

SCIO DIAMOND TECHNOLOGY CORP

FORM 8-K (Current report filing)

Filed 01/17/13 for the Period Ending 01/16/13

Address	411 UNIVERSITY RIDGE, SUITE D GREENVILLE, SC 29601
Telephone	864.346.2733
CIK	0001488934
Symbol	SCIO
SIC Code	3290 - Abrasive, Asbestos, And Miscellaneous
Industry	Constr. - Supplies & Fixtures
Sector	Capital Goods
Fiscal Year	03/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report: **January 16, 2013**
(Date of earliest event reported)

SCIO DIAMOND TECHNOLOGY CORPORATION

(Exact name of registrant as specified in its charter)

Commission File Number: **333-166786**

Nevada
(State or other jurisdiction of incorporation)

27-0971332
(IRS Employer Identification No.)

**411 University Ridge Suite D
Greenville, SC 29601**
(Address of principal executive offices, including zip code)

(864) 346-2733
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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:

- 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 2.02 Results of Operations and Financial Condition.

The following information (including Exhibit 99.1 and Exhibit 99.2 referenced below) is being “furnished” in accordance with General Instruction B.2 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

On January 16, 2013, Scio Diamond Technology Corporation (the “Company”) announced certain preliminary financial results for the third fiscal quarter ended December 31, 2012, and addressed its financial outlook for the fourth quarter. The Company will be discussing these preliminary results and outlook during its January 17, 2013 presentation at the 15th Annual ICR XChange Conference to be held in Miami, Florida.

A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein. At the ICR XChange Conference, the Company’s Chief Executive Officer will be using a slide presentation to provide an update on the Company. A copy of the slide presentation to be referenced by the Company’s Chief Executive Officer is furnished as Exhibit 99.2 to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

The disclosure set forth under Item 2.02 above is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release issued by Scio Diamond Technology Corporation dated April 16, 2013

99.2 15th Annual ICR XChange Conference Presentation Slides

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 hereunto duly authorized.

SCIO DIAMOND TECHNOLOGY CORPORATION

By: /s/ Stephen D. Kelley
Name: Stephen D. Kelley
Title Chief Executive Officer

Date: January 16, 2013

Scio Diamond Provides Business Update

Announces Preliminary Quarterly Revenue and Outlook for Fiscal Year

To Present Tomorrow at the 15TH Annual ICR XChange Conference

GREENVILLE, SC, January 16, 2013 /PRNewswire/ - SCIO Diamond Technology Corporation (OTCBB: SCIO) today announced a business update, including preliminary third quarter fiscal year 2013 (FY13) sales results and its outlook for the fourth quarter. The company will present a company update at the 15th Annual ICR XChange Conference to be held in Miami, Florida at the Fontainebleau Hotel.

Estimated FY13 Financial Results (unaudited) and Outlook

- Scio expects to report third quarter FY13 revenue of approximately \$550,000.
- Scio expects fourth quarter FY13 revenue of approximately \$650,000 to \$725,000.
- Scio expects full-year FY13 revenues of approximately \$1,260,000 to \$1,330,000.

Conference Presentation

The Company's presentation at the 15th Annual ICR XChange will begin at 1:10 p.m. Eastern Time on Thursday, January 17, 2013. Chief Executive Officer Steve Kelley will be speaking at the conference in the Glimmer Ballroom 3 & 4. Mr. Kelley will also host two question-and-answer sessions, at 9:15 am EST and 11:30 am EST at Table E4 in the Fontaine Fleur De Lis breakout room. Mr. Kelley will also be available for private meetings throughout the day.

A live webcast of the presentation will be available in the Investor Relations area of the Company's website at <http://www.sciodiamond.com>. A replay of the webcast will be accessible at the same location.

The ICR XChange is one of the leading consumer-oriented investment conferences. Over the course of three days, more than 150 companies will present to over 1500 attendees, including buy- and sell-side analysts, the private equity community, the media, select investment banks, law firms and consultants. This event each year sets the tone for industry developments in the coming twelve months.

For updates on the conference follow ICR XChange on Twitter @ICRPR and join the conversation using the #icrxchange hashtag. Additional information can also be found at <http://www.icrxchange.com>.

About Scio Diamond Technology

Scio employs a patent-protected chemical vapor deposition process to produce high-quality, single-crystal diamonds in a controlled laboratory setting, with such diamonds referred to as "lab-grown" or cultivated diamonds. These cultivated diamonds have chemical, physical and optical properties identical to mined diamonds. The company's manufacturing process enables it to produce high-quality, high-purity, and single-crystal diamonds that are colorless, near colorless and fancy colored. Scio's technology offers the flexibility to produce lab-grown diamonds in size, color and quality combinations that are very rare in nature. Scio produces diamonds for industrial, gemstone, medical and semiconductor applications.

About ICR

Established in 1998, ICR is consistently ranked as one of the top independent financial communications firms in the North America, and in 2011 was ranked as the 8th largest independent communications firm overall. ICR specializes in investor relations, corporate and crisis communications and digital media, and represents more than 350 public and private companies across more than twenty different sectors. The firm maintains offices in Norwalk Connecticut, New York, Los Angeles, San Francisco, Boston and Beijing. Learn more at <http://www.icrinc.com>.

Contact

SCIO Diamond Technology Corporation

Steve Kelley

Chief Executive Officer

skelley@sciodiamond.com



*Created by Nature, Perfected by
Science*

January 2013

Safe Harbor Statement

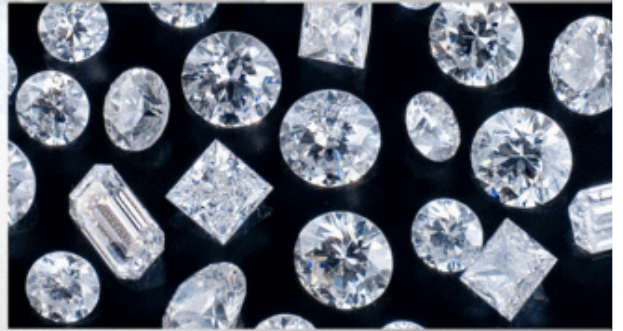
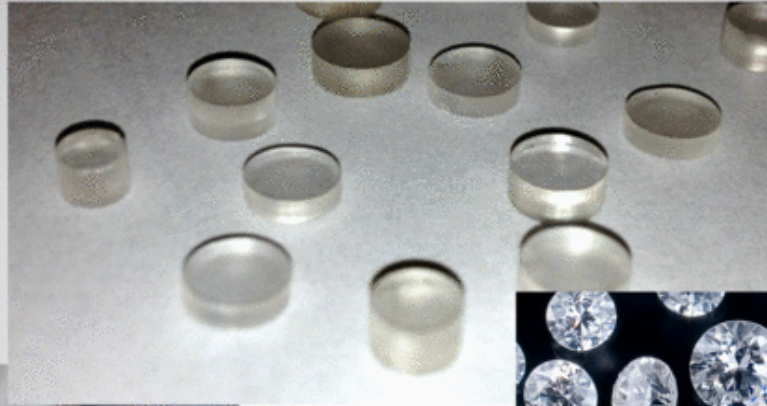
This presentation contains forward-looking statements that are based on the beliefs of Scio Diamond's management and reflect Scio's current expectations and projections about future results, performance, prospects and opportunities. Scio has tried to identify these statements by using words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," "potential," "should," "will," "will be," "would" and similar expressions, but this is not an exclusive way of identifying such statements. Investors are cautioned that all forward-looking statements contained herein speak only as of the date of this presentation and involve risks and uncertainties that could cause Scio's actual results, performance and achievements to differ materially from those expressed in these forward-looking statements, including, without limitation, the impact of the current challenging global economic conditions and recent financial crisis; the development of the market for cultured diamonds; competition; Scio's ability to raise the capital required for research, product development, operations and marketing; anticipated dependence on material customers and material suppliers. For a detailed discussion of factors that could affect Scio's future operating results, investors should see disclosures under "Risk Factors" in the company's applicable filings with the US Securities and Exchange Commission. These factors should be considered carefully and investors should not rely on any forward-looking statements contained herein, or that may be made elsewhere from time to time by Scio or on Scio's behalf. Scio undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

CORPORATE BACKGROUND

Background

- **We grow diamond!**
- **2011: Scio purchased proprietary diamond-growing equipment and IP from Apollo Diamond**
- **Mid-2012: Scio installed the equipment in Greenville, SC**
- **Late-2012: Production ramp**
- **Scio's primary market today: precision cutting applications**

Scio Diamond Technology Corporation



Management Team

Steve Kelley, Chief Executive Officer

Mr. Kelley has nearly 20 years of leadership experience in technology businesses, most recently as Chief Operating Officer and Executive Vice President of Cree, Inc., a worldwide leader in LED, silicon carbide and gallium nitride technologies. At Cree, Mr. Kelley was responsible for worldwide production, licensing, technology development and the chips/materials business. Prior to Cree, Mr. Kelley was a Vice President with Texas Instruments, Inc., where he led the turnaround of a large business unit, and a Senior Vice President with Philips Semiconductors, where he grew sales and profits at a variety of small and large businesses. Mr. Kelley has a BS ChE from the Massachusetts Institute of Technology and a JD from Santa Clara University.



Michael McMahon, Chief Operating Officer

Mr. McMahon has 35 years of executive experience in operations and business development of Fortune 100 companies such as Fluor and Jacobs Engineering. Throughout his career he was responsible for over \$19 billion of engineering, construction, startup and commissioning of facilities worldwide primarily serving clients in the high tech industry, DoE, and DoD. He has successfully led project turnarounds, business development, process controls and improvements, startups, joint ventures, mergers and acquisitions, and profit improvement initiatives. Mr. McMahon has a BS from the University of Cincinnati.



Jonathan Pfohl, Chief Financial Officer

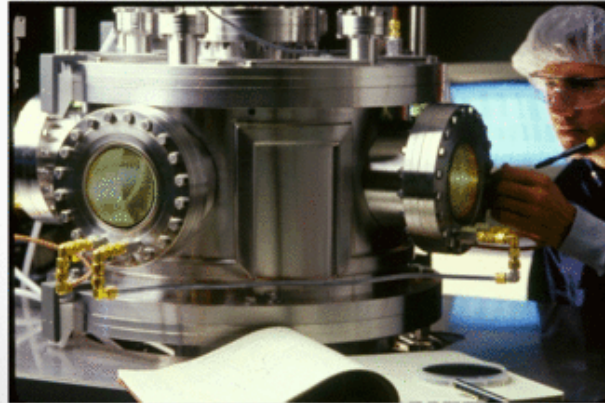
Mr. Pfohl has more than 25 years of leadership experience in the wireless industry, including roles as CEO of Wireless Express; CFO of Main Street Broadband; CFO of Movida Cellular; and VP, Finance of AirGate PCS, Inc. He has broad and deep experience in funding, planning, SEC reporting, business development and expense control for small to mid-sized companies. Mr. Pfohl has a BS-Management and an MBA-Finance from the State University of New York at Buffalo.



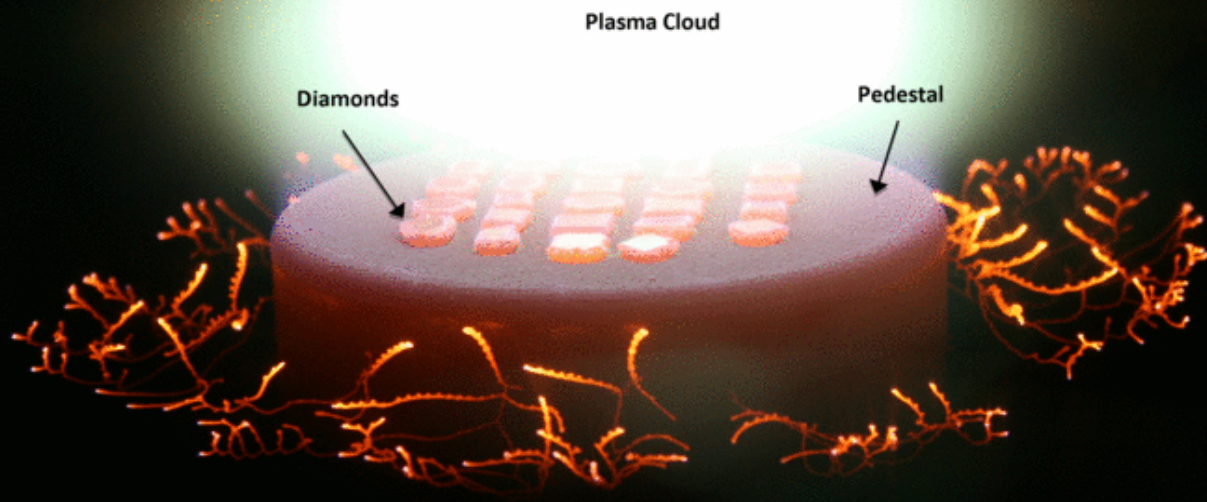
TECHNOLOGY

Overview

- **Scio diamonds are manufactured using a Chemical Vapor Deposition (CVD) process**
 - well-understood technology widely employed in the electronics and materials industries



CVD Diamond Growing Process



1. Place diamond seeds on pedestal. Depressurize chamber.
2. Inject starting gases into chamber. Heat until electrons separate from nuclei, forming plasma.
3. Let it rain. Free carbon precipitates out of plasma cloud and is deposited on wafer seeds.
4. Let it grow. Wafer seeds gradually become diamond mini-crystals.
5. Remove diamond crystals. Slice and shape for use in industrial/commercial applications, or gemstones.

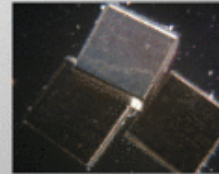
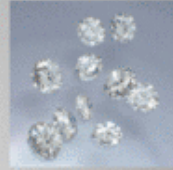
Scio Diamond Characteristics

Diamond Type: *Single Crystal*

Size: *Up to 1"x1" square
Up to 0.20" thick*

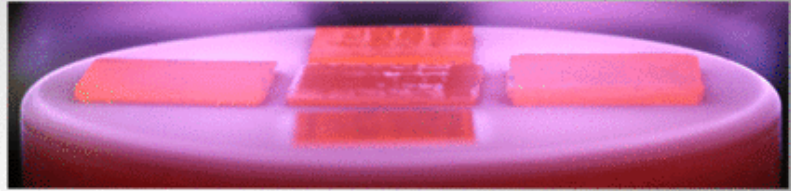
Impurities: *Nitrogen and other impurities
tightly controlled*

Structures: *Lower stress in the crystal
lattice – leads to greater
strength and hardness*



Scio Competitive Advantages

Process to grow single crystal diamond of superior quality and strength



Scalable process – Multiple diamonds grow at the same time, in the same chamber

Significant and growing intellectual property portfolio

United States Patent 6,582,513
Linares, et al. June 24, 2003

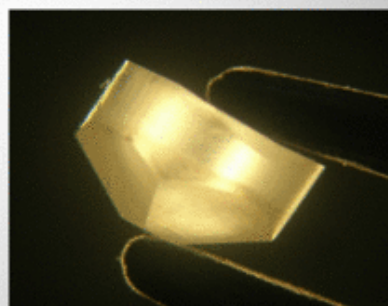
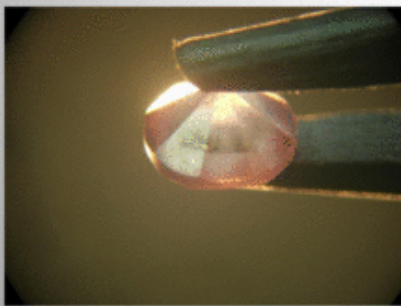
System and method for producing synthetic 'cultured' diamond

Abstract

Synthetic monocrystalline diamond compositions having one or more monocrystalline diamond layers formed by chemical vapor deposition, the layers including one or more layers having an increased concentration of one or more impurities (such as boron and/or isotopes of carbon), as compared to other layers or comparable layers without such impurities. Such compositions provide an improved combination of properties, including color, strength, velocity of sound, electrical conductivity, and control of defects. A related method for preparing such a composition is also described, as well as a system for use in performing such a method, and articles incorporating such a composition.

Patent and Trade Secret Protection

- **Scio Patents**
 - 20 US patents, 6 foreign patents
 - 19 US and 17 Foreign patent applications in-process
- **Trade Secrets**
 - Proven recipes for mass production of industrial diamonds and gemstones



2013-14 Production Initiatives

- **Productivity Improvements**
 - **Improved yields**
 - **Increased grower uptime**
- **New technology**
 - **Larger seeds**
 - **Larger pedestals**
- **Additional diamond-growing machines**

FUTURE OPPORTUNITIES

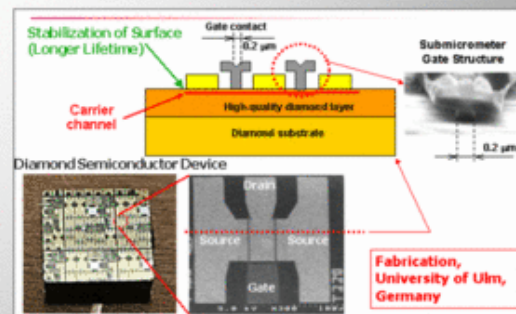
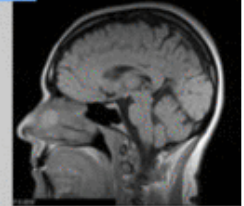
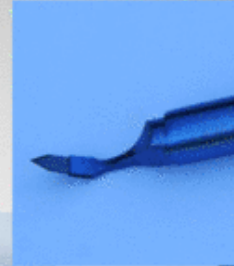
Gemstone Opportunities

- **Scio-created diamonds are real diamonds**
 - Grown in a machine instead of in the earth
- **Features of Scio-created diamond gemstones**
 - **Perfection and Scalability** - stones of same size and color
 - **Pink diamond** capability
 - **Environmentally friendly** alternative to mined diamonds
 - **No “conflict diamond”** concerns



Industrial Opportunities

- Quantum Computing / Encrypted Communication
- Molecular Resolution MRI
- Laser Scalpel
- Semiconductor Substrate
- Water Purification
- High Power Laser and other defense and energy applications

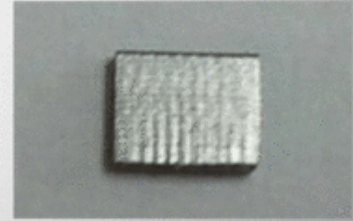


Investment Highlights

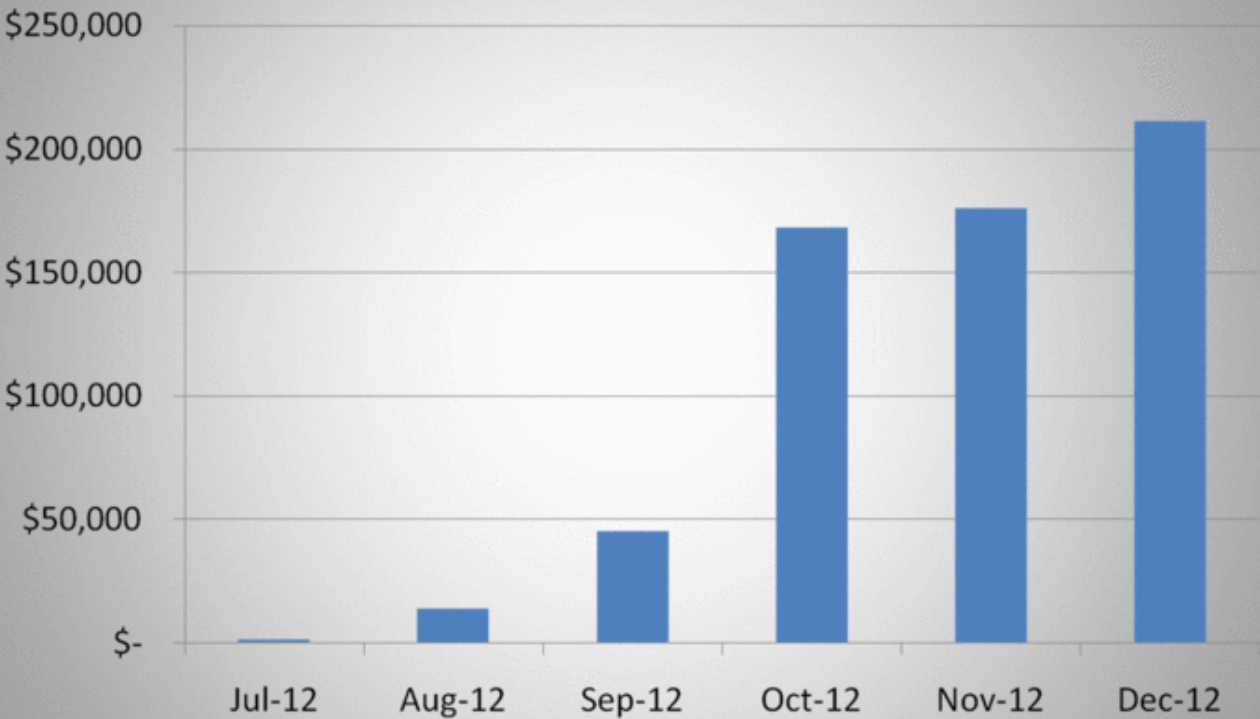
- **Scio Diamond in full production mode**
- **Strong customer demand**
- **Scio IP well-protected**
- **Scio diamond the best choice for many precision cutting applications**
 - **Stronger, harder and longer-lasting diamond**

Investment Highlights (cont.)

- **Scio's diamond creation process scaling well**
 - Modest capital investment
 - Low labor intensity
 - Increasing volume driving higher gross margins
- **Multiple application segments will drive future growth**
 - Precision cutting
 - Gemstones
 - Other industrial
- **Limited number of competitors**



Scio – Revenue Starting to Ramp



Contact Information

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