

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): May 31, 2006

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 May 31, 2006 Dataram Corporation announced the results of operations for the fourth fiscal quarter and full fiscal year. 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. This dial-in conference call was publicly announced on May 24, 2006, and will be broadly accessible to the public. Further information about the Company is available at <http://www.dataram.com>.

The information provided in that press release, 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>.

Section 8 - Other Events.

Item 8.01. Other Events.

The Company announced on May 31, 2006 that a \$0.06 cash dividend has been declared by the Company's board of directors which is payable on June 28, 2006 to shareholders of record as of June 14, 2006. See Exhibit 99.

Section 9 - Financial Statements and Exhibits.

Item 9.01. Exhibits.

99. Press Release dated May 31, 2006 announcing 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: May 31, 2006

Mark Maddocks, Vice President-Finance
and Chief Financial Officer

DATARAM PRESS RELEASE

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DATARAM REPORTS 2006 FOURTH QUARTER AND FISCAL YEAR FINANCIAL RESULTS

Board of Directors Declares Regular Quarterly \$0.06 Per Share
Dividend

PRINCETON, N.J. May 31, 2006 ? Dataram Corporation (NASDAQ: DRAM) today reported its financial results for its fiscal fourth quarter and full year ended April 30, 2006. Revenues for the quarter were \$8.8 million, which compares to \$15.1 million for the fourth quarter of the prior fiscal year. Revenues for fiscal 2006 were \$41.8 million versus \$65.7 million for the prior fiscal year. Prior fiscal year fourth quarter and full year revenues included sales of approximately \$3.7 million and \$21.9 million, respectively, to one customer compared to zero and \$3.0 million for the comparable current year periods.

Net earnings for the fourth quarter were \$83,000 or \$0.01 per diluted share, compared to \$3.9 million or \$0.44 per diluted share for the fourth quarter of fiscal 2005, which included (i) an income tax benefit of approximately \$2.9 million related to a reversal of the Company's valuation allowance for its net operating loss carryforwards and (ii) \$460,000 of pretax severance charges related to staff reductions. For fiscal 2006, the Company reported net earnings of \$2.8 million or \$0.31 per diluted share, which includes a pre-tax gain of \$1.9 million from the sale of the Company's undeveloped land. This compares to prior year net earnings of \$6.7 million or \$0.74 per diluted share, which included the income tax benefit and severance charges noted above.

Gross margins during the fourth quarter and current fiscal year were approximately 28 percent and 30 percent, respectively, which compares to 28 percent and 24 percent for the comparable prior periods. The Company considers 25 percent gross margins with quarterly fluctuations of as much as 3 percent to be normal. Engineering and selling, general and administrative costs were \$2.5 million in the current quarter, down from \$3.2 million during fourth quarter of the prior fiscal year. Fiscal 2006 engineering and selling, general and administrative costs totaled \$10.3 million versus \$12.0 million in fiscal 2005.

Mark Maddocks, Dataram's vice president of finance and CFO, stated, "The Company's backlog increased to \$964,000 from \$635,000 in the third quarter of fiscal 2006. Our balance sheet remains strong with a current ratio of 8.9 and includes \$14 million or \$1.65 per share in cash and cash equivalents. As we utilize the remainder of our deferred tax assets, we will continue to make cash payments for income taxes at an approximate rate of 7 percent of pretax earnings in the upcoming fiscal year while we use an effective tax rate for financial reporting purposes of approximately 38 percent. At April 30, 2006, there were 8,487,396 common shares outstanding."

Robert V. Tarantino, Dataram's chairman and CEO commented, "Our order rate in the fourth quarter was consistent with the prior quarter as evidenced by the increase in our backlog. We recognize that our Company has significant operating leverage and that achieving top line growth is our most important priority. To that end, we have

focused our sales and marketing resources back on the underlying principals that built Dataram's compatible memory business. From a resource standpoint, we have expanded our domestic sales team, adding eight professionals. We will utilize the additional capacity to reinforce our value proposition at the end-user level. This level of customer relationship is key to facilitating the role of our value-added resellers by creating demand at the source. With this strategy and additional capacity we expect to expand our customer base of large corporate end users and value-added resellers. While we have increased our selling capacity, our overall cost structure will remain materially unchanged.?

Mr. Tarantino concluded, "Our financial condition is strong and we are highly liquid. Today, the Company's board of directors declared a quarterly dividend of \$0.06 cents per common share. The dividend will be payable on June 28, 2006, to shareholders of record as of June 14, 2006."

As announced in a press release dated May 24, 2006, Dataram will conduct a conference call today at 4:30 p.m. (EDT) to present its fourth quarter and full year financial results and to respond to investor questions. Interested shareholders may participate in the call by dialing 877-690-6769 providing the following reservation number: 21293802. 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.

ABOUT DATARAM CORPORATION

Dataram is a worldwide leader in the design and manufacture of high capacity, reliable and innovative memory solutions. With over 39 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
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share amounts)
(Unaudited)

Fourth Quarter Ended		Twelve Months Ended	
April 30,		April 30,	
2006	2005	2006	2005

Revenues	\$ 8,773	\$ 15,140	\$ 41,795	\$ 65,684
Costs and expenses:				
Cost of sales	6,306	10,839	29,458	49,816
Engineering and development	289	352	1,136	1,300
Selling general and administrative	2,244	2,894	9,194	10,653
	<u>8,839</u>	<u>14,085</u>	<u>39,788</u>	<u>61,769</u>
Earnings (loss) from operations	(66)	1,055	2,007	3,915
Other income	181	25	2,431	202
	<u>115</u>	<u>1,080</u>	<u>4,438</u>	<u>4,117</u>
Earnings before income taxes	115	1,080	4,438	4,117
Income tax provision (benefit)	32	(2,795)	1,666	(2,598)
	<u>83</u>	<u>3,875</u>	<u>2,772</u>	<u>6,715</u>
Net earnings	\$ 83	\$ 3,875	\$ 2,772	\$ 6,715
Net earnings per share:				
Basic	\$ 0.01	\$ 0.46	\$ 0.33	\$ 0.78
Diluted	\$ 0.01	\$ 0.44	\$ 0.31	\$ 0.74
Average number of shares outstanding:				
Basic	8,487	8,500	8,447	8,571
Diluted	8,838	8,877	8,821	9,112

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

April 30, 2006 April 30, 2005

ASSETS

Current assets

Cash and cash equivalents	\$ 14,044	\$ 9,281
Trade receivables, net	4,893	8,397
Inventories	2,189	2,369
Deferred income taxes	1,365	3,258
Note receivable	1,538	0
Other current assets	80	130
Total current assets	<u>24,109</u>	<u>23,435</u>
Deferred income taxes	1,176	630
Property and equipment, net	846	2,028
Other assets	105	54
Total assets	<u>\$ 26,236</u>	<u>\$ 26,147</u>

LIABILITIES AND STOCKHOLDERS EQUITY

Current liabilities

Accounts payable	\$	2,057	\$	2,528
Accrued liabilities		653		1,438

Total current liabilities		<u>2,710</u>		<u>3,966</u>
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Stockholders equity		<u>23,526</u>		<u>22,181</u>
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Total liabilities and stockholders equity	\$	<u>26,236</u>	\$	<u>26,147</u>
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