

July 26, 1996

Diana Loudly Rings The Closing Bell.

Diana possesses no businesses, assets, cash flow, technology, not even any debt, that can be restructured in such a way as to enhance or create shareholder value. We view Diana's hiring of Hambrecht & Quist, whose personnel have recommended buying its stock at more than twice its current price, as an attempt by both companies to control the damage caused by management's misleading press releases and over-promotion. We maintain our strong sell recommendation.

The Diana Corporation (NYSE Symbol: DNA) (Price: \$21.625)

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.