UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Announces Contract to Provide Portable Flexible Communications Device To U.S. Navy

EWING, N.J. (BUSINESS WIRE) Universal Display Corporation (NASDAQ:PANL), a leading developer of organic light emitting diode (OLED) technologies for flat panel displays, lighting, and other opto-electronic applications, today announced it has been awarded a $100,000 contract to provide the U.S. Department of Navy with a prototype communications device based on a full-color, active-matrix OLED prototype built on metallic foil. This U.S. Navy funding leverages work that Universal Display is performing for the U.S. Departments of the Army and the Air Force under a Small Business Innovation Research (SBIR) Phase III contract that the Company announced in January 2006.

"This contract underscores the applicability of our flexible OLED technology to multiple branches of the Armed Services," said Steven V. Abramson, President and Chief Operating Officer of Universal Display Corporation. "By working with the U.S. Navy in addition to the U.S. Army and Air Force in a collaborative spirit, we are able to provide excellent value to the multiple agencies in the U.S. Department of Defense and also accelerate the commercialization of our flexible OLED technology for portable electronic products for military as well as consumer uses."

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Under the terms of the contract, Universal Display will deliver an active-matrix PHOLED display prototype built on flexible metallic foil integrated into a wrist-worn wireless communication device. This prototype is enabled by the Company's proprietary PHOLED phosphorescent OLED, FOLED(R) flexible OLED and TOLED(R) top-emission OLED technologies. The display will be built on flexible metal foil to provide flexibility, light weight and ruggedness and will use poly-silicon backplane technology from Palo Alto Research Center (PARC). The prototype will then be integrated into a wrist-mounted wireless device by L-3 Communications Display Systems.

To see how Universal display is changing the face of the display industry, please visit 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.

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 expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this document.

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