affairs, Secretary and General Counsel;

Ery W. Kehaya, II, Senior Vice President Information Systems and Chief Information Officer; and

Helga Kehaya, shareholder.

These Standard shareholders collectively beneficially own, directly or indirectly, approximately 24% of the outstanding shares of Standard common stock as of the record date.

Refinancing (see page 21)

Many of DIMON s and Standard s financing arrangements must be amended or refinanced in connection with the closing of the merger because (1) change of control clauses in agreements governing the financing require repayment in connection with a significant transaction such as the merger, or (2) Alliance One would not be able to comply with certain of the financial covenants contained in those agreements as of the closing of, or immediately after, the merger. In addition, DIMON may seek to refinance other debt of DIMON or Standard in connection with the closing, even though such refinancing is not required. DIMON s current plan for refinancing this indebtedness is described in more detail under the heading DIMON Proposal One and Standard Proposal One: The Merger Refinancing. DIMON will incur fees and expenses in connection with this refinancing that are likely to be significant.

The closing of the merger is conditioned on DIMON obtaining financing reasonably acceptable to DIMON for all indebtedness that must be repaid in connection with the completion of the merger on terms that (1) are not materially and adversely different than those presented to the Standard board prior to the execution of the merger agreement, and (2) will not have a material adverse effect on the combined company. Neither DIMON nor Standard has obtained any commitment from any lender to provide or obtain any of the financing required to close the merger. There can be no assurance that any element of the refinancing can be obtained in a timely manner or on favorable terms.

Conditions to Completion of the Merger (see page 25)

We may not complete the merger unless the following conditions are satisfied or, where permitted, waived:

the approval of the plan of merger by Standard shareholders holding at least two-thirds of the outstanding shares of Standard common stock;

the approval of the plan of merger by DIMON shareholders holding at least two-thirds of the outstanding shares of DIMON common stock;

shareholder approval of the amendment and restatement of DIMON s articles of incorporation as described herein;

approval by all applicable U.S. and foreign antitrust authorities;

the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;

the NYSE s approval of the listing of the shares of DIMON common stock to be issued to Standard s shareholders in the merger;

each of the representations and warranties made by DIMON in the merger agreement shall be true and correct in all material respects as of the closing date;

each of the representations and warranties made by Standard in the merger agreement shall be true and correct in all material respects as of the closing date;

neither DIMON nor Standard shall have suffered a material adverse effect;

each of DIMON and Standard shall have performed its obligations under the merger agreement in all material respects;

each of DIMON and Standard shall have received an opinion of counsel that the merger will be a reorganization within the meaning of Section 368(a) of the Internal Revenue Code for U.S. federal income tax purposes; and

financing for all DIMON and Standard indebtedness required to be repaid or refinanced in connection with the merger shall have been obtained on terms reasonably acceptable to DIMON that are not materially and adversely different from the proposed financing presented to the Standard board prior to the execution of the merger agreement, and that is not reasonably likely to have a material adverse effect on the combined company.

Regulatory Approvals (see page 20)

To complete the merger, we must obtain the approval of U.S. federal antitrust authorities as well as antitrust authorities in various foreign jurisdictions. In the U.S., the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 has expired without action by U.S. antitrust authorities. In addition, we have made the required filings in several foreign jurisdictions and expect the waiting periods in those jurisdictions will expire no later than March 31, 2005, unless extended by the applicable authorities. U.S. and certain foreign authorities, however, have the ability to institute litigation to block the merger in their sole discretion notwithstanding the expiration of any waiting period.

No Solicitation; Restrictions on Alternative Transactions (see page 27)

The merger agreement contains non-solicitation provisions that prohibit each of DIMON and Standard from soliciting or engaging in discussions or negotiations regarding a competing proposal to the merger. There are exceptions to these prohibitions if either party receives an unsolicited proposal for a transaction which the board of directors of such party determines is reasonably likely to result in a superior proposal (as defined in the merger agreement), subject to terms and conditions and under the circumstances set forth in the merger agreement.

Termination of the Merger Agreement; Fees Payable (see page 27)

The merger agreement may be terminated at any time by the written agreement of DIMON and Standard. In addition, the merger agreement may be terminated by either DIMON or Standard acting unilaterally if:

the merger has not closed by June 30, 2005 (or September 30, 2005, if the only remaining unsatisfied condition to closing is approval of the requisite antitrust authorities);

any governmental entity has issued a final, non-appealable order or taken final, non-appealable actions to prohibit the merger;

either the DIMON or Standard shareholders fail to approve the merger;

the other party s board of directors exercises its right to accept a superior proposal, provided that (1) it gives the other party the opportunity to match that proposal, and (2) if the proposal is not matched it pays the other party the termination fee described under the heading Termination Fee; Fees and Expenses below;

the other party breaches any representation or warranty in a material respect or fails to perform a covenant in a material respect; or

the other party s board of directors fails to recommend that its shareholders approve the merger.

Termination Fee; Fees and Expenses (see page 28)

Standard must pay DIMON a termination fee of $17.5 million, plus all of DIMON s reasonable out-of-pocket fees and expenses incurred in connection with the merger, if:

the Standard board of directors terminates the merger agreement to accept a superior proposal (as defined in the merger agreement);

the Standard shareholders fail to approve the merger, but only if an alternative transaction to acquire Standard has been publicly announced prior to the date of the Standard special meeting; or

the Standard board fails to recommend that its shareholders approve the merger.

DIMON must pay Standard a termination fee of $17.5 million, plus all of Standard s reasonable out-of-pocket fees and expenses incurred in connection with the merger, if:

the DIMON board of directors terminates the merger agreement to accept a superior proposal (as defined in the merger agreement);

the DIMON shareholders fail to approve the merger, but only if an alternative transaction to acquire DIMON has been publicly announced prior to the date of the DIMON special meeting; or

the DIMON board fails to recommend that its shareholders approve the merger.

These termination fees could discourage other companies from seeking to acquire or merge with either DIMON or Standard.

DIMON shall reimburse Standard for Standard s reasonable out-of-pocket fees and expenses incurred in connection with the merger in the event DIMON s shareholders fail to approve the merger and no alternative transaction to acquire DIMON has been publicly announced prior to such vote.

Standard shall reimburse DIMON for DIMON s reasonable out-of-pocket fees and expenses incurred in connection with the merger in the event Standard s shareholders fail to approve the merger and no alternative transaction to acquire Standard has been publicly announced prior to such vote.

In all other instances, each of DIMON and Standard shall be responsible for their respective fees and expenses incurred in connection with the merger.

The DIMON Special Meeting (see page 95)

If you beneficially own shares of DIMON common stock as of the record date, this joint proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by DIMON in connection with DIMON s special meeting of shareholders. The DIMON special meeting is scheduled to be held on [______], March [__], 2005, at [______], EST at The Carrington Conference Center, 503 Bridge Street, Danville, Virginia.

At the DIMON special meeting, DIMON s shareholders will be asked to consider and vote upon the proposals described under the heading The DIMON Incorporated Special Meeting Purpose of the Special Meeting.

Table of Contents

As of the record date, DIMON directors, executive officers, nominees for director and their affiliates owned and were entitled to vote approximately 1,427,577 shares of DIMON common stock, representing approximately 3.15% of the outstanding shares of DIMON common stock. DIMON s directors and executive officers are expected to vote their shares in favor of the proposals presented at the special meeting, although none of them has entered into any agreements obligating them to do so.

The record date for the DIMON special meeting is the close of business on Thursday, February 10, 2005. The quorum for holding the DIMON special meeting is a majority of the outstanding DIMON shares entitled to be voted.

The Standard Special Meeting (see page 98)

If you beneficially own shares of Standard common stock as of the record date, this joint proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by Standard in connection with Standard s special meeting of shareholders. The Standard special meeting is scheduled to be held on [______], March [__], 2005, at [______], EST at the Wilson County Agricultural Center Auditorium, 1806 South Goldsboro Street, Wilson, North Carolina.

At the Standard special meeting, Standard s shareholders will be asked to consider and vote upon the following proposals:

- the approval of the plan of merger and the merger contemplated thereby, which requires the vote of the holders of at least two-thirds of the outstanding shares of Standard common stock; and

- to act on any other business that properly comes before the meeting, including the decision to adjourn the meeting, which requires the affirmative vote of the holders of at least a majority of the shares present at the Standard special meeting.

As of the record date, Standard directors and executive officers and their affiliates owned and were entitled to vote approximately 1,837,100 shares of Standard common stock, representing approximately 13.37% of the outstanding shares of Standard common stock.

The record date for the Standard special meeting is the close of business on Thursday, February 10, 2005. The quorum for holding the Standard special meeting is a majority of the outstanding Standard shares entitled to be voted.

As described above under Voting Agreements, certain directors, officers and one significant shareholder of Standard have signed voting agreements pursuant to which they have agreed to vote shares beneficially owned by them in favor of the merger. These Standard shareholders collectively beneficially own, directly or indirectly, approximately 24% of the outstanding shares of Standard common stock as of the record date.

Table of Contents

SUMMARY UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL DATA

The summary unaudited condensed combined pro forma financial data presented below gives effect to the merger as if it had occurred on (1) December 31, 2004 for purposes of the unaudited condensed combined pro forma balance sheet, (2) April 1, 2003 for purposes of the unaudited condensed combined pro forma statements of income for the nine months ended December 31, 2004 and (3) April 1, 2003 for purposes of the unaudited condensed combined pro forma statements of income for the twelve months ended March 31, 2004. The unaudited condensed combined pro forma balance sheet and statements of income include the historical amounts of DIMON and Standard, adjusted to reclassify Standard s information to a consistent presentation format and to reflect the pro forma adjustments related to the merger of Standard with and into DIMON. The DIMON historical consolidated statement of income for the twelve month period ended March 31, 2004 is derived from the audited historical statement of income for the nine month period ended March 31, 2004 and the unaudited statement of income for the three month period ended June 30, 2003, in each case, as amended and appearing in the Current Report on Form 8-K dated December 10, 2004. This summary unaudited condensed combined pro forma financial data should be read in conjunction with Unaudited Condensed Combined Pro Forma Financial Data beginning on page 31 hereof, including the notes thereto, and the historical consolidated financial statements and other data of DIMON and Standard included or incorporated by reference in this joint proxy statement/prospectus. See Summary Selected Historical Financial Information beginning on page S-11, and Where You Can Find More Information on page 103.

This information is provided for illustrative purposes only and is not necessarily indicative of what DIMON s results of operations or financial position would have been if the merger had actually occurred on the dates specified. In addition, the unaudited condensed combined pro forma financial information is based on estimates and assumptions described in Notes to Unaudited Condensed Combined Pro Forma Financial Data, which are preliminary and have been made solely for the purpose of developing such pro forma data for inclusion in this joint proxy statement/prospectus. The unaudited condensed combined pro forma income statement does not include any of the anticipated efficiencies, inefficiencies or cost savings expected to result from the integration of DIMON and Standard after completion of the merger.

DIMON will account for the merger using the purchase method of accounting. DIMON will record the assets (including identifiable intangible assets) and liabilities of Standard at their estimated fair value. The difference between the purchase price and the estimated fair value of Standard s net assets and liabilities will result in goodwill.

	Pro Forma Combined (unaudited)	
(in thousands, except per share amounts)	**Nine Months Ended December 31, 2004**	**Twelve Months Ended March 31, 2004**
Summary of Operations:		
Sales and other operating revenues	$ 1,642,780	$ 1,888,943
Cost of goods and services sold	1,397,559	1,591,998
Gross profit	245,221	296,945
Selling, administrative and general expenses	161,613	198,545
Operating income	87,607	78,701
Interest expense	56,429	61,146
Income before income taxes and equity in net income of investee companies	43,278	28,910
Income tax expense	11,721	12,507
Income after income taxes	31,557	16,403
Income from continuing operations	32,471	20,784

	December 31, 2004

Balance Sheet Data:	
Inventories	$ 786,913
Total current assets	1,541,116
Total assets	2,457,182
Total current liabilities	933,878
Long term debt	589,184
Shareholders equity	689,298

See Notes to Unaudited Condensed Combined Pro Forma Financial Data.

Table of Contents

SUMMARY SELECTED HISTORICAL FINANCIAL INFORMATION

DIMON Incorporated

The following table sets forth DIMON s summary consolidated historical financial data, which you should read in conjunction with DIMON s consolidated financial statements and related notes incorporated by reference into this joint proxy statement/prospectus. This summary consolidated financial data as of March 31, 2004, and for the nine months then ended, as well as the summary consolidated financial data as of June 30, 2003 and for each of the fiscal years in the four year period then ended have been derived from DIMON s audited consolidated financial statements. The consolidated balance sheets as of March 31, 2004 and June 30, 2003, and the consolidated statements of operations for the nine months ended March 31, 2004 and the fiscal years ended June 30, 2003 and 2004, and the independent registered public accounting firm s reports thereon, are included in DIMON s Annual Report on Form 10-K/A for the fiscal transitional period ended March 31, 2004, as amended by DIMON s Current Report on Form 8-K filed on December 10, 2004. The unaudited consolidated balance sheets as of December 31, 2004 and 2003 and the unaudited consolidated statements of operations for each of the nine month periods ended December 31, 2004 and 2003 are included in DIMON s Quarterly Report on Form 10-Q for the quarter ended December 31, 2004. Results for the nine months ended December 31, 2004 and 2003 are not necessarily indicative of results to be expected for the full fiscal year or any future periods.

(in thousands, except per share amounts and	Nine Months Ended December 31,		Nine Months Ended March 31	Year Ended June 30,			
number of shareholders)	2004	2003	2004	2003	2002	2001	2000
Summary of Operations							
Sales and other operating revenues	$ 992,166	$ 847,188	$ 802,083	$ 1,197,467	$ 1,192,613	$ 1,343,743	$ 1,412,887
Cost of goods and services sold	843,824	706,813	696,627	992,182	994,239	1,159,766	1,236,585
Gross profit	148,342	140,375	105,456	205,285	198,374	183,977	176,302
Selling, administrative and general expenses	92,312	93,211	88,109	113,583	107,734	102,026	105,075
Restructuring and asset impairment charges (recovery)	1,977		22,539			(5,307)	(211)
Interest expense	38,006	34,293	32,167	46,887	47,877	53,574	57,704
Derivative financial instruments (income) / expense	(9,671)	(5,626)	(6,522)	12,409	10,202	4,680	
Income taxes (benefit)	11,016	7,099	(589)	9,064	9,912	9,017	5,358
Income (loss) from continuing operations	22,766	15,981	(21,539)	26,829	26,258	24,267	16,452
Income (loss) from discontinued operations, net of income taxes	(5,669)	(1,252)	(11,329)	(549)	1,218	730	1,536
Extraordinary item Iraqi receivable recovery, net of income taxes		1,777		1,777			
Net income (loss)	17,097	16,506	(32,868)	28,057	27,476	24,894	17,988
Balance Sheet Data							
Working capital (1)	$ 421,745	$ 456,415	$ 419,703	$ 443,790	$ 436,012	$ 179,238	$ 441,055
Total tobacco inventory	473,202	443,289	425,365	447,896	378,669	387,915	373,419
Total assets	1,371,671	1,324,101	1,357,404	1,353,152	1,277,090	1,182,089	1,266,749
Total debt	651,266	611,883	667,641	636,285	584,968	529,799	677,600
Shareholders equity	425,374	454,495	414,885	454,573	434,663	411,539	403,504
Other Data							
Ratio of earnings to fixed charges (2)	1.80	1.69		1.70	1.72	1.59	1.41
Common shares outstanding at period-end	45,366	45,104	45,162	44,737	44,640	44,575	44,525
Number of shareholders at period-end (3)	N/A	N/A	5,945	5,946	6,025	4,611	4,899
Per Share Statistics							
Basic Earnings (Loss) Per Share:							
Income (loss) from continuing operations	$ .51	$ .36	$ (.48)	$ .60	$ .59	$ .55	$ .37
Income (loss) from discontinued operations	(.13)	(.03)	(.25)	(.01)	.03	.02	.03
		.04					

Extraordinary item Iraqi receivable recovery, net of income taxes							
Net income (loss)	.38	.37	(.73)	.63	.62	.56	.40
Diluted Earnings (Loss) Per Share:							
Income (loss) from continuing operations	$ .50	$ .36	$ (.48)	$ .59	$ .58	$ .54	$ .37
Income (loss) from discontinued operations	(.12)	(.03)	(.25)	(.01)	.03	.02	.03
Extraordinary item Iraqi receivable recovery, net of income taxes		.04					
Net income (loss)	.38*	.36*	(.73)*	.62*	.61*	.56*	.40*
Dividends paid	.225	.225	.225	.275	.20	.20	.20

Table of Contents

* Assumed conversion of convertible debentures at the beginning of the period has an anti-dilutive effect on earnings per share. For the nine months ended March 31, 2004, all outstanding restricted stock and stock options are excluded because their inclusion would have an anti-dilutive effect on the loss per share.
(1) Working capital increased in fiscal 2002 due to the issuance of long term debt which was used to refinance both the current portion of long term debt and other short term debt. See Note G to the Notes to Consolidated Financial Statements included in DIMON s Form 8-K filed on December 10, 2004 and incorporated by reference herein.
(2) In 2004, fixed charges exceeded earnings by approximately $24.4 million.
(3) Includes the number of shareholders of record and non-objecting beneficial owners.

Standard Commercial Corporation

The following table sets forth Standard s summary consolidated historical financial data, which you should read in conjunction with Standard s consolidated financial statements and related notes incorporated by reference into this joint proxy statement/prospectus. This summary consolidated financial data as of and for each of the fiscal years in the five year period ended March 31, 2004, have been derived from Standard s audited consolidated financial statements. The consolidated balance sheets as of March 31, 2004 and 2003, and the consolidated statements of operations for each of the fiscal years in the three year period ended March 31, 2004, and the independent registered public accounting firm s reports thereon, are included in Standard s Annual Report on Form 10-K for the fiscal year ended March 31, 2004, as amended by Standard s Current Report on Form 8-K filed on December 21, 2004. The unaudited consolidated balance sheets as of December 31, 2004 and 2003, and the unaudited consolidated statements of operations for each of the nine month periods ended December 31, 2004 and 2003 are included in Standard s Quarterly Report on Form 10-Q for the quarter ended December 31, 2004. Results for the nine months ended December 31, 2004 and 2003 are not necessarily indicative of results to be expected for the full fiscal year or any future periods.

	Nine Months Ended December 31,		Year ended March 31				
(In thousands, except per share data)	**2004**	**2003**	**2004**	**2003**	**2002**	**2001**	**2000**
Consolidated Statement of Operations Data:							
Sales	$ 650,614	$ 536,612	$ 738,640	$ 779,358	$ 755,704	$ 872,330	$ 861,086
Cost of sales:							
Materials, services and supplies	548,355	432,445	608,670	622,649	611,683	742,254	748,563
Interest expense	9,040	7,926	13,754	11,309	13,389	22,053	22,234
Gross Profit	93,219	96,241	116,216	145,400	130,632	108,023	90,289
Selling, general and administrative expenses	68,081	56,211	71,424	72,986	61,443	63,318	62,781
Other interest expense	9,383	2,910	2,606	4,153	8,378	10,177	10,335
Other income (expense) net	740	2,230	2,840	3,687	1,247	3,708	4,001
Income before income taxes	16,495	39,350	45,026	71,948	62,058	38,236	21,174
Income taxes	(3,015)	(12,468)	11,203	23,830	22,594	16,352	10,390
Income after income taxes	13,480	26,882	33,823	48,118	39,464	21,884	10,784
Minority interests	(185)	(53)	(77)	49		(644)	409
Equity in earnings (loss) of affiliates	700	672	1,343	846	(287)	(40)	650
Income from continuing operations (1)	13,995	27,501	35,089	49,013	39,177	21,200	11,843
Loss from discontinued operations, net of tax	(32,582)	(31,567)	(48,727)	(11,132)	(19,380)	(75)	(1,505)
Net income (loss)	$ (18,587)	$ (4,066)	$ (13,638)	$ 37,881	$ 19,797	$ 21,125	$ 10,338

Consolidated Balance Sheet Data (at period end):							
Working capital	$ 185,183	$ 195,195	$ 184,761	$ 211,187	$ 203,167	$ 224,213	$ 223,568
Inventories	267,510	241,838	241,330	187,589	169,882	165,574	265,434
Total assets	899,453	828,345	840,014	748,300	650,642	691,905	814,558
Total debt	437,065	408,288	399,188	310,933	289,500	347,317	476,029
Total shareholders equity	211,340	246,004	229,064	242,125	190,653	168,625	149,076
Per Share Data:							
Net income from continuing operations basic	$ 1.02	$ 2.03	$ 2.58	$ 3.64	$ 2.94	$ 1.60	$ 0.91
Net loss from discontinued operations basic	(2.38)	(2.32)	(3.58)	(0.83)	(1.45)	(0.01)	(0.11)
Net income (loss) basic	(1.36)	(.29)	(1.00)	2.81	1.49	1.59	0.80
Dividends paid	.2625	.2375	0.3250	0.2375	0.20	0.20	0.20
Book value at period end	15.38	18.03	16.74	17.94	14.26	12.72	11.48

(1) Pursuant to Standard s adoption of SFAS No. 142, *Accounting for Goodwill and Other Intangible Assets*, the amortization of goodwill ceased on April 1, 2002. Goodwill amortization was $1.5 million for each of the three years in the period ended March 31, 2002, respectively, and is included in income from continuing operations.

Table of Contents

COMPARATIVE PER SHARE INFORMATION

The following table presents selected comparative unaudited per share data for DIMON on a historical and pro forma combined basis, and for Standard on a historical and pro forma equivalent basis, giving effect to the merger using the purchase method of accounting. The information presented below is derived from the consolidated historical financial statements of DIMON and Standard, including the related notes thereto, incorporated by reference into this joint proxy statement/prospectus. This information should be read in conjunction with those historical financial statements and the related notes thereto. See Where You Can Find More Information.

This data is not necessarily indicative of the results of future operations of the combined company or the actual results that would have been achieved had the merger been consummated prior to the periods indicated.

The pro forma combined book value per share of DIMON common stock is based upon the pro forma total common equity for DIMON, divided by the total pro forma shares outstanding after the merger assuming conversion of Standard common stock at an exchange ratio of three shares of DIMON common stock for each share of Standard common stock. The pro forma equivalent book values per share of Standard common stock represents the pro forma combined amount per share multiplied by the exchange ratio. The pro forma combined dividends declared assume no changes in the historical dividends declared per share of DIMON common stock. The pro forma equivalent dividends per share of Standard common stock represents the cash dividends declared on a share of DIMON common stock multiplied by the exchange ratio. The pro forma combined net income per share has been computed based on the average number of outstanding shares and common equivalent shares of DIMON, and the average number of outstanding shares of Standard common stock adjusted for the exchange ratio. The pro forma equivalent net income per share of Standard common stock represents the pro forma combined net income per share multiplied by the exchange ratio.

	DIMON Common Stock		Standard Common Stock	
	Historical	Pro Forma Combined	Historical	Pro Forma Equivalent
Book Value				
As of December 31, 2004	$ 9.38	$ 7.96	$ 15.38	$ 23.88
Cash Dividends Paid				
Twelve Months ended March 31, 2004	$ 0.30	$ 0.30	$ 0.325	$ 0.90
Nine Months ended December 31, 2004	$ 0.225	$ 0.225	$ 0.2625	$ 0.675
Income from Continuing Operations				
Basic:				
Twelve Months ended March 31, 2004	$ (0.19)	$ 0.24	$ 2.58	$ 0.72
Nine Months ended December 31, 2004	$ 0.51	$ 0.38	$ 1.02	$ 1.14
Diluted:				
Twelve Months ended March 31, 2004	$ (0.19)	$ 0.24	$ 2.45	$ 0.72
Nine Months ended December 31, 2004	$ 0.50	$ 0.37	$ 1.02	$ 1.11

Table of Contents

RISKS RELATING TO THE MERGER

In addition to the information included in Information Regarding Forward-Looking Statements beginning on page 5 or incorporated by reference in this joint proxy statement/prospectus, you are urged to consider carefully the matters described below in determining whether to vote to approve the plan of merger and the other proposals contemplated herein.

Because the market price of DIMON common stock may fluctuate, you cannot be sure of the market value of the common stock to be issued in the merger.

Upon completion of the merger, each share of Standard common stock will be converted into three shares of DIMON common stock. This exchange ratio will not be adjusted for changes in the market price of either DIMON common stock or Standard common stock. The prices of DIMON common stock and Standard common stock at the closing of the merger may vary from their respective prices on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and/or on the date of the shareholder meetings. As a result, the value represented by the exchange ratio will also vary. For example, based on the range of closing prices of DIMON common stock during the period from November 5, 2004, the last trading day before public announcement of the merger, through March [__], 2005, the last day for which information was available before the mailing of this joint proxy statement/prospectus, the exchange ratio represented a value ranging from a high of $[____] to a low of $[____] for each share of Standard common stock.

Stock price changes may result from a variety of factors, including general market and economic conditions, regulatory considerations and changes in our businesses, operations and prospects, many of which factors are beyond our control. Because the date that the merger is completed will be later than the date of the special shareholder meetings, at the time of your meeting you will not know the exact market value of the DIMON common stock that Standard shareholders will receive upon completion of the merger. Neither DIMON nor Standard is permitted to terminate the merger agreement or resolicit the vote of our shareholders solely because of changes in the market price of either of our common stocks.

If Alliance One fails to realize the anticipated cost savings and other benefits of the merger, the merger could be dilutive to Alliance One s earnings per share or otherwise adverse to Alliance One shareholders.

The success of the merger will depend, in part, on our ability to realize the anticipated cost savings from combining the businesses of DIMON and Standard. We believe we can realize more than $60 million of annual pre-tax cost savings, which are expected to be phased in during the two years following the merger. However, to achieve the anticipated benefits from the merger, DIMON and Standard must successfully combine the businesses of DIMON and Standard in a manner that permits those cost savings to be realized, while minimizing the costs of integration. If DIMON and Standard are not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. If a large portion of the anticipated cost savings are not achieved, the merger could be dilutive to Alliance One s earnings per share and we may not be able to continue to pay dividends at the current rate or at all.

In addition, DIMON and Standard have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the proposed merger and the integration process, once the merger is completed, could result in the loss of key employees, the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers and employees or our ability to achieve the anticipated benefits of the merger or could reduce our earnings.

We might not be able to amend or refinance DIMON s and Standard s debt necessary to consummate the merger.

Many of DIMON s and Standard s financing arrangements must be amended or refinanced in connection with the closing of the merger because (1) change of control clauses in agreements governing such financings

1

Table of Contents

require repayment in connection with a significant transaction such as the merger, or (2) we would not be able to comply with certain of the financial covenants contained in those agreements as of the closing of, or immediately after, the merger. The financing arrangements that must be amended or refinanced are:

- DIMON s $150 million senior credit facility, of which $3.6 million was outstanding as of December 31, 2004 (although additional amounts have been drawn since that time);
- DIMON s $200 million of 9 5/8% senior notes due 2011;
- DIMON s $125 million of 7 3/4% senior notes due 2013;
- Standard s $150 million senior credit facility, of which approximately $117.0 million was outstanding as of December 31, 2004; and
- Standard s $150 million of 8% senior notes due 2012.

DIMON may also redeem all $73 million of its 6 1/4% Convertible Subordinated Debentures due 2007, although such redemption is not required pursuant to the terms of the agreements governing such debt.

We intend to raise capital to tender for, repay or redeem these financings and pay the costs and expenses of the merger and refinancing through a combination of one or more of a new senior secured revolving credit facility, senior secured term loan, senior notes and senior subordinated notes. We anticipate that, as a result of this refinancing, the total indebtedness of the combined company will increase, primarily as a result of approximately $105 million to $110 million of tender premiums, redemption premiums and other costs and expenses we expect to incur in connection with the refinancing and the closing of the merger, a portion of which will be expensed as incurred and a portion of which will be capitalized and amortized over the applicable period. Our indebtedness following the merger will have important consequences, including:

- our indebtedness may make it more difficult for us to satisfy our interest payment obligations and pay dividends;
- our indebtedness may limit our ability to obtain additional financing on satisfactory terms and to otherwise fund working capital, capital expenditures, debt refinancing, acquisitions and other general corporate requirements;
- a significant portion of our cash flow from operations must be dedicated to paying interest on, and the repayment of the principal of, our indebtedness. This reduces the amount of cash we have available for making principal and interest payments under indebtedness, paying dividends and for other purposes and makes us more vulnerable to a decrease in demand for leaf tobacco, increases in our operating costs or general economic or industry conditions; and
- our ability to adjust to changing market conditions and to compete with other global leaf tobacco merchants may be hampered by the amount of debt we owe.

In addition, the instruments governing this indebtedness will contain financial and other restrictive covenants that will limit our ability to engage in activities that may be in our best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or

waived, could result in the acceleration of all of our debts.

We may experience a contraction of available capital to finance our local operations in non-U.S. jurisdictions.

Each of DIMON and Standard have typically financed their non-U.S. local operations with uncommitted short term operating credit lines at the local level. These operating lines are typically seasonal in nature, extending for a term of 180 to 270 days corresponding to the tobacco crop cycle in that location. These facilities are typically uncommitted in that the lenders have the right to cease making loans or demand payment of outstanding loans at any time. In addition, we must renegotiate the terms of each of these operating lines, or seek alternative financing, after each local crop season. Although the foreign subsidiaries are the borrowers under these lines, many of them are guaranteed by DIMON or Standard.

At December 31, 2004, DIMON s subsidiaries had borrowed funds under approximately 27 different operating lines ranging in size from $50.0 million to $1.2 million. At December 31, 2004, DIMON s subsidiaries had seasonally adjusted operating lines of $512.0 million, excluding all long term agreements; had borrowed $235.7 million under those operating lines with a weighted average interest rate of 3.71%; and had approximately $243.2 available under these operating lines. DIMON s total maximum borrowings under these operating lines, excluding the long term credit agreements, during the nine months ended December 31, 2004 were $527.5 million.

At December 31, 2004, Standard s subsidiaries had borrowed funds under approximately 45 different operating lines ranging in size from $52.7 million to $0.3 million. At December 31, 2004, Standard s subsidiaries had seasonally adjusted operating lines of $266.8 million, excluding all long-term agreements; had borrowed $135.4 million under those operating lines with a weighted average interest rate of 8.6%; and had approximately $131.4 availability under these operating lines. Standard s total maximum borrowings under these operating lines, excluding the long term credit agreements, during the nine months ended December 31, 2004 were $177.1 million.

Because the lenders under these operating lines typically have the right to cancel the loan at any time and the lines must be renewed with each local crop season, there can be no assurance that this capital will be available to the subsidiaries of the combined company after the merger. Many of the lenders to DIMON s subsidiaries at the local level are also lenders to Standard s subsidiaries. In connection with the closing of the merger or during the integration process after the merger, these lenders may decide not to continue lending to the combined company to the same extent as to its predecessors, or at all. If a number of these lenders cease lending to the subsidiaries of the combined company or dramatically decrease such lending, it could have a material adverse affect on our liquidity.

Each of DIMON and Standard face risks if the merger is not completed.

If the merger is not completed, there can be no assurance that either DIMON or Standard will be able to sustain or improve upon their recent financial performance. Factors that may adversely effect DIMON s or Standard s future financial performance if the merger is not completed include:

- the ability to effectively rationalize operations to match volume of demand;
- the ability to maintain market share in the context of a consolidating customer base;
- the ability to respond to shifts in sourcing origins for leaf tobacco;
- DIMON s ability to continue to pay dividends in light of restrictions on dividends in its indentures relating to its senior notes, which have been amended only through June 30, 2005;
- the recognition as current expenses on DIMON s income statement of all of the costs and expenses associated with the merger and related transactions that would otherwise have been capitalized on its balance sheet; and
- increased difficulty retaining existing employees and customers and attracting new employees and customers in light of the uncertainties that may surround each of DIMON and Standard in the event the merger agreement is terminated.

In addition, you should refer to the risks discussed in each of DIMON s and Standard s Annual Report on Form 10-K/A for the period ended March 31, 2004 and Current Report on Form 8-K filed March 1, 2005.

The merger might trigger rights of Standard s joint venture partners that, if exercised, could adversely affect our operations or liquidity and capital resources.

Standard does business in India, Thailand, Kyrgyzstan and Zimbabwe through joint ventures. Standard s joint venture agreements relating to its operations in India, Thailand and Zimbabwe contain buy/sell provisions that might be triggered by the closing of the merger. If joint venture partners exercise any buy/sell rights triggered by the merger, the combined company could be forced to either buy or sell its interests in those joint ventures for purchase prices determined by formulae or processes set forth in the applicable joint venture

agreement. The operation of these buy/sell provisions could be disruptive to its operations, materially and adversely impact its liquidity and capital resources and impede its ability to realize the anticipated cost savings from the merger.

The market price of the Alliance One shares after the merger might be affected by factors different from those currently affecting the shares of Standard or DIMON.

The businesses of DIMON and Standard differ somewhat and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock might be affected by factors different from those currently affecting the independent results of operations of each of DIMON or Standard. For a discussion of the businesses of DIMON and Standard and of factors to consider in connection with those businesses, see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 103.

Alliance One might be subject to adverse regulatory conditions after the merger.

Before the merger can be completed, approvals or consents must be obtained from various antitrust authorities in foreign jurisdictions. Such authorities might impose conditions on the completion of the merger or require changes to the terms of the merger. These conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of Alliance One following the merger, any of which might have a material adverse effect on the results of operations of Alliance One following the merger.

DIMON recently identified material weakness in its internal controls over financial reporting, and a related defect in disclosure controls and procedures, and any future material weakness or similar defect could negatively impact your ability to evaluate DIMON and its ability to successfully integrate the companies after the merger.

In October 2004, DIMON identified a material weakness in internal controls over financial reporting relating to the failure to properly monitor the restricted payment covenant in the indentures governing its senior notes and certain defects that occurred as a result. More information regarding the material weakness and default under these indentures can be found in DIMON s quarterly report on Form 10-Q for the quarterly period ending December 31, 2004, as amended. A material weakness in internal controls over financial reporting is defined as a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. DIMON concluded that the failure to properly monitor the restricted payment covenant in its indentures constituted a material weakness. In connection with this material weakness and as a result of the failure to properly monitor the restricted payment covenant in the indentures, DIMON s Chief Executive Officer and Chief Financial Officer have concluded that DIMON s disclosure controls and procedures were not effective, for the period of December 2003 through October 2004, to ensure that the defaults under the indentures were promptly disclosed.

Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal controls over financial reporting as of the end of our fiscal year ending March 31, 2005, and that our independent auditors attest to that determination. If we or our independent auditors determine that we have a material weakness in our internal controls over financial reporting, we could incur additional costs and suffer adverse publicity and other consequences of any such determination. We have dedicated a significant amount of time and resources to ensuring compliance, but we cannot provide any assurance that we or our independent registered public accounting firm will be able to complete the necessary work in a timely manner. We have no indication, however, that either we or they will be unable to do so.

You should consider this material weakness and the possibility that we could identify a future material weakness in evaluating DIMON or Alliance One, their ability to comply with restrictive covenants in their respective debt instruments and ability to successfully implement the integration of DIMON and Standard after the merger.

Table of Contents

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains forward-looking statements within the meaning of the U.S. securities laws that relate to future events or future financial performance. These statements are based on current expectations of future events. Such statements include, but are not limited to, statements about the anticipated benefits of the merger between DIMON and Standard, including future financial and operating results, the combined company s plans, objectives, expectations and intentions, costs and expenses, interest rates, outcome of contingencies, financial condition, results of operations, liquidity, business strategies, cost savings, objectives of management of Alliance One and other statements that are not historical facts. You can find many of these statements by looking for words like believes, expects, anticipates, estimates, plans, intends, may, might, should, will, could, or similar expressions in this joint proxy statement/prospectus or in documents incorpo reference in this joint proxy statement/prospectus.

These forward-looking statements are based on the current beliefs and expectations of DIMON s and Standard s management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results may differ materially from current expectations and projections. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements:

- the risk factors described above under the heading Risks Relating to the Merger;
- changes in the timing and implementation of cost-saving initiatives;
- our ability to successfully integrate DIMON s and Standard s operations;
- changes in the markets for any financing necessary to repay debt in connection with the merger;
- our ability to comply with financial covenants and other terms in our credit facility, senior note indentures and other agreements related to financings;
- changes in anticipated geographic product sourcing;
- variances in enforcement, and sudden changes in, non-U.S. tax regimes;
- political instability in leaf tobacco sourcing locations;
- currency and interest rate fluctuations;
- shifts in the global supply and demand position for tobacco products; and
- the impact of regulation and litigation on cigarette manufacturers, who are among DIMON s and Standard s customers.

In addition, you should refer to the risks discussed in each of DIMON s and Standard s Annual Report on Form 10-K/A for the period ended March 31, 2004 and Current Report on Form 8-K filed March 1, 2005.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or, in the case of documents referred to or incorporated herein by reference, the dates of those documents.

All subsequent written or oral forward-looking statements attributable to DIMON or Standard or any person acting on any of their behalves are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. DIMON and Standard do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as may be required under applicable U.S. securities law.

5

Table of Contents

DIMON PROPOSAL ONE AND STANDARD PROPOSAL ONE: THE MERGER

This section describes the material aspects of the proposed merger, including the merger agreement and related agreements. This summary might not contain all of the information that is important to you. You should carefully read this entire joint proxy statement/prospectus and the other documents we refer you to for a more complete understanding of the merger. In addition, we incorporate important business and financial information about each of DIMON and Standard into this joint proxy statement/prospectus by reference. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled Where You Can Find More Information beginning on page 103.

Effect of the Merger; What Standard Shareholders Will Receive in the Merger

Upon completion of the merger, Standard will merge with and into DIMON, with DIMON as the surviving corporation in the merger. The combined company will be known as Alliance One International, Inc. In the merger, each outstanding share of Standard common stock will be converted into the right to receive three shares of DIMON common stock. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the date of the merger. After completion of the merger, it is anticipated that former DIMON shareholders will own approximately 45.4 million shares (52.2%), and former Standard shareholders will own approximately 41.5 million shares (47.8%) of Alliance One common stock immediately after the closing of the merger.

Voting Agreements

The following shareholders of Standard have signed agreements pursuant to which they have agreed to vote outstanding shares beneficially owned, directly or indirectly, by them in favor of the merger:

- Robert E. Harrison, Chairman, President, Chief Executive Officer and director;
- William A. Ziegler, director;
- William S. Sheridan, director;
- B. Clyde Preslar, director;
- Mark W. Kehaya, director;
- Robert A. Sheets, Executive Vice President Finance, Chief Financial Officer and director;
- Alfred F. Rehm, Jr., Executive Vice President Global Sales and Customer Relations;

- Henry C. Babb, Senior Vice President Public Affairs, Secretary and General Counsel;
- Ery W. Kehaya, II, Senior Vice President Information Systems and Chief Information Officer; and
- Helga Kehaya, shareholder.

These Standard shareholders collectively beneficially own, directly or indirectly, approximately 24% of the outstanding shares of Standard common stock as of the record date.

These voting agreements provide that each signatory agrees:

- to vote all outstanding shares of Standard common stock held of record and beneficially as of the date of the merger agreement and any additional shares of Standard common stock held of record and beneficially as of the record date for the Standard shareholder meeting FOR approval of the merger at the Standard shareholder meeting;
- not to deposit any shares of Standard common stock in a voting trust or subject any shares of Standard common stock to any arrangement with respect to voting; and
- not to sell, transfer, pledge, give, hypothecate, assign or otherwise alienate or transfer, by proxy or otherwise (including any transfer by operation of law or by will or by the laws of descent and distribution), any voting rights with respect to shares of Standard common stock, except to a person who is a party to a voting agreement with DIMON.

Table of Contents

Background of the Merger

The board of directors and senior management of DIMON regularly discuss DIMON s business and strategic direction in the context of competitive developments in our industry, including the long term trends of excess global tobacco capacity, shifting of origins of importance and consolidation in the cigarette manufacturing industry.

The Standard board of directors and senior management also regularly discuss the state of Standard s business and strategic direction and objectives and its performance and prospects in the context of competitive developments in the industry. The Standard board has long felt that a combination with DIMON would be a beneficial strategic move and seriously began to consider such a transaction in August 2003. At that time, Standard engaged Matrix Private Equities, Inc. to act as its financial advisor with respect to a potential transaction with DIMON. Standard s legal counsel for the transaction is Wyrick Robbins Yates & Ponton LLP.

Brian J. Harker, Chairman and Chief Executive Officer of DIMON, and Robert E. (Pete) Harrison, Chairman, Chief Executive Officer and President of Standard, have known each other for many years. From time to time they have had informal discussions about their respective institutions and trends in the leaf tobacco industry. From time to time in late 2003 and early 2004, during one or more encounters unrelated to any potential business combination, Mr. Harrison remarked that the two companies should consider such a combination, but no formal conversations ensued.

In connection with its normal quarterly meeting on February 26, 2004, Mr. Harker advised the DIMON board of directors of these statements made by Mr. Harrison, and the board determined that DIMON should retain a financial advisor to assess whether a combination with Standard was worth exploring. As a result, on March 15, 2004, DIMON retained Peter J. Solomon Company, L.P., or PJSC, to provide a one-time assessment of a potential combination with Standard.

On March 28, 2004, Messrs. Harker and Harrison met in Raleigh, North Carolina, to first discuss a possible strategic transaction. At that meeting, Mr. Harker expressed a desire to consider a joint venture of North American operations while Mr. Harrison expressed a desire to consider a combination of the two companies.

At a meeting of the DIMON board of directors on March 29, 2004, PJSC discussed its assessment of a business combination with Standard. Based on a limited review of information and certain assumptions, PJSC advised the board that the merger could result in a stronger combined company that would be better positioned in the industry for growth, but also that the merger could result in higher leverage. PJSC further advised that while the merger could be accretive to earnings per share, an examination of the extent of strategic and operational overlap would be critical to accomplishing a successful merger. On that basis, PJSC advised that a continued evaluation of the merger had merit. At that meeting, the board authorized Mr. Harker to explore the possibility of a strategic transaction with Standard.

The Standard board of directors met via teleconference on April 6, 2004, regarding this development and authorized Mr. Harrison and Standard s lead independent director, William S. Sheridan, to meet with representatives of DIMON to continue discussions. On April 7, 2004, Mr. Harker and Martin R. Wade III, a DIMON independent director, met with Messrs. Harrison and Sheridan in Raleigh, North Carolina. During this meeting, the representatives of the two companies discussed a possible strategic transaction between DIMON and Standard, with each suggesting that its company was the appropriate survivor of any such combination. After the meeting, DIMON s representatives discussed the meeting with members of their board of directors. On April 14, 2004, Standard s board of directors, management and representatives of Matrix discussed these developments and the potential transaction in detail at the board s regularly scheduled meeting in Wilson, North Carolina. At this meeting, the Standard board authorized management to continue discussions with DIMON.

The same representatives of the companies met for a second time as a group on April 23, 2004, in New York City, New York. At that meeting, the representatives had preliminary discussions concerning the

structure of a potential business combination of DIMON and Standard. Preliminary discussions regarding the structure of the transaction suggested that (1) the merger consideration would consist of both stock and cash, (2) the board of directors of the surviving company would include representatives from each company s board of directors roughly in proportion to the ownership of the combined company by each company s shareholders, and (3) DIMON would be the surviving company and Mr. Harker would serve as Chairman and Chief Executive of the surviving company for two years following the closing and be succeeded by Mr. Harrison, who would serve as the surviving company s President and Chief Operating Officer for the initial two years.

At the April 23 meeting, each company s representatives determined that a business combination between DIMON and Standard could offer strategic benefits for each company, the potential for substantial cost savings and the opportunity to create value for their respective shareholders. Following that meeting, DIMON formally engaged PJSC as its financial advisor and Hunton & Williams LLP as its legal advisor with respect to a potential strategic transaction with Standard.

During the week following the April 23 meeting, DIMON and Standard each authorized their respective management teams and external advisors to begin exchanging due diligence information, and DIMON contacted Wachovia Capital Markets, LLC regarding advice with respect to financing for a potential strategic transaction. In connection with these ongoing discussions and the commencement of reciprocal due diligence, the parties negotiated and on April 28, 2004, signed a mutual non-disclosure and confidentiality agreement.

The Standard board met again by teleconference on April 26, 2004, to receive updates on the status of discussions with DIMON and Standard management s and Matrix s knowledge of DIMON s business and prospects. Representatives of Wyrick Robbins also attended this meeting and reviewed with the board in detail the legal standards applicable to its decisions with respect to any proposed transaction. At this meeting, the board directed management to continue discussions and begin due diligence.

During the week of May 3, 2004, the parties and their respective legal and financial advisors met in Raleigh, North Carolina, to undertake mutual confidential due diligence and management discussions and to organize communications between each company s management teams. Extensive due diligence by each company and their respective legal and financial advisers continued through the month of May, but slowed somewhat as each company focused on finalizing their audited financial statements for the 2004 fiscal years and preparing their respective Annual Reports for filing with the SEC in early June.

As part of DIMON s and Standard s respective due diligence investigations, the parties exchanged certain non-public financial projections. Each of DIMON and Standard provided these same projections to their respective financial advisors. The parties and their financial advisors did not rely on these exchanged versions of the financial projections alone. Rather, each of DIMON and Standard, in cooperation with their respective financial advisors, developed its own analysis and expectations of the other party s anticipated future performance based on the totality of information learned during diligence and its own industry information.

The DIMON board of directors held a regularly scheduled board meeting in Charlotte, North Carolina on May 25, 2004. In addition to its regularly scheduled agenda, the board received updates from management, Hunton & Williams and PJSC regarding the status of discussions with Standard, the due diligence review of Standard to date, and certain financial information concerning the potential strategic transaction. The board of directors authorized management to continue discussions with Standard and to continue due diligence.

On June 9, 2004, the Standard board of directors held its regularly scheduled meeting in Wilson, North Carolina. In addition to its regularly scheduled agenda, the board received updates from management and representatives of Matrix regarding the status of discussions with DIMON, the due diligence review of DIMON to date and financial information regarding the potential transaction. The board authorized management to

continue discussions with DIMON and to continue due diligence.

On May 24, 2004, DIMON announced it was lowering its earnings guidance for fiscal 2004, and on June 3 and 10, 2004, Standard and DIMON, respectively, released financial and operating results for their 2004 fiscal

Table of Contents

years. Based on their financial results, representatives from DIMON and Standard met on June 17, 2004 in New York City, New York, to discuss the financial terms of a potential strategic combination. In addition to Messrs. Harker, Wade, Harrison and Sheridan, independent director C. Richard Green, Jr. of DIMON joined the discussion. At this meeting, the discussion of the consideration to be paid to Standard s shareholders in the merger ranged from $20 to $23 per share, of which $4 to $6 per share would be paid in cash and the remainder would be paid in the form of DIMON common stock. These terms would result in DIMON s shareholders owning anywhere from 51% to 60% of the combined company. During the time of this discussion, shares of Standard common stock were trading in the range of $16 to $18 per share. DIMON s representatives at the meeting also requested that certain officers and directors of Standard should sign voting agreements in connection with the merger agreement.

On June 21 and 23 and again on July 1, 2004, the Standard board of directors met telephonically along with representatives of Matrix and Wyrick Robbins to discuss the status of negotiations and due diligence. At these meetings the board gave management and Matrix direction for ongoing negotiations with DIMON.

On July 1, 2004, the DIMON board of directors held a telephonic meeting to receive and discuss updates from management, Hunton & Williams and PJSC regarding the status of discussions with Standard, the due diligence review of Standard to date and certain financial information concerning a potential strategic transaction with Standard. Following the presentations and management s description of the proposed terms of the potential merger, the board of directors authorized management to proceed with negotiations toward a definitive merger agreement.

During July 2004, counsel to DIMON and Standard began negotiation of the merger agreement, and the respective parties continued due diligence.

Each of DIMON and Standard released their operating and financial results for the quarter ended June 30, 2004, and filed their Quarterly Reports on Form 10-Q in early August 2004. In connection with the release of that information, Standard lowered earnings guidance for the 2005 fiscal year.

On August 10, 2004, in connection with its regularly scheduled meeting immediately following its annual meeting of shareholders, the Standard board met in Wilson, North Carolina. Among other things, it discussed with management and representatives of Matrix and Wyrick Robbins the status of negotiations with DIMON and due diligence to date. The board again directed management, Matrix and Wyrick Robbins to continue negotiations.

On August 25, 2004, in connection with a regular meeting of the DIMON board of directors in Danville, Virginia, the board received a detailed presentation from management and Hunton & Williams regarding the due diligence review of Standard and the status of the ongoing discussions. In addition, PJSC discussed with the board the financial results of Standard and DIMON through the quarter ended June 30, 2004, and the potential impact of the revised financial results and earnings guidance on a combination of the two companies. At that meeting, the DIMON board of directors authorized management to continue negotiations with Standard to attempt to structure a combination of the two companies.

After that meeting and based on the board s guidance, Mr. Harker proposed to Mr. Harrison that a combination of the two companies should be pursued based on the market values of each company s stock price, plus a slight premium to the market value of the Standard common stock, which premium would be paid in cash.

On September 7, 2004, the Standard board held a special telephonic meeting to receive an update on negotiations. On September 20, 2004, Messrs. Harker, Wade, Green, Harrison, Sheridan and Standard independent director Gilbert L. Klemann, II, met along with representatives of PJSC and Matrix in New York City, New York. At this meeting, the Standard representatives, in response to Mr. Harker s most recent statements, suggested the following three alternatives with respect to merger consideration:

an exchange ratio of three shares of DIMON common stock for each share of Standard common stock, with no cash component;

Table of Contents

an exchange ratio of 2.75 shares of DIMON common stock for each share of Standard common stock, plus $1.00 in cash per share of Standard common stock; or

an exchange ratio of 2.625 shares of DIMON common stock for each share of Standard common stock, plus $1.50 in cash per share of Standard common stock.

In addition, Mr. Harrison suggested the board of the surviving company be comprised 50% of DIMON directors and 50% of Standard directors. The parties discussed these alternatives and after some negotiation, proposed to move forward with drafting definitive documents based on (a) merger consideration to Standard shareholders consisting of 2.715 shares of DIMON common stock plus $1.25 in cash per share of Standard common stock, and (b) the board of the combined company would be comprised of seven DIMON directors and six Standard directors. The Standard representatives also stated that, if the cash portion of the merger consideration was increased by $0.25 per share, certain directors and officers of Standard would be willing to enter into voting agreements in connection with the merger. The DIMON representatives did not state whether that proposal would be acceptable.

In late September and early October, DIMON s and Standard s legal counsel continued negotiations of a definitive merger agreement and various related documents. The Committee on Executive Compensation of DIMON s board of directors, assisted by its independent consultant on executive compensation, Pearl Meyer & Partners, and Hunton & Williams, negotiated post-merger employment agreements for Messrs. Harker and Harrison with their personal attorneys. In addition, each party updated their due diligence reviews.

On October 4, 2004, the parties discontinued merger discussions because DIMON became concerned that, due to a misinterpretation of the restricted payment covenant, it was in default under the indentures governing its senior notes. On October 11, 2004, DIMON commenced a consent solicitation to seek waivers of those defaults, to amend the terms of the applicable indentures and to seek waivers of lenders under other debt agreements that contained cross default provisions.

On October 22, 2004, the DIMON board of directors held a telephonic meeting to receive and discuss presentations from management regarding the defaults under the senior notes indentures and the consent solicitation process. At that meeting, Hunton & Williams also delivered a presentation regarding follow-up due diligence and the status of the negotiations with Standard. PJSC discussed with the board certain financial information concerning a potential strategic transaction with Standard, and Wachovia Capital Markets, LLC discussed with the board potential financing alternatives in connection with a strategic transaction with Standard.

On October 25 and 29, 2004, the Standard board met telephonically to review the status and implications of the DIMON default and its resolution. Representatives of Matrix and Wyrick Robbins attended these meetings, advising the directors on the proposed transaction and their legal duties in considering it. The board also discussed Standard s and DIMON s results of operations for the quarter ended September 30, 2004, which the parties had reviewed with one another in meetings in Raleigh, North Carolina, on October 28, 2004. The board concluded that further negotiations were required, particularly in light of DIMON s request for agreements from Standard officers, directors and one significant shareholder to vote their shares in favor of the merger.

DIMON obtained the necessary waivers of defaults and consents to amend its senior notes indentures as of October 29, 2004, and was thereafter informed that Standard continued to have an interest in pursuing a proposed business combination.

The DIMON board of directors convened a special telephonic meeting on Sunday, October 31, 2004, to review and discuss a proposed merger agreement merging Standard with and into DIMON. At that meeting, DIMON s legal advisors discussed with the board of directors the legal

standards applicable to its decisions with respect to the proposed transaction, reviewed the legal terms of the proposed definitive merger agreement and related agreements, and responded to questions from directors. Pearl Meyer & Partners also summarized for the board the terms of the proposed employment agreements with Messrs. Harker and Harrison, and the proposed

severance and other senior management arrangements described under Interests of Certain Persons in the Merger Interests of DIMON s Directors and Officers in the Merger below. PJSC discussed with the board certain financial information relating to the proposed merger based on the proposed merger consideration of 2.715 shares of DIMON common stock plus $1.25 in cash per share. During the October 31 meeting, the DIMON board discussed the proposed transaction and related agreements and asked questions of DIMON s senior management and DIMON s advisors. DIMON s October 31 meeting was recessed until November 2, 2004, at which time, after a brief discussion as to timing, the meeting was further recessed until Saturday, November 6, 2004.

During this meeting and the previous board meetings at which PJSC was present, members of the DIMON board asked various questions, including questions regarding the extent of anticipated cost savings that could be generated from the merger, the anticipated costs of the merger, refinancing and integration of the companies in relation to the anticipated cost savings, and whether the financial analysis showed that the merger could be accretive to earnings per share in light of the anticipated costs and benefits of the merger.

On November 2 and 3, 2004, the Standard board again met telephonically to review the status of discussions, including developments regarding DIMON s views with respect to sources and terms of financing for the combined company.

On November 4, 2004, representatives of Standard informed representatives of DIMON that the Standard board of directors required a change in the merger consideration from 2.715 shares of DIMON common stock plus $1.25 per share of Standard common stock, as previously discussed, to three shares of DIMON common stock and no cash component, and indicated that the Standard board of directors would be prepared to approve a business combination on those terms.

DIMON s management and its financial advisor discussed their financial analyses of the proposed business combination in light of the requested revised merger consideration. Mr. Harker discussed the requested revised financial terms and revised analyses with various members of the DIMON board of directors and then informed Standard that DIMON would be willing to proceed with the mutual consideration of the business combination based on those terms, provided that certain officers, directors and one significant shareholder of Standard enter into voting agreements pursuant to which they would agree to vote in favor of the merger at the Standard special meeting.

On the afternoon of Friday, November 5, 2004, the Standard board of directors held a special meeting to consider the proposed transaction, which was also attended by members of Standard s senior management and Standard s outside legal and financial advisors. At this meeting, Standard senior management reviewed with the board of directors strategic considerations relating to the transaction and the progress of the negotiations regarding the terms of the transaction and apprised the board of the results of its due diligence review of DIMON. Matrix reviewed its financial analyses relating to the proposed merger, and rendered to the Standard board of directors its opinion that, as of that date and based on and subject to the considerations in its opinion, the proposed exchange ratio was fair, from a financial point of view, to holders of Standard common stock. Matrix subsequently delivered its written opinion of the same date, which did not differ from its oral opinion. Standard s legal advisors again discussed with the board of directors the legal standards applicable to its decisions with respect to the proposed transaction, reviewed the terms of the proposed definitive merger agreement, and proposed employment arrangements. During these discussions, the Standard board discussed the proposed transaction and related agreements and asked questions of Standard senior management and Standard s legal and financial advisors. Following further review and discussion, the board of directors voted unanimously to approve the merger and merger agreement with DIMON and the related agreements and the transactions contemplated by those agreements, and resolved to recommend that its shareholders vote to adopt the merger agreement. It was also agreed that certain officers and directors of Standard would enter into voting agreements in connection with the merger. Mr. Harrison conveyed the results of that meeting to Mr. Harker.

During this meeting and the previous board meetings at which Matrix was present, members of the Standard board asked various questions, including questions regarding the extent of anticipated cost savings that could be

generated from the merger, the anticipated costs of the merger, the costs of the refinancing and integration of the companies in relation to the anticipated cost savings, the effect of the refinancing on the financial condition of the combined company and whether the financial analysis showed that the merger could be accretive to earnings per share in light of the anticipated costs and benefits of the merger, the strategic benefits of the merger in light of industry conditions and the value of Standard on a stand-alone basis as compared to Standard and DIMON combined.

On Saturday, November 6, 2004, the DIMON board of directors, with Mr. Slee absent, reconvened its meeting. DIMON s senior management and DIMON s legal and financial advisors provided updates regarding the final terms of the proposed merger agreement and related agreements. PJSC delivered its oral opinion, subsequently confirmed in a written opinion of that same date, to the effect that as of that date, and subject to the qualifications and assumptions and based on the considerations set forth in its opinion, the exchange ratio in the merger was fair, from a financial point of view, to DIMON. PJSC s written opinion did not differ from its oral opinion. Following deliberations, the DIMON board of directors, by unanimous vote of all directors present, and having been advised that Mr. Slee concurred in the decision, approved the merger agreement and the related agreements and the transactions contemplated by those agreements, and resolved to recommend that its shareholders vote to approve the plan of merger.

On Sunday, November 7, 2004, the parties executed the merger agreement and related agreements. The parties announced the transaction via a joint press release issued in the early morning of Monday, November 8, 2004.

DIMON s Reasons for the Merger; Recommendation of the Merger by the DIMON Board of Directors

The primary rationale behind the DIMON board s approval of the merger was that it should help DIMON achieve its goal of driving profitable growth and building long term value in what has become a rapidly changing industry. Central to that primary rationale, there were several important factors that contributed to the board s approval, including the following:

The creation of a stronger independent leaf tobacco merchant

On a pro forma basis, Alliance One would have had annual revenue of approximately $1.89 billion for the twelve months ended March 31, 2004. The enhanced global resources, greater financial strength and increased operational agility that will result from the combination of the two companies resources should allow Alliance One to more effectively address the challenges currently confronted by the leaf tobacco merchant industry and position itself for growth in the long run. A larger firm with more resources will be better equipped to quickly support customer needs in emerging lower-cost tobacco producing regions. Further, the merger should leverage DIMON s investment in information systems and advanced agronomic capabilities, providing a better platform for expanding value-added service components, responding to customer initiatives such as improved traceability of leaf tobacco and the reduction of non-tobacco related material content and the enhancement of agronomic abilities and programs.

Anticipated annual pre-tax cost savings of more than $60 million

DIMON s board of directors considered its management s estimate, which was prepared with the assistance of its external financial advisors prior to the execution of the merger agreement, that through the merger the combined company could realize annual pre-tax cost savings of over $40 million. Management s estimates were based upon a review of both companies financial and operating statistics, an assessment of their respective processing facilities and regional and corporate offices and an identification of redundant staffing. Since we announced the merger, we have retained an independent consultant to assist with those portions of the integration planning process that can be undertaken prior to closing. We have completed the initial phases of the ground-up integration design process initiated by that consultant, and now believe that anticipated

annual pre-tax cost savings from the merger can exceed $60 million.

We expect over half of the anticipated cost savings to be achieved through the rationalization of tobacco processing capabilities that should result when we consolidate operations at the most efficient and technically advanced facilities of each company. We analyzed potential savings on a facility by facility basis. We expect additional savings to come from staffing reductions and the reduction of corporate and regional overhead expenses around the world. We expect these savings to be phased in over two years, with approximately 65% to be realized in the first full year of combined operations and 100% in the second full year.

Value creation for shareholders through earnings per share accretion

The DIMON board of directors considered that the merger is expected to be accretive, in terms of improved earnings per share, in the first full year of operations after the closing, with a further increase in accretion in subsequent years.

Succession planning and the combination of experienced management teams

The DIMON board of directors further considered that merging DIMON and Standard would allow the combined company to implement a succession plan for senior management to select management from among the best of each company s management teams. For example, Standard Chairman and Chief Executive Officer Robert E. (Pete) Harrison will become Alliance One s President and Chief Operating Officer for two years, at which time it is contemplated that he will succeed Brian J. Harker as Chief Executive Officer. The board believed that this combination of backgrounds and experience will enable the combined company to maintain and strengthen long term relationships with customers and leverage its market leadership position. Further, a larger, stronger and more dynamic company should facilitate recruiting talented professionals who will have the opportunity to develop into the combined company s future leaders.

In addition, the DIMON board considered the following additional factors, all of which it viewed as supporting its decision to approve the merger and the rationale for the merger outlined above:

historical financial information concerning DIMON and Standard, which generally informed the board s determination as to the relative values of DIMON, Standard and the combined company;

DIMON s and Standard s respective competitive positions and abilities to respond to customer needs, which supported the board s decision that the combined company would be stronger and more flexible, and thus better able to respond to customer needs;

DIMON s and Standard s respective historical stock performance, which generally supported its conclusions on valuation of Standard s common stock;

DIMON s and Standard s respective excess capacity at their respective processing facilities, which supported conclusions that rationalization of facilities could generate cost savings;

the results of the due diligence review of Standard s businesses and operations which indicated Standard had similar and somewhat redundant operations that could generate cost savings and efficiencies upon integration;

management s assessment that the proposed merger was likely to meet each of the criteria they deemed necessary for a successful merger strategic and cultural fit, acceptable execution risk and financial benefits to DIMON and DIMON s shareholders;

the current and prospective competitive environment in which DIMON must operate, including the continuing consolidation among cigarette manufacturers and the likely effect of that competitive environment on DIMON in light of, and in the absence of, the proposed merger, which supported the board s determination that a larger, stronger and more flexible company could better respond to changes in the industry;

the alternatives reasonably available to DIMON if it did not pursue the merger with Standard, including the possibility of pursuing an acquisition of or merger with another leaf tobacco merchant or maintaining the status quo, and the conclusion that no other reasonably available alternative would yield greater benefits for DIMON and its shareholders;

- the financial analyses of DIMON s financial advisor and its opinion with respect to the fairness of the exchange ratio (see Opinions and Presentations of Financial Advisors Opinion of DIMON s Financial Advisor below);

- the terms and conditions of the merger agreement, including the fact that the merger agreement is not subject to termination as a result of any change in the trading prices of either company s stock between signing of the merger agreement and closing;

- the determination that an exchange ratio that is fixed and not subject to adjustment is appropriate to reflect the strategic purpose of the merger and consistent with market practice for mergers of this type, and that a fixed exchange ratio fairly captures the respective ownership interests of the DIMON and Standard shareholders based on fundamental valuation assessments and avoids fluctuations caused by short term market volatility;

- the board s conclusion that the provisions of the merger agreement designed to restrict the ability of the parties to entertain third party acquisition proposals, and the provisions of the merger agreement providing for the payment of termination fees in certain events, were appropriate and reasonable means to increase the likelihood that the transaction will be completed;

- the likelihood that the merger will be completed, including the likelihood that the merger will receive all necessary regulatory approvals without unacceptable conditions;

- DIMON management s experience in implementing previous strategic merger transactions, which supported the board s determination that integration could generate cost savings; and

- each company s emphasis on core values, such as doing business with integrity, a strong commitment to the customers needs, being quick and responsive, keeping business practices at leadership levels and a strong commitment to employees needs.

DIMON s board of directors also considered the potential negative factors and risks of the merger and potential conflicts of interest, including the following:

- the challenges of combining the operations of two global leaf merchants with operations in over 40 countries;

- the risk that anticipated cost savings will not be achieved when expected or at all;

- the potential dilution to DIMON s shareholders if a large portion of the forecasted cost savings are not realized;

- the estimated $65 to $75 million (pre-tax) in costs expected to be incurred to combine the operations of DIMON and Standard;

- DIMON s ability to restructure or refinance existing financing to provide sufficient and manageable credit for future operations;

- the costs associated with a refinancing or restructuring of the combined company s debt, and that such costs could mean that the combined company will have increased debt compared to DIMON and Standard;

- the potential interests of certain DIMON officers and directors that may be different from, or in addition to, the interests of DIMON s shareholders generally in connection with the merger (see Interests of Certain Persons in the Merger Interests of DIMON s Directors and Officers in the Merger below); and

- the risk of diverting management s attention from other strategic priorities to implement merger integration efforts.

In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the DIMON board did not find it useful, and did not attempt, to quantify, rank or

14

Table of Contents

otherwise assign relative weights to these factors. In considering the factors described above, individual members of the DIMON board may have given different weight to different factors. The DIMON board conducted an overall analysis of the factors described above, including thorough discussions with, and questioning of, DIMON s management and DIMON s legal and financial advisors, and considered the factors overall to be favorable to, and to support, its determination. Although DIMON and its financial advisors considered the financial projections exchanged (described above under Background of the Merger), the DIMON board did not believe these projections alone to be a material factor in assessing the benefits of the merger compared to the material intrinsic factors described above, on which it primarily relied.

The DIMON board also relied on the experience and expertise of PJSC, its financial advisor. See Opinions and Presentations of Financial Advisors Opinion of DIMON s Financial Advisor below.

The DIMON board of directors unanimously determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of DIMON and its shareholders and unanimously approved the merger agreement.

The DIMON board unanimously recommends that DIMON shareholders vote FOR adoption of the merger agreement and the plan of merger.

In considering this recommendation, you should also consider that certain members of DIMON s board of directors will directly benefit from the merger. Benefits to DIMON s directors and officers are described in detail under the heading Interests of Certain Persons in the Merger Interests of DIMON s Directors and Officers in the Merger.

Standard s Reasons for the Merger; Recommendation of the Merger by the Standard Board of Directors

The Standard board of directors approved the merger because it believes the combined company will create more value for Standard s shareholders over the long term than could be realized if Standard remained independent. The leaf tobacco industry is facing challenges due to, among other things, the increasingly globalized nature of the business and the increasing consolidation among tobacco manufacturers. Standard s board believes the combined company will provide the following benefits:

Greater operating expertise, purchasing power and logistics

The merger should strengthen Standard s and DIMON s positions in the worldwide leaf tobacco merchant business. Alliance One will source tobacco from over 40 countries, representing every major tobacco producing region of the world. The combined company will have increased global resources, greater financial strength and increased operational agility that should allow it to more effectively operate in a low-cost provider model and position itself for long term growth. The combined company also should be better able to develop and provide value-enhancing services to its customers, including the expansion of information systems and advanced agronomic capabilities. In addition, the combined company will have a broader operating platform for future activities.

Economies of scale expected to result in annual pre-tax cost savings of more than $60 million

Before executing the merger agreement, we expected the proposed merger to generate annual pre-tax cost savings of over $40 million. The anticipated savings were prepared with the assistance of Standard s external financial advisors. This estimate was based upon a review of each company s financial and operating statistics, an assessment of their processing facilities and regional and corporate offices and an identification of redundant staffing. Since we announced the merger, we have retained an independent consultant to assist DIMON and Standard with those portions of the integration planning process that can be undertaken prior to closing. Together with DIMON, we have completed the initial phases of the ground-up integration design process initiated by that consultant, and now believe that anticipated annual pre-tax cost savings from the merger can exceed $60 million.

Table of Contents

We expect over half of the anticipated cost savings to come from more efficient tobacco processing capabilities of the combined companies, which are anticipated to be achieved by combining operations of each company to create the most efficient and technically advanced facilities. We also expect savings to come from reductions in staff and corporate and regional overhead expenses. The combined company intends to phase in these savings over two years, with approximately 65% to be realized in the first full year of combined operations and 100% in the second full year.

Creation of value for Standard shareholders through earnings per share accretion

We expect the merger to be accretive, in terms of improved earnings per share, in the first full year of operations after the closing, with a further increase in accretion in the second year.

Greater combined management expertise

The merger would allow the combined company to be composed of the best of each company s senior management and management teams, all of whom have extensive experience and expertise in the leaf tobacco field. This consolidation of the best management personnel should also facilitate succession planning at the senior management level. For example, Standard Chairman and Chief Executive Officer Robert E. (Pete) Harrison will become Alliance One s President and Chief Operating Officer for two years, at which time it is contemplated that he will succeed Brian J. Harker as Chief Executive Officer. In addition, a larger, stronger and more dynamic company should assist in recruiting talented professionals who could become the future leaders of the combined company.

Greater market capitalization and liquidity

The combined company would have a market capitalization in excess of $500 million**,** based on each company s shares outstanding and DIMON s closing stock price on November 3, 2004. We believe that having a larger market capitalization should improve liquidity and reduce volatility, as well as provide a better base for potential future financings or strategic transactions.

In addition, the Standard board considered the following additional factors, which it believes support its decision to approve the merger and the rationale outlined above:

its understanding of Standard s business, operations, financial condition, earnings and prospects and those of DIMON, including the report of Standard s management on the results of Standard s due diligence review of DIMON, which supported the board s determination that the combined company would be stronger and more flexible and able to respond to its customers requests;

management s assessment that the proposed merger was likely to meet each of the criteria they deemed necessary for a successful merger strategic and cultural fit, acceptable execution risk and financial benefits to Standard and Standard s shareholders;

the current and prospective competitive environment in which Standard must operate, including the continuing consolidation among cigarette manufacturers and the likely effect of that competitive environment on Standard in light of, and in the absence of, the proposed merger; which supported the board s determination that a larger, stronger and more flexible company could better respond to changes in the industry;

the alternatives reasonably available to Standard if it did not pursue the merger with DIMON, including the possibility of pursuing an acquisition of or merger with another leaf tobacco merchant or maintaining the status quo, and the conclusion that no other reasonably available alternative would be available or would yield greater benefits for Standard and its shareholders;

the value of the exchange ratio provided for in the merger agreement relative to the current and historic trading prices of the common stock of each of Standard and DIMON and relative to the analyses prepared by Matrix of comparative valuations for DIMON and Standard and the contributions that each company would make to the combined company in terms of earnings, assets and other key measures;

Table of Contents

the terms and conditions of the merger agreement, including the fact that the merger agreement is not subject to termination as a result of any change in the trading prices of either company s stock between signing of the merger agreement and closing;

the financial presentation and the opinion delivered to the Standard board of directors by Matrix to the effect that, as of the date of the opinion and based upon and subject to the considerations in its opinion, the exchange ratio was fair from a financial point of view to the holders of shares of Standard common stock (see Opinions and Presentations of Financial Advisors Opinion of Standard s Financial Advisor below);

the scale, scope and strength of operations, purchasing power and delivery systems that could be achieved by combining Standard and DIMON;

the board s conclusion that the provisions of the merger agreement designed to restrict the ability of the parties to entertain third party acquisition proposals, and the provisions of the merger agreement providing for the payment of termination fees in certain events, were appropriate and reasonable means to increase the likelihood that the transaction will be completed;

the likelihood that the merger will be completed, including the likelihood that the merger will receive all necessary regulatory approvals without unacceptable conditions;

the governance arrangements providing for six directors from the Standard board and seven directors from the DIMON board to sit on the board of the combined company after completion of the merger and that Standard director William S. Sheridan will be the lead independent director and Standard director B. Clyde Preslar will be the chairman of the Audit Committee of the combined company;

the arrangements providing for Mr. Harrison of Standard to serve as the Chief Operating Officer and Mr. Harker of DIMON to serve as the Chief Executive Officer of the combined company, and for Mr. Harrison to succeed as Chief Executive Officer on the second anniversary of the completion of the merger (or earlier if Mr. Harker ceases for any reason to serve in the position of Chief Executive Officer), which the Standard board considered to be of significant importance in assuring continuity of management and an effective and timely integration of the two companies operations; and

each company s emphasis on core values, such as doing business with integrity, a strong commitment to the customers needs, being quick and responsive, keeping business practices at leadership levels and a strong commitment to employees needs.

Standard s board of directors also considered potential risks associated with the merger as part of its deliberations on the proposed merger, including:

the challenges of integrating the business, operations and workforce of the two companies, both of which have large, worldwide operations;

the risk that the anticipated cost savings will not be achieved when expected or at all;

that the fixed exchange ratio would not adjust upward to compensate for declines in DIMON s stock price prior to completion of the merger, and that the terms of the merger agreement did not include collar provisions or termination rights triggered by a decrease in the value of DIMON common stock and therefore the merger consideration;

the fact that former Standard shareholders will own less than 50% of the combined company;

the estimated $65 to $75 million (pre-tax) in costs expected to be incurred to combine the operations of DIMON and Standard;

the potential interests of some Standard officers and directors that may be different from, or in addition to, the interests of Standard s shareholders generally in connection with the merger (see Interests of Certain Persons in the Merger Interests of Standard s Directors and Officers in the Merger below); and

the risk of diverting management s attention from other strategic priorities to implement merger integration efforts.

Table of Contents

In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Standard board did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, individual members of the Standard board may have given different weight to different factors. The Standard board conducted an overall analysis of the factors described above, including thorough discussions with, and questioning of, Standard s management and Standard s legal and financial advisors, and considered the factors overall to be favorable to, and to support, its determination. Although Standard and its financial advisors considered the financial projections exchanged (described above under Background of the Merger), the Standard board did not believe these projections alone to be a material factor in assessing the benefits of the merger compared to the material intrinsic factors described above, on which it primarily relied.

The Standard board also relied on the experience and expertise of Matrix, its financial advisor. See Opinions and Presentations of Financial Advisors Opinion of Standard s Financial Advisor below.

The Standard board of directors unanimously determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Standard and its shareholders and unanimously approved the merger agreement and the plan of merger contained therein.

The Standard board unanimously recommends that Standard shareholders vote FOR adoption of the merger agreement and the plan of merger.

In considering this recommendation, you should also consider that certain members of Standard s board of directors will directly benefit from the merger. Benefits to Standard s directors and officers are described in detail under the heading Interests of Certain Persons in the Merger Interests of Standard s Directors and Officers in the Merger.

Material U.S. Federal Income Tax Consequences of the Merger

The following summarizes the material U.S. federal income tax consequences of the merger to U.S. holders of Standard common stock. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. This discussion is based upon current law, which might change, possibly retroactively, and any change could affect the continuing validity of this discussion.

For purposes of this discussion, we use the term U.S. holder to mean:

- a citizen or resident of the United States of America;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States or any of its political subdivisions;
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury

regulations to be treated as a U.S. person; or

an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership holds Standard common stock, the tax treatment of a partner will generally depend on the status of the partners and the activities of the partnership. If you are a partner of a partnership holding Standard common stock, you should consult your tax advisor.

This discussion assumes that you hold your shares of Standard common stock as a capital asset within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended, or the Code. Further, this general discussion does not address all aspects of U.S. federal income taxation that might be relevant to you in light of your particular circumstances, including if you are subject to special treatment under the U.S. federal income tax laws.

Table of Contents

The Merger

DIMON and Standard have structured the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. As described below, it is a condition to each party s respective obligations to complete the merger that DIMON and Standard each receive a legal opinion that the merger will so qualify. We believe that the material U.S. federal income tax consequences of the merger to you, if you are a U.S. holder of Standard common stock, are as follows:

- you will not recognize gain or loss on the exchange of your Standard common stock for DIMON common stock;
- your aggregate tax basis in the DIMON common stock that you receive in the merger will equal your aggregate tax basis in the Standard common stock you surrender; and
- your holding period for shares of DIMON common stock that you receive in the merger will include your holding period for the shares of Standard common stock that you surrender in exchange.

If you acquired different blocks of Standard common stock at different times and at different prices, you should consult your tax advisor about how your tax basis and holding period in the DIMON common stock you receive in the merger might be determined with reference to each block of Standard common stock.

Closing Condition Tax Opinions

In connection with the initial filing of the registration statement of which this joint proxy statement/prospectus is a part, DIMON and Standard received opinions from Hunton & Williams LLP and Wyrick Robbins Yates & Ponton LLP, respectively, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Those opinions are attached as exhibits to such registration statement and are based on certain assumptions contained therein.

In addition, it is a condition to the closing of the merger that DIMON and Standard receive opinions from Hunton & Williams LLP and Wyrick Robbins Yates & Ponton LLP, respectively, to the effect that, as of the closing date, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on representation letters provided by DIMON and Standard to be delivered at or shortly before the time of closing and on customary factual assumptions. Although the merger agreement allows us to waive this condition to closing, we currently do not anticipate doing so. If either of us does waive this condition and the tax consequences are materially different from those described in this joint proxy statement/prospectus, we will inform you of this decision prior to the date of either special meeting.

Neither of the tax opinions will be binding on the Internal Revenue Service. DIMON and Standard have not and do not intend to seek any ruling from the Internal Revenue Service regarding any matters relating to the merger and, as a result, there can be no assurance that the Internal Revenue Service will not disagree with or challenge any of the conclusions described herein.

Reporting Requirements

Federal income tax regulations provide that you are to retain records pertaining to your exchange of stock in the merger and are to file with your U.S. federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to your exchange of stock in the merger.

The preceding discussion is for general information only and does not address tax consequences that might vary with, or are contingent on, a shareholder s particular circumstances. Moreover, it does not address any non-income tax or any foreign, state or local tax consequences of the merger. Accordingly, we strongly urge you to consult with a tax advisor to determine the particular tax consequences of the merger to you.

Accounting Treatment

The merger will be accounted for as a purchase, as that term is used under generally accepted accounting principles, for accounting and financial reporting purposes. Under purchase accounting, the assets and liabilities

of Standard as of the effective time of the merger will be recorded at their respective fair values and added to those of DIMON. Any excess of the purchase price over the net fair value of Standard s assets and liabilities will be recorded as goodwill. Financial statements of Alliance One issued after the merger will reflect these fair values as of the effective date of the merger and earlier periods will not be restated to reflect the historical financial position or results of operations of Standard. See Unaudited Condensed Combined Pro Forma Financial Data beginning on page 31.

Regulatory Approvals

To complete the merger, we need to obtain approvals or consents from, or make filings with, U.S. federal antitrust authorities and antitrust authorities in certain foreign jurisdictions. These approvals and filings are described below.

U.S. Antitrust Clearance

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and its related rules, the merger could not be completed until both DIMON and Standard filed notification of the proposed transaction with the United States Department of Justice, or DOJ, and the United States Federal Trade Commission, or FTC, and the specified waiting periods expired or were terminated. On November 18, 2004, DIMON and Standard filed their pre-merger notification and report forms pursuant to the Hart-Scott-Rodino Act. The waiting period expired on December 20, 2004 at 11:59 p.m. without the DOJ or FTC taking any action with respect to our filings.

At any time before the merger is completed, the DOJ or FTC could take action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the merger or seeking divestiture of substantial assets of DIMON or Standard or their subsidiaries as a condition for not challenging the merger. Private parties also may seek to take legal action under the antitrust laws under some circumstances. Based upon an examination of information available relating to the businesses in which the companies are engaged, DIMON and Standard believe that the completion of the merger will not violate U.S. antitrust laws. However, we can give no assurance that a challenge to the merger on antitrust grounds will not be made, or, if such a challenge is made, that we will prevail.

In addition, the merger might be reviewed by the state attorneys general in the various states in which DIMON and Standard operate. While we believe there are persuasive arguments to the contrary, these authorities might claim that there is authority under state and federal antitrust laws and regulations for there to investigate and/or disapprove the merger under the circumstances. There can be no assurance that one or more state attorneys general will not attempt to file an action to challenge the merger on antitrust grounds.

Competition Approvals Abroad

The merger will require that we comply with notification requirements in a number of countries outside the United States. We believe that competition-related pre-merger notification filings or approvals are required in Argentina, Austria, Brazil, Germany, Norway, Russia, Spain, Turkey and Zimbabwe. The merger cannot be completed until both DIMON and Standard make the required filings in each of these jurisdictions and the applicable waiting periods have expired. All of these filings have been made and we expect that the applicable waiting periods in all jurisdictions will expire no later than March 31, 2005, unless extended by the applicable authorities. Based on our preliminary analysis and discussions with local counsel in these jurisdictions, we believe that the completion of the merger will not violate the laws of these countries. However, we can give no assurance that all required approvals will be obtained.

The local procedural rules in these countries differ from country to country as do the legal tests against which mergers are reviewed to determine if the local competition authority can issue a decision clearing the transaction. Local authorities may have the power to block mergers that breach the substantive test set out in the local jurisdiction and, in some countries, DIMON and Standard may need to obtain approval of the merger prior to closing.

Table of Contents

In most cases, the applicable filings require the disclosure of financial and transaction information, which is then reviewed by the competition authority. In most reviews, the competition authority will contact other industry participants, such as customers, suppliers and competitors of the merging parties, to confirm that the information provided is correct and to obtain their opinions on the transaction.

In reaching its decision, each competition authority will usually consider if the merger results in a market concentration that is likely to breach the test for acceptable mergers in its jurisdiction. In the majority of countries this test usually relates either to the creation of a dominant position or market power sufficient to operate against the proper functioning of the market.

While we believe that we will receive the requisite regulatory approvals for the merger, there can be no assurances regarding the timing of the approvals, our ability to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. There can likewise be no assurance that U.S. or foreign regulatory authorities will not attempt to challenge the merger on antitrust grounds or for other reasons, or, if such a challenge is made, as to the result thereof. Our obligation to complete the merger is conditioned upon the receipt of all necessary consents, approvals and actions of governmental authorities and the filing of all other notices with such authorities. See The Merger Agreement Conditions to Completion of the Merger above.

Refinancing

Many of DIMON s and Standard s financing arrangements must be amended or refinanced in connection with the closing of the merger because (1) change of control clauses in agreements governing such financings require repayment in connection with a significant transaction such as the merger, or (2) we would not be able to comply with certain of the financial covenants contained in those agreements as of the closing of, or immediately after, the merger. The financing arrangements that must be amended or refinanced are:

- DIMON s $150 million senior credit facility, of which $3.6 million was outstanding as of December 31, 2004 (although additional amounts have been drawn since that time);
- DIMON s $200 million of 9 5/8% senior notes due 2011;
- DIMON s $125 million of 7 3/4% senior notes due 2013;
- Standard s $150 million senior credit facility, of which approximately $117.0 million was outstanding as of December 31, 2004; and
- Standard s $150 million of 8% senior notes due 2012.

DIMON may also redeem all $73 million of its 6 1/4% Convertible Subordinated Debentures due 2007, although such redemption is not required pursuant to the terms of the agreements governing such debt.

We intend to raise capital to tender for, repay or redeem these financings and pay the costs and expenses of the merger and refinancing through a combination of one or more of a new senior secured revolving credit facility, senior secured term loan, senior notes and senior subordinated

notes. The amounts of any senior secured revolving credit facility, senior secured term loan, senior notes or senior subordinated notes are subject to our discussions with financial advisors and lenders and market conditions at the time of the closing of the merger. We anticipate that total indebtedness of the combined company will increase in connection with the refinancing, primarily as a result of approximately $105 million to $110 million of tender premiums, redemption premiums and other costs and expenses we expect to incur in connection with the refinancing and the closing of the merger, a portion of which will be expensed as incurred and a portion of which will be capitalized and amortized over the applicable period.

The closing of the merger is conditioned on DIMON obtaining financing reasonably acceptable to DIMON for all indebtedness that must be repaid in connection with the completion of the merger on terms that (1) are not materially and adversely different than those presented to the Standard board prior to the execution of the merger

agreement, and (2) will not have a material adverse effect on the combined company. Neither DIMON nor Standard has obtained any commitment from any lender or investment bank to provide or obtain any of the financing required to close the merger. There can be no assurance that any element of the refinancing can be obtained in a timely manner or on favorable terms.

Exchange of Standard Stock Certificates

Promptly after the merger is completed, our exchange agent will mail to Standard shareholders a letter of transmittal and instructions for use in surrendering your Standard stock certificates in exchange for Alliance One stock. When you deliver Standard stock certificates to the exchange agent along with a properly executed letter of transmittal and any other required documents, those stock certificates will be canceled. If you own Standard common stock in book entry form or through a broker, bank or other holder of record, you will not need to obtain stock certificates to submit for exchange to the exchange agent.

Standard common shareholders will receive statements indicating book-entry ownership of Alliance One stock and may request stock certificates representing the number of full shares of Alliance One stock to which they are entitled under the merger agreement.

PLEASE DO NOT SUBMIT YOUR STANDARD STOCK CERTIFICATES FOR EXCHANGE UNTIL YOU RECEIVE THE TRANSMITTAL INSTRUCTIONS AND LETTER OF TRANSMITTAL FROM THE EXCHANGE AGENT AFTER THE MERGER IS COMPLETED.

If you hold Standard stock certificates, you are not entitled to receive any dividends or other distributions on DIMON stock before the merger is completed. If there is any dividend or other distribution on DIMON stock with a record date after the date on which the merger is completed and a payment date prior to the date you surrender your Standard stock certificates in exchange for DIMON stock, you will receive the dividend or distribution, without interest, with respect to the whole shares of DIMON stock issued to you promptly after you surrender your Standard stock certificates and the DIMON shares are issued in exchange. If there is any dividend or other distribution on DIMON stock with a record date after the date on which the merger is completed and a payment date after the date you surrender your Standard stock certificates in exchange for DIMON stock, you will receive the dividend or distribution, without interest, with respect to the whole shares of DIMON stock issued to you promptly on that payment date.

If your Standard stock certificate has been lost, stolen or destroyed, you may receive shares of DIMON stock upon the making of an affidavit of that fact. DIMON may require you to post a bond in a reasonable amount as an indemnity against any claim that might be made against DIMON with respect to the lost, stolen or destroyed Standard stock certificate.

We will only issue stock in a name other than the name in which a surrendered Standard stock certificate is registered if you present the exchange agent with all documents required to show and effect the unrecorded transfer of ownership and show that you paid any applicable stock transfer taxes.

THERE IS NO NEED FOR DIMON SHAREHOLDERS TO SUBMIT THEIR DIMON STOCK CERTIFICATES IN CONNECTION WITH THE MERGER OR OTHERWISE TAKE ANY ACTION AS A RESULT OF THE COMPLETION OF THE MERGER.

Restrictions on Sales of Shares by Affiliates

The shares of DIMON common stock to be issued in connection with the merger will be registered under the Securities Act of 1933 and will be freely transferable under the Securities Act, except for shares issued to any person who is deemed to be an affiliate of Standard or DIMON at the time of its special meeting. We expect that each of those affiliates will agree not to transfer any shares of stock received in the merger except in compliance with the Securities Act. This joint proxy statement/prospectus does not cover resales of DIMON common stock issued in the merger by affiliates of Standard or DIMON.

Stock Exchange Listing

It is a condition to the closing of the merger that the shares of DIMON common stock to be issued to Standard shareholders in the merger will be approved for listing on the New York Stock Exchange, subject to official notice of issuance, before the completion of the merger.

Appraisal Rights

DIMON shareholders are not entitled to dissenters or appraisal rights under Virginia law in connection with the merger because, as of the record date for the special meeting and upon completion of the merger, DIMON common stock was and will be listed on the New York Stock Exchange.

Standard shareholders are not entitled to dissenters or appraisal rights under North Carolina law in connection with the merger because, as of the record date for the special meeting, Standard common stock was listed on the New York Stock Exchange and in the merger holders of Standard common stock will receive shares of DIMON common stock that are listed on the New York Stock Exchange.

Delisting and Deregistration of Standard Stock After the Merger

When the merger is completed, the Standard common stock currently listed on the New York Stock Exchange will be delisted from that exchange and deregistered under the Securities Exchange Act of 1934.

Board of Directors and Management After the Merger

Following the merger, the board of directors of Alliance One will consist of 13 directors. The board will include Mr. Harker, currently the Chairman and Chief Executive Officer of DIMON, and six current independent directors of DIMON. The board will also include Mr. Harrison, currently the Chairman, Chief Executive Officer and President of Standard, and five current directors of Standard. Other than Messrs. Harker and Harrison, none of the directors will be employees of the combined company. Directors who serve on the combined company s board of directors are expected to be compensated for their services in that capacity in accordance with DIMON s existing director compensation policy.

Following the merger, Mr. Harker will continue to serve as Chairman and Chief Executive Officer of Alliance One and Mr. Harrison will become President and Chief Operating Officer of Alliance One. The parties anticipate that as of March 31, 2007 (or, if earlier, when Mr. Harker ceases for any reason to serve in the position of Chief Executive Officer), Mr. Harrison will become Chief Executive Officer of Alliance One. Mr. Harker will continue to serve as Chairman of the Alliance One board of directors through the 2007 annual shareholders meeting. In addition, the parties have agreed to appoint the following members of senior management from each company to senior management positions of the combined company following the merger.

James A. Cooley, Executive Vice President Chief Financial Officer

Steven B. Daniels, Executive Vice President Operations

Henry C. Babb, Senior Vice President, Chief Legal Officer and Secretary

Michael K. McDaniel, Senior Vice President Human Resources

We have not yet identified who will serve as Executive Vice President Sales for the combined company.

Additional information on the directors and officers of Alliance One immediately following the completion of the merger appears under the heading DIMON Proposal Six: Election of Directors.

Table of Contents

THE MERGER AGREEMENT

The following is a summary of the material terms of the Agreement and Plan of Reorganization between DIMON and Standard, dated as of November 7, 2004, which we refer to as the merger agreement. This summary does not purport to describe all the terms of the merger agreement and is qualified in its entirety by reference to the complete merger agreement, which is attached hereto as Annex A. You should review the merger agreement carefully.

Structure; Combined Company

The merger will be structured as a direct merger of Standard with and into DIMON. In the merger, each outstanding share of Standard common stock will be converted into the right to receive three shares of DIMON common stock. This exchange ratio is fixed and will not change. DIMON will be the surviving corporation in the merger, and its articles of incorporation, as amended and restated, and bylaws will be the articles of incorporation and bylaws of the combined company. At the closing of the merger, DIMON will change its name to Alliance One International, Inc.

Closing Matters

The closing of the merger will take place on a date specified by the parties after all closing conditions have been satisfied or, where permitted, waived. See Shareholder Approval and Other Mutual Conditions to the Parties Obligations to Complete the Merger ; Conditions to DIMON s Obligation to Complete the Merger and Conditions to Standard s Obligation to Complete the Merger for a more complete description of these conditions.

As soon as practicable after the satisfaction or waiver, where permitted, of the conditions to the merger, DIMON and Standard will file articles of merger with the State Corporation Commission of the Commonwealth of Virginia in accordance with the relevant provisions of the Virginia Stock Corporation Act, or VSCA, and with the North Carolina Secretary of State in accordance with the North Carolina Business Corporation Act. The merger will become effective when both articles of merger are filed or at such later time as DIMON and Standard agree and specify in the articles of merger.

Treatment of Outstanding Stock Options and Other Equity Grants

At the effective time of the merger, each outstanding option to purchase shares of Standard common stock and each outstanding equity-based employee award will be converted into an equivalent option or equity-based award to acquire DIMON common stock based on the exchange ratio in the merger. Outstanding options to purchase shares of DIMON common stock and outstanding equity-based awards to DIMON employees will not be effected by the merger.

The merger will not accelerate the vesting of outstanding options to purchase shares of common stock or other equity-based delayed vesting rewards with respect to either Standard or DIMON common stock, but vesting will automatically accelerate in full for any employees who are

terminated without cause or who resign with good reason within two years following the closing of the merger.

DIMON has agreed to file a registration statement with the SEC as soon as practicable after the closing of the merger registering the shares of DIMON common stock underlying the Standard options or equity-based awards assumed by DIMON in the merger.

Covenants

Each of DIMON and Standard have agreed to covenants regarding the operation of its business between the signing of the merger agreement and the closing of the merger. Generally, each party must operate its business in

Table of Contents

the ordinary course of business and consistent with past practice, and, except as contemplated in the merger agreement or without the consent of the other party, cannot take certain actions or enter into certain transactions, such as:

- issuing of equity securities;
- amending its articles of incorporation or bylaws;
- declaring or paying any extraordinary dividend;
- entering into, canceling or amending any material contract;
- entering into severance plans or materially increasing employee compensation;
- making a material acquisition;
- settling any material litigation;
- making a material change in accounting policies; and
- incurring or assuming indebtedness.

Governance of Alliance One

The merger agreement provides that, as of the effective time of the merger, the board of directors of Alliance One will be comprised of:

- Brian J. Harker, the current Chairman and Chief Executive Officer of DIMON, and six independent directors of DIMON as of the effective time; and
- Robert E. (Pete) Harrison, the current Chairman, President and Chief Executive Officer of Standard, and five independent directors of Standard as of the effective time.

The merger agreement also provides that the following individuals will serve in the following key director roles as of the effective time of the merger:

- William S. Sheridan, a current independent director of Standard, will serve as lead independent director;

- B. Clyde Preslar, a current independent director of Standard, will serve as the Chairman of the Audit Committee;

- Norman A. Scher, a current independent director of DIMON, will serve as Chairman of the Committee on Executive Compensation; and

- Joseph L. Lanier Jr., a current independent director of DIMON, will serve as Chairman of the Governance & Nominating Committee.

The merger agreement further provides that, prior to the effective time of the merger, DIMON and Standard shall agree on a mutually acceptable name for the combined company, and location for the corporate headquarters of the combined company.

Shareholder Approval and Other Mutual Conditions to the Parties Obligations to Complete the Merger

Each of DIMON s and Standard s obligations to close the merger is subject to the satisfaction or, where permitted, waiver on or prior the closing date of the following conditions:

- the approval of the plan of merger by Standard shareholders holding at least two-thirds of the outstanding shares of Standard common stock;

- the approval of the plan of merger by DIMON shareholders holding at least two-thirds of the outstanding shares of DIMON common stock;

Table of Contents

- shareholder approval of the amendment and restatement of DIMON s articles of incorporation as described herein;
- approval by all applicable U.S. and foreign antitrust authorities;
- the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;
- the NYSE s approval of the listing of the additional shares of DIMON common stock to be issued to Standard s shareholders in the merger; and
- the non-existence of any statute, rule, regulation order or injunction enacted by any governmental authority or court of competent jurisdiction which prohibits or restricts the merger.

Conditions to DIMON s Obligation to Complete the Merger

DIMON s obligation to close the merger is also subject to the satisfaction or waiver on or prior to the closing date of the following conditions:

- the representations and warranties made by Standard in the merger agreement that are not qualified as to materiality or material adverse effect shall be true and correct in all material respects as of the closing date;
- the representations and warranties made by Standard in the merger agreement that are qualified as to materiality or material adverse effect shall be true and correct in all respects as of the closing date;
- Standard shall have performed its obligations under the merger agreement in all material respects;
- DIMON shall have received a legal opinion to the effect that the merger will be treated as a reorganization for U.S. federal income tax purposes; and
- financing for all DIMON and Standard indebtedness required to be repaid or refinanced in connection with the merger shall have been obtained on terms reasonably acceptable to DIMON.

The term material adverse effect as it relates to Standard, means:

- any change or effect (or development that is likely to result in a change or effect) that is materially adverse to the business, condition (financial or otherwise), results of operations, assets, liabilities, prospects, liquidity or properties of Standard and its subsidiaries taken as a whole; and, without in any way limiting the foregoing,
- the occurrence of certain specified adverse effects relating to Standard s ongoing attempt to dispose of its wool operations.

Conditions to Standard s Obligation to Complete the Merger

Standard s obligation to close the merger is also subject to the satisfaction or waiver on or prior to the closing date of the following conditions:

- the representations and warranties made by DIMON in the merger agreement that are not qualified as to materiality or material adverse effect shall be true and correct in all material respects as of the closing date;

- the representations and warranties made by DIMON in the merger agreement that are qualified as to materiality or material adverse effect shall be true and correct in all respects as of the closing date;

- DIMON shall have performed its obligations under the merger agreement in all material respects;

- Standard shall have received a legal opinion to the effect that the merger will be treated as a reorganization for U.S. federal income tax purposes; and

- DIMON shall have obtained the financing for all DIMON and Standard indebtedness required to be repaid or refinanced in connection with the merger that is not materially and adversely different than the proposed financing alternatives presented to the Standard board prior to the execution of the merger agreement and is not likely to have a material adverse effect on the combined company.

Table of Contents

The term material adverse effect , as it relates to DIMON, means any change or effect (or development that is likely to result in a change or effect) that is materially adverse to the business, condition (financial or otherwise), results of operations, assets, liabilities, prospects, liquidity or properties of DIMON and its subsidiaries taken as a whole.

No Solicitation; Restrictions on Alternative Transactions

Each of DIMON and Standard have agreed that, prior to completion of the merger or any earlier termination of the merger agreement, neither it, nor any of its subsidiaries or affiliates, nor any of their respective directors, officers, employees, agents or representatives, will, directly or indirectly:

- solicit, initiate, facilitate or encourage (including by way of furnishing or disclosing non-public information) any inquiries or the making of any proposal with respect to any merger, consolidation or other business combination involving it or the acquisition of all or substantially all of its assets or capital stock; or

- negotiate, explore or otherwise engage in discussions with any person with respect to any acquisition transaction, or which may reasonably be expected to lead to a proposal for an acquisition transaction, or enter into any agreement, arrangement or understanding with respect to any such acquisition transaction.

However, Standard may, in response to an unsolicited written proposal from a third party that its board of directors determines in good faith is reasonably likely to result in a Standard Superior Proposal (as defined below), furnish information to and engage in discussions and negotiations with such third party, but only if the board of directors determines in good faith, after consultation with its financial advisors and after receiving advice from outside and independent counsel, that failing to take such action would result in a breach of the board s duties under applicable law.

As used herein, Standard Superior Proposal means a bona fide, written and unsolicited proposal or offer made by any person with respect to an acquisition transaction on terms which, as determined by the board of directors of Standard in good faith and in the exercise of reasonable judgment (after receiving advice of independent financial advisors), are more favorable from a financial point of view to Standard and its shareholders than the transactions contemplated by the merger agreement and is reasonably likely to be completed.

In addition, DIMON may, in response to an unsolicited written proposal from a third party that its board of directors determines in good faith is reasonably likely to result in a DIMON Superior Proposal (as defined below), furnish information to and engage in discussions and negotiations with such third party, but only if the board of directors determines in good faith, after consultation with its financial advisors and after receiving advice from outside and independent counsel, that such action is consistent with its duties under applicable law.

As used herein, DIMON Superior Proposal means a bona fide, written and unsolicited proposal or offer made by any person with respect to an acquisition transaction on terms which, as determined by the board of directors of DIMON in good faith and in the exercise of its good faith business judgment (after receiving advice of independent financial advisors), are more favorable from a financial point of view to DIMON and its shareholders than the transactions contemplated by the merger agreement and is reasonably likely to be completed.

Termination Rights

The merger agreement may be terminated at any time by the written agreement of DIMON and Standard. In addition, the merger agreement may be terminated by either DIMON or Standard acting unilaterally if:

- the merger has not closed by June 30, 2005 (or September 30, 2005, if the only remaining unsatisfied condition to closing is approval of the requisite anti-trust authorities);

- any U.S. or foreign governmental entity has issued a final non-appealable order, decree or ruling or taken final non-appealable action prohibiting the merger; or

Table of Contents

either the DIMON or Standard shareholders fail to approve the merger.

The merger agreement may be terminated by Standard, acting unilaterally, if:

the Standard board of directors exercises its right to accept a Standard Superior Proposal; provided that it gives DIMON the opportunity to match that proposal, and, if DIMON does not do so, it pays DIMON the termination fee described under the heading Termination Fee; Fees and Expenses below;

DIMON breaches any representation or warranty in a material respect or fails to perform a covenant in a material respect; or

the DIMON board of directors fails to recommend that its shareholders approve the merger.

The merger agreement may be terminated by DIMON, acting unilaterally, if:

the DIMON board of directors exercises its right to accept a DIMON Superior Proposal; provided that it gives Standard the opportunity to match that proposal, and, if Standard does not do so, it pays Standard the termination fee described under the heading Termination Fee; Fees and Expenses below;

Standard breaches any representation or warranty in a material respect or fails to perform a covenant in a material respect; or

the Standard board of directors fails to recommend that its shareholders approve the merger.

Termination Fee; Fees and Expenses

Standard must pay DIMON a termination fee of $17.5 million, plus all of DIMON s reasonable out-of-pocket fees and expenses incurred in connection with the merger, if:

the Standard board of directors terminates the merger agreement to accept a Standard Superior Proposal;

the Standard shareholders fail to approve the merger, but only if an alternative transaction to acquire Standard has been publicly announced prior to the date of the Standard special shareholders meeting; or

the Standard board fails to recommend that its shareholders approve the merger.

DIMON must pay Standard a termination fee of $17.5 million, plus all of Standard s reasonable out-of-pocket fees and expenses incurred in connection with the merger, if:

the DIMON board of directors terminates the merger agreement to accept a DIMON Superior Proposal;

the DIMON shareholders fail to approve the merger, but only if an alternative transaction to acquire DIMON has been publicly announced prior to the date of the DIMON special shareholders meeting; or

the DIMON board fails to recommend that its shareholders approve the merger.

If Standard terminates the merger agreement because DIMON s shareholders fail to approve the merger although no alternative transaction to acquire DIMON has been publicly announced prior to such vote, DIMON shall reimburse Standard for Standard s reasonable out-of-pocket fees and expenses incurred in connection with the merger.

If DIMON terminates the merger agreement because Standard s shareholders fail to approve the merger although no alternative transaction to acquire Standard has been publicly announced prior to such vote, Standard shall reimburse DIMON for DIMON s reasonable out-of-pocket fees and expenses incurred in connection with the merger.

In all other instances, each of DIMON and Standard shall be responsible for their respective fees and expenses incurred in connection with the merger.

Table of Contents

Representations and Warranties

Each of DIMON and Standard have agreed to reciprocal representations and warranties concerning their structure, business, financial condition and operations. Such representations and warranties include those relating to:

- corporate organization and ownership of subsidiaries and other companies;
- capitalization;
- authorization and enforceability of the merger agreement;
- absence of violations or conflict with laws and other documents as a result of entering into the merger agreement;
- documents filed with the SEC;
- the absence of undisclosed liabilities;
- inventory and accounts;
- the absence of violations of law;
- compliance with the Foreign Corrupt Practices Act and anti-money laundering and similar laws;
- title to assets;
- absence of material litigation;
- absence of changes or events that could have a material adverse effect on the company;
- performance of contracts;
- ERISA matters;
- filing and payment of taxes;

labor and employment matters;

permits and licenses;

intangible assets;

environmental matters;

shareholder votes required to approve the merger;

receipt of opinions of financial advisors;

acceleration of vesting and triggering of change in control provisions in equity-based compensation plans, employment agreements, leases and contracts;

the absence of finders or brokers other than the financial advisor engaged by the company to advise it on the merger; and

inapplicability of anti-takeover statutes and provisions in the company s articles of incorporation or bylaws.

Director and Officer Indemnification and Insurance

The merger agreement provides that the combined company shall obtain a policy of officers and directors liability insurance in respect of acts or omissions occurring prior to the closing of the merger covering each present and former officer and director of Standard currently covered by Standard s officers and directors liability insurance policy on terms with respect to coverage and amount no less favorable than those of such policy in effect on the date of the merger agreement and extending for no less than five years from the closing of the merger.

Table of Contents

The merger agreement also provides that the combined company will indemnify each present and former director and officer of Standard against losses in connection with any claim, action, suit, proceeding or investigation relating to any action or omission in their capacity as a director or officer of Standard. The combined company will indemnify such officers and directors to the fullest extent permitted by law and to the extent such officers and directors are otherwise indemnified at the time of the merger. The indemnification obligations of the combined company will continue after the completion of the merger.

Amendments and Waivers

The merger agreement may be amended by action taken by the boards of directors of both DIMON and Standard at any time before or after submission of the plan of merger to the respective shareholders of DIMON and Standard, but, after any such submission, no amendment shall be made that would (1) alter or change the amount or kind of shares, securities, cash, property or rights to be received in exchange for any of the shares of Standard common stock without the approval of the Standard shareholders; (2) alter or change any of the terms and conditions of the plan of merger if such alteration or change would adversely affect the shares of any class or series of either company without the approval of the impacted company s shareholders; or (3) alter or change any term of the articles of incorporation of either company without the approval of the impacted company s shareholders. In addition, no material amendment may be made without the approval of Standard s shareholders. No amendment, supplement, modification, waiver or termination of the merger agreement shall be binding unless executed in writing by the party to be bound thereby.

Table of Contents

UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL DATA

The unaudited condensed combined pro forma financial data presented below gives effect to the merger as if it had occurred on (1) December 31, 2004 for purposes of the unaudited condensed combined pro forma balance sheet, (2) April 1, 2003 for purposes of the unaudited condensed combined pro forma statement of income for the nine months ended December 31, 2004 and (3) April 1, 2003 for purposes of the unaudited condensed combined pro forma statement of income for the twelve months ended March 31, 2004. The unaudited condensed combined pro forma balance sheet and statements of income include the historical amounts of DIMON and Standard, adjusted to reclassify Standard s information to a consistent presentation format and to reflect the pro forma adjustments related to the merger of Standard with and into DIMON. The DIMON historical consolidated statement of income for the twelve month period ended March 31, 2004 is derived from the audited historical statement of income for the nine month period ended March 31, 2004 and the unaudited statement of income for the three month period ended June 30, 2003, in each case, as amended and appearing in the Current Report on Form 8-K dated December 10, 2004. This unaudited condensed combined pro forma financial data should be read in conjunction with the historical consolidated financial statements and other data of DIMON and Standard included or incorporated by reference in this joint proxy statement/prospectus. See Summary Selected Historical Financial Information beginning on page S-11, and Where You Can Find More Information on page 103.

This information is provided for illustrative purposes only and is not necessarily indicative of what DIMON s results of operations or financial position would have been if the merger had actually occurred on the dates specified. In addition, the unaudited condensed combined pro forma financial data is based on estimates and assumptions described in the notes accompanying the following statements, which estimates are preliminary and have been made solely for the purpose of developing such pro forma information for inclusion in this joint proxy statement/prospectus. The unaudited condensed combined pro forma income statement does not include any of the anticipated efficiencies, inefficiencies or cost savings expected to result from the integration of DIMON and Standard after completion of the merger.

Under the terms of the merger agreement, Standard shareholders will receive three shares of DIMON common stock for each share of Standard common stock outstanding. The unaudited condensed combined pro forma financial data assumes that DIMON has issued 41.2 million shares of DIMON common stock to Standard shareholders in the merger based on 13.7 million shares of Standard common stock outstanding, which amount includes certain assumptions regarding vesting of restricted shares of Standard common stock and options to purchase shares of Standard common stock. For purposes of the unaudited condensed combined pro forma financial data, the fair value of the DIMON common stock issued in the merger is $262.2 million, which is based on the average closing price of DIMON common stock for the five trading days ranging from two days before to two days after November 8, 2004, the date the merger was announced, of $6.36 per share. As a result of these transactions, former Standard shareholders will own approximately 48% of the common stock of the combined company and the shareholders of DIMON will own approximately 52% of the common stock of combined company immediately following the closing of the merger.

Many of DIMON s and Standard s financing arrangements must be amended or refinanced in connection with the closing of the merger because (1) change of control clauses in agreements governing such financing require repayment in connection with a significant transaction such as the merger, or (2) Alliance One would not be able to comply with certain of the financial covenants contained in the agreements governing such financing as of the closing of, or immediately after, the merger. Neither DIMON nor Standard has obtained any commitment from any lender to provide or obtain any of the financing required to close the merger, and the effects of such refinancing are therefore not reflected in the unaudited condensed combined pro forma financial data.

DIMON will account for the merger using the purchase method of accounting. DIMON will record the assets (including identifiable intangible assets) and liabilities of Standard at their estimated fair value. The difference between the purchase price and the estimated fair value of Standard s net assets and liabilities will result in goodwill.

Table of Contents

Alliance One International, Inc. and Subsidiaries

UNAUDITED CONDENSED COMBINED PRO FORMA BALANCE SHEET

As of December 31, 2004

(in thousands)	DIMON	Standard	Pro Forma Adjustments	Pro Forma Combined
	As of December 31, 2004			
Assets				
Cash	$ 25,075	$ 39,609		$ 64,684
Accounts receivable	181,447	127,214		308,661
Inventories	504,403	267,510	$ 15,000(a)	786,913
Advances on purchases of tobacco	80,691	104,659		185,350
Assets of discontinued operations wool		66,285		66,285
Assets of discontinued operations tobacco	21,254	57,146		78,400
Prepaid expenses and other	44,271	10,712	(4,160)(m)	50,823
Total current assets	857,141	673,135	10,840	1,541,116
Investments and other assets	53,086	10,181		63,267
Goodwill and other intangibles	163,140	9,003	97,699(b)	269,842
Property, plant & equipment	225,246	161,647	82,521(c)	469,414
Other long term assets	73,058	45,487	(5,002)(e)	113,543
TOTAL ASSETS	$ 1,371,671	$ 899,453	$ 186,058	$ 2,457,182
Liabilities and Shareholders Equity				
Short term borrowings	$ 235,748	$ 242,064		$ 477,812
Current portion of long term debt	3,373	19,975		23,348
Accounts payable and accrued liabilities	73,470	118,234	$ 10,530(d)	202,234
Advances from customers	110,576	56,316		166,892
Liabilities of discontinued operations wool		39,686		39,686
Liabilities of discontinued operations tobacco	2,576	7,213		9,789
Income taxes accrued	9,653	4,464		14,117
Total current liabilities	435,396	487,952	10,530	933,878
Long term debt	412,145	175,026	2,013(e)	589,184
Compensation and other benefits	92,869	21,639	20,012(f)	134,520
Deferred income taxes	5,038	1,473	100,919(g)	107,430
Minority interest	849	2,023		2,872
Shareholders equity	425,374	211,340	52,584(h)	689,298
TOTAL LIABILITIES AND EQUITY	$ 1,371,671	$ 899,453	$ 186,058	$ 2,457,182

See Notes to Unaudited Condensed Combined Pro Forma Financial Data

Table of Contents

Alliance One International, Inc. and Subsidiaries

UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF CONSOLIDATED INCOME

Nine Months Ended December 31, 2004

(in thousands, except per share amounts)	Nine Months Ended December 31, 2004			
	DIMON	Standard	Pro Forma Adjustments	Pro Forma Combined
Sales and other operating revenues	$ 992,166	$ 650,614		$ 1,642,780
Cost of goods and services sold	843,824	548,355	$ 5,380(i)	1,397,559
Gross profit	148,342	102,259	(5,380)	245,221
Selling, administrative and general expenses	92,312	68,081	1,220(j)	161,613
Other income	(5,236)	(740)		(5,976)
Restructuring and asset impairment costs	1,977			1,977
Operating income	59,289	34,918	(6,600)	87,607
Interest expense	38,006	18,423		56,429
Interest income	2,429			2,429
Derivative financial instruments recovery	(9,671)			(9,671)
Income before income taxes and equity in net income of investee companies,	33,383	16,495	(6,600)	43,278
Income tax expense	11,016	3,015	(2,310)(k)	11,721
Income after income taxes	22,367	13,480	(4,290)	31,557
Equity in net income of investee companies	122	700		822
Minority interests (income)	(277)	185		(92)
Income from continuing operations	$ 22,766	$ 13,995	$ (4,290)	$ 32,471
Basic Earnings Per Share				
Income from continuing operations	$ 0.51			$ 0.38
Diluted Earnings Per Share				
Income from continuing operations	$ 0.50			$ 0.37
Average number of shares outstanding:				
Basic	44,879		41,229(l)	86,108
Diluted	45,426		42,021(l)	87,447
Cash Dividends Per Share	$ 0.225			$ 0.225

See Notes to Unaudited Condensed Combined Pro Forma Financial Data

Table of Contents

Alliance One International, Inc. and Subsidiaries

UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF CONSOLIDATED INCOME

Twelve Months Ended March 31, 2004

	Twelve Months Ended March 31, 2004			
(in thousands, except per share amounts)	**DIMON**	**Standard**	**Pro Forma Adjustments**	**Pro Forma Combined**
Sales and other operating revenues	$ 1,150,303	$ 738,640		$ 1,888,943
Cost of goods and services sold	976,288	608,670	$ 7,040(i)	1,591,998
Gross profit	174,015	129,970	(7,040)	296,945
Selling, administrative and general expenses	125,361	71,424	1,760(j)	198,545
Other income		(2,840)		(2,840)
Restructuring and asset impairment costs	22,539			22,539
Operating income	26,115	61,386	(8,800)	78,701
Interest expense	44,786	16,360		61,146
Interest income	6,871			6,871
Derivative financial instruments recovery	(4,484)			(4,484)
Income (loss) before income taxes and equity in net income of investee companies	(7,316)	45,026	(8,800)	28,910
Income tax expense	4,384	11,203	(3,080)(k)	12,507
Income (loss) after income taxes	(11,700)	33,823	(5,720)	16,403
Equity in net income of investee companies	40	1,343		1,383
Minority interests (income)	(3,075)	77		(2,998)
Income (loss) from continuing operations	$ (8,585)	$ 35,089	$ (5,720)	$ 20,784
Basic Earnings Per Share				
Income (loss) from continuing operations	$ (0.19)			$ 0.24
Diluted Earnings Per Share				
Income (loss) from continuing operations	$ (0.19)			$ 0.24
Average number of shares outstanding:				
Basic	44,677		41,229(l)	85,906
Diluted	44,677		42,683(1)	87,360
Cash Dividends Per Share	$ 0.300			$ 0.300

See Notes to Unaudited Condensed Combined Pro Forma Financial Data

Table of Contents

Notes to Unaudited Condensed Combined Pro Forma Financial Data

Note 1 Basis of Pro Forma Presentation

The unaudited condensed combined pro forma financial data has been prepared using the purchase method of accounting for the merger and is based upon the historical financial statements of DIMON and Standard.

In accordance with rules for presentation of pro forma financial information, Standard historical amounts in the unaudited condensed combined pro forma statements of income have been reclassified to conform to financial reporting expected to be used prospectively by the combined company.

While DIMON and Standard have completed a preliminary review of their respective accounting and financial reporting policies, this review is ongoing and will continue throughout the merger process. Throughout that process, additional reclassifications or pro forma adjustments may be identified.

The unaudited condensed combined pro forma financial data is based on certain assumptions and adjustments as discussed in the following notes, including assumptions relating to the allocation of the consideration paid to Standard shareholders in connection with the merger, based on previous historical acquisition activities of DIMON and preliminary estimates of the fair value of the assets and liabilities of Standard. The final determination of the fair market value of the assets acquired and liabilities assumed and the final allocation of the consideration will be determined when all information is received, but not later than one year from the date of the completion of the merger, and will be reflected in the combined company s SEC filings for periods presented after the completion of the merger.

The unaudited condensed combined pro forma financial data does not reflect the operating efficiencies or inefficiencies that may result from the completion of the merger, does not include the effect of refinancing, any transition costs, restructuring costs or recognition of compensation expenses related to accelerated vesting of DIMON s stock benefit plans, or other one-time charges that will be incurred in connection with integrating the operations of DIMON and Standard, and does not give effect to any possible divestitures that may be effected in order to obtain required regulatory approvals. Therefore, this unaudited condensed combined pro forma financial data is not necessarily indicative of results of operations or financial position that would have been achieved if the businesses had been combined at the beginning of the periods indicated, or the results of operations or financial position that Alliance One will experience after the merger is completed. In addition, the preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions are preliminary and have been made solely for the purpose of developing this unaudited condensed combined pro forma financial data. Actual results could differ materially from these estimates and assumptions.

DIMON expects to implement a plan to integrate the operations of Standard after the merger is completed. Due to legal limitations on the exchange of information between DIMON and Standard prior to the completion of the merger, estimates of aggregate integration costs are based largely on preliminary estimates and ratios in comparable transactions, and may approximate $65 to $75 million, approximately 30% to 40% of which are expected to be non-cash in nature. These preliminary estimates may change as we continue the integration planning process. If the parties are able to finalize certain integration plans prior to the closing of the merger, some of these amounts relating to Standard will be reflected as increases in goodwill rather than expenses of Alliance One after the merger. No pro forma adjustment for these items has been made. Certain costs incurred under this plan may result in a decrease to the consideration allocated to the Standard assets and liabilities to the extent that they relate to severance or relocation benefits paid to Standard employees or to certain costs incurred to exit activities of Standard that meet the criteria of EITF 95-3, Recognition of Liabilities in Connection with a Purchase Business Combination, such as contract or lease

termination penalties. To the extent that these costs do not meet the criteria of EITF No. 95-3, the amounts will be expensed by DIMON in the period incurred, or capitalized as fixed assets. Because of the preliminary nature of the integration plan and its estimated costs, it is not possible to provide an estimate of the costs that will be reported as expenses in future statements of operations. Such estimated expenses include, among other things, consulting fees for integration services, travel related to integration activities, severance and related benefits of eliminated former DIMON positions, relocation of DIMON employees remaining with DIMON and hardware

Table of Contents

Notes to Unaudited Condensed Combined Pro Forma Financial Data (Continued)

and software costs related to integration activities. Such estimated capitalized costs include, among other things, relocation of Standard equipment used in DIMON operations and renovation of DIMON facilities to accommodate the integration of Standard operations.

Upon completion of the merger, DIMON intends to determine the fair value of the net assets of Standard. The purchase price will then be allocated to the fair value of Standard s net assets, including identified intangible assets. For purposes of the unaudited condensed combined pro forma financial statements, preliminary values and lives have been assigned to these intangible assets consistent with the methodology used in DIMON s previous acquisitions.

The calculation of purchase price and goodwill and other intangible assets is estimated as follows (in thousands, except per share data):

Value of DIMON common stock issued to Standard shareholders (based on the average closing price of DIMON common stock for the five trading days ranging from two days before to two days after the merger announcement):	$ 6.36
13,743 shares of Standard common stock to be exchanged at a ratio of 3 to 1	41,229
Total value of shares exchanged	$ 262,216
Conversion of outstanding options to purchase 261 shares of Standard common stock into options to purchase 783 shares of DIMON common stock, at fair value determined using the Black-Scholes valuation model	1,708
Estimated transaction costs	11,790
Assumed total purchase price	$ 275,714
Purchase price allocated to:	
Net assets of Standard at December 31, 2004	$ 211,340
Less elimination of Standard goodwill	(9,003)
Add (subtract) fair value adjustments:	
Inventory	15,000
Property, plant and equipment	82,521
Identified intangibles	20,000
Pension liabilities	(19,899)
Senior notes payable	(7,015)
Other accrued benefits	(3,013)
Deferred taxes	(100,919)
Goodwill	86,702
	$ 275,714

Pro forma adjustments are necessary to reflect the estimated purchase price, to adjust amounts related to Standard s net tangible and intangible assets to a preliminary estimate of their fair values, to reflect the amortization expense related to the estimated amortizable intangible assets, to reflect changes in depreciation and amortization expense resulting from the estimated fair value adjustments to net tangible assets and to reflect the income tax effect related to the pro forma adjustments.

Intercompany balances or transactions between DIMON and Standard were not significant. No pro forma adjustments were required to conform Standard s accounting policies to DIMON s accounting policies. Certain reclassifications have been made to conform Standard s historical amounts to DIMON s presentation.

The combined entity expects cost savings that are not reflected in the unaudited pro forma combined statements of income. We estimate that the combined company can realize at least $60 million in net pre-tax cost

36

Notes to Unaudited Condensed Combined Pro Forma Financial Data (Continued)

savings, with approximately 65% to be realized in the first twelve months after the completion of the merger, with the remainder to be realized in the second twelve months.

Note 2 Preliminary Consideration Allocation and Related Adjustments

Under the purchase method of accounting, DIMON will allocate the consideration received by Standard to the assets and liabilities of Standard. The allocation set forth in Note 1 above is preliminary. The pension and postretirement obligations reflect determinations as of March 31, 2004 with no adjustments for future settlements, curtailments or the effect, if any, resulting from the completion of the merger. Such actions could have an adverse effect on the financial condition of DIMON.

The allocation of consideration to acquired identifiable intangible and tangible assets is preliminary, is subject to the outcome of studies and evaluations to be performed by independent valuation consultants which will be finalized after completion of the merger, is based on preliminary expectations of the types and amounts of these assets to be acquired and is made only for the purpose of presenting the unaudited condensed combined pro forma financial data. The residual amount of the consideration has been allocated to goodwill. The actual amounts recorded after the merger is completed may differ materially from the pro forma amounts presented herein.

Note 3 Elimination of Standard s Historical Assets and Liabilities

Under the purchase method of accounting, the historical book value of goodwill and deferred taxes will be eliminated upon the completion of the merger and the other acquired assets and assumed liabilities and unrecorded intangibles will be reevaluated following the completion of the merger as described in note 4 below. Deferred taxes will then be established based upon the difference between the recorded bases of assets and liabilities and their tax bases. Any purchase price in excess of the recorded fair value of identified assets and liabilities, net of related deferred taxes, will be ascribed to goodwill. In addition, the total stockholders equity of DIMON will be increased as described in note 4 below.

Note 4 Adjustments to Reflect the Pro Forma Combination of DIMON and Standard

The pro forma adjustments included in the unaudited condensed combined pro forma financial statements are as follows:

Balance Sheet

(a) Inventories

Packed inventory is estimated at the fair market value which is the estimated selling price less the sum of the (a) cost of disposal and (b) reasonable profit allowance for the selling effort. Inventory in process is estimated at the fair market value which is the estimated selling price less the sum of (a) costs to complete, (b) costs of disposal and (c) a reasonable profit margin for the completing and selling effort.

(b) Goodwill and Other Intangibles

Adjustment to eliminate Standard s historical goodwill and to reflect intangible assets with indefinite lives at a preliminary estimate of fair value and to record the residual amount of the consideration as goodwill.

The preliminary purchase price allocation, for pro forma purposes, resulted in an estimated $20.0 million of identifiable intangible assets with definite lives. Amortization of these intangible assets will be recognized in the income statement using a straight line method over a term of ten years. The pro forma amortization expense resulting from the $20.0 million of identifiable intangible assets was $1.5 million for the nine months ended December 31, 2004 and $2.0 million for the twelve months ended March 31, 2004.

Table of Contents

Notes to Unaudited Condensed Combined Pro Forma Financial Data (Continued)

(c) Property, Plant & Equipment

Adjustment to record the preliminary estimate of the fair value of Standard s property, plant and equipment.

(d) Accounts Payable and Accrued Liabilities

Adjustment to reflect estimated unpaid transaction costs and certain other accrued benefits of Standard at a preliminary estimate of their fair values.

(e) Long Term Debt

Adjustment to reflect the long term debt of Standard at a preliminary estimate of fair value.

(f) Compensation and Other Benefits

Adjustment to reflect the long term pension liabilities of Standard at a preliminary estimate of fair values, including recognition of net pension benefits obligations and post retirement health and welfare benefits.

(g) Deferred Income Taxes

The pro forma adjustment to deferred tax assets and liabilities represents the difference between the pro forma fair value of assets acquired and liabilities assumed, including a provision of $71.7 million for the undistributed earnings of foreign subsidiaries and their historical carryover tax basis using DIMON s expected statutory tax rate of 35.0%.

(h) Shareholders Equity

Adjustments to Shareholders Equity:

To eliminate Standard s historical Shareholders Equity	$ (211,340)
Assumed total purchase price	275,714
Less transaction costs	(11,790)
Net adjustment to Shareholders Equity	$ 52,584

Income Statement

(i) Cost of goods and services sold

Adjustment to record depreciation expense resulting from the fair value adjustment to property, plant and equipment as noted in (c) above.

(j) Selling, administrative and general expenses

Adjustment to record the amortization of intangibles as noted in (b) above, the amortization of certain fees related to the merger and for the depreciation expense resulting from the fair value adjustment to property, plant and equipment as noted in (c).

(k) Income tax expense

The pro forma adjustment to provision for (benefit from) income taxes represents the application of an expected effective rate of 35.0% to the pro forma adjustments. The pro forma combined provision for income taxes does not reflect the amounts that would have resulted had DIMON and Standard filed consolidated income tax returns during the periods presented.

Table of Contents

Notes to Unaudited Condensed Combined Pro Forma Financial Data (Continued)

(l) Average number of shares outstanding

The pro forma earnings per share reflect the weighted average number of DIMON shares that would have been outstanding had the transaction occurred at the beginning of the periods presented. Standard shares outstanding were converted at the exchange ratio of three to one.

(m) Prepaid expenses and other

Represents capitalized acquisition costs on DIMON s historical balance sheet. Upon consummation of the merger, these costs will be included in goodwill.

Note 5 Refinancing

Many of DIMON s and Standard s financing arrangements must be amended or refinanced in connection with the closing of the merger because (1) change of control clauses in agreements governing such financings require repayment in connection with a significant transaction such as the merger, or (2) we would not be able to comply with certain of the financial covenants contained in those agreements as of the closing of, or immediately after, the merger. The financing arrangements that must be amended or refinanced are:

DIMON s $150 million senior credit facility, of which $3.6 million was outstanding as of December 31, 2004 (although additional amounts have been drawn since that time);

DIMON s $200 million of 9 5/8% senior notes due 2011;

DIMON s $125 million of 7 3/4% senior notes due 2013;

Standard s $150 million senior credit facility, of which approximately $117.0 million was outstanding as of December 31, 2004; and

Standard s $150 million of 8% senior notes due 2012.

DIMON may also redeem all $73 million of its 6 1/4% Convertible Subordinated Debentures due 2007, although such redemption is not required pursuant to the terms of the agreements governing such debt.

We intend to raise capital to tender for, repay or redeem these financings and pay the costs and expenses of the merger and refinancing through a combination of one or more of a new senior secured revolving credit facility, senior secured term loan, senior notes and senior subordinated notes. The amounts of any senior secured revolving credit facility, senior secured term loan, senior notes or senior subordinated notes are subject to discussions with financial advisors and lenders and market conditions at the time of the closing of the merger. We anticipate that total indebtedness of the combined company will increase in connection with the refinancing, primarily as a result of approximately $105 million to $110 million of tender premiums, redemption premiums and other costs and expenses we expect to incur in connection with the refinancing and the closing of the merger, a portion of which will be expensed as incurred and a portion of which will be capitalized and amortized over the applicable period.

The closing of the merger is conditioned on DIMON obtaining financing reasonably acceptable to DIMON for all indebtedness that must be repaid in connection with the completion of the merger on terms that (1) are not materially and adversely different than those presented to the Standard board prior to the execution of the merger agreement, and (2) will not have a material adverse effect on the combined company. Neither DIMON nor Standard has obtained any commitment from any lender or investment bank to provide or obtain any of the financing required to close the merger, and the effects of such refinancing are therefor not reflected in the unaudited condensed combined pro forma financial data. There can be no assurance that any element of the refinancing can be obtained in a timely manner or on favorable terms.

OPINIONS AND PRESENTATIONS OF FINANCIAL ADVISORS

Opinion of DIMON s Financial Advisor

The DIMON board of directors retained Peter J. Solomon Company, L.P., or PJSC, to advise it with respect to the fairness, from a financial point of view, of the exchange ratio in the merger with Standard. PJSC has acted as financial advisor to DIMON s board of directors in connection with the merger. At the November 6, 2004, meeting of DIMON s board of directors, PJSC delivered its valuation analysis with respect to the merger and gave its oral opinion, subsequently confirmed in a written opinion dated November 6, 2004, that, based upon and subject to various considerations set forth in such opinion, as of November 6, 2004, the exchange ratio is fair from a financial point of view to DIMON. The full text of the PJSC opinion, which sets forth the assumptions made, procedures followed, matters considered, and limitations on and scope of the review by PJSC in rendering the PJSC opinion, is attached to this joint proxy statement/prospectus as *Annex D* and is incorporated herein by reference.

The merger agreement does not provide for updated or additional fairness opinions prior to closing. Because the exchange ratio has been set pursuant to the terms of the merger agreement and is not subject to change, DIMON does not anticipate obtaining an updated fairness opinion.

The PJSC opinion is directed to the Board of Directors of DIMON and addresses only the fairness from a financial point of view of the exchange ratio to DIMON. PJSC s opinion does not address any other aspect of the merger and does not constitute a recommendation to any of the DIMON shareholders as to how any shareholder should vote on the merger. PJSC did not express any opinion as to the prices at which DIMON s or Standard s common stock will trade at any future time. In addition, the PJSC opinion does not address DIMON s underlying business decision to proceed with the merger. The summary of the PJSC opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the written opinion. We urge you to read the PJSC opinion carefully and in its entirety.

In arriving at its opinion, PJSC, among other things:

- reviewed publicly available financial statements and other information of DIMON and Standard;
- reviewed internal financial statements and other financial and operating data concerning DIMON and Standard prepared by management of DIMON and Standard;
- reviewed financial projections for DIMON prepared by the management of DIMON; reviewed financial projections for Standard, prepared by the management of Standard and reviewed by DIMON management; and reviewed estimates of potential benefits of the merger, prepared by the management of DIMON and Standard;
- discussed the past and current operations, financial condition and prospects of DIMON and Standard with management of DIMON and Standard;
- reviewed the reported prices and trading activity of DIMON common stock and Standard common stock;

compared the financial performance and condition of DIMON and Standard and the reported prices and trading activity of DIMON common stock and Standard common stock with that of other comparable publicly traded companies;

reviewed publicly available information regarding the financial terms of transactions that are comparable, in whole or in part, to the merger;

participated in discussions among representatives of DIMON and Standard;

reviewed a draft of the merger agreement dated November 5, 2004 and other ancillary documents; and

performed other financial studies and analyses, and reviewed and considered other information, as PJSC deemed appropriate for the purposes of its opinion.

PJSC assumed and relied upon the accuracy and completeness of the information reviewed by it for the purposes of its opinion and did not assume any responsibility for the independent verification of that information.

Table of Contents

PJSC further relied on the assurances of management of DIMON and Standard that they were not aware of any facts that would make the information inaccurate or misleading. With respect to the financial projections prepared by management of DIMON, the financial projections prepared by management of Standard and reviewed by management of DIMON, and estimates made by DIMON s and Standard s management of certain potential benefits of the merger, PJSC assumed that the financial projections were reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of DIMON and Standard. These projections were based on numerous variables and assumptions that are inherently uncertain and might not be within the control of the management of DIMON or Standard, including, without limitation, general economic, regulatory and competitive conditions. Accordingly, actual results could vary materially from those set forth in these projections. PJSC expressed no opinion with respect to such financial projections. PJSC did not assume any responsibility for any independent valuation or appraisal of the assets or liabilities of DIMON or Standard, nor was PJSC furnished with any such valuation or appraisal. In addition, PJSC did not review any of the books and records of DIMON or Standard (except as set forth above), or conduct any physical inspection of the properties or facilities of DIMON or Standard.

The PJSC opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to PJSC as of, November 5, 2004. Subsequent developments or changes in such conditions may affect the opinion and PJSC does not have an obligation to update, revise or reaffirm it. For purposes of rendering its opinion, PJSC assumed, in all aspects material to its analysis, that the representations and warranties of each party contained in the merger agreement are true and complete, that each party to the merger agreement will perform all of the covenants and agreements required to be performed by it thereunder and that all conditions to the completion of the merger will be satisfied without waiver thereof. PJSC relied, without any independent verification, upon the assessment of DIMON and Standard s legal, tax and regulatory advisors with respect to the legal, tax and regulatory matters related to the merger. In this regard, PJSC assumed that the merger will qualify as a tax-free reorganization for U.S. federal income tax purposes. The PJSC opinion does not constitute an opinion, nor does PJSC assume any responsibility, with respect to the ability of DIMON to obtain financing for the merger.

For the purposes of its financial analyses, PJSC relied upon the following financial projections: (1) DIMON financial projections for the fiscal years ending March 31, 2005 through 2008 as prepared by DIMON management (the DIMON Management Case); (2) Standard financial projections for the fiscal years ending March 31, 2005 through 2008 as prepared by Standard management and reviewed by DIMON management (the Standard Base Case); and (3) Standard financial projections for the fiscal years ending March 31, 2005 through 2008, as prepared by DIMON management using more conservative margin assumptions than used in the Standard Base Case (the Standard Sensitivity Case).

Additionally, when reviewing the implied offer value per share of the exchange ratio, PJSC utilized two different per share values for DIMON common stock. The first value, $5.88 per DIMON share, represented the average closing price of DIMON common stock for the 30 day period between October 6, 2004, and November 5, 2004 (the DIMON Average Price), which implies an offer value per share of Standard common stock of $17.64 based on the 3.0 exchange ratio provided for in the merger. The second value, $6.22 per DIMON share, represented the closing price of DIMON common stock on November 5, 2004 (the DIMON Closing Price), which implies an offer value per share of Standard common stock of $18.66 based on the 3.0 exchange ratio provided for in the merger.

As part of its investment banking activities, PJSC is regularly engaged in the evaluation of businesses and their securities in connection with mergers and acquisitions, restructurings and valuations for corporate or other purposes. DIMON s board of directors selected PJSC to deliver an opinion with respect to the merger on the basis of that experience. In the past, PJSC has provided financial advisory services to DIMON and has received fees for rendering these services. PJSC also may provide financial advisory services to DIMON or Standard in the future.

Pursuant to the engagement letter between DIMON and PJSC, DIMON agreed to pay PJSC a cash fee equal to a percentage of the aggregate consideration payable in the merger (with such percentage varying based upon the

41

Table of Contents

range of values of aggregate consideration). The aggregate fee earned by PJSC is based on Standard s average total debt and market capitalization for a period ending on the closing date and is currently estimated to be $5.3 million. DIMON paid PJSC $1.25 million of its fee upon delivery of the PJSC opinion, and the remainder will be payable upon completion of the merger. DIMON has also agreed to reimburse PJSC for reasonable out-of-pocket expenses as incurred. In addition, DIMON agreed to indemnify PJSC and its affiliates, counsel and other professional advisors, and their respective directors, officers, controlling persons, agents and employees, against certain liabilities and expenses arising out of PJSC s engagement. Under a previous engagement letter, PJSC received a $150,000 fee earlier in 2004 in connection with an assessment of the feasibility of a transaction with Standard.

In addition to the compensation described above, DIMON will pay PJSC $1.0 million as a fee for PJSC s services rendered with respect to its assessment of financing alternatives and any new financing or amendments to existing financing obtained in connection with the merger.

Board Presentation of DIMON s Financial Advisor

The following is a summary of the material financial analyses performed by PJSC and reviewed with the board of directors of DIMON on November 6, 2004, in connection with the delivery of the PJSC opinion. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by PJSC, the tables must be read together with the text of each summary.

Contribution Analysis

PJSC calculated the implied relative equity contributions of DIMON and Standard to the pro forma combined company based on the respective contributions of net income for the twelve months ended March 31, 2004, and the projected fiscal years ending March 31, 2005 through March 31, 2007. Estimated financial data for DIMON consisted of the DIMON Management Case, while estimated financial data for Standard comprised the Standard Base Case and the Standard Sensitivity Case. This analysis indicated the following implied percentage net income contributions for DIMON and Standard:

	Management Case / Base Case		Management Case / Sensitivity Case	
	DIMON	Standard	DIMON	Standard
LTM 3/31/04	22.5%	77.5%	22.5%	77.5%
FYE 3/31/05	49.8	50.2	54.4	45.6
FYE 3/31/06	51.1	48.9	57.5	42.5
FYE 3/31/07	54.2	45.8	58.4	41.6

PJSC then compared these percentages to the implied relative ownership of each company s shareholders in the combined company as a result of the merger. PJSC noted that the implied ownership of DIMON and Standard shareholders in the combined company was approximately 52.3% and 47.7%, respectively, based on the 3.0 exchange ratio provided for in the merger.

Historical Exchange Ratio Analysis

PJSC reviewed DIMON s daily closing stock prices on November 5, 2004 and for other periods ending November 5, 2004. This analysis indicated the following implied exchange ratios for the periods listed below, as compared to the 3.0 exchange ratio provided for in the merger:

Specified Period	Low	Average	High
November 5, 2004		2.637x	
7 Days	2.579x	2.626	2.666x
30 Days	2.579	2.694	2.760
90 Days	2.569	2.674	2.765
180 Days	2.436	2.755	3.275
One Year	2.424	2.801	3.339
Three Years	2.091	2.741	3.491

Table of Contents

Premiums Paid Analysis

PJSC reviewed the one day, one week and one month premiums paid in 172 transactions involving U.S. publicly traded companies (other than target companies that were commercial and credit institutions, insurance agencies or real estate companies) with transactions above $500 million between October 29, 2001 and October 29, 2004 focusing on 63 of these transactions in which the consideration was all stock. PJSC also reviewed the one day, one week and one month premiums paid in nine transactions between January 1, 2001 and October 29, 2004 involving U.S. publicly traded companies (other than target companies that were commercial and credit institutions, insurance agencies or real estate companies) with a transaction value above $500 million in which the acquiror s shareholders pro forma equity ownership position fell within a range of approximately 50 60%. PJSC compared the premiums implied in these two sets of transactions with: (1) the premium implied in the merger, based on the 3.0 exchange ratio, the DIMON Average Price, the DIMON Closing Price, and the closing price of Standard common stock on November 5, 2004, referred to as the one day premium; (2) the premium implied in the merger, based on the closing price of Standard common stock on October 29, 2004, five trading days immediately preceding November 5, 2004, referred to as the one week premium; and (3) the premium implied in the merger, based on the closing price of Standard common stock on October 8, 2004, 20 trading days immediately preceding November 5, 2004, referred to as the one month premium.

This analysis indicated the following implied premiums, as compared to the premiums implied in the merger:

	Premiums Paid					
	One Day		One Week		One Month	
Type of Transaction	Median	Mean	Median	Mean	Median	Mean
All-stock Consideration:	18.4%	23.2%	17.4%	23.1%	18.2%	25.2%
Transactions with Resulting Acquiror Ownership between 50 -60%:	8.8	12.3	8.0	10.1	4.2	7.9
Implied Premium in the Merger:						
DIMON Average Price	7.6%		10.7%		10.9%	
DIMON Closing Price	13.8		17.1		17.4	

Discounted Cash Flow Analysis

PJSC performed a discounted cash flow analysis to calculate the net present value per share of Standard common stock based on (i) the Standard Base Case and (ii) the Standard Sensitivity Case. Utilizing the net present value per share of Standard common stock, PJSC then calculated implied exchange ratio reference ranges, assuming both the DIMON Average Price and the DIMON Closing Price. In performing its discounted cash flow analysis, PJSC considered various assumptions that it deemed appropriate based on a review with the management of DIMON and Standard of Standard s prospects and risks.

PJSC calculated the estimated unlevered, after-tax free cash flows (operating income less income taxes, plus depreciation and amortization, less changes in working capital and capital expenditures) that Standard was expected to generate during the six months ending March 31, 2005 and the fiscal years ending March 31, 2006 through 2008, based on the Standard Base Case and Standard Sensitivity Case. PJSC calculated an implied range of terminal values for Standard by applying a range of multiples of 6.0x to 9.0x to Standard s estimated earnings before interest, taxes, depreciation and amortization, or EBITDA, for fiscal year 2008. In selecting this range of multiples, PJSC considered a number of variables, including the perpetuity growth rates implied by such multiples. PJSC then discounted the cash flows and terminal values to present

value using a range of discount rates of 7.0% to 11.0%, which was based on the weighted average cost of capital of Standard. PJSC then adjusted the present value of the cash flows and terminal values for Standard s estimated cash and cash equivalents and estimated total debt outstanding of Standard as of September 30, 2004.

Table of Contents

When reviewing this information, you should note that EBITDA is a non-GAAP financial measure, and you should not consider it in isolation or as a substitute for net income, operating cash flows or other cash flow statement data determined in accordance with GAAP. EBITDA, as presented by DIMON or Standard, may not be comparable to similarly titled measures of other companies. EBITDA was considered by PJSC because DIMON believes it is a useful measure of financial performance and is used by securities analysts, investors and other interested parties in the evaluation of companies in the leaf tobacco industry.

The analysis indicated the following implied exchange ratio reference ranges, both with and without synergies, assuming both the DIMON Average Price and the DIMON Closing Price, as compared to the 3.0 exchange ratio provided for in the merger:

	Implied Exchange Ratio	
Standard Projections	**Low**	**High**
Excluding Savings and Synergies:		
Base Case	1.849x	4.252x
Sensitivity Case	1.367	3.571
Including Savings and Synergies:		
Base Case	4.341x	7.908x
Sensitivity Case	3.859	7.313

Analysis of Selected Publicly Traded Comparable Companies

Using the DIMON Management Case and the Standard Base and Sensitivity Cases, as well as publicly available estimates from First Call Investment Research as of November 5, 2004, and publicly available earnings per share, or EPS, guidance from DIMON management, PJSC reviewed and compared selected financial data of DIMON and Standard with similar data of Universal Corporation, an independent leaf tobacco merchant with operations in agri-products and in the distribution of lumber and building products.

Using closing stock prices on November 5, 2004, PJSC calculated and compared various financial multiples and ratios, including, among other things:

- enterprise value calculated as total equity value plus book values of total debt less cash as a multiple of revenue, earnings before interest and taxes, or EBIT, and EBITDA for the latest twelve months, or LTM, ended June 30, 2004; and
- the stock price, or EPS, per share as a multiple of EPS for the LTM ended June 30, 2004, and estimated EPS for the fiscal year ending March 31, 2005.

These multiples are summarized in the chart below:

Ratio of Enterprise Value to LTM	Ratio of Stock Price to EPS

	Net Sales	EBITDA	EBIT	LTM	FY2005
DIMON	85.0%	12.0x	21.9x	NM	12.4x
Standard	80.7	11.0	16.7	13.1x	8.2
Universal Corp.	83.1	8.0	10.1	9.9	12.5
PJSC Reference Range					
Low	83.1%	8.0x	10.1x	9.9x	12.0x
High	85.0%	12.0x	21.9x	13.1x	13.0x

PJSC then applied these reference range multiples to the corresponding Standard financial measure for the LTM ended September 30, 2004, and for the EPS for the fiscal year ending March 31, 2005, under the Standard Base and Sensitivity Cases. Using the resulting range of implied values per share of Standard common stock, PJSC then calculated implied exchange ratio reference ranges, assuming both the DIMON Average Price and the

Table of Contents

DIMON Closing Price. The analysis indicated the following implied exchange ratio reference range, as compared to the 3.0 exchange ratio provided for in the merger:

	Implied Exchange Ratio	
	Low	High
Selected Publicly Traded Comparable Companies	2.090x	3.741x

Analysis of Selected Precedent Transactions

PJSC reviewed the purchase prices paid in five precedent merger and acquisition transactions in the merchant tobacco processing and commodity processing industries with transaction values in excess of approximately $100 million. Financial data for the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. PJSC then calculated the ratio of enterprise value to LTM net sales, EBITDA and EBIT, and the ratio of equity value to LTM net income for each selected transaction. PJSC then developed a reference range of multiples for each financial measure:

	Ratio of Enterprise Value to LTM			Ratio of Equity Value to LTM
	Net Sales	EBITDA	EBIT	Net Income
Low	26.1%	8.0x	7.5x	9.6x
High	110.0%	10.0x	13.0x	18.8x

PJSC then applied these multiples to the corresponding Standard financial measure for the LTM ended September 30, 2004. Using the resulting range of implied values per share of Standard common stock, PJSC then calculated implied exchange ratio reference ranges, assuming both the DIMON Average Price per share and the DIMON Closing Price. The analysis indicated the following implied exchange ratio reference range, as compared to the 3.0x exchange ratio provided for in the merger:

	Implied Exchange Ratio	
	Low	High
Selected Precedent Transactions	0.804x	3.061x

Pro Forma Merger Analysis

PJSC analyzed the potential pro forma impact of the merger on DIMON s projected EPS for the fiscal years ending March 31, 2006 and 2007, with and without giving effect to potential synergies. Projected financial data included: for DIMON, the DIMON Management Case; for

Standard, the Standard Base and Sensitivity Cases; and for synergies, estimates of certain potential benefits of the merger, prepared by the management of DIMON and Standard. For purposes of this analysis, PJSC utilized the 3.0 exchange ratio provided for in the merger and assumed a closing date of the merger of March 31, 2005.

This analysis indicated the following range of EPS accretion to DIMON s projected EPS during the period analyzed:

	DIMON EPS Accretion/(Dilution)	
	Low	**High**
DIMON Management Case/Standard Base Case	(23.0)%	28.5%
DIMON Management Case/Standard Sensitivity Case	(29.8)%	21.7%

Actual results may vary from projected results and the variations may be material.

In arriving at the PJSC opinion, PJSC performed a variety of financial analyses, the material portions of which are summarized above. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, such an opinion is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, PJSC did not attribute any particular weight to any analysis or factor

considered by it, but rather made qualitative judgments as to significance and relevance of each analysis and factor. Additionally, PJSC did not make a determination that any specific factor or specific analysis either supported or did not support its conclusion as to the fairness of the exchange ratio. Rather, PJSC performed numerous analyses that it considered as a whole, in light of the terms of the transaction, in arriving at the PJSC opinion. Accordingly, PJSC believes that its analyses must be considered as a whole and that selecting portions of its analyses, without considering all of them, could create an incomplete view of the process underlying the PJSC opinion.

In performing its analyses, PJSC relied on numerous assumptions made by the management of DIMON and Standard and made numerous judgments of its own with regard to current and future industry performance, general business and economic conditions and other matters, many of which are beyond the control of DIMON and Standard. The analyses performed by PJSC are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. Actual values will depend upon several factors, including changes in interest rates, dividend rates, market conditions, general economic conditions and other factors that generally influence the price of securities. The analyses performed by PJSC were prepared solely as a part of PJSC s analysis of the fairness from a financial point of view of the exchange ratio to DIMON and were provided to DIMON s board of directors in connection with the delivery of the PJSC opinion. The analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities might actually be sold, which are inherently subject to uncertainty. Since such estimates are inherently subject to uncertainty, none of DIMON, Standard, PJSC or any other person assumes responsibility for their accuracy. With regard to the comparable public company analysis and the comparable transactions analysis summarized above, PJSC selected comparable public companies on the basis of various factors for reference purposes only; however, no public company or transaction utilized as a comparison is fully comparable to DIMON, Standard or the merger. Accordingly, this analysis is not mathematical; rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the comparable companies and other factors that could affect the acquisition or public trading value of the comparable companies and transactions. In addition, as described above, the PJSC opinion and the information provided by PJSC to DIMON s board of directors were two of many factors taken into consideration by DIMON s board of directors in making its determination to approve the merger. Consequently, the PJSC analyses described above should not be viewed as determinative of the opinion of DIMON s board of directors with respect to the value of the merger.

Opinion of Standard s Financial Advisor

In August 2003, Standard engaged Matrix Private Equities, Inc. to act as its financial advisor with respect to a potential transaction whereby Standard would acquire DIMON. Pursuant to the agreement, Matrix also was to render an opinion to Standard on the fairness of any consideration to be paid by Standard in such a transaction. In October 2003, Standard and Matrix amended the agreement to allow it to cover the acquisition of Standard by DIMON. The agreement was subsequently amended in June and November 2004 to adjust the compensation to be received by Matrix and to extend the term of the agreement, respectively.

The merger agreement does not provide for updated or additional fairness opinions prior to closing. Because the exchange ratio has been set pursuant to the terms of the merger agreement and is not subject to change, Standard does not anticipate obtaining an updated fairness opinion.

As part of its investment banking activities, Matrix is regularly engaged in the evaluation of businesses and their securities in connection with mergers and acquisitions, restructurings and valuations for corporate or other purposes. The Standard board of directors selected Matrix to act as its financial advisor and deliver an opinion with respect to this transaction on the basis of that experience.

On November 5, 2004, Matrix rendered its oral opinion, which was subsequently confirmed in writing, to the Standard board of directors that as of that date and, based upon and subject to the matters set forth in its opinion, from a financial point of view, the consideration to be received by the shareholders of Standard in the combination was fair to those shareholders.

46

Table of Contents

The full text of Matrix s written opinion, dated November 5, 2004, is attached as Annex E to this joint proxy statement/prospectus. Shareholders of Standard should read Matrix s opinion for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Matrix in rendering its opinion. The summary set forth below of Matrix s opinion is qualified in its entirety by reference to the full text of the opinion.

Matrix s advisory services and opinion were provided for the information and assistance of the Standard board of directors in connection with and for the purposes of evaluation of the merger. Matrix s opinion is not intended to be and does not constitute a recommendation to any shareholder of Standard as to how such shareholder should vote with respect to the merger.

In delivering its opinion, Matrix assumed, based on information provided by Standard, that the merger will be treated as a tax-free reorganization and/or exchange pursuant to the Internal Revenue Code of 1986, as amended.

For purposes of its opinion, Matrix:

- reviewed publicly available financial statements and other business and financial information of Standard and DIMON, respectively;
- reviewed internal financial statements and other financial and operating data concerning Standard and DIMON, respectively;
- analyzed financial forecasts prepared by the managements of Standard and DIMON, respectively;
- reviewed information relating to strategic, financial and operational benefits anticipated from the merger, prepared by the managements of Standard and DIMON, respectively;
- discussed the past and current operations, financial condition and prospects of Standard with senior executives of Standard and discussed the past and current operations, financial condition and prospects of DIMON with senior executives of DIMON;
- reviewed and discussed with senior executives of Standard and DIMON information relating to strategic, financial and operational benefits anticipated from the merger;
- reviewed the pro forma impact of the merger on DIMON s earnings per share, cash flow, consolidated capitalization and financial ratios;
- reviewed the reported prices and trading activity for Standard s common stock and DIMON s common stock;
- compared the financial performance of Standard and DIMON and the prices and trading activity of Standard s common stock and DIMON s common stock with that of other publicly traded companies Matrix deemed relevant;
- compared financial terms, to the extent publicly available, of other business combination transactions Matrix deemed relevant;

participated in discussions and negotiations among representatives of Standard and DIMON and their financial and legal advisors;

reviewed the November 4, 2004, draft and prior drafts of the merger agreement and certain related documents; and

conducted other financial studies, analyses and considered other factors as Matrix deemed appropriate.

In arriving at its opinion, Matrix, with Standard s consent, assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information reviewed by Matrix for the purposes of its opinion. Matrix has not assumed any responsibility for the accuracy, completeness or reasonableness of, or for the independent verification of, such information. With respect to the financial

Table of Contents

forecasts, including information relating to strategic, financial and operational benefits anticipated from the merger, Matrix assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the future financial performance of Standard and DIMON. Matrix has not made any independent valuation or appraisal of the assets or liabilities of Standard, nor was Matrix furnished with any such appraisals.

Matrix assumed that in connection with the receipt of all necessary regulatory approvals for the merger, no restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the merger. Matrix assumed with Standard s consent that there are no legal issues with regard to Standard or DIMON that would affect Matrix s opinion, and Matrix relied on this assumption without undertaking any independent investigation or inquiry.

Matrix was not requested to, and did not, solicit any expressions of interest from any other parties with respect to the sale of all or any part of Standard or any other alternative transaction. Consequently, Matrix assumed the proposed terms are the most beneficial terms, from Standard s perspective, that could, under the circumstances, be negotiated between the parties to the merger, and no opinion is expressed as to whether any alternative transaction might produce consideration for Standard s shareholders in an amount in excess of that contemplated in the merger agreement. Matrix expressed no opinion as to the underlying decision by Standard to engage in the merger. Matrix assumed that the executed merger agreement was substantially similar to the last draft reviewed by Matrix. Matrix has not been asked to, nor did Matrix, offer any opinion as to the material terms of the merger agreement or the form of the merger.

Matrix s opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to Matrix as of, the date thereof. It should be understood that subsequent developments may affect the opinion and Matrix expressly disclaims any obligation to update, revise, or reaffirm its opinion. Matrix s opinion does not in any manner address the prices at which Alliance One common stock will trade following completion of the Merger. In addition, Matrix expresses no opinion or recommendation as to how the shareholders of Standard should vote at the shareholders meeting to be held in connection with the merger.

As compensation for its services in connection with the merger transaction, Standard paid Matrix $50,000 as a retainer and an additional $50,000 when DIMON expressed a willingness to consider a transaction with Standard. Standard also paid Matrix $600,000 upon the delivery of Matrix s opinion. Standard will pay Matrix $2,400,000 upon completion of the merger. In addition, Standard has agreed to reimburse Matrix for reasonable out-of-pocket expenses, including counsel fees, incurred in connection with the merger and to indemnify Matrix for all losses, liabilities and expenses that may arise out of the merger, including the rendering of Matrix s opinion.

Based upon and subject to the foregoing, including the various assumptions and limitations set forth in its opinion, Matrix delivered its opinion as of November 5, 2004, that the exchange ratio to be received by Standard s shareholders in the merger is fair from a financial point of view to Standard s shareholders.

Board Presentation of Standard s Financial Advisor

The following is a summary of the material financial analyses used by Matrix in connection with providing its opinion dated November 5, 2004, to the Standard board of directors in connection with the merger. Certain of the summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Matrix, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Accordingly, the analyses listed in the tables and described below must be considered as a whole. Considering any portion of such analyses and of the factors considered, without considering all of them, could create a misleading or incomplete view of the process underlying the opinion of Matrix.

48

Table of Contents

Analysis of Selected Publicly Traded Companies

Matrix reviewed and compared selected financial data of Standard with similar data of DIMON and Universal Corporation, both independent leaf tobacco merchants like Standard, and Altria Group, Inc. (formerly known as Philip Morris Companies) and Reynolds American, Inc. (the entity resulting from the merger of R. J. Reynolds and Brown & Williamson), each tobacco manufacturers that are customers of both Standard and DIMON. Matrix relied on historical published financial information for fiscal 2004 and interim period 2005 data, published estimates of Standard s management for fiscal 2005 and Standard s management s internal estimates for fiscal 2006.

Matrix compared various financial multiples and ratios for the latest fiscal year, or LFY, and latest twelve months, or LTM, as summarized below:

	Aggregate Value to EBITDA		Stock Price to EPS	
	LFY	**LTM**	**LFY**	**LTM**
DIMON	9.6x	11.3x	30.1x	Not Meaningful
Universal Corporation	7.7	8.0	10.3	10.4x
Altria Group, Inc.	7.1	7.1	11.0	10.8
Reynolds American, Inc.	8.1	NA	15.3	NA
Average	8.1x	8.8x	16.7x	10.6x
Standard	8.1x	10.0x	6.8x	11.1x

Matrix then applied the respective financial multiples to historical published financial information and published and internal estimates to determine a per share equity value range as set forth below:

	Low	High
Reference Range Published	$ 15.00	$ 19.50
Reference Range Internal	$ 14.50	$ 19.00
Merger Consideration based on DIMON 20 trading day average price as of 11/03/04		$ 17.52
Merger Consideration based on DIMON closing price on 11/03/04		$ 18.60

Analysis of Selected Transactions

Matrix reviewed 12 transactions completed since 2003 involving U.S. publicly traded companies with equity value between $150 million and $6 billion and with minimum target ownership of 30%. An additional larger transaction was included because of the similar structure of the transaction and similar arrangement for the acquiror s and the target s CEO, despite it falling outside of the range stated in the preceding sentence. Matrix reviewed the premium at announcement and 30 days prior in addition to the board composition and executive management positions.

Matrix applied the premiums implied in these transactions to Standard s closing stock price of $16.16 on November 3, 2004, and $15.78 on October 4, 2004, which was 30 days prior to the execution of the merger agreement.

This analysis indicated the following per share equity value range:

	Low	High
Reference Range One Day Prior	$ 16.16	$ 18.42
Reference Range 30 Days Prior	$ 15.78	$ 18.47
Merger Consideration based on DIMON 20 trading day average price as of 11/03/04		$ 17.52
Merger Consideration based on DIMON closing price on 11/03/04		$ 18.60

Table of Contents

Discounted Cash Flow Analysis

Matrix performed a discounted cash flow analysis to calculate the estimated net present value of the stand-alone unlevered, after-tax free cash flows (operating income less income taxes, plus depreciation and amortization, less changes in capital expenditures and working capital) that Standard expects to generate during the fiscal years ending March 31, 2006 through 2010, based on management s projections. Matrix calculated an implied range of terminal values for Standard by applying a range of multiples of 7.0x to 9.0x to Standard s estimated EBITDA for fiscal year 2010. The cash flows and terminal values were then discounted to present value using a range of discount rates of 10.0% to 14.0%.

The analysis indicated the following implied per share price range:

	Low	High
Reference Range	$ 16.00	$ 21.00
Merger Consideration based on DIMON 20 trading day average price as of 11/03/04		$ 17.52
Merger Consideration based on DIMON closing price on 11/03/04		$ 18.60

Share Price Trading Range Analysis

Matrix reviewed the share price trading range of Standard stock over various periods of time, including the 52 week trading range, the 60 trading day range and the 20 trading day range. In addition, Matrix reviewed the average share price over various periods of time including the 10 day prior, 20 day prior, 30 day prior and the 52 week prior averages.

The analysis indicated the following implied per share price range:

	Low	High
Reference Range	$ 14.50	$ 18.50
Merger Consideration based on DIMON 20 trading day average price as of 11/03/04		$ 17.52
Merger Consideration based on DIMON closing price on 11/03/04		$ 18.60

Historical Exchange Ratio Analysis

Matrix calculated the average exchange ratio of DIMON common stock and Standard common stock as of November 3, 2004 for a range of periods from a one month to a two-year average ended on November 3, 2004.

This analysis indicated the following implied exchange ratios as compared to the 3.0 exchange ratio as provided for in the merger.

1 Month Average	2.707x
3 Month Average	2.675
6 Month Average	2.755
1 Year Average	2.799
2 Year Average	2.710

Contribution Analysis

Matrix calculated and analyzed the relative contributions of DIMON and Standard to the pro forma combined company based on the respective contributions of net book value, EBITDA and income from continuing operations for the fiscal years ended March 31, 2003 and 2004 and the projected fiscal years ending

Table of Contents

March 31, 2005 through March 31, 2007. Financial data for the fiscal year ending March 31, 2005, is based on DIMON s and Standard s 2005 estimated earnings. Financial data for the fiscal years ending March 31, 2006 and 2007 is based on projected earnings of each company.

This analysis indicated the following implied percentage contributions for DIMON and Standard as compared to the implied ownership of DIMON and Standard shareholders in the combined company of approximately 52.5% and 47.5%, respectively:

	DIMON	**Standard**
Net Book Value		
FYE 3/31/03	55%	45%
FYE 3/31/04	53%	47%
FYE 3/31/05	56%	44%
FYE 3/31/06	58%	42%
FYE 3/31/07	57%	43%

	DIMON	**Standard**
EBITDA		
FYE 3/31/03	57%	43%
FYE 3/31/04	56%	44%
FYE 3/31/05	64%	36%
FYE 3/31/06	61%	39%
FYE 3/31/07	61%	39%

	DIMON	**Standard**
Income from Continuing Operations		
FYE 3/31/03	47%	53%
FYE 3/31/04	22%	78%
FYE 3/31/05	50%	50%
FYE 3/31/06	51%	49%
FYE 3/31/07	54%	46%

When reviewing this information, you should note that EBITDA is a non-GAAP financial measure, and you should not consider it in isolation or as a substitute for net income, operating cash flows or other cash flow statement data determined in accordance with GAAP. EBITDA, as presented by DIMON or Standard, may not be comparable to similarly titled measures of other companies. EBITDA was considered by Matrix because Standard believes it is a useful measure of financial performance and is used by securities analysts, investors and other interested parties in the evaluation of companies in the leaf tobacco industry.

Pro Forma Merger Analysis

Matrix analyzed the potential pro forma financial impact of the merger. Based on this analysis, Matrix calculated the resulting accretion/dilution to the combined company s earnings per share estimates for the fiscal years ending March 31, 2006, and 2007, before and after taking into account the net effect of estimated operating synergies, new interest expense and other recurring expenses relating to the merger as prepared by the management of DIMON and Standard. Matrix noted that after taking into account the net effect of estimated operating synergies, new interest expense and other recurring expenses the merger would be approximately 28.4% accretive and 34.7% accretive to the combined

earnings per share for the fiscal years ending March 31, 2006 and 2007 respectively.

The foregoing summary of the material financial analyses rendered by Matrix does not purport to be a complete description of the analyses or data presented by Matrix to the Standard board of directors. Actual results may vary from projected results and the variations might be material.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Matrix believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of them as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. Matrix did not consider any single factor or analysis as determinative of its fairness determination. Instead, Matrix considered the totality of the factors and analyses performed in determining its opinion. Matrix based its analyses on assumptions that it deemed reasonable, including those concerning general business and economic conditions and industry-specific factors. Any other principal assumptions upon which Matrix based its analyses have been described under the description of each analysis in the foregoing summary. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of DIMON and Standard and their advisors. Accordingly, forecasts and analyses used or made by Matrix are not necessarily indicative of actual or future results, which might be significantly more or less favorable than suggested by those analyses. Moreover, Matrix s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses or securities actually could be bought or sold. None of the selected companies reviewed as described in the above summary is identical to DIMON or Standard, and none of the selected transactions reviewed was identical to the merger. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of Matrix s analysis, might be considered similar or related to those of DIMON and Standard. The transactions selected were similarly chosen because their structure, size and other factors, for purposes of Matrix s analysis, might be considered similar to the merger. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the comparable companies and transactions.

Finally, as described above, the Matrix opinion and the information provided by Matrix to Standard s board of directors were two of many factors taken into consideration by Standard s board of directors in making its determination to approve the merger. Consequently, the Matrix analyses described above should not be viewed as determinative of the opinion of Standard s board of directors with respect to the value or advisability of the merger.

Table of Contents

DESCRIPTION OF ALLIANCE ONE CAPITAL STOCK

DIMON will be the surviving corporation after the completion of the merger, and, simultaneously with the closing of the merger, will change its name to Alliance One International, Inc. As part of and as a condition to the merger, DIMON shareholders are being asked to approve and adopt the amended and restated articles of incorporation of DIMON, attached hereto as Annex C. See DIMON Proposals Two through Five relating to the Amended and Restated Articles of Incorporation. Upon completion of the merger, Standard shareholders will receive common stock of Alliance One subject to the terms of the amended and restated articles of incorporation, and the capital stock of existing DIMON shareholders will also be subject to these terms.

The following is a summary of the material terms of the common stock of Alliance One immediately following the merger. Because it is only a summary, it might not contain all of the information that may be important to you. Accordingly, you should read carefully the amended and restated articles of incorporation of Alliance One, which are attached hereto as Annex C. See Comparison of Shareholder Rights beginning on page 57.

Standard shareholders should note that the following description assumes that proposals two through five in this joint proxy statement/prospectus are approved by the DIMON shareholders and can be adopted in the form attached hereto as Annex C. If any of those proposals are not approved by the DIMON shareholders, the amended and restated articles may be different. See Note Regarding DIMON Proposals Two Through Five on page 71.

Authorized Capital Stock

Effective upon the completion of the merger and the amendment and restatement of DIMON s articles of incorporation, Alliance One s authorized capital stock will consist of 250,000,000 shares of common stock, without par value, and 10,000,000 shares of preferred stock, without par value.

Common Stock

Voting Rights

Holders of Alliance One common stock are entitled to one vote per share on all matters submitted to a vote at any meeting of shareholders.

Except as otherwise required by the VSCA, the board of directors acting pursuant to Section 13.1-707 of the VSCA, or the provisions of the amended and restated articles of incorporation (as identified below), shareholder action is effective if the votes cast in favor of the action exceed the votes cast against the action. Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election.

An amendment or restatement of the articles of incorporation, a merger, a statutory share exchange dissolution or the sale or other disposition of all or substantially all Alliance One s assets other than in the usual and regular course of business requires the approval of a majority of the votes entitled to be cast by each voting group that is entitled to vote on the matter.

Dividend Rights

Subject to the rights of holders of preferred stock, if any, and subject to any other provisions of the amended and restated articles of incorporation, holders of shares of Alliance One common stock are entitled to receive dividends and other distributions in cash, stock or property of Alliance One as may be declared by Alliance One s board of directors from time to time.

Exchange Listing

DIMON common stock is presently listed on the New York Stock Exchange under the symbol DMN and the common stock of Alliance One is expected to be listed on the New York Stock Exchange under the symbol AOI, which has been reserved for our use.

Table of Contents

Preferred Stock

The Alliance One board of directors may determine the preferences, limitations and relative rights, to the extent permitted by the VSCA, of any class of shares of preferred stock before the issuance of any shares of that class, or of one or more series within a class before the issuance of any shares of that series. Each class or series shall be appropriately designated by a distinguishing designation prior to the issuance of any shares thereof. The preferred stock of all series shall have preferences, limitations and relative rights identical with those of other shares of the same series and, except to the extent otherwise provided in the description of the series, with those of shares of other series of the same class.

Prior to the issuance of any shares of a class or series of preferred stock, the board of directors must establish such class or series by adopting a resolution and by filing with the State Corporation Commission of Virginia articles of amendment setting forth the designation and number of shares of the class or series and the relative rights and preferences thereof.

As of the closing of the merger, no shares of preferred stock of Alliance One will be issued or outstanding.

Transfer Agent and Registrar

Wachovia Bank, N.A., is presently the transfer agent and registrar for DIMON common stock and is expected to be the transfer agent for Alliance One common stock.

Preemptive and Preferred Rights

Holders of any class of Alliance One capital stock have no preemptive or preferential right to purchase or to subscribe to any shares of any class of Alliance One, whether now or hereafter authorized, any warrants, rights, or options to purchase any such shares or any securities or obligations convertible into any such shares or into warrants, rights or options to purchase any such shares.

Anti-Takeover Provisions

Alliance One s amended and restated articles of incorporation, amended and restated bylaws and the VSCA contain provisions that may have the effect of impeding the a