



Growing with the computer industry

1977 Annual Report



TO OUR SHAREHOLDERS:

Fiscal 1977 was a very satisfying year for your Company. In its tenth anniversary year, Dataram achieved record revenues of \$10.7 million, an increase of 120 percent over the previous year's revenues of \$4.9 million. Net earnings were \$1,158,761, or \$2.30 per share, compared to last year's net earnings of \$15,366, or three cents per share. Pre-tax earnings were \$1,526,344, representing 14.2 percent of revenues.

Dataram's impressive year-to-year revenue gain coincided with the industry's recovery from the recession and was accelerated by the Company's ability to increase its share of the core memory market.

This increased market share resulted from Dataram's strong commitment to the core memory market. Dataram introduced 37 core memory systems in the past five years, more than any other core memory supplier. As a result, system sales have grown dramatically, complementing the Company's stack revenues. System sales, \$1.2 million in Fiscal 1973, reached \$8.5 million in Fiscal 1977. We have steadily increased our manufacturing capability. Our 10 billion annual rate of core production places Dataram third among independent core memory manufacturers. Dataram is the only supplier to boast three major stringing facilities, located in Trinidad, El Salvador, and the Philippines. All were producing at record levels at year end, employing a combined work force of more than 2,000 people. The growth of systems assembly activities in Cranbury has required additional manufacturing space and 6,000 square feet has been leased in a building adjacent to the 24,000-square-foot building presently under lease.

Along with increased revenues, the Company continued to increase its customer base. Total customers increased to 276 in Fiscal 1977 from 190 customers the previous year. Dataram had only 54 customers in Fiscal 1973. The increase in customer base resulted from Dataram's growing sales of minicomputer-compatible ADD-ON/ADD-IN and BULK CORE systems. Customers in this segment of the core memory market are typically small quantity purchasers, presenting unique problems of marketing, service, and distribution. The Company will continue to expand in this market area without any dilution of effort in its very important OEM area. OEM customers, purchasing stacks and systems in high volume, account for more than 90 percent of total revenue.

BULK CORE continued to generate wide interest. This product, originally developed by Dataram with the cooperation of one of its large OEM customers, was announced as a standard product in Fiscal 1976. During the year, chassis and power supply accessories for BULK CORE were introduced, providing increased flexibility for systems integration of the BULK CORE product line. Controllers were also offered by Dataram, enabling BULK CORE to emulate fixed-head disc systems offered by Digital Equipment Corporation (DEC) and Data General Corporation. BULK CORE, in conjunction with the appropriate controller, provides an all-electronic alternative to mechanical storage devices. Although more expensive than disc in large configurations, BULK CORE can operate at speeds which

FINANCIAL HIGHLIGHTS

	1977	1976
Revenues	\$ 10,747,620	\$ 4,893,974
Earnings before extraordinary credit	\$ 945,011	\$ 15,366
Per share	\$ 1.88	\$.03
Net earnings	\$ 1,158,761	\$ 15,366
Per share	\$ 2.30	\$.03
Stockholders' equity	\$ 3,296,419	\$ 2,250,521
Per share	\$ 6.92	\$ 4.43

The Dataram memory system unit (left), containing four 32K x 18 DR-114 ADD-IN systems, provides 128K x 18 storage capacity. At right, Dataram BULK CORE chassis holds eight 256K x 18 modules, a total capacity of two megabytes.

