SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended 1/31/01 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 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 March 5, 2001, there were 8,480,219 shares outstanding.

<TABLE>

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Dataram Corporation and Subsidiary
Consolidated Balance Sheets
January 31, 2001 and April 30, 2000

	(Unaudited) January 31, 2001	(Audited) April 30, 2000

<S>	<C>	<C>
Assets		
Current Assets:		
Cash and cash equivalents	$ 20,822,683	$ 13,649,601
Trade receivables, less allowance for doubtful accounts and sales returns of $500,000 at January 31, 2001 and $450,000 at April 30, 2000	12,247,972	16,241,229
Inventories	4,365,580	4,651,277
Other current assets	1,381,290	584,428
Total current assets	38,817,525	35,126,535
Property and equipment, at cost:		
Land	875,000	875,000
Machinery and equipment	10,597,030	8,009,925
	11,472,030	8,884,925
Less: accumulated depreciation and amortization	5,033,643	3,877,476
Net property and equipment	6,438,387	5,007,449
Other assets	18,160	17,160
	$ 45,274,072	$ 40,151,144
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,690,385	$ 9,537,747
Accrued liabilities	2,481,686	2,878,550
Total current liabilities	7,172,071	12,416,297
Deferred income taxes	841,000	841,000
Stockholders' Equity:		
Common stock, par value $1.00 per share. Authorized 54,000,000 shares; issued and outstanding 8,480,219 at January 31, 2001 and 8,278,403 at April 30, 2000	8,480,219	8,278,403
Additional paid in capital	4,012,708	980,461
Retained earnings	24,768,074	17,634,983
Total stockholders' equity	37,261,001	26,893,847
	$ 45,274,072	$ 40,151,144

See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE>

Dataram Corporation and Subsidiary
Consolidated Statements of Earnings
Three and Nine Months Ended January 31, 2001 and 2000
(Unaudited)

	2001		2000	
	3rd Quarter	Nine Months	3rd Quarter	Nine Months
<S>	<C>	<C>	<C>	<C>
Revenues	$ 26,828,999	$ 104,690,762	$ 25,727,507	$ 76,277,881
Costs and expenses:				
Cost of sales	19,837,798	79,453,658	19,456,699	56,811,517
Engineering and development	386,366	1,172,757	371,643	1,047,705
Selling, general and administrative	3,728,176	12,133,757	3,076,099	9,983,215
	23,952,340	92,760,172	22,904,441	67,842,437
Earnings from operations	2,876,659	11,930,590	2,823,066	8,435,444
Interest income, net	317,387	838,987	123,432	348,119

Earnings before income taxes	3,194,046	12,769,577	2,946,498	8,783,563
Income tax provision	1,164,000	4,809,000	1,121,000	3,346,000
Net earnings	$ 2,030,046	$ 7,960,577	$ 1,825,498	$ 5,437,563
Net earnings per share of common stock				
Basic	$ .24	$ .94	$ .23	$ .69
Diluted	$ .21	$ .81	$ .19	$ .56
Weighted average number of common shares outstanding				
Basic	8,515,316	8,500,481	7,983,154	7,867,180
Diluted	9,745,422	9,842,041	9,780,524	9,658,011

See accompanying notes to consolidated financial statements.
</TABLE>

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Dataram Corporation and Subsidiary
Consolidated Statements of Cash Flows
Nine Months Ended January 31, 2001 and 2000
(Unaudited)

	2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net earnings	$ 7,960,577	$ 5,437,563
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,156,167	939,000
Bad debt expense	61,470	38,819
Changes in assets and liabilities:		
Decrease in trade receivables	3,931,787	879,042
Decrease (increase) in inventories	285,697	(679,844)
Increase in other current assets	(796,862)	(574,228)
Increase in other assets	(1,000)	(555)
(Decrease)increase in accounts payable	(4,847,362)	1,404,205
(Decrease)increase in accrued liabilities	(396,864)	130,956
Decrease in income taxes payable	0	(250,408)
Net cash provided by operating activities	7,353,610	7,324,550
Cash flows from investing activities:		
Purchase of property and equipment	(2,587,105)	(1,260,608)
Net cash used in investing activities	(2,587,105)	(1,260,608)
Cash flows from financing activities:		
Proceeds from sale of common shares under stock option plan (including tax benefits)	3,434,301	1,631,713
Purchase and cancellation of common stock	(1,027,724)	(3,382,630)
Net cash provided by (used in) financing activities	2,406,577	(1,750,917)
Net increase in cash and cash equivalents	7,173,082	4,313,025
Cash and cash equivalents at beginning of year	13,649,601	8,092,527
Cash and cash equivalents at		

end of period	$ 20,822,683	$ 12,405,552
	==========	==========

Supplemental disclosures of cash flow information:

Cash paid during the period for:		
Interest	$ 32,603	$ 40,484
Income taxes	$ 2,885,000	$ 3,340,000

See accompanying notes to consolidated financial statements.
</TABLE>

Notes to Consolidated Financial Statements
January 31, 2001 and 2000
(Unaudited)

Basis of Presentation

The information at January 31, 2001 and for the three and nine months ended January 31, 2001 and 2000, 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 conjuction 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 Split

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 January 31, 2001 and April 30, 2000 consist of the following categories:

	January 31, 2001	April 30, 2000
Raw material	$ 1,958,000	$ 2,454,000
Work in process	499,000	223,000
Finished goods	1,909,000	1,974,000
	$ 4,366,000	$ 4,651,000
	===============	==============

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 2001, the Company amended and restated its credit facility with its bank. Under the agreement, the Company maintains a revolving credit facility of $12,000,000 through October 31, 2001, at which point it will decrease to $6,000,000 through October 31, 2002. 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 3/4%. 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 January 31, 2001, the amount available for borrowing under the revolving credit facility was $12,000,000.

Stock repurchase plan

On June 15, 1999, the Company announced an open market repurchase plan providing for the repurchase of up to 500,000 shares of the Company's common stock. During the third quarter ended January 31, 2001, the Company repurchased 87,400 shares at a total cost of $1,028,000. The remaining number of shares authorized for purchase under the program is 294,700 shares.

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 January 31, 2001, working capital amounted to $31.6 million reflecting a current ratio of 5.4 compared to working capital of $22.7 million and a current ratio of 2.8 as of April 30, 2000.

During fiscal 2001, the Company amended and restated its $12 million unsecured revolving credit line with its bank. On October 31, 2001, $6 million of the facility is scheduled to expire and on October 31, 2002, 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 January 31, 2001, 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 ended January 31, 2001 were $26,829,000 compared to revenues of $25,728,000 for the comparable prior year period. Unit volume measured as gigabytes shipped increased 29% in the third quarter as compared to the prior year period. However, average selling price per gigabyte shipped declined by 19% as compared to the prior year period. The decline in selling prices was industry wide and was the result of the continued reduction of the purchase cost of DRAMs. Fiscal 2001 nine month revenues totaled $104,691,000 versus nine month revenues of $76,278,000 for the prior fiscal year.

Cost of sales for the third quarter and nine months of fiscal 2001 were 74% and 76%, respectively of revenues versus 73% and 70% for the same prior year periods. The increase in cost of sales is primarily the result of product mix.

Engineering and development costs in fiscal 2001's third quarter and nine months were $386,000 and $1,173,000, respectively, versus $372,000 and $1,048,000 for the same prior year periods. 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 third quarter and nine months were 14% and 12% of revenues, respectively, versus 14% and 16% of revenues, for the comparable prior year periods. Three month total expenditures increased by $652,000 from the comparable prior year period. Nine month selling, general and administrative costs increased by $2,151,000 in fiscal 2001 versus fiscal 2000. The increase in cost is primarily the result of the planned increases in sales staff, including expansion of the Company's facility in the United Kingdom, and marketing programs.

Interest income, net for the third quarter and nine months 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 5. EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits

27 (a). Press Release reporting results of Third Quarter, 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: March 6, 2001 By: MARK E. MADDOCKS

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

By: ANTHONY M. LOUGEE

Anthony M. Lougee
Controller
(Principal Accounting Officer)

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

<TABLE> <S> <C>

Dataram Contact: Investor Contact:

Mark Maddocks Joe Zappulla
Vice President, Finance Wall Street Investor Relations Corp.
609-799-0071 212-973-0883 or 301-907-4090
info@dataram.com JZappulla@WallStreetIR.com

DATARAM REPORTS INCREASED EARNINGS
IN THIRD QUARTER

- o Thirteenth Consecutive Quarter of Year-Over-Year Earnings Increases
- o Company Resumed Share Repurchases

PRINCETON, N.J. February 9, 2001 -- Dataram Corporation (NASDAQ: DRAM) today reported financial results for its fiscal third quarter ended January 31, 2001. The Company reported revenues of $26.8 million compared to $25.7 million for the same prior year period. Net earnings increased 11 percent to $2.0 million or $0.21 per diluted share from $1.8 million or $0.19 per diluted share for the third quarter of last fiscal year.

Revenues for the first nine months of the current fiscal year were $104.7 million, an increase of 37 percent compared to $76.3 million for the previous fiscal year period. Net earnings increased 46 percent to $8.0 million during the first nine months from $5.4 million during the first nine months of last fiscal year.

In thousands, except per share amounts	Third Quarter ended January 31,			Nine Months ended January 31,		
	2001	2000	% Gain	2001	2000	% Gain
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$26,829	$25,728	4%	$104,691	$76,278	37%
Earnings from Operations	$2,877	$2,823	2%	$11,931	$8,436	41%
Net Earnings	$2,030	$1,825	11%	$7,961	$5,438	46%
Diluted EPS	$0.21	$0.19	11%	$0.81	$0.56	45%
Shares Outstanding (diluted)	9,745	9,781		9,842	9,658	

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"While this quarter marks our thirteenth consecutive quarter of year-over-year earnings growth, recent price pressure experienced in the memory chip market has temporarily decelerated our rate of top-line growth," commented Bob Tarantino, Dataram's chairman, president and CEO. "Additionally, capital spending has slowed and our business is not immune. However, our inventories and expenses remain in tight control. We manage our business to respond quickly to changes in the marketplace and to the needs of our customers."

During Dataram's fiscal third quarter, the Company introduced four new products into the market to address the growing demand for memory and bandwidth in the Internet. The most recent product introductions included memory for Hewlett Packard's new NetServer

LP 1000 and 2000 systems, designed for Web hosting and infrastructure and server-based computing applications, and memory for Compac's new ProLiant DL 320 server for Web hosting, video streaming and other Internet related applications. Dataram also introduced Double Data Rate SDRAM DIMM modules and ultra-thin memories for the next generation servers.

Mark Maddocks, Dataram's CFO added, "During the third quarter gigabytes shipped increased 29 percent year-over-year offset by a 19 percent decline in selling prices driven by a sudden reduction in the price of memory chips used in our products. Our net margins and free cash flow remained strong."

As part of a previously announced share repurchase program, the Company purchased 87,400 shares of its common stock in the third quarter at a total price of $1,028,000.

Mr. Tarantino stated, "Softening economic conditions have prompted industry concern over the pace of growth expected over the next six months, potentially leading to a cyclical shift in demand. Dataram's business and pricing models are designed to take advantage of these cycles by providing reliable, quality alternatives at a significant cost advantage. While current economic conditions

create near term uncertainty, we expect our fourth quarter earnings to exceed last year's fourth quarter and we are currently projecting 25 percent earnings growth in fiscal 2002."

Dataram will conduct a conference call at 11:00 a.m. (EST) today to present its second quarter financial results and to respond to investor questions. Interested shareholders may participate in the call by dialing 800-354-6885 and providing the following reservation number: 17880724. It is recommended that participants call 10 minutes before the conference call is scheduled to begin. The conference call can also be accessed over the Internet through Vcall at www.vcall.com. A replay of the call will be available approximately one hour after the completion of the conference call through Vcall and for 24 hours by dialing 800-633-8284 and entering the reservation number listed above.

ABOUT DATARAM CORPORATION

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 Follow

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

	Three Months Ended		Nine Months Ended	
	1/31/2001	1/31/2000	1/31/2001	1/31/2000
	(Unaudited)		(Unaudited)	
<S>	<C>	<C>	<C>	<C>
Revenues	$ 26,829	$ 25,728	$ 104,691	$ 76,278
Costs and expenses:				
Cost of sales	19,838	19,457	79,454	56,811

Engineering and development	386	372	1,172	1,048
Selling, general and administrative	3,728	3,076	12,134	9,983
	23,952	22,905	92,760	67,842
Earnings from operations	2,877	2,823	11,931	8,436
Interest income, net	317	123	839	348
Earnings before income taxes	3,194	2,946	12,770	8,784
Income taxes	1,164	1,121	4,809	3,346
Net earnings	$ 2,030	$ 1,825	$ 7,961	$ 5,438
Net earnings per share:				
Basic	$ 0.24	$ 0.23	$ 0.94	$ 0.69
Diluted	$ 0.21	$ 0.19	$ 0.81	$ 0.56
Average number of shares outstanding:				
Basic	8,515	7,983	8,500	7,867
Diluted	9,745	9,781	9,842	9,658

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DATARAM CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(in thousands)

	January 31, 2001 (Unaudited)	April 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 20,823	$ 13,650
Trade receivables, net	12,248	16,241
Inventories	4,366	4,651
Other current assets	1,381	585
Total current assets	38,818	35,127
Property and equipment, net	6,438	5,007
Other assets	18	17
	$ 45,274	$ 40,151
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,690	$ 9,538
Accrued liabilities	2,482	2,878
Total current liabilities	7,172	12,416
Deferred income taxes	841	841
Stockholders' equity	37,261	26,894
	$ 45,274	$ 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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