UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Signs Agreements Extending Sponsored Research Program with Dr. Stephen Forrest and Dr. Mark Thompson, Two Award-Winning OLED Researchers

EWING, N.J. (BUSINESS WIRE) Universal Display Corporation (NASDAQ:PANL):

> The arrangement continues the Company's 13-year relationship with Professor Forrest of the University of Michigan, formerly of Princeton University, and Professor Thompson of the University of Southern California

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, announced today that it has signed agreements with the University of Michigan, Princeton University and the University of Southern California. Universal Display will provide up to $4.6 million in funding to continue sponsoring research in the growing field of organic electronics under the direction of Professors Stephen R. Forrest and Mark E. Thompson at their respective institutions over the next three years. The Company has already funded over $7.5 million in sponsored research at Princeton University and the University of Southern California since 1994.

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The new agreements follow Professor Forrest's recent move from Princeton University to the University of Michigan, where he is now Vice President for Research and a Professor of Electrical Engineering & Computer Science, Physics, and Materials Science & Engineering. Professor Thompson is Professor and Chair of the Chemistry Department in the College of Letters, Arts and Sciences at the University of Southern California. Patents derived from the research program will continue to be licensed exclusively to Universal Display, with Princeton University managing the patent portfolio on behalf of all three universities.

"These agreements build on the exceptional relationships that we have had for 13 years with Stephen Forrest and Mark Thompson, who have been true pioneers in the OLED field," said Steven V. Abramson, President and Chief Operating Officer of Universal Display. "Our industry-academic collaboration has been extremely productive in generating breakthrough OLED technology, and will serve as a continued cornerstone of the Company's innovation strategy. We are very excited to enter into this next chapter with Professors Forrest and Thompson to continue the development of state-of-the-art OLED technology and to explore broader organic electronics opportunities for the future."

"Universal Display has been instrumental in advancing the state of OLED research through their vision and support," stated Professor Forrest. "Universal Display has built a highly talented team and world-class facilities to take our collaborative research and prepare it for commercialization. I am very pleased to have this opportunity to continue this longstanding relationship with Universal Display and Professor Thompson. Certainly, a 13-year relationship such as this

one, which has been productive through many changes in both business and academic circumstances, is extremely unusual."

"I am very happy to be continuing this outstanding collaboration with Steve Forrest, his research group, and the team at Universal Display," said Professor Thompson. "Together, we have achieved a number of breakthroughs for the OLED field. I believe that the next phase of this research could lead to even more exciting developments."

Past research by Professors Forrest and Thompson has yielded such award-winning OLED innovations as the Company's high-efficiency PHOLED(TM) phosphorescent OLED technology and materials. In addition, they have pioneered OLED materials and device structures for transparent OLEDs, demonstrated the first small-molecule flexible OLED, and are leading authorities in the field of high-efficiency white OLED technology. To date, the Company's relationships with Professors Forrest and Thompson have yielded more than 110 U.S. patents. Their work under the new agreements will continue to focus on advances in these areas, while at the same time supporting their cutting-edge organic electronics research.

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, the University of Michigan and PPG Industries. The Company has 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 license rights in approximately 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 'Risk Factors' in Universal Display Corporation's annual report on Form 10-K for the year ended December 31, 2005. 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.

CONTACTS

Universal Display Corporation
Dean Ledger, 800-599-4426
or
Gregory FCA Communications
Investor contact:
Paul Johnson, 610-642-8253, ext. 115
or

Media contact:
Mike Lizun, 610-642-8253, ext. 113