UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Signs Commercial Agreement with LG.Philips LCD for Supply and Use of PHOLED™ Materials

EWING, N.J. & SEOUL, Korea--(BUSINESS WIRE)--Universal Display Corporation (NASDAQ:PANL), a force behind today's evolving displays and lighting with its phosphorescent OLED technology, announced that the company has entered into an agreement to supply its proprietary PHOLED™ phosphorescent OLED materials and technology to LG.Philips LCD for use in the company's manufacture of commercial active-matrix OLED (AMOLED) display products.

"This new agreement with LG.Philips LCD illustrates the acceptance of our phosphorescent OLED technology and materials by the display industry for thinner, energy-efficient commercial OLED displays."

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Financial terms of the agreement have not been disclosed; however, as is customary with these agreements, Universal Display will recognize commercial chemical sales and license fee revenues from its supply of materials to LG.Philips LCD. The term of the agreement runs through June 30, 2008.

"LG.Philips LCD has long been a leader in LCD display products, and we are excited to be part of their plans for the production of AMOLED display products for the commercial market," said Steven V. Abramson, President and Chief Operating Officer of Universal Display. "This new agreement with LG.Philips LCD illustrates the acceptance of our phosphorescent OLED technology and materials by the display industry for thinner, energy-efficient commercial OLED displays."

LG.Philips LCD is currently focused on introducing small and medium-sized OLED panel applications. The relationship between LG.Philips LCD and Universal Display most recently yielded the world's first high-resolution AMOLED display built on flexible metal foil utilizing Universal Display's proprietary high-efficiency PHOLED and FOLED® flexible technologies.

Universal Display focuses on the research and development of proprietary PHOLED and related OLED technologies, which the Company licenses to major display manufacturers, such as LG.Philips. The Company is also involved in PHOLED material sales, supplying manufacturers with highly-efficient phosphorescent OLED materials.

OLEDs, which emit light through the use of organic materials, have several major benefits compared to LCD technology. They require no backlight and can be much lighter in weight. The technology also enhances displays with wider viewing angles, high contrast, excellent resolution, and quick response. OLEDs are commonly seen as the next-generation component for flat panel displays, and are also highly anticipated as a key technology in the development of flexible displays.

Through the use of Universal Display's proprietary PHOLED materials and technology, OLED displays can be significantly more power efficient than active-matrix LCD (AMLCD) displays and up to four times more efficient than those displays using conventional OLED technology. Using the principles of phosphorescence, it is theoretically possible to convert 100% of the energy in an OLED into light. Higher power efficiency translates into reduced power consumption – an important benefit to end users of today's battery-operated cell phones and other portable devices, as well as tomorrow's large-area TVs. PHOLED materials are also well-suited for use in a variety of manufacturing processes, including vacuum thermal evaporation, and are under development for ink-jet printing.

Over the past few years, Universal Display has announced a series of record-breaking performance milestones for its red, green and blue PHOLED systems. Universal Display's PHOLED materials, manufactured by PPG Industries exclusively for Universal Display, are currently being evaluated and used in commercial production by a number of electronics manufacturers.

About LG.Philips LCD

LG.Philips LCD Co., Ltd (NYSE:LPL, KRX:034220) is a leading manufacturer and supplier of thin-film transistor liquid crystal display (TFT-LCD) panels. The Company manufactures TFT-LCD panels in a wide range of sizes and specifications for use in TVs, monitors, notebook PCs, and various applications. LG.Philips LCD currently operates seven fabrication facilities and four back-end assembly facilities in Korea, China and Poland. In addition, LG.Philips LCD has sales and representative offices in ten countries and has approximately 23,000 employees globally. Please visit http://www.lgphilips-lcd.com for more information.

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 development and commercial relationships with leading electronics manufacturers like LG.Philips LCD. Universal Display currently owns or has exclusive, co-exclusive or sole license rights with respect to over 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.

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