UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Awarded $935,000 SBIR Contract Extension by U.S. Army CERDEC for Continued Development of Flexible OLED Display on Metal Foil

WORK INCLUDES ADDITION OF LG.PHILIPS LCD AS DEVELOPMENT PARTNER AND CONTINUED EFFORTS WITH L-3 DISPLAY SYSTEMS TO DEMONSTRATE ENHANCED DISPLAY AND COMMUNICATIONS CAPABILITIES

EWING, N.J.--(BUSINESS WIRE)--Universal Display Corporation (NASDAQ:PANL), a major force behind tomorrow's evolving displays and lighting with its PHOLED™ phosphorescent OLED technology, today announced that it has been awarded a $935,000 contract extension by the U.S. Army Communication Electronics Research and Development Engineering Center (CERDEC). The extension builds on an existing Small Business Innovative Research (SBIR) Phase III grant with CERDEC for the development of flexible, active-matrix OLED (AMOLED) display technology for demonstration in a prototype wrist-based communications device.

"Through our relationships with LG.Philips LCD and L-3 Display Systems, we are working to bring flexible OLED displays to new performance levels and closer to commercialization for use in wrist-mounted communications devices and other next-generation product applications for the military and commercial markets."

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Development efforts under the contract extension will focus on combining Universal Display's PHOLED™ phosphorescent OLED technology with LG.Philips LCD Co., Ltd.'s (NYSE:LPL) amorphous-Silicon (a-Si) TFT technology. Bringing LPL, a leading manufacturer of thin-film transistor liquid crystal displays (TFT-LCDs), to the program as a development partner marks an important step toward the commercialization of flexible OLED display products. In May, the two companies showcased the world's first high-resolution AMOLED display built on flexible metal foil at the 2007 Society for Information Display Conference and Symposium. Building on this initial demonstration, Universal Display and LPL plan to work on a prototype with key design and performance enhancements under this program.

L-3 Communications Display Systems (L-3 Display Systems), a leading supplier of ruggedized display systems for military uses and a long-standing partner under this program, is responsible for designing and integrating its advanced communications components with the QVGA, full-color, flexible AMOLED display into the prototype wrist-mounted communications device for delivery to CERDEC.

Bob McGill, President of L-3's Displays Group, commented, "L-3 is pleased to continue our long collaboration with the Universal Display and CERDEC team as we work to bring the benefits of this emerging, rugged flexible technology to our customers. The addition of a world-class display manufacturing teammate such as LPL will accelerate the introduction of this enabling technology into our defense and public safety markets."

"We are very pleased that we are able to continue our flexible OLED display development work for CERDEC under this

program extension," said Steven V. Abramson, President and Chief Operating Officer of Universal Display. "Through our relationships with LG.Philips LCD and L-3 Display Systems, we are working to bring flexible OLED displays to new performance levels and closer to commercialization for use in wrist-mounted communications devices and other next-generation product applications for the military and commercial markets."

OLEDs offer numerous advantages when compared to today's LCDs, including a more beautiful visual appearance and thinner form factor. In addition, when using Universal Display's proprietary PHOLED phosphorescent OLED technology, OLEDs can consume significantly less power than comparable LCDs and conventional fluorescent OLEDs. One of the exciting novel features of OLEDs is their ability to be built on a flexible substrate, including plastic or metal foil. With the ability to be conformed or routinely flexed, flexible OLEDs may open up a wide range of new display and lighting opportunities. Flexible metal foil offers a number of desirable advantages that include enhanced thermal and mechanical durability, an important characteristic for high-temperature TFT processing, and potentially lower cost, when compared to the flexible plastic substrates that are available today.

Universal Display was awarded Phase III of the SBIR grant by CERDEC in January 2006. The Company's work with the U.S. Department of Defense also includes flexible AMOLED display development for the U.S. Army Research Laboratories (ARL), the U.S. Navy and U.S. Air Force Research Laboratories.

About Universal Display Corporation

Universal Display Corporation is a world leader in developing and commercializing innovative OLED technologies and materials for use in flat panel displays, solid-state lighting products, electronic communications and other opto-electronic devices. 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, Inc. Universal Display has also established numerous commercial relationships with companies such as Chi Mei EL Corporation, DuPont Displays, Inc., Konica Minolta Technology Center, Inc., LG.Philips LCD Co., Ltd., Samsung SDI Co., Seiko Epson Corporation, Sony Corporation, Tohoku Pioneer Corporation and Toyota Industries Corporation. Universal Display currently owns or has exclusive, co-exclusive or sole license rights with respect to more than 800 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 OLED products that meet their needs. 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, 2006. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this document.

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