

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 16, 2005

DATARAM CORPORATION

(Exact name of registrant as specified in charter)

New Jersey 1-8266 22-1831409

(State or other juris- (Commission (IRS Employer
diction of incorporation) File Number) Identification No.)

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

(Address of principal executive offices) (Zip Code)

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

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 - Financial Information

Item 2.02. Results of Operations and Financial Condition.

On August 16, 2005 Dataram Corporation announced the results of operations for the first fiscal quarter. A copy of this public announcement is furnished as an exhibit. An associated dial-in conference call will occur on the date of the announcement's release, which was itself publicly announced on August 9, 2005, and will be broadly accessible to the public. Further information about the Company is available at <http://www.dataram.com>.

The information provided that press in this report and in that conference call may include forward-looking statements relating to future events, such as the development of new products, the pricing and availability of raw materials, 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, order cancellations, 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> and at <http://www.dataram.com>.

Section 8 - Other Events.

Item 8.01. Other Events.

The Company announced on August 16, 2005 a \$0.05 cash dividend has been declared by the Company's board of directors which is payable on September 14, 2005 to shareholders of record as of August 31, 2005. See Exhibit 99.1.

Section 9 - Financial Statements and Exhibits.

Item 9.01. Exhibits.

99.1 Press Release dated August 16, 2005 announcing first quarter results of operations and a cash dividend. (Furnished not filed)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATARAM CORPORATION

By: MARK MADDOCKS

Date: August 16, 2005

Mark Maddocks, Vice President-Finance
and Chief Financial Officer

DATARAM Dataram Contact: Investor Contact:
 Mark Maddocks, Joe Zappulla
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DATARAM REPORTS FIRST QUARTER FISCAL 2006
 FINANCIAL RESULTS

Pretax Earnings Grow 38% Sequentially and
 19% Over Comparable Prior Year Quarter
 Board of Directors Declares Regular Quarterly \$0.05 Per Share Dividend

PRINCETON, N.J. August 16, 2005 -- Dataram Corporation (NASDAQ: DRAM) today reported its financial results for its fiscal first quarter ended July 31, 2005. Earnings before income taxes were \$1,489,000 compared to \$1,248,000 for the first quarter of last year and \$1,080,000 for the prior sequential quarter, an increase of 19% and 38%, respectively. Net earnings for the quarter were \$931,000 or \$0.11 per diluted share. This compares to net earnings of \$1.2 million or \$0.13 per diluted share for the comparable prior year period and \$3.9 million or \$0.44 per diluted share in last year's fourth quarter. Earnings in the first quarter of last fiscal year were taxed at an effective rate of 6.5%. Also, fiscal fourth quarter net earnings included a one-time tax benefit of approximately \$2.8 million. The Company's effective tax rate for financial reporting purposes in fiscal 2006 is approximately 37.5%. However, the Company has net operating loss (NOL) carryforwards totaling approximately \$10.8 million and the Company will continue to make cash payments for income taxes at an approximate rate of 6.5% of pretax earnings until it utilizes all of its NOL carryforwards.

Utilizing the Company's current effective tax rate of 37.5%, comparable diluted earnings per share were \$0.08 for both the first and fourth fiscal quarters of last year. A reconciliation of GAAP to comparable net earnings and comparable diluted earnings per share for the first and fourth quarter of last fiscal year is presented in the following table:

(In 000's, except per share amounts)	First Quarter	Fourth Quarter	
	FY 2006	FY 2005	FY 2005
Earnings before income taxes	\$ 1,489	\$ 1,248	\$ 1,080
Income tax expense (benefit) as reported	\$ 558	\$ 81	\$(2,795)
Adjustment to income tax			
expense (benefit) (1)	\$ 0	\$ 387	\$ 3,200
Comparable income tax expense (1)	\$ 558	\$ 468	\$ 405
Comparable net earnings (1)	\$ 931	\$ 780	\$ 675
Comparable diluted EPS (1)	\$ 0.11	\$ 0.08	\$ 0.08

(1) Assumes comparable effective tax rate of 37.5%.

Revenues for the quarter were \$13.9 million, which compares to \$15.8 million for the first quarter of the prior fiscal year and \$15.1 million for the fourth quarter of fiscal 2005. Revenues in the first quarter of fiscal 2006 were impacted by lower average selling prices resulting from a decline in the price of DRAM chips, the primary raw material used in the Company's products. Average selling price per gigabyte shipped declined by approximately 13 percent from fourth quarter of last fiscal year. However, volume measured in gigabytes shipped increased by approximately 7 percent. The Company routinely adjusts its selling prices to reflect changes in its raw material costs. As we enter the second quarter, the price of chips has increased from first quarter levels.

Gross margins during the first quarter were 30 percent compared to the fourth quarter level of 28 percent and 26 percent for the first quarter of the previous fiscal year. This quarter's margins were higher than the Company's historical norm and reflect a higher than normal shipment rate of larger capacity memory, which typically command higher margins. The Company

considers 25% gross margins with quarterly fluctuations of as much as 3% to be normal. The Company's backlog at the end of the first quarter was \$1.5 million compared to \$3.7 million at April 30, 2005.

During the first quarter, the Company repurchased 51,450 shares of its common stock at a total price of approximately \$230,000 and paid approximately \$420,000 in cash dividends. Nevertheless, the Company's cash and cash equivalents increased to \$10.5 million from \$9.3 million at the end of last fiscal year. As of July 31, 2005, there were 8,412,671 common shares outstanding.

"Our earnings in the first quarter were in line with our expectations," said Robert V. Tarantino, Dataram's chairman and CEO. "Today, the Company's board of directors approved a \$0.05 per share regular quarterly dividend. The dividend will be payable on September 14, 2005, to shareholders of record as of August 31, 2005."

As announced in a press release dated August 9, 2005, Dataram will conduct a conference call today at 4:30 p.m. (EDT) to present its first quarter financial results and to respond to investor questions. Interested shareholders may participate in the call by dialing 888-391-0067 providing the following reservation number: 21257607. 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 or 402-977-9140 and entering the reservation number listed above.

USE OF NON-GAAP MEASURES

Management believes that "comparable" net earnings and "comparable" diluted earnings per share, which are non-GAAP measurements, are meaningful to investors because they provide a view of the Company with respect to ongoing operating results. These results exclude significant charges or credits which are important to an understanding of the Company's overall operating results in the period presented. Such non-GAAP measurements are not recognized in accordance with generally accepted accounting principles (GAAP) and should not be viewed as an alternative to GAAP measures of performance. A reconciliation of GAAP measurements to non-GAAP has been presented in this press release.

ABOUT DATARAM CORPORATION

Dataram is a worldwide leader in the design and manufacture of high capacity, reliable and innovative memory solutions. With over 38 years of experience, Dataram provides customized memory solutions for OEMs and compatible memory for leading brands including HP, Dell, IBM, SGI, Sun Microsystems and Intel. For more information about Dataram, visit www.dataram.com

The information provided in this press release may include forward-looking statements relating to future events, such as the development of new products, pricing and availability of raw materials 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, order cancellations, 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>.

***** Financial Tables Follow *****

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

First Quarter Ended
July 31,

2005 2004

Revenues	\$ 13,944	\$ 15,791
Costs and expenses:		
Cost of sales	9,746	11,741
Engineering and development	266	319
Selling, general and administrative	2,493	2,548
	<u>12,505</u>	<u>14,608</u>
Earnings from operations	1,439	1,183
Other income	50	65
	<u>1,489</u>	<u>1,248</u>
Earnings before income taxes	1,489	1,248
Income tax provision	558	81
	<u>931</u>	<u>1,167</u>
Net earnings	<u>\$ 931</u>	<u>\$ 1,167</u>
Net earnings per share:		
Basic	<u>\$ 0.11</u>	<u>\$ 0.14</u>
Diluted	<u>\$ 0.11</u>	<u>\$ 0.13</u>
Average number of shares outstanding:		
Basic	<u>8,381</u>	<u>8,562</u>
Diluted	<u>8,755</u>	<u>9,303</u>

DATARAM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

July 31, 2005 April 30, 2005

ASSETS

Current assets

Cash and cash equivalents	\$ 10,458	\$ 9,281
Trade receivables, net	6,879	8,397
Inventories	2,303	2,369
Deferred income taxes	3,259	3,258
Other current assets	372	130
Total current assets	<u>23,271</u>	<u>23,435</u>
Deferred income taxes (non-current)	188	630
Property and equipment, net	1,934	2,028
Other assets	60	54
Total assets	<u>\$ 25,453</u>	<u>\$ 26,147</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable	\$ 1,630	\$ 2,528
Accrued liabilities	1,104	1,438
Total current liabilities	<u>2,734</u>	<u>3,966</u>

Stockholders' equity	22,719	22,181
	<u> </u>	<u> </u>
Total liabilities and stockholders' equity \$	25,453	\$ 26,147
	<u> </u>	<u> </u>