

**DIGITAL ALLY, INC.**  
**PASSES 2,500 CUSTOMER MARK AS *DVM-500* SYSTEMS CAPTURE  
GROWING SHARE OF IN-CAR VIDEO SYSTEMS MARKET**

**OVERLAND PARK, Kansas (October 13, 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 has achieved another milestone, with its ***DVM-500 In-Car Rearview Mirror Systems*** now being used by over 2,500 law enforcement agencies.

Since Digital Ally began delivering its *DVM-500* systems to customers in March 2006, the Company has shipped approximately 13,000 units to law enforcement agencies in all 50 states, the U.S. government, and 16 foreign countries.

“While we are very pleased to pass the 2,500 customer milestone, we believe Digital Ally has only scratched the surface of the market potential for its state-of-the-art digital video products,” stated Stanton E. Ross, Chief Executive Officer of the Company. “We have yet to supply a majority of the in-car video systems deployed in the vehicle fleets of our existing customers, and Digital Ally has sold products to less than 15% of the estimated 18,000 law enforcement agencies in the United States. In the U.S. alone, there are approximately 450,000 police cruisers and other law enforcement vehicles in service that require in-car video systems. About 70,000 of these vehicles are retired from fleets annually and are replaced with new vehicles that become candidates for our *DVM-500* systems, as well.”

“If one considers that the average law enforcement agency operates 20 to 25 patrol cars and that we have delivered only 13,000 units to our 2,500 customers, this would leave a potential of over 37,000 units, or over \$150 million of sales potential within our existing customer base alone,” continued Ross. “Given our potential for additional market share gains in the law enforcement industry, combined with opportunities for our new products in mass transit, commercial security, homeland security and military markets, we are confident that Digital Ally’s sales will grow at impressive rates for the foreseeable future.”

**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; its ability to continue to increase revenue and profits as forecast; 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; 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 annual report on Form 10-KSB for the year ended December 31, 2007 and Form 10-Q for the six months ended June 30, 2008 as filed with the Securities and Exchange Commission.*

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