UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Announces First Quarter 2004 Results of Operations

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 unaudited results of operations for the quarter ended March 31, 2004.

Universal Display had a net loss attributable to common shareholders of $4,107,600 (or $0.17 per common share) for the quarter ended March 31, 2004, compared to a net loss attributable to common shareholders of $3,868,746 (or $0.18 per common share) for the same period in 2003. The increase in net loss was primarily due to an increase in research and development and general and administrative costs. Much of the increase in these expenses was offset by an increase in revenues.

Universal Display's revenues were $2,129,990 for the quarter ended March 31, 2004, compared to $1,211,284 for the same period in 2003. The $918,706 or 76% increase was primarily due to additional amounts earned under technology development and evaluation agreements; payments for OLED material provided to a customer for its use in the manufacture of commercial OLED displays under an agreement entered into in the third quarter of 2003; and additional purchases of OLED materials by our development partners.

Universal Display incurred research and development expenses of $4,323,715 for the quarter ended March 31, 2004, compared to $3,927,551 for the same period 2003. The increase in these expenses was primarily a result of costs associated with existing personnel and estimated stock performance bonuses to our employees for 2004. There were no similar costs recognized for the same period in 2003.

Universal Display incurred general and administrative expenses of $1,849,407 for the quarter ended March 31, 2004, compared to $1,098,981 for the same period 2003. The increase resulted primarily from an increase in costs associated with existing personnel and costs associated with the issuance of stock performance bonuses to executive officers for 2003 and estimated stock performance bonuses to employees for 2004. There were no similar costs recognized for the same period in 2003. Costs associated with the issuance of stock to our Board of Directors for Board and Committee service in 2003 were also partially responsible for the increase. No such issuances of stock were made in the same period in 2003.

Working capital increased to $53,563,271 at March 31, 2004, from working capital of $23,679,705 at December 31, 2003. The net increase was due primarily to the net cash proceeds received from a public offering in February 2004 of 2,500,000 shares of our common stock at $12.00 per share. The offering resulted in proceeds to us of $28,036,218, net of $1,963,782 in costs associated with completion of the offering. In the three months ended March 31, 2004, cash used in operating activities was $1,905,858, as compared to $2,323,783 for the same period in 2003. The decreased use of cash in operating activities was due to a decrease in operating loss (net of non-cash adjustments) and was supplemented by positive changes in working capital accounts.

Universal Display Corporation - Summary Operating Results

Quarter Ended March 31,

	2004 (unaudited)	2003 (unaudited)
Total Revenue	$2,129,990	$1,211,284
Net Loss Attributable to Common Shareholders	$(4,107,600)	$(3,868,746)
Net Loss per Common Share	$(0.17)	$(0.18)
Weighted Average Number of Basic and Diluted Shares	24,688,264	21,543,505

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 including Princeton University, the University of Southern California; Tohoku Pioneer Corporation, DuPont Displays, Inc., Sony Corporation, Samsung SDI Co., Toyota Industries Corporation, AU Optronics Corporation, PPG Industries, Inc. and AIXTRON AG. 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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