SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One) FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended April 30, 1996.

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
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 of Incorporation)	(I.R.S. Employer Identification No.)

P.O. Box 7528, Princeton, New Jersey 08543-7528
(Address of principal executive offices) (Zip Code)

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

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1.00 Par Value	American Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

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. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the Common Stock held by non-affiliates of the registrant on July 25, 1996 was $19,605,462.

The number of shares of Common Stock outstanding on July 25, 1996: 3,531,705 shares.

DOCUMENTS INCORPORATED BY REFERENCE:

(1) Definitive Proxy Statement for Annual Meeting of Shareholders to be held on September 10, 1996 (the "Definitive Proxy Statement") to be filed within 120 days of the end of the fiscal year.

DATARAM CORPORATION
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Part I Page

PART I

Item 1. BUSINESS

(a) General Development of Business.

Dataram develops, manufactures and markets computer add-in memory products for use with workstations, servers and minicomputers. The Company's add-in memory products expand the capacity and extend the economic useful life of the installed base of computers manufactured by Sun Microsystems, Inc. ("Sun"), Hewlett-Packard Company ("HP"), Digital Equipment Corporation ("DEC"), Silicon Graphics and International Business Machines Corporation ("IBM") (RS/6000 line). Dataram products are not intended for use with high end mainframe computers.

In fiscal 1996 the Company saw a dramatic decline in the price it pays for random access memory ("RAM"), which is the principal component of the memory boards it sells. As a direct consequence, the prices for the memory boards the Company sells also dramatically declined. Thus, notwithstanding substantial increases in units shipped, Company revenues increased only slightly. The Company also saw a substantial increase in the availability of RAM. Consequently, the Company no longer needed to maintain large inventory levels to service its customers. As a result of cost containment, the Company enjoyed positive earnings in fiscal 1996 as compared with losses in fiscal 1995.

The Company was incorporated in New Jersey in 1967 and made an initial public offering in 1968. Its Common Stock has been listed for trading on the American Stock Exchange since 1981. The Company's principal office is located at P.O. Box 7528, Princeton, New Jersey 08543-7528 and its telephone number is (609) 799-0071.

(b) Financial Information about Industry Segments.

The Company operates in one industry segment. For information concerning revenues, net revenues, net earnings, and identifiable assets, see Note 9 of Notes to Consolidated Financial Statements, under the heading "Segment Information - Operations and Assets by Geographic Locations."

(c) Narrative Description of Business.

Dataram develops, manufactures and markets a variety of add-in memory products for use with workstations, servers and minicomputers, including those sold by Sun, HP, DEC, Silicon Graphics, and the RS/6000 line of workstations sold by IBM. The Company sells add-in memory products both for new machines and for the installed base of these classes of computers at prices less than the computer manufacturer. The Company's customers are primarily distributors, value added resellers and larger end-users.

Industry Background

The market for independently manufactured add-in memory began in the early 1970's with the introduction of core memory expansions for DEC computers. During the late 1970's semiconductor technology emerged as the dominant technology for use in computer memories, displacing magnetic core memories.

The minicomputer was pioneered by DEC in the late 1960's and early 1970's as a lower cost, localized system which could be used to service a small department of a company and provide independence from centralized mainframes. This decentralized approach to satisfying computing needs gained immediate popularity with the engineering and scientific community and later with the general business community. A large installed base of minicomputer systems remains in place, although this base is now declining.

The workstation, like the PC, is designed to provide computer resources to individual users. The workstation differs from the PC in providing substantially greater computational performance, input/output capability and graphic display. As workstation technology has matured in recent years, the capabilities for multiple users per workstation and multiple workstations networked together have developed. As a result of this networking capability, a new class of computer system, the server, has emerged.

Servers are computer systems on a network which provide dedicated functions accessible by all workstations and other systems on the same network. Examples of different types of servers in use today are: file servers, communication servers, computation servers, database servers, print servers and storage servers.

Dataram markets its add-in memory products to end users of the installed base of workstations, minicomputers and servers sold by Sun, HP, DEC, Silicon Graphics and the RS/6000 line of workstations sold by IBM.

The "open system" philosophy espoused by the general computer industry has played a part in enlarging the market for third party vendors. Under the "open system" philosophy, manufacturers adhere to industry design standards, enabling users to "mix and match" hardware and software products from a variety of vendors so that a system can be configured for the user's application in the most economical manner with reduced concern for compatibility and support. Memory products for workstations and servers have become commodities with substantial competition from OEMs and a number of independent memory manufacture suppliers. As a result memory margins have severely eroded.

Generally, growth in add-in memory markets closely follows both the growth in unit shipments of system vendors and the growth of memory requirements per system. Dataram expects its growth to be highest in the Sun and HP markets, primarily based on the strong end-user market acceptance of those companies' workstations and servers.

Business Strategy

In addition to taking advantage of the growing market for workstations and servers, Dataram has a two pronged strategy to increase sales.

Market Penetration

Management estimates that sales by system vendors constitute 75% of the add-in memory market. Thus, there is an opportunity for growth through penetration of the system vendor's market share. To successfully compete with system vendors, Dataram must continue to respond to customers' needs in a short time frame. To support customers' needs, the Company has established a dedicated and highly automated manufacturing facility that is designed to produce and ship customer orders within twenty four hours or less.

Geographic Expansion

Approximately 70% of Dataram's fiscal 1996 revenues were derived from sales in the United States with the remainder principally in Western Europe, Canada and the Asian Pacific region. The Company intends to capitalize on the system vendors' growth of business in Europe and Asia by providing add-in memory for the systems being sold in these markets.

Products

The Company's principal business is the development, manufacture and marketing of memory boards and modules which can be added to workstations, servers and minicomputers to upgrade or expand the capabilities of such systems. When vendors produce computer systems adhering to open system industry standards, the development effort for Dataram and other independent memory manufacturers is straightforward and allows for the use of many standard components.

Distribution Channels

Dataram sells its add-in memory products in the United States to distributors, value added resellers and larger end-users principally through its telesales staff located in Princeton, New Jersey. The Company also markets its add-in memory products in Canada, Western Europe and the Asian Pacific region through a network of independent distributors supported by marketing offices in the U.K. and Singapore.

Product Warranty and Service

Management believes that the Company's reputation for the reliability of its add-in memory products and the confidence of prospective purchasers in Dataram's ability to provide service over the life of the product are important factors in making sales. As a consequence, the Company adopted many years ago a Lifetime Warranty program for its memory products. The economic useful life of the computer systems to which Dataram's add-in memory equipment is attached is almost always substantially less than the physical useful life of the equipment itself. Thus, memory systems are unlikely to "wear out." The Company's experience is that less than 1% of all the products it sells are returned under the Lifetime Warranty.

Engineering and Development

The Company's ability to compete successfully depends upon its ability to identify new add-in memory needs of its customers. To achieve this goal, the Company's engineering group continually monitors computer system vendors' new product developments, and the Company evaluates and tests major components as they become available. Dataram designs prototype add-in memory products and subjects them to reliability testing procedures. During its fiscal year ended April 30, 1996, the Company incurred costs of

$1,584,000 for engineering and product development compared to $2,484,000 in fiscal 1995 and $3,320,000 in fiscal 1994.

Manufacturing

The Company purchases standard dynamic random access memory ("DRAM") chips and single in-line memory module chips. The costs of such chips is approximately 95% of the total manufacturing cost of add-in memory products. Fluctuations in the availability or prices of memory chips have an impact on the Company's profit.

Dataram has created close relationships with primary suppliers while qualifying and developing alternate sources as a back up. The qualification program consists of extensive evaluation of process capabilities, on-time delivery performance and financial stability of each supplier. Alternative sources are qualified to normally assure supply in the event of a problem with the primary source or to handle surges in demand. The availability of parts within hours of a manufacturing release is normally assured by means of bonded inventory of parts and blanket procurements for items such as printed circuit boards and DRAM chips.

The Company assembles its memory boards at a leased site with management and workers provided by an independent contractor. Memory boards are then rigorously tested in the Company's quality assurance program.

Backlog

The Company expects that all backlog on hand will be filled during the current fiscal year. The Company believes that backlog is generally not material to its business since the Company usually ships its add-in memory products on the same day an order is received.

Competition

The intensely competitive computer industry is characterized by rapid technological change and constant pricing pressures. These characteristics are equally applicable to the third party memory market, where pricing is a major consideration in the buying decision. Dataram competes with Sun, HP, DEC, Silicon Graphics and IBM, as well as with a number of third party memory suppliers, including Kingston Technology.

Although many of Dataram's competitors possess significantly greater financial, marketing and technological resources, the Company competes favorably based on the buying criteria of price/performance, time-to-market, product quality, reliability, service/support, breadth of product line and compatibility with computer system vendors' technology. Dataram's objective is to continue to remain strong in all of these areas with particular focus in price/performance and time-to-market, which management believes are two of the more important criteria in the selection of third party memory product suppliers. Market research and analysis capability by the Company is necessary to ensure timely information on new products and technologies coming from the computer system vendors and from the overall memory market. Dataram must continue low cost, high volume production while remaining flexible to satisfy the time-to-market requirement.

The Company believes that its 29 year reputation for providing quality products is an important factor to its customers when making a purchase decision. To strengthen this reputation, the Company has a comprehensive lifetime warranty and service program which provides customers with added confidence in buying from Dataram. See "Business-Product Warranty and Service."

Patents, Trademarks and Licenses

The Company believes that its success depends primarily upon the price and performance of its products rather than on ownership of copyrights or patents.

Sale of add-in memory products for systems which use proprietary memory design can from time to time give rise to claims of copyright or patent infringement. In such instances the Company has obtained the opinion of patent counsel that its products do not violate such patents or copyrights.

To the best of the Company's knowledge and belief, no Company product infringes any valid copyright or patent. However, because of rapid technological development in the computer industry with concurrent extensive patent coverage and the rapid rate of issuance of new patents, questions of infringement may continue to arise in the future. If such patents or copyrights are perfected in the future, the Company believes, based upon industry practice, that any necessary licenses would be obtainable upon the payment of reasonable royalties.

Employees

As of April 30, 1996, the Company had 42 full-time employees. The Company believes it has satisfactory relationships with its employees. None of the Company's employees are covered by a collective bargaining agreement.

Environment

Compliance with federal, state and local provisions which have been enacted or adopted to regulate the protection of the environment does not have a material effect upon the capital expenditures, earnings and competitive position of the Company. The Company does not expect to make any material expenditures for environmental control facilities in either the current fiscal year (fiscal 1997) or the succeeding fiscal year (fiscal 1998).

(d) Financial Information about Foreign and Domestic Operations and Export Sales.

For information regarding each of the past three fiscal years with respect to net revenues to unaffiliated customers in the United States and foreign countries, net earnings, and identifiable assets located in the United States, see Note 9 of Notes to Consolidated Financial Statements under the heading "Segment Information - Operations and Assets by Geographic Locations."

Item 2. Properties

The Company leases approximately 48,050 square feet of space for administrative, sales, research and development and manufacturing support in West Windsor Township, New Jersey under a lease expiring on June 30, 2001.

The Company leases an assembly plant in Northampton Township, Pennsylvania. The lease is for three years and has a one-year renewal option.

The Company also leases one sales office located in California, a marketing office in England and a marketing office in Singapore.

On September 29, 1980, the Company purchased approximately 81 acres of undeveloped property in West Windsor Township, New Jersey. The purchase price of $875,000 was paid in cash. This property is approximately five miles from the Company's current leased facilities. The Company does not expect to use this property in its business and it is currently for sale.

Item 3. Legal Proceedings

No material legal proceedings are pending.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders in the fourth quarter of the year covered by this report.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Incorporated by reference herein is the information set forth in the Company's 1996 Annual Report under the caption "Common Stock Information" at page 5.

Item 6. Selected Financial Data

Incorporated by reference herein is the information set forth in the 1996 Annual Report under the caption "Selected Financial Data" at page 16.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Incorporated by reference herein is the information set forth in the 1996 Annual Report under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" at page 3 through page 5.

Item 8. Financial Statements and Supplementary Data

Index to Consolidated Financial Statements and Schedules   Page in
Annual
Report*

Consolidated Financial Statements:

Page in
Financial Statement Schedules: 10-K

All other schedules are omitted as the required information is inapplicable or because the required information is shown in the financial statements or notes thereto.

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*Incorporated herein by reference.

<TABLE>
Schedule VIII

DATARAM CORPORATION AND SUBSIDIARIES

Valuation and Qualifying Accounts

Years ended April 30, 1996, 1995 and 1994

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Description	Balance at beginning of period	Additions charged to costs and expenses	Deductions from reserves*	Balance at close of period
Year ended April 30, 1994:				
Allowance for doubtful accounts	$ 665,000**	258,286	293,286	630,000
Reserve for inventory obsolescence	$ -	330,000	-	330,000
Year ended April 30, 1995:				
Allowance for doubtful accounts	$ 630,000	422,207	357,207	695,000
Reserve for inventory obsolescence	$ 330,000	-	30,000	300,000
Year ended April 30, 1996:				
Allowance for doubtful accounts	$ 695,000	485,000	380,000	800,000
Reserve for inventory obsolescence	$ 300,000	-	300,000	-

*Represents write-offs of specifically identifiable amounts.

**Includes the effect of reclassifications of $375,000 from other accrued expense account related to customer collections to conform to fiscal year 1996 presentation.

/TABLE

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Dataram Corporation:

Under date of May 24, 1996, we reported on the consolidated balance sheets of Dataram Corporation and subsidiaries as of April 30, 1996 and 1995, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended April 30, 1996, as contained in the 1996 annual report to stockholders. These consolidated financial statements and our report thereon are incorporated by reference in the annual report on Form 10-K for the year 1996. In connection with our audits of the aforementioned consolidated financial statements, we also have audited the related financial statement schedule as listed in the accompanying index. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG PEAT MARWICK LLP

Princeton, New Jersey
May 24, 1996

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the captions "Executive Officers of the Company," "Nominees for Director" and "Section 16 Compliance."

Item 11. Executive Compensation

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the caption "Executive Compensation."

Item 12. Security Ownership of Certain Beneficial Owners and Management

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management."

Item 13. Certain Relationships and Related Transactions

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the captions "Executive Compensation" and "Board of Directors."

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following documents are filed as part of this report:

1. Financial Statements incorporated by reference into Part II of this Report.

2. Financial Statement Schedules included in Part II of this Report.

(b) Reports on Form 8-K:

No reports on Form 8-K were filed during the last quarter of the year covered by this report.

(c) Exhibits:

The Exhibit Index appears on page 17.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATARAM CORPORATION
(Registrant)

Date: July 26, 1996 By: ROBERT V. TARANTINO

____
Robert V. Tarantino, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Company and in the capacities and on the dates indicated.

Date: July 26, 1996 By: ROBERT V. TARANTINO

____
Robert V. Tarantino, President
Chief Executive Officer and
Director (Principal Executive
Officer)

Date: July 26, 1996 By: JOHN J. CAHILL

____

John J. Cahill, Chairman of
the Board of Directors

Date: July 26, 1996 By: RICHARD HOLZMAN

Richard Holzman, Director

Date: July 26, 1996 By: THOMAS A. MAJEWSKI

Thomas A. Majewski,
Director

Date: July 26, 1996 By: BERNARD L. RILEY

Bernard L. Riley, Director

Date: July 26, 1996 By: MARK E. MADDOCKS

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

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EXHIBIT 4(c)

1996 Letter Amendment to Loan Agreement

New Jersey National Bank
CN 1
Pennington NJ 08534-0001
609 771 5615

Stephen F. Bayer
Vice President

CoreStates

July 1, 1996

Mr. Mark Maddocks, VP-Finance
Dataram Corp

P.O. Box 7528
Princeton, NJ 08543-7528

Dear Mark:

New Jersey National Bank agrees to amend Covenant 6.26 on page 25 of the Loan Agreement dated October 27, 1994 by and between Dataram Corporation and New Jersey National Bank to adjust the required level of Tangible Net Worth downward, to reflect the effect of the Treasury Stock arising from purchases announced on June 12, 1996 and July 1, 1996 of a total of 500,000 shares of the company's common stock, not to exceed $3,500,000.

New Jersey National Bank

By: STEPHEN F. BAYER, VP
Stephen F. Bayer, VP

Accepted:

Attest: Dataram Corporation

DAWN M. CRAFT By: MARK MADDOCKS
Mark Maddocks, VP-Finance

New Jersey National Bank
CN 1
Pennington NJ 08534-0001
609 771 5615

Stephen F. Bayer
Vice President

CoreStates
New Jersey
National Bank

November 20, 1995

Mr. Mark Maddocks, Controller
Dataram Corporation
P.O. Box 7528
Princeton, NJ 08543-7528

Dear Mark:

New Jersey National Bank hereby amends the Loan Agreement dated October 27, 1994, Section 6.21 (iii) to read as follows:

"Equipment Lease Payments not to exceed $500,000 per year; and"

All other terms continue in effect without amendment, except as previously amended in writing by the Bank.

Sincerely,

STEPHEN F. BAYER, VP
Stepehn F. Bayer, VP

EXHIBIT 24(a)

INDEPENDENT AUDITOR'S CONSENT FOR S-8 REGISTRATION
NO. 33-56282

INDEPENDENT AUDITORS' CONSENT

The Board of Directors and Stockholders
Dataram Corporation:

We consent to incorporation by reference in the Registration Statement (No. 33-56282) on Form S-8 of Dataram Corporation of our report dated May 24, 1996, relating to the consolidated balance sheets of Dataram Corporation and subsidiaries as of April 30, 1996 and 1995 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended April 30, 1996 and our report dated May 24, 1996 relating to the schedule as listed in Item 8 of Form 10-K, which reports appear in the 1996 annual report on Form 10-K of Dataram Corporation.

KPMG PEAT MARWICK LLP

Princeton, New Jersey
July 24, 1996

EXHIBIT 28(a)

EARNINGS PRESS RELEASE

DATARAM

DATARAM REPORTS IMPROVED EARNINGS

PRINCETON, N.J., May 29 / PR Newswire/ -- Dataram Corporation (AMEX: DTM) reported improved earnings for the fourth quarter and for fiscal 1996, Robert V. Tarantino, president and chief executive officer, announced today.

Revenues for the fourth quarter ended April 30, 1996, were $22.0 million versus $27.2 million for the comparable prior year period. Net earnings were $446,000, or $.12 per share, compared to a net loss of $2,308,000 or $.61 per share, for the comparable prior year period.

For the fiscal year ended April 30, 1996, revenues totaled $107.6 million compared to $103.0 million for the fiscal year ended April 30, 1995. Net earnings were $1,450,000, or $.38 per hare, versus a net loss of $1,299,000, or $.34 per share, for the prior

fiscal year.

"The price of dynamic random access memory (DRAM) chips -- which comprise approximately 95 percent of our memory product cost - -- have declined more than 50 percent in the last four months as a result of a sudden and dramatic worldwide oversupply situation. Resulting competitive pressures in our marketplace have required us to sharply reduce selling prices for our products, " Tarantino stated. "We are pleased that we have achieved profitability in an extremely challenging and unpredictable business environment."

Tarantino said that although selling prices have deteriorated, unit volumes shipped in fiscal 1996 were at record levels both for the fourth quarter and full year. He attributed Dataram's profitable performance to a streamlined, cost-efficient organization anchored by a highly automated, service-oriented production facility which produces customer orders in 24 hours or less. "This state-of-the-art facility enables us to satisfy demanding customer requirements while attaining low inventory levels," he added.

"The fact that fourth quarter revenues decreased by 19 percent while selling prices declined by more than double that percentage figure, attests to the continuing strong demand for our memory products," Tarantino declared. "We face a major challenge in finding ways to stabilize revenues in the face of continued sustained pressure on selling prices."

Dataram develops, manufactures and markets qualify computer memory products for workstations, servers and personal computers.

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DATARAM CORPORATION. P.O. BOX 7528 PRINCETON, NJ 08543-7528
(609) 799-0071 fax (609) 799-6734

DATARAM CORPORATION AND SUBSIDIARY
Consolidated Summary Information
(In thousands except per share amounts)

	Quarter Ended		Twelve Months Ended	
	1996	1995	1996	1995
Revenues	$22,026	$27,231	$l07,627	$l03,028
Net Earnings (Loss)	$446	$(2,308)	1,450	$(1,299)
Net Earnings (Loss) Per Share	$.12	$(.61)	$.38	$ (.34)
Average Shares Outstanding	3,828	3,783	3,835	3.797

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/CONTACT: Mark Maddocks, Vice President, Finance of Dataram, 609-799-0071
(DTM)

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/CONTACT: Mark Maddocks, Vice President, Finance of Dataram, 609-799-0071
(DTM)

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DATARAM CORPORATION

THE MEMORY SPECIALISTS

1996 ANNUAL REPORT

[DATARAM LOGO]

CORPORATE PROFILE

Dataram is the leading independent manufacturer of memory boards for computer workstations, servers and minicomputers. With nearly 30 years of experience designing and manufacturing memory boards for the industry, we offer a broad range of products for Apple, Compaq, DEC, HP, IBM and Silicon Graphics computers. We sell our products through distributors, VARs, resellers, system integrators and OEMs into such diverse industries as manufacturing, finance, government, telecommunications, utilities, research and education. Our ability to respond quickly to change -- in business conditions, technology and the needs of memory users -- uniquely positions us for future growth in markets throughout the world.

FINANCIAL HIGHLIGHTS

(Dollar figures in thousands, except per share amounts

Fiscal Year	1996	1995	1994	1993
Revenues	$107,627	$103,028	$79,573	$58,564
Net earnings (loss)	1,450	(1,299)	(732)	3,018
Net earnings (loss) per common and common share equivalent	0.38	(0.34)	(0.19)	0.76
Working capital	16,803	14,061	15,540	16,699

Stockholders' equity	18,078	16,390	17,903	18,684
Long-term debt	0	0	0	0
Revenue per employee	$ 2,031	$ 902	$ 527	$ 405

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To Our Stockholders

In a year of rapid change and severe challenge, Dataram relied on its experience and resiliency to restore profitability and maintain its position as a leading participant in the computer memory industry.

For the fiscal year ended April 30, 1996, Dataram achieved $1.45 million in net earnings, or $.38 per share, versus a loss of $1.3 million, or $.34 per share, for the year earlier period.

Earning a profit in the face of a 50 percent decline in selling prices during the last four months of fiscal 1996 tested the dedication of our entire organization.

Chip Price Decline

For the first six months of fiscal 1996, DRAM (dynamic random-access memory) chips, which comprise about 95 percent of our product cost, were in extremely short supply due to the sustained dynamic growth of workstations, personal computers and servers. We capitalized on our relationships with various suppliers to ensure chip quantities sufficient to meet our customer demand for our products. When DRAMs suddenly became readily available and their prices declined dramatically in the third quarter, we were obligated to value our inventory to reflect the new market condition and at the same time reduce selling prices for our computer memory products to remain competitive. As a result, we incurred a loss during the third quarter.

Why did falling chip prices adversely affect product selling prices? About three years ago, the emergence of simplified memory boards for open system workstations virtually transformed specialized memory products into commodity items. Consequently, prices for these products were closely tied to their major cost component -- DRAM chips.

Dataram successfully streamlined manufacturing operations last year, restructuring the workforce and relocating production capability to a highly automated facility located near our Princeton headquarters. Today we are positioned to profitably participate in a challenging, high-volume, low-margin industry.

A Return to Profitability

By reacting promptly to the changed reality of the DRAM marketplace we restored profitability in the fourth quarter and for fiscal 1996.

Our present ability to purchase chips on an as-needed basis has enabled us to maintain a low inventory and still fulfill customer orders on a same day basis. Inventories at the end of fiscal 1996 were $2.3 million, a 71 percent decrease from the previous year.

Dataram is growing at a faster rate than the computer memory industry, estimated at 15 percent annually. Although selling prices declined by approximately 40 percent during the fourth quarter, revenues decreased by only 22 percent, confirming the sustained strong demand for our memory products.

Pursuing Strategic Initiatives

Almost three decades of experience in the computer memory business have seasoned and prepared us to overcome the challenges inherent in a rapidly changing, technologically-driven growth industry.

In last year's annual report, we disclosed our strategy to continue growth into the foreseeable future. While responding rapidly to daily business challenges, we retained our focus and vision for the future. Thus, it is appropriate to restate these objectives and the progress we made in fiscal 1996.

o Increase unit volume as a low cost producer. Unit volume increased approximately 25 percent over the previous fiscal year. State-of-the-art manufacturing capabilities, combined with a streamlined, cost-efficient support structure, are enabling us to contain costs and remain profitable.

o Increase revenues abroad by expanding into additional foreign markets. During the year, Dataram broadened its global reach by establishing relationships with successful Latin American distributors. International revenues comprised 25 percent of total sales in fiscal 1995. Today, revenues from foreign markets represent 30 percent of overall sales volume.

o Broaden our product line. Declining chip prices and commensurate reductions to product selling prices present a formidable challenge to stabilizing revenue. While continuing our strong participation in the workstation and server markets, we believe we can obtain a larger share of the personal computer market. To this end, we have made strategic additions to sales/marketing staff in efforts to increase our participation in this market.

Utilizing the World Wide Web

Dataram is harnessing the power of the World Wide Web (WWW) which has enabled us to facilitate sales and improve productivity.

For the last year, Dataram's WWW Home Page (http://www.dataram.com) has provided customers and shareholders with important information about the Company, including financial results, product offerings and technical support. Our distributors can download this information and add their own logos, addresses and phone numbers to customize Dataram product information to fit their needs.

Dataram recently established a Virtual Sales Office (VSO), affording customers the opportunity to trace orders from initial entry to type of shipment, specific carrier and time of arrival, 24 hours a day, seven days a week. VSO also provides the mechanism for direct order entry by our strategic partners and E-Mail communications between customers and our sales department, further improving our capability to respond quickly to customer needs. In addition to enhancing customer service, VSO's inherent efficiency increases sales staff productivity.

Focused For Future Growth

We are writing this letter midway through the first quarter of fiscal 1997, and are encouraged that the favorable financial results achieved in the fourth quarter are continuing. We believe we will continue to profitably participate in an expanding computer memory marketplace by:

o Retaining our computer memory focus. As leading computer memory specialists, future efforts to broaden our product line will center on complementary products such as add-on memory for personal computers.

o Sustaining our technological advantage. Dataram always has been in the forefront of computer memory technological advances. We plan to retain this strategic advantage. For example, Dataram recently shipped memory products incorporating the next generation of 64 megabit chip technology.

o Maintaining a strong financial condition. Dataram ended fiscal 1996 with no debt, an unused $11 million line of credit and a current ratio of 3.4 to 1. With strong operating cash flow and minimal planned capital expenditures, Dataram enters fiscal 1997 with ample financial resources to finance and implement its strategic growth initiatives.

Demonstrating confidence in management's ability to sustain satisfactory operating results in a challenging environment, the Board of Directors has approved an Open Market Repurchase Plan to repurchase up to 500,000 shares of Dataram Common Stock. The Board said it believes that, given the current trading prices of our common stock, such repurchases would be of long-term benefit to shareholders.

We extend deepest appreciation to our employees, who continued working with diligence and dexterity in a difficult year; and to our customers, who once again demonstrated their confidence in our organization.

Sincerely,

JOHN J. CAHILL

John J. Cahill
Chairman

ROBERT V. TARANTINO

Robert V. Tarantino
President and Chief Executive Officer

July 14, 1996

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Dataram is a developer, manufacturer and marketer of quality computer memory products for use with computers, workstations and servers. The Company's memory products, principally for workstations and servers manufactured by Sun, Hewlett-Packard, Digital Equipment Corporation, IBM, Apple, Compaq and Silicon Graphics, are sold worldwide to distributors, value-added resellers and large end users.

Computer memory products are produced by original equipment manufacturers including those mentioned above, Dataram Corporation and several other large independent memory manufacturers as well as a number of small job shops and specialty houses. Competition is fierce, and memory boards for the computer workstation and server markets are commodity items with low individual profit margins. The primary raw material used in producing memory boards are dynamic random access memory (DRAM) chips. The purchase cost of DRAM chips typically represents approximately 95% of the total cost of a finished workstation memory board. Consequently, average selling prices for computer memory boards are extremely dependent on the pricing and availability of DRAM chips.

Results of Operations

The following table sets forth consolidated operating data expressed as a percentage of revenues for the periods indicated.

Years Ended April 30,	1996	1995	1994
Revenues	100.0%	100.0%	100.0%
Cost of sales	90.0	88.1	81.7
Gross profit	10.0	11.9	18.3
Engineering and development	1.5	2.4	4.2
Selling, general and administrative	6.2	11.1	15.9
Earnings (loss) from operations	2.3	(1.6)	(1.8)
Other income (expense), net	(0.1)	(0.4)	0.0
Earnings (loss) before income taxes	2.2	(2.0)	(1.8)
Income taxes (benefit)	0.9	(0.7)	(0.9)
Net earnings (loss)	1.3	(1.3)	(0.9)

Fiscal 1996 Compared With Fiscal 1995

The computer memory market changed dramatically in fiscal 1996. Up until late calendar 1995, DRAM chips had been in tight supply for a period of approximately two and one-half years, primarily because of the explosive growth in demand for personal computers. Chip manufacturers allocated DRAMs to OEMs and the larger independent memory manufacturers. Smaller manufacturers were forced to obtain DRAMs on the spot market at premium prices. Starting in late 1995, this situation changed. Chip manufacturers had invested heavily in production capacity and the growth rate for personal computers slowed modestly. Supply suddenly exceeded demand. In the ensuing inventory correction, the supply of DRAMs became plentiful and their prices plummeted. Competitive pressures forced computer memory manufacturers to lower the selling prices of memory boards as well. At present, most DRAMs are readily available and are expected to remain so for the foreseeable future. Consequently, average selling prices for computer memory boards are likely to remain under pressure. However, the workstation and server markets are expanding markets and the unit volume growth rate for memory products remains high.

Revenues in 1996 totaled $107.6 million, an increase of 4.5% over 1995 revenues of $103.0 million. Revenues from the sale of products for Sun and Hewlett-Packard manufactured workstations and computers totalled 74.6% of revenue. Revenues for fiscal 1996 were negatively impacted in the fourth quarter by the decline in average selling prices for memory boards associated with the reduction in the price of DRAMs.

Cost of sales increased $6.2 million in fiscal 1996 from fiscal 1995. Cost of sales as a percentage of revenue increased by 1.9% in fiscal 1996 from fiscal 1995. For most of the first three quarters of fiscal 1996, cost of sales to support incremental business was increased by the necessity of procuring DRAM chips from sources of supply less competitively priced than the Company's primary vendors.

Engineering and development costs amounted to $1.6 million in 1996, a decrease of $0.9 million from fiscal 1995 expenditures of $2.5 million. This was primarily the result of a work force reduction implemented in the fourth quarter of fiscal 1995 associated with the previously announced decision to withdraw from the storage product business. The Company intends to maintain its commitment to timely introduction of new memory products.

Selling, general and administrative costs decreased by 4.9% of revenue to $6.7 million in fiscal 1996 from $11.5 million in fiscal 1995. As a result of the decision to withdraw from the storage product business in the fourth quarter of fiscal 1995, the Company's general and administrative, sales and marketing forces were significantly reduced.

Other expense, net of other income totaled $61,000 in 1996 versus $364,000 in 1995. Fiscal 1996 expense consists primarily of net interest expense. Included in 1995 expenses are $162,000 related to disposals of fixed assets associated with the storage product line. The balance of 1995 net other expense consists primarily of interest expense offset by income from salvage of certain obsolete equipment and inventory items.

Fiscal 1995 Compared With Fiscal 1994

Dataram announced in the fourth quarter of fiscal 1995 that it was phasing out of its line of storage products. The phase out resulted in a one time pre-tax charge to operations of $3.1 million for inventory write downs and disposals, severance expenses and other costs related to storage operations. The decision to withdraw from the storage business at this time was primarily due to the fact that the rapidly changing demands of the storage marketplace necessitated frequent product design changes with little opportunity to recover development costs. It was unclear as to when the Company's storage unit volumes could reach a profitable level. The Company's computer memory business accounted for 94% of total revenues in fiscal 1995 and was profitable. As a result of the restructuring in fiscal 1995 and 1994, the Company substantially reduced its cost of doing business. At the sales volume level of fiscal 1995, engineering and development expense and selling, general and administrative expenses are expected to be less than 10% of revenues.

Revenues in 1995 totaled $103.0 million, an increase of 29.5% over 1994 revenues of $79.6 million. Revenues from the sale of products for Sun and Hewlett-Packard workstations and computers were the leading contributors, totaling 66.5% of revenue. Revenues from the storage product line amounted to 6.2% of total 1995 revenues.

Cost of sales as a percentage of revenue increased by 6.4% or $25.8 million in fiscal 1995 from fiscal 1994. Cost of sales for memory products as a percentage of revenue for fiscal 1995 did not change significantly from fiscal 1994 year end levels. Memory product margins are not expected to improve in the foreseeable future.

Engineering and development costs amounted to $2.5 million in 1995, a decrease of $0.8 million over fiscal 1994 expenditures. This was primarily the result of a work force reduction implemented in the fourth quarter of fiscal 1994. Today's less complex workstation and server memories require less design effort.

Selling, general and administrative costs decreased by 4.8% of revenue to $11.5 million in fiscal 1995 from $12.7 million in fiscal 1994. This decrease in costs was primarily the result of work force restructuring made in the fourth quarter of fiscal 1994. During fiscal 1995, memory product sales were primarily generated by the Company's internal sales team. As a result of the decision to withdraw from the storage product business, the Company's external sales and storage marketing force was significantly reduced in the fourth quarter of fiscal 1995.

Other expense, net of other income totaled $364,000 in 1995 versus $8,000 in 1994. Fiscal 1995 expenses include $296,000 of interest expense as well as $162,000 associated with the disposal of fixed assets related to the storage product line offset by income from salvage of certain obsolete equipment and inventory items.

Liquidity and Capital Resources

The Company maintained a strong financial condition throughout 1996. A line of credit was used during the year to deal with peak cash demands. At the end of the year there was no outstanding balance owed on the credit line. Working capital at the end of fiscal 1996 amounted to $16.8 million, including cash and cash equivalents of $8.5 million, compared to working capital of $14.1 million, including cash of $0.7 million in fiscal 1995. Current assets at year end were 3.4 times current liabilities compared to 2.3 at the end of 1995.

Inventories at the end of 1996 were $2.3 million, a decrease of 71.3% over 1995 year-end inventories of $8.1 million. The decrease in inventories was largely attributable to the change in the DRAM marketplace which occurred in late 1995. Currently, DRAMs are readily available, and customer delivery requirements can be satisfied without maintaining large inventory levels.

Capital expenditures were $270,000 in 1996 compared to $581,000 in 1995. Capital expenditures for both years were primarily for automated testing equipment and management information systems upgrades. At the end of fiscal 1996, contractual commitments for capital purchases were nil. Capital expenditures in fiscal 1997 are expected to be in the same range as fiscal 1996 expenditures.

In June of 1996, the Company announced an open market repurchase plan providing for the repurchase of up to 250,000 shares of the Company's common stock. In July of 1996, the plan was amended to provide for the purchase of up to 500,000 shares of the Company's common stock.

Inflation has not had a significant impact on the Company's revenue and operations.

At year-end, the Company had no long-term debt outstanding and had available a committed line of credit providing for borrowings of up to $11 million, of which $10 million is a revolving credit facility and $1 million is a term loan facility. These facilities are still in place.

Management believes that its working capital together with internally generated funds and its bank line of credit are adequate to finance the Company's stock repurchase plan, operating needs and future capital requirements.

Common Stock Information

The Common Stock of the Company is traded on the American Stock Exchange under the symbol "DTM". The following table sets forth, for the periods indicated, the high and low closing prices for the Common Stock as reported by the American Stock Exchange.

	1996		1995	
	High	Low	High	Low
1st Quarter	7 3/4	4 5/8	5 5/8	4 1/8
2nd Quarter	9 3/8	6 1/4	5 7/8	4 1/4
3rd Quarter	8 7/8	5 3/8	7 5/8	4 5/8
4th Quarter	7	4 1/8	7	4 1/2

At April 30, 1996 there were approximately 2,000 shareholders.

The Company has never paid a dividend and does not at present have an intention to pay a dividend in the foreseeable future.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
April 30, 1996 and 1995
(In thousands, except share amounts)

	1996	1995
Assets		
Current assets:		
Cash and cash equivalents	$ 8,482	$ 722
Trade receivables, less allowance for doubtful accounts of $800 in 1996 and $695 in 1995, respectively	12,078	14,721
Inventories:		
Raw materials	1,435	4,726
Work in process	45	648

Finished goods	832	2,687
	2,312	8,061
Income tax receivable (note 4)	424	676
Deferred income taxes (note 4)	389	486
Other current assets	50	44
Total current assets	23,735	24,710
Property and equipment, at cost:		
Land	875	875
Machinery and equipment	6,190	5,952
	7,065	6,827
Less accumulated depreciation	4,867	4,197
Net property and equipment	2,198	2,630
Other assets	6	15
	$25,939	$27,355
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 5,909	$ 8,780
Accrued liabilities (note 7)	1,023	1,869
Total current liabilities	6,932	10,649
Deferred income taxes (note 4)	929	316
Total liabilities	7,861	10,965
Stockholders' equity (note 5):		
Common stock, par value $1.00 per share. Authorized 18,000,000 shares; issued and outstanding 3,824,305 in 1996 and 3,792,305 in 1995	3,824	3,792
Additional paid-in capital	3,425	3,219
Retained earnings	10,829	9,379
Total stockholders' equity	18,078	16,390
Commitments (note 6)		
	$25,939	$27,355

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
Years ended April 30, 1996, 1995 and 1994
(In thousands, except per share amounts)

	1996	1995	1994
Revenues	$107,627	$103,028	$ 79,573
Costs and expenses:			
Cost of sales	96,929	90,758	64,996
Engineering and development	1,584	2,484	3,320
Selling, general and administrative	6,661	11,451	12,682
	105,174	104,693	80,998
Earnings (loss) from operations	2,453	(1,665)	(1,425)
Other income (expense):			
Other income (expense), net	(2)	(68)	29
Interest income	41	-	16
Interest expense	(100)	(296)	(53)
	(61)	(364)	(8)
Earnings (loss) before income tax expense (benefit) and cumulative effect of change in accounting for income taxes	2,392	(2,029)	(1,433)
Income tax expense (benefit) (note 4)	942	(730)	(583)
Earnings (loss) before cumulative effect of change in accounting for income taxes	1,450	(1,299)	(850)
Cumulative effect of change in accounting for income taxes	-	-	118
Net earnings (loss)	$1,450	$(1,299)	$ (732)
Earnings (loss) per common share:			
Earnings (loss) before cumulative effect of change in accounting for income taxes	.38	(.34)	(.22)
Cumulative effect of change in accounting for income taxes	-	-	.03
Net earnings (loss) per common share	$ .38	$ (.34)	$ (.19)

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended April 30, 1996, 1995 and 1994
(In thousands)

	1996	1995	1994
Cash flows from operating activities:			
Net earnings (loss)	$1,450	$(1,299)	$ (732)
Adjustments to reconcile net earnings			

(loss)to net cash provided by (used in) operating activities:			
Depreciation and amortization	693	876	825
Loss on disposition of property and equipment	2	162	-
Bad debt expense	485	422	258
Cumulative effect of change in accounting for income taxes	-	-	(118)
Deferred income tax expense (benefit)	710	(530)	(139)
Write-off of inventory	-	1,880	-
Changes in assets and liabilities:			
(Increase) decrease in trade receivables	2,333	(1,753)	81
(Increase) decrease in inventories	5,749	1,866	(4,931)
(Increase) decrease in income tax receivable	252	326	(1,002)
Increase in other current assets	(6)	(39)	(3)
Decrease in other assets	9	6	15
Increase (decrease) in accounts payable	(2,871)	(1,177)	5,413
Increase (decrease) in accrued liabilities	(1,021)	339	(345)
Decrease in income taxes payable	-	-	(666)
Net cash provided by (used in) operating activities	7,785	1,079	(1,344)
Cash flows from investing activities:			
Proceeds from sale of property and equipment	7	-	-
Purchase of property and equipment	(270)	(581)	(865)
Net cash used in investing activities	(263)	(581)	(865)
Cash flows from financing activities:			
Purchase and subsequent cancellation of shares of common stock	-	(469)	(59)
Proceeds from sale of common shares under stock option plan (including tax benefits)	238	255	10
Net cash provided by (used in) financing activities	238	(214)	(49)
Net increase (decrease) in cash and cash equivalents	7,760	284	(2,258)
Cash and cash equivalents at beginning of year	722	438	2,696
Cash and cash equivalents at end of year	$ 8,482	$ 722	$ 438

Supplemental disclosures of cash flow information:

Cash paid during the year for:			
Interest	$ 125	$ 258	$ 53
Income taxes	582	-	472

Supplemental disclosures of noncash transactions:

Disposal of fully-depreciated equipment	$ -	348	-

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity
Years ended April 30, 1996, 1995 and 1994
(In thousands, except share amounts)

	Common stock	Additional paid-in capital	Retained earning	Total Stock-holders' equity
Balance at April 30, 1993	$ 3,808	$ 3,113	$11,763	$18,684
Issuance of 5,000 shares under stock option plan	5	5	-	10
Purchase and subsequent cancellation of 7,000 shares	(7)	(11)	(41)	(59)
Net loss	-	-	(732)	(732)
Balance at April 30, 1994	3,806	3,107	10,990	17,903
Issuance of 61,500 shares under stock option plan	61	194	-	255
Purchase and subsequent cancellation of 75,000 shares	(75)	(82)	(312)	(469)
Net loss	-	-	(1,299)	(1,299)
Balance at April 30, 1995	3,792	3,219	9,379	16,390
Issuance of 32,000 shares under stock option plan	32	206	-	238
Net earnings	-	-	1,450	1,450
Balance at April 30, 1996	$ 3,824	$ 3,425	$10,829	$18,078

See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiaries
Notes to Consolidated Financial Statements
April 30, 1996, 1995 and 1994

(1) Significant Accounting Policies

Principles of consolidation:
The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Dataram International Sales Corporation (a Domestic International Sales Corporation (DISC)) and DTM Development Corporation. DTM Development Corporation was dissolved during 1995. All significant intercompany transactions and balances have been eliminated.

Cash and cash equivalents.

Cash and cash equivalents consist of unrestricted cash, and in 1996 money market preferred stock and commercial paper purchased with a maturity of three months or less.

Inventory valuation:

Inventories are valued at the lower of first-in first-out cost or market.

Property and equipment:

Property and equipment is recorded at cost. Depreciation is generally computed on the straight-line basis. Depreciation rates are based on the estimated useful lives which range from three to five years for machinery and equipment. When property or equipment is retired or otherwise disposed of, related costs and accumulated depreciation are removed from the accounts.

Repair and maintenance costs are charged to operations as incurred.

Revenue recognition:

Revenue from product sales is recognized when the related goods are shipped to the customer and all significant obligations of the Company have been satisfied. Estimated warranty costs are accrued.

Product development and related engineering:

The Company expenses product development and related engineering costs as incurred. Engineering effort is directed to development of new or improved products as well as ongoing support for existing products.

Income taxes:

Effective May 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 (Statement 109), "Accounting for Income Taxes" and has reported the cumulative effect of that change in the method of accounting for income taxes in the 1994 consolidated statement of operations. Statement 109 requires a change from the deferred method of accounting for income taxes under APB Opinion 11 to the asset and liability method of accounting for income taxes. Under the asset and liability method of Statement 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. 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 Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the tax rate changes.

Concentration of credit risk:

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents. 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. The Company performs ongoing evaluations of its customers' financial condition and, generally, requires no collateral from its customers.

Earnings (loss) per share:

Earnings (loss) per common and common equivalent share are based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options. In 1995 and 1994, the calculation was based solely on weighted average number of shares outstanding, as all options were anti-dilutive.

The determination of such shares used in the computation of per share data is as follows:

	Weighted average number of shares outstanding	Equivalent shares from dilutive stock options	Total shares
1996	3,816,261	19,097	3,835,358
1995	3,796,526	-	3,796,526
1994	3,806,291	-	3,806,291

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Fair value of financial instruments:

Statement of Financial Accounting Standards SFAS No. 107, "Disclosure about Fair Value of Financial Instruments", defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The Company believes that there is no material difference between the fair value and the reported amounts of financial instruments in the consolidated balance sheets.

Stock options:

In October 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-based Compensation." This statement requires companies to make pro forma disclosures in a footnote of net income as if the fair value based method of accounting for stock options, as defined in the statement, had been applied. The accounting requirements of this statement are effective for transactions entered into during 1996 and ensuing years. However, the footnote disclosure requirement does not begin until 1997, at which time the disclosure will present information on a comparative basis. Management believes that the adoption of this pronouncement will not have a material effect on the consolidated financial statements.

Reclassification

Certain amounts in the 1995 and 1994 consolidated financial statements have been reclassified to conform to the 1996 presentation.

(2) Long-term Debt

Through October 26, 1994, the Company had a revolving credit facility with a bank which provided for borrowings up to $10,000,000. On October 27, 1994, the Company terminated that agreement and entered into a credit agreement with another bank for a three year $ 10,000,000 revolving credit facility and a $3,500,000 term loan facility. Borrowings under the term loan facility must be repaid in equal installments for a term of no longer than 60 months from the respective term loan date or may be prepaid without penalty. The agreement provides for Eurodollar rate loans, CD rate loans and base rate loans at an interest rate no higher than the bank's base commercial lending rate less 1/2%. The Company is required to pay a commitment fee equal to 1/16 of one percent per annum on the unused commitment. The agreement contains certain restrictive financial covenants including a minimum current ratio, minimum tangible net worth requirement, minimum interest coverage ratio, maximum debt to equity ratio and certain other covenants, as defined by the agreement. On April 28, 1995 the Company amended and restated its credit facility with its bank dated October 27, 1994. Under the amended agreement the Company reduced the term loan facility to $1,500,000 and modified certain financial covenants. The maximum and average balances outstanding at any time during 1996 were $5,500,000 and $1,200,000, respectively. The maximum and average balances outstanding at any time during 1995 were $7,200,000 and $3,800,000, respectively. The average interest rate was 8% and 7.8% in fiscal years 1996 and 1995, respectively. As of April 30, 1996 and 1995, there were no amounts outstanding under these credit facilities. As of April 30, 1996, the amounts available for borrowing under the revolving credit facility and term loan facility were $10,000,000 and approximately $1,000,000, respectively.

(3) Restructuring

In Fiscal years 1995 and 1994, the Company restructured certain aspects of its business. During the fourth quarter of 1995, the Company announced the phase-out of its storage product line. In connection with this phase-out, the Company recorded a $3,132,000 pre-tax charge to 1995 operations consisting of approximately: (1) $1,880,000 write-off of inventory; (2) $640,000 in severance and other costs related to employee termination; (3) $162,000 for disposal of machinery and equipment related to the storage product line; and (4) $450,000 in accruals for estimated net returns, warranty obligations, and other costs. These charges are included in cost of sales, engineering and development, selling, general and administrative, and other expense in the accompanying 1995 consolidated statement of operations and aggregated approximately $2,336,000, $150,000, $484,000 and $162,000, respectively.

As of April 30, 1995, the Company had accrued approximately $1,090,000 for probable future cash expenditures related to the discontinued storage product line (of which none were paid as of April 30, 1995). All amounts accrued as of April 30, 1995 were paid out or otherwise satisfied during fiscal 1996.

During the third quarter of 1994, as a result of changes in the computer memory industry, the Company initiated a plan to reduce future operating costs through human resource and facility restructuring.

In connection with this plan, the Company recorded a $1,213,000 pretax charge to 1994 operations consisting of: (1) $836,000 of estimated costs relating to the Company's human resource restructuring program; (2) $300,000 write-off of inventory associated with the discontinuance of sub-contract manufacturing at one facility; (3) $22,000 provision for equipment relating to discontinued products; and (4) $55,000 for other restructuring related charges. Restructuring charges are included in cost of sales, engineering and development, and selling, general and administrative in the accompanying 1994 consolidated statement of operations and aggregated $698,000, $182,000 and $333,000, respectively.

As of April 30, 1994, the Company had accrued approximately $182,000 for probable future cash expenditures and had made payments of approximately $709,000 of cash in 1994 related to the aforementioned restructuring plan. The Company completed its human resource and facility consolidation program in fiscal 1995, which resulted in the payment of substantially all of the amounts accrued for as of April 30, 1994.

(4) Income Taxes

Income tax expense (benefit) for the years ended April 30 consists of the following:

(In thousands)	1996	1995	1994
Current:			
Federal	$ 232	$ (200)	$ (444)
State	-	-	-
	232	(200)	(444)
Deferred:			
Federal	598	(474)	(54)
State	112	(56)	(85)
	710	(530)	(139)
Total expense (benefit)	$ 942	$ (730)	$ (583)

The actual income tax expense (benefit) differs from "expected" tax expense (benefit) (computed by applying the U. S. corporate tax rate of 34% to earnings (loss) before income taxes) as follows:

(In thousands)	1996	1995	1994
Computed "expected' tax expense (benefit)	$ 813	$ (690)	$ (487)
State income taxes (benefit) (net of Federal income tax benefit)	74	(37)	(56)

Dividend exclusion	-	-	(4)
Other	55	(3)	(36)
	$ 942	$ (730)	$ (583)

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

(In thousands)	1996	1995
Deferred tax assets:		
Compensated absences, principally due to accrual for financial reporting purposes	$ 73	$ 81
Accounts receivable, principally due to allowance for doubtful accounts	316	198
Inventories, principally due to reserve for obsolescence and additional costs inventoried for tax purposes pursuant to Tax Reform Act of 1986	-	207
Net operating loss carryforwards	80	514
Total gross deferred tax assets	469	1,000
Less valuation allowance	-	-
Net deferred tax assets	469	1,000
Deferred tax liabilities:		
Investment in wholly-owned subsidiary, principally due to unremitted earnings of DISC	(663)	(663)
Property and equipment, principally due to differences in depreciation	(33)	(74)
Other	(313)	(93)
Total gross deferred tax liabilities	(1,009)	(830)
Net deferred tax assets (liabilities)	$(540)	$ 170

As of April 30, 1996, the Company has net operating loss carryforwards for state income tax purposes of approximately $1,500,000, which expire through the year 2001.

(5) Stock Option Plans

During 1982, the Company adopted an incentive stock option plan. In 1995, 1,500 options were exercised under this plan at an exercise price of $1.625 per share. As of April 30, 1996, no further options may be granted under the plan and options to purchase 6,000 shares are outstanding and exercisable at an exercise price of $3.567 per share.

In September 1992, the Company adopted an 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 950,000 shares 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. 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. At April 30, 1996, 139,500 of the outstanding options are exercisable.

The status of the 1992 plan for the three years ended April 30, 1996 is as follows:

	Options Outstanding	
	Shares	Price per share
Balance April 30, 1993	400,000	$ 7.125
Granted	20,000	7.125
Exercised	-	-
Cancelled	(100,000)	7.125
Balance April 30, 1994	320,000	7.125
Granted	-	-
Exercised	-	-
Cancelled	-	-
Balance April 30, 1995	320,000	7.125
Granted	142,000	5.125-6.75
Exercised	(32,000)	7.125
Cancelled	(78,000)	7.125
Balance April 30, 1996	352,000	$5.125-7.125

In March 1990, the Company granted a total of 90,000 shares of nonqualified stock options to three non-employee directors of the Company. The options were granted for the purpose of retaining the services of qualified 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 aforementioned options are exercisable at a price of $4.21 per share, the fair market value at date of grant, for a five-year period commencing at the date of grant. During 1995, 60,000 of these options were exercised and the remaining 30,000 options expired.

In November 1992, the Company granted options to acquire a total of 120,000 shares to four non-employee directors of the Company. These options were 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 aforementioned options are exercisable at a price of $11.25 per share, the fair value at the date of grant, and expire five years after date of grant. Of each option 25% is first exercisable on or after the first anniversary of the date of the grant and an additional 25% on each of three succeeding anniversary dates. During 1996, 30,000 of these outstanding options were canceled in accordance with the terms of the plan. In March 1993, the Company granted an additional option to acquire 30,000 shares to an officer of the Company upon the same terms. This option was granted for the purpose of retaining the services of this officer who is not an employee of the Company. This option is exercisable at a price of $11.25 per share, which exceeded the fair value at the date of grant and expires in November 1997. At April 30, 1996, 90,000 of these outstanding options were exercisable.

(6) Commitments

The Company and its subsidiaries occupy various facilities and operate various equipment under operating lease arrangements. Rents charged to operations amounted to approximately $555,000 in 1996, $449,000 in 1995 and $477,000 in 1994.

Minimum annual rental commitments for all noncancellable operating leases as of April 30, 1996 are approximately as follows:

(In thousands)

1997	$ 594
1998	579
1999	563
2000	563
2001	281
	$2,580

(7) Accrued Liabilities

Accrued liabilities consist of the following:

(In thousands)	1996	1995
Payrolls, including vacations	$ 252	$1,084
Commissions	225	120
Other	546	665
	$1,023	$1,869

(8) Employee Benefit Plan

The Company has a defined contribution plan (the Plan) which is available to all qualified employees. Employees may elect to contribute a portion of their compensation to the Plan, subject to certain limitations. The Company contributes a percentage of the employee's contribution, subject to a maximum of 6 percent of the employee's eligible compensation, based on the employee's years of service. The Company's matching contributions aggregated approximately $127,000, $215,000 and $273,000 in 1996, 1995 and 1994, respectively.

(9) Segment Information - Operations and Assets by Geographic Locations

The Company operates in one business segment and develops, manufactures and markets a variety of memory systems for use with workstations, minicomputers and servers which are manufactured by various computer systems companies. Information for 1996, 1995 and 1994 about the Company's operations and identifiable assets by geographic region is as follows:

(In thousands)		Export		
1996	United States	Europe	Other	Consolidated
Revenues - unaffiliated customers	$76,072	$21,630	$ 9,925	$107,627
Net revenues	$76,072	$21,630	$ 9,925	$107,627
Net earnings				$ 1,450
Identifiable assets				$ 25,939

(In thousands)		Export		
1995	United States	Europe	Other	Consolidated
Revenues - unaffiliated customers	$78,535	$14,654	$ 9,839	$103,028
Net revenues	$78,535	$14,654	$ 9,839	$103,028
Net earnings				$ (1,299)
Identifiable assets				$ 27,355

(In thousands)		Export		
1994	United States	Europe	Other	Consolidated
Revenues - unaffiliated customers	$59,900	$11,563	$ 8,110	$ 79,573
Net revenues	$59,900	$11,563	$ 8,110	$ 79,573
Net earnings				$ (732)
Identifiable assets				$ 30,135

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Dataram Corporation:

We have audited the accompanying consolidated balance sheets of Dataram Corporation and subsidiaries as of April 30, 1996 and 1995, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three year period ended April 30, 1996. These consolidated financial statements arc the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dataram Corporation and subsidiaries as of April 30, 1996 and 1995, and the results of their operations and their cash flows for each of the years in the three-year period ended April 30, 1996, in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK LLP

Princeton, New Jersey
May 24, 1996

Selected Financial Data

(Not covered by independent auditors' report)
(In thousands, except per share amounts

Years Ended April 30,	1996	1995	1994	1993	1992
Revenues	$107,627	$103,028	$ 79,573	$ 58,564	$40,166
Net earnings (loss)	1,450	(1,299)	(732)	3,018	3,033
Primary earnings (loss) per share	.38	(.34)	(.19)	.76	.80
Fully diluted earnings (loss) per share	.38	(.34)	(.19)	.76	.79
Current assets	23,735	24,710	27,027	23,784	18,523
Total assets	25,939	27,355	30,135	26,867	21,343
Current liabilities	6,932	10,649	11,487	7,085	4,648
Long-term debt	0	0	0	0	0
Total stockholders' equity	18,078	16,390	17,903	18,684	15,645
Cash dividends	-	-	-	-	

Note: Net loss for 1994 included income of $118,000 or $0.03 per share related to adoption of SFAS 109, Accounting for Income Taxes

Quarterly Financial Data (Unaudited)
(In thousands, except per share amounts)

	Quarter Ended			
Fiscal 1996	July 31	October 31	January 31	April 30
Revenues	$24,885	$32,331	$28,385	$22,026
Gross profit	3,031	3,405	1,475	2,787
Net earnings (loss)	537	708	(243)	448
Net earnings (loss) per common and common equivalent share	.14	.18	(.06)	.12

Fiscal 1995	July 31	October 31	January 31	April 30
Revenues	$22,163	$27,361	$26,273	$27,231

Gross profit	3,676	4,573	3,796	225
Net earnings (loss)	268	526	215	(2,308)
Net earnings (loss) per common and common equivalent share	.07	.14	.06	(.61)

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DIRECTORS AND CORPORATE OFFICERS

Directors

John J. Cahill
Chairman of the Board of Directors
of Dataram Corporation
Private Investor

Robert V. Tarantino
President and Chief Executive Officer
of Dataram Corporation

Bernard L. Riley
Private Investor

Richard Holzman*
Private Investor

Thomas A. Majewski*
Principal, Walden Inc.
(Venture Capital)

*Member of Audit Committee

Corporate Officers

John J. Cahill
Chairman of the Board

Robert V. Tarantino
President and Chief Executive Officer

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

Jeffrey H. Duncan
Vice President of Manufacturing
and Engineering

Hugh F. Tucker
Vice President, Sales and Marketing

Thomas J. Bitar
Secretary
Partner, Dillon, Bitar & Luther
(Law Firm)

Corporate Headquarters

Dataram Corporation
186 Princeton-Hightstown Road
West Windsor, NJ 08543
609-799-0071

Auditors

KPMG Peat Marwick LLP
Princeton, NJ

General Counsel

Dillon, Bitar & Luther
Morristown, NJ

Transfer Agent and Registrar

First Union National Bank
of North Carolina
Shareholders Services Group
230 South Tryon Street
11th Floor
Charlotte, NC 82288-1153

Stock Listing

Dataram's common stock is listed on the American Stock Exchange with the trading system DTM.

Annual Meeting

The annual meeting of shareholders will be held on Tuesday, September 10, 1996, at 2:00 p.m. at Dataram's corporate headquarters at:

186 Princeton-Hightstown Road
West Windsor Business Park
West Windsor, New Jersey.

Form 10-K

A copy of the Company's annual report on Form 10-K filed with the Securities & Exchange Commission is available without charge to shareholders.

Address requests to:

Vice President, Finance
Dataram Corporation
P.O. Box 7528

DATARAM CORPORATION

CORPORATE HEADQUARTERS

P.O. BOX 7528

PRINCETON, NJ 08543-7528

TELEPHONE

800-DATARAM

609-799-0071

FAX

609-799-6734

WEB SITE

http://www/dataram.com

[DATARAM LOGO]

EXHIBIT 28(a)

EARNINGS PRESS RELEASE

DATARAM

DATARAM REPORTS IMPROVED EARNINGS

PRINCETON, N.J., May 29 / PR Newswire/ -- Dataram Corporation (AMEX: DTM) reported improved earnings for the fourth quarter and for fiscal 1996, Robert V. Tarantino, president and chief executive officer, announced today.

Revenues for the fourth quarter ended April 30, 1996, were $22.0 million versus $27.2 million for the comparable prior year period. Net earnings were $446,000, or $.12 per share, compared to a net loss of $2,308,000 or $.61 per share, for the comparable prior year period.

For the fiscal year ended April 30, 1996, revenues totaled $107.6 million compared to $103.0 million for the fiscal year ended April 30, 1995. Net earnings were $1,450,000, or $.38 per hare, versus a net loss of $1,299,000, or $.34 per share, for the prior

fiscal year.

"The price of dynamic random access memory (DRAM) chips -- which comprise approximately 95 percent of our memory product cost - -- have declined more than 50 percent in the last four months as a result of a sudden and dramatic worldwide oversupply situation. Resulting competitive pressures in our marketplace have required us to sharply reduce selling prices for our products, " Tarantino stated. "We are pleased that we have achieved profitability in an extremely challenging and unpredictable business environment."

Tarantino said that although selling prices have deteriorated, unit volumes shipped in fiscal 1996 were at record levels both for the fourth quarter and full year. He attributed Dataram's profitable performance to a streamlined, cost-efficient organization anchored by a highly automated, service-oriented production facility which produces customer orders in 24 hours or less. "This state-of-the-art facility enables us to satisfy demanding customer requirements while attaining low inventory levels," he added.

"The fact that fourth quarter revenues decreased by 19 percent while selling prices declined by more than double that percentage figure, attests to the continuing strong demand for our memory products," Tarantino declared. "We face a major challenge in finding ways to stabilize revenues in the face of continued sustained pressure on selling prices."

Dataram develops, manufactures and markets qualify computer memory products for workstations, servers and personal computers.

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DATARAM CORPORATION. P.O. BOX 7528 PRINCETON, NJ 08543-7528
(609) 799-0071 fax (609) 799-6734

DATARAM CORPORATION AND SUBSIDIARY
Consolidated Summary Information
(In thousands except per share amounts)

	Quarter Ended		Twelve Months Ended	
	1996	1995	1996	1995
Revenues	$22,026	$27,231	$l07,627	$l03,028
Net Earnings (Loss)	$446	$(2,308)	1,450	$(1,299)
Net Earnings (Loss) Per Share	$.12	$(.61)	$.38	$ (.34)
Average Shares Outstanding	3,828	3,783	3,835	3.797

/deval/
- -0- 5/29/96
/CONTACT: Mark Maddocks, Vice President, Finance of Dataram, 609-799-0071
(DTM)

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