

## **DIGITAL ALLY AWARDED STATEWIDE CONTRACT FROM MISSISSIPPI FOR IN-CAR VIDEO SYSTEMS**

### **CONTRACT ACCOMPANIED BY LARGEST SINGLE ORDER IN COMPANY'S HISTORY**

**LEAWOOD, Kansas (August 2, 2007)** – Digital Ally, Inc. (OTCBB: DGLY), which develops, manufactures and markets advanced video surveillance products for law enforcement, homeland security and commercial security applications, today announced that it has been awarded a statewide contract from the State of Mississippi for its ***DVM-500 Digital In-Car Video Systems Integrated into a Rearview Mirror***. The contract is for a period of twelve (12) months, with the option to renew for four (4) additional twelve-month periods.

Immediately following the award, the Mississippi Department of Public Safety placed an order for over 300 *DVM-500* systems, to be installed in law enforcement vehicles throughout the State as a replacement for the agency's old VHS in-car video systems.

"This represents the largest single order that we have received, to date, and should generate over \$1.25 million in revenues for the Company during the second half of 2007," stated Stanton E. Ross, Chief Executive Officer of Digital Ally, Inc. "We look forward to working with the Mississippi Department of Public Safety in the deployment of the *DVM-500* throughout the State. We also expect to offer, under the terms of this contract, the *DVM-500* to all city and county law enforcement agencies in Mississippi, so that they can gain the space-saving and operational benefits of digital in-car video."

"With the addition of this third quarter contract to others that we received during the first half of 2007, Digital Ally has, to date, received statewide contracts from West Virginia, Arkansas, Wisconsin, New Mexico and Mississippi. It is exciting to see the growing appreciation of the value and performance of the *DVM-500* among large and small agencies within the law enforcement community. Contracts with states and larger agencies provide excellent references to other potential customers, which can gain knowledge of first-hand experience regarding the *DVM-500* and the excellent customer support delivered by Digital Ally, Inc.," concluded Ross.

For more information on the *DVM-500*, contact Digital Ally, Inc. at (800) 440-4947 or via email at [sales@digitalallyinc.com](mailto:sales@digitalallyinc.com)

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

Digital Ally, Inc. is involved in the development, manufacturing and marketing of advanced technology products for law enforcement, homeland security and

commercial security applications. The Company's primary development focus involves the field of Digital Video Imaging and Storage. For additional information, visit [www.digitalallyinc.com](http://www.digitalallyinc.com)

The Company is headquartered in Leawood, Kansas, and its shares are traded on the OTC Bulletin Board 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 raise sufficient capital to implement its business plan; its ability to have all of its product offerings perform as planned or advertised; whether there will be a commercial market for one or more of its products; its ability to commercialize its products and production processes, increase revenues significantly and achieve profitability; 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 always 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", 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.*

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