UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Awarded a Second $750,000 Department of Energy SBIR Phase II Contract

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Universal Display Receives Additional Phase II Funding for the Development of More Power-Efficient OLED Light Sources

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Universal Display Corporation (NASDAQ:PANL), a leading developer of organic light emitting diode (OLED) technologies for flat panel displays, lighting and other opto-electronic applications, today announced that the Company has been awarded a $750,000 Small Business Innovation Research (SBIR) Phase II contract from the U.S. Department of Energy (DOE) to develop light extraction technology for energy-efficient, solid-state lighting. This is the second SBIR Phase II contract that the Company has announced this month.

The new program is entitled, "Novel Light Extraction Enhancements for White Phosphorescent OLEDs." Extraction efficiency is one of three primary ways to increase OLED power efficiency, which is a critical parameter for lowering power consumption for the future adoption of solid-state OLEDs in lighting uses. Extraction efficiency defines the amount of generated light that can be extracted, or emitted, from the device as useful light. Typically, only 20 to 30% of the light that is generated in an OLED is effectively extracted as useful light. The focus of this Phase II program is to develop a white phosphorescent OLED (PHOLED(TM)) lighting panel that incorporates advances in extraction efficiency.

There are three leading ways to increase power efficiency, that is, by increasing extraction efficiency, electrical efficiency, and internal quantum efficiency. Universal Display is developing technology in these three areas. In addition to this new Phase II program focusing on extraction efficiency, the Company recently announced a new DOE Phase II contract to support the continued development of voltage reduction techniques as a means to increase electrical efficiency. With respect to internal quantum efficiency, Universal Display's discovery and development of PHOLED technology has been a landmark. It has provided the means to improve internal quantum efficiency by a factor of four to nearly 100%.

"This new Department of Energy contract further strengthens Universal Display's white OLED lighting initiative. With significant development efforts in three areas of OLED power efficiency, Universal Display is establishing a comprehensive program to meet the energy efficiency targets of the Department of Energy," stated Steven V. Abramson, President and Chief Operating Officer of Universal Display Corporation. "Our proprietary white PHOLED technology has the potential to make a significant contribution to the future development of energy-efficient, solid-state lighting and the evolution of the global lighting market to innovative and cost-effective products."

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 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, 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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