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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

June 28, 2005 (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 June 28, 2005, Charles & Colvard, Ltd. (the "Company") issued a press release regarding an update to previously issued sales guidance for the second quarter of 2005 and announced that it was selected for inclusion by the Russell 3000® Index when the broadmarket index was reconstituted on June 24, 2005. A copy of this press release is attached as Exhibit 99.1.

**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: June 29, 2005

**For Immediate Release****Charles & Colvard Updates Second Quarter Sales Guidance and Joins Russell 3000 Index**

MORRISVILLE, N.C., June 28, 2005 — Charles & Colvard, Ltd., (Nasdaq:CTHR) the sole source of moissanite – a created jewel available for use in fine jewelry – today provided an update increasing estimated sales over its previously given second quarter 2005 sales guidance and announced that it was selected for inclusion by the Russell 3000® Index when the broadmarket index was reconstituted June 24, 2005.

**Sales Guidance**

According to Bob Thomas, President and Chief Executive Officer of Charles & Colvard, “We are delighted to see a pickup in billings. Based upon customer orders and indications, we are increasing our preliminary sales estimate for the second quarter 2005 from the previously announced range of between \$7.7 million and \$8.4 million to our new estimate of between \$9.0 million and \$9.5 million or approximately 105% to 116% ahead of last year’s \$4.4 million. We continue to work hard with all of our manufacturing and distribution partners to expand our distribution base.”

**Russell 3000 Index**

“We are very pleased to join the select group of companies included in the Russell 3000® Index that are widely recognized as main-stream investment alternatives for institutional investors and index fund managers,” said Bob Thomas.

Membership in one of Russell’s equity indexes is determined primarily by market capitalization rankings rather than by subjective opinion or committee decisions. Russell indexes act as a performance standard for active managers, serve as a proxy for asset allocation purposes and become a purchasable and replicable vehicle for passive investment strategy. Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

*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 ability to manage growth effectively, dependence on Cree*

*Inc. as the current supplier of the substantial majority of the raw material and risks inherent in developing a material second source of supply through Norstel AB; the cost of developing distribution channels, dependence on a limited number of distributors such as K&G Creations, Reeves Park and Stuller Settings, Inc., our early stage of development, dependence on continued growth and consumer acceptance of the Company's products, and other risks and uncertainties set forth in the Company's 10-K for the year ended December 31, 2004 and other filings with the Securities and Exchange Commission.*

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**CONTACT:**

**-OR-**

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