

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 7/31/00 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)

New Jersey 22-1831409

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

P.O. Box 7528, Princeton, NJ 08543

(Address of principal executive offices) (Zip Code)

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 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 August 25, 2000, there were 8,547,819 shares outstanding.

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Dataram Corporation And Subsidiary
Consolidated Balance Sheets
July 31, 2000 and April 30, 2000

(Unaudited) (Audited)
July 31, 2000 April 30, 2000

Assets

Current Assets:

Cash and cash equivalents \$ 16,252,693 \$ 13,649,601
Trade receivables, less allowance

for doubtful accounts and sales returns of \$550,000 at July 31, 2000 and \$450,000 at April 30, 2000	18,044,550	16,241,229
Inventories	6,243,859	4,651,277
Other current assets	698,058	584,428
Total current assets	<u>41,239,160</u>	<u>35,126,535</u>
Property and equipment, at cost:		
Land	875,000	875,000
Machinery and equipment	8,774,628	8,009,925
	<u>9,649,628</u>	<u>8,884,925</u>
Less: accumulated depreciation and amortization	4,302,276	3,877,476
Net property and equipment	<u>5,347,352</u>	<u>5,007,449</u>
Other assets	17,160	17,160
	<u>17,160</u>	<u>17,160</u>
	<u>\$ 46,603,672</u>	<u>\$ 40,151,144</u>

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	\$ 11,275,975	\$ 9,537,747
Accrued liabilities	2,509,713	2,878,550
Income taxes payable	610,599	0

Total current liabilities	<u>14,396,287</u>	<u>12,416,297</u>
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Deferred income taxes	841,000	841,000
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Stockholders' Equity:

Common stock, par value \$1.00 per share.

Authorized 54,000,000 shares; issued

and outstanding 8,547,819 at July 31,

2000 and 8,278,403 at April 30, 2000

	8,547,819	8,278,403
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Additional paid in capital	2,304,359	980,461
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Retained earnings	20,514,207	17,634,983
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Total stockholders' equity	<u>31,366,385</u>	<u>26,893,847</u>
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	<u>\$ 46,603,672</u>	<u>\$ 40,151,144</u>
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See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiary
Consolidated Statements of Earnings
Three Months Ended July 31, 2000 and 1999
(Unaudited)

	2000	1999
Revenues	\$ 37,995,812	\$ 21,164,684
Costs and expenses:		
Cost of sales	28,860,588	15,414,747
Engineering and development	372,021	332,975
Selling, general and administrative	4,345,596	
	<u>33,578,205</u>	<u>18,797,558</u>
Earnings from operations	4,417,607	2,367,126

Interest income, net	229,617	107,682
Earnings before income taxes	4,647,224	2,474,808
Income tax provision	1,768,000	944,000
Net earnings	\$ 2,879,224	\$ 1,530,808
Net earnings per share of common stock:		
Basic	\$.34	\$.20
Diluted	\$.29	\$.17
Weighted average number of common shares outstanding:		
Basic	8,426,771	7,827,491
Diluted	9,958,790	9,264,369

See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiary
Consolidated Statements of Cash Flows
Three Months Ended July 31, 2000 and 1999
(Unaudited)

	2000	1999
Cash flows from operating activities:		
Net earnings	\$ 2,879,224	\$ 1,530,808
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	424,800	300,000
Bad debt expense (recovery)	96,866	(55,782)
Changes in assets and liabilities:		
(Increase) decrease in trade receivables	(1,900,187)	2,290,122
Increase in inventories	(1,592,582)	(1,012,944)
Increase in other current assets	(113,630)	(170,302)
Increase (decrease) in accounts payable	1,738,228	(140,968)
Decrease in accrued liabilities	(368,837)	(871,295)
Increase in income taxes payable	610,599	257,000
Net cash provided by operating activities	1,774,481	2,126,639
Cash flows from investing activities:		
Purchase of property and equipment	(764,703)	(506,890)
Net cash used in investing activities	(764,703)	(506,890)
Cash flows from financing activities:		
Proceeds from sale of common shares under stock option plan (including tax benefits)	1,593,314	417,813
Purchase and subsequent cancellation of common stock	0	(621,560)
Net cash provided by (used in) financing activities	1,593,314	(203,747)
Net increase in cash and cash equivalents	2,603,092	1,416,002
Cash and cash equivalents at		

beginning of period	13,649,601	8,092,527
Cash and cash equivalents at end of period	<u>\$ 16,252,693</u>	<u>\$ 9,508,529</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 32,603	\$ 36,682
Income taxes	\$ 250,000	\$ 525,200

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
July 31, 2000 and 1999
(Unaudited)

Basis of Presentation

The information for the three months ended July 31, 2000 and 1999, is unaudited but includes all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to state fairly the financial information set forth therein in accordance with generally accepted accounting principles. The interim results are not necessarily indicative of results to be expected for the full fiscal year. These financial statements should be read in conjunction with the audited financial statements for the year ended April 30, 2000 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Stock Splits

On November 10, 1999 the Company's Board of Directors announced a three-for-two stock split effected in the form of a dividend for shareholders of record at the close of business on November 24, 1999 and payable December 15, 1999. The stock split has been charged to additional paid in capital in the amount of \$263,000 and retained earnings in the amount of \$2,377,000. Weighted average shares outstanding and net earnings per share in the accompanying financial statements have been restated to give retroactive effect to the stock split.

Significant Accounting Policies

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Dataram International Sales Corporation (a Domestic International Sales Corporation (DISC)). All significant intercompany transactions and balances have been eliminated.

Cash and cash equivalents

Cash and cash equivalents consist of unrestricted cash, money market preferred stock and commercial paper with original maturities of three months or less.

Inventory valuation

Inventories are valued at the lower of cost or market, with costs determined by the first-in, first-out method. Inventories at July 31, 2000 and April 30, 2000 consist of the following categories:

	July 31, 2000	April 30, 2000
Raw material	\$ 2,297,000	\$ 2,454,000
Work in process	1,574,000	223,000
Finished goods	2,373,000	1,974,000

Property and equipment

Property and equipment is recorded at cost. Depreciation is generally computed on the straight-line basis. Depreciation rates are based on the estimated useful lives which range from three to five years for machinery and equipment. When property or equipment is retired or otherwise disposed of, related costs and accumulated depreciation are removed from the accounts. Repair and maintenance costs are charged to operations as incurred.

Revenue recognition

Revenue from product sales is recognized when the related goods are shipped to the customer and all significant obligations of the Company have been satisfied. Estimated warranty costs are accrued.

Product development and related engineering

The Company expenses product development and related engineering costs as incurred. Engineering effort is directed to development of new or improved products as well as ongoing support for existing products.

Income taxes

The Company follows the asset and liability method of accounting for income taxes in accordance with the provisions of Statement of Financial Accounting Standards SFAS No. 109, "Accounting for Income Taxes". Under the asset and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that the tax rate changes.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash and cash equivalents in financial institutions and brokerage accounts. To the extent that such deposits exceed the maximum insurance levels, they are uninsured. The Company performs ongoing evaluations of its customers' financial condition, as well as general economic conditions and, generally, requires no collateral from its customers.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Long-term debt

During the second quarter of fiscal 2000, the Company amended and restated its credit facility with its bank. Under the amended agreement, the Company modified certain financial covenants and increased the revolving credit facility to \$12,000,000 until October 31, 2000, at which point it will decrease to \$6,000,000 until October 31, 2001. The agreement provides for Eurodollar rate loans, CD rate loans and base rate loans at an interest rate no higher than the bank's base commercial lending rate less 1/2%. The Company is required to pay a commitment fee equal to 1/16 of one percent per annum on the unused commitment. The agreement contains certain restrictive financial covenants including a minimum current ratio, minimum tangible net worth

requirement, minimum interest coverage ratio, maximum debt to equity ratio and certain other covenants, as defined by the agreement. There were no borrowings during fiscal 2001 and 2000. As of July 31, 2000, the amount available for borrowing under the revolving credit facility was \$12,000,000.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities and Exchange Act of 1934, as amended. Actual results could differ materially from those projected in the forward looking statements.

Liquidity and Capital Resources

As of July 31, 2000, working capital amounted to \$26.8 million reflecting a current ratio of 2.9 compared to working capital of \$22.7 million and a current ratio of 2.8 as of April 30, 2000.

During fiscal 2000, the Company amended and restated its \$12 million unsecured revolving credit line with its bank. On October 31, 2000, \$6 million of the facility is scheduled to expire and on October 31, 2001, the remaining \$6 million of the facility is scheduled to expire. The Company intends to renew any expiring portion of the facility by the expiration date and maintain a \$12 million total facility. As of July 31, 2000 there was no amount outstanding under the line of credit. Management believes that its working capital together with internally generated funds and its bank line of credit are adequate to finance the Company's operating needs and future capital requirements.

Results of Operations

Revenues for the three month period ending July 31, 2000 increased 80% to \$37,996,000 from revenues of \$21,165,000 for the comparable prior year period. Unit volume measured in gigabytes shipped increased by approximately 76% over the prior comparable year period. The increase in revenues was the result of increased demand for the Company's memory products driven by the growth both in shipments of network servers and memory content per server.

Cost of sales for the first quarter were 76% of revenues versus 73% for the same prior year period. The increase in cost of sales as a percentage of revenues is primarily attributable to the relatively higher growth in revenues of the Company's products for the Intel market place which command lower margins than the Company's compatibles products.

Engineering and development costs in fiscal 2001's first quarter were \$372,000 versus \$333,000 for the same prior year period. The Company intends to maintain its commitment to the timely introduction of new memory products as new workstations and computers are introduced.

Selling, general and administrative costs in fiscal 2001's first quarter decreased to 11% of revenues from 14% for the same prior year period. Three month total expenditures increased by \$1,296,000 from the comparable prior year period. The increase in costs is primarily attributable to the planned increases in sales staff and marketing programs.

Other income (expense), net for the first quarter of fiscal 2001 and 2000 consisted primarily of interest income on short term investments.

Safe Harbor Statement

The information provided in this interim report may include forward-looking statements relating to future events, such as the development of new products, the commencement of production or the future financial performance

of the Company. Actual results may differ from such projections and are subject to certain risks including, without limitation, risks arising from: changes in the price of memory chips, changes in the demand for memory systems for workstations and servers, increased competition in the memory systems industry, delays in developing and commercializing new products and other factors described in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission which can be reviewed at <http://www.sec.gov>.

PART II: OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

A. The Company has filed an Amendment to its Certificate of Incorporation (the "Amendment"). The Amendment increases the authorized shares of Common Stock from 18,000,000 to 54,000,000 resulting from two stock splits. Subsequently, the Company also filed a Restated Certificate of Incorporation which incorporates the Amendment.

ITEM 5. EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits

- 3 Amendment to Certificate of Incorporation dated August 2, 2000
- 3 Restated Certificate of Incorporation dated August 3, 2000
- 27 Financial Data Schedule
- 99 Press Release reporting results of the first Quarter of Fiscal Year 2001 (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: September 7, 2000 By: MARK E. MADDOCKS

Mark E. Maddocks
Vice President, Finance
(Principal Financial Officer)

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CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

The undersigned corporation, organized under the laws of the State of New Jersey, acting to amend its Certificate of Incorporation in accordance with Chapter 9 of the New Jersey Business Corporation Act, hereby certifies:

FIRST: The name of the corporation is

DATARAM CORPORATION

SECOND: The Board of Directors first on November 11, 1998 and second on November 4, 1999, pursuant to the authority conferred upon it by Section 7-15.1 of the New Jersey Business Corporation Act, adopted resolutions providing for first a two-for-one stock split and second a three-for-two stock split, which resolutions have the effect of amending the Certificate of Incorporation when filed as an amendment to increase the authorized shares of common stock from 18,000,000 shares to 54,000,000 shares.

THIRD: This amendment to the Certificate of Incorporation will not adversely affect the rights or preferences of the holders of outstanding shares of any class or series and will not result in the percentage of the authorized shares that remains unissued after the share divisions exceeding the percentage of authorized shares that was unissued before the share divisions.

FOURTH: The Corporation's Common Stock, \$1.00 par value, is the only class of stock which is outstanding.

FIFTH: The Amendment to the Certificate of Incorporation made in connection with these share divisions is to delete Article SIXTH and replace it with the following:

"SIXTH: The total number of shares of common stock that may be issued by the Company is 54,000,000 shares, each having a par value of \$1.00.

All or any part of said shares of common stock may be issued by the Company from time to time, for such consideration as may be fixed by the Board of Directors as provided by law."

IN WITNESS WHEREOF, Dataram Corporation has caused its duly authorized officer to execute this Certificate on this 31st day of July, 2000.

DATARAM CORPORATION

ROBERT V. TARANTINO

By: _____
Robert V. Tarantino, President

RESTATED CERTIFICATE OF INCORPORATION
OF
DATARAM CORPORATION

Dataram Corporation, by the undersigned duly authorized officer, acting to restate and integrate into one document, pursuant to NJSA 14A:9-5 but not substantively amend, the Certificate of Incorporation, hereby certifies that the foregoing constitutes Certificate of Incorporation of Dataram Corporation:

FIRST: The name of the corporation is:

DATARAM CORPORATION

SECOND: The location of the registered office in the State of New Jersey is: c/o The Corporation Trust Company, 820 Bear Tavern Road, W. Trenton, New Jersey 08628.

THIRD: The name of the registered agent, upon whom process against the corporation may be served is: The Corporation Trust Company.

FOURTH: The objects for which this corporation is formed are as follows:

To engage in the manufacture and development of computer components; and to do all things necessary and incidental thereto.

FIFTH: In order to accomplish the aforesaid objects, this corporation is given the following powers:

1. To purchase, lease take in exchange or otherwise acquire lands, leaseholds, or other interests therein, together with any buildings or structures that may be on the said lands or leaseholds or interests of any of them and to sell, lease,

exchange or otherwise dispose of the whole or any portion of the whole or any portion of the lands, leaseholds, or interests and all of or any of the buildings or structures that are now or may hereinafter be erected thereon, and to take such security therefor as may be deemed necessary or appropriate; to construct, erect, prepare and maintain buildings and factories and to deal in building materials; to mortgage the whole or any part of lands, leaseholds, or interests therein owned by the corporation; to take or hold mortgages for any unpaid balance of the purchase money on any lands, buildings or structures sold, and to sell, exchange or otherwise dispose of said mortgages; to improve, alter and manage said lands, leaseholds, buildings and factories, and to guarantee and otherwise assist in the performance of contracts or mortgages of persons, firms or corporations with whom the corporation may have dealings, and to assume and take over such mortgages or contracts on default;

2. To act as agents, employees or independent contractors in all kinds of transactions within the objects of the corporation and to assist, for remuneration or otherwise, any of the customers or members of the corporation in any part of their business or undertakings;

3. To acquire by purchase, subscription or otherwise, and to own, hold, sell, negotiate, assign, deal in, exchange, transfer, mortgage, pledge or otherwise dispose of any shares of the capital stock, scrip, or any voting trust certificates in respect of the shares of capital stock of, or any bonds, debentures, notes, mortgages, securities or evidence of

indebtedness or created by any other corporation, joint stock company or association, public or private, or of the Government of the United States of America, or any subdivision or authority thereof, or of any state, territory, municipality, or other political subdivision or of any governmental agency; and to issue in exchange

2

therefore, in the manner permitted by law, shares of the capital stock, bonds, debentures, notes or other obligations of the corporation; and while the holder or owner of bonds, debentures, notes, mortgages, or other securities or evidence of indebtedness to process and exercise in respect thereof any and all rights, powers and privileges of ownership, including the right to vote thereon;

4. To purchase, lease, or to otherwise acquire and to hold, exercise and enjoy all or any of the property, franchise, good will, rights, powers and privileges held or enjoyed by any person or firm or any corporation or association and to undertake the liabilities of any such person, firm, corporation or association; and to sell, lease, mortgage, pledge or otherwise dispose of the same;

5. To take part in the management, supervision or control of the business or operation of any company or undertaking, and for that purpose to appoint and remunerate any directors, accountants, officers or other experts or agents;

6. To distribute in kind or in specie or otherwise as may be resolved, any assets of the corporation among its stockholders and particularly the shares, bonds, notes, debentures, evidences of indebtedness or other securities of any other corporation that may take over the whole or any part of the assets or liabilities of the corporation.

7. To apply for, obtain, register, purchase, lease or otherwise acquire, and to exploit, hold, use, own, operate and introduce, and to sell, assign or otherwise dispose of any trademark, trade name, copyright, patent, improvement or license, used in connection with or appertaining to any kind of business of the corporation; and to use, exercise, develop, grant licenses in respect of, or otherwise to turn to account any such

3

trademarks, trade names, copyrights, patents, licenses, processes and the like, or application therefor, on any such property or rights;

8. To purchase, hold, cancel, reissue, sell and transfer its own shares, bonds, debentures, notes or other evidences of indebtedness, insofar as the same may be permitted by law;

9. To advance money with or without security to and otherwise aid by endorsement, guaranty or otherwise, any corporation, association, partnership or trust, any of the shares, stock, bonds, debentures, notes, evidences of indebtedness or of interest in or securities or obligation of which shall have been acquired or contracted for by the corporation or in which or the business of which the corporation shall have directly or indirectly any interest (including, but not by way of limitation, the power to guarantee the performance of any undertaking or obligation for the payment of dividends on stock of shares), and to discharge and cancel without payment any indebtedness thus arising;

10. To borrow or raise monies for the business of the corporation and any and all of its purposes and upon such terms as the Board of Directors may determine and as may be permitted by law; and, in connection therewith, to mortgage, pledge, or assign any and all of the property, real and personal, and business of the corporation;

11. To enter into, make, perform and carry out contracts of every nature and description, made for any lawful purpose;

12. To have and to exercise all the powers now or hereafter conferred by the laws

4

of the State of New Jersey upon corporations organized under the laws under which the corporation is organized and any and all acts amendatory thereof and supplemental thereto;

13. To conduct business in the State of New Jersey, other states, the District of Columbia, the territories and colonies of the United States and in foreign countries, and to have one or more offices out of the State of New Jersey, as well as within the said State, and to hold, purchase, mortgage and convey real and personal property out of the State of New Jersey as well as within said State.

SIXTH: The total number of shares of common stock that may be issued by the Company is 54,000,000 shares, each having a par value of \$1.00.

All or any part of said shares of common stock may be issued by the Company from time to time, for such consideration as may be fixed by the Board of Directors as provided by law.

SEVENTH: The minimum amount of capital stock with which the corporation will commence business is One Thousand Dollars (\$1,000.00).

EIGHTH: The name and post office address of the current directors are as follows:

Robert V. Tarantino Route 571
P.O. Box 7528
Princeton, NJ 08543-7528

Richard Holzman Route 571
P.O. Box 7528
Princeton, NJ 08543-7528

Thomas A. Majewski Route 571
P.O. Box 7528
Princeton, NJ 08543-7528

Bernard L. Riley Route 571
P.O. Box 7528
Princeton, NJ 08543-7528

5

Roger C. Cady Route 571
P.O. Box 7528
Princeton, NJ 08543-7528

NINTH: The period of existence of the corporation is unlimited and perpetual.

TENTH: The following provisions are made for the management of the business and for the conduct of the affairs of the corporation:

1. The Board of Directors shall have power from time to time to fix and determine and to vary the amount to be reserved as working capital of the corporation and to determine what, if any, dividends shall be declared and paid to stockholders out of its surplus or net profits and, before the payment of any dividends or making any distribution of profits of the corporation, such sum or sums as they may from time to time, in their absolute discretion, think proper whether as a reserve fund to meet contingencies or for the equalizing of dividends or for repairing or maintaining any property of the corporation or for such corporate purposes as the Board shall think conducive to the interests of the corporation, subject, however, to the provisions of this Certificate of Incorporation;

2. No contract or other transaction between this corporation and any other corporation, and no act of this corporation shall in any way be affected or invalidated by the fact that any of the Directors of this corporation are pecuniarily or otherwise interested in any contract or transaction of this corporation provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof, and any director of this corporation who is also a director or officer of such other corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the Board of

6

Directors of this corporation which shall authorize any such contract or transaction with like force and effect as if he were not such director or officer of such other corporation or so interested;

3. The Board of Directors shall also have power, subject to the reserved power of the stockholders to alter or repeal the same, to make and alter the By-Laws of the corporation. They shall also have power to fix the times for the declaration and payment of dividends; to authorize and cause to be executed and delivered mortgages on and instruments of pledge, or any other instruments creating liens on the real and personal property of the corporation; to make and determine the use and disposition of any surplus or net profits over and above the capital stock paid in, and in their discretion the Board of Directors may use and apply any such surplus or net profits in purchasing or acquiring shares of its own capital stock to such extent and in such manner and upon such terms as the Board of Directors shall deem expedient; and the share of such capital stock so purchased or acquired may be resold unless such shares shall have been retired as provided by law; and to determine the convertibility of the preferred stock for shares of common stock in such manner and for such amounts as the Board of Directors shall determine;

4. Except as otherwise provided by law, and subject to direction by resolution of a majority of the stockholders having voting powers, the Board of Directors shall have power from time to time to determine whether or not and to what extent and at what times and places and under what conditions and regulations the accounts and books of the corporation, or any of them, shall be open to the inspection of stockholders; and no stockholder shall have any right to inspect any account or book or documents of the corporation except as conferred by statute or authorized by the

7

Directors or by a resolution adopted by a majority of the stockholders having voting powers;

5. The Board of Directors shall have the power to appoint an Executive Committee from among its members, which Committee, to the extent and in the manner provided in the By-Laws of the corporation shall have any may exercise all the powers of the Board of Directors, so far as may be permitted by law, in the management of the business and affairs of the corporation whenever the Board of Directors is not in session at the time of action;

6. The Board of Directors, in addition to the powers and authority expressly conferred upon them hereinabove and by statute and by the By-Laws, are hereby empowered to exercise all such powers as may be exercised by the corporation, subject, nevertheless, to the provision of the Statutes of the State of New Jersey, of this Certificate of Incorporation and to any regulations that may from time to time be made by the stockholders having voting powers, provided that no regulations so made shall invalidate any provision of this Certificate of Incorporation or any prior act of the Directors which would have continued valid if such regulation had not been made. Election of the Board of Directors need not be by ballot but shall be conducted as prescribed by the By-Laws.

ELEVENTH: Directors and Officers shall be indemnified as required by law and the Corporation shall be permitted to indemnify Directors and Officers as may be provided by law, in the By-Laws of the Corporation or otherwise.

TWELFTH: The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or

8

hereafter prescribed by law, and all rights and powers conferred herein on stockholders, directors and officers are subject to this reserved power.

THIRTEENTH: The Certificate of Incorporation may be amended by the affirmative vote of a majority of the shares entitled to vote thereon at a meeting of stockholders duly called for the purpose.

FOURTEENTH: Neither a Director nor an Officer shall be liable to the Corporation or its shareholders for damages for breach of any duty owed to the Corporation, except that this provision shall not relieve a Director or an Officer from liability for any breach of the duty for acts or omissions (a) in breach of such person's duty of loyalty to the Corporation or its shareholders; (b) not in good faith or involving a knowing violation of law; or (c) resulting in the receipt by such person of an improper personal benefit.

IN WITNESS WHEREOF, DATARAM CORPORATION has caused its duly authorized officer to execute this Certificate on his 31st day of July, 2000.

DATARAM CORPORATION

ROBERT V. TARANTINO

By: _____
Robert V. Tarantino, President

Dataram Contact:	Investor Contact:
Mark Maddocks,	Tim Curtiss,
Chief Financial Officer	Wall Street Investor Relations Corp.
609-799-0071	216-831-6532
info@dataram.com	tcurtiss@WallStreetIR.com

**DATARAM REPORTS 88% EARNINGS INCREASE,
80% SALES GROWTH IN FIRST QUARTER**

- . Sales, Earnings set new quarterly record
- . Gigabyte Volume Increased 76% over Previous Year

PRINCETON, NJ, August 10, 2000 - Dataram Corporation (NASDAQ: DRAM) today reported its financial results for its fiscal first quarter, ended July 31, 2000. The Company reported net earnings of \$2,879,000, or \$0.29 per diluted share, an increase of 88% over \$1,531,000, or \$0.17 per diluted share, for the same period of the previous year. Revenues for the quarter were \$38.0 million, an increase of 80% over the prior year's first quarter level of \$21.2 million. Volume, measured in gigabytes shipped increased 76% in the quarter, compared to the prior year period.

In thousands, except per share amounts	Three Months ended July 31,		
	2000	1999	% Gain
Revenues	\$37,996	\$21,164	80%
Earnings from Operations	\$ 4,417	\$ 2,367	87%
Net Earnings	\$ 2,879	\$ 1,531	88%
Diluted EPS	\$ 0.29	\$ 0.17	71%
Diluted Shares	9,959	9,264	

-more-

"Strong forces continue to drive the growth of our business," said Robert Tarantino, chairman and CEO of Dataram. "Investment in Internet infrastructure remains dynamic. Internet service providers, corporate IT managers and application service providers have a powerful need to optimize their networks. Our memory offers superior price/performance, which represents a compelling proposition to network managers and chief information officers. We see no signs that the pace of Internet investment will slow."

"I am pleased to report that we are moving successfully to implement our growth strategies," added Mr. Tarantino. "We have filled all of this calendar year's new slots on the North American sales team, and we look forward to the contributions of our new hires as they become productive. Hiring in our new European sales center is on plan. Our European group achieved solid growth, in line with our plans."

"During the quarter, our new product introductions included designs for Compaq, Hewlett-Packard, Silicon Graphics and IBM," Mr. Tarantino noted. "The Intel-certified line enjoyed strong

acceptance and contributed meaningfully to our gains. The new production line at our Bucks Co. manufacturing facility is performing well and in line with our plans."

"This is our eleventh consecutive quarter of delivering increased year-over-year bottom line results," stated Mark Maddocks, CFO. "We set new records once again for sales and earnings. Volume growth and a favorable pricing environment were the highlights. Operating margins increased and revenue growth was above our expectations, reflecting higher volume and higher selling prices resulting from increased memory chip prices."

-more-

Dataram will conduct a conference call at 11:00 AM, EDT on Thursday, August 10th to provide further insights regarding its financial results and to respond to investor questions. Interested shareholders may participate in the call by dialing 800-720-5833 approximately 10 minutes before the call is scheduled to begin and asking to be connected to the Dataram conference call. A recorded replay of the call will be available from 1:00 PM on August 10th to 9:00 PM on August 11th. Listeners may dial 800-252-6030 (402-220-2491 for international callers) and use the code 6677312 for the replay. The call will also be available on Vcall at www.vcall.com.

Dataram Corporation is a leading provider of gigabyte memory upgrades for network servers. The Company specializes in the manufacture of large capacity memory for Compaq, Hewlett-Packard, IBM, Intel, Silicon Graphics and Sun Microsystems computers. Dataram, headquartered in Princeton, New Jersey, is celebrating its 34th year in the computer industry. Additional information is available on the Internet at www.dataram.com.

Financial Tables to Follow

DATARAM CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	7/31/2000	7/31/1999
Revenues	\$ 37,996	\$ 21,164
Costs and expenses:		
Cost of sales	28,861	15,414
Engineering	372	333
Selling, general and administrative	4,346	3,050
	33,579	18,797
Earnings from operations	4,417	2,367
Interest income, net	230	108
	4,647	2,475
Earnings before income taxes	4,647	2,475
Income taxes	1,768	944
Net earnings	2,879	1,531
Net earnings per common share:		
Basic	\$.34	\$.20
Diluted	\$.29	\$.17

Weighted average number of common shares outstanding:

Basic	8,427	7,827
	=====	=====
Diluted	9,959	9,264
	=====	=====

DATARAM CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(in thousands)

July 31, 2000 April 30, 2000

(Unaudited)

ASSETS

Current assets:

Cash and cash equivalents	\$ 16,253	\$ 13,650
Trade receivables, net	18,044	16,241
Inventories	6,244	4,651
Other current assets	698	585

Total current assets	41,239	35,127
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Property and equipment, net	5,347	5,007
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Other assets	17	17
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\$ 46,603	\$ 40,151
=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 11,276	\$ 9,538
Accrued liabilities	3,120	2,878

Total current liabilities	14,396	12,416
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Deferred income taxes	841	841
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Stockholders' equity	31,366	26,894
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\$ 46,603	\$ 40,151
=====	=====

The information provided in this press release may include forward-looking statements relating to future events, such as the development of new products, the commencement of production, or the future financial performance of the Company. Actual results may differ from such projections and are subject to certain risks including, without limitation, risks arising from: changes in the price of memory chips, changes in the demand for memory systems for servers, increased competition in the memory systems industry, delays in developing and commercializing new products and other factors described in the Company's most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission, which can be reviewed at <http://www.sec.gov>.

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