UNIVERSAL DISPLAY CORPORATION

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U.S. Army CERDEC Awards $1.275 Million Contract Extension to Universal Display Corporation for the Continued Development of Flexible OLED Displays on Metal Foil

EWING, New Jersey (BUSINESS WIRE)

Representative Rush Holt (D-NJ 12) to Announce Contract Extension and Highlight Universal Display's Growth at the Company's Discovery Day on May 22nd, at 11:30 AM EDT

“It is an honor to have Representative Holt take part in our Discovery Day event and highlight the significant technological advances emerging from New Jersey's technology corridor, aptly called 'Einstein's Alley,'”

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Universal Display Corporation (NASDAQ:PANL), the Company that's lighting the way in developing and commercializing OLED technology for flat panel displays, lighting and other opto-electronics with its proprietary PHOLED(TM) phosphorescent OLED technology, will announce today it has been awarded a $1.275 million contract extension from the U.S. Army Communication Electronics Research and Development Engineering Center (CERDEC). The extension will leverage the Company's achievements under its prior Small Business Innovation Research (SBIR) Phase III contract.

U.S. Representative Rush Holt (D-NJ 12) will make the official announcement regarding this contract extension today, during Universal Display's Discovery Day event at its headquarters in Ewing, New Jersey. Representative Holt will also participate in a ribbon-cutting ceremony to commemorate the official opening of Universal Display's expanded state-of-the-art OLED research and development facilities.

"It is an honor to have Representative Holt take part in our Discovery Day event and highlight the significant technological advances emerging from New Jersey's technology corridor, aptly called 'Einstein's Alley,'" said Steven V. Abramson, President and Chief Operating Officer of Universal Display. "Representative Holt believes, as we do, in partnerships between the private and public sectors that provide innovations to serve the needs of the military and the commercial markets. Universal Display's government-funded programs are helping to accelerate the development of state-of-the-art OLED technology for innovative product concepts, like the wrist-based communications device associated with this program."

Under the extended program, Universal Display, Palo Alto Research Center (PARC) and L-3 Communications - Display Systems, will continue developing a flexible, active-matrix OLED (AMOLED) display for a wrist-based communications device. The combined team plans to incorporate enhancements in performance and functionality into the next generation of display prototypes to be delivered to the U.S. Departments of the Army and the Air Force.

The full-color AMOLED display device is enabled by Universal Display's proprietary PHOLED, TOLED(R) top-emitting OLED and FOLED(R) flexible OLED technologies, as well as by PARC's low-temperature, poly-Silicon TFT technology. The electronics and packaging for the wrist-based device are from L-3 Communications - Display Systems.

To see how Universal Display Corporation is changing the face of the display industry, please visit the Company at http://www.universaldisplay.com.

About Universal Display Corporation

Universal Display Corporation is a world leader in developing and commercializing innovative OLED technologies and materials for use in the electronic flat panel display, lighting and other opto-electronic markets. Universal Display is working with a network of world-class organizations including Princeton University, the University of Southern California, the University of Michigan and PPG Industries. The Company has also established more than 20 development programs and other similar relationships with companies such as Tohoku Pioneer Corporation; Samsung SDI Co.; AU Optronics Corporation; DuPont Displays, Inc.; Seiko Epson Corporation; Sony Corporation; and Toyota Industries Corporation. The Company has also licensed its OVPD technology to AIXTRON AG for the development of next-generation OLED manufacturing equipment. Universal Display currently owns or has exclusive or sole rights in approximately 725 issued and pending patents worldwide.

Universal Display is located in the Princeton Crossroads Corporate Center in Ewing, New Jersey, minutes away from its research partner at Princeton University. Universal Display's state-of-the-art facility is designed to further technology and materials development, technology transfer to manufacturing partners and work with customers to develop products to meet their needs for OLED products. Visit Universal Display on the Web at www.universaldisplay.com.

About Palo Alto Research Center Inc.

The Palo Alto Research Center Inc. (PARC) has an established track record for collaborative research that transforms industries and creates commercial value. A subsidiary of Xerox Corporation, PARC conducts sponsored interdisciplinary research to solve fundamental business challenges for strategic partners in a variety of industries as well as research for government agencies. It also licenses intellectual property and technology and develops entrepreneurial new ventures by applying breakthrough research to areas such as energy, biomedicine, and networks. Home to the world's top scientists in the physical, computing and social sciences, it is the birthplace of technologies such as laser printing, Ethernet, the graphical user interface, and ubiquitous computing. www.parc.com.

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, 2005. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this document.

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