

DIGITAL ALLY INTRODUCES *DVM-100* IN-CAR VIDEO SYSTEM

LOWEST-PRICED COMPLETE DIGITAL IN-CAR VIDEO SYSTEM ON THE MARKET TARGETS LAW ENFORCEMENT AGENCIES FACING BUDGET CONSTRAINTS

OVERLAND PARK, Kansas (June 1, 2011) – At its annual shareholders' meeting last week, Digital Ally, Inc. (Nasdaq: DGLY), which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial applications, introduced the Company's newest in-car video system. The *DVM-100* is designed specifically for those law enforcement agencies that need a high quality digital in-car video system, but are budget-constrained due to reduced tax revenues at the state, county and/or municipal level.

The complete *DVM-100* system is priced at only \$1,895, including the Company's Video Manager II back office software and a one-year warranty. "We believe this is the lowest-priced digital in-car video system currently on the market that is compatible with the needs of law enforcement agencies," noted Ken McCoy, Vice President of Sales and Marketing at Digital Ally, Inc. "The *DVM-100* offers customers a complete digital in-car video system that is incorporated into a rear view mirror. This is in keeping with the Company's *DVM-750* and *DVM-500 Plus* systems that have been installed in law enforcement vehicle fleets throughout the world."

"We recognize how difficult it has been for some departments to afford in-car video systems, or as many as they need, during a period of declining tax revenues," stated Stanton E. Ross, the Company's Chief Executive Officer. "We often encounter departments with limited budgets that are unable to purchase in-car video systems that can provide protection for law enforcement officers and citizens while documenting important criminal evidence. The *DVM-100* allows budget-constrained and smaller domestic agencies to install in-car video systems that are consistent with their capital budgets, while also addressing the many requests we have received from international countries for a lower-cost system."

Although the *DVM-100* does not have all the features of the *DVM-750* and *DVM-500 Plus*, it is easy to operate and offers high quality video with H.264 Codec at 30 frames per second, pre-event recording, covert mode, metadata, a remote wireless microphone, an integrated microphone for recording inside the vehicle, a USB or removable SD card for downloading, back office software, and a one-year parts and labor warranty. The Company plans to begin selling the *DVM-100* in the third quarter of 2011.

Also at the shareholders' meeting, the Company announced a new feature for its *FirstVU* portable digital video system. The *FirstVu*, which was designed to be worn by law enforcement officers or mounted to motorcycles, ATVs, or cars, can now be partnered with a remote wireless microphone. This allows law enforcement officers to capture an entire scene on video from their vehicles, while allowing the officer to send audio recordings back to the *FirstVU* from distances as great as 1,000 feet. "We

believe this added feature will enhance the value of *FirstVU* as the most portable, versatile digital video system available by offering, in addition to remote audio recording, an integrated monitor, a menu for entering metadata, password protection, and a robust back office software package for securely storing, archiving and downloading video and audio,” added McCoy.

About Digital Ally, Inc.

Digital Ally, Inc. develops, manufactures and markets advanced technology products for law enforcement, homeland security and commercial applications. The Company’s primary focus is digital video imaging and storage. For additional information, visit 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: whether the Company will be able to increase revenues, regain profitability and generate positive cash flow in 2011 in the current economic environment; its ability to expand its share of the in-car video market in the domestic law enforcement community; whether there will be a commercial market, domestically and internationally, for one or more of its new products, including the FirstVU and DVM-100, and whether such products perform as intended; competition from larger, more established companies with far greater economic and human resources; its ability to attract and retain customers; 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-K for the year ended December 31, 2010 and its Form 10-Q for the three months ended March 31, 2011, as filed with the Securities and Exchange Commission.

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