UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation and Chi Mei EL Corporation Sign Commercial Agreement for Supply and Use of PHOLED™ Materials

EWING, N.J. & TAINAN, Taiwan--(BUSINESS WIRE)--Universal Display Corporation (NASDAQ:PANL), the force behind today's evolving displays and lighting with its phosphorescent OLED technology, and Chi Mei EL Corporation (CMEL), formed by Chi Mei Optoelectronics, one of the world's leading TFT-LCD companies, to develop and manufacture OLED displays, announced that they have entered into an agreement for Universal Display to supply proprietary PHOLED™ phosphorescent OLED materials and technology to CMEL for use in CMEL's manufacture of commercial active-matrix OLED (AMOLED) display products.

"We are excited to work with Universal Display Corporation. As our customers are asking us to provide panels with low power consumption and superior picture quality, we believe UDC's PHOLED technology will speed up our progress to achieve these goals and be successful in the AMOLED business"

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CMEL is currently focused on producing small and medium-sized OLED panel applications. 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. 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.

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 this material to CMEL. The term of the agreement runs through December 31, 2008.

"We are excited to work with Universal Display Corporation. As our customers are asking us to provide panels with low power consumption and superior picture quality, we believe UDC's PHOLED technology will speed up our progress to achieve these goals and be successful in the AMOLED business," said Peter Chen, President of Chi Mei EL Corporation.

Steven V. Abramson, President and Chief Operating Officer of Universal Display, stated, "We are pleased to enter into this agreement with Chi Mei EL Corporation for the use of our proprietary PHOLED™ materials and technology in their active-matrix OLED products. As one of the leaders in the development and commercialization of active-matrix OLEDs, CMEL is an important player in this rapidly-growing market. Having developed a strong relationship with CMEL's innovative technical team, we look forward to building a successful long-term commercial relationship with CMEL as they look to bring active-matrix OLED displays to production."

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 Chi Mei EL Corporation (CMEL)

Chi Mei EL Corporation (CMEL), founded by the R&D team at Chi Mei Optoelectronics (CMO) in 2004, is fully devoted to the R&D, design, production, and sales of Organic Electroluminescence Display (OLED) panels. CMEL currently focuses on small and medium-sized OLED panel production, and aims to revolutionize display technology with the development of a large screen OLED television. With the support of the Chi Mei Group, CMEL is driven to continue achieving technology breakthroughs while addressing customer needs. The company has over 210 employees and is fully owned by Chi Mei Optoelectronics. For further information, please visit the company's web site at www.cmel.com.tw.

About Chi Mei Optoelectronics (CMO)

Chi Mei Optoelectronics, headquartered in Taiwan's Tainan Science-based Industrial Park, is the world's leading TFT-LCD company. Its major products include large-size TFT-LCDs for notebook computers, desktop monitors, and TV applications. CMO currently operates 4 plants, which include a 3.5G fab, 4G fab, 5G fab, and a 5.5G fab. CMO currently has 14,000 employees. For further information, please visit the company's website at www.cmo.com.tw.

About Universal Display Corporation

Universal Display Corporation is a world leader in developing and commercializing innovative OLED technologies and materials for use in electronic flat panel displays, lighting, 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 programs and other similar relationships with companies such as Tohoku Pioneer Corporation; Samsung SDI Co.; DuPont Displays, Inc.; Konica Minolta Technology Center, Inc.; Seiko Epson Corporation; Sony Corporation; Toyota Industries Corporation; Nippon Steel Chemical Company; Mitsubishi Chemical Company and Idemitsu Kosan Co. Ltd. Universal Display currently owns or has exclusive or sole rights in more than 750 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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