UNITED STATES
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 January 31, 2006

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)

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

____
(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. [X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definitions of "accelerated filer and large accelerated filer" in Rule 12b of the Exchange Act. (Check One):

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). [ ] Yes [X] No

As of March 2, 2006, there were 8,481,396 shares outstanding of the Company's Common Stock, $1.00 par value.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Dataram Corporation and Subsidiaries
Consolidated Balance Sheets
January 31, 2006 and April 30, 2005
(Unaudited)

	January 31, 2006	April 30, 2005
Assets		
Current assets:		
Cash and cash equivalents	$ 14,979,088	$ 9,281,520
Trade receivables, less allowance for doubtful accounts and sales returns of $300,000 in 2006 and $325,000 in 2005	4,171,068	8,396,757
Inventories	1,873,695	2,368,733
Note receivable	1,537,500	0
Deferred income taxes	1,461,865	3,257,865
Other current assets	147,770	130,212
Total current assets	24,170,986	23,435,087
Deferred income taxes	1,130,000	630,000
Property and equipment, at cost:		
Land (held for sale)	0	875,000
Machinery and equipment	12,430,422	12,205,586
	12,430,422	13,080,586
Less: accumulated depreciation and amortization	11,665,599	11,052,145
Net property and equipment	764,823	2,028,441
Other assets	104,988	53,815
	$ 26,170,797	$ 26,147,343
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,421,648	$ 2,527,594
Accrued liabilities	833,240	1,438,101
Total current liabilities	2,254,888	3,965,695
Stockholders' equity:		
Common stock, par value $1.00 per share. Authorized 54,000,000 shares; issued and outstanding 8,475,396 at January 31, 2006 and 8,361,500 at April 30, 2005	8,475,396	8,361,500
Additional paid-in capital	4,881,832	4,566,188
Retained earnings	10,558,681	9,253,960
Total stockholders' equity	23,915,909	22,181,648
	$ 26,170,797	$ 26,147,343

See accompanying notes to consolidated financial statements.

<TABLE>

Dataram Corporation and Subsidiaries
Consolidated Statements of Earnings
Three and Nine Months Ended January 31, 2006 and 2005

(Unaudited)

	2006		2005	
	Three Months	Nine Months	Three Months	Nine Months
<S>	<C>	<C>	<C>	<C>
Revenues	$ 9,219,857	$ 33,021,732	$ 14,430,691	$ 50,544,253
Costs and expenses:				
Cost of sales	6,520,192	23,152,178	11,420,244	38,977,019
Engineering and development	287,076	846,499	316,501	947,320

Selling, general and administrative	2,175,125	6,950,143	2,636,465	7,759,657
	8,982,393	30,948,820	14,373,210	47,683,996
Earnings from operations	237,464	2,072,912	57,481	2,860,257
Interest income	140,576	278,939	18,404	52,113
Currency gain (loss)	(25,587)	(70,856)	55,938	49,411
Other income	1,915,473	2,041,473	25,000	75,000
Total other income	2,030,462	2,249,556	99,342	176,524
Earnings before income taxes	2,267,926	4,322,468	156,823	3,036,781
Income tax provision	863,000	1,634,000	10,000	197,000
Net earnings	$ 1,404,926	$ 2,688,468	$ 146,823	$ 2,839,781
Net earnings per share of common stock:				
Basic	$ .17	$ .32	$ .02	$ .33
Diluted	$ .16	$ .30	$ .02	$ .31
Dividends per common share	$ .05	$ .15	$ .00	$ .00

See accompanying notes to consolidated financial statements.
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Dataram Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Nine Months Ended January 31, 2006 and 2005
(Unaudited)

	2006	2005
Cash flows from operating activities:		
Net earnings	$ 2,688,468	$ 2,839,781
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	630,000	937,000
Bad debt expense (recovery)	(86,634)	14,692
Gain on sale of land	(1,915,473)	0
Deferred income tax expense	1,296,000	0
Changes in assets and liabilities:		
Decrease in trade receivables	4,312,323	905,210
Decrease (increase) in inventories	495,038	(42,439)
Increase in other current assets	(17,558)	(88,225)
Increase in other assets	(51,173)	(3,804)
Decrease in accounts payable	(1,105,946)	(2,163,152)
Decrease in accrued liabilities	(604,861)	(1,040,405)
Net cash provided by operating activities	5,640,184	1,358,658
Cash flows from investing activities:		
Additions to property and equipment	(241,382)	(337,857)
Proceeds from sales of property and equipment	1,252,973	12,841
Net cash provided by (used in) investing activities	1,011,591	(325,016)

Cash flows from financing activities:		
Proceeds from sale of common shares under stock option plan(including tax benefits)	539,865	382,698
Purchase and subsequent cancellation of common stock	(229,859)	0
Dividends paid	(1,264,213)	0
Net cash provided by (used in) financing activities	(954,207)	382,698
Net increase in cash and cash equivalents	5,697,568	1,416,340
Cash and cash equivalents at beginning of period	9,281,520	6,805,957
Cash and cash equivalents at end of period	$14,979,088	$ 8,222,297
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 20,455	$ 15,030
Income taxes	$ 263,000	$ 416,087

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
January 31, 2006 and 2005
(Unaudited)

(1) Basis of Presentation

The information for the three and nine months ended January 31, 2006 and 2005, 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 conjunction with the audited financial statements for the year ended April 30, 2005 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

(2) Summary of Significant Accounting Policies

Net Earnings Per Share

Net earnings per share is presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share". Basic net earnings per share is computed by dividing the net earnings by the weighted average number of shares of common stock issued and outstanding during the period. For purposes of calculating diluted net earnings per share for the three and nine months ended January 31, 2006 and January 31, 2005, the denominator includes both the weighted average number of shares of common stock issued and outstanding and also includes the dilutive effect of stock options outstanding (using the treasury stock method).

The following presents a reconciliation of the numerator and denominator used in computing Basic and Diluted net earnings per share for the three and nine month periods for fiscal 2006 and 2005.

	Three Months ended January 31, 2006		
	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted			

	Earnings (numerator)	Shares (denominator)	Per share amount
average common shares outstanding	$1,404,926	8,472,054	$ .17
Effect of dilutive securities - -stock options	-	358,642	.01
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$1,404,926	8,830,696	$ .16

Three Months ended January 31, 2005

	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$ 146,823	8,621,415	$ .02
Effect of dilutive securities - -stock options	-	554,656	-
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$ 146,823	9,176,071	$ .02

Diluted net earnings per share does not include the effect of options to purchase 572,900 shares of common stock for the three months ended January 31, 2006 because they are anti-dilutive.

Diluted net earnings per share does not include the effect of options to purchase 444,700 shares of common stock for the three months ended January 31, 2005 because they are anti-dilutive.

Nine Months ended January 31, 2006

	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$2,688,468	8,431,481	$ .32
Effect of dilutive securities - -stock options	-	393,580	.02
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$2,688,468	8,825,061	$ .30

Nine Months ended January 31, 2005

	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$2,839,781	8,594,292	$ .33

Effect of dilutive securities - -stock options	-	629,024	.02
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$2,839,781	9,223,316	$ .31

Diluted net earnings per share does not include the effect of options to purchase 572,900 shares of common stock for the nine months ended January 31, 2006 because they are anti-dilutive.

Diluted net earnings per share does not include the effect of options to purchase 366,037 shares of common stock for the nine months ended January 31, 2005 because they are anti-dilutive.

Dividends

On May 31, 2005 the Company's Board of Directors approved the initiation of a common stock quarterly cash dividend program. Cash dividends paid in the three and nine months ended January 31, 2006 were $423,557 and $1,264,213, respectively. No cash dividends were paid during the three and nine months ended January 31, 2005. Each of the cash dividends paid in the current fiscal year were paid at the rate of $0.05 per share. On February 27, 2006, the Board of Directors declared another $0.06 per share cash dividend, payable on March 22, 2006 to shareholders of record as of March 9, 2006.

Common Stock Repurchases

During the three months ended July 31, 2005 the Company repurchased 51,450 shares of common stock at a cost of $229,859 and zero shares were repurchased in the subsequent six months period ended January 31, 2006. Shares were purchased pursuant to a repurchase authorization announced on December 4, 2002 pursuant to which the Company was authorized to repurchase a total of 500,000 shares of its common stock. As of January 31, 2006, 172,196 shares remain available for repurchase under the plan. This repurchase program does not have an expiration date.

Stock-Based Compensation

As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation", the Company accounts for stock-based compensation arrangements in accordance with provisions of Accounting Principles Board (APB) Opinion No. 25 "Accounting for Stock Issued to Employees" and related interpretations. Compensation expense for stock options issued to employees is based on the difference on the date of grant, between the fair value of the Company's stock and the exercise price of the option. No stock-based employee compensation cost is reflected in net earnings, as all options granted under those plans had exercise prices equal to the market value of the underlying common stock at the date of grant.

The following table illustrates the pro forma effect on net earnings and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based compensation:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2006	2005	2006	2005
Net earnings as reported	$1,404,926	$146,823	$2,688,468	$2,839,781
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(129,555)	(201,877)	(443,546)	(552,843)

Pro forma net earnings (loss)	$ 1,275,371	$(55,054)	$2,244,922	$2,286,938

Earnings (loss) per share:

Basic - as reported	$ 0.17	$ 0.02	$ 0.32	$ 0.33
Basic - pro forma	$ 0.15	$ (0.01)	$ 0.27	$ 0.27
Diluted - as reported	$ 0.16	$ 0.02	$ 0.30	$ 0.31
Diluted - pro forma	$ 0.14	$ (0.01)	$ 0.25	$ 0.25

Cash and cash equivalents

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

(3) 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, 2006 and April 30, 2005 consist of the following categories:

	January 31, 2006	April 30, 2005
Raw material	$ 1,145,000	$ 1,136,000
Work in process	160,000	77,000
Finished goods	569,000	1,156,000
	$ 1,874,000	$ 2,369,000

(4) Note receivable/Other income

On July 29, 2002, the Company entered into an agreement to sell its undeveloped land for a price of $3,000,000. The agreement was amended on October 20, 2004. The amendment extended the term of the agreement to September 29, 2005. The agreement was further amended on September 29, 2005. The amendment extended the term of the agreement to March 29, 2006 and the purchase price was amended to $3,150,000. The increase in purchase price was subject to pro rata reduction if a closing occurred prior to March 29, 2006. On December 29, 2005, this sale closed. The purchase price was $3,075,000 of which half, or $1,537,500 was paid in the form of a one-year mortgage which accrues interest at 5% per annum. Of the remainder, $250,000 had been previously paid as deposits and $1,287,500 was received at closing in cash. Prior to the closing, the land had been carried at cost on the Company's balance sheet at a value of $875,000 and was shown as an asset held for sale.

(5)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 network servers and workstations which are manufactured by various companies. Revenues for the three and nine month periods ended January 31, 2006 and 2005 by geographic region is as follows:

	Three months ended January 31, 2006	Nine months ended January 31, 2006
United States	$ 5,825,000	$ 23,152,000
Europe	2,042,000	6,813,000
Other (principally Asia Pacific Region)	1,353,000	3,057,000
Consolidated	$ 9,220,000	$ 33,022,000

Three months ended Nine months ended

	January 31, 2005	January 31, 2005
United States	$ 10,906,000	$ 39,520,000
Europe	2,158,000	6,820,000
Other (principally Asia Pacific Region)	1,367,000	4,204,000
Consolidated	$ 14,431,000	$ 50,544,000

Long-lived assets (which consist of property and equipment) and total assets by geographic region as of January 31, 2006 is as follows:

	January 31, 2006 Long-lived assets	Total assets
United States	$ 871,000	$ 25,880,000
Europe	0	270,000
Other	0	21,000
Consolidated	$ 871,000	$ 26,171,000

(6) Significant New Accounting Pronouncements

In December, 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123 (revised 2004), "Share-Based Payment" (SFAS 123R). SFAS 123R addresses the accounting for transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. SFAS 123R supersedes APB No. 25 and requires that such transactions be accounted for using a fair-value based method. SFAS 123R requires companies to recognize an expense for compensation cost related to share-based payment arrangements, including stock options and employee stock purchase plans. The Company is required to implement the proposed standard no later than May 1, 2006. The Company is currently evaluating option valuation methodologies and assumptions related to its stock compensation plans.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs, an amendment of Accounting Research Bulletin (ARB) No. 43, Chapter 4". SFAS 151, amends ARB 43, Chapter 4, to clarify that abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage) should be recognized as current-period charges. In addition, this statement requires that allocation of fixed production overheads to the cost of conversion be based on the normal capacity of the production facilities. The provisions of this statement are effective for the Company beginning May 1, 2006. The Company does not believe that this statement will have a material effect on the Company's consolidated financial statements.

(7) Concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents and trade receivables. 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. In regard to trade receivables, the Company performs ongoing evaluations of its customers' financial condition, as well as general economic conditions and, generally, requires no collateral from its customers.

(8) 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. 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.

Executive Overview

Dataram Corporation is a developer, manufacturer and marketer of large capacity memory products primarily used in high performance network servers and workstations. The Company provides customized memory solutions for original equipment manufacturers (OEMs) and compatible memory for leading brands including Dell, Hewlett-Packard, IBM, Silicon Graphics and Sun Microsystems. The Company also manufactures a line of memory products for AMD and Intel motherboard-based servers for sale to OEMs and channel assemblers.

The Company's memory products are sold worldwide to OEMs, distributors, value-added resellers and end users. The Company has a manufacturing facility in the United States with sales offices in the United States, Europe and Japan.

The Company is an independent memory manufacturer specializing in high capacity memory and competes with several other large independent memory manufacturers as well as the OEMs mentioned above. The primary raw material used in producing memory boards is dynamic random access memory (DRAM) chips. The purchase cost of DRAM chips typically represents approximately 75% of the total cost of a finished memory board. Consequently, average selling prices for computer memory boards are significantly dependent on the pricing and availability of DRAM chips.

Liquidity and Capital Resources

The Company's cash and working capital position remain strong. As of January 31, 2006, cash and equivalents amounted to $15.0 million and working capital amounted to $21.9 million, reflecting a current ratio of 10.7, compared to cash and equivalents of $9.3 million and working capital of $19.5 million and a current ratio of 5.9 as of April 30, 2005.

During the first nine months of fiscal year 2006, net cash provided by operating activities totaled approximately $6.0 million. Net earnings in the first nine months of fiscal 2006 was approximately $2.7 million and depreciation expense was $630,000. Trade receivables also decreased by approximately $4.3 million from year-end levels, primarily resulting from reduced quarterly revenues. A deferred income tax provision of $1.3 million also contributed to the cash provided by operating activities. This is a result of the Company's first nine months federal income tax expense being offset by federal net operating loss (NOL) carry-forwards. The cash provided by these sources was partially offset by a decline in accounts payable and accrued liabilities of approximately $1.7 million primarily as result of a reduction in raw material related purchases.

Net cash provided by investing activities of approximately $634,000 for the nine months ended January 31, 2006, consists of the sale of the Company's undeveloped land which had been recorded on the Company's balance sheet at cost, or $875,000, offset by capital expenditures substantially related to the acquisition of production testing equipment of $241,000.

Net cash used in financing activities of approximately $954,000 for the nine months ended January 31, 2006, consists of approximately $1.3 million cash dividend payments and open market purchases of the Company's common stock totaling approximately $230,000, offset by approximately $540,000 of cash received from stock option exercises.

On June 21, 2004, the Company entered into a credit facility with a bank, which provides for up to a $5 million revolving credit line. Advances under the facility are limited to 75% of eligible receivables, as defined in the agreement. The agreement provides for LIBOR rate loans and base rate loans at an interest rate no higher than the bank's base commercial lending rate. The Company is required to pay a commitment fee equal to one eighth of one percent per annum on the unused commitment. The agreement contains certain restrictive covenants, specifically a trailing twelve month profitability requirement, a current asset to current liabilities ratio, a total liabilities to tangible net worth ratio and certain other covenants, as defined in the agreement. The agreement was amended on April 4, 2005. The effect of the amendment was to increase the limit of the Company's combined open market stock repurchases and dividend payments to $2.5 million per year from $1.0 million per year without prior waiver. The Company is in compliance with all covenants of the agreement and there have been no borrowings against the credit line through January 31, 2006. The agreement expires on June 21, 2006. The Company intends to renew the agreement prior to the expiration date.

Management believes that the Company's cash flows generated from operations will be sufficient to meet short term liquidity needs as the Company does not expect any unforeseen demands beyond general operating requirements for cash. Management further believes that its working capital together with internally generated funds from its operations and its bank line of credit are adequate to finance the Company's long term operating needs and future capital requirements.

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) as of April 30, 2005 are as follows:

Year ending April 30:	Operating leases
2006	$ 465,000
2007	48,000
2008 and thereafter	0
Total minimum lease payments	$ 513,000

On January 11, 2006 the Company entered into a new lease of its existing manufacturing and office space in Ivyland, Pennsylvania. The landlord is G.S. Developers, which is unaffiliated with the Company, the Company's officers and the Company's directors. This lease is for a five-year term commencing February 1, 2006.

On January 13, 2006 the Company entered into an Addendum to a lease of its existing office space in West Windsor, New Jersey dated September 19, 2000. The landlord is WPD, L.L.C., which is unaffiliated with the Company, the Company's officers and the Company's directors. This Addendum renews the Company's lease for a five-year term commencing July 1, 2006 for a reduced area (15,200 sq. ft. versus 24,050 sq. ft.) and was entered into in lieu of exercising an existing option for the entire space.

Additional future minimum lease payments under these noncancellable operating leases as of January 31, 2006 are as follows:

Year ending April 30:	Operating leases
2006	$ 52,000
2007	354,000
2008	389,000
2009	397,000

2010	404,000
Thereafter	394,000
Total minimum lease payments	$ 1,990,000

The Company has no other material commitments.

On July 29, 2002, the Company entered into an agreement to sell its undeveloped land for a price of $3.0 million. The agreement was amended on October 20, 2004. The amendment extended the term of the agreement to September 29, 2005. The agreement was further amended on September 29, 2005. The amendment extended the term of the agreement to March 29, 2006 and the purchase price was amended to $3.15 million. The increase in purchase price was subject to pro rata reduction if a closing occurred prior to March 29, 2006. On December 29, 2005, this sale closed. The purchase price was $3.075 million of which half, or $1.538 million, was paid in the form of a one-year mortgage which accrues interest at 5% per annum. Of the remainder, $250,000 had been previously paid as deposits and $1.288 million was received at closing in cash. Prior to the closing, the land had been carried at cost on the Company's balance sheet at a value of $875,000 and was shown as an asset held for sale.

On December 4, 2002, the Company announced an open market repurchase plan providing for the repurchase of up to 500,000 shares of the Company's common stock. As of January 31, 2006, the total number of remaining shares authorized for purchase under the program is 172,196 shares. The Company purchased 51,450 shares during the first quarter of fiscal 2006 at a total cost of approximately $230,000. There were no shares purchased during the second and third quarter of fiscal 2006.

Results of Operations

Revenues for the three month period ended January 31, 2006 were $9,220,000 compared to revenues of $14,431,000 for the comparable prior year period. Fiscal 2006 nine month revenues totaled $33,022,000 versus nine month revenues of $50,544,000 in the prior year. The decrease in revenues is primarily attributable to a decrease in shipments to one OEM customer. Last year's fiscal third quarter and nine months included $4,061,000 and $18,156,000, respectively, of revenues from shipments to that customer compared to $13,000 and $3,050,000 for the comparable current year periods. Additionally, primarily as a result of declining DRAM prices, the Company's selling prices in fiscal 2006's third quarter and nine months decreased by approximately 21% and 17%, respectively, from the comparable prior year periods.

Revenues for the three and nine month periods ended January 31, 2006 and 2005 by geographic region were:

	Three months ended January 31, 2006	Nine months ended January 31, 2006
United States	$ 5,825,000	$ 23,152,000
Europe	2,042,000	6,813,000
Other (prinicipally Asia Pacific Region)	1,353,000	3,057,000
Consolidated	$ 9,220,000	$ 33,022,000

	Three months ended January 31, 2005	Nine months ended January 31, 2005
United States	$ 10,906,000	$ 39,520,000
Europe	2,158,000	6,820,000
Other (prinicipally Asia Pacific Region)	1,367,000	4,204,000
Consolidated	$ 14,431,000	$ 50,544,000

Cost of sales for the third quarter and nine months were 71% and 70% of revenues, respectively, versus 79% and 77% for the same prior year periods. Gross margins have been higher than the Company's historical norm of 25% and reflect a higher than normal shipment percentage of larger capacity memory. Large capacity memory usually commands higher gross margins. Also, management expects that cost of sales as a percentage of revenue will generally be approximately 75%, which is in line with its historical norm. Fluctuations either up or down of 3% or less in any given quarter are not unusual and can result from many factors, some of which are a rapid change in the price of DRAMs, or a change in product mix possibly resulting from a large order or series of orders for a particular product or a change in customer mix.

Engineering and development costs in fiscal 2006's third quarter and nine months were $287,000 and $846,000, respectively, versus $317,000 and $947,000 for the same prior year periods. The Company intends to maintain its commitment to the timely introduction of new memory products as new computers are introduced.

Selling, general and administrative costs in fiscal 2006's third quarter and nine months decreased by $461,000 and $810,000 from the comparable prior year periods. Of these amounts, reduced depreciation and amortization expense account for $69,000 and $207,000, respectively of the three and nine month expense reductions. The balance and majority of the total expense reduction is primarily the result of decreased salary and employee related cost due to employee attrition.

Other income (expense), for the third quarter and nine months of fiscal 2006 totaled $2,030,000 and $2,250,000, respectively, compared to $99,000 and $177,000 for the comparable periods in fiscal 2005. Other income in fiscal 2006's third quarter consisted primarily of $1,915,000 related to the sale of the Company's land, and interest income net of interest expense of $141,000. Other income in fiscal 2005's third quarter consisted primarily of foreign currency gains of $56,000 and a $25,000 scheduled non-refundable payments related to the sale of the Company's land. Other income in fiscal 2006's nine months consisted primarily of the aforementioned gain on sale of the land as well as an additional $125,000 of scheduled non-refundable payments related to the land sale received in the first half of the fiscal year. Current year nine month interest income net of interest expense is $279,000. Prior year nine month other income consisted primarily of foreign currency gains of $49,000, $52,000 of net interest income and $75,000 of payments related to the land sale.

Income tax expense for the third quarter and nine months of fiscal 2006 were $863,000 and $1,634,000 respectively, verses $10,000 and $197,000 for the same prior year periods. The Company's effective tax rate for financial reporting purposes in fiscal 2006 is approximately 38%. However, the Company has federal NOL carryforwards totaling approximately $10.9 million and therefore will continue to make cash payments for income taxes at an approximate rate of 7% of pretax earnings until it utilizes all of its NOL carryforwards. During last fiscal year's third quarter and nine months the Company accrued 6.5% for state income taxes only as it had, at that time, a valuation allowance on its deferred income taxes. The Company reversed the valuation allowance in the fourth quarter of fiscal 2005.

Critical Accounting Policies

During December 2001, the Securities and Exchange Commission (SEC) published a Commission Statement in the form of Financial Reporting Release No. 60 which encouraged that all registrants discuss their most "critical accounting policies" in management's discussion and analysis of financial condition and results of operations. The SEC has defined critical accounting policies as those that are both important to the portrayal of a company's financial condition and results, and that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. While the Company's significant accounting policies are summarized in Note 1 to the consolidated financial statements included in the Company's Form 10-K for the fiscal year ended April 30, 2005, the Company believes the following accounting policies to be critical:

Revenue Recognition- Revenue is recognized when title passes upon shipment of goods to customers. The Company's revenue earning activities involve delivering or producing goods. The following criteria are met before revenue is recognized: persuasive evidence of an arrangement exists, shipment has occurred, selling price is fixed or determinable and collection is reasonably assured. The Company does experience a minimal level of sales returns and allowances for which the Company accrues a reserve at the time of sale in accordance with SFAS No. 48, "Revenue Recognition When Right of Return Exists". Estimated warranty costs are accrued by management upon product shipment based on an estimate of future warranty claims.

Income Taxes- The Company utilizes the asset and liability method of accounting for income taxes in accordance with the provisions of 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. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company considers certain tax planning strategies in its assessment as to the recoverability of its tax assets. 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.

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, including deferred tax asset valuation allowances and certain other reserves 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. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Some of the more significant estimates made by management include the allowance for doubtful accounts and sales returns, the deferred tax asset valuation allowance and other operating allowances and accruals. Actual results could differ from those estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company does not invest in market risk sensitive instruments. The Company's investments consist of overnight deposits with banks and commercial paper that matures within ninety days. The Company's rate of return on its investment portfolio changes with short-term interest rates, although such changes will not affect the value of its portfolio. The Company's objective in connection with its investment strategy is to maintain the security of its cash reserves without taking market risk with principal.

The Company purchases and sells primarily in U.S. dollars. The Company sells in foreign currency (primarily Euros) to a limited number of customers and as such incurs some foreign currency risk. At any given time, approximately 5 to 10 percent of the Company's accounts receivable are denominated in currencies other than U.S. dollars. At present, the Company does not purchase forward contracts as hedging instruments, but could do so as circumstances warrant.

Item 4. Controls and Procedures

The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(e) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There were no changes in our internal controls over financial reporting during the quarter ended January 31, 2006 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Procedings.

On February 2, 2006 the United States District Court for the District of Arizona entered an Order of Dismissal dismissing all claims against Dataram Corporation in Lemelson Medical, Education & Research Foundation v. Broadcom Corporation, CV-01-1440 PHX (HRH).

Item 1A. Risk Factors.

No changes from Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

No reportable event.

Item 3. Defaults upon Senior Securities.

No reportable event.

Item 4. Submission of Matters to Vote of Security Holders

No reportable event.

Item 5. Other Information.

During the quarter, the Issuer amended its 2001 Stock Option Plan to conform with Section 409 of the Internal Revenue Code to delete a power that it has never used to grant options at an exercise price below the fair market value of the Company's common stock on the date of grant.

Item 6. Exhibits

Exhibit No.	Description
10(a)	Addendum D to West Windsor Lease (Incorporated by reference to Exhibit 10 to a Current Report on Form 8-K filed on February 14, 2006).
10(b)	Ivyland Lease (Incorporated by reference to Exhibit 10 to a Current Report on Form 8-K filed on January 26, 2006).
10(c)	Stock Option Plan Amendment No. 1.
31(a)	Rule 13a-14(a) Certification of Robert V. Tarantino.
31(b)	Rule 13a-14(a) Certification of Mark E. Maddocks.
32(a)	Section 1350 Certification of Robert V. Tarantino (furnished not filed).
32(b)	Section 1350 Certification of Mark E. Maddocks (furnished not filed).

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

MARK E. MADDOCKS

Date: March 6, 2006 By:____________________________

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

Exhibit 10(c)

Stock Option Plan Amendment No. 1

Effective December 12, 2005, paragraph 6(a) of the Corporation's 2001 Stock Option Plan is amended in its entirety to read as follows:

(a) The Option exercise price per share or shares of Stock subject to each Option shall be determined by the Committee and stated in the Agreement; PROVIDED, HOWEVER, that, subject to paragraph (h)(iii) and/or (j) of this Section 6, if applicable, such price shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Stock at the time that the Option is granted.

Exhibit 31(a)

CERTIFICATION

I, Robert V. Tarantino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dataram Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered public accounting firm and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

ROBERT V. TARANTINO
Date: March 6, 2005 ______________________________
Robert V. Tarantino, President
and Chief Executive Officer

Exhibit 31(b)

CERTIFICATION

I, Mark E. Maddocks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dataram Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered public accounting firm and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

MARK E. MADDOCKS

Date: March 6, 2005 ______________________________

Mark E. Maddocks
Vice President, Finance and
Chief Financial Officer

Exhibit 32(a)

Section 1350 Certification
of
Robert V. Tarantino

I certify that the Quarterly Report of Dataram Corporation with which this Certification is furnished fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and that the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of Dataram Corporation.

March 6, 2005 ROBERT V. TARANTINO

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Robert V. Tarantino
President and
Chief Executive Officer

Exhibit 32(b)

Section 1350 Certification
of
Mark E. Maddocks

I certify that the Quarterly Report of Dataram Corporation with which this Certification is furnished fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and that the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of Dataram Corporation.

March 6, 2005 MARK E. MADDOCKS

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Mark E. Maddocks
Vice President, Finance and
Chief Financial Officer