UNIVERSAL DISPLAY CORPORATION

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Universal Display Awarded $500,000 Extension to Government Contract for Continued Development of Full-Color Flexible OLED Displays on Metal Foil

EWING, N.J. (BUSINESS WIRE) Universal Display Corporation (UDC) (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, today announced it has been awarded a $500,000 extension to a successfully completed Small Business Innovation Research (SBIR) Phase II contract from the U.S. Army Communication Electronics Research and Development Engineering Center (CERDEC). This extension builds on previous advances made in developing full-color, active-matrix OLED (AMOLED) displays fabricated on a flexible metal foil substrate, based on the Company's proprietary technologies and materials.

The focus of the contract extension is to incorporate a laminated protective layer to the flexible AMOLED display, as well as to develop additional communications functionality and to integrate the display into a wrist-mountable housing. At the completion of the program, Universal Display will deliver two of these prototypes to the U.S. Army.

“Our work with CERDEC helps push us closer to commercialization of the next generation of OLED displays and novel product applications based on our proprietary flexible and top-emission OLED technologies.”

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"We appreciate CERDEC's continued commitment to advancing our full-color, flexible PHOLED display technology on metallic foil substrates," said Steven V. Abramson, President and Chief Operating Officer of Universal Display. "Our work with CERDEC helps push us closer to commercialization of the next generation of OLED displays and novel product applications based on our proprietary flexible and top-emission OLED technologies."

Universal Display was initially awarded a Phase II SBIR program contract for work on flexible AMOLED displays in November 2003. In February 2006, the Company first announced the initial prototypes at the United States Display Consortium's 5th Annual Flexible Displays & Microelectronics Conference in Phoenix, Arizona.

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, 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 750 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.

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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