UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Announces Audited 2003 Year End Results

EWING, N.J. (BUSINESS WIRE) Universal Display Corporation (NASDAQ:PANL; PHLX:PNL), a leading developer of Organic Light Emitting Diode (OLED) technologies for flat panel displays, lighting and other opto-electronic applications, today announced its audited results of operations for the year ended December 31, 2003.

Universal Display had a net loss attributable to common shareholders of $18,387,507 (or $0.82 per diluted share) for 2003, compared to a net loss attributable to common shareholders of $32,972,680 (or $1.71 per diluted share) for the prior year. The decrease was primarily due to an increase in total revenue, a decrease of non-cash expense relating to debt conversion and extinguishment of convertible promissory notes issued in August 2001, and a decrease in non-cash interest expense.

Universal Display's revenues were $6,593,193 for 2003, compared to $2,484,948 for the prior year. The increase was due primarily to additional payments under technology development and evaluation agreements, additional purchases of materials by development partners, and the commencement of an arrangement to provide OLED material to a customer for its use in the manufacture of commercial passive matrix OLED displays.

Universal Display earned $2,295,009 from sales of OLED materials for evaluation purposes for 2003, compared to $833,194 for the prior year. The increase was mainly due to an increased volume of OLED materials purchased for evaluation by potential OLED display manufacturers, including current technology development partners.

In the third quarter of 2003, Universal Display began supplying one of its proprietary OLED materials to a customer for its use in the manufacture of commercial, passive-matrix OLED displays. As a result, Universal Display earned $68,160 in commercial chemical sales revenue and $159,040 in license fees in connection with this arrangement for 2003. There were no such arrangements in effect during 2002.

Universal Display recognized $2,650,000 in technology development revenue for 2003, compared to $182,796 for the prior year. The increase related to new and continuing technology development and evaluation agreements in 2003.

Contract research revenue from the U.S. government in 2003 was $1,420,984, compared to $1,468,958 for the prior year. The dollar value and number of U.S. government contracts remained relatively constant during 2002 and 2003.

Working capital increased to $23,679,705 as of December 31, 2003, from working capital of $18,541,596 as of December 31, 2002, due primarily to the completion of a registered direct offering of common stock in August 2003. During 2003, cash used in operating activities was $5,797,609, compared to $4,764,265 in 2002. The increase was mainly due to a decrease in non-refundable cash payments received in 2003 as compared to 2002.

Universal Display Corporation - Summary Operating Results

	Year Ended December 31,	
	2003	2002

Total Revenue	$6,593,193	$2,484,948
Net Loss Attributable to Common Shareholders	$(18,387,507)	$(32,972,680)
Net Loss per Basic and Diluted Common Share	$(0.82)	$(1.71)
Weighted Average Number of Basic and Diluted Shares	22,428,219	19,227,697

About Universal Display Corporation

Universal Display Corporation is a world leader in developing and commercializing innovative Organic Light Emitting Diode (OLED) technologies and materials for use in the electronic flat panel display and other markets. Universal Display is working with a network of world-class organizations and its collaborations include long-standing relationships for innovative OLED technology research with Princeton University and the University of Southern California; an agreement with Tohoku Pioneer Corporation to provide its phosphorescent OLED (PHOLED(TM)) material for the commercial production of passive-matrix displays; a joint development and cross-licensing arrangement with DuPont Displays, Inc. for solution-processible OLEDs; a joint development agreement with Sony Corporation; a joint development agreement with Samsung SDI Co.; a development and evaluation agreement with Toyota Industries Corporation relating to OLEDs for white light sources; an evaluation agreement with AU Optronics Corporation focusing on OLEDs using amorphous silicon TFT's; development and supply agreements with PPG Industries, Inc. for the development and commercial production of proprietary high-efficiency OLED materials; and a partnership with AIXTRON AG for the development and production of next-generation OLED manufacturing equipment using Universal Display's proprietary organic vapor phase deposition (OVPD(TM)) technology. Universal Display currently has rights in over 500 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 21,000 sq. ft. facility includes pilot OLED deposition systems from Kurt J. Lesker Company, a pre-production OVPD tool from AIXTRON, and a new OLED deposition system from Tokki Corporation, the first of its kind to be installed in the U.S. This state-of-the-art facility is designed to further technology development, technology transfer to manufacturing partners and work with customers to develop products to meet their needs for flat panel displays. Visit Universal Display Corporation on the Web at http://www.universaldisplay.com.

All statements in this document that are not historical, such as those relating to Universal Display Corporation's technologies and materials and potential commercial applications of or future developments concerning those technologies and materials, 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 'Factors that May Affect Future Results and Financial Condition' in Universal Display Corporation's annual report on Form 10-K for the year ended December 31, 2003. Universal Display Corporation expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this document to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

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