

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended 7/31/04 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

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(Exact name of registrant as specified in its charter)

New Jersey 22-1831409

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(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

P.O. Box 7528, Princeton, NJ 08543

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(Address of principal executive offices) (Zip Code)

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

(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.

Yes  No

Indicate by check mark whether the registrant is an accelerated filer.

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date. Common Stock (\$1.00 par value): As of August 23, 2004, there were 8,588,213 shares outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Dataram Corporation and Subsidiaries  
Consolidated Balance Sheets  
July 31, 2004 and April 30, 2004  
(Unaudited)

July 31, 2004 April 30, 2004

Assets

Current Assets:		
Cash and cash equivalents	\$ 5,600,978	\$ 6,805,957
Trade receivables, less allowance for doubtful accounts and sales returns of \$320,000	7,828,224	8,846,605
Inventories	4,511,507	2,536,976
Deferred income taxes	723,000	723,000
Other current assets	306,194	91,766
Total current assets	<u>18,969,903</u>	<u>19,004,304</u>

Property and equipment, at cost:		
Land (held for sale)	875,000	875,000
Machinery and equipment	12,013,293	11,933,987
	<u>12,888,293</u>	<u>12,808,987</u>

Less: accumulated depreciation and amortization	10,208,060	9,950,860
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Net property and equipment	<u>2,680,233</u>	<u>2,858,127</u>
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Other assets	53,815	50,011
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	<u>\$ 21,703,951</u>	<u>\$ 21,912,442</u>
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#### Liabilities and Stockholders' Equity

##### Current liabilities:

Accounts payable	\$ 3,095,822	\$ 3,861,844
Accrued liabilities	765,551	1,646,499

Total current liabilities	<u>3,861,373</u>	<u>5,508,343</u>
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##### Stockholders' Equity:

Common stock, par value \$1.00 per share.

Authorized 54,000,000 shares; issued and  
outstanding 8,588,213 at July 31, 2004  
and 8,526,519 at April 30, 2004

	8,588,213	8,526,519
Additional paid in capital	4,886,011	4,676,232
Retained earnings	4,368,354	3,201,348

Total stockholders' equity	<u>17,842,578</u>	<u>16,404,099</u>
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	<u>\$ 21,703,951</u>	<u>\$ 21,912,442</u>
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See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiaries  
Consolidated Statements of Earnings  
Three Months Ended July 31, 2004 and 2003  
(Unaudited)

	2004	2003
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Revenues	\$ 15,791,432	\$ 12,266,796
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##### Costs and expenses:

Cost of sales	11,740,902	8,817,749
Engineering and development	318,773	332,741
Selling, general and administrative	2,548,503	2,979,880

	<u>14,608,178</u>	<u>12,130,370</u>
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Earnings from operations	1,183,254	136,426
Other income (expense)		
Interest income	15,010	1,479
Currency gain (loss)	(258)	8,421
Other income	50,000	39,594
Total other income (expense)	64,752	49,494
Earnings before income taxes	1,248,006	185,920
Income tax provision	81,000	15,000
Net earnings	<u>\$ 1,167,006</u>	<u>\$ 170,920</u>
Net earnings per share of common stock		
Basic	<u>\$ .14</u>	<u>\$ .02</u>
Diluted	<u>\$ .13</u>	<u>\$ .02</u>
Weighted average number of common shares outstanding		
Basic	<u>8,562,391</u>	<u>8,497,219</u>
Diluted	<u>9,302,793</u>	<u>8,617,124</u>

See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
Three Months Ended July 31, 2004 and 2003  
(Unaudited)

	2004	2003
Cash flows from operating activities:		
Net income	\$ 1,167,006	\$ 170,920
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	289,000	447,266
Bad debt expense	16,452	5,837
Changes in assets and liabilities:		
Decrease in trade receivables	1,001,929	1,436,063
(Increase) decrease in inventories	(1,974,531)	224,221
Increase in other current assets	(214,428)	(236,505)
Increase in other assets	(3,804)	(22,005)
Decrease in accounts payable	(766,022)	(529,486)
Decrease in accrued liabilities	(880,948)	(1,914,710)
Net cash used in operating activities	<u>(1,365,346)</u>	<u>(418,399)</u>
Cash flows used in investing activities:		
Additions to property and equipment	(123,947)	(13,732)
Proceeds from sale of property and equipment	12,841	0
Net cash used in investing activities	<u>(111,106)</u>	<u>(13,732)</u>
Cash flows from financing activities:		
Proceeds from sale of common shares under stock option plan	271,473	0

Net decrease in cash and cash equivalents	(1,204,979)	(432,131)
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Cash and cash equivalents at beginning of period	6,805,957	2,500,497
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Cash and cash equivalents at end of period	<u>\$ 5,600,978</u>	<u>\$ 2,068,366</u>
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Supplemental disclosures of cash flow information:

Cash paid during the period for:

Interest	\$ 0	\$ 15,716
Income taxes	\$ 180,500	\$ 0

See accompanying notes to consolidated financial statements.

Dataram Corporation and Subsidiaries  
Notes to Consolidated Financial Statements  
July 31, 2004 and 2003  
(Unaudited)

#### Basis of Presentation

The information for the three months ended July 31, 2004 and 2003, is unaudited but includes all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to state fairly the financial information set forth therein in accordance with accounting principles generally accepted in the United States of America. The interim results are not necessarily indicative of results to be expected for the full fiscal year. These financial statements should be read in conjunction with the audited financial statements for the year ended April 30, 2004 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

#### Earnings Per Common Share

Basic earnings per share is computed by dividing the net income (loss) available to common stockholders by the weighted average number of shares of Common Stock issued and outstanding during the periods. For purposes of calculating diluted earnings per share for the three months ended July 31, 2004, and July 31 2003, the denominator includes both the weighted average number of shares of Common Stock outstanding and the number of dilutive Common Stock equivalents. The number of dilutive Common Stock equivalents includes the effect of non-qualified stock options calculated using the treasury stock method.

#### Stock Based Compensation

As permitted by the Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock Based Compensation", the Company accounts for stock-based compensation arrangements in accordance with provisions of Accounting Principles Board ("APB") Opinion No. 25 "Accounting for Stock Issued to Employees". Compensation expense for stock options issued to employees is based on the difference on the date of grant, between the fair value of the Company's stock and the exercise price of the option. No stock-based employee compensation cost is reflected in net income (loss), as all options granted under those plans had exercise prices equal to the market value of the underlying common stock at the date of grant.

In December 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of FASB Statement No. 123." SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of

accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosure in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The provisions of SFAS No. 148 are effective for fiscal years ending after December 15, 2002 and the interim disclosure provisions are effective for interim periods beginning after December 15, 2002. The Company continues to apply the intrinsic-value based method to account for stock options.

The following table illustrates the effect on net earnings and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock based compensation:

	Three Months Ended July 31,	
	2004	2003
Net earnings as reported	\$ 1,167,006	\$ 170,920
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects ....	(145,568)	(149,146)
Pro forma net earnings....	\$ 1,021,438	\$ 21,774
Earnings per share:		
Basic - as reported .....	\$ 0.14	\$ 0.02
Basic - pro forma .....	\$ 0.12	\$ 0.00
Diluted - as reported .....	\$ 0.13	\$ 0.02
Diluted - pro forma .....	\$ 0.11	\$ 0.00

#### Cash and cash equivalents

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

#### Inventory valuation

Inventories are valued at the lower of cost or market, with costs determined by the first-in, first-out method. Inventories at July 31, 2004 and April 30, 2004 consist of the following categories:

	July 31, 2004	April 30, 2004
Raw material	\$ 2,599,000	\$ 1,302,000
Work in process	160,000	102,000
Finished goods	1,753,000	1,133,000
	\$ 4,512,000	\$ 2,537,000

## Financial information by geographic location

The Company operates in one business segment and develops, manufactures and markets a variety of memory systems for use with network servers and workstations which are manufactured by various companies. Revenues for the three months ended July 31, 2004 and 2003 by geographic region is as follows:

	Three months ended July 31, 2004	Three months ended July 31, 2003
United States	\$ 12,313,000	\$ 8,015,000
Europe	2,109,000	
2,749,000		
Other (principally Asia Pacific Region)	1,369,000	1,503,000
Consolidated	<u>\$ 15,791,000</u>	<u>\$ 12,267,000</u>

Long-lived assets consist of property and equipment as of July 31, 2004. Long-lived assets and total assets by geographic region as of July 31, 2004 is as follows:

	July 31, 2004	
	Long-lived assets	Total assets
United States	\$ 2,646,000	\$ 20,941,000
Europe	34,000	755,000
Other	0	8,000
Consolidated	<u>\$ 2,680,000</u>	<u>\$ 21,704,000</u>

## Significant New Accounting Pronouncements

On April 22, 2003, the FASB determined that stock-based compensation should be recognized as a cost in the financial statements and that such cost be measured according to the fair value of stock options. On March 31, 2004, the FASB issued Exposure Draft No. 1102-100, Share-Based Payment, that addresses the accounting for share-based payment 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. The proposed Statement would eliminate the ability to account for share-based compensation transactions using APB Opinion No. 25, Accounting for Stock Issued to Employees, and generally would require instead that such transactions be accounted for using a fair-value-based method. The company will continue to monitor communications on this subject from the FASB in order to determine the impact on the Company's consolidated financial statements.

## 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, as well as general economic conditions and, generally, requires no collateral from its customers. In the first quarter of fiscal 2005, sales to one customer accounted for approximately 36% of revenues and 35% of accounts receivable at July 31, 2004.

## 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.

## 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, the commencement of production 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 Corporation 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, Hewlett-Packard (including Compaq), IBM, Silicon Graphics and Sun Microsystems. The Company also manufactures a line of memory products for Intel motherboard based servers for sale to OEMs and channel assemblers.

The Company's memory products are sold worldwide to original equipment manufacturers, distributors, value-added resellers and end users. The Company has a manufacturing facility in the United States with sales offices in the United States, Europe and Japan.

The Company is an independent memory manufacturer specializing in high capacity memory and competes with several other large independent memory manufacturers as well as the original equipment manufacturers mentioned above. The primary raw material used in producing memory boards is dynamic random access memory (DRAM) chips. The purchase cost of DRAM chips typically represents approximately 75% of the total cost of a finished memory board. Consequently, average selling prices for computer memory boards are significantly dependent on the pricing and availability of DRAM chips.

### Liquidity and Capital Resources

The Company's cash and working capital position remain strong. As of July 31, 2004, cash and equivalents amounted to \$5.6 million and working capital amounted to \$15.1 million, reflecting a current ratio of 4.9 compared to cash and equivalents of \$6.8 million and working capital of \$13.5 million and a current ratio of 3.5 as of April 30, 2004.

During the first fiscal quarter ended July 31, 2004, net cash used in operating activities was \$1.4 million. Inventories increased by approximately \$2.0 million from yearend levels. Of this amount, approximately \$800,000 of DRAMs were purchased for a potential order for custom memory boards for an OEM customer. These DRAMs did not pass the customer's qualification tests and were returned to the vendor for full credit shortly after the quarter ended. The balance of the increase in inventories is primarily attributable to purchases of certain DRAMs, which are in relatively short supply to support the Company's backlog. Accrued liabilities declined by approximately \$881,000 primarily as result of a royalty payment made in the first quarter, which was expensed in the prior fiscal year. This expense was not incurred in the first quarter as the Company ceased using the related patented technology in the

manufacture of its products. These uses of cash were partially offset by a decline in trade receivables of approximately \$1.0 million resulting from reduced revenues in the first quarter compared to the prior year's fourth quarter.

On June 15, 1999 the Company announced an open market repurchase plan providing for the repurchase of up to 500,000 shares of the Company's common stock. On December 4, 2002, the Company announced a second plan providing for the repurchase of up to an additional 500,000 shares. As of July 31, 2004, the total number of shares authorized for purchase under the program is 535,150 shares. The Company did not purchase any shares during the last fiscal year ended April 30, 2004 or the first quarter of Fiscal 2005.

On June 21, 2004 the Company entered into a Loan Agreement with a Bank through June 21, 2006. The Company has not as of this date borrowed any money under this Agreement. Pursuant to the Agreement, the Company can borrow up to 75% of qualified accounts receivables (generally consisting of U.S. and Canadian accounts receivable less than 90 days old) up to a maximum amount of \$5,000,000. At the election of the Company, the interest rate is the bank's prime rate or LIBOR plus 2.5%. As security for any loans made under this Agreement, the Company has given a security interest in all of its personal property, including its accounts. Without the consent of the bank, the Company may not pay dividends nor expend more than \$1,000,000 a year in repurchasing its common stock. The Company pays an annual commitment fee of .25% on the unused line.

Management believes that the Company's operating cash flows will be sufficient to meet short term liquidity needs as the Company does not expect any unforeseen demands beyond general operating requirements. Management further believes that its working capital together with internally generated funds from its operations are adequate to finance the Company's long term operating needs and future capital requirements.

On July 29, 2002, the Company entered into an agreement to sell its undeveloped land for a price of \$3.0 million. The agreement provides for closing to occur no later than 30 months from the date of the contract. Additionally, the agreement is subject to certain contingencies and as such may be terminated prior to closing. The land is carried at cost on the Company's balance sheet at a value of \$875,000 and is shown as an asset held for sale. The resulting gain on the sale will be recorded upon consummation of the transaction and when all contingencies have been satisfied.

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) as of April 30, 2004 are as follows:

	Operating leases
Year ending April 30:	
2005	\$ 531,000
2006	463,000
2007	48,000
2008 and thereafter	0
Total minimum lease payments	\$ 1,042,000

The Company has no other material commitments.

## Results of Operations

Revenues for the three-month period ending July 31, 2004 were \$15,791,000 compared to revenues of \$12,267,000 for the comparable prior year period. The increase in revenues was the result of higher unit volume, as measured by gigabytes shipped, of approximately 41% offset by an average selling price decreases of approximately 9%. Revenues in the current quarter decreased from the fourth quarter of fiscal 2004 revenues of \$19,948,000. The decrease of 19% is the result of lower volume. Revenues for the three-month periods ended July 31, 2004 and 2003 by geographic region were:

Three months ended	Three months ended
July 31, 2004	July 31, 2003

United States	\$ 12,313,000	\$ 8,015,000
Europe	2,109,000	2,749,000
Other (principally Asia Pacific Region)	1,369,000	1,503,000
Consolidated	\$ 15,791,000	\$ 12,267,000

Cost of sales for the first quarter fiscal 2005 were 75% of revenues, versus 72% same prior year period. Management expects that cost of sales as a percentage of revenue will generally be approximately 75%, which is in line with its historical norm. Fluctuations either up or down of 3% or less in any given quarter are not unusual and can result from many factors, some of which are a rapid change in the price of DRAMs, or a change in product mix possible resulting from a large order or series of orders for a particular product or a change in customer mix.

Engineering and development costs in fiscal 2005's first quarter were \$319,000, versus \$333,000 for the same prior year period. The Company intends to maintain its commitment to the timely introduction of new memory products as new computers are introduced.

Selling, general and administrative costs in fiscal 2005's first quarter decreased to 16% of revenues, versus 24% for the same prior year period. Total expenditures decreased by \$431,000 from the comparable prior year period. The reduction of total expenses is primarily the result of workforce savings and reduced depreciation expense.

Other income (expense), net for the first quarter fiscal 2005 totaled \$65,000 income, versus \$49,000 income for the same prior year period. Other income in fiscal 2005's first quarter consisted primarily of \$50,000 other income for a scheduled non-refundable payment released from escrow related to the pending sale of the Company's land. Approximately \$15,000 of interest income was received in the current quarter. Fiscal 2004's first quarter other income (expense), net of \$49,000 consisted primarily of \$40,000 income received for the sale of certain assets. The Company had no interest expense in the first quarter of fiscal 2005 and 2004 as it had no debt.

Income tax expense for the first quarter fiscal 2005 was \$81,000 expense and \$15,000 expense for the same prior year period. For both first quarter periods the tax expense is primarily a provision for state tax only as the Company has a Federal net operating loss carry forward of approximately \$14.0 million, which can be used to offset future taxable income for federal income tax.

#### 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, 2004, the Company believes the following accounting policies to be critical:

**Revenue Recognition**-Revenue is recognized upon shipment of goods to customers. The Company's revenue earning activities involve delivering or producing goods, and revenues are considered to be earned when the Company has completed the process by which it is entitled to such revenues. The following criteria are used for revenue recognition: persuasive evidence of an arrangement exists, delivery has occurred, selling price is fixed or determinable and collection is reasonably assured. Estimated warranty costs are accrued by management upon product shipment based on an estimate of future warranty claims.

Income Taxes-The Company utilizes the asset and liability method of accounting for income taxes in accordance with the provisions of SFAS No. 109, "Accounting for Income Taxes". Under the asset and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that the tax rate changes.

Use of Estimates- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including deferred tax asset valuation allowances and certain other reserves and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Some of the more significant estimates made by management include the allowance for doubtful accounts and sales returns, the deferred tax asset valuation allowance and other operating allowances and accruals. Actual results could differ from those estimates.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company does not invest in market risk sensitive instruments. The Company's investments during the past fiscal year have consisted of overnight deposits with banks. The Company's rate of return on its investment portfolio changes with short-term interest rates, although such changes will not effect the value of its portfolio. The Company's objectives 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 may do so as circumstances warrant.

### ITEM 4. CONTROLS AND PROCEDURES

During the period covered by this interim report, the Company's chief executive officer and its chief financial officer have evaluated the effectiveness of the Company's disclosure controls and procedures and have determined that they are adequate to insure a fair presentation, in all material respects, of the financial position, results of operations and statements of cash flows of the Company and there have been no material changes to such controls and procedures.

## PART II. OTHER INFORMATION

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

#### A. Exhibits

31(a) Certification of Robert V. Tarantino.

31(b) Certification of Mark E. Maddocks

32(a) Section 906 Certification of Robert V. Tarantino (furnished not filed)

32(b) Section 906 Certification of Mark E. Maddocks (furnished not filed)

B. Reports on Form 8-K

Report filed on August 17, 2004 regarding Company's operating results for the First Quarter, Fiscal Year 2005.

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: August 26, 2004

By: MARK E. MADDOCKS

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

Exhibit 31(a)

CERTIFICATION

I, Robert V. Tarantino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dataram Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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(s) 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 the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material

weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

ROBERT V. TARANTINO

Date: August 26, 2004

\_\_\_\_\_  
Robert V. Tarantino, President  
and Chief Executive Officer

Exhibit 31(b)

CERTIFICATION

I, Mark E. Maddocks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dataram Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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(s) 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 the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material

weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

MARK E. MADDOCKS

Date: August 26, 2004

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

Exhibit 32(a)

Section 906 Certification  
of  
Robert V. Tarantino

I certify that the Quarterly Report of Dataram Corporation with which this Certification is furnished fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and that the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of Dataram Corporation.

August 26, 2004,

ROBERT V. TARANTINO

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Robert V. Tarantino  
President and  
Chief Executive Officer

Exhibit 32(b)

Section 906 Certification  
of  
Mark E. Maddocks

I certify that the Quarterly Report of Dataram Corporation with which this Certification is furnished fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and that the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of Dataram Corporation.

August 26, 2004,

MARK E. MADDOCKS

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