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For Immediate Release

**UNIVERSAL DISPLAY CORPORATION ANNOUNCES
FOURTH QUARTER AND FULL YEAR 2010 FINANCIAL RESULTS**

Ewing, New Jersey — March 15, 2011 — Universal Display Corporation (NASDAQ: PANL), enabling energy-efficient displays and lighting with its UniversalPHOLED® technology and materials, today announced its results for the fourth quarter and year ended December 31, 2010.

Revenues for the fourth quarter of 2010 were \$10,795,040, more than double fourth quarter 2009 revenues of \$4,851,012. Commercial revenue, which includes commercial chemical revenue, license and royalty revenues, and commercialization assistance revenue, was \$4,511,121 for the quarter, compared to \$1,888,490 for the fourth quarter of 2009. The increase was primarily due to increased commercial chemical sales. Developmental revenue, which includes development chemical revenue, contract research revenue, and technology development revenue, was \$6,283,919 for the quarter, compared to \$2,962,522 for the fourth quarter of 2009. The increase was due to increased developmental chemical sales.

For the fourth quarter of 2010, the Company reported an operating loss of \$210,276, which is an improvement of nearly \$4 million compared to the operating loss of \$4,169,657 for the fourth quarter of 2009. The net loss for the fourth quarter of 2010 was \$5,316,414, or (\$0.14) per basic and diluted share, compared to a net loss of \$3,847,696 or (\$0.10) per basic and diluted share, for the fourth quarter of 2009. The net loss for the fourth quarter of 2010 included a \$4,845,439 non-cash loss on stock warrant liability, compared to a gain of \$90,025 on stock warrant liability in the fourth quarter of 2009. Operating expenses for the fourth quarter of 2010 were \$11,005,316, compared to \$9,020,669 for the fourth quarter of 2009.

“Commercial and developmental revenues for the fourth quarter of 2010 were up both sequentially and year-over-year as our PHOLED technology gains increasing market adoption,” said Sidney D. Rosenblatt, Executive Vice President and Chief Financial Officer of Universal Display. “We are very pleased to see products in the market with displays powered by our technology and materials proving to be a commercial success. The sequential growth of our commercial chemical sales in the fourth quarter was driven primarily by our penetration of the handheld device market. With superior performance and improved energy efficiency, we expect our technology to migrate not only to larger-sized displays, but also into the global lighting market.”

For the full year of 2010, the Company reported revenues of \$30,544,380, compared to revenues of \$15,786,617 for 2009. Commercial revenue for 2010 was \$11,129,747, compared to \$6,118,099 for 2009. Developmental revenue for 2010 was \$19,414,633, compared to \$9,668,518 for 2009. Increases in both commercial and developmental revenues primarily reflect increased chemical sales.

The operating loss for 2010 was \$10,226,297, down \$10 million from an operating loss of \$20,266,794 in 2009. The Company reported a net loss of \$19,917,410, or (\$0.53) per basic and diluted share, for the full year 2010, compared to a net loss of \$20,505,320, or (\$0.56) per basic and diluted share, for the full year 2009. The net losses for 2010 and 2009 included \$10,077,065 and \$1,031,055, respectively, of non-cash losses on stock warrant liability. The non-cash stock warrant liability, which will cease upon expiration of the related warrants in the third quarter of fiscal 2011, continues to adversely affect our net loss.

Cash used in operating activities for 2010 was \$4,200,138, compared to \$14,610,208 for 2009. The decrease in cash used in operating activities was mainly due to a decrease in the operating loss after adjusting for the impact of non-cash items in 2010 compared to 2009. The Company’s balance sheet remained strong at December 31, 2010, with cash, cash equivalents and short-term investments of \$73,163,397, \$9 million higher than cash, cash equivalents and short-term investments as of December 31, 2009. The Company’s cash position at December 31, 2010 also benefitted from \$14 million of cash received based on the exercise of outstanding stock purchase warrants and stock options.

Mr. Rosenblatt concluded, “With revenues for the year almost doubling, fiscal 2010 may well be regarded as the year PHOLED technology officially migrated out of the laboratory and into the lives of millions of consumers. The appetite for bright, beautiful and more energy efficient and environmentally friendly displays is creating strong demand for the use of OLEDs in a variety of applications. In 2011, manufacturers are expected to add capacity, enabling this technology to be enjoyed more widely by consumers everywhere. To further leverage our extensive intellectual property assets and create value for our shareholders, we are actively pursuing

opportunities in the small and large format display markets, as well as the general lighting market where our technology can demonstrably improve OLED performance and efficiency.”

In conjunction with this release, Universal Display will host a conference call, followed by a question and answer session, on Tuesday, March 15, 2011 at 5:00 p.m. Eastern Time. Interested parties may participate by calling 866-575-6538 at 5:00 p.m. Eastern Time and referencing conference ID 1357797. A taped replay of the conference call will be available within two hours of the conclusion of the call and will remain available through Tuesday, March 29, 2011. The number to call for the taped replay is 888-203-1112, and the conference PIN is 1357797.

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 1,000 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.

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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, as amended. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this document.

TABLES FOLLOW

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(unaudited)

	December 31,	
	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 20,368,852	\$ 22,701,126
Short-term investments	52,794,545	41,172,955
Accounts receivable	7,247,873	3,344,255
Other current assets	1,988,239	411,240
Total current assets	82,399,509	67,629,576
PROPERTY AND EQUIPMENT, net	9,711,093	11,048,763
ACQUIRED TECHNOLOGY, net	-	1,234,272
OTHER ASSETS	216,529	227,276
TOTAL ASSETS	\$ 92,327,131	\$ 80,139,887

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 2,155,489	\$ 1,275,695
Accrued expenses	6,906,289	5,238,870
Deferred license fees	4,028,486	6,047,467
Deferred revenue	1,294,668	1,403,927
Stock warrant liability	10,659,755	-
Total current liabilities	25,044,687	13,965,959
DEFERRED LICENSE FEES	2,775,024	2,826,237
STOCK WARRANT LIABILITY	-	3,720,165
RETIREMENT PLAN BENEFIT LIABILITY	7,077,901	-
Total liabilities	34,897,612	20,512,361
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, 38,936,571 and 36,818,440 shares issued and outstanding at December 31, 2010 and 2009, respectively	389,366	368,184
Additional paid-in capital	280,102,227	256,340,530
Accumulated deficit	(217,026,115)	(197,108,705)
Accumulated other comprehensive (loss) income	(6,037,959)	25,517
Total shareholders' equity	57,429,519	59,627,526
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 92,327,131	\$ 80,139,887

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended December 31,	
	2010	2009
REVENUE:		
Commercial revenue	\$ 4,511,121	\$ 1,888,490
Developmental revenue	6,283,919	2,962,522
Total revenue	10,795,040	4,851,012
OPERATING EXPENSES:		
Cost of chemicals sold	240,843	100,809
Research and development	5,605,730	5,146,811
Selling, general and administrative	3,321,795	2,927,838
Patent costs	1,468,140	729,416
Royalty and license expense	368,808	115,795
Total operating expenses	11,005,316	9,020,669
Operating loss	(210,276)	(4,169,657)
INTEREST INCOME	78,321	105,713
INTEREST EXPENSE	(9,207)	(3,692)
LOSS ON STOCK WARRANT LIABILITY	(4,845,439)	90,025
LOSS BEFORE INCOME TAXES	(4,986,601)	(3,977,611)
INCOME TAX (EXPENSE) BENEFIT	(329,813)	129,915
NET LOSS	\$ (5,316,414)	\$ (3,847,696)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	\$ (0.14)	\$ (0.10)
WEIGHTED AVERAGE SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER COMMON SHARE	38,112,123	36,749,118

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Year Ended December 31,	
	2010	2009
REVENUE:		
Commercial revenue	\$ 11,129,747	\$ 6,118,099
Developmental revenue	19,414,633	9,668,518
Total revenue	30,544,380	15,786,617
OPERATING EXPENSES:		
Cost of chemicals sold	887,509	374,322
Research and development	21,695,139	21,122,156
Selling, general and administrative	13,041,438	10,921,859
Patent costs	4,270,689	3,239,795
Royalty and license expense	875,902	395,279
Total operating expenses	40,770,677	36,053,411
Operating loss	(10,226,297)	(20,266,794)
INTEREST INCOME	279,474	669,633
INTEREST EXPENSE	(27,871)	(7,019)
LOSS ON STOCK WARRANT LIABILITY	(10,077,065)	(1,031,055)
LOSS BEFORE INCOME TAX BENEFIT	(20,051,759)	(20,635,235)
INCOME TAX BENEFIT	134,349	129,915
NET LOSS	\$ (19,917,410)	\$ (20,505,320)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	\$ (0.53)	\$ (0.56)
WEIGHTED AVERAGE SHARES USED IN COMPUTING BASIC AND DILUTED NET LOSS PER COMMON SHARE	37,567,374	36,479,331

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Year Ended December 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (19,917,410)	\$ (20,505,320)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of deferred license fees and deferred revenue	(4,890,555)	(3,986,490)
Depreciation	1,706,816	2,069,626
Amortization of intangibles	1,234,272	1,695,072
Amortization of premium and discount on investments, net	(172,737)	(426,065)
Stock-based employee compensation	4,553,713	3,156,420
Stock-based non-employee compensation	47,222	7,011
Non-cash expense under materials and license agreements	1,173,347	1,170,039
Stock-based compensation to Board of Directors and Scientific Advisory Board	1,332,712	755,294
Loss on stock warrant liability	10,077,065	1,031,055
Retirement plan benefit expense	1,026,244	-
(Increase) decrease in assets:		
Accounts receivable	(3,903,618)	(893,811)
Other current assets	(1,577,000)	53,877
Other assets	10,747	(157,504)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,387,942	(210,939)
Deferred license fees	792,423	-
Deferred revenue	1,918,679	1,631,527
Net cash used in operating activities	<u>(4,200,138)</u>	<u>(14,610,208)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(369,145)	(258,761)
Purchases of short-term investments	(91,393,656)	(61,345,251)
Proceeds from sale of short-term investments	79,932,984	69,630,000
Net cash (used in) provided by investing activities	<u>(11,829,817)</u>	<u>8,025,988</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuance of common stock	245,684	130,184
Proceeds from the exercise of common stock options and warrants	14,618,569	1,702,138
Payment of withholding taxes related to stock-based employee compensation	(1,166,572)	(868,557)
Net cash provided by financing activities	<u>13,697,681</u>	<u>963,765</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(2,332,274)	(5,620,455)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,701,126	28,321,581
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 20,368,852</u>	<u>\$ 22,701,126</u>