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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 8-K

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### CURRENT REPORT

#### PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

September 8, 2004  
(Date of earliest event reported)

Commission file number: 0-23329

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## Charles & Colvard, Ltd.

(Exact name of registrant as specified in its charter)

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North Carolina  
(State or other jurisdiction of  
incorporation or organization)

56-1928817  
(I.R.S. Employer  
Identification No.)

300 Perimeter Park Drive, Suite A  
Morrisville, North Carolina 27560  
(Address of principal executive offices)  
(Zip code)

(919) 468-0399  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure**

On September 8, 2004, Charles & Colvard, Ltd. (the "Company") issued a press release regarding sales guidance for the third quarter of 2004 and an update on business expansion activities. A copy of this press release is attached as Exhibit 99.1. Management will host a conference call on Thursday, September 9, 2004 at 9 a.m. EDT to provide a business overview and an update on recent corporate developments. Details on how to participate in the conference call are included in the attached press release.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Charles & Colvard, Ltd.

By: /s/ James R. Braun

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James R. Braun  
Vice President of Finance and  
Chief Financial Officer

Date: September 8, 2004

**For Immediate Release****Charles & Colvard Provides Third Quarter Sales Guidance**

MORRISVILLE, N.C., September 8, 2004 – Charles & Colvard, (NASDAQ: CTHR) the sole source of moissanite – a created jewel available for use in fine jewelry – today provided third quarter 2004 sales guidance and discussed business expansion activities now underway.

**Third Quarter 2004 Sales Guidance**

According to Bob Thomas, President and Chief Executive Officer of Charles & Colvard, “The third quarter of the year is anticipated to show a slight improvement in sales over the same quarter in 2003. Based upon customer orders and indications, we expect third quarter 2004 sales to be between \$3.9 million and \$4.2 million, or between 3% to 11% ahead of last year’s third quarter sales of \$3.8 million.”

**Business Expansion Update**

In previous press releases Charles & Colvard had not named the nationwide department store chain which is introducing moissanite in 460 of their stores on October 1, 2004 as well as including moissanite jewelry on their website and in their catalog.

While the chain, for competitive reasons, wants to keep their name confidential until the rollout, it is anticipated that Charles & Colvard will have shipped prior to September 30, 2004, on consignment, \$6.9 million (at selling price) of jewels to our manufacturing partner, Reeves Park of Minneapolis. The Company will recognize revenue as the retail chain reports sales.

This introduction will be supported jointly with extensive advertising and public relations activities, as well as by in-store events and promotions.

Bob Thomas concludes, “I am pleased to see that the number of discussions we are having with jewelry retailers is increasing. We believe that the national rollout is one of the most important opportunities we have enjoyed to date and I am excited about what this could mean to the Company.”

**CONFERENCE CALL**

Management will host a conference call on Thursday September 9, 2004 at 9:00 a.m. ET. At that time, Robert S. Thomas, President and Chief Executive Officer, and James R. Braun, Chief Financial Officer will provide a business overview and an update on corporate developments.

After opening remarks, there will be a question and answer period. Interested parties may participate in the call by dialing 888-243-6208 (973-409-9256 for international callers). Please call in 10 minutes before the conference is scheduled to begin and ask for the Charles & Colvard call. The conference call will also be broadcast live over the Internet.

To listen to the live call, please go to [www.moissanite.com](http://www.moissanite.com) and click on the Investor Relations section where conference calls are posted. Please go to the website 15 minutes early to download and install any necessary audio software.

If you are unable to listen live, the conference call will be archived online and can be accessed for approximately 90 days. A recorded telephone replay of the call will also be available for approximately one week following the live call. Listeners may dial 877-519-4471 (973-341-3080 for international callers) and use the code # 4869827 for the telephone replay.

Charles & Colvard, based in the Research Triangle Park area of North Carolina, is the sole source of moissanite, a created jewel used in fine jewelry. Moissanite is near colorless, with more fire, brilliance and luster than a fine diamond, but retails for only a fraction of the cost. For more information, please access [www.moissanite.com](http://www.moissanite.com).

*This press release may contain forward-looking statements. Such forward-looking statements are subject to a number of material risks, uncertainties and contingencies that could cause actual results to differ materially from those set forth in the forward-looking statements. Those risks and uncertainties include but are not limited to: the company's reliance on Cree, Inc. as the sole supplier of the raw materials; the cost of developing distribution channels; difficulties obtaining silicon carbide crystals from the sole supplier in desired qualities, sizes and volumes; and other risks and uncertainties set forth in the Company's 10-K for the year ended December 31, 2003, 10-Q and other filings with the Securities and Exchange Commission.*

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**CONTACT:**

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**-OR-**

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