

DIMON INC
Form S-4
January 20, 2005
Table of Contents

As filed with the Securities and Exchange Commission on January 20, 2005

Registration No. 333- _____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

DIMON Incorporated

(Exact name of registrant as specified in its charter)

Virginia
(State of Incorporation)

5159
(Primary Standard Industrial
Classification Number)

54-1746567
(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.

RANDALL S. PARKS, ESQ.

Hunton & Williams LLP

951 East Byrd Street

Richmond, Virginia 23219

(804) 788-8200

(804) 788-8218 (Fax)

**DONALD R. REYNOLDS, ESQ.
ALEXANDER M. DONALDSON, ESQ.**

Wyrick Robbins Yates & Ponton LLP

4101 Lake Boone Trail, Suite 300

Raleigh, North Carolina 27607

(919) 781-4000

(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. "

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered (1) | Proposed Maximum Offering Price Per Unit | Proposed Maximum Aggregate Offering Price (2) | Amount of Registration Fee (3) |
|--|-----------------------------------|---|--|--------------------------------------|
| Common Stock, no par value per share | 41,576,322 | N/A | \$259,436,250 | \$30,536 |

- (1) The number of shares of the registrant being registered is based upon an estimate of (x) the maximum number of shares of common stock, par value \$0.20 per share, of Standard Commercial Corporation to be outstanding as of the closing of the merger multiplied by (y) the exchange ratio of three shares of common stock, no par value per share, of DIMON Incorporated for each share of Standard common stock.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) under the Securities Act. The aggregate offering price is (x) the average of the high and low prices of Standard common stock as reported on the New York Stock Exchange on January 14, 2005, (\$18.72) multiplied by (y) the maximum number of shares of Standard common stock to be converted in the merger (13,858,774).
- (3) Calculated by multiplying the estimated aggregate offering price of securities to be registered by .0001177

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.

Table of Contents

The information in the joint proxy statement/prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission, of which this joint proxy statement/prospectus is a part, is effective.

SUBJECT TO COMPLETION, DATED JANUARY 20, 2005

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, initially to be called DimonStandard Incorporated. 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's current shareholders will own approximately 52% and Standard's shareholders will own approximately 48% of DimonStandard's common stock. Shares of DIMON common stock are currently listed, and are expected to be listed after the merger, 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.

DIMON and Standard are asking their respective shareholders to approve the merger, including the issuance of shares of DIMON common stock in connection with the merger. In addition, DIMON is asking its shareholders to approve the amendment and restatement of its articles of incorporation, the election of seven persons to the board of directors of DimonStandard 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.

Edgar Filing: DIMON INC - Form S-4

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
and Chief Executive Officer

DIMON Incorporated

Chairman of the Board of Directors,
President and Chief Executive Officer,

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 _____, 2005,
and is first being mailed to shareholders on or about _____, 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 **[Day of Week]**, **[Month] [Day]**, 2005, at [_____] A.M., 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 approve and adopt the amended and restated articles of incorporation of DIMON.
3. To elect seven directors of DIMON, each to serve as of the closing of the merger for the terms specified herein.
4. 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.

[Day of Week], **[Month] [Day]**, 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, requires 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 approve and adopt the amended and restated articles of incorporation of DIMON also requires 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. 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.

Edgar Filing: DIMON INC - Form S-4

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

, 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 [_____], North Carolina on **[Day of Week], [Month] [Day], 2005**, at [_____] A.M., 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.

[Day of Week], [Month] [Day], 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.

Edgar Filing: DIMON INC - Form S-4

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

, 2005

Table of Contents

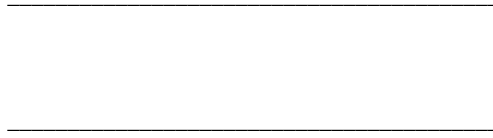
ADDITIONAL INFORMATION

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.scegroupp.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 93.

If you would like to request documents, the applicable company must receive your request no later than _____, 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:



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 |
|---|-------------|
| <u>QUESTIONS AND ANSWERS</u> | Q-1 |
| <u>SUMMARY</u> | S-1 |
| <u>The Companies</u> | S-2 |
| <u>The Merger</u> | S-2 |
| <u>Merger Rationale</u> | S-2 |
| <u>Effect of Merger on Shareholders; Ownership of the Combined Company After the Merger</u> | S-2 |
| <u>Exchange Ratio is Fixed and Will Not Be Adjusted in Response to Changes in Our Stock Prices</u> | S-2 |
| <u>Treatment of Standard Stock Options</u> | S-3 |
| <u>Listing of Common Stock of the Combined Company</u> | S-3 |
| <u>Merger Generally Tax-Free</u> | S-3 |
| <u>Dividend Policy</u> | S-3 |
| <u>Recommendations of the DIMON and Standard Boards of Directors</u> | S-4 |
| <u>Fairness Opinions From Our Financial Advisors</u> | S-4 |
| <u>Lack of Appraisal or Dissenter's Rights</u> | S-4 |
| <u>Directors and Management Following the Merger</u> | S-4 |
| <u>Interests of Our Directors and Executive Officers in the Merger</u> | S-5 |
| <u>Voting Agreements</u> | S-5 |
| <u>Financing</u> | S-5 |
| <u>Conditions to Completion of the Merger</u> | S-6 |
| <u>Regulatory Approvals</u> | S-6 |
| <u>Expected Timing of Merger</u> | S-6 |
| <u>No Solicitation; Restrictions on Alternative Transactions</u> | S-7 |
| <u>Termination of the Merger Agreement; Fees Payable</u> | S-7 |
| <u>Termination Fee; Fees and Expenses</u> | S-7 |
| <u>The DIMON Special Meeting</u> | S-8 |
| <u>The Standard Special Meeting</u> | S-8 |
| <u>SUMMARY UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL DATA</u> | S-10 |
| <u>SUMMARY SELECTED HISTORICAL FINANCIAL INFORMATION</u> | S-11 |
| <u>COMPARATIVE PER SHARE INFORMATION</u> | S-13 |
| <u>RISKS RELATING TO THE MERGER</u> | 1 |
| <u>INFORMATION REGARDING FORWARD-LOOKING STATEMENTS</u> | 4 |
| <u>DIMON PROPOSAL ONE AND STANDARD PROPOSAL ONE: THE MERGER</u> | 5 |
| <u>Effect of the Merger; What Standard Shareholders Will Receive in the Merger</u> | 5 |
| <u>Voting Agreements</u> | 5 |
| <u>Background of the Merger</u> | 6 |
| <u>DIMON's Reasons for the Merger; Recommendation of the Merger by the DIMON Board of Directors</u> | 10 |
| <u>Standard's Reasons for the Merger; Recommendation of the Merger by the Standard Board of Directors</u> | 12 |
| <u>Material U.S. Federal Income Tax Consequences of the Merger</u> | 15 |
| <u>Accounting Treatment</u> | 16 |
| <u>Regulatory Approvals</u> | 17 |
| <u>Financing</u> | 18 |

Table of Contents

| | |
|--|----|
| <u>Restrictions on Sales of Shares by Affiliates</u> | 19 |
| <u>Stock Exchange Listing</u> | 19 |
| <u>Appraisal Rights</u> | 19 |
| <u>Delisting and Deregistration of Standard Stock After the Merger</u> | 19 |
| <u>Board of Directors and Management After the Merger</u> | 20 |
| | |
| <u>THE MERGER AGREEMENT</u> | 21 |
| <u>Structure: Combined Company</u> | 21 |
| <u>Closing Matters</u> | 21 |
| <u>Treatment of Outstanding Stock Options and Other Equity Grants</u> | 21 |
| <u>Covenants</u> | 21 |
| <u>Governance of DimonStandard</u> | 22 |
| <u>Shareholder Approval and Other Mutual Conditions to the Parties</u> | 22 |
| <u>Obligations to Complete the Merger</u> | 22 |
| <u>Conditions to DIMON's Obligation to Complete the Merger</u> | 23 |
| <u>Conditions to Standard's Obligation to Complete the Merger</u> | 23 |
| <u>No Solicitation; Restrictions on Alternative Transactions</u> | 23 |
| <u>Termination Rights</u> | 24 |
| <u>Termination Fee: Fees and Expenses</u> | 25 |
| <u>Representations and Warranties</u> | 25 |
| <u>Director and Officer Indemnification and Insurance</u> | 26 |
| <u>Amendments and Waivers</u> | 26 |
| | |
| <u>UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL DATA</u> | 27 |
| | |
| <u>OPINIONS AND PRESENTATIONS OF FINANCIAL ADVISORS</u> | 35 |
| <u>Opinion of DIMON's Financial Advisor</u> | 35 |
| <u>Board Presentation of DIMON's Financial Advisor</u> | 37 |
| <u>Opinion of Standard's Financial Advisor</u> | 41 |
| <u>Board Presentation of Standard's Financial Advisor</u> | 43 |
| | |
| <u>DESCRIPTION OF DIMONSTANDARD CAPITAL STOCK</u> | 48 |
| <u>Authorized Capital Stock</u> | 48 |
| <u>Common Stock</u> | 48 |
| <u>Preferred Stock</u> | 48 |
| <u>Transfer Agent and Registrar</u> | 49 |
| <u>Preemptive and Preferred Rights</u> | 49 |
| <u>Anti-Takeover Provisions</u> | 49 |
| <u>Limitation of Liability and Indemnification Matters</u> | 51 |
| | |
| <u>COMPARISON OF SHAREHOLDER RIGHTS</u> | 51 |
| <u>Authorized Capital Stock</u> | 52 |
| <u>Special Meetings of Shareholders</u> | 52 |
| <u>Directors</u> | 52 |
| <u>Dividends and Other Distributions</u> | 53 |
| <u>Shareholder Nominations and Shareholder Proposals</u> | 53 |
| <u>Discharge of Director Duties; Exculpation and Indemnification</u> | 55 |
| <u>Mergers, Share Exchanges and Sales of Assets</u> | 56 |
| <u>Anti-takeover Statutes</u> | 56 |
| <u>Amendments to Articles of Incorporation and Bylaws</u> | 57 |
| <u>Shareholders' Rights of Dissent and Appraisal</u> | 58 |
| | |
| <u>INTERESTS OF CERTAIN PERSONS IN THE MERGER</u> | 59 |
| <u>Interests of DIMON's Directors and Officers in the Merger</u> | 59 |
| <u>Employment Agreement Between DIMON and Brian J. Harker</u> | 59 |
| <u>Change in Control Agreements With DIMON Officers</u> | 60 |

Table of Contents

| | |
|--|----|
| <u>Amendment to DIMON's PEP and SERP Plans</u> | 61 |
| <u>Interests of Standard's Directors and Officers in the Merger</u> | 61 |
| <u>Employment Agreement Between DIMON and Robert E. Harrison</u> | 61 |
| <u>Standard's Executive Employment Agreements</u> | 63 |
| <u>Change in Control Agreements With Standard's Executive Officers</u> | 63 |
| <u>Standard Stock Options and Stock Awards</u> | 64 |
| <u>Indemnification; Insurance</u> | 64 |
| | |
| <u>DIMON PROPOSAL TWO: APPROVAL OF THE AMENDED AND RESTATED ARTICLES OF INCORPORATION</u> | 65 |
| <u>Proposal</u> | 65 |
| <u>Vote Required</u> | 65 |
| <u>Summary of the Amended and Restated Articles of Incorporation</u> | 65 |
| <u>Recommendation of the DIMON Board of Directors</u> | 66 |
| | |
| <u>DIMON PROPOSAL THREE: ELECTION OF DIRECTORS</u> | 67 |
| <u>Vote Required</u> | 67 |
| <u>The Nominees</u> | 67 |
| <u>Continuing Directors</u> | 69 |
| <u>Board of Directors of the Combined Company</u> | 71 |
| <u>Biographies of DIMON Directors Not Nominated For Election to the DimonStandard Board</u> | 72 |
| <u>Independence</u> | 72 |
| <u>Board Meetings</u> | 73 |
| <u>Board Committees</u> | 73 |
| <u>Governance Matters</u> | 74 |
| <u>Audit Matters</u> | 77 |
| <u>Employment and Consulting Agreements and Certain Business Relationships</u> | 79 |
| <u>Stock Ownership</u> | 81 |
| <u>Section 16(a) Reporting Compliance</u> | 83 |
| | |
| <u>DIMON PROPOSAL FOUR: OTHER BUSINESS, INCLUDING POSSIBLE ADJOURNMENT OF THE DIMON SPECIAL MEETING</u> | 84 |
| | |
| <u>STANDARD PROPOSAL TWO: OTHER BUSINESS, INCLUDING POSSIBLE ADJOURNMENT OF THE STANDARD SPECIAL MEETING</u> | 84 |
| | |
| <u>THE DIMON INCORPORATED SPECIAL MEETING</u> | 84 |
| <u>Date, Time and Place of the Special Meeting</u> | 84 |
| <u>Purpose of the Special Meeting</u> | 84 |
| <u>Record Date for the Special Meeting</u> | 85 |
| <u>Votes Required</u> | 85 |
| <u>Attending the Special Meeting</u> | 85 |
| <u>Proxies</u> | 86 |
| <u>Solicitation of Proxies</u> | 87 |
| | |
| <u>THE STANDARD COMMERCIAL CORPORATION SPECIAL MEETING</u> | 88 |
| <u>Date, Time and Place of the Special Meeting</u> | 88 |
| <u>Purpose of the Special Meeting</u> | 88 |
| <u>Record Date for the Special Meeting</u> | 88 |
| <u>Votes Required</u> | 88 |
| <u>Attending the Special Meeting</u> | 89 |
| <u>Proxies</u> | 89 |
| <u>Solicitation of Proxies</u> | 90 |

Table of Contents

| | |
|--|----|
| <u>LEGAL MATTERS</u> | 90 |
| <u>EXPERTS</u> | 90 |
| <u>SHAREHOLDER PROPOSALS</u> | 91 |
| <u>DIMON</u> | 91 |
| <u>Standard</u> | 92 |
| <u>WHERE YOU CAN FIND MORE INFORMATION</u> | 93 |
| <u>DIMON</u> | 93 |
| <u>Standard</u> | 93 |
| 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 DimonStandard Incorporated | |
| 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

The Merger

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. We believe this merger will help us achieve our goal of driving profitable growth and building long-term value in a rapidly changing industry. We believe that by combining the strengths of our two well-respected companies, we can create a business that is more able to adapt to the evolution of our industry and to meet our customers' needs. We believe that the combined company will be able to capitalize on expanded capabilities in value-added services, tobacco processing capability, information technology advancements, new product development, global agronomic programs and an expanded talented workforce. As a result of the merger, we anticipate generating over \$40 million of annual pre-tax cost savings from the rationalization of processing facilities and the elimination of redundant regional and corporate office staffing, with approximately 65% of the savings expected to be achieved in the first full year after the merger.

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 10 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 12.

Q: What will a shareholder receive if the merger occurs?

A: DIMON Shareholders:

DIMON shareholders will continue to hold the shares of DIMON common stock that they own immediately before the merger. However, those shares will represent a smaller proportion of the outstanding shares of the combined company. As a result of the merger, DIMON shareholders will own approximately 52% of DimonStandard's common stock immediately following the merger.

Standard Shareholders:

Standard shareholders will receive, for each share of Standard common stock issued and outstanding as of the effective date of the merger, three shares of DIMON common stock. As a result of the merger, Standard shareholders will own approximately 48% of DimonStandard's common stock immediately following the merger.

Q: How was the exchange ratio determined?

Edgar Filing: DIMON INC - Form S-4

A: The exchange ratio was determined in negotiations by the two companies and reflects the relative recent market prices of each company's common stock and other factors that the boards of directors considered relevant.

Q: What shareholder approvals are needed?

A: DIMON Shareholders:

Under DIMON's amended and restated 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

Q-1

Table of Contents

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 in the first half of 2005. 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 17), it is difficult to predict a possible closing date with any more specificity.

Q: What are the material United States federal income tax consequences of the merger to DIMON shareholders and to Standard shareholders?

A: DIMON shareholders will not exchange their DIMON common stock in the merger and accordingly will not recognize any taxable gain or loss as a result of the merger. DIMON and Standard intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. If the merger qualifies as a reorganization, Standard shareholders generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Standard common stock for shares of DIMON common stock. We strongly urge you to consult with a tax advisor to determine the particular U.S. federal, state, local or foreign income or other tax consequences of the merger to you.

The Shareholders - Meetings and Voting Your Shares

Q: Who can vote at the shareholders' meetings?

A: Only holders of record of DIMON common stock as of the close of business on **[Day of Week], [Month] [Day], 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 **[Day of Week], [Month] [Day], 2005**, will be entitled to notice of and to vote at the Standard special meeting.

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 **[Day of Week], [Month] [Day], 2005**, at **[_____]**, A.M. EST.

Edgar Filing: DIMON INC - Form S-4

Standard Special Meeting:

The special meeting of Standard shareholders will be held at the [_____], North Carolina on [Day of Week], [Month] [Day], 2005, at [_____] A.M., 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 special meeting.

Q-2

Table of Contents

Standard shareholders:

The Standard board of directors unanimously recommends that Standard shareholders vote FOR the approval of the plan of merger.

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 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.

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 we anticipate 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-3

Table of Contents

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: Where will my shares of DimonStandard common stock be listed?

A: After the merger, the shares of DimonStandard common stock will continue to be listed on the New York Stock Exchange under the symbol DMN.

Q: Will I receive dividends on my DimonStandard shares?

A: Each of DIMON and Standard intends to pay dividends in accordance with their respective dividend policies before the closing of the merger. DimonStandard expects to continue to pay quarterly dividends at the current annual rate of \$0.30 per share after the closing of the merger. The payment of dividends by DIMON or Standard in the future, before the merger is completed, and by DimonStandard after the merger is completed, is subject to the discretion of the respective boards of directors and will depend on business conditions, compliance with debt agreements, each company's financial condition and earnings, regulatory considerations and other factors.

Additional Questions

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

if you are a Standard shareholder:

Standard Commercial Corporation

2201 Miller Road

Wilson, North Carolina 27893

Edgar Filing: DIMON INC - Form S-4

(434) 792-7511

(252) 291-5507

Attention: Investor Relations

Attention: Investor Relations

or

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 93.

Q-4

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 93.*

The Companies

DimonStandard

After the completion of the merger between DIMON and Standard, DimonStandard will be one of the largest global independent leaf tobacco merchants, with broad geographic processing capabilities, an established customer base including all of the major tobacco cigarette manufacturers and a diversified product offering. On a pro forma basis for the twelve months ended March 31, 2004, we would have generated gross sales of approximately \$1.88 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 DIMON 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.

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 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.

S-1

Table of Contents

Standard has historically been engaged in purchasing, processing and selling various types of wool. However, in the last quarter of fiscal 2002, Standard determined to discontinue its wool operations in four of its smaller markets because of weak market conditions in the industry. During fiscal 2003, Standard sold or closed these four wool units. In September 2003, to better focus on its core tobacco business, Standard determined to exit its remaining wool operations as industry conditions remained distressed. 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. 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.

The Merger

Subject to the terms and conditions of the Agreement and Plan of Reorganization, dated as of November 7, 2004, between DIMON and Standard, and in accordance with Virginia and North Carolina law, at the closing of the merger Standard will merge with and into DIMON. DIMON will be the surviving corporation and will simultaneously change its name to DimonStandard Incorporated.

Merger Rationale

We believe the merger provides strategic, operational and financial benefits to DIMON, Standard and their shareholders, including the following:

- the creation of a stronger independent leaf tobacco merchant with enhanced global sourcing and more efficient processing capabilities;
- anticipated annual pre-tax cost savings of more the \$40 million;
- improved ability to competitively source tobacco in new regions;
- value creation for shareholders through earnings per share accretion;
- reduced leverage profile and improved interest coverage; and
- the combination of experienced management teams.

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

Edgar Filing: DIMON INC - Form S-4

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 DimonStandard 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 5)

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 [_____] 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.

| <u>Date</u> | <u>DIMON Closing Price</u> | <u>Standard Closing Price</u> | <u>Pro Forma Equivalent Price</u> |
|------------------|--------------------------------|-----------------------------------|---------------------------------------|
| November 5, 2004 | \$ 6.22 | \$ 16.40 | \$ 18.66 |
| _____, 2005 | \$ [_____] | \$ [_____] | \$ [_____] |

Table of Contents

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 21)

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 DimonStandard 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 19)

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 to 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 15)

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. DimonStandard 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).

Edgar Filing: DIMON INC - Form S-4

The payment of dividends by DIMON or Standard before the merger is completed or by DimonStandard 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, financial condition and earnings, regulatory considerations and other factors.

S-3

Table of Contents

Recommendations of the DIMON and Standard Boards of Directors (see pages 10 and 12)

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.

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.

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 10 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 12.

Fairness Opinions From Our Financial Advisors (see pages 35 and 41)

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 19)

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 20)

Edgar Filing: DIMON INC - Form S-4

Following the merger, the board of directors of DimonStandard 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 independent directors of Standard. Other than Messrs. Harker and Harrison, none of the directors will be employees of the combined company. Additional information on the directors who will serve on the DimonStandard board of directors immediately following the completion of the merger appears under the heading DIMON Proposal Three: Election of Directors.

Following the merger, Mr. Harker will continue to serve as Chairman and Chief Executive Officer of DimonStandard and Mr. Harrison will become President and Chief Operating Officer of DimonStandard. 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 DimonStandard. Mr. Harker will continue to serve as Chairman of the DimonStandard board of directors through the 2007 annual

S-4

Table of Contents

meeting of shareholders. In addition, the parties have agreed to appoint various members of senior management from each company to senior management positions of the combined company following the merger.

Interests of Our Directors and Executive Officers in the Merger (see pages 59 and 61)

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 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 respective interests when deciding to approve the merger.

Voting Agreements (see page 5)

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;

Edgar Filing: DIMON INC - Form S-4

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.

Financing (see page 18)

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) DimonStandard 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 and Standard are currently evaluating alternatives with respect to potential refinancing of, or seeking amendments to, their current financing arrangements. Whether current financing is refinanced or amended, DIMON will incur fees and expenses in connection with those transactions that are likely to be significant.

Table of Contents

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 new financing can be obtained in a timely manner or on favorable terms.

Conditions to Completion of the Merger (see page 23)

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 issuance of shares of DIMON common stock in the merger and 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

Edgar Filing: DIMON INC - Form S-4

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 17)

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 many of the required filings in foreign jurisdictions and expect the waiting periods in those jurisdictions will expire no later than March 2005. 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.

Expected Timing of Merger

We expect to complete the merger during the first half of 2005 if we have received the shareholder and regulatory approvals required to do so.

Table of Contents

No Solicitation; Restrictions on Alternative Transactions (see page 23)

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 24)

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 25)

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);

Edgar Filing: DIMON INC - Form S-4

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 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 shareholders 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.

S-7

Table of Contents

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 84)

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 [_____,] 2005, at [____;_] a.m., 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 following proposals:

the approval of the plan of merger, the merger contemplated thereby and the issuance of shares of DIMON common stock pursuant thereto, which requires 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;

the approval of the amended and restated articles of incorporation of DIMON, which requires the affirmative vote of the holders of at least two-thirds of the shares of DIMON common stock entitled to vote at the DIMON special meeting;

the election of seven directors, each to serve as of the closing of the merger for the terms specified herein, which 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; and

to act with respect to 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 of DIMON common stock present at the DIMON special meeting.

As of the record date, DIMON directors, executive officers, nominees for director and their affiliates owned and were entitled to vote approximately [_____] shares of DIMON common stock, representing approximately [____]% 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 [_____,] 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 88)

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 [_____, ____], 2005, at [____:___] a.m., EST at [_____], 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 comes before the meeting, including the decision to adjourn the meeting, which requires the vote of the holders of at least a majority of the shares present at the Standard special meeting.

Table of Contents

As of the record date, Standard directors and executive officers and their affiliates owned and were entitled to vote approximately [_____] shares of Standard common stock, representing less than approximately [_____] % of the outstanding shares of Standard common stock.

The record date for the Standard special meeting is the close of business on [_____] , 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, executive 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) September 30, 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 six months ended September 30, 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, as amended, 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 27 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 93.

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) | |
|---|--|---|
| | Six Months Ended September 30, 2004 | Twelve Months Ended March 31, 2004 |
| (in thousands, except per share amounts) | | |
| Summary of Operations: | | |
| Sales and other operating revenues | \$ 1,031,664 | \$ 1,888,943 |
| Cost of goods and services sold | 866,855 | 1,591,998 |
| Gross profit | 164,809 | 296,945 |
| Selling, administrative and general expenses | 106,962 | 199,328 |
| Operating income | 61,824 | 77,918 |
| Interest expense | 36,875 | 61,146 |
| Income before income taxes and equity in net income of investee companies | 33,465 | 28,127 |
| Income tax expense | 10,529 | 12,233 |
| Income after income taxes | 22,936 | 15,894 |
| Income from continuing operations | 24,168 | 20,275 |

Edgar Filing: DIMON INC - Form S-4

September 30,
2004

Balance Sheet Data:

| | |
|---------------------------|------------|
| Inventories | \$ 945,697 |
| Total current assets | 1,724,614 |
| Total assets | 2,620,285 |
| Total current liabilities | 1,101,048 |
| Long-term debt | 606,580 |
| Shareholders' equity | 695,617 |

See Notes to Unaudited Condensed Combined Pro Forma Financial Data.

S-10

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 each of the periods presented 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 twelve 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 September 30, 2004 and 2003 and the unaudited consolidated statements of operations for each of the six-month periods ended September 30, 2004 and 2003 are included in DIMON's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004. Results for the six months ended September 30, 2004 and 2003 are not necessarily indicative of results to be expected for the full fiscal year or any future periods.

| | Six Months Ended September 30, | | Nine Months Ended March 31 | Year Ended June 30, | | | |
|---|-----------------------------------|------------|-------------------------------|---------------------|--------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 | 2002 | 2001 | 2000 |
| (in thousands, except per share amounts and number of shareholders) | | | | | | | |
| Summary of Operations | | | | | | | |
| Sales and other operating revenues | \$ 625,796 | \$ 562,636 | \$ 802,083 | \$ 1,197,467 | \$ 1,192,613 | \$ 1,343,743 | \$ 1,412,887 |
| Cost of goods and services sold | 516,705 | 452,396 | 696,627 | 992,182 | 994,239 | 1,159,766 | 1,236,585 |
| Gross profit | 109,091 | 110,240 | 105,456 | 205,285 | 198,374 | 183,977 | 176,302 |
| Selling, administrative and general expenses | 60,312 | 64,180 | 88,109 | 113,583 | 107,734 | 102,026 | 105,075 |
| Restructuring and asset impairment charges (recovery) | 1,441 | | 22,539 | | | (5,307) | (211) |
| Interest expense | 24,884 | 23,262 | 32,167 | 46,887 | 47,877 | 53,574 | 57,704 |
| Derivative financial instruments (income) / expense | (6,595) | (1,838) | (6,522) | 12,409 | 10,202 | 4,680 | |
| Income taxes (benefit) | 11,748 | 8,030 | (589) | 9,064 | 9,912 | | |