

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended 7/31/95 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from _____ to

Commission file number 1-8266

DATARAM CORPORATION

(Exact name of registrant as specified in its charter)

<TABLE>

<S> NEW JERSEY <C> 22-1831409

(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

P.O. BOX 7528, PRINCETON, NJ 08543

(Address of principal executive offices) (Zip Code)

</TABLE>

Registrant's telephone number, including area code: (609) 799-0071

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date. Common Stock (\$1.00 par value): As of SEPTEMBER 11, 1995, there were 3,824,305 shares outstanding.

ITEM 1. FINANCIAL STATEMENTS

Dataram Corporation And Subsidiary
 Consolidated Balance Sheets
 July 31, 1995 and April 30, 1995

<TABLE>
 <CAPTION>

Assets	Unaudited July 31, 1995	Audited April 30, 1995
-----	-----	-----
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents	\$ 515,827	\$ 721,811
Trade receivables, less allowance for doubtful accounts of \$345,000 at July 31, 1995 and \$320,000 at April 30, 1995	13,796,890	15,096,024
Inventories	7,647,556	8,060,807
Other current assets	851,961	1,129,630
	-----	-----
Total current assets	22,812,234	25,008,272
	-----	-----
Property and equipment, at cost:		
Land	875,000	875,000
Machinery and equipment	6,044,712	5,952,504
	-----	-----
	6,919,712	6,827,504
Less: accumulated depreciation and amortization	4,363,699	4,197,158
	-----	-----
Net property and equipment	2,556,013	2,630,346
Other assets	6,155	15,076
	-----	-----
	\$ 25,374,402	\$ 27,653,694
	=====	=====
Liabilities and Stockholders' Equity		

Current liabilities:		
Accounts payable	\$ 7,285,310	\$ 8,778,049
Accrued liabilities	920,482	2,244,348
	-----	-----
Total current liabilities	8,205,792	11,022,397
	-----	-----
Deferred income taxes	239,822	239,822
Stockholders' Equity:		
Common stock, par value \$1.00 per share. Authorized 18,000,000 shares; issued 3,792,305 at July 31, 1995 and 3,792,305 at April 30, 1995	3,792,305	3,792,305
Additional paid-in capital	3,219,142	3,219,142
Retained earnings	9,917,341	9,380,028
	-----	-----
Total stockholders' equity	16,928,788	16,391,475
	-----	-----
	\$ 25,374,402	\$ 27,653,694
	=====	=====

</TABLE>

See accompanying notes to consolidated financial statements

Dataram Corporation and Subsidiary
 Consolidated Statements of Earnings
 Three Months Ended July 31, 1995 and 1994
 (Unaudited)

<TABLE>
<CAPTION>

	1995	1994
<S>	<C>	<C>
Revenues	\$ 24,884,747	\$ 22,162,957
Costs and expenses:		
Cost of sales	21,853,895	18,486,831
Engineering and development	434,963	628,870
Selling, general and administrative	1,691,045	2,597,197
	-----	-----
	23,979,903	21,712,898
	-----	-----
Earnings from operations	904,844	450,059
Other income (expense):		
Other income, net	0	33,202
Interest expense	(18,531)	(36,140)
	-----	-----
	(18,531)	(2,938)
	-----	-----
Earnings before income taxes	886,313	447,121
Income tax provision	349,000	179,000
	-----	-----
Net earnings	\$ 537,313	\$ 268,121
	=====	=====
Net earnings per share of common stock	\$.14	\$.07
	=====	=====
Weighted average number of common shares outstanding	3,821,810	3,818,550
	=====	=====

</TABLE>

See accompanying notes to consolidated financial statements

Dataram Corporation and Subsidiary
Consolidated Statements of Cash Flows
Three Months Ended July 31, 1995 and 1994
(Unaudited)

<TABLE>
<CAPTION>

	1995	1994
<S>	<C>	<C>
Sources of working capital:		
Net earnings	\$ 537,313	\$ 268,120
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	167,100	210,999
Bad debt expense	58,097	58,198
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	1,241,037	(1,070,131)
Decrease (increase) in inventories	413,251	(3,651,317)
Decrease in other current assets	277,669	474,566
Decrease (increase) in other assets	8,921	(10)
Decrease in accounts payable	(1,492,739)	(43,744)
Decrease in accrued liabilities	(1,323,866)	(382,976)
Increase in income taxes payable	0	169,045
Decrease in deferred income taxes	0	(47,087)
	-----	-----
Total adjustments	(650,530)	(4,282,457)
	-----	-----
Net cash used in operating activities	(113,217)	(4,014,337)
	-----	-----
Cash flows from investing activities:		
Purchase of fixed assets	(92,208)	(129,733)

Disposal of fixed assets	(559)	0
Net cash used in investing activities	(92,767)	(129,733)
Cash flows from financing activities:		
Long-term debt	0	3,800,000
Net cash provided by financing activities	0	3,800,000
Net decrease in cash and cash equivalents	(205,984)	(344,070)
Cash and cash equivalents at beginning of year	721,811	437,779
Cash and cash equivalents at end of period	\$ 515,827	\$ 93,709

Supplemental disclosures of cash flow information:

Cash paid during the period for:

Interest	\$ 18,531	\$ 33,140
Income taxes	\$ 0	\$ 0

</TABLE>

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARY

Notes to Consolidated Financial Statements
July 31, 1995 and April 30, 1995

(1) Cash and cash equivalents consist of unrestricted cash, bankers acceptances, commercial paper and other short term investments. All investments are convertible to cash within a period of approximately thirty days or less.

(2) Inventories consist of the following categories:

<TABLE>

<CAPTION>

	7/31/95	4/30/95
	-----	-----
<S>	<C>	<C>
Raw Materials	\$4,826,000	\$ 4,726,000
Work In Process	712,000	648,000
Finished Goods	2,110,000	2,687,000
	-----	-----
	\$7,648,000	\$ 8,061,000
	=====	=====

</TABLE>

(3) The Company has an agreement with a bank which provides for a total unsecured line of credit of \$11,000,000 with interest at no higher than one-half percent below the bank's base commercial lending rate. Borrowings under the line of credit are at the convenience of Company management and may be repaid at any time. The line of credit agreement expires in October, 1997, unless otherwise amended or extended.

(4) In 1982, the Company adopted an incentive stock option plan. As of July 31, 1995, no further options may be granted under the plan and options to purchase 6,000 shares are outstanding and exercisable at an exercise price of \$3.57 per share.

In September 1992, an incentive and nonstatutory stock option plan was adopted by the shareholders which provides for the granting of up to 950,000 shares of common stock to key employees. As of July 31, 1995, options to purchase 374,000 shares at prices ranging from \$5.125 to \$7.125 per share are outstanding. As of July 31, 1995 no options had been exercised and options to purchase 125,000 shares were exercisable.

In November 1992 and March 1993, the Company granted to four non-employee directors of the Company and the Company's outside general counsel five year options to acquire a total of 150,000 shares of the Company's common stock at an exercise price of \$11.25 per share. As of July 31, 1995, none of these options had been exercised and options to purchase 75,000 shares were exercisable.

- (5) Information furnished reflects all adjustments which are, in the opinion of management, necessary to a fair presentation of the results of this interim statement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

As of July 31, 1995, working capital amounted to \$14.6 million reflecting a current ratio of 2.8 compared to working capital of \$14.0 million and a current ratio of 2.3 as of April 30, 1995.

The Company's financial condition remains strong. The Company has a \$11.0 million unsecured line of credit with a bank which expires in October 1997. The line of credit was used during the quarter to deal with peak cash demands. At the end of the quarter no amount was outstanding under the line of credit. With its current working capital balance and the line of credit, management believes that it will be able to support its revenue growth and other capital needs for the foreseeable future.

Results of Operations

Revenues for the three month period ending July 31, 1995, were \$24,885,000 compared to revenues of \$22,163,000 for the comparable prior year period, an increase of 12%. Revenues for computer memory products increased by 17% over the prior year first quarter as prior year revenues included \$912,000 from a discontinued product line.

Cost of sales for the first quarter of fiscal 1996 and 1995 were 88% and 83% of revenues, respectively. Computer memory products have become commodity items and as such command low operating margins. As a result of recent restructurings, the Company has successfully transformed its organizational structure to compete in a computer memory market characterized by high volume, pricing pressures and low operating margins. Dynamic rams, the primary raw material in memory boards, continue to be in short supply and prices have risen from fourth quarter fiscal 1995 levels. To date, the Company has been able to acquire and expects to continue to be able to acquire sufficient quantities of DRAMs to fill its needs.

Engineering and development costs in fiscal 1996's first quarter were \$435,000 versus \$629,000 in last year's first quarter. Today's workstation, server and personal computer memories have simple design characteristics. The Company intends to maintain its commitment to timely introduction of new memory products as new workstations and computers are introduced.

Selling, general and administrative costs in this year's first quarter declined to 7% of revenues from 12% for the same prior year period. Total expenditures decreased by \$906,000 from the same prior year period. This decrease is primarily the result of the restructuring of the Company's operations related to a discontinued product line which occurred at the end of the fourth quarter of last fiscal year. As a result of the restructuring, the Company's engineering and development expenses and selling, general and administrative expenses total less than 10% of revenues and are expected to remain below 10% on comparable revenues.

Other income (expense), for the first quarter of fiscal 1996 consisted primarily of interest expense associated with the Company's revolving credit line. Prior year other income (expense) consisted of interest expense offset by income from salvage of certain obsolete equipment and inventory items.

PART II: OTHER INFORMATION

ITEM 5. OTHER INFORMATION

A. Backlog

The Company's backlog released for shipment as of July 31, 1995, was \$0.6 million compared to a backlog of \$3.5 million on July 31, 1994. The Company normally fills most of its orders within one day or less after receipt and its backlog at any point in time is not necessarily indicative of future financial performance.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits

- 27. Financial Data Schedule
- 28 (a). Press Release reporting results of First Quarter, Fiscal Year 1996 (Attached).

B. Reports on Form 8-K

No reports on Form 8-K have been filed during the current quarter.

Signatures

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.

DATARAM CORPORATION

DATE: 9/11/95 BY: /s/ BERNARD L. RILEY

Bernard L. Riley
Vice President, Finance
(Principal Financial Officer)

DATE: 9/11/95 BY: /s/ MARK E. MADDOCKS

Mark E. Maddocks
Controller
(Principal Accounting Officer)

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DATARAM 1ST QUARTER '96

DATARAM DOUBLES FIRST QUARTER PROFITS

PRINCETON, NJ, August 10, 1995--Dataram Corporation (AMEX:DTM), doubled its profits on strong revenues for the first quarter of fiscal 1996, Robert V. Tarantino, president and chief executive officer, announced today.

For the first quarter ended July 31, 1995, net earnings doubled to \$537,000 or \$.14 per share, compared to \$268,000, or \$.07 per share, for the year-earlier period. Revenues improved 12.3 percent to \$24.9 million versus \$22.2 million reported for the comparable prior-year period. Excluding revenues from a discontinued product line, revenues from memory products increased 17 percent over first quarter of fiscal 1995.

Tarantino attributed Dataram's strong performance to continuing brisk demand for the Company's computer memory products, combined with sharply reduced operating expenses.

"Recent restructurings have made us a lean, cost-efficient organization which can compete profitably and enhance a leading position in a rapidly expanding, extremely competitive industry," Tarantino declared. "We are achieving in excess of \$1.5 million in revenues per employee, representing an almost five-fold increase since 1992."

Tarantino said Dataram's dedicated and highly automated manufacturing facility, which is producing and shipping customer orders within 24 hours or less, has improved Dataram's response to customer needs for memory expansion products. As a result, Dataram's asset management has greatly improved by substantially reducing inventory levels.

Capitalizing on the growing popularity of more powerful personal computers, Dataram broadened its product line late in the first quarter, Tarantino stated, introducing memory products tailored to Hewlett-Packard, Compaq and IBM high-end personal computers and servers.

Strong product demand was evident in both domestic and foreign markets. "We were especially pleased with sales in Western Europe, which is recovering from a recession," Tarantino said.

While DRAM chips remain in tight supply and are more costly, Dataram has obtained sufficient quantities to satisfy production requirements and has been able to pass on increased raw material costs to customers, according to Tarantino.

The Company has sustained its solid financial condition. With no debt and an unsecured \$11 million line of credit, Tarantino said Dataram is well positioned to finance its long term growth objectives without the need for additional funding sources.

"We are very pleased with first quarter results and expect profitable performance to continue," Tarantino declared. "Our efficient infrastructure is keeping indirect expenses below 10 percent of gross revenues, which will maximize Dataram's profitable participation in the vibrant computer memory industry."

Dataram develops, manufactures and markets quality computer memory products for workstations, servers and personal computers.

[DATARAM THE MEMORY SPECIALISTS LOGO]
DATARAM 1ST QUARTER '96

DATARAM CORPORATION AND SUBSIDIARY
FIRST QUARTER FISCAL YEAR 1996

CONSOLIDATED SUMMARY OF EARNINGS (Unaudited)
(In thousands, except per share amounts)

<TABLE>
<CAPTION>

THREE MONTHS ENDED JULY 31, 1995 THREE MONTHS ENDED JULY 31, 1994

	----- <C>	----- <C>
<S>		
Revenues	\$ 24,885	\$ 22,163
Cost and expenses:		
Cost of sales	21,854	18,487
Engineering and development	435	629
Selling, general and administrative	1,691	2,597
	----- 23,980	----- 21,713
Earnings from operations	905	450
Other income (expense), net	0	33
Interest expense	(19)	(36)
	-----	-----
Total other income and expenses	(19)	(3)
Earnings before income taxes	886	447
Income taxes	349	179
	-----	-----
Net Earnings	\$ 537	\$ 268
	=====	=====
Net Earnings per share	\$ 0.14	\$ 0.07
	=====	=====
Average number of shares outstanding	3,822	3,819
	=====	=====

</TABLE>

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

<TABLE>
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	----- JULY 31, 1995 (Unaudited)	----- APRIL 30, 1995 (Unaudited)
<S>		
<C>		
<C>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 516	\$ 722
Trade receivables, net	13,797	15,096
Inventories	7,647	8,061
Other current assets	852	1,130
	-----	-----
Total current assets	22,812	25,009
Property and equipment, net	2,556	2,630
Other assets	6	15
	-----	-----
	\$ 25,374	\$ 27,654
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,285	\$ 8,780
Accrued liabilities	920	2,244
	-----	-----
Total current liabilities	8,205	11,024
Deferred income taxes	240	240

Stockholders' equity:		
Common stock	3,792	3,792
Additional paid-in capital	3,219	3,219
Retained earnings	9,918	9,379
	-----	-----
Total stockholders' equity	16,929	16,390
	\$ 25,374	\$ 27,654
	=====	=====

</TABLE>