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

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2011

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 has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [ ] 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 March 10, 2011, there were 8,928,309 shares outstanding.

PART I: FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.

Dataram Corporation and Subsidiaries
Consolidated Balance Sheets
January 31, 2011 and April 30, 2010

	January 31, 2011 (Unaudited)	April 30, 2010 (Note 1)
Assets		
Current Assets:		
Cash and cash equivalents	$ 465,886	$ 2,507,456
Accounts receivable, less allowance for doubtful accounts and sales returns of $225,000 at January 31, 2011 and $250,000 at April 30, 2010	3,572,834	5,343,957
Inventories	5,108,556	6,872,265
Other current assets	327,925	86,684
Total current assets	9,475,201	14,810,362
Property and equipment, at cost:		
Machinery and equipment	12,345,956	12,300,657
Leasehold improvements	2,317,150	2,234,752
	14,663,106	14,535,409
Less: accumulated depreciation and amortization	13,876,332	13,418,328
Net property and equipment	786,774	1,117,081
Other assets	83,062	104,686
Intangible assets, net of accumulated amortization	1,313,340	866,958
Goodwill	1,185,829	753,755
	$ 12,844,206	$ 17,652,842
Liabilities and Stockholders' Equity		
Current liabilities:		
Note payable-revolving credit line	$ 1,366,934	$ 0
Accounts payable	2,198,605	3,522,704
Accrued liabilities	704,518	1,737,830
Due to related party	500,000	1,000,000
Total current liabilities	4,770,057	6,260,534
Stockholders' Equity:		
Common stock, par value $1.00 per share. Authorized 54,000,000 shares; issued and outstanding 8,928,309 at January 31, 2011 and 8,918,309 at April 30, 2010	8,928,309	8,918,309
Additional paid-in capital	8,473,478	8,009,262
Accumulated deficit	(9,327,638)	(5,535,263)
Total stockholders' equity	8,074,149	11,392,308
	$ 12,844,206	$ 17,652,842

See accompanying notes to consolidated financial statements.

<TABLE>

Dataram Corporation and Subsidiaries
Consolidated Statements of Operations
Three and Nine Months Ended January 31, 2011 and 2010

(Unaudited)

	2011		2010	
	Three Months	Nine Months	Three Months	Nine Months
<S>	<C>	<C>	<C>	<C>
Revenues	$ 11,873,417	$ 35,566,166	$ 12,284,054	$ 32,147,292
Costs and expenses:				
Cost of sales	8,970,185	27,126,744	8,898,982	23,490,617
Engineering	250,362	763,364	219,990	732,255
Research and development	134,257	1,893,856	892,170	3,387,632
Selling, general and administrative	3,173,348	9,230,287	3,519,067	10,069,086
	12,528,152	39,014,251	13,530,209	37,679,590
Loss from operations	(654,735)	(3,448,085)	(1,246,155)	(5,532,298)
Other income (expense):				
Interest income (expense), net	(104,876)	(183,519)	0	6,861
Currency loss	(54,011)	(138,640)	(11,305)	(6,375)
Other income (expense), net	(20,000)	(17,015)	490	10,902
Total other income (expense)	(178,887)	(339,174)	(10,815)	11,388
Loss before income taxes	(833,622)	(3,787,259)	(1,256,970)	(5,520,910)
Income tax expense	5,116	5,116	5,280,920	3,610,920
Net loss	$ (838,738)	$ (3,792,375)	$(6,537,890)	$ (9,131,830)
Net loss per share of common stock				
Basic	$ (.09)	$ (.43)	$ (.73)	$ (1.03)
Diluted	$ (.09)	$ (.43)	$ (.73)	$ (1.03)

See accompanying notes to consolidated financial statements.
</TABLE>

Dataram Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Nine Months Ended January 31, 2011 and 2010
(Unaudited)

	2011	2010
Cash flows from operating activities:		
Net loss	$(3,792,375)	$ (9,131,830)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	779,646	905,552
Bad debt recovery	(4,444)	(20,813)
Stock-based compensation expense	461,416	725,804
Gain on sale of property and equipment	(2,472)	(10,412)
Deferred income tax expense	0	3,550,749
Excess tax benefits from sale of common shares under stock option plan	0	(25,000)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	1,775,567	(2,571,540)
Decrease (increase) in inventories	1,763,709	(3,773,095)
Increase in other current assets	(241,241)	(62,900)
Decrease in other assets	21,624	23,339
Increase (decrease) in accounts payable	(1,324,099)	1,396,268
Decrease in accrued liabilities	(1,033,312)	(339,267)
Net cash used in operating activities	(1,595,981)	(9,333,145)
Cash flows from investing activities:		

Acquisition of business	(432,074)	(434,058)
Additions to property and equipment	(135,210)	(564,248)
Software development costs	(768,024)	0
Proceeds from sale of property and equipment	9,985	10,412
Net cash used in investing activities	(1,325,323)	(987,894)
Cash flows from financing activities:		
Net proceeds from borrowings under revolving credit line	1,366,934	0
Payments to related party	(500,000)	0
Net proceeds from sale of common shares under stock option plan	12,800	143,509
Excess tax benefits from sales of common shares under stock option plan	0	25,000
Net cash provided by financing activities	879,734	168,509
Net decrease in cash and cash equivalents	(2,041,570)	(10,152,530)
Cash and cash equivalents at beginning of period	2,507,456	12,525,008
Cash and cash equivalents at end of period	$ 465,886	$ 2,372,478

Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 179,273	$ 4,508
Income taxes	$ 5,116	$ 35,171

See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiaries
Notes to Consolidated Financial Statements
January 31, 2011 and 2010
(Unaudited)

(1) Basis of Presentation

The information for the three and nine months ended January 31, 2011 and 2010 is unaudited, but includes all adjustments (consisting 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, 2010 included in the Company's 2010 Annual Report on Form 10-K filed with the Securities and Exchange Commission. The April 30, 2010 balance sheet has been derived from these statements.

The consolidated financial statements for the three and nine months ended January 31, 2011 and 2010 have been prepared in conformity with accounting principles generally accepted in the United States of America and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

As discussed in Notes 4 and 9, the Company entered into an accounts receivable financing agreement and an inventory consignment and purchase agreement to address short-term liquidity needs. Based on the cash flows expected to be provided from these agreements along with the cash flows projected to result from the Company's operations, management has concluded that the Company's short-term liquidity needs have been satisfied. The Company's short-term cash flow projections include cash flow generated from its traditional memory solutions business as well as from revenues generated by sales of its recently developed XcelaSAN product line. There can be no assurance, however, that in the short-term, realized revenues will be in line with the Company's projections. Management continues to evaluate the Company's liquidity needs and sources of capital as we execute our business plan. Management has had discussions with several parties concerning the amount, availability and terms of additional funding that may be available to the Company. Management has concluded based on representations made in those discussions that additional sources of capital are available to the Company should it be required. However, unless or until additional financing is committed, there can be no assurance that such financing will be sufficient for the Company's purposes or that additional sources of financing will be available if needed. In order to satisfy long-term liquidity needs, the Company will need to generate profitable operations and positive cash flows.

(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.

Research and development

Research and development costs are expensed as incurred. Development costs of a computer software product to be sold, leased, or otherwise marketed are subject to capitalization beginning when a product's technological feasibility has been established and ending when a product is available for general release to customers. Technological feasibility of a computer software product is established when all planning, designing, coding and testing activities that are necessary to establish that the product can be produced to meet its design specifications, including functions, features and technical performance requirements, are completed. The Company has been developing computer software for its XcelaSAN storage caching product line. On November 4, 2010, the Company determined that technological feasibility of the product was established and development costs subsequent to that date, totaling $768,000, have been capitalized. Prior to November 4, 2010, the Company expensed all development costs.

At the time the product is made available for general release to customers the capitalized costs will be amortized to cost of sales over the estimated useful life of the underlying technology.

Income tax expense (benefit)

The Company's consolidated statements of operations for the three and nine months ended January 31, 2011 include a provision for state income tax expense of $5,000.

The three and nine month periods ended January 31, 2010 include $5,281,000 and $3,611,000 respectively, of income tax expense. The Company utilizes the asset and liability method of accounting for income taxes in accordance with the provisions of the Expenses - Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the asset and liability method, 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 the Company determines that 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 deferred income tax assets. In each reporting period, the Company assesses, based on the weight of all evidence, both positive and negative, whether a valuation allowance on its deferred tax assets is warranted. Based on the assessment conducted in the Company's reporting period ended January 31, 2010, the Company concluded that such an allowance was warranted and, accordingly, recorded a valuation allowance of $5,769,000 in that reporting period. 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. 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. As of April 30, 2010 the Company had Federal and State net operating loss (NOL) carry-forwards of approximately $11.5 million and $9.7 million, respectively. These can be used to offset future taxable income and expire between 2023 and 2030 for Federal tax purposes and 2016 and 2030 for state tax purposes. The Company's NOL carry-forwards are a component of its deferred income tax assets which are reported net of a full valuation allowance in the Company's consolidated financial statements at January 31, 2011 and at April 30, 2010.

Net loss per share

Basic net loss per share is computed by dividing the net 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 nine months ended January 31, 2011 and 2010 includes only the weighted average number of shares of common stock outstanding. The denominator excludes the dilutive effect of stock options outstanding as their effect would be anti-dilutive.

The following presents a reconciliation of the numerator and denominator used in computing basic and diluted net loss per share for the three and nine month periods ended January 31, 2011 and 2010:

	Three Months ended January 31, 2011		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share - -net loss and weighted average common shares outstanding	$ (838,738)	8,928,309	$ (.09)
Effect of dilutive securities - -stock options	-	-	-
Diluted net loss per share - -net loss, weighted average common shares outstanding and effect of stock options	$ (838,738)	8,928,309	$ (.09)

	Three Months ended January 31, 2010		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share - -net loss and weighted average common shares outstanding	$(6,537,890)	8,907,874	$ (.73)
Effect of dilutive securities - -stock options	-	-	-
Diluted net loss per share - -net loss, weighted average common shares outstanding and effect of			

stock options	$(6,537,890)	8,907,874	$ (.73)
	=========	=========	======

	Nine Months ended January 31, 2011		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share - -net loss and weighted average common shares outstanding	$(3,792,375)	8,919,711	$ (.43)
Effect of dilutive securities - -stock options	-	-	-
Diluted net loss per share - -net loss, weighted average common shares outstanding and effect of stock options	$(3,792,375)	8,919,711	$ (.43)
	=========	=========	======

	Nine Months ended January 31, 2010		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share - -net loss and weighted average common shares outstanding	$(9,131,830)	8,882,081	$ (1.03)
Effect of dilutive securities - -stock options	-	-	-
Diluted net loss per share - -net loss, weighted average common shares outstanding and effect of stock options	$(9,131,830)	8,882,081	$ (1.03)
	=========	=========	======

Diluted net loss per common share for the three and nine month periods ended January 31, 2011 and 2010 do not include the effect of options to purchase 1,971,700 and 2,012,300 shares, respectively, of common stock because they are anti-dilutive.

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. During the three and nine months ended January 31, 2011 and 2010, the Company did not repurchase any shares of its common stock. As of January 31, 2011, 172,196 shares remain available for repurchase under the plan. This repurchase program does not have an expiration date.

Stock Option Expense

a. 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. 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 also grants nonqualified stock options to certain new key employees of the Company as a component of the Company's offer of employment. These options are granted to promote the growth and profitability of the Company by attracting key employees. The options granted to these new employees are exercisable at a price representing the fair value at the date of grant and expire five years after date of grant. Options granted vest ratably on the annual anniversary date of the grants. Vesting periods for options currently granted range from one to two 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. Vesting periods for options currently granted range from one to two years.

On September 23, 2010, the Company granted Mr. Sheerr, who is employed by the Company as the general manager of the acquired MMB business unit described in Note 3 and is an executive officer of the Company, nonqualified stock options to purchase 100,000 shares of the Company's common stock pursuant to his employment agreement. The options granted are exercisable at a price representing the fair value at the date of grant and expire five years after date of grant. The options vest in one year.

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

The Company accounts for transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments using a fair value-based method with a recognition of an expense for compensation cost related to share-based payment arrangements, including stock options and employee stock purchase plans.

Our consolidated statements of operations for the three and nine month periods ended January 31, 2011 include approximately $130,000 and $443,000 of stock-based compensation expense, respectively. Fiscal 2010's three and nine month periods ended January 31, 2010 include approximately $346,000 and $726,000 of stock-based compensation expense, respectively. These stock option grants have been classified as equity instruments, and as such, a corresponding increase has been reflected in additional paid-in capital in the accompanying consolidated balance sheets. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option pricing model.

A summary of option activity for the nine months ended January 31, 2011 is as follows:

	Weighted average	Weighted average	Aggregate

	Shares	exercise price	remaining contractual life (1)	intrinsic value(2)
Balance April 30, 2010	1,946,800	$3.25	6.38	$ 175,000
Granted (3)	139,000	$1.76	-	-
Exercised	(10,000)	$1.28	-	-
Expired	(154,100)	$6.93	-	-
Balance January 31, 2011	1,921,700	$2.89	6.11	$ 208,850
Exercisable January 31, 2011	1,267,700	$3.11	5.23	$ 137,640
Expected to vest January 31, 2011	1,826,000	$2.89	6.11	-

(1) This amount represents the weighted average remaining contractual life of stock options in years.

(2) This amount represents the difference between the exercise price and $2.27, the closing price of Dataram common stock on January 31, 2011 as reported on the NASDAQ Stock Market, for all in-the-money options outstanding and all the in-the-money shares exercisable.

(3) The weighted average fair value of options granted in the nine month period ended January 31, 2011 was $1.07 per option.

Total cash received from the exercise of options in the first nine months of fiscal 2011 ended January 31, 2011 was $12,800. As of January 31, 2011, there was approximately $708,000 of total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted average period of approximately fifteen months.

b. Other Stock Options

On June 30, 2008, 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 of $2.60 per share which was the fair value at the date of grant, were 100% exercisable on the date of grant and expire ten years after the date of grant.

(3) Acquisition

On March 31, 2009, the Company acquired certain assets of Micro Memory Bank, Inc. (MMB), a privately held corporation. MMB is a manufacturer of legacy to advanced solutions in laptop, desktop and server memory products. The acquisition expands the Company's memory product offerings and routes to market. The Company purchased the assets from MMB for total consideration of approximately $2,253,000 of which approximately $912,000 was paid in cash. The Company also assumed certain accounts payable totaling approximately $190,000 and certain accrued liabilities totaling approximately $122,000. Under the terms of the agreement with MMB, the remaining portion of the purchase price is contingently payable based upon the performance of the new Dataram business unit to be operated as a result of the acquisition (the Unit) and consists of a percentage, averaging 65%, payable quarterly, over the subsequent four years from acquisition date of earnings before interest, taxes, depreciation and amortization of the MMB business unit. For the three and nine month periods ended January 31, 2011, this amount totaled approximately $62,000 and $432,000, respectively. The net assets acquired by the Company were recorded at their respective fair values under the purchase method of accounting.

The total consideration of the acquisition has been allocated to the fair value of the assets of MMB as follows:

Accounts receivable	$ 478,000
Machinery and equipment	200,000
Deposits	16,000
Trade names	733,000
Customer relationships	758,000
Non-compete agreement	68,000

Gross assets acquired	2,253,000
Liabilities assumed	312,000

Net assets acquired	$ 1,941,000
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(4) Related Party Transactions

During the three and nine month periods ended January 31, 2011, the Company purchased inventories for resale totaling approximately $616,000 and $1,232,000, respectively, from Sheerr Memory, LLC (Sheerr Memory). During the prior fiscal year's comparable periods, the Company purchased inventories for resale totaling approximately $844,000 and $4,199,000, respectively, from Sheerr Memory. Sheerr Memory's owner ("Mr. Sheerr") is employed by the Company as the general manager of the acquired MMB business unit described in Note 3 and is an executive officer of the Company. When the Company acquired certain assets of MMB, it did not acquire any of its inventories. However, the Company informally agreed to purchase such inventory on an as needed basis, provided that the offering price was a fair market value price. The inventory acquired was purchased subsequent to the acquisition of MMB at varying times and consisted primarily of raw materials and finished goods used to produce products sold by the MMB business unit. Approximately $557,000 and $400,000, respectively, of accounts payable in the Company's consolidated balance sheets as of January 31, 2011 and April 30, 2010 is payable to Sheerr Memory. Sheerr Memory offers the Company trade terms of net 30 days and all invoices are settled in the normal course of business. No interest is paid. The Company has made further purchases from Sheerr Memory subsequent to January 31, 2011 and management anticipates that the Company will continue to do so, although the Company has no obligation to do so.

On February 24, 2010, the Company entered into a Note and Security Agreement with Mr. Sheerr. Under the agreement, the Company borrowed the principal sum of $1,000,000 for a period of six months, which the Company could extend for an additional three months without penalty. The loan bore interest at the rate of 5.25%. Interest was payable monthly, and the entire principal amount was payable in the event of the employee's termination of employment by the Company. The loan was secured by a security interest in all machinery, equipment and inventory of Dataram at its Montgomeryville, PA location. The loan was paid in full on August 13, 2010.

On July 27, 2010, the Company entered into an agreement with Sheerr Memory to consign a formula based amount of up to $3,000,000 of certain inventory into the Company's manufacturing facilities. The agreement has a two-year term and the Company is obligated to pay monthly a fee equal to 0.833% of the average daily balance of the purchase cost of the consigned products held by Sheerr Memory under the agreement. The Company is obligated to purchase any consigned products acquired by Sheerr Memory under the agreement within ninety days of the acquisition date of the product. The Company and Sheerr Memory must jointly agree to the products to be held in consignment under the agreement. As of January 31, 2011, the Company has received financing totaling $500,000 under the agreement which is recorded as a liability in the accompanying consolidated balance sheets. Interest paid to Sheerr Memory in the third quarter of fiscal 2011 was $4,256. Interest payable to Sheerr Memory at January 31, 2011 was $4,256.

(5) Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash and money market accounts.

(6) Accounts Receivable

Accounts receivable consists of the following categories:

	January 31, 2011	April 30, 2010
Trade receivables	$ 3,632,000	$ 5,000,000
VAT receivable	164,000	594,000
Other	2,000	0
Allowance for doubtful accounts and sales returns	(225,000)	(250,000)
	$ 3,573,000	$ 5,344,000

(7) Inventories

Inventories are valued at the lower of cost or market, with costs determined by the first-in, first-out method. Inventories at January 31, 2011 and April 30, 2010 consist of the following categories:

	January 31, 2011	April 30, 2010
Raw materials	$ 2,840,000	$ 3,919,000
Work in process	104,000	32,000
Finished goods	2,165,000	2,921,000
	$ 5,109,000	$ 6,872,000

(8) Intangible Assets and Goodwill

Intangible assets with determinable lives, other than customer relationships, are amortized on a straight-line basis over their estimated period of benefit, ranging from four to five years. Customer relationships are amortized over a two-year period at a rate of 65% of the gross value acquired in the first year subsequent to their acquisition and 35% of the gross value acquired in the second year. We evaluate the recoverability of intangible assets periodically and take into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists. All of our intangible assets with definitive lives are subject to amortization. No impairments of intangible assets have been identified during any of the periods presented. Goodwill is tested for impairment on an annual basis and between annual tests if indicators of potential impairment exist, using a fair-value-based approach. The date of our annual impairment test is March 1.

The Company estimates that it has no significant residual value related to its intangible assets. Acquired intangibles generally are amortized on a straight-line basis over weighted average lives. Intangible assets amortization expense for the three and nine months periods ended January 31, 2011 totaled approximately $107,000 and $322,000, respectively. Intangible asset amortization is included in selling, general and administrative expense. The components of finite-lived intangible assets acquired are as follows:

		Gross Carrying Amount	
	Weighted Average Life	January 31, 2011	April 30, 2010
Trade names	5 Years	$ 733,000	$ 733,000
Customer relationships	2 Years	758,000	758,000
Non-compete agreement	4 Years	68,000	68,000
Software development costs(a)		768,000	0
Total gross carrying amount		$ 2,327,000	$ 1,559,000
Less accumulated amortization expense		1,014,000	692,000
Net intangible assets		$ 1,313,000	$ 867,000

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The following table outlines the estimated future amortization expense related to intangible assets:

Year ending April 30:	
2011	$ 407,000
2012	164,000
2013	162,000
2014	134,000

	$ 867,000
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(a) At the time XcelaSAN is made available for general release to customers the software development costs will be amortized to cost of sales over the estimated useful life of the underlying technology.

(9) Notes Payable

On July 27, 2010, the Company entered into a credit facility with a bank, which provides for up to a $5,000,000 revolving credit line. Advances under the facility are limited to 80% of eligible receivables, as defined in the agreement. The agreement does not have a fixed term. The bank may demand immediate repayment of all loans at any time, provided that if the Company is not in default under the agreement, it has ninety days to repay the amounts demanded. The agreement provides for Prime Rate loans at an interest rate equal to the Prime Rate plus two percent, subject to a minimum interest rate of five and one quarter percent. The Company is required to pay a monthly maintenance fee equal to six-tenths of one percent (0.6%) of the monthly average principal balance of any borrowings under the facility in the prior month. The agreement contains certain restrictive covenants, specifically a minimum tangible net worth covenant and certain other covenants, as defined in the agreement. At January 31, 2011, the Company was not in compliance with the tangible net worth covenant. The Company has subsequently received a temporary waiver of compliance from the bank, which is in effect until the end of the Company's next fiscal quarter.

On February 24, 2010, the Company entered into a Note and Security Agreement with Mr. Sheerr. Under the agreement, the Company borrowed the principal sum of $1,000,000 for a period of six months, which the Company could extend for an additional three months without penalty. The interest rate on the loan was 5.25%, payable monthly. The loan was paid in full on August 13, 2010.

(10) Financial Information by Geographic Location

The Company currently operates in one business segment that develops, manufactures and markets a variety of memory systems for use with network servers and workstations which are manufactured by various companies. Revenues for the three and nine months ended January 31, 2011 and 2010 by geographic region are as follows:

	Three months ended January 31, 2011	Nine months ended January 31, 2011
United States	$ 9,337,000	$ 28,626,000
Europe	1,648,000	4,130,000
Other (principally Asia Pacific Region)	888,000	2,810,000
Consolidated	$ 11,873,000	$ 35,566,000

	Three months ended January 31, 2010	Nine months ended January 31, 2010
United States	$ 10,028,000	$ 26,308,000
Europe	1,258,000	3,634,000
Other (principally Asia Pacific Region)	998,000	2,205,000
Consolidated	$ 12,284,000	$ 32,147,000

Long-lived assets consist of property and equipment and intangible assets. Long-lived assets and total assets by geographic region as of January 31, 2011 are as follows:

	January 31, 2011	
	Long-lived assets	Total assets
United States	$ 2,601,000	$ 12,022,000
Europe	0	45,000
Other	0	9,000
Consolidated	$ 2,601,000	$ 12,076,000

(11) Recently Adopted Accounting Guidance

There are no new pronouncements which affect the Company.

(12) 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 is also developing a line of high performance storage caching products.

The Company's memory products are sold worldwide to OEMs, distributors, value-added resellers and end-users. The Company has two manufacturing facilities 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.

On March 31, 2009, the Company acquired certain assets of Micro Memory Bank, Inc. (MMB), a privately held corporation. MMB is a manufacturer of legacy to advanced solutions in laptop, desktop and server memory products. The acquisition expanded the Company's memory product offerings and routes to market. The results of operations of MMB for the period from the acquisition date through January 31, 2011 have been included in the consolidated results of operations of the Company.

Liquidity and Capital Resources

As of January 31, 2011, cash and cash equivalents amounted to approximately $466,000 and working capital amounted to approximately $4,705,000, reflecting a current ratio of 2.0. This compares to cash and cash equivalents of approximately $2,507,000 and working capital of approximately $8,550,000, reflecting a current ratio of 2.4 as of April 30, 2010.

During the first nine months of fiscal 2011, net cash used in operating activities totaled approximately $1,596,000. Net loss in the period was approximately $3,792,000. Accounts payable decreased by approximately $1,324,000, primarily as a result of a reduction in inventories of approximately $1,764,000. The reduction in inventory is attributable to higher availability of DRAM's resulting in shorter lead times. Accrued liabilities decreased by approximately $1,033,000, primarily as a result of payment of an accrued contingently payable acquisition price for MMB. Other current assets increased by approximately $241,000. Depreciation and amortization of approximately $780,000 was recorded in fiscal 2011's first nine months. Trade receivables decreased by approximately $1,776,000. Non-cash stock-based compensation expense of approximately $461,000 was also recorded.

Net cash used in investing activities totaled approximately $1,325,000 for the nine months ended January 31, 2011 and consisted primarily of software development costs of $768,000 and a provision of approximately $432,000 for the MMB acquisition more fully described in Note 3 to the Consolidated Financial Statements. Fixed asset additions totaled approximately $135,000 during the first nine months of fiscal 2011.

Net cash provided by financing activities totaled approximately $880,000 for the nine months ended January 31, 2011 and consisted of borrowings under a revolving credit facility, described below, totaling $1,367,000 reduced by the payment of a note payable to a related party totaling $500,000.

On July 27, 2010, the Company entered into an agreement with a financial institution for formula based secured debt financing of up to $5,000,000. Also, on July 27, 2010, the Company entered into an agreement with a vendor, which is wholly owned by the employee and executive officer referred to above, to consign a formula-based amount of up to $3,000,000 of certain inventory into our manufacturing facilities. As of January 31, 2011, the Company has received financing totaling $500,000 under this agreement. These agreements are more fully described in Notes 4 and 9 to the consolidated financial statements.

Based on the cash flows expected to be provided from these agreements along with the cash flows projected to result from the Company's operations, management has concluded that the Company's short-term liquidity needs have been satisfied. The Company's short-term cash flow projections include cash flow generated from its traditional memory solutions business as well as from revenues generated by sales of its recently developed XcelaSAN product line. There can be no assurance, however, that in the short-term, realized revenues will be in line with the Company's projections. Management continues to evaluate the Company's liquidity needs and sources of capital as we execute our business plan. Management has had discussions with several parties concerning the amount, availability and terms of additional funding that may be available to the Company. Management has concluded based on representations made in those discussions that additional sources of capital are available to the Company should it be required. However, unless or until additional financing is committed, there can be no assurance that such financing will be sufficient for the Company's purposes or that additional sources of financing will be available if needed. In order to satisfy long-term liquidity needs, the Company will need to generate profitable operations and positive cash flows.

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) as of April 30, 2010 are as follows:

	Operating leases
Year ending April 30:	
2011	$ 387,000
2012	34,000
Total minimum lease payments	$ 421,000

The Company has no other material commitments.

Results of Operations

Revenues for the three month period ended January 31, 2011 were $11,873,000 compared to revenues of $12,284,000 for the comparable prior year period. Revenues for the first nine months of the current fiscal year were $35,566,000 compared to revenues of $32,147,000 for the comparable prior year period.

Revenues for the three and nine months ended January 31, 2011 and 2010 by geographic region are as follows:

	Three months ended January 31, 2011	Nine months ended January 31, 2011
United States	$ 9,337,000	$ 28,626,000
Europe	1,648,000	4,130,000
Other (principally Asia Pacific Region)	888,000	2,810,000
Consolidated	$ 11,873,000	$ 35,566,000

	Three months ended January 31, 2010	Nine months ended January 31, 2010
United States	$ 10,028,000	$ 26,308,000
Europe	1,258,000	3,634,000
Other (principally Asia Pacific Region)	998,000	2,205,000
Consolidated	$ 12,284,000	$ 32,147,000

Cost of sales for the third quarter and nine months of fiscal 2011 were 76% of revenues, versus 72% and 73% for the same respective prior year periods. Management expects that cost of sales as a percentage of revenue will generally be approximately 75%. Fluctuations either up or down of 3% or less in any given period are not unusual and can result from many factors, some of which are a rapid change in the price of DRAMs, 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 third quarter and nine months were $9.0 million and $27.1 million respectively, compared to $8.9 million and $23.5 million in the prior year comparable periods.

Engineering expense in fiscal 2011's third quarter and nine months was $250,000 and $763,000, respectively, versus $220,000 and $732,000 for the same respective prior year periods.

Research and development expense in fiscal 2011's third quarter and nine months was $134,000 and $1,894,000, respectively, versus $892,000 and $3,388,000 in the comparable prior year periods. Research and development expense includes payroll, employee benefits, stock-based compensation expense, and other headcount-related expenses associated with product development. Research and development expense also includes third-party development and programming costs. In the first quarter of the prior fiscal year, the Company implemented a strategy to introduce new and complementary products into its offerings portfolio. The Company is currently focusing on the development of a line of high performance storage caching products ("XcelaSAN"). XcelaSAN is a unique intelligent Storage Area Network (SAN) optimization solution that delivers substantive application performance improvement to applications such as Oracle, SQL and VMware. XcelaSAN augments existing storage systems by transparently applying intelligent caching algorithms that serve the most active block-level data from high-speed storage, creating an intelligent, virtual solid state SAN. As part of that strategy, in January 2009, the Company entered into a software purchase and license agreement with another company whereby the Company acquired the exclusive right to purchase specified software for a price of $900,000 plus a contingent payment of $100,000. Fiscal 2010's research and development expense includes $600,000 of expense related to the Agreement, of which $300,000 was expensed in the first fiscal quarter and $300,000 was expensed in the second fiscal quarter. The Company owns the software. The software and the storage products, which incorporate the software, are currently under development. On November 4, 2011, management concluded that technological feasibility of the product was established. In fiscal 2011's third quarter ended January 31, 2011 the Company capitalized $768,000 of research and development costs. We expect to make further investments in this area.

Selling, general and administrative (S,G&A) expense in fiscal 2011's third quarter and nine months decreased by approximately $346,000 and $839,000, respectively, from the comparable prior year periods. The reduction in this year's third quarter is primarily the result of reduced stock option expense recorded as a component of S,G&A. Stock option expense was approximately $113,000 in the current fiscal year's third quarter compared to $345,000 in the same prior year period. Intangible asset amortization recorded as a component of S,G&A expense was approximately $57,000 less than the prior year's third quarter. There has been and overall reduction of S,G&A expense in Fiscal 2011 compared to the prior year periods.

Other income (expense), net for the third quarter and nine months totaled $179,000 and $339,000 of expense, respectively, for fiscal 2011. Fiscal 2010's third quarter and nine months totaled $11,000 of expense and $11,000 income, respectively. Other expense in fiscal 2011's third quarter consisted primarily of interest expense of $105,000 and $54,000 of foreign currency transaction losses, primarily as a result of the EURO weakening relative to the US dollar. Fiscal 2011's nine month other expense of $339,000 consisted of $184,000 of interest expense and $139,000 of foreign currency transaction losses, primarily as a result of the EURO weakening relative to the US dollar. Other expense in fiscal 2010's third quarter consisted primarily of $11,000 of foreign currency transaction losses, primarily as a result of the EURO weakening relative to the US dollar. Nine month other income of $11,000 consisted primarily of $10,000 of other income related to a gain on an asset disposal. There was also $7,000 of net interest income and $6,000 of foreign currency transaction losses, primarily as a result of the EURO weakening relative to the US dollar.

Income tax expense for the three and nine months ended January 31, 2011 totaled approximately $5,000 and consisted of state minimum income tax payments. Income tax expense for the same prior year periods totaled $5,281,000 and $3,611,000, respectively. The Company utilizes the asset and liability method of accounting for income taxes in accordance with the provisions of the Expenses - Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)(Codification). Under the asset and liability method, 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 the Company determines that 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. In each reporting period, the Company assesses, based on the weight of all evidence, both positive and negative, whether a valuation allowance on its deferred tax assets is warranted. Based on the assessment conducted in the Company's reporting period ended January 31, 2010, the Company concluded that such an allowance was warranted, and, accordingly, recorded a valuation allowance of approximately $5.8 million in that reporting period. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences or tax attributes are expected to be recovered or settled. 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. As of April 30, 2010 the Company had Federal and State net operating loss (NOL) carry-forwards of approximately $11.5 million and $9.7 million, respectively. These can be used to offset future taxable income and expire between 2023 and 2030 for Federal tax purposes and 2016 and 2030 for state tax purposes. As a result, the Company does not expect to record any income tax expense (benefit) in fiscal 2011, other than statutory minimum State corporate income taxes. The Company's NOL carry-forwards are a component of its deferred tax assets which are reported net of a full valuation allowance in the Company's consolidated financial statements at January 31, 2011 and at April 30, 2010.

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, 2010, 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. Estimated warranty costs are accrued by management upon product shipment based on an estimate of future warranty claims.

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. Under this method, 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 and tax the benefit associated with net operating loss carry forwards. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The Company considers certain tax planning strategies in its assessment as to the recoverability of its deferred income tax assets. Deferred income 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. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in earnings in the period that the tax rate changes. The Company recognizes, in its consolidated 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. There are no material unrecognized tax positions in the consolidated financial statements.

Goodwill - Goodwill is tested for impairment on an annual basis and between annual tests if indicators of potential impairment exist, using a fair-value-based approach. The date of our annual impairment test is March 1.

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 income 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 income 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. At times, the Company's cash equivalents consist of overnight deposits with banks and money market accounts. The Company's objective in connection with its investment strategy is to maintain the security of its cash reserves without taking market risk with principal.

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

ITEM 4. CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer 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 January 31, 2011 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

No reportable event.

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 5. OTHER INFORMATION.

No reportable event.

Item 6. EXHIBITS.

Exhibit No.	Description
10.	Second Lease Renewal Agreement, dated as of February 10, 2011, between Nappen & Associates and the Company, renewing the lease for the Montgomery Township, PA facility
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: March 16, 2011 By: /s/ Mark E. Maddocks

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

SECOND LEASE RENEWAL AGREEMENT

SECOND LEASE RENEWAL AGREEMENT made as of the last date endorsed hereon between NAPPEN & ASSOCIATES, a Pennsylvania limited partnership t/a 309 DEVELOPMENT COMPANY ("Lessor")

A N D

DATARAM CORPORATION, a New Jersey corporation, duly registered to do business in the Commonwealth of Pennsylvania ("Lessee").

Basis of Agreement

A. By Lease Agreement dated December 31, 2000, as amended by Lease Renewal Agreement dated February 13, 2006 (together with this Second Lease Renewal Agreement on and after April 1, 2011, the "Lease"), Lessor demised and let to Lessee's Assignor, who subsequently assigned its interest to Lessee under an Assignment, Amendment and Assumption Agreement with an effective date of April 1, 2009 (the "Assignment"), who hired from Lessor that certain portion of building situate Lot No. 16, Montgomeryville Industrial Center, Montgomery Township, Montgomery County, Pennsylvania, consisting of 17,500 sq. ft., more or less, known and numbered 130 Corporate Drive, Montgomeryville, Pennsylvania 18936 (the "Premises") for a term expiring March 31, 2011.

B. The parties desire to extend the term of the Lease for an additional term of five (5) years, commencing April 1, 2011, and ending March 31, 2016 ("Second Renewal Term").

C. The parties desire to set forth herein their agreement regarding the terms of the Lease during the Second Renewal Term.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. The term of the Lease is hereby extended for a Second Renewal Term of five (5) years, commencing April 1, 2011, and terminating March 31, 2016, at 11:59 p.m., unless further extended, renewed or previously terminated, as set forth in the Lease.

2. During the Second Renewal Term, Article 3 of the Lease, entitled "Minimum Annual Rent" shall be amended and supplemented to read as follows:

> "3. Minimum Annual Rent. The minimum annual rent ("Minimum Annual Rent") payable by Lessee to Lessor during the Second Renewal Term shall be Ninety Six Thousand Two Hundred Fifty and 00/100 Dollars ($96,250.00) per year, lawful money of the United States of America, payable in monthly installments in advance during the Second Renewal Term in sums of Eight Thousand Twenty and 83/100 Dollars ($8,020.83) on the first day of each month during the Second Renewal Term, commencing April 1, 2011."

3. Article 25 of the Lease is hereby deleted in its entirety and the following substituted therefor:

> "25. Extensions and Renewals.
>
> A. Extensions. It is hereby mutually agreed that in the event Lessee has not given the "Preliminary Renewal Notice" as defined in subparagraph 25(B), or has given the Preliminary Renewal Notice but has withdrawn the same, Lessee may terminate this Lease at the end of the Second Renewal Term and any subsequent renewal term or extension term, by giving to Lessor written notice at least six (6) months prior thereto, and Lessor may terminate this Lease at the end of the Second Renewal Term and any subsequent renewal or extension thereof by giving to Lessee written notice at least five (5) months prior thereto (each an "Expiration Notice"); but in default of an Expiration Notice given by either party in the manner provided herein, this Lease shall continue for an extension term of one (1) year, commencing the day

after the expiration of the then current renewal term or extension term, as the case may be, upon the terms and conditions in force immediately prior to the expiration of the then-current renewal term or extension term, as the case may be (except for the Minimum Annual Rent, which shall be as computed in subparagraph 25(C)(iii)), and so on from year to year, unless terminated by the giving of an Expiration Notice within the times and in the manner aforesaid. In the event that Lessee or Lessor shall have given an Expiration Notice and Lessee shall fail or refuse to completely vacate the Premises and restore the same to the condition required in this Lease on or before the date designated in the Expiration Notice (the "Expiration Date"), then it is expressly agreed that Lessor, by notice to Lessee given no later than forty-five (45) days after the Expiration Date, shall have the option either:

(i) to disregard the Expiration Notice as having no force and effect, whereupon the Expiration Notice shall be null and void, ab initio, as if never given; or

(ii) treat Lessee as Holding Over, in accordance with paragraph 2(B) of the Lease.

All powers granted to Lessor by this Lease shall be exercised and all obligations imposed upon Lessee by this Lease shall be performed by Lessee during the Second Renewal Term, as well as during any subsequent extension or renewal terms of this Lease.

Notwithstanding anything set forth in subparagraph 25(A) to the contrary, if the term of this Lease is not previously terminated, the term of this Lease shall end absolutely, without further notice, at 11:59 p.m. on the day previous to the 29th anniversary of the Lease Commencement Date set forth in the Lease.

B. Option to Renew.

(i) Provided Lessor has not previously given Lessee a notice under paragraph 23(P) hereof, and Lessee is not in default under the terms of this Lease at the end of the term of the Second Renewal Term, Lessee shall have the right and privilege, at its election, to renew the term of this Lease for an additional period of five (5) years commencing upon the day after the expiration of the term of the Second Renewal Term and terminating five (5) years thereafter without further notice. Such five-year period is hereinafter referred to as the "Third Renewal Term".

In order to exercise said option, Lessee must give Lessor written notice of its election to renew ("Preliminary Renewal Notice") at least six (6) months prior to the expiration of the term of the Second Renewal Term. Said Third Renewal Term shall be on the same terms and conditions as herein provided for the Second Renewal Term except that the Minimum Annual Rent shall be calculated as set forth in the following paragraph. In the event Lessee does not exercise its option to renew within the time set forth, the provisions of subparagraph 25(A) shall apply.

C. Computation of Minimum Annual Rent in the event of Extension/Renewal.

In the event of exercise of the option to renew this Lease by Lessee in accordance with the terms of subparagraph B, commencing with the rental payment due on the first day of the Third Renewal Term, the Minimum Annual Rent shall be the greater of the Minimum Annual Rent set forth in this Lease for the Second Renewal Term, or the fair market rental. The fair market rental shall be determined as follows:

(i) Within fifteen (15) days from receipt of the Preliminary Renewal Notice, Lessor shall advise Lessee of the fair market rental of the Premises as of the commencement of the Third Renewal Term, by notice hereunder. In the event Lessee is dissatisfied with the fair market rental as specified by Lessor, it may withdraw the Preliminary Renewal Notice, by notice to Lessor, given at least five (5) months one (1) day prior to the end of the Second Renewal Term.

(ii) The new Minimum Annual Rent, effective on or after the first day of the Third Renewal Term and for the balance of the Third Renewal Term shall be the greater of the fair market rental set forth in Lessor's notice or the Minimum Annual Rent as set forth in this Lease for the Second Renewal Term. This Minimum Annual Rent shall be payable in equal monthly installments commencing on the first day of the Third Renewal Term and on the first day of each month thereafter during the Third Renewal Term.

(iii) For extensions of this Lease under subparagraph 25(A), the Minimum Annual Rent during a one-year extension term shall be the greater of the Minimum Annual Rent for the previous Lease Year or the fair market rental for the Premises as of the commencement of the extension term, as determined by Lessor, payable in monthly installments on the first day of each month during the extension term."

THE FOLLOWING PARAGRAPH 4 SETS FORTH AN ACKNOWLEDGEMENT AND CONFIRMATION OF WARRANT OF AUTHORITY FOR ANY PROTHONOTARY OR ATTORNEY OF COURT OF RECORD TO CONFESS JUDGMENT AGAINST THE LESSEE. IN GRANTING THIS WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST THE LESSEE, THE LESSEE, FOLLOWING CONSULTATION WITH (OR DECISION NOT TO CONSULT) SEPARATE COUNSEL FOR THE LESSEE AND WITH KNOWLEDGE OF THE LEGAL EFFECT THEREOF, HEREBY KNOWINGLY, INTENTIONALLY, VOLUNTARILY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS THE LESSEE HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE. IT IS SPECIFICALLY ACKNOWLEDGED BY THE LESSEE THAT THE LESSOR HAS RELIED ON THIS WARRANT OF ATTORNEY IN EXECUTING THIS SECOND LEASE RENEWAL AGREEMENT AND AS AN INDUCEMENT TO GRANT FINANCIAL ACCOMMODATIONS HEREUNDER TO THE LESSEE.

LESSEE EXPRESSLY WARRANTS AND REPRESENTS THAT THE FOLLOWING WARRANT OF ATTORNEY TO CONFESS JUDGMENT HAS BEEN AUTHORIZED EXPRESSLY BY PROPER ACTION OF THE BOARD OF DIRECTORS OF LESSEE.

LESSEE AND LESSOR HEREBY CONSENT TO THE JURISDICTION OF THE COURT OF COMMON PLEAS OF MONTGOMERY COUNTY PENNSYLVANIA OR THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA FOR ANY PROCEEDING IN CONNECTION WITH THE LEASE, AND HEREBY WAIVE OBJECTIONS AS TO VENUE AND CONVENIENCE OF FORUM IF VENUE IS IN MONTGOMERY COUNTY, PENNSYLVANIA OR IN THE FEDERAL DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA. IN ANY ACTION OR SUIT UNDER THE LEASE, SERVICE OF PROCESS MAY BE MADE UPON LESSOR OR ANY LESSEE BY MAILING A COPY OF THE PROCESS BY FIRST CLASS MAIL TO THE RECIPIENT AT THE RESPECTIVE ADDRESS SET FORTH IN PARAGRAPH 26 OF THE LEASE. LESSOR AND LESSEE HEREBY WAIVE ANY AND ALL OBJECTIONS TO SUFFICIENCY OF SERVICE OF PROCESS IF DULY SERVED IN THIS MANNER

4. Lessee and Lessor, jointly and severally, acknowledge and confirm that the Lease contains paragraph 23(M) (specifically ratified and assumed by Lessee in the Assignment), which permits the Lessor to CONFESS JUDGMENT AGAINST LESSEE FOR THE RECOVERY BY LESSOR OF POSSESSION OF THE PREMISES upon the expiration of the then current term of the Lease. The parties hereto further acknowledge and agree that nothing contained herein can be construed to impair in any manner whatsoever Lessor's ability to confess judgment against Lessee for the recovery by Lessor of possession of the Premises pursuant to the terms of the Lease.

5. Effectiveness. The furnishing of the form of this agreement shall not constitute an offer and this agreement shall become effective upon and only upon its execution by and delivery to each party hereto.

6. In all other respects, the terms and conditions of the Lease not inconsistent with the terms hereof are hereby ratified and confirmed and shall remain in full force and effect during the Second Renewal Term.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, intending to be legally bound, as of the day and year last below written.

NAPPEN & ASSOCIATES,
a Pennsylvania limited partnership

t/a 309 DEVELOPMENT COMPANY

Dated: 2/10/11

By: /s/ Robert W. Nappen

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Robert W. Nappen,
Managing General Partner

DATARAM CORPORATION, A New Jersey corporation,

By: /s/ Mark Maddocks

Title: Vice-President, Finance

Dated: 2/2/2011

Attest: Anthony Lougee

Title: Controller

(CORPORATE SEAL)

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: March 16, 2011 /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: March 16, 2011 /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 January 31, 2011, 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.

March 16, 2011 /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 January 31, 2011, 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.

March 16, 2011 /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.]