

For Immediate Release

## **DIGITAL ALLY, INC. SET TO JOIN *RUSSELL MICROCAP® INDEX***

**OVERLAND PARK, Kansas (June 25, 2008)** – Digital Ally, Inc. (Nasdaq: DGLY), which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial security applications, today announced that it is set to join the *Russell Microcap® Index* when such index undergoes its annual rebalancing later this month.

According to the Russell Investments website ([www.russell.com](http://www.russell.com)), Digital Ally, Inc. is slated to join the *Russell Microcap® Index* at the close of the market on June 27, 2008. The *Russell Microcap® Index* measures the performance of the microcap segment, representing less than 3% of the U.S. equity market. The *Russell Microcap® Index* includes the smallest 1,000 securities in the small-cap *Russell 2000® Index* plus the next 1,000 securities.

“We are very pleased to learn that Digital Ally has qualified for inclusion in the *Russell Microcap® Index* less than six months after its stock was listed on the Nasdaq Capital Market,” stated Stanton E. Ross, Chief Executive Officer of the Company. “Membership in the *Russell Microcap® Index* is based upon market capitalizations of qualifying companies, and Digital Ally’s ‘market cap’ has increased from approximately \$32 million at the end of June 2007 to approximately \$137 million as currently. We believe the increase in our ‘market cap’ reflects rapid growth in our reported revenues and earnings, and we expect to set new records in both of these financial performance measures in the year ending December 31, 2008.”

The Russell family of U.S. indexes is designed to be a comprehensive representation of the investable U.S. equity market. These indexes are value-weighted and include only common stocks belonging to corporations that are incorporated in the United States and its territories. Final membership lists for the *Russell 3000®*, *Russell 1000®*, *Russell 2000®*, *Russell Global*, *Russell Midcap®* and *Russell Microcap®* indexes will be posted to the Russell Investments website on June 30, 2008.

Real-time market analysis on the Russell indexes is available at [www.russell.com/indexes/performance/real\\_time\\_market\\_analysis.asp](http://www.russell.com/indexes/performance/real_time_market_analysis.asp), and a preliminary list of additions to the *Russell Microcap® Index* is currently posted on [www.russell.com](http://www.russell.com).

### **About Russell Investments**

Russell Investments aims to improve financial security for people by providing strategic advice, world-class implementation, state-of-the-art performance benchmarks, and a range of institutional-quality investment products. With more than \$213 billion in assets

under management, Russell serves individual, institutional and advisor clients in more than 40 countries. Russell provides access to some of the world's best money managers. It helps investors put this access to work in corporate defined benefit and defined contribution plans, and in the life savings of individual investors. Headquartered in Tacoma, Washington, Russell has principal offices in Amsterdam, Auckland, Johannesburg, London, Melbourne, New York, Paris, San Francisco, Seoul, Singapore, Sydney, Tokyo and Toronto.

### **About Digital Ally, Inc.**

Digital Ally, Inc. develops, manufactures and markets advanced technology products for law enforcement, homeland security and commercial security applications. The Company's primary focus is Digital Video Imaging and Storage. For additional information, visit [www.digitalallyinc.com](http://www.digitalallyinc.com)

The Company is headquartered in Overland Park, Kansas, and its shares are traded on The Nasdaq Capital Market under the symbol "DGLY".

*This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. These forward-looking statements are based largely on the expectations or forecasts of future events, can be affected by inaccurate assumptions, and are subject to various business risks and known and unknown uncertainties, a number of which are beyond the control of management. Therefore, actual results could differ materially from the forward-looking statements contained in this press release. A wide variety of factors that may cause actual results to differ from the forward-looking statements include, but are not limited to, the following: the Company's ability to have its new product offerings perform as planned or advertised; whether there will be a commercial market, domestically and internationally, for one or more of its new products; its ability to commercialize its products and production processes, including increasing its production capabilities to satisfy orders in a cost-effective manner; its ability to continue to increase revenue and profits as forecast; whether the Company will be able to adapt its technology to new and different uses, including being able to introduce new products; competition from larger, more established companies with far greater economic and human resources; its ability to attract and retain customers and quality employees; its ability to obtain patent protection on any of its products and, if obtained, to defend such intellectual property rights; the effect of changing economic conditions; and changes in government regulations, tax rates and similar matters. These cautionary statements should not be construed as exhaustive or as any admission as to the adequacy of the Company's disclosures. The Company cannot predict or determine after the fact what factors would cause actual results to differ materially from those indicated by the forward-looking statements or other statements. The reader should consider statements that include the words "believes", "expects", "anticipates", "intends", "estimates", "plans", "projects", "should", or other expressions that are predictions of or indicate future events or trends, to be uncertain and forward-looking. The Company does not undertake to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. Additional information respecting factors that could materially affect the Company and its operations are contained in its reports on Form 10-KSB for the year ended December 31, 2007, and Form 10-Q for the three months ended March 31, 2008 as filed with the Securities and Exchange Commission.*

For Additional Information, Please Contact:

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