UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Awarded New SBIR Phase I Contract from the U.S. Army Research Laboratories for Flexible OLED Displays

EWING, N.J. (BUSINESS WIRE) Universal Display Corporation (NASDAQ:PANL), the Company that's lighting the way in developing and commercializing OLED technology for flat panel displays, lighting and other opto-electronics with its proprietary phosphorescent OLED (PHOLED(TM)) technology, today announced it has been awarded a $69,999 Small Business Innovation Research (SBIR) Phase I contract by the U.S. Army Research Laboratories (ARL), for a program entitled "Flexible and Conformal Environmental Barrier Technology for Displays".

During this Phase I program, Universal Display will integrate a novel low-temperature plasma enhanced chemical vapor deposition (PECVD) process coating technology with its proprietary FOLED(R), TOLED(R) and PHOLED(TM) technologies. The PECVD process is based on pioneering research at Princeton University, which is believed to enable the deposition of flexible and protective films onto the top surface in an OLED without causing damage to the OLED. The end result will be the demonstration of a flexible OLED display prototype built on a stainless steel substrate. This research is an important element toward the Company's goal of developing a rugged, long-lived, thin and lightweight flexible OLED display technology for both military and commercial applications.

“Flexible and Conformal Environmental Barrier Technology for Displays”

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"We are extremely proud of our work in this area and excited to continue this work with the U.S. Department of Defense on the development of flexible OLED's on metal foil substrates," said Steven V. Abramson, President and Chief Operating Officer of Universal Display Corporation. "While initial applications focus on battlefield devices, we believe that this same technology will have wide-ranging applications in the commercial markets as well."

The new contract complements Universal Display's other development efforts with the U.S. Department of Defense, including multi-year contracts with the U.S. Air Force Research Laboratory, U.S. Army Communication Electronics Research and Development Engineering Center (CERDEC) and Army Research Laboratories. These contracts envision the ultimate development of FOLED displays on flexible substrates, which in turn may lead to rollable, retractable and rugged displays with a small and lightweight form factor for use in portable communication devices, such as personal digital assistants (PDAs) and MP3 players and laptop computers.

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 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, 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 over 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 '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, 2004. 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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