UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Awarded Department of Energy SBIR Phase II Grant for White OLED Lighting

Company Receives Contract for $750,000 to Develop Energy-Efficient White OLED Light Sources with Improved Luminance and a Simplified Design

EWING, N.J.--(BUSINESS WIRE)--Universal Display Corporation (NASDAQ:PANL), a key innovator behind tomorrow's displays and lighting through its PHOLED™ phosphorescent OLED technology, today announced that it has been awarded a $750,000 Small Business Innovation Research (SBIR) Phase II grant from the U.S. Department of Energy (DOE) under the DOE's solid-state lighting program.

"Energy efficient or 'green' technologies are essential for achieving true energy conservation gains"

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Work under Phase II of the SBIR grant will focus on the demonstration of a simpler white OLED design that should reduce manufacturing costs, without compromising performance. This program is based on Universal Display's proprietary PHOLED technology and materials - keys to achieving the energy efficiency targets for white lighting.

The new white OLED design will use two PHOLED emitters that will be specially designed to emit broadly so that the color spectrum can be optimally covered. The device is targeted to have a high color rendering index (CRI), an important metric for lighting applications, as well as excellent power efficiency.

"Energy efficient or 'green' technologies are essential for achieving true energy conservation gains," said Steven V. Abramson, President and Chief Operating Officer of Universal Display. "Based on our proprietary PHOLED technology, white OLED lighting is at the forefront of potential solutions that the DOE believes may help stem the tide of energy consumption and save billions of dollars in energy costs. White OLEDs also offer superior lighting and design characteristics, based on their color tunability, emission uniformity and novel form factor. Our work on white OLED lighting technology leverages these characteristics to create new applications and market opportunities for our OLED technologies."

Currently estimated at 25% of U.S. energy consumption, lighting is a primary focus of industries and lawmakers looking to reduce the global carbon footprint. With support from the DOE, Universal Display has demonstrated record-breaking power efficiencies using its PHOLED technology, which is up to four times more efficient than what was previously considered possible. Such energy efficiency gains have significantly enhanced the potential for OLED lighting to reduce energy consumption, greenhouse gas emissions and lighting costs worldwide.

To see how Universal Display Corporation is changing the face of the display industry, please visit the Company at http://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 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.

CONTACTS

Universal Display Corporation
Dean Ledger, 800-599-4426
or
Gregory FCA Communications
Investor contact:
Paul Johnson, 610-642-8253 (x115)
paul@gregoryfca.com
or
Media contact:
Matt McLoughlin, 610-642-8253 (x129)
matt@gregoryfca.com