UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Awarded Two New Department of Energy SBIR Contracts for Lighting Applications

EWING, N.J. (BUSINESS WIRE)

Advances Using Universal Display's Phosphorescent OLED Technology Can Provide Additional Power Efficiency Gains for White Lighting

“Novel Light Extraction Enhancements for Organic Light Emitting Device (OLED) Lighting”

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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, announced today that the Company has been awarded two, $100,000 Phase I Small Business Innovation Research (SBIR) contracts from the U.S. Department of Energy (DOE) to demonstrate innovative techniques to improve OLED power efficiencies, a critical performance attribute for the general lighting industry.

Universal Display and its research partners at Princeton University and the University of Southern California are developing several novel approaches for highly-efficient white light using the Company's phosphorescent OLED (PHOLED(TM)) technology. In addition to the use of this highly-efficient PHOLED technology, better light extraction and lower voltages are required to achieve the power efficiency targets of the general lighting market. These two DOE SBIR Programs will allow Universal Display to focus on demonstrating advances in both of these areas.

In the first DOE SBIR Program, entitled "Novel Light Extraction Enhancements for Organic Light Emitting Device (OLED) Lighting," Universal Display and its partners will demonstrate the feasibility of using specialized designs, such as lens arrays, on an OLED device to enhance the amount of generated light that is captured from the device as useful light.

In the second DOE SBIR Program, entitled "Novel Lower-Voltage OLEDs for Higher-Efficiency Lighting," Universal Display and its partners will focus on demonstrating new conductivity enhancement techniques as a means to lower the operating voltage of an OLED device to further improve the overall device power efficiency.

Steven V. Abramson, President and Chief Operating Officer of Universal Display Corporation, stated, "These contracts from the U.S. Department of Energy continue to validate the Company's development of revolutionary, energy-efficient OLED technologies. We are excited to continue expanding our technology push from our strong base in flat panel displays into the emerging market for solid state lighting."

The Federal SBIR Program is designed to stimulate technological innovation in the small business sector and typically consists of three phases. During the first phase, the scientific, technical and commercial merit and feasibility of a novel idea are demonstrated. If successful, a subsequent Phase II Program may be awarded that is typically $500,000 to $750,000 over a 24-month period to pursue further research and the development of a well-defined prototype. In a final Phase III Program, the demonstrated prototype is developed typically without government funding into a viable product for

sale in the military and/or private sector.

About Universal Display Corporation

Universal Display Corporation is a world leader in developing and commercializing innovative Organic Light Emitting Device (OLED) technologies and materials for use in the electronic flat panel display and other markets. It is working with a network of world-class organizations and its collaborations include long-standing relationships for innovative OLED technology research with Princeton University and the University of Southern California; a joint development and cross-licensing arrangement with DuPont Displays for solution-processible OLEDs; a joint development agreement with Sony Corporation; a joint development agreement with Samsung SDI; a development and evaluation agreement with Toyota Industries Corporation relating to OLEDs for white light sources; an evaluation agreement with AU Optronics focusing on OLEDs using amorphous silicon TFT's; development and supply agreements with PPG Industries, Inc. of Pittsburgh, PA for the development and commercial production of proprietary high-efficiency OLED materials; and a partnership with AIXTRON AG of Aachen, Germany for the development and production of next-generation OLED manufacturing equipment using Universal Display Corporation's proprietary organic vapor phase deposition (OVPD(TM)) technology. Universal Display Corporation currently has rights in over 500 issued and pending patents worldwide.

Universal Display Corporation is located in the Princeton Crossroads Corporate Center in Ewing, New Jersey, minutes away from its research partner at Princeton University. Its 21,000 sq. ft. facility includes an OLED pilot production line, as well as OLED technology development and technology transfer facilities. The state-of-the-art facility has been 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 PHOLED(TM) technology and potential governmental or commercial applications of that technology, 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, 2002. 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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