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, 2008

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 [ ]
Smaller reporting company [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 5, 2008, there were 8,869,184 shares outstanding.

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Dataram Corporation and Subsidiaries
Consolidated Balance Sheets
October 31, 2008 and April 30, 2008

	October 31, 2008 (Unaudited)	April 30, 2008 (Note 1)
Assets		
Current Assets:		
Cash and cash equivalents	$ 16,020,899	$ 17,641,690
Accounts receivable, less allowance for doubtful accounts and sales returns of $270,000 at October 31, 2008 and $250,000 at April 30, 2008	3,510,004	4,047,317
Inventories	1,970,311	1,977,393
Deferred income taxes	203,866	1,100,866
Other current assets	372,156	98,051
Total current assets	22,077,236	24,865,317
Deferred income taxes	1,909,450	480,450
Property and equipment, at cost:		
Machinery and equipment	11,405,699	11,074,596
Leasehold improvements	2,103,688	2,103,688
	13,509,387	13,178,284
Less: accumulated depreciation and amortization	12,652,323	12,492,558
Net property and equipment	857,064	685,726
Other assets	135,093	78,771
	$ 24,978,843	$ 26,110,264
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,285,029	$ 1,789,105
Accrued liabilities	696,311	701,862
Total current liabilities	1,981,340	2,490,967
Stockholders' Equity:		
Common stock, par value $1.00 per share. Authorized 54,000,000 shares; issued and outstanding 8,869,184 at October 31, 2008 and April 30, 2008	8,869,184	8,869,184
Additional paid-in capital	6,784,374	6,407,500
Retained earnings	7,343,945	8,342,613
Total stockholders' equity	22,997,503	23,619,297
	$ 24,978,843	$ 26,110,264

See accompanying notes to consolidated financial statements.

<TABLE>

Dataram Corporation and Subsidiaries
Consolidated Statements of Operations
Three and Six Months Ended October 31, 2008 and 2007

(Unaudited)

	2008 2nd Quarter	2008 Six Months	2007 2nd Quarter	2007 Six Months
<S>	<C>	<C>	<C>	<C>
Revenues	$ 7,059,080	$ 14,622,156	$ 8,556,038	$ 17,172,925
Costs and expenses:				

Cost of sales	4,660,188	9,595,593	5,313,697	10,893,039
Engineering	302,357	634,213	285,643	587,081
Research and development	253,971	466,350	0	0
Selling, general and administrative	2,500,068	5,683,132	2,285,578	4,600,247
	7,716,584	16,379,288	7,884,918	16,080,367
Earnings (loss) from operations	(657,504)	(1,757,132)	671,120	1,092,558
Other income				
Interest income, net	79,310	190,008	201,116	402,487
Currency gain (loss)	(62,917)	(62,632)	27,614	45,448
Other income (expense), net	0	(1,912)	0	0
Total other income	16,393	125,464	228,730	447,935
Earnings (loss) before income taxes	(641,111)	(1,631,668)	899,850	1,540,493
Income tax expense (benefit)	(248,000)	(633,000)	331,000	566,000
Net earnings (loss)	$ (393,111)	$ (998,668)	$ 568,850	$ 974,493
Net earnings (loss) per share of common stock				
Basic	$ (.04)	$ (.11)	$ .06	$ .11
Diluted	$ (.04)	$ (.11)	$ .06	$ .11
Dividends per common share	$ .00	$ .00	$ .06	$ .12

See accompanying notes to consolidated financial statements.

</TABLE>

Dataram Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Six Months Ended October 31, 2008 and 2007
(Unaudited)

	2008	2007
Cash flows from operating activities:		
Net earnings (loss)	$ (998,668)	$ 974,493
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	167,000	192,000
Bad debt expense	157,027	36,125
Stock-based compensation expense	255,574	165,988
Other stock option expense	121,300	0
Loss on sale of property and equipment	1,912	707
Deferred income tax expense(benefit)	(532,000)	416,000
Excess tax benefits from sale of common shares under stock option plan	0	(74,000)
Changes in assets and liabilities:		
Decrease in accounts receivable	380,286	304,605
Decrease in inventories	7,082	378,567
Increase in other current assets	(274,105)	(198,138)
Decrease (increase) in other assets	(56,322)	26,217
Decrease in accounts payable	(504,076)	(277,777)
Decrease in accrued liabilities	(5,551)	(205,881)
Net cash provided by (used in) operating activities	(1,280,541)	1,738,906
Cash flows from investing activities:		
Collection of note receivable	0	1,537,500
Additions to property and equipment	(340,750)	(22,742)
Proceeds from sale of property and equipment	500	21,333

Net cash provided by (used in) investing activities	(340,250)	1,536,091
Cash flows from financing activities:		
Net proceeds from sale of common shares under stock option plan	0	488,629
Excess tax benefits from sale of common shares under stock option plan	0	74,000
Dividends paid	0	(1,049,486)
Net cash used in financing activities	0	(486,857)
Net increase (decrease) in cash and cash equivalents	(1,620,791)	2,788,140
Cash and cash equivalents at beginning of period	17,641,690	14,138,223
Cash and cash equivalents at end of period	$ 16,020,899	$ 16,926,363

Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 3,194	$ 3,194
Income taxes	$ 0	$ 114,000

See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiaries
Notes to Consolidated Financial Statements
October 31, 2008 and 2007
(Unaudited)

(1) Basis of Presentation

The information for the three and six months ended October 31, 2008 and 2007 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, 2008 included in the Company's 2008 Annual Report on Form 10-K filed with the Securities and Exchange Commission. The April 30, 2008 balance sheet has been derived from these statements.

(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 (Loss) Per Share

Net earnings (loss) per share is presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share". Basic net earnings (loss) per share is computed by dividing the net earnings (loss) by the weighted average number of shares of common stock issued and outstanding during the period. The calculation of diluted loss per share for the three and six months ended October 31, 2008, includes only the weighted average number of common stock outstanding. The denominator excludes the dilutive effect of stock options outstanding as their effect would be anti-dilutive. For purposes of calculating basic earnings per share for the three and six months ended October 31, 2007, the denominator includes both the weighted average number of shares of common stock plus the dilutive effect of stock options outstanding.

The following presents a reconciliation of the numerator and denominator used in computing basic and diluted net earnings (loss) per share for fiscal 2009 and 2008:

	Three Months ended October 31, 2008		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share - -net loss and weighted average common shares outstanding	$ (393,111)	8,869,184	$ (.04)
Effect of dilutive securities - -stock options	-	-	-
Diluted net loss per share - -net loss, weighted average common shares outstanding and effect of stock options	$ (393,111)	8,869,184	$ (.04)

	Three 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	$ 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

Diluted net loss per share does not include the effect of all options to purchase shares of common stock for the three months ended October 31, 2008 because they are anti-dilutive.

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.

	Six Months ended October 31, 2008		
	Loss (numerator)	Shares (denominator)	Per share amount

	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net loss per share - -net loss and weighted average common shares outstanding	$ (998,668)	8,869,184	$ (.11)
Effect of dilutive securities - -stock options	-	-	-
Diluted net loss per share - -net loss, weighted average common shares outstanding and effect of stock options	$ (998,668)	8,869,184	$ (.11)

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

Diluted net loss per share does not include the effect of all options to purchase shares of common stock for the six months ended October 31, 2008 because they are anti-dilutive.

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.

Dividends

No cash dividends were paid in the three and six months ended October 31, 2008. Cash dividends paid in the three and six months ended October 31, 2007 were $527,399 and $1,049,486, respectively.

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 2009 and fiscal 2008 six months ended October 31, 2008 and 2007, the Company did not repurchase any shares of its common stock. As of October 31, 2008, 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 has been 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 loss before taxes and net loss for fiscal 2009's three and six months ended October 31, 2008 are higher by approximately $130,000 and $79,000, and $256,000 and $155,000, respectively than if we had continued to account for stock-based compensation under APB 25. Fiscal 2008's three and six months earnings before taxes and net earnings were approximately $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. Fiscal 2009's and fiscal 2008's stock-based compensation expense was recognized in the selling, general and administrative expense line item of the accompanying consolidated statements of operations on a ratable basis over the vesting periods. We measure 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. Stock-based compensation expense is amortized over the applicable vesting period of the stock option grants, which generally ranges from one to five years. These stock option grants have been classified as equity instruments, and as such, a corresponding increase of $256,000 has been reflected in additional paid-in capital in the accompanying balance sheet as of October 31, 2008.

A summary of option activity under the plans for the six months ended

October 31, 2008 is as follows:

	Shares	Weighted average exercise price	Weighted average remaining contractual life	Aggregate intrinsic value(1)
Balance April 30, 2008	899,000	$5.69	3.64	$ 26,000
Granted(2)	368,000	$2.65	8.98	-
Exercised	-	-	-	-
Expired	-	-	-	-
Balance October 31, 2008	1,267,000	$3.94	4.69	-
Exercisable October 31, 2008	869,000	$4.45	2.78	-
Expected to vest October 31, 2008	1,247,000	$3.96	4.62	-

(1)These amounts represent the difference between the exercise price and $1.28, the closing price of Dataram common stock on October 31, 2008 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 ranges between $1.60 and $2.99 and was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected life ranges between 5 and 10 years; expected volatility of 110%; expected forfeiture rate of 5%; and a risk-free interest rate of 4.0%.

Total cash received from the exercise of options in the fiscal 2009's first six months ended October 31, 2008 was nil. As of October 31, 2008, there was $767,000 of total unrecognized compensation cost related to stock options. These costs are expected to be recognized over a weighted average period of approximately eight and one-half years. At October 31, 2008, an aggregate of 783,902 shares were authorized for future grant under the Company's stock option plans.

b. Other Stock Option Expense

During fiscal 2009's first quarter, the Company granted options to purchase 50,000 shares of the Company's common stock to a privately held company in exchange for certain patents and other intellectual property. The options granted are exercisable at a price representing the fair value at the date of grant, are 100% exercisable on the date of grant and expire ten years after date of grant. The calculated fair value of these options is approximately $121,000 and was determined 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 zero, a calculated volatility factor of 110% and risk-free interest rate of 4.0%. Such calculated fair value has been charged in its entirety to the research and development expense line item in the accompanying consolidated statement of operations for this grant as of October 31, 2008. These stock option grants have been classified as equity instruments, and as such, a corresponding increase of $121,000 has been reflected in additional paid-in capital in the accompanying balance sheet as of October 31, 2008.

(2) 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, 2008	April 30, 2008
Trade receivables	$ 3,656,000	$ 4,173,000
VAT receivable	124,000	124,000
Allowance for doubtful accounts and sales returns	(270,000)	(250,000)
	$ 3,510,000	$ 4,047,000

(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, 2008 and April 30, 2008 consist of the following categories:

	October 31, 2008	April 30, 2008
Raw materials	$ 1,363,000	$ 1,379,000
Work in process	7,000	65,000
Finished goods	600,000	533,000
	$ 1,970,000	$ 1,977,000

(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 six month periods ended October 31, 2008 and 2007 by geographic region are as follows:

	Three months ended October 31, 2008	Six months ended October 31, 2008
United States	$ 5,581,000	$ 11,155,000
Europe	1,074,000	2,521,000
Other (principally Asia Pacific Region)	404,000	946,000
Consolidated	$ 7,059,000	$ 14,622,000

	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

Long-lived assets consist of property and equipment. Long-lived assets and total assets by geographic region as of October 31, 2008 are as follows:

	October 31, 2008	
	Long-lived assets	Total assets
United States	$ 857,000	$ 24,869,000
Europe	0	107,000
Other	0	3,000
Consolidated	$ 857,000	$ 24,979,000

(6) Significant New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS No. 159). SFAS No. 159 gives the Company the irrevocable option to carry many financial assets and liabilities at fair values, with changes in fair value recognized in earnings. SFAS No. 159 was effective for the Company beginning May 1, 2008. The Company has reviewed the provisions of SFAS No. 159, and has determined that as of October 31, 2008 that the provisions of SFAS No. 159 do not apply to any of the Company's assets or liabilities. In the event that the Company acquires any future assets or liabilities which would be subject to the provisions of SFAS No. 159, the Company will make an election relative to those assets or liabilities at the time of acquisition.

Recent Accounting Pronouncements Not Yet Adopted

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS No. 161), which requires additional disclosures about the objectives of the derivative instruments and hedging activities, the method of accounting for such instruments under SFAS No. 133 and its related interpretations, and a tabular disclosure of the effects of such instruments and related hedged items on our consolidated financial position, financial performance, and cash flows. SFAS No. 161 is effective for us beginning January 1, 2009. We are currently assessing the potential impact that adoption of SFAS No. 161 may have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations" (SFAS No. 141R), which replaces SFAS No. 141. The statement retains the purchase method of accounting for acquisitions, but requires a number of changes, including changes in the way assets and liabilities are recognized in the purchase accounting. It also changes the recognition of assets acquired and liabilities assumed arising from contingencies, requires the capitalization of in-process research and development at fair value, and requires the expensing of acquisition-related costs as incurred. SFAS No. 141R is effective for us beginning May 1, 2009 and will apply prospectively to business combinations completed on or after that date.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51" (SFAS No. 160), which changes the accounting and reporting for minority interests. Minority interests will be recharacterized as noncontrolling interests and will be reported as a component of equity separate from the parent's equity, and purchases or sales of equity interests that do not result in a change in control will be accounted for as equity transactions. In addition, net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement and, upon a loss of control, the interest sold, as well as any interest retained, will be recorded at fair value with any gain or loss recognized in earnings. SFAS No. 160 is effective for us beginning May 1, 2009 and will apply prospectively, except for the presentation and disclosure requirements, which will apply retrospectively. We are currently assessing the potential impact that adoption of SFAS No. 160 may have on our 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.

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 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 DRAMs is the largest single component 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 October 31, 2008, cash and cash equivalents amounted to $16.0 million and working capital amounted to $20.1 million, reflecting a current ratio of 11.1, compared to cash and cash equivalents of $17.6 million and working capital of $22.4 million and a current ratio of 10.0 as of April 30, 2008.

During the first six months of fiscal year 2009, net cash used in operating activities totaled approximately $1,281,000. Net loss in the six month period was approximately $999,000. Deferred income taxes increased by $532,000 and accounts payable decreased by $504,000. Other current assets increased by $274,000 primarily due to the prepayment of annual insurance premiums. Cash used in operating activities was partially offset by a decrease in accounts receivable of $380,000 and by depreciation expense recorded in the quarter of $167,000. Non-cash stock-based expense of approximately $377,000 was also recorded in the quarter.

Net cash used in investing activities totaled approximately $341,000 for the six months ended October 31, 2008. This was primarily the result of fixed asset additions. The bulk of these additions were for test equipment used in the Company's manufacturing process.

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 credit facility has been extended to September 15, 2009. 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 cash flows generated from operations will be sufficient to meet short-term liquidity needs. 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, 2008 are as follows:

	Operating leases
Year ending April 30:	
2009	$ 411,000
2010	418,000
2011	371,000
2012	34,000
Thereafter	0
Total minimum lease payments	$ 1,234,000

The Company has no other material commitments.

Results of Operations

Revenues for the three-month period ended October 31, 2008 were $7,059,000 compared to revenues of $8,556,000 for the comparable prior year period, a decrease of approximately 18%. Fiscal 2009 six-month revenues totaled $14,622,000 versus six-month revenues of $17,173,000 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 hips. The Company's products utilize DRAMs of varying capacities, organizations and package types. The changes in the purchase cost of specific DRAMs over time are not necessarily uniform or even move in the same direction. In fiscal 2008, the Company's purchase cost of the primary DRAMs used in its products declined by over 60 percent. This resulted in a larger than anticipated reduction in selling prices as the Company passed these cost savings through to its customers. Consequently, the Company's selling prices for similar products when compared on a year over year basis were lower than expected. During the first six months of the current fiscal year, that selling price pressure has lessened.

Revenues for the three and six month periods ended October 31, 2008 and 2007 by geographic region are as follows:

	Three months ended October 31, 2008	Six months ended October 31, 2008
United States	$ 5,581,000	$ 11,155,000
Europe	1,074,000	2,521,000
Other (principally Asia Pacific Region)	404,000	946,000
Consolidated	$ 7,059,000	$ 14,622,000

	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

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Cost of sales for the second quarter and six months were 66% of revenues, versus 62% and 63% for the same respective prior year periods. Fluctuations in cost of sales as a percentage of revenues 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. Cost of sales in the second quarter and six months were $4,660,000 and $9,596,000, respectively, compared to $5,314,000 and $10,893,000 in the prior year comparable periods.

Engineering expense in fiscal 2009's second quarter and six months were $302,000 and $634,000, respectively, versus $286,000 and $587,000 for the same respective prior year periods. Engineering expense excludes expenses incurred for research and development into new product areas.

Research and development expense in fiscal 2009's second quarter and six months were $254,000 and $456,000, respectively, versus nil in the same prior year periods. In the current fiscal year, the Company has implemented a strategy to introduce new and complementary products into its offerings portfolio. The Company is currently focusing on the development of certain high performance storage products. Of the total research and development expense incurred in this fiscal year, approximately $121,000 represented a non-cash expense for the fair value of stock options issued to a privately held company to acquire certain patents and other intellectual property. These patents and other intellectual property were deemed to have no alternative future use when acquired and we had an uncertainty in receiving future economic benefits from them. We expect to make further investments in this area.

Selling, general and administrative (S,G&A) expense in fiscal 2009's second quarter and six months increased by $214,000 and $1,083,000 respectively, from the comparable prior year periods. The current fiscal year's six months expense includes a charge of approximately $716,000 related to a retirement agreement entered into with the Company's former chief executive officer. Of this amount, approximately $660,000 relates to payments defined in the agreement and the balance consists primarily of legal fees incurred by the Company associated with this matter. Current fiscal year S,G&A expense includes a $138,000 charge as a result of one of the Company's foreign customers entering receivership. Additionally, the Company has charged S,G&A expense and increased its reserve for doubtful accounts by $50,000 in the second quarter of the current fiscal year. Management concluded that the increase in the reserve was warranted given the inherent increase in risk level of carrying accounts receivable, generally due to the recent, well publicized increase in economic uncertainty. Stock-based compensation expense is recorded as a component of S,G&A expense and totaled $130,000 and $256,000, respectively, in the second quarter and six months, compared to $73,000 and $166,000 in the comparable prior year periods.

Other income, net for the second quarter and six months totaled $16,000 and $125,000, respectively, for fiscal 2009 and $229,000 and $448,000, for the same respective periods in fiscal 2008. Other income in fiscal 2009's second quarter consisted primarily of $79,000 of net interest income received. Additionally, other income included $63,000 of foreign currency loss, primarily as a result of the EURO weakening relative to the US dollar. Fiscal 2009's six months other income consisted primarily of $188,000 of net interest income received and $63,000 of foreign currency loss, primarily as a result of the EURO weakening relative to the US dollar. Other income in fiscal 2008's second quarter consisted primarily of $201,000 of net interest income. Additionally, there was $28,000 of foreign currency gain, primarily as a result of the EURO strengthening relative to the US dollar. Other income in fiscal 2008's six months consisted primarily of $402,000 of net interest income. Additionally, there was $45,000 of foreign currency gain, primarily as a result of the EURO strengthening relative to the US dollar.

Income tax expense (benefit) for the second quarter and six months of fiscal 2009 was a benefit of $248,000 and $633,000 respectively, verses expense of $331,000 and $566,000 for the same prior year periods. The Company's effective tax rate for financial reporting purposes in fiscal 2009 is approximately 38.8%. However, the Company has federal NOL carry-forwards totaling approximately $1.5 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, 2008, 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 fiscal 2009's second quarter and six months ended October 31, 2008 includes approximately $130,000 and $256,000, 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, $256,000 has been reflected in additional paid-in capital in the accompanying consolidated balance sheet as of October 31, 2008. 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 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. 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.

Research and Development Expense - All research and development costs are expensed as incurred, including Company-sponsored research and development and costs of patents and other intellectual property that have no alternative future use when acquired and in which we had an uncertainty in receiving future economic benefits.

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, money market accounts 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 4T. CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) 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 ended October 31, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 25, 2008, Dataram held its Annual Meeting of Shareholders. At that meeting, the Shareholders elected Directors for an annual term and ratified the selection of the Company's Independent Registered Public Accounting Firm. The results of that voting are as follows:

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

	FOR	WITHHELD	BROKERS' NONVOTES
John H. Freeman	6,687,671	378,344	0
Roger C. Cady	6,680,935	385,080	0
Thomas A. Majewski	6,676,763	389,252	0
Rose Ann Giordano	6,689,751	376,264	0

2. Ratification of Independent Registered Public Accounting Firm:

FOR	AGAINST	ABSTAIN	BROKERS' NONVOTES
6,918,420	60,520	87,073	0

Item 5. OTHER INFORMATION.

No reportable event.

Item 6. EXHIBITS.

Exhibit No.	Description
31(a)	Rule 13a-14(a) Certification of John H. Freeman
31(b)	Rule 13a-14(a) Certification of Mark E. Maddocks.
32(a)	Section 1350 Certification of John H. Freeman (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 9, 2008 By: /s/ Mark E. Maddocks

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

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Exhibit 31(a)

Rule 13a-14(a) Certification

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302

I, John H. Freeman, 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 auditors and the audit committee of 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.

Date: December 9, 2008 /s/ John H. Freeman

John H. Freeman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31(b)

Rule 13a-14(a) Certification

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302

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 auditors and the audit committee of 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.

Date: December 9, 2008 /s/ Mark E. Maddocks

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

Exhibit 32(a)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Dataram Corporation, a New Jersey corporation (the "Company"), on Form 10-Q for the quarter ended October 31, 2008, as filed with the Securities and Exchange Commission (the "Report"), John H. Freeman, Chief Executive Officer of the Company, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

December 9, 2008 /s/ John H. Freeman

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John H. Freeman
President and Chief Executive Officer

[A signed original of this written statement required by Section 906 has been provided to Dataram Corporation and will be retained by Dataram Corporation and furnished to the Securities and Exchange Commission or its staff upon request.]

Exhibit 32(b)

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Dataram Corporation, a New Jersey corporation (the "Company"), on Form 10-Q for the quarter ended October 31, 2008, as filed with the Securities and Exchange Commission (the "Report"), Mark E. Maddocks, Chief Financial Officer of the Company, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

December 9, 2008 /s/ Mark E. Maddocks

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

[A signed original of this written statement required by Section 906 has been provided to Dataram Corporation and will be retained by Dataram Corporation and furnished to the Securities and Exchange Commission or its staff upon request.]