



Press Release

Investor Relations:

Joe Hassett
Gregory FCA
joeh@gregoryfca.com
610-228-2110

Media Contact:

Matt McLoughlin
Gregory FCA
matt@gregoryfca.com
610-228-2123

FOR IMMEDIATE RELEASE

**UNIVERSAL DISPLAY CORPORATION ANNOUNCES
SECOND QUARTER 2011 FINANCIAL RESULTS**

Ewing, New Jersey — August 08, 2011 — Universal Display Corporation (NASDAQ: PANL), enabling energy-efficient displays and lighting with its UniversalPHOLED[®] technology and materials, today announced its results for the second quarter of 2011.

Revenues for the second quarter of 2011 were \$11,252,415, a 33 percent increase compared to revenues of \$8,446,829 in the same quarter a year ago. Commercial revenue, which includes commercial chemical revenue, license and royalty revenues, and commercialization assistance revenue, was \$5,278,704 for the quarter, compared to \$1,951,892 for the second quarter of 2010, an increase of 170 percent. The increase was primarily due to increased commercial chemical sales and royalty revenues.

Developmental revenue, which includes development chemical revenue, contract research revenue, and technology development revenue, was \$5,973,711 for the quarter, compared to \$6,494,937 for the second quarter of 2010, an eight percent decrease. For the second quarter of 2010, developmental revenue included the recognition of \$2,100,000 in non-refundable payments previously received from a customer for technical assistance. There were no comparable revenues recognized in the current quarter.

For the second quarter of 2011, the company reported an operating loss of \$1,070,753, compared to an operating loss of \$1,909,144 for the second quarter of 2010. For the second quarter of 2011, net income was \$3,312,700, corresponding to earnings of \$0.07 per basic share and a loss of \$0.03 per diluted share, compared to a net loss of \$4,436,095 for the second quarter of 2010, corresponding to a loss of \$0.12 per basic and diluted share. Net income for the second quarter of 2011 included a \$4,496,367 non-cash gain on stock warrant liability, compared to a non-cash loss of \$2,582,428 on stock warrant liability for the second quarter of 2010. Operating expenses for the second quarter of 2011 were \$12,323,168, compared to \$10,355,973 for the second quarter of 2010.

Cash provided by operating activities for the second quarter of 2011 was approximately \$223,000, compared to approximately \$2,315,000 of cash used in operating activities for the second quarter of 2010. The increase in cash provided by operating activities was primarily due to an improvement in the net loss, excluding non-cash items, of approximately \$2.4 million on a year-over-year basis. With \$250 million raised in an equity offering in March 2011, the company's balance sheet remained strong, with cash, cash equivalents and short-term investments of \$326 million as of June 30, 2011.

“We are pleased to report the best revenue quarter in our company's history on the strength of increasing commercial revenue and development chemical sales,” said Sidney D. Rosenblatt, Executive Vice President and Chief Financial Officer of Universal Display. “Key to our sustained growth, commercial revenue was up 170 percent for the quarter, reflecting the accelerating pace at which products using our technology and materials are moving into the market. Developmental revenue was also strong, indicative of a broadening range of customer development efforts that utilize our proprietary technology and materials for a wide array of exciting displays and lighting applications. Operating performance also improved, with strong margins on incremental revenues. We also achieved positive operating cash flow for the third consecutive quarter. While the bottom line benefited from non-cash gains this quarter, we certainly believe that our financial performance illustrates the significant progress we are making in creating value for our shareholders.”

Mr. Rosenblatt concluded, “In addition to our financial results, we are making equally impressive progress in our efforts to strengthen our intellectual property position and to develop innovative new applications for our technologies and materials. Our patented encapsulation technology for the

packaging of flexible OLEDs and other thin-film devices, advances in our printable UniversalP²OLED technology and materials, and flexible OLED display and lighting panel initiatives are some of the exciting projects ongoing at Universal Display that may lead to new growth markets for the company. With momentum building for OLEDs in mobile, television and lighting applications, the advances being achieved in our OLED technologies and materials continue to position our company as the leading OLED technology provider.”

In conjunction with this release, Universal Display will host a conference call, followed by a question and answer session, on Monday, August 8, 2011 at 5:00 p.m. Eastern Time. Interested parties may participate by calling 888-378-4353 at 5:00 p.m. Eastern Time and referencing conference ID 7555624. A taped replay of the conference call will be available within two hours of the conclusion of the call and will remain available through Monday, August 22, 2011. The number to call for the taped replay is 888-203-1112, and the conference PIN is 7555624.

The conference call will be simultaneously broadcast live over the Internet through a webcast on the Universal Display website. To access the call, please visit the Events portion of the website at www.universaldisplay.com. An online archive of the webcast will be available within two hours of the conclusion of the call.

About Universal Display Corporation

Universal Display Corporation (Nasdaq: PANL) is a leader in developing and delivering state-of-the-art, organic light emitting device (OLED) technologies, materials and services to the display and lighting industries. Founded in 1994, the company currently owns or has exclusive, co-exclusive or sole license rights with respect to more than 1,200 issued and pending patents worldwide. Universal Display licenses its proprietary technologies, including its breakthrough high-efficiency UniversalPHOLED® phosphorescent OLED technology that can enable the development of low power and eco-friendly displays and white lighting. The company also develops and offers high-quality, state-of-the-art UniversalPHOLED materials that are recognized as key ingredients in the fabrication of OLEDs with peak performance. In addition, Universal Display delivers innovative and customized solutions to its clients and partners through technology transfer, collaborative technology development and on-site training.

Based in Ewing, New Jersey, Universal Display works and partners with a network of world-class organizations, including Princeton University, the University of Southern California, the University of Michigan, and PPG Industries, Inc. The company has also established relationships with companies such as AU Optronics Corporation, Chimei Innolux Corporation, DuPont Displays, Inc., Konica

Minolta Technology Center, Inc., LG Display Co., Ltd., Moser Baer Technologies Inc., Samsung Mobile Display Co, Ltd., Seiko Epson Corporation, Sony Corporation, Showa Denko K.K., and Tohoku Pioneer Corporation. To learn more about Universal Display, please visit www.universaldisplay.com.

Universal Display Corporation and the Universal Display logo are trademarks or registered trademarks of Universal Display Corporation. All other company, brand or product names may be trademarks or registered trademarks.

###

All statements in this document that are not historical, such as those relating to Universal Display Corporation's technologies and potential applications of those technologies, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements in this document, as they reflect Universal Display Corporation's current views with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated. These risks and uncertainties are discussed in greater detail in Universal Display Corporation's periodic reports on Form 10-K and Form 10-Q filed with the Securities and Exchange Commission, including, in particular, the section entitled "Risk Factors" in Universal Display Corporation's annual report on Form 10-K for the year ended December 31, 2010 and quarterly report on Form 10-Q for the quarterly period ended March 31, 2011. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this document.

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(unaudited)

	June 30, 2011	December 31, 2010
	<hr/>	<hr/>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 65,240,065	\$ 20,368,852
Short-term investments	261,158,726	52,794,545
Accounts receivable	6,541,232	7,247,873
Other current assets	2,841,934	1,988,239
	<hr/>	<hr/>
Total current assets	335,781,957	82,399,509
PROPERTY AND EQUIPMENT, net	10,487,827	9,711,093
ACQUIRED TECHNOLOGY, net	420,105	-
OTHER ASSETS	323,235	216,529
	<hr/>	<hr/>
TOTAL ASSETS	\$ 347,013,124	\$ 92,327,131

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 3,161,943	\$ 2,155,489
Accrued expenses	5,667,855	6,906,289
Deferred revenue	4,816,882	5,323,154
Stock warrant liability	4,588,178	10,659,755
	<hr/>	<hr/>
Total current liabilities	18,234,858	25,044,687
DEFERRED REVENUE	3,446,843	2,775,024
RETIREMENT PLAN BENEFIT LIABILITY	7,541,337	7,077,901
	<hr/>	<hr/>
Total liabilities	29,223,038	34,897,612
SHAREHOLDERS' EQUITY:		
Preferred Stock, par value \$0.01 per share, 5,000,000 shares authorized, 200,000 shares of Series A Nonconvertible Preferred Stock issued and outstanding (liquidation value of \$7.50 per share or \$1,500,000)	2,000	2,000
Common Stock, par value \$0.01 per share, 100,000,000 shares authorized, 45,552,175 and 38,936,571 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	455,522	389,366
Additional paid-in capital	548,871,155	280,102,227
Accumulated deficit	(225,594,271)	(217,026,115)
Accumulated other comprehensive loss	(5,944,320)	(6,037,959)
	<hr/>	<hr/>
Total shareholders' equity	317,790,086	57,429,519
	<hr/>	<hr/>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 347,013,124	\$ 92,327,131

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended June 30,	
	2011	2010
REVENUE:		
Commercial revenue	\$ 5,278,704	\$ 1,951,892
Developmental revenue	5,973,711	6,494,937
Total revenue	11,252,415	8,446,829
OPERATING EXPENSES:		
Cost of chemicals sold	142,540	218,417
Research and development	5,551,492	5,500,507
Selling, general and administrative	4,495,821	3,624,582
Patent costs	1,915,060	843,907
Royalty and license expense	218,255	168,560
Total operating expenses	12,323,168	10,355,973
Operating loss	(1,070,753)	(1,909,144)
INTEREST INCOME	184,877	61,125
INTEREST EXPENSE	(8,430)	(5,648)
GAIN (LOSS) ON STOCK WARRANT LIABILITY	4,496,367	(2,582,428)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	3,602,061	(4,436,095)
INCOME TAX EXPENSE	(289,361)	-
NET INCOME (LOSS)	\$ 3,312,700	\$ (4,436,095)
NET INCOME (LOSS) PER COMMON SHARE:		
BASIC	\$ 0.07	\$ (0.12)
DILUTED	\$ (0.03)	\$ (0.12)
WEIGHTED AVERAGE SHARES USED IN COMPUTING		
NET INCOME (LOSS) PER COMMON SHARE:		
BASIC	45,024,373	37,362,176
DILUTED	45,201,175	37,362,176

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Six Months Ended June 30,	
	2011	2010
REVENUE:		
Commercial revenue	\$ 10,022,779	\$ 3,782,039
Developmental revenue	10,830,176	8,911,440
Total revenue	20,852,955	12,693,479
OPERATING EXPENSES:		
Cost of chemicals sold	245,202	317,037
Research and development	12,106,610	10,329,304
Selling, general and administrative	8,367,778	6,266,828
Patent costs	3,528,102	1,625,166
Royalty and license expense	420,039	288,620
Total operating expenses	24,667,731	18,826,955
Operating loss	(3,814,776)	(6,133,476)
INTEREST INCOME	280,350	136,780
INTEREST EXPENSE	(18,068)	(12,707)
LOSS ON STOCK WARRANT LIABILITY	(4,429,845)	(1,869,185)
LOSS BEFORE INCOME TAX (EXPENSE) BENEFIT	(7,982,339)	(7,878,588)
INCOME TAX (EXPENSE) BENEFIT	(585,817)	464,162
NET LOSS	\$ (8,568,156)	\$ (7,414,426)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	\$ (0.20)	\$ (0.20)
WEIGHTED AVERAGE SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER COMMON SHARE	41,977,113	37,196,741

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Six Months Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (8,568,156)	\$ (7,414,426)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization of deferred revenue	(1,479,453)	(3,653,330)
Depreciation	733,597	944,798
Amortization of intangibles	19,539	847,536
Amortization of premium and discount on investments, net	(166,491)	(80,168)
Stock-based employee compensation	2,150,898	1,191,701
Stock-based non-employee compensation	1,934	43,308
Non-cash expense under a materials agreement	9,181	557,223
Stock-based compensation to Board of Directors and Scientific Advisory Board	718,117	384,665
Loss on stock warrant liability	4,429,845	1,869,185
Retirement plan benefit expense	763,436	342,081
Decrease (increase) in assets:		
Accounts receivable	706,641	(541,125)
Other current assets	(853,695)	(44,828)
Other assets	(106,706)	(43,656)
Increase in liabilities:		
Accounts payable and accrued expenses	1,836,456	1,464,055
Deferred revenue	1,645,000	1,375,000
Net cash provided by (used in) operating activities	1,840,143	(2,757,981)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,510,331)	(144,376)
Purchase of intangibles	(439,644)	-
Purchases of short-term investments	(253,903,705)	(51,910,640)
Proceeds from sale of short-term investments	45,499,654	38,784,983
Net cash used in investing activities	(210,354,026)	(13,270,033)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of common stock	249,821,785	129,650
Proceeds from the exercise of common stock options and warrants	7,542,784	6,083,944
Payment of withholding taxes related to stock-based employee compensation	(3,979,473)	(1,132,421)
Net cash provided by financing activities	253,385,096	5,081,173
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	44,871,213	(10,946,841)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	20,368,852	22,701,126
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 65,240,065	\$ 11,754,285