UNIVERSAL DISPLAY CORPORATION

8/5/2004

Universal Display Corporation Announces Second Quarter 2004 Financial Results

EWING, N.J. (BUSINESS WIRE) Universal Display Corporation (NASDAQ:PANL), a leading developer of Organic Light Emitting Device (OLED) technologies for flat panel displays, today announced its unaudited results of operations for the second quarter of 2004.

Universal Display had a net loss of $4,520,272 (or $0.17 per share) for the quarter ended June 30, 2004, compared to a net loss of $4,092,994 (or $0.19 per share) for the same quarter in 2003. The Company's net loss was $8,627,874 (or $0.33 per share) for the six months ended June 30, 2004, compared to $7,961,740 (or $0.37 per share) for the same six months in 2003. The increase in the net loss was primarily attributable to an increase in expenses. Much of the increase in expenses was offset by an increase in revenues and interest income.

Revenues for the three months and six months ended June 30, 2004 were $1,472,023 and $3,602,013 respectively, compared to $1,414,798 and $2,653,406 for the same periods in 2003. The increase for the six-month period ended June 30, 2004 was mainly due to increased contract research revenue and technology development and evaluation revenue, offset by a decrease in the sales of OLED materials for evaluation purposes.

General and administrative expenses were $3,608,192 for the six months ended June 30, 2004, compared to $2,338,462 for the same period 2003. The increase was primarily a result of increased costs associated with existing and new personnel.

Net cash used in operating activities was $3,862,887 for the six months ended June 30, 2004, compared to $3,312,481 for the same period in 2003. The increased use of cash in operating activities was primarily due to an increase in the operating loss mainly as a result of costs associated with existing and new personnel and increased general and administrative expenses.

Universal Display Corporation - Summary Operating Results

	Three Months Ended (unaudited)		Six Months Ended (unaudited)	
	June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
Total Revenue	$1,472,023	$1,414,798	$3,602,013	$2,653,406
Net Loss Attributable to Common Shareholders	$(4,520,272)	$(4,092,994)	$(8,627,874)	$(7,961,740)
Net Loss per Common Share	$(0.17)	$(0.19)	$(0.33)	$(0.37)
Weighted Average Number of Basic and Diluted Shares	27,286,654	21,654,133	25,986,863	21,595,360

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 approximately 600 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. 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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