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 10/31/01 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

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(Address of principal executive offices) (Zip Code)

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

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(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 December 8, 2001, there were 8,453,669 shares outstanding.

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Dataram Corporation And Subsidiary
Consolidated Balance Sheets
October 31, 2001 and April 30, 2001
(Unaudited)

	October 31, 2001	April 30, 2001
Assets		
Current Assets:		
Cash and cash equivalents	$ 15,005,859	$ 10,235,321
Trade receivables, less allowance		

for doubtful accounts and sales returns and allowances of $320,000 at October 31, 2001 and $450,000 at April 30, 2001	9,372,491	17,641,248
Inventories	3,371,493	5,924,738
Other current assets	1,387,802	888,353
Total current assets	29,137,645	34,689,660
Property and equipment, at cost:		
Land	875,000	875,000
Machinery and equipment	13,009,549	12,620,735
Capitialized equipment leases	5,093,000	5,093,000
	18,977,549	18,588,735
Less: accumulated depreciation and amortization	7,552,866	5,362,666
Net property and equipment	11,424,683	13,226,069
Other assets	408,626	365,160
Goodwill	11,144,000	9,957,000
Intangible assets, less accumulated amortization of $683,000 at October 31, 2001 and $90,000 at April 30, 2001	5,263,000	7,043,000
	$ 57,377,954	$ 65,280,889
Liabilities and Stockholders' Equity		
Current liabilities:		
Current installments of obligations under capital leases	$ 1,018,000	$ 978,000
Current installments of long-term debt	2,000,000	2,000,000
Accounts payable	3,678,138	7,218,697
Accrued liabilities	2,875,164	3,945,744
Income taxes payable	452,751	14,751
Total current liabilities	10,024,053	14,157,192
Deferred income taxes	948,000	948,000
Long-term debt, excluding current installments	7,000,000	8,000,000
Obligations under capital leases, excluding current installments	3,687,000	4,133,000
Total liabilities	21,659,053	27,238,192
Stockholders' Equity:		
Common stock, par value $1.00 per share. Authorized 54,000,000 shares; issued and outstanding 8,453,669 at October 31, 2001 and 8,492,219 at April 30, 2001	8,453,669	8,492,219
Additional paid in capital	4,183,674	4,064,708
Retained earnings	23,329,224	25,402,770
Accumulated other comprehensive income (loss)	(247,666)	83,000
Total stockholders' equity	35,718,901	38,042,697
	$ 57,377,954	$ 65,280,889

See accompanying notes to consolidated financial statements.

<TABLE>

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

	2001		2000	
	2nd Quarter	Six Months	2nd Quarter	Six Months

<S>	<C>	<C>	<C>	<C>
Revenues	$ 19,173,245	$ 41,743,526	$ 39,865,951	$ 77,861,763
Costs and expenses:				
Cost of sales	12,052,304	27,677,133	30,755,272	59,615,860
Engineering and development	413,263	1,007,445	414,370	786,391
Selling, general and administrative	5,209,747	11,265,866	4,059,985	8,405,581
Restructuring charges	0	1,200,000	0	0
Intangible asset amortization	296,000	593,000	0	0
	17,971,314	41,743,444	35,229,627	68,807,832
Earnings from operations	1,201,931	82	4,636,324	9,053,931
Interest income	97,638	193,294	291,983	521,600
Interest expense	240,544	490,713	0	0
Income (loss) before income taxes	1,059,025	(297,337)	4,928,307	9,575,531
Income tax provision	899,000	1,304,000	1,877,000	3,645,000
Net income (loss)	$ 160,025	$ (1,601,337)	$ 3,051,307	$ 5,930,531
Net earnings per share of common stock				
Basic	$ .02	$ (.19)	$ .36	$ .70
Diluted	$ .02	$ (.19)	$ .31	$ .60
Weighted average number of common shares outstanding				
Basic	8,479,908	8,502,051	8,559,356	8,493,064
Diluted	9,291,317	8,502,051	9,944,063	9,916,452

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

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

	2001	2000
Cash flows from operating activities:		
Net earnings (loss)	$ (1,601,337)	$ 5,930,531
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,827,200	849,600
Bad debt expense	2,079	148,032
Changes in assets and liabilities:		
(Increase) decrease in trade receivables	8,266,679	(1,566,529)
(Increase) decrease in inventories	2,553,245	(2,124,244)
Increase in other current assets	(499,449)	(327,180)
Increase in other assets	(43,466)	(1,000)
Increase (decrease) in accounts payable	(3,540,559)	933,518
Decrease in accrued liabilities	(1,186,668)	(130,176)
Increase in income taxes payable	438,000	0

Net cash provided by

operating activities	7,215,724	3,712,522
Cash flows from investing activities:		
Purchase of property and equipment	(868,814)	(2,025,014)
Proceeds from sale of property and equipment	190,000	0
Net cash used in investing activities	(678,814)	(2,025,014)
Cash flows from financing activities:		
Principal payments on short-term portion of debt	(1,000,000)	0
Principal payments under capital lease obligations	(406,000)	0
Proceeds from sale of common shares under stock option plan, including tax benefits	206,939	2,577,651
Purchase and subsequent cancellation of common stock	(598,733)	0
Net cash provided by (used in) financing activities	(1,797,794)	2,577,651
Effect of foreign currency translation on cash and cash equivalents	31,422	0
Net increase in cash and cash equivalents	4,770,538	4,265,189
Cash and cash equivalents at beginning of year	10,235,321	13,649,601
Cash and cash equivalents at end of period	$ 15,005,859	$ 17,914,790
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 490,713	$ 32,603
Income taxes	$ 805,000	$ 2,055,000

See accompanying notes to consolidated financial statements.

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

Basis of Presentation

The information at October 31, 2001 and for the three and six months ended October 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 accounting principles generally accepted in the United States of America. 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, 2001 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Comprehensive Income (loss)

Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income ("SFAS No. 130") requires that items defined as other comprehensive income, such as unrealized investment gains and losses and foreign currency translation gains and losses, be seperately classified in the consolidated financial statements and that the accumulated balance of other comprehensive income (loss) be reported separately from retained earnings and additional paid in capital in the equity section of the consolidated balance sheet. Comprehensive loss for the three and six months ended October 31, 2001 was $85,000 and $1,932,000, respectively. Comprehensive income for the prior year three and six months ended October 31, 2000 was $3,051,000 and $5,931,000, respectively.

Acquisition

On March 23, 2001, the Company acquired certain assets, principally including inventory, accounts receivable and equipment of Memory Card Technology A/S ("MCT"), a corporation in suspension of payments under Danish bankruptcy law. MCT designs and manufactures memory from its facility in Denmark and has sales offices in Europe, Latin America and the Pacific Rim. The Company purchased the assets from MCT for total consideration of approximately $32,006,000 of which approximately $28,581,000 was paid in cash plus the assumption of certain payables and accrued expenses, certain direct transaction cost and certain MCT employee rationalization costs all of which total approximately $3,425,000. The net assets acquired by the Company were recorded at their respective fair values under the purchase method of accounting. Accordingly, the excess of the purchase price over the fair value of identifiable net tangible and identifiable intangible assets acquired in the amount of $11,144,000 represents goodwill which, as of October 31, 2001, includes approximately $1,100,000 which had been assigned to the workforce acquired (See New Accounting Standards). The results of operations of MCT for the period from May 1, 2001 through October 31, 2001 have been included in the consolidated results of operations of the Company.

Significant Accounting Policies

Principles of consolidation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

The Company's foreign subsidiaries' functional currency is the U.S. dollar as all revenues are received in U.S. dollars and a majority of expenditures are made in U.S. dollars. The Company and its foreign subsidiaries report in U.S. dollars. For subsidiaries that maintain their accounts in currencies other than the U.S. dollar, the Company uses the current method of translation whereby the statements of earnings are translated using the average exchange rate and the assets and liabilities are translated using the period end exchange rate. Foreign currency translation gains or losses are recorded as a separate component of accumulated other comprehensive income or loss. Foreign currency non-monetary assets and liabilities are translated using historical rates of exchange. Foreign currency transaction gains or losses are included in the consolidated statement of earnings. For the three and six month periods ended October 31, 2001 and 2000, the Company had no foreign currency transaction gains or losses.

Restructuring charges

In fiscal 2002's first quarter, the Company initiated a restructuring of its operations which resulted in a workforce reduction of approximately 25%. The Company recorded a restructuring charge of $1,200,000, in the quarter ended July 31,2001 which primarily relates to severance payments. As of October 31, 2001, the Company had paid out approximately $662,000 of the charges with the majority of the balance expected to be paid in the Company's current fiscal year.

Inventory valuation

Inventories are valued at the lower of cost or market, with costs determined by the first-in, first-out method. Inventories at October 31, 2001 and April 30, 2001 consist of the following categories:

	October 31, 2001	April 30, 2001
Raw material	$ 1,474,000	$ 2,841,000
Work in process	269,000	236,000
Finished goods	1,628,000	2,848,000
	$ 3,371,000	$ 5,925,000

Financial information by geographic location

The Company operates in one business segment and develops, manufactures and markets a variety of memory systems for use with servers, workstations, desktop and notebook computers which are manufactured by various companies. Revenues for the three and six month periods ended October 31, 2001 by geographic region is as follows:

	Three months ended October 31, 2001	Six months ended October 31, 2001
United States	$ 9,925,000	$ 20,725,000
Europe	5,005,000	11,960,000
Other (prinicipally Asia Pacific)	4,243,000	9,059,000
Consolidated	$ 19,173,000	$ 41,744,000

Long-lived assets (which consist of property and equipment, goodill and identifiable intangible assets) and total assets by geographic region as of October 31, 2001 is as follows:

	Long-lived assets	Total assets
United States	$ 5,729,000	$ 20,181,000
Europe	21,923,000	35,652,000
Other	180,000	1,545,000
Consolidated	$ 27,832,000	$ 57,378,000

Derivative Financial Instruments

Effective May 1, 2001, the Company adopted SFAS 133. This Statement requires the recognition of all derivative instruments as either assets or liabilities in the consolidated balance sheet, and the periodic adjustment of those instruments to fair value. The classification of gains and losses resulting from changes in the fair values of derivatives is dependent on the intended use of the derivative and its resultant designation. In an effort to limit its interest expense and cash flow exposure, the Company entered into an interest rate swap agreement on and for the duration of the Company's $10,000,000 variable rate term loan. The swap agreement fixed the interest rate at 7.16% for the entire loan balance and for the entire loan term.

In accordance with the provisions in SFAS 133, the Company designated this swap as a cash flow hedge and recorded the fair value of the instruments on the balance sheet at that date, with a correspondening adjustment to comprehensive earnings (loss). Due to the nature and characteristics of the Company's designated hedging instruments, all adjustments to the fair values of such instruments will be adjusted via comprehensive earnings. The effect of adopting SFAS 133 at May 1, 2001, and the amounts recorded related to its derivative financial instruments as of and for the six month period ended October 31, 2001, were not material to the Company's consolidated financial position and did not impact the Company's consolidated results of operations or cash flows. The Company's credit facility contains financial covenants as defined in the agreement which the Company was not in compliance with at October 31, 2001, but for which it has received a waiver of compliance.

New Accounting Standards

In July 2001, the FASB issued Statement No. 141, Business Combinations, and Statement No. 142, Goodwill and Other Intangible Assets. Statement 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. Statement 141 also specifies criteria intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill, noting that any purchase price allocable to an assembled workforce may not be accounted for separately. Statement 142 will require that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of Statement 142. Statement 142 will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

The Company adopted the provisions of Statement 141 upon issuance. The Company has elected to adopt the provisions of Statement 142 in its first fiscal quarter ended July 31, 2001, as allowed by the Statement.

Statement 141 requires, upon adoption of Statement 142, that the Company evaluate its existing intangible assets and goodwill that were acquired in a prior purchase business combination, and to make any necessary reclassifications in order to conform with the new criteria in Statement 141 for recognition apart from goodwill. Effective May 1, 2001, approximately $1.2 million assigned to the value of the MCT workforce has been reclassified to goodwill. Since the Company has adopted Statement 142, the Company has reassessed, as of May 1, 2001 the useful lives and residual values of all intangible assets acquired in purchase business combinations, and did not make any amortization period or carrying value adjustments. In addition, to the extent an intangible asset is identified as having an indefinite useful life, the Company is required to test the intangible asset for impairment in accordance with the provisions of Statement 142 in the first interim period. There are no indefinite life intangible assets.

In connection with the transitional goodwill impairment evaluation, Statement 142 requires the Company to perform an assessment of whether there is an indication that goodwill is impaired as of the date of adoption. To accomplish this the Company must identify its reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. The Company then has up to six months from the date of adoption to determine the fair value of each reporting unit and compare it to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the Company must perform the second step of the transitional impairment test. In the second step, the Company must compare the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of it assets (recognized and unrecognized) and liabilities in a manner similar to a purchase price allocation in accordance with Statement 141, to its carrying amount, both of which would be measured as of the date of adoption. This second step is required to be completed as soon as possible, but no later than the end of the year of adoption. Any transitional impairment loss will be recognized as the cumulative effect of a change in accounting principle in the Company's statement of earnings. The Company has completed this task and has concluded that the estimated fair value of its acquired business (MCT),which is the reporting unit as defined by Statement 142, as of May 1, 2001, exceeded its carrying amount and therefore no indication of an impairment of the goodwill on the MCT transaction existed upon the adoption of the statement.

As of May 1, 2001, the date of adoption, the Company has unamortized goodwill in the amount of $11,144,000 and unamortized identifiable intangible assets (customer list) in the amount of $5,856,000 all of which will be subject to the transition provisions of Statements 141 and 142. The customer list is being amortized over 5 years, with $1.2 million of amortization expense expected per year. Amortization expense related to goodwill (including value assigned to the workforce) was $255,000 for the year ended April 30, 2001. The Company's diluted earnings per share for fiscal 2001 would have been $0.90 per share versus $0.88 per share as previously reported, had this amortization expense not been reported. There was no goodwill amortization expense in the three and six months ended October 31, 2000 as the Company's acquisition was not consumated until March 2001. Accordingly, the adoption of this Statement does not require a proforma net income calculation for those prior three and six month periods. Although the Company evaluated the carrying value of its intangible assets and goodwill as of May 1, 2001 and concluded that such assets had not been impaired, continued economic weakness and its associated impact on capital spending coupled with the overall decline in pricing for DRAMs and its associated impact on the Company's selling prices has put pressure on the Company's worldwide operations. As such, the Company believes another impairment analysis will be required for both the intangible assets and the acquired goodwill. Such analysis is expected to be performed when the DRAM market stabilizes which management expects will be in the next several months. It is not practical to reasonably estimate the impact of the reassessment at this time.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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.

Results of Operations

In fiscal 2002's first quarter, the Company initiated a restructuring of its operations, which resulted in a workforce reduction of approximately 25%. Accordingly, in the quarter ended July 31, 2001, the Company recorded a restructuring charge of $1,200,000, which primarily related to severance payments. As of October 31, 2001, the Company had paid out approximately $662,000 of the charges with the balance expected to be paid in the Company's current fiscal year. The restructuring is expected to reduce operating expenses by approximately $4 million annually.

Revenues for the three month period ending October 31, 2001 were $19,173,000 compared to revenues of $39,866,000 for the comparable prior year period. Fiscal 2002 six month revenues totaled $41,744,000 versus six month revenues of $77,862,000 for the prior fiscal year. Revenues in this year's fiscal second quarter include $7,835,000 attributable to the operations of the Company's acquisition, which was completed in March 2001. Six month revenues attributable to the Company's acquired operations were $17,671,000. The decrease in revenues was primarily the result of decreased average selling prices for the Company's products caused by the decline in price of Dynamic Random Access Memory (DRAM) chips, the primary raw material used in the Company's products. During the quarter ended October 31, 2001, DRAM prices declined by more than 40% from the beginning of the quarter to the end of the quarter and by approximately 85% from the second quarter of last fiscal year. As a result of this decline, average selling prices for the Company's products in this year's second quarter have declined by approximately 85% from the comparable prior year period.

Cost of sales for the second quarter and six months of fiscal 2002 were 63% and 66% of revenues, respectively versus 77% for the same prior year periods. The decrease in cost of sales as a percentage of revenues is attributable to the fact that the Company's average selling prices for its products did not decline at the same rate that its primary raw material (DRAM) costs declined.

Engineering and development costs in fiscal 2002's second quarter and six months were $413,000 and $1,007,000, respectively, versus $414,000 and $786,000 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 2002's second quarter and six months increased to 27% of revenues for the quarter and six months from 10% and 11%, respectively for the same prior year periods. Three and six month total expenditures increased by $1,150,000 and $2,860,000 from the comparable prior year periods. However, on a sequential quarter basis, selling, general and administrative costs have been reduced by $846,000 primarily as a result of the previously mentioned restructuring of the Company's operations, which was initiated at the end of this fiscal year's first quarter.

Intangible asset amortization recorded in fiscal 2002's second quarter and six month was $296,000 and $593,000, respectively versus nil for the same periods in fiscal 2001 as the Company's acquisition was not consummated until March 2001.

Other income (expense), net for the second quarter and six months totaled ($143,000) and ($297,000) for fiscal 2002 and $292,000 and $522,000 for the same periods in fiscal 2001. Other income (expense), net for fiscal 2002's three and six months consisted of interest expense of $241,000 and $490,000 offset by interest income of $98,000 and $193,000. Fiscal 2001's three and six months other income (expense), net of consisted primarily of interest income on short-term investments.

Income tax expense for the three and six months ended October 31, 2001 was $899,000 and $1,304,000, respectively versus $1,877,000 and $3,645,000 in the comparable prior year periods. For the current fiscal year, income tax expense was recognized on income realized in the United States at an effective rate of 38% and no income tax benefit was recognized for losses incurred in international subsidiaries. The prior year's three and six month expense included only the Company's normal combined federal and state tax expense with an effective rate of approximately 38%.

Liquidity and Capital Resources

As of October 31, 2001, working capital amounted to $19.1 million reflecting a current ratio of 2.9 compared to working capital of $20.5 million and a current ratio of 2.5 as of April 30, 2001.

The Company's trade receivables, inventory and accounts payable balances have declined by $8,267,000, $2,553,000 and $3,541,000, respectively from the beginning of the fiscal year. This is primarily the result of the the declining revenue levels previously discussed. The Company turns its receivables and inventory at approximately the same rate regardless of its revenue level. Therefore, these assets can be expected to expand or contract in a manner that corresponds with revenue changes.

The Company' capital expenditures this fiscal year to date total $868,000. Management expects that capital expenditures for the remainder of the fiscal year to be at similar levels.

During the second fiscal quarter, the Company purchased and retired 91,250 shares of its common stock at a total price of $599,000 under its existing open market repurchase authorization. As of October 31, 2001, the total number of shares remaining available for purchase under the current authorization is 203,450 shares.

During fiscal 2001, the Company entered into a credit facility with its bank which provided for a $10 million term loan and a $15 million revolving credit line. The Company's prior $12 million revolving credit facility was closed. The term loan matures in March 2006 and is payable in twenty equal quarterly installments. In May 2001, the Company entered into an arrangement with its bank which fixes the interest rate of the term loan at 7.16% for the duration of the loan. The credit facility contains financial covenants as defined in the agreement which the Company was not in compliance with at October 31, 2001, but for which it has received a waiver of compliance. At October 31, 2001 the amount outstanding under the term loan was $9.0 million. At October 31, 2001 the amount available for borrowing under the revolving credit line was $15 million. Management believes that its working capital together with internally generated funds and its bank line of credit are adequate to finance the Company's long term operating needs and future capital requirements.

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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

(a) The Annual Meeting of Stockholders was held on September 12, 2001. Proxies were solicited for the meeting pursuant to Regulation 14 and there was no solicitation in opposition to management's nominees as listed in the proxy statement circulated.

(b) All nominees to the board of directors were elected.

(c) The stockholders approved the 2001 Stock Option Plan by the following vote:

FOR: 3,341,897 AGAINST: 868,289 ABSTAIN: 113,519

The stockholders ratified the selection of KPMG, LLP as independent certified public accountants of the Company for the fiscal year ending April 30, 2002.

FOR: 7,404,404 AGAINST: 44,754 ABSTAIN: 23,849

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

99 Press Release reporting results of Second Quarter, Fiscal Year 2002 (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: December 13, 2001 By: MARK E. MADDOCKS

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

DATARAM

PRESS RELEASE

Dataram Contact:	Investor Contact:
Mark Maddocks,	Joe Zappulla
Chief Financial Officer	Wall Street Investor Relations Corp.
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DATARAM REPORTS SECOND QUARTER FINANCIAL RESULTS

- o Company reports after tax earnings before depreciation and amortization of $1.5 million or $0.16 per share
- o Cash and Equivalents increase $3.1 million or 26 percent over prior quarter

PRINCETON, N.J. November 20, 2001 - Dataram Corporation (NASDAQ:DRAM) today reported its financial results for its fiscal second quarter ended October 31, 2001. Revenues for the second quarter were $19.2 million compared to $22.6 million in the prior fiscal quarter and $39.9 million for the second quarter of the previous fiscal year. The Company's net earnings before depreciation and amortization for the second quarter were $1.5 million, or $0.16 per diluted share. Consolidated net earnings increased to $160,000 or $0.02 per diluted share from a loss of $1.8 million or $0.21 in the prior quarter, which included restructuring charges of $1.2 million.

(In 000's, except per share amounts)	Second Quarter		First Quarter	Six Months	
	FY2002	FY2001	FY2002*	FY2002*	FY2001
Revenues	$19,173	$39,866	$22,570	$41,744	$77,862
Net earnings (loss) before depreciation and amortization	$1,484	$3,476	$(258)	$1,226	$6,780
Net earnings (loss)	$160	$3,051	$(1,761)	$(1,601)	$5,931
Net earnings (loss) per diluted share	$0.02	$0.31	$(0.21)	$(0.19)	$0.60
Shares outstanding (diluted)	9,291	9,944	8,524	8,502	9,916

- o Includes restructuring charges of $1.2 million

"The action we took to restructure our company has reduced operating costs by $1.1 million from the previous quarter. This is in line with our projected annual savings of $4 million," stated Robert Tarantino, Dataram's chairman and CEO. "Although we continued to experience revenue pressure, as memory prices continued to decline in the second quarter, our competitive position, supported by a 34-year reputation for reliability, allowed us to maintain our gross margin dollars."

Mr. Tarantino continued, "As part of our integration plan, Lars Marcher, president of Dataram International has also been named a Vice-President of Dataram Corporation and joins our corporate management team. Despite the economic slowdown, our management team is successfully integrating our overseas acquisition and has returned the company to profitability. We are well along in the process of rolling out our server products to our international sales team and expect this to positively impact our future operating results. Our restructuring and integration plans have produced an effective operation that is well positioned to exploit the inevitable economic turnaround."

The Company's free cash flow significantly exceeds its net earnings. The Company's non-cash depreciation and amortization charges through the first six months of this fiscal year totaled approximately $2.8 million versus capital expenditures of approximately $0.7 million. These levels of non-cash charges and capital expenditures and their impact on free cash flow are representative of expected future levels for at least the remainder of this fiscal year and next fiscal year.

Dataram's chief financial officer, Mark Maddocks, added, "The continuing weakness in demand over the last few quarters has triggered changes in both our operating and competitive strategies. Our new cost structure positions the company to operate and grow profitably today while providing us with the operating leverage to significantly increase our profits as market conditions improve." Mr. Maddocks continued, "Our cash position continues to grow with cash and cash equivalents increasing to $15.0 million during the second quarter from $11.9 million at the end of the prior quarter. During the second quarter, the company purchased 91,250 shares of its common stock at a total price of $599,000 under its existing open market repurchase authorization. We anticipate that we will continue to participate in the market for our shares. While our confidence in Dataram's future is certain, the sustained lack of market visibility makes providing earnings guidance difficult at this time. When economic and industry related developments provide us with more reliable insight, we will provide guidance at that time."

Dataram will conduct a conference call at 4:15 p.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 800-416-4607 and providing the following reservation number: 19996727. 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, celebrating its 34th year in the computer industry, is a leading provider of server, workstation, desktop, notebook and flash memory. The Company offers a specialized line of gigabyte-class memory for entry- to enterprise-level servers and workstations from Compaq, HP, IBM, Intel, SGI and Sun as well as desktop, notebook and flash memory for Acer, Apple, IBM, Dell, Compaq, Fujitsu/Siemens, and Toshiba products. Additional information is available on the Internet at www.dataram.com.

Financial Tables Follow

DATARAM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended 10/31/2001	Three Months Ended 10/31/2000	Six Months Ended 10/31/2001	Six Months Ended 10/31/2000
Revenues	$ 19,173	$ 39,866	$ 41,744	$ 77,862
Costs and expenses:				
Cost of sales	12,052	30,755	27,677	59,616
Engineering and development	413	415	1,007	786
Selling, general and administrative	5,210	4,060	11,266	8,406
Intangible asset amortization	296	0	593	0
Restructuring charges	0	0	1,200	0
	17,971	35,230	41,744	68,808
Earnings from operations	1,202	4,636	0	9,054
Interest income (expense), net	(143)	292	(297)	522
Earnings (loss) before income taxes	1,059	4,928	(297)	9,576
Income taxes	899	1,877	1,304	3,645

Net earnings (loss)	$ 160	$ 3,051	$ (1,601)	$ 5,931
Net earnings (loss) per share:				
Basic	$ .02	$ .36	$ (.19)	$ .70
Diluted	$ .02	$ .31	$ (.19)	$ .60
Average number of shares outstanding:				
Basic	8,480	8,559	8,502	8,493
Diluted	9,291	9,944	8,502	9,916

DATARAM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	(Unaudited) October 31, 2001	April 30, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,006	$ 10,236
Trade receivables, net	9,372	17,641
Inventories	3,371	5,925
Other current assets	1,388	888
Total current assets	29,137	34,690
Property and equipment, net	11,425	13,226
Goodwill and intangible assets, net	16,407	17,000
Other assets	409	365
	$ 57,378	$ 65,281
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 2,000	$ 2,000
Current portion of capital lease obligations	1,018	978
Accounts payable	3,678	7,219
Accrued liabilities	2,875	3,960
Income taxes payable	453	0
Total current liabilities	10,024	14,157
Deferred income taxes	948	948
Long-term debt	7,000	8,000
Long-term capital lease obligations	3,687	4,133
Stockholders' equity	35,719	38,043
	$ 57,378	$ 65,281

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, 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.