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## Democrasoft Announces Fiscal 2010 and Q1 2011 Operating Results, Patent Sales & Progress of Collaborize Classroom Deployment

SANTA ROSA, CA., May 11th, 2011: Democrasoft, Inc. (OTC: PINKSHEETS: DEMO) today announced its operating results for fiscal 2010 and the first quarter of 2011. For the year ended December 31, 2010, the Company reported a net loss of \$3,427,051 on revenues of \$9,675 as it continued its transition from intellectual property licensing to purpose-driven social networking. For the quarter ended March 31, 2011, the net loss was \$502,842 on revenues of \$732,500.

The Company also reported that, since the end of 2010, it has closed sales of three legacy patent portfolios, two of which have been previously disclosed. Net proceeds of \$731,250 from the sale of two portfolios are reflected in the first quarter results, and additional net proceeds of \$162,000 will be reflected in the second quarter operating results. The Company does not expect any further material net proceeds from the sales of legacy intellectual property.

Of the four offerings built on the Company's Collaborize® platform, the Company has been particularly emphasizing deployment of Collaborize Classroom™ ([www.CollaborizeClassroom.com](http://www.CollaborizeClassroom.com)), its highly-regarded cloud-based tool for extending classroom discussions beyond the classroom walls. From a standing start during the fourth quarter of 2010, more than 3,500 teachers throughout the United States and elsewhere have now created Collaborize Classroom sites with a member base of more than 15,000 experiencing the benefits of Collaborize Classroom, and growing. As deployment increases, the Company will pursue various monetization channels, which it has identified.

“We are extremely pleased that both teachers and students really love how Collaborize Classroom enriches the education process, resulting in engaged and motivated students,” said Richard Lang, Chairman and CEO. “In these challenging times, we know that school administrators will notice both the educational benefits and the proven savings from our free offering, which can save schools up to \$100 per month per classroom. Though the growth so far has occurred from a very small base, Collaborize Classroom has been consistently growing at more than 30% per month, compounded for quite a few months,” Lang noted.

About DEMOCRASOFT:

Democrasoft, Inc., headquartered in Santa Rosa, CA, is a 20-year-old public company (OTC: PINKSHEETS: DEMO) with a history of pioneering technology. The company's flagship product, Collaborize®, is a web-based solution for organizing groups with a common purpose into powerful, decision-making communities. It is designed to empower groups of all sizes - businesses, non-profits, organizations, governments, their members and citizens - to resolve real problems and drive toward actual implementation of collective solutions. Democrasoft is dedicated to facilitating a vision of online “*social networking with purpose.*” For more information, please visit <http://democrasoft.com>.

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