

DIGITAL ALLY COMMENCES SHIPMENTS OF NEW *DVM-250* DIGITAL EVENT RECORDER

COMPANY AWARDED STATEWIDE CONTRACT FOR *LASER ALLY* LIDAR SYSTEMS FROM STATE OF CONNECTICUT

OVERLAND PARK, Kansas (March 31, 2011) – 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 received an initial order for 65 of its new ***DVM-250 Digital Event Recorders*** from one of the largest ambulance service providers in the United States.

Event recorders automatically record and store video and audio from both inside and outside of vehicles. Thus, in the case of an abrupt change in acceleration/deceleration, such as during a vehicular accident, sudden stop or other violent maneuvers, the event is automatically recorded including the time in history prior to such event which is referred to as “pre-event recording”. Digital Ally, a leader in digital in-car video systems for the law enforcement industry, has utilized the same design and technology parameters for its *DVM-250* event recorder, which has been developed for the commercial transportation industry. The *DVM-250* is completely integrated into a rearview mirror and can therefore be easily installed in any type of vehicle by simply removing the existing mirror and installing the *DVM-250* in its place. This allows the *DVM-250* to be integrated with modern vehicle interiors without taking up space that might cause a hazard or detract from the desired atmosphere inside the vehicle.

“We are excited to announce that our first notable order for the *DVM-250* was received from a company that operates one of the largest ambulance fleets in the nation,” stated Stanton E. Ross, Chief Executive Officer of Digital Ally, Inc. “We shipped the first 12 units this week and will deliver the balance of the initial 65-unit order to one of the customer’s regional fleet facilities early in our second quarter. The customer operates over 1,200 ambulances throughout the U.S., and our goal is to deploy the *DVM-250* throughout its entire fleet over time.”

“Event recorders are used by companies with vehicle fleets in a number of different industries, including taxicab, bus, limousine, and motor coach operators; utility, telecommunication, package delivery, and distribution companies; government agencies; and even consumer vehicles,” continued Ross. “Uses of such recorders include driver training, personal protection and monitoring, protection against liability and workman’s compensation claims, and personal documentation of events. In the aggregate, we believe the market for event recorders in the transportation industry is larger than the law enforcement market that we have targeted so successfully with our *DVM* series of in-car camera systems. We have – received requests to provide *DVM-250* units to a number of potential customers for field testing, including taxicab companies and commercial fleet operators, and we are optimistic that the new event recorder will become one of our ‘core’ products in the future.”

The Company also announced its entry into a new five year statewide contract with Connecticut that will allow State, county and municipal law enforcement agencies throughout that state to purchase its new **Laser Ally LIDAR Speed Enforcement Systems** at pre-negotiated prices.

“In addition to the incremental sales that we expect to generate during 2011 from several new products developed for domestic law enforcement agencies and commercial fleet operators, I am pleased to report that international orders appear to be picking up,” added Ross. “We have received several inquiries and shipped a number of modest-sized international orders in recent weeks, including a follow-on order for over 65 *DVM-750* in-car video systems from one of the largest federal agencies in Mexico, an order for 15 *Laser Ally* systems from a Canadian customer, and initial orders for our *Thermal Ally* camera from customers in Australia and the United Kingdom.”

“With the launch of the *DVM-250* and other new products that were introduced in 2010, we have implemented a more rigorous and structured marketing initiative that will include an expansion in our network of sales representatives throughout the United States,” concluded Ross.

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

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 its order for DVM-250’s from its ambulance fleet customer and whether it will become a core product in the future; whether the federal economic stimulus funding for law enforcement agencies will have a positive impact on the Company’s revenue; the Company’s ability to deliver its new product offerings as scheduled, including its ability to obtain the required components and products on a timely basis, and have them perform as planned or advertised; its ability to achieve improved production and other efficiencies to improve its gross and operating margins; its ability to expand its share of the in-car video market in the domestic and international law enforcement communities; whether there will be a commercial market, domestically and internationally, for one or more of its new products, including the FirstVU, Thermal Ally and Laser Ally; whether the initial interest in its new products will translate into

future sales; whether its international marketing initiatives will result in a rebound in its revenues outside of the U.S.; 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; 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, as filed with the Securities and Exchange Commission.

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