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 October 31, 2007
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 7258, 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Common Stock ($1.00 par value): As of December 7, 2007, there were 8,869,184 shares outstanding.

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Dataram Corporation and Subsidiaries
Consolidated Balance Sheets
October 31, 2007 and April 30, 2007
(Unaudited)

	October 31, 2007	April 30, 2007
Assets		
Current Assets:		
Cash and cash equivalents	$ 16,926,363	$ 14,138,223
Accounts receivable, less allowance for doubtful accounts and sales returns		

of $300,000	4,376,372	4,717,101
Inventories	1,742,775	2,121,342
Deferred income taxes	1,148,865	1,148,865
Note receivable	0	1,537,500
Other current assets	428,673	230,535
Total current assets	24,623,048	23,893,566
Deferred income taxes	707,000	1,123,000
Property and equipment, at cost:		
Machinery and equipment	10,861,537	10,885,465
Leasehold improvements	2,103,688	2,103,688
	12,965,225	12,989,153
Less: accumulated depreciation and amortization	12,372,724	12,205,354
Net property and equipment	592,501	783,799
Other assets	78,771	104,988
	$ 26,001,320	$ 25,905,353
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,318,816	$ 1,596,593
Accrued liabilities	770,652	976,533
Total current liabilities	2,089,468	2,573,126
Stockholders' Equity:		
Common stock, par value $1.00 per share. Authorized 54,000,000 shares; issued and outstanding 8,846,384 at October 31, 2007 and 8,687,755 at April 30, 2007	8,846,384	8,687,755
Additional paid-in capital	6,292,431	5,796,443
Retained earnings	8,773,037	8,848,029
Total stockholders' equity	23,911,852	23,332,227
	$ 26,001,320	$ 25,905,353

See accompanying notes to consolidated financial statements.

<TABLE>

Dataram Corporation and Subsidiaries
Consolidated Statements of Earnings
Three and Six Months Ended October 31, 2007 and 2006

(Unaudited)

	2007		2006	
	2nd Quarter	Six Months	2nd Quarter	Six Months
<S>	<C>	<C>	<C>	<C>
Revenues	$ 8,556,038	$ 17,172,925	$ 10,902,012	$ 20,207,266
Costs and expenses:				
Cost of sales	5,313,697	10,893,039	8,325,375	15,225,576
Engineering and development	285,643	587,081	319,677	626,533
Selling, general and administrative	2,285,578	4,600,247	2,382,246	4,823,354

	7,884,918	16,080,367	11,027,298	20,675,463
Earnings (loss) from operations	671,120	1,092,558	(125,286)	(468,197)
Other income				
Interest income, net	201,116	402,487	169,160	343,293
Currency gain	27,614	45,448	2,207	64,240
Other income, net	0	0	2,265,000	2,265,000
Total other income	228,730	447,935	2,436,367	2,672,533
Earnings before income taxes	899,850	1,540,493	2,311,081	2,204,336
Income tax expense	331,000	566,000	865,000	828,000
Net earnings	$ 568,850	$ 974,493	$ 1,446,081	$ 1,376,336
Net earnings per share of common stock				
Basic	$ .06	$ .11	$ .17	$ .16
Diluted	$ .06	$ .11	$ .16	$ .16
Dividends per common share	$ .06	$ .12	$ .06	$ .12

See accompanying notes to consolidated financial statements.

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Dataram Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Six Months Ended October 31, 2007 and 2006
(Unaudited)

	2007	2006
Cash flows from operating activities:		
Net earnings	$ 974,493	$ 1,376,336
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	192,000	222,000
Bad debt expense	36,125	16,905
Stock-based compensation expense	165,988	251,243
Loss on sale of property and equipment	707	0
Deferred income tax expense	416,000	646,000
Excess tax benefits from sale of common shares under stock option plan	(74,000)	(66,000)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	304,605	(706,782)
Decrease (increase) in inventories	378,567	(1,921,623)
Increase in other current assets	(198,138)	(168,715)
Decrease in other assets	26,217	0
Increase (decrease) in accounts payable	(277,777)	922,124
Decrease in accrued liabilities	(205,881)	(31,823)
Net cash provided by operating activities	1,738,906	539,665
Cash flows from investing activities:		
Payment of note receivable	1,537,500	0
Additions to property and equipment	(22,742)	(266,600)
Proceeds from sale of property and equipment	21,333	0
Net cash provided by (used in) investing activities	1,536,091	(266,600)
Cash flows from financing activities:		
Net proceeds from sale of common shares under stock option plan	488,629	203,963
Excess tax benefits from sale of common		

shares under stock option plan	74,000	66,000
Dividends paid	(1,049,486)	(1,024,139)
Net cash used in financing activities	(486,857)	(754,176)
Net increase (decrease) in cash and cash equivalents	2,788,140	(481,111)
Cash and cash equivalents at beginning of period	14,138,223	14,044,398
Cash and cash equivalents at end of period	$ 16,926,363	$ 13,563,287
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 3,194	$ 0
Income taxes	$ 114,000	$ 180,000

See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiaries
Notes to Consolidated Financial Statements
October 31, 2007 and 2006
(Unaudited)

(1) Basis of Presentation

The information for the three and six months ended October 31, 2007 and 2006, 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, 2007 included in the Company's 2007 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

(2) Summary of Significant Accounting Policies

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.

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. The calculation of diluted earnings per share for the three and six months ended October 31, 2007 and October 31, 2006 includes both the weighted average numbers of shares and 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 fiscal 2008 and 2007:

Three Months ended October 31, 2007

Earnings	Shares	Per share

	(numerator)	(denominator)	amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$ 568,850	8,824,782	$ .06
Effect of dilutive securities - -stock options	-	40,710	-
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$ 568,850	8,865,492	$ .06

	Three Months ended October 31, 2006		
	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$1,446,081	8,575,596	$ .17
Effect of dilutive securities - -stock options	-	229,125	(.01)
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$1,446,081	8,804,721	$ .16

Diluted net earnings per share does not include the effect of options to purchase 775,366 shares of common stock for the three months ended October 31, 2007 because they are anti-dilutive.

Diluted net earnings per share does not include the effect of options to purchase 543,535 shares of common stock for the three months ended October 31, 2006 because they are anti-dilutive.

	Six Months ended October 31, 2007		
	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$ 974,493	8,781,443	$ .11
Effect of dilutive securities - -stock options	-	68,943	-
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$ 974,493	8,850,386	$ .11

Six Months ended October 31, 2006

	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share - -net earnings and weighted average common shares outstanding	$1,376,336	8,533,485	$ .16
Effect of dilutive securities - -stock options	-	272,555	-
Diluted net earnings per share - -net earnings, weighted average common shares outstanding and effect of stock options	$1,376,336	8,806,040	$ .16

Diluted net earnings per share does not include the effect of options to purchase 776,996 shares of common stock for the six months ended October 31, 2007 because they are anti-dilutive.

Diluted net earnings per share does not include the effect of options to purchase 618,300 shares of common stock for the six months ended October 31, 2006 because they are anti-dilutive.

Dividends

The Company pays a dividend on its common stock, currently $0.06 per share per quarter. Cash dividends, paid in the three and six months ended October 31, 2007 were $527,399 and $1,049,486, respectively. Cash dividends paid in the three and six months ended October 31, 2006 were $514,536 and $1,024,139, respectively. On November 15, 2007, the Board of Directors declared a $0.06 per share quarterly dividend. The dividend will be payable on December 14, 2007, to shareholders of record as of November 30, 2007.

Common Stock Repurchases

On December 4, 2002 the Company's Board of Directors authorized a stock repurchase plan pursuant to which the Company was authorized to repurchase a total of 500,000 shares of its common stock. For fiscal 2008 and fiscal 2007 six months ended October 31, 2007 and 2006, the Company did not repurchase any shares of its common stock. As of October 31, 2007, 172,196 shares remain available for repurchase under the plan. This repurchase program does not have an expiration date.

Stock-Based Compensation

The Company has a 1992 incentive and non-statutory stock option plan for the purpose of permitting certain key employees to acquire equity in the Company and to promote the growth and profitability of the Company by attracting and retaining key employees. In general, the plan allowed granting of up to 2,850,000 shares, adjusted for stock splits, of the Company's common stock at an option price to be no less than the fair market value of the stock on the date such options are granted. Under option agreements granted under the plan, the holder of the option may purchase 20% of the common stock with respect to which the option has been granted on or after the first anniversary of the date of the grant and an additional 20% of such shares on or after each of the four succeeding anniversary dates. No further options may be granted under this plan.

The Company also has a 2001 incentive and non-statutory stock option plan for the purpose of permitting certain key employees to acquire equity in the Company and to promote the growth and profitability of the Company by attracting and retaining key employees. In general, the plan allows granting of up to 1,800,000 shares of the Company's common stock at an option price to be no less than the fair market value of the Company's common stock on the date such options are granted. Currently, options granted under the plan vest ratably on the annual anniversary date of the grants. Vesting periods for options currently granted under the plan range from one to five years.

The Company periodically grants nonqualified stock options to non-employee directors of the Company. These options are granted for the purpose of retaining the services of directors who are not employees of the Company and to provide additional incentive for such directors to work to further the best interests of the Company and its shareholders. The options granted to these non-employee directors are exercisable at a price representing the fair value at the date of grant, and expire either five or ten years after date of grant. Of each option, 100% are exercisable one year after the date of grant.

New shares of the Company's common stock are issued upon exercise of stock options.

Prior to May 1, 2006, as permitted under SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123"), compensation cost for stock options was recognized using the intrinsic value method described in APB No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). Effective May 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123(R), "Share-Based Payment," ("SFAS 123R") and Securities and Exchange Commission Staff Accounting Bulletin No. 107. Under SFAS 123R, the fair value of options granted is amortized over the related service period. SFAS 123R was adopted using the modified prospective transition method; therefore, prior periods have not been restated. Compensation expense recognized in the three and six months ended October 31, 2007 includes compensation cost for all share-based payments granted prior to, but not yet vested as of May 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS 123. Compensation cost for any share-based payments granted subsequent to May 1, 2006 will be based on the grant date fair value estimated in accordance with the provisions of SFAS 123R.

As a result of adopting SFAS 123R, the Company's earnings before taxes and net earnings for fiscal 2008's three and six months ended October 31, 2007 are $73,000 and $47,000 lower, and $166,000 and $106,000 lower, respectively, than if the Company had continued to account for stock-based compensation under APB 25. This resulted in a decrease in the Company's reported basic and diluted net earnings per share of $.01 for the three months and six ended October 31, 2007. Fiscal 2007's earnings before taxes and net earnings for the three and six months ended October 31, 2006 were $117,000 and $73,000 lower, respectively, and $251,000 and $157,000 lower, respectively, than if the Company had continued to account for stock-based compensation under APB 25. This resulted in a decrease in the Company's reported basic and diluted net earnings per share of $.01 for the three months ended October 31, 2006, and $.02 for the six months ended October 31, 2006. Compensation expense is recognized in the selling, general and administrative expenses line item of the accompanying consolidated statements of operations on a ratable basis over the vesting periods. The Company measures the fair value of stock options using the Black-Scholes option pricing model based upon the market price of the underlying common stock as of the date of grant, reduced by the present value of estimated future dividends, using an expected quarterly dividend rate of $0.06 and risk-free interest rates ranging from 3.0% to 5.0%. Stock options are amortized over their applicable vesting period, which generally ranges from one to four years. These stock option grants have been classified as equity instruments, and as such, a corresponding increase of $166,000 has been reflected in additional paid-in capital in the accompanying balance sheet as of October 31, 2007.

A summary of option activity under the plans for the six months ended October 31, 2007 is as follows:

	Shares	Weighted average exercise price	Weighted average remaining contractual life	Aggregate intrinsic value(1)
Balance April 30, 2007	1,208,066	$5.24	3.22	$ 675,000
Granted(2)	135,000	$3.33	-	-
Exercised	(158,629)	$2.81	-	163,000
Expired	(134,602)	$5.51	-	-

Balance October 31, 2007	1,049,835	$5.33	3.59	$73,000
Exercisable October 31, 2007	874,835	$5.63	3.17	$73,000

(1)These amounts represent the difference between the exercise price and $3.21, the closing price of Dataram common stock on October 31, 2007 as reported on the NASDAQ Stock Market, for all in-the-money options outstanding. For exercised options, intrinsic value represents the difference between the exercise price and the closing price of Dataram common stock on the date of exercise.

(2) The fair value of the stock options granted during the current fiscal year is $1.81 and was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years; expected volatility of 110%; expected dividend yield of 7.2%; expected forfeiture rate of 5%; and a risk-free interest rate of 5.0%.

Total cash received from the exercise of options in the second quarter and six months ended October 31, 2007 was $219,000 and $489,000, respectively, including tax benefits. 147,950 options completed vesting during the second quarter ended October 31, 2007. As of October 31, 2007, there was $319,000 of total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted average period of 1.5 years. At October 31, 2007, an aggregate of 1,135,102 shares were authorized for future grant under the Company's stock option plans.

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash, money market funds and commercial paper with purchased maturities of three months or less when acquired.

(3) Accounts Receivable

Accounts receivable consists of the following categories:

	October 31, 2007	April 30, 2007
Trade receivables	$ 4,366,000	$ 4,989,000
VAT receivable	310,000	14,000
Other	0	14,000
Allowance for doubtful accounts and sales returns	(300,000)	(300,000)
	$ 4,376,000	$ 4,717,000

(4) Inventories

Inventories are valued at the lower of cost or market, with costs determined by the first-in, first-out method. Inventories at October 31, 2007 and April 30, 2007 consist of the following categories:

	October 31, 2007	April 30, 2007
Raw materials	$ 1,354,000	$ 1,497,000
Work in process	31,000	42,000
Finished goods	358,000	582,000
	$ 1,743,000	$ 2,121,000

(5) Note Receivable/Other Income

On December 29, 2005, the Company closed on an agreement entered into in fiscal 2003 to sell its undeveloped land. The purchase price was $3,075,000 of which half, or $1,537,500, was paid in the form of a note, that accrued interest, payable monthly at 5% per annum for a period of one year and 7.5%

per annum thereafter. The note was secured by a mortgage. Of the remainder, $250,000 had been previously paid as deposits and $1,253,000, which was net of closing costs, was received in cash at closing. The note was paid in full and the mortgage released in the Company's fiscal quarter ended July 31, 2007.

(6) 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 six month periods ended October 31, 2007 and 2006 by geographic region are as follows:

	Three months ended October 31, 2007	Six months ended October 31, 2007
United States	$ 5,850,000	$ 12,239,000
Europe	1,970,000	3,492,000
Other (principally Asia Pacific Region)	736,000	1,442,000
Consolidated	$ 8,556,000	$ 17,173,000

	Three months ended October 31, 2006	Six months ended October 31, 2006
United States	$ 7,933,000	$ 14,241,000
Europe	1,816,000	3,987,000
Other (principally Asia Pacific Region)	1,153,000	1,979,000
Consolidated	$ 10,902,000	$ 20,207,000

Long-lived assets consist of property and equipment. Long-lived assets and total assets by geographic region as of October 31, 2007 are as follows:

	October 31, 2007 Long-lived assets	Total assets
United States	$ 593,000	$ 25,788,000
Europe	0	207,000
Other	0	6,000
Consolidated	$ 593,000	$ 26,001,000

(7) Significant New Accounting Pronouncements

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" (FIN 48), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that we recognize in our financial statements, the impact of a tax position, if that position is more likely than not to be sustained on audit, based on the technical merits of the position. The provisions of FIN 48 were effective for the Company beginning May 1, 2007. The adoption of FIN 48 had no material effect on the Company's consolidated financial statements.

In September 2006, the SEC released Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" (SAB 108). SAB 108 provides interpretive guidance on the SEC's views regarding the process of quantifying materiality of financial statement misstatements. SAB 108 is effective for fiscal years ending after November 15, 2006, and early application for the first interim period of the same fiscal year is encouraged. The application of SAB 108 had no effect on the Company's consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS No. 157). The purpose of SFAS No. 157 is to define fair value, establish a framework for measuring fair value, and enhance disclosures about fair value measurements. As permitted under the standard, the Company adopted the provisions of SFAS No. 157 in its current fiscal year beginning May 1, 2007. The adoption of SFAS No. 157 had no material effect on the Company's consolidated financial statements.

(8) 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.

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, 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 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 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, HP, IBM, Silicon Graphics and Sun Microsystems. The Company also manufactures a line of memory products for Intel and AMD motherboard based servers.

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 modules 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 October 31, 2007, cash and cash equivalents amounted to $16.9 million and working capital amounted to $22.5 million, reflecting a current ratio of 11.8, compared to cash and cash equivalents of $14.1 million and working capital of $21.3 million and a current ratio of 9.3 as of April 30, 2007.

During the first six months of fiscal year 2008, net cash provided by operating activities totaled approximately $1.7 million. Net income in the first six months of fiscal 2008 was approximately $1.0 million. Deferred income taxes also decreased by $416,000. This decrease which was due to the Company's first six months federal income tax expense, was offset by federal net operating loss (NOL) carry-forwards. Depreciation expense in the first six month's of fiscal 2008 was $192,000. Trade receivable decreased by approximately $305,000 and inventory decreased by approximately $379,000. Inventory decreased as result of a decrease of raw material purchases necessitated by recent changes in the DRAM marketplace. Non-cash stock-based compensation expense of approximately $166,000 was also recorded in the fiscal 2008's first six months. The positive effect on cash balances of these activities was partially offset by a decrease of a $278,000 in accounts payable. Accrued liabilities also decreased by approximately $206,000, primarily the result of payment of accrued severance. Other current assets also increased by approximately $198,000, primarily as a result of an increase in prepaid income taxes and other expenses related to annual maintenance contracts and annual insurance deposits.

Net cash provided by investing activities was approximately $1.5 million for the six months ended October 31, 2007. This was primarily the result of the payment in full of the note receivable.

Net cash used in financing activities totaled approximately $487,000 for the six months ended October 31, 2007, and consisted of approximately $1.0 million of cash dividend payments, offset by approximately $563,000 of cash received from stock option exercises, including tax benefits.

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 were 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 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 agreement was scheduled to expire on June 21, 2006. On June 20, 2006, the agreement was amended. The effect of the amendment was to extend the expiration date of the agreement to August 15, 2008 and remove the eligible accounts receivable limitation on advances under the facility. The amendment also modified the total liabilities to tangible net worth ratio covenant. The Company is in compliance with all covenants of the agreement and there have been no borrowings against the credit line.

Management believes that the Company's existing cash along with 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, 2007 are as follows:

	Operating leases
Year ending April 30:	
2008	$ 490,000
2009	403,000
2010	411,000
2011	365,000

2012	34,000
Thereafter	0
Total minimum lease payments	$ 1,703,000

The Company has no other material commitments.

Results of Operations

Revenues for the three-month period ended October 31, 2007 were $8,556,000 compared to revenues of $10,902,000 for the comparable prior year period, a decrease of approximately 22%. Fiscal 2008 six-month revenues totaled $17,173,000 versus six-month revenues of $20,207,000 in the prior year, a decrease of approximately 15%. As previously stated, the Company's selling prices are significantly dependent on the pricing and availability of DRAM chips. The Company's products utilize DRAMs of varying capacities, organizations and package types. While the change in the purchase cost of specific DRAMs over time are not necessarily uniform or even move in the same direction, the cost of DRAMs declined, on average, by approximately 50% during the first six months of the fiscal year. Consequently, the Company's selling prices were lower for similar products when compared on a year over year basis.

Revenues for the three and six month periods ended October 31, 2007 and 2006 by geographic region are as follows:

	Three months ended October 31, 2007	Six months ended October 31, 2007
United States	$ 5,850,000	$ 12,239,000
Europe	1,970,000	3,492,000
Other (principally Asia Pacific Region)	736,000	1,442,000
Consolidated	$ 8,556,000	$ 17,173,000

	Three months ended October 31, 2006	Six months ended October 31, 2006
United States	$ 7,933,000	$ 14,241,000
Europe	1,816,000	3,987,000
Other (principally Asia Pacific Region)	1,153,000	1,979,000
Consolidated	$ 10,902,000	$ 20,207,000

Cost of sales for the second quarter and six months were 62% and 63% of revenues, respectively, versus 76% and 75% for the same respective prior year periods. The increase in gross margin during fiscal 2008 was primarily the result of a shift in sales to larger capacity memory modules, which typically command higher margins. As the price of the Company's higher capacity products have come down as a result of lower DRAM costs, they have become a more affordable option for customers with memory intensive applications. Cost of sales also decreased by approximately $295,000 as a result of a reduction of workforce and other factory expenses, which was initiated in the fourth quarter of the prior fiscal year.

Engineering and development expense in fiscal 2008's second quarter and six months were $286,000 and $587,000, respectively, versus $320,000 and $627,000 for the same respective 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 expense in fiscal 2008's second quarter and six months decreased by $97,000 and $223,000, respectively, from the comparable prior year periods. Included in the current fiscal year's second quarter and six months expense is $73,000 and $166,000, respectively, of stock-based compensation expense, compared to $117,000 and $251,000 in the comparable prior year periods. Excluding the stock-based compensation expense, selling, general and administrative expenses declined by approximately $52,000 and $138,000, respectively, versus the same prior year periods. This was primarily the result of the workforce and other cost reductions initiated at the end of the prior fiscal year.

Other income, net for the second quarter and six months totaled $229,000 and $448,000, respectively, for fiscal 2008 and $2.4 million and $2.7 million, for the same respective periods in fiscal 2007. Other income in fiscal 2008's second quarter consisted primarily of $201,000 of net interest income received in the current quarter. Additionally, other income included $28,000 of foreign currency gain, primarily as a result of the EURO strengthening relative to the US dollar. Fiscal 2008's six months consisted primarily of $402,000 of net interest income received and $45,000 of foreign currency gain, primarily as a result of the EURO strengthening relative to the US dollar. Other income in fiscal 2007's second quarter consisted primarily of $2.3 million received from a DRAM manufacturer related to a settlement agreement that the Company entered into in the quarter. Other income in fiscal 2007's six months consisted primarily of the aforementioned $2.3 million dollar settlement and $343,000 of net interest income. Additionally, there was $64,000 of foreign currency gain, primarily as a result of the EURO strengthening relative to the US dollar.

Income tax expense for the second quarter and six months of fiscal 2008 was $331,000 and $566,000 respectively, verses $865,000 and $828,000 for the same prior year periods. The Company's effective tax rate for financial reporting purposes in fiscal 2008 is approximately 34.7%. However, the Company has federal NOL carry-forwards totaling approximately $5.1 million and therefore will continue to make cash payments for income taxes at an approximate rate of 8.0% of pretax earnings until it utilizes all of its NOL carry-forwards.

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, 2007, 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.

Stock Option Expense - In December 2004, SFAS No. 123 (revised 2004), "Share-Based Payment"("SFAS 123(R)") was issued. SFAS 123(R) revises SFAS 123 and supersedes APB No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). SFAS 123, as originally issued in 1995, established as preferable a fair value-based method of accounting for share-based payment transactions with employees. However, SFAS 123 as amended permitted entities the option of continuing to apply the intrinsic value method under APB 25 that the Company had been using, as long as the footnotes to the financial statements disclosed what net income would have been had the preferable fair value-based method been used. SFAS 123(R) requires that the compensation cost relating to all share-based payment transactions, including employee stock options, be recognized in the historical financial statements. That cost is measured based on the fair value of the equity or liability instrument issued and amortized over the related service period. The Company adopted the guidance in SFAS 123(R) effective May 1, 2006. As such, the accompanying consolidated statement of operations for the fiscal 2008's second quarter and six months ended October 31, 2007 includes, approximately $73,000 and $166,000, of compensation expense, respectively, in the selling, general and administrative expense line item related to the fair value of options granted to employees and directors under the Company's stock-based employee compensation plans which is being amortized over the service period in the financial statements, as required by SFAS 123(R). These awards have been classified as equity instruments, and as such, a corresponding increase of approximately, $166,000 has been reflected in additional paid-in capital in the accompanying consolidated balance sheet as of October 31, 2007. Fiscal 2007's second quarter and six months ended October 31, 2006 includes, approximately $117,000 and $251,000, of compensation expense, respectively in the selling, general and administrative expense line and as such, a corresponding increase of approximately, $251,000 has been reflected in additional paid-in capital in the accompanying consolidated balance sheet as of October 31, 2006. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: Expected life is based on the Company's historical experience of option exercises relative to option contractual lives; Expected volatility is based on the historical volatility of the Company's share price; Expected dividend yield assumes the current dividend rate remains unchanged; Risk free interest rate approximates United States government debt rates at the time of option grants.

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, which 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.

Dataram's management acting under the supervision of the Audit Committee is responsible for establishing and maintaining adequate internal controls and procedures to permit accurate financial reporting. Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to 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 control over financial reporting during the quarter and six month period ended October 31, 2007 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 4T. CONTROLS AND PROCEDURES.

Not applicable.

PART II: OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS.

None.

Item 1A. RISK FACTORS.

No material 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 A VOTE OF SECURITY HOLDERS

On September 27, 2007, Dataram held its Annual Meeting of Shareholders. At that meeting, the Shareholders elected Directors for an annual term and ratified the selection of accountants. The results of that voting are as follows:

1. Election of Directors. The votes were received as follows:

	FOR	WITHHELD	BROKERS' NONVOTES
Robert V. Tarantino	7,988,385	163,628	0
Roger C. Cady	7,983,522	168,491	0
Thomas A. Majewski	7,987,835	164,178	0
Bernard L. Riley	7,995,858	156,155	0

Rose Ann Giordano	7,990,168	161,845	0
John H. Freeman	8,000,308	151,705	0

2. Ratification of accountants:

FOR	AGAINST	ABSTAIN	BROKERS' NONVOTES
8,079,894	42,535	29,584	0

Item 5. OTHER INFORMATION.

No reportable event.

Item 6. EXHIBITS.

Exhibit No.	Description
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: December 10, 2007 By: ___________________________

Mark E. Maddocks
Vice President, Finance

(Principal Financial Officer)

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: December 10, 2007 ______________________________

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: December 10, 2007 ______________________________

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.

December 10, 2007 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.

December 10, 2007 MARK E. MADDOCKS

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